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Congressional Record

PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Wednesday, February 22, 1978*

NOTICE

Effective Wednesday, March 1, 1978, the Laws and Rules for Publication of the **Congressional Record** will be amended to identify statements or insertions in the **Record** where **no part of them was spoken.** Unspoken material will be preceded and followed by a "bullet" symbol, i.e., •.

Since procedures in the House and Senate differ, variations of the Laws and Rules for Publication for each body are as follows:

1. **HOUSE AND SENATE FLOOR PROCEEDINGS**

(a) When, upon unanimous consent or by motion, a prepared statement is ordered to be printed in the **Record** and **no part** of it is spoken, the entire statement will be "bulleted."

(b) If a Member verbally delivers the **first portion** of the statement (such as the first sentence or paragraph), then the entire statement will appear **without** the "bullet" symbol.

(c) Extemporaneous speeches supplemented by prepared statements **will not** be "bulleted."

2. **SENATE ONLY**

(a) **Additional Statements.** All **unspoken** prepared statements submitted for printing in the **Record will be** "bulleted"; and

(b) If the statement is **not germane** to the pending or unfinished business before the Senate, it will be printed in the **Record** under the heading of "Additional Statements";

(c) If, however, the unspoken prepared statement **is germane** to the pending or unfinished business, it will be printed in the **Record** as part of the debate on the matter being considered.

(d) **Routine Morning Business. Unspoken** prepared statements submitted with the introduction of legislation, notices of hearings, or any other "first person" statement **not spoken** will be printed in the **Record** with the "bullet" symbol and will appear in the **Record** at the appropriate place during Routine Morning Business.

3. **HOUSE ONLY**

(a) **One-Minute Speeches and Special Orders.** If **no portion** of such statements is spoken by the Member, the entire statement **will** be "bulleted."

(b) **Extensions of Remarks.** All statements **not spoken** by the Member will be "bulleted." If, however, a portion of a statement **is delivered verbally** by the Member, revised, but **not** received by GPO in time to appear in the **Record** for that day, it will be printed **without** the "bullet" symbol in a subsequent issue of the **Record** under "Extensions of Remarks."

By order of the Joint Committee on Printing.

FRANK THOMPSON, JR., Acting Chairman.

The House met at 3 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let us pray the prayer that George Washington offered for his country.

Almighty God, we make our earnest prayer that Thou wilt keep the United States in Thy holy protection, that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government and entertain a brotherly affection and love for one another and for their fellow citizens of the United States at large.

And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with that charity, humility, and pacific temper of mind which were the characteristics of the Divine Author of our blessed religion, and without a humble imitation of whose example in these things, we can never hope to be a happy nation. Grant our supposition, we beseech Thee, through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

HOUSE RESOLUTION 1036, RELATING TO OFFICIAL PICTURES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 1036) relating to the taking of official pictures of the House while in actual session for inclusion in the new edition of "We the People," and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 1036

Resolved, That at a time designated by the Speaker, the United States Capitol Historical Society shall be permitted to take official pictures of the House while in actual session for inclusion in the new edition of "We the People". The pictures shall also be available for legitimate nonprofit news and educational purposes.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make a special announcement.

Pursuant to the provisions of House Resolution 1036, the Chair desires to inform Members that the official picture of the House while in session will be taken immediately after the approval of the Journal when the House convenes on Wednesday, March 1, 1978.

"BULLETING" OF UNSPOKEN REMARKS IN THE CONGRESSIONAL RECORD

(Mr. STEIGER asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. STEIGER. Mr. Speaker, I have mixed feelings about the impending "bulleting" of some unspoken remarks in the CONGRESSIONAL RECORD. The action is a good first step, but it is only a first step.

The Joint Committee on Printing and the leadership of both the House and Senate are to be commended for making this breakthrough. We have come a long way since the House defeated, by voice vote, my proposed amendment to the Legislative Reorganization Act of 1970 calling for clearly distinguishing unspoken remarks in the RECORD.

It remains my firm conviction, though, that all unspoken remarks should be set off from what is actually said on the floor. Bulleting of wholly inserted statements is excellent, but we have not gone far enough when a Member can, by speaking as little as one sentence, make two pages of inserted material appear to have been delivered. This should not be permitted.

Beginning March 1, readers of the CONGRESSIONAL RECORD will for the first time be able to discern to some extent which statements in the RECORD were and were not said. I am confident this will prove relatively painless to all of us and will not lengthen our debate, as some have feared.

Having accomplished this, my strong hope is that we will next go the extent of my legislation, House Resolution 284; namely the bulleting of all remarks not actually delivered. As you know, there is strong bipartisan support for this proposal, with more than a third of the House cosponsoring it. I suggest that the next logical step is to implement this commendable change to the full extent of my proposal beginning in the 96th Congress.

DEBT-RIDDEN PANAMA AND THE CANAL

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, a consituent of mine, Mr. Wayne Wuertz of Coolidge, Ariz., called my office this morning to remind me of Panama's debt-ridden status, and that country's complete inability to manage or operate the Panama Canal.

I would like to share this insight with my colleagues.

Panama's national debt, most of it held by foreign banks, is currently $1.8 billion. At the World Bank rate of 8 percent, annual interest on Panama's national debt is $144 million a year—almost 1½ times the amount of all tolls taken in by the Panama Canal.

In 1976, 13,201 ships passed through the canal, paying an average toll of $7,515. Total canal tolls in 1976 were $99.2 million. The Panama Canal is currently operated on a nonprofit basis for all users by the U.S. Panama Canal Company.

Mr. Speaker, current tolls do not even begin to match the annual interest on Panama's national debt, which consumes about 40 percent of Panama's entire national budget each year. Canal tolls would have to be increased a minimum of 50 percent just to cover what Panama owes in interest each year to its many creditors.

I suggest that Panama's debt-ridden status makes that country incompetent to take over control and operation of the vital Panama Canal.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 22, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:10 p.m. on Wednesday, February 22, 1978, and said to contain a message from the President wherein he transmits an extension of the Comprehensive Employment and Training Act through 1982.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT THROUGH 1982—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–293)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

I am submitting today legislation to extend an improved Comprehensive Employment and Training Act through 1982.

This legislation is an essential complement to the balanced economic program I presented to the Congress last month. While our tax and budget proposals ensure that steady growth continues without inflation, the CETA legislation I am proposing today will make sure that more of our people share in the benefits of growth. With its training programs and direct job creation, this legislation is critical to reaching our employment goals.

In Fiscal Year 1979 we expect to spend $11.4 billion in this effort, providing jobs and training support for more than 4 million people under the CETA program.

This legislation will combine public and private efforts to attack the problem of *structural* unemployment, which affects groups, such as minorities and young people, who have difficulty finding work even when over-all economic prospects are good. Last year, for example, our employment situations improved markedly; 4.1 million more people held jobs at the end of 1977 than at the end of 1976, and the unemployment rate fell by 1.4 percent. But even while unemployment was falling to 4 percent among white males above the age of 20, it was rising—from 35 to 38 percent—among black teenagers.

The Comprehensive Employment and Training Act will enable us to concentrate on these groups that suffer structural problems, without putting inflationary pressures on the rest of the economy. Its major elements are:

—Public service jobs for the unemployed. In the last year, we have more than doubled the size of this program, increasing it from about 300,000 jobs to 725,000.

—The broad range of youth programs authorized by the Youth Employment and Demonstration Projects Act of 1977. Spending for youth programs has increased from about $660 million in Fiscal Year 1976 to about $2.3 billion in Fiscal Year 1979.

—The Administration's new Private Sector Initiative, which will provide opportunity for the private and public sectors to work together to provide jobs and training for the unemployed and disadvantaged.

—Other important related programs, such as the Job Corps, welfare reform demonstration projects, and the Federal government's job training efforts.

These CETA programs have already played a role in reducing the unemployment rate from 7.8 percent to 6.3 percent in the last 13 months.

The bill I am submitting today, which will reauthorize the Comprehensive Employment and Training Act for an additional 4 years, from 1979 to 1982, will sustain the current programs, establish the foundation for future growth, and improve the operation of the CETA system.

A countercyclical program under Title VI, will maintain the 725,000 public service employment slots that were part of my stimulus program through Fiscal 1979. We are rapidly approaching the 700,000 mark in that effort, and I fully expect that the 725,000 goal will be reached in the month of March.

Also, I am recommending to the Congress that we adopt a trigger formula, beginning in 1980, to insure that countercyclical public service employment is activate quickly when needed and is reduced as unemployment declines.

When the unemployment rate falls below four and three-quarters percent, the triggering formula will reduce the number of slots to 100,000, targeted on areas that still have high unemployment. For

each half percentage point that unemployment exceeds that 4.75 percent level, 100,000 public service employment positions will be added in Title VI.

Recent evidence indicates the effectiveness of countercyclical public service employment. Just last week, the National Commission on Manpower Policy released a study done by the Brookings Institution showing that the substitution problem, which limits the usefulness of public service employment when Federal dollars are used to replace local funds, is not as serious as had previously been feared.

To reduce substitution, I am encouraging the use of a special project approach which, according to recent evidence, has been successful in meeting this problem.

I am also proposing strict limits on the use of these funds to support higher-wage public employment.

This new bill takes further steps to target jobs on those most in need and sharply limit substitution.

In order to target more effectively, I am recommending that funds given out under the CETA system be used only for the economically disadvantaged—defined as those whose family income is no greater than 70 percent of the Bureau of Labor Statistics' lower-income family budget standard. I am also recommending that young people whose parents claimed them as income tax deductions in the previous year include their parents' income in establishing their eligibility for the current year.

This year, I propose that we demonstrate the jobs component of my welfare reform proposal by creating 50,000 positions in selected cities. Beginning in Fiscal 1980, with the passage of the welfare reform bill, we will increase the structural unemployment program until it can accommodate the 1.4 million people I anticipate will be served in the welfare reform plan. That should ensure that, for every family containing children and parents who want to work, there will be a job. Most families containing an employable person will see their income rise substantially above the poverty line.

The purpose of the Public Service Employment program will remain what it has been—to provide *useful* jobs. For example:

—Major parks in urban centers, such as Boston, that were once abandoned to overgrowth and vandalism have been reclaimed for the enjoyment of the public.

—In North Carolina, elderly people are being cared for, in their homes, by public service employment workers, rather than being forced to leave home and spend their last years in expensive, sometimes impersonal nursing homes.

—In Portland, Oregon, CETA workers install locks, window grates and other security devices in the homes of senior citizens and low-income families living in high-crime areas.

—In Memphis, workers are building ramps for the handicapped in five areas of the city used heavily by the handicapped and elderly.

—In Humboldt County, California, CETA workers help to staff day care centers serving low-income families. In Worthington, Minnesota, workers are providing home insulation and energy conservation assistance to low-income households in a four-county area.

As the economy improves, employment and training programs should shift their emphasis from creating jobs in the public sector to providing training and finding jobs in the private sector.

To help place CETA participants in private-sector jobs, to provide an opportunity for cooperation between the local CETA programs and the private sector, and to tap the goodwill and commitment of private-sector businessmen, large and small, as well as labor leaders, I am asking Congress for authority to establish a new Private Sector Employment Initiative, under a new Title VII. In the budget, I have set aside $400 million for this activity in 1979.

Private Industry Councils—made up of representatives of large and small businesses and union organizations—will be responsible for developing on-the-job training and other placement opportunities with private firms for young workers and other participants in the CETA system.

The CETA legislation that I am presenting today provides Congress with a plan for a rational, efficient, and targeted structural and countercyclical employment program.

We need an employment and training system which is administratively clear, that helps those most in need, that creates needed jobs and provides maximum opportunity for cooperation between the public and private sectors. To reach the goal of full employment, and price stability which we have set in the Humphrey-Hawkins bill, we must make these programs work. The legislation I am sending to Congress today can provide a framework within which we can all work together to achieve that commitment.

JIMMY CARTER.

THE WHITE HOUSE, *February 22, 1978.*

CALL OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 69]

Andrews, N.C.	Burke, Fla.	Dent
Archer	Burton, Phillip	Diggs
Armstrong	Byron	Dingell
Ashbrook	Clay	Drinan
Badham	Cochran	Eckhardt
Beilenson	Collins, Ill.	Edwards, Okla.
Breckinridge	Conyers	Ertel
Brown, Calif.	Davis	Florio
Brown, Ohio	Dellums	Flowers
Ford, Mich.	Leggett	Scheuer
Garcia	McDonald	Shipley
Gibbons	McKinney	Steed
Hanley	Marriott	Teague
Hansen	Mathis	Treen
Harsha	Meeds	Tucker
Heckler	Miller, Calif.	Udall
Holtzman	Mineta	Wiggins
Jenkins	Patten	Wilson, C. H.
Jenrette	Pepper	
Krueger	Pike	

The SPEAKER. On this rollcall 376 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RESIGNATION AS MEMBER OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER laid before the House the following resignation as a member of the Committee on Post Office and Civil Service:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 22, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: With my appointment to the Committee on Interior and Insular Affairs, I hereby tender my resignation to the Committee on Post Office and Civil Service.

Respectfully,

JAMES J. HOWARD,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO STANDING COMMITTEES

Mr. FOLEY. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 1037) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1037

Resolution designating membership on certain standing committees of the House

Resolved, That the following-named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Agriculture: Ted Risenhoover, Oklahoma.

Committee on Armed Services: John B. Breckinridge, Kentucky; Bob Stump, Arizona.

Committee on Banking, Finance and Urban Affairs: Robert Garcia, New York.

Committee on Interior and Insular Affairs: James J. Howard, New Jersey.

Committee on Post Office and Civil Service: Robert Garcia, New York, to rank number 15 thereon.

Committee on Small Business: Billy Lee Evans, Georgia.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3816, FEDERAL TRADE COMMISSION AMENDMENTS OF 1977

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 3816) to amend the Fed-

eral Trade Commission Act to expedite the enforcement of Federal Trade Commission cease and desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95-892)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3816) to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease and desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Trade Commission Amendments of 1978".

PERSONNEL

SEC. 2. (a)(1) The first section of the Federal Trade Commission Act (15 U.S.C. 41) is amended—

(A) in the first sentence thereof, by inserting "(a)(1)" after "That";

(B) by inserting "(b)" before the second paragraph;

(C) in subsection (a)(1) thereof, as so designated in subparagraph (A)—

(i) by inserting after the first sentence thereof the following new sentences: "The President shall nominate persons for the Commission who by reason of training, education, or experience are qualified to carry out the functions of the Commission under this Act. In nominating persons for the Commission, the President shall insure that Commission membership is well balanced, with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of the Commission.";

(ii) by striking out "The Commission shall choose" and all that follow through "membership," and inserting in lieu thereof the following new sentences: "The President shall appoint one of the Commissioners as the Chairman of the Commission. The Chairman shall serve as Chairman at the pleasure of the President.";

(iii) by inserting "profession," after "vocation,"; and

(iv) by inserting after "or malfeasance in office." the following new sentence: "Once appointed, a Commissioner may serve until the conclusion of his term of office without regard to the provisions of section 8335 of title 5, United States Code."; and

(D) in subsection (a) thereof, as so designated in subparagraph (A), by adding at the end thereof the following new paragraph:

"(2) No person who is appointed to a term as a Commissioner after the date of the enactment of the Federal Trade Commission Amendments of 1978, no employee of the Commission classified as a GS-16 or higher, and no employee appointed to any position by the Commission under section 2(c) shall, for a period of one year beginning on the last day of service as such Commissioner or employee—

"(A) make any appearance before; or

"(B) make any written or oral communication to;

the Commission, or any Commissioner or employee, on behalf of any person (other than the United States) on any particular matter which is before the Commission, except that the restriction established in this paragraph shall not apply to any matter of an exclusively personal and individual nature.".

(2) The amendment made in paragraph (1)(D) shall apply to employees of the Commission specified in that amendment beginning on and after the first day of the 13th complete calendar month occurring after the date of the enactment of this Act.

(b) Section 2 of the Federal Trade Commission Act (15 U.S.C. 42) is amended—

(1) by striking out "SEC. 2. That each" and inserting in lieu thereof "SEC. 2. (a) Each";

(2) by inserting, respectively, "(b)", "(e)", "(f)", and "(g)" before the second, third, fourth, and fifth paragraphs thereof; and

(3) by inserting after subsection (b) thereof, as so designated in paragraph (2), the following new subsections;

"(c) In addition to the other authority conferred by this section, the Commission is authorized to establish, assign the duties, and fix the compensation for not more than 25 attorney, economist, special expert, and outside counsel positions. Individuals may be appointed to such positions by the Commission without regard to the provisions of title 5, United States Code, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that such individuals shall be paid at rates not in excess of the maximum rate of basic pay then currently paid for GS-18, but not less than the minimum rate of basic pay then currently paid for GS-16, of the General Schedule under section 5332 of such title.

"(d) The appointment or removal of any officer (other than a Commissioner or the general counsel of the Commission) or employee of the Commission shall not be subject, directly or indirectly, to review or approval by any officer or entity within the Executive Office of the President.".

APPLICATION OF ACT TO SAVINGS AND LOAN INSTITUTIONS

SEC. 3. (a) Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f)(3),".

(b)(1) Section 6(a) of the Federal Trade Commission Act (15 U.S.C. 46(a) is amended by inserting after "banks" the following: ", savings and loan institutions described in section 18(f)(3),".

(2) Section 6(b) of the Federal Trade Commission Act (15 U.S.C. 46(b)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f)(3),".

(3) The proviso at the end of section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(A) by inserting after "banks" the following: ", savings and loan institutions described in section 18(f)(3),"; and

(B) by inserting ", in business as a savings and loan institution," after "banking".

(c)(1) Section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) in the first sentence thereof—

(i) by inserting "or savings and loan institutions described in paragraph (3)" after "banks" each place it appears therein; and

(ii) by inserting "or (3)" after "(2)";

(B) in the second sentence thereof, by inserting after "System" the following: "(with respect to banks) and the Federal Home Loan Bank Board (with respect to savings and loan institutions described in paragraph (3))"; and

(C) in the last sentence thereof—

(i) by inserting "each" before "such Board" the first place it appears therein;

(ii) by striking out "such Board finds that (A)" and inserting in lieu thereof "(A) either such Board finds that";

(iii) by inserting "or savings and loan institutions described in paragraph (3), as the case may be," after "banks" the first place it appears therein;

(iv) by inserting after "or (B)" the following: "the Board of Governors of the Federal Reserve System finds"; and

(v) by striking out "the Board" and inserting in lieu thereof "such Board".

(2) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (3), (4), and (5) thereof as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) thereof the following new paragraph:

"(3) Compliance with regulations prescribed under this subsection shall be enforced under section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) with respect to Federal savings and loan associations, section 407 of the National Housing Act (12 U.S.C. 1730) with respect to insured institutions, and sections 6(i) and 17 of the Federal Home Loan Bank Act (12 U.S.C. 1426(i), 1437) with respect to savings and loan institutions which are members of a Federal Home Loan Bank, by a division of consumer affairs to be established by the Federal Home Loan Bank Board pursuant to the Federal Home Bank Act.".

REVIEW OF CEASE AND DESIST ORDERS

SEC. 4. (a) The first sentence of section 5(c) of the Federal Trade Commission Act (15 U.S.C. 45(c)) is amended to read as follows: "Any person, partnership, or corporation required by an order of the Commission to cease and desist from using any method of competition or any act or practice may obtain a review of such order in the court of appeals of the United States for the circuit within which such person, partnership, or corporation resides or maintains its principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in the court within 60 days after the date of the service of such order, a written petition praying that the order of the Commission be set aside.".

(b) The amendment made in subsection (a) shall apply only with respect to petitions for judicial review of cease and desist orders served under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) after the date of the enactment of this Act.

EFFECTIVE DATE OF CEASE AND DESIST ORDERS

SEC. 5. (a)(1) Section 5(g) of the Federal Trade Commission Act (15 U.S.C. 45(g)) is amended to read as follows:

"(g)(1) For purposes of this Act (other than section 19(d)), an order of the Commission to cease and desist shall become final upon the expiration of 60 days after such order is served, except as provided in subsections (h), (i), and (j). After an order has become final the Commission may modify it or set it aside as provided in the last sentence of subsection (b). Any such order may be stayed in whole or in part, subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if a petition for review of such order is pending in such court and if an application for such a stay was previously submitted to the Commission and the Commission, within the 30-day period beginning on the date the application was received by the Commission, did not grant the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending.

"(2) For purposes of section 19(d), such an order shall become final—

"(A) upon the expiration of 60 days after such order is served if no petition for its review is filed in accordance with subsection (c); or

"(B) if such a petition is so filed—

"(i) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review dismissed by a court of appeals of the United States and no petition for certiorari has been duly filed;

"(ii) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review dismissed by a court of appeals of the United States; or

"(iii) upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review dismissed.".

(2) Section 19(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b(c)(1)) is amended by striking out "by reason of section 5(g)(1)" and inserting in lieu thereof "under section 5(g)(1) and no petition for its review was filed in accordance with section 5(c)".

(b) The amendments made in subsection (a) shall apply only with respect to cease and desist orders of the Federal Trade Commission served under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) after the date of the enactment of this Act.

ENFORCEMENT OF SUBPOENAS AND ORDERS

SEC. 6. (a)(1) Section 10 of the Federal Trade Commission Act (15 U.S.C. 50) is amended—

(A) by striking out "SEC. 10. That any" and inserting in lieu thereof "SEC. 10. (a) Any";

(B) by inserting, respectively, "(b)", "(c)(1)", and "(f)" before the second, third, and fourth paragraphs;

(C) by striking out the first two sentences of subsection (c)(1), as so designated in subparagraph (B), and inserting in lieu thereof the following: "Except as provided in paragraph (2), if any person, partnership, or corporation fails to comply with any subpoena or order (other than a cease and desist order) issued by the Commission under this Act and if such failure continues for 30 days after service on such person, partnership, or corporation of a notice of such default, such person, partnership, or corporation shall be liable to the United States for a civil penalty of not more than $5,000, as the court may determine, for each day that such failure continues after such 30th day. Such a civil penalty shall be recoverable in a civil suit, by and in the name of the Commission by any of its attorneys designated by it for such purposes, brought in a district court of the United States. If such a civil action is brought against one person, partnership, or corporation, it shall be brought in the district court of the United States within the jurisdiction of which such person, partnership, or corporation resides or transacts business. If such a civil action is brought against two or more persons, partnerships, or corporations, such civil action may be brought in any district court of the United States for a district within which the inquiry of the Commission is being carried on. In determining the amount of such a civil penalty, the court shall take into account the reasonableness and good faith of any action or inaction of such person, partnership, or corporation with respect to which such penalty is being assessed, and such other matters as justice may require. The amount of such civil penalty shall be payable into the Treasury of the United States."; and

(D) by inserting after subsection (c)(1), as so designated in subparagraph (B), the following:

"(2) Any person, partnership, or corporation which has been served with a notice of default issued by the Commission with respect to any subpoena or order referred to in paragraph (1) may apply to an appropriate district court of the United States requesting a stay of the accumulation of penalties under such paragraph for the default with respect to which such notice was served. If, before the expiration of 15 days after such persons, partnership, or corporation is served with such notice, such person, partnership, or corporation—

"(A) makes such application; and

"(B) furnishes the court to which such application is made such records, documents, and other materials as may be required for the disposition of the application;

such person, partnership, or corporation shall, notwithstanding paragraph (1), not be liable for such penalties until the expiration of 45 days after service of such notice.

"(d) No court shall have jurisdiction over any action or claim seeking—

"(A) to stay the accumulation of any penalties authorized in subsection (c)(1) for failure to comply with any subpoena or order referred to in such subsection; or

"(B) to challenge the validity of, or enjoin the enforcement of, any such subpoena or order;

unless the action is brought or the claim is made by a person, partnership, or corporation, or by a member of a joint venture, and a notice of default respecting such subpoena or order has been served upon such person, partnership, corporation, or joint venture.

"(e) No court shall stay the accumulation of penalties for failure to comply with any part of any subpoena or order referred to in subsection (c)(1) unless the party seeking such stay demonstrates that the applicable standards for such stays are satisfied as to such part.".

(2) The amendments made in paragraph (1) shall apply only with respect to failures to comply with a subpoena or order referred to in section 10(c)(1) of the Federal Trade Commission Act (as so designated in paragraph (1)(B)) and issued after the date of the enactment of this Act.

(b) Section 16(a)(2)(D) of the Federal Trade Commission Act (15 U.S.C. 56(a)(2)(D)) is amended to read as follows:

"(D) relating to the enforceability or validity of a subpoena or order (other than a cease and desist order) issued by the Commission;".

(c)(1) Section 9 of the Federal Trade Commission Act (15 U.S.C. 49) is amended—

(A) by striking out "SEC. 9. That for" and inserting in lieu thereof "SEC. 9. (a) For";

(B) by inserting, respectively, "(b)", "(d)", and "(e)" before the second, fifth, and sixth paragraphs; and

(C) by striking out the third and fourth paragraphs and inserting in lieu thereof the following new subsection:

"(c) In case of failure to comply with any provision of a subpoena or of an order (other than a cease and desist order) issued pursuant to this Act, the Commission may invoke the aid of a court of the United States in requiring compliance with such subpoena or order. Any of the district courts of the United States within the jurisdiction of which the inquiry of the Commission is being carried on may, in the case of such refusal to obey, issue an order requiring compliance with such subpoena or order, and any failure to obey such order of the court may be punished by such court as a contempt thereof.".

(2) Section 9(b) of the Federal Trade Commission Act, as so designated in paragraph (1)(B), is amended by striking out the second sentence thereof.

GRANTING OF EQUITABLE RELIEF

SEC. 7. (a) Section 13 of the Federal Trade Commission Act (15 U.S.C. 53) is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) the following new subsection

"(c)(1) The Commission by any of its attorneys designated by it for such purpose may bring a suit in a district court of the United States for the granting of such equitable relief (other than injunctive relief under subsection (a) or (b)) as the court considers appropriate. Such suit may be brought by the Commission only—

"(A) when the Commission has issued a complaint alleging that a person, partnership, or corporation is engaged or is engaging in unfair or deceptive acts or practices in violation of section 5; and

"(B) when the Commission, by majority vote, has reason to believe that such person, partnership, or corporation—

"(i) has transferred or is about to transfer its assets without fair consideration; or

"(ii) otherwise has wasted or is about to waste its assets;

so that such equitable relief is necessary to preserve the assets of such person, partnership, or corporation to make restitution or provide such other consumer redress as may be required by a court in an action under section 19.

"(2) A court shall have authority to grant the Commission equitable relief as specified in paragraph (1) only after notice to the defendant and upon a proper showing by the Commission that—

"(A) the Commission has a likelihood of ultimate success on its complaint against the defendant;

"(B) the Commission has a likelihood of ultimate success, in an action for restitution or other consumer redress under section 19 against the defendant, of satisfying the court that the act or practice involved is one which a reasonable man would have known under the circumstances was dishonest or fraudulent;

"(C) such person, partnership, or corporation—

"(i) has transferred or is about to transfer its assets without fair consideration; or

"(ii) otherwise has wasted or is about to waste its assets;

so that such equitable relief is necessary to preserve the assets of the defendant to make restitution or provide such other consumer redress as may be required in a court in an action under section 19; and

"(D) weighing the equities, such relief would be in the public interest.

In fashioning such equitable relief, the court shall grant the relief that imposes no greater burden on the defendant than is necessary to accomplish the preservation of the defendant's assets.

"(3) Any action brought for equitable relief under this subsection shall be brought in the district court of the United States for the district in which the person, partnership, or corporation involved resides or transacts business.

"(4) Any equitable relief granted may remain in effect until the date the Commission dismisses the complaint, the date the order is set aside by a court on review, or the date the order of the Commission has become final for purposes of section 19(d), whichever first occurs.".

(b) Section 16(a)(2)(A) of the Federal Trade Commission Act (15 U.S.C. 56(a)(2)(A)) is amended by adding "or other equitable" after "injunctive".

(c) The first sentence of section 19(b) of the Federal Trade Commission Act (15 U.S.C. 57(b)) is amended by inserting after "as

the case may be" the following: ", and, pending disposition of such action, to preserve the assets of a person, partnership, or corporation which may be required in such action to make restitution or provide other consumer redress".

CITIZEN PETITIONS FOR RULEMAKING

SEC. 8. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) If the Commission receives a petition for the issuance, amendment, or repeal of a rule described in subsection (a)(1)(B) of this section, the Commission shall either grant or deny the petition within 120 days after the date the petition is received by the Commission. If the Commission grants such a petition, it shall, as soon as is practicable after the date the petition is granted, commence a proceeding under this section as requested by the petition. If the Commission denies such a petition, it shall notify the petitioner of the denial and the reasons therefor and shall publish such reasons in the Federal Register.".

STATEMENT OF BASIS AND PURPOSE

SEC. 9. The last sentence of section 18(e)(5)(C) of the Federal Trade Commission Act (15 U.S.C. 57a(e)(5)(C)) is amended to read as follows: "In the review under this subsection of such a rule, the court may not review the contents and adequacy of any statement of basis and purpose required by subsection (b)(4) except as part of a review of the rulemaking record taken as a whole.".

CONGRESSIONAL REVIEW OF RULES

SEC. 10. (a)(1) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended (1) by redesignating sections 20 and 21 thereof as sections 21 and 22, respectively; and (2) by inserting after section 19 thereof the following new section:

"SEC. 20. (a) As used in this section—

"(1) the term 'rule' means—

"(A) any trade regulation rule prescribed by the Commission under section 6(g); and

"(B) any rule prescribed by the Commission pursuant to section 18(a)(1)(B); and

"(2) the term 'rulemaking record' has the meaning given it in section 18(e)(1)(B).

"(b) The Commission shall, after promulgating a final rule, submit such rule to each House of the Congress at the time such rule is published in the Federal Register. Such rule shall be referred to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives, respectively. Any such rule shall not take effect before the close of the period of 30 calendar days following such publication in the Federal Register.

"(c)(1) To the extent practicable and appropriate, the Chairman of the Commission shall submit with each rule submitted to each House of the Congress under this section—

"(A) a paperwork impact analysis, for such rule, containing—

"(i) an estimate of the numbers of, and a description of the classes of, persons who would be required to file reports, maintain records, and fulfill any of the information-gathering requirements under such rule;

"(ii) an estimate of the nature and amount of the information required to be filed in such reports, the frequency of such reports, the nature and number of records that would have to be kept by such persons, and the amount of time such persons would require, and the costs which would be incurred, to keep such records and make such reports; and

"(iii) a description of steps being taken by the Commission to insure that there is no unnecessary duplication in recordkeeping and report filing resulting from the issuance of such rule;

"(B) a judicial impact analysis showing the probable consequences of such rule on the operation, workload, and efficiency of the Federal courts, including an analysis of the cost impact on and benefits to court administration, changes in judicial procedure, effects on jurisdiction, and demands on court personnel; and

"(C) such other explanatory and supporting statements and materials as the Commission determines necessary and appropriate for congressional consideration of such rule.

"(2)(A) Except as provided in subparagraph (B), no material submitted to the Congress by the Chairman of the Commission under this subsection shall be subject to any judicial review, including any judicial review to determine whether such material is sufficient to comply with the requirements of this subsection. In the event the Commission finds that it is impractical or inappropriate to submit the information required under subparagraphs (A) and (B) of paragraph (1), the Commission shall submit a statement as to why it cannot so comply.

"(B) If any material submitted to the Congress by the Chairman of the Commission under this subsection also is included in any rulemaking record of the Commission, any determination regarding whether such material is subject to judicial review in connection with any review of such rulemaking record shall not be affected by the submission of such material to the Congress under this subsection.

"(d) The Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives shall, in the exercise of their oversight responsibilities, examine, study, and take other appropriate action with respect to any rule submitted to the Congress under this section and referred to such committees.".

(2) The amendment made in paragraph (1) shall apply to any rule of the Federal Trade Commission which has not become final before the date of the enactment of this Act.

(b)(1) For purposes of this subsection—

(A) the term "Commission" means the Federal Trade Commission;

(B) the term "rule" means—

(i) any trade regulation rule prescribed by the Commission under section 6(g) of the Federal Trade Commission Act (15 U.S.C. 46(g)); and

(ii) any rule prescribed by the Commission pursuant to section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)); and

(C) the term "rulemaking record" has the meaning given it in section 18(e)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(e)(1)(B)).

(2) Within 18 months after the date of the enactment of this Act, the Commission shall conduct a study of all the rules which the Commission has issued and which are in effect on the date of the enactment of this Act. At the end of such 18-month period, the Chairman of the Commission shall submit a report to the Congress which shall, to the extent practicable and appropriate—

(A) recommend the deletion of particular rules and portions of rules, including reasons for such recommendation; and

(B) recommend the initiation of appropriate rulemaking proceedings under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) to make changes or modifications in particular rules or portions of rules.

(3) In any case in which the Commission proposes to delete any rule or portion of a rule during the 18-month period specified in paragraph (2), the Commission shall notify each House of the Congress of such proposal at the time such proposal is published in the Federal Register.

(4)(A) To the extent practicable and appropriate, the Chairman of the Commission shall include in the report submitted to the Congress under this subsection, for each rule which the Commission has issued and which is in effect on the date of the enactment of this Act—

(i) an economic impact analysis which takes into account, for such rule, the cost impact on and benefits to consumers and affected businessess (with particular attention to small businesses);

(ii) a paperwork impact analysis containing—

(I) an estimate of the numbers of, and a description of the classes of, persons who are required to file reports, maintain records, and fulfill any of the information-gathering requirements under such rule;

(II) an estimate of the nature and amount of the information required to be filed in such reports, the frequency of such reports, the nature and number of records that are kept by such persons, and the amount of time such persons would require, and the costs which would be incurred, to keep such records and make such reports; and

(III) a description of steps being taken by the Commission to insure that there is no unnecessary duplication in recordkeeping and report filing resulting from such rule;

(iii) a judicial impact analysis showing the effect of such rule on the operation, workload, and efficiency of the Federal courts, including an analysis of the cost impact on and benefits to court administration, changes in judicial procedure, effects on jurisdiction, and demands on court personnel; and

(iv) such other explanatory and supporting statements and materials as the Commission determines necessary and appropriate for congressional consideration of such report.

(B)(i) Except as provided in clause (ii), no material submitted to the Congress by the Chairman of the Commission under this paragraph shall be subject to any judicial review, including any judicial review to determine whether such material is sufficient to comply with the requirements of this paragraph. In the event the Chairman of the Commission finds that it is impractical or inappropriate to submit the information required under clauses (i) through (iii) of subparagraph (A), the Chairman of the Commission shall submit a statement as to why he cannot so comply.

(ii) If any material submitted to the Congress by the Chairman of the Commission under this paragraph also is included in any rulemaking record of the Commission, any determination regarding whether such material is subject to judicial review in connection with any review of such rulemaking record shall not be affected by the submission of such material to the Congress under this paragraph.

(5) The Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives shall, in the exercise of their oversight responsibilities, examine, study, and take other appropriate action with respect to the report submitted to the Congress under this subsection and referred to such committees.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. Section 21 of the Federal Trade Commission Act, as so redesignated in section 10(a)(1), is amended—

(1) by striking out "and" after "1976;"; and

(2) by striking out "1977. For fiscal years ending after 1977, there may be appropriated to carry out such functions, powers, and duties, only such sums as the Congress may hereafter authorize by law." and inserting in lieu thereof "1977; not to exceed $65,000,000 for the fiscal year ending on September 30, 1978; not to exceed $70,000,000 for the fiscal year ending on September 30, 1979; not to exceed $75,000,000 for the fiscal year ending on September 30, 1980; and not to exceed $80,000,000 for the fiscal year ending on September 30, 1981.".

TECHNICAL AND MISCELLANEOUS AMENDMENTS

SEC. 12. (a)(1) Section 5(m)(1)(A) and section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(A); 45(m)(1)(B)) are each amended by adding at the end thereof the following new sentence: "In such actions, the district courts of the United States are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate.".

(2) Section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended by inserting after paragraph (h) the following new paragraph:

"(i) To accept gifts and voluntary and uncompensated services, notwithstanding the provisions of section 3679 of the Revised Statutes (31 U.S.C. 665(b)).".

(3)(A) Section 9(a) of the Federal Trade Commission Act, as so designated, and as amended, in section 6(c)(1)(A), is amended—

(i) by inserting after "For the purposes of this Act" the following: ", or any other provision of law enforced by the Commission,"; and

(ii) by inserting "or other physical" after "documentary" each place it appears therein.

(B) Section 9(b) of the Federal Trade Commission Act, as so designated in section 6(c)(1)(B) and as amended in section 6(c)(2), is amended by inserting "or other physical" after "documentary".

(C) The last sentence of section 9(d) of the Federal Trade Commission Act, as so designated in section 6(c)(1)(B), is amended by inserting "or other physical" after "documentary" each place it appears therein.

(D) The fourth sentence of section 5(b) of the Federal Trade Commission Act (15 U.S.C. 45(b)) and the third sentence of section 9(d) of such Act, as so designated in section 6(c)(1)(B), are amended by inserting after "writing" the following: ", or shall be recorded through the use of any electronic or mechanical recording device,".

(4)(A) Section 19(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57b(a)(1)) is amended to read as follows:

"(a)(1) If any person, partnership, or corporation violates—

"(A) any rule under this Act respecting unfair or deceptive acts or practices (other than an interpretive rule, or a rule violation of which the Commission has provided is not an unfair or deceptive act or practice in violation of section 5(a)); or

"(B) any final cease and desist order issued by the Commission which is applicable to such person, partnership, or corporation;

then the Commission may commence a civil action against such person, partnership, or corporation for relief under subsection (b) in a district court of the United States or in any court of competent jurisdiction of a State.".

(B) Section 19(d) of the Federal Trade Commission Act (15 U.S.C. 57b(d)) is amended—

(i) by striking out "subsection (a)(1)" and inserting in lieu thereof "subsection (a)(1)(A)";

(ii) by inserting before "or the unfair or deceptive act or practice to which" the following: "the cease and desist order violation to which an action under subsection (a)(1)(B) relates,"; and

(iii) by inserting "(as prescribed by section 5(g)(2))" after "has become final".

(b)(1) Section 5 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68c) is amended by striking out "wood" in the second paragraph and inserting in lieu thereof "wool".

(2) Section 9(b)(1) of the Fur Products Labeling Act (15 U.S.C. 69g(b)(1)) is amended by striking out "violating" and inserting in lieu thereof "violating".

And the Senate agree to the same.

HARLEY O. STAGGERS,
BOB ECKHARDT,
RALPH H. METCALFE,
CHARLES J. CARNEY,
JAMES SCHEUER,
T. A. LUKEN,
MATTHEW J. RINALDO,
Managers on the Part of the House.

WARREN G. MAGNUSON,
WENDELL H. FORD,
JOHN A. DURKIN,
ROBERT GRIFFIN,
JOHN DANFORTH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3816) to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease and desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

QUALIFICATIONS OF MEMBERS

House bill.—The House bill contained no provision with respect to qualifications of members for service on the Federal Trade Commission (hereinafter in this statement referred to as the "Commission").

Senate amendment.—The Senate amendment required the President to nominate persons for the Commission who are qualified by training, education, or experience to carry out the functions of the Commission. In addition, the amendment required the President to ensure that the Commission is balanced with respect to the talents, backgrounds, occupations, and experience of the members nominated and appointed.

Conference substitute.—The conference substitute is the same as the Senate provision.

APPOINTMENT OF THE CHAIRMAN

House bill.—The House bill contained no provision with respect to the appointment of the Chairman of the Commission.

Senate amendment.—The Senate amendment provided for Senate confirmation of one of the Commissioners as Chairman of the Commission. It also codified existing law that the President appoints one of the Commissioners as Chairman and that the Chairman serves at the pleasure of the President. See section 3 of Reorganization Plan No. 8 of 1950, effective May 24, 1950, 15 F.R. 3175, 64 Stat. 1264.

Conference substitute.—The conference substitute does not contain any provision requiring Senate confirmation of one of the Commissioners as Chairman. The substitute does, however, adopt the Senate provision codifying existing law that the President appoints one of the Commissioners as Chairman and that the Chairman serves at the pleasure of the President.

AVOIDANCE OF CONFLICT OF INTEREST

House bill.—The House bill contained no provision with respect to avoidance of conflict of interest.

Senate amendment.—The Senate amendment contained two provisions designed to avoid both any conflict of interest or the appearance of a conflict of interest. First, it provided that no member of the Commission nor any employee classified as a GS–16 or higher shall, during the two years after leaving the Commission, represent anyone in any formal or informal proceeding before the Commission, or make any written or oral communication on behalf of any person with intent to influence the action of the Commission in connection with any proceeding involving a specific party which was under his official responsibility as a member or employee. Second, it contained a complete ban on former members or employees classified as GS–16 or higher from making any appearance or communication with the intent to influence the action of any commissioner or employee on any matter being considered by the Commission (including investigations, rules, and complaints) for one year after leaving the Commission.

Conference substitute.—The conference substitute adopts the Senate provision which prohibits former Commissioners and high-level staff members from making appearances or communications with the Commission, any Commissioner, or any employee of the Commission for a period of one year after such persons leave service with the Commission. The conferees intend the ban to apply to all matters of business, whether new or old, which are before the agency during that year. Thus, such persons would be prohibited from petitioning the Commission for the initiation of a rulemaking proceeding and from making any appearance or communication in connection with a Commission investigation, adjudication, rulemaking proceeding, or any other substantive matter.

However, the ban does not include contact concerning matters of an exclusively personal and individual nature. For example, a former Commissioner or employee covered by these provisions could appear before or contact the Commission on a personnel matter, a Freedom of Information request, a Privacy Act matter, a pension matter, or any other matter which relates to a personal right of the former employee.

The restriction also does not apply where such a person is representing the United States, as would be the case if he or she were to be employed by another department or agency of the Federal Government or to be reemployed by the Commission itself as either an employee or a consultant. Finally, the ban is not intended to apply where the former official, solely at the initiation of the Commission, is contacted for information or required to appear and give testimony. Otherwise, the prohibition does apply to self-representation.

The conferees dropped the two-year restriction concerning matters under the former Commissioner's or employee's official responsibility because they believed that this matter is adequately addressed by the provi-

sions of section 207 of title 18, United States Code, and the Commission's own rules, which both prohibit such activities by *all* former employees, regardless of their grade, for one year.

NUMBER OF TOP LEVEL EMPLOYEES

House bill.—The House bill contained no provision with respect to the number of employees the Commission may employ at the supergrade level.

Senate amendment.—The Senate amendment provided for 25 positions at the Commission to be paid at the rates prescribed for supergrade positions.

Conference substitute.—The conference substitute adopts the Senate provision.

The Commission is currently authorized only 42 employees at the supergrade level, of whom 13 are administrative law judges. The following comparison of the ratio of Commission supergrade attorneys to attorney staffs in other organizations shows that the Commission has a worse ratio than other similar Federal agencies:

Antitrust, Justice, 1:17.
Justice Department, 1:19.
Securities and Exchange Commission, 1:19.
Federal Communications Commission, 1:20.
Federal Trade Commission, 1:22.

Further, the 29 supergrades at the Commission who are not administrative law judges are all in managerial positions. As a result, the Commission has no position or salary incentive beyond the GS–15 level to offer outstanding personnel who do not wish to become managers. Even with recent salary increases, the limitation on salaries at the GS–15 level for experienced litigators and other talented, specialized personnel makes retention of the best staff members a difficult task.

Similarly, the Commission has no incentives to offer experienced individuals who may wish to offer their services to the Commission for a limited period of time.

The substitute will enable the Commission to offer the necessary incentives to experienced litigators, senior economists, and other senior specialists who are not in management positions. While the substitute would permit the Commission to fill some or all of these positions from the outside, the conferees wish that it be understood that the principal purpose of the provision is to offer salary incentives to talented line personnel before using the new positions for short-term recruitment.

EXECUTIVE BRANCH POLITICAL CLEARANCE

House bill.—The House bill contained no provision with respect to political clearance of Commission personnel.

Senate amendment.—The Senate amendment provided that there would be no executive branch political clearance of any Commission employee.

Conference substitute.—The conference substitute is essentially the same as the Senate amendment, except that the position of general counsel of the Commission is not included. The intention of the substitute is to prohibit any executive branch political clearance of any employee classified as Schedule "C" or as a noncareer executive assignment.

APPLICATION OF ACT TO SAVINGS AND LOAN INSTITUTIONS

House bill.—The House bill exempted savings and loan institutions from the Commission's section 5 jurisdiction with respect to unfair methods of competition and unfair or deceptive acts or practices. An exemption also was accorded such institutions from the Commission's section 6 authority to compile information, conduct investigations and require the filing of reports. However, savings and loan institutions were still required to provide information and reports when the Commission investigation involved a person or entity not engaged in or only incidentally engaged in business as a savings and loan institution. In addition, the House bill amended section 18 of the Federal Trade Commission Act to require the Federal Home Loan Bank Board to establish a separate division of consumer affairs to act upon complaints regarding unfair or deceptive acts or practices. The Board was further required to prescribe regulations defining unfair or deceptive acts or practices and to adopt Commission rules on such matters unless it finds that such acts or practices are not unfair or deceptive with respect to savings and loan institutions.

Senate amendment.—The Senate amendment exempted savings and loan institutions from the Commission's section 5 jurisdiction only to the extent that the Board is authorized to prohibit such acts or practices covered by section 5. No exemption from the Commission's section 6 authority was included. Section 18 of the Federal Trade Commission Act was amended to impose requirements upon, and provide authorities to, the Board similar to those under the House bill.

Conference substitute.—The conference substitute adopts the House provision. The conferees stress that the substitute is to operate prospectively. It is not the intention of the conferees to interfere with any further litigation in the case of *In re Perpetual Federal Savings and Loan Association,* FTC Docket No. 9083 (1978).

ENFORCEMENT OF SUBPOENAS AND ORDERS

House bill.—The House bill made several amendments to section 10 of the Federal Trade Commission Act, relating of the assessment of civil penalties for failure to comply with a Commission order to file annual or special economic or business reports. First, it made the penalty provisions applicable to all Commission orders (other than cease and desist orders), including subpoenas. Second, it raised the amount of penalties for failure to comply with a Commission subpoena or order (other than a cease and desist order) from a mandatory $100 per day to a range of from $0 to $5,000 per day. The amendment provided that in determining the amount of any such penalties, the court must take into account the reasonableness and good faith of any action or inaction of the person, partnership, or corporation against whom the penalties are being assessed, and such other matters as justice may require.

Third, the House bill modified the time frame regarding when civil penalties for noncompliance with Commission subpoenas or orders (other than cease and desist orders) would begin to accrue. Under present law, in such situations of noncompliance, penalties begin to accrue 30 days after the Commission issues a notice of default signaling its intention to seek civil penalties for noncompliance, unless the resisting company is able to secure a stay of penalties within that time. The House bill provided that penalties would begin to accrue after 30 days only if a company did not file for a stay of penalties within 15 days after the notice of default was served. If the noncomplying party filed with the court for a stay of penalties within 15 days and provided the court with all the necessary information to decide the stay petition, then penalties would not begin to accrue until 60 days after service of the notice of default, assuming that the noncomplying party failed to obtain a stay.

Fourth, the House bill prohibited any challenges to Commission subpoenas and orders (other than cease and desist orders) until the Commission issued a notice of default signalling its intent to seek penalties. Fifth, the House bill provided that penalties for noncompliance would accrue as to any part of a Commission subpoena or order (other than a cease and desist order) with which a party failed to comply if a stay of penalties has not been obtained as to that part of such subpoena or order.

Sixth, the House bill authorized the Commission to bring suit against a noncomplying company for civil penalties in any district court within which the noncomplying company resides or does business.

Finally, the House bill provided that the amendments made by this section would apply only with respect to failures to comply with a subpoena or order (other than a cease and desist order) that is issued after the date of enactment of the House bill.

Senate amendment.—The Senate amendment was the same as the House bill with the following exceptions—

(1) it omitted any reference to a defendant's reasonableness and good faith in determining the level of any civil penalties;

(2) it retained existing law with respect to when penalties begin to accrue after issuance of a notice of default, that is, 30 days thereafter;

(3) it authorized the Commission to bring suit for civil penalties against a single noncomplying company where that company resides or transacts business but if the suit were against two or more companies, the Senate amendment authorized the Commission to bring suit in any district court in which the inquiry of the Commission is being carried on;

(4) it set standards for when a court could refrain from enforcing any subpoena or order (other than a cease and desist order) of the Commission; and

(5) it provided that the amendments made by this section of the Senate amendment would apply with respect to failures to comply with a subpoena or order (other than a cease and desist order) insofar as they occur or continue after the date of enactment of the Senate amendment.

Conference substitute.—The conference substitute adopts the House provisions except in the following two respects: (1) it adopts the Senate provision on venue for civil penalties, that is, that the Commission can bring suit against a single company where that company resides or transacts business and against two or more companies in any district court where the inquiry of the Commission is being carried on; and (2) it provides that penalties will begin to accrue 30 days after a notice of default issues unless a company files all the necessary papers in seeking a stay of such penalties within 15 days after the notice of default is served. In that case, penalties will not begin to accrue until 45 days after service of the notice.

VENUE FOR ENFORCEMENT OF SUBPOENAS AND ORDERS

House bill.—The House bill provided that venue for a Commission suit to enforce a subpoena or order (other than a cease and desist order) would be proper in any district in which the Commission's inquiry is being carried on.

The House bill amended section 9 of the Federal Trade Commission Act, under which enforcement venue is bifurcated. Where the Commission seeks to enforce a subpoena, it may bring suit in a district where the inquiry is being carried on, which includes the place where the Commission or the regional office of the Commission issuing the subpoena is located, and the place where the subpoena is returnable. The place where the documents sought by a subpoena are located may also be such a place, See, e.g., *FTC* v. *Browning,* 435 F. 2d 96 (D.C. Cir. 1970); *FTC* v. *Cockrell,* 431 F. Supp. 558 (D.D.C. 1977); and *FTC* v. *Sherry,* CCH 1969 Trade Cas. section 72906 (D.D.C. 1969). On the other hand, in the case of the enforcement of an order (such as an order to file a report or an access order), the Commission must proceed by writ or mandamus. No venue is specified

for this proceeding, which is subject to the general provisions regarding venue and personal jurisdiction applicable to regular civil actions involving private parties. Particularly in cases in which the Commission is suing for enforcement of identical orders against a number of persons, partnerships, or corporations, the strict venue requirements may make it difficult or impossible to proceed in any single forum against all parties.

Senate amendment.—The Senate amendment likewise updated and streamlined the venue for enforcement of compulsory process, but included a requirement that, if there is only one person, partnership, or corporation involved, the Commission may maintain its suit only where the defendant resides or transacts business.

Conference substitute.—The conference substitute adopts the House provision. The conferees feel that there was no evidence that the Commission was abusing its authority in the case of the single recipient of a subpoena or order by bringing suit in an inconvenient forum. It therefore appeared unnecessary to provide additional restrictions on the process.

GRANTING OF EQUITABLE RELIEF

House bill.—The House bill contained no provision with respect to the granting of equitable relief.

Senate amendment.—The Senate amendment authorized the Commission to go to court to seek equitable relief when the Commission had reason to believe (1) that any person, partnership, or corporation is violating any provision of law enforced by the Commission, and (2) that, for the purpose of preserving the assets of the person, partnership, or corporation for consumer redress, the granting of equitable relief is necessary pending the issuance of a complaint by the Commission and until such complaint is dismissed by the Commission or set aside by the court on review, or until the order of the Commission has become final.

Conference substitute.—The conference substitute seeks to strike a balance between conflicting needs. On the one hand, the Commission must be able to get to court early in its proceedings to prevent a person who is engaging in dishonest or fraudulent trade practices from wasting assets to avoid redressing consumers for such behavior. On the other, small businesses have apprehensions that such relief will be granted routinely or that the Commission will force small businesses into signing unwarranted consent agreements by threatening to go to court to secure equitable relief.

Under present law, since the Commission first adjudicates a complaint through the administrative process (and that routinely takes more than two years), it is unable during this time to go to court to prevent a person from wasting assets to avoid paying consumers damages for fraudulent or dishonest behavior. A court cannot take jurisdiction over such a matter unless a case is pending before it. The damage that can be done to consumers during the administrative process is well demonstrated by the case of *Koscot Interplanetary, Inc.*, et al. In that case, the Commission issued a complaint on May 24, 1972, alleging that a company run by Glenn Turner defrauded consumers of tens of millions of dollars through the use of a fraudulent pyramid marketing scheme for selling toiletries and cosmetics. Not only did Koscot misrepresent the likely earnings of a person who worked for Koscot but these persons lost money also by paying Koscot up front for the right to distribute the toiletries and cosmetics.

Koscot was enormously successful. According to the initial Commission decision, gross sales minus commissions from mid-1967 to mid-1972 totalled $44 million. The most obvious wasting of assets occurred shortly after the Commission issued its complaint. Between July, 1972, and July, 1973, Koscot's total assets dropped from $22.5 million to $11.7 million. In July, 1972, Koscot had investments in at least 12 foreign corporations in excess of $2 million. However, during January, 1973, these assets were sold to another company for an amount between $10,000 and $100,000. In addition, it is alleged that Worldwide Corporation, owned by Glenn Turner's wife and a subsidiary of Turner Enterprises, had a consultant arrangement whereby Worldwide was paid $60,000 per week in consulting fees. Worldwide was later sold to George Turner, brother of Glenn Turner, for less than $200,000, of which less than half was actually paid. As is obvious, by the time the Commission found Koscot guilty of unfair and deceptive acts in November of 1975, most of the money that consumers had been defrauded of had long since disappeared.

The recent case of Lloyd, Carr & Co., while it did not involve the Commission, provides another example of the need to get to court quickly to assure that consumers will be redressed for losses suffered through fraud. The conduct alleged in the Carr case shows how easy it is for a fly-by-night operator to make fraudulently gained funds disappear in a matter of days or weeks, let alone in the two or more years that it takes the Commission to consider an administrative complaint. The fictitious Mr. Carr allegedly engaged in an enormously lucrative commodities futures fraud in which much of the money he collected was never actually invested on the part of the people who paid him the money. It is alleged that Mr. Carr transferred more than $3 million from company bank accounts to his personal bank accounts in Canada and the Bahamas. In this case, the Commodities Futures Trading Commission was able to go into a district court and get a temporary receiver appointed to look into these allegations. Without the authority to seek equitable relief granted to the Commission in the conference substitute, the Commission would be unable to stop the dissipating of assets in a similar fraud involving unfair or deceptive acts or practices.

It is worth pointing out that the Securities and Exchange Commission, as well as the Commodities Futures Trading Commission, has power to seek equitable relief to avoid such wasting of assets. These two commissions have the authority because they bring their cases directly in district courts and those courts have inherent authority to grant equitable relief to prevent the wasting of assets. The conference substitute would give the Commission the ability to get to court at a comparable time in a proceeding, although the initial trying of the complaint would still be done by the Commission, and it would be the court which would make the decision as to whether equitable relief should be granted.

At the same time, the conferees were concerned that the Commission not use this authority too liberally. It is meant to stop the wasting of assets coupled with the kind of egregious frauds described above, but it is not intended as a baragining tool to assert undue leverage to force companies which have not engaged in unlawful practices into signing consent orders.

The conferees believe that the substitute contains clear standards that will make it plain to both the courts and the business community just what conduct can be reached under this provision. Specifically, the Commission must first issue a formal complaint against the person allegedly engaging in unfair or deceptive acts or practices. The Senate amendment would have permitted the Commission to seek equitable relief before the issuance of a complaint.

Second, the Commission itself must formally decide in each case that such person has transferred or is about to transfer assets without fair consideration or has wasted or is about to waste assets so that equitable relief is necessary to preserve assets for a later consumer redress action against the person. The substitute specifically requires the Commission to make this finding and denies it the right to delegate such authority, a right which would otherwise exist under Reorganization Plan No. 4 of 1961, section 1; effective July 9, 1961 (26 F.R. 6191; 75 Stat. 837).

Third, the substitute spells out strict standards of proof that the Commission must meet in court in order to secure equitable relief. The Commission must demonstrate a likelihood of ultimate success on its complaint, and it must demonstrate a likelihood of ultimate success, in a subsequent action for consumer redress, of proving that the violation of the Federal Trade Commission Act was one which a reasonable man would have known was dishonest or fraudulent. The Commission must also show that, weighing the equities, the granting of such relief is in the public interest. The standards of "likelihood of ultimate success" and "weighing the equities, such relief would be in the public interest" parallel the standards that the Commission must meet to secure an injunction under section 13(b) of the Federal Trade Commission Act.

In addition, the Commission must show that the person who is alleged to have engaged in unfair and deceptive acts or practices has transferred or is about to transfer assets without fair consideration or otherwise has wasted or is about to waste assets so that equitable relief is necessary to preserve assets for a subsequent consumer redress action. This provision is not intended to reach the person who is paying off his debts in the regular course of business but is designed to reach the person who is trying to get funds out of the business. The transfer of assets without fair consideration is a reasonably objective standard. A person who pays his wife $60,000 a week in consulting fees is clearly engaging in such conduct. The standard "otherwise has wasted or is about to waste its assets" is intended to reach less obvious conduct which would nevertheless have the same effect. A company which is using the proceeds of a fraudulent or dishonest scheme to pay exorbitant salaries to its employees, along with high expense accounts, may also be wasting its assets within the meaning of this provision.

The substitute also addresses the question of the appropriate form of equitable relief. While the substitute would permit the court to utilize the full range of its equitable authority, it states specifically that the court shall grant the relief that imposes no greater burden on the defendant than is necessary to accomplish the preservation of the defendant's assets. This provision means that the court would look first to such remedies as accountings of how the company is spending its funds, reports in advance of substantial expenditures, or escrow accounts to set aside the sums needed to pay redress. The conferees do not expect the court to appoint a receiver or trustee except in the most egregious situations.

The conferees believe that the substitute provides a balanced approach, but the conferees want to give further peace of mind to the genuinely concerned small business people. Their fear is not only that equitable relief might be granted improvidently, but also that hints of equitable relief might be used as a bargaining ploy in negotiating routine consent orders. Small business people have expressed the fear that they might be confronted with a Hobson's choice of either signing a consent order or defending

an equitable relief case in court. They fear that in such a situation, those with limited resources would have no choice but to sign the consent order—even when they were innocent.

The conferees certainly do not intend for such situations to arise. The substitute is not designed to give the Commission an unfair tactical advantage in consent negotiations. Nevertheless, the possibility exists that some few over-zealous staff people may be tempted to suggest equitable relief as a negotiating device, even when they know it would not be proper. The conferees expect that the Commission will use restraint, and that staff will not allude to equitable relief except where warranted by the facts. The conferees intend to carefully scrutinize the Commission's use of this power in future oversight hearings to make sure that it is used only to stop the wasting of assets by dishonest or fraudulent businessmen to avoid paying consumer redress.

Finally, this section applies only to conduct prior to the issuance of a cease and desist order. It is not intended to apply to violations of cease and desist orders or violations of rules, because, in those situations, the district courts have inherent equitable jurisdiction to grant such relief where it is appropriate. Such equitable jurisdiction has been upheld, for example, in connection with the securities laws where the SEC lacks explicit statutory authority. See, e.g., *SEC* v. *Manor Nursing Centers, Inc.*, 456 F. 2d 1082 (2d Cir., 1972).

CITIZEN PETITION FOR RULEMAKING

House bill.—The House bill gave a specific right to petition the Commission for the issuance, amendment, or repeal of a rule under section 18(a)(1)(B) of the Federal Trade Commission Act. It required that the Commission respond to such a petition within 120 days of its receipt. If the Commission granted the petition, it was required to commence the requested proceeding as soon as practicable thereafter. If it denied the petition, it was required to so notify the petitioner, giving its reasons and publishing those reasons in the Federal Register.

Senate amendment.—The Senate amendment granted the same right of petition and required Commission response in the same time and manner. However, the right of petition encompassed not only section 18(a)(1)(B) rules but also any other rule and any order or regulation issued under any of the Acts the Commission administers.

Further, the Senate amendment, in cases of Commission inaction on or denial of a petition, granted the petitioner a right to sue to force the granting the petition. If the petitioner, by a preponderance of the evidence in the material he had submitted to the Commission, met the standards set out in the section regarding appropriateness and need for the action, the court would be required to order the initiation of the requested Commission proceeding.

Conference substitute.—The conference substitute adopts the House provision.

STATEMENT OF BASIS AND PURPOSE

House bill.—The House bill amended section 18 of the Act with respect to court review of rulemaking proceedings under that section. The existing provisions of section 18 are open to the interpretation that the courts could not review a Commission failure to consider the factors specified by section 18(d)(1) for inclusion in a statement of basis and purpose issued pursuant to section 18(b)(4). Under the amendment, the court could consider the entire statement of basis and purpose as part of the rulemaking record in determining whether the Commission's action in promulgating the rule satisfies the judicial review standards specified by section 18. No separate review of the sufficiency or content of the statement of basis and purpose was permitted. This review of the statement of basis and purpose would apply with respect to all rules where the rulemaking record has not been closed prior to the date of enactment of this Act.

Senate amendment.—The Senate amendment contained no comparable provision.

Conference substitute.—The conference substitute adopts the House provision.

CONGRESSIONAL REVIEW OF RULES

House bill.—The House bill provided that a Commission rule would not go into effect if a concurrent resolution disapproving such a rule were adopted within 90 calendar days of continuous session after the rule's issuance. Alternatively, the section provided for disapproval of a rule if one House adopted a concurrent resolution within 60 days and the other House failed to disapprove that resolution within 30 days thereafter.

Senate amendment.—The Senate amendment contained no directly comparable provision. However, section 102 contained a broad provision aimed at some of the same concerns for increased knowledge and control over Commission activities. It required the Commission, within 660 days from the date of enactment of the Senate amendment, to prepare and submit to the Congress first an initial proposal and then a final recodification of all its rules. Each proposal was, to the extent practicable and appropriate, to include recommendations for transfer, consolidation, modification, and deletion of particular rules, as well as proposals for changes in structure, organization, language, etc., necessary to make the rules more up to date and easily understood. The recodification also would have included a comprehensive index of the rules.

The initial and final recodification proposals, to the extent practicable and appropriate, would include for each rule or class of rules an economic impact analysis, a paperwork impact analysis, a judicial impact analysis, and any other explanatory or supporting statements the Commission determined necessary and appropriate.

The term "rule" under the Senate amendment was broadly defined to include substantive statements of policy of general applicability and future effect, and also procedural rules and organizational rules of the Commission.

Conference substitute.—The conference substitute incorporates elements of each of the provisions. The aim of the Senate provision was to require the Commission to study all its past rules with a view to modernizing, simplifying, and codifying them. The relevant congressional committees would be involved in the review process in their exercise of oversight responsibility. The Senate amendment, however, made no provision for continuing congressional study of Commission rules.

The House provision provided a procedural mechanism for vetoing a Commission rule but had no comprehensive reporting requirement by which the Congress could easily gain an understanding of the potential impact of each rule. Nor did the House provision deal with rules already in effect.

The conference substitute adopts the Senate provision requirements that the Commission study and make recommendations regarding each of its rules already in effect (with the definition of "rule" narrowed to include only those substantive trade regulation rules issued under sections 6(g) and 18 of the Federal Trade Commission Act). Those recommendations will include a report where practicable and appropriate on the economic, paperwork, and judicial impact of each rule proposed to be retained, deleted, or modified. The economic impact analysis will take into account the cost impact on, and benefits to, consumers and affected businesses, particularly small businesses. The paperwork impact analysis will include study of the numbers and classes of persons subject to the paperwork requirements of the rule, as well as an analysis of the nature, amount, and frequency of paperwork required, and of the Commission's efforts to minimize burdens and unnecessary duplication. The judicial impact analysis will show the effect of the rule on the courts.

The conference substitute also adopts the House bill's aim for continuing congressional review of Commission rules. The section provides that no rule shall take effect for 30 days after promulgation in the Federal Register and simultaneous submission to each House of the Congress. It requires, to the extent practicable and appropriate, that the Commission file with each rule, in addition to the economic impact analysis already required by existing law, paperwork and judicial impact analyses and other necessary and appropriate explanatory material.

The Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House, armed with this concise information regarding the rule, will then have the proper tools to exercise their oversight responsibilities with respect to each rule.

In sum, while the substitute does not provide an expedited mechanism for overturning Commission rules, it will provide more information for Congress to properly assess rules as well as an opportunity to examine existing rules in the light of today's world.

AUTHORIZATION OF APPROPRIATIONS

House bill.—The House bill authorized to be appropriated $63,000,000 for fiscal year 1978, and $70,000,000 for fiscal year 1979.

Senate amendment.—The Senate amendment authorized to be appropriated $65,000,000 for fiscal year 1978; $70,000,000 for fiscal year 1979; $75,000,000 for fiscal year 1980; and $80,000,000 for fiscal year 1981.

Conference substitute.—The conference substitute adopts the Senate amendment.

JOINT SUBMISSION OF BUDGET REQUESTS

House bill.—The House bill contained no provision with respect to joint submission of budget information.

Senate amendment.—The Senate amendment would have required the Commission to submit a copy of any budget information it transmits to the President or the Office of Management and Budget to the Congress at the same time.

Conference substitute.—The conference substitute does not contain the Senate provision. The conferees felt that this issue should not be handled on an agency-by-agency basis.

CONCURRENT SUBMISSION OF LEGISLATIVE RECOMMENDATIONS, TESTIMONY, OR COMMENTS

House bill.—The House bill contained no provision with respect to concurrent submission of legislative recommendations, testimony, or comments.

Senate amendment.—The Senate amendment provided that the Commission would be required to submit any legislative recommendations, testimony, or comments on legislation to the Congress at the same time it was submitted to the President or the Office of Management and Budget. In addition, the amendment provided that no officer or agency of the United States shall have any authority to require the Commission to submit such comments for approval prior to submission of the comments to the Congress.

Conference substitute.—The conference substitute contains no provision with respect to concurrent submission of legislative recommendations, testimony, or comments. The conferees felt that this was an issue that should not be handled on an agency-by-agency basis.

CONGRESSIONAL ACCESS TO INFORMATION

House bill.—The House bill contained no provision with respect to congressional access to information collected by the Commission.

Senate amendment.—The Senate amendment provided that whenever an authorizing committee of the Congress made a written request to the Commission for documents, the Commission must supply such documents within 10 days, or submit a statement as to why the Commission cannot comply. Further, the amendment provided that submissions of information under this provision would not have constituted an offense under section 1905 of title 18, United States Code.

Conference substitute.—The conference substitute does not contain a provision with respect to congressional access to Commission information. The conferees felt that Congress' right to secure information from the Commission was clear.

AUTHORITY OF THE COMMISSION TO REPRESENT ITSELF IN COURT TO SEEK CIVIL PENALTIES

House bill.—The House bill contained no provisions authorizing the Commission to represent itself in court to seek civil penalties for violations of Commission rules and cease and desist orders.

Senate amendment.—The Senate amendment provided that the Commission could represent itself in court to seek civil penalties for violations of Commission rules and cease and desist orders.

Conference substitute.—The conference substitute does not contain a provision with respect to Commission self-representation to seek civil penalties for violations of Commission rules and cease and desist orders.

CONSUMER PRODUCT SAFETY COMMISSION AMENDMENTS

House bill.—The House bill contained no provisions amending the Consumer Product Safety Act.

Senate amendment.—The Senate amendment contained numerous amendments to the Consumer Product Safety Act.

Conference substitute.—The conference substitute contains no provisions amending the Consumer Product Safety Act.

HARLEY O. STAGGERS,
BOB ECKHARDT,
RALPH H. METCALFE,
CHARLES J. CARNEY,
JAMES SCHEUER,
T. A. LUKEN,
MATTHEW J. RINALDO,
Managers on the Part of the House.

WARREN G. MAGNUSON,
WENDELL H. FORD,
JOHN A. DURKIN,
ROBERT GRIFFIN,
JOHN DANFORTH,
Managers on the Part of the Senate.

SUPPLEMENTAL APPROPRIATIONS, 1978

Mr. MAHON. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 9375) making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes, with the remaining amendment in disagreement thereto, and that the House recede from its disagreement to Senate amendment numbered 43 and concur therein.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment No. 43: Page 14, after line 4, insert:

Appropriations provided under this heading in the Department of Defense Appropriation Act, 1977, are rescinded in the amount of $462,000,000.

The SPEAKER. The gentleman from Texas (Mr. MAHON) is recognized for 30 minutes, and the gentleman from Michigan (Mr. CEDERBERG) is recognized for 30 minutes.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks in regard to the issue before the House at this time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SIKES), a member of the Subcommittee on Defense.

Mr. SIKES. Mr. Speaker, many of those here today are disturbed about needed funds in the supplemental, funds which are unavailable because of the controversy over the B–1. The agencies could have had this money long weeks ago if the administration had been less engrossed in killing the B–1. If we win this fight today for the B–1, we will still get the supplemental. The matter will be resolved quickly. I hope the Members have seen and studied a paper, which is titled "Which B–1 Pipeline." To a large extent, we are going to spend the B–1 money, whether you approve the bomber today or not. We will use money for contract cancellation; money down the drain; or we will use it to build two production models of the B–1, advance the state of the art, keep a production line open, and have added assurance of future security.

General Jones, a great leader, but one who is following orders in his public comments about the B–1, said to Senator STENNIS, in a letter on January 27, 1978:

I also believe our security interests will be best served by continuing to modernize our strategic forces, including the manned bomber leg of the Triad. Moreover, because of the unique contribution which the manned penetrator makes to our overall strategic posture, I believe this country will need such a capability for as far into the future as I can see.

For the foreseeable future, this means the B–1, and nothing else. There is no easy or early alternative. We can, within a few months, be ready for production of combat models of the B–1, or we can scrap the progress, the plans, and the cost of this program and start afresh. That means many years of delay and great additional cost, if ever another penetrating bomber is produced.

Jane's has long been the accepted expert on world armaments. John W. R. Taylor, editor of "Jane's All the World's Aircraft" evaluates the decision to cancel the B–1 aircraft in these compelling words:

If our planet is subjected one day to the unimaginable horrors of a third World War, 1977 might be recorded as the year in which the seeds of defeat for the Western Powers were sown.

In the hearings before the Defense Appropriations Subcommittee, General Brown, in charge of the Joint Chiefs said:

If the B–1 is dead, and I think it is, I feel we should get on with obtaining a manned penetrating bomber.

We have a manned penetrator; it is the B–1—ready for production, the best in the world—let us keep the option of building it open; not develop another aircraft from the ground up, with more years of security lost.

In subcommittee, General Brown on the B–1 was asked: "Is the penetrating bomber necessary?"

His answer was: "Yes, it would compound the problem for the defender."

Then he was asked: "Is the B–1 the best alternative with regard to the manned penetrator option?"

He answered: "It is the most sophisticated manned penetrator option we have."

Mr. Speaker, time after time, one military leader after another who is not under orders to be against the B–1 bomber, has said this aircraft is essential; that it is the only hope for a manned penetrating bomber in our time.

The President indicated when he made the decision to cancel the B–1 program that the B–1 was too expensive and that he felt this Nation could rely on the capabilities of the cruise missile. Those capabilities are not fully tested and not in production. A recent Evans and Novak article describes the intelligence estimates of the Soviet SA–10 missile as being capable of flying fast enough to reach and destroy U.S. cruise missiles. All of this sheds doubt on the propriety of the B–1 decision. Even more disturbing is the fact that the anticipated effectiveness of the cruise missile may have been seriously compromised by concessions given to the Russians in advance of SALT II as an inducement to continue the talks.

We know the Russians fear the B–1. At least we should keep the B–1 capability as a major bargaining chip until there are brighter prospects for peace in the world.

In summary, the Defense Subcommittee on Appropriations confirms the need for a manned penetrating bomber as one leg of the Triad.

B–52's cannot carry this requirement past the mid-1980's.

Given the doubt about the effectiveness of the yet unproven cruise missile, and the reported capability of the Soviet SA–10 system, the decision to rely on the cruise missile solely seems premature and dangerous.

Therefore the House should:

Vote against this rescission and for the B–1 aircraft Nos. 5 and 6;

Give this Nation an 18-month option for a manned bomber program;

Give us necessary deterrence in case the cruise missile option remains in doubt; and

Provide us with deterrence during the unpredictable SALT negotiations.

A vote against the B–1 ignores the fact the Russians are spending half as much again for defense as we are getting much more defense for a dollar.

Mr. Speaker, we can have an effective manned bomber by voting for planes Nos. 5 and 6 in this bill today. Any other action would be equivalent to letting the defenses of this country go down the drain.

Mr. CEDERBERG. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Speaker, since the Congress last voted on the B–1 in December, a number of events have occurred which reenforce my belief that the completion of aircrafts Nos. 5 and 6 is a necessity in view of the current status of our SALT negotiations.

I want to say parenthetically that I believe that the optimum strategic air breathing leg of our triad, would consist of a manned penetrating bomber, and cruise missiles, and short-range attack missiles, SRAM.

First, Mr. Speaker as I said since December there have been several factors that enter into the decision that is to be made today. No. 1, a viable SALT II agreement is further away today than we imagined. In December, the expectation was that an agreement would be reached by early 1978. In January, that optimism faded to the point where no agreement was likely before early April. No agreement is now in sight which is likely to reduce the magnitude of the Soviet threat sufficiently to diminish the need for the continued production of the B–1, at least those planes numbered 5 and 6.

Mr. Speaker, we need the option of the continued production line of the B–1 in case SALT negotiations might deteriorate.

Second, as my colleague, the gentleman from Florida (Mr. SIKES), mentioned, there are reports that the Soviets are deploying now or are in the process of deploying a new surface-to-air missile, the SA–10, which threatens not only the viability of the B–52 in the 1980's, but might also threaten the cruise missile as well.

Third, today in the Subcommittee on Defense Appropriations we have been taking testimony on the Soviet air defense system likely to be available in the 1980's, particularly by 1985. The details are chilling. Even though classification prohibits a complete exposition in open session, suffice to say that the kind of Soviet air defense system which could be deployed as early as 1985 could exact very substantial attrition, not only from the B–52 penetrating bomber force, but also from the cruise missile force as well.

The Soviet air defense system could result in an 800-nautical mile standoff for U.S. cruise missile launch, a distance so great as to cause a reduction of virtually all of the important strategic targets in the Soviet Union.

In conclusion, Mr. Speaker, I think that it is only prudent that the Congress retain the option to proceed expeditiously into production of the B–1 bomber by completing the construction of planes 5 and 6 and allowing all of the time-consuming preproduction R. & D. to be completed so that this important addition to our strategic force can be made if the SALT negotiations should so dictate.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. Mr. Speaker, I thank the gentleman for yielding to me.

My colleagues, I have been one of the strongest supporters of the B–1 throughout its lifetime. However, we now have a dead horse and it is time we buried it.

In so doing, I would like to make emphatically clear that I am a strong supporter of the manned-bomber concept. There is an alternative—a better alternative—than the B–1. We can still have an effective manned bomber in our arsenal. Therefore, I shall support the rescission that is before us here today.

Mr. Speaker, the vote we are about to take on the B–1 bomber is one that deserves our utmost attention and concern. The very future of the Nation may well be at stake.

We need, however, to face the realities of life as far as the B–1 is concerned and get on with the business of meeting our constitutional obligation to provide for the "common defense and general welfare of the United States."

As you all well know, it is my firm, unalterable belief that the United States needs to maintain a national defense posture "second to none." We need this if we are to stay free and remain able to act in our best interests at home and abroad.

Let us reflect for a moment where we are and what we must do for our Nation's future security before we decide what direction we need to take with the B–1.

For well over three decades, since World War II, we have had no fear that any possible attacker would have the intestinal fortitude to take us on in a direct confrontation. The basic reason has been that our strategic offensive forces—a tough combination of strategic bombers, and intercontinental and sea launched ballistic missiles—have made any idea of directly attacking the United States an unthinkable act.

One key element to our strategic security is, of course, the manned penetrating bomber. This highly visible and very credible force has had great effect in keeping the Soviets from gaining an overwhelming upper hand over us.

However, as you know, our Strategic Air Command has about 450 bombers, mostly well-aged B–52's. The vast majority have seen 16 to 19 years of service; the older ones have been around for over 23 years. The B–52 fleet is clearly aged in time and technology and is at, or approaching, obsolescence.

True, we are going to deploy the new air-launched cruise missile—the ALCM—but we need to understand that the ALCM, as good as it is, can never be a substitute for the manned bomber. The ALCM can certainly hit the targets it is programed against, but it cannot be recalled once launched; it cannot report the damage it has done to a target; and the ALCM cannot withhold on a high priority target that may have already been hit by an earlier weapon.

Likewise, the ALCM cannot be reused. It cannot conduct search and destroy missions against targets that may have avoided detection; nor can the ALCM, with its 1,500 nautical mile range—and that is optimistic—strike all targets in Russia.

The ALCM is not combat tested as have been our bomber crews and aircraft. Do not forget that our bombers have never been turned back from striking any target by any enemy, and the Soviets know that.

To let ourselves end up with an obsolete bomber force would be playing right into the Soviet's hands. With no credible bomber to cope with in the future, the Soviets could concentrate solely on missile defense against ICBM's, SLBM's, and ALCM's. Technological breakthrough could severely decrease or eliminate entirely the credibility of our all-missile-oriented offense force.

Likewise, with their defense proposition simplified—no new bomber to think about—the billions of rubles the Soviets have spent and continue to spend to improve, expand, and modify air defenses could now be directed to expanding their offensive forces. While their "now generation" strategic bomber—the Backfire—is already in production, we fall further behind each day we remain indecisive.

The Soviets, unless we act soon, can rapidly overshadow us in the manned bomber arena which has, until now, been the one place we had a decisive, powerful edge.

We also need to remember that missiles—ICBM's, SLBM's, and ALCM's—can only be brought to bear in a nuclear exchange. This is not so for the bombers. One reason we must have a modernized bomber fleet is to give us solid strength for confrontations short of a nuclear war. We do not know what nonnuclear actions the Soviets or their satellites might contemplate.

We do know from experience they will push and shove any time they have an advantage. A modern U.S. bomber force which can deliver concentrated loads of conventional nonnuclear ordnance provides a healthy incentive for the Soviets and their associates to do pushing and shoving at the negotiating table instead of the firing line.

Without question we need a new manned bomber to replace the aging B–52's. However, it is time to realize that the B–1, because of unfortunate delay, cost escalation and inflation would meet this need only at a cost that we cannot—or more accurately—do not have to pay.

This Congress has the responsibility to provide for the Nation's defense without breaking the taxpayers' back with an unnecessary tax burden or a national debt that will hang over the heads of our children for generations to come. At $100 million a copy, the B–1 has priced itself out of the American taxpayer's pocketbook.

Fortunately, alternatives are available. We can give the American taxpayer the

defense we need at much less than $100 million an airplane.

The B–1 is a big airplane in an age where bigness is not by any means a measure of true defense value. Technological advances in recent times now make it possible to put in smaller aircraft what before required huge B–52 and B–1 size airframes. Miniaturization, solid state electronics, lighter weight/higher thrust engines; dramatically reduced weapon sizes and weights; extremely accurate, reliable and lightweight digital computers, and a multitude of other advances make it possible for smaller aircraft to do the job that only elephants could do in the past.

Three years ago, when I suggested a stretch—or growth—version of the FB–111, policymakers were not interested. At that time, they knew that growth versions of both military and civilian aircraft were successful and less expensive. With basic F–111 production procedures already established, and with a commonality of parts and supply lines, the price tag for building and operating a stretch FB–111 model would obviously be much less than that of a completely new aircraft.

However, the B–1 looked bigger and better at the time. That was before cost increases, delays, and advanced electronic and engine technology changed the picture. The estimated cost of a B–1, at that time, was less than half the current cost. Now the situation is different.

Mr. Speaker, we simply cannot afford to let the strategic bomber force deteriorate. We must recognize that a new bomber will have to be brought into our strategic inventory.

At the same time we should realize that less costly, immediately available options such as a stretch FB–111 can do the job at much less expense to the American taxpayer.

Circumstances have changed. It is time we put the B–1 to rest once and for all. It is time we went about our business of providing for the common defense at a cost that is much more reasonable to the American people. Let us quit playing games with the American taxpayer. The decks need to be cleared of the B–1 and then let us move directly to replace the B–52's with a technologically proven, readily available, less costly alternative—the FB–111H.

Mr. CEDERBERG. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker and Members, we have been up and down the hill on this subject a number of times. The President has indicated to us that the cruise missile would be a satisfactory substitute. And yet we, other than the B–52, have nothing to carry the cruise missile.

It has been suggested that a 747 be utilized, and no one has come to us with the cost estimates on that. Let me suggest that with a 700- to 900-mile range cruise missile, the B–1 bomber is capable of carrying 24 internally and 26 externally and still be a bomber. The 747 cannot meet that need.

I would, Mr. Speaker, without continuing this argument to enter into the RECORD a letter that I received this morning from my colleague from California (Mr. CHARLES H. WILSON), who perhaps more explicitly puts forth why we should vote to build aircrafts 5 and 6. If these aircraft are turned down and the B–1 is canceled forever, I want this in the RECORD so that those Members who are still around here when the crunch comes can look and see a warning. And know that hindsight is always 20–20.

Mr. Speaker, the letter follows:

WASHINGTON, D.C.,
February 22, 1978.

Hon. WILLIAM M. KETCHUM,
413 Cannon Building.

DEAR BILL: I expect that today will bring still another exciting debate on the floor of the House concerning the fate of the B–1 manned strategic aircraft. I would speculate that the arguments offered tomorrow both for and against this weapons system will not be new. Consequently, I do not believe it is necessary to develop these issues in this letter.

What I would like to convey to you is a brief chronology of the events that have taken place subsequent to the President's decision to terminate production of this important weapons system.

On June 30, 1977, the President announced his decision to terminate the B–1 program in favor of "more cost-effective alternatives."

On July 21, 1977, the highest-ranking Department of Defense research official in the United States told the Armed Services Committee that, "I did not recommend against the B–1 penetrating bomber . . . Yes, I think the B–1 was a fine weapons system, and I think it was a very capable penetrator and I think it would have driven the Soviet air defense crazy."

On December 5, 1977, a Soviet military advisor to the SALT II negotiations advised me personally that the Soviet Union recognized the fact that the United States must have a follow-on bomber and that it was just a matter of time before we in the U.S. recognized it.

On February 2, 1978, the Chairman of the Joint Chiefs of Staff, General George S. Brown, stated before the Armed Services Committee, "My concern is that the B–52 is not going to last forever, and I think the United States needs a manned penetrator in the future. My judgment is that it is time to get about the development of such an aircraft."

These conflicting statements lead me to continue to search for the real reasons why the B–1 program has been terminated, and where we as a nation are headed with regard to our strategic deterrent policy.

I could accept the decision to terminate the B–1 program, if in fact, there were more cost-effective alternatives. My difficulty is in finding a single defense witness who will testify that this is the case. In the Department of Defense Bomber Modernization Study of April 29, 1977, the alternatives to the B–1 are described at length. Adding up the cost of these alternatives—the B–52 modernization program, the FB–111H, the cruise missile carrier and its complement of cruise missiles—you arrive at a grand total of nearly $26 billion. Each of these alternatives has been presented to the Congress as viable programs for which funding has been requested by the Department of Defense. I ask you to recall the fact that the total cost for completion of the entire B–1 program was about $18 billion, of which $11 billion is attributed to escalation. In summary, our most cost-effective alternatives will cost the American taxpayer about $10 billion more than the total cost of the B–1 program.

I am extremely concerned and distressed over recent decisions concerning the termination and deferral of several strategic programs that, in my judgment, will seriously jeopardize our strategic deterrent policy and objectives. On September 15, 1977, the distinguished Chairman of the House Armed Services Committee, Melvin Price, wrote the President expressing his serious concern over our strategic posture relative to recent Administration decisions concerning the B–1, continued Minuteman III production, and deferral of the MX advanced missile system. On November 23, 1977, the Chairman received a "non-responsive" response to the issues he raised, from an Assistant Secretary of State for Legislative Liaison. I believe that the Congress is entitled to a more comprehensive explanation of the rationale underlying strategic matters that have so far-reaching and long-term effects.

This past December, I had the opportunity to visit with the U.S. delegation to the SALT negotiations in Geneva. I was distressed by the fact that many of our arms control people view our military representative of the Joint Chiefs of Staff as a stumbling block in the establishment of a balanced agreement. Are we as a nation so intent on reaching some form of an agreement that we will summarily dismiss the input of our military experts and jeopardize the national security of this country? We ignored the advice of Admiral Thomas H. Moorer, the Former Chairman of the Joint Chiefs of Staff, when he said on July 27, 1972, before the Armed Service Committees, "(We must) plan for rapid augmentation of strategic forces, including the B–1, beyond the constraints of the treaty and agreement to be made in the event of abrogation, withdrawal, or collapse of negotiations." We did not take this advice, but the Soviets did, and there are few, if any, people in this world who would quarrel with the fact that the Soviets have transitioned from a position of strategic inferiority to strategic equivalence with the United States. Moreover, every key defense official acknowledges the fact that if present trends are allowed to continue, the Soviets will enjoy strategic superiority within the next two to five years.

I ask each of you to seriously consider the facts concerning the fate of the B–1 program. I am not asking or suggesting that we reconstruct the entire program at this time. I am only asking you to maintain the House position and to consider offering an affirmative vote to continue the building of aircraft Nos. 5 and 6 so that we can continue the program in the event of a breakdown in the on-going SALT negotiations.

For those of you who plan to vote against continuation of the B–1 option, because of the promise of the cruise missile, I urge you to get the results of the cruise missile tests that were conducted last month, before you decide. I have always supported the cruise missile, but I recognize that it is a complement rather than a competitor to the B–1 aircraft. I believe that these test results confirm my belief.

Additionally, the evidence is rather clear that we will be building a follow-on manned strategic aircraft in the coming years. To date, we have spent over $7 billion developing a follow-on to the B–52—an aircraft described by the then Secretary of the Air Force, Harold Brown, on January 25, 1966, as a bomber that "would be obsolete by 1975." Most importantly, if we initiate another research and development program to build a follow-on bomber, we will place a burden of some $5 billion or more on the American taxpayers and produce an aircraft that is identical to the B–1 in design and perform-

ance. Continuation of aircraft Nos. 5 and 6 would represent our way of doing what's best for the country at the least practical cost.

Very truly yours,

CHARLES H. WILSON.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I think the problem that we are confronting here today is, in one sense, a test of the budget and impoundment legislation that we adopted here a couple of years ago with such fanfare. We insisted that the President notify us if he wanted to rescind any appropriation and fail to spend funds. The President sent that rescission of B-1 funds up here. The Appropriations Committee voted it down, and the House reaffirmed that position. That should have been the end of it. But the Senate has somehow been trying to run an end run around the House and overrule our decision made in accordance with the established procedure.

I think we ought to block that end-run effort. We ought not let them destroy the intent and the procedures of the budget impoundment resolution.

Since the House last debated this issue, the Nation's top military people have come before our Armed Services Committee. General Brown, the Chairman of the Joint Chiefs of Staff; General Jones, Chief of Staff of the Air Force, both tell us that we must have a penetrating bomber, if our Triad deterrent is going to be credible, and they have told us we had to begin building a penetrating bomber today, not 2 years from now.

We have also learned clearly since our last debate that the cruise missile is gravely inadequate in terms of our SALT-imposed range limitations. It is not and cannot become a substitute for the B-1. So what must we do? Do we go ahead and build a new penetrating bomber, the FB-111H? That is apparently what the gentleman from Texas (Mr. MILFORD) has in mind. Or, do we take the one penetrating bomber that is now available on the shelf, the B-1 bomber, and use that to protect our country?

If we build the FB-111H it will cost us almost as much money as the B-1, and we will still end up with an inferior plane, built with an obsolete technology.

We Americans prided ourselves on keeping our military technology ahead of that of the Soviet Union. Certainly, in our vital nuclear Triad, we cannot do anything less than use the latest technology, which is, of course, the B-1 bomber.

Mr. CEDERBERG. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama (Mr. EDWARDS), the ranking minority member of the Subcommittee on Defense.

Mr. EDWARDS of Alabama. Mr. Speaker, I guess I am looked on in this House as something of a superhawk. That has been basically the way people have viewed me. And yet I cannot go along with the construction of planes 5 and 6. I have fought in the well of this House time after time after time to try to build the B-1 bomber, and we have lost and we have lost and we have lost.

The President campaigned on terminating the B-1 bomber, and be so recommended. The Congress has terminated the B-1 bomber on not just one vote but on two.

And so now we find ourselves here today, not talking about the construction of the B-1 bomber—that issue unfortunately has been settled. We are talking about a matter of economics.

And the truth is, as many Members sit around here somehow thinking lightning is going to strike and we are going to get the production of the B-1 bomber, it is not going to happen based on what this Congress has done.

So we come to a point of talking in terms of saving the taxpayers of this country some three-quarters of a billion dollars. I say that building two more B-1's is not worth it. I would say we should build them if we did not have any already, but we have got four to test. We have got four to do our research on, and there is no way to justify building two more.

We can save three-quarters of a billion dollars.

Many Members supported the President on terminating the B-1. And then, lo and behold, out came from nowhere the question of the FB-111H, and many Members felt betrayed after having voted that way, to then be told that, well, fellows, in the wings we have had this FB-111H, there all the time.

Now we have successfully put a stop to that and there is $10 million in the budget this year to do a study on the future of the manned penetrating bomber. It includes the FB-111H, and the B-1, and the updating of the B-52, and greatly modifying the B-52 and, yes, even a new manned penetrating bomber.

The problem is that the administration does not know where we are going, and the Congress has supported the administration. And so we have nowhere else to go now but to study it again. In fiscal year 1978 we provided almost a half billion dollars to continue research and development on the first four B-1 bombers that have been built. In the fiscal 1979 budget there is $105 million to continue that R. & D. It is estimated for fiscal 1980 that we will have another $109 million and in fiscal 1981 another $80 million. We should continue this research and development program on the B-1.

For goodness sakes, think of the folks back home who are paying the taxes. It will serve no useful purpose to only build two more B-1's. We can learn all we need to learn with the first four. And this will save the taxpayers some $750 million.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Speaker, did I understand the gentleman from Alabama (Mr. EDWARDS) to say that the FB-111H proposal had been laid to rest?

Mr. EDWARDS of Alabama. It came up last year, as the gentleman will recall, with a request for $20 million from the Committee on Armed Services and that was defeated. All we have before us today as far as the FB-111H is concerned is that it is one of five alternatives to be studied in the $10 million study proposal in the fiscal 1979 budget.

Mr. BURLISON of Missouri. I would not say that $10 million in the budget for a penetrating bomber is laying it to rest. Does the gentleman agree that $10 million ought to be in the budget to study the penetrating bomber? We have a new penetrating bomber ready for production representing an investment of almost $4 billion.

Mr. EDWARDS of Alabama. Yes. I will say we ought to know where we are going and we do not know. This has been the great fallacy in the whole thing. We are leaderless as far as the administration is concerned. But that does not mean we ought to throw the money away. The Congress has supported the administration. The decision has been made. And I wish it were otherwise. I offered an amendment to this particular bill when it was before the House earlier that would reinstate the B-1 production money, and we lost again in the House. That being the situation which confronts us, I urge adoption of the motion of the gentleman from Texas (Mr. MAHON). Let us not spend three-quarters of a billion dollars on two unnecessary planes.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. CHAPPELL), a member of the Subcommittee on Defense.

Mr. CHAPPELL. Mr. Speaker, all of us are laboring today over a very difficult question. Some of us are afraid we will hold up this bill and consequently funds for various disasters and other vital programs. I recognize the validity of that position but I also recognize the necessity of taking the time necessary, whatever that is, to adequately consider the defense of our country.

I believe we will make a serious mistake if we do not go forward with aircrafts Nos. 5 and 6 and the research and development related thereto.

I encourage the Members to look at the chart previously called to your attention as a handout piece and to study it because it shows we have the option of pouring $745 million down the drain or retaining the program at a cost of $930 million, getting aircrafts Nos. 5 and 6, which will buy us an 18-month option with the manned bomber program and extend the value of this program as a deterrent to war useful at our SALT talks. At the same time it will give us time to fully test and demonstrate the cruise missile's effectiveness, and give us the opportunity to maintain—and this is extremely important in my view—to maintain the production team, the engineering and the manufacturing capacity for an important 18-month period.

Let me emphasize—and this is based, Mr. Speaker, on the testimony given before the Defense Subcommittee of the Appropriations Committee—that there

have been some facts cited on boards in the Speaker's lobby which I submit do not reflect the information presented to the committee.

For $220 million more than the amount it will cost us to rescind, we can hold the organization to finish the program and accelerate it by at least 2 years.

So, Mr. Speaker, I urge the Members to vote no on the motion to recede and concur and give us an opportunity to maintain this strategic option.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CEDERBERG. Mr. Speaker, I yield 1 additional minute to the gentleman from Florida.

Mr. CHAPPELL. Mr. Speaker, I thank the gentleman from Michigan (Mr. CEDERBERG) for yielding me the additional time.

Mr. Speaker, I ask the Members to also look at the reverse side of the handout sheet to which I have referred which shows why we need the manned bomber program. It emphasizes the tremendous rate at which the Soviets are pulling away from us in the strategic field. Again this is based upon testimony given before the committee. They are widening their strategic advantage over us at an alarming rate. A further reference to that chart shows that they presently have better than a 2-to-1 advantage over us at the present time and widening it. I invite the Members to study it and see where we are.

One last point: There is no question—no question—that we need a penetrating bomber. The testimony of our experts is that we need a penetrating bomber. Just today the Under Secretary of the Department of Defense in charge of research and engineering has told us we need a manned penetrator. He believes we can use the B–52 as far as he can project, which is to the year 1985. But between now and 1981 we must make the decision whether to go forward with the penetrator and, therefore, we ought to hold this option open for further consideration within that time frame.

Mr. LLOYD of California. Mr. Speaker, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from California.

Mr. LLOYD of California. I thank the gentleman for yielding.

I would like to point this out to my colleagues. Are we really such that a potential enemy does not possess the capability of taking the cruise missile out? I think the answer is we are not sure. I do not think that many of the people on this floor are really sure of the issues that are before us here today, and I think before we vote this down or vote the option out, we should make sure, for heaven's sake, that we are correct in our decisions.

Mr. CHAPPELL. I thank the gentleman and urge a "no" vote on the motion.

Mr. CEDERBERG. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. STEERS).

Mr. STEERS. Mr. Speaker, I would like to rise in support of the motion offered by the gentleman from Texas regarding the B–1.

During my campaign for Congress, I told my constituents that I had not arrived at a final decision on production of the B–1. I followed last year's debate on the B–1 with great interest, and I finally concluded that the B–1 is too expensive. For that and other reasons, I joined the majority of my colleagues in voting down the B–1 appropriation. I feel this issue has been resolved.

The B–1 question has been kept alive, and unfortunately it is living at the expense of some extremely important programs.

If the B–1 is supported by the House today, an important refugee assistance program in Montgomery County, Md., will have to fold. The State and county cannot continue to shoulder this responsibility of the Federal Government. My staff was in touch with the administrator of this program yesterday, and they cannot wait another week for their funds. This bill also provides funds to assist low-income families pay their heating bills this winter.

Further delay of the supplemental appropriations bill will prove extremely damaging to these as well as other programs.

I would like to insert into the RECORD at this point the text of a Washington Post editorial, which sets forth good reasons to support the Mahon motion.

A vote for the B–1 will, in all likelihood, produce no new B–1's. It will only serve to further obstruct the passage of vital Federal funds.

NO MORE B–1S

Thought the B–1 strategic bomber was dead, did you, just because the president decided and Congress agreed last year not to produce and deploy this successor to the old reliable B–52s, but to put cruise missiles on the B–52s instead? Silly you. What was killed last year was funds to build B–1 copies 7, 8, 9 and 10—copies 1, 2, 3 and 4, prototypes, are already built. That leaves, you will note, 5 and 6. Congress appropriated $462 million for them the year before last. President Carter, the Senate agreeing, has wanted not to spend that money. But B–1 supporters in the House, invoking the anti impoundment legislation a Democratic Congress thrust upon Richard Nixon, insist he spend it. The question exists as the lone rider on an otherwise uncontested supplemental appropriations bill, and it's due for a showdown vote in the House today.

Now, why, you may ask, would anyone wish to lay out nearly half a billion dollars, plus half as much again later for testing, to build copies of a bomber already rejected? Isn't that throwing most of a billion dollars down the drain? The "substantive" arguments are feeble. One is that the B–1 construction team should be kept alive in case the president changes his mind—this ignores the fact that B–1 research will continue. Another is that the Russians are working on a hot new defense against cruise missiles—as though, if the defense worked half as well as its flacks claim, the much bigger B–1s would not be an even fatter target. Political considerations explain the B–1's survival. A good number of Republicans would not be averse to embarrassing the president on the issue, and the contractor, Rockwell International, has been reminding members of the jobs a production decision could mean for their districts.

Let us make this point: After a long, full fair and public debate—in many ways, a model defense debate—the political community decided last year that American strategic requirements would be served better by extending the use of B–52s with cruise missiles than by constructing B–1s. That cruise missiles, by being easy to hide and hard to verify, complicate arms control is more generally understood than it was. But that has not sparked any general challenge to the B–1 decision, and it seems to be no part at all of the diehard B–1 brief. In any event, given the progress of both technology and diplomacy, it is water over the dam. The B–1 brigade has had its day in court. It should stop worrying the issue. No more B–1s.

Mr. CEDERBERG. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. I thank the gentleman for yielding.

I would like the attention of the distinguished committee to see if someone could explain to me a telephone message I just received from my office. It says, and I quote:

"Larry Snowhite of the Environmental Protection Agency called to ask you to vote yes on the motion. Funds for municipal sewage treatment plants are tied up in this Supplemental Appropriations bill. Fifty-seven million dollars for Alabama will become unavailable as of the first of March if this bill is not passed."

Can anyone explain to me the connection between this and the B–1 bomber?

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

We have got a $7 billion supplemental appropriation bill that is pending and has been pending for weeks. If we cannot resolve these issues, of course, these funds will not be available. There is $1.4 billion in the bill for the water treatment program.

Mr. CEDERBERG. Mr. Speaker, I understood there was a prohibition against agencies' lobbying against specific legislation.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. ADDABBO), a member of the Committee on Appropriations.

Mr. ADDABBO. Mr. Speaker, we are back with the B–1 as several Members have said before, and they asked whether in the next hour we were to hear anything new. I did not expect to hear anything new, but I think we have heard about one item—we have heard about the Russian SA–10 which will have the capability of knocking out of the skies the cruise missile. If it could knock out of the skies the cruise missile, which is a low-profile missile, can you imagine what it would do to a B–1 bomber?

Also, we have heard of testimony from the Under Secretary of Defense, Dr. Perry, as far as the need for the penetrating bomber, and what he said was it may be needed in the outyears of the late 1980's and that we will know after a study.

As the gentleman from Alabama has

pointed out, we have $10 million to study whether or not we need the penetrating bomber, but we do need the cruise missile.

The cruise missile has been tested, it has been flight tested, it works. The money for the cruise missile to accelerate that program is in this supplemental, as there are other programs, $200 million to help the elderly to pay their utility bills; $2 billion for the Small Business Administration disaster program. There are many needed programs which need the funding from this supplemental.

But let us get back to the B–1. We heard before we need the production lines, we need the production money. Now, there is something new, because I just learned something new myself yesterday. Even if we do appropriate the money, waste this $1 billion for two planes, we will have no production line. Nos. 5 and 6 will be built in the same manner as numbers 1, 2, 3, and 4 were by handtools. No production line is being set up, so we are learning nothing new. We are not establishing a production line. All we are doing is buying two planes for $1 billion to be put in the Air Force Museum, because there is absolutely no use for them. Anything you can do with planes Nos. 5 and 6 can be done with planes 1, 2, 3, and 4.

We have $500 million to continue the R. & D. for the B–1 or a penetrating bomber; $500 million is already in R. & D. In the coming budget there is an additional $106 million to study the R. & D., to study the penetrating bomber; but all the testimony from the military experts, General Jones, General Brown, Dr. Perry, say that planes 5 and 6 are not needed, and if the future calls for a penetrating bomber it will not be a B–1.

Mr. ALLEN. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Tennessee

Mr. ALLEN. Mr. ADDABBO, in the Senate, what was the vote on this B–1?

Mr. ADDABBO. The Senate for the second time voted for the rescission, I think it was 58 to 37.

Mr. ALLEN. Mr. Speaker, if the gentleman will yield further, is there any reason at all for us to believe that the Senate will change its position on this?

Mr. ADDABBO. Every vote the Senate has had on production, on the rescission, has been in favor of the President's position, for the rescission, and there is no indication of change, as a matter of fact, that vote has become greater each time this bill has gone back to the other body.

Mr. ALLEN. Then in that case, if the gentleman is correct about that, if we vote again to keep this money in for the B–1 bomber, we will be holding up emergency fuel assistance funds for the poor of $200 million; the Small Business Administration disaster fund; the Amtrak increased funding; the Environmental Protection, that is for R. & D. for coal control technology, on the construction of waterways and so forth; the energy funds, the strip-mining control funds, and the Federal Crop Insurance payments which are now being held up to farmers; is that not true?

Mr. ADDABBO. All those matters will be held up, in addition to that there is the waste of a billion dollars.

Mr. ALLEN. Mr. Speaker, if the gentleman will yield further, one other point. The letter earlier writen by David C. Jones, a general of the U.S. Air Force and Chief of Staff, was mentioned earlier by another speaker. I am going to ask the gentleman in the well if it is not true that on February 21 General Jones did write a letter to the gentleman from Texas (Mr. MAHON) urging that we abandon B–1 bomber for now?

Mr. ADDABBO. General Jones, who has been a proponent——

Mr. ALLEN. A strong proponent.

Mr ADDABBO (continuing). Has said there is no way that we should go ahead with this B–1.

Mr. CEDERBERG. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I remind my colleagues this is the birthday of the Father of our country, George Washington, who said quite correctly that the only way to keep the peace is to prepare for war. And yet with each passing month our preparation suffers. Ending the B–1 program is the worst possible way to fulfill our covenant with the American people to provide for the common defense. I want us to see visually the best, the most beautiful aerodynamic achievement in the history of flight as we vote upon this B–1 aircraft, so I place this 3-foot model here in the Speaker's well. I said here before that the concluding remarks of a great Democratic majority leader whenever he was discussing military affairs was this excellent quote:

> Always in areas of Defense, if I err, let me err on the side of strength.

Please let everyone of us consider that sentiment.

One of the major questions already discussed here is what will this refusal to slam closed the B–1 production cost us?

The simple answer is, next to nothing.

I am afraid there has been such fast and loose playing with figures in this debate that we are forgetting that the American taxpayers, when they figure up their tax burden at the end of the year, also include their State, county, and city tax bills as their total burden of government support.

When we consider that there will be over 7,000 workers fired if we stop this production line we must consider human costs along with termination costs. We know we are going to have unemployment considerations, welfare costs, and dislocation allowances. When we put all these figures together, and total in the precise termination costs we will save nothing. What the President is saying here is that he does not want aircrafts Nos. 5 and 6, even if they are free. That is arrogant and absurd.

Of course, we have to take into consideration the money for testing, but here also we have to consider the words experienced senior test pilots who have called me to beg that the Congress continue this valuable testing.

Even general officers called to groan, off the record unfortunately, "Congressman, if it would save the B–1 bomber, if it would insure that the B–1 bomber would be built, I would resign my commission."

The amazing thing is that we do not find any Gen. Billy Mitchells around, who really would take that courageous step and then like Paul Revere shout for a strong defense from coast to coast. Maybe we are tired, as a nation, but we must produce mighty military leaders, men of powerful conviction who will fight without a uniform if need be to buy time for peace.

We must give the Soviet citizenry time to turn out more men of vision, real patriots; like the Solzhenitsyns and the Sakharovs and the Bukovskys, who tell us exactly the horror of the Communist force we are up against. Secretary Harold Brown and the Chairman of the Joint Chiefs of Staff, General Brown, told us here in Congress just the other day, that the Soviet Government is pushing a malignant military growth rate unknown in all of the recorded history.

Mr. Speaker, I plead with you and the Members of this great House to reject the shortsighted Senate demand to kill aircraft Nos. 5 and 6 and close forever the chance for B–1 production.

I still have the petitions signed by 3,400 Rockwell workers saying: "We are on the job. The B–1 production line is open."

Seven thousand workers who will be fired soon, including those 3,400 signers if we do not build planes No. 5 and No. 6. Rockwell's B–1 is not a public works project. And Rockwell, of course, is a free enterprise corporation with stockholders to whom it must answer. Those workers will have to be fired if you vote yes on this rescission and you can understand how difficult that will be at this time of the year, particularly with children in school midterm. I am proud to say I have yet to have one Rockwell B–1 worker say to me: "Save my job." They still today to the last man or woman talk about our Nation's strength and the defense of this country. Of course, they do not want to be fired now or at any other time of the year, but they are more interested in what they are building for the defense of our civilization. Do not treat their lives lightly.

I must give my fellow Members several other concrete reasons why we should complete aircraft Nos. 5 and 6 other than just saving California aerospace. B–1's Nos. 5 and 6 are totally different research aircraft than the first four B–1's. They are not hand-molded prototypes loaded with test instrumentation. They are production aircraft designed to work out weapons delivery problems. No. 5 is the first aircraft in the history of aviation to be electronically hardened against EMP. The electromagnetic pulse phenomenon was discovered during the Bikini and Enewetak nuclear tests where, thousands of miles away from the ex-

plosions, commercial aircraft had all of their navigation equipment fail.

This problem was considered during the design of 5 and 6 together with other secret problems which were declassified only this last summer. For example, "Operation Trestle." I have been seen at Kirtland Air Force Base this two-thirds completed, massive, wooden, railroad-type trestle upon which the Air Force plans to place aircraft No. 5 to find out the effects of radiation on ECM navigation and bombing electronic systems.

The second advanced B–1, No. 6, has great commercial application possibilities for business jets and the airlines. It utilizes composite materials that are stronger than aluminum. Only titanium is stronger than the exotic materials which are being prepared for these two planes. The R. & D. reasons for 5 and 6 go on and on. And we are not talking about $462 million.

We are talking about $220 million. That low figure for two B–1's would be a research bonanza. It would be getting these airplanes at less cost per plane than if we had gone into full production of 244 B–1's.

I do not know if we will ever turn around the Senate or this President on full or partial production, but what we are talking about now is research and development, and keeping open the capacity for B–1 production while the SALT II talks have our Nation and our President up against the wall. The Soviet Union is continuing to make its SS–18, and the other SS series of massive, heavy megaton, city killing, silo killing weapons, and I see no reason to preemptively concede anything to the U.S.S.R. by closing down production on the best aircraft ever made, crippling our Triad, and firing 7,000 of the world's best defense workers. What is President Carter's defense philosophy, speak softly and carry a broken stick?

I ask my colleagues, if you are unsure in making this decision, if you think you might err in either direction, then I say err on the side of strength.

Vote no on this rescission demand of the other body.

I yield back the balance of my time.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the chairman of the Committee on the Budget, the gentleman from the Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I rise in support of the motion offered by the gentleman from Texas (Mr. MAHON) to delete the funds for the two prototypes of the B–1 bomber.

I make this statement as one Member who consistently for several years supported the B–1 bomber and as one member who changed his mind last summer when we voted on the 1978 appropriation. I changed my mind, I might add, 3 days before we knew what the President was going to say about the B–1 bomber. I did so for two reasons:

First of all, because the effectiveness of the B–1 bomber as a weapons system became highly questionable in my mind, and secondly, because of the inordinate cost of this weapons system.

Just think of it. The cost is approximately $700 million for one airplane. I repeat, $700 million for one airplane.

There is an argument that is used quite frequently in this Chamber. It goes as follows: If we must err in defense matters, let us err on the side of strength. That is a fallacious argument. That argument might hold water if we had unlimited funds to put into the defense budget, but we do not, and we do not serve well the security of our Nation when we take scarce and much needed funds for defense and put them into a questionable or worthless weapons system.

In fact, putting our defense dollars in the wrong place is the biggest favor we can do for the Soviets or for any other possible enemy of the United States. And I submit to my colleagues that the B–1 bomber is a questionable weapons system, if for no other reason than its prohibitive cost.

I believe that is one of the key reasons why the President came down with a very difficult decision against continuing this program.

We have the prototypes. We can continue with research and development. We can see what will happen with the development of the Cruise missile. We can keep open the option of whether or not we need a new manned bomber. If we do, I hope we will get one that will be more effective than the B–1 bomber and will cost less.

I submit to the Members that we have a defense budget that has gone from $108 billion in fiscal year 1977 to $116 billion in the 1978 fiscal year and now to $128 billion in the new fiscal year. We will be working on that in the coming weeks and months. We do not have any excess money to be spending on the wrong weapons system.

With this B–1 plane we are not protecting the security of the American people, we are jeopardizing it, because we are not giving them the weapons systems that they must have to protect themselves from any would-be aggressor.

I submit to the Members that this highly controversial issue of the B–1 is becoming a political issue of whether the Congress or the President is going to prevail.

Mr. Speaker, I urge the Members not to make this matter one of the President versus the Congress but to consider it as a weapons system which is not worthwhile and I therefore urge the House to vote down these funds.

Mr. CEDERBERG. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I realize we are coming close to the end of the debate. I think we all understand the problems we have faced. I certainly do understand the President's problem. The making of a campaign promise to cancel the B–1 was awfully easy before the time came to really make the decision. Members will recall when the President made that decision he said, "It was the most difficult decision that I have ever had to make." And that is understandable.

We had General Brown and Secretary Brown before the Defense Subcommittee, and they said clearly we must have a manned bomber.

We have invested over $3 billion in research in the B–1 bomber. What we should do is save the President from his folly. The Defense Appropriations Subcommittee and Armed Services Committee of this body—both of them—which are charged with the responsibility in this area, have continuously supported the B–1 bomber. It seems to me that the position that we ought to take is to go ahead with the construction of these two bombers. Taking into consideration the termination costs, we are not going to really save any money if we stop the program now. And if we decide to stretch the F–111, we are talking about billions and billions of dollars more. I think everyone agrees that a manned bomber is essential.

Why do we go down the road and spend billions of dollars in research, as we have on this system, and then discard it?

We have heard a lot about what the generals are saying. Generals are saying what they have to say, or they will not long be generals. They will be retired early. Everybody understands that.

So it seems to me that we would be making a serious mistake regarding the defense of this country by agreeing to the motion of the gentleman from Texas.

Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Speaker, I am not going to stand here and discuss the economics with the Members. We have heard a lot about dollars and cents. We have heard a lot about comparative figures. I do not think the issue is economics. The issue is, very bluntly, survival, and maintaining the option of whether or not we are going to be able to meet a challenge that is very obviously there on the horizon.

A recently released study by the CIA, in unclassified form, says that over the 1967 to 1977 period as a whole, the level for Soviet activity for strategic forces, measured in dollars, was almost 2½ times that of the United States, and that in 1977 the Soviet level was about 3 times that of the United States.

Now we are talking about the strategic area, the strategic triad, and one leg of it which is dependent, based on all of the expert testimony, upon a manned penetrating bomber.

It has been said here today that we have lost and lost and lost. I take issue with that. We have been denied and denied and denied, in terms of those of us who I believe have the best access to knowledge regarding this matter in the Congress, the Committee on Armed Services and the Defense Appropriations Subcommittee. It is said that the issue is settled, that the B–1 is dead. Well, if the B–1 is as dead as a mackerel, why was it that when General Brown came before us on the 8th of November he said the following:

If, in fact, the B–1 is dead, then I don't favor spending to build Bombers 5 and 6.

When he said, "In fact," I think that he qualified his comments to a high degree, because in fact the B–1 is not dead, or we would not be here arguing the point today.

The issue, as I say, is not one of economics, but, rather, of maintaining an option as to whether or not, if the SALT talks fail, if the Russians continue to try to build their military might in terms of their ability to reach out in other than defensive fashion, then we are prepared to respond.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Speaker, does the gentleman not agree that in the event this motion should carry and these moneys should be deleted, which are moneys which were appropriated in the 1977 budget and which are already there, but which would be taken out by this kind of action if this motion carries, that right behind the B–1 program there is going to be another penetrating bomber program which will cost more than the B–1 program would have cost?

Mr. ROBINSON. Certainly; there has been nothing but evidence to support that comment before our Subcommittee on Defense.

Mr. CHAPPELL. Is that not the positive evidence that now stands before the Subcommittee on Defense Appropriations, that the manned penetrator is needed and that the proposition is that we are going to start right on, as perhaps the gentleman from Texas (Mr. MILFORD) suggested, with another manned penetrating bomber program behind this one; is that not correct?

Mr. ROBINSON. It is indeed true. I support what the gentleman says because the comment has been made and letters have been recited, written by General Jones, to the effect that he cannot support bombers 5 and 6.

However, let me read what he said on that subject when he was before our subcommittee on the 15th of February. He said:

The Air Force was disappointed by the decision to terminate the B–1.

I repeat, he said "disappointed by the decision to terminate the B–1."

Continuing along the same line of questioning in talking about the need for a penetrator, he said:

The B–52 as a penetrator is not in a class with the B–1. The B–52 cannot compare with the B–1 in terms of penetrating ability.

The claim is made that the B–1 is already old in its technology because it has been in R. & D. so long. General Jones said that this B–1 technology is not 10 years old. It has been updated as research and development has gone along.

In other words, it has kept up with the times because it is in R. & D., and they are prepared to go ahead with an airplane that is as modern and as up-to-date as technology can make it.

The SPEAKER pro tempore. The time of the gentleman from Virginia (Mr. ROBINSON) has expired.

Mr. CEDERBERG. Mr. Speaker, I yield 2 additional minutes to the gentleman from Virginia.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield further?

Mr. ROBINSON. I yield to the gentleman from Florida.

Mr. CHAPPELL. Will the gentleman agree that we are about to take a program upon which we spent more than $6 billion and treat it the same as we have treated other programs of this type down through the years, without getting any kind of results for the taxpayers' money?

Mr. ROBINSON. We must be prepared, based on action we take today, to see that money go down the drain. There is no other way to put it.

Mr. CHAPPELL. Does the gentleman agree that since 1959, with all of our bomber programs since then, if we cast this B–1 bomber program down the drain, we will have spent over $10 billion for building the first operating penetrating bomber?

Mr. ROBINSON. I completely agree with the gentleman.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, would it not be well to reconfirm the fact that whatever the effectiveness of the cruise missile may be—and we are not certain about that—we should still keep in mind that there are serious reasons to be disturbed by what appears to be concessions given to the Russians to limit the range of the cruise missile even before the SALT talks get underway? Is that not true?

Mr. ROBINSON. The gentleman is absolutely correct. We are not going to be permitted to exploit the cruise missile to the maximum extent possible.

Mr. SIKES. Has it not been brought out time and again that the Russians have a deathly fear of the B–1, which is the one weapon in our arsenal that they appear to be afraid of most? Has that not been brought out?

Mr. ROBINSON. Indeed it has. They are afraid of its low-level operating capability.

Mr. SIKES. And has it not been established time and again at our hearings before the Subcommittee on Defense Appropriations this week and last that the manned penetrating bomber is still our No. 1 need as an essential part of the triad?

Mr. ROBINSON. It certainly has.

I would conclude, Mr. Speaker, with this comment, which was also made by General Jones with regard to the cruise missile: The cruise missile is not a substitute for a penetrating bomber; it could be a supplement, but not a substitute.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Speaker, that is a real nice model there, and I do not think any of us who are opposed to the B–1 bomber would not give technological ingenuity its due.

The fact of the matter is that this House, and this President, and this Secretary of Defense, and this Chairman of the Joint Chiefs of Staff, and this Chief of the U.S. Air Force, and the Senate, has said that we are not going to build 244 of those planes, no matter how marvelous they are and how sleek looking they are. It is a waste of money. We are not going to build 150 of them. Indeed, we are not going to build any of them save for the fourth one in the R. & D. phase. We are going to build that one, and that is all we need for the R. & D. phase.

The President has realized that the idea of a low-level manned penetrating bomber is an idea whose time has passed. To counter what the distinguished gentleman from Florida just said, and as a member of the SALT advisory team from the House of Representatives, I have spent a lot of time with our SALT delegation in Geneva; I have spent a lot of time talking to the Soviet SALT delegation, and you know, not a one of them has mentioned the B–1 bomber, with any degree of fright. Indeed, they say that the cancellation of the B–1 bomber and our going with the cruise missile was the thing that causes them concern.

It has been mentioned that the Soviets are deploying the SA–10 missile. Let me tell the Members that the SA–10 was designed to shoot down the B–1 bomber. That is the threat against which it was built. The Soviets seem to be going ahead with that deployment, just as there are people in this House today who seem to want us to go ahead with what they call an option, to keep the manned low level penetrating bomber alive. I suggest to the Members that it is not an option. What they really want is a reprieve or a stay of execution.

Lets not force the waste of three-quarters of a billion dollars which will not provide one bit of military capability. Let us not be fools. Let us vote to agree with the President and rescind the moneys for planes five and six.

Mr. Speaker, I submit a copy of a letter to Senator STENNIS from General Jones, Chief of Staff, U.S. Air Force:

WASHINGTON, D.C.
January 27, 1978.

Hon. JOHN C. STENNIS,
Chairman, Armed Services Committee,
U.S. Senate.

DEAR MR. CHAIRMAN: With reference to your request for my views on the current status of the B–1 program and specifically my recommendation on the rescission of FY 77 B–1 funding, I have devoted a great deal of thought to these questions since the President's decision not to produce the B–1. A major factor in my deliberations has been the trends in the respective U.S. and U.S.S.R. strategic capabilities, so my response must be framed in the context of my concerns in that regard.

As you know, for the past several years, the Soviets have been embarked upon an extensive modernization of their strategic

forces. All discussion on intentions and shares of the budget aside, the undeniable fact remains that the U.S.S.R. is rapidly increasing, in both absolute and relative terms, the destructive power of all components of its nuclear arsenal, MIRV'd and non-MIRV'd. In my judgment, the responsible approach is neither to ignore nor to overreact to this growth.

In the interests of preserving a stable superpower relationship, the U.S. policy, which the Air Force has strongly supported, has been to attempt to restrain the pace and direction of Soviet expansion. This policy must be pursued through an interconnected process of negotiations and programs; on the one hand, the on-going SALT negotiations, and on the other, an adequate modernization of our own forces to maintain equivalence. The jury is still out on the question of how successful the current approach will be, but in all candor, I am concerned by the continuing momentum of Soviet strategic programs.

Thus, while I continue to believe in the efficacy of negotiations, I also believe our security interests will be best served by continuing to modernize our strategic forces, including the manned bomber leg of the Triad. Moreover, because of the unique contribution which the manned penetrator makes to our overall strategic posture. I believe this country will need such a capability for as far into the future as I can see.

As you are well aware, the Air Force recommended procurement of the B-1 to fill this need and we were obviously disappointed by the President's decision to terminate production. However, the decision to continue with the research and development did keep open an option for future production.

In my view, this issue of open options is central to the question of whether to proceed with aircraft 5 and 6. I have given serious thought to the matter and have discussed it at some length with the senior commanders concerned. It is our collective judgment, as well as my personal view, that going ahead with 5 and 6 is not the best way to meet the growing threat. Since I know that many thoughtful members of Congress have reasoned to an opposite conclusion from a similar view of the strategic balance and that some who agree with my conclusion do so for different reasons, some elaboration of my rationale might be appropriate.

First, I grant that keeping the production team and work force intact for a period of time is not without certain advantages. In the next breath, however, I must question whether the possible gains are worth the certain cost.

For example, just to manufacture 5 and 6 would cost at least the full amount of the proposed rescission, $462M. But unless we were to simply build and store the aircraft (certainly not intended), the estimate would go up by another $280M for OT&E funds to fly and test them.

The R&D gains from this additional investment in 5 and 6 would be nominal compared to what would be available from continued effort with 1 through 4. Likewise, regarding the option for future production, building 5 and 6 would make only marginal difference for the date for Initial Operational Capability (IOC). Assuming a 4-aircraft baseline, it would take approximately seven years to reach IOC after funds were provided; with 5 and 6 we could advance this date only a few months.

As a practical matter, since there are no B-1 procurement funds in the FY 78 appropriations or in the FY 79 budget, even an early reversal of the production decision would delay IOC until the mid to late 1980's. I believe that circumstances likely to trigger a sudden decision on production of the B-1 would spring from a world situation in which the increased capability would be required before the B-1 could become operational.

Therefore, in a nutshell, my reservations about building 5 and 6 at such a high cost are that the advantages for the long term are marginal and for the near term, irrelevant.

In sum, I do not believe that investing nearly three-quarters of a billion dollars to produce and test two more aircraft is the best use of the country's defense resources, particularly in the absence of a realistic expectation of production. I do not question that, like a terminal patient, the program could temporarily be kept artificially alive. But the slippage and uncertainty in the B-1 program which have resulted from program and funding decisions convince me that the time has come to call a halt to further investment beyond the 4-aircraft test program.

I am more concerned with our overall strategic posture than with any single weapon system. So long as the B-1 program remains shrouded in uncertainty, consuming funds without adding to capability and diverting attention from our broader strategic needs, I am convinced that it will be more difficult to focus our collective energies on the many critical issues pertaining to our strategic forces in the days ahead.

Sincerely,

DAVID C. JONES,
General, USAF, Chief of Staff.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. DAVIS).

Mr. DAVIS. Mr. Speaker, as many Members know, I do not come to the well often, but on a decision that affects defense, I am usually known as one who comes down heavily on the side of the strongest defense we can have for this country.

But today, it is quite clear to me that, having deleted the fiscal year 1978 funds and with no funding proposed in the fiscal year 1979 request, that the time has come for this body to face realities, and that is that the B-1 bomber program is dead. To vote this afternoon to build aircraft 5 and 6 is really to waste nearly one-half billion dollars. To put it another way, we hand one contractor half a billion dollars for two air frames, and to add to this folly we then are told that we must provide an additional $280 million to test the aircraft.

This to be done when the Air Force has already told us that all testing required can be done from aircrafts 1, 2, 3, and 4. I think we all know where we can spend three-quarters of a billion dollars for better projects.

General Jones has stated that in his view, and I quote: "The time has come to call a halt to further investment beyond the 4-aircraft test program."

In another quote he is even more emphatic:

> My reservations about building 5 and 6 at such a high cost are that the advantages for the long term are marginal and for the near term, irrelevant.

I would add that what this country does not need is irrelevancy in national defense programs.

We have heard some people argue that we should produce 5 and 6 to hedge against SALT negotiation failures, B-52 aging, and cruise missile test inadequacies. First, it is ludicrous to think that building two nonoperational air frames will sway the Russians. Second, the B-52 aging problem will not be fixed by buying two B-1 aircraft.

Mr. Speaker, I think it is time to forget the nostalgia surrounding the B-1 program. I think it is time that we in the Congress quit confusing the issue on national defense. Let us cut out the argument between downtown and this House. Let us let the Air Force get on with the program that they need and let us try to improve them and strengthen them, and not sit here and waste time and money over two planes that will produce nothing.

Mr. CEDERBERG. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, my friend, the gentleman from South Carolina (Mr. DAVIS), who just preceded me in the well, said to the Members that it is time to face the facts of life and recognize that the B-1 bomber is dead.

If the B-1 bomber is dead, it will be only because this Congress kills it.

It want to say to you that in time to come those of you who vote to kill it today are not going to be happy with the results.

We have heard it said that the Russians can knock down the B-1 bomber with their SA-10. How many believe that the Russians are going to scrap the SA-10 because we foolishly do not continue to build the B-1 bomber? Here is our opportunity. If we believe we need a penetration bomber, how many are going to face the people and say: "Oh, well, I was for it, but." If you are for defense in the future you should vote to continue the B-1.

Mr. LUKEN. Mr. Speaker, I rise today to emphasize my continued support for the production of the B-1 bombers Nos. 5 and 6. In light of the serious blow handed down with the Senate action affirming the President's rescission of these bombers, I feel impelled to ask my colleagues to carefully consider the impact of such a decision.

This is of particular importance given that new intelligence sources have indicated that the Soviet Union has recently begun deployment of a lethal new air-defense system. This missile, the SA-10, travels at five times the speed of sound and can accelerate up to 100 times the force of gravity. That could be fast enough to reach and destroy incoming cruise missiles flying below the speed of sound. Further, such a speed would virtually erase the effectiveness of any defensive ground radar system as these missiles would only be visible at fleeting glances.

Although this technology is in the introductory stages it is anticipated that the SA-10 will be at full capacity in the early 1980's. The Department of Defense has indicated that the current U.S. cruise missile could become dangerously vulnerable to the Soviet air defenses by 1985. Such an advancement is possible

because of the Soviet's ability to channel unlimited funds to defend against offensive weapons.

While the Pentagon contends that the cruise missile of 1985 will be superior to the current model and will be able to defeat the Soviet anticruise defense system, I do not feel that the defense of this Nation should be left up to such assumptions. The United States has consistently underestimated the Soviet technological breakthroughs in the past two decades and the early deployment of the SA–10 is, yet again, another example of such miscalculations.

It is my firm belief that we, as the representatives of this Nation, must act responsibly to see that we do not allow this country to fall below the capacity of other nations in our national defense programs. It is essential that the United States maintain an effective manned bomber force as an intergral part of our triad military system if we are to meet these needs.

Mr. Speaker, this latest information is just one more reason why I have actively supported the B–1 bomber and I am again supporting it without qualification.

Mr. ECKHARDT. I rise to speak in support of the motion by Mr. MAHON of Texas to recede from the prior House position and concur with the Senate rescission of funding for the B–1 bomber. My reasons are threefold:

First, the cruise missile will perform the same task with greater effectiveness, and if we should decide that production of a new manned bomber might be desirable some time in the future, that option will be available through funds appropriated for continued research.

Second, this legislation includes an appropriation of $4.5 billion with which to fund the EPA construction grants program for fiscal year 1978. Funds for this program which have been held over from previous years have now almost been expended, and States will be dragging their feet again in construction of sewage treatment facilities unless this supplemental appropriations bill is approved speedily.

To comply with Public Law 92–500, the city of Houston is developing a massive water pollution control program, many facilities of which will provide sewage treatment facilities for communities in my district. In the northeast segment, for example, the city is proposing new facilities and plant expansions which will ultimately cost $26.2 million, of which approximately 50 percent will be Federal funds. Hopefully, some of these facilities would receive a high enough priority that they could receive funding from 1978 allocations. Any delay in approving this supplemental appropriations bill could result in a delay in some of these projects.

Most of these projects are to serve low- and middle-income communities in northeast Houston. There are several areas now which have to depend upon septic tanks for their sewage disposal. These tanks, generally in soil which is not suitable for such a system, frequently overflow, particularly in extremely wet weather such as we have been experiencing. It is not uncommon to see raw sewage flowing down ditches in front of homes and schools, posing health problems for my constituents.

Another reason for quick enactment of the 1978 funding is that, if we do not do so quickly, then the 1979 funds will follow closely on the heels of the 1978 funds, and States will be physically unable to utilize all the funds. It is necessary that funds be made available in an orderly manner so that they can be best utilized.

I understand that President Carter intends to veto this appropriations bill if it includes funds for the B–1 bomber. Any such veto certainly would delay availability of 1978 funds for sewage treatment facilities. We cannot afford to continue to delay funding for community sewage treatment facilities which we promised to provide when we enacted Public Law 92–500 more than 5 years ago. In that act, we committed ourselves to provide the funding. Let us now carry out that commitment.

Mr. MAHON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we are at a crucial moment in the decision which must be made in regard to the B–1. All of the Members know that for some years I have piloted through the House many defense appropriation bills, and I think my credibility is good from the standpoint of national defense and appropriations for national defense.

I read a few days ago a newspaper column entitled "Thinking Clearly Is the Hardest." Thinking clearly is indeed very difficult. In my opinion if we could think clearly today this issue before us now would not be in doubt.

The B–1 is a strategic bomber designed for the purpose of delivering nuclear weapons—it is designed to carry nuclear weapons, it is not designed for dropping nonnuclear weapons—on targets in the Soviet Union in the event of war.

There are those who would have us believe that unless we produce a sufficient number of B–1's, we will not be able to prevail in the event of a nuclear war. That is not the case. That is an atrocious conclusion.

Let us look at the B–1 in the context of a war with the Soviet Union. Does anyone doubt that we are living today in the age and era of intercontinental ballistic missiles, both sea launched and land launched? Does anybody doubt that in a war with the Soviet Union, whether we have the B–1 or we do not have the B–1 bomber, that the primary weapon would be the intercontinental ballistic missile, sea-launched and land-launched ballistic missiles? That is how the fighting would take place. That is how civilization would be destroyed within a matter of a few hours if war comes. The primary weapon would not be the B–1 or the B–52, the primary weapon of the United States and the primary weapon of the Soviet Union would be the intercontinental land-launched and ship-launched ballistic missile. That is what it is all about. That is why we must be strong if we are to deter war, and we have been successful thus far in deterring war.

We have 1,054 intercontinental ballistic missiles on launchers and ready. The Russians have 300 more. We have 656 submarine-launched ballistic missiles which could be fired at the Soviet Union. We have 349 B–52 bombers and we have 66 FB–111 bombers which could deliver nuclear weapons upon the Soviet Union.

The Soviet Union has some 900 submarine-launched ballistic missiles.

Further I would say we have a total of 8,000 deliverable warheads, nuclear warheads. The Soviet Union has half that amount.

Both countries have far more strategic forces than would be necessary to obliterate one another. They can obliterate one another, B–1's or no B–1's.

We know that the purpose of our strategic forces is to deter war. We must be sure that we are sufficiently strong to deter the Soviet Union, and with a surplus in order that we may be able to destroy the Soviet Union, without a doubt, in order to deter war, and we have that capability. The Soviet Union is likewise strong enough if we should have war in mind to deter an unprovoked attack on the U.S.S.R.

Think for a moment what would happen to this country if nuclear weapons fell on Washington, New York, Chicago, Detroit, and on Los Angeles, and a few other cities. Of course there would be national paralysis and an end to civilization as we know it. It would be the same if ICBM's were delivered upon the major population centers of the Soviet Union.

So the United States as we know it today would be destroyed not by bombers, and neither would the Soviet Union be destroyed by bombers, but by ballistic missiles launched from submarines and from the land.

Think for a moment what would happen to the world in the event of such a catastrophe.

Without a doubt our deterrent against nuclear war is an important reality. That is the reason we have strongly supported these expensive programs for defense for so many years.

Bombers, because of their relatively slow speed would not and could not be used at a time of a crucial initial attack. The bombers would be used as clean-up weapons. They would be used as clean-up weapons after we delivered the ICBM's, our land- and ship-launched missiles. The war's effect would be decided before the B–1's could reach their objectives.

It appears that there are those who think that the B–1 is our only hope of survival, that it is our only strategic weapon, forgetting the land-based and sea-based ballistic missiles.

Have they forgotten that we are proceeding with the new Trident submarine launched ballistic missile program? Congress has already appropriated $13.2 billion for the Trident program.

We are proceeding with studies and advanced development of a new mobile intercontinental ballistic missile, the MX.

We are proceeding with the development and production of strategic cruise missiles which are small, relatively in-

expensive, and can be fielded in great numbers.

And all of this in addition to the nuclear forces we have today. So we should not be deluded into thinking that we are weak today or that we are doing nothing about the future.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, the Senate has voted overwhelmingly to cancel the B–1 program. The supplemental bill needs to be disposed of. We have fought over this issue long enough. Let us put it to bed and go on with our domestic problems and with our military problems, so that our defenses can be strong and so that we can have as much unanimity as possible on the big jobs that we have yet to do.

Mr. CEDERBERG. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, once again we are involved in debating the B–1 bomber and I am reasonably sure the President's decision to terminate this program will prevail upon my colleagues.

However, nothing is static in the area of defense, particularly as we look over our shoulder and observe the ominous Soviet military buildup. If the manned bomber is obsolete, someone should tell the Soviets. Since the B–52 became operational they have developed several bombers including the supersonic Backfire. We are told that recently their supersonic transport, the TU–144, is being tested as a bomber.

One need not be too expert in gaging the effectiveness of weapons systems to understand that a defensive system must usually cost much more than an offensive system. In developing strategy, the defense cost to your potential adversary is a relevant factor. It is true the B–1 is the most costly single weapon available, but in weighing this factor we ought to consider that it will cost far more for our adversaries to defend against it. In other words, the mere existence of the B–1 in our strategic air force places a severe military and economic burden on the U.S.S.R. Whatever money they would be forced to spend to defend against the B–1 is that much less money for them to spend on offensive weaponry of their own. The existence of the B–1 makes the task of defending the U.S.S.R. much more costly and complicated. This is not true of the cruise missile because it is certainly possible that mobile surface-to-air missile systems are fully capable of detecting and destroying cruise missiles. Our own Hawk surface-to-air missile is being tested to determine if this can be done.

Obviously, we have discarded an extremely important bargaining chip in negotiating a Strategic Arms Limitation Treaty with the Soviets. But more, we have deemphasized the manned bomber component of our triad defense system. In so doing we have simplified the Soviet Union's task of its own defense.

I am continually amazed at the repeated assertions (including one made by President Carter in a personal letter to certain Members of this body) that the cruise missile is an alternative to the B–1. It seems to me that these two elements are complementary rather than alternative to each other. Incidentally, the cruise missile is not expected to be in full production until fiscal year 1981. There have been several failures in its test program and solving the technical problems that have surfaced might well defer even further the production date.

We are told that the cruise missile will have a range of up to 1,500 miles. This is not adequate for target coverage within the U.S.S.R. To attain this range, the missile must be launched from a high altitude, thus making the launching aircraft more vulnerable to radar.

To supplant the B–1 the administration tells us we can use B–52's as launch aircraft. The B–52 was designed in 1948 with World War II technology and must be refitted at considerable cost if it is to be flown at low altitudes for any length of time. The B–1, however, is designed for low altitude flying and thus will have a much smaller "radar signature." The engines used in the B–1 are more efficient and reliable and the B–1 is twice as fast as the B–52. Though it is only two-thirds the size of the older plane the B–1 carries twice the payload. The B–1 incorporates all of the latest electronic countermeasures and technology. Not so the B–52, which therefore has a limited ability to survive under combat conditions.

The advantages of a manned vehicle versus the unmanned cruise missile are readily apparent. The B–1 can locate and evade previously unknown defenses as well as use its electronic countermeasures and maneuverability to evade surface-to-air missiles, antiaircraft artillery, and enemy aircraft. The cruise missile can do none of these things.

Once the position of a cruise missile is known, it can be easily destroyed because it flies without a brain, unable to take evasive action. It can be easily detected because of the radar signal it emits for navigation. The cruise missile cannot report back as to whether it has hit or missed its target. It cannot reattack a missed target nor land, refuel, and go on another mission.

The most telling argument against the B–1 is the cost factor. The $100 million per copy figure, however, is in 1986 dollars. That year was chosen because it was intended to be the midpoint of the B–1 program. In today's dollars, the price per unit is about $65 million without computing the projected inflation between now and 1986. How does this compare to the other launch aircraft being suggested in place of the B–1? Some have suggested a modified Boeing 747. One of these costs today about $35 million. To convert this plane to military usage including navigation, communication, electronic countermeasures, fire control, and so forth, could easily double this cost. This puts the B–747 into the cost range of the B–1 without being anywhere near as effective.

Another suggestion has been to convert the F–111 but this provides a much smaller range than the B–1 and would require at least two such airplanes to carry the same payload as a B–1. As to the B–52, the last one delivered to the Air Force is now 16 years old. Sooner or later we must replace these vintage aircraft and the longer we wait, the more it will cost.

I wish these astronomical sums could be spent on social programs rather than for weapons systems. With the Soviet Union intent on a massive military effort, the defense of freedom itself requires that we neither trust their intentions nor reduce our defense effort to unacceptable levels.

Mr. Speaker, knowing that this is a futile effort in view of the administration's shortsighted posture, I still vigorously support the continuation of the B–1 program.

Mr. CEDERBERG. Mr. Speaker, I understand the Speaker of the House is going to close off debate. I should like to yield to him the last 2 minutes so that we can be sure that we will be properly enlightened on the subject.

CALL OF THE HOUSE

Mr. ALLEN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 70]

Andrews, N.C.	Dingell	Meeds
Archer	Drinan	Metcalfe
Armstrong	Edwards, Okla.	Mikva
Ashbrook	Evans, Ga.	Moorhead, Pa.
Badham	Flynt	Nichols
Bellenson	Ford, Mich.	Patterson
Breckinridge	Gibbons	Pike
Brodhead	Goodling	Rangel
Brown, Ohio	Hansen	Risenhoover
Burke, Fla.	Harsha	Santini
Burton, Phillip	Hawkins	Scheuer
Clawson, Del	Krueger	Skubitz
Clay	LaFalce	Steed
Cochran	Lundine	Teague
Collins, Ill.	McCloskey	Treen
Conyers	McDonald	Udall
Dent	McHugh	Young, Alaska
Derwinski	Marriott	
Diggs	Mathis	

The SPEAKER pro tempore. On this rollcall 379 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATIONS, 1978

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I yield the remaining time to the gentleman from Massachusetts (Mr. O'NEILL), the distinguished Speaker.

Mr. O'NEILL. Mr. Speaker, I appreciate the gentleman from Texas (Mr. MAHON) yielding me 3½ minutes, and I appreciate the gentleman on the minority side yielding me 2 minutes. To both of them I am very grateful.

Mr. Speaker, I think this was one of the most interesting debates I have heard in some time. The gentleman from Texas (Mr. MAHON), the chairman of the committee, gave us a real synopsis of our military strength compared with Russia. And others on both sides of the aisle gave their arguments as to why they think we should go forward with the B–1 bomber. But 1½ years ago there was a vote in this House as to whether or not we would go forward with the B–1. I had always supported the B–1. But we chose to leave the decision to the President of the United States, whether it be Jimmy Carter or Jerry Ford, so that the decision would be made by the President after consultation with the Chiefs of Staff, and with the Secretary of Defense.

President Carter made the decision that we should not go forward with the B–1. Had Jerry Ford been President and made the same decision, I would have supported him in exactly the same way.

When we talk about a matter of this type, we are talking about the defense of this Nation. Uppermost in our minds always is the defense of the Nation. The Nation's defense that is always No. 1.

Mr. Speaker, in our hearts we want to do what we believe is best. The gentleman from California brought this exhibit up to the well. What a beautiful piece of equipment it is. There is no question about it; it is a beautiful piece of equipment. The truth of the matter, however, is that it can be shot out of the sky. The truth of the matter is that we have all types of military equipment.

Why do we want a missile or why do we want a bomber? The answer is so that there will be no war in the future. I hope that there will never be a war.

The interesting fact about this matter is that the Senate has already voted on this issue. By a vote of 58 to 37, they voted to rescind.

Mr. Speaker, I urge my colleagues on both sides of the aisle, to support the President in his decision. I realize that we have an emotional attachment to the B–1 as a powerful symbol of our technology and our aircraft might. It is totally senseless, however, to support additional funds for the completion of bombers 5 and 6 when we already have four of them.

Despite the beauty and the technology of this U.S. Air Force B–1 model, we all know that the weapon of the future is the cruise missile. Some people find it hard to break with this tradition. It is hard to break with the past because voting for weapons systems give the appearance of support for the defense of the Nation. It is easy to go out and say, "I voted for the B–1."

I want to vote for a strong national defense; we all want to vote for a strong national defense.

However, let us look at the SALT talks. During the SALT negotiations the Russians expressed great concern, not about the B–1 bomber, but about the cruise missile. That is the one which troubles them. They recognize that it is the weapon of the future.

Let us support the President. Let us not waste any more money on planes 5 and 6. I think it is time to put the B–1 bomber to rest and to move forward with more important legislation. We have in this supplementary appropriations bill the food quality assurance program, FHA grants for low-income housing repairs, grants and assistance for soil erosion protection, grants for the construction of extended care facilities for the Veterans' Administration, funding for the National Rail Passenger Corporation, money for emergency fuel assistance for the people of every State who are unable to pay their rising fuel bills because of the energy crisis.

I have received letters from my colleagues on both sides of the aisle regarding the importance of passing the supplementary bill so that they can have the funds that are provided for these various programs.

I think that it is in the best interests of this Nation to follow the President of the United States and his chief advisers concerning matters of defense. I hope that we will accept the recommendations of the gentleman from Texas (Mr. MAHON) when we vote on this question.

Mr. MAHON. Mr. Speaker, I move the previous question on the motion to recede and concur.

PREFERENTIAL MOTION OFFERED BY MR. LLOYD OF CALIFORNIA

Mr. LLOYD of California. Mr. Speaker, I offer a preferential motion that the motion of the gentleman from Texas (Mr. MAHON) to recede and concur be laid upon the table.

PARLIAMENTARY INQUIRY

Mr. MAHON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MAHON. If the motion to table is defeated, then the next order of business would be a vote on my motion to recede and concur in the Senate amendment?

The SPEAKER pro tempore. The next vote would be on ordering the previous question which the gentleman from Texas has moved, and then on the motion of the gentleman from Texas to recede and concur.

Mr. MAHON. That is, if the motion to table is defeated?

The SPEAKER pro tempore. If the motion is defeated.

PARLIAMENTARY INQUIRY

Mr. LLOYD of California. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LLOYD of California. If my motion should be defeated, would there be an opportunity to amend?

The SPEAKER pro tempore. If the motion to table is defeated and the previous question is ordered, the answer is no on the pending motion.

Mr. LLOYD of California. I thank the Speaker.

The SPEAKER pro tempore. The question is on the preferential motion to lay on the table offered by the gentleman from California (Mr. LLOYD).

The question was taken.

Mr. LLOYD of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 172, nays 244, answered "present" 1, not voting 17, as follows:

[Roll No. 71]

YEAS—172

Abdnor	Gradison	O'Brien
Alexander	Grassley	Patterson
Anderson, Calif.	Gudger	Pettis
	Guyer	Pickle
Anderson, Ill.	Hagedorn	Poage
Andrews, N. Dak.	Hall	Rahall
	Hammer-schmidt	Railsback
Applegate		Regula
Archer	Hannaford	Rhodes
Armstrong	Harsha	Rinaldo
Bafalis	Hillis	Risenhoover
Bauman	Hollenbeck	Roberts
Beard, Tenn.	Holt	Robinson
Bennett	Hubbard	Roe
Bowen	Huckaby	Rousselot
Breaux	Hyde	Rudd
Broomfield	Ichord	Satterfield
Brown, Mich.	Jenrette	Sawyer
Broyhill	Johnson, Calif.	Schulze
Buchanan	Jones, N.C.	Shuster
Burgener	Jones, Okla.	Sikes
Burke, Calif.	Kasten	Sisk
Burleson, Tex.	Kazen	Skelton
Burlison, Mo.	Kelly	Slack
Butler	Kemp	Smith, Nebr.
Byron	Ketchum	Snyder
Carter	Kindness	Spence
Cederberg	Lagomarsino	Stangeland
Chappell	Latta	Stanton
Clausen, Don H.	Leggett	Steed
	Lent	Steiger
Cleveland	Levitas	Stockman
Cochran	Livingston	Stratton
Coleman	Lloyd, Calif.	Stump
Collins, Tex.	Long, Md.	Symms
Corcoran	Lott	Taylor
Coughlin	Lujan	Thone
Crane	Luken	Trible
Daniel, Dan	McClory	Vander Jagt
Daniel, R. W.	McDade	Waggonner
de la Garza	McDonald	Walker
Derwinski	McEwen	Walsh
Devine	McFall	Wampler
Dickinson	McKay	Watkins
Dornan	Madigan	White
Duncan, Oreg.	Marlenee	Whitehurst
Emery	Martin	Whitley
English	Michel	Whitten
Erlenborn	Miller, Ohio	Wiggins
Evans, Del.	Mitchell, N.Y.	Wilson, Bob
Findley	Mollohan	Wilson, C. H.
Fish	Montgomery	Wilson, Tex.
Flynt	Moore	Winn
Fountain	Moorhead, Calif.	Wydler
Frey		Wylie
Fuqua	Murphy, Pa.	Young, Alaska
Gilman	Myers, Gary	Young, Fla.
Goldwater	Myers, John	Young, Mo.
Gonzalez	Nichols	Zablocki

NAYS—244

Addabbo	Burton, Phillip	Eilberg
Akaka	Caputo	Ertel
Allen	Carney	Evans, Colo.
Ambro	Carr	Evans, Ga.
Ammerman	Cavanaugh	Evans, Ind.
Andrews, N.C.	Chisholm	Fary
Annunzio	Clay	Fascell
Ashley	Cohen	Fenwick
Aspin	Conable	Fisher
AuCoin	Conte	Fithian
Baldus	Conyers	Flippo
Barnard	Corman	Flood
Baucus	Cornell	Florio
Beard, R.I.	Cornwell	Flowers
Bedell	Cotter	Foley
Beilenson	Cunningham	Ford, Mich.
Benjamin	D'Amours	Ford, Tenn.
Bevill	Danielson	Forsythe
Biaggi	Davis	Fowler
Bingham	Delaney	Fraser
Blanchard	Dellums	Frenzel
Blouin	Derrick	Gammage
Boggs	Dicks	Garcia
Boland	Diggs	Gaydos
Bolling	Dingell	Gephardt
Bonior	Dodd	Giaimo
Bonker	Downey	Gibbons
Brademas	Drinan	Ginn
Brinkley	Duncan, Tenn.	Glickman
Brodhead	Early	Goodling
Brooks	Eckhardt	Gore
Brown, Calif.	Edgar	Green
Burke, Mass.	Edwards, Ala.	Hamilton
Burton, John	Edwards, Calif.	Hanley

Harkin	Miller, Calif.	Roybal
Harrington	Mineta	Runnels
Harris	Minish	Ruppe
Heckler	Mitchell, Md.	Russo
Hefner	Moakley	Ryan
Heftel	Moffett	Santini
Hightower	Moorhead, Pa.	Sarasin
Holland	Moss	Scheuer
Holtzman	Mottl	Schroeder
Horton	Murphy, Ill.	Sebelius
Howard	Murphy, N.Y.	Seiberling
Hughes	Murtha	Sharp
Ireland	Myers, Michael	Shipley
Jacobs	Natcher	Simon
Jenkins	Neal	Smith, Iowa
Johnson, Colo.	Nedzi	Solarz
Jones, Tenn.	Nix	Spellman
Jordan	Nolan	St Germain
Kastenmeier	Nowak	Staggers
Keys	Oakar	Stark
Kildee	Oberstar	Steers
Kostmayer	Obey	Stokes
Krebs	Ottinger	Studds
LaFalce	Panetta	Thompson
Le Fante	Patten	Thornton
Leach	Pattison	Traxler
Lederer	Pease	Tsongas
Lehman	Pepper	Tucker
Lloyd, Tenn.	Perkins	Udall
Long, La.	Pike	Ullman
Lundine	Pressler	Van Deerlin
McCloskey	Preyer	Vanik
McCormack	Price	Vento
McHugh	Pritchard	Volkmer
McKinney	Pursell	Walgren
Maguire	Quayle	Waxman
Mahon	Quie	Weaver
Mann	Quillen	Weiss
Markey	Rangel	Whalen
Marks	Reuss	Wirth
Mathis	Richmond	Wolff
Mattox	Rodino	Wright
Mazzoli	Rogers	Yates
Meeds	Roncalio	Yatron
Meyner	Rooney	Young, Tex.
Mikulski	Rose	Zeferetti
Mikva	Rosenthal	
Milford	Rostenkowski	

ANSWERED "PRESENT"—1

Jeffords

NOT VOTING—17

Ashbrook	Collins, Ill.	Marriott
Badham	Dent	Metcalfe
Breckinridge	Edwards, Okla.	Skubitz
Brown, Ohio	Hansen	Teague
Burke, Fla.	Hawkins	Treen
Clawson, Del	Krueger	

The Clerk announced the following pairs:

On this vote:

Mr. Badham for, with Mr. Jeffords against.
Mr. Krueger for, with Mr. Metcalfe against.
Mr. Breckinridge for, with Mr. Dent against.
Mr. Teague for, with Mrs. Collins of Illinois against.

Mr. JEFFORDS. Mr. Speaker, I have a live pair with the gentleman from California (Mr. BADHAM). Had he been present, he would have voted "yea." I voted "nay." I withdraw my vote of "nay" and vote "present."

Mr. JEFFORDS changed his vote from "nay" to "present."

So the preferential motion was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion offered by the gentleman from Texas (Mr. MAHON).

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MAHON) to recede and concur.

Mr. DORNAN. Mr. Speaker, I demand a division of the question.

The SPEAKER pro tempore. A division of the question having been demanded, the question is, Shall the House recede from its disagreement to the amendment of the Senate No. 43.

The question was taken; and the Speaker pro tempore being in doubt, the House divided, and there were—yeas 126, nays 110.

So the motion to recede was agreed to.

PREFERENTIAL MOTION OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. DORNAN moves to concur in the amendment of the Senate numbered 43 with an amendment as follows:

"Provisions of the Senate amendment No. 43 to H.R. 9375 shall not take effect unless either House of Congress enacts a resolution to the effect and in any case not before a period of 90 days following ratification of a SALT II treaty by the Senate."

POINT OF ORDER

Mr. MAHON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state the point of order.

Mr. MAHON. Mr. Speaker, I make a point of order that this is legislation not germane to the issue before us.

I make the point of order that involved in the SALT talks are a wide variety of issues, like the level of forces, the deployment of forces, the types and number of warheads, and so forth. It does not relate to the B–1 rescission. The B–1 here is not a part of the SALT talk agreements.

Mr. Speaker, I insist upon the point of order.

The SPEAKER. Does the gentleman from California desire to address the point of order?

Mr. DORNAN. Mr. Speaker, I believe it is in order. It is a limitation.

Mr. BAUMAN. Mr. Speaker, may I be heard?

The SPEAKER. The gentleman from Maryland may be heard.

Mr. BAUMAN. Mr. Speaker, I do not think the gentleman from Texas has made a proper point of order. The question of legislation on an appropriation bill is not applicable at this point to an amendment adopted by the other body. The question of introducing new material is not in order, either. The amendment of the gentleman from California simply sets a future time when the effectiveness of the amendment of the other body will take place after ratification of the SALT agreement. It is a contingency and a limitation as to a future time, but I think the amendment is in order.

The SPEAKER. The gentleman from Texas is recognized.

Mr. MAHON. Mr. Speaker, with further reference to the point of order, the matter involved is that the proposed amendment is not germane to the issues involved before the House at this time. It is extraneous. It is not germane.

Mr. DORNAN. Mr. Speaker, in counseling this morning with 4 percent of the U.S. Senate, one of them acknowledged as a parliamentarian from the other body, they felt the Senate would act favorably upon this, the idea being everyone is worried about the castration or the gutting of the B–1, leaving this country with neither the cruise missile, nor a land penetrator, the B–1.

Mr. BAUMAN. Mr. Speaker, the point I was making earlier in support of the amendment being in order is that there are ample precedents in the House to support a limitation as to a future time which is contingent upon action of either House or both Houses of Congress. This amendment simply delays the effect of the amendment of the other body to a time contingent upon the other body's action.

That has been upheld by the Chair on many occasions to be a proper limitation. I would add that the issue of the continuance of the B–1 bomber is certainly directly related to the outcome of the SALT talks and is, in my view, fully germane.

Mr. MAHON. Mr. Speaker, I wish to make a further point.

It is true we can have limitations in an amendment, but not on an extraneous and totally different issue. The SALT issue is not related to the B–1 bomber rescission before the House and pending at this time. It is an unrelated matter and not germane. It is not subject to the limitation issue that has been set forth.

Mr. DORNAN. Mr. Speaker, it will be noted in my amendment that it is only the action of either body, without concurrence of the other, that would implement this amendment No. 43 to H.R. 9375. That way, one House, either the Senate or the House, can make this decision at a time certain after that particular House or both Houses and the American people are assured that we do have a secure defense replacement for this manned bomber.

The SPEAKER. The Chair is ready to rule.

The gentleman from Texas (Mr. MAHON) makes a point of order against the motion offered by the gentleman from California (Mr. DORNAN) on the grounds that it proposes to concur in the Senate amendment with a nongermane amendment.

Senate amendment No. 43 would rescind the appropriation for the B–1 bomber program. The motion offered by the gentleman from California (Mr. DORNAN) would amend the Senate amendment to condition the effectiveness of the rescission on the approval of the SALT II treaty between the United States and the Soviet Union. It is well established that is not in order to amend a proposition to delay the effectiveness of the legislation pending an unrelated contingency, such as actions within the responsibility of other agencies or authorities not specifically involved in the administration of the pending proposition.

While it is apparent to the Chair that continued development and construction of the B–1 bomber may as a matter of national policy be related to the progress and conclusion of the SALT II negotiations, it does not appear to the Chair that there is a sufficient nexus between the two issues to permit as germane the requirement that the denial

of funding for the bomber program hinge upon the actions of the Departments of State, and their negotiators, for the United States as well as another country, and upon the action of the U.S. Senate in ratifying any agreement which may be reached. The Chair would also note that the issues under consideration in the SALT II negotiations go far beyond the issue of the construction of the B–1 bomber, and that the amendment would therefore condition its construction on the conclusion and approval of deliberations on other and unrelated arms control issues.

The point of order is well taken, and the Chair sustains the point of order.

Mr. MAHON. Mr. Speaker, I move the previous question on the motion to concur in Senate amendment No. 43.

The previous question was ordered.

The SPEAKER. The question is on the motion to concur in Senate amendment No. 43 offered by the gentleman from Texas (Mr. MAHON).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DORNAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 234, nays 182, answered "present" 1, not voting 17, as follows:

[Roll No. 72]

YEAS—234

Addabbo	Duncan, Tenn.	Jones, Tenn.
Allen	Early	Jordan
Ambro	Eckhardt	Kastenmeier
Ammerman	Edgar	Keys
Andrews, N.C.	Edwards, Ala.	Kildee
Annunzio	Edwards, Calif.	Kostmayer
Ashley	Eilberg	Krebs
Aspin	Ertel	LaFalce
AuCoin	Evans, Colo.	Le Fante
Baldus	Evans, Ga.	Leach
Barnard	Evans, Ind.	Lederer
Baucus	Fary	Lehman
Beard, R.I.	Fascell	Levitas
Bedell	Fenwick	Lloyd, Tenn.
Beilenson	Fisher	Long, La.
Benjamin	Fithian	Lundine
Bevill	Flippo	McCloskey
Bingham	Flood	McCormack
Blanchard	Florio	McHugh
Blouin	Flowers	McKinney
Boland	Foley	Maguire
Bolling	Ford, Mich.	Mahon
Bonior	Ford, Tenn.	Mann
Bonker	Forsythe	Markey
Brademas	Fowler	Marks
Brinkley	Fraser	Mathis
Brodhead	Frenzel	Mattox
Brooks	Gammage	Mazzoli
Burke, Mass.	Garcia	Meeds
Burton, John	Gaydos	Meyner
Burton, Phillip	Gephardt	Mikulski
Caputo	Giaimo	Mikva
Carney	Gibbons	Milford
Carr	Ginn	Miller, Calif.
Cavanaugh	Glickman	Mineta
Chisholm	Gore	Minish
Clay	Green	Mitchell, Md.
Cohen	Hamilton	Moakley
Conable	Hanley	Moffett
Conte	Harkin	Moorhead, Pa.
Conyers	Harrington	Moss
Corman	Harris	Motti
Cornell	Heckler	Murphy, Ill.
Cornwell	Hefner	Murphy, N.Y.
Cotter	Heftel	Myers, Michael
D'Amours	Hightower	Natcher
Davis	Holland	Neal
Delaney	Holtzman	Nedzi
Dellums	Horton	Nix
Derrick	Howard	Nolan
Dicks	Hughes	Nowak
Diggs	Ireland	Oberstar
Dingell	Jacobs	Obey
Dodd	Jenkins	Ottinger
Downey	Jenrette	Panetta
Drinan	Johnson, Colo.	Patten
Pattison	Rostenkowski	Stokes
Pease	Roybal	Studds
Pepper	Runnels	Thompson
Perkins	Ruppe	Traxler
Pike	Russo	Tsongas
Pressler	Ryan	Tucker
Preyer	Santini	Udall
Price	Sarasin	Ullman
Pritchard	Sawyer	Van Deerlin
Pursell	Scheuer	Vanik
Quayle	Schroeder	Vento
Quie	Sebelius	Volkmer
Quillen	Seiberling	Walgren
Rangel	Sharp	Waxman
Reuss	Shipley	Weaver
Richmond	Simon	Weiss
Rodino	Skubitz	Whalen
Rogers	Solarz	Wirth
Roncalio	Spellman	Wolff
Rooney	St Germain	Wright
Rose	Stark	Yates
Rosenthal	Steers	Young, Tex.

NAYS—182

Abdnor	Goldwater	Patterson
Akaka	Gonzalez	Pettis
Alexander	Goodling	Pickle
Anderson, Calif.	Gradison	Poage
Anderson, Ill.	Grassley	Rahall
Andrews, N. Dak.	Gudger	Railsback
Applegate	Guyer	Regula
Archer	Hagedorn	Rhodes
Armstrong	Hall	Rinaldo
Bafalis	Hammer-schmidt	Risenhoover
Bauman	Hannaford	Roberts
Beard, Tenn.	Harsha	Robinson
Bennett	Hillis	Roe
Biaggi	Hollenbeck	Rousselot
Boggs	Holt	Rudd
Bowen	Hubbard	Satterfield
Breaux	Huckaby	Schulze
Broomfield	Hyde	Shuster
Brown, Calif.	Ichord	Sikes
Brown, Mich.	Johnson, Calif.	Sisk
Broyhill	Jones, N.C.	Skelton
Buchanan	Jones, Okla.	Slack
Burgener	Kasten	Smith, Iowa
Burke, Calif.	Kazen	Smith, Nebr.
Burleson, Tex.	Kelly	Snyder
Burlison, Mo.	Kemp	Spence
Butler	Ketchum	Staggers
Byron	Kindness	Stangeland
Carter	Lagomarsino	Stanton
Cederberg	Latta	Steed
Chappell	Leggett	Steiger
Clausen, Don H.	Lent	Stockman
Cleveland	Livingston	Stratton
Cochran	Lloyd, Calif.	Stump
Coleman	Long, Md.	Symms
Collins, Tex.	Lott	Taylor
Corcoran	Lujan	Thone
Coughlin	Luken	Thornton
Crane	McClory	Trible
Cunningham	McDade	Waggonner
Daniel, Dan	McDonald	Walker
Daniel, R. W.	McEwen	Walsh
Danielson	McFall	Wampler
de la Garza	McKay	Watkins
Derwinski	Madigan	White
Devine	Marlenee	Whitehurst
Dickinson	Martin	Whitley
Dornan	Michel	Whitten
Duncan, Oreg.	Miller, Ohio	Wiggins
Emery	Mitchell, N.Y.	Wilson, Bob
English	Mollohan	Wilson, C. H.
Erlenborn	Montgomery	Wilson, Tex.
Evans, Del.	Moore	Winn
Findley	Moorhead, Calif.	Wydler
Fish	Murphy, Pa.	Wylie
Flynt	Murtha	Yatron
Fountain	Myers, Gary	Young, Alaska
Frey	Myers, John	Young, Fla.
Fuqua	Nichols	Young, Mo.
Gilman	O'Brien	Zablocki
	Oakar	Zeferetti

ANSWERED "PRESENT"—1

Jeffords

NOT VOTING—17

Ashbrook	Collins, Ill.	Marriott
Badham	Dent	Metcalfe
Breckinridge	Edwards, Okla.	Teague
Brown, Ohio	Hansen	Treen
Burke, Fla.	Hawkins	Vander Jagt
Clawson, Del	Krueger	

The Clerk announced the following pairs:

On this vote:

Mr. Jeffords for, with Mr. Badham against.

Mr. Dent for, with Mr. Breckinridge against.

Mrs. Collins of Illinois for, with Mr. Krueger against.

Mr .Metcalfe for, with Mr. Teague against.

Mr. JEFFORDS. Mr. Speaker, I have a live pair with the gentleman from California (Mr. BADHAM). If he had been present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. STAGGERS and Mr. BROWN of California changed their vote from "yea" to "nay."

Mr. JEFFORDS changed his vote from "yea" to "present."

So the motion to concur was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ELECTION AS MEMBER OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (N. Res. 1038) and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 1038

Resolved, That S. WILLIAM GREEN, of New York be, and is hereby, elected a member of the Committee on Banking, Finance and Urban Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INTERNATIONAL MONETARY FUND SUPPLEMENTARY FINANCING FACILITY

Mr. DODD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 990 and ask for its immediate consideration.

The CLERK read the resolution, as follows:

H. RES. 990

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9214) to amend the Bretton Woods Agreement Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. All points of order against the amendment recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill, beginning on line 16, page 2 through line 14, page 3, for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of the con-

sideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Connecticut (Mr. DODD) is recognized for 1 hour.

Mr. DODD. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 990 provides for the consideration of H.R. 9214, a bill to amend the Bretton Woods Agreements Act to authorize the United States to participate in the supplementary financing facility of the International Monetary Fund.

This resolution provides for an open rule with 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs. It waives section 401 (a) of the Congressional Budget Act, and it waives all points of order against the committee amendment printed in the bill, beginning on line 16, page 2 through line 14, page 3, for failure to comply with the germaneness requirements of clause 7 rule XVI.

Mr. Speaker, I would like to take a few moments at this time to explain to my colleagues why the waivers contained in this resolution were needed.

First, as originally introduced, H.R. 9214 is in violation of section 401(a) of the Budget Act prohibiting consideration of a bill or amendment that provides new contract authority for which appropriations or appropriation limits have not been made in advance.

Therefore, in markup, the Committee on Banking adopted an amendment which corrected this problem with the Budget Act by limiting the new contract authority contained in the bill, "to such extent or in such amounts as are provided in advance in appropriations acts."

However, since the committee reported the original bill with amendments, the original bill still does not comply with this requirement of the Budget Act. As a result, it was necessary for the Committee on Rules to waive section 401(a) of the Budget Act in order to preclude a point of order from being brought against the bill itself.

In a letter to the chairman of the Committee on Rules, the chairman of the Committee on the Budget, Mr. GIAIMO, has said that he has no objections to the waiver of section 401(a) against H.R. 9214, since the bill as amended by the Committee on Banking "completely cures the Budget Act violation."

Second, it was necessary to waive clause 7 of rule XVI, because the committee amendment printed in the bill is broader in scope, although well within the jurisdiction of the committee, than the provisions of the bill as originally introduced.

As introduced, H.R. 9214 represents one narrow amendment to the Bretton Woods Agreement Act. As amended by the committee, the bill would in addition make changes in the salary levels of the U.S. representatives to the IMF and would require that the Secretary of the Treasury make recommendations for salary reforms at the IMF.

Mr. Speaker, H.R. 9214 would authorize the United States to invest about $1.8 billion, the equivalent of $1.45 billion special drawing rights, in the Supplementary Financing Facility of the IMF. This would be a loan from the United States to the IMF. The loan would be repaid to the United States in eight semiannual installments beginning 3½ years after the funds are drawn, and interest will be paid at a rate equal to the yield on U.S. Treasury securities of comparable maturity.

The IMF's capital reserves have been greatly depleted during the past 4 years in which many countries have experienced extremely high balance-of-payments deficits. The 1974 oil price increase and the subsequent world recession have greatly exacerbated this balance of payments problem. Without additional assistance from the IMF, the committee has determined that some of these countries may find themselves unable to borrow adequately from private capital markets and might have to curtail imports drastically or default on outstanding debts.

The IMF Supplemental Financing Facility was created in order to provide nations with a source of capital against which they can borrow during periods when IMF financial reserves are low. For the long term, it is anticipated that the IMF's capital needs will be met by increasing member nations' quota subscriptions. Fourteen oil exporting and industrial nations have agreed to provide up to $10.4 billion for Supplemental Financing Facility.

From the perspective of our own Nation, it is very much in the U.S. self-interest that there exist a strong IMF with adequate financing, which the Supplemental Financing Facility will help to insure. The U.S. economy depends heavily on the international monetary system which provides the framework for world trade. The estimates are that approximately one-eighth of our manufacturing jobs and nearly one-third of our farm acreage is involved in the production of goods for export.

OPEC countries are providing about half the total funding, and Saudi Arabia alone is providing 25 percent of the total commitments. On the other hand, the U.S. share in the facility would be only 17 percent.

Mr. Speaker, I request that we adopt House Resolution 990, so that we may proceed to the consideration of the bill.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1-hour, open rule, providing for consideration of the bill H.R. 9214, a bill authorizing U.S. participation in the Supplementary Financing Facility of the International Monetary Fund. It does, however, waive points of order. One of them is on section 401(a) of the Congressional Budget Act, and the other is on a question of germaneness. All points of order against the amendment recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill (relating to salary levels for Fund employees) for failure to comply with the germaneness rule, clause 7 of rule 16, are waived.

I might note that the germaneness question is one of the better parts of the bill because it could allow the salaries to be actually decreased. So, while I might ordinarily have some objection to such a provision in a rule, I am willing to bend a little in this instance.

It is my understanding that, though the original bill as introduced violated section 401(a) of the Congressional Budget Act, the version to be considered on the floor this evening has cured the problem by conditioning U.S. participation in the Fund on prior approval in appropriation acts.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman from Mississippi (Mr. LOTT) yielding to me.

Mr. Speaker, although there was an amendment agreed to in the committee to provide that the new spending authority is to be effective only to such extent as are provided in appropriation acts, Dr. Rivlin, when she sent up her letter to the committee said it was much in doubt as to whether there would be an absolute requirement for appropriation. I would like to include at this point part of the letter from Dr. Rivlin dated January 27, 1978, to the chairman of our committee, Mr. REUSS, which states:

> The Congress is currently considering approaches to more directly limit the amount of dollars made available to the IMF. These approaches include the use of a limitation on the level of dollars that might be transferred to the IMF and the actual appropriation of funds in support of U.S. participation in the facility. The proposed limitation would be included in an appropriations bill but would stop short of the actual appropriation of funds. If funds were appropriated, full participation in the facility could require the appropriation of about $1.75 billion, in addition to any amounts appropriated as a reserve for exchange losses. Outlays from such an appropriation would occur as funds were drawn by the IMF or repaid to the U.S. Treasury. No reasonable basis exists to estimate the magnitude or timing of these flows.

The bill as initially proposed by the administration would have bypassed the appropriations process and thereby violated section 401(a) of the Budget Act which states:

> SEC. 401. (a) LEGISLATION PROVIDING CONTRACT OR BORROWING AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that

bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

The administration has contended that transactions with the IMF represent exchanges of monetary assets similar to bank deposits and as such should not be considered budget expenditures.

I am still not convinced, even though my distinguished colleague, the gentleman from South Carolina (Mr. DERRICK) believes that the amendment that will be offered by the committee will in fact require positively an appropriation.

Another point I think we should make is that even though it is the recommendation of our committee that the new spending authority is effective only as is provided in appropriation acts, my belief is that this should have been done in the original bill. I hope that the authorizing committees will not continually come up and have to ask for a waiver of the provisions of the Budget Act, as this rule does. I hope also that any possible violation of the Budget Act is considered and cured prior to the introduction of any proposed legislation instead of always waiting until we get to the floor of the House to do it. For instance, supposing the committee amendment did not pass? What would be the effect of this legislation without the language of the proposed amendment?

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, I think it should be stressed here that the Committee on Banking, Finance and Urban Affairs cured the section 401(a) budget defect in the committee by an amendment which they adopted and which the Committee on Rules took cognizance of, but they had to grant a waiver because of the fact that the amendment cured the defect but the original bill did not.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. LOTT. I yield further to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, my point is that I think that all committees should be put on notice to do this with their original bills and not always have to come in and ask for a waiver of the rule.

I understand what the gentleman from Connecticut (Mr. GIAIMO) is saying—that the Butler-Derrick amendment cured the problem. But Dr. Rivlin has stated that even with this particular amendment there is a doubt that it goes far enough as it relates to the SDR's.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield further?

Mr. LOTT. I yield further to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, I want to say to the gentleman from California (Mr. ROUSSELOT) that it is the concern of the Committee on the Budget that all committees of the House abide by the Budget Act. The manner in which they do this—and this committee, the Committee on Banking, Finance and Urban Affairs, has in this instance abided by the Budget Act because it adopted the amendment in the committee—but the manner in which they do it, whether by amendment or whether they do it by a new bill is something, I think, within the prerogative of the Committee on Rules to determine. I do not think it is up to us to be telling the Committee on Rules, and the others, the manner in which they do it, as long as they arrive at the desired result.

Mr. LOTT. Mr. Speaker, those points that we have just been discussing involve, of course, the Congressional Budget Act and the germaneness point. On the bill itself, I think it should be noted that this was reported out of committee by a vote of 27 to 9. There is a division in both support and opposition on both sides of the aisle.

This legislation proposes to authorize the Secretary of the Treasury to take steps for U.S. participation in the Supplementary Financing Facility. It is designed to help countries meet balance-of-payments problems caused by the rapid rise in oil prices. The extent of U.S. contributions to the Facility is not to exceed $1.75 billion in special drawing rights. The salary point I am sure would lower the salary of the Executive Director to $50,000, and there are other salary reforms included in the proposal, as I understand.

There is no precise estimate of the cost of this bill submitted with the report because there is a drawing right proposal of $1.75 billion, so there may not be an expenditure of anywhere near that level. It is stated in the bill that it makes loans of $1.75 billion, that it is not an expenditure, and that no costs will occur except to cover losses due to exchange rate fluctuations. Of course, there may be a great loss, and there may not be any.

Mr. Speaker, this legislation is not the kind I like to see on the House floor. I realize that a number of people, including Dr. Arthur Burns, have supported this legislation, and I understand there are some merits to it, but I am having more and more difficulty understanding why the taxpayers of this country are called upon to aid other nations in financial crisis time and time again when we have troubles of our own in cities like New York. This is not to say by any stretch of the imagination that I support such aid as long as it is domestic, but it is time that we start taking a very close review of all similar funds to this one, and while this one may be more meritorious than some of the others, I still have serious reservations about how much longer we can continue this kind of program.

Mr. Speaker, I will be voting against this bill. The rule itself, I think, probably is not as objectionable in that the full House should have an opportunity to vote on it.

Mr. ROUSSELOT. Mr Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I would like to make an additional point, although I hope to emphasize this again when we get to the general debate on the bill itself. Even though we were encouraged to rush through last year an add-on quota for the 1MF, many of the other countries have not yet approved that same increase in quota. Yet here we are back asking for a whole separate funding and a so-called separate Supplementary Financing Facility. The Arabic nations have been asked to put up about half of it, which I think is a step in the correct direction because actually they are the ones who are creating these tremendous payments imbalances. Here we are creating another whole separate facility, which many of us have a reasonable doubt as to whether it is really needed. Why do we not just utilize or encourage the other countries to adopt the increase in quotas that we rushed through here more than a year ago? I think that, as the gentleman from Mississippi has pointed out, there is some question as to how much this add-on fund is really needed.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the distinguished ranking minority member of the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. I thank the gentleman for yielding.

Mr. Speaker, I take just a couple of minutes for the selfish reason that come general debate we will not see so many of our distinguished colleagues around, and I just wanted to clarify one point that has been brought to my attention earlier, mostly by Members on my side of the aisle. That is, when one asks about how you are going to vote on this bill, one says, "Gee, another giveaway program," as my friend, the gentleman from Louisiana, just said, or, "It is another loan program."

The International Monetary Fund is not another loan program. It is not another lending institution like the World Bank. The Members know, the majority know, and I know that what it really is is an international monetary institution, established for 34 years. It is to help 132 free countries of the world in their balance-of-payments problems basically. Sometimes you borrow, sometimes you give.

Another give-away program? Let me simply point out that this great institution which we started, we get the most out of, having borrowed from this institution some 25 times in the history of the IMF. So it is a two-way street. Sometimes you are a borrower, and sometimes you are a giver.

It is in no way in any connection or any semblance of the imagination something like the World Bank or the Asian Bank or the Inter-American Develop-

ment Bank. I thank the Members very much for their time and their interest, because it is based upon this premise that, hopefully, for the best interests of the United States we will see, as the gentleman from Connecticut has so well said, it is certainly in our interest to support this legislation.

Mr. LOTT. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. DODD. Mr. Speaker, I just want to compliment the gentleman from Ohio (Mr. STANTON) for those fine remarks.

Mr. ASHBROOK. Mr. Speaker, I rise in strong opposition to H.R. 9214, which would authorize a $1.7 billion contribution to the International Monetary Fund. We cannot afford to pour such vast sums of money into another foreign aid program.

During the 1960's the United States was criticized for trying to be the policeman of the world. Now it looks like some people would have us become the bail-out nation of the world. And the victim would be the American taxpayer.

If this bill passes, our taxpayers will end up providing $1.7 billion to countries suffering balance-of-payments deficits resulting from high oil prices. U.S. tax dollars will go to help bail out foreign economies damaged by the irresponsible pricing policies of the oil exporting nations.

Beginning in 1974, as you will recall, the oil exporting nations jacked up their prices in a move that can only be described as Arab highway robbery. These increases have injured the economy of many nations, including our own. Yet today we are being urged to throw away more of our dollars to help solve the problems created by the price hikes. We are being asked to provide financial relief to countries damaged by the actions of the oil exporting nations.

And why? So that the oil exporting nations can continue to charge an artificially high price for oil? This makes little sense to me.

Rather than caving in to foreign pressures we should put pressure on the oil exporting nations. We should defeat this bill. Then the oil exporting nations will be forced to make a choice. They will either have to finance the oil deficits themselves or else lower the price of their oil. In neither case would we have to waste our money.

And, after all, who is more responsible for coming up with a solution to these financial difficulties than the oil exporting nations which have created the problem in the first place. They, not the United Sates, should be the ones who pay.

The American taxpayer is hard hit by high taxes and high inflation. Yet the liberal majority acts like our economic resources are a bottomless well. They completely ignore our huge budget deficits and our saggering trade deficit. It is time to call a halt to such wasteful spending practices.

Congress should be working to provide our own citizens with financial relief rather than trying to bail out the economies of nations around the world. It is time to place American interests first when it comes to our foreign policy.

Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MATHIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 15, answered "present" 1, not voting 32, as follows:

[Roll No. 73]

YEAS—386

Abdnor	Coleman	Gilman
Addabbo	Collins, Tex.	Ginn
Akaka	Conable	Glickman
Allen	Conte	Goldwater
Ambro	Conyers	Gonzalez
Ammerman	Corcoran	Goodling
Anderson, Calif.	Corman	Gore
Anderson, Ill.	Cornell	Gradison
Andrews, N.C.	Cornwell	Grassley
Andrews, N. Dak.	Cotter	Green
Annunzio	Cunningham	Gudger
Applegate	D'Amours	Guyer
Archer	Daniel, Dan	Hagedorn
Armstrong	Daniel, R. W.	Hall
Ashley	Danielson	Hamilton
Aspin	Davis	Hammer-schmidt
AuCoin	de la Garza	Hanley
Bafalis	Delaney	Hannaford
Baldus	Dellums	Harkin
Barnard	Derrick	Harrington
Baucus	Derwinski	Harris
Beard, Tenn.	Dickinson	Hawkins
Bedell	Diggs	Heckler
Beilenson	Dingell	Hefner
Benjamin	Dodd	Heftel
Bennett	Dornan	Hightower
Bevill	Downey	Hillis
Biaggi	Drinan	Holland
Bingham	Duncan, Oreg.	Hollenbeck
Blanchard	Duncan, Tenn.	Holtzman
Blouin	Early	Horton
Boggs	Eckhardt	Howard
Boland	Edgar	Hubbard
Bolling	Edwards, Ala.	Hughes
Bonior	Edwards, Calif.	Hyde
Bonker	Eilberg	Ichord
Bowen	Emery	Jacobs
Brademas	English	Jeffords
Breaux	Erlenborn	Jenrette
Brinkley	Ertel	Johnson, Calif.
Brodhead	Evans, Del.	Johnson, Colo.
Brooks	Evans, Ind.	Jones, N.C.
Broomfield	Fary	Jones, Okla.
Brown, Calif.	Fascell	Jones, Tenn.
Brown, Mich.	Fenwick	Jordan
Broyhill	Findley	Kasten
Buchanan	Fish	Kastenmeier
Burgener	Fisher	Kazen
Burke, Calif.	Fithian	Kemp
Burke, Mass.	Flood	Ketchum
Burlison, Mo.	Florio	Keys
Burton, John	Flowers	Kildee
Burton, Phillip	Flynt	Kindness
Butler	Foley	Kostmayer
Byron	Ford, Tenn.	Krebs
Caputo	Forsythe	LaFalce
Carney	Fountain	Lagomarsino
Carr	Fowler	Le Fante
Carter	Fraser	Leach
Cavanaugh	Frenzel	Lederer
Cederberg	Frey	Leggett
Chappell	Fuqua	Lehman
Chisholm	Gammage	Lent
Clay	Garcia	Levitas
Cleveland	Gaydos	Livingston
Cochran	Gephardt	Lloyd, Calif.
Cohen	Giaimo	Lloyd, Tenn.
	Gibbons	Long, La.
Long, Md.	O'Brien	Sisk
Lott	Oakar	Skelton
Lujan	Oberstar	Skubitz
Luken	Obey	Slack
Lundine	Ottinger	Smith, Iowa
McClory	Panetta	Smith, Nebr.
McCloskey	Patten	Solarz
McCormack	Patterson	Spellman
McDade	Pattison	Spence
McEwen	Pease	St Germain
McFall	Pepper	Staggers
McHugh	Perkins	Stangeland
McKay	Pettis	Stanton
McKinney	Pickle	Stark
Madigan	Pike	Steed
Maguire	Poage	Steers
Mahon	Pressler	Steiger
Mann	Preyer	Stockman
Markey	Price	Stokes
Marks	Pritchard	Stratton
Marlenee	Pursell	Studds
Martin	Quayle	Thompson
Mathis	Quie	Thone
Mattox	Rahall	Thornton
Mazzoli	Railsback	Traxler
Meeds	Rangel	Trible
Meyner	Regula	Tsongas
Michel	Reuss	Udall
Mikulski	Rhodes	Van Deerlin
Mikva	Richmond	Vander Jagt
Milford	Rinaldo	Vanik
Miller, Calif.	Risenhoover	Vento
Miller, Ohio	Roberts	Volkmer
Mineta	Robinson	Walgren
Minish	Rodino	Walker
Mitchell, Md.	Roe	Walsh
Mitchell, N.Y.	Rogers	Wampler
Moakley	Roncalio	Watkins
Moffett	Rooney	Waxman
Mollohan	Rose	Weaver
Montgomery	Rosenthal	Weiss
Moore	Rostenkowski	Whalen
Moorhead, Calif.	Rousselot	White
Moorhead, Pa.	Roybal	Whitehurst
Moss	Runnels	Whitley
Mottl	Ruppe	Whitten
Murphy, Ill.	Russo	Wiggins
Murphy, N.Y.	Ryan	Wilson, Bob
Murphy, Pa.	Santini	Wilson, C. H.
Murtha	Sarasin	Winn
Myers, Gary	Satterfield	Wirth
Myers, John	Sawyer	Wolff
Myers, Michael	Scheuer	Wright
Natcher	Schroeder	Wydler
Neal	Schulze	Wylie
Nedzi	Sebelius	Yates
Nichols	Seiberling	Yatron
Nix	Sharp	Young, Fla.
Nolan	Shuster	Young, Mo.
Nowak	Sikes	Zablocki
	Simon	Zeferetti

NAYS—15

Bauman	Holt	Shipley
Burleson, Tex.	Kelly	Snyder
Crane	Latta	Stump
Devine	McDonald	Symms
Harsha	Rudd	Taylor

ANSWERED "PRESENT"—1

Ford, Mich.

NOT VOTING—32

Alexander	Coughlin	Marriott
Ashbrook	Dent	Metcalfe
Badham	Edwards, Okla.	Quillen
Beard, R.I.	Evans, Colo.	Teague
Breckinridge	Evans, Ga.	Treen
Brown, Ohio	Flippo	Tucker
Burke, Fla.	Hansen	Ullman
Clausen, Don H.	Huckaby	Waggonner
Clawson, Del	Ireland	Wilson, Tex.
Collins, Ill.	Jenkins	Young, Alaska
	Krueger	Young, Tex.

The Clerk announced the following pairs.

Mr. Dent with Mr. Badham.

Mr. Breckinridge with Mr. Teague.

Mr. Metcalfe with Mr. Ashbrook.

Mr. Krueger with Mr. Tucker.

Mrs. Collins of Illinois with Mr. Young of Alaska.

Mr. Waggonner with Mr. Brown of Ohio.

Mr. Charles Wilson of Texas with Mr. Hansen.

Mr. Flippo with Mr. Jenkins.

Mr. Ireland with Mr. Marriott.

Mr. Alexander with Mr. Burke of Florida.

Mr. Huckaby with Mr. Don H. Clausen.

Mr. Evans of Georgia with Mr. Edwards of Oklahoma.
Mr. Beard of Rhode Island with, Mr. Del Clawson.
Mr. Evans of Colorado with Mr. Coughlin.
Mr. Ullman with Mr. Treen.

Mr. VOLKMER changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NEAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9214) to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund.

The SPEAKER pro tempore (Mr. FARY). The question is on the motion offered by the gentleman from North Carolina (Mr. NEAL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9214, with Mr. NEDZI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina (Mr. NEAL) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. NEAL).

Mr. NEAL. Mr. Chairman, I would like to yield such time as he may consume at this time to the very distinguished chairman of our committee, the gentleman from Wisconsin (Mr. REUSS). Pending that, Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the House will today consider a very important piece of legislation affecting the international monetary system, the health of world trade, and the value of the dollar. This bill authorizes the United States to invest about $1.8 billion in a special lending operation of the International Monetary Fund. This operation is usually referred to as the "Witteveen Facility," after the managing director of the IMF, Mr. Witteveen.

The purposes of this bill are not widely appreciated, so I would like to explore, for a few minutes, the operations of this new facility in the IMF, and the benefits it promises to bring.

Let me clarify, at the outset, some possible misconceptions. The IMF is not an aid institution. It does not finance development projects. It makes balance of payments loans, which must be repaid, with interest. The loans it will make from this new facility will carry an interest rate slightly in excess of the rate of interest on U.S. Treasury securities of comparable maturity.

Balance of payments financing of this type is not aid, but it does benefit the borrowing country, as well as its trading partners.

A country must borrow to finance its trade deficits. Most countries, most of the time, can finance moderate deficits, with no great difficulty, by borrowing on the private capital markets of the world. At times, though, a country suffers trade deficits too large to finance with private capital, or its own credit rating on the world markets deteriorates to the point it can no longer finance its normal level of deficits. This can happen for many reasons, some traceable to poor economic management on its own part, some completely beyond its control. When it does happen, the country must "adjust" its balance of payments, that is, reduce its deficits to the level it can finance. A simple analogy can be drawn between the balance of payments and the budget of a family, a firm, or a government. They must all finance their excess spending by borrowing, and so must the country as a whole in its trade with the rest of the world.

Mr. Chairman, the IMF is a very useful institution in the world economy, because its primary purpose is to help countries through those "adjustment" periods. It helps in two ways: it provides some temporary financing, and it recommends a set of policies the country in trouble should follow to overcome the problem.

A country can "adjust" its deficits in different ways, some extremely damaging. In the worst case, it is forced to adjust very abruptly. Its credit runs out, it cannot pay its import bills, so it must impose severe restrictions on imports. This damages economic growth, reduces living standards, and exacerbates inflation. That country's trading partners also suffer, since it is their exports that are curtailed. When these shocks are very severe, other countries may feel compelled to follow suit with trade restrictions of their own. Finally, the country in deficit may be forced to default on, or at least reschedule, its outstanding debt, to the detriment of its creditors. It is obviously desirable for countries to be able to adjust in ways that mitigate these shocks.

Less damaging adjustment is possible, but it requires time. The country must implement policies that will, over time, reduce the trade deficit to levels that can be easily financed with private capital. The basic commitment undertaken by members of the IMF is to pursue adjustment without resort to trade barriers and restriction. They must rely on other policies, broadly macroeconomic in scope, such as fiscal and monetary restraint, and perhaps currency devaluation. Those policies, if properly tailored to the circumstances of each case, can be very effective in overcoming unsustainable trade deficits. They can do so in a manner that does not stunt world trade, that protects the country's creditors from capital losses, and that lays the groundwork for future growth unconstrained by balance of payments problems. But the sine qua non is time. These policies cannot take hold immediately. In the interim, the country must have some recourse to funds to finance its ongoing deficits. The IMF provides part of these funds. The rest comes from private creditors, who, experience has shown, are sufficiently confident in the success of those adjustment policies that they are willing to continue lending to the country.

Success depends, of course on the proper gearing of the adjustment policies to the nature of the problem, in each particular case. IMF credit is "conditional." It lends only when it is satisfied with the adjustment policies the country agrees to adopt. It monitors those policies, and disburses the loan in parts, contingent on satisfactory performance. The policies in question are seldom popular—reducing budget deficits and restraining excess monetary growth may not be easy for the government in power.

It is thus extremely important that the integrity of IMF conditionality be maintained. The IMF is not, and should never become a quasi-aid institution. Aid or concessionary lending may be required by some countries, so we have aid programs and development banks to meet that need. The IMF meets a different kind of need—the need for a source of nonconcessionary interim financing firmly conditioned on the adoption of macroeconomic policies geared to restore a country's balance of payments to a healthy and sustainable position.

Critics of the IMF usually refer to these policies as too "austere." Though they are not usually very palatable, that characterization is apt to mislead, on two accounts. In the first instance, lending to such countries without conditions sufficiently "austere" to solve the problem would just be a form of aid. In the second instance, one must realize that, unless it can rely on massive amounts of new aid, a country in deep deficit has no alternative to some degree of austerity. Left to its own devices, it would be forced to impose import barriers and adopt other harsh policies to solve the problem immediately. That kind of "solution" would be much worse than IMF "austerity," and would fail to lay a foundation for an eventual return to economic growth with open trade.

That is how the IMF works, and why it is important. The new facility in the IMF, to which H.R. 9214 will authorize the United States to contribute, will enable the IMF to increase its balance of payment financing. Why is such an increase necessary? Various countries are now suffering deficits extraordinarily large, in relation to the IMF's present ability to assist them. These deficits stem, in large measure, from the continuing effects of the rise in oil prices, and the ensuing world recession. It will take some time for the world economy to adjust fully to those shocks. In the interim, a modest increase in IMF resources will help shield the world economy from the risk of unnecessarily severe jolts to trade, and of declining confidence in the stability of the world financial system.

Without this new facility, American exporters will suffer, as some of their foreign markets would be severely constricted. And the dollar would be vulnerable to even greater depreciation than we have experienced over the past year. This depreciation would result, to some degree, from the relative decline in our exports as other countries erected trade barriers. But it would result mostly from a "loss of confidence." The dollar is the keystone of the international monetary system. Dollars are held in large amounts by traders and investors around the world. Any erosion of confidence in the ultimate stability of the financial system would likely induce a flight from dollars, thereby depreciating it ever more rapidly. This would disrupt our efforts to conduct a sound monetary policy geared to a robust growth of the American economy.

We have just seen, in the past few weeks, that the Federal Reserve increased its discount rate in an effort to steady the decline of the dollar. The Fed has been widely criticized for slanting monetary policy toward support of the dollar, which implies rising interest rates, instead of support for continued domestic expansion. A crisis of confidence which depressed the dollar even further against other currencies would increase the pressures on the Fed to gear their actions even more toward stabilizing exchange rates, and less toward promoting growth and combating unemployment.

Mr. Chairman, in the broadest terms, these are the main arguments in favor of our support for this new IMF initiative. I would like to mention, in closing, some specific features which make it highly desirable from our point of view. It is not expected to cost the United States anything, since our contribution will be a loan to the IMF, repayable over about 7 years, at an interest rate equal to the rate on Treasury debt. The International Monetary Fund will be liable for this repayment, not any particular member, and the credit standing of the IMF is the highest imaginable. The IMF has never suffered a default on its own loans.

Our share will comprise about 17 percent of the total of these funds to be raised for this new facility. Thirteen other countries will contribute the rest. The largest contributor will be Saudi Arabia, with 25 percent. About half of the total will come from various oil exporting countries. This is highly significant, for it represents the first time they have participated, directly and on a large scale, in an international effort to alleviate the financial strains caused by the price of oil. The normal share of these countries in the IMF is only 3 percent, so their willingness to pick up about 48 percent of the funding of this new facility is a major innovation.

Mr. Chairman, the rest of the money will come from other industrial countries, including Germany and Japan. Even Switzerland, who is not a member of the IMF, will participate. She will contribute about $800 million, almost half the size of the American contribution. Perhaps more than any other single country, Switzerland has a strong interest in a stable international monetary system. She is backing up her interest with an investment in this new IMF facility. We can do no less.

Mr. REUSS. Mr. Chairman, I rise in full support of the bill and in glorious commendation of the great work done by the subcommittee chairman, the gentleman from North Carolina (Mr. NEAL); the ranking minority member, the gentleman from Ohio (Mr. STANTON); and indeed the great majority of the committee which, on a bipartisan basis, reported the bill out.

The bill makes good sense; it is good economy. If Members want the farmers of their districts to be able to sell cotton and soybeans and small grains around the world; if Members want their factories' production to enter into export trade, it is imperative that we get the international monetary mechanism in good working order. This bill accomplishes what seemed like a miracle, of getting the OPEC countries to put up just half of the $10 billion which will lubricate the wheels of the international monetary mechanism. It is, as I say, a well-thought-out and carefully crafted bill, and I hope it will be overwhelmingly supported.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the distinguished gentleman for yielding to me. I would like to commend the chairman, as well as the subcommittee chairman, for the outstanding efforts put forward on this legislation. I would like particularly to commend the distinguished chairman for addressing the concerns which I have raised at the full committee hearings with regard to the dangers involved in our current recycling process. As the chairman knows, the current system of recycling the OPEC petro surpluses has caused me and many others great concern, as well as the chairman, in that it presents a very serious possibility of threat to our domestic financial institutions. The system that has evolved over the last several years is one in which major multinational financial institutions have accepted OPEC surpluses on short-term deposit, and have lent those same deposits to less-developed countries and other oil-consuming countries on a longer term basis, thereby potentially imperiling their structure.

The Chairman is to be commended for the comprehensive set of interrogatories which he sent to the Comptroller, the Federal Reserve Bank, and the FDIC, detailing these many concerns and calling upon them to respond to them, which they did, and which I feel should be included in the RECORD. I would like to commend the chairman for those efforts.

Mr. REUSS. I want to thank the gentleman for keeping our noses to the grindstone on the question of whether American commercial banks are, or in the future might be, overlent to the developing countries, largely as a result of their exigencies deriving from the increase in the oil price. It was at the suggestion of the gentleman from Nebraska that I wrote the Secretary of the Treasury, the Federal Reserve, the Comptroller of the Currency, and FDIC, asking for their appreciation of the situation that confronts American commercial bankings. Their responses, as I understand, the gentleman from Nebraska will seek to have included in the RECORD when we get back in the House, were generally to the effect that private bank U.S. overseas lending has not resulted in serious problems and, in fact, the banks have sustained fewer losses on a percentage basis on foreign loans than on domestic. It is good for us to have this reassurance, but I would tell the gentleman from Nebraska that we are not going to be entirely satisfied with this. We are going to monitor the situation on an ongoing basis.

I would just say that the overwhelming passage of the bill before us, thus assuring a $10 billion fund to tide over the exiguous countries will make it at once less necessary for American commercial banks to become heavily involved and also will improve the quality of their loans.

So I think the gentleman has done a very useful thing and I am grateful to him.

Mr. CAVANAUGH. Mr. Chairman, will the chairman of the committee yield further?

Mr. REUSS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I just further commend the chairman for his commitment here today to involve the Congress in continued scrutiny of the bank regulators in order that we can assure the American people that those institutions charged with scrutinizing American financial institutions will be rigorous in maintaining the vigilance necessary so that overextension of credit around the world does not imperil our domestic financial institutions.

Again I commend the gentleman for his efforts.

Mr. REUSS. I would hope for a steadier hand at the helm than we have had in the past. On this lending abroad they have swung wildly from euphoric approval of loans to Zaire, not a very good debtor, to a brutal red lining of anything to Italy, an untenable position from which they later receded. So I would hope we can look to the regulatory agencies for continuing in their task.

Mr. NEAL. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have an inquiry I wanted to put to the chairman about a human rights amendment. Is such an amendment to be put in the bill?

Mr. NEAL. It is my understanding that such an amendment will be offered. I think the gentleman understands we will be in general debate only this evening and in the amendment process tomorrow.

Mr. MITCHELL of Maryland. Mr. Chairman, will the distinguished chairman yield for just another moment?

Mr. NEAL. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, it is important that you and my colleagues have a full understanding of my position on human rights.

For many years I have maintained that no institution should exist unless its end objective is to serve the person—the man, the woman, the child. An economic institution should not exist merely to perpetuate itself, it should exist to serve the person. A governmental institution should not exist merely to perpetuate itself. Its continuance should be based on whether or not it serves the person. Given this philosophical posture, in the past, it has been virtually impossible for me not to support human rights amendments.

Indeed time and time again I have voted for human rights amendments in this House. A few weeks ago, I introduced a human rights amendment in the Banking, Finance and Urban Affairs Committee as we marked up H.R. 9214. My amendment failed by two votes—19 to 17.

Something occurred on January 23 which has caused me to reconsider my position on human rights. On Monday, January 23, Gov. James Hunt of North Carolina, issued his statement on the case of the Wilmington 10. In the CONGRESSIONAL RECORD for January 26, 1978, I gave a brief history of the Wilmington 10. I hope you will check the CONGRESSIONAL RECORD for that particular day, page E184 under Extension of Remarks. For now, suffice to say, in 1972 10 civil rights activists were convicted on charges arising from disturbances in Wilmington, N.C. The 10 persons, 9 young black men, 1 young white woman were sentenced to a collective total of 282 years in prison. Of the original 10, 9 remain in prisons. Ann Turner, the only white person involved, was originally sentenced to 10 years but was released under parole supervision last year, leaving only the blacks in prison.

A thorough and detailed analysis of this case will reveal that a gross miscarriage of justice has taken place. A violation of human rights is taking place in America. Amnesty International, a highly respected agency, lists the Wilmington 10 as political prisoners in America.

I had hoped that these nine young men would have been pardoned, or at the very least that the balance of their sentences would have been commuted. These things did not happen. Therefore, I have been forced to reconsider my position on human rights.

Sadly, I have come to the conclusion that I cannot, in all good conscience, vote for human rights amendments for as long as these young men remain in prison. Therefore, on this amendment I will vote present.

Let me stress at this point, that I have the highest respect for the members of the North Carolina delegation. They are principled, decent, and compassionate Representatives. I am grateful for the friendship that I enjoy with some of the North Carolina Representatives. My stand on this issue is completely divorced from my respect for the North Carolina delegation.

Some of my friends in this House have counseled me not to take the action I take today. They point out these young men have had their cases reviewed time and again through the appeals process. To those friends I simply say; "was there not a similar review process in the Scottsboro cases?" I say to them, "was there not a similar judicial review process in the Sacco-Vanzetti case?"

Other of my friends counsel against the action I take today. They ask me, "will you not support the human rights amendment in the case of South Africa, or Uganda, or Chile?" My reply to them is that in the future for me to support such human rights amendments aimed at those countries and others would be hyprocrisy on my part for as long as we here in America continue to violate the human rights of the Wilmington 10. In addition, I believe it would be a travesty to vote for human rights amendments aimed at South Africa, while the Ford Co. proceeds with its expansion plans in that racist Nation.

Still other friends urge me not to take this stand because they say it can be used by those world powers who fight against America's stand on human rights. It is not my action or my words today that will be used by those world powers, it is the action already taken by the State in the case of the Wilmington 10 which will be used to attack this Nation's human rights policies.

The case of the Wilmington 10 lays naked and open the false platitudes the administration and the U.S. Congress have been uttering about civil rights. When the Carter administration talks about violations of human rights in Uganda, we must ask, "What about the human rights of Joe Wright, presently sentenced to 29 years?" When the Congress talks about violations of human rights in Chile, we must ask, "What about the human rights of Wayne Moore, now sentenced to 29 years?" When the executive branch and the Congress talk about violations of human rights in the Soviet Union, we must ask, "What about Rev. Ben Chavis, now sentenced to 34 years?"

I shall vote present on this amendment, it pains me to do this but how else can I register my protest against a miscarriage of justice in America?

Mr. Chairman, I want to take this opportunity to say that in the past I have always supported human rights amendments primarily because of how I conceive government should work. I think government ought to serve every man and woman and child. That is the only reason for government existing.

However, in the case of the Wilmington 10 in North Carolina, I have reluctantly come to the conclusion that in all good conscience I can no longer vote for human rights amendments while we allow those nine young men to linger in a North Carolina prison.

My friends have counseled me not to do this. They say it is a wrong move. They say, what if the question comes on Uganda or South Africa? My answer is that it is very simple. It is really rights hypocrisy to continue to support human rights amendments as long as we permit the gross miscarriage of justice that occurred in the case of the Wilmington 10 to continue.

Mr. NEAL. Mr. Chairman, I yield to the gentleman from Massachusetts (Mr. TSONGAS) such time as he may consume.

Mr. TSONGAS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, one of the problems of the IMF has been its success, that ever since the post-World War II era the IMF has been actively involved in stabilizing the economies of the countries of the world. Were they less successful, I am sure most of the Members of Congress would have heard about the IMF and would have been much more knowledgeable about it. We have here basically a vacant House for the very reason that we have what is generally perceived to be a stable international order.

It is my hope that this bill will be passed because I think more than any other international organization what they have done is commendable.

I thank the gentleman for yielding.

Mr. STANTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. Mr. Chairman, I am sure it comes as no surprise to my colleagues that I support strongly this legislation. I believe that the IMF will not be destroyed by U.S. participation in the Witteveen Facility. If anything, our participation will stand as evidence to the nations of the world that we mean what we say and that we as a government are willing to stand up for what we say.

During the considerable time that the Banking Committee devoted to deliberations of this proposal the pros and cons of the Witteveen Facility were argued at length. This floor debate can only touch on some of the points because of our time limitations, but I hope that the main point comes across—that this facility will add greatly to the strength of the world economy and the international monetary system. There is little that needs to be said about the current condition of the world monetary picture. A weak dollar abroad only reflects a state of confusion surrounding U.S. intentions. Rejection of this proposal will further weaken our position in the world community.

In a recent letter to the ranking minority member of our committee, the Chairman of the Federal Reserve System, Dr. Burns, stated:

This legislative proposal is a highly constructive and important element in our foreign economic policy. The United States has played a leadership role in negotiating this facility and it cannot go forward without

U.S. participation. I don't think that we will have any prestige left or any influence left in international financial circles if we don't make good on that promise.

The health of our economy is undeniably tied to the health of the world economy. We are not only maintaining our position of leadership among the industrialized nations of the world by supporting the Witteveen Facility, we are investing in the soundness of our own economy and promoting our domestic growth.

I urge my colleagues to give their support to this measure vital to our national interest.

Mr. STANTON. Mr. Chairman, I yield such time as he may consume to a very distinguished member of our committee, the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I rise in opposition to this bill, as I did in the committee. This year every man, woman, and child in America, and that means some 220 million of us, will pay $25 apiece for low interest loans to the lesser developed countries through our various international financial institutions. This figure does not include direct foreign aid. Through this bill we are being asked to contribute, unwisely, $1.7 billion to a fund called the Witteveen Facility to help the less developed countries pay their short-term debts, solve their cash flow problems, and inevitably meet their interest payments to big banks. But this bill will not solve any of the deep-seated economic problems of these less developed countries that we are so interested in. The establishment of this Witteveen Facility will provide no long-term solutions.

So I believe we can legitimately ask, "Why should the American taxpayers shore up the big banks and guarantee them profits from unreasonable loans made to these less developed countries?"

I am not concerned here just about the American taxpayers, because that would be very shortsighted. I am concerned as well about the citizens of the less developed countries who are overburdened by the debts that have been incurred by their governments.

Our support of the Witteveen Facility is tantamount to a rubberstamping of the unwise economic decisions of the dictators of the less developed countries, who care little about their own people.

Just how bad the situation is is best exemplified by the fact that it will cost $13 billion a year just to service the debt piled up by the oil-importing, less developed countries throughout the world in 1978. For the less developed countries this sort of so-called aid is not a cure for their problems. It is in fact part of their problems, both short-term and long-term economic financing problems. Because of this debt burden workers in the less developed countries, who ought to be working to expand exports so that they can earn money to import life's necessities, are, in fact, working one-third of the time just to pay off their international debts.

Any poor country whose debt service ratio is above 10 percent has to be considered troubled. This serious problem is common among the less developed countries: 29 of the them have a debt ratio of 30 percent or more of their gross national product. The figures from 1974 indicate that Zaire had 72 percent of its gross national product go for debt servicing; Somalia 127 percent, the Congo 82 percent, and Botswana 94 percent.

Mind you, most of these loans do not help the hungry in the less developed countries. They go for huge commercial projects such as railroads, highways, ports, telecommunications, and electric power. Starvation persists as the infrastructure grows.

The fact that the economies of the developing world are entirely dependent on international lending agencies and international banks can hardly be considered a healthy state of affairs. We must realize that the next time the industrial world has a recession it can push the less developed countries to default on some of their international loans. That same recession may, for that matter, push some of them all the way into bankruptcy.

Debt relief is a system of international welfare that spreads the cancer of artificial development supports. It perpetuates the misconception of how Third World development is achieved, and it moves us all toward an international financial disaster of far greater proportions than the default of the few loans that might occur without this facility. In short, we are doing more harm, more long-term harm, through this bill than we are doing good, short or long term.

We must reevaluate our role in the international credit charade. We should not condone perpetuating a system by which those very people we mean to help are hurt.

The Witteveen facility is not the answer to the problems of the less developed countries. This bill therefore should not pass. Let the American taxpayer keep his $1.7 billion. The solution to the problems of the less developed nations is not dollars and more dollars, it is sound fiscal management. We should use our energies to provide this type of aid.

My colleagues, I urge you to oppose H.R. 9214.

Mr. STANTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise in support of the bill. H.R. 9214 is an expensive bill. It falls into that most unpopular classification of "foreign aid." It authorizes a U.S. contribution to a division (SSF) of an unpopular agency, the International Monetary Fund. It is obviously not a final solution.

There are so many things wrong with the bill that one may wonder why it is before us at all. It is here because there is no other alternative to the problems of IMF member states financing the increased cost of oil.

There are some things right with the bill, too. It represents the first major, almost 50 percent, participation by OPEC nations in truly international banking arrangement. It will allow the recipient states to continue their purchase of U.S. exports.

It is an inevitable obligation resulting from our international trading. We must participate or face the prospect of losing developing markets. Our ability to sell our production abroad will really determine the long-term quality of life for our people.

But, no one can vote for this bill without misgivings. The worst aspect of it is that it may only be buying time until a more drastic solution is required. At best, we will earn interest on our money and get it all back, but few expect the best.

There are times when unpleasant duties must be done. I think this is one of those times. I urge the passage of H.R. 9214.

Mr. STANTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of this bill and would like to make some brief comments before we begin considering amendments.

I think it would be helpful in understanding the importance of the Witteveen Facility to review the role that the International Monetary Fund has played over the years, and continues to play today.

The International Monetary Fund is the keystone of our international economic system. For most of the 34 years it has been in existence, it has presided over a relatively stable international system. At the center of that system is the dollar, and we as a country and a people have prospered as a result. Today, however, that same system is far more fragile. This is why the committee is before you with this legislation.

Every country in the world has had to face serious adjustment problems in the wake of the fivefold oil price increase and the recent worldwide recession. Some of the IMF's 132 member countries have experienced serious domestic economic problems on top of these disruptive international pressures. For a handful of these countries, the problems continue to be critical. At the same time, the IMF finds itself with low levels of reserves due primarily to the heavy demands for balance-of-payments assistance of the last few years.

The bill before us has the simple objective of temporarily, and I underline "temporarily," bolstering the IMF's resources to enable it to assist those few countries in their transition back to healthy balance-of-payments positions. The word "temporary" is important because this is not a quota increase or a permanent shift of U.S. dollars to the IMF. It is a medium-term loan for which the United States will receive a rate of interest from the Fund higher than the Treasury bill rate. Our whole share will be paid back over the next 5 years, with interest.

A second aspect of this legislation that bears repeating is the fact that the OPEC countries are for the first time making a sizable contribution to a Fund program. In this facility, the OPEC members will bear a substantial share of the burden of supporting the international economic system—a system under which they have prospered as never before. As a group, they are contributing half of the $10 billion package. Saudi Arabia alone will put in $2.5 billion as compared to the U.S. share of $1.7 billion. When considering they agreed to raise their contributions without receiving any increase in their voting power in the IMF, this must be viewed as a significant concession by these countries.

The supporters of this measure successfully resisted two amendments in committee. These amendments would have attached what are essentially political conditions on access to Fund resources. The Fund's charter is very clear on this issue. It requires that economic considerations and only economic considerations shall determine whether a member country is eligible for Fund support. The politics of the borrowing country is to play no part. And in practice, this is the way the Fund has operated over its 30-year history. Arab countries have not opposed IMF balance of payments financing for Israel. The Greeks do not oppose IMF financing for Turkey. When the United States uses IMF resources, as it has on seven occasions in the past, we will expect other countries to vote on the economic merits of our request, not on which party occupies the White House or what economic and social programs we are pursuing or not pursuing.

What it too often forgotten is that the IMF is not a development institution supported by the United States and other donor countries for the benefit of less-developed countries. It is a jointly owned fund to which all member countries have an equal legal obligation to contribute and an equal right to make withdrawals, if they meet the economic criteria.

In conclusion, I would like to give a few reasons why this measure is so important to our national self-interest. Most of the world's reserves held by countries are held in the form of U.S. dollars; more than in gold, SDR's, or foreign currencies. The dollar is truly at the center of the international economic system. As the Witteveen Facility strengthens the international system, it strengthens the dollar and increases our own well-being.

Without wanting to sound like an alarmist, there are some very real costs that we would face if we do not enact this legislation.

Our efforts to involve the OPEC countries in helping to stabilize the financial system would be jeopardized.

U.S. credibility and leadership in international financial decisions would be weakened.

Other countries would view this as irresponsible and would doubt our ability to deal with our own economic problems. As a result, grave doubts would be cast on the U.S. dollar and its reliability as the key international currency.

If the countries in serious balance of payments positions are unable to find adequate sources of financing, they will be forced to adopt restrictive trade and adjustment measures which will impinge on our desire to increase exports.

It is my feeling that prompt action is needed on this measure. Its passage will insure benefits to both borrowing countries and to those countries like the United States whose stake is large in the system. And it costs us nothing, because it's a loan.

I urge passage of this measure.

Mr. NEAL. Mr. Chairman, I yield myself such time as I may consume.

I would like to make a couple of comments, if I may, concerning the remarks of the earlier speaker, the gentleman from Iowa. I think one of the problems we have with this bill is that there is really no constituency for it. I think the American people, our constituents at home, do not know anything about it, do not really care anything about it, and those who give it a cursory view think it is a foreign-aid program. I do think we need to be correct on the record on that point. This is not a foreign-aid program. This is an investment on the part of our country. This investment should earn us interest and should not cost us a penny. No country has ever defaulted on an IMF loan. We have borrowed from the IMF some 23 times for a total of $3.5 billion, as our distinguished ranking minority member, the gentleman from Ohio (Mr. STANTON) said. This is something the whole world benefits from, and it does not cost us money.

The gentleman also indicated that he thought this was a bail-out of banks. The historical precedent is that, as a matter of fact, banks increase their lending after a country has come to agreement with the International Monetary Fund for a stabilization program, so in no way can this bill be seen as a bail-out of the banks.

I am trying to remember the gentleman's other point. Let me just say that I guess we will go into this in more detail tomorrow during the amendment process, but I really do think it is a mistake if anyone views this as foreign aid or as a bail-out of the banks.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

I rise in support of this legislation, and I want to commend the chairman, the gentleman from North Carolina (Mr. NEAL) and the fellow members of the subcommittee, especially the gentleman from Nebraska (Mr. CAVANAUGH), for their work on the subcommittee with regard to this issue.

The IMF facility, the Witteveen facility that is proposed in this legislation today, is necessary to help and obviously stabilize the world economy. I do not think that it is any secret with regard to the increase in OPEC prices that have necessitated some refinancing of debt schedules of many nations. In fact, it has had a dramatic effect not just on our economy, but on the economies of many striving nations, and without the credit basis to carry forward those lower developed countries, they would obviously experience tremendous hardship.

It is important to note that this facility is a special facility which has been created because the last IMF authorization does not exist, and therefore the credit does not exist. This initiative, in fact, attracts almost half the capital from the oil-rich OPEC nations of the world into this particular facility.

So, obviously through it we can have leverage and provide financing opportunities for many of these lower developed countries that otherwise would face financial ruin; so, indeed, it gives them the opportunity to help stabilize their economic base and to obtain the better life that we would like to have for all the world's people.

Another important point that obviously should be considered in this matter is, of course, the effect on our own economy and stability. I suppose from a selfish standpoint we could attain this just for that purpose, looking for markets. This point is one that has been reiterated many times; but as the subcommittee chairman pointed out, the history is that where we have established a more stable economy in these nations, they have increased their private sector lending. The loans go forward, the credit goes forward on the basis of stringent controls that go with the IMF.

Indeed, this is very necessary and in many respects the IMF ends up providing an economic strategy and the very basis for successful payment not only of the interest, but of the principal involved in these particular countries, so they do not go through and do not create the type of cyclical debt, the downfall in the economy, that some would predict; so looking at it, many of us have the same fears already expressed on the floor this evening; but as we came to understand the purpose of it, and it is complex, it is difficult to understand, we found it is something that provides great stability in terms of world economy; so I would appeal to my fellow colleagues to support this legislation and to understand the need for it.

Mr. STANTON. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

Mr. NEAL. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 9214) to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund, had come to no resolution thereon.

GENERAL LEAVE

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. FINDLEY).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

UNTIMELY PASSING OF FRANK S. POPE

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, the sudden and untimely passing of Frank S. Pope, a citizen and leader of Villa Rica, Carroll County, Ga., has thrust upon us an irreparable loss to his community, his church, his family, and his wide circle of friends.

During his 69 years he was an influence for good wherever he went and brightened the lives of family and friends alike.

I especially feel the loss of Frank because of our close association and warm friendship which span more than a quarter century. It can truly be said that he scattered sunshine wherever he walked and brightened the lives of all he touched.

He was a devoted husband, father, and friend. He was married first to Doris Parker who predeceased him a number of years ago. He was married second to Bobbie Sue Lord, who survives him. He is the father of two daughters, Lila Pope Crittendon and Martha Pope Smith, and the grandfather of five adoring and loving grandchildren.

During the time that Frank Pope and I were friends, I probably visited in his home on more occasions than I have visited in the home of any person outside my home community and outside my own family. In turn, he has been our guest both in Griffin and in Washington on many happy occasions.

He was a civic, church, and community leader for practically all of his life. He was in the general insurance business, real estate business, warehouse and banking business and was a strengthening asset to every business enterprise of which he was a part. He was a friend, indeed, of the First Baptist Church of Villa Rica and an influence for good in the community, county, and State of which he was a part and stood out as a beacon light for those things which made things more pleasant and happier for so many people.

He was born 10 February 1909, the son of Mr. and Mrs. James Henry Pope of Carroll County, Ga. He died in the early morning hours of February 19, 1978. By an unusual coincidence, he died on the same day of the same month 33 years after his only brother, James H. Pope, Jr., was killed in the battle of Iwo Jima while serving in the U.S. Marine Corps.

His funeral services were conducted Monday, January 20, 1978, at 3 p.m. at the First Baptist Church of Villa Rica. Dr. J. B. Marlow, pastor of the First Baptist Church, Rev. Terry Phillips, of the First Methodist Church, and Rev. Al Ruggles of the First Presbyterian Church officiated. It was one of the most beautiful and memorable services which I have ever attended, and the Reverend Marlow, Frank's pastor, closed with these words:

Some meaningful thoughts I would leave with you from an inspired author. It seems fitting to relate these words to what Frank probably would say to us in this assembly:

"I'd like the memory of me
To be a happy one.
I'd like to leave an afterglow
Of smiles when day is done.
I'd like to leave an echo
Whispering softly down the ways.
Of Happy times and laughing times
And bright and sunny days.
I'd like the tears of those who grieve
To dry before the sun
Of happy memories I leave
Behind, when Day is done."

Patty, our children and I extend our affection and our heartfelt sympathy to his widow, Bobbie, to his daughters, Lila and Martha, and to his grandchildren, and the other members of his family.

WHITE HOUSE LEADERSHIP NEEDED IN COAL STRIKE

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HILLIS. Mr. Speaker, I believe I have made my position regarding the present coal strike clear. On February 14 and 15, I made statements on the floor of the House urging the President to invoke the Taft-Hartley Act to end the coal strike. On the 15th I outlined some of the hardships which would occur if the President did not act immediately. Unfortunately, Mr. Carter still has not shown any leadership in ending the strike, and many of the hardships I outlined are now occurring.

Yesterday I received a copy of a telegram sent to the President by the Honorable Otis Bowen, Governor of the State of Indiana. In that telegram Governor Bowen outlined many of the conservation efforts being made by the people of Indiana. "Unfortunately," stated the Governor, "these efforts by the people of Indiana are being undermined by a continued climate of indecision and inaction in the Nation's Capital." He later added that "each day that lapses without decisive Federal action further jeopardizes the jobs, safety, and well-being of millions of Americans."

Perhaps some of my colleagues do not understand how vital coal is to the State of Indiana. The primary source of 97 percent of the electric energy generated in Indiana is bituminous coal. Each day in Indiana 122,413 tons of coal are used, a total of 856,893 tons per week. That figure, I might add, came from the week of January 28 after some minor conservation measures had already begun due to the strike.

Mr. Speaker, major portions of the Midwest are dangerously low on coal. I find it completely unbelievable that the President refuses to take any decisive action. It is already too late to prevent major losses of jobs and production in our factories. That situation has been caused by the inability of the Department of Energy to use any foresight to make contingency plans to supplement areas short of coal.

The Department of Energy has acted irresponsibly and the President has refused to act at all. How much longer must the American people wait until the President wakes up to the present situation and begin to show some leaderhip?

As Governor Bowen said in his telegram:

We in Indiana have demonstrated the gumption to face into this problem in a realistic way. We would like to see that spirit echoed in the nation's capital.

[Telegram]

OFFICE OF THE GOVERNOR,
Indianapolis, Ind., February 21, 1978.

Hon. JIMMY CARTER,
President of the United States:

I thought that it might be helpful to report on the current situation in Indiana with respect to the coal strike. Two of our major utilities have imposed mandatory cutbacks which restrict business and industry to 75 percent of normal electric power utilization, cut residential users by 15 percent, curtail educational facilities by 50 percent, and prohibit a number of electric power uses—such as night sports and the operation of certain public facilities. As of this morning, industrial layoffs directly attributable to this strike now total 2,900, a number that is increasing each day. We in Indiana have slowed this downward spiral through conservation, which in most utility systems now exceeds 20 percent, and through State government protection of coal transport. Significant volumes of coal have moved and are continuing to move. This effort has postponed for at least several days the need to impose mandatory curtailments in the system of southern Indiana Gas & Electric Company. It is buying time for those utilities now below the 40-day stockpile level and postponing the date on which they would reach 30-day stockpiles, the point at which widespread industrial shutdowns would occur.

Unfortunately, these efforts by the people of Indiana are being undermined by a continued climate of indecision and inaction in the Nation's Capital. I was astounded to learn today of the attitude of the congressional leadership, which according to news accounts is one of hesitancy to do anything until disaster actually is upon us.

I am hopeful that you will communicate to the congressional leaders the serious consequences of their lack of concern for the 75 million people in the Nation's industrial heartland who each day feel more keenly the effect of this strike.

Moreover, I cannot underscore the urgency of action on your part. If you determine that Government seizure of the mines is the best option, do it now. If you consider Taft-Hartley to be workable, do it now. If you favor binding arbitration, send the legislation to Congress today.

Each day that lapses without decisive Federal action further jeopardizes the jobs, safety, and well-being of millions of Americans.

We in Indiana have demonstrated the gumption to face into this problem in a realistic way. We would like to see that spirit echoed in the Nation's Capital.

OTIS R. BOWEN, M.D.,
Governor, State of Indiana.

A KIND WORD FOR SECRETARY SCHLESINGER

(Mr. WAGGONNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, the harsh criticism Secretary Schlesinger received in the article entitled "James Schlesinger in Dubious Battle," in the current issue of Fortune magazine, is both unwarranted and unjust. To state, as the writer did, "it is hard to find anyone in Washington these days who has a kind word about the architect of Jimmy Carter's energy program," is an indication that the author did not look very far.

I was contacted by the magazine to comment about the job Mr. Schlesinger has done as the Nation's energy chief. Unfortunately, I had the flu and was unable to be interviewed before the story went to press. Having seen the finished product, I regret that I was not able to give balance to a one-sided attack on the Secretary.

While the article may be correct that he has been "lambasted" by Congressmen of both parties, I do not know of a single Member of this body who has questioned Mr. Schlesinger's sincerity, personal integrity or his dedication to the job of forging a workable energy program. His intelligence and commonsense has earned him this respect. His outspoken frankness and the ability to get to the heart of the matter in a given issue—Fortune characterizes these qualities as his "blunt personality"—is refreshing in a town noted for wishy-washy responses.

"He is a hard taskmaster," the article contends, "capable of making brutal decisions, and certainly not the smooth, textbook manager that business schools turn out. He prefers to approach problems from a strategic point of view and is impatient with details."

There is no consensus or easy answers in the area of energy. Tough decisions—even brutal ones—have to be made. The job demands intelligence, and the strength of character to seek the right answers and to forcefully act on them. James Schlesinger has these abilities, and whether or not Congress agrees with him on all points, one thing is certain, he has the strength of character to do what he believes is right and just for the country.

Even Fortune was forced to admit:

He has to be given credit for having had the conviction—and the toughness—to press his solution for the energy problem to the bitter end. In the absence of leaders with James Schlesinger's brand of fortitude, the nation is not likely to adjust to an era of increasingly costly and scarce supplies of the fuels upon which its lifestyle and economy rests.

FIRST CONGRESSIONAL DISTRICT 1977 CONSTITUENT POLL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 10 minutes.

Mr. COTTER. Mr. Speaker, more than 9,000 voters in Connecticut's First Congressional District took the time last fall to participate in my 1977 constituent poll. The questions they answered covered some of the most controversial issues Congress faces today: tax reform, energy, unemployment, the death penalty.

Although this was not a scientific survey of opinion, the results will help me understand the concerns of the people I represent.

Before I share these results with my colleagues, I want to summarize my position on some of the issues about which my constituents expressed the greatest concern.

ENERGY

I was interested that a majority of respondents said that revenues from President Carter's proposed wellhead tax on crude oil should be diverted to energy research and development, and not spent on rebates to consumers.

The House version of the energy bill—now the subject of a prolonged controversy between the House and Senate—stipulates that revenues from the tax should be returned to the consumer. We did this for two reasons. First, the Department of Energy has already been budgeted to develop new energy technologies and to continue its exploration for oil and gas. Second, we felt that a rebate would protect the average consumer from the higher energy prices that will result if the wellhead tax is approved.

This question—with many others—is still under consideration by the House-Senate energy conference.

SOCIAL SECURITY

As a member of the Ways and Means Committee and its Subcommittee on Social Security, I had firsthand knowledge of a crisis facing older and disabled Americans: the social security trust funds would be broke by the mid-1980's unless Congress overhauled the system's financial structure. The Social Security Amendments of 1977, which President Carter signed into law last December, will keep the system solvent until the year 2000.

Under the legislation, most Americans will begin to pay higher social security taxes in the mid-1980's. This tax increase may hurt the economy unless Congress balances it with a general tax cut, which we will do this year.

Before these new taxes are imposed, Congress also will have to face the need for basic reforms in the social security system's method of taxing income. The present method, which burdens the middle-income taxpayer more than any other group, must be changed.

FOREIGN POLICY

Many of my constituents clearly believe that the Arab people of Palestine have a right to a national homeland alongside Israel. That right should be shared by all the people of the Middle East, Arabs and Jews alike.

However, this complex issue must be negotiated between Israel and the appropriate representatives of the Arab world, but at a minimum, the Palestinian Liberation Organization cannot be involved. The PLO has repeatedly demonstrated its contempt both for Israel's right to exist and for those moderate Palestinian Arabs whose aspirations include genuine democracy and peaceful relations with Israel.

The precise form of a future Arab entity on the West Bank—its government, borders, and political relations with Israel and Jordan—is one of many issues for the parties concerned to determine among themselves. As of this date, Mr. Speaker, it is clear that Israel and her neighbors still face many obstacles before they can attain peace. But the historic exchanges between President Sadat and Prime Minister Begin have given the world more hope than anyone dared dream of only a few months ago.

CONGRESSMAN BILL COTTER'S WASHINGTON REPORT—FIRST DISTRICT 1977 CONSTITUENT POLL

[Figures are percentages]

PUBLIC FINANCING

Several bills have been introduced to subsidize part of the cost of Congressional races. Supporters argue that public financing, similar to the system already used to finance Presidential campaigns, would reduce the dependence of Congressional candidates on contributions from large corporations and labor unions. The proposal would cost the taxpayer about $80 million.

Should Congressional campaigns be subsidized with federal money?

Yes 39.6. No. 60.4.

SOCIAL SECURITY

The Social Security trust funds, which finance Social Security benefits, could run out of money by the mid-1980's unless Congress takes immediate action.

Should the Social Security deficit be financed by higher employer and employee taxes?

Yes 54.3. No 45.7.

Social Security taxes are "regressive," that is, all contributors pay the same tax regardless of their income. If the levy were "progressive" like the federal income tax, low- and middle-income taxpayers would pay less than high-income taxpayers.

Should the Social Security tax be progressive?

Yes 61.5. No. 38.5.

TAX REFORM

The Ways and Means Committee, of which I am a member, will soon take up the issue of tax reform. One Proposal is to replace the present personal exemption deduction of $750 with a tax credit. The change would probably reduce tax liability for persons earning less than $15,000 a year, but increase it for annual incomes over $15,000.

Should Congress replace the personal exemption deduction with a tax credit?

Yes 40.3. No 59.7.

As a device to encourage investment, the present system taxes capital gains at a lower rate than ordinary income. One tax simplification proposal is to tax these gains at the same rate as ordinary income, but lower the maximum income tax for individuals from 70 to 50 per cent.

Should capital gains be taxes at the same rate as ordinary income, with a 50 per cent maximum?

Yes 49.2. No. 50.8.

Another tax simplification proposal is to eliminate many itemized deductions, including deductions for business expenses, gasoline taxes and state sales taxes.

Should some itemized deductions be eliminated to simplify the tax form?

Yes 42.6. No 57.9.

Single taxpayers are taxed at a higher rate than married couples?

Should tax rates for single taxpayers be the same as rates for married taxpayers?

Yes 74.9. No 25.1.

SPENDING PRIORITIES

Do you think the federal government should spend more on certain programs, less on others? Here is a list of new budget authority for Fiscal Year 1978. The highest budget item is listed first, the lowest is last. Please indicate whether we should spend more, less or the same after each program.

1. National defense: $116.4 billion—

More 24; less 41; same 35.

2. Social Security, disability and retirement: $110.8 billion—

More 40; less 17; same 43.

3. Welfare and public assistance: $53.2 billion—

More 12.6; less 55.9; same 31.5.

4. Health: $47.7 billion—

More 43.5; less 24; same 32.5.

5. Education, training, employment, social services: $26.3 billion—

More 42.4; less 25.8; same 31.8.

6. Environment and energy: $24.6 billion—

More 56.5; less 20.8; same 22.7.

7. Commerce and transportation: $20.4 billion—

More 35; less 27.3; same 37.7.

8. Veterans benefits and services: $19.9 billion—

More 19.3; less 28.7; same 52.

9. Unemployment insurance: $14.6 billion—

More 10.1; less 43; same 46.9.

10. Revenue sharing: $9.6 billion—

More 23.4; less 34.1; same 42.5.

11. Community development: $8.2 billion—

More 25; less 38.5; same 36.5.

12. International affairs: $8.0 billion—

More 6.4; less 62.6; same 31.

13. Science, space and technology: $4.9 billion—

More 36.2; less 29; same 34.8.

14. Law enforcement and justice: $3.8 billion—

More 60.1; less 11.6; same 28.3.

15. Agriculture: $2.1 billion—

More 35.1; less 25.3; same 39.6.

ENERGY AND THE ENVIRONMENT

A major feature of President Carter's energy plan is a "wellhead" tax on the production of crude oil. Revenues from this tax, which is designed to discourage oil consumption by increasing its price, could be spent in either of the two following ways.

Should all wellhead tax revenues be spent for homeowners or renters who heat their houses and apartments with oil?

Yes 38.9. No 61.1.

Should all wellhead tax revenues be earmarked for oil and gas exploration and the development of alternative energy sources?

Yes 67.3. No 32.7.

These other energy issues are controversial.

Should the federal government allow oil drilling off the New England coast?

Yes 74.4. No 25.6.

Would the private sector be able to solve the energy crisis by itself if the federal government lifted price controls and environmental safeguards?

Yes 27. No 73.

Should a refinery be constructed in New England to increase the region's oil supply?

Yes 82.7. No 17.3.

Do you think nuclear energy is safe enough to be emphasized in the future energy policy?

Yes 69.1. No 30.9.

TRANSPORTATION

Amtrak plans to reduce passenger rail service, including many commuter trains in Connecticut, in an effort to cut its operating deficits. Amtrak officials estimate it would cost an extra $143 million to keep these trains running for one year and avoid additional service reductions in the near future.

Should Congress appropriate more money to restore passenger service eliminated by Amtrak?

Yes 57.1. No 42.9.

When a decision was made not to build some planned highways in the Hartford region, the federal government was left with surplus funds originally designated for these roads.

Should unspent funds federal highways money be diverted to mass transit and road repair in the greater Hartford area?

Yes 87.3. No 12.7.

UNEMPLOYMENT AND WELFARE

Over the next several years, many economists say, the private sector cannot create enough jobs to hire every unemployed American able to work. Public jobs, the alternative, would cost an average of $8,800 per job.

Should the federal government expand its public jobs program to guarantee work for all unemployed Americans?

Yes 58.3. No 41.7.

An unemployed worker can receive unemployment benefits for a period of 39 weeks. However, studies show that most of the unemployed workers who have any chance of finding new jobs will be employed again within eight weeks.

Should Congress reduce the number of weeks unemployed workers are eligible for benefits?

Yes 56.6. No 43.4.

The following two questions are based on some controversial features of President Carter's welfare reform proposals.

Should physically able welfare recipients (whose children are over seven years of age) be required to work or take job training as a condition for benefits?

Yes 97.5. No 2.5.

Should categorical welfare programs like food stamps and housing allowances be replaced with straight cash payments?

Yes 19.2. No 80.8.

CRIME, JUSTICE AND THE LAW

Should the death penalty be restored?

Yes 71.4. No 28.6.

Should marijuana be legalized?

Yes 40.8. No 59.2.

If marijuana were not legalized, should the federal penalty for possession of small amounts of marijuana be reduced to a small fine with no court appearance or criminal record?

Yes 72.3. No 27.7.

Should the Civil Rights Act be amended to protect homosexuals from discrimination in housing and employment?

Yes 53.5. No. 46.5.

Should the Equal Rights Amendment be ratified?

Yes 64.5. No 35.5.

FOREIGN POLICY

Should President Carter continue to defend human rights in other countries?

Yes 65. No 35.

Should the U.S. establish full diplomatic relations with the People's Republic of China, even if the condition is that we sever relations with Taiwan?

Yes 35.4. No 64.6.

If outstanding differences between us are settled, should the U.S. establish full diplomatic relations with Cuba?

Yes 74.2. No 25.8.

Should the Senate ratify the Panama Canal treaty?

Yes 58.1. No 41.9.

Does Israel have the right to establish permanent settlements on the West Bank, with the purpose of annexing that territory?

Yes 30.4. No 69.6.

Do the Palestinian people have a right to a national homeland alongside Israel?

Yes 80.9. No 19.1.

Should the Carter Administration continue to support black minority rule in the white-supremacist states of southern Africa?

Yes 60. No 40.

HAPPY BIRTHDAY TO CLARENCE STREIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 60 minutes.

Mr. FINDLEY. Mr. Speaker, I rise to pay tribute to a unique individual, Clarence Streit, who is now embarking on his 83d year.

Clarence Streit combines the qualities of idealist and realist. He has created a compelling vision of a more perfect society and he has actively worked to promote the realization of that society. For that I admire him greatly. Clarence and his lovely wife of 57 years, Jeanne Defrance have together worked to advance peace and liberty through an Atlantic Union.

It was in 1938 that Clarence Streit first shared his concept of Atlantic Federation with what would become an ever-growing audience. In 1938 he had printed, at his own expense, the first 300 copies of "Union Now." The enthusiasm this new release generated propelled it into an international bestseller, printed in many countries, in many languages, and in many editions.

In "Union Now" and in subsequent publications such as "Union Now with Britain," "The New Federalist," and "Freedom Against Itself," Mr. Streit explained his concept of an Atlantic Federation. I would like to summarize this briefly for my colleagues.

As Clarence Streit wrote in 1938:

The way through is Union now of the democracies that the North Atlantic and a thousand other things already unite—Union of these few peoples in a great federal republic built on and for the thing they share most, their common democratic principle of government for the sake of individual freedom.

This Union would be designed to:

First. Provide effective common government in our democratic world in those fields where such common government will clearly serve man's freedom better than separate governments;

Second. Maintain independent national governments in all other fields where such government will best serve man's freedom;

Third. Create by its constitution a nucleus world government capable of growing into universal world government peaceful and as rapidly as such growth will best serve man's freedom.

This government would guarantee against all enemies the rights of man common to all democracies. The founder democracies of the Union would seek to

encourage all those states that remain outside of it to unite with it in adhering to a universal bill of rights rather than opposing it.

These concepts developed by Clarence Streit become all the more understandable and more admirable when poised against the backdrop of pre-World War II Europe in which he was writing.

His job as a reporter for the Philadelphia Public Ledger and the New York Times had placed him at Versailles in 1919 and in Austria during the Anschluss. He had been in Germany, England, and France writing of the early hope of peace which disappeared before the chilling prospect of renewed conflict.

What Clarence Streit saw in Europe was rampant nationalism. The state was all and much evil was done in the name of the state. "Thou are nothing, thy nation is everything" was the watchword not only of Adolf Hitler but of those who would follow him, mimic him, and idealize him. Individual freedom was routinely suppressed by the "State" during those harsh times.

Clarence Streit reacted to this ardent nationalism with deep revulsion. He was equally angered by the isolationism and indifference that marked the attitude of the Atlantic democracies to the excesses and horrors perpetrated in the name of nationalism. From Europe, Clarence Streit looked across the Atlantic to a United States that did not want to become involved in the travails of another continent. This lack of solidarity among the democratic nations, he regarded as an open invitation to Hitler's Germany and to other nations of aggressive intent to pursue illegitimate ends.

Strongly opposed to isolationism and indifference, Mr. Streit clearly saw that the fate and well-being of the democracies were intertwined and that divisiveness among the democracies would become freedom's greatest peril.

Thus Clarence Streit urged upon the Atlantic world a federation which would strengthen individual freedom and which would give heart to struggling democracy everywhere. As the first step toward this federation, Clarence Streit called upon the Atlantic democracies to convoke a convention to discuss mutual interests and concerns. He hoped that this convention would give rise to greater cohesiveness among those assembled just as an earlier Federal convention on the new American continent had in 1754.

The Atlantic convention has not yet occurred. But even without this formal step so much of what Clarence Streit first began urging in 1938 has been heeded and implemented. The Atlantic democracies are closer today than they were in the interwar period. They have recogized and continue to recognize that their security, economies, and political stability are closely linked. The North Atlantic Treaty Organization attests to this as does the European Community. Clarence Streit is often credited with being the inspiration for the former and rightly so. NATO realizes the military cooperation for which he eloquently argued. We in the United States are constantly engaged with our European partners in discussions of trade, scientific, technical, and cultural exchanges and matters. We travel to each others' shores more frequently and we increasingly speak each others' language. And, even where we fall short of achieving the unity of purpose Clarence Streit recommends, we still acknowledge and support the ideal. Though we may implement protectionist measures in trade, we rue them and seek ways to avoid them. We also recognize, as Clarence Streit has long advocated, that cooperation among the Atlantic democracies is a step toward greater cooperation among states worldwide.

I applaud Clarence Streit for the vision he has created which continues to inspire us today. And I find him remarkable for his singular dedication to his ideals. I, therefore, would like to salute him today as he enters his 83d productive year.

Mr. Streit's response:

OUR THREE RELATED LIVING COMMENCEMENTS

(NOTE.—January 1978 begins not only his 83rd year, but also the 45th year that the Union Now way to advance peace and liberty is being offered to the free, and that he and Jeanne Defrance will be working for it as a Franco-American team, wedded now for 57 years. His response to the Washington reception will be given by cassette to the score of birthday parties also being held across the Continent.)

Dear friends of many years, recent ones, and new friends I hope we may make from these birthday parties from coast to coast:

This celebration, unique in all the birthdays I have had, overwhelms Jeanne and me. How we wish we could be with you at each of them and thank, in person, the friends who hosted, and everyone who came—or thank you at least by name. Alas, I have time to name only two: The man who originated and did so much to organize this cluster of parties, Morgan Harris, out in Los Angeles, and the woman, Patricia Chapman, Executive Director of the Federal Union association who, together with our hard-working staff at headquarters here in Washington, D.C., have contributed greatly to this project.

Both have been strongly backed by Miller Upton, our new Chairman and Chief Executive Officer. Both are now among the first of the multitude of good friends "Union Now" has brought us. Through all the ups and downs of nearly four decades they have—like so many of you—never lost faith in the great enterprise of constituting an Atlantic Federal Union, nor lost their energy and resourcefulness. Tom Paine wrote in the dark December of 1776: "These are the times that try men's souls. . . . I love the man who can smile in trouble—gather strength from distress—grow brave by reflection." How many Federal Unionists, living and dead, I have come to love because Paine's words describe them so well!

I am happy indeed that you are marking three closely related commencements—the start of my 83rd year, but also the January beginning of the 45th year that the Union Now way to advance peace and liberty is being offered to the free, but that Jeanne Defrance and I center our lives as a wedded team on achieving it. I don't recall the exact date in January, 1934, when its basic concept dawned on me. Here is how "Union Now" when finally published summed up that concept:

"Now, when Man's future seems so vast, catastrophe threatens to cut us from it . . . I believe the surest if not the only way through is Union now of the democracies that the North Atlantic, and a thousand other things, already unite—Union of these few peoples in a great federal republic built on, and, the thing they share most, their common democratic principle of government for the sake of individual freedom.

"This Union would be designed (a) to provide effective common government in our democratic world in those fields where such common government will clearly serve Man's freedom better than separate governments, (b) to maintain independent national governments in all other fields where such government will best serve Man's freedom, and (c) to create, by its constitution, a nucleus world government capable of growing into world government peacefully and as rapidly as such growth will best serve Man's freedom."

I realized that this was an immensely difficult proposal to achieve, but it was even more obvious to me that nothing less could prevent World War II. To try to prevent it thus, one had to start sometime, somewhere. I began by trying it immediately on my French wife. Since our marriage in 1921, I had gained high respect for her judgment. I was greatly encouraged to undertake it when she agreed that the concept was sound, urgent, and must be developed in a book. And so our teamwork on this immense enterprise also began in January 1934, with the writing of "Union Now."

How far have we advanced since then toward the goal of creating an Atlantic Union?

There are two ways to measure the advance of any great undertaking. One is to look ahead at what remains to be done. I always keep this view in mind, though very disappointing to me—and I well understand that it is very discouraging to many friends. When I feel discouraged, I turn to the other way to measure progress. I look back to where we were when we began and how far we have already gone. This view greatly encourages me to continue.

Nearly every great, true concept in our field has taken a long time to be achieved. Moreover, whatever matures quickly—as does a mushroom—dies quickly too. Things that take long to mature—as does the giant sequoia—also live far longer.

It took almost 40 years to constitute our own American Federal Union.* It has already lived four times that long—nearly 200 years. It has already brought immeasurable good to an incalculable number of people.

To me, that kind of enterprise—as is ours—is most inspiring, the most worthy of devoting a lifetime to advancing it, and the happiest, most rewarding way to live.

The first necessity was to get "Union Now" published. That proved much harder and took much longer than I expected—five years. It would have taken still longer and been much harder had not Jeanne helped so much with researching, editing my draft chapters, typing the final manuscript. Each year the manuscript found no publisher, we withdrew it, re-studied it, did more research, and almost completely re-organized and re-wrote it.

Through five years that process took all the time I could spare from the job of reporting daily to The New York Times through that tumultuous period the world events that concerned Geneva, because they brought World War ever nearer. It also took all the time Jeanne could spare from her work as mother of three growing children and the thrifty keeper of a happy, healthy home.

By July, 1938, Hitler, I believed would launch war in August or September, 1939, if Washington did not move toward con-

*Benjamin Franklin, who proposed a Union of the colonies in 1754—two years after he pioneered the electrical age—lived to see the Federal Constitution go into force 35 years later on March 4, 1789, when he was 83.

voking the Atlantic Convention that "Union Now" urged, to consider our proposal. Even that move by Washington in so bold a direction might give Hitler pause. To me, it was the only hope of preventing the war.

And so Jeanne and I agreed then that, if no offer to publish the book came in the next 30 days, we would print 300 copies at our own expense, and give them to American and European statesmen and editors whom we knew, so as to get the proposal moving. It was thus that "Union Now" finally began to go into type—in a local print shop near Geneva—on August 14th. In September came the Czechoslovak crisis and Munich appeasement. Within a fortnight, Harpers in New York and Cape in London, offered to publish the book. Thus the first necessity was accomplished.

They could not publish it sooner than by March 1939. That left only six months before the war would begin, by my reckoning, which events confirmed. Result: Our next necessity was to do our best, during the four months before March, to assure that the impact then of this oft-rejected book would be immediate and powerful. To achieve this took us only those four months. I wish I had the time to tell you how circumstances enabled me to spend that period in New York and Washington, while Jeanne spent it in Geneva and Paris. This allowed us to work—like a team of beavers—to promote it on both shores of the Atlantic.

When "Union Now" came out in New York and London its impact was far greater and wider than we had hoped. This accomplishment made it much easier to achieve a third necessity—the creation of a movement to get action. That was always our aim; to us "Union Now" was not so much a book as a means to get action.

Curiously, "Union Now" gave scant attention to the immense concrete problem of organization. It did, however, stress that "the first necessity is that Unionists, wherever they are, should make known their will, and organize their neighborhood, state and nation."

To our astonishment and immense encouragement, many readers actually began doing this. Within a couple of weeks, local committees began sprouting across the country. In July, their delegates met and set up a provisional national Organizing committee. There were similar developments in Britain and France.

Within a year, the American Federal Union organization was definitely established by a Convention with much larger representation of local committees. As these birthday parties indicate, that association is still very much alive. To me, its swift grassroots creation and its continuation through many crises, form a very great accomplishment; it bodes well for the future.

How much of the basic "Union Now" concept has been accomplished since then? Much more than a good many of our members, not to mention the general public, realize.

"Union Now" pioneered the concept of an oceanic regional political organization. It held that the nations around the North Atlantic formed the most important region that needed to be strongly united. Official recognition of this proposal was accomplished in 1949 when the North Atlantic defense alliance and organization were formed.

"Union Now" also pioneered the concept of such an organization not only oceanic in scope but limited to nations that upheld individual liberty for their citizens. Official acceptance of this concept was also achieved in 1949—and where it was most helpful to us—by the North Atlantic democracies, when they stated in the preamble of their alliance: "They are determined to safeguard the freedom . . . of their peoples . . . founded on the principles of . . . individual liberty."

What about the most vital and revolutionary concept in "Union Now"—that of uniting those democracies in a Federal Union? Although the Atlantic Treaty unites them as sovereign nations, not as sovereign citizens, its strong commitment to individual liberty in the Atlantic community greatly helps us accomplish the final and hardest step needed to change it into a federal union. It has already done so. Immediately after the Senate ratified the alliance, Senator Kefauver and an impressive list of cosponsors introduced the first Congressional resolution for a convention to explore the federal alternative.

Since then, repeated introductions of, and hearings on, similar resolutions have allowed their chief advocates to do continuous educational work in Congress. This led quite close to victory in recent years. In 1972, the Senate approved, without a single dissent, a resolution to convoke a convention of the Atlantic allies, to "explore the possibility" of agreement that their goal is to transform their alliance "into a more effective unity based on federal principles and set a timetable for the transition by stages to this goal." The House Rules committee, however, refused, by a 6 to 5 vote, to send it to the Floor.

In March 1973 the proposal gained public Presidential endorsement for the first time. Unlike the mass media, Congress did not ignore the importance of this news. The Senate swiftly approved the resolution, unanimously, again. By the time it reached the House Floor, President Nixon—who had endorsed the original resolution as a Senator, and had stood by it thereafter—was in the coils of Watergate. Even so, the House came within 13 votes of approving it; the vote was 210 to 197. I am very happy to report that one of its chief sponsors told me recently that the bill will soon be re-introduced.

There is much more that makes the great opportunity we now have hearten me, and would hearten you—but my time is almost finished. Fortunately, I need only remind you that the present and imminent dangers that make Atlantic federation imperative will greatly help to achieve it . . . if only we gain more members, more friends and more funds, and work harder, individually.

To conclude with one brief thought. The organizers of these parties surprised me most happily by deciding to give you each, as a memento, a speech I made in 1944. It is much better than the one I am ending now. Please do read it. It tells how I learned a profound truth in 1917, while standing guard one night in the transport that was zigzagging my regiment to France across a submarine infested Atlantic.

Shakespeare's Hamlet said: "Conscience doth make cowards of us all." That night I learned how wrong he was. Conscience never made a coward of any man or woman. Conscience is forever fighting an uphill struggle to make a hero of each of us. Conscience is the neglected power within us each that Federal Union of the Free would enthrone as its supreme sovereign. Is it not time that we followed the Voice within that urges each of us to be . . . more heroic? I leave the answer to you. With heartfelt thanks for the honor you have given Jeanne and me.

[From the Washington Post, Jan. 23, 1978]

CELEBRATING ONE MAN'S IDEALS

(By Henry Mitchell)

Clarence Streit turned 82 and was given a birthday party Saturday night at the Phillips Collection, that elegant gallery that houses the tremendous Renoir of the boating party and much else.

"I remember the first meeting of Federal Union here in Washington," said James MacLaughlin, curator of the collecton, "in this gallery in 1945 or 1946."

He was at the party early to see to it (as one guest irreverently said) nobody stole the little Delacroix.

"It's out being cleaned," he said, when someone discovered it missing in spite of MacLaughlin.

At blue-flame political receptions, everybody is revved up to mount the barricades or dismantle the Bastille or both, but this reception was not like that.

It had an air of hope—Federal Union, which Streit founded after the idea occurred to him 45 years ago, urges the political federation of freedom-loving nations along the lines of the federal union of our American states—but it was the sort of hope that the world will eventually get better and stop being so blind. I was not at all like an intense campaign to get some damn canned music off the bus system, or an Action Now program to get a biologist out of a prison in some outlandish nation.

The Union still hopes, as it has since before World War II, that a conference will be called to which the democracies of the world can send delegates to see what can be done to bolster their democratic strength—a unified defense system and money system, among other things.

Streit said he was sometimes discouraged if he thought of the future and how far his idea of federation still had to go. But if he thought of the past, and how bizarre the notion had once seemed, he felt better, because a certain amount of progress is unarguable.

His book, and the gradual word-of-mouth discussion of his ideas, is often credited with preparing the way for NATO in 1949.

Charles Foltz, a former foreign editor of U.S. News and World Report, and not a Union member, said he thought Streits arguments had much to do with the successful establishment of the North Atlantic alliance, a limited or embryonic form of the federation that Streit has always dreamed of.

"Weak," said Dr. Miller Upton, the Union's chief exectuive officer and former president of Beloit College, "the chances of federation now are weak, not because the idea is wrong, but because it has not been pushed hard enough."

Streit and his wife, Jeanne Defrance (his book, "Union Now," published on the eve of the invasion of Poland, is dedicated to his wife: *pas san toi*—not without thee) mingled with the guests and held court sitting on little steel folding chairs. Jeanne Streit had a crown of snowy hair. Clarence wore the pink baldness of a life well spent.

"I would like to talk with you about nasturtiums," he said to a fellow, "and ask if . . ."

"Excuse me," said Patricia Chapman, executive secretary of the Union at 1875 Connecticut, whose enthusiasm for nasturtiums appeared to be slight, "we need you in the receiving line."

Streit, who had foolishly imagined he could do as he liked at his birthday party, reflected on the nature of practical power and said:

"Of course, there is always somebody." (Somebody ready to make you stop talking about nasturtiums, when you are all set to do so.) He recalled (despite the tugging) that when he covered the old League of Nations for The New York Times, nobody ever wrote to say something was well done or had been helpful, but they always wrote if you made a mistake.

"If you alluded to a letter from Washington to Jay," he said, in his last moment before being towed off to the receiving line, "there would always be somebody to say—and they would be right, of course, which made it worse—no, it was a letter from Jay to Washington."

Kay Halle, a Union director, had plowed through the snow in black velvet and white

boots to get to the party, supporting five ropes of pearls around her neck, and was sure the cake was inadequate:

"It will never feed all these people," she said.

A young fellow from Charlottesville brought her a piece which she regarded for several seconds, mindful of the probable shortage to come, before eating it bravely. Like the loaves and fishes, the cake held out and there was still half an hour after the party was supposed to be over.

Halle is perhaps best known for her successful agitation to get Winston Churchill made honorary citizen of America by special act of Congress (John Kennedy had thought it would be unconstitutional, but eventually learned there was no point arguing with Halle). She waved away a question about Churchill:

"I was so young then. I was too young (on her frequent visits with Churchill in England). Imagine the opportunity I had, hearing Lloyd George and Churchill discussing the origins of the first World War. But I was too young to take advantage of that opportunity."

"You are not very old, even now," someone said.

Foltz, like many of the guests who were past their first flush of youth, sat against the wall where the wonderful Daumier of the revolutionist used to hang, and said he thought the crowd was curious, since there weren't many middle-aged people present:

"I guess you saw the beautiful Oriental girl," he said. "No, not that one. Here she comes now. Why is it that everybody is either a beautiful young person or an old crock?"

"We are not old crocks," said a fellow to him. "We are not children, but we are not old crocks."

"I suppose not," said Foltz, glancing at his silk tie sprinkled with scarlet roosters (he always had a feeling for Paris).

Streit was nominated for the Nobel Prize not long ago by Nelson Rockefeller. Other Streit supporters over the years have included Barry Goldwater, Richard Nixon, Harry Truman, Hubert Humphrey, Gerald Ford, Mark Hatfield.

Interesting bedfellows:

Streit once said he knew that many who supported his ideas of federal union did not go all the way with his thoughts, and the more honor to them for supporting him when they thought he was only 51 per cent right.

Streit himself alluded to the complexity of being "right," and recalled the time he was a buck private on a troop ship. He was on watch, with a loaded gun, with orders to slam the bulkhead door if the ship were fired on and one compartment began to leak.

"Shoot to kill, if necessary," he said, "so that all the men on one side, at least, might get up the gangway."

He never knew, he said, how he would have behaved if he had had to slam the door and condemn the ones on the wrong side to certain death.

"They were not enemies, they were my own outfit."

Moral choices, he went on, are not always either clear-cut or easy, and yet endless damage can be done if they are not made and made correctly.

He cited his watch in the hold of the ship as an example of the power of one individual, and said that whether we notice it or not, the world runs on the decisions of ordinary men; so that nobody should ever say his own voice was inconsequential.

The Streits were given tickets for a Geneva vacation and some cash to buy a trout once they get there. (It is a puritan sort of town, but expensive.)

Streit's face does not have deep wrinkles, and it comes (a young woman said) of being sweet all the way through. Never did get to talk about his nasturtiums, of course. No man is really free.

Rep. John B. Breckinridge (D-Ky.) said the important thing is to spend a life on something that lasts longer than a life, and he reckoned Streit had been doing that.

[From the Washington Star, Jan. 1, 1978]

LETTERS TO THE EDITOR: SOME WARMTH AMID WINTER CHILLS

Thank you very much for James Dickenson's column on "What Dickens was trying to do" (Dec. 26) and for his remarks on the need for a holiday to celebrate humanism and human love. For many people, Christmas is a sad time, because it is a day of "great expectations" which are not fulfilled. If one has no family or is isolated, either by miles or emotional distance, or if the commercialism of the age renders proof of love through the price of the gift, then Christmas can be disappointing.

One friend of mine spent Christmas a few years ago away from her family, without gifts, but with the human communion of a Christmas dinner with Vietnamese refugees. Traditions and knowledge of each other's cultures were exchanged, and the greatest gift was that of spirit.

Certainly, there is a need for a holiday of humanism. Christmas is cluttered with so many layers of meaning that the literal meaning of human sharing is hidden. To solve this problem, a new holiday has been added to Chases Calendar of National Events. Jan. 21 is the birthday of Clarence K. Streit and will be celebrated this year for the first time as the launching of a new organization, Friends of the Human Cause.

Friends of the Human Cause has grown out of the original Federal Union organization which Streit founded in 1940. Over the years, the heart of Streit's book, "Union Now," has, out of necessity, been buried under the concentration on structure and political innovation for the Atlantic Community. The purpose, though, of any political structure has been, in American political theory at least, to preserve the rights of the individuals and to serve the citizen who is king over his destiny through representative government.

During this decade, that theory has been challenged. The disillusionment seems to be dissolving, however, under the influence of hope that is spreading with the rise of a new humanism, especially in light of the current political discussions about human rights.

In "Union Now," Streit outlined the basic humanistic values of the Western basic humanistic values of the Western World:

"Democracy is based on faith in free and equal man, faith in man's vast future."

"The story of the freedom of man . . . is the story of the invention of language, of the freeing of man's tongue to tell his thoughts to his neighbor and of the freeing of his ear to understand his neighbor's thoughts from space and time and the tricks of memory and death by the invention of writing."

The interchange of ideas through language and writing is the greatest gift that can be given at a celebration of humanism. The union idea of joining people of nation-states into a larger union to serve the needs of the individual in an interdependent world promotes the cross-fertilization of humanity's thoughts, philosophies, talents and inventions for the betterment of all.

On Jan. 21 here in Washington, the day of the Human Cause will be commemorated by a birthday party for Clarence Streit at the Phillips Gallery. At the same time, there will be birthday parties across the country, given by the many friends and supporters of the union idea.

Will Jan. 21 bring a new awareness of humanism by promoting a union of free people, at a time when the winter generally turns for the worst, as the warm-bloodedness of mankind heats the world?

CYNTHIA HEARN.

WASHINGTON, D.C.

Mr. WRIGHT. Mr. Speaker, I am happy to join my colleagues in paying tribute to Clarence Streit on his 82d birthday.

In Clarence Streit we have an outstanding example of a man who believes in the power of ideas. His whole life has been devoted to ideas, and especially to an idea that he refined and first set forth in his great book, "Union Now."

Victor Hugo wrote:

Greater than the tread of mighty armies is an idea whose time has come.

It has been Streit's mission not only to prove that Hugo was right figuratively but to prove that he was right literally. He has sought to give the world an idea that would, in fact, be more powerful than mighty armies.

His idea is to create a federation of democratic peoples that would replace shaky alliances and uncertain tariff agreements with a binding structure somewhat similar to that which joins our 50 States into a single federal union. If the major democracies of the world were so united, he believes, their people would not only benefit from a single currency and the removal of tariff barriers, but they would have such a sound and viable system that no other system on Earth could match it. Freedom and democracy would become the dominant forces in the world.

All of this was set forth in "Union Now" in 1939. How tragic it is that the democracies could not have united in this way before Germany and Japan were tempted to start World War II.

William Blake wrote:

He who would do good to another must do it in minute particulars. General good is the plea of the scoundrel, hypocrite, and flatterer; for art and science cannot exist but in minutely organized particulars.

So in writing "Union Now" Streit, who had witnessed firsthand the failure of the League of Nations, gave us the minute particulars for an organization of nations that could succeed in achieving what the League had failed to do.

Minute particulars seldom inspire passion, but in "Union Now" Streit aroused the hopes of a generation of world leaders who knew that some new structure, more secure than the nation states with their alliances, must be found to save mankind from its own destruction. Unfortunately the idea remains today merely the freshest and most promising idea around, still awaiting its moment of fulfillment. I believe that moment will come; I believe it must come in due course if the world is to be saved from catastrophe.

Clarence Streit is now 82. His wife, Jeanne, who worked with him for years in refining the idea of a federal union of democracies, is a few years younger. Their contribution to history will be recognized some day, but how fortunate it would be if they could be honored appropriately in their lifetimes. To that end I have joined many others in urging the Nobel

Peace Prize Committee to grant them their highly coveted prize either for 1978 or for any one of the 11 nonaward years since 1934.

Had a great union of democracies come into being already, had war been averted by its being in existence, had freedom and justice been made more secure through its functioning, there would be no doubt of the contribution of the Streits to world peace. That these events have not yet occurred takes nothing away from the merit of their idea. They have given the world the formula which can achieve these ends. There is no other.

I believe that the time for the federal union idea is coming and that the time for recognizing the contribution of the Streits is now.

Mr. FRASER. Mr. Speaker, Walt Whitman wrote:

If you would be freer than all that has been before, come listen to me . . .

I swear I begin to see the meaning of these things. . .

I swear nothing is good to me now that ignores individuals,
The American compact is altogether with individuals,
The only government is that which makes minute of individuals,
The whole theory of the universe is directed unerringly to one single individual—namely to You . . .

I am for those that have never been master'd,
For men and women whose tempers have never been master'd,
For those whom laws, theories, conventions, can never master.

I am for those who walk abreast with the whole earth,
Who inaugurate one to inaugurate all.

I will not be outfaced by irrational things,
I will penetrate what it is in them that is sarcastic upon me,
I will make cities and civilizations defer to me,
This is what I have learnt from America—it is the amount,
and if I teach again.
—Whitman, By "Blue Ontario's Shore".

Like Walt Whitman, Clarence Streit has written often of the individual's relation to society. Saddened by what frequently constitutes that relationship, he has argued for the dignity of mankind and for the freedom of the individual.

"At the heart of our freedom, then, lies the democratic principle of equality and rights of man, the freedom of the individual to follow his natural bent and to bring his findings to mankind for judgment, and to pass judgment on the findings of his fellows", Streit wrote over 30 years ago.

For Streit, freedom lies in the right to write and to print the truth and to speak it to others in groups large and small. Freedom, however, is not only spiritual but material and must permit us to eliminate the tyrannies of poverty, disease, and ignorance.

Humans combine their talents to develop new technologies, freeing others from toil, from the constraints of locale, and from the limits of their language. We are best able to do this if left to pursue the diversity of our interests and abilities. A free society must guarantee the individual the right to do freely that which most attracts him or her and to guarantee to all their right to judge freely this work.

Through his recognition of the individuality of humans, the need to preserve freedom and the interdependence of mankind, Clarence Streit has made a significant contribution to human progress.

Mr. UDALL. Mr. Speaker, I rise today to honor Clarence Streit, the originator of the idea of a union of the North Atlantic democracies.

Clarence Streit has worked hard for years to convince the people of the United States, and of the nations of Europe, that cooperation, and ultimately, union, is the only way to solve many of the problems which plague us today.

The 15th century is generally seen as a watermark in history, a time when the small, petty princedoms of Europe first united into effective, cohesive national units. That movement was not carried out because the rulers of the day thought larger national states would look nice on a map, but because economic and political factors demanded it, because the small, self-contained principalities no longer had the ability to survive.

And today, we are faced with a similar situation, a situation where the dominant political units, nation-states, are unable to handle many of the problems inherent in our international economic system. The forces of international trade and commerce, grown to such incrediable levels the problem of pollution across national boundaries, the greatly increased need for clean, inexpensive energy, the new areas of technology and information transfers, all of these are examples of problems for which nation-states have no easy solution. Indeed, they defy solution by the single state.

And the most difficult problem of all, of course, is security—national security. Not so much the problem of providing that security, for though expensive—murderously so—it can be done. No, the highest price paid is the effect of that "security" on the minds of the citizens, the need of governments to whip the populace into af renzy of hatred against the common enemy, and the steps taken by national governments in order to present a "common front" against the external foe. Steps such as secret police, detention camps, loyalty oaths, and political and religious repression.

These are all things Clarence Streit saw many years ago, before the horror of Hitler had burst fully upon the world, before we knew of the awful extent of the Stalinist terror, before the wholesale subjugation of the individual to the state so common in our world today.

Clarence Streit called for a union of nations with common democratic ideals, with common histories of respect for civil rights and liberties. It was not a call for a "world state," for we were not ready for such a creature, and probably are not today. He did promote the idea that national governments should retain control over only those areas of society where they could most effectively guarantee political freedom, and called for a wider, international union for government of those areas in which states could no longer guarantee such rights, and for those problems which are beyond the ability of nation-states to solve.

Today, while we do not have the union so articulately promoted by Clarence Streit, we do see evidence of closer cooperation between nations, especially between those nations which, as Clarence Streit recognized, are historically linked through cultural and economic ties. In defense, energy, economics, technology, in a hundred areas, the advanced nations of Western Europe and North America get together to discuss common problems, and to implement joint solutions to those problems. So although there is no political union, the piecemeal setup of technical and economic organizations we have today performs essentially the same function, of getting nations to work together, with each other, instead of working alone, and in conflict. Clarence Streit can be given much of the credit for this trend.

Robert Kennedy once warned against "the danger of futility, against the belief that there is nothing one man or woman can do against the enormous array of the world's ills." Clarence Streit never succumbed to that temptation, never decided that the world's problems were without solution, never surrendered to the notion, all too common today, that "it doesn't really matter," never yielded to advocates of despair. For that, and for his lifelong work and devotion to a most worthy cause, we salute him today.

NEGOTIATING ON DISC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

Mr. CONABLE. Mr. Speaker, since November 1976 the United States has been involved in negotiations in Geneva concerning decisions made by a special panel assembled by the General Agreement on Tariffs and Trade (GATT) concerning the Domestic International Sales Corporation (DISC) provisions of the Internal Revenue Code and certain tax practices of Belgium, France, and the Netherlands. Briefly summarized, the decisions held that DISC and the tax practices of these European countries may not be in conformity with the GATT. Our efforts in Geneva have concentrated on reaching a negotiated settlement of the panel's decision.

Despite the Geneva negotiations, the administration, as part of its tax reform package, has proposed the unilateral repeal of DISC. The proposal will, unless withdrawn or modified, seriously damage our negotiating position at Geneva and make it almost impossible for the United States to negotiate a reasonable settlement of the GATT panel's decisions.

In a letter published in the February 9, 1978, New York Times Prof. Melvyn B. Krauss, of New York University, criticizes the administration's DISC repeal proposal because of the current GATT

negotiations. In addition, an article in the February 2, 1978, Journal of Commerce by Richard Lawrence, indicates that the administration's Special Trade Representative, Robert Strauss, would prefer to use the DISC provisions to negotiate a settlement of the GATT panel's decisions rather than have them unilaterally repealed.

I would hope that the President will reconsider the DISC repeal proposal and withdraw it so the negotiations in Geneva may continue without our negotiators being seriously hampered. A negotiated settlement in Geneva would be preferable as a matter of tax and trade policies.

I include Professor Krauss' letter and Mr. Lawrence's article at this point in the RECORD as follows:

ON "GIVING AWAY" DISC

To the Editor:

Jimmy Carter does not know a good trading opportunity when he sees one. Consider the Administration's proposal to abolish DISC—the tax advantage given to U.S. export earnings—without demanding quid pro quo from other countries. Our trading partners must be delighted in the spectacle of the U.S. giving them something "free"—the removal of what, in effect, is an export subsidy—when ordinarily they would have to pay for this concession by one of their own (for example, by abolishing one of their export subsidies). The Carter proposal is particularly puzzling in that it comes at a time of major trade negotiations in Geneva—the so-called Tokoyo Round.

The reason why Carter is missing this opportunity is that, on this issue at least, he is under the spell of the Democratic liberals, led by Senator Kennedy, who have consistently misinterpreted DISC as purely a piece of candy for big business instead of a countermeasure that was introduced to compensate for alleged unfair trading practices abroad. Though the introduction of DISC probably was a mistake, now that we've got it we should at least demonstrate a minimum of shrewdness by asking our partners for something in return for its removal. Besides being in the best interests of both the U.S. and a liberal trading system, this would also enhance Carter's reputation abroad as a competent political leader rather than a bumbler who gives valuable things away for nothing.

MELVIN B. KRAUSS,
Professor of Economics,
New York University.

STRAUSS DEFENDS JAPAN'S PLEDGE TO LOWER ITS TRADE SURPLUS

(By Richard Lawrence)

WASHINGTON.—Two Republican Senators voiced disappointment Wednesday with Japan's trade liberalization pledge last month, but presidential Trade Representative Robert Strauss insisted it was the most that could be had.

"I defy anyone," he told a Senate Finance subcommittee hearing on the recent U.S.-Japanese trade communique, "to add anything to that communique that we didn't, within the realm of reasonable possibility."

But Mr. Strauss made clear that while he considers Japan's commitments to slash its big trade and current account surpluses with the rest of the world "a major breakthrough and change in direction," it remains to Japan to implement them.

"I have no magic wand . . . I have no guarantees to give," he said. "But we are going to take every reasonable step" to follow through on the U.S.-Japanese communique, he promised.

He called Japan's $10 billion-plus current account surplus last year "totally unacceptable." The U.S., he said, is urging Japan to reduce it this year and eliminate in "the year or two thereafter."

The Japanese government last month committed itself toward such a goal, while setting a 7 percent economic growth target in fiscal 1978 and opening its market to more foreign goods through tariff cuts and larger import quotas.

But Sen. Carl Curtis, R-Neb., seemed dubious that the Japanese statements will do much to change "the status quo." In 1971, he recalled, the Japanese government made similar commitments, to little, if any, effect.

EXPRESSION OF INTENT

Sen. William Roth, R-Del., complained the U.S.-Japanese communique was only an "expression of intent," hardly enough to "satisfy" unemployed Americans. "They want a fairer shake," he told Mr. Strauss.

Sen. Curtis alleged that the State Department was trying to frustrate efforts to gain Japanese concessions. Mr. Strauss, however, denied it, calling the department "totally cooperative."

Not only the administration but Congress, said Mr. Strauss, must keep pressure on Japan to make good its commitments, and he similarly urged key legislators to visit Geneva this spring to help move along the multilateral trade negotiations there.

What happens in Geneva in April-May will be "crucial," he said, to wrapping up the negotiations by July.

In other comments, Mr. Strauss said:

—He would prefer that the Domestic International Sales Corp. (DISC) export tax deferral be bargained away in Geneva for concessions from other countries, rather than repealed, as part of the president's tax package.

—He has "very strong reservations" about proposals by the White House Council on Environmental Quality to require U.S. agencies to file environmental impact statements on the licensing or financing of U.S. exports. "We don't need any more unnecessary barriers to trade," he said.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on February 21, 1978, I was absent for part of the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 66: H.J. Res. 649: Arts and Humanities. The House passed under suspension of the rules, the joint resolution amended, to authorize the President to call a White House Conference on the Arts, "yea":

Rollcall No. 67: H.R. 10569: Alcohol and Drug Abuse Education. The House passed under suspension of the rules the measure, amended, to amend the Alcohol and Drug Abuse Education Act to extend the authorizations and appropriations for carrying out the provisions of such act, "yea"; and

Rollcall No. 68: H.R. 10606: Hubert H. Humphrey Institute. The House passed under suspension of the rules the measure to authorize funds for the Hubert H. Humphrey Institute of Public Affairs, "yea."

THE HUMPHREY-HAWKINS ACT VERSUS THE ROTH-KEMP TAX REDUCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

Mr. KEMP. Mr. Speaker, the tragic death of Senator Hubert H. Humphrey has given new impetus to the Humphrey-Hawkins Full Employment and Balanced Growth Act. Although substantial changes have been made in this bill since it was first introduced—largely for the better—I still believe that it is entirely the wrong way to approach our Nation's unemployment problem. In the Tax Rate Reduction Act we are proposing a better way to create jobs and achieve the high level of economic growth our Nation needs for all.

THE OLD HUMPHREY-HAWKINS BILL

In the 94th Congress the Humphrey-Hawkins bill had the following provisions:

First. Would require the Federal Government to use various social and economic programs to reduce unemployment from the 1976 figure of 7.5 percent to 3 percent in 4 years.

Second. Mandate that the Federal Government be the employer of last resort by setting up "reservoirs of federally operated public employment projects."

Third. Set up an "alternative source of capital funds for local and State governments to finance public facilities."

Fourth. Make full use of Presidential powers that would make the creation of full employment as the Nation's first priority. These powers would include, but not be limited to the use of the Federal budget, monetary policies, tax policies, the power to dictate policy to the Federal Reserve Board, and the power to raise or lower interest rates.

Fifth. Require that the President submit an annual report to Congress that would set annual quotas in areas such as employment, production, and purchasing power in order to reach full employment. He would "reorder national priorities" and certain areas of the budget would be exempt from future cuts if they fell within the national job plan.

Sixth. Furthermore, he would create an "Advisory Committee on Full Employment and Balanced Growth," the "Full Employment Office," and the "Division of Full Employment and Balanced Growth" to implement the policies of the bill.

Seventh. The cost of the bill would be an estimated minimum of $45 billion.

Although this measure passed the Committee on Education and Labor it was never brought up for a vote—largely because the leadership did not want to bring the bill up before an election. They knew that the Humphrey-Hawkins bill had aroused strenuous opposition even from liberals because of

its inflationary consequences. Perhaps the single most effective spokesman against the bill was Dr. Charles Schultze, then of the Brookings Institution. In his testimony before the Senate Committee on Labor and Public Welfare on May 14, 1976 Schultze said:

The basic problem with achieving and maintaining full employment is not that we lack the economic tools to generate increased employment. The traditional weapons for stimulating economic activity—easy money, tax cuts, and government spending for worthwhile purposes—are perfectly capable of generating an increased demand for public and private goods and services, thereby inducing employers to hire more workers. Moreover, we do not need to have the government hire people directly on special programs of public service employment as a long run device to reduce unemployment. The real problem is that every time we push the rate of unemployment toward acceptably low levels, by whatever means, we set off a new inflation. And, in turn, both the political and the economic consequences of inflation make it impossible to achieve full employment or, once having achieved it, to keep the economy there.

With unemployment now at 7.5 percent, the problem is not an immediate one. A rapid recovery could continue for the next year and a half or so, pushing the unemployment rate down steadily, without setting off a new inflation. But experience in the postwar period to date strongly suggests that once the overall rate of unemployment edges below 5.5 per cent or so, and the rate of adult unemployment gets much below 4.5 per cent, inflation will begin to accelerate.

Inflation can occur for other reasons—as it did from crop shortages and oil price hikes in 1973. And inflation, once started, can persist stubbornly for a while even when unemployment has risen sharply. Despite these complications, it is still highly likely that pushing the adult unemployment rate to the 3 per cent target of S. 50 would generate substantial inflation in the absence of major new tools for inflation control.

There is, among economists, a division of opinion about whether the resultant inflation would be a high but steady rate or an ever-accelerating rate. If the latter view is correct, then keeping employment to the 3 per cent target would eventually become impossible, since no economy could stand an ever increasing rate of inflation. One of the reasons we do not know the answer to this controversy is that the political consequences of inflation have been such that the nation has never persisted in holding adult unemployment to 3 per cent for many years running.

I believe, therefore, that a realistic view of both the economics and the politics of inflation and unemployment lead to one central conclusion: The stumbling block to low unemployment is inflation; the supporter of a full employment policy must of necessity become a searcher for ways to reduce the inflation that accompanies full employment.

The central problem is that when the overall unemployment rate gets down into the neighborhood of 5 per cent, the job market for experienced prime age workers becomes very tight. There are many unfilled job vacancies and not many unemployed in this age group. The large number of younger unemployed workers do not move in to fill these vacancies. As a consequence, wages are bid up sharply and prices begin to rise, even though the overall unemployment rate is still high.

THE NEW HUMPHREY-HAWKINS BILL

Charles Schultze is now Chairman of the President's Council of Economic Advisers. In that capacity he arranged for the drafting of a new Humphrey-Hawkins bill containing the following provisions:

First. Extends till 1983 the goal of "reducing unemployment among Americans aged 20 and over in the civilian labor force to not more than 3 percent and to reduce unemployment among the entire civilian force aged 16 and over to not more than 4 percent."

Second. The bill would not authorize new Federal job programs or other spending, but would leave to Congress this authority. Programs already in force would be required to adhere to the bill's goals, and conceivably these programs could have additional funding.

Third. The President's annual January economic report would be required to include short-term numerical goals for employment, production, real income, unemployment, and productivity for the current year and the next, plus medium-term goals for the following 3 years.

Fourth. The President would have to list those programs and policies necessary to achieve these goals plus propose Federal budgets compatible with them.

Fifth. Each year the Federal Reserve Board would be required to tell Congress its plans for monetary policy and describe how these plans fit in with the President's goals.

Sixth. There has been no cost estimate made of this bill. It is open ended. "Sec. 403. There is authorized to be appropriated such sums as may be needed to carry out the provisions of this Act."

Although the new Humphrey-Hawkins bill no longer mandates that the Government become an employer of last resort and has revised its unemployment goal to 4 percent of the adult population over 20 years old, it still has dangerous implications. Indeed, the Annual Report of the Council of Economic Advisors for 1978 makes the following observation:

A 4-percent rate of unemployment in 1983 is a very ambitious objective, for it would imply that actual GNP would exceed our present estimates of potential GNP. The major unanswered question regarding this target is whether it can be achieved without creating pressures in labor and product markets that would touch off a new round of inflation. Given the present structure of these markets, it is unlikely that a 4-percent unemployment rate could be achieved through aggregate demand policies alone without at the same time causing a significant increase in the rate of inflation.

Thus there is a widespread concensus that within the meaning of the term "full employment" 4 percent unemployment is unrealistic. The 1977 Report of the Council of Economic Advisors suggested that 4.9 percent unemployment was "full employment." And Professor Michael Wachter of the University of Pennsylvania has said,

If the full employment unemployment rate was between 4 and 4.5 percent during the 1950s, then it is approximately 5.5 percent today.

While Professor Herb Stein of the University of Virginia has suggested that 7 percent unemployment is "full employment."

THE PRESENT STATE OF THE ECONOMY

This does not mean we should abandon the goal of "full employment." Quite the contrary. I believe that this Nation can provide meaningful jobs to all who want them. But it will not be done through outmoded, demand-oriented, Keynesian policies, as envisioned by the Humphrey-Hawkins bill. As Professor Martin Feldstein of Harvard recently put it:

Although an unusually high rate of unemployment will continue for the next few years, it is time to start thinking about the long-run employment policy that will be needed after the current cyclical trough. Simply continuing the policies of the past will leave the unemployment rate permanently too high. There is now widespread agreement that, unless there are basic changes, the unemployment rate will remain above 5 percent even when labor markets are tight enough to put upward pressure on wage rates.

The cause of this chronically high rate of unemployment is not insufficient demand. As a result, the traditional Keynesian policies of increasing demand would not only fail to achieve a sustained reduction in unemployment but would again ignite an inflationary chain reaction.

Thus the answer to unemployment is not to stimulate demand through more government spending or an increase in the quantity of money. Rather, we must seek ways to increase employment by increasing supply. This means removing the barriers to employment, investment, and output which are keeping the economy from realizing its potential.

The Kemp-Roth Tax Reduction Act seeks to increase supply by removing the tax barrier to work and investment. Present high marginal tax rates have reduced the incentive to work and invest. We must restore that incentive if we are to have economic growth.

The Kemp-Roth bill does not rely upon bigger government or more public service jobs, which are estimated to have as much as a 90-percent substitution factor, meaning they simply displace jobs which would have been created anyway. The Kemp-Roth bill would do the following:

First. Reduce all individual income tax rates by an average of one-third over 3 years, from the present range of 14 percent to 70 percent to a range of 8 percent to 50 percent. This will allow all workers and investors to keep more of the rewards from productive work and investment.

Second. Reduce the corporate tax rate from 48 to 45 percent over 3 years.

Third. Increase the corporate surtax exemption from $50,000 to $100,000 in order to help small business, where most of the Nation's jobs are created.

History speaks for itself. The last time tax rates were reduced on this magnitude was during 1963–64. The following table shows what happened to the unemployment rate in the years afterward:

UNEMPLOYMENT RATE BY DEMOGRAPHIC CHARACTERISTIC

[Percent [1]; monthly data seasonally adjusted]

Year or month	White							Black and other						
		Male			Female				Male			Female		
	Total	Total	16 to 19 yr	20 yr and over	Total	16 to 19 yr	20 yr and over	Total	Total	16 to 19 yr	20 yr and over	Total	16 to 19 yr	20 yr and over
1961	6.0	5.7	15.7	5.1	6.5	14.8	5.7	12.4	12.8	26.8	11.7	11.9	29.2	10.6
1962	4.9	4.6	13.7	4.0	5.5	12.8	4.7	10.9	10.9	22.0	10.0	11.0	30.2	9.6
1963	5.0	4.7	15.9	3.9	5.8	15.1	4.8	10.8	10.5	27.3	9.2	11.2	34.7	9.4
1964	4.6	4.1	14.7	3.4	5.5	14.9	4.6	9.6	8.9	24.3	7.7	10.7	31.6	9.0
1965	4.1	3.6	12.9	2.9	5.0	14.0	4.0	8.1	7.4	23.3	6.0	9.2	31.7	7.5
1966	3.3	2.8	10.5	2.2	4.3	12.1	3.3	7.3	6.3	21.3	4.9	8.7	31.3	6.6
1967	3.4	2.7	10.7	2.1	4.6	11.5	3.8	7.4	6.1	23.9	4.3	9.1	29.6	7.1
1968	3.2	2.6	10.1	2.0	4.3	12.1	3.4	6.7	5.6	22.1	3.9	8.3	28.7	6.3
1969	3.1	2.5	10.0	1.9	4.2	11.5	3.4	6.4	5.3	21.4	3.7	7.8	27.6	5.8
1970	4.5	4.0	13.7	3.2	5.4	13.4	4.4	8.2	7.3	25.0	5.6	9.3	34.4	6.9
1971	5.4	4.9	15.1	4.0	6.3	15.1	5.3	9.9	9.1	28.9	7.2	10.8	35.4	8.7
1972	5.0	4.5	14.2	3.6	5.9	14.2	4.9	10.0	8.9	29.7	6.8	11.3	38.5	8.8
1973	4.3	3.7	12.3	2.9	5.3	13.0	4.3	8.9	7.6	26.9	5.7	10.5	34.5	8.2
1974	5.0	4.3	13.5	3.5	6.1	14.5	5.0	9.9	9.1	31.6	6.8	10.7	34.6	8.4
1975	7.8	7.2	18.3	6.2	8.6	17.4	7.5	13.9	13.7	35.4	11.7	14.0	38.5	11.5
1976	7.0	6.4	17.3	5.4	7.9	16.4	6.8	13.1	12.7	35.4	10.6	13.6	39.0	11.3
1977	6.2	5.5	15.0	4.6	7.3	15.9	6.2	13.1	12.4	37.0	10.0	14.0	39.9	11.7

[1] Unemployment as percent of civilian labor force in group specified.

Source: Department of Labor, Bureau of Labor Statistics.

As one can see, the unemployment rate fell steadily from 1963 onward for all workers. The reduction in unemployment for black workers was especially dramatic: from 12.4 percent unemployment in 1961 to 6.4 percent in 1969. And among black males 20 years of age or older the unemployment rate dropped from 11.7 percent in 1961 to only 3.7 percent in 1969. This is why I have argued that the best thing we can do for blacks and other minorities is to adopt the Tax Reduction Act.

The Humphrey-Hawkins bill is old economics. What this country needs is new economics. That is what the Kemp-Roth bill is all about.

SIXTIETH ANNIVERSARY OF ESTONIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, February 24, 1978, marks a special day in man's historic struggle for freedom and self-determination, for it was on that day 60 years ago that the Estonian people established their own government and proclaimed their independence.

The Estonian Society, Inc. in the Chicago region, under the able leadership of August Parts, president, is commemorating this 60th anniversary of freedom with a program on February 19, at 2 o'clock in the afternoon at 4146 North Elston Avenue in Chicago.

I extend my greetings to the fine members of the Estonian Society and their officers as they celebrate the 60th anniversary of the independence of Estonia, because this significant event remains a symbol of hope for repressed people all over the world who continue to aspire to human dignity and freedom.

Tragically, the freedom-loving people now living in Estonia are unable to join in celebrating this auspicious independence day occasion, as they are forced to live in bondage under the ruthless tyranny of the Soviet Union. Despite their long suffering under the harsh yoke of communism, no amount of repression has succeeded in stifling the Estonians' yearning and constant hope for sovereignty and individual freedom.

Mr. Speaker, the Estonian-American National Council has issued an "Appeal for Restoration of Independence to Estonia," and that appeal follows:

APPEAL FOR RESTORATION OF INDEPENDENCE TO ESTONIA

On February 24, 1918, Estonia proclaimed her independence, establishing thereby the basis for the free and independent Republic of Estonia. On the 60th anniversary of that historic event, it is appropriate to recall certain facts about the Estonian people and their land.

Since time immemorial the Estonians have lived in their present geographic location on the east coast of the Baltic Sea. They belong to the Finno-Ugric race and speak their own language—Estonian—which is related to Finnish. The Estonians have no relationship to either the Slavic or Germanic peoples or their languages. Their strong sense of national unity and cultural distinction have carried them through all previous periods of foreign oppression and exploitation. In the latter part of the 19th century their national consciousness became a particularly forceful element which eventually led to the creation of the independent state of Estonia.

The establishment of the independent Republic of Estonia was possible only after the Soviet Red Army was driven from Estonia in the War of Liberation, which lasted from November 28, 1918, to February 2, 1920, when a peace treaty was signed at Tartu, Estonia, in which Soviet Russia renounced forever any claims to the territory of Estonia. There followed several other basic treaties between Estonia and the Soviet Union:

1. The Pact of Non-Aggression and Peaceful Settlement of Conflicts, dated May 4, 1932.

2. The Convention of Conciliation, dated June 16, 1932.

3. The Convention for Definition of Aggression, dated July 3, 1933.

The Soviet Union and Estonia were also parties to the Kellogg-Briand Pact on renunciation of war as an instrument of national policy signed at Paris August 27, 1928, which is still on the list of treaties in force.

In spite of these solemn treaty obligations, the Soviet Union, without any scruples, decided to liquidate the independence of Estonia as well as of Latvia and Lithuania. On August 23, 1939, Stalin and Hitler agreed to divide Eastern Europe. In the first stage, the Baltic States were forced to agree to the establishment of Soviet military and naval bases on their territories and about nine months later, Estonia, Latvia, and Lithuania were unilaterally declared Soviet republics and annexed to the Soviet Union.

To camouflage this takeover of an independent country, the Soviets staged so-called "elections," completely disregarding the Estonian constitution and election laws, and presented to this illegally elected body prepared resolutions about sovietization of the entire country. Finally a delegation of this body was ordered by the Soviets to be sent to Moscow to "request" the Kremlin to incorporate Estonia as a part of the USSR.

In the history of the world there has never been a country that would voluntarily renounce its own freedom and independence and submit itself to the overlordship of a foreign ruler. But that is exactly what the Kremlin is trying to tell the world, claiming that the Baltic States joined the Soviet Union voluntarily. How ridiculous such a claim sounds when we observe scores of nations emerging from colonial rule and insisting on their right to self-determination and independence.

As far as the people of Estonia are concerned, they have suffered incalculable human and material losses since the start of the Soviet occupation. Tens of thousands of Estonians from all walks of life have been deported to remote areas of the Soviet Union or liquidated by secret execution squads. All of the freedoms enjoyed by the citizens of Estonia under their own constitution have been abolished, and the authority of the Soviet government and the secret police has become the rule of the land.

More than 75,000 Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and they feel morally obligated to speak out on behalf of the people of Estonia.

Confirmed reports from Estonia show that Russianization of the country is proceeding with full force. Thousands of alien people are being brought in as "necessary workers" to mix with the local population. The Estonian language is being relentlessly pushed into secondary place. Communist literature and propaganda are trying to raise young Estonians as obedient servants of the Kremlin. However, the Estonian nationalist spirit is fighting back everywhere. In the last few years there have been many occasions where the youth of Estonia has shown a strong national will of resistance through demonstrations and appeals to the free world. Many of them have been arrested and sentenced to hard labor as dissidents of the Soviet Union.

The Final Act signed in Helsinki declares that the inherent dignity and equal and in-

alienable rights of members of the human family lie at the foundation of freedom, justice, and peace in the world, and the right of self-determination for every nation is the goal of mankind.

Keeping these principles in mind, all freedom-loving Estonians are united in their determination for the restoration of the independence and national rights of Estonia. On the 60th anniversary of the proclamation of Estonian independence, all Estonians appeal to world public opinion to support them in this struggle for freedom and justice.

Mr. Speaker, I proudly join with Americans of Estonian descent in my own 11th District, which I am honored to represent, in the city of Chicago, and all over this country as they share with Estonians everywhere the fervent prayer that their bravery and strength of character will soon be rewarded, that right will triumph over injustice, and that Estonia will be free once more.

FEDERAL PREPAREDNESS AGENCY CALLS FOR IMMEDIATE IMPORT RELIEF FOR U.S. FASTENER INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on December 12, 1977, the U.S. International Trade Commission found that the domestic fastener industry—the makers of ferrous nuts, bolts, and screws—were being seriously injured by import competition and recommended a 5-year program of relief so that the domestic industry could modernize and better prepare itself to compete.

On February 10, 1978, President Carter rejected the ITC recommendation and indicated that he was providing no relief for the domestic industry.

The Subcommittee on Trade of the Committee on Ways and Means is holding a hearing on February 27 on the President's action. At that time, we will be considering resolutions which, under the terms of the Trade Act of 1974, would disapprove the President's action and reinstate the ITC's recommended relief.

The President in his message to the Congress denying relief (House Document 95–289) stated—

In conjunction with my decision not to provide import relief on fasteners, I have directed the Secretary of the Treasury to initiate an expedited national security investigation, under section 232 of the Trade Expansion Act of 1962 of U.S. imports of bolts, nuts, and large screws. I am taking this action in light of a staff study by the Federal Preparedness Agency which indicated that domestic fastener production capability was inadequate to satisfy U.S. requirements in a national emergency.

The study referred to by the President was conducted over a 2-year period by the FPA, a division of the General Services Administration, and has been made available to the Department of Defense.

It is interesting to note that prior to the President's decision, the Office of the Special Trade Representative solicited the views of the FPA on possible Presidential action on the fastener case.

I have just obtained a copy of the FPA's letter to Special Trade Representative Robert Strauss—and it is a devastating criticism of the decision not to provide relief.

The letter states, in part:

The (FPA) study concludes that because of deteriorating domestic capabilities large and increased levels of imports would be required in the event of a conventional war.

I believe that an investigation under section 232 of the Trade Expansion Act of 1962 should be undertaken to reach a definitive national security finding. However, such an investigation is time consuming and the domestic industry's position in the "standards" metal fastener market *is deteriorating rapidly. I therefore urge that consideration be given to providing temporary tariff relief pending completion of a section 232 investigation."* (Emphasis added.)

Mr. Speaker, I personally do not understand why we need another national security investigation in light of the detailed, 2-year study on the part of the Federal Preparedness Agency. But if another study is to be undertaken, certainly the tariff relief recommended by the ITC should be implemented immediately to insure the survival of the domestic industry between now and the completion of the study.

We have received a warning from the FPA that the industry is vital for the national defense—and that the domestic industry faces a clear and present danger.

I am severely disappointed in the administration's decision not to provide relief in this instance—and I believe that the national security implications of this case will influence many Members to consider favorably resolutions to overturn the administration's action.

Following is the full text of the FPA letter to Ambassador Strauss:

HON. ROBERT S. STRAUSS,
Special Representative for Trade Negotiations, Washington, D.C.

DEAR MR. STRAUSS: I appreciate your solicitation of our views as to whether or not import relief should be granted to certain products of the domestic metal fastener industry. My views reflect national security rather than strictly economic considerations.

My staff has conducted a study to determine, as nearly as possible, the adequacy of wartime metal fastener supplies. The study concludes that because of deteriorating domestic capabilities large and increased levels of imports would be required in the event of a conventional war. I do not feel it prudent for national policy to allow such import dependency.

I believe that an investigation under section 232 of the Trade Expansion Act of 1962 should be undertaken to reach a definitive national security finding. However, such an investigation is time consuming and the domestic industry's position in the "standards" metal fastener market is deteriorating rapidly. I therefore urge that consideration be given to providing temporary tariff relief pending completion of a section 232 investigation.

RONALD ROYAL,
Acting Director.

FEDERAL BOAT SAFETY AND SECURITY ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BIAGGI) is recognized for 5 minutes.

Mr. BIAGGI. Mr. Speaker, the English writer, Daniel Defoe, the author of "Robinson Crusoe," in describing crime prevention, said "laws are buoys set upon dangerous places to warn mankind of peril."

Today, I launch a message to the 50 million recreational boaters in the United States, and a warning to erstwhile 20th century pirates. This initiative is in the form of the Federal Boat Safety and Security Act of 1978.

This bill would amend the broad purpose and program of the highly successful original exercise in Federal/State partnership—the Federal Boat Safety Act of 1971. This act is now credited with increasing public awareness of boating safety, and in contributing to reducing boating accidents, casualties, and fatalities.

These accomplishments are exceptional, given an almost 20-percent increase in the number of privately owned boats since the act was passed. As of December 31, 1976, over 7 million boats have been registered under the act. Some 47 States, the District of Columbia, and Puerto Rico have approved State boating safety programs.

Recreational boating today is big business, with annual expenditures of over $6 billion—up from $720 million only 25 years ago. More importantly, all segments of society are taking to the waterways in rapidly increasing numbers. Pleasure craft operate out of numerous access and landing areas, and from the approximately 5,000 marinas in the United States. They are organized into 1,300 yacht clubs registered in the United States, most of which belong to the National Boating Federation.

Specifically, this bill is designed to provide for a uniform reporting system for marine theft, to establish penalties for the alteration of numbers required to be attached to boats, and would increase and extend the authorization for appropriations for Federal assistance to State boating safety and marine theft programs.

The Subcommittee on Coast Guard and Navigation held extensive hearings last fall on the twin subjects of marine theft and associated insurance fraud. The subcommittee found that marine theft is increasing dramatically in the United States. Despite the lack of adequate statistics—except in certain specific areas—it appears this phenomenon approaches in the aggregate the total of automobile thefts of 20 years ago. Yet, by any estimate, the resources committed to marine theft prevention and investigation are appallingly lacking.

For reporting purposes, the subcommittee found that frequently marine theft cases are classified as miscellaneous thefts—forgotten and rarely investigated. When investigation and recovery attempts are initiated, the coordination among law enforcement agencies in tracking boats across State or international boundaries is almost nonexistent. Moreover, few law enforcement agents receive any training in marine theft investigation.

There is presently no penalty for alter-

ing vessel numbers in order to deter boat theft and facilitate recovery. This bill establishes stiff penalties in the alteration of vessel numbers, over and above existing penalties for theft and interstate transportation of stolen property.

Minor physical alteration renders boats unidentifiable, except to the trained eye. In addition, boats stolen by organized interstate or international groups can be taken across State lines or to sea in a matter of hours, thereafter eluding detection and tracking efforts of State and Federal law enforcement agencies. This is frequently the case, despite the best attempts of the Coast Guard in the conduct of search and rescue when potential loss of life is associated with missing vessels.

If a vessel believed to be stolen is located, frequently physical identification is the only means of insuring that the recovered boat is the one sought.

District attorneys and U.S. attorneys are understandably reluctant to bring boat thieves to trial, aware that judges treat such offenses lightly and frequently hand out suspended sentences following conviction.

What everyone seems to forget is that the criminal is an illegal entrepreneur. He will exploit any market or service that promises high payoffs and low risks. By this measure, marine theft is a potential bonanza. More promising still is engaging in marine insurance fraud. The subcommittee documented interstate and international organized theft of vessels to order and trafficking in stolen boats. In addition, manufacturers, wholesalers, and retailers are sometimes directly involved in organized fraud.

Incredibly, insurance carriers rarely investigate and almost never prosecute fraud cases, lest they be sued in turn by a freed felon. Only recently has the insurance industry engaged the time-proven "auto theft bureau" to investigate marine theft and insurance fraud cases.

Prior to investigation by this subcommittee, the Coast Guard itself was little inclined to perform its statutory responsibilities in maritime law enforcement. I am happy to report that this attitude is rapidly changing.

The victim of marine theft has too long looked in vain for some central agency to report his plea for assistance to. The Drug Enforcement Administration, Customs Service, and Immigration and Naturalization Service—all single-mission agencies—could not be bothered to listen to his complaint.

The Federal Bureau of Investigation requires proof that a stolen boat is worth $50,000—although the law requires only a $5,000 limit—and that the boat was already in interstate commerce, before it will commence investigation. Due to programing problems, the FBI's National Crime Information Center (NCIC) computer is useless in retrieving information on 80 percent of the 14,000 cases of stolen boats in FBI files.

Last summer, the Commandant of the Coast Guard issued an elaborate instruction on the subject of marine theft. Acknowledging the law enforcement responsibilities of the Coast Guard, the Commandant directed Coast Guard districts to assume a Federal lead-agency role in marine theft reporting, to initiate prompt investigation of reported vessel thefts, to issue vessel lookouts to Coast Guard and other law enforcement activities, to enter data into other law enforcement information systems, and to cooperate with and lend assistance to other Federal, State, and local marine law enforcement agencies in the investigation and recovery of stolen boats.

I commend the Commandant for taking this initiative, and have included his directives in the present bill—with several additional features.

Building on the partnership established for boating safety, I am extending it to marine law enforcement, another shared responsibility between Federal, State, and local governments. To this end, I have directed the Coast Guard to include in the curriculum of its boating safety school material on marine theft investigation and prevention.

The grants to States program has been continued and expanded as concrete evidence of this existing partnership. States, in turn, must participate in the establishment of a uniform vessel theft reporting system to be used in compiling accurate theft statistics and in vessel recovery. Such data would be shared among the Coast Guard and various Federal, State, and local law enforcement agencies.

I am confident that the achievements demonstrated by the original Boat Safety Act can be repeated and surpassed by this extension of the existing cooperative arrangement in boating safety.

I am sending a signal to State legislators that the Congress intends to keep this worthwhile program alive, leveraging the use of Federal dollars in the combined national and State interest.

In its absence, I fear that the uniformity in State boating programs will suffer, recreational boating accidents will increase, and Coast Guard search and rescue activities involving recreational boaters will soar. These already account for 82 percent of all search and rescue cases.

PROPOSED AMTRAK LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, today I am introducing legislation to provide for the development and implementation of a revised basic rail passenger system and to restructure the National Railroad Passenger Corporation. The primary goal of this legislation is the development of a rational railroad passenger route system to meet our Nation's needs today and in the foreseeable future.

Before explaining the specifics of this legislation I think it would be useful to review the history of Amtrak. Amtrak was created on October 30, 1970, with the passage of the Rail Passenger Service Act. That act authorized appropriations of $40 million for operating grants and $100 million in loan guarantees for capital improvements. I can remember very clearly the debate when Secretary Volpe proposed the creation of "Railpax," as it was called. Many of those who favored the creation of Railpax—and I include myself in this group—believed that the railroads in this country had set out, consciously, to drive the American public away from passenger trains by reducing the quality and level of service, delaying trains, and neglecting equipment so that people would use other modes of transportation.

There were also people who were saying that railroad passenger service was hopelessly uneconomical and that the decline in the quality and level of rail passenger service offered by the railroads was not the cause of ridership declines but rather, merely a rational, economic response to market conditions. Whether this declining market was caused by the introduction of superior technology—such as jet aircraft—or by the change in transport preferences which might have accompanied the rapidly rising living standard after World War II, the facts were that the market share served by the passenger railroads suffered a dramatic decline during the postwar period. From 1944 to 1969 the railroads' share of the total passenger transportation market declined from 31.4 to 1.1 percent.

Out of this debate, the National Railroad Passenger Corporation (Amtrak) was born. It was conceived, at least in part, as an experiment—a test to determine whether a publicly supported corporation could succeed where privately supported corporations had failed.

In the initial years we received some encouraging reports on Amtrak's progress. In March 1972, Roger Lewis testified before our committee that:

> We are convinced that substantial gains lie ahead . . . the results will be more service, to more people, with increasing revenues. Profitable operations are already within reach on some Amtrak lines, and our indications are today that profitable operation is a realistic goal.

Since that date, there has been a significant shift in the goals and objectives established for Amtrak. Not only has the goal of profitability been abandoned, there have been few attempts to reduce or even control costs. In the past few years Amtrak's revenues from operations have increased 88 percent while costs have increased by 164 percent. Today the average Amtrak rider pays only 37 percent of the costs associated with rail passenger transportation; the taxpayer pays 63 percent of costs. Instead of $140 million as envisaged in 1970, or $465 million in 1972, Amtrak will have cost the American taxpayer a total of $3.4 billion by the end of this fiscal year. And this does not include the funds provided for the Northeast corridor improvement program.

What lies ahead? On October 7, Amtrak submitted its 5-year plan to the Congress. That plan proposes that the Federal Government spend an additional

$3.8 billion during the next 4 fiscal years. Unfortunately, even if this funding level is approved, in 1982 Amtrak's revenues would still cover less than 40 percent of the Corporation's total costs.

What, then, can be done to produce a more rational rail passenger transportation system? The first thing that needs to be done is for the Department of Transportation to complete the comprehensive study of the Amtrak system which was requested last fall. This study was requested by the chairman of the Senate Subcommittee on Transportation Appropriations, Senator BAYH, and myself. The deadline for this study was originally March 1, less than 2 weeks from today. The legislation which I am introducing today provides for a reporting deadline of May 1. The Department of Transportation believes—and I concur—that these decisions should not be made too hastily without giving proper consideration to all sound alternatives. If an additional 2 months is necessary to produce a more refined product, I believe this delay will be in everyone's best interest.

The second aspect of my proposed legislation is to establish a timetable to implement the Secretary's recommendations. My bill would provide a 90-day period for public comments and an additional 90 days for the Secretary to develop his final recommendations and submit them to Congress. The Congress would then have 60 days to disapprove the route system recommended by the Secretary.

Section 4 of my bill provides for the restructuring of the National Railroad Passenger Corporation. In so doing, it recognizes the obvious, that is, that Amtrak is not a for-profit corporation and has not operated with the goals and objectives that one finds in a normal private sector corporation.

Amtrak's increasing dependence on Federal operating subsidies is one example of this situation. Another example involves Amtrak's fiscal year 1978 funding request. About a year ago Amtrak's president testified before our committee that he supported a $500 million operating subsidy for the Corporation. When I subsequently asked some of the Amtrak Board if they were aware of a specific plan to operate within that funding level, the answer was: "No, we are not. * * *" This, in my opinion, is a strange way to run a railroad.

My proposed restructuring of the Corporation's Board would reflect Amtrak's sources of funding. Since nearly two-thirds of Amtrak's funding comes from the Federal Government, I believe it is appropriate for two-thirds of Amtrak's Board of Directors to come from the Federal Government. Under my legislation the current Amtrak Board, at the time the revised plan is approved, would be replaced by a new Board consisting of the Secretary of Transportation, Secretary of the Treasury, and one member elected annually by the Corporation's common stockholders. I am also proposing certain budgetary and accounting changes which will bring the Corporation more in line with public rather than private sector operations.

In proposing this legislation, I do not mean to imply that this is the only answer. Obviously, there are other approaches which could be followed. However, I believe that the basic underlying principle which needs to be pursued is the development of a coordinated passenger transportation system that permits the modes to compete in a manner which gives the consumer a choice of levels and types of services but encourages maximum economy and efficiency. My bill, I believe, is the proper step in that direction.

THE CONTINUING SAGA OF THE SST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, I am concerned about continuing Federal involvement in research and development of a commercial supersonic transport (SST) aircraft.

Despite Congress vote in 1971 to terminate the SST project, some $69 million has been appropriated since then for NASA's supersonic cruise aircraft research (SCAR) program. I brought these expenditures to public and congressional attention in March 1977 after I discovered the fiscal 1978 appropriation in a committee report.

Now another $15.9 million SCAR authorization is before us. If approved, this allocation will bring to $84.9 million the amount of public funds invested in a commercial undertaking that was judged to be economically and environmentally unsound by Congress 7 years ago.

If our Nation really does need a commercial SST, I am confident that our free enterprise system is sufficiently resourceful to develop an aircraft of this sort that will meet economic and environmental criteria.

On February 10, 1978, I submitted a statement on the SCAR program to the Subcommittee on Transportation, Aviation and Weather, and I called on the subcommittee to recommend termination of the SCAR program. The text of my statement is printed below:

NASA AERONAUTICS FISCAL YEAR 1979 AUTHORIZATION REQUEST

(By Hon. TED WEISS)

Mr. Chairman and Members of the Subcommittee, I am grateful for this opportunity to present my views on the 1979 authorization for the Supersonic Cruise Aircraft Research Program (SCAR) being conducted by the National Aeronautics and Space Administration.

First, I would like to commend the Subcommittee for convening these hearings.

My involvement in SCAR dates from a discovery I made last March. In the course of an examination of a House Science and Technology Committee report, I noticed the $15.2 million fiscal year 1978 authorization for SCAR.

The bill authorizing NASA expenditures for fiscal year 1978 contained no reference to the SCAR allocation. I then asked former NASA Administrator James Fletcher to explain what this money was to be spent on and whether there had been similar, also concealed, authorizations for SCAR in previous years.

Dr. Fletcher informed me that NASA had received $54 million in SCAR funding during the previous five years.

I am glad that this Subcommittee has finally brought SCAR authorizations out into the open. A projected seven year advanced technology project leading to supersonic aircraft development certainly warrants full and careful Congressional scrutiny, particularly since Congress voted in 1971 to terminate the SST program.

But, as the $69 million in SCAR authorization since 1972 demonstrate, the SST program is alive and well after all.

Reports of the demise of this billion-dollar undertaking were, it turns out, greatly exaggerated.

I am hopeful that these hearings will now provide the basis for a thorough Congressional debate on the SST, or as it is now called, AST project. Such a debate should, I believe, center on two essential questions:

First, why was Congress not given a fair opportunity to discuss and evaluate requested authorizations for SCAR in each fiscal year since 1973? Why were authorizations of $11.7 million, $10.1 million, $9.0 million, $9.7 million, $13.5 million and $15.2 million never explicitly contained in NASA authorization legislation?

Second, why is the federal government still providing what amounts to a direct subsidy to commercial aircraft corporations for research and development of an SST or AST? Is this an appropriate expenditure for a project that was judged by Congress to be economically and environmentally unsound? And if the SST or AST can now be shown to be a profitable and environmentally benign aircraft, why don't commercial carriers take the investment risks entailed in research and development of a supersonic transport plane?

I know of no indications that SSTs or ASTs can now meet economic and environmental criteria. The experience with the Concorde would, in fact, seem to indicate that commercial SST flights are decidedly unprofitable and continue to pose a significant environmental hazard.

Aircraft corporation executives appearing before this subcommittee have asserted that "the technology exists today to build an economically viable, environmentally sound supersonic transport . . .".

Associate NASA Administrator Dr. James Kramer has likewise testified that "FY 1979 will be a bellweather year in this program . . . we see FY 79 as being of particular importance in the evolution of the technologies necessary for any future decision the U.S. may choose to make in this class of aircraft."

AST advocates argue that they can now design and build a commercial supersonic plane which will be successful both economically and environmentally. They are welcome to prove their assertion. But let them do so in the same way other corporations achieve technological breakthroughs—by investing their capital in prototypes, studies, testing and, eventually, design and construction.

NASA is, of course, within its jurisdiction in studying and appraising military supersonic cruise applications. But why is it also engaged in what Dr. Fletcher described as an effort leading to "future civilian and military supersonic cruise application?"

Can the United States afford to invest another $15.2 million in this program when other federal initiatives, clearly of greater importance to the vast majority of the American people, are in need of additional funding?

I think not. Congress acted in 1971 to terminate the SST program after an exhaustive analysis of the potential costs and benefits of this particular technology. The reasons for Congress' decision have not been dispelled or diminished in subsequent years.

If our nation really does need an AST and if such an aircraft can in fact meet economic and environmental tests, then I am confident that our free enterprise system is sufficiently resourceful to develop such an aircraft.

I respectfully urge that this Subcommittee recommend termination of all civilian aspects of the SCAR program.

OVERSEAS AMERICANS AND TAXATION: ANOTHER OPTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, I am introducing a bill today to aid in the discussions surrounding the tax treatment of Americans who work overseas. I am not necessarily supporting the entire approach this bill takes, but I think it is important to place all options on the table to insure that every alternative has been explored.

I sincerely believe that we must repair the damage done by the 1976 Tax Reform Act to Americans working overseas. Like most of my colleagues, I have received countless letters from citizens working abroad protesting the effect of the 1976 Tax Reform Act. The depth of this protest is underscored by the repeated postponements of section 911, thus delaying the effective date of this provision.

It is time to stop postponing section 911. The effect of this provision hangs over the heads of overseas Americans like a sword. We must fashion a new approach, one that will be both fair and equitable, and one that will maintain our strong influence in world markets.

In the past few weeks, both the GAO and the Department of the Treasury have released reports and statistics on the tax problems of overseas Americans. The GAO forcefully stated that some form of tax incentive should be continued, at least until more effective policy instruments can be fashioned to promote exports and commercial competitiveness abroad. I think this is the general direction in which we should move, and I hope my colleagues will study the GAO report to better inform themselves of the depth of the problem.

The Ways and Means Committee will hold hearings on the section 911 controversy on February 23 and 24. As a member of the committee, I will be working to draft a final solution to this problem. To aid in these efforts, I want to place this proposal on the table for consideration. I am also including a brief, section-by-section analysis of the bill to aid other Members in studying this proposal.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Revises the rules for qualification for the section 911 exclusion on foreign earned income by adding resident aliens, and reinstates the $20/25,000 pre-1976 Tax Reform Act exclusion levels and the exclusion is indexed to compensate for future inflation.

SECTION 2

Adds new section 85 of the Internal Revenue Code which specifically includes in gross income those reimbursements for extraordinary costs made by an employer to an employee overseas for which deductions are allowed by section 221.

SECTION 3

Amends section 221 of the Internal Revenue Code relating to allowances of deductions by inserting a new section allowing the deduction of foreign source income related expenses from which the individual taxpayer receives no economic benefit as follows:

(1) Qualified cost-of-living differential allowances; The amount by which an individual's cost-of-living abroad (excluding housing cost) exceeds the general cost-of-living in the United States as annually determined by the Secretary of the Treasury.

(2) Qualified housing allowance; The cost of housing exceeding 16⅔ percent of the individual's base compensation as defined under any qualified retirement plan covering the individual. (If no plan exists, then 10% of the excess of earned income over housing costs and other section 221 deductions is used.)

(3) Qualified schooling allowances; The cost of providing an adequate U.S.-type school education for the employee's dependents through grade 12.

(4) Qualified home leave travel allowance; The actual reasonable cost for one roundtrip each year to the United States for the employee and his dependents.

(5) Qualified hardship post allowance; The actual reasonable cost for one roundtrip for the employee and his dependents from the hardship post to a rest and recuperation site, but only to the extent that such costs are paid or reimbursed by the employer.

Double deductions are specifically disallowed. The deductions may be claimed only by individuals having a principal place of work outside the U.S.

SECTION 4. MOVING EXPENSES

Amends section 217 of the Internal Revenue Code of 1954 relating to moving expenses. In general, it increases the dollar and time limitations allowed for temporary living expenses on an overseas move and includes certain storage expenses and moving expenses back to the U.S. in the case of death or retirement of an employee working abroad.

SECTION 5

Amends section 119 of the Internal Revenue Code of 1954 to provide separate treatment for camp-style meals and lodging furnished in foreign countries in connection with construction projects and certain other types of activities.

SECTION 6

Miscellaneous Provisions, providing, inter alia, for elimination of employment taxes on amounts reasonably expected to be excludable under sections 119 and 911 or deductible under section 221. The time for reinvesting in a new residence so as to not incur tax on sale of an old residence is tolled during period of foreign assignment up to a maximum of 4 years.

SECTION 7

Provides that the amendments made by the above sections shall apply to taxable years beginning after December 31, 1977. (This section assumes that the 1976 Tax Reform Act Amendments as they relate to section 911 of the Internal Revenue Code have been postponed for calendar year 1977.)

SENATOR HUMPHREY'S LETTER ON OPIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

Mr. CAVANAUGH. Mr. Speaker, today we will consider extension of authority for Overseas Private Investment Corporation. Prior to examination of this legislation I would like to call to the attention of my colleagues a "Dear Colleague" distributed last October 3 by the late Senator Hubert H. Humphrey. Senator Humphrey's remarks, I believe, serve as a useful reminder of the important role that properly directed private foreign investment can play in the development process of the poor nations of the world.

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C. October 3, 1977.

DEAR COLLEAGUE: I wish to support the conclusion of the Carter Administration that the OPIC programs significantly contribute to the implementation of U.S. economic developmental objectives and should be continued. Our challenge is to maximize OPIC's developmental effectiveness without the cost of doing so being either the exportation of U.S. jobs or abandonment of OPIC's self-sustaining operations. The Administration proposes to meet this challenge through prudent management and by further focusing the policies governing OPIC's operations. This approach is feasible and should be supported by the Congress.

In the three years since Congress last extended OPIC's operating authority, dramatic changes in the economies of developing nations, the large increases in oil prices, and world-wide recession have demonstrated the increasing importance of private foreign investment to the development process. To help meet the economic needs of these countries, private foreign investment provides vital productive capital, including the training in industrial skills, badly needed managerial expertise, and technology and technical knowhow that accompany it. These benefits are measurable in terms of the development of exchange reserves, host country revenues through taxation, development of the country's natural and human resources, jobs and access of local industries to world markets.

While believing strongly in the New Directions mandate of the U.S. AID program, I think we should recognize that private foreign investment should complement AID programs, not duplicate them. Thus, I agree fully with the suggestion of the Subcommittee staff that OPIC's mandate be rewritten to emphasize its developmental objectives, complementarity with other development assistance programs, U.S. and foreign, and preferential consideration to activities in IDA countries, the poorest developing countries.

It is also essential that as part of new legislative authority for OPIC, the requirement for complete turn over by 1980 of OPIC's underwriting and management functions to the private sector be rescinded and instead OPIC be encouraged to make equitable arrangements for mutual risk sharing with the private sector. This will allow OPIC's present experiments with private sector participation to continue without forcing OPIC out of business by 1980 under the terms of the present legislation. Witnesses of the Subcommittee hearings on OPIC agreed that it would not be possible to achieve privatization of OPIC's operations in the forseeable future.

Finally, I believe that it would be useful to permit OPIC to experiment with the use of its own resources for financing minerals operations and surveys. However, it is important to place certain limitations on the amounts that can be used for these purposes to ensure that OPIC encourages a variety of developmental projects.

I am confident that these changes will sharpen OPIC's developmental impact without undermining the flexibility and creativity we expect from private investment. For these reasons, I urge my colleagues to support the legislation proposed by the Administration, with the few changes I have suggested.

Sincerely,

HUBERT H. HUMPHREY.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HAWKINS) is recognized for 5 minutes.

Mr. HAWKINS. Mr. Speaker, I rise to introduce and present for my colleagues' consideration the Comprehensive Employment and Training Act Amendments of 1978.

Although we have yet to establish a national strategy to reach a full employment economy, significant progress is being made. The revised Full Employment and Balanced Growth Act, the Humphrey-Hawkins bill, with the endorsement of the administration, is proceeding through the legislative process with great assurance of passage. This measure will require that economic policy decisions be directed toward the primary goal of reaching full employment combined with reasonable price stability, but to do so it must involve the coordination and integration of national policies and Federal programs such as CETA.

Although there have been minor improvements lately in reported unemployment figures, these gains do not include improvement for those at the most severe disadvantage in the labor market nor do they indicate a reduction in the national rate to anything near an acceptable figure. Federal efforts in this regard must be continued if real progress is to be made.

As conventional fiscal and monetary policies alone may not be sufficient to reduce the unemployment rate beyond a certain point, in order to reach a full-employment economy these policies must be coordinated with structural adjustments in the labor market. Structural unemployment results from a variety of factors, including inadequate education and skill training, outmigration of jobs from central cities, and discrimination.

In January of this year the female unemployment rate was 30 percent larger than that for males, the black unemployment rate was 130 percent larger than that for whites, and the teenage unemployment rate was 200 percent of that for adults. These wide differentials are unacceptable. If they can be reduced, the overall unemployment rate can be reduced without creating inflationary pressures.

In order to alter the demographics of the labor market we must continue our efforts to target our employment and training programs to those most in need. Such targeting, as involved in current CETA title VI B (projects) to specific groups, such as low-income individuals, the long term unemployed or the recipients of welfare benefits, and short-term projects can reduce fiscal substitution and thus increase the net employment effect of our public service employment programs. This argument is supported by studies conducted by the Congressional Budget Office and the National Commission for Manpower Policy.

As we all know, the substitution of Federal funds for local tax efforts reduces the number of additional jobs created by PSE funds. Although we do not yet have reliable evidence on the occurrence of substitution, recent studies indicate that it may be lower than reported by previous researchers. Several other matters must also be considered in any discussion of the substitution question.

It is documented by the National Commission for Manpower Policy's studies that even if substitution is 100 percent, PSE creates at least as much employment stimulus as general revenue sharing.

Of important consideration is to what use are the funds freed by substitution put? Most literature implies that PSE grant money has been used for tax reduction. If this is true, PSE money is probably as stimulatory as Federal tax cuts although CETA is not designed for this purpose.

Nonetheless, fiscal substitution is a serious concern and we must ascertain whether adjustments to the statute or better monitoring by the Department of Labor is required.

PSE has several other objectives which must be considered as well. They are: First, increase aggregate employment, second, increase employment in specific communities, third, increase public services in those communities, fourth, reduce the financial strain in those communities, fifth, change the demographic composition of the labor force, as mentioned above, thus increasing the employment of the disadvantaged, sixth, provide work experience, a job record, for the disadvantaged, and seven, provide income maintenance.

During our deliberations on reauthorizing and revising the CETA statute we must fully consider the question of fiscal substitution as well as the intent of the various programs authorized by CETA, especially PSE. I feel that a return to emphasizing the structural purposes of the act will reduce the occurrence of fiscal substitution and move our economy toward our full employment goal. Past experience and present expertise should assist us in further refining our efforts in Federal employment and training programs.

A BRIEF HISTORY OF FEDERAL EMPLOYMENT AND TRAINING POLICIES AND PROGRAMS

Our Nation has a long but intermittent experience with employment and training programs ranging from the public works of the Great Depression to the antipoverty programs of the sixties. These national programs have been developed through the realization and subsequent response to specific labor market problems that required the attention of the Federal Government.

Federal employment and training programs have been in a constant state of flux since the early 1960's when initiatives were taken to focus on declining industries in certain geographical areas and the needs of specific groups at a disadvantage in the labor market. These were years of experimentation out of which grew bureaucratic battles over program control within and among Federal agencies and departments. Controversies and contests occurred at State and local levels as well, which resulted in pressure for more local control. A number of legislative reform proposals and administrative initiatives were undertaken which eventually led to the Comprehensive Employment and Training Act of 1973.

When first enacted CETA provided for comprehensive employment and training opportunities in title I and transitional public service employment in title II. Title III established national programs for special target groups, title IV continued the Job Corps program, title V established the National Commission on Manpower Policy and what was then title VI provided general conditions and definitions.

The recession of the early seventies prompted increases in funding for public service employment and the enactment of the emergency jobs program, title VI, in 1974, placing more emphasis on countercyclical needs. This title was extended in October of 1976 with provisions for more stringent targeting and requiring projects of limited duration. These provisions were in response to the fiscal substitution issue. The preliminary results of the Brookings study conducted for the National Commission on Manpower Policy indicate that this approach has had some success.

Subsequently, in the latter part of 1976, the Education and Labor Committee held an extensive series of oversight hearings on CETA both in Washington, D.C., and at various locations throughout the Nation. During these hearings, testimony was received from representatives of many prime sponsors, program deliverers, public interest groups, and others regarding what they perceived to be the salient issues that should be addressed in reauthorizing CETA. These involved such matters as maintaining program flexibility which is sensitive to local planning and needs while still serving national priorities. Some witnesses expressed the need to reevaluate the comparative roles of local, State, and Federal governments in determining the mix of programs and clientele to be served. Concern was expressed with the various distribution formulas used for allocating funds under the act, especially regarding the validity of the BLS

data used. Many who testified indicated a need to clarify the structural and countercyclical purposes of the act. The increasing emphasis on public service employment raised the issues of fiscal substitution and transition of CETA employees to unsubsidized jobs. Conflicting comments were heard as to whether CETA was serving the special target groups identified in the statute. Many suggestions were made on the matter of delivery of service which implied a possible need for a resolution of the U.S. Employment Service-CETA relationship, and the relationship of both to the WIN program.

During the first session of the 95th Congress a simple extension of CETA was passed in order to allow the newly constituted Subcommittee on Employment Opportunities to assess the need for changes in CETA in cooperation with the new administration and to concentrate on the critical problem of youth unemployment. The Youth Employment and Demonstration Projects Act, authorized last session, establishes a variety of programs to deal with the structural unemployment problems of our Nation's youth.

Funds for the youth initiatives were provided in the President's economic stimulus package which also included funds to double the size of the Job Corps program. However, the primary impact of this stimulus was on the public service employment aspects of CETA more than doubling the number of slots to a level of 725,000. This goal has nearly been reached.

During the latter part of the first session of the 95th Congress, the subcommittee conducted various oversight proceedings regarding CETA. Site visitations were made by the staff to Job Corps centers, CETA prime sponsor offices, and employment service agencies. An issue paper was circulated to employment and training experts and interest groups requesting their views on the issues which had emerged during the previous oversight activities.

The subcommittee then developed an outline of proposed revisions to the act. This outline proposed the establishment of two distinct programs; a permanent structural employment and training title targeted to the economically disadvantaged and a permanent countercyclical title triggered according to variations in national and local unemployment rates. The proposal retained national programs and the youth programs under title III. An increase of the stipend in the Job Corps, title IV, was referred to, but no changes were envisioned for the National Commission on Manpower Policy, title V, or the Young Adult Conservation Corps, title VIII. A major provision included in the outline was the establishment of a single title including administrative requirements, definitions and provisions applying to all programs.

We then began very fruitful discussions with the Labor Department which led to the legislation I am introducing today.

This measure generally follows the outline proposed by the subcommittee as well as including some new initiatives taken by the administration. The proposal does establish a single administrative title, a program targeted to the employment and training needs of the structurally unemployed and permanent countercyclical PSE program triggered according to fluctuations in unemployment rates.

Although I do not endorse every provision of this measure line by line, I do feel that it offers a constructive proposal to improve upon. I do have some specific reservations concerning title II of the bill. Although the measure does attempt to clarify the structural and countercyclical purposes of the act, there is some question as to whether the allocation formula for this title is sufficiently targeted toward structural unemployment problems. There are, however, new provisions that I support and that may provide better control over displacement and fiscal substitution. These provisions include the proposed limit on the total period of enrollment in the CETA program to 18 months and a restriction on the percentage of slots that may have wages supplemented over the Federal limit.

These provisions may inhibit State and local governments from building CETA slots into their regularly budgeted work force and emphasize the temporary, entry level nature of the jobs created.

PROPOSED LEGISLATION TO CHANGE THE HOUSE RULES IN ORDER TO ENHANCE THE EFFECTIVE OPERATION OF THE CONGRESSIONAL BUDGETARY PROCESS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, I have introduced a resolution to change the House rules to protect the appropriations schedule against undue delay, while at the same time retaining necessary flexibility in the system when circumstances demand quick congressional action. This resolution (H. Res. 1035) will amend the rule XXI of the Rules of the House of Representatives in the following three ways:

First. Language imposing any limitation not contained in existing law will no longer be in order in general appropriations bills.

Second. No joint resolution providing continuing appropriations for departments or agencies of the United States shall be considered in the House of Representatives.

Third. Supplemental appropriations bills may be considered only under one of five specific circumstances.

Last fall the passage of general appropriations for the Departments of Labor and Health, Education, and Welfare, was delayed until December—more than 2 months into fiscal year 1978. This delay and fight resulted in the first serious breach of the target date set in the Budget and Impoundment Act of 1974 for completion of the appropriations process. The disbursement of paychecks to many Federal employees was delayed, and Federal programs unrelated to the policy controversy were left immobilized by the lack of permanent spending authority.

The Congress must begin now to institute adjustments in the budget process so that we do not repeat the experience of the last session. By far the greatest obstacle to rapid passage of appropriations bills over the past few years has been the ability of Members to introduce amendments that would impose limitations upon the use of funds appropriated for a particular program. The appropriations bill becomes a battleground on which the merits of a single policy issue are fought, thus endangering the chances of timely consideration. The authorizing committee with jurisdiction should make the substantive legislative decisions in the area in which they have responsibility. With the adoption of this proposed rule change, every Member would know that limitations on programs could only be imposed during consideration of the authorization bill itself, or by proposing legislation affecting the policy change he desires.

I am aware that many of us have used riders on appropriations measures to advantage on occasion, voting for or against an amendment which concerns a single issue. Instances where such riders have been used include: Funding for the B–1 bomber, the SST and the bombing in Indochina, as well as for school busing, food stamps for strikers and medicaid abortions. However, other avenues do exist for consideration of any or all such issues of policy.

Where the authorizing committee fails to act on legislation within their purview, Members can force consideration either through committee rules or by discharge petition. In addition, if a committee-passed authorization bill comes to the House floor under an open rule, germane amendments are in order. However, if such a bill comes up for consideration under a closed or modified rule, making introduction of the desired amendment out of order, the rule itself can be defeated on the House floor and a less restrictive rule may be brought up later.

While my resolution abolishes limitations as an aspect of appropriations bills, it leaves the so-called Holman rule intact. The Holman rule is legislative rather than limitative in nature, permitting changes in existing law if those changes are germane to the bill, and "retrench expenditures." Strict interpretation of the Holman rule would allow amendments which reduce the number and salary of the officers of the United States, which reduce the compensation of any person paid out of the U.S. Treasury, or which reduce the amounts of money covered by the bill. The Holman rule only permits direct re-

ductions in the amount of funds appropriated for a program; indirect reductions by way of limitations on the use of funds are not sanctioned by the Holman rule. The right of the House to act in this manner on appropriations bills need not be restricted, as history shows that the Holman rule is not responsible for delays in completion of the budget process.

The House Resolution I am introducing will also eliminate the right of the House to entertain continuing resolutions for Departments and Agencies for which the general appropriations have not been approved by the onset of the fiscal year. The 1974 Budget Act contains provisions which have the potential to eliminate, or at least reduce, the need for continuing resolutions. Title III sets up the timetable with respect to the congressional budget process for any fiscal year. In addition, by pushing back the date of the change in fiscal year from July 1 to October 1, Congress now has 11 instead of 7 months in which to work on the budget before the fiscal year begins.

Nevertheless, the Budget Act does not specifically limit or restrict continuing resolutions. Consequently, even though participants in the budget process are attempting to follow the guidelines set by the act, they are still aware of the existence of an "out," and fights such as those over the Labor-HEW appropriations bill can take place because continuing resolutions remain a feasible option. Members know that they may indulge in policy debates over appropriations measures without ultimately having to back down to a timetable. The continuing viability of the new budget process to which we have committed ourselves depends upon our willingness to accept the discipline of budget controls.

The final aspect of this rules change would impose the first institutionalized set of requirements which a supplemental appropriations must meet before the House may take it under consideration. Since the President's annual budget goes to Congress 8 months before the beginning of the fiscal year to which it is directed, unforeseeable circumstances are inevitable. The Congress must be permitted to deal with those circumstances by appropriating supplemental funds where necessary. At the same time, standards should be set so that supplementals cannot be relied upon to complete funding for programs which were deliberately underrequested and underappropriated.

Supplementals should be dealt with by the Congress only under one of the following conditions: First, existing law requires payments such as pensions or grants to be made within the year; second, a liability accrues under the law; for example, a claim on which interest is payable, and it is in the Government's interest to liquidate the claim as soon as possible; third, an emergency situation arises—for example, a natural disaster—that requires unforeseen outlays for the preservation of life or property; fourth, increased workload is uncontrollable except by statutory change; and fifth, new legislation that is enacted after the submission of the annual budget estimate will require additional funds within the year.

The Budget Act of 1974 demonstrated congressional intent to make the appropriations process an effective instrument of fiscal policy. Congress accepted a strict schedule meant to guarantee that all work on appropriations be completed by October 1, the beginning date for the new fiscal year. My proposed change in the House rules would provide a strong indication of the House's seriousness of purpose on the matter of expeditious consideration of appropriations bills.

NEW JERSEY SUPPORT FOR ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, as I have previously advised the House, the Interior Committee's Subcommittee on General Oversight and Alaska Lands has given extensive consideration to proposals which would establish new national parks, national wildlife refuges, wild and scenic rivers, national forests and wilderness areas in the public lands of Alaska. In particular, I have brought to the attention of the House, editorials from newspapers in many sections of the country expressing support for H.R. 39, the Alaska National Interest Lands Conservation Act, and the companion proposals of the Carter administration. Today, I am offering for the RECORD another such editorial.

On September 21, 1977, the Bergen Evening Record, of Bergen County, N.J., took editorial notice of the significance of this proposed legislation, and analyzed the importance of it for all Americans, including those who live in the Eastern States. The editorial urges support for this legislation and decries the proposal endorsed by various commercial interests that would leave open many of the most important wilderness resources open to destructive exploitation.

The text of the editorial follows these remarks:

[From the Bergen Evening Record, Sept. 21, 1977]

TO SAVE ALASKA'S WILDERNESS

The Carter Administration has just proposed to give federal protection to 92 million acres of land in Alaska. If you have trouble comprehending numbers of that size, as we do, a comparison or two may help: New Jersey covers 5 million acres, and would fit comfortably into any of several national parks that the Administration is proposing to establish in Alaska; the 92 million acres to be protected there cover an area slightly smaller than the state of California.

As you would expect, much of this territory is land of breathtaking beauty—for example, the great snowy peak in the background of the photo above. It is called Mount McKinley, it is the highest mountain in North America, and (officially rechristened Denali, its Indian name) it would occupy a newly expanded national park of 5.7 million acres. A new national park of 8.1 million acres, Gates of the Arctic Wilderness, would be established in northwest Alaska, just south of the National Petroleum Reserve. Most of it would become a wilderness area—a federal designation that would close it to any development whatsoever and to mining, timbering, and sport hunting. Here is an excerpt from the Interior Department's description of the area:

Mountains, including bladelike Arrigetch Peaks and turreted Mount Igikpuk, contrast with the immense open valleys to offer spectacular scenery. Wildlife in the gaunt tundra environment includes migrant arctic caribou, grizzly bear, Dall sheep, moose, wolves, raptors, arctic char, lake trout, northern pike, and grayling.

The Administration plan would protect entire ecosystems—entire nations of plant and animal life—and watersheds. Thirty-three rivers, or parts of them, would be designated wild and scenic rivers, immune from alteration or pollution. Altogether, 43 million acres of land would be declared wilderness areas. The size of the United States' national-park and wildlife-refuge systems would more than double. The cost would be minimal; thanks to the efforts of an earlier administration—Andrew Johnson's—the federal government owns nearly all the land in Alaska, having bought it from Russia in 1867 for $7.2 million, or 2 cents an acre.

All this may sound remote from northern New Jersey. It *is* remote; most Americans haven't had a frontier to think about for nearly a century. In Alaska, it is still necessary to decide what will become of the land. It would still be possible, for instance, to consign it to the fate of previous American frontiers; a proposal by the state government of Alaska, endorsed by various commercial interests, would leave millions of acres of forest and wildlife range available to possible development and exploitation. Even under the Administration proposal, which has been welcomed by conservationists, three quarters of Alaska remains unprotected. But the government would be making a foresighted commitment to preserving the remainder—forever.

One thing about the proposal that isn't remote from New Jersey: It will need congressional approval. The proposal is controversial, and may require a struggle. We'll hope to see the New Jersey delegation in there pitching.

PERSONAL EXPLANATION

(Mr. KASTEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KASTEN. Mr. Speaker, due to previous commitments in Wisconsin, I was absent from yesterday's session of the House. Therefore, I would like to state for the record how I would have voted on those rollcall votes that occurred.

"Yea" on H.R. 10979, the Emergency Highway and Transportation Repair Act;

"Yea" on House Joint Resolution 469. authorizing the White House Conferences on Arts and Humanities.

"Yea" on the Alcohol and Drug Abuse Education Act authorizations;

"Yea" on the Hubert H. Humphrey Institute Memorial Act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MARRIOTT (at the request of Mr. RHODES), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CUNNINGHAM) to revise and extend their remarks and include extraneous matter:)

Mr. FINDLEY, for 1 hour, today.
Mr. CONABLE, for 5 minutes, today.
Mr. SARASIN, for 5 minutes, today.
Mr. KEMP, for 5 minutes, today.

(The following Members (at the request of Mr. DANIELSON) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. BIAGGI, for 5 minutes, today.
Mr. MCFALL, for 5 minutes, today.
Mr. MATTOX, for 5 minutes today.
Mr. WEISS, for 5 minutes, today.
Mr. JONES of Oklahoma, for 5 minutes, today.
Mr. CAVANAUGH, for 5 minutes, today.
Mr. HAWKINS, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CUNNINGHAM) and to include extraneous matter):

Mr. SARASIN.
Mr. QUIE.
Mr. FINDLEY.
Mr. STEIGER.
Mr. MICHEL.
Mr. WHITEHURST.
Mr. CUNNINGHAM.
Mr. MCCLOSKEY.
Mr. LAGOMARSINO in two instances.
Mr. LOTT.
Mr. QUAYLE.
Mr. STEERS in two instances.
Mr. SYMMS in three instances.
Mr. ABDNOR in two instances.
Mr. KEMP.
Mr. GILMAN.
Mr. SPENCE.
Mr. DON H. CLAUSEN.

(The following Members (at the request of Mr. DANIELSON) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. RISENHOOVER.
Mr. GAYDOS in two instances.
Mr. DINGELL.
Mr. RYAN in two instances.
Mr. YOUNG of Missouri.
Mr. MURPHY of Illinois.
Mr. ROE.
Mr. EDGAR.
Mr. BRINKLEY.
Mr. HARRIS in two instances.
Mr. HUCKABY.
Mr. MOTTL in two instances.
Mr. BONIOR.
Mr. FITHIAN.
Mr. CHAPPELL.
Mr. HAMILTON.
Mr. YATRON in two instances.
Mr. EILBERG in two instances.
Mr. UDALL.
Mr. ROSENTHAL.
Mr. PATTISON of New York.
Mr. GINN.
Mr. RODINO.
Mr. JACOBS.
Mr. MAZZOLI.
Mr. LLOYD of California.
Mr. MCCORMACK.
Mr. RUNNELS.
Mr. WALGREN.
Mr. ERTEL.
Mr. ULLMAN.
Mr. MURTHA.
Mr. EDWARDS of California.
Mr. OTTINGER.
Mr. MCDONALD in six instances.
Mr. LEGGETT.
Mr. COTTER.
Mr. WEAVER.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 49 minutes p.m.) the House adjourned until tomorrow, Thursday, February 23, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3317. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Tobacco Inspection Act to consolidate, and provide additional, authority for the Secretary of Agriculture to establish methods for efficient and equitable marketing of tobacco; to the Committee on Agriculture.

3318. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting reports that various appropriations have been apportioned on a basis which indicates a necessity for supplemental appropriations for fiscal year 1978, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

3319. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of the proposed obligation of certain funds available in the Defense Stock Fund for war reserve inventories, pursuant to section 835 of Public Law 95–111; to the Committee on Appropriations.

3320. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to make permanent the special pay provisions for reenlistment and enlistment bonuses, and for other purposes; to the Committee on Armed Services.

3321. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and for other purposes; to the Committee on Education and Labor.

3322. A letter from the Chairperson, National Advisory Council on Bilingual Education, transmitting the Council's legislative recommendations for the Billingual Education Act; to the Committee on Education and Labor.

3323. A letter from the Executive Officer, U.S. Arms Control and Disarmament Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3324. A letter from the Executive Director, Foreign Claims Settlement Commission of the United States, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3325. A letter from the Chairman, U.S. International Trade Commission, transmitting a report on the activities of the Commission under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3326. A letter from the Public Information Officer, Occupational Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3327. A letter from the president, Panama Canal Company, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3328. A letter from the Attorney General, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3329. A letter from the Associate Administrator for Administration, Federal Aviation Administration, Department of Transportation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3330. A letter from the Comptroller General of the United States, transmitting a report on the impact of antirecession assistance on 16 county governments (GGD–77–60, February 22, 1978); to the Committee on Government Operations.

3331. A letter from the Comptroller General of the United States, transmitting a report on the impact of antirecession assistance on 15 State governments (GGD–77–69, February 22, 1978); to the Committee on Government Operations.

3332. A letter from the Comptroller General of the United States, transmitting a report on the impact of antirecession assistance on 21 city governments (GGD–77–70, February 22, 1978); to the Committee on Government Operations.

3333. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of the Secretary's determination that certain lands in Idaho and Nevada are not suitable for disposal under the Unintentional

Trespass Act, pursuant to section 214(b) of the Federal Land Policy and Management Act; to the Committee on Interior and Insular Affairs.

3334. A letter from the Acting General Counsel, Department of Energy, transmitting notice of a meeting relating to the International Energy Program to be held March 2 in San Francisco, Calif.; to the Committee on Interstate and Foreign Commerce.

3335. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at Federal Office Building No. 8, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3336. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Customhouse, Baltimore, Md., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3337. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Post Office-Courthouse, Miami, Fla., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3338. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of proposed actions concerning the Skylab Reboost/Deorbit Mission, pursuant to section 4 of Public Law 95–76; to the Committee on Science and Technology.

3339. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy in accordance with section 660 of the Department of Energy Organization Act, and for other purposes; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Interior and Insular Affairs, International Relations, Interstate and Foreign Commerce, and Science and Technology.

3340. A letter from the Comptroller General of the United States, transmitting a report on the administrative policies and practices of the U.S. Railway Association (CED–78–19, February 22, 1978); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

3341. A letter from the Comptroller General of the United States, transmitting a report on administrative and legislative changes needed to reduce expenditures of Supplemental Security Income and other public assistance for newly arrived aliens (HRD–78–50, February 22, 1978); jointly, to the Committees on Government Operations, Ways and Means, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee of Conference. Conference report on H.R. 3816 (Rept. No. 95–892). Ordered to be printed.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 9622. A bill to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, to abolish the amount in controversy requirement in Federal question cases, and for other purposes; with amendment (Rept. No. 95–893). Referred to the Committee of the Whole House on the State of the Union.

Mr. STRATTON: Committee on Armed Services. S. 274. An act to amend chapter 49 of title 10, United States Code, to prohibit union organization and membership in the armed forces, and for other related purposes; with amendment (Rept. No. 95–894, Pt. I). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. PERKINS: Committee on Education and Labor. H.R. 50. A bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs; with amendment (Rept. No. 95–895, Pt. I). Referred to the Committee on Rules for a period ending not later than March 3, 1978. And ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 11050. A bill to strengthen the economy of the United States through increased sales abroad of American farm products; jointly, to the Committees on Agriculture, and International Relations.

By Mr. ANDREWS of North Dakota:

H.R. 11051. A bill to authorize the Secretary of the Interior to defer repayment of municipal and industrial costs of the Dickinson Unit; to the Committee on Interior and Insular Affairs.

Mr. BAFALIS (for himself, Mr. BONKER, Mr. DAVIS, Mr. HARSHA, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MOORHEAD of California, Mr. STUMP, Mr. THOMPSON, and Mr. WHITE):

H.R. 11052. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

Mr. BEDELL (for himself, Mr. EILBERG, Mr. LAFALCE, Mrs. SPELLMAN, Mr. BONIOR, Mr. ERTEL, Mr. HOWARD, and Mr. MILLER of Ohio):

H.R. 11053. A bill to amend the Internal Revenue Code of 1954 to provide graduated corporate income tax rates; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. MURPHY of New York, Mr. RUPPE, and Mr. TREEN):

H.R. 11054. A bill to amend the Federal Boat Safety Act of 1971 to provide a uniform reporting system for marine theft, to provide penalties for the alteration of certain numbers required to be attached to vessels, to increase and extend the authorization for appropriations for financial assistance for State boating safety and marine theft prevention programs, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ULLMAN (for himself and Mr. FOLEY):

H.R. 11055. A bill relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 11056. A bill to amend the Public Health Service Act to provide for training in preventive medicine and dentistry; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE:

H.R. 11057. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of earned income of U.S. citizens and resident aliens from sources without the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. DERRICK (for himself, Mr. HUGHES, Mr. ADDABBO, Mr. GLICKMAN, Mr. HUCKABY, Mr. HOLLENBECK, Mr. CARR, Mr. BROWN of Ohio, Mr. GILMAN, Mr. TUCKER, Mr. HARRIS, Mr. JONES of Oklahoma, Mr. BRODHEAD, Mr. KASTEN, Mr. FASCELL, Mr. HARRINGTON, Mr. WALKER, Mr. PRITCHARD, Mr. DUNCAN of Oregon, Mr. EVANS of Georgia, Mr. AUCOIN, Mr. KINDNESS, Mr. STANGELAND, Mr. THONE, and Mr. BADHAM):

H.R. 11058. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; to the Committee on Rules.

By Mr. EDGAR (for himself, Mr. BEDELL, Mr. BENJAMIN, Mr. BLOUIN, Mr. BURGENER, Mr. BUCHANAN, Mr. CAPUTO, Mr. CLEVELAND, Mrs. FENWICK, Mr. FRENZEL, Mr. GEPHARDT, Mr. LAGOMARSINO, Mr. LUKEN, Mr. MAZZOLI, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. RINALDO, Mr. STEERS, and Mr. YATRON):

H.R. 11059. A bill to amend title 28 of the United States Code to provide for the merit selection of U.S. attorneys; to the Committee on the Judiciary.

By Mr. FRASER (for himself, Mr. O'BRIEN and Mr. PRESSLER):

H.R. 11060. A bill to add certain lands to the Boundary Waters Canoe Area, to redesignate such area as the Boundary Waters Wilderness Area, to withdraw certain authorities for timber harvesting and vehicle use within such area, to increase the payments made to counties respecting such area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GUYER:

H.R. 11061. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. HOWARD (for himself, Mr. ROE, Mr. THOMPSON, Mr. RODINO, Mr. PATTEN, Mr. MINISH, Mr. MAGUIRE, Mrs. MEYNER, Mr. LE FANTE, Mrs. FENWICK, Mr. HOLLENBECK, Mr. FORSYTHE, Mr. FLORIO, Mr. RINALDO, and Mr. HUGHES):

H.R. 11062. A bill to provide for the issuance of a commemorative postage stamp in honor of the Battle of Monmouth, and

or, a postal card to commemorate Molly Pitcher the heroine of the Battle of Monmouth; to the Committee on Post Office and Civil Service.

By Mr. HUCKABY:

H.R. 11063. A bill to study certain lands within the Kisatchie National Forest in Louisiana for potential designation as wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 11064. A bill to amend the Atomic Energy Act of 1954 to impose certain restrictions on the licensing by the Nuclear Regulatory Commission of radioactive waste disposal facilities in certain populated areas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Oklahoma:

H.R. 11065. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of earned income of U.S. citizens and resident aliens from sources without the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. KAZEN:

H.R. 11066. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported-dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

By Mr. LUJAN:

H.R. 11067. A bill to provide for a study of the suitability and feasibility of designating the Vietnam Veterans Chapel, Eagle Nest, N. Mex., as a national memorial to the Vietnam veterans; to the Committee on Interior and Insular Affairs.

By Mr. MIKVA (for himself, Mr. BALDUS, Mr. BONIOR, Mr. CONYERS, Mr. D'AMOURS, Mr. EDGAR, Mr. EDWARDS of California, Mrs. FENWICK, Mr. KREBS, Mr. LAFALCE, Mr. MATTOX, Mr. MINETA, Mr. OBEY, Mr. OTTINGER, Mr. PANETTA, Mr. PATTISON of New York, Mr. REUSS, Mr. SEIBERLING, Mr. STUDDS, Mr. STUMP, Mr. TSONGAS, Mr. WEAVER, Mr. WEISS, and Mr. YOUNG of Missouri):

H.R. 11068. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. BEDELL, Mr. CORRADA, Mr. BONKER, Mr. EILBERG, Mr. EVANS of Georgia, Mr. FITHIAN, Mr. HANNAFORD, Mr. HOLLENBECK, Mr. LEVITAS, Mr. MAGUIRE, Mr. MILLER of California, Mr. MURPHY of Pennsylvania, Mr. RINALDO, Mr. ROSENTHAL, Mrs. SPELLMAN, Mr. STARK, Mr. UDALL, Mr. VENTO, and Mr. ZEFERETTI):

H.R. 11069. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 11070. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain retirement benefits received by individuals to the extent that such benefits do not exceed the maximum social security benefits payable to any individual; to the Committee on Ways and Means.

By Mr. MOTTL (for himself, Mr. BLANCHARD, Mr. BOLAND, Mr. D'AMOURS, Mr. DAN DANIEL, Mr. DINGELL, Mr. GUYER, Mr. KEMP, Mr. MCCLORY, Mr. MCDADE, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NICHOLS, Mr. NOLAN, Mr. NOWAK, Ms. OAKAR, Mr. PEASE, Mr. PEPPER, Mr. RINALDO, Mr. SIMON, Mr. STRATTON, Mr. TREEN, Mr. VANDER JAGT, Mr. WHITEHURST, and Mr. ZABLOCKI):

H.R 11071. A bill to provide ffor the issuance of a commemorative postage stamp in honor of Gen. Casimir Pulaski and Americans oi Polish descent; to the Committee on Post Office and Civil Service.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 11072. A bill to authorize appropriations for fiscal year 1979 for the Department of Energy for conservation, development, and use of naval petroleum and oil shale reserves; to the Committee on Armed Services.

By Mr. RISENHOOVER:

H.R. 11073. A bill to amend the Commodity Credit Corporation Act to direct the Secretary of Agriculture to establish a program for expanding exports of farm commodities by making available Commodity Credit Corporation financing to exporters who extend deferred payment terms to foreign buyers; to the Committee on Agriculture.

H.R. 11074. A bill to direct the Secretary of Agriculture to increase financing for exports in fiscal year 1978 under title I of the Agriculture Trade Development and Assistance Act of 1954; to the Committee on Agriculture.

By Mr. SATTERFIELD:

H.R. 11075. A bill to amend title II of the Social Security Act to provide that a stepchild must actually have been receiving at least half of his support from his stepparent (at the specified time) in order to qualify for child's insurance benefits on the basis of such stepparent's wage record; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 11076. A bill to amend title 42, United States Code, to provide for the extension of reemployment rights to certain employees of the Department of Energy; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ:

H.R. 11077. A bill to amend title XV of the Public Health Service Act to revise and extend the authorities and requirements under that title for health planning, to provide for assistance to hospitals in discontinuing inappropriate services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEIGER:

H.R. 11078. A bill to amend the Internal Revenue Code of 1954 to provide for a 1-year amortization of property which is used in connection with a plant or other property in operation before January 1, 1978, and which is required with respect to such plant or other property pursuant to the Occupational Safety and Health Act of 1970; to the Committee on Ways and Means.

By Mr. WEAVER:

H.R. 11079. A bill to amend the Farm Credit Act of 1971 (85 Stat. 583) to extend the term for production credit association loans to producers or harvesters of aquatic products; to the Committee on Agriculture.

By Mr. ZABLOCKI (for himself, and Mr. BROOMFIELD) (by request):

H.R. 11080. A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes; to the Committee on International Relations.

By Mr. BENJAMIN:

H.R. 11081. A bill to establish the Highway of Flags National Servicemen's Memorial; to the Committee on Interior and Insular Affairs.

By Mr. COCHRAN of Mississippi (for himself, Mr. RICHMOND, Mr. MATHIS, Mr. EILBERG, Mr. LAGOMARSINO, Mr. MURPHY of Pennsylvania, Mr. FLOOD, Mr. ROE, Mr. BURGENER, Mr. MONTGOMERY, Mr. SISK, Mrs. LLOYD of Tennessee, Mr. DUNCAN of Tennessee, Mr. ROSE, Mr. LENT, Mr. YOUNG of Alaska, Mr. BONIOR, Mr. TREEN, Mr. WAXMAN, Mrs. SPELLMAN, and Mr. BLANCHARD):

H.R. 11082. A bill to amend the Internal Revenue Code to allow an additional exemption for taxpayer who is deaf, and for other purposes; to the Committee on Ways and Means.

By Mr. DICKS:

H.R. 11083. A bill to amend the Internal Revenue Code of 1954 to permit certain trusts to qualify as shareholders in small business corporations; to the Committee on Ways and Means.

By Mr. DICKS (for himself, Mr. BONKER, Mr. MCCORMACK, and Mr. MEEDS):

H.R. 11084. A bill to amend the Internal Revenue Code of 1954 to allow political organizations the benefit of the surtax exemption; to the Committee on Ways and Means.

By Mr. HANNAFORD:

H.R. 11085. A bill to provide rental assistance under section 8 of the U.S. Housing Act of 1937 for owners of mobile homes who rent the real property on which their mobile homes are located, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HAWKINS (for himself, Mr. PERKINS, and Mr. SARASIN):

H.R. 11086. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and for other purposes; to the Committee on Education and Labor.

By Mr. JACOBS (for himself, Ms. KEYS, Mr. BROYHILL, Mr. HUGHES, Mr. KINDNESS, Mr PEASE, Mr. STEERS, and Mr. TREEN):

H.R. 11087. A bill to amend section 206 of the Labor Management Relations Act, 1947, provide for expedited employee ratification of contract offers in certain emergencies, and for other purposes; to the Committee on Education and Labor.

By Mr. MCCORMACK:

H.R. 11088. A bill to extend from 5 to 8 years the program which was established by section 6 of the Solar Heating and Cooling Demonstration Act of 1974 (and the authority to conduct related activities under that act) for the development and demonstration of combined solar heating and cooling systems; to the Committee on Science and Technology.

By Mr. MCFALL:

H.R. 11089. A bill to provide for the designation and implementation of a revised basic rail passenger system, and restructuring of the National Railroad Passenger Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. SPELLMAN (for herself, Mr. FAUNTROY, Mr. WHITEHURST, Mr. MURPHY of Pennsylvania, Mr. BYRON, Mr. BRECKINRIDGE, Mr. BUCHANAN, Mr. BEDELL, Mr. YOUNG of Alaska, Mr. DIGGS, Mr. SOLARZ, Ms. MIKULSKI, and Mr. STEERS):

H.R. 11090. A bill to provide that legislation appropriating funds for payment of pay to Federal employees shall be enacted separately from other legislation; to the Committee on Rules.

By Mr. TUCKER (for himself and Mr. CORNWELL):

H.R. 11091. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

By Mr. UDALL:

H.R. 11092. A bill to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712); to the Committee on Interior and Insular Affairs.

By Mr. VENTO:

H.R. 11093. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BOB WILSON:

H.R. 11094. A bill to amend section 901 of title 38 of the United States Code to require the Administrator of Veterans' Affairs to provide two sizes of flags for burial purposes and to permit next of kin of deceased veterans to select the size desired; to the Committee on Veterans' Affairs.

By Ms. HOLTZMAN (for herself, Mr. AMBRO, Mr. CAPUTO, Mr. COHEN, Mr. DRINAN, Mr. ERTEL, Mr. EVANS of Georgia, Mr. GLICKMAN, Mr. HARRIS, Mr. HOLLENBECK, Mr. LEVITAS, Mr. MOFFETT, Mr. PRITCHARD, Mr. SARASIN, Mr. SAWYER, Mr. TSONGAS, and Mr. CHARLES WILSON of Texas):

H.R. 11095. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. NOLAN (for himself, Mr. BAUCUS, Mr. JENRETTE, Mr. LEGGETT, Mr. OBERSTAR, Mr. PRICE, and Mr. STANGELAND):

H.R. 11096. A bill to provide for the establishment of a board which will establish and administer agricultural production and marketing programs, and for other purposes; jointly, to the Committees on Agriculture, International Relations, Interstate and Foreign Commerce, and Ways and Means.

By Mr. MAHON:

H.J. Res. 746. Joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978; to the Committee on Appropriations.

By Mr. RUNNELS (for himself, and Mr. LUJAN):

H.J. Res. 747. Joint resolution to consent to an amendment of the constitution of the State of New Mexico to provide a method for executing leases and other contracts for the development and operation of geothermal steam and waters on lands granted or confirmed to such State; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY (for himself, Mr. MICHEL, Mr. BLOUIN, Mr. HUGHES, Mr. LE FANTE, and Mr. RINALDO):

H. Res. 1039. Resolution to maximize local nighttime radio service; to the Committee on Interstate and Foreign Commerce.

By Mr. MANN (for himself, Mr. HIGHTOWER, Mr. RAHALL, Mr. MOFFETT, and Mr. CHARLES WILSON of Texas):

H. Res. 1040. Resolution relative to customs duties on textile, apparel and fiber products, to the Committee on Ways and Means.

By Mr. NIX (for himself and Mr. DERWINSKI):

H. Res. 1041. Resolution providing funds for the Committee on Post Office and Civil Service; to the Committee on House Administration.

By Mr. ST GERMAIN:

H. Res. 1042. Resolution expressing the sense of the House with respect to a reorganization of the Internal Revenue Service; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

303. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to the proposed Panama Canal treaties; to the Committee on International Relations.

304. Also, memorial of the Legislature of the State of New York, relative to alleged human rights violations in Northern Ireland; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 11097. A bill for the relief of Konstandinos Iliopoulos; to the Committee on the Judiciary.

By Mr. DE LUGO:

H.R. 11098. A bill for the relief of Albert Millington and Clement Millington; to the Committee on the Judiciary.

By Mr. DORNAN:

H.R. 11099. A bill for the relief of David Baksht; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

403. Mr. QUILLEN presented a petition of Eddie M. Crain, Erwin, Tenn., relative to repeal of the withholding tax law; which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9179

By Mr. RYAN:

Page 8, add the following new subsection at the end of the bill:

(j)(1) Section 237 of such Act, as amended by subsections (g)(2) and (h) of this section, is further amended by adding at the end the following new subsection:

"(n) No insurance, reinsurance, guaranty, financing, or other financial support may be provided under this title for any project which involves the exploration for or the mining or other extraction of, any of the following: alumina; aluminum; aluminum oxide, fused; copper; lead; manganese ore or zinc."

(2) The amendment made by paragraph (1) of this subsection shall not apply with respect to any contract or other agreement which provides for insurance, reinsurance, or a guaranty and which is entered into before the date of the enactment of this Act.

H.R. 9214

By Mr. MATHIS:

On page 2, immediately after line 15, add the following new subsection:

"(d) All authorities granted under this section shall be effective only for the fiscal years ending September 30, 1979, unless reauthorized for a longer period by an Act of Congress."

On page 2, immediately after line 4, add a new subsection (b) and redesignate subsequent subsections accordingly:

"(b) All authorities granted under this Act authorizing and governing United States membership in the Fund shall be effective only for the fiscal years ending September 30, 1979, unless reauthorized for a longer period by an Act of Congress."

Purpose of amendment: To insure a periodic review of U.S. participation in the IMF to determine to what degree the original objectives have been achieved.

SENATE—*Wednesday, February 22, 1978*

(Legislature day of Monday, February 6, 1978)

The Senate met at 10 a.m. on the expiration of the recess, in executive session.

EXECUTIVE SESSION

(Pursuant to previous order of the Senate, the doors of the Chamber were closed.)

(The expurgated transcript of the proceedings in closed session, released on March 3, 1978, is as follows:)

The Senate was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The PRESIDING OFFICER. The Senate will be led in prayer by the distinguished Senator from Arkansas, Mr. HODGES.

Hon. KANEASTER HODGES, JR., a Senator from the State of Arkansas, offered the following prayer:

Let us pray.

O Lord, this prayer comes to you from the U.S. Senate, one of the most powerful bodies on this Earth. Both individually and collectively, we must confess that we have not always used that power wisely and we have, on occasion, forgotten that you are the only true source of power. Help us, our Father, to be stewards of

this great Nation. Remind us of our obligations not only to ourselves but to all men. We ask your grace on this day and all that we do here in it. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 22, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon assumed the chair as Acting President pro tempore.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the order previously entered, the Senate is in closed session until 2 o'clock p.m. today. The time between 10 a.m. and 2 p.m. is to be equally divided and controlled by the Senator from Indiana (Mr. BAYH) and the Senator from Kansas (Mr. DOLE).

Who yields time?

RECOGNITION OF LEADERSHIP

Mr. BAKER. Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. A parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BAKER. Would it be in order, Mr. President, under these circumstances, to ask unanimous consent for the approval of the Journal of yesterday?

The ACTING PRESIDENT pro tempore. That is not necessary in executive session.

Mr. BAKER. I thank the Chair. I yield to the Senator from Kansas.

QUORUM CALL

Mr. DOLE. Mr. President, I suggest the absence of a quorum, the time to be charged to both sides equally.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

(Senator HODGES assumed the chair.)

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

Allen	Goldwater	Melcher
Baker	Griffin	Moynihan
Bayh	Hart	Riegle
Burdick	Hodges	Sarbanes
Byrd, Robert C.	Jackson	Stafford
Cranston	Laxalt	Stevens
Dole	Mathias	Stone
Ford	McClure	Williams
Garn	McIntyre	Zorinsky

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Bartlett	Johnston	Sasser
Case	Nunn	Sparkman
Huddleston	Ribicoff	

Mr. ROBERT C. BYRD. Mr. President, I realize that debate is not in order during a quorum call, but we have had a live quorum going on now for over 30 minutes and we do not seem to be able to develop.

I move that the Sergeant at Arms be instructed to compel the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia (Mr. ROBERT C. BYRD) to instruct the Sergeant at Arms to compel the attendance of absent Senators. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from New Hampshire (Mr. DURKIN), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Delaware (Mr. ROTH), the Senator from Virginia (Mr. SCOTT), the Senator from Texas (Mr. TOWER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 87, nays 1, as follows:

[Rollcall Vote No. 32 Ex.]

YEAS—87

Allen	DeConcini	Jackson
Anderson	Dole	Javits
Baker	Domenici	Johnston
Bartlett	Eagleton	Kennedy
Bayh	Eastland	Laxalt
Bellmon	Ford	Leahy
Bentsen	Garn	Long
Biden	Glenn	Lugar
Brooke	Goldwater	Magnuson
Bumpers	Gravel	Mathias
Burdick	Griffin	Matsunaga
Byrd, Harry F., Jr.	Hansen	McClure
	Hart	McGovern
Byrd, Robert C.	Hatfield, Mark O.	McIntyre
Cannon		Melcher
Case	Hatfield, Paul G.	Metzenbaum
Chafee		Morgan
Chiles	Hathaway	Moynihan
Church	Hayakawa	Muskie
Clark	Heinz	Nelson
Cranston	Hodges	Nunn
Culver	Hollings	Packwood
Curtis	Huddleston	Pearson
Danforth	Inouye	Pell
Percy	Sasser	Stone
Proxmire	Schmitt	Talmadge
Randolph	Schweiker	Thurmond
Ribicoff	Sparkman	Wallop
Riegle	Stafford	Williams
Sarbanes	Stevens	Zorinsky

NAYS—1

Weicker

NOT VOTING—12

Abourezk	Helms	Stennis
Durkin	Humphrey	Stevenson
Haskell	Roth	Tower
Hatch	Scott	Young

So the motion was agreed to.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

THE PANAMA CANAL TREATIES

Mr. GOLDWATER. Addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Mr. President, I just want to make an announcement.

Mr. GRIFFIN. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. GOLDWATER. Yesterday during the course of discussion, we mentioned the fact that the minutes of the grand jury held in New York relative to Moises, General Omar Torrijos' brother, could not be released. Since that time, the Senator from New York has called the judge and the judge has issued an order that we can reveal the minutes of that grand jury. The minutes can be seen in the Vice President's office. It may be when the chairman of the committee arrives, he would want to make them a part of the RECORD. I cannot take that step. I just wanted to acknowledge to all that if they want to read the minutes, they are available in the other room.

The PRESIDING OFFICER. The Chair thanks the Senator from Arizona.

Who yields time?

Mr. GRIFFIN. Mr. President, may I make an inquiry? Is the chairman of the Intelligence Committee coming to the floor?

Mr. ROBERT C. BYRD. He will be here momentarily.

Mr. President, on behalf of Mr. BAYH, I yield myself such time as I may require.

Mr. GRIFFIN. Mr. President, if I could inquire of the majority leader, I want to be sure that I am going to have time today. I would need in the neighborhood of 45 minutes. I do not necessarily ask that it be set aside for me, but I know that the session was carried over from yesterday to accommodate me.

Mr. ROBERT C. BYRD. I yield the floor now, so if you would like to proceed——

Mr. GRIFFIN. The Senator from Nevada will go first, but I would like to make sure that I be recognized before 2 o'clock.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. LAXALT. Mr. President, I do not anticipate that I am going to take all that long in this presentation.

The PRESIDING OFFICER. Who yields time? The time is under the control of the Senator from Kansas.

Mr. DOLE. I yield 15 minutes to the distinguished Senator from Nevada.

Mr. LAXALT. I thank the distinguished Senator from Kansas.

Senator BAYH, I have information which has previously been made public by virtue of a press conference and other sources. I do not want to file these remarks and statements as part of this RECORD and incur any kind of risk that somehow it would thereby become classified. I cannot conceive of that being the case. Can you?

Mr. BAYH. Certainly, the Senate has no right, the Intelligence Committee has no right, no Government agency has the right, to suggest something that has been put into the paper can no longer be talked about by a Member of the Senate. I think on the question of the credibility of a substance and how a Senator brings this matter to our attention, some of the responses which may be forthcoming as to the credibility and the reasons to support the assessments of our committee, that, indeed, might contain sources and/or methods which would require that to be excised from the final RECORD.

Mr. LAXALT. I understand that. I thank the Senator from Indiana.

In the matter of credibility, which many of us consider to be of vital importance in assessing whether or not to ratify these treaties, I feel that the statements and testimony of one Alexis Watson Castillo may be highly relevant. Of all the information that has been adduced thus far, it comes from ordinarily confidential, if not near-anonymous, sources, for understandable reasons. But, here, we have a statement from the man who is literally part of the Torrijos political family, who worked in close liaison with Colonel Noriega as one of his chief assistants. He came to the attention of the Senator from Nevada several weeks ago and, at that time, he submitted himself to testify before the House committee, chaired by Congressman MURPHY.

In an attempt to assess whether or not we should spend any time with him—and that was basically a matter of credibility and responsibility—I decided that that was well out of the domain of the Senator from Nevada and his staff. I there and then consulted with General Graham, who, as my colleagues will know, is the retired former head of Defense Intelligence.

Daniel Graham agreed to interrogate this man at some length and did. At this time, I should like to read the statement of Lt. Gen. Daniel O. Graham concerning Mr. Watson Castillo:

On 23 January—

He is referring of course, to this current year—

I was informed by the Panama Truth Squad that a former member of the Torrijos government had sought asylum in the United States. I arranged to meet this man in Miami on 27 January to determine whether he had information pertinent to the canal treaties issue. I further arranged for the services of experts in lie detection techniques to assist me. I interrogated Mr. Watson Castillo in Miami for more than 3 hours on a broad range of subjects concerning the Torrijos regime—drugs, gambling, violation of human rights, extent of Communist influence, et cetera. The answers to these questions constitute a sweeping indictment of Torrijos' regime for corruption, cruelty, and untrustworthiness. I was absolutely convinced of the truthfulness of Mr. Watson Castillo on the basis of my past experience in interrogatioon of intelligence sources.

Further, the voice inflection lie detection system was used by the experts during the entire interview and Mr. Watson Castillo passed those tests with flying colors. There can be no doubt that he believes sincerely what he says. In particular, he is being truthful when he says that ratification of the treaties is against the best interests of the Panamanians. It should be noted that Mr. Watson Castillo, by stepping forward in the matter of the Panama Canal Treaties, is risking the wrath of not only the Torrijos regime but also the intelligence services of Cuba and the USSR. He is both truthful and courageous.

Thereafter, Mr. President, this man submitted himself to a press conference in Miami at which the local press were present, as well as many of the members of the national press. Very frankly, the results of that press conference were not widely disseminated at the time. It was apparently for the reason, perhaps justified, as was indicated by Senator BAYH yesterday, that much of this testimony is uncorroborated and unsubstantiated and, on that basis, the national press chose not to go with the statements and allegations which have been presented by Mr. Watson.

However, within the last several days, one of the Baltimore papers and the Hearst service has examined the transcripts incident to the original interrogation, as well as the results of the press conference, and there has been some dissemination.

I do not judge here as a Senator from Nevada, or make any judgment, obviously, as to the credibility or truthfulness of the allegations. You cannot.

Mr. BAYH. Would the Senator yield?

Mr. LAXALT. Yes.

Mr. BAYH. With all respect to my friend, I do not see how he can give all of that Watson testimony, which contains a wide variety of indictments—I am certain he does not want to get the Senate involved in character assassination or misrepresentation. He presents this because he feels it is relevant to whether we should sign the treaty, whether the treaty is in the best interests of the United States. I do not see how he can say, then, after having presented all that to us, that he does not want to stand and corroborate or speak to the credibility of Watson. Because, unless Watson is credible, why is the matter brought to our attention? That is my only concern.

Mr. LAXALT. Senator BAYH, I understand that. All I can say is that I do not know enough about this situation to impress upon Mr. Watson a Good Housekeeping stamp of approval on credibility. I rest my case principally on the matter of credibility on the observations and the extensive tests to which he was subjected by General Graham, whom I highly respect, who is highly competent in this area, who did examine him at length, and rather strenuously so, and came with the observation that he did, that I have just read into the RECORD.

Now, what we have done—and I shall make available to my colleagues, probably, during the course of the day, transcripts containing some 45 pages of the testimony concerning Mr. Watson. But for the purposes of the discussion today, we prepared highlights of this interview on January 27, 1978, conducted by the former director of the Defense Intelligence Agency, Lt. Gen. Daniel Graham, retired.

First, Mr. Watson testified to General Graham that, while on duty as a G–2 agent in the Costa Rica—bear in mind that at this time, he was under the responsibility and authority of Noriega—Watson was told by the Panamanian Ambassador there that orders had been received from Panama to "disappear" three Panamanian exiles living in Costa Rica; namely, Sr. Flauzin, Sr. Castillo, and Sr. Miranda. The Ambassador was told to use people belonging to Frank Marshall in Costa Rica. Rather than cooperate, Watson rounded up the three men and harbored them in his home for 23 days.

Second. From 1970 to the present, Communists have become more and more a part of the Government. In addition, some Communists in universities receive the best positions in the Government. Also, Government representatives go to Cuba to attend seminars and some kind of instruction there.

Third. Watson observed a Cuban in the airport in Panama City giving orders to Panamanian G–2 agents, some of whom were carrying his bags. Watson went into the security office to check him out and observed the Cuban had come from the United States to Panama on a Panamanian passport. Watson stated that the Passport Department is controlled by the G–2.

I might ask the Senator from Indiana, in respect to the last statement, do the intelligence files reveal whether or not the statement referred to in connection with the passport department being controlled by the G–2, is that supported by any information we have in the confidential files?

Mr. BAYH. I was trying to make certain my recollections are accurate.

Our intelligence source does not show that the passport department is controlled by G–2. It does point out instances where passports have been given to Cubans.

As I think I said in our discussion yesterday, in my judgment, the situation involving the sealed indictment in New York clearly involved—at least, from the standpoint of the Senator from Indiana—involved brother Moises Torrijos' waving his name around in front of the Foreign Minister, who was intimidated to deal with the passport people to get that fellow Richard, the 22-year-old young man who was arrested, convicted, and put in jail in New York, that that came through influence being used in the passport division.

Mr. LAXALT. By Noriega or people within his department?

Mr. BAYH. Nor being used. This was Moises.

Mr. LAXALT. Moises directly?

Mr. BAYH. Moises.

Mr. LAXALT. All right.

Mr. BAYH. We have no absolute evidence you can hang a guy in court on. But, in my judgment, from reading everything, that is the way it happened.

Moises intimidated a foreign minister and he was the one that said, "OK." The brother said, "We better do it," and they gave this Raphael Richard a passport and ended up with a bag full of heroin and him in jail.

Mr. LAXALT. May I ask another question in the same regard. Is there any evidence in any of the files indicating trafficking in passports on the part of Cubans on their way to the United States through Panama?

Mr. BAYH. We do not have any intelligence data on that.

Mr. LAXALT. Nothing whatsoever indicating that, one way or the other?

Mr. BAYH. No.

We do have Cubans that have been given passports. We do not have any evidence at all there is a big conspiracy that this was standard operating procedure.

Let me look to the files just briefly to confirm that.

Mr. LAXALT. Is there any indication in the files at all that the issuance of passports by the Panamanians to Cubans may not be matters of public record?

Mr. BAYH. I know of no public record.

Mr. LAXALT. All right.

Mr. BAYH. I think the very nature——

Mr. LAXALT. No. No. That is not my question, Senator BAYH. The question is whether or not they might have been involved in the issuance of passports surreptitiously and thereby not be a matter of public record.

Is there any indication in the intelligence files of that type activity going on in Panama?

Mr. BAYH. No. The very nature, if it is being done, it would be surreptitiously.

Mr. LAXALT. I understand.

Mr. BAYH. I assume that.

Mr. LAXALT. But you have no information in the files that indicates that type activity is going on?

Mr. BAYH. No.

Mr. LAXALT. Or has been?

Mr. BAYH. No.

I can only confine my response to what I know, and the response I have given that passports have been given to Cubans.

Mr. LAXALT. Let me ask a question which is rather fundamental. Obviously you cannot be held chargeable for knowledge of all these various extensive files dealing with this problem.

Mr. BAYH. I would respectfully remind my colleague that we have a certain capacity, and we have a limitation to this capacity, as far as this particular study was concerned. We were concerned about the Torrijos family being involved in drug trafficking, being involved in certain kinds of activity that may affect the treaty.

We do know there have been occasions where passports have been given to Cubans. We do not have the capacity, let me say we do not have any information that would lead us to believe that there is some grand conspiracy involving this as part of the government in any way.

I do not mean it is not there, but we have no evidence to prove it.

Mr. LAXALT. The issuance of passports of which you have knowledge are matters of public information?

Mr. BAYH. No. They are matters of intelligence.

Mr. LAXALT. Of intelligence.

All right, it is important. I know that.

I thank the Senator.

Mr. BAYH. I wish I could answer all these questions.

Mr. LAXALT. No, I understand.

Mr. BAYH. I will tell you everything I know. Unfortunately, my knowledge is limited.

Mr. LAXALT. When we ask these questions, some of which we consider to be rather important, is there capability within the group that I see across the aisle here in answering these various questions whether these matters are with or without the files?

Mr. BAYH. I think it is fair to say that the response of the Senator from Indiana contains all the information that is available.

Mr. LAXALT. That is available.

Mr. BAYH. Right now.

And I cannot say any more because I have told you everything I know. It is not totally responsive.

Mr. LAXALT. Necessarily, and I understand that.

Mr. BAYH. It does not give the answer the Senator from Nevada wants, or the file does not have that information. That does not mean something is not going on some place that may not involve other people. But as far as the mission of our committee, there is no evidence to sustain that concern.

Mr. LAXALT. All right. Let us go on.

Mr. McCLURE. Will the Senator yield for a moment on that question?

Mr. LAXALT. Surely.

Mr. McCLURE. Would I understand the Senator from Indiana correctly that that is not a matter that the committee has investigated and therefore, is not necessarily within the present goal of the committee?

Is that the way I understand the Senator from Indiana?

The PRESIDING OFFICER. The Senator from Nevada's 15 minutes have expired.

Who yields time?

Mr. DOLE. I yield the Senator 15 additional minutes.

The PRESIDING OFFICER. Very well.

The Senator from Nevada.

Mr. BAYH. The matter of passports was brought to the attention of the committee as a result of the Watson testimony, and the Cuban passports, or passports to Cubans.

We asked our intelligence community if we had any intelligence sources that the passport division of the Government of Cuba had given—I mean, of Panama—had given passports to Cubans.

The answer was, on some occasions, yes.

Mr. McCLURE. But if I may, if the Senator will yield further, the Intelligence Committee has not investigated that matter of Cuban passports independently of this particular——

Mr. BAYH. No. We did not ask them if they had given passports to Costa Ricans, or Nicaraguans, or San Salvadorians.

Mr. McCLURE. I am not asking what you did not do.

I am just asking if at any time, for any reason independent of this investigation, the Intelligence Committee in looking at Cuba and what Cuba has done in the infiltration of other countries and movements into this country, and in connection with the assassination of the former Ambassador from Chile that occurred in this country, whether or not the Intelligence Committee had made inquiry about how Cubans got to this country and whether or not the Panamanians were involved in assisting Cubans in entry into this country.

Mr. BAYH. Look, we have no evidence of this kind of tactic being used to subvert the United States.

Mr. McCLURE. That is not my question.

My question was whether or not the committee had investigated that.

Mr. BAYH. No.

Mr. McCLURE. Independently of this inquiry.

Mr. BAYH. We have had a lot of things to do and limited resources. We have tried to confine our expertise to the mission.

Mr. McCLURE. I think the answer is "No," if I understand the Senator correctly.

Mr. BAYH. I thank the Senator.

Mr. GOLDWATER. If the Senator will yield, maybe I can shed a little light on this.

When we were down there in January, our purpose was to not investigate, but look at the intelligence agencies, and I recall one day asking a similar question, namely, how large a third party group is there in Panama that could affect the canal, and the answer was that most of the identifiable Communists were in the Cuban Embassy—I think the figure used was about 60. So that in the group they can identify. But they do not see any third party group now that is coming up that might present a military problem for us.

Mr. LAXALT. I thank the Senator from Arizona.

All right, in the interest of time, we will carry on.

Four. There was a man who flew in regular from Colombia who said he was a cousin of Omar Torrijos. He never passed through customs.

Senator BAYH, is there any indication there is a cousin of Omar Torrijos in Colombia, any indication of that in your inquiry and investigation?

Mr. BAYH. We asked the intelligence community to look into that. They do not have any intelligence on that at all. No evidence at all.

Mr. LAXALT. Have they investigated this type of thing?

Mr. BAYH. Yes. We asked them to look into that specific allegation.

The only person who has any opinion on that is the man who just said it—Watson. There is no corroborative information in our intelligence community at all.

Mr. LAXALT. There is no evidence indicating that Omar Torrijos has a cousin in Colombia?

Mr. BAYH. How many brothers and sisters are there in the Torrijos family? I would not want to go on record as saying that Torrijos does not have a cousin in every country in South America, because there are a lot of cousins in that family. I do not say that lightly.

One of the problems the Senator from Indiana has with the Watson allegation, as with other allegations, is that there are many Torrijos, and it is possible for a fellow to be talking about one Torrijos who may be significantly removed from the general.

For example, there is a Torrijos cousin, a woman, who is married to a Colombian by the name of Sanclemente. Sanclemente has been involved in drug trafficking. OK? But he has also been arrested and convicted by the Panamanian Government.

I do not think I can say more on that.

Mr. LAXALT. Very well.

The man who would go to pick up the packages was a man named Padilla. Acting on a tip, Watson caught Padilla's brother passing drugs. He was with North American people. Watson caught him with six pounds of cocaine. As there were three men involved, Watson called G–2 for some help. He explained who he had in custody. He was told that he had nothing to do with drugs, that his work was only with enemy agencies. He was ordered to give the cocaine back to the men and to forget anything that he saw. This order came directly from Colonel Noriega.

Mr. SARBANES. May I interrupt?

Mr. LAXALT. Yes.

Mr. SARBANES. If you have the dates on those things, I think it would be helpful.

Mr. LAXALT. Those would be contained within the transcript, which I will make available to you. We have a transcript accompanying the summary.

Mr. SARBANES. I understand; but if you have the dates there as you mention the incidents, I think that would be helpful as to when they took place.

Mr. LAXALT. I do believe the transcript picks that up.

Five. While acting on an unrelated request from President Lakas, Watson went to Lakas' office. The bodyguards recognized him and let him pass. He walked into the office and to his surprise saw Lakas, Torrijos, the aforementioned Padilla who picked up the packages, and another person splitting up several hundreds of thousands of dollars in $100 bills. Watson made a bad joke about "his share" and was told to get out. He got out, finished his business with Lakas, and left.

Six. Contraband traffic comes to Panama from Colombia in small ships which dock at Pier 5 in Colon. These ships bring coffee to a man named Pingelli and to Transit, S.A. Coffee destined for Pingelli would be picked up by a car and taken to the free zone, but coffee destined for Transit, S.A. was handled differently. On one occasion Watson witnessed. Colonel Fisher, Carlos Duque, Major Smith and top people of the Guardia Nacional were all looking for a small sack of "coffee." Watson asked Ruiz, a former Torrijos bodyguard now employed by Transit, S.A., what was going on. Ruiz told him that Transit, S.A. was handling all of the drug traffic. Ruiz was surprised that Noriega had not told Watson. Ruiz, who Watson says is an addict, told him that now he gets all the drugs he wants. Watson further said the cocaine and marijuana went to the free zone and was shipped from there to the United States—but exactly how he did not know.

Seven. Watson does not believe that Torrijos is an addict. He said that he is a sick man, has heart trouble, and that since 5 years ago he is checked every morning by a doctor. Watson said that Torrijos drinks heavily, however, beginning from 10:00 to 12:00 in the morning until midnight, that he is always drunk.

I might say that, based upon my personal observations of Torrijos when we met with him, he appeared not to be drunk, and I would think that probably at least this characterization might be a bit on the exaggeration side.

Eight. Demonstrations in favor of the treaties are programed by G–2, who give orders to the Student Affairs Department, which is headed up by Carlos Gonzales. One demonstration of 2,000 women was also programed by G–2.

Nine. Torrijos and two Spanish people own a corporation called TAURO, S.A., which ships animal skins to Russia. The corporation has made millions.

Is there anything in the file indicating the connection of Torrijos with this company, with Toro—Torrijos and Toro, the animal skin company?

Mr. BAYH. No.

Mr. LAXALT. Ten: The casinos are in charge of Torrijos' brother Hugo.

Is there any indication in the file that that is the fact? Does Hugo run the casinos?

Mr. BAYH. Hugo is involved, does run the casinos, yes.

Mr. LAXALT. An example, Watson said, was the Bowlarama, the smallest casino, which grossed $40,000 to $70,000 per week. Of the gross amount, one-fourth goes to Torrijos, one-fourth to some people here in the States, and one-half shows on the books.

Is there any evidence of that?

Mr. BAYH. Could I respond to the question by asking a question? Which Torrijos are we talking about there?

Mr. LAXALT. I would assume that this is the brother, Hugo.

Mr. BAYH. We have no evidence on that.

Mr. LAXALT. You have no evidence of the distribution of the profits within the casino structure?

Mr. BAYH. No. We have made no effort to try to hide the fact that there are a number of friends and relatives of the Torrijos family involved in many places, making quite a bit of money in Panama, the same as they are in every other country where we have a dictator like this.

Mr. LAXALT. Is there any indication that Omar Torrijos is benefiting from the gambling operations?

Mr. BAYH. No. Frankly, we have not tried to find out every business that General Torrijos is involved in. We have tried to find out whether he is involved in drug trafficking, whether he is involved in relationships with the Cubans.

It would be an impossible task, first of all, to find out what businesses he was involved in. Second, it would have very little relationship, it seems to me, to the substance of whether we should sign this treaty or not. But certainly that is not the mission that was given our committee. Let me get back to what our mandate was.

Mr. LAXALT. I understand that.

One of the purposes of this line of inquiry is to indicate to the committee, which is operating in good faith here, that perhaps information of this kind warrants further—that, after all, in the judgment of many of my colleagues on this floor, the credibility of Torrijos is salient and highly important as to whether or not we ratify these treaties.

If information of this kind indicates that we have a corrupt regime dealing in drug trafficking——

Mr. BAYH. Wait.

Mr. LAXALT. If we have that—if.

Mr. BAYH. May I suggest that from the standpoint of the real world in which we live, perhaps the Senator would care to divide his concern into two categories: A corrupt regime, one; dealing in drug traffic, two.

I suggest to my friend from Nevada that applying American standards, good business, and ethical conduct, to governmental operations of other governments, and then suggesting that we would only have relations and dealings with those governments that meet our standards, would sort of put us in a corner, where we would ignore the existence of many governments. I do not mean to apologize for that kind of activity.

Mr. LAXALT. We are not here purely in terms of giving these people money. We are thinking of giving them what may be a vital, strategic asset. At least so far as the Senator from Nevada is concerned, it is a great concern to me as to the kind of people we are dealing with. It has been said on the floor already that we must take care of the Panamanian people.

The PRESIDING OFFICER. The additional 15 minutes have expired. Who yields time?

Mr. DOLE. I think Senator BAYH can yield time. I would be happy to yield 5 additional minutes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. LAXALT. The point that I make is it seems to me that the credibility of the partner is all important.

Mr. BAYH. The Senator is asking me a question. I suggest the Senator and all 100 of us have the opportunity and indeed the responsibility to determine in our own minds what criteria we are going to consider as applied to the govern-

ment in question and then determine whether we should ratify the canal treaty or not.

Our intelligence data in the study of our committee is designed to provide information to the Senate relative to the drug trafficking question that I mentioned to my friend. We did not look at all business transactions and thus we are not in a position to assess the ethical standards of the government in question just as we are not in a position to judge the ethical standards of the government that replaced it.

I wish there were some way to get Mr. Castro out of Cuba, but I am certain that the Senator from Nevada would not want to give high marks to the ethical standards as far as the ripoff characteristics of the government that preceded him. And I think that is the kind of thing we just have to come to grips with here: The ethical standards of the Torrijos government compared to those of what other government might be.

That is an opinion of the Senator from Indiana. It really is not a part of our study, and I would ask the record to show that that is vintage Bayh, for whatever that may be worth.

Mr. LAXALT. Is the Senator from Indiana trying to tell me whether or not the Torrijos regime is corrupt, is irrelevant to our discussion here on the floor?

Mr. BAYH. I think it is. That is accurate.

I am willing to concede that there is corruption in the Torrijos regime.

Mr. LAXALT. All right. Very well. Let us go on.

Watson knows this to be true. As to division, the gross amount, one-fourth goes to Torrijos.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. LAXALT. I yield.

Mr. GOLDWATER. Just a comment. Maybe the Senator was not on the floor yesterday when I made precisely that point, that the character of the government in my opinion does have a bearing, but the junior Senator from New York pointed out, and he was accurate, that historically we never paid any attention to the morality or the credibility of the government. As far as I am concerned, as I told the Senator from Kansas, if I am going to do business with him I want to know all about him or I do not do business.

I think this is an argument that is going to fall on deaf ears of those people who are already committed.

Mr. LAXALT. All right.

Let us go on to item 11. All the land and buildings in the Canal Zone have already been split up by the Guardia Nacional officials. Watson had personal knowledge of this and participated in the discussions.

Twelve. Torrijos was arrested in September 1976 by Noriega and placed in protective custody for 15 days. He had been drinking heavily and was going to the Canal Zone to shoot his pistols.

Do the files indicate anything to that effect?

Mr. BAYH. I am sorry?

Mr. LAXALT. Do the files indicate anything of a jailing by Noriega of Torrijos when he was cutting up a bit back in 1976?

Mr. BAYH. Which Torrijos?

Mr. LAXALT. Omar.

Mr. BAYH. That is not what Mr. Watson said.

Mr. LAXALT. Who was he referring to?

Mr. BAYH. I do not know. He says Torrijos.

Mr. LAXALT. This may be in error.

Mr. BAYH. That is the question I have with Mr. Watson. He may be duplicitous, or he may not. The question is we have conceded, the Senator from Indiana conceded, that one of his brothers has been indicted and ought to be thrown in jail because I believe he is guilty of drug trafficking.

Mr. LAXALT. Aside from that has there been any investigation of this item concerning Omar Torrijos?

Mr. BAYH. We have no evidence of that event at all.

Mr. LAXALT. All right.

Watson knows Panamanians who presently work for the United States in the canal and earn from $4.60 to $7 an hour. He maintains if Panama takes over the canal the Government will pay Panamanians the minimum wage, which is 60 cents an hour.

The Torrijos' government, through G–2, has had frogmen trained in Israel, Spain, and Yugoslavia over the past few years.

The PRESIDING OFFICER. The 5 minutes have expired.

Mr. LAXALT. I need a couple more minutes.

Mr. DOLE. I yield the Senator additional time.

Mr. LAXALT. Those frogmen have been trained to plant explosives on the hulls of ships. In the event the treaties are not ratified, the plan is to blow up ships at both entrances to the canal. The other plan is to send students against the Canal Zone. Shots will be fired, and some students will become martyrs. International opinion will then turn against the United States.

Is there anything at all in the files to corroborate or substantiate or discredit this statement?

Mr. BAYH. No. We did not study what the various strategies of the Panamanian Government might be if this treaty were not ratified. We just do not have any evidence. That was not part of our mission.

Mr. LAXALT. Tell me if through the discussions here on the floor it is determined that the matter of the credibility of the Torrijos government is vital to the proper consideration of these treaties would the Intelligence Committee be disposed to conduct a followup investigation of some of these items as contained in Watson's testimony?

Mr. BAYH. I am prepared and our committee is prepared to follow any investigation that the Senate feels is important to get information. After the Senator from Nevada is through, I would like to deal not only with some of the specifics that he has brought to our attention as being covered by Mr. Watson, but I would like to deal with Mr. Watson himself because the charges there are such a wide variety and some of them are of such a severe nature that I think the real question the Senate ought to ask itself is what kind of fellow are we talking about who makes these kinds of charges and has this kind of information? And then everyone can judge.

Mr. LAXALT. Surely.

Mr. BAYH. We do have significant intelligence about Mr. Watson, and I would like to share that with the Senator.

Mr. LAXALT. The Senator from Nevada would welcome that because I indicated earlier my knowledge of this man is certainly not intense. It is somewhat superficial. But I bring his testimony to the Senate based principally on the fact, as I indicated, that he did pass with flying colors the credibility test as applied by General Graham.

The Senator from Nevada will yield the floor at this time.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Who has control of the time?

Mr. DOLE. I yield 30 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 30 minutes.

Mr. GRIFFIN. Mr. President, I know nothing about the gentleman to whom my colleague from Nevada was referring, or his credibility. However, I do think we probably can at least take some note of and perhaps even regard with some credibility, a report that has come to our attention issued by the Merchant Marine Committee of the House of Representatives. I want to ask the chairman of the Intelligence Committee a series of questions based on that report with which, I feel certain, we are now familiar with.

As I read it, the House committee report contains a good deal of information which is not contained in the sanitized report of the Intelligence Committee. If there is no basis for certain statements in the House report, well, then that is one thing; but if there is some reason or information to justify such statements, it seems to me that we in the Senate ought to know that.

I will skip over a number of points made in the House report which have already been established. Furthermore, I will apologize if some of the points I am about to raise have already been covered in the discussion. If that should be the case, perhaps the chairman could just advise me at the appropriate time.

Looking at page 4 of that House committee report——

Mr. BAYH. The Senator is talking about the report from the Murphy committee?

Mr. GRIFFIN. That is right. Dated February 9, 1978. A copy has been on the desk of all Senators the last 2 days, and I for one have been very interested in reading it.

I am conscious of the fact that this committee has been interested in the Panama Canal subject for a long period of time and has done a good deal of

work in the area upon which the Committee on Intelligence is now focusing.

Do the staff and the chairman have a copy in front of them?

Mr. BAYH. I do.

Mr. GRIFFIN. OK. Let us look at page 4, where reference is made to Joacquin Him Gonzales. He is described there in the report as "a notorious smuggler." What information does the Senate Intelligence Committee have in its files which would confirm or not confirm that characterization of Mr. Gonzales?

Mr. BAYH. How notorious he is, I think, is a matter of conjecture. He was notorious enough to be arrested by American officers, and tried and convicted in the U.S. court in Dallas.

Mr. GRIFFIN. Is that all we know about him, or have reason to believe about him?

Mr. BAYH. We have reason to believe that Gonzales——

Mr. GRIFFIN. Has he not been charged with being a notorious drug smuggler, a big wheel in the narcotic traffic?

Mr. BAYH. How many charges there are——

Mr. GRIFFIN. Do we have one?

Mr. BAYH. We have one hard piece of evidence, the fact that the man was convicted in the U.S. court. All the other allegations, it seems to me, pale into insignifance, when we know we had the goods on this man, and tried and convicted him. I mean I do not apologize for Him Gonzales at all; he is a bad actor.

Mr. GRIFFIN. Would you criticize the committee for characterizing him as a notorious smuggler?

Mr. BAYH. No.

Mr. GRIFFIN. He is said to be director of international traffic at Panama's Tocumen International Airport. How do you get to be director of the airport under the Torrijos regime? Could that be done without Torrijos approving him?

Mr. BAYH. According to our files, Gonzales was a traffic controller.

Mr. GRIFFIN. Could he have had the job without Torrijos' approval?

Mr. BAYH. I do not know. I would suspect someone high in the Torrijos regime approved him.

Mr. GRIFFIN. Do you think he would last very long without Torrijos' approval? Well, I will not dwell on that; it seems rather self-evident.

Mr. BAYH. It seems self-evident to the Senator from Indiana that if he had done anything to offend Mr. Torrijos, he would not be there.

Mr. GRIFFIN. It is true, is it not, as the Washington Star has reported in its series, and as this report makes clear, that we have been having problems with the drug traffic in Panama over the years, and that this international airport at Tocumen and the free zone have been areas of difficulty and problems for us that we think we know what is going on there, but it has been very difficult to deal with the situation, and there has been lots of [Class. deleted] information indicating that a lot of drug traffic is taking place in those areas? Is that a fair statement?

Mr. BAYH. Certainly in the discussion yesterday the Senator from Indiana, representing the product of our study, the report of our committee, made no effort to hide the fact that we have critical drug problems in Panama.

Mr. GRIFFIN. But these——

Mr. BAYH. Let me finish.

Mr. GRIFFIN. But these are key points, the international airport and the free zone.

Mr. BAYH. That is right. But I think the Senator from Michigan is looking for not only facts, but how those facts relate in the overall picture. He is concerned about this, and I share his concern.

Mr. GRIFFIN. Right.

Mr. BAYH. But our studies show that we have had real problems with that same area since the 1950's. If you look at our intelligence files, drug problems in Panama did not suddenly happen with Omar Torrijos and the Guardia Nacional. All our people tell us, and the drug people tell us, that the situation is much better there now than it was. I am sure it is not as good as it should be, or we would hope for it to be, but if you look at the record, it has been bad since the 1950's, and it is better than it has been.

Mr. GRIFFIN. The airport, though, has been a particular problem, because planes come in and go out, and controls have been something less than strict, have they not, for the free zone?

Mr. BAYH. Well——

Mr. GRIFFIN. Is not the answer yes?

Mr. BAYH. How many different times and how many different ways can I say yes?

Mr. GRIFFIN. I just want to be sure we have it on the record and understand each other.

Mr. BAYH. I not only say yes now, I say yes back to the 1950's. Unfortunately, I do not have information going back farther than that.

Mr. GRIFFIN. At the times when Mr. Gonzales was described as director of international traffic at Panama's airport, at the time when he was arrested, tried, and convicted on drug traffic charges, is it true, as this report indicates, that Gen. Omar Torrijos personally led a campaign of protest over this arrest?

Mr. BAYH. Was the Senator on the floor yesterday when we discussed this?

Mr. GRIFFIN. Maybe I missed it, but the answer can be simply yes, if that is the answer, and we will go right on.

Mr. BAYH. Not only was General Torrijos involved, but——

Mr. GRIFFIN. I know there were others, but I want to know about General Torrijos.

Mr. BAYH. Does the Senator want to know the facts and the reasons behind it, or does he want to know yes or no?

Mr. GRIFFIN. Well——

Mr. BAYH. The fact of the matter is General Torrijos was involved in the protests. Do you want to know why, or is it because he had Mr. Gonzales on the payroll? If you want to know what is in our files——

Mr. GRIFFIN. If you want to explain later it is fine with me, but I would like to get the facts on the record.

Mr. BAYH. The Senator from Indiana will be very glad to answer it for the Senator from Michigan, any of his questions, but I do not feel that I would be responding responsibly in my capacity as chairman of the committee if I did not say "yes" and then say why, because I think that relates to the answer. I do not want to give you a big bunch of propaganda, because there are some very real reasons why Torrijos was very unhappy and did get involved. There is no question that the Senator's assessment of what he did is an accurate one.

Mr. GRIFFIN. I think there is a legitimate point that has been raised here as to what extent General Torrijos himself was involved in any way in drug trafficking, or prohibiting or preventing or impairing the enforcement of drug trafficking laws. I just want to make my point here. Is it also true that after Gonzales, who is described as a notorious smuggler, was arrested and convicted, then two U.S. narcotic agents were expelled by Torrijos from Panama?

Mr. BAYH. The answer to that, if you want the answer, is no.

Mr. GRIFFIN. They were not?

Mr. BAYH. They were not.

Mr. GRIFFIN. Then the House committee is wrong on that?

Mr. BAYH. Look, why don't we just have a full explanation of these facts? The technical response to that question is no.

Mr. GRIFFIN. All right.

Mr. BAYH. Two agents were expelled the following year as a result of the article by Jack Anderson in the newspapers, and it was a response to that, not to the Him Gonzales matter. Let me put that in perspective, because anyone can make the assessment they want to, but very briefly, Gonzales was a notorious drug smuggler and trafficker; he got just what he should have gotten by being put in jail by a Federal court in Dallas.

The way we got jurisdiction on him was by some of our BNDD people tricking him into coming into the Canal Zone to go to a baseball game, and when he went to the baseball game they nabbed him and put him in jail.

It was this element of trickery on which Torrijos—this became a cause celebre from a nationalist standpoint, as to how the United States can trick a Panamanian citizen into coming into the Canal Zone, which he thought was their territory—now, we disagreed with that—but to trick him into going over there, arrest him, take him to Dallas, and put him in jail, that became a matter of national pride to them, and caused the intervention by Torrijos which the Senator referred to.

Mr. GRIFFIN. I thank the Senator for the explanation.

Let us refer to page 5 of the report. There is a statement that the World Finance Corporation is a front for narcotic trafficking. The WFC had made a loan to the Panamanian Government in 1971. I wonder if the committee is aware of this, and has that same information in its files.

Mr. BAYH. The World Finance Corporation had surfaced on the radar screen. We pursued the matter with the FBI, and we found no relationship between the World Finance Corporation and Torrijos.

Mr. GRIFFIN. Thank you. In the next

line it refers to internationally oriented U.S. banks and the allegation that they have been used as depositories for sums of money gained from trafficking in narcotics. To what extent is there reason to believe that this is true, based upon the files of the Intelligence Committee?

Mr. BAYH. I stopped my sentence too quickly a while ago. In fact, I would like the RECORD to show that there is no evidence in our intelligence files that links World Finance Corporation and General Torrijos in drug traffic. The assessment that a loan was made to the Panamanian Government in 1971 has been corroborated by Government information.

Mr. GRIFFIN. Thank you. The next point: We have heard a lot about the big U.S. banks down in Panama and their probable interest in the treaties. Here there is the allegation made, or the suggestion is raised, that the U.S. banks have been utilized as depositories of sums of money reaped from trafficking in narcotics.

Is there a basis for that, so far as the Committee on Intelligence is concerned?

I am not saying it is true. I am just asking.

Mr. BAYH. There are so many different allegations. I want to make sure we are talking about the same allegation that we have the information.

Mr. GRIFFIN. Let me put it this way: There are a lot of U.S. banks, including one that Mr. Linowitz was a director of, which have made loans to the Government of Panama. I can put that all into the RECORD again but it has been in the RECORD a number of times. Is there any reason to believe that any of those banks have been utilized as a depository for money reaped from drug traffic?

Mr. BAYH. Yes, there is.

Mr. GRIFFIN. Would the chairman give us the information?

Mr. BAYH. We do have evidence that drug trafficking money has been washed, I think is the way to describe it, through some of those banks. Again, our intelligence gives absolutely no connection to that particular washing of narcotics money to Torrijos.

Mr. GRIFFIN. I cannot help but notice that a lot of support for these treaties emanates from some people who are close to the banking community. Obviously, they have a lot of reasons for the position they take. But if this is true, I think it is something our committee should pursue. To what extent can the chairman elaborate on the situation?

Mr. BAYH. Basically, the intelligence we have on that incident—and there was only one incident, let me suggest, which the FBI has knowledge of, which we have reason to believe, through a credible allegation—is that drug money has been washed through one of these banks. That involves a Colombian transaction.

Mr. GRIFFIN. I would like to move on to some other points.

We have heard a lot about Moises, the one brother of Omar. We have not heard very much, I do not think, about another brother named Hugo. The House report refers to Hugo as director of the government's gambling casinos. Is that a government position, his job?

Mr. BAYH. He is director of the National Casinos and that is a government position, yes, sir.

Mr. GRIFFIN. In this House committee report, on page 15, at one point it says:

> To this date, no public attention has been focused on the alleged role of another brother, Hugo Torrijos, in the international drug traffic. It is possible that Hugo's role in the drug traffic may be as serious as that charged to Moises.

Then the report goes on to refer to his relationship to prostitution, the sale of cocaine, a special relationship with certain well-known drug traffickers, including being the godfather of one known trafficker, I wonder what the Committee on Intelligence has to say concerning those allegations or suggestions with respect to the other brother—Hugo.

Mr. BAYH. I said yesterday——

Mr. GRIFFIN. I am sorry, I did not know this matter was discussed yesterday.

Mr. BAYH. Well, I suspect you did not miss a whole lot.

Mr. GRIFFIN. Do you have evidence on the point I raised?

Mr. BAYH. I said yesterday that we do have evidence or allegations that have some degree of credibility that suggests that Hugo——

Mr. GRIFFIN. Is just about as bad as the other brother?

Mr. BAYH. No, but that he is involved. The credibility of the source and the corroboration involved concerning the drug activities with regard to Moises are strong enough that we could indict him.

Mr. GRIFFIN. This should be a matter of great concern if these things are true, and whether our friend, Omar Torrijos, is doing something about them. It seems obvious that he is not only not doing anything about them but he is making sure that they do not get in the way. That seems like a fair and reasonable statement to make, does it not?

Mr. BAYH. Let me respond based on the facts which are available to our committee, and again suggest every Senator can, should, must interpret those facts as he or she feels they warrant. I am talking about intelligence here; we are not talking about facts. We do have a number of allegations that have been corroborated, where the credibility of the informant is significant. As far as Moises Torrijos is concerned, the credibility and the substance of these charges are sufficient that he is the subject of an indictment in a U.S. court.

As far as brother Hugo is concerned, we have allegations, allegations that are not as strong and not as consistent as Moises' are concerned. They are not as specific and the sources are not as credible. That is the evidence available to us. Excuse me. The intelligence.

As I said yesterday, this is sort of like a vacuum cleaner, whenever we sweep up everything. We are trying to get everything there is out there, all the vibrations, rumors, everything, and the raw data contains allegations that Hugo does have a relationship with drug traffic.

Mr. GRIFFIN. Unless there is a great deal of misrepresentation here, it is obvious, of course, that the reputation that Hugo has is not based on one or two instances. It is a combination of a lot of things. This has been going on for a long period of time, as I read this.

Let me just make one point here. I want to make sure I am not mistaken. Moises——

Mr. BAYH. If the Senator will excuse me, I do not believe the Senator from Michigan is trying to misrepresent any matter.

Mr. GRIFFIN. No.

Mr. BAYH. And the Senator from Indiana is not trying to misrepresent any matter. I am telling you what we have. We have perilously little fact and a lot of suspicion.

Mr. GRIFFIN. A lot of it is intelligence information, much of which would not be admissible in court because you cannot put a witness on the stand. I understand that.

Mr. BAYH. To show the difference——

Mr. GRIFFIN. If you only had a little bit of it, that would be one thing, but I rather suspect with respect to Hugo you have a lot of it.

Mr. BAYH. We have a number of allegations. We do not have any specific transactions. With Moises we do have specific transactions.

Mr. GRIFFIN. I think the chairman has done a good job of keeping the record straight. I want him to do that.

Let me just pin down one fact, if it is a fact.

Moises, against whom the indictment is pending in connection with 150 pounds of heroin, or whatever it is, not only is Ambassador to Spain, but is it also true that he presently has the title of "Director of Treaty Information" for the Government of Panama? He is a Director of Treaty Information for the Government of Panama?

Mr. BAYH. Yes, that is accurate. To throw everything out here, he is also Ambassador to the Netherlands, I think, as well as Spain.

Mr. GRIFFIN. That is interesting. It certainly indicates that Mr. Torrijos is continuing these people in office. But I am particularly concerned and interested in the fact that he is Director of Treaty Information. We are talking about the Panama Canal treaties, of course. And we are interested in whether there is any relationship between the treaties and this whole subject of drug traffic.

Mr. BAYH. Does the Senator from Indiana know—I am sure the Senator from Indiana does not know. Does the Senator from Michigan know what the responsibilities of the Director of Treaty Information are?

Mr. GRIFFIN. No, but I think it is quite interesting that he has that job.

Mr. BAYH. Would he like to know what that job is?

Mr. GRIFFIN. If the Senator from Indiana wishes to enlighten me, I would be glad to listen.

Mr. BAYH. We have been advised that the job has the responsibility of influencing the people of Panama to vote favorably for the treaty in the plebiscite.

Mr. GRIFFIN. It is just an interesting fact.

Mr. BAYH. I have a sneaking suspicion that probably he did not do much of it. The Senator was probably not here and we have really no one who has been involved in the intimate family conversations and boudoir talk of the Torrijos family; but every indication is that General Torrijos wants to find something that can keep Brother Moises occupied as far away from him as he can, and that he gave him a title so he can keep him out of his hair because he has been a source of constant embarrassment—which he has.

I discussed that at some length yesterday.

Mr. GRIFFIN. Now, then, the chairman has indicated, and it has been said by others, that the attitude of the Torrijos government in recent months has been more cooperative in terms of trying to deal and cope with the drug trafficking problem.

Mr. BAYH. In recent years, may I say.

Mr. GRIFFIN. Recent years? All right. I know that point has been made several times.

I should like to focus the attention of the chairman on page 11 of the House committee report, which takes a different view. I refer to the language that reads like this:

> The public position in statements of Panamanian leaders may be at extreme variance with a number of the allegations made to this committee. For example, there are disturbing charges indicating that Panamanian officials have used the crackdown on narcotics traffickers as a pretext for extortion of large sums of money from individuals who are indeed drug traffickers, as well as other individuals who may be innocent of such charges.

Then it goes on to refer to a specific case:

> Luis Carlos Londono Iragorri was arrested in Panama in 1977—

Not very long ago—

> for drug narcotics trafficking and fled by aircraft to Colombia, a country of which he is a citizen. Later, he wrote an open letter in a Colombian newspaper, El Tiempo, a letter written after his escape from Panama. This letter accused Panamanian Intelligence Chief Noriega of having extorted $235,000 from him in order to obtain his freedom.

I wonder if the committee is aware of this alleged incident—does the committee know whether fact or truth is involved there?

Mr. BAYH. All we have is the newspaper report. We have no corroborating evidence other than the letter that is in the newspaper from a person who has been tried and convicted and subsequently escaped from the Torrijos regime. We have no other information.

Mr. GRIFFIN. On page 12 of this report, it refers to the fact that two Peruvian nationals arrested for the transportation of illegal narcotics were also subjected to extortion allegedly. After the payment of $50,000 by each of them allegedly, they were released.

Is the committee aware of those cases, and what information do you have about them?

Mr. BAYH. Could the Senator be more specific?

Mr. GRIFFIN. All I have is what is on page 12 here.

Mr. BAYH. That is what concerns the Senator from Indiana. We talk about two Peruvian nationals.

Mr. GRIFFIN. Do you know of some other cases?

Mr. BAYH. No, we do not.

Mr. GRIFFIN. Do you know of these particular cases?

Mr. BAYH. No, we do not.

Mr. GRIFFIN. Well, then, that is the answer.

All I am trying to find out or obtain from the chairman is information that our committee has with respect to these matters. In some instances, I suppose you know more than the House committee; in some instances, you may know less.

I am trying to evaluate this House committee report.

Mr. BAYH. We shall be glad to go back and ask for this information. The Senator from Michigan is raising a very legitimate question. But to suggest that there is a whole lot of credibility to a report just because it comes from the other body under the name of the distinguished chairman, when the allegation is as nebulous as this, I think, stretches credibility.

Mr. GRIFFIN. I am just asking questions. I want to find out. I have read this House committee document, and I want to know what our own Intelligence Committee knows about the matters raised.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. GRIFFIN. Is it possible to get some more time?

Mr. DOLE. We will work it out. I think the Senator from Indiana has not yielded any time, although he has used about half of it.

Mr. GRIFFIN. Will the Senator from Indiana yield me some time?

Mr. BAYH. The Senator from Indiana would much prefer to be back in his office right now if duty did not call.

How much time do I have here?

The PRESIDING OFFICER. Ninety minutes for the Senator from Indiana, 23 minutes for the Senator from Kansas.

Mr. GRIFFIN. May I have 15 minutes?

Mr. BAYH. Has the Senator from Indiana used any time this morning?

Mr. DOLE. No, except for the quorum call.

Mr. BAYH. I give 10 minutes to the Senator from Michigan.

Did he say 15 or 10?

Mr. GRIFFIN. I should like 15.

Mr. BAYH. I yield 15 minutes to the Senator from Michigan.

(Mr. CULVER assumed the chair.)

Mr. GRIFFIN. The only point of this is that the chairman has been saying that the Torrijos government now is very interested in cleaning up the drug traffic and here are, certainly, some situations that do not look that way to me. I am just trying to evaluate them, that is all. But if the committee does not know about that——

Mr. BAYH. The committee does not know about it.

Mr. GRIFFIN. I thank the Senator.

Mr. BAYH. I think we should point out that, to use the definition of my friend from Michigan, we are here, indeed, talking about a staff report.

Mr. GRIFFIN. But you had great confidence in the staff report when it came from your committee.

Mr. BAYH. I suggest the Senator from Michigan did not. He seems to have more confidence in a staff report from the House than this staff report.

Mr. GRIFFIN. I am just trying to find out.

Mr. BAYH. The Senator from Indiana is trying to answer the questions of the Senator from Michigan.

Mr. GRIFFIN. I appreciate the answers.

Mr. BAYH. We are all aware that this is a sort of nebulous business. It is not a two plus two equals four science, as I have said repeatedly. The Senator from Michigan has the same concerns of the Senator from Indiana and the Senator from Kansas. We would like to be able to determine the credibility of what is said.

I think we all recognize that that kind of complaint, that does not even have any names, does not even say who the money was given to, is not a very credible complaint.

Mr. GRIFFIN. All right. At the bottom of page 12 of this report, there is a statement concerning allegations that the son of a prominent Panamanian Ambassador was released from jail after being arrested on trafficking charges by the specific order of Gen. Omar Torrijos. In our trying to assess the involvement of General Torrijos, or noninvolvement, does the committee have any information about that?

Mr. BAYH. We do not.

It would seem to me, I must say, I do not know what kind of staff they have over there and do not think that I or this body should pass judgment. But our approach to this whole business was that when we had the son of an Ambassador, we could tell you his name was Rafael Richard and his father was the Ambassador to Taiwan and he was operating on an illegally obtained diplomatic passport. Now, that, I suggest to you, is the kind of information we need to look to, not this kind of business.

Mr. GRIFFIN. I would agree with the chairman. I am not suggesting that this is sworn testimony, or anything.

Now, if the chairman would bear with me a little bit longer, let us look at page 17 of this House committee report where certain specific statements or allegations are made concerning the involvement of Omar Torrijos.

One, it is stated here, that sworn testimony indicates Gen. Omar Torrijos personally directed the campaign of pressure against the United States as a result of the arrest of Joaquin Gonzales, Raphael Richard, Jr., and others, in 1971.

Can the chairman confirm that with respect to Gonzales and is the statement as it is made there accurate?

Mr. BAYH. I want to make certain that my response is accurate. We have already been through the Gonzales question.

Mr. GRIFFIN. I know. A very quick answer would be sufficient in view of the background.

Mr. BAYH. We know of no campaign

of pressure or protest as far as Richard was concerned.

Mr. GRIFFIN. I see.

So your information is different than this?

Mr. BAYH. Yes.

Mr. GRIFFIN. How about others? Are you aware, is the committee aware of personally directed pressures exerted by Omar Torrijos with respect to others who were involved in drug trafficking?

Mr. BAYH. No. I mean, I tried to suggest or point out that we have no evidence or——

Mr. GRIFFIN. Information, intelligence?

Mr. BAYH. Information or allegations.

Mr. GRIFFIN. Fine. I thank the Senator for the answer.

Mr. BAYH. But——

Mr. GRIFFIN. Excuse me.

Mr. BAYH. Well, I mean, the question, how in the world could Torrijos pressure the United States as far as drug trafficking is concerned?

The pressures all come the other way, in which we are trying to pressure him, or from those people to take a stricter position.

Mr. GRIFFIN. Well, I will not argue that point. But I would certainly note my disagreement.

Mr. BAYH. It is sort of like the tail wagging the dog. I see absolutely no way in which Torrijos or Panama can try to exert pressure in the United States.

The pressure in the case pointed out and discussed between us a moment ago involved not drug trafficking, but the fact that here our fellows tricked someone to come over, and zap, he ends up in jail in Dallas. And more power to our people for doing it, but I can see if I were president of Panama, the general down there, I might take a different view of it.

Mr. GRIFFIN. I am concerned about my 15 minutes are going to run out because I have other points to raise.

I think in each case a very quick response would be justified, but, obviously, the Senator will respond as he feels proper.

Look at the second item. Despite charges made against Moises and Hugo Torrijos on different occasions, it is alleged that these two individuals have continued to have access to all the privileges and powers which would facilitate their direction of an illicit flow of narcotics, for example, diplomatic passport which they carry, and had.

That certainly is true, is it not?

Mr. BAYH. It is true completely as far as Moises. It is true as far as Hugo, with the exception of diplomatic passports, which I do not know the answer to.

He may have a diplomatic passport, or he does not. Obviously, Moises is an ambassador.

Mr. GRIFFIN. The third item here——

Mr. BAYH. I think it is fair to say that if he wanted to get one, he probably could, if he does not now have one.

Mr. GRIFFIN. Third, referring to the House committee report, Gen. Omar Torrijos in association with a close friend, Rodrigo Gonzales, is said to have a visible or hidden interest in businesses which are used for transshipment of narcotics through Panama.

Does the Committee on Intelligence have information that would substantiate that allegation, or not?

Mr. BAYH. We have information that General Torrijos and Rodrigo Gonzales are associated in business. There are no specific allegations that this involves the drug business.

Mr. GRIFFIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes

Mr. GRIFFIN. I thank the Chair.

I want to thank my colleague from Indiana very much. He has been very patient. I appreciate very much the fact that this is a very difficult subject to deal with. We are not dealing with hard evidence in many situations and, certainly, Senators have got to take that into account.

Now, the final point I would like to make, and the bottom line here, addresses this question: what difference does it make that there is a very large and serious drug trafficking problem associated with Panama and its government.

I do not think there is any question that there is and there has been. We may be in disagreement to what extent the present government is actually trying to do anything about the drug trafficking problem. Personally I do not think they are doing very much.

It looks to me as though they may be putting a few small fish in the kettle and the big ones are going right on.

I cannot really believe anybody else thinks differently. But if they do, they are certainly entitled to their conclusion, obviously.

Now, what do these proposed treaties do with respect to the drug problem and our concern about it? Here is a point where it really does make a difference—a reason why this discussion is important.

Senators realize, of course, that at the present time under the existing treaty, the United States operates as if we are sovereign. Whether we have sovereignty or not, we do have a great deal of control within the Canal Zone and over the canal itself.

We not only can inspect ships for nuclear missiles, we also can inspect vessels for contraband and drugs if we have some reason to believe that such would be aboard.

What happens when we ratify these treaties if the Senate should see fit to do that?

Not in the year 2000—but 30 months after ratification—customs jurisdiction passes from the United States to the Republic of Panama. Then the United States would no longer have the right, as I understand it—and I would be glad to have anyone correct the record if I am wrong—or the authority to inspect vessels transiting the canal.

Furthermore, under the agreements implementing articles III and IV, we would specifically give to Panama certain other jurisdiction: If the U.S. authorities should apprehend a Panamanian or a U.S. citizen for violation of drug trafficking laws, this treaty requires that they be turned over to the Panamanians.

The chairman of the Intelligence Committee is not required to be an expert on the treaties, but I wonder if he knows whether that statement is accurate?

Well, anyway——

Mr. BAYH. The Senator from Indiana has been dealing with the specifics.

Mr. GRIFFIN. I understand.

Mr. BAYH. Of the intelligence information.

I am prepared to give you my own impression.

Mr. GRIFFIN. I just challenge any Senator to correct me if that is not true—I think this is an important point, if the drug problem is important as far as the United States is concerned.

Mr. BAYH. As far as we will have jurisdiction over that?

Mr. GRIFFIN. Yes.

Mr. BAYH. I think the Senator from Michigan is accurate there. After all, it will, in essence, become Panamanian territory instead of American jurisdiction.

Mr. GRIFFIN. I wonder if the Intelligence Committee looked at the negotiation process to the extent of trying to find out which side proposed the provision in the treaty that anyone charged with drug trafficking would have to be turned over to Panamanian authorities.

Is it fair to assume that that was a proposal of the Panamanian Government?

Mr. BAYH. I do not want to confine the Senator from Michigan, but so far as the time allotted to us here is concerned, the purpose for the secret session is to deal with carefully controlled—necessarily so—intelligence information. The question posed by the Senator from Michigan, I think, is a matter that should be on public record. I would hope that the Foreign Relations Committee could give us——

Mr. GRIFFIN. I take it that it is not anything that your committee looked into. I would be surprised if you have.

The point which arises in my mind is that if we think we have had problems trying to enforce the law with respect to drug trafficking, look at what it is going to be like 30 months after ratification. Does anybody think the situation is going to be better?

Who was interested in making sure that all people charged with drug trafficking would be turned over to Panamanian authorities?

The PRESIDING OFFICER. The Senator is recognized for 3 additional minutes.

Mr. GRIFFIN. I am going to assume that the Panamanian Government wanted that provision, until somebody tells me differently.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. SARBANES. It seems to me that, as we understand it, the Panamanian Government will, of course, assume general jurisdiction in the area of what was previously the Canal Zone, with respect to all matters except those that are excluded.

Mr. GRIFFIN. I call the attention of the distinguished Senator from Maryland to provisions in two of these implementing agreements which allow the United States, for example, to have criminal jurisdiction over U.S. personnel on military bases, except in the situation where they are charged with murder, rape, drug trafficking, and crimes against the security of Panama, whatever that is. In those instances, and in those instances only, we are required immediately to turn anybody accused of those crimes over to Panama. It is very interesting to me that "drug trafficking" is included.

Mr. President, that is all I have to say. I am not suggesting that the drug problem is the most important consideration so far as these treaties are concerned. Obviously, there are other issues and other factors that must weigh even more heavily in the balance. But certainly if drugs and crime in this country are problems, and I think that is the case—at least, everybody I talk to in State says so—then we would certainly be turning the clock back a long way if we were to ratify these treaties and open up the "Panama connection" completely—wide open—to the point where there could be nothing we could do about it. I think everyone should realize, and be aware of the fact, that this will be the result if we ratify the treaties.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. Mr. President, let me just take 1 minute to share with the Senate the DEA assessment of the drug problem in Panama.

Again, I would be quick to point out that, in my judgment, any drug problem is a significant problem as long as we have it, and I would not like to make light of the existing problem. However, in relating the intelligence information as it has been collected and in assessing how the drug problem exists today compared to how it had existed earlier under the present regime or earlier under the previous regimes, I think it is important for the Senate to know the DEA assessment.

They concede that it has been a very critical problem in Panama. They now suggest that cocaine from Panama constitutes somewhere between 3 percent to 5 percent of the amount of cocaine that we are confronting nationwide—3, 4, or 5 percent of it comes from Panama. I am sorry—3 to 5 percent comes from Latin America. Less than 1 percent of all the marihuana coming from Latin America comes from Panama. With respect to heroin, 6 or 7 years ago there were very large amounts involving hundreds of kilos per transaction. Now DEA says it is insignificant, difficult to get a measure on because it is so insignificant.

Mr. GRIFFIN. I thank the Senator.

Mr. SARBANES. Mr. President, will the Senator from Michigan yield for a moment?

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. May I have 30 seconds?

Mr. BAYH. I yield.

Mr. GRIFFIN. In view of the fact that I have referred to almost every point where I thought there was a difference, or at least the major points that may have differed from the Senate Intelligence Committee's report, I wonder whether it would not be appropriate that we put this in our RECORD.

Mr. BAYH. I have no objection.

Mr. GRIFFIN. I ask unanimous consent, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[The following report is inserted here in the CONGRESSIONAL RECORD pursuant to a unanimous-consent agreement of Senator ROBERT GRIFFIN. This report formed the basis of the foregoing colloquy between Senator GRIFFIN and Senator BAYH. This draft report was prepared and released by the staff of the subcommittee and, as such, does not carry the approval of the members of the subcommittee or of the full committee.]

STAFF REPORT OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES, TO THE HON. JOHN M. MURPHY, CHAIRMAN, COMMITTEE ON MERCHANT MARINE AND FISHERIES, REGARDING THE ALLEGED INVOLVEMENT OF PANAMANIAN GOVERNMENT OFFICIALS IN NARCOTICS TRAFFICKING

SECTION I. INTRODUCTION

The purpose of this report is to provide an update on information relating to alleged involvement of Panamanian government officials in narcotics trafficking, especially in smuggling of these drugs into the United States.

In 1972 and 1973, as Chairman of the Panama Canal Subcommittee, your efforts to inform U.S. officials and the public on the degree of participation by Panama government officials in drug trafficking received widespread press attention. Because of your interest in this problem, and also due to the concern which some Panamanians and U.S. citizens have over the possibility of transfer of the Panama Canal to the regime of Gen. Omar Torrijos, Committee staff has come upon information and allegations not heretofore available to the Congress. This report contains a summary of the allegations and reports that have been received in the last several months. Within the text of the report many specific names, dates and places have been only generally referenced in order to protect the sources of our information. The specifics which are generally referenced in the report are available to appropriate personnel in the Committee's files.

In transmitting this information, it is important to note that many of the allegations and reports that we have received are essentially unsubstantiated. To the extent that the matters are unsubstantiated, it is hoped that the relevant Congressional Committees and Executive Branch agencies would vigorously pursue the leads provided. Pursuant to your request, copies of this staff report will be transmitted to the Select Committee on Narcotics Abuse and Control of the House of Representatives and also to the Drug Enforcement Administration.

The use of illicit drugs in the United States has become a major Federal problem. This fact has been recognized by all recent Presidents of the United States. The problem has led to the formation of the Select Committee on Narcotics in the U.S. House of Representatives, and has also been a major impetus toward the establishment of the Drug Enforcement Administration.

The problem of smuggling of narcotics from Latin America into the U.S. is a major aspect of the drug abuse problem in the U.S. today. The Select Committee on Narcotics recognized this fact and accordingly formed a study mission which went to several Latin American countries from August 9–23, 1977. In their report on the effect of cocaine smuggling into the U.S., the Committee said the purpose of their study mission was to "probe reports of massive increases in the amount of cocaine being smuggled into this country annually to supply the growing number of American cocaine users." The Select Committee related this trafficking activity to drug abuse in the U.S. and said later in its report: "In a preliminary investigation of cocaine and other trafficking situations in southern Florida, on which the Committee will focus hearings and issue a separate report in 1978, it has been established beyond doubt that there are a number of well-financed, tightly-knit cocaine trafficking rings based in South Florida. These organizations receive large shipments of cocaine from contacts in South America which are distributed throughout the United States."

SECTION II. SOME HISTORY OF THE SMUGGLING PROBLEM

Inasmuch as the public interest in the question of Panamanian government involvement in the trafficking of drugs was prompted by public attention to the 1972 report of the Subcommittee on Panama Canal, it might be helpful to review some of the basic facts which were reported by the Subcommittee in that year.

In the official Activities Report of the Committee on Merchant Marine and Fisheries for the 92nd Congress it was made clear in the section on Panama Canal activities that the presumption of Executive Branch agencies dealing in the interdiction of narcotics smuggling into the United States was that the highest levels of Panamanian officialdom were involved in sanctioning of that narcotics smuggling. This conclusion, as stated in the report, was based upon the briefings of U.S. Customs officials and the arrests of Panamanians, including Rafael Richard, Jr., Guillermo Gonzalez and Joaquin Him Gonzalez.

Rafael Richard, Jr., Nicholas Polanco and Guillermo Gonzalez were arrested in New York City in July 1971 on charges of attempting to smuggle 70 kilos of heroin into the United States. Rafael Richard, Jr. attempted to utilize a diplomatic passport in order to resist arrest on the narcotics charge. It was later confirmed that Panamanian Foreign Minister Juan Tack had personally signed the diplomatic passport for Richard, despite the fact that the individual had absolutely no credentials warranting such a passport.

Guillermo Gonzalez, also arrested in New York, was a long-time friend and bodyguard of Moises Torrijos (Rafael Richard's uncle and also the brother of Panamanian Chief of Government, Omar Torrijos).

Another case which demonstrated high-level involvement of the Panamanian government in drug trafficking was the arrest of Joaquin Him Gonzalez, a notorious smuggler, who was director of international traffic at Panama's Tocumen Airport. Him Gonzalez was lured into the Canal Zone and arrested there, transported to Dallas, Texas, tried and convicted, as were the other Panamanians of narcotics trafficking charges.

The arrest of these four Panamanians, especially the arrest of Him Gonzalez, led to angry outbursts and propaganda campaigns on the part of the Panamanian government against the United States. U.S. narcotics officials were expelled from Panama and Panama Canal Treaty negotiations were slowed in the wake of the vituperative attacks of the Panamanians government. Allegations made to Committee investigators in a sworn statement recently indicate that Gen. Omar Torrijos personally led the campaign of protest over the Him Gonzalez arrest.

Corruption of Panamanian government

officials with respect to drug trafficking has been cited in several documents since 1972.

There is ample history in the Panama Canal Subcommittee report of 1972, in the proceedings of the House Select Committee on Narcotics Abuse and Control, and in various sworn and unsworn statements made by former officials of U.S. drug-fighting agencies that both the Department of State and the Central Intelligence Agency have imposed severe restraints on the ability of U.S. drug officials to operate abroad.

In addition to the many reports on activities of Panamanian government officials, the most recent of which are summarized in this report, there are a number of interests connected with Panama which have been connected both publicly and privately with international drug trafficking. According to recent press reports, for example, the World Finance Corporation, headed by a Cuban exile, named Hernandez-Cartaya, is a front for narcotics trafficking. The WFC made a loan to the Panamanian government in 1971. Additionally, occasional press reports have cited internationally oriented U.S. banks as the depositories of sums of money reaped from trafficking in narcotics. Also, the Banco Nacional of Panama is alleged to be a depository for a number of illicit transactions which have taken place, and which will be referenced in more detail later in this report. Banco Nacional of Panama, for example, is alleged to have been the ultimate depository of funds received for the ransoming of individual citizens charged with drug trafficking in Panama, and Banco Nacional of Panama has been named by elements in Colombia as a financing source for the planting and cultivation of marijuana, and has been the depository of government receipts from the gambling casinos in Panama. As will be indicated later, some of these receipts are alleged to be placed in the personal account of Omar Torrijos, and others in an X-numbered account.

SECTION III. PANAMA: A MAJOR CENTER FOR DRUG TRAFFIC

Panama is known as "The Crossroads of the World," and for centuries has been a major thoroughfare for people and schemes of all types. It is not surprising that the flow of narcotics in and out of Panama would be potentially great. In order to take advantage of its location, the Republic of Panama has established the Colon Free Zone on the Atlantic Side of the Panama Canal, and has made Tocumen Airport a major center for air traffic in Central America.

Allegations made to Committee investigators point toward the use of major transportation modes as vehicles for the transshipment of narcotics from Panama into the United States. The Colon Free Zone, a major trade center for all of Central America, which is under the jurisdiction of the Guardia Nacional of Panama and not of the Customs Service, is alleged to be a major transfer point for narcotics shipments. According to informants, narcotics are stored in television sets and electrical appliances for shipment to various places in the world. Through the Free Zone pass many appliances shipped from Japan to the United States through Panama, for example. On the piers adjacent to the Free Zone, transfer of major quantities of cocaine from various coffee sacks to other coffee sacks or various appliances is alleged to be accomplished. Recent chiefs of the Colon Free Zone have been identified as close associates of Gen. Torrijos. These chiefs are alleged to be directly involved in profiteering from contraband traffic.

At Tocumen Airport, where a great number of commercial flights from Latin America to the United States make interim stops, informants allege that narcotics have been taken off commercial flights and relayed to the piers and docks in the Colon Free Zone or to small private planes which then ferry the narcotics into various countries in Central America.

The Director of Civil Aeronautics for Panama has been identified by informants as heavily involved in drug trafficking, and has been seen involved in the exchange of narcotics. The airport director of Tocumen Airport is named as a close associate of the Panamanian Chief of Government and has been named as having been present in several meetings where narcotics trafficking was discussed.

There is some small plane traffic from the Republic of Panama to and from various countries in Central America. Some of the traffic is not cleared by Customs in other Central American countries, due to the unavailability of inspectors for all landing sites. Aircraft operated and piloted by members of the Guardia Nacional often go unchecked by customs officials in other Central American countries. Informants have told Committee investigators that officers in the Guardia Nacional have carried narcotics in small aircraft from Panama into Central America.

Finally, despite close surveillance by U.S. Customs authorities at the Panama Canal, many large ocean-going vessels passing thru Panamanian Customs are suspected of carrying drugs from Latin America into the United States. Narcotics can be placed aboard these vessels after the transit through the Canal. Additionally, banana boats loaded in Chiriqui Province in Northern Panama are cited by informants as a major mode of transportation for drug trafficking.

With respect to the opportunity for narcotics transshipment which is presented by the crossroads nature of the Republic of Panama, it is interesting to note the complex involvement of these modes of transportation in recent narcotics cases.

For example, Gerardo Sanclemente, a reputed major drug trafficker, arrested by the Panamanian G–2 in the summer of 1977, claimed in testimony to have had certain business connections with the Director of Civil Aeronautics of Panama. In the case in which Sanclemente was seized, suitcases of cocaine and money were transported back and forth between Medillin, Colombia, Panama and Miami, Florida.

SECTION IV. U.S. DRUG FIGHTING FORCES IN THE CANAL ZONE

The United States has been aware for some time of the strategic importance of the Isthmus of Panama in trafficking of illicit drugs. In order to interdict the flow of narcotics traffic into the United States and to provide intelligence valuable for State-side seizure of narcotics, drug-fighting forces have been concentrated on the Isthmus in recent years.

The Internal Security Office of the Canal Zone Government has a Narcotics Intelligence Collection Program. The Customs Division of the Canal Zone Government maintains close supervision of vessels and personnel which transit the Canal. The Drug Enforcement Administration has assigned Special Agents who operate with U.S. Customs officials in the Canal Zone and Panama. Finally, there has been some discussion of the possible placement of U.S. Customs officials with other drug-fighting officials at the Canal.

The presence of officials designated to interdict the flow of narcotics into the United States and to provide intelligence for State-side elimination of drug traffic has proven quite successful. For example, as a result of work done by the Canal Zone Customs officials, two cases involving the seizure of drugs worth about $27 million have been effected since September 1977. Intelligence has often resulted in seizures of cocaine and other drugs in Miami, FL and other ports of entry into the United States. Information on motor vehicles carried on cargo vessels destined for the United States has been collected by Canal Zone Customs, and has proved to be of major importance to U.S. drug-fighting authorities.

The missions of those officials tasked with the interdiction of drug traffic at the Canal include: (1) frequent inspection of marine vessels, including yachts, as well as cargo and passenger vessels; (2) reports on movements of vessels to U.S. ports when such vessels are suspected of carrying illicit drugs; and (3) cooperation with Panamanian agents to interdict trafficking in the Republic of Panama.

SECTION V. PANAMANIAN GOVERNMENT OFFICIALS AND THE DRUG TRAFFIC

Material brought to the attention of Committee investigators indicates that the ready availability of profits on narcotics trafficking may have proven all too tempting to various officials in the Panamanian government. In view of the serious allegations that investigators have heard concerning these officials, including allegations concerning the Chief of Government and members of his family, it is important to reiterate that the allegations are unsubstantiated for the most part, and must be vigorously investigated by the appropriate Congressional and Executive agencies.

The material that has been presented to Committee staff has been of special concern, because of the public, and perhaps hypocritical, position that the government of Panama has taken on drug trafficking. In October 1972 Col. Manuel Noriega, Intelligence Chief of the Guardia Nacional, claimed the desire that Panama become the enforcement center for fighting the drug traffic in Latin America. Subsequent to that statement, Col. Noriega has, time and time again, indicated Panama's strong support for suppression of drug traffic. From time to time individual Panamanians, or citizens of other countries who are in Panama, have been arrested, charged with drug trafficking, and incarcerated in the Carcel Modelo or in the penal colony of Coiba. The Foreign Broadcast Information Service on February 25, 1977, carried a report on the arrest of Anthony Hickey Di Lorenzo, a U.S. citizen better known as Novosak, one of the heads of world organized crime, as reported by Panamanian radio. Additionally, great publicity has been given to the arrest of Panamanian citizens caught with relatively small amounts of marijuana and cocaine.

The concern which staff investigators have concluded should be focused toward the involvement of Panamanian officials in the narcotics traffic results from the fact that the public position and statements of Panamanian leaders may be at extreme variance with a number of the allegations made to this Committee.

For example, there are disturbing charges that indicate that Panamanian officials have used a crack-down on narcotics trafficking as a pretext for extortion of large sums of money from individuals who are indeed drug traffickers, as well as from other individuals who may be innocent of such charges.

Luis Carlos Londono Iragorri was arrested in Panama in 1977 for narcotics trafficking, and later escaped via an aircraft and fled to the Republic of Colombia, a country of which he is a citizen. In an open letter in the Colombia newspaper *El Tiempo*, a letter written after his escape from Panama, Londono accused Panamanian intelligence chief Manuel Noriega of having extorted some $235,000 from him in order to obtain his freedom.

The practice of extorting large sums of money from individuals detained for narcotics activities is alleged to have occurred for some time. It is reported that two Peruvian nationals arrested for possession and transportation of illegal narcotics were also made subject to practices of extortion. After

the payment of $50,000 by each of these nationals, they were released.

There are several serious consequences which flow from the alleged practice of extortion by the Panamanian G–2. First, key individuals involved in international drug traffic are allowed to go free to possibly resume their illicit activities. Secondly, absent the payment of an extortion fee, individuals who have been arrested, whether guilty or innocent, are incarcerated, usually without trial, until a payment is made. If the allegations on extortion are true, it is a sad comment on the nature of Panamanian justice, as well as the sincerity of that government's attitude toward the drug traffic.

A second major reason why the actual practice of the Panamanian government with reference to the drug traffic is at variance with the strong public position results from the release of individuals who have been detained by Panama's Guardia Nacional on charges of drug trafficking. For example, Committee investigators have heard allegations that the son of a prominent Panamanian Ambassador was released from jail after being arrested on trafficking charges by the specific order of Gen. Omar Torrijos. In another instance, several years ago, it was stated that a Panamanian police official arrested an individual attempting to sell cocaine to U.S. military personnel in the Republic of Panama. When the police official called headquarters to report the names of the individuals detained, he was told by a higher authority to release the individuals because the detainees were in fact working for major powers in the Panamanian government.

In general, Subcommittee investigators have heard of numerous instances in which individuals detained on narcotics charges have been released solely because they were friends and associates or business partners of top officials in the Panamanian government.

Finally, with regard to the general leadership of the Panamanian government, if the efforts of those government officials had been more sincere and without ruse, the flow of illicit narcotics, especially cocaine, into the United States could well have diminished. The fact that the flow of drugs has increased in recent years is the result of poor enforcement and policy in many Latin American countries. But since Panama is a critical and strategic transshipment point for many goods and persons that come into the United States, a better enforcement effort possibly would have diminished the flow of drugs. There is no evidence that this is the case.

SECTION VI. THE TORRIJOS FAMILY AND DRUG INVOLVEMENT

Of particular concern to the interests and policy of the United States in connection with the flow of illicit narcotics are allegations of personal involvement of Gen. Omar Torrijos and the members of his immediate and distant family in drug trafficking.

General Torrijos has, in a tradition that accrues all too often in Latin American politics, appointed members of his family to key government posts, even if the credentials of those family members are not particularly distinguished.

The General's brother, Moises Torrijos, was the subject of a sealed indictment by a U.S. Grand Jury for the Eastern District for the State of New York. Moises has been Ambassador to Argentina and after having allegedly been forced from that position on narcotics trafficking charges, appointed Panamanian Ambassador to Spain. Presently he retains that title and is also Director of Treaty Information for the Government of Panama.

Hugo Torrijos is the Director of the Government Gambling Casinos. As this report will point out, Hugo is purported to be heavily involved in several illegal activities in Panama.

Marden Torrijos is Travelling Ambassador Extraordinaire for the Government of Panama.

Berta de Arosamena Torrijos is Director of Artistic Expression for the Government of Panama.

Several members of the very important Legislative Commission in Panama and other members of the government are related by blood or marriage to the "Maximum Leader," Gen. Torrijos.

As has been indicated, Moises Torrijos was indicted by a Grand Jury in New York on May 16, 1972. The basis for the sealed indictment was the role of Moises in the Rafael Richard-Guillermo Gonzalez case. If Moises Torrijos should enter the United States, therefore, he is subject to arrest. Possibly for this reason, even though he is Director of Treaty Information in Panama, Moises did not attend the Treaty-signing ceremony in Washington, D.C. on September 7, 1977. According to one witness, pursuant to the warrant for the arrest of Moises, plans were made to apprehend him when he entered the Canal Zone on a return trip from Spain in 1973. Moises Torrijos is the Panamanian Ambassador to Spain. According to the same source, as a result of warnings from either the Department or the Central Intelligence Agency, Moises left the vessel on which he was a passenger before it had arrived in the Canal Zone in 1973. U.S. officials have confirmed to the Chief of Government of Panama, Gen. Omar Torrijos, that a warrant for the arrest of his brother does exist in the United States.

To this date, no public attention has been focused on the alleged role of another brother of Gen. Torrijos, Hugo Torrijos, in the international drug traffic. It is possible that Hugo's role in drug traffic may be as serious as that charged to Moises.

Hugo Torrijos is the owner and operator of a bar in Panama called La Llave, also called the Golden Key. That bar in Colon is reputed to be known for its relationship to prostitution in the Republic of Panama, and it has also been alleged to be the location for the sale of cocaine in Panama. According to informants, Hugo Torrijos has a special relationship with certain well known drug traffickers in the Republic of Colombia and is the godfather of the daughter of one known trafficker. Personal relationships which Hugo Torrijos has with various drug traffickers include persons located in the United States who are directly involved in reaping proceeds from narcotics traffic. Accoring to some material brought to Committee investigators, there exists at least one company in New York City which has been set up as a front for the deposit of funds reaped from the narcotics traffic.

In the recent case of Gerardo Sanclemente, an individual claimed to be a major drug trafficker, and who was recently arrested in Panama, transcripts from his interrogation revealed that he had a close relationship to Hugo Torrijos. According to transcripts in the Sanclemente case, illegal drugs which were transported between Colombia, Panama and the United States were stored in Edificio Baccara, an apartment building owned by Hugo Torrijos, in which is maintained the office of the Department of National Casinos.

One witness went so far as to state that Hugo is a known cocaine user, and that he has been seen in the company of alleged Mafia members.

Committee investigators are presently following up an allegation that Hugo Torrijos was arrested in 1976 for possession of narcotics in a Latin American country other than Panama, and was released as a result of the personal intervention of Gen. Omar Torrijos.

SECTION VII. OMAR TORRIJOS, PANAMANIAN CHIEF OF GOVERNMENT

In discussing charges and allegations against the Panamanian Chief of Government, Gen. Omar Torrijos, the staff recognizes that even discussion of charges against a chief of government are most serious, and that many allegations can be lodged by witnesses on the basis of political opposition to the regime.

However, if the credibility of witnesses is established, then Omar Torrijos himself is culpable. Such culpability could include several instances in which his alleged actions would be felonious under U.S. law. These charges include the following:

1. Sworn testimony indicates that Gen. Omar Torrijos *personally* directed the campaign of pressure against the United States as a result of the arrest of Joaquin Him Gonzalez, Raphael Richard, Jr., and others, in 1971.

2. Despite charges made against Moises and Hugo Torrijos on different occasions, these two individuals have continued to enjoy high positions in the Panamanian government, and continue to have access to all of the privileges and powers which would facilitate their direction of an illicit flow of narcotics, e.g., diplomatic passports.

3. The General, in association with his close friend Rodrigo Gonzalez is said to have a visible or hidden interest in businesses which are used for transshipment of narcotics through Panama.

4. Omar Torrijos is also purported to have other business interests with individuals other than Gonzalez who have been named by informants as being involved very heavily in international drug trafficking.

5. Gen. Torrijos himself is said to be at least an occasional user of cocaine. Committee investigators have a statement from one individual who says he has seen Gen. Torrijos use cocaine. Use of that drug, of course, is a violation of Panamanian law, just as it would be of United States law.

6. One witness has stated that Gen. Torrijos was present in a room where a narcotics exchange was taking place.

SECTION VIII. RAMIFICATIONS OF THE PROPOSED TREATIES

Given the facts that the Republic of Panama has been a major point for the transshipment of illegal narcotics into the United States, and given the reports and allegations that have been accumulated which indicate that Panamanian government officials may have been promoting, and perhaps profiting by, the flow of narcotics, considerations in the proposed Panama Canal treaties relating to U.S. drug enforcement and intelligence on the Isthmus of Panama are especially important. Staff investigators can only conclude that the capability of the United States to interdict the flow of narcotics into the U.S., or to provide intelligence resulting in the seizures of illicit drugs in the U.S., will only be diminished under the terms of the proposed treaties.

Under the proposed treaty arrangement, general jurisdictional authority in the Canal area reverts to the Republic of Panama. Accordingly, since trafficking in drugs is an offense under the laws of Panama, and since Panamanian citizens will be in all facets of Canal operation, it is likely that those programs of narcotics intelligence, collection and interdiction presently under the Canal Zone Government will cease.

All customs authority, since that is a part of jurisdictional authority, reverts to Panama under the proposed treaty arrangement. Not only will this preclude the United States from inspecting vessels which transit the Canal, but if any U.S. citizens apprehended in the Canal area by U.S. or Panamanian police are charged with trafficking in drugs, those individuals must be turned over to the Government of the Republic of Panama un-

der the terms of Paragraph 19(4)(b)(ii) of the Agreement in Implementation of Article III of the Panama Canal Treaty.

Committee staff has attempted, without success, to determine the reasons why trafficking in drugs was included with the crimes of murder, rape, robbery with violence and crimes against the security of the Panamanian State, as matters upon which the Republic of Panama would not open itself to waive its jurisdiction to the United States of America under appropriate request.

In summary, it seems reasonable to conclude that the magnitude of narcotics smuggling into the United States would have prompted a concern on the part of our negotiators for provisions in the treaties relating to narcotics interdiction, intelligence and seizures. However, at this time there is no evidence that this was a concern of the negotiators or, if it was, such concern was not a high enough priority to merit inclusion in the final treaty documents. It is suggested that if the United States wishes to have credibility in the eyes of the world as to its intention to stop international drug trafficking, then there ought to be some related agreements with the proposed Canal treaties that maintain U.S. authority with respect to drug-fighting efforts.

We cannot stress enough that the information Committee investigators have received to bring about this report comes from sources whose reliability and credibility is unknown. We can neither confirm or deny the charges made. However, we feel that these charges are so serious that they require immediate and extensive investigation. It is our own belief, however, that some credibility should be attached to these statements, in view of the possible personal risks to the individuals who have come forth voluntarily. We were impressed with the specificity and the sincerity of the witnesses we heard.

Specific statements which are the basis for generalizations made in this report are in the Committee's files. We remain available to review the relevant documents with you and with other proper authorities.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. BAYH. I promised the Senator from Illinois that I would yield him 2 minutes. and then I will be glad to yield to the Senator from Maryland.

Mr. PERCY. May I have 3 minutes?

Mr. BAYH. I yield.

Mr. PERCY. Is the Senator from Maryland in a hurry? He may precede me, if he wishes.

Mr. SARBANES. I simply wanted to respond to the Senator from Michigan.

Mr. PERCY. I also was going to respond to the Senator from Michigan.

Mr. SARBANES. All right.

Mr. BAYH. Before the Senator from Illinois proceeds, as soon as he and the Senator from Maryland are through, I would like to respond in some detail to the information presented to the Senate by the Senator from Nevada. I would like to get some staff here, to see if we could find him. I would not like him to think I was trying to do that intentionally in his absence.

Mr. PERCY. Mr. President, having listened to part of the colloquy this morning, I think it is unfortunate that more Senators are not here to hear it. The questions have been penetrating. It has helped us better understand some of the report language that we have had presented to us, and I think a service has been performed by the Senator from Michigan.

Certainly, when the question comes up of drugs and the attitude of a country toward the drug problem, it differs by countries. There is no question about that. There has been a heightened evidence of concern around the world by all governments, and it has only been of recent vintage in some governments.

From the best information that I have obtained, directly from Peter Bensinger, yesterday, as I mentioned on the floor of the Senate, in recent years the Government of Panama has cooperated in much greater degree than before; and he is satisfied that that level of cooperation is constantly improving. I cited the number of arrests that have been made—43—the number of convictions, and so forth.

When we think back, it was only a few years ago that our own American Ambassador had to exert extraordinary pressure upon France to break up the French connection. It was Ambassador Dick Watson who was given tremendous credit for accomplishing that; but before that, it was much more a lower priority matter for the Government of France.

So, too, today we have tremendous problems with drugs. When we consider Mexico, a great portion comes through Mexico, yet a friendly nation with which we do not hesitate to do business, conduct business, and we just signed a treaty with them on prisoner exchange. We did not hesitate to do so. We never questioned their motivation with respect to drugs. And I think we have to then put into perspective again that this is a problem. We all condemn dealing in drugs. We are doing everything we can to elevate the level of pressure on governments, including the Government of Panama, but we cannot say that it is perfect almost any place.

From the standpoint of whether or not we have here a government dealing with someone who has allegedly committed illegal acts, we have evidence in this country that diplomatic passports are issued to certain people close to the White House against whom allegations have been made of illegality, and yet there is no real cutoff, and no government is refusing to deal with us or an agreement because there is some confusion as to whether someone close to the President of the United States has been involved in any alleged illegal activities.

We are not totally free from that kind of problem ourselves, nor were we at any time during the Watergate scandals when we had high officials in the White House involved in admittedly then illegal actions. Countries did not really cut us off.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Mr. President, will the Senator yield me 1 additional minute?

Mr. BAYH. I yield the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. PERCY. Finally, I would like to say with respect to the brother of General Torrijos, I think we are concerned about his attitude toward that situation and have deeply probed into it, but we should take into account the fact that we have had some problems ourselves. David McCullough, whom I ran into yesterday in the hall, the author of "The Path Between the Seas," pointed out to me that Thomas Jefferson had a nephew who was mentally unbalanced and who was involved in a double murder. These facts did not prevent Jefferson from going ahead with the Louisiana Purchase, and no one disputed the credibility of our Government and our ability to go forward.

What we are dealing with is a government and a people, and we cannot just throw away the work of 14 years because we have some problems with some of those people. Really, in a sense, we are dealing with the entire Panamanian people and future governments, and we are trying to make a deal that will be in partnership with them that will cause them to want to work with us in partnership rather than develop an air of hostility, evidence of which we have seen in the past and certainly could break out again in the future.

But I want to commend my distinguished colleague from Michigan for the eloquence of his arguments and the penetrating nature of his questions.

Mr. President, I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I want to respond to the Senator from Michigan with respect to the treatment of accused U.S. citizen employees or dependents. What I understand the implementing agreement in effect does is to treat drug trafficking to be handled as a serious crime of the order of murder, rape, and robbery with violence. The people the Senator is talking about are American citizen employees or dependents who have been arrested by the Panamanians and charged. In those instances, according to the agreement, they will not automatically turn them back to the U.S. authorities. My anticipation——

Mr. GRIFFIN. The other situation is if they are arrested by the United States as well. That is in another implementing agreement.

Mr. SARBANES. Will the Senator cite me to that provision, because the provision I am reading to him now is a provision that says that if they arrest and accuse American citizens of these very serious crimes in those instances they will not automatically turn them back to U.S. jurisdiction. My expectation of that is that it means for American citizens or dependents, as it were, a more serious perception or the possibility of stiffer treatment with respect to drug trafficking. These are people who have been charged with it and they are not going to turn them back over.

Mr. GRIFFIN. To be specific, article IV of the agreement in implementation of article IV contains one provision dealing with the apprehension of Panamanians, I think, by the United States, and the other one, which the Senator is referring to now, is in Article XIX of the agreement in implementation of article III. But the point is that the — -

Mr. SARBANES. Could I have those again?

Mr. GRIFFIN. Yes.

Mr. SARBANES. What I cited to the Senator was article XIX.

Mr. GRIFFIN. Yes, of the agreement in implementation of article III.

Mr. SARBANES. That is correct.

Mr. GRIFFIN. That is correct.

Mr. SARBANES. Dealing with criminal jurisdiction, and that is the article that——

Mr. GRIFFIN. There is another agreement in implementation which is the agreement of implementation of article IV, and the pertinent provision in that one is article VI.

Now, then, maybe the Senator is satisfied that the Panamanian Government will be more vigorous and effective in their prosecution of those accused of drug trafficking than would be the case of the United States.

Mr. SARBANES. Wait. These are American citizens and dependents.

Mr. GRIFFIN. Right.

Mr. SARBANES. Who have been charged by Panama.

Mr. GRIFFIN. Right.

Mr. SARBANES. So it is simply a question then in those instances they are not going to turn them back over.

Mr. GRIFFIN. I would assume in many of those cases if there are such individuals, they would be in collaboration and working with people in Panama to accomplish their end.

Mr. SARBANES. Of course, the general experience in Latin America has been in those instances where Americans have been charged, which is what we are talking about here, by Latin American countries, our Government and many Members on the floor of this Senate have tended to take the position that they have been too severely and harshly charged and dealt with. We are now talking about the Americans who have been arrested and charged, and I think generally speaking the perception has been or at least certainly the contention has been made that as to Americans, the treatment they have received in Latin American countries is to charge them too heavily and deal with them too severely. Whether one agrees with that or not is a different question, but I do think that has been the general question.

Mr. GRIFFIN. No. If the Senator from Maryland believes it is better and more effective for the Panamanian Government to prosecute U.S. citizens charged with trafficking he is entitled to his opinion. I do not think so.

The Senator will notice in those two provisions both with respect to Panamanians that we apprehend and with respect to U.S. citizens that we apprehend, if there is such a charge of drug trafficking or crimes against the security of the country of Panama, we must immediately turn them over. They go over.

I do not think that is, in my humble opinion, is going to strengthen and reinforce our efforts to deal with the problem of drugs. This is my opinion. I respect anybody else who has a different opinion.

Mr. SARBANES. We are clear that all of these provisions deal with Americans.

Mr. GRIFFIN. Does the Senator think that we are able to keep Panamanians in custody if we apprehend them?

Mr. SARBANES. No. I want to make it very clear that my own perception is that Americans are not going to receive favored treatment from Panamanians and that the inclusion of this criminal offense, along with the others, reflects the seriousness of it. Therefore, as far as dealing with Americans is involved in this practice we may, in effect, have a much more severe treatment which has generally been our experience in Latin American countries.

Mr. GRIFFIN. Let us make sure we do not get off the track. What we really do here, of course, is we deprive ourselves of the right of inspecting vessels. If we do apprehend anybody who has been engaged in drug trafficking, whether he is Panamanian or United States, we immediately have to turn him over to the Panamanians.

Mr. DOLE. A good point.

Mr. President, I am certain the staff is prepared at this point to go through the list of file numbers and respond to questions.

I understand Senator LAXALT will not be available for another 20 or 25 minutes. We might be able to take care of the questions of the Senator from Kansas if the chairman is prepared to proceed at this point.

Mr. BAYH. Yes; I will be very happy to respond to the many questions of the Senator from Kansas.

Mr. DOLE. I think as we discussed last evening to save time and be more responsive the Senator from Kansas had already given the chairman a list of the file references, DEA file references, starting with GI720142, and then the staff prepared responses to those and if they are in writing we can look at the written answers or if they are going to be short oral answers we can do it that way.

Mr. HART. Will the Senator from Kansas yield for a question?

Mr. DOLE. Yes.

Mr. HART. I spent a considerable amount of time yesterday auditing these proceedings, and almost none this morning. I think we can take some significance from the attendance or nonattendance here today as to overall general Senate interest in this topic, perhaps. I have about as much interest in it, I think, as any other Senator, but that interest, of course, is conditioned by other requirements and other interests, too. I am just wondering if the Senator from Kansas could enlighten me, for one, about where this is going, and the relevance generally of it to the narrow question of the connection of drug-related activities to the merits of the treaties and the general overall issue of passage of the treaties themselves. This is a point of inquiry.

Mr. DOLE. Right. Let me say to the Senator from Colorado, we have had as high as 70-some Senators present, to a low of—I think late yesterday evening it was around 20 or 25. Like the Senator from Colorado, I had four committee meetings this morning. But I think there is a great deal of interest, and I noted that those present on the floor yesterday were probably in the category of yet undecided. Some who have made up their minds to vote for the treaties could not care less about this, and maybe some who have made up their minds not to vote for the treaties could not care about it, but I noted some whom I had considered in the undecided category were here listening.

The Senator from Kansas has never suggested that somehow—I do not have the facts to suggest it—the drug traffic may have affected the negotiations, but I do suggest that it affects the credibility of the Panamanian leaders. I think it is relevant from the standpoint that we are dealing with the country of Panama, and really we are dealing with the leader of the country of Panama. If he has turned his head the other way while members of his family and members of his government have been engaged in drug trafficking, or if in fact he has shared in the profits, I want to know that before we vote on the treaties.

Notwithstanding what the Senator from Illinois has said, we are going to turn over vast amounts of property worth vast sums of money, really to Omar Torrijos. He is the government of Panama. If we are going to spend, according to Senator STENNIS, several billion dollars, I do not want to send it to prop up that kind of a leader. It seems to me we have a right to make a judgment based on all the facts, and that is how I view its relevance.

Mr. HART. If the Senator will yield further, I hope the Senator's concern, and I believe it to be genuine, will be equally great, when it comes time to negotiate a base agreement with the Government of the Philippines, over Mr. Marcos and some of his activities, where much the same circumstances apply.

[Class. deleted.]

Mr. DOLE. I can only say that each of these files, or a number of these files, somehow relate to General Torrijos and drug trafficking. The Senator from Kansas, at least on several occasions, has said he was satisfied with the answers of the committee chairman; and so far as I was concerned, the matter was resolved. If the Senator from Kansas is fully satisfied after this exercise, I will say so publicly, and I hope that will resolve the issue in the minds of some of the American people. We analyzed our mail from Kansas, and 48 percent of those opposed to the treaties were opposed because of Torrijos. I want to try to get it all on the public record, and satisfy the American people that there was no involvement of Torrijos.

Mr. HART. I hope if that happy event occurs, that will take care of 48 percent of the mail. I somehow doubt that it will.

Mr. DOLE. I do not know. But we respect our constituents, and of course they vote for us. We think their judgment is very good, and when they tell us eight to one the treaties are no good, I think sometimes we ought to listen to the people who send us here.

Mr. HART. Maybe that is conditioned by what the Senator from Kansas says. I would think that we would respect the judgment of the people who sent us here.

Mr. DOLE. We may think they are mistaken. We have had a good deal of editorial comment in the last several hours, but we have not had many facts in the record. That is the purpose of this line of questioning.

It is already in the public domain I understand in the sanitized version that Torrijos knew about his brother's activities and the activities of government officials in drug trafficking. Whether that is involvement I guess, depends on your definition. Whether that should affect our votes on ratification of the treaties, I suppose, depends on our judgment, and I hope it will be the right judgment, whatever we decide to do.

(Mr. SARBANES assumed the Chair.)

Mr. BAYH. The Senator from Indiana is prepared to respond to questions. If the Senator has no objection, I think some information that the Senator from Iowa (Mr. CULVER) has would be relevant to the dialog about the cooperation with Panama in the drug trafficking area, concerning which the Senator from Michigan and the Senator from Indiana had a colloquy a short while ago, and, if the Senator from Kansas has no objection, I would like to yield to him.

Mr. CULVER. I thank the distinguished chairman for yielding, and I appreciate this opportunity to share with the Senate on this occasion testimony that the Subcommittee to Invesigate Juvenile Delinquency of the Senate Judiciary Committee received approximately 10 days ago in the course of our hearings which were focused on the United States-Mexican drug traffic problem.

In the course of those hearings, I had the opportunity to pose the question to Mr. Peter Bensinger, the head of our Federal drug enforcement agency, as to whether or not that agency had provided the Congress and the appropriate committees with all the information in their possession on the Panamanian drug issue, and he gave me assurance that in fact had been the case, and we had these other situations where he had briefed the leadership at an earlier time on some of these matters when they were originally raised.

I further asked the Director what had been the relationship generally with Panama with regard to our mutual efforts to have effective drug enforcement.

I can provide the exact colloquy for the RECORD, but it is my distinct recollection that he replied that, on balance, it has been generally good.

Subsequent to that hearing, I also asked for some examples of cooperation between officials of the U.S. Government and the Panamanian officials in bringing about more effective control of drug traffic.

I have been provided with some eight cases dating back to November 1975 where there have been some successful drug raids, seizures, and other mutually successful efforts in this endeavor.

One of these cases was on June 9, 1977, when reportedly Panamanian officials seized 145 pounds of cocaine at Tocumen International Airport. Twenty-one persons have been arrested in this case, including the husband of one of General Torrijos' nieces. They have given other cases and the amount of seizures involved.

I ask unanimous consent to have this printed in the RECORD at this point.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

On November 18, 1975, Panamanian authorities, in cooperation with the Drug Enforcement Administration, seized one kilogram of cocaine from two defendants in Panama.

On March 17, 1976, GOP Customs Agents at Tocumen International Airport in Panama, seized approximately 4½ kilograms of cocaine HCL from one defendant. The cocaine was concealed in a double-walled Samsonite suitcase. Defendant arrived in Panama from Barranquilla, Colombia, and was traveling under a false Venezuelan passport.

On March 27, 1976, Panamanian authorities, in cooperation with the Drug Enforcement Administration, seized approximately 5.5 kilograms of cocaine from two defendants at the Panama City Airport in Panama. The evidence was contained in a double-walled Samsonite suitcase and was part of 15 kilograms of cocaine destined for the United States. (Ten kilograms were seized on March 29, 1976).

On February 15, 1976, Panamanian authorities, in cooperation with DEA, seized approximately 1½ kilograms of cocaine from four defendants.

On June 16, 1976, GOP Customs authorities seized approximately 9½ kilograms of cocaine HCL at Tocumen, Panama, from two defendants after they arrived from Lima, Peru.

On June 9, 1977, Panamanian officials seized 145 pounds of cocaine at Tocumen International Airport. Twenty-one persons have been arrested in this case including the husband of one of General Torrijos' nieces.

On September 6, 1977, Canal Zone Customs seized 5 kilograms of cocaine on a vehicle being shipped to Panama from South America. One of the recipients was located in Panama and was expelled by Panamanian officials to the Zone for prosecution.

On January 16, 1978, Panamanian officials seized 1½ kilograms of cocaine (part of a 24 kilogram shipment) in Colon, Panama. Sixteen persons have been arrested, some of whom are Panamanian Air Force personnel who were involved in a major cocaine smuggling ring.

Mr. CULVER. Let me further say that we are all very much aware, speaking as the chairman of the subcommittee which now has jurisdiction over this agency, that we have, of course, a continuing challenge, not only in Central and Latin America but in other parts of the world, such as in Turkey and in the Golden Triangle, to bring about the best cooperation possible in the mutual effort to curtail this traffic.

It certainly goes without saying that we have never been satisfied, in virtually any situation where we have been mutually involved, that greater and more vigilant efforts would not be possible.

It is one of the tragic aspects of the drug trade that it is such a multibillion dollar enterprise, of course, that it lends itself to corruption of the most pervasive character. We know that problem exists in our own society with the efforts of law enforcement to better control it. We even have people active in law enforcement working continually to make sure that efforts to penetrate and compromise the ability and integrity of our own activities in this regard are not successful. Of course, this is also a general problem in Latin America, in Central America, in Mexico, and wherever else in the world we have occasion to operate with other countries to try to more effectively attack this grave problem.

I did wish to share with the Senate today this piece of information which was made available to our subcommittee. I think we are all agreed that we need far more vigorous and successful mutual efforts, not only with regard to Panama but with regard to every other situation where this is a matter of great concern. I thought it perhaps would be of value to have these particular cases placed in the RECORD at this time.

Mr. DOLE. As a matter of inquiry, are they part of the public record in your committee?

Mr. CULVER. These are not, I will say to the Senator from Kansas, part of the public record of the committee. The question was posed, "What has been the nature of your experience with the Panamanian Government with regard to cooperation?" We had been talking about Mexico and the degree of cooperation about some of the problems and succeses with regard to the eradiction and enforcement program.

The response from Mr. Bensinger was that cooperation was generally good. It was only subsequent to that that I asked for documentation of cooperative efforts in this regard. That is the source of the list of cases I have provided for the RECORD.

Mr. DOLE. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield myself 5 minutes.

Are we prepared to proceed? Can it be done with a short comment on each one of these points?

Mr. BAYH. The Senator from Indiana has discussed this with his staff. I want to compliment them because they have also been working over the past few nights. As a result of our discussion last evening I asked them to go over the files and give us a succinct analysis of what is in each one of the documents. We do have that and can go through it in any way the Senator from Kansas desires. The Senator from Indiana has no objection if the Senator wants to sit down and read them. However he wishes to handle this would be fine with the Senator from Indiana. We can proceed as he desires.

If the Senator has no objection and if he would yield, I would like to make a brief addition to yesterday's comments regarding the DEA Study of Illicit Morphine Traffic in South America in 1973–76. That was a rather voluminous document given to us only yesterday.

Mr. DOLE. Maybe I can reserve the remainder of my time. While you are doing that for the RECORD, I might look at some of the responses and we might save some time.

Mr. BAYH. That is fine. May I suggest that I finish this addition and then perhaps make just some opening references to all the files. Then the Senator from Kansas can proceed as he sees fit.

The document that I just referred to was made available to us yesterday. In reporting the substantive passage regarding Panama, which indicated that the Government of Panama was believed to have identified and shut down a heroin laboratory, which was information which was available in another file, and our attention being directed to it, I

believe, by the Senator from Kansas, I indicated that there was no reference in the report to General Torrijos.

I want the RECORD to show that what the Senator from Indiana meant was that there was no information in that document that had not been previously made available to the Senate Committee on Intelligence, which had not been studied carefully, and which was not a product of our assessment of the documents that are available in the committee.

There are two references.

I should point out that Moises Torrijos and General Torrijos are referenced or are listed in a long appendix, 58 pages of names. Those two names are listed. They are cross-referenced to DEA intelligence files. These files had been previously checked and analyzed by the committee and had been evaluated. They were part of the product of our report.

I want the response of yesterday, which was a quick "no," and which did not take into account the full and complete consideration it deserved at that time, to be corrected.

I really appreciate the concern of the Senator from Kansas. Without trying to look into all the intricacies of that concern, I suppose that both of us share similar concerns about some of the things which are alleged or which we know to be going on down in Panama which do not conform to the standards of running a government that we are used to in this country.

(Mr. FORD assumed the chair.)

Mr. BAYH. So the responsibility that is imposed upon us as an Intelligence Committee is one that is not to try to ascertain the pluses or minuses of the morality or immorality of every transaction that occurs, nor to suggest that because it is not of certain consequences, it is not important enough for us to consider. Our responsibility is to make available to the Senate all the information we have that is in the area of our commission here, drug trafficking of the Torrijos family and government officials down there, and then let the Senate mention that.

This list of files—or documents, I think, is a more accurate way of describing most of them—is a rather significant list of 46 different pieces and types of information. I thought it might be helpful, in describing the difficulty of the challenge that the Senate Intelligence Committee tried to deal with and the difficulty of analyzing this and making it available to the committee, and, indeed, the folly of taking everything in those files at face value, it could best be capsulized by just touching on a few of the specific examples of files and pointing out the kind of information contained in many of them.

Just to show the range of materials contained in these files, I will summarize a few of them: File No. M–1700072 contains intelligence regarding Joaquin Gonzales, discussed here as Him Gonzales. This material was fully summarized in our report yesterday and has been discussed at length here on the floor. [Class. deleted.]

GF Cuban System file is a general file on Panama. GF Omar Torrijos is a general file on Omar Torrijos. These reports led to our statement that General Torrijos had been accused of being a drug customer. Those were the accusations. They had not been corroborated, they were not significant, but those general accusations were significant enough that we thought it should be pointed out in our report to the Senate and contained in the sanitized version and made public, that the accusations had been made.

The G. F. Martinez, Roberto file states or contains two cables. The first asked for information on Mr. Martinez, who is alleged to be Chief of Staff of General Torrijos. The second cable, in reply to the first cable, states:

[Class. deleted.]

Several files contain uncorroborated accusations by political opponents of General Torrijos, exiles who have been involved in attempted coups or who are planning assassination plots against Torrijos. So we are trying to deal with how credible—the Senator from Kansas, the Senator from Indiana, all of us want to deal with this on a credibility basis. I think we have to understand that the background, the axe to be ground by each accuser or source, is something that we have to give serious consideration to. Such political motivations—or, excuse me, possible politically motivated accusations, I think, is the best way to describe that—are found in the G. F. Panama file, the SGI 0036 and GI710060 files, also in the G. F. Panama 0660 file, and the G. F. Torrijos Herrera Omar file, and the G. F. Ramiro Rivas file, which was discussed at some length.

We described the grand jury testimony that we got, the bank records, the threefold exaggeration of the size of the bank account we discussed yesterday; and also, the DEACON 1 file.

Going further to show the kind of information we are trying to sort out, file No. GFZB–758003 contains information provided by a fugitive accused of operating a stolen car ring. The information contained and the information given, the statements given by this fugitive are to the effect that, first of all [class, deleted].

Now, that is not exactly what you would call the most believable of stories. Yet it is contained in the information, and I think it is important to point out that this kind of information is involved in these files.

Finally, I should like to point out to my friend and colleague here from Kansas that on the long list, or the list of 46, there are 18 entries which either have erroneous numbers or which had been combined with another file request, previously made by the Senator, and that none of these 18 entries contained any reference whatsoever to General Torrijos. Now, if he would like, I shall be glad to ask our committee to go into those files and capsulize them in a fashion that would be acceptable to the Senator from Kansas, but we need to know that that is the substance of those files.

I yield to the Senator from Kansas.

Mr. DOLE. I am just trying to think of the best and the quickest way to find out if there is anything of substance in any of the files. I know there is a horror story, just related to. That is true in anything we deal with around here; we can always pick out a few examples. I know you do not want to defend Torrijos and I am not here to defend Torrijos. I just want to find out what the facts are. If there are 18 numbers here that are not relevant, that takes care of 18 of the files, as far as I am concerned. If you will just list those in the report—G.F. so and so—with no reference to Torrijos, that is fine.

The others you alluded to, I guess if we just have the numbers, that would take care of nearly half the files at the outset.

I guess my question is, are there any of these files that have any credible information? I do not want incredible information.

Mr. BAYH. Would the Senator like for us to just quickly go through some of these?

Mr. DOLE. Sure.

Mr. BAYH. He is free to sit down and read them, but if he wants me to read them, and if there is any response—it is all available to him.

Mr. DOLE. I think we have narrowed it down to only a few, have we not, that are of any substance at all? If you are prepared to say that none of them have any substance, I will accept that.

Mr. BAYH. No, I am not prepared to say that at all. I am prepared to say that none of those files can provide us with any new information that was not contained in the analysis and report that was made to the Senate yesterday and that has been released publicly.

I can say further that all of those files have been at the disposition of the committee prior to the request of the Senator from Kansas.

We had to dig them out. They were not files. Most of them were individual documents.

Mr. DOLE. Let me say, this list has been widely distributed. I think it has about the same circulation as some of the daily newspapers. It was on television. It came to everybody. So it is no big secret.

I do not know where it originated, but somebody must have had some little knowledge about how things were filed at DEA.

But maybe it is just as quick to go down the list, or whatever.

Mr. BAYH. That is fine.

I think perhaps instead of going down the list in order, that perhaps in an effort to be as candid as I can be and have tried to be, perhaps the place to start is with the document that I feel makes the most serious allegations. Then we can go back. That is somewhere down on the list. That is the [class. deleted].

Mr. DOLE. Is that the last file on your list [class. deleted]?

Mr. BAYH. Yes. That is the beginning of the second column there.

Mr. DOLE. Right.

Mr. BAYH. So instead of going through it and maybe running out of time before we get to the juicy one, let us start with the juicy one.

Let me just try to make an explanation, then we can proceed as the Senator desires.

[Class. deleted] was an extremely sensitive DEA operation that was directed at narcotics trafficking within the Cuban exile community in Miami. [Class. deleted.]

The purpose of the operation was to attract Cuban exiles who might be narcotics traffickers for the purpose of interrogation and arrest. It was part of the drug effort—or the antidrug effort.

The information mentioning the Torrijos family or Panamanian officials was obtained from Panamanian and Cuban exiles in Miami who were also engaged in a plot to overthrow the existing governments of Panama and Cuba.

The operation was terminated in 1974 because it failed to produce sufficient information to support narcotics enforcement efforts.

As far as whatever our narcotics people thought was there, it was credible and substantive enough to continue it over the last 3 or 4 years.

Now, before getting into the substance, which I shall, and there are some very juicy allegations there, I think I should first point out that this [class. deleted] is a good example of the difficulty of assessing intelligence and the absolute indispensability, if we are to make a value judgment on this floor, of looking at who said what to whom and under what circumstances and what their background might have been.

We are talking about raw intelligence data, uncorroborated, and we are talking about sources that I think, by any objective judgment, whose credibility can be questioned.

The PRESIDING OFFICER. Would the Senator allow the Chair to ask a question? We have a time limit here and the Senators are just having a colloquy between each other. We would like to have some judgment between the two distinguished Senators as to how we should charge the time.

Mr. BAYH. As far as the Senator from Indiana is concerned, neither one of us is going to run out of time. We will try to pursue this.

The PRESIDING OFFICER. The Senator from Kansas only has 7 minutes remaining.

Mr. BAYH. Why does the Senator from Indiana not——

The PRESIDING OFFICER. All of it be charged against the Senator from Indiana?

Mr. BAYH. Yes, until he gets down to 7 minutes.

The PRESIDING OFFICER. Until he gets down to 7 minutes, and then we will make them equal. We will proceed on that basis.

Mr. BAYH. We do not know how much time remains.

The PRESIDING OFFICER. The Senator from Indiana has 41 minutes. The Senator from Kansas has 7.

Mr. BAYH. Why not give us 20 minutes out of my time?

The PRESIDING OFFICER. Well, we have sufficient time, we will take it from yours until we get to the Senator's.

Mr. BAYH. I yield 20 minutes out of my time.

The PRESIDING OFFICER. Very well.

Mr. BAYH. Let me emphasize that [class. deleted] was raw intelligence data. Opinion. There is only one single identified source. One person who is responsible for all of the raw intelligence in the [class. deleted].

The source is a DEA informant [class. deleted] with ties to the Panamanian exile community in Miami.

This source was a participant in an anti-Torrijos organization headed by exiled Panamanians, Jose Valez and Frederico Boyd. His relationship with DEA was terminated in 1974 with the closing of the [class. deleted] operation and DEA did not take advantage of his services thereafter.

I think it is important to note that the DEA agent who handled this source notes in the terminating document, and I quote, there is no question about the aspirations of the Valez-Boyd group, or the extent to which they are willing to go. It should be taken into consideration that the group could possibly be conducting a provocation operation with this source by making certain information available to him to see if any action is taken on the information by U.S. Government authorities.

That is not the assessment of the Senator from Indiana who looks at a design to overthrow a government, but that is the assessment of the handling agent whose name I do not know, but who is listed in the document if you would care to dig it out here, about the possible shortcomings of the only source that provides information in this file.

Perhaps I should point out further that Federico Boyd is an exiled former national guard officer who was and has been lobbying the U.S. Congress against the Panamanian Government.

Boyd hoped to overthrow the Torrijos government and then to take over as head of the Guardia Nacional.

In 1974, just before [class. deleted] was terminated, Boyd informed another DEA undercover agent—this was another intelligence source—of his plan to take the Government of Panama by assassinating Torrijos and perpetrating a revolt by the Panama National Guard.

Now, that gives background of the raw intelligence which is as follows, the following raw intelligence, the accusations or allegations are made.

[Class. deleted.]

[Class. deleted.]

[Class. deleted.]

We do not know who that one member is.

Source of the allegation against the Cuban is not mentioned. Therefore, its reliability cannot be assessed.

Four. and finally—not, not finally—four [class. deleted].

[Class. deleted.]

I think we have dealt with that rather specifically yesterday.

[Class. deleted.]

I emphasize by my voice inflection "insists" because the intelligence assessment indicates that every time this source shows up to his contact, he keeps coming back insisting in a manner which forewarns the person handling the information that this could be a disinformation effort to try to get the wrong kind of facts back to our Government.

[Class. deleted.]

We have no other intelligence that corroborates this allegation. It should be noted that Castro's movements are of great interest to our intelligence community.

We are probably a lot more concerned about where Castro goes and what he does than about Torrijos. [Class. deleted.]

[Class. deleted.]

Here, again, this is an allegation overheard by this one source, and we have nothing else that substantiates that.

That, I think, is a rather specific summary of the [class. deleted] which, by my assessment, makes the most damaging allegations, if one is to consider them at face value.

Mr. DOLE. There is some information that there was a file on Cardena Sergio and others which has been backdated to August 12, 1974; that it contains a 6-page report on [class. deleted] activities in New York while at the United Nations. We understand that [class. deleted]. Do you have any information on that particular file or portion of a file?

Mr. BAYH. I am advised by staff that the same information I just referred to [class. deleted]—the same information which was contained in [class. deleted] was also included in the file just referred to by my friend from Kansas. The source of that information is the same. It would have the same credibility rating in both instances.

Mr. DOLE. I think the date would be helpful, if you have a date on that.

Mr. BAYH. This is the same information. I read it the other night. This is the same document that was called [class. deleted]. Two days later, it was typed identically or reproduced and put in the files. There are the numerous allegations that the Senator from Indiana just referred to.

Item 5 on that list is the only item that refers to [class. deleted]. It is the same material, and it is only one item.

Mr. DOLE. Is that in 1974?

Mr. BAYH. Would you like me to read the summary of that specific allegation?

Mr. DOLE. No. I think you have covered it. I do not want you to read it. Is that date 1974? Is that about the date?

Mr. BAYH. August 12, 1974.

Mr. DOLE. That is a six-page report on [class. deleted] activities in New York?

Mr. BAYH. No. All these other things I mentioned in [class. deleted] are contained in that particular file.

Mr. DOLE. But there is supposedly a 6-page report on his New York activities.

Mr. BAYH. It is the 6-page report that has references to [class. deleted].

Mr. DOLE. I see. It is not just New York activities.

Mr. BAYH. The small paragraph 5 relates to what I mentioned a moment ago, about Miami to New York.

Mr. DOLE. I am satisfied with the report on DEACON 1. Are there any other files that have any substantial information?

Mr. BAYH. Let me start briefly, and the Senator can stop me any time he wishes, and he can feel free to take this in the other room and read it, because it has been available to both of us; but we have been very busy doing other things,

and it is understandable why he has not had a chance to examine all these things.

Let us look at your first request, GI-72410, concerning Ralph Serrano. Serrano, as I recall the file, is suspected of being a rather heavy drug trafficker.

A woman who I think the report says is used by Serrano—I will leave to the Senator from Kansas his interpretation of what that means in the intelligence data, raw or otherwise—identified only as Bonita, was introduced to DEA agents by an attorney for the defendant in another case. In the process of discussing life in general with this agent, she alleged knowledge of a Ralph Seriano [class. deleted].

Mr. DOLE. That probably would fall in the category of no substance, so far as I am concerned. If there are a number of those, we could just say, "No substance."

In other words, I accept the committee's effort. Maybe some of these we could discuss in open session, because we are going to run out of time in the closed session in exactly 32 minutes. If there is no substance, there is no substance. That is the end of it.

Mr. BAYH. I would hate to make that specific judgment and have the Senator from Kansas automatically accept it.

There is nothing in these files that has not been accurately described in the report. Whether it is in the files of others—I have not gotten through all the assessments here; but if we have had accusations that specifically accuse the general of doing this, in our report we point out that they are accusations, and we point out that they are uncorroborated, from a single source, lacking credibility—but we thought we owed it to the Senate and the American people to at least include that in our report.

Mr. DOLE. Is there anything in those files not covered in your report?

Mr. BAYH. No.

Mr. DOLE. There may be a lot of things not covered, but maybe they should not be covered.

Mr. BAYH. Let me read four or five of these and then stop, and the Senator can look at them and judge for himself.

Second, GF17131, Manuel Gonzales, et al. In that file basically a DEA informant had a conversation with Emanuel Gonzalez who it is related was arrested in Panama for marihuana smuggling.

Gonzales claimed to the informant that he was released after talking to [class. deleted] a highly placed Guardia Nacional officer.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BAYH. I yield myself 10 additional minutes.

[Class. deleted.]

[Class. deleted.]

Mr. DOLE. There is a file, GF file, on [class. deleted]. Is that fully covered in the report?

Mr. BAYH. There is no GF file on [class. deleted]. There are separate documents that make allegations about [class. deleted] and we tried to summarize those in the report and in further summaries; those in the statement made yesterday and subsequently released.

Mr. DOLE. Also before I forget it, it does not relate to these, but will there be additional reports on either the Shamrock or the Northern Lights? It is not related to my list, but the chairman indicated yesterday he might have a further report on those.

Mr. BAYH. There will be nothing to add to what was said yesterday in both of those items. We have been in the process of double checking them, but we have no reason to believe right now that there is any information there that is different than what was discussed yesterday on the floor of the Senate.

Mr. DOLE. Fine. That is totally an aside, but I know Senator HELMS was going to raise that, and he decided not to do it today, so that may satisfy his inquiry.

Mr. BAYH. Let me say in deference to the Senator from North Carolina that the assessment that the Senator from Indiana made yesterday about those two files, was accurate, but because of the request of the Senator from North Carolina that we not trust anyone else to interpret those for us we are in the process of securing them and will double-check them and, of course, they will be available for the Senator from North Carolina or anyone else who wants to look at them to verify the assessment of our committee.

Mr. DOLE. The Senator has touched on GF Cuban System, and that would be the next one.

Mr. BAYH. Does that say more about it?

Mr. DOLE. No, I do not think so.

And the next GF is ZB758003.

Mr. BAYH. Yes. That was the stolen car ring fugitive who was mentioned earlier.

Mr. DOLE. Right. That has been touched on. [Class. deleted.]

Mr. BAYH. This is [class. deleted] not a DEA document and the report cites an unidentified—would the Senator give me the number of that? I want to make certain the response is accurate.

Mr. DOLE. [Class. deleted.] If it is close to some information it will be helpful.

Mr. BAYH. The problem is this. Talk about communication and cooperation between our people in drug enforcement and the Panamanian people in drug enforcement. [Class. deleted.] So we have not been able to retrieve it through the information in our files given to us by DEA. We are in the process of retrieving it [class. deleted] when that happens sometime this afternoon. Leave it this way: if there is anything additional or significant we will make it available to the Senator.

Mr. DOLE. Sure. That is fine.

The next is GF Panama file which I think we have touched on.

Mr. BAYH. Yes. That is Torrijos. I should say, so that there will be no attempts to make this shorter than it really is, this is a rather extensive file on which the summary is about six pages in length. It does contain document 1, the $750,000 Rivas report which we have discussed at length. The second document makes no mention of Panamanian narcotics trafficker by the name of Jeno Torres Coballis. We have no intelligence to tie him in with the family or any government post.

Document 3 is a bibliography and classification index memorandum.

[Class. deleted.]

In document 5, a September 1972 report, from the Miami field office about a Cuban exile political refugee who has contacts in the Panamanian exile community—that is the source—[class deleted] with contracts with the Panamanian exile community—Noriega is mentioned but no allegation is made regarding narcotics. The source also alleges that Gallegos who has come up earlier [class. deleted] that Gallegos is a smuggler of heroin [class. deleted]. The source also asserts that—these sources—again they are not further identified—allege that Cubana Airline flights landing in Panama contain cocaine [class. deleted].

Document 6 is a February 1973 cover memo regarding a January 1973 letter from Ruben Blades to BNDD officials pleading Moises Torrijos' innocence. Blades, I am advised, is a double agent in this particular instance. He is pleading for good old Moises Torrijos.

Document 7 is a March 2, 1973, California field office report which concerns debriefing of two individuals to determine their potential as sources. Quoting from the report: "Both informants have an intimate knowledge of Panamanian political matters, but they had heretofore not concerned themselves with narcotics traffic."

[Class. deleted.]

[Class. deleted.]

[Class. deleted.]

[Class. deleted.]

[Class. deleted.]

[Class. deleted.]

The fourth allegation is about Hugo Torrijos. [Class. deleted.] In fact, Moises Torrijos is a government official who directs government-owned gambling casinos in Panama.

Mr. DOLE. Hugo.

Mr. BAYH. Hugo; I kept looking at that.

Mr. DOLE. A family partnership.

Mr. BAYH. I do not know where one stops and the other starts; but the fact is that Hugo is the government official who directs government-owned gambling casinos in Panama.

The fourth document is a letter——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAYH. How much time remains?

The PRESIDING OFFICER. You have 11 minutes; the Senator from Kansas has 7.

Mr. BAYH. I do not want to go ahead and discuss, in his absence, this matter raised by the Senator from Nevada, but he left us in a rather serious position of suspended animation, and I know he is very busy elsewhere.

Mr. DOLE. Maybe we can send for him.

Mr. BAYH. We requested his presence sometime ago.

Mr. DOLE. If I could yield myself 5 minutes, maybe we could figure out how to handle that massive document there.

The PRESIDING OFFICER. We have 16 minutes total remaining.

Mr. DOLE. I yield myself for 5 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. DOLE. We will not, of course, be able to finish going down the list. I think what the Senator from Kansas is most concerned about is if the chairman of the committee is satisfied that, since the files have been in the possession of the committee for some time and the staff has had a chance to investigate, or whatever they do to files, for a period of several weeks, I am certainly prepared to accept the committee's judgment or the judgment of the chairman or the staff if I am told we can just put in the RECORD that files 8, 9, 10, 11, 12, and 13 have no material that is not covered by this report, or that all the files are covered by this report, and that there is no additional information. That would certainly satisfy the Senator from Kansas. Is that possible?

Mr. BAYH. That is a fair recapitulation of where we are. We will be glad to accept that, or we could put the summary we have on each of these documents in the RECORD.

Mr. DOLE. That would be even better. We would have it all there.

Mr. BAYH. Why don't we do that, then? The Senator can look over the RECORD, and if he sees anything that triggers further concern, we can come back to it.

Mr. DOLE. Fine; that will dispose of that request.

There being no objection, the material was ordered to be printed in the RECORD. as follows:

46 documents or files of documents were examined. A summary of these follows:

1. An unidentified person referred to a meeting and dinner with General Torrijos.

2. A foreign national related that he was arrested in Panama for marijuana smuggling and that he was released after talking to a highly placed Guardia Nacional officer.

3. A known trafficker, who tried to purchase 40 kilos of cocaine, said he was in desperate financial straits.

4. A crimnial fugitive (stolen car ring mentioned—no narcotics in report) said that he was related to General Torrijos, although the informant could not remember what the relationship was, and that he had tried to get the name of Cuban G–2 contacts in Miami.

5. Report cites an unidentified earlier intelligence report in the Panama general file alleging that senior Panamanian and Nicaraguan officials jointly owned trucks used to ship cocaine from Panama to Guatemala.

6. Intelligence report containing no allegations regarding Omar Torrijos.

7. General File, containing 24 documents.

Document 1. This is the Rivas $750,000 report.

Document 2. Document relates no mention of Panamanian officials or family members. Document mentions only one alleged Panamanian narcotics trafficker named Hernan Torres Ceballos. No official or family member mentioned.

Document 3. A bibliography and classification index memorandum.

Document 4. October 1972 report that a source of undetermined reliability states that he had been told by an unnamed individual about the head of all narcotics trafficking in Panama.

Document 5. A September 1972 report from the Miami field office, in which source alleges that Gallegos is a smuggler of heroin. Source also asserts that his "sources" (not further identified) allege that Cubana Airline flights landing in Panama contain cocaine.

Document 6. This is a February 1973 cover memo regarding a January 1973 letter pleading Moises Torrijos' innocence.

Document 7. March 2, 1973 California field office report which concerns the debriefing of two individuals to determine their potential as sources. "Both informants have an intimate knowledge of Panamanian political matters but they had heretofore not concerned themselves with narcotics traffic". They made allegations regarding several Panamanians.

Document 8. Letter from Phillip Harman to Congressman Steele which the Congressman forwarded to DEA. The letter is 5/3/73 and contains information derived from a newspaper in Panama.

Document 9. Cable dated July 1973 which summarizes a letter General Torrijos wrote to the President of the Supreme Court of Justice and to Panama's Attorney General expressing his determination to "stop this unscrupulous commerce and assist those countries concerned with eradication of the filthy business of narcotics".

Document 10. Letter by Col. Noriega echoing the same concerns as in Document No. 9.

Document 11. August 1973 narcotics progress report on implementation of the narcotics control action plan states in summary: "Panama made significant progress in narcotics enforcement control matters during July . . . This progress is testimony to effectiveness of joint U.S.-Panamanian cooperation during the past year."

Document 12. Department of State cable dated March 1972 regarding AID public safety narcotics seminar for Latin American countries hosted by Panama. Sample: "Narcotics seminar held in Panama represents the first time that criminologists from Latin American countries have met to exchange views and professional expertise on the problem of drug identification in narcotics in this hemisphere".

Document 13. Reply letter from John Ingersoll to Phillip Harman thanking him for his letter to Congressman Steele.

Document 14. Ingersoll letter to Phillip Harman enclosing letter to Ambassador Anderson regarding newspaper charges against Omar Torrijos.

Document 15. Intelligence report from the San Francisco Field Office dated March 7, 1972 contains no allegations against any Panamanian official.

Document 16. Cable relates that a confidential source who has furnished reliable information in the past has learned that Panamanian Ambassador to the U.S. has advised Juan Tack of a letter he had sent to columnist Jack Anderson with copies to the Washington Post stating Anderson's allegations against Moises Torrijos and Juan Tack are not only untrue but slanderous in their meaning and context.

Document 17. An intelligence report from the Panama City district office regarding letter from an anonymous source, which was written on July 19, 1971 and "was apparently instigated by the arrest of Rafael Richard Gonzales, et al., in New York." The writer names several Panamanians as being narcotics traffickers.

Document 18. August 30, 1971 briefing paper prepared for Ingersoll prior to his September 1971 trip to Panama.

Document 19. Duplicate of an earlier document.

Document 20. This is a report dated September 14, 1971 from Director Ingersoll to Attorney General Mitchell regarding his trip to Panama from September 1 through September 4, 1971. Ingersoll reports that he cited several instances where, "in my opinion, Panama could have cooperated to a greater extent. During this private meeting, General Torrijos' aides made several telephone calls and it was apparent that General Torrijos and his senior staff members had received misinformation with regard to past cooperation. General Torrijos agreed to cooperate fully and accepted my suggestion of: (a) a two week training seminar; (b) increase his central narcotic unit to 20 men; (c) accept BNDD task force that will work hand-in-hand with the Panamanian national guard; (d) that Panamanian government would examine the feasibility of extradition treaties to include drug violations."

Document 21. Letter from Attorney General Mitchell to General Torrijos thanking him for receiving Director Ingersoll.

Document 22. Functionary letter regarding Ingersoll's travel.

Document 23. March 20, 1972 confidential report contains no narcotics charges against Panamanian officials.

Document 24. This is the January 10, 1972 memo in which Ingersoll instructs his staff to prepare an options paper.

9. First Document. This debriefing of an informant contains an allegation that an alleged trafficker has been in contact with Moises Torrijos.

Second Document. This is a status report on the investigation of Galo Cannessa Barrera. The only reference to Omar Torrijos is that he personally returned Cannessa to the Costa Rican government. Cannessa was a defendant in a narcotics case in Costa Rica.

10. First through Third Documents. Cable pertaining to General Torrijos' willingness to extradite to the United States Edgar Meir Schick, a U.S. citizen in the Panamanian government whom the Panamanian government has under arrest for narcotics trafficking. The report is dated 8/22/72. This and two other cables from State Department and CIA, at about the same time, provide foreign intelligence information on the various positions of officials of the Torrijos regime on the extradition. All seemed to be in favor of extradition but the discussion seems to focus on the means of conducting the extradition.

Fourth Document. This is a report of a conversation between Edgar Meir Schick and a BNDD agent in Panama dated 3/10/71, containing assertions by Schick that he is a close friend of [deleted] as well as [deleted], and that he could help resolve the diplomatic crisis caused by Him Gonzales case.

Remaining Documents. Most of the remaining documents relate to DEA information on or about "Tito" Ramos, a former government official who was indicted in New York on narcotics trafficking charges.

11. This constitutes six debriefings of an informant who fled Panama after an unsuccessful coup plot. He is part of a group of anti-Torrijos exiles who have been the source of allegations that the Torrijos government was involved in drug trafficking. The same group was linked to 1974 plots to assassinate Torrijos.

In a separate report of investigation on an unrelated matter an informant alleged that [deleted] had recently visited El Savador to meet with Tito Ramos—a well known drug trafficker and that Ramos' brother is acquainted with [deleted] of Panama.

12. *Joaquin HIM Gonzales file.* After giving details on Panamanian politics, report ties Him to [deleted] and [deleted] since 1940s in leftist group.

[Deleted] allegedly seen at apartment where an alleged trafficker sometimes attends parties.

Second file contains three documents concerning Frank Marshall. One document identifies a Costa Rican shipping concern and speculates that it may be used to cover smuggling activities. A second document identifies a possible associate of Marshall, but does not mention General Torrijos.

13. This file contains follow-up material on Richard case, relating to Moises Torrijos. BNDD agent ties Richard to Him Gonzales and Ambassador Hurtado. File also contains

letter from Ruben Blades (probable double agent) to BNDD official, contesting claims of BNDD regarding evidence against Moises Torrijos.

14. A report of investigation said BNDD agents were having difficulties getting custody of a U.S. drug fugitive whom the Panamanians had arrested. The BNDD was told the prisoner could not be released to U.S. custody until General Torrijos had reviewed the case.

15. Report indicates BNDD will try to determine whether there is any relationship between Antonio Suarez, Panamanian Ambassador to Japan, and senior Panamanian officials.

16. Report of Investigation on FRANK MARSHALL.

Document 1. This report describes a plot to use an informant to penetrate the Colon Free Zone. The BNDD officer said it was difficult to penetrate this area because Frank Marshall had authority to operate in the Free Zone.

Document 2. This is a background report assembling "various sources of intelligence dating back to 1948." It alleges that Marshall is "involved" with Moises Torrijos and acquainted with General Torrijos. Like other reports on Marshall it did not offer substantiation that Frank Marshall was involved in drug traffic.

Document 3. A cooperating informant describes in some detail some contacts with Frank Marshall intended to use Marshall to get an introduction to a Colombian source of cocaine. He does not obtain such an introduction.

17. This is a report on [deleted] dated 5/27/74. An informant, with no indication of reliability noted, reported that a [deleted] pilot [deleted] told him that AID money had been used by the Government of Panama to purchase a helicopter which was used to smuggle cocaine. The pilot did not indicate who within the Panamanian government was using the helicopter.

18. Report of 7/1/75 from DEA in Panama. It makes reference to an earlier DEA report which recited information obtained from a DEA informant indicating "analysis, prices, purity and actual or planned cocaine smuggling route". We are unable to assess the reliability of the informant.

19. This is a report of intelligence information dated 4/9/73 on a foreign national who was arrested on narcotics charges by Netherlands Antilles narcotics officials.

20. This document refers to a headquarters file search of names which turned up the name and phone number of "Tito Ramos". Document states that Ramos, a former Panamanian Senator, is close friend of senior Panamanian officials.

Document states that Ramos sold 1½ kilograms of cocaine to undercover agent in 1970, was arrested by Panamanian authorities, and later released because of "insufficient evidence".

22. File contains wide variety of allegations concerning narcotics trafficking in Panama and documents several occasions of cooperation with U.S. authorities by General Torrijos, including:

Report on September 1971 meeting of General Torrijos and BNDD Director Ingersoll;

Discussion of Richard case;

Conversation between General Torrijos and U.S. Director of AID in which Torrijos expresses disgust with the volume of narcotics that has been funneled through Panama; and documentation of a case involving Americans smuggling marijuana to U.S. from Panama. Torrijos sought U.S. help, cooperated with U.S. efforts and arrests were made in the case.

Most documents in the file are old (1969–1972).

The early BNDD documents contained in this file go back to the early days of the Torrijos regime when a Colonel Arauz was head of Panamanian intelligence, and Guardia personnel were allegedly involved in narcotics trafficking.

23. The subject of this June 3, 1975 report told a Confidential informant that he had a contact who would purchase large quantities of cocaine in Panama and identified this contact as the brother or brother-in-law of a senior official.

24. This file consists of two cables of November and December of 1975. The first cable states that the Panamanian Ambassador to Spain is currently arranging to ship to the United States via Panama unknown quantities of heroin concealed in two vehicles.

According to the second cable, the source did not have definite knowledge that the vehicles to be shipped would be loaded with any type of contraband and stated that his suspicions were only suspicions and not based on definite knowledge of drug smuggling via these vehicles.

25. This report is a travel pattern watch on foreign diplomats, noting their travel into and out of the United States. The only Panamanian mentioned is Patricio Jenson, traveling with a Panamanian diplomatic passport. Jenson, at the time of this report, May 16, 1972, was head of the Panamanian Civil Aeronautics Administration, and alleged to be controlling all contraband flights into and out of Panama.

26. Administrative file.

27. This is an intelligence report on SERGIO LUIS CARDENAS-GARCIA dated 8/12/74. The only intelligence in this report comes from one informant and contains allegations about Panamanian officials in drug trafficking. The source of the information this document is a Cuban and former airline pilot. The intelligence the source provided led to no arrests or seizures and should be regarded as "raw intelligence".

28. Administrtaion file with no substantive material.

29. Document 1. Report of September 30, 1976, relates that a confidential informant stated that a Chilean female, "temporarily a resident at a Panama City hotel" had introduced an associate to "a major Peruvian cocaine dealer named Alfonso (last name unknown) of Arica, Chile and Lima, Peru." Alfonso allegedly claimed to the Chilean female that he "acquires large quantities of cocaine paste from an unidentified source in Chile and transports it to a laboratory in or near Lima, Peru. Subsequent to the processing Alfonso delivers the cocaine to Panama." Document relates that the female could not meet with agents as she "had been detained for questioning by the government of Panama police."

Document 2. Dated March 27, 1976 appears to be a correction of an earlier incorrect report over which there was some confusion regarding the correct name of an alleged narcotic trafficker in Panama. The report states that an informant (not further identified or evaluated) stated that the correct name is [deleted], "a brother of the President of Panama." The first cable got [deleted] name wrong and the second got [deleted] title wrong.

Document 3 is an August 4, 1977 memorandum from Bolovia District Office which contains no allegations regarding Panamanian officials and tracks the Chilean female mentioned above.

30. US agency report containing no substantive allegations regarding Panamanian officials.

31. Document 1. An exile diplomat who was part of 1969 plot to overthrow Omar Torrijos says Omar would not move against brother of "Tito" Ramos until Peru arrested the man for cocaine smuggling. Then Omar fired him as a Colonel; but he later became a bodyguard to [deleted].

Document 2. An informant overhears and sees part of a drug deal involving [deleted], who is a close friend of a senior Panamanian official. Informant is not described or reliability.

Document 3. An aircraft under surveillance has a passenger with a "card of recommendation" signed by Omar Torrijos. No further information typing plane to narcotics.

Document 4. A long summary of an investigation which appears to be drawn from a report noted above.

Document 4. A DEA cable notes letter provided by the Panamanian government which describes SAN CLEMENTE's activities and shows no tie to General Torrijos. SAN CLEMENTE was arrested 6/11/77 in Panama; his wife is Omar's cousin.

Document 5. DEA cable, 3/4/77, says untested informant claims a Peruvian cocaine trafficker is paramour of a senior Panamanian official.

Other documents in File #31: A DEA cable reports that a twice-arrested informant told DEA that a lawyer who was alleged to be a friend of a senior Panamanian official arranged his illegal release from jail after the first arrest. He was quickly rearrested by Panama's DENI.

Another cable reports informant as alleging that truck drivers from two companies—one owned by a Panamanian and the other by a Nicarauguan—are hauling cocaine. No claim is made that the owners are aware of this.

32–33. Case files of Raphael Richard containing no substantive allegations about senior Panamanian government officials.

34. Report on cocaine case in 1963 but not involving drug trafficking by senior Panamanian government officials.

35. File on Raphael Puce with no allegations regarding senior Panamanian officials.

36. File on Guardia official with no substantive allegations regarding senior governmental officials.

37. Administrative file.

38. A former Panamanian consul says a senior Panamanian official is in partnership with Rivas in cement company that launders narcotics profits. All detailed charges relate to Rivas.

39. File on member of Torrijos family containing early and unimportant material.

40. This group of four documents is primarily concerned with Ricardo Garcia Ramirez and reflects a condensation of various reports and sources of information on Garcia. He was removed by General Torrijos because of his suspected narcotics activities, but the report also suggests that Garcia later escaped prosecution after being arrested in a cocaine seizure.

41. File on Ricardo Garcia and his dismissal from government office.

42. File contains misidentification of drug trafficker arrested by U.S. authorities.

43. File generally duplicating No. 23.

44. File generally duplicating No. 9.

45. Study on opium traffic containing unsubstantiated allegations regarding a senior Panamanian official.

46. DEACON I was an extremely sensitive DEA operation directed at narcotics trafficking within the Cuban exile community in Miami. The purpose of the operation was to attract Cuban exiles who might be narcotics traffickers for the purpose of interrogation and arrest.

The information mentioning Panamanian officials was obtained from Panamanian and Cuban exiles in Miami who were also engaged in a plot to overthrow the existing governments of Panama and Cuba. The operation was terminated in 1974 because it failed to produce sufficient information to support narcotics enforcement efforts.

There is but one single identified source for the information obtained. The source is an informant with ties to the Panamanian exile community in Miami. This source was a participant in an anti-Torrijos organiza-

tion headed by exiled Panamanians Jose Velez and Federico Boyd. His relationship with DEA was terminated in 1974 with the closing of the DEACON I operation. His DEA handling agent notes in the termination document "there is no question about the aspirations of the Velez-Boyd group, or the extent to which they are willing to go . . . —it should be taken into consideration that the group could possibly be conducting a provocation operation with this source by making certain information available to him to see if any action is taken on the information by U.S. government authorities."

Federico Boyd is an exiled former National Guard officer who was lobbying the U.S. Congress against the Panamanian government. Boyd hoped to overthrow the Torrijos government and take over as head of the Guardia Nacional. In 1974, just before DEACON I was terminated, Boyd informed a DEA undercover agent of his plot to take over the government of Panama by assassinating Torrijos and perpetrating a revolt by the Panamanian National Guard.

Conclusion: The information contained in the above reports, including that purporting to link General Omar Torrijos to drug trafficking, is largely second-hand and of uncertain reliability. The identity and reliability of sources are in many cases either unknown or not established. Most of the events reported on took place a number of years ago. On the basis of these 46 reports it can not be said that a given Panamanian official has, or has not, engaged in narcotics trafficking.

Mr. DOLE. I would just say, in the couple of minutes that the Senator from Kansas will take, that it seems to me, as the Senator from Kansas stated at the outset, that we have pretty well covered all the allegations and rumors and innuendo and everything else that has come to my attention. There may be other Senators who have matters that have come to their attention, and I guess I know the answer, but I will ask the question of the Senator: Is there any other information avaliable that is not covered in this report?

Mr. BAYH. No.

Mr. DOLE. In other words, you think you have, from all the different agencies, all the relevant material that might have any bearing on whether or not Torrijos, Omar Torrijos was involved in any drug trafficking?

Mr. BAYH. I hate to have any less than a direct answer——

Mr. DOLE. I know the difficulty.

Mr. BAYH. But in the world in which we live, I do not know how we could have made a greater effort to get information. I do not know how the agencies could have cooperated more than they did, including the Federal judge in New York who, in a hitherto unheard of procedure, released this sealed indictment for our perusal as of last evening.

I know that the chairman and the ranking minority member have studied carefully large numbers of those documents, and the staff has covered them all. Having said that, I do not know how we could have done more to get the information, and I assume that the answer to the question of the Senator from Kansas is "yes." I hope and pray it is "yes."

Mr. DOLE. I think that is a fair answer. One never knows, because there are a number of agencies involved, and I am not suggesting any agency would withhold information, but there might be some reason, some good reason or some unintentional reason, why it was not delivered to the Senate Intelligence Committee.

So I suggest that it has been a worthwhile exchange of information. The sanitized verson of the report, I think, has been and will be informative as far as the American people are concerned, if they are interested. If they are not, they do not need to read it. Then making the transcript of these proceedings public, or a sanitized version of the proceedings, will also help the public understand, and I would think it may help some Senators understand, to the greatest extent possible, the possible involvement of Gen. Omar Torrijos, if any, whether or not he turned the other way when officials were engaged in drug traffic, whether or not he assisted his brother to avoid arrest or assisted his brother in other drug trafficking episodes, to what extent brother Moises, brother Hugo, and other officials were involved—it seems to me we have pretty well made that record, and I certainly want to thank the distinguished chairman and the distinguished ranking Republican member (Mr. GOLDWATER).

I have some time left.

Mr. GRIFFIN. If the Senator has a few moments——

Mr. DOLE. I yield my remaining time to the Senator from Michigan.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. GRIFFIN. I am particularly interested in getting the attention of the distinguished majority leader while he is on the floor.

At lunch, the ranking Republican member of the Intelligence Committee, Mr. GOLDWATER, and I were discussing the privilege of editing or revising allowed Senators in this particular situation. Some of us, and I think this Senator may be as guilty as any, sometimes take a little liberty in ordinary debate in adding an argument or subtracting something from the record. It was my thought that perhaps we should stress, in this situation, that we really will not have a transcript of these closed sessions if Senators do any more than correct grammar and punctuation and the like. I thought maybe it might be appropriate to raise that matter, and see if we could not have some understanding in that regard.

Mr. ROBERT C. BYRD. Well, I will be very happy, from my own personal standpoint, to enter into any understanding. As far as I am concerned, the consent request that was granted would allow each Senator who participated in the debate to have until tomorrow noon to revise his remarks, the transcript being secured in room 406 of the Capitol, the Office of Classified National Security Information.

That is the Office of Classified National Security Information.

If that is not satisfactory to the distinguished Senator from Michigan, as I have stated——

Mr. GRIFFIN. I guess I am just wondering what Senators are allowed, or are free to do, under the term of revising their remarks.

Mr. BAYH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. What is the time situation?

The PRESIDING OFFICER. The Senator from Michigan has no further time. The Senator from Indiana has 5 minutes remaining.

Mr. BAYH. I only wanted to state that I have, I believe, some very important information which needs to be made available to the Senate, which deals with the credibility and the accusations made by this man Watson, as contained in Mr. LAXALT's comments. I have been waiting for the Senator from Nevada to return.

Mr. GRIFFIN. I will withdraw for the moment. There is no reason why I cannot discuss this matter while we are in open session.

Mr. BAYH. I hate to cut this off.

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining.

Mr. BAYH. As the Senator from Kansas knows, the Senator from Indiana has been rather liberal with the use of his time, letting other people use it. I hoped to be able to deal with this in the presence of the Senator from Nevada. I ask his forgiveness for doing this, but we will run out of time if we wait further.

I direct the attention of the Senate to the extended comments and the series of questions posed, and allegations made, by the Senator from Nevada relative to an interview and press conference of Alexis Watson Castillo previously on the floor. The Senator was quick to point out he did not associate himself with the credibility of this information, but wanted the questions asked.

He did not ask questions about all of the assertions made by Mr. Watson, so I think it is important for the intelligence committee to make available to the Senate the information we have which was not raised in the dialog with the Senator from Nevada.

There is not a better example, let me say to my colleagues, than the importance of this body looking at the credibility of sources if we are going to assess the value of the information than that of the credibility of Mr. Watson.

I do not intend to make an assessment of Mr. Watson's credibility for other Members of the Senate, but in arriving at the man's credibility myself there was certain information that I took into consideration that I will make available to other Members of the Senate for their consideration.

First of all, when Mr. Watson states in the interview that he was a G–2 agent in Costa Rica for the Panamanian Government and relates certain things that he was told by the Panamanian ambassador. As far as the United States intelligence community is concerned Watson was an exiled Panamanian living in Costa Rica. He was not on duty as a G–2 employee but he was merely in Costa Rica trying to inform on others in the exiled community in hopes that he could restore favor with the Government of Panama and thus convince them that he was worthy of coming back into the country.

To suggest that he was operating as an arm, an adjunct, of the Panamanian Government, that information is different than any information available to our intelligence community.

I think it is important to know there was significant emphasis placed on that press conference, alive and in full color, in which all of these allegations that were supposed to be fact were made. But, and this is very sensitive, on the same day that Mr Watson made these allegations he also approached our Federal Bureau of Investigation and volunteered to cooperate with them. The counterintelligence people we have talked to, who dealt with Watson, said they refused to have anything to do with him because they suspected the very significant possibility that he was a plant.

I think it is also important to know that we have documents which I think bear on the man's credibility. I will read from this [class. deleted] document:

This report has the following information on Watson: In September 1961 he was reported as being on the Panamanian police watch list of Communists and pro-Cubans.

B. In September 1961 it was reported that Watson was expected to travel to Cuba at the invitation of the Castro government.

C. In October of 1961 he reportedly told a Panamanian Government official that he had three machineguns and that he was to deliver $12,000 to a leader of the Cuban insurrection effort for work in the interior of Panama as well as to cover expenses of one Venezuelan and two Cuban advisors who were to travel to Panama for activities in connection with future revolutionary movements in Panama. The source of this report commented that there was a good possibility that Watson may have fabricated some of the information.

That is what our intelligence has and has had for some time on this fellow by the name of Watson.

Also, I would like to call attention to the affidavit of General Graham. There can be no refuting the fact that General Graham has served his country well. He has been the director of the DIA, and is an outstanding defense intelligence man, or has been. He is retired presently.

However, I think it is fair to say that there is a significant possibility that General Graham did not have at his disposal the information that I just read to the Senate relative to the past background and the information that other intelligence communities had about Watson, and that Graham's comment goes only to the appearance of credibility of Watson at the time he was taking this physiological stress evaluation or lie detector test.

Also, I would like to call attention to the information about the test, this physiological stress evaluation test, which is a voice analyzer, which you can believe or not believe. The fact of the matter is that the document, which was made available to the committee and is now in the hands of the chairman, talks about a 3 hours of recording the complete testimony, and in 3 hours apparently they only dealt with 22 questions. Three questions, I think, are relevant here.

Question 4. Do you know for sure that Torrijos is involved with the international drug traffic?

Answer: Yes. He and his family.

Question 5. Does Torrijos receive money for his personal use from international drug traffic?

Yes, he does, and from gambling establishments.

Question 6. Did you ever personally see Torrijos collect money from the sale of drugs?

No.

Yet, as I recall in this interview, and somebody correct me if I am wrong, we have just been told of Mr. Watson walking into the room of the President of Panama and seeing him pass out hundred dollar bills, $100,000 worth. Watson joked about "Where is my share?" But when he was answering the lie detector test, the answer to whether he saw any money exchange hands was, "No."

Forgive me for getting a little excited here, but I think it is important for us to look at the sources.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the closed session be extended for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Here again, I just want the Senate to know everything that the Intelligence Committee has, that they have made available. If we are going to assess Watson, let us not take his word for it. Let us look at what American Government officials saw.

On this business of the $100 bills, which was an inconsistency, he cannot say in an interview that he saw this money with Torrijos and this other person passing these $100 bills, several hundreds of thousands of dollars is what he said in the interview—he asked about his share—he cannot say that, in an interview, and then say in a lie detector test, no, he never saw any money transferred.

Second, I think it is important for us to ask ourselves, when we are looking at Watson, here is a guy who says he can walk uncontested right into the office of the President of the country, and the only evidence we have is that the guy is an exile who has been kicked out of the country and is living in Costa Rica, trying to find some way to ingratiate himself with the Government. What credibility is there to the assertion that he can walk uncontested into the office of the President of Panama?

There is information, going to another point raised by the Senator from Nevada, in the interview that Transit, S.A. is involved in drugs and that Carlos Duques is indeed the general manager. That, I think, is a fair assessment.

Further, when we look at the Watson conversation to Ruiz, he talks about a former Torrijos bodyguard. We do not know which Torrijos it was. And there really is no way in which this accusation of Transit, S.A., and drugs and Carlos Duque as the manager has been tied in in any way, by any information that we have, to General Torrijos. I think that is the important thing for us to keep our eye on.

On Toronto, S.A., where we are talking about the animal skins to Russia, we have absolutely no intelligence connecting Omar Torrijos to Toronto, S.A.

We do have the information we discussed earlier about Torrijos' brother, Hugo, being involved in that casino operation.

Now, here again, I want to invite the Senate's attention to the credibility of some other points. In point 11, he alleges that the Canal Zone, the whole Canal Zone, has been split up by the Guardia Nacional officials. Watson says he has personal knowledge of this and participated in these discussions.

Further, he says, in point 13, that if Panama takes over the canal, the Government will pay Panamanians only the minimum wage of 60 cents an hour instead of the figure that is now known.

Further, he points out that the Torrijos government, through G–2, has trained all these frogmen and this kind of thing. I have to tell you, we do not have any corroborating evidence about that particular aspect of who trained frogmen for their military. Frogmen was not our commission. But if we are looking at Watson, I suggest that the information that I just related is pretty top-level decisionmaking, that only the top people in government know about that information. Here we have a fellow who is in exile, living in Costa Rica, trying to ingratiate himself back into the country, that suddenly knows all the Panamanian plans for the future. Not only can he walk uncontested into the office of the President, he now knows all their plans for dividing up the Panama Canal and passing it out.

Now, everyone can make his assessment of that credibility. I will say no further.

The allegation in point 12, that Torrijos was arrested in September of 1976 by Noriega and placed in protective custody for 15 days, that he had been drinking very heavily and was going to the Canal Zone and shooting his pistols—well, I do not know which Torrijos we are talking about. But I suggest that that makes about as much sense as suggesting that J. Edgar Hoover is going to arrest Lyndon B. Johnson.

I do not think there is any more that needs to be said, there, gentlemen, about Mr. Watson. I have never met him, but I suggest that I would not want to bet the farm on the veracity of what he said, for the reasons that I have just mentioned.

I say to my distinguished colleague from Nevada, who now has been able to get rid of that other business that called him out of the Chamber temporarily, for his information, that I pointed out that the Senator from Nevada was not suggesting that he supported the veracity of the witness. He may; I do not know.

In the colloquy that we had, he was not suggesting credibility, but was raising the points that had been raised in the information. The information relative to his past Communist ties with Cuba, and the other information, I think, goes to the credibility question.

The PRESIDING OFFICER (Mr. RIEGLE). The hour of 2:05 having arrived, the Senate is now scheduled to return to open session.

[This concludes the expurgated transcript of the closed session of the Senate on February 22, 1978.]

(At 2:05 p.m. the doors of the Chamber were opened.)

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without prejudicing the distinguished Senator from Alabama, who was to be recognized at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized to make a motion with regard to the treaty on which there shall be 30 minutes under the control of the Senator from Alabama, with the quorum call not to come out of the 30 minutes time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Alabama may yield to me for not to exceed 5 minutes, without the time being charged against him.

Mr. ALLEN. If the Senator will yield, of course, with the proviso I not lose my right to the floor.

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized on that basis.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alabama.

Mr. President, the Senate, in closed session, over a period of somewhere between 9 and 10 hours yesterday and 4 hours today, has completed a full and detailed discussion of investigations undertaken by the Senate Select Committee on Intelligence in regard to certain issues, which I have referred to heretofore as peripheral issues, which have become involved in the debate on the Panama Canal treaties.

The committee specifically and in detail examined several issues which were alleged to have a bearing on the Panama Canal treaties now being considered by the Senate.

First, the committee investigated charges that, because of some of the U.S. intelligence operations in Panama, Panamanian authorities pressured our negotiators and, as a result, somehow extracted a better deal on certain provisions of the treaties.

Second, the committee exhaustively investigated charges of drug trafficking by members of the Torrijos family, and others, and the allegations that these charges in some way had a bearing on the outcome of the treaty negotiations.

Third, the committee intensively investigated charges of payoffs which were alleged to have been sought by high-level executive and legislative branch officials in return for arranging certain increases in the annuity to be paid Panama under the treaty.

The chairman of the Intelligence Committee, Mr. BAYH, set forth in great detail the committee's findings with respect to these charges and the vice chairman, Mr. GOLDWATER, participated actively in the proceedings. The committee's findings have been fully related to the Members of the Senate during the course of this debate and the findings on the allegations were negative on all counts.

My understanding of the information presented to the Senate leads me to these conclusions:

First, there is no evidence showing that U.S. intelligence operations had any bearing on the outcome of the negotiations leading to the formulation of the treaties.

Second, there is no evidence that would stand up in any U.S. court of law linking General Torrijos to any illegal narcotics operation of any kind. In addition, there is no evidence that the committee has been able to find to suggest that the drug issue, in general, had any bearing whatsoever on the final outcome of the negotiations.

Finally, there is absolutely no evidence, in spite of intensive investigation, that any legislative or executive official ever sought any payoff or kickbacks of any kind whatsoever.

Mr. President, these findings are extremely important and should put to rest the charges that have been made, the allegations that have been made, and with which the Senate has dealt at great length during these 2 days. These allegations, innuendoes, and insinuations have been, at best, remote issues peripheral to the essential question: Are these treaties in the best interest of the United States?

Mr. President, I commend the chairman of the Intelligence Committee, Mr. BAYH, and the vice chairman, Mr. GOLDWATER, and all members of that committee, for their exhaustive and tireless investigations and for their detailed presentation of the committee's findings. The Senate is deeply indebted to the committee. It is my hope, Mr. President, with these investigations behind us and with presentation of the report which Chairman BAYH has made, that the Senate can now proceed with its debate on the treaties and can contend with the real issues that go to the merit of the treaties.

I thank the distinguished Senator for yielding.

Mr. GRIFFIN. Mr. President, will the Senator from Alabama yield to me?

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining of my 5 minutes?

The PRESIDING OFFICER. The Chair advises that the 5-minute period has expired.

Mr. McCLURE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ALLEN. Yes, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senator from Michigan (Mr. GRIFFIN) be allotted 5 minutes under the same conditions in which the majority leader just spoke.

Mr. ALLEN. I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished minority leader have 5 minutes, under the same conditions.

Mr. ALLEN. I have no objection.

Mr. GRIFFIN. I yield to the minority leader.

Mr. JAVITS. Mr. President, I would like 5 minutes, following Senator BAKER.

Mr. ALLEN. I have no objection, under the same conditions.

Mr. BAKER. I thank the Senator from Michigan for letting me go ahead.

Mr. President, I only wish to say that I am pleased that the Senate went forward with this rather extended closed session.

As I indicated to the distinguished Senator from Kansas (Mr. DOLE) when he suggested this some time ago at a Republican policy luncheon, I think it is imperative that all Members of the Senate have available a forum where they can freely discuss all the facts available to the Intelligence Committee. I think that has been done. I do not know what the final result will be.

I, of course, will look forward to the Senate's final determination on this issue. I think this will be helpful.

I, too, commend Senator BAYH, the chairman of the Intelligence Committee, and Senator GOLDWATER, the vice chairman of the Intelligence Committee for their diligence, their careful preparation, and their presentation to the Senate.

One of the reasons I sought to amend these treaties, in cosponsorship with the distinguished majority leader and 76 other Members of the Senate, rather than agree to a memorandum of understanding between President Carter and General Torrijos, is that, under circumstances such as these, I felt that it was imperative that we deal government to government; that, on the one hand, the amendment should originate in the Senate as a formal action by this body. By the very nature of things, amendments would require the formal institutional concurrence of the government of Panama.

I reiterate, Mr. President, that we are not dealing here with General Torrijos or his brother. We are dealing with the Republic of Panama, and I know of no charges against that country.

I believe that the amendments proposed by the distinguished majority leader, by me, and by 76 others fully take into account all difficulties that have been discussed in this session.

The PRESIDING OFFICER. The Senator from Michigan (Mr. GRIFFIN) is recognized for 5 minutes, under the unanimous-consent agreement.

Mr. GRIFFIN. Mr. President, I was surprised, frankly, that arrangements were made to cut into Senator ALLEN'S time and would be on this subject and of this nature, expressing conclusions regarding the closed session. But since that

is the case, I should like to raise a procedural point.

I want to be sure that the transcript of these secret sessions, so-called, when it is made available—and there has been a unanimous-consent agreement that a sanitized version will be made available in 72 hours—be an actual transcript of what has been said here and not a revised version.

I say that because this Senator is among the guilty from time to time in taking the transcript and embellishing on what he said and perhaps adding an argument here or subtracting an argument there, as the convenience is. But there is one important difference.

In those open sessions, the press is covering what we say. In this closed session, no one on the outside knows what is going on, if we are able to rewrite the RECORD.

The majority leader has made arrangements, under a unanimous-consent agreement, that each Senator who participated will have a period of time to edit his remarks.

I ask the majority leader if it is the understanding that the intent of the rules will be observed strictly and that the committee that has been appointed to sanitize the RECORD will also review the transcript, to see that Senators are confined to punctuation and grammatical changes and that there are no changes of substance so far as the transcript is concerned.

Mr. ROBERT C. BYRD. Yes, I would hope that would be the case; that Senators would confine themselves to making grammatical corrections only and would not add arguments pro or con in relation to the issues that have been raised and discussed.

Mr. GRIFFIN. Is the committee charged with the responsibility of seeing that we will have that kind of transcript? It seems to me that that is very important.

Mr. ROBERT C. BYRD. The Senator was here last evening when I entered the request, and there was no objection to it. I cannot speak for the committee. So far as I am concerned, I will not even look at the transcript. I did not have much to say. I sat and listened a bit. I will not even go and look at it. So far as I am concerned, we can agree by unanimous consent that no Senator be allowed to make any changes other than that.

Mr. GRIFFIN. I thank the majority leader.

Then, Mr. President, I ask unanimous consent that the original transcript of the proceedings of the closed session, as edited by each participating Senator, be retained and that the appointed committee review the editing by each Senator, as well as the sanitizing for security purposes, before the transcript is released.

Mr. BAYH. Mr. President, reserving the right to object.

The PRESIDING OFFICER. Reservation is heard.

Mr. BAYH. Reserving the right to object—and I shall not object—as the chairman of this committee, who has been involved in an almost round-the-clock debate for the last couple of days, I enthusiastically support the suggestion of the Senator from Michigan. I feel that that really was the thrust of the majority leader's motion in the first place. We want to get all the information out for the American people which will not jeopardize lives and jeopardize the security of the country.

Mr. GRIFFIN. I thank the Senator from Indiana. I am glad he agrees.

I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am glad the Senator from Michigan has made this request. This has long been a bug in my bonnet, that we are allowed to go backstage and change our remarks, not just change the punctuation and grammar, but that we are completely able to reedit what has been said and put in things that have not been said.

I recall that at one time last year I made a prolonged speech on the B–1, and the next day in the RECORD I saw a reply from a colleague, indicating that he had debated me. He was not even on the floor.

So I hope we will not only make this a rule for this one instance but also that we can adopt this as a rule, that we can correct nothing but grammar.

As far as that goes, I have more confidence in the Official Reporters of Debates than in my own staff, to correct my poor grammar and my poor punctuation.

Mr. GRIFFIN. It is especially important in a closed session, which is not open to the public or the press.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—let us just read the whole request, so it is in the RECORD. I made this request in order that the press might have available to it, at the very earliest hour possible, the transcript of the closed session.

If the Senator will allow me, under a reservation of objections, and I do not intend to object, the unanimous-consent request which was made and granted was as follows:

That at the conclusion of the closed-door session a complete transcript of the proceedings be personally delivered in a sealed envelope by the chief reporter to the Secretary of the Senate; that until Thursday noon, tomorrow noon, the transcript of the remarks of each Senator who participated in the debate be made available by the Secretary of the Senate, under his direction, only to said Senators, not to staff, but to said Senators, for revision of their said remarks and that for this purpose the transcript be secured in room S–406 of the Capitol, the Office of Classified National Security Information; and further, that the staff of the Intelligence Committee be authorized under the direction of the Secretary of the Senate, or his designee, the chairman and ranking member of that committee, meaning Mr. BAYH and Mr. GOLDWATER, and the minority leader and the majority leader, the Senator from Kansas (Mr. DOLE), the Senator from Maryland (Mr. SARBANES), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. CHURCH), and appropriate persons from the executive branch, to sanitize the completed remarks in that same room, S–406 of the Capitol, and that when such sanitization is completed the sanitized version of the closed-session remarks be released to the news media no later than 50 hours after the conclusion of the closed session.

That request was granted.

I compliment the Senator from Michigan on his concern and on the requests that he has now made. I do not think any arguments pro or con ought to be made by any Senator.

Mr. GRIFFIN. Or ought to be added.

Mr. ROBERT C. BYRD. Pardon?

Mr. GRIFFIN. The Senator does not think they should be added.

Mr. ROBERT C. BYRD. They should not be added. Yes. I do not think any arguments pro or con ought to be made by way of addition to those to the transcript.

Mr. GRIFFIN. Correct.

Mr. ROBERT C. BYRD. And in view of the fact that Mr. GRIFFIN is going to be one of those Senators selected to oversee the sanitization of this transcript, I am confident that no arguments pro or con will be added, and I congratulate the Senator. I not only do not object, but I join him in making the request.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection.

Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, if I have any time remaining on my 5 minutes, I just thank the majority leader. I am sure that that is what he intended by the original agreement, but if there were any misunderstanding each Senator is on notice now that except for grammatical and punctuation changes, and so forth, no change in substance of the transcript will be permitted.

I yield to the Senator from Utah, if I have the floor.

The PRESIDING OFFICER. The time of the Senator has expired, and by previous agreement the Senator from New York (Mr. JAVITS) is recognized at this time.

Mr. JAVITS. Mr. President, I have 5 minutes. I happily yield a minute to my colleague and friend from Utah.

Mr. GRIFFIN. That is fine.

Mr. JAVITS. Go ahead, I say to Senator GARN. I just yielded a minute to him.

Mr. GARN. I thought the Senator meant after he finished.

I thank the Senator very much.

I cannot help but stand and respond to the distinguished majority leader's analysis of the closed session. The majority leader is accurate when he says that no evidence was reported that would hold up in court, but I do not want the impression left from his remarks that there was not a great deal of evidence, and I speak as a member of the Intelligence Committee, of overwhelming circumstantial and hearsay evidence, and I admit that any reasonable person in the country who had the opportunity to read all of it would conclude that the Torrijos brothers and many other high

Panamanian officials were involved in drug traffic.

I just do not want that impression. It is a legalistic point of view.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. GARN. Let me finish. I am on Senator JAVITS' time.

I also would make one other remark that, where we are passing this off, what we are dealing with is a corrupt illegal dictatorship, just like we do in Korea and Vietnam.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

The Senator from New York, Senator JAVITS.

Mr. JAVITS. Mr. President, I have only 4 minutes, if the Senator will forgive me.

Mr. LEAHY. I shall make a unanimous-consent request.

Mr. JAVITS. Sure.

Mr. LEAHY. Mr. President, I ask unanimous consent that upon the completion of the time of the Senator from New York, I have 3 minutes under the standing agreement we have.

Mr. JAVITS. Perhaps Senator BAYH would like 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Perhaps the Senator from Indiana should be heard from under the same circumstances, if there is no objection, not to exceed 5 minutes in deference to our friend from Alabama.

The PRESIDING OFFICER. Is there objection to either of the requests of the Senator from Vermont or the Senator from Indiana?

The Chair hears none. It is so ordered.

Mr. JAVITS. Mr. President, I rise, first to thank Senator ALLEN for his customary courtesy and, then, because I have participated in this aspect of the debate both before the Foreign Relations Committee and here on the floor, both in the open and in executive closed-door session, to make this point which I think is critical. I used these words and I use them again. Torrijos is no angel. He is a military dictator. And I have little doubt that there are very few angels that one can find in any country in high office particularly any more than Panama. And I have little doubt, too, that there is a good deal that went on here in the narcotics traffic.

It is said that it has been materially improved, and I think Senator BAYH is a very reliable authority on this, and that is to the good.

But what I have sought to make very clear is let us not lose the main point. Let us remember that one of the most traditional ways of trying to beat something is by trying to discredit it on a totally collateral issue, and that is all I said about this.

The fact is that this is a treaty for 23 years and then it is succeeded by a treaty in perpetuity, all of which binds the people of Panama and the people of the United States. I will not be here. Many of the rest of us will not be here. And Torrijos will not be there probably, and many of the people who are with him now will not be there.

The question is, therefore, Are the peoples bound and is this good for the United States?

And those of us who contend for the treaty say, one, the plebiscite binds the people of Panama just as we are bound once the Senate acts and the necessary implementing legislation is passed and, second, this is good for the United States because the alternatives are all too dire and our opponents never deal with the alternatives. They just assume that we are still in 1903, when you can pull off these deals. Well, you cannot. It is 75 years later. And the alternative, Mr. President, is Mozambique, Rhodesia, South Africa, and all of the chaos which we see in the world.

Here the people of Panama have enough discipline and enough patriotism to bind themselves for 23 years substantially to continue the present situation.

This seems to me to be the acid test of the reasonableness with which the people of Panama down there are faced, and I deeply believe the people of our own country ought to be just as reasonable.

The PRESIDING OFFICER. The Chair, under the previous order, now recognizes the Senator from Vermont.

Mr. LEAHY. Mr. President, I will be brief.

I think that the transcript will give the American people a chance to make a determination of the involvement of the Torrijos family and anybody else.

I must rise in response to my good friend from Utah when he said that we do not have enough evidence to stand up in court, but nonetheless we have the circumstantial evidence, and so on and so forth.

Having been a prosecutor for 8½ years, I have heard so many times law enforcement agencies or others say, "Well, I know that even though we can't prove it I know so-and-so is guilty."

I like to think that we have come a lot further than that. And I like to think that we rely on real evidence and not on hearsay, not on will-o'-the-wisp allegations.

I wish to aline myself with the statements and the conclusions reached by our distinguished majority leader. They are the same conclusions that I also reached.

I would also hope that at the same time we are not saying that we are dealing with a saint, we are dealing with Saint Omar I here by any means.

But I think that we are being a little bit sanctimonious here in the Senate when some of the people opposing these treaties will stand up and say how concerned they are that we are talking about a dictator who is alleged to have been involved in some kind of drug activity—I do not know whether this means that somehow they have found religion themselves—when I see the positions taken by some of the same Senators during the time of Vietnam, when we spent $150 billion of the American taxpayers' money, 55,000 American lives, and hundreds of thousands of Vietnamese lives in support of various dictators that we embraced wholeheartedly, many of whom were involved more than anybody in Panama in the drug traffic.

Let us not play two sides, of the same coin, Mr. President. I think the distinguished Senator from New York is absolutely right when he says we are losing sight of the main issue in the peripheral matters. It makes no sense to go around and pick and choose our dictators depending upon which particular political bloc in this country happens to support which particular action. I think that our hands are a lot cleaner on this treaty than in a lot of the activities urgently supported by Members of this body in the past.

I yield back whatever time I have remaining.

Mr. ALLEN. Mr. President, a number of Senators asked me for time. I wonder if it might be in order that I ask unanimous consent that I be recognized at 3 o'clock instead of 2 o'clock, at which time I was supposed to be recognized, in order that I might yield first to the distinguished Senator from Indiana (Mr. BAYH), then to the distinguished Senator from Nevada (Mr. LAXALT), and then to the distinguished Senator from Michigan (Mr. GRIFFIN) in that order, for 4 minutes each.

The PRESIDING OFFICER. The Chair would advise that the Senator from Indiana, under the previous agreement, was to receive 5 minutes.

Mr. ALLEN. I see. Very well, 5 minutes.

The PRESIDING OFFICER. Is the request of the Senator from Alabama, then, that the others receive 5 minutes, or 4 minutes?

Mr. ALLEN. No, I want to be recognized for 3, if I may.

The PRESIDING OFFICER. You wish to be recognized for 3 minutes?

Mr. ALLEN. Yes. Then 3 minutes for LAXALT, 3 for GRIFFIN, and did Senator MCCLURE wish to be recognized also? An additional 3 minutes for Mr. MCCLURE, at the end of which time the Chair recognize me in accordance with the previous order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered.

The Chair now recognizes the Senator from Indiana (Mr. BAYH).

Mr. BAYH. Mr. President, I appreciate very much the courtesy of the Senator from Alabama, and I doubt very much whether I will use the full 5 minutes. The Senate has heard considerable from me over the last almost continuous 14 hours.

I rise not to get involved in the dispute or in some of the opinions that have been expressed by some of my colleagues, but only to point out, now that we have gone into public session and the public is now aware of what is being said, that I think it is important, perhaps, to briefly lay the foundation of what the Intelligence Committee was commissioned to accomplish, and what we have tried to do over the last 2 days.

Our committee was not asked to make a value judgment on the merits of the treaties, but rather to make available all of the intelligence information relative to drug trafficking and its relationship with the Torrijos family, and if indeed any of that did exist, to what extent not

only did it exist, but did it impact on the treaty negotiations?

We attempted, to the best of our ability, to make available the product, either specifically or in a generalized summary from information contained in thousands of documents that have been at the committee's disposal for a period of several weeks.

I think it is important for the public to know that over a period of several days all of this information has been available to every Member of the U.S. Senate who wanted to take advantage of the information and read it. Understandably, Senators have many things to do, and thus not all Members of the Senate were able to take advantage of that opportunity.

I think that the statement which has been released publicly accurately describes the summary of the committee. There is no need for the Senator from Indiana to restate it, and I think as quickly as we possibly can, we should make the transcript of the entire discussion available. We were fulfilling a rather difficult dual responsibility, and I salute the Senator from Arizona (Mr. GOLDWATER) for his cooperation in this regard. On the one hand, we had the responsibility of making information available, all of the information available to our Senate colleagues, so that they could make an intelligent decision. On the other hand, we had a responsibility not to release information that can endanger lives or damage the collecting mechanism of our intelligence community, so that they will no longer be able to perform that very important function.

The more information we can make available to the American public, so they can have access to what actually has gone on here in the last few days, the better off we are going to be. None of us, and I feel very few of our American constituents, would want us to release information that could endanger lives or cause damage to the future security of our country.

The PRESIDING OFFICER. Under the previous order, the Chair now recognizes the Senator from Nevada (Mr. LAXALT) for 3 minutes.

Mr. LAXALT. Mr. President, I would like to make a point or two in connection with the statement of the proponents indicating that these sessions have not been constructive. As far as the Senator from Nevada is concerned, they have been exceedingly constructive. There have been indications, principally from the majority leader, that all the peripheral questions with which we are dealing have now been disposed of. That, in the judgment of this Senator, is not the case. I think the hearings raised far more questions than they answered and that it is evident that the Intelligence Committee, as fine a job as they did, had a narrow focused inquiry. It has been said that the character of General Torrijos and the Panamanian leadership is only a peripheral issue. That, in the judgment of many of us, is not a peripheral issue; it is central to the consideration of this body as to whether we enter into this agreement.

It has been said that they are all the same, the Panamanians are no worse than the rest. I submit to my colleagues that the difference here is that we are not just handing out money; we are handing over a large and vital strategic asset. It is actually critical to the people of this country to know whether or not we are going to enter into an agreement with a government which may be engaging in extensive drug smuggling, or which may be engaged extensively in corrupt government practices. That is basic, it is central to this issue, and as far as this Senator is concerned, we are going to continue this line of inquiry throughout the course of the debates.

I yield whatever remaining time I have to the Senator from Michigan.

The PRESIDING OFFICER. The Chair would advise that the Senator from Michigan (Mr. GRIFFIN) has 3 minutes in his own right, and a minute and a half of the time remaining to the Senator from Nevada.

Mr. GRIFFIN. I thank the Chair. I shall not try to evaluate the record of the closed sessions. When the transcript is made available to the public and to the press, it can be evaluated then. Suffice it to say that there is a serious problem.

The Panama connection with respect to narcotics is not a small item. As the indictment made public this morning indicates with respect to the brother of Omar Torrijos, we are not talking about small amounts of marihuana; we are talking about large amounts of heroin. As was publicly revealed, there were 70 kilos of heroin involved in that particular situation, which I think is somewhere in the neighborhood of 150 pounds. There is every reason to believe that these are not isolated instances, but part of a wider pattern.

I think the bottom line here, though, is what do they have to do with the treaties before the Senate? Some point out that they bear on the character of the credibility of the leadership of the other nation with whom we are dealing, and that is true.

Let me make another point: If the drug problem is a serious problem in the United States, and it is certainly related to crime, and we want to do something about it, these treaties, if they are ratified, greatly diminish and reduce the capability of the United States to cope with the illicit drug traffic.

Why do I say that?

Well, we may turn the canal over to Panama in the year 2000, but under these treaties it is 30 months after ratification that we turn police power and customs jurisdiction over to the Republic of Panama—30 months.

At the present time, of course, the United States, as if it were sovereign, has complete control and jurisdiction within the Panama Canal Zone. We not only can arrest people; we can even inspect vessels going through the canal which we believe or suspect are carrying nuclear missiles, contraband, or drugs. Thirty months after we ratify these treaties customs jurisdiction will vest in the Republic of Panama. We will no longer be able to inspect vessels.

Then even more interesting about these treaties is that under the accompanying documents, agreements, and implementation of article III and article IV, we would agree that anyone apprehended by the United States for violation of drug traffic, whether he be a U.S. citizen or a Panamanian, will have to be turned over to the Republic of Panama immediately.

That is very interesting.

Under both of these provisions there is procedure that if a U.S. citizen or a Panamanian is apprehended by the United States and he is charged with murder, rape, robbery, violence, or trafficking in drugs or crimes against the security of Panama—whatever that is—we will be obligated immediately to surrender him and turn that person over to the Republic of Panama.

Those who have confidence in the Republic of Panama, of course, concerning the drug traffic will think that is a fine provision. But in this Senator's mind it would be a great weakening of the capability of the United States to deal with the drug traffic problem.

I admit there are many other considerations whether or not these treaties should be ratified. That is not the only one or the most important one, but it is an important factor.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Idaho (Mr. MCCLURE) is recognized.

Mr. McCLURE. A parliamentary inquiry, Mr. President. I understand that I am now to be recognized and the Senator from Alabama (Mr. ALLEN) is to be recognized at 3 o'clock; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. McCLURE. I ask that 3 minutes of the time between now and 3 o'clock, which I will not use, be granted to the Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, the entire issue of what was said or was not said or what was revealed or was not revealed in the secret session of the Senate is one thing, but I do not think we should allow a characterization of the sessions of the last several hours of today and yesterday to be characterized as being meaningless. Nor am I much impressed by the eloquence of my good friend from Vermont who said that, because of his experience as a prosecutor, we should not pay attention to something if we could not convict in court.

If my memory serves me correctly, and I was here during nearly all of the debate and discussion over the last 2 days, the Senator from Indiana being pressed on this point said he was satisfied by a preponderance of the evidence, even though the evidence may not be sufficient to convict in a court because in a criminal court it requires satisfaction beyond a reasonable doubt.

Are we going to erect in our minds a barrier to the consideration of substantial evidence of corruption in this regime and drug trafficking by this regime simply because it would not be sufficient to carry the burden of proving beyond a reasonable doubt?

I would say the American people have a right to expect that we are not going to deal with that kind of a regime and wipe out of the record everything that we cannot prove beyond a reasonable doubt, which is what some are suggesting.

I know there are some who said that the proceedings yesterday were boring. I do not know why they should have thought they were boring. They were not even here. I sat here through all of it. I was not bored. Why? Because the evidence that was brought forth I think is credible, is compelling, and is certainly something that the American people are going to be concerned about. It cannot be boring when upon one instance, one proven instance, there were 150 pounds of heroin carried into New York City.

The charge was made that this regime is no more corrupt than the regimes in South Vietnam. I do not recall that South Vietnam was charged with bringing heroin into New York City. That difference, I say, is worthy of consideration by the people of the United States as well as the Senate.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired. The Chair recognizes the Senator from Kansas.

Mr. DOLE. I thank my distinguished colleague.

I regret I was unable to be here when other statements were made concerning the sessions. As one who suggested that we have the closed-door session, it seems to this Senator that certain facts have been made available to the public.

This Senator will say, as I have said before, I never suggested for one moment that somehow the negotiators are somehow influenced by drug trafficking, or anybody else, but I am suggesting that the American people are concerned with whether or not General Torrijos is a man of credibility, a man of integrity.

I will say again, we have analyzed some of our genuine mail. About 48 percent opposed the treaty because of Mr. Torrijos. So he is a factor in these debates. He must be because President Carter never mentioned his name once during the fireside chat.

We must look at the total record.

The Senator from Kansas believes that, based upon what we have heard and cannot reveal, and what was revealed in the sanitized version yesterday on page 15, clearly indicates that Torrijos still has drug traffic. He turned his head as far as government officials were concerned. He helped his brother avoid arrest.

It seems to this Senator, if I were a protreaty Senator—I still have not decided—if I were a protreaty Senator I would be out trying to get all of the information I could to the American people about drug traffic.

I think the hearing was a good exercise. I will be pleased when the transcript is made public so that the American people can judge.

I do not know who would characterize it as a waste of time. Many things we do are a waste of time if one is not interested or if one's mind is made up. For all those who had their minds made up maybe it was a waste of time, whether they were for or against the treaty.

By actual count there ranged between 70 and 24 or 25 Senators on the floor all day yesterday. Today the attendance was about normal for open sessions on the canal treaties, 5, 6, 7, 8, 9, 10, 12. But there is an interest. If the Senator from Kansas is any judge there were some Senators on the floor yesterday, the important ones, who have not yet made up their minds. They are the ones we are addressing. They are the ones being focused upon in these debates. I would hope that they receive information that may be helpful.

As I told the distinguished chairman of the committee (Mr. BAYH) and the distinguished ranking minority member (Mr. GOLDWATER), if the facts indicate there was no involvement by General Torrijos, the Senator from Kansas will say so, and say so publicly. I think I can be objective in what I heard, what I saw, and what I read in the last 2 days.

I would just conclude by turning to page 15 of the public report, if my time does not expire:

> Some sources have provided intelligence which we view as reliable and which we believe suggests that General Torrijos knew about narcotics traffic by government officials—
>
> Plural—
>
> and did not take sufficient action to stop his brother's activities. Inteligence reports also contain other allegations asserting that General Torrijos assisted his brother.

It seems to me that the record is made. The record made in the closed session is even more complete. When it is made public, as it should be, with very little censorship, I trust, then the American people will be in an even better position to judge the pros and cons of this particular debate.

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield 3 minutes to the distinguished Senator from Alaska (Mr. GRAVEL) with the time not to be charged against the 30 minutes reserved for me.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska is recognized for 3 minutes.

Mr. GRAVEL. I thank my colleague. I just felt that the statements that were made should not go unrebutted. I looked in at the secret session around noontime, when, essentially, most of the membership of the Senate was available to attend. What I saw was Senator DOLE, Senator GRIFFIN, and the patient Senator SARBANES, listening to them drone on. You could not draw flies to this Chamber, and I can assure you if there were something salacious that was going to be revealed, we would all have been here, quite attentive, to listen to it.

I think the long and short of it is that, without revealing what went on in the secret session, I could say that what was said here I read in the newspapers in the last 2 or 3 weeks. There is nothing, really nothing, that came out yesterday of any note or of any value, yesterday and today, that we have not already read about. And most of it, in fact all of it, is unsubstantiated charges, besmirching the character of the head of state of Panama.

It is a good tactic to have a secret session, because you create an aura that something unusual was said, and as a result of that you give credence to these unsubstantiated charges. I think it is most unfortunate, because it detracts from what is really essential in this regard; that is, the use of the Panama Canal by American interests.

I think that when the SALT Treaty comes before us, if we are going to be faced with secret sessions going to the character of Mr. Brezhnev, we are going to be in real trouble trying to get some treaties through this body. That is essentially the same tactic that was employed; that is, let us not talk about the Nation, let us not talk about the broad national interest; let us just pick out some little flaw that we think might sell, from a spectacularized and sensationalized point of view, to the salacious appetite of the American public and concentrate on that as a device of appealing to the negative side of the issue.

I think that is most unfortunate. I think the issue is and still remains, are these treaties the best available to guarantee the future utilization of the Panama Canal by American economic interests? I think that argument has not been addressed one iota in the last 2 days by all of this silliness and this waste of time.

I thank my colleague for yielding to me.

Mr. ALLEN. I am happy to accommodate the distinguished Senator.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. I thank the Chair.

Mr. President, when I conclude my remarks, I shall offer a motion on behalf of myself and Mr. LAXALT, Mr. GARN, Mr. HANSEN, Mr. MCCLURE, Mr. THURMOND, Mr. GRIFFIN, Mr. WALLOP, Mr. LUGAR, Mr. TOWER, Mr. DOLE, Mr. GOLDWATER, Mr. HELMS, and Mr. SCOTT, that the Senate proceed to the consideration of the Panama Canal Treaty Ex. N (95th Cong., 1st sess.), Calendar No. 2. But I do not present it at this time. I merely state that it is my intention to offer the motion on behalf of myself and the distinguished Senators whose names I have called.

Before getting into the matter of the motion, I do wish to comment on remarks made by the distinguished Senator from Idaho (Mr. CHURCH) on Monday. I sought on Monday to gain the opportunity to rebut his statement, but the opportunity did not present itself. I have informed the distinguished Senator from Idaho (Mr. CHURCH) that, at this time, I do plan to seek to rebut the remarks that he made.

He took sharp issue with me when I stated that the treaties under consideration do provide that the canal is to be operated on the basis of neutrality and that warships of belligerent and enemy companies would have access to the canal under the treaties before the Senate. I stated that that was not the situation under the present regime. The distin-

guished Senator from Idaho stated that that was one statement that was so striking that he must reply to it at that time:

It was asserted that by virtue of the neutrality provision in the treaties, we somehow open the canal to warships of other nations, including enemy ships.

I will read from the treaty itself, the Neutrality Treaty, article II.

The Republic of Panama—

And theretofore, it is stated that the United States of America and the Republic of Panama agreed, and I might say that this shows the prospective operation of this Neutrality Treaty, because it speaks of the Republic of Panama—

The Republic of Panama declares the neutrality of the Canal in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason.

So it is open, under the treaties under consideration, to the peaceful transit by the vessels of all nations on terms of entire equality in time of peace and in time of war.

If that does not mean that belligerent vessels can transit the canal peacefully, I do not know how we could state it.

The distinguished Senator from Idaho then referred to the provisions of the Hay-Pauncefote Treaty. Senators not familiar with the treaty might assume that that was a treaty, since this seems to be something of a Spanish word, "Pauncefote," might assume that that was a treaty between the United States and Panama. But that is not the case. The distinguished Senator from Idaho, it seems to me, has introduced a new dimension into this discussion, because he resurrects the Hay-Pauncefote Treaty—not the Hay-Bunau-Varilla Treaty that has been denigrated here on the floor so often by the proponents of the proposed treaty, but the Hay-Pauncefote Treaty. That was a treaty between the United States and England, of all countries, having to do with the operation of a canal when and if the United States built one. It came about in the year 1901.

The Bunau-Varilla Treaty did not come until 1903.

The distinguished Senator quoted a neutrality provision in the Hay-Pauncefote Treaty. And when the Senator from Alabama had the temerity to suggest that the regime as to the operation of the canal was changed back in 1914, he was called to task even though as it states here, as shown by the RECORD in page S1885, that "This agreement"—talking about the protocol of 1914—"This agreement allows certain vessels neutral status"—this is the Senator from Alabama, speaking on February 20:

which was as written into the treaties, but it also requires, as I recall, such shipping to remain in Panamanian waters for 3 months, before transiting the canal, and vice versa. I do not have the document with me at this time. It is called the Protocol of 1914, and I will introduce it into the RECORD later.

I ask unanimous consent that I may provide, at the conclusion of my remarks, for printing in the RECORD the protocol to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. I will read from the protocol of October 10, 1914. This was signed on behalf of the United States by Robert Lansing—he was at that time Assistant Secretary of State, later he became Secretary of State—and Eusebio Morales.

That would seem to me, Mr. President, that this name would indicate that Mr. Morales was a Panamanian. We have hear so much talk about the 1903 Treaty not being signed by a Panamanian. I believe Mr. Morales was a Panamanian and he signed this protocol, the effect of which was to provide a method by which belligerent vessels of an enemy nation could be effectively denied access to the canal.

I will read another paragraph from it, the second paragraph; it has only two paragraphs:

That hospitality extended in the waters of the Republic of Panama to a belligerent vessel of war or a vessel belligerent or neutral, whether armed or not, which is employed by a belligerent power as a transport or fleet auxiliary or in any other way for the direct purpose of prosecuting or aiding hostilities, whether by land or sea, shall serve to deprive such vessel of like hospitality in the Panama Canal Zone for a period of three months, and *vice versa*.

I call attention, Mr. President, to the date of this protocol, October 10, 1914, as World War I was getting started.

The practical effects of this protocol will involve the rights of the United States to exclude belligerents from the canal. As many Senators have heard of it, doubtless, for the first time, I might state that possibly the hearing of it for the first time caused the assertions taking me to task on the subject.

I would like to read from the RECORD here where Mr. CHURCH says:

Mr. President, there is nothing in the evidence before the Foreign Relations Committee to suggest that any subsequent agreement altered, obviated or repealed the provisions of the Hay-Pauncefote Treaty, nor is there anything in the record to suggest or imply that the United States ever operated the canal except in accordance with the principles of neutrality as set forth in that treaty.

So, Mr. President, the distinguished Senator from Idaho has introduced into the discussion the Hay-Pauncefote Treaty of 1901 and he states that nothing has been done to alter, obviate, or repeal the provisions of the Hay-Pauncefote Treaty.

So I might just say parenthetically, it looks as if we will not make much progress on this. We are going to also have a treaty with England to do away with that being the Hay-Pauncefote Treaty, because in a number of respects it is inconsistent with the provisions of the treaties before us.

But this protocol of 1914, in effect, provides that a belligerent vessel seeking access to the Panama Canal from Panamanian waters would have to remain in Panamanian waters for 3 months before entering the canal.

Well, during that time, it would be there as a sitting duck, a duck in a rain barrel, to be picked off by its enemy nation, and vice versa.

If it were in the Canal Zone waters first, it would then have to remain there for 3 months before going into Panamanian waters.

Bear in mind that the territorial waters of the Canal Zone would extend for 3 miles beyond the shore.

So, Mr. President, to show that that was the method they had of containing enemy vessels, make them wait for 3 months in the Panamanian waters and not have immediate access to the canal, or if they came to the canal first and then went out into Panamanian waters, then they would have to stay 3 months in canal waters and, in any case, they were denied free and open access to the canal.

Now, Mr. President, as World War II comes along, or as it is seen coming, because this added exchange of notes took place on August 25, 1939, there is an exchange of notes between Mr. William Dawson representing the United States and Narcisco Garay representing Panama, and I would assume Mr. Garay was not a Frenchman as has been said of Bunau-Varilla.

This was an agreement entered into in arms-length dealing. Mr. Dawson writes the Panamanian Government:

EXCELLENCY:

My Government assumes that the protocol signed by the Secretary of State and the Minister of Panamá on October 10, 1914,[1] dealing with hospitality extended in the waters of the Republic of Panamá and of the Canal Zone to belligerent vessels of war or those employed by belligerent powers for the purpose of prosecuting or aiding hostilities is still in force.

This was 25 years later. In 1939, it might have caused some concern as to whether the Panamanians still recognized this method of containing belligerent vessels:

However, it would be appreciated if in view of existing circumstances.

What circumstances? The oncoming World War II which got started, I believe, about a week after these notes were exchanged:

However, it would be appreciated if in view of existing circumstances, the Government of Panamá would signify in writing that it shares the view of the United States as to the present force and effect of this protocol.

Accept, Excellency, the renewed assurances of my highest consideration.

WILLIAM DAWSON.

So the Secretary of the Foreign Relations and Communications in Panama replies:

I have the honor to advise Your Excellency in reply to your esteemed note No. 38 of this date that the Government of Panamá considers that the protocol signed at Washington on October 10, 1914, by the Minister of Panamá in the United States of America, Dr. Eusebio A. Morales, and the Secretary of State of the United States, Robert Lansing, is at present in effect and may be applied by both countries whenever circumstances require.

I call attention also, Mr. President, to the fact that the Panama Canal Treaty wipes out this protocol, this exchange of notes, wipes out everything as between Panama and the United States, leaving

only the neutrality provision of the treaties under consideration which, as I have read, is effective in war and in peace.

So, Mr. President, it would seem to the Senator from Alabama that he was fully justified in saying that the treaties before us would allow access to the canal by enemy vessels, whereas the present regime, in depending on the Protocol of 1914, puts a very effective condition and limitation on free access to the canal.

So the Senator from Alabama merely wished to answer, this being the first opportunity he has had to answer the comments made by the distinguished Senator from Idaho (Mr. CHURCH).

Now, Mr. President, getting to the matter of the motion that I will present in a few moments: There are two treaties, as we all know, but for the record I will say that there is a Panama Canal Treaty that provides for the transfer of the canal over to Panama, the conditions under which the canal is to be transferred. This treaty expires with the end of this century.

Then there is the other treaty, which does go into effect at the same time as the first treaty I mentioned but has no real area of operation; because for the remainder of this century, the United States is going to defend the canal. So there is not any great field of operation for it until the next century.

However, it is my contention, and the contention of Senators who have joined me in cosponsoring this motion, that we first should decide whether or not we are going to give the canal away, before we decide how we are going to defend it, starting with the year 2000.

We have under consideration now the Neutrality Treaty, to be followed by the Panama Canal Treaty. This motion seeks to reverse the order. No time would be lost. All the debate has been general. Not a single amendment has been offered to article I of the Neutrality Treaty. All the debate that has been engaged in could apply to both treaties.

Is this the first time an effort has been made to change the order of treaties? I say no. I refer to page 822 of Senate Procedure, where it states:

> A motion to lay aside a treaty and take up another is not in order; the motion should be to proceed to the consideration of a particular treaty, which if agreed to would have the effect of displacing the pending or unfinished treaty, but the Senate can have no unfinished executive business.

So we could not just lay it aside. We have to move to proceed to something else, and it still remains on the calendar. It does not kill the other treaty. It just says we are going to consider the Panama Canal Treaty, and we are going to consider whether we give the canal away, before we worry about defending it in the year 2000.

So the present situation puts the cart before the horse. We need to decide first whether we are going to give the canal away.

Mr. President, I make this assessment of the time it is going to take in considering these treaties. I have stated this to the majority leader and the minority leader, and I have stated it to the President of the United States.

I believe we all are concerned about how long it is going to take to complete action on these treaties. After all, amendments are going to be offered. I said on the first day the treaties were before the Senate that several dozen are going to be offered. I hope we will have a vote. My assessment is that if we reverse the order of these treaties, we will save at least a week. We will save at least a week of debate.

How could that be? We have the same treaty. The reason is that the leadership amendment has some 78 sponsors, and the Senator from Alabama is one of those sponsors. If we cannot do anything better—and I think we can—I would support the leadership amendment on the right to come back in after the year 2000. I think that needs to be amended, and I have an amendment to do that. But if the leadership amendment is agreed to, then obviously the proponents of the treaties will say, "Well, that's the only amendment needed. Let's stonewall the rest of the amendments and get through with this."

However, many of us regard these two treaties as two integral parts of a whole. Right now, they are indivisible, as we see it. They are the canal treaties, and we oppose these canal treaties.

Those who oppose the treaties are not going to be very anxious to come to a vote on the Neutrality Treaty. The proponents will claim victory and say, "We have the only amendment we really need adopted. Therefore, let's close the thing out."

That would not take place, I assure Senators. Still, that would be the argument.

The point is, however, that we are not going to reach the leadership amendments any time soon; whereas, if we take up the Panama Canal Treaty first and dispose of it, I would say that the Neutrality Treaty could be wrapped up in possibly a couple of days.

There might be five, six, seven, or eight legitimate amendments trying to strengthen it, trying to strengthen our national security, trying to strengthen our defense position, trying to underscore the conditions under which we might come in, giving us the right to retain troops past the year 2000, if the President deems it is necessary for the defense of the canal. So five, six, or seven amendments are all we need, once we decide the other.

Also, Mr. President, going this route, going the route of considering the Neutrality Treaty first, the leadership is depriving many Senators of the opportunity to vote favorably on the Neutrality Treaty.

I feel that after extensive debate on the Panama Canal Treaty, after efforts to amend the treaty on the floor, after that finally has been agreed to, if it is, then the Neutrality Treaty, already having 78 votes for the leadership amendment, would be approved overwhelmingly. That would show what great Pan American solidarity we have here in the United States. By approving this Neutrality Treaty, by possibly 90 to 10, something of that sort, we could say to Mr. Torrijos, "Let's look at how the Senate has fallen in step here. We have contained these amendments. We have not let them adopt any amendments but the one that you agreed to. So we have great solidarity here, great Pan American feeling."

But we are not going to have that if we insist on acting on the Neutrality Treaty first.

So the effect of this motion, Mr. President, is in no way to defeat the treaties. It just has a different order of consideration of the treaties.

Let us decide first, if we are going to give the canal away, and let us decide second, how we are going to go about defending it in the year 2000.

I believe we are putting the cart before the horse. I believe this motion would set the amendments aright. I believe that it would result in the final vote on the Neutrality Treaty being an overwhelming vote in favor—provided, of course, the treaty itself is approved. I assume that the leadership would not go to the second treaty if the first treaty is defeated. But if the first treaty is approved, we will see an overwhelming vote in favor of the Neutrality Treaty, after sincere and constructive efforts have been made to make it better for the United States, better from the standpoint of our right to defend the canal.

EXHIBIT 1

NEUTRALITY

Exchange of notes at Panama August 25, 1939, confirming protocol of October 10, 1914

Entered into force August 25, 1939

54 Stat. 1811; Executive Agreement Series 160

The American Ambassador to the Secretary of Foreign Relations and Communications

EMBASSY OF THE
UNITED STATES OF AMERICA,
Panamá, August 25, 1939.

Note No. 38

EXCELLENCY:

My Government assumes that the protocol signed by the Secretary of State and the Minister of Panamá on October 10, 1914,[1] dealing with hospitality extended in the waters of the Republic of Panamá and of the Canal Zone to belligerent vessels of war or those employed by belligerent powers for the purpose of prosecuting or aiding hostilities is still in force. However, it would be appreciated if in view of existing circumstances, the Government of Panamá would signify in writing that it shares the view of the United States as to the present force and effect of this protocol.

Accept, Excellency, the renewed assurances of my highest consideration.

WILLIAM DAWSON.

His Excellency
Señor Doctor Don Narciso Garay,
Secretary of Foreign Relations and Communications.

The Secretary of Foreign Relations and Communications to the American Ambassador

[Translation]

PANAMÁ, *August 25, 1939*

SECRETARIAT OF FOREIGN RELATIONS
AND COMMUNICATIONS
Diplomatic Department
D.D. No. 1890

MR. AMBASSADOR: I have the honor to advise Your Excellency in reply to your esteemed note no. 38 of this date that the

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[1] EAS 160, *post*, p. 786.

Government of Panamá considers that the protocol signed at Washington on October 10, 1914, by the Minister of Panamá in the United States of America, Dr. Eusebio A. Morales, and the Secretary of State of the United States, Robert Lansing, is at present in effect and may be applied by both countries whenever circumstances require.

I avail myself of the opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

NARCISO GARAY
Secretary of Foreign Relations and Communications

His Excellency
WILLIAM DAWSON,
Ambassador of the United States of America,
City

NEUTRALITY

Protocol of an agreement signed at Washington October 10, 1914.
Entered into force October 10, 1914.
Confirmed by agreement of August 25, 1939.[1]
38 Stat. 2042; Treaty Series 597

PROTOCOL OF AN AGREEMENT CONCLUDED BETWEEN HONORABLE ROBERT LANSING, ACTING SECRETARY OF STATE OF THE UNITED STATES, AND DON EUSEBIO A. MORALES, ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF THE REPUBLIC OF PANAMA, SIGNED THE TENTH DAY OF OCTOBER, 1914

The undersigned, the Acting Secretary of State of the United States of America and the Envoy Extraordinary and Minister Plenipotentiary of the Republic of Panama, in view of the close association of the interests of their respective Governments on the Isthmus of Panama, and to the end that these interests may be conserved and that, when a state of war exists, the neutral obligations of both Governments as neutrals may be maintained, after having conferred on the subject and being duly empowered by their respective Governments, have agreed:

That hospitality extended in the waters of the Republic of Panama to a belligerent vessel of war or a vessel belligerent or neutral, whether armed or not, which is employed by a belligerent power as a transport or fleet auxiliary or in any other way for the direct purpose of prosecuting or aiding hostilities, whether by land or sea, shall serve to deprive such vessel of like hospitality in the Panama Canal Zone for a period of three months, and *vice versa*.

In testimony whereof, the undersigned have signed and sealed the present Protocol in the city of Washington this tenth day of October, 1914.

[SEAL] ROBERT LANSING.
[SEAL] EUSEBIO A. MORALES.

Mr. ALLEN. I believe the public interest will be served, Mr. President, by agreeing to this motion which I now send to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself and Mr. GARN, Mr. LAXALT, Mr. HANSEN, Mr. MCCLURE, Mr. THURMOND, Mr. GRIFFIN, Mr. WALLOP, Mr. LUGAR, Mr. TOWER, Mr. DOLE, Mr. GOLDWATER, Mr. HELMS, and Mr. SCOTT, moves that the Senate proceed to the consideration of the Panama Canal Treaty (Executive N, 1st Session, 95th Congress), Calendar No. 2.

Mr. ALLEN. I yield the floor.

The PRESIDING OFFICER. The question is on the motion.

The Senator from Idaho.

Mr. CHURCH. Mr. President, first of all, I would like to reply to the able Senator from Alabama in connection with the argument we had on Monday, in which the able Senator charged that, under the provisions of the pending treaty, enemy ships in time of war would have use of the Panama Canal.

In reply to that allegation, I said that from the moment the United States began operating the canal in 1914 we have maintained a regime of neutrality as it relates to the transit of ships through the canal.

I said, further, that this regime of neutrality was rooted in the Hay-Pauncefote Treaty of 1901. This afternoon, the able Senator from Alabama said that I had added a new dimension to this debate, by referring for the first time to a treaty which preceded the Bunau-Varilla Treaty of 1903 and which, indeed, was not a treaty between the United States and Panama at all, but one between the United States and Great Britain.

Mr. President, this gets us back to the elementals of the case. The Bunau-Varilla Treaty of 1903 incorporates by reference the regime of neutrality to which the United States agreed in the Hay-Pauncefote Treaty of 1901. It thus is directly relevant to the question before us and can in no way be considered as a new dimension in this debate.

Let me quote from article XVIII of the Bunau-Varilla Treaty of 1903 between the United States and the newly established Republic of Panama.

Article XVIII reads as follows:

The Canal, when constructed, and the entrances thereto shall be neutral in perpetuity, and shall be opened upon the terms provided for by Section 1 of article three of, and in conformity with all the stipulations of, the treaty entered into by the Governments of the United States and Great Britain on November 18, 1901.

So there is the starting place: 1901, the Hay-Pauncefote Treaty between the United States and Great Britain, by which the United States committed itself in perpetuity to a regime of neutrality for the operation of the Panama Canal.

The Hay-Pauncefote provisions were incorporated by reference into the Bunau-Varilla Treaty of 1903 in article XVIII thereof.

But the Senator from Alabama alleges that, subsequent to 1903, namely, in 1914, and again in 1939, the United States and Panama entered into a different agreement. He has entered it in the RECORD and he has interpreted the protocol to mean that it somehow superseded or altered the provisions relating to the regime neutrality in the original treaty of 1903.

Mr. President, the Senator from Alabama misconstrues the meaning and intent of the protocol of 1914, renewed in 1939. I am sure that he has done so believing his interpretation to be accurate, but the history of the case establishes that the 1914 United States-Panama protocol concerning neutrality has nothing to do with the question of the transit of ships through the canal, whether warships or ships of commerce. The 1914 agreement does not speak to the transit rights of belligerent vessels through the canal nor does it relate to the obligations we assumed under the terms of the Hay-Pauncefote Treaty or the Bunau-Varilla Treaty. Rather, it deals with the application to Panama and the Canal Zone of the principles of international law which then governed the rights and duties of belligerent nations and neutral nations during wartime.

Mr. President, remember we are speaking of 1914 and 1939. We are speaking of a period that predates the United Nations Charter, a period when the rules relating to neutral nations and belligerent nations were set forth in the Hague Convention of 1907. In that period, belligerent warships could not refuel in ports of a neutral country until 3 months had elapsed from the time of their previous refueling in that country. This was a part of an international convention, relating to the rights of belligerent ships to fuel or refuel in neutral ports. It had nothing whatever to do with the right of transit through the Panama Canal.

The 1914 protocol simply provides that, when the United States and Panama are neutral in a conflict between other nations, the ports of the Panama Canal Zone and Panama shall be treated as ports of the same neutral nation. In other words, Mr. President, this protocol is simply an agreement between Panama and the United States that the rules of international law then applicable to the rights of belligerent nations to use neutral ports would apply in the Canal Zone and in Panama as though both were one neutral nation when both the United States and Panama were neutral in a conflict between other nations.

Here is the controlling provision of the protocol:

That hospitality extended in the waters of the Republic of Panama to a belligerent vessel shall serve to deprive such vessel of like hospitality in the Panama Canal Zone for a period of 3 months, and vice versa.

The true meaning of this protocol is totally different from the interpretation given it by the distinguished Senator from Alabama.

It is true that this protocol will be terminated once the New Panama Treaty takes effect, because the Canal Zone will then cease to exist as a separate jurisdictional entity. Thus, the 1914 protocol which addresses the use of ports in the Panama Canal Zone would have no further application.

All the ports of both Panama and the Canal Zone would then be in the territory of the same nation, thus rendering the protocol moot.

So you see, Mr. President, these two agreements, first entered into in 1914 and reaffirmed in 1939, have nothing whatever to do with the question of transit through the Panama Canal. They in no way conflict with the statements I made on Monday concerning the pledge by the United States in perpetuity to operate the Panama Canal as an open and neutral waterway.

Now, of course, Mr. President, we are all concerned about whether enemy ships, in time of war, should be permitted to use the Panama Canal. In the First and Second World Wars, no enemy vessel ever presented itself for transit

[1] EAS 160, *post*, p. 786.

through the canal. Our Navy would not let them present themselves. Our Navy had command of the seas, of the access to the canal on both the Pacific and Atlantic sides. Our Navy was in a position to prevent any enemy vessels from approaching the canal. That is how we denied the use of the canal to enemy ships—on the high seas. This was the only practical way of doing it, anyway, since to allow an enemy ship to come within firing distance of the canal would, of course, have jeopardized the canal itself.

So let us put aside these arguments of obfuscation. Or, if they are going to be made, let us at least interpret the agreements correctly. In any case, the agreements, even if interpreted correctly, had precious little to do with our success in two world wars in preventing enemy ships from transiting the canal. There was no paper agreement we relied upon for that purpose; we relied upon the U.S. Navy, and we will again if ever we should engage in another war.

So I would hope that the Senate would not be deflected by arguments of this kind.

Under the new treaties, Panama and the United States, between now and the end of the century, and then, for the indefinite future, would guarantee a continued regime of neutrality for transit through the canal. Nowhere in the new treaties does the United States undertake to guarantee enemy vessels transit to the canal. We would continue to rely, as we have in the past, upon our ability to control access to the canal on the high seas, for this is the only truly effective protection that exists.

Mr. President, before leaving this particular subject, let me say that, in one respect, the new treaties improve our position. The existing 1903 treaty does not commit the Republic of Panama to exclude foreign troops from its territory. Under the existing treaties, if the Government of Panama were to invite foreign troops into Panama, we would have no legal basis to complain, even if those foreign troops were encamped right up against the fences of the Canal Zone.

Mr. ALLEN. Mr. President, will the Senator yield for a moment at that point?

Mr. CHURCH. I will just as soon as I complete this point.

Mr. ALLEN. I just hope the Senator has heard of the Monroe Doctrine, when he talks about backing Russian and Cuban troops up against the fences.

Mr. CHURCH. I hope the Senator from Alabama is not attempting to portray the Monroe Doctrine as a treaty. The Monroe Doctrine is a unilateral declaration by the United States describing our policy regarding foreign intervention in this hemisphere. It does not affect the point that I was making, that under existing treaty arrangements with Panama, the Panamanian Government does not convenant to keep foreign troops out of its territory, and we would have no legal basis to complain should the Government of Panama invite them in.

But the new treaties improve our position. Under the Panama Canal Treaty we can keep our troops in Panama until the end of this century. Then the Neutrality Treaty comes into play. Article V of the Neutrality Treaty states:

> After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

So not only is the Senator from Alabama wrong in suggesting that existing treaty arrangements do not commit the United States to maintain a regime of neutrality with respect to the transit of vessels through the canal, but he also fails to recognize that the security of the canal is actually improved by provisions of the new treaties, since Panama guarantees not to permit foreign troops on its soil.

Now, Mr. President, I would like to turn briefly to the motion made by the able Senator from Alabama to reverse the order of consideration of these two treaties.

His argument seems based mainly upon the contention that the Neutrality Treaty does not go into effect until the year 2000, and, therefore, if we first consider its provisions, and then the provisions of the Panama Canal Treaty itself we have put the cart before the horse.

First, the Neutrality Treaty goes into effect at the same time as the Panama Canal Treaty. It is not delayed until the year 2000; so the argument made by the Senator from Alabama is without foundation.

Let me read article VIII of the Neutrality Treaty, because that specifically establishes when the Neutrality Treaty becomes effective. Article VIII reads:

> The instruments of ratification of this Treaty shall be exchanged at Panama at the same time as the instruments of ratification of the Panama Canal Treaty, signed this date, are exchanged. This Treaty shall enter into force, simultaneously with the Panama Canal Treaty, six calendar months from the date of the exchange of the instruments of ratification.

So, Mr. President, this is not a case where the Panama Canal Treaty takes effect and then, years later, the Neutrality Treaty takes effect. Rather, the two treaties become effective simultaneously.

The Panama Canal Treaty, it is true, gives the United States primary responsibility for defense of the canal until the year 2000. But this certainly does not relegate the Neutrality Treaty to a secondary role until that time.

First of all, with the exception of article 5 which contains Panama's promise not to permit foreign troops on its territory after the year 2000, the same regime of neutrality will be in effect before 2000 as after, and this regime will be equally applicable to the operation of the canal by the United States or Panama.

Secondly, the Panama Canal Treaty provides that the United States will have the primary responsibility for defense of the canal, but our response to a threat will have to be in accordance with the provisions of the Neutrality Treaty.

Finally, it is just as important for the United States to be able to act against any threat to the canal and to have priority passage through it before the year 2000 as it will be after that date.

Indeed, Mr. President, the committee's two major recommendations for amending these treaties relate to the Neutrality Treaty. I think Senators want to know what decision is going to be made on such crucial matters as the right of American warships to priority passage, that is, our right to go to the head of the line whenever there is either an emergency or a need as we define it; I think Senators will want to know that the United States will have the right, in perpetuity, to intervene to keep the canal open, neutral, safe, and secure.

Let the vital matters be decided first. That is not putting the cart before the horse. It is proceeding in a logical fashion. This is why the Foreign Relations Committee recommended that these treaties be taken up in this order, which is the prerogative of the committee.

I would hope the Senate will uphold the committee's decision that the Neutrality Treaty be considered first. It is logical, sensible, and, I think, in line with the desire of the majority of the Members of the Senate.

I therefore urge the Senate to reject the motion offered by the able Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama (Mr. ALLEN) is recognized.

Mr. ALLEN. Mr. President, I would like to answer some comments made by my very distinguished and able colleague, the distinguished Senator from Idaho (Mr. CHURCH). He is the ranking Democrat on the Foreign Relations Committee and early next year will become the chairman of that committee. He has great knowledge, great learning, great expertise in the field of foreign relations. I must salute him for that great knowledge.

The distinguished Senator sort of passed off my comments about the Hay-Pauncefote Treaty. He said, "Yes, that is true. That is now incorporated in the 1903 treaty." He spoke approvingly of the provisions of the Hay-Pauncefote Treaty incorporated in the Hay-Bunau-Varilla Treaty. I might say I believe that is about the only complimentary comment which has been made here on the floor about the Hay-Bunau-Varilla Treaty. That is, by the proponents of the proposed treaty.

We have heard it denounced by nearly every speaker for the proponents. But lo and behold, here is a good provision that the distinguished Senator from Idaho has referred to. The Hay-Pauncefote Treaty has been incorporated in the Hay-Bunau-Varilla Treaty.

Well, that is fine, but that does not kill the Hay-Pauncefote Treaty. I have very high authority for the fact that that treaty is still in force and effect.

The distinguished Senator from Idaho on Monday stated it was still in effect.

He said:

> Mr. President, there is nothing in the evidence before the Foreign Relations Committee to suggest that any subsequent agreement altered, obviated or repealed the provisions of the Hay-Pauncefote Treaty.

So we are still bound by the Hay-Pauncefote Treaty, according to the distinguished Senator from Idaho on Monday.

Mr. CHURCH. Will the Senator yield?

Mr. ALLEN. Yes, I will be glad to yield. The Senator was kind enough to yield to me. I will be delighted to yield.

Mr. CHURCH. I rise only to say that the Senator is quite correct. The Hay-Pauncefote Treaty still remains in effect, and shall remain so even after the entry into force of the new Neutrality Treaty with Panama. The British Government shares our view that the two treaties are entirely consistent. So our action in giving consent to ratification of the Neutrality Treaty or the new Panama Canal Treaty, would in no way vitiate the Hay-Pauncefote Treaty.

Mr. ALLEN. It is still in force and effect, is that right?

Mr. CHURCH. It would remain in force and effect. The Governments of the United States and Great Britain are agreed upon that point.

Mr. ALLEN. In the areas where it is inconsistent with the treaty under consideration, would it not have to be changed or abrogated?

Mr. CHURCH. I might say to the Senator that the two treaties are thought to be consistent. There are some provisions in the Hay-Pauncefote Treaty which are no longer relevant to the times, and additional provisions in the Neutrality Treaty not contained in the Hay-Pauncefote Treaty. But the Governments of the United States and Great Britain see no conflict between the Hay-Pauncefote and the Neutrality Treaty and, therefore, see no reason to terminate their 1901 agreement.

Mr. ALLEN. In other words, it is still in full force and effect, is that right?

Mr. CHURCH. The Senator is right.

Mr. ALLEN. I would like to read here as regards the neutrality operation of the canal at this time:

The Permanent Court of International Justice at The Hague on August 17, 1923, in the case of the S/S Wimbledon, defined "neutrality" of the Panama Canal as meaning the freedom of ships of all nations to transit the Canal without discrimination in time of peace, making specific reference to the Hay-Pauncefote Treaty of November 18, 1901, between Great Britain and the United States, in the following terms:—

The distinguished Senator made reference earlier today to the U.N., and I would feel therefore we should call attention to the Permanent Court of International Justice. These are the words of that court:

. . . while there are various stipulations relating to the "neutralization" of the canal . . . there is no clause guaranteeing the free passage of the canal in time of war as in time of peace without distinction of flag and without reference to the possible belligerancy of the United States, nor is there any clause forbidding the United States to erect fortifications commanding the Canal. On the other hand, by the Treaty of November 18, 1903, the Republic of Panama granted to the United States "in perpetuity the use, occupation and control" of a zone of territory for the purposes of the canal, together with the use, occupation and control in perpetuity of any land and waters outside the zone which might be necessary and convenient for the same purposes; and further granted to the United States in such zone and in the auxiliary lands and waters "all the rights, power and authority . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." The Treaty further conceded to the United States the right to police the specified lands and waters with its land and naval forces "and to establish fortifications for these purposes." . . . by the Proclamation of May 23, 1917 (of President Wilson), issued after the entrance of the United States into the war, the use of the canal by ships, whether public or private, of any enemy or the allies of an enemy, was forbidden, just as, by Article 380 of the Treaty of Versailles, the Kiel Canal is closed to the vessels of war and of commerce of nations not at peace with Germany. "

Mr. President, I ask unanimous consent that this letter addressed to the distinguished Senator from North Carolina (Mr. HELMS) dated October 16, 1977, from the Honorable George Jackson Eder of Washington, D.C., be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
October 16, 1977.

Hon. JESSE *Helms,*
Russell Building,
Washington, D.C.

DEAR SENATOR HELMS: According to the papers, the statement of understanding between President Carter and Panamanian dictator Torrijos has "clarified" the meaning of the pending Treaties.

The only thing that is in fact clear is that the Administration is continuing to mislead the American public by using words such as "neutrality" in a way to allay all suspicion, when the very texts of the Treaties themselves—and of the six supplementary documents—define those words in a way that they have never been used before.

The Permanent Court of International Justice at The Hague on August 17, 1923, in the case of the S/S Wimbledon, defined "neutrality" of the Panama Canal as meaning the freedom of ships of all nations to transit the Canal without discrimination in time of peace, making specific reference to the Hay-Pauncefote Treaty of November 18, 1901, between Great Britain and the United States, in the following terms:—

". . . while there are various stipulations relating to the 'neutralization' of the canal . . . there is no clause guaranteeing the free passage of the canal in time of war as in time of peace without distinction of flag and without reference to the possible belligerancy of the United States, nor is there any clause forbidding the United States to erect fortifications commanding the Canal. On the other hand, by the Treaty of November 18, 1903, the Republic of Panama granted to the United States 'in perpetuity the use, occupation and control' of a zone of territory for the purposes of the canal, together with the use, occupation and control in perpetuity of any land and waters outside the zone which might be necessary and convenient for the same purposes; and further granted to the United States in such zone and in the auxiliary lands and waters 'all the rights, power and authority . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority'. The Treaty further conceded to the United States the right to police the specified lands and waters with its land and naval forces 'and to establish fortifications for these purposes'. . . . by the Proclamation of May 23, 1917 (of President Wilson), issued after the entrance of the United States into the war, the use of the canal by ships, whether public or private, of an enemy or the allies of an enemy, was forbidden, just as, by Article 380 of the Treaty of Versailles, the Kiel Canal is closed to the vessels of war and of commerce of nations not at peace with Germany."

Theodore Roosevelt had emphatically opposed the original draft of the treaty negotiated between Secretary Hay (under McKinley) and Lord Pauncefote because it provided that the U.S., in the event it built an interoceanic canal, would be prohibited from fortifying it: "I insist that the canal will be absolutely in our control in a military sense." England acquiesced in that interpretation of neutrality in 1901, before the canal was built, and again in 1912, when it was nearing completion: "Now that the United States has become the practical sovereign of the Canal, His Majesty's Government do not question its title to exercise belligerent rights for its protection."

And President Wilson took full advantage of that interpretation of "neutrality" in World War I, not only by banning all enemy ships, but even proclaiming (November 16, 1917) that no enemy alien should "enter or be found within the Panama Canal Zone." Franklin Roosevelt amplified these prohibitions in World War II, and no nation in the world ever questioned our right to protect, defend and police the Canal and Canal Zone and adjacent waters, and to sink and destroy enemy warships wherever found, or considered that we were violating our guaranty of the Canal's "neutrality".

But under the pending Treaties, as pointed out in my memorandum of September 26th, the warships and auxiliary vessels of all nations must be allowed to transit the Canal freely, without inspection, search or even surveillance, in time of war or of peace, and the policing of the Canal is entrusted exclusively to the Panamanian police and fire departments.

Furthermore, this new meaning of "neutrality" is to be guaranteed by all nations of the world under the accompanying "Protocol", and will be immediately applicable—not just after the year 2000. The provision that the United States "shall have primary responsibility to protect and defend the Canal" until the year 2000 is grossly misleading and just another example of hasty—or tricky—draftsmanship. It is meaningless if we cannot police the Canal or interfere with enemy warships and submarines in the Canal or in the "territorial seas" of the Republic of Panama—which are not defined in the Annex "B" that purports to define them.

Thus far, no witness and no commentator in the media has supported his opinion, for or against ratification, by a direct quotation of the terms of the treaties, and there is no evidence that any of them has actually read the two Treaties, the three Annexes, the Protocol, and the two implementary agreements. In other words, they don't know what they are talking about, and I am sure that the same would be true of Averell Harriman, Mrs. Lyndon Johnson and the other notables who are forming a task force to steam-roller the opposition.

On particularly fatuous and famous commentator has said that the whole question is trivial as the Canal no longer has any military importance. If that is true, I'd like to know why the Administration plans to pay Panama over two billion dollars for the privilege of operating and maintaining it—and at least double that amount if inflation proceeds at present rates.

Sincerely yours,

GEORGE J. EDER.

(Mr. GRAVEL assumed the chair.)

Mr. ALLEN. Apparently, the right of the United States to forbid the passage of any of the vessels through the Panama Canal was upheld by the permanent Court of International Justice. So, apparently, under the existing regime, our Nation does have the right to close the Panama Canal to belligerents.

The distinguished Senator from Idaho—he was not talking about it, but with reference to the statements that the 1903 treaty, the Hay-Bunau-Varilla Treaty, is weighted in favor of the United States, his argument is that the way belligerent shipping, belligerent vessels can be prevented from going through the canal is to stop them out at sea. How cynical, then, it is to say in the treaties:

The Republic of Panama declares the neutrality of the canal in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality . . .

We have granted to enemy ships under the treaty the right to transit the canal, but we say that is meaningless because we are going to meet you out at sea. It seems to me to be rather cynical to say we are going to grant them one right and then say we are going to deny them that right by keeping them from getting there.

The distinguished Senator further said that I ought not to be putting erroneous constructions on the protocol of 1914, that I ought not to do that. He cites as a contrary view to the construction that I put on this protocol—he said it does not apply, I believe I am correct, to belligerent vessels seeking to transit the canal. It did not have anything to do with transiting the canal, he said. Well, what are the vessels there presenting themselves to the canal for if it is not to transit the canal? And does it apply to belligerent vessels or not? This is what it said:

That hospitality extended in the waters of Panama to a belligerent vessel of war or a vessel belligerent or neutral, whether armed or not, which is employed by a belligerent power as a transport—

If it were a transport, it would not be anchoring outside the Panama Canal; I assume it would be seeking to transit the canal—as a transport or fleet auxiliary or in any other way for the direct purpose of prosecuting or aiding hostilities, whether by land or by sea—they are not just anchoring out there. They would be belligerent vessels, I assume. They are seeking entry.

The fact that it is in Panamanian waters, this says:

Shall serve to deprive such vessel of like hospitality in the Panama Canal Zone—

Well, how are they going to get in the Panama Canal Zone if it does not transit the waters of the canal zone?

for a period of 3 months, and vice versa.

So that these belligerent vessels which, for some reason, have just come there. are hovering around the canal, not seeking to transit the canal, the distinguished Senator would have us believe—they have to stay there 3 months before they can move from Panamanian waters to canal waters; or, if they are in canal waters first, and that would be possible on account of the 3-mile limit, then they cannot move to Panamanian waters for 3 months. That does not sound like much neutrality to me if you are going to imprison them there for 3 months.

The distinguished Senator says, no, I must not put that construction on it, because he places another construction on it. That is the only authority he cites, his own construction.

Mr. SARBANES. Will the Senator yield on that point?

Mr. ALLEN. No, I will not, until I finish my remarks. Then the Senator can make such remarks as he wishes.

That is the authority we have for a different construction. But the Senator sort of chastises me a bit for having the temerity to offer my construction on what this 3-months' delay for belligerent vessels means. That does not sound like much neutrality. That does not sound like giving free and open access to the canal, to me. So I feel that my construction, since I have the letter of the agreement, the wording of the agreement, before me, even though I do not serve on the Foreign Relations Committee, might be just as valid and perhaps a little more so than that of the distinguished Senator from Idaho.

Also, the distinguished Senator was sending up some sort of scare signal about Cuba, that Panama could invite in Cuban troops or Russian troops, back them up against the Panama Canal fence, and we could not do anything about it.

I asked him if he had ever heard of the Monroe Doctrine. He said, yes, that is not a treaty. Well, the Monroe Doctrine either means something or it does not mean something. Under the Monroe Doctrine, I do not believe we should look with great favor on the Russians, in the Senator's hypothetical case, either the Russians or the Cubans taking over Panama. I do not believe that would be looked on with a great deal of favor.

Now, the Senator says, well, we ought to consider the Neutrality Treaty first, and he says it goes into effect at the same time as the other treaty. That is true. I made that same statement in my opening remarks, that it goes into effect 6 months after the exchange of notes of ratification, just like the other treaty. But the point that I am making is that the canal is going to be well defended for the rest of this century, even under the Panama Canal Treaty, because we have the primary responsibility of defending it. So we are going to defend it with or without the Neutrality Treaty.

If the Senators are worried, if the Senator is worried about the Neutrality Treaty not being approved, he could, I believe, by unanimous consent, insert a provision in the Panama Canal Treaty that it not become effective until the Neutrality Treaty is approved. The Senator is sitting there with 78 votes on the leadership amendment, so it would seem no doubt but what the Neutrality Treaty would be passed very shortly after the Panama Canal Treaty.

He also talks about the fact that we need to go to the head of line in an emergency. Well, who determines whether it is an emergency or not? The leadership amendment is silent. It is silent on that subject.

What is an emergency to us might just be another day for Panama after it gets control of the canal in the year 2000.

They might say, "We see no emergency, what are you talking about?" "Oh, well, we have got to get through the canal, we have got to go over there to the other ocean, we're in a hurry."

They do not get into such a big hurry down in Panama. They just think, do it tomorrow.

So I do not believe that this leadership amendment is very good at that point.

Also, it has another joker in it, that is, when we talk about intervening down there to protect the neutrality of the canal, the amendment also provides that in our doing this, though, we must not interfere with the internal affairs of Panama. That is in the leadership amendment, taking care of the Panamanian wish, not the wish of the American people.

The American people are not concerned about whether or not we interfere with the internal affairs of Panama.

That is written into the leadership amendment. We cannot do anything to interfere with the internal affairs of Panama.

Also, Panama decides if they do not want the U.S. vessels any more to transit the canal. Maybe in the next 22 years Panama will come under the influence of these Cuban soldiers and Russian soldiers that the distinguished Senator from Idaho talks about. Suppose Panama is a satellite of Cuba or a satellite of Russia. Suppose transit of our ships through the canal is denied. We are bound not to interfere with the internal affairs of Panama.

I think going down there and opening up that canal would result in some sort of internal disturbance down there. It would interfere with the internal affairs of Panama.

So it would seem to me, getting back to the motion itself, that it is in the public interest. I believe it is in the interest of shortening the time to be spent on this debate. I believe it is in the interest of logic. I do not know that that is such an impelling force, however, in our deliberations. But in the interest of logic, I feel that we ought to decide first whether we are going to give the canal away or whether we are going to start defending it in the year 2000.

I am mindful that the treaty goes into effect the same time as the other. We have already got the defense of the canal taken care of in the Panama Canal Treaty. We are charged with primary responsibility. We do not need bother about that. But we need worry, I believe, about defending it after all our troops are pulled out.

That is one of the amendments I have, to provide that the President of the United States, if he deems that the military presence of the United States is necessary for the defense of the canal, or for preserving its neutrality, can so certify to the Government of Panama prior to

December 31, 1999, and retain our troops there.

But under the leadership amendment, prior to the year 2000 we have to get all of our troops out.

How are we going to defend the canal if we do not have a presence there? We have a presence by landing paratroopers and having amphibious landings. Those are the only two ways I know of to get in there.

So that is what the leadership amendment does and I feel that this leadership amendment is not going to solve anything.

I do feel that we can act, and act hurriedly, on the Neutrality Treaty if the Panama Canal Treaty is approved first and I believe that failure to go first with the Panama Canal Treaty will add a number of days to the consideration of these treaties.

I think another bad reason, as I mentioned at the outset—I do not believe the distinguished Senator from West Virginia was here and I would like to repeat it—that another good reason, and I appeal to the distinguished Senator from West Virginia to consider this reason, is that if the Neutrality Treaty is voted on first there are many of us who regard the two treaties as one package and even though we want the canal to be defended and we want it to be defended in a whole lot stronger fashion, apparently, than the leadership amendment provides for, many of us are going to have to vote against the Neutrality Treaty, because it is part of the overall package, whereas, if the Panama Canal Treaty be first approved, there would be no reason whatsoever why the Neutrality Treaty could not be approved overwhelmingly in short order.

So by going this route, the Senator is depriving many Senators of this Pan-American effort, to show great Pan-American feeling here by an overwhelming vote. It would be much more overwhelming. I do not know if it would be overwhelming anyway. I do not know who is for it and who is not. But it would be much greater, I feel sure it would be greater by quite a few if it is not rushed through first.

Many who would vote for it as a second treaty cannot vote for it as the first treaty.

I would like to leave that thought with the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have been pondering that thought for quite some time. I heard the Senator make that statement while I was in my office listening to the debate on the radio.

It is a very appealing argument. It is a very subtle one. It is very persuasive one on the surface. But I will get to that a little later.

The distinguished Senator from Montana is on his feet. He wishes to speak. The distinguished Senator from Maryland has sought two or three times to get the floor.

I would like to yield the floor and let those Senators get the floor in their own right, or retain it and yield it to them by unanimous consent.

I would simply like to be able to move to table the pending motion within a reasonable amount of time without shutting off debate. Several Senators have been waiting.

Mr. SCOTT. Mr. President, will the Senator yield briefly?

Mr. ROBERT C. BYRD. I yield.

Mr. SCOTT. I wish to make some comments—5 minutes or so—in support of the motion of the distinguished Senator from Alabama. I hope the Senator will withhold a motion to table until those on this side also have had an opportunity.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I ask unanimous consent that after Mr. MELCHER and Mr. SARBANES and Mr. SCOTT and Mr. HELMS have addressed the Senate, I be recognized to make the motion to table the pending motion, with the provision that I be recognized no later than a quarter to 5. That would be 25 minutes from now. Would that be agreeable?

Mr. SCOTT. Mr. President, reserving the right to object, if the distinguished Senator would include in his unanimous-consent request that each Senator should talk no more than 5 minutes, that would give us equal opportunity.

Mr. ROBERT C. BYRD. That would be fine.

Mr. President, I ask unanimous consent——

Mr. HELMS. Mr. President, reserving the right to object, I would be willing to defer my comment, provided I could be recognized immediately after the vote.

Will the Senator include that in the request?

Mr. ROBERT C. BYRD. I will be happy to have the Senator precede me. I should like to make the motion no later than 30 minutes from now, and I would like about 5 minutes before making the motion.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Mr. President, reserving the right to object, I will not object if it is understood that the Senator from North Carolina will be recognized immediately after the vote on the motion to table or the motion by the Senator from Alabama, whichever occurs first.

Mr. ROBERT C. BYRD. Mr. President, let me ask again. I ask unanimous consent that the Senator from Montana (Mr. MELCHER) may be recognized, that the Senator from Maryland (Mr. SARBANES) may be recognized, that the Senator from Virginia (Mr. SCOTT) may be recognized, and that I then be recognized; that it also be understood that I be recognized no later than 15 minutes before 5 p.m. today; that immediately upon the disposition of the motion by Mr. ALLEN, whether by a tabling motion or not, the distinguished Senator from North Carolina (Mr. HELMS) be recognized.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, the junior Senator from Alabama (Mr. ALLEN) proposes to reverse the consideration by the Senate of the two treaties. He proposes to take up the first treaty first. I believe he is correct in his motion. I believe his motion should be adopted.

Article V of the Neutrality Treaty, or the second treaty, has only one sentence:

> After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

That is the one sentence of article V of this Neutrality Treaty, and the Panama Canal Treaty referred to therein is the first treaty.

This treaty, the Neutrality Treaty, assumes the ratification of the first treaty. Without the first treaty, this neutrality treaty makes no sense. Without the first treaty, this treaty does not stand alone. This procedure of taking up the second treaty, the so-called Neutrality Treaty, simply defies logic, defies the intelligence of the Senate as well as the intelligence of the American public.

If this treaty should be approved before the first treaty, it will serve as a signal that the Senate must intend that the basic treaty will be approved. I believe it is wrong and without logic to consider these treaties in this order.

For that reason, Mr. President, I hope that Senator ALLEN's motion to reverse the consideration will be agreed to by the Senate.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I wish to address two points.

First, as to the question of the interpretation of the protocol of 1914, as reaffirmed in 1939, I point out that the view presented by the able Senator from Idaho (Mr. CHURCH) is not just his personal view. It is the view that the two governments adhered to and the view that was in fact applied by the governments.

It is very important in this debate to agree at least on the underlying basis of the debate, and the interpretation that was placed on this protocol by the able Senator from Alabama was not the interpretation placed upon it by the parties to the protocol.

What the protocol was intended to deal with was the neutrality law as it applied in 1914 under the Hague Convention. That law said that belligerent warships could not renew their fuel supply in the ports of the same neutral country until 3 months had elapsed from the last refueling. The protocol was intended to deal with that question and not the question of transiting through the canal.

What we did by that protocol was, in effect, to make the ports of the Canal Zone and the ports of Panama the ports of one neutral country, so that a belligerent ship could only stop once every 3 months for refueling purposes and could not come to a port in Panama and then in less than 3 months come back to a port in the Canal Zone.

That is what the protocol did, that is what the two parties to the protocol understood it did, and that is how they applied it—then and again in 1939, during the subsequent neutrality period.

It is very important that what the

protocol meant be fully understood. I submit to the Senate that the interpretation put forth by the distinguished Senator from Idaho (Mr. CHURCH) with respect to these agreements between the United States and Panama—and note that agreements between our two countries were needed to cover the situation—is the correct interpretation.

Second, I should like to address the question of the motion that is pending before us and the comments of the distinguished Senator from Montana, that we should take up the first treaty first and the second treaty second.

There is no first or second treaty. There are two treaties before the Senate which have been negotiated. There is the Permanent Neutrality Treaty, and there is the Panama Canal Treaty. Without one treaty, the other does not really make sense. The two treaties have to be seen together, as a package.

The distinguished Senator from Montana says that if you do not act on the first one, the other one does not make sense. The same thing applies in reverse. Both treaties are essential to one another. Neither treaty stands alone.

The Panama Canal Treaty, by its own terms, will terminate on December 31, 1999. In judging that treaty, it is essential to know—since that treaty, by its own terms, is to end at the close of the century—what will follow. What will follow is governed by the terms of the permanent Neutrality Treaty. Therefore, in logic, in reason, and in terms of importance—it seems to me eminently clear that the treaty to which the Senate should first address itself is the permanent Neutrality Treaty. That is the order in which the committee made the judgment they should be considered. That is the order in which they are now pending before us on the floor of the Senate.

I think that the motion of the distinguished Senator from Alabama should be defeated and that the Senate should proceed with its business in the manner in which we are now proceeding, which I submit is orderly, logical, and, above all, takes the most important things first.

The PRESIDING OFFICER. The Senator from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. President, I do not address the merits of either treaty at this time, but do rise to support the motion of the distinguished Senator from Alabama, that the order of consideration of the treaties as recommended by the Committee on Foreign Relations be reversed.

The letter of transmittal of these treaties by the Secretary of State to the President is that first is the Panama Canal Treaty and second the treaty concerning the permanent neutrality and operation of the Panama Canal. The same order is in the letter of transmittal by the President to the Senate, that we first consider the Panama Canal Treaty.

I believe that just logic and commonsense requires that we consider them in the order that has been recommended to us by the Secretary of State and the President. I do not know the basis for the Foreign Relations Committee reversing that order, but there must be some reason for it. There may be some type of advantage that they might consider that would be gained by reversing it. Certainly, in my judgment ratification of the neutrality treaty is no basis for ratification of the canal treaty. It just appears that we are reversing things. It would appear that first we should decide whether or not we are going to give away this American canal. As long as we have ownership and control of the canal, then there is no reason for us to enter into a treaty of neutrality and the treaty itself, when you look at it, the neutrality treaty, article V, says after the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory. Within its national territory, of course, should the canal treaty be ratified, would include the Canal Zone. At the present time, it does not include the Canal Zone since that is not the territory of the Republic of Panama.

It seems to me that, first, we ought to decide whether or not there will be a transfer of title and control of the Canal Zone before we consider this question of neutrality. It just is not logical to consider it any other way. I have studied the matter and I see no basis at all. We could go through it and there are a number of features in here. It starts out in article I, "The Republic of Panama declares that the canal is an international transit waterway."

What right does the Republic of Panama have to declare what shall happen to the canal when the canal is the property of the United States? It is only after the other treaty is ratified and after we return the property to Panama that this treaty actually is logical to be considered at all.

I would hope that the position of the distinguished Senator from Alabama will prevail. I understand that our distinguished majority leader intends to move to table and I would hope that the motion to table would be defeated so that the Senate can then express its will on the merits of considering the order of considering the two treaties.

The PRESIDING OFFICER. Under a previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized.

Mr. ROBERT C. BYRD. Mr. President, the distinguished and very able and learned Senator from Alabama (Mr. ALLEN) has moved to proceed to the consideration of the Panama Canal Treaty. He has stated that if the Senate considers first, as it is presently on course of doing, the Neutrality Treaty, many Senators would be deprived of the opportunity to vote for the Neutrality Treaty; whereas, otherwise they might vote for it, if, indeed, the Senate acted first on the Panama Canal Treaty and gave its approval to the ratification of that treaty.

That coin has two sides. There are many Senators who would not vote for the Panama Canal Treaty and who will not vote for the Canal Treaty, and I am one of them, until first we can settle the questions which are involved in the amendments that have been offered by the joint leadership and have been cosponsored by 76 other Senators.

So, that is a two-way street. It is a very appealing argument the distinguished Senator from Alabama has made and it almost persuades me when he leaves me to feel that if we go ahead and vote on the Panama Canal Treaty, first, that we can just brush off the Neutrality Treaty within a matter of 1 or 2 days and 90 or more Senators may vote to support that treaty. But I am not quite persuaded. As I say, there are those of us who have very serious questions that we want answered with respect to the Neutrality Treaty before we vote on the Panama Canal Treaty.

The distinguished Senator from Alabama has said that we have the cart before the horse. The distinguished Senator from Maryland said it very accurately when he said there is no first treaty, no second treaty, we have two treaties here that we are considering and they are both part of one and the same debate really, and one and the same overall issue and subject.

But the cart is not before the horse, Mr. President. The Foreign Relations Committee reported first on the Executive Calendar a neutrality treaty and then reported the Panama Canal Treaty. To make the argument that because the President in submitting these two treaties to the U.S. Senate for its consideration submitted first the Panama Canal Treaty and then second the Neutrality Treaty, to argue that the Senate itself ought to follow the President in its sequence of reporting these treaties to the Senate, the Foreign Relations Committee, in other words, should have followed that sequence, is to denigrate the role of the Senate. The Foreign Relations Committee was under no obligation to report first on the Executive Calendar the Panama Canal Treaty. As a matter of fact, it was under no obligation to report both of them or either of them. But the committee quite appropriately and wisely, in my judgment, reported first for the Executive Calendar the treaty concerning the permanent neutrality and operation of the Panama Canal.

Now, I personally want to know, before I vote for the Panama Canal Treaty, which relinquishes control by the United States as of December 31, 1999, of the Canal Zone, where we stand the next day. I want to know where we stand on January 1 in the year 2000. What will be our rights in times of need or emergency with respect to our war vessels? What will be our recognized rights in respect of guaranteeing the neutrality of access to and out of the canal on January 1, of the year 2000? I want to know that first, before I relinquish control, on December 31, 1999, of the canal.

That was the logic by which the Foreign Relations Committee, in its wisdom, reported to the Executive Calendar the treaty that is now being debated before the Senate.

So the cart is not before the horse. The horse is before the cart; and I maintain that is where the horse ought to be. The horse ought to be before the cart, and let us leave the horse before the cart.

Mr. President, I——

Mr. ALLEN. Mr. President, will the Senator yield? Anticipating that the Senator is going to make a motion to table, will the Senator yield me 3 minutes that I might answer him, before he does so?

Mr. ROBERT C. BYRD. I yield to the Senator right now.

Mr. ALLEN. Three minutes will be sufficient.

Mr. ROBERT C. BYRD. I yield to the Senator right now.

Mr. ALLEN. I thank the Senator for yielding to me to answer some of his remarks.

The distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the able and distinguished majority leader, who, of course, is the ablest parliamentary strategist and technician in the Senate, or possibly that has ever served in the Senate, knows quite well that if he is disturbed about the question of the Neutrality Treaty being considered after the Panama Canal Treaty, and he wants to know what is going to be in it, he knows quite well that he could easily attach an amendment to the Panama Canal Treaty stating that it would not become effective until the Neutrality Treaty has been agreed to, and possibly he would get unanimous consent to do that.

Furthermore, standing there with 78 committee votes on his amendment, there would be no danger whatsoever that the Neutrality Treaty will not pass. After all, we have 22 years to pass the Neutrality Treaty, so I do not believe we are going to get caught up in any rush of time.

I would like to make this appeal to Senators: I feel that possibly some 65 or so Senators are committed to vote for these treaties. I hope that commitment extends only to final passage of the treaties—if I said amendments a moment ago, I meant treaties. I hope that commitment extends only to the final vote on the treaties, and that Senators, during the course of this debate, which is going to last 4, 5, 6, 7, or 8 weeks, will consider with an open mind constructive amendments that will be of benefit to the people of the United States, and that will further protect our national interests. I hope that Senators who are so committed—and the Senator from Alabama is not one of those, as might be imagined—will draw back unto themselves a little bit of independence here.

You will not be violating any pledge to vote for these treaties in changing the order, so that we can have a systematic and logical time and order of consideration of these treaties. Do not fcel that because you are committed to vote for the treaties, you have got to vote with the leadership every step of the way, because you are going to find yourselves, a little later on, voting on constructive amendments that the leadership is going to tell you are not necessary to be passed.

So let us use a little bit of independence, I will say to the Members of the Senate, and vote your convictions on these matters as they come up, and still keep the commitment that I know many of you have to the President and to the leadership to vote final approval of the treaties.

This motion is sound. It does bring up the proper treaty for consideration first. I say again, it is my assessment, it is not final in any sense of the word, but it is my assessment of the situation that we will cut at least a week off the total time necessary to consider both treaties if we will reverse the order of consideration of the treaties.

I express my appreciation to the distinguished majority leader, who is always courteous and leans over backwards to accommodate Senators who disagree with him.

Mr. ROBERT C. BYRD. Mr. President, will the Senator agree to a time limitation on these two treaties if I will agree to reverse the order?

Mr. ALLEN. No, sir, but speaking for myself——

Mr. ROBERT C. BYRD. I did not understand the Senator.

Mr. ALLEN. I said no, sir, but speaking for myself and myself only, I would be willing to agree to a time limitation on the Neutrality Treaty, such time limitation to start on final action on the Panama Canal Treaty.

Mr. SCOTT. I would object to that, Mr. President.

Mr. ROBERT C. BYRD. I have not propounded such a request, but I wanted to see if the distinguished Senator from Alabama would be willing to enter into a time agreement encompassing both treaties——

Mr. ALLEN. I would on the Neutrality Treaty.

Mr. ROBERT C. BYRD. In the event that we would agree to his motion.

I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I shall not take very long. It is very interesting to see the two most distinguished parliamentarians in the Senate bowing and tipping their crowns to each other in this fashion on the Senate floor. As the Senator from Tennessee, I will say that the best advice I can give myself would be to stay in my place, because otherwise I might get hurt.

But, Mr. President, I feel some obligation to rise in opposition to the motion of the distinguished Senator from Alabama, because I feel some responsibility—not total responsibility, of course, but some responsibility—for the configuration in which these treaties were reported by the Foreign Relations Committee.

I am a member of that committee, and I advised my colleagues on the Foreign Relations Committee that I had a big problem with these treaties; that I had searched my conscience, as the Senator from Alabama suggested that we should; and that I had to do something to make them consistent with the interests of the United States. To be specific, that I had to propose certain amendments to remove certain ambiguities in a way that would require concurrence of the Panamanian Government, not just General Torrijos.

While I have never asked the members of the Foreign Relations Committee to acknowledge to me that this situation may have been one of the reasons why they chose to report the treaties in this order, I rather suspect it may have been. Then, as today, I could not vote for these treaties if I were not assured in advance that the Neutrality Treaty was going to be improved, if the defects and ambiguities were not taken care of by the amendments now at the desk of every Senator, cosponsored by 78 Senators.

The Senator from Tennessee thus faces a real dilemma. That is, if we were to reverse the order of these treaties and vote on the Neutrality Treaty first, as I have stated up and down the length and breadth of my State of Tennessee, I could not vote for the treaties.

It is only if we pass perfecting amendments to the Neutrality Treaty that I could say, in good conscience, as I have said earlier, that the national security interests of this country are fully protected.

I would urge, Mr. President, that we preserve the order of precedence in which the treaties were reported by the Foreign Relations Committee. I think it is the logical way to approach this problem. It gives the Members of the Senate the maximum opportunity to express their will and judgment on the future of the canal and the American interests in it after the year 2000. I think it gives us the maximum opportunity to provide that additional improvement to the treaties that only the Senate can bring to bear.

The distinguished Senator from Alabama said, if I understood him correctly, that we should search our conscience. I remember a city councilman in my hometown in Tennessee who was running for reelection once. He campaigned on television and he said:

> Now, tomorrow is election day and I want you to search your conscience. If your conscience says to vote for T. S. Walker, vote for T. S. Walker, and if it says don't, you argue with your conscience.

[Laughter.]

All I want to say in conclusion, Mr. President, is I do not know which side of the issue any particular one of my colleagues may be on right now, and I am not going to argue the merits of the treaty. All I am going to say is when you search your conscience, you should come to the conclusion that we need to amend the Neutrality Treaty before we dare proceed with the question of what happens to the canal on a permanent basis. I very much hope the majority leader will move to table this motion, and I will support him enthusiastically.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The Neutrality Treaty raises questions many Senators want to have answered before we proceed to the Panama Canal Treaty. The real controversy, of course, is on the legality of the treaty. Unless the Senate can be satisfied with these amendments, unless we can have assurances that the Neutrality Treaty will provide, as amended by these leadership amendments, unless we can nail down the important points concerning our rights to take action to protect the canal, then it does not make sense to consider the Panama Canal Treaty.

Therefore, it is with reluctance, Mr. President, that I now move to table the

motion made by the distinguished Senator from Alabama. I ask for the yeas and nays on my motion to table and hope that Senators will support my motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Colorado (Mr. HASKELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) is necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH) would vote "nay."

The result was announced—yeas 67, nays 30, as follows:

[Rollcall Vote No. 33 Ex.]

YEAS—67

Abourezk	Hatfield,	Morgan
Anderson	Mark O.	Moynihan
Baker	Hatfield,	Muskie
Bayh	Paul G.	Nelson
Bellmon	Hathaway	Nunn
Bentsen	Hayakawa	Packwood
Brooke	Heinz	Pearson
Bumpers	Hodges	Pell
Byrd, Robert C.	Hollings	Percy
Case	Huddleston	Proxmire
Chafee	Humphrey	Randolph
Chiles	Inouye	Ribicoff
Church	Jackson	Riegle
Clark	Javits	Roth
Cranston	Kennedy	Sarbanes
Culver	Leahy	Sasser
Danforth	Long	Sparkman
DeConcini	Magnuson	Stafford
Durkin	Mathias	Stevenson
Eagleton	Matsunaga	Stone
Glenn	McGovern	Talmadge
Gravel	McIntyre	Weicker
Hart	Metzenbaum	Williams

NAYS—30

Allen	Garn	Schweiker
Bartlett	Goldwater	Scott
Burdick	Griffin	Stennis
Byrd,	Hansen	Stevens
Harry F., Jr.	Helms	Thurmond
Cannon	Johnston	Tower
Curtis	Laxalt	Wallop
Dole	Lugar	Young
Domenici	McClure	Zorinsky
Eastland	Melcher	
Ford	Schmitt	

NOT VOTING—3

Biden	Haskell	Hatch

So the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. BUMPERS). The Senate is not in order. Senators will please take their seats or retire to the cloakroom. The Senate will suspend until we have order.

Will Senators please take their seats or retire? The Senate is still not in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is to be recognized.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HELMS. Yes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from North Carolina for his courtesy in yielding.

Mr. President, for the information of the Senate, there will be no more rollcall votes this evening.

May I ask the distinguished Senator from North Carolina whether or not he intends to speak this evening or whether he intends to speak tomorrow?

I understand that the distinguished Senator from Massachusetts (Mr. BROOKE) wishes to speak this evening.

Mr. HELMS. Mr. President, in response to my friend from West Virginia, it is my intention to speak, but I will yield to the able Senator from Massachusetts for whatever time he may desire and I shall follow him.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. HEINZ. Will the Senator yield for a unanimous-consent request?

Mr. HELMS. Yes.

Mr. HEINZ. I thank my good friend from North Carolina.

Mr. President, I ask unanimous consent that Bill Ranch of my staff be granted privilege of the floor during consideration of the Panama Canal treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I have a similar request for Lee Verstandig and Ed Hawley of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Does the Senator from North Carolina yield?

Mr. HELMS. I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts will please withhold until we have order in the Senate.

The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I thank my distinguished colleague from North Carolina for yielding.

Mr. President, the Senate's ultimate decision on the Panama Canal treaties will have a significant impact both upon our self-image as a nation and upon the perceptions of others regarding our role in the world. It is our solemn obligation to make our debate on the ratification issue a thorough and deliberate effort. The interest of the American people would be ill served by a "rush to judgment." While the impatient would have us believe that time is somehow of the essence, I have found no evidence that such is the case. Rather, I believe the case is compelling for a complete and thorough airing of every aspect of the matter that is before us. On this issue, the "wheels of the Senate should grind slowly and exceedingly fine."

I raise this matter because I recall that in 1972 we handled another issue of great importance in a rather impetuous manner. In retrospect, the conclusion seems inescapable that we gave far too little attention to the ambiguities of the SALT I agreements and their consequences. If we had not done so, we could have perhaps avoided many of the developments that make passage of a SALT II agreement problematical at best. We should not repeat our error of undue haste as we consider the Panama Canal treaties.

Mr. President, we have all experienced a great deal of soul searching and agonizing over these treaties and their implications. A great deal of interest has been shown by the American people in the matter and they have communicated that interest to us.

There can be no doubt that it is our responsibility to examine seriously the views of those we represent. This does not mean that we simply determine that 51 percent of those writing oppose ratification and, hence, determine our vote. That is not expected of us and, indeed, would insult those who had sufficient confidence to elect us to office. What it does mean is that we must thoroughly explore their concerns, determine the weight they should be given, and then choose what is the proper course of action that will best serve the interests of our country and its people. And that is the key, for it is not the interests or pride of Panama, or the satisfaction of one ideological need or another that are of importance on this matter. This is one of those occasions in the Senate when the issue compels us to rise above parochial concerns, for what we are talking about here are matters of the highest national importance with far-reaching, if as yet unforeseen consequences for our country.

Mr. President, we all know that the treaties we will finally vote upon will not be the same as those originally sent to the Senate by the President. It is an open secret that language changes will be made to guarantee the right of the United States to take action, unilaterally if necessary, to defend our access to the canal and to provide for priority passage of our naval vessels through the canal when we determine that an emergency exists requiring such an action. I have cosponsored the amendments of relevance to these issues. If the treaties did not contain them, I would be unable even to consider voting in favor of ratification. And, I emphasize consider, for there are still too many loose ends to permit me, at this time, to indicate my final decision. Let me illustrate why this is the case.

In recent weeks, controversy has arisen regarding the explicit or implicit financial aspects of the treaties. Some have dismissed concern over financial issues as just an obstructionist tactic of those committed to opposing ratification. Such a characterization is both unfair and indicative of an attitude of careless disregard of the right of the American people to understand exactly what this country is being asked to undertake.

Personally, I am still troubled by the financial aspect for several reasons. First, it is apparent that the treaties and the process of their negotiation have created a high level of expectation among Panamanian officials as to the anticipated

monetary windfall for Panama over the 22-year period until the canal is turned over. One Panamanian spokesman has stated his expectation that Panama would receive over $2.2 billion during that period. Such expectations, if largely unfulfilled, as they are likely to be, could set the stage for renewed agitation for a Panamanian takeover of the canal before the year 2000. Indeed, it is not inconceivable that passage of the treaties, with gross ambiguities regarding likely financial outcomes, could lead to an exacerbation of tensions rather than a lessening of the same in a relatively short period of time.

Excessive expectations have also been engendered by the administration's commitment to Panama to put together an aid package that could initially total $345 million in loans and credits. While the informal statement to this effect is not binding in a legal sense, I have no doubt that the Panamanians fully expect to receive such aid. With others I believe there should be no linkage, explicit or implicit, between the aid question and the treaties.

Indeed, I think the Senate, in the form of an understanding, should make clear that nothing in the treaties, or in the negotiations of which they were a result, should be construed as in any way committing the United States to provide economic or military assistance to Panama. The aid issue is one to be examined completely independent of our consideration of the treaties. I am, therefore, offering amendments to that effect today. We should leave no room for misperceptions.

There is also a great deal of uncertainty about the financial provisions of the treaties themselves. For instance, the treaty provides that Panama is to receive from canal revenues a payment for services to be provided. During the first 3 years, the payment is to be $10 million annually. Every 3 years the cost of the services are to be re-examined and the payments are to be adjusted up or down to reflect actual costs. The uncertainty arises regarding how possible surpluses over actual costs of services are to be handled in the first 3-year period. Theoretically, the actual cost of the services for each of the 3 years could be $5 million. At the end of the period this would leave a total of $15 million excess over cost. Would that excess be applied to the next 3-year period and correspondingly reduce the rate of yearly payment? Or, would it be returned to the commission? Or, would it be a disguised subsidy to the Panamanian Government? The administration to date has not been able or willing to indicate which would be the case. And, should anyone conclude that concern on this issue is merely nitpicking, let me suggest that it is situations such as this that are tailor-made for corruption and graft. And our secret sessions yesterday and today provide ample evidence that corruption is certainly possible in Panama.

As another example, one can point to the unresolved issue of whether or not the annual interest payment to the U.S. Treasury from canal revenues on the U.S. investment in the canal will be discontinued. This payment is approximately $20 million per year. Its forfeiture would naturally decrease U.S. revenues. It is my understanding that the administration intends to recommend that the payment be discontinued. Its desire to do so raises a question in my mind as to the capacity of the canal to generate sufficient revenues to cover all the anticipated costs. It appears the administration is seeking to implement the self-fulfillment of its projections of canal financial viability by extracting an invisible subsidy from the Treasury.

A third example relates to the borrowing authority presently given the Panama Canal Company. The PCC has the authority to borrow up to $40 million to cover deficits in operations.

Will the administration recommend that this authority be continued for the commission at the same level or at an increased level? There has been some talk of doubling the borrowing authority. Again, this approach would indicate to me administration uneasiness about the financial self-sufficiency of the canal under the provisions contained within the treaties.

An important aspect of the whole issue of canal revenues is the apparent obligation the United States would assume to make up deficits should there be inadequate revenues. Under the treaties, Panama is guaranteed that the canal will be turned over to it in the year 2000 free of liens or obligations. Therefore, if revenues between now and the year 2000 are insufficient, any debts incurred by the canal commission left unpaid apparently will have to be absorbed by the United States.

In this regard, I also must admit to a great deal of concern over the administration's attempt to convince the American people that they would not be required to foot the bill for payments to Panama. This is true only in a very narrow technical sense. The payments to Panama would come off the top of canal revenues and hence the bookkeeping entry would show a transaction between the commission and Panama. Yet, any deficits that arise, which would likely be the result of greatly increased payments to Panama, would have to be borne by the American taxpayer in one way or another. Therefore, it is somewhat disingenuous for the administration to argue that there is no possibility that the taxpayers would, in fact, be required to meet part of the cost of the payments to Panama up to the year 2000.

There are many other aspects of the financial arrangements that remain obscure and ill-defined at present. However, I will not discuss them here. I do wish to emphasize, however, that the most troubling aspect in the financial area is the possibility, indeed, in the minds of many, the likelihood that canal revenues will be insufficient to cover the payments to Panama, the operating and capital costs of the canal and payments due the United States. Thus, it seems clear to me that the United States, if these treaties are ratified, would assume actual and contingent financial obligations of a significant magnitude. The administration has sought to downplay this aspect of the matter. It is the duty of the Senate to make sure that the American people are fully aware of all the financial implications of the treaties.

Having pointed out the gaps that exist in our knowledge about the financial aspects of the treaties, I nevertheless acknowledge that exact predictions of future developments in this area are difficult if not impossible to make. Treaty proponents seek to exude an aura of confidence that toll increases will be sufficient to cover all anticipated costs without engendering the self-defeating effect of forcing shippers to use alternative routes. This strikes me as a bit of whistling in the dark to buck up one's courage.

Opponents of the treaties, on the other hand, predict direly that the deficits will be great, especially after 1984, and that the American people will be forced to foot the bill.

Given the track record of economic projections over the past decade, it is difficult to have a high degree of confidence in the estimates pro or con on this issue. And, I certainly do not expect anyone to state specifically what will actually be required of the United States to meet possible deficits. But, I am convinced that it is the responsibility of the Senate and the administration to point out the range of appropriations that could be required to meet possible deficits. Indeed, implementing legislation should clearly spell out the procedure by which the decision will be made to request appropriations and the manner by which any moneys thus provided will be paid back. It would be intolerable for the United States to assume obligations without being fully aware of if and when it could expect repayment.

I believe that this brief review of yet-to-be-finalized aspects of the treaties clearly indicates that the Senate is not yet in a position to decide on the ratification question. Indeed, it is clear to me that we should not do so until we have in hand the implementing legislation to be proposed by the administration and have had a chance to examine it in detail. Even our own Congressional Budget Office has stated that:

> . . . because the implementing legislation has not been submitted, a complete estimate of the budget impact of the Treaties is impracticable at this time.

I find it difficult to understand why the administration has been unable to provide us with this legislation. It is my understanding that it promised to do so early last fall. And rightly or wrongly, the administration's failure leads many to presume that it is holding back information that is important to our decision. I hope that the leadership will make clear to the administration that the vote on ratification will not occur until the Senate has had the opportunity to review the implementing legislation. It would be a mockery of the process of advice and consent to vote on the treaties, only to find subsequently that we are asked to undertake obligations we had not fully been aware of during our debate.

Mr. President, as I said at the beginning of my remarks, it makes no sense to me for the Senate "to rush to judg-

ment" on this matter. During the next few days, I hope the leadership will explain why there seems to be a compulsion to do so. I certainly will not be prepared to agree to putting the matter of ratification to a vote until all pertinent information, including the implementing legislation, is put before the Senate. Only in this way can we be assured that our final decision will be made in a way that both educates the public as to why it is being taken and eliminates the debilitating ambiguities that threaten any effort to find a satisfactory solution to the vexing question of the future of the Panama Canal.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BROOKE. Yes; I am very pleased to yield.

Mr. DOLE. Let me say to the distinguished Senator from Massachusetts he has raised some of the concerns that many of us have in this body, whether we support or oppose or are undecided about the treaties, and that is the economic impact they will have and, second, in the end of his speech is a very important point that I think has not been stressed, and that is the fact that we do not have the implementing legislation yet.

I think the Senator from Massachusetts is absolutely right. We should not be asked to ratify or approve the treaties until we have that implementing legislation, to see how much it is going to cost.

I would hope with the Senator, in effect, serving notice on all of us, we better just take our time and let the administration get it up to us. In other words, they either have to speed it up or have to take more time.

But the distinguished Senator from Mississippi, Senator STENNIS, has said this will cost the American taxpayer some money. It is not an accurate statement to say in a fireside chat it does not cost the taxpayer one dime.

The Senator correctly pointed out the increased tolls will add up to $2.26 billion. In addition, there are other payments.

And I think the Senator from Massachusetts certainly made the record clear and raised a number of good questions with reference to the economic benefits.

We want to help the people of Panama. That is not the problem. But I think, as the Senator suggests, we want to make certain we know what it is going to cost the American taxpayers.

I find the taxpayers in the State of Kansas, and I am sure it is certainly true in the State of Massachusetts, feel they are pretty well taxed already.

This may not add a great deal to that burden, but it is certainly significant, and I commend the distinguished Senator from Massachusetts.

Mr. BROOKE. I thank my distinguished colleague from Kansas, and he is absolutely correct. I certainly did intend to serve notice that I for one will do everything possible to forestall the vote on ratification of these treaties until such time as the American people and the U.S. Senate, which is called upon to vote on a ratification, have full knowledge of all the financial implications of the treaties, and have reviewed the implementing legislation in detail. I deem this to be essential prior to the votes on ratification.

I cannot for a moment understand why the administration has failed consistently since last fall to send the implementing legislation to the Senate for its review.

Mr. DOLE. If the Senator will yield a second, I think they will understand when they hear about the speech of the Senator from Massachusetts this afternoon. They will understand when they know there are not enough votes for ratification. I do not say it critically. I just say it as a matter of fact. But once they know the votes are not there, we will see the movement that the Senator has been requesting.

Mr. BROOKE. I think the Senator from Kansas is well aware that I feel very strongly on this matter, as I have tried to indicate in my speech to the Senate today. Even more so I feel deeply that we should not divide this country on this issue. It is one of importance and of relevance, to be sure. And I think we ought to know all of the facts, every detail, concerning what the treaties are, what they are not, what the treaties involve, what they do not involve, and how much it is going to cost the American people if they are ratified.

We cannot "buy a pig in the poke." We ought to know exactly what we are talking about. And these statements which have been thrown out, as the Senator from Kansas has said, that they will not cost the American people a penny, are obviously not true. It will cost the American people. The question is, How much will it cost the American people and is the cost a necessary one to bear because of our natural interests?

Mr. DOLE. How much.

Mr. BROOKE. They should know that.

Mr. DOLE. Not only how much but how long.

Mr. BROOKE. How long is it going to cost us?

Mr. DOLE. Right.

Mr. BROOKE. I think we ought to know that before we get into it.

Why this urgency I cannot say. I just do not know why some feel the need to "rush to judgment."

I think the administration really wanted these treaties ratified last fall when they were first presented to us, and I think they found out we did not want to ratify them then. Many of us gave advice to the President, that the treaties could not be passed at that time. The Senate needed and still needs time to examine the matter in great detail. We needed time for the American people to understand what the treaties are all about; and now more and more people are becoming aware, but we still have not given them sufficient information upon which to make a judgment call.

Such information must include not only the financial arrangements that are involved and how long they are going to be in effect, but also the exact nature of the implementing legislation to be proposed by the administration.

So I thank the Senator from Kansas for his comments. I have known of his sensitivity to this question. And I thank him for the words he said in support of this position.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I, too, want to commend the distinguished Senator from Massachusetts.

His remarks, which he has just completed, represent to me one of the more sensible discourses in this entire debate and, needless to say, I am delighted to hear the position that he has taken. It is a responsible position. It is certainly a position that, in the judgment of the Senator from North Carolina, the vast majority of the American people share with him, and the points he has raised are the very same points which the Senator from North Carolina raised in hearings of the Armed Services Committee.

The American people deserve the right to know specifically and precisely what this is costing them, and once they know that, this Senator is persuaded that the people will react very strongly if, as, and when this Senate should make the mistake of ratifying the treaties.

But be that as it may, the Senator from North Carolina in a moment is going to discuss the moral aspects. He is going to discuss the corruption in the regime in Panama and, as the Senator from Massachusetts indicated, the people of the United States deserve to know about this so that they can understand without any peradventure just what kind of regime it is, just who it is to whom we are proposing to turn over the Panama Canal.

So I commend the Senator for wanting to get to the bottom and reach the undeniable facts in this case, and I appreciate his comments.

Mr. BROOKE. I thank my distinguished colleague from North Carolina. As he knows, I serve on the Appropriations Committee. I am privileged to serve on that committee. Obviously, we would be faced with appropriations problems which have not even been suggested as yet, and I would hope that the administration would heed our counsel; that it would make known to us explicitly and in detail what the financial arrangements would be and send to us the implementing legislation that is necessary to obtain this information. I do not know, but I think if it fails to do so it will have made a grievous error so far as the Panama Canal Treaties are concerned and will not be living up to its responsibilities not only to the U.S. Senate but to the country as a whole.

I thank my colleague.

Mr. HELMS. I thank my colleague.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. BROOKE. Yes; if I have time.

Mr. HELMS. Mr. President, just to establish the facts, I do have the floor, do I not?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. Mr. President, I am glad to yield to my friend from New York.

Mr. JAVITS. I thank the Senator so much.

As usual, Senator BROOKE speaks sincerely, eloquently, and always with deep perception. I am his friend as well as his

colleague, and I have listened very carefully.

Certainly everything must be laid on the table. I think the closed-door sessions demonstrated that and the fact that the Members charged with sanitizing the transcript are now instructed, as if they needed instructions, to lean over backwards on the greatest public disclosure.

I would also suggest to the Senator that the record before the Foreign Relations Committee is very replete with exactly what he is asking for, other than the implementing legislation which will and should come up here—no question—unless there is a good reason which I have not heard.

Mr. BROOKE. The Senator said it will come up?

Mr. JAVITS. I believe so.

As I say, unless there is some good reason from the administration which I have not heard as to why they do not or they cannot.

Mr. BROOKE. If the Senator will yield, we have been promised the implementing legislation since last fall. We have still to this date not received it.

Mr. JAVITS. Well, as I say, I do not think, you know, that is anything unreasonable, asking to see the shape of the implementing legislation, unless there is some good reason why it cannot be tendered.

Mr. BROOKE. Which we do not have.

Mr. JAVITS. Which we do not have, and the Senator is just as reasonable as I am. Though I am a strong proponent of the treaties, I think whatever the Senate needs to judge them, it should have. As to the finances, that has been gone into very deeply, and the record is very complete on that score. The drug business has now been gone into very deeply, as it should have been.

All I wanted to point out is my respect for whatever the Senator says and whatever he thinks on any issue, whether I agree or disagree.

Second, this record now is very full of a great deal of the information which the Senator has sought, and I would most respectfully offer to the Senator my facilities, and I think I can be presumptuous enough to offer those of the Foreign Relations Committee, with a view toward satisfying the Senator or his staff, if he delegates it, as to what is in, so that the Senator can quickly, without going through volumes, refer to it, and what is not in; and I think it would be helpful to the Senator to undertake that review.

I do not think the Senator intended any derogation. If he did, as I am sure he did not, he is too much of a lawyer for that—the facts are very replete already, and I think the Senator should apprise himself fully that there is a complete record, and be brought up completely to date on everything we actually have of the kind he has discussed.

Mr. BROOKE. If the Senator will yield there, I appreciate the Senator's very generous and kind remarks. The Senator from New York, as he has said, is a very dear and close personal friend of mine, and a most distinguished member of the Foreign Relations Committee, and I intend no disrespect nor any criticism of the hearings or the work that the Senate Foreign Relations Committee and its very able staff have performed.

However, I beg to disagree with my friend from New York as to the completeness of the record insofar as what the financial obligation of the United States will be; and this is a matter of concern to me as well as the matter of the implementing legislation, which the Senator has said is of concern to him as well as to me.

The other point which I made was the need for the American people to know all of the facts relative to the Panama Canal treaties prior to a vote on ratification. I, for one, did not see the necessity for the closed session in the first instance. Frankly, I attended as much of those sessions as I could consistent with my responsibilities in the Appropriations and Banking, Housing, and Urban Affairs Committees; but to me, just the appearance that we are trying to keep something from the American people, unless it is a matter of national security or a matter of the rights of individuals—they have to be protected, and I can understand that—should be avoided. To the greatest extent possible everything should be in open session. The public has a right to know. I just think that we have to have all of the information, and I would hope it will be.

Let me state to the distinguished Senator from New York that I have looked at and read the Foreign Relations Committee report. As a matter of fact, I have said to my constituents time after time that I would not even begin to make a decision on the Panama Canal treaties until the report of the Foreign Relations Committee, which is the appropriate committee having the responsibility in the main for looking very closely and in detail at the treaties, had been submitted and studied.

So I do respect the committee system, and I certainly have high regard, as the Senator knows, for the Committee on Foreign Relations. But I repeat the fact that you still cannot tell me today just what it is going to cost. I know you cannot specify it in its entirety; I said that in my remarks on the floor today, that we cannot hold you to an exact amount. But I am personally convinced that we still have an inadequate understanding of just how much it may ultimately cost the American people, and for how long they may pay the costs implicid in the treaties. That is one thing I think the record is not complete on, in addition to the question of the implementing legislation.

Mr. JAVITS. May I just speak to two points?

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. Mr. President, I have the floor. I want to be as patient with Senators as I can, but I have a tight schedule also.

Mr. JAVITS. Will the Senator allow us all 5 minutes, to the three of us? I will take 1 minute.

Mr. HELMS. Certainly; I will be glad to yield 5 minutes.

Mr. JAVITS. Thank you; I just wanted to make two points. First, I was not conscious of using the word "complete," and if I did use it, I apologize.

Mr. BROOKE. Thank you.

Mr. JAVITS. I am a lawyer, and there is no such word as "truth" and there is no such word as "complete."

Mr. BROOKE. One of the best lawyers in the country, in fact.

Mr. JAVITS. But I did feel, and I tried to say, that the record was replete, with 2,500 pages of questioning.

Mr. BROOKE. Oh, you said replete; I see.

Mr. JAVITS. Yes, and with 1,700 pages of background documents. Second, as to the money, there will be a debate on that beginning tomorrow. I think we can project, subject to the usual consideration of a businessman's risk, about what it will cost.

Mr. BROOKE. Will you discuss the ambiguities regarding the $10 million to be paid Panama for actual cost of services I referred to? You will get into that as well?

Mr. JAVITS. Exactly.

Mr. BROOKE. I look forward to that debate, to hear and listen to what the committee has done in that regard.

Mr. MATHIAS. Mr. President, I guess the Senator from New York has the control of this 5 minutes.

Mr. JAVITS. I yield 1 minute to the Senator from Rhode Island (Mr. CHAFEE) and the rest to Senator MATHIAS.

Mr. MATHIAS. Very briefly, the Senator from Massachusetts has introduced some very interesting questions and expressed his concerns here, and I think what he has raised points up a question in my own mind which I hope the Senator from New York and other members of the committee will be able to discuss in some detail, and that is how this operation by committee for the next 22 years is going to work out, the sort of joint effort which will be required between now and the year 2000, whether there has been thinking as to who will make the decisions, or how the decisions will be reached, in the operation of the canal.

These questions could affect the financial picture very greatly, and the committees, as we know, here in Congress, are great institutions for exposing issues and illuminating arguments and educating those who are privy to them, but they are not necessarily the best instruments for executive decisions. I think that is an area we want to look at very carefully.

Mr. BROOKE. Yes, I would certainly agree with our distinguished colleague from Maryland that that is a very important area that needs to be explored, but which to this date has not been explored, and which I think we should explore. I would hope in the days of debate to follow, we will explore it.

Mr. CHAFEE. Mr. President, I would just like to congratulate the Senator from Massachusetts on his fine statement. However, I would like to take issue, if I might, with him on a couple of points.

The suggestion of the administration whisking this through, that it is a steam-

roller, I do not really think that is quite a fair suggestion. These treaties were signed on September 7, and there has been a good deal of advance discussion about them prior to that. Since September 7, it is as though an invasion had taken place in Panama, the number of people who have been down there to have a look. So I feel there has been some pretty thorough discussion of these treaties. At the earliest, it will be 5 months from when the treaties were signed to when they are even voted on.

Mr. BROOKE. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. BROOKE. Does the Senator think that is an unreasonable period of time for a matter of this magnitude, considering the fact that even though it has been 5 months since the signing of the treaties, the implementing legislation has not to this minute been submitted to the Senate for its review?

Mr. CHAFEE. Well, I look on the implementing legislation as the tail that has got to follow the dog. In other words, the implementing legislation has to conform with the treaties.

Frankly, I do not have that concern over the implementing legislation because we have to know what is in the treaty, and we should have a thorough discussion.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I yield 1 more minute to the Senator from Rhode Island.

Mr. CHAFEE. I know the Senator from North Carolina has been waiting patiently. I hope we can get further into this discussion.

Mr. BROOKE. I welcome this opportunity for discussion with my colleague. We have spent a lot of time on this matter, but I am not sure that we have spent it on substantive issues.

Mr. CHAFEE. I quite agree.

Mr. SARBANES. Will the Senator yield me 2 minutes?

Mr. HELMS. I would be delighted to yield.

Mr. SARBANES. I want to address briefly three points the distinguished Senator from Massachusetts made.

First of all, I agree with the Senator from Rhode Island. I do not think it is fair to characterize the process pursued by the Senate as rushing to judgment.

Mr. BROOKE. I would say that the administration wants this ratified in such a short period of time without the benefit of all the facts. That is the question of judgment.

Mr. SARBANES. I think the Senate is trying very hard to get to the facts in a careful and thorough manner.

Second, on the economic questions, I think the material on that issue is in the hearing record. There are a lot of conflicting opinions on that issue and where you come out depends on the assumptions you are prepared to make and the premises Senators are prepared to work upon.

In fairness to the President, what he said in his speech was that the payment to Panama, the payment provided under the treaty to Panama—would come from tolls and responsible economic analysis shows that to be possible.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I yield 3 minutes to my friend from Virginia (Mr. HARRY F. BYRD, JR.) and then I believe the distinguished Senator from Kentucky has a conference report.

Mr. FORD. I have a conference report which will take 1 minute. After these people, the Senator may not have any time left.

Mr. HELMS. I hope the Senator from Massachusetts will not leave.

Mr. BROOKE. I would never leave when the distinguished Senator from Virginia is prepared to talk.

Mr. HARRY F. BYRD. JR. I thank my friend from Massachusetts.

I noted comments were made with regard to the implementating legislation. I noted Mr. Herbert J. Hansell, a legal advisor to the Department of State, testified before the Foreign Relations Committee on September 29, 1977. This is what Mr. Hansell said, he being the legal advisor to the State Department:

> Frankly, Mr. Chairman, I am pleased to have this opportunity to report to this committee on the proposed legislation to implement these treaties that is being prepared for submission to Congress in the near future. That legislation, of course, will be an essential component of the overall program for the implementation of the treaties.

That, I believe, is the point which the able Senator from Massachusetts was making a little while ago.

Mr. BROOKE. Precisely, and that is the point that the Senator from Rhode Island completely missed because he felt it was the tail wagging the dog. I do not think it is the tail wagging the dog. I think it is another essential part of the dog as is the tail.

Mr. HARRY F. BYRD, JR. The legal advisor of the State Department says it is an essential component of the treaties.

Mr. BROOKE. Of course.

Mr. HARRY F. BYRD. Then in another statement at that same meeting before the Foreign Relations Committee on September 29, Mr. Hansell said:

> We hope to have a complete draft available for submission to both Houses of Congress within several weeks. We have been at work on it for some period of time. Certainly, before the end of October we expect to have it to you.

Well, October has come and gone, November has come and gone, December has come and gone, January has come and gone. February is here and is about to go next week.

So I join with the able Senator from Massachusetts in expressing some dismay that the Congress has not been provided that information, although it was promised not later than the latter part of October.

Mr. BROOKE. I appreciate the information given by my able colleague from Virginia.

I also refer to the Foreign Relations Committee report, supplemental and minority views, where the head of the Congressional Budget Office informed the Committee:

> Clearly, because the implementing legislation has not been submitted, the complete estimate of the budget impact of the treaties is impracticable at this time.

And we still do not have that. Obviously, it is still impracticable at this time to find out what the budget impact will be.

I think now we should be talking about what the budget impact would be before we talk about any legislation.

Mr. HARRY F. BYRD, JR. And since we do not know what the budget impact is, we do not know what the impact will be on the American taxpayers.

Mr. BROOKE. That is correct.

Mr. FORD. I ask the distinguished Senator from North Carolina if he will yield me 1 minute.

Mr. HELMS. I yield.

FEDERAL TRADE COMMISSION AMENDMENTS OF 1978—CONFERENCE REPORT

Mr. FORD. Mr. President, as in legislative session, I submit a report of the committee of confrence on H.R. 3816 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3816) to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease and desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majoity of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of February 22, 1978.)

Mr. HELMS. Mr. President, I understand this report has been cleared on both sides.

Mr. FORD. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the Neutrality Treaty.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I am glad

to have this opportunity to present some of my views.

I have been somewhat dismayed during the past 2 days here on several occasions when it has been asserted that the Panamanian drug connection is irrelevant to the Panama Canal Treaty. With all the vigor that I possess I dissent from that position. One Senator said in this Chamber earlier this afternoon that, in effect, it is silly—and that is the word he used—he said it is silly to be concerned about the dictatorship in Panama even if it had been shipping enormous amounts of heroin and other deadly drugs into the United States.

Well, Mr. President, I say to that Senator, and I say to all others who say this is irrelevant, tell that to the people of the United States, the mothers and fathers whose children are hooked on heroin. Do not just say it here in this Senate Chamber. Tell it to the parents. Tell it to the addicts themselves.

I am confident that the victims of drugs, direct and indirect victims, which Panama has channeled into the United States will refute that argument that it is silly, that it is irrelevant, with all of the strength they possess.

Those who have been heartsick to see lives lost and lives ruined, characters destroyed, even minds blanked out—none of these, Mr. President, will think that it is irrelevant or that it is silly to consider the damage that has been done to the United States by Panama.

Now, let us get that on the record, and I hope this Senator does not hear the pretentious argument again that it is irrelevant, because it is the most relevant thing we can talk about.

While we are talking about the victims of the drug traffic, Mr. President, let us think about the innocent citizens of this country who have been victimized by addicts who are trying to get enough money for a quick fix. Who is going to look out for the interests of the elderly people who have been mugged on their way to the grocery store by addicts looking for an easy mark? Who is going to look out for the ordinary citizen whose home has been victimized by petty burglars, and some not so petty?

Mr. President, let us not imagine and let us not have the American people believe that we are talking about one or two cases in which Panamanians were involved. Oh, no, Mr. President, we are talking about an organized system in which Panama served as the vital link, an organized system which was carried on with the knowledge and the complicity of high officials of the Panamanian Government.

This Senator was not in favor of the closed session yesterday and this morning. He said on this floor, and I suppose I can say this lawfully in open session, the Senator from North Carolina was standing right there, and he said that the session ought to be open because the American people deserved to know what we were talking about. As it turned out, there was almost no necessity whatsoever of closed doors, driving the press out, because there was not any information disclosed on this floor yesterday, with the possible exception of the grand jury indictment, that would have been harmful to U.S. interests.

In any event, the importance of the key cases of drug smuggling into the United States cannot be underestimated. The Rafael Richard case involved some 150 pounds or more of pure heroin. That is just one case. I hope my distinguished colleagues and the American people understand the importance of that one case, Mr. President, because 150 pounds of heroin is enough heroin on the street to supply all the addicts of New York City for a full month.

Was this Rafael Richard just a poor, misled boy? Don't you believe it, Mr. President, because the facts do not support such a conclusion. Mr. Richard, however you pronounce it, had made five previous trips carrying heroin. For almost half a year, this one criminal— and I use that word advisedly—this criminal had supplied the heroin to terrorize the city of New York with addict-related crimes. There was just that much involved.

So I say again, Mr. President, do not try to tell this Senator that it is irrelevant or that it is silly to talk about Panama's drug connection. That one seizure that we discussed yesterday was placed in value at $27 million. I emphasize that that is just one seizure. We know that it was only one in a continuing system. The money came right out of the pockets of Americans through armed robbery and burglary and prostitution. Any social worker, any policeman on the beat, can describe the ravages of heroin trafficking in our society.

We also know, Mr. President, that this one case that we talked about yesterday involved not just a single man; it involved a large conspiracy. It is now public knowledge that a high member of the Panamanian Foreign Service was directly implicated, a high ambassador, who is the brother of the head of state in Panama, the dictator in Panama who took control of that country at gunpoint. That is what we are talking about, Mr. President. We are not talking about something irrelevant or silly. We are talking about facts.

Let us not kid the American people. I do not think it is possible to kid the American people. As a matter of fact, this Senator wishes that, somehow, we could have a plebiscite in this country and let the American people vote on this proposition that the Senate is debating today.

The dictator of Panama knew about the crimes. He condoned them by not taking action. He protected his brother. Even the proponents of the treaties acknowledge that.

Now, a news account earlier this week reported that Omar Torrijos now says that he would turn over his brother if the United States would offer proof to support the charges. How beneficient of him. Obviously, Omar Torrijos does not understand the ways of a free society. He does not understand the separation of the judiciary from the legislative and executive branches. He wants to prejudge the evidence.

(Mr. MELCHER assumed the chair.)

Mr. HELMS. Mr. President, a grand jury has said that the evidence is credible, and that should be enough to bring this man to trial. Why was not the brother of Omar Torrijos turned over 5 years ago? The dictator Torrijos now says that he did not turn him over because it would have killed his mother, who was alive then. I hope that my distinguished colleagues will think about that. Omar Torrijos was worried about how such a trial would affect his mother.

Well, what about the mothers of the addicts whose lives have been destroyed by the conspiracy in which Moises Torrijos was involved, h'm?

The distinguished chairman of the Select Committee on Intelligence, in his report, which was made public yesterday, has said that Torrijos knew about drug trafficking and did not take sufficient action to stop his brother's activities. Mr. President, that is a very significant conclusion, and the inevitable question is, why did Omar Torrijos take no action? Was it really because he feared for his mother's health? Anybody who believes that will believe anything. As a matter of fact, anybody who believes that, I invite to meet me immediately after the Senate session. I would like to sell him some stock in the Brooklyn Bridge.

Panama is a very small country. Everybody knows everybody's business. Certainly, this dictator, with full intelligence resources at his command, knows everybody's business. So, Mr. President, the Senator from North Carolina can only conclude that the dictator failed to act because he approved of the activity of his brother and others directly or indirectly connected with the Torrijos regime.

Just look at the facts. His brother, the Ambassador, assisted the transfer of narcotics through Panamanian Customs. His Foreign Minister, Juan Tack, signed the illegal diplomatic passport that Richard sought to use for the smuggling operation. From the Him case, we know that Panama's Tocumen International Airport was the center of narcotics transfer and routing and we know that the Guardia Nacional was involved in protecting the shipments of these drugs. Now, this may not be enough to bring into a court of law to convict the dictator, Omar Torrijos, but the Senate of the United States, presumably representing the people of this country and the interest and the security of America, is not seeking to convict him in a court of law.

What we are debating, I presume, and yet I sometimes wonder, what we are debating is whether or not we should go into partnership with him, not whether we have enough evidence to convict him in a court.

We are debating the question of whether Omar Torrijos is a reliable ally and, in any sense, a friend of the United States.

Again I say, Mr. President, that I do wish that the American people—the American people—could have a vote on this question.

Now, one distinguished Senator has been quoted as saying that our debate yesterday was a waste of time.

In the first place, I did not see that Senator on the floor once yesterday. He may have come in and left, but I was here most of the day and I did not see him on the floor one time, so not much of his time was wasted.

But, in any case, the Senator from North Carolina does not agree that debating this drug issue is or was a waste of time.

Certainly, it is not as much a waste of time as it might be to go down to Cuba, for example, and embrace the dictator Torrijos' ally and friend, Fidel Castro, and Senators have done that.

Now, if we want to talk about wasting time, I place that kind of activity in nomination.

When Torrijos left Washington after issuing the statement of understanding with President Carter, he flew back home on a route that led directly over Cuba, and as he flew by Havana, Torrijos radioed a message of felicitations and triumph to his bearded friend in Cuba.

For us, that message was clear. If you embrace Torrijos, then you are embracing Castro.

No, Mr. President, it is not and it was not and it will not be a waste of time to debate the criminal involvement of the Panamanian Government in narcotics trafficking.

In 1973, the House Merchant Marine Committee estimated that one-twelfth of the heroin coming into the United States came with the participation of Panama.

Now, based on evidence that I have received in the past few days, Mr. President, I am confident that that estimate was an understatement, because in recent conversations that I have had with former drug enforcement officials of the United States, men who had firsthand knowledge of the narcotics situation at the time of the indictment of Moises Torrijos, I have learned that the proportion of the drug traffic controlled by Panama in that period was at least one-half.

Now, I acknowledge that precise figures are impossible. But I am told, by people who have reason to know what they are talking about, that one-half, or even more than one-half, is a reasonable —a reasonable—estimate.

We cannot understand why the information relating to the Panamanian drug traffic is relevant unless we put the issue into its international perspective.

Panama has a unique position both in its geography and in the history of international law enforcement.

Without Panama, the heroin explosion that occurred in the late 1960's and in the early 1970's could never have taken place. It would not have happened except for Panama.

Of all the nations in the world, only Panama refused to join with the civilized nations of the world in an international crackdown. Only Panama, Mr. President, only Panama refused to cooperate.

This is the nation, Panama, governed by the same military dictatorship that we now propose to take as an intimate partner in the operations of our canal, and as our ultimate successor by the year 2000.

I heard on the floor over and over, ad infinitum and almost to the point of nausea, that General Torrijos will not last forever. Well, I certainly agree with that. I have had my fill of the man already.

We hear constantly that the patterns of narcotics traffic are changing and that we should think of the Panamanian people rather than of the present regime.

On the contrary, Mr. President, the Panama Canal is a public utility that serves the world. There are many nations for whom the canal is far more important than it is for Panama. The United States, as owner and operator of the canal, has compiled a record of unparalleled service, efficiency, and benefit to all nations.

It is, therefore, particularly relevant, if we now propose to turn the canal over to proven racketeers who have already demonstrated that they put personal gain ahead of the suffering, anguish, and social injury which the narcotics traffic creates throughout the world.

Panama's geographical position is unique, Mr. President. In a moment I shall go into detail to explain why it is under greater pressures from international drug traffickers than any other location in the world.

At the present time, the Canal Zone is U.S. territory under article IV, section 3 of the U.S. Constitution. For narcotics law enforcement purposes, U.S. laws and U.S. standards of enforcement apply in the Canal Zone.

As a matter of fact, Mr. President, without the Canal Zone, we would have never broken the back of the heroin trade as it existed as recently as 1972. We were able to do so in the face of the determined opposition—the determined opposition—of Panama.

The exercise of our sovereign powers in the Canal Zone, the presence of U.S. officials on the spot, the control of the facilities and installations were the key elements that made enforcement possible.

Well, then, Mr. President, we should ask, what is the impact of the treaties on narcotics enforcement?

Under the new treaty, the United States gives up control of the ports, including piers, warehouses, and the stevedoring.

Under article III, section 6, Panama takes over customs and immigration.

Under article IX, section 1, it is recognized that the laws of Panama apply to the U.S.-use areas.

Under article XI, section 1, Panama assumes plenary jurisdiction over the former Canal Zone.

Even during the 30-month transition period, Mr. President, the United States exercises criminal jurisdiction only over U.S. citizens, citizen-employees, dependents, and members of the U.S. Armed Forces, and only for offenses committed during that 30-month transition period and committed in the U.S.-use areas.

Moreover, when we read the implementation agreements we see specific language that shows Panamanian anxiety to control all matters related to drugs.

That is what we have been talking about for the better part of 2 days. That is what some in this Chamber and some outside this Chamber have labeled as irrelevant and on one occasion today, by one Senator, silly. No way, Mr. President.

In the Agreement in Implementation of article III of the Panama Canal Treaty, article XIX, "Criminal Jurisdiction," it provides the following:

4. (a) The Authorities of the Republic of Panama shall notify the authorities of the United States as promptly as possible of the arrest of any United States citizen-employee or dependent.

(b) The following procedures shall govern the custody of an accused United States citizen-employee or dependent over whom the Republic of Panama is to exercise its jurisdiction:

(i) If the accused is detained by the authorities of the Republic of Panama he shall, except when charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamian State, be handed over on request to the authorities of the United States in whose custody he shall remain until completion of all judicial proceedings and thereafter until custody is requested by authorities of the Republic of Panama for the execution of a sentence.

(ii) When charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamian State, the accused will remain in the custody of the authorities of the Republic of Panama. . . .

Identical provisions appear in the Agreement in Implementation of article IV, article VI (5), with regard to military personnel, their dependents, and the civilian component.

It is to be noted that these provisions refer not to the transition period, but to the general implementation of the treaties. It is highly significant that Panama, by specific exception, demands custory of those accused of drug trafficking. If Panama's record for prosecution and control of narcotics record were excellent, or even good, then the language would be heartening. But Panama's record of coverup, participation in, and protection of, the drug rackets strongly suggests that the Panamanian interest lies more in the manipulation of narcotics control rather than real action.

The only tool of enforcement left would be drug enforcement agency agents attached to the U.S. Embassy in Panama. Such agents lack clear authority; they have been hamstrung and rendered ineffective in the past by political restrictions. It can be assumed that such restrictions would increase under the treaties because of the overriding necessity of preserving the cooperation of the Panamanian Government in the operation of the canal.

PANAMA'S ROLE IN THE NARCOTICS TRADE

It is important to understand that Panama's role in the narcotics trade is not confined to isolated instances. We are not talking about isolated bilateral deals between criminals in Panama and criminals in the United States. We are talking about a vast international network of criminals around the world that has used Panama, with the approval, protection, and participation of the Panamanian Government—the same government with which we are asked to conclude these treaties.

Before 1968, the pattern of narcotics traffic moved from Turkey to Europe, principally Marseilles. From Marseilles, it moved to the United States, sometimes directly to New York, sometimes indirectly through Mexico or Montreal.

But about that time, our drug enforcement officers in U.S. Customs noticed a change. They were no longer picking up smugglers with big loads of heroin of a hundred pounds or so. Instead, they were picking up small couriers each carrying only 2 or 3 pounds.

Customs officials ran a profile on those arrested and noted a common profile: Most were petty criminals from the countries of the lower cone of South America. Yet they were coming to the United States from Europe.

Moreover, there were other similarities. Certain travel agencies invariably issued their tickets; visas were granted at the same place. Investigation and information received from those arrested and convicted led to the discovery that these petty criminals were recruited and controlled by an international fraternity of criminals. Many who had fled Europe as fugitives who had committed capital crimes had taken up residence in South America under false identities. Nevertheless, they maintained bonds of blood and trust with their counterparts in southern France, Corsica, and Italy.

With the development of these profiles it was an easy thing to pinpoint suspects in advance. Customs executed a rash of successful arrests in a matter of weeks. But the organizers were untouched.

Despite the successful clampdown in New York, the narcotics problem continued to grow. Then U.S. Customs noted that couriers with the same profile (petty criminals from the southern cone) were coming into international airports in Florida, Louisiana, Texas. It was a fairly simple matter to shut off this traffic once the key was discovered. However, the shift pointed to one thing: Bulk heroin was now coming directly from Marseilles to Asuncion, Paraguay.

CONTRABANDISTA SYSTEM

Even though the petty couriers had been cut off again, by 1970 the heroin problem in the United States could only be described as an "explosion." Customs officials were baffled as to how it was getting in. Finally, working on a small clue passed along by a criminal informant, they turned to an investigation of the so-called contrabandista system.

The contrabandista system was well known but did not directly involve the violation of U.S. laws. It was based on the tariffs of 200 to 300 percent that Latin American countries placed on the importation of U.S. luxury goods. A cargo plane load of merchandise—usually a vintage aircraft with second-rate pilots—would leave Miami with its manifests in order.

The first stop was Panama, conveniently 3,000 miles south of the United States. At Tocumen Airport in Panama, the cargo plane would be put under the control of the Guardia Nacional. On the next day, the plane and its contents would leave Tocumen, this time with a new manifest from the Government of Panama certifying that the plane was empty. In South America, the plane of contraband goods would land at a remote private airstrip, unload, and then proceed to its announced destination. Thus when it arrived, the false Panamanian manifest would be correct: The plane actually was empty.

This highly organized operation was managed by the chief air traffic controller of Tocumen Airport; it was not accomplished without regular assessment of "fees." It was so successful that it was extended down to Asuncion, Paraguay, where a special airport was built, complete with warehouses. From Asuncion, short air hops could be made for "distribution" of the contraband goods to Brazil, Argentina, and Uruguay.

As already pointed out, no U.S. laws were violated, since the planes left the United States with their papers in order. It was Panama that was the kingpin of the operation because Panama supplied the false manifests. Furthermore, in another variation, contraband was warehoused in the Colon Free Zone—an area also under the control of the Guardia Nacional—for the convenience of customers who arrived in Panama to take "orders."

DRUGS: THE RETURN TRIP

Once the planes arrived in Paraguay, there was very little to take back on the return trip—horses, perhaps, or exotic tropical fish.

But one U.S. Customs had concluded that bulk heroin had found a new route from Marseilles to Asuncion, it was a simple deduction how it was getting into the United States: It was the contrabandista system in reverse, with Panama as the kingpin. The "empty" planes were now loaded with heroin under the floor boards. Close inspection of planes coming from Panama began to pay off.

THE JOACHIM HIM CASE

In February 1971, an indictment was issued for Joachim Him, the chief air traffic controller at Tocumen Airport. Him was not only providing a way station for the narcotics traffic under the protection of the Guardia Nacional; he was directly involved in routing traffic and organizing sales in the United States. Knowing that the Panamanian Government would give no assistance in dealing with the Him case, and knowing also that the U.S. State Department would attempt to impede any efforts to seek such assistance, U.S. narcotics agents waited until Him fell into U.S. jurisdiction by attending a baseball game in the U.S. Canal Zone. Him was arrested, brought to Texas (the scene of many of his drug sales operations), convicted, and put in jail.

This case is a superb example of the way that the exercise of sovereign powers by the United States in the Canal Zone facilitated the interdiction of an international drug traffic leading through Asuncion to Marseilles. Without the arrest and conviction of Him, the backbone of the trade route would never have been broken. The Him case was not hearsay and allegation; it was based on provable evidence which brought conviction and a long jail term. Him alone was responsible for sending over a million dollars worth of heroin.

The intimations of noncooperation on the part of Panama proved true. A campaign of vituperation and protest was immediately begun by the Panamanian Government. According to sworn statements given to investigators for the House Merchant Marine Committee the campaign of protest was personally directed and led by Omar Torrijos and Foreign Minister Juan Tack.

THE RAPHAEL RICHARD CASE

In July 1971, Raphael Richard, Jr., was arrested in J.F.K. International Airport with 151 pounds of heroin in a suitcase. Also arrested were Nicholas Polanco and Guillermo Gonzalez, and three others. Polanco was an associate of Moises Torrijos, formerly his chauffeur and bodyguard. Gonzalez, no relation to Him Gonzalez, was, like Him, a former chief air traffic controller at Tocumen Airport.

Like the Him case, this was no matter or hearsay or allegation. The heroin was real. It was worth at least $27 million. Nor was Richard a naive young man abusing his father's privileges. Richard bore a diplomatic passport, but he had no right to have one. His father was Ambassador to the Republic of China or Taiwan; but the son's passport was in his own name and had been illegally signed by Foreign Minister Juan Tack. And Richard, Jr., admitted that he had made five previous flights carrying heroin to New York, four in the fall of 1970, and one in January 1971.

The magnitude of the operation becomes clear when it is realized that just one such shipment is enough to supply the addicts of New York City for a full month.

The arrest and conviction of Richard and his confederates did not bring any cries of rejoicing from Panama; the incident merely added to the growing cries of protest against U.S. enforcement. Three U.S. drug officials were declared persona non garta and were forced to leave Panama.

Once again the facts point to a major role of Panama in the international drug trade. The amounts brought in in the Richard case, and their frequency, establish conclusively that Panama was a major conduit. It was no casual connection; it was an organized system. Together with the Him Gonzalez case it points to high-level government involvement. The striking coincidence of another former air traffic controller among the cast of characters points to a protected fraternity of smuggling operations.

THE INDICTMENT OF MOISES TORRIJOS

But the Richard case led to something further: the indictment of Moises Torrijos, brother of the dictator. U.S. law holds that anyone involved in a narcotics smuggling operation whose end is the United States is guilty of a crime punishable in the United States. The evidence given to the New York grand jury by the participants in the Richard operations led to the judgment by the grand jury that the evidence of Moises' involvement was serious enough to warrant prosecution.

Once again, this was no hearsay or vague allegations; it was sworn testimony of participants. It pointed to direct involvement of the highest level of Panamanian officialdom. Moises was himself an ambassador, and had the protection of his brother.

Moreover, the case against Moises was strong enough for a warrant to be issued for his arrest, and for a customs agent in Panama to seek to effect his arrest in the Canal Zone. Once again the exercise of U.S. jurisdiction in the Canal Zone was the only solution to a problem that was eating at the heart of U.S. cities. If the arrest had been successful, the Panamanian connection—the linchpin of the whole narcotics traffic—could have been removed at one fell swoop.

But the U.S. State Department thought otherwise. For diplomatic reasons, it preferred to avoid an international incident. It preferred to tamper with the judicial process and to interfere with the course of justice. The executive branch informed Omar Torrijos of the sealed indictment of his brother—an indictment whose very existence was supposed to remain secret. Furthermore, they tipped off Moises of the impending attempt by U.S. customs to arrest Moises in the Canal Zone, so that he slipped out of the net.

PANAMA'S RECORD OF NONCOOPERATION

Panama's record of noncooperation stands alone. Customs officials following the clues given by narcotics suspects and convicts traced backward along the heroin route. In Paraguay even President Stroessner found it prudent to cooperate, and extradited Auguste Ricord, a top narcotics trafficker who had never even set foot in the United States. The conviction of Ricord opened further doors in Latin America. Chile, Brazil, and Argentina, using U.S. customs intelligence, made large seizures, and put many traffickers behind bars.

Finally, as the trail led back to Europe, 31 indictments were issued for individuals in France, Belgium, and Italy, on the basis of customs intelligence; about 20 more were issued on the basis of work by the Bureau of Narcotics and Dangerous Drugs. Through the cooperation of all these governments, these individuals were extradited, brought to the United States, and convicted.

Only Panama stood alone as noncooperative and actively interfering with enforcement efforts. Only Panama stood alone with the brother of the head of state indicted with the main international airport the transit area sanctioned by the Government with the so-called Government free zone as the warehouse site for smuggling, and with the National Guard participating in security arrangements for narcotics.

Indeed, other nations were involved in narcotics trafficking, but never on such high levels and with such complete Government participation.

THE UNITED STATES AS PARTNER

The United States becomes partner with Panama in two ways. In the first place we become a partner in the act of handing over legal jurisdiction and facilities. It is a vote of confidence in the present Government with its record of corruption. In this act, we become collaborationists with the crimes of the past.

But we also become collaborators with Panama for the future. For the next 22 years we become the close partners with a government that, on the grounds of past history, cannot be trusted. If, once the treaties are safely ratified, Panama once more becomes the center of crime for international trafficking, there will be nothing that we can do about it. Yet we will have joint administration of the canal, joint defense of the canal. We will find ourselves implicated in everything that Panama does. There will be no way that we can draw back, without abandoning the canal. Our management skills will be contributing to Panama's financial success, strengthening a government that does not deserve our support. We ought not to be involved. We ought not to give the canal way.

TREATY PROVISIONS TO NARCOTICS TRAFFICKING ISSUES

Mr. President, for the convenience of my distinguished colleagues, I have gathered together provisions of the Panama Canal Treaty and the related Implementation Agreements which relate directly to narcotics trafficking issues.

They are as follows:

Article III, section 6 specifies the transfer of customs immigration, and the courts in the former Canal Zone to Panama. The transfer of customs is crucial to drug enforcement.

Article III, section 6 incorporates by reference the Implementation Agreement to article III, which contains relevant provisions.

Article IV, section 2 incorporates by reference the Implementation Agreement to article IV, which contains relevant provisions.

Article V prevents the Panama Canal Commission from engaging in narcotics intelligence, which is presently an activity of the Panama Canal Company.

Article IX specifies that the law of Panama (including Panamanian narcotics law) shall apply in the installations of the United States.

Article XI limits, during the transition period, the jurisdiction of the United States and reserves jurisdiction to Panama for the broad sweep of offenses.

Article XIX of the Agreement in Implementation of article III of the Panama Canal Treaty reserves custody of those U.S. citizen-employees of the Panam Canal Commission who commit drug offenses to Panama.

Article VI of the Agreement in Implementation of article IV of the Panama Canal Treaty makes similar provisions for U.S. military personnel and the civilian component.

Mr. President, I ask unanimous consent that the relevant parts of the Panama Canal Treaty and the Implementation Agreements be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TREATY PROVISIONS RELEVANT TO NARCOTICS TRAFFICKING ISSUES

ARTICLE III

6. The Republic of Panama shall be responsible for providing, in all areas comprising the former Canal Zone, services of a general jurisdictional nature such as customs and immigration, postal services, courts and licensing, in accordance with this Treaty and related.

* * * * *

9. The use of the areas, waters and installations with respect to which the United States of America is granted rights pursuant to this Article, and the rights and legal status of United States Government agencies and employees operating in the Republic of Panama pursuant to this Article, shall be governed by the Agreement in Implementation of this Article, signed this date.

ARTICLE IV

2. . . . The rights of the United States to station, train, and move military forces within the Republic of Panama are described in the Agreement in Implementation of this Article, signed this date. The use of areas and installations and the legal status of the armed forces of the United States of America in the Republic of Panama shall be governed by the aforesaid Agreement.

ARTICLE V

Employees of the Panama Canal Commission, their dependents and designated contractors of the Panama Canal Commission, who are nationals of the United States of America, shall respect the laws of the Republic of Panama and shall abstain from any activity incompatible with the spirit of this Treaty.

ARTICLE IX

1. In accordance with the provisions of this Treaty and related agreements, the law of the Republic of Panama shall apply in the areas made available for the use of the United States of America pursuant to this Treaty. . . .

ARTICLE XI

1. The Republic of Panama shall reassume plenary jurisdiction over the former Canal Zone upon entry into force of this Treaty and in accordance with its terms. . . .

2. During this transition period, the criminal and civil laws of the United States of America shall apply concurrently with those of the Republic of Panama in certain of the installations made available for the use of the United States of America pursuant to this Treaty, in accordance with the following provisions:

(a) The Republic of Panama permits the authorities of the United States of America to have the primary right to exercise criminal jurisdiction over United States citizen employees of the Panama Canal Commission and their dependents, and members of the United States Armed Forces and civilian component and their dependents, in the following cases:

(i) for any offense committed during the transition period within such areas and installations, and

(ii) for any offenses committed prior to that period in the former Canal Zone.

The Republic of Panama shall have the primary right to exercise jurisdiction over all other offenses committed by such persons, except as otherwise provided in this Treaty and related agreements or as may otherwise be agreed.

AGREEMENT IN IMPLEMENTATION OF ARTICLE III OF THE PANAMA CANAL TREATY

ARTICLE XIX

4. (a) The Authorities of the Republic of Panama shall notify the authorities of the United States as promptly as possible of the arrest of any United States citizen-employee or dependent.

(b) The following procedures shall govern the custody of an accused United States citizen-employee or dependent over whom the Republic of Panama is to exercise its jurisdiction:

(i) If the accused is detained by the authorities of the Republic of Panama he shall, except when charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, be handed over on request to the authorities of the United States in whose custody he shall remain until custody is requested by authorities of the Republic of Panama for the execution of a sentence.

(ii) When charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian States, the accused will remain in the custody of the authorities of the Republic of Panama. . . .

AGREEMENT IN IMPLEMENTATION OF ARTICLE IV OF THE PANAMA CANAL TREATY

ARTICLE VI

5. (b) The authorities of the Republic of Panama shall notify the authorities of the United States as promptly as possible of the arrest of any member of the Forces or the civilian component, or a dependent.

(c) The following procedure shall govern the custody of an accused member of the Forces or the civilian component, or a dependent, over whom the Republic of Panama is to exercise jurisdiction:

(i) If the accused is detained by the United States authorities he shall, except when charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, remain with such authorities pending the conclusion of all judicial proceedings and thereafter until custody is requested by the authorities of the Republic of Panama for the execution of a sentence

(ii) If the accused is detained by the authorities of the Republic of Panama he shall, except when charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, be handed over on request to the United States authorities in whose custody he shall remain until completion of all judicial proceedings and thereafter until custody is requested by authorities of the Republic of Panama for the execution of a sentence.

(iii) When charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, the accused shall be handed over to Panamanian authorities upon their request, or if already in their custody, shall remain with them.

TREATY DRAFT OF JULY 10, 1977

Mr. HELMS. Mr. President, many Members of this body have expressed a legitimate interest in the final concessions that were made to Panama in the closing weeks of the negotiations. The sanitized report of the Select Committee on Intelligence demonstrated clearly that certain events in mid-July may or may not have had a profound impact on the final shape of the treaty. The committees judgment was that it did not.

However, the public has a right to judge for itself. Fortunately, the State Department made available last week a July 10 draft of the treaty. On Monday the distinguished Senators from Utah inserted in the RECORD a comparison of essential points that were changed or had not been resolved by July 10, based upon the State Department draft.

Unfortunately, for some inexplicable reason, the draft provided by the State Department was in Spanish. The English draft was not made available. On short notice, therefore, a translation was provided by a talented staff member of the Senate Steering Committee, Miss Sylvia Castellanos, so that the distinguished Members of this body can study it at their leisure.

Mr. President, I ask unanimous consent that, for the sake of convenience, the analysis and comparison inserted by Mr. HATCH on February 20 be printed again in the RECORD, along with the entire English translation of the Spanish July 10 draft provided by the State Department.

There being no objection, the material was ordered to be printed in the RECORD, follows:

ANALYSIS

According to a recently obtained preliminary draft of the Panama Canal Treaty, a number of significant concessions were made between July 10, the date on this document, and September 7, the date of signing of the final versions.

Several articles included in the official version do not exist in the preliminary draft. The latter contains no provisions for employment with the Panama Canal Commission (Article X, official document), or injunction against American Commission employees undertaking political activity in Panama (Article V). Similarly, the text does not address itself to the display of the Panamanian or American flag (Article VII). There is no mention either of the procedure to be used in the statement of possible disputes about the interpretation of the texts. (Article XIV).

A number of articles are substantially different. Whereas the official text (Article XII) calls for an American-Panamanian feasibility study of a possible sea-level canal, the preliminary draft flatly gives the U.S. the right to build it, with construction to begin within fifteen years after the entry into force of the treaty. In the latter document, the clause giving Panama veto power over construction of a canal in a third country by the United States does not exist.

Differences exist with regard to the payments to be made to Panama. The annual $10 million payment in return for the public services Panama assumes in the former Canal Zone is given no mention. (This draft does not include details on the other payments, which were apparently still being negotiated at the time).

There are also variations with regard to the procedure to be followed in connection with certain lands (Article IX). The principal one relates to lands to which the licensing procedure is not applicable, or ceases to be applicable following the entry into force of the treaty. Under the July draft, individuals who owns real property located on these lands may continue using the land at a cost no higher than that being paid before the enactment of the treaty. Under it, furthermore, Panama must allow the individuals to buy the land at a price which cannot exceed $500 an acre. In connection with the transfer of U.S. government property to Panama, (Article XII, official treaty) the Panama Railroad is not mentioned.

Under Article VIII of the official treaty, up to 20 officials of the Panama Canal Commission qualify for diplomatic immunity. Under the July draft, by contrast, a far higher number, 75, may receive it.

The provisions for the termination of the agreement are different in the two texts. While the final version calls for the treaty to expire on December 31, 1999, under the July draft it would end on that date or any time thereafter, with one year's prior notice required of the party wishing to terminate the agreement.

In the July draft, the section of the Annex detailing functions which may thereafter be performed by the Panama Canal Commission is not present. The section listing the functions which the Commission shall not perform exists in the preliminary draft, but two clauses are omitted from it. These are "commercial pier and dock service, such as the handling of cargo and passengers" and the blanket statement, "Any other commercial activity of similar nature, not related to the management operation or maintenance of the Canal." At present pier and dock service is one of the principal sources of revenue of the Panama Canal Company.

In comparing the finished English and Spanish version of the Panama Canal Agreement, a number of discrepancies come to light. The Spanish text "to handle" as the translation "to manage" in the context of American activities; similarly, it describes the Panama Canal Commission as having a "Board of Directors" which will "direct," while the English text refers to a "Board" which will "supervise." It is interesting to note that these problems are not present in the Spanish language July draft. Both "to manage" and "shall be supervised by a Board" are translated accurately.

PANAMA CANAL TREATY, JULY 10, 1977

The Republic of Panama and the United States of America:

Recognizing their important mutual interest in the continuous effective operation of the Panama Canal for the benefit of international commerce;

Wishing to strengthen the ties of friendship and cooperation which have historically existed between them;

Having decided to improve their relationship with respect to the operation, maintenance, protection and defense of the Panama Canal and to eliminate, once and for all, those aspects of the prior relationship which have been a cause of conflict between them; and

Acting in the spirit of the Joint Declaration of Principles initialed by the Foreign Minister of the Republic of Panama and the Secretary of State of the United States on February 7, 1974;

Have decided to create a new treaty to serve as a basis for a new relationship between them, in order to achieve these common objectives and have agreed upon the following:

ARTICLE I

Establishment of a new relationship

1. At the moment of its entry into force, this Treaty cancels and serves as substitute for the Convention between the Republic of Panama and the United States of America, signed in Washington, November 18, 1903 and those treaties and related agreements stipulated in Annex A of this Treaty.

2. In accordance with the terms of this Treaty and related agreements, the Republic of Panama, as territorial sovereign, grants to the United States of America, for the duration of this Treaty, the rights necessary to regulate the transit of ships through the Panama Canal, and to manage, operate, maintain, improve, protect and defend the Canal. The Republic of Panama guarantees to the United States of America the peaceful use of the land and water areas necessary for these purposes. The Republic of Panama shall participate increasingly in the management and protection and defense of the Canal, as provided in this Treaty.

3. The Republic of Panama and the United States of America shall cooperate to assure the uninterrupted and efficient operation of the Panama Canal for the benefit of international commerce.

ARTICLE II

Protection and defense

1. The Republic of Panama and the United States of America commit themselves to

protect and defend the Panama Canal, in the manner stipulated later in these documents. Each Party shall act in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it.

2. For the duration of this Treaty, the United States of America shall have the primary responsibility to protect and defend the Canal. For this purpose, the Republic of Panama confers on the United States of America the rights to station, train, and move military forces within its territory and to use areas and installations located within it Said areas and installations are specified in the Agreement in implementation of this Article, signed this date. The use of these areas and installations and the legal regime applicable to the armed forces of the United States of America in the Republic of Panama shall be regulated by the aforesaid agreement.

3. In order to facilitate the participation and cooperation of the forces of both Parties in the protection and defense of the Canal, the Republic of Panama and the United States of America shall establish a Combined Board comprised of senior military representatives who shall have equal standing. These representatives shall be charged by their respective governments with consulting and cooperating on all matters pertaining to the protection and defense of the Canal, and with planning for actions to be taken in concert for that purpose. Such combined protection and defense arrangements shall not inhibit the identity or lines of authority of the armed forces of the Republic of Panama or the United States of America. The Combined Board, *inter alia*, shall provide for coordination and cooperation with respect to:

(a) the preparation of emergency plans for the protection and defense of the Canal based upon the cooperative efforts of the armed forces of both Parties;

(b) the planning and conduct of combined military exercises; and

(c) the conduct of Panamanian and United States military operations with respect to the protection and defense of the Canal. The Combined Board shall, at five-year intervals throughout the duration of this Treaty, review the resources being made available by the two Parties for the protection and defense of the Canal, and shall make appropriate recommendations to the two governments respecting projected requirements, the efficient utilization of available resources of the two Parties, and other matters of mutual interest with respect to the protection and defense of the Canal.

ARTICLE III

Operation and management of the canal

1. The United States of America undertakes to manage, operate and maintain the Panama Canal, its works, installations and auxiliary equipment, and to facilitate the transit of ships.

2. The Republic of Panama, as territorial sovereign, confers on the United States of America the corresponding rights necessary to fulfill these responsibilities, including the rights to:

(a) use for these purposes, at no cost, the various installations and areas (including the Panama Canal) and waters, as specified in the Agreement in implementation of this Article, signed this date, as well as such other areas and installations as are made available to the United States of America under this Treaty and related agreements, and take the measures necessary to ensure sanitation of such areas;

(b) make such improvements and alterations to the aforesaid installations and areas as it deems appropriate, consistent with the terms of this Treaty:

(c) make and enforce all rules pertaining to the passage of vessels through the Canal and other rules with respect to navigation and maritime matters, in accordance with this Treaty and related agreements;

(d) establish, modify, collect and retain tolls for the use of the Panama Canal, and other charges, and establish and modify methods of their assessment;

(e) regulate relations with employees of the United States Government;

(f) provide supporting services to facilitate the performance of its responsibilities under this Article;

(g) issue and enforce regulations for the effective exercise of the rights and responsibilities of the United States of America under this Treaty and related agreements; and

(h) exercise any other right granted under this Treaty, or otherwise agreed upon between the two Parties.

3. Pursuant to the foregoing concession of rights, the United States of America shall, in accordance with the provisions of United States Law and the terms of this Treaty, carry out the responsibilities stipulated in paragraph 1 of this Article by means of an agency (hereinafter referred to as the "Administration of the Panama Canal") which shall be constituted by and in conformity with the laws of the United States of America. The agencies of the government of the United States of America known as the Panama Canal Company and the Canal Zone Government shall cease to operate within the territory of the Republic of Panama, including the areas which formerly constituted the Canal Zone, upon the entry into force of this Treaty.

(a) The Panama Canal Administration will be under the supervision of a Board composed of nine members, five of whom shall be nationals of the United States of America and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America.

(b) Should the Republic of Panama request the United States of America to remove a Panamanian national from membership on the Board, the United States of America shall agree to such request. In that event, the Republic of Panama shall propose another Panamanian national for appointment by the United States of America to such position. In case of removal of a Panamanian member of the Board of Directors at the initiative of the United States of America, both parties will consult inadvance in order to reach agreement concerning such removal, and the Republic of Panama shall propose another Panamanian national for appointment by the United States of America in his stead.

(c) The United States of America shall employ a national of the United States of America as Administrator of the Panama Canal Administration, and a Panamanian national as Deputy Administrator, through December 31, 1989. Beginning January 1, 1990, a Panamanian national shall be employed as the Administrator and a national of the United States of America shall occupy the position of Deputy Administrator. Such Panamanian nationals shall be proposed to the government of the United States of America by the Republic of Panama for appointment to such position by the United States of America.

(d) Should the United States of America remove the Panamanian national from his position as Deputy Administrator, or Administrator, the Republic of Panama shall propose another Panamanian national for appointment to such position by the government of the United States of America.

4. The procedures for the discontinuance or transfer or those activities performed prior to the entry into force of this Treaty by the Panama Canal Company or the Canal Zone Government which are not to be carried out by the Panama Canal Administration, are set forth in Annex B.

5. The Republic of Panama and the United States of America shall establish a Panama Canal Consultative Committee, composed of an equal number of high-level representatives of the Republic of Panama and the United States of America, and which may appoint such subcommittees as it may deem appropriate. This Committee shall advise the Republic of Panama and the United States of America on matters of policy affecting the Canal's operation. In view of both Parties' special interest in the continuity and efficiency of the Canal operation in the future, the Committee shall advise on matters such as general tolls policy, employment and training policies to increase the participation of Panamanian nationals in the operation of the Canal, and international policies on matters concerning the Canal. The Committee's recommendations shall be transmitted to the two Governments, which shall give such recommendations full consideration in the formulation of such policy decisions.

6. In addition to the participation of Panamanian nationals at high management levels, as provided for in paragraph 3 of this Article, there shall be growing participation of Panamanian nationals at all other levels and areas of employment in the Panama Canal Administration, with the objective of preparing, in an orderly and efficient fashion, for the assumption by the Republic of Panama of full responsibility for the management, operation and maintenance of the Canal upon the expiration of the Treaty.

7. The use of the installations, areas and waters with respect to which the United States of America is granted rights pursuant to this Article, the regimes applicable to the ports of Balboa and Cristobal and the Panama Canal Railroad, and the rights and legal status of the United States Government agencies and employees, operating in the Republic of Panama pursuant to this Article, shall be governed by the Agreement in implementation of this Article, signed this date.

ARTICLE IV

Protection of the environment

The Republic of Panama and the United States of America commit themselves to implement this Treaty in a manner consistent with the protection of the natural environment of the Republic of Panama. To this end, they shall consult and cooperate with each other in all appropriate ways to ensure that they shall give due regard to environmental considerations.

2. A Joint Commission on the Environment shall be established with equal representation from the Republic of Panama and the United States of America, which shall periodically review the implementation of this Treaty and shall recommend as appropriate to the two Governments ways to mitigate the adverse environmental impacts which might result from their respective actions pursuant to the Treaty.

3. The Republic of Panama and the United States of America shall furnish the Joint Commission on the Environment complete information on any action taken in accordance with this Treaty which, in the judgment of both, might have a significant effect on the environment. Such information shall be made available as far in advance as possible to facilitate the study by the Commission of any potential environmental problems and to allow for consideration of the recommendation of the Commission before the contemplated action is carried out.

ARTICLE V

Privileges and immunities

1. The installations owned or used by the agencies or instrumentalities of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements, and their official archives and documents, shall be inviolable.

2. Agencies and instrumentalities of the Government of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements shall be immune from the jurisdiction of the Republic of Panama in all matters.

3. In addition to such other privileges and immunities as are afforded to the employees of the United States Government and their dependents pursuant to this Treaty, the United States of America may designate up to 75 officials of the Panama Canal Administration, who along with their dependents, shall enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. The United States of America shall furnish to the Republic of Panama a list of the names of said officials and their dependents, identifying the positions they occupy in the Government of the United States of America, and shall keep such list current at all times.

ARTICLE VI

Laws, execution of laws, and judicial matters

1. The laws of the Republic of Panama shall apply in all its territory, including the areas made available for the use of the United States of America pursuant to this Treaty in accordance with the provisions of this Treaty and related agencies. Nevertheless, the laws of the Republic of Panama shall not be applied to matters or events which occurred in the former Canal Zone prior to the entry into force of this Treaty.

2. The rights of ownership, as recognized by the United States of America, enjoyed by natural or juridical private persons with respect to buildings and other improvements to real property located in the former Canal Zone shall be recognized by the Republic of Panama in conformity with its laws. If such properties are located within the areas subject to licencing procedures in connection with the use of the land, established in accordance with this Treaty and related agreements, the two Governments agree that licences shall be issued to such persons so they may continue the present use of the land on which their property is located. With regard to the areas in the former Canal Zone to which the aforesaid procedures are not applicable, or may cease to be applicable during the life of this Treaty or upon its termination, the Republic of Panama, at any time during the five years following the entry into force of this Treaty, or, if later, the date on which the aforesaid licensing procedure ceases to be applicable, shall permit such persons to acquire the lands on which their buildings or improvements are located. The acquisition price shall be reasonable and, except as otherwise agreed by the two Governments, shall not exceed $500 an acre. During this five year period, the Republic of Panama shall permit such persons to continue using such lands at a cost not to exceed that which was in effect immediately before that period.

3 The Republic of Panama shall permit natural or juridical persons who, on the date of entry into force of this Treaty are engaged in business or non-profit activities at locations in the former Canal Zone, to continue such business or activities at those locations. To this end, the Republic of Panama shall issue them without delay all the licences and authorizations which may be required in accordance with Panamanian law. If, subsequently, the Republic of Panama should require such persons to end their activities or vacate their properties for public purposes, the Republic of Panama will grant them compensation commensurate to an equitable market price.

4. The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation, or international agreement which purports to regulate or would otherwise interfere with the exercise on the part of the United States of any right granted under this Treaty or related agreements.

5. Vessels transiting the Canal, and cargo, passengers and crews carried on such vessels shall be exempt from any taxes, fees, or other charges by the Republic of Panama. However, in the event such vessels call at a Panamanian port, they may be assessed charges incident thereto, such as charges for services provided to the vessel. The Republic of Panama may also require the passengers and crew disembarking from such vessels to pay such taxes, fees and charges as are established under Panamanian law for persons entering its territory. Such taxes, fees and charges shall be assessed on a nondiscriminatory basis.

6. The Republic of Panama and the United States of America will cooperate in taking such steps as may from time to time be necessary to guarantee the security of the Panama Canal Administration, its employees and their dependents, and their property, the Forces of the United States of America and the members thereof, the civilian component of the United States Forces, the dependents of members of the Forces and the civilian component, and their property, and the contractors of the Panama Canal Administration and of the United States Forces, their dependents, and their property. The Republic of Panama will adopt such legislation as may be needed to carry out the foregoing purposes and to punish any offenders.

ARTICLE VII

Transition article

1. In order to provide for an orderly transition to the full application of the jurisdictional arrangements established by this Treaty and related agreements, the provisions of this Article shall become applicable upon the date this Treaty enters into force, and shall remain in effect for thirty calendar months. The authority granted in this Article to the United States of America for this transition period shall supplement, and is not intended to limit, the full application and effect of the rights and authority granted to the United States of America elsewhere in this Treaty and in related agreements.

2. During this transition period, the criminal laws of the United States of America shall apply concurrently with those of the Republic of Panama in certain of the areas and installations made available for the use of the United States of America pursuant to this Treaty, in accordance with the following provisions:

(a) The Republic of Panama permits the authorities of the United States of America to have the primary right to exercise criminal jurisdiction over United States citizen employees of the Panama Canal Administration and their dependents, and members of the United States Forces and civilian component and their dependents, in the following cases:

(i) for any offense committed during the transition period within such areas and installations, and

(ii) for any offense committed prior to that period in the former Canal Zone. The Republic of Panama shall have the primary right to exercise jurisdiction over all other offenses committed by such persons, except as otherwise provided in this Treaty and related agreements or as may be otherwise agreed.

(b) Either Government may waive its primary right to exercise jurisdiction in a specific case of category of cases.

3. The United States of America shall retain the right to exercise jurisdiction in criminal cases relating to offenses committed prior to the entry into force of this Treaty in violation of the laws applicable in the former Canal Zone.

4. For the transition period, the United States of America shall retain police authority and maintain a police force in the aforementioned areas and installations. In such areas, the police authorities of the United States of America may take into custody any person not subject to their primary jurisdiction if such person is believed to have committed or to be committing an offense against applicable laws or regulations, and shall promptly transfer custody to the police authorities of the Republic of Panama. The Republic of Panama and the United States of America shall establish joint police patrols in agreed areas. Any arrests conducted by a joint patrol shall be the responsibility of the patrol member or members representing the Government having primary jurisdiction over the person or persons arrested.

5. The courts of the United States of America and related personnel, functioning in the former Canal Zone immediately prior to the entry into force of this Treaty, may continue to function during the transition period for the judicial enforcement of the jurisdiction retained by the United States of America.

6. In civil cases, the civilian courts of the United States of America in the Republic of Panama shall have no jurisdiction over new cases of a private civil nature, but shall retain full jurisdiction to dispose of any civil cases, including admiralty cases, already instituted and pending before the courts prior to the entry into force of this Treaty.

7. The laws, regulations, and administrative authority of the United States of America applicable in the formal Canal Zone immediately prior to the entry into force of this Treaty shall, to the extent not inconsistent with this Treaty and related agreements, continue in force for the purpose of the exercise by the United States of America of law enforcement and judicial jurisdiction during the transition period. The United States of America may amend, repeal or otherwise change such laws, regulations and administrative authority. The two Parties shall consult concerning procedural and substantive matters relative to the implementation of this Article, including the disposition of cases pending at the end of the transition period and, in this respect, may enter into appropriate agreements.

8. During this transition period, the United States of America may continue to incarcerate individuals in the Republic of Panama or transfer them to penal installations in the United States of America to serve their sentences. The Parties shall conclude an agreement whereby nationals of either State, who are sentenced by the courts of the other State, may elect to serve their sentences in the installations located in their country of origin.

Minute adopted in relation to article VII

With reference to paragraph 2 of Article VII of the Panama Canal Treaty, the areas and installations to which the jurisdictional arrangements described in it are applicable are as follows:

(a) The Canal operational areas and the housing areas described in Annex A of the

Agreement in implementation of Article III of the Panama Canal Treaty.

(b) the Defense Sites and the Military Coordination Areas described in the Agreement in implementation of Article III of the Panama Canal Treaty.

(c) The Ports of Balboa and Cristobal.

With reference to paragraph 4 of Article VII, the areas in which during the transition period the police authorities of the Republic of Panama may carry out police patrols jointly with the police authorities of the United States are the following:

(a) Those portions of the Canal operational areas which are open to the public at large, the housing areas and the Ports of Balboa and Cristobal.

(b) Those areas of military coordination in which joint police patrols are established in accordance with the provisions of the Agreement in implementation of Article II of this Treaty, signed this date. The police authorities of the two Parties shall formulate appropriate administrative arrangements to plan and carry out such joint police patrols.

ARTICLE VIII

Economic arrangements

1. The United States of America transfers, without charge, to the Republic of Panama all rights, title and interest the United States of America may have with respect to all real property, including non-removable improvements thereon, as set forth below:

(a) Upon the entry into force of this Treaty, such property that was located in the former Canal Zone but that is not within the land and water areas the use of which is made available to the United States of America pursuant to this Treaty. However, it is agreed that the transfer on such date shall not include buildings and other facilities, except housing, the use of which is retained by the United States of America pursuant to this Treaty and related agreements, outside such areas;

(b) Such property located in an area or a portion thereof at such time as the use by the United States of America of such area or portion thereof ceases pursuant to agreement between the two Parties;

(c) Upon termination of this Treaty, all such property and equipment remaining in the Republic of Panama, which had been used by the United States of America for the purposes of this Treaty and related agreements.

2. The Republic of Panama agrees to hold the United States of America harmless with respect to any claim which may be made by third parties relating to rights, title and interest in such property.

3. Upon termination of this Treaty, the Republic of Panama shall assume total responsibility for the management, operation, and maintenance of the Panama Canal, which shall be turned over in operating condition and free of liens and debts, except as the two Parties may otherwise agree.

4. In addition, the Republic of Panama shall receive a just and equitable return on its national resources which it had dedicated to the efficient management, operation, maintenance, protection and defense of the Panama Canal, in accordance with the following formula:

ARTICLE IX

Construction of a third lane of locks or a sea-level canal

1. During the life of this Treaty no new interoceanic canal will be built in the territory of the Republic of Panama, except in accordance with the provisions of this article, or as otherwise agreed by the two governments.

2. During a period of fifteen years from the date of entry into force of this treaty, the United States of America will have the right to undertake the construction within the territory of the Republic of Panama of a sea level canal. If the United States should undertake such construction, the work shall be finished within a period of fifteen years from the date of its start, except to the extent that delays may occur through factors outside the control of the United States of America. Nevertheless, under no circumstances will the construction continue beyond the date of termination of this treaty without the consent of the Republic of Panama.

3. In the case that the United States of America should decide to undertake the construction of a sea level canal, the Republic of Panama will put at its disposal, free of charge; the additional land and water areas necessary for this end, under the terms and conditions which are to be agreed upon by the two governments.

4. At any time during the life of this Treaty, the United States of America will have the right to add a third lane of locks to the existing Panama Canal.

5. In the case that the United States of America should decide to add a third lane of locks to the existing Canal, it may use for this purpose, in addition to the areas put at its disposal through another manner in accordance with this Treaty, the land and water areas described in Annex C of this treaty, and such other areas as the two governments may agree upon. The terms and conditions applicable to the Canal operational areas put at the disposal of the United States of America in accordance with Article III of this treaty will be applicable *mutatis mutandis* to such additional areas.

6. In the exercise of the aforementioned rights, the United States will not make use of nuclear techniques for excavation work without the consent of the Republic of Panama.

ARTICLE X

Ratification, entry into force and termination

1. This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two Governments. The instruments of ratification of this Treaty shall be exchanged at the same time as the instruments of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, signed this date. Both Treaties shall enter into force simultaneously six calendar months from the date of such exchange.

2. This Treaty shall end on December 31, 1999, provided that on December 31, 1998, or prior to that date, either of the Parties has notified the other of its intention to terminate this Treaty. If no such notification was made on December 31, 1998, or prior to that date, this Treaty will end a year after the date on which such notification is made. At such time as notification is given by either Party of its intention to terminate the Treaty, the Parties, without delay, will initiate consultations to consider the continuation of the arrangements between them regarding the Panama Canal which they consider convenient.

ANNEX A

Termination of existing treaties and international agreements

1. The following treaties and other international agreements between the Republic of Panama and the United States of America are terminated and replaced by the present Treaty, in accordance with Article I of this Treaty.

(a) The Isthmian Canal Convention for the Construction of a Maritime Canal, signed in Washington, November 18, 1903.

(b) The Treaty of Friendship and Cooperation, signed in Washington, March 2, 1936.

(c) The Treaty of Mutual Understanding and Cooperation, and the Related Memorandum of Understandings Reached, signed in Panama, January 25, 1955.

(d) The Agreement establishing the boundary of the Canal Zone which is alluded to in Article II of the Interoceanic Canal Convention November 18, 1903, signed in Panama, September 2, 1914.

(e) The Boundary Convention, signed in Panama, September 2, 1914.

(f) The Convention regarding the Colon Corridor and certain other corridors through the Canal Zone, signed in Panama, May 24, 1950.

(g) The Trans-Isthmian Highway Convention, signed in Washington on March 2, 1936 the Agreement which complements said Convention, reached through an exchange of notes signed in Washington on August 31 and September 6, 1940, and the Agreement between the Republic of Panama and the United States of America with respect to the Trans-Isthmian Joint Highway Board reached through an exchange of notes in Panama, on October 19 and 23, 1939.

(h) The Highway Convention between the Republic of Panama and the United States of America, signed in Panama on September 14, 1950.

(i) The Convention regulating the transit of alcoholic beverages through the territory of the Canal Zone, signed in Panama on March 14, 1932.

(j) The Protocol of an Agreement restricting the use of the waters of Panama and the Canal Zone by belligerents, signed in Washington, October 10, 1914.

(k) The Agreement for the Reciprocal Recognition of automobile license plates in the Republic of Panama and the Canal Zone, established through an exchange of notes in Panama on December 7 and 12, 1950, and the Agreement establishing procedures for the reciprocal recognition of automobile drivers' licenses in the Canal Zone and the Republic of Panama, established through an exchange of notes in Panama on October 31, 1960.

(l) The General Relations Agreement established through an exchange of notes in Washington on May 18, 1942.

2. All other treaties or agreements between the Republic of Panama and the United States of America which refer to the Canal Zone or any agency, entity or employee of the Government of the United States of America operating in the former Canal Zone shall be applicable, mutatis mutandis, to the areas and installations put at the disposal of the United States of America for its use in accordance with this Treaty, and all agencies, entities or employees of the Government of the United States of America carrying out the service or function provided for under such treaty or accord.

ANNEX B

Procedures for the cessation or transfer of activities carried out by the Panama Canal Company or the Canal Zone Government

1. The Panama Canal Administration shall not perform governmental or commerical functions as stipulated in paragraph 2 of this Annex, provided, however, that this shall not be deemed to limit in any way the right of the United States of America to perform those functions that may be necessary for the efficient management, operation and maintenance of the Canal.

2. The following activities and operations carried out by the Panama Canal Company and the Canal Zone Government shall not be carried out by the Panama Canal Ad-

ministration, effective upon the dates indicated herein:

(a) Upon the date of entry into force of this Treaty:

(i) Wholesale and retail sales, including those through commissaries, food stores, department stores, optical shops and pastry shops;

(ii) Installations for the production of food and drink, including milk products and bakery products;

(iii) Public restaurants and cafeterias and the sale of articles through vending machines;

(iv) Movie theaters, bowling alleys, and other recreational and amusement facilities for the use of which a charge is payable;

(v) The operation of laundry and dry cleaning plants other than those operated for official use;

(vi) Installations for the repair and service of privately owned automobiles or the sale of petroleum or lubricants thereto, including the operation of gasoline stations, repair garages and tire repair and recapping facilities, and the repair and service of other privately owned property, including appliances, electronic devices, boats, motors and furniture;

(vii) Cold storage and freezer plants other than those operated for official use;

(viii) Freight houses other than those operated for official use;

(ix) Commercial services to and supply of privately owned and operated vessels, including the construction of vessels, the sale of petroleum and lubricants and the provision of water, tug services not related to the Canal or other United States Government operations, and repair of such vessels, except in situations where repairs may be necessary to remove disabled vessels from the Canal;

(x) Printing services other than for official use;

(xi) Maritime transportation for the use of the general public;

(xii) Health and medical services provided to individuals, including hospitals, leprosariums, veterinary, mortuary and cemetery services;

(xiii) Educational services provided to individuals, including schools and libraries;

(xiv) Postal services;

(xv) Immigration, customs and quarantine controls, except those measures necessary to ensure the sanitation of the Canal;

(b) Within thirty calendar months from the date of entry into force of this Treaty:

(i) Police;

(ii) Courts; and

(iii) Prison system

3. With respect to those activities or functions described in paragraph 2 above, or otherwise agreed upon by the two Parties, which are to be assumed by the Government of the Republic of Panama or by private persons subject to its authority, the two Parties shall consult prior to the discontinuance of such activities of functions by the Panama Canal Administration to develop appropriate arrangements for the orderly transfer and continued efficient operation or conduct thereof. In the event that appropriate arrangements cannot be arrived at to ensure the continued performance of a particular activity or function described in paragraph 2 above which is necessary to the efficient management, operation or maintenance of the Canal, the Panama Canal Administration may, to the extent consistent with the other provisions of this Treaty and related agreements, continue to perform such activity or function until such arrangements can be made.

UNDERSTANDING NO. 1

Mr. HOLLINGS. Mr. President, on behalf of Senator BELLMON and myself, I have submitted an understanding which we propose to the resolution of ratification of the Panama Canal Treaty. The understanding relates to the matter of the conditional annuity payment provided for in article XIII 4.C.

Article XIII 4.C. provides for an annual payment of up to $10 million to be paid out of canal operating revenues, "to the extent that such revenues exceed expenditures of the Panama Canal Commission * * *." The article goes on to say:

In the event Canal operating revenues in any year do not produce a surplus sufficient to cover this payment, the unpaid balance shall be paid from operating surpluses in future years in a manner to be mutually agreed.

We are told that the negotiators intentions were clear that at the expiration of the treaty there would be no obligation to pay any unpaid balance from previous years, in the event there was such unpaid balance. And in his February 6, 1978, letter to Senator CULVER, Secretary of State Vance stated:

Any balance remaining due in the year 1999 would not be paid since the Commission has only a contingent obligation to make this payment, i.e., an obligation based on available surplus.

I think we need to be crystal clear on this, however, and that is the genesis of the understanding we are proposing. It will make it clear, in the proper form and fashion, that there is no obligation to pay any such amount after the date of the termination of the treaty.

Mr. President, the following is the language of our understanding:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the understanding, which is to be made a part of the instrument of ratification, that nothing in paragraph 4(c) of article XIII may be construed as obligating the United States of America to pay after the date of the termination of the Treaty any unpaid balance under such paragraph 4(c) which shall have accrued before such date."

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend beyond 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED COMPREHENSIVE EMPLOYMENT AND TRAINING ACT—MESSAGE FROM THE PRESIDENT—PM 147

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which, without being read, was referred to the Committee on Human Resources:

To the Congress of the United States:

I am submitting today legislation to extend an improved Comprehensive Employment and Training Act through 1982.

This legislation is an essential complement to the balanced economic program I presented to the Congress last month. While our tax and budget proposals ensure that steady growth continues without inflation, the CETA legislation I am proposing today will make sure that more of our people share in the benefits of growth. With its training programs and direct job creation, this legislation is critical to reaching our employment goals.

In fiscal year 1979 we expect to spend $11.4 billion in this effort, providing jobs and training support for more than 4 billion people under the CETA program.

This legislation will combine public and private efforts to attack the problem of structural unemployment, which affects groups, such as minorities and young people, who have difficulty finding work even when over-all economic prospects are good. Last year, for example, our employment situations improved markedly; 4.1 million more people held jobs at the end of 1977 than at the end of 1976, and the unemployment rate fell by 1.4 percent. But even while unemployment was falling to 4 percent among white males above the age of 20, it was rising—from 35 to 38 percent—among black teenagers.

The Comprehensive Employment and Training Act will enable us to concentrate on these groups that suffer structural problems, without putting inflationary pressures on the rest of the economy. Its major elements are:

—Public service jobs for the unemployed. In the last year, we have more than doubled the size of this program, increasing it from about 300,000 jobs to 725,000.

—The broad range of youth programs authorized by the Youth Employment and Demonstration Projects Act of 1977. Spending for youth programs has increased from about $660 million in Fiscal Year 1976 to about $2.3 billion in Fiscal Year 1979.

—The Administration's new Private Sector Initiative, which will provide opportunity for the private and public sectors to work together to pro-

vide jobs and training for the unemployed and disadvantaged.

—Other important related programs, such as the Job Corps, welfare reform demonstration projects, and the Federal government's job training efforts.

These CETA programs have already played a role in reducing the unemployment rate from 7.8 percent to 6.3 percent in the last 13 months.

The bill I am submitting today, which will reauthorize the Comprehensive Employment and Training Act for an additional four years, from 1979 to 1982, will sustain the current programs, establish the foundation for future growth, and improve the operation of the CETA system.

A countercyclical program under Title VI, will maintain the 725,000 public service employment slots that were part of my stimulus program through Fiscal 1979. We are rapidly approaching the 700,000 mark in that effort, and I fully expect that the 725,000 goal will be reached in the month of March.

Also, I am recommending to the Congress that we adopt a trigger formula, beginning in 1980, to insure that countercyclical public service employment is activated quickly when needed and is reduced as unemployment declines.

When the unemployment rate falls below four and three-quarters percent, the triggering formula will reduce the number of slots to 100,000, targeted on areas that still have high unemployment. For each half percentage point that unemployment exceeds that 4.75 percent level, 100,000 public service employment positions will be added in Title VI.

Recent evidence indicates the effectiveness of countercyclical public service employment. Just last week, the National Commission on Manpower Policy released a study done by the Brookings Institution showing that the substitution problem, which limits the usefulness of public service employment when Federal dollars are used to replace local funds, is not as serious as had previously been feared.

To reduce substitution, I am encouraging the use of a special project approach which, according to recent evidence, has been successful in meeting this problem.

I am also proposing strict limits on the use of these funds to support higher-wage public employment.

This new bill takes further steps to target jobs on those most in need and sharply limit substitution.

In order to target more effectively, I am recommending that funds given out under the CETA system be used only for the economically disadvantaged—defined as those whose family income is no greater than 70 percent of the Bureau of Labor Statistics' lower-income family budget standard. I am also recommending that young people whose parents claimed them as income tax deductions in the previous year include their parents' income in establishing their eligibility for the current year.

This year, I propose that we demonstrate the jobs component of my welfare reform proposal by creating 50,000 positions in selected cities. Beginning in Fiscal 1980, with the passage of the welfare reform bill, we will increase the structural unemployment program until it can accommodate the 1.4 million people I anticipate will be served in the welfare reform plan. That should ensure that, for every family containing children and parents who want to work, there will be a job. Most families containing an employable person will see their income rise substantially above the poverty line.

The purpose of the Public Service Employment program will remain what it has been—to provide useful jobs. For example:

—Major parks in urban centers, such as Boston, that were once abandoned to overgrowth and vandalism have been reclaimed for the enjoyment of the public.

—In North Carolina, elderly people are being cared for, in their homes, by public service employment workers, rather than being forced to leave home and spend their last years in expensive, sometimes-impersonal nursing homes.

—In Portland, Oregon, CETA workers install locks, window grates and other security devices in the homes of senior citizens and low-income families living in high-crime areas.

—In Memphis, workers are building ramps for the handicapped in five areas of the city used heavily by the handicapped and elderly.

—In Humboldt County, California, CETA workers help to staff day care centers serving low-income families.

—In Worthington, Minnesota, workers are providing home insulation and energy conservation assistance to low-income households in a four-county area.

As the economy improves, employment and training programs should shift their emphasis from creating jobs in the public sector to providing training and finding jobs in the private sector.

To help place CETA participants in private-sector jobs, to provide an opportunity for cooperation between the local CETA programs and the private sector, and to tap the goodwill and commitment of private-sector businessmen, large and small, as well as labor leaders, I am asking Congress for authority to establish a new Private Sector Employment Initiative, under a new Title VII. In the budget, I have set aside $400 million for this activity in 1979.

Private Industry Councils—made up of representatives of large and small businesses and union organizations—will be responsible for developing on-the-job training and other placement opportunities with private firms for young workers and other participants in the CETA system.

The CETA legislation that I am presenting today provides Congress with a plan for a rational, efficient and targeted structural and countercyclical employment program.

We need an employment and training system which is administratively clear, that helps those most in need, that creates needed jobs and provides maximum opportunity for cooperation between the public and private sectors. To reach the goal of full employment, and price stability which we have set in the Humphrey-Hawkins bill, we must make these programs work. The legislation I am sending to Congress today can provide a framework within which we can all work together to achieve that commitment.

JIMMY CARTER.

THE WHITE HOUSE, *February 22, 1978.*

MESSAGES FROM THE HOUSE

At 2:15 p.m., a message from the House of Representatives, delivered by Mr. Hackney, one of its clerks, annonuced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 10368. An act to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft;

H.R. 10569. An act to amend the Alcohol and Drug Abuse Education Act to extend the authorizations and appropriations for carrying out the provisions of such Act and for other purposes;

H.R. 10570. An act to amend the Environmental Education Act to extend the authorizations of appropriations for carrying out the provisions of such Act, and for other purposes;

H.R. 10606. An act to authorize funds for the Hubert H. Humphrey Institute of Public Affairs;

H.R. 10979. An act to provide emergency assistance for the repair of certain weather related damage to highways and urban mass transportation systems due to the winter of 1977–1978; and

H.J. Res. 649. A joint resolution to authorize the President to call a White House Conference on the Humanities.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 4544. An act to amend the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established under such Act, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ROBERT C. BYRD).

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 10569. An act to amend the Alcohol and Drug Abuse Education Act to extend the authorization and appropriation for carrying out the provisions of such Act, and for other purposes; to the Committee on Human Resources.

H.R. 10570. An act to amend the Environmental Education Act to extend the authorizations of appropriations for carrying out the provisions of such Act, and for other purposes; to the Committee on Human Resources.

H.R. 10606. An act to authorize funds for the Hubert H. Humphrey Institute of Public

Affairs; to the Committee on Human Resources.

H.R. 10979. An act to provide emergency assistance for the repair of certain weather related damage to highways and urban mass transportation systems due to the winter of 1977–1978; to the Committee on Environment and Public Works.

H.J. Res. 649. A joint resolution to authorize the President to call a White House Conference on the Arts, and to authorize the President to call a White House Conference on the Humanities; to the Committee on Human Resources.

ORDER TO HOLD BILL AT DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 10368, to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–2783. A communication from the Comptroller General of the United States, reporting, pursuant to law, on rescissions of budget authority totaling $55.3 million, six new deferrals affecting $1,517.1 million in budget authority, and revisions to seven previously proposed deferrals; to the Committee on Appropriations, the Committee on the Budget, and Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Human Resources, the Committee on Finance, and Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

EC–2784. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals February 1978; to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Governmental Affairs, the Committee on Banking, Housing, and Urban Affairs, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Human Resources, the Committee on Finance, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975.

EC–2785. A communication from the Acting Secretary, Department of Agriculture, transmitting, pursuant to law, the tenth annual report on operations under the Food Stamp Act of 1964; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2786. A communication from the Acting Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of an REA insured loan in the amount of $13,477,000 to Southern Maryland Electric Cooperative, Inc., of Hughesville, Maryland; to the Committee on Appropriations.

EC–2787. A communication from the Acting Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of a commitment to guarantee a non-REA loan in the amount of $360,684,000 to Wabash Power Association, Inc., of Indianapolis, Indiana; to the Committee on Appropriations.

EC–2788. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Energy, Southwestern Power Administration for the fiscal year 1978, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC–2789. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 55 of title 10, United States Code, to apply CHAMPUS inpatient cost-sharing formulas to ambulatory surgery approved under joint regulations to be prescribed by the Secretary of Defense and the Secretary of Health, Education, and Welfare; to the Committee on Armed Services.

EC–2790. A communication from the Office of the Director, Selective Service System, transmitting, pursuant to law, the Semiannual Report of the Director of Selective Service for the period January 1, 1977 to September 30, 1977; to the Committee on Armed Services.

EC–2791. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, four construction projects to be undertaken by the Navy and Marine Corps Reserve; to the Committee on Armed Services.

EC–2792. A communication from the Deputy Assistant Secretary of Defense, reporting, for the information of the Senate, that the planned quantity change on the XM–1 program was incorrectly stated on the SAR transmittal letter and on page 2 of the SAR Summary Tables previously transmitted; to the Committee on Armed Services.

EC–2793. A communication from the Chief, Congressional Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report of the 10 architect-engineering firms which were awarded the most business during fiscal years 197T and 1977; to the Committee on Armed Services.

EC–2794. A communication from the Principal Deputy, Under Secretary of Defense (Research and Engineering), transmitting, pursuant to law, the January-June 1977 listings of Department of Defense contracted negotiated under authority of section 2304(a)11 and 2304(a)16, title 10, United States Code; to the Committee on Armed Services.

EC–2795. A communication from the Assistant Secretary of Defense (Manpower Reserve Affairs and Logistics), transmitting, pursuant to law, the Defense manpower requirements report for fiscal year 1979; to the Committee on Armed Services.

EC–2796. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, female enlisted personnel and percent of total enlisted personnel by service at end of fiscal year (January 31, 1978); to the Committee on Armed Services.

EC–2797. A secret communication from the Assistant Secretary of Defense, transmitting, pursuant to law, 48 selected acquisition reports (SARs) and SAR summary tables for the quarter ending December 31, 1977; to the Committee on Armed Services.

EC–2798. A communication from the Secretary of the Navy, transmitting, pursuant to law, a report on the progress of the ROTC flight instruction program; to the Committee on Armed Services.

EC–2799. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report of the Department of Defense for fiscal year 1979; to the Committee on Armed Services.

EC–2800. A communication from the Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance, transmitting, pursuant to law, required information concerning the Department of the Navy's proposed letter of offer to the United Kingdom for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2801. A communication from the Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance, transmitting, pursuant to law, required information concerning the Department of the Air Force's proposed Letter of Offer to Indonesia for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2802. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, the decision to authorize the employment of civilian personnel at end FY 1978 in excess of the total 1,018,600 authorized in section 501(a) of Public Law 95–79; to the Committee on Armed Services.

EC–2803. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the Annual Report of the Reserve Forces Policy Board (RFPB), fiscal year 1977; to the Committee on Armed Services.

EC–2804. A communication from the President and Chairman, Export-Import Bank, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during December 1977 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC–2805. A communication from the President and Chairman, Export-Import Bank, reporting, pursuant to law, on a $250 million line of credit in favor of Petroleos Mexicanos at an interest rate of 8¼ percent per annum; to the Committee on Banking, Housing, and Urban Affairs.

EC–2806. A communication from the Chairman, Securities and Exchange Commission, transmitting a draft of proposed legislation to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1979–1981; to the Committee on Banking, Housing, and Urban Affairs.

EC–2807. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend the authorization for appropriations to carry out the Endangered Species Act of 1973, as amended; to the Committee on Commerce, Science, and Transportation.

EC–2808. A communication from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a proposed codification of the Interstate Commerce Act and related statutes, together with recommendations for substantive changes which would modernize existing law and harmonize regulation among the several modes of transportation; to the Committee on Commerce, Science, and Transportation.

EC–2809. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1979 and 1980 to carry out the Marine Mammal Protection Act of 1972; to the Committee on Commerce, Science, and Transportation.

EC–2810. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the activities of

the Coast Guard for calendar year 1977; to the Committee on Commerce, Science, and Transportation.

EC–2811. A communication from the President, National Railroad Passenger Corporation, transmitting, pursuant to law, the National Railroad Passenger Corporation's Annual Report for Fiscal Year 1977; to the Committee on Commerce, Science, and Transportation.

EC–2812. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

EC–2813. A communication from the Secretary of Commerce, transmitting, pursuant to law, the third Annual Report of the Secretary of Commerce on the implementation of the Federal Fire Prevention and Control Act of 1974, for calendar year 1976; to the Committee on Commerce, Science, and Transportation.

EC–2814. A communication from the President, National Railroad Passenger Corporation, transmitting, pursuant to law, Amtrak's second Annual Report on the Northeast Corridor Improvement Project (NECIP); to the Committee on Commerce, Science, and Transportation.

EC–2815. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy in accordance with section 660 of the Department of Energy Organization Act, and for other purposes; to the Committee on Energy and Natural Resources.

EC–2816. A communication from the Secretary of Energy, transmitting, pursuant to law, the Annual Report on the Strategic Petroleum Reserve (SPR), February 16, 1978; to the Committee on Energy and Natural Resources.

EC–2817. A communication from the Deputy Assistant Secretary, Department of the Interior, transmitting, pursuant to law, financial statements of the Colorado River Basin Project for the fiscal year ended September 30, 1977; to the Committee on Energy and Natural Resources.

EC–2818. A communication from the Acting General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–2819. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for safety of dams purposes; to the Committee on Energy and Natural Resources.

EC–2820. A communication from the Federal and State Co-Chairmen, Federal-State Land Use Planning Commission for Alaska, transmitting, pursuant to law, a report of its activities during the year 1977; to the Committee on Energy and Natural Resources.

EC–2821. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Alexandria, Virginia, U.S. Post Office and Courthouse, in the amount of $1,550,000; to the Committee on Environment and Public Works.

EC–2822. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report of the General Services Administration relating to Architectural Barriers Standards Development; to the Committee on Environment and Public Works.

EC–2823. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Washington, D.C. Liberty Loan Building, 14th and D Streets, S.W., in the amount of $3,520,000; to the Committee on Environment and Public Works.

EC–2824. A communication from the President of the United States, transmitting, pursuant to law, a report on import relief for the U.S. bolt, nut, and large screw industry; to the Commitee on Finance.

EC–2825. A communication from the Chairman, United States International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1979; to the Committee on Finance.

EC–2826. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–2827. A communication from the Director, United States Information Agency, transmitting a draft of proposed legislation to authorize fiscal year 1979 and 1980 appropriations for the International Communications Agency, and for other purposes; to the Committee on Foreign Relations.

EC–2828. A communication from the Deputy Fiscal Assistant Secretary, Department of the Treasury, transmitting, pursuant to law, a report on inventory of nonpurchased foreign currencies as of September 30, 1977; to the Committee on Foreign Relations.

EC–2829. A communication from the Executive Director, Board for International Broadcasting, transmitting a draft of proposed legislation to authorize additional appropriations for the Board for International Broadcasting for fiscal year 1978; to the Committee on Foreign Relations.

EC–2830. A communication from the Chairman, Japan-United States Friendship Commission, transmitting, pursuant to law, the first annual report of the Commission covering fiscal year 1977; to the Committee on Foreign Relations.

EC–2831. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, Project Performance Audit Reports (PPAR's) prepared by the International Bank for Reconstruction and Development (IBRD), and Post-Evaluation Reports from the Asian Development Bank (ADB); to the Committee on Foreign Relations.

EC–2832. A communication from the Executive Director, Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1979 and 1980 for carrying out that Act; to the Committee on Foreign Relations.

EC–2833. A communication from the Director, ACTION, transmitting a draft of proposed legislation to further amend the Peace Corps Act; to the Committee on Foreign Relations.

EC–2834. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the Seventeenth Annual Report on the East-West Center (Center for Cultural and Technical Interchange Between East and West) in Honolulu, covering the period October 1, 1976 through September 30, 1977; to the Committee on Foreign Relations.

EC–2835. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on January 10, 1978, which would change the effective date for payment of real property taxes of $100,000 or more in the District of Columbia; to permit the sale of alcoholic beverages in legitimate theaters; and to reduce the rate of tax spirits and alcohol, and for other purposes (Act 2–149); to the Committee on Governmental Affairs.

EC–2836. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the Army's posture and planning for logistic support needed in Europe in the event of a NATO contingency; to the Committee on Governmental Affairs.

EC–2837. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on January 24, 1978, which would amend a section of the District of Columbia statutes to authorize the Mayor to establish variable licensing periods (Act 2–148); to the Committee on Governmental Affairs.

EC–2838. A communication from the Administrator, U.S. Small Business Administration, transmitting, for the information of the Senate, documentation concerning a proposed change in systems of records, SBA 285, "Official Travel Files"; to the Committee on Governmental Affairs.

EC–2839. A communication from the Director, Administrative Office of the United States Courts, reporting, pursuant to law, with respect to the four GS–17 positions allocated to this agency under Section 5108(c)(3) of Title 5, United States Code; to the Committee on Governmental Affairs.

EC–2840. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on November 22, 1977, which would provide for the labeling, distribution, disposal, storage, transportation, use, and application of pesticides in the District of Columbia (Act 2–145); to the Committee on Governmental Affairs.

EC–2841. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on October 25, 1977, which would amend the Manual of the District of Columbia (approved by the City Council, January 4, 1972; effective January 14, 1972); and for other purposes (Act 2–142); to the Committee on Governmental Affairs.

EC–2842. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on positions in Grades GS–16, GS–17, and GS–18, January 1, 1977 through December 31, 1977; to the Committee on Governmental Affairs.

EC–2843. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Consumer Product Safety Commission Has No Assurance That Product Defects Are Being Reported and Corrected," February 14, 1978; to the Committee on Governmental Affairs.

EC–2844. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A Range of Cost Measuring Risk and Uncertainty in Major Programs—An Aid to Decisionmaking," February 2, 1978; to the Committee on Governmental Affairs.

EC–2845. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, an Office of

the Secretary of Defense proposal, with supporting documentation, on a new system of records identified as DOCHA 08, entitled "DOD Health Services Enrollment-Eligibility System"; to the Committee on Governmental Affairs.

EC–2846. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Personnel Restrictions and Cutbacks in Executive Agencies: Need for Caution," February 9, 1978; to the Committee on Governmental Affairs.

EC–2847. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Government Should But Doesn't Know the Cost of Administering its Assistance Programs," February 14, 1978; to the Committee on Government Affairs.

EC–2848. A communication from the Secretary of Agriculture, reporting, pursuant to law, on a new system of records which is being established by the Food and Nutrition Service, USDA, for the Summer Food Service Program for Children; to the Committee on Govermental Affairs.

EC–2849. A communication from the Acting Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–2850. A communication from the Acting Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–2851. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1977 Annual Report of the National Center on Educational Media and Materials for the Handicapped which has been prepared by Ohio State University; to the Committee on Human Resources.

EC–2852. A communication from the Inspector General, Office of the Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, the third annual report of the Office of Inspector General, October 1, 1977 through December 31, 1977; to the Committee on Human Resources.

EC–2853. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XV of the Public Health Service Act to revise and extend the authorities and requirements under that title for health planning, to provide for assistance to hospitals in discontinuing inappropriate services, and for other purposes; to the Committee on Human Resources.

EC–2854. A communication from the Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, the first annual report of the Lifelong Learning Project; to the Committee on Human Resources.

EC–2855. A communication from the Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to increase the authorization of appropriations under the Act of December 22, 1974 (88 Stat. 1712); to the Select Committee on Indian Affairs.

EC–2856. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in the cases of aliens who have been found admissible to the United States; to the Committee on the Judiciary.

EC–2857. A communication from the Chairman and Commissioners, United States Commission on Civil Rights, transmitting, pursuant to law, a report entitled "The State of Civil Rights: 1977," February 1978; to the Committee on the Judiciary.

EC–2858. A communication from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting, pursuant to law, a report covering the actions taken by the Committee during calendar year 1977 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–2859. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period January 16 through January 29, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification; to the Committee on the Judiciary.

EC–2860. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports of conditional entry activities for the period covering July 1, 1977 through December 31, 1977; to the Committee on the Judiciary.

EC–2861. A communication from the President, Ladies of the Grand Army of the Republic, Inc., transmitting, pursuant to law, a report of annual audit of the Ladies of the Grand Army of the Republic, Inc., August 31, 1977; to the Committee on the Judiciary.

EC–2862. A communication from the Chairman, Federal Election Commission, transmitting the Federal Election Commission's Fiscal Year 1979 authorization request for $8.624 million; to the Committee on Rules and Administration.

EC–2863. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting pursuant to law, a report on the results of a study of the effects of ICC regulation on independent owner-operators in the trucking industry; to the Select Committee on Small Business.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

John P. Yolz, of Louisiana, to be U.S. Attorney for the Eastern District of Louisiana.

David T. Wood, of Guam, presently U.S. Attorney for the District of Guam, to be also U.S. Attorney for the District of the Northern Mariana Islands.

Larry D. Patton, of Oklahoma, to be U.S. Attorney for the Western District of Oklahoma.

Juan G. Blas, of Guam, presently U.S. Marshal for the District of Guam, to be also U.S. Marshal for the District of the Northern Mariana Islands.

Charles H. Gray, of Arkansas, to be U.S. Marshal for the Eastern District of Arkansas.

Coy W. Rogers, of Oklahoma, to be U.S. Marshal for the Western District of Oklahoma.

(The above nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. GRAVEL:

S. 2554. A bill to amend the Internal Revenue Code of 1954 to permit adjustment of the zero bracket amount and the amount of the exemptions allowed by section 151 for residents of States for which the Director of the Office of Management and Budget has adjusted the level of the official poverty line to a level greater than the prevailing level in most States; to the Committee on Finance.

By Mr. WILLIAMS:

S. 2555. A bill to authorize assistance to certain disadvantaged children in Thailand; to the Committee on Foreign Relations.

By Mr. EAGLETON:

S. 2556. A bill to change the name of the District of Columbia Bail Agency; to the Committee on Governmental Affairs.

By Mr. HUDDLESTON (for himself, Mr. PELL, Mr. CRANSTON, Mr. RIEGLE, Mr. PERCY, Mr. BAYH, Mr. FORD and Mr. MAGNUSON):

S. 2557. A bill to provide emergency assistance for the repair of certain weather related damage to highways and urban mass transportation systems due to the winter of 1977–78; to the Committee on Environment and Public Works.

By Mr. GRAVEL:

S. 2558. A bill to amend the act of October 20, 1976, relating to certain payments to local governmental units based upon public lands within the boundaries of such governmental units; to the Committee on Energy and Natural Resources.

By Mr. METZENBAUM:

S. 2559. A bill to amend the Tort Claims Act, chapter 171, title 28 of the judicial code, to provide a judicial remedy for wrongful disciplinary action against U.S. employees who disclose information to the public about governmental impropriety; to the Committee on the Judiciary.

By Mr. BAYH (for himself and Mr. LUGAR):

S. 2560. A bill relating to the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOLE:

S. 2561. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of certain provisions of the tax laws, and for other purposes; to the Committee on Finance.

By Mr. TOWER:

S. 2562. A bill to authorize a special program under which producers of certain agricultural commodities will receive 100 percent of parity for such commodities, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SASSER (for himself, Mr. BAKER, Mr. MOYNIHAN, and Mr. HUDDLESTON):

S. 2563. A bill to authorize the acquisition and development of lands for public park and recreation facilities located adjacent to water resources development projects under the control of the Department of the Army; to the Committee on Environment and Public Works.

By Mr. DOLE:

S. 2564. A bill to amend the nutrition education section of the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATHIAS (for himself, Mr. ANDERSON, Mr. BAYH, Mr. HEINZ, Mr. JACKSON, Mr. MAGNUSON, Mr. STAFFORD, and Mr. BROOKE):

S. 2565. A bill to provide for further research and services with regard to victims of rape; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAVEL:

S. 2554. A bill to amend the Internal Revenue Code of 1954 to permit adjustment of the zero bracket amount and the amount of the exemptions allowed by section 151 for residents of States for which the Director of the Office of Management and Budget has adjusted the level of the official poverty line to a level greater than the prevailing level in most States; to the Committee on Finance.

Mr. GRAVEL. Mr. President, on August 2, 1977, I introduced S. 1978, a bill to amend the Internal Revenue Code to provide an increased zero bracket amount and personal exemption deduction for individuals residing in Alaska and Hawaii. This legislation proposes to provide relief from taxes to wage earners at the poverty level in Alaska and Hawaii, based upon the principle established by Congress in 1964 that the minimum standard deduction and personal exemption are to be used to establish a tax-free income level approximating the poverty level. As I explained to my colleagues last August, the Office of Management and Budget recognizes poverty levels in Alaska and Hawaii which are 25 and 15 percent respectively above the poverty level for the Lower 48. However, the tax laws provide no similar adjustment and persons at the poverty level in the continental United States escape tax liability while poverty level families in Alaska and Hawaii do not.

Since that bill was introduced, one of the principle objections raised has been one of constitutionality. The objection is that a special rule for certain geographic areas violates the rule of uniformity for the tax code. Although I find little uniformity in the tax code generally, and feel that the absence of this type of adjustment might constitute a special rule for the noncontiguous States, I am willing to acknowledge the possibility of a problem in this area in order that the issue can be considered on its merits. Therefore, I am introducing a modified version of the bill which will permit adjustment of the zero bracket amount and personal exemption deduction for residents of any State for which the Director of the Office of Management and Budget has adjusted the level of the official poverty line to a level at least 15 percent greater than the prevailing level in most States.

The Senate Finance Subcommittee on Taxation and Debt Management has scheduled a hearing on this matter for March 1. In order that the hearing not be clouded with the issue of constitutionality, I will ask the subcommittee to consider this bill and take a close look at the extent to which the current system discriminates against the residents of Alaska and Hawaii.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2554

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADJUSTMENT OF ZERO BRACKET AMOUNT.

(a) IN GENERAL.—Subsection (d) of section 63 of the Internal Revenue Code of 1954 (relating to zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle—

"(1) IN GENERAL.—The term 'zero bracket amount' means—

"(A) $3,200 in the case of—

"(i) a joint return under section 6013, or

"(ii) a surviving spouse (as defined in section 2(a)),

"(B) $2,200 in the case of an individual who is not married and who is not a surviving spouse (as so defined),

"(C) $1,600 in the case of a married individual filing a separate return, or

"(D) zero in any other case.

"(2) Adjustment of zero bracket amount for residents of certain State.—

"(A) IN GENERAL.—In July of each year, the Secretary shall—

"(i) determine the average official poverty line for each State for the 12-month period ending on the preceding June 30th, and

"(ii) if the average official poverty line for any State for that period was at a level equal to or greater than 15 percent above the official poverty line for all States for that period, adjust the zero bracket amount for residents of that State by increasing it to an amount which bears the same ratio to the dollar amounts set forth in paragraph (1) as the average official poverty line for that State for the period bears to the average official poverty line for all States for that period. The zero bracket amount, as adjusted by the Secretary under the preceding sentence, shall be the zero bracket amount in effect for residents of that State for taxable years ending after the 30th day of June of the year in which the adjustment is made.

"(B) OFFICIAL POVERTY LINE.—For purposes of this paragraph, the term 'official poverty line' means the official poverty line defined by the Director of the Office of Management and Budget under section 625 of the Economic Opportunity Act of 1964 (42 U.S.C. 2971d) and revised under that section.

"(C) RESIDENCY.—For purposes of this paragraph, an individual shall be treated as a resident of a State if he maintains a household in that State and is physically present in that State for more than 210 days during the taxable year.".

(b) SECRETARY TO PUBLISH SPECIAL AIDS.—The Secretary of the Treasury shall publish such special tables, compilations, and notices as he deems appropriate for residents of States for which an adjusted zero bracket amount is in effect under section 63(d)(2) of the Internal Revenue Code of 1954.

SEC. 2. ADJUSTMENT OF PERSONAL EXEMPTION AMOUNT.

(a) IN GENERAL.—Section 151 of the Internal Revenue Code of 1954 (relating to allowances of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENT OF AMOUNT FOR RESIDENTS OF CERTAIN STATES.—Whenever the Secretary adjusts the zero bracket amount for residents of any State for the taxable year under section 63(d)(2), he shall adjust the amount of each exemption provided for in this section by the same proportionate amount for residents of that State for the taxable year.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 3402(b) of such Code (relating to percentage method of withholding) is amended by adding at the end thereof the following: "whenever the Secretary adjusts the amount of an exemption under section 151(f), he shall prescribe a different percentage method withholding table for use in withholding upon wages paid to individuals with respect to whom the adjusted exemption amount applies for use in lieu of the foregoing table.".

(2) Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on personal exemptions) is amended by inserting after "$750" the following: "(or, in the case of an individual with respect to whom an adjusted exemption amount is in effect for the taxable year under section 151(f), the adjusted exemption amount)".

(3) Paragraph (1) of section 6012(a) of such Code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new subparagraph:

"(D) Under regulations prescribed by the Secretary, each dollar amount set forth in subparagraph (A) shall be adjusted to the extent necessary to reflect adjustment of the exemption amount under section 151(f), but any such adjusted amount shall apply only in the case of an individual with respect to whom the exemption amount is adjusted.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1977.

By Mr. WILLIAMS:

S. 2555. A bill to authorize assistance to certain disadvantaged children in Thailand; to the Committee on Foreign Relations.

AID TO THAI CHILDREN

Mr. WILLIAMS. Mr. President, as the author of legislation to protect children who were the victims of the conflict in Southeast Asia, I have been deeply troubled by recent reports of yet another tragic legacy of U.S. involvement in that part of the world. I am referring to the plight of some 4,000 abandoned "Amerasian" children in Thailand born of American GI fathers and Asian mothers. These children, as well as those of other nationalities, were threatened with being given the status of "non-Thai" persons, thereby denying them access to many basic opportunities in Thailand.

This unfortunate problem was the result of a Thai law known as announcement 337, which states in part that Thai nationality is to be withdrawn "from those persons born in the Kingdom of Thailand by alien fathers or by alien mothers." Because the United States will not grant children citizenship unless they are acknowledged and claimed by their fathers, they were in effect being made stateless. The children, therefore, would have been legally prevented from enjoying Thai educational and public service opportunities. They would be denied land ownership rights. They would not even be entitled to passports, which would

enable them to leave Thailand in order to seek those opportunities elsewhere. I am pleased that world opinion seems to have brought about a modification of this policy.

During the long involvement in Southeast Asia, Congress made a determined effort to relieve the plight of the disadvantaged children left in the war's wake. My personal involvement in this area has prompted legislation on four separate occasions for their relief. During our effort to help those children who were abandoned by their GI fathers, we discovered many disheartening facts about their living conditions. Many have suffered from malnutrition, overexposure, loneliness, and a sense of despair. It is most distressing to learn that another 4,000 half-American and numerous other children in Thailand are now facing a similar fate.

Therefore I am introducing today legislation which will provide U.S. funding for the care and adoption of these needy children living in Thailand. It will provide for the establishment, expansion, and improvement of day care centers, orphanages, hostels, schools, feeding, and emergency food programs. In addition, my legislation would provide funds to facilitate the adoption by U.S. citizens of children in Thailand who are orphaned or have been abandoned.

Mr. President, although the active military presence of the United States in Southeast Asia ended several years ago, the presence of these children in Thailand is a continuing reminder that our humanitarian responsibility to the victims of the conflict has not. I am hopeful that our national commitment to the welfare of these unfortunate children will meet with the approval and and cooperation of the Thai Government in an effective rehabilitation program for these helpless victims.

Mr. President, I ask unanimous consent that the text of my legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) it is the sense of the Congress that inadequate provision has been made for—

(1) the establishment, expansion, and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of children in Thailand who have been disadvantaged by hostilities in Southeast Asia or conditions related to those hostilities; and

(2) the adoption by United States citizens of children in Thailand who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

(b) The President is authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in paragraphs (1) and (2) of subsection (a).

SEC. 2. (a) To carry out this Act, there is authorized to be appropriated for each of the fiscal years beginning October 1, 1979, and October 1, 1980, the sum of $500,000 or its equivalent in local currency.

(b) Not more than 10 percent of the funds made available to carry out this Act may be expended for the purposes referred to in subsection (a)(2) of the first section of this Act. Assistance provided under this Act shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

By Mr. HUDDLESTON (for himself, Mr. PELL, Mr. CRANSTON, Mr. RIEGLE, Mr. PERCY, Mr. BAYH, Mr. FORD, and Mr. MAGNUSON):

S. 2557. A bill to provide emergency assistance for the repair of certain weather-related damage to highways and urban mass transportation systems due to the winter of 1977–78; to the Committee on Environment and Public Works.

EMERGENCY AND TRANSPORTATION REPAIR ACT OF 1978

Mr. HUDDLESTON. Mr. President, I am pleased to introduce today legislation to provide emergency assistance for the repair of certain weather-related damage to highways and urban mass transportation systems due to the severe winter of 1977–78. This bill is identical to a House bill, H.R. 10979, which was passed yesterday by a 2-to-1 margin in the House.

No one can dispute that the harsh weather has already had a devastating impact on the conditions of our Nation's highway system. A short drive down practically any street in those areas of the country most hard hit by the cold, snow, and ice more than amply demonstrates the need for immediate help. Unless we act soon to assist the States in the repair of what is commonly referred to as the pothole problem, we take the very dangerous risk of allowing the damage to spread throughout the structural basis of the roadbed.

Once the roadbed becomes affected we face the possibility of huge losses in the investment we have already made in our highway system. I submit that we cannot afford to take that gamble.

This measure, originally authored by the distinguished chairman of the House Surface Transportation Subcommittee, Mr. HOWARD of New Jersey, authorizes $250 million out of the highway trust fund for emergency assistance to States at 100 percent Federal cost of the repair of paved roads and surface rails of urban mass transportation systems. I do not contend that $250 million is sufficient to take care of all the needs which exist. These funds, however, in addition to the substantial State and local funds normally expended for the type of repairs authorized by this act should go a long way in providing adequate relief.

A very simple formula for distribution of the funds is provided. The Secretary of Transportation is called on to take into account such factors as paved road mileage in each State, vehicle miles of travel on all public roads in each State, and climatological data related to extraordinary pavement deterioration conditions. Once he has made these calculations he can then enter into an agreement providing for an immediate obligation of Federal funds. The emergency nature of the situation thus brings about another benefit, a minimum red-tape for the States and local governments.

Mr. President, I urge my colleagues to join me in the effort to secure prompt passage of this much needed legislation to protect the original investment in our Nation's roads and streets.

Mr. PERCY. Mr. President, the combination of heavy snow and subzero weather marked by freeze-thaw cycles, is bringing a disaster to many State road budgets. These cycles have caused extensive damage to our roads and public transit systems. Winter has brought us a combination of potholes, surfacing and resurfacing in the most unanticipated places.

Recently, the road information program (TRIP), a private nonprofit research organization, has come up with some appalling estimates. Potholes will cost motorists an estimated $626 million, the organization reports, for more than 1 billion gallons of wasted fuel from drivers' sudden stops and starts caused by the potholes. TRIP has also stated that we can expect to see and feel approximately 116.4 million potholes this year—a 19-percent increase over last year's record.

States have been hard pressed to come up with enough money to meet the continuing demand to repair our highways and mass transit systems that have been affected by the severe winter conditions. Action to remedy this situation is urgently needed.

It is with a strong feeling of support that I join my colleague, Senator HUDDLESTON, in introducing a temporary relief measure aimed at providing emergency assistance for the repair of highways and urban mass transportation systems that have suffered extreme damage as a result of the winter of 1977–78.

This measure would authorize $250 million to be drawn from the highway trust fund. States will be able to apply for 100 percent of the cost of repairing weather damage to highways and surface rails of urban mass transportation systems, other than railroads.

Funds would be allocated by the Secretary of Transportation to States under a formula that takes into account the climatological data available prior to April 1, 1978, related to extraordinary pavement deterioration conditions, paved public road mileage, and the number of vehicle miles of travel on these roads. Each State would have the opportunity of receiving a minimum of no less than one-half of 1 percent to a maximum of 7 percent of the total authorized.

Mr. President, I urge the Senate Public Works and Transportation Committee to move swiftly in considering this emergency legislation in order for the

full Senate to have the opportunity of voting on this measure as soon as possible.

Mr. BAYH. Mr. President, the winter of 1978 has been one of the worst in history and is not over yet. The last several months will long be remembered for the intense cold, strong winds, enormous quantities of snow, and the many days when everyday activities came to a halt. In my own State of Indiana, schools, offices, and industry closed on numerous occasions for several days because of the severe conditions. Hopefully, the worst is behind us. However, we are constantly reminded of the effect the winter has had on our Nation's roadways everytime we ride in a car or bus. The streets and highways have turned into obstacle courses because of the enormous and numerous potholes that have appeared in our roads, bridges, and tunnels.

Roads are not the only victims of this phenomena, mass transportation is also effected. The extreme weather conditions cause the rail foundations to crumple and erode with an end result of unstable and dangerous transit systems.

Because this has been such an unusually severe winter, I am today cosponsoring a bill introduced by Senator HUDDLESTON which will provide $250 million from the highway trust fund to repair winter-damaged roads and surface rails of urban mass transportation systems. Under this measure, funds will be allocated to all States based on a formula of vehicle miles traveled, paved public road mileage and climatological data. No matching funds will be required from the States. Each State will be eligible to receive a minimum of one-half of 1 percent—$1,250,000—and up to a maximum of 7 percent—$17,500,000. The bill contains a provision that these funds, which will become available immediately upon enactment of the legislation, be obligated by June 15 of this year.

These Government funds are not intended to be used for major resurfacing or restoration rehabilitation. Also, the money is in addition to, not a substitution for, State or local funds normally allocated for this type of repair work.

I want to emphasize that this legislation is necessary because of the brutal winter we have just experienced. It is a one-time emergency grant program to solve a particularly difficult problem. State and local budgets normally are capable of taking care of this kind of work, but the extreme weather conditions we are experiencing have just about exhausted their budgets. Salt and sand funds, overtime labor for snow removal, and now pothole damage are all competing for local government budget dollars.

Mr. President, I urge State highway administrators and local officials to comply with Federal intent that minority businesses receive their fair share in the allocation of these funds as in other federally funded programs. Likewise, this is an ideal time to provide jobs for the unemployed in this labor intensive work. I feel sure that when the State, counties, and cities determine the most needed areas for repair, they will look carefully at the inner city as well as the suburban roads and highways.

My colleagues, Congressmen JOHNSON and HOWARD, introduced identical legislation on February 14 and it passed the House on February 21 by a two-thirds margin. I applaud the efforts of my friends in the House and urge my Senate colleagues to move as expeditiously as possible on this very important emergency bill.

By Mr. GRAVEL:

S. 2558. A bill to amend the act of October 20, 1976, relating to certain payments to local governmental units based upon public lands within the boundaries of such governmental units; to the Committee on Energy and Natural Resources.

Mr. GRAVEL. Mr. President, today I am introducing legislation to amend the Payments in Lieu of Taxes Act (Public Law 94–656) to insure the eligibility of certain local governments in the State of Alaska for funds distributed under the act.

The act provides for two types of compensation to units of local government. Section 1 of the act provides annual payments on the basis of acreage to local governments which are unable to tax Federal property to finance governmental services provided to that property. Section 3 of the act provides additional payments for lands acquired after December 31, 1970 for inclusion in the national park system for national forest wilderness areas. The compensation provided is at 1 percent of the assessed value for acquired lands over a 5-year period. In the case of Alaska, only those boroughs existing on the date of enactment of the act are eligible to receive payments.

When this legislation was considered by the House Committee on Interior and Insular Affairs, a problem developed in regard to the amount of acreage in Alaska eligible for payments. As my colleagues are aware, Alaska has over 365 million acres of land, of which about 96 percent is under the control of the Federal Government. Committee Chairman UDALL described the problem as follows:

> The bill as originally drafted contained no provisions for a maximum payment hinged to the population of local governments. Under such a law the payments to Alaskan boroughs could have bankrupted the program. Consequently, no local governments in Alaska would have received (Payments in Lieu of Taxes) funds in the original bill.

The committee dealt with this issue by developing a formula for maximum payments based on population and allowing the inclusion of boroughs in the State of Alaska existing on the date of enactment of the act. There are 11 boroughs currently in Alaska, covering perhaps 30 percent of the State and providing areawide services similar to those provided by counties in the lower 48. Chairman UDALL described the committee's approach as follows:

> After the bill was reported from subcommittee the concept of maximum payments based on population was conceived and the full committee included existing boroughs. It was thought unwise to enable those areas of Alaska without local government (the only such areas in the country) to organize where they would have the ability to draw their boundaries to best take advantage of the (Payments in Lieu of Taxes) Act. When new boroughs are organized, it will be appropriate to consider their inclusion in the (Payments in Lieu of Taxes) system.

Mr. President, I have no problem with this type of logic for payments available under section 1 of the act. These payments are designed to provide compensation for expenditures made in connection with Federal properties on an ongoing basis. The boroughs in Alaska are probably in the best position to administer this type of compensation.

However, contrary to Chairman UDALL's assertion, there are units of local government outside the boundaries of organized boroughs which should be eligible for payments under section 3 of the act, which provides compensation for loss of the tax base due to land acquisition.

The first-class city of Skagway, Alaska, a major portion of which will be included in the Klondike Gold Rush National Park created by Congress in 1975, is one such city.

Skagway, a town of about 800 people, was incorporated in 1900. It was the departure point for those making their way to the rich gold fields in the Klondike. During the years 1897–98, it became a city of prospectors from around the world trying to make their fortunes mining gold. Skagway is a town rich in history which is being preserved through the creation of this park.

The Skagway unit of this park encompasses almost all of the business and commercial activities of the city and the most valuable real property. While the residents of Skagway certainly welcome the creation of this park and the accompanying expenditures to revitalize the historic areas, I see no reason why this town should be denied compensation in the same manner as every other municipality in the United States which receives the type of compensation available under section 3 of the Payments in Lieu of Taxes Act.

The legislation I am proposing today would remove the "boroughs only" restriction for the purposes of section 3 of the act. I request speedy and favorable consideration of this measure from the Committee on Energy and Natural Resources. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality", approved October 20, 1976, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding the provisions of section 6(c) of this Act as it applies to the

State of Alaska, for purposes of this section, a unit of local government in Alaska other than the borough which acts as the collecting and distributing agency for real property taxes shall be eligible to receive payments under the foregoing provisions of this section.".

By Mr. METZENBAUM:

S. 2559. A bill to amend the Tort Claims Act, Chapter 171, Title 28 of the Judicial Code, to provide a judicial remedy for wrongful disciplinary action against U.S. employees who disclose information to the public about governmental mispropriety; to the Committee on the Judiciary.

THE WHISTLEBLOWER PROTECTION ACT

Mr. METZENBAUM. Mr. President, the Subcommittee on Citizens' and Shareholders' Rights and Remedies, which I have the privilege of chairing, has been holding hearings on S. 2117. That bill, proposed by the administration, would amend the Federal Tort Claims Act in order to make Federal officials more accountable to our people by allowing a remedy directly against the United States for constitutional violations.

Today, I wish to introduce another bill intended to enhance accountability by means of an amendment to the Federal Tort Claims Act—the Federal Tort Claims Act Amendments of 1978, a bill designed to amend 28 U.S.C. Ch. 170 and section 1346(b) (the Tort Claims Act) by allowing whistleblowers a right of action against Government officials who punish the whistleblowers for their efforts to disclose governmental misconduct and inefficiency.

The need for such legislation is almost beyond dispute.

Washington Post carried a story about a $10,000 reward presented by an anonymous Californian to Dale M. Kuehn. Mr. Kuehn, formerly an auditor with the Federal Energy Administration, was forced to resign his position after having called attention to the lack of zeal shown by his superiors in investigating a major fuel allocation scandal in Florida.

Mr. Kuehn's experience in receiving a reward for his actions in the public interest is very unusual indeed. Unfortunately, his experience as a whistleblower in a Federal agency is not. Time and again, conscientious Federal employees have been transferred, downgraded, and fired for presuming to act as public servants rather than as obedient players in a bureaucratic team. Time and again, supervisors have closed ranks to make examples of in-house critics and to demonstrate that there is no future in the Federal civil service for those who refuse to go along to get along.

The Kuehn case received national publicity, as did that of A. Ernest Fitzgerald, the Pentagon efficiency expert who 8 years ago informed Congress of multibillion-dollar cost overruns on the C–5A cargo aircraft and was fired for his trouble. Eventually, a court order forced the Department of Defense to rehire Mr. Fitzgerald. Mr. Kuehn remains unemployed.

Mr. President, the Kuehn and Fitzgerald cases are well known, but there are many other individuals in many other departments and agencies who have suffered severe reprisals for taking their responsibilities seriously.

David F. Black, now a Washington taxi driver, lost his job as a financial analyst at the Office of the U.S. Comptroller of the Currency after he raised questions about the statistics used in a project to assess racial and sex discrimination in bank mortgage loan policies. Although his assessment of this data was subsequently confirmed, Mr. Black's job rating by his superiors unaccountably went from highly satisfactory in 1976 to "unproductive" in 1977.

Donald S. Jordan, a 26-year veteran of the Central Intelligence Agency, was summarily dismissed as chief of the CIA's San Diego office on December 8, 1977, and required to take immediate retirement. Jordan, who spent his career in the CIA's overt branch as opposed to the clandestine, sinned against the hear-no-evil, see-no-evil, speak-no-evil ethic of the Agency by speaking out against what he considered to be inefficiency and continuing abuse in CIA domestic operations.

Dr. Stanley Mazaleski was fired from his job at the National Institute of Occupational Safety and Health in March 1975 for "marginal and substandard performance" and "insubordination." In fact, Dr. Mazaleski was guilty of offending management by carrying on a dogged campaign to impart a sense of urgency to NIOSH about the cancer risks incurred by workers exposed to cadmium and to chloroform.

Dr. J. Anthony Morris of the Food and Drug Administration, a vaccine specialist, was among the first to warn against the ill-advised 1976 decision to initiate a nationwide innoculation program against swine flu. The swine flu program was terminated after a number of people experienced severe, even fatal, reactions to the vaccine. Dr. Morris was also terminated for "insubordination and inefficiency."

Mr. President, I could cite many other individual cases in this connection, but the point I wish to call to the attention of my colleagues is that the practice of stifling internal critics is not confined to any one agency or department. It appears to extend across the entire Federal bureaucracy, from Defense to NIOSH, from CIA to the Comptroller of the Currency. It may not be common, but it is common enough to arouse deep concern about the future of the Civil Service.

Press reports indicate the administration may be considering administrative action to respond to the problem of protecting and encouraging the whistleblower. This approach would entail establishing a special board under the Civil Service Commission charged with investigating allegations of irregularities and mismanagement brought by Federal employees and with protecting employees from reprisals.

An office of this kind might well perform a useful function, but I do not believe that this in-house solution is adequate to deal with the problem. There is, I think, good reason to be skeptical about the willingness and the ability of this or any other administration to investigate itself, particularly when embarrassing revelations may result. Dr. Morris of the FDA, for example, challenged a decision on swine flu vaccination that had been announced personally by President Ford.

Mr. President, I believe that in the end, the only truly effective way to protect whistleblowers from arbitrary punishment or dismissal will be to provide them with a firm legal basis from which to challenge actions by their superiors in a judicially neutral tribunal. For that reason, I am today introducing the Federal Tort Claims Act Amendments of 1978, designed to afford meaningful protection to Federal employees by the simple device of creating a cause of action under the FTCA with regard to wrongful dismissal of Federal employees.

The bill amends section 1346(b), chapter 170 and section 1391(e) of title 28, by prohibiting disciplinary action of any kind of reprisal for expressing an opinion or disclosing information, insofar as such conduct is not prohibited by law. The heart of the bill is the creation of a judicial remedy against the United States and against the official who takes the retaliatory action; specific procedures for litigating such an action, including venue and damages provisions that are also set out. The bill provides further that if a whistleblower is disciplined within 18 months of the whistleblowing, the agency must show that the discipline was not induced by the whistleblowing.

Mr. President, I ask unanimous consent that the text of the bill, an excellent article by Helen Dubar that appeared in the October 30, 1977, issue of the New York Times Magazine, and the Washington Post story on Dale Kuehn be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Tort Claims Amendments of 1978".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) American citizens are entitled to information about the workings of their government in order to prevent illegal or improper governmental activity, to insure that Federal moneys are spent efficiently and legally, and to debate public issues effectively;

(2) To achieve these purposes, American citizens must have the benefit of information and opinions by Federal officials who must therefore have the right to have public, without reprisal or fear of reprisal, information and opinions concerning acts or failures to act which such officials believe in good faith to be harmful to the public interest;

(3) Present laws and regulations do not adequately define and protect that right, to the detriment of the rights of American citizens to be informed about their government, and of the rights of Federal officials who seek to alert them; and

(4) It is necessary for the Congress to establish the rights of American citizens to obtain such vital information by providing a judicial remedy for violations of Federal officials' rights to make such disclosure.

SEC. 3. Section 1346(b) of title 28, the Judicial Code, is amended by inserting "(1)" between "(b)" and "Subject," replacing the period at the end with a semicolon, and adding the following:

(2) Subject to the provisions of §§ 2681–84 of this Title, the district courts, together with the United States District Court for the District of the Canal Zone, and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States, for any claim brought under the provisions of that chapter against either the United States or an official of the United States. Such jurisdiction shall be without regard to the amount in controversy or citizenship of the parties.

SEC. 4. Title 28 of the Judicial Code is amended by adding the following new sections:

SEC. 2681. DEFINITIONS

As used in this chapter, the term—

(1) "agency" means each authority of the United States, whether or not it is within or subject to review by another agency and includes any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency, but does not include—

(A) the Congress;

(B) the courts of the United States; and

(C) military authority exercised in the time of war or in occupied territory;

(2) "disciplinary action" means dismissal, demotion, transfer, reassignment, suspension, reprimand, reduction-in-force, or other forms of discipline or penalty, or threat thereof;

(3) "illegal" means in violation of the Constitution, treaties, or Federal or State statutes, or the rules, regulations, orders, or other directions which have been promulgated by any agency, the Congress, the courts, or any other authority of the Federal Government;

(4) "individual defendant" means any officer, employee, or agent of the United States Government defending an action brought under this Act and shall not include agencies of the United States Government;

(5) "official" means any civilian officer, employee, or agent of the United States, or any person directed, controlled, or paid by any law enforcement investigative or intelligence agency; and

(6) "person aggrieved" means a person who has been subjected to disciplinary action as defined herein.

SEC. 2682. WRONGFUL DISCIPLINARY ACTION PROHIBITED.

(a) No official of the United States shall be subject to disciplinary action because he has—

(1) expressed an opinion or judgment with respect to the conduct or operation of any agency of the Federal Government, or disclosed any information the disclosure of which is not specifically prohibited by law;

(2) given any testimony, expressed any opinion or judgment, or disclosed any information, notwithstanding any law prohibiting such disclosure, in response to a request or direction by Congress, or any committee or subcommittee or member thereof, or to any court;

except that nothing in this section shall authorize a disclosure of information made with knowledge that it is false, or which would constitute a clearly unwarranted invasion of the privacy of any person.

(b) The taking of disciplinary action against any official of the United States who has engaged in the conduct described in paragraph (1) or (2) of subsection (a) shall create a presumption that such action was taken on account of such conduct if such action is within eighteen months of the conduct. The burden of proof shall be on the agency or official taking such action to rebut the presumption.

SEC. 2683. DUTY TO INFORM

Each agency shall inform all officials of such agency of the rights and protections provided in this chapter in orientation programs for new officials, handbooks, training courses, briefings for new officials, and by other appropriate means.

SEC. 2684. CIVIL REMEDIES AND PROCEDURE

(a) Whenever any official of the United States Government acting under color of law violates section 2682 of this chapter, the official and the United States shall be jointly and severally liable to the person aggrieved in a civil action for money or damages or other appropriate relief.

(b) Claims may be brought under this chapter without prior recourse by the plaintiff to any administrative remedies.

(c) Notwithstanding any other provision of law, the summons and complaint in an action brought under this chapter shall be served as provided by the Federal Rules of Civil Procedure except that the delivery of the summons and complaint to the officer or agency as required by the rules may be made in person or by certified mail beyond the territorial limits of the district in which the action is brought. Delivery of the summons and complaint shall be made in person upon an official of the United States Government who is not employed by the United States Government at the time the action is commenced. Service of progress in the manner prescribed in this section shall confer jurisdiction over the person or persons served upon the court in which the action is brought.

(d) Any action for a civil remedy under this Chapter must be brought within two years from the date upon which the plaintiff discovers that a cause of action has arisen.

(e) In any action brought pursuant to this Chapter, a District court may grant to the person aggrieved—

(1) such temporary or permanent equitable relief, including reinstatement of the person aggrieved during or after the pendency of the litigation, or any other equitable relief it deems appropriate;

(2) actual and general damages, but not less than liquidated damages computed at a rate of $250 per day for each violation, or $2,500, whichever is higher;

(3) punitive damages; and

(4) reasonable attorney fees and other litigation costs reasonably incurred, as determined by the court without regard to the award of money damages.

(f) When the United States is held liable for monetary damages or ordered to pay attorney fees or litigation costs as a result of an action under this Act, it shall have a right of subrogation against any official of the United States Government who commits or has committed a willful and knowing violation of this Act.

(g) The United States shall indemnify any official of the United States who has defended himself against an action brought under this Act and has been held by the court to have no liability, for the amount expended for attorneys fees and reasonable litigation costs.

(h) For the purposes of an action brought under this Act, the United States expressly waives its immunity from suits for damages. The provisions of §§ 2670–80 of this Chapter do not apply to actions brought under §§ 2681–84, and 1346(b)(2).

SEC. 5. Section 1391(e) of Title 28, The Judicial Code, is amended by adding the following:

"(g) A civil action brought under the provisions of §§ 2681–84 of Chapter 171 of this title may be brought in the District of Columbia, in the judicial district where any plaintiff resides, in the judicial district where the cause of action arose, or in the judicial district where a defendant in the action resides."

[From the New York Times Magazine, Oct. 30, 1977]

THE PRICE OF BLOWING THE WHISTLE

(By Helen Dudar)

In the spring of 1974, Dr. Stanley Mazaleski, a Government scientist, began complaining about the sluggish pace at which his agency had set about designing safety standards for industrial workers exposed to carcinogenic chemicals. The following winter, Mazaleski's criticisms were leaked to the newspapers. Within a few months he was fired. And last May, after a two-year fight for reinstatement, he won a court decision ordering the Public Health Service to hold a new hearing. It was a modest victory, just enough to allow his attorney to try to open negotiations with the agency. After a while, the lawyer called with the report that he had been in touch with the agency's general counsel to no avail. "They said you're guilty," he told Mazaleski. "Guilty of what?" Mazaleski asked. "I don't know—they just said you're guilty."

Mazaleski's belief in his righteousness is whole and complete. He is driven by a fearsome persistence and by a myopic refusal to acknowledge that the system can possibly be as "unfair" as it has so far been to him. He is a "whistleblower"—a rather casual term for a risky business. Mazaleski belongs to a haunted little tribe of Federal employees who have transgressed against the bureaucracy—who, having seen something seriously wrong in a Government operation, made a noise about it.

The penalty for going public, for telling Congress or a reporter or even a superior a few steps up the chain of command can be harsh. Mazaleski lost his position at an agency hearing which he was not even invited to attend. A more sophisticated way of dealing with the overzealous bureaucrat is to have his job abolished. If the dissident is too well known to be dismissed, he can be "promoted" into another section of the agency where his expertise is useless. If he is obscure but likely to make a public fuss, he can be effectively immobilized by demotion to a lesser lower-paying job where his expertise is also wasted. On the other hand, it may be decided that his behavior has been erratic. In that event, his superior may insist that he consult a psychiatrist in the expectation that he will be found to be unstable and thereby eligible for a disability discharge. Of course, he can refuse to submit to an examination. But then he may be fired for insubordination.

Theoretically, a bureaucrat who testifies before Congress is automatically protected from reprisal. Firing him is literally a crime. In practice, the system is "unenforceable," according to an aide for a powerful Senator. "What would you have the Senate do when a Pentagon employee testifies and is punished?" he asked. "Hold the Secretary of Defense in contempt?" A bureaucrat with a dismissal slip is entitled to a Civil Service hearing, but there the cards may be stacked, too.

The bureaucracy is a Goliath, and the machinery available to enforce its will is immense. Moreover, its will often extends far

beyond its boundaries. A civil servant who has lost a post in a conflict that reached the press usually becomes unemployable. Advertised jobs in other Federal agencies prove to be illusory the day he applies; promising offerings in private enterprises that are dependent on the kindness of Government agencies vanish overnight. It takes merely a phone call to a former boss to learn that the applicant is considered just a trifle hard to get along with.

Most people have neither the heart nor the means to begin a fight that may last for years. They quietly resign, they accept early retirement, they shut up. A. Ernest Fitzgerald, a Defense Department cost analyst who eight years ago went before a Congressional committee and testified that a Lockheed cargo plane was costing $2 billion more than the contracted price, is perhaps the best known of contemporary whistleblowers. He has been battling the Pentagon for eight years and is a one-man advisory committee to scores of Federal employees who consider doing what he did in the interests of exposing waste and corruption. People go to him for guidance all the time. "I never advise them," he says. "I just tell them the probable consequences of going public. Most of them never do."

Those who stay the course seem, on casual encounter, to be quite nondescript, the sort of people Fitzgerald is fond of assigning to mainstream America. They wear lapel flags, he says, lift weights and belong to the National Rifle Association. They are special, he goes on, because they can't stand stealing. Experience has transformed some of them into cranks—rather exalted cranks who can be nagging, verbose, obsessed and sometimes difficult to be with and yet who are wholly admirable in their gritty stubbornness. What sets them apart and gives them distinction is a sublime innocence, a pure and compelling attachment to schoolroom lessons in morality. It is wrong to cheat. It is a sin to lie. There is no compromise with evil. Deceivers will be punished. Good will triumph.

Once in a while it does. But the process is so long and so lonely and so consuming and the psychic pain is so profound that nothing finally can obliterate the scars. Friends are lost and careers are blighted. In suburban precincts where every other homeowner can be a Federal employee, neighbors cruelly cease to be neighborly. How do you explain to a 5-year-old child why he's the only kid on his Oak Ridge block who wasn't invited to the Easter-egg hunt? On occasion, even reason is forfeited. "I cringe when they come to see me," says a Congressional staff man who has tried to help some victims. "They are walking wounds."

The quality of the damage is discoverable when the clan assembles in one place, an event that occurred early this year in Washington. For almost two years, the Institute for Policy Studies, a well-known haven for respectably leftish thinkers and doers, has been working on a program to develop legislative, legal and financial protection for the civil servant who steps out of line in the provable interests of the public good. Last June, I.P.S. organized a two-day conference of whistleblowers. Two hundred came. Some of them merely bore personal grudges against agency supervisors but many of them had, in Fitzgerald's felicituous phrase, "committed truth" and had suffered for it. According to several accounts, the sessions took place in an atmosphere of such raging anger and bitterness they could have been recorded as peaks and valleys on a seismograph. Moreover, the sense of futility projected by the conferees was almost gaudy in its intensity. Yet these people came and they stayed out of some freakishly inexhaustible hope that injustices could be remedied and that the system could be made to work.

What sustains that hope is unfathomable. The qualities they have in common hardly seem significant enough to illuminate any corner of their experiences. They all apparently tend to be careful with money, if not downright cheese-paring. Their politics seem mostly centrist and nonideological, and they are engagingly oblivious to the irony of receiving the support of a leftist organization on the order of I.P.S. While not necessarily formally religious, many of them count themselves believers. With some exceptions, they share a certain lack of imagination. It did not, at the outset, occur to most of them to anticipate the fury of official vengeance.

The sign over Ernest Fitzgerald's door at the Pentagon reads "Deputy for Productivity Management." What, I ask, does a productivity manager do? Whatever he can, the best he can, enough to earn his $47,500 wage, he answers, but nothing like what he could do if he were allowed to exercise his skill and experience as a weapons cost analyst for the Air Force. Fitzgerald is, of course, a legend, the dean of Washington whistleblowers and folk hero to Federal employees who would like to emulate him. Shortly after he testified about how the military patronage system wastes great sums of money on its munitions and aerospace purchases, his job was abolished. And the Civil Service Commission—the court of last resort within the Government—ruled he was not a victim of reprisal.

What followed was nearly four years of legal battles, protracted by Government delays and by its appeals at every point. Finally, in 1973, a U.S. District Court ordered his reinstatement. By then, Fitzgerald, who had kept busy lecturing, writing a book and working for two Congressional committees, figured the fight could cost him $400,000 in legal fees. He sued to collect. In 1976, a Federal judge ruled that the Government must bear the cost of a "blatantly improper action" against Fitzgerald. Last May, the U.S. Court of Appeals agreed that the law requires that a wrongfully dismissed Federal employee be made "whole again" but does not permit the Government to pay his lawyers' bills. Fitzgerald, an industrial engineer who comes from Birmingham, Ala., is a remote but affable and jaunty-spirited man. However difficult these years have been, he has resisted any sense of martyrdom. He loved his work and was good at it. But he observes that the 1969 dismissal "effectively ended my career" as if he were commenting on the high price of dry cleaning. What he does now is "baby" stuff, the kind of assignments he worked on when he was just out of college. "That's sad," I commented. "That's bad," he corrected me.

Why stay? Where would he go? Subconsciously, he supposes he knew that his decision to testify could abort his career, "but I hadn't really prepared for it." When he was fired, Fitzgerald went job hunting and found he had speedily been marked "a bad guy." As time went on, the labeling became more imaginative. Eventually, he was to learn that the dossier the department had been building on him proposed that he was simultaneously a womanizer and a homosexual.

A registered democrat, Fitzgerald describes his ideology as "tightwadded." He has a wife who he says has been unstintingly supportive and three children who he believes have not suffered unduly from his career problems.

But "The Case," a multimillion-dollar damage suit against Defense Department officials responsible for the loss of his job eight years ago, occupies a good deal of his time. Luckily for Fitzgerald, he finds life irrepressibly comic. Late last winter, he was invited to address a gathering of Defense rank-and-file employees. The Defense supergrader, with his G–17 rating, faced 100 members of the American Federation of Government Employees who would normally see him as management. They loved him, they cheered him and they gave him an award—a silver whistle. Fitzgerald was enormously pleased. But he noticed that it had been mounted on a plaque, and thereby rendered inoperable.

Stanley Mazaleski's wife, Charlotte, tells him he can't win; his adversary is too powerful. Sometimes, Mazaleski thinks she may be right, but he can't give up. He really believes that "the truth will out." It has been more than two years since he was fired from his $17,800-a-year job with the Public Health Service, and his life is a shambles. A Ph.D. in preventive medicine, he could not find work in his field for 17 months. For a period, he worked nights as a security guard near his home in Monrovia, Md., and his teen-age daughter, eldest of his four children, took a job in a Hot Shoppe to help support the family. Last winter, money was so short that the family lived mostly on potatoes, which Mazaleski, a farm boy from Pennsylvania, had grown in the garden. The debts have piled up, and his creditors are pressing for payments he cannot make; the bank is threatening to foreclose the mortgage on his four-bedroom house; his marriage is desperately strained; friends have fallen away and relatives in Government service who are apparently nervous about their social connections exclude him from family gatherings.

In January Mazaleski finally found work in Washington with the Environmental Protection Agency, but it is temporary and likely to end any day now. He writes letters incessantly to officials in and out of Government, beseeching help which never comes.

A large, genial, sad-eyed man, Mazaleski went to work for the National Institute of Occupational Safety and Health, a P.H.S. agency, four years ago. His job was to write reports on a variety of dangerous and possibly carcinogenic chemicals used in industry and to develop standards, required by new legislation, for protecting the health of workers exposed to these materials.

Before the year was out, Mazaleski was in trouble. He insisted, against considerable resistance by the medical authorities over him, that the chemical cadmium may cause prostate cancer. A year later, the professional literature proved him right. He said the industry should be required to keep medical records for 20 years on workers exposed to chloroform, a suspected cause of cancer and birth defects; over his protest, the N.I.O.S.H. management reduced the period to a worthless five years. He filed a grievance against a superior who had dealt rudely with him. He complained to superiors that evidence he needed for his work was being withheld. He wrote letters to Congressmen bemoaning delays in setting safety standards, delays that probably made life easier for industry but surely imperiled the health of millions of workers. His criticism found its way into The New York Times early in 1975.

In March 1975, he was fired for "marginal and substandard performance" and for "insubordination." Mazaleski's fate, said Albert R. Lauderbaugh, a senior P.H.S. official who tried to help settle the affair before it reached the firing stage, was "an almost classic example of management's reaction to an internal critic." Mazeleski's former boss, Dr. John May, insists, "His charges have no validity whatsoever. He was fired because he didn't do his job."

What is so bewildering to Mazaleski is that he had spent a lifetime doing the right thing. When the Korean War began, he was about to enter college and he gave up a scholarship to enlist in the Navy. After four years of service, he came home and worked hard on

his father's farm, spending six years in evening studies to earn a college degree. He has always been a popular and successful student. He is 44, an exceedingly earnest man who believes in God, the Constitution and conservative government. Sitting in a crampled little office we had borrowed for the interview, I wondered aloud whether Mazaleski was the kind of householder who regularly hung out the American flag on patriotic holidays. Yes, yes, he did. And on Veterans Day, he related, he always took the family on a pilgrimage to Gettysburg National Park. Abruptly, Mazaleski's eyes filled with tears and for several minutes he could not talk.

In the spring of 1976, after President Ford said he wanted every man, woman and child in the country vaccinated against swine flu, the only scientific voice raised against the program belonged to Dr. J. Anthony Morris, a virologist. Even in intimate conversation, the voice is lecture-hall loud; the speech is fluent and precise, the tone self-confident, the inflections an echo of his boyhood in Maryland. Tony Morris, a Ph.D., is a vaccine specialist and he is especially knowledgeable about flu vaccine. He has worked productively and successfully for the Government for most of his life and he has been in trouble with the bureaucracy before for protesting rather insistently that there is no such thing as an effective flu shot—a judgment that could only bring unhappiness to the businesses that make flu vaccines and the doctors who inject them by the millions each year. Taking on the bureaucracy is, at best, risky; tangling with an entire administration is an act of breathtaking nerve.

In his zeal to alert the public last year, Morris had seminars on the N.I.H. campus in Bethesda, Md., sent letters to newspapers and Federal health officials and talked to reporters. His message was that no evidence whatsoever existed that swine flu embodied the virulence of the 1918 pandemic and that, in any event, the vaccine on hand was totally worthless. Most serious of all, it was certainly dangerous. Morris could not predict that it would paralyze and kill anybody, but he did know and warn that it could cause a hypersensitivity in some people that would trigger a whole range of grave illnesses.

That is precisely what happened the following December. By then, Morris, at 58, had been fired from his $32,000 research job at the Bureau of Biologics by Food and Drug Administrator Alexander Schmidt. Schmidt found him guilty of "insubordination and inefficiency." Moreover, his behavior toward his colleagues and superiors "directly challenged the integrity of scientific progress." The Civil Service Commission has upheld the insubordination charge even while acknowledging that Morris' science was sound, and the case is now on its way into the courts.

In 35 years of Government service, Morris had prudently put away money for his retirement, savings that were to have financed travels with his wife. It's almost all gone. He is inflexibly cheerful about all this. Morris says he would rather have his problems than carry on his conscience the burdens of people killed or crippled as a result of a staggering sweep of official stupidity.

An extremely reticent man, Morris does not like to talk about his experience in personal terms. But he was willing, finally, to share one lasting lesson of his life. "In 1940, I went to work for one of the truly great men of science, Joe Smadel." After training under Smadel, Morris moved on to other jobs, until Smadel called him back. Smadel had become associate director of the National Institutes of Health.

But Smadel had changed. He had been a dedicated and important advocate of polio vaccine since its release. But a research worker at N.I.H. discovered that the monkey kidney tissue in which the polio vaccine had been propagated contained a virus called SV–40 which caused tumors in hamsters. There was no way of knowing whether medical science had conquered polio at the risk of provoking a new affliction. "Joe Smadel couldn't believe it. It was a frightening thing. It's still frightening. That information was held up for two years before it was made public, and I saw Joe Smadel fall apart under the pressure of keeping it quiet. He had gotten himself into a temendous intellectual box. I said then that never if I had anything to do about it, would I be caught in an intellectual box like Joe found himself in."

"I get a kick out of outfoxing the bastards. Where else could I be such a ——— and be on the right side?" If there is an ideal position from which to pursue whistleblowing as a steady avocation, Dr. John Nestor occupies it. For 16 years, he has been bedeviling the Food and Drug Administration, which employs him. Since he is a bachelor, there is no family to worry about. He has a crusty self-assurance reminiscent of all the authoritative older-doctor roles Lionel Barrymore used to play. Rude, abrasive, difficult, obstreperous, rigid, inflexible—Nestor has been called all that and more. He will obligingly recite the complaints, observing that none of these flaws is as grievous as the official mendacity he sees all the time.

Nestor, now nearing 65, went to work for F.D.A. in 1961 as a reviewer of drugs for heart and kidney ailments. Nestor was not at F.D.A. long before he concluded that the agency was and had always been the captive of the industry it is supposed to regulate and so he has testified in numerous appearances at Congressional hearings.

In 1972, Nestor was "promoted" into the F.D.A. Office of Compliance—which oversees industry compliance with agency rules—an activity for which he had neither the appetite nor the experience. He has been kicking and fussing ever since. Three years ago, he and a dozen other F.D.A. employees appeared at a hearing before an inquiry conducted by Senator Edward Kennedy and offered testimony charging the agency with corrupt practices in drug approval and with the harassment of dissident employees. The complaints have been investigated, most recently by a special panel which delivered a 766-page report last April. It concluded that the charges were accurate. It also said that officials had lied. The report said Nestor was owed a formal apology, payment of his legal costs and a new position where his talents would be used. He is still waiting.

Nestor is an assiduous leaker. What he knows and what other agency employees feed him (Ernest Fitzgerald calls them "closet patriots") finds its way steadily into the files of Congressional investigators, consumer advocates and media folk. "Let me tell you," he commented over a beer, "the Freedom of Information Act hasn't opened up the Government. The duplicating machine has. I have kept very busy."

Al Louis Ripskis, a slender, mild-mannered bachelor of 40, now has the routine job of program analyst at the Department of Housing and Urban Development. "Paper-shuffling," he calls it contemptuously. The job has no psychic rewards, a dreary state of affairs for a man who went to Federal housing 16 years ago with more idealism than was good for him. But Impact fills the need.

Impact is a "leaksheet," a neatly mimeographed, $5-a-year report of almost everything that can go wrong at one public agency. Ripskis writes it with the help of anonymous regional correspondents, and on publication morning, before he signs in for work, he is to be found brashly hawking it on the sidewalk in front of H.U.D. Its subscribers include H.U.D. employees, some high agency officials he hopes to alert to the latest criticism, muckraking reporters in and out of Washington, the Office of Management and Budget and the Library of Congress. The H.U.D. Secretary gets one free. Ripskis says he is out of pocket about $3,000 a year on production costs.

In five years of publication, he has chronicled mismanagement, incompetence, waste stupidity at his agency, assembling in print the kind of details that rarely get beyond the gossip hour around the water cooler. He flashily reported that a new housing project in Minneapolis lacked adequate elevators but had a brothel and that a high-ranking H.U.D. official seldom traveled anywhere without his mistress. In recent years, he has nagged at H.U.D. for its neglect of the lead-paint problems in housing. In the middle of President Ford's drive against inflation, Impact was reporting that H.U.D. Secretary Carla Hills had spent $82,000 for new air-conditioning for a conference room.

Born in Lithuania, Ripskis spent four years in a D.P. camp in Germany, and remembers it all: the dirt, the crowding, the lack of privacy. As a refugee in America, he lived in Chicago tenements. Out of school, Ripskis got a job with the Public Housing Administration in 1961, planning to stay no longer than two years. "It was to be my own domestic Peace Corps effort." But he began moving up the bureaucratic ladder and he was full of widely admired and widely ignored ideas for making public housing look more like homes than barracks. In 1965, after H.U.D. had become the umbrella agent for housing, Ripskis's innovative approaches carried him to Washington into a key task force called Social Concerns of H.U.D. The notion was that this time the Government was really going to build human concerns into public housing. Ripskis remembers that period as a wonderful time. The group, he says, wrote a wonderful report. And, in the end, it was interred wherever good Government reports go to die.

That and the fate of a H.U.D. co-worker laid the groundwork for Impact. The newsletter's predecessor was Quest, an inhouse underground journal published by a friend who, as a result, was briefly exiled to Alaska. Setting out on his own soon after, Ripskis planned the way with canny caution. "I have managed to survive with a minimum of harassment, and it was not by accident. The critical choices came in the beginning. If they decide to fire you at the start, it's hard to reverse the bureaucracy once it gets rolling. But I started muckraking and kicking up a lot of publicity, and I became well known, so the department knew it would be bloody if they canned me."

Ripskis's modest success is instructive. The whistleblower must not only be strong and knowledgeable, but exceptionally careful. Most people who wind up in the fraternity begin almost accidentally, expecting gratitude and encountering, instead, a stone wall of either indifference or hostility.

Some people have mused that the hazards were so great it might be sensible for the public-spirited bureaucrat to stay on the job, stay anonymous and simply "leak for life." That choice, of course, is made daily by hundreds of middle-management employees who became regular and protected sources for reporters and Congressional investigators. It's one way to serve the public interest without pain and intense public drama. What would recent American history have been for example, without those grand panjandrums of whistleblowing, Daniel Ellsberg, who Xeroxed the Pentagon Papers, and Victor Marchetti, the first to tell us how the C.I.A. really works.

On the other hand, nothing about this activity guarantees it will fill a real need or

gain wide public support. One of the celebrated whistleblowers of the early 1960's was Otto Otepka, the chief of security at the State Department, who earnestly believed that subversives held down Government jobs in his agency. He leaked confidential loyalty files to the Senate Internal Security Subcommittee, which was still pursuing "Reds" in Government. Otepka was demoted, wiretapped and harassed in other illegal ways. In that case, it was not the advocates of free speech or open government who came to his support; Otepka found his modest constituency in the John Birch Society.

As it stands now, the civil servant who squawks is apt to be regarded at worst as a Judas, at best as a foolish aberration. One of the main priorities of the I.P.S. Project for Government Accountability is to institutionalize whistleblowing, to create a climate where it is easier and even commonplace for a public servant to deliver up to the public details of waste and deceit in his agency.

"We don't want saints and heroes," says Ralph Stavins, an I.P.S. fellow who heads the project. "We want this made automatic and procedural."

The I.P.S. literature on the subject includes a flashy red-white-and-blue brochure with a cover exhorting Federal workers to "Point Out Illegality, Inefficiency and Waste." Its final words are from one of President Carter's campaign speeches. Ten days before the election, Carter declared, "I intend to protect our Federal employees from harassment and dismissal if they find out and report waste or dishonesty by their superiors or others. The Fitzgerald case, where a dedicated civil servant was fired from the Defense Department for reporting cost overruns, must never be repeated."

A number of people, including Fitzgerald, took heart from that notice, but not much has happened lately to suggest a safer future. Carter's Civil Service Commission chairman, Alan Campbell, went to the conference and brought greetings from the President and extremely cautious expressions of his own sympathies. When I talked to him a few weeks later, Campbell said no legislation was ready and none likely to be until early next year. Moreover, while the Administration might eventually offer some protection to future whistleblowers, retroactivity for those who had suffered penalties was unlikely. But he felt it important to stress a new spirit in the commission demonstrated by a recent in-house inquiry. An investigation had just concluded that two officials in the General Services Administration in Philadelphia had been improperly demoted after protesting Nixonian abuses of the merit system. Exoneration had required a four-year fight. Campbell hopes the whole process can be accelerated.

Campbell's views on the entire subject are clearly divided. On the one hand, he has the Sisyphean job of getting the bureaucracy functioning more efficiently; on the other hand, he seems to see the task as separate from and possibly complicated by the problems of an individual bureaucrat who protests inefficiencies that make it hard to work efficiently. He had just come back from a tour of regional offices where he found middle-level management personnel complaining they were stifled by restrictions against penalizing employees. "If anything," he said, "one can argue that the system is too cumbersome if what you are concerned with is getting on with the job. A whistleblower may be a perfectly straight and absolutely right person or he may be a troublemaker. One can't assume."

In Campbell's view, there are "inevitable limitations" on employees' rights to speak out. After all, a middle-management executive in private industry who peaches on his boss can expect immediate dismissal. As an example of the Government's right to curtail free speech where it interferes with policy, he cites the Carter recall of General Singlaub from Korea. Campbell says he see no real difference between a U.S. Army general objecting to the removal of U.S. troops from Korea and a Pentagon cost analyst telling Congress about a gross waste of public funds. But there is a difference: A general in the United States, by tradition, is forbidden to make foreign-policy statements. A competent and honest bureaucrat is a permanent public servant who owes his allegiance to the Government and, beyond that, the taxpayer.

Campbell is thinking of moving the Civil Service appeals procedure into a separate agency so that the commission is no longer in the position of both making the rules and judging whether they have been violated. Otherwise, he is not entirely sure that any new law can be composed than would provide better protection than now exists. Congress does not entirely agree. At the most recent count, at least six legislators were considering new approaches to the problem. One is an I.P.S. model bill called "Openness in Government," which not only would pay legal costs to the wronged civil servant but would also punish his punisher.

A controversial proposal in the bill would set up an Office of Administrative Oversight, an ombudsman agency that would advise whistleblowers and investigate complaints of unfair, punitive treatment. Of course, that would mean yet another bureaucracy. And there is no telling how long it would be before some civil servant from the Office of Administrative Oversight blew the whistle on the ombudsman for whistleblowers.

[From The Washington Post, Feb. 7, 1978]

AN ANONYMOUS BENEFACTOR REWARDS FEA WHISTLE-BLOWER WITH $10,000

(By James Lardner)

A whistle-blower went to his reward yesterday.

The reward—shades of 1950s television—was an anonymous, tax-free cashier's check for $10,000, disbursed by prearranged rendezvous in a downtown Washington hotel suite.

The whistle-blower was Dale M. Kuehn (rhymes with "clean"), a 30-year-old former auditor with the Federal Energy Administration. Kuehn said he had been asked to resign last August—and did so—after accusing his FEA superiors of suppressing an investigation into shady practices involving the delivery of oil and natural gas to a Florida utility.

Kuehn's charges resulted in a series of articles in The St. Petersburg (Fla.) Times, plus a segment on CBS's "60 Minutes," documenting a system of kickbacks and fraudulent middleman charges that had added as much as $8.5 billion to the price Florida consumers were paying for electricity.

The anonymous benefactor learned of Kuehn's activities by watching "60 Minutes," according to Harry S. Ashmore, a former Pulitzer-Prize winning newspaperman who delivered the check yesterday.

"He's a very unconventional guy," said Ashmore of the donor, whom he identified only as the head of a small family foundation in California. "I have known him well for 20 years. . . . He likes to make these gifts after the fact without any publicity.

"I really have the feeling sometimes that he is playing 'The Millionaire'," said Ashmore, referring to the television series in which laywer "Michael Anthony" dispensed $1 million cashier's checks on behalf of a philanthropist called "John Beresford Tipton," who was never seen.

Ashmore, now with the Center for the Study of Democratic Institutions in Santa Barbara, Calif., said he had been asked to conduct a small investigation to verify the deserving nature of Kuehn's actions, and had in the past conducted several similar investigations for the same client.

But he said he could not promise that there would be more such gifts in the future. "I don't think he wants to get into this as a business," said Ashmore.

When Ashmore reported back that he was satisfied, the benefactor "handed me a certified check for $10,000 and said would you deliver this to Mr. Kuehn." Ashmore notified Kuehn by telephone last Saturday, and they arranged to meet at the Hotel Jefferson yesterday afternoon.

Kuehn, a former army paratrooper in Vietnam, said the gift was a "great surprise," with which he plans to finance his further training as an accountant.

"I have no intention of trying to use it in a frivolous manner," said Kuehn. "I would like to do something in the future in the public interest. I would certainly consider working in the government." But the normal fate of a whistle-blower, he added, is to be "blacklisted."

Kuehn went to work for the FEA in the fall of 1976, at an annual salary of $8,500, and in March 1977 he was given responsibility for overseeing an audit of some suspect oil transactions.

"I had great responsibility and absolutely no authority," said Kuehn. "The reason that I was given this job was that FEA in Houston had absolutely no desire to do anything with this case.

"I had no experience," Kuehn acknowledged. "It was widely believed that I could be handled. It was probably widely believed that I was none too bright."

After his resignation, Kuehn went to a reporter at The St. Petersburg Times, which soon revealed that the chairman of the Florida Power Co. had received $193,255 in "finders' fees" from a Florida fuel consultant. The Times subsequently described a chain of intermediary companies adding charges onto the cost of fuel and, ultimately, electricity.

Similar patterns of alleged overcharges were later uncovered by The St. Petersburg Times in Chicago and Pittsburgh.

Although an FEA internal investigation has since cleared Kuehn's supervisors, according to The Times a grand jury is currently looking into possible criminal conspiracy charges.

"My understanding," said Ashmore as the two men posed for pictures, each grasping one end of the check, "is that this is a tax-exempt gift. I don't think you have to report it." Ashmore said, however, that the donor had agreed to provide the Internal Revenue Service with any documentation they might request when Kuehn files his 1978 tax return.

"If you had any income, this check would of course be much more valuable," Ashmore added.

By Mr. BAYH (for himself and Mr. LUGAR):

S. 2560. A bill relating to the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Energy and Natural Resources.

INDIANA DUNES NATIONAL LAKESHORE

Mr. BAYH. Mr. President, more than a decade ago Congress enacted legislation to protect the Indiana Dunes, located at the south tip of Lake Michigan on a fascinating complex of dune ridges, moving dunes, beautiful beaches, marshes, woodlands, and bogs. It was my privilege to sponsor the initial legislation establishing the Indiana Dunes National Lakeshore and subsequent legislation authorizing its expansion.

The legislation which authorized expansion of the lakeshore in October 1976 added several units to the national lakeshore, but Congress deferred making a decision about three specific areas until additional information concerning these areas could be reported in a special study conducted by the National Park Service.

Unfortunately the 1976 act also modified the 1966 legislation establishing the lakeshore by changing the homeowners' provisions regarding the length of the leaseback term from 25 years to 20 years and eliminating the exemption from condemnation. This has resulted in landowners in different parts of the lakeshore being treated differently, leading to substantial misunderstanding and dissatisfaction.

The bill which my colleague from Indiana, Senator LUGAR, and I are introducing today is addressed largely to the issues of the study areas and the homeowners' provisions. The study required by the 1976 legislation was completed last June, and it is now appropriate for the Congress to consider the further expansion of the lakeshore. Our bill would annex the three study areas into the park with some exceptions for certain parts of area II–A, the "NIPSCO Greenbelt." It would also restore the homeowners' provisions of the 1966 act, so that all homeowners within the park boundaries would receive equal treatment from the Park Service.

Looking first at the study areas, there are two portions of the town of Beverly Shores which were not included in the national lakeshore in 1966. Area III–A is the Beverly Shores "island," a 652-acre low-density residential area, with minimal commercial development, now completely surrounded by Federal lands. Over 500 of the 652 acres are unimproved and immediately available for park purposes. Area III–C is a 56-acre strip of land lying along both sides of U.S. Highway 12 which supports low-density residential and commercial development.

National Park Service ownership and control of both these areas would eliminate noncompatible uses and insure preservation of an interesting and unique ecosystem for enjoyment and use by the visiting public. Federal acquisition of the Beverly Shores area would make the Federal beach much more accessible than it is now and would ultimately end conflicts between park visitors and residents. Acquisition of the U.S. Highway 12 strip would add aproximately 1.5 miles of continuous highway frontage to the existing 5.2 miles of National Park Service "parkway" frontage and will greatly enhance the scenic quality of the road.

The remaining area discussed in the National Park Service study presents some difficult problems. The Greenbelt (Area II–A) is a 92-acre parcel of land owned by the Northern Indiana Public Service Co. This land forms the interface between the heavily developed Northern Indiana Public Service Co. powerplant site and the national lakeshore. With the conversion of much of the lakeshore region to heavy industrial use, the land of this area has taken on importance as a buffer between the steel mills and powerplants on the one side and the more quiet natural scene on the other.

I firmly believe that acquisition of the Greenbelt is essential to the maintenance of the environmental integrity of the lakeshore. I further believe that acquisition of the greenbelt should and would have no impact upon the construction of the nuclear powerplant by NIPSCO. Nonetheless, I recognize the concern of Northern Indiana Public Service Co. that this acquisition by the Federal Government might somehow affect construction of the "Bailly" Nuclear Powerplant. In recognition of this concern, fee acquisition of five parcels in the western portion of the Greenbelt is delayed until after December 31, 1985—provided that NIPSCO does not use these parcels in a manner which would spoil them. This will insure that the completion of the powerplant will in no way be jeopardized by such acquisition.

Furthermore, there are four parcels of the greenbelt in the vicinity of the Northern Indiana Public Service Co. substation where natural conditions have been modified by a power transmission line and where a proposed additional power transmission line will be located. While these parcels are important in protecting the dunes ecosystem, fee acquisition by the National Park Service would impair NIPSCO operations. Consequently, the proposed legislation specifically exempts from condemnation four parcels around the substation which are needed for power facilities, provided there is a cooperative agreement between the Secretary of Interior and NIPSCO. This agreement will contain provisions which the Secretary deems necessary to protect the dunes environment. Fee acquisition is proposed for the remaining two parcels located in the eastern portion of the greenbelt and for the dike located along portions of existing common boundary between the park and the NIPSCO lands in that eastern portion.

I would like to note clearly at this point that it is the intent and understanding of the sponsors that NIPSCO will continue to enjoy full use of its private access road both before and after the acquisition of the portions of the greenbelt to be added to the park. Further, NIPSCO shall be permitted to retain, maintain, and operate the weather monitoring tower in the western leg of the greenbelt. This facility is specifically needed to meet stipulations in the Nuclear Regulatory Commission permit regarding the monitoring of meteorological events.

The second major feature of this legislation is the revision of the homeowner provisions. The bill would provide homeowners with an exemption from condemnation when appropriate zoning laws are in effect, reinstate the 25-year leaseback provisions contained in the initial legislation, and add an option of a life tenancy. These modifications will not thwart development of the park but will give fair and equitable treatment to all landowners within the park and thereby correct the present situation where residents of different areas of the park are subject to different provisions. I am pleased to report that these changes have a broad base of support among all interest groups. The cutoff date for the study areas would be July 1, 1977.

The new legislation also includes provisions to allow homeowners in the Markowitz Ditch area to apply for leasebacks on a case-by-case basis. The State of Indiana opposed any leasebacks in this area because of the potential pollution of the State park, but I believe a case-by-case determination in consultation with State and local government would be more equitable than a blanket prohibition contained in the 1976 act.

A third provision of this legislation calls for a transportation study. The national lakeshore is designed to preserve the outstanding natural features of the area and to provide to all people the opportunity for recreation and enjoyment. Unfortunately, the attainment of these worthy objectives is often frustrated by the failure to plan and provide appropriate access to these outstanding areas.

The vast majority of our national parks, lakeshores, and recreation areas are accessible only by private automobile. This reliance on the automobile for park access can have deleterious effects on fragile ecosystems such as the dunes. Extensive use of cars causes environmental damage and requires that more and more precious parkland be devoted to roads and parking lots. Consequently it is essential that all modes of transportation be carefully analyzed to develop those which are the most energy efficient, environmentally compatible and provide the best public service. The study called for in this legislation is aimed at meeting this important need.

I believe the bill we are offering today provides the inclusion of three highly significant areas which will assure protection of the lakeshore environment without infringing on areas which are essential to the continued existence of industry in the area. We have also included provisions to expand the options offered residential property owners within the lakeshore boundaries in order to insure preservation of the area and an orderly and acceptable property acquisition policy.

Mr. President, I would like to urge my colleagues to favorably consider the Indiana Dunes National Lakeshore expansion bill which we are introducing today. The Indiana Dunes is an area which deserves the expanded protection to be afforded by this bill.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of the first section of the Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved November 5, 1966, as amended (16 U.S.C. 460u), is amended by inserting immediately before "which map", the following: "includ-

ing the areas identified on such map as 'Study Areas',".

(b) Section 4 of such Act, as amended (16 U.S.C. 460 U–3), is amended to read as follows:

"SEC. 4. (a) The Secretary's authority to acquire property by condemnation shall be suspended with respect to all improved property located within the boundaries of the lakeshore during all times when an appropriate zoning agency shall have in force and applicable to such property a duly adopted, valid zoning ordinance approved by the Secretary in accordance with the provisions of Section 4A of this Act.

"(b) The term 'improved property', whenever used in this Act, shall mean, in the case of improved property located within the areas identified as 'Study Areas', a detached, one family dwelling, construction of which was begun before July 1, 1977, in the case of improved property located within the boundaries delineated on a map identified as 'A Proposed Indiana Dunes National Lakeshore', dated September 1966, and bearing the number 'LNPNE–1008–ID', such a dwelling construction of which was begun before January 4, 1965, and in the case of any other improved property, located within the lakeshore, such a dwelling construction of which was begun before February 1, 1973; together with so much of the land on which the dwelling is situated, such land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on lands so designated. The amount of land so designated shall in every case be not more than three acres in area, and in making such designation the Secretary shall take into account the manner of noncommercial residential use in which the dwelling and land have customarily been enjoyed: *Provided*, That the Secretary may exclude from the land so designated any beach or waters, together with so much of the land adjoining such beach or waters, as he may deem necessary for public access thereto or public use thereof. All rights of use and occupancy shall be subject to such terms and conditions as the Secretary deems appropriate to assure the use of such property in accordance with the purposes of this Act.

"(c) The Secretary shall be afforded the opportunity to purchase such improved property if the owner thereof desires to sell that property, before a sale to a bona fide private party is consummated, except that such opportunity to so acquire shall terminate upon the expiration of the thirty day period following the date of notification to the Secretary concerning an offer to purchase by such private party.

"(d) Notwithstanding any other provision of this Act, the Secretary's authority to acquire property by condemnation shall be suspended with respect to parcels numbered 22, 23, 24, and 25 within the area designated as II–A as depicted on the map identified as 'Area II–A, Land Use Parcels', bearing the number '626–40041B' and dated February, 1978, during all times when there shall be in effect and applicable to such parcels a cooperative agreement between the owner of such lands and the Secretary containing such provisions as the Secretary determines necessary in order to protect against the dumping of industrial solid waste and such other future actions by the owner which would have a measurable adverse impact on native vegetation, wetlands and animal life therein and to insure the normal operation and maintenance by the owner of existing and future power lines and existing and future substations.

"(e) Notwithstanding any other provisions of this Act, the Secretary shall be precluded from the removal of the so-called dike located within the area authorized to be acquired pursuant to this Act and shall be required to maintain such dike, until such time as the Secretary and the Northern Indiana Public Service Company have entered into an agreement or other arrangement sufficient to insure that the Northern Indiana Public Service Company will be indemnified or otherwise protected against financial loss, by the United States, incurred by such Company by reason of the continued operations of such Company and the subsequent removal of such dike, except that such agreement shall not provide indemnification or other such protection against financial loss arising out of or in connection with pollutants covered by the cooperative agreement referred to in subsection (d) of this section.".

"(f) Notwithstanding the provisions of subsection (a) of this section or any other provision of this Act, the Secretary's authority to acquire property by condemnation shall be suspended with respect to parcels 31, 32, 41, 42 and 43 within the area designated as II–A as depicted on the map identified as 'Area II–A, Land Use Parcels', having the number '626–40041B' and dated February 1978 until after December 31, 1985, except that if the Secretary determines prior to January 1, 1986, that any such parcel or part thereof is being used in a manner measureably adverse to its preservation, the Secretary shall have authority to condemn such parcels.".

(c) Such Act is further amended by inserting immediately after Section 4 thereof the following new section:

"SEC. 4A. (a) As soon as practicable after the enactment of this section, the Secretary shall issue ordinances for the purposes of this Act. The Secretary may issue amended regulations specifying standards for approval by him of zoning ordinances whenever he shall consider such amended regulations to be desirable due to changed or unforeseen conditions. The Secretary shall approve any zoning ordinance and any amendment to any approved zoning ordinance submitted to him which conforms to the standards contained in the regulations in effect at the time of adoption of such ordinance or amendment by the zoning agency. Such approval shall not be withdrawn or revoked, by issuance of any amended regulations after the date of such approval, for so long as such ordinance or amendment remains in effect as approved.

"(b) The standards specified in such regulations and amended regulations for approval of any zoning ordinance or zoning ordinance amendment shall contribute to the effect of (1) prohibiting the commercial and industrial use, other than any commercial or industrial use which is permitted by the Secretary, of all property covered by the ordinance within the boundaries of the lakeshore; and (2) promoting the preservation and development, in accordance with the purposes of this Act, of the area covered by the ordinance within the lakeshore by means of acreage, frontage, and setback requirements and other provisions which may be required by such regulations to be included in a zoning ordinance consistent with the laws of the State of Indiana.

"(c) No zoning ordinance or amendment thereof shall be approved by the Secretary which (1) contains any provision which he may consider adverse to the preservation and development, in accordance with the purposes of this Act, of the area comprising the lakeshore; or (2) fails to have the effect of providing that the Secretary shall receive notice of any variance under and any exception made to the application of such ordinance or amendment.

"(d) If any improved property, with respect to which the Secretary's authority to acquire by condemnation has been suspended according to the provision of this Act is made the subject of a variance under or exception to such zoning ordinance, or is subjected to any use, which variance, exception or use fails to conform to or is inconsistent with any applicable standard contained in regulations issued pursuant to this section and in effect at the time of passage of such ordinance, the Secretary may, in his discretion, terminate the suspension of his authority to acquire such improved property by condemnation.

"(e) The Secretary shall furnish to any party in interest requesting the same a certificate indicating, with respect to any property located within the lakeshore as to which the Secretary's authority to acquire such property by condemnation has been suspended in accordance with provisions of this Act, that such authority has been so suspended and the reasons therefore.".

(d) The first sentence of section 5(a) of such Act, as amended (16 U.S.C. 460u–5), is amended to read as follows: "Except for owners of property within the area on the map referred to in the first section of this Act as area II–B, any owner or owners, having attained the age of majority, of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain the rights of use and occupancy of the improved property for noncommercial residential purposes for a term ending on his or her death or the death of his or her spouse, whichever occurs last, or for a term of twenty-five years, or such lesser term as the owner or owners may elect at the time of acquisition by the Secretary. In the case of owners of property within such area II–B, such owners shall have the same right or rights as that afforded other owners in the preceding sentence, if it is determined by the Secretary, on a case by case basis, and in consultation with State and local officials, that water pollution problems are not likely to occur as a result of the failure on the part of the Secretary to acquire such property. All rights of use and occupancy shall be subject to such terms and conditions as the Secretary deems appropriate to assure the use of such property in accordance with the purposes of this Act."

(e) Section 9 of such Act is amended by striking out "$60,812,100" and inserting in lieu thereof "93,312,000" and by striking out "$8,500,000" and inserting in lieu thereof "$10,500,000".

(f) Section 15 of such act (16 U.S.C. 460u–14) is amended to read as follows:

"SEC. 15. (a) Within one year after the date of the enactment of this section, the Secretary shall submit, in writing, to the Committee on Interior and Insular Affairs and to the Committee on Appropriations of the United States Congress a detailed plan which shall indicate—

"(1) the lands which he has previously acquired by purchase, donation, exchange or transfer for administration for the purpose of the lakeshore, and

"(2) the annual acquisition program (including the level of funding) which he recommends for the ensuing five fiscal years.". "(b) It is the express intent of the Congress that the Secretary should substantially complete the land acquisition program contemplated by this Act, within six years after the date of enactment of this section.

(g) Such Act is further amended by adding the following new section:

"SEC. 21. The Secretary, in consultation with the Secretary of Transportation, shall conduct a study of various modes of public access into and within the lakeshore, including roads, public transportation facilities, and non-motorized access.

"(a) In carrying out the study, the Secretary shall utilize to the greatest extent practicable the resources and facilities of the organizations designated as clearing houses under Title IV of the Intergovernmental

Cooperation Act of 1968 as implemented by Office of Management and Budget Circular A-95, and which have comprehensive planning responsibilities in the regions where the lakeshore is located. The Secretary shall make provision for timely and substantive consultation with the Highway Department of the State of Indiana, local elected officials, and the general public in the formulation and the implementation of the study.

"(b) This study shall be completed and presented to the Congress no later than October 1, 1979.

"(c) The study shall address the adequacy of access facilities for members of the public who desire to visit and enjoy the lakeshore. for alleviating the dependence solely on auto-Consideration shall be given to alternatives mobile transportation and resulting congestion, environmental impacts, and management difficulties. The study shall inventory the condition of roads in and out of the lakeshore, and the condition of the public transportation rolling stock. The study of public transportation facilities shall cover the distance from cities of 35,000 population or more within 50 miles of the lakeshore. It shall further include the identification of routes, available facilities, and assets of transit operators within this area, and shall discuss their increase or decrease of passengers and their financial condition over the previous five year period.

"(d) The study shall include proposals deemed necessary to assure equitable visitor access and public enjoyment by all segments of the population, including those who are physically or economically disadvantaged. It shall provide for retention of the natural, scenic, and historic values for which the lakeshore was established, and shall propose plans and alternatives for the protection and maintenance of these values as they relate to transportation improvements.

"(e) The study shall present alternative plans to improve, construct, and/or extend access roads, public transportation, and bicycle and pedestrian trails. It shall include accurate estimates of the costs of such alternatives, to be based upon statistical data available for similar expenditures, and shall discuss existing and/or proposed sources of funding for the implementation of the recommended plan alternatives.

"(f) There is hereby authorized to be appropriated not to exceed $250,000 for this study, and such sums as may be necessary to carry out any federal share of the recommendations of the study that may be undertaken by the Secretary under existing provisions of law.".

EXPANSION OF THE INDIANA DUNES NATIONAL LAKESHORE PARK

Mr. LUGAR. Mr. President, today I am pleased to be an original cosponsor with Senator BAYH of a bill to expand the historic Indiana Dunes National Lakeshore Park in northwest Indiana.

The Indiana Dunes National Lakeshore was authorized in 1966 as the first urban national park. Its beaches, wetlands, marshes, and its location offer a unique resource to large numbers of citizens in northwest Indiana. The bill which I am cosponsoring today will expand the park to include Beverly Shores, U.S. Highway Strip 12, and portions of the area known as the Greenbelt—areas which were designated for study in the 1976 legislation. This legislation represents the culmination of years of advocacy by the Save the Dunes Council and other concerned environmental groups, and months of cooperative hard work and negotiations between Senator BAYH's office and my own.

One important aspect of this bill has been the provisions concerning property owners who will be affected by the acquisition of the Beverly Shores area. I am pleased that the leaseback provisions of the 1966 legislation and the life tenancy provisions have been maintained in this bill.

Of particular concern to me has been the acquisition of the Greenbelt area, and its potential impact on the construction of the Northern Indiana Public Service Co.'s proposed Bailly Nuclear I generating station to be built on a site 800 feet from the lakeshore boundary. I wish to stress that the acquisition of parcels in the Greenbelt area must in no way, directly or indirectly, be allowed to impair the vital construction of this nuclear generating station.

The severe energy shortages which Hoosiers have suffered during recent weeks as a result of the coal strike have underscored the urgent need for the construction of this facility. Indiana has suffered particular hardships because we derive approximately 90 percent of our electricity from coal, and the crisis has proven that greater reliance will have to be placed on nuclear energy, solar energy, and second and third generation sources if our electrical energy and employment needs are to be met. By contrast, Illinois, which derives a significant amount of its energy from nuclear sources, has to a large extent been spared this crisis.

I am satisfied for the moment that the bill we have introduced today properly addresses the need to protect the citizens of northwest Indiana from any actions which would further impede the construction of this vital energy source for Hoosiers. I am assured by the Legislative Counsel, and Senator BAYH and I have agreed, that the language of this bill will protect the Bailly facility from any lawsuit based on the consequences of this acquisition. For example, should the National Park Service decide to dismantle the dike which now serves as the border between the utility property and the park, and which prevents ground water runoff from contaminating the park grounds, this legislation would express the clear intent of the Congress that the power company not be held accountable for any damage occurring after the dike demolition.

I hope that the committee hearings and other analyses of this legislation will bring full acknowledgement by all parties that park expansion and plant construction may both proceed on schedule. Given this fundamental understanding, and the assurance that the provisions protecting the rights of area homeowners will be maintained, I will continue my advocacy of the expansion. I am happy to join with Senator BAYH in bringing the expansion of this historic park before the Congress for its consideration.

By Mr. DOLE:

S. 2561. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of certain provisions of the tax laws, and for other purposes; to the Committee on Finance.

TAX INDEXATION ACT OF 1978

Mr. DOLE. Mr. President, inflation comes in many forms and from many causes. There is double digit inflation, demand pull, and cost-push inflation. There is stagflation and hyperinflation. Inflation erodes expectations, causes unemployment, and distorts our economv. Unfortunately, inflation has become an expected fact of life.

NATIONAL DISEASE

From 1949 to 1973, the Consumer Price Index rose steadily, varying from 1 to 6.8 percent-increase per year. In 1974, we endured an 11-percent jump in prices and a 9-percent increase in 1975. In the first year of the Carter administration, consumer prices grew 6.8 percent compared with 4.8 percent in 1976. Current economic policies dictate inflation. In fact, most economists foresee a 6-percent inflation rate for the remainder of the 1970's.

TAX INDEXING PLAN

Inflation is a disease which inflicts a hardship on every American. Today, I am introducing a bill to purge our tax system of the evils of inflation. An increase in the price level significantly increases the tax rate. The principal reason for this phenomenon is that fixed dollar amounts, such as tax rate boundaries, personal exemptions and credits, enter into the computation of tax liability. When a family earns just enough money to offset the increase in inflation, the real income standard stays the same. However, as income increases a taxpayer is pushed into a higher tax bracket and the fixed dollar amounts fail to compensate for the rise, resulting in a tax liability that is increasing faster than inflation.

INCREASING REVENUES

Mr. President, the Joint Tax Committee in a 1976 report states that a 10-percent inflation rate increases Federal revenues by 12.5 percent so that the net real tax burden is 2.5 percent.

The Congressional Budget Office predicts tax inflation will generate $6 billion for the Federal Government in 1979 and $14 billion in 1980. However, the figures sharply rise from that point to $22 billion in 1981, $33 billion in 1982, and a whopping $45 billion for 1983.

DECEPTION

In recent years, Congress has cut taxes to compensate for inflation. However, the Congress is really engaging in a political exercise while the American people see their standard of living decline. My bill would end this deception and would bring stability to our tax system. It would allow Americans a chance to get ahead rather than just even.

The President in unveiling his tax proposals led the American people to believe that they could expect a generous tax cut. He stated that the cuts will "more than offset the recent increases in social security taxes". However, what the President did not explain was that his tax cut will only keep many Americans even and only for a very short time.

According to CBO, by 1981, higher taxes resulting from inflation and social security taxes are expected to exceed the Carter tax cuts by $2.7 billion and by 1973 the figure climbs to $22.7 billion.

For many taxpayers, the effects of inflation and increased social security taxes will more than offset the Carter tax cuts even before 1981. For example, a family of four with a 1979 income of $30,000, social security and inflation tax increases would exceed the Carter tax cut by $224 in 1980. For families with higher incomes the tax increase comes much sooner. Families with lower incomes would do slightly better. However, the agony of tax inflation soon catches up with them. I ask unanimous consent that the CBO material be inserted at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHANGES IN INDIVIDUAL TAX BURDENS FOR SELECTED REAL INCOMES RESULTING FROM CARTER TAX PROPOSALS, SOCIAL SECURITY TAX INCREASES, AND INFLATION
(4-PERSONS, 1-EARNER FAMILIES)

[In 1979 dollars]

	1979	1980	1981	1982	1983
$10,000:					
Equivalent income [1]	10,000	10,560	11,151	11,776	12,435
Tax reductions because of Carter proposals	−312	−313	−320	−320	−320
Increase in tax burden because of inflation [2]		77	164	254	350
1977 social security changes [3]	8	8	39	47	50
Net effect	−304	−228	−117	−19	80
20,000:					
Equivalent income [1]	20,000	21,120	22,303	23,552	24,871
Tax reduction because of Carter proposals	−270	−280	−289	−300	−316
Increase in tax burden because of inflation [2]		94	192	297	411
1977 social security changes [3]	83	60	103	94	99
Net effect	−187	−126	6	91	194
$30,000:					
Equivalent income [1]	30,000	31,680	33,454	35,328	37,306
Tax reduction because of Carter proposals	−322	−306	−289	−269	−247
Increase in tax burden because of inflation [2]		177	364	569	838
1977 social security changes [3]	260	353	595	658	706
Net effect	−62	224	670	958	1,297
$40,000:					
Equivalent income [1]	40,000	42,240	44,605	47,103	49,471
Tax reductions because of Carter proposals	−218	−186	−158	−116	−263
Increase in tax burden because of inflation [2]		284	589	949	1,530
1977 social security changes [3]	261	353	595	658	706
Net effect	43	451	1,026	1,491	1,973

[1] 1979 incomes are increased by an assumed 5.6 percent annual rate of inflation.
[2] Liabilities under 1977 tax law are at the same average tax rate as would be imposed on the equivalent real income in 1979. This result could be achieved by adjusting all individual credits deductions and bracket boundaries in proportion to the change in prices reflected. Increased tax burdens result from graduated taxation of inflation-caused increases in income.
[3] Employee share only.

CHANCE FOR RELIEF

Mr. DOLE. Mr. President, my proposal seeks to wring out tax inflation from our economy. By indexing the Internal Revenue Code, we can bring stability and honesty to our tax system. The bill indexes zero bracketing, the personal exemption, the corporate surtax exemption, individual retirement accounts and Keogh contributions, the gift exclusion, the unified estate credit, and the basis of assets. I have chosen not to include the indexing of debt instruments and certain types of inventory. However, certainly these issues are relevant and should be addressed. The adjustment would be made annually at a rate equal to two-thirds of the increase in the Consumer Price Index as compiled by the Bureau of Labor Statistics. Indexing has been criticized as being too complicated. The adjustments that I propose present no insurmountable technical problems. The increases are automatic. However, in order to obtain the maximum flexibility, the President could by Executive order stop the increases subject to a one-House veto by Congress.

Mr. President, indexing does not preclude the Congress from making needed tax changes. Indeed, there are many important social and financial problems which will remain. It will stop the roller coaster effect of tax inflation and relieve millions of Americans from the burdens of inflation.

I ask unanimous consent that my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tax Indexation Act of 1978".

SEC. 2. ZERO BRACKET AMOUNT

(a) Section 63 of the Internal Revenue Code of 1954 (relating to the definition of taxable income) is amended by adding at the end thereof the following new subsection:

"(i) Cost-of-living Adjustment.—

"(1) Changes in amount.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, each dollar amount listed in subsection (d) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and, as so increased and rounded to the nearest $10, shall be the amount in effect under such subsection for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) Price index.—For purposes of paragraph (1), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(b) (1) Section 1 of such Code (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) Adjustment for Changes in Zero Bracket Amounts.—Prior to the beginning of each calendar year, the Secretary shall adjust each dollar amount listed in the tables under subsections (a), (b), (c), and (d) to reflect any adjustment in any zero bracket amount which is made under section 63(i) and which is to be in effect for such calendar year.".

(2) Subparagraph (B) of section 3402(m)(1) (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$3,200" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(1)"; and

(B) by striking out "$2,200" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

(3) Subparagraph (C) of section 402(e)(1) of such Code (relating to imposition of a separate tax on lump-sum distributions) is amended by striking out "$2,200" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

SEC. 3. PERSONAL EXEMPTIONS.

(a) Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) Cost-of-Living Adjustment.—

"(1) Changes in amount.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, each dollar amount listed in subsection (b), (c), (d), or (e) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and, as so increased and rounded to the nearest $10, shall be the amount in effect under such subsection for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) Price index.—For purposes of paragraph (1), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(b) Section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new subparagraph:

"(D) Each time a cost-of-living adjustment under section 63(i) or 151(f), the Secretary shall adjust each dollar amount—

"(i) under subparagraph (A) to correspond to the adjustments made under sections 63 and 151, and

"(ii) under subparagraph (B) or (C) to correspond to the cost-of-living adjustment made under section 151, and such amount, as adjusted and rounded to the nearest $10, shall be the amount in effect under such subparagraph for taxable years beginning in

the calendar year with respect to which such adjustment is in effect under sections 63 and 151.".

SEC. 4. CORPORATE SURTAX EXEMPTION.

Section 11(d) of the Internal Revenue Code of 1954 (relating to surtax exemption) is amended to read as follows:

"(d) Surtax Exemption.—

"(1) In general.—For purposes of this subtitle, the surtax exemption for any taxable year is—

"(A) $25,000 in the case of a taxable year ending after December 31, 1978, or

"(B) $50,000 in the case of a taxable year ending after December 31, 1974, and before January 1, 1979

except that, with respect to a corporation to which section 1561 (relating to certain multiple tax benefits in the case of certain controlled corporations) applies for the taxable year, the surtax exemption for the taxable year is the amount determined under such section.

"(2) Cost-of-living adjustment.—

"(A) In general.—At the beginning of each calendar year as soon as the necessary data become available fraom the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, each dollar amount in subparagraph (A) or (B) of paragraph (1) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and, as so increased and rounded to the nearest $10, shall be the amount in effect under such subparagraph for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(B) Price index.—For purposes of subparagraph (A), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

SEC. 5. INDIVIDUAL RETIREMENT ACCOUNTS.

(a) Section 219 of the Internal Revenue Code of 1954 (relating to deduction for retirement savings) is amended by adding at the end thereof the following new subsection:

"(d) Cost-of-living adjustments.—

"(1) In general.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, the dollar amount in subsection (b)(1) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and as so increased and rounded to the nearest $10, shall be the amount in effect under such subsection for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) Price index.—For purposes of paragraph (1), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(b) Section 220 of such Code (relating to deduction for retirement savings for certain married individuals) is amended by adding at the end thereof the following new subsection:

"(d) Cost-of-living Adjustments.—

"(1) In general.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, the dollar amount in subsection (b)(1)(C) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and, as so increased and rounded to the nearest $10, shall be the amount in effect under such subsection for taxable years beginning in the calendar year following the calendar year in which such report is made.".

(c)(1) Section 408(a)(1) of such Code (relating to individual retirement accounts) is amended by striking out "$1,500" and inserting in lieu thereof "the amount in effect under section 220(b)(1) for the calendar year in which such taxable year begins".

(2) Section 408(b) of such Code (relating to individual retirement annuities) is amended by striking out "$1,500" and inserting in lieu thereof "the amount in effect under section 220(b)(1)(C) for the calendar year in which the payment of such premium is made".

(3) Section 409(a)(4) of such Code (relating to retirement bonds) is amended by striking out "for the purchase of such bonds in excess of $1,500 for any taxable year" and inserting in lieu thereof ", for any taxable year, for the purchase of such bonds in excess of the amount in effect under section 219(b)(1) for the calendar year in which such taxable year begins".

SEC. 6. KEOGH PLANS.

Section 404(e) of the Internal Revenue Code of 1954 (relating to special limitations for self-employed individuals) is amended by adding at the end thereof the following new paragraph:

"(5) Cost-of-living adjustments.—

"(A) In general.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, each dollar amount in paragraph (1), (2), or (4) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and, as so increased and rounded to the nearest $10, shall be the amount in effect under such paragraph for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(B) Price index.—For purposes of subparagraph (A), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

SEC. 7. EXCLUSIONS FROM GIFT TAX.

(a) Section 2503 of the Internal Revenue Code of 1954 (relating to taxable gifts) is amended by adding at the end thereof the following new subsection:

"(d) Cost-of-living Adjustment.—

"(1) In General.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, the dollar amount in subsection (b) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percentage and, as so increased and rounded to the nearest $10, shall be the amount in effect under such subsection for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) Price index.—For purposes of paragraph (1), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(b) Section 2035(b)(2) (relating to exceptions for adjustments for gifts made within three years of decedent's death) is amended by striking out "$3,000".

SEC. 8. UNITED ESTATE AND GIFT TAX CREDIT.

(a) Section 2010 of the Internal Revenue Code of 1954 (relating to unified credit against estate tax) is amended by adding at the end thereof the following new subsection:

"(f) Cost-of-living Adjustments.—

"(1) In general.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, the dollar amount in subsection (a) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and, as so increased and rounded to the nearest $10, shall be the amount in effect under such subsection for the estates of decedents dying in the calendar year following the calendar year in which such report is made.

"(2) Price index.—For purposes of paragraph (1), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(b) Section 2505 of such Code (relating to unified credit against gift tax) is amended by adding at the end thereof the following new subsection:

"(e) Cost-of-living Adjustment.—

"(1) In general.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percent by which the price index for the preceding calendar year exceeds the price index for the second preceding calendar year. Except as provided in section 10 of the Tax Indexation Act of 1978, the dollar amount in subsection (a)(1) shall be increased by an amount equal to such dollar amount multiplied by two-thirds of such percent and, as so increased, and rounded to the nearest $10 shall be the amount in effect under/subsection for gifts made in the calendar year following the calendar year in which such report is made.

"(2) Price index.—For purposes of paragraph (1), the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(c) Subsection (a) of section 6018 of such Code (relating to estate tax returns by executor) is amended by adding at the end thereof the following new paragraph:

"(4) Adjustments for cost-of-living.—The Secretary shall adjust each amount in para-

graphs (1) and (2) to reflect the adjustments made by section 2010(f).".

SEC. 9. BASIS OF ASSETS.

Section 1016(a) of the Internal Revenue Code of 1954 (relating to adjustments to basis) is amended—

(1) by striking out the period at the end of paragraph 23 and inserting in lieu thereof a semicolon, and

(2) by adding at the end thereof the following new paragraph:

"(24) with respect to any period after December 31, 1978, and before January 1, 1984, and before making any other adjustments to basis under this subsection, for an amount equal to the basis of such property, as determined under section 1011 before adjustment under this section, multiplied by two-thirds of the percent (excluding any percentage attributable to a calendar year with respect to which a suspension plan is in effect under section 10 of the Tax Indexation Act of 1978) by which the price index (the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics) for the calendar year preceding the calendar year in which the property is sold or otherwise disposed of bears to the price index for the later of (A) the calendar year in which the property was acquired or (B) the calendar year 1978.".

SEC. 10. PRESIDENTIAL AUTHORITY TO SUSPEND ADJUSTMENTS.

(a)(1) If, for any calendar year, the President determines that adjustments under sections 11(d), 63(i), 151(f), 219(d), 220(d), 404(e)(5), 1016(a)(24), 2503(d), 2010(f), and 2505(e) will have a significant adverse effect on the economy of the United States, he may submit to the Congress a suspension plan providing for the suspension of all such adjustments for such calendar year.

(2) A suspension plan described in paragraph (1) shall take effect only if—

(A) such plan is submitted to the Congress in accordance with the provisions of subsection (b), and

(B) before the close of the sixtieth day (as defined in subsection (d)(5)) after the day on which such plan is delivered to the Congress, neither the House of Representatives nor the Senate disapproves such plan in accordance with the procedures set forth in subsection (c).

(b) Whenever the President submits a suspension plan under subsection (a) to the Congress, a copy of such plan shall—

(1) be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session, and

(2) bear an identification number.

(c) (1) The House of Representatives or the Senate may disapprove any suspension plan referred to in subsection (a) if it adopts a resolution of disapproval—

(A) by an affirmative vote of a majority of those present and voting in that House, and

(B) before the close of the sixtieth day after the date on which such plan was delivered to the Congress under subsection (b).

(2) For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the _____ does not favor the taking effect of the proposed suspension plan numbered __, transmitted to the Congress by the President on _____", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled.

(d)(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2)(A) If the Committee to which a resolution of disapproval with respect to any suspension plan has been referred has not reported it before the close of 45 days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the Committee from further consideration of any other resolution of disapproval with respect to such plan which has been referred to the Committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution disapproval) and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval with respect to the same suspension plan.

(3)(A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5)(A) As used in subsection (a)(2)(B) and (c)(1)(B), the term "day" means any calendar day other than a day on which either House is not in session because of a sine die adjournment or an adjournment of more than 3 days to a day certain.

(B) For purposes of this section, if any suspension plan is delivered to the Congress on any day on which either House is not in session, such plan shall be treated as delivered on the first day thereafter on which both Houses are in session.

(6) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval; and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 11.

(a)(1) The amendments made by sections 2 through 7 shall apply with respect to taxable years beginning after December 31, 1978, and ending before January 1, 1984.

(2) The amendment made by sections 8(a) and (c) shall apply to the estates of decedents dying after December 31, 1980, and before January 1, 1984.

(3) The amendment made by section 8(b) shall apply with respect to gifts made after December 31, 1980, and before January 1, 1984.

(b) The first report required to be made under sections 11, 63, 151, 219, 220, 404, 1016, 2053, 2010, and 2055 and 2055 of the Internal Revenue Code of 1954, as amended by this Act, shall be made in calendar year 1978 and shall indicate the ratio the percentage by which the price index for calendar year 1977 exceeds the price index for 1976.

By Mr. TOWER:

S. 2562. A bill to authorize a special program under which producers of certain agricultural commodities will receive 100 percent of parity for such commodities, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SPECIAL AGRICULTURE PARITY INCOME ACT OF 1978

Mr. TOWER. Mr. President, today I am introducing the special Agriculture Parity Act of 1978 at the request of many of our Nation's farmers and ranchers who are members of the American Agriculture Movement. No doubt each of the Members of Congress has felt the presence of these producers of food and fiber here in Washington during the weeks since Congress reconvened for the second session.

The interactions which I have had with these producers seem to highlight one basic concern—our agricultural apparatus is facing economic ruin. Producers of agricultural commodities are caught in a vicious cost-price squeeze over which they have virtually no control. These economic phenomena could very well be only an indication of what type of future the industry of agriculture is facing. When evaluated in the long run, this unfortunate situation could very well be providing us with an inkling of what lies ahead regarding this Nation's ability to continue providing our people and much of the world with an adequate supply of food and fiber. Farms in the United States numbered 2.71 million in 1977, 1 percent fewer than in the preceding year. Estimates for this year indicate an even greater decline to 2.68 million.

We can no longer afford to ignore the agricultural industry or believe that the symptoms which are now apparent will

somehow miraculously disappear. And, judging from the administration's apparent lack of concern, as illustrated by proposed budget cuts and reorganization efforts, it appears that the initiative must come from the Congress.

During the past month literally thousands of our Nation's producers of agricultural commodities have been in Washington. They have presented us with what they think is a viable solution to their problems; problems which will eventually affect each of us. Their presence in the Nation's Capital is unprecedented for they have successfully mustered a spontaneous, concerted effort which has induced and encouraged Congress to respond.

The legislative package which I introduce today in their behalf addresses their concerns in comprehensive fashion. Although some will not be viewed as practical, these proposals are a starting point from which our deliberations can begin. It is absolutely imperative that all avenues to solution of this most basic and vital national problem be thoroughly explored.

Mr. President, never before during my 17 years in the Senate have I witnessed such a spontaneous effort by our agricultural producers. As I conveyed in a recent letter to the President of the United States, the farmers supporting this movement are not asking for handouts, they do not want their incomes subsidized, and they do not want substantial boosts in price supports. And, unlike other segments of our society, they are not asking for increases in wages and benefits while decreasing their productivity. Those farmers with whom I have met only want what any other businessman wants—the opportunity to sell a product and realize a reasonable rate of return on investment. When farm income is compared with farm equity, the farmer's return in 1976 was only 2.4 percent as compared to approximately 13.5 percent in other industries. Our farmers and ranchers want to be able to make production decisions which are based upon sound management practices, founded upon cost-price analyses.

When the agricultural industry has purchasing power which is stabilized, business benefits as capital is invested, communities flourish, and our economy is strengthened. This stabilization of purchasing power can occur if agricultural producers receive 100 percent of parity in the marketplace. And, contrary to public opinion, 100 percent of parity does not guarantee agricultural producers a profit. Even if a program such as the one I am introducing today is enacted, producers must continue to deal with physical risks which occur from destruction or deterioration of the product itself by unfavorable weather conditions. Farmers and stockmen must still obtain the necessary financial resources. They must continue to exercise the management skills and production efficiencies which are as inescapable as the need for feed, seed, or fertilizer.

Mr. President, virtually every segment of our society is in a position to set the price of their product, some in response to supply and demand, and others not. A farmer goes to the marketplace and asks how much he will be given for the products of his toil. When he initiates efforts to obtain needed production inputs, he inquires how much he is required to pay. When the cost of these production inputs increases, he cannot spread the additional cost through the marketing channels available to him for the sale of his products.

The recent emphasis on the concept of "parity" as an index is one which becomes more outdated and unfeasible as economists, bureaucrats, farmers, ranchers and the media attempt to define it more thoroughly. Yet, until we devise another means to relate agricultural producers' income with those in other segments of our society, parity will continue to indicate the severity of the economic imbalance.

Referring once again to my letter to the President, it appears as though we are so preoccupied with insuring that everyone else keeps pace in an age characterized by inflationary pressures created by excessive Government spending, increases in the minimum wage, increases in social security taxes and the creation of jobs, that we have totally ignored that segment of our society which produces the food and fiber to feed and clothe those who receive the benefits of social programs, higher wages and salaries, and better jobs.

The basic provisions of the special Agriculture Parity Act of 1978 include:

Coverage of wheat, feed grains, soybeans, sugar, cotton, rice, and livestock;

Establishment of a National Board of Agricultural Producers consisting of 15 members, elected by producers of the covered commodities, to establish annual marketing quotas;

Responsibility of Board to issue marketing certificates to agricultural producers based upon their history of production;

Establishment of minimum prices for agricultural commodities at 100 percent of parity for domestic and foreign sales;

Establishment of minimum price for imported agricultural products at 110 percent of parity, requiring existing USDA inspection standards and labeling;

Provides for referendum of producers to allow them to decide whether they want to participate in the program; and

Provides for criminal penalties for violations of the act.

Mr. President, these are the basic proposals presented to me, and today I offer them for consideration by the Senate. This legislative package provides a point where we can begin to develop a long-range solution to the problems in the agrarian sector. If our agricultural apparatus grinds to a halt because producers can no longer afford to stay in business, the era of cheap food, the cheapest of any nation in the world, which we all enjoy will be a trait of the past. A continually depressed farm economy will place a drag on every sector of our economy from food processing and distribution to the manufacturing of industrial products, while eliminating jobs and upping still higher the price of food. The ripple effect will leave no stone unturned nor any segment untouched.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Special Agriculture Parity Income Act of 1978."

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "designated commodity" means wheat, feed grains, rice, soybeans, cotton, sugar, or livestock.

(3) The term "feed grains" means corn and grain sorghums, and, when so specified by the National Board of Agricultural Producers established by section 3 of this Act, oats, barley, and rye.

(4) The term "sugar" means sugar beets and sugarcane.

(5) The term "livestock" means cattle, sheep, poultry and hogs.

(6) The term "crop year" includes year of production in the case of livestock.

NATIONAL BOARD OF AGRICULTURAL PRODUCERS

SEC. 3. (a) There is hereby established within the Department of Agriculture a board to be known as the National Board of Agricultural Producers (hereinafter in this Act referred to as the "Board").

(b) The Board shall be composed of fifteen members, two persons representing fairly the interests of producers of each designated commodity as specified in section 2, paragraph 2 of this Act. The Secretary shall specify and appoint the chairman of the Board. The term for which the chairman shall serve is not to exceed two years from the date of appointment.

(c) Members of the Board shall be elected to membership on the Board by persons who are actively engaged in the production of one or more of the designated commodities. The Secretary shall prescribe by regulation the time and manner in which members of the Board are to be elected. Members shall hold office for a term of two years. The terms of the members first taking office shall expire, four at the end of one year, four at the end of two years, and five at the end of three years.

(d) Members of the Board shall serve without compensation except that members shall, while away from their homes or regular places of business in the performance of services under this Act, be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of title 5 of the United States Code.

(e)(1) The Board shall, with the advice and assistance of the Secretary, determine for each marketing year for each designated commodity the total quantity of such commodity needed to meet the estimated domestic consumption and export requirements for such marketing year.

(2) Based upon the estimated needs for any marketing year, the Board shall proclaim a national marketing quota for such year for each designated commodity.

(3) The Board shall apportion the national marketing quota for any commodity for any marketing year among the producers of such commodity on the basis of their history of production of such commodity and on such other fair and equitable factors as the Board deems appropriate. A reasonable por-

tion of such marketing quota for any marketing year shall be set aside to provide marketing quotas for new farms and farms with no production history for such commodity.

(4) The Board shall provide for the issuance of a marketing certificate to each producer entitled to a marketing quota for any marketing year. Such certificate shall specify the quantity of the designated commodity such producer is entitled to sell during the marketing year for which the certificate is issued.

(f) The Board shall determine, in consultation with the Secretary, the parity price for each designated commodity for each marketing year. Such price shall be announced by the Secretary at such time as the Board shall specify.

MINIMUM SELLING PRICE FOR DESIGNATED COMMODITIES; MARKETING CERTIFICATES REQUIRED

SEC. 4. (a) No person may buy, sell, or trade any designated commodity in any marketing year at any price less than 100 percent of parity as announced by the Board for such commodity for such marketing year and, except as provided in subsection (c) of this section and in section 7, no person may buy, sell, or otherwise dispose of any quantity of any designated commodity in any marketing year without a valid marketing certificate for such quantity of such commodity.

(b) Any producer of a designated commodity may use a marketing certificate issued for the current marketing year to sell any quantity of such commodity produced in any previous year, but such certificate may be used to sell only a quantity of such commodity not in excess of the quantity for which certificate was issued.

(c) The Board shall develop a program to permit the sale of any quantity of a designated commodity owned by any producer who does not have a marketing certificate for such quantity and who can demonstrate that he has permanently withdrawn from the production of such commodity. Any person who sells any quantity of a designated commodity under a special arrangement provided for under this subsection shall be ineligible for a marketing certificate for any new production of such commodity for a period of one year following the year in which the last sale is made under authority of this subsection.

PURCHASE AND SALE OF DESIGNATED COMMODITIES BY THE UNITED STATES

SEC. 5. (a) On and after the date on which the provisions of this Act become effective in the case of any designated commodity, no department or agency of the Federal Government may purchase or sell any such commodity for the purpose of controlling or otherwise influencing the market price of such commodity

(b) Any purchases made by the United States of any designated commodity in any marketing year shall be made at a price not lower than the parity price established by the Board for such commodity for such year.

(c) Funds expended by the United States for the purchase of designated commodities to be used in any direct commodity distribution or other welfare assistance program or to be used for humanitarian relief programs abroad shall not be considered amounts expended for the purpose of carrying out any agricultural programs; and appropriations for such purposes shall be considered, for the purposes of budget presentations, to relate to the functions of the Government concerned with welfare.

NATIONAL RESERVE STOCKS

SEC. 6. (a) Nothing in this Act shall be construed to prohibit or otherwise limit in any way the quantity of any designated commodity which may be produced in any year by any producer.

(b) Any quantity of designated commodities owned by producers in excess of the quantity such producers are entitled to sell in any marketing year may be stored on the farm or in commercial facilities at the producers' expense.

(c) The quantity of designated commodities described in subsection (b) shall be known as the National Reserve Stocks. The Board may authorize sales from such stocks in any marketing year only if the Board determines that the quantity of the announced national marketing quota for such year will be inadequate to meet domestic needs and export requirements during such year. The Board may issue special or supplemental marketing certificates for such marketing year or use such other procedures as it determines will be fair and equitable to producers; but in no event shall the Board permit the sale of any quantity of any designated commodity from the National Reserve Stocks greater than a quantity sufficient to meet domestic needs and export requirements for such marketing year.

MAXIMUM SELLING PRICE

SEC. 7. (a) Subject to the provisions of subsection (b), in no case may the producer of any designated commodity sell or otherwise dispose of any quantity of such commodity in any marketing year at a price in excess of 115 percent of the parity price established for such commodity for such year; and no person may pay any producer any amount in excess of such price for any quantity of such commodity in such marketing year.

(b) The Board, in consultation with the Secretary, shall prescribe the terms and conditions under which producers of an exceptionally high quality or grade of a designated commodity may sell such commodity at a price above the maximum price otherwise applicable to such commodity under this Act.

IMPORTS

SEC. 8. (a) There shall be collected on any designated commodity and on any product made wholly or in part from any such commodity imported into the United States in any year a custom duty in an amount equal to the difference between (1) the selling price of such commodity, and (2) 110 percent of the parity price (as determined by the Board) for such commodity or product in such year.

(b) Funds collected under subsection (a) on imports from any foreign country shall be credited to a special account in the Treasury and the funds in such account shall be used only for the purpose of assisting such foreign country to purchase goods produced in the United States at prices prevailing in the United States.

(c)(1) Except as provided in paragraph (2), any designated commodity or any product made wholly or in part from any such commodity which is imported into the United States shall be required to meet the same requirements with respect to sanitation, wholesomeness, safety, content, and labeling as the same commodity or product which is produced and sold in the United States is required to meet.

(2) Any designated commodity or any product made wholly or in part from any such commodity which is imported into the United States must bear a label clearly indicating such commodity or product is imported and shall bear such label until purchased by the using consumer in the United States.

EXPORTS

SEC. 9. No person may sell for export any designated commodity in any marketing year at any price less than the parity price established by the Board for such commodity for such year.

REFERENDUM

SEC. 10. (a) Within 60 days after the date of the enactment of this Act, the Secretary shall conduct separate referendums of producers of each designated commodity to determine whether the producers of each such commodity favor or oppose the program provided for under this Act with respect to such commodity.

(b) Any producer engaged in the production of any designated commodity during one of the two years preceding the year in which the referendum is conducted shall be eligible to vote in the referendum conducted with respect to such commodity.

(c) If more than 40 percent of the producers voting in the referendum on any designated commodity vote against the program provided for in this Act for such commodity, the provisions of this Act shall not apply to such commodity.

(d) The Secretary shall proclaim the results of any referendum held under this section within 30 days after the date of such referendum.

(e)(1) If 60 percent or more of the producers voting in the referendum conducted for any designated commodity vote in favor of the program provided for in this Act, the Secretary shall immediately take such action as may be necessary to effectuate the provisions of this Act with respect to the next succeeding marketing year (for the commodity concerned) which begins more than 120 days after the results of such referendum have been proclaimed by the Secretary.

(2) Whenever the program provided for in this Act becomes effective in the case of any designated commodity, all other provisions of law relating to such commodity, to the extent inconsistent with this program, shall become inapplicable to such commodity.

(f) Subject to the provisions of subsection (c), a designated commodity to which this Act does not apply may be included in the provisions of this Act only after the expiration of one marketing year following exclusion from this Act. The Secretary, with the advice and assistance of the Board, in accordance with subsection (a), shall conduct a subsequent referendum of producers for such commodity prior to the beginning of the next marketing year.

REGULATIONS

SEC. 11. The Secretary and the Board are authorized to issue jointly such regulations as may be necessary to carry out the program provided for in this Act.

CRIMINAL PENALTY

SEC. 12. (a) It shall be unlawful for any person to buy, sell, or trade any designated commodity in violation of this Act or to violate any other provision of this Act or any rule or regulation issued by the Secretary or the Board providing for the administration and enforcement of the program provided for by this Act.

(b) Whoever violates any provision of this Act or any rule or regulation provided for by this Act shall be subject to civil penalty—

(1) with respect to activities relating to section 3, subsection (e)(4), of not more than $20,000 for each violation;

(2) with respect to activities relating to section 4, subsections (b) and (c), of not more than $15,000 for each violation; and

(3) with respect to activities relating to section 4, subsection (a) and section 7, subsection (a), of not more than the difference between (i) the selling price of such commodity, and (ii) 100 percent of parity, or (i) the selling price of such commodity, and (ii) 115 percent of parity (as determined by the Board).

(c) Any person guilty of any such violation may be punished by a fine as provided for in

this Act or imprisoned for not less than five years, or both.

By Mr. SASSER (for himself, Mr. BAKER, Mr. MOYNIHAN, and Mr. HUDDLESTON):

S. 2563. A bill to authorize the acquisition and development of lands for public park and recreation facilities located adjacent to water resources development projects under the control of the Department of the Army; to the Committee on Environment and Public Works.

Mr. SASSER. Mr. President, today I introduce a bill to authorize the Army Corps of Engineers to acquire land for recreational development at projects where a recreational purpose is not specifically authorized. My bill amends section 4 of the Flood Control Act of 1944 (16 U.S.C. 460d).

The problem to which this bill speaks has arisen because the Chief Counsel of the Army Corps of Engineers, undoubtedly correctly, determined last year that the corps does not have the authority to acquire land for recreational development at projects where recreation is not a specifically authorized purpose. Although the practice had been permitted since about 1962, the corps, having received the opinion of the Chief Counsel, terminated such activities in 1977. The termination of this practice left several recreational developments incomplete.

The matter is explained by the Corps of Engineers in this manner:

General authority for the development of recreation facilities at completed lake projects is contained in Section 4 of the Flood Control Act of 1944. This authority was modified by Section 209 of the Flood Control Act of 1962 (P.L. 87–874) to provide for the consideration of recreation development at all water resources development projects undertaken by the Corps of Engineers through appropriate Congressional authorization. Sometime after 1962, the Corps of Engineers permitted recreational development to take place at completed navigation and local flood protection projects, where recreation is not an authorized project purpose, with the local project sponsor undertaking the responsibility to provide the necessary lands, casements, and rights-of-way (as it is required to do for the basic water resources development project itself), and receiving an appropriate credit for the value of the lands provided in conjunction with its responsibility for contributing 50 percent of the costs of the recreation development.

This cost sharing arrangement was, until recently, believed to be in accordance with the general recreation authority cited above (16 USC 460d). After an extensive review of the legislation, and its history, however, it has not been determined that recreational development was intended to be considered and reviewed in connection with a navigation or local flood protection project proposal to be submitted to Congress for authorization. Recreation development was not intended by the 1962 amendment to the general recreation authority to be undertaken on lands located outside of the projects' boundaries and not acquired for the authorized purposes of the project. By letter of 3 October 1977 the Corps District and Division offices were advised that negotiation of contracts for recreation development at navigation and local flood protection projects could no longer be carried out under the existing policy of permitting the local project sponsor to contribute the necessary lands for the recreational development, and receive a credit for such lands as part of its 50 percent contribution for the construction of the recreational facilities.

Further, the corps has indicated that there are recreational projects affected by the opinion of the Chief Counsel in the following States: Tennessee, New York, West Virginia, Kentucky, Ohio, Iowa, Oregon, Washington, Kansas, Pennsylvania, Virginia, Arizona, California, North Dakota, and Minnesota.

The position in which this has put some State and local governments is aptly described in a letter to me from Tennessee State Senator Douglas Henry. Senator Henry, an able and energetic public servant, on January 14, 1978, stated the chronology of the Cockrill Bend project in Nashville, Tenn.:

Some four years ago, the Corps of Engineers was operating a program under the Flood Control Act of 1944 whereby local contributions of money or property would be matched dollar for dollar by in-kind contributions by the Corps for the construction of recreational projects along all or certain waters under the Corps' jurisdiction. Pursuant thereto, Representative Mike Murphy and I in the legislature and Councilman Fred Lowry in the Metropolitan Council initiated steps which resulted in the conveyance by the State of Tennessee of some State property on Cockrill's Bend for the purpose of match and in such actions by the State Department of Conservation, the Metropolitan Department of Public Works, the Metropolitan Department of Parks and Recreation and the Metropolitan Airport Auhority (it proposes to open a runway just north of the property in question) as were necessary to meet the federal matching requirements. The objective of all the foregoing was the construction of a boat-launching ramp on the downstream side of Cockrill's Bend which would be the only free launching site between the foot of Broad Street and Sam's Harbor in Cheatham County, except for the very hazardous Cleece's Ferry landing which the proposed ramp would replace.

After the foregoing was well underway and largely completed, the Chief Counsel of the Corps of Engineers issued a ruling to the effect that a recreational use as we proposed would not be permissible under the Flood Control Act of 1944 and by that ruling reversed previous precedent and apparently caught a number of projects across the country at the same stage of completion as ours.

Mr. President, it is my understanding that the Committee on the Environment and Public Works will have oversight hearings on the Army Corps later this year. I urge the committee to consider this problem and to look upon this bill as a solution to the problem which now exists. By the same token, I welcome the cosponsorship of any Senator.

I ask unanimous consent that the text of the bill I have introduced be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 4 of the Act of December 22, 1944 (58 Stat. 889), as amended (16 U.S.C. 460d), is amended to read as follows: "The Chief of Engineers, under the supervision of the Secretary of the Army, is authorized (1) to construct, maintain, and operate public park and recreational facilities at water resource development projects under the control of the Department of the Army and to provide improved access thereto; (2) to acquire additional lands adjacent to the projects, and to construct, maintain and operate public park and recreational facilities on such additional lands; (3) to construct public park and recreational facilities on lands adjacent to the projects that are acquired and held by local interests for recreational use by the general public, and to permit local interests to include the value of such lands as part of their contribution towards the development of such facilities; (4) to permit the construction of any such facilities by local interests on project lands (particularly those to be operated and maintained by such interests); and (5) to permit the maintenance and operation of any such facilities by local interests.".

By Mr. DOLE:

S. 2564. A bill to amend the nutrition education section of the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. DOLE. Mr. President, here it is almost March 1, 1978, and State Departments of Education have not yet received directives on how USDA will fund and administer the new training and nutrition education grant programs in school meal legislation, Public Law 95–166.

Money for the first year of the 2-year program must be obligated by States before September 30, of this year. However, instead of issuing regulations, and other necessary guidance materials so States can get underway with their plans, the Department appears to be spending its time "relegislating" its own nutrition education program. Review of the fiscal year 1979 Food and Nutrition Service budget reveals that the administration is on the one hand requesting no funds for the training and education program now on the books, and yet on the other hand, proposing a brand new education and training plan.

In lieu of these legislative innuendos and delays, today I am submitting a bill which will allow the 2-year grant program to commence on October 1, 1978, and thus give States 2 full years of program benefit.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 2. Section 19(j)(1) of The Child Nutrition Act of 1966 is amended by deleting "1977" and "1978" and inserting in lieu thereof "1978" and "1979" respectively.

SEC. 3. Section 19(j)(2) of The Child Nutrition Act of 1966 is amended by deleting "1979" and inserting in lieu thereof "1980".

By Mr. MATHIAS (for himself, Mr. ANDERSON, Mr. BAYH, Mr. HEINZ, Mr. JACKSON, Mr. MAGNUSON, Mr. STAFFORD, and Mr. BROOKE):

S. 2565. A bill to provide for further research and services with regard to victims of rape; to the Committee on Human Resources.

SERVICE FUNDING FOR VICTIMS OF RAPE

Mr. MATHIAS. Mr. President, I send to the desk a bill to authorize funding for organizations that provide help to rape victims.

We must face the sad fact that the threat of sexual assault and rape is omnipresent in our society; the incidence of rape has been increasing steadily.

This excerpt from an article in Social Work of November 1976 reveals the dimensions of the problem:

Rape is a frequent crime. According to the Federal Bureau of Investigation, a rape is reported in the United States once every ten minutes. However, not every rape is reported; national surveys have found a ratio of 1 to 3.5 between victims who do report the crime and those who do not. Thus, with a population of over 100 million women in this country, it is reasonable to assume that at least 250,000 of them will be raped next year (1977). If this rate were to remain constant, the chances are better than 1 in 15 that a woman will be raped sometime during her life!

Research on the subject of rape has contributed substantially to public understanding of the crime. In the last few years the public has finally come to comprehend the magnitude of the problem. As a consequence, there has been a great increase in services provided to the victim by the legal, medical, social service, and mental health communities, and a vast improvement in the techniques used to aid the victim and to alleviate her trauma.

In 1975, we enacted legislation that created the National Center for the Prevention and Control of Rape within the National Institute of Mental Health. I sponsored this legislation and have been impressed by the ambitious research program the center has undertaken since then to identify the causes of rape, the situations in which it is likely to take place, and the characteristics of both offenders and victims.

The center has done a commendable job under the able and dedicated leadership of Elizabeth Kutzke, its director. With a staff of only six, the center has set up a comprehensive research program. In addition, it funds demonstration programs designed to provide more effective services to rape victims, to rehabilitate offenders, and to reduce the incidence of rape. The center has also created a broadly representative forum to advise the Secretary of HEW and the Administrator of the National Institute of Mental Health on the direction of the center's research program.

The results of that research effort are just now beginning to be made known. I hope that the findings will reach a wide audience, for the more we understand the circumstances surrounding the crime of rape, the better able we shall be to deal with it.

These studies have convinced me that we should authorize the national center to take on new responsibilities. I now send to the desk a bill that would authorize the center to fund a variety of services for rape victims. My bill would enable the center to provide 90 percent grants to State and local governments, and nonprofit organizations for such services as: Accompaniment of the victim to medical, social, and legal services; the direct provision of medical, social, and legal services; operation of a telephone "hotline" for crisis counseling and referral; counseling the victim both at the time of the assault as well as subsequently both at a crisis center and at home; transportation costs for the victim and for service providers; consultation with allied professionals; and a community education program. In addition, the bill provides funds for the training of counselors and paraprofessionals.

Currently, most victim services of accompaniment and counseling, and public education programs are carried out by local rape crisis centers. These organizations vary in their organizational and funding arrangements as well as in the nature and range of services which they provide. Many are totally volunteer efforts.

Both the volunteer centers, and the more established centers which are part of the legal, medical, and social service system, lack an assured, continuing, source of funds. Many operate on shoestring budgets, depending on contributions or occasional contracts from the State or local government or the Law Enforcement Assistance Administration.

This tenuous financial support results in periodic closings of rape crisis centers which suddenly find themselves without the money to pay for office space, lights, telephones, carfare, and the like. The person who suffers most from this is the victim.

The victim of rape needs a comprehensive range of services. However, because she is in a state of shock, she is not able to go to one place for counseling, to another for medical aid, and to still another for information about her legal rights.

Gail Abarbanel, director of the Santa Monica Rape Treatment Center stresses that—

One agency must take responsibility for developing the program, and for organizing and coordinating additional support services. This primary care facility must be able to treat the victim's needs for critical care and be psychologically accessible; that is, the victim must recognize it as a safe and appropriate place to go for help.

The personnel at the care center whom a victim first encounters must be extremely sensitive to the emotional needs of the victim. I have consulted a wide range of people involved with helping rape victims and have received very thoughtful and thought-provoking suggestions on how the "ideal" rape crisis center should work. I am grateful to all of them for their conscientious work on this bill. Their comments, coming as they did from all over the country, from large cities and rural areas, from hospital-based multiservice centers and from rural telephone hotlines operated from a volunteer's home, have led me to conclude that funding provided by this legislation should be as flexible as possible.

To demonstrate the kinds of activities I see this bill making available, I would like to share with my colleagues some of the important features of some centers.

The quality of counselors, of course, is of paramount importance. It is the consensus of those most closely involved in this work that counselors should be screened prior to and after their acceptance at a crisis center. Then, if they prove to be psychologically ill-prepared or unable to develop a rapport with victims, they should receive training in counseling techniques and perhaps be assigned to victims of their own peer group.

A comprehensive services program was outlined by the Pennsylvania Coalition Against Rape to include hospital, police, and courtroom accompaniment; victim advocacy and support; outreach and public education; and training of center staff. This group pointed out that such a comprehensive program can be achieved either in a one-stop service center or through referrals and accompaniment to the proper service providers.

In proposing the funding of rape crisis centers, I would stress that existing organizations—whether public agency, crisis center, or advocacy group—should receive first consideration, because of their experience with the community.

Of course, there are special population groups that may need particular kinds of services not now being met. And there are many areas of the country where no rape crisis service is available at all. This is particularly true in rural areas.

These special situations require our help not only with funding but with technical assistance in preparation of grant applications, and the training of counselors.

Lastly, my proposal contemplates a program of offender rehabilitation to get at the root of this problem—the personal and environmental circumstances that caused the rapist to commit the crime. This question is being explored in the national center's research program. I hope that we shall see some model offender rehabilitation programs emerge from that effort.

Much of the rape crisis counseling being done in America is the work of the volunteers. My bill would enable these volunteers to continue their invaluable work with a little long-overdue financial help from us, at least to insure that they will not have to pay their own office expenses. We will give them the tools; they will do the job.

To give you an idea of what this volunteer help means, let me read you part of a letter I received from Mary Ann Largen, former coordinator of the National Organization for Women Rape Task Force. She writes:

For the umpteenth time in as many years, I have recently sat in on two court cases involving victims. The first was a rape trial where the assailant was acquitted. The case was . . . lost . . . The victim was shattered beyond words. If a volunteer rape crisis center counselor had not been in the courtroom to literally hold her (the victim's) hand she would be on the potential suicide list or worse. That counselor was there, however, after having to have her husband take off

from work to keep the kids and—because neither she nor her husband are wealthy—after having to bum money for gas from other RCC workers. I bought her lunch to make sure she would have something to eat. If this sounds somewhat incredible, I will be glad to introduce you to the counselor.

The help we can provide through this bill will be important to a nationwide effort to reduce the incidence of rape and to ease the anguish of the victim. I urge my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part D of title II of the Community Mental Health Centers Act (42 U.S.C. 2681) is amended by adding at the end thereof the following new section:

"ESTABLISHMENT OF GRANT PROGRAM

"SEC. 232. (a) The Secretary of Health, Education, and Welfare acting through the National Center for the Prevention and Control of Rape, shall make grants to, and enter into contracts with, State and local government agencies, and nonprofit organizations, to carry out the provisions of this section.

"(b) Any agency or organization which desires to receive a grant or enter into a contract, under this section shall transmit an application to the Secretary. Such application shall be in such form, and shall be transmitted at such time and in accordance with such procedures as the Secretary may reasonably require. The Secretary may award a grant, or enter into a contract under this section for—

"(1) the development and establishment of training programs (including counseling techniques for both the victim and the offender) for professional, paraprofessional, and volunteer personnel in the fields of law, social service, mental health, and other related fields who are or will become primarily engaged in areas relating to the problems of rape;

"(2) direct treatment which may include—

"(A) counseling for both the victim and the offender,

"(B) medical, social, and legal services,

"(C) consultation with allied professionals, and

"(D) follow-up counseling;

"(3) the development of programs of community education and offender rehabilitation and counseling;

"(4) necessary transportation costs including accompaniment to medical, social, and legal services;

"(5) self-help programs;

"(6) the operation of telephone systems to provide assistance to the victim;

"(7) emergency shelter programs; and

"(8) the support of demonstration projects which are likely to result in the development and implementation of methods of preventing rape, treating victims of rape, and the prevention and treatment of social problems related to rape.

"(c) Each entity participating in a program under this section shall—

"(1) establish a recordkeeping system to insure the protection of the privacy of the victim, as well as other individuals involved;

"(2) establish internal procedures to measure progress and achieving the goals stated by the grantee or contractor in its application; and

"(3) establish a continuing education program for all staff members, both volunteered and paid.

"(d) The Secretary, in awarding grants or entering into contracts under this section, shall give priority to those applications which—

"(1) are designed to deal directly with specific and serious problems relating primarily to rape; and

"(2) are likely to be successful in carrying out the purposes of this section.

"(e) The Secretary shall review the effectiveness of the grant program and demonstration projects carried out pursuant to this section.

"(f) The report to Congress prepared by the Secretary pursuant to section 231 shall contain a digest of the activities funded pursuant to this section.

"(g) Not more than 5 percent nor less than 4 percent of any funds appropriated to carry out the provisions of this Act for any fiscal year may be used by the Secretary to provide technical assistance to any nonprofit organization which desires to transmit an application under this section. The Secretary may provide such assistance to a non-profit organization, upon request for such assistance, if the Secretary determines that such organization does not possess the resources and expertise necessary to develop and transmit an application without such assistance.

"(h) The Secretary in carrying out the provisions of this section shall seek to coordinate his activities with other activities relating to rape carried out by the Secretary and the heads of other Federal agencies.

"(i) Not more than 90 percent of the costs of any project shall be funded by a grant or contract under this section.

"(j) There are authorized to be appropriated to carry out the provisions of this section (other than subsection (k)) $45,000,000 for the fiscal year ending September 30, 1979, $50,000,000 for the fiscal year ending September 30, 1980, and $55,000,000 for the fiscal year ending September 3, 1981.

"(k) The Secretary in carrying out his functions and administering the provisions of this section and without regard to any other provisions of this Act, is authorized to obtain the services of not more than 55 full-time staff members to assist in carrying out the functions of the National Center for the Prevention and Control of Rape. There are authorized to be appropriated to carry out the provisions of this subsection $750,000 for the fiscal year ending September 30, 1979, $750,000 for the fiscal year ending September 30, 1980, and $750,000 for the fiscal year ending September 30, 1981.".

ADDITIONAL COSPONSORS

S. 2020

At the request of Mr. HELMS, he was added as a cosponsor of S. 2020, a bill to amend the Longshoremen's and Harbor Workers' Compensation Act to clarify the act's coverage to employees engaged in the manufacture, repair, servicing or sale of recreational boats.

(See the remarks of Mr. HELMS relating to S. 2020 later in today's proceedings.)

S. 2162

At the request of Mr. WALLOP, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2162, the Jackson Hole Scenic Area bill.

S. 2236

At the request of Mr. RIBICOFF, the Senator from Michigan (Mr. GRIFFIN), was added as a cosponsor of S. 2236, the Omnibus Anti-Terrorism Act.

S. 2385

At the request of Mrs. HUMPHREY, the Senator from Indiana (Mr. LUGAR) and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 2385, the Agricultural Trade Expansion Act of 1977.

S. 2402

At the request of Mr. STAFFORD, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 2402, a bill to require that competitions be conducted to enhance the Nation's architecture and determine the design of certain new Federal office buildings.

S. 2426

At the request of Mr. BURDICK, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 2426, a bill to provide income protection for farmers.

S. 2459

At the request of Mr. EAGLETON, the Senator from Connecticut (Mr. WEICKER), the Senator from Minnesota Mr. ANDERSON), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 2459, a bill to amend the Internal Revenue Code of 1954 to allow an individual a credit against tax equal to 15 percent of the social security taxes paid by that individual during the taxable year.

S. 2487

At the request of Mr. CLARK, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 2487, a bill to amend the Public Health Service Act to provide for greater emphasis on rural health care needs in health planning.

S. 2492

At the request of Mr. DOLE, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2492, the amendment of the Meat Import Quota Act of 1964.

S. 2500

At the request of Mr. BUMPERS, the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. HODGES), the Senator from North Carolina (Mr. HELMS), the Senator from Utah (Mr. GARN), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 2500, a bill to amend the Federal Water Pollution Control Act in order to limit the information which may be obtained pursuant to such act.

S. 2501

At the request of Mr. HATHAWAY, the Senator from New Hampshire (Mr. DURKIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Colorado (Mr. HASKELL), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 2501, the Social Security Financing Amendments of 1978.

S. 2507

At the request of Mr. ANDERSON, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 2507, a bill to authorize the Smithsonian to acquire the Museum of African Art, and for other purposes.

S. 1571

At the request of Mr. McINTYRE, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 1571, a bill to grant a Federal corporate charter to the National Ski Patrol System.

SENATE JOINT RESOLUTION 29

At the request of Mr. BURDICK, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Joint Resolution 29, a joint resolution authorizing an annual National Family Week.

SENATE JOINT RESOLUTION 101

At the request of Mr. DOMENICI, the Senator from New Mexico (Mr. SCHMITT), the Senator from Ohio (Mr. GLENN), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of Senate Joint Resolution 101, to authorize the President to issue a proclamation designating a memorial Sunday for firefighters who have been disabled or killed in the line of duty during the preceding year.

SENATE JOINT RESOLUTION 103

At the request of Mr. McINTYRE, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Joint Resolution 103, a joint resolution to declare 1978 as Franco-American Friendship Years.

SENATE JOINT RESOLUTION 104

At the request of Mr. McINTYRE, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Joint Resolution 104, a joint resolution to declare July 11, 1978, as Franco-American Friendship Day.

SENATE RESOLUTION 400—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING

Mr. GRAVEL submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 400

Resolved, That there be printed for the use of the Committee on Environment and Public Works one thousand additional copies of its committee print entitled "The Panama Canal—A Reexamination."

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 1698 AND 1699

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

NAVIGATION DEVELOPMENT ACT—H.R. 8309

AMENDMENT NO. 1700

(Ordered to be printed and to lie on the table.)

Mr. STAFFORD submitted an amendment intended to be proposed by him to the bill (H.R. 8309) authorizing certain public works on rivers for navigation, and for other purposes.

Mr. STAFFORD. Mr. President, various groups in Vermont and across the Nation are exploring the opportunities for adding new hydroelectric facilities at the sites of existing dams and former industrial plants. The Senate last year adopted several provisions intended to encourage a small-hydro revival. The Department of Energy is now developing a program to finance demonstration work on hydro retrofit. The opportunities for retrofitting existing dams must not be dimmed by or frustrated by institutional delays imposed by Federal regulatory authorities, who often may think in terms of the time needed to review major new dam proposals.

I am submitting an amendment today that directs Federal agencies to take every action they legally can to expedite any licenses or permits that may be required to retrofit hydropower facilities. This amendment would also direct the General Accounting Office to report to the Congress within 1 year on the effectiveness of the Federal response, with suggestions for any change in law that might be useful to facilitate retrofitting of power facilities at existing damsites.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1700

On page 17, after line 5, insert the following: and number accordingly:

"SEC. (a) Any agency of the United States with the authority and responsibility to grant or review any license or permit needed to utilize hydroelectric power at existing dams or former industrial sites shall make every effort to simplify application procedures and to expedite the consideration of any license or permit that may be necessary for the construction or operation of such facility, or for the sale of power from such facility.

"(b) The Comptroller General of the United States shall report to the Congress within one year of the enactment of this Act on the implementation of this section, his evaluation of any continuing institutional problems involved in hydroelectric development at existing dams or former industrial sites, and his assessment of the need for additional Congressional action to facilitate hydroelectric development at existing dams or former industrial sites."

GRADE RETENTION BENEFITS FOR FEDERAL EMPLOYEES—S. 1249

AMENDMENT NO. 1701

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill (S. 1249) to amend title 5, United States Code, to provide for grade retention benefits for certain Federal employees whose positions are reduced in grade, and for other purposes.

DOWNGRADING

Mr. MATHIAS. Mr. President, on April 6, 1977, I introduced S. 1249, a bill to provide grade retention benefits for certain Federal employees whose positions are downgraded. Since that time, I have been meeting with various groups to discuss and refine this bill. That process has produced some changes in the initial legislation.

Today, I am submitting an amendment in the nature of a substitute to this bill. It has had the benefit of careful analysis by many people who would be affected by my bill and others who have already been affected by the hardship of downgrading.

The new version of the bill addresses the four new areas of concern: retroactivity, the period during which the position is in grade, retention of grade upon reassignment, and grade retention in reorganization.

The changes that I today propose to S. 1249 go a long way toward insuring fairness in our dealings with our Federal workers. They deserve no less, and we should take on this obligation without hesitation.

I look forward to receiving the administration proposals in the area of Civil Service reform. I hope that they will approach this entire area of reform with the candor and seriousness it deserves. We cannot neglect the human element. I will do all that I can to insure that whatever the President and Congress undertake is done with full knowledge of the consequences both in dollar terms, and, more importantly, in human terms.

Mr. President, I send to the desk my amendment to S. 1249. I ask that it be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1701

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) subchapter VI of chapter 53 of title 5, United States Code, is amended by adding at the end of such subchapter the following new section:

"Sec. 5366. Retained grade of employee on reduction of his position.".

"Under regulations prescribed by the Civil Service Commission, an employee as defined by section 5102 of this title, or a prevailing rate employee as defined by section 5342(a)(2) of this title, who holds a career or a career-conditional appointment in the competitive service or an appointment of equivalent tenure in the excepted service and whose position is reduced in grade on or after January 1, 1977, shall retain the grade which he held immediately before the reduction in grade of such position so long as he—

"(1) continues in the same agency, including an agency to which he is transferred in a transfer of function, without a break in service of one workday or more;

"(2) is not reassigned at the retained grade level or promoted; and

"(3) is not demoted (A) for personal cause, (B) at his request, or (C) in a reduction in force not resulting from a reorganization. The provisions of this section shall apply only to a position that has been classified at the grade from which the position was reduced for a continuous period of at least one year immediately prior to the reduction of such position to a lower grade.".

(b) The table of section of subchapter VI of chapter 53 of title 5, United States Code, at the beginning of such chapter 53, is amended by adding, immediately below the item relating to section 5365 thereof, the following new item:

"5366. Retained grade of employee on grade reduction of his position.".

CORRECTING WELFARE ABUSE BY ALIENS—H.R. 7200

AMENDMENT NO. 1702

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself, Mr. EASTLAND, Mr. CURTIS, Mr. MATSUNAGA, Mr. LAXALT, Mr. BARTLETT, Mr. BELLMON, Mr. HAYAKAWA, Mr. HELMS, Mr. LUGAR, Mr. TOWER, Mr. YOUNG, and Mr. ZORINSKY) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 7200) to amend the Social Security Act to make needed improvements in the programs of supplemental security income benefits, aid to families with dependent children, child welfare services, and social services, and for other purposes.

FOUR U.S. AGENCIES URGE CRACKDOWN ON ALIEN WELFARE ABUSE

Mr. PERCY. Mr. President, four key Federal agencies, in a report made public today, urged new legislation to curb large-scale abuse of the welfare system by newly arrived aliens. In five States—California, Florida, Illinois, New Jersey, and New York—studied by the General Accounting Office, such aliens annually receive over $72 million under the supplemental security income (SSI) program.

The recommendations of the Department of State, the Social Security Administration in the Department of Health, Education, and Welfare, the Immigration and Naturalization Service in the Justice Department, and of the General Accounting Office, were included in the GAO report I requested last April and forwarded to the Congress this afternoon, entitled: "Number of Newly Arrived Aliens Who Receive Supplemental Security Income Needs to be Reduced."

Accordingly, with several of my colleagues in the Senate, I am submitting today an amendment to H.R. 7200, a House-passed bill to amend the Social Security Act for the purpose of correcting welfare abuse by aliens. H.R. 7200 has been favorably reported by the Senate Finance Committee and should be before the Senate within the next several weeks.

I am pleased to be joined in submitting this amendment by 12 of my distinguished colleagues: Senator JAMES EASTLAND, chairman of the Senate Judiciary Committee which writes the Nation's immigration laws; three members of the Finance Committee, Senators CURTIS, MATSUNAGA, and LAXALT; and Senators BARTLETT, BELLMON, HAYAKAWA, HELMS, LUGAR, TOWER, YOUNG, and ZORINSKY.

Supplemental security income, or "SSI" for short, is a joint Federal-State welfare program for poor persons who are aged, blind, or disabled. Over $6 billion is distributed each year in monthly amounts up $177.80 for individuals and $266.70 for couples.

This is an appropriate program for providing for America's poor. It is not an appropriate program for providing for the world's poor. The American taxpayer cannot automatically provide for persons who have never participated significantly in the American economy.

We are not speaking here of illegal aliens. That is a separate problem. Incredibly, current law permtis aliens lawfully admitted for permanent residence to begin collecting SSI benefits 30 days after arriving on American shores if they are otherwise eligible.

The bonanza is exploited in record proportions. The General Accounting Office found that of those aliens receiving SSI payments, 15,000 started collecting within 6 months of arrival, more than 23,000 collected within 1 year of arrival, and more than 35,000 within 3 years.

Of all aliens age 65 or over entering this country between July 1972 and June 1975, one out of every three was collecting welfare under the SSI program by the end of 1976.

Most aliens, before admitted for permanent residence, are required to have American sponsors. These sponsors file affidavits of support promising to provide for the aliens' needs should they become indigent.

But these affidavits are not legally binding under current law. Many sponsors file the affidavits merely to get the alien into the country. Once here, they promply urge the alien to enroll for welfare. And the money often finds its way back to the sponsor, in the form of rent for rooms provided or payment for food and clothing.

In one recent case a New York City psychiatrist signed an affidavit promising to support her elderly mother if admitted to the United States. Six months after obtaining permanent resident status, the mother applied for $154 a month in assistance from the New York City Department of Social Services, because her daughter would no longer support her.

These abuses by some aliens and their sponsors reflect badly on the overwhelming majority of legal aliens who add so very much to our society and seek noth: ing more than the opportunity to become American citizens.

The CBS–TV news program "Sixty Minutes" studied the problem in Yonkers, N.Y., in a national telecast last May. Guy Wright of the San Francisco Examiner and Chronicle has alerted California and west coast citizens. Jack Mabley of the Chicago Tribune has done the same for citizens from Illinois and the midwest. The Maui, Hawaii, county council unanimously passed a resolution urging steps to end alien welfare abuse. Several thousand citizens—including heads of State and local welfare services—have written to me urging timely action.

The amendment we offer today is aimed at providing such action. The bill as reported by the Finance Committee already provides that aliens who enroll for public assistance would be defined as "public charges" and thus be eligible for deportation. We support such a provision.

But clearly, as a practical matter, we do not want to deport hundreds or even thousands of aliens annually. A far better approach is to enforce the affidavit of support which the sponsor filed, agreeing to provide for the needs of the alien.

Mr. President, I ask unanimous consent that a letter I received from Leonel J. Castillo, the Commissioner of the Immigration and Naturalization Service, be included at the conclusion of my remarks. In the letter, Mr. Castillo suggests such an approach.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. In addition, Mr. President, the amendment provides a 5-year residency requirement before most aliens can qualify for SSI benefits. There are two notable exceptions, however. One is for those aliens who become blind or disabled while in this country. The second is for those aliens who the Secretary of Health, Education, and Welfare declares to be "political refugees without private means of support." In this way, refugees from Vietnam or the Soviet Union, for example, could qualify for SSI benefits soon after arrival in this country.

Deportation would still be available as an ultimate sanction against welfare abusers.

According to the GAO, over 42,000 newly-arrived aliens have collected under the SSI program in the past 5 years. Of these, nearly 24,000 or 63 percent, applied for welfare within their first year in the United States.

Examples of abuse abound:

A 64-year-old alien in Sunnyvale, Calif., applied for and received SSI benefits within 4 months of arrival in the United States, even though his daughter had promised to support him. She annually earns over $25,000 and lists assets worth over $130,000.

In August 1976, a naturalized American citizen from Rochester, N.Y., was granted approval to have her two parents and eight brothers and sisters admittted to the United States. Four months later, three of them applied for and received SSI benefits because of a disabing disease contracted before leaving for the United States. They now receive $350 each month in SSI payments.

Three months after entering the United States, a couple from San Francisco began receiving monthly benefits of $338 despite the fact that their son-in-law signed an affidavit of support insuring that the couple would not become public charges. The son-in-law told officials that he would stop supporting the couple once they began receiving welfare benefits. He discontinued assistance soon after the couple began receiving SSI. As a result, the couple's benefits were increased to $522 per month.

Other highlights of the report include the following:

Of the 214,000 aliens in this country estimated to be receiving SSI. 42,000 have been in the United States less than 5 years.

Of the newly arrived aliens who collect SSI benefits, GAO estimates that 8 percent enroll within 30 days of arrival in this country, 41 percent enroll within 6 months, and 63 percent enroll within their first year in the United States. In other words, almost two-thirds of newly arrived aliens who receive SSI, become public charges some time during their first year in this country.

Of all aliens over 65 entering this country during fiscal years 1973–75, GAO estimates that one out of three was collecting welfare payments under the SSI program by the end of 1976.

In Los Angeles County alone, GAO estimates that newly arrived aliens collect over $19 million annually under the AFDC, old age assistance, and aid to the totally disabled programs.

In the State of California, during 1976 GAO estimates that over $10 million was received by newly arrived aliens in medicaid benefits.

The amendment we are submitting provides flexibility were necessary, but strict guidelines where existing law is inadequate. It should go a long way toward freeing the American taxpayer from the burden of supporting welfare stipends to the undeserving.

I want to take this opportunity to note that, on the House side, Congressman RICHARD GEPHARDT of Missouri has shown an especial interest in, and concern about this problem. His own considerable input into the GAO task force assignment, through a request he made in May of last year, was extremely valuable to all of us.

Mr. President, in addition to the letter from Commissioner Castillo, I ask unanimous consent that the GAO report to the Congress, just released today, entitled, "Number of Newly-Arrived Aliens Who Receive Supplemental Security Income Needs to be Reduced," and the text of the amendment I propose today, be included in the RECORD at this point.

There being no objection, the report and amendment were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

DIGEST

About 37,500 newly arrived aliens (those in the United States for 5 years or less) in five States annually receive about $72 million in Supplemental Security Income benefits. About $16 million of this is paid to refugees.

The Immigration and Nationality Act provides that aliens likely to require public assistance for their support are to be denied admission into the United States. The act also states that aliens who become public charges within 5 years of entry from causes arising before entry may be subject to deportation. These provisions are generally not applied to refugees.

The Supplemental Security Income program authorized in the Social Security Act does not have a residency requirement for aliens. Newly arrived aliens need only be admitted for permanent residency or be refugees.

The Department of State and the Immigration and Naturalization Service obtain affidavits of support from persons willing to sponsor aliens who lack sufficient means to support themselves when applying for permanent residency in the United States. These are used as evidence that the alien is not likely to become a public charge. State Department and Immigration Service officials do not have information on the number of affidavits accepted. However, one Department official said many aged and disabled aliens appear likely to become public charges and cannot qualify to immigrate without these affidavits.

Most newly arrived aliens identified in our review who received Supplemental Security Income had been sponsored with affidavits of support. Their sponsors, who agreed to provide necessary support and guaranteed that the aliens would not become public charges, did not fulfill their promises.

Sponsors cannot be held liable because courts have ruled their promises are not legally binding.

Newly arrived aliens are seldom deported as public charges even though many receive public assistance for causes that arose before entry. Because of court rulings and Department of Justice decisions, aliens are deportable as public charges only if they fail to repay public assistance upon demand. However, repayment is not required under the Supplemental Security Income program and other public assistance programs.

Better screening of visa applications, use of more stringent income criteria for judging sponsors' ability to provide support, and increased coordination between the Immigration Service and Social Security on aliens' overseas assets may prevent some newly arrived aliens from receiving Supplemental Security Income. Social Security is reviewing whether the asset information should be routinely obtained from the Immigration Service.

GAO believes legislation is needed before any significant reduction in public assistance to newly arrived aliens will be realized. Several bills introduced in the 95th Congress would strengthen the Government's ability to prevent many newly arrived aliens from receiving public assistance.

Recommendations to the Secretaries of State and Health, Education, and Welfare

GAO recommends that the Secretary of State:

In cooperation with the Secretary of Health, Education, and Welfare, develop more stingent income criteria for judging the ability of a sponsor to support a visa applicant.

Emphasize to consular officers the importance of screening aliens who may apply for public assistance.

GAO recommends that the Secretary of Health, Education, and Welfare direct the Commissioner of Social Security to report to the Congress the results of its review on obtaining aliens' overseas asset information from the Immigration Service for reducing aliens' eligibility for Supplemental Security Income benefits.

Recommendations to the Congress

GAO recommends that the Congress:

Establish a residency requirement to prevent assistance payments to newly arrived aliens, if the condition upon which eligibilty is established existed before entry.

Make the affidavit of support legally binding on the sponsor.

Make aliens subject to deportation if they receive Federal, State, or local public assistance because of conditions existing before entering the United States.

Abbreviations

AFDC: Aid to Families with Dependent Children.

GAO: General Accounting Office.

INS: Immigration and Naturalization Service.

SSA: Social Security Administration.

SSI: Supplemental Security Income.

CHAPTER 1. INTRODUCTION

Members of Congress, the public, and the news media have recently expressed concern about aliens who receive public assistance soon after arriving in the United Sates. On April 20, 1977, Senaor Charles H. Percy, Ranking Minority Member of the Committee on Governmental Affairs, asked us to:

Determine how many newly arrived legal aliens (those in the United States 5 years or less) were receiving Supplemental Security Income (SSI) benefits and how much they were receiving.

Review the effectiveness of the Social Security Administration's (SSA's), the Department of State's, and the Immigration and Naturalization Service's (INS') handling of aliens receiving these benefits.

Identify legislative and administrative improvements needed to reduce Federal public assistance expenditures in this area.

On May 20, 1977, Congressman Richard A. Gephardt requested similar information.

Immigration and Nationality Act

The Immigration and Nationality Act (8 U.S.C. 1101) prescribes the conditions for admission and stay of aliens in the United States. The act defines aliens as persons who are not U.S. citizens or nationals.

The act states that aliens likely to requrie public assistance for their support are to be denied admission into the United States. Aliens can prove they are not likely to receive public assistance by demonstrating that permanent employment providing adequate income is available upon their arrival, that they have adequate funds to support themselves, or that someone in the United States promises to provide necessary support. If these conditions cannot be met, a bond, commonly called a public charge bond, must be posted to reimburse public funds spent if the alien becomes a public charge. Aliens who become public charges during the first 5 years of residence in the United States from causes arising before entry may be subject to deportation.

The Secretary of State and the Attorney General—INS—are responsible for administering and enforcing the act.

Supplemental security income

The SSI program was established under title XVI of the Social Security Act (42 U.S.C. 1381) to provide cash assistance to the needy aged, blind, and disabled. The program, which became effective on January 1, 1974, replaced former grant-in-aid programs to the States for assisting the aged, blind, and permanently and totally disabled.

In 1976 the highest Federal basic monthly benefit was $167.80 for one person and $251.80 for a couple. Presently, the maximum Federal benefits are $177.80 and $266.70, respectively. Larger monthly payments are made in States that supplement SSI payments. Many State supplements are administered for the States by SSA.

SSA administers the SSI program at its headquarters in Baltimore, at 10 regional offices, and at over 1,300 district and branch offices throughout the Nation. SSI funds are appropriated from general revenues. For fiscal year 1977 $4.7 billion was appropriated for payments to recipients. SSA estimates that federally administered State supplemental payments totaled about $1.5 billion for the same period. About 4 million persons presently receive SSI benefits.

Other federally funded public assistance

Newly arrived aliens also receive benefits under other public assistance programs, including the Medicaid and Aid to Families with Dependent Children (AFDC) programs. Although our review focused on the SSI program, chapter 2 discusses the impact of newly arrived aliens on the Medicaid and AFDC programs in California.

Medicaid (title XIX of the Social Security Act) is a program designed to provide medical assistance to SSI and AFDC recipients and other medically needy persons. The AFDC program (title IV of the Social Security Act) was established to enable States to furnish cash assistance and other services to needy dependent children and their parents or relatives with whom they are living. Both programs are State administered, with funding shared by the Federal and State governments.

Residence requirements for aliens

Length of residence is normally not a prerequisite for aliens to receive public as-

sistance. In a 1971 case, the Supreme Court ruled that provisions of State law conditioning benefits on citizenship and imposing residency requirements for aliens violated the equal protection clause of the Constitution. The Court concluded that State residency requirements for aliens enroached upon the exclusive Federal power over aliens.

In June 1976 the Supreme Court in *Mathews* v. *Diaz*, 426 U.S. 67 (1976) decided that the Congress could make duration of residency a prerequisite for an alien's eligibility for public assistance. The Court, in upholding a 5-year residency requirement in the Medicare program—which provides health insurance for the aged—reasoned that the Congress has no constitutional duty to provide all aliens the benefits provided to citizens. The Court added that:

"The decision to share * * * [the] bounty with our guests may take into account the character of the relationship between the alien and this country. Congress may decide that as the alien's tie grows stronger, so does the strength of his claim to an equal share of that munificence."

In its decision, the Court pointed out many ways in which citizens and aliens are treated differently.

There is no residency requirement in the SSI legislation specifically for aliens. An alien need only be lawfully admitted for permanent residency or residing under color of law.[1] SSI pavments to aliens and citizens who are outside the United States for more than 30 days are stopped and are not resumed until they have been back in this country for 30 consecutive days. Consequently, aliens are not considered eligible for SSI until they have been in the United States for 30 days.

Previous GAO work

From 1973 through 1977 we reviewed a wide range of immigration matters. A series of reports based on this work (see app. I) pointed out the need for the Congress and executive branch agencies to totally reassess U.S. immigration policy to adequately cope with all immigration problems. One of these reports—issued in July 1975—discusses the need for curbing the adverse economic impact of newly arrived aliens receiving public assistance. In this report, we recommended that INS and the Department of State improve immigrant screening procedures and increase the use of public charge bonds. We also recommended that the Congress clearly define the term "public charge" and make sponsors' promises to support aliens legally binding.

Scope of review

We reviewed the Immigration and Nationality Act and the Social Security Act as they pertain to aliens who receive public assistance, and we examined the policies and procedures implementing the acts. We also interviewed State Department and INS officials responsible for imigration and SSA officials responsible for the SSI program.

We visited SSA and INS district offices in Illinois, California, and New York to obtain information on newly arrived alien SSI recipients and to review coordination between the two agencies in the field. SSA and INS helped us to estimate the number of newly arrived aliens and the magnitude of SSI benefits paid to them. We were able to make estimates in California, Florida, Illinois, New Jersey, and New York.

CHAPTER 2. ALIENS RECEIVE PUBLIC ASSISTANCE NOTWITHSTANDING OBJECTIVE OF U.S. IMMIGRATION LAW

Although the Immigration and Nationality Act has provisions directed at preventing newly arrived aliens from receiving public assistance, including SSI, many receive assistance. We estimate that about 37,500 newly arrived aliens in five States receive About $16 million of this is paid to refugees who are exempt from the act's public charge provisions.

Provisions against paying public assistance to aliens

Two Immigration and Nationality Act provisions are aimed at preventing newly arrived aliens from receiving public assistance. The first states that aliens are:

"* * * ineligible to receive visas and shall be excluded from admission into the United States * * * [if] in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission, * * * [they are] likely at any time to become public charges * * *." (8 U.S.C. 1182)

The second provision provides that any alien in the United States:

"* * * shall, upon the order of the Attorney General, be deported * * * [if] in the opinion of the Attorney General, [he/she] has within five years after entry become a public charge from causes not affirmatively shown to have arisen after entry * * *." (8 U.S.C. 1251)

Neither provision has successfully prevented newly arrived aliens from receiving SSI and other public assistance.

How many newly arrived aliens receive SSI benefits?

To determine the number of newly arrived aliens receiving SSI benefits, we asked SSA to review and give us selected information on aliens in its SSI quality assurance files for July 1 through December 31, 1976. These files represent a statistical sample of about 23,000 recipients selected randomly from about 4.2 million receiving benefits during this period. Of the recipients in the sample, 1,084 were aliens. It was determined from information at INS that 885 aliens had been in the United States more than 5 years and 199 were newly arrived. Based on this information, we estimate that about 214,000 aliens receive SSI, of which about 42,000 are newly arrived.

The newly arrived aliens in the sample resided in 25 of the 50 States. (See app. II.) However, a statistically reliable projection of the number of newly arrived aliens receiving SSI could only be made for California, Florida, Illinois, New Jersey, and New York, where 148 of the 199 aliens resided. The estimated annual SSI benefits paid, as shown in the following table, were projected based on the actual benefits paid to the 148 newly arrived aliens in these States.

	(1)	(2) (millions)
California	12,027	$31.6
Florida	12,342	19.5
Illinois	2,980	4.5
New Jersey	3,718	5.4
New York	6,444	11.3
Total	[3] 37,511	[3] [4] 72.3

[1] Estimated number of newly arrived aliens receiving SSI.

[2] Estimated amount paid annually to newly arrived aliens.

[3] We estimate that our statistics on the total number of newly arrived aliens in these States receiving SSI are accurate within plus or minus 6,787 and that the total amount of benefits paid aliens during this period is accurate within plus or minus $14.9 million at the 95-percent level of confidence. These amounts include Federal SSI benefits and federally administered State supplementation.

[4] The public charge provisions of the Immigration and Nationality Act generally are not applied to refugees. Refugees currently residing in the United States are from Cuba, Vietnam, Russia, and other countries. We estimate that of the $72 million in SSI benefits paid annually to newly arrived aliens, $16 million (or about 22 percent) was provided to refugees.

How soon after arrival do they apply?

The brief period between when aliens enter the United States and when they apply for SSI further demonstrats that the act's public charge provisions are not effective. We estimate that 63 percent[2] of the newly arrived aliens receiving SSI in the five States mentioned above were in the United States for 1 year or less when they applied for SSI. The following table shows how soon after arrival these aliens applied for SSI benefits.

Length of time	(1)	(2)	(3)
Less than 1 month	3,035	8	8
1 to 6 months	12,399	33	41
6 months to 1 year	8,169	22	63
1 to 3 years	12,409	33	96
3 to 5 years	1,499	4	100
Total	37,511	100	---

[1] Estimated number of newly arrived aliens receiving SSI between July 1 and December 31, 1976.

[2] Percent of total.

[3] Cumulative percent of total.

How many aged aliens entering the United States apply for SSI soon after arrival?

The public charge provisions of the Immigration and Nationality Act are ineffective in screening out aged (age 65 or older) aliens who may need SSI assistance soon after arrival in the United States. We estimated that 34 percent of the aged aliens who entered the United States during fiscal years 1973–75 were receiving SSI at the end of December 1976.

To determine how many of these aliens applied for SSI soon after entry, we compared INS figures on the number of aged aliens entering the United States with the estimated number receiving SSI. The estimates shown in the following table are based on the sample discussed.

Entry dates[1]	(2)	(3)	Percent receiving SSI
July 1, 1972 to June 30, 1973	11,228	3,323	29.6
July 1, 1973 to June 30, 1974	11,042	5,025	45.5
July 1, 1974 to June 30, 1975	12,051	3,451	28.6
Total	34,321	11,799	34.4

[1] The information for this analysis was available only for these periods.

[2] Aged aliens who entered the United States—Based on 1975 Annual Report: Immigration and Naturalization Service, page 53.

[3] Estimated number receiving SSI—We did not determine the statistical reliability of these estimates.

Impact of newly arrived aliens on other public assistance programs

Our review was not directed at public assistance programs other than the SSI program. However, we reported to the Congress

[1] Aliens residing under color of law include those who entered the United States before July 1948 and refugees granted conditional entry after fleeing Communist countries because of persecution or fear of persecution due to race, religion, or political opinion or granted temporary residence for emergency reasons.

[2] This estimate is subject to an 8.8-percent sampling error at the 95-percent confidence level.

in July 1975[3] that newly arrived aliens received AFDC benefits. Also, because SSI and AFDC recipients are often eligible for Medicaid benefits, we believe that substantial Medicaid benefits are paid to newly arrived aliens receiving SSI and AFDC payments.

In our July 1975 report, we pointed out that newly arrived aliens were receiving AFDC, Old Age Assistance, and Aid to the Totally Disabled benefits. For example, of a randomly selected sample of alien welfare cases in Los Angeles County, 44 percent had applied for assistance within 5 years of entry into the United States. Sixty percent of them were AFDC recipients. We estimated that newly arrived aliens and their families were paid $19.6 million annually under these three programs in this country.

We did not review Medicaid benefits provided SSI and AFDC recipients nationally. However, we estimate that in California in fiscal year 1976, newly arrived aliens on SSI received about $10 million in Medicaid benefits. This estimate is based on the average Medicaid cost for all SSI recipients in California.

CHAPTER 3. FAILURE TO HONOR SUPPORT AGREEMENTS IS PRIMARY CAUSE OF NEWLY ARRIVED ALIENS RECEIVING SSI

Most newly arrived aliens receiving SSI apply because their sponsors, who agreed in affidavits to provide necessary support and guaranteed that the aliens would not become public charges, do not fulfill their promises. Sponsors cannot be held liable because the courts have ruled that the support agreements are not legally binding.

Affidavits of support

Affidavits of support have been used since 1931 for aliens who wish to immigrate to the United States but lack sufficient means to support themselves here. The Department of State consular offices and INS obtain affidavits of support from persons willing to sponsor aliens applying for permanent residency in the United States. In the affidavit, the sponsor states his reasons for sponsoring the alien and provides asset and income information to demonstrate that he can fully support the alien. Affidavits are used as evidence that the alien is not likely to become a public charge.

Department of State and INS officials do not have information on the number of affidavits accepted. However, one State Department official indicated that most aged and disabled aliens, such as those on SSI, are sponsored. He added that many could not qualify to immigrate without affidavits of support.

A review of INS files showed that most newly arrived aliens in the sample of SSI recipients (see p. 6) required affidavits of support to qualify for permanent residency in the United States. Of the 199 newly arrived aliens in the sample, 37 were refugees who did not need affidavits of support. INS could not locate the files on 25 others. Of the remaining 137, 113 (about 82 percent) had affidavits on file at INS. Of the affidavits, 70 had been submitted by relatives, including aliens' children.

The affidavits of support are not being honored by sponsors of aliens on SSI. Various courts have ruled that the affidavits are unenforceable as contracts between the sponsor and the Government and are only moral obligations. These rulings were based on the fact that the Immigration and Nationality Act does not authorize any Federal executive or administrative official to require a contract of support. One court stated that, for the affidavit to be made legally binding, a statute would have to be enacted giving the sponsor notice that he is undertaking a legal obligation. In this court's opinion the statute would need well-defined limits on the amount, duration, and other conditions to be legally enforceable. Despite this, however, the State Department and INS continue to request affidavits of support.

The following are examples of newly arrived alien SSI recipients whose affidavits of support are not being honored.

A 76-year-old alien entered the United States in March 1977 and applied and became eligible for SSI benefits in April. Before she immigrated, her daughter and son-in-law had signed an affidavit of support promising she would not become a public charge. They cited a combined annual income of about $17,100 and a net worth of about $62,000 as evidence of their ability to provide support. The alien indicated on her SSI application that the daughter did not provide any financial assistance.

A 72-year-old alien and his 70-year-old spouse entered in November 1976. Their daughter and son-in-law signed an affidavit of support in October insuring the alien couple would not become a public charge. The couple applied for SSI less than 3 months after their arrival and began receiving monthly benefits of $338.08 in February 1977. The son-in-law stated at the time the couple applied for SSI that he had been supporting them but would stop doing so when they began receiving SSI benefits. The son-in-law discontinued assistance in March 1977, and as a result, the couple's SSI benefits were increased to $522 per month.

In July 1976 a 64-year-old alien entered the United States. His daughter signed an affidavit of support in which she cited an annual salary of $25,000 and assets valued at about $130,000. The alien applied for SSI in November 1976—four months after his arrival and 17 days before his 65th birthday. As of July 1977 the alien and his wife, who had immigrated earlier, were receiving SSI benefits of $557 per month.

Few newly arrived aliens are deported as public charges

Aliens are seldom deported as public charges even though many receive public assistance. Between 1971 and 1975, only 17 of the 93,009 aliens deported were deported as public charges.

In our July 1975 report (see p. 8), we stated that aliens were usually granted public assistance because of physical disabilities and inadequate resources existing before entry or because sponsors failed to honor their support agreements. We note that newly arrived aliens continue to receive public assistance for causes arising before entry. Of the 199 newly arrived aliens in the sample, 38 were disabled. We reviewed medical information for 17 of the 38.[4] Twelve were receiving benefits because of disabilities arising before entry and five became disabled after entry.

In 1948 the Department of Justice's Board of Immigration Appeals, in accordance with court decisions, established that before deporting an alien who receives public assistance, a determination must be made by the Government that the assistance program requires repayment, a demand for repayment was made, and there was a failure to repay. Since the SSI program and other public assistance programs do not require a recipient to repay the Government for assistance provided, aliens are not deportable for receiving benefits under these programs.

CHAPTER 4. LEGISLATION RATHER THAN ADMINISTRATIVE IMPROVEMENTS NEEDED TO REDUCE ALIEN ELIGIBILITY FOR PUBLIC ASSISTANCE

Present legislation and applicable Department of State and INS procedures established to prevent newly arrived aliens from receiving public assistance are not effective. In addition, SSA's eligibility determinations for SSI do not fully consider all resources that an alien may own. Although certain administrative improvements may reduce the number of aliens receiving SSI, legislation is needed before any significant reduction can be realized.

Administrative improvements may reduce the number of newly arrived aliens receiving SSI

Administrative improvements: better screening of visa applications, more stringent income criteria for judging sponors's ability to provide support, and more comprehensive SSI eligibility reviews could prevent some newly arrived aliens from receiving SSI.

Improved Screening

In our 1975 report (see p. 8), we concluded that better screening of aliens' visa applications could help reduce the number of aliens likely to need public support. In our opinion, improvements in the application screening process are still needed. Newly arrived aliens continue to apply for SSI because of conditions existing before they enter the United States.

The following are examples of newly arrived aliens who appeared likely to become public charges when applying for entry.

In August 1976, a naturalized citizen requested and was granted approval to have her mother, father, 6 brothers, and 2 sisters admitted to the United States. A sister and a brother, aged 29 and 36, respectively indicated that they did not work, and a 16-year-old brother said he was a student. These three underwent medical examinations before entry and were found to have a progressive spinal disease which paralyzes the lower extremities and limits the use of the upper extremities. The younger brother entered the United States in September 1976; his brother and sister entered in November. In December all three applied for SSI as disabled individuals, stating that they never worked; had no cash, income, or resources; and were living with their father, mother, and other brothers and sisters. From February through July 1977 the three received SSI payments totaling $3,086.71, and currently they are receiving $349.17 monthly.

A 68-year-old alien entered in June 1976. She applied for SSI 9 days after her arrival and began receiving benefits of $220.07 a month in July. Her monthly benefits were later increased to $257.07, retroactive to July, when a medical examination verified that she was legally blind.

Deciding whether an applicant is likely to be supported at public expense is difficult and involves considerable subjective judgment. The consular officer must consider many factors other than the alien's potential earning capacity, including the intent of the alien and his sponsor. Despite these difficulties, we believe improved screening can reduce the number of newly arrived aliens receiving SSI.

A State Department official said that making management improvements that reduced consular officers' routine administrative workload and increasing the number of consular officers have helped improve screening. While agreeing that there is still room for improvement, the official believed most aliens who receive SSI do so because sponsors fail to provide support. In his opinion, improved screening would not solve this problem.

[3] "Need To Reduce Public Expenditures for Newly Arrived Immigrants and Correct Inequity in Current Immigration Law" (GGD-75-107, July 15, 1975).

[4] Of the other 21 cases, 12 were converted from State grant-in-aid programs when the SSI program began in 1974 and sufficient medical information was not on file at SSA to determine when the disability arose, 6 could not be found, 1 lacked sufficient information to make a determination, and 2 were not traced.

More Stringent Income Criteria Needed

The criteria used by the State Department and INS to evaluate a sponsor's ability to provide financial support do not exclude some sponsors who have limited income and probably cannot provide adequate support. The State Department and INS use the Department of Health, Education, and Welfare's Community Services Administration "Income Poverty Guidelines" as criteria for evaluating a sponsor's ability to provide support. These guidelines provide national income levels below which families are considered in poverty.

The following are examples of sponsors the State Department judged capable of providing support using the guidelines but whose income does not appear sufficient to provide adequate support.

A 65-year-old alien entered in March 1976. The alien's 35-year-old daughter, a legal permanent resident, had previously signed an affidavit of support indicating that she had two dependents, earned $100 per week as a housekeeper, and had a savings account balance of $639.46. According to then-current guidelines, a nonfarm family of four (including the alien mother) should have an annual income of $5,050 in the continental United States. The alien applied for SSI less than 3 months after arrival and began receiving monthly benefits of $206.44 effective May 1976. If the daughter had provided equivalent support, she would have had $227 a month for supporting herself and her two dependents, which is $126 a month below the income poverty level for a nonfarm family of three.

A 66-year-old alien and his 69-year-old spouse entered in July 1976. An affidavit of support signed in November 1975 by their immigrant daughter stated that she had an annual salary of $7,654 and a savings account balance of $1,027. The affidavit also indicated that she had four children who depended on her as their sole or principal means of support. According to then-current guidelines, a nonfarm family of seven (including the alien couple) should have an annual income of $7,510 in the continental United States. The alien couple applied for SSI about 4 months after their arrival and began receiving monthly benefits of $514.50 effective November 1976. If the daughter had provided equivalent support, she would have had $123 per month for herself and her four children, which is $336 a month below the income poverty level for a nonfarm family of five.

If the State Department and INS used more stringent income criteria that took public assistance benefit levels into account, we believe aliens in such circumstances would be judged likely to become public charges and would be denied entry. This would reduce the number of newly arrived aliens that need public assistance, but it would not solve the problem of sponsors with adequate resources who fail to honor their support agreements.

State Department officials admitted that more stringent income criteria were needed. However, they said that attempts to develop such criteria have been complicated by the varied amounts of public assistance provided by Federal, State, and local governments.

Failure To Disclose Overseas Assets

In several cases aliens had failed to disclose to SSA overseas assets that might have disqualified them for SSI. Individuals with more than $1,500 (and couples with more than $2,250) of countable resources are ineligible for SSI. The following are examples of aliens receiving SSI who had assets exceeding those standards.

A 68-year-old alien entered the United States in March 1976. He applied for SSI benefits and began receiving monthly payments of $206.44 effective May 1976. In March, in a sworn statement on his visa application to the American embassy, he indicated that he had real estate overseas worth about $13,000. When applying for SSI benefits less than 2 months later, however, he stated that he did not have any property and had not sold property to any person during the previous 12 months.

A 71-year-old alien entered in December 1976 and applied for SSI in February 1977. She received $226 per month in February and March and began receiving benefits of $278 per month in April. In a written statement made in conjunction with her SSI application, she indicated that she had come to this country with only $800 and had $400 left. She also said that she had not given away any money or sold any property during the previous 12 months. However, about 5 months earlier she had submitted a sworn statement to an American consul indicating she had overseas bank deposits of approximately $8,200.

Information on overseas assets of aliens is contained in INS files. Although the Social Security Act authorizes access to these files for verification purposes, SSA district offices do not routinely request overseas asset information. As a result, aliens with overseas assets exceeding the SSI resource standards may be receiving SSI benefits.

We could not statistically estimate how much in SSI benefits is paid to newly arrived aliens who have assets exceeding the SSI resource standards. However, after we brought this matter to SSA's attention, it began including resource information from INS on selected alien SSI recipients as part of its ongoing review of the SSI program. An SSA official told us that if the results indicate overseas assets are significant, INS files would be reviewed routinely for newly arrived aliens who apply for SSI.

Limited Use of Public Charge Bonds

When a question exists about the likelihood of a visa applicant becoming a public charge, admission to the United States may be granted if a bond is posted. The bond can be used to reimburse public funds spent if the alien becomes a public charge. In our July 1975 report, we pointed out that consular and INS officers rarely required bonds because they were (1) viewed as an undue hardship for many aliens and their sponsors, (2) seldom collected, and (3) administratively time consuming. We recommended that the Attorney General and Secretary of State require bonds for every visa applicant for whom a reasonable doubt existed about whether he or she would become a public charge.

According to INS officials, public charge bonds still are not frequently used because they are difficult to administer. They believed that using bonds was a much less desirable alternative than making the affidavit of support a legally enforceable contract. INS and State Department officials recognize that bonds could be useful when an affidavit of support or an applicant's planned employment in the United States may not be sufficient to fully protect the Government's interest; however, they believed the use of bonds should be the exception rather than the rule.

Bonds may still serve a useful purpose in cases in which reasonable doubt exists about the likelihood of a visa applicant becoming a public charge. We believe, however, that legislation of the type discussed below is needed before any significant impact will be made in preventing newly arrived aliens from becoming eligible for public assistance.

Legislative proposals for reducing the number of aliens receiving SSI

Several bills have been introduced in the 95th Congress to reduce newly arrived aliens' eligibility for public assistance. For purposes of discussion these legislative proposals can be grouped as follows:

Establish residency requirements for SSI and other federally funded assistance programs except when eligibility results from causes arising after entry.

Make the sponsor's affidavit of support a legally enforceable contract and define "public charge" in the Immigration and Nationality Act as a recipient of public assistance.

Consider sponsors' income and resources in determining an alien's SSI eligibility.

Establishing Residency Requirements

There is no residency requirement for aliens to be eligible for SSI. Aliens can receive SSI benefits within 30 days of arrival. In our view a residency requirement would be the best way of preventing large expenditures of SSI funds for newly arrived aliens.

Several bills would require 1 to 5 years residency in the United States before an alien could qualify for SSI benefits. The residency requirements, however, generally would not be applicable if the alien became eligible for SSI from causes arising after entry.

The only program authorized under the Social Security Act that has an alien residency requirement is the Medicare Supplemental Medical Insurance program. Under this program lawfully admitted aliens who are 65 years of age or older would be denied benefits unless they had been in the United States for at least 5 years. According to SSA, it could enforce a similar 5-year residency requirement for the SSI program without an increase in administrative costs. However, some added cost may result because of the need to determine whether an alien was eligible for SSI based on causes arising after entry.

Legalizing the Affidavit of Support and Defining a Public Charge

Pending legislation would make the affidavit of support legally binding on the alien's sponsor and would define a public charge as an alien who receives public assistance. The affidavit would be enforceable as if it were a contract between the United States and the sponsor, and the Federal, State, and local governments could recover any public assistance provided to an alien. In addition, the present repayment test for a public charge, which precludes deportation for receipt of most forms of public assistance, would no longer be applicable. We, INS, SSA, and the Department of State believe that these two legislative changes are necessary to reduce the likelihood of newly arrived aliens receiving public assistance.

Considering Sponsors' Income in Determining SSI Eligibility

The Social Security Act requires that:

Income and resources of an applicant's spouse living in the same household be considered when determining SSI eligibility and benefits for a married applicant.

Income and resources of an applicant's parents living in the same household be considered when determining SSI eligibility and benefits for an applicant under age 21.

Proposed legislation contains a similar provision which would require that a sponsor's income and resources be considered when determining an alien's SSI eligibility.

SSA believes that the proposed provision will cause administrative difficulties. According to SSA:

"The provisions of present law which require the deeming of income from one person to another apply only in certain cases where the SSI recipient lives with the person from whom income is deemed (usually a spouse or parent). This would not necessarily be the case for the alien and the sponsor. We would have to consider the income and resources of a sponsor who could live very distant from the alien. Also, if the sponsor refused to furnish information concerning his income and resources, the alien could be disadvantaged for actions beyond his control."

We believe that considering a sponsor's income and resources would not be an effective method of reducing public assistance payments to newly arrived aliens. Imposing a residency requirement, making the affidavit of support enforceable, and defining public charge would more effectively resolve the problem.

CHAPTER 5. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Restrictions in the Immigration and Nationality Act and the Social Security Act are not preventing newly arrived aliens from receiving public assistance. This is evidenced by the large sums of money paid to newly arrived aliens under the SSI and other public assistance programs.

In most cases, aliens apply for SSI because their sponsors, who promised in affidavits of support to keep them off public assistance, do not keep their promises. The sponsors cannot be forced to pay for assistance because the courts have ruled that the affidavits are unenforceable moral commitments.

Newly arrived aliens are seldom deported as public charges even though many receive public assistance for causes that arose before entry. Because of court rulings and Department of Justice decisions, aliens are deportable as public charges only if such assistance is not repaid on demand. However, repayment is not required under the SSI program and other assistance programs.

Better screening of visa applicants, stricter income criteria for judging the ability of the sponsor to support the alien, and increased coordination between INS and SSA on aliens' overseas assets may reduce the number of newly arrived aliens receiving SSI. SSA is obtaining and reviewing asset information from INS on selected cases in which aliens receive SSI to determine the practicality of routinely obtaining this information for all aliens applying for SSI.

Several bills have been introduced in the 95th Congress that would strengthen the Government's ability to prevent many newly arrived aliens from receiving public assistance, including SSI benefits. We believe legislation is needed before any significant reduction in public assistance to newly arrived aliens can be achieved.

Recommendations to the Secretaries of State and Health, Education, and Welfare

We recommend that the Secretary of State:

In cooperation with the Secretary of Health, Education, and Welfare, develop more stringent income criteria for judging the ability of a sponsor to support a visa applicant. These criteria should take into consideration established welfare benefit payment levels as well as the Community Services Administration income poverty guidelines.

Emphasize to consular officers the importance of screening aliens who may apply for public asssistance.

We recommend that the Secretary of Health, Education, and Welfare direct the Commissioner of Social Security to report to the Congress the results of its review on obtaining aliens' overseas asset information from INS and the future application of this mechanism for reducing aliens' eligibility for SSI benefits.

Recommendations to the Congress

We recommend that the Congress enact legislation:

Establishing a residency requirement to prevent assistance payments to newly arrived aliens, if the condition upon which eligibility is established existed before entry.

Making the affidavit of support legally binding on the sponsor.

Making aliens subject to deportation if they receive Federal, State, or local public assistance because of conditions existing before entry by defining public charge to include receiving any public assistance, regardless of whether repayment is required.

APPENDIX I

GAO reports to the Congress on immigration matters

Title, reference, number, and date:

Impact of Illegal Aliens on Public Assistance Programs: Too Little Is Known, GGD-78-20, December 1, 1977.

Domestic Resettlement of Indochinese Refugees—Struggle for Self-Reliance, HRD-77-35, May 10, 1977.

Immigration—Need to Reassess U.S. Policy, GGD-76-101, October 19, 1976.

Smugglers, Illicit Documents, and Schemes Are Undermining U.S. Controls over Immigration, GGD-76-38, August 30, 1976.

Evacuation and Temporary Care Afforded Indochinese Refugees—Operation New Life, ID-76-63, June 1, 1976.

Need to Reduce Public Expenditures for Newly Arrived Immigrants and Correct Inequity in Current Immigration Law, GGD-75-107, July 15, 1975.

U.S. Provides Safe Haven for Indochinese Refugees, ID-75-71, June 16, 1975.

Review of Preliminary Estimates of Evacuation Costs, Temporary Care and Resettlement Costs of Vietnamese and Cambodian Refugees, ID-75-68, May 27, 1975.

Better Controls Needed to Prevent Foreign Students from Violating the Conditions of Their Entry and Stay While in the United States, GGD-75-9, February 4, 1975.

More Needs to Be Done to Reduce the Number and Adverse Impact of Illegal Aliens in the United States, B-125051, July 31, 1973.

APPENDIX II

State of residence for newly arrived alien SSI recipients identified in quality assurance sample

California (note a), Delaware, Florida (note a), Hawaii, Iowa, Illinois (note a), Indiana, Kansas, Louisiana.

Massachusetts, Michigan, Minnesota, Missouri, North Dakota, New Jersey (note a), Nevada, New York (note a), Ohio.

Oregon, Pennsylvania, Rhode Island, Virginia, Vermont, Washington, Wisconsin.

NOTE a.—The number of newly arrived aliens receiving SSI was projected for these States.

APPENDIX III

Principal officials responsible for administering activities discussed in this report

Department of Justice

Attorney General of the United States:

Griffin B. Bell, Jan. 1977 to present.

Richard L. Thornburgh (acting), Jan. 1977 to Jan. 1977.

Edward H. Levi, Feb. 1975 to Jan. 1977.

William B. Saxbe, Jan. 1974 to Feb. 1975.

Commissioner, Immigration and Naturalization Service:

Leonel Castillo, Nov. 1976 to present.

Leonard F. Chapman. Jr., Nov. 1973 to Nov. 1976.

Department of State

Secretary of State:

Cyrus Vance, Jan. 1977 to present.

Henry A. Kissinger, Sept. 1973 to Jan. 1977.

Department of Health, Education, and Welfare

Secretary of Health, Education, and Welfare:

Joseph A. Califano, Jr., Jan. 1977 to present.

David Mathews, Aug. 1975 to Jan. 1977.

Caspar W. Weinberger, Feb. 1973 to Aug. 1975.

Commissioner of Social Security:

Donald I. Wortman (acting), Dec. 1977 to present.

James B. Cardwell, Sept. 1973 to Dec. 1977.

AMENDMENT No. 1702

On page 167, line 21, insert "(a)" after "Sec. 602.".

On page 168, between lines 10 and 11, insert the following:

(b)(1) Section 1614(a)(1)(B) of the Social Security Act is amended to read as follows:

"(B) is a resident of the United States, and is either (i) a citizen or (ii) an alien lawfully admitted for permanent residence, or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or who has been paroled into the United States as a refugee under section 212(d)(5) of the Immigration and National Act), and who has resided in the United States during the 5 years immediately preceding the month in which he applies for benefits under this title. For purposes of clause (ii), an alien shall not be required to meet the 5 year residency requirement if (I) such alien has been designated by the Secretary of Health, Education, and Welfare (in consultation with the Secretary of State) as a political refugee without available means of private support, where such designation may be reviewed from time to time by the Secretary of Health, Education, and Welfare, or (II) the support agreement with respect to such alien under section 216 of the Immigration and Nationality Act is excused and unenforceable pursuant to subsection (c) of such section, or (III) such alien is blind (as determined under paragraph (2)) or disabled (as determined under paragraph (3)) and the medical condition which caused his blindness or disability arose after the date of his admission to the United States. For purposes of the preceding sentence, the medical condition which caused his blindness or disability shall be presumed to have arisen prior to the date of his admission to the United States if it was reasonable to believe, based upon evidence available on or before such date of admission, that such medical condition existed and would result in blindness or disability within 5 years after such date of admission, and the medical condition which caused his blindness or disability shall be presumed to have arisen afttr such date of admission, that such medical condition exence of such medical condition was not known on or before such date of admission, or, if the existence of such medical condition was known, it was not reasonable to believe, based upon evidence available on or before such date of admission, that such medical condition would result in blindness or disability within 5 years of such date of admission.".

(2) The amendment made by paragraph (I) shall apply only with respect to aliens applying for supplemental security income benefits under title XVI of the Social Security Act on or after the date of enactment of this Act.

(c)(1) Chapter 2 of Title II of the Immigration and Nationality Act is amended by adding at the end thereof the following new section:

"SUPPORT OF IMMIGRANTS"

"SEC. 216. (a) No immigrant shall be admitted into the United States unless (I) at the time of application for admission an agreement described in subsection (b) with respect to such immigrant has been submitted to, and approved by, the Attorney General (in the case of an immigrant applying while within the United States) or the Secretary of State (in the case of an immigrant applying while outside the United States), or (II) such immigrant presents evidence to the satisfaction of the Attorney General or Secretary of State (as may be appropriate) that he has other means to pro-

vide the rate of support described in subsection (b), or (III) such immigrant is designated by the Secretary of Health, Education, and Welfare (in consultation with the Secretary of State) as a "political refugee without available means of private support" where such designation may be reviewed from time to time by the Secretary of Health, Education, and Welfare.

"(b) The agreement referred to in subsection (a) shall be signed by an individual (hereinafter in this section referred to as the 'immigration sponsor') who presents evidence to the satisfaction of the Attorney General or Secretary of State (as may be appropriate) that he is capable of providing the financial support required by this subsection, and such agreement shall constitute a bilateral contract between the United States and the immigration sponsor. Such agreement shall be in such form and contain such information as the Attorney General or Secretary of State (as may be appropriate) may require. In such agreement the immigration sponsor shall agree to provide, as a condition for the admission of the immigrant, during the five-year period beginning on the date of the immigrant's admission, such financial support as is necessary to maintain the immigrant's income at a dollar amount equal to the amount such immigrant would receive in benefits under title XVI of the Social Security Act, including State supplementary benefits payable in the State in which such immigrant resides under section 1616 of such Act and section 212 of the Act of July 9, 1973 (Public Law 93-66), if such immigrant were an 'aged, blind, or disabled individual' as defined in section 1614 (a) of the Social Security Act. A copy of such agreement shall be filed with the Attorney General and shall be available upon request by any party authorized to enforce such agreement under subsection (d).

"(c) In the event that an immigrant who is admitted to the United States without an agreement described in subsection (b) ceases to receive compensation or support from private funds at a rate at least equal to the rate of support described in subsection (b) during his first five years of residency, such immigrant shall, in order to maintain his status as an alien admitted for permanent residence, present to the Attorney General an agreement described in subsection (b) within 90 days after he ceases to receive such compensation or support. This subsection shall not apply to aliens currently designated as a political refugee without available means of support.

"(d) (1) Subject to paragraphs (3) and (4), the agreement described in subsection (b) may be enforced with respect to an immigrant against his immigration sponsor in a civil action brought by the Attorney General or by the immigrant. Such action may be brought in the United States District Court for the district in which the immigration sponsor resides or in which such immigrant resides, and without regard to the amount in controversy.

"(2) Subject to paragraph (4), for the purpose of assuring the efficient use of funds available for public welfare, the agreement described in subsection (b) may be enforced with respect to an immigrant against his immigration sponsor in a civil action brought by any State (or the Commonwealth of the Northern Mariana Islands), or political subdivision thereof, which is making payments to, or on behalf of, such immigrant under any program based on need. Such action may be brought in the United States District Court for the district in which the immigration sponsor resides or in which such immigrant resides, and without regard to the amount in controversy.

"(3) The right granted to an immigrant under paragraph (1) to bring a civil action to enforce an agreement described in subsection (b) shall terminate upon the commencement of a civil action to enforce such agreement brought by the Attorney General under paragraph (1) or by a State (or political subdivision thereof) under paragraph (2).

"(4) The agreement described in subsection (b) shall be excused and unenforceable against the immigration sponsor or his estate if the immigration sponsor dies or is adjudicated a bankrupt under the Bankruptcy Act, or judgment otherwise cannot be obtained in court because of circumstances unforeseeable to the alien at the time the agreement was entered into."

(2) The table of contents for chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end thereof the following new section:

"SEC. 216. Support of immigrants.".

(3) Section 212(a)(15) of the Immigration and Nationality Act is amended by inserting before the semicolon the following: ", or who fail to meet the requirements of section 216".

(4) Section 241(a)(8) of such Act is amended by inserting before the semicolon the following: ", or has failed to meet the requirements of section 216 (c)."

(5) The amendments made by this subsection shall apply with respect to aliens applying for immigrant visas after the date of enactment of this Act.

EXHIBIT 1

WASHINGTON, D.C.,
June 7, 1977.

Hon. CHARLES H. PERCY,
Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR SENATOR PERCY: This is in further response to your letter of April 20, 1977, concerning payment of Supplemental Security Income (SSI) benefits to aliens. While the Immigration and Nationality Act provides that aliens who are likely to become public charges are excludable from entry into the United States, and aliens who become public charges within five (5) years after entry are liable for deportation, neither provision has proven to be a sufficient deterrent to aliens filing for and receiving SSI benefits. In the first instance, when an alien has been excluded because it appears likely that he would become a public charge if he were permitted to enter, he may be admitted if he can obtain a sponsor who will execute an affidavit of support on his behalf. While this affidavit should prove the means to eliminate the possibility of the alien's becoming a public charge, court decisions have indicated that these affidavits are not legally binding. Thus, the alien is under no obligation to his sponsor and may file for SSI benefits without the sponsor's becoming liable for legal action.

In the second instance, the possibility of deportation does not effectively deter aliens from receiving public assistance because this agency, in accordance with court decisions, has determined that an alien is liable for deportation only if he refuses to repay assistance previously received which he may be legally liable to repay. Most forms of public assistance under the Social Security Act, including SSI benefits, have no provision for repayment of benefits for which a recipient was eligible.

This agency, in coordination with the General Accounting Office (GAO) and the Social Security Administration (SSA), is initiating an in-depth study of the problem to determine its magnitude and impact on our public assistance programs. From this review will come conclusions and recommendations to rectify the deficiencies in the various statutes which now permit these unwanted, but presently legally possible actions. In addition, systems and procedures will be refined, which will provide rapid interchange of information between SSA and this agency about alien recipients of SSI.

With respect to your specific questions, the following comments are offered:

(1) At the present time, we have no basis for estimating the number of legal aliens receiving SSI. Nor do we have data which would indicate the number of aliens who began receiving SSI benefits within five years after arrival. The study mentioned above is designed to respond to all of the individual questions contained in your paragraph numbered (i).

(2) Since the verification of the accuracy of data supplied by aliens who are applicants for SSI is under the purview of the Social Security Administration, we would defer to that agency as to what administrative means would be the most effective to use in this matter. With respect to the second question in paragraph (ii), this agency has two means of departure control at its disposal, the information from which can be made available to the Social Security Administration at minimal cost. The first of these is the requirement for an alien, upon departure from the United States, to turn in his duplicate copy of his I-94, Arrival-Departure Record. The second is the annual Alien Address Program conducted in January of each year, wherein each legal resident alien must notify this agency of his address. Should an individual fail to submit his annual form after having done so in the past, inquiry can be made to his last address to determine if he has departed the country. If it is determined that such is the case the information can be made available to the Social Security Administration. In either case, the benefits could greatly exceed the costs.

(3) It is within the power both of the visa issuing officer at overseas posts and of this Service to require aliens to post bonds to preclude their becoming public charges. However, this procedure is to difficult to administer effectively. The maintenance of the bonds, the return of collateral in the event that the principal dies, etc, make the use of bonds a much less desirable alternative than making the affidavit of support an enforceable contract through legislation. Therefore, we do not recommend that the bonding procedure be expanded.

(4) As indicated above, the Social Security Administration and this agency are increasing their efforts to manage the increasing number of aliens who are receiving SSI. Since this problem has arisen largely within the last two years, no efforts were necessary in the past to contain this problem.

I share your concern for the abuse with which this problem is beset. Interagency cooperation and coordination in this matter should improve our ability both to ascertain who is receiving SSI and to remove those from the program who should not be entitled to it. However, to correct this abuse, two legislative remedies are necessary: first, as I stated above, legislation is needed making the affidavit of support a legally enforceable contract; and second, remedial legislation is required to make those who do become public charges within the five year limitation under the I&N Act deportable regardless of the repayment problem I have cited above. This latter proposition will require an amendment to the Social Security Act. I am confident that Commissioner Cardwell's reply to you on this matter will contain the detailed information you need to initiate the latter amendment.

Sincerely,

LEONEL J. CASTILLO,
Commissioner.

PANAMA CANAL TREATIES—EX. N, 95-1

AMENDMENT NO. 40

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95-1.

AMENDMENT NO. 41

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

Mr. BARTLETT. Mr. President, article XIII, section 4(c) of the proposed Panama Canal Treaty provides that the Panama Canal Commission to be created by the new treaty will pay a sum of $10 million a year out of surplus revenues to the Government of Panama. This so-called "Contingency Payment" is above and beyond other payments to be provided by section 4 to the Government of Panama.

In addition, section 4 provides that, in the event insufficient surplus is generated in one year to make the contingency payment, the obligation to make the payment will carry over into subsequent years, thus increasing the chances that the Government of Panama will get its contingency payment. From testimony received by the Senate Armed Services Committee, it is clear that tremendous ambiguity exists as to how the tolls will be set to generate the revenue and how the debt will be accumulated. Our State Department maintains that, at end of 1999, this unpaid balance would not be an obligation of the Panama Canal Commission or the United States. Testimony during the Armed Services Committee hearing stated that Panamanian leaders may believe the contrary.

At this time, however, I wish to alert my colleagues to the relationship of article XIII, section 4(c) to article XIII, section 1 of the treaty which reads as follows:

Upon termination of this Treaty, the Republic of Panama shall asume total responsibility for the management, operation, and maintenance of the Panama Canal, which shall be turned over in operating condition and free of liens and debts, except as the two Parties may otherwise agree.

Section 1 makes it clear that the canal must be turned over free of debt, unless otherwise agreed, thus implying that the accumulation of contingency payment debts, if considered an obligation of the Panama Canal Commission, would become a just debt of the United States and would be payable by the United States upon termination of the Panama Canal Treaty in 1999. While such an interpretation is consistent with the language of the treaty, and consistent with the expectations of some Panamanians as reported to our committee, it is inconsistent with the notion that the contingency payment is to come only out of toll revenues and is not to involve appropriated funds. The contingency payment is to provide an economic incentive for the Government of Panama to cooperate in achieving an economically viable Panama Canal Commission and is not supposed to affect the taxpayer directly.

For that reason I am sending to the desk an amendment for printing which would provide that any accumulated obligations and debts of the Panama Canal Commission resulting from this contingency payment provision shall not be a just debt of the United States in the year 1999 and after.

The original language of section 4(c) reads as follows:

An annual amount of up to ten million United States dollars ($10,000,000) per year, to be paid out of Canal operating revenues to the extent that such revenues exceed expenditures of the Panama Canal Commission including amounts made pursuant to this Treaty. In the event Canal operating revenues in any year do not produce a surplus sufficient to cover this payment, the unpaid balance shall be paid from operating surpluses in future years in a manner to be mutually agreed.

My amendment would make the following changes:

At the end of paragraph 4(c) of article XIII, add the following: "Nothing in this subparagraph may be construed to commit the United States of America to pay any part of such unpaid balance to the Republic of Panama after the date of the termination of this Treaty.".

ADDITIONAL COSPONSORS—EX. N, 95–1

At the request of Mr. HODGES, his name was added as a cosponsor of amendment No. 20 and amendment No. 21, intended to be proposed to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

UNDERSTANDINGS SUBMITTED FOR PRINTING

UNDERSTANDING NO. 2

(Ordered to be printed and to lie on the table.)

Mr. BROOKE submitted an understanding intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

UNDERSTANDING NO. 3

(Ordered to be printed and to lie on the table.)

Mr. BROOKE submitted an understanding intended to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95–1.

NOTICES OF HEARINGS

COMMITTEE ON FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, in view of the great interest shown by many Senators in strategic arms limitation issues, I wish to inform the Senate of two hearings on SALT now scheduled by the Committee on Foreign Relations.

The Honorable Paul C. Warnke, Director of the Arms Control and Disarmament Agency and Chief U.S. SALT Negotiator, will be coming back from Geneva to brief the committee on the current status of the talks and prospects for a successful conclusion. Mr. Warnke will testify in executive session at 10 a.m., Wednesday, March 1.

The committee will hear Central Intelligence Agency witnesses at 10 a.m., Thursday, February 23. These witnesses will review in detail current Soviet military programs, estimates of future Soviet strategic directions, and strategic arms verification.

The committee will have further hearings and briefings in later weeks. While it is necessary to hold the first two briefings in executive session, I very much hope some of the hearings can be held in open session. In addition, the committee will endeavor to place information about SALT on the public record at frequent intervals so that the Senate and general public will have an opportunity to assess the issues surrounding the critically important subject of strategic arms limitation.

SUBCOMMITTEE ON SEPARATION OF POWERS

Mr. ALLEN. Mr. President, I wish to announce that the Subcommittee on Separation of Powers of the Committee on the Judiciary, will hold a business meeting on Friday, February 24, 1978, to discuss a report on congressional power to dispose of public property in Panama. The hearing will convene at 9:15 a.m., in room 1418, Dirksen Senate Office Building.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. SPARKMAN. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs, will hold 3 days of hearings on fiscal year 1979 authorizations for housing and related programs. The dates of the hearings are Monday, March 6, in room 5302, Dirksen Senate Office Building; Monday, March 13 in room 5110, Dirksen Senate Office Building; and Tuesday, March 14 in room 424, Russell Senate Office Building. The hearings will begin at 10 o'clock each morning.

The subcommittee would welcome statements for inclusion in the hearing record.

SUBCOMMITTEE ON DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS

Mr. ROBERT C. BYRD. Mr. President, as chairman of the Senate Appropriations Subcommittee on the Department of the Interior and related agencies, I would like to bring the subcommittee hearing schedule to the Senate's attention. Agency budget hearings for the 1979 fiscal year started February 8 and are scheduled to conclude on April 14. Agencies under the subcommittee's jurisdiction, in addition to most of the Interior Department, include the fossil fuels and conservation programs of the Department of Energy, the Forest Service, the National Foundation on the Arts and Humanities, the Smithsonian Institution, and the Indian Health Service, among others.

This year we have scheduled hearings for nongovernmental witnesses—members of the public who wish to testify on appropriation matters—for the week beginning Monday, April 17. Because of serious scheduling difficulties, the subcommittee this year is establishing a deadline of Monday, April 3, for scheduling these outside witnesses. Any persons wishing to testify at these outside witness hearings should contact the subcommittee by that date to request an appearance.

Mr. President, I ask unanimous consent that the Interior subcommittee's

hearings schedule be printed in the RECORD.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

1978 HEARING SCHEDULE, SENATE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES, COMMITTEE ON APPROPRIATIONS

(10 a.m.—Room 1114 Dirksen Building (unless otherwise noted))

FEBRUARY

Tuesday 7, Wednesday 8: Fine Arts Comm; Woodrow Wilson Center; National Capital Planning Comm; National Gallery of Art.
Thursday 9 (Room 1318), Adv. Council on Hist. Pres.; Museum Services; Penna. Ave. Develop. Corp.
Friday 10.
Monday 13*, Tuesday 14*, Wednesday 15*, Thursday 16*, Friday 17*.
Monday 20, Tuesday 21: Office of Water Research and Technology; Navajo-Hopi Relocation Commission.
Wednesday 22: Office of the Secretary; Office of the Solicitor.
Thursday 23.
Friday 24.
Monday 27.
Tuesday 28: Supplemental; Alaska Land Use.

MARCH

Wednesday 1: Bureau of Outdoor Recreation; Land and Water Conservation Fund.
Thursday 2: National Park Service.
Friday 3: Secretary of the Interior.
Monday 6.
Tuesday 7: Office of Surface Mining.
Wednesday 8: National Endowment for the Arts.
Thursday 9: Fish and Wildlife Service.
Friday 10.
Monday 13.
Tuesday 14: Forest Service.
Wednesday 15.
Thursday 16: Smithsonian Institution.
Friday 17.
Monday 20: Bureau of Mines.
Tuesday 21: Bureau of Land Management.
Wednesday 22.
Thursday 23: Indian Education, Indian Health Service.
Friday 24*.
Monday 27*.
Tuesday 28*.
Wednesday 29*.
Thursday 30*.
Friday 31*.

APRIL

Monday 3: National Endowment for the Humanities.
Tuesday 4: Bureau of Indian Affairs.
Wednesday 5.
Thursday 6: Geological Survey.
Friday 7.
Monday 10: Territories.
Tuesday 11: Territories.
Wednesday 12: Department of Energy.
Thursday 13: Department of Energy.
Friday 14: Department of Energy.
Monday 17: Outside Witnesses.
Tuesday 18: Outside Witnesses.
Wednesday 19: Outside Witnesses.
Thursday 20: Outside Witnesses.
Friday 21: Outside Witnesses.
Monday 24.
Tuesday 25.
Wednesday 26.
Thursday 27.
Friday 28.

ADDITIONAL STATEMENTS

FARM INCOME

Mr. LUGAR. Mr. President, over the last few weeks, all Senators have been aware of the current low level of farm income. As a Senator from Indiana who serves on the Senate Agriculture Committee, and who manages a Hoosier grain farm, I am particularly sensitive to the concerns of farmers.

Farm parity has slumped to 64 percent, a 44-year low. The Department of Agriculture estimates that U.S. net agricultural income could be as low as $19.3 billion for 1977—off 12 percent from 1976, and the lowest since 1964, after adjusting for inflation.

Estimates for 1977 indicate that, for the first time, consumers paid more to get food from the field to the grocery store than they paid farmers to grow it. While the farmer's share of consumer food costs has remained constant, expenses of farmers have gone up drastically. The cost for a new combine, for example, has doubled in the last 5 years. Faced with this cost-price squeeze, many farmers are deeply disturbed, and for good reason.

In view of this situation, a questionnaire on current farm issues was included in a newsletter I sent in December 1977, to the farmland owners of Indiana. To date, over 2000 responses have been received, representing Hoosier farmers of all ages engaged in all types of farm operations. These results are being shared with Senators for reference in the approaching Agriculture Committee hearings on farm problems. The questions, and the results, are as follows:

Question 1: Do you intend to participate in the announced 20% wheat set-aside?

Approximately 70% of the farmers responding grow wheat. Of these: 53% would not participate in the wheat set-aside, 28% would participate, and 19% were undecided.

Question 2: Do you intend to participate in the tentative 10 percent feed grains set-aside?

Approximately 94 percent of the farmers responding grow feed grains. Of these: 52 percent would not participate in the feed grains set-aside, 17 percent would participate, and 31 percent were undecided.

Question 3: The 1977 soybean loan rate is $3.50/bushel. Since the Secretary of Agriculture has authority to increase this rate for the 1978 crop, do you think it should be raised above $4.00?

Approximately 90 percent of the farmers responding produce soybeans. Of these: 70 percent thought that soybean loans should be raised above the $4.00 level, 23 percent disagreed, and 7 percent were undecided.

Question 4: Do you feel enough is being done to ease the pseudorabies problem in hog production?

Approximately 45 percent of the farmers responding raise hogs. Of these: 28 percent thought that enough was being done to fight pseudorabies, 45 percent thought that more could be done, and 27 percent were uncertain.

Question 5: Recently, there has been much concern about the dangers of using various herbicides, insecticides, and other pesticides—and the EPA is becoming much more restrictive in allowing these products on the market. Have you had problems obtaining such chemicals for your farm's most efficient operation?

Approximately 95 percent of the farmers responding use some type of pesticide. Of these: 82 percent reported no problems in obtaining effective pesticides, 15 percent reported some problems, and 3 percent were not sure.

Question 6: Do you think the USDA is being aggressive enough in seeking markets for the major farm commodities?

An overwhelming 89% of Hoosier farmers responding to the survey thought that more should be done to promote exports, only 4% disagreed, and 7% were undecided.

Question 7: Do you think the farm income picture will get better or worse in the next six months?

Approximately 48% of Hoosier farmers responding thought that the farm income situation will worsen in the near future, 37% thought that farm income will remain at the present low level, only 7% thought that the situation will improve, and 8% were undecided.

Question 8: On the list of agricultural issues below, please check the two (2) issues on which you would like to see the Senate Agriculture Committee concentrate during 1978.

Here is the list of issues presented in the survey, and the percentage of responses each received:

	Percent
Feed additives in livestock	5.8
Estate taxation	18.9
Pesticide regulation	3.6
Rising cost of inputs	19.0
Level of farm exports	25.8
Lack of credit	.9
Corporate and/or foreign ownership of farmland	14.4
Inadequate grain storage facilities	1.1
Inadequate rural transportation	1.7
Farmland preservation	8.8
Total	100.0

These responses confirm the intense interest among Indiana farmers in expanded export opportunities, and underscore the need for prompt Senate attention to this issue.

Not surprisingly, Hoosier farmers' responses revealed widespread concern about the rising cost of inputs. Congress should be particularly sensitive to government actions which increase farmers' costs. Inflation is a problem no less serious than sagging farm prices.

Estate taxation was ranked the third most important farm issue of 1978. Revisions of the tax code in 1976 have not alleviated farmers' concerns, and the Senate should proceed with estate tax amendments which give greater assurance that family farming will be strengthened.

A significant percentage of farmers were troubled about corporate and/or foreign ownership of farmland. This lends support to Senator HERMAN TALMADGE's recent action on behalf of the Senate Agriculture Committee, in requesting a comprehensive GAO study of this issue, and the potential impact on the family farm.

Finally, it should be noted that pesticide regulation, lack of credit, and inadequate grain storage facilities and rural transportation services were not considered urgent problems by the Indiana farmers responding.

LITHUANIAN INDEPENDENCE DAY

Mr. WILLIAMS. Mr. President, the 60th aniversary of the Day of Restoration of Lithuanian Independence occurred on February 16, 1978, and I would like to take this opportunity to recognize this important day for Americans of Lithuanian descent and their country-

*Nonlegislative period.

men around the world. Sixty years ago, on February 16, 1918, the Lithuanian people declared their independence after 123 years of foreign rule, laying the foundation for a brief but remarkable period of freedom and prosperity that lasted until the Soviet invasion of 1940.

Lithuania has a long heritage of freedom, reaching back to the establishment of the Kingdom of Lithuania in 1251. By the 19th century, however, Lithuania had fallen into the firm grip of Czarist Russia, where she was to remain until the upheaval created by World War I offered the Lithuanians their chance to restore the independence that had eluded them for so long. A treaty was signed with the Soviet Government in July 1920, recognizing the right of Lithuania to exist as a "self-governing and independent state." Its independence formally assured, the Lithuanians experienced a blossoming of democracy and great advances in their social, cultural, and economic life.

This "golden era" in Lithuania's history lasted only 20 years. It came to an abrupt end in 1940, when 300,000 Soviet troops invaded the little country in flagrant disregard of the Soviet Union's pledge to honor the freedom and independence of the Lithuanian nation. Lithuania was forcibly annexed, an act which the United States has never recognized, and the dark cloud of tyranny settled over the land. Soviet oppression soon gave way to Nazi terror. However, the end of World War II brought only the return of the Soviets. The fiercely independent Lithuanians waged a guerrilla war against their invaders for more than 9 years. Over 35,000 Lithuanians died in the struggle, but the Soviets' power eventually overwhelmed all resistance.

Economic exploitation, denial of basic human rights, and a systematic assault on Lithuanian culture have been daily realities for the Lithuanian people for more than 30 years, but their spirit remains unbroken. The Lithuanian people remain determined to regain their personal freedoms and national rights. Their dedication and faith deserves our highest respect and earnest support.

MEDICAL DRAMA IN POTOMAC, MD.

Mr. MATHIAS. Mr. President, the people of my State never cease to make me proud to be a Marylander. I have never felt this more keenly than last Thursday when I read the Washington Star account of a Potomac, Md., obstetrician, Dr. Albert A. Greenfield, talking over ham radio to an inexperienced doctor 2,000 miles away and leading him through a difficult and dangerous operation.

The Star's account of this dramatic incident is so compellingly written by Mary Ann Kuhn that I will say no more about the exploit myself, but rather ask unanimous consent that the article from the February 16, 1978, Washington Star, "A Potomac Doctor Helps Deliver Twins 2,000 Miles Away," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A POTOMAC DOCTOR HELPS DELIVER TWINS 2,000 MILES AWAY

(By Mary Ann Kuhn)

Dr. Albert A. Greenfield, an obstetrician, was about to retire for the night. He sat in his pajamas in a small room off his bedroom in Potomac, flipping through a medical journal on pediatric and adolescent gynecology.

Two blocks away, his friend, Richard W. Hayman, was turning the dials of his ham radio. He had just been talking to someone in Japan because he is planning a trip there in May.

More than 2,000 miles away in the jungles of Guyana, a country in the northeast corner of South America, a woman two weeks overdue in her seventh pregnancy had been in labor more than 14 hours and was experiencing serious complications.

She couldn't be flown to the nearest hospital, one hour away, because a storm and ground fog prevented planes from taking off at the small airstrip seven miles away. The field is illuminated only by kerosene lamps.

In the next few moments, the lives of the Maryland men and the Guyana woman became involved in an unusual medical drama. By the time it was over, the Potomac men had played a major role in the woman's delivery of identical twin girls, one weighing 6 pounds 4 ounces, the other 6 pounds 2 ounces.

At 10 o'clock Monday night, as Hayman was fiddling with the dials on his ham radio in his home at 9908 Colebrook Ave., he picked up an emergency call.

"I heard a doctor on one of the stations with an urgent plea to be connected with an obstetrician," said Hayman, who is vice president of Hayman Cash Register Co. "He had a woman in South America who was expecting twins. I responded because I felt I could contact an obstetrician."

"I called Dr. Greenfield and I told him I had a medical mission in South America and a pregnant woman who needed medical advice," he said in an interview yesterday. "I asked him if he would help out."

For the next 45 minutes, Greenfield, 40, talked from the phone in his home at 2 Colebrook Court to the doctor in Guyana, giving him instructions on how to perform a Caesarean section on the woman. By using a special apparatus, Hayman was able to "patch" Greenfield's telephone into his ham radio so that the two doctors could carry on a two-way conversation.

While Greenfield talked, thousands of ham radio operators here and in other parts of the country tuned in and listened.

One man said that after listening to the instruction he personally thought he could perform the surgery, said Hayman, who has been a ham operator for 20 years. His call letters are K3DML.

"The doctor in the jungle had made a diagnosis of twins by placing his hands on the woman's abdomen," said Greenfield. "The X-ray equipment there was broken. They had only the barest necessities medical-wise. The anesthesia they had was the old-fashioned open-drop ether. I don't think it's been used in recent or modern times.

"One of the twins was in a head down or vertex position and the other was in a breach or bottom down position."

"I talked him through the entire operation," said Greenfield, an obstetrician for the past 12 years. "I sure was nervous. I wanted to be sure I gave him every detail. I was oversimplifying things.

"After each detail, I'd say, 'Do you follow me?' and he'd say either 'Yes, go on to the next step,' or he'd say, 'Could you repeat that.'"

"The impression I got was that the doctor had never done a Caeserean," said Greenfield, although later he was told the doctor had performed operations in the past.

By 11 p.m. Monday, Greenfield had finished giving instructions for the delivery as well as post-operative orders.

"That was a first for me," said the doctor. "That was the longest-distance consultation I ever had. It was a very novel and thrilling experience.

"We were waiting on pins and needles to hear from the doctor in Guyana."

"Al (Dr. Greenfield) expressed doubt to me personally whether any of them—the mother and twins—would survive," said Hayman.

On Tuesday night, almost 24 hours later, Hayman and Greenfield called the doctor to find out the results of the operation. Because he was out on another medical emergency, the two Potomac men talked to a woman ham operator there who told them the operation had been successful. She also told them that the facility where the operation took piace was called Mission Village in northwest Guyana. It has a medical clinic, an orphanage and an agricultural project, where most of the people are U.S. volunteers. She identified the man who performed the Caesarean as Dr. Larry Schacht.

"The operation was very successful, thanks to your help," the woman operator said in a taped recording of the radio conversation which Hayman made.

"This is Dr. Greenfield," said the doctor. "How is the mother?"

"The mother is doing fine," said the woman. "She lost about two pints of blood and she is a little weak, but doing very well. And the babies are extremely healthy."

"Have the babies' lungs been listened to and if so are they clean?" asked Greenfield.

"Roger."

"Were there any mechanical problems doing the actual procedure?" asked Greenfield.

"The procedure went very well thanks to your clear explanation and outlining of the procedures. It went very well. Everybody just followed your blueprint and everything went just fine."

"This is Doctor Greenfield again. I forgot what I was going to say. . . ."

DES MOINES RAPE CRISIS INTERVENTION CENTER RECEIVES NATIONAL ATTENTION

Mr. CULVER. Mr. President, during recent years, forcible rape has shown the sharpest rate of increase of the violent crimes, accompanied, fortunately, by growing public concern for victims and better, more sensitive methods of treatment. Due largely to the efforts of American women, more attention is being focused on the emotional and psychological impact on the rape victim and her family, as well as on the physical effects of the crime.

Five such dedicated women from the Polk County Rape Sexual Assault Care Center are receiving national attention for their efforts to protect the privacy of rape victims and provide support counseling from the time of assault until the trial.

The center was founded in 1974 and has been designated as an "exemplary project" by the U.S. Justice Department's Law Enforcement Assistance Administration.

Since the center has been open, both the number of charges filed and the conviction rates have doubled. Police clearance rates for rape cases have risen from

50 to 69 percent. This record is the result of cooperation and coordination between center staff, victims, prosecutors, and law enforcement officers, all of whom are encouraging women to stay within the justice system in prosecuting their attackers. Because of the center's demonstrated success, it was used as a model for the St. Louis center and others around the country.

Mr. President, a recent article appeared in the Ottumwa Courier about the rape sexual assault care center which I wish to share with my colleagues. I therefore ask unanimous consent that the story be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Ottumwa Courier, Jan. 30, 1978]

CONVICTION RATE RISES DRAMATICALLY: RAPE CARE CENTER EARNS PRAISE

(By Dave Carpenter)

DES MOINES.—Five women are attracting nationwide attention for their efforts in preventing women from being "raped" in public after they have been criminally raped in private.

The Polk County Rape-Sexual Assault Care Center has been lauded by city, county and federal officials as a textbook example in a relatively new field.

"The gals at the rape center are part of our team," said county police Sgt. Paul Womack. "They do things that we as police officers, with our badges, couldn't ever do."

The teamwork is evident in the conviction rate, which has risen dramatically since the center came into existence.

The center, founded in August 1974, has been designated an "exemplary project" by the U.S. Justice Department's Law Enforcement Assistance Administration.

Mayor Richard Olson, one of the original sponsors of the program, said the staff at the rape care center has done "a fantastic job . . . We've had great success with it."

Staff members console victims and try to spend as much time as possible with them from the time they are taken to the hospital for treatment through, if possible, prosecution proceedings against the suspect.

Carole Meade, the center's second program manager, or coordinator, in its 3½-year history, cites close ties with city and county police as a key to the center's success.

"I think we have very good relations with law enforcement people," she said. "Many officers are relieved to have us there, taking care of the emotional side of rape cases."

Police immediately notify the center, located in the nurses residence unit at Iowa Lutheran Hospital, of reported rapes so the staff can give immediate support to the victim.

At the hospital, a specially trained staff treats the victim as a psychological emergency case and preserves clinical evidence of the rape for a trial.

Much time also is spent educating the community and police about what many consider a taboo subject for the public.

"Community education is the most important thing," said Martha Anderson, statewide coordinator for the county-funded center.

She said community attitude affects the ability of law enforcement officials to prosecute a rape suspect in a jury trial.

"They won't press charges if they don't think they can convince the jury," she said.

"Sometimes the jury says just because she (the rape victim) was in a bar, she asked for it."

Police recruits at the Regional Law Enforcement Academy in Des Moines work closely with the rape care center, according to Ms. Meade.

And deputies from a sex crimes unit of the Polk County Sheriff's Department often accompany Ms. Anderson to other Iowa cities when she gives guidance on how rape victims should be treated.

Many police officers are "nervous," Ms. Meade said, about dealing with victims, either directly or in court proceedings. "They ask, 'Did I do OK?', 'Did I do anything wrong?' "

Convictions is "the area where our progress shows most vividly," said Ms. Meade.

"Three were 21 sexual cases filed in our first year of operation and 17 resulted in either pleas or guilty verdicts."

She said that record is due in part to counseling by staff members.

"When the victims go into the courtroom, they understand the court, the criminal justice system and their role. They have counselors there—they feel they're not just pawns of the system."

Since the center has been open, both the number of charges filed and the conviction rate have doubled.

Police clearance rates for rape cases have risen from 50 to 69 percent.

In the past, the county assigned one attorney to handle all the center's cases. Now, various county attorneys work with the center.

"It's a little more confusing now," said Ms. Meade, "but we do work closely with the county attorney's office."

Contributing significantly to the improved record are legislative changes in the 1974 Iowa Criminal Code disallowing irrelevant testimony about the victim's past sexual history and eliminating the requirement of testimony by a witness.

The reforms were adopted after lobbying by the women who later founded the rape care center. They considered the changes necessary for gaining victim cooperation essential to the successful prosecution of rape case.

The "crisis intervention" that begins at the hospital involves giving the victim "some control over her life again," Ms. Meade said.

"We give them some small decisions to make," she said.

Support counseling continues through police interviews and, if the victim wishes, talking out the situation with the victim's family.

A woman named Edith, who dealt with the center after her 11-year-old daughter had been assaulted by the woman's ex-husband, called the rape center staffers "fantastic people."

"They did more for me than the district attorney's office. Carole was with me and my daughter through the whole thing."

In a jury trial last summer, her ex-husband was found guilty of the sexual abuse charge.

Most rape cases are referred to Broadlawns Hospital, which works closely with the center.

"I was told about the center when I arrived at the hospital," a rape victim said in an anonymous reply to an LEAA questionnaire on the center.

She said the project's former coordinator "was there almost immediately. She stayed with me through the police questioning, examination, drove me home, took me to the police station. She made me feel as comfortable as possible in a situation like that."

Some 80 percent of the women responding to the questionnaire said they benefited from the center's counseling.

Ms. Meade said she gets great satisfaction from her work. "We're understaffed, but any crisis intervention system is."

She said the center handles 15 to 45 sexual abuse cases a month. Most are emotionally draining for the counselors as well as the victims.

"Sometimes we get three or four a night," she said, "and we walk around like zombies. "It's a burnout."

The center, operating on an annual budget of $56,000, is funded primarily by the Central Iowa Area Crime Commission through the Polk County Board of Supervisors.

During its first two years, some money came from LEAA State Block Grant Funds earmarked for prosecution.

Des Moines Police Chief Wendell Nichols, while conceding the center is "serving a good cause," said taxpayers are "not getting their money's worth" from the program.

"There's a lot of money being spent on those types of things that frankly could be spent along the same lines but with police expertise," Nichols said.

The police chief was criticized by the LEAA two years ago for causing temporarily strained relations between the center and law enforcement officials.

Other officials agree on the value of having such an agency.

County police Sgt. Womack disagreed with Nichols. "They are specialists in their field. They'll get nothing but the highest praise from our department."

County sheriff Bob Rice called the center "fantastic. We have great cooperation from them."

The community-oriented center works closely with schools and volunteers as well as hospitals and law enforcement agencies.

But despite an extensive program of speakers, lectures and other informational meetings open to the public, the community remains the biggest obstacle to further success, according to Ms. Anderson.

The lack of much of an increase in the number of reported rapes of minority women is another problem.

But, as LAA Acting Administrator James M. H. Gregg said, "the overall results speak for themselves."

Gregg said the center "encourages women to stay within the justice system and helps prosecute their attackers."

Polk County deserves credit, he said, for "getting law enforcement officials, prosecutors, counselors and victims working on common objectives."

The center, one of the first of Iowa's 13 sexual abuse centers, most of which are run by volunteers, was a model for the St. Louis center and others around the country.

The Polk County center has been active for more than a year in the LEAA's host program, in which victim counselors from other cities visit for a week to observe.

"It's gratifying to know we're doing a good job," said Ms. Meade. "It's a neat experience."

COMMUNITY CRISIS CENTER, INC., RAYS OF HOPE FOR ABUSED WOMEN

Mr. PERCY. Mr. President, during a recent visit to Elgin, Ill., a community west of Chicago, I had the opportunity to meet with the counselors and workers of Community Crisis Center, Inc., a center dedicated to working with battered or abused women.

The center is located in an old, Victorian home in the residential section of Elgin. There are no signs or markers indicating its presence. But inside, the work goes on 24 hours a day, 7 days a week.

Mary Berg, the executive director of the center, told me they are there to assist women who, for various reasons, have been beaten, physically abused, or

for women who are in the midst of a crisis and who need immediate help and counseling.

She said her volunteers, who number around 30, receive about 50 calls per month from abused women and about 75 calls from women who have other serious problems. Some women need a meal or a place to stay for the night. Some have financial troubles, while others have drinking or drug problems. There are women who need to be treated for venereal disease. Others have been raped.

All of them need immediate help from trained and understanding counselors.

The problems addressed at the center are not new, but the means of dealing with those concerns are. Before, there were few receptive ears for women who had been mistreated or who had needed help. They were told that life wasn't all that bad, that they had a roof over their head and some money to spend.

Things would be alright. Just go back home.

Fortunately, the approach is different at Community Crisis Center. Problems are not solved by a pat on the back and a few benign words of encouragement. Jobs are sought. Meals and shelter are provided. All of the women are given effective counseling.

For too long, I am afraid, we have looked at the concerns of abused women as something private and something to avoid. But this is not a feminist's problem or issue. It is a family problem; a community problem. When, I am told, there is violence in one out of every four homes in the United States, we have an obligation as citizens and government to respond.

I am proud to say that Federal funds in the form of revenue sharing grants, are being used to partially support the Community Crisis Center. It is probably some of the best spent federal money in the revenue sharing program. It is not much, but no amount would ever match the enthusiasm and the dedication of the volunteers at the center. I heartily endorse their efforts and lend them all of the support I can offer.

GENOCIDE IN CAMBODIA REQUIRES PASSAGE OF GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in 1948, President Truman submitted to this body a treaty which would have made the destruction, in whole or in part, of a national, racial, religious, or ethnic group a crime under international law. Unfortunately, the Senate has not yet seen fit to ratify this Genocide Convention, and I feel that this is a most serious oversight.

The importance of the Genocide Convention is illustrated graphically not only by history, but also by events which are going on today. We like to think of our modern world as a civilized place, but there are certain countries in this world who still have far to go before they can be considered civilized.

Cambodia is a country far away from our own, but it was very much in the news a few years ago because of the events which happened there during the Vietnam war. Today, news of a different sort is coming from Cambodia, and it is news which causes me great concern.

Refugees, fleeing the repressive Khmer Communist Party, have reported that tens of thousands of Cambodians are being slaughtered because of their support of the previous regime or for totally nonpolitical reasons: for having an education; for having traveled abroad; for owning a small business. Some are buried alive, some are buried up to their necks and are then battered to death. Still others are shot or tortured to death.

Surely we are all in agreement as we condemn these atrocities. Surely we are all in agreement as to the importance of that most basic of all human rights: the right to live. We should, then, also be in agreement as to the importance of the Genocide Convention. I call upon the Senate to pass the Genocide Convention as soon as possible.

PROGRESS ON NATO STANDARDIZATION

Mr. CULVER. Mr. President, after 3 years of congressional prodding and months of careful testing, the U.S. Army has chosen a German-made 120-millimeter gun for our new main battle tank, the XM–1.

This action will insure standardization in a key component on future German and American tanks. It is also a giant step forward in demonstrating U.S. willingness to adopt foreign-made weapons and thus to create a genuine two-way street in North Atlantic defense procurement.

Mr. President, the New York Times recently published an excellent editorial on this decision, placing it in the context of the need for much greater weapons standardization in NATO. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 17, 1978]

FOR LACK OF A NATO NOZZLE

The main battle tank and the armored division built around it are as central to the Army's strategy as the aircraft carrier and its task force are to the Navy's. Therefore, the choice of a West German 120-millimeter gun for the American tank of the future (the $1.5 million XM–1) is an important departure for an Army that has traditionally resisted foreign weapons of any kind. It is a major step, but still a small one, toward the cost-saving standardization of key components of the allied military forces. The decision also advances a two-way traffic in arms sales across the Atlantic, which has been 8 to 1 in America's favor. Much more is needed.

Unlike the Warsaw Pact forces, which are standardized with Soviet equipment, NATO's six national armies in West Germany often cannot resupply each other with ammunition, spare parts or even fuel. Arms production and logistics remain national responsibilities in the Western alliance; they are so lucrative and susceptible to political influence that few common weapons programs have been possible in a quarter century. In Central Europe alone, NATO countries have fielded seven different main battle tanks, 22 different antitank weapons and 23 families of combat aircraft. For lack of a standard nozzle, NATO jet fighters cannot even refuel easily at each other's airfields. The standard rifle bullet of the 1950's has vanished. Incompatible communications equipment assures trouble in case of war. NATO's former Supreme Commander, Gen. Andrew Goodpaster, estimates that allied military forces are losing from 30 to 50 percent of their capability due to the lack of standardization. He thinks redundant research, development and arms production cost $12 billion a year. A recent study by an Atlantic Council working group said economies of scale in procurement could save up to $40 billion a year.

The general modernization of NATO equipment in the next decade, to keep pace with Soviet efforts, will obviously be easier to finance if weapons are more widely shared. The tank gun deal, for which Congress must still vote the money was essential to keep the idea alive, even if it required the Defense Secretary, Harold Brown, to overrule some Army officers. The armed services have always preferred complete control over the design, specifications and production of their weapons and have found multiple reasons why anyone else's weapons were less effective. But a better native weapon is not always better than a less perfect weapon in common use. The best tank in the world will be useless if it runs out of ammunition in an allied sector yet cannot be resupplied.

COMPUTER CRIME: CRIME OF THE FUTURE HAPPENING TODAY

Mr. PERCY. Mr. President, more and more we see the need for our laws to reflect the phenomenal growth in modern technology. As our society becomes more advanced, so, also, does its crime. It is imperative that our criminal laws keep pace with these advances; particularly when crime become "computerized."

Recently, in the Chicago Daily News, an informative article written by Gil Thelen discussed the ever increasing menace of computer crime, and the reasons that it flourishes without adequate prosecution.

The stakes are indeed quite high. According to the article, the average "take" in a computer crime is $193,000 when a bank is involved, $329,000 when State or local governments are plundered, and a whopping $621,000 when the victim is a corporation. And yet, the likelihood of being convicted of a computer crime is 1 in 500, and of going to jail, 1 in 1,000. These are extremely good odds for the criminal; but for the American public, they are appalling.

One reason that convictions are difficult to obtain is that there are no Federal laws dealing specifically with computer crime. In June 1977, my able colleague, Senator RIBICOFF, introduced S. 1766, the Federal Computer Systems Protection Act of 1977. This legislation would impose heavy prison terms and stiff fines for electronic burglars who use computers and computer technology to steal or manipulate information, financial instruments, and other property. I am pleased to cosponsor this bill that will insure the swift and sure prosecution of the computer criminal.

During the recent Senate debate on S. 1437, the Criminal Code Reform Act, Senator KENNEDY, who did an outstanding job in managing that complex bill on

the Senate floor, engaged in a useful colloquy with Senator RIBICOFF on the substantial merit of S. 1766 and the need for swift Senate action. Senator KENNEDY, also a cosponsor of S. 1766, gave his assurance that he would make every effort to have hearings on this matter and move the proposal forward.

I also pledge my efforts in that regard and commend the distinguished Senator from Massachusetts. Criminal misuse of computer technology requires our urgent attention.

Mr. President, I ask unanimous consent that "The Computerized Crook: A Tough Criminal To Catch" by Gil Thelen be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, Jan. 31, 1978]

(By Gil Thelen)

THE COMPUTERIZED CROOK: A TOUGH CRIMINAL TO CATCH

WASHINGTON.—What is often called the crime of the future is happening today, and the target is the ubiquitous computer.

Computers increasingly control the flow of goods, services and money in the American economy. So it is hardly surprising that crooks have learned to use computers to steal an estimated $100 million to $300 million a year.

And the computer pickings are oh, so easy and oh, so safe. Bank robbery by means of a computer averages $193,000 per heist, according to computer crime expert Brandt Allen.

The take is even heavier in other sectors of the economy. Computer crime against corporations results in an average loss of $621,00 per incident; against state and local governments, the average is $329,000.

And the chances of being jailed for a computer crime are miniscule. Only 1 computer crime in 100 is even discovered, said August Bequai, a criminal lawyer and former chairman of the Federal Bar Assn. subcommittee on white-collar crime.

"And the likelihood of being convicted of a computer crime is 1 in 500. And of going to jail, it's 1 in 1,000," according to Bequai. "The odds of avoiding a stiff sentence are even more favorable."

Why so safe? The computer criminal rarely leaves tracks. Even if the culprit is detected, corporate victims often would rather not prosecute than face the stockholder suits, higher insurance rates and notoriety that a splashy prosecution would bring. If prosecution is instituted, conviction is difficult because there are no federal laws that deal specifically with computer crime. Finally, courts deal leniently with the white-collar criminal who is a first offender.

There are almost 100,000 full-size and 200,000 miniature computers in the United States, involving more than 2 million operators, programmers, and technicians. The machines variously process orders, keep accounts, write payroll checks, transfer funds and much more.

What does computer crime mean?

Most simply, it means crimes against computers. Disgruntled employees have been known to fire handguns at the machines, blast away with shotguns or stick screwdrivers in their innards.

Sabotage is a related crime. Computer technicians who have been fired sometimes mislabel, misfile or erase computer tapes. Havoc is the result.

An overworked computer programmer for the Yale Express System in New York couldn't find the time to enter $2 million in bills owed the company. He destroyed them instead, and the firm was out $2 million.

A computer employee fired by a West Coast company programmed the machine to destroy all of the firm's accounts receivable six months after his departure. The computer did so, and the company was forced into bankruptcy.

Computer crime also means using a computer to steal. And the thing of value stolen can be computer time itself. A bookmaker, for example, tapped into a college computer without permission in order to figure betting odds. Two Sperry Univac supervisors stole $144,000 in computer time to print complicated musical arrangements, which they subsequently peddled to stores and bands.

Computer data is another thing that can be stolen. A computer operator for the Illinois Driver Registration Bureau was paid $10,000 in 1973 to turn over a list of drivers' names worth $70,000 to mail order advertisers.

A West Coast computer executive was caught in 1971 with a copy of a computer program he had stolen from a rival firm's computers.

FUN AND PROFIT

Computer data can also be altered for profit. Several employes of the New York Department of Motor Vehicles were accused in 1974 of taking money in return for adding unauthorized names to a computer list of those who were to receive driver's licenses. And there have been several schemes reported in which employes of credit reporting agencies were bribed to place false information, upgrading the records of poor credit risks, in their computers.

Computers can be used to steal property. Perhaps the best-known case involved Jerry Neal Schneider, a Los Angeles youth who figured out the entrance key to the central computer of the Pacific Telephone & Telegraph Co. He programmed the computer to ship him an estimated $1 million in telephone equipment, which he subsequently sold.

Another famous incident involved 217 boxcars owned by the Penn Central R.R. The railroad's computers were manipulated to send the cars to a lonely stretch of railroad tracks 100 miles west of Chicago. When found, they had been looted and repainted, perhaps, by an organized crime syndicate.

In New Jersey it was oil, not boxcars, that was diverted by a crooked computer operator. He sent $20 million worth of oil from Exxon's Linden refinery to a barge standing nearby.

And, of course, the computer can be used to steal money straight away.

The head teller at a branch of the Union Dime Savings Bank in New York managed to embezzle $1.5 million by programming the bank's computer to bounce funds from one account to another. He was caught only because a police raid on a gambling operation turned up evidence he was betting up to $30,000 a day, on an annual salary of $11,000.

Another New York bank was victimized for $250,000 when a depositor managed to alter the computerized printing at the bottom of his checks. The checks confused the Federal Reserve System's computers and went around and around for weeks. By the time they were kicked out, the man had fled.

Government computers also have been used for embezzlement. One federal programmer instructed the computer to issue $100,000 in bogus checks for goods that were never received. Another directed $90,000 in bogus welfare claims to accomplices.

In 1976 alone, according to the General Accounting Office (GAO), there were 69 cases of improper use of federal computers, costing taxpayers more than $2 million.

"Fundamentally, we do not know how to protect large-scale, multi-access computer systems," said computer specialist Donn Parker. Added the watchdog GAO: "Every incident of computer misuse reviewed by the agency was directly traceable to weaknesses in systems controls—the result of deficient systems designs, improper implementation of controls by operating personnel or a combination of both."

IBM alone is reported to have spent $40 million in recent years to upgrade computer security. But according to the firm's director of data security, John Rankine, "The data security job will never be done—after all, there will never be a bank that absolutely can't be robbed."

NEW SECURITY MEASURES

New countermeasures against unauthorized used of computers include the substitution of personal passwords for the digits that are now required to enter the machine. The passwords include, fingerprints, palmprints, voice prints and even lip prints.

But the countermeasures are expensive to install. And some companies are avoiding them in hopes that their losses from computer crime will be smaller than the price of new security measures.

In order to toughen federal law on computer crime, Sen. Abraham A. Ribicoff (D-Conn.) and a number of co-sponsors have introduced legisaltion that would set stiff penalties for the criminal misuses of federal computers or private computers used in interstate commerce. Violators would be subject to up to 15 years in jail and a fine of $50,000.

"Because of a growing national dependence on computers, the opportunities for white-collar crime in this area are becoming great, with little chance for prosecution under existing law."

DISCHARGE REVIEW

Mr. CRANSTON. Mr. President, on January 20, 1978, I commented upon the Defense Department's proposed regulations establishing, as required under Public Law 95–126, uniform, published standards and procedures for the review of discharges from active military service. In connection with my remarks at that time, certain materials were printed in the RECORD at pages S148 through S156, including my January 16, 1978, letter to the Secretary of Defense, which contained my substantive recommendations for revisions of that directive and preliminary comments on an unpublished December 21, 1977, memorandum from the Deputy Secretary of Defense to the Secretaries of the military departments and others, which implemented certain major substantive provisions of Public Law 95–126.

In my January 16 letter to the Secretary of Defense and my January 20 remarks, I urged that, in keeping with the basic intention of Public Law 95–126 that applicants for discharge upgrading be as fully informed as possible regarding the standards and procedures applicable to them, the December 21 memorandum be published in the Federal Register. I also indicated that I was then in the process of preparing comments on that document.

Mr. President, I have concluded my review of the Deputy Secretary's December 21 memorandum; and, in a February 14, 1978, letter to the Secretary, I have recommended several substantial revisions of that document in order to help assure full compliance with the law and

full and appropriate notification to individual former servicepersons of their rights under the law and of their opportunities to obtain eligibility for Veterans' Administration benefits.

I wish to note at this point that committee staff has had several very extensive meetings and discussions with Defense Department staff on the regulations and the December 21 memorandum, and I anticipate that significant modifications will be forthcoming in the revised regulations when they are published for further comment in the next few days.

For the information of my colleagues and the public, I ask unanimous consent that the Deputy Secretary's December 21, 1977, memorandum and my February 14, 1978, letter to the Secretary of Defense be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., December 21, 1977.

Subject: Implementation of Public Law 95–126.

Public Law 95–126 made amendments to Title 38 USC 101 and 3103 which impact on the performance of the discharge review function by the Military Departments and requires promulgation of a directive containing uniform standards and procedures to be followed by the Discharge Review Boards (DRBs). Upon publication of that directive, the Military Departments are to implement its provisions immediately. Although the Secretaries of the Military Departments retain final decision authority and responsibility for the operation of their respective discharge review programs, the guidance contained in Attachment 1 is provided in order to insure uniformity of interpretation and application now required by the law.

In order to maintain the requisite degree of uniformity in the future, the Secretary of the Army is designated the Department of Defense administrative focal point for initiating and/or processing all matters affecting DRBs. Specific responsibilities will be detailed in the forthcoming directive. The Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) is delegated the authority to resolve all issues concerning DRBs which cannot be resolved among the Military Departments.

C. W. DUNCAN, Jr.,
Deputy.

ANALYSIS AND GUIDANCE FOR IMPLEMENTATION OF P.L. 95–126

1. Principal Features:

a. Addition of 180 days of continuous unauthorized absence to other reasons (e.g., conscientious objector, deserter) for discharge which act as a specific bar to eligibility for Veterans Administration (VA) benefits.

b. Requirement for publication of uniform standards (which are historically consistent with criteria for determining honorable service and do not include any criterion for automatically granting or denying such change or issuance) and procedures for Discharge Review Boards (DRBs) generally applicable to all persons administratively discharged or released from active duty under other than honorable conditions.

c. Prospective disqualification for receipt of VA benefits for those originally qualifying due to upgrade by Presidential Memorandum (P.M.) of 19 January 1977 or the Special Discharge Review Program (SDRP), unless an eligibility determination is made under the published uniform standards and procedures.

d. Reconsideration before 7 October 1978 of all cases on DRB initiative of those upgraded from other than honorable to Honorable or General Discharges under the P.M. of 19 January 1977 or the SDRP.

e. From date of publication of uniform DRB standards and procedures—for a period of at least one year—all former servicemembers (and heirs) with other than honorable discharges may apply for a discharge review/upgrade based on the new published rules.

2. Discharge Review Board (DRB) Notifications.[1]

a. Written notification is required by the DRB commencing October 8, 1977 to each applicant whose record indicates he/she was discharged for a reason that would bar him/her from receipt of benefits under section 3103(a) of Title 38 U.S. Code, that separate action by the Board for the Correction of Military/Naval Record (BCM/NR) and/or the VA (in case of 180 day unauthorized absence disqualification) may confer eligibility for VA benefits. A sample notification letter is attached at enclosure 1.

As regards the 180 days consecutive unauthorized absence:

(1) Such absence must have been included as part of the basis for the applicant's discharge under other than honorable conditions.

(2) Such absence is computed without regard to the applicant's normal or adjusted ETS.

b. Written notification is required by the DRB concerned to individuals who received an upgrade to an Honorable or General Discharge from a Discharge Under Other Than Honorable Conditions (DUOTHC) (formerly Undesirable Discharge) under P.M. of January 19, 1977 or the SDRP when the DRB is advised by the VA that individuals have received, are in receipt of, or have applied for VA benefits (enclosure 2). (Notification is not required to individuals who received an upgrade to an Honorable Discharge from a General Discharge under the P.M. of January 19, 1977 or the SDRP.)

c. Written notification is required by the DRB concerned to individuals whose cases, upon "preliminary" determination by the DRB are found not to qualify for upgrade under published uniform standards and procedures. (See 3.b. below.)

Note: An individual will be given a total of 45 days to respond to the notification letter regarding as adverse preliminary determination. If he does not respond within that period, the discharge review board will proceed to make its final determination.

3. Discharge Review Board Determinations.

a. Both a preliminary and final determination are required by October 7, 1978, except in those cases where a personal appearance is requested, as to whether an individual who was originally discharged under other than honorable conditions and was upgraded to General or Honorable under the P.M. of January 19, 1977 or the SDRP would be entitled to an upgrade under published uniform standards and procedures. Even if the DRB concerned simultaneously considered the case under its historically consistent discharge review criteria at the time of the SDRP determination and the decisional document specifically enunciated that the individual was upgraded under those normal criteria, another review is required. However, an abbreviated procedure should be considered in cases where the historically consistent discharge review criteria were applied and those criteria became published as "uniform standards."

b. The determination process is as follows:

(1) Preliminary—that is, an on-the-record review under the published uniform standards and procedures in the following order:

(a) Expedited basis—by 7 April 1978—upon notification by VA that an individual is receiving or has applied for benefits,

(b) DRB initiative—on all other cases where upgrade was based on P.M. of 19 January 1977 or SDRP, in time to meet 7 October 1978 deadline for final determination of these cases,

(c) DRB initiative—cases upgraded after 8 October 1977 prior to publication of uniform standards and procedures.

(2) Favorable preliminary determination:

(a) Enter into service record as a final determination (see 3.b.(4)(a) below).

(b) Notify VA in appropriate cases and individual concerned if that person has inquired.

(3) Unfavorable preliminary determination—notify individual concerned of adverse preliminary determination and of right to appear before the DRB under 10 USC 1553 (c) (sample letter at enclosure 3).

(4) Final determination:

(a) A favorable preliminary determination.

(b) An unfavorable preliminary determination when individual does not reply to notification (enclosure 3) within 45 days.

(c) Action by the DRB after complete review of case in accordance with the published uniform standards and procedures.

(5) Special situations:

(a) Cases where no changes were made under P.M. of 19 January 1977 or the SDRP do not require redetermination.

(b) Determinations made prior to 8 October 1977 by a DRB which include both consideration of historical discharge review criteria and P.M. of 19 January 1977 or SDRP criteria, with a determination that no relief was warranted except under special program criteria, does not satisfy the preliminary determination requirements.

(c) The "de novo" hearings under the SDRP do not satisfy the requirement for advising an applicant of the right to a DRB hearing after an adverse preliminary determination has been made.

(d) Government counsel is not furnished under the provisions of P.L. 95–126.

4. Records. Upon a final determination by a DRB as to an applicant's entitlement to an upgrade of his/her discharge under published uniform standards and procedures and he/she has been given an upgraded discharge earlier under P.M. of 19 January 1977 or SDRP criteria, he/she will be issued a DD Form 215, stating, as applicable:

Discharge reviewed under P.L. 95–126 and a determination that change in characterization of service was warranted under provisions of (P.M. of 19 January 1977 or SDRP, as applicable).

Discharge reviewed under P.L. 95–126 and a determination that change in characterization of service is warranted by DoD Directive ——.

—Note: The DoD requirement for written request for a copy of DD Form 215 is suspended in these cases.

5. Additional Requirements. Each DRB will consider written requests for a review of a Discharge Under Other Than Honorable Conditions postmarked before 1 January 1980 from any former servicemember regardless of the date of his/her discharge.

6. Information Program. Assistant Secretary of Defense (Public Affairs) will initiate action to:

a. Develop a public affairs plan to provide for appropriate media releases and responses to media, public and Congressional inquiries concerning:

(1) The DoD directive on uniform discharge review standards and procedures.

(2) The rights of individuals who received an upgrade of their discharges under other

[1] Or an activity so designated by the board to effect notifications.

than honorable conditions under either the P.M. of 19 January 1977 or the SDRP to obtain a hearing under the published uniform standards and procedures. Emphasis is to be placed on the fact that the Military Departments will take action to do this on the initiative of the respective DRB.

b. Coordinate an educational program with the Military Departments to advise present servicemembers that under P.L. 95–126 a discharge under other than honorable conditions resulting from a period of unauthorized absence in excess of 180 days is a conditional bar to the receipt of benefits administered by the VA.

SAMPLE LETTER

Dear ————:

Your request for review of your discharge has been received. An initial review of your military records reveals that the discharge was awarded under circumstances that may make you ineligible for the receipt of Veterans Administration (VA) benefits regardless of any action taken by the Discharge Review Board. Specifically, these circumstances are that your discharge was based (on a continuous unauthorized absence of at least 180 days or one of the other prohibitions set forth is title 38 USC 3103).

There are agencies which can take action on your case. The courses of action available to you are:

1. You may request that the Board for the Correction of Military Records act to change your records to remove the circumstances which constitute this bar to benefits. That Board can take such action when you provide it with proof that there was an error or injustice done in your case. An application form (DD Form 149) is enclosed to aid you if you decide to initiate such a request.

2. You may request the VA to consider your case. If you believe you have a basis for such a request, you should contact the nearest VA office for assistance in starting the request.

3. You may follow either or both of the above courses of action, as well as continuing your request for a discharge review if you desire, or you may do nothing at all. You are in the best position to evaluate what course or courses of action are most advantageous to you.

Please complete the enclosed attachment within 45 days from the date of this letter indicating your desires in this matter; otherwise, we will complete action on your discharge review application as it presently stands.

Sincerely,

SAMPLE LETTER

Date————.

Appropriate DRB
Address

I have received your letter pointing out that regardless of the action taken on my request for a review of my discharge I may be ineligible for any VA benefits.

I have decided that:

( ) I wish to have my discharge review request processed.

( ) I do not wish to pursue my request for a review of my discharge by the Discharge Review Board at this time.

Name

Street

City State ZIP

Phone number

SAMPLE LETTER

Dear ————:

On 8 October 1977 Public Law 95–126 was enacted. The law bars the Veterans Administration from providing benefits to an individual whose under other than honorable conditions discharge (formerly Undesirable Discharge) was upgraded under discharge review criteria under any special discharge review programs. The law also povides that upon the request of the VA, the Discharge Review Board will again review your case to determine whether you would be entitled to an upgrade of your discharge under published uniform standards and procedures.

Since your present upgraded discharge does not entitle you to VA benefits under Public Law 95–126, your file will be expeditiously reviewed again to determine if you qualify for such an upgrade and you will be so advised. If you do not qualify for such an upgrade after the preliminary review by the Discharge Review Board, you will be told and given an opportunity to appear in person before the Board. No action is required by you at this time to initiate the additional review of your case.

The new law provides that if you are in receipt of benefits from the VA, these benefits may be terminated not later than 7 April 1978. The United States shall not make any claim to recover any benefits received by you prior to notification to you of termination of 7 April 1978. If you continue to receive benefits after this time, you may be required to repay the government.

If you have applied for VA benefits but have not yet begun to receive benefits, none will be given to you until a determination is made by the Discharge Review Board as to whether you would have been entitled to an upgrade of your discharge under published uniform standards and procedures. The VA will be notified of this decision and they will make the final determination as to your eligibility for VA benefits.

Please remember that no action is required of you at this time. If any action is required, you will be advised by a subsequent letter.

I hope this information is helpful to you in understanding how this new law affects you.

Sincerely,

SAMPLE LETTER

Suspense (date).

Dear ————:

A preliminary review of your discharge has been completed by the Discharge Review Board as required by Public Law 95–126. As a result of this preliminary review, it has been determined that you do not appear to qualify for VA benefits based on the upgrade of your discharge under published uniform standards and procedures.

You are entitled to an opportunity to appear in person before the Discharge Review Board, if you so desire, before this preliminary determination becomes final. If you wish to appear personally, you are also entitled to present evidence on your own behalf or be represented by appropriate counsel. Please complete the enclosed DD Form 293 and mail it to the address shown, prior to the date shown as suspense in the heading of this letter. If you do not apply by that date, the Discharge Review Board will proceed to make a final determination on your case.

An adverse final determination may be a bar to receipt of benefits administered by the VA, based on the period of service covered by the discharge. This bar may exist despite the fact that you have received or do receive an upgraded discharge based on special discharge review criteria for the same period of service. The VA will be responsible for making the final decision as to eligibility for any benefits you have claimed or may wish to apply for in the future.

Sincerely,

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., February 14, 1978.

Hon. HAROLD BROWN,
Secretary of Defense,
Washington, D.C.

DEAR HAROLD: In the postscript to my January 16, 1978, letter to you, in which I commented on the proposed Department of Defense Directive establishing uniform discharge-review standards and procedures, I indicated that I would be providing you with my comments on the Deputy Secretary's December 21, 1977, memorandum to the Secretaries of the Military Departments and others, entitled "Implementation of Public Law 95–126".

Although I have no comments on the memorandum itself, it being essentially a transmittal memorandum for an attachment thereto, entitled "Analysis and Guidance for Implementation of P.L. 95–126", I would like to make the following recommendations for the revision of the attachment and sample letters enclosed with it and for the publication of those documents.

1. Part 1.a. The description of the amendments made by section 1(a)(1) of Public Law 95–126 regarding discharges based on certain prolonged unauthorized absences is inaccurate in some important respects. I recommend that it be revised as follows:

"a. Creation of a new conditional statutory bar to Veterans' Administration (VA) benefits when the former service member was discharged under conditions other than honorable on the basis of continuous unauthorized absence of 180 days or more. In such cases, the bar does not apply if the individual demonstrates to the satisfaction of the Administrator of Veterans' Affairs that there are compelling reasons warranting such prolonged absence."

2. Part 1. The "principal features" described in this part relate only to the discharge-review process. Although it may be appropriate in the context of this document not to mention certain other major aspects of the Act, such as the health-care eligibility provisions set forth in section 2, I believe that there should be included a description of the amendment made by section 1(a)(1) and of the provisions of section 5(2)(C), which provide that no Discharge Review Board action taken after October 7, 1977, will confer benefits eligibility upon a former service member who is barred from receiving benefits under section 3103(a) of title 38, United States Code. I suggest the following description:

"f. When an individual has been discharged or released from active duty on grounds which constitute a bar to veterans' benefits under section 3103(a) of title 38, United States Code (for example, discharge on the ground that the individual was a conscientious objector who refused to perform military duty and discharge 'as a deserter'), no action of a Discharge Review Board taken after October 7, 1977, will have the effect of avoiding the bar to benefits. (Recourse to a Board for Correction of Military/Naval Records (under section 1552 of title 10, United States Code), however, will continue to be available to remove such a bar.)"

3. Part 2(b). This description of the notification requirements of section 1(b)(1) of the Act is inaccurate in certain important respects. I recommend that it be revised as follows:

"b. Written notification of the right to obtain expedited DRB review and of the implications of the other provisions of Public Law 95–126 is required by the DRB concerned to each individual whose Discharge Under Other than Honorable Conditions (DUOTHC) (formerly Undesirable Discharge) was upgraded under P.M. of 19 January 1977 or the SDRP. A sample notification letter is attached as Enclosure 2. (Such notification is not required in the cases of individuals whose General Discharges were so upgraded because Public Law 95–126 has no bearing on their eligibility for VA benefits.)

4. Part 3(a). (a) The first sentence states an exception to the requirement (under new section 3103(e)(2)(B) of title 38, as added by section 1(a)(2) of the Act) that all final

"second" determinations be made no later than October 7, 1977—an exception for those in which a personal appearance is requested. I can find no basis for this in the law. Indeed, I consider any such broad exception contrary to the congressional intent and desire that "second" determinations be accomplished promptly in order to resolve the question of benefits eligibility in these cases. Therefore, I strongly urge you to make arrangements for the making of all final "second" determinations by the October 7, 1977, statutory deadline. Under accepted principles of statutory construction, I believe that the making of such determinations after that deadline would be excusable only when the delay beyond that date is attributable to a request by the individual for a postponement beyond the time normally allowed for personal appearances or to other factors beyond the control of the DRBs and the Department of Defense.

Please advise me as to the arrangements that will be made to ensure, to the maximum extent possible, that all final "second" determinations will be made prior to October 8, 1978.

(b) The second and third sentences of part 3(a) refer to a type of case in which the DRB concerned simultaneously considered the case under generally applicable ("historically consistent") discharge-review criteria at the time of the SDRP determination and the decisional document specifically enunciated that the discharge was upgraded under those "normal criteria". I find the entire discussion of these cases confusing and would like to have further clarification. Please explain why simultaneous determinations were made in some cases; provide copies of any guidance given to DRB's in making such determinations; and state the number of cases in which this was done, with a breakdown according to the numbers decided before October 8, 1977, and on or after that date. Also, please describe the notifications which were provided to the applicants and to the VA of the results of such determinations; and state what, if any, explanation has been given the individuals concerned as to the effect of Public Law 95–126 on their eligibility for veterans' benefits.

With respect to any cases in which simultaneous determinations were made before October 8, 1977, I urge you to consult with the Administrator of Veterans' Affairs on the effect of any such upgradings under generally applicable standards on the individuals' eligibility to receive benefits.

5. Part 3(b)(1). Under new section 3103(e)(2)(B)(i) of title 38, "second" determinations must be made on an expedited basis if the individual makes a written request therefor. I cannot understand the absence of reference to this provision in the description of the determination process.

6. Part 3.b.(4)(b) (and the Note following Part 2.c.). The Department apparently intends that Discharge Review Boards make their preliminary adverse determinations final if and when the individuals concerned fail to respond within 45 days to notification by mail of such preliminary determinations. The approach reflected in this part does not give sufficiently fair treatment to these individuals, many of whom may not actually receive a notice mailed to their last known address and some of whom may not fully appreciate the nature of the proceedings. To provide the added measure of fair dealing warranted, I recommend, at a minimum, that the person or organization, if any, that initially provided representation also be sent such notification and be requested to contact the individual to make sure he or she has received and fully understands the import of the notice, that all other reasonable means to assure actual notice be required, and that provision be made for liberal criteria for later reopening of such cases for purposes of affording the individual a personal appearance if he or she has not previously taken advantage of that opportunity.

7. Part 5. I am pleased that the period during which all persons with administrative discharges under other than honorable conditions may apply for discharge review under the new guidelines will not end until January 1, 1980. However, I believe that, at the end of this part and before the period, the following should be inserted: "and of whether he/she was denied upgrading of his/her discharge under standards and procedures other than those set forth in DoD Directive ——." (See paragraph 5(b) of my January 16, 1978, letter to you.)

8. Part 6. (a) Please advise me as to the nature and scope of the information program which will be undertaken to publicize the rights, not only of individuals who received upgrading of their Undesirable and Clemency Discharges under special programs, but of all persons with administrative discharges under other than honorable conditions, to obtain review under the new uniform standards and procedures. I believe that a considerable effort will be required to make such persons aware of their new discharge-review rights; and I urge that you actively seek the cooperation and assistance of the VA, veterans' organizations, discharge upgrading and military rights projects, the Legal Services Corporation, and other appropriate groups in order to get this information to the former service persons concerned.

Moreover, I would like to know your plans for periodically renewing, over the next two years, public information activities in order to apprise potential applicants of the new upgrading opportunities.

(b) Regarding the newly established entitlement (under section 2 of Public Law 95–126) of certain persons with administrative discharges under other than honorable conditions to VA health care for service-connected illnesses and injuries, I would like to know whether it is possible for you to determine from the records of persons who participated in the special programs whether they appear to have such disabilities and whether it is feasible for you to notify them that they are now eligible for such health care (unless barred from receiving benefits under section 3103 of title 38, United States Code). Also, as part of an ongoing information program, I urge that all persons administratively discharged under other than honorable conditions be given notification—prepared in conjunction with the VA—of their entitlement to health-care benefits for service-connected disabilities and of the procedures for obtaining such care.

9. Enclosure 1. I suggest that this sample letter be captioned as follows: "SAMPLE LETTER (For applicants with UOTHCD's apparently discharged under circumstances which might constitute a bar to VA benefits under 38 USC, section 30103(2))."

Also, I recommend that:

(a) in the second sentence of the first paragraph, all that follows "(VA) benefits" be deleted and "even if the Discharge Review Board grants you a General or Honorable Discharge." be substituted therefor;

(b) in the third sentence of the first paragraph, alternative formats be provided for each set of circumstances constituting a bar or conditional bar to benefits under section 3103(a) of title 38, United States Code;

(c) in the first sentence of the first numbered paragraph, after the words "circumstances which", the words "appear to" be inserted;

(d) you enclose with the sample letter—and make reference in that letter to—materials prepared by the VA indicating the grounds under subsections (a), (b), and (c) of section 3103 of title 38, United States Code, for VA determinations that a statutory bar to benefits does not apply and the procedures for applying for such a determination.

(e) the first sentence of the third numbered paragraph be changed to read as follows:

"In order to seek eligibility for VA benefits, you may follow either or both of the above courses of action, as well as continuing your request for a discharge review if you so desire.";

(f) in the concluding paragraph, the words "in this matter" be deleted and that the words "with respect to your request for discharge review" be substituted therefor; and

(g) in Enclosure 1 to the sample letter, at the end of the first paragraph before the period, a semicolon and "and advising me of the other administrative courses of action available to me in seeking eligibility for VA benefits" be inserted; and that, at the beginning of the second paragraph, "With respect to my request for discharge review," be inserted.

10. Enclosures 2 and 3. Enclosed are rewordings of these two sample letters which I believe more fully and accurately comply with requirements of Public Law 95–126 and provide more useful, relevant information which should be provided to the individual.

11. General Comments. (a) I believe that another sample letter needs to be prepared to notify those individuals who received special program upgradings of their discharges under other than honorable conditions, but whose discharges appear to have been based on authorized absences for continuous periods of 180 days or more. None of the three sample letters is tailored to the circumstances of those individuals (although it would be a variation of sample letter number 1).

(b) Because the Deputy Secretary's December 21, 1977, memorandum, the attachment thereto, and the sample letters deal so extensively with the circumstances under which individuals may or may not be eligible for VA benefits, provide formats for notifications regarding such eligibility, and describe the individuals' potential recourse to the VA, I believe it is essential that this document be submitted to the VA for review. Please advise me as to whether any VA officials have reviewed this document or whether you plan to submit it to the VA for comment.

(c) In the cases of those with special-program upgradings of discharges under other than honorable conditions whose preliminary "second" determinations are adverse, I urge that you make government-furnished counsel (JAG officers) available to advise and represent such individuals in connection with their personal appearance rights. These individuals have been dealt with in a most unfortunate "stop-and-go" fashion by the Government during the past year and they will be in a unique, complicated situation as a result of an adverse preliminary determination. However, carefully, directly, and completely the effort to explain in writing to such individuals the various options open to them and the several factors which may bear on their eligibility for all or certain benefits, it seems likely that substantial misunderstandings will occur if advice is not given on a personal basis. The availability of Government-furnished counsel knowledgeable and experienced in administrative discharge matters would, I believe, provide satisfactory assurance that such persons are fully aware of all significant matters bearing on their situations.

Moreover, regardless of the proper outcomes of the final "second" determinations in individual cases, I strongly believe that these persons should be afforded every reasonable procedural consideration by the Government in light of their experiences in the discharge-review process during the past

year, including the great delay in the promulgation of the uniform, published standards under which their eligibility for VA benefits will be determined. In this connection, I also would note that your department was prepared last year to provide Armed Services lawyers to a similar, but potentially much larger, class of individuals in connection with their personal appearances before the Discharge Review Boards under the Special Discharge Review Program; and the reasons for making such counsel available at this juncture are at least as strong now, in my view, as were the reasons for providing Government-furnished counsel at that time.

Finally, it is incumbent on the Government—both the executive and legislative branches—in vindication of the policy of the Commander-in-Chief, to do everything possible, consistent with fundamental notions of fairness and with existing law, to heal the divisions of the Vietnam war and to deal compassionately with those who responded to their President's invitation to seek discharge upgrading under a special program. Provision of JAG counsel in this clearly finite number of cases would be a fitting exercise of grace and equity for many who must be terribly confused, disappointed, and disillusioned by a series of governmental actions which the executive branch and legislative branch each genuinely considered to be in the proper exercise of its responsibilities, but which to these individuals may be incomprehensible.

(d) Provision should be made for individuals to obtain (and for notification of their right to request) reconsideration of a final, adverse "second" determination on the same grounds that individuals may obtain reconsideration of their applications for discharge upgrading. (See also item 6, above, regarding the grounds for reopening cases where the individual does not respond within 45 days of the date of notification that the preliminary "second" determination was adverse.)

(e) Having carefully reviewed the Deputy Secretary's memorandum and the attachment thereto, I am firmly convinced that the many significant procedural rules which it established clearly warrant its publication in the Federal Register. Therefore, I would underscore the comments I made in this connection on the first page of my January 16 letter and the postscript to that letter.

I would very much appreciate your providing the Committee with the following data regarding the results of the Special Discharge Review Program:

(a) the total number of applicants, with a breakdown according to those with General, Undesirable, and Clemency Discharges at the time of application;

(b) the total number of applicants considered eligible for consideration under the program, with the same breakdown;

(c) the numbers of applicants with General Discharges who are granted upgrading and of those who were denied upgrading;

(d) the numbers of applicants with Undesirable and Clemency Discharges who were denied upgrading and were granted upgrading, with a breakdown according to whether they were granted Honorable or General Discharges;

(e) the number of cases in which a *de novo* hearing was requested and the number of *de novo* hearings in which government counsel was furnished;

(f) the number of cases still pending, with a breakdown according to the type of discharge the applicants had when they applied and the stage of review to which such cases have progressed; and

(g) the numbers of cases following *de novo* hearings in which upgrading was denied and upgrading was granted, with a breakdown as to how many General and Honorable Discharges were granted, and with a breakdown in each category for cases where government counsel was provided and where representation was provided by a service organization.

Please provide further breakdowns of the above data according to the military services.

I very much appreciate your cooperation in facilitating arrangements for Committee staff and key departmental staff to discuss the proposed directive which was published in the December 14, 1977, *Federal Register*. I would also like to include the recommendations in this letter in the agenda of such meetings.

If at all possible, I would appreciate receiving your response by March 1, 1978.

Again I would like to thank you for your cooperation with this Committee. Jon Steinberg, Chief Counsel, and Ed Scott, General Counsel, remain available to answer any questions regarding the matters raised in this and my January 16 letters.

Sincerely,

ALAN CRANSTON,
Chairman.

SAMPLE LETTER NO. 2

(For all those who received upgrading of UOHCD's under P.M. of 19 Jan 1977 or SDRP except for those discharged on the basis of a continuous period of AWOL of 180 days or more.

Dear ————,

On 8 October 1977, Public Law 95–126 was enacted. That law has some very important consequences for you with respect to your eligibility for Veterans' Administration (VA) benefits. Please read this letter carefully and make sure you understand it. The law generally provides that individuals whose discharges under other than honorable conditions (formerly Undesirable Discharges) were upgraded under any special discharge review programs may not receive VA benefits on the basis of such upgraded discharges. However, the law does provide a limited exception to that general rule for those receiving benefits by October 8, 1977, and does establish procedures for the Discharge Review Board to review your case again under new, uniform standards in order to make a decision which will determine whether you are or are not eligible for VA benefits.

The new uniform standards will be published in the Federal Register. If you would like to receive a copy of the new standards, please use the enclosed request form.

Before explaining the effect of the law on your situation, I would like to point out that the law does not in any way affect the upgraded discharge which you received under a special discharge review program. The upgraded discharge is official and you are entitled to keep it. Public Law 95–126 affects only your eligibility for VA benefits.

Second review

Although your present upgraded discharge does not make you eligible for VA benefits, the Discharge Review Board will review your case file again to determine if you would qualify for an upgrading under the new uniform standards and you will be advised of the results of that review. If the Board determines that you would qualify for upgrading under the new uniform standards, you will be entitled to VA benefits. If the Board makes a preliminary determination that you would not qualify under the new standards, you will be notified and you (and/or your lawyer or other representative) will be given an opportunity to appear in person before the Board and to submit further evidence and other documents. No action is required by you at this time to initiate this second review of your case. The Board will complete its review of your case file some time between now and ————. [An appropriate date should be filled in. The date should allow for the conduct of a personal appearance, if necessary, before October 7, 1978.]

If you wish the Board to conduct its review on an expedited basis, you may obtain an expedited review by making a written request for it.

If you have applied for VA benefits but did not begin to receive such benefits on or before 8 October 1977, you are not entitled to receive any until a determination is made by the Discharge Review Board as to whether you would have been entitled to an upgrade of your discharge under the published uniform standards. The VA will be notified of this decision and, if it is determined that you would qualify for upgrading under the uniform standards, the VA will make the final determination as to your entitlement to VA benefits.

Please remember that no action is required of you at this time. If any action is required, you will be advised by a subsequent letter.

Special rules for those receiving VA benefits on or before 8 October 1977

If you were receiving VA benefits on or before 8 October 1977, the following special rules apply to you under the law:

1. You may continue to receive such benefits until 7 April 1978 and the Discharge Review Board will be reviewing your case on an expedited basis.

2. If the Discharge Review Board determines, on or before 7 April 1978, that you would qualify for upgrading under the new standards, you should continue to receive VA benefits without interruption.

3. If by 7 April 1978 the Discharge Review Board has not determined that you would qualify for upgrading under the new standards, you will not be eligible to receive VA benefits after 7 April 1978 until the Board does determine that you would so qualify.

4. If you continue to receive benefits after 7 April 1978 but the Discharge Review Board has not determined that you would qualify for upgrading under the new standards (and you have not otherwise obtained eligibility for benefits), you may be required to repay the government the value of benefits received after that date.

Other ways to obtain eligibility for VA benefits

Up to this point, this letter has discussed your potential eligibility for VA benefits only through the discharge-review process. Thus, any statements to the effect that you are not or would not be eligible for VA benefits means only that you are not or would not be eligible as a result of any Discharge Review Board action. There are other courses of action that you may wish to pursue with a Board for Correction of Military (Naval) Records or with the VA in order to try to obtain eligibility for such benefits. Those alternatives are explained in the enclosed document entitled "————".

Possible eligibility for VA health-care benefits

If you have an illness or injury that happened or was aggravated "in line of duty" during your period of active service (including authorized leave but not including full-time duty by the Reserves for training purposes), you may *now* be eligible, under Public Law 95–126, for health-care benefits from the VA for the care and treatment of that illness or injury, regardless what decision the Discharge Review Board makes.

To find out whether you are eligible for any VA health-care benefits, you should contact your nearest VA office for hospital, or other VA health-care facility.

* * * * *

I hope this information is helpful to you in understanding how this new law affects you. If any part of it is not clear to you, or if you wish to have an attorney or other knowledgeable person assist or represent you, you should consider retaining an attorney of your choosing or contacting one of the organizations mentioned in the enclosed document entitled "————".

Sincerely,

Enclosures: (There should be prepared and enclosed with this letter (a) a form to be used for requesting copies of the new uniform, published discharge-review standards, (b) a document explaining the individual's rights to seek VA benefits eligibility through Board for Correction of Military/Naval Records and VA proceedings, and (c) a document describing the sources of knowledgeable assistance and representation, including sources of free assistance and representation for those who cannot afford to pay.)

SAMPLE LETTER NO. 3

[Notification of adverse preliminary "second" determinaions (no stautory bars applicable)]

Dear ————,

A preliminary review of your discharge has been completed by the Discharge Review Board as required by Public Law 95–126. As a result of this review, the Board has made a preliminary determination that you would not qualify for upgrading under the new uniform standards for discharge review. Under that law, this means that you may not now be eligible for VA benefits.

Before this preliminary determination becomes final, you are entitled to present additional documentation or other evidence and a brief or other written statement of why you believe you should receive a favorable determination. You are also entitled to an opportunity for a personal appearance before the Discharge Review Board, if you so desire. If you elect to have a personal appearance, you may appear by yourself; you may be accompanied by a lawyer or other representative of your choosing; or you may have another person appear on your behalf and represent you. [The right to government-furnished counsel and the procedure for requesting such counsel should be described at this point if the decision is made to make government counsel available.] Please complete the enclosed DD Form 293 and mail it to the address shown, prior to the date shown as "suspense" in the heading of this letter. If you do not apply by that date, the Discharge Review Board will make a final adverse determination on your case, without further documents or other evidence and without your personal appearance.

On the other hand, if the board does determine you would so qualify for upgrading, you would be eligible for VA benefits just as though your discharge was upgraded under generally applicable standards of discharge review.

The VA is responsible for making decisions as to your entitlement to any specific benefits. A favorable Discharge Review Board determination would mean only that you are generally eligible for VA benefits based on the period of service to which this discharge applies.

A final determination by the Board that you would not qualify for upgrading under the new uniform standards would mean that you cannot achieve eligibility by virtue of your upgraded discharge.

However, as indicated by my previous letter to you, consideration of your case by the Discharge Review Board is only one means by which you may seek to obtain eligibility for VA benefits. You may also wish to consider application to a Board for Correction of Military [Naval] Records or to the VA.

Sincerely,

EMPLOYEES ENGAGED IN THE MANUFACTURE, REPAIRS, SERVICING, OR SALE OF RECREATIONAL BOATS—S. 2020

Mr. HELMS. Mr. President, I am pleased to join today my distinguished colleague, Senator CRANSTON of California, in cosponsoring S. 2020, a bill designed to amend the Longshoremen's and Harbor Workers' Compensation Act to clarify the act's coverage of employees engaged in the manufacture, repair, servicing, or sale of recreational boats. This legislation is designed to overrule an unreasonable Department of Labor interpretation placed on a 1972 amendment to the Longshoremen's Act.

One of the purposes of the 1972 amendment was to clarify the definition of the word "employee" under the Longshoremen's Act in order to determine who was to be covered by the act. The record shows that it was the intent of Congress to have the act apply uniformly to all workers engaged in what is traditionally known as "maritime employment." It was never the intent of the Congress, and there is nothing in the record giving evidence of such intent, that "maritime employment" be expanded to include other employment and activities which have not been traditionally associated with that term. Nevertheless, in 1974 the Department of Labor, in its notice No. 21, expanded the definition of "maritime employment" to include the entire pleasure boat industry including small recreation boat builders and repairers, marinas, services of small commercial fishing boats, and other shoreside operations.

The result of this Department of Labor interpretation has been to impose a substantially increased financial burden on small businesses previously covered under State workmen's compensation laws. For instance, I am informed by Mr. Richard E. Barker, executive vice president of the Bradley Creek "66" Marina, Inc., at Wrightsville Beach, N.C., that the implementation of the Department of Labor interpretation will cause the cost of workmen's compensation insurance coverage to increase from the present $2 to $3 per $100 payroll to $43 per $100 payroll, a rise of about 1,600 percent. Yet the increased cost has no relation to any increased risk. It does not take much imagination to understand the tremendous impact that this additional cost would have on marina labor-intensive operations. Many may simply be forced out of business.

Mr. President, the pleasure boat and marina business has become a $6 billion a year industry, employing 350,000 people and serving 52 million boaters. I urge my colleagues to take swift action to correct this obvious misinterpretation of congressional intent before many pleasure boat businesses are destroyed, or at the very least, the consumers are once again left to pay the increased cost of bureaucratic foolishness.

REPORT ON TESTING OF CHEMICAL AND BIOLOGICAL AGENTS INVOLVING HUMAN SUBJECTS

Mr. McINTYRE. Mr. President, last year we were shocked to learn of tests conducted by the Department of Defense that involved the use of simulated biological agents near some of our cities. While these tests took place in the 1950's and we have been assured by Department of Defense that they no longer take place, the incidents were of such significance that Congress felt it must take positive steps to insure they would never be repeated. As a result, Public Law 95–79, the Department of Defense Appropriation Authorization Act, 1978 required, among other things, that Congress be notified not later than October 1 each year of all experiments and studies conducted by the Department of Defense in the preceding 12-month period, whether directly or under contract, which involved the use of human subjects for the testing of chemical or biological agents. While the Congress was in recess over the Christmas holidays, we received the first report covering the 12-month period ending September 30, 1977. The report is in the form of a letter from the Under Secretary of Defense Charles Duncan to the chairman of the Armed Services Committee and stated that there have been no studies involving the use of humans for testing of chemical or biological agents in the preceding 12-month period.

Mr. President, this is another small but meaningful step in rebuilding the confidence of our people in our Government. The very existence and use of chemical and biological agents for use in warfare is repugnant to us all. To our credit, the United States has renounced the use of biological agents, but the world in which we live does not yet allow us to be totally unconcerned with either type of agent. Hopefully, the step we took in last year's authorization bill gives us a little more assurance that they will be controlled and not be a threat, however small, to our own people. I ask unanimous consent to print in the RECORD the letter from Mr. Duncan regarding the testing of chemical and biological agents involving human subjects.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
December 30, 1977.

Hon. JOHN C. STENNIS,
Chairman, Commitee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the requirements of Section 808 (a) (1) of Public Law 95–79, the requested report of all experiments and studies conducted by the Department of Defense, whether directly or under contract, which involve the use of human subjects for the testing of chemical or biological agents is submitted.

There have been no studies involving the use of humans for testing of chemical or biological agents conducted within the Depart-

ment of Defense during the 12-month period ending 30 September 1977. Routine clinical investigations involving new or improved therapeutic regimes are excluded.

This report has also been sent to the Chairman of the Committee on Armed Services of the House of Representatives.

Sincerely,

C. W. DUNCAN, Jr.

LITHUANIAN INDEPENDENCE

Mr. DOMENICI. Mr President, on February 16, 1918, the people of Lithuania declared their independence from imperial Russia and created a democratic government.

Their freedom as an independent nation was liquidated when the Soviet Union unilaterally declared them Soviet republics.

The significance of this commemoration of Lithuania's Independence Day by the Lithuanian American community is manifold. It is time of ethnic unity and for remembrance of a distinct cultural heritage. It is a memorial reminder to those Lithuanians under Soviet domination of hope for freedom and self-determination and that their dreams of independence amidst religious oppression and political persecution are not forgotten.

And it is a time of dedication to the cause of human rights and self-determination for all men; dedication to a day when no nation or people is subjugated to another.

As I join with my colleagues in the Senate marking this anniversary, I look forward to the day when the commemoration will be celebrated by a free and sovereign people.

CARRYOVER BASIC PROVISIONS OF THE ESTATE AND GIFT TAX LAW

Mr. HATHAWAY. Mr. President, there has been a great deal of discussion concerning the carryover basis provisions of the estate tax law which were enacted in 1976.

Many people have criticized these results as being complex, unworkable, and an administrative disaster. Some Members have suggested a deferral of the effective date from 1977 to 1979 or 1980. Other Members have proposed complete repeal of the 1976 reform.

I believe the changes which were made in 1976 are a step in the right direction. There are, however, some technical modifications which need to be made. I have, therefore, introduced S. 2238 and S. 2461.

Mr. Bernard Barnett of Seidman & Seidman, a CPA firm in New York, presented an excellent statement on the cleanup of carryover basis. He has opposed a repeal or suspension of the provisions of the estate tax reforms. I ask unanimous consent that a summary of Mr. Barnett's statement be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CARRYOVER BASIS AT DEATH—NEITHER NOVEL, NEW, NOR NECESSARILY A NIGHTMARE

INTRODUCTION

We have heard numerous cries, complaints, tales of impending doom, all bemoaning the new Section 1023 of the Internal Revenue Code. This Section, introduced into the Estate Tax Law by the Tax Reform Act of 1976, prescribes carryover basis at death for certain property acquired from a decedent dying after December 31, 1976. In late July 1977 Senator Harry Byrd's subcommittee of the Senate Finance Committee on Taxation held a special one-day hearing on the carryover basis provisions. Four prominent attorneys testified. The following direct quotations are from their testimony:

"Incredibly complicated calculations"; "Complexities almost beyond description"; "Too complex for taxpayers to comply with and too complex for the government to enforce. It opens the door to disregard of the law."; "The new law exacerbates" disputes among family members. And so on and so on.

At a subsequent hearing held by Senator Byrd's subcommittee on October 27, 1977, representatives of the American Bar Association, the American Institute of CPAs and the American Bankers Association all supported repeal of the carryover basis provisions.

Unquestionably, the new carryover of basis at death provisions are more complicated than the prior law. Unfortunately too many tax advisers have for too many years emphasized the previous tax-free step-up of basis at death, and have swept under the rug (or, one might say, into the coffin) any emphasis on the importance of keeping adequate cost records and supporting data.

The need to keep accurate cost records in order to determine the income tax basis of property is not new. The carryover concept has been in the tax law for almost 65 years and applies to the sale or exchange of any property during life by all taxpayers. If the property left by a decedent who died after December 31, 1976 had been sold or exchanged by him prior to his death (or even on the date of death), the date of acquisition of the property and its adjusted income tax basis would have had to be ascertained in order to determine the proper gain or loss on the sale or exchange on the decedent's income tax return. When property is received in a tax-free exchange or as a gift, it has always been necessary (as it still is) to determine the carryover basis and the holding period of the transferor in order to determine the income tax basis of the receiver and his holding period. Normally, it is this carryover basis, determined without any fresh-start adjustment, which becomes the tax basis for determining capital gains and losses. The only adjustment permitted is one for a gift tax add-on.

One new provision of the 1976 Tax Reform Act which everyone applauds is the large new unified tax credit for estate and gift taxes. This credit substantially increases—approximately doubles—the effect of the prior exemptions. It has been estimated that this large credit will not only eliminate two-thirds of all estates from the estate tax roll, but will also result in the loss of almost 30 percent of total revenue from the estate and gift taxes. It was common knowledge that the quid pro quo for such a large credit was the correction of what many congressmen saw as "a major loophole in the tax law." That loophole was, of course, the ability of taxpayers to hold on to their appreciated property and, assuming that they still held it at the date of death, to completely escape any capital gains tax on the appreciation.

Given the mood of Congress, and the mandate that any estate tax revenue lost to the Treasury because of the increased unified credit must be recouped through the income tax, the carryover basis provisions of the 1976 Tax Reform Act constitute probably the most acceptable approach and solution to the problem. What were the alternatives considered? Simply stated they were:

1. A capital gains tax on the unrealized appreciation at death levied on the decedent on his final return, or

2. The so-called AET or additional estate tax. The AET is, in effect, a flat-rate capital gains tax on the unrealized appreciation at death, levied on the estate under the guise of an additional estate tax.

Imagine the hue and cry if some form of capital gains tax at death had been enacted? We would have had to face all of the problems we now must confront with carryover basis (after all the capital gain would be based on the difference between the date of death value of the property and its adjusted basis for income tax purposes)—we would still have to determine for each piece of property the date of acquisition, its original cost or substituted basis, the cost of improvements, depreciation where applicable, etc. In addition, we would be faced with tremendous additional problems such as:

1. Death (which we all realize normally is involuntary) would become a taxable event.

2. The imposition of the capital gains tax at death would, in many instances, force the sale or liquidation of estate property in order to pay the tax. Imagine the possible catastrophic consequences to illiquid estates or, for example, to the estate of a decedent whose entire wealth consists of stock of a closely-held corporation.

At least under the carryover of basis provision of the TRA any tax on the unrealized appreciation of property at death is postponed until the property is sold.

It must also be kept in mind that much, if not most, of the complexity of the new Section 1023 carryover basis calculations arises because of an attempt by Congress to introduce equity into the Internal Revenue Code. The calculation of the adjustments under the fresh-start rule, the death tax add-ons and the minimum basis adjustment, all create complexity—but no one has suggested that these adjustments be eliminated and the same "pure" carryover basis rules apply to inherited property as now apply during life. Such a true carryover basis computation would obviously be much simpler than those required under the Tax Reform Act; but in such an event there would be no fresh-start, no death tax add-ons, no minimum basis adjustment—in essence, no equity.

In summary, given the premises and the climate under which the 1976 Tax Reform Act provisions affecting estates were enacted—the belief by many congressmen that avoidance of capital gains tax on appreciation at death was a tremendous tax loophole—the increased unified transfer tax credit which will eliminate two-thirds of all estates from the estate tax rolls (true simplification in my opinion)—the insistence by Congress that the relatively large tax revenue lost as the result of the enactment of the large unified estate and gift tax credit be made up by some form of capital gains tax on appreciation at death—I repeat, considering the alternatives of capital gains at death or an AET, that the enactment of the carryover basis at death provisions was the most acceptable approach that Congress could have adopted. I further believe that the additional added complexities resulting from the adoption of the fresh-start adjustment,

the minimum basis adjustment and the death tax add-ons are justified by the equity introduced into the law.

Further, the proposed liberalizations which have been endorsed by the Treasury Department, and which will hopefully be enacted in the not too distant future (an increased minimum basis adjustment of $175,000, an alternative discounted formula method for computing certain fresh-start adjustments, simplified computation of the death tax add-ons, and new $75,000 minimum basis adjustment for a residence, etc.) should greatly improve the carryover basis rules and make them not only more equitable, but more workable.

Let us keep our perspective. The new carryover basis on death is neither novel (having no precedent), new (not formerly known or experienced) nor necessarily a nightmare (a frightening oppressive dream).

CONCLUSION

The carryover basis at death provisions of the 1976 Tax Reform Act have revolutionized estate planning, before death and after death. There can be no question that tremendous complexities have ben added to the Code. However, considering the premises and climate under which the law was enacted—the mandate that the large revenue loss resulting from the introduction of the large unified credit be made up by some form of income tax based on the unrealized appreciation of a decedent's property at death, and considering the alternatives of some form of capital gains tax at death, I believe that the enactment of the carryover of basis at death approach was the most acceptable that Congress could have adopted.

Even the complexities introduced by permitting a December 31, 1976 fresh-start adjustment, the death tax add-ons and the minimum basis adjustment are justified by the equity added to the law. I further believe that, if enacted into law, the improvements contained in HR 6715 and the further liberalizations endorsed by the Treasury, will make the carryover basis rules not only more equitable, but more workable.

Undoubtedly we tax advisers can eliminate much of the trauma by strongly urging our clients and customers to maintain adequate inventory records and helping them keep these records current. Above all, we must not lose our perspective. True there are many problems—but let's not exaggerate. Let's be constructive, not negative. Let's make certain that the rules are improved and the computations simplified. I have demonstrated that the carryover basis provisions are certainly neither novel nor new. I am convinced that improved carryover basis rules will also, in the long run, prove not to be a nightmare.

DEATH OF MARY AND FORREST RIEKE

Mr. MARK O. HATFIELD. Mr. President, recently the State of Oregon suffered the tragic loss of two prominent, respected, and energetic people. Mary and Forrest Rieke, victims of an untimely car accident in Costa Rica, gave the great portion of their lives to service within the local, national, and international community. Their selfless dedication to a wide variety of interests should serve as a model of citizen involvement in community and nation. Indeed, the very strength and resiliency of this Republic depends on the willingness of its citizens to unselfishly dedicate themselves to increasing the bonds of friendship between the people of all nations, and at the same time contribute to the strength and vitality of the home community. In both tasks, Mary and Forrest Rieke found remarkable success. I join with many friends and admirers in Oregon in mourning their passing.

Mr. President, I ask unanimous consent that a moving address given by the Honorable John C. Beatty, Jr., at the Rieke funeral be printed in its entirety in the RECORD, as well as local newspaper accounts of the great contributions made by the Rieke's to Oregon public life.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARY E. RIEKE AND FORREST N. RIEKE

Mary and Forrest Rieke were born in the State of Washington. Mary went to Oregon State and became a teacher; Bud to the University of Oregon and became a physician. They married in 1935 and when the children came—one girl and two boys—Mary left her formal career as an educator. The two led busy lives for more than 40 years. They died in a common accident, January 26, 1978, in Costa Rica.

The event is too recent—the loss too fresh—to fully comprehend their lives. We know enough to know they were unique.

This gathering, and all which has been said about them during the past five days, reflects the extraordinary richness and diversity which these two people wove into the tapestry of their public contribution. I will not review the many honors which came to them. But we need to bear in mind the range and depth of their activity to understand that richness.

Bud Rieke as a physician drew from his experience in the Kaiser Shipyards during the war an interest in tackling the problem of providing medical care to industrial workers. He developed systems of health planning, organization and delivery. He promoted legislation improving workmen's compensation and safety standards. He established and operated his Industrial Medicine Clinic for many years.

His interests spread to national and international medical concerns. For both government and industry, he studied health problems and the benefits and hazards of nuclear energy. He was the moving spirit of The Partners of the Americas, a private organization which operates an exchange of technical and medical information, as well as students on a Latin American nation to American state basis. Costa Rica, one of the few remaining democracies, is Oregon's partner and was his special interest. He put thousands of miles of travel and hours of work into this enterprise. He and Mary were there last week arranging an exchange of students, observing an election.

He found time to serve as President of the Oregon Symphony, on the Board of the Chamber of Commerce, and as a trustee of the State Medical Society. He attended a Citizens Conference on Courts last fall and promptly organized a group of citizens to support improvement in the state judicial system.

Bud was a student of the interplay between the individual and the organization in our society. He probed incessantly for ways to make both function better. He was a leader of his profession, and a great deal more.

Mary cut her political teeth in the Parent Teachers Association and in the League of Women Voters, two organizations which over the years have been seed beds of public activism in this state. She was elected to the Portland School Board in 1958 and served three four-year terms. For all practical purposes, she worked fulltime at the job, doing things her colleagues had insufficient time to do. She knew more people in this community than any person I ever knew. She was a one-person neighborhood association covering the entire city. She understood students and liked them. She understood teachers and liked them. She understood her fellow Board members and liked them. But none of them or us ever pulled the wool over Mary's eyes. She believed in tough curricula, good teaching, and hard-headed administration.

She never waffled under pressure. She enjoyed and frequently quoted one of President Truman's favorite aphorisms: "If you can't stand the heat, stay out of the kitchen."

Mary was a central figure in the major post-war accomplishments of the Portland Public Schools. She had great influence in the National School Boards Association, where she served in many ways developing national educational policy. She was a national leader in guiding public schools through the turbulent problems of race and educational policy.

In 1970, Mary retired from the Board and ran for the House of Representatives. She said she could be more useful there, and that anyway the Board needed some new blood. She served four terms in the House, with the same attention to detail and concern for the public interest that marked her service on the Board of Education. Her usefulness was enhanced by her knowledge of the intricacy of school finance and educational administration, but most of all by her rock solid reliability. She found time to help redress a number of statutory provisions offensive or unfair to women. Last year, she said this term would be her last. She had plans for other things to do. Mary was an educator, honored by her profession. She was a great deal more.

Mary and Bud made friends in every walk of life, had friends in every racial and religious group. She had a special affinity for children—her own, her friends, and any stray who needed love—and they reciprocated fully. For years, exchange students and other youngsters lived with them in their home. That house on SW Menefee Drive was more than a home—it was a headquarters—papers stacked, phones ringing, meetings, children moving in and out. From it each day Mary and Forrest sallied forth to do the things which I have mentioned and many more. Each followed the other's work with interest and support. It was a partnership of two Americans based on love, interest, and a profound sense of duty.

We can see and hear them still.

Each had an individual gait: Mary, brow creased, walking briskly tipped slightly forward; Forrest moving calmly slightly stooped a good full head above the crowd. Both saw the veins of humor that leaven serious affairs. Forrest rarely laughed; he chuckled. Mary's laughter was infectious—an explosion of mirth. They were great fun, these two!

Their private lives blended imperceptably into their professional and public lives. And al the while, their influence extended through the city, state and national and touched the major issues of the day. They worked hard, enjoyed life, and bore ill will to no one. They exemplified this Republic's conception of the good citizen.

They leave us aware their sons and daughter replicate that concept, although, perhaps, quite unaware how many other sons and daughters by their example will do so too.

They leave in the fullness of maturity, loved by the many friends whose lives they

touched, respected by their fellow citizens, honored by their state.

[From the Oregon Journal, Jan. 27, 1978]

FORREST, MARY RIEKE KILLED IN COSTA RICA

Dr. Forrest E. Rieke, 64, prominent Portland physician and pioneer researcher in industrial medicine and safety, and his wife, State Rep. Mary Rieke, also 64, have been killed in Costa Rica.

The couple, long active in Costa Rican affairs because of Rieke's work with the Partners of the Americas, died from a single-car accident south of Santa Cruz and near Nicoya on the Pacific coast. Both died within hours of the accident.

Costa Rica authorities said the couple, who had arrived in the country Sunday from Portland to witness the Costa Rican presidential election, were driving from Santa Cruz when they apparently missed a bridge and the car plunged off the highway.

The accident occurred about 3 p.m. Portland time, or 5 p.m. Costa Rica time.

Rieke had long been active in the Partners of the Americas, a private group that promotes research, educational and technical exchanges between Latin American countries and the United States. He was working on exchanges of high school students between Costa Rica and Oregon this week, following through on other exchanges he had arranged in previous years.

During the earthquakes in Nicaragua and Guatemala, he helped move tons of relief supplies to those countries.

Rieke was a founder and partner in the Industrial Clinic, 1313 NW 19th Ave.

Mrs. Rieke, a Republican, served eight years in the Oregon Legislature, representing House District 9 in Southwest Portland. She planned to retire at the end of this term and announced her intention during the last days of the 1977 session.

Sherman Thomas, a close personal friend and Partners president in Costa Rica, said the couple were well-known and liked there.

He said the Riekes were the mainstay of the Partners program and will be sorely missed. "The program will go on, but it will never be the same," he said.

Thomas said that Rieke died in the ambulance after initial treatment in Nicoya while on the way to a larger hospital in San Jose. Mrs. Rieke died of internal hemorrhage while X-rays were being taken at Nicoya.

Thomas, in an interview by The Journal by telephone, said autopsies would be performed Friday in San Jose and then the bodies would be taken to a mortuary.

The Riekes "had so many friends here and so many invitations that there was no way they could keep up," Thomas recalled.

"Mrs. Rieke told me that their hotel room in San Jose was so full of flowers it was 'like a funeral.' "

Thomas said that driving in Costa Rica is not like driving in the United States and Rieke had been advised to get a chauffeur, but declined.

[From the Oregonian, Jan. 27, 1978]

CAR CRASH KILLS FORREST RIEKES IN COSTA RICA

(By Leslie L. Zaits)

State Rep. Mary Rieke, R–Portland, and her husband, Forrest Rieke, a prominent Portland physician, were killed Thursday night in a one-car accident in a rural area of northwestern Costa Rica.

The accident occurred on a rural highway south of Santa Cruz, a principal Costa Rican city on the west coast.

Sherman Thomas, a close associate of the Riekes in Costa Rica, reported that the couple had left San Jose for a four-day vacation.

"The authorities here said they had left Santa Cruz when they apparently missed a bridge. The car went down a ravine. Apparently, no other cars were involved," Thomas said in a telephone interview with The Oregonian.

Mrs. Rieke apparently was killed instantly. Rieke died later in a San Jose hospital.

The accident occurred about 5 p.m. Costa Rica time (3 p.m. PST).

Thomas said the couple had arrived in the Central American country from Portland Sunday. They had planned to witness the Costa Rica presidential election Feb. 5.

The couple was extremely active in Costa Rican affairs. Rieke, as a prime member of the Partners of the Americas, had arranged student and teacher exchanges between the Latin American country and Oregon. He was working on exchanges of high school students this week, Thomas reported.

Partners of the Americas is a private organization which cultivates technical, educational and research exchanges between the United States and Costa Rica.

Mrs. Rieke, 63, served eight years in the Oregon Legislature, representing House District 9 in Southwest Portland. She announced her retirement from the Legislature during the last days of the 1977 session.

Rieke, 64, was a pioneer in the field of industrial medicine and safety. He was a founder and partner in the Industrial Clinic, 1313 N.W. 19th Ave.

Thomas, who considered himself a close personal friend of the Riekes, said the couple was well known in that country.

"They loved this country so much," Thomas said. "Maybe this was right, that this was the right place for them to die."

[From the Oregonian, Jan. 27, 1978]

RIEKES DREW WIDE RESPECT

(By Ann Sullivan)

State Rep. Mary W. Rieke and her husband, Dr. Forrest N. Rieke, who were killed Thursday in an auto accident in Costa Rica, were state and community leaders who were widely known and respected.

Mrs. Rieke, born Oct. 19, 1913, at Oakesdale, Wash., was a graduate of Oregon State University and had been a high school teacher and counselor. She served as dean of women at Eastern Oregon College.

Her own degrees were in education and bacteriology and she did advanced work at Stanford University.

She was active in parent-teacher work, the League of Women Voters, American Association of University Women and the Portland Symphony Guild.

Mrs. Rieke served for 12 years as a member of the Portland School District board, retiring from that to run for the Oregon House in 1970.

She served four terms, announcing last July that she would retire in 1978 at the end of her current term.

She was named the first recipient of the Mary Rieke Distinguished Public Service Award, established by the state universities.

In 1966, she received the National Education Association-Thomas McCann award for contributions to education and efforts to improve race relations.

In 1967, former President Lyndon B. Johnson named her to the national advisory council for the Education Professions Development Act.

Rieke, 64, a Seattle native who was a graduate of Oregon State University and the University of Oregon Medical School (1939), was particularly known for his pioneer work in industrial medicine and safety.

He served his internship in the old Multnomah County Hospital and during World War II was actively engaged in emergency medicine for the Kaiser shipyards. His interests in safety and employee health were an outgrowth of this employment. After the war, he established the Industrial Clinic.

"He was one of the first men to really develop the concept of industrial medicine," Dr. Sam Liu, a medical school classmate and longtime friend, said Thursday night.

Rieke's practice included contract work with many industrial plants, the examination and certification of workers, the overseeing of safety standards in plants and the medical attention to injured and sick workers.

In recent years, he was often occupied with health planning. He was chairman of a health committee for the Portland Chamber of Commerce and was a board member of the Northwest Oregon Health Systems, health planning agency for the six Northwest Oregon counties. From 1957 to 1967, he was a member of the Oregon State Board of Health.

Rieke, a member of the medical staff at Physicians and Surgeons Hospital, frequently was consulted on safety problems and wrote a number of papers on the subject. He actively worked on noise abatement and safety conditions and helped promote a number of pieces of state legislation on industrial safety.

He was a member of the board of directors of the Portland Chamber of Commerce and was a trustee of the Oregon Medical Association. The latter named him Doctor-Citizen of the Year in 1973, citing his numerous roles in civic and cultural affairs. He also was a former president of the Oregon Symphony.

Rieke also was an expert on radioactive protection. In 1972, he was a participant in Paris at the International Atomic Energy's first symposium on radioactive-waste management.

In 1973, he was one of three scientific consultants for a review of the waste-management program at Hanford Nuclear Reservation. In 1976, he and one of his sons, John W. Rieke, spent five weeks in Europe examining energy systems and nuclear power development. They wrote an extensive report which The Oregonian published in five installments.

The Riekes were married Christmas Day 1935 in Corvallis. Their home was at 5519 S.W. Menefee Drive.

Surviving are two sons, Forrest N. Rieke, a Portland lawyer, and John Rieke, also of Portland, and a daughter, Mary Rea of Berkeley, Calif.

[From the Oregon Journal, Jan. 27, 1978]

RIEKES ACTIVE IN VARIOUS FIELDS

(By Tom Ferschweiler)

Portland lost a prominent physician and a dedicated advocate of education Thursday.

Dr. Forrest Rieke and his wife, state Rep. Mary Rieke, died in an automobile accident in Costa Rica.

Dr. Rieke, 64, was a partner in the Industrial Clinic in Northwest Portland. Mary Rieke, 63, was a member of the Oregon Legislature, completing her fourth term this year. She had announced that she would not seek a fifth term.

The Riekes were on vacation in Costa Rica, a nation they visited often to aid and encourage technical, cultural and educational exchanges with the United States.

Dr. Rieke, a graduate of Oregon State University and the University of Oregon Medical School, now the University of Oregon Health Sciences Center, was born in Seattle. He served as an intern in Multnomah County Hospital and offered emergency medical service at the Kaiser shipyards during World War II.

One of his major interests in recent years was the Partners of the Americas, an international association dedicated to exchanges between the United States and the countries of Latin America.

He was president of the Oregon Partners of the Americas in the early 1970s and later was chairman of the parent association.

As a physician, he stressed improvement of medical and hospital facilities in Costa Rica. His interest in industrial health led to emphasis on greater safety in industry and improvements in housing.

He also was instrumental in promoting student exchanges through the 4–H Club.

In 1973, Rieke was named Oregon Doctor-Citizen of the Year for his long record of volunteer service and his contributions to civic and cultural interests in the Pacific Northwest.

At the time of his selection as Doctor-Citizen of the Year, he was a member of the board of directors of the Portland Chamber of Commerce and the Comprehensive Health Planning Association of Portland. He was also a trustee of the Oregon Medical Association.

He was a member of the Oregon Board of Health from March 1957 to September 1967 and was president in 1962, 1963 and 1964.

Dr. Rieke went to Paris in 1972 to participate in an international symposium on disposal and storage of radioactive wastes from fuel reprocessing. He went to Europe again in 1976 to study energy systems and nuclear power development.

In 1973, he took the role of scientific consultant in a review of the waste management system at the nuclear energy complex at Hanford, Wash.

Mary Rieke, a four-term state representative and a 12-year member of the Portland School Board, was born in Oakesdale, Wash.

She, too, was a graduate of Oregon State University. She served as a high school teacher and counselor and dean of women at Eastern Oregon State College, La Grande.

In 1966 she received an award from the National Education Association for contributions to education and for her efforts toward improvement of race relations.

In 1967, President Lyndon Johnston appointed her to the national advisory council for the Education Professions Development Act.

She served 12 years on the Portland School Board, including three years as chairman, and left the board in 1970 to announce her candidacy for the state Legislature.

She served four terms in the Oregon House of Representatives and had announced that she would retire this year at the end of her fourth term.

She was the first recipient of the Mary Rieke Distinguished Service Award, established by the state universities.

She was an Oregon Journal Woman of Accomplishment in 1963, the first year of the program which was set up to recognize women for their contributions to the community.

Her memberships included the League of Women Voters, the American Association of University Women and the Portland Symphony Guild. She was active in parent-teacher affairs.

Funeral arrangements for the couple were still incomplete Friday pending return of the bodies from Costa Rica.

[From the Oregon Journal, Jan. 28, 1978]

A PARTNERSHIP OF PUBLIC SERVICE

In service to others, usefulness to the community and value to humanity, Oregon has few couples to match Forrest and Mary Rieke, who died Thursday in an automobile accident in Costa Rica.

Each had individual concerns: he as a doctor primarily concerned with industrial medicine; she as a public servant, being a member of the Portland School District board of directors for 12 years, then as a state representative for four terms. She had just announced her retirement.

More than that, they supported each other in their interests, as sometimes couples who are deeply involved in careers find it difficult to do. Theirs was a marriage of true partnership, of give-and-take, of supporting and sharing.

Their deaths came at a time when they might have hoped to spend more time with each other, to be a little selfish, after so many years of spending energy for things that could make the world better.

The world might have hoped they could be spared to continue their good works, for they were at the height of their powers and influence. Those who have admired them as people must exert themselves to follow the happy example of the lives of Forrest and Mary Rieke.

[From the Oregonian, Jan. 28, 1978]

FLAGS AT HALF-STAFF MARK MOURNING FOR RIEKES

(By Richard Colby)

Oregon Gov. Bob Straub ordered flags at half-staff over state buildings Friday to mark mourning of the deaths of state Rep. Mary Rieke, R-Portland, and her husband, Dr. Forrest E. Rieke, who were killed Thursday in an auto accident in Costa Rica.

The couple were on a four-day outing when their rented car left a road 180 miles north of San Jose, the country's capital, and plunged down a ravine. Mrs. Rieke was killed instantly. Rieke died at a San Jose hospital.

They had been in Costa Rica since Sunday to observe the Costa Rican national elections scheduled Feb. 5.

Mrs. Rieke was first elected in 1970, and Rieke was a Portland physician and pioneer in industrial medicine.

Their son, Forrest Jr., a Portland lawyer, made arrangements Friday with the Costa Rican government to have their remains returned to Portland by early next week, a lawyer in his office said.

Memorial services are being planned in Salem and Portland, although details have not been completed. Caldwell Colonial Mortuary is in charge of arrangements.

"This is a deep loss to the state of Oregon," Straub said. "Both were vigorously active in public affairs, and gave much to the people of Oregon."

House Republican leader Roger Martin said of Mrs. Rieke: "Oregon politics and Oregonians have suffered a great tragedy with the loss of one of its finest people."

She had announced near the end of the 1977 legislative session that she would not run for re-election this year.

Legislators on an interim task force on transportation Friday praised Mrs. Rieke as a dedicated public servant whose hard work made it likely she would not have lost a re-election bid.

Originally a task force member, she later declined to serve in that capacity so she could spend more time with her husband in Costa Rica, said Sen. George Wingard, R-Eugene.

"She was one of the finest legislators that I have ever met," said Wingard, chairman of the task force. The panel met Friday in Eugene.

"She never reacted without doing her homework. You would never find her shooting from the hip. I don't think she ever would have lost an election because of her ability to convey to the people her interest in Oregon that just comes across in certain politicians."

Rep. Pat Whiting, D-Tigard, called her "one of our leading legislators who could not be equaled in the area of educational responsibility and higher education needs."

Mrs. Whiting said Mrs. Rieke also worked for increased citizen participation in the bureaucratic processes of government.

Rep. George Starr, D-Portland, said, "I thought she was just an outstanding legislator. She was a really neat person and fair-minded. I couldn't cast enough praise on her."

Don Clark, Multnomah County Commission chairman, said, "This community has lost two of its most committed citizens. Mary and Forrest Rieke dedicated their lives to good citizenship and to working toward making our area a better place to live."

Rieke, who began his medical practice as a medical director in Portland's World War II shipyards, continued in the field of industrial medicine and safety to found and become a partner in the Industrial Clinic at 1313 N.W. 19th Ave.

Oliver Larson, executive vice president of the Portland Chamber of Commerce and a longtime close friend of the couple, recalled Friday that Rieke's practice recently brought him into contact with the crew of the ill-fated Indian ship, Chandragupta, lost at sea earlier this month with no survivors after making its final call in Portland.

"He was down in the dumps about what happened to them," Larson said. "It really got to him. He wondered what could be done."

Rieke, chairman of the chamber's Health Affairs Committee and a past chamber director, was involved in many civic concerns, Larson recalled. He served as physician for the Oregon high school basketball tournaments in Portland, and had campaigned hard to get Portland's proposed new Veterans Administration hospital located near Emanuel Hospital.

Rieke also pioneered in the health planning field, "prior to any other physician around here," Larson said.

"He was always a little bit ahead of his time on social concerns like that."

Rieke had arranged student and teacher exchanges between Costa Rica and Oregon and was working on exchanges of high school students this week, a friend there said.

Rieke was president of the Oregon Partners of America section, a private cultural exchange program between Latin America and the United States.

[From the Oregonian, Jan. 28, 1978]

COMMUNITY TRAGEDY

The deaths of Dr. Forrest "Bud" Rieke and his wife, state Rep. Mary Rieke, R-Portland, in an automobile accident in Costa Rica, was a tragedy with grave impact on this community, the state and beyond.

The Riekes were a couple dedicated to both professional and public service. They were on a mission of such a combination when their car went off a mountainous road in Costa Rica.

Mrs. Rieke had served as a member of the Portland School Board and the Oregon House of Representatives. She had announced her retirement from the Legislature in the closing days of the 1977 session. But these were only two of the demanding public positions to which she had given her time and energies. She was very active in a wide range of community activities, telling friends that her efforts were devoted to laying the foundations for a better world for her children. The Riekes had two sons and a daughter, who survive.

Dr. Rieke also contributed substantially to his profession and to public service. He held statewide office in health and medical agen-

cies and was a prolific writer on the subject of industrial medicine. Like his wife, he put more than the usual interest and initiative into his public service. He was one of the prime movers in the international Partners of the Americas, in the interest of which he and Mrs. Rieke were in Costa Rica. It is a person-to-person, school-to-school program dedicated to better relationships in this hemisphere. Dr. Rieke was credited with nurturing a spirit of good will in such exchanges. Indicative of his scope was his selection as Doctor-Citizen of the Year by the Oregon Medical Association in 1973. He had not slowed his pace since then.

Mary and Bud will be widely missed and mourned.

[From the Oregon Journal, Feb. 1, 1978]

RIEKES' WORK IN LATIN AMERICA PRAISED

(By Tom Ferschweiler)

The president of the National Association of the Partners of the Americas paid tribute to Forrest and Mary Rieke Wednesday, expressing the association's sense of loss in their tragic deaths and at the same time expressing appreciation of their work toward establishing and strengthening bonds between the United States and Latin America.

Alan Rubin, Washington, D.C., was in Portland to participate in the memorial service for the Riekes who died Thursday following an automobile accident in Costa Rica.

Dr. Rieke's contacts on national and international levels were invaluable, Rubin said, not only toward developing good projects between Oregon and Costa Rica but also in aiding 46 projects in 21 nations in the Western Hemisphere.

Rubin noted that Dr. Rieke had served as an elected member of the executive committee of the association four of the last five years and was re-elected to another term in November.

"Dr. Rieke," he said, "shared his interests, his contacts and his help in the health area with people in a great many other countries. In his capacity as a member of the executive committee he traveled extensively in Latin America and always insisted on taking time to observe medical facilities and to do what he could to establish the best possible mesh of health needs in Latin American nations and solutions back here in the partner states."

The Riekes were very much a "partner family" in the association, Rubin said. "Mary Rieke was a person on whom we counted strongly for direction in the field of education and in the entire area of developing programs to reach the needs of women throughout the Americas.

"Her concern for the rights of human beings was strongly evident in everything she did. She worked in these programs at the national as well as the local and international levels.

Rubin said the association has set up a fund in the names of the two Riekes to promote suitable programs, projects and institutions.

The memorial service for the Riekes was Wednesday afternoon in First Presbyterian Church.

MINNESOTA'S ENERGY OUTLOOK

Mrs. HUMPHREY. Mr. President, I want to review the present energy situation in Minnesota. It is a precarious situation because of my State's excessive reliance, heretofore, on petroleum imported from Canada.

Minnesota enjoys relatively abundant natural gas and coal supplies. The pipeline company, Northern Natural Gas, which serves most of Minnesota, is an aggressive one and has been able to avoid supply shortages experienced by several other companies in recent years. Prices for gas have remained relatively low, as well, due to Federal regulations governing interstate gas sales. About 5 percent of Minnesota's gas customers, particularly those in the northeast portion of the State, rely entirely on Canadian natural gas supplies. Despite some concerns in recent years about Canadian gas curtailments, it now appears that these supplies will continue to be available into the foreseeable future. Canada has experienced a boom in gas discoveries over the last 2 years. And, our decision to join with her to transport Alaskan gas across the Yukon, Northwest Territories, Alberta, and Saskatchewan to the lower 48 States will increase Canadian supplies even more in the future. The disadvantage to these Minnesotans using Canadian gas is its high price—three times higher than permitted on interstate supplies delivered by Northern Natural Gas.

While Minnesota has no coal deposits, we sit on the Burlington Northern mainline from western coal fields to Chicago and the East. Consequently, we can look forward to abundant coal supplies at competitive prices.

Minnesota does face a petroleum supply shortage. Canada's decision to reduce oil exports to the U.S. struck Minnesota hard. Our three in-State refineries were built specifically to utilize Canadian oil, in part at the suggestion of the Canadians. We have an excessive reliance on Canadian oil, as a result. And it has been difficult establishing new oil transport systems to move oil to these Minnesota refineries to replace Canadian exports.

Two years ago, the Federal Government established a Canadian oil priority system—a system to allocate Canadian oil exports to refineries unable to quickly find replacement supplies. This system has worked well until recently when a proposed revision actually reduced, rather than increased, oil supplies in Minnesota. Much more helpful was a decision by the Williams Co. to build a pipeline to the Twin Cities from Mason City, Iowa. This line now supplies about 100,000 barrels of oil daily and should be credited with avoiding an oil crisis in Minnesota this winter.

However, we face real prospects of an oil shortage of 22,000 barrels a day or more this year—a shortage that will grow sharply higher in 1979. This looming shortage is a serious problem—and few solutions exist which are both economical and timely.

By far the best solution is oil swaps with Canada. Minnesota refineries must be permitted to expand their exchanges and swap more oil with Canada. These oil swaps are economical and frankly, the best solution to Minnesota's oil problem. However, the magnitude of these swaps is limited by the ability of Minnesota's refineries to supply swapable U.S. oil. Only a few pipelines link ourselves and Canada, and they are full. The results: Minnesota's refineries cannot gain sufficient access to these pipelines to swap the volumes of oil necessary to eliminate Minnesota's oil problem. It is imperative that these refineries gain additional pipeline space. If necessary, it is even appropriate, Mr. President, for the Congress to consider a pipeline space allocation program for Canadian-dependent refineries.

The alternatives beyond expanded oil swaps are far less attractive. They involve the construction or expansion of oil pipelines to Minnesota from either the west coast or the South. All of those proposals, with one exception, are expensive and will destroy valuable farmland. The exception is expansion of the Williams Co. pipeline I mentioned earlier. However, this pipeline option, like all other such options, will require 2 or 3 years for completion. Minnesota cannot wait that long.

Let me mention two additional points, Mr. President, before closing. I urge the Department of Energy to move quickly in making funds available for home insulation. Their weatherization program for low- and moderate-income families, I believe, is well conceived. But the Congress should monitor that program to see that funds are made available as quickly as possible. There is no better answer, at least in my State of Minnesota, to the energy crisis than energy conservation, especially greater home insulation.

Finally, I urge my colleagues to consider an expansion of funds to assist low-income families meet excessive fuel bills. This program has been successful, but is far too limited in scope. I want to see both a relaxation in eligibility requirements and increased appropriations for that necessary program.

THE 60TH ANNIVERSARY OF ESTONIAN INDEPENDENCE

Mr. DOMENICI. Mr. President, the Estonian American community in this country will be celebrating the 60th anniversary of the proclamation of Estonian independence.

This celebration is in memory of a time when Estonians declared their independence from foreign domination and asserted their right to self-determination.

On this day Estonian Americans across this land reflect on their heritage and cultural traditions. But in their commemorative ceremonies they also dedicate themselves to the cause of freedom of all men and peace in the world.

On this anniversary, we in the Senate should recognize their determination for the restoration of the national rights of Estonia and salute their dedication to the causes of self-determination and inalienable rights of all members of the human family.

ON THE DEATH OF THOMAS D. FINNEY, JR.

Mr. MUSKIE. Mr. President, Tom Finney's death took from us a man who

helped shape the history of our time. His is not a familiar name to most Americans. But it is to most of us.

It is an irony of history that most events seem shaped by one person, or a small group of men and women. Those of us who serve here understand how inaccurate that can be.

And it is people like Tom Finney who prove that public recognition is not the same as public service.

Tom could have had a successful political career in his native Oklahoma—all of us who knew him have no doubt of that. Yet he did not seem particularly interested in that sort of service. And many of us were thankful that he was not, because it left him free to think, say, and act as he wished.

We who knew him could sense that. We knew his thoughts would be unencumbered by a desire for power or personal advancement. He was free to turn his sharp wit on whomever he chose. And he was free to bring his incisive intellect to bear on whatever interested him. It was the country's good fortune that his restless mind sought satisfaction in Government and politics, as well as in a staggering variety of other subjects.

I was one who sought his advice. I found him a superb adviser, who had an unmatched ability to put questions in focus. He could not only go to the heart of a matter, but he could lay out the arguments on both sides in a way which did not guide you to a conclusion, but let you find your own way.

He was an entertaining man, a successful and independent man, and a man who earned the trust and admiration of all who knew him. His life was too short if measured by his years, but he lived it fully and enthusiastically.

His death was a personal loss, and I know many of my colleagues will miss him as I will.

Mr. President, I would like to share with my colleagues the remarks of three of Tom's friends at his funeral service in the National Cathedral on February 2. I ask unanimous consent that the eulogies given by his law partner, Clark Clifford; by Senator ADLAI STEVENSON, who knew and admired him as I did; and by a friend and colleague, W. DeVier Pierson, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORIAL SERVICES FOR THOMAS FINNEY
(1925–1978)

(By Senator ADLAI E. STEVENSON)

Tom Finney required little of life for himself. He claimed little of the influence that was his in Washington. He aided just causes; often they were forlorn. He aided friends in need.

My memornies of Tom span many candidates and causes, two generations of grateful Stevensons and the many meetings—at which Tom would listen. And then by some magic we, his friends, would listen as he put things right with a few well chosen words and much good humor. We loved this man and needed him.

A passage from Micah was read at my father's services which Tom, like his father and mine, understood. It is a lesson for us all.

Wherewith shall I come before the Lord, and bow myself before the high God? Shall I come before Him with burnt offerings, with calves of a year old?

Will the Lord be pleased with thousands of rams, or with ten thousands of rivers of oil? Shall I give my firstborn for my transgression, the fruit of my body for the sin of my soul?

He hath shewed thee, O man, what is good; and what doth the Lord require of thee, but to do justly, and to love mercy and to walk humbly with thy God?

Micah 6: 6–8.

REMARKS OF CLARK CLIFFORD

Thomas Dunn Finney, Jr. was born January 20, 1925. He died January 30, 1978.

Out of these 53 years, I had the rare privilege of a close, intimate relationship for the last 15 of those years. We gather together to celebrate the life of this good man.

One of the oldest adages of the law is that taking a law partner is very much like taking a wife. You take him for richer or poorer—in sickness and in health—forsaking all others, and until death us do part.

Ours was a most successful marriage. What a delight this man has been. A keen, searching intellect, a trained, finely honed legal mind, an ethical standard of the highest integrity, and an ever present exquisite sense of humor that lubricated not only his revered wheels of justice, but the myriad personal relationships he developed and maintained.

His humor had a graceful and sensitive and an elusive quality. It was never forced. It flowed gently and subtly. You found yourself enjoying it immensely, as you marveled at its relevance and timeliness. Amusing illustrations to prove an important point. A graceful riposte that delicately brought an adversary back to the realm of realism.

It was such an important element in Tom's makeup that you cannot think of him without feeling a warm, affectionate smile come on your face. Milnes once said:

"The sense of humour is the just balance of all the faculties of man, the best security against the pride of knowledge and the conceits of the imagination, the strongest inducement to submit with a wise and pious patience to the vicissitudes of human existence."

Tom Finney was a rare human being. He had my respect, my admiration and my affection. It is my considered opinion that if a person knew Tom Finney well, that person would unquestionably believe in immortality.

The human mind will not accept the concept that this bright, joyful, understanding and blithe spirit could ever die. Possibly it might be transferred to some other realm where it would continue to delight and provoke, but to be snuffed out like a candle—never!

No inducement on earth can persuade me that I will not see Tom Finney again. I confidently expect that when I arrive there, he will be running the place and I assume I will be kept in purgatory for a suitable period because he happens to know that once in my life I voted for a Republican.

Emily Dickinson would have understood what I am saying:

"Afraid? Of whom am I afraid?
Not death: for who is he?
the porter of my father's lodge
As much abasheth me.
"Because I could not stop for Death,
He kindly stopped for me;
The carriage held but just ourselves
and Immortality."

Another uncommon quality of this man was his courage. Courage to fight this obscene foe who this last year attempted to bring him to his knees. He fought it with his mind, his force of intellect, his indomitable will, his physical strength and with the loving support of his family and his innumerable friends.

He fought it on the beaches, on the roof tops, in the streets—he never gave up.

Another shining star was added to the lustre of the man. He displayed the kind of spirit and faith that moves mountains.

Henley was writing of this kind of courage when he said:

"It matters not how strait the gate
How charged with punishment the scroll,
I am master of my fate;
I am captain of my soul."

And through it all, that precious wife of his, Sally, stood taller each passing month.

Kind and considerate, supportive and solicitous, forever softening the onslaughts of this evil that sought to possess him.

A line or two from the 31st Chapter of Proverbs characterizes her so well:

"She will do him good and not evil all the days of her life
She seeketh wool and flax, and worketh willingly with her hands
She riseth also while it is yet night and giveth meat to her household
She perceiveth that her merchandise is good; her candle goeth not out by night
She reacheth forth her hands to the needy."

May God's grace be upon her and may she have peace.

As we extend the depth of our sympathy to Sally and to Tom's mother and to his children and to all of you who feel this pervasive sense of loss, be reminded of the Scottish prayer:

"Give us grace and strength to forbear and to persevere. Give us courage and gaiety and the quiet mind, spare to us our friends, soften to us our enemies."

And, as we say a temporary farewell to Tom, the poet helps us:

"Night with her train of stars and the great gift of sleep.

So be my passing!
My task accomplished and the long day done,
My wages taken, and in my heart
Some late lark singing."

And last of all:

"To all at length an end!
All sailors to some unseen harbour float.
Farewell, mysterious, happy twilight boat.
Farewell, my friend!"

REMARKS OF W. DEVIER PIERSON

More than 200 years ago Henry Fielding told us that it is not death. but dying, which is terrible. This simple truth has never been more evident than to Tom Finney's many friends as we have seen his ordeal of the past two years. While it is fitting that a portion of these services have been devoted to this searing experience and its effect on Tom's family, we must now begin the difficult process of turning our attention from the cruelty of Tom's death to the beauty and inspiration of his life.

To this end—as a surrogate for all of Tom's friends—I want to talk about Tom as we knew him and what he has meant to our own lives.

Tom's roots were in Oklahoma and he could have enjoyed a distinguished professional and public career in his native state. But, like a number of fellow Oklahomans, Tom chose a Washington career and came

here just over twenty years ago as the principal assistant to Senator Mike Monroney. He became the leader and most distinguished alumnus of a local institution we Oklahomans affectionately refer to as the Monroney School of Public Administration.

Almost from the time of his arrival in Washington, Tom was sought out by great public men of our time—the Adlai Stevensons, father and son, John Kennedy, Lyndon Johnson, Gene McCarthy, Ed Muskie, Walter Mondale and many others. I now understand why such men constantly turned to Tom. Tom always worked for the success of the enterprise. He sought a victory of men and ideals. He was not self-serving. He did not lust for individual influence, personal power or public recognition. He was, therefore, correctly perceived by these public men—including two of our Presidents—as a wise and dispassionate counsellor who could be counted on for reasoned, detached and reliable advice.

Selfless participation in politics is a rare commodity and the friendship that continued between these men and Tom long after the campaigns had run their course or the project had ended is the best evidence that they—like the rest of us—knew that Tom was unique.

I hope I can describe—with a clarity and precision that Tom would find acceptable—the kind of relationship that he had with his friends. Tom was our leader. He dominated by the force of his native intellect, knowledge and gift of expression. He knew when to speak and when to listen. He could state a case, dissect a problem and summarize competing views. He was constant, strong and steady. Because he was willing to apply these skills to the interests and problems of his friends, he had a profound influence on each of us.

Tom was also formidable because he knew so much about so much. He understood and could discuss foreign affairs, international economics, social issues, domestic politics, literature, sociology, psychology—and almost anything else.

He was a connoisseur of books, photography, music, art, wines, antiques, rugs, coins, stamps, pipes and semi-precious stones. These were not simply objects to be collected. They were subjects to be mastered—and he did so. Tom was a contemporary renaissance man.

He was also human—and with human frailties. He did not lack ego. He was a perfectionist and not unduly tolerant of the limitations of others. He was always impatient and sometimes irascible. His tongue was sharp and he did not—to put it mildly—suffer fools gladly. But he was not malicious. Tom simply did not understand why everyone was not as well-ordered and informed as he was.

Most of all, Tom was a good and true friend. He cared. He was always ready to help—to advise—to comfort. You were as good a friend outside his presence as within it. He shared in the happiness of his friends. He hurt when we hurt.

Tom brought out the best in people and made each of us better than we really were. In my own experience, I know that all of my successes have been shared with Tom. In my most troubled hours, he was always there.

Because Tom has meant so much to us and our feeling of loss is so deep, there is a temptation to feel cheated—to be bitter about the unfairness of his life being cut so short. But Tom himself provided the best reason not to do so. One day I was discussing with him a long-time public official and Tom said the man was not qualified. I asked why he felt that way and pointed out that this man had 30 years experience. "No," said Tom, "he hasn't had 30 years experience, he has had one year's experience 30 times."

This difference between mechanical longevity and the quality of a life is Tom's legacy to us. Although it spanned just 53 years, Tom's life was long and full because he made it that way. He achieved more in his lifetime than most men ever do. There were no vacant periods. Each year counted. Each year was full of excitement, new interests and new experiences. Tom did not leave us before he had made his mark.

As we gather here in respect and sorrow, painfully conscious of our own mortality, this lesson—that each year of our life should be lived to its fullest and its highest potential—provides the only real clue as to any meaning in Tom's death. I hope it gives Tom's brave and wonderful family comfort and purpose as they renew their own lives. I know that it makes the rest of us, who loved Tom and who will miss him, all the more grateful for the years we had together.

A TRIBUTE TO THE ESTONIAN PEOPLE

Mr. HEINZ. Mr. President, 60 years ago, on February 24, 1918, the people of Estonia declared their independence from the Russian Empire. A war of liberation ensued in which the Estonians bravely fought for and gained the right to self-determination. However, Estonia's fragile independence came to an end in 1940 when the Soviet Union ignored the U.S.S.R.-Estonia treaties that had been negotiated and annexed Estonia. Estonians were powerless to resist Soviet military strength. We can begin to realize what this has meant for Estonians in this statement from the Estonian American National Council:

Confirmed reports from Estonia show that Russianization of the country is proceeding with full force. Thousands of alien people are being brought in as "necessary workers" to mix with the local population. The Estonian language is being relentlessly pushed into secondary place. Communist-literature and propaganda are trying to raise young Estonians as obedient servants of the Kremlin. However, the Estonian nationalist spirit is fighting back everywhere. In the last few years there have been many occasions where the youth of Estonia has shown a strong national will of resistance through demonstrations and appeals to the free world. Many of them have been arrested and sentenced to hard labor as dissidents of the Soviet Union.

The Estonian people have refused to surrender; they have kept alive the hope that some day their dream of self-determination will be realized. They represent a distinct nation: Linguistically, historically, and culturally the Estonians differ from the Russians. They do not desire to be part of a foreign nation and should not be forced to. We can only hope along with them and add our voice to the many that have spoken out against Soviet repression and in support of the sovereign rights of Estonia.

JUSTICE DEPARTMENT COMMENTS ON FEDERAL COMPUTER SYSTEMS PROTECTION ACT

Mr. RIBICOFF. Mr. President, on June 27, 1977, I introduced the Federal Computer Systems Protection Act. The measure, S. 1766, was referred to the Senate Judiciary Committee.

Sponsors of the bill include Senators PERCY, JACKSON, KENNEDY, THURMOND, GRIFFIN, DOMENICI, HEINZ, JAVITS, and MATSUNAGA. The late Senators McClellan and Metcalf were also sponsors.

The legislation would amend title 18 of the United States Code to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions and entities affecting interstate commerce.

Benjamin R. Civiletti, Assistant Attorney General, Criminal Division, wrote to me in a February 14, 1978, letter in which he made recommendations as to how the Department of Justice believes S. 1766 could be strengthened.

Mr. Civiletti is to be commended for making these recommendations, all of which are acceptable to me.

In addition, I would like to call attention to the concluding paragraph of Mr. Civiletti's letter. It says:

We would like to assure you of our complete cooperation in providing whatever assistance is necessary to aid the Congress in its discussion and debate of this bill. Its passage will create a new and valuable weapon in the fight against white collar crime.

I am referring Mr. Civiletti's letter to the gentleman from Mississippi (Mr. EASTLAND) who is chairman of the Judiciary Committee.

Mr. President, I ask unanimous consent that Mr. Civiletti's February 14, 1978, letter and S. 1766 as originally introduced be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 14, 1978.

HON. ABRAHAM RIBICOFF,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR RIBICOFF: As you requested, the Department of Justice has reviewed Senate Bill 1766, the proposed Computer Fraud statute. We agree with your view that the potentials for computer related criminal activity, inadequately addressed by current law, make a strong Federal statute such as S. 1766 highly desirable. With a view toward further strengthening the bill, we would suggest consideration of the following points prior to action on a final version.

1. The statute is titled Computer Fraud. In that it also deals in Section B, with damage and destruction of hardware, might it not more appropriately contain some reference to that facet in the title, such as Computer Fraud and Abuse?

2. In Section A, the required intent element is not spelled out in detail. This can be corrected by modifying the provision to read: "Whoever knowingly and willfully, directly or indirectly accesses . . ."

3. Neither Section A nor Section B contains an "attempt" provision. As to Section A, the preparation of a computer fraud, e.g., file or program manipulation, may be the most time consuming and traceable portion of the crime, while the actual perpetration might take place in a fraction of a second. Yet, all the efforts leading up to the execution, if effected without accessing the computer, or if the final step were not taken and the scheme uncovered, would be outside the scope of statute without such an attempt provision. Similarly, in Section B, if the perpetrator were unsuccessful in his destruc-

tive activities or did not take the final step, he might be unassailable without inclusion of an attempt proscription.

4. While the word "foreign commerce" is not used, it would in our view be desirable to have the legislative history reflect the fact that the statute is not intended to be limited to purely interstate frauds.

5. Section A(2) speaks of obtaining money, property, etc. It may be desirable to add the phrase "for themselves or another" in order to include those who, while not actually involved in the perpetration, are the knowing beneficiaries of the fraud.

6. Section B is targeted at those "unauthorized" persons who do harm, but overlooks those who are "authorized" and for whatever reasons under color of their authority may commit the same acts or cause them to be committed. Might it not be better to rephrase the section to address anyone who alters, accesses or manipulates any aspect of the computer, computer network, etc., or any part thereof, with "intent to cause destruction or damage" to the computer, the company, or any person related or associated thereto, or causes such acts to be done?

7. In Section C(4) the definition of computer network is restricted to communication lines. Current networks, however, may actually communicate by microwave transmission. It may therefore be more appropriate to speak of "communication systems".

8. Section C(5) defines property to include electronically produced data. In actuality data is more often processed than produced. For completeness it is probably better to say "electronically processed or produced data".

9. The definition of financial instrument, Section C(7), does not specifically mention electronic fund transfers. Consideration should be given to adding to the end of the definition ". . . credit card, marketable security, or any electronic data processing representation thereof".

10. Section C(8) defines computer program in terms of a "series" of instructions or statements. While this is technically correct, it is possible to do quite a bit of damage with the execution of a single instruction or statement. It is probably unnecessarily restrictive to include the word "series".

We would like to assure you of our complete cooperation in providing whatever assistance is necessary to aid the Congress in its discussion and debate of this bill. Its passage will create a new and valuable weapon in the fight against white collar crime.

Very truly yours,

BENJAMIN R. CIVILETTI,
Assistant Attorney General, Criminal Division.

By JOHN C. KENNEY,
Deputy Assistant Attorney General, Criminal Division.

S. 1766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Computer Systems Protection Act of 1977".

SEC. 2. The Congress finds that—

(1) computer related crime is a growing problem in the Government and in the private sector;

(2) such crime occurs at great cost to the public since losses for each incident of computer crime tend to be far greater than the losses associated with each incident of other white collar crime;

(3) the opportunities for computer related crimes in Federal programs, in financial institutions, and in other entities which operate in interstate commerce through the introduction of fraudulent records into a computer system, unauthorized use of computer facilities, alteration or destruction of computerized information files, and stealing of financial instruments, data, or other assets, are great;

(4) computer related crime directed at institutions operating in interstate commerce has a direct effect on interstate commerce; and

(5) the prosecution of persons engaged in computer related crime is difficult under current Federal criminal statutes.

SEC. 3. (a) Chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1028. Computer fraud

"(a) Whoever directly or indirectly accesses or causes to be accessed any computer, computer system, computer network, or any part thereof which, in whole or in part, operates in interstate commerce or is owned by, under contract to, or operated for, on behalf of, or in conjunction with, any financial institution, the United States Government, or any branch, department, or agency thereof, or any entity operating in or affecting interstate commerce, for the purpose of (1) devising or executing any scheme or artifice to defraud, or (2) obtaining money, property, or services by means of false or fraudulent pretenses, representations, or promises, shall be fined not more than $50,000, or imprisoned not more than 15 years, or both.

"(b) Whoever, intentionally and without authorization, directly or indirectly accesses, alters, damages, or destroys any computer, computer system, or computer network described in subsection (a), or any computer software, program, or data contained in such computer, computer system, or computer network, shall be fined not more than $50,000, or imprisoned not more than 15 years, or both.

"(c) For purposes of this section, the term—

"(1) 'access' means to approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any resources of, a computer, computer system, or computer network;

"(2) 'computer' means an electronic device which performs logical, arithmetic, and memory functions by the manipulations of electronic or magnetic impulses, and includes all input, output, processing, storage, software, or communication facilities which are connected or related to such a device in a system or network;

"(3) 'computer systems' means a set of related, connected or unconnected, computer equipment, devices, and software;

"(4) 'computer network' means the interconnection of communication lines with a computer through remote terminals, or a complex consisting of two or more interconnected computers;

"(5) 'property' includes, but is not limited to, financial instruments, information, including electronically produced data, and computer software and programs in either machine or human readable form, and any other tangible or intangible item of value;

"(6) 'services' includes, but is not limited to, computer time, data processing, and storage functions;

"(7) 'financial instruments' means any check, draft, money order, certificate of deposit, letter of credit, bill of exchange, credit card, or marketable security;

"(8) 'computer programs' means a series of instructions or statements, in a form acceptable to a computer, which permits the functioning of a computer system in a manner designed to provide appropriate products from such computer system;

"(9) 'computer software' means a set of computer programs, procedures, and associated documentation concerned with the operation of a computer system;

"(10) 'financial situation' means—

"(A) a bank with deposits insured by the Federal Deposit Insurance Corporation;

"(B) a member of the Federal Reserve including any Federal Reserve Bank;

"(C) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

"(D) a credit union with accounts insured by the National Credit Union Administration;

"(E) a member of the Federal Home Loan Bank Systems and any Home Loan Bank;

"(F) a member or business insured by the Securities Investor Protection Corporation; and

"(G) a broker-dealer registered with the Securities and Exchange Commission pursuant to section 15 of the Securities and Exchange Act of 1934.".

(c) The table of sections of chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following:

"1028 ---------- Computer fraud.".

THE CHICAGO TRIBUNE ON WATERWAY USER CHARGES

Mr. DOMENICI. Mr. President, prior to the recent recess, I placed in the RECORD several editorials evaluating the need for waterway user charges. These editorials came from papers like the New York Times, the Washington Post, the Chicago Sun Times, and the Miami Herald. Each supported my proposal on user charges.

Since that time, other editorials have come to my attention. One contains the view of the Chicago Tribune, which declares that "barges should contribute substantially to the costs of the waterways they use." Another comes from a far smaller newspaper, the Oak Forest, Ill., Star/Herald.

Mr. President, I ask unanimous consent that these editorials be printed in the Record.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

FOR SUBSTANTIAL WATERWAY FEES

The moment of decision is at hand in the Senate in the controversy about waterway user fees. A close vote is expected for there are substantial and conflicting interests and arguments involved.

That user fees will be introduced, for the first time, is clear. Last June the Senate rejected, by a pivotal vote of 44 to 51, Sen. Adlai Stevenson's amendment to substitute a study for any barge user charge at all. [The division was close within both parties. The majority of 51 consisted of 30 Democrats and 21 Republicans; the 44 consisted of 28 Democrats and 16 Republicans.] The Carter administration is in favor of the user fees. President Carter takes the position that if the barge industry is to get its badly wanted new Locks and Dam 26 at Alton it must accept some charges.

The question is, how much? The House passed bill now before the Senate calls for a diesel fuel tax of 6 cents per gallon. This would generate less than 10 per cent of what the government spends on the waterways. A competing proposal, sponsored chiefly by Sen. Pete V. Domenici [R.-N.M.] and earlier approved by the Senate, would charge waterway users enough, when the plan is

fully phased in, to recover full maintenance and operating costs and half of new capital outlays.

Abandoning the historic free ride that the barge industry has enjoyed clearly is in the public interest. Providing free access to an elaborate and expensive right of way for waterborne freight distorts the competition among freight carriers too much. That especially has hurt the railroads. Small wonder that the administration met the demand for a vast outlay to replace and expand Locks and Dam 25 with the reply, "If you want this kind of expensive public works, you should be prepared to pay something toward the cost."

Barge traffic certainly deserves a substantial place in American transportation. It is ideally suited for some commodities and some locations. It is economical and causes little inconvenience or congestion. But waterways obviously are the least flexible of freight routes. Planes and trucks can go almost anywhere. The country has inherited from the past an extensive rail network. No amount of subsidy can make the waterways a comprehensive network. But public payment of 40 per cent of the costs of barge freight can seriously and unfairly hurt other freight carriers who must pay nearly all their costs themselves.

Though the barge industry recognizes that its free ride is over, it hopes to escape with only token charges. But why should it? The administration's position is sound; barges should contribute substantially to the costs of the waterways they use. When the Senate votes, it should take more than a token step toward equitable treatment of competitive freight carriers.

BARGE INDUSTRY SHOULD SHARE OPERATIONS COST

Thousands of south suburban workers rely directly upon the railroad industry for their livelihood. But their employers are backing a tough, government-assisted competitor in the barge industry.

At the moment, the barge industry is pressing Congress to give it a costly big dam in downstate Illinois and, in return, the barge industry is willing to drop a token amount in the government till for the first time.

The U.S. House has agreed with the barge industry and the Senate has been much more realistic, but pressure is being brought upon the Senate to weaken its stand and accept the House measure.

The Army Corps of Engineers, seeking projects for its 34,000 members, has been pushing for three years to get congressional authority to build a new dam at Alton, Ill., at a cost of $420 million, another windfall for the barge industry. In return, the industry will bow to a meager six-cents-a-gallon tax on its fuel. That tax would contribute less than 15 per cent of the annual cost of maintaining the waterways for the barges.

The tax break and the dam reverberate negatively through the south suburbs, because they affect the fortunes of the railroad employees in this area. And those railroad employees contribute much to the economy here.

An estimated 80 per cent of the 1,500 workers at Illinois Central Gulf's downtown headquarters live along the ICG commuter line south of 115th street.

ICG's large Woodcrest railroad shop, located at the boundary of East Hazel Crest and Homewood, employs 700 persons. Nearly 1,500 employees operate the Markham yard, which extends from Homewood to Harvey.

The Rock Island Railroad has nearly 2,000 employees in this area, with many of them living along its commuter run through the southwest suburbs.

The B & O-C & O has its Barr yard at Riverdale. In Dolton, the Missouri Pacific is adding a new automobile facility to its classification yard.

The Elgin, Joliet and Eastern has its headquarters in Joliet and maintains an extensive operation across the south suburbs.

Furthermore, there are many rail-related industries in the south suburbs, such as Thrall Car company, with its 1,000-plus employees, and Abex corporation's Rail Products group, both in Chicago Heights.

Obviously, then, the welfare of the railroads is of considerable concern to the south and southwest suburbs. The barge industry, its chief freight competitor, is subsidized heavily; a recent government survey placed the federal contribution at 42 per cent of barge industry revenues.

It is true that the government has entered the railroad business with Amtrak and various commuter line grants, but the competition that is sending railroads into bankruptcy is in the freight end of the business.

Barge lines pay nothing for the use of waterways, although the government has paid billions to make the waterways suitable for barge traffic. Railroads build their own tracks.

The Senate, when it considers the inadequate House bill in January, should fend off pressure from the barge industry and the Corps of Engineers and help develop a sound, equitable and competitive policy for the industry.

The Senate's own bill, which sets user fees for barges at full maintenance cost and makes the industry share the cost of future dams and locks, is a far better approach.

THE STRUGGLE FOR HUMAN RIGHTS IN LITHUANIA

Mr. METZENBAUM. Mr. President, on February 16, 1918, the people of Lithuania reasserted their ancient tradition of national independence. After centuries of foreign domination and systematic efforts by German and Russian conquerors to replace Lithuanian culture with their own, this proud nation, founded in 1009, took its place once again among the free nations of the world. Independent Lithuania established diplomatic relations with the major powers and joined the League of Nations. In 1920, the Soviet Union formally abandoned Czarist claims to sovereignty and accorded full recognition to the Lithuanian state.

Unfortunately, Soviet respect for self-determination for smaller nations proved to be a sometime thing. In 1940, the Red Army put an end to the independence of Lithuania and its sister Baltic republics—Latvia and Estonia. All three nations were absorbed in the U.S.S.R.

The Lithuanian people may have lost their independence, but they have not abandoned their determination to retain their identity, their culture, and their religious faith. Like the Poles, the Lithuanians have remained loyal to their Roman Catholic heritage in spite of active efforts by the Communist authorities to suppress their fundamental right to freedom of belief. Their courage in the face of the overwhelming power of the Soviet state is worthy of our deep respect and admiration.

Mr. President, Lithuanian Americans have made major contributions to the development of our country. I join them today in expressing the hope that our Government will persist in its efforts to persuade the Soviets to guarantee the most elementary human rights to those who live under Soviet rule. It is a source of amazement to me that a powerful nation like the U.S.S.R. seems to feel itself threatened by open political discussion, continued religious belief and the desire of some of its citizens to emigrate or even to visit friends and relatives in other countries.

On May 4, 1977, the Catholic bishops of the United States adopted an eloquent statement entitled "Religious Liberty in Eastern Europe: A Test Case for Human Rights." I believe that this statement provides an excellent and painfully accurate description of the conditions facing millions of Christians, Moslems, and Jews in areas dominated by the Soviet Union and its allies. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE CATHOLIC BISHOPS OF THE UNITED STATES

The protection of human rights continues to be a major preoccupation among those who pursue peace, and with just cause. As Christians, we have become increasingly aware that the defense and promotion of human rights is a central task of the ministry of the Church. As Pope Paul VI in his 1977 Peace message has indicated: "where human rights are truly professed and publicly recognized and defended. Peace becomes the joyful and operative atmosphere of life in society."

Today, human rights in many places in the world are severely restricted. While no nation is faultless in the defense and promotion of human rights, we are obliged to note two recent statements by Episcopal Conferences—the bishops of West Germany and of Poland—deploring the denial of the human right to religious liberty in Eastern Europe.

We feel all the more obliged because so many American Catholics have their ancestral roots in these countries or are themselves refugees from the oppressive regimes of East Europe. The denial of religious freedom in the countries from the Baltic Sea in the north to the Black Sea in the south is a tragic episode in humanity's efforts to defend and promote human rights. Churches and individual religious believers are continually hindered by governments in the practice of their religion. In some cases, they are subjected to outright persecution, and, in others, as in the instance of Eastern Catholic churches, they have been forcibly suppressed. No religion is spared: Christians, Jews, and Moslems all suffer. The intensity and the scale of the suppression of religion is vigorous and comprehensive.

Attacks on the churches vary from country to country in East Europe, reflecting the diversity of cultural traditions in each country, the depth and variety of religious conviction among the people, and the degree of tenacity and pragmatism of the Communist party leadership. Despite the differences in degree, a general pattern of religious oppression is clearly evident.

It is especially at the level of the individual believer that the infringement of the

person's human right to practice his or her religion is most insidious, since in all of the East European countries atheism is supported by the full apparatus of the state. For example, membership in a Christian community disqualifies one from becoming a teacher, a civil servant or an official in the government. In some situations, even visits to the sick and the administration of the sacraments to the dying require prior official permits. Conditions are especially severe in Lithuania where the church is subjected to constant and intense persecutions. In the Ukraine, no churches of the Ukrainian Catholic Rite and the Ruthenian Rite, are permitted or open, while in Albania there exists perhaps the most systematic repression of the Church in all of Eastern Europe.

Religious instruction is constantly hindered by a variety of intimidating measures taken against students and their parents by state officials. This process of violations of human rights was the subject of a recent courageous pastoral letter of the Polish bishops (September 1976). While Catholics in Poland have displayed remarkable resilience in the face of persistent and official suppression, the bishops said that the Church is now being subjected to a sophisticated program of atheization: existing building regulations are used to restrict the construction of needed churches in expanding urban centers; employment opportunities are reserved to persons who declare themselves to be nonbelievers or at least non-practicing Catholics; and admission to some schools is made dependent upon a declaration of nonbelief. Similar practices are common throughout the East European bloc.

In Czechoslovakia, the regime is under the control of the most hardened Stalinists. More than half of the Catholic dioceses do not have bishops because the intransigent government refuses to acknowledge the Holy See's nominees and refuses even to dialogue on the issue. The clergy are under severe repression as are the seminaries. The very existence of the religious orders of women is especially precarious. The law forbids women from joining religious orders, and the indications are that, due to the regime's restrictions, the women's orders may be virtually extinct within 25 years.

In summary, the lives of individual believers and the existence of the Christian community in Eastern Europe are both in serious jeopardy. Both are subject to the capricious whims of state bureaucrats, the intellectual abuse of ideologues and the continuous harassment—with the ultimate goal of extinction—by the state apparatus.

Since World War II, the political fate of Eastern Europeans has depended heavily upon relations between the United States and the Soviet Union. This relationship has been dominated by U.S. fears that provocation in East Europe might precipitate a nuclear holocaust. This grim prospect has inhibited U.S. relations with the East.

The resulting U.S. policy of non-interference in the affairs of East European nations has prevented the United States from making any form of effective protest against Communist oppression. Advocates for the defense of human rights, including courageous dissenters in the East, have earnestly appealed to the West to apply multiple kinds of pressures against regimes in Eastern Europe, including the Soviet Union.

A series of recent developments—the signing of the Helsinki Accords, an increase in the volume of commercial and cultural exchanges between the United States and the East European nations, and a growing sense of independence within the bloc itself—may have given the United States a potentially greater measure of influence with Communist governments in the region. The real question is whether and how we can use that influence to protect one of humanity's most precious rights: the individual's religious freedom.

While we do not have any illusions about the political realities of international affairs, it does appear to us that circumstances and events suggest that new opportunities are present for the United States, which, if utilized, may contribute to the defense of human rights in Eastern Europe. We therefore urge the U.S. policymakers to give respect for religious freedom a more prominent role in the conduct of our relationship with these nations. We take note of the Congress' efforts to protect human rights and encourage it to expand on these efforts.

Specifically, we encourage the new Administration to engage seriously in the preparations for the follow-up to the Helsinki Accords scheduled for 1977. These include the establishment of an appropriate monitoring system to measure the compliance of nations—ours as well as the East Europeans—in implementing the Helsinki Accords. We also encourage U.S. trade officials, businessmen, intellectuals, performing artists, technicians, and scientists to introduce the issue of religious liberty, as well as other human rights, into their relationships with individuals and groups in Eastern Europe. And, further, advocates of corporate responsibility are encouraged to apply to Eastern Europe the same norms for evaluating the appropriateness of U.S. business presence and activities there as they do in the Third World.

We recall that the 1974 Roman Synod of Bishops affirmed that the promotion of human rights is required by the gospel and is central to the Church's ministry. However, in some countries, members of the Church cannot speak up about human rights, while in others, they can do so only at great peril. We, in the United States, are not hampered in this regard. Therefore, we pledge ourselves to continue to make the public advocacy of human rights a matter of our prime concern.

We associate ourselves in solidarity with the persecuted Church in those regions around the world where the human right of religious freedom is severely restrained by overt acts of suppression or by subtle intimidations. We especially ally ourselves with the bishops of Eastern Europe in their suffering and their ministry to their oppressed peoples. We recognize that the best efforts of nations, private groups and concerned individuals will not necessarily thwart those who "persecute believers and speak all kinds of slander. . . . (Mt. 5: 11–12) While pledging ourselves to support these efforts, we pray that those who suffer will recall Jesus' assurance that public persecution bears witness to his name and contributes to the evangelization of the world. (Mk. 13: 9–13)

We also acknowledge that there is a power beyond that of policymakers and politicians. Therefore, as we pray for the persecuted Church throughout the world, we also pray for its persecutors. In this way, we trust that God's wisdom and grace may provide what is lacking in our own efforts.

THE FOREIGN MISSION SOLAR ENERGY DEMONSTRATION ACT

Mr. PERCY. Mr. President, I would like to draw the attention of my colleagues to testimony given by Congressman JAMES JEFFORDS, Republican of Vermont, before the Subcommittee on Internationnal Operations of the House International Relations Committee. Congressman JEFFORDS testified on behalf of a bill he recently introduced in the House, H.R. 10699, the Foreign Mission Solar Energy Demonstration Act. Senator CASE and I introduced an identical bill in the Senate, S. 2472.

Congressman JEFFORDS, in his testimony, persuasively lays out the reasons why this bill is important and should be passed. To begin with, he points to the fact that it will help move this country toward a leadership role in developing sustainable energy systems around the world, a necessary step if we are to make the transition away from dependence on depleting fossil fuels.

Furthermore, Congressman JEFFORDS rightly points out that the Third World's perception of sustainable energy systems as somehow second rate must be altered. Installing solar systems in U.S. buildings abroad would provide visible proof to these nations that the United States considers these technologies to be worthy of demonstration and in no way inferior.

Finally, Congressman JEFFORDS proves that this bill could save money. Solar water installations placed on two U.S. mission residences in Tel Aviv several years ago saved an estimated $300 to $400 a year on electricity. These savings could be duplicated in many parts of the world with different types of solar systems.

Mr. President, I urge my colleagues in the Senate to act as promptly as the House, and begin the process toward the passage of this bill. I ask unanimous consent that Congressman JEFFORDS' testimony in support of the Foreign Mission Solar Demonstration Act be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY CONGRESSMAN JAMES M. JEFFORDS

Mr. Chairman, it is a pleasure for me to present this testimony in support of your hearings on the authorization for the Department of State. I would like to discuss the rationale for a bill I recently introduced, H.R. 10699, written as an amendment to the Foreign Service Buildings Act, copies of which I have had reproduced for the subcommittee's use this morning.

This measure, which has been introduced with me by Congressman Ryan, was also introduced in the Senate by Senators Case and Percy.

It would require the placement on our diplomatic and consular buildings abroad projects which utilize alternative energy systems. Such systems would be of a variety of alternative energy technologies, all of which are being developed by the Department of Energy, including heating and cooling, wind, photovoltaics, solar thermal and biomass.

The bill has a number of purposes. First and foremost, it is designed to help move us to a position of leadership in implanting these technologies, at a much faster rate than is currently the case, across the globe. I need not belabor the reason: Fossil fuels are not only finite but increasingly expensive; nuclear power is outside the financial reach of most developing nations and presents proliferation problems. It is altogether proper and, I think, necessary for us to demonstrate our technological capacities to

accelerate the solar transition across the world.

Mr. Chairman, last summer the Office of Technology Assessment released a major study entitled "Application of Solar Technology to Today's Energy Needs." The study, in discussing the international scene, concluded:

"Development of a foreign market for solar energy devices could provide an excellent opportunity for U.S. exports and the expanded sales resulting from this would probably lead to lowered costs and improved quality of domestic solar equipment. The international utilization and impact of solar energy may depend critically on U.S. initiatives over the next few years. In most areas, U.S. research is the most advanced in the world, so many nations will look to the U.S. for guidance in this field. A U.S. commitment to solar power would encourage foreign commercialization of the technology, if only by giving it prestige."

It is an unfortunate fact that much of the developing world has considered the acquisition of conventional and nuclear energy systems as status symbols; and that so-called alternative systems have been looked upon by many as poor man's energy. We must break this psychology as quickly as possible. The bill calls for projects which will give "visible incentives" to these nations "to develop and use local solar energy." Thus the projects selected should be "adaptable to the local resources, climatic conditions, and economic circumstances of the host country in order that such countries will more likely implement similar projects."

Information, technical, and engineering assistance to the Department of State under this measure would be provided by the Department of Energy. Although the Department of State has had some experience in evaluating and installing these systems, the vast fund of expertise and engineering skill of the Department of Energy should be at State's disposal for purposes of this program.

In fact this is not a new concept to the Department of State. Several years ago, the Department placed solar heated hot water installations on two U.S. mission residences in Tel Aviv, Israel. The savings in electrical consumption was dramatic and, according to the Department, "it is estimated that the average savings per annum on electricity for hot water per house will be approximately $300 to $400." Furthermore, "If similar systems were installed at 26 other residences, substantial additional savings of approximately $7,800 to $10,400 per year in utility costs could be achieved."

I would like to insert that Department of State Operations Memorandum in the record at this time.

This saving in electricity costs, as already demonstrated in Israel, can be achieved in many parts of the world with a variety of systems. At my request, the Office of Foreign Buildings in the Department of State has compiled a list of "possible solar installations" to serve as an illustration of what could be done. The list includes 11 major installations in various countries, including Niger, Pakistan, Iran, Senegal, Egypt, New Zealand, Bangladesh, Malawi, Philippines and Kenya; the technologies range from photovoltaics, to solar windpower to solar thermal absorption. The Department has also compiled a list of 130 installations in our many posts on all continents where domestic hot water might be implaced.

The total estimated costs of these projects, after engineering studies to determine feasibility, is roughly $5 million. It is this figure which the bill I introduced authorizes the Department to spend in fiscal year 1979 on these projects.

I would again request your permission, Mr. Chairman, to insert in the record 2 items: first, a letter to my office from the office of Foreign Buildings in the Department of State itemizing a number of examples of the types of solar installations which could be made under this bill, and second, a memo the Department developed which I just mentioned, compiling a list of "possible solar installations."

It is my intent in offering this measure that it dovetail with Section 119 of the Foreign Assistance Act, as passed for FY 78, which calls for the early development of bilateral programs with Third World Countries for the development of rural-oriented alternative energy technologies. Early placement of these technologies on our diplomatic structures abroad would help provide impetus to the bilateral programs provided for in Sec. 119. I would expect that the projects would move quickly from the feasibility to the hardware stages and that the Department move expeditiously. The language has been drafted to give the Department maximum discretion in choosing projects and locales, and the menu is a large one.

The potential for American leadership in this field is large and still unrealized. Take, for example, photovoltaic technologies. The present cost of these systems is uneconomically high, because the industry has been in the handicraft stage. But, with congressionally-mandated funding, as already agreed upon by the Energy Act conferees, over the next 3 years, the industry will be able to automate and costs will drop dramatically. Based on these new costs projections very recent studies by the NASA–LEWIS Research Center and Lincoln Laboratory at MIT are optimistic over the future of photovoltaic technologies in the less developed world. A March 1977 study for the Department of Energy by Lincoln Laboratories concluded that "photovoltaic power possesses certain attractive features that suggest an important role in meeting the energy needs of less-developed countries." And in a June 1977 NASA–LEWIS study entitled "The Market for Solar Photovoltaic Power in Developing Countries: 1977–2000", it was concluded:

"It is clear . . . that the adoption of renewable resource (e.g. solar) decentralized energy technology (E.G., photovoltaic, wind) should provide significant benefits for economic development and the quality of life in LDCs. Major benefits to the U.S. would be (1) enhancement of national security by lessening pressure created by declining economic positions of large masses of the world population, (2) creation of new foreign markets, and (3) to provide markets to support the major portion of the growth of fledging U.S. solar energy industry."

I would point out, Mr. Chairman, that the United States is not in the lead in the international marketing of these technologies. Far from it, there are a number of countries—including Japan, France, Germany and Israel which are currently pursuing more aggressive strategies in marketing their alternative technologies. We are behind, and I am suggesting this measure as one small step to help move us in the right direction.

Mr. Chairman, I have sought the guidance of the Overseas Development Council in drafting this legislation, and the Council, under the direction of Mr. Jim Grant, has been most generous with its advice. I would like to insert one last document here for the record, a letter from Mr. Grant on behalf of the Council on February 1st, 1978, endorsing this legislation.

It is my hope that the subcommittee will see fit to incorporate the essence of this measure as a part of its mark-up of the State Department Authorization for FY 79.

ARTHUR F. BURNS—SOME PARTING THOUGHTS

Mr. BROOKE. Mr. President, over the years I, as well as many other Members of this body, have developed the highest respect and admiration for the Chairman of the Federal Reserve Board, Dr. Arthur Burns. Indeed, I believe that President Carter would have done well to nominate Dr. Burns to serve another 4-year term as Chairman, and I joined with many others in urging the President to reappoint him. However, the President did not follow our advice.

And Dr. Burns accepted the President's decision with characteristic good grace. He interrupted his vacation to fly back to Washington to support and stand behind his nominated successor, G. William Miller.

Now Dr. Burns has submitted his resignation from the Federal Reserve Board, effective March 31, but this will certainly not mark the end of his service to the country. For what we most value in Dr. Burns, his sound thinking and lucid commentary on economic issues, will still be available to us. Dr. Burns is one of those men who is respected not for the high office he holds, but rather for his exceptional intellectual accomplishment and good judgment, and I expect his counsel will be sought as much when he is in private life as it has been while he served in public office.

Last week Dr. Burns addressed the National Press Club in what will probably be his last speech as Chairman of the Federal Reserve Board. His talk, titled "Some Parting Thoughts," is a commentary on the current state of our Nation's economy, and I commend it to my colleagues. And I ask unanimous consent, Mr. President, that the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SOME PARTING THOUGHTS

(Address by Arthur F. Burns)

Let me say first of all that I am most appreciative of the invitation to appear before you. In making my final public appearance as Chairman of the Federal Reserve Board here at the National Press Club, I take some pride in thinking that my relations with the press over the years have been forthright and decent. I at least like to think that I have avoided the "us" and "them" mentality that so often afflicts public figures in their dealings with the press. Certainly, the press has generally treated both me and the Federal Reserve System fairly. For my part, I have found the press a vigilant ally in the endless task of contributing to public understanding of the problems before our Nation.

Having spent much of my life wrestling with the subtleties and uncertainties of political economy, I am sensitively aware of the pitfalls that surround coverage of economic and financial news. I say most sincerely that I have great admiration for the professional job that the press corps does, day after day, in reporting and interpreting economic developments. To this assessment I have only one qualification, namely, that

broadcast journalism still is not as effective as it might be in dealing with economic news. I recognize of course that the constraint of limited time slots presents formidable difficulties. In any event written journalism as it applies to economics has in my judgment attained truly impressive maturity.

This luncheon is not a "good-bye" since I may be doing some things in the future that will interest you professionally. In fact it's not beyond the realm of possibility that I may even be joining your ranks in one capacity or another. Those in town who think the time for farewell has come are mistaken. Neither a shedding of tears—nor any special rejoicing—is yet in order.

There are a few thoughts I would like to share with you on this occasion. The economy is doing very well in some respects and poorly in others. In analyzing trends, I find it helpful to distinguish between the performance of the economy in recovering from the recent recession and its performance in coping with longer-run, deeply imbedded problems.

The economic expansion that began almost three years ago still has vitality in my estimation and I see no serious risk that it will peter out soon. The upsurge in sales with which 1977 ended caused inventories to be drawn down in numerous businesses, thus creating a likelihood that over-all economic activity will receive a special fillip for a while from businessmen's efforts to rebuild stocks. And with consumer activity, housing activity, and governmental activity all still exhibiting expansionary tendencies, I believe that further gains in employment and income lie ahead.

Business investment activity, to be sure, is still not showing decisive robustness. This reflects the uncertainties and unease that continue to haunt our business and financial environment. I expect, nevertheless, that the tax relief which the President has proposed for business will lead to a strengthening of investment commitments as 1978 unfolds. In saying this, I do not mean to embrace each and every aspect of the Administration's tax and budgetary strategy. Many of you know my views well enough to appreciate that a tax program structured to my liking would be tilted more decisively toward the stimulation of savings and investment. I think you also know that I feel that tax reduction at this stage of economic expansion should be primarily accommodated by limiting expenditures, so that significant shrinkage in the Federal budget deficit might still be achieved. But on the specific issue of tax reduction for business, I do believe that what has been proposed will help to relieve the low level of corporate profitability that has prevailed in recent times and thus constitutes an important plus for the capital-goods outlook this year and next.

So much for the bright side of the coin. The generally good record of our economy in terms of recovery from recession stands in marked contrast to a virtual absence of progress in coping with the overlay of our longer-term economic problems. I am thinking particularly, of course, of the dispiriting failure we have experienced in making headway against inflation. I am thinking also of our inability to solve the structural unemployment that is causing so many young people and black to be left outside the mainstream of national progress. And while most people probably think of our well-publicized balance-of-payments difficulties as being of recent origin, they too in fact are the product to a considerable extent of deep-rooted ailments that we have not dealt with effectively.

Last year witnessed no progress toward a less inflationary environment. Rather, the basic inflation rate settled in the 6 per cent area, reflecting the difference between average annual pay increments of labor that are running above 8 per cent and productivity gains that are averaging little more than 2 per cent.

While the discrepancy between wage and productivity increases is tending at present to perpetuate inflation, it is important to recognize that the inflationary problem with which this Nation is burdened did not originate with an irresponsible wage push on the part of American workers or their unions.

Rather, the tragic skein of events in which we are caught is chiefly traceable to fundamental mistakes of governmental policy made in the mid-1960's. Those mistakes involved over-stimulation of the economy at the very time our military involvement in Vietnam was escalating and when we were also embarking upon Great Society programs that were to become an increasingly heavy drain on the Federal budget. The pressures on available resources generated in the mid-1960's started us on a path of enormous budget deficits and rapid inflation from which we have not been able to disengage ourselves. Indeed we have continued to compound our problem by seeking to fine-tune the economy by governmental fiscal actions that, in my judgment, have weakened the private sector's dynamism and efficiency.

Events of recent years, such as major crop failures and the sharp rise in oil prices, have merely aggravated the underlying inflationary bias that our government, under both Republican and Democratic Administrations, has imparted to the economy. Other developments—such as the escalator arrangements sought and achieved by various economic groups—have speeded the transmission of inflationary impulses across the economy. In sum, over an extended span of time, we as a Nation first created enormous upward pressures on the price structure, and we then devised elaborate arrangements that tend to perpetuate those pressures even under conditions of economic slack.

The inflation plaguing our economy may not end quickly. Government has, however, a special leadership role in the pursuit of moderate fiscal and monetary policies, in encouraging wage restraint by way of example, and in many other particulars. But private actions are critical too, ranging from more determined pursuit of productivity gains to the conduct of collective bargaining in ways that are more responsible in a broad social sense. We see nowadays too many excessive wage settlements entered into by managements and trade unions, who then band together in seeking governmental protection from the market consequences of their own actions.

The need to fight inflation is widely recognized in our country, but the will to do so is not yet strong enough. I have no doubt that the will to get on energetically with the job of unwinding the inflation will be forged someday. I only hope this will come through a growth of understanding, not from a demonstration that inflation is the mortal enemy of economic progress and our political freedom.

And just as we need a more determined approach to the challenge of inflation, so too do we need fresh initiatives for dealing with structural rigidities in the job market. The heavy incidence of unemployment among young people and blacks will not be remedied by general monetary and fiscal policies. We need, instead, specialized efforts: first, efforts to overcome serious educational deficiencies so that individual job seekers will possess greater marketable skills; second, efforts to eradicate impediments that stand in the way of job opportunities for young people and minorities even when the potential for effective job performance is present. These impediments include Federal and State minimum-wage laws, restrictive practices of various craft unions in limiting membership, unnecessary licensing and certification requirements for many jobs and business undertakings, and—I must add to our shame—continuing racial discrimination. This Nation can have no greater priority than to end the tragic human wastage that we have been allowing to occur.

The disappointing aspects of economic performance are not confined to the domestic sphere. Full prosperity in this country can hardly be achieved in the absence of a healthy world economy and a stable international financial system. The recent steep decline in the value of the dollar in foreign exchange markets—precipitated in large part by our enormous trade deficit—has become a matter of serious concern.

To be sure, there are those who argue that recent exchange market developments are not worrisome. Indeed, much of conventional wisdom holds that a depreciating currency will improve a nation's trade position and, in turn, benefit its economy. Whatever merit may attach to this theory, it would serve our country poorly—particularly at the present time when such a large part of the world's economy is in a semistagnant condition.

The dollar, we must remember, is the currency in which the preponderance of world trade is conducted. It is also a store of value for practically every central bank, for multinational corporations, and for people of wealth and means around the world as well as for the American people. Continued uncertainly about the future value of the dollar could produce a disorderly, unsettling flight from dollar assets. It could lead to hesitation about spending or investing decisions around the world that would be inimical to prosperity—including the expansion of our exports. If the currencies of some foreign countries, especially those that depend heavily on exports, should experience significant further appreciation, their economies might well suffer. Such a development could reinforce recessionary tendencies and add to the risk of fostering protectionist sentiment around the world.

That the depreciation of the dollar has recently added to economic uncertainties both here and abroad is well understood by the Administration. That is why the President has reassured the world about our country's determination to protect the integrity of the dollar. That is why the Treasury and the Federal Reserve have recently taken steps that have been helpful to the functioning of foreign exchange markets. But the technical measures so far taken cannot of themselves assure a permanently strong dollar.

To protect the integrity of the dollar, we must enact without further delay an energy policy that promises substantial reduction of our dependence on imported oil. Second, we need to institute tax policies that will encourage business capital investment—including investment in this country by foreigners. Indeed, policies that make the United States a more attractive haven for foreign funds are especially important, since we cannot reasonably expect dramatic improvement over the near-term in the trade portion of our international payments accounts. Finally, our international payments imbalance requires an anti-inflation strategy that promises to enhance the competitiveness of our products in international markets.

These requirements of policy will not only serve to strengthen the foreign-exchange value of the dollar and thus the entire in-

ternational financial system. They are equally essential from the viewpoint of our domestic economy. An effective energy policy, a tax policy to stimulate capital investment, and a meaningful anti-inflation policy—all this, as the Administration recognizes, is vital to our domestic prosperity.

Before closing, I want to comment very briefly on a matter that, to my mind, can make an enormous difference to the future of our country. I refer to the special status of the Federal Reserve System within our governmental structure.

Throughout the ages, national governments have had a chronic tendency to engage in activities that outstrip the taxes they are willing or able to collect—a practice that was facilitated in earlier times by clipping precious coins and in modern times by excessive printing of paper money and coercion of central banks. To afford a measure of protection against such political abuses, the authors of the Federal Reserve Act provided for an independent central bank, and their action—while at times questioned—has been confirmed time and again by the Congress. In other words, substantial independence in exercising power over money creation is not something that Federal Reserve officials have arrogated unto themselves, nor is it something that others have conferred because of a belief that central bankers have unique insight that sets them apart from other people. Rather, the ability of the Federal Reserve to act with some independence from the Executive Branch, and also with immunity from transient Congressional pressures, was deliberately established and has been deliberately maintained by the Congress in the interest of protecting the integrity of our money.

In leaving the chairmanship of the Federal Reserve Board, I am especially pleased that President Carter has unequivocally assured the American people of his own conviction that an independent Federal Reserve serves our national interest. On that happy note, ladies and gentlemen, I will now end and turn to your questions.

LITHUANIANS INDEPENDENCE DAY

Mr. BAYH. Mr. President, on February 16, Lithuanians throughout the world observed the 60th anniversary of the Declaration of Independence of Lithuania. Today, I am taking this opportunity to join with my colleagues to express once again our undiminished support for the struggle of the Lithuanian people to resist the fetters imposed by the Soviet Government on expressions of national identity and religious and cultural freedom. Our commemoration today extends as well on behalf of the people of the other Baltic States—Estonia and Latvia. In total, we speak of nearly 7 million human beings who have been systematically restricted in their efforts to realize the most fundamental of human rights.

The systematic attempts of the Soviet Government to crush the Helsinki Watch groups in Lithuania and elsewhere for attempting to monitor the subject of religious liberty and other freedom have succeeded only in drawing worldwide attention and condemnation. Amnesty International—the recipient of the 1977 Nobel Peace Prize—has pointed to the warped view toward freedom of religion taken by Soviet authorities. In their annual report, AI notes that article 142 of the Criminal Code of the Russian Soviet Federated Socialist Republic (RSFSR) makes punishable "violation of the laws of the separation of church and school" according to which it is an offense to teach religion to children "in an organized way." Despite such general proscriptions on religious activity in the Lithuanian S.S.R., it has been reported by the Chronicle of the Catholic Church in Lithuania that "70 percent of the children in Lithuania have been taught catechism." Such a figure truly testifies to the enduring power of faith and belief in a nation that has been subjected to atheism imposed by the state for nearly 40 years.

Mr. President, our representative of the Belgrade Conference, Ambassador Arthur Goldberg, has expressed our own Government's strong and continuing concern about the trampling of religious freedom. Today we give voice to our own admiration of the staunch spirit of independence that characterizes Lithuanians everywhere. The recently televised story of the defection of Simas Kudirka, the Lithuanian sailor who attempted to defect to the U.S. Coast Guard in 1970 off of Martha's Vinyard, provided the American public with a moving portrayal of such spirit and a determination not to accept the Communist dogma that the rights of man flow from the generosity of the state rather than the hand of God. We dare not forget the exhaustive effort that was made by Lithuanian Americans in this country that finally secured his release and freedom for his family. We dare not since such indifference to the fate of the citizens of the captive nations would, indeed, signal a moral retreat from the principles of our own democratic heritage.

LEGAL SERVICES FOR THE ELDERLY

Mr. HATHAWAY. Mr. President, it is my pleasure to join with my colleagues in sponsoring S. 2394, a bill to amend the Older Americans Act of 1965 to provide assistance for legal services projects for the elderly. This legislation will augment existing, but insufficient, legal services for senior citizens.

At present, the elderly are underrepresented in legal service programs. At the same time, their need for these services is great. Older Americans increasingly rely upon Federal and other public programs for assistance in obtaining medical care, housing, food, social security benefits, and so on. However, they are not always aware of the programs and benefits for which they may qualify. Furthermore, even with this awareness, legal difficulties and redtape often prevent the elderly from taking maximum advantage of these programs. Assistance is often required to negotiate the maze of eligibility requirements. In addition, legal counsel may be required to establish and enforce new rights of the elderly.

The legislation which I am cosponsoring today authorizes funding for legal services for the elderly. The services can include expert and needed assistance in the areas of housing, transportation, health care, income maintenance benefits, and help in negotiating the intricacies of the law. The elderly will be provided with legal advocacy by persons who are acquainted with their special needs, their rights, and the process by which the two can be brought together effectively.

In addition, the bill provides for coordination of services, technical assistance, and training. To fund these activities, $20 million are authorized for fiscal year 1979, $25 million for fiscal year 1980, and $30 million for 1981. Twenty percent of the funding will provide national legal service resource centers, while 80 percent of the funding is allocated to State and area agencies on aging primarily for direct legal services to the elderly.

The elderly who will be served by these programs are those with the greatest economic and social needs. The assistance made available is intended to avoid crisis situations as well as to insure our senior citizens of the full benefits accorded to them by law, the benefits for which they have worked long and hard for so many years.

I look forward to supporting this important legislation when it is considered by the Human Resources Committee on which I serve.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on February 17, 1978.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., February 17, 1978.

In reply refer to I-13420/77ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated February 18, 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., February 17, 1978.

In reply refer to: I-9787/77ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated February 18, 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an East Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

WATERWAY USER CHARGES AND NATIONAL COAL POLICY

Mr. STAFFORD. Mr. President, the Georgetown University Center for Strategic and International Studies has sponsored a year-long study on national coal policy by representatives of coal producers, environmental groups, and coal consumers. Among many issues analyzed, the report addressed the question of waterway user charges. It recommends full cost recovery from the barge companies, a level of recovery from the users far higher than that approved by the Senate last June or proposed in Senator DOMENICI's amendment to H.R. 8309.

I ask unanimous consent that the national coal policy's waterways analysis, together with a list of the project's members and contributors, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WATERWAYS

Addressing the waterways, the Task Force endorses user charges based on the full costs of operation, maintenance, repair, and new construction of facilities on the waterways and the waterways themselves.* The charges should reflect the actual costs associated with the particular segments of the waterway system that the carrier uses. Some phase-in of urser charges may be warranted to alleviate transitional problems.

Public investment decisions regarding the waterway system should be made to ensure economically efficient use of the system. The U.S. Army Corps of Engineers should modify its cost/benefit analysis procedures to attempt to quantify all environmental costs before a new project is authorized and for all projects on which construction has not progressed substantially. The Corps should also use this type of analysis for reviewing continued operation of existing segments. On environmental issues, the Corps should comply with all applicable water quality standards and Federal Water Pollution Control Act (FWPCA) water management plans in its activities on the waterways, and it should set a policy goal not to undertake any action which would result in any net destruction of wetlands or any net reduction in wetland values.

Agreeing that governmental funding of basic research is justified and desirable, the Task Force recommends the federal government undertake studies on sources and means of control of turbidity and on cost-effective management techniques for using dredge spoils to restore wetlands.

WHERE WE AGREE: REPORT OF THE NATIONAL COAL POLICY PROJECT

PLENARY MEMBERS

Francis X. Quinn, Plenary Chairman; Gerald L. Decker, Industry Chairman; Laurence I. Moss, Environmental Chairman.

John Bartlit, Alan Beringsmith, Perry Brittain, Jackson Browning, John Corcoran, Paul Craig, Robert Curry, Norman Dean, J. Robert Ferguson, Jr., John Gibbons.

Matthew Gould, Ernst Habicht, Michael McCloskey, E. R. Phelps, J. James Roosen, Edward Sherry, Bruce Terris, Greg Thomas, Grant Thompson, James B. Tripp.

PLENARY ADVISORS

Walter Allaire, George Cobb, Justin Karp, Philip Mause, Joseph Swidler.

Project director: Francis X. Murray.

Sponsored by The Center for Strategic and International Studies, Georgetown University.

CONTRIBUTORS

INDUSTRY

Air Products and Chemicals.
Allied Chemical.
Allis-Chalmers Corporation.
American Boiler Manufacturers Association.
American Electric Power Service Corporation.
American Telephone and Telegraph.
Atlantic Richfield Company.
Baltimore Gas & Electric Company.
BASF Wyandotte Corporation.
Bethlehem Steel Corporation.
CF&I Steel Corporation.
Carolina Power & Light Company.
Caterpiller Tractor Company.
Celanese Corporation.
Central Illinois Light Company.
Columbus & Southern Ohio Electric Company.
Commonwealth Edison.
Consumers Power Company.
Corning Glass Works.
Dayton Power & Light Company.
Detroit Edison.
The Dow Chemical Company.
E. I. DuPont de Nemours & Company.
Esmark Inc.
General Public Utilities Corporation.
B.F. Goodrich Chemical Corporation.
Hercules, Incorporated.
Interlake, Inc.
Joy Manufacturing Company.
Kaiser Steel Corporation.
Minnesota Power & Light Company.
Monsanto Company.
Montana-Dakota Utilities Company.
Nevada Power Company.
New York, State Electric & Gas Corporation.
Niagara Mohawk Power Corporation.
Ohio Edison Company.
Olin Corporation.
PPG Industries, Inc.
Pennsylvania Power & Light Company.
Philadelphia Electric Company.
Potomac Electric Power Company.
Public Service Electric & Gas Company.
Public Service Indiana.
Rohm and Haas Company.
Sharon Steel Corporation.
Southern Pacific Company.
Stauffer Chemical Company.
SUNOCO Energy Development Co.
Tampa Electric Company.
Tennessee Valley Authority.
Texas Utilities Services, Inc.
The Toledo Edison Company.
Union Carbide Corporation.
Union Electric Company.
United States Steel.
Virginia Electric & Power Co.
Wisconsin Electric Power Co.
Wisconsin Public Service Co.

FOUNDATIONS

Rockefeller Foundation.
Sarah Scaife Foundation.
Ford Foundation.
Andrew W. Mellon Foundation.

GOVERNMENT

U.S. ERDA.
Department of Interior.
Environmental Protection Agency.

*One industry Task Force member disagreed with this recommendation.

THE CHAIN: A SURVIVAL FORMULA FOR HOSPITALS

Mr. GARN. Mr. President, President Carter in his state of the Union message stated that one of his main legislative goals for this year would be the hospital cost containment bill which proposes to limit hospital revenue increases to 9 percent and capital expenditures to $2.5 billion each year. Fortunately, for those of us who feel the Government has already made a mess of the health programs they now operate, support for this program is waning while the voluntary approach seems to be gaining support.

One such voluntary program that has been very successful is the Intermountain Health Care, Inc., operating out of Salt Lake City. Since its inception in 1975, IHC, as an organization, has committed itself to operating as efficiently as possible and the facts back this up. While the average cost per admission nationally is $1,141 the average cost in IHC hospitals is $922. The average length of stay in the IHC hospitals is 5.2 days as compared with 7.4 days nationally.

Mr. President, I am proud of the health care delivery in my State. They have attacked the problem of rising health care costs and won—all without the "help" of a federally mandated program.

I ask unanimous consent that the January 16, 1978, Business Week article further describing the IHC operation be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CHAIN: A SURVIVAL FORMULA FOR HOSPITALS

Each year for the past five years, tiny Valley View Medical Center in Cedar City, Utah, has lost large amounts of money—up to $176,000 in 1975, when local taxpayers made up the deficit. But in 1977, Valley View ran only $800 in the red and this year it expects to come out ahead. It has eliminated 15 jobs with salaries totaling $124,000, saved $72,000 by obtaining discounts on supplies, and avoided a disastrous jump of $12,000 to $15,000 in malpractice insurance rates. At the same time, thanks mainly to better record-keeping and monitoring of medical care, Valley View regained the accreditation from the Joint Commission on Accreditation of Hospitals that it lost in April, 1976.

The hospital won a new lease on life and improved its service to patients, says Valley View's administrator, Reginald L. Hughes, because of its 1976 affiliation with Intermountain Health Care, Inc., a 21-unit hospital chain based in Salt Lake City. IHC provides management help, technical training, access to sophisticated medical expertise and equipment, and discounts on supplies by joint purchasing. "They even put pressure on an insurance company that was dragging its feet paying us," says Hughes.

IHC is the largest example of a new phenomenon in the financially stricken hospital field—the nonprofit hospital chain that owns, leases, or manages its affiliates. Of the 31 major chains (representing 399 hospitals with 84,000 beds), almost all began within the past decade and most within the past five years. Health care experts see in them a survival formula for many hospitals that might otherwise close their doors or raise their rates to a level prohibitive to patients, insurers, and employers who pay much of the insurance bill.

CHAINS OF SURVIVAL

"The small, rural hospital gets to use the facilities of the big-city hospital," says a spokesman for the American Hospital Assn., which represents 7,000 voluntary hospitals. "The big-city hospital receives patient referrals from the boondocks and spreads the cost of its own expensive systems—computerized billing, advanced surgical equipment, and the like. And both gain from mass purchasing."

So far, most of the chains have been based in medium-sized cities, usually in the Midwest or Far West. But Joseph V. Terenzio, president of New York City's United Hospital Fund, believes that economic necessity will ultimately force a chain arrangement on hospitals in the country's biggest cities. Affiliation will enable them to concentrate cancer therapy in one hospital, open-heart surgery in another, and so on down the line—a wrenching break with tradition, but the only way to eliminate the astronomical cost of duplication, he says. A chain arrangement could also even out occupancy rates, filling unoccupied beds in one hospital with patients turned away from another, he notes.

"The hospital system is the wave of the future," agrees William N. Jones, a Salt Lake City businessman who is chairman of IHC. "Hospitals today are where the independent banks were 10 or 15 years ago." IHC appears to justify his enthusiasm. Its patients pay 28 percent less per admission than the national average and 18 percent less than the regional average (and remain hospitalized for an average of 5.1 days, or 2.3 days less than the national average). And IHC's $30 million in bonds carry an AA-plus rating from Standard & Poor's. This means that the chain saves $1.6 million annually in interest charges over an AA rating and $3.8 million over an A rating. As Dr. Richard Hebertson, chief of obstetrics and gynecology at LDS (Latter-day Saints) Hospital in Salt Lake City, IHC's largest unit, points out, "Cost savings relate directly to the quality of care."

Because of these savings, Hebertson stresses, IHC can subsidize medical facilities in sparsely populated areas such as Bullfrog, Utah, where a paramedic runs a trailer clinic in the summer. As a chain it can also broaden each hospital's experience—for instance, through a nurse exchange program currently under way. As a result, says Scott S. Parker, IHC president, "We're delivering high-quality health care for less."

SOLID GROUNDWORK

IHC was formed in 1975 when the Church of Jesus Christ of Latter-day Saints divested itself of its 15 hospitals, worth $57 million but badly in need of renovation. It started life with several advantages. The hospitals were netting $2 million a year. The Mormon stress on good health habits and abstinence from liquor and cigarettes produced patients less likely than most to need expensive medical care. And Utah's general lack of slums freed the hospital from the large number of chronically ill poor who account for huge deficits at many urban hospitals.

IHC built on its firm foundation. It increased gross revenues from $77 million in 1974 to $130 million today. It began modernization programs at seven hospitals and gained six new affiliates. IHC now provides 58 percent of all hospital care in Utah and 28 percent in Idaho. A board of local citizens makes most policy decisions for each hospital, but IHC coordinates and provides services that none could provide solely for itself.

In addition to specialized medical care and mass purchasing, these services emphatically include financial management. The hospitals funnel their cash daily to IHC, which invests it in certificates of deposits and other short-term instruments that earned some $1.6 million in 1977. IHC even processes Blue Cross claims for 13 hospitals, sending a messenger to the Blue Cross office in Salt Lake City each Friday so payments can be deposited in the bank to earn interest over the weekend.

Eliminating duplicate services is a major money-saver. Hospitals in Salt Lake City and Provo, Utah, for instance, share equipment such as a $150,000 simulator device used to determine cancer treatment. The "vampire room" at LDS Hospital serves as a blood bank for three hospitals and eventually could store and distribute blood for the whole system. A central laundry, now being built to replace LDS's antiquated facility, will lower the cost of laundry from 22 cents a pound to 19 cents a pound for six hospitals.

CENTRALIZING'S PROBLEMS

But IHC does have its problems. One stems from its ban on abortions—partly the result of the board's domination by Mormons. Next week, Pocatello (Idaho) residents will vote on whether to close their two ancient hospitals and let IHC build a new facility—a choice that would give them better general health care but would close off Pocatello's access to almost all legal abortions. "IHC doesn't have the right to build the only hospital in town and then not allow abortions," says Dr. Edward DeSano, a local obstetrician. Opposition centers on this issue.

Centralized decision-making also creates problems by slowing purchasing and policy changes. "Formerly I could buy a fetal monitor within a day," says LDS' Hebertson. "Now I have to process it through several levels." Still, the system permits him to purchase equipment he would otherwise be denied because now it will be used by more patients, Hebertson concedes. The same large population enables IHC to experiment with varying combinations of registered nurses and aides, with the hospitals comparing notes on the effects of the combination each used.

IHC also takes notes on doctors' performance. Using standards based on each hospital's averages, IHC continuously audits physician and hospital services to determine whether a doctor may be ordering an abnormal amount of medication, hospitalizing patents for unusually long stays, or—most critically—performing procedures that result in an abnormal number of complications or deaths. In the past, such evaluations of medical practice were basically "gut reactions" says Diane Moeller, head of IHC quality assurance. "Now we can spot the doctors who need help."

IHC also consciously spots communities that need help, say the chain's executives, as part of what it regards as an obligation to provide health care for the entire region. IHC operates five medical clinics in remote areas and plans to add more.

"As a corporation, IHC has the advantage of being able to do detailed long-range planning," says Michael Vincent, chief of medicine at LDS. "It can look at what a hospital ought to be and where it should be built. As a single hospital, we couldn't do that."

AMERICAN JUDICATURE SOCIETY SUPPORTS MERIT SELECTION

Mr. LUGAR. Mr. President, the American Judicature Society has, for many years, supported the merit selection of Federal judicial officers. The society's record of involvement in this matter is well documented, and I call attention to the September 1977 issue of Judicature, the journal of the AJS, which treats the merit selection question in great detail. I commend the society for its leadership role in this important matter.

Recently, I corresponded with the executive vice president of the AJS, Mr. George Williams, about Senate Resolution 353 which I introduced on January 19, providing for the merit selection of U.S. district court judges, attorneys, and marshals. I ask unanimous consent that his response to my letter and his recent article on merit selection be printed here in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN JUDICATURE SOCIETY,
January 30, 1978.

Hon. RICHARD G. LUGAR,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LUGAR: Obviously our minds have been running very much in the same channels on matters of merit selection. This is borne out by your good letter of January 24th and an article of mine which appeared in the New York Times OP/ED section on Saturday, January 28th, a copy of which is enclosed.

At its forthcoming meeting in New Orleans, our Board of Directors will address the question of how to assure the use of merit selection principles in appointments likely to arise under the Omnibus Judge Bill.

In the matter of merit selection of United States attorneys, the Society, last August, approved the application of merit selection principles to these offices. Recent events have prompted our President, Fletcher G. Rush, in the interest of clarity, to issue the enclosed statement.

We shall keep you informed of action taken by our Board and express our thanks to you for your initiatives in keeping the importance of merit selection before your colleagues in the Senate.

Very sincerely yours,

GEORGE H. WILLIAMS.

Enclosures.

[From the New York Times Jan. 28, 1978]

FOR THE FEDERAL BENCH, THE BEST

By George H. Williams

CHICAGO—No President in history has had the opportunity to name in a single sweep perhaps as many as 150 new Federal trial and appellate judges. Yet this is exactly the opportunity before President Carter with the additional Federal judgeships expected in the near future under pending legislation. These new judgeships represent a 25 percent increase in the Federal judicial complement. Thus, the quality and competence of a sizable portion of the Federal judiciary can be transformed almost in one stroke.

That more Federal judges than the current corps of 600 are needed seems beyond question. The backlog of cases in Federal courts is substantial, and the individual caseload of existing judges, in many instances, is considerably greater than what it ought fairly to be. The quagmire of litigation threatens to engulf the entire system. The Congress, for patronage reasons, however, has delayed the necessary enactments, waiting until, in its view, the Presidency was secure and sympathetic to the discharging of Congressional political obligations. Now the climate for action seems right. A Senate bill has passed and a House measure is being readied. The principal question awaiting resolution is how many new judgeships are to be created.

Whatever the limitation of the current methods of judicial selection, it must be acknowledged that the Federal bench has provided many examples of extraordinarily distinguished legal talent. But the unevenness of that distinction is a reminder that political, not professional, considerations are too often paramount.

An infusion over the next few months of politically attractive but merely professionally adequate Federal judges would enshrine mediocrity in our Federal judicial system for the next half century. We must insure that Federal judges whose decisions influence our lives in so many ways be named for personal and profesional qualities and not because of political orthodoxy.

Past abuses are truly bipartisan. Judicial appointments by Presidents Roosevelt, Truman, Kennedy and Johnson were Democratic 95 percent of the time. Those of Presidents Eisenhower, Nixon and Ford were Republican 95 percent of the time. All of this is exacerbated by the "good behavior" tenure of Federal judges—with only the most cumbersome and ineffective removal procedure of impeachment available for dealing with the isolated, but nevertheless disrupting, instances of the incompetent, disabled or corrupt judge.

The public and the news media must be alerted to this special opportunity for service if judicial appointments based on merit are not to fall victim to cronyism. The action required now includes the following:

A renewed commitment by the President to the merit selection principle. As an interim measure, he should extend his Feb. 17, 1977, executive order relating to the use of merit selection in choosing Circuit Court judges to all levels of the Federal judiciary, including the Supreme Court.

To address the longer-range issues, the President should appoint a special study commission composed of representatives of the legislative, executive and judicial branches to review the need for amending Article III of the Constitution with regard to judicial selection and removal.

A commitment of *all* Senators to adopt plans similar to those already announced by Senators in 16 states that use the assistance of nominating panels composed of members drawn from the legal profession and the public and charged with the responsibility for seeking out, screening and recommending only those most qualified to fill vacancies in the Federal district courts. Under these voluntary plans, the Senators also pledge to submit to the President only the names of individuals who have been proposed by the nominating panels.

A sustained media effort to inform the public of its stake in a justice system staffed by judges chosen for personal and professional quality, not for political connections. Most persons have, at best, an incomplete understanding of the nature and organization of the justice system, the duties and powers of judges, or the way in which judges are selected.

If the new appointments are to be based on merit, it will take more than just Presidential courage. President Carter will need articulate and powerful support from the public in general and from the media, business, academe and organizations traditionally interested in the selection of outstanding judges.

NUCLEAR NON-PROLIFERATION ACT OF 1978

Mr. BAYH. Mr. President, few issues coming before the Senate will be of greater long-term security to the United States than the issue of nuclear proliferation. At the present time, six nations possess a demonstrated nuclear weapons capability. The inventory of nuclear warheads present in the world today numbers in the thousands. For the time being, at least, the balance of terror is largely the domain of the United States and the Soviet Union. Even so, Britain and France have nuclear arsenals as well as the People's Republic of China. India is the sixth nation to have actually detonated a nuclear device. Just this past summer South Africa appeared on the brink of becoming the seventh government to do so.

While only six countries are known to have acquired such a capability since the dawn of the nuclear age, estimates are that nearly a score of countries already have or may soon possess a similar capability. If this prospect is not sobering enough, the chance that some subnational terrorist group may, for political purposes or simple extortion, obtain by accident or design the means to build an atomic bomb is positively horrifying. The Nuclear Non-proliferation Act which the Senate recently passed and which I supported is an important first step forward in reducing the likelihood that either the present "nuclear club" will increase its membership or some political terrorist will build a bomb. To underline the importance that the Senate attaches to this problem, I would point out that this measure passed by a unanimous vote of 81 to 0. The House had earlier passed a similar measure in a similar fashion—411 to 0.

Although no one can be certain that the improved safeguards, more thorough licensing requirements for nuclear exports, and the international initiatives required by this bill will, indeed, prevent the "steady spread of the deadly atom," the greatest danger facing us now is inaction. While no single policy determination by the United States can guarantee success, American indifference to this problem is sure to hasten failure. As the world's leading exporter of nuclear fuels and facilities, we have a special responsibility to offer our nuclear trading partners a coherent formula containing the right mix of incentives, controls, and sanctions and ask them to join with us to reduce the odds that the 21st century will see 10, 15, or 20 countries armed with atomic weapons.

THE NATURE AND SCOPE OF THE PROBLEM

In order to understand the basis for the sense of urgency with which we considered the Nuclear Non-proliferation Act, it is necessary to understand some basic facts about the problem facing us today. First, the element plutonium which is essential in making an atomic bomb does not exist as a natural element. It occurs only as a manmade material, created during the fissioning process that takes place in the present generation of light water nuclear reactors. The used, or "spent fuel" which is removed from these reactors contains plutonium and is used in making atomic bombs; it also possesses the attractive feature of itself being a nuclear fuel that, when reprocessed, can be recycled back through the nuclear reactor, thus generating additional energy and greatly extending the life of natural uranium, itself a natural element existing in finite, nonrenewable quantities. Clearly, in an energy-hungry world, nuclear fuel reprocessing, development of the breeder reactor, and the benefits of peaceful plutonium technology could greatly enhance our own capability to satisfy energy needs. Unfortunately, this element created through reprocessing of spent nuclear fuel and in the breeder reactor could be stolen or diverted from its intended peaceful purpose for use in atomic weapons. While plutonium itself is highly toxic, theft or diversion could occur during its transportation or storage. Furthermore, because the liquid metal fast breeder reactor depends almost exclusively on plutonium for fuel, the breeder itself proliferates the proliferation problem by creating more of the very fuel it consumes.

To further underline the danger presently existing in the world because of the production of plutonium, the Stock

holm International Peace Research Institute (SIPRI) has estimated that in only 2 years nuclear reactors the world over will probably produce 100,000 kilograms (220,000 lb) of plutonium. By 1980, the world will likely have accumulated 350,000 kg (770,000 lb) of this material. Since only 5 kg (12 lb) of plutonium goes into the production of an atomic bomb similar in explosive force to that dropped on Hiroshima, a simple exercise in division indicates that at the beginning of the next decade enough plutonium will exist for 70,000 such weapons. Fortunately, international safeguards are now in place over most of the world's plutonium supply.

The Non-proliferation Act is an effort to strengthen these safeguards, make them more comprehensive and provide timely warning if planned diversion of such material by a nonweapon state is contemplated. However, even if such efforts are 99.9 percent successful, the SIPRI reports that enough plutonium could be diverted to produce, after reprocessing into weapons-grade material, one nuclear weapon per week.

Mr. President, in addition to these basic considerations we should remember a broader one. Specifically, the success of our own efforts to achieve verifiable controls on vertical proliferation through the strategic arms limitation process will be important in the quest to halt the horizontal proliferation of atomic weapons. While the final shape of the SALT II Treaty is still unclear, President Carter's two proposals for reductions in strategic arms in a manner consistent with enhancing our own national security provide important examples to the nonnuclear weapon states of the world. If it is not evident that the United States is serious about reducing our own dependence on nuclear weapons, the weight of our own diplomatic influence would appear to be accordingly diminished. The linkage of the two efforts is clearly important to understand if we are to effectively manage each of the twin perils facing us.

S. 897—WHAT IT SEEKS TO DO

The purpose of the legislation approved by the Senate this past week is to provide meaningful nuclear export legislation both to insure that our own exports do not contribute to the growing threat of nuclear weapons proliferation and also to encourage international cooperation in the development of more effective worldwide controls. Our own ability to unilaterally mandate global nuclear nonproliferation policies was forfeited when our monopoly on nuclear weapons was broken. However, because of our own position in the nuclear export market, we still possess great economic influence which can be used to preserve our competitive position in the world's nuclear energy market and enhance worldwide nuclear nonproliferation efforts.

S. 897 directs the President to enter into discussions to establish an International Nuclear Fuel Authority. The Secretary of Energy is also directed to expand U.S. uranium enrichment capability. Both of these steps are designed to establish the United States as a reliable source of nuclear fuel for present reactors. The importance of this feature of overall nonproliferation policy has been recognized and affirmed in studies by the Congressional Budget Office, the General Accounting Office, the Office of Technology Assessment and the nuclear study group of the Ford Foundation. It is also a keystone of the administration's own policy in this area.

While, S. 897 does provide additional controls through provision and codification of export licensing procedures, an outright moratorium on nuclear exports is avoided in S. 897 through a plan to phase in more stringent licensing criteria. A moratorium would be counterproductive to our own efforts to strengthen and improve International Atomic Energy Agency (IAEA) safeguards. The program of international training which is authorized to be undertaken by the Department of Energy in consultation with the Nuclear Regulatory Commission will greatly assist the United States and other nations in protecting fissile material from theft or diversion for nuclear proliferation purposes.

In addition to these important features, S. 897 also adds a new section to the 1954 Atomic Energy Act. This section prohibits the export of nuclear materials and equipment or sensitive nuclear technology to any nonnuclear weapon state that has first, detonated a nuclear device; second, terminated or violated IAEA safeguards; third, violated materially an IAEA safeguards agreement; or fourth, engaged in activities involving source or nuclear material and having direct significance for manufacture or acquisition of nuclear explosive devices. This sanction would apply to any nation or group of nations which the President has determined have violated nuclear safeguard guarantees present in agreements with the United States or assisted a nonnuclear weapon state to engage in activities or acquisition or material leading to the production of nuclear explosive devices. These are the tough but appropriate consequences which the nuclear proliferators of the world community must expect if it becomes clear that the incentives mentioned above are not enough to prevent the spread of atomic arms.

THE REPROCESSING VS. STORAGE DILEMMA

As my colleagues recall, the difficult issues involved in determining the right course of action on whether to approve the Clinch River breeder reactor project previewed the very concerns which were fully discussed recently in this Chamber. The dangers of plutonium proliferation weighed against the risk of accident in some prospective nuclear storage site serves to further underline the difficult nature of the dilemmas facing our Nation and the world. Rushing ahead with nuclear energy development without paying sufficient attention to waste disposal matters has placed us in the present precarious position. The administration believes that expansion of reprocessing facilities and full scale commitment to the plutonium economy before other proliferation-resistant nuclear technologies are fully explored would be harmful to our overall nuclear nonproliferation efforts. However, such a determination raises again the question of suitable and failsafe storage facilities for spent nuclear fuel so it cannot be immediately reprocessed into weapons grade material. It seems clear that, at present, the most proliferation-resistant alternative to reprocessing or moving to a plutonium economy is adequate storage of spent nuclear fuel. Just as evident is the fact that a real and coherent domestic policy has yet to emerge.

Importantly, however, on October 18, Secretary of Energy, James Schlesinger did announce the administration's intention to deal with this problem in full consultation with any States or localities affected.

Citizens in my State and elsewhere have expressed strong concern that Congress be involved in prospective disposal site selection. In this connection, it is important to note that S. 897 assures that Congress has a direct role in amending, approving, or rejecting any international storage agreement that would involve the importation of foreign spent nuclear fuel to this country. I intend to continue to follow developments in this area carefully. Indifference or inattention in the area of nuclear safety can only bring pain and misfortune to our children, and their children and I am sure that none of us here in the Senate will allow this to happen.

Mr. President, some have stated that the nuclear "genie" is already so far out of the bottle that it is only a matter of time until more nonnuclear weapon states acquire atomic arsenals. I believe that the bill which we have passed will put to the test that assumption. What S. 897 will do generally is to make the decision to go nuclear an economic and politically disadvantageous one. It will assist the administration in furthering President Carter's stated nuclear nonproliferation goals. In addition to these desirable objectives, the Nuclear Nonproliferation Act of 1978 also places the Congress in step as a full partner with the administration in working for the future welfare and very survival of the human family. It is an effort which can no longer be deferred. To approach this issue with anything except a sense of urgency is simply not acceptable if we are to reduce the danger posed to mankind by the proliferation of nuclear weapons.

UNIVERSITY OF MARYLAND—WOMEN'S BASKETBALL TEAM

Mr. MATHIAS. Mr. President, I would like to take this opportunity to congratulate the women's basketball team at the University of Maryland in College Park. They are currently ranked sixth in the country and their record is 15 to 2. With only a few games remaining in

the regular season, they are assured of a winning season.

I also want to congratulate the team for their stunning win at the first annual women's Atlantic Coast Conference tournament recently held at the University of Virginia. Not only did the Maryland team exhibit its skill and ability in the games they played, but they beat their arch-rival, North Carolina State, for the championship. It seems that the "day of the big game" has arrived in women's basketball.

It has been an uphill battle for women to gain the attention of the general public in those athletic activities which in the public perception were viewed as "for men only." So the women's team at Maryland has every reason to be proud of its accomplishments. Congratulations.

I would like to share with my colleagues some articles from the Washington Post which appeared after the tournament. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 12, 1978]

WELLER, YOW SET HIGH STANDARDS FOR ACC SCHOOLS

(By Ken Denlinger)

CHARLOTTESVILLE.—Surely, someone is joking. How can this be the ACC basketball tournament? The coaches actually get along; the players apologize for fouls; Billy Packer is nowhere to be seen and the three-day affair means nothing toward postseason play.

It just illustrates what happens when you turn something over to women. This was the first annual women's ACC basketball tournament—and there will be a second annual, although Maryland and North Carolina State might have to play for the championship by mail.

There were two major conclusions to be drawn after the final not-so-dainty dribble today found Maryland beating North Carolina State for the title—one harsh and one heartening. At the moment, women have progressed from playing in near-empty small gyms to playing in near-empty large gyms. But the future looks exceedingly bright.

The young women can play—and the emphasis is on young because many of the standouts, Genia Beasley and Trudi Lacey, Kris Kirchner, Bobbie Mims, Bernie McGlade, and three Washington-area freshmen, have at least two more years of competition.

Several behind-the-back dribbles were sighted as were blind passes off three-on-one breaks for layups. More importantly, Maryland and State showed the possibilities for women playing swift, well conceived basketball with pressure at both ends of the floor.

"And the level of play will continue to leap for another three years or so," said Maryland Coach Chris Weller, "because the new players coming in will be coming from the same good backgrounds as the freshmen we have now."

Like all else in semi-amateur sports, the schools that spend the most money on women's basketball win the most games. Among ACC women, that means Maryland and State, each of which will offer 12 full scholarships next season.

Wake Forest and Duke offer almost no scholarship money. State beat Wake by 54 this season; easing off at the end, Maryland beat Duke by 70. North Carolina, Virginia and Clemson offer more aid, so they lose to State and Maryland by less.

With apologies to both because the analogy seems useful, Weller and State Coach Kay Yow might well be the Everett Case and Frank McGuire of women's ACC hoops.

Case made men's basketball popular in the ACC—and Carolina hired McGuire to beat him. Then everyone else spent a mint to beat both State and Carolina. And the ACC became both exceptionally strong and—lately at least—exceptionally even.

How long is Duke going to tolerate its present state? Or Wake? And the quicker schools spend loads of money the more sane women's basketball is likely to become.

What's that again? Well, Weller believes that if schools allocate lots of money for scholarships there will be almost none left for the incidentals—meaning recruiting—that have turned men's basketball into a frequently vicious sport.

"The men are heading in our direction (with fewer visits both by coaches to prospects and prospects to schools)," Weller said, "and we're heading in theirs. Actually, people recruit Maryland more than the other way around as far as our program is concerned. What money I spent on recruiting came out of my own pocket."

And one measure of progress at Maryland is that Weller now at least has more pockets, if not an overwhelming amount of money to put in them.

She would like to let her players know—once and for all times—that her wearing that white jacket and blue pants nearly all the time two years ago had nothing to do with superstition. With the money she was making as a graduate assistant and then interim coach, that's all the clothes she could afford.

So how come Weller knocks on wood whenever the tiniest negative thought about one of her players enters her mind? Tara Heiss, for one, insists Weller sounds like a veritable woodpecker at times.

Unlike ACC men, ACC women rarely get more than a few inches off the floor. Only Heiss penetrates like a true point guard. The harshest language heard throughout the tournament came when someone on the Virginia bench called one official a "creep." But State and Maryland have fine perimeter shooters.

Like ACC men, Maryland women believe all the Carolina schools are involved in a conspiracy against them. The latest example was the sudden shift of sites for next season's tournament, from Maryland to State.

Maryland drew the role of host—and home-court advantage—from a hat, Weller said. It then became known shortly before Friday's semi-final that conference officials had decided to allow State to host the tournament, presumably because chances for large crowds seemed better there.

"They'll do anything to win, won't they?" Weller muttered. "Well, they might play the thing without us."

Hmmm, sounds like the sort of budding feud from which profits evolve.

[From the Washington Post. Feb. 12. 1978]

MARYLAND WOMEN STUN N.C. STATE FOR ACC CROWN

(By Donald Huff)

CHARLOTTESVILLE.—They say anything can happen in the wild, wacky world of ACC basketball.

That assessment now has to extend to the ACC women's game following seventh-ranked Maryland's stunning 89–82 triumph yesterday over shell-shocked No. 2-ranked North Carolina State in the final of the first Atlantic Coast Conference tournament before 1,500 at University Hall.

Even Jimmy the Greek might have been reluctant to give Maryland (15–1) much of a chance against the Wolfpack, winner of 21 of its previous 22 games, 16 of them by 16 points or more. Indeed, in a regular season game that was not as close as the score indicated, the Pack had whipped the Terrapins, 90–78, in Raleigh.

But yesterday brought sweet revenge for the Terps, who got an outstanding 30-point floor show from point guard Tara Heiss and courageous efforts from flu-ridden Betsy Bailey and Debbie Stewart.

Maryland coach Chris Weller knew her team had to do two things to beat State—stop 6-foot-2 center Genia Beasley and play better team defense. The Terps did both.

After jumping to an 18-12 lead only to stand around starry-eyed and watch the talented Wolfpack regain a 26–20 lead, Maryland got down to business.

Doreen Lefeged, who came in for Bailey each time the freshman from Marshall High School seemed ready to faint, pumped in six straight points to knot the game at 26 with 5:41 left in the half.

The lead changed hands until a pair of free throws by Stewart, who finished with 18 points and eight rebounds in 27 minutes, and a layup by Kris Kirchner put the Terps ahead to stay, 42–38 with five seconds left in the first half.

If there was such a thing as the play of the game, then Maryland forward Jane Zivalich made it just before halftime. The junior intercepted an errant State pass and put up an off-balance shot from 10 feet that sent Maryland into the dressing room with a 44–38 lead.

The rest of the stage belonged to Heiss. The senior dashed past frustrated State defenders for 18 of her game-high 30 points in the second half. At one stage, the 5–6 Heiss scored 13 of the Terps' 25 points, including a three-point play, to send Maryland roaring out to its biggest lead of the game, 69–54, with 10:19 left.

Meanwhile State's Beasley was having two problems. Both of them wore red jerseys and were named Stewart and Kirchner. Each did an excellent job in keeping Beasley away from the basket where she can be devastating. She finished with 24 points but most of them were scattered. Beasley made only 11 of 26 shots from the floor.

"I didn't have a good game against her the first time. She got 30 and I got four," said Kirchner, who totaled eight points and had seven rebounds. "I put more pressure on her this time and kept her outside."

Only Ginger Rouse, two-time all-Met and the Washington Post Player of the Year while at Robinson High, kept the Pack from coming completely unglued. While the Terps defense was shutting down the other players, Rouse suddenly took charge. She hit four buckets and passed off to Beasley for two more baskets to bring her team to within striking distance, 82–76, with 2:10 remaining.

"We came into this one with more confidence, period," said Heiss. "We played better team defense this time."

Now it was Bailey's turn. In the final minutes, the 5–9 sharpshooter connected over State defenders three straight times. Her third basket gave the Terps an 84–76 advantage with 1:45 left. But State wasn't through yet.

Beasley hit a turnaround 10-footer and Kaye Young banged one home from the corner to pull State close, 85–80, with 39 seconds to play.

Heiss, a unanimous choice for Tourney MVP, then killed State's hopes with four free throws in the final 30 seconds.

"Our offense just didn't move well. It wasn't smooth at all," said Rouse, who finished with 12 points. "And Kris had a good game against Genia, that was a big difference."

Maryland shot 50 percent in the second half (19 of 38) and each basket seemed to come at the moment State was trying to get itself together.

"When you're trying to catch up, you can't rush anything," said State Coach Kay Yow. "We forced shots and lost our patience."

It was not the same State team that the Terps faced before. Beasley ignored her teammates most of the game and fired from the perimeter at will. Only Rouse and Trudi Lacey (16 points) were able to get into the offense but their efforts came a bit too late.

OUR EXPECTATIONS OF SALT II

Mr. CRANSTON. Mr. President, although we do not yet know the composition of the anticipated SALT II Treaty, certain basics about the treaty have become public knowledge—enough so that debate on the merit of the treaty has begun.

We cannot and should not pass judgment on a treaty which is not yet available to us in detail. Certainly a treaty so vitally related to our national security deserves full and thorough examination based on complete information before a final judgment is rendered. But, it is entirely appropriate to discuss what purposes we hope the treaty will serve and by what principles we will judge the treaty's contents.

Along these lines, one theory holds that SALT II must completely rectify the alleged threat of a Soviet first strike against our ICBM force. Proponents of this theory apparently believe that the Soviet land-based missile force is so perfectly targeted and superior to ours that it could launch a first strike without fear of retaliation.

Joseph Kraft recently challenged this theory in "Arms and the Bungle Factor," a thoughtful editorial prompted by the unfortunate crash of the Soviet nuclear-powered satellite, Cosmos 954. This well-tested satellite was expressly designed to disintegrate during reentry. Obviously, it failed to do so, revealing what Mr. Kraft calls the "bungle factor" in even the most sophisticated equipment.

Mr. Kraft believes this factor contradicts the theory that the Soviet land-based missile force is perfectly and unilaterally able to threaten the U.S. ICBM's. He states:

The glaring weakness in such catastrophic scenarios is that they bury the bungle factor beneath a skyscraper of assumptions. It is assumed that the Soviet Union has its weapons so perfectly placed and targeted that there would almost be no misses. It is assumed that the United States is taken by surprise and does not, on first warning of attack, retaliate with its full array of missiles, including the land-based force.

He notes that this theory also assumes that after any attack on its ICBM's, the United States would not retaliate with the other weapons of our strategic Triad defense—an unlikely event.

He concludes that—

(T)he accident of Canada injects a little realism into that preposterous scenario . . . (and) it shows us that the notion of a Soviet strike comes out of the realm of science fiction.

After challenging these assumptions, Mr. Kraft offers his alternative theory by which to judge the next SALT treaty:

So to be useful the next arms control accord does not have to afford absolute protection to this country's land-based missile force forever. It is enough that it curtails the projects for bigger and better weapons now on the boards, and begins the scaling-down of the grossly excessive armories held by both superpowers. The more so, because of the value of cooperation. The United States and Russia were jointly aware of the falling observer satellite for almost a month before it finally came down in Canada. The exchange of information made a potentially alarming event a good deal less worrisome. Far more detailed cooperation than that is part and parcel of the arms control agreement negotiated in 1972 and the one now being completed in the Geneva talks. * * * (An) arms control agreement, in short, institutionalizes Soviet-American cooperation in the area of monitoring strategic weapons.

Mr. President, Mr. Kraft's editorial is a significant addition to the continuing debate over what SALT II should and should not be, and I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 31, 1978]

ARMS AND THE "BUNGLE FACTOR"

(By Joseph Kraft)

The case for a second arms-control treaty with Russia finds powerful support in the accident that downed a nuclear-powered Soviet satellite over Canada last week. By emphasizing the importance of accidents—the so-called bungle factor—the episode works to discredit those opponents of arms control who demand an absolutely 100 percent perfect treaty. In addition, the episode underlines the importance of continuing Soviet-American cooperation in monitoring nuclear devices and satellites.

Critics of the arms-control negotiations have centered their fire on the vulnerability of this country's force of roughly 1,000 land-based missiles. In their view, Russia is acquiring enough missiles with enough destructive power and enough accuracy to wipe out that whole force in a single strike.

Moscow, the theory continues, would then hold this country and its civilian population hostage. The Russians would use the threat of a second strike to extract major diplomatic concessions from Washington. Indeed, according to the theory, even the threat of being able to launch a first strike with impunity would give Russia a decisive edge in world politics.

The glaring weakness in such catastrophic scenarios is that they bury the bungle factor beneath a skyscraper of assumptions. It is assumed that the Soviet Union has its weapons so perfectly placed and targeted that there would be almost no misses. It is assumed that the United States is taken by surprise and does not, on first warning of the attack, retaliate with its full array of missiles, including the land-based force.

It is further assumed that after the land-based force is wiped out, American policymakers would do nothing. It is assumed American leaders would not use the devastating force of 160 missiles in each of the 25 Poseidon submarines likely, under conservative estimates, to survive the first attack. It is also assumed that American leaders would not use the large bomber fleet equipped with nuclear weapons that have destructive power equal to about half of Russia's total missile force. Most important of all, it is assumed that Russian leaders would make all these assumptions—would run the truly horendous risk entailed in a first strike with weapons that had (by definition) never been used before.

The accident of Canada injects a little realism into that preposterous scenario. The mishap to a well-tested satellite system long in use shows that there is likely to be a bungle at every step in the chain of perfect assumptions. It reminds us that Russian leaders—familiar with countless such difficulties—are apt to be far more wary of bungles than are Americans. It shows us that the notion of a Soviet strike comes out of the realm of science fiction.

So to be useful the next arms-control accord does not have to afford absolute protection to this country's land-based missile force forever. It is enough that it curtails the projects for bigger and better weapons now on the boards, and begins the scaling-down of the grossly excessive armories held by both superpowers.

The more so, because of the value of cooperation. The United States and Russia were jointly aware of the falling observer satellite for almost a month before it finally came down in Canada. The exchange of information made a potentially alarming event a good deal less worrisome.

Far more detailed cooperation than that is part and parcel of the arms-control agreement negotiated in 1972, and the one now being completed in the Geneva talks. Those agreements stipulate levels of weapons for both Russia and the United States.

They provide for monitoring by each country, and forbid the other to interfere with the monitoring. They establish a kind of court—a joint commission—whereby each side can take complaints and demand explanations from the other. Arms-control agreement, in short, institutionalizes Soviet-American cooperation in the area of monitoring strategic weapons.

What all this says to me is that an arms-control treaty does not have to afford total security to pass muster. Significant gains are made if only the present monitoring system is maintained, and the way is opened to cut off projected weapons developments. Failure to reach an accord would yield an unconstrained arms race and the end of joint monitoring. In other words, any agreement apt to come from the present Geneva talks is far better than no agreement.

WEST VIRGINIA LEGISLATURE EXPRESSES TRIBUTE TO HUBERT HUMPHREY, A GOOD FRIEND OF THE PEOPLE HE KNEW AND LOVED

Mr. RANDOLPH. Mr. President, in 1960 Hubert Horatio Humphrey entered the State of West Virginia in a primary campaign for the Presidency of the United States.

He lost narrowly to John F. Kennedy, and it was this victory which propelled the young Senator from Massachusetts into the national spotlight and on to the White House.

But Hubert Humphrey, in losing, won the hearts of the people of West Virginia with his dedication to correcting the problems of Appalachia.

Millions of words have been written and spoken since the passing of our colleague. But I can assure you that no more sincere tribute or expression of

sorrow and respect exists than that contained in House Concurrent Resolution No. 10, adopted unanimously by the West Virginia Legislature on January 24, 1978.

I ask unanimous consent that the resolution be printed in the RECORD that my colleagues and others will know of the love mountaineers felt for Hubert Humphrey and for his widow and now Senator MURIEL BUCK HUMPHREY.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION No. 10

On January 13, 1978, the nation mourned the death and celebrated the life of United States Senator Hubert H. Humphrey, whose courage, optimism and compassion touched the lives of many.

As a representative of Minnesota, Senator Humphrey served in the U.S. Senate for twenty-two years beginning in 1949. He was Vice President of the United States from 1965 to 1969 and returned to the U.S. Senate in 1970. Throughout three decades, he fought against mankind's traditional enemies—Poverty, Hunger, Disease and Ignorance and earned the nickname the "Happy Warrior." Because of his faith in our people and confidence in our democratic system, he approached problems with the belief that they could be solved.

This great man was a good friend to the people of West Virginia, whom he knew and loved. He visited the State often and expressed genuine and compassionate feeling for the well-being of the people of West Virginia; therefore, be it

Resolved by the Legislature of West Virginia:

That sadness is hereby expressed upon the passing of this great and dedicated leader, teacher, humanitarian, statesman and patriot who earned the national respect and love accorded to only a handful of outstanding Americans; and that the Legislature hereby declares its gratitude for the life and service of this unique man whose courage, optimism and compassion serve as an inspiration to us all; and, be it

Further Resolved, That the Clerk of the House of Delegates is hereby directed to forward a copy of this resolution to his widow, Mrs. Muriel Buck Humphrey, his daughter and his three sons.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALE

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congresss receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that four such notifications were received on February 22, 1978.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., February 22, 1978.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the attached four notifications to Congress relating to the sale of aircraft to Israel, Egypt and Saudi Arabia.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., February 22, 1978.

In reply refer to:
I–1223/78ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

DEFENSE SECURITY ASSISTANCE AGENCY, DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA
Washington, D.C., February 22, 1978.

In reply refer to: I–1224/78ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

DEFENSE SECURITY ASSISTANCE AGENCY, DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA
Washington, D.C., February 22, 1978.

In reply refer to: I–1225/78ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

DEFENSE SECURITY ASSISTANCE AGENCY, DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA
Washington, D.C., February 22, 1978.

In reply refer to: I–20085/78.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

A SALUTE TO INDIANA FHA/HERO MEMBERS

Mr. BAYH. Mr. President, in 1967 the Congress designated the second full week in February as National Vocational Education Week to inform people about the value of vocational education. Each year more and more people, young and old alike, are taking advantage of career and employment training which enriches their own lives and contributes to our social and economic development.

Last week vocational organizations, schools, and other local groups coordinated activities to call attention to vocational education in general and to their achievements in particular. February 12-18 was FHA/HERO Week in Indiana and across the country in conjunction with Vocational Education Week. For the Future Homemakers of America and the Home Economics Related Occupations Organization, the theme of the week was "Explore Roles/Set Goals." Around the nation last week, half a million young people in FHA demonstrated projects which will help prepare them for future occupational and community responsibilities.

Future Homemakers of America was founded June 11, 1945, as an incorporated, nonprofit organization supported by membership dues. The Indiana association serves 7,246 members in 183 chapters statewide. The link between

the State association and the local chapter is the State officer team which is composed of 12 State officers. The State officers' major role in Indiana is to serve as workshop leaders and speakers, assisting chapters with membership promotion and with the cooperative project of FHA and the March of Dimes—"Healthy Babies: Choice or Chance." The Future Homemakers of America also have excellent programs for leadership developments of members at the State level through leadership training camps and district activities.

I am pleased to take this opportunity to congratulate the FHA on its valuable accomplishments which I know the folks in Indiana and many other States greatly appreciate. I would like to thank the Indiana State Future Homemakers of American officers who have done such a fine job. Those officers are:

Laura Riggs, State president, Danville; Janie Hutsell, State vice president, Cromwell; Suzanne Carlile, State secretary/treasurer, Crawfordsville; Claireca Padgett, State officer, Gary Connie Klotz, State officer, Nappanee; Evelyn Bricker, State officer, Kokomo; Lori Ladd, State officer, Hartford City, Teresa Bedwell, State officer, Sullivan; Rhonda Lewis, State officer, Mooreland; Kathy Schroeder, State officer, Vincennes; Kim Hammond, State officer, English; and Karen Spillman, State officer, Hanover.

APPALACHIAN TRAIL

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. DURKIN, I ask unanimous consent that the Senate proceed to the consideration of H.R. 8803, a bill to amend the National Trail System Act, which I understand has been cleared with the minority.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 8803) to amend the National Trails System Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241), as amended (90 Stat. 2481; 16 U.S.C. 1244), is further amended as follows:

(1) Amend section 5(a)(3) to read as follows:

"(3) The Secretary of the Interior shall establish within sixty days of the enactment of this subsection an Advisory Council for the Appalachian National Scenic Trail which shall terminate one hundred and twenty months from the date of enactment of this subsection. The Secretary of the Interior shall consult with such Council from time to time with respect to matters relating to the Trail, including the selection of rights-of-way, standards for the erection and maintenance of markers along the Trail, and the administration of the Trail. The members of the Advisory Council, which shall not exceed thirty-five in number, shall serve for a term of two years without compensation as such, but the Secretary may pay, upon vouchers signed by the Chairman of the Council, the expenses reasonably incurred by the Council and its members in carrying out their responsibilities under this section. Members of the Council shall be appointed by the Secretary of the Interior as follows:

"(i) a member appointed to represent each Federal department or independent agency administering lands through which the Trail route passes and each appointee shall be the person designated by the head of such department or agency;

"(ii) a member appointed to represent each State through which the Trail passes and such appointments shall be made from the recommendations of the Governors of such States;

"(iii) one or more members appointed to represent private organizations, including corporate and individual landowners and land users, that, in the opinion of the Secretary, have an established and recognized interest in the Trail and such appointments shall be made from recommendations of the heads of such organizations: *Provided*, That the Appalachian Trail Conference shall be represented by a sufficient number of persons to represent the various sections of the country through which the Appalachian Trail passes; and

"(iv) the Secretary shall designate one member to be chairman and shall fill vacancies in the same manner as the original appointment.".

(2) Amend section 5 by adding the following new subsection (d):

"(d) Within two years of the date of enactment of this subsection, the Secretary of the Interior shall, after full consultation with the Governors of the affected States, the Advisory Council, and the Appalachian Trail Conference, submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, a comprehensive plan for the management, acquisition, development, and use of the Appalachian Trail, including but not limited to, the following items;

"(1) specific objectives and practices to be observed in the management of the Trail, including the identification of all significant natural, historical, and cultural resources to be preserved; details of anticipated cooperative agreements to be consummated with other entities; and identification of carrying capacity and use patterns of the Trail;

"(2) an acquisition or protection plan, by fiscal year, for all lands to be acquired by fee title or lesser interest, along with detailed explanation of anticipated necessary cooperative agreements for any lands not to be acquired; and

"(3) general and site-specific development plans, including anticipated costs.".

(3) Amend section 7(d) by changing the colon to a period and by deleting the proviso.

(4) Amend section 7(g) by deleting the first proviso and inserting in lieu thereof "*Provided*, That condemnation proceedings may not be utilized to acquire fee title or lesser interests to more than an average of one hundred and twenty-five acres per mile:".

(5) Amend section 10, by adding at the end thereof the following: "From the appropriations authorized for fiscal year 1979 and succeeding fiscal years pursuant to the Land and Water Conservation Fund Act (78 Stat. 897), as amended, not more than the following amounts may be expended for the acquisition of lands and interests in lands authorized to be acquired pursuant to the provisions of this Act:

"(a)(1) The Appalachian National Scenic Trail, not to exceed $30,000,000 for fiscal year 1979, $30,000,000 for fiscal year 1980, and $30,000,000 for fiscal year 1981, except that the difference between the foregoing amounts and the actual appropriations in any one fiscal year shall be available for appropriation in the subsequent fiscal year. It is the express intent of the Congress that the Secretary should substantially complete the land acquisition program necessary to insure the protection of the Trail within three complete fiscal years following the date of enactment of this sentence. Until the entire acquisition program is completed, he shall transmit in writing at the close of each fiscal year the following information to the Committee on Energy and Natural Resources of the Senate and to the Committee on Interior and Insular Affairs of the House of Representatives:

"(A) the amount of land acquired during the fiscal year and the amount expended therefor;

"(B) the estimated amount of land remaining to be acquired; and

"(C) the amount of land planned for acquisition in the ensuing fiscal year and the estimated cost thereof.

"(2) Until the entire acquisition program is completed, the Appalachian Trail Conference shall transmit a report at the close of each fiscal year to the Committee on Energy and Natural Resources of the Senate and to the Committee on Interior and Insular Affairs of the House of Representatives which shall include but not be limited to comments on—

"(A) the manner in which negotiations for the acquisition program are being conducted for every section of the Trail;

"(B) the attitudes of the landowners with whom negotiations have been undertaken; and

"(C) whether in any case larger interests in land are being acquired than are necessary to carry out the purposes of this Act.

"(b) For the purposes of Public Law 95-42 (91 Stat. 211), the lands and interests therein acquired pursuant to this section shall be deemed to qualify for funding under the provisions of section 1, clause 2, of said Act.".

Mr. DURKIN. Mr. President, 2 weeks ago the Energy and Natural Resources Committee reported the Appalachian Trail bill, H.R. 8803, to the floor of the Senate. I was pleased to have had the opportunity to hold the hearing on the bill on November 1, 1977, and thereby accelerate its consideration.

I would like to thank a number of Senators for their invaluable assistance, especially Senator MATHIAS, the bill's sponsor in the Senate, Chairman JACKSON, Senator ABOUREZK, and the other members of the committee. I also want to thank the majority and minority leaders for their prompt action in scheduling the bill. In the House, Representative BYRON, the sponsor, and Representative PHILLIP BURTON, the subcommittee chairman, deserve praise for their work.

Ten years ago, the Congress enacted a law to protect the Appalachian Trail. It was envisioned that States would acquire or otherwise protect the lands needed to retain the trail as a rugged outdoors experience, as opposed to a roadside trail or someone's backyard nuisance. The thought was that the Federal Government should not get involved, other than through land and water conservation fund moneys, if the States could do the job. The States, after all, are closer to the everyday working problems of the trail.

Many of the States have acquired the necessary lands or agreements. But a number of States have unfortunately made little or no headway.

The Appalachian Trail today winds

through rugged mountains, hills, and picturesque valleys, many of which are now coming under development pressure. If action is not taken now, many sections of the Appalachian Trail will be lost or forever stripped of their wilderness appeal. The Appalachian Trail bill provides a funding level and acquisition authority adequate to protect the threatened sections of the trail. The bill requires that acquisition or protection of sections of the trail under immediate threat take place within 3 years.

Mr. President, this bill is not simply a protection through acquisition bill. On the contrary, it seeks to protect private landowners to the fullest possible extent. This bill reaffirms that eminent domain is the tool of last resort; that protection of the trail by means other than acquisition is often superior to acquisition; that acquisition of interests less than the full title is superior to full acquisition; and that every reasonable effort shall be made not to acquire residences unless absolutely necessary, even if they are within the trail corridor.

This piece of legislation is vitally needed now. We simply cannot wait any longer if this historic trail is to remain what it has been, and what its founders meant it to be—a wilderness trail from Maine to Georgia. In many places the trail is in danger of becoming a path from a group of second homes to a roadside fast food stand. This situation can be averated, but only if we act quickly.

Mr. President, I ask unanimous consent that the cost estimate prepared by the Congressional Budget Office be printed in the RECORD following my remarks. The cost estimate was received too late for inclusion in the committee report, and, therefore, I would like to make the information available to all the Members in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 8803.

2. Bill title: A bill to amend the National Trails System Act.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources, February 10, 1978.

4. Bill purpose: The bill authorizes the Secretary of the Interior to protect the Appalachian National Scenic Trail (Trail) through a three-year land acquisition program. The bill authorizes to be appropriated from the land and water conservation fund (LWCF) $30 million for land acquisition in each fiscal year 1979, 1980 and 1981. In addition, this acquisition qualifies for funding from the special acquisition fund set up within LWCF as a result of Public Law 95–42.

The Secretary is also authorized to establish an Advisory Council for consultation on general issues pertaining to the Trail, such as rights of way issues, trail markers and administration of the Trail. The council will consist of 35 members appointed for a term of two years and will serve without compensation. The bill also requires the Secretary to prepare a comprehensive plan for land management, development and use of the Trail.

5. Cost estimate: The following table presents the estimated costs of this bill by fiscal year:

(By fiscal year, in millions of dollars)

Authorization Level	
Fiscal year 1979	30.0
Fiscal year 1980	30.0
Fiscal year 1981	30.0
Fiscal year 1982	—
Fiscal year 1983	—
Costs	
Fiscal year 1979	5.0
Fiscal year 1980	43.4
Fiscal year 1981	24.0
Fiscal year 1982	11.0
Fiscal year 1983	6.0

6. Basis of estimate: The National Park Service has advised CBO that the comprehensive plans required by H.R. 8803 will require additional staff. It is estimated that plans for each of the two existing trails will require two professionals at a GS 12–13 level, and one person as full-time clerical/secretarial support at a GS–07 level. The estimate further assumes that the staff will begin work by October 1, 1978, and will function for two full calendar years. Current salary levels were inflated by the CBO's projection of the federal salary deflator to obtain salary levels in fiscal years 1979 and 1980. Overhead at the rate of 30 percent (the National Park Service's estimated 1977 rate) was included each year. On this basis, costs are estimated to be $83,000 in fiscal year 1979, $177,000 in fiscal year 1980, and $94,000 in fiscal year 1981. If and when any of the additional 22 trails become part of the National Scenic Trails system, costs would increase accordingly.

Because H.R. 8803 states that Appalachian Trail acquisitions should be completed within three full fiscal years of the date of enactment, it was assumed that the full $30 million authorized in each of the fiscal years 1979, 1980, and 1981 will be appropriated. Outlays of $5 million in fiscal year 1979 would be for increased staffing for appraisal, title work, negotiations, and some land acquisition. In subsequent years, outlays would be largely for land acquisition. The outlay estimates are based on projections of the National Park Service.

7. Estimate comparison: None.

8. Previous CBO estimate: CBO prepared an estimate to a similar bill, S. 2066, on November 8, 1977. The first year cost for this bill was $5.0 million.

9. Estimate prepared by: James V. Manaro.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Mr. DURKIN. Mr. President, H.R. 8803 was favorably reported from the Energy and Natural Resources Committee on February 9, 1978. As reported by the committee, H.R. 8803 would authorize additional protection for the Appalachian Trail, which was established by the 1968 National Trails System Act.

The Senate companion measure, S. 2066, was introduced by Senator MATHIAS on September 7, 1977. On November 1, 1977, the Parks and Recreation Subcommittee held a hearing on both the House and Senate measures and on February 10, 1978, the committee reported H.R. 8803 with a substitute amendment.

As passed by the House, H.R. 8803 would amend additional provisions of the 1968 act which were not considered during the Senate hearing, but which the committee will probably consider later this session. Accordingly, the measure reported by the committee would modify only those provisions of the 1968 act which relate to the Appalachian Trail.

Mr. President, I urge the support of my colleagues in the passage of H.R. 8803 at this time.

Mr. STAFFORD. Mr. President, I wish to express my support for passage of the bill, and to underline my understanding that the bill is intended to encourage a cooperative approach between the existing landowners and the Federal Government.

It is my understanding that the bill directs the Secretary of Interior to utilize alternatives to fee purchase wherever possible.

During the course of the committee consideration on the bill, I urged several amendments that sought to instill this cooperative attitude. I am pleased that the committee accepted these amendments and this philosophy.

The key language in the bill appears in subsection (d)(2) as follows:

(2) an acquisition or protection plan, by fiscal year, for all lands to be acquired by fee title or lesser interest, along with detailed explanation of anticipated necessary cooperative agreements for any lands not to be acquired;

It is my understanding that this language encourages "protection" through such approaches as easements and cooperative agreements.

My suggestions to the committee sought to assure the use of easement or other forms of less-than-fee-title acquisition along the trail. I would anticipate that the bill provides the flexibility to develop cooperative agreements that fully protect the trail.

If this does not occur, I fear that there may be much resistance among families who have cooperated for decades in developing and protecting the trail.

I commend the committee members for their effective approach, and I hope they will insist on this language in conference. From my conversations with representatives of the National Park Service, an approach other than a cooperative one is doomed to failure.

Mr. President, I ask unanimous consent that several letters on this issue be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

VERMONT NATURAL RESOURCES COUNCIL,
November 7, 1977.

Senator ROBERT T. STAFFORD,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR STAFFORD: I am writing to advise you about a potential problem involving the Appalachian Trail and a $90 million appropriation bill for trail acquisition which may be coming up before the Senate in a short time. The situation regarding the trail is described fully in an article which our editor Nathaniel Frothingham wrote for sixteen Vermont weekly newspapers this week. In case you have not seen it, a copy is enclosed.

The situation is essentially this: The landowners across whose property the trail runs are generally happy about the trail and the hikers. They are not happy, however, about having the Federal Government step in and either force them to sell a right-of-way or condemn the property. The National Park Service, which is charged with the protection program under the National Scenic Trails Act, wants to move full steam ahead with outright

acquisition, regardless of the feelings of the local people and, apparently, regardless of the "costs" in terms of public reaction to the Federal Government, other trails programs, and the conservation movement in general.

The Green Mountain Club has been very successful in working out cooperative agreements with owners along the Long Trail, and it feels that a similar approach could be successful on that portion of the Vermont Appalachian Trail which is in private ownership. Cooperative agreements are not wholly satisfactory, but they may lead to more permanent arrangements, such as easements, conservation restrictions, and similar devices.

We would all like to see the Appalachian Trail protected. What I am suggesting is that the Park Service be sensitive to the local situation, and not ram ahead with eminent domain immediately in order to have the Trail fully protected within three years. If they do this, the heat will be intense. The Green Mountain Club and the State of Vermont have both indicated that they want no part of the program if the Park Service persists in its stated course. However, even if we all try to stand clear, I believe that we will suffer the consequences.

VNRC is ready to play a cooperative role, and help the different parties work out a mutually acceptable solution. However, before this can happen, the Park Service must be willing to negotiate. The best long-run solution would seem to be for the government to develop a cooperative stewardship program with the owners, because they can manage the trail and the land around it more effectively and cheaply. Then, when a parcel does come up for sale, the Park Service can purchase the land on an easement. Unless we attempt to find it (another solution) before the funds are appropriated, we may find the public controversy over the Bristol Cliffs Wilderness Area to be minor in comparison with the outcry which will surely be expressed along the Appalachian Trail.

I am writing Senator Leahy a similar letter. I would appreciate your thoughts on the situation.

Sincerely,

DARBY BRADLEY,
Director.

P.S.: Most of the Green Mountain Club's cooperative agreements with landowners along the Long Trail are up for renegotiation next year. An uproar over the Appalachian Trail would probably have an adverse impact on these negotiations.

A LOOK AT THE APPALACHIAN TRAIL IN VERMONT

(Along the Appalachian Trail as it crosses Vermont)—Since its founding in 1933, the Appalachian Trail, a 2000-mile footpath through the wilderness from Maine to Georgia, has had the character of a river,—fluid, always changing its course, constantly re-negotiating its right of way across public and private lands.

Now all this is changing.

As recently as October 25, the U.S. House of Representatives in a lopsided vote of 409-12 gave added steam to the federal effort not only to protect the Trail but to purchase a permanent, fixed, right of way, along its entire length.

Federal efforts to protect the Trail began in 1968 with passage of the National Trails System Act. In the past nine years use of the Appalachian Trail has increased dramatically. There are now some 4 million hikers on the Trail each year. There are other pressures as well. There is development. There are places along the Trail where its continuity is threatened. And there are as many as 175 miles where the trail has been forced onto paved roads.

The question is no longer whether the Trail should be protected, but how. And the bill that passed the House on October 25 is strong medicine.

Look at the difference between the 1968 Act and the new legislation. The 1968 bill authorized $5 million for Trail acquisition. The new bill authorizes $90 million over the next three years for the same purpose. The old bill gave the National Park Service the power of eminent domain to take a corridor as wide as 200 feet along the Trail. The new bill permits the Park Service to take a corridor of up to 1000 feet, or as much as 125 acres per mile of Trail.

In Vermont, a federal survey team is winding up its pre-acquisition studies on the ground. If pending legislation in Congress passes, negotiations between representatives of the Park Service and individual landowners could begin as early as 1978.

David Richie, Manager of the Appalachian Trail Project for the Park Service in Harpers Ferry, Virginia, sees compelling reasons for acquiring land in Vermont over which the Trail passes.

Richie is particularly concerned about the Trail eastwards of Sherburne Pass, a segment between Route 12 and the Connecticut River. This is an area that Richie describes as "dynamic." He means that the towns of Pomfret, Hartford, and Norwich over which the Trail passes have had a recent history of rising land prices and growing numbers of land transactions. These are signs, says Riche, of impending subdivision and developing that could sever the Trail. Nor is this all. Richie contends that the Trail corridor from Route 12 to the Connecticut River follows too many roads. And this is a contradiction of the "wilderness hiking experience."

Richie wants to be flexible with landowners, wants to encourage sympathetic land uses such as agriculture along the Trail. But the federal determination to protect the Trail, through acquisition or perpetual easement, this is the bottom line, and this is non-negotiable.

Last spring in May, the Vermont Agency of Environmental Conservation commissioned a survey of landowners along the Trail by Putnam W. Blodgett, an experienced hiker and Director of the Challenge Wilderness Camp in Bradford.

After walking the Trail from the Connecticut River to East Wallingford south of Rutland, after talking to local landowners and corresponding with others,—Blodgett concluded the following: "The majority of the people contacted wished to keep the Trail on the present basis and are opposed to governmental acquiring of easements or rights-of-way."

One part of Blodgett's assignment was to have been the negotiation of voluntary, informal, written cooperative agreements between the Green Mountain Club and as many landowners as possible. These cooperative agreements have been signed with a number of landowners along Vermont's Long Trail. But this part of Blodgett's work was cancelled when the new federal intentions became clear.

Blodgett says, "They are going full steam ahead on acquiring the Trail. There's no doubt about that." And he adds sharply, "They want to get it over with and lock it up and go on to something else."

Blodgett sees a positive value in continuing the stewardship of landowners along the Trail. When the Trail was proposed years ago, landowners voluntarily accepted its passage across their lands. They have put up with the nuisances: vandalism, fires, litter. They have tolerated the very very small number of hikers who have broken into sheds, stuffed rubbish into mailboxes and bathed naked in roadside streams. And yet, surprisingly, there is a reservoir of good will on the part of landowners toward hikers. Owners of land have fixed fences, moved shelters to better locations at their own expense, and picked up trash.

Blodgett would protect the Trail, yes, even with eminent domain in places where it is in danger of being severed. He is challenging the method of the Park Service, not the objective. His own suggestion? Approach the landowner who wants to sell, fine, but negotiate agreements with the rest. Sure it's a hassle. It's not tidy and quick. But it will permit the Trail to be relocated. It will sustain landowners incentive. And it will reassure landowners along other trails.

Gerry Hawkes, 27, a consulting forester who owns 55 acres of land along the Trail in Woodstock, echoes Blodgett's sentiments. He says, "I would not mind signing an agreement that I would keep my land in agriculture under good management." A corridor of 200 feet, says Hawkes, would cripple his operation; a corridor of 1000 feet would wipe him out.

Hawkes thinks the federal plan will be bad for hikers, bad for landowners. The Trail will cut right through a person's land, dividing it in pieces. The owner will eventually have to sell out to the highest bidder. This could lead to development and Hawkes remarks, "You could end up with a green stripe between two housing tracts." The sensible alternative would be to help the farmer, the forester, stay in business.

"My whole future is tied up in this piece of land," Hawkes says. "I hope to have a sugarbush up there. I could have made a lot of money." Instead, Hawkes has been improving his woodlot, thinning trees, planning for the future. "This is a beautiful unit," he says, looking up toward the meadow in the October sun. "I am perfectly willing to share it."

THE GREEN MOUNTAIN CLUB, INC.,
Rutland, Vt., December 7, 1978.

DEAR SENATOR: As the representative of hiking interests in Vermont, and maintainer of 100 miles of Appalachian Trail (AT) where it utilizes the Long Trail, The Green Mountain Club has followed the legislative life of HR 8803 with great interest. We support the bill because we feel acquisition of a trail corridor is necessary to protect the AT where present and anticipated development threatens the integrity of the trail.

By and large, most of these "critical" AT segments lie outside Vermont borders. It is for this reason, and because we are sensitive to the concerns of private landowners, that we strongly recommend the adoption of a flexible acquisition program.

Certainly, fee simple purchase from willing sellers is the ideal situation. We are optimistic that willing sellers will be found along most of the final routes chosen for the AT. However, in the special cases where a landowner is unwilling to sell, we urge that alternatives in the form of cooperative agreements and conservation easements be pursued. Condemnation should be used only where absolutely necessary, and as a last resort.

Our call for a flexible acquisition program is due in part to the work we've done in northern Vermont to ensure best locations for approximately 120 miles of Long Trail on private land. We negotiated a series of five-year cooperative agreements which expire in 1978 and must be re-negotiated. We are pleased with the trust and spirit of cooperation these agreements have fostered between landowners and the Club. We fear, however, that an inflexible, AT acquisition program and the adverse publicity it could generate might jeopardize our efforts to maintain and protect the Long Trail. Adverse publicity could also have far-reaching impact on the feasibility of providing new hiking opportunities in Vermont to satisfy an ever-increasing demand.

It has been our experience that many landowners are more than happy to allow hikers to traverse their land. Even so, some simply don't want to give their land up—despite prospects for fair monetary compensation.

A second concern we have regarding HR 8803 is that the legislation makes clear provision for continued involvement of volunteers. We believe volunteers, in some cases aided by paid trail crews operated by the volunteer clubs, can and should carry primary responsibility for AT maintenance. Resource protection must remain a primary concern, but care must also be taken to accommodate the differences in approaches that typify any large, volunteer effort.

Without this involvement and willingness to accept differences, the spirit of volunteerism which makes the AT such a unique and important recreational resource will eventually die.

At this somewhat late date we do not wish to see language inserted in the bill which could hurt its chances for passage. We do hope, however, that our concerns are addressed in the committee report.

Sincerely,

STEPHEN K. RICE,
Executive Director.

OTTAUQUECHEE
REGIONAL LAND TRUST, INC.,
Woodstock, Vt., December 29, 1977.

Mr. DAVID RICHIE,
Appalachian Trail Project Manager, U.S. Department of the Interior, National Park Service, Harpers Ferry Center, Harpers Ferry, W.Va.

DEAR MR. RICHIE: Though I myself was unable to atend the Ottauquechee Commission meeting at which the future of the Trail was discussed, I was informed as to the subject matter by Messrs. Carbin and Jacobs and by the subsequent newspaper accounts.

Our particular interest in this matter lies in the proposed method of land acquisition or control and in the role the Ottauquechee Land Trust might play in the stewardship of the Trail.

As you know many local people have negative feelings about the Federal Government using eminent domain to acquire the proposed trail corridor. However, many of the same people would not object to the trail crossing their property. The Board of trustees of the Trust feels that a more effective and acceptable method of securing the trail corridor might be through the use of conservation easements. I understand that you have been briefed on the present uncertain legal status of such easements in Vermont. We expect, however, that this situation will be changed during the upcoming legislative session. Even if the existing status of easements is not clarified this spring, a method of corridor control might still be developed utilizing the easement concept, and we would be happy to discuss our ideas in detail with you.

As you know, the Ottauquechee Trust is a private, non-profit conservation organization working within the general boundaries of the Ottauquechee River watershed. We are dedicated to the preservation and protection of the region's natural resources, as shown in the enclosed brochure. There has already been some public discussion of the possibility of our acting as the local agent for safeguarding the Trail lands from Sherburne to the Connecticut River, and we briefly discussed this at our Board meeting of December 22. The Board is interested in a further investigation of this possibility and its implications for all parties concerned. We accordingly appointed a member of the Board, James Truesdall, to sit in on the steering committee meeting to be called by the Ottauquechee Regional Planning and Development Commission on this subject.

Some time in the spring, possibly when the federal Trail legislation is in fact adopted, and when you have begun to develop specific acquisition policies and procedures, we would be happy to discuss this matter with you at greater length.

Sincerely,

EDMUND H. KELLOGG,
Chairman.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF THE TREATY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow morning after the prayer the Senate resume consideration of the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR LEAHY ON FRIDAY

Mr ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, after the prayer, as in legislative session, Mr. LEAHY be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF THE PANAMA CANAL TREATY ON FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of Mr. LEAHY on Friday, as in legislative session, the Senate then resume consideration of the Panama Canal Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HUMPHREY AND SENATOR CHAFEE ON FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate resumes consideration of the Panama Canal Treaty on Friday, Mrs. HUMPHREY be recognized to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. I wonder if it would be possible to add the distinguished Senator from Rhode Island (Mr. CHAFEE), to follow immediately after Mrs. HUMPHREY on Friday.

Mr. ROBERT C. BYRD. Yes, indeed.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 94–201, appoints Janet Anderson to the Board of Trustees of the American Folklife Center, Library of Congress, effective March 9, 1978 for a term of 2 years, in lieu of Donald Yoder, term expired.

The Chair, on behalf of the Vice President, pursuant to Public Law 86–420, appoints the Senator from Texas (Mr. BENTSEN), chairman, and the Senator from New Hampshire (Mr. DURKIN) to attend the Mexico-United States Interparliamentary Conference, to be held in San Francisco, Calif., May, 1978.

The Chair, on behalf of the Vice President, appoints the Senator from Michigan (Mr. RIEGLE) and the Senator from Utah (Mr. HATCH) to attend the United States-Mexico Commission on Drug Abuse.

The Chair, on behalf of the Vice President, appoints the following Senators as Congressional Advisers to the SALT Talks in Geneva, Switzerland, during 1978: the Senator from Michigan (Mr. RIEGLE), the Senator from Delaware (Mr. ROTH), and the Senator from Oklahoma (Mr. BELLMON).

Mr. ROBERT C. BYRD. Mr. President, what is the pending question now before the Senate?

The PRESIDING OFFICER. Morning business is pending.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PENDING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. Executive N.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate, in executive session, stand in recess until 10 a.m. tomorrow morning.

The motion was agreed to; and at 6:32 p.m. the Senate, in executive session, re-

cessed until Thursday, February 23, 1978, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 22, 1978:

DEPARTMENT OF THE TREASURY

Manuel A. Sanchez, Jr., of New York, to be Superintendent of the U.S. Assay Office at New York, N.Y., vice Nicholas Costanzo, resigned.

DEPARTMENT OF AGRICULTURE

P. R. Smith, of Georgia, to be an Assistant Secretary of Agriculture, vice Robert Haldeman Meyer, resigned.

IN THE COAST GUARD

The following-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral:

Aubrey H. Jones, [redacted].

IN THE NAVY

Vice Adm. Howard E. Greer, U.S. Navy (age 56) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Kinnaird R. McKee, U.S. Navy.

The following-named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps indicated subject to qualification therefor as provided by law:

MEDICAL CORPS

Melvin Museles
John R. Lukas
Stephen Barchet

SUPPLY CORPS

William J. Ryan
Andrew A. Giordano
Joseph L. Flores

CIVIL ENGINEER CORPS

Paul R. Gates

DENTAL CORPS

John B. Holmes

IN THE MARINE CORPS

Gen. Samuel Jaskilka, U.S. Marine Corps, (age 58), for appointment to the grade of general on the retired list, upon his retirement on 1 July 1978.

Lt. Gen. Joseph C. Fegan, Jr., U.S. Marine Corps, (age 57), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named brigadier general of the Marine Corps Reserve for permanent appointment to the grade of major general under the provisions of title 10, U.S. Code, section 5902:

Jack M. Frisble

EXTENSIONS OF REMARKS

SECTION 8 ASSISTANCE FOR MOBILE HOMEOWNERS

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. HANNAFORD. Mr. Speaker, the homeownership task force of the Housing Subcommittee recently held a number of field hearings to find out why the cost of housing has risen as it has and to explore possible solutions to the rising cost of housing that Federal, State, and local governments can and should pursue. The task force, under the chairmanship of my distinguished colleague LES AUCOIN, concentrated on five areas—the impact of Federal regulations on housing costs, the benefits of different types of mortgage instruments tailored to homebuyers' needs, the effects of housing speculation on home prices, the impact of construction and land costs, and building innovations which reduce the cost of housing.

Current estimates reveal that in southern California only 15 percent of the families can afford to buy a home. Other studies indicate that by 1990 the average cost of a home may be as high as $90,000. That is a national average. Already in Orange County, Calif., average home prices exceed $88,000. In December, the average cost of a new home in Orange County was $123,870. Last year alone, prices of existing homes in southern California increased by 27 percent. In the last 2 years, this increase has been as high as 50 percent. Home maintenance costs have doubled and property taxes have risen by 131 percent over the last 10 years.

Mr. Speaker, the rising cost of homeownership affects millions of low-income families and elderly citizens. Many of these people are now turning to mobile homes which are less expensive to buy and maintain. But those who have purchased mobile homes in order to escape escalating costs of conventional housing are finding that rentals for space on which to park their mobile homes is pricing them out of an affordable alternative. Currently, mobile homeowners who must rent space are not eligible for any form of rental assistance. In the city of Seal Beach in my 34th District of California, the rising cost of rental space is placing a severe burden on many senior citizens. Rental space, which now ranges from $50 to $150 per month is expected to double.

Needless to say, the impact of this increase would be devastating. Therefore, I am introducing legislation to extend section 8 rental assistance to low-income families who own a mobile home and use it as their principal place of residence. In addition this legislation provides that SSI recipients who obtain housing assistance under any State program will not be subject to reductions in SSI benefits. These are necessary changes to existing law which will enhance housing affordability.

The text of the bill follows:

H.R. —

A bill to provide rental assistance under section 8 of the United States Housing Act of 1937 for owners of mobile homes who rent the real property on which their mobile homes are located, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end thereof:

"(1)(1) Notwithstanding any other provision of law, the Secretary may make assistance payments under this section for the purpose of aiding any lower-income family in making rental payments with respect to real property on which is located a mobile home owned by such family and utilized by such family as its principal place of residence.

"(2) The Secretary shall, as soon as practicable after the date of enactment of this subsection, issue regulations with respect to the maximum monthly rent which an owner of real property is entited to receive for real property with respect to which assistance payments are made under this subsection, the amount of the monthly assistance payment which may be made under this subsection with respect to such property, and the other terms and the duration of contracts entered into under this subsection.".

Sec. 2. Section 2(h) of the Housing Authorization Act of 1976 is amended by inserting "or under any State program which provides housing assistance" after "Housing Act of 1949".

ELOQUENT COMMENTARY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. WHITEHURST. Mr. Speaker, last week I received a letter from one of my constituents, Mr. Nelson Sabin of Virginia Beach, which is one of the most eloquent commentaries on the issues which are of deep concern to the people of the United States ever to come across my desk.

With Mr. Sabin's permission, I am taking this opportunity to place his words in the RECORD. I hope that all of my colleagues will take the time to read this letter and pay it careful heed; there is a very clear message for us all.

Thank you, Mr. Speaker.

FEBRUARY 13, 1978.

E. WILLIAM WHITEHURST
Congress of the United States.

DEAR MR. WHITEHURST: For several months I have been making notes and in my mind composing a letter to you, the material became so voluminous and repetitive and I'm sure, familiar to you I have discarded it.

As an illustration of my deep disappointment and frustration with those who are responsible for the administration within our federal government, I submit the enclosed clipping from today's Virginian Pilot. It speaks for itself.

More and more Congress passes laws as a result of and in favor of special interest groups. Citizens generally are unable to gauge the worth or possible (probable) effects of proposed legislation because of little, if any, information about such legislation. Even you in Congress do not fully understand some of the legislation voted on. This is only the first part. After legislation becomes law the bureaucracy of the federal administration starts massaging and bending it to fit

their philosophy or perception and struggle for power and/or survival. Some of the people in these areas wouldn't recognize a good piece of legislation if it sneaked up behind and bit them!

I am tired of the beating citizens are taking from the federal bureaucracy and this includes the judicial (system). I have the feeling frequently that our country is accelerated far down the road toward a deficit socialist form of government. The ever growing redistribution of income, the significant drop in (individual) productivity, the insistance on counter discrimination in many areas, the insistance for equality of results rather than equality of opportunity, the uneven application of the publically stated, high minded foreign policy and an ever growing disdain for the intelligence, desires and true needs of the taxpayer and citizen. Instead of a new Department of Education, which we need like we need another Adolph Hitler, why isn't a Department of Waste established. Maybe they could then organize the waste in government, and, waste a little less.

I realize our nation along with most of the world is undergoing changes at quite a rapid pace, and that we have at least thirty years before we can possibly reach a period of relative stability but we will not make it unless move intelligence and true dedication to the real national good and interests is taken at the federal level; and the citizens confidence and enthusiasm regenerated.

I have been re-reading some of the material from my university political science studies, De Tocqueville for one. As you know this man perceived the weaknesses in the democratic process in his time, they have not changed.

We have bureaus, commissions, and agencies of government to protect us from everything except bureaus, commissions and agencies of government. You in congress are the real protectors. If you do not reach the point where you cannot protect us from bad laws, bad administration we have no one.

I thank you for your efforts.

Your truly,

NELSON SABIN.

VIRGINIA BEACH, VA.

NUCLEAR WASTE DISPOSAL BILL

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. HUCKABY. Mr. Speaker, I am today introducing a bill to restrict the Nuclear Regulatory Commission from issuing a license for the disposal of high-level radioactive wastes in a selected facility, if the average population density within a 50 mile radius of such a repository site exceeds 15 persons per square mile.

I feel that there exists a real and urgent need for such legislation to insure the health and safety of people living in areas being considered for the storage of nuclear waste materials. My bill would require that the population density be a top priority consideration in determining the feasibility of a nuclear waste repository. Essentially, it would prohibit the designation of a burial site if the surrounding population within 50 miles of the facility exceeds 15 persons per square mile. Enacting this safety measure will encourage the Department of Energy to conduct their studies and experiments in sparsely populated areas, if these areas are geologically and hydrologically suitable for nuclear waste storage.

I also believe that the States should participate in the decision of whether to construct and operate a nuclear waste facility within their boundaries. Therefore, the Governors of such States shall have the authority to consent to the issuance of a permit for such purposes.

For the past 32 years the United States has been producing highly radioactive nuclear waste. The search for safe disposal of these wastes has been, in my opinion, a series of trial and error experiments. Some waste management methods used or proposed have been simply temporary stopgap methods, others were thought at the time they were initiated to be a more lasting solution. Sea dumping, temporary tank storage, shallow concrete burial, landfill, surface storage, glass solidification have been tried and so far, none of these methods has achieved any remarkable success in containing dangerous waste.

The Federal Government has attempted to develop the means for disposal at least five times in the past. All five attempts have been abandoned before they were completed, generally because they encountered unanticipated problems. The five attempts were: First, injection of liquid waste into porous media; second, disposal of liquid waste in solution mine salt cavity; third, vaults in bedrock formations beneath the Savannah River Plant; fourth, a repository to accept military waste in Lyons, Kans.; and fifth, relocation of the tentative site in a bedded salt formation in New Mexico when it encountered an unexpected geological contortion.

In June 1976, the California Legislature passed several bills in response to the public debate over nuclear power. One of these bills requires that a demonstrated technology or means for permanent, terminal disposal of high-level nuclear waste must exists. Until this test is met, California law prohibits certification of any new nuclear powerplants.

The current Federal program was initiated in earnest in February 1976. It originally involved reconnaissance of potentially suitable formations in 36 States. However, the current program has been reduced to focusing largely on finding two sites in a salt formation, evaluating the Nevada test site as a repository, and evaluating a basalt formation under the Hanford Reservation as a repository.

I am particularly concerned about this issue because two salt domes located in north Louisiana are currently under review by the Department of Energy as possible burial sites. Based on a thorough review of the scientific and technical work to date, the California Energy Resources Conservation and Development Commission concluded that the Nevada test site, Hanford, Wash., and Carlsbad, N. Mex. sites "contain undesirable features which may ultimately disqualify those sites." Consequently, I fear that the two Louisiana salt domes are becoming increasingly attractive as potential repositories. I believe I have more than adequately demonstrated the history of handling radioactive materials as being less than proficient and safe for humanity.

What would be the result if highly radioactive waste were placed in salt domes in north Louisiana and leakage occurred because of one or more of many reasons, such as: underground water melting an area of salt; melting of the salt by intense heat of the waste; leakage through an old or new drill hole for oil and gas; a fracture in the salt dome from an Earth shock by distant earthquake or nuclear explosion—military or accidental; unstable degeneration of radioactive material stored in glass form? The result would be contamination of the underground water that travels to a very wide area. We could expect contamination of area water making it unfit to drink or to support any plant or animal life. Mason Willrich, director of international studies for the Rockefeller Foundation, and formerly a visiting professor at Massachusetts Institute of Technology, in a report prepared for ERDA, stated that a major radioactive waste problem exists and escape of material into air and water would "constitute a radiological hazard for hundreds of thousands, perhaps millions of years."

I strongly support nuclear development as a much-needed resource to guarantee the continuation of our country's energy supply. I am also aware that the disposal of nuclear wastes is an immediate and national concern. However, the health and safety of Americans should come first. I conclude that experiments in search of a safe disposal method, due to the enormous risk factor, should be carried out in an unpopulated, desolated area in which there is not abundant vegetation, animal life, natural energy resources of oil and gas, water network, and human habitation.

It is important that Congress deal promptly with this serious problem and I urge speedy and favorable consideration of this measure.

SALT NAIVETE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial from the Oxnard Press-Courier concerning the current SALT negotiations. The editorial quite correctly points out the folly of relying on Soviet "goodwill" or "trust" in concluding a SALT agreement.

The editorial follows:

[From the Press-Courier, Feb 3, 1978]

SALT NAIVETE

American negotiators at the Strategic Arms Limitation Talks in Geneva apparently lack the stomach for tough haggling with the Russians. How else to explain the U.S. backing off from one of the thorniest issues at the talks—deployment of the new Soviet Backfire bomber against the United States?

Debate at SALT proceedings, while important, often revolves around technical mat-

ters, which the average person understandably finds dull. But there was nothing dull or technical involved in the matter of the Backfire bomber.

Soviet negotiators have refused to accept restrictions on their bomber as part of a new arms package. The Arms Control and Disarmament Agency headed by Paul C. Warnke caved in and convinced Washington to remove it from the Geneva talks altogether.

The result is that the United States simply has decided to ask Soviet leader Leonid I. Brezhnev for a letter promising not to deploy the bomber against the United States. One wonders why Washington does not broaden the request by asking Brezhnev to promise not to deploy his nuclear missiles against the United States as well.

By trusting Brezhnev all the way on this matter the need to continue the debate in Geneva would be over. The naivete the Carter administration is displaying by relying on mere promise instead of the more binding safeguard of a treaty certainly calls into question the whole SALT enterprise.

An agreement between the two superpowers to restrict their arms race and put a limit on their strategic weapons remains essential for the future tranquility of the world. But no agreement is preferable to one that leaves the United States at a military disadvantage while entrusting the survival of Americans to a letter from Brezhnev.

JOHN H. ARMBRUSTER

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. YOUNG of Missouri. Mr. Speaker, the people of St. Louis are mourning this week the death of John H. Armbruster, a business and civic leader whose remarkable career spanned more than 50 years.

In an age of specialists, John Armbruster was a generalist whose encyclopedic interests ranged from charitable service to higher education to his business leadership as founder and president of Community Federal Savings and Loan Association of St. Louis.

Mr. Armbruster died last week at the age of 82 en route to Tulsa, Okla., for a meeting of the board of trustees of Jaycees International, of which he was a secretary and founder.

In addition to the Jaycees, Mr. Armbruster was especially active in the Boy Scouts of America, the YMCA, the Athletic Boys Club, and the Salvation Army. He headed the Salvation Army's Tree of Lights Campaign in 1972. He was a past president of the Backstoppers, an organization that provides support to the families of firemen and policemen who die or are disabled in the line of duty.

He received many awards for his works with youth groups and for his many charitable efforts. He was a trustee of William Woods College in Fulton, Mo.

John Armbruster was equally successful in his business career. He was operating his own real estate firm in 1932 when new Federal regulations began encouraging the founding of savings and loan associations to help revive the economy shattered by the depression.

Mr. Armbruster founded Community Federal Savings and Loan Association in 1934 with assets of $5,000. Today, it is the 27th largest in the Nation, totaling nearly $1.4 billion and 250,000 accounts. He was a director of the National Savings and Loan League, which he had served as secretary and vice president.

Thousands of St. Louisans who had the privilege of knowing John join his family in mourning his death.

SIXTIETH ANNIVERSARY OF ESTONIA

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. SARASIN. Mr. Speaker, on February 24, the people who live in Estonia, and the many thousands of people whose heritage is derived from this Baltic Republic, will be celebrating the 60th anniversary of the Declaration of Independence of Estonia.

That Declaration of Independence in 1918 was immediately followed by the War of Liberation with the Soviet Red Army, which lasted from November 28, 1918, to February 2, 1920. At that time, peace treaties were signed in which the Soviet Union renounced forever any claims to the territory of Estonia. Unfortunately, on August 23, 1939, the Soviet Union decided to ignore the provisions of those treaties when Stalin and Hitler agreed to divide Eastern Europe. The Baltic States were forced to agree to the establishment of Soviet military and naval bases on their territories. Only 9 months later, the three Baltic Republics, Estonia, Latvia, and Lithuania, were unilaterally declared Soviet republics and annexed to the Soviet Union.

Needless to say, the people of these three nations no longer enjoyed the basic human rights; 75,000 Estonians were forced to flee to nations all over the free world. With the signing of the Helsinki Agreement, the Estonians would possibly have a chance to, at least, regain the basic human rights that all people in the world should enjoy. Unfortunately, the Soviet Union has not exhibited its cooperation with the provisions of that agreement, and the citizens of Estonia are forced to live in an atmosphere of injustices.

Since 1940 the Estonian people have exhibited courage and dedication to their homeland. Even those Estonians that currently reside outside of Estonia consistently stand up and speak loudly for the rights of their friends and relatives still in Estonia. On this 60th anniversary celebration, we honor that courage and show our pride and insure the continuation of our support.

With this in mind, I introduced House Concurrent Resolution 117, which I hope, will assist the Estonian people in their struggle. Primarily, this resolution informs the President of the will of Congress with regard to the fair and just treatment of the Baltic States by the Soviet Union. It asks the President to urge the United Nations to take action in requesting the Soviet Union to return the rights of self-determination to the people of Estonia, Latvia, and Lithuania. It also calls for the withdrawal of the Soviet Union from the Baltic States.

For the past 38 years the Estonian people have lived under unwanted Soviet domination. On this 60th anniversary of their original Declaration of Independence, we salute them on their lasting courage and we must also pledge to support these people in the future so these years of suffering will end as soon as possible and a life of independence and freedom will begin again.

ESSEX COUNTY COLLEGE BLACK HISTORY FESTIVAL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. RODINO. Mr. Speaker, this week in my district, we are enjoying an event that is uniquely American. Essex County College in Newark is hosting its second annual black history festival, a celebration that gives proper recognition to black Americans from the Newark area and all over the country for their contribution to American society, past and present.

Living in Newark all my life, I have had a vantage point to observe the rich cultural diversity which gives America its strength. To be sure, each ethnic group has made its own special contributions to American society, but black people have known all the struggles, frustrations, hopes, and victories which best symbolize American life.

Dr. Martin Luther King, Jr., in his 1963 letter from a Birmingham jail, reminded his brothers and sisters:

> Abused and scorned though we may be, our destiny is tied up with America's destiny.

As Essex County College celebrates its second annual black history week, I say:

> America's destiny is indeed tied up with the destiny of its black people.

The Essex County College festival, with its theme, Outstanding Blacks, Past and Present, serves as a valuable reminder of the importance of black ethnics to America.

The program is especially meaningful to those in the Newark area because it honors four local citizens who embody Dr. King's commitment to community advancement through social consciousness. Golden Johnson, Donald Payne, Dr. Reynold Burch, and Gustav Heninburg are all active Essex County citizens who have played important roles in building a sense of pride in our community and leading in the progress we have made.

Mr. Speaker, I am very grateful that Essex County College has established the annual black history festivals, and I believe they will become a tradition in New Jersey's 10th District. I salute these efforts to bring greater attention to black heritage in America.

MIDEAST ARMS SALES: CONGRESS MUST DISAPPROVE

Hon. John E. "Jack" Cunningham
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. CUNNINGHAM. Mr. Speaker, the administration has submitted to the Congress a three-cornered package of arms sales to Israel, Egypt, and Saudi Arabia. It is my belief that the House must take early steps to disapprove of these sales.

In this package, Israel gets less than they asked for and need, while, in my opinion, the Saudis and Egyptians come out with a disproportionate share of the pie.

Like most Members, Mr. Speaker, I watched hopefully the exchange of visits and the commencement of negotiations between Prime Minister Begin and President Sadat. In reviewing these arms sales, I ask myself how they will assist in bringing the peace we all want to the Middle East?

The argument in favor of the Egyptian portion of the arms deal is that selling 50 F–5E's will substantially assist that country to hold its own. Certainly, the activities of the Libyan Government on the eastern border of Egypt should not be overlooked. Neither should the Soviet-inspired, Cuban-led expedition in the Horn of Africa be minimized in importance. However, it is hard for me to believe, Mr. Speaker, that the Egyptians need this level of sophisticated weaponry to deal with threats to their own national sovereignty from Libya or to the peace of the region by the Cuban–Ethiopian adventure against Somalia.

Saudi Arabia, under the administration proposal, would be able to purchase 60 ultrasophisticated F–15 aircraft. While it is easy to appreciate the need to remain friendly with this staunchly pro-Western country, I hesitate to conclude that external threats to Saudi Arabia are such to justify the need for such a high level of weapons technology to be transferred to that nation.

For myself, Mr. Speaker, I would be willing at a minimum to sell to Israel the 75 F–16's and the 15 F–15's as proposed in the sale. I realize that this is less than has been requested by the Israeli Government, however, such a sale should be made to show American good faith with a country which is continually threatened by its neighbors and by the Soviet Union with national annihilation.

However, the administration has made its proposal as a "take one, take all" package. Therefore, for Congress to disapprove of the Egyptian and Saudi components, it is also essential to veto the Israeli portion as well.

My colleague, the gentleman from Indiana (Mr. HAMILTON) has inserted in the RECORD the statement of the American Israel Public Affairs Committee regarding the proposed arms package. This excellent and balanced statement and independent research convince me that we must act swiftly to reject the administration's arms offers.

MOST DECENT MAN IN POLITICS

HON. PAUL N. McCLOSKEY, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. McCLOSKEY. Mr. Speaker, like many others, I felt myself inadequate to expressing the deep reverence I felt for Senator Hubert Humphrey.

I well recall, as a practicing lawyer in a small California town, when I read, with increasing respect, the lengthy debates between Senator Humphrey and his colleagues in the debates preceding passage of the 1954 Atomic Energy Act. At that time I was skeptical and distrustful or both politics and politicians. The quality of Senator Humphrey's remarks, and the depth of his understanding of an incredibly broad range of complex national issues, played a material part in my own ultimate decision to leave private life and campaign for public office.

A constituent of mine, Prof. Peter Grothe, was moved to write a small piece relating to his own relationship and respect for Senator Humphrey. Professor Grothe's words are worthy of permanent recording in this journal of that institution which Senator Humphrey did so much to enlighten and preserve.

MOST DECENT MAN IN POLITICS
(By Peter Grothe)

There is a rule of thumb in Washington that the closer staff aides get to a well-known politician, the more they realize his weaknesses. The opposite was true of Hubert Humphrey: The closer we got to Humphrey, the more we realized the greatness of the man.

He was described by Vice President Walter Mondale as "the most decent man in American public life," and no one who worked for him would disagree. The striking thing about most of his acts of kindness is that they were done with no thought of political payoff in mind and that they went virtually unreported.

A characteristic example came during one of the tensest days of Humphrey's life. It was the day at the Democratic Convention at Atlantic City in 1964 when Humphrey was nervously waiting in his hotel suite for the phone call which would inform him whether the unpredictable President Johnson had, in fact, named him to be his vice presidential running mate.

During the wait, Humphrey heard that an acquaintance of his had died. He called the widow and spent ten minutes consoling her. "Forget what's happening here. If there is anything I can do to help you, don't hesitate to let me know."

The elderly widow in Bemidji, Minnesota, counted for nothing politically. Despite the fact that he was waiting to hear whether he might become the vice presidential candidate, he called her, because, being Hubert Humphrey, he could not do otherwise.

Those who have worked in the Senate know that there is a group of Senators who are especially respected by their colleagues. There is another small group who are beloved by their colleagues. A small handful are both respected and loved. Senator Humphrey was preeminent in this group.

The unprecedented seven-minute standing ovation when he returned to the Senate after his last cancer operation was eloquent testimony to that. The only comparable scene in this century was a dying Lou Gehrig bidding farewell to a packed Yankee Stadium.

One of the reasons for that respect was that he had the most creative legislative mind of this century. Half of the most notable legislative achievements of the Kennedy-Johnson years were originally Humphrey ideas. The Humphrey Peace Corps proposal offers a good example.

The Senator had asked me in the spring of 1960 to put together a draft Peace Corps bill and take it to the foreign aid agency (then called ICA) in order to get the reaction of top officials there. Five of the six officials had the same reaction: "It's a lovely-sounding idea, but it will never work."

I returned to Humphrey with the discouraging prognosis, and the reaction was typical of Humphrey. He pounded his fist in his palm and exclaimed:

"That's the trouble with those bureaucrats in the Eisenhower Administration! Their attitude is, 'Don't rock the boat, don't try anything new, no new starts!' All they see are the problems. They mount the problems so high (he put his hands over his head) that they don't see the challenges, they don't see the opportunities. I want to grasp the opportunity! Let's go ahead and introduce the bill."

Another reason he was so respected was that he had a political genius for getting things done on Capitol Hill. Perhaps the best (unreported) lesson on how to get a bill through Congress was given by Humphrey to Sargent Shriver after the Kennedy-in-law was appointed to head the fledgling Peace Corps. Shriver was a talented leader but had had little experience with Congress. Humphrey said with more than his normal quotient of exuberance:

"Sarge, forget about talking to women's clubs in Detroit! They don't get your Peace Corps bill passed. We in the Congress do. Don't you sit down to another meal between now and the time your Peace Corps bill comes up for a vote unless there is a senator or a congressman sitting by your elbow.

"Remember that there are 100 of us prima donnas in the Senate who stand around and debate and talk about how the government ought to run, and we envy you guys, because you are running the government, and we would like to be! So make each Senator feel like you care about his views."

Then, Humphrey went through each member of the Senate Foreign Relations Committee and told Shriver how to approach him. The end of the story is that Shriver carried on a great romance act with Congress, seeing over 400 senators and congressmen, and, with Humphrey managing the bill in the Senate, it passed overwhelmingly.

Something that struck those of us who worked for him was that there was very little difference between the public Humphrey and the private Humphrey. In public, he projected an image of a man who was kind, incurably optimistic, compassionate, enthusiastic, humanitarian, emotional, and energetic. He was the same in private. He was a man utterly open and without pretense.

The public figure to whom Humphrey felt the closest was Adlai Stevenson. Stevenson once gave a eulogy to another great statesman which might well apply also to Humphrey:

"With his loss, our sources of public dialogue and inspiration run thinner. There is a lonesome place against the sky."

There is, indeed, a lonesome place against the sky.

LOCAL RADIO SERVICE ESSENTIAL TO SMALL TOWNS AND RURAL AREAS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. FINDLEY. Mr. Speaker, today I want to discuss something very important to one-quarter of the American people. Most Americans live in big cities or in the surrounding suburbs. Thus, when most of you spend a weekend in your district, and drive home after an evening meeting with your constituents, you can tune in to a local radio station to help keep you awake when the hour gets late.

However, almost one-quarter of the American people do not have a local nighttime radio station. Instead, they must listen to a station hundreds of miles away. If local weather conditions make certain roads impassable, if there is danger from flooding, if schools are closed or community activities rescheduled, almost 50 million Americans have no way to find out about it until the sun comes up the next morning and their local radio station resumes broadcasting.

It is not that these local stations choose to go off the air each evening. Most desperately want to continue broadcasting and would consider it an important adjunct to the public service they now provide. Many have the resources—economic and technical—to stay on the air each evening. All they lack is permission from the Federal Communications Commission.

The FCC rules governing this date back to the beginning days of radio. In those days of few radio stations, in order to provide listeners with at least some access to programs no matter where they lived or how far distant the station, only one station in the entire Nation was assigned to each of the clear channel frequencies. At the time there were plenty of channels available. For example, WNBC in New York is the only station in the continental United States assigned to 660 kilohertz during the nighttime hours. Of course, it cannot be heard much beyond a 100-mile or so radius of the city during the daytime or beyond 700 miles at night. Certainly no one living on the West coast can pick it up. There is no reason why other stations should not be allowed to broadcast at night on that frequency so long as their power is limited to their local service area. This is a typical situation on most of the 1–A and 1–B clear channel frequencies. While class 1–B frequencies permit some multiple assignments, no interference is permitted even in areas where the primary station's signal is so weak that it can be heard only 50 percent of the time. Americans will not listen to such a weak signal as they once might have.

As a result of these outdated rules, over 46 million people in almost 1,500 separate listening areas of the country lose a major source of public information and entertainment each evening when the Sun goes down. Worse yet, more than 700 of these listening areas comprising thousands of towns have no other source of local news and information—no FM stations, no television stations, nothing. The millions of people who live in these small communities are literally cut off from the rest of the world each evening. They have no way to know what is happening around them, although ironically they can usually tune into a distant station and learn about a snowstorm in Chicago or a traffic jam on the George Washington Bridge in New York City. Their own local weather and traffic conditions will remain a mystery to them until the next morning when their radio station is permitted to return to the air.

The Nation's airwaves belong to all Americans, but a significant minority are not permitted fair use of them. Instead, for millions of Americans local airwaves lie silent each night, unused by anyone. That is an unconscionable waste of a precious national resource.

Mr. Speaker, I am most assuredly not an engineer. But I am convinced that a nation that can bounce radio signals off distant stars and send messages millions of light-years to galaxies where other life forms might be listening ought to be able to find some way to let these small local radio stations send their signal a few miles out into the surrounding county each evening. If such nighttime service were permitted, it would not in any way interfere with the signal heard by listeners in the major metropolitan areas. All it would do is expand the availability of meaningful local nighttime radio service for the millions of people who are currently denied it. That seems like a worthy objective to me.

Seventy-eight of my colleagues agree. To this end, we have introduced House Resolution 637 calling upon the Federal Communications Commission to do two things.

First, it directs the FCC to maximize local meaningful primary nighttime radio broadcast service, particularly in our Nation's vast rural areas. The resolution does not try to tell the Commission how this is to be done, because there are several ways to accomplish this worthy objective.

Second, the resolution directs the Commission not to permit operation of a radio station with power in excess of 50,000 watts, the current legal maximum permitted power. Obviously, you cannot increase locally originated radio service in rural areas if, at the same time, you increase the power of the stations in the major metropolitan areas to the point where their signal would interfere with the signal of the smaller stations.

These two principles are reasonable, indeed, modest. The distinguished chairman of the Subcommittee on Communications, Mr. VAN DEERLIN, in a speech to the National Association of Broadcasters, suggested a more far-reaching proposal to augment existing radio service with 450 new short-range, low-power, narrow bandwidth radio stations. Such would be an ambitious undertaking and I compliment him for his farsightedness and his determination not to be cowered by the naysayers in the broadcasting industry who maintain that any change from what we presently have will lead to a fall from grace.

There are, as I have mentioned, other ways to solve the problem of lack of meaningful local nighttime radio service in small towns and rural areas. The important thing is to get action to solve the problem in the near future. I have seen the Federal Communications Commission drag proceedings on for years, even decades. In fact, that has happened to this very issue. It is precisely the reason why 46 million Americans today have no local nighttime radio service. That situation cannot be allowed to persist indefinitely. It is time to find some way to allow the 46 million Americans currently without meaningful local nighttime radio service to share and enjoy the radio spectrum equally with their friends in the cities.

Text of resolution follows:

H. RES. 637

Resolved, That it is the sense of the House of Representatives that the Federal Communications Commission—

(1) in any proceeding respecting the provision of class I–A and I–B radio service, should maximize local meaningful primary nighttime radio broadcast service, particularly in this Nation's vast rural areas, and

(2) notwithstanding H. Res. 714, Eighty-seventh Congress, second session, adopted on July 2, 1962, should not permit operation of a standard broadcast station with power in excess of fifty thousand watts.

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LITHUANIAN INDEPENDENCE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. EILBERG. Mr. Speaker, it was just 60 years ago that the Lithuanian people regained their independence from the Soviet Union.

It was on February 16, 1918, that the National Council of Lithuania, acting on the "recognized principle of self-determination of nations," proclaimed the reestablishment of the independent state of Lithuania on a democratic basis.

The continuity of the Lithuanian state, dating back to the Kingdom of Lithuania in the 13th century, was interrupted by the Russian annexation of the greater part of that country during the period from 1792 to 1918.

Self-determination is a prime concern of the Lithuanian people today. The loss of the country's independence to the Soviet Russian invaders in 1940 meant the extinction of basic human rights. The Lithuanian people are intensely aware that to regain those rights they must reestablish the exercise of their right to self-determination.

This feeling on the part of the Lithuanian people is powerfully expressed in their underground press, proportionally the most active in the entire Soviet domain and an excellent mirror of the Lithuanian political consciousness. The Lithuanian Helsinki Group has also put forward cogent arguments for the restoration of self-determination to the Lithuanian people.

In this respect, there has been a conspicuous gap in the Belgrade Conference to review the implementation of the Helsinki agreements. While the case of Lithuania and the other Baltic countries has been briefly aired in Belgrade, the Western powers have so far refrained from mentioning the inalienable right to self-determination, one of the most essential human rights. Paradoxically, the Soviet Union feels no compunction about trumpeting that term on any occasion and posing as a defender of small nations' independence.

The New York Times, in its issue of January 24, 1978, maintained that the Belgrade Conference should be an "exercise in diplomacy." But "diplomacy" sometimes deteriorates to a silence that is both immoral and impractical.

It is to be hoped that the Western Powers, at the Belgrade Conference, will speak out on self-determination. If they fail to do so, they will not only deny a vital aspect of their own legacy, but will also commit a blunder in practical politics.

OCCASION OF THE 60TH ANNIVERSARY OF THE DECLARATION OF THE INDEPENDENCE OF THE REPUBLIC OF ESTONIA

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. STEERS. Mr. Speaker, on the historic occasion of the 60th anniversary of the declaration of the independence of the Republic of Estonia, I would like to appeal to world public opinion to support the struggle of the Estonian people for the principles of freedom and self-determination in their homeland. Estonian-Americans, contributors to the greatness of our Nation and guardians of their own rich cultural heritage, are understandably concerned for the future of their ancestral home.

The Estonian nation has long endured the great human and material losses brought about by centuries of foreign domination and exploitation. However, Estonia enjoyed 20 years of peace, progress and freedom as a democratic republic, prior to Soviet annexation in 1940. In spite of this and other acts of aggression, including forced deportation to remote labor camps, the Estonians have retained to this day a strong sense of national unity and cultural distinction.

However, Estonians are not privileged to enjoy the full fruits of their highly developed and efficient economy, since much of it is channeled into the Russian and other republics. The relatively high standard of living prevalent in Estonia is in sharp contrast to their lack of basic human and national rights. The growing majority of Russian nationals in the larger Estonian cities threatens to reduce forms of Estonian self-government and menaces the ethnic balance of the Republic.

On this the 60th anniversary of their independence day, let us not forget the proud people of Estonia. At a time when so much is sacrificed for a return to détente, let us not tolerate or encourage material exchange with the Soviet Union at the expense of our ideals of self-determination and political freedom. Let us show our dedication to an established American tradition of championing the human rights of the oppressed by supporting the restoration of the independence and the national rights of Estonia.

JET SALES AND MIDEAST PEACE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. ROSENTHAL. Mr. Speaker, there is much concern in this body and across the country about the timing and the contents of the administration's $4.8 billion package of aircraft sales to the Middle East.

Under this proposal, Saudi Arabia would receive 60 F–15 fighter-bombers, Egypt would get 50 F–5E fighter-bombers, and Israel 75 F–16 fighter-bombers and 15 additional F–15's (it already has purchased 25).

It is alarming to note that Saudi Arabia, which is paying $2.9 billion in cash for its own and Egypt's planes, is the only one of the three countries to get all the aircraft it requested. Egypt reportedly, had asked for between 60 and 120 F–5's. Israel, which unlike the two Arab States had longstanding commitments for the aircraft it wishes to purchase, will be getting only about half the aircraft it sought.

In my opinion, the sale of these advanced aircraft to Egypt and Saudi Arabia would be serious mistakes at this time and should be withdrawn immediately by the administration.

The timing of all three sales could hardly have been worse. They have every appearance of a heavyhanded intervention in delicate peace negotiations at a critical time and in a way that can only encourage a hardening of positions on both sides.

While there may be occasional friendly disputes over particulars between the United States and Israel, every American President since Harry Truman has affirmed our fundamental commitment to Israel's survival. This commitment has been repeated by President Carter. We should be careful, therefore, to use our military sales policy for the promotion of mutual security, rather than as a destabilizing influence in this volatile region.

The decision to provide Egypt with lethal, offensive weapons—supersonic F–5's—for the first time is premature at best. The peace process has just begun and this is the wrong time for the United States to alter so significantly its arms sales policy toward that country and begin a military supply relationship.

It is not as though Egypt has a great need for these planes, because it does not. Egypt already is getting advanced

fighter aircraft from Britain and France and is having her fleet of Mig 21's (comparable to the F–5) refurbished by Lockheed and General Electric. As a result, her defense in no way hinges on this sale. I believe we can do the most good for Egypt and for the peace process not by supplying arms but by providing badly needed economic assistance for her ailing economy. The United States is giving Egypt this year about $1 billion in economic assistance. I have supported this policy in the past and hope to be able to do so in the future because I believe it is the best path to peace.

Saudi Arabia needs 60 F–15's like the Middle East needs another war. This is the most advanced fighter aircraft in the world, and selling it to Saudi Arabia threatens to change substantially the balance of power in that volatile part of the world.

Israel's survival has always depended upon using the qualitative advantage of its pilots and equipment to overcome its quantitative deficiencies. The F–15 is such a superior aircraft that in the hands of capable enemy pilots it would threaten to neutralize all or most of the offensive power of the Israeli Air Force, which has been that country's most effective weapon. Thus, F–11's in enemy hands are a mortal threat to Israel, not simply a marginal danger. The only way to avoid this danger is to make sure that F–15's are never flown against Israel. However, that is something the United States cannot guarantee. History shows the Saudis will cooperate in any Arab attack on Israel. Saudi participation in the past has been limited by a lack of offensive weapons and fear of Israeli retaliation. Acquisition of F–15's and other modern weapons now being supplied by the United States make those factors less important.

The United States has a long-standing commitment to sell Israel these aircraft. A promise to provide Israel the F–16 was actually written into the Sinai II disengagement agreement, and Israel has begun receiving the first shipment of previously purchased F–15's. In other words, the aircraft sales to Israel are a continuation of established policy, in contrast to the sales to Egypt and Saudi Arabia, which represent new policy directions.

There is no sound reason why these three sales should be treated as a package. Each should be scrutinized by the Congress on its own merits. I believe we should honor our commitment to Israel and go ahead with the sale of F–15 and F–16 jets. The sale of 50 F–5E's to Egypt is, I believe, premature, and we should explore the possibility of delaying such a decision until more concrete progress is made in peace negotiations. Saudi Arabia, I am convinced, has neither the need nor the ability to absorb 60 F–15's and as soon as the administration sends the Congress formal notification of its intention to go through with the transfer, I intend to introduce a resolution of disapproval to block the Saudi sale. I am confident there is strong support for such a move in both the House and the Senate.

THE GREAT CLEVELAND ORCHESTRA

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. MOTTL. Mr. Speaker, I would like to offer for the RECORD an article which appeared in the February 21, 1978 edition of the Washington Star on the great Cleveland Orchestra. The article, which echoes feeling expressed by reviewers the world over, is one more reason why we from northern Ohio feel Cleveland is the best location in the Nation.

CLASSICAL: A CLEVELAND FORMULA THAT ADDS UP

(By Irving Lowens)

Lorin Maazel and the Cleveland Orchestra were at the Kennedy Center Sunday afternoon and last night with a pair of concerts featuring two topnotch Russian performers as soloists.

Both concerts were built using the same formula—a curtain-raiser to warm the orchestra up, then a vehicle to display the artistry of the featured artist, and after the intermission, a piece in which both conductor and orchestra could shine.

On Sunday, the curtain-raiser was the overture to Glinka's "Russian and Ludmilla," which Maazel took at a fast and furious pace.

Then came the Soviet pianist, Lazar Berman, as soloist in what must be the most popular piano concerto of our times, the B flat minor Concerto by Peter Ilyich Tchaikovsky.

Most of the time, performances of the Tchaikovsky develop into horse races between the pianist and the conductor, and for that reason, Sunday's reading turned out to be something of a surprise.

Berman took the concerto at an astonishingly leisurely pace; rather than galloping through it, he loped through it, taking time out to linger over some effects rarely heard when the pianist takes the piece at top speed.

At Berman's tempo, the Tchaikovsky Concerto was full of all kinds of surprises, and things one never hears in the score came through with astonishing clarity. You could almost call it a completely new composition.

At the moment, American piano aficionados are engaged in a rather heated mini-controversy about Berman. One side insists that he is one of the greatest pianists of our time; the other insists that he is merely a loud and insensitive banger and string-breaker.

On the basis of Sunday's Tchaikovsky and the recordings I have heard, I would be tempted to agree with the pro-Berman faction. Certainly, he put on a spectacular show of virtuosity (tempo aside, for the moment), and the overplayed concerto was brushed completely free of cobwebs.

Berman's stage demeanor at the conclusion of his performance was as modest and retiring as Rostropovich's is ebullient and flamboyant. He gives the impression of genuine modesty, and seems truly surprised at the wild enthusiasm his playing invariably evokes from audiences.

The post-intermission showpiece on Sunday was Stravinsky's "Sacre du Printemps," a work which sounds almost as advanced in 1978 as it did when it was first performed 65 years ago. Maazel led the orchestra through a fantastically precise performance—and conducted (as he always does) without a score. Except for a rather shaky bassoon solo in the introduction, the orchestra approximated perfection, giving its conductor everything he asked for—and Maazel asked for a lot.

Despite Washington's reputation for musical sophistication, more than the usual number of seat holders were in something of a hurry to depart once "Le Sacre" was under way, once again demonstrating the danger of programming anything except a popular, tuneful favorite at the end of a concert, even in these enlightened times.

Last night, Maazel rang up the curtain with a sonorous reading of that ancient popsicle, the symphonic poem, "Finlandia," by Jean Sibelius. The reading was fraught with melodrama.

Then violinist Viktor Tretyakov took the center of the stage. At the age of 20, Tretyakov was the first-prize winner of the third Tchaikovsky competition held in 1966 in Moscow, and a dozen years later, he must surely be classed as one of the best of the younger Soviet artists.

Tretyakov chose the treacherous Sibelius Violin Concerto as his vehicle, and made its horrendous difficulties completely disappear. His playing has an intensity and a purity that is most attractive, and he has fiery temperament and fantastic virtuosity to spare. He does not have an exceptionally big tone, however, and Maazel was very careful to keep the balance between the orchestra and the soloist on an even keel.

Last night's showpiece for the conductor and the orchestra was the Dvorak Symphony No. 8 in G major, for my money a work superior in construction and thematic material to the over-performed Symphony No. 9 "From the New World."

There continues to be a great deal of confusion about the numbering of Dvorak's symphonies. The G major used to be known as No. 4 and the "New World" as No. 5 since that was the order in which they were published. However, Dvorak composed four symphonies before he got around to publishing the fifth, which appeared in print as No. 1. Nowadays, all the Dvorak symphonies have been published and almost everybody accepts the new numbering which takes into account the existence of the four symphonies which did not achieve publication during the composer's lifetime.

Maazel's reading of the Dvorak was very attractive in its freedom, if rather quickly and fussy in small details. But the Clevelanders sounded wonderful, and demonstrated why they are ranked among the best in the country—and that means among the best in the world.

The Sunday afternoon concert was sold out, with only standing room available; last night, surprisingly enough, a few seats were available. If the size of the audience were to be measured by the quality of the performance, the Cleveland is one orchestra that should never play to an empty seat.

PRESIDENTIAL CLASSROOM FOR YOUNG AMERICANS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize an outstanding young lady from the Fifth Congressional District of Mississippi, Kelly A. Caldarelli of Long Beach, who is here in Washington this week to participate in the 1978 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.

IMPOSE ECONOMIC PENALTIES ON NATIONS ABETTING TERRORISTS

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. LLOYD of California. Mr. Speaker, the Senate Government Affairs Committee has been holding hearings on an important bill aimed at insulating our Nation from terrorist activities, and imposing economic penalties on nations abetting terrorists. I have sponsored a similar bill in the House which now has over 35 cosponsors.

We need legislation before another Munich slaughter or skyjacking leading to Entebbe. This bill has the support of those who are on the frontline during terrorist actions. Portions of testimony before the Senate committee by John O'Donnell, president of the Air Line Pilots Association, follows:

There is not a government in the world which does not face the real possibility of extortion or even overthrow by terrorism. Terrorism spreads far beyond the bounds of a particular incident to threaten the very structure and authority of government in its ability to govern and to institute both foreign and domestic policies. Terrorism evokes a real image of anarchy and rule by threat. This creates a problem of international magnitude, for while incidents or campaigns of terrorism are often parochial in intent, they can and do cause repercussions far beyond the target nation's borders.

In addition to the purely political ramifications of such acts, one must also examine the quantum escalation in the destructive power of weapons now freely available on the world's arms markets. Weapons currently in use by terrorist groups make battalions out of a handful of fanatics. The large amounts of nuclear material unaccounted for and the basic knowledge of physics required to build a crude nuclear bomb could combine to make an army of one individual, who could plunge this world into the unspeakable horrors of nuclear destruction.

The question may be asked, what has all this to do with commercial aviation? To take the United States, for example, we can refer to the efficacy of the security measures now in force. Our aircraft and airports are protected by security so they are less vulnerable to attack. Those aircraft, however, are obliged to fly into areas which can be classified as insecure. But then, it may be asked, what is the purpose of attacking a U.S. air carrier aircraft?

The reason is simple: it is one of the most attractive targets for terrorism for it has the following features:

1. It is highly identifiable with its country of registration. For example, TWA and PAN AM are considered to represent the U.S.A.

2. The place for attack can be chosen from a wide selection of countries with an eye to the convenience of those countries in terms of the existing security arrangements, geographical proximity, political sympathy, etc.

3. Aircraft cost up to 50 million dollars. Holding such a prize for ransom can be very effective.

4. Aircraft are relatively fragile and are easily destroyed with a few dollars worth of readily obtainable materials.

5. Aircraft can carry over 400 passengers which on any given day probably have seven or eight nationalities represented among them. They make great hostages.

6. The aircraft, as a target, can also provide the terrorist with a means of escape to virtually any part of the world.

7. Terrorists seek wide publicity for their cause: aircraft crashes and related events are proven headline-grabbers.

It is paradoxical that the more successful nations are in preventing hijacking, the more susceptible they are to sabotage attempts on aircraft. If terrorists cannot hijack, they will destroy.

As international airline pilots, we are historic victims of terrorism. As Americans, we feel proud of our historic role as world leaders. We, therefore, say to the fainthearted, "offer us some realistic alternatives." S. 2236 is the foundation for landmark legislation which will become the keystone for an international effort to combat the evils of terrorism.

We recognize that under existing statutes, the President already has the power to effect some of this bill's provisions. The power to do so is, however, discretionary and in fact has never been used. We have some understanding of the President's reluctance to utilize his constituted powers in these cases. We understand the political implications, both international and domestic, of any such action for it could be viewed from a partisan position or in relation to an otherwise unrelated diplomatic effort.

While we have patiently understood the "foreign policy sensitivity" of the United States acting in a unilateral fashion, we believe the time has *now* come to show other nations that we are serious about combatting the menace of air piracy.

Mr. Chairman, for too many years my Association has been pleading for a diplomatic solution. For too many years the International Federation of Air Line Pilots Associations has been asking for an end to international hijackings. For too many years the United States has engaged in rhetoric and debate on the subject. And still, we are faced with the escalatory problem of international terrorism. To paraphrase the great Mark Twain's comment on the weather, "everyone talks about terrorism but nobody does anything about it." S. 2236 is doing something about it.

To address the problem of identifying nations who aid, abet or assist terrorists is, we believe, a somewhat less complex task. Those who harbor and train terrorists tend to do so on a continuing basis which makes their identification more objective.

The identification of those nations will be a refreshing shot of honesty in the mendacious world of international politics. Is there any one in this room who could not identify at least a couple of such nations right now? There is no question that they do exist; the odor they produce is, however, tastefully ignored. Legitimate armed conflict between nations is, unfortunately, an acceptable practice. There are few among us who have not personally experienced the scourge of war. There are, however, international limits set on such legal carnage. They are referred to as the Rules of War. Terrorist attacks on innocent people, citizens of non-involved nations and international air commerce should not be targets for military action. American citizens flying in U.S. registered aircraft are not legitimate targets. Those who consider them such are outlaws and should be branded as such. They should not enjoy the benefits of friendship and trade with decent nations. We believe that the stigma of being labeled an offending nation, an outlaw, may have a salutary effect upon the decent people within such nations who may be motivated to expunge such a slur.

The mere identification of offending nations is obviously not enough. In our society we not only identify criminals, we also provide appropriate punishment for their crimes. Mr. Chairman, this matter before you is no different and the sanctions proposed in the bill provide appropriate punishment which in our view is neither "cruel or unusual."

We are cognizant though that the application of sanctions is a serious and sometimes awesome act, an act which must be authorized and carried out with great deliberation and care. There are concerns being expressed that "automatically-imposed sanctions" might prove to be precipitous, and not in the best interests of the United States.

We would hope that this concern which we have heard expressed will be thoughtfully considered by this Committee and that you will diligently seek some middle ground between "automatic" sanctions and "no" sanctions.

In dealing with other provisions of S. 2236, I would offer the following comments:

The provision which calls for establishing the taking of hostages as an international crime is the briefest part of the bill. It only requires ten words to state it. Those ten words may be the heart of this proposed legislation, for international agreement on this point would delete the greatest weapon from the arsenal of terrorists. Obvioulsy, there are a few who are prepared to sacrifice themselves, but experience has shown that most seek sanctuary to escape the lawful consequences of their crimes. Although this is the simplest part of the bill, we do fear that it will be the most difficult to accomplish. This should not deter us, however, from striving to attain that objective.

Finally, Mr. Chairman, we would like to add our strong endorsement to the provision of S. 2236 designed to extend existing safety and security requirements to supplemental carriers and charter operations. We have repeatedly pressed for one level of security for all commercial flights within the United States. Charters, inter- and intrastate passenger operations should all be subject to the same rules, for not only are they equally vulnerable to attack, they can also introduce uncleared passengers into "sterile" flight operations areas in which scheduled airline operations are conducted. We are aware of the vehement protests made by many charter and commuter operations who argue that they cannot afford security. It is an unhappy fact of life that if one operates almost any kind of business, security has become another cost of doing business. We must not permit feeble economic arguments to jeopardize and contaminate the carefully constructed security system we have in place at our airports. Too many people labored too long to achieve this proven effective system to permit this to happen.

Mr. Chairman, by now you no doubt recognize that we are in favor of the kinds of tough provisions proposed in this bill. As airplane pilots, we are pleased with the positive effect it will have upon the security of our passengers, crews and aircraft. We are also pleased, because it goes further into the broader and even more dangerous area of rule by terror. We are fortunate to live in a great and free country, something we will fight to maintain. We would like to fly throughout the world in the same great, free environment. That's something we will fight to obtain.

We thank you sincerely for your initiatives in presenting this bill and for giving us the opportunity to speak to it.

CELEBRATING THE 50TH ANNIVERSARY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. YATRON. Mr. Speaker, I am pleased to have the opportunity to bring an authentic American success story to your attention.

The officers and employees of the J. C. Ehrlich Co., are in the midst of celebrating the 50th anniversary of the founding of the organization in 1928.

Although the founder, Julius C. Ehrlich, passed away nearly 20 years ago, the second and third generation of his family and their dedicated employees are carrying forward the traditions, dedication, and enthusiasm he left as a legacy.

A native of Frankfurt, Germany, Mr. Ehrlich came to the United States in 1888 at the age of 17. He went to Atlantic City, N.J., to live with his uncle and to work in his men's store during the day and as a waiter in a beer garden at night.

In the late 19th century and early 20th century, a succession of moves again. In Colville, Wash., he worked in a general store. In Greenwood, British Columbia, he was an auditor for a meat packing house. During the summer months, he became a prospector for copper.

His career as an entrepreneur began when he purchased and operated a paper box factory in Spokane, Wash., a brewery in Coeur d'Alene, Idaho, and a meat packing house in Boise, Idaho. He then traded the meat packing house in Idaho for a 280-acre range in New Plymouth, Idaho, which was known as the J. C. Ehrlich Scientific Dairy Farm.

After working as a controller at a large cannery, he moved to Reading, Pa., in 1918 to work in the manufacturing end of an optical business which was operated by his sister's husband.

Ten years later while visiting his daughter Hildred and her family in Trenton, N.J., he read a newspaper ad for someone to sell electric sprayers. Part of his product line included the selling of insecticides.

When he found that one of his insecticide customers, a department store, was not using the insecticide he had sold them, he offered to apply the insecticide himself. With this service originated what has become Pennsylvania's largest pest control organization and a definitive name in the industry.

In fact, J. C. Ehrlich Co., Inc., and J. C. Ehrlich Chemical Co., Inc., are not only nationally known for termite and pest control, but for industrial weed control services, floor maintenance equipment and janitorial supplies, lawn care services, bird control services, sanitation inspection services, and as pesticide formulators.

The remarkable aspect of Mr. Ehrlich's initiative is that he founded this company at the age of 57. While his contemporaries were contemplating retirement, Julius C. Ehrlich was developing his business. While others were in retirement, Julius C. Ehrlich was hiring more people and planning for expansion.

It should be noted that the formative years of Mr. Ehrlich's business were the early 1930's during the Great Depression.

Hence, a business which started in the Depression survived, expanded, prospered—and has not had an economic layoff in 50 years!

J. C. Ehrlich's formula for success—dedication to hard work, integrity, and a determination to succeed in a pioneer enterprise—firmed the foundation upon which his successors have been able to build.

By 1939, four of Mr. Ehrlich's nephews had immigrated to this country. In the best tradition of family, Mr. Ehrlich brought his four nephews into his fledging business. (In fact, there were only three other employees with the company at the time.) Unfortunately, one of the nephews, Victor Hammel, passed away in the early 1940's.

Mr. Ehrlich, his three nephews, and a small group of employees worked and struggled together. When Mr. Ehrlich went into retirement, his nephews took command.

Alex Ehrlich, a lawyer by training, became a nationally recognized expert in technical matters relating to pest control technology.

The late Simon Ehrlich Hammel had outstanding marketing instincts. He was a man who brimmed with ideas and enthusiasm for people.

Arthur Hammel is still active in the business and is the companies' chief executive officer. He has provided the overall leadership, business savvy, and administrative abilities necessary to run today's farflung business. Arthur Hammel's association with the company exceeds 40 years.

However, the Hammel family is not the only family loyal to the J. C. Ehrlich organization. There are many who have devoted their working careers to the firm. An additional sign of respect between employer and employee is the many families connected with the company. There are father-and-son combinations, brothers, sons-in-law, and cousins who are associated with the business.

The third generation of Ehrlich management includes four cousins, Richard Yashek, Victor Hammel, Robert Hammel, and Davy Goldsmith.

It is the personnel of the J. C. Ehrlich organization who have made it a premier company in its various fields of endeavor.

Today, J. C. Ehrlich Co., Inc., is Pennsylvania's largest pest and termite control organization with more than 20 offices throughout the Commonwealth of Pennsylvania. It is, in fact, one of the largest companies of its type in the Nation—an organization which is proud to have played its role in helping mankind live harmoniously with his environment.

Copesan, a national pest control marketing association, selected J. C. Ehrlich Co., Inc., as the best pest control company in Pennsylvania.

The Industrial Weed Control Division of J. C. Ehrlich Chemical Co., Inc., services industrial and railroad accounts in more than 35 States.

All Ehrlich divisions assist their customers in complying with the regulations of many of our governmental agencies including the Environmental Protection Agency, Occupational Safety and Health Administration, the U.S. Department of Agriculture, Food and Drug Administration, and a host of other State and local regulatory agencies.

I am not just familiar with the J. C. Ehrlich organization because the headquarters and two of its offices are in my congressional district. The Ehrlich name has become a household word in most parts of Pennsylvania.

I know that the Ehrlich name was recognized in the Yatron household since its services were used by my father's ice cream business. The Yatron family is not the only loyal customer of J. C. Ehrlich. Ehrlich is still servicing, 50 years later, its very first customer, a Reading department store.

I prefaced these remarks, Mr. Speaker, by indicating that the Ehrlich organization is a unique success story. I know the Ehrlich company and I know its management. They have invested their energy and reinvested their capital into the business.

However, more importantly, the firm recognizes that the success of the business has been based solely on good service—and the key to good service is the teamwork of its people placed throughout the organization.

Although the company has grown to where it now employs nearly 250 people throughout the United States, they will all join on March 11, 1978, to celebrate, as a corporate family, 50 years of faithful service.

I hope to be able to be with them that night to wish them good luck for their next 50 years.

LITHUANIAN INDEPENDENCE DAY

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. FITHIAN. Mr. Speaker, I rise today to speak on behalf of more than 1 million Lithuanian Americans who recently celebrated their independence day.

On July 4, 1976, we celebrated our 200th year of independence. On February 16, 1978, the Lithuanian people celebrated 60 years from the day that they declared independence. However, the people of Lithuania cannot celebrate as we did, because of the fact that they are under Soviet domination. The basic freedoms that we take for granted are repressed in Lithuania. The freedoms of speech and religious practice are restricted. The freedom to gain social, cultural, and economic growth are greatly hindered. These freedoms should be recognized as basic human rights.

The heroic Lithuanians have fought a long and bitter struggle to gain and retain these basic rights of man. On February 16, 1918, the Lithuanian National Council unanimously declared its independence. To secure this goal, Lithuania signed a peace treaty with the Soviet Union. For 20 years the nation grew and prospered. In 1940 the Soviet Union violated the peace treaty and invaded the Lithuanian homeland. Some 300,000 relentless Lithuanians were deported to Siberia. The Lithuanian people revolted against this barbaric oppression. The revolt lasted for 2 months before a new enemy locked and bolted the door to freedom. The Nazis occupied Lithuania for 3 years, stifling this country's lifeline to liberty. During the period of 1944–1953, 60,000 Lithuanians gave their lives in battles against the Soviet aggression.

Over 1 million Lithuanians are in the United States today. They are people who should be recognized as well as respected by all freedom-loving people. Tribute should be paid to the Lithuanians as a prime example of man's innate desire to be independent. This day should be a reminder to us all that there are many countries that are not able to practice even the most fundamental human rights, which we cherish so much in the United States.

THOMAS G. AYERS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. MURPHY of Illinois. Mr. Speaker, today I would like to pay special tribute to an outstanding Chicago businessman and public servant, Thomas G. Ayers.

Tom Ayers has been chosen the recipient of the Abraham Lincoln Center Humanitarian Service Award for 1978. This award is reserved for people who through their dedicated civic and community contributions have made Chicago a better place to live.

Tom Ayers is chairman of the Chicago Economic Development Commission, which has been instrumental in bringing and keeping business in our metropolitan area. He has helped minority businesses get financial backing and reduced the flow of jobs to other regions of the country.

A pioneer in promoting equal employment opportunities for minorities and disadvantaged citizens, Tom was one of the first leaders of the Employment and Youth Motivation Program. This program which is sponsored by the Chicago Association of Commerce and Industry is aimed at encouraging inner-city youths to stay in high school and improve their chances to succeed in life.

Tom has chaired the Leadership Council for Metropolitan Open Communities, which works for integrated housing opportunities throughout the metropolitan Chicago area.

In 1973 Tom Ayers was honored as Man of the Year by the Chicago Urban League. In 1977 he was presented the Damien Award by Loyola University of Chicago.

The presentation of the Humanitarian Service Award to Tom recognizes his distinguished service to the people of Chicago and shows how highly esteemed he is by all of us.

Lincoln's words which are engraved on the dedication plaque are a testimony to the ideals of those who, like Tom Ayers, are dedicated servants of their community.

Let us have faith that right makes might and in that faith dare to do our duty.

I wish to extend by personal congratulations to Tom Ayers and his family for this great honor.

ENDANGERED WILDERNESS ACT

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. WEAVER. Mr. Speaker, many individuals in southwestern Oregon have devoted countless hours to the passage of the Endangered American Wilderness Act. Their vision and commitment to the preservation of important wilderness areas was invaluable to me during the time we have spent on this legislation.

Gail and Ogden Kellogg, Katy Hallmark, and the members of the Kalmiopsis Committee diligently cataloged every square foot of the southern additions including mineral deposits, flora and fauna, and potential timber yield. Dennis and Nancy Littrell and the members of the Lower Illinois River Committee did the same for the northern Kalmiopsis additions. Kurt Kutay of the Oregon Wilderness Coalition defined the need to preserve certain sections of the Wild Rogue. Joe Walicki of the Wilderness Society kept us all informed of the progress we were making through constant communication between citizens and the Congress. Doug Scott's keen insights and Larry Williams' willingness to go anywhere anytime were invaluable. To Holly Jones we all owe a special thank you. His determination to preserve the French Pete has spanned a 20-year period and his hope kept us all involved until the issue was successfully resolved.

Many others have done hours of work out of the limelight. The organizational work and communication were carried on by Valerie and Forrest Taylor, Dr. Jay O'Leary, Darrel and Wilma Gaunt, Bob and Dori MacArthur, Diane Meyer, Dale Jones, Dorothy and Bob Sherman, Bill Meyer, Dick Noyes, John Kemp, Ned Duhnkrack, Sandy Tepfer, Jim Baker, Paul Nolte, Miradell Gale, Jim Montieph and all the unsung heroes who have diligently written letters, gone to meetings, and participated without proper recognition for the time they have spent.

Lastly, Governor Straub and his aides Janet McLennan and Roger Mellum deserve commendation for a courageous attempt at compromise on the Kalmiopsis additions.

These people understand the need to maintain balance in our management of public lands and the interdependence of one resource with another. It is to these people, Mr. Speaker, that I dedicate my efforts to pass the Endangered American Wilderness Act.

THE BADGE OF FAILURE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. MICHEL. Mr. Speaker, rarely do we come across anything really new in our deliberations of issues in the House. Most arguments are little more than repetitions of those first made long ago. Nowhere is this more evident than in the argument over welfare reform.

William Raspberry, the thoughtful and incisive columnist of the Washington Post, has broken this pattern. In a recent column, "Time to Scrap the Welfare 'Badge of Failure' ", Raspberry suggests that instead of stressing and reinforcing the negative aspects of welfare participation (sheer need) the Government should devise programs in which there are incentives for self-help and self-improvement.

As Raspberry says, "none of this is particularly profound" but it is a new slant on an old problem. At this point, therefore I would like to insert in the RECORD this column by William Raspberry, from the Washington Post, February 21, 1978.

TIME TO SCRAP THE WELFARE "BADGE OF FAILURE"

(By William Raspberry)

Human beings seem to need opportunities to set themselves apart in ways that are considered positive.

We know that, of course, and we act on that knowledge in countless aspects of our lives. We pass out gold stars and other rewards to children who do their school work uncommonly well. We give bonuses to workers who show themselves to be unusually useful.

We sponsor testimonials, award honorary degrees and name public buildings for people who demonstrate uncommon devotion to the public good. We are forever devising ways to satisfy the human urge to be set apart as special.

But somehow, this instinct—so effective in reinforcing and encouraging those attributes we believe to be in the public interest—abandons us when it comes to social welfare.

We create all sorts of potentially useful programs for the needy among us—public housing, financial assistance, job training, special educational projects. But instead of

using these programs to reinforce and encourage good things, we do just the opposite.

The one overriding criterion for access to any of these programs is failure.

You have to be a failure to get into the housing projects (you're kicked out if you show signs of overcoming). You have to be virtually without resources, financial and otherwise, to qualify for public-assistance payments. You have to be an academic failure to gain entry into a whole host of special-education programs.

In general, we reward those things we wish to see repeated. But in social welfare, we reward those things that most distress us, and we are endlessly surprised when people react negatively to the things we offer as rewards for their negative attributes.

We wonder at the number of broken windows and urine-soaked elevators in public-housing buildings, at the broken and vandalized playground equipment in low-income neighborhoods, at the contempt with which poor children treat their free-lunch coupons. We never seem to understand that by rewarding failure we encourage failure and contempt for its symbols.

I have a feeling we'd all be better off if we turned the thing on its head. Suppose, for instance, that in addition to sheer need—a negative criterion—we established positive criteria for, say, public-housing eligibility. We could require, for instance, that public-housing applicants commit themselves to being responsible for the upkeep of both their apartments and, on a rotating basis, such common areas as halls and lawns.

Suppose these families, by exemplary fulfillment of their assigned duties, could earn merit points toward more desirable public housing and, if their economic situation improved a bit, assistance toward home ownership. (The other side of that coin, of course, would be demerits for poor behavior, an accumulation of which would render the family ineligible for public housing altogether.)

My guess is that we would thereby not only greatly diminish the amount of vandalism and other evidences of contempt for public assistance, but also greatly increase the number of families "graduating" into self-sufficiency. In addition, it might have a salutary effect on the ability and inclination of the families to discipline their children.

Why does such elementary psychology elude us? I suspect, it is because those who make the rules tend to see everything through their own middle-class eyes. Middle-class people think of themselves without money, and imagine that being broke is the same as being poor. It isn't.

Middle-class people without money always consider their penury a temporary condition and, generally, have rather clear-cut plans for overcoming it. Poor people are more likely to consider their poverty a more-or-less permanent state, with only vague dreams that things might someday be different.

If you're merely broke, rather than poor, being reduced to public housing or public assistance might in itself be an incentive to do better, even if doing better means moving into ostensibly worse housing that is your own. That is, you'd make every effort to demonstrate that you and your family are not the complacent failures that your public-housing neighbors appear to be.

None of this is particularly profound, when you think about it. But we never seem to think about it. If we did, we might conclude that the single most important thing the Carter administration could do about welfare reform is to use public aid as an incentive.

As it is, we've made it a badge of failure. No wonder it works so badly.

SANTA CLARA COUNTY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. EDWARDS of California. Mr. Speaker, my distinguished colleague, Mr. MINETA and I would like to bring to the attention of our colleagues the record and outstanding contributions of the Santa Clara County region of the National Conference of Christians and Jews.

The National Conference of Christians and Jews was established in 1928 to promote justice, understanding, and a spirit of unity among all religious groups. Locally, our Santa Clara National Conference of Christians and Jews has stressed the administration of justice, education, and youth leadership. They have provided an extremely valuable service to the community by sponsoring a forum for discussion of issues of vital concern to all of the citizens of Santa Clara County.

As the National Conference of Christians and Jews celebrates their 50th anniversary, we would like to congratulate them on a job well and professionally done, secure in the knowledge that they will continue to provide outstanding service to the growth of understanding in our community.

RETIREMENT LIVING COSTS COMPARED

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. UDALL. Mr. Speaker, I am frequently asked about the cost of living in Arizona for retired couples. Arizona Business, a publication of the College of Business Administration at Arizona State University, recently published an article on the cost of retirement living in Phoenix and a comparison of costs among Phoenix and 23 other metropolitan areas in the Nation.

Objective of the article is to set forth the expenditures necessary to maintain an intermediate level of living for a retired couple in the Phoenix metropolitan area, based on budget studies developed by the Bureau of Labor Statistics.

The study found that a retired couple living in the Phoenix area in 1976 needed $6,805 to maintain an "intermediate level" of living. (It is estimated that the figure would have to be $7,200 for 1977 as Phoenix and all other areas experience cost increases.)

Looking back 10 years to see what has happened in Phoenix, the study found that the most substantial increases between 1969 and 1976 have been in medical care and food. Housing is now consuming a smaller percentage of the couple's total budget than in 1969 as are clothing and personal care and other family consumption. For the first time since 1969 the Phoenix area budget exceeds that of the U.S. average in the BLS-monitored areas. However, the total budget needed for Phoenix is only slightly above that of the national average in absolute expenditures.

The following table compares a retired couple's budget costs in 24 metropolitan areas in 1969 and 1976:

HISTORICAL COMPARISON OF RETIRED COUPLE'S BUDGET COSTS: PHOENIX AND 23 OTHER METROPOLITAN AREAS, 1969 AND 1976

[Numbers in parentheses indicate ranking in cost]

Area	1969 budget	1976 budget	1969–76 increase		Area	1969 budget	1976 budget	1969–76 increase	
			Amount	Percent				Amount	Percent
Boston	$4,643 (3)	$8,017 (1)	$3,374	72.7	Detroit	4,194 (17)	6,731 (13)	2,537	60.5
New York-New Jersey	4,689 (2)	7,929 (2)	3,240	69.1	Minneapolis-St. Paul	4,277 (14)	6,720 (14)	2,443	57.1
Honolulu	4,755 (1)	7,691 (3)	2,936	61.7	Pittsburgh	4,241 (15)	6,702 (15)	2,461	58.0
Buffalo	4,604 (6)	7,400 (4)	2,796	60.7	Chicago	4,309 (12)	6,700 (16)	2,391	55.5
San Francisco-Oakland	4,607 (5)	7,309 (5)	2,702	58.6	Kansas City, Mo	4,224 (16)	6,635 (17)	2,411	57.1
Seattle	4,623 (4)	7,128 (6)	2,505	54.2	St. Louis	4,289 (13)	6,613 (18)	2,324	54.2
Washington, D.C	4,422 (8)	7,118 (7)	2,696	61.0	San Diego	4,179 (18)	6,595 (19)	2,416	57.8
Philadelphia	4,380 (10)	7,056 (8)	2,676	61.1	Baltimore	4,106 (21)	6,591 (20)	2,485	60.5
Cleveland	4,520 (7)	7,019 (9)	2,499	55.3	Houston	4,017 (22)	6,523 (21)	2,506	62.4
Milwaukee	4,386 (9)	6,934 (10)	2,548	58.1	Cincinnati	4,111 (20)	6,437 (22)	2,326	56.6
Phoenix	4,202 (19)	6,805 (11)	2,603	61.9	Dallas	4,000 (23)	6,292 (23)	2,292	57.3
Los Angeles-Long Beach	4,374 (11)	6,756 (12)	2,382	54.5	Atlanta	3,923 (24)	6,149 (24)	2,226	56.7

Source: Compiled by Bureau of Business and Economic Research, College of Business Administration, Arizona State University, in cosponsorship with First National Bank of Arizona.

PROSPECTS OF BUMPER GRAIN CROP DIMS WITH FARMERS' ATTITUDE

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. RISENHOOVER. Mr. Speaker, across the farmlands of the Midwest, moisture-laden snow signals another bumper grain crop.

And, along the corridors of the Capitol, angry farmers are carrying their "strike" message to Congress. They say they will not plant this spring because farming has become a losing business.

The proven law of supply and demand governs prices of agricultural products. In a competitive marketplace of many independent suppliers, wracked by unpredictable weather and uncontrollable equipment and supply costs, farm prices are chaotic. There is little to guarantee a profit for farmers. Survival on the farm now is questionable.

Our farmers, who today are up to their hips in snow, have long been up to their necks in debt. As the warmth of spring soaks the snow into the soil, Congress must act to improve the marketplace to assure economic stability for farmers.

Today, I am introducing legislation to stimulate exports of farm products. Similar legislation has been introduced in the Senate.

One bill provides Commodity Credit Corporation financing to exporters who wish to extend deferred payment terms to foreign buyers in order to meet foreign competition and increase export sales.

The thrust of the bill is to bring the CCC into a partnership with private-enterprise sales people who are promoting U.S. farm products.

A second bill, which I also am introducing today, would increase to $1 billion the funds which could be used to purchase American agricultural commodities for the food for peace program. This represents a $200 million increase over the current budget of $800 million, and offers new hope to U.S. farmers by increasing the money available to purchase their products.

I believe the farm bill enacted last year holds many answers to old problems. I do not, however, expect a miraculous reversal of 8 years of neglect of American family farms. The philosophy of planting from fence-to-fence, without regard to markets, has led to low prices because of oversupply.

With time, I expect the domestic agricultural scene to improve. But, in the immediate future, we need to search out new international markets and provide incentives and support of foreign sales. The bills I have introduced are designed toward these ends.

In the past few days, I have talked with soybean farmers in my district. They are deeply concerned, but not gloomy. The fat cattle market has imweak. But, agriculture in general needs proved, partly because grain prices are a boost in exports.

There are hungry people in much of the world. Elsewhere, there are food surpluses. With the ingenuity of the American trader, backed by the new farm bill and legislation such as I have introduced, we can sell ourselves out of many of the problems which exist for farmers and consumers.

THE COST OF REGULATION

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. QUAYLE. Mr. Speaker, this article, which appeared in the Washington Star on January 28, points out the cost of needless Government regulation.

So that my colleagues may begin to get an idea of the real cost of all this regulation, I call the following article to their attention:

[From the Washington Star, Jan. 28, 1978]

REGULATORS COST DOW $186 MILLION—EXPENSE OF COMPLIANCE RISES 27 PERCENT IN YEAR, FIRM SAYS

(By Stephen M. Aug)

Dow Chemical Co. spent $186 million to comply with the myriad of minutiae required by federal regulatory agencies in 1976—a 27 percent increase in the cost of complying with government regulations in a one-year period.

The costs, the study points out, are passed along to Dow consumers. The cost of regulation represents about 3.3 percent of $5.7 billion in sales and 30 percent of Dow's $613 million in profits in 1976.

Dow, which is one of the few corporations known to have performed an in-depth study of the cost of government regulation—and to have made the results public—contends that some of the costs of government regulation are clearly proper. In fact, of the $186 million, Dow analysts figure $103 million was spent to comply with rules that are appropriate.

That leaves $83 million wasted from Dow's point of view—$69 million spent to comply with regulations it figures are clearly unwarranted and another $14 million of costs that are questionable.

The $186 million figure compares with $147 million as the cost of complying with government regulations in 1975, the first year for which the comprehensive study was undertaken.

Since Dow is a chemicals company, it is not surprising that the largest costs of regulation are in the environmental area—$84 million. Dow figures that $50 million of this is appropriate, with $25 million excessive and $9 million of questionable value.

Paul F. Oreffice, president of Dow Chemical USA, in a speech in San Francisco yesterday, contended that government regulatory agencies and those who support their efforts have shifted recent years to the point at which they seek a "zero risk" society.

"This country was founded on the principle that you are innocent until proven guilty. But the 'ultraenvironmentalists,' with the regulatory agencies as their weapon, have now decreed that everyone and everything is automatically guilty until proven innocent."

Oreffice said "those who demand zero risks are leading us down a path so costly that they indeed threaten our standard of living.

"Sometimes I wonder whether we should be more concerned about environmental pollution or the mental pollution that these people create by spreading fear and constantly knocking our country and its institutions."

He said the costs of excessive and questionable regulation had increased between 1975 and 1976 by 38 percent.

The cost of paperwork alone to comply with federal regulations cost more than $20 million, Dow said.

Dow separated the costs of regulation into four general areas: environment; transportation; health and safety; and "other."

Transportation was the second most costly area of regulation. Presumably it involves the cost of regulation by the Interstate Commerce Commission, since much of what Dow ships probably is carried by regulated companies.

The cost of transportation regulation, Dow said, was $51 million in 1976, up from $45 million in 1975. The study said only $28 million of this cost is appropriate, with $2 million questionable and $21 million excessive.

Compliance with health and safety regulations cost Dow $28 million, of which it figured $16 million was appropriate, $2 million questionable and $10 million excessive.

The cost of complying with all other federal regulations was put at $23 million, with only $9 million said to be appropriate, $1 million questionable and $13 million excessive.

In compiling the costs of regulation, Dow studied the impact of regulations of more than 70 government agencies. The company was divided into hundreds of units for purposes of the study and the cost of regulation of each unit and nearly every product was determined. Dow has not made the detailed study available.

PENNSYLVANIA AMERICAN LEGION CITES DANGER OF PROGRAM MERGER

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. EILBERG. Mr. Speaker, at their recent meeting in Gettysburg, Pa., the members of the executive committee of the American Legion, Department of Pennsylvania, adopted a resolution citing the danger to veterans of a merger between the Pennsylvania State Employment Service and CETA programs.

The State Employment service currently provides a preference to veterans in making job referrals, CETA programs do not.

I offer for the RECORD the text of the Pennsylvania American Legion's resolution, because it is a timely statement calling our attention to how a merger between these programs would affect the veterans' preference in referrals to jobs:

DEC RESOLUTION No. 391

Whereas: The State Employment Service has been providing preference to veterans in job referrals; and

Whereas: Said preference in job referrals has resulted in many veterans finding employment; and

Whereas: Pending legislation in Congress would merge the State Employment Service with CETA programs; and

Whereas: These CETA programs have not provided the special services to veterans provided by the State Employment Service; and

Whereas: Such a merger would seriously affect the veterans preference in referrals to jobs provided by the State Employment Service; now, therefore be it

Resolved: That the Department Executive Committee, The American Legion, Department of Pennsylvania, in regular meeting on January 28–29, 1978, at Gettysburg, Pa., oppose any merger of State Employment Services and CETA programs as proposed in the legislation known as the Steiger Bill or any other such legislation, and that copies of these resolutions be forwarded to the National Economic Commission of The American Legion and to all members of Congress from Pennsylvania.

U.S. CONSUMERS AND BUSINESSES DISADVANTAGED BY CANADIAN ACTIONS ON ALCAN PIPELINE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. DINGELL. Mr. Speaker, I am inserting today further correspondence Congressman CLARENCE J. BROWN and I have directed to the administration on our concerns regarding a recent Canadian Government action that adversely will impact on U.S. businesses and consumers. This is in connection with construction of the Alcan natural gas pipeline from Alaska through Canada to the lower 48. Our letter today to Secretary James Schlesinger, Department of Energy, is similar to our concerns expressed Tuesday, February 21. 1978, in our message to Secretary Cyrus Vance, Department of State, on the Alcan pipeline agreement.

I insert the letter to Secretary Schlesinger at this point:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 22, 1978.

Hon. JAMES R. SCHLESINGER,
Secretary of Energy, Department of Energy, The White House, Washington, D.C.

DEAR MR. SECRETARY: We are deeply disturbed by recent events in Canada with respect to efforts to construct a pipeline to carry natural gas from Alaska through Canada to the lower 48 States. It appears that several recent actions by the Canadian Government may be inconsistent with agreements with the United States, costing United States' consumers additional hundreds of millions of dollars and severely disadvantaging United States' manufacturers, particularly our steel industry.

As you know, on November 3, 1977, the Congress adopted a Joint Resolution approving the President's decision selecting the Alcan Pipeline System (now known as the Northwest Alaskan Pipeline Company) to deliver natural gas from Alaska. A U.S.-Canadian Agreement on Principles was submitted as part of the President's decision.

Section 7 of the Agreement on Principles, which you negotiated, committed each government to the position that the supply of goods and services to the pipeline project would be on generally competitive terms. In this connection, Deputy Assistant Secretary of State Bosworth testified before our Subcommittee that this provision "assured that American materials specifically will have access to inputs into this pipeline on a competitive basis".

Recent events in Canada lead us to conclude that the Canadian Government may already be in violation of its commitments in the Agreement on Principles and the prohibition against discriminatory treatment contained in the Transit Pipeline Treaty.

First, the Canadian pipeline enabling legislation was introduced in the House of Commons on February 3, 1978. This legislation requires that the level of Canadian goods and services for the pipeline (called Canadian content) be "maximized". The legislation also requires that maximum advantage be taken of opportunities provided by the pipeline to establish and expand suppliers in Canada. In addition, the legislation establishes a mechanism which gives the Canadian Federal Government the power to block proposed pipeline contracts for goods and services negotiated by the Canadian pipeline company (called Foothills) that fail to provide sufficient Canadian content. The official Canadian press release accompanying the introduction of the legislation said that this condition was "in keeping with Foothills' stated objective of achieving some 90% Canadian content".

Restrictions similar to those proposed by the Canadian Government are conspicuously absent from the President's decision.

Second, the Agreement on Principles between the U.S. and Canada specified that the technical study group would address the issue of the diameter and operating pressures for the 1100-mile portion of the Canadian pipeline (between Whitehorse and Caroline Junction) that would carry a commingled stream of Alaskan and Canadian natural gas. The technical study group was required to test and evaluate 54-inch 1120 pounds per square inch (psi), 48-inch 1260 psi and 48-inch 1680 psi pipe, or any other combination of pressure and diameter which would achieve safety, reliability and economic efficiency for operation of the pipeline. The Agreement on Principles specifically recognized that the decision relating to pipeline specifications remained the responsibility of the appropriate regulatory authorities.

The United States has informed Canada that it prefers the 48-inch 1680 psi alternative for the portion of the pipeline between Whitehorse and Caroline Junction. The 48-inch system is considered to have the lowest cost of service.

The U.S. steel industry currently has one facility capable of manufacturing 48-inch pipe. Presumably under the Agreement on Principles this company would have a fair opportunity to supply pipe for this portion of the pipeline.

Yesterday, however, Canada announced it has selected a 56-inch 1080 psi system for this segment of the pipeline system. The cost of service of this system is greater than that for a 48-inch system. Using 56-inch pipe is estimated to cost U.S. consumers additional hundreds of millions of dollars over a 20-year period.

Canada currently has two facilities capable of manufacturing 56-inch pipe. One of these facilities is an affiliate of one of the Canadian pipeline companies constructing the pipeline system in Canada. The United States presently does not have any facilities that produce 56-inch pipe. We understand that other countries such as Japan and Germany can produce 56-inch pipe.

Both of these actions by the Canadian Government appear to be inconsistent with Canada's promise to ensure that the supply of goods and services to the pipeline project would be on generally competitive terms. Both actions effectively deny a fair and competitive opportunity for U.S. manufacturers to participate in the supply of goods and services to the pipeline in Canada.

The Subcommittee specifically inquired into the operation of Section 7 of the Agreement on Principles at our hearing held on October 14, 1977. Subcommittee counsel asked who would be responsible for determining that materials purchased by the Canadians would be on generally competitive terms. Mr. Goldman of your staff responded that the Federal Inspector would most likely be responsible and would "through the consultative processes established in the agreement, have that raised with the Canadians . . . ." The following colloquy then took place:

"Mr. BRAUN. Have the Canadians committed to make all documents that are relevant to the construction and operation of this pipeline available to you under this section? (Section 7).

"Mr. GOLDMAN. We have no specific commitment from them about individual documents. The whole tenor of the agreement and the consultative processes established in the agreement lead us to believe that that should not be a problem."

In light of the actions by the Canadian Government detailed in this letter it would appear that the consultative processes established in the Agreement have either not been used or have been unsuccessful. Accordingly, we request that you inform us of the consultations that have occurred between the United States and Canada on the matters raised in this letter.

Even more disturbing is the failure of the Agreement on Principles to guarantee that the United States will have access to all the materials relevant to a determination of whether, in fact, the goods and services procured for the pipeline in Canada meet the test of competitiveness set forth in Section 7. The matters raised in this letter indicate to us that you should move expeditiously to obtain a commitment from the Canadian Government that the United States will have access to all the information necessary to enforce the terms of Section 7 so that American industry will be assured of a fair and competitive opportunity to supply goods and services to the pipeline in Canada.

This matter raises serious concerns with respect to the degree to which the Canadian Government considers itself legally bound by the Agreement on Principles and the Transit Pipeline Treaty. To the extent these documents go unheeded, the President's decision on this matter has been severely undermined.

Sincerely,

JOHN D. DINGELL,
Chairman.
CLARENCE J. BROWN.
Ranking Minority Member.

LITHUANIAN INDEPENDENCE DAY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. MOTTL. Mr. Speaker, I would like to commemorate the 60th anniversary of the Declaration of Independence of Lithuania.

The Lithuanian people have always been industrious and a vital part of American society. It is unfortunate that the countries of Lithuania, Latvia, and Estonia have been under the iron rule of the Soviet Union, whose policies have resulted in the suppression of their human rights and have denied the right of self-determination for the Baltic peoples.

Even though the people are suppressed by the Communists, the Lithuanians will never give up their desire to be free from

political domination. And so there remains today the bright hope that some day soon the freedom that Lithuania achieved 60 years ago on February 16, but which has been brutally suppressed by the Soviets, will someday shine again.

THE TEXT OF H.R. 7711, THE PRODUCT LIABILITY INSURANCE TAX EQUITY ACT

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. PATTISON of New York. Mr. Speaker, the authors of H.R. 7711, the Product Liability Insurance Tax Equity Act, have a rather pleasant problem. It seems that there have been so many requests for copies of our legislation that the Documents Room is unable to keep a supply of the bill on hand. We have even exhausted the available supplies of copies of the bill as reintroduced under other numbers.

Consequently, I wish to insert in the CONGRESSIONAL RECORD the text of H.R. 7711, so that the bill will be more readily accessible to the general public. Please note that the text I am placing in today's RECORD includes a correction of the printing error that once appeared in the section entitled, "Limitation on Amount of Deduction." The version appearing here is the correct language.

The text of the bill follows:

H.R. 7711

A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Product Liability Insurance Tax Equity Act of 1977".

SEC. 2. TAX EXEMPT PRODUCT LIABILITY TRUSTS.

(a) GENERAL RULE.—Subsection (c) of section 501 of the Internal Revenue Code of 1954 (relating to organizations exempt from tax) is amended by adding at the end thereof the following new paragraph:

"(21)(A) A trust providing for the payment of product liability claims against one or more persons (or against any employee of such a person) who are engaged in any trade or business, if, under the terms of the trust, it is impossible for any part of the corpus or income of the trust to be (within the taxable year or thereafter) used for, or diverted to, any purpose other than the payment of such claims, any administrative expenses of such trust, and any expenses directly related to the investigation and settlement (or opposition) of such claims.

"(B) Under regulations prescribed by the Secretary, a trust (otherwise meeting the requirements of subparagraph (A)) shall be considered to meet such requirements notwithstanding the fact that the terms of the trust permit corpus and income to be withdrawn from the trust by any person who made any contribution to the trust and used for any purpose other than the payment of such claims and expenses. The preceding sentence shall apply to a trust only if the aggregate amount which may be so withdrawn and used by any person may not exceed the aggregate amount of contributions by such person to the trust. Any amount so withdrawn and used by any person shall be included in the gross income of such person for the taxable year in which withdrawn.

"(C) For purposes of this paragraph, the term 'product liability' means—

"(i) in the case of any person engaged in any trade or business of manufacturing, distributing, or selling any manufactured good, any liability arising from any defect in or use of such good; and

"(ii) in the case of any person engaged in any trade or business of providing any service, any liability arising from the providing of (or the failure to provide) such service."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 3. DEDUCTION FOR CONTRIBUTION TO TAX-EXEMPT PRODUCT LIABILITY TRUST.

(a) GENERAL RULE.—Part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 192. CONTRIBUTIONS TO CERTAIN PRODUCT LIABILITY TRUSTS.

"(a) GENERAL RULE.—In the case of a taxpayer who is engaged in any trade or business there shall be allowed as a deduction an amount (determined under subsection (b)) contributed during the taxable year to a trust described in section 501(c)(21) which provides for the payment of product liability claims against the taxpayer and arising in connection with the trade or business of the taxpayer.

"(b) LIMITATION ON AMOUNT OF DEDUCTION.—Under regulations prescribed by the Secretary, a taxpayer shall be allowed a deduction under subsection (a) for any contribution during the taxable year to any trust only to the extent that such contribution does not exceed the reasonable cost to the taxpayer (but for such trust) for insurance for such year for the payment of product liability claims and expenses directly related to the investigation and settlement (or opposition) of such claims.

"(c) PRODUCT LIABILITY DEFINED.—For purposes of this section, the term 'product liability' has the meaning given such term by section 501(c)(21)."

(b) CLERICAL AMENDMENT.—The table of sections for such part VI is amended by adding at the end thereof the following new item:

"Sec. 192. Contributions to certain product liability trusts."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

ALLEN L. BYRON

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. BYRON. Mr. Speaker, it is with great regret that I note the untimely passing of Allen L. Byron, an individual who touched the lives of his family, friends, and members of the community with a great and long-lasting influence. Although we were in no way related, it was my honor and pleasure to have been acquainted with Mr. Byron and his family and to have nominated his son, 1st Lt. Michael Byron, to the U.S. Air Force Academy, graduating class of 1977.

A 20-year resident of Ellicott City, Md., Mr. Byron was the director of human resources for Hitman and Associates, a member of the Hiring of the Handicapped Committee of Howard County, and a member of the Silver Spring Chamber of Commerce. Always concerned with young people, Mr. Byron founded the Howard County Youth Baseball League, and was an organizer of the Grantley Post team in the American Legion.

He will be greatly missed by his wife, Frances, and family and all who knew him. I know you will join me in extending the official sympathies of the House to this unselfish and civic-minded American.

THE NAVY'S TOP 1977 RECRUITER

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. CHAPPELL. Mr. Speaker, last month the U.S. Navy saluted its Outstanding Recruiters of 1977.

I was extremely proud that a young Navy man from my congressional district, DP1 Charles W. Krahn, Jr., Ocala, Fla., was chosen the Outstanding Navy Recruiter of the Year. According to Rear Adm. E. S. Briggs, commander, Navy Recruiting Command, he was the one who exemplified the highest personal and professional standards of the Navy Recruiting Command. He enlisted 109 applicants into the Navy in fiscal year 1977—93 of whom were eligible to attend Navy class "A" school.

Petty Officer Krahn and his fellow honorees were invited to Washington, D.C., where they and their ladies had a most marvelous and memorable visit.

On Monday, January 23, they attended an awards ceremony, a luncheon sponsored by the Navy League of the United States and a reception hosted by Admiral Briggs. DP1-Krahn was meritoriously promoted to the grade of chief petty officer.

Tuesday, January 24, they breakfasted with the Honorable W. Graham Claytor, Secretary of the Navy; toured the Pentagon and had some free time to look around the Washington area.

Wednesday, January 25, was to them a red-letter day. They toured the White House early in the morning. Next, they visited the Capitol Building, where our former colleague, the Honorable Fred Schwengel, now president of the U.S. Capitol Historical Society, conducted them through an exciting tour of our Nation's congressional history.

At noon the Honorable MELVIN PRICE, chairman, Armed Services Committee, and the Noncommissioned Officers Association of the USA (NCOA) hosted a reception and lunch in the Rayburn House

Office Building. Joining me in congratulating our top Navy recruiters were Representatives MENDEL J. DAVIS of South Carolina and BOB WILSON of California, and Senator JESSE HELMS of North Carolina. Sending representatives were AUSTIN J. MURPHY, Member of Congress, and Senator H. JOHN HEINZ III, both of Pennsylvania.

Mr. Normand M. Gonsauls, executive vice president of the NCOA, presented certificates of appreciation and merit to the outstanding recruiters. He lauded their efforts in behalf of the All-Volunteer Force and encouraged them to continue their devotion to the U.S. Navy.

Admiral Briggs was on hand along with the outgoing and incoming directors, Navy Office of Legislative Affairs, Rear Admirals E. R. "Gus" Kinnear II and Thomas J. Kilcline, respectively.

Admiral Briggs presented honorary Navy recruiter certificates to Senator HELMS, Fred Schwengel, and "Mack" McKinney, staff director, NCOA National Capital Office, who acted as the NCOA coordinator for the luncheon.

Admiral Kinnear introduced me and, along with earlier remarks by our colleagues MENDEL DAVIS, BOB WILSON, and Senator JESSE HELMS, I commended the Navy and NCOA for recognizing the dedication and devotion exhibited by this group of young men—America's finest.

Mr. Speaker, this week I encourage my colleagues to join me, the U.S. Navy, Navy League of the United States, Navy Wifeline and the Noncommissioned officers Association in saluting the following Outstanding Navy Recruiters of 1977 and their lovely ladies:

DPC Charles W. and Mrs. (Rebekah) Krahn, Jr., Navy Recruiting Station, Ocala, Fla.

ADJ1 David T. and Mrs. (Geraldine) Warmkessel, Navy Recruiting Station, Wildwood, N.J.

FTM1 William J. Hallmark and fiancee, Diana Karchella, Navy Recruiting Station, Washington, Pa.

ETN2 Joseph V. and Mrs. (Cheryl) Bruno, Navy Recruiting Station, Chicago, Ill.

EN1 Shawn T. and Mrs. (Cheryl) Kolstad, Navy Recruiting Station, Thornton, Colo.

FTM1 Daniel J. and Mrs. (Jacqueline) Petz, Navy Recruiting Station, Glendale, Ariz.

AHM1 Robert F. and Mrs. (Stella) Baxter, Veteran Recruiting Orientation (VETRO), New Orleans, La. Chief of Naval Reserve "Recruiter of the Year, Air Programs."

YNCM Frederick C. and Mrs. (Elizabeth) DerBaum, Jr., Naval Reserve Center, Charleston, S.C. Chief of Naval Reserve "Recruiter of the Year, Surface Programs."

Captain Jack M. Kennedy, Commanding Officer, Navy Recruiting District, Miami, Fla. Commanding District winning Best in Officer Attainment, Best in Enlisted Attainment, and Best Overall District.

REPUBLIC OF LITHUANIA

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. BONIOR. Mr. Speaker, in recognition of last week's 60th anniversary of the Re-Establishment of Independence in Lithuania, I would like to express my admiration for the people of that country and those Americans of Lithuanian descent who have worked tirelessly for the renewed freedom of that country.

Surely a country with only 3.3 million people would never be expected to be so assertive against the collective, oppressive power of the Soviet Union. And yet, despite the repression that such assertiveness brings, the spirit of the Lithuanian people remains unbroken.

It is the epitome of pretentiousness for the Soviet Union to believe that they can interrupt 727 years of Lithuanian nationality where none has been able to heretofore.

There is nothing so immutable as a proud people's desire for freedom. The Lithuanians have freed themselves from the Russian yoke before, and it is the hope of free people everywhere that that feat will be repeated.

FARM POLICY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for February 22, 1978, into the CONGRESSIONAL RECORD:

FARM POLICY

The U.S. farmer enters 1978 worried about another big harvest and more low crop prices.

The farmer's present position is an uncertain one. His net farm income this year is expected to be about $20 billion, the fifth largest amount in history. Also, the value of his land and other assets has reached $730 billion, up an astounding $60 billion from just a year ago. But his farm production costs will rise steadily, and that's the rub for him. Although about one-half of the nation's farmers, mainly small operators, are debt-free, farmers as a group are deeper in debt than ever before. In terms of what his earnings can buy, the farmer's income today is the lowest it has been since 1930. He receives only 39 cents of every dollar consumers spend for food.

These general statistics, though accurate, may not be much help in understanding the economics and politics of agriculture. Farming in America is an enormously diverse and complex enterprise. It varies greatly from county to county, not to mention from state to state. This past summer crops were ruined in the South and along the Atlantic Coast, but farmers in Iowa and Wisconsin did quite well. Some grain farmers were hurting, but others were prospering. The farmers who were in deep trouble called for 100 percent of parity and threatened a strike, but the farmers who fared well did not join in the protest. The 4.4 million workers on the nation's 2.8 million farms are no monolithic group. They are many in number and their problems are real, but they have much difficulty in organizing for action.

In recent years farmers have been encouraged to grow and sell all the food they could. Supporters of this policy of maximum production say that it takes the government out of agriculture. Critics call it a "boom-bust" policy that ultimately causes wide fluctuations in food and farm prices. This controversy is really not very useful because it does not allow us to understand the forces that are shaping agricultural policy today.

From 1972 to 1976 foreign demand for large quantities of wheat, corn and soybeans kept prices up. Farmers did not have to concern themselves with a government "safety net." They grew what they wanted and the prices they received spiralled up and up. Many of them planned for perpetual prosperity. However, in 1977 the farmer ran into slackening demand abroad. His heavy production resulted in surplus. Wheat farmers were especially hard hit as record crops added to a 1.1 billion bushel stockpile (the largest in 13 years) that was already on hand. Soon there was simply too much grain with nowhere to go. Prices, which had begun to slump in 1975, dropped sharply. Under a free-market farm policy, farmers were supposed to take the lean years with the good, and 1977 certainly was a lean year. Many farmers suffered severe losses.

Agricultural policy is changing, but not as much as the rhetoric might suggest. The basic policy continues to stress the importance of the marketplace as the main determinant of farm income. Agricultural exports are critically important, so expanded overseas markets and lower trade barriers are sought. Farmers are to be as free as possible from government restrictions, though certain devices are to be used to prevent wide swings in prices. Under the policy as it is evolving, farmer-held grain stocks are promoted, government payments to farmers are increased, wheat and corn acreage in production is reduced and a national emergency reserve is created.

In effect, there has been a modification of previous farm policy rather than a rejection of it. The new view is neither a policy of totally free markets nor a policy of rigid controls and fixed market shares. The idea is to dampen the familiar boom-bust price cycle and to permit modest grain reserves to absorb the shock of bad weather, crop failure and sudden price fluctuation. There is opposition to this approach from those who believe that grain reserves tend to restrain prices. Reserves probably do restrain prices to some extent, but it is both expensive and irrational to have an unlimited free market when prices are rising and market controls when prices are falling. The new policy aims to set up an essentially free-market system in which prices will neither collapse nor rise as high as farmers would like to see them. In this way the real trouble of recent years, the radical instability of farm prices, can perhaps be avoided. Fears of a renewed surplus are unfounded, according to most experts. World grain consumption is simply too high and world grain production too uncertain.

In assessing farm policy, two important facts should be noted. First, the weather will have more to do with the supply of grain than will all the agricultural policies of the world put together. Second, despite the uncertain nature of farming, the American consumer still gets his money's worth at the supermarket. He spends more on his automobile than he does on his groceries.

FURTHER CUTS IN SCHOOL MILK PROGRAM UNWISE AND UNWARRANTED

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. QUIE. Mr. Speaker, I want to call the attention of the House, and, indeed, of all those concerned with child nutrition to the unwarranted and unwise proposal of President Carter to virtually

eliminate the special milk program from our schools and other eligible child care institutions. The proposal, according to the President's budget submitted on January 23, would completely eliminate this program in all schools and institutions which currently have a school lunch or breakfast program.

In my State of Minnesota this would eliminate about 92 percent of all the public and private elementary and secondary schools from the program. Nationally it would eliminate over 90 percent of the schools. The result would be that millions of children would be denied an extra half pint of milk each day, with a consequent serious nutritional loss to many, particularly children from lower income families. This would cut Federal support for the milk program by $112 million annually, from a current estimate of $142 million for fiscal year 1979, an 80-percent slash.

Last year, in H.R. 1139, enacted as Public Law 95–166, the House agreed to a Senate provision which cut $25 million out of the special milk program by denying a second half pint of milk to a child served a free lunch. I vigorously opposed accepting that in conference and pointed out the basis for my opposition during the House debate on the conference report on October 27, 1977. I said then:

The proponents of this claimed that the "duplication" of milk service was unnecessary and costly. But I voted against receding to the Senate on this issue. I do not consider the service of a pint of milk to a needy child to be excessive. Milk is still the best and most natural food known . . . [and a] full pint of milk for a child who probably is a nutritional risk does not seem to be unwarranted.

At that time, at the suggestion of Minnesota school food officials, I made certain during the debate that the congressional intent clearly could not be read to completely deny a free milk to a needy child who brought a lunch from home. However, I still considered the action unwise. The $25 million cut, incidentally, was made at the suggestion of the Carter administration or at least with its full support.

Now the administration and the Department of Agriculture proposes to virtually wipe out the special milk program. The damage to child nutrition would be immense and by its very nature irreparable. This proposal would impose a particular hardship on students who most need the additional nutritional value of extra milk. In most schools, children who pay for their meals and receive a half pint of milk would be able to purchase an additional half pint if they desired. However, children unable to pay for a lunch and receiving a half pint of milk with a free or reduced price lunch probably would be unable to afford an extra milk—a milk which in most cases would have been made available under the special milk program at another time during the day. Moreover, extra milk would also be unavailable to paying students except at the time of meal service, thus depriving all children of the opportunity for extra nutrition.

Worse still, many kindergarten and other preschool children do not attend school during a breakfast or lunch period, but do receive a half pint of milk under the special milk program, and they could be denied this benefit under the proposed legislation. Thus a considerable number of very young children who most need the extra nutrition of milk would not receive it.

On January 17 of this year Art Buchwald, in his widely syndicated satirical column, "Capitol Punishment," wrote of the $25 million cut by Congress and headed the column "From Now On, Kids, Its One to a Customer." Near the end he said, jokingly, of course:

The men and women responsible for this bill deserve high marks for serving notice on the schoolchildren of America that we taxpayers are sick and tired of giving them second half-pints of milk, and if they aren't careful we might even take their first half-pint away from them, too.

Perhaps Mr. Buchwald has an avid and serious reader in President Carter or someone high in his Office of Management and Budget, for in many cases that is exactly what the President's proposal would do. As a member of the House Education and Labor Committee which would have to consider the President's proposal to slash the school milk program, I can assure parents and all other citizens concerned about proper child nutrition that this will not be approved without determined opposition from at least this member of the committee.

NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS ADDRESSES WHITE HOUSE CONFERENCE ON BALANCED GROWTH AND ECONOMIC DEVELOPMENT

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. ROE. Mr. Speaker, I am pleased to call to the attention of you and our colleagues here in the Congress a most excellent and comprehensive statement presented February 1, 1978 at the White House Conference on Balanced National Growth and Economic Development expressing the vital role of the towns and townships of our Nation in our American Government economic system, as follows:

NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS

INTRODUCTION

My name is Barton Russell and I am the executive director of the National Association of Towns and Townships. I am here today on behalf of NATaT's Board of Directors to share with you the viewpoints of township officials as they relate to the theme of this historic White House Conference, balanced national growth and economic development.

NATaT: A NATIONAL SUPPORT CENTER FOR LOCAL GOVERNMENT

The National Association of Towns and Townships is a federation of state organizations representing local officials from over 13,000 units of local government around this country. Since it was founded in 1963, NATaT's objectives have been: to be the spokesman for the nation's towns; to conduct research and develop training programs designed to foster improvements in local government; to encourage intergovernmental cooperation; and to promote an understanding of the significance of town government, its heritage, and its future role in the federal system. In short, NATaT is the voice of America's towns in Washington.

TOWNSHIPS AS A LOCAL GOVERNMENT INSTITUTION

The township system was the first form of local government adopted in America. Established in Massachusetts in 1620, townships moved west as the country grew. Today this system of local government serves 45 million people living in approximately 17,000 communities.

Over the years, townships came to be known as the nation's rural form of local government, serving a defined area without regard to population concentration. Today, while many townships have a non-metropolitan nature, a number of them are also developing into urban communities with demographic characteristics similar to those of the bigger cities. Although many towns have not been given broad municipal authority to govern by their respective states, most have been granted, over time, the power to provide a wide variety of vital, general purpose, local government services.

This conference, appropriately, is a microcosm of the township system in that it, too, is providing many of our citizens and leaders a direct opportunity to participate in the affairs of our country and shape its direction. Writer Neil Pierce has referred to this historic event as the first National Town Meeting on economic development.

PROBLEMS AFFECTING TOWNSHIPS AT THE NATIONAL LEVEL

There is a serious lack of information about township government at the national level. Many federal policy-makers in both Congress and the Executive branch come from outside the New England, mid-Atlantic and north central regions, where the township system is prevalent, and may not even be aware that townships exist. Or they may have read the very limited, outdated, and usually biased information which has been written about this system of government and are under the mistaken impression that townships are an antiquated system for which there is no citizen support or demand. Nothing could be further from the truth!

TOWNSHIP GOVERNMENT IS VITAL

As stated recently by the Honorable Robert A. Roe, Chairman of the Economic Development Subcommittee of the House Public Works and Transportation Committee, "Townships are a responsive and viable form of government . . . (they) continue to effectively provide outstanding public service and . . . work cooperatively on regional, state and national concerns."

Congressman Roe, who played an important part in planning this Conference and was primarily responsible for the participation of NATaT's president, Robert Robinson, has also stated, ". . . I am a former township official and I know from experience that the character and structure of township government lend (themselves) well to the task of increasing service to citizens on an efficient and economical basis."

Mr. Roe knows the necessity for efficient and economical operation in local government. He also knows that these qualities in public management are essential to the long-range economic integrity of every community in this country. "Balanced growth and economic development," he said in remarks he prepared for this Conference, "is not just a national concern. . . . Many of our local governments have done a far better job than the federal government in planning for fu-

ture growth and development and in making hard policy decisions among conflicting demands." The ability to make such decisions is a characteristic of township officials.

Governor James R. Thompson of Illinois also recognizes the need for the qualities of township government:

I continue to believe that there is indeed a vital, necessary and growing need for township government in Illinois. . . . I travel this state a lot and I see that people at the township level of government are sometimes better attuned to the needs of the people than a lot of those at (the state capital). . . . The need for township government . . . is not confined to the rural areas; it plays a vital role in the urban areas, too.

VIABILITY IS MEASURED IN QUALITY, NOT QUANTITY!

Despite the fact that township government has merged as an integral part of the intergovernmental system, some still view the township as an outmoded form of local government. They mistakenly conclude, because total and per capita expenditures by township governments are often much lower than expenditures by cities and counties, that townships are less viable or less important to their citizens. This is absurd. As stated by Dr. George Beelen, a professor at Youngstown State University in Ohio, ". . . (the township system) offers more personal service, more attention to individual needs, and a better understanding of local problems than any other unit of local government . . . because it is closest to those it serves."

INTERGOVERNMENTAL RELATIONS: DEALING THE TOWNSHIPS IN

The time has come to move beyond the question of whether the township system of local government is viable or whether it will die. Township government is here to stay, despite the fact that some theorists would like to see it go the way of the dinosaur. The question remaining is how townships can continue to improve their capacity to deliver services at the local level and strengthen their role in the intergovernmental system. In this respect, at least one basic change is necessary at the national level: federal officials must become better informed about the township system and, as legislation and regulations are written, must include townships in each program as they would any other system of local government. Otherwise, there can be no equity.

NATAT: REPRESENTING SMALL COMMUNITIES

The vast majority of the over 13,000 towns which the National Association provides representation for and assistance to are considered small (under 50,000 in population) by federal standards. In light of the fact that over one-half of all Americans live in townships and cities of this size, NATat provides the forum for an intergovernmental perspective which is absolutely vital to a program of balanced national growth and development.

It is not widely known that such a startling number of U.S. citizens live in so-called small communities. In fact, from all the attention which Congress, the White House and the media give to the big cities, one might think that the majority of Americans live within the boundaries of such metropolitan centers. Some figures provided by the 1972 Census of Governments indicate quite the opposite. Of the 35,508 townships and cities which are recognized by the Census Bureau as general units of local government, only 108 of them represent more than 100,000 people. Another 298 localities are between 50,000 and 99,000 in size. Thus, out of the over 35,000 local governments in this country, not even 500 have a population in excess of 50,000.

A variety of rationales has been offered to explain Washington's myopic concern with the problems of the big cities. Some say that our megalopolis areas are going bankrupt and need immediate relief. There is no doubt in the minds of NATaT officials that some serious problems exist in some of these urban centers which require short and long term solutions. However, we do not feel that it is in the national interest to ignore or only pay half-hearted attention to the very real difficulties being experienced in many of our nation's smaller communities in order to "save the big cities." We feel that this Conference is a very appropriate place to begin talking at the federal level about balanced growth and development in the context of all communities, large and small.

RECENT POPULATION TRENDS ADD PRESSURE TO THE SMALL COMMUNITY MANAGEMENT PROBLEMS

With the advent of New Federalism, small communities for the first time became an integral partner in the intergovernmental system. This effort by the Congress to decentralize government and return a significant amount of control to the local level gave town officials new and important responsibilities to meet public needs. Occurring almost concurrently with the shift in federal philosophy was a shift of population from urban areas to smaller communities in non-metropolitan areas. For the first time in this country's history, more Americans began moving away from metropolitan areas than moving to them.

This revival of population growth outside urban and even suburban areas represents a trend which is expected to continue indefinitely and which, when coupled with the increasing public management responsibilities faced by public officials at the local level, carries serious implications that must be considered.

A 1977 report by the Rand Corporation focused on the issue of outmigration and its implications:

Perhaps the most intriging of the many issues raised by non-metropolitan growth is its affect on the character of "Rural America" . . . Bow, New Hampshire, for example, has been converted from a farm town with 1,300 residents into a bedroom community of 3,200 residents and 12 housing developments since 1960. As Bow's administrator observed of this growth, "People move in here who are accustomed to certain services. For a year or two they are content with low taxes, but then they start demanding snow clearance, blacktop roads, street lights and garbage pick-up . . . Soon," he said, "Bow will have to build a high school, a sewer system and a second fire station."

Although the population explosion in rural areas has varied in degrees of intensity from region to region, the experience of the Bow administrator is viewed as typical of most developing non-metropolitan locales. As stated by Dr. Landrum Bolling, President of the Council on Foundations:

On the small-town level, the local government—often led by part time officials—faces a serious lack of resources with which to deal with the increasingly complex problems of small communities.

The issue is critical, as indicated in a report written by an official of the Farmers Home Administration:

Inevitably the next 30 years will bring an explosion of urban-type growth in areas that now consist of farm trading towns, placid villages, and the fields and woodlots of farmers. . . . (officials of local government) are the critical factor in determining the environment in which Americans live out their lives. (They) administer public and special services. They acquire land and apply land-use controls. They raise revenue and direct capital investments.

CAPACITY-BUILDING IN SMALL TOWNS

NATaT's members recognize the continuing need for developing methods to improve the capacity of officials from smaller communities to be more effective local managers and partners in the intergovernmental system. In Pennsylvania, for example, some townships are employing a "circuit riding" manager to provide them with professional services in areas such as budgeting and accounting, capital improvement plans, and state and federal grantsmanship. This program, funded by a grant from the Economic Development Administration, is designed to assist communities which by themselves are not large enough or wealthy enough to hire a full-time manager. The program represents the creative kind of approach to local decision-making which smaller communities are now taking. Such improvements at the local level are not, in and of themselves, the complete answer to the problems of small town government.

INSTITUTIONAL PROBLEMS OF SMALL COMMUNITIES FOSTERED BY FEDERAL POLICIES

A few selected quotes from a recent issue of a New England publication are indicative of the problems experienced by officials from townships as a result of federal policies:

"Red tape grows so slow you don't notice it at first," explains Theodore H. Moe, Jr., a former selectman in Swanzey, New Hampshire, which like many New England towns has had its fiscal underpinning shaken by federal orders to close the town dump, and build a costly ($5 million in this case) sewage-treatment system. Moe, the postmaster in East Swanzey by day, was working almost 20 hours a week in the town hall at night when he decided last spring to call it quits.

"For most selectmen, there just aren't enough hours in the evening to deal with federal money," he says. "If revenue-sharing hadn't been so considerable, we'd have stuck it in an envelope and sent it back."

"For a while, towns had money. But they don't anymore—the federal government does—and selectmen can't get federal grants because they don't know the rules of the game or have time to play it."

Phillip Schenck, town manager in Farmington, Maine, and a director of the Maine Municipal Association, figures up to half his working day is devoted to "federal stuff—from civil defense to food stamps." And Schenck doesn't consider his problem unusual.

"Local government is becoming a delivery mechanism for state and federal programs . . . It's being forced to grow to keep up with the mandates."

Contrary to the philosophy prevailing in some federal departments and commissions, consolidation of small units of government into fewer, larger units is not the answer to the problems of managing smaller communities. Studies show that citizens do not support the idea of more centralization and less local autonomy. Also, where programs have been consolidated, there is no clear evidence that money has been saved or programs are more effective. In fact, it is NATaT's conclusion that centralization most often just puts distance between the people and their government.

FEDERAL CHANGES ARE NECESSARY

In order to improve the management situation at the small town level, drastic changes in the federal approach to intergovernmental relations are necessary. Typically, local governments are required to alter their character and structure to meet federal requirements. It's time it is recognized that this approach does not work and that federal programs must be restructured to reflect the system of delivering public services which works for small towns today.

THE 1978–79 BOARD OF DIRECTORS

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William K. Sanford, Executive Secretary, Association of Towns of the State of New York, 90 State Street, Albany, NY 12207, 518/465–7933.

Mrs. Pauline Jackson, New Jersey Association of Townships, 8 Chatham Place, Vincentown, N.J. 08088.

Executive Director, Barton D. Russell, Suite 1030, 1800 M Street, N.W., Washington, D.C. 20036, 202/452–8100.

A LITTLE SAMPLE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. LAGOMARSINO. Mr. Speaker, the following editorial from the Santa Maria Times reflects what I believe is a growing concern among a great deal of Americans: U.S. policy vis-a-vis other nations. According to the editorial, the Panama Canal treaties represent just another example of the U.S. weakened position in the world.

The editorial follows:

[From the Santa Maria (Calif.) Times, Feb. 6, 1978]

A LITTLE SAMPLE

President Carter tells us that passage of the Panama Canal treaties will improve our position of leadership among nations. But will it?

Will it increase our stature or will it add to the growing doubts around the world of America's leadership position? Will it lead to further examples of defiance of the United States, such as the most recent example of Vietnam telling us it will keep its United Nations ambassador in New York despite our insistence that he leave?

There was a time when America was respected by the rest of the world. There was a time when a challenge such as that offered by the Vietnamese would have been dealt with swiftly.

Recall the Barbary pirates, and how the U.S. quickly dispatched that threat?

But now America's diplomacy is scoffed at by nations large and small. Ignominy after ignominy are heaped on the nation and its representatives by tinhorns from nations that weren't even on the map in the days when Teddy Roosevelt followed the philosophy of treading softly but carried a big stick.

We aren't advocating gunboat diplomacy, but neither are we advocating caving in to every demand and threat tossed our way. And the threat voiced that our South American neighbors might not like us if we don't give away the canal, and the billions of dollars of revenue it represents, doesn't bother us one whit.

America has always been a generous nation. It has stepped in and helped throughout the world. What nation doesn't still owe huge sums to the U.S.—amounts that could help erase the national debt that each and every working man in the U.S. labors daily just to help pay the interest on. And what friendship has that bought?

We feel along with the majority of Americans that the Panama Canal should be retained. And we don't fear what a dictator in a banana nation may do to us.

MICHAEL J. KADAR, JR., "CITIZEN OF THE YEAR"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. GAYDOS. Mr. Speaker, some one once described the difference between a pessimist and an optimist as follows: the pessimist finds difficulty in every opportunity; the optimist finds opportunity in every difficulty.

I would like to call the attention of my colleagues to a man who exemplifies the optimist—Mr. Michael J. Kadar, Jr., who has been chosen "Citizen of the Year" by the Greater McKeesport Jaycees. Mr. Kadar is richly deserving of the honor. He has had a wide ranging career, involving him with numerous opportunities to confront problems and never has he failed to convert the problem into the opportunity to help people. His community and its citizens have been the beneficiary of his knowledge, ability and experience.

By profession, Mr. Kadar is a banker's banker, presently serving as vice president of the Union National Bank of Pittsburgh and the manager of its McKeesport branch office. His interest in finances stretches back more than 30 years and he is prominent today in various banking organizations.

But, the world of finance is merely his vocation. He spends as much or more of his time on his avocation—helping others. "Mike" Kadar rarely, if ever, misses an opportunity to serve the McKeesport community and the surrounding area.

He has served on the local school board and is a past president of the Mon-Yough Chamber of Commerce, a past president of McKeesport Kiwanis Club, is vice president of the Mon-Yough Area Industrial Development Corp., a member of the Mon-Yough Management Association, serves on the board for the Downtown McKeesport Association and the local Salvation Army.

"Mike" is an active member of the Masons and Elks and has worked for many years on behalf of the United Fund and the Girl Scouts of America. If he has a favorite labor of love, I expect it would be the American Cancer Society. He is extremely active in this area and presently is general chairman of the Mon-Yough branch. It is typical of "Mike" to insist that the proceeds from his testimonial dinner on March 1 be donated to the Cancer Society.

Mr. Speaker, "Mike's" wife, Bette, and his daughters, Mollie and Karin, have every reason to be proud of him. He is a man held in high esteem by all who know him. I take great pleasure, therefore, in extending to him on behalf of my colleagues in the Congress of the United States our formal congratulations and best wishes.

HOW ARMY FARES MINUS DRAFT SYSTEM

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. STEIGER. Mr. Speaker, Secretary of the Army Clifford Alexander was interviewed for the Washington Star's February 15 "Q and A" column on the status of today's Army.

Secretary Alexander has done an excellent job as head of the U.S. Army. He has shown strong, effective leadership, and he has been impressive in the degree to which he has sought to determine just where the Army stands, what its problems and strengths are.

The firm judgment of the Secretary is that the Volunteer Army "works quite well." Secretary Alexander's comments are instructive. He discusses Volunteer Army quality and costs, unionization, and other issues that should be of interest to all of us.

I commend the interview to the attention of all who read the RECORD.

HOW ARMY FARES MINUS DRAFT SYSTEM

(Clifford Alexander, the secretary of the Army, was interviewed by Washington Star Staff Writer Lance Gay.)

Question. The General Accounting Office just issued a report that says the all-volunteer army caused a substantial increase in the Pentagon's budget—more than $3 billion since 1973. Is the all-volunteer army cost effective?

ALEXANDER. I believe it's quite cost effective. The GAO report addressed the past costs that were associated with not only the all volunteer army but the costs of the Army generally. The most important driving force of that report was the salary increase which actually took place two years before the all-volunteer army started. Those are the largest dollars in terms of increase. We base our assumptions on the present costs and the present salaries for an all-volunteer army versus the draft army. The proper question really is, "If we were to go to a draft, is there a cost savingg?" I think the answer is clearly no. If you make the assumption that you're

going to cut salaries in half, which to me would be quite inequitable, of course you're going to save money. What the GAO figures indicate is that there was a salary increase and during the all-volunteer years, those salaries caused an increase in expenditures. People in the Army today really don't make much money. They make an adequate wage to sustain themselves and that's it.

Q. You feel that the nation went the right direction in eliminating the draft?

A. I do. Perhaps if we had to sustain the draft, the question would have to include indices of internal turmoil, but they have been happily on a steady decline, AWOLs, for example, in 1974 were at 108 per thousand. In 1976 they were down to 56 per thousand. Desertions were 33 per thousand in 1974. In 1976, down to around 13 or 14. If you look at the number of court martials, they have significantly gone down. One of our stockades in Europe—in Germany—has been closed. If you go around the country as I have and see bases, you'll see a great lessening of the stockade population. Crimes of violence have decreased. This indicates that people are doing better within the Army. Training has escalated and gotten better. There's a good upswing.

Q. There seems to be a growing movement of unionizing the army. This seems to be an issue that is not going to go away. Is there a groundswell out there that a union could respond to?

A. I don't think that we've noticed a groundswell on the part of soldiers. Soldiers do have, however, certain legitimate gripes. In the year I've been here my emphasis has been on the people in the Army and what and how they look, how they're trained, how they're regarded. That means we have to concern ourselves with their housing, with how their capacity to transport their family with them when they're sent overseas, child care, what is on base for them in terms of recreation. We address those problems and if the uniformed leadership of the Army continues, as it has done, to think about people, it seems to me that many of those gripes are answered. In talking to soldiers I don't hear them saying they want to join a union. And indeed when the AFGE took a poll of its own membership, over 80 percent said, "We see no reason to try to unionize the Army." But despite there isn't great interest on the part of the soldier, it's our responsibility, and mine specifically, to be helpful to the needs of the soldier, to recognize those needs so that we have a better environment for our soldiers to defend their nation.

Q. Would you support a unionization movement?

A. No, I certainly would not.

Q. Why not?

A. I think it's basically inconsistent with the discipline that's required in the military. It's a matter of life and death that orders must be responded to. You really must have a chain of command. Individuals in that chain of command must be able to respond literally on a moment's notice. They can't be looking over their shoulders to see if there is some other representative group on hand that is saying, "No, go in another direction." So I find it to be inconsistent with what our mission is.

Q. Under the all-volunteer Army you have a shortage of physicians. Do you think the draft should be reactivated to get more doctor's into the Army?

A. The perception of the question is accurate. We're dealing with it by contracting out for civilian physicians. We're trying to be more imaginative in the use of physicians in the reserve over the weekends so people can come and use their services. We cannot compete with the outside dollar. We're also thinking of possibly shorter terms for physicians. There are many training possibilities in the military that might attract physicians to come in. I don't think we should draft physicians at the present time. I think we do have to encourage physicians to come in because we do have a shortage.

Q. Some people say that the draft, for all its troubles, did bring a certain diversity to the Army. It brought in non-military people who were only going to be there for two years—that it brought a softening effect into the military structure. Do you agree with that?

A. Well, I think the premise behind that is misplaced romanticism. If you bring in a draftee—an E-1—that person doesn't set policy for the Army—and certainly doesn't achieve such status within two years. And that's as it should be. It's the same with people who are in three or four years. They don't set policy. It seems to me that the Army of the draft or volunteer eras have professional leadership. I've been associated with the volunteer army for a year and I'm happy we have the quality. It gives service to the country. There are checks and balances in the system, civilian control, etc. I think it works quite well. It seems to me the diversity people speak of is there. The person who volunteers is a little lower economically than the average, but not much. He comes from a variety of backgrounds. Education is a tiny bit lower. Of course, it is higher in the officer ranks. There is happily an incentive that seems to build in the non-commissioned officers as they move along to increase their education. For example, now we bring in about 56 percent high school graduates last year. The Army overall is almost 84 percent high school graduates. Now, in their 18th, 19th or 20th years, many have now had college and beyond. That's a good thing.

Q. The all-volunteer army has also resulted in a disproportionate number of minority-member soldiers compared to the general population. How do you see this as a factor?

A. The Army is a place where people can achieve their opportunities according to their skills. Of course there are exceptions but fortunately becoming rarer and rarer. The first question I asked of our leadership is, "Are our soldiers doing the job?" The answer is a clear yes today, we are doing it better and better each year. So I have no concern at all about the numbers of minorities in the Army. I do keep an eye out and will have a concern about how they are progressing, and whether they are progressing fairly in relationship to the minority of the services. We have very interesting and positive statistics in the noncommissioned officer ranks. In the officer ranks there is improvement but it is slower than I would like to see it. We do have some good signs in ROTC—about 22 percent black in that category. The Army is a place where people do get an opportunity. But I find it to be of greater moment that many of our black soldiers tend to re-up at a much higher rate than our white soldiers. That is because of the perception, sometimes, that their opportunities would be lesser in corporate America than they would be with Army America. Again, I'm proud of what we're trying to do and continue to do.

POTTSVILLE BAND

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. YATRON. Mr. Speaker, I would like to take a few minutes to pay tribute to the famous Third Brigade Band of Pottsville, Pa.; 1979 marks the 100th year since the reorganization of the band, which began in 1849.

The musical organizations of Pottsville have truly played a significant role in the history of our Nation. For this reason, I would like to share with my colleagues in the House a brief historical sketch which I recently and gratefully received from Mr. Harry C. Hostetter, president of the Third Brigade Band:

A SKETCH OF POTTSVILLE'S BANDS

The first Pottsville band of which there is any record was organized in 1849. The leader was Lamar H. Bartlett.

In 1858, the Pottsville Cornet Band was organized with Joseph Derr as leader. They used to meet at Railroad and East Market Street.

About 1860, a band was organized by a man named Feger. They reported to the front and were on duty at the siege of Petersburg, Va.

September 2, 1861, the 48th Regiment Band was organized with J. W. Sauders as leader and William Maize as drum major. They were mustered out of the service August 14, 1862.

November 8, 1861, the 96th Regiment Band was organized with N. J. Nehr as leader. There were six brothers (no record of names) in the band. They left for Washington immediately after and were discharged August 4, 1862.

At the discharge of the 48th and 96th Regiment Bands, they reorganized with Horace Walbridge as leader and reported to the 48th Regiment at Lexington, Kentucky and were in service for three months.

In 1867, a Negro band was organized by John Jones, living on Minersville Street.

The West End Band came into existence. Its leader was a man named McDaniels.

September 16, 1867, the Jones Cornet and Orchestra Band was chartered. B. Bryson McCool made application for the charter.

In 1870, a band called the Young America Band was organized, but went out of existence shortly thereafter.

From early in 1879 to the latter part of the year, Pottsville was without an organized band, and in order to have music for a big demonstration, it was necessary to go to Reading for a band. This showed the absolute necessity of having a brass band.

September 18, 1879, for the second time in Pittsville's history, a band called the Pottsville Cornet Band came into existence. A Regimental Band Master named Jim Alexander was named leader. At the first meeting, Fidel Fisher, Jim Alexander, Horace Walbridge, George (Gov) Ochs and Adolph H. Kopp were appointed a committee to devise ways to put the band across. Many of the members had previously been members of the bands which preceded this one.

August 17, 1880, the Pottsville Cornet Band became the 7th Regiment Band.

August 2, 1881, General J. K. Siegfried mustered the band into the service as The 3rd Brigade Band of Pennsylvania, Pa. N.G.P. This position was held until Brigade Bands were discontinued in 1903. In 1903, Pennsylvania Legislature passed legislation terminating Brigade Bands in the National Guard. Bandmaster Lt. Frederick Gearhard was asked to consider transferring himself and the band intact to the 4th Regiment Pa. N.G.P. After careful consideration of this request by Colonel O'Neill, it was finally decided not to become a Regimental Band.

In 1887, Professor Alexander resigned, and was succeeded by F. R. Zeitz.

Sometime after Prof. Zeitz took over the band, dissension began between some of the members. This was probably caused because of the Bandmaster's insistence on playing everything to his own liking, in particular,

German Nationalistic music, which was in a way popular at this period. However, this met with disfavor with some of the members. As a result, about December, 1889, there was a split in the band, and The Liberty Band was organized with Elam Jenkins as leader.

On January 7, 1890, a young man, a member of the 3rd Brigade Band from its inception, and just graduated from Boston Conservatory, returned to the Pa. N.G.P. as a Lieutenant. His name, Frederick Gearhard; he was designated as Bandmaster of the 3rd Brigade Band of Pottsville, Pennsylvania, Pa. N.G.P. When Gearhard became leader, the band was again unified with all personnel re-enlisting in the Guards.

From 1890 until 1914, under Lt. Gearhard, the Band prospered and gained fame throughout Pennsylvania, as not only a fine marching band, but also a fine concert band. General Gobin once said of the band, "The 3rd Brigade Band is the best band in the best National Guard in the best State in the Union."

July, 1892, the band was in active service at the Homestead riots. They attended every annual encampment while in the service. They went with the troops in March to serve in the Spanish-American War, but were not sent to the front.

In the year 1881, the 14th day of September, a petition to the courts of Schuylkill County was finally granted and the charter of a society to be known as "The Pottsville Musical Association." This was to be the backbone for the band for many years to come. It existed intact into the 1920's, during the time when C. P. Hoffman was leader of the band. The last entry in the minutes was February 14, 1921.

On October 7, 1914, Prof. Frederick Gearhard died. Shortly thereafter, Mr. Joseph Painter was elected to succeed him. He served in that capacity from 1914 to 1917. Then, with a nucleus from The 3rd Brigade Band, he became the leader of a band offered for service to the United States Government in World War I. This was the first band accepted by the War Department as a unit. The Band reported at Schenectady, N.Y., but was never mustered in. Prof. Painter then entered the A. E. F. and held a commission in the Army; one of the few musicians that did.

July, 1917, Charles P. Hoffman became the leader of the band and practically reorganized it because of the fact that the Army Band had taken away practically one-half of the membership. Up until now, C. P. Hoffman was a member of the Pottsville Musical Association, and this was a factor which could help the band.

During his time as leader of the band, which is one of the longest on record, Hoffman helped the band very much. He took the band to many important engagements, such as "The Rajah Silver Jubilee" at Philadelphia in 1917, Rajah Temple Dedication in 1922. August 27, 1924, was another trip, this time to Atlantic City. During this period a Giant Bass Drum was purchased by the band and was used extensively until after Gov. James' Inauguration.

Unknown to both himself and the band, C. P. Hoffmen was to lead his last concert just five days before his death. The band played a free concert Friday, January 11, 1935. C. P. Hoffman passed away Wednesday at his home at 518 Mahantongo Street, January 16, at 9:00 A.M. from a brain tumor.

Not long after the death of C. P. Hoffman, Robert Braun, who in the 1920's had coached the band, assumed the duties of leader. Under Dr. Braun the band underwent some changes again. Some older members were reunited with the band and some new members were added. The band strength at that time was built up to about fifty men. Some of the outstanding engagements played at the time were: Gov. Arthur James' Inauguration at Harrisburg, The First Inauguration of F. D. Roosevelt at Washington, D.C., and the "Goodwill Trips," with parades and concerts at both Atlantic City and New York City. During Dr. Braun's term as leader, the band was able to purchase two new uniforms. The band played many successful engagements such as parades and concerts. One of the best concerts ever played by the band was played under Dr. Braun at Hershey Park, Pa.

Again in 1942, the band began to feel the effects of World War II. Dr. Braun had to recruit a lot of youthful musicians, who along with the older men, would hold the band together until after the war. To help out at this time was Tony Tremittere who was bandmaster at Minersville High School. Tony was instrumental in recruiting many of the young musicians. At this period he was assistant leader.

Following World War II, the band was probably at its best. It was at this time one of its finest uniforms was purchased . . . Patterned after the U.S. Army Officer's uniform. The band also had at this time some of its finest musicianship.

Dr. Robert Braun died March 7, 1955, after having conducted the band for 20 years. Dr. Braun, incidentally, was the nephew of the former leader, Prof. Frederick Gearhard.

Shortly after the death of Dr. Braun, Mr. Elmer Evans was elected leader with Webster Steidle elected as President, Harry C. Hostetter, Vice-President, Merlyn Jenkins, Secretary and George Smith, Treasurer.

During Mr. Evans term as leader some changes in members occurred to improve the band. It was the intention of the leader and the officers at the time to make every improvement possible. It was their intent to secure the best musicians possible.

In the Fall of 1957, Mr. Evans resigned as conductor and the band was without a leader for about a month. Finally, Mr. John V. Hanf from Shoemakersville (a native of New Brunswick, N.J.) accepted the post of conductor. During Mr. Hanf's term of conducting, a lot of new innovations were added. The band bought a new bass drum, cymbals, and a floor tom-tom. He organized and made special band arrangements for a mixed chorus, and during this time new summer uniforms were purchased. John Hanf resigned as conductor, because of conflicting circumstances and his work, after serving as conductor for thirteen years, effective January 1, 1971.

Mr. Karl Bowers, C.W.O., U.S.N., Retired, was contacted near the end of February 1971, and agreed to take over the band He began conducting rehearsals March 16, 1971.

Mr. Bowers had a brilliant career as a musician in the Navy. He ended that career with a tour of duty as procurement officer, brass wind instructor, and rehearsal conductor at the Naval School of Music, and finally a tour of duty as Assistant Conductor at the U. S. Naval Academy, Annapolis, Md.

Under Mr. Bowers the band enjoyed almost three years of successful engagements and his display of professional conducting skill did much to inspire the musicianship of the members. During this time the band enjoyed many enthusiastic audiences, and both the band and the conductor enjoyed the applause. Karl, unfortunately suffered a heart attack in the fall of 1971, and was finally forced to tender his resignation shortly before the summer concert season of 1974, much to the reluctance of the members to which he had endeared himself.

For the remainder of the 1974 concert season, Mr. Webster Steidle, cornetist and associate conductor, was called to conduct the band. By the end of 1974 it was necessary to look for a regular conductor, because Mr. Steidle was urgently needed as principal cornetist. He had done a wonderful job all summer, but it was realized that he was desperately needed on first chair cornet.

November, 1974, while preparing for the annual New Year's Concert at the Pottsville Club, it was decided to elevate R. Leland Wesner (associate conductor) to Conductor and Music Director. "Lee" has been a member of the band since 1957 both as baritone player and narrator. He graduated from West Chester State College, and is presently associated with the music department of Pottstown Area School District.

The band had a very successful 1975 summer concert season under "Lee", and the band was overwhelmingly received by applause in two parades in Schuylkill Haven, during their Two-hundredth Anniversary Celebration. The band appeared in the two parades on a float designed to represent an old fashioned park band stand.

The 1976 season saw the appointment of Mr. Nicholas Reading and Mr. Webster Steidle as associate conductors. Mr. Reading is a graduate of Mansfield State Teachers' College, a music major. Mr. Steidle has been a principal cornetist with the band for forty-four years.

As the U.S. Representative from Pennsylvania's Sixth Congressional District and as a resident of this area, I am proud of the heritage of Pottsville's 3d Brigade Band. The band is presently planning a 3-year celebration from 1979 through 1981. I am calling on the cooperation of city, State, and National officials to let this heritage be known throughout this great land of ours. The band will be appearing this summer in new uniforms and hopefully over the next 3 years will be bringing nationally known musicians to Pottsville to join in its concerts.

Concert bands are part of America's heritage, ever since Pat Gilmore and John Philip Sousa advanced them to such fine institutions. We can all be happy that this organization has remained intact all these years and has proudly produced the "Sousa sound."

INDEPENDENCE AND LIBERTY FOR LITHUANIA, 1978

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. BIAGGI. Mr. Speaker, I rise today in honor of the 60th anniversary of the Declaration of Independence of Lithuania. Each year, we in the Congress pause to pay tribute to the peoples of Lithuania and the other captive nations. It is a rather small contribution that we make, however, for as we exercise our freedoms of speech and assembly in these Chambers, the oppressed people of the world remain in bondage.

The enslavement of Lithuania began in 1795 when it was annexed by Russia. On February 16, 1918, the date which we are commemorating today, the Republic of Lithuania declared its independence. The opportunity to build a free and just society was to be short lived. In June 1940, the Soviet Army invaded and gained control of Lithuania. Ever since, it has been the victim of severe repression. Families were disbanded and deported to the U.S.S.R. and Eastern

Europe. Lithuanian industry and labor were exploited. Deprivation of basic human rights, including religious persecution, began in 1940 and continues to the present hour.

These courageous people have endured pain and suffering for over three decades. The grip of totalitarian rule, however, continues to threaten their cultural heritage and individual integrity. Although Soviet techniques of subjugation have become more sophisticated, the Lithuanian spirit has never once faltered. The Lithuanian people face imprisonment and ostracism for their defiance, and yet nowhere in the Soviet Union today is dissent so well organized and persistent.

The most recent example of Lithuanian dissent was the report of rioting in the city of Vilnius on the night of October 10, 1977. As thousands of spectators left a stadium following the Lithuanian-Russian match, cars were overturned and pro-Soviet banners torn down. The cry of the demonstrators is one which has been passed down from generation to generation, "independence and liberty for Lithuania."

At a time when America is making an effort to moralize its foreign policy, we would do well to make a firm and uncompromising commitment to our determined brothers. The results of our present stand on human rights will not be measured by the number of speeches delivered, but instead by our ability to advance the cause of freedom in the captive nations.

Sixty years ago the Lithuanian people expressed the same desire embodied within our own Declaration of Independence. How long will they be denied the opportunity which we have been blessed to enjoy for more than two centuries? How long will they remain in bondage? How long will they be forced to endure such unprecedented abuse?

Mr. Speaker, let us reaffirm our support of the Lithuanian people and any people whose desire for freedom is threatened by an imposing power.

LETTING THE SUN SHINE IN

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. BRINKLEY. Mr. Speaker, it is indeed a pleasure to bring to the attention of this distinguished House the laudable efforts of a man from my own Third District in Georgia whose work in building energy self-sufficient homes is making great strides. Mr. Billy J. Barnett of Kathleen, Ga., president of Advanced Living and Construction Operating Techniques, which is based in Kathleen, has taken the initiative of making these homes available to the general public. If this country is to ever become totally self-reliant on its own energy sources, it will be through the efforts of individuals such as Mr. Barnett.

I congratulate Mr. Barnett and invite each Member to review this interesting article, entitled "Let the Sun Shine In," written by Julia Baldwin and published in the Saturday Macon Telegraph and News of November 19, 1977:

LETTING THE SUN SHINE IN

(By Julia Baldwin)

"Do It With The Sun" is the company motto for ALCOT, Inc., an acronym for Advanced Living Construction Operating Techniques. Owned by Bill Barnett and based in Kathleen, Ga., the firm's purpose is to build houses cheaper than can be done with conventional techniques and to then be able to operate those houses cheaper than one could conventionally-built houses.

To accomplish that object, Bill Barnett has incorporated some 65 energy-saving techniques into the design of his solar energy homes, this house has 2,427 square feet of heated and cooled floor space. Barnett has designed homes incorporating the energy efficient measures that are sized from 1,200 to 2,800 square feet.

Another objective of ALCOT, Inc. is to design solar energy homes that do not outwardly appear any different from conventional ones. This two-story gray and white structure is the Old Federal Period design, and only the solar panels on the southern exposure of the roof reveal the modern concepts this house embodies.

The plans for this house and others in the series call for it to be approximately square; thereby, it can be changed around to fit any lot. According to Barnett, the plans incorporate the following design parameters: (1) Heating and cooling of the house is accomplished totally by a hydronic system—that is, running hot or cold water through pipes in the house. The solar panels create heat to warm the water for winter, while a highly-efficient electric water chiller cools the water for summer.

(2) Waste disposal is handled by the Clivus Multrum Organic Waste Treatment System, a self-contained system no water, depending on the natural decomposition of organic materials. Not only does this reduce a homeowner's water bill by one-half (on the average), but the use of this system enables ALCOT to build its houses on lots that do not have city sewage and are not suitable for septic tanks. Both kitchen garbage and bathroom wastes go into the system.

(3) Air convection through the Clivus Multrum system creates an air exchange throughout a house to keep the air fresh at all times.

(4) The house is constructed on a concrete pad. Specially insulated concrete blocks were then stacked and covered with surface bonding, a mixture of cement and fiberglass. Properly insulated and installed, these construction materials are stronger and provide more waterproofing and soundproofing at a cheaper cost than conventional materials, according to Barnett.

At this point Barnett still uses some electricity, but a greatly reduced amount than that required by a conventional house. His total heating load is 17,000 B.T.U.'s per hour, while a conventional house would require 50,000 to 60.000 B.T.U.s per hour. He maintains that his house can be cooled with one ton of air conditioning, while it would take four to five tons for the same size house built with standard techniques.

The house in Kathleen has 10 solar panels (ALCOT includes their purchase cost and installation in the cost of their houses). Barnett says he will recover the difference in the cost of a conventional system and his solar system within one year due to the difference in operating costs.

Incorporated in the design of the house are two separate back-up units for providing heating and hot water. One is the fireplace which when lighted heats a grate through which water flows. Two hours of fire will supply enough warm water to heat the house for 24 hours, in case there is not sufficient sunlight to make the solar panels effective.

The second back-up is the electrical lines run to the house to heat water in a special tank that can supply heat for the house "if I am too lazy to build a fire," said Barnett.

The solar system should be totally sufficient, however, as Barnett has studied the weather patterns for Kathleen.

By July, 1978, Barnett plans to have installed in the house a second type of solar system. He is now building parabolic concentrating collectors which will be installed alongside the standard solar panels on the roof of the house. These special collectors will have lines filled with peanut oil running through them and into a 2,000-gallon underground storage tank. The oil will be heated to temperatures up to 600 degrees F, run through a heat exchanger, and used to operate a solar stove, refrigerator, freezer, air conditioner, and clothes dryer. If the peanut oil proves to be unsatisfactory, Barnett will use Methanol 66 which, though effective, is more expensive.

After all these systems are installed, the remaining power requirements for the house will be about two kilowatts for lighting and operating small appliances. Barnett plans to eventually use the parabolic collectors to generate the power for the remaining requirements and has been testing this procedure for over a year. Barnett states, however, that he will continue to have electricity run to his house to use as a back-up system.

While this particular house features a combination of the surface bonding over concrete blocks and clapboard siding, Barnett can design a house in a variety of styles. The design complies with the requirement by the Housing and Urban Development Authority (HUD) that a house have 10 percent of its living space in windows. Barnett, however, has these windows facing north and south, not east and west, to make heating and cooling more efficient.

The roof of the house is pitched to expose more of it to the north thereby reducing the cooling load by 10 percent. This maneuver also provides the correct angle for the solar panels on the south side of the roof.

The overhang of the roof is mathematically calculated to allow no direct sunlight in the house on the south side after April 15 of each year, but does allow the sunlight to filter in after the first of October to help heat the house.

The foyer of the house can be closed off with doors leading to other areas; this is done to help control heating and cooling losses. The fireplace has a glass screen to prevent a draft from taking the warm air up the chimney.

A greenhouse adjacent to the rear of the house is entered through sliding glass doors in the living area. The Barnetts plan to have decorative plants growing there as well as vegetables grown hydroponically. Water for the vegetable troughs will be provided by waste water from the kitchen sink and dishwasher and the bathroom sinks and tubs. A special Trickle Filter removes lint from the water before it goes to the greenhouse.

The first floor of the house contains a foyer, Barnett's office, a great room, kitchen and bath. The attractive stone fireplace is the focal point of the entire first floor. The design of the interior can be varied to suit the needs of the owner, Barnett pointed out.

A patented system provides the most even heating and cooling available, Barnett stated. Coils are installed throughout the house and are attractively covered to blend with the decor. The size of the coils varies as to the size of the room. The natural flow of air from the floor over the coils and across the ceiling and back down to the floor eliminates cold floors. Residents of the house are

then more likely to keep the thermostat turned down, said Barnett.

The cooling system removes heat from the air by running cold water through the coils. The system automatically provides dehumidification: moisture in the air condenses on the coils, drips into pans and runs down through pipes under the house. Also, the system provides automatic air purification: dirt in the air collects on the water molecules and is washed out of the house.

Barnett pointed out that many of these systems are not new. They have been in operation in other places for a number of years, but they are new to this area.

Another simple but effective energy saver was to design the master bedroom (on the second floor) with closets on the outside walls, which act as additional insulation.

In addition to the master bedroom, this house has two other bedrooms and a bath on the second floor. Again, this floor plan can vary according to the needs of the residents.

The interior walls of the house are the surface bonding material applied over the insulated concrete blocks. The material was given a smooth finish which looks like sheetrock and can be painted, paneled, or wallpapered.

A native of Warner Robins and a graduate of Warner Robins High School, Barnett served in the navy, attended Georgia Tech, worked at Robins Air Force Base, and then moved to Connecticut for about 20 years. His work background is in engineering; he did the engineering work on a gyroscope work space in 1960 and wrote the specifications for the Air Force's "clean rooms."

Barnett's wife, Joan, is from Connecticut. She has had a lot of input into the design and construction of their house. In addition to refinishing old pieces of furniture, Joan enjoys collecting 18th century American art.

The Barnett's house meets the specifications of the Southern Building Code and complies with the FHA Minimum Property Standards. It also complies with the provisions of a national code for solar systems that will be issued within the next few months.

The State Public Health Code does not at present approve the Clivus Multrum system. Barnett received special permission, however, from the State Health Department to install the system in this house. Noting that a number of these systems are in operation in other sections of the U.S.A. and in other countries, Barnett hopes to have requirements changed to allow the Clivus Multrum System in Georgia.

The Solar Division of the Federal Energy Office and HUD are currently soliciting grant requests for a total solar community. Barnett plans to submit a request and plans to build the first total solar community in Houston County. Such a community would be comprised of about 50 houses, a community clubhouse, recreation center, and a central power plant with a basic monthly charge to residents for their utilities.

Barnett will sell his designs to other builders and provide the solar systems and Clivus Multrum systems as well as his expertise in installing them. He is convinced that he can build one of his designs on the owner's lot at $22 a square foot and realize a profit. Barnett noted that although most people think a solar energy home is more expensive to construct, it can actually be built for less than a conventional one, if properly designed "from the ground up as are the ALCOT houses," he added. While Barnett is financing this house himself, he has a verbal commitment from a financial institution in Houston County that they will finance any others.

A house of his design, incorporating all of the energy-saving techniques, can be operated at a maximum monthly cost of $35 for water and electricity, Barnett maintains. There are approximately 30,000 solar houses in the U.S.A. now and he expects another 30,000 to be built next year. "I am convinced that solar energy is the answer to the energy crisis and shortage," Barnett concluded.

NATIONAL ENGINEERS WEEK—FEBRUARY 19–25, 1978

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. HARRIS. Mr. Speaker, this week marks the 200th anniversary of the beginning of formal education in engineering. America's engineers must be commended not only for the contributions they have made in the building of our Nation, but also for the important role they play in our day-to-day living.

I would like to take this opportunity to share an article written by Dr. Lawrence P. Grayson of the National Institute of Education. Dr. Grayson received his engineering training at Fort Belvoir, Va., a military installation in my district.

GEORGE WASHINGTON'S ORDER OF JUNE 9, 1778 AND THE ORIGINS OF ENGINEERING EDUCATION

(By Dr. Lawrence P. Grayson)

Prior to the time of America's declared independence, there was little need for a school of engineering in the colonies. The military requirements that existed, such as those during the French and Indian War, were met by engineers educated in England who served in the British army or by colonists who served under them. The engineering needs of a civilian nature, which were reflective primarily of hand-craft technology, were met largely by ingenious or industrious men who were self-educated. With the beginning of war, however, America's requirement for qualified engineers became critical.

Shortly after assuming command of the continental forces on June 15, 1775, George Washington advised Congress that the army labored under numerous disadvantages, including "a Want of Engineers to construct proper Works and direct the Men". He continued "I can hardly express the Disappointment I have experienced on this Subject; the skill of those we have being very imperfect." Washington's concern, which he voiced on numerous occasions over the next few years, was shared by many other colonial leaders, including John Adams and Henry Knox.

The lack of a sufficient number of engineers in the army persisted throughout the Revolutionary War, and almost all of those who served as engineering officers were of foreign birth and education. It was recognized that most of these men would return to their native countries when the war ended. America required engineers, not only for the immediate military needs, but also to meet the future requirements of a civilian population when the nation would be independent and developing. These were the conditions and sentiments of the times when the army established winter quarters at Valley Forge, on December 20, 1777.

Shortly after encamping, Brigadier General Louis Duportail, a French volunteer who was serving as chief of engineers, drew up a plan for the establishment of an engineering corps as a permanent part of the Continental army. His plan dated January 18, 1978, called for the formation of enlisted men into companies of sappers headed by officers, and proposed that the companies might serve as a school of apprenticeship for the men. On January 28, Washington endorsed Duportail's plan and recommended to Congress that an engineering department be organized. This was done by a Resolution of Congress on May 27, 1778, as part of a general organization plan for the army. The engineering department was established with three companies, each to contain 1 captain, 3 lieutenants and 68 enlisted men, with the requirement that "These companies to be instructed in the fabrication of field works. . . . The commissioned officers to the skilled in the necessary branches of mathematicks".

Washington readily complied with the resolution, stating in the General Orders issued at Valley Forge on June 9 that:

"Three Captains and nine Lieutenants are wanted to officer the Companies of Sappers: As this Corps will be a school of Engineering it opens a Prospect to such Gentlemen as enter it and will pursue the necessary studies with diligence, of becoming Engineers and rising to the Important Employments attached to that Profession as the direction of Fortified Places &c. The Qualifications required of the Canditates are that they be Natives and have a knowledge of the Mathematicks and drawing, or at least be disposed to apply themselves to those studies. They will give in their Names at Head-Quarters."

The need and sentiment for educating engineers in the United States was clearly present at this time, although almost a quarter of a century would pass before a formal school of engineering would be established. In the winter of 1778, General Knox, while camped at Pluckemin, N.J., established "an academy where lectures are read in tactics and gunnery". For the decade following the end of the war in 1783, numerous people, including Washington, Hamilton, Randolph, Knox, Duportail, Baron von Steuben, L'Enfant, Benjamin Lincoln and Timothy Pickering, both of whom served as Secretary of War, and numerous others, stressed the need for officers trained in engineering and the need to establish a military academy. George Washington, in his Presidential message of October 25, 1791, advocated the establishment of a military academy, which actually commenced at West Point in 1794. The academy, in which much of the instruction was devoted to fortifications, continued until April 1796, when a fire destroyed the barracks. On March 16, 1802, an Act of Congress stationed the Corps of Engineers at West Point to constitute the Military Academy, which has continued to the present day. The engineers and cadets at the Academy were made available for such duty and service as the President of the United States might direct, thus allowing them to perform works of a public as well as a military nature. This availability was in keeping with the sentiment expressed in 1800 by James McHenry, the Secretary of War, that "We must not conclude that service of the engineer is limited to constructing fortifications. This is but a single branch of the profession; their utility extends to almost every department of war; besides embracing whatever respects public buildings, roads, bridges, canals and all such works of a civil nature".

The Military Academy as originally established was loosely organized, operated on meager resources, and had no definite or consistent system of instruction, examination or length of study. It was only as a result of the appointment of Sylvanus Thayer at the time a captain in the Corps of Engineers, as Superintendent in 1817 that the academy developed. Following a trip to France to study its educational system, Thayer arranged the cadets into four annual classes, divided the classes into sections requiring weekly reports, developed a scale of marking, attached weights to the subjects in the curriculum necessary for graduation, instituted a system of discipline and an honor code,

and set a standard of high achievement. These characteristics have remained with the academy until the present time, and formed the pattern for technical education in America.

On April 29, 1812, a Congressional Act set further provisions for the Military Academy, including establishing the position of "professor of the art of engineering in all its branches". One of the most influential persons to occupy the position was Dennis Hart Mahan, who was appointed in 1832. His pioneering efforts in the preparation of textbooks on engineering subjects did much to break this country's dependence on the translation and republication of European works.

Alden Partridge, who was the first person to hold the title of professor of engineering in the United States and served as acting Superintendent at West Point, resigned from the army in 1818 and established the American Literary, Scientific and Military Academy at Norwich, Vermont. This institution, which later became Norwich University, was the first civilian school of engineering in the country. In 1824, the Rensselaer School was established and eleven years later granted the degree of civil engineer for the first time in America and Great Britain.

From these initial acts, engineering education in the United States has grown until today there are almost 295,000 graduate and undergraduate students studying engineering on a full-time basis, and an additional 47,000 students studying part-time, at 289 institutions of engineering. In addition, there are some 58,000 full-time students and almost 20,000 students studying part-time at 119 institutions that offer programs in engineering technology.

As a single event, George Washington's call for a school of engineering is but a minor footnote in history. Taken, however, in a larger context as part of a continuing series of events, it is an act by the Commanding General of the Continental Army and future first President of the United States, recognizing the importance of engineering education to meet the needs of an independent and sovereign nation. The celebration of the 200th anniversary of the call, scheduled for June 9, 1978, at Valley Forge, will be formal testimony by the engineering profession to the foresight of George Washington and a reaffirmation of the continuing importance of engineering education to the future of America.

NATIONAL DIVIDEND PLAN

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. STEERS. Mr. Speaker, I would like to commend to each Member of the House the following analysis written by my good friend John Perry. Mr. Perry shows great insight in his discussion about the great economic and political problems facing our burgeoning and increasingly complex government. He also discusses with great clarity the reasons why our Nation should consider implementing the national dividend plan.

PERSPECTIVE

(By John H. Perry, Jr.)

An Analysis of the Current Opposing Political Philosophies: Why the liberal viewpoint has so successfully outbid the conservative—What the consequences of this movement are likley to be and how it is possible to redirect the enthusiasm of our citizens toward the preservation and improvement of a Free Society.

THE LIBERAL PHENOMENON

Since the Depression of the 30's, more and more Americans have turned to government regulation and government spending to help them with their economic system. Those who have responded to this trend, and who have advocated a greater role for government in dealing with the individual problems people attribute to the economy, have been dubbed "liberals." Much of the successful economic progress the nation has enjoyed since the Depression, and particularly since World War II, has been credited to the liberal philosophy and the role government has played in our economic system.

Programs undertaken in the name of liberalism have had a significant part in restoring and maintaining the confidence of the American people in their economic system. Because of the apparent success of this movement and the confidence it has generated. Americans have generally entrusted their national government to these modern liberals.

Until recent years, little thought has been given to the possibility that national economic progress may not have been due to the active role of government but instead to the inherent strength and productivity of American business. In short, success has come not because of, but in spite of, governmental intervention. Now, for the first time in four decades, the need to seriously reevaluate the role of government in the economic system is clearly apparent. The long period of economic progress and affluence following World War II has created expectations beyond the system's present ability to fulfill. Coupled with this has been a proportionate increase in economic illiteracy and basic public misunderstanding of the American business system. As a result, overemphasis on non-economic issues and problems and increased governmental intervention have produced serious distortions which now threaten the viability of the entire national economy.

Yet, in spite of their frustrations and complaints with their economic system, Americans continue to look to government for solutions. Today, one-and-a-half times as many people think there is not enough regulation of the economic system as believe there is too much. For these reasons, a great mass of the electorate seem to embrace the philosophy of "liberalism" and elect those who want further intervention of government in the market-place. The liberal response is, therefore, an accurate reflection of the demands those in the political arena believe the American public is making.

THE CONSERVATIVE REACTION

Great civilizations generally have faltered and finally collapsed as they ran out of money. This usually comes when the people finally demand of government too much of what government cannot produce: Wealth. When government responds and seeks to control more and more economic activity to meet those demands, individual initiative and the incentive of the people are smothered. Continued government control and economic stimulation beyond the system's ability to respond invariably produces inflation, unemployment and other serious social and economic problems. These create additional demands for government benefits and control, further compounding deficit-spending patterns.

Eventually, concerned individuals, supported by the evidence of history, warn of impending economic chaos. Yet, these individuals, these conservatives, fail to realize that in the broad base of any democratic society, warnings in the language of economics are not understood by most people. Therefore, they mean nothing to the majority of the nation. The conservative's recognition of economic realities usually is expressed by reaction—reaction to the liberal recognition of actual demands by the people for action.

Those who see the dangers simply fail to communicate them to the people. They fail to put in personal and relevant terms the alternative to the demand for government to provide solutions. That alternative is clear: it is a private enterprise approach to solving the frustrations and complaints Americans have about economic problems.

While public opinion continues to favor government regulation to relieve economic problems, it does so only because the conservative has offered no viable and appealing alternative beyond reaction. Conservatives are viewed as defensive, and unable to understand the "real" problems, such as the impact of inflation, unemployment, and inequities in the tax system.

Yet, at a time when more individuals consider themselves to be "conservative", and the fewest since the 40's consider themselves "liberal", there is no question that the American people could embrace an approach other than more government involvement to solve the problems they see in their economic system.

THE EFFECTIVE APPROACH: THE NATIONAL DIVIDEND

It is apparent that those who embrace the liberal philosophy are reading accurately the public's present allegiance to government as a problem-solver. It also is apparent that those who have won and continue to hold political office by responding to this allegiance do not realize that, paradoxically, the American public wants no major change or structural modification in our basic economic system, nor any reduction in personal economic freedom and opportunity. Today, more than 40% of our adult population consider themselves as "conservative," and more than half view their economic system in terms of personal freedoms and opportunity. Although Americans look to government for solutions, national surveys clearly reflect that a great majority see government regulation as a temporary application to a specific problem. They do not accept the idea of permanent government intervention and involvement in the economic process—even though almost every case of government intervention in the marketplace becomes permanent.

Americans seem to be saying: "We like our system because it gives us freedom and opportunity. But it's not working right these days . . . The system is basically good. It should be made to work again." Yet, so long as those who recognize the threat of further government control to the economy fail to get their message across to the people, there seems little chance a "private" solution will be forthcoming to the frustration and apprehensions Americans attribute to their economic system.

Knowledge tends to come from personal experience. When this personal experience involves economic self-interest, it is educative. Therefore, if the conservative, the nonliberal, desires to mobilize the essentially conservative instincts of the American public and provide a non-governmental approach to solving individual economic problems created by the system, he must do two things. First, he must be willing to recognize the passive role Americans cast for themselves in relation to the economy, and the fragmentary economic understanding most of them have of the business system. Second, he must be willing to actively involve the public through economic self-interest in that system before he can hope to have the average American turn away from government and towards a free enterprise-oriented economy for solutions to problems people perceive.

The National Dividend Plan has been developed to meet this challenge. Through a

process of national profit-sharing, NDP offers a "private" alternative to government as a provider of solutions. Through rechanneling the present Federal corporate income tax collections directly to the individual, NDP seeks to visibly involve the electorate in the economic process. Through economic self-interest, NDP is educative. Through the utilization of corporate earnings, NDP is non-governmental. Through the utilization of private banking systems, NDP is nonbureaucratic. Being progressive in nature, the National Dividend Plan addresses, in non-government terms, the egalitarian impulses found in a democratic society. In essence, it is a program designed to "sell" the American business system through "participation," by providing, through the private sector, solutions to many of the problems bothering Americans about their economy.

Clearly, the most compelling challenge to the business community today, and to those individuals who consider themselves "conservative", those concerned about the damaging role government now is playing in the economy, (as well as those who consider themselves "liberal", who genuinely are concerned about unmet human needs,) is to improve the average citizen's understanding of how the private enterprise system operates, and also, to make the system work better for more people. Clearly, government is not in a position—and perhaps never will be—to adequately do this job. If business and those individuals concerned about the future of our economic system and our individual freedoms do not respond to the challenge, the United States may end up with a system its people do not want—one that is neither free nor prosperous.

Is NDP a strategy to get the job done? Yes, but perhaps just as important, NDP provides a way for America to restructure financial problems on a "pay-as-we-earn" basis so as to restore confidence in our monetary system. This erosion of faith in our dollar is at the root of many of our social, economic and political problems. As a nation, we seem to have forgotten that to pay for our social progress, we must first earn the dollar.

And only people, business and the private sector can *earn* that dollar.

NDP AND "STATUTORY RACHETING"

After attending a recent seminar on the National Dividend Plan at the Harvard Business School, Ernest Christian, Jr., Former Deputy Assistant Secretary of the Treasury for Tax Policy, suggested adding a provision to the NDP that could halt further deficit spending and effectively check inflation. It would require that any Federal deficit be deducted from the annual National Dividend *before* it is distributed to the nation's registered voters. Thus, for example, if the National Dividend in a given year totaled $60 billion and there was a budget deficit of $50 billion, only $10 billion could be distributed to the voters. Obviously, pressure for a balanced budget would be so great the Congress would not dare permit a deficit. In tax policy jargon this is known as "statutory racheting." Most economists agree that if deficit spending were eliminated we then would be in a better position to keep a check-rein on inflation.

COMMENTS ABOUT THE NATIONAL DIVIDEND PLAN

"This gigantic profit-sharing plan would reinforce a sense of tangible participation in the economic system. One person, one vote, one dividend."—Michael Novak, Washington Star, November 3, 1976.

". . . The great impact of (NDP) is, first of all, that it causes us to think about where we are, it causes us to take into consideration where we have been and more importantly, it forces us to try to answer the question 'where are we really going as a nation?' "—Bert Lance, Georgia State University, February 24, 1976.

"The National Dividend Plan—a blueprint for the central problems of today . . ."—Robert F. Hurleigh, Commentator, Mutual Broadcasting System, July 21, 1976.

". . . I obviously support the thrust of your efforts—to limit the growth in government and to give our people a clearer identification with the free enterprise system."—William E. Simon, Washington, D.C., August 10, 1976.

"A national dividend program would provide incentives for employees of all corporations to increase their productivity, because if they made their companies more profitable, those companies would pay more taxes and the employees would then have a chance to garner even more for themselves in a larger payment."—John Connally, Dallas Morning News, August 23, 1975.

ABOUT THE AUTHOR

At 60, John H. Perry, Jr.'s activities span a wide range: Newspaper publishing and printing technology, oceanographic and energy research, cable television and economic research. The president of several companies and two foundations, he is acknowledged as a leader in the development of commercial submarines and ocean habitats. Mr. Perry's thoughts on economic systems led to the development of the National Dividend Plan, first unveiled in 1964 in his book, The National Dividend. Mr. Perry serves as president of the National Dividend Foundation, Inc.

NATIONAL DIVIDEND PLAN IN BRIEF

The National Dividend Plan sets forth a program of national profit sharing whereby those funds earned by the nation's corporations and paid in Federal corporate income taxes would be designated as a National Dividend. Such a dividend would be administered by the states and distributed through local banking systems to each registered voter on a per capita basis. All dividends would be tax free and the level of corporate income tax would be capped at 50%. To fund the National Dividend from economic growth and to avoid the need for new or increased taxes, the Plan calls for a moratorium on the implementation of any new major Federal spending programs during a five-year phase-in of NDP. The National Dividend is estimated to reach approximately $750 per registered voter upon full implementation of the Plan.

ABOUT THE FOUNDATION

The National Dividend Foundation, Inc., is a non-profit, educational organization devoted to the study, research and analysis of proposals which would affect the American economic system, federal tax law and the role of government in society. A principal project of the Foundation is the National Dividend Plan, which is designed to revitalize American enterprise by encouraging participation in, understanding of and support for a private, competitive economic system. A function of the Foundation has been to produce detailed analyses of proposals such as the National Dividend Plan and alternatives thereto, and to make these analyses available to the public.

The Foundation is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954, as amended. It is further classified as a "private operating" Foundation. Individuals, corporations, companies, associations and foundations are eligible to support the work of the Foundation through tax-deductible gifts. Your interest and participation in the work of the National Dividend Foundation, Inc., is invited and your inquiry for further information is welcome.

A CASE FOR THE NEUTRON BOMB

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. McDONALD. Mr. Speaker, the loudest noises against the neutron bomb are coming from the direction of Moscow. However, as is usual in such cases, some well-meaning Americans and some not so well-meaning Americans have joined the campaign against the neutron bomb. Recently, a Mr. George G. Harman of Laytonsville, Md., wrote a letter to the editor of the Washington Star in favor of the neutron bomb, that was published on Sunday, February 5, 1978. He argued the case very effectively and, therefore, I would like to call his letter to the attention of my colleagues. The letter follows:

The Soviet Union has recently launched an unpredecented propaganda campaign to prevent the United States from producing the so-called neutron bomb and deploying it in Europe. Brezhnev and Gromyko have both called this weapon barbarous and inhuman and threatened to develop one of their own if we deploy it. This must be interpreted as an admission of their intent to conquer Europe in the near future, otherwise it would not be a threat to them.

No one in his right mind, and certainly not the Russians, could possibly think that NATO is going to use that bomb to invade Eastern Europe. NATO is too weak and disorganized. The East bloc has a 2 to 1 or 3 to 1 superiority in manpower, tanks and all other warmaking capability. Also, the Soviets well know our purely defensive intentions, since they have long penetrated NATO security (e.g., the recent West German spy cases). Therefore, the only conclusion one can reach is that the Soviets are afraid that the neutron bomb will stop or alter an already planned aggression.

The neutron bomb is frightening only to troops, since civilians either flee battle areas or go underground for protection. In such positions, they would be largely shielded from the radiation, and later, after the battle, could return to their undamaged homes. No radioactive fallout would plague them.

This weapon is certainly no more inhumane than conventional cannon or bombs (e.g., the fire bombing of Dresden in World War I) and infinitely more humane than fission or fusion bombs that completely destroy vast areas and then sterilize them and surrounding areas with radioactive fallout. The neutron bomb is less barbarous than poison gas, already deployed by the Russians, since gas will kill innocent civilians in basements, subways or wherever they may be hiding.

The entire purpose of the neutron bomb is to blunt a massive, overwhelming surprise attack on NATO forces without significantly destroying cities and their civilian populations. If the Russians are really morally indignant over this weapon, then we have a unique opportunity to test their true intentions. We can use it to bargain for the security of Europe. If the USSR will agree to reduce its forces to approximately the level of NATO forces (a purely defensive posture) and remove its poison gas weaponry, then we will not deploy the neutron bomb.

If they refuse this honest peace gesture, then let us produce and deploy it with all haste, for they obviously plan to use the huge army they have built at such great cost. Do not let Brezhnev finesse us out of it!

GEORGE C. HARMAN,
Laytonsville, Md.

AN IDEA WHOSE TIME HAS COME

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. SYMMS. Mr. Speaker, Americans are becoming more and more concerned with the increasing tax burden.

The Carter administration has added to this concern and to the increasing tax burden on the American people. The taxes proposed in the energy bill will add a burden to everyone who drives a car or heats a home. The tremendous boost in social security taxes will take more money out of the pockets of the taxpayers and will add to the tax burden of everyone, directly and indirectly. Finally, the increased Government spending will fuel the fires of inflation and further reduce the amount of money the taxpayer has to spend.

Bob Ferguson of the staff of the House Republican Study Committee, has put together a very informative fact sheet entitled, "The Tax Burden." He does a thorough analysis—supplemented by charts—revealing how the social security tax increases, the proposed energy taxes, and inflation will oppress the hard-working taxpayer. He points out a frightening result:

> Under the Democratic game plan of trying to balance the budget by increasing personal taxes instead of decreasing expenditures, the American taxpayers will suffer a severe reduction in their standard of living. Something must be done to head off this eventuality and its negative consequences.

Mr. Ferguson points out that the President's proposed tax cut is actually less than the total burden which would be added by the energy and social security taxes and "it leaves untouched the massive increases due to inflation's effect on the progressive structure of the income tax system." He demonstrates that in order to reduce the 1979 tax burden to the 1978 level, a tax reduction of $31 billion would be needed, rather than the $17 billion reduction of personal income taxes proposed by President Carter. An effort to reduce the 1979 tax level to the 1977 level would take a $53 billion tax cut.

We need to relieve our citizens from oppressive taxes, not add more taxes. We need a major reform of our tax system to ease the tax burden. Unfortunately, the Carter administration is blind to such an economic policy.

Mr. Ferguson has put together an effective document. This very useful fact sheet can be obtained from the Republican study committee.

I would also like to commend to my colleagues a study of the problem of inflation and the growing tax burden on Americans. The study, by Dr. Donald J. Senese, is entitled "Indexing the Inflationary Impact of Taxes: The Necessary Economic Reform" and has been recently published by the Heritage Foundation. Dr. Senese points out that despite pay increases, the taxpayer can never get ahead of inflationary pressure and loses ground financially as an unindexed tax system pushes him into a higher tax bracket with no increase in real income. He suggests indexation of the tax rates which would protect the American taxpayer from inflation-induced tax increases.

The idea of indexation is receiving more attention. I am entering into the CONGRESSIONAL RECORD an informative piece by Robert J. Samuelson entitled "Indexation: An Idea Whose Time Has Come." This article, which appeared in the National Journal and was then reprinted in the Washington Post (January 31, 1978), presents a concise discussion of this important idea.

The article follows:

INDEXATION: AN IDEA WHOSE TIME HAS COME

(By Robert J. Samuelson)

Tax indexation is an idea whose times has come—and this year is going to prove it.

Though indexation sounds complicated, it actually is simple. It means that the government automatically corrects the income tax system to prevent inflation from kicking taxpayers into higher and higher brackets. Assume, for example, that inflation raises a family's income 10 percent. It goes into a higher tax bracket, and its tax rate increases even though its "real" income hasn't. Without indexation, Congress must pass a major tax "cut" every few years to prevent this invisible tax increase.

That's precisely what has been happening. Assuming a tax package passes in 1978, Congress will have approved major tax reduction bills in three of the past four years. So long as inflation persists at a 5 percent to 6 percent annual rate, the cycle will continue.

The defects of this system are now becoming increasingly clear.

Most important, it's fundamentally dishonest. It confuses the average citizen and, indeed, possibly the average congressman. It puts the nation's highest officials, starting with the president, in the foolish and ultimately self-defeating position of pushing half-truths on the public. They promise tax reductions, but in the main, all they are doing is repealing automatic tax increases.

Average taxes, as a percentage of personal income, are declining largely against what they would have been, not what they were. Even if President Carter's program passes as proposed the average tax level is estimated to be higher in 1979 than in seven out of the past 10 years, as the following table indicates. It shows federal income taxes as a percentage of personal income since 1969:

	Percent
1969	11.6
1970	10.5
1971	9.9
1972	9.9
1973	10.3
1974	10.7
1975	9.9
1976	10.2
1977	10.1
1978 (est.)	10.3
1979 (est.)	10.5

Bombarded from Washington with propaganda about the beneficence of tax cuts and confronted with a largely static bill, the average taxpayer sooner or later is bound to react in anger and disillusionment.

A second flaw of the current system is that it hampers economic policy and increases the likelihood of an economic downturn or recession. In the days when inflation crept along at an annual rate of 1 percent to 3 percent, the dynamics of the income tax system were thought to represent a helpful "automatic stabilizer." If inflation increased, incomes would rise and, consequently, so would the tax bite. That would reduce consumer spending, the economy would slow, and inflationary pressures would abate. This was a comforting notion.

Unfortunately, it does not sit well with reality. As the past few years have demonstrated vividly, inflation has an independent momentum. Through powerful unions, oligopolistic companies, government fiat and social custom—the idea that everybody should stay "even"—inflation gets perpetuated, checked only feebly by weak constraints.

In this climate, the "automatic stabilizer" simply puts the economy on its backside—or threatens to do so—with a mild impact on inflation. There is then a rush to pass a tax cut to revive the economy.

The outlook for 1978 illustrates the risks. Many economists worry that the economy may slow down in the second half of the year, in part because the rising tax bite will curb consumer spending. But the administration doesn't think it can possibly get its tax cut passed before Oct. 1. So Carter's economists are forced to bite their nails and hope that the timing turns out right.

A final defect of the existing anarchic approach is that it constitutes a cruel and unusual punishment of congressmen. This, of course, contradicts the conventional wisdom that politicians like nothing better than approving tax cuts and then basking in the ensuing public approval. Many congressmen may have once embraced this simple logic, but, by now, a more complicated reality is forcefully asserting itself.

That reality is that Congress stirs up as much grief as gratitude when it acts on a major tax bill. Every interest group that feels entitled to some new tax break, or simply wants to protect an existing benefit, makes a pilgrimage to Capitol Hill. Any congressman is bound to disappoint some of these petitioners. And the more big tax bills there are, the greater the opportunity for offense.

Moreover, on the other side of the political ledger, public gratitude for tax reductions is increasingly tempered by the realization that they largely represent a holding action against inflation. The political arithmetic of this process is not especially favorable. The more the cycle of phantom tax cuts occurs, the worse the arithmetic will become. Ultimately, Congress is bound to search for an exit.

Indexation would minimize its problems. Although adjusting corporate and business taxes for inflation is difficult, the necessary alterations for the personal tax present no insuperable technical problems. Tax rates, deductions, exemptions and credits can automatically be changed to reflect inflation.

Indexation wouldn't—and shouldn't—exempt Congress from the necessity of changing the tax laws. There are fundamental political and social problems that will not conveniently vanish. As Social Security taxes rise (reflecting the program's higher costs), should Congress let the total federal tax bite increase, or should it cut some existing spending? Should the tax system be used more aggressively to promote income redistribution or, on the other hand, investment?

Regardless of what it does, Congress will have a difficult time permanently evading these issues. But, already overburdened by complicated problems that it only dimly understands, it does not need to create added uncertainties by having to fiddle with tax rates every 18 months.

PERSONAL EXPLANATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. McDONALD. Mr. Speaker, during the past 2 weeks I was involved in a legal

case in Atlanta, Ga., which prevented me from being present for various votes. If I had been present, I would have voted as follows:

Roll No. 42, no; roll No. 43, no; roll No. 44, no; roll No. 46, no; roll No. 47, yes; roll No. 48, yes; roll No. 49, no; roll No. 50, no; roll No. 52, yes; roll No. 53, no; roll No. 54, no; roll No. 56, yes; roll No. 60, yes; roll No. 62, no; roll No. 63, no; roll No. 65, no; roll No. 66, no; roll No. 67, yes; roll no. 68, no.

LOSS OF CIVILIAN JOBS AT FORT INDIANTOWN GAP, PA.

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. ERTEL. Mr. Speaker, since April 1, 1976, the Army has been considering a possible transfer of functions from Fort Indiantown Gap, Pa. A transfer in functions would mean the loss of 819 civilian jobs from the Annville, Pa., area.

We in the Northeast have been most concerned about the number of military base closings in the area and their impact on the economy. The President has stated that additional military cutbacks would not be made in the Northeast except in cases where there is overwhelming evidence that the cutback is necessary.

Today, I am entering into the RECORD a letter, which I have obtained from the commander of the U.S. First Army to the commander of the U.S. Army Forces Command. The letter notes Fort Indiantown Gap's outstanding support of the First Army mission and makes it clear that the First Army prefers to retain the status quo at Fort Indiantown Gap. In fact, the First Army makes it clear that a transfer of Army functions from Fort Indiantown Gap probably will result in an efficiency lag which would take 3 or 4 years for the Army to overcome.

Mr. Speaker, I certainly hope the Secretary of the Army will do what is best for us all: Maintain Fort Indiantown Gap in its present status.

The letter follows:

DEPARTMENT OF THE ARMY,
Fort George G. Meade, Md.,
February 2, 1978.

DEAR FRITZ: During the past six months Fort Indiantown Gap (FIG) has continued to support the Reserve Components (RC) in an outstanding manner. From a First Army point of view, a realignment of the installation would disrupt or degrade the support of the RC. Accordingly, we'd like to go on record as supporting the status quo at FIG.

As we understand the situation, the current realignment action—which has been fermenting for over a year—has two basic alternatives:

Alternative 1: U.S. Army occupancy at FIG would terminate. The U.S. Army Garrison would be disestablished, less the Training Aids. The Medical Clinic and Communications Detachment would be disestablished. The Readiness Group, BOD, and TASO would become tenants of the Pennsylvania Army National Guard (PAARNG).

Alternative 2: FIG would be retained in Semi-Active Status as a sub-installation of Fort George G. Meade. The Garrison would be reduced to minimum essential to support Active Component (AC) and RC units. The Medical Clinic and Communications Detachment would be disestablished. The Readiness Group, BOD, and TASO would remain.

The First Army Staff believes that the magnitude of the personnel and dollar savings portrayed in either Alternative 1 or 2 in the current PORSOOM analysis are overstated—and would very much like to participate in a revised analysis. For example, as outlined to me, the PORSOOM analysis estimates net reductions of civilian employees of 310 and 180 for Alternatives 1 and 2, respectively. The First Army estimate for either Alternative is an initial net reduction of approximately 150–125, with a probable lesser net reduction after one year occasioned by the need to restore civilians if further deterioration of RC services and support is to be stopped.

The PORSOOM Analysis also includes outdated cost avoidance data on USAR School OGSC course heretofore conducted annually at FIG, but now scheduled for relocation.

Another point: Our surveys show that 85% to 89% of the DAC's now at FIG whose skills would be needed at Fort Meade under either PORSOOM alternative would not relocate. That situation would be somewhat compounded by the 100 space FY 78 civilian cut Fort Meade has taken. Thus, a hire and operating efficiency lag which might take 3 to 4 years to overcome would likely occur—a lag which might, in the end, result in increased overall costs.

The overall efficiency of the FIG DA civilian force is quite good in our judgment. Turnover is low, job satisfaction high. Support given to the Reserve Components receives much praise. In the past few days, I've had letters from such diverse sources as the 99th AROOM and the Adjutant General of Massachusetts asking that no changes be made in view of the excellent support.

Despite all the above, we recognize the realities of directed reductions. In this regard, our estimates are that the Alternative 2 would save as many civilians and dollars as would the more drastic Alternative 1—and would be less disruptive.

There are other points that could be made and considered—however, the best procedure would seem to be a reevaluation.

Sincerely,

JEFFREY G. SMITH,
Lieutenant General, USA.

COCA-COLA AND A RECORD OF PUBLIC SERVICE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. MURTHA. Mr. Speaker, in any disaster there are always individuals and groups that never receive recognition for their efforts to help disaster victims. I would like to mention one of the unsung heroes of the 1977 Johnstown flood—Coca-Cola.

Coca-Cola sent 250,000 gallons of drinking water into the flood disaster area. Water began arriving just 3 days after the flood and continued from July until October.

Seven communities received some of the 58 truckloads of water under extreme circumstances. People told me about truck drivers returning from some flooded areas soaked and completely covered with mud.

On this emergency project, Coca-Cola spent $86,000. That does not include volunteer hours donated by truck drivers from the Baltimore area and the extensive hours donated by the employees of the Ebensburg plant. The company used containers given by the International Paper Co. for the emergency. Also, the Coca-Cola Co. donated about $7,000 worth of soft drinks to the disaster distribution centers.

On behalf of the entire community, I want to express our heartfelt appreciation for the volunteer help, the efforts of the Coca-Cola Co., and all the men and women who heped with this part of the flood relief project.

PRAISE FOR 200-MILE LAW

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. DON H. CLAUSEN. Mr. Speaker, my colleagues are constantly reminded of the poor, inadequate, and unnecessary legislation that is produced by this body.

Therefore it is particularly rewarding when one of our products not only accomplishes the task for which it was intended, but is generally recognized as a good bill as well.

Lest newcomers be misled into believing that effective legislation can be hastily drafted, I would remind my colleagues that the 200-mile-limit bill was 10 years in the making, and required considerable investigation before agreement was reached. The final version of the bill considered the special problems of American fishermen, the most effective procedures to guarantee the continuity of our dwindling fish and marine resources, and the Coast Guard's ability to properly enforce the new concept.

I think my colleagues will enjoy reading the following editorial from the San Francisco Examiner.

[From the San Francisco Examiner, Feb. 19, 1978]

200-MILE LAW PRODUCING RESULTS

San Franciscans and other Northern Californians reacted angrily when Russian fishing fleets invaded Pacific coastal waters and scooped up fish by the ton. Adding insult to injury, the intruders—visible from San Mateo County cliffs—even brought along a factory ship for instant processing of their catch.

But the Soviets and other foreign fishing vessels haven't been around for a long time. Unless they have proper U.S. credentials, they had better continue to make themselves scarce, because the Coast Guard is enforcing a new law with considerable success.

Congress showed good sense when it approved a 200-mile limit, giving American fishermen 2.5 million square miles of water they can call their own. The law went into effect last March 1.

After a year the statute is showing better results than expected. Foreign fishing off the nation's coasts has been reduced by an estimated 30 percent. Stocks of fish in some areas have improved noticeably.

The National Marine Fisheries Service administers the law. Foreigners can fish within the zone only for species declared surplus if

they obtain a license from the NMFS, which sets a limit on the catch.

The law is tough to enforce because of the vast area involved, roughly equal to two-thirds of the country, but the Coast Guard has been doing a remarkable job, boarding more than 1,000 vessels during the first seven months. At least 300 skippers were cited for violations. Poachers were fined a total of $500,000.

Fish is a precious resource with high nutritional value, important in the American diet. Foreigners were depleting the stocks in our traditional fishing grounds. Thousands of jobs were jeopardized. These trends are now slowly being turned around. For this, Congress rates an A.

NEW MEXICO VOICE OF DEMOCRACY WINNER

HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. RUNNELS. Mr. Speaker, each year the Veterans of Foreign Wars of the U.S. and its Ladies Auxiliary conduct a Voice of Democracy Contest. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as the top prizes.

In New Mexico, this year's winner is Virginia Mary Hatcher, age 17, of Farmington, N.M. Miss Hatcher is quite an accomplished young lady at age 17 having been chosen Valedictorian out of a class of 515 students. Some of her other accomplishments include being chosen as Student Body President, Speech and Debate Club President, Speaker of the Year, Presidential Classroom delegate, and Girl's State delegate.

I would like to share with my colleagues Miss Hatcher's winning entry in the VFW Voice of Democracy competition. She expresses quite eloquently the theme of this year's contest, "My Responsibility to America."

Her speech follows:

MY RESPONSIBILITY TO AMERICA

(By Virginia Mary Hatcher)

The clay is shapeless and meaningless. But when the artist shapes that clay into something beautiful—there is magic. The clay is responsive to his touch and as he makes it beautiful he can also make it into a horrid creation. He owes his best to that clay.

The clay—the United States. The artist—myself.

I do have a responsibility to America, but what is that responsibility? A wolf has a responsibility to her cubs. A young girl has a responsibility to her doll. A dreamer has a responsibility to his dreams. Somehow, my responsibility to America includes all of these.

The mother wolf nurses her cubs into life. Her time is devoted to finding the food they need. She uses her body to warm the young wild babes, and if needed, she would sacrifice her life to protect them.

This was the responsibility of our forefathers. The leaders of the revolution dedicated their time to finding the nourishment for the infant nation. They gave their best to form a workable system of government with enthusiasm, they inspired people like me to perform the greatest task. People, like me, sacrificed their life to protect the new nation.

Though she is now an older and stronger child, America is still dependent on us to make the right decisions concerning her welfare. I can do that only by informing myself of issues, and then by exercising my most important right as an American citizen. I must be involved.

The young girl clings to her doll with a devotion unparalleled. The love she feels for the doll is hardly expressed in words. Rather, it is shown through her extreme loyalty and faithfulness to the toy that becomes an irreplaceable part of her life. She worries until she knows that the doll will be comfortable and she feels genuine pain when the doll is torn.

During the Civil War, the loyalty to America was deeply rooted in each citizen. Each person had his own set of beliefs and was so devoted to them that he would die to uphold his side. Even at this time, America was so young that she was like a doll and depended upon her people to make her government a comfortable one. And though they fought bitterly, there is no doubt that the citizens felt great pain where the union was torn.

As simple as love is, it is still the hardest feeling to express. To the country which has watched but not interfered with our development, we must give our respect and faith.

The faith that if something is wrong, it can be changed. The respect that we will abide by her laws though we might disagree with them. My constant attention should be given to the country, for a doll that is forgotten will soon be meaningless.

A dreamer has a delicious imagination and a powerful belief that he can and will achieve his high set goals. With confidence he takes the necessary steps to climb his ladder of fulfillment. He reaches for that seemingly unreachable star and sometimes touches it.

Such dreamers have been the backbone of our existence. Any advancement made in education, technology or belief has come through one "crazy fool" who took his idea so seriously that he made it happen.

Scientists are not the only dreamers. Everyone at one time or another sets a goal for himself. It is my duty, to the still growing nation, to believe in myself, and to try to make myself the best I know how to be. A family is strong only when its members are strong. If we, the pillars of the nation, are sturdy, she will stand. Our ideals must be high and our morals untouchable.

A dream that is ignored will disappear and benefit no one.

My responsibility to America is a difficult one. Your responsibility is a difficult one. Together we must think of the nation as a child that is powerless without us. We will make the decisions to govern her.

We must love and be tender with the nation. We can correct problems, if they arise, and remember that the problems are a result of our own doings.

Finally, we must be a good example. As stated by Jo Petty, "Children need models more than they need critics." If the pillars deteriorate, the building will crumble. We must keep in mind that a beautiful future lies ahead, for America, and reach for it.

SUPPLEMENTAL FUNDS ASKED FOR DROUGHT RELIEF ACT

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. McCORMACK. Mr. Speaker, I supported H.R. 10532 when it was passed by the House on January 30. As one of the participants in the original enactment of the Drought Relief Act, I can assure my colleagues that it adequately met the need for which it was created. Due to circumstances beyond the control of project applicants, however, the deadline date provided in the amended act simply does not allow for enough time to complete approved projects on which construction is well underway. H.R. 10532 will fill this administrative void.

One matter to which H.R. 10532 does not provide a solution, however, is for some Indian projects which received some funding, and on which construction was initiated, but did not receive full funding because the date for fund obligation came and went. These are not new projects—in many cases they are more than half complete—but due to a narrow interpretation of the term "obligation" held by the Bureau of Indian Affairs, these projects will not be completed with funds from the Drought Relief Act because more funds cannot be obligated.

I did not bring this matter to the attention of the committee, because I understood the necessity of passing general extension legislation in an expeditious manner. I do not believe, however, that the Indian projects to which I refer can be overlooked. Because it was administrative error on the part of the Bureau of Indian Affairs that caused this halt in construction of these projects, I would hope that the Department of the Interior will recognize its obligation and immediately explore avenues of internal reprograming or the possibility of a supplemental budget request for funding to complete these projects in a timely manner.

THE BRIDGE CRISIS

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. WALGREN. Mr. Speaker, today I received the following letter from one of my constituents, John F. Graham. Mr. Graham depicts the magnitude of the bridge crisis in Allegheny County, Pa., and strongly supports funding the special bridge program at $2 billion. This is the figure which is contained in Representative HOWARD's bill, which I have cosponsored and is currently before the Surface Transportation Subcommittee of Public Works.

I was especially struck by Mr. Graham's point that, in real dollars, we have not made much progress in our expenditures for bridge repairs in the past 50 years. Put simply, the administration's proposed bridge repair funding of $450 million is not only inadequate but also behind the times:

DEAR CONGRESSMAN WALGREN: For approximately ten years now Congress has been debating the bridge problem ever since the collapse of the Silver Bridge between West Virginia and Ohio. It appears that 1978 may

be the year that Congress will do something about solving a vital link in our defense system, viz., the bridges.

Allegheny County, between 1927 and 1931, spent approximately $75 million for bridge construction. This was in good part funded by the Federal Government. At today's prices, this represents over $600 million. Last year, Secretary Adams said that the FHWA has allotted up to $180 million per year for bridge replacement for the entire country. This is approximately what Allegheny County spent per year for four consecutive years in 1927–31.

This should alert Congress that the $2 billion which Congressman Howard has proposed to allot is not unrealistic for 50 states.

You will also note that the bridges which the Federal Government funded in the late 20's are now over 50 years old and need major rehabilitation or replacement.

It is also a fact that construction costs have increased tremendously over the years and that even the 10% local share is a burden that some governments like Pennsylvania cannot assume at this time.

I strongly recommend that you support legislation, whether it is yours or others which will adequately fund the bridge problem and create a bridge trust fund which will continue to fund bridge rehabilitation for years to come.

I further recommend that all FHWA projects can be changed to 90/10 ratio.

I also recommend that the highway trust fund be left undisturbed and used to not only finish our Federal Highway System but to properly maintain and update it.

I recommend that the Federal Government strongly consider using the County Governments to administer FHWA funds for off-system roads and bridges so that this other important vital link in our nation's defense system can be maintained but at a lower standard and cost than our federal highway system.

Lastly, I recommend that the existing highway trust fund and any future ones be legislated so that the fund is stable and cannot be manipulated at the whim of the President. This will create a better and more stable design and construction climate.

JOHN GRAHAM.

ECONOMIC FEASIBILITY OF PRODUCING GASOHOL

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. SYMMS. Mr. Speaker, a number of my constituents have contacted me regarding the production and use of gasohol. The University of Idaho has recently completed a study which deals with the technology involved in the production of energy from agricultural and forest resources. They have also pointed out questions which deal with the economic feasibility of producing gasohol.

I believe Stephen Smith, M. L. Jackson, and Leonard Johnson at the University of Idaho have done an excellent job in addressing the issues involved with gasohol and I would like to share that study with you.

THE FEASIBILITY OF GASOHOL: AN EXAMINATION OF THE ISSUES

(Summary report of the University of Idaho committee to study and recommend action relative to the 1977 Farm Bill by Stephen M. Smith, M. L. Jackson, and Leonard Johnson)

SUMMARY

The recent interest in producing alcohol from renewable agricultural and forest resources for use as a gasoline additive has raised many questions about the feasibility of the proposal. Many proponents of gasohol give the impression that it is a panacea for many of our agricultural problems, energy problems, and balance of payments problems. However, a closer look reveals a complicated series of interrelated issues and questions, many of which place gasohol in a less favorable light. The questions concern the technical feasibility of producing alcohol from available commodities, and of mixing it with gasoline; the availability of commodities for conversion to alcohol; and the economic feasibility of the entire alcohol/gasohol process.

The production and use of alcohol as a gasoline additive appears to present few technological problems. Fermentation processing of agricultural commodities is technically feasible and has been accomplished for years from a variety of starch and sugar sources. Woody products and residues are less amenable to processing because of the requirements that the cellulose first be reduced to glucose (sugars) by hydrolosis. The alcohol produced from such sources can be employed as a satisfactory automotive fuel. This was demonstrated many years ago [Lincoln] and has been confirmed recently by tests in the United States and by a national program in Brazil.

The major problem with using alcohol as a fuel is that it is not economically feasible now, nor will it be in the foreseeable future, unless supported by substantial state and/or federal government subsidies. Proponents of gasohol dispute this conclusion [Scheller and Mohr, 1976a, 1976b, 1977]. However, their calculations show that revenues exceed costs very marginally, and that this occurs only under very restrictive and tenuous assumptions. In addition, the calculations consider only production costs, and fail to include other major costs, such as obtaining and delivering the raw commodities, distributing the alcohol, and mixing it with gasoline. Other key issues which have not been fully examined, and which have considerable bearing on the feasibility of gasohol, are the mechanisms by which a supply of raw commodities will be guaranteed and the alcohol distributed and mixed, the net energy balance in the production of alcohol, the impact on our balance of payments, the impact on countries which depend upon our food exports, and the impacts on government revenues from different subsidization schemes.

The purpose of this paper is to briefly present the various aspects of the gasohol proposal. The first two sections consider the technological means for producing alcohol from agricultural and forest commodities, and the potential raw material sources which can be used. The third section examines the economic feasibility of alcohol/gasohol production. In the concluding section an agenda of unanswered questions, or research needs, is presented.

TECHNOLOGY

The choice of technology to produce energy from agricultural and forest commodities is from among three general types of alternatives: combustion to produce steam and electricity, pyrolysis to produce liquid and gaseous fuels, and fermentation processes to produce ethyl alcohol or methane gas. Of these, combustion is the most simple and direct, and produces a product which is readily marketable. Combustion of these commodities does not produce sulfur in the stack gases, and as such has been employed in combination with coal burning to reduce the amount of sulfux dioxide produced. Pyrolysis processes depend upon the use to which the products are put, and are most feasible when the oils or gases are used for energy where subsequent clean-up is not necessary. The tars from pyrolysis appear as a fine mist which is difficult to remove from gases and which might inhibit their use as pipeline gas. The gaseous products from pyrolysis also could be converted to methanol.

The production of alcohol from woody materials (methanol) such as trees and forest residues, agricultural stalks, and straw, is not now economically feasible because of the extra processing required to convert cellulose to simple sugars and to separate the lignin associated with the cellulose. As yet, no completely satisfactory method of acid hydrolysis has been developed to facilitate conversion to ethanol. A process of hydrolysis that would avoid the use of strong acids appears to be a good area for research. Current research on the evolution of enzymes for hydrolysis of wood has some promise but commercial use appears to be in the distant future.

Fermentation of agricultural commodities to produce ethyl alcohol (ethanol) is perhaps the most feasible process. It has been accomplished for years from a variety of starch and sugar sources, and is responsible for approximately 85 percent of the industrial ethanol produced outside the United States [Scheller and Mohr, 1976a].

The use of ethanol as a satisfactory component in automative fuel is not new, dating back to at least the early 1900's in the U.S., with subsequent and often continual use in many countries [Scheller, 1977; Lincoln, Hieronymous]. Ethanol and gasoline can be mixed in all proportions. Twenty percent of less liquid volume of ethanol in unleaded gasoline is recommended because engine modifications are not needed at these proportions. Ethanol also serves as an anti-knock compound because of its high octane rating, and thus reduces pollution by not requiring lead. Other purported advantages include the following: when ethanol is mixed at less than 16 percent, the gasohol mixture expands in volume and slightly offsets the lower amount of energy per gallon produced by ethanol than gasoline; better winter performance and starting; lack of vapor lock problems; and better mileage at less than 68°F [Scheller, 1977].

Thus, it can be concluded that it is feasible to produce alcohol from a variety of agricultural and forest commodities with existing technology, and that the product is a satisfactory fuel for internal combustion engines. There are few needed research areas with respect to either production or use. Two possible exceptions, concerning the raw commodities to be used, are noted in the next section.

POTENTIAL RAW MATERIAL SOURCES

Idaho and the Northwest Region have a variety of raw materials which are suitable as feed stock materials for fermentation to provide alcohol. They are: potatoes, sugar beets, wheat and other grains, wood and wood residues, and agricultural residues. The tech-

nology exists to utilize most of these materials. One exception is the use of whole potatoes (especially "pee wees") and the whole sugar beet, as opposed to processed wastes and the already extracted starch and sugar content. Another is the use of several commodities either simultaneously or in succession, depending on the availability and price of commodities at any given time.

The technological utilization of these commodities is not a major problem, however. The key problem areas concerning raw materials are (1) a steady, guaranteed source over the long run; and (2) mechanisms (mainly marketing and transportation) to obtain the commodities and get them to the processing plant.

Wood fiber is available from underutilized wood and bark at wood and paper processing plants, from residue left in the forests, at landings after logging operations, and from dead and diseased trees. However, unused wood and bark residues at processing plants have been decreasing greatly, as they are being used for a variety of products, including direct burning for fuel. The future availability of wood residues for use as fuel in any form is uncertain as demand increases (and thus, the price) for these residues in the production of various wood products.

Considerable supplies of forest residues are also available, but they will be a more costly form of energy than mill residues because of the costs and physical problems involved in collecting and delivering them to a processing point. Another unanswered question is the ecological effect of removing this residue from the forest. Residues left after logging or natural destruction will return nutrients to the soil. Removal of these residues could affect future productivity of the forests.

Agricultural commodities for use in ethanol production can be obtained from surplus stores, residues of commercial processing, residues left in the field after harvest, spoiled commodities, and production specifically intended for conversion to energy. While each initially appears to be a readily available, and often cheap source of raw material, closer examination reveals costs which may be prohibitive, or other problems which must be overcome before a full-scale gasohol program is begun.

The current wheat surplus is a major impetus to gasohol production. However, recent history provides ample evidence of how the vagaries of weather and the world grain market can cause surpluses to disappear "overnight." An alcohol processing plant must be assured of stable supplies over many years (at least the economic life of the plant) in order to operate efficiently and economically. Reliance on surpluses with large annual variations will not provide this supply. Similarly, spoiled or "distressed" products are by no means a stable source of raw material. Not only are they greatly weather-dependent, but the existence of such commodities is most often regionally isolated.

Fermentation feed stocks obtained from residues of commercial processors may provide a stable, long term supply. Before relying on this source, however, consideration must be given to the mechanisms and costs of collecting the residues, and to whether or not sufficient quantities are available regionally. Furthermore, most of these residues are currently utilized, presumably in economically profitable uses. Can they be used more profitably to produce alcohol? Or will the increased demand for the residues drive the price beyond the point where alcohol production is feasible, if it is presently?

The use of field residues requires consideration of methods and costs of collection, as well as the impacts on soil fertility and soil structure if the residues are no longer returned to the soil.

Perhaps the best method of assuring a supply of raw commodities is to contract with growers. There is considerable precedence for this approach in vegetable processing and barley for brewing beer, where one or a small number of buyers constitute the market. However, doing this for wheat, corn and other grains will present added problems. One is establishing and maintaining a contract price in a market that is both world-wide and volatile. In times of world grain shortages, it may be in the farmer's best economic interests to breech such contracts. Another problem is the development of contracts to assure long term supply, rather than annual contracts.

Given the problem of considerable variation in the availability of commodities, a plant which relied on one commodity would be a very risky venture. Thus, a process and plant which could utilize several commodities would be much preferable to a process and plant which did not. It could take advantage of changing production and marketing conditions in order to ensure itself a continued supply of commodities at the lowest price. Idaho and the Northwest appear uniquely qualified in this respect, since large quantities of a variety of raw materials for making ethanol are present, particularly wheat, potatoes, and sugar beets.

ECONOMIC FEASIBILITY OF GASOHOL

The key to the feasibility of gasohol production is whether or not the benefits exceed the costs, that is, whether or not ethanol production from agricultural commodities is economically profitable. Nevertheless, it is in the area of economics where the least amount of study has been done. Proponents of gasohol maintain that production will be profitable (Scheller and Mohr, 1976a). However, these results appear to hold true only under very restrictive and somewhat tenuous assumptions. In addition, there are several other aspects of gasohol production which have not been fully considered, but which will have great bearing on its economic feasibility. These issues are discussed in the remainder of this section.

Currently, the production of ethanol and gasohol is not profitable, even at the existing low prices of agricultural products. The figures in Table 1 indicate that, with the exception of sugar beets, the cost of a gallon of ethanol greatly exceeds that of a retail gallon of gasoline when only the cost of the raw agricultural commodity is considered. To these costs must be added approximately $.41 per gallon in conversion costs (Scheller and Mohr, 1976a, p. 8) plus profit, interest on debt, taxes, transportation of the ethanol, and mixing of the ethanol with gasoline. Thus, without a sizeable subsidy, gasohol cannot compete with gasoline.

It is reasonable to expect, however, that if and when gasoline prices rise (perhaps to the $1.50–$2.00 per gallon levels existing in Europe and South America), gasohol could become economically feasible. This possibility leads to one of the more important areas of needed research: the relationship between the future demand, supply and real price of the agricultural products which can be used to produce ethanol, and the future real price of gasoline/petroleum.

TABLE 1.—COST PER GALLON OF ETHANOL CONSIDERING ONLY THE COST OF THE RAW AGRICULTURAL COMMODITY

Commodity (unit of commodity)	Gallon of alcohol per unit	Commodity cost per unit	Commodity cost per gallon of alcohol
Corn or sorghum (bushel)	3.0	$2.60	$0.87
		3.00	1.00
Wheat (bushel)	2.85	2.50	.88
		3.00	1.05
		5.00	1.75
Sugarbeets (ton)	22.0	16.00	.73
Potatoes (100 lb)	1.03	2.95	2.86

A considerable rise in the price of gasoline is necessary to make ethanol production profitable. How much of a price rise is needed and when it is likely to occur are pieces of information which are basic to determining when and if gasohol will be economically feasible. This analysis must be related to the probable range of yearly prices for agricultural commodities. A plant built to operate on a narrow profit margin based on a specific price may not survive one or more seasons of adverse prices. Furthermore, as the price of gasoline rises, so will the costs of producing agricultural commodities and the costs of energy to operate an alcohol plant. So an increase in the price of gasoline may also indirectly increase the cost of producing ethanol. How much a given increase in gasoline prices will increase the price of various agricultural commodities and other energy sources must also be determined.

The actual production process must be examined more thoroughly. Scheller and Mohr's (1976a) contention that an ethanol plant with a 20 million gallon a year capacity is economical must be verified. Such verification must include an examination of various conversion processes in relation to the range of commodities which can be used. Again, the use of more than one commodity may be the key to the long run feacibility of gasohol production.

The need to use several commodities may be a major factor in deciding on the most economical location for a conversion plant. A location which provides easy and economical access to sufficient quantities of several commodities over the long run is necessary.

Another aspect of the economics of the production plant is the need for storage facilities. Proponents of gasohol appear to either have overlooked this need or assumed it to not be necessary. However, sizeable storage facilities for more than one type of commodity will be necessary for two reasons. One is to assure that commodities are available to keep the plant operating year round. The second is to guard against supply shortages of one or more commodities in bad years.

Another key factor mentioned earlier involves mechanisms that will assure a long term supply or middlemen, ties with suppliers of a range of commodities throughout the region or nation, and investment in large capacity storage facilities for a variety of commodities.

The mixing of ethanol with gasoline (determination of both best technical mix and least cost mix) and its distribution to consumers is another key step. If these stages are not carried out efficiently the resulting costs and bottlenecks will severely retard the adoption of gasohol. Complete cooperation and integration with the existing distribution system for gasoline is necessary. The point at which the ethanol is to be mixed with gasoline must be determined and the facilities for doing so must be in place and operating in time to handle the ethanol. In addition, consumer education on all aspects of gasohol may be required. Furthermore, the

distribution and mixing of ethanol will add costs which must be considered.

According to Scheller and Mohr the use of the by-products from ethanol production is crucial to both the net energy analysis (1967b) and the profitability (1967a) of the plant. The markets for the by-products must be examined to determine if they can absorb large increases in supply, and to determine the possible price changes of these by-products and their competing products. Considerable decreases in price might be expected. If these occur, the ethanol plant considered by Scheller and Mohr will not be economically feasible.

With respect to a positive net energy balance (amount of energy obtained from the ethanol being greater than the amount used to produce it) Scheller and Mohr's (1976b) result is based on two factors which are questionable at best. The first is that corn is used as the example. As discused above, however, a plant relying on a single commodity is not likely to be feasible. Second, their analysis called for the burning of 75 percent of the corn cobs, husks and stalks to provide the energy necessary to yield a positive energy balance. Consideration is not given to the prospect that corn will not be used, nor to the impacts of diverting these residues from their current uses as feed and soil builders. A more comprehensive assessment of the net energy balance is necessary, including consideration of a range of commodities and more realistic assumptions concerning use of residues.

Another series of questions which has not been given adequate consideration can be placed under the heading of net social value, or the benefits and costs of gasohol production to society as a whole. Determining the net social value of producing gasohol is complicated and often tenuous, and depends upon the future expectations and priorities of those doing the analysis. In addition, political decisions may be the key factors. Nevertheless, there are certain questions for which answers will be necessary. One is the trade-offs incurred in diverting human, monetary and physical resources from current uses to the production, use and subsidization of gasohol. For example, if the goal is to increase or maintain farm incomes, is it less costly to directly subsidize the affected farmers in some way, or to try to create a market for their produce which is sufficiently large to raise prices the required amount? Or, will the costs be less or the pay-offs greater if the resources are spent in developing other energy sources, or in developing more efficient ways to use our current sources?

Another question of net social value concerns the impacts of the diversion of large quantities of foodstuffs from the export market to the production of ethanol. Will the decrease in foreign exchange earnings be balanced by lower expenditures for foreign oil? If not, does reducing our dependence on imported oil warrant sizeable government subsidization? How much subsidy will be required, what forms could it take, and what are the impacts of different types of subsidies? How much will oil imports decrease because of the use of gasohol? Perhaps no decrease will occur, and only the rate of increase will slow. Furthermore, if large quantities of foodstuffs are diverted from the export market, how will this affect the countries who presently depend upon our food and who may depend upon it much more in the future, given their high growth rates of population? That is, do our agricultural commodities have a higher value (however determined) when used for human consumption than for energy production? Perhaps our agriculture can increase production enough to cover current and future demands for food and energy. The physical possibilities of this occurring must be examined, along with the costs involved.

RESEARCH NEEDS

The foregoing brief discussion of the issues and questions surrounding gasohol forms a large research agenda. This section will provide a summary listing of the more important research needs which were identified.

1. The design of a process and plant to produce ethanol from a combination of agricultural commodities. In the Northwest a likely combination of commodities would be wheat, potatoes and sugar beets.

2. New approaches to the hydrolysis of cellulosic materials. If successful, they would be highly useful and would add to the supply of starting materials.

3. The future demand, supply and real price of the agricultural commodities which can be used to produce ethanol.

4. The future real price of gasoline/petroleum.

5. The physical and institutional mechanisms by which a supply of needed agricultural commodities can be assured.

6. The costs—primarily transportation—of obtaining the commodities and getting them to the processing plants.

7. The costs, methods and institutional arrangements of marketing the ethanol/gasohol, including transportation, sales to wholesalers or retail gas stations, and mixing of ethanol with gasoline.

8. The economics of the location of ethanol plants, which depends upon which commodity(ies) are used, and on points 6 and 7.

9. The economics of the production plant, including optimal plant size, investment and operating costs, and expected profits (losses) for several scenarios of projected prices of input commodities, by-products and gasoline, including the presence or absence of several forms and levels of government subsidy.

10. The types of residues produced, how they can be used, how and what it costs to market them, projected demand given the (large) increase in supply, price effects of a (large) increase in supply of residues, and price effects on products with which residues may compete.

11. The trade-offs incurred in diverting human, monetary and physical resources from current uses to the production, use and subsidization of gasohol.

12. The net impacts on our balance of payments.

13. Impacts on foreign countries, with a long run dependence on our food, of diverting large quantities of foodstuffs from the export market.

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(Note: University files contain many additional references, bibliographies and reports relating to the utilization of agricultural-forest commodities in general and gasohol in particular.)

"DISGUISING THE TAX BURDEN," BY PAUL CRAIG ROBERTS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. KEMP. Mr. Speaker, the March issue of Harper's magazine carries an excellent article about tax reform called "Disguising the Tax Burden," by Dr. Paul Craig Roberts.

Once again the House is going to take up tax "reform." If past history holds this will mean more tax increases on the American people with very little to show for it. Indeed, we are still working to patch up all the mistakes that were made in the last two tax reform acts that raised taxes rather than lowering the rates to restore incentive.

I suggest that all tax reformers read Dr. Roberts' article carefully:

DISGUISING THE TAX BURDEN

LITTLE-KNOWN FACTS BENEATH THE RHETORIC OF REFORM

(By Paul Craig Roberts)

Even when they appear singly, major tax increases have a way of slowing down the legislative process. It has to be worked out how to disguise the tax so everyone thinks it is falling on someone else. Then the Congress and the Administration have to work out among themselves who gets to hand out how much to which spending constituency. This is what is known as politics, and ordinarily the politicians can think of enough new rhetoric to explain the levying of new taxes. But by the end of his first year in office President Carter had proposed so many tax increases (the energy tax, the Social Security tax, and the tax-reform tax) that the system temporarily collapsed.

It was more new taxes than could be negotiated, and the major tax-reform proposals of last September have been withdrawn but not discarded.

From the standpoint of the government's interest, tax reform is a necessity. The rich are a depleted resource, and so it is inevitable that the government will come up with a new source of revenue in tax reform. As is customary in these matters, tax reform will be justified on the grounds of "equity," that is, closing loopholes and helping the poor. Tax reform to help the poor is easy, because the poor don't pay any taxes. Therefore, it doesn't cost the government anything. Look at the table prepared by the Tax Foundation from data published by the Internal Revenue Service in *Statistics of Income,* and be amazed at the distribution of the tax burden.

Half of the taxpayers, those whose adjusted gross incomes place them in the bottom 50 percent, account for only 7 percent of the total personal-income-tax collections. Taxpayers in the lowest 25 percent account for less than half of 1 percent of the personal income tax collected by the government. That's why the government likes to cut taxes for lower-income groups. It doesn't cost

much to buy half the votes, and what guilt-ridden upper-income taxpayer would complain about compassionate government?

Besides, "everyone knows" that the bulk of the taxes is paid by lower-income earners, while the rich largely escape taxation. Public citizens' tax-reform organizations, peoples' tax lobbies, and other sheltered spokesmen for organized welfare groups have no difficulty getting out their well-packaged, public-spirited message. Meanwhile, the true facts pass unnoticed in the IRS's *Statistics of Income*.

The table shows that taxpayers with incomes in the top 5 percent—those with adjusted gross incomes of $29,272 or more—paid over one-third of the total personal income taxes collected by the federal government in 1975. The top 10 percent of taxpayers—those earning $23,420 or more—paid nearly half the total tax bill. In contrast, the lowest 10 percent of taxpayers paid only one-tenth of 1 percent of the total tax bill. Taxpayers earning $15,898 or more—those in the top 25 percent—paid 72 percent of total personal income taxes. Taxpayers whose incomes placed them in the top 1 percent paid more than two and a half times the total taxes collected from the bottom 50 percent.

An income of $59,338 may qualify for the top 1 percent, but what about the really rich? The latest *Statistics of Income* shows that the 1,149 taxpayers earning $1 million or more in 1975 paid an average tax of $1,011,317. The total tax paid by these few high-income taxpayers added up to $1.15 billion. All of us might pause to ask what public services a taxpayer receives for a million dollars in income taxes.

The table reveals another interesting fact. Since 1970 the tax burden has shifted further away from the lower brackets. In 1970 the bottom 50 percent paid 10.3 percent of total income taxes, and the top 50 percent paid 89.7 percent. By 1975 the bottom's share had declined to 7.1 percent, while the burden carried by the top had risen to 92.9 percent. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–75." Many of the untaxed receive transfers in kind, such as food stamps and housing subsidies, together with earned-income credits (negative income tax) and welfare checks, so that their real income exceeds that of many taxpayers.

Most people think that tax reform means making the rich pay taxes. They do not realize that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. The government is refashioning its tax net to catch those it pretends to protect. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions. The government, of course, will give reassurances that it is only after the rich, just as it did when it brought in the income tax in 1914. Initially the personal-income-tax burden rested on only 357,515 people—less than one-half of 1 percent of the population. Only people with incomes much greater than average were subject to the tax. The rates ranged from 1 percent to 7 percent. Only income in excess of $117,000 in today's dollars encountered the first surtax bracket of 2 percent. The top tax bracket of 7 percent was encountered only by income in excess of $2.9 million in today's dollars. The personal income tax soon found its way into the lower brackets. The income thresholds were lowered and the tax rates raised. The bottom bracket today, an income level not subject to taxation in 1914, is taxed at 14 percent—twice 1914's top rate. The tax rate today on the first $500 of taxable income is twice as great as the tax rate on a multimillionaire's income in 1914. This does not mean that things got better for the millionaire. The rate in his bracket today is ten times greater, and his average tax rate is 11.4 times greater. In 1914 the total tax on a million-dollar income was $60,000. Today it is $685,000. Since, as a result of inflation, the value of money today is only about one-sixth of what it was in 1914, today's millionaire's after-tax income of $315,000 is equivalent to a 1914 purchasing power of $53,800. He has only one-seventeenth of the purchasing power of his 1914 counterpart. During a period that has seen a rise in the average standard of living, the millionaire's has declined drastically.

It is an interesting story to trace the growth of the personal income tax, but it can be summarized in the following way: Between 1914 and 1975 the population grew 120 percent, but the number of individual-income-tax returns grew by 23,800 percent.

Hailed everywhere as loopholes for the rich, deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket. For example, in the under-$10,000 adjusted-gross-income class, deductions come to 48.9 percent of adjusted gross income. In the $10,000-to-$24,999 class, deductions are 31.1 percent of adjusted gross income, and in the over-$25,000 class they are only 22.8 percent. The higher the income, the less it is sheltered by deductions.

According to the latest Treasury figures, the upper-income groups benefited from about $16 billion in deductions exclusions, and other privileges, about half of which resulted from recognizing the difference between capital gains and ordinary income. Lower- and middle-income groups benefited from about $50 billion in deductions and exclusions, such as the exclusion of unemployment benefits, Social Security payments, workers' compensation benefits, pension contributions and earnings, employer-paid medical insurance premiums and medical care, the deduction of interest on consumer credit and home mortgages, property taxes, medical expenses, and state and local taxes, and the deferral of capital gains on the sale of a home plus credit for the purchase of a new home. For every dollar of upper-bracket tax savings, $3 went to the lower and middle brackets.

Dr. Roger Freeman, former White House aide and Hoover Institution Fellow at Stanford University, summed up his book on tax loopholes (*Tax Loopholes: The Legend and the Reality*) as follows:

"The literature of the tax reform drive usually asserts that most of the loopholes were designed for and work for the benefit of the rich, that poor and middle income taxpayers are taxed on all of their income, with no escape possibilities, and that most of the income that avoids taxation is to be found in the very high income brackets. The facts, however, suggest the opposite: much or most of the untaxed income is in the low and medium brackets."

That neatly sums up why the government's tax reformers are interested in reducing deductions. You can't raise revenues for the government unless you go where the untaxed income is.

Untaxed income also means fringe benefits. The President says that taxing fringe benefits means "the three-martini lunch." But the unions are concerned rather than fooled. They know where the untaxed benefits are that would yield substantial tax revenue. Sen. Orrin G. Hatch (Rep.-Utah), a member of the Joint Economic Committee has calculated that taxing fringe benefits as personal income "would mean an increase in taxes of $240 on the average taxpayer." With the 76 million tax returns filed in 1975 that reported wage and salary income, that would come to $18.24 billion, a tidy sum for government. That's why the unions are supporting the resolution introduced by Senator Hatch and Rep. Jack Kemp (Rep.-N.Y.) against the taxation of fringe benefits. They know that taxing fringes is the same as raising tax rates on existing wage and salary levels. You can't pay the IRS with part of your parking place, employer-subsidized meal, employee discount, or employer-paid health insurance and pension premiums.

The third plank of the tax reform redefines assets as income, and in addition to taxing the income from the asset confiscates part of the asset. Suppose you invest $10,000 in an income-producing asset, and inflation drives the price of that asset to $15,000. Suppose that family educational or medical expenses force you to sell the asset. Even though its replacement cost is $15,000—the $15,000 you receive will not buy any more than the $10,000 you paid—the government will claim that you have a $5,000 capital gain and tax it. Suppose you are in the 25 percent bracket. That means $1,250 of your assets will be confiscated by the government. The greater the inflation, the longer you hold the asset, and the higher your tax bracket, the more will be confiscated. The reformers are even talking about taxing the "capital gain" on an accrual basis whether or not you sell the asset.

The tax reformers showed how far they want to go by proposing to tax homeowners on the rental value of their homes. It's called taxing imputed rent. The reasoning is that owning a home provides income in kind (shelter). The value of that income is the rental value, so up goes your taxable income by the rental value of your home—even though it is not rented and you are living in it. This reform is especially valuable to the government as it pushes homeowners into higher tax brackets, which means they pay higher tax rates on the same money incomes. It is valuable also because it establishes a new principle of taxation that can be applied to home vegetable gardens and to the services of housewives. Cooking services, sexual services, cleaning services, child-rearing services, and laundry services are also income in kind. The imputed value of a housewife who is good at all of these tasks would exceed the salaries and wages of many husbands. The government could then take your house and make you hire out your wife to cover the unpaid taxes you couldn't pay.

So many major tax-increase proposals indicate runaway greed in Washington. It's not as if the government hasn't had a raise. The government gets an automatic increase in tax revenues every year as a result of inflation. Look at what happens to the real tax burden on a person whose incomes rises with the rate of inflation over the course of his working life. To show that it is not just the upper-income taxpayers who are harmed, let's take for an example someone who is today earning only $6,240 a year. In 1976 he would have paid no taxes. Instead, he would have received a check from the Treasury for $155 as a result of the earned-income credit. But after 45 years of 5 percent inflation he would be earning $56,077 a year, on which he would have to pay $17,019 in taxes (at present rates). His after-tax money income would have risen from $6,395 in 1976 to $38,058 in 2021, or by substantially less than

the rate of inflation. His after-tax income in 2021 would have a purchasing power equal to only $4,345 in 1976 dollars. In spite of his much larger money income, this person would have experienced a decline in his living standard of nearly one-third. This is the result of progressive income taxation plus inflation, which together cause taxes on the same amount of purchasing power—$6,240 in 1976 dollars—to rise from a refund of 2.5 percent in 1976 to a tax of 30 percent in 2021. The higher the inflation, the worse it would be for him, because the faster he would reach the higher brackets.

Indexing the tax structure (adjusting it to offset inflation) would prevent this deterioration in the living standards of all Americans. One might think that this would make indexing an important issue of tax reform. Yet, it is not part of the tax reformers' proposals. The reformers argue that inflation causes government's costs to rise, so it also needs more revenues. However, the way it is now, the government's revenues don't simply rise by the amount of the inflation, they rise by 1.65 times the rate of inflation. A 10 percent rate of inflation means a 16.5 percent increase in government revenues. That is why governments prefer to fight unemployment.

The claim that inflation hurts the lower income brackets more than the upper income brackets is deceitful. What inflation really does is to push everyone into higher tax brackets. As average incomes rise, more and more people will experience the woes of being nominally rich. One of the woes is that the higher your nominal or money income, the harder it is to stay even with inflation. As the tax bill gets bigger on every raise, your income has to increase progressively faster than the rate of inflation in order to stay even. This is another reason government prefers to reduce the tax rates in the lower brackets. Inflation soon moves the people out of them and into the higher brackets that were not cut.

Dale W. Sommer in the September 26, 1977, issue of *Industry Week* presents some interesting statistics from the U.S. Department of Commerce's National Income and Products Accounts that illustrate the extent to which American incomes have been undone by taxflation. Over the past ten years the average wage has risen 77.3 percent, whereas the consumer price index has risen 75.4 percent. So the average worker has kept up with inflation. But the tax burden has risen 144 percent during the same period. On a per capita basis, Americans paid $2,261 in taxes in 1976 compared with $1,014 in 1966. The 144 percent growth in the tax bite exceeded the 126.6 percent growth in total production of goods and services (GNP) and the 119.2 percent growth in total national income.

Last year Americans paid $16.7 billion more in taxes than they spent on the three basic necessities of food, clothing, and housing. The total tax bill came to $486.4 billion, whereas the total spent on food, clothing, and housing came to $469.7 billion. Compared with the $2,261 per capita expenditure on taxes, $1,048 was spent on food, $354 on clothing, and $780 on shelter. Added together the three necessities are still $79 less than per capita taxes paid.

Taxes far outpace the growth in real income. In 1976 federal taxes grew 20.8 percent. The entire economy grew 11.6 percent, and 5.3 percent of that growth was the result of inflation rather than an actual increase in the production of goods and services.

The greatest loophole of all in our income-tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

We have come a long way from the time three decades ago when F.A. Hayek said something about the road to serfdom. A serf was a person who did not own his own labor. Although he was not himself owned by another—that is, he could not be bought and sold like a slave—the feudal nobility, the state of that time, had rights over the serf's labor. When we say that a peasant was enserfed, we mean that he owed a certain amount of his working time to the state. Over time and regions this obligation averaged about one-third of a serf's working life.

The serf's position provides a perspective that lets us sum up the success of reactionary forces in this century in simple economic terms. In 1929 government in the U.S. had a claim to only 12 percent of the national income. By 1960 government had a claim to 33 percent of the national income. By 1976 government had extended its share to 42 percent. In relative terms our position today is worse than that of a medieval serf who owed the state one-third of his working time.

Many may reject this parallel. They may say that we have a democratic government controlled by the people, and that high taxes and big government merely reflect the voters' demands for public goods in the public interest. Such an argument is reassuring but problematical. The income tax was voted in under one guise and retained under another. Furthermore, it was the action of a past generation. For us it is an inherited obligation as were feudal dues, and it is seen that way by the Internal Revenue Service. All of us have been born to the statist gospel that government is the instrument of social progress. Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government. As we hear the talk about tax reform and "equity," we might pause to consider, if our cultivated progressive image will allow, that "equity" means more taxes on the productive to provide the revenues that build the sepnding constituencies of Congress and the federal bureaucracy. What is operating is not equity, but the government's self-interest.

The advent of several major tax increases in tandem will destabilize the economy, but from the government's perspective that is desirable. There will have to be more government programs to deal with the consequences of instability. Every sophisticated person is aware of how special interests use the legislative process for their own benefit, but the same sophisticate is badly schooled in how the legislative process furthers the special interests of those in government. Inflation leads to the imposition of wage and price controls and credit allocation, all of which increase the spoils, money, and influence divvied up in Washington. Unemployment means more CETA jobs and public works, and what member of the government class is hurt by that? Put simply, instability increases the demand for the services of bureaucrats and for pork-barrel legislation that builds the spending constituencies of both Congress and the Executive branch. It advances the careers of academics and technocrats who move back and forth from their think tanks and universities and in and out of government.

Perhaps all of this won't come to pass all at once. Government might so engorge itself with Social Security and energy taxes that it can't reach the tax-reform dish. Or perhaps in a last-gasp effort the vested interests of old will flex their flabby biceps and hammer through a tax cut that will stave off enserfment and economic stagnation for a while longer.

RESONSIBILITY TO AMERICA

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. ABDNOR. Mr. Speaker, there is much we can learn about our country and our system of government when we view it through the eyes of our young people. Those who will be custodians of our freedom in the future already are taking a look at their responsibilities for preserving this heritage and planning the steps they will take.

To encourage them in this regard, the Veterans of Foreign Wars annually sponsors a voice of democracy contest, with scholarships being awarded for the most outstanding presentations. The program is now in its 31st year.

Winning first place in the competition conducted in South Dakota this year was Mary Jo Moser of Wessington. I am pleased to commend her thoughts on her responsibilities to America to the attention of my colleagues:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM
SOUTH DAKOTA WINNER

(By Mary Jo Moser)

"I pledge my head to clearer thinking, my heart to greater loyalty, my hands to larger service, and my health to better living for . . . my country. . . ."

This portion of the 4-H Pledge of America's youth expresses my feelings of my responsibilities to America. My responsibilities to America must begin with a pledge of myself. This pledge must then be fulfilled, for unless action follows a pledge, it becomes meaningless.

One must be responsible to himself before he can be responsible to anyone else. The pledge of my head and body are towards individual development. Individualism is a vital part of America. I must be myself and be the best that I can be, doing the best that I can do. A person must discover himself and then accept himself to develop self-confidence. Then he can share with others what he is with his own unique talents and forms of self-expression.

When one is responsible to himself, he can then be responsible to others. It is my responsibility to give of myself and to get involved with others. Relationships with people are the most important aspect of life. One must learn to cooperate and to participate. I pledge my hands to service for my country. No job is unimportant if it contributes to building a stronger America. The garbage man, the brick-layer, and the scrub woman are as important as the President and his Cabinet. The responsibilities of the common laborer are the foundation upon

which the great achievements of America are built.

As one of America's youth, it is my responsibility to serve in every way I can—through voting, speaking, or just giving a simple smile that may make someone else's day brighter.

When people cooperate and work together, they cultivate a pride for their work. It is my responsibility as an American to cultivate pride in America—what it has been, what it is, and most importantly, what it can be. It is every American's responsibility to make the best of today's America even better tomorrow. This pledge of my heart, my loyalty, and my pride is my final responsibility to America. It is this pledge upon which all other pledges are based. If we are loyal to America, we must speak out on the issues for which America stands—freedom, equality, and justice for all. Each individual must have pride in what he can do for America, no matter how small the responsibility may be. My pride in America and what it can be is what makes my responsibilities to America a pledge of myself.

I pledge my head, heart, hands, and health. These are my responsibilities to America.

YEAR OF INCLUSION FOR CERTAIN CROP PAYMENTS

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. ULLMAN. Mr. Speaker, I am introducing today a bill to prevent the unavoidable bunching of income for farmer-taxpayers who receive farm disaster payments in 1978 with respect to 1977 losses and for certain farmers who receive deficiency (or "target price") payments in 1978 which ordinarily would have been received and declared as income in 1977.

We are all well aware of the host of problems created by the extended drought of 1976–77. Not the least of these problems is the gigantic backlog of administrative paperwork which has prevented the timely issuance of Federal disaster and deficiency payments.

Many farmers, who are entitled to "prevented planting" disaster payments or other farm disaster payments for crops which they harvested (or would have harvested) in 1977, did not receive these payments from the Department of Agriculture until 1978. Under present law, farmers on the cash method of accounting would have to declare these payments as income in 1978. Since income and/or deficiency payments from crops sold in 1978 would also be reported in 1978, the income of these farmers would be bunched in 1978 rather than spread over 1977 and 1978, as would be the normal situation.

Also, a great many farmers who are entitled to deficiency payments on their 1977 crops because of low crop prices did not receive these payments from the Department of Agriculture until 1978, although, under normal circumstances, these payments would have been received in 1977. The problem appears to be particularly crucial in the case of deficiency payments for wheat. Deficiency payments for 1977 crop of wheat ordinarily would be expected to be received in November or December of the same year in which the crop is harvested. Since deficiency payments for wheat harvested in 1978 would also be reported in 1978, the income of these farmers will be bunched in 1978 rather than spread over 1977 and 1978.

Several factors contribute to the unusual tardiness of the 1977 payments. While drought and other weather-related phenomena necessitated an unusually high number of disaster payments, low market prices insured broad entitlement to deficiency payments. The deep administrative backlog created by these circumstances was exacerbated by the belated approval of the farm bill on September 29, 1977.

The bill I am introducing today would allow a farmer to elect to treat the disaster payments as 1977 income if he can establish that, under his usual business practice, income from his crop would have been reported in 1977. Similarly, the bill would allow a farmer to elect to treat deficiency payments received in 1978 as 1977 income if, under normal circumstances, the farmer would have received the payments in 1977. If an election is made to accelerate payments under this bill, the farmer must accelerate all of the disaster payments and deficiency payments for which he is eligible to make an election.

Mr. Speaker, I am hopeful that rapid passage of this proposal will alleviate somewhat the unusual burdens now being endured by our American farming population.

A copy of this proposal is attached for your review at this point:

H.R. —

A bill relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. YEAR OF INCLUSION FOR CERTAIN CROP PAYMENTS RECEIVED IN 1978.

(a) IN GENERAL.—In the case of a taxpayer reporting on the cash receipts and disbursements method of accounting, if—

(1)(A) the taxpayer receives in his first taxable year beginning in 1978 payments under the Agricultural Act of 1949, as amended, as a result of—

(i) the destruction or damage to crops caused by drought, flood, or any other natural disaster, or

(ii) the inability to plant crops because of such a natural disaster, and

(B) the taxpayer establishes that, under his practice, income from such crops would have been reported for his last taxable year beginning in 1977, or

(2)(A) the taxpayer receives in his first taxable year beginning in 1978 deficiency (or "target price") payments under the Agricultural Act of 1949, as amended, for any 1977 crop, and

(B) the fifth month of such crop's marketing year ends before December 1, 1977,

then the taxpayer may elect to include such proceeds in income for his last taxable year beginning in 1977.

(b) MAKING AND EFFECT OF ELECTION.—An election under this section for any taxable year shall be made at such time and in such manner as the Secretary of the Treasury may by regulations prescribe and shall apply with respect to all proceeds described in subsection (a) which were received by the taxpayer.

CONGRESSIONAL ANNOUNCEMENT

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. LEGGETT. Mr. Speaker, on Monday of this week I drafted and issued the following announcement and explanation to my California newspapers and the people of the Fourth Congressional District of California. I would remind my colleagues that my statement of departure is not for any load being made up for tonight. I intend to spend a vigorous year working on the problems of the people of the country during 1978:

CONGRESSIONAL ANNOUNCEMENT

This being the day appointed for the annual reading in the Congress of George Washington's Farewell Address to the Nation, it seems fitting and proper that this is likewise a proper day for me to announce my taking leave of the United States Congress at the end of the current year.

As Washington said several hundred years ago after serving 8 years as President, "it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made." His decision was final and so is mine.

If 8 years of public service was sufficient for the first leader of the country, why should it be so difficult for me to explain why twice that number, and more, should be sufficient in my case.

I am releasing this message first to the newspapers of my own Congressional District because this news is of primary concern to the half million Californians that I have had the pleasure of serving the past 16 years.

To some it might seem incongruous to announce the projected termination of public Congressional service, while at the same time acknowledging that nearly 6,000 of my friends and constituents are filing petitions endorsing my candidacy such that I might file for a 9th term without the payment of a filing fee. The petitions will not be filed and for this I should earn the long term thanks from 5 County Clerks in my District whose job it would be to individually verify the signatures.

I make this statement at this time for a large number of reasons. To begin with, nobody is indispensable and there are a select few who have as yet not made themselves available who I believe with some further experience could represent the 4th Congressional District of California with capability and distinction. The winner of any Democratic Primary will have the benefit of whatever political campaign war chest I have accumulated.

Another reason for my decision is the unfortunate blurring of the issues that appear to be developing where the public and media

seem concerned even yet with many items, including gossip, ignoring the major problems separating the two great parties.

Unfortunately, it takes a lot of money, dedicated workers and courageous battle to set the record straight sometimes in an election—all of these items I have or can obtain. Fortunately I have basked for many years in that euphoric state where campaigns were inexpensive, campaign debts and obligations were minor and victories were landslidish.

Our District of California with a registration of better than 2 to 1 favoring the Majority Party should be able to continue to elect Majority Party Congressmen with little effort and small political debts. Herein lies the secret of a democracy of excellence. I've never participated in a campaign where I did not have complete control or when public relations experts were needed to market the candidate like a loaf of bread, and in spite of some preliminary flirting with the thought, I do not intend to start now. I could raise several hundred thousand dollars to match the war chest of the poised Minority effort to achieve success in our District—but what a distortion, what a misuse of funds. How can public servants do a proper job of representation when they are possibly bought and paid for by special interests before they ever take office? Believe me, large contributions do buy something and I am thankful that I have never had to participate from any source.

Why is this announcement such a big thing anyway? 33 of my Colleagues have already indicated that they are opting for new careers. Why is it that Members elected to two year jobs, time after time after time, make such news when Washington's course is followed? Would it be that Members could serve 10 or a dozen years in the House of Representatives, make their contribution and then let others carry the baton. Things have changed since I was first elected to the House. Now the younger Members can have their voice heard, can chair Subcommittees after a reasonable time and can be effective. This is so in large part because of the efforts of the Kennedy and Johnson Democrats to continuously raze the seniority system to the ground. No longer do you have to combine with a "Fearless Five" group to take issue with an Armed Services Chairman. Committees are open, younger Members can speak up and are respected for their views and simultaneously the former House of elder statesmen in the United States Congress are nearly absent. There is little grey hair left indeed.

In a broader perspective I regret that in spite of the Democratization of the Congress, the problems of the country after several Democratic and Republican Administrations appear to be more horrendous today than when I entered the House with the New Frontier. Our aspirations in health, education, Social Security, armaments and International Affairs were monumental. We closed the missile gap and then some; we enacted Federal Aid to Education, an Elderly Health Program, tied a cost-of-living escalator to a reorganized Social Security Program and tried to develop an Alliance for Progress in South America. We moved into the "Great Society" but the Society got off the track in Asia and this destroyed several Presidencies. Our Middle East loyalty has fostered now an energy cartel that threatens the very existence of the free world. People's expectations, unfortunately, fuel an inflation that threatens to devour us and is causing an annual National Debt escalation of 100 billion dollars per year that neither Presidents nor Congress, nor the country's brightest, economic minds can respond to. I think we need drastically a form of Wage Price Controls but again unfortunately I am a minority of one with a policy not shared by either major party and I'm not about to start a third one.

The issues that should be argued in a campaign are these and more. How do we pay for this agonizing retirement dilemma that also threatens to bankrupt the country? Those retired feel that they have been lampooned by inflation and they have. Those working remind those retired that the country is broke and it is—that retired workers in general have only paid for 10 to 15 percent of most retirement benefits and that workers are nearly belly up contributing nearly 9 percent of their earnings for current recipients' medical and support benefits.

Can the country go belly up? You bet—Britain, Italy and New York have and with the current stock market gyrations anything can happen.

Farmers are up in arms—some of them rightfully so—and I support a new farm deal, but there are many in agriculture today demanding more with as much indifference to consequences as any wildcat group in organized labor. Many conservative farmers are demanding more governmental regimentation and socialistic assistance today than was ever sought by impoverished groups before. There is no way in a realistic world that current rural demands can achieve majority Congressional support.

The President was right when in his State of the Union Message he stated "We all must moderate our aspirations". Our Society is just not healthy enough today to effectively respond to the "demands" of anybody whether it be farmers, coal miners, the elderly, the Arab shieks or our friends in Israel.

I have found that I can't effectively represent people if I am forced to seek big campaign money and prostitute myself with election promises that I know can't be fulfilled and I refuse to do so. Could I be elected again? Our informal polling collecting signatures all over the Congressional District indicates that there is better party polarity in my favor today than the last time out of the barn. The expenditure of ½ million dollars on a new campaign diatribe could alter this positive polarity and could produce a tossup come next November. Garbage and gossip would be rehashed rather than the issues I have referred to. Many people would be unnecessarily alienated—innocent people could be smeared—and for what?

I have served what I consider to be a number of extremely successful terms for the people of our District and the Country. I find I don't have an awful lot of ideas to offer that have not been successfully or unsuccessfully offered in the past. I plan that our current and last term will be extremely successful because I have a heavy shopping list to reorganize Alaska lands, rehabilitate our fisheries, try to keep the Panama Canal, fund our Central Valley Water Project, maintain the viability of our local national defense infrastructure, and vote on what I consider to be proper national priorities.

Having made the above decision I can promise to the people of the 4th Congressional District of California my unfettered best judgment in 1978.

RHODESIA AND MR. YOUNG

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. McDONALD. Mr. Speaker, my hat is off to the Washington Star once more. In its Sunday, February 19, 1978, editorial, it has again hit the target dead center. It was noticeable that when Ian Smith announced that an internal solution for majority rule in Rhodesia had finally been reached, there was no applause from Mr. Andrew Young or our Department of State. At least Great Britain was astute enough to remain silent. But our policy and that of Mr. Young's is now out for everyone to see. We will permit no solution that does not allow a terrorist triumph supported and directed by Moscow. The professed interest of Mr. Young in majority rule has been shown to be the strawman it was. The United States policy could not be more hypocritical. The editorial follows:

RHODESIA AND MR. YOUNG

Our United Nations ambassador, Mr. Andrew Young, says that the so-called "internal solution for majority rule in Rhodesia could spark a "black on black civil war." That is a possibility, especially if Mr. Young continues to sound his pessimistic note and his gloomy prophecies become self-fulfilling.

Mr. Young, for reasons he alone knows, believes that the guerrilla forces operating from Rhodesia's neighboring states must be included in any durable regime. Their co-operation would help, of course, and Ian Smith seeks it on reasonable terms. But their ambition is essentially rule or ruin, their co-operation unlikely.

Mr. Young has had an unusually free hand to speak for the United States on the delicate issues of Southern Africa. In keeping—perhaps—with his feckless view that Cubans are a "stabilizing force" in Angola, he has aligned U.S. policy with the Soviet- and Chinese-supported guerrillas of the Patriotic Front and their hard-line attitudes.

He and Dr. David Owen, the British foreign secretary, have tried to talk the Patriotic Front leadership into a more conciliatory attitude; but so far without result. They have produced no born-again revolutionaries.

While the terms for majority rule in Rhodesia were under negotiation, as they have been since November, Mr. Young's personal—some would say eccentric—diplomacy may have been defensible in a way. Keeping one foot in the guerrilla camp may have added some pressure on the white Rhodesian regime to come to terms.

But now that there is agreement between Prime Minister Smith and three prominent blacks—an agreement looking to a reasonable and workable transition to majority rule—it is time to call Mr. Young from left field. His one-man policymaking will no longer do.

The reason is simple. In the coming weeks, if all goes well inside Rhodesia, the U.S. must make a crucial choice. We must choose between supporting and welcoming the new Rhodesian government, lifting economic sanctions against it, maybe even giving it military assistance to resist the assault of Soviet- and Chinese-supplied guerrillas, and Mr. Young's obstructive and unreasonable alternative.

Since the Patriotic Front flatly refuses to cooperate in a Rhodesian settlement which it cannot dominate, the Young policy could put us in league with the outside spoilers against the internal peacemakers—even after elections, even after a government is formed, and even, conceivably, after the new regime has been endorsed by the British government. Not even Dr. Owen clings, as does Mr. Young, to the stubborn view that an internal settlement is necessarily unworkable.

The obvious question, then: Is Ambassa-

dor Young alone to run a one-man show on American policy in Southern Africa? Or will his superiors at the White House and the State Department insist, as they should, that American policy is too important to be tied to the whim of one official?

The new arrangement between Prime Minister Smith and the black moderates of Rhodesia demands at least open-mindedness on our part. If that arrangement proves fair and workable, if it is sustained by fair elections, the U.S. will have no choice consistent with our own political values but to endorse, welcome and assist it. If the Russians and Chinese and Cubans conspire to try to overthrow the new regime, we should see that the Rhodesian army has the means to defend the country.

That means Mr. Young must be weaned from his infatuation with the guerrillas. The weaning is already overdue.

THE MIDDLE-INCOME TAXPAYERS SPEAK OUT ON TAX CREDITS FOR HIGHER EDUCATION

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. HARRIS. Mr. Speaker, today I would like to share with my colleagues my testimony before the House Ways and Means Committee on H.R. 6748, a bill I introduced to provide a tax credit for certain expenses of higher education. I feel that this testimony presents an interesting prospective into the subject of tuition tax credits, since it is based on actual experiences of the middle-income families who have written to me to describe the difficulties they've encountered while financing their children's educations.

The testimony follows:

TESTIMONY BEFORE HOUSE COMMITTEE ON WAYS AND MEANS ON H.R. 6748, TO ALLOW A TAX CREDIT FOR HIGHER EDUCATION

Mr. Chairman, Members of the Committee, I appreciate having the opportuntiy to present my views on tuition tax credits. Last January, I introduced H.R. 6748, a bill to ease the financial burdens of higher education for parents and students by providing a tax credit for a certain portion of educational expenses, namely, tuition, fees, books, supplies and equipment. Since that time, the response to my bill has been overwhelming—I have received literally hundreds of letters from concerned taxpayers who feel that they will be unable to finance their children's education without some form of tax relief. Today, I would like to share some of their thoughts and experiences with you.

FAMILIES STRAPPED BY RISING EDUCATION COSTS

"Help! Help!" one woman wrote. "It's not that we begrudge money spent on our children's educations, but where will the spiraling costs stop? Any help would be appreciated."

It is well known that the cost of higher education has skyrocketed in recent years. The average total cost of obtaining a college education at a four-year public institution has climbed by 51.5% over the last 5 years, from $1,984 to $3,005; at a four-year private institution over the same period the cost has risen from $3,279 to $4,905—an increase of 49.6%. Moreover, middle-income families may face even greater challenges in financing their children's postsecondary education in years to come. According to the Oakland Financial Group of Charlottesville, Virginia, a family with a one year old child can expect to pay an average of $11,450 per year for an education in a state university when that child reaches college age. For private universities, the average yearly cost will be in the neighborhood of $20,000 by the 1990's!

One father of five wrote to express the extreme hardship he has faced trying to pay for his children's college educations. "The cost of college for the one who has graduated and the three who are currently attending has been $39,561.12. That figure is more than I earned in the first ten years in my 27-year working life. The children earned $13,056.36 of that money. However, the remainder still represents over seven years of work for me and I am only 60% of the way through."

Commented another, "Sending our daughter to college will cost us nearly 25 percent of our after-tax income. When our second daughter enters college in two years, the impact will nearly double." Yet the words of one mother of seven children summarize the anguish expressed by many middle-income parents, "Struggle is the word . . . One of our boys dropped out because he felt it was too much of a burden on us . . . I am sick inside; should we deny higher education to our children simply because they come from a large family? . . . Big corporations can deduct just about everything for their executives, including entertainment. But no deduction is allowed for working families to help them meet the rising costs of higher education."

THE MIDDLE-INCOME DILEMMA

Clearly, middle-income families are hard-pressed to meet educational expenses. Many have written to tell me that they've gone into debt that will "take a lifetime to repay;" others have taken second mortgages, and still others have depleted savings and even retirement accounts. But by and large, most of the letters I've received have expressed the following concern:

"We're too middle-class to either get some financial relief or to afford a high-priced college education for any of our children . . . Soon only the poor or very rich will be able to send their children to colleges or universities. Since the bulk of support for public education comes from middle-income taxpayers, one could question the utility of having state-supported universities if the average taxpayer cannot afford to use them."

In some instances, where both parents are working one or more jobs to help meet college expenses, taxes are swallowing a significant portion of the additional income. Said one man, "I'm tired of getting it from both sides. My income negates any consideration for aid, although I've had two children in college for the last three years, and at the same time by working harder to pay their way, I'm in a higher tax bracket."

A recent survey shows that college attendance of children from middle-income families declined 22 percent during the early seventies, while the attendance of children from lower and upper income families remained stable. It is apparent that rising educational costs and inequitable tax laws threaten to make higher education prohibitive for many families in the middle brackets. We cannot—and should not—let this happen. In my view, tuition tax relief is essential if we are to keep the doors of higher learning open to all Americans.

TUITION TAX RELIEF A MUST

My bill, H.R. 6748, attempts to correct a major deficiency in our tax laws. Presently, the tax law provides relief only for educational expenses incurred for training required to maintain one's position of employment. No relief is provided for students or parents of students who are pursuing education or training for their career. I believe it is unfair that those who need assistance the most are ineligible under our present laws.

An important feature of my bill is that it covers the broad spectrum of postsecondary education. More than 10 million students at a variety of institutions—public and private, 4-year and 2-year—would receive assistance from this legislation. Colleges, universities, community and junior colleges, business schools, trade schools, technical schools and vocational training centers are all eligible institutions under this bill.

H.R. 6748 is designed to help those people who need the most help in meeting their educational expenses, i.e., families and students in the middle-income bracket. For example, an average student attending Northern Virginia Community College would receive a tax credit for about 87 percent of his or her educational expenses. Students attending George Mason University would receive, on the average, tax credits for about 59 percent of their expenses. Although students attending more expensive institutions might receive a larger credit, a smaller percentage of their costs would be covered. A summary of this bill is attached.

Wrote a young man, "Education is the future of this nation . . . the cost of college has hindered my efforts in establishing a home. A tax credit would be most helpful." Our bright young men and women of today need the opportunity to achieve their potential. Let us make sure they have that chance.

THE FULL MARRIAGE ACT OF 1977

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. SYMMS. Mr. Speaker, since the Humphrey-Hawkins bill guarantees the right of every able American to have a meaningful job, perhaps someone should introduce a bill guaranteeing the right of every American to a meaningful marriage relationship. Herbert Stein has drafted such a bill, The Full Marriage Act of 1977, which sets a national full marriage goal. I submit this article from the Wall Street Journal of December 6, 1977, because the Full Marriage Act of 1977 is as undesirable and unrealistic as the Humphrey-Hawkins Bill:

THE FULL MARRIAGE ACT OF 1977

(By Herbert Stein)

A bill to translate into reality the right of all Americans able, willing and seeking to be married to full opportunity for a meaningful, nondead-end relationship; to assert the responsibility of the federal government to use all practicable programs and policies to promote meaningful relationships, and to clean up the American economic, social and political system in other respects.

This act may be cited as the "Full Marriage and Political Balancing Act of 1977."

GENERAL FINDINGS

Sec. 2. (a) The Congress finds that 7% of the persons in the United States over the age of 16 able, willing and seeking to be

married are not married, and that the unmarriage rate is much higher for persons between the ages of 16 and 21. This high unmarriage rate imposes serious costs upon the nation, including the following:

(1) Many of the unmarried and all of their mothers suffer severe mental anguish;

(2) Some of the married suffer envy;

(3) Unmarriage contributes to unemployment, since unemployment rates are significantly higher among unmarried males than among married males of the same age;

(4) Unmarriage contributes to inflation, since two can live as easily as one;

(5) Unmarriage contributes to the balance of trade deficit, since unmarried persons have a high propensity to buy small foreign cars, drink foreign wine and attend foreign movies.

(b) The Congress further finds that the operation of the free market assisted only by aggregate fiscal and monetary policies is not adequate to reduce unmarriage. The rate of unmarriage has risen as the money supply and the federal deficit have risen.

(c) The Congress further finds that achievement of full marriage requires the establishment of goals by the President and the coordinated use of the powers of all agencies of the federal government, along with such private action as may from time to time be found helpful by the Secretary of Health, Education and Welfare.

TITLE I—GOALS AND GENERAL POLICIES

Sec. 101. (a) The Congress declares and establishes as a national goal the fulfillment of the right of all Americans able, willing and seeking to be married to full opportunities for a meaningful relationship.

(b) The Congress further declares that no provision of this act shall be used to exercise mandatory control over any private citizen except as may be necessary to extract taxes from such citizen to achieve the purposes of this act or as it may be necessary to use powers of the federal government previously authorized or hereafter authorized to achieve the purposes of the act.

Sec. 102. (a) The Congress declares and establishes as an interim goal the reduction of the unmarriage rate for Americans over the age of 16 to no more than 4% and for Americans over the age of 20 to no more than 3%, both goals to be achieved by 1983.

(b) For the purposes of this act the terms marriage and unmarriage are defined to mean marriage and unmarriage as defined by the President of the United States.

Sec. 103. The Congress declares and establishes as a goal the equalization of unmarriage rates among the age, sex, and race categories of the population.

Sec. 104. The Congress declares that it doesn't have the foggiest idea of how to achieve the purposes of this act. Therefore, the President shall submit, within 90 days of its enactment and annually thereafter, the Annual Marriage Report of the President, setting forth:

(a) Current and foreseeable trends in births, deaths, marriages, divorces, engagements and disengagements, with an analysis of recent developments;

(b) Annual numerical goals for these variables and others affecting progress towards the interim goal stated in Section 102 (a);

(c) The specific programs and policies which the President deems necessary to achieve the goals.

Sec. 105. The President shall be assisted in the preparation of the Annual Marriage Report by a Council of Marriage Counsellors consisting of three members, one of whom the President shall designate as chairman. The three members shall be chosen to represent equally the division of the American population by age, sex, race, religion, marital status, educational attainment and geographic location.

TITLE II—STRUCTURAL REMEDIES FOR UNMARRIAGE

Section 201. The Congress declares that in fishing around for ways to reduce unmarriage no stone shall be left unturned.

Section 202. Within 180 days after enactment of this act, the President shall submit to the Congress a report evaluating the effects on the unmarriage rate of present legal restrictions on polygamy, with such recommendations as he or she considers appropriate.

Section 203. Within one year after the enactment of this act the President shall submit to the Congress a cost-benefit analysis of divorce by unilateral demand, including an estimate of the extent to which the resulting increase of marriages would exceed or fall short of the resulting increase in divorces, with such recommendations as he or she considers appropriate.

Section 204. Individuals or classes of individuals who consider their marriage opportunities to have been injured by the marriage of American citizens with foreigners may file a claim for relief with the International Trade Commission. If, after a hearing, the International Trade Commission finds that injury has been suffered, it shall submit a report with recommendations for corrective action to the President. Corrective action may consist of:

(a) Limitation of the entry of foreigners into the United States for the purpose of marriage;

(b) Limitation on the departure of Americans from the United States for the purpose of marriage; and/or

(c) Adjustment assistance in the form of a three-week, expense-paid trip for the injured party or parties to the foreign country of their choice.

(d) If the President chooses not to follow the recommendation of the International Trade Commission he shall submit a report to the Congress with an explanation of his decision.

TITLE III—SPOUSES OF LAST RESORT

Sec. 301. It is the purpose of this act to promote marriages in the following order of priority:

(a) Marriages made in heaven.

(b) Marriages arranged spontaneously and directly by the participants,

(c) Marriages arranged through the personals column of New York magazine, and

(d) Marriages arranged by mothers.

Sec. 302. Only if he or she finds that promotion of marriages of the kinds listed in Sec. 301 is inadequate to achieve the purpose of this act shall the President recommend to the Congress legislation authorizing the establishment of a reservoir of spouses of last resort. This proposed legislation shall include the following provisions:

(a) The reservoir shall include not less than 100,000 nor more than 200,000 eligible spouses of last resort. These eligible spouses of last resort shall be full-time employes of the federal government engaged for this purpose in accordance with Civil Service regulations and qualifying for compensation at the rate of a GS-9.

(b) Any unmarried American citizen over the age of 16 shall have the right to claim a spouse from the reservoir, subject to the limitation in Sec. 302(c). The Secretary of Health, Education and Welfare shall establish regulations to provide appropriate eligibility criteria to determine the order of priority of access of any person to the reservoir.

(c) No person who has rejected a bonafide offer of suitable marriage of the kinds listed in Section 301 shall have the right to claim a spouse from the reservoir within a period of 6 months following that rejection.

(d) Eligible spouses of last resort who have been claimed and married shall be removed from the reservoir but shall be promoted to grade GS-10 and remain employed at that grade for as long as the marriage arranged under this Title shall last.

(e) At the number of eligible spouses of last resort in the reservoir is depleted by marriage, resignation or death the reservoir shall be restored to its initial size by the recruiting of new employes.

TITLE IV—SEPARABILITY

Sec. 401. Whom Congress has put together, let no man put asunder.

Sec. 402. Amen.

ALIEN-SSI PROGRAM ABUSE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. GEPHARDT. Mr. Speaker, I want to call the attention of my colleagues to a report of the General Accounting Office, dated February 22, 1978, on the subject of aliens receiving public assistance payments under supplemental security income. The report concludes by recommending that the Secretary of State:

In cooperation with the Secretary of Health, Education, and Welfare, develop more stringent income criteria for judging the ability of a sponsor to support a visa applicant.

Emphasize to consular officers the importance of screening aliens who may apply for public assistance.

The report further recommends that Congress enact legislation:

Establish a residency requirement to prevent assistance payments to newly arrived aliens, if the condition upon which eligibility is established existed before entry.

Make the affidavit of support legally binding on the sponsor.

Make aliens subject to deportation if they receive Federal, State, or local public assistance because of conditions existing before entering the United States.

Most alarming about this report is the Comptroller's conclusion that restrictions in the Immigration and Nationality Act and the Social Security Act are not preventing newly arrived aliens from receiving public assistance. The report estimates that 63 percent of the newly arrived aliens receiving SSI in the States of California, Florida, Illinois, New Jersey, and New York were in the United States for 1 year or less when they applied for SSI. Further the report shows that 37,500 aliens who have been in the United States for 5 years or less, in the above-mentioned five States, receive

about $72 million in SSI benefits annually. Even though present law provides that any alien in the United States can be deported by the Attorney General if, within 5 years after entering, he or she has become a public charge from causes not affirmatively shown to have arisen after entry, only 17 of the 93,009 aliens deported between 1971 and 1975 were deported as public charges.

The report includes examples of obvious abuses of SSI by aliens:

In July 1976 a 64-year-old alien entered the United States. His daughter signed an affidavit of support in which she cited an annual salary of $25,000 and assets valued at about $130,000. The alien applied for SSI in November 1976—four months after his arrival and 17 days before his 65th birthday. As of July 1977 the alien and his wife, who had immigrated earlier, were receiving SSI benefits of $557 per month.

A 68-year-old alien entered in June 1976. She applied for SSI 9 days after her arrival and began receiving benefits of $220.07 a month in July. Her monthly benefits were later increased to $257.07, retroactive to July, when a medical examination verified that she was legally blind.

In the Ways and Means Committee in June 1977, I offered an amendment to H.R. 7200 which would have imposed a 5-year residency requirement to prevent SSI payments to newly arrived aliens. The amendment failed by a close vote and was not considered on the floor because the bill was considered on a suspension calendar. Nonetheless, I am hopeful that such an amendment will be attached in the other body and I hope we will accept such an amendment in conference if it so prevails.

I also intend to present legislation to carry out the two other GAO recommendations, for example, making affidavit of support legally binding and making aliens subject to deportation if they receive governmental assistance because of conditions existing before entry.

I hope Congress will quickly implement the thoughtful recommendations of the General Accounting Office. The support of the American people for public assistance programs is unduly strained by media reports that newly arrived aliens are immediately filing for and receiving public assistance.

The United States should continue to be a nation ready to welcome to its shores people in need, and I believe that our liberal immigration policies reflect that commitment. But the SSI program was not designed to be the incentive it has become for the world's aged, blind, and disabled to emigrate to our shores. The Congress should take swift and decisive action to restore this program to its original intent.

PANAMA CANAL TREATIES

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. SPENCE. Mr. Speaker, every one of us has been inundated with letters, telegrams, and telephone calls from constituents who wanted to express their opinions on the Panama Canal treaties. I would like to bring to the attention of my colleagues one of these expressions of concern which I have received.

Mr. Errick G. Bridwell of West Columbia, S.C., has sent me a copy of an editorial broadcast which was aired on WEAB Radio in Greer, S.C. I was impressed by this commentary, and Mr. Bridwell has expressed some of my own concerns in a humorous yet effective manner. I ask that this statement be inserted at this point in the RECORD:

It's the year 2023 and the President is angry, very angry. He's about to lose his job. There won't be any united numbers of states left. Therefore the United States of America will disappear. Preposterous you might say.

This story was given to me by a Gypsy fortune teller who viewed this future scene from gazing into her crystal ball.

Turn the calendar back to the year 1978. Americans felt we had unfairly swindled Panama out of their sovereign territory. President Carter got the Senate to give the American canal in Panama back. Of course some opposition developed, but it was weak and divided. Human rights demand we not keep any colonial possessions.

No more controversy developed until 1985. The Soviet Union filed a complaint at the United Nations. They claimed the United States had used fraud and deception in buying Alaska. America paid pennies an acre for land worth thousands. At first President Jerry Brown didn't want to return our 49th state. Yet the Russians threatened war, so we returned Alaska. After all it was on their border and had been part of their territory.

Within the year Canada lodged a request for the return of the "Oregon Territory." After months of debate the United States Senate ratified a treaty that apologized for owning part of Canada.

The Madam, then interrupted her story, to tell me that the crystal ball had become cloudy. I inquired why? She stated that Los Angeles was being given to Mexico. This was around 1990. And Mexico had so many illegal aliens living in California that Congress felt it was part of Mexico. The only people who protested were the residents of Beverly Hills.

No other territory came into question until about the year 2000. At that time France requested ownership of what was formerly the "french territory." A large minority of the public protested this claim. They argued that we had bought and paid for this land and therefore we should keep it. Reason prevailed and France got its property.

Events developed very quickly. A hurricane and volcano eruption eliminated Hawaii. Texas declared its independence which was quickly granted since all the oil had already been pumped out. Florida was returned to Spain.

The United States had gradually returned to the original thirteen colonies. Consistency remained for about 20 years. Then England got all of the colonies with the exception of Florida which was jointly owned by Spain and Walt Disney Industries. The Queen, however, refused to take the city of New York.

This was the year 2022 and the whole United States of America was made up of the city of New York. After about a year the city went bankrupt and was placed at public auction. The island was bought by China to become a garbage dump.

That ended what was finally left of the United States of America. The President and everyone esle had to move. The fortune teller then offered to read my palm.

"Forget it," I said. "The crystal ball has already given me a headache. Your story sounds incredible to me." She laughed and told me that in 1970 she predicted the story that a toothy peanut farmer from Georgia would be elected President.

"Wow, your crystal ball must really be good to make a prediction like that," I honestly stated. She replied it wasn't that good, she had predicted that Billy would be the one.

DO NOT RAISE THE BRIDGE, LOWER THE RIVER

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. BROWN of Ohio. Mr. Speaker, we have all seen how complaints or instructions can result in unexpected responses. For example, city traffic planners must be chagrined at the public's response to all those "Walk-Do Not Walk" signs on our city streets. Whenever the light changes from "Walk" to "Do Not Walk," we run.

Much the same chagrin has befallen those who have criticized the administration's natural gas pricing policies and its mishandling of the Mexican Government's offer to sell to the United States badly needed natural gas.

In December, six U.S. gas transmission companies were negotiating to import up to 4 percent of America's natural gas needs from Mexico. The gas would be brought to the Texas border from newly developed gas fields in southern Mexico by a new $2 billion, 800-mile pipeline. The companies wished to buy 2 billion cubic feet of gas each day. The price was to be $2.60 per Mcf, which was merely the world price plus a bit extra to help with the pipeline costs.

This deal is now off, due to administration pressure. The Energy Department was afraid that a price of $2.60 would be too sharp a contrast with its proposed $1.75 ceiling on the price allowed domestic producers for U.S. gas. But instead of deregulating domestic gas, the administration tried to force down the price of Mexican gas. Mexico broke off negotiations on December 23.

Mexico is a sovereign country not subject to artificial U.S. price controls. Mexico is a poor country which cannot afford to build a $2 billion pipeline in order to give away its finite natural resources at less than the world price.

In effect, the administration tried to salvage its discredited domestic energy plan by extending U.S. price controls to a foreign country. It must have reasoned as follows:

If we get the gas at $1.75, it makes our proposal look great. If we don't get the gas, we can cry "shortage" and claim we need the energy bill now more than ever!

The stage was set for this debacle last spring when administration energy planners first made the outrageous claim that no additional gas could be found in the United States at prices above $1.75. Thus, they reasoned, a price ceiling of

$1.75 would not cost us domestic production nor force us to increase our imports of OPEC oil or gas above levels which would be needed under deregulation. Therefore, there would be no added costs of expensive imported replacement fuels needlessly imposed on the Nation by the President's energy plan. In fact, there are such costs, and they are so large as to offset all or most of the costs of deregulation.

The first blatant evidence of the higher cost of energy awaiting the Nation under the energy plan came when the administration approved imports of Algerian liquified natural gas (LNG) at prices ranging from $3.26 to $4.50 a thousand cubic feet, roughly twice the price the administration is willing to let American producers receive for domestic gas. Not only is this gas from an OPEC nation, but we are to pay a price $1 to $2 greater than we would have to pay even under deregulation. How do consumers benefit from buying LNG from Algeria at $4.50 per Mcf rather than $2.25 gas from Texas? How do domestic energy workers benefit? How is our balance of payments helped?

These questions are terribly embarrasing to energy officials. Thus, when the American firms began negotiating with the Mexican Government to purchase natural gas at $2.60 per Mcf, the officials balked. Liquified gas from across the sea is one thing. At least it sounds different from American gas. However, natural gas out of a pipeline just across the border from similar gas and similar pipelines in Texas is another matter. There, the obvious absurdity of the sameness of the products and the difference in the prices too clearly pointed out the folly of the administration's regulation scheme.

And so, the administration responded to its critics. Unfortunately, it responded by running, not walking, to prohibit the importation of this badly needed gas from a friendly nation, rather than by removing price controls to give American producers a green light to increase output.

I suppose that when the public begins to complain about having to freeze in the dark under the national energy plan, the President will order HEW to distribute to every family a supply of hot water bottles and those electronic goggles the Army uses to see at night. I hope there will be enough fuel to heat the water for the bottles and charge the batteries for the goggles.

NO AMERICAN AID TO NATIONS THAT PROMOTE TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. McDONALD. Mr. Speaker, there has been much discussion in this House recently linking the issue of human rights to U.S. foreign aid policies. I agree that this issue of human rights should be of paramount importance to us. I submit that the ultimate denial of human rights is the practice of terrorism. Violent attacks on innocent noncombatants cannot be tolerated by the civilized community.

The greatest violators of human rights are the Communist countries. Not only does the Soviet Union and its puppet states deny human rights to their own captive peoples, but they are the primary organizers of transnational terrorism.

This week's terrorist murder of the distinguished Egyptian editor, Youssef Sebai, by Palestine Liberation Organization members horrified the world. The terrorists then took hostages and commandeered an airliner. These incidents took place in Cyprus where the terrorists had every reason to believe that they would have the cooperation of the authorities.

The Government of Cyprus under the late Archbishop Makarios had been a consistent supporter not only of terrorism but of every Soviet international operation. Makarios himself served on the Presidential Committee of the Soviet controlled World Peace Council. The regime of the present Cypriot President Spyros Kyprianou appears to be following the same path.

Some months ago the Government of Cyprus refused the request of the West Germans to allow them to rescue hostages on a hijacked airliner.

We all remember the dramatic and heroic rescue that took place in Somalia with the cooperation of that Government. In the most recent incident, the Government of Cyprus not only refused to help in the rescue, but treacherously ordered its troops to attack the Egyptian commando team sent on an errand of mercy, securing the deliverance of the hostages from the hands of the terrorists.

Fifteen members of the Egyptian antiterrorist unit were killed, 14 were wounded, and two more are missing. Today's Washington Post reports that a PLO squad joined with the Cypriot troops in this outrageous ambush. That 12-man PLO terrorist group used Soviet-made AK-47 machine guns. The courageous and well-disciplined Egyptian commandos, knowing that their mission was to rescue the hostages, did not fire back at the Cypriot and PLO attackers despite the casualties. The world mourns the loss of these brave antiterrorist fighters.

Cyprus began collaborating with the PLO when it was adopted by the Soviet Union years ago. Cypriot authorities have allowed the island to be used as an arms depot and safe haven for planning terrorist attacks. Late last year Irish police arrested a member of the terrorist Irish Republican Army and confiscated 5 tons of arms that had been smuggled from Cyprus to Ireland. Most of the arms were manufactured by the Soviet Union and some bore inscriptions in Arabic indicating that they had been consigned to the PLO.

Fifteen million dollars has been allocated for American aid to Cyprus this year. An additional $5 million has been recommended by the agency for International Development for fiscal year 1979.

Mr. Speaker, I suggest that countries providing support for terrorism do not deserve any American aid. When the AID bill comes up on the floor, I intend to oppose any assistance to the Government of Cyprus as long as it continues to provide support to the Soviet-organized international terrorist apparatus. Cyprus could show its good faith by turning the two terrorists now in their hands over to the Egyptian Government for trial.

In our own country, terrorist supporters have been organizing activities on behalf of the Palestine Liberation Organization. This past week, the National Lawyers Guild, a 5,000 member Communist legal front, held a miniconvention here in Washington. The meeting passed a resolution reaffirming the organization's support for the Palestine Liberation Organization.

One of those who urged the NLG delegates to pass the resolution was Victor Rabinowitz, a New York attorney who was many years ago identified as a member of the Communist Party in hearings of the House Committee on Un-American Activities. During the 1960s Rabinowitz was president of the National Lawyers Guild and for many years he has been the paid legal representative of the Cuban Communist regime of Fidel Castro.

Material was distributed at the National Lawyers Guild meeting by the Palestine Human Rights Campaign, a support organization for the PLO terrorists. This group is planning a national conference to generate sympathy for this terrorist group whose atrocities are unabated. The sponsors of the conference include Dr. Carlton B. Goodlett and Jack O'Dell (also known as Hunter Pitts O'Dell), both of whom have been identified as members of the Communist Party, U.S.A. The prime movers in the Palestine Human Rights Campaign are National Lawyers Guild member Abdeen Jabara and Dr. James Zogby.

Other sponsors include Jimmie Durham, head of the terrorist American Indian Movement's International Indian Treaty Council office in New York; Eqbal Ahmad, a fellow of the Institute for Policy Studies and its Transnational Institute which continues to have terrorist leaders on their payroll; Marxist lawyer Kenneth Cockrell, recently elected to the Detroit City Council; and self-admitted "small 'c' communist" David Dellinger.

Those performing the organizing details for the conference are listed as Priscilla Norris and Ted Swedenburg. The full list of sponsors are:

Senator James Abourezk, D. South Dakota.
Prof. Eqbal Ahmad, Sarah Lawrence College.
Daniel Berrigan.
Rev. Phillip Berrigan.
Prof. Noam Chomsky, M.I.T.
Kenneth Cockrell, Detroit City Council.
Tom Cornell, Fellowship of Reconciliation.

Judge George W. Crockett, Detroit.
Dave Dellinger, Editor, Seven Days.
Dr. Frank Maria, Chairman, Dept. of Near East, Antiochian Orthodox Church.
Jack O'Dell, Director, International Dept., Operation PUSH.
Prof. Rosemary Ruether, Garrett Seminary.
Jimmie Durham, International Indian Treaty Council.
Prof. Irene Gendzier, Boston University.
Dr. Carlton Goodlett, President, National Black Publishers Association.
Marianne Hamilton.
Dr. Edmund Hanauer, SEARCH for Justice & Equality in Palestine.
Abdeen Jabara, Atty., Assn. of Arab-Amer. Univ. Graduates.
Rev. Frederick D. Kirkpatrick, National Black Political Assembly.
Elizabeth McAlister.
Prof. Marvin Surkin.
Rev. Humphrey L. Walz, past Middle East Studies Chairman, United Presbyterian Synod of the Northeast.
Prof. James Zogby, Palestine Human Rights Campaign.

LEGISLATION TO AUTHORIZE THE GREGORY PUMPED-STORAGE HYDROELECTRIC POWER PROJECT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. ABDNOR. Mr. Speaker, the legislation I have had drafted and will introduce on February 27, 1978, will authorize the construction of a sizable hydroelectric pumped-storage facility adjacent to Lake Francis Case in Gregory County, S. Dak. In addition to valuable peaking power, this project will provide the potential for additional multipurpose benefits, including irrigation and rural, municipal, and industrial water service. Senator McGOVERN will introduce the bill in the Senate.

The text of the bill follows:

The Pick-Sloan Missouri Basin Program, authorized by the Flood Control Act of 1944 (58 Stat. 887) as amended, is hereby further amended to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct and to hydraulically, electrically and financially integrate with the existing Missouri River Basin Federal power system for operation and marketing of power, an adjacent-type pumped-storage hydroelectric facility with an estimated total capacity of 1,180 megawatts as part of the Fort Randall Dam-Lake Francis Case Project, South Dakota, with multiple-purpose use of forebay waters under conditions which the Secretary of the Army may subsequently determine, at an estimated cost of $257,900,000.

Justification for this project was addressed in the umbrella study of the Missouri River Basin conducted by the Corps of Engineers. Following are excerpts from their August 1977 report entitled "Missouri River, South Dakota, Nebraska, North Dakota, Montana: Review Report for Water Resources Development":

Uplands adjacent to the existing main stem reservoirs provide nearly unlimited opportunities to develop head for pumped storage hydro-power.

At Fort Randall a differential of 700 feet or more between the right bank plateau and the elevation of Lake Francis Case proved to be a feasible location for a pumped-storage hydroplant, which has been designated as "Gregory County." An additional opportunity was disclosed when residents of local communities and rural areas asked that consideration be given to supplying municipal and irrigation water from the Gregory County forebay.

Construction at river mile 918 of the Gregory County pumped-storage hydroelectric peaking plant consisting of three units with total installed capacity of 1,180 megawatts was chosen on the basis of the following criteria:

It offers a more cost-effective response to the region's need for added peaking capacity.

It has the most wide-spread acceptability of the three hydro-plants selected.

Expressed environmental concerns are few and even they are uncertain to occur.

Powerplant discharges may degrade the aquatic environment by increasing turbidity if fine colloidal sediment deposited by the White River should be resuspended. Pumping may cause some fish mortality unless fish screens are installed, in which case there will be some risk of gilling. Approximately 1,500 acres of terrestrial habitat now in corps will be destroyed along with a natural embayment at Lake Francis Case.

Conversion of approximately 2½ sections of land from agricultural production to forebay storage, and relocation of resident families will be necessary. Peak employment will exceed 1,000 during construction, placing a significant additional demand for services and housing on the nine rural communities within 30 miles of the project site. Addition of 50 permanent jobs will contribute to community cohesion and positive community growth. Helps meet regional power needs.

A brief summary of the project is given on pages 72 and 73 of the report:

A 1,180-megawatt pumped-storage powerplant adjacent to Lake Francis Case, located about three miles south of the Platte-Winner bridge in Gregory County, South Dakota. The pumped-storage facility would consist of a leveed-forebay with an active storage capacity of 46,800 acre-feet; a 1.6-mile long, 30-foot diameter, underground power conduit; a powerhouse with three 394-megawatt reversible pump-turbine units; and a 3,000-foot long trapezoidal-shaped tailrace section. The project would develop an average gross head of 711 feet for peaking capacity. Utilization of the reversible turbines to lift water for municipal and agricultural use to the forebay for ultimate distribution to towns and farms in and near Gregory County could be included as an ancillary function of the project. Perhaps one-half percent of the active forebay storage would be required to meet potential daily irrigation and municipal needs. The forebay operating range would be 61 feet per second and the afterbay (Lake Francis Case) operating range would seldom exceed 50 feet per year. Maximum discharge during generation periods would be 24,740 cubic feet per second and pumpback discharge would be 16,490 cubic feet per second. The forebay levee would be about 49 feet in average height and 30,100 feet in length. The water surface area of the forebay would be 1,155 acres. About 1,630 acres of private land would be required for the project including seven sets of farm buildings.

At the Gregory County pumped storage powerplant, it is expected that fall migrating waterfowl will use the forebay as a resting stop and the operating cycle will cause some circulation of nutrients. However, the project is expected to have little effect on lake temperature and dissolved oxygen content. Construction activities may add temporary increases in turbidity into the lake. The pumped storage powerplant would create three adverse effects. One is associated with construction of the plant and the two others are associated with the operation activities. The impacts from operation may be able to be ameliorated after further study but the construction impact is considered unavoidable. The effects are:

A productive natural embayment will be preempted and its flora and fauna in large measure destroyed, to provide a site for the powerplant and tailrace channel.

Operation of the powerplant in the pumping mode may draw fish into the pump turbines or otherwise inflict death or injury.

Operation of the powerplant in the generating mode may disturb sediment deposited by the White River, increasing turbidity and degrading water quality to the detriment of the aquatic community.

Transmission lines required for marketing of the additional power would:

Disturb the landscape during construction.

Take land from agricultural production for tower structures.

Increase the visual impact of lines at highways and recreation areas.

Reduce vegetation by clearing within rights-of-way.

Reduce some bird and animal populations as a result of collision with lines and clearing.

A survey will be conducted during post authorization design to determine cultural resources affected within the pool areas and the Gregory County pumped-storage project area.

Principal elements of the Gregory County pumped-storage project consist of a forebay, power tunnel, powerhouse, and discharge channel. Forebay storage of 47,100 acre-feet lies within a levee 30,100 feet long and an average of 49 feet high. An impervious liner about 3 feet thick will prevent seepage out of the forebay bottom; alternatively, a slurry trench cutoff to impervious strata may be used depending upon further geologic exploration. The forebay levee has a 15-foot crown width, and side slopes of 1 on 3 for the top 30 feet of height flattening to 1 on 5 and 1 on 7 on the landward side as dictated by topography and 1 on 5 and 1 on 10 on the reservoir side. The reservoir side of the levee is lined with 8-inch bedding material and 20-inch riprap along the 1 on 3 side slope area while the 1 on 5 slopes are lined with 8-inch bedding and 17-inch riprap. An inclined vertical pervious drain and a horizontal pervious drain permit collection and dis-

posal of seepage flows through the structure. Material for the levee embankment will come from tailrace excavation and forebay collector channel excavation. Dependable capacity was established with the forebay at minimum elevation and Lake Francis case at the base of exclusive flood control.

The Gregory County project would require about 5 years time for construction.

Material for the Gregory County forebay embankment would come from the tailrace and forebay excavation areas.

Prior to construction foundation conditions Gregory County will be evaluated for compatibility with designs, and model studies of the Gregory County project will be made to define effects on lake bottom sediment deposits.

The Gregory County pumped-storage project is designed to operate on a cycle, with on-peak generation for 9 hours a day, 5 days a week and off-peak pumpback for about 8.3 hours a day on weekdays and 13 hours each on Saturday and Sunday. It is estimated by the Federal Power Commission that a plant of this type will be utilized about 1,000 hours annually. If needed during a critical period, the project could generate continuously for 23 hours before pumpback operations had to be resumed.

The economic justification of the project is summarized, as follows:

Justification

($1,000)

	Pumped storage
Average Annual Benefits	$51,379
Average Annual Costs	33,944
Net Benefits	17,435
Benefit-Cost Ratio	1.5

Benefit summary

($1,000)

Capacity:	
Dependable	$22,140,000
Interruptible	1,025,000
Energy	27,864,000
Total Power	51,029,000
Area Redevelop	350,000
Total	51,379,000

Hydropower investment and annual cost summary

($1,000)

First Cost	$237,000
Interest During Construction	37,553
Investment Cost	274,553
Interest & Amortization	18,337
Operation & Maintenance	950
Major Replacement	77
Pumping Energy	14,580
Recreation Loss	----------
Annual Cost	33,944

Hydropower—First cost summary

($1,000)

	Pumped storage
Lands and Damages	1,372
Dam	113,600
Powerplant	88,210
Roads	4,700
Bldg., Grounds, Utilities	350
Perm. Oper. Equipment	200
Engineering & Design	15,300
Supervision & Inspection	13,268
Total	237,000

The Chicago Regional Office of the Federal Power Commission confirmed the need for additional generation capacity and agreed with the adequacy of the economics and final analysis contained in this report with respect to hydropower recommendations:

The Bureau of Reclamation, the hydropower marketing agency for this region, has recommended acceleration of design and construction of all hydropower proposals contained herein. It also certified that the investment in the hydro-facilities could be repaid from revenues in a 50-year period.

Comments by the National Park Service and the Advisory Council on Historic Preservation dealt primarily with the need for more investigation of cultural resources.

The United States Fish and Wildlife Service concluded that Gregory County pumped-storage facilities appear to be acceptable from a fish and wildlife standpoint provided fish screens and energy dissipaters are used in the afterbay area.

The corps report concludes:

Hydro-power alternatives selected were in every instance more economical than the most likely non-Federal alternative.

A ready market exists for the output from every hydro-power alternative selected.

Pumped-storage hydro-power can be constructed and operated at Gregory County with minimal environmental losses.

In view of the widespread acceptability of the Gregory County pumped-storage project, it should be undertaken first, followed by the additional power units at Fort Peck, then at Garrison.

As Congress moves to consider this legislation, I think my colleagues will come to agree. In view of our critical national energy situation, I urge that we act expeditiously to authorize the Gregory County pumped-storage hydroelectric facilities.

THE FIFTH SPECIAL SESSION OF THE UNITED NATIONS COMMISSION ON NARCOTIC DRUGS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. GILMAN. Mr. Speaker, the Fifth Special Session of the United Nations Commission on Narcotic Drugs is currently meeting in Geneva, Switzerland (from Feb. 13–24, 1978). The U.S. delegation is ably led by Mathea Falco, senior advisor to the Secretary of State and Coordinator for International Narcotics Matters. Through the good offices of Ms. Falco, I submitted a statement to the commission regarding the efforts of the international community to interdict narcotics trafficking and to eradicate the illicit supply of opium production at its source.

As many of us are aware, the problem of drug abuse and illicit narcotics trafficking has become a global problem affecting both heroin producer nations and heroin user nations, for both developed and less developed nations. Unless the international community undertakes a commitment to exercise a concerted effort to wage war on drug abuse by pooling its expertise, technology, manpower and funds, this war will not be won and the narcotics traffickers will continue to push their deadly drugs on the citizens of all mankind. No one nation can undertake the herculean task of interdicting narcotics trafficking, eradicating the illicit supply of opium production and treating the untold numbers of citizens that have become dependent upon or addicted to narcotics. No sooner is some progress made in interdicting narcotics trafficking in one part of the world, then it is offset by increased trafficking in another part of the world, and organized with its highly sophisticated operations is very adept at manipulating this illicit traffic from one region of the world to another.

In this regard, the distinguished chairman of the Select Committee on Narcotics Abuse and Control and chairman of the International Relations Subcommittee on Asian and Pacific Affairs (Mr. WOLFF), who recently led a congressional delegation on a 10-nation fact-finding mission to Asia and the Pacific, recently reported some of that delegation's findings. The select committee, of which I am a member, has learned that the resurgence of "white heroin" from the Golden Triangle of Southeast Asia (Burma, Thailand, and Laos), that is entering the United States has increased in the last 18 months from about 5 to 10 percent to approximately 30 percent, and that the amount of brown heroin from Mexico entering this Nation has declined during the same period from about 80 percent to approximately 70 percent. Furthermore, Japan, a nation of approximately 100,000 to 200,000 addicts, is a major producer and exporter of more than 500,000 tons of acetic anhydride—a critical ingredient used to refine heroin from opium gum.

In my remarks to the U.N. Commission on Narcotic Drugs, I took exception to the view that there has been a decline, first, in heroin availability and drug abuse in the United States, second, in the number of heroin-related deaths and injuries, and third, in the levels of heroin purity. I have also attempted to impress upon the nations attending the U.N. Commission's Fifth Special Session the urgency for nations of the international community to contribute (or to increase their contributions) to the U.N. Fund for Drug Abuse Control (UNFDAC), for only through a united effort will the war on drug abuse be won.

Mr. Speaker, in an effort to alert my colleagues to the magnitude of the drug abuse problem throughout the world and the seeming endless struggle in waging war on drug abuse and the highly organized criminal narcotics traffickers, I am inserting at this point in the RECORD

the complete text of my statement before the Fifth Special Session of the U.N. Commission.

STATEMENT BY THE HONORABLE BENJAMIN A. GILMAN

(Fifth special Session of the United Nations Commission on Narcotic Drugs, Geneva, Switzerland, February 13–24, 1978)

Mr. Chairman, Delegates to the Fifth Special Session of the Commission on Narcotic Drugs, although I am unable to participate directly with you in the important deliberations of this distinguished body, I do welcome this opportunity to convey my greetings to you and to share with you my thoughts and the thoughts of some of my colleagues concerning the efforts by the international community to stamp out the world-wide problem of narcotics trafficking and to eradicate the illicit supply of opium production at its source.

Ladies and gentlemen, as most of you are well aware, the problem of drug abuse is not unique to any one nation or to any particular region of the world. Rather, drug abuse has become a global problem that has reached epidemic proportions for both heroin producer nations and heroin user nations, for both developed and less developed nations. It effects all mankind causing, as you know, physical and emotional damage to the victims of narcotic drugs. No nation is immune to the devastating, debilitating effects that drug abuse causes to its citizens or to the insidious transactions of the sophisticated international criminal syndicates whose operations reach into every continent of the world and into every facet of a nation's society, corrupting public officials and private citizens, undermining the administration of justice and eventually destroying the decency, moral values, and the very roots of that nation's society. These narcotic traffickers . . . these merchants of death whose pockets are lined from the profits of human misery . . . must be checked, but the waging of "war" on drug abuse requires the concerted effort of the entire international community of the scourge of all mankind is to be eradicated from our midst.

Recently, assertions have been made, similar to those presented before this body and in other quarters, that there has been a decline (1) in heroin availability and drug abuse in the United States, (2) in the number of heroin-related deaths and injuries, and (3) in the levels of heroin purity. I must take exception to this view and to the interpretation of the available data upon which this viewpoint is based.

In the Congress, the House Select Committee on Narcotics Abuse and Control, of which I am a member, has been holding hearings on the scope of drug abuse and the extensiveness of prevention and control. From the facts revealed in these hearings, there is every reason to believe that heroin availability and the problem of drug abuse has not declined, but to the contrary, that the problem is escalating rather than decreasing.

Two salient conclusions become apparent from our hearings: (1) that we really do not know the extensiveness of the amount of heroin and cocaine that is entering the United States, and (2) that we do not know the total number of narcotic addicts, since not all cases of heroin dependency and heroin addiction are reported. Even the criteria used in determining heroin purity levels have been challenged by some of the members of our Select Committee. But we do know that narcotics trafficking is big business and that the heroin problem is herculean both in the extensiveness of the money involved in the financial transactions and in the human misery caused by the illicit trafficking.

In the United States alone, it has been conservatively estimated that narcotics trafficking amounts to an estimated $10 billion in gross annual sales and results in approximately $17 billion in drug-related crimes. According to some authorities, the number of narcotic addicts both in and out of treatment has fluctuated between 670,000 and 722,500 in the last four years. Others estimate the range between 500,000 and 800,000 and closer to the 800,000 figure. Several thousands of our citizens . . . mostly our youth . . . annually succumbing to drug overdosages.

Preliminary reports from our Drug Enforcement Administration (DEA) indicate that in 1977 U.S. drug law enforcement agencies seized a total of 888 pounds of heroin and 1,624 pounds of cocaine, which I understand is a decline from 1,213 pounds of heroin and 1,676 pounds of cocaine seized in 1976, but an increase over the 682 pounds of heroin and the 1,233 pounds of cocaine seized in 1974.

Mr. Chairman, the fluctuations in the annual seizures of heroin and cocaine do not necessarily mean that the availability of these dangerous drugs for illicit transactions has declined or that we have turned the corner in winning the "war" on drug abuse. To the contrary, it could mean that organized crime has become more sophisticated and skillful in eluding law enforcement detection.

Our drug law enforcement agencies, composed of dedicated men and women who daily risk their lives to interdict narcotics trafficking, are waging a seeming endless struggle to prevent the tide of heroin from crossing our borders and from entering the bloodstreams of our citizenry. It would be a grave error to assume that the international criminal syndicates are standing still while law enforcement agencies interdict narcotics trafficking operations or that organized crime is not developing ingenious techniques to evade law enforcement detection. Regardless of the different interpretations pertaining to the amounts of heroin seized, heroin deaths reported, or heroin purity levels sold on the street, one conclusion is inescapable: namely, that we must not be lulled into a sense of complacency by thinking that these statistics indicate that the "war" on drugs has been won.

The "war" on drug abuse is a continuous struggle against highly organized criminal syndicates whose narcotics trafficking business represent billions of dollars in profits. The mere recitation of the amounts of heroin and cocaine seized, the annual estimates of heroin deaths, or the fluctuation of the levels of heroin purity that is sold on the streets throughout the world mask this constant battle between law enforcement agencies and organized crime. For example, last month U.S. drug law enforcement agencies smashed an international narcotics operation in Las Vegas and New York, including the arrest of two individuals for allegedly carrying 45 pounds of Mexican heroin and $625,000 in cash. Preliminary reports from our Drug Enforcement Administration indicate that in January it seized 164 pounds of heroin and cocaine worth an estimated "street value" of $36 million. Last January, a major New York drug trafficker, whose international operations annually yielded an estimated $200 million in heroin and cocaine trafficking, was sentenced to life imprisonment and 10 of his lieutenants received sentences ranging from 15 to 30 years in prison.

The magnitude of this sordid, narcotics trafficking business is further exemplified by the annual report of the United Nations International Narcotics Board. Commenting on heroin trafficking trends originating from Southeast Asia, the 1977 report stated:

World seizures of heroin originating from Southeast Asia in 1976 (more than 1,600 kg) at least equaled total world seizures from all sources in 1975. Eighteen Western European countries, Canada, the United States of America and the Union of Soviet Socialist Republics have all reported substantial seizures of heroin of South-East Asian provenance. Reported seizures and Governments' estimates of the size of addict populations in Burma, Thailand, the Territory of Hong Kong, Malaysia and Singapore show that the area is a major consumer of its own illegal opium products. Nevertheless, sufficient opiates are produced to support a world-wide traffic with an increased impact. All indicators thus point to undiminished opium production in South-East Asia.

Reports of increasing heroin and cocaine trafficking from the Middle East and Latin America to Europe, Canada and the United States indicate a drug abuse epidemic of global proportions and the creation by international criminal syndicates of regional narcotics distribution centers in Amsterdam, Berlin, Miami, New York, Chicago and Vancouver. West Germany's Federal Police Director Erich Strass recently stated that last year 380 citizens from West Germany and West Berlin (mostly that Nation's youth) succumbed to drug overdosages. He estimated that the number of drug addicts in his country at about 40,000 and stated:

Their number [is] likely to increase in the next few years despite the increasing success of police in the fight against narcotics.

In Canada, heroin trafficking represents the fifth largest industry in British Columbia grossing, according to Canadian law enforcement officials, "at least $255 million a year." According to that Province's attorney general in a report entitled, "A Proposal For Reducing Drug Trafficking and Abuse in British Columbia" (March 1977), British Columbia needs over 365 pounds of heroin smuggled into Vancouver to supply its addict population for a year. The report also stated that "60 percent of the crime in British Columbia is drug-related."

Heroin addiction in Canada and in Western Europe has reached epidemic proportions to such an extent that Canadian, British, French, and Dutch law enforcement officers have joined their colleagues in Thailand, a nation that has an addict population estimated between 300,000 and 600,000, in trying to eradicate the illicit opium production.

Reports from the Middle East indicate an increase in drug abuse and poppy cultivation. Iranian officials acknowledge an addict population of 400,000. Egyptian law enforcement officers estimate that 3 to 6 tons of opium are consumed by 500,000 of that nation's citizens.

Under the leadership of my distinguished colleague, Congressman LESTER WOLFF, who was a member of the U.S. Delegation to the recently concluded U.N. General Assembly and who is the chairman of the House Select Committee on Narcotics Abuse and Control, the U.S. General Assembly recently adopted a resolution that recognized "the growing threat caused by the spread of drug abuse in many parts of the world" and requested the U.N. Economic and Social Council "to consider convening a session exclusively devoted to all problems related to drug abuse," an activity that I believe is urgently needed in order to focus global attention on the magnitude of the drug abuse problem and one which we should all endorse.

But this distinguished body must do more than pass resolutions. It must become a catalyst to arouse the consciousness of the international community to the horrors of drug dependency and drug addiction. It must exert the urgently needed leadership to wage "war" on drugs on three fronts: (1) The interdiction of narcotics trafficking, (2) the eradication of the illicit supply of opium production at its source and (3) the improved treatment and rehabilitation of the untold hundreds of thousands of citi-

zens throughout the world who have become dependent upon or addicted to drugs.

Last year, at the 27th session of this distinguished Commission, I reported to you that the Congress of the United States was concerned that its contributions to the United Nations Fund for Drug Abuse Control (UNFDAC), which amounted to about 80 percent of the fund's budget, constituted an imbalance with regard to the international community's efforts to commit itself to a concerted effort to wage "war" on drug abuse. I stated then that there is a "feeling in the Congress of the need for a broader, more equitable assumption of the fiscal responsibilities of the world's narcotic problems." Although some financial redress of this imbalance has been achieved in 1977, a "broader more equitable assumption of fiscal responsibility" by nations of the international community still remains to be resolved.

Last year from January 1 through December 7, 38 nations contributed a total of $8,051,000 to UNFDAC, of which the United States contributed $4 million or slightly less than 50 percent of the fund's budget. Under the leadership of the fund's executive director, Ambassador J. G. de Beuss, substantial contributions by Norway, the Netherlands, Sweden, Denmark, and from the private sector . . . the Japanese Shipbuilding Industry Foundation . . . totaling $3,089,000, were received. But 34 nations, many of whom are attending this conference today, contributed only $962,000 (less than 24 percent of the non-U.S. contribution) or an average of $28,294 per nation, with many nations making miniscule contributions or no contributions at all.

If more nations would fulfill their responsibility of contributing to the Fund and if the 34 nations that contributed $962,000 in 1977 would increase their contributions to the Fund, then clearly the work of the Fund could be expanded and its impact in controlling drug abuse would be more pronounced.

Mr. Chairman, as this distinguished body examines its past record, let us bear in mind that only through the concerted action by all of us attending this session, together with other world leaders, can the war on drug abuse be won. Much work remains to be done. We must intensify our efforts to interdict narcotics trafficking, to eradicate the illicit supply of opium production, to reduce the demand for drugs, and to treat and rehabilitate the maimed citizens who have fallen victim to drug abuse.

In this regard, we need to commit more money, manpower and equipment if our concerted mission—victory over drug abuse—is to be achieved. We do not have to be reminded that the narcotics traffickers are not going to stand still while we are waging war. They are not going to stop pushing their deadly drugs onto our cities, towns and in the schools throughout the world merely because our law enforcement agencies have obtained some degree of momentary success in interdicting a few hundred pounds of heroin, or in reducing some of the illicit supply of opium production, or in sentencing a few drug traffickers to prison. The international criminal syndicates are going to continue to conduct their illicit transactions, they are going to persist in feeding upon the human misery that narcotics trafficking brings to our citizens, and they are going to prevail . . . unless we exert concerted action to intensify our efforts by pooling our expertise, technology, manpower and funds in waging war on organized crime and drug abuse.

Ladies and gentlemen, the war on drugs can be won if we collectively take the initiative—if we have the courage to act upon our convictions. Well intentioned words are not enough to do the job. The time to act—to translate our words into deeds—is upon us. Let us not fail to undertake that task to fulfill our reponsibility for making the world a better place for all of us.

THE CANAL'S VITAL DEFENSE ROLE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1978

Mr. McDONALD. Mr. Speaker, the continuing need for the United States to control the Panama Canal cannot be overemphasized in today's world of growing Soviet military might and aggressiveness. Instead of becoming less vital, it is more vital, as retired Brig. Gen. Andrew J. Gatsis USA (Ret.) recently pointed out in the Veterans of Foreign Wars magazine for January 1978. If one looks at the succession of events such as withdrawal of troops from Korea, abandoning the B–1 bomber, concessions in SALT II, stopping continued production of the Minuteman missile, the trend is ominous. Giving away the Panama Canal appears to make the case that we are becoming a nation of lemings rushing to sea to destroy ourselves. The article by General Gatsis follows:

THE CANAL'S VITAL DEFENSE ROLE

(By Brig. Gen. Andrew J. Gatsis (USA, Ret.)

Protection of property and defense of the lives of its people are the sole legitimate purpose of government and national defense is the highest order of business when it comes to survival and preserving freedom.

But now, in the name of "morality," our political leaders tell us we must acquiesce in suicide and give the U.S. Canal on the Isthmus of Panama away. This grandiose sellout is cloaked in distorted projections of so-called past crimes committed by the United States against humanity. So to ease the "guilt," we must now purge ourselves and give a sizable chunk of U.S. sovereignty to a nation which is in close collaboration with Communist Cuba and the Soviet Union, nations whose ideology clearly calls for our destruction.

Advocates of the treaty, in addition to arousing a sense of remorse in the American public, are pouring it on about the dire consequences of violence in Latin America in the event their gift-bearing proposal fails. This tactic is aimed at scaring U.S. citizenry into supporting the treaty. Still fresh in their minds is the memory of the Vietnam War which their own government would not let them win.

This same gloom and doom theory which canal treaty proponents are using today was a major factor in the Vietnam defeat. The commander of all U.S. military forces in the Southern Command has clearly stated that U.S. fighting men on the Canal Zone are well prepared to protect American lives and property in the event it becomes necessary. Furthermore, conditions there are entirely different from those in Vietnam. We are closer to the area, with shorter supply lines, and are capable of choking our opponents off from any outside help. If such were not the case, however, are we going to give in continuously to every demand that comes along and refuse to fight until there is nothing left to fight for?

Most of what one hears from the current Administration regarding the military importance of the canal has been slanted to imply that it is no longer the military asset it once was, since supertankers and the Navy's big combat ships are too large to use the canal.

Contrary to what is said about its declining strategic and economic value, the truth is that this inter-ocean waterway is more important than ever to the United States because of Soviet expansion in sea power.

While the present canal is too small for some ships, hundreds of combatants from submarines to cruisers can be funneled through the transit, as can the vital fleet train needed to sustain the combatants. This ability to shift naval forces from one ocean to another also takes on added impotrance in view of the reduced size of U.S. Atlantic and Pacific Fleets.

As fighting assets become fewer, the demand for flexibility becomes greater. This compensates in part for the inadequacy of fighting ships and enables us to obtain maximum combat effectiveness with what we have. It makes it possible to meet more contingencies, with limited combat elements in reduced time through a stepped up ability for quick reaction. Quick response means shorter routes and greater speed; greater speed means surprise and early engagement. Arriving at the battle early is critical to its outcome, for this is the time victory weighs heavily in the balance.

The canal provides just the flexibility which enables forces to shift quickly from the Pacific to the Atlantic. It enhances the capability for rapid supply to combatant ships and also to fighting ground troops, wherever they might be. Furthermore, fueling requirements to operate sea power forces become less.

It is ironic that we prepare to throw flexibility away when U.S. strategic military plans for the initial stages of a hot NATO war strictly depend upon this flexibility. Specifically, these plans call for strengthening ground forces in Europe with units located in the Pacific and on the West Coast. Rationale for this military concept is inadequate conventional ground forces now positioned in Europe to cope with an all-out Warsaw Pact offensive. A force structure of 16 Active Army and three Marine divisions demands this risky strategy in view of an understrength reserve and insufficient mobilization time for building necessary reinforcements.

To implement such a plan, a rapid throughput capability for shipping military equipment, supplies and combat forces to the area of conflict is needed. Obviously, to accomplish this feat, complete control of the canal by the United States would be of the most urgent nature. Even if the proposed terms of this new treaty to provide neutrality for this critical waterway were feasible, what sovereign power in time of war would allow his enemy to share the same assets in prosecuting a war against him? Requirements of war demand unquestioned denial of every possible resource and geographic area which enhance his capability to pursue the conflict. Effective denial can be accomplished only by possessing full authority and domination over the assets in question.

In the view of the Soviet expansion of sea power throughout the world, coupled with clearly offensive Soviet naval doctrine, we cannot risk losing to the Communists this most necessary defense link. The Soviets freely admit that their offensive doctrine is designed to cut our lines of sea communications. Furthermore, since U.S. naval doctrine is defensive and one of deterrence, we must be able to respond to Soviet initiatives quickly. Limiting access routes would surely slow reaction time to any thrust the enemy might make.

If the canal is of such little importance to us economically and strategically, why are the Soviets so interested in it? Certainly their discussion with the Panamanian government last July about the periphery of

the canal and use of Colon must arouse the curiosity of the most naive person.

Freedom to use the seas at will is vital to U.S. security, both in war and peace. The system of alliances, on which U.S. security depends, cannot endure without the assurance that seabound transportation will not be interrupted or hampered. We and our allies depend upon the network of world trade not only for our prosperity, but for our survival. The first principle of the defense policy of the United States and its allies is that they must be capable of controlling the seas if their freedom in this area is challenged. Full ownership of the canal makes this possible.

Why then do the top military men in the Joint Chiefs of Staff support this treaty if the loss of the canal imperils U.S. military effectiveness? Officers on active duty do not wish to jeopardize their military careers, particularly the successful ones who have attained their rank through a combination of ability and adherence to the views of those over them. Others rationalize their actions by comforting themselves that they are good obedient soldiers. In fact, many of them will go beyond obeying orders and take new initiatives to hasten implementation in order to impress their civilian superiors with their "can-do" attitude. The Army Chiefs of Staff and chairman of the Joint Chiefs of Staff have amply demonstrated this by speaking to the V.F.W. 1977 National Convention and a gathering of retired generals and admirals, respectively, in an attempt to gain their support for the treaty. If the service chiefs are so adamant in scrapping the old treaty for the good of our defense, why did they not seek the same support against eliminating the B-1 bomber?

Certainly, they did not think eliminating the B-1 bomber would strengthen our defense. Anyone who doubts that the top military brass are not under the gun, only need be reminded of the recall of Gens. Singlaub and Starry when they spoke out against the Administration's policy on U.S. troop withdrawal from Korea and prediction of war with Communist China. Prior chiefs of naval operations, who are now retired and have nothing to lose, disagree with all the present service chiefs and vehemently stand on the position that surrendering this vital artery will be extremely detrimental to the effectiveness of military operations. This alone, should make apparent the falseness of the front the senior military leaders are presenting.

These are the issues before us: Do we wish to fritter away our sovereignty and diminish our world prestige and do we want to weaken our capability to defend U.S. national interests when the time comes? No matter what guarantees are written into the treaty, Americans should know better than to expect a country whose only authorized political party is Communist to honor such an agreement. The broken peace treaty of Vietnam is ample proof of that.

As we gradually approach a drawdown in our military fighting power, such as scratching the B-1 Bomber, stopping production of the Minuteman, which is our intercontinental ballistic missile capability, and weakening our defense posture through the SALT agreements, our leaders now attempt to let another military asset vital to our defense go down the drain.

Too many times it is forgotten that history shows the affairs of nations are not determined by almsgiving and good will toward men, but by power and the will to use it. Is America not going to heed these lessons? There is no better way to unite the country than to alert it factually to its real threat. A campaign to restore belief in American prestige could be more than encouraging to those who remember that the lack of concern for American interests resulted in two military and diplomatic blunders, Korea and Vietnam, whose effect on the destiny of America has yet to be finally determined.

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 23, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 24

7:00 a.m.

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 2522, authorizing funds for the Family Planning and Population Research Act through 1983.
Until 1:00 p.m. 4232 Dirksen Building

9:30 a.m.

Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Agriculture.
1224 Dirksen Building

Environment and Public Works
To hold hearings to review the FY 79 authorizations for the Economic Development Administration with a view to making recommendations thereon to the Budget Committee.
4200 Dirksen Building

Governmental Affairs
Civil Service and General Services Subcommittee
To hold oversight hearings on the activities of the General Services Administration.
357 Russell Building

Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
2228 Dirksen Building

Special Aging
To hold hearings on tax forms and tax equity for older Americans.
6226 Dirksen Building

10 a.m.

Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold oversight hearings on the FY 79 authorizations for soil and water conservation projects.
322 Russell Building

Appropriations
Defense Subcommittee
To continue hearings on budget estimates for FY 79 for the defense establishment.
1223 Dirksen Building

Appropriations
Hud-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Veterans Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S-128, Capitol

Armed Services
Manpower and Personnel Subcommittee
To receive testimony on deployment of U.S. troops in Korea.
212 Russell Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 2065, S. 2470, and S. 2546, to protect consumer rights and provide remedies in electronic fund transfer systems.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2348, the Domestic Offshore Communities Seaport Development Act.
235 Russell Building

Foreign Relations
To hold hearings on and to consider pending nominations.
S-116, Capitol

Governmental Affairs
To hold hearings on S. 1990, to establish as an executive department a Department of International Trade and Investment.
3302 Dirksen Building

Rules and Administration
To mark up resolutions requesting funds for activities of Senate committees and subcommittees and to consider other committee business.
301 Russell Building

FEBRUARY 27

9:00 a.m.

Agriculture, Nutrition, and Forestry
To resume hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
To hold hearings on S. 1895, to amend the Natural Gas Pipeline Safety Act.
5110 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
To resume hearings on the nomination of G. William Miller, of California, to be a Member of the Board of Governors of the Federal Reserve System.
5302 Dirksen Building

Finance
To hold hearings on proposed amendments to the Meat Import Quota Act (P.L. 88-482) so as to reduce the amount of such imports and expand the scope of such imports.
2221 Dirksen Building

Foreign Relations
Foreign Economic Policy Subcommittee
To hold hearings to review the progress of the international negotiations to

establish a common fund for commodities, debt releases for developing countries, and other North-South issues.
4221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings to reexamine Federal urban policy.
357 Russell Building

Joint Economic
To resume hearings on the President's economic report.
1202 Dirksen Building

Select Indian Affairs
To resume hearings on S.J. Res. 102, to reevaluate federal policy as it relates to changes which may need to be made to protect and preserve American Indian religious cultural rites and practices.
S-207, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Health Resources Administration, Department of HEW.
S-128 Capitol

Appropriations
Public Works Subcommittee
To resume hearings on budget estimates for FY 79 for public works projects.
S-126, Capitol

FEBRUARY 28

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial conditions of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorizations for NASA.
318 Russell Building

*Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

9:30 a.m.
*Human Resources
To hold a business meeting to consider recommendations it will make to the Budget Committee for the FY 79 budget in accordance with the Congressional Budget Act; S. 2539; the proposed College Opportunity Act; and S. 2452, creating the Hubert H. Humphrey Institute of Public Affairs.
Until noon 4232 Dirksen Building

Veterans Affairs
To consider committee budget resolution.
312 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To consider additional funding for items of the Department of the Interior and related agencies, proposed to be included in a second supplemental appropriations, and to hold hearings on budget estimates for FY 79 for Alaska Land Use.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on the nomination of G. William Miller, of California, to be a Member of the Board of Governors of the Federal Reserve System.
5302 Dirksen Building

Budget
To receive testimony from Energy Secretary Schlesinger in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on Soil Conservation Service projects.
4200 Dirksen Building

Finance
To hold a business meeting to consider recommendations which it will make to the Budget Committee on the FY 79 budget in accordance with the Congressional Budget Act.
2221 Dirksen Building

Foreign Relations
To mark up the Tax Convention with the United Kingdom of Great Britain and Northern Ireland (Exec. K, 94th Cong., 2nd sess.); Tax Convention with the Republic of Korea (Exec. P, 94th Cong., 2nd sess.); Income Tax Convention with the Republic of the Philippines (Exec. C, 95th Cong., 1st sess.); and Convention for the Unification of Certain Rules Relating to International Carriage by Air (Exec. B, 95th Cong., 1st sess.).
S-116, Capitol

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue hearings to reexamine Federal urban policy.
1224 Dirksen Building

Select Small Business
To hold hearings on small business aspects of the Administration's 1978 tax program.
424 Russell Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Education, Department of HEW.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on budget estimates for FY 79 for public works projects.
S-126, Capitol

MARCH 1

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue hearings to reexamine Federal urban policy.
5110 Dirksen Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on the proposed extension of programs under the Comprehensive Employment and Training Act (P.L. 93-567).
Until 12:30 p.m. 6226 Diirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Outdoor Recreation, and Land and Water Conservation Fund.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for elementary and secondary education programs, Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on S. 2441, proposed Federal Public Transportation Act.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
To hold hearings to receive testimony from Energy Secretary Schlesinger on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Joint Economic
To resume hearings on the President's economic report.
1202 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for school assistance in federally affected areas, and emergency school aid programs, Department of HEW.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

7:00 p.m.
Human Resources
Child and Human Development Subcommittee.
To hold hearings on S. 2523, proposed extension of authorizations for research and study of sudden infant death syndrome (P.L. 93-270).
Until 10:30 p.m. 4232 Dirksen Building

MARCH 2

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 2234, FY 79 authorizations for the Bureau of Land Management, Department of the Interior.
3110 Dirksen Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on the reauthorization of the Comprehensive Employment and Training Act (P.L. 93-567).
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
*Select Indian Affairs
To hold hearings on budget estimates to provide for the use and distribution of an award granted by the Indian Claims Commission to the Seminole Indian Nation of Florida.
357 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearinsg on budget estimates for FY 79 for the Consumer Product Safety Commission.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Park Service.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Education Department of HEW.
S-128, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Washington Metropolitan Area Transit Authority and the Civil Aeronautics Board.
S-126, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 2441, proposed Federal Public Transportation Act.
5302 Dirksen Building

Budget
To receive testimony from Defense Secretary Brown in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Foreign Relations
To hold hearings on S. 2420, proposed International Development Cooperation Act, and FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on budget estimates for FY 79 for the Office of Education, Department of HEW.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 3

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Environment and Public Works
Resources Protection Subcommittee
To resume hearings jointly with the Energy and Natural Resource's Subcommittee on Public Lands and Resources on S. 1820, to preserve examples of America's diverse natural ecological resources for classification, identification, and protection.
4200 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommitteo
To hold hearings on S. 2534, authorizing funds for the Health Maintenance Organization through 1983.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings to receive testimony from Secretary of the Interior Cecil Andrus, on budget estimates for FY 79 for the Department of Interior.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on spending practices of individual departments (Mission Budgeting) at HEW, and on budget estimates for FY 79 for the Health Care Financing Administration, Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 2441, proposed Federal Public Transportation Act.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on FY 79 authorizations for the Department of Energy.
6226 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on S. 2420, proposed International Development Cooperation Act, and on FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Consumer Product Safety Commission, Office of Consumer Affairs, and Consumer Information Center.
1318 Dirksen Building

MARCH 6

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on the financial condition of American agriculture, including the impact of 10 percent of parity.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on FY 79 authorizations for HUD.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on the nomination of Robert D. Thorne, of California, to be an Assistant Secretary of Energy.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To resume hearings on budget estimates for FY 79 for the Office of Education, Department of HEW.
S-128, Capitol

6:00 p.m.
Veterans' Affairs
To resume hearings on a National Academy of Science study of health care for American veterans.
Until 10:30 p.m. 6226 Dirksen Building

MARCH 7

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial conditions of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 50, the Full Employment and Balanced Growth Act.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold oversight hearings on the Disaster Relief Act.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings in connection with the protection of human subjects used in experimental research.
Until 12:30 p.m. 357 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Surface Mining.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Human Development and special institutions, Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs, and funds for NATO.
S-146, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by hank holding companies and other banks.
5302 Dirksen Building

Energy and Natural Resources
To hold a business meeting on pending calendar business.
3110 Dirksen Building

*Government Affairs
Federal Spending Practices and Open Government Subcommittee

To hold oversight hearings on the SBA minority business program.
3302 Dirksen Building

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from officials of the VFW.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on budget estimates for FY 79 for the Office of Human Development and special institutions, Department of HEW.
S-126, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 8

8:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 1728, the proposed Domestic Violence Prevention and Treatment Act, and related bills.
Until 11:30 a.m. 457 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 50, the Full Employment and Balanced Growth Act.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To consider pending legislation.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Arts.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by bank holding companies and other banks.
5302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act.
4221 Dirksen Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings on S. 1753, to extend and amend the Elementary and Secondary Education Act.
1318 Dirksen Building

2.00 p.m.
Appropriations
Transportation Subcommittee
To hold hearing on budget estimates for FY 79 for the Coast Guard and St. Lawrence Seaway Development Corporation.
1318 Dirksen Building

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

9:30 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Fish and Wildlife Service.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol

Budget
To receive testimony from HEW Secretary Califano and Labor Secretary Marshall in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
To hold a business meeting to consider recommendations it will make to the Budget Committee for the FY 79 budget in accordance with the Congressional Budget Act.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on the Administration's request for the economic support fund.
4221 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the U.S. Tax Court and certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2478, FY 79 authorizations for the National Rail Passenger Corporation (Amtrak).
318 Russell Building

9:30 a.m.
Human Resources
Handicapped Subcommittee
To hold hearings on vocational rehabilitation and developmental disabilities.
Until noon 4332 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Environmental Protection Agency and Council on Environmental Quality.

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent esolution on the FY79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2553, FY79 authorizations for the Maritime Administration.
235 Russell Building

Energy and Natural Resources
To continue business meeting to consider recommendations it will make to the Budget Committee for the FY79 budget in accordance with the Congressional Budget Act.
3110 Dirksen Building

Foreign Relations
Foreign Assistnace Subcommittee
To hold hearings on contributions to international organizations, and on the administrative and personnel requirements of the proposed new organization which is to administer the aid program.
4221 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2502, to authorize the States and the Indian tribes to enter into mutual agreements respecting jurisdiction and governmental operations in Indian country.
457 Russell Building

MARCH 13

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2354, to provide for equal access to courts.
2228 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on FY79 authorizations for HUD.
5110 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on FY79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY79 authorizations for the Department of Energy.
3110 Dirksen Building
Foreign Relations
To hold hearings on U.S.-U.S.S.R. relations.
5221 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 2478, FY 79 authorizations for the National Railroad Passenger Corporation (AMTRAK).
235 Russell Building

MARCH 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
6226 Dirksen Building

9:30 a.m.
Environmental and Public Works
Transportation Subcommittee
To hold hearings on proposed funding of roads on Indian lands.
4200 Dirksen Building
Human Resources
Handicapped Subcommittee
To resume hearings on vocational rehabilitation and developmental disabilities.
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of services for Members of Congress.
5110 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Forest Service, Department of Agriculture.
1114 Dirksen Building
Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on FY 79 authorizations for HUD.
424 Russell Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Foreign Relations
To continue hearings on U.S-U.S.S.R. relations.
4221 Dirksen Building
Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building
Select Indian Affairs
To hold hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
357 Russell Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To hold hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Postal Service, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Judiciary
Citizens Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2390, the Citizens' Access to the Courts Act.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 2065, to provide consumer rights and remedies in electronic fund transfer systems.
5302 Dirksen Building
Budget
To receive testimony from Federal Reserve Board Chairman-designate Miller in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2552, FY 79 authorizations for the U.S. Travel Service.
235 Russell Building
Foreign Relations
To continue hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Buidling
Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 16

8:00 a.m.
Veterans' Affairs
To resume hearings on H.R. 5029, authorizing funds for hospital care and medical services for certain Filipino combat veterans of W.W. II, and S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government.
Until 11:00 a.m. 357 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building
Judiciary
Constitution Subcommittee
To continue hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
6226 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Smithsonian Institution.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold oversight hearings on FDIC report on preferential bank lending policies.
5302 Dirksen Building
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building
Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building
Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
Room to be announced

10:30 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for National Highway Traffic Safety Administration.
S-126, Capitol
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 17

10:00 a.m.
Budget
To receive testimony from Secretary of HUD Harris in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2444 and S. 2437, relating to a national program of dam inspection.
4200 Dirksen Building

MARCH 20

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on the implementation of the Solid Waste Disposal Act.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, the Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4332 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Mines.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Budget
To receive testimony from Representative Bolling in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

6:30 p.m.
*Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 258, the Children and Youth Camp Safety Act.
Until 10:00 p.m. 4232 Dirksen Building

MARCH 21

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building
Veterans' Affairs
To mark up S. 364, to provide for judicial review of administrative decisions promulgated by the VA, and to allow veterans full access to legal counsel in proceedings before the VA, and S. 2384, the Veterans and Survivors Income Security Act.
412 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-128, Capitol
Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the National Science Foundation.
1318 Dirksen Building
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Land Management.
1114 Dirksen Building
Appropriations
Transportation Subcommitee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
S-126, Capitol
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act, and FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2552, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the Defense Civil Preparedness Agency, CSC, Federal Labor Relations Council, and the FEC, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 22

9:00 a.m.
Human Resources
To hold hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
2228 Dirksen Building

9:30 a.m.
Environmental and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
HUD—Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the National Science Foundation and Office of Science and Technology Policy.
1318 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2158, to permit the storing of foreign-caught shark fins at U.S. foreign trade zones for eventual exportation to foreign countries.
235 Russell Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the GSA, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 23

9:00 a.m.
Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed construction of a Federal Interstate Highway near Memphis Tennessee.
Room to be announced

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol
Foreign Relations
To hold hearings to receive testimony from Secretary of State Vance on the Administration's proposed arms transfer policy.
4221 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain Independent Agencies, and on supplemental appropriations for FY 78.
1224 Dirksen Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol
Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

APRIL 5

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates

for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
5302 Dirksen Building

Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
318 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AM-VETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6226 Dirksen Building

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building

APRIL 7

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

APRIL 10

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on authorizations for FY 79 for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judiciary Machinery Subcommittee
To hold hearings on S. 2253, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed Federal Aid highway legislation.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings in budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

Select Indian Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building

APRIL 13

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 14

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 17

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume mark up of proposed Federal aid highway legislation.
4200 Dirksen Building

APRIL 18

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the competitiveness of high technology U.S. exports in world markets and the potential adverse impact on exports from declining research and development expenditures by the U.S. Government and industry.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgement of a Federal relationship.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgement of a Federal relationship.
318 Russell Building

APRIL 21

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

APRIL 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 National Transportation Safety Board and the ICC.
1224 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

CANCELLATIONS

FEBRUARY 27

9:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume oversight hearings on U.S. export policy.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the impact of building codes on housing rehabilitation.
5302 Dirksen Building

SENATE—*Thursday, February 23, 1978*

(Legislative day of Monday, February 6, 1978)

NOTICE

Effective Wednesday, March 1, 1978, the Laws and Rules for Publication of the **Congressional Record** will be amended to identify statements or insertions in the **Record** where **no part of them was spoken.** Unspoken material will be preceded and followed by a "bullet" symbol, i.e., •.

Since procedures in the House and Senate differ, variations of the Laws and Rules for Publication for each body are as follows:

1. **HOUSE AND SENATE FLOOR PROCEEDINGS**

(a) When, upon unanimous consent or by motion, a prepared statement is ordered to be printed in the **Record** and **no part** of it is spoken, the entire statement will be "bulleted."

(b) If a Member verbally delivers the **first portion** of the statement (such as the first sentence or paragraph), then the entire statement will appear **without** the "bullet" symbol.

(c) Extemporaneous speeches supplemented by prepared statements **will not** be "bulleted."

2. **SENATE ONLY**

(a) **Additional Statements.** All **unspoken** prepared statements submitted for printing in the **Record will be** "bulleted"; and

(b) If the statement is **not germane** to the pending or unfinished business before the Senate, it will be printed in the **Record** under the heading of "Additional Statements";

(c) If, however, the unspoken prepared statement **is germane** to the pending or unfinished business, it will be printed in the **Record** as part of the debate on the matter being considered.

(d) **Routine Morning Business. Unspoken** prepared statements submitted with the introduction of legislation, notices of hearings, or any other "first person" statement **not spoken** will be printed in the **Record** with the "bullet" symbol and will appear in the **Record** at the appropriate place during Routine Morning Business.

3. **HOUSE ONLY**

(a) **One-Minute Speeches and Special Orders.** If **no portion** of such statements is spoken by the Member, the entire statement **will** be "bulleted."

(b) **Extensions of Remarks.** All statements **not spoken** by the Member will be "bulleted." If, however, a portion of a statement **is delivered verbally** by the Member, revised, but **not** received by GPO in time to appear in the **Record** for that day, it will be printed **without** the "bullet" symbol in a subsequent issue of the **Record** under "Extensions of Remarks."

By order of the Joint Committee on Printing.

FRANK THOMPSON, JR., Acting Chairman.

The Senate met at 10 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Honorable KANEASTER HODGES, a Senator from the State of Arkansas, offered the following prayer:

O God our Creator, we your creatures offer our prayers to You this morning. Purge our hearts of the dangers of religious pride in public prayer. Help us, our Father, as we seek this day to do Thy will. We pray today not just for the Senators, but also all those who serve here so well in every capacity—without them no progress would be made—whose contributions are as necessary as the foundation in a good building. We overlook them too often, and we thank You this morning for their labors in these vineyards.

Help us this day to better ourselves and to serve others, for its opportunities will not come this way again. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 23, 1978.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, prior to the resumption of consideration of the treaties, I ask unanimous consent that the distinguished minority leader may have restored to him his 10 minutes under the regular standing order, which had been obliterated by yesterday's order.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The Senator from Tennessee is recognized for 10 minutes.

Mr. BAKER. Mr. President, I thank the Chair. I yield the entire 10 minutes to the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, I thank the distinguished minority leader for this courtesy.

SENATE RESOLUTION 401—SUBMISSION OF A RESOLUTION RELATING TO THE COAL STRIKE

(Referred to the Committee on Human Resources.)

Mr. SCHMITT. Mr. President, the United States is faced with a potentially grave national emergency if there is a continuation of the coal strike. This strike, which began on December 6, the longest coal strike in the history of the United States, is occurring during a winter that has been especially severe in certain parts of our country.

Our Eastern and Midwestern States have been especially hard hit by severe winter storms and record snowfalls. Furthermore, according to the National Weather Service, the weather outlook for the next month offers no relief. Last week the Weather Service issued its 30-day outlook for weather patterns covering the period from mid-February to mid-March. The report stated that temperatures are expected to average below normal in the East and Midwest, those States which are heavily dependent on coal as a source of fuel. A climate expert for the National Oceanic and Atmospheric Administration has also stated that the cold spell for the East and Midwest will last longer this year than last.

Within this context, we must consider the impact of the coal strike. Since December 6, 80 days, little or no coal has been delivered to utilities and factories. As a result, utilities throughout the East

and Midwest have been buying power from other areas of the country. In addition, they have been instituting cutbacks. Businesses and factories have also been forced to institute voluntary cutbacks in their use of energy in many parts of the affected areas. In some areas, such as Marietta, Ohio, these cutbacks in energy usage have become mandatory.

The February 4 issue of the Washington Post carried a news article which began:

Coal supplies are down to "potentially dangerous" levels at electric utilities serving 33 million persons in the eastern and midwestern United States, President Carter was told yesterday.

It is now 20 days later and the situation has worsened considerably. The President has already declared Indiana and Ohio energy disaster areas. Utilities have been cutting back on power; industries are laying off workers. In Indiana, the National Guard was called out to help deliver the little coal available to the utilities.

Nor are these the sole example of the adverse impact of this strike. On February 3, 40 percent of the power in the Allegheny Power System came from other systems. Ohio Edison Co. is scheduled to cutback its power supply by 50 percent this week. State officials in that State are predicting additional job layoffs of up to 1.3 million workers by the end of the month.

General Motors and Chrysler have stated that they might have to halt all auto output nationwide if the vital parts plants in Ohio and other States are forced to close. As the strike continues, this situation becomes more imminent.

In St. Louis, Noranda Aluminum Inc., has already laid off 300 employees due to a shortage of fuel. The Bethlehem Steel Corp., complex at Sparrows Point, Md., have scheduled 500 layoffs for this week due to the coal strike. In West Virginia, Governor Rockefeller has ordered a cutback of State spending including no new hiring or purchasing of equipment. This is also directly related to the coal strike.

No segment of our society, not even students, is untouched by this strike. Indiana University has extended its spring vacation by 2 weeks to save electricity.

There can be no doubt, Mr. President, that the coal strike is having severe adverse impact on most of the country. U.S. News & World Report of February 27 writes:

Not even quick agreement on how to settle the coal strike, now into a record third month, will prevent massive disruption in the U.S. industrial heartland.

Whether we consider the closedown of industries and layoffs of workers or the pollution of our air due to a relaxation of air pollution requirements in hopes of increasing coal efficiency, our citizens are feeling the adverse effects of this strike. As the strike and the cold weather continue, every person in the East and Midwest will feel its effect.

The strike is also upsetting the economic recovery of the United States. The battle against inflation and unemployment will have served no purpose if this strike continues, for the effect will be both inflation and unemployment.

With all of these hardships, the fact is that, as the Washington Star on February 1 put it, "the principal victims of the current strike have been the miners themselves."

This, Mr. President, is the tragedy of the situation. The miners have not received pay checks for 2½ months. They and their families are receiving no medical benefits from the health and welfare fund because the fund has run dry.

As if this were not enough, 80,600 retired miners have had their retirement benefits suspended this month. Since the pension and health benefits are financed from production royalties, there have not been contributions to these funds since the beginning of the strike. The pension fund now has $1.5 million with monthly obligation of about $20 million. No benefits were paid for this month.

Mr. President, the retired miners are probably those individuals who will suffer the most from this strike. They face the same cutback of power which all individuals in the East and Midwest face. They also face an end to the pension check on which they so heavily depend. According to the Washington Post of January 18, "a number of retirees have written the (pension) funds' officers saying they will be forced to sell homes to meet living expenses."

Even in the areas where United Mine Workers are not striking, retirees have still lost their benefits. Parts of New Mexico face this situation. The strip mines in New Mexico have settled their dispute, but the retired miners from those areas, who depend on their pension checks, are still made to suffer. I have been contacted by two sisters, constituents of mine, asking for help for their 91-year old father. He is a retired coal miner who has no other income and is dependent on that pension he worked so hard to earn.

The York Canyon Mine in Colfax County, N. Mex., is on strike. The economy of Colfax County is dependent on the mining of coal. In addition to the miners and their families who have received no pay or medical benefits, and the retired miners who have had their pension benefits suspended, the small businesses of Raton, the major town in Colfax County, are facing severe economic problems. The businesses and banks have no significant cash flow or cash reserves. Debts are completely out of the control of anyone.

It is imperative that the production of coal resume to provide pension and medical benefits to retirees, to provide power to utilities and industries as well as individual homes, and to restore economic vitality to the many parts of our Nation which are stagnating. It is for these reasons that I join with Governor Rhodes of Ohio and Senator Lugar of Indiana in calling upon the President to invoke the Labor Management Relations Act, commonly known as the Taft-Hartley Act for an 80-day cooling off period. Negotiations will continue during that period. It is important that the President continue to maintain an active interest in these negotiations and instruct Secretary Marshall to continue his involvement in the negotiations. But, Mr. President, the rest of the country cannot be made to suffer through the remainder of a severe winter with no assurance of a continued supply of power.

Nor should retirees be unfairly denied the benefits on which they depend, other workers be laid off, and the country's economic recovery compromised, without the President at least using the provisions of existing law which are especially designed to prevent or mitigate such dire consequences as we are now facing.

For all of these reasons, Mr. President, I am submitting a resolution (on behalf of myself and Senator BARTLETT) urging the President to invoke the Labor Management Relations Act for an 80-day cooling off period. This period may provide the atmosphere for a fair and equitable settlement to the strike. It will guarantee the continued "national health and safety" which is now being threatened. I ask my colleagues to support this resolution with their cosponsorship and to urge the President to take immediate and decisive action in this emergency situation.

I ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas negotiations in the coal strike, which began on December 6, have not resolved the dispute and no breakthrough in the negotiations seems imminent;

Whereas pension and medical benefits for coal miners are dependent on coal production and therefore have been suspended due to the strike;

Whereas retired miners who are highly dependent on their pensions are experiencing severe economic problems due to the suspension of their pension benefits;

Whereas certain areas of the United States which are dependent on coal as a major source of energy are experiencing severe shortages of coal during an especially severe winter;

Whereas continuation of the coal strike will result in the shutdown of various industries which will have an adverse impact on the economic recovery of the United States; and

Whereas a back-to-work cooling off period will both prevent an adverse impact on the economy of the United States and restore benefits to retired miners and may provide the atmosphere for a settlement to the strike: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States invoke the Labor Management Relations Act, 1947, commonly known as the Taft-Hartley Act and seek an injunction to order the coal miners back to work for an eighty day cooling off period.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may speak for 3 minutes, as in legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the President of the United States is doing everything that I think he possibly can to bring about a resolution of the coal strike. The BCOA is meeting today and the President and the Secretary of Labor are closely observing these meetings. The Secretary of Labor has been lending his presence to many of these meetings. He has been actively participating in the effort to bring the two sides together for several days now. The Federal Government, through its mediation service, was active long before that.

I do not believe that the invoking of the Taft-Hartley Act will solve this problem. I see the Taft-Hartley Act as a last resort. The Taft-Hartley Act is not going to mine coal. What we want to do is find a solution which will get the coal mined, to get it on the way to the market, to get the people back to work.

I would hope that the BCOA today would accept a P&M settlement as a nationwide approach to this matter, and if BCOA does not accept that P&M approach, which the union, I understand, has indicated it would be agreeable to, then it would seem to me that the Government ought to come in with its own package, its own contract, and submit it to the two sides. Perhaps that contract will be based largely on the P&M approach.

It seems to me the Government ought to try to at least go that extra mile before it attempts any other approach.

If it comes down to the matter of seizure, that would require legislation. If the President, in his wisdom, on the basis of counsel by the people who advise him, on the basis of the facts as he sees them, submits legislation which would provide for seizure, I, for one, would do whatever I can to expedite action on that legislation. But before that comes, I think the President ought to continue to do as he is doing, trying to get the two sides to work this out amicably and get it done quickly.

Again I say, I hope the BCOA will accept the P&M program or approach because that will get the mines back to working, I believe, and resolve this decision.

As to Taft-Hartley, that must be only the last resort. I do not believe we have yet reached the point where that is the best medicine in the world.

Mr. SCHMITT. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SCHMITT. I think the Senator's statement about the acceptance of the P&M contract which had been negotiated is excellent. I do not, however, feel that the Taft-Hartley Act is the last resort. I would say that the Government imposing seizure of the mines would be the last step.

Mr. ROBERT C. BYRD. Of course, I would not agree with that at all.

Mr. SCHMITT. The Taft-Hartley Act is existing law.

Mr. ROBERT C. BYRD. It is existing law but it does not get the coal mined. That is the problem, to get the coal mined.

Mr. SCHMITT. I believe the Senator is drawing the assumption that the imposition of that act would not mine coal.

Mr. ROBERT C. BYRD. The Senator is drawing the assumption that it will. He has a right to that assumption.

I have seen it tried before. I do not quarrel with the Senator for expressing his viewpoint. He has the right to do that. He has expressed it. My viewpoint is different.

Mr. SCHMITT. If the majority leader will yield further, I respect his opinion, but I do feel, however, that seizure of the mines will not mine coal any more than any other technique. I also am afraid that organized labor and management will regret the day that this Congress imposes binding arbitration in this strike because it would become a precedent in future strikes. I do not think industry and labor in this country will accept that.

Mr. ROBERT C. BYRD. I think the Senator and I would agree that the best way would be for the two sides to work this out between themselves.

Mr. SCHMITT. There is no question about that.

Mr. ROBERT C. BYRD. I hope they will continue to do that. I believe both sides have expressed their interest in doing that.

The ACTING PRESIDENT pro tempore. The time of the Senator from West Virginia has expired.

Mr. SCHMITT. Have I any time remaining?

The ACTING PRESIDENT pro tempore. There is no time remaining.

Mr. SCHMITT. I ask unanimous consent——

Mr. ROBERT C. BYRD. Mr. President, we can talk about this subject later, but I ask unanimous consent that I may have 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield to the Senator from New Mexico.

Mr. SCHMITT. I thank the majority leader.

I think it is imperative, as I said in my statement, because of the urgency of our situation. If we settled that strike today we would still have a national emergency in terms of our economic recovery and the ability of this country to employ its people, heat its homes, and to survive with all the energy needs that the East and the Midwest require, not to mention those retired workers who are suffering now through no fault of their own.

Mr. ROBERT C. BYRD. Mr. President, I ask for 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to refer to the Senator's recognition for the need for action. I have said that I do not believe the time has yet arrived to invoke the Taft-Hartley Act. Other steps can be taken and ought to be taken.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The second assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The ACTING PRESIDENT pro tempore. Article I is open to amendment.

The Senator from Alabama.

Mr. ALLEN. I do have an amendment to article I. I had not planned to offer it today, although, after discussing the matter with the distinguished majority leader, there are conditions under which I would be willing to offer the amendment. This is amendment No. 40.

What it does is take article I and, by a substitute, knock out all of article I and then, with the substitute, reinstate article I with a proviso. This would be the appropriate place to offer this amendment.

The ACTING PRESIDENT pro tempore. Does the Senator offer the amendment?

Mr. ALLEN. No, sir, the Senator does not offer the amendment. I am discussing article I and the relationship of my anticipated amendment to article I and the need for amendment of article I.

Article I, as contained in the Neutrality Treaty, provides as follows:

The Republic of Panama declares that the canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama.

Then, the substitute which I would add to that language, which would be reinstated by my substitute, provides that the military presence of the United States in what was the Panama Canal Zone on September 7, 1977—and I chose that date because that was the date on which the President and the dictator, Torrijos, signed the treaty—shall be continued beyond December 31, 1999, if the President of the United States deems it necessary for the defense of the canal or the maintenance of the neutrality thereof and shall, prior to December 21, 1999, so certify to the Government of Panama. That would be filling a need or suppying a provision to rectify the omission in the so-called leadership amendment.

The leadership amendment, which, as

I understand it, will be offered to article IV, and then another one to article VI—together, they constitute what I call and what is usually called the leadership amendment. I might mention parenthetically, to show why the Senate should have reverse order of these treaties, and this point was made by the distinguished Senator from Virginia (Mr. SCOTT) on yesterday, this article I in the Neutrality Treaty says:

The Republic of Panama declares that the canal, as an international transit waterway, shall be permanently neutral . . . .

Mr. SCOTT asked, What became of the United States? Are they not also declaring the canal neutral? It illustrates why we should not have gone to the Neutrality Treaty first, because, obviously, the amendment, even though it goes into effect at the same time as the Panama Canal Treaty, is really not effective until the start of the next century, because the Panama Canal Treaty provides that the United States shall provide the major defense for the canal during the rest of this century. So it is clear proof that this Neutrality Treaty really does not become effective until the start of the next century by the very wording of article I:

The Republic of Panama declares that the canal is neutral.

Well, there is no need of saying, "United States," because we are pulled out completely by the year 2000. But the leadership amendment overlooks the fact that, by the year 2000, the United States will have been obligated, under the terms of the Panama Canal Treaty, to pull all of our troops out of Panama by the year 2000, when, in effect—when, as a matter of practical application—the Neutrality Treaty will come into play. So, we have the anomalous situation that we are trying to provide for the defense of the canal and, yet mandate that we get out of the Canal Zone during this century.

All right. We are out of the Canal Zone at the start of the next century. And, yet, the leadership amendment would say that the United States shall have the right to defend the canal and maintain its neutrality, and it gives that right, but deprives us of the means of doing it, because all of our troops will be out. If we ever decide that we want to go back in to defend the canal or to protect our interests there, or to maintain its neutrality, we have to come into Panama as invaders.

We would either have to have an amphibious landing or we would have to land paratroops there. Either action on our part would cause tremendous international reverberations and would certainly not be conducive to peaceful relations between the United States and Panama and Central and South American countries. So the purpose of my amendment to article I would be to put first things first and spell it out right here, in article I.

The proponents of the treaties, in debate yesterday, said:

We cannot consider the Panama Canal Treaty first; we would have to vote against it. We have first to determine the matter of a proper defense of the canal and maintain its neutrality. We have to get that established.

All right, Mr. President, if we are going to establish the guidelines, if we are going to establish the conditions under which we have a right to defend the canal and maintain its neutrality, let us decide it right here in article I.

What does my proposed substitutes do then for the leadership amendment and for our right to defend the canal and protect our national interests?

Mr. President, we do not know what the political conditions in Panama will be starting with the year 2000. They may go from bad to worse down there.

We know that dictator Torrijos came into power in Panama under a coup d'etat. He was not elected. They do not know anything about free election of their public officials down there. He has never been voted in by the people in Panama.

We understand that he is a left-leaning dictator. We know that he has little or no respect for human rights. We know that he has cozied up to dictator Fidel Castro in Cuba. We know that Russia casts covetous looks at the Panama Canal and the Panama Canal Zone.

We do not know who will be in control of Panama at the year 2000. Panama might be a Communist satellite, it might be a Russian satellite, it might be a Cuban satellite. But I think we can safely assume it is not going to be the world's greatest democracy.

Mr. President, the way to assure they are not going to have a democracy in Panama is to agree to these treaties.

Why do I say that?

Panama, under the treaty—and my authority for this is Economic Minister Baretta of Panama—skim off from toll revenues, and other sources, $2.262 billion in the next 22 years.

Obviously, that runs a little over $100 million a year that Panama is to receive. That will support a whole lot of the dictatorial government in Panama. It will be a godsend to dictator Torrijos.

Just think of adding $100 million a year to the revenues of this dictatorial regime. Obviously, it would perpetuate in office Mr. Torrijos and his regime. It would allow him to continue his failure to recognize and observe the human rights of the Panamanian people.

After all, Mr. President, we are supposed to have a national policy of protecting human rights around the world. I applauded the President for his stand and his drive for seeking to get other nations to respect human rights as we do in this country. But if we give a dictator $100 million a year, with no strings attached, what reason is there to believe he is going to change his policy?

Mr. LAXALT. Will the Senator yield for a question?

Mr. ALLEN. I am delighted to yield to the Senator.

Mr. LAXALT. Will the Senator from Alabama indicate what the present level of payment from the United States to Panama is? It is true, is it not, it is about $2,300,000 a year, the present level of payment?

Mr. ALLEN. The present annuity?

Mr. LAXALT. Yes.

Mr. ALLEN. It is $2,300,000.

I might say at that point to my distinguished colleague, the distinguished Senator from Nevada (Mr. LAXALT), that I am not particularly disturbed about making a substantial increase in the amount of the annuity we pay Panama.

I would be willing to see a tenfold increase in this amount, provided we continue with the control, the maintenance, and the defense of the canal. If we keep the status quo there, then the dollars and cents of it, up to a reasonable amount, would not bother the Senator from Alabama.

Make it $25 million, but keep the defense of the canal, the maintenance of the canal, and the operation of the canal in American hands. That would be my notion of a proper treaty.

Mr. LAXALT. I thank the Senator from Alabama.

Mr. ALLEN. And it can actually be done without the treaties, of course.

Mr. LAXALT. I think it is important that distinction be drawn, because those of us who oppose the treaties, on the floor here and otherwise, have been placed in the posture of turning our backs on the Panamanians when nothing could be further from the truth.

Mr. ALLEN. That is certainly true.

Mr. LAXALT. It is true our principal concern is protecting a vital, strategic facility for security of this country and the hemisphere.

Mr. ALLEN. Yes. That is certainly the truth.

Mr. LAXALT. For the purpose again of the record, what is the present military component that we have in Panama, in very general terms?

Mr. ALLEN. We have 14 military bases there to defend the canal. Under the treaties, as soon as the Panama Canal Treaty is agreed to, we would drop from 14 bases down to 4 bases.

Certainly, that is somewhat at variance, it would seem to me, with the contention that the canal cannot be defended. If it cannot be defended with 14 bases, why would they think it can be defended with 4 bases?

It seems to me that we are already taking out much of our military presence when we reduce the bases from 14 down to 4.

But further than that, by the year 2000, we have to eliminate all of those.

In addition, I say to the distinguished Senator from Nevada, as to these side agreements that they have—and by the way they take up three times as much wordage as do both of the treaties—the distinguished Vice President stated in response to a parliamentary inquiry I propounded that the Senate has no right to amend these side agreements that have been made. Under these side agreements, even though we have 14 bases now and are going to cut it down to 4, every 2 years the Government of Panama and the Government of the

United States, during the period up to the year 2000, can negotiate and eliminate those 4 bases prior to the year 2000. They may do that 2 years from now. I do not know.

Mr. LAXALT. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. LAXALT. Have we been told repeatedly on the Senate floor that the reason why we should support these treaties is to minimize the probability of violence and minimize the possibility of sending American boys down there to defend the canal? Have we been told that repeatedly?

Mr. ALLEN. We have been told that, and that was some of the rhetoric that we heard on national television. But it is my belief and my observation that if we give in at this point, during this 22-year period, with their appetite whetted with this $100 million they are getting down there, they will want an even better deal than that; and they will say, "22 years is too long. Let's renegotiate this and cut it down to 4, 6, 8, or 10 years."

Mr. LAXALT. Is it not also true that when you are thinking of reducing your military presence, as is contemplated under the canal treaties, from 14 to 3, we are really reducing our effectiveness in defending the canal, thereby increasing our reason for having to send additional troops there in the event it is necessary?

Mr. ALLEN. Yes.

Mr. LAXALT. So it is really counterproductive, is it not?

Mr. ALLEN. Yes, it is.

Mr. LAXALT. As the Senator from Alabama has indicated—and that is why many of us are concerned—we do not want to send our boys down there. We have been told by General McAuliffe and others in charge, other military people, that the existing military presence is more than adequate to defend the canal.

Mr. ALLEN. Yes, they have stated that.

Mr. LAXALT. Yet, by the terms of these treaties, we are going to jeopardize that situation to the extent of reducing our military presence, thereby increasing the risk that we will have to send additional troops there.

Mr. ALLEN. That is exactly right.

Mr. LAXALT. That does not make much sense, does it?

Mr. ALLEN. It does not to me; I will say that.

Mr. LAXALT. To compound it, as the Senator from Alabama has indicated here, in support of his amendment, for which I commend him, because it is badly needed, the leadership amendment presupposes that all is going to go well with the Panamanians in 2000, does it not?

Mr. ALLEN. Yes, it does. Also, of course, it is drafted in the light of the fact that we are going to be completely out of the Panama Canal Zone by the year 2000; and we would have no troops there at all. We would have to bring them in by one method or another.

Mr. LAXALT. Precisely.

I do not know whether the Senator from Alabama was on the floor the other day during the debate I had with Senator CHURCH on this very point—that assuming that we are out of the Canal Zone entirely, which we will be, and assuming there is some kind of difficulty with the Panamanians, whether they are a satellite of the Soviet Union or Castro, or whether they are just in difficulties with us, it is true, as the Senator from Alabama has pointed out, that the only way we can meaningfully protect our rights, as contemplated by the leadership amendment, is to invade that country, is it not?

Mr. ALLEN. Yes; that would seem to me to be so. We would have no troops there, and we would have to bring them in.

Mr. LAXALT. We will either have to make an amphibious landing or land paratroops. Is that not so?

Mr. ALLEN. That is the only way I can say it could be done.

Mr. LAXALT. Is it not the opinion of the Senator from Alabama that that scenario increases the risk to the people of this country, to the security of this country, because that necessarily places us in a position of confrontation with the Panamanian Government?

Mr. ALLEN. That is true.

I might also say that another shortcoming of the leadership amendment is that it contains a special provision that would tie our hands if we observed the treaty provisions, and I believe we are a treaty observing nation. That would tie our hands with respect to coming in if the Panamanians, rather than a foreign power, were violating the neutrality of the canal and were failing to live up to their obligation; because the leadership amendment has a paragraph stating that in no event does the right that is given us to come in to defend the canal allow us to interfere with the internal affairs of Panama. Well, if they are there, blocking our access to the canal, it certainly seems to me that we would have to interfere with the internal affairs of Panama, if we are going to gain access to the canal.

They have stuck this little thing in not to protect the interests of the people of the United States but, obviously, at the behest of the Panamanians.

Mr. LAXALT. In the process, we stand a great risk, do we not, of subordinating the interests of the American people to those of the Panamanian people?

Mr. ALLEN. Yes.

I say to the distinguished Senator from Nevada that the Senate has the constitutional right, obligation, and duty to give advice to the administration, to give its opinion, not just to consent. It is to advise and consent.

So, as I see the battle shaping up—and this is one reason why we made the effort to go to the Panama Canal Treaty—once the leadership amendment, ineffectual as it is to protect the interests of the United States, is agreed to in the Senate, we are going to hear a hue and cry: "Well, now let's get on and complete these treaties."

I predict that we are going to see an effort to stonewall—that is, to resist entirely all constructive amendments offered here on the floor; and that would seem to me to be depriving the Senate of its function of advising as well as consenting.

Mr. LAXALT. Mr. President, will the Senator yield at that point?

Mr. ALLEN. I yield.

Mr. LAXALT. It has been said repeatedly here on the floor and elsewhere that a rejection of these treaties would be tantamount to a rejection of the President of the United States. Is it not true that under the terms and provisions of the Constitution, the President—this President, all before him, and those in the future—has only the power to negotiate in a matter of this kind?

Mr. ALLEN. That is true. The executive branch, of course, does negotiate treaties. They are sent to the Senate then, for such action on behalf of the people of the country that the Senate might care to take in the way of shaping this treaty.

I might say at this point that I feel that Dictator Torrijos jumped the gun when he called a plebiscite in Panama, because he knew full well that this treaty would have to come to the United States Senate. I think it is something in the nature of arrogance on the part of Dictator Torrijos to go ahead and call the plebiscite in Panama, ram it through down there, even though the U.S. Senate has the constitutional right to seek to revise that treaty.

So apparently he has taken the position, "Well, we'll get the treaty approved by the people of Panama in a plebiscite, and then we'll go to the Senate and we'll say, 'Don't change it now. Don't change it, else it will take another plebiscite down in Panama.' "

Well, what is wrong with another plebiscite? I see nothing wrong with another plebiscite. We should have another plebiscite down there if we amend this treaty in substantial form.

So here the treaty is brought before the U.S. Senate, and they say:

Don't amend it. Don't amend the treaty. If so, Dictator Torrijos might have to have another plebiscite down there.

That is the main argument, as I see it, against this effort. We should not be worried about whether Torrijos has to have another plebiscite or not. We should be concerned with what is in the national interest and let Torrijos take such action as he sees fit.

Some Senators say, "I'm not going to vote for any amendment that would call for another plebiscite in Panama." What sort of attitude is that? Should we not determine what is in the best interests of the people of this country and not let Mr. Torrijos determine what action he wants the U.S. Senate to take?

I might state, too—and this is a great show of arrogance on the part of those making the demands on the Foreign Re-

lations Committee—I do not serve on the Foreign Relations Committee, but as——

Mr. HOLLINGS. Mr. President, will the Senator yield?

Mr. ALLEN. For a question.

Mr. HOLLINGS. Yes. Does the Senator think Torrijos in carrying through the plebiscite for approval of the treaties by his people was more arrogant than the Senator from Alabama holding a hearing in June in opposition to the treaties before they were even consummated in August? Which is the more arrogant?

Mr. ALLEN. Before I held them when?

Mr. HOLLINGS. Yes, that is right.

Mr. ALLEN. Held them when?

Mr. HOLLINGS. I just said as to the head of a country carrying through with his plebiscite, the Senator calls that arrogant. If I remember correctly, the Senator was holding hearings in opposition and trying to really wreck the effort of the executive branch and this Government in trying to formulate a treaty in June. Was not the Senator on some Subcommittee for Constitutional Government holding these hearings with admirals coming around and testifying?

Mr. ALLEN. If the Senator will state his question rather than making a speech, I will be glad to answer it.

Mr. HOLLINGS. I am not going to make a speech. I wonder who was more arrogant. The Senator seems to call that arrogant.

Mr. ALLEN. If the Senator will ever come to the point on the question I shall answer.

Mr. HOLLINGS. My point is arrogant.

Mr. ALLEN. All right.

Mr. HOLLINGS. The Senator from Alabama is talking about arrogance.

Mr. ALLEN. All right.

Mr. HOLLINGS. Here is a country that had a plebiscite that the Senator said was rammed through, but there were observers and all. The Senator mentioned only the President can negotiate a treaty. But before the poor President could get a new treaty as had been agreed to by three previous Presidents, Republican and Democratic, before he could do that in August and have it signed in September, what about the Senator's arrogance in holding hearings——

Mr. ALLEN. Get to the question.

Mr. HOLLINGS. Let me complete the question—in June under some spurious auspices of a Constitutional Government Subcommittee?

Mr. ALLEN. Yes.

Mr. HOLLINGS. And bringing in admirals and telling how the country was going to the dogs.

Mr. ALLEN. I thank the distinguished Senator from South Carolina (Mr. HOLLINGS), and I am glad to see that Dictator Torrijos has a staunch defender in the Senate.

Mr. HOLLINGS. No; I am talking about arrogance.

Mr. ALLEN. All right.

Mr. HOLLINGS. Yes.

Mr. ALLEN. I am going to come to that.

Mr. HOLLINGS. Torrijos is totally unpredictable, and I would not know how to defend him.

Mr. ALLEN. I yielded for a question. The Senator now asked his question, and I am going to answer it.

The distinguished Senator from South Carolina wants to know whether the Senator from Alabama is perhaps more arrogant than the dictator of Panama, and he cites as evidence of that fact the Senator from Alabama, chairman of the Subcommittee on Separation of Powers, did hold a hearing, several hearings, for that matter, before which committee some of the greatest legal minds in the country appeared, discussing the constitutional issue involved.

I am certainly glad the distinguished Senator has given me this opportunity to tell what the constitutional issue that is involved is.

The constitutional issue is that the Constitution of the United States, article IV, section 3, paragraph 2, says that the Congress shall dispose of and make all needful regulations with respect to the territory and other property of the United States.

So, the constitutional issue is whether the Senate alone has the power to dispose of property of the United States which the canal, of course, is, and the property in the Panama Canal Zone, whether the Senate by treaty can make that disposition or whether the Constitution is going to be followed, which would require action by the House of Representatives as well as the Senate in the form of a statute providing for the disposition of the property of the United States.

The Senator from Alabama, understanding that the administration had no intention of submitting this matter to the House of Representatives in accordance with the constitutional processes, wanted to establish the constitutional issue involved.

More than 218 House Members have joined in a resolution in the House of Representatives saying, in effect, that the Constitution requires that this issue be submitted not only to the Senate but to the House of Representatives as well in the form of a statute.

Mr. HOLLINGS. Mr. President, will the Senator yield?

Mr. ALLEN. No. I want to answer the Senator's question first before he gets on another one.

Mr. HOLLINGS. That is not the question. I do not question that.

Mr. ALLEN. I am not yielding to the Senator. I hope he will be as courteous to me as I have been to him.

The point involved is as to who is more arrogant, the Senator from Alabama or Dictator Torrijos.

Was it arrogant or was it arrogance on the part of the Senator from Alabama as he saw these treaties approaching and as he felt one of the important issues involved was whether it took action of the Senate and of the House of Representatives—and apparently the administration to this good day say they are not going to submit it to the House of Representatives—was it arrogant of him to try to find out what the Constitution provided on this great issue of separation of powers, the power of the Executive set up against the power of Congress and eliminating one House from consideration? Was it arrogant for the Senator from Alabama to hold this hearing to find out what the constitutional issue involved is and what the answer was?

And I will state to the distinguished Senator that the overwhelming preponderance of legal opinion in this country is that it does require action of Congress to dispose of property of the United States.

So we will leave that to the decision of anyone involved as to who was arrogant in this matter.

But I do say that it was arrogant on the part of Dictator Torrijos, this dictator, this person whose regime has no respect for human rights. Knowing full well that the Senate of the United States has the constitutional right to advise and consent to this treaty, and it has a right to amend it in substantial form if it sees fit, was it arrogant of him to ram this treaty through down in Panama without waiting to see what the action of the U.S. Senate would be in this issue?

So that is the point involved. I do not feel it was arrogant of the Senator from Alabama to do his work as chairman of the Committee on Separation of Powers and study this great constitutional issue.

There is no indication to this good day that the administration will submit it to the House of Representatives, even in response to the plea of a majority of the Members of the House of Representatives, and that had to be a bipartisan majority—I guess it could be a Democratic majority only—but certainly the Republicans would have to have the assistance of a large number of Democrats to get 218 names on a resolution over there.

So, the Senator from Alabama makes no apologies for the fact that he did call hearings on this important subject, and the conclusion he reached from these hearings and from this study of this issue is that for a valued transfer of the property of the United States it takes a statute agreed to by both Houses.

The administration apparently feels that it has greater sway here in the U.S. Senate.

(Mrs. HUMPHREY assumed the chair.)

Mr. ALLEN. And I believe the distinguished Senator from South Carolina in the last Congress was one of the Senators who signed the resolution, cosponsored the resolution, which said that, in effect, in no event would they support a Panama Canal Treaty giving the Panama Canal to Panama.

I am sure the Senator will correct me if I have misapprehended the facts in this area.

I believe he joined his distinguished senior colleague, Mr. THURMOND, in this way, but apparently now——

Mr. HOLLINGS. Madam President, will the Senator yield so I may comment?

Mr. ALLEN. I will yield for a question.

Mr. HOLLINGS. Why does the Senator not yield for the answer so I may comment intelligently?

Mr. ALLEN. What is the answer then?

Mr. HOLLINGS. There are two answers to two questions.

Mr. ALLEN. I see.

Mr. HOLLINGS. The first question that the Senator asked a second ago was with respect to the resolution which said we shall not yield control. I am quite persuaded, now that the Defense Department has included article IV, the right of defense, that we have not lost actual control in the sense of defending it, and we maintain the use. That is one of the big reasons, of course, that I came out here in support of those treaties; but back to the original question.

The Senator from South Carolina does not think that Torrijos was arrogant in calling a plebiscite. The Senator from South Carolina did not think the Senator from Alabama was arrogant in having hearings before his own subcommittee, but the question was the timing.

The Senator said that Torrijos, this dictator, rammed it through before the Senate, and the Senator does not remember history well, because the President of the United States would have liked to have had an October confirmation of these treaties, too, and it was the Senator from South Carolina, the leadership, and many others, who said we have to have thorough hearings and be deliberate about it and understand this thing so that we did not act precipitantly.

But it was not a question of either one being arrogant but certainly if one was arrogant; namely, Torrijos, from a sense of timing in October, some 6 weeks after it was signed, then how could that be characterized as arrogance from a sense of timing and not the Senator's precipitate hearing even before a treaty was signed.

I just could not understand the logic of that.

Mr. ALLEN. Yes; I do not believe the Senator has answered what I yielded to him for as to whether he was a cosponsor of this resolution in the last Congress saying we were not going to approve the Panama Canal transfer.

Mr. HOLLINGS. No; I was a cosponsor of the resolution, along with Senator John McClellan of Arkansas, that we would not lose control of it .

Mr. ALLEN. The Senator was a cosponsor of that resolution?

Mr. HOLLINGS. That is right.

Mr. ALLEN. One of the 37 Senators who cosponsored it?

Mr. HOLLINGS. Yes; that we wanted the right to defend it.

Mr. ALLEN. Did the Senator go down to Panama to discuss this matter with Dictator Torrijos?

Mr. HOLLINGS. Can I answer that?

Mr. ALLEN. I asked the question.

Mr. HOLLINGS. Yes; I went to Panama. I would have gone and discussed anything at that particular time, when I headed the Senate committee concerned with the Panama Canal. With Dictator Torrijos, I would have discussed it with him, but I received word from him indirectly that he would be pleased to see me as chairman of that group, but he would not be similarly pleased to see Senator SCOTT. I thought that was out. That was definitely out, and I sent word to him I would not see him if he would not see the entire Senate delegation.

Mr. ALLEN. The Senator was down there for the purpose of getting clarification about these treaties?

Mr. HOLLINGS. Oh, yes, sir, there is not any question of that. That is what I was there for.

Mr. ALLEN. I am glad to hear it. If the Senators went down to Panama to get edification on this subject, and find out more about what is involved, I guess they might have checked with the White House for a copy of the treaties and studied them, possibly. I guess possibly going to Panama might——

Mr. HOLLINGS. Well, we do both.

Mr. ALLEN. I see.

Mr. HOLLINGS. Yes; you look at the treaties, you make the trip, you listen to distinguished Senators like yourself who might persuade them—though I doubt it in this particular regard—there are all kinds of ways a Senator makes his judgment.

Mr. ALLEN. I see. Well, I have not been to Panama in some years. I will have to confess that I did, on one occasion, go through the Canal Zone at Government expense, but I happened to be a member of the U.S. Navy, back in 1943, and we were going through the canal moving from the Atlantic theater of action over to the Pacific theater.

I think it is a great engineering achievement. The United States has operated this canal for the benefit of world shipping on a nonprofit basis.

Mr. HOLLINGS. Will the distinguished Senator yield so I can——

Mr. ALLEN. Let me complete my thought. But now we are going to change the whole nature of this operation. We are going to turn it into a profitmaking venture for Panama, if these treaties are passed. That is something I do not think we want to do.

But on the matter of arrogance, I think it is somewhat arrogant for Dictator Torrijos to hold court down there as 50 U.S. Senators come down to confer with him. I think that is arrogance as well as it is arrogant to jump the gun on submitting a plebiscite to the people, permitting the question to be decided by plebiscite in Panama, knowing full well that the United States has an opportunity to advise and consent, amend, change, reserve, make reservations, add any number of understandings, and the like. Yet he jumps the gun and has his plebiscite, and now, for some strange reason, he does not want another plebiscite.

And his great influence is being felt here in the halls of the Senate, and I will give a concrete example. After I have done that, I will be delighted to yield to my good friend the distinguished Senator from South Carolina.

The leadership amendment that we have been talking about, and that has fallen so far short of the mark of protecting our national interest, was originally planned as a new article or new articles, and I am sure the point is not important whether they have it in the form of a new article or whether they break it into two articles, as they have with the amendments which are before the Senate now.

The Foreign Relations Committee approved the new article approach. They voted in the Foreign Relations Committee—this is not divulging any secret; in fact, it has been in the press and talked about. It has been talked about on the floor here. It was talked about last Monday; the distinguished Senator from Michigan (Mr. GRIFFIN), who is a member of the committee, talked about it here on the floor of the Senate.

The Foreign Relations Committee put the leadership amendment in the form of new articles or a new article—I am not sure whether it was one article or two—and did not have amendments, but new articles.

Well, the State Department, according to the distinguished Senator from Idaho (Mr. CHURCH) on yesterday, I believe, became alarmed over the fact that new articles are being added to the treaty, and they reported to the Foreign Relations Committee, "Wait a minute, that's not the way to handle this. The Panamanians"—it is a one-man government down there, so I guess that would be Mr. Torrijos—"the Panamanians don't like these amendments in the form of a new article or new articles."

The Spanish word for amendment, "enmienda," I believe, does not signify a major change in a treaty, whereas "reforma," which would be the Spanish designation if new articles are added, indicates a major change; and the State Department felt that the Panamanians would not like this. I do not know why State Department representatives relied on this information. We do not know whether the Panamanians protested to the State Department, or whether the State Department acting on its own initiative, knowing the Panamanians would object, told the Foreign Relations Committee, "Set this thing right; we can't accept it this way."

So the Foreign Relations Committee, after having acted in this area and approved a new article, backed up. They backed up, reconsidered that vote, and went by the form of amendments to two articles, rather than a brand new article.

That proves, Madam President, the fact that the Panamanian dictator has tremendous influence here in the U.S. Senate in shaping the wording of these treaties.

I do not like that. I do not like the fact that it seems to be the attitude of many proponents of the treaties that no substantial amendments, other than the leadership amendments, are going to be accepted here in the U.S. Senate unless Mr. Torrijos gives his advice and consent.

I do not read that in the Constitution. The Constitution says the U.S. Senate shall give its advice and consent, but from a practical point of view Mr. Torrijos is going to say yea or nay on the amendments that the U.S. Senate should consider. Watch and see if the Senator from Alabama is correct.

I was talking to a major Senate proponent of the treaties just yesterday. I asked him, and I called him by his first name, "Would you not support a constructive, substantive amendment to these treaties?"

His answer was, and it was a great surprise to me, "I will not support any amendment that will cause another plebiscite to be held in Panama."

Why should that be the attitude of the U.S. Senate? Why should we say, a majority of us, if it is not satisfactory with Mr. Torrijos we cannot accept it here in the Senate?

There are numerous constructive amendments which are going to be brought before the Senate. The first day we had this matter up I conceded there would be dozens of amendments, and I feel there will be because this is a very complex issue. It took the executive branch of Government 13 years to negotiate this treaty with all of its ramifications.

Well, we have a big task ahead of us here in the Senate. I believe we can do it in less than 13 years. I believe we can. It is going to take some time. We are going to see that these amendments are considered by the Senate, and if they have merit, if they protect the interests of the people of the United States, should they not be adopted, whether Mr. Torrijos agrees or not?

Mr. LAXALT. Will the Senator yield?

Mr. ALLEN. I will yield for a question.

Mr. LAXALT. The Senator has indicated that there was a 13-year period for negotiations. Does the Senator have any information as to whether the treaties which have previously been in negotiation over the past 13 years bear any real resemblance to the current treaties? Is it not true that the treaties under negotiation in that period of time were substantially dissimilar to the treaties now presented to the U.S. Senate?

Mr. ALLEN. Yes; I am not advised just what the differences were. In one area, and this is stated in the Armed Services Committee report, they had actually agreed on a stronger defense provision than they ended up with. They actually agreed to it. Secretary Clements commented upon it. Yet the negotiators said that was not necessary.

Also, right at that point, Ambassador Linowitz, one of the negotiators, was never confirmed by the U.S. Senate. His name was never presented to the Senate. He was appointed under some sort of provision which allowed him to serve for 6 months. It is my understanding that substantial changes were made in the treaty in the last couple of days that Mr. Linowitz had the authority to act.

Yes, there were substantial changes in the treaties in the last few days.

If these changes needed to be made right at the last minute, would it not be entirely appropriate for the U.S. Senate to seek to make changes in these treaties? I do not believe there is any proof that this complex treaty—or these complex treaties—is the last word in a proper treaty. Is the U.S. Senate to abdicate its role of advising and consent?

After about 20 of these amendments have been turned down by the Senate, it is going to give considerable credence to the statement I made that an effort is going to be made to kill all substantive amendments. When that takes place, I think the people of the country will recognize that the final arbiter of the wording of this treaty is not the membership of the U.S. Senate or the large majority of the U.S. Senate, but it is Mr. Torrijos. He will decide whether any amendments are added to this treaty.

Back in 1940, I believe it was, when President Roosevelt was reluctantly accepting a third term as President at the convention—he did not attend the convention but he had people there who represented his interest, and, of course, set up the draft for him—when a problem would come up, and they wanted to ask President Roosevelt about it, he would say, "Clear it with Sidney Hillman," who at that time, I believe, was the strongest labor leader in the country. He said, "Clear it with Sidney."

It looks to me like the U.S. Senate is getting the attitude of saying, as amendments are being discussed and brought before the Senate, "Clear it with Omar Torrijos."

I do not believe that is the attitude that Members of the Senate want to have, that we have to clear our actions with Mr. Torrijos.

I know there are 65 or 68 Senators pledged to support these treaties, but I am hopeful that on issues involving the security of the United States, on issues involving the defense of the canal, Senators will use some independent thinking. As I say, fulfill your pledge to the administration to support the treaties on the final vote on the resolution of ratification, but use a little independence in considering these amendments. If they are constructive, if they add to the security of the United States, let us agree to them. Let us let Mr. Torrijos get them approved down in Panama the best way he can. But, when the treaty leaves the U.S. Senate and goes to the President, let us see to it that it is the best treaty we can turn out from the standpoint of protecting the security interests of the people of the United States. That is all I ask.

I am going to be somewhat suspicious of the steamroller in the Senate if amendment after amendment is knocked down because, in the final analysis, let us face it, Mr. Torrijos says, "I cannot accept that amendment because that would require a new plebiscite."

Mr. LAXALT. Will the Senator yield for a question?

Mr. HOLLINGS. Madam President, when the Senator yields the floor, I should like to be recognized.

Mr. ALLEN. I am glad the Senator is ready to talk. I shall be through in 15 or 20 minutes if he will just have a seat and wait. I will yield the floor to him after a bit.

Mr. HOLLINGS. Very good. The steamroller cannot even get up any steam.

Mr. ALLEN. There may be steam on the side of the opponents.

Mr. HOLLINGS. I would like to get it rolling, but I cannot get the floor. I have been waiting for 2 weeks, but the distinguished Senator from Alabama has had the floor. I have not been able to get 5 minutes, but he has had 5 hours.

Mr. ALLEN. I have more complaints about it than the Senator from South Carolina.

Mr. HOLLINGS. I do not know about complaints, but I would like to satisfy the Senator if I could get the floor.

Mr. ALLEN. I shall be through in 15 or 20 minutes.

I yield to the Senator from Nevada.

Mr. LAXALT. Madam President, the Senator from Alabama has spoken of a steamroller, which would indicate that perhaps the battle on the treaty is lost. The Senator does not subscribe to that theory, does he?

Mr. ALLEN. No; I have said there are some 65 to 68 who are pledged on this matter. That is my considered judgment. But there is a good possibility that some of those can be retrieved.

Mr. LAXALT. Because of the amendment procedure.

Mr. ALLEN. They will recognize that it is not in the best interests of the United States and will agree to some constructive amendments. I do not want to discuss my amendment before the lapse of the time that I have suggested I would use.

Mr. LAXALT. I thank the distinguished Senator.

Mr. ALLEN. By the way, Madam President, I ask unanimous consent that when I do offer this amendment, other Senators who care to become cosponsors of the amendment be allowed to add their names ab initio to the amendment, that it appear as introduced by all whose names appear.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. That would be confined to the time that I introduce it, of course.

Madam President, this amendment that I hope to offer, either sometime this week or early next week, adds to the security of the United States in the defense of the canal. That is its sole purpose. There is no deviousness to the matter. It is contained in six or eight lines, but it fills a great omission in the leadership amendment. I say that because, under the leadership amendment in the

Panama Canal Treaty, all of our troops have to be out of the Panama Canal Zone, and Panama, for that matter, by December 31, 1999. Then, let us say this neutrality starts right now, but it does not have a great field of operation until the start of the next century, because, under the Panama Canal Treaty, the United States has the defense of the canal for the rest of this century. But, when the Neutrality Treaty that we are working on now comes into play at the start of the next century, under the treaties all of our troops will be out of Panama. We have this great right under the Neutrality Treaty and the leadership amendment, with no troops in Panama, not a one, and the leadership amendment gives us the great right to defend the neutrality of the canal. Well, we snatch away from the country the means to defend the canal and then say, we have the right to defend it—defend it without a single member of the Armed Forces in Panama.

How are we going to defend it? Well, we will defend it by following the route of the leadership amendment that says we have a right to intervene in order to defend the canal and protect its neutrality, but we must not interfere with the internal affairs of Panama in so doing.

That is in the leadership amendment. That is not my suggestion: Do not interfere with that. That is in the leadership amendment. Defend it, but we do not have a single troop there. Defend it, but do not interfere with Panama's Government.

How are we going to defend it, under those circumstances? Well, we are going to drop some paratroops there, or we are going to have to have an amphibious landing. If somebody can think of any other way to defend a canal, with no troops there, I would like to know how it can be done.

Now, in this amendment, which I am going to offer at the appropriate time, this one little added security measure is added to this concept of all the troops being withdrawn and then having the right to defend it. This adds one little phrase, that the military presence of the United States shall be continued beyond December 31, 1999, if the President of the United States deems it is necessary to do so to defend the canal or to protect its neutrality, and he so certifies to the Government of Panama prior to December 31, 1999.

Now, what could be wrong with that? That does not say that the President is going to opt to do that, but if it is necessary, to defend the canal, to keep some troops there beyond December 31, 1999, why should we not provide for that contingency? Not to accept that amendment would leave a great big hole that you could march an army through, because it does not cover the contingency of troops being needed, the physical presence of troops being needed to defend the canal 22 years from now.

It is a very risky proposition, Madam President, to say that we know what the conditions are going to be down there, that we know the conditions are going to be such that we can withdraw all of our troops.

That is what we are saying, that is what the leadership amendment implies—we know that everything is going to be perfect down there and we will withdraw our troops, but they are going to let us come back in if we force our way back in.

Mr. Castro may control Panama by that time, but we are obligated under the treaties that are written to pull out all of our troops before the start of the next century and then rest on our right to force our way back in.

I believe, in all sincereity, that this amendment would add to the security of the United States. It would add to our ability to defend the canal and the leadership says that is the only area we need to change. They are not worried about the cost to the taxpayer, not going to put any changes there, apparently, just change the right to defend.

But their amendment does not cover every contingency, that is the point. It falls short.

Another provision in the leadership amendment that they set great store by is that in an emergency our warships can go to the head of the line. But the amendment neglected to say who is going to say whether there is an emergency.

A little later on, I am going to seek to add a sentence there that the United States shall be the sole judge of whether an emergency exists.

Panama might say, "Well, we've got the canal here. We own it. We operate it. We skim off $100 million a year from it and we don't see any emergency. You can wait your turn. We don't see a bit of emergency."

What can we do? No emergency there. No way to determine what is an emergency. And who makes that decision?

That is another defect in the leadership amendment. Plus the fact that it said we cannot interfere with the internal affairs of Panama, and Panama might be the one, under Torrijos or under Castro or under the Russians, might be the one forbidding us transit through the canal, and we cannot do anything to interfere with the internal affairs of Panama under the leadership amendment.

All I am urging the Senate to do is to consider these matters, consider whether they are in the best interest of the people of the United States.

Let us not decide these questions on whether or not Mr. Torrijos thinks that these are good amendments or whether he thinks that, whether good or not, they would call for another plebiscite.

If the people of Panama are not behind the amendment, if they are not behind the treaties as amended, we do not have much public interest down there, just continue to be harassed there in Panama in the operation of the Panama Canal.

So I think it would be only right, in the final decision, after the Senate approves these treaties, if it does, for a new plebiscite to be held. That being true, why not draft the treaty along the lines of what is best for the people of the United States? And that will be the amendment I offer.

Other Senators might wish to offer amendments now or at a later time, but since we are on article I, and only article I can be amended at this time under the rules of the Senate in handling treaties, I do plan to offer this amendment. I think it ought to be offered right at the start, to say, "Yes, we're going to add a measure there to help protect the security of the United States, to help us defend the canal."

So that is the amendment that the Senator from Alabama will offer at the appropriate time.

Now, Madam President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina (Mr. HOLLINGS) is recognized.

Mr. HOLLINGS. Madam President, I only have a few moments. At a little after 12 I have to try to make another appointment. But I will try to get into some of the questions raised by my distinguished friend from Alabama.

We have been indulgent—a better word, perhaps, is respectful—of the Senator from Alabama, recognizing his capability of once getting wrought up being able to wreck a process, and in the U.S. Senate we do not want to "wrought" him up, and I do not think he should be.

He has been my friend and I have tremendous respect for him. But I find that under the rule now, unwritten, that we sort of just let him alone and let him talk himself out, and a lot of things go unchallenged.

To get specific, when the Senator was on his feet, he questioned the idea of visitation. He questioned that idea of visiting Panama. He said, "What you ought to do, Senator, is read the treaty. You don't have to go down there if you want to make up your mind about the contents, and the interest, and whether the United States is protected sufficiently. A visit is not in order. What is really in order is to sit and read the treaties."

Now, that is what we have to do. That is a very intelligent approach, before we take a position, we ought to read what we are taking a position on.

Of course, the distinguished Senator from Alabama did not do that with his hearings. He did not wait for a written treaty.

The Senator from Alabama, long before the treaties could be raised, was objecting, and that was his privilege. That was his privilege, under the Subcommittee on Separation of Powers to raise certain questions and start his objecting to a document that had yet to be drawn.

So do not criticize others who were trying not only to read the document, but go see the parties and the country and learn something about a people. One of the most significant things in the

entire treaty ratification process is an understanding of the country we have built, as well as the canal we have built.

Now, in July, and I think it was July 15 of this past year, the U.S. Senate, Madam President, passed a resolution unanimously, Senate Resolution 221, on July 15, directing the appointment of Senators to visit certain countries, including Panama and South America, to study the economic and security interests of this Nation in Panama and in those other countries.

Now, why criticize me for making a trip when the Senate directs me to go?

The Senator is on the floor all the time, and I am sure that that never would have passed if he really objected to it. So I went, not willy-nilly and wandering for a place to flit around and land upon; but, on the contrary, at the solemn direction of the U.S. Senate, with a bipartisan group which, incidentally, included the counsel for the Latin American Subcommittee of the Foreign Relations Committee, our distinguished Secretary of the Senate, and the Secretary to the minority, and it was a very educational procedure. So that is why we went.

As I go down the list of things that he brings up, Madam President, I am reminded of the old saying, "A problem for every solution."

Let us go back to when I was trying to fathom the right and the wrong and making initial impressions. In 1967, when I was a member of the Commerce Committee, former Secretary Anderson, chairman of the negotiation team, came to present at that time a proposed treaty that did not include the rights of defense.

The Senator asks, "Was not the treaty today substantially changed and everything else?" Not really—with respect to defense, except what the Joint Chiefs of Staff wrote—article IV. With respect to military occupation by troops, at that particular time it was that we leave after the year 2004; and after negotiating for some 11 to 12 more years, we lost 3 years.

Some who want to continue to negotiate wonder where the trend is and how the United States is faring. Let it be recorded that we lost 3 good years there. Would it not be grand to sit here and let things stay as they are and just do not do anything, if we had that luxury?

It is bunkology that you have to come on the floor and listen to Senators play games. It reminds me of back in the sixties, during the war in Vietnam. You would walk up on the floor, and there was one backing up a battle. Another one was bombing. Another one was calling them murderers. Another one was saying, "Don't do it"; another was saying, "Do it." Another said, "More troops." Another said. "No, get out."

Those were all scenarios in Vietnam, and now we have all the scenarios after the year 2000, with total disregard.

I am confident that the Senator from Alabama and many in opposition have no idea of the problem in Panama today, no idea of the complexity of the issues involved. The way they talk and try to reduce it down misses the complexity involved.

I guess he wants to make Franklin D. Roosevelt a dictator talking about Sidney Hillman. He said, "Check it with Sidney," and now, "Check it with Torrijos." Well, nothing could be more ridiculous or further from the truth.

It is a complex problem, Madam President.

I will never forget the other night, when Eric Sevareid was retiring. He said, after 40 years at CBS, that when he started, there were all black and white, moralistic questions—the Depression and World War II and McCarthyism—and simple answers could be given. He said that is the one thing that impresses him most after 40 years, that there are no simple answers any more.

And this treaty is not a simple, thou shalt bam, bam, bam—all your rights are spelled out and everything just done exactly right. It explains it in some measure after 13 years and getting the best we could in fairness to the United States, the best we could in fairness to the Republic of Panama. We will go into that when we have time, into the history of it.

People are worrying about what they are going to do in Panama. Read the historical record. Talk to David McCullough, or any historian. It was the United States that breached every one of the agreements and understandings and treaties for the last 70 years. We are almost like the Soviets. I like to get on this floor and tell about, "Why have another agreement with the Soviets, because they never obey them?" If I were a Panamanian, I would have a talk here: "Why have an agreement with the United States?" Because we never keep it.

I could go down the record of history as to who did the violating, but we do not have a chance for that, because we have to tell this nonsense and everything is peaceful and happy and we have no problem down there.

With my limited time, let me simply state, Madam President, that I had the opportunity the other evening to debate former brigade commander Maj. Gen. George Mabry before the American Legion in my State. He is a Medal-of-Honor winner; and if we start another war, I want him to be my commander. He sees things as a commander should see them: forward march; to the rear, march; fire; cease fire. It is a life they are leading, and they learn, and I respect.

I am serving now on the board of the Air Force Academy. I have served at West Point. I am a graduate of military schools, and I think we should have more discipline in society, and more in the Senate. But that is not our option.

They start with this limbo of gag, which is not only nonsense, but insulting. Then they go to the constitutionality argument. The President did not have constitutional authority to get a treaty. Whoever heard of that? They were starting the hearings and bringing petitions, and some of them believed that, and they went all the way to the U.S. Supreme Court and stopped the Senate. We could not even ratify.

They went from that to Sol Linowitz, that scenario back in again, that he was not even confirmed. The man was not confirmed. What kind of damn juvenile approach is that?

Everyone knows of the entire death of that little country. And you call him a dictator. A squad leader. They do not have an army as good as the South Carolina National Guard. We have more men in the South Carolina National Guard, and better equipped. Bunk. I am tired of listening to it.

It is a little country we built down there. But they went down there. And they said, "Linowitz"—$1½ billion total debt, $355 million debt of the banks; and all of a sudden we were going to get a treaty just to get the banks out of trouble down there.

Then we went to the sea level argument. I remember when the Senator from Alabama was here saying:

> Wait a minute. Why agree to this Article XII, section 2(b), where we sign off and say we are not going to negotiate anywhere? Look at what they got. They got us; they got us.

He forgot his long history, because when William Jennings Bryan was the Secretary of State under Woodrow Wilson—he broke with Wilson later over World War I—he fashioned rights in perpetuity for us with the country of Nicaragua in the Bryan-Chamorro Treaty, and it held fast until the year 1971.

Now, what happened? We have been having troubles in Panama, and there is evidence after occasion, after riot, after sailor killed, soldier killed, American killed, right on up the line to the election day of Jimmy Carter, 1976, where they bombed in the Canal Zone. What is going to happen afterward? What happened before? What will happen afterward is more of what happened before. Everyone with commonsense knows that.

It is not blackmail. We have to have some judgment in these things.

So it was that when we filed that voluminous Interoceanic Canal Commission report by Milton Eisenhower, Bob Anderson, and all the rest, 5 years and $22 million, and went all through the Colombia scenario, the Nicaragua, the Costa Rica, everything else as formulated on page 69, they said that the only feasible routes were Route 10 and Route 14 in the Republic of Panama.

But our good Commander in Chief and President—he is a pretty good negotiator; he is the President. He came from Plains, and he beat all the rest of the crowd in the U.S. Senate, and he has been working at it, for the interests of this country. He said, "I don't want to make this treaty and then have some other country build a sea-level route through where we found was the only feasible place."

Torrijos said, "Fine. I sign off on that. You don't go anywhere else."

Nicaragua by that time had found that even the rights in perpetuity were giving them trouble down there.

Travel to some of these countries, I say to the Senator. Learn the feelings of the people. They did not even like the rights. When we found we did not want it, then they brought the treaty up for rescission.

Ah, does not the Senator from South Carolina have some pleasures? February 17, the roll was called up yonder: Aiken, Allen. Aha, rescind those treaties—66 to 5. Who rescinded it? And now they talk this last summer and fall about the sea level. The distinguished Senator from Alabama is the one who rescinded it. They forget the history.

We are not granted the luxury of doing nothing.

When Carter walked down that main street, Pennsylvania Avenue, on Inaugural Day, the next day he met with some 11 Latin American Presidents. They said, "Look, Mr. President, President Johnson promised us but didn't deliver. He was all involved in the war in Vietnam. President Nixon, he got involved. President Ford spent 2 years trying to bring integrity back to government. Now you have a good 4-year administration. Vietnam, Watergate, all excuses are behind. We want to see right done as we voted for what friends we have and what is best interest."

We could not find a single friend on March 23, 1973. On that particular date the United Nations Security Council voted just that, to return the sovereignty of the Canal Zone to the Republic of Panama. And we wonder what will happen with all these monkey-shine scenarios.

So they came, and President Carter brought in the Pentagon and Defense chiefs, in a very commendable fashion, I thought, because he talked about misgivings, just as the Senator from South Carolina. We do not want to give up and give away. I am part of that syndrome. I am not part of that "stepping down" in everything. So what I am doing in voting ratification with these amendments on defense, I say to the Senator from Alabama, is not withdrawing from rights but advancing interests—advancing the interests of the United States.

I firmly believe that with all the misgivings and all the changes I could make and the Senator could make, that this is on balance a very, very good thing and a wonderful opportunity, and I hope it pans out, I might end up with egg on my face. Torrijos is unpredictable. I think we can change a bad neighbor into a good neighbor. I think we can act as mature people and do away with colonialism, the last vestige of extraterritorial rights.

But let us not lose the point about the problem because all of those who said we were gagged went right on down. Incidentally, they changed. They were on drugs yesterday. I do not hear anything about drugs today. They got through that. And then the gentleman said, "Oh, we didn't hold that to change any votes; we just wanted the facts."

That is really misleading the American public. Those facts were available to every Senator in the Intelligence Committee when I first heard about it last September, and all reports were filed right there, and some of the new ones brought up, that have now been in the news, operation something like limp time, or march time, or something else of that kind, the Senator from Idaho (Mr. CHURCH), the distinguished former chairman of the Intelligence Committee said that is publicly filed. They went away from brothers and tried to bring in Castro, and they will bring in now this morning Torrijos telling you have to sign off with Torrijos.

I did not see the gentleman down there. I did think it was an arrogant thing to suggest that I should see him but not the distinguished Senator from Virginia. So I do not defend Torrijos.

I am looking at the Republic, and I am looking at the people, and I am looking through the eyes of those who served, four-star commanders. Ask everyone, whether it is General Wilson, General Underwood, General O'Meara, General Porter, right on down the line. Not gagged. The idea that anybody in public life or the present-day military is dishonest, I resent. I resent the idea.

I saw Adm. Jim Holloway, who was born in Charleston, S.C., standing down there for the big aircraft carrier, and some of the other things. They are not gagged.

We are getting records right now in committees different from the administration and OMB budget with regard to our defenses in the country, I say to the Senator, and he knows and I know it. We work that way.

General Underwood issued just a few weeks ago an article in Retired Officer, February 1978, and incidentally he is not all sold. He calls it, "The Panama Canal Treaty, a Mixed Bag." And I want to quote the conclusion of the article, because I read through very thoroughly and he covers the problem as it appears; namely, a confused problem:

> Once a way is found to incorporate the words or at least the sense of the Carter press statement into the treaty documentation or into the text of the treaty itself, it can become a document of great value, certainly worthy of support.

That is generally his conclusion. But how does he reach it? All of my constituency thinks there is nobody here but us chickens. It is just like that cartoon in the New Yorker about:

> I never heard of the Panama Canal for 30 years. I never even heard of it. And now I finally can't even live without it.

They have not studied it. They have not gotten a feel for the people. They do not know that Eisenhower, who had been 3 years in that Canal Zone, started that riot in 1964 because he had been there 3 years. He made a treaty and, incidentally, we violated it for not only upping the fees, but he made a treaty that you would have equal employment. Everybody is talking about equal employment. A Republican President did that. He said you could raise the Panamanian flag wherever the American flag was raised, and that is what the children were trying to do.

They talk of communism, and I had a delightful time because I had been in riots and civil disturbances for 4 years. I started with the Marions, Berrigans, wait-ins, sit-ins, and any that you want to mention. They started in Rock Hill, S.C. That is the first march that our distinguished—and I have most respect for him, and I agree on the holiday that our cities voted, and the city of Charleston where I lived—Martin Luther King Day—that we have learned a lot from his leadership, but at that time I was trying to keep the peace and I pulled off the ragged city policemen and put black policemen all around and as a result, when there were arrests made there was not the TV result and they went on to Montgomery and, Bull Connor, gave them what they were looking for. It actually started in Rock Hill, S.C. I had 4 years of it with not a single life lost and not a person with serious injury. And there were not any Communists.

This gentleman I was debating thinks every disturbance like 1964 in Panama was communism.

Then he explained how one could not physically get into the country later on in the debate, but he said certainly colonialism is not the problem.

So now I quote General Underwood, his commander:

> Most Panamanians have felt for years that this treaty is unfair to them, disregards their sovereign rights, and urgently needs modernization to reflect today's world rather than the colonial practices that were fashionable 74 years ago.

Going on further, under the limits of time here:

> My own position in capsule form, is that the status quo is an unacceptable course of action; . . .

That status quo is what the opposition wants, and when we try to show some judgmental capacity, they say, "Well, we can give them a little more money or do a little bit of this. Oh, yes, we believe in revising treaties and everything else."

But:

> My own position in capsule form is that the status quo is an unacceptable course of action; that a new treaty is needed to purify what Panama and much of the world see is outdated colonialist role of the United States; . . .

Madam President, let me read one little paragraph that ought to be brought to the attention of every Senator, and I will have to read it again when we get better attendance on the floor because it points out the problem that they do not think we have, and I quote General Underwood:

> The point here is that no collection of legalisms—

No collection of legalisms, I say to the Senator from Utah and the Senator from Vermont and other Senators around—

. . . No collection of legalisms, no expert reading of history to the contrary, no citing of the benefits—

That is another flare they bring up:

. . . No citing of the benefits bestowed upon Panama by our building, operating and defending the canal will ever convince the typical Panamanian that his country's sovereignty has not been violated by our occupation of the Canal Zone and our independent operation of the canal. It makes no difference which side has the best arguments or which side has the cleanest interpretation of history. Panama happens to believe it has been wronged and will persist in that belief to the bitter end.

This is, I interject, Madam President, this is the root cause of the high tension between Panama and the United States:

This is a festering sore that poisons our relations. That is why I would tell visitors who asked for my appraisal of the situation confronting the Southern Command at Panama, "We are walking on eggshells and trying to be light-footed about it."

Now, where are the opposition with all those scenarios? They worry about what is going to happen 20 years from now. I am concerned about what is going to happen in 20 days, what is going to happen in 20 weeks, in 20 months.

I asked about a country like Colombia, when my distinguished colleague from Virginia and I were there. I asked what would happen if the treaties were rejected. We were told, "They would try to take advantage of it. Turn the treaty down, and there would be violence and bombings." Senator Scott said, "How long would that go on?" They said, "That would go on just as long as the President here allows it, and politically he would have to allow it to go on for several days, perhaps weeks."

It is a sad situation that we come to where a good sized part of our Senators, Members of this body, some in a political vein—and I commend the distinguished minority leader for not joining that; I commend the distinguished former President Gerald Ford, because I really believe if we ratify this treaty we are going to have to attribute a lot to his strong feel of what is in the best interest of this country; but some, just in a political vein, are using the inflammatory language about "ramming the treaties through in a plebiscite," and "What about Omar? Check it with Omar."

That is silly talk. We are here together, trying to make the best we can out of a situation where, as General Underwood says, we are walking on eggs. We do have a problem that they do not want to recognize, and they all think it is a class 1 contract in freshman law, trying to find what the contract means, and where are the ends and bits, and everything else.

I was rather amused about the investigations of the past habits of people, where the Senator from Louisiana admonished us. He said, "Lord, I have been through that." He said, "You can go ahead and study for years on end, through the FBI, CIA, the Attorney General and Justice Department files, and have a merry chase, study for 2 years, and perhaps conclude that you would not join in any kind of treaty or otherwise. But then a year and a half or 2 years would have passed, and we are looking at ourselves."

We could care less about Torrijos, because, as I have said before, he is totally unpredictable. We do care about our interests in the Republic of Panama. We do care about our defense interests, about being naked.

Incidentally, that point should be clearly understood. Why would the commanders of the military all come up and talk in terms of enhancing our defenses? You would think that we were going up there walking away, and had no defenses. I will never forget talking with General Rogers, the Chief of Staff of the Army, one evening. I said, "General, my colleague and other opponents of the treaty say you can't speak for yourselves."

He said, "Oh, no, we all have our inputs, but once a decision is made we support that decision. The difference here," he said, "is as chiefs, we are advocates; we volunteer to go out and make talks and advocate the ratification of these treaties." He said, "We don't have to do that."

Gen. George Brown:

I think to describe the United States, with this action, as proof that the United States is a paper tiger is absolutely wrong. I think rather it shows the United States to be determined to live in the world of today, not in the world of yesterday. I think it shows we profited by the experience of the Portuguese in Angola and Mozambique, the French in Algeria and Indochina, and ourselves in the Philippines. We left the Philippines for the same reasons that I think we should negotiate these treaties. It is in recognition of the importance of the Panama Canal that I feel we should do this, because we would then be guaranteeing, I think, a better opportunity and guaranteed in the future of the use of the canal.

A better guarantee.

Gen. Bernard Rogers, Chief of Staff of the Army:

I can certainly defend the canal much better—

This is a comparison—

much better under the new treaty than under the present one.

Adm. Robert Long, Vice Chief of Naval Operations:

We think these treaties will enhance—

I emphasize the word "enhance"—

the probability of our maintaining the use of the canal.

Gen. Louis Wilson also:

I support the President in seeking the new treaty.

Lt. Gen. Dennis B. McAuliffe, zone commander, the soldier immediately responsible for maintaining the security of the United States there:

Our capability to keep the canal open will be enhanced, considerably enhanced, by the provisions of the treaty.

Therein, Mr. President, is the whole thing. What would we do under the present treaty? They all worry about the year 2000. I hear talk amongst the colleagues; they think that we do not have many veterans among us now. They say, "Oh, we have got so many, 45 Members of the House of Representatives," Senator from California, "who never served in the military." And the legion was in town on last evening, and you hear that undercurrent of feeling and apprehension, that before long we are not going to be able to get the votes to defend our country and commit this country, and everything else of that kind.

I worry some about that, too, but I worry more about the present. What would we do under this present treaty to put down an uprising in the next day or two. What would we do? We would have to occupy it. Everyone on this floor agrees with that. We would move in more soldiers; there would be civil unrest, there would be little incidents, a demonstration here, a handgrenade there, and they would bring in, on the 7 o'clock news, two or three bodies with flags around them. Then there would be somebody blow up a steamer. You cannot prevent sabotage, Mr. President, I live in a seaport town. If you think you can protect a vessel, where they are bringing in drugs and contraband, you are fooling yourself. Everybody knows these canal locks are subject to sabotage, and it cannot be prevented except as it has been prevented, by a friendly population and an understanding people, a people with an interest.

Here, under the new treaties, we vest the Panamanians with a vested interest in what they have been fighting for, their own nationalism, their right to determination of their own self destiny. Now we want to give them that through the new treaties, and the other crowd says, "What? What about the new treaties? What will happen when we give them that? What about the cost?"

Three weeks ago the United Nations Economic Commission said we made $12 billion in saved costs, economically, for the United States. So give them a billion. We left $5 billion, I think, when we pulled out of Saigon, in one day. I do not know how many billion in total it cost us, and 56,000 lives over a 12-year period, but at least $5 billion that 1 day. What if it does add up to a billion bucks?

The Secretary of the Navy said, in 1976, that $200 million was saved in his budget as a result of having that canal there.

There are untold benefits that the Panamanians have enjoyed and that the United States has enjoyed. But when it comes down to costs, when we are sitting around here, voting up next year's appropriations, and we hear we have been subsidizing them $8 million for the previous 7 years, why worry now about the cost?

I am worried about the cost to us as a people, because what could we do, Senator from Alabama, under that present treaty? We would have to turn a friendly people into a hostile people. We would have to turn a commercial operation—

really, I would like to go into some of these things; that is why I went there to visit. Going on down to the Navy there, I think there are about 600 communications personnel, the highest one of them holding the rank of captain. A line of communications, not of negotiation. And this is all offshore. This does not affect the ratification of these new treaties. We have got our defenses there.

We have our defenses there. We are not being taken there. They are not coming to the canal.

We have our Air Force, and I hope the Air Force around the canal is not fiddling around at Howard Field. I hope they are in Florida and Charleston, S.C. We will alert them long before they get to the canal. If we do not, then this country is in sad shape. About defending the canal? We will defend it from fields in Alabama, South Carolina, and Florida. We are going to defend that canal. Do not worry about it.

There is no navy. There is not a naval vessel down there, other than offshore gunboats, things to fish from, things like that. But there is the Air Force.

Let us go back to the present treaty. Now we have met, we have done what the Senator from Alabama has asked. We have refused to ratify, and they all are going to come up with all kinds of aid programs. I can see it now. We ought to give them a little more money, a little more handout.

Talk about arrogance. It was the Senator from Alabama who used that terminology, not the Senator from South Carolina, who injected the word "arrogance." I think that is arrogance, giving them a little more handout.

Then in the fifties and sixties, I remember one colleague who still serves said, "Now they have a refrigerator, a stove. Some of them want automobiles. What else do the blacks want?"

Arrogance?

Turn the treaties down and then come up with the aid programs, how they ought to get a better deal down there, and everything else, and then wonder why we have had to occupy a friendly country, why we cannot get a single country in the entire 151 nations of the United Nations to vote on our side, as the Senator from New York said.

They have proven that before the National Security Council. It is as if we have the options to fiddle around to the year 2000.

Mr. MOYNIHAN. Will the Senator yield?

Mr. HOLLINGS. I would be glad to yield.

Mr. MOYNIHAN. I would like to rise not to interrupt an extraordinarily important statement, but to say that I shall be speaking later in the day precisely to the point about the United Nations and to say that it is exactly as the Senator has described it. This treaty, far from being a retreat in American policy, has the potential to be come an extraordinary forward movement in our relations with the rest of the world. In the space of 10 years' time we may well reverse completely the understanding in the United Nations, for example, of what the United States stands for and what Cuba stands for.

A decade ago Cuba said it stood for resistance to imperialism, for resistance to militarism, for all those wonderful things. We were said to stand for armies, for occupation of other people's lands. But pass this treaty and we will be the people of the future, while the Cubans, murdering and killing and burning their way through Africa, will be the discredited militant imperialists, which in fact they are, and they will be completely rejected in Latin America. The turning point will be this treaty.

Mr. HOLLINGS. The distinguished Senator from New York has a grasp of the situation and certainly a better capability to articulate.

I visited South America as a Governor in 1960. We were on the tail end of an operation PanAmerican, under John Eisenhower, and then John Kennedy has his operation which I cannot pronounce. It is in Spanish. Will the Senator from New York help his colleague?

Mr. MOYNIHAN. The Senator will think it is the Alianza para El Progresso. It had a particular difficulty in Spanish because it can be translated equally as the alliance for or the alliance against progress.

Mr. HOLLINGS. Well, now, some 17 years later, it locks like an alliance against progress.

After World War II, where did we go? They had done everything. They had furnished supplies, they had helped us with the canal, they had helped us with the raw materials. Latin America made a tremendous sacrifice for freedom along with the United States, hand in glove.

Then what did we do? We said we had to go to Japan to rebuild; we had to go to Germany and rebuild. What did we do down under? Absolutely nothing.

We started to penalize them because of the depression. The gold and the silver money demeaned their dignity in the way they paid. They still had to use separate water fountains and everything else.

Here we were with the Marshall Plan and all, which we are all very proud of. What did we do down under? We turned it around the other way and had a bad neighbor policy.

Mr. MOYNIHAN. Will the Senator agree in recalling that the largest country in Latin America, Brazil, one of the largest countries in the world, joined us in the war against the Fascists, and the Nazis, and sent troops to Europe?

Mr. HOLLINGS. Yes, and one of their generals served under Gen. Mark Clark, of the 3d Army, in Italy. That general and others reminded me of that when I was in Brazil. Gen. Mark Clark, the Army commander, who now lives in Charleston, is one of our most noted soldiers.

Mr. President, I have gone over my time slightly. The Senator from California has been waiting. I think I will yield at this moment and then come back and complete my thoughts. I yield the floor at this time.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. HAYAKAWA. I thank the Senator from South Carolina.

Mr. President, as I look back at the early stages of the public debate on the Panama treaties, it seems to me that I was among the first public figures who became actively involved in this issue. My remark, "We stole it fair and square—we should keep it," was good for a laugh and it made headlines. It was a witticism and generally understood as such. During the campaign it was, of course, not possible to go into the subject in depth. But I always made it clear that our policies toward Panama had to be examined in the general framework of our relations with the other countries of Latin America, as the distinguished Senator from South Carolina made so clear.

All through 1977, I have given a great deal of thought to the subject. My final conclusion was that I should vote for the treaties provided certain minimum requirements were met. They were enumerated in my testimony before the Subcommittee on Separation of Powers. In a few minutes, I will discuss the treaties in the light of my four conditions. However, before doing so, I think I should explain why, in principle, I decided in favor of ratification.

As I see it, the issue of ratification involves three considerations: First, the prevailing political and psychological climate; second, moral principles, and third, practical consequences.

As to the first consideration, I have to go back to the historical events of 1903 when Panama became an independent state. You will recall that prior to that date, there had been several abortive attempts by Panamanian nationalists to secede from Colombia. The 1903 revolution succeeded only because of the carefully timed arrival of American naval forces, who prevented Colombian troops from suppressing the uprising.

In some of our contemparary textbooks, this unilateral U.S. action and the subsequent treaty negotiations are usually condemned as an example of despicable imperialism. I object to this evaluation.

What the United States did in 1903 was nothing unusual or contrary to the public mores of those days. At the turn of the century, all great powers behaved similarly, and the speed with which the new Republic was recognized by all the Latin American governments, with the sole exception of Colombia, indicates that we simply acted in accordance with the "Zeitgeist," a term which Webster identifies as the spirit of the age.

Mr. President, I think everybody in this Chamber will agree that the spirit of 1977 is very different from the one which prevailed when we signed the treaty with Monsieur Bunau-Varilla, a Frenchman and an early big-time operator. Today, a very different spirit pre-

vails, and it was the United States, which, in its foreign and domestic policies, did its level best to bring the changes about.

That change of climate is our own doing. This, of course, brings me to my second consideration, namely, the aspect of moral principles.

Mr. President, when the British departure from India came under discussion, it was the United States which was in the forefront of those who pressured for full independence. When the end of Dutch control of Indonesia was being negotiated, it was again the United States which suspended aid to the Netherlands East Indies, and followed this up with threats to cut off assistance to the Netherlands as well. Both steps were taken in order to coerce the Dutch Government into a more conciliatory attitude toward Indonesian nationalists.

The liquidation of the French and Belgian Empires in Africa was encouraged by American public opinion and the Government of the United States. Moreover, the new political climate was dramatically demonstrated by this country when it intervened in the Suez crisis. It was the United States which prevented the recapture of the Suez Canal by the British Army. It should be recalled that the American Secretary of the Treasury, George Humphrey, at that time gave the British Government a virtual ultimatum. Great Britain was given the simple choice of an immediate cease-fire or war on the pound. Not a dollar would be available for oil supplies. Unless the British advance toward the canal was promptly stopped, the United States would block access to dollars from the International Monetary Fund. It would block credit from the Export-Import Bank, and it would make no effort to aline American bankers behind the pound. If the British persisted in trying to take back the Suez Canal, they would face a forced devaluation and gas rationing. Reluctantly, the British capitulated.

Mr. President, I have cited these excerpts from recent world history to remind this body of the crucial role the United States has played in promoting a new international morality. And I have to ask my colleagues today how could this country possibly have the effrontery to refuse to draw the consequences of its own actions? In the light of recent history, could there by anything more hypocritical than an insistence on the status quo in the Panama Canal.

Let me quote a paragraph or two from the columnist, Vermont Royster, in the Wall Street Journal. He served in the Panama Canal Zone in the earlier years of the Second World War. He says:

> There we Americans, civilian and military, had our own housing, our own swimming pools, tennis courts, movie theaters and shops. The cost of all these things was nominal since they were tax-free and subsidized, which was very nice for a young man on an ensign's pay.
>
> Things weren't quite so pleasant for a Panamanian. All these amenities were off-limits to the Panamanians, many of whom lived in near poverty. If a Panamanian did work for the Canal, he got lower wages than his American counterpart and had none of the privileges. He was also constantly reminded of his lower status by such things as separate toilets and separate drinking fountains, marked "gold" for Americans, "silver" for Panamanians.
>
> So I have no trouble understanding the long years of resentment of the Panamanians at their second-class status in their own country and their years of agitation to get the status of the Canal changed.

Or, as Charles McCabe pointed out in the San Francisco Chronicle recently:

> The Vietnam adventure also gave us some knowledge of how much the United States is truly disliked in much of the civilized world. In Panama, as an instance, this dislike is almost a part of the atmosphere of the Canal Zone.

My third consideration when reflecting on the issue, namely the practical consequences of rejection, can be quickly summarized. As I see it, rejection would impair all the good will we have in Latin America; it would poison our relations with most of the countries in the Western Hemisphere; it would give new force to the dangerous imagery of Yankee imperialism.

Mr. President, I shall turn now to the treaties which are before the Senate, and examine whether they satisfy the four conditions which I mentioned before. In my testimony, I stated the following:

> (1) I would find it unacceptable if the executive branch through its actions preempted the issue and Congress could only rubberstamp a fait accompli.
>
> (2) I would find equally unacceptable any agreements which would lead to the inefficient operation of the Canal and the imposition of an undue burden on American and world commerce by the operators of the Canal.
>
> (3) I would find unacceptable any sudden and drastic changes of present operational and administrative procedures instead of a gradually evolving process.
>
> (4) Finally, I would find it unacceptable if the executive branch negotiated an agreement which would not fully retain control of the military defense of the Canal and enable us to act promptly whenever there appears any challenge to such control.

Taking these up one by one, first, it is clear now that the Congress is not expected any longer to rubberstamp a fait accompli. The Byrd-Baker amendment which was prepared in close cooperation with the administration demonstrates that the objections of the Senate were heard. The effort to include the Senate in these historical deliberations came late—but it did not come too late.

Mr. MOYNIHAN. Will the Senator yield?

Mr. HAYAKAWA. I am glad to yield.

Mr. MOYNIHAN. It is with great hesitation that I interrupt a superbly organized and brilliantly succinct presentation. Although this is not the reason for which I rise, I should like to say to my dear friend and distinguished Senator that his recalling of the events at Suez was brilliant.

In 1956, this country would not accept the imperial powers of France and Britain returning to seize by force the Suez Canal, as they had planned to do. George Humphrey—not a man noted for visionary views, scarcely a member of the center of his own party, much less of the world in which it is my pleasure to live politically—George Humphrey knew you could not do that in 1956.

George Humphrey—of the M. A. Hanna Co., the very same Mark Hanna who helped put together the Panama Canal. George Humphrey—fundamentalist, Cleveland capitalist, banker, Republican Cabinet Member, Secretary of the Treasury, in 1956 in effect said to the British and French, "You can't do that, that day is over."

But I would like to congratulate the Senator for bringing up that issue, which be heard again in this Chamber.

But he asked about the proposal by the majority and minority leaders to amend the treaty to incorporate the statement of President Carter and General Torrijos. It happened that I was in Panama at the time with nine colleagues, a group led by Senators CRANSTON and STAFFORD, at the time this question arose.

We met with General Torrijos and his cabinet officers on these matters and we said, "Now, what would be the case if we amended the treaty to incorporate this language? Will that not require a new plebiscite in Panama according to your constitutional provisions with respect to the treaty?"

They were emphatic. They thought carefully. They took 24 hours to answer it. Their answer, when it came after a period of time, was the same as their initial response, "No, it will not." Because the general said, and his cabinet agreed, and there is no question of the fact, that the plebiscite took place after the Carter-Torrijos agreements was reached and was made public in Panama. The general went on TV in Panama to say in affect, "Now, when you decide to vote on this plebiscite, remember that the treaty comprehends the agreement, the agreement is simply an expression of our understanding of the treaty."

On this point, the Panamanians are quite clear as to their own constitutional procedures. I believe it is the case, I understand it to be the case in international law, that one looks to the procedures established by a nation to determine whether or not they have been followed. So I believe I can express to my colleague the feeling, the firm conviction, that no subsequent plebiscite will be needed. The treaty, as we have proposed to vote for it, has already been ratified by Panama.

Mr. HAYAKAWA. I thank the Senator from New York, my very good friend, for clarifying this issue.

Mr. HATCH. Will the Senator from California yield?

Mr. HAYAKAWA. I am happy to yield to the Senator from Utah.

Mr. HATCH. I appreciate my colleague's kindness. I have enjoyed the discussion between the two distinguished Senators from New York and California.

Assuming the distinguished Senator from New York is right, that there is no need for a plebiscite, and that the distinguished Senator from California is wrong, that there probably is, I still think there may be some other very interesting considerations with regard to the Carter-Torrijos agreement of understanding and the comparison between English and Spanish texts.

With regard to that, let me just give one illustration that might, I hope, be provocative and perhaps give us something to think about because, although the Spanish text is largely consistent with the English text with regard to the Carter-Torrijos statement of understanding, there is a discrepancy in the fourth paragraph of the document.

Part of the description given of "expeditious transit" is "with expedited treatment." That is in the English translation.

However, in the Spanish translation this particular language is translated as "contramitación simplificada."

The latter, however, means "with simplified procedures" with a strong connotation of "paperwork." rather than the expeditious transit and expedited treatment version of the English text.

I suggest that the distinguished Senator from California set forth some very interesting legal points here that really go beyond what my dear friend and colleague from New York has had to say about that and really mandate, in order to clarify these difficulties, probably a new plebiscite.

But even if we do not need a new plebiscite, we are going to see through the course of these debates all kinds of ambiguous differences and difficulties and different meanings between the English and Spanish translation, even to the extent of showing that there are whole paragraphs of the English translation left out of the Spanish translation in the Canal Treaty itself.

So I think the distinguished Senator from California, if I interpret him correctly and understand him even partially correctly, is doing the Senate a service by pointing out that perhaps this Carter-Torrijos statement is not the very best worded statement that has ever been made and the Spanish translation thereof really does not do the English translation justice, nor does it do the American people justice who have been led to believe that it means a lot more than it does.

Mr. MOYNIHAN. I know I interrupt the Senator from Utah who is speaking at the courtesy of the Senator from California, but I wonder if the Senator from California would allow me to respond to that point?

Mr. HAYAKAWA. I am glad to yield to the Senator.

Mr. MOYNIHAN. I thank the Senator. I would like to make this point:

In international law, depending upon the terms of a treaty, the language of either or both parties can be equally authoritative. With respect to this treaty, the language of both the Spanish- and the English-speaking text is authoritative.

I see the distinguished chairman of the subcommittee on the floor and I ask him, Is that not the case?

Mr. SARBANES. That is my understanding.

Mr. MOYNIHAN. Hence, with respect to the nature of translations, so far as the rights of the United States are concerned, and our rights to act under the treaty, we need only refer to the English text. Whatever it says in English, whatever rights are conferred in English, those rights obtain and we have the right to exercise them regardless of how badly the Spanish may have been translated regardless of whether there is a conflict between translations. What the treaty says in English is what we have a right to do. I offer that as a point of law.

Mr. HATCH. I appreciate that very lucid explanation of one principle of international law, and I do agree that these present treaties provide basic equality, that we can interpret it in an English way and they can interpret it in a Spanish way. That is precisely the problem I bring.

As I understand one of the arguments of the proponents for these treaties, it is that we want to prevent any further discord and difficulties and unfriendly approaches to our neighboring friends.

If I correctly understood the distinguished Senator from New York in his prior statement, he said that it is certainly going to be a wonderful thing for us to be able to show that we are not imperialists any more and to set a new tone in the U.N., and to turn around the definition of the various countries in the U.N. toward the United States, and allow Cuba to take our prior reprehensible position as the leading imperialist in the world. The Senator did not say that, and I hope he did not even mean to imply that, but I inferred it from wht he said.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MOYNIHAN. I know the Senator is a careful and fair man.

Mr. HATCH. I always try to be.

Mr. MOYNIHAN. One might have thought from the United Nations debates and votes that the United States had this position. Of course, at no time did it in fact do so.

Mr. HATCH. I agree with the Senator.

The natural implication that listening to this might have taken from the Senator's statement was that we somehow had a reprehensible reputation because of the overwhelming antagonism toward the United States in the United Nations, which is nothing new to anybody on this floor or anybody living in the United States of America.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. HATCH. I am delighted to yield to the distinguished Senator from Maryland.

Mr. SARBANES. I know this is on the time of the Senator from California and I thank him for his courtesy.

I think it is important in fairness to the distinguished Senator from New York, because I was present earlier when he made the comments to which the Senator from Utah is referring.

Mr. HATCH. So was I.

Mr. SARBANES. The Senator from New York made it very clear that it is his position that the United States is not in any way legitimately subject to charges of imperialism. In fact, the Senator from New York, has been one of this Nation's outstanding spokesmen in eloquently rebutting such charges and such allegations—in the United Nations, when he served as our very distinguished ambassador; as a public speaker across this country; and more recently as a very effective and distinguished Member of this body. He has been one of the Nation's outstanding spokesmen in rebutting such charges made unfairly against the United States.

It is for that reason, among others, that I think his perceptions with respect to these treaties and his strong support of the treaties carry particular weight in our consideration of this matter.

Mr. HATCH. I thank the distinguished Senator from Maryland for his clarifying statement.

I join in saying that the distinguished Senator from New York, as ambassador to the U.N., was one of my favorite ambassadors to the United Nations and is one of my favorite Senators, and he is one of the most interesting legislators in this body.

On the other hand, I think that if we do not solve the problems of the difficulties and discordant future difficulties which may very well arise as a result of the differences in the two translations, and if we do not face those in the Senate at this time and provide for the protections that the United States deserves, we are going to wind up reaping the whirlwind on this treaty well into the future and well past the 20th century.

Again I compliment the distinguished Senator from California for this one point that he is making and for his lucid comments with regard to the Panama Canal treaties. He has voted carefully and well on the floor of the Senate in many issues, so it is difficult for me ever to find fault with the distinguished Senator from California, although we do disagree on many of the issues with regard to the Panama Canal. I thank him for allowing me this time.

Mr. HAYAKAWA. I thank the Senator from New York, the Senator from Maryland, and especially the Senator from Utah for the clarifying statements, and I am grateful to the Senator from Utah for pointing out the ambiguities he finds in the treaty.

Mr. President, the Senator from California finds a different ambiguity in the Byrd-Baker amendment, and he would like to comment on it.

I am also concerned about the proposed new language which reads as follows:

Any United States action will be directed at insuring that the Canal will remain open,

secure, and accessible, and it shall never be directed against the territorial integrity political independence of Panama.

Mr. President, in my judgment, this new language is questionable to say the least. It provides for a new ambiguity, and I actually wonder whether the original text, if left alone, would not serve our purpose better. As I see it, the added phrase can provide an unfriendly Panamanian Government with a useful rationale to challenge any American military intervention as encroaching on the territorial integrity and political independence of Panama. To be sure, our Department of Justice, when facing this question, declared "a legitimate exercise of rights under the neutrality treaty by the United States would not, either in intent or in fact, be directed against the territorial integrity or political independence of Panama."

In my judgment, Mr. President, the Department of Justice's declaration misses the main point. The crucial question is, what will be regarded as "legitimate" after the year 2000? Obviously, if the Governments of the United States and of Panama are in agreement as to what is a "legitimate exercise of rights," there will be no problem. Under these circumstances, actually no treaty would be needed. The problem will arise if there is disagreement.

I call attention to the contemporary methods of what might be called camouflaged aggression which should cause us grave concern. Senators will recall that it was the evil genius of Adolf Hitler that invented this new device. He used it first when he manipulated an invitation to occupy Austria. According to him, he was not an aggressor. He was accepting an invitation.

The occupation of Austria was an act of naked aggression, but technically it was made to appear as simply a response to an invitation. Hitler applied the same technique again when the German Army was "invited" to occupy Prague. Naturally, the Soviet Government was not slow in following suit. The Baltic countries were occupied in similar fashion. And when Brezhnev decided to send troops into Czechoslovakia, the Soviets attempted to solicit an "invitation." Because the Czechoslovakian Government refused to play ball, an invitation by Czechoslovakian workers' councils was eventually accepted in lieu of anything better.

Mr. President, I do not want to be overcritical, but I think the Senate should know precisely what it is doing. I believe the treaties ought to be ratified, and I will support the leadership in its efforts. I am still uncertain whether I shall vote for the Byrd-Baker amendment in its present form or whether I will abstain. In either case, I shall also introduce an understanding to be added to the resolution of ratification to read as follows.

This will be the resolution of ratification that we shall be working on in this body:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the following understandings, which are to be made a part of the instrument of ratification, that—

"(1) the agreement 'to maintain the regime of neutrality established in this Treaty' in article IV of the Treaty means that either of the two Parties to the Treaty may, in accordance with its constitutional processes, take unilateral action to defend the Panama Canal against any threat, as determined by the Party taking such action. Nothing in this Treaty or in this Understanding may be construed as conferring upon the United States of America a right of intervention in the internal affairs of the Republic of Panama; and

"(2) the phrase 'transit the Canal expeditiously' in article VI of the Treaty assures the United States of America that, in case of need or emergency, its vessels of war and auxiliary vessels may go to the head of the line of vessels awaiting transit of the Panama Canal."

This additional text will make it crystal clear that the United States retains the right, in perpetuity, to come to the defense of the canal whenever it deems this necessary. By voting for an understanding rather than for an amendment, the Senate will follow a well established practice which has been effectively used on previous occasions. The convention for the pacific settlement of international disputes of April 7, 1906, the International Agreement at Algeciras of April 7, 1906, the London Treaty of 1930, the treaty with Mexico of November 8, 1945, and the treaty with Japan of February 21, 1911 are some of the precedents which come to mind. If the Senate's understanding is communicated to the Government of Panama, and is accepted or acquiesced in there is no issue, and the treaty need not be reopened, for discussion by the people of Panama.

Thank you, Mr. President.

Mr. HATCH and Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. CLARK). The Chair recognizes the distinguished Senator from Utah.

Mr. HATCH. Mr. President, I want to compliment the distinguished Senator from California for many of his ideas.

I would like to take a few minutes, however, at this point in the debate to mention a few things that I think are quite important.

I particularly enjoyed the interesting, if not volatile, recitation of the distinguished Senator from South Carolina of some of the military interpretations that he has and his sterling defense of the present members of the Joint Chiefs of Staff. On the other hand, I have to be very concerned that the American people understand that there are, as I understand it, well over 300, as many as 379 retired generals and admirals who are totally against these treaties because they have read them and they have studied them. They understand the military and security implications of these treaties as well as the present leaders of the Joint Chiefs of Staff.

I do not think anybody really should impugn the members of the Joint Chiefs of Staff because I believe they believe what they have said. As a matter of fact, some of the things that most of them have said before the Senate Armed Services Committee come down to basically, "We wish we could stay in Panama, we wish we could keep the status quo, we wish we could maintain our 17 or more military bases and air force bases down there, our refueling facilities, and all of the other things that means so much to the defense of this country and to the security of all of this hemisphere."

But in this imperfect world some of them have said, I think, in those terms, this is about the best we can do. Their understanding is based upon information given to them from, I understand, the State Department, the Ambassadors, the administration, and others, and they have accepted these statements.

But I would like to call to the attention of the American people, Mr. President, and of course all of my distinguished colleagues here that four former Chiefs of Naval Operation, Admirals Carey, Anderson, Burke, and Admiral Moorer have all come out strongly opposed to these treaties.

Admiral Moorer is very significant because he was, as I think everybody knows, the Chairman of the Joint Chiefs of Staff prior to General Brown, from 1970 to 1974. He has made a number of eloquent statements before various Senate and House committees in this matter, and I think has laid bare many of the weaknesses and erroneous assumptions about these particular treaties.

On the Panama Canal's importance to the U.S. defense interest, Admiral Moorer stated:

There is no feasible war plan for the United States, taking into account our reduced forces and extended commitments, that does not assume that the Panama Canal will be available for full-time priority use. The only alternative that would permit the meeting of time scales of current war plans based on the threat in both the Atlantic and Pacific Oceans would be a major buildup of naval combat forces overall, together with a very large expansion of supply and communications storage facilities for both the Army and Air Force on both coasts. The utility of the canal has been demonstrated over and over again in times of emergency. World War I, World War II, the Korean War, the Cuba crisis, and the Vietnam war all placed heavy loads on the Panama Canal which were efficiently handled to the great benefit of the United States and her allies. I see no change whatever in the critical contribution of the canal to our military strength in the near future or in the out years far beyond the meaningless year of 2000.

Admiral Moorer was of the opinion that if the "Canal operation was slowed down or stopped, the timing of any war plan we have immediately collapses." In fact, that is a direct quote from Admiral Moorer.

Concerning the importance of U.S. presence in Panama, Adm. Thomas Moorer stated:

I believe a permanent U.S. presence in the Panama Canal Zone to be the only feasible and safe posture for all of the nations of this hemisphere.

He then added:

Do not be surprised if the treaty is ratified in its present form, to see a Soviet and/or Cuban presence quickly established in Panama. In any event, any confrontation over the neutrality of the canal then becomes a confrontation with the Soviet Union rather than with Panamanian guerrillas or terrorists.

In response to the question on the importance of the United States having base rights in Panama after the year 2000, Admiral Moorer responded:

I think it is mandatory that we maintain a presence through one kind of agreement or another.

With regard to global implications of the treaties, Admiral Moorer stated that:

The defense and use of the Panama Canal is wrapped inextricably with the overall global strategy of the United States and the security of the free world.

I submit that, if the United States opts to turn over full responsibility for the maintenance and operations of such an important waterway to a very small, resource poor and unstable country as Panama and then withdraws all U.S. presence, a vacuum will be created which will quickly be filled by proxy or directly by the Soviet Union as is their practice at every opportunity.

The admiral also noted that:

Anyone who has observed Soviet actions since World War II and studied their literature concerning maritime affairs soon learns that the Soviets fully understand the importance of the Panama Canal.

He added that:

The prime reasons that the Soviet Union accepts the burdensome support of Cuba is due to their desire to dominate the Caribbean, including the Panama Canal, as they greatly expand their maritime capabilities—both warship and merchant ships. We have here the development of a Torrijos-Castro-Moscow Axis.

He brought out some pretty important things on the internal threat to the canal on a variety of occasions, but let me skip that for now and talk about some of his comments concerning Panama's ability to operate and defend the canal.

Concerning Panama's capability to run the canal, Admiral Moorer stated:

The overall capability of Panama to maintain and operate the canal after the year 2000 when the United States is required to withdraw is a troublesome point.

He further noted that "the Panama Canal with its locks, pumps, and electrical controls is extremely more complex technically than the sea-level Suez Canal. Furthermore, Panama is a very small country with a population about the size of Atlanta, Ga., that is, 1.7 million. She is led by a military dictator with Marxist leanings," Admiral Moorer says. In fact he goes on to say, "political opponents have been exiled. Until recently all political activity has been outlawed. The press is controlled. The country is heavily in debt, and spending 40 percent of its income carrying its debt. Panama has no heavy industry worth the name and is woefully lacking in management skills as evidenced by the fact that several large-scale construction projects attempted recently have failed. It is very doubtful whether Panama will acquire the capability to maintain and efficiently operate an industrial complex the size of the Panama Canal, even long after the year 2000."

On Panama's ability to defend the canal, the Admiral stated: "One must consider the contribution of the Panamanian Armed Forces in the defense of the canal. What will happen when the United States leaves in the year 2000 under the terms of these proposed treaties? How long before the canal falls in unfriendly hands? With the second smallest population in Latin America, Panama's army consists of nothing more than 1,500 light infantry with no modern equipment. In addition, there are about 6,000 of the Guardia Nacional who are assigned police duties, including making certain that Torrijos remains in power through removal of political opponents. It is apparent that some of the Guardia Nacional, such as Colonel Noriega, the Director of Intelligence, are hostile to the United States * * *. In any event, Panama's capability to defend the canal is practically nil."

William P. Clements, Jr., former Deputy Secretary of Defense, testified in opposition to the treaties. He stated the treaties "were far too complex," deploring the "multiplicity of instruments" and the "ambiguous" clauses. He favored a "complete overhaul" of the treaties and focused his opposition on three points—defense, economic considerations, and U.S. rights to build a new sea-level canal.

With regard to defense aspects, Secretary Clements found the security clause of the treaties "totally unacceptable." He revealed that in 1975 at the request of President Ford he went to Panama with Joint Chiefs Chairman George Brown and negotiated with General Torrijos a security clause which was later agreed to by all U.S. parties, including the State Department and the National Security Council. Secretary Clements testified that Torrijos also approved this clause and it "was included in the then existing draft of the treaty" and remained intact "in the treaty as proposed until sometime after January 20, 1977." The agreement, as reported by Secretary Clements and printed in the committee record, was as follows:

In the event of any threat to the neutrality or security of the canal, the Parties shall consult concerning joint and individual efforts, to secure respect for the canal's neutrality and security through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means. If such efforts would be inadequate or have proved to be inadequate, each party shall take such other diplomatic, economic or military measures as it deems necessary in accordance with its constitutional process.

In other words, what Secretary Clements was saying is that they had worked out a neutrality agreement that better protected American security, that was agreed to by the Panamanians in 1975, and written into the body of the earlier treaty. This original language is far superior to what we have in these treaties today, because it would have given the United States greater protection, and would have solved some of the problems of international law which have been raised here.

That is very important, and it amazes me that our present ambassadors are trying to sell us a clause that does not come close to the guarantees of the original language.

First they try to sell us an ambiguous treaty without adequate neutrality provisions protecting the United States in any way. They argued that if we ever changed the treaties, my goodness gracious, Panama would have to have a new plebiscite. They even disagreed with my distinguished friend the Senator from New York (Mr. MOYNIHAN) that international law would take care of the problem.

So President Carter and Mr. Torrijos got together and orally agreed on this new statement of principle, which is not one-fifth as effective, as impressive, as legal, or as clear and straightforward under international law as what had formerly been agreed to by both sides. All we have to do is agree to this wonderful new oral agreement, which they reduced to an unsigned document, which I would submit is not worth the paper that it was not signed on. And that if we would do that, there would not have to be a plebiscite.

Now, as a result of some of the forceful arguments that many of us have made all over this country, and the fears and concerns of the American people, the distinguished majority leader and the distinguished minority leader, have come forth with an amendment supported by 77 cosponsors and are going to try to amend the treaties now, something they said could not be done without a plebiscite. Or at least that is my understanding of it. Now they are willing to amend the treaties, and I understand the distinguished senior Senator from New York, my dear friend Mr. JAVITS, has said these amendments will not add anything to the prior treaty, that everything was implied in the prior treaty; but I understand he also is a cosponsor of these amendments.

What I am saying is this: To ignore better than 300 generals and admirals who have served this country patriotically and with distinction in favor of these supportive-to-the-administration statements of our present Chairman of the Joint Chiefs of Staff and other members of the Joint Chiefs, is tragic, and I think it is detrimental to this country—especially Admiral Moorer, who was recently Chairman of the Joint Chiefs of Staff, and incidentally knows every aspect of the canal. I do not mean to denigrate the Army or Air Force, but I have to admit the Navy really understands the operational aspects and importance of the canal, I think, much better than any other branch.

To ignore the other three former Chiefs of Naval Operations is equally

tragic. To accept what the State Department has to say at face value, after all the appeasement we have gone through in the last 30 or 40 years, while this country has gone downhill in the eyes of almost everyone in this world, would be a serious error.

I do not want to reflect on the present Joint Chiefs, because I believe them all to be honorable men and good men. But I do think that they should have looked at the many years of appeasement that we have gone through, the many years of mistakes by the State Department—mistakes prophesied by many Senators who sit in this sacred body.

Secretary Clements testified that lawyers in the Defense and State Departments assured him the words in this clause, "as it deems necessary," gave the United States the "unilateral right" to intervene to assure the security of the canal.

Secretary Clements found the new clause—and remember, Secretary Clements is the former Deputy Secretary of Defense—he found the new clause, relating to the maintenance of the "regime of neutrality" "ambiguous" and expressed the opinion that if Torrijos agreed to the clause he had negotiated in 1975 then stronger words than those in the present treaties are and should be negotiable.

Secretary Clements also testified that in his opinion and that of international lawyers with whom he had talked neither article IV nor the Torrijos-Carter understanding gave the United States a clear right to intervene.

(Mr. METZENBAUM assumed the chair.)

Mr. HATCH. I would just mention for the record that what we are doing here is a very serious matter. I would like to join in supporting my good friend, the distinguished Senator from Alabama (Mr. ALLEN), who, in my opinion, is one of the greatest Senators sitting in the U.S. Senate, certainly one of the leading parliamentarians in the Senate, and perhaps the constitutional authority in the Senate. I would like to support him where he indicated that he hopes, and I hope likewise, that our distinguished colleagues in the Senate do not get so bound up in partisan support of the administration's desires that we abdicate our responsibility, or, should I say, responsibilities, to see that these treaties, if they have to be ratified in the end, or if we have to advise and consent to them, at least are protective of the United States of America; that they take our needs into consideration; that these treaties resolve these ambiguous problems; that they resolve the translation problems so that there is no question in the minds of our friends, the Panamanians, or any questions in our minds, as to the effect, legal or otherwise, of these treaties.

I think some pretty effective and important amendments are about to come forth on this floor. I have some amendments which I think are monumentally important, and which I hope my colleagues will consider in helping to make these treaties much better than they are right now.

I have made the comment that a second-year law student in one of the major institutions, and I do not mean a mental institution but a law institution, can do a better job writing these treaties than what has been done.

I cite the statement of Secretary Clements, who did an adequate job, if not the best job, with regard to the neutrality language that they had worked out with Mr. Torrijos earlier.

I believe it is important for us to realize that it is wonderful to have friendships and relationships with Panama. I do not think anything is really going to change that, because most of us want to continue a good, cordial relationship with our Panamanian neighbors. This has come about through years and years of working with them and years and years of experience with Panama. I think most of us love the Panamanian people. I do not think they would expect us to not protect the United States of America, since that is our primary job as U.S. Senators.

If these treaties, which I find to be reprehensible, poorly written, legally unsound, filled with ambiguities, filled with construction difficulties between the English and Spanish translations, are not corrected, then I have to admit I would not blame any citizen or the millions of citizens of this country if they hold it against us the rest of their lives.

The proposals should bring about some changes, which, in my opinion, are long overdue anyway, because of the last 40 or 41 years of control by one philosophy of the Congress, particularly in the Senate.

I think the people of this country, and I regret to say this but I think it is true, have inherited, the vast majority of them, more knowledge about these treaties than any of my protreaty colleagues have been willing to admit.

I think in spite of the polls, which still show that most of our people are overwhelmingly against these treaties, if the truth were really known 75 to 80 percent of the people in this country will not buy these treaties.

I think it is pretty important that we, as U.S. Senators, give every consideration to all amendments which will be proposed, especially those which tend to make these treaties more understandable, and especially those amendments which would tend to protect the Constitution.

Concerning our colleagues in the other House of this coequal branch of Government, and especially those amendments which pertain to solving the ambiguities of the treaties, especially those amendments which pertain to clarifying the need to have all appropriations bills originate in the House, in advance, rather than bringing them back after a fait accompli has been accomplished, I think if we ignore them, as the distinguished majority leader has said he is going to do—and I assume with his leadership majority are going to follow in a partisan way—if we ignore the House of Representatives in this matter, then I cannot blame them later if they refuse to grant anything that any administration would want with regard to the problems that are bound to arise as a result of our failure to do our job legally, internationally, and otherwise to resolve the problems of these treaties.

It is discouraging to me that there seems to be such a lack of understanding, a sense of uncertainty. There are certain protreaty Members who have made a great study of this matter, of course, of all matters involved here. Unfortunately, I do not believe that the majority of those who will vote for these treaties have really done everything they can to try to protect American interests.

I believe this is a pretty serious matter. I consider the Panama Canal treaties one of the most important issues to come before the Congress. I think there will be few other major important issues. Of course, what we do with agriculture, energy, and labor reform, are of significance. What we do on SALT II is even more important.

I believe this year is going to determine whether the United States of America continues to be the leader of the world, the leader of freedom in the world, the country to which the other nations point toward freedom and look up to.

I think if these treaties have to be ratified—and I have not given in to the belief that 67 Senators in the Senate are going to vote their consent to the ratification—I happen to believe that if they are going to be ratified my colleagues should be concerned about having ratified treaties which are worthwhile, which have unambiguous meanings for solving some of these very great problems which are being raised. If we have the treaties, let them be right.

I can say this: I have always been, from the beginning of the debate in this matter, in favor of reviewing the 1903 treaty.

I have always been for treating our Panamanian neighbors well and decently. I think there are many ways we could do that without these treaties. I still think there are many ways that we could have a cordial and decent relationship with Panama and still have the indiscriminate, inexpensive and, I think, expeditious management of the canal which the United States has rendered for so many years, for the benefit of everybody in the world, not just us. I think many people are concerned about these treaties. I think our obligation is, if we have to have ratification, to make sure that we are not ratifying a pig in a poke. I suspect that if these treaties are ratified with only the amendments of our distinguished colleagues, the majority and minority leaders, then we are going to have troubles the rest of our lives that far transcend even some of the troubles that are being raised if these treaties are not ratified.

On the other hand, if we could have enough amendments to clarify and make these treaties the effective treaties they should be, beneficial to the United States, taking into consideration our needs as well as our Panamanian neighbors' and friends' needs, then I think there would be a great deal less hostility engendered

in this country toward those who vote for the treaties and those who do so without very good consideration of the needs of our country, in the rapt desire to satisfy and pacify the Panamanian dictator and others, who I do not really believe are friends of the United States of America.

As a matter of fact, I do not think these treaties are going to create any friendship toward the United States of America. I think if anything showed up as the result of the private hearings, the secret hearings, on the drug issue, the thing that did show up is that we have some pretty sleazy people down there with which we are going to have to deal for many, many years, and that their interests are certainly not going to be those of the United States. Nor are they going to coincide with regularity with those of the United States of America.

So, I appeal to my distinguished colleagues to consider every good, substantive amendment to these treaties and maybe, in the process, there will be some support for the treaties that would otherwise never be expected. Maybe, in the process, we shall save ourselves untold embarrassment, difficulties, and entanglements which could hurt this country and many, many other free countries and people who rely on the United States to have some guts in this world and to stand up for its rights once in a while.

I think that there are many things on both sides of this issue that anybody can be for. I think there are good arguments on both sides. My personal belief is that, unless these treaties are seriously and significantly amended and modified to protect this country and to protect our interests, no reasonable Senator should vote and give his consent to the ratification of these treaties. Although this is not the time to get into a debate on the constitutional issue, and I shall not do that at this time, I believe that any Senator who fails to recognize the importance of 219 Members of the House of Representatives, some of whom are for these treaties, and their right to approve the transfer of $10 billion of American properties—at least five different types of American property—is, I think, allowing an unconstitutional act to occur.

I am going to bring up an amendment which will get into that detail, and I am sure we can debate it at that time. But I think that my colleagues should consider, and consider well, just how important these treaties are, reject the partisan approaches that I sense on the floor of the Senate, and start working to have these treaties properly corrected. This is our duty, our solemn obligation, and our right. I think if we will, we shall have done the Senate a great service. We shall have added to the prestige of, and respect for, the Senate. We shall have done the President a great service, because he is much less likely to suffer in the future in the eyes of the historians. And I think that it would create a lot of good will and good feeling all over this country among our American citizens and constituents, whom we all represent.

I might just add—does the distinguished Senator from New York wish me to yield?

Mr. MOYNIHAN. I rise to take the opportunity to state that I had hoped the Senator would speak longer. I have listened with great absorption to all the things he has said. My point cannot be made as a parliamentarian. I shall listen with further patience and sure addition to my meager stock of knowledge.

Mr. HATCH. I appreciate the statement of the distinguished Senator from New York. I do have some other things I wish to say, but I can see that he might have some points to make, so I yield at this time.

Mr. MOYNIHAN. I thank the Senator from Utah for his graciousness and for his learned, careful ways. He would know that there could have been few persons to come into the Chamber in recent years with as pronounced a sense of fairness and a concern about accuracy and a civility of manner. It was typically courteous of him to allow me to speak at this point. To begin, may I say what is not always easy to say, and not always the most useful thing to raise, in this Chamber. I have been struck by the pattern of the vote taken yesterday, an important vote, Mr. President, a vote in which it became clear that these treaties, products really of the past four Presidents, will be ratified. The Senate of the United States will advise and consent to their ratification. The vote yesterday clearly marked the moment in which the Senate was first on record as favoring these treaties.

What struck me was the geographical disparity as between those who voted to support the treaties and those who could not yet do so.

There are 23 American States which border on the high seas, whose shores are touched with saltwater, whose lives are much involved with navigation and commerce on the high seas.

I was struck how Senators from these States were so overwhelmingly in favor of these treaties; indeed my State of New York is nothing if not a commercial seagoing, outward bound State. I see that the junior Senator from Maryland is on the floor. I note that the Senators representing Baltimore, the Senators who represent San Francisco, Oakland, Seattle, and up and down and around the coast support these treaties. Altogether there were only 10 Senators, only 10 Senators of the 46 which represent the 23 seagoing States, who voted against these treaties.

Of those who did, overwhelmingly they were from another bloc of States that voted "no," which is from the States of the Old South. Thus, two groups of Senators voted "no." Those from the high plains and those from the Old South.

Since I have the respect which we all have for all of these Senators, it seemed to me to confirm a thought that has been in my mind, which is that there are not 10 Members of this body who truly do not support these treaties. But there are a number of those who are legitimately concerned that the people in their own States do not.

It is the high plains and the Old South that find these treaties worrisome, that find the subject unfamiliar and threatening, and somehow fear that we will lose what we must hold onto if we approve the treaties.

These are proper and honorable concerns. I would wish to speak to them. I should wish to speak first to a point which is, perhaps, difficult to make, but it is necessary: That the times have changed, the world has changed, and for all the glory that the Panama Canal represented, for all the extraordinary ability that it stands, for the incomparable, palpable manifestation of American achievement that it is, that it should somehow end in fear and alarm in a world of separate drinking fountains, one gold, the other silver, separating people.

When I was in Panama in a delegation led by Senator CRANSTON and Senator STAFFORD, it happened that that day in the Miami Herald, a lieutenant commander, retired, U.S. Navy, wrote to the paper a letter which was published that day describing the events in 1964 when a riot occurred in the zone, and between the zone and Panama, when persons were killed, when President Johnson reacted to an emergency he had not expected, when the present sequence of negotiations began, involving four Presidents and culminating in this debate on the treaty. This U.S. naval commander—I noted that he was U.S. Navy, and he was not a Reserve commander, he was obviously a regular naval officer—described how painful it was to see, in which a group of young panamanian students who in accordance with the prior agreement came forward bearing a Panamanian flag which they were going to raise on the flagpole as agreed. Young Americans, egged on, as this letter said, by adults cheering and jeering at them, proceeded to beat up the Panamanians, to discredit their flag, to do the most awful things, things which we associate with the worst, the least agreeable and dishonorable aspects of a frightened colonialist mentality. How inappropriate to this Republic, how rare in our experience, and how squalid an episode in the aftermath of the glory of this canal.

Now, this is the point: We are not retreating by this move; we are advancing. If we advise and consent to the ratification of these treaties, we will see a transformation of the world scene as we have not seen in a generation.

At long last, the charge and the curse and the burden of imperialism, the greatest democracies of Europe, and the less consequential, but similar and real charge against the United States, will have been put into the past honorably, with courage, manfully. And what will remain in the world but the one last 19th century empire, not only undiminished in the 20th century, but expanded? The empire of the czars and the new czars, astride the Continent from the Pacific to the Atlantic, to the Bosporus, now into the Red Sea, now into the Indian Ocean, now into the South Atlantic, with its Ghurkas from Havana, its Afrika Korps recruited to do the murdering and burning and killing. The Soviet empire, finally, will emerge as what it is, an abomination, an anachronism, a threat

to the peace of the world against which the best loving and best needing nations of the world must combine.

Far from a retreat, ratification of these treaties will turn the world on its heel. The United States can go forward as it has not done since the great days of the Second World War when we stood almost alone in the defense of freedom.

The distinguished Senator from Utah speaks of this year as one in which it will be judged whether the United States remains a leader of freedom in the world. It will be, and it will be determined by whether or not we ratify these treaties.

I think it so important and I was so pleased by the statement, the reference of the distinguished junior Senator from California, who reminded us that there was a reality in the way we obtained the canal. It was not attractive, but it was characteristic of the time.

But we have ever since been the anti-imperialist, anticolonialist force in the world.

We are the Nation that stated to the British they must get out of India. It was Franklin D. Roosevelt who started saying that to an unbelieving Churchill in 1943. It was the United States that said to the Dutch that they must leave Indonesia. We said to the French that they had no help in Algeria. We said the same thing to Spain and to Portugal. Incidentally, remember, in 1935, the United States said it would have an end to colonial rule in the Philippines. It happened that came in 1945 on schedule, in 10 years' time.

I see the distinguished Senator from Idaho rise.

Mr. CHURCH. Will the Senator yield?

Mr. MOYNIHAN. With great pleasure.

Mr. CHURCH. First of all, I wish to commend the Senator for an extraordinarily brilliant and eloquent speech. Let me make the following observation.

In 1956, an attempt was made by British and French forces, in combination with Israeli forces, to repossess the Suez Canal, which had been seized by the Egyptian Government. As I recall, it was the United States that intervened at that time to say:

> No. The repossession of the canal by British and French interests is an anachronism. The Egyptians are entitled to reclaim jurisdiction over their own territory.

We stood with Egypt in its right to repossess Suez.

How ironic if, having stood with Egypt in 1956, we now refuse to practice what we preached and applied a different standard in Panama.

The Senator from New York made a very telling point when he stressed the role of the United States in encouraging the dissolution of the empires of the 19th century, a process which began before the Second World War, but which greatly accelerated afterward. The United States was in the forefront, preaching our traditional values; namely, that foreign powers do not have a right to occupy other lands, to subjugate other people against their will. Even as we asserted our own right to independence 200 years ago against the British, so we recognized the right of other colonial people to claim independence in the years following the Second World War.

Now, having done that, our posture would be cynical indeed, if we refuse to relinquish our own control over virtually the last strip of land outside the United States, in a foreign country, that we are holding against the will of the inhabitants of that land.

Mr. MOYNIHAN. Precisely.

Mr. CHURCH. I think the Senator makes an irrefutable point, and I commend him for it.

Mr. MOYNIHAN. I thank the Senator from Idaho for bringing to mind and for providing an opportunity to present to this Chamber an irony that surely should be introduced to the minds of those who have not yet persuaded themselves to vote for this treaty—the events of Suez.

Those who have read the extraordinary and careful report of the Committee on Foreign Relations of the U.S. Senate, of which the Senator from Idaho is the second-ranking member, and will soon be the chairman, will note that on page 47 there is a short description of the not perhaps widely known but important fact that the canal probably would have been built in Nicaragua had it not been for the energy of Mr. Bunau-Varilla and a particularly active New York lawyer named William Nelson Cromwell, of the firm of Sullivan and Cromwell. Mr. Cromwell had the great coup of enlisting the support of Senator MARK HANNA of Ohio, who had helped elect President McKinley—previously Senator McKinley—and was a great force—and had been appointed to the Senate—and a great influence on this Nation; not perhaps a progressive one with respect to some social policies but certainly a forward-looking one with respect to the structure of the American economy. That was in 1903.

A mere 53 years passed, and the British and the French invaded the Suez with armies. The distinguished Senator spoke of our having preached against colonialism. Certainly, we spoke of it as a moral issue, and the word "preach" is altogether appropriate. We did more than preach. We acted.

In that October 1956, the Secretary of the Treasury said to the British Government:

> If you persist, we will break the pound. You will have food rationing and unemployment and depression as you have never known. We will break the pound with the power of the dollar, because there is an issue of principle here.

Who was this man, the Secretary of the Treasury? He was Mr. George Humphrey. And what had he done in his life? In 1918, he had joined the M. A. Hanna Co. of Cleveland and had risen to be its president in 1952, when he joined the Eisenhower Cabinet. Was George Humphrey a radical? Was he a visionary? Was he a man given to soft and unsuspecting views of the world? No. Alas, no, he was not.

Did he think that the whole weight of American power should be put against the effort of the British and the French to regain control of the Suez? Yes; he did, because he knew in 1956—the president of the M. A. Hanna Co. knew in 1956—that you cannot do things like that any more. Yet, here we are in 1978 wondering whether what we absolutely forbade the British and French to do, we should somehow insist upon for ourselves.

I should like to speak to the extraordinary success of our negotiations and the fact that we have learned something from this history, unlike the French, driven out of their possessions, and the British, in effect driven out of their position in the canal, going back in that squalid and doomed enterprise. Compare the dignity, the manfulness with which we leave—a measure of dignity, while retaining the full measure of our rights and responsibilities. One of the extraordinary and ominous facts of the world was the degree not 5 years ago to which the Panama Canal issue had been transformed from a bilateral problem between Panama and the United States into an international problem. Panama is not a major strategic issue in the world. It is not an area of any overriding geopolitical concern to the large powers. The nations that depend upon it for commerce are the liberal nations of northern South America, I think we can basically say. It has not engaged the military or economic concerns of the world.

However, in the beginning of the 1970's, it became a great symbolic issue, an issue of the ideological clash between North and South, between liberal societies and the totalitarian societies which would side with the South, and it was an issue on which we were hopelessly outnumbered, completely misunderstood, and at least partially in the wrong, by our own standards.

This perhaps will not any longer remain a secret. I hope I am not subject to censure for recalling that in our closed session the other day I raised the question of the meeting of the Security Council of the United Nations which took place in Panama City in March of 1973. I think it would be useful to go back to that not distant time, 5 years ago, and to recall the atmosphere and the events of that moment.

In 1972, for the first time, the Security Council met outside of New York, met in Addis Ababa, and shortly thereafter, the Panamanian Government proposed that the next meeting be in Panama City. For a moment, it looked as though there was a move to take the Security Council away from its headquarters in New York altogether and have it move around to colonial areas of the world where, as the General Assembly had already become, it would become a forum in which the judges sitting with the verdicts in their pockets would hear the indictment of the United States and of the liberal democracies still left in the world.

Sure enough, the meeting began in the spring, in March of 1973, and representatives of 40 nations spoke before the Security Council. One by one, as President Ford stated in his 1974 message to Congress reporting on the activities of the United States in the U.N. for the previous year, a majority of the independent nations of Latin America, and indeed a third of the membership of the U.N., rose to demand, one after the

other—and I quote President Ford's message:

Most of these supported the Panamanian position that the 1903 U.S.-Panama Isthmian Canal Convention should be abrogated and Panama should be given effective sovereignty over the Panama Canal.

A draft resolution was voted on at the end of the meeting, on March 21, a resolution, cosponsored—and I shall give some of the cosponsors: Guinea, Peru, Sudan, Yugoslavia, tyrannical states, arrayed in their hostility to the United States, except when it comes time for the United States to give them military aid, as in the case of Yugoslavia, which by the way then becomes temporarily more sweet.

In the end, the Security Council voted 13 to 1 against the United States, to condemn the United States, to disassociate itself from the United States. Our friends on the Council, and there were some like Britain, France, they also voted against us. We had to resort to the veto to save ourselves from the formal condemnation of the Security Council.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. MOYNIHAN. Happily.

Mr. CHURCH. The 13 to 1 vote represented, did it not, the unanimous decision of all other members of the Security Council, for the one vote cast against the decision was the veto cast by the United States; is that right?

Mr. MOYNIHAN. The veto, the kind of measure the United States said it would never use, the kind of measure that is associated with the Soviet tyranny. Here we were condemned and resorting to the veto, resorting to power, because persuasion and argument had failed.

Mr. CHURCH. I think that it would be instructive to include at this point in the RECORD, if the Senator will permit, a list of the members of the Security Council that cast their votes for the resolution which called for the abrogation of the 1903 treaty and the restoration of Panamanian control over the Canal Zone and the canal.

Those countries voting in favor of the resolution were Australia, Austria, China, France, Guinea, India, Indonesia, Kenya, Panama, Peru, Sudan, the Soviet Union, and Yugoslavia. Our oldest and closest ally the United Kingdom, did not vote with us but abstained.

Mr. MOYNIHAN. Every democracy on the Security Council either voted against us or abstained.

Mr. CHURCH. Yes. And among them some of our very best friends and closest allies, countries that have the closest ties with the United States, France, Australia, and the United Kingdom.

There could not be a more conclusive vote to demonstrate that the world is not with us. We cannot apply one standard to our own conduct and a different standard to the conduct of other governments. I agree wholeheartedly with the distinguished Senator from New York that nothing would be more helpful in rallying the free world behind us than to ratify these treaties.

Mr. MOYNIHAN. Mr. President, I observe that the distinguished Senator from Texas wishes recognition.

The PRESIDING OFFICER. If the Senator from New York will withhold a moment, I believe the Senator from Texas——

Mr. MOYNIHAN. The Senator from New York was about to note that the distinguished Senator from Texas has brought some associates into the Chamber and I am sure he would wish to speak at this moment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. I thank the Senator very much.

VISIT TO THE SENATE BY MEMBERS OF THE CONGRESS OF MEXICO

Mr. BENTSEN. Mr. President, I have the honor of bringing to the Chamber a delegation from the Congress of Mexico.

I have His Excellency Mr. Hugo Margain, the Ambassador; the Honorable Joaquin Gamboa Pascoe, President of the Senate of Mexico; the Honorable Jesus Cabrera Munoz Ledo, Member of the Senate of Mexico; the Honorable Morelos Jaime Canseco, Member of the Senate of Mexico; the Honorable Enrique Alvarez del Castillo, Member of the Chamber of Deputies of Mexico; the Honorable Julio Zamora Batiz, Member of the Chairman of Deputies of Mexico; and the Honorable Julian Saenz Hinojosa, Minister of the Embassy of Mexico.

I shall ask that the Senate stand in recess for 3 minutes so that our distinguished guests may be greeted.

[Applause.]

RECESS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes so that Members might meet our friends from Mexico.

There being no objection, the Senate at 1:56 p.m., recessed until 1:59 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. METZENBAUM).

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the Neutrality Treaty.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Chair for its courtesy. This pleasant opportunity to meet with fellow parliamentarians from Mexico brings to my mind and brings me to that point in my remarks where I am going to speak to precisely the question of our relations with the other nations of this hemisphere.

I have suggested that the Security Council meeting in Panama 5 years ago showed the extent to which we had lost control of the terms of references of this discussion of the countries who participated in the Council's discussion. There were in addition 25 countries including such non-Western Hemisphere countries as Algeria, Mauritania, Zaire, and Zambia which participated, the point having been to establish first in Addis Ababa, then in Panama, the nature of a vast presumed American hegemony and threat to the independence of other nations. And of all these countries none sought to do so with more vehemence than the dictatorship of Cuba, and Cuba invariably sought to link the Canal Zone to Puerto Rico as an example of American imperialism.

Remember, Mr. President, Cuba is saying, "We will force the Yankees to leave Panama," where clearly we were there by right of treaty, and next, "We will force them to leave Puerto Rico," where we are present as part of a freely associated commonwealth relationship, a democratic relationship.

I would read from the report of the Security Council of that year:

The representative of Cuba stated that the hemisphere showed clearly the growing gap between development and underdevelopment in Latin America and the growing development of the United States which, usurping the rights of the native population, extracted the wealth of those countries, taken over their natural resources, forced labour conditions down, exploited investments, forced financial dependency upon them, broken off scientific exchange through the transmission of obsolete technology, and was engaged in ideological penetration and political dominion, as well as diplomatic and military usurpation.

Let me say to those who have been wearied by debates in the Senate that I sat in the Security Council for many a long month and heard more and more of this. The same Security Council meeting adopted a resolution almost word for word, speaking about usurpation and profit. I see that the distinguished Senator from Nebraska has risen.

Mr. CURTIS. Mr. President, will the distinguished Senator yield for a few questions?

Mr. MOYNIHAN. Happily.

Mr. CURTIS. The distinguished Senator is a very careful student of history. I would like to ask him, is there any justifiable complaint against the United States over the manner in which they have operated the canal with respect to all of the commerce of the world, including the operations, the costs, and the charging of tolls?

Mr. MOYNIHAN. No, sir, in my view there is none.

Mr. CURTIS. Do I understand that one of your arguments in favor of the treaties is that to not ratify them smacks of colonialism, and to ratify them turns our backs on such an argument?

Mr. MOYNIHAN. Precisely. I believe it would be seen as such by the rest of the world.

Mr. CURTIS. Would that same argument apply to Guantanamo Bay in Cuba?

Mr. MOYNIHAN. The occupation of Guantanamo Bay in Cuba is by right of treaty which we obtained in association with the defense of Cuban citizens fighting the imperial and colonial control of Spain. These matters are wholly different. That was brought about in a full and free association with the Cuban State. That was not the nature of the Panama Canal Treaty.

And curiously enough, even Cuba does not raise that point. I have often wondered; they ask us to get out of New Jersey, but they do not raise a question about Guantanamo.

Mr. CURTIS. I believe equally good students of history may have a different interpretation on the Panamanian Treaty than my distinguished friend from New York.

Mr. MOYNIHAN. There is no doubt of that at all.

Mr. CURTIS. Now, what parallel or what similarity is there between the colonial situations of the past of Africa and Asia, before the colonial powers abandoned them, and the treatment of the people in the Panama Canal Zone?

Mr. MOYNIHAN. I say to the Senator from Nebraska, I would speak to this, and I would speak as someone who has been in the old colonial world. As the Senator knows, I served as U.S. Ambassador to India for a period, and I have traveled around there. If you have ever been in a colony—as you, of course, have been, sir—nothing is so obvious. You leave the stray pigs, the tin roofs, the battered Coco-Cola sign, the beer sign, and the mangy dog, and you turn the corner. The grass is green, the houses are painted white, the servants have white linen jackets, the ladies are in long linen and they have large hats, the verandas are screened, the drinks are iced, the husband is coming home from tennis. It is a different world, and it is so palpable and it is so real, and in Panama you can reach out across a street not much wider than my reach, and touch, on one side, those tin shacks, and of the other those filigreed verandas. And it is such a contrast, it is a contrast like saying, "one drinking fountain is for us and the other drinking fountain is for you."

It is a contrast such that when young men, as I was speaking earlier of the events of 1964, when young men of Panama respectfully and civilly presented their own flag to be raised, by a prior agreement, to fly alongside the American flag in the middle of what is their own country, American boys tear down that flag, desecrate it, beat them up, and riots start in the night throughout the slums.

It is so achingly familiar and it is so awful, in some ways, because we are not that kind of people. We never got spoiled by colonialism; that spot never touched our lungs. We have always spoken for freedom in the world.

Mr. CURTIS. The argument of my distinguished friend is very powerful. My question was, What is similar and parallel in colonial operations to our treatment of people in the Canal Zone?

My question amounts to this: What did the United States do within the zone that was unjust to people other than U.S. citizens?

Mr. MOYNIHAN. The Senator raises a careful question, and he phrases it with the kind of thoughtfulness and care and concern for facts which is characteristic of him and has made him so highly regarded a Member of this body.

You ask what did the United States do that was unjust? It did not do anything that was unjust, Senator. It is just that the fact of our being somehow became intolerable.

How could the British in India, in the heat, when it rises to 120° in the summer, and the summer lasts 9 months, and it seems that there is no green thing left in the world, and life is an inferno—do you blame them for having fans, when they could not live without them? Do you blame them for having a lawn that they could play a little croquet on, and remember the green, wet island they came from? No. But, oh, what different worlds come up side by side.

No Panamanian, to my knowledge, was treated unjustly, but what a cosmic injustice it is to sit there in the heat of the tenements on Fourth of July Avenue and look across the street and up the hill at those fine ladies on their filigreed porches, in their white linen hats, and their beautifully groomed servants serving iced drinks in the afternoon.

Mr. CURTIS. Well, now, I do not know what that has to do with these treaties, but I can cite the Senator a parallel circumstance. For almost half a century, the Republicans on this side of the aisle have looked over to a party that has had a monopoly on the legislative branch of this Government for half a century.

We have watched all the committee chairmen be of one political party, all the majority leaders, all the determinations of what the legislative program shall be, for a long half-century. An injustice? An unequal operation? There has never been a bill named after somebody on this side. [Laughter.] They are always named after the chairman, if they are good bills. [Laughter.]

That has nothing to do with the Panama Treaty. The fact that some people live on one side of the street and have ice in their drink and another has to drink out of the pond does not necessarily have any connection with this treaty.

My dear friend has said that there is no complaint the way we operated under the treaty. For the benefit of the world he has said there has been no mistreatment on the part of the Americans of the non-Americans in the Panama Canal Zone.

Now I want to ask this question: What authority or power of intrusion did the United States have in the Republic of Panama outside the zone to deprive them of their economic rights, political rights, or infringe upon them in any way?

Mr. MOYNIHAN. Once again I would like to respond to the Senator's question. To my knowledge, none. But I must hold the Senator a moment, because he has suggested the differences between the two sides of this Chamber. I would have to be more explicit. The Senator raised the proper question, but would he like to know what it could really be like? We could stage this. It might be instructive to some of the Members on the Senator's side. It would not help our side, I am sure. There are Members of the Senator's side who are not yet for this treaty. It would be useful. We would have to get permission of the Rules Committee.

Does the Senator see the rug he is standing upon? Take that rug off. The Senator seems to have shoes on. Would he be kind enough to remove his shoes?

Mr. CURTIS. I have boots on.

Mr. MOYNIHAN. Boots? Boots are even more inappropriate to colonial people. The Senator has a handsome and characteristically sharp jacket on. Would the Senator mind taking that off and the necktie, too? That is a sign of a bourgeois status, and the Senator is not bourgeois.

The fine desk that Calhoun himself may have used, would the Senator take that away? We have some orange crates for the Senator. We have mahogany desks, of course, but the Senator should have orange crates.

The Senator appears to have electricity. That will not do. We will get him a kerosene lamp or candle so he can do the best he can. We will turn off the heat in the winter and the air conditioning in the summer and let him sit there for 60 years and see if he does not think we have it a little better on this side.

[Laughter.]

Mr. CURTIS. Does the Senator contend that if we do not have to take off our shoes and we can walk on the rug that we have equal political power here?

Not at all, not at all. We have had nothing to do with how the country is run. You have had all the votes. You have all the chairmen. You have all the leaders. You have had it for almost a half century. You have left this country with a debt that is staggering, with a deficit that is frightening, with wild inflation, overregulation sapping the energy of the country.

Now I want to ask another question. The Senator has stated that we have not imposed any of the colonial aspects of control upon either the non-Americans in the Panama Canal Zone or the citizens of the Republic of Panama outside the zone. What is it that is similar to colonialism in reference to the Panama Canal?

Mr. MOYNIHAN. What is it?

Mr. CURTIS. Yes.

Mr. MOYNIHAN. First, I must say a point of correction must be made. I observe the members of the Senate Finance Committee, of which you are the ranking minority member. Surely you do not mean to tell me, after a year of having watched it, that you do not have a say in the way the country is governed, and a good say, too.

Second, what does it have to do with it? It has to do with the fact that we in the Canal Zone are in the middle of their country. It has to do with the fact that it has become something—though, a century ago or two centuries ago some would not think it unusual. Remember, the world changes.

Remember after the failure of Queen Anne to produce a male heir in 1706, if I recall, the British people, a people as committed to liberty as the world has known, the people from whom our own liberties come, found themselves without a king. You have to have a king. They sent over to Germany to get one.

It is one of the theories of the British Parliament that the power of the Cabinet grew because for almost the whole of the 18th century the Kings of England could

not speak English, which is true. They could not. People ignorantly think that they spoke German. But at that time no self-respecting German would speak German. They spoke French. At that time a French-speaking German King ruling an English nation was natural.

But it would not be so today. Times have changed.

You cannot hold a canal in the middle of somebody else's country today.

Mr. CURTIS. But there is a big strip of land between the State of Washington and Alaska. Is that colonialism on somebody's part?

Mr. MOYNIHAN. The "colonialism" happened when we bought Alaska from the Russians, who had stolen it from the Indians. As for Canada, think of the difficulties which arise from the fact that one of the nation's Provinces predominantly speaks French. Many among them do not want to be any part of Canada any more.

This is an age of sensitivity about things which not long ago were not sensitive. There may be too much sensitivity, but it will not change reality.

Mr. CURTIS. Just because something is sensitive, does that mean it is right?

Mr. MOYNIHAN. It means if you do not take the pulse of that sensitivity, you can make a profound mistake. As far as the Panamanians are concerned, they are asking for rights which descend in direct lineal descent from the rights we asked from the British. They expect us to behave as we would expect others to behave who are not concerned.

Mr. CURTIS. How do you know what the Panamanians are asking? They have not had an election since 1968. Who is speaking for the Panamanian people? No one was ever elected. They have not had any elections since 1968.

Mr. MOYNIHAN. Sir, they certainly had a plebiscite and the result was overwhelming. It was 506,000 to 245,000.

Mr. CURTIS. A plebiscite on what?

Mr. MOYNIHAN. A plebiscite on this treaty.

Mr. CURTIS. No; the gentleman who says he is head of the Government, who was never elected, brought in some figures. But I ask, how do you know who is speaking for the Panamanians?

Mr. MOYNIHAN. That is why we cite the Hebrew. There is a phrase which says, "Ha-mavin yavin." It translates, "Those who understand, understand."

Mr. CURTIS. I will accept the Senator's translation.

Mr. MOYNIHAN. If you have any feeling for the future, and you know that you do, you know they hate that thing in the middle of their country. They just want us to say we stop owning it. They are quite prepared to have us operate it.

Mr. CURTIS. Well, you are confusing hating with coveting. When I see someone with a beautiful head of hair, I try not to hate them but I would like to have hair like them. [Laughter.]

We cannot wipe out all of this desire of the have-nots to have everything that the haves have by ratifying a treaty that causes us to relinquish an operation where there is no complaint about the way we have operated it.

Mr. MOYNIHAN. No, sir, you cannot wipe out that desire, but you can wipe out the judgment of the world that we are in the wrong.

Sir, I do not care a tittle or a damn what the dictators of this world think, and I have said that before. But what Australia thinks and what the Netherlands thinks and what Canada thinks and what Costa Rica thinks, that matters to me, as it does to the Senator. And, sir, there is not one of them today that thinks we ought to persist in our present occupation. I cannot imagine there is one today. If there is, I shall be interested to learn of it.

I see the Senator from North Carolina is on his feet. Does he know of a democratic nation that thinks we should not ratify these treaties?

Mr. CURTIS. Yes, one: The United States.

Mr. MOYNIHAN. That is the issue that will be decided on this floor, as the Senator well knows, and there was a good indication yesterday.

Mr. CURTIS. The distinguished Senator just brushed aside the dictators, in which I thought he meant the people. The only country where the people are speaking on this that I know of is the United States. I do not think the people have spoken in many other countries.

Mr. MOYNIHAN. I believe, sir, that the latest polls show that a plurality of the American people favor these treaties. But the decision will be made by their representatives here, and it will be made carefully and fairly. I think the indication yesterday was encouraging; the votes are in this Chamber to advise and consent to the ratification of these treaties.

Mr. CURTIS. I thank my distinguished friend.

Mr. CHURCH. Will the Senator yield for a question?

Mr. MOYNIHAN. May the Senator from New York yield, as I believe I have the floor?

Mr. CHURCH. Will the Senator from New York yield in order that I may ask the distinguished Senator from Nebraska a question?

Mr. MOYNIHAN. Yes.

Mr. CHURCH. Before we reach final vote on these treaties, the polls should clearly indicate that what is now a plurality favoring the treaties has become a clear majority of the American people. Would the Senator from Nebraska then vote to ratify them?

Mr. CURTIS. Well, I have not that much faith in the polls. I do not base my statement that the American people are against this on the polls; never have, never will. But I have not been here four decades without learning how to keep in touch with the people back home. I have done this personally. And they are not for this treaty.

So far as the polls are concerned, anybody who has the money can hire a pollster. Election after election has proven that, usually, they are obsolete by the time they are printed, because they have to assemble things and world events take place, people change their minds. So the answer is, No, I would not be governed by a poll.

I thank my distinguished friend for his generosity in yielding time and time again.

Mr. MOYNIHAN. I thank him.

I see the Senator from Oklahoma rising.

Mr. BARTLETT. Will the Senator from New York yield?

Mr. MOYNIHAN. I shall yield for a question.

Mr. BARTLETT. Of course.

As I understand the discussion that took place between the Senator from New York and the Senator from Nebraska, the Senator from New York took the position that sovereignty over the canal by the United States was the source of the ill will and feelings of dispute and contention between this country and Panama. Is that more or less correct?

Mr. MOYNIHAN. Yes. I do not know that either of us used the term, "ill will," because I shall shortly speak to the point of the extraordinary degree to which the peoples of these countries have kept on good terms, which is the basis for our future relationship.

Mr. BARTLETT. Am I correct, too, that the Senator from New York believes that the sovereignty issue led to a different system of law and order in the Canal Zone as opposed to Panama itself, a different school system, different standard of living, and that all this helped develop the feelings of contention between Panama and this country?

Mr. MOYNIHAN. Yes, sir, it does.

Mr. BARTLETT. That is my opinion, also. I share that. However, I take the position that it does not require giving up American operation of the canal to resolve the sovereignty issue. It would seem to me, and I am curious as to what the Senator from New York would think of this proposal, that the treaty could include a negotiation or include an agreement by which we would have a lease on the Canal Zone. This could be on a much smaller part than we have now, roughly a third of what we now have, and that we would agree, of course, to hire Panamanian nationals and so forth. But the basis of the treaty would be similar to what we have at Guantanamo Bay, a lease being renewable indefinitely, which was the original idea, as I understand it, between our country and Panama, and before that, Colombia.

Would the Senator think that this might resolve the difficulties that have developed between these two countries because of the sovereignty questions?

Mr. MOYNIHAN. I should like to say to the distinguished Senator that I recognize the sensitivity of his remarks, just as I would say the same about the Senator from Nebraska, of whom I did not have the opportunity to respond, when he said what he thinks when he sees a beautiful head of hair: He did once; he married her.

The point is that, the Senator from Oklahoma is addressing the question of sensibility here, and correctly so. My feeling is that the proposal he makes is no longer a real option for the United States. It is my feeling that we must advise and consent to the ratification of these treaties or face a calamitous period ahead.

Mr. BARTLETT. It seems to the Senator from Oklahoma, as he looks at the treaty, that he should judge it based on what he thinks the treaty should consist of. If those who have negotiated the treaty over a period of a number of years, as has been the case, have, in the opinion of the Senator from New York, lost the opportunity of such an option as a lease, I do not think this should impact on me or impact on the way that I think the treaty should be. I feel very strongly that the country that manages and protects and defends the canal is very important and that, in this hemisphere, there is really only one country other than the United States—perhaps Canada, if they were interested, and I am sure they are not—having the capability, financially and otherwise, to do the job.

Other than that, I do not think there is such a country. Because of that, I feel that eliminating the sovereignty problem is a means of establishing a treaty and an agreement with Panama that would provide the mechanism by which this country can continue the management of the canal and also solve the basic problems that have led to what I think the Senator in general referred to as colonialism. There would not be the colonialism, any more than there is where we have Clark Field or where we have various bases in Spain which are leased. We have certain rights according to that lease. But we definitely do not have sovereignty, nor do we claim sovereignty, nor does anyone feel that we do.

I feel that getting rid of the canal—maybe that is a rather rough way to put it—turning the canal over to Panama is not the only solution to the sovereignty question; that the sovereignty question can be addressed in another way by our national leaders.

Mr. MOYNIHAN. I should like to say, and not for the first time, that I have learned a good deal from the Senator from Oklahoma. I say, as I conclude my remarks, he has given me great hope and has certainly given me a clear understanding that our task on the side of the supporters of the treaties—of course, on both sides of the aisle—is to persuade him that what he and we both wish to accomplish can best be, in the most practical way, accomplished by these treaties. As is so much the case here, and so happily the case, there is no bitterness in this room; there is no bigotry in this room. There are men and women seeking the best arrangement.

I would like to conclude my remarks by a short description on how good these arrangements really are, how extraordinarily well our negotiators have done, how wisely the four Presidents involved have held out for these terms.

I was speaking 2 hours ago, I believe, about the Security Council meeting in Panama City in 1973 and I was reading this passage from the report of the official document from the Council, a significant passage in which they are describing the position of Cuba. I would like to read those passages:

> The main item on the agenda—in the view of the Cuban Ambassador—was the threat to international peace and security in the Hemisphere that lay in neo-colonial relations imposed on Panama by the United States under a treaty that infringed and violated the most elementary norms of international law. Cuba considered that the perpetuity of that neo-colonial agreement should be abrogated, and the concessions as well, because there have been no free consent. The will of the United States had been imposed without the approval of the Panamanian people.

And so it went on.

Then it came to the issue that must command our attention. It said:

> The hour had already struck when all forms and manifestations of colonialism and neo-colonialism in Latin America must be wiped out, including the Associated Free State of Puerto Rico.

Now, shortly thereafter, 2 years later, in March 1975, the Bureau, as it is called, the Central Committee of the Nonaligned met in Havana. I now speak to a matter that has been partially disclosed and partially not disclosed, and I will disclose it all.

The Bureau represented 117 countries in the world, and at the end of this meeting of the nonalined—neutral as between the Communist nations and the free nations, but meeting in Communist Havana—a document was issued which began by stating the number, giving the names of the members of the nonalined that were present. And then they said that present as observers were a number of countries, Argentina, Africa, Bolivia, countries like that. And then they listed the Socialist Party of Puerto Rico as an observer member government.

The Socialist Party of Puerto Rico. The Socialist Party of Puerto Rico, I hasten to be clear to the democratic socialists of this world and particularly this country, is the Communist Party in Puerto Rico. Yet, it was listed and recognized by three-quarters of the nations of the world already in a condition of a sovereign government.

Now, the Senator from Utah earlier today spoke of the greater success which Mr. Clements, the distinguished former Deputy Secretary of Defense, had had in the summer of 1975 in drafting a clause with respect to our relations with Panama which, unaccountably to me, the Senator from Utah thought superior.

Let us read this clause. It says:

> In the event of any threat to the neutrality or security of the canal, the parties shall consult concerning joint and individual efforts to secure respect for the canal's neutrality and security through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means.

Now, in the summer of 1975, as to the Deputy Secretary of Defense, the most he could think to get was an agreement that we would consult with respect to conciliation and the International Court of Justice if the security of the canal was threatened. Three years later, can we not be struck by the strength of the treaty we have, indeed, far stronger than anything Mr. Clements could have envisaged?

It says that the two nations, that each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime of neutrality. Not seek conciliation, but defend with use of arms, and that is the right we proceed with and continue to maintain in this treaty, and it is a precious right.

I would like to make two points in conclusion. First, I began by saying that far from representing retreat in the world, these treaties mark the beginning of the era in which the Soviet empire will break, for it will be the last left in the world, and the sooner the better.

The day when we ratify this treaty that we sign the death warrant for Soviet Russian imperialism throughout the world. Mark if this is not the fact.

In stark contrast to the rest of the world, only the Soviet empire stands astride Asia, Europe, and now seeking to penetrate Africa, and acts as if it were still 1903, as if it could still send armed people anywhere and kill anybody and get away with it. They think they can, and have, because for the past 30 years the issue of world debate has been the colonial legacy of the West, and not the colonial reality of the Soviet empire.

Now we hear the pleading of former Soviet satellites, such as Somalia, crying, "Help us, the Cubans are here, the Russians are here, help save us," they say.

In 1975, I cannot describe the contempt and hostility of the Somali Government toward any effort by the West, any effort by us, to say, "Your interests are in a world of free nations and independent nations; you have no interest in a world with union to the Russian imperialism."

They were contemptuous of us. Now, today, they are pleading for some help.

I shall take the liberty to return to take up that particular theme at a future time. I would sum up my statement and thank the Senator from Idaho by simply saying that those Americans who are consulting their fears in this matter should look to their hopes and summon their courage because this is not a moment of retreat.

This will be an event that will mark the moment when the world at last saw that, as against the dark night of tyranny that hangs over the Eurasian landmass called the Soviet Union, and the bright light of freedom that emanates from these shores living in that light of freedom is incomparable and that freedom will be the choice of the overwhelming majority of the nations of the world.

We shall look back with pride and a sense of honor that this Chamber commenced that process.

I thank the Senator.

Mr. GOLDWATER. Mr. President, I will not take the Senate's attention long. I want to talk about an aspect of this treaty and the voting on it that has not received the attention of the Senate but which has received the attention of the House. In fact, several Members of the House have petitioned the Supreme Court to determine whether or not the Constitution requires both Houses of Congress to act in the transfer of U.S. territory.

Mr. President, I rise to discuss one of the fundamental and most important issue arising out of the Panama Canal Treaty, the role of the House of Repre-

sentatives in the disposal of territory or property of the United States. The issue stems out of the Constitution itself, which in article IV specifically grants to Congress the power to dispose of territory or other property belonging to the United States.

The question is this: Does article IV require the consent of both Houses of Congress before American property in the Canal Zone can be transferred to Panama? Or can public land be given away by a "self-executing" treaty without the subsequent consent of Congress?

Mr. President, I am amazed that this issue has been treated so cavalierly by proponents of the treaty. Oh, the problem is mentioned in the committee report, but the committee stretches and strains to dismiss it.

A handful of precedents that are easily distinguished are given for the proposition that a treaty can be substituted for the will of both Houses of Congress.

Court cases which have nothing to do with ceding public property to a foreign nation absent implementing legislation are cited to uphold the give-away of the canal free of the added deliberation which would be required if both the House and the Senate had to act on the matter.

Yes, arguments have been made to defend cutting out the House from its constitutional role in the transfer of Federal land or property. But these arguments are no more than that—arguments. They do not hold up.

What we are given by the Attorney General and the State Department and the Foreign Relations Committee report are not facts, but assumptions. They argue in circles, assuming that the view they start out with is the correct one.

For example, the committee and the Attorney General rely heavily on a statement by the Supreme Court in the case of Geofroy against Riggs, which says that the treaty power extends "to all proper subjects of negotiations between our Government and the governments of other nations" but does not "authorize what the Constitution forbids." The committee uses this bare statement to assume that it knows what the Constitution forbids and does not forbid.

But the quotation does not answer that question. In fact, if the paragraph quoted from were read in full, it would be clear that the Court added a restriction on the treaty power which is directly relevant to the Panama Canal Treaty.

What the Court actually said is this:

> It would seem to follow that a treaty which purported to exercise the power exclusively granted to Congress would require implementing legislation as is the case when the treaty requires appropriations.

On the basis of this sentence, I would contend that the Panama Canal Treaty requires implementing legislation, since it purports to exercise a power exclusively given to Congress, the power to dispose of property.

The way the treaty proponents read the quotation, the Court meant that nothing at all is forbidden to a treaty unless the Constitution expressly uses the word "forbidden" or the words "you shall not do this." Under this reasoning, the President and the Senate could levy taxes on the people by a treaty, since nothing in the Constitution expressly forbids a treaty from being used to raise taxes.

Article I, section 8, only provides that "Congress shall have the power . . . To lay and collect taxes. . . ." It does not say that Congress alone shall have the power. Nor does it say that Congress shall have the exclusive power. As the distinguished legal authority, Professor Berger, has asked in his critique of the administration position, what then is to distinguish the taxing power from the article IV power to dispose of property?

Mr. President, I think the question answers itself and exposes the error defenders of the treaty have fallen into when they rule out participation by the House in transferring the Panama Canal. If they are serious in their contention that the full Congress need not act to dispose of public territory, then the precedent they are asking us to take in advising and consenting to the treaty is more dangerous than anyone imagined. Very few of Congress powers could not be usurped in a similar way by treaty, using the same reasoning that is used today to bypass the House in the Panama Canal Treaty.

Moreover, I am impressed by Professor Berger's analysis that the Geofroy case has nothing at all to do with the disposition of Government property because it actually involved private rights of inheritance in the District of Columbia. In fact, the case was decided in accordance with a preexisting statute of Congress, a far different situation from the present one where Congress is being cut out of the decision.

Mr. President, I am also surprised to see several cases listed as authorities for the Panama Canal Treaty which involve treaties with Indian tribes. As we all know, a trust relationship exists between the U.S. Government and Indian tribes. Many courts, including the Court headed by Chief Justice John Marshall, have referred to the Indians as being in a guardian-ward relationship with the United States. This is well documented in legal briefs prepared by the Library of Congress in July and August of last year.

Thus, to call Indian communities foreign nations in the sense of foreign countries, not within the limits of the United States, is stretching pretty far for a precedent.

Even if there were some kind of precedent in these treaties, they would no longer be valid because both Houses of Congress acted more than a century ago to repudiate the use of treaties in dealing with Indians. In the 1860's Congress thoroughly debated the practice of transferring public lands to Indians by treaties and emphatically decided that thereafter no soil of this country would be sold or given up without the approval of both Houses of Congress.

Congress did not simply express this policy in a sense of the Congress resolution, but it spelled it out plainly in two statutes enacted into law—the act of March 29, 1867, and the act of March 3, 1871. Thus, the Indian treaties and cases are not valid precedents to be relied upon today in determining the role of Congress in disposing of the Panama Canal.

In fact, Mr. President, I think we can discard case law as the basis for our decision of this question. I think both sides of the issue will agree that there is no Supreme Court case squarely deciding a contest between the House of Representatives and the treatymaking power. But that is exactly the situation we are facing today.

There are presently more than a majority of the Members of the House of Representatives—219, to be exact—who have joined in sponsoring a resolution declaring that any transfer of property in the Panama Canal Zone must receive the specific authorization of an act of Congress passed by both Houses.

In these circumstances, Mr. President, I believe we should do more than just argue from uncertain judicial and historical precedents that are not really on point. In my opinion, the answer to the question does not lie in court cases, but is to be found in the Constitution itself and in the intent of the framers.

On this basis, I am convinced the framers meant for both Houses of Congress to act before public land or territory could be transferred to a foreign country.

I believe the framers deliberately wrote article IV into the Constitution as one of the checks and balances of Government so that there must be consideration by both the Senate and the House of Representatives before Federal land or property can be conveyed to another power.

This is a matter that closely touches all the people. The transfer of the canal and Canal Zone assets. whose replacement value is nearly $10 billion and whose operation is closely linked to the economy and security of our Nation, is a subject of the gravest importance. It is undoubtedly the kind of public action which the framers did not want taken until it had received the most extensive and thorough deliberation.

Mr. President, I am amazed that in this day and age, when everyone is worrying about what is called the Imperial Presidency, my colleagues do not refer back to the original purpose of the framers, who wanted to place a check on major actions of the Government that may harm the country.

The matter did come up in the State conventions on ratifying the Constitution. There was much concern expressed during the ratification process about the possibility of yielding, by a treaty, territory that might be valuable to the economy of a particular State or region. But this fear was specifically rebutted at the Virginia Convention.

Governor Randolph, who was a delegate both to the Federal and Virginia Conventions, took note of the objection when he remarked:

> But it has been said that there is no restriction with respect to making treaties.

His answer was that the Constitution provided "the most express restriction" on sacrificing the property rights of the

Nation in article IV, which empowers Congress to dispose of territory or property of the United States.

Randolph was not the only one who took this view. Francis Corbin added at the Virginia Convention that the people were protected against rash treaties by another provision of the Constitution. Corbin said that if property is sought to be transferred by an agreement in the nature of a commercial treaty—a description which clearly is applicable to a treaty relating to commerce through the Panama Canal—"the consent of the House of Representatives would be requisite, because of the correspondent alterations that must be made in the laws."

So I believe the framers definitely intended for any proposed transfer of property or territory, which may have an important bearing on the economy or security of any State or region in the country, to receive the consent of both Houses of Congress, acting together with the President, before it would be valid.

But it is not necessary to prove that Congress has the exclusive power to dispose of public property. George Leonard, a well known attorney with considerable experience in constitutional matters, testified before the Subcommittee on Separation of Powers last year, that in the case of the Panama Canal treaties, the true question is: Once Congress has legislated on the subject, can the canal and the zone be conveyed without the approval of Congress?

Here there is a special situation. Congress, as a joint body, has acted on the canal since at least 1902. In the Spooner Act of that year, Congress authorized the President to acquire property and "perpetual control of a strip of land" in the then territory of Colombia and to "perpetually maintain, operate, and protect thereon a canal" from the Caribbean Sea to the Pacific Ocean. It was pursuant to the will of Congress in the Spooner Act that the Panama Canal Treaty of 1903 was negotiated and concluded.

Since that time, Congress has established courts, enacted civil and criminal codes, provided for defense, and maintained, administered, and operated both the canal and the Canal Zone.

In the fact of this considerable activity by Congress concerning the Panama Canal, Mr. Leonard believes Congress has preempted any concurrent power which the President, together with the Senate, may have had to dispose of the canal and land in the zone by treaty.

In fact, we have always before used legislation passed by both Houses of Congress in order to cede property in the Canal Zone to Panama. In 1932, it took legislation to authorize the Secretary of State to modify the boundary line between Panama and the zone so that a new legation building could be built on foreign soil, that is Panamanian territory, instead of American territory.

In 1936, a treaty was signed relating to the disposal of certain property to Panama. This treaty was specifically qualified by the following words: "When the authority of the Congress of the United States shall have been obtained therfore, the Government of the United States will transfer to the Republic of Panama" the property in question. Thus the treaty itself openly required subsequent action by both Houses of Congress.

Then in 1943, a joint resolution was approved authorizing an executive agreement for the transfer of certain land in the Canal Zone to Panama. During Senate deliberation over this resolution, the chairman of the Senate Foreign Relations Committee, Senator Tom Connally, unequivocally took the position that under the Constitution "Congress alone can vest title to property which belongs to the United States." He added:

> So, if we had a formal treaty before us and if it should be ratified, it would still be necessary for the Congress to pass an act vesting in the Republic of Panama the title to the particular tracts of land. . . .

Finally, in 1955, another treaty provided for the transfer of land to Panama. Three provisions of that treaty related to the disposal of territory and property. Although two of those three provisions did not expressly call for implementing legislation, Assistant Secretary of State Holland informed the Senate Foreign Relations Committee in writing that legislation would be needed to implement the transfer of all the territory and property covered by the treaty.

In order that there may not be any question about the meaning of the State Department position at the time, I will quote from the exact words of Assistant Secretary Holland's written statement. It says:

> Legislation will be required to implement the following provisions of the treaty and memorandum of understandings reached:

Then, dropping down to paragraph (b), the State Department paper continues:

> Articles V, VI and VII of the treaty and item 2 of the memorandum. Transfer of certain lands and improvements to Panama. Authorizing legislation is required.

That is about as clear as anyone could say it. Articles V, VI, and VII of the 1955 treaty were the sole provisions providing for the transfer of lands and the State Department specifically identified each of those articles as requiring authorizing legislation passed by Congress before the treaty would be effective.

This conclusively settles the matter as far as I am concerned. It is clear that past practice shows that territory transferred to Panama must have the approval of both Houses of Congress. This makes the situation far different from any of the so-called precedents set forth in the committee report, one of which is the 1955 treaty with Panama, which I have shown the State Department itself conceded required legislative authorization from the full Congress.

Finally, Mr. President, there is no question but that we own property in the Canal Zone.

First, we paid $10 million for title to land originally held by the Panama Railroad, which according to a State Department fact sheet dated September 16, 1977, constitutes about one-third of the zone.

Second, we paid $4 million to buy title to lands held by private owners in the zone, which according to the same State Department fact sheet, covers another one-third of the territory.

And, third, according to the 1903 treaty we have acquired all the rights, power and authority in perpetuity in the entire zone that were needed "for the construction, maintenance, operation, sanitation and protection" of the canal. This clearly gives us property rights, even if we do not have complete sovereignty over these lands.

In addition, we own the physical plant there and the defense facilities.

Indeed, the State Department fact sheet admits:

> The facilities used in connection with the operation and defense of the Canal as well as facilities used by other agencies of the United States in the Zone are property belonging to the United States.

In summary, Mr. President, under Article IV of the Constitution, this means that the Panama Canal Treaty can not become effective, even if it is given the advice and consent of two-thirds of the Senate, until the House of Representatives acts favorably on the issue.

Even if the Senate should approve these treaties—and that is a big "if"—we should not do so unless an amendment is attached requiring implementing legislation for the transfer of territory and property.

Mr. President, I might observe that back as far as October of last year this implementing legislation was recognized as being necessary by the Department of State and we were told that the implementing legislation would be on the Hill within a few days. To my knowledge this implementing legislation has not reached us as of yet and yet I think it is perfectly clear by precedent of the State Department, Congress, and the Constitution that such legislation must be before us and must be passed before we attempt to give anything of value away from the country.

Mr. President, the Senator from Utah (Mr. HATCH) has introduced such an amendment and, when it is called up, I will have more to say on this subject.

I thank my colleagues very much for allowing me the time to discuss what I consider to be an important issue, and I yield the floor.

Mr. STENNIS. Mr. President, I shall not detain the Senate very long on the remarks that I am making this afternoon. I commend the Senator from Arizona for the timeliness and the content of his remarks, which raise a very serious legal question. He mentioned the implementation proposals that we felt a need for during our hearings in the Senate Armed Services Committee, but, of course, we could not wait.

Mr. President, I plan to make a more complete statement on the entire Panama Canal Treaty proposal at a later time. However, I feel that I have a responsibility to the Senate to present and summarize the information that the Armed Services Committee developed relating to the financial situation or potential financial situation as it would exist under the proposed treaty.

We held relatively brief hearings on this proposed treaty, Mr. President, in our Armed Services Committee. The primary jurisdiction—and there never was any dispute over that, of course, was with the Foreign Relations Committee, but we do have a certain jurisdiction and responsibility under the rules of the Senate with reference to the management or the rules regulating the Panama Canal, and also any matters, of course, that relate to the defense of the Nation. So it was with reference to preparedness, military preparedness, and the consequences of the lack of the canal or the uncertainty under this treaty, that we addressed ourselves to primarily.

On the financial side, we very deliberately went into this matter. We had time, We employed our own consultants in the financial field, capable people who were highly recommended. We had the benefit of the esteemed and valuable Director of our General Accounting Office, Mr. Elmer Staats, whose entire staff, or rather part of it, has been making quite a survey of the financial situation with reference to this proposed treaty and matters related thereto. And we had the benefit, too, of the testimony of a very exceptional, excellent man that I had not known until these hearings came about. He is the present so-called business manager—his actual title is Governor—of the canal, Governor Parfitt, who is a very competent, capable manager, on the merits and on the costs.

Mr. President, it is important that the Senate fully understand the financial situation that did exist and will probably exist under the Panama Canal Treaty if it is ratified.

First, the Senate and the American taxpayers should know in advance how much money it will cost to implement the treaty over the next 22 years. In fact, to put it briefly, we should not buy a "pig in a poke."

Second, because the financial elements are so important to the treaty, and one of the principal reasons for having a treaty at all, there should be some assurance that the relations between Panama and the United States will not be endangered by 22 years of misunderstanding or uncertainty, or haggling over money matters. Both countries ought to have a common understanding of the financial provisions of these proposed treaties, and that is why we went into this matter financially, and went into the outer perimeters of some possibilities.

Our committee, as I have said, engaged a consultant and held hearings with expert witnesses, including the two I have recently mentioned, and then undertook a special staff study by competent members of our staff to summarize the key financial questions raised by the treaties.

Now, this was right at the conclusion of our hearings. We had to file the first report thereon—we were exceedingly anxious to, of course—before this matter was called up and the debate started. Some additional staff work was required on these figures—and that is the only reason for the delay—which I am now presenting to every Member of the Senate, the media, and the public at large. It is not in the nature of a supplemental report, but it is a summary of all the facts with reference to the financial matters.

During the February recess I sent a draft of the staff study to the Secretary of State, so that he could review it and have a chance to provide his comments. Later I shall request permission to have printed in the RECORD at the conclusion of my remarks the complete committee staff study, and, in a sense of fairness, the Secretary of State's comments thereon, together with brief additional comments on the State Department memorandum. This procedure was adopted in the interest of fairness and completeness on these summaries, before they went out to the Senate and the public.

I want to summarize, now, for my colleagues, where the debate on these financial issues stands.

WILL THE CANAL PAY FOR ITSELF?

First, will the canal pay for itself? First there is the question of whether or not revenues from canal operations will be sufficient to meet expenditures, including the payments to Panama under the treaty, during the life of the treaty.

If the canal operates at a net loss over the 22 years of the treaty, the U.S. Government would be called on to pay the loss, since the canal is to be turned over to Panama debt-free in the year A.D. 2000.

Governor Parfitt, to whom I have referred, who is sometimes called the business manager of the canal and actually is the Governor, and Mr. Staats, the Comptroller General, both warned, before the Armed Services Committee, that there was a substantial possibility that the canal would suffer operating losses beginning about 1983.

Now, I remind and caution that these are calculations, but some calculations have to be made. It is the only way we can really determine what are probably the facts.

Administration studies show there is a distinct possibility that the canal will not be self-sustaining. The State Department agrees that there is uncertainty, but asserts that "revenues will be sufficient to meet expenditures." The State Department presents no evidence for this assertion beyond 1983, and makes no estimate of net profit or loss after the year 1983.

HOW MUCH CAN TOLLS BE RAISED?

The fact is that no one knows how much tolls can be raised in a very uncertain international transportation market. No one can be certain just what the traffic will bear. No one can make an actual money statement of facts. We do know that U.S. pipelines, U.S. railroads, and to some extent large tankers and cargo ships, are becoming more competitive with the canal.

Since the canal was opened in 1914, tolls have been raised only about 40 percent, all of that since 1974. Think of that. From 1914 to 1974, the tolls were not raised. Since those toll increases have taken effect, shipping through the canal has dropped about 6 percent per year. All experts and those who have dealt with this problem do agree that there is some limit to the amount the tolls can be increased without driving away traffic to the point of financial collapse. The question is, What level is too high? At what point do the financial burdens on the commission that drive tolls upward begin to result in net operating losses?

The administration cannot give us anything concrete to rely upon past 1983. The committee staff study shows that in the unlikely event tolls cannot be raised above current levels, the canal will suffer a $3.5 to $3.7 billion operating loss over the period of the treaty.

As I say, those are just figures which are not written in concrete. No one can be certain about them. They are, however, based on the unlikely event that tolls cannot be raised above current levels. I assume they can be raised some, and will be raised, but there is the starting point.

Assuming no loss of traffic due to toll increases, tolls would have to be increased 149 to 168 percent to offset this deficit.

That is the increase which would be required, to put it in another wording, to offset this prospective deficit to which I have referred.

The committee staff study shows if tolls can be increased only 75 percent above current levels by the year 2000, the canal would suffer an operating loss of about $1 billion.

This is as near as we can get to a hard, rock-bottom calculation.

This is by way of illustration of what we might be facing as a downside risk of appropriations being required and the prospective amount.

APART FROM POSSIBLE OPERATING LOSSES, WHAT WILL THE TREATY COST?

The second question is whether or not, aside from possible operating losses, the U.S. Government will have to pay certain costs as a result of the treaty. The answer here is clearly "Yes." The committee staff study summarized testimony showing about $1 billion of these costs over 22 years. The State Department has acknowledged most of that. The one significant area in dispute is the possible $220 million payment to Panama for the so-called contingent payment of $10 million per year if earned. The State Department asserts the United States would not have to pay this payment if it has accumulated by 2000 A.D., but presents no hard evidence to support its position. The testimony showed that while the U.S. Government may feel this money will not have to be paid, many Panamanians expect that it will be paid.

It will be paid to them, or to their government, during the intervening time of these 22 years.

On that one single point of the $10 million per year if earned, that would constitute only $220 million of this estimated payment that would have to be made of around $1 billion.

WILL THE TREATIES BRING ABOUT U.S.-PANAMANIAN DISCORD?

Finally, the committee staff study showed seven major areas of "potential financial controversy between the United States and Panama."

These seven areas have been very carefully examined, and they are believed to be a very reasonable estimate and a very reasonable area of operations in defense and all that will bring this about.

The study says:

The significance of these points of conflict is that serious and continuing disagreement over ambiguous financial issues may not bring about the period of friendly cooperation with Panama envisioned by the Administration.

In conclusion, Mr. President, I urge each Senator to read both the committee staff study and the State Department comments on the financial issues and reach his own conclusion as to how much these treaties will cost the United States. I, for one, think the U.S. taxpayer should be prepared for a bill which, if things go wrong, could total as much as $2 billion. This figure does not count the roughly $1 billion book value of facilities that will be turned over to Panama if these treaties are ratified.

That is not intended to charge anyone with bad faith. This is a reference to seven possible areas of disagreement, the lack of uniform interpretation, and the lack of some conclusions by the contracting parties—and this is a contract that concerns money matters. These seven areas are fully set forth in this study that I am going to ask to be printed in the RECORD.

Mr. President, I say again for emphasis that this study could not possibly be made between the time we had the hearing and when we thought we should file something with the Senate. The staff, a highly competent group, has worked on it day and night and have come up with these calculations. The enumeration of these seven matters and the reasons therefor are set forth, as I said, in the staff study that I have asked to be included in the RECORD.

Mr. President, in conclusion, I urge that each Senator read and study both the committee staff study and the State Department comments on the financial issues and then reach his own conclusions as to how much these treaties will cost the U.S. Treasury. I, for one, think the U.S. taxpayers will be charged a bill which, if things go wrong, could total as much as $2 billion. That figure does not count the roughly $1 billion book value of facilities that will be turned over to Panama if these treaties are ratified.

The $2 billion to which I refer is new money. That is a forthcoming event. It is going to have to be paid, according to our calculations, out of the Treasury.

The second item of the $1 billion is the rough book value now after the writeoff of the cost of the canal and other facilities. There is still left facilities with a book value of $1 billion which goes along with the treaty as part of the bargain. That would make a total of $3 billion of money cost.

This last item of $1 billion actually has a replacement value. If it were going to have to be built or replaced, today it would cost over $9 billion. That shows what we are dealing with. It is something which cannot cavalierly be dismissed or taken for granted, or laughed about.

Somewhere, sometime, someone has to begin discussing more seriously the cost, not only of items of this kind, which are a continuing series, but all costs.

I also urge each of my colleagues make a judgment as to whether or not these financial questions will undermine, or have a tendency to undermine, United States-Panamanian relations in the future.

Certainly, that question is relevant. We are all concerned, to some degree, about these relations. Whatever we do, if we should adopt this treaty, let us not have a built-in situation which would lead to real controversies over and over again.

In my opinion, if we are not prepared with a blank check to underwrite both the potential operating losses and the current cost of these treaties we should reject the treaties rather than create 22 years of unknowns—unknown as to amounts and unknown as to possible costs—and discord and controversy with Panama.

It is another way of saying that a better job—I say that with all deference—could be done on this question. Ultimately, each Member must decide how important these disturbing financial questions are in arriving at a balanced judgment on the risks and benefits of the proposed treaty.

Mr. President, I ask unanimous consent that a copy of this study by the staff of the Senate Armed Services Committee, to which I have given my personal attention, together with their sheets of figures, and also a transmittal of this to the State Department and the State Department's statement in response, be printed in the RECORD at this point. With all that done, then the public and the membership will have the complete story of what we found in the committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES STAFF STUDY ON PANAMA CANAL FINANCIAL DATA

At the request of the Chairman, the Committee staff prepared for the use of Committee Members this summary and analysis of the various financial data presented in testimony and developed by the Panama Canal Company. Without detailed implementing legislation or a full-cost analysis of the treaties by the Administration it is not possible to provide more than approximations of possible costs to the U.S. government.

A summary of these figures is included as Attachment A.

POTENTIAL PANAMA CANAL OPERATING LOSS

This is the single most difficult part of the financial analysis. The testimony of both Governor Parfitt and Mr. Staats indicated a substantial possiblity that the Panama Canal Commission under the treaties would not be self-sustaining after the first few years—i.e., would suffer operating losses during the life of the treaty. The Canal Zone Governor testified that he thought such operating losses would become a liability of the U.S. government.

Can tolls be raised enough to cover increased costs?

The key judgment that must be made on whether there will be operating losses is how much tolls can be raised to cover Canal operating costs plus the payments to Panama required by the treaties.

There is a great deal of uncertainty on this point. The recent study prepared for the State Department and Panama Canal Company by International Research Associates, Inc. says:

". . . unlike most other enterprises, the Canal Company has only limited economic freedom to pass through any cost increases which it experiences to its customers . . . there is evidence that in the past the cost of alternatives has often gone down while the cost of operating the Canal has increased. . . . The relationship of toll sensitivity to inflation would not be an important issue if the difference between current toll revenues and the cost of alternatives to users were large (200 or 300 percent) . . . the maximum attainable toll revenue, is only 40 percent greater than the revenue projected under current toll rates . . . the eventual elimination of this user surplus must be viewed as a distinct possibility. The practical consequence of such an event would be the termination of the economic life of the Panama Canal on a toll revenue supporting basis. . . .

. . . the maximum toll revenue currently attainable is some 40 percent greater than the revenue projected without a toll increase . . . attainment of the maximum revenue requires a toll rate increase of somewhere between 75 and 100 percent. . . .

The future sensitivity of traffic to toll increase will be determined largely by the relationship of future cost of Panama Canal transits to future cost alternatives. And that relationship will be influenced primarily by: (a) the force and direction of future inflation rates; and (b) the future value of the U.S. Dollar vs. other currencies . . . a high rate of inflation even if combined with continued devaluation of the U.S. Dollar would, on balance, constitute a greater damage to the Canal's ability to raise sufficient tolls than low or moderate inflation . . . a low to moderate area of inflation of around 3 percent per year should permit the stabilization of the cost of Canal operation. . . . Under such circumstances, the prospects for maintaining the Canal operation on a financially self-supporting basis would undoubtedly be better."

Similarly, the American Management Systems study prepared for the Armed Services Committee stated in regard to toll increases:

"Only in recent years has the problem of forecasting Canal toll revenues become critical to the Canal's financial health. The Canal has almost always been able to break even—mostly because Canal traffic was increasing faster than the costs to operate and maintain the Canal. However, Canal traffic has now decreased by 6 percent per year in the last three years. . . . Since the Canal is now (even without the proposed treaty) operating in an economic environment wherein costs are inflating rapidly and traffic growth may have ceased, this problem of forecasting toll revenues is critical for the Canal's managers. . . . There is large uncertainty in the level of Canal toll revenues over the next two decades. . . . This large uncertainty in likely revenues is inherent and probably irreducible. . . . The level of Panama Canal traffic and toll revenues will depend upon a number of factors, most of which are unpredictable and outside the control of the Panama Canal Commission."

Can operating costs be reduced?

Another judgment that must be made in determining whether the Canal will be financially self-sustaining is whether the costs of running the Canal can be cut below the estimates of the Panama Canal Company. The American Management Systems study suggested it might be possible to cut Canal operating costs by $30–40 million per year, largely through personnel cuts. This is about

an 18 percent reduction from the Panama Canal Company's estimate of operating expenses. On this point Governor Parfitt testified,

"I find it very difficult indeed to see the savings that are contemplated here and still run an efficient and effective organization . . . I personally don't believe that there are that many savings that could be implemented with any degree of confidence and still have an efficiently running canal in the fashion we have now."

Mr. Staats testified:

"It sounds like a fairly sizable reduction considering all that has been done to try to cut the costs down there . . . we feel the Panama Canal is conservative, or too conservative, to be quite accurate about it, on their capital investment estimates."

Assumptions behind illustrative deficit estimates

In order to illustrate the magnitude of the potential deficit, the Panama Canal Company was requested to calculate the potential deficit assuming 6 percent inflation per year and assuming no increase in tolls above current levels. They were also asked to calculate the cumulative toll increases required to eliminate all deficits. As a middle case, they were asked to make the same calculations assuming arbitrarily that tolls could only be increased 75 percent cumulatively for the period of the treaties and that there was no reduction in traffic caused by the toll increases beyond the first 20 percent increase. Since there is a great uncertainty about how much North Slope oil will be shipped through the Canal, each case was calculated first with the current estimate of potential North Slope oil shipments through the Canal and then again with a 75 percent reduction of that estimate after 1980. All estimates include current Panama Canal Company estimates of operating costs.

It is important to note that none of the figures shown below include the $10 million annual contingent payment to Panama, the $20 million annual interest payment to the U.S. Treasury, possible recovery of U.S. capital investment in the Canal or other costs described in other sections of this study. If these costs were included in the figures shown below, they would add to the potential losses:

Illustrations of potential Panama Canal operating deficits (cumulative through 1999 A.D.—assuming 6% annual inflation)

	(1)	(2)
If tolls are not increased above current rates (loss)	$3.57	$3.75
If tolls are raised only 75% (the total currently available increase estimated to produce maximum revenue was 75–100%) (loss)	.99	1.16
Cumulative toll increase needed to fully offset deficits (assuming no toll-caused traffic loss after first 20% toll increase) (percent)	+149	+168

[1] With full North Slope oil (billions).
[2] Seventy-five percent loss of North Slope oil after 1980 (billions).

Who pays for toll increases?

It is well to keep in mind that toll increases over the life of the Treaties will mean additional costs to be paid by shippers and consumers around the world. How large will such a burden be? In relative terms, as Mr Staats pointed out in testimony, not large. But the amounts are still substantial in dollar terms. Using figures provided by the Panama Canal Company, and assuming 6% inflation, substantial North Slope oil traffic after 1980, and no surplus or interest payment, the additional toll revenue the Canal would have to bring in during the life of the treaty (assuming now that tolls could be raised by these levels) would be $3.57 billion. If tolls could be increased that much, the Company estimates that approximately one-third of this increased charge would be borne by U.S. shippers and consumers in the form of higher costs. That amounts to an additional cost of $1.2 billion.

ESTIMATED VALUE OF ASSETS TRANSFERRED TO PANAMA

One aspect of the costs of the Treaties is the value of the property given to Panama over the life of the treaty. The testimony and other information provided by the executive branch indicates two types of estimates of this value. Governor Parfitt, Mr. Staats and the Defense Department put the net book value of all assets in the Canal Zone at $920 million. Mr. Staats suggested that the Congress consider whether some of the book value of these assets should be recovered through accelerated depreciation charges against Canal operations over the life of the treaty.

The witnesses also presented estimates of the current value or replacement cost of the assets in the Canal Zone—though it is not a very precise figure. The State Department's composite estimate of replacement value is $9.8 billion, including the Canal itself, the Company, and military assets.

POTENTIAL COST TO U.S. FOR ITEMS NOT COVERED BY TOLLS

A second aspect of the cost of the treaties is the total cost to be paid directly by the U.S. as a result of the treaty and over the life of the treaty. These items are not now costs of the Panama Canal Commission, and therefore would not be recovered through higher tolls. Any effort to recover them through higher tolls would, of course, increase the estimates of deficits outlined in the first section of this study.

1. Military Plant Relocation Cost—General McAuliffe testified that the various transfers and changes in facilities necessitated by the Treaties would involve substantial costs for relocating military units and building new quarters as needed. He estimated these costs at $43 million.

2. Civil Service Early Retirement—Mr. Staats and AMS concluded that the additional early retirement costs for Panama Canal Commission employees given the opportunity to retire early under the treaty would total between $7.5 million and $8.4 million per year. Mr. Staats estimated the total cost to the Civil Service Commission at $135 million over the 22 years.

3. Incremental Cost for DoD Schools and Hospitals—The Treaty prohibits the Commission from running schools or hospitals as is done now by the Panama Canal Company. These functions will be transferred to the Department of Defense. Reimbursement for these costs by users is not presently on a full-cost basis in the Department of Defense and additional costs for the transferred personnel might also be incurred. AMS estimated the costs at about $5 million per year, or $110 million over the life of the treaty, though they could be higher.

4. Foregone Interest Payment to the Treasury—The Panama Canal Code now requires the Company to pay interest to the U.S. Treasury on the net interest-bearing investment of the United States in the Canal. The Administration proposes to omit the payment (currently $20 million per year) under the Treaties. Since the interest rate will rise over the years, the total loss to the Treasury was estimated by Mr. Staats at $505 million over the life of the treaty.

5. Contingent Payment to Panama—The treaty contains a $10 million annual payment to Panama that is incurred only to the extent that a surplus is earned. Governor Parfitt testified that the payment will not be included in the base of costs used to determine tolls, and that therefore it is unlikely that it will ever be earned. The Treaty provides that the payment, if not paid in a given year, carries over to succeeding years. It also provides that the U.S. must turn over the Canal free of liens and debts. Both Governor Parfitt and Mr. Staats pointed out that the Treaty is silent as to whether any accumulated amounts existing on December 31, 1999, must be paid out of the U.S. Treasury. Governor Parfitt testified that the Panamanians apparently feel it will be paid by the U.S. while the Administration asserts that it is simply extinguished in the year 2000 because the surplus was never earned. If the annual payment is never made during the life of the Treaty and must be paid at the end of the treaty, it could amount to a liability of $220 million in the year 2000.

6. Foregone Payment Due From Panama—Panama presently owes the Company some $8 million for past services, primarily utilities. If that payment is foregone, there is an additional cost of $8 million.

7. Cost of Inventory and Evaluation of Assets—Mr. Staats testified that it will be necessary to do a complete inventory of the assets owned by the U.S. in the Canal Zone in preparation for implementation of the Treaties. He estimated that this complex process will cost $2 million.

8. Other Costs—Mr. Staats also identified possible costs in the payment of accrued leave to employees separated under the Treaties, though he could not estimate the amount. AMS identified possible additional costs in greater training efforts than those presently planned by the Commission, but could not quantify them. There may also be undiscovered costs borne by other agencies of the Government in implementing the Treaties.

OTHER POSSIBLE LIABILITIES OUTSIDE THE TREATIES

The United States and Panama also have exchanged notes regarding a military and civilian aid package to Panama which is related to the Treaties but not technically dependent upon them. These consist of Foreign Military Assistance Credits, Agency for International Development Housing Guarantees, Export-Import Bank Credits, and an Overseas Private Investment Corporation loan guarantee. Should Panama, which already pays 37 percent of its total income to service large foreign debts, fail to repay these amounts, totaling $345 million, the United States could become liable to make good these losses.

POTENTIAL AREAS FOR U.S.-PANAMANIAN FINANCIAL CONTROVERSY

During the hearings, and in the analysis made by AMS, a number of potentially serious ambiguities in treaty language, problems in implementing various treaty provisions, or instances where the interests of the U.S. and Panama on financial questions would be diametrically opposed, were pointed out. These are summarized below.

1. $.30 per ton payment to Panama—Gives Panama a motive to keep tolls low to keep traffic high. To avoid deficits, U.S. canal managers would be motivated to do just the opposite.

2. $.30 per ton and fixed $10 million payments—Not clear what kind of priority they have in deficit year. In the event of a deficit, would Panama not be paid or would U.S. pay these treaty costs?

3. $10 million surplus payment—Not clear how it should be calculated. Not clear how to handle deficit from a past year. Disagreement as to whether the total carryover obligation must be paid by the United States in

2000. Disagreement as to whether this should be included in the toll base.

4. Interest payment to the Treaty—Panama may oppose because it increases Commission's costs, sending tolls up and making profit less likely. But Congress may insist on it.

5. $10 million for services—Panama will want to see it increased for inflation. U.S. will want to see it decreased because of lower Panamanian labor costs. In addition, many of these services will be provided to U.S. employees (fire, police, etc.) but there is not agreement on standards for the quality of service.

6. Depreciation—If Commission tries to increase depreciation expense or create new reserve for capital improvements, Panama will object because it will increase costs, push up tolls, and make it less likely that they will get the surplus $10 million.

7. Toll Setting—Panama may want to keep tolls as low as possible to keep traffic high, since their annuity payment is based largely on traffic, not revenues. The U.S. may be under pressures to increase tolls regularly to avoid deficits.

The significance of these points of conflict is that serious and continuing disagreement over ambiguous financial issues may not bring about the period of friendly cooperation with Panama envisioned by the Administration. Continual disagreements about whether there has been a surplus, whether depreciation is unreasonably high, or whether tolls should be raised a given amount, have the potential for souring the relationship between the parties. This is particularly true when one considers the evenly divided Committees set up by the Treaties that will advise on policy, and the fact that the Commission's Board has a slim 5–4 American majority. Many of these potential points of friction could be removed by clear written understandings between the parties prior to ratification, as recommended in testimony by Governor Parfitt.

ATTACHMENT A—*Estimated potential cost of Panama Canal treaties and related matters*

I. Illustrative potential Panama Canal operating deficit until 2000 A.D.:

	(1)	(2)
If tolls are not increased above current rates (loss)	$3.57	$3.75
If tolls are raised only 75% (the total currently available increase estimated to produce maximum revenue was 75–100%) (loss)	.99	1.16
Cumulative toll increase needed to fully offset deficits (assuming no toll caused traffic loss after first 20% toll increase) (percent)	+149	+168

[1] With full North Slope oil (billions).

[2] 75 percent loss of North Slope oil after 1980 (billions).

II. Estimated value of assets transferred to Panama by 2000 A.D.:

	Book value (millions)	Replacement cost (billions)
Panama Canal	$310	$5.0
Panama Canal Zone	257	3.6
Military plant	353	1.2
Total	920	9.8

III. Potential cost to United States for items not covered by Panama Canal tolls until 2000 A.D.:

	(*Millions*)
Military relocation construction cost	$43
Civil service early retirement	135
Incremental cost for DOD schools/hospitals	110
Foregone interest payment to U.S. Treasury	505
Contingent payment to Panama ($10 M/yr.)	220
Foregone payment for past services to Panama	8
Cost of inventory/evaluation of assets	2
Payment of employee accrued leave	?
Increased training for PCC employees	?
Total	1,023+

IV. Other possible liabilities of U.S. Government:

	(*Millions*)
Military assistance (FMS credits)	$50
AID housing guarantees	75
Export-Import Bank credits	200
Overseas Private Investment Corporation loan guarantee	20
Total	$345

THE SECRETARY OF STATE,
Washington.

HON. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of February 9 and for the opportunity to comment on the "Staff Study on Panama Canal Financial Data."

I am pleased to provide the enclosed memorandum setting forth the Department's comments, with which the Department of Defense concurs, on each of the five sections of the study.

I am also enclosing a series of questions and answers on the economic implications of the Treaties which was sent to the Senate on February 10 by Secretary Brown, Secretary Alexander and me.

Sincerely,

AGNES VANCE.

MEMORANDUM COMMENTING ON "STAFF STUDY ON PANAMA CANAL FINANCIAL DATA"

OPERATING LOSS

Based on all available studies, we believe revenues will be sufficient to meet expenditures, including the payments to be made to Panama under the new treaties.

The best available information on Panama Canal revenue shows that a 25 percent toll increase would yield $243 million in FY 1980 and $248 million in FY 1983. A 30 percent rate increase would yield $250 million and $254 million for those two years respectively. Meanwhile, Canal cash requirements, which include payments to Panama and the effects of inflation, would range between $238 million to $247 million in 1980 and between $237 million and $262 million in 1983. (The American Management Services study prepared for your Committee suggests that larger cost reductions than those envisioned by the Panama Canal Company could be made under the new Treaty, thereby reducing cash requirements. The Panama Canal Company will evaluate the recommendations of the AMS Study to determine the feasibility of the proposed reductions and will continue to search for ways to reduce cost while maintaining the highest level of efficiency). Our studies indicate that even larger toll increases could be applied if necessary, to produce additional revenues. While the range of uncertainty increases for the later years of the Treaty period, we believe it is reasonable to expect that the Canal enterprise can continue to meet all its operating costs, including payments to Panama required by the Treaty. The Committee's staff study converts uncertainties about the future into a precise numerical projection of "potential losses" whereas these uncertainties could also end up being beneficial to the Canal.

With regard to the effect of inflation on increased toll rates, the staff study quotes a recent analysis prepared by International Research Associates as follows: "The maximum attainable revenue was approximately 40 percent greater than the projected revenue without a toll increase. . . and . . . the attainment of that revenue would require a toll increase in the range between 75 percent to 100 percent." The staff study then applies an inflation rate of 6 percent per annum to Canal expenditures to the year 2000 and concludes that a substantial deficit could result. However, a 6 percent rate of inflation would affect the price of competitive transportation systems as well, thus permitting further canal toll increases in the future. When the staff study assumes that the maximum toll revenue available during the life of the treaty is 40 percent above current rates, it distorts the conclusion of the IRA study which indicates that the maximum attainable revenue, as calculated, is based on the *current* relationship of transit costs and the costs of alternatives. The IRA analysis *does not* imply that a 75 percent to 100 percent toll rate increase, producing a 40 percent increase in toll revenue, is all that can be derived for the rest of the century.

According to a January 1978 study by Arthur Anderson & Co., a one-time toll increase of 19–27 percent at the beginning of the initial five-year period would cover all costs of operation, including payments to Panama and inflation in operating costs for that period. The Panama Canal Company has estimated that a cumulative increase of 29 percent would be necessary for the period through 1983 under the treaty, and that a cumulative increase of 20 percent for the period 1981–1984 would be necessary even without a new treaty to offset inflation. The impact of the initial toll increase on U.S. consumers and shippers should not exceed $15 million per year; it would involve a transportation cost increase of less than 1 percent, and its overall effect on our $2 trillion economy would be negligible.

ESTIMATED VALUE OF ASSETS TRANSFERRED TO PANAMA

The net book value of existing Canal Company and Canal Zone Government property to be transferred to Panama by the terms of the Canal Treaty is $194 million. Panama would also receive capital improvements to the Canal and its facilities made during the Treaty's lifetime which the Canal Company, based on planned capital improvements, currently estimates at $454 million. The approximate total acquisition and improvement cost of military facilities as of FY 1978 to be turned over to Panama by the end of the treaty is estimated to be $352.9 million. However, the true value of the Canal and its related assets cannot be measured in terms of financial investments which would be worthless to us if we could not continue to use the Canal. The true value to the United States is best measured in terms of both past benefits and our ability to continue to use the waterway which the new treaties guarantee.

POTENTIAL COST FOR ITEMS NOT COVERED BY TOLLS

Payments *to Panama* under the Panama Canal Treaties will be made from Canal revenues, *not tax dollars*. Moreover, all operating expenses of the new entity will be paid

from Canal revenues. This would include, for example, the cost of conducting inventories of the Panama Canal enterprise as a result of the treaty. The staff study incorrectly concludes that the costs of such inventories would be drawn from the general fund of the Treasury.

Administration spokesmen have testified on several occasions before Congressional Committees that the transition from our present role to our proposed role under the new Treaties would entail some costs in the U.S. budget. One major cost would be relocation of Defense installations, estimated at $43 million for the first three years. Another would be an early retirement program for Canal enterprise and certain other employees. The Treaty provides for an optional early retirement program as an employee security assurance for Canal enterprise employees. The design of the program, however, will be at U.S. discretion. The programs which have been considered within the Administration range in cost up to $150 million (current value). There will be additional DOD costs resulting from a merger of the Canal Company and DOD activities, and assumption of any non-reimbursable costs for health, education and other support functions. In the letter to Senators from Secretaries Vance, Brown and Alexander of February 10th it was noted the total appropriations impact over 21 years based on present information is unlikely to be much more than $350 million. The Executive Branch is now developing detailed estimated costs for these functions. None of the appropriated funds for these costs would be for the benefit of the Government of Panama.

In any event, the items in this portion of the staff study will be subject to review by the Armed Services Committee, and precise estimates must await Congressional action on enabling legislation. Few, if any, of the other costs cited by Mr. Staats on page 8 of the staff study will be funded out of appropriated funds. Payment of accrued leave, for example, to separated PCC/CZG employees will be borne by the Commission as would any increased training costs. Only the few DOD employees who may be separated as a result of the treaty will receive payment of accrued leave from DOD. In addition, DOD will be responsible for future payments of accrued leave for those PCC/CZG employees who transfer to DOD. Possible other costs which cannot now be identified will depend in large measure on the outcome of the implementing legislation and its requirements.

OTHER POSSIBLE LIABILITIES OUTSIDE THE TREATIES

A separate economic and military cooperation package of $345 million—all in repayable loans, credits or guarantees—is planned. This package depends on development of programs to meet existing Congressionally established criteria. Only about $5 million in appropriated funds would be required to support repayment guarantees for the military credit program as a reserve fund; none would be paid to Panama. The staff study incorrectly assumes that debts currently owed the Panama Canal enterprise will be foregone by the United States. The treaty does not affect in any way the status of any liability owed the United States by Panama. Under the proposed legislation, we would expect that the Panama Canal Commission would succeed to all accounts receivable of the current enterprise, including amounts owed it by Panama. We intend to settle these debts with Panama as expeditiously as possible.

Although not required by the Treaty, the Administration will recommend that the Treasury cease collecting annual interest payments from the Canal Company which have been paid since 1951 and which are currently averaging $18–$20 million. It will be up to Congress to decide whether to accept the Administration's recommendation.

AREAS OF POLITICAL CONTROVERSY

The staff study alludes to some areas of the new treaties which it suggests might result in controversy between the United States and Panama. The study suggests that the major item of controversy would be the contingent payment to Panama under Article XIII (4)(c) of the new treaty. The contingent payment will not be figured in the calculation of the toll base. This contingent payment is payable only if operating revenues produce a surplus over expenditures, which include among others the variable annuity due Panama of $.30 per Canal ton and the fixed annuity of $10 million.

If the surplus is insufficient to cover the entire payment of the contingent annuity, the shortfall is carried over to succeeding years. Since payment is contingent on available surpluses, the United States is not obligated to pay off on any accumulated unpaid balance in the year 2000. Panama's negotiators have acknowledged this fact.

As for depreciation, there does not appear to be a reasonable basis for the staff study observation that Panama may object should the Commission decide either to increase depreciation costs or create a new reserve for capital improvements on the ground that such actions would make it less likely that Panama would get the contingent $10 million.

It is clearly understood that capital improvement and replacement costs, whether accounted for by depreciation, a capital reserve fund, or another proper accounting formula, would constitute expenditures of the Commission. These expenditures would be deducted from revenues prior to determining the amount of any surplus for purposes of the $10 million contingent payment.

In addition to the foregoing comments on specific issues raised by the staff study, we would like to offer our overall judgment that:

Canal operating revenues under the new Panama Canal Treaty are expected to meet all Canal operating expenditures.

Payments to Panama can and will be made from Canal revenues, not tax dollars.

The likely toll increases associated with the new Treaty will have a minimal impact on our trade and economy.

Insofar as can presently be determined, the costs of the new Treaty to be funded by the Treasury are unlikely to be much more than $350 million, as previously indicated in the letter to the Senate from Secretaries Vance, Brown and Alexander of February 10. The Executive Branch is now developing detailed budget estimates for the non-reimbursable functions which DOD will assume under the Treaty.

COMMITTEE ON ARMED SERVICES—STAFF STUDY ON PANAMA CANAL FINANCIAL DATA, ADDITIONAL COMMENTS ON STATE DEPARTMENT MEMORANDUM

1. Potential Panama Canal Operating Loss—The key question is whether or not revenues will be sufficient to meet expenditures, including the payments to be made to Panama under the treaty. If the Canal operates at a net loss over the 22 years of the treaty, the State Department comments do not deny that the U.S. Government would have to pay the loss in order to turn the Canal over to Panama debt-free in 2000 A.D.

Witnesses testified that the Canal's financial prospects are uncertain and that there was a substantial possibility that the Canal would suffer operating losses during the life of the treaty beginning about 1983–84. The State Department/Panama Canal Company study of possible toll increases shows that there is a distinct downside risk that the Canal will not be self-sustaining. The Committee staff study merely illustrates the potential magnitude of that downside risk, depending on how much one believes tolls could be increased.

The State Department comments on the Committee staff study agree on the uncertainty, but assert that "revenues will be sufficient to meet expenditures". There is no evidence for this assertion beyond 1983. The staff study estimates potential losses that might occur after that time while the State Department makes no estimates after 1983. The figures used in the State Department comments are consistent with the figures used in the Committee staff study through 1983.

The State Department's assertion that a 19–27 percent initial toll increase would be sufficient assumes that no additional costs—such as the interest payment to the U.S. and the contingent payment to Panama—will be imposed. If these two items were included, the initial toll increase required would be 40 percent, according to testimony.

There is one factual error in the State comments—that the maximum toll revenue assumed by the Committee staff study was 40 percent above current rates and that this was a distortion. The staff study used in the Committee staff study illustrates the potential deficit if toll rates could be increased 75 percent above current rates over the treaty period; revenues were assumed to increase at about the same rate.

2. Estimated Value of Assets Transferred to Panama—The State Department comments used a future book value of $1001 million for assets to be transferred to Panama. This compares to a current book value of $920 million shown in the Committee staff study from testimony.

3. Potential Cost to U.S. for Items Not Covered by Tolls—The memorandum seems generally to confirm the Committee staff study figures. It estimates the total of early retirement, DoD construction and other DoD costs at about $350 million, $62 million more than shown in the staff study. The memorandum concedes that the Treasury would lose $20 million per year in interest payments if its recommendations are approved, but does not include that figure in its point on "costs" at the end of page 6. It asserts that Panama does not expect to be paid in the year 2000 for unpaid surplus payments but offers no evidence to support the assertion.

Other Possible Liabilities Outside the Treaties—The State memorandum does not dispute the point that the loans and guarantees would become liabilities of the United States if Panama fails to repay them

5. Areas of Potential Controversy—The State memorandum discusses only parts of two of the seven major areas of potential controversy outlined on page 9 of the Committee staff study. It does not dispute the fundamental point that there are financial aspects of the treaties that could lead to U.S.-Panamanian controversy.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. STENNIS. Yes, I am glad to yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I commend the distinguished chairman of the Senate Committee on Armed Services for his statement today. I feel that the Senator from Mississippi (Mr. STENNIS) has rendered a very important service to the Members of the Senate and to the American people. The facts which the Senator from Mississippi has presented to the Senate today, dealing with the costs of the proposed treaties, are facts that the American people need to carefully

ponder. We are dealing with huge sums of money. This money must come from the pockets of the American working people. The Senator from Mississippi brought out that the depreciated book value of the U.S.-owned property in Panama equals almost $1 billion and that the replacement value of the property proposed to be given to Panama exceeds $9 billion. That $9 billion of replacement cost is property that is owned collectively, at the present time, by the American people. If these treaties are approved, that property will be given to the Republic of Panama.

Maybe that is what the country wants done. The property belongs to the people of our country, and if the people of our country wish to give that property away, the people have the right to do so. But I think that, before doing that, it is important that the public know just how many dollars are involved in the transaction.

Another vitally important point which the Senator from Mississippi pointed out deals with the question of tolls. I must say that I was surprised at some of the figures developed by the able Senator from Mississippi. As he mentioned, there ultimately will be some limit as to how much the tolls can be raised and still attract adequate business to finance the operation of the Panama Canal. In that connection, Ambassador Linowitz already has admitted that, as a beginning, the tolls must be increased some 25 to 30 percent.

Mr. STENNIS. Right.

Mr. HARRY F. BYRD, JR. The able Senator from Mississippi pointed out that, under certain conditions, it would be necessary to increase the tolls by a figure of some 148 to 163 percent, if I remember the figures correctly, which is a tremendous increase in tolls.

Who will pay for that? The American consumer, for the most part, will pay that huge increase in tolls.

The Senator from Mississippi also mentioned the implementing legislation which will be required, but which has not yet been sent to Congress. On September 29, 1977, Mr. Herbert J. Hansell, legal advisor to the Department of State, testified before the Senate Committee on Foreign Relations. I want to quote just a paragraph or two from Mr. Hansell's testimony. Bearing in mind that Mr. Hansell is the legal advisor to the State Department, he told the Foreign Relations Committee this:

> Finally, Mr. Chairman, I am pleased to have this opportunity to report to this committee on the proposed legislation to implement these treaties that is being prepared for submission to Congress in the near future. That legislation, of course, will be an essential component of the overall program of implementation of the treaties.

For emphasis, I repeat Mr. Hansell's statement to the Senate Committee on Foreign Relations:

> That legislation, of course—

Namely, the implementing legislation—

> will be an essential component of the overall program of implementation of the treaties.

Yet I say to the Senate that that essential component has not yet been submitted to Congress. The treaties have been debated for—this is the second week the treaties have been debated. Yet that legislation has not yet been submitted to Congress so that Congress might be in a position to consider what will be required if the treaties are ratified.

Mr. LEAHY. Mr. President, will the Senator yield for a question?

Mr. HARRY F. BYRD, JR. In just a moment.

Mr. Hansell, on that same day before the Foreign Relations Committee, said this:

> We hope to have a complete draft available for submission to both Houses of Congress within several weeks. We have been at work on it for some period of time. Certainly well before the end of October, we expect to have it to you.

But October has come and gone; November has come and gone; December has come and gone; January has come and gone; February has come and, by next week, will be gone. Yet that implementing legislation, which the legal adviser to the State Department says is an essential component, has not yet been presented to the Congress.

I yield.

Mr. LEAHY. Mr. President, I ask the distinguished Senator from Virginia, my good friend, if, perhaps, we are going into an area that really does not affect the ratification of the treaties. The question of implementing legislation, whatever is needed, would that not be a separate matter for consideration of both the House and the Senate?

Mr. HARRY F. BYRD, JR. It will be considered separately, of course, from the treaties.

Mr. LEAHY. And would be considered by both bodies, unlike the treaty, which is considered only by the Senate?

Mr. HARRY F. BYRD, JR. That is correct. But the legal adviser to the State Department says that that legislation is an essential component to the implementation of the treaties. He also promised to have that information available to Congress last October.

Mr. LEAHY. But with all due respect to the legal advisers at the State Department, is the question not what its essential nature, or its applicability, one that will be decided within the Senate, within the other body, and not by the State Department or anybody at the executive level?

Mr HARRY F. BYRD, JR. Partially, what the Senator says is correct. But the executive level plans to submit the implementing legislation to the Congress, and I do not think anyone denies, certainly the State Department does not, that it is a very important consideration in regard to the treaties and, certainly, that information should be available.

Mr. LEAHY. But is it not a fact that the implementing legislation should be looked at by the House of Representatives and then if it requires any kind of appropriation it would have to begin in the House of Representatives and is something that can be worked on, amended, changed, accepted or rejected in the wisdom of a majority number of Members of either body?

Mr. HARRY F. BYRD, JR. That is the only way it can be done.

Mr. LEAHY. Yes.

Is that not really an entirely different situation than the treaty which is going to require 50 percent plus one for amendment and two-thirds for ratification within this body alone?

Is it not really stretching the situation somewhat to even suggest that our consideration of the ratification of these treaties is contingent upon consideration of implementing legislation insofar as we can either accept, reject, modify, change, or do anything we want with any implementing legislation, whether it originates from the executive branch of the Government, whether it originates from any Members of the Congress?

Mr. HARRY F. BYRD, JR. I agree with the State Department. I think it is a very essential part of the basic problem if these treaties are ratified without knowing what will be required in the way of implementing legislation. Then I can foresee what the Congress will be faced with.

The Congress will be faced with those who favor the treaties saying, "Oh, well, Congress must approve these pieces of implementing legislation because you have already approved the treaties. If the treaties haven't been approved, this is what is required."

So as the able Senator from Mississippi began his remarks, the Congress and the Senate, the Senate would be buying a pig in a poke, pig in a poke by approving these treaties without knowing what will be required in the way of implementing legislation.

Mr. LEAHY. But if I could pursue this a bit further with the distinguished Senator, and I realize that I stand to ask questions of not only two good friends in the Senate, but two gentlemen with far greater seniority and who have considered such matters in far greater depth, but, notwithstanding, it is my understanding that the treaties rise or fall on their own merits and implementing legislation would not be acted upon by the Congress, in any event, unless and until the treaties were ratified, and would also rise or fall on its own merit.

Would the distinguished Senator from Virginia feel that he was bound, assuming that these treaties are ratified, was therefore bound to vote lock, stock, and barrel for any implementing legislation that might come up from the State Department or from the White House?

Mr. HARRY F. BYRD, JR. The Senator from Virginia certainly would not be bound, but the Senator from Virginia is a little more independent than the State Department and some of the——

Mr. LEAHY. I think my own voting record will show I have been independent of the State Department and the executive branch on numerous occasions.

Certainly, the Senator from Vermont already announced his support for these treaties and would not feel in any way bound, having voted for them, assuming they are ratified, if that is the only way implementing legislation will ever come

before the House or the Senate, but assuming they are ratified and assuming implementing legislation which must rise or fall on its own merits, separate from the treaties, assuming it comes here, as it may, would not feel bound one way or the other on such implementing legislation.

Mr. HARRY F. BYRD, JR. I commend the Senator.

Mr. LEAHY. And I suspect that will be the feeling of the vast majority of the Senators in this body, that no matter whether he voted for or against ratification of the treaties, that we still have to exercise our independent judgment, just as the House of Representatives has to exercise its independent judgment on implementing legislation.

Considering that factor and considering, second, that the implementing legislation only can be before Congress unless and until the treaties are ratified, I would hope that my colleagues in the Senate would not feel that they must delay from consideration of the merits of these treaties, whatever amendments might be offered, because of lack of any implementing legislation.

Mr. STENNIS. Mr. President, I hate to intervene. May I ask who has the floor?

Mr. LEAHY. I have made my point.

Mr. HARRY F. BYRD, JR. The Senator from Mississippi has the floor.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. STENNIS. We enjoy the debate here of these gentlemen, but I am under an obligation to get into another matter shortly.

Mr. LEAHY. I thank the distinguished Senator for giving me the time.

Mr. STENNIS. That is all right. I listened to every word that was said.

Had the Senator from Virginia concluded?

Mr. HARRY F. BYRD, JR. Yes. I thank the Senator.

Mr. STENNIS. I thank the Senator very much for his remarks and for his help in planning these hearings and his consultation over the period of years.

Mr. HARRY F. BYRD, JR. Will the Senator yield for half a minute?

Mr. STENNIS. Yes.

Mr. HARRY F. BYRD, JR. I want to emphasize in regard to this implementing legislation that the State Department considered it very important last September and promised the Congress, promised the Foreign Relations Committee, to make this legislation available to the Congress not later than October of last year.

So I think it is a vitally important consideration that must be taken, a matter that must be taken, into consideration in dealing with these treaties.

I thank the Senator.

Mr. STENNIS. The Senator from Virginia is correct on that point, I think.

True, they are separate matters and passed as separate pieces of legislation. True, the House also passes on them. A revelation of them now would be very revealing, particularly with regard to the unknowns about this proposed treaty. It would be a guideline. It would be an identification mark. It would be like a tag on a piece of baggage. You can tell where it is going by its own marks.

I am glad to yield to the Senator from Nevada.

Mr. LAXALT. May I join with the Senator from Virginia (Mr. HARRY F. BYRD, JR.) in commending the Senator from Mississippi (Mr. STENNIS) for the contribution he made here.

I have been on this floor countless hours as one of the managers in opposition. What the Senator has offered here in the last several minutes has been very meaningful insofar as the debate is concerned from two standpoints.

It has been represented here on the floor and throughout the country by those in support of this treaty that this is not going to cost the taxpayers any money. It is clear from the inquiry made by the Senator's committee that that simply is not the case. It is going to cost us a substantial amount of taxpayers' money, ranging up to $2 billion, and until the Senator's committee saw fit to inquire into these matters, these were matters that were known only to a few and not even to many of us who have been working on this for the last several months.

I would say that alone is a tremendous contribution to the debate.

Second, the Senator indicated that the financial misunderstandings which may arise from the terms of the present treaty may be substantial, as much as seven major areas.

That is terribly important for our consideration here. There has been reference again, time after time, to a festering sore in Panama which must be healed and, apparently, this treaty would heal all and we would enter into a period of relationship which would be all roses and honey.

It is our contention that this treaty may open up other sores, other festering sores, which, rather than help the situation, may harm it.

So, Mr. President, we are indebted to the Senator for this contribution.

I might point out this. I am looking forward to his further presentation in connection with the security implications, which is a prime function of the Armed Services Committee, on which he serves in such a distinguished fashion and has for so many years.

Mr. STENNIS. I certainly thank the Senator very much for his remarks and for his work on this same subject matter.

I especially thank all members of our Armed Services Committee. Those that may wind up supporting the treaty were concerned and anxious and cooperated on these matters. All members of our committee really worked hard on this matter. I thank the staff, also, for what I consider some excellent work.

Mr. BARTLETT. Mr. President, I listened with great interest to the discussion about the implementing legislation, and I certainly agree with the Senator from Mississippi and the Senator from Virginia as to the importance of having that legislation prior to the final consideration of these treaties.

I point out to the Senator from Vermont that the reason for the long delay—the delay, incidentally, has taken place on the side of the State Department—is that there is not agreement on what should be in the implementing legislation. It is this difference of agreement and concern about what is in it that adds to its importance.

I believe that it is very vital that the implementing legislation be available to this body so that the Senate knows just what the administration's approach is to implementing the treaty, before the treaty is finally considered.

Mr. LEAHY. Mr. President, I should like to answer that, if the Senator will yield for that purpose.

Mr. BARTLETT. I yield for that purpose.

Mr. LEAHY. I understand what the Senator from Oklahoma is saying. However, it is still the position of the Senator from Vermont that the implementing legislation has to rise or fall on its own merits, No. 1.

No. 2, it does not even come before Congress unless or until the treaties are ratified.

No. 3, it falls into an entirely different kind of category. It has to go to both the House of Representatives and the Senate. Then, if it carries any kind of appropriation—and that has been discussed back and forth—it must originate in the House of Representatives.

I cannot believe, and I doubt if any Member of the Senate can believe, that in whatever form implementing legislation might come up, it is going to come here, to the U.S. Senate, in absolute pristine form, precisely as it might leave the State Department. If it has to go through the House of Representatives first, I just cannot imagine that it is going to come here with every word the same, every line the same, the crossing of every "t," the dotting of every "i." As it comes through the House, I suspect that its virtue might be somewhat tarnished, and I suspect that it might be changed as the representatives of the American people have a chance to work on it. Then, when it gets here, it has to go first before the appropriate committees, and those include the Foreign Relations Committee, the Appropriations Committee—if appropriations are involved—and still has to come to the floor.

So, with all due respect to the Senators who have raised this point—I do not question their concern in raising it—it appears to the Senator from Vermont to be a bit of a red herring; because, first, the implementing legislation is not considered unless we ratify and, second, it goes before both Houses and it is treated by different standards.

Mr. BARTLETT. I think the Senator from Vermont is repeating himself now.

What we are talking about here is what the Senator from Virginia described as "buying a pig in a poke."

We received testimony before the Armed Services Committee that the implementing legislation is very important, and there could be in it some provisions that might resolve some of the differences of opinion that exist over the economics involved in the canal, over the method of payments and the timing of

those payments and the obligation of those payments. So the provisions that could be in it could be very vital for one's consideration of the treaties, favorably or unfavorably. We do not know what it is. So how can we fairly apprise ourselves and then appraise the value of the treaties? I do not think we can, because we do not know what is in it. We have been given the idea and we have been given the impression that what would be in it could be very vital and very important to the treaties themselves.

Mr. LEAHY. Does the Senator from Oklahoma feel that he would be constrained to vote one way or the other on the implementing legislation if it were brought up subsequent to ratification of the treaty? Or, to put it another way, does the Senator from Oklahoma feel that however we vote on the question of ratification forestalls his rights as a U.S. Senator to aid in the molding of that implementing legislation?

Mr. BARTLETT. Let me respond by saying that I do think very strongly that the implementing language could be agreed to, reluctantly, by those who supported the treaty, because they had supported the treaty and the administration wanted to implement the treaty in a certain way.

To answer the Senator's question directly, I do not think it would affect my position unless it led to a change in the treaty. If the treaties were changed, my position could change.

I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I pose a question as an analogy. Would the Senator from Oklahoma buy a house, sign a commitment to purchase it, without knowing what it would cost him?

Mr. BARTLETT. No, sir.

Mr. HELMS. I do not think any other Senator in his right mind would do that.

Maybe the difference is, I say to the Senator from Oklahoma, that Congress spends other people's money, not our own money. It is mighty easy to spend the taxpayers' money, as has been demonstrated day after day, year after year, in the Congress of the United States. That is the difference.

Mr. LEAHY. Mr. President, will the Senator yield for one quick, corollary question?

Mr. HELMS. The Senator from Oklahoma has the floor.

Mr. BARTLETT. I think the Members of the Senate shoud be much more careful about how the money is spent, whether or not the implementing legislation does involve the spending of money, which the Senator from Vermont implies, since he seems to think that the legislation will originate in the House, which would be required if it were an appropriation.

Mr. LEAHY. May I follow up one question with the Senator from North Carolina?

Mr. HELMS. Certainly.

Mr. LEAHY. Would the Senator buy a house he might have wanted to buy if he were told, "We won't tell you what the price is now, but we'll let you, having determined to buy it, say what the price will be"? I might be willing to take a deal such as that, being in the market for a new house myself. But I probably should not say it, the way realtors move around this area. If I could buy a house to my design and I could decide subsequently what, if anything, I want to pay for it, I would not think that was a bad deal.

Mr. HELMS. That is not the question.

Mr. LEAHY. It really is, if we are going to follow the analogy of the distinguished Senator from North Carolina; because, if any money is involved in this—and I do not know whether there is—the Senate and the House have a right to put the money in or not to put a cent in.

Mr. HELMS. If the Senator believes that, he will believe anything.

Mr. BARTLETT. Mr. President, I yield to the Senator from Virginia for a question.

The PRESIDING OFFICER. The Chair recognizes again the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, for a question I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from Oklahoma.

Mr. President, of course each Member of the Senate must decide for himself whether he feels it is important to have available all of the information before voting on the treaties. I happen to feel it is important. Others may feel differently, and I have no quarrel with that.

When Elmer Staats, Comptroller General of the United States, came before the Armed Services Committee and was queried on this matter, he told the Armed Services Committee that if he were a Senator he would want to have available the implementing legislation before voting on the treaties. Maybe many Senators do not need that and do not want that. But that is Mr. Staats' view.

Maj. Gen. H. R. Parfitt, the Governor of the Canal Zone, told the Armed Services Committee that in his judgment knowledge of the implementing legislation would be very helpful to the Senate.

Let me quote from Mr. Staats, the Comptroller General of the United States. He says this:

> That the treaty implementing legislation is the key determinant of the financial viability of the proposed Panama Canal Commission.

I suspect that is the reason that the State Department has not been willing to submit to Congress the implementing legislation. I want to read again what the Comptroller General of the United States says:

> That the treaty implementing legislation is the key determinant of the financial viability of the proposed Panama Canal Commission.

That is a very significant statement.

Let me read one other thing. May I invite the attention of the Senate to page S2013 of yesterday's CONGRESSIONAL RECORD on the desk of every Senator and at the bottom of that page the Senator from Massachusetts is speaking, Senator BROOKE, and he says:

> I also refer to the Foreign Relations Committee report, supplemental and minority views, where the head of the Congressional Budget Office informed the Committee: "Clearly, because the implementing legislation has not been submitted, the complete estimate of the budget impact of the treaties is impracticable at this time."

The head of the Congressional Budget Office has informed the Foreign Relations Committee and through it the Senate and through it Congress that without this implementing legislation the budget impact of the treaties is impracticable to judge at this time.

So how can we judge what it is going to cost the taxpayers until we have all the facts before us and the legislation which will implement the new treaties, assuming that they are ratified.

I thank the Senator from Oklahoma (Mr. BARTLETT) for yielding.

Mr. BARTLETT. I thank the distinguished Senator from Virginia for adding this very informative information, and I would add just a small footnote to it by saying that by the very virtue of the State Department saying, originally, that they would have the implementing legislation ready in October of last year, they were assuring Congress that it would be ready prior to the consideration of the treaties, they considered it important, apparently, to the consideration of the treaties because of having it available at that early date. Apparently, it is because they cannot agree upon what should be included in the implementing legislation that it is not now ready. Because of that difference of opinion, I think it is all the more important that this body know what the final version will be. So I think it is important that we do receive that legislation prior to the final vote on ratification of the treaties.

I understand that the Senator from Alaska would like me to yield.

Mr. LAXALT. Mr. President, will the Senator yield for one observation?

Mr. BARTLETT. Yes, for an observation.

Mr. LAXALT. To bring home again the point of the need for the implementing legislation, I can remember just 3 weeks ago, or certainly no longer than a month ago, when the version of these treaties was around this town to the effect that it was not going to cost a nickel of taxpayers' money. The Senator from Oklahoma remembers that; does he not?

Mr. BARTLETT. I remember hearing that very definitely.

Mr. LAXALT. And yet it is clear now by reason of the work that was done by the Armed Services Committee that rather than not having it cost a nickel it could cost in excess of $2 billion.

Mr. BARTLETT. That is correct.

Mr. LAXALT. And that to me is proof positive of the fact that the administration simply has not been telling us all the facts.

Mr. BARTLETT. That is correct, and it will cost $2 billion to give away, virtually overnight, an asset worth almost $10 billion.

Mr. LAXALT. I do not know that we

have seen the whole picture yet. If we are able to see implementing legislation up here and have it processed by the money committees, then we would have an even more accurate handle about what these treaties are going to cost. It may well be it is in excess of $2 or $3 billion, and I personally think for us to think in terms of incurring this kind of financial obligation without on the same track considering the implementing legislation is bad procedure.

I agree totally with what the Senator from Virginia and the Senator from Oklahoma have been saying in this regard.

Mr. BARTLETT. Mr. President, I thank the distinguished Senator very much.

Mr. STEVENS. Mr. President, will the Senator from Oklahoma yield?

Mr. BARTLETT. Yes, without losing my right to the floor, I yield to the Senator from Alaska.

Mr. STEVENS. I want to state to the Senator from Oklahoma and others who have participated in this debate so far that there are some aspects of this treaty that I think really cannot be weighed without first knowing the terms of this legislation.

Take, for instance, the meeting that Senators EAGLETON, WALLOP, and I held in Panama with the civil servants now working for the Panama Canal Company. This treaty presumes that these civil servants will stay in Panama and train their replacements. The statement that has been made is that we will receive legislation which will offer them incentives to do so.

So far, I have seen no inclination from the administration to squarely face the question as to what inducements are necessary to encourage an American citizen, say, of midcareer level to undertake to train a Panamanian to replace him or her without knowing whether he is going to be able to relocate to somewhere in the United States, whether he is going to be retrained for a different job, under what conditions he is going to be allowed to continue to live where he is, or whether he is going to pay additional costs to the Panamanian Government in order to live in the places that he or she is living in now. The whole relationship of these employees to the Panama Canal during this transitional period proposed by the treaties is dependent upon the terms and conditions of the plan which will give them the proper incentives to do so.

Having served on the Post Office and Civil Service Committee and now on the subcommittee of the Governmental Affairs Committee that has jurisdiction over this subject, I was sought out by representatives of some of the Government employee unions in Panama. They were very frank with me and the other Senators present that they are very unhappy over the situation and that we should be on notice that many employees will not stay in Panama. They informed us that they will have a choice to make soon and the choice is either to go somewhere else now and seek outside employment while they are still young enough to do so, or to stay on for 5, 10, or 15 years and continue to serve their Government. They are willing to aid their Government, but they need to see under what conditions they can stay.

I had to tell them that we did not know the terms of that legislation. And to my knowledge the administration has not yet informed Congress of what is to be their proposal to those who are employed in the canal now and those who might be needed to replace some that would leave just by attrition of their own decisions. What is the Government going to offer those Americans we are asking to stay in Panama to carry out the policies of our country throughout this transitional period?

The Senator from Vermont says we could vote against the proposal. It is not a question of voting against the subsequent legislation, rather it involves the question of whether we ought to be voting on these treaties now, before we even know what the terms are. How can this arrangement work? While in Panama I talked to people, including tugboat operators, some of whom incidentally had worked in Alaskan waters, and I knew their families. I talked to people working along the locks. I talked to people working in almost every capacity. Senator EAGLETON and I heard representatives of almost every union operating in the Panama Canal Zone, and they told us their people have to know if this is going to work, and what the terms and conditions for continued employment of American citizens in the Panama Canal will be during this transitional period. This treaty makes no mention of these important matters.

The legislation involving these issues was supposed to be forthcoming last fall. We have not even seen it yet, but still we are being asked to vote on it. I think those of us who have a primary responsibility to the Senate in the area of civil service laws and the review of the rights, privileges, and obligations of such employees ought to know. Yet the Senator is asking why some of us would question voting for these treaties without first seeing this legislation.

It is not all implementing legislation in the sense of carrying out the authorization to pay money. There is legislation that must be enforced if we are to believe the administration is willing to keep its commitment to make the treaties work. We cannot be hassling 2, 3, or 4 years from now over the terms of this legislation. This is not a partisan comment, because, as the Senator from Oklahoma knows, I have been trying to get fairness for the people who work for the BIA for about 6 years now.

These were employees affected by the Supreme Court decision which, in midcareer, terminated their promotion possibilities. President Ford vetoed that legislation, and we do not know what President Carter will do with it, but it involves the very same considerations. Every administration to date, whether Republican or Democratic, has refused to deal with the problem of giving people career incentives or retraining opportunities, or some other sort of lateral transfer rights and guarantees. They have refused to wrestle with the problem of what to do with people whose midcareer promotion opportunities have been terminated by legislative action. I think this is just as important an issue as that raised in connection with the BIA.

Mr. BARTLETT. I thank the distinguished Senator from Alaska. I think he is giving attention to one area where this country has an obligation: those faithful employees of the Canal Company who want to know what their future is, and who want to know about the machinery to develop the boards and commissions that would be utilized in the transition period. We do not know what that is. We do not know that what is proposed would work. We do not know whether we can reach agreement. We think we could, on implementing legislation, if we had a chance, but nonetheless this should come ahead of consideration of the treaties themselves, because the implementing legislation will be a very important consideration with respect to the treaties.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. BARTLETT. Yes, I yield to the Senator from Maryland.

Mr. SARBANES. Is it not correct that whatever legislation is needed to implement the treaties, if we advise and consent to them and they are ratified, can be molded and shaped by the Congress of the United States?

Mr. BARTLETT. I say this to the Senator from Maryland: It is very obvious that there is, according to testimony from the State Department, sharp disagreement there on what should be in the implementing legislation; yet they are aware, and have been for a long time, of the provisions in the treaties.

So there apparently are differences of approach, differences of degree.

Mr. SARBANES. But it is the Congress that will shape the legislation and decide on it. We, in effect, will determine that. It seems to me we have the treaty provisions before us, and one has to judge them on their face and in terms of their implications. I disagree very strongly with the assertion that has been made on the floor of the Senate—that one cannot, by analyzing the treaty provisions, arrive at some judgment of what the economic consequences of these treaties are.

I think it is very clear that one can do that. We can get into disagreements here on the floor of the Senate as to the consequences, depending on certain assumptions about the impact on traffic patterns of economic developments, and how certain provisions will work out; but the treaty provisions, upon analysis, will reveal what the economic consequences are, and Members will be in a position to make that judgment.

Mr. BARTLETT. I would say to the Senator from Maryland that he certainly is entitled to his opinion, but the Comptroller General of the United States, Mr. Staats, did testify before our committee that in his opinion it would be impossible to know what the full

economic impact of the treaties would be without knowing what was in the implementing legislation.

Mr. SARBANES. Of course, Senator CULVER, who is also a member of your committee, directed specific inquiries to the Secretary of State as a consequence of some of the questions raised. He received responses that indicated, with respect to certain issues that had been raised and upon which there was disagreement within the committee, the approach which the administration was planning to take.

Now, that approach is not one that the Congress need necessarily adopt when the matter is before us; and the approach we take when the matter is before us will determine what the economic consequences are.

So, in analyzing the treaties, you are in a position to base your argument on one assumption or the other, but the treaty provision and its economic consequences are before us, and we are in a position to make that judgment.

Mr. BARTLETT. I think it is fairly clear that the State Department itself felt it was important that we have the implementing legislation prior to the consideration of the treaties, because they advised the Senate that we would have it in October. There have been delays since that period. Why there has been no explanation as to the reason the State Department cannot resolve its difficulties, or why they cannot come up with a precise single version of the implementing legislation, I do not know. But it would appear to me that either the differences are very sharp and the consequences are very important, or the State Department is just delaying for the purpose that we will not have that information prior to the consideration of the treaties.

Mr. SARBANES. But the proposals made by the Department are not written in concrete. We will shape them. They may make some sort of proposal to implement these treaties which I may disagree with and want to have shaped differently. It is not written in concrete. We will shape that legislation, and we are in a position, therefore, to change it at the time according to what we think are the appropriate considerations. In judging the treaties which have now been negotiated between two sovereign powers, we have simply to make the calculation in terms of what the consequences are going to be.

Mr. BARTLETT. I think, as the Senator from Virginia said, and perhaps the Senator from Minnesota, we are put in the position of "buying a pig in a poke."

Mr. SARBANES. I do not agree with that. That is the point I want to make. We are in a position of analyzing the treaty terms, and analyzing them in terms of what their consequences will be. You can make a worst case assumption, a best case assumption, or something in between, depending on what constitutes reasonable assumptions to make. Any legislation to implement the treaties will have to carry out, and would be consistent with, the terms of the treaties; and therefore that analysis puts us in a position to make the judgment.

Mr. BARTLETT. Let me ask the Senator from Maryland a question. If you had a choice, would you like to see the implementing legislation now or after we have considered and ratified the treaties?

Mr. SARBANES. I think that the question is not an essential one, because what I have to judge are the terms of the treaties, and we will have the opportunity to shape the implementing legislation.

Mr. BARTLETT. You are not answering the question.

Mr. SARBANES. And the State Department's version of the implementing legislation does not bind me in any way.

Mr. BARTLETT. This may not be the best question in the world, but would the Senator desire to answer it?

Mr. SARBANES. As I have indicated, I do not think it is essential to my consideration of the treaties. What I have to do is take the terms of the treaties and analyze them.

Mr. BARTLETT. But would you not like to see the implementing legislation? I think the Senator would.

Mr. SARBANES. As I have indicated, I do not think the implementing legislation is going to affect the treaty terms. The implementing legislation will have to be consistent with the treaty terms. What we have to do is analyze those terms, and know what the consequences of those terms are going to be. In that sense, the question of the economic consequences is a legitimate matter which we will have to discuss on the floor of the Senate; but the economic consequences of the treaties are contained in the terms of the treaties.

Mr. BARTLETT. Well, there could very well be some obligations made by the State Department, as the Senator knows, obligating this Nation to certain provisions which could be in the implementing legislation. I am not saying that that is the case; I do not know, because I do not know what is in the implementing legislation. But I do know that in the long negotiations, there were plenty of opportunities for this Nation to commit itself one way or another to a number of different things. For us to know the final economic obligations that have been made, I think we need to see the implementing legislation.

I grant that this body and the House would consider these items in the proper legal way. But, nevertheless, what is presented by the administration which was responsible for the negotiations of the treaties themselves to us will have some impact. I do not think we can just disregard that information and say that it is not important that we see it in advance. I feel certain the Senator from Maryland would like to see it. I know that the State Department made every effort, or indicated that they made every effort, to have this available to us in October. But they have not done it. Certainly, they have had ample time since October to work on this and to present it.

Mr. SARBANES. The obligations to be assumed, as I said, are contained in the treaty and require the analysis. The State Department cannot undertake an obligation for the Nation unless it is done pursuant to our constitutional process. That involves in the first instance, treaties, and, subsequently, if necessary, legislation. Both the treaties and the legislation are subject to congressional action, in the first instance on the part of the Senate, with a majority of two-thirds required to approve the treaty, and, of course, with respect to legislation, by enactment by the Congress of the United States. We are in a position, of course, to make those findings and determinations, which we are trying to do now with respect to the terms of the treaty.

(Mr. KENNEDY assumed the chair.)

Mr. BARTLETT. Mr. President, recently we began one of the most historic debates in the annals of the U.S. Senate. In the long and arduous days ahead, 100 individuals, representing the 50 very different States of our Nation, will decide the future of the Panama Canal—one of the great man-made wonders of the world—an American-made engineering feat of great benefit to all mankind. Although Great Britain had expressed an interest in building a canal in the Isthmus of Panama, and France, under Count Ferdinand de Lesseps of Suez fame, actually attempted to build a canal in Panama, it was the United States which possessed the diverse technologies necessary to build the canal and it was the United States which did the job. Using powerful steam shovels the Americans literally moved mountains, and using modern medical science, Americans conquered malaria, yellow fever, and cholera, in order to complete the magnificent set of locks which now permit gigantic ships to save 15,748 miles in traveling between Los Angeles and New York. Today, that is about 40 days, much energy and many dollars.

The future of all of that achievement, with all of its value, will be decided by the 100 individuals in this Chamber. With so much at stake, we should not be surprised that Americans are watching each day's events very closely in order to insure that the issues which must be faced are dealt with in a straightforward manner. It was in this spirit that the Senate Armed Services Committee held its hearings on the proposed Panama Canal Treaty and the proposed Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

Under rule XXV(C) of the Standing Rules of the Senate, the Armed Services Committee is referred all legislation, messages, petitions, and the like related to our country's Armed Forces and national security, and "maintenance and operation of the Panama Canal, including the administration, sanitation, and government of the Canal Zone". Our committee has never taken this canal oversight responsibility lightly in the past, and it has continued this fine tradition in its recent hearings on the proposed transfer of control of the Canal Zone to the Government of Panama. We called only the most professional of witnesses, both advocates and opponents of the proposed treaties.

The list of witnesses testifying on the military and economic aspects of the proposed treaties speaks for itself:

The following witnesses appeared and testified: Adm. James L. Holloway III, Chief of Naval Operations; Gen. Louis H. Wilson, Commandant, U.S. Marine Corps; Lt. Gen. Dennis P. McAuliffe, Commander-in-chief, U.S. Southern Command; Adm. Thomas H. Moorer, USN (retired), former Chairman of the Joint Chiefs of Staff; Hon. William P. Clements, Jr., former Deputy Secretary of Defense; Gen. Maxwell D. Taylor, USA (retired), former Chairman of the Joint Chiefs of Staff; Herbert J. Hansell, Legal Adviser, Department of State; Lt. Gen. Gordon Sumner, Jr., USA, Chairman, Inter-American Defense Board; Maj. Gen. George L. Mabry, USA (retired), former commander of the U.S. Army Forces, Southern Command; H. R. Parfitt, Governor of the Panama Canal Zone and President of the Panama Canal Company; Elmer B. Staats, Comptroller General of the United States; Frank A. Nicholai, executive vice president, American Management Systems, Inc.

These military leaders and economists produced an impressive hearing record whose message is quite clear.

Both advocates of the proposed treaties and their opponents agreed that the Panama Canal is a chokepoint crucial to the economic and military interests of the United States and the rest of the Western Hemisphere. In the words of Adm. Thomas H. Moorer, the very distinguished former Chairman of the Joint Chiefs of Staff:

A maritime link between the Atlantic and the Pacific is vital to the security of the United States and will always be so.

The military significance of the canal is quite clear. For 5,300 combat ships and approximately 8,500 military transport ships used the Panama Canal in World War II. During the 3 years of the Korean War, military use of the canal grew 2½ times. During the Cuban missile crisis, a task force of 22 American Navy vessels transited from the Pacific to the Atlantic through the canal on the 2 days of November 5 and 6, 1962, in order to take part in the quarantine of Cuba. The task force returned to the Pacific in December. During the 6 months surrounding that crisis, use of the canal doubled. From 1964, when regular formations of U.S. ground troops entered Vietnam, to the height of the war in 1968, annual transits of U.S. warships grew from 86 to 147. During the same period transits by U.S. Government vessels increased from 285 to 1,504 a year. During fiscal year 1968, 69 percent of U.S. Government cargo destined for Vietnam went through the Panama Canal. This last year, about an average peacetime year, U.S. Navy transits through the canal were about 20, that is, about what they were before the Cuban missile crisis.

Gen. Louis H. Wilson the present Commandant of the Marine Corps, added another reason for the military importance of the Panama Canal. Speaking as a marine he noted the "very real requirement to move the Navy's amphibious ships from ocean to ocean in the shortest possible time." Testimony before the Senate Armed Services Committee, confirmed by my recent visit to the Pacific, indicates that the Navy and Marine Corps suffer from a shortage in amphibious lift capability. That shortage in amphibious capability would be made far worse if the United States were deprived of unencumbered use of the Panama Canal. A recent study by the Library of Congress indicates that without the Panama Canal, it would take 60 days, rather than 45 days, to assemble a full-scale Marine amphibious force which might be required in Europe.

The Panama Canal Zone is of great military value for reasons other than the use of the canal. American military bases in Panama provide an advanced base for operations in the Western Hemisphere, in the Caribbean, and in the South Pacific. American facilities in the Canal Zone also provide an American military presence in Latin America of great political significance and provide training grounds for our forces and those of our hemispheric allies.

The extensive American base system in Panama includes the naval facilities at Cristobal on the Atlantic and Balboa on the Pacific, the Air Force facilities at Howard Air Force Base and Albrook Air Force Station, and numerous Army installations, including the Jungle Warfare Center and the School of the Americas.

The economic importance of inexpensive and unrestricted use of the Panama Canal to the United States and its Latin American trading partners is also very great. The United States has opened the canal to all nations and has operated it without profit. Actual loss of the use of the Panama Canal would result in major expenses to people everywhere because of the need to purchase additional shipping tonnage and the increased fuel costs.

The Maritime Administration of the U.S. Department of Commerce estimated in 1974 that closure of the canal would add $964 million each year to the cost of our trade between the east coast of the United States and Asia. Trade between the west coast of the United States and Europe would cost $100 million more each year, with comparable costs involved in trade between North and South America and with U.S. intercoastal trade. Changes in the structure of international trade make it difficult to predict the future economic value of the Panama Canal. Who would have predicted the massive economic rise of Japan and its importance to the east coast of the United States? And who would have predicted the importance of oil from the North Slope of Alaska to the east coast of the United States? Again, none of the witnesses before our committee, whether for or against the proposed treaties, dismissed the military and economic importance of the Panama Canal.

Nevertheless, military witnesses including Lt. Gen. Dennis McAuliffe, the Commander of the U.S. Southern Command, agree that the security of this strategic canal is being transferred to one of the smallest and weakest nations in Latin America, a nation with a history of unstable governments. Panama has a population of 1.7 million people, which aside from the Caribbean Island states, makes it the third smallest nation in Latin America. General McAuliffe testified that the "Guardia Nacional" has 8,000 men, 75 percent of whom handle police functions.

The remaining 25 percent consists of 1,500 light infantry troops, several rifle companies, and 6 platoons equipped with 16 armored cars. Panama has no artillery, no tanks, no missiles, and no combat aircraft other than helicopters. The Panamanian Navy consists of two 103-foot patrol craft with 20mm guns and a medium landing ship. The Central Intelligence Agency estimates that, under a total mobilization, Panama could provide a maximum of 270,000 males between the ages of 17 and 49 fit for military service.

The authoritative publication of the International Institute of Strategic Studies, entitled "The Military Balance," which details the military force structure of the nations of the world, dismisses Panama in a footnote, citing simply the existence of a paramilitary force—the Panamanian National Guard. By way of contrast, Cuba has 189,000 regular forces along with 13,000 paramilitary forces and a "People's Militia" of 100,000 people. Cuba's Air Force alone (20,000) is twice the size of Panama's entire military force. Colombia, which formerly owned the Isthmus of Panama, has regular forces totaling 56,500, with a combined navy and air force larger than the total forces of Panama. Panama's inability to defend itself and the canal militarily is made worse by its own political and economic instability. In its first 70 years, Panama had 59 governments, and the present military dictatorship itself came to power through a military coup.

Economically, Panama is also in trouble. According to the Senate Foreign Relations Committee, "Panama's total disbursed external debt was $1.1 billion," an amount approximately half of Panama's annual gross national product.

Panama's historic instability should be of great concern to all who believe that control of the vital Canal Zone should be turned over to the Government of Panama. Testimony before the Armed Services Committee indicates that the Government of Panama itself poses the most real threat to continued unencumbered use of the canal, either through its own actions or by its acquiescence in the actions of others. For example, in open testimony General McAuliffe revealed that it was the National Guard of Panama which was involved in the 1976 bombings in the Canal Zone and that it was the inaction of that same National Guard which permitted anti-American riots to continue for several days in 1964. It is powerful and politically active elements of this same National Guard which maintains close ties with Castro's secret police. Yet, this is the force which would be called upon, under the proposed treaties, to protect American citizens and property using the canal. Worse, through separate agreements outside the treaties, the United States must provide arms and military assistance to this paramilitary group,

sections of which pose the most immediate threat to American interests in Panama.

Therefore, it is not surprising that the Armed Services Committee hearings also underline the degree to which Panama's not-so-veiled threat to initiate or condone violence against the canal, if Panama is not granted control of that waterway, constitutes the fundamental argument for the new treaties. It was this political justification which was cited by Admiral Holloway and General Taylor to explain their support for the proposed treaties despite their dissatisfaction with many of the military provisions in those treaties.

Given these concerns over the security of the canal, it is not surprising that Latin American leaders have expressed their lack of confidence in the ability of Panama to secure the canal and manage it effectively. Heads of state and cabinet ministers throughout Latin America have informed many visiting Americans, including Members of the Senate, that their own economic and security interests may be threatened by General Torrijos and his abuse or mismanagement of the canal. Many, maybe even most have expressed their wishes that the United States retain control of the canal and continue to operate it efficiently and fairly. In fact, according to Lt. Gen. Gordon Sumner, Jr., Chairman of the Inter-American Defense Board, many military leaders in Central and South America would prefer an international approach to operating and securing the canal.

Each of the defense experts appearing before our committee, including such proponents of the new treaties as Admiral Holloway, the present Chief of Naval Operations, and General Wilson, the present Commandant of the Marine Corps, agreed that an American military presence in Panama until 1999, and after 1999, is highly desirable, even though such an American military presence would be prohibited after 1999 by the proposed Treaty of Neutrality. Given the military and economic value of the canal to the United States, the almost universal agreement of military leaders throughout the United States on this issue is understandable.

Advocates of the proposed treaties were greatly disappointed that testimony before the Armed Services Committee did not provide evidence that made clear the right of the United States to reintroduce military forces into Panama to maintain the neutrality of the canal. On the contrary, testimony indicated that language in the Treaty of Neutrality which is alleged to give the United States that right is extremely ambiguous and would be even more so in those times of crisis and confusion when the United States might actually need to intervene in the area around the Panama Canal. While proponents continue to argue that this vague language in article IV of the Treaty of Neutrality gives the United States the right to intervene in Panama when our Government believes the neutrality of the canal is threatened, Panamanian Government officials consistently maintain that the right of the United States to defend the canal does not include defending its neutrality against Panama and goes into effect only when the Government of Panama requests American intervention.

Even after signing the October 13 joint statement with President Carter, which is claimed by some to clarify the U.S. right to intervene, Torrijos has maintained that the role of the United States is to protect the canal against foreign aggression, not against Panamanian violations of the neutrality of the canal. In the words of General Torrijos, Panamanians "push the button, the bell rings, and the United States is obliged to come to our defense." This interpretation of the joint statement finds support from the American Law Division of the Library of Congress which has concluded:

> It is not altogether clear that the statement would permit the United States to intervene in the event that the aggresion or threat should result from Panamanian action.

Language which permits such diverse interpretations obviously grants the United States no greater right than that of raw force to intervene in Panama. William P. Clements, former Deputy Secretary of Defense and also a former supporter of the treaties, testified that he was shocked by changes in this language from what he had originally approved before leaving the Defense Department in early 1977. According to Clements, the original language read:

> In the event of any threat to the neutrality or security of the Canal, the Parties shall consult concerning joint and individual efforts to secure respect for the Canal's neutrality and security through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means. If such efforts would be inadequate or have proved to be inadequate, each party shall take such other diplomatic, economic or military measures as it deems necessary in accordance with its constitutional processes.

This language, which Secretary Clements approved, gives the United States the right to determine when the neutrality of the canal has been violated. The changes that were made deprive the United States of an absolutely clear right to intervene to protect the neutrality of the canal. Obviously, the new, ambiguous language protects the Government of Panama from legal American intervention if Panama should itself threaten international use of the canal.

In addressing the issue of the right of the United States to defend the canal under the new treaties, General Wilson said:

> Presumably we have the right to go in and it is in the treaty, I have been assured, and if it is not in the treaty then it ought to get into the treaty. That is the only reason I will be for it.

Since the right to defend the canal was stated clearly in the language above quoted by Secretary Clements, any language less emphatically clear than that language cannot be acceptable.

Perhaps the most earth-shaking testimony received by the Armed Services Committee involved the value of the Canal Zone property and the cost of its transfer to the Government of Panama. According to the Panama Canal Company, the original cost value of the Panama Canal enterprise was over $993 million, as follows:

A. Original cost value of the Panama Canal enterprise (April 1977):

	Million
Lands, titles and treaty rights	*$14.7
Interest during original construction	50.9
Canal excavation, fills and embankments, dry dock excavation	324.9
Canal structures and equipment	203.5
Other marine facilities	29.6
Supporting and general facilities	176.7
Plant additions in progress	25.1
Schools, hospitals, and other facilities	111.9
Other	55.8
Total	993.1

*Includes $10 million paid to Panama under the 1903 treaty.

SOURCE.—Panama Canal Company.

Some accountants, prefer to look at the book value of the Panama Canal and the Canal Zone, which has been estimated at over $560 million, as shown by this table:

B. Book Value of the Panama Canal enterprise (plant and equipment, June 30, 1975):

	Million
Panama Canal Company	$501.8
Canal Zone Government	59.6
Total	561.4

SOURCE.—Panama Canal Company.

The Department of Defense has indicated that the approximate acquisition and improvement costs as of fiscal year 1978 for military facilities to be turned over to Panama are nearly $353 million, as follows:

C. Acquisition and improvement costs of military facilities to be turned over to Panama (fiscal year 1978):

	Million
Treaty starting day	$27.5
Other facilities to be turned over sometime during the treaty term	33.5
On termination of the treaty	291.9
Total cost of military facilities	352.9

SOURCE.—DOD.

However, I believe that a more real estimate of value in today's terms is the replacement cost of the Panama Canal, the Canal Zone, and the military facilities there, which exceeds $9.8 billion, as follows:

D. Replacement value of canal operations (including Armed Forces):

	Billion
Property, plant, and equipment	$3.573
The Panama Canal	5.000
Military, naval, and air plant	1.245
Total	9.818

SOURCE.—Panama Canal Company.

But the value of the property transferred to Panama, or whose use is lost to the United States, is not the only expense involved. The very act of transferring American property in the Canal Zone to the Government of Panama entails direct costs to the United States, certainly over $750 million, but possibly far higher because the Panama Canal Treaty requires that the United States

turn the canal over to Panama free of liens and debts. For example, differences of opinion appear to exist in Panama and Washington as to whether the $10 million a year contingency payment promised to Panama out of revenue surplus, which is cumulative, constitutes a debt of the Panama Canal Commission in 1999. At that time, other debts of the Commission may also exist.

The following itemizes some of these direct costs to the United States:

E. Possible direct cost to United States:

	Million
Military relocation	$43
Civil service early retirement, approximate	150
DOD schools/hospitals	110
Foregone interest payment	440
Foregone payment for past services to Panama	9
Inventory of assets	2
Total	784

The State Department has also indicated that Panama will receive $345 million in economic and military assistance outside the treaties.

In addition, during the life of the proposed Panama Canal Treaty, Panama expects to receive over $1½ billion which will be paid out of toll increases. The following itemizes these costs:

F. Payments to Panama out of toll increases:

	Million
0.30 canal-ton—$40 million per year, probably more	$880
$10 million per year—annuity	220
$10 million per year for services, renegotiable	220
$10 million out of surplus	220
Total	1,540

These toll increases will mean higher prices for both producers and consumers throughout the world. Since well over half the trade going through the Panama Canal either originates or terminates in American ports, the people of the United States will pay a major part of the cost of this toll increase. In summary, the replacement cost of the Panama Canal Zone and facilities there is nearly $10 billion, and it is going to cost the world, mainly the United States, well over $2 billion to give that property away. Having given it away, under the threat of violence, there is still no guarantee that we have the right to protect the canal after 1999, and we have no guarantee that the Government of Panama can afford, financially, to keep it open in the future.

Elmer Staats, the Comptroller General of the United States, testified that the economic viability of the proposed Panama Canal Commission was in doubt. Governor Parfitt, of the Canal Zone, added his own warning when he said, "I believe you should be alert to the possibility that the canal operation may not be self-sustaining in the out years." Governor Parfitt, Mr. Staats, and Mr. Frank A. Nicolai, an economic consultant to the committee, agreed that the financial success of the Canal Commission under the treaties depends greatly upon implementing legislation which has not been presented to the Congress, although implementing legislation was promised to the Senate in October of last year.

While the State Department Legal Adviser, Mr. Herbert Hansell, insisted that this delay was not a strategem designed by the administration to deprive the Senate of information detrimental to approval of the treaties, he admitted that the delay results from difficulty in drafting controversial provisions including those dealing with labor relations. Thus, no one testified that Panama, which has a very weak economy and whose government is in grave debt, could afford to maintain the canal without outside help during times of economic difficulty. Further, the governor of the Canal Zone and the Comptroller General of the United States testified that because of heavy payments to Panama of $60 to $70 million per year, the canal might be a money losing proposition under the terms of the proposed Panama Canal Treaty, even during that period when the United States retained control. And what if, after 1999, the canal turns out to be an economic white elephant?

Although the new treaties are proposed as a means to improve relations with Panama, the enormous impact of divergent interpretations of the economic provisions of the treaty could lead to irreconcilable tensions and disputes. Governor Parfitt and Mr. Staats both suggested that ambiguous provisions of the treaties be clarified with Panama as soon as possible so that there will be no misunderstandings. Comptroller General Staats singled out, in particular, the provisions of the new Canal Treaty providing for a $10 million contingency payment to Panama out of any surplus achieved each year by the new Canal Commission. If no surplus is achieved in any one year, the obligation is carried over until the next year. Staats expressed concern that lack of agreement on how this surplus was to be determined and how any accrued debt would be handled after 1999 could irreparably injure United States-Panamanian relations.

Because payments to Panama by the Canal Commission out of tolls alone during the next 22 years will equal approximately 70 percent of Panama's current annual GNP, significant issues are involved as the following exchange with Governor Parfitt illustrates:

Senator BARTLETT. I believe you told Senator McIntyre that the Canal Commission would expect to set its toll revenue to meet its cost and that if this contingent payment was not included in the plan for setting tolls, there would be little surplus to pay the Panamanians since the Commission is not a profitmaking organization.

Governor PARFITT. That is correct, sir.

Senator BARTLETT. So what we would have here is a situation in which we have promised to pay the Panamanians out of any surplus which the Commission earns but the Commission is not expected to have any surplus.

Governor PARFITT. Under a situation which we now forecast, which is one of ever-increasing demand for additional tolls, we would not be generating surpluses, at least in very significant amounts.

Senator BARTLETT. And if we include the contingency payment in the estimate of operating costs, we increase the chance of the Canal Commission running into debt, and we have said to the Panamanians that we will turn the canal over to them free of debt.

Governor PARFITT. That is correct, sir.

Senator BARTLETT. Given the large sums of money involved and the ambiguities in the treaty, which could cost either the United States or Panama large sums of money, depending upon how the disputes are resolved, could you, Governor Parfitt, tell me how the two nations are going to avoid disputes and conflicts over the interpretation? In other words, the same question I asked Mr. Staats.

Governor PARFITT. Obviously there are built in some difficulties and we hope that these can be ironed out through the various committees that have been established in effect to try to resolve these problems. Certainly the problem related to the contingency payment seems to be one that cannot be resolved in that fashion in view of the conflicting views of both parties right now.

Senator BARTLETT. I would assume that the Congress would want to see that these differences are resolved, and how would you suggest the Congress do that?

Governor PARFITT. We had hoped most of them at least can be resolved through the implementing legislation that the Administration is now trying to develop.

Senator BARTLETT. But if the implementing legislation expresses a Congressional point of view or even an Administration point of view, and if that is not the point of view of the Panamanians, then there would still be the controversy.

Governor PARFITT. That is correct, if this does not represent really the agreement of Panama and the United States the implementing legislation will not resolve that conflict.

Senator BARTLETT. Unless the Panamanians reach some agreement with the United States executed by President Torrijos or someone from Panama?

Governor PARFITT. Or unless they in fact agree with the interpretation of the Administration as it is implemented in the legislation. There seems to be a little difference of opinion as to what the Panamanians agree to and do not agree to. I have not had that direct an association with them so I do not know directly what their position is.

Senator BARTLETT. That would require a signed instrument, would it not?

Governor PARFITT. It would appear to involve some kind of a signed instrument or some kind of a reservation or amendment to the basic documents.

Upon reflection, this particular testimony makes clear the need for amendments to the economic provisions of the proposed Panama Canal Treaty. These economic amendments are no less necessary than are the military amendments to the proposed Treaty of Neutrality which seem clearly required in light of the testimony of former Deputy Defense Secretary Clements cited above.

The entire testimony received by the Senate Armed Services Committee points toward one inescapable conclusion—failure to make major revisions in the proposed Panama Canal treaties could result in great loss to the United States and great tensions with Panama. And clearly, if these changes are to have any real meaning, the treaties must be returned to Panama for consideration by their government and then they must be ratified by a plebiscite of the people of Panama as required by their constitution.

Mr. President, a treaty is an agreement between two parties arrived at through negotiation. Most Americans are not familiar with treaties per se,

but they are familiar with the procedures used to arrive at the final terms of the treaty, and the final ratification.

A treaty, in very simplified terms, is merely a contract, and therefore, it is generally agreed that procedures similar to contract negotiation are used in its final ratification. The American public does have a general and fundamental knowledge of this procedure which recognizes the rules by which a treaty is validly ratified by both parties.

It is likely that there will be amendments adopted to this treaty, and once we have adopted these amendments, we have changed the terms of the treaty. As in common contract law, the treaty then represents a new offer to the country of Panama, which then must be reratified. Further, the ratification must come in the same form as that used on the first treaty or offer.

An attempt to ratify the treaty in a different way would produce an invalid treaty with no binding effect. Although both countries could immediately support the treaties, either country could later claim the treaty or treaties to be invalid and hence not binding. Such a loophole could eventually work strongly in Panama's favor.

We are all consumers, and we all negotiate and enter into contracts. It is commonly understood that an illegally adopted contract can be broken and, therefore, an illegally ratified treaty is subject to being broken for the same reason.

Some may question the constitutional operation of the Panamanian Government, but the fact remains that article 274 of their constitution requires a plebiscite to ratify a treaty dealing with the Panama Canal. To make the treaty binding, it must be adopted in this manner.

If the U.S. Senate makes the amendments that are expected, or other amendments, a Panamanian plebiscite should result, and we should not accept a treaty that has been adopted in any other manner.

There are two questions that I would ask my colleagues. Do you believe that Panama would accept a treaty that had not been ratified by the U.S. Senate? Could you, as an elected representative, allow a treaty additionally amended by Panama to be accepted by the United States without additional consideration in the Senate, and a formal ratification as provided by our Constitution?

Many of the issues involved in this treaty may be glossed over, both by the executive branch and Members of the Senate, but this one question and procedure cannot. We cannot "whitewash" the issue of proper ratification. Nor, can we, as a world leader propounding a philosophy of equal treatment among nations and human rights, allow a treaty to be ratified without the proper participation by the people of Panama who are enfranchised under their own constitution.

Mr. HANSEN. Mr. President, I wish at this time to restate some of my earlier concerns with regard to the two Panama Canal treaties and to speak briefly about some new concerns which have come to light. I have always maintained I would oppose any treaty under which the United States relinquishes absolute control of the Canal Zone and its defense positions. I have not altered my position. But at the same time, I am by no means suggesting a new treaty is not necessary. In light of several years of ongoing political turmoil and economic hardships, surely a better understanding should be reached on the operation of the canal and the Canal Zone. A reevaluation of the present situation and the existing treaties, in the interests of cooperation between the two countries, is certainly warranted.

However, I am very concerned about the treaties we are being asked to consider. As they stand, I am convinced they are not in the best interests of the United States, Panama, or Latin America. In my statement to the Senate Foreign Relations Committee in October of last year, I enumerated some of my strongest concerns. At that time, I had cosponsored several amendments of Senator DOLE, which addressed some of the major weaknesses of the treaties.

Article IV of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, I believe, is the weakest article of both treaties. There is nothing in article IV which assures that the United States can unilaterally intervene militarily in the defense of the canal.

Since July of 1977, the exact interpretation of the defense provisions of article IV have been widely debated and an agreement has still not been reached. The Joint Statement of Understanding which was made on October 14, 1977, for the very purpose of clearing up this misunderstanding, remains unsigned, and is itself misinterpreted still.

Amendment No. 20 which was introduced early this month, and which I cosponsored, is an attempt to clarify the defense provision. While the amendment, which embodies the language of the Carter-Torrijos Joint Statement of Understanding, would greatly improve the Neutrality Treaty, I believe it remains insufficient.

According to the American Law Division of the Library of Congress:

> The Carter-Torrijos statement, while guaranteeing each party the right to act against threats directed at the Canal, also specifies that the United States may not intervene in the internal affairs of Panama. It is not altogether clear that the statement would permit the United States to intervene in the event that the aggression or threat should result from Panamanian action.

Mr. President, I believe amendment No. 5 of Senator DOLE, which I cosponsored in September, more adequately addresses the problem of defense of the Panama Canal. This amendment states:

> Nothing in this Treaty may be construed to prevent the United States of America, in accordance with its Constitutional processes, from intervening militarily to maintain such regime of neutrality when determined to be seriously threatened by the President of the United States of America, or, through the adoption of a concurrent resolution, by the Congress of the United States of America.

This amendment clearly gives the United States the right to determine and act unilaterally to insure the neutrality of the canal. I believe it should be given serious consideration by the Senate.

I sincerely hope my colleagues will act positively on an amendment to assure that the United States can respond quickly and effectively in defense of the Panama Canal.

The exact definition of "expeditious passage" through the canal has also been open to varying degrees of interpretation over the past several months. Article VI of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal includes a provision which grants to the United States the right of "expeditious passage" through the canal in times of crisis. The Joint Statement in October was also intended to clarify this point, but has failed to do so.

Amendment number 21 which was introduced by both the distinguished majority and minority leaders, and which I again cosponsored, embodies the language of the joint understanding which was an attempt to explain the definition of expeditious passage. I support the effort as a step in the right direction, but I find the language is still open to misunderstanding. Panamanian negotiators and leaders continue to interpret the understanding differently than we are.

I cosponsored an amendment in September which Senator DOLE had the foresight to introduce which addresses the problem of expeditious passage. Article VI of the Neutrality Treaty states that vessels of war and auxiliary vessels of the United States and the Republic of Panama will be entitled to transit the canal expeditiously. Amendment number 6 would add to that provision the words, "except that the Republic of Panama shall, upon request, afford privileged passage through the canal to such vessels of the United States of America during any period in which the United States of America is at war."

The rights of American ships to go to the head of the line in times of crisis must be clearly recognized and understood.

While the right of privileged passage and the question of U.S. defense of the canal are the two most important questions to resolve, I believe the treaties contain several other points which deserve consideration.

Article 12 of the Panama Canal Treaty contains a provision which would allow the United States to build a second canal, if we should ever wish to do so, only in the country of Panama. At the same time the treaty contains no firm commitment on the part of Panama to agree to permit us to construct that canal, should we decide to do so.

This provision is totally unacceptable. Why we would agree to build a second canal only in the country which has insisted on control of our first canal is totally incomprehensible. I cannot believe our negotiators accepted such a provision, knowing full well its restrictive implications. I have cosponsored an amendment which would have the effect of striking this provision from the treaty completely. I would hope serious consideration is given to this point in the days ahead.

Article 11 of the Panama Canal Treaty provides for the "orderly transition" of jurisdiction over the Canal Zone. The administration has been emphasizing a 22-year period in which this will occur. In fact, as soon as the treaty enters into force, the Republic of Panama will gain full jurisdiction over the Canal Zone. A complete transfer of U.S. judicial, administrative, and regulatory authority will be accomplished within 30 months.

In my opinion, this does not constitute an orderly transition. I believe there are very few American citizens who will remain in the Canal Zone, knowing they will be under the jurisdiction of the Republic of Panama. Large numbers may return to the United States leaving a void in the manpower support of the operations of the canal.

To that end, I would suggest serious consideration of an amendment which would allow the Panama Canal consultative committee to study the situation after the treaties take effect and make a recommendation as to when the period of transition should actually end. However, I would suggest January 1, 1990, should be the earliest time at which that would take place. Any treaty which subjects our U.S. citizens to Panamanian law and civil and criminal justice within 30 months after the treaty enters into force is totally impractical. Transfer of the administration of the Panama Canal Commission from United States to Panamanian leadership takes place on January 1, 1990, and it is only logical the two dates be coordinated.

Recently, additional testimony was given before the Senate Armed Services Committee which has only added to my initial concerns with regard to the wisdom of ratifying the new treaties without specific revisions.

I was particularly interested in testimony before that committee during the week of January 24 through February 1. Unfortunately, a great deal of this testimony was given very little attention in the press, initially, but the substance of the statements is well worth noticing.

Over the past several months we have heard a great deal from the Chiefs of Staff and other ranking officers, both active duty and retired, and I do value their opinions. There were differences of opinion as to the strengths and weaknesses of the pending treaties, and several constructive suggestions have been offered.

However, Lt. Gen. Gordon Sumner, Jr. of the U.S. Army, and currently chairman of the Inter-American Defense Board, testified on January 31. I believe his testimony is especially revealing. The Inter-American Defense Board, as I am sure my colleagues know, consists of those 19 countries which are the signatories of the Rio Treaty. The organization was created in 1942 and it is the oldest multilateral military planning organization in the free world, including NATO. The Board is specifically charged with defense of the Western Hemisphere and the global strategic situation. As General Sumner pointed out, the Board does not normally become involved in bilateral issues because to do so would violate the very nature of the Board. The Board much prefers to, and does in fact, deal on the multilateral approach in solving the problems of the Western Hemisphere. As he noted, this is a hemisphere of peace, largely because all the countries have traditionally solved their individual problems on a multilateral basis. As the General noted, their record on this matter is very good and one of which they are rightly proud. It has been part of their heritage.

This brings me to an important point with which I do not think we have adequately dealt, and that is the concern of all of Latin America for the continued, efficient operation of the Panama Canal. Unfortunately, the Inter-American Defense Board has not been involved in any way in the canal negotiations. Those who would have us believe all of Latin America wholeheartedly approves of the new Panama Canal treaties and is anxious to see the United States turn over complete control to the Republic of Panama of so vital a waterway to each one of them, are misleading.

General Sumner pointed out that the Latin American countries consider the Panama Canal as the "Canal of the Americas" and it is vitally important to all the countries. The country of Ecuador alone passes 50 percent of all their exports through the canal. Contrary to those statements to the effect that our entire relationships with the Latin American countries depends on ratification of the treaties as they are written, almost all of the countries emphasized that their bilateral relations with the United States are too important to have them rise or fall on the Panama Canal treaties.

Rather than winning greater support and cooperation from the Latin American countries by relinquishing complete control of the canal to the Republic of Panama, I believe we will lose their support in the long run for failing to take into account and protect their best interests at this time.

Retired Maj. Gen. George L. Mabry, Jr., of the U.S. Army also testified before the Senate Armed Services Committee that day. General Mabry's testimony is, I believe, highly significant in light of his past service record. During his 35 years of active duty in the U.S. Army, he was stationed in the Canal Zone for a total of 10 years. His second tour of duty in the Canal Zone lasted from July 1962 through July of 1965. He served as Plans and Operations Officer of the Unified Command Headquarters located in the Canal Zone. He was charged with developing and maintaining up-to-date plans to protect and defend the canal. He was the first officer to arrive on the scene during the 1964 riots and directed the employment of U.S. troops. In this regard, I feel General Mabry is exceptionally qualified to speak to some of the, as yet, unanswered questions with regard to the Panama Canal treaties. General Mabry raised one very significant point which I wish to quote at this point. He said:

> I do not understand and therefore am suspicious of why Panama insists that after the year 2000 no U.S. military forces can be stationed anywhere on Panamanian soil, even under a status of forces agreement. This is especially puzzling to me since we, the United States, have forces stationed in former enemy countries such as West Germany and Japan, and apparently are getting along very well. Why then, are the Panamanians, who claim they are going to be such great friends of the United States after the year 2000, so reluctant to accept the stationing of any U.S. military elements on Panamanian soil under a status of forces agreement? I cannot answer the question; maybe others can.

This is one Senator who cannot answer that question. I would hope someone can during the next few days of discussion.

Mr. President, in light of other recent testimony, given before the Senate Armed Services Committee, I am afraid we have been misled to some extent by the administration. When the Secretary of State testified before the Senate Foreign Relations Committee he stated:

> The treaties require no new appropriations, nor do they add to the burden of the American taxpayer.

This is clearly not the case.

A recent letter from the Secretary of State with regard to implementing legislation which we do not yet have, confirms that the canal would not be liable for interest payments to the U.S. Treasury. Those interest payments alone could cost our Government a minimum of $440 million by the year 2000.

There are other costs which will have to be covered through appropriated funds unless they are charged to the Canal Commission. It is estimated that the cost of relocating U.S. military bases may be close to $43 million. For those U.S. employees who opt for early retirement, costs could run as high as $165 million over the next 22 years.

Under the terms of the treaties, the United States has made various loan commitments to the Republic of Panama. These loan commitments include up to $200 million in Export-Import Bank credits, up to $75 million in Agency for International Development housing guarantees, $200 million in Overseas Private Investment Corporation loan guarantees, and $50 million in foreign military sale credits.

Under the terms of the treaties, total costs incurred over the next 22 years could be close to $2.3 billion. According to Major General Parfitt, Governor of the Canal Zone, these payments may have to be financed in large part, by higher tolls. The American taxpayer is certainly bound to feel the effects of the increased tolls, as about 70 percent of the canal traffic either originates or terminates in the United States.

Governor Parfitt further pointed out that under the treaties the United States is obligated to relinquish control of the canal to the Republic of Panama, free of any liens or debts, by the year 1999. If, during the next 22 years, the Canal Commission has not managed to operate in the black through the levying of increased tolls, the U.S. Government may be liable to pay off any deficit.

Mr. President, these are only a few of the many concerns I still have about these treaties. Not only have we failed to strengthen some of the most obvious weaknesses of the treaties which were initially noted, but each week over the past several months seems to have produced a new set of problems and unan-

swered questions. The ambiguities remain unresolved. We have already seen the friction which has developed between the two nations over the wording of only two issues. To leave so many key points still hanging in the wind and subject to individual interpretation in the future, only invites trouble. Each point of contention, however small, could escalate into a major dispute if not handled carefully and thoughtfully at this stage.

Mr. President, I am well aware of the arguments being made by those who wish to avoid a second plebescite. There is concern that should the U.S. Senate greatly amend the treaties, it would open up the possibility of further changes demanded by the Panamanians. I do not believe those are sound arguments in favor of acting quickly and perhaps carelessly on one of the most significant foreign policy matters with which we may ever be faced.

I strongly suggest, as my distinguished colleague Senator DOLE has already noted, the Senate must advise on this matter before it grants consent through ratification of these treaties. Failing to do so, we would be remiss in our constitutional duties as Members of this body. We would fail in our responsibility to the President, and we would fail in our responsibility to the American people.

Mr. President, I suggest the absence of a quorum.

Mr. ALLEN. Mr. President, will the Senator withhold that suggestion?

Mr. HANSEN. I withdraw it.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Chair recognizes the Senator from Alabama (Mr. ALLEN).

AMENDMENT NO. 40

Mr. ALLEN. Mr. President, I call up my amendment No. 40 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment numbered 40:

Strike article I, and insert in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama: *Provided*, That the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, if the President of the United States deems it necessary for the defense of the Canal or the maintenance of the neutrality thereof and shall prior to December 31, 1999, so certify to the Government of Panama.

Mr. ALLEN. Mr. President, I have on occasion, here on this floor, discussed the need for this amendment, and have anticipated that there will be a vote on the amendment this week. I have been assured by the Senate majority leader that debate may proceed on the amendment for today and tomorrow, and that no effort will be made to table the amendment in that time.

As I have stated, I have felt that the logical procedure on consideration of these treaties was to consider first the Panama Canal Treaty, that is, the treaty that provides for transfer of the Panama Canal to Panama, and which states conditions under which it is to be transferred. By a vote of the Senate on yesterday, the Senate approved the procedure recommended by the joint leadership, that is, that we consider first, the Neutrality Treaty.

I thought it would be more logical, and apparently 29 or 39 other Senators felt the same, that we first ought to decide whether we were going to give the canal away before we determined the conditions under which in the year 2000 we will maintain the neutrality of the canal.

There is a larger issue involved here. That is that the leadership is supporting what the Government has referred to as the leadership amendment, which does amend, or which seeks to amend, articles IV and VI of the Neutrality Treaty. It would seem to the Senator from Alabama that the strategy of the administration and of the leadership is going to be that on the approval of the leadership amendment, it will be pointed out that this is the only amendment which is necessary; that this protects the national interest, and, therefore, these other matters are matters of detail and we ought to very quickly come to a final resolution of the issue of these treaties.

The Senator from Alabama felt, and he felt so strongly that he did offer the motion on yesterday, cosponsored by some 15 Senators, that we ought to put the horse before the cart, so to speak, and we ought to consider first whether we are going to give the canal away before we worry about defending it in the year 2000.

The Senator from Alabama is one of the cosponsors of the leadership amendment. He, and all other Senators, I assume, was invited to cosponsor the leadership amendment.

I cosponsored because I felt that it offered some slight—and I say slight—improvement of the treaty.

I call the attention of Senators to the great similarity between article IV of the Panama Canal Treaty and the leadership amendment on the matter of the defense of the canal and the maintenance of its neutrality.

That would mean that the leadership amendment is deficient in at least the three areas:

The first area is the most important area. That is that the authors of the amendment apparently overlook an important fact. At the time it comes into full and complete operation, even though it becomes effective at the same time as the Panama Canal Treaty does it really takes effect on January 1, 2000, because the Panama Canal Treaty provides for defense of the canal by the United States up to the year 2000. It overlooks—and I am surprised that this was done as it was based, I am told, on the memorandum agreed to between President Carter and Dictator Torrijos and, in effect, embodies those provisions—it overlooks the fact that at the time it goes into operation all of the troops of the United States will have been withdrawn from the Canal Zone under the treaty. How are we going to defend the canal if there are no troops there?

The leadership amendment gives the right to defend, to maintain neutrality, but in a moment I will point out that Dictator Torrijos has a different interpretation of that. How are we going to defend the canal if we do not have any troops there, unless we bring in some troops?

How are we going to bring in some troops except by invasion of that tiny country?

I feel free to criticize this amendment inasmuch as I am a cosponsor of the amendment, and, naturally, being a cosponsor of the amendment I want to examine it and I want to confess as to its shortcominggs. I pointed out one of the shortcomings.

The second shortcoming is that it provides that in no event, as we seek to defend the canal to maintain its neutrality, are we going to interfere with the internal affairs of Panama, either under the present regime or a successor regime, which might be a Communist regime, or a Cuban-backed regime, even though that regime may be the very regime that is blocking our access to the canal.

We cannot do anything, under the leadership amendment, which would interfere with the internal affairs of Panama.

Well, that is the second deficiency.

There is a third deficiency, and these are three deficiencies which occur to me off the top, so to speak. I am sure if we examine the amendment further we can note other shortcomings.

The highly vaunted provision that in an emergency our warships can go to the head of the line is the third deficiency. That is highly deficient in that it does not describe, or does not define, what an emergency is, and who decides that there is an emergency. What might be an emergency to us in our country might not be an emergency to Panama. Panama is going to be in control of the canal. I would think that Panama would determine whether there was an emergency.

What will we do, radio to Panama and say, "Look, we have an emergency here and we want to move our ships to the head of the line," with the Panamanians replying, "Well, we don't feel that there is an emergency. What are you talking about, an emergency? You stay where you are, at the rear of the line, and wait your turn."

What would we be able to do to counter that?

I feel at the proper time an amendment needs to be offered to the leadership amendment saying that what constitutes an emergency will lie in the sole judgment of the United States.

Getting back to the amendment which the Senator from Alabama has offered, and which is made necessary, Mr. President, by the deficiencies in the leadership amendment in that there is a hiatus on defense created by the departure of our troops prior to the year 2000 and the start up of the defense rights given under the leadership amendment starting with the year 2000, again I say, when I

have made that statement in the past the distinguished proponents of the treaties have pointed out that this goes into effect at the same time as the other treaty, but it is certainly an overlapping situation because the United States, even under the Panama Canal Treaty, would have the right to defend the canal.

One of the arguments the proponents of the Neutrality Treaty made about insisting on considering first the Neutrality Treaty was that they could not vote for the Panama Canal Treaty before the neutrality provision had been agreed to. Well, that is an excuse rather than a valid reason, because, with 78 sponsors of the leadership amendment, the proponents of the treaties know full well that if the Panama Canal Treaty were up for consideration, it would be a very simple thing to insert a provision that the Panama Canal Treaty would not become effective until the Neutrality Treaty had been agreed to. There is no great hurry, you know, because, as I say, the Neutrality Treaty really does not go into effect for 22 years. So we would have 22 years to work on it.

Is the Neutrality Treaty in danger of being defeated? I think not, when 78 Senators, apparently, support it. I would feel that it is in no danger whatsoever.

And the leadership amendment is in no danger whatsoever. I shall vote for the leadership amendment when it comes to an up or down vote on it. It is my obligation, I feel, to do so as long as I am a cosponsor. If I ever decide that I cannot vote for it, and I do not see how that situation could arise, I would ask that my name be removed as a cosponsor of the leadership amendment. I believe we can improve on it.

Following the same line of reasoning as the proponents of the treaties, that they cannot vote for the Panama Canal Treaty until the Neutrality Treaty has been agreed to, I think, then, that we need to establish the fact that we can maintain a military presence in the Panama Canal Zone after the year 2000 if the President certifies that maintaining that presence, or continuing that presence, is necessary for the defense of the canal or maintaining its neutrality.

So, let us establish that right off the bat. Let us not wait on the leadership amendment. Let us supply that deficiency right now.

Why should Senators refuse to agree to this amendment? I do not know that they will. I hope they will not. I do not see why the Senate will not be in favor of adding security to the defense of the canal, providing a way for us to defend it. That ought to be something that would meet the approval of both sides, that the United States might be allowed to continue its military presence in what was and what is now the Panama Canal Zone.

Why would they object to it? Well, they would not object to it, Mr. President, except for the reason—and this point is going to be made time and time again here, on the floor—they would not object to it, and the only reason that the amendment will be turned down in the Senate, if it is turned down, is that Dictator Torrijos would not want it. There again, Mr. President, I think that, in time, the American people are going to realize that the strategy of the proponents of the treaties is to adopt their ineffectual defense amendment and stonewall as to other substantial amendments.

Why? Not because they are not in the best interests of the United States, but because Dictator Torrijos says no.

Now, Mr. President, it is the function of the U.S. Senate to give its advice and consent to the President with respect to treaties. But I fear—and subsequently events are going to see if the fears of the Senator from Alabama are well founded—I fear that we are going to be concerned primarily with whether the amendment meets the approval of Mr. Torrijos. Already, the Foreign Relations Committee has done a flip-flop at the behest of the State Department to the feared objections by Panamanians, when they reversed the action they had already taken on the leadership amendments, having put these amendments in the form of a new article or articles. The State Department advised the Foreign Relations Committee—and this information was brought before the Senate by the distinguished Senator from Michigan (Mr. GRIFFIN), a member of the committee—the State Department advised the Foreign Relations Committee, "You must not handle this amendment or these amendments in this fashion. The Panamanians won't like it. You must not have a separate article. You have got to amend existing articles. That is the only way they will take it. They won't like it."

So, what did the Foreign Relations Committee do? Why, they got in line and danced to the tune that was played for them.

They reconsidered their earlier action and then prepared amendments to articles IV and VI.

I suppose the reason that the Panamanians did not like it as a separate article was that they feared they might cause the calling of another plebiscite.

I am advised, and I am no Spanish authority, but I am advised that the word "amendment" in English translated over into Spanish comes up "emmienda" which is a minor change, whereas the addition of a new article would be "reforma" which is a major change, even though the language might be the same, but put in one as an amendment and one as new articles.

So the Foreign Relations Committee did reverse what had been done and handled it as the State Department said would be more pleasing to the Panamanians.

I am a little bit tired, Mr. President, of wondering what Mr. Torrijos will think about amendments being considered here in the U.S. Senate rather than worrying about whether they are for the best interest of the United States and her people.

I have asked and obtained unanimous consent that all Senators who do care to cosponsor the amendment will be allowed to add their names at the desk as if they were on the amendment at the time of its introduction.

What it does is to supply an omission that the leadership has, that is, it does retain to the United States the option of continuing the military presence of the United States in the Panama Canal Zone beyond December 31, 1999, if the President deems that it is necessary for the defense of the canal or for maintaining its neutrality, and if he so certifies to the Panamanian Government prior to December 31, 1999.

Statements have been made here on the floor that the last, at least four Presidents, I believe, I am not sure they said five, but certainly they have said the last four Presidents have favored the Panama Canal treaties.

That being so, is there any reason to believe that the President of the United States in the year 1999 would not look with as much favor on the change in that setup regarding the operation or defense of the Panama Canal, that that President, the President in 1999, would not deem it necessary to continue military presence there unless there was a real need to do so in order to defend the canal or to maintain its neutrality?

Because, Mr. President, we do not know what condition, the governmental condition, the human rights situation, the state of belligerency or hostility to the United States, might exist in Panama on December 31, 1999.

This amendment would give the President the option of continuing our military presence.

The distinguished Senator from Idaho (Mr. CHURCH) on Monday said:

> Well, this amendment is not necessary. It is superfluous. It is already covered in the leadership amendment.

Well, it is not covered in the leadership amendment. All we have to do is read the leadership amendment to see that it is not, read the leadership amendment in the light of any provisions of the Panama Canal Treaty.

He said on the floor that the President would be authorized to retain troops in Panama, in the Panama Canal Zone, under the leadership amendment. But I do not believe that is maintained in the record itself.

I believe he was claiming too much for the provisions of the leadership amendment on the floor and, possibly, on reflection realized that that provision was not there.

But if it is provided in the leadership amendment, what is wrong with underscoring that fact?

Could we not tell Mr. Torrijos, "Well, it's already in what you have agreed to, we just felt like it was a good idea to nail it down."

Mr. President, another reason the leadership amendment is inadequate is the memorandum between the President of the United States and Dictator Torrijos, not signed, agreed to by them in October, I believe, when there was a hue and cry for changing the treaties to give us better defense rights, and the distinguished Senator from Idaho (Mr. CHURCH) to his eternal credit, was one of the Senators who said that the original treaties did not give us adequate defense rights. He said that it had to be

changed and his objection and objections of other Senators caused the President and Dictator Torrijos to enter into this unsigned memorandum.

But what did Dictator Torrijos say that the memorandum, unsigned agreement between him and President Carter, would do? He said that it would give the United States the duty, but not the right, to come into Panama to defend the canal, that they have no right to come in unless he calls for them and that if he called for them, they had the duty to come and defend it. Not the right.

What about all this talk about unilateral right? That is not the way Dictator Torrijos interprets it. The leadership amendment is based largely on this memorandum. Maybe he said that his mind has been changed by negotiation with the U.S. negotiators, but I have not seen any retraction. Maybe it has been there; and if it has, I am sure that information will be supplied, where Torrijos has backed up on his assessment of the effect of the memorandum between him and President Carter. So if an amendment is susceptible of two radically different constructions, there is something wrong with the amendment.

That is another reason why we need to spell out the fact that if the President deems it necessary to continue our military presence in Panama beyond the 31st of December, 1999, he can continue that military presence, provided he so certifies to the Panamanian Government. Why should we not have that right?

The big hue and cry by the proponents of the amendment was that the treaties did not give adequate right to defend the canal at the end of this century. I think it is quite obvious that the leadership amendment is deficient at that point, because it sets up a regime under which all of our troops have to be withdrawn from the Canal Zone, and we would have to invade Panama in order to defend the canal. While invading Panama, even though Panama were the culprit, we could not do anything to interfere with their internal affairs. In other words, we could not cause the deposing of a dictator or anything of that sort. We have to leave that regime unscathed, under the leadership amendment. Leave Panama alone. Leave the dictatorship alone. Do not tamper with that. We are agreeing to that, under the leadership amendment.

Mr. President, all we are trying to do with this amendment is to provide for a better defense of the Panama Canal, starting with the year 2000, only if the President of the United States says that continuing that military presence is necessary in order to defend the canal or to preserve its neutrality.

Very few I have talked to have voiced disagreement with the logic of this amendment or the fact that it does fill a hiatus that is contained or not contained in the leadership amendment. This is the logical place to put this provision. It does not bother article I at all, in that, while it is stricken, it is brought back in, word for word with this proviso, giving the President this power.

The amendment does not make it mandatory that we maintain a military presence there. It is not at all certain that we will. But who could object to allowing the President to continue that military presence if it is necessary to defend the canal or to maintain its neutrality?

Mr. President, I will close my remarks at this time. I probably will have other remarks to make prior to a final vote on the amendment.

As I have stated, the leadership has assured me that no effort will be made to table the amendment this week and that such effort would not be made until next week, after an opportunity has been given to the Senate to fully debate this issue.

Is it to the best interests of the United States, in its desire to defend the Panama Canal? How could anyone question it? Is it needed? The leadership amendment does not cover it. Why, then should there be any doubt about the Senate agreeing to the amendment? Mr. Torrijos might not like it. It might cause the calling of another plebiscite.

Mr. President, I believe that we in the U.S. Senate should be more concerned with preserving and protecting the security of the United States and the Panama Canal than we should be concerned with the wishes of Mr. Torrijos or whether or not he has to call another plebiscite. Who knows whether he is going to call another plebiscite? He is a one-man government down there. He might say that the people have no right to act on this thing again. I do not know. Would we say to him, "You have to call a plebiscite," if he says one is not necessary? What control do we have over it?

One U.S. Senator told me, when I asked him if he would support a constructive, substantive amendment, that he would support no amendment that would cause plebiscite in Panama.

Mr. President, I believe we should add all amendments that are necessary to protect the interests of the United States and add a provision to these treaties that, in order to become effective, they have to be approved by a plebiscite in Panama. Do not wonder about whether Torrijos is going to call one or not, because he will not call it unless he wants to, and he says it is not necessary. Would we take issue? We would not. Torrijos says that it is not necessary to call a plebiscite.

We should write in the treaty itself—and I assure Senators that before these treaties are agreed to, such an amendment will be offered—we should add an amendment that these treaties become effective only when approved by the people of Panama in another plebiscite called for that purpose.

I have had suggestions by people throughout the country who are opposed to the Panama Canal treaties, who have pointed out that Panama is a dictatorship.

The people of Panama were given the opportunity to express themselves on the matter of agreeing to these treaties. Yet the United States, the world's greatest democracy, has no such provision. And it has been suggested to me that an amendment ought to be offered providing that the treaties not become effective until they have been approved in a referendum submitted to the qualified voters of the United States.

I have rejected every such suggestion and I would not support such an amendment, because the Members of the U.S. Senate in our representative form of government represent the people of the United States in this Chamber. And it is our duty and our responsibility to act in this matter. This is not something that we need to send back to the people in a referendum even though I know within reason that the people would turn down the Panama Canal Treaty. And with its fall naturally the Neutrality Treaty would fall. But I do not believe that is the proper approach. I do wish Senators would listen a little more to their constituents in making their decision on whether to give advice and consent to the President for the approval of these treaties. I believe if they did that we would have a pretty heavy vote in the Senate against these treaties, because I am convinced the people are opposed to them. But I recognize the right of Senators to use their own independent judgment in deciding these matters.

Fortunately, in my own particular case I made my considered judgment in this matter and I announced my position in a newsletter to some of my constituents back home in October 1971, my opposition to giving the Panama Canal away. So my position in this matter was reached after careful consideration, study, and reflection long before it became an issue among the people of Alabama. So I am in the happy position, Mr. President, of being opposed to the treaties on an independent judgment backed by public opinion in my State, and backed by public opinion throughout the Nation, in my judgment.

So, I do not look with favor on a referendum on this subject submitted to the qualified voters of the United States.

But in Panama that is the procedure that they seemed to have established under their constitution. Therefore, Mr. President, I feel since it is in Panama the established procedure under their "constitution"—I put that in quotes—that the people will be allowed to decide this question, so what you might call the court of last resort in Panama on this question is the people, just as the court of last resort with regard to the treaties here in the United States is the Senate of the United States unless the President will follow the provisions of article IV, section 3, paragraph 2 of the Constitution, that would require that any measure or provision disposing of property of the United States must be enacted by both Houses of Congress and not just the Senate.

But as regards the treaty itself, leaving out the question of disposition of property in which the House of Representatives properly should join, the Senate is the court of last resort regarding the treaties. So we are not going to vote, Mr. President, on this issue until all the amendments have been made, if the majority opinion in the Senate will allow us to have amendments, and we are going to determine in the next few days how interested the majority thought here in the Senate is in amending these

treaties in a constructive fashion to give better protection to the interests of the United States. So it is only right, proper, and fair that another plebiscite be held down there. Why did Torrijos jump the gun by calling the prebiscite before the U.S. Senate had determined what the provisions of the treaty would be?

The people cannot give advance approval to something that is not even in existence, that is, the completed treaty. They should not have been called on to act on the treaty until it had gone through this deliberative process in the U.S. Senate wherein we give our advice, Mr. President, as well as our consent.

So these are some of my reasons for feeling that the leadership amendment is defective and right at the start as we consider this Neutrality Treaty, which embodies as well the defense of the canal, right at the start so we can feel some security as we go forward with the amendment process, right at the start we are going to know that the President of the United States can, if he deems it necessary for the defense of the canal or for maintaining its neutrality, keep such military presence that we have or as we feel that we need in the Panama Canal Zone. So it is with these thoughts, Mr. President, that I leave to the Senate its decision with respect to the need for this amendment.

I yield the floor at this time.

The PRESIDING OFFICER. The Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. Mr. President, the amendment now offered by the able Senator from Alabama would provide for a continued American military presence in Panama after the year 2000, if the President of the United States deemed it necessary for the defense of the canal or the maintenance of the neutrality thereof.

I said earlier that I felt this amendment is superfluous and unnecessary, because under the leadership amendment, recommended to the Senate by the Foreign Relations Committee, the United States retains the right in perpetuity to unilaterally use its military forces to safeguard the canal and preserve its neutrality.

That being the case, I see no reason to add to the text of the treaty the amendment offered by the able Senator. As a matter of fact, if the Senate were to adopt such an amendment, it would, in my opinion, wreck the treaty.

The American military occupation of a strip of land 10 miles wide and 50 miles long dividing the tiny Republic of Panama into two parts has been the central point of discontent of the Panamanian people for generations. Our agreement to a fixed date, December 31, 1999, for ending our military presence in Panama, was the key point which allowed us to gain the many advantages in these treaties that assure us of a canal that is open, neutral, and efficiently run for our use, indefinitely.

As long ago as 1936, President Franklin Roosevelt recognized that the Panama Canal is more secure with a friendly relationship with Panama—something far more important to the security of the canal than our insistence on maintaining an armed camp of American soldiers in the canal zone.

Mr. President, opponents of these treaties like to compare the Panama Canal, or the zone, and our military presence in it with our naval base in Guantanamo, Cuba. I think it is worth comparing.

In Guantanamo, where we preserve our military presence in a hostile environment, we must maintain constant military patrols around the clock, gun emplacements, and high fences around the few miles that separate the base from Castro's Cuba. To have to do that in the Canal Zone, and to maintain such concentrated military forces along a strip of land which stretches 50 miles through jungle terrain across the Isthmus, would be an enormous burden.

Moreover, as our own generals have testified, such an effort could not guarantee a secure canal. We are far better off with a friendly Panama cooperating with us in the canal's defense.

Mr. President, we have a friendly government and a friendly people in Panama today, which is ironic considerable how passionately they feel about their right to have jurisdiction over their own land. But that good will exists in large part because we agreed in principle, in 1965, to a fixed date for the termination of our military presence in Panama. We did that when Presidents Johnson and Robles agreed to negotiate a new treaty The consistent acceptance of this principle through four administrations in the United States has inspired the hope and sustained the good will of the Panamanian people toward us. It is their expectation that we will fulfill those commitments which preserve their good will toward us today.

The adoption by the Senate of the amendment offered by the distinguished Senator from Alabama would dash that hope. It would undermine and destroy the basis on which the Panamanian people expect to have their dignity restored. If that happens, then I believe with all of my conviction the attitude toward us in Panama will change radically and overnight, and we will have destroyed, by our own act, the spirit of cooperation and friendly partnership which still exists in Panama.

To maintain the canal, having destroyed that spirit of friendship and cooperation, would present grave difficulties; indeed, it would mean that we would have to convert the Canal Zone into the kind of armed camp that we now maintain in Guantanamo.

In my judgment, Mr. President, this would be a foolish thing to do; not simply unnecessary and undesirable, but foolish. It would create a problem for us that does not now exist, and for what reason? The leadership amendment makes it abundantly plain that if at any time in the future an actual threat to the canal materializes, whether it comes from internal forces or external forces, the United States shall have the right to take such military action as may be necessary to meet that threat. So the real security interests of the United States are preserved by the leadership's amendment. There is no good reason to undermine and destroy the friendship and good will which presently exists in Panama, by reneging on our commitment to restore Panama to the Panamanians.

Furthermore, there is no reason to believe we will need military bases in Panama in the next century. Consequently, to now impose this proposition on the people of Panama would destroy this moment which has long eluded us, to put our interests in the canal on the firm footing of a cooperative, friendly relationship with the country where it is located.

That is the promise offered by these treaties. We must not jeopardize that promise by adopting amendments of the kind offered today by the distinguished Senator from Alabama. I hope the Senate will reject the amendment.

Now, Mr. President, I have nothing further to say this evening. If there is no objection. I would like to have a call for a quorum in order that the majority leader may come for whatever concluding remarks he may have.

Mr. LAXALT. If I may, I would like to make a concluding remark or two to recap the day.

Mr. CHURCH. Very well. I am happy to yield to the Senator from Nevada.

Mr. LAXALT. I thank the Senator from Idaho. I think we have had a rather productive day today on the part of the U.S. Senate. We have inquired into many interesting aspects of this treaty.

Senator GOLDWATER spoke at length about the constitutional ramifications, including the second house rule.

Senator ALLEN has eloquently related to the Senate the reasons why we should support his amendment. I concur in his amendment.

The thrust of Senator CHURCH's remarks, for the proponents, have been consistently along this line, that the so-called leadership amendments do the job. As has been pointed out, they lead the way but they do not actually give us the means to accomplish our ends in the event we have difficulty with the Panamanians.

This has all been premised on the fact that somehow, by signing these treaties, we are going to end up in having a completely tranquil and peaceful relationship with the Panamanians for the next 23 years, and beyond. Yet there is every chance—and I hope this will not be the case—that our experience under these treaties will lead to further difficulties.

Senator STENNIS indicated today in his very edifying report that not only will this treaty cost us money, but it could cost up to $2 billion of American taxpayer funds.

Of more importance than that, he cited fears that the enactment of these treaties under the present provisions could open up as many as seven serious areas of financial difficulty. Any one of those could be a continuing festering sore of the type which has been referred to constantly on the Senate floor.

No one of us on this floor today can reasonably speculate as to what the military situationis going to be on December 31, 1999, not one of us. No one of us has that kind of looking glass. I wish we did.

The Allen amendment does not make

a military presence automatic. Many of us would prefer that it be automatic, because many of us agree with the testimony of the former Joint Chiefs, and other eminent military people, who tell us that continuing to control and manage the Paama Canal is of vital strategic importance to the Hemisphere and to this country itself.

Under the terms of this amendment, it seems to me, if reasonably applied—and it would be because it requires a certification and a finding on the part of the President that our continuing military presence is necessary to our national security—it is perfectly consistent with the posture and obligation that we have under the leadership amendment to protect the canal and guard the neutrality. I see nothing inconsistent in it.

Surely, the Panamanians would probably dearly love to have us out of there, some of them, but I know many thinking Panamanians who, if they are confronted with difficulty, would dearly love to have us there, and not in an outsider position. As a practical matter, if we leave Panama at the end of 1999 and go into a total withdrawal situation, and if an occasion arises where there is hostility, we are going to be required to invade the country of Panama. That would be an ugly situation from every standpoint. That would be in order to fulfill our obligations under the leadership amendment.

It is my judgment that if we could continue to maintain a reasonable military presence within the country of Panama it will not only safeguard our obligations under this treaty, but it will safeguard our security and, in addition, safeguard the interests of the Panamanians. After all, they simply do not have the wherewithal, nor will they reasonably have it, to properly protect that facility without our help and assistance. They will not.

It would seem to me if I were in a position of leadership in Panama it would not be an affront to me at all to have the President of this country, an invaluable ally, make a finding and a certification that our continued presence would be required there, and if that finding were made then we would have a reasonable military presence.

It is my judgment, Mr. President, that this amendment is vital, it is proper, and it may be absolutely necessary in order to safeguard the implementation of the provisions of the leadership amendment. It is my judgment that it is entirely reasonable. I would hope when we take a vote on this the first of the week my colleagues would find it appropriate to support Senator ALLEN's amendment.

I ask unanimous consent at this time that I be included as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAXALT. I thank my colleague for yielding the time.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a compilation of certain statements on these treaties by U.S. military leaders, primarily taken from testimony before the Senate Foreign Relations Committee and the Senate Armed Services Committee.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

RESIDUAL BASE REQUIREMENTS

Admiral James L. Holloway III, USN, Chief of Naval Operations: "From the briefings and information presented to the Joint Chiefs of Staff during our discussions of the Panama Canal Treaties, I concluded that Panama would not accept a treaty without the provision that all U.S. armed forces would be withdrawn after a certain date, about the year 2000. It was my personal view that although a post-2000 presence was desirable, there was a greater net gain to be achieved by having the Treaties as they are today than no treaties at all. Although a U.S. military presence after the year 2000 is excluded, it is more important to have the Panamanians sharing in the defense of the Canal, cooperating in the operation of the waterway, and working to create a favorable environment for the defense of the Canal than not having new Treaties, which almost certainly would have been the case had our side insisted on an indefinite U.S. military presence." (Opening Statement before the SASC, 24 Jan 78)

General Louis H. Wilson, USMC, Commandant of the Marine Corps: "Now, I must be frank with you. I agree that it would be easier and less costly to meet threats after 1999 if the U.S. were to maintain forces in Panama beyond that time. I do not believe, however, that successful defense of the Canal is dependent upon continued U.S. military presence in Panama. With the capability of the Navy and Marine Corps to provide an amphibious task force to steam within a few miles of either end of the Canal, a meaningful U.S. presence—for all practical purposes—is assured." (Opening Statement before the SASC, 24 Jan 78)

Adm. James L. Holloway III, USN, Chief of Naval Operations: "The change in position on post year 2000 base rights was an evolutionary process and not a last minute decision. Because of the realization that the question of a post-2000 US military presence was not acceptable to Panama, the formula for the Neutrality Treaty with no expiration date and a U.S.-Panamanian commitment to protect and defend the canal and assure its permanent neutrality was devised." (SASC Hearings, 24 Jan 78, pg. 119, Response to a question from Senator Thurmond)

"I became convinced over a period of several years' discussions that there was no chance of arriving at any kind of a treaty with Panama on the Canal, if the U.S. were to insist upon a presence in Panama into the indefinite future."

"I decided that if we were to have a treaty there had to be a specific date prescribed at which U.S. presence would be withdrawn." (SASC Hearings, 24 Jan 78, pg. 29, Response to a question from Chairman Stennis)

Gen. George S. Brown, USAF, Chairman, Joint Chiefs of Staff: ". . . that obviously in purely military terms it would be far simpler and less costly to discharge any defense responsibilities that we might exercise under the neutrality treaty to retain a base of operations in Panama, probably Howard Air Force Base as a minimum, but that does not say that without that base or any base there that we are incapable of doing what conceivably we might have to do at any point in the future.

"We have the knowledge, the techniques, the equipment to put a force into any place where we don't have a base. It is just more costly and more difficult." (SFRC Hearings, 27 Sep 77, pg. 128, in response to a question from Senator Case)

Adm. Robert L. J. Long, USN, Vice Chief of Naval Operations: "Subsequent to the year 2000, we believe that there is sufficient authority in the treaty for the United States to act in any way that it deems necessary to assure continued neutrality and use of the canal." (SFRC Hearings, 27 Sep 77, pg. 128, in response to a question from Senator Case)

Gen. Maxwell D. Taylor, USA (ret), former Chairman, Joint Chiefs of Staff: "This Hemisphere and its approaches constitute our home base. If we can't control all military aircraft and vessels approaching our vital areas, there is something wrong with our Armed Forces." (SFRC Hearings, 10 Oct 77, Pg. 69 (Part 3), in response to a question from Senator Percy regarding ability of the US to defend the approaches to the canal by positioning forces outside the neutrality area).

Adm. James L. Holloway III, USN, Chief of Naval Operations: "As I said, my initial position is, I would like to see the United States stay in Panama in perpetuity, both to defend and operate the canal and having the Panamanians want us there. That is not the real life situation that prevails. The Panamanians don't want us there.

I believe that the best we can do is to have the Panama Canal Treaty and Neutrality Treaty which provide us with a presence to the year 2000, and subsequent to that time to have the right of taking whatever action necessary to permit our use of the canal. The price we pay for that, I believe, is to give up our bases." (SASC Hearings, 24 Jan 78, Pg. 84, in response to a question from Senator Nunn).

Adm. James L. Holloway III, USN, Chief of Naval Operations: "As I have indicated in testimony, a residual US presence was always considered preferable in order to facilitate reinforcement for the protection of the Panama Canal and to provide a logistics base for other contingencies. Because it was recognized that this was unacceptable to Panama, the formulation of the Neutrality Treaty was devised in order to permanently protect U.S. defense interests." (SASC Hearings, 24 Jan 78, Pg. 118, in response to a question from Senator Thurmond).

Adm. James L. Holloway III, USN, Chief of Naval Operations. (Continued): "Yes, that would be my initial military objective because we are better off with a base in that part of the world than without a base. However, I thought it was more important to have these two treaties than it was to have a base in perpetuity in Panama." (SASC Hearing, 24 Jan 78, Pg. 118, in response to a question from Chairman Stennis).

CANAL DEFENSE

Gen. George S. Brown, USAF, Chairman, Joint Chiefs of Staff: "Our capability to defend the Panama Canal will be enhanced through cooperation with the Government of Panama. The new treaty provides a basis for such cooperation between the United States and Panama. The alliance relationship should develop and strengthen during the life of the Panama Canal Treaty, and be further enhanced by the neutrality treaty." (Opening Statement, SFRC Hearings, 27 Sep 77, Page 99)

Lt. Gen. D. P. McAuliffe, USA, CINC, United States Southern Command: "The

Panama Canal Treaty establishes a concept of defense which includes United States and Panamanian forces operating cooperatively to defend the canal. Indeed, the most effective defense of the canal can be obtained in conjunction with a friendly Panama.

"We expect that the Panamanian armed forces: that is, the Guardia Nacional, will contribute military units to canal defense, and that they will train with our forces in appropriate canal defense tasks. The concept for combined defense which I have recommended to the Joint Chiefs of Staff envisions the continued presence of American forces in the vicinity of the canal for the term of U. S. control of canal operations, not only to assist in defense of the canal, but also to provide protection of U. S. lives and property. Under this concept, certain types of military facilities are essential to support the U. S. forces committed to canal defense. These include the major airfield, cantonment areas for stationing of forces in close proximity to the canal, training areas, communications facilities, piers and docks, logistic support facilities, and family housing. These essential facilities are provided for in the Panama Canal Treaty and its implementing agreements.

"It is apparent that the Panama Canal Treaty will require the relocation of a few U. S. military units from their present locations in the Canal Zone to other locations within selected U. S. military defense sites in Panama. These consolidations will not adversely affect our capability to defend the canal and in fact in many ways will contribute to a more efficient operation.

"The Primary defense responsibility and the presence of U. S. military forces in Panama together with the provisions of the neutrality guarantee adequately protect the security interests of the United States. When these factors are combined with a cooperative defense effort by the Government of Panama and its armed forces, they even more adequately provide for the security interests of the United States." (Opening Statement, SFRC Hearings, 27 Sep 77, Page 103)

Gen. George S. Brown, USAF Chairman, Joint Chiefs of Staff: "I mentioned that in the absolute worst case in a typical school solution such as at Fort Leavenworth, Command and General Staff College, it probably would come out to about one corps or three divisions plus supporting units or about 100,000 troops. The second statement went to a consideration of, could we prevent an act of sabotage against the canal, and I have said no. I thought a well-trained, highly determined person or small team bent on sabotage could disrupt the operation of the canal, but I thought for a short period of time. For instance, I don't think such a team could destroy the dam and loose the waters which would take, after the dam was rebuilt, 2 years to fill the reservoirs, because that is a major undertaking—to destroy a dam of that size—but to disrupt the operation of a lock, to cause a landslide, these types of things could happen." (SFRC Hearings, 27 Sep 77, Page 132, in response to a question from Senator Church regarding Canal security assurances)

Lt. Gen. D. P. McAuliffe, USA, CINC, United States Southern Command: "In my judgment our capability to keep the canal open and in use for our country and for the countries of the free world will be enhanced, considerably enhanced, by the provisions of the treaty. I say that because of the factors that I enumerated in my prepared statement. The heart of it is really having a friendly environment around the canal in which to operate, and we can do all of our defense tasks better in a friendly rather than hostile environment." (SFRC Hearings, 27 Sep 77, Pages 132–133, in response to a question from Senator Church regarding impact of treaties on Canal defense)

Hon. Harold Brown, Secretary of Defense: "The present canal arrangements include a treaty between the United States and Britain, the Hay-Pauncefote Treaty, in which we undertake a regime of neutrality—but, in fact, now and under the future canal treaty—under these canal treaties, belligerents are permitted to send their ships through the canal. I found out yesterday for the first time that there is an arrangement by which they are not allowed through simultaneously in opposite or the same direction, but it is a fact, I think, that the United States attempt to prevent ships of a nation belligerent to us, at war with us, from transiting the canal would be made outside the canal. We would depend upon our military power in the approaches to the canal and further out to do what we had to do.

"The last place we want to sink a ship—ours or anyone else's—is in the canal, and we will therefore depend upon our military power outside of the canal to serve our interests. The new treaties do guarantee passage through the canal. They don't guarantee passage to the canal, to us or to anyone else." (SFRC Hearings, 27 Sep 77, Page 137, in response to a question from Senator Percy on ship transits under the neutrality treaty)

Gen. George S. Brown, USAF, Chairman, Joint Chiefs of Staff: "On the sabotage, then, the way we could handle it is with a very heavy investment of troops and with an acceptance of some rather extensive offensive operations to track these people down. Now my statement was that this still would not guarantee that there would not be temporary interruptions or disruptions throughout the canal. But I think that we could still put ships through there. We have the right to inspect ships except naval and auxiliary vessels which may be surveyed to assure safe and sanitary transit. I think we could do it.

"I feel that if this country is willing to make the sacrifice and to become involved in that sort of business, we certainly have the means to do it. Investment would be heavy, but I think the investment in the sort of things we sought to shake off from our experience in Vietnam could come right back to us. But I would hate to see it." (SFRC Hearings, 27 Sep 77, Pages 178–178, in response to a question from Senator Clark concerning defensibility of the Canal)

DIFFICULTY OF DEFENDING CANAL

Lt. Gen. D. P. McAuliffe, USA, CINC, United States Southern Command: "The forces presently available to me to carry out the mission of canal defense are well trained and capable of implementing a wide range of defense tasks to protect the canal and also to protect U.S. lives and property. They are not capable without reinforcement from the United States of protecting the canal from a major external threat. Although we could not insure the uninterrupted operation of the canal in such a hostile environment, it is my firm conviction that under the most likely threats we can limit such interruptions to ones of short duration." (Opening Statement before the SASC, 24 Jan. 78, Page 23)

Adm. James L. Holloway III, USN, Chief of Naval Operations: ". . . In a nuclear war, defense of the Canal would be virtually impossible, in that it can be targeted by ballistic missiles against which there is no effective defense."

". . . However, the defense of the Canal in a non-nuclear war would depend largely on the Navy's ability to control its sea approaches." ". . . Therefore, U.S. Navy capabilities to defend the approaches of the Canal are adequate to provide me with reasonable confidence that its defense against an external conventional threat is practical."

"The second threat to our continued use of the Canal is the internal danger of either local guerrilla activities or the opposition of regular Panamanian forces. Defending successfully against such threats in the formidable jungle terrain of the Canal area would be extremely difficult, particularly in view of the vulnerability of the lock system. Relatively minor damage to critical mechanical components could easily disrupt Canal operations. Defense against a persistent and determined internal opponent would be especially difficult, and uninterrupted operation of the Canal could not be guaranteed. Therefore, the cooperation of the local populations, the Panamanians and Central Americans, reduces the probability of active dissidence and greatly enhances the defense of the Canal. These treaties, which make the Panamanians our direct partners in the defense of the Canal, will contribute substantially to friendly and cooperative relations with all of our Latin American neighbors, and further improve the defensibility of the Canal." (Opening Statement before the SASC, 24 Jan. 78, Pages 12–14)

Adm. James L. Holloway III, USN, Chief of Naval Operations: ". . . the Panamanians resent our presence and I am convinced that it is going to be difficult to defend the Canal against disruption—note I say defend the Canal from disruption, vice defend the Canal from destruction on seizure—it is going to be extremely difficult to defend the Canal from disruption with a hostile population and with the Canal being as vulnerable as it is to minor acts of sabotage." (Statement, SASC Hearings, 24 Jan 78, Page 19)

Lt. Gen. D. P. McAuliffe, USA, CINC, United States Southern Command: "However, even with the sizable force, or a larger one, I would say that unless extraordinary measures are permitted, such as moving across the national boundaries, there is no way that I could prevent the interruption of that canal, and the reason I say that, if I may use an illustration, the Canal Zone boundary is only 5 miles from the center line of canal. The exceptions are in the lake area. One can easily visualize, again, if there is a hostile Panama, visualize the use of standoff weapons only 5 miles away, and they wouldn't have to hit very much in the canal or in the Canal Zone, but they would terrorize the employees and probably stop commercial shipping, and that is whether they sink a ship or not.

"So these are the kinds of things I say could not be prevented regardless of the size of the force that is there now." (SASC Hearings, 24 Jan. 78, Page 37, in response to a question from Senator McIntyre concerning number of troops required to defend the Canal.)

"The other thing I want to reiterate is that these forces are designed, in my judgment, to protect the Canal, that is, to keep it from being destroyed; but, again, I could not give a high assurance that the Canal operation would remain uninterrupted even with those kinds of force augmentations." (SASC Hearings, 24 Jan. 78, Page 49, in response to a question from Senator Anderson concerning the size of augmentation forces required to defend the Canal.)

". . . I think I could assure that the Canal is not destroyed, that is, rendered useless, where you couldn't do anything with it; but I think that it would be virtually impossible to keep transiting ships from being stopped or harassed or at least ship transits interrupted." (SASC Hearings, 24 Jan. 78, Page 82, in response to a question from Senator Nunn regarding force augmentation sufficiency.)

"The duration of such an augmentation is difficult to come to. I would say, however, that if you are looking at a hostile Panama with guerrilla forces, insurgency-type operations present, it won't go away in a year, maybe a couple of years. So I would say a minimum of a year and perhaps extendable year by year, so to speak.

"It would cost something like $17 million to deploy a force of the magnitude I have been indicating. In other words, 40,000 or 50,000 troops, and it would take about $22 million or so per annum, per year, there just to maintain them in an offshore area, namely, in a place like Panama. So then you would be looking at some $20 million per year thereafter to maintain the additional force.

"The deployment, of course, would be one time there and then you would face the cost of bringing them back." (SASC Hearings, 24 Jan. 78, Page 55, in response to a question from Senator Hart regarding the size/cost of augmentation forces to meet a major internal threat.)

Adm. James L. Holloway, III, U.S. Navy, Chief of Naval Operations: "I do think that there is a possibility that civil unrest could develop to the point where we would be essentially unable to keep the people under control. I think the point has been made that it is very difficult to handle mobs of students and unarmed citizens with soldiers with helmets and bayonets. I don't think that it is impossible to hold on to the canal. I think that the circumstances could be such that the United States simply wouldn't have the stomach for it, and that we would make hasty arrangements under great duress and pressure in those circumstances and get out under less favorable conditions than if we plan now to leave in the year 2000 with the right of protecting our interests there in the future." (SASC Hearings, 24 Jan. 78, Page 76, in response to a question from Senator Cannon regarding possibility that civil unrest would force the U.S. to withdraw prematurely before year 2000.)

Lt. Gen. D. P. McAuliffe, USA, CINC, United States Southern Command: "In the main, Senator, you are correct. All of those points that you have made as to the strength and durability of that canal are absolutely correct.

"When you get down to what kind of damage can be done by someone with a grenade or similarly a small explosive force, you have to wonder where he would place it. If he were trying to do some damage to the major locks, or to one of the major dams, or even to one of the so-called saddle dams, the answer is, very little damage at all, in fact, almost negligible.

"But if you are talking about some of the more sensitive control mechanisms on back a way from the canal and some of the power stations and communications points, then you could do damage and what that would do is not necessarily close down the canal but could limit its operation for maybe several hours or even several days. So you could disrupt operations to some extent." (SASC Hearings, 24 Jan 78, Page 116, in response to a question from Senator Garn regarding size of operation required to disable the canal)

Gen. Maxwell D. Taylor, USA (ret), former Chairman, Joint Chiefs of Staff: "Well, we had examples of popular demonstrations against the canal in the past. I would fear any place in Latin America that becomes or where there is a pool of resentment and discontent which gives of our troublemaking friends in the Kremlin an opportunity to look for the troubled waters in which to fish. It is so easy even if there were a majority in the Panamanian people favorable to our presence to have a dissatisfied minority of sufficient proportions to provide the background within which these subversive activities could take place possibly by commandos fed in small groups from the outside at any time."

"As I conceive the ease of stopping traffic, just imagine the effect of a half dozen determined riflemen who occasionally fire a few shots from the bank at a few ships going by, Lloyds would stop the insurance coverage on every ship going through. The snipers could then go back and wait for a week and then come back. It is the simplest thing in the world to cause that kind of problem. This is not a big military operation but it is certainly enough to impede the operation of the canal intermittently." (SASC Hearings, 24 Jan 78, Page 215, in response to a question from Senator McIntyre regarding likelihood of a Panamanian-inspired terrorism)

DEFENSE RIGHTS—NEUTRALITY TREATY

Adm. James L. Holloway III, USN, Chief of Naval Operations: "The right of the United States to militarily defend our use of the Panama Canal after the year 2000 is premised on the Treaty of Neutrality which guarantees the U.S. the use of the Canal after the year 2000, including the right of expeditious transit, without any restriction as to type of ship, cargo carried, armament, internal operation, or means of propulsion. If access to the Canal is either denied or restricted, the United States, in my view, is not precluded from taking necessary action to ensure continued unrestricted access on an expedited basis. This interpretation of the Treaty of Neutrality was reaffirmed and clarified in the October 14, 1977, Carter-Torrijos Understanding." (Opening Statement before the SASC, 24 Jan 78)

Gen. Maxwell D. Taylor, USA (ret), former Chairman, Joint Chiefs of Staff: ". . . In case Panama failed to protect the Canal or to keep it in operation, the treaties give the United States the continuing right to take whatever steps it deems necessary, to include military action, even after the year 2000 to restore order and maintain operations by unilateral action. This right will be recognized by the nations signatory to the Treaty protocol—thus assuring that henceforth the United States will not stand alone in any future dispute over the operation or defense of the Canal." (Opening Statement before the SASC, 31 Jan 78)

Adm. James L. Holloway III, USN, Chief of Naval Operations: "I was satisfied with the language that provided for expeditious passage of U.S. men-of-war. I felt it satisfied our requirement adequately. In the case of reentry, even before the understanding which was developed in October, it was my judgment that the provisions of the Neutrality treaty clearly provided for reentry of U.S. forces, operating in a manner we should determine, if the regime of neutrality were violated. Violations of the regime of neutrality could be failure of our ships to have unimpeded passage or our warships to have expeditious passage, or if any foreign government introduced military facilities, bases or troops into Panama. I was satisfied that if this country had the will to go back in after the year 2000, that legal provisions were there in the treaty for us to do it." (SASC Hearings, 24 Jan 78, Page 39, in response to a question from Senator Thurmond)

Hon. Harold Brown, Secretary of Defense: "When the Panama Canal Treaty expires, as the year 2000 dawns, the neutrality treaty provides that the United States and Panama are to maintain jointly the permanent neutrality of the canal, and that no troops other than Panamanian may be stationed in Panama. The United States is also made a guarantor of the neutrality of the canal. In that capacity, we have the right to take appropriate measures to enforce this guarantee. In my judgment, these provisions insure that the U.S. ability and unilateral right to defend the canal against any external threat remain unimpaired." (Opening Statement before the SFRC. 27 Sep 77, Page 97)

Gen. Maxwell D. Taylor, USA (ret), former Chairman, Joint Chiefs of Staff: "I don't find the treaty language obscure or even ambiguous. It says that when a threat to neutrality occurs, Panama and the United States will sit down together and try to work out a joint way of meeting it. If not, the United States will do whatever it deems necessary. I could not ask for greater authority than that." (SFRC Hearings, 10 Oct 77, Page 67 (Part 3), in response to a question from Senator Percy)

DEFENSE RIGHTS—CANAL TREATY

Adm. Elmo Zumwalt, USN, former Chief of Naval Operations: "The cooperation of a favorably disposed government in Panama is needed to provide a reasonable prospect of defending the Canal from an internal threat."

Adm. James L. Holloway, III, USN, Chief of Naval Operations: "The specific provisions of the Panama Canal Treaty which provide for the defense of the Canal by the United States until the year 2000, and of the Treaty of Neutrality which will guarantee our use of the Canal after the turn of the century, are considered to be adequate to protect national security interests." (Opening Statement before the SASC, 24 Jan 78)

Adm. James L. Holloway, III, USN, Chief of Naval Operations: "The provisions of the Panama Canal Treaty permitting the basing, reinforcing, and maneuvering of U.S. forces in Panama until the year 2000 will facilitate the support of both U.S. forces which remain in Panama and any additional forces which may be reintroduced if required to defend the Canal. These bases provide and will continue to provide important support for naval forces which will defend the approaches to the Canal." (Opening Statement before the SASC, 24 Jan 78)

Hon. Harold Brown, Secretary of Defense: "The treaty goes even further, however. It states unequivocally that during the life of the treaty, the U.S. armed forces shall enjoy the right and the primary responsibility to defend the canal itself. It further provides that during that period the United States may station, train, and support units of our armed forces in Panama, and that the United States will decide unilaterally, whether and how to modify the force levels we maintain there. All key military bases and training areas which we now operate in the Canal Zone will remain under U.S. control." (Opening Statement before the SFRC, 27 Sep 77, Page 97)

TREATY ENHANCES GENERAL CANAL SECURITY

Adm. James L. Holloway III, USN, Chief of Naval Operations: "Defense against a persistent and determined internal opponent would be especially difficult, and uninterrupted operation of the Canal could not be guaranteed. Therefore, the cooperation of the local populations, the Panamanians and Central Americans, reduces the probability of active dissidence and greatly enhances the defense of the Canal. These treaties, which make the Panamanians our direct partners in the defense of the Canal, will contribute substantially to friendly and cooperative relations with all of our Latin American neighbors, and further improve the defensibility of the Canal." (Opening Statement before the SASC, 24 Jan 78)

Adm. James L. Holloway III, USN, Chief of Naval Operations: ". . . I am convinced that the continuing use of the Panama Canal for national security purposes is best assured through the provisions of the new treaties." (Opening Statement before the SASC, 24 Jan 78)

Gen. Louis H. Wilson, USMC, Commandant of the Marine Corps: "The proposed treaties adequately provide for the unimpeded use of the Canal by U.S. vessels as well as for the Canal's continued neutrality and security." (Opening Statement before the SASC, 24 Jan 78)

Gen. Louis H. Wilson, USMC, Commandant of the Marine Corps: "Defense of the Canal through 1999, accomplished in a combined and cooperative atmosphere with the Panamanian government, would in my opinion be more effective than under present treaty arrangements, given the attitudes of

Panama towards the present treaty and the antagonisms which would very likely develop if those arrangements were to continue." (Opening Statement before the SASC, 24 Jan 78)

Adm. E. R. Zumwalt, Jr., USN (ret.): ". . . in my judgment, the ratification of the Panama Canal Treaty by the Senate would enhance, and nonratification by the Senate would harm US security interests." (Letter to the Senate, dated 6 Sep 77)

Gen. M. B. Ridgway, USA (ret), former Commander-in-Chief, Caribbean, and Chief of Staff, U.S. Army: ". . . I am convinced that ratification of these documents is a major, if not a vital U.S. strategic interest." (Letter to SecState, dated 17 Aug 77)

Lt. Gen. D. P. McAuliffe, USA, CINC, United States Southern Command: ". . . Let me say that it is my professional and personal opinion that the proposed treaties adequately provide for the defense of the Canal and the rights of the members of the Armed Forces out to the year 2000; in addition they provide the legal basis for the United States to take such actions as would be necessary to insure Canal neutrality beyond that year." (Opening Statement before the SASC, 24 Jan 78)

EXPEDITIOUS PASSAGE

Hon. Harold Brown, Secretary of Defense: "The neutrality treaty, more formally, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, provides that the canal shall be open permanently to all vessels of all nations. Moreover, it contains an important additional provision. The United States is given a preferred position with respect to use of the canal, a position which no other country except Panama will enjoy: U.S. vessels of war, and the U.S. auxiliary fleet—important examples of which are oilers and supply ships—are guaranteed rapid transit through the canal. This is so irrespective of the cargo they carry. These provisions assure us that the United States will remain able to use the canal in timely fashion whenever military necessity dictates, just as we can today." (Opening Statement before the SFRC Hearings, 27 Sept. 77, Page 97)

Gen. George S. Brown, USAF, Chairman, Joint Chiefs of Staff: "We had, very frankly, no concern in the Joint Chiefs of Staff for priority passage for Panamanian naval vessels. We were concerned with U.S. naval vessels. The price we had to pay to get the priority or the expeditious passage of U.S. naval vessels was to accept expeditious passage of Panamanian naval vessels." (SFRC Hearings, 27 Sep 77, Page 129, in response to a question from Senator Case)

Adm. Robert L. J. Long, USN, Vice Chief of Naval Operations: "It is our understanding, Senator Glenn, that 'expeditious transit' means priority transit." (SFRC Hearings, 27 Sep 77, Page 163, in response to a question from Senator Glenn)

STRATEGIC VALUE OF PANAMA CANAL

Hon. Harold Brown, Secretary of Defense: "Free use of the Canal is essential to assure optimum ability to shift our forces and materiel rapidly between the Atlantic and Pacific Oceans. That capability enhances our defense posture in both the European and Pacific regions." (Opening Statement before the SFRC Hearings, 27 Sep 77, Pages 96–97)

Gen. George S. Brown, USAF, Chairman, Joint Chiefs of Staff: "The Joint Chiefs of Staff recognize the Panama Canal as a major defense asset, the use of which enhance U.S. capability for timely reinforcement of U.S. forces. The strategic military value of the canal is reflected in our ability to accelerate the shift of military forces and logistic support by sea between the Atlantic and the Pacific Oceans..

"The strategic value of the canal is not expected to change substantially throughout the life of the new Panama Canal Treaty and beyond, so long as the canal provides the sole means of transiting ships across the American continent." (Opening Statement before the SFRC Hearings, 27 Sep 77, Pages 98–99)

Adm. Robert L. J. Long, USN, Vice Chief of Naval Operations: "The Panama Canal is and will remain of major importance to the United States. Its use is a key factor in the Navy's ability to accomplish its responsibilities in connection with essential war plans and other contingencies involving our national securty. While I cannot state that loss of the canal would result in the failure of these plans or in the inability of the Navy to carry out these responsibilities, it would certainly make these tasks enormously more difficult. We would be much better off with the use of the canal than without it.

"The importance of the canal to the Navy for defense purposes lies in its assured use, not in its ownership." (Opening Statement before the SFRC Hearings, 27 Sep 77, Pages 100–101)

CREDIBILITY OF JCS

Gen. George S. Brown, Chairman, Joint Chiefs of Staff: "Our capability to defend the Panama Canal will be enhanced through cooperation with the Government of Panama. I have personally worked very diligently for four years to achieve these treaties. We have worked hard for these treaties because we feel they are right."

Gen. George S. Brown, USAF, Chairman, Joint Chiefs of Staff: "Senator, I just turned to Secretary Brown to ask if he would mind if I made an unsolicited statement at some point to get this on the record. I thank you for your question. The rules are quite clear and I think understood by all of us that nobody, no senior officer in uniform will remain on active duty and publicly be critical of a Presidential decision. I, in my role as chairman, and other members of the Joint Chiefs of Staff will articulate as forcefully and as logically as we can the view the Joint Chiefs of Staff hold on issues of national security, but if the judgment goes against us as it does in many cases, there is nothing in the law that says the President has to accept our advice, but we have to give it.

"We don't go public without leaving active duty first, in doing so. However, the rules are also quite clear that in response to interrogation before a congressional committee that we answer fully and factually. The public record is quite clear where we have been in opposition to a Presidential decision. I can cite two cases. One, and I am sure this comes as no surprise, was the B–1. The second was in January, the Joint Chiefs of Staff urged that the President not plan to withdraw the 2nd U.S. Division from Korea unless three things were made part of that program. One was that the drawdown be done in such a manner that the military balance on the peninsula not be disturbed. Second, that we make public a pledge of our continued support of the Mutual Security Treaty with the Republic of Korea, and third, that we remain a Pacific power. Those three conditions the President accepted, and it became part of his program, at which point the Joint Chiefs of Staff endorsed the program."

"So, it is wrong to say that in the case of the Panama Canal we are doing this only because a decision has been made. I have personally worked very diligently for 4 years to achieve these treaties with Ambassador Bunker and subsequently with Ambassador Linowitz also, and as we have testified, the key point that finally found its expression in a treaty of neutrality was conceived within the Defense Department. We have worked hard for this treaty because we feel it is right." (SFRC Hearings, 27 Sep 77, Pages 155–156, in response to a question from Senator Clark)

Lt. Gen. D. P. McAuliffe, USA, CINC, United States Southern Command: "Senator, my own personal view is completely consistent with my professional view. Let me say that somewhat similarly to General Brown. Over the past 2 years during which I have been the commander of the Southern Command and stationed in the Panama Canal Zone, I have worked with the Joint Chiefs of Staff, and, of course, with our negotiating team, for a new treaty, and in order to assure that our defense requirements, as best I could assess them, now and in the future, were adequately and sufficiently taken care of. I can assure you that this is how I come down on this issue." (SFRC Hearings, 27 Sep 77, Page 156, in response to a question from Senator Clark)

LATIN RELATIONS

Matthew B. Ridgway, general, U.S. Army (ret), former chief of Latin American Section of the War Plans Division of the Army General's Staff; former Chief of the Inter-American Defense Board; and former Commander-in-Chief, Caribbean: "A major obstacle to ratification today has been, in my opinion, failure to recognize and to evaluate the importance of our Latin American relations, particularly now that there is practically unanimous support by the governments of the other 20 republics for the position of Panama. The restoration of our Latin American relations to a level approaching that achieved and maintained through World War II and the decade immediately following, is a major, if not vital U.S. strategic interest."

Adm. James L. Holloway, III, USN, Chief of Naval Operations: ". . . our adherence to these Treaties, which make the Panamanians our direct partners in the defense of the Canal, will substantially contribute to a friendly and cooperative attitude among all Latin Americans toward the United States on the Panama Canal issue. This favorable effect, which I believe the Treaties will have on the attitudes of the Panamanians and Central Americans toward our continued use of the Canal as an essential link between our Atlantic and Pacific sea lines of communication will, in my opinion, substantially assist the United States to defend the Canal against the internal threat." (Opening Statement before the SASC, 24 Jan 78)

Gen. Maxwell D. Taylor, USA (ret), former Chairman, Joint Chiefs of Staff: "When asked why I support the Panama Canal Treaties, my reply is that they offer the best prospect for assuring the efficient and unimpeded operation of the Canal and the improvement of Latin American relations in the very difficult period ahead." (Opening Statement before the SASC, 31 Jan 78)

TREATY REJECTION

Gen. Maxwell Taylor, former Chairman of the Joint Chiefs of Staff: ". . . let us hope we do not give the Kremlin chiefs the occasion to rejoice, which our rejection of these treaties would undoubtedly afford."

Gen. W. C. Westmoreland, USA (ret), former Chief of Staff, U.S. Army: "In my opinion, the treaties in combination are not optimum since they are excessively generous and entail some risks. Nevertheless I recommend their ratification by the U.S. Senate since our basic interests seem to be protected and the costs and risks are small relative to the immediate and potential liabilities that would probably emerge if the treaty is rejected.

"My judgement follows an initial skepticism, and is derived from a careful analysis of the overall matter." (Letter to the President, dated 23 Sep 77)

Gen. Maxwell D. Taylor, USA, former Chairman, Joint Chiefs of Staff: ". . . Senate ratification of these treaties will avoid the serious consequences of rejection after 14 years of patient discussion and negotiations with Panama—indeed most of the Third World—would view rejection as a breach of

faith and as evidence of residual colonial bias in the United States. As a repudiation of the President, his negotiations, and his principal military advisors, the Joint Chiefs of Staff it, it would raise serious doubt as to the ability of the President to speak for the country and the worth of future agreements reached with his representative. Moscow would hail it as further evidence of American disunity and domestic weakness and as an invitation to press us harder in future tests of will and strength." (Opening Statement before the SASC, 31 Jan 78)

EXECUTIVES C, D, E, AND F, 95TH CONGRESS, 2D SESSION—REMOVAL OF INJUNCTION OF SECRECY.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from four treaties pertaining to human rights (Executives C, D, E, and F, 95th Congress, 2d session), transmitted to the Senate today by the President of the United States; that the treaties be considered as having been read the first time, that the treaties and accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, subject to certain reservations, understandings and declarations, I transmit herewith four treaties pertaining to human rights. Three of these treaties were negotiated at the United Nations:

—The International Convention on the Elimination of All Forms of Racial Discrimination, signed on behalf of the United States on September 28, 1966.

—The International Covenant on Economic, Social and Cultural Rights, signed on behalf of the United States on October 5, 1977.

—The International Covenant on Civil and Political Rights, signed on behalf of the United States on October 5, 1977.

The fourth treaty was adopted by the Organization of American States in 1969, and is open for adoption only by members of that Organization: The American Convention on Human Rights, signed on behalf of the United States on June 1, 1977.

I also transmit, for the information of the Senate, the report of the Department of State on the United Nations treaties and the Department's separate report on the American Convention.

While the United States is a leader in the realization and protection of human rights, it is one of the few large nations that has not become a party to the three United Nations human rights treaties. Our failure to become a party increasingly reflects upon our attainments, and prejudices United States participation in the development of the international law of human rights. The two human rights Covenants are based upon the Universal Declaration of Human Rights, in whose conception, formulation and adoption the United States played a central role. The Racial Discrimination Convention deals with a problem which in the past has been identified with the United States; ratification of this treaty will attest to our enormous progress in this field in recent decades and our commitment to ending racial discrimination.

The United States participated actively and effectively in the negotiation of the American Convention of Human Rights. That Convention, like the United Nations Covenant on Civil and Political Rights, treats in detail a wide range of civil and political rights. Freedom of speech and thought, participation in government, and others are included which Americans have always considered vital to a free, open and humane society. United States ratification of the Convention will give us a unique opportunity to express our support for the cause of human rights in the Americas.

The great majority of the substantive provisions of these four treaties are entirely consistent with the letter and spirit of the United States Constitution and laws. Wherever a provision is in conflict with United States law, a reservation, understanding or declaration has been recommended. The Department of Justice concurs in the judgment of the Department of State that, with the inclusion of these reservations, understandings and declarations, there are no constitutional or other legal obstacles to United States ratification. The reports of the Department of State on these four treaties describe their provisions and set forth the recommended reservations, understandings and declarations.

Should the Senate give its advice and consent to ratification of the Convention on the Elimination of All Forms of Racial Discrimination, I would then have the right to decide whether to make a declaration, pursuant to Article 14 of the Convention, recognizing the competence of the Committee on the Elimination of Racial Discrimination to receive and consider communications from individuals. Such a declaration would be submitted to the Senate for its advice and consent to ratification.

Should the Senate give its advice and consent to ratification of the International Covenant on Civil and Political Rights, I intend upon deposit of United States ratification to make a declaration, pursuant to Article 14 of the Covenant. By that declaration the United States would recognize the competence of the Human Rights Committee established by Article 28 to receive and consider "communications to the effect that a State Party claims that another State Party is not fulfilling its obligations under the Covenant."

Should the Senate give its advice and consent to ratification of the American Convention on Human Rights, I intend upon deposit of United States ratification to make a declaration pursuant to Article 45 of the Convention. By that declaration the United States would recognize the competence of the Inter-American Commission on Human Rights established by Article 33 to receive and examine "communications in which a State Party alleges that another State Party has committed a violation of a human right set forth in this Convention."

By giving its advice and consent to ratification of these treaties, the Senate will confirm our country's traditional commitment to the promotion and protection of human rights at home and abroad. I recommend that the Senate give prompt consideration to the treaties and advise and consent to their ratification.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1978.*

ORDER TO VITIATE ORDER TO RECOGNIZE SENATOR LEAHY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that the special order for Mr. LEAHY on tomorrow be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TODAY UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the prayer on tomorrow, the following Senators be recognized, each for not to exceed 15 minutes: Mr. LUGAR, Mr. BAKER, Mr. SCHMITT, Mr. GARN, and the junior Senator from West Virginia (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS NO LATER THAN 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at the conclusion of the order for recognition of the Senators on tomorrow, the Senate resume consideration of the treaty and that such consideration be resumed no later than 10 o'clock a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be, as in legislative session, a brief period for the transaction of routine morning business, not to extend beyond 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF TITLE V OF THE FEDERAL AVIATION ACT OF 1958

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the calendar which has been cleared with the minority. I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 580.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2516) to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 10368, which is at the desk; that it be considered as having been read the first and second times, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Reserving the right to object, will the distinguished majority leader tell us the nature of the bill?

Mr. ROBERT C. BYRD. Yes; may I say to the distinguished Senator from Alabama that the House bill is a companion bill to S. 2516, Calendar No. 580, a bill to amend title V of the Federal Aviation Act of 1958.

Mr. ALLEN. I understand.

I thank the Senator for this information.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 10368), an act to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 10368) was ordered to a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate bill, Calendar Order No. 580, S. 2516, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–637), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD as follows:

SUMMARY AND PURPOSE

The purpose of S. 2516, as reported, is to amend section 501(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1401(b)), to clarify that aircraft registered by "citizens of the United States," as that term is defined in section 101 (13) of the Federal Aviation Act, are not required to be based and primarily used in the United States in order to be eligible for U.S. registry.

BACKGROUND AND NEED

On November 9, 1977, the President signed Public Law 95–163 which, among other things, amended section 501(b) of the Federal Aviation Act to expand the aircraft registration eligibility criteria to include aliens admitted for permanent residence in the United States and corporations of the United States or a State thereof which are controlled by persons not meeting the citizenship test. Section 101 (13) of the Federal Aviation Act defines "Citizen of the United States" as follows:

"Citizen of the United States means (a) an individual who is a citizen of the United States or of one of its possessions, or (b) a partnership of which each member is such an individual, or (c) a corporation or association created or organized under the laws of the United States or of any State, Territory, or possession of the United States, of which the president and two-thirds or more of the board of directors and other managing officers thereof are such individuals and in which at least 75 per centum of the voting interest is owned or controlled by persons who are citizens of the United States or of one of its possessions."

Under the language of Public Law 95–163, where corporate ownership is involved, an aircraft has to be "based and primarily used" in the United States in order to be eligible for U.S. registration. Although that test was intended to apply only to corporations controlled by non-U.S. citizens, the language has been interpreted to include corporations controlled by U.S. citizens as well. This has led to the undesirable result that existing U.S. corporations having aircraft registerd prior to Public Law 95–163 find themselves in a situation where the validity of the registration of certain aircraft located outside the United States is in question.

EXPLANATION OF THE BILL

S. 2516, as reported, clarifies the original intent by applying the "based and primarily used" test established by Public Law 95–163 only to those aircraft registered by corporations which are controlled by persons not meeting the Federal Aviation Act citizenship test. Aircraft owned by corporations which meet the U.S. citizenship test are, in effect, placed in the same situation which existed prior to enactment of Public Law 95–163.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 5 of rule XXIX of the Standing Rules of the Senate, the committee determined that there will be no regulatory impact resulting from the enactment of this bill.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., February 16, 1978.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 2516, a bill to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft, as ordered reported by the Committee on Commerce, Science, and Transportation, February 9, 1978.

Based on this review, it appears that no additional cost to the Government would be incurred as a result of enactment of this bill.

Sincerely,

ROBERT A. LEVINE
(For Alice M. Rivlin, Director).

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 94–201, appoints Janet Anderson to the Board of Trustees of the American Folklife Center, Library of Congress, effective March 9, 1978, for a term of 6 years, in lieu of the 2-year term appointment made February 22, 1978.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, all nominations on the Executive Calendar, including New Reports and subsequent thereto, have been cleared with the minority. I ask unanimous consent that the nominations, beginning with New Reports on page 2 of the Executive Calendar, going through page 3, be considered at this time.

The PRESIDING OFFICER. Without objection, the clerk will state the nominations.

The legislative clerk proceeded to read nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that these nominations have been cleared with the minority, I ask unanimous consent that nominations under New Reports and Nominations placed on the Secretary's desk in the Coast Guard be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF JUSTICE

John P. Volz, of Louisiana, to be U.S. attorney for the eastern district of Louisiana for the term of 4 years.

David T. Wood, of Guam, presently U.S. attorney for the district of Guam, to be also U.S. attorney for the district of the Northern Mariana Islands for a term expiring November 2, 1981.

Larry D. Patton, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

Juan G. Blas, of Guam, presently U.S. marshal for the district of Guam, to be also U.S. marshal for the district of the northern Mariana Islands for a term expiring September 14, 1981.

Charles H. Gray, of Arkansas, to be U.S. marshal for the eastern district of Arkansas for the term of 4 years.

Coy W. Rogers, of Oklahoma, to be U.S. marshal for the western district of Oklahoma for the term of 4 years.

IN THE COAST GUARD

Coast Guard nominations beginning Lewis J. Buckley, to be lieutenant, and ending Theodore F. Ramsey, to be chief warrant officer, W–2, which nominations were received by the Senate and appeared in the Congressional Record on February 6, 1978.

Coast Guard nominations beginning Ernest E. James, to be commander, and ending Larry D. Brooks, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on February 6, 1978.

Coast Guard nominations beginning Bruce E. Tate, to be lieutenant, and ending Jerry D. Jackson, to be lieutenant (jg.), which nominations were received by the Senate and

appeared in the Congressional Record on February 6, 1978.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT OF DEFERRALS—MESSAGE FROM THE PRESIDENT—PM 148

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, with an accompanying document, which, without being read, was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Finance, and the Committee on Energy and Natural Resources, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a new Department of Commerce deferral of Maritime Administration funds totalling $122 million in budget authority and a new deferral of $0.4 million in outlays for the Antirecession financial assistance fund in the Department of the Treasury.

In addition, I am reporting routine revisions to two previously transmitted deferrals. A Department of the Interior deferral is increased by $2 million in budget authority, and a Department of the Treasury deferral is increased by $4.1 million in outlays.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1978.*

REORGANIZATION PLAN NO. 1—MESSAGE FROM THE PRESIDENT—PM 149

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an acompanying document, which, without being read, was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I am submitting to you today Reorganization Plan No. 1 of 1978. This plan makes the Equal Employment Opportunity Commission the principal Federal agency in fair employment enforcement. Together with actions I shall take by Executive order, it consolidates Federal equal employment opportunity activities and lays, for the first time, the foundation of a unified, coherent Federal structure to combat job discrimination in all its forms.

In 1940 President Roosevelt issued the first Executive order forbidding discrimination in employment by the Federal Government. Since that time the Congress, the courts and the executive branch—spurred by the courage and sacrifice of many people and organizations—have taken historic steps to extend equal employment opportunity protection throughout the private as well as public sector. But each new prohibition against discrimination unfortunately has brought with it a further dispersal of Federal equal employment opportunity responsibility. This fragmentation of authority among a number of Federal agencies has meant confusion and ineffective enforcement for employees, regulatory duplication and needless expense for employers.

Fair employment is too vital for haphazard enforcement. My administration will aggressively enforce our civil rights laws. Although discrimination in any area has severe consequences, limiting economic opportunity affects access to education, housing and health care. I, therefore, ask you to join with me to reorganize administration of the civil rights laws and to begin that effort by reorganizing the enforcement of those laws which insure an equal opportunity to a job.

Eighteen government units now exercise important responsibilities under statutes, Executive orders and regulations relating to equal employment opportunity:

The Equal Employment Opportunity Commission (EEOC) enforces title VII of the Civil Rights Act of 1964, which bans employment discrimination based on race, national origin, sex or religion. The EEOC acts on individual complaints and also initiates private sector cases involving a "pattern or practice" of discrimination.

The Department of Labor and 11 other agencies enforce Executive Order 11246. This prohibits discrimination in employment on the basis of race, national origin, sex, or religion and requires affirmative action by Government contractors. While the Department now coordinates enforcement of this "contract compliance" program, it is actually administered by eleven other departments and agencies. The Department also administers those statutes requiring contractors to take affirmative action to employ handicapped people, disabled veterans and Vietnam veterans.

In addition, the Labor Department enforces the Equal Pay Act of 1963, which prohibits employers from paying unequal wages based on sex, and the Age Discrimination in Employment Act of 1967, which forbids age discrimination against persons between the ages of 40 and 65.

The Department of Justice litigates title VII cases involving public sector employers—State and local governments. The Department also represents the Federal Government in lawsuits against Federal contractors and grant recipients who are in violation of Federal nondiscrimination prohibitions.

The Civil Service Commission (CSC) enforces title VII and all other nondiscrimination and affirmative action requirements for Federal employment. The CSC rules on complaints filed by individuals and monitors affirmative action plans submitted annually by other Federal agencies.

The Equal Employment Opportunity Coordinating Council includes representatives from EEOC, Labor, Justice, CSC and the Civil Rights Commission. It is charged with coordinating the Federal equal employment opportunity enforcement effort and with eliminating overlap and inconsistent standards.

In addition to these major government units, other agencies enforce various equal employment opportunity requirements which apply to specific grant programs. The Department of Treasury, for example, administers the anti-discrimination prohibitions applicable to recipients of revenue sharing funds.

These programs have had only limited success. Some of the past deficiencies include:

—inconsistent standards of compliance;
—duplicative, inconsistent paperwork requirements and investigative efforts;
—conflicts within agencies between their program responsibilities and their responsibility to enforce the civil rights laws;
—confusion on the part of workers about how and where to seek redress;
—lack of accountability.

I am proposing today a series of steps to bring coherence to the equal employment enforcement effort. These steps, to be accomplished by the reorganization plan and Executive orders, constitute an important step toward consolidation of equal employment opportunity enforcement. They will be implemented over the next 2 years, so that the agencies involved may continue their internal reform.

Its experience and broad scope make the EEOC suitable for the role of principal Federal agency in fair employment enforcement. Located in the executive branch and responsible to the President, the EEOC has developed considerable expertise in the field of employment discrimination since Congress created it by the Civil Rights Act of 1964. The Commission has played a pioneer role in defining both employment discrimination and its appropriate remedies.

While it has had management problems in past administrations, the EEOC's new leadership is making substantial progress in correcting them. In the last 7 months the Commission has redesigned its internal structures and adopted proven management techniques. Early experience with these procedures indicates a high degree of success in reducing and expediting new cases. At my direction, the Office of Management and Budget is actively assisting the EEOC to insure that these reforms continue.

The reorganization plan I am submitting will accomplish the following:

On July 1, 1978, abolish the Equal Employment Opportunity Coordinating Council (42 U.S.C. 2000e–14) and transfer its duties to the EEOC (no positions or funds shifted).

On October 1, 1978, shift enforcement of equal employment opportunity for Federal employees from the CSC to the EEOC (100 positions and $6.5 million shifted).

On July 1, 1979, shift responsibility for enforcing both the Equal Pay Act and the Age Discrimination in Employment Act from the Labor Department to the EEOC (198 positions and $5.3 million shifted for Equal Pay; 119 positions and $3.5 million for Age Discrimination).

Clarify the Attorney General's authority to initiate "pattern or practice" suits under title VII in the public sector.

In addition, I will issue an Executive Order on October 1, 1978, to consolidate the contract compliance program—now the responsibility of Labor and eleven "compliance agencies"—into the Labor Department (1,517 positions and $33.1 million shifted).

These proposed transfers and consolidations reduce from fifteen to three the number of Federal agencies having important equal employment opportunity responsibilities under Title VII of the Civil Rights Act of 1964 and Federal contract compliance provisions.

Each element of my plan is important to the success of the entire proposal.

By abolishing the Equal Employment Opportunity Coordinating Council and transferring its responsibilities to the EEOC, this plan places the Commission at the center of equal employment opportunity enforcement. With these new responsibilities, the EEOC can give coherence and direction to the government's efforts by developing strong uniform enforcement standards to apply throughout the government: standardized data collection procedures, joint training programs, programs to ensure the sharing of enforcement related data among agencies, and methods and priorities for complaint and compliance reviews. Such direction has been absent in the Equal Employment Opportunity Coordinating Council.

It should be stressed, however, that affected agencies will be consulted before EEOC takes any action. When the plan has been approved, I intend to issue an Executive order which will provide for consultation, as well as a procedure for reviewing major disputed issues within the Executive Office of the President. The Attorney General's responsibility to advise the executive branch on legal issues will also be preserved.

Transfer of the Civil Service Commission's equal employment opportunity responsibilities to EEOC is needed to insure that: (1) Federal employees have the same rights and remedies as those in the private sector and in State and local government; (2) Federal agencies meet the same standards as are required of other employers; and (3) potential conflicts between an agency's equal employment opportunity and personnel management functions are minimized. The Federal Government must not fall below the standard of performance it expects of private employers.

The Civil Service Commission has in the past been lethargic in enforcing fair employment requirements within the Federal Government. While the Chairman and other Commissioners I have appointed have already demonstrated their personal commitment to expanding equal employment opportunity, responsibility for insuring fair employment for Federal employees should rest ultimately with the EEOC.

We must insure that the transfer in no way undermines the important objectives of the comprehensive civil service reorganization which will be submitted to Congress in the near future. When the two plans take effect, I will direct the EEOC and the CSC to coordinate their procedures to prevent any duplication and overlap.

The Equal Pay Act, now administered by the Labor Department, prohibits employers from paying unequal wages based on sex. Title VII of the Civil Rights Act, which is enforced by EEOC, contains a broader ban on sex discrimination. The transfer of Equal Pay responsibility from the Labor Department to the EEOC will minimize overlap and centralize enforcement of statutory prohibitions against sex discrimination in employment.

The transfer will strengthen efforts to combat sex discrimination. Such efforts would be enhanced still further by passage of the legislation pending before you, which I support, that would prohibit employers from excluding women disabled by pregnancy from participating in disability programs.

There is now virtually complete overlap in the employers, labor organizations, and employment agencies covered by title VII and by the Age Discrimination in Employment Act. This overlap is burdensome to employers and confusing to victims of discrimination. The proposed transfer of the age discrimination program from the Labor Department to the EEOC will eliminate the duplication.

The plan I am proposing will not affect the Attorney General's responsibility to enforce title VII against State or local governments or to represent the Federal Government in suits against Federal contractors and grant recipients. In 1972, the Congress determined that the Attorney General should be involved in suits against State and local governments. This proposal reinforces that judgment and clarifies the Attorney General's authority to initiate litigation against State or local governments engaged in a "pattern or practice" of discrimination. This in no way diminishes the EEOC's existing authority to investigate complaints filed against State or local governments and, where appropriate, to refer them to the Attorney General. The Justice Department and the EEOC will cooperate so that the Department sues on valid referrals, as well as on its own "pattern or practice" cases.

A critical element of my proposals will be accomplished by Executive order rather than by the reorganization plan. This involves consolidation in the Labor Department of the responsibility to insure that Federal contractors comply with Executive Order 11246. Consolidation will achieve the following: promote consistent standards, procedures, and reporting requirements; remove contractors from the jurisdiction of multiple agencies; prevent an agency's equal employment objectives from being outweighed by its procurement and construction objectives; and produce more effective law enforcement through unification of planning, training and sanctions. By 1981, after I have had an opportunity to review the manner in which both the EEOC and the Labor Department are exercising their new responsibilities, I will determine whether further action is appropriate.

Finally, the responsibility for enforcing grant-related equal employment provisions will remain with the agencies administering the grant programs. With the EEOC acting as coordinator of Federal equal employment programs, we will be able to bring overlap and duplication to a minimum. We will be able, for example, to see that a university's employment practices are not subject to duplicative investigations under both title IX of the Education Amendments of 1972 and the contract compliance program. Because of the similarities between the Executive order program and those statutes requiring Federal contractors to take affirmative action to employ handicapped individuals and disabled and Vietnam veterans, I have determined that enforcement of these statutes should remain in the Labor Department.

Each of the changes set forth in the reorganization plan accompanying this message is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. I have taken care to determine that all functions abolished by the plan are done only under the statutory authority provided by section 903(b) of title 5 of the United States Code.

I do not anticipate that the reorganizations contained in this plan will result in any significant change in expenditures. They will result in a more efficient and manageable enforcement program.

The plan I am submitting is moderate and measured. It gives the Equal Employment Opportunity Commission—an agency dedicated solely to this purpose—the primary Federal responsibility in the area of job discrimination, but it is designed to give this agency sufficient time to absorb its new responsibilities. This reorganization will produce consistent agency standards, as well as increased accountability. Combined with the intense commitment of those charged with these responsibilities, it will become possible for us to accelerate this Nation's progress in ensuring equal job opportunities for all our people.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1978.*

MESSAGES FROM THE HOUSE

At 10:01 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House recedes from its disagreement to the amendment of

the Senate numbered 43 to the bill (H.R. 9375) making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes, and concurs therein.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 9375. An act making supplemental appropriations for the fiscal year ending September 30, 1975, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

PETITIONS

The Presiding Officer laid before the Senate the following petitions, which were referred as indicated:

POM-475. A joint memorial adopted by the Legislature of the State of Idaho; to the Commitee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL NO. 12

"Whereas, recent court decisions and impending administrative actions have been directed toward a reinterpretation of the 1902 Reclamation Act, and a strict application of a 160 acre limitation per unit; and

"Whereas, many persons have expressed concern that imposition of a limitation of 160 acres upon agricultural units will work a severe hardship upon agriculture in western states such as Idaho; and

"Whereas, the economics of agriculture today demand large investments in the tools of production and this investment must be considered when discussing the imposition of a limit upon the size of farm units; and

"Whereas, many farm families have worked, in good faith, based upon the state of the law and administrative dictates, to develop and build productive farms from reclamation lands in the true pioneer spirit; and

"Whereas, we owe these farm families at last a thorough and careful consideration of the impact upon their existence, as well as the impact upon American agricultural productivity, if there is a sudden change in federal policy toward reclamation land developments; and

"Whereas, legislation is now pending to provide a one year moratorium on federal administrative enforcement of the 160 acre limitation upon agricultural units.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we endorse the concept of a moratorium, as provided in S.J. Res. 93 and S.J. Res. 96, now pending before the Senate of the United States. We urge adoption of a moratorium to allow study of the impact of the 160 acre limitation in view of the realities of agricultural production in the 1970s. We believe that, while many Idaho farm families will suffer personal financial hardship, all American consumers will eventually feel the brunt as prices increase due to economically impractical and unworkable farms if the 160 acre limit is actually enforced.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the Senators and Representatives representing the State of Idaho in the Congress of the United States."

POM-476. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources:

SENATE RESOLUTION

"Whereas, H.R. 8444 and several other national energy bills are currently under consideration by the United States Congress; and

"Whereas, U.S. Senate and House conferees have agreed to grant Hawaii an exemption from the federal mandatory requirement of converting new and existing power plants to coal in recognition of the State's unique geographic location and the excessive costs involved; and

"Whereas, H.R. 8444 contains a provision requiring electric utilities in the State of Hawaii to pay a penalty tax of $1.50 per barrel of fuel oil, adjusted upward by inflation factors, commencing in 1983, and it is estimated that in 1983, this penalty tax will amount to more than $30 million for all electric companies and their ratepayers in the State; and

"Whereas, H.R. 8444 also contains a provision eliminating accelerated depreciation and the investment tax credit on new boilers using fuel oil, commencing in 1977; and

"Whereas, since the penalty tax as well as the provision providing for the loss of accelerated depreciation and the investment tax credit for new boilers are intended as incentives for utility companies to convert to coal, their applicability to Hawaii is totally inconsistent with the coal conversion exemption for Hawaii already agreed to by the U.S. Senate and House conferees; and

"Whereas, U.S. Senate and House conferees have not yet reached any decisions on the aforementioned user tax, accelerated depreciation and investment tax credit parts of the energy bill; now, therefore,

"Be it resolved by the Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, that the United States Congress is requested to approve the U.S. Senate-House conferees' decision to exempt Hawaii from the federal mandatory requirement of converting new and existing power plants to coal; and

"Be it further resolved that the United States Congress and the U.S. Senate-House Conference Committee is requested to give favorable consideration to providing the State of Hawaii with relief from the fuel oil penalty user tax as well as the loss of accelerated depreciation and investment tax credit on new boilers using fuel oil; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's delegation to the United States Congress."

POM-477. A resolution adopted by the Legislature of Puerto Rico; laid on the table:

"RESOLUTION 218

"That this High Body express, in the name of the People of Puerto Rico, the condolences and sorrow evinced by the country on the irreparable loss of the dear friend of the Puerto Rican People, the Honorable Hubert H. Humphrey.

"STATEMENT OF MOTIVES

"Puerto Rico has lost one of its most faithful friends in the Government of the United States of America.

"Senator Hubert H. Humphrey represented the true meaning of the North American people's way of life and idiosyncrasy.

"His departure will be felt deeply by all who respect truth, honor and justice. He lived with dignity—and died with dignity, courage and valor.

"The death of Hubert H. Humphrey at 66 years of age has closed one of the richest and most enlightened political careers in the history of the United States of America. As President Carter once stated: 'For thirty years his voice was heard throughout the Nation in defense of the oppressed, the hungry, the victims of poverty and discrimination.'

"In his political labors he was a democrat and a liberal. He aspired to the highest office of the land several times, but his aspirations were never fulfilled. He evidenced his loyalty to his People and although he announced his withdrawal as a candidate to the Presidency, he continued his public service in the Senate of the Congress of the United States.

"As a Crusader for Civil Rights, he always gave first priority to the security and protection of the aged, the workers, the disabled, the ill, the blacks and the unemployed. In their defense he raised his voice in eloquent, persuasive and vibrant oratory.

"He was called "the Hapy Warrior" because he never showed signs of fatigue or resentment in the face of adversity. He was a man of the People. He wanted to be known as he was—that people would sense his individuality. He had the most politically acute perception of the North American people's thoughts and feelings. He was exuberant in his virtue as a public figure, without lessening his sentimentality, which he made evident, with tears in his eyes, on innumerable occasions.

"His heart, mind, imagination and his boundless physical energy were determining factors in his continuous endeavor to improve the American way of life through his own actions and as an advisor. He did this as a first-class legislator and as a conciliator who always achieved a sympathetic response between controverted parties.

"The New York Times place him among the great men in United States History, along with Robert Taft, Robert La Follete, Henry Clay, Daniel Webster, John Calhoun. His greatest concern was world peace and he was a leader in the creation of the Peace Corps, the Arms Control Agency, the 1963 Nuclear Arms Treaty, the Food Program and Economic Assistance to Needy Countries.

"At the National Democratic Convention in 1948 he went down in history when he said:

"There are those who say to you 'we are rushing this issue of Civil Rights'. I say we are 172 years late; the time was has arrived to get out of the shadow of states' rights and walk forthrightly into the bright sunshine of human rights; People—human beings—this is the issue of this Twentieth Century.

"He fought for the establishment of the Woodlands Conservation Program, Medicare, Universal Health Services, and a full employment bill for anyone who wished to work. He was an idealist who turned many of his ideas into the realities that have propitiated greater well-being today for each American.

"This happy warrior, who espoused the policy of happiness, was a dear friend of the Puerto Rican People, and we would be ungrateful if, at the moment of his departure from this world, we do not convey an expression of what is so deeply felt by all the people of this country—our sorrow upon his passing, our sympathy to the surviving members of his family, and our gratitude for all that was good and admirable, embodied in the relationship between the People of Puerto Rico and the late Hubert H. Humphrey.

"Be it resolved by the Senate of Puerto Rico:

"SECTION 1. To express the condolences and sorrow of the People of Puerto Rico upon the irreparable loss of a sincere and dear friend.

"SEC. 2. To remit a copy of this Resolution to the relatives of the late Hubert H. Humphrey, to the President of the United States, the Pro-Tempore President of the United States Senate, and to all the information media of our country.

"SEC. 3. This Resolution shall be effective on its approval by the Senate of Puerto Rico."

POM—478. A resolution adopted by the Legislature of the State of Hawaii; to the

Committee on Energy and Natural Resources:

"SENATE RESOLUTION 40

"Whereas, the United States Congress currently has under consideration proposed legislation on a national energy policy which relates to the regulation of public utilities across the country; and

"Whereas, many states have unique regulatory problems, particularly the State of Hawaii because of its geographic location and climatic conditions; and

"Whereas, state regulatory commissions across the country, in general, and the State of Hawaii Public Utilities Commission, in particular, appear to be doing a competent job because they are able to adapt to the special regulatory problems of their respective geographic areas and one set of regulatory standards for the entire country would seem totally impractical; and

"Whereas the U.S. Senate and House conferees have reached a tentative conference agreement on the Public Utility Energy Policies Act, which establishes a national energy policy relating to the regulation of public utilities; and

"Whereas, under such Act, federal standards for electric utility rate structures are enumerated and the Act states that these standards must be considered by state regulatory commissions; and

"Whereas, the Secretary of Energy is authorized under the Act to intervene in state regulatory proceedings to raise the issue of one or more of the enumerated federal standards as well as other concepts which contribute to the purposes of the Act; and

"Whereas, the proposed Act, as agreed to by the U.S. Senate and House conferees, already represents a certain degree of federal preemption of state public utility regulatory authority; and

"Whereas, further federal preemption would result in a serious infringement upon state legislative responsibility in matters which have historically been deemed best left to the attention of individual states and would completely undermine the rights currently reserved to the states, including the State of Hawaii; now, therefore,

"Be it resolved by the Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, that the United States Congress is requested to refrain from any further federal preemption of the regulation of public utilities, thus allowing the Hawaii Public Utilities Commission to carry out the responsibilities delegated to it by the Legislature of the State of Hawaii; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's delegation to the United States Congress."

POM–479. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on Finance:

"RESOLUTION No. 1011

"Whereas, beef producers have been experiencing severe economic hardship; and

"Whereas, beef imports have a very serious negative economic impact on livestock producers; and

"Whereas, the quality of foreign beef is traditionally often less desirable than that of domestically produced meat; and

"Whereas, it is currently often difficult for the consumer to determine whether beef is foreign or domestic: and

"Whereas, the United States International Trade Commission (ITC) held hearings in mid-1977 on the impact of foreign beef on domestic beef prices; and

"Whereas, objective International Trade Commission studies indicate that had imports not been allowed to double from 1964 to 1976, beef producers would have received from $1.5 to $1.8 billion more for their cattle in 1976; and

"Whereas the hearings demonstrated a need to amend the Meat Import Act of 1964 in the intersts of American beef producers and to assure the consumer a quality product:

"Now, therefore, be it resolved by the House of Representatives of the Fifty-third Legislature of the state of South Dakota, the Senate concurring therein, that the state of South Dakota supports amending the Meat Import Act of 1964 as follows:

"1. To incorporate a counter-cyclical quota formula;

2. To extend coverage to all beef and veal products;

"3. To reduce the trigger level from 110 to 100 percent of the quota level; and

"4. To prohibit the President from suspending quotas at the expense of American producers; and

"Be it further resolved, that the Congress of the United States be requested to pass legislation to improve the inspection and labeling of imported beef and veal as follows:

"1. By requiring that foreign beef and veal be labeled as such;

"2. By increasing the percentage of meat randomly sampled;

"3. By increasing the frequency of inspection of foreign plants; and

"4. By requiring foreign meat to have the same restrictions as to feed additives, pesticides, etc. as domestic beef; and

"Be it further resolved, that copies of this Resolution be sent to President Carter, Secretary of Agriculture Bob Bergland, the Chief Clerks of the United States House of Representatives and Senate and the South Dakota Congressional Delegation."

POM–480. A resolution adopted by the Detroit Lithuanian Organizations Center, relating to guaranteeing the independence of the Baltic States of Lithuania, Latvia, and Estonia; to the Committee on Foreign Relations.

POM—481. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Environment and Public Works:

"HOUSE JOINT RESOLUTION No. 1014

"Whereas, More than ninety percent of the present air pollution in the Denver metropolitan region is due to mobile source emissions; and

"Whereas, In the Denver metropolitan region, carbon monoxide levels frequently exceeded the air quality standards in 1977, and on the worst days were about triple the standards; and

"Whereas, In the Denver metropolitan region, ozone levels often exceeded the air quality standards in 1977, and on the worst days were about double the standards; and

"Whereas, The "Clean Air Act", as amended, precluded any high altitude adjustment or modification unless the adjustment or modification is made pursuant to section 215 of the "Clean Air Act"; and

"Whereas, Section 215 provides for any high altitude adjustments or modifications to be submitted by the manufacturer to the administrator of the United States Environmental Protection Agency; and

"Whereas, Colorado will soon begin implementation of an inspection and maintenance program for vehicles operating in nine front range counties; and

"Whereas, The use of high altitude modifications and adjustments would significantly enhance the benefit to be derived from the inspection and maintenance program; and

"Whereas, The use of high altitude adjustments and modifications would significantly aid the State of Colorado in improving its air quality and in meeting the federal standards; now, therefore,

"Be It Resolved by the House of Representatives of the Fifty-first General Assembly of the State of Colorado, the Senate concurring herein:

"(1) That this General Assembly hereby respectfully petitions the Administrator of the United States Environmental Protection Agency promulgate regulations which require the submission of high altitude adjustment and modification procedures by manufacturers pursuant to section 215 of the "Clean Air Act".

"(2) That this General Assembly hereby respectfully petitions the Congress of the United States to take any and all possible measures to encourage the Administrator of the United States Environmental Protection Agency to promptly promulgate regulations concerning high altitude adjustment and modification procedures pursuant to section 215 of the "Clean Air Act".

"(3) That this General Assembly hereby invites the legislatures of the States of Arizona, Idaho, Montana, Nebraska, New Mexico, Oregon, Utah, and Wyoming to join it in seeking promulgation of regulations concerning high altitude adjustment and modification procedures.

"(4) That this General Assembly hereby declares that the enactment of this resolution shall not be interpreted as diminishing in any way the state's authority to act by enacting legislation to improve the air quality within the state to prevent further injury to the health of its citizens, section 215 of the "Clean Air Act" notwithstanding.

"Be it further resolved, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each member of Congress from the states of Colorado, Arizona, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Utah, and Wyoming, and to the Governors and legislatures of each said state, and to the Administrator of the United States Environmental Protection Agency."

POM–482. A resolution adopted by the Long Island Federation of Women's Clubs, Inc., to counteract the atheistic campaign against God; to the Committee on Banking, Housing, and Urban Affairs.

POM–483. A resolution adopted by the Long Island Federation of Women's Clubs, Inc., to provide relief from double taxation of dividends; to the Committee on Finance.

POM–484. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION No. 109

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the Second Regular Session of the Forty-fourth Idaho Legislature, do hereby respectfully represent that:

"Whereas, 93.5 percent of all federal public lands are contained within the twelve western states, and federally held lands comprise 63.6 percent of the total land area of these states; and

"Whereas, the representation of these western states in the United States House of Representatives amounts to 17 percent of the total voting power with the consequence that those states controlling 83 percent of the voting power have only 6.5 percent of the federal public lands located within their boundaries; and

"Whereas, this disparity between the public land holdings in the western states and their political power causes the following conditions to exist:

"(1) Land use policies made through such laws as the Mineral Leasing Act, Historic Preservation Act, the Endangered Species Act, the National Environmental Act of 1976, the Federal Land Policy and Management Act, and the Natural Environmental Policy Act, among others, control vast land areas of

the western states with little regard for the knowledge, experience and needs of the western states and those who live on or near these lands;

"(2) An extensive body of administrative rules and regulations has developed policy making power residing outside the states boundaries;

"(3) Virtually all of the nation's energy reserves are in the West, but the federal government controls the capabilities to develop these resources;

"(4) The federal government through Congressional action and administrative fiat, controls not only the development of public lands, but indirectly controls the development of state and private lands encircled by the federal public lands; and

"Whereas, the BLM Organic Act (P.L. 94–579) declares that it is the policy of the United States that the public lands be retained in federal ownership; and

"Whereas, the Legislature of the State of Idaho finds that these facts describe a situation reminiscent of colonialism that is contrary to the constitutional and legal doctrines of equal protection and equal footing; the Tenth Amendment reservation of residual power to the several states, and the common law doctrine of fiduciary trust; and

"Whereas, the inequities herein described interfere with the rightful exercise of sovereign power by western states and unduly restrict the rights of the citizens of these states to control their own destinies.

"Now, therefore be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the Senate and the House of Representatives concurring therein that we join with our sister states of the West in urging that the described disparities are intolerable and must be corrected. We seek remedy through Legislative action and at the same time prepare to seek redress through the courts from the flagrant inequities placed upon the West by past precedents and policies of the federal government and crystallized by the BLM Organic Act.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable President of the United States, Jimmy Carter, the Honorable Secretary of the Interior, Cecil D. Andrus, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and the Senators and Representatives representing the State of Idaho in the Congress of the United States."

POM–485. A joint resolution adopted by the Legislature of the State of Wisconsin; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE JOINT RESOLUTION 39

"Whereas, legislation (S. 1010 and H.R. 2777) to establish a national consumer cooperative bank is now pending in the U.S. congress; and

"Whereas, Wisconsin residents, especially in rural areas, have used cooperatives widely to assist their marketing of products and services and purchasing of supplies, credit, electricity, health, housing and transportation; and

"Whereas, the farm credit system, whose cooperative constituents are now owned by farmers and their cooperatives, has been of inestimable value in aiding the growth and development of our cooperatives; and

"Whereas, most Wisconsin residents now live off the farm in rural areas or in urban and suburban areas, and are seeking cooperative methods to provide themselves with basic needs such as health, housing, consumer goods, transportation, repair services and other necessities; and

"Whereas, the national consumer cooperative bank proposal, if adopted, would provide the basic loan capital and technical assistance urgently needed by our nonfarm residents to develop and strengthen cooperative efforts; and

"Whereas, the bank would eventually be owned by consumers, as the farm credit banks are now owned by farmers; and

"Whereas, this would create a new way for people to stand on their own feet and meet their own needs with their own institution; now, therefore, be it

"Resolved by the senate, the assembly concurring, That the congress enact legislation to create a national consumer cooperative bank and that copies of this resolution be transmitted to the secretary of the senate of the United States, the chief clerk of the U.S. house of representatives and to each member of Wisconsin's congressional delegation."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

John Arnot Hewitt, Jr., of New Jersey, to be an Assistant Secretary of the Air Force.

(The nomination above was reported favorably with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Lt. Gen. Wilber L. Creech, U.S. Air Force, to be general; and Gen. James E. Hill, U.S. Air Force, to be general; and Gen. Robert J. Dixon, U.S. Air Force, (age 56), for appointment to the grade of general on the retired list. Also, Gen. Felix M. Rogers, U.S. Air Force, (age 56), for appointment to the grade of general on the retired list; and Maj. Gen. John Albert, U.S. Air Force, to be lieutenant general; and there are 72 in the Air Force for temporary appointment to the grade of major general (list beginning with James A. Abrahamson). Also, Maj. Gen. Richard G. Trefry, U.S. Army, to be lieutenant general; and there are 28 in the Army for appointment to the grade of major general (list beginning with George S. Patton); and there are 3 in the Army Medical Department to be major general and brigadier general (list beginning with Enrique Mendez, Jr.). Also, Rear Adm. George E. R. Kinnear II, U.S. Navy, to be vice admiral; and there are 11 in the Naval Reserve for temporary promotion to the grade of rear admiral (list beginning with Benjamin J. Lehman); and there are 8 in the Marine Corps for permanent appointment to the grade of major general (list beginning with Richard C. Schulze); and there are 13 in the Marine Corps for permanent appointment to the grade of brigadier general (list beginning with Hugh S. Aitken). Also, Maj. Gen. Marion Ross, U.S. Army, to be lieutenant general; and there are 31 in the Navy for temporary promotion to the grade of rear admiral (list beginning with John G. Wissler): and Gen. William V. McBride, U.S. Air Force, (age 55), for appointment to the grade of general on the retired list. Also Lt. Gen. Alton D. Slay (age 53), for appointment to the grade of general. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. In addition, Mr. President, there are 787 in the Air Force for promotion to colonel (list beginning with Walter E. Ackerlund); and there are 220 in the Army for appointment to the grade of captain and below (list beginning with Monte L. Jones); and there are 159 in the Air Force for promotion to the grade of lieutenant colonel and below (list beginning with Wayne W. Barkmeier). Also, there 2,168 in the Air Force for promotion to lieutenant colonel (list beginning with Joseph D. Abate; and there are 711 in the Navy to be appointed temporary chief warrant officers (list beginning with Alfredo Zamora Acosta; and there are 1,216 in the Marine Corps for temporary and permanent appointment to lieutenant colonel and below (list begins with Herbert M. Sanchez). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 30, 1978, and February 6, 1978, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JACKSON (for himself and Mr. HANSEN) (by request):

S. 2566. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the United States Treasury for further implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE:

S. 2567. A bill to reduce illness and the cost of medical care by increasing the investment of Federal, State, and local governments in community public health programs and services; to the Committee on Human Resources.

By Mr. DOMENICI:

S. 2568. A bill for the relief of Pranas Brazinskas; to the Committee on the Judiciary.

S. 2569. A bill for the relief of Algirdas Brazinskas; to the Committee on the Judiciary.

By Mr. NELSON (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. HATHAWAY, Mr. RIEGLE, Mr. KENNEDY, and Mr. CRANSTON):

S. 2570. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and

for other purposes; to the Committee on Human Resources.

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 2571. A bill to authorize appropriations during the fiscal year 1979, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes; to the Committee on Armed Services.

By Mr. MATSUNAGA:

S. 2572. A bill for the relief of Otozuchi and Tei Kaneschige, or if deceased, their legal representatives or successors in interest; to the Committee on the Judiciary.

By Mr. HELMS:

S. 2573. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

By Mr. BROOKE:

S. 2574. A bill to amend the Urban Mass Transportation Act of 1964 to provide an alternative operating subsidy for fiscal years 1979 through 1982, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HART (for himself and Mr. THURMOND):

S. 2575. A bill to amend and revise the Strategic and Critical Materials Stockpiling Act; to the Committee on Armed Services.

By Mr. McCLURE:

S. 2576. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of earned income of United States citizens and resident aliens from sources without the United States, and for other purposes; to the Committee on Finance.

S. 2577. A bill to provide for the conservation, development, and use of the Nation's Natural resources through the coordinated management of water and related land resources, through the establishment of an Office of Water Resources in the Office of the President, by providing financial assistance for State water management, and by providing for creation of Interstate Coordinating Commissions; to the Committee on Environment and Public Works.

By Mr. CURTIS (for himself, Mr. YOUNG, Mr. HAYAKAWA, Mr. McGOVERN, Mr. GARN, Mr. HANSEN, Mr. ZORINSKY, Mr. JOHNSTON, Mr. LAXALT, Mr. GOLDWATER, and Mr. WALLOP):

S. 2578. A bill to amend the Water Resources Planning Act so as to strengthen and protect the rights of the State and delineate Congressional authority and responsibility with regard to national water resources policy; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. JAVITS, and Mr. PELL):

S. 2579. A bill to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; to the Committee on Human Resources.

By Mr. GLENN:

S.J. Res. 112. A joint resolution adopting the pledge entitled "America's Pledge for the Third Century"; to the Committee on the Judiciary.

By Mr. BAYH:

S.J. Res. 113. A joint resolution to recognize the heritage of black citizens of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (for himself and Mr. HANSEN) (by request):

S. 2566. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the U.S. Treasury for further implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Energy and Natural Resources.

AMENDMENT OF THE PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION ACT

Mr. JACKSON. Mr. President, by request, I introduce and sent to the desk on behalf of myself and the senior Senator from Wyoming (Mr. HANSEN), a bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the U.S. Treasury for further implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the communication accompanying the proposal from the Pennsylvania Avenue Development Corporation and the section-by-section analysis be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92-578; 86 Stat. 1266), as amended, is further amended as follows:

1. By striking:

(a) in paragraph (c) of section 3: "(6) The Commissioner of the District of Columbia;"; and by substituting in lieu thereof "(6) The Mayor of the District of Columbia;"; and by inserting "The Mayor" in lieu of "The Commissioner" of the District of Columbia, wherever it occurs in this Act;

(b) in paragraph (c) of section 3; "(7) The Chairman, District of Columbia Council;" and by inserting in lieu thereof "The Chairman, Council of the District of Columbia";

(c) in paragraph (g) of section 3: "(8) The Chairman of the District of Columbia Redevelopment Land Agency." and by inserting in lieu thereof "(8) The Director of the District of Columbia Department of Housing and Community Development.";

(d) in paragraph (a) of section 4: "subchapter 53" and by inserting in lieu thereof "subchapter III of Chapter 53";

(e) in paragraph (f) of section 5: "The District of Columbia government, and the District of Columbia Redevelopment Land Agency." and by inserting in lieu thereof "and the District of Columbia government.";

(f) in paragraph (b) of section 8; "Redevelopment Land Agency" wherever it occurs and by inserting in lieu thereof "government."

2. By striking in paragraph (10) of section 6 the figure "$50,000,000" an inserting in lieu thereof "$100,000,000" and, by striking in that paragraph the date "June 3, 1980" and inserting in lieu thereof "September 30, 1990".

3. By redesignating paragraphs "(19)" through "(22)" in section 6 as paragraphs "(21)" through "(24)" and by inserting the following new paragraphs:

"(19) shall request the Council of the District of Columbia, when required for implementation of the development plan, to close any street, road, highway, alley, or any part thereof in the development area. If the title to the street, road, highway or alley so closed is in the United States, the Mayor of the District of Columbia shall convey the title to the land on behalf of the United States to the Corporation, without cost, except that the Corporation shall reimburse the District of Columbia for the administrative expenses of the action. If the title to the street, road, highway or alley so closed is not in the United States, the Mayor shall convey title to the land on behalf of the District of Columbia to the Corporation, without cost, except that the Corporation shall reimburse the District of Columbia for the administrative costs of the action; *Provided*, That if the land would have reverted to a private abutting property owner under otherwise applicable law of the District of Columbia, the Corporation shall pay such owner the fair market value of the land that would have reverted to him.

"(20) may transfer title to, interests in, or jurisdiction over real property which has been acquired by the Corporation and is to be devoted to public uses under the development plan, to any agency of the United States or the District of Columbia. Agencies of the United States or the District of Columbia may accept such transfers under this paragraph, and shall thereafter administer and maintain the property in accordance with the development plan and the terms of any transfer agreement. The Director of National Park Service may transfer title to or interest in public reservations, roadways, spaces, or parks under his jurisdiction within the development area to the Corporation to facilitate implementation of the development plan; and, notwithstanding any other provision of law, the Corporation may utilize such transferred property for any public or private development consistent with the plan.".

4. By striking in subsection 17(a) all after the phrase "through September 30, 1976;" and inserting in lieu thereof "and $2,000,000 each, for the fiscal years ending September 30, 1979, and September 30, 1980."; and by striking in subsection 17(b) all before the proviso, and inserting in lieu thereof, "To carry out implementation of the development plan authorized by section 5 of this Act, there is authorized to be appropriated to the Corporation until September 30, 1980 such sums as may be necessary, and any amount so appropriated shall remain available for obligation until September 30, 1990.".

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION,
Washington, D.C., January 9, 1978.

Hon. WALTER F. MONDALE,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for referral to the appropriate committee is a draft bill prepared by the Pennsylvania Avenue Development Corporation "To amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the United States Treasury to further implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other pur-

poses". The proposed legislation is designed to authorize additional capital funding for the comprehensive plan to revitalize the Avenue and its northern environs between Third Street, Northwest, and the Executive Precinct. The draft bill would also update the Corporation's enabling act through minor technical amendments.

The Pennsylvania Avenue Development Corporation was established as a wholly owned instrumentality of the United States by Act of Congress on October 27, 1972. It is vested with powers both to prepare a development plan, and to carry it out by acquiring and managing property, regulating development, and constructing public improvements. After completing preparation of the "Pennsylvania Avenue Plan—1974", the Corporation submitted it with supporting documents to Congress for review. The plan was approved effective May 19, 1975, and a number of projects are now under way.

In summary, the draft bill would amend the Pennsylvania Avenue Development Corporation Act of 1972 (Pub. L. 92-578, 86 Stat. 1266, as amended) in the following ways: (1) The provision of section 6 which authorizes borowings from the United States Treasury would be amended to increase the debt limit from $50 million to $100 million and, the period during which the Corporation may borrow would be revised to terminate at the end of fiscal year 1990, rather than 1980; (2) Two new paragraphs would be inserted in Section 6 dealing with the power of the Corporation to facilitate street closings and transfers of public reservations of land in furtherance of the Plan; (3) Section 17, the authorization of appropriations, would be amended to authorize salaries and expenses and funds for public improvements through fiscal year 1980; and, (4) Several minor technical amendments would be made in the PADC Act to reflect organizational changes in the local government under the District of Columbia Home Rule Act of 1973. Specifically: references to the Commissioner of the District of Columbia would be changed to references to the Mayor of the District of Columbia; reference to the Chairman of the District of Columbia Redevelopment Land Agency would be changed to reference to the Director of the District of Columbia Department of Housing and Community Development; and, references to the Redevelopment Land Agency would be deleted.

A comprehensive section-by-section analysis of the enclosed proposed legislation is attached.

The authorizations proposed in this draft bill are necessary to allow continued capital funding of the Pennsylvania Avenue Plan, including the requests made in the President's Budget for Fiscal Year 1979. The proposed legislation will have no budgetary impact on fiscal year 1978.

The Office of Management and Budget has advised that there is no objection, from the standpoint of the Administration's program, to the submission of this legislation and that its enactment would be in accord with the program of the President.

Sincerely,

E. R. QUESADA,
Chairman.

SECTION-BY-SECTION ANALYSIS

Section 1. The first section of the bill proposes a number of technical amendments, primarily to conform the language of the Pennsylvania Avenue Development Corporation Act of 1972 (the "Act") to organizational changes made in the District Government by the District of Columbia Home Rule Act of 1973. Specifically, references to the Commissioner of the District of Columbia would be changed to references to the Mayor of the District of Columbia; reference to the Chairman of the District of Columbia Redevelopment Land Agency would be changed to reference to the Director of the District of Columbia Department of Housing and Community Development; references to the Redevelopment Land Agency would be deleted. Additionally, the erroneous citation in section 4(a) of the Act to a provision of Title 5, United States Code would be corrected.

Section 2. This section of the bill would increase from $50 million to $100 million the authority of the Corporation to borrow from the United States Treasury to carry out the development plan. The amounts to be borrowed under this clause are to purchase, assemble, and prepare land for ground lease or sale to private developers. The borrowed money and interest thereon, would be secured by the land and repaid by the Corporation from the revenues received from the developers. Borrowings used to purchase land to be devoted to public purposes would be repaid from appropriations earmarked for such public purposes in the Corporation's budget. A further change proposed in this section of the bill is to extend the period during which borrowing may take place from June 3, [sic] 1980, to September 30, 1990. Other aspects of the borrowing authority in the initial enabling Act are unaffected. For example, actual borrowings may only be in the amounts included in appropriation acts; the terms of each borrowing are to be set by the Secretary of the Treasury; and, obligations may not exceed 40 years.

Section 3. This part of the bill would add two new paragraphs, "(19)" and "(20)" to section 6 of the Act to facilitate the closing of streets in the development area according to the approved plan, and to permit certain transfers of jurisdiction and ownership over public parcels of land. Specifically, "new" paragraph 19 authorizes the Mayor of the District of Columbia to convey to the Corporation the United States' title to streets closed by the D.C. Council in furtherance of the Plan. Portions of the streets to be closed will be reutilized for public purposes in newly created open areas, and the balance will be included in the assembly of development sites. Although most of the streets to be closed under the plan are titled in the United States, authority is also provided for the Mayor to convey to the Corporation the District's title to streets that are not federally titled. Under existing District of Columbia law certain alleys, upon closing, revert to the owners of abutting property. This section provides that the Corporation will compensate abutting owners for the fair market value of closed alley land which would have reverted, but for the provisions of this paragraph. The Corporation is also required to pay the District of Columbia for the administrative costs of any closing under this paragraph. "New" paragraph (20) allows the Corporation to transfer title, lesser interests, or jurisdiction in its real property which is to be devoted to public purposes, and authorizes Federal agencies, such as the National Park Service or the General Services Administration, and District agencies to accept such transfers. These authorizations will aid the assembly and future maintenance of public spaces, parks, and sidewalks developed under the Plan. The Director of the National Park Service, conversely, is authorized to convey land under his jurisdiction to the Corporation to further facilitate assembly of new public spaces, such as Western Plaza. The last clause in this proposed paragraph is included to assure that the Corporation can utilize portions of land that may be transferred by the Director of National Parks for any public or private development consistent with the Plan, notwithstanding the general prohibition of 40 U.S.C. 68. That law, passed in 1912, prohibits the erection of any buildings or structures on any public grounds of the United States in the District of Columbia without express Congressional authorization.

Section 4. The last section of this proposed bill authorizes annual appropriations for the operating and administrative costs of the Corporation (salaries and expenses) of $2.0 million, through fiscal year 1980. The current authorization expires at the end of fiscal year 1978. The section further authorizes the appropriation, again through fiscal year 1980, of such sums as may be necessary to pay for public improvements under the approved development plan.

Mr. CHAFEE:

S. 2567. A bill to reduce illness and the cost of medical care by increasing the investment of Federal, State, and local governments in community public health programs and services; to the Committee on Human Resources.

NATIONAL HEALTH INCENTIVES GRANTS ACT OF 1978

Mr. CHAFEE. Mr. President, I am introducing today the National Health Incentives Grants Act of 1978 designed to reduce illness and the cost of medical care by increasing the investment of Federal, State, and local governments in community public health programs and services. I am introducing this legislation because of my long commitment and belief in the value of health protection and illness prevention as the most effective way to improve the health and life expectancy of all people.

During this century, we have seen an explosion in medical knowledge and the ability of the health system to deliver highly sophisticated care to cure disease and illness. With the dramatic success and improvement in medical care and medical technology have come spiraling costs which threaten to deny the benefits of these improvements to more and more Americans. In an effort to reduce inequality and to assure good health care to all people, our commitment of public funds to finance such care has grown tremendously. Since 1970, our medicare and medicaid expenditures have more than tripled, totaling almost $45 billion in 1978, nearly $37 billion from Federal funds.

The emphasis on sophisticated medical care has overshadowed the importance of perhaps the major contributor to good health and increased life expectancy in this country—health protection and disease prevention. The spectacular advances in decreased disease morbidity and mortality have resulted primarily from community health protection programs.

Most of the credit for these advances is due to official health departments—State and local—agencies which have the capability to mount a campaign of prevention against this Nation's current disease killers and disablers, as well as elimination of community environmental health hazards. Prevention is demonstrably less costly than cure, but this savings will not be realized if we rely on sickness insurance alone, nor will optimum savings be attained with the present level of health protection services. Our commitment has not kept pace with our realization of the importance of health protection.

For example, fiscal reports show that the investment of the States and localities in basic public health services in 1976 exceeded $1.5 billion, whereas the

Federal support for such services through the 314(d) block grants authorized in the Public Health Service Act stands at only $90 million. Moreover, if we had added even a modest 6 percent annual inflation factor to 314(d) in the years since its inception, the amount in 1979–80 would be approximately double, or $180 million. The Federal Government thus has assumed the role of a minor shareholder in providing such services, rather than a major partner, as was projected when Congress passed the Partnership for Health Act in 1966.

National health insurance alone, even if it covers all the preventive services which can be provided by physicians to individual patients, will not suffice to protect the community against the many illnesses which can be prevented by an organized public health program, nor will it assure an acceptable level of health in the general population. None of the national health insurance proposals now before Congress would provide support for comprehensive community disease prevention efforts. Nor is there now authorization for significant Federal support for such programs.

Across the country, a majority of our State and local health authorities provide a common universe of over 50 programs, as well as many which are unique to particular regions and localities. The level and scope of these services, however, vary enormously from State to State and locality to locality. The pattern is bizarre—providing little equity in the availability and accessibility of basic public health services to our citizens. A new national incentive is essential to develop such equity in health protection so that these bedrock programs will be sustained at reasonable levels for the good of all our people, regardless of where they may live.

The legislation I am introducing would establish a shared Federal-State-local funding responsibility for community public health programs throughout this Nation by increasing the Federal commitment to public health protection and establishing a true partnership for health through incentives to State and local governments to increase their investment in public health. It replaces the old authority for block grants to States by continuing Federal support to State and local health departments, while stimulating State and local governments to address both basic public health needs and those which may be unique to particular areas of the country.

Major features of the incentive proposal are as follows:

First. Establishes a floor proposed at this time to be no less than $1 per capita. This floor, which may merit further study, recognizes, as earlier noted, that if we had maintained the Federal share for existing preventive programs, in these inflationary times the amount under 314 (d) would approach $200 million. In this context, the floor represents a conservative level of Federal support, consistent with the expectations generated by the Partnership for Health Act. The bill also contains a hold-harmless provision so that no State or territory would receive less than the amount granted under 314 (d).

Second. Establishes a ceiling of $1.50 per capita, which would be applied uniformly in order to contain Federal costs.

Third. In a 3-year period, States and localities would be encouraged to move from the $1 per capita floor to $1.50 per capita ceiling, through orderly Federal cost-sharing in expenditures for basic public health services—10 percent the first year, 15 percent the second, and 20 percent in the third year of authorization. Fiscal data collected from the States and localities indicate that this formula should encourage most to increase the level of their support for public health in order to qualify for maximum Federal cost sharing. There is a guaranteed pass-through from the States to localities, based on the level of local appropriations and support for eligible services provided by recognized local health departments.

In addition, anything in excess of $1.50 per capita earned by a locality because of its investment would be redistributed within the State to a rural or urban area with documented needs, according to provisions established by each State. This redistribution clause, which works only under the umbrella of a State's overall entitlement, was designed especially in response to representatives of our counties and cities who properly urged that there be some mechanism to recognize special needs as well as basic equity in the provision of health services.

Fourth. A National Health Program reporting system (NHPRS) has been established and is operating to provide annual reports on the type, scope, and yield of basic health programs provided by State and local health departments. A high level of national accountability thus can be assured.

Fifth. There is a nonsupplanting provision so that States and localities cannot substitute Federal cost-sharing funds for existing State or local funds. The incentive program thus must result in an actual increase in basic health services to the citizens of our communities.

Sixth. Excludes the use of these funds for capital construction, operation of inpatient facilities and all Federal categorical health programs, together with statutorily required State/local matching for such programs. This assures continuation of categorical programs targeted at specific diseases, or for high risk, especially vulnerable population groups, in keeping with national priorities and weighted according to specific needs. The bill also eliminates the specific percentage required to be used for mental health, and I intend to support a separate entitlement to deal with this problem.

The enactment of this legislation will strengthen and expand State and local public health services in such areas as: disease prevention and control; environmental health protection; public health laboratories; health promotion programs; Outreach functions; monitoring health care; quality control standards; and regulation of providers.

The Association of State and Territorial Health Officials, the National Association of County Health Officers, and the U.S. Conference of City Health Officers recommend the enactment of this legislation. The concept, the sharing of public health expenditures at Federal, State, and local levels, also has been studied in detail and endorsed by the independent Advisory Commission on Intergovernmental Relations.

While this proposal would increase Federal support for basic public health services from the current level of less than 50 cents per capita under 314(d) of the Public Health Service Act to $1 per capita, and ultimately to $1.50 per capita, the funding must be viewed in the context of our total expenditures for health. The increase appears to be something less than spectacular when we recognize that the overall current governmental medical costs for treatment of illness exceed $250 per person yearly. The time has passed when we should go on and on paying the high price of sickness. The time has come to invest in the lower cost of helping our people preserve their health for as long as they can. A major investment in health protection is essential, for the return is better health for our people and decreased costs for illness care. I believe the National Health Incentives Grants Act is a responsible and conservative response to this major national priority.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Health Incentive Grants Act of 1978."

SEC. 2. (a) The Congress finds and declares that—

(1) individual health status can be effectively and economically improved through an adequate investment in community public health programs and services;

(2) the Federal Government and the States and their communities share in the financial responsibility for funding public health programs; and

(3) the Federal contribution to funds for public health programs should serve as an incentive to an additional investment by State and local governments.

(b) The Congress further finds and declares that—

(1) existing categorical programs of Federal financial assistance to combat specific public health problems should be supplemented by a national program of stable generic support for such public health activities as the prevention and control of environmental health hazards, prevention and control of diseases, prevention and control of health problems of particularly vulnerable population groups, development and regulation of health care facilities and health services delivery systems; and

(2) the States and their communities, not the Federal Government, should have primary responsibility for identifying and measuring the impact of public health problems and the allocation of resources for their amelioration.

SEC. 3. Effective October 1, 1979, section 314(d) of the Public Health Service Act is amended to read as follows:

"COMPREHENSIVE PUBLIC HEALTH SERVICES

"(d)(1) The Secretary shall make grants to State health authorities to assist in meeting the costs of providing comprehensive public health services.

"(2) No grant may be made under paragraph (1) to the State health authority of any State unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be submitted in such form and manner, shall contain such information as the Secretary may require, and shall contain or be supported by assurances satisfactory to the Secretary that—

"(A) the comprehensive public health services which will be provided within the State with funds under a grant under paragraph (1) will be provided in accordance with the State health plan in effect under section 1524(c);

"(B) funds received under grants under paragraph (1) will—

"(i) be used to supplement the level of non-Federal funds that would otherwise be made available for the comprehensive public health services for which the grants funds are provided, and

"(ii) not be used to supplant such non-Federal funds,

except that the Secretary may in exceptional circumstances waive clause (i) or (ii) or both clauses;

"(C) the State health authority for which the application is submitted will—

"(i) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for funds received under grants under paragraph (1);

"(ii) from time to time, as prescribed by the Secretary, report to the Secretary (through a uniform national reporting system and by such categories as the Secretary may prescribe) a description of the comprehensive public health services provided in the State in the fiscal year for which the grant applied for is made and the amount and source of funds expended in that fiscal year and in the preceding fiscal year for the provision of each such category of services; and

"(iii) make such reports (in such form and containing such information as the Secretary may prescribe) as the Secretary may reasonably require and keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness of, and to verify, such reports; and

"(D) the State health authority for which the application is submitted will have in effect a method satisfactory to the Secretary which will assure equitable distribution of funds under grants under paragraph (1) among the communities of the State which have made expenditures which may be used under paragraph (4) to compute the amount of such grants and which method provides that—

"(i) each local public health entity which makes such expenditures shall receive from such funds in the fiscal year for which grants are made an amount which is equal to the lesser of—

"(I) the product of the total amount of such fiscal year and the applicable grant computation percentage, or

"(II) the product of $1.50 and the population of the area served by such entity (as such population and area may be determined pursuant to guidelines established by the Secretary); and

"(ii) amounts which a local public health entity would receive under clause (i)(I) which are in excess of the applicable amount computed under clause (i)(II) shall be distributed for comprehensive public health services within communities which have the greatest need for such services as determined by the State public health authority pursuant to guidelines established by the Secretary.

For purposes of subparagraph (D)(i)(I), the term 'applicable grant computation percentage' means the percentage applicable under paragraph (4)(A)(i)(II) to the computation of the amount of a grant under paragraph (1).

"(3)(A) The Secretary shall review annually the activities undertaken by each State public health authority with an approved application under this subsection to determine if the authority complied with the assurances provided with the application. The Secretary may not approve an application submitted under paragraph (2) if the Secretary determines—

"(i) that the public health authority for which the application was submitted did not comply with assurances provided with a prior application under paragraph (2), and

"(ii) that he cannot be assured that the authority will comply with the assurances provided with the application under consideration.

"(B) Whenever the Secretary, after reasonable notice and opportunity for a hearing to the State health authority of a State, finds that, with respect to funds paid to the authority under a grant under paragraph (1), there is a failure to comply substantially with assurances provided under paragraph (2) with respect to the receipt of such grant, the Secretary shall notify the authority that further payments will not be made to it under such grant (or in his discretion that further payments will not be made to it from such grant for activities in which there is such failure), until he is satisfied that there will no longer be such failure. Until he is so satisfied, the Secretary shall make no payment to such authority from such grant, or shall limit payment under such grant to activities in which there is no such failure.

"(4)(A) The total amount of grants received by a State public health authority under paragraph (1) for any fiscal year shall be determined by the Secretary, except that it—

"(i) may not exceed the lesser of—

"(I) the product of $1.50 and the population of the State served by such authority, or

"(II) in the case of the fiscal year ending September 30, 1980, 10 percent of the amount of State and local expenditures for comprehensive public health services within the State in the State's fiscal year which ended on or before July 1, 1979, in the case of the fiscal year ending September 30, 1981, 15 percent of the amount of such expenditures in the State's fiscal year which ended on or before July 1, 1980, and in the case of the fiscal year ending September 30, 1982, 20 percent of the amount of such expenditures in the State's fiscal year which ended on or before July 1, 1981; and

"(ii) may not be less than the greater of—

"(I) the total amount of grants received by such authority under paragraph (1) for the fiscal year ending September 30, 1979, or

"(II) the product of $1 and the population of the State served by such authority.

Notwithstanding clause (ii) if for any fiscal year the amount appropriated for that fiscal year under paragraph (6) is less than the amount needed to make grants for that fiscal year in accordance with such clause to all State health authorities with approved applications, the total amount of grants for that fiscal year for a State health authority shall not be less than an amount which bears the same ratio to the amounts determined for such authority in accordance with such clause as the amount appropriated under such paragraph bears to the amount needed to make grants in accordance with such clause for such fiscal year to all State health authorities with approved applications.

"(B) The Secretary, at the request of a State health authorty, may reduce the amount of the grants to it under paragraph (1), by—

"(i) the fair market value of any supplies (including vaccines and other prevention agents) or equipment furnished the State health authority, and

"(ii) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State health authority and the amount of any other costs incurred in connection with the detail of such officer or employee, when the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience of and at the request of the State health authority and for the purpose of carrying out a program with respect to which its grant under paragraph (1) is made. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment, or in detailing the personnel, on which the reduction of such grant is based, and such amount shall be deemed as part of the grant and shall be deemed to have been paid to the State health authority.

"(C) For purposes of subparagraph (A)(i)(II), the term 'State and local expenditures for comprehensive public health services' means expenditures by State and local public health authorities for public health services designated by the Secretary but excludes expenditures by such authorities—

"(i) specifically required by Federal statutory law as a condition to the receipt of Federal financial assistance, or

"(ii) for operating inpatient care facilities, construction, or mental health programs.

"(D) For purposes of subparagraph (A) and paragraph (2)(D) populations shall be determined on the basis of the latest figures available from the Department of Commerce.

"(5) The Secretary may make payments under grants under paragraph (1) on the basis of such estimates and in such installments as appropriate with adjustments for any previous overpayments or underpayments.

"(6)(A) For the purpose of making grants under this subsection there are authorized to be appropriated $250,000,000 for the fiscal year ending September 30, 1980, $275,000,000 for the fiscal year ending September 30, 1981, and $300,000,000 for the fiscal year ending September 30, 1982.

"(B) Of the amount appropriated under subparagraph (A) for any fiscal year the Secretary shall obligate not more than $1,000,000 for the uniform national health program reporting system referred to in paragraph (2)(C)(ii).

"(7) Regulations (including amendments to regulations) under this subsection shall be promulgated by the Secretary after consultation with a conference of State health authorities. Insofar as practicable, the Secretary shall obtain the agreement, prior to the issuance of such regulations or amendments, of such State health authorities.".

By Mr. NELSON (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. HATHAWAY, Mr. RIEGLE, Mr. KENNEDY, and Mr. CRANSTON):

S. 2570. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and for other purposes; to the Committee on Human Resources.

COMPREHENSIVE EMPLOYMENT AND TRAINING AMENDMENTS OF 1978

Mr. NELSON. Mr. President, Senators WILLIAMS, JAVITS, RIEGLE, HATHAWAY, KENNEDY, CRANSTON, and I today are in-

troducing the administration's proposal to reauthorize the Comprehensive Employment and Training Act of 1973 (CETA) for 4 years. The legislation was transmitted to Congress this morning by Secretary of Labor Ray Marshall.

This bill provides for a "such sums as may be necessary" authorization of appropriations through fiscal year 1982 for the programs now operating under titles I, II, III, IV, V, VI, and VII of the CETA legislation. Title VIII, the Young Adult Conservation Corps already has been authorized through fiscal year 1980.

The administration's bill is a major revision of the current CETA legislation. The structure of the legislation is modified by consolidating titles II and VI into a single public service employment title; the administrative provisions of the various titles and the youth employment programs each have been placed in separate titles; and other provisions of the current legislation have been modified or deleted altogether in the administration's bill. This bill establishes new eligibility standards for participants in the CETA programs which would focus assistance under the CETA legislation to a greater extent on the "economically disadvantaged." In addition, authorization for two new major initiatives, "Private Sector Jobs for the Economically Disadvantaged" and welfare demonstration projects, has been included in the administration's bill.

The objective of CETA is to provide economically disadvantaged, unemployed and underemployed persons the services they need to enhance their employability in the private sector or in regular public service.

Many CETA programs have performed an outstanding job in delivering needed employment and training services to eligible participants. However, many State and local governments are utilizing CETA funds to finance jobs which were previously funded exclusively by local revenues. In other instances, the number of job slots in municipal, county, and State governments has been frozen while CETA funds are being used to create all new positions. The use of CETA funds in this manner is inconsistent with the intent and objective of the CETA law, and turns the CETA program into just another form of general revenue sharing.

The exact amount of substitution of CETA funds for local funds is unknown, although the Employment and Training Administration and the Congressional Budget Office have estimated that the extent of this practice ranges from a rate of 0 up to 75 percent in some municipalities.

The administration's bill would help alleviate the circumstances under which CETA public service employment funds are being misused. This legislation would limit eligibility for the public service employment positions to the economically disadvantaged, which includes recipients of cash welfare payments, members of low-income families, and persons in sheltered workshops, hospitals, and similar institutions. A Federal wage ceiling of $10,000 per year would be imposed on all public service employment positions, with the further provision that a prime sponsor could supplement Federal funds with local funds by no more than 10 percent its total public service employment allocation. Furthermore, the amount of time during which a person could hold a public service employment position would be limited to 18 months under this legislation.

These provisions will help prevent the situation in which a municipal employee is briefly terminated from his position only to be rehired within a few days on the Federal payroll, and frequently at a higher pay scale. Moreover, the provisions which serve to curb substitution also benefit the hard-core unemployed. By assuring that CETA funding is used only to create new employment opportunities in entry level positions for economically disadvantaged persons, the administration has demonstrated a sensitivity to those individuals who face special employment barriers even in times of strong economic health.

SUMMARY OF COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

The Comprehensive Employment and Training Act (CETA) was signed into law on December 28, 1973. As stated in the act, it is the purpose of CETA to provide training, employment, and other services leading to unsubsidized employment for economically disadvantaged, unemployed, and underemployed persons.

The several titles of CETA authorize a variety of activities, as described below.

TITLE I—COMPREHENSIVE MANPOWER SERVICES

Title I authorizes comprehensive employment and training services, including remedial education and skill training, employment, counseling, and supportive services. Under title I, 80 percent of the authorized funds are distributed to prime sponsors, with the remaining 20 percent distributed as follows: 5 percent for grants to Governors for vocational training services; 4 percent to Governors for flexible State activities; 1 percent for State Manpower Services Council activities; up to 5 percent for consortia incentives; and the remaining 5 percent for the Secretary's discretionary use.

The funds distributed to prime sponsors is allocated so that 50 percent is allotted on the basis of the prime sponsor's manpower allotment in the preceding fiscal year, 37½ percent on the basis of relative number of unemployed within the State as compared to such numbers in all States, and 12½ percent on the basis of the relative number of adults in low-income families within the State as compared to such numbers in all States.

The total enrollment in title I for fiscal year 1977 was 1,415,000 persons. Of these, 536,800 were enrolled in classroom training, 164,000 received on-the-job training, 297,000 were placed in public service employment, and 552,000 participated in work experience programs. Persons 22 years of age and younger comprised 51.7 percent of title I participants, persons 22 to 44, 40.8 percent and persons 45 years of age and older, 7.4 percent of program participants; 10.1 percent of all enrollees were veterans; 51.5 percent of title I enrollees were male and 48.5 percent female.

The number of economically disadvantaged persons served under title I climbed from 75.7 percent in fiscal year 1976 to 78.3 percent in fiscal year 1977. Under current law an economically disadvantaged individual is a person who is a member of a family which receives cash welfare payments under Federal, State, or local welfare programs, or is a member of a family which has a total family income which does not exceed the poverty level determined in accordance with criteria established by the Office of Management and Budget or 70 percent of the lower living standard income, whichever is higher.

TITLE II—PUBLIC EMPLOYMENT PROGRAMS

Title II authorizes programs which provide transitional employment to unemployed and underemployed persons in jobs providing needed public services and necessary manpower services; 80 percent of the funds available under this title is allocated among prime sponsors in areas of substantial unemployment—an area which has an unemployment rate of 6.5 percent or more for 3 consecutive months—in accordance with the number of unemployed residing in that area compared to the number of unemployed residing in all such areas. The remainder is distributed by the Secretary of Labor taking into account the severity of unemployment within such areas.

Total enrollment in title II for fiscal year 1977 was 352,900 persons, of whom 60 percent were male and 40 percent female; 20.3 percent were under 22 years of age, 64.2 percent were 22 to 44 years of age, and 15.5 percent were 45 years or older. Of all title II enrollees, 22.8 percent were veterans. The number of economically disadvantaged persons served under title II increased from 46.5 percent in fiscal year 1976 to 48.9 percent in fiscal year 1977.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

Title III of CETA requires that the Secretary of Labor provide special programs for segments of the community that are in need of services beyond the scope of title I program sponsors. Among the target groups are youth, older workers, offenders, persons of limited English-speaking ability, and others determined by the Secretary to be at a particular disadvantage in the labor market.

Indian and Alaskan Native communities are specifically targeted as recipients under title III. Grants are awarded to federally recognized Indian tribes, bands, or groups and those prime sponsors or organizations working with nonreservation Indians which meet specific requirements set by the Secretary of Labor.

A minimum of 4 percent of the amount allotted to prime sponsors under title I is authorized for employment services in Indian and Alaskan Native communities. About 48,000 persons were served under this program during fiscal year 1977.

Title III programs also assisted 240,000 migrant and seasonal farmworkers improve living and working

conditions in the agricultural labor market, while at the same time providing services for those workers who desired to move into nonagricultural employment. The funding level authorized for this program is a minimum of 5 percent of the amount allotted to prime sponsors under title I. In addition to supporting traditional employment services, the authorization also provided such supportive services as medical and dental care, child care, and nutritional services.

Section 304 of CETA establishes a summer youth employment program for economically disadvantaged youth. In fiscal year 1977, short-term jobs for almost 1 million youth aged 14 through 21 were provided. As in past years, participants worked in such places as schools, libraries, community service organizations, hospitals, and private nonprofit agencies. Typical positions in 1977 included nurse's aide, typist, school maintenance aide, cashier, library aide, clerk, nutrition aide, and day care aide. Ninety percent of the youth participating in the 1977 summer program were economically disadvantaged. Fifty-four percent of program participants were male; 46 percent female; 44 percent of youth were Caucasian, 48 percent black, 2 percent Indian, and 6 percent other; 12.5 percent of these youth were Hispanic American.

The Department of Labor provides funding under title III to selected national community-based organizations in order to assist them in improving the quality of the services that their community-based affiliates provide and to encourage their affiliates to participate more fully in the programs developed by CETA title I prime sponsors. In fiscal year 1976, $6.6 million was made available to the national offices of Opportunities Industrialization Centers (OIC's); Jobs for Progress, known as Service, Employment, and Redevelopment (SER); and the National Urban League. An estimated $96.3 million in title I funds was also provided to local community-based organizations by prime sponsors.

Last year Congress amended title III and added part C, youth employment and demonstration programs. Subpart 1, youth incentive entitlement pilot projects, is a program for disadvantaged youth ages 16–19 inclusive which guarantees all such youth within a given area employment during the school year. Subpart 2, youth community conservation and improvement projects, is a program for youth 16–19 years of age inclusive. Young persons are provided with employment opportunities involving community conservation and improvement projects. Subpart 3, youth employment and training programs authorizes employment and training opportunities for youth 16 to 21 years of age who are from families whose gross income does not exceed 85 percent of the lower living income standard. It is anticipated that some 132,100 youth will receive services under the youth employment and demonstration programs in fiscal year 1978.

TITLE IV—JOB CORPS

Now in its second decade of operation, Job Corps is working to expand training opportunities in existing centers while continuing to search for innovative educational techniques that can be used in preparing corps members for the labor market. Initially authorized as a part of the Economic Opportunity Act of 1964 and later included as title IV of the Comprehensive Employment and Training Act of 1973, the Job Corps program consists of two principal components—basic education and vocational skills training. Residential living—a characteristic that other employment and training programs have not shared—is also an important part of the Job Corps experience, although in recent years nonresidential training has also been available at some centers.

The purpose of the Job Corps is to assist disadvantaged youth, aged 16 to 21 years, to become more responsible, employable, and productive citizens. All participants in the program are out of work and out of school and in need of additional education, vocational training, counseling, and other services to help them obtain employment, return to school, qualify for other training programs, or enlist in the Armed Forces.

The Job Corps program received funds to support 22,225 training slots during fiscal 1977 at 61 centers located in 32 States and the Commonwealth of Puerto Rico. The total includes 27 civilian conservation centers administered by the Departments of Agriculture and the Interior in national parks and forests and on other public lands; 344 centers operated under the contract with business firms, nonprofit organizations, or State and local government agencies; and 2 extension centers—a facility run by the Brotherhood of Railway, Airline and Steamship Clerks, and another operated by the Stewards Training and Recreation.

TITLE V—THE NATIONAL COMMISSION FOR MANPOWER POLICY

The National Commission for Manpower Policy, which completed its second full year of operations in 1976, is an independent advisory body which makes recommendations to the President, the Congress, and Federal agencies having manpower responsibilities, including the Department of Labor. In addition, the commission plays an educational and catalytic role in stimulating a broad and informed public discussion of national manpower policy issues.

TITLE VI—EMERGENCY JOB PROGRAMS

Title VI was originally added to CETA by the Emergency Jobs and Unemployment Assistance Act of 1974. Under title VI of CETA, approximately 592,900 previously unemployed and underemployed persons have been hired in fiscal year 1977 in jobs meeting locally determined public service needs. The programs are administered by State and local prime sponsors (including States, units of general local government, and combinations thereof). Funds are distributed to areas throughout the Nation according to a formula which is based 50 percent upon the number of unemployed, 25 percent upon the number of unemployed in areas having 6½ percent unemployment, and 25 percent upon the number of unemployed in excess of 4½ percent unemployment in each area.

During the 94th Congress, the Emergency Jobs Program Extension Act of 1976 was enacted into law, extending the authorization for public service employment programs under title VI of the Comprehensive Employment and Training Act (CETA) through the fiscal year ending September 30, 1977. The legislation authorized the appropriation of such sums as may be necessary in fiscal year 1977.

The 1976 amendments provided that each prime sponsor of a public service employment program under title VI may use its allocation, first, to sustain its existing number of public service jobholders under CETA; and, thereafter, must fill any additional service jobs with long-term unemployed persons (persons unemployed for 15 or more weeks or welfare recipients). Under the 1976 amendments, 50 percent of vacancies occurring in public service jobs by attrition must also meet these eligibility requirements, but the remaining 50 percent may be filled under the original title VI requirements, 15 days unemployment in areas having 7 percent or higher unemployment rates, and 30 days unemployment in other areas.

Of those persons receiving employment services under title VI, 64.1 percent were male; 35.9 percent female; 20.3 percent were under 22 years of age; 64.9 percent were 22–44 years of age, and 14.8 percent were 45 and older; 24.9 percent of all enrollees were veterans. The number of economically disadvantaged persons assisted increased from 44.1 percent in fiscal year 1976 to 66.6 percent in fiscal year 1977.

TITLE VII—GENERAL PROVISIONS

Title VII sets forth definitions, conditions applicable to all titles, reporting provisions, a nondiscrimination section, as well as other administrative provisions.

TITLE VIII—YOUNG ADULT CONSERVATION CORPS

Under legislation enacted last year, unemployed youth ages 16 to 23 are eligible to participate in projects on Federal or nonFederal public lands or waters. The Secretaries of the Interior and Agriculture administer 70 percent of the funds appropriated for this program through interagency agreements with the Department of Labor; 30 percent of the funds are administered by the States, which may subcontract to local governments, public or private nonprofit organizations. It is anticipated that some 25,500 youth will participate in this program in fiscal year 1978.

EXPLANATION OF PRIMARY ORGANIZATIONAL CHANGES IN CETA

The organizational structure of CETA is altered under the administration's proposal. Administrative provisions which currently are cited throughout the various titles have been consolidated in title I. Title II contains the provisions of the current title I, with the exception of the aforementioned administrative provisions. Title III remains the national programs, demonstration, and research title; however, the youth programs have been transferred to title IV. Title IV, in addition to embodying the aforementioned youth

programs, continues to authorize the Job Corps. Title V changes the name of the National Commission on Manpower Policy to the National Commission for Employment and Training Policy. Title VI is designated as the public service employment title, continuing the current title II and title VI programs. Title VII is a new initiative to establish Private Sector Jobs for the Economically Disadvantaged. Title VIII remains the Young Adult Conservation Corps.

THE ADMINISTRATION'S CETA BILL

The administration seeks the authority to undertake several new programs, one of which is an initiative to expand private sector opportunities for economically disadvantaged persons and another is a program of welfare demonstration projects. The first program is encompassed in a new title VII, "Private Sector Jobs for the Economically Disadvantaged," providing for the establishment of Local Industry Jobs Councils which shall participate with the prime sponsor in the development of programs under this title. Composed of business, industry, labor leaders, and members of the general public, the councils will operate in an intermediary capacity between the CETA prime sponsors and local private employers.

With five out of every six jobs originating in the private sector, the linkage between Federal employment programs and the business community is essential. The proposal recognizes the important contribution which can be made by the business community in the formulation and implementation of CETA programs. In addition to integrating public employment and training with private sector opportunities, the representation of business and labor on Jobs Councils will provide an expertise essential to effective program development and placement procedures.

Another initiative sought by the administration is a demonstration project to test the efficacy of the jobs component of the President's Better Jobs and Income Act. As conceptualized, the project would provide intensive job search assistance and related services to persons who would be eligible for jobs under the President's welfare reform legislation. It is anticipated that many participants will be placed in private sector employment. However, should job opportunities not be available, participants will be offered a subsidized job through the existing CETA prime sponsorship system. An estimated 50,000 public service jobs will be created under this proposal in fiscal year 1979.

The welfare demonstration project will examine alternative methods of job creation, measure regional variations in the number and type of clients served, measure variations in delivery systems, including linkages between prime sponsors, welfare agencies, and employment security agencies, and generally evaluate the workability and effectiveness of the Better Jobs and Income Act.

The administration proposes continuing in fiscal year 1979 the number of public service employment positions at 725,000, the goal set for fiscal year 1978. However, the public service employment titles have been substantially amended.

Public service employment titles II and VI are consolidated into a single title VI program. Eligibility is limited to persons who are economically disadvantaged and, with the exception of persons who are members of families receiving cash welfare payments, unemployed for at least 5 weeks.

Economically disadvantaged is defined as those persons whose families receive cash welfare payments, or whose families have an income below the poverty level or 70 percent of the lower living income standard level, whichever is higher. Foster children on whose behalf State or local payments are made are included within the eligible population, as well as persons in prisons, hospitals, sheltered workshops, or similar institutions as determined by regulation. With certain exceptions the new eligibility standard is applicable to most other CETA programs.

A significant change has been proposed in the authorization of appropriations for the public service employment program. In fiscal year 1979, such sums as may be necessary is authorized. Starting in fiscal year 1980, however, a mechanism will be authorized which will automatically trigger funding for the public service jobs.

One billion dollars would be authorized regardless of the unemployment rate, but only to be used in areas of substantial unemployment (6.5 percent or higher). Another $1 billion is authorized whenever the national unemployment rate for the most recent calendar quarter in any period of four consecutive quarters exceeds 4.75 percent. An additional $1 billion is then authorized in any calendar quarter in which the rate for such quarter exceeds by a full one-half of a percentage point the base rate of 4.75. The funds for public service employment, other than the first $1 billion, are to be allocated among all prime sponsors.

The allocation of these funds, with the exception of the first $1 billion, is similar to current title VI legislation. An amount equal to not less than 2 per centum of the funds appropriated for any fiscal year is set aside to enable Indian tribes, bands, and groups which are designated as eligible applicants under this title to carry out public service employment programs. Of the remainder of funds appropriated, 80 percent is to be allocated in the following manner: 50 percent will be distributed among eligible prime sponsors in proportion to the relative number of unemployed persons who reside within the jurisdiction of each such prime sponsor as compared to the number of unemployed persons who reside in all such areas in all States; 25 percent shall be allocated among prime sponsors in accordance with the number of unemployed persons residing in areas of substantial unemployment within the jurisdiction of the prime sponsor compared to the number of unemployed persons residing in all areas of substantial unemployment; 25 percent shall be allocated among eligible prime sponsors on the basis of the relative excess number of unemployed persons who reside within the jurisdiction of the prime sponsor as compared to the total excess number of unemployed persons who reside within the jurisdiction of all prime sponsors. The term "excess number" has been defined as the greater of, first, the number which represents unemployed persons in excess of 4½ per centum of the labor force in the jurisdiction of the prime sponsor in whose jurisdiction such persons reside, or, second, the number which represents unemployed persons in excess of 4½ per centum of the labor force in areas of substantial unemployment located in the jurisdiction of such prime sponsor. The remaining funds are to be made available for the Secretary's discretionary use.

The continuing problem of excessively high youth unemployment is addressed in the administration's bill. Despite a decline in the percentage of unemployed teenagers from a high of 19.1 percent in the fourth quarter of 1976 to 16 percent in January, 1978, unemployment among youth—especially minority youth—remains at an unacceptably high level. In January 1978, there were 6,226,000 unemployed persons according to the Bureau of Labor Statistics. Of these unemployed persons, 2,291,000 were between the ages of 16 and 21 inclusive. Thus, persons in this age group account for more than one-third of the total number of unemployed.

This legislation reauthorizes the youth programs under current law, including those enacted last year as part of the Youth Employment and Demonstration Projects Act, the Job Corps, and the summer youth program for a period of 4 years. Eligibility standards for these programs with certain exceptions will be limited to economically disadvantaged persons between the ages of 16 and 21. By concentrating resources on economically disadvantaged persons, the administration's bill would target programs resources on those persons who face the greatest impediments to finding meaningful employment opportunities.

For fiscal year 1978, the administration anticipates that 157,600 positions will be provided to eligible youth under the Youth Employment and Demonstration Projects Act. The administration intends to increase the number of youth participating in the youth incentive entitlement project in 1979 to 37,700, an increase of 19,700 over fiscal year 1978. It is anticipated that enrollment in the Job Corps will reach a high of 36,000 positions in fiscal year 1978, and will be expanded to 44,000 by fiscal year 1979.

Mr. President, the bill transmitted to Congress today proposes certain innovative programs and approaches that will affect the future direction of the various CETA programs. This legislation will be a good point from which to begin the Human Resources Committee's legislative review of the programs authorized under CETA and the process of evaluating which ones effectively reduce unemployment and provide necessary training services. The Subcommittee on Employment, Poverty, and Migratory Labor will be holding a number of public hearings

on CETA legislation in the next few weeks.

Mr. President, I ask unanimous consent that a number of exhibits pertaining to the CETA legislation be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
Washington, February 21, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: We are transmitting herewith a draft bill to reauthorize the Comprehensive Employment and Training Act of 1973 (CETA) for an additional four years.

As set forth more fully in the enclosed explanatory material, we have made several major substantive changes in CETA. These include the following:

1. The major employment and training programs (titles II, VI, and VII) will be targeted toward economically disadvantaged persons who are underemployed or unemployed. Thus CETA will focus its resources on those most in need of assistance.

2. A major new effort to stimulate private sector employment for the economically disadvantaged will be authorized under a new title VII. Under the new title, local prime sponsors, working with Private Industry Councils consisting of representatives of industry and labor, will place economically disadvantaged individuals in on-the-job training and other programs with private-for-profit employers. We believe it is critical to more effectively involve the private sector in efforts to train and employ disadvantaged workers.

3. A triggering concept will be introduced for public service employment under title VI starting with FY 1980. This will enable the number of public service employment slots to be adjusted with economic conditions. When national unemployment is low or improving less money will be available for public service employment programs, and if unemployment is high or increasing, more money will be made available.

In addition, a major attempt has been made to simplify CETA. Without changing the substance of most of the Act's provisions, CETA has been reorganized and rewritten. We believe the changes, which eliminate duplicative or overlapping requirements, result in a greatly simplified law that will be more understandable, and one that will reduce the paperwork and administrative burden on prime sponsors.

Under the proposed revision of CETA, title I contains the administrative structure and the general provisions. Title II consists of the general job training program contained in the existing title I (minus the administrative provisions that apply to the whole Act). Title III remains the national programs and research title; however, the youth programs have been moved to title IV to make that title a youth title consisting of the youth programs that were in title III and the Job Corps. Title V continues the National Commission. Title VI is the public service employment title. Title VII now consists of private sector initiatives; and title VIII remains the Young Adult Conservation Corps.

We have not at this time altered the allocation formulas in the Act. Within the next few weeks, the impact on allocations of the revised methodology for determining local area unemployment rates will be able to be evaluated. We will then be in a position to make recommendations concerning the allocation formulas.

We urge your prompt and favorable consideration of this reauthorization legislation.

The Office of Management and Budget advises that there is no objection to the submission of this legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

RAY MARSHALL,
Secretary of Labor.

EXPLANATION AND JUSTIFICATION

Title I contains the administrative structure and the general provisions. Title II contains the provisions of existing title I (minus the administrative provisions that apply to the whole Act). Title III remains the national programs and research title; however, the youth programs have been moved to title IV to make that title a youth title consisting of the youth programs that were in title III and the Job Corps. Title V remains the National Commission. Title VI is still a public service employment title; however, it has been substantially changed. Title VII now consists of private sector initiatives; and title VIII remains the Young Adult Conservation Corps.

PREAMBLE—STATEMENT OF PURPOSE

The existing preamble is altered by moving the authorization of appropriations to title I. The Statement of Purpose (section 2) is amended to stress the goal of increasing the earned income of the participants.

TITLE I—ADMINISTRATIVE PROVISIONS

The new title I establishes a simplified administrative structure. This structure incorporates the provisions of existing title I that affect all programs under the Act conducted by the prime sponsor, the existing title VII (General Provisions), and sections from other titles of the Act. (Existing title I, devoid of its administrative provisions, is now title II.) As a result, the administrative provisions of the Act are collected in one title, and the other titles contain the substantive program provisions.

In restructuring CETA into this simplified framework, most of the substance of existing law was maintained. There were, however, the following changes.

"Prime sponsor" (in section 101) is now the term used to describe all major grantees under the Act. In title I, prime sponsors are defined as the existing section 102 prime sponsors and Native American entities designated pursuant to section 302(c)(1). These prime sponsors may run those programs for which they are eligible to receive funds under other titles of the Act. In view of the broadened meaning of "prime sponsor", the term "eligible applicant" has been eliminated. This simplified terminology should reduce confusion, and conforms to common usage of the term "prime sponsor" among the employment and training community.

To promote local participation and an equitable distribution of services, a provision has been added to require State prime sponsors to allow subareas to assist in the planning and delivery of services in their subareas.

The Secretary is given authority (section 102) to act as the prime sponsor for all employment and training programs when there is no prime sponsor for an area, or when employment and training services are not being provided as a result of action by the Secretary on a complaint or in disapproving a plan. This expands the Secretary's current authority to run only existing title I programs in such circumstances and assures that individuals will not be denied services in such cases.

The structure of the CETA grant system is changed (section 103). The prime sponsor will now submit a comprehensive employment and training plan consisting of a prime sponsor agreement, an annual title II program supplement, individual annual program supplements for any additional programs the prime sponsor wishes to conduct, and an assurance that the prime sponsor will comply with the Act, the regulations, and the comprehensive employment and training plan.

The prime sponsor agreement serves as the basic agreement. It is intended as a one time agreement that includes items that remain basically constant. It will be amended only when necessary. It includes descriptions of such things as the area being served, a description of the participant selection and placement system, and any agreement with the State employment security agency for job search assistance, or, if no agreement has been reached, the prime sponsors' proposed alternate job search arrangements.

Each year any prime sponsor which desires to carry out any program under the Act must submit a title II program supplement consisting of a description of its Title II program for the coming year including such variable factors as proposed services to participants.

For each other program a prime sponsor wants to conduct under other titles of the Act, the prime sponsor will annually submit a program supplement. Title I details the content of program supplements for public service employment, and leaves the details of other program supplements to the Secretary's regulations.

The Secretary sets equivalent standards for the comprehensive employment and training plans of Native American prime sponsors and groups conducting migrant programs.

This standardization eliminates the proposed agreements, applications, etc., now required in the Act. It should simplify the paperwork burden of the prime sponsors.

Title I also contains provisions for review of plans by the prime sponsor's planning council, the Governor, the State employment and training council, appropriate units of general local government and labor organizations (section 104). It also provides that the plan be made available to the general public and to appropriate community based organizations. This system assures that the prime sponsor's plan will have the benefit of the comments of all these groups.

The provisions on the review of plans remain basically the same; although they are strengthened somewhat and clarified. The Secretary approves only plans that meet the requirements of the Act and the regulations, and that are designed to carry out an effective program, taking into consideration the prime sponsor's past performance, and may order any remedial action that he or she believes is necessary to bring the plan into conformance. This language is intended to clarify the Secretary's authority.

In section 105, existing section 106 is modified and simplified. Any State which desires financial assistance under the Act is required to submit a Governor's coordination and special services plan to the Secretary. The plan is required to provide information on coordination of activities and the promotion of labor market planning throughout the State, and arrangements for providing prime sponsors with information and technical assistance. Wherever possible, it is the purpose of this bill to eliminate duplication of efforts and to encourage coordination among various State services and with the prime sponsors; the changes in this section go to that purpose.

The complaints and sanctions section (section 106) expands and clarifies existing law. If the Secretary finds that a prime sponsor is violating the Act or the regulations, including by maintaining a pattern or practice of discrimination, not equitably serving the eligible population in the area, incurring unreasonable administrative costs, not funding programs of demonstrated effectiveness, or otherwise materially failing to comply with the Act or regulations, the Secretary may terminate or suspend financial assistance with prior notice and an opportunity for a hearing (immediate termination or suspen-

sion with an opportunity for a subsequent hearing is allowed in emergency situations).

The section clarifies the ability of the Secretary to take needed steps as quickly as possible, while still protecting the interests of the prime sponsors. The section also requires the prime sponsor to set up a grievance procedure, including hearings, to handle complaints from interested persons arising out of the program.

Additional legal rights are given to prime sponsors by a slightly expanded judicial review section (section 107). As a result of having only one plan (with several parts), prime sponsors may appeal a funding denial of any program directly to the Court of Appeals; under existing law only title I funding denials may be so appealed.

The reallocation of funds (section 108) from prime sponsors is standardized for the whole Act. The language is basically that of existing section 606.

Prime sponsor planning councils (section 109) are required to have a public member as chairperson, to meet at least 4 times a year in meetings generally open and accessible to the public, and to have a more independent staff. The purpose of these changes is to provide the council with more independence, greater visibility, and better staff resources.

The State employment and training council (section 110) is also required to have a public member as chairperson, to meet at least 4 times a year in meetings generally open and accessible to the public, and to have a more independent staff for the same reasons of greater independence, visibility and better staff resources. In addition, the membership of the council is changed to increase the coordination of activities within the State to ensure broad community representation. Under the new structure representatives of labor, business, and agricultural employers and workers comprise one-fourth of the membership and community representatives comprise one-fourth; and representatives of local governments comprise (at least) one-fourth.

Consultation with the Department of Health, Education, and Welfare is somewhat broadened. In addition, the Secretary is required to consult with other appropriate agencies.

The authorization of appropriations (which is in the existing preamble) is now section 112. Such sums as are necessary are authorized to be appropriated for four years (FY '79 through FY '82). (Title VI and title VIII have their own additional authorization language.) Up to 20 percent of the funds appropriated for the Act (exclusive of funds appropriated for title VI) may be used for title III.

The set aside for the National Occupational Information Coordinating Committee has been deleted. Many of the activities of the committee are duplicative of other agencies such as the Bureau of Labor Statistics and the Employment Service System. The committee, moreover, should not be funded through CETA on a continuing basis.

Most of the various assurances of existing law have been consolidated and rephrased as program conditions; a single assurance that the conditions will be followed is part of the comprehensive employment and training plan. This will result in a reduction of paperwork.

Section 121 sets out conditions applicable to all programs. Most of the changes in this section are not substantive; however, there are several new provisions. The workers' compensation provision is clarified to make clear that workers' compensation may be provided either under the State workers' compensation law or by other equivalent insurance.

The limitation on institutional training allowances in existing section 111 is amended to state that no person may be paid allowances under the Act for participation in institutional or classroom training for more than 104 weeks in a five year period. This five year provision is intended to prevent an individual from receiving CETA allowances for an excessive period.

Work experience for other than in-school youths is also limited; it may not exceed 180 days in any one year period. It is available only to individuals who need assistance in developing basic work habits and skills in order to compete successfully in the labor market. Since persons can benefit from work experience for only a limited amount of time, work experience is intended to be a limited program, not an alternative to public service employment.

A limitation is added on contributions to retirement funds. While time in CETA positions should be counted toward retirement, CETA funds may not be used to make contributions into retirement funds unless such benefits accrue to the credit of the participants. This is to assure that CETA funds are used only for the benefit of CETA participants, rather than to augment pension funds.

Section 121 also includes a requirement that small and minority businesses be given maximum reasonable opportunity to compete for contracts under CETA, including, where appropriate, through the use of set-asides. This is consistent with governmental efforts to increase the role of small and minority businesses in government contracting.

The requirement of existing law (section 208(b)) that opportunities to participate in CETA be made available to significant segments of the eligible population on an equitable basis has been clarified by describing such segments in terms of age, sex, race and national origin.

Section 122 contains the conditions applicable to all public service employment (PSE) programs conducted under the Act. It is largely a consolidation of existing provisions, with several new conditions. One new condition is that PSE jobs be in entry level positions. In addition, no public service employment may be in excess of 78 weeks in a five year period; however, with respect to persons already in public service employment on October 1, 1978, no more than 26 weeks of prior service will count toward the 78 weeks limit.

The 78-week limit will produce a turnover in the persons on public service employment rolls so that more of the eligible population can be served and so that persons will have an incentive to seek unsubsidized work. It also gives prime sponsors a greater incentive to help participants find unsubsidized jobs in the public and private sector. Finally, the limit lessens the incentive for a prime sponsor to replace permanent employees with CETA participants, but allows the prime sponsor to employ the person long enough for the person to learn the job and perform in it at full capacity. The 26 week provision is to avoid lay-offs on October 1, 1978 when the amendments become effective.

With respect to public service employment wages, the bill limits pay to $10,000 from CETA funds except for those whose wages were being supplemented on September 30, 1978 (title II allows no supplementation of wages, and title VI allows only 10 percent of the jobs to be supplemented by other funds). The national goal of $7,800 per PSE job in the current law is retained. The $10,000 limit is in current law. These provisions are maintained in order to keep costs down, and allow more individuals to be served. It is also consistent with the concept that all jobs be entry level jobs which are appropriate to the structurally unemployed persons the bill seeks to serve.

The fringe benefit provisions of current law are clarified to provide that employees must be given the same benefits as other employees (1) working a similar length of time, (2) doing the same type of work, and (3) having similar civil service classifications. No separate civil service classification is allowed solely for federally financed employees. The current law requires CETA employees to be treated the same as other "similarly employed" employees; the phrase "similarly employed", however, because of its generality, has caused some degree of controversy and confusion.

Certain special provisions are contained in section 123. These provisions are in existing law, except for the provisions allowing recipients to pool administrative funds and to use program generated income for carrying out the program.

This pooling provision is intended to simplify bookkeeping, but the pooling may take place only after the statutory limitations of each title on administrative costs are met. Thus, recipients may calculate the amount out of each title's allocation that may be used for administrative costs; that money may then be pooled and used for the administrative costs of all programs.

The allowance provisions of section 124 are essentially those of existing law. Determinations of allowances are made on an hourly rather than weekly basis, and the authority to allow the basic allowance to be supplemented, reduced or waived is clarified. This change gives greater flexibility to tailor the allowances to program design. Incentive allowances for welfare recipients are still provided (as in existing section 111).

The current on-the-job training wages of existing section 111(b) and the public service employment wages of section 208(a) are moved to section 124. A provision is added in section 124 which provides that work experience wage rates be the higher of the Federal minimum wage rate at section 6(a)(1) of the Fair Labor Standards Act or the applicable State or local minimum wage rate. The Davis-Bacon language of the current law remains unchanged as section 125.

The definitions have been moved from existing section 701 to section 126. Most of the definitions are unchanged; there are, however, a few amended and new definitions.

The definitions of "underemployed persons" and "unemployed persons" have been altered. In order to make 'unemployed persons" have a meaning closer to conventional usage, persons in welfare families are defined as "underemployed" rather than "unemployed". The underemployed definition is further amended by using as the income criterion the higher of the poverty level or 70 percent of the lower living standard income level as is done in the definition of economically disadvantaged.

In order to allow the Secretary to authorize programs for prisoners, and others in institutionalized settings, such persons are defined as underemployed. Since such persons are also considered "economically disadvantaged", all those in such institutional settings may participate in programs without regard to income level.

The term "economically disadvantaged" is defined to provide a clearer demarcation of the target population for CETA programs; the definition standardizes the income eligibility criteria under most of the Act. In order to prevent participation in CETA of dependents (such as recent college graduates) of families that do not qualify as economically disadvantaged, the bill provides that persons, except for persons eligible for assistance under title IX of the Older Americans Act, who were claimed as dependents for Federal income tax purposes by other persons (such as their parents) for the pre-

vious year, shall be considered as members of that other person's family.

The definition of "area of substantial unemployment" has been changed to use four quarter rather than one quarter data; this eliminates determinations based on only one quarter of the fiscal year during which some areas traditionally experience seasonally high unemployment while others experience seasonally low unemployment. Definitions are added for several terms including "Consumer Price Index", "entry level", "public assistance", and "handicapped individual".

The Secretary's rule making authority in section 127 has been simplified from existing section 702. Although grant and contract regulations are exempted from coverage under the Administrative Procedure Act, the existing provision not only subjects CETA to the Administrative Procedure Act's rulemaking requirements, but also adds other conditions. The new provision eliminates the requirements, not found in the Administrative Procedure Act, that final regulations always be published 30 days before they take effect, and that the relevant section number of the Act follow each regulation. The new provision satisfies and is consistent with Administrative Procedure Act requirements. The new provision, however, does not exempt CETA regulations from the proposed rulemaking requirements of the Administrative Procedure Act.

Section 128, on reports, changes the submittal date of the Employment and Training Report of the President from 60 days after Congress begins a session to April 1 of each year. This provides sufficient time for fiscal year data to be available and analyzed.

Section 129 clarifies existing section 707 to explicitly allow the Secretary to purchase or lease property. This clarification is desirable because such authority is essential for the administration of Job Corps and the Young Adult Conservation Corps which are residential programs.

The nondiscrimination section (section 133 of the bill and section 712 of existing law) is extended to prohibit discrimination by age, religion, handicap, and political affiliation.

TITLE II—COMPREHENSIVE EMPLOYMENT AND TRAINING SERVICES

Existing title I becomes title II. Many of the organizational provisions and assurances, however, have been moved to new title I. Major changes include targeting the basic title II program to the economically disadvantaged, authorizing new upgrading and retraining programs, adding provisions relating to job search assistance, and modifying the provisions relating to consortium bonuses and vocational education assistance.

Part A of title II sets forth financial assistance provisions.

The Statement of Purpose of title II (sec. 201) emphasizes that programs should result in an increase in the earned income of participants.

The allocation formula (sec. 202) remains basically the same as under current law; however, 85 percent rather than 80 percent of the funds are allocated to prime sponsors, and five percent, rather than ten percent, is to be used for the consortia bonuses and for the hold harmless provision. The bonus to consortia (units of general local government which form voluntary combinations for operating programs) is available only to consortia which serve substantial portions of labor market areas and which demonstrate advantages over other forms of delivery. This is to encourage a coordinated approach to employment and training problems in labor market areas and to ensure that the formation of a consortium is not just an exercise to qualify for bonus funds.

Section 203 requires that prime sponsors submit a comprehensive employment and training plan (as described in title I) in order to receive financial assistance under title II.

The 5 percent set-aside of funds for vocational education assistance is provided directly to prime sponsors, instead of to Governors as in the existing law. Prime sponsors must then provide financial assistance for vocational education through agreements with State vocational education boards or alternative arrangements. This change is to better coordinate activities under the Act with vocational education activities in every prime sponsor area. Frequently programs have been planned and operated without such effective coordination

A new section (sec. 205) relating to job search assistance is added. Job search assistance is required for appropriate participants under the Act. It includes intake (administered through State employment security agencies (SESAs) or other comparable arrangements); job matching (through agreements with SESAs); assessment, counseling and testing; job search and relocation grants; job referral; job development (through arrangements with SESAs or other comparable arrangements); and followup. The State employment security agency is to be reimbursed for the costs of services not normally provided by that agency. These provisions have been included to ensure that there is a comprehensive, coordinated and effective mechanism to carry out labor market exchange functions for participants in the prime sponsor area. Job search and relocation grants are new activities not formerly authorized under CETA except on a pilot project basis; (see discussion of job search and relocation under title III).

Part B of title II authorizes services for economically disadvantaged persons.

Job search assistance is added to the list of authorized activities (sec. 211). Transitional public service employment (PSE) and work experience are allowable only when combined with appropriate training and supportive services designed to enable participants to move into unsubsidized employment. Limitations on the use of title II, part B funds are specified in section 212, including the restriction that a prime sponsor may spend no more than 50 per cent of such funds on PSE and work experience, and the requirement that the amount spent on other activities not be reduced from the fiscal year 1977 level. As indicated in the title I discussion, annual wage for PSE under title II is limited to $10,000 per year, with no wage supplementation allowed. The emphasis under new title II is on employability development leading to unsubsidized employment. Together, these changes are designed to restrict PSE and work experience under title II, so that title II funds are used for activities that increase the employability of the economically disadvantaged rather than for the maintenance of public services. The changes are also designed to ensure that the maximum number of participants are served with title II resources.

A new section 213 establishes participant eligibility for title II. Eligible persons (except for occupational upgrading and retraining programs) must be (1) economically disadvantaged, and (2) unemployed, underemployed, or in school. These eligibility criteria assure effective targeting of title II resources to persons most in need of services.

Part C authorizes upgrading and retraining programs. Upgrading programs are for persons operating at less than their full skill potential, primarily persons in entry level positions; retraining programs are limited to persons who have received a bona fide notice of impending lay-off and who are determined to have little opportunity to obtain employment in the same or a substantially equivalent kind of job or occupation in the labor market area. Eligibility in these programs is not restricted to unemployed and underemployed economically disadvantaged persons. This is because persons in need of such services include those who do not meet the economically disadvantaged or underemployed criteria (because their wages are too high) or the unemployed criterion (because they are still employed but have received a notice of lay-off). Prime sponsors may not use more than 5 percent of their title II funds for these programs.

TITLE III—SPECIAL NATIONAL PROGRAMS AND ACTIVITIES

The major changes in title III are the revision of part A to clarify the types of activities authorized, the addition of job search and relocation assistance as an authorized national program, and the transfer of the youth provisions of title III to title IV.

Provisions relating to special national programs and actiivties (sec. 301) are clarified and restructured. The changes define more precisely the ways in which national program resources may be used. The Secretary is authorized (rather than required) to administer programs for persons having particular labor market disadvantages. New language has been added to specifically authorize programs for handicapped workers, single parents and displaced homemakers, programs to serve those who become unemployed due to a large-scale loss of jobs in a locality because of such things as mass lay-offs and natural disasters, and activities to foster coordination and linkages between employment and training institutions and agencies.

The amount of title III funds for employment and training programs for Indians and Native Americans (sec. 302) is increased from 4.0 percent to 4.2 percent of the State and local share allocated under title II. This five percent increase is needed because section 303 of the Youth Employment and Demonstration Projects Act of 1977 amended section 302 by adding native Hawaiians to the groups to be served, an estimated increase in the number of persons in the target population of approximately 5 percent.

New language is added to the section relating to programs for migrant and seasonal farmworkers (sec. 303). The new language emphasizes that these programs should be directed mainly, though not exclusively, to the delivery of services that will assist migrant and seasonal farmworkers in preparing for and obtaining more stable employment, including jobs in non-agricultural industry. Migrant and seasonal farmwork—as it is now performed in this country—does not generally provide a good living to those who depend on it for a livelihood. Thus it is worthwhile to move migrant and seasonal farmworkers into different and better compensated jobs.

Provisions relating to programs for persons with limited English-speaking ability are moved to section 304.

A new provision is added to part A of title III (sec. 305) authorizing the Secretary to carry out job search and relocation activities as an ongoing national program, through agreements with States, State agencies, and prime sponsors. Under the new provision, job search assistance may be provided to economically disadvantaged unemployed and underemployed persons, and relocation loans or grants may be provided to involuntarily unemployed individuals who have bona fide offers of employment.

Job search and relocation assistance are needed because, regardless of the national unemployment rate, some areas suffer severe unemployment while others do not. Job search and relocation assistance help to reduce the uneven impact of macro-economic measures designed to improve the national economy and reduce the national unemployment rate. Furthermore, even when there is

high unemployment in an area, many jobs go unfilled because job openings and worker skills are mismatched in the local labor market. Experience with the Department of Labor's pilot job search and relocation assistance projects (carried out over a number of years under CETA's and prior legislation's research authority), has shown job search and relocation assistance to be viable and cost-effective tools.

Part B of title III, authorizing research, training, evaluation, and related programs, remains essentially unchanged except for broadened research and demonstration authority, including in the areas of supported work, part-time and flexible hours, sex stereotyping in employment, and welfare demonstration projects. In addition, the labor market information provisions have been expanded by including the youth-related occupational information activities formerly found in section 348(c)(1) of the Act.

TITLE IV—YOUTH PROGRAMS

Title IV contains the youth employment demonstration programs, which were formerly part C of title III, the Job Corps program, and the summer youth program which was formerly at section 304. The youth employment demonstration programs (part A) the Job Corps program (part B) and the summer program (part C) remain basically the same as in current law. The Job Corps program has been updated and some restrictions have been deleted.

Section 401 consolidates and makes uniform the basic eligibility requirements for all title IV programs except for the entitlement projects. To participate, a youth must be economically disadvantaged and either unemployed or in school. The youth must also be 16 to 21 years of age, inclusive, or, if authorized under regulations of the Secretary, age 14 or 15 inclusive. Earnings received by all title IV participants, including Job Corps members, are disregarded in determining the eligibility for, and amount of, the youth's family's benefits under Federal and federally assisted need based programs. The entitlement projects continue to serve youths 16 to 19 inclusive so as not to skew the research data being generated by this experimental program.

In section 412, in order to provide flexibility for future years' funding, the 15–15–70 percentage split of funds among the youth demonstration programs is continued only for Fiscal Year 1979.

The wage provisions for the youth demonstration programs, formerly section 352, and other general provisions, are moved in front of the program requirements. Sections 413(1) and 413(2), are clarified with respect to State youth minimum wages.

In section 422 the nepotism provision formerly contained in section 327(a)(4)(I) is deleted as inappropriate to an entitlement program.

The maintenance of effort provisions, formerly contained in the youth demonstration programs and in Job Corps, are consolidated with the other maintenance of effort provisions in the new title I.

A new subsection is added at section 420(d) clarifying the provisions governing the use of title II (formerly title I) and summer program funds for the entitlement projects.

In subpart 2—Youth Community Conservation and Improvement Projects, the functions of program agents are deleted. The use of program agents for this relatively small program results in an overly complex administrative structure.

In section 437, as in current law, ten percent of a prime sponsor's funds may be used on behalf of youths of all income levels in youth employment and training programs. The three-tier income eligibility criterion, however, which has created administrative burdens and complications, is simplified to a two tier criterion.

As noted above, the youth-related occupational information activities, formerly found at section 384(c)(1), have been moved to title III, part B.

Part B contains the Job Corps program.

The Job Corps provisions are edited to eliminate unnecessary words and to simplify and clarify the language of the provisions.

In section 453, formerly section 404, the provision requiring extensive personal background investigations of Job Corps applicants is deleted as unnecessary and inappropriate.

In section 455, formerly section 406, the requirement that corps members take an oath of allegiance to the United States subject to criminal penalties is deleted as unnecessary and inappropriate. The requirement that forty percent of male enrollees be assigned to conservative centers is deleted as unduly restrictive and as harmful to opportunities for women enrollees.

In section 456, and throughout the part, the references to segregated men's and women's centers are deleted.

In section 458, enrollee allowances have been left to the Secretary's discretion. Despite inflation, allowances have remained at the same level since 1964.

In sections 461 and 462, the recordkeeping and evaluation details of former sections 412(e) and 413(a) have been deleted. Section 413(e) related to a function that the Secretary of Labor used to perform for the Director of the Office of Economic Opportunity when Job Corps was located in that agency. Both the recordkeeping requirements of former section 412(e) and the evaluation details of 413(a) are duplicative of the evaluation section in title III, part B. In addition many of the specific evaluations required by section 413(a) were satisfactorily completed over the years.

The experimental vocational school activity described in section 462(c) (former section 413(c)) and the use of advisory committees described in section 463 (former section 414) are authorized, rather than required as in the present Act, in order to allow more program flexibility. In addition, the detailed program design requirements of former section 413(c) have been deleted, also to allow more program flexibility.

At section 464(d) a new provision is added to solve what has been a chronic Job Corps problem. Property, which would otherwise be under exclusive Federal jurisdiction, (that is, property owned by the Federal government prior to 1942), is placed under concurrent Federal-State jurisdiction for criminal law enforcement purposes as long as a Job Corps center is on such property. Many incidents which occur on centers are of only minor interest to the FBI, U.S. Marshals, and U.S. Attorneys who are burdened by more important concerns and whose offices are often at considerable distances from centers. Such incidents, however, are often of considerable concern to the local community and can have significant impact on center morale and operations if no action is taken by responsible officials. The provision allows State and local law enforcement officials to exercise the same jurisdiction on such centers as they currently do on centers which are already subject to concurrent Federal-State jurisdiction.

Section 466, formerly section 417, has been amended to assure that there will be an equitable number of men and women corps-members. In addition a new provision is added at subsection (c) to clarify that transactions of private-for-profit operators of Job Corps centers are not to be considered as generating gross receipts; this makes clear that such operators are on a par with private non-profit operators for gross receipts purposes. Currently, private-for-profit corporations, which run Job Corps centers on behalf of the Secretary, and which are reimbursed by the Secretary for all their costs, are at a competitive disadvantage because, due to gross receipts problems in some States, the Secretary is potentially faced with incurring large extra costs. Such costs, of course, reduce the amount of funds available to the program. The provision is necessary because, although the Government is trying to clarify this issue through the courts, it appears that many years of litigation will be necessary to clarify the issue in that manner. Finally, the cost-per-enrollee limitation of $6,900 is deleted as unduly restrictive.

Former section 418, which related to political activity and discrimination, is deleted as duplicative of the political activity and discrimination provisions in the general provisions of the Act.

Former section 419 incorporated by reference the provisions of section 602 of the Economic Opportunity Act. The relevant portions of section 602 of that Act are incorporated in a new section 467.

Section 468 allows title II and summer program funds to be used for Job Corps purposes.

Part C contains the summer program formerly under section 304. The former language is expanded using provisions, such as the allocation formula, now contained in the Department's summer program regulations.

TITLE V—NATIONAL COMMISSION FOR EMPLOYMENT AND TRAINING POLICY

Title V is essentially unchanged except for technical corrections. The name of the Commission is changed from the National Commission for Manpower Policy to the National Commission for Employment and Training Policy.

The membership of the Commission is expanded to include the Secretaries of the Interior, Energy, Transportation and Housing and Urban Development, the Director of the Community Services Administration, the Chairperson of the Equal Employment Opportunity Commission and four new public members.

A two-year, overlapping term of membership is established for public members of the Commission in order to provide continuity to the work of the Commission and, over time, a broader range of perspectives and interests on the Commission.

TITLE VI—PUBLIC SERVICE EMPLOYMENT PROGRAM

The public service employment programs formerly contained in titles II and VI are consolidated in the new title VI.

Under current law, the Department administers, under titles II and VI, four different public service employment (PSE) programs (in addition to PSE under Title I):

(1) Under title II, funds are allocated only to areas of substantial unemployment; to obtain a PSE job a person need only be unemployed for 30 days—there is no income test. Thus, title II has been addressing structural unemployment with respect to areas, but not with respect to participants.

(2) Under current title VI there are three PSE programs. Funds are allocated to all areas of the country with the highest allocations to areas containing the most unemployment. The smallest of the three programs, contained in current section 604, allows unemployed persons in area certified as being of excessively high unemployment to obtain a PSE job after 15 days of unemployment. There is no income test. The second program, which was the basic title VI program prior to the enactment of P.L. 94-444 on October 1, 1976, allows persons to obtain a PSE job after 30 days of unemployment. There is no income test. The third and largest program, enacted by P.L. 94-444, requires persons to be unemployed for 15 weeks, or to be members of families receiving Aid

for Families with Dependent Children, before they may get a PSE job. In addition, such persons must have a family income at or below 70 percent of the lower living standard budget level. Thus, this program, which is now the largest of the four PSE programs, is strongly targeted on economically disadvantaged persons who are either long-term unemployed or welfare recipients, i.e., the structurally unemployed. Unlike the other programs, the last program is limited to projects lasting no longer than 12 months. None of the four programs place a limit on individual participation.

The bill combines all these programs into one program in title VI (PSE is still allowed under the comprehensive title—old title I, new title II). Under the new title VI, such sums as are necessary are authorized for fiscal year 1979 and the following three fiscal years. However, starting in FY 1980, the amount of the appropriation that can be obligated by the Secretary will be limited by the national unemployment rate. In each of these three years, one billion dollars will be available to be obligated without regard to the unemployment rate; however, these funds are to be allocated only to prime sponsor areas containing areas of substantial unemployment (this is also true of the first billion dollars appropriated in FY 1979). The remainder of the post-FY 1979 funds will be made available for use by all prime sponsors as follows: Each calendar quarter, if the national unemployment rate for the preceding calander quarter exceeds 4.75 percent, an amount will be made available for obligation equal to the sum of one billion dollars plus one billion dollars times the number of whole one-half percentage points that the national unemployment rate for the preceding calendar quarter exceeds 4.75 percent less the total sum made available for obligation under the above formula in the three quarters preceding the calendar quarter in which the determination is made.

The purpose of the triggering mechanism for PSE is to make the level of countercyclical public service jobs as responsive to the changing national economic conditions as is administratively feasible; this, trigger is in addition to an on-going, non-triggered base of 100,000 jobs targeted to persons in geographical areas with high rates of joblessness. As indicated, the triggering mechanism allows quarterly obligations by the Labor Department, in the form of allocations to prime sponsors, in amounts sufficient to fund 100,000 PSE jobs for each one-half percentage point the national unemployment rate for most recent quarter, is above 4.75 percent.

We would expect the prime sponsors to take two quarters to start the projects and to hire up to the job level financed by each allocation. The amount allocated would be sufficient to cover a quarterly phase-down of the jobs, taking about six months, starting one year after the initial obligations. If the unemployment rate is not decreasing at that time, the provisions provide for additional obligations to be made in order to maintain, or, if necessary, increase, the number of jobs. As the unemployment rates receeds toward the initial triggering level of 4.75 percent the provisions allow for a decreasing level of obligations on a schedule that permits an orderly phase-down consistent with the decreased unemployment rate.

Participation in the program is limited to economically disadvantaged persons who have been unemployed for at least five weeks. However, in determining whether a person is economically disadvantaged, the family income over the prior three months (rather than the usual six months) is taken into account. An exception is made for those already in public service employment jobs.

Participation of individuals in PSE jobs is limited to 78 weeks. This will encourage participants to find unsubsidized jobs, and will encourage prime sponsors to help participants find such jobs through the job search assistance authorized under title II. It will also encourage prime sponsors to concentrate more fully on the longer-term employment needs of participants and to deemphasize the use of participants for long-term maintenance of State and local government services. Finally, it will allow more economically disadvantaged long-term unemployed and welfare persons to benefit from PSE jobs. Persons already in PSE jobs on October 1, 1978 are charged with no more than 26 weeks of previous employment to avoid lay-offs on October 1, 1978.

All PSE jobs are in entry level positions (that is, at the first level of any promotional line). This ensures that the jobs created are appropriate for structurally unemployed persons, protects the promotional rights of regular employees, and keeps the cost-per-job from beginning too high, thereby allowing more jobs to be created.

In order to encourage the creation of jobs appropriate to the structurally unemployed, the bill prohibits prime sponsors from using funds from sources other than the Act, which total more than 10 percent of their Title VI funds, for supplementating the wages of PSE participants. Furthermore, the bill allows only for supplementation of appropriate non-professional jobs, and then only to the extent necessary to pay the entry level wage. Since the Act (in section 124) requires that the prevailing wage be paid (if it is higher than the State and Federal minimum wages) most of the jobs created will be jobs for which the prevailing wage is $10,000 or less. The bill allows prime sponsors to continue supplementing, without regard to the ten percent limitation, the wages of persons who are in jobs on September 30, 1978, and whose wages are then being supplemented.

TITLE VII—PRIVATE SECTOR OPPORTUNITIES FOR THE ECONOMICALLY DISADVANTAGED

The connection between the private sector and government employment and training programs must be strengthened, since the private sector remains the best source of new jobs. To accomplish this, the proposed bill contains a new title VII, "Private Sector Opportunities for the Economically Disadvantaged", designed to place economically disadvantaged individuals, including young men and women in private sector jobs.

An effective private sector program requires the involvement and participation of the business and industrial community in the areas in which it is to be carried out. To receive funds under this title, a prime sponsor, therefore, is required to establish a private Industry Council representing the private economic interests in the community. The council participates with the prime sponsor in the development of programs supported under this title.

Promoting and operating on-the-job training programs is the major focus for these private sector initiatives, but related activities are also important.

It is also important that the active involvement of the business community in job development be obtained. Increased effort needs to be made in cooperation with private employers to find employment opportunities in private-for-profit firms for economically disadvantaged persons, including those who have participated in other CETA employment and training programs.

As is true of other CETA programs, the form and range of these and other authorized new initiatives is determined locally by the prime sponsors with the advice and assistance of their private Industry Councils.

The Secretary determines the amount to be allocated to each prime sponsor, taking into account the factors in the Title II allocation formula, i.e., previous year's allocation, relative number of unemployed, and the relative number of persons in families below the low income level.

TITLE VIII—YOUNG ADULT CONSERVATION CORPS

Title VIII remains unchanged except for technical corrections.

STATEMENT BY THE VICE PRESIDENT

The massive unemployment which this Administration inherited is more than an economic problem. It was, and remains for millions of American families, a personal tragedy. It has meant not just lost income, but lost pride, and dignity, and hope.

This Administration has no higher domestic priority than to reduce unemployment and restore our economy to full health. The first major legislation President Carter submitted to the Congress was a $21 billion economic stimulus program, the largest in our history. We have already seen its effects. This past year, we added a record 4.2 million new jobs to the American economy. Unemployment declined 1.5 percentage points.

More than one million Americans who were standing on unemployment lines on Inauguration Day are earning a paycheck again today. That represents substantial progress. But much more remains to be done. The level of unemployment is still unacceptable. Too many Americans—particularly young people, minorities, and women—continue to suffer disproportionately high rates of joblessness.

The President has proposed a broad series of actions to combat unemployment. They include proposals for major tax relief and tax reform; the creation of 1.4 million new jobs through comprehensive welfare reform; and support for the Humphrey-Hawkins full employment bill.

To continue, and to expand, these efforts, the President today is sending a comprehensive legislative proposal to the Congress to reauthorize, improve, and extend the Comprehensive Employment and Training Act through 1982. The President's proposals are designed to target help to the disadvantaged and those who are most in need.

Under this legislation we will spend $11.4 billion in fiscal 1979 to provide jobs and training opportunities for over 4 million Americans. More than $3 billion of those funds will strengthen and expand our efforts to reduce youth unemployment.

The future of our country is our young people. We cannot, and we will not, permit hundreds of thousands of American youth to grow up without the opportunity to gain the dignity and self-respect and sense of worth that come from honest work.

Our proposals maintain the current level of CETA public service employment jobs at 725,000 jobs for 1979. Starting in 1980, we have proposed a new, automatic trigger which will gear the level of jobs to the level of unemployment.

This legislation includes several additional improvements in the CETA program:

It establishes for the first time a legislative requirement that participants be economically disadvantaged Americans.

It includes new safeguards to prevent the substitution of federally funded workers under CETA for those who would otherwise be hired with local funds.

It cuts back on red tape and paperwork, streamlines administration of CETA grants, and requires increased coordination by CETA sponsors with other federally funded programs.

And it includes funds for 50,000 positions under the President's Better Jobs and Income as a demonstration project.

In addition, this legislation contains a major new federal initiative to provide training and permanent jobs for the unemployed in the private sector. We have asked for

$400 million to establish a series of local Private Industry Councils, made up of local business and labor representatives. These Councils will work with local government to provide on-the-job training and placement opportunities for young workers and other participants in the CETA system.

These proposals were developed under Secretary of Labor Ray Marshall's direction in close consultation with the Congress. The President and I are particularly grateful for the leadership of Senators Harrison Williams and Gaylord Nelson, and Congressmen Carl Perkins and Augustus Hawkins, sponsors of this legislation.

The President and I are strongly committed to passage of this important legislation. It is vital to our continuing efforts to bring our economy back to full employment without inflation, and we urge the Congress's prompt action.

STATEMENT BY SECRETARY OF LABOR RAY MARSHALL ON CETA REAUTHORIZATION

As you know, the very serious coal strike has been occupying all my waking hours—and they have been many—for the last ten days. However, it would take far more than a coal strike to prevent me from being here today to talk about the CETA reauthorization bill.

CETA is the centerpiece of our efforts to reach full employment with the aid of large-scale Federal jobs and training programs. This CETA reauthorization is one of the major ingredients in implementing the full employment goal of the Humphrey-Hawkins bill.

The magnitude of these jobs and training programs comes close to rivaling those of the New Deal. The decision to rapidly increase funding for these employment programs was one of the major domestic policy decisions of the first year of the Carter Administration.

Despite the importance of this $12.8 billion program, our efforts have gotten surprisingly limited public notice. Part of the problem is that the decentralized nature of these programs makes sense for administrative purposes, but it also makes it hard for the country to grasp the size and importance of our efforts.

Public service employment has also been criticized as "make work" and a program that simply lets state and local governments hire those people they would have anyway. I have been concerned about these issues but have also found little over this past year that would give much of a basis for criticism. In fact, a recent Brookings Institution study has found that substitution in this program prior to the stimulus package was 20 percent and since we began our build-up to 725,000 public service jobs it has only been 8 percent.

What is clear is that these programs were a major cause of the 1.5 point drop in the unemployment rate in the last 13 months. During the first half of 1977, black unemployment was rising while white unemployment was declining. This was a disturbing development and it rightfully concerned many of us in the Administration and the public.

Almost at the same point that the expansion of CETA began to take off, the black unemployment rate stopped rising. Since August 1977, the black unemployment rate has fallen by 1.5 points, while the rate of whites has declined by 0.5 point. Since August, black employment has risen by 5.1 percent, while white employment has increased by 1.7 percent.

The impact of the expansion of the CETA public service jobs has had much to do with this heartening change in these figures. Our best estimates are that the Economic Stimulus Package, alone, accounted for about 25 percent of the increase in black employment since April 1977. We are awaiting final figures on this important shift, but these are our best estimates at the moment.

When we announced the Economic Stimulus Package, one of our major concerns was the high unemployment rate among Vietnam-era veterans. Although it has received little public attention, there has been a gratifying improvement in the unemployment rate for Vietnam-era veterans. Since January 1977, unemployment for Vietnam-era veterans has dropped from 7.6 percent to 5.7 percent. This rapid decline is another indication that these programs are working.

I am pleased to have with us today a number of the Congressional sponsors of this bill. I believe some of them will have brief statements. Then, we will be glad to answer your questions on CETA reauthorization.

COMPREHENSIVE EMPLOYMENT AND TRAINING AMENDMENTS

Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, the Senator from Wisconsin (Mr. NELSON), in introducing this important legislation to extend the Comprehensive Employment and Training Act authorizations for 4 years.

In its first 4 years since enactment in 1973, the employment and training programs under CETA have been our major offensive against joblessness.

For the coming 4 years, the programs to be authorized by this bill embody our primary hope for full employment—for giving every American the opportunity to work and the skills for a decent job and decent wages.

The strength of the CETA program derives in significant measure from the efforts of State and local prime sponsors. Their hard work, combined with Federal guidance and support, have forged an intergovernmental partnership of unusual worth.

Together, the Federal, State, and local governments confronted the painful effects of the great recession, and in a large measure, these joint efforts have been responsible for the economic recovery that we have experienced in the past year.

This legislation would continue that partnership and strengthen it. The mechanisms are provided for achieving national economic and social goals in cooperation with State and local officials across the Nation.

President Carter, in his state of the Union message last month, pointed out the need to provide more jobs, especially for the disadvantaged. He recommended continuation of the public service jobs programs along with the special youth programs currently authorized under CETA.

In his annual economic report, the President again reaffirmed the administration's confidence in CETA and he emphasized that the CETA program "can be an efficient method of introducing individuals into a structured work environment who would otherwise be passed over by the private sector."

The President's budget for fiscal year 1979 specifically requests continuation of most of the current programs under CETA with more targeting of resources to individuals and local areas in relatively greater need. Total Federal outlays for these employment and training programs are estimated by the administration to be about $9.5 billion during 1978, and about $12.8 billion during 1979. This level of funding clearly reflects the depth of our commitment to the unemployed.

These programs have matured most significantly through the experience of the recession. The recession put millions out of work and brought a new emphasis to the act from its original course. More breadwinners with years of working experience were left jobless.

The Congress responded by expanding public service jobs under CETA, combined with a variety of other economic initiatives. And, as a stimulus to the recovery, President Carter last spring employed the public service jobs portion of this act in his economic stimulus appropriation package. The program level was expanded from 310,000 jobs to 725,000. This expansion will be completed early next month.

We have an opportunity with this reauthorization to direct CETA in a way that will focus on the persistent needs of youth, women, minority group members, and other especially disadvantaged workers.

When CETA was originally enacted, 60 percent of the program activity was focused on training and related job development services designed to overcome the structural difficulties of the disadvantaged and hard to employ. During the recession this activity was reduced to about 40 percent of CETA's thrust.

Charles Schultze, Chairman of the Council of Economic Advisers, testified before Congress this month that the seriousness of structural unemployment has grown in recent years and must be reduced. His assessment forewarned that fiscal and monetary policies alone cannot deal with the problem of structural unemployment. He warned that effective measures to reduce structural unemployment are absolutely essential to the goal of controlling inflation as the economy returns to higher levels of employment and output.

Secretary of Labor Ray Marshall underscored the importance of standard programs in recent testimony before the House:

> An extended period of unemployment—like the one we have been in—can cause fewer workers to accumulate needed skills. Opportunities for younger workers to gain experience are necessarily limited in a recession. Shortages of skilled and experienced workers can, therefore, develop in the subsequent recovery and these shortages are as much the result of high unemployment rates in the recession as they are of low unemployment rates in the recovery.

This bill adopted the renewed emphasis on structural unemployment. Title II is redesigned to provide a broad range of training and job development services for the disadvantaged. It assumes responsibility for training the hard-to-employ. This title is also designated by the administration to accommodate training of welfare recipients. The President's welfare reform proposal will utilize existing programs in CETA to break the tragic cycle of poverty and dependence.

The private sector has a major role to play in attacking the structural unemployment problem. To bring the structurally unemployed into the mainstream of the American economy—with decent jobs and a chance for advancement—they must have access to permanent jobs. As one step in this direction, the administration has proposed a new title VII to CETA, providing incentives to enlist the cooperation of private industry and increases the hiring of disadvantaged workers.

I am encouraged by the prospect of increased coordination with the private sector. The private sector always has been the prime source of jobs in the American economy. A new commitment to increase training and job opportunities here could only increase the prospects for permanent employment and continued economic recovery.

This bill includes a basic extension of the programs passed earlier this year to deal with high youth unemployment. The Youth Employment and Demonstration Projects Act of 1977 amended CETA with this special emphasis but carried only a 14-month authorization through fiscal 1978. The single exception was the Young Adult Conservation Corps in title VIII of CETA which carries a 3-year authorization through 1980 for conservation activities on State and Federal public lands.

By most recent estimates, youths, ages 16 to 24, account for nearly half of the Nation's total unemployment. Jobless rates for teenagers average over three times the level of unemployment for adults.

Youth employment is of primary concern to this act. The severity of the problem is alarming. The programs authorized in this act go a long way toward meeting a variety of employment and training needs for youth.

The persistent need among youth for training and job assistance warrants our continued commitment to improve their opportunities for the future. The training they receive, the job experience they gain, and the work attitudes they can develop will be carried into their adult working lives. The lack of opportunity now will likewise cripple their efforts of ever contributing productively to the Nation's work force.

The predicament of unemployed youth exacts an enormous toll on the development of their attitudes. The frustration at their experience with unemployment impinges their sense of self-worth, sense of membership in society, sense of responsibility to legitimate economic endeavors, and capacity to be responsible, self-sufficient adults.

The fiscal year 1979 budget would provide over 1.2 million job and training opportunities for youth under CETA. The programs are those which serve youth exclusively such as the Young Adult Conservation Corps, the youth incentive entitlement pilot projects, the youth community conservation and improvement program, the youth employment and training program, the Job Corps, and the summer youth program for the disadvantaged. The level of outlays for these programs, if reauthorized, are estimated to reach about $2.3 billion in the coming budget year.

Improvements in the link with educational programs is of increasing importance as we begin to understand more about the problems of passage for youth from school to work. Expanded vocational education activities, work-experience programs for those in school, and incentives to return to school with job entitlements are major initiatives in the CETA legislation, which I feel ought to be explored further as prime components of our employment policy.

In October of 1976, Congress passed the Emergency Jobs Program Extension Act to extend the public service jobs program under CETA. The importance of this extension was the change made with respect to who may qualify for public service employment. The new jobs were targeted to low-income, long-term unemployed individuals or welfare recipients in community projects.

These limitations on public service jobs were applied to the program expansion brought about by the President's economic stimulus package, which raised the program level to 725,000. Fewer CETA jobs could substitute for local government services, fewer jobs were makework, and more workers who were left jobless by the recession were brought back into productive employment.

We are monitoring the outcome of these new targeting procedures carefully, and the program data being compiled by the Department of Labor on 1977 title VI participants indicate, on a preliminary basis, great improvement in achieving program goals.

In a recent Senate hearing, Secretary of Labor Ray Marshall, cited figures which reaffirmed my belief that a public service program can be effective. He noted that 86.4 percent of public service jobs were held by economically disadvantaged persons under the new buildup compared to 44 percent in 1976. AFDC recipients totaled 15.2 percent in the buildup compared to 5.8 percent in 1976, and the number of public assistance recipients in the buildup increased to 9.9 percent compared to 7.1 in 1976. The Secretary also was able to give assurances that there was almost no fiscal substitution which has plagued the program in the past. Our experience during this buildup can reinforce an effective design for a continued public service employment program.

In this bill, the administration has proposed a permanent countercyclical jobs program which will automatically adjust up or down to correspond to changes in the national unemployment rate. This type of jobs program will better respond to recessionary trends without the long delays involved in enacting new legislation.

Mr. President, for the most part, the CETA programs are designed and operated at the local level by State and local governments. This system of prime sponsors was established by the act only 4 years ago and has done a more than credible job of meeting the needs of the unemployed in their communities. Through this system, State and local governments have become vital partners with the Federal Government in building the economy and helping families build better lives.

I think the decentralized prime sponsor system is important to the economic health of the country. The prime sponsor's ability to respond to local needs is important to maintain, and the bill will back that principle.

Mr. President, my colleague, Senator NELSON, who is chairman of the Human Resources Subcommittee on Employment, Poverty, and Migratory Labor, has already scheduled hearings to consider this bill, and I intend to work closely with him on this important legislative priority.

Mr. JAVITS. Mr. President, the administration bill to revise and extend the Comprehensive Employment and Training Act is being introduced today by the chairman of the Human Resources Committee, Senator WILLIAMS, the chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, Senator NELSON, and others.

I have had an opportunity to study the bill and think it is one which will bring about many and much needed improvements in the CETA programs and is obviously the result of much thought by the professionals at the Labor Department and in the White House. The program needs to be extended and I join in seeking its extension, but, in my judgment it does not deal adequately with what I consider to be among the principal areas of concern in the present CETA program, notwithstanding all of its important plusses—particularly its recognition of the need more nearly to target programs at those persons most severely affected by unemployment.

In my judgment, three items are critically important and must be dealt with by our committee if we are to have a CETA bill that can receive broad bipartisan support among our colleagues.

First, we really need to have improved "area targeting" of the CETA programs. The administration bill perpetuates the erroneous view that all unemployment is alike and therefore should be treated equally and, furthermore, exacerbates the problem by lumping all PSE programs into a single countercyclical title.

In fact, however, all unemployment is not the same and our employment and training programs should be designed to take cognizance of the differences. CETA should be constituted so as to take better account of the significant differences in the nature of unemployment in, for example, Texas and North Carolina on the one hand, and New York and New Jersey on the other. Formulas which allocate Federal funds on the basis of the relative total number of unemployed persons in an area implicitly treat the structurally unemployed the same as the casually or cyclically unemployed. The latter problems are largely self-correcting, while endemic structural unemployment, on the other hand, is related to deep-seated and chronic imbalances and dislocations in regional labor markets.

The Northeast, for example, has been going through an unending period of transformation that has been associated with a real hemorrhage of job oppor-

tunities. New York City alone, has lost over 540,000 jobs since 1970, and unhappily for me, the new data put New York State at 8.1 percent unemployed in December. And many other areas of our country, urban and rural, North and South, have sustained severe erosions of job opportunities for their labor forces.

Commenting on this problem before our subcommittee 2 weeks ago, Dr. Charles Killingsworth, the distinguished manpower economist, of Michigan State University, had this to say:

I can say from the basis of personal knowledge that there are many hundreds of thousands of workers in those plants, (in communities hard hit by structural unemployment, like Youngstown, Johnstown, Lackawanna, Akron), in those cities that I have named who, in all likelihood, will never have a regular job for the rest of their lives without some effective program of assistance for these communities. These are prospective ghost towns like some of the ghost towns in New England that are still suffering from the removal of the textile industry.

I want to underscore this idea of "ghost towns" for my colleagues. These are the places in our country where private industry has made an exodus to what it views as more hospitable environs. Such areas, as well as those which have a preponderence of residents—especially minority youth—who lack the required skills and who are likely to remain unemployed or in the secondary labor market all their lives, need greater consideration than what is presently afforded by nondiscrete formulas which count all the unemployed, even down to a zero unemployment rate.

It is my hope that our Human Resources Committee will bite the bullet and take on this important issue, to wit: improved area targeting of CETA programs. In my own bill I have proposed that public service employment funds be allocated on the basis of excess unemployed in an area, over 4.5 percent of the area labor force. This would have the effect of clarifying the fact that public service employment funds should be concentrated in areas of severe structural unemployment and not be diffused so widely among all prime sponsors. I urge my colleagues in the Senate to examine this question very carefully and decide in their own minds whether we can afford to stand by while those urban and rural areas of our country which have been ravaged by severe chronic structural unemployment become the U.S. ghost towns of the 20th century.

Item No. 2 which should have been dealt with in the administration bill concerns the need for more and more effective job training in the public service employment programs. It is useful to recall that when the title VI program was first enacted, and when it was extended in October 1976, it was conceived and envisioned as a countercyclical program; to provide job relief until the recession of 1974–75 was over and renewed economic activity generated the needed jobs. For this reason, participant eligibility criteria were not strict and no training requirement was mandated; after all, most participants would be returning to their old jobs before too long.

However, with the resumption of economic growth—over 4 million new jobs were created in 1977—it has become apparent that eligibility for title VI should be restricted to the structurally unemployed, those who are disadvantaged and are long-term unemployed.

In addition, I understand that the Department may propose to set a time limit of 18 months on eligibility for participation in the new title VI PSE program. Hence, we may have 725,000 persons employed under that catch-all CETA title who are at a severe disadvantage in the labor market and whose tenure in the program is limited as to time. It is imperative, therefore, that the title VI PSE program be much more than an income transfer program. Participants must receive job training, so that when they leave the program they will have some improvement in their employability. Absent such remediation, they will be right back where they started when they began in the program.

I might add at this point that I do not agree with the idea that we should have one CETA–PSE title encompassing both cyclical and structural programs. As I described above, these types of unemployment are completely different; in cause, duration, location, and remediation. To deal with cyclical unemployment, we need to have less restrictive eligibility requirements for participation, quick start-up and more generalized formula funding. Also, a job training component need not be prescribed, since workers generally prefer their former jobs.

For structural unemployment, on the other hand, we need areawide targeting to rifle funds into the hardest hit areas; we need strict eligibility criteria to insure that those persons most in need of employability development are assisted; and we need a job training component, to enhance their prospects for obtaining unsubsidized employment upon termination of their participation.

Lumping all of these disparate elements into a single PSE program will lead inevitably to a mismatch between the regional allocation of funds and the residence of the target population; one in which those most in need of employability development fail to receive the necessary job training.

One of the reasons why so little job training is undertaken presently under title VI—although prime sponsors are free to do so—is that the Labor Department has put heavy pressure on prime sponsors to reach their PSE slot targets as quickly as possible. This quick start-up has probably made it impossible to design employment projects that have a significant job training component. I believe we must take steps to encourage and give an opportunity to prime sponsors to undertake more OJT and classroom instruction in the PSE program. For example, the requirement in section 602(b) that 85 percent of the allocated funds be used only for wages should be modified to include legitimate training costs.

I think much can be learned from our experience with the All-Volunteer Army. The big thing about the Volunteer Army is, "Join the Army and learn a trade." If we could focus the PSE program on "join the public employee job corps and learn a trade," and if planning would more adequately match the trade with job availability (and that is why planning is so critically important), then I think we could have a viable PSE program that could earn the support of most everyone.

I hope we will be able to make the changes necessary in title VI, therefore, to make it a training-employment program; an action-learning program, if you will, which will redound to the ultimate benefit of the participants themselves.

Item No. 3, which the administration bill does try to get at somewhat, is the need for engaging the constructive participation of the U.S. business community in the hiring and training of the structurally unemployed. In my judgment, this is an imperative for consideration of CETA reenactment this year. Four out of five jobs are in the private sector of our economy, and I do not believe we have done everything possible to encourage the involvement of business. The Department's bill proposes to create a new title in CETA for a private sector initiatives program, apparently to be operated as a new national program of grants to prime sponsors on the basis of competitive applications.

I have some misgivings about this approach, because it seems to be modeled upon the HIRE and STIP programs, undertaken with much fanfare last year and now slated to be discontinued, for reasons that are not entirely clear. I think we should have much more experience with national programs of that type before we act to establish a new title for such purposes.

Moreover, it seems to be unnecessarily duplicative at this time to create a new title for the purpose of involving the private sector. What we need is greater flexibility in the existing title I program to enable prime sponsors to arrange for more OJT in the private-for-profit sector.

Presently, reimbursement is permitted only for the extraordinary costs of training CETA participants, and this process often involves much bureaucratic redtape and recordkeeping. The rule of thumb for maximum reimbursement is 50 percent of first-year wages, but often this can involve much paperwork. For this reason, and understandable I think, businesses have been reluctant to negotiate OJT contracts with prime sponsors, and one of our best routes to permanent jobs has been underused.

Personally, I would prefer that the additional $400 million in budget authority requested by the President be appropriated for title I, allocated in accordance with the relevant formula, and earmarked for on-the-job training in the private sector of our economy.

To insure that maximum impact is had from these funds, it will be necessary to give prime sponsors somewhat greater flexibility to make arrangements for on-the-job training with employers organized for profit. In my judgment, the present law's limitation on reimbursement for training, to wit: for

the "extraordinary" costs, has stifled innovation in this area and, for that reason, should be repealed.

I do not believe we can repeal the current restrictions on OJT reimbursements, however, without instituting some appropriate safeguards to prevent displacement of existing employees. I share the concerns of trade unions that unrestricted OJT reimbursement could lead to backdoor wage subsidies and displacement. But I do not think we need to be slaves to this concern if we can obviate it; otherwise, much-needed flexibility to develop creative new approaches to on-the-job training and permanent job development for the disadvantaged may be suppressed.

I propose that prime sponsors who seek greater flexibility to develop more imaginative arrangements with for-profit employers be given that freedom, provided they establish local labor-industry OJT advisory boards, which would be given the authority to review on a case-by-case basis and approve, or reject, proposed OJT arrangements between prime sponsors and employers. If the board felt that a particular proposed arrangement could lead to displacement of existing employees it could require reimbursement to be limited to extraordinary costs. On the other hand, if the board felt that a given OJT arrangement would enable many disadvantaged persons to have an opportunity for training they might otherwise not have had and the Board felt the displacement danger was minimal, then notwithstanding the fact that the contract provided for reimbursement over and above extraordinary training costs, it could approve such a contract.

If prime sponsors did not want to come under such a procedure, they could continue to reimburse as under present law. Only those seeking wider latitude for OJT arrangements would be required to establish a labor-industry OJT advisory board.

In any event, we should leave this up to local officials to decide, rather than attempting to mandate any particular program model on every prime sponsor.

I believe OJT can be the key to encouraging private sector involvement in employing the structurally unemployed.

But to more fully engage the private sector in our CETA programs we have to take a business-like view of the process. We cannot straightjacket employers with regulations and bureaucratic restrictions and then expect them to be involved. We must minimize the redtape and encourage employers by giving the prime sponsors the flexibility to negotiate these OJT contracts. I hope my colleagues will consider this proposal and, perhaps, suggest some other approaches to help bring the private sector into fuller partnership with Government in the operation of our CETA programs.

Mr. President, I believe these three subjects, to wit: Heavily impacted area targeting; job training; and private sector involvement, have not been addressed adequately in the administration bill. The Employment Subcommittee will need to consider these and other details of the CETA program, as we deliberate on the legislation, and I trust we will be able to reconcile our differences of view and have a bill that deserves the strong support of all of our colleagues.

Mr. CRANSTON. Mr. President, I am pleased to join with my colleagues on the Human Resources Committee in introducing the Comprehensive Employment and Training Amendments of 1978. This measure, which was submitted by the President to the Congress yesterday, would extend the Comprehensive Employment and Training Act of 1973 (CETA) for 4 years through fiscal year 1982 and make a number of changes in the program.

I am pleased that the administration has submitted as an integral part of this Nation's employment strategy, this legislation designed to meet in a coordinated way the employment needs of economically disadvantaged, unemployed, and underemployed individuals through a wide variety of employment and training initiatives administered primarily by those most familiar with local needs.

Particularly noteworthy, Mr. President, are the provisions which the administration has included in this bill to serve the needs of disabled and younger Vietnam-era veterans. As chairman of the Senate Veterans' Affairs Committee and as a member of the Human Resources Committee, I want to express my appreciation to the Department of Labor and the administration for their responsiveness in connection with these veterans provisions in this reauthorization legislation.

Mr. President, I do have a number of concerns, however, about other provisions of this legislation including the changes which have been made with respect to the so-called targeted public service employment program which I authored in Emergency Jobs Programs Extension Act of 1976 (Public Law 94–444) which extended and expanded the title VI program. I intend to scrutinize carefully the changes the administration has proposed on this subject and to work very closely with my colleagues in the Subcommittee on Employment, Poverty, and Migratory Labor—including its distinguished chairman, Senator NELSON—to insure that programs conducted under CETA continue to serve those individuals who are most in needs of employment and who have been out of work for extended periods of time.

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 2571. A bill to authorize appropriations during the fiscal year 1979, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilan personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes; to the Committee on Armed Services.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1979

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from Texas (Mr. TOWER), I introduce for appropriate reference, a bill to authorize appropriations during the fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2571

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1979 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $1,017,800,000; for the Navy and Marine Corps, $4,078,800,000; for the Air Force, $6,897,700,000.

Missiles

For missiles: for the Army, $773,200,000; for the Navy, $1,553,600,000; for the Marine Corps, $23,100,000; for the Air Force, $1,676,800,000.

Naval vessels

For naval vessels: for the Navy, $4,712,400,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $1,532,500,000; for the Marine Corps, $21,700,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $364,100,000.

Other Weapons

For other weapons: for the Army, $104,100,000; for the Navy, $129,800,000; for the Marine Corps, $28,000,000; for the Air Force, $300,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1979 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2.721,400,000;

For the Navy (including the Marine Corps), $4,495,912,000;

For the Air Force, $4.339,100,000; and

For the Defense Agencies, $917,000,000, of which $27,600,000 is authorized for the activ-

ities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning October 1, 1978, and ending September 30, 1979, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 771,700;
(2) The Navy, 521,700;
(3) The Marine Corps, 190,000;
(4) The Air Force, 565,600.

SEC. 302. (a) The computation of the annually authorized end strength for the active military personnel of any component of the Armed Forces for any fiscal year shall include all personnel of that Armed Forces component on active duty who are paid by or through that component's active military personnel appropriation, subject to the exclusions contained in subsection (b).

(b) In computing the authorized end strength for the active duty personnel of any component of the Armed Forces for any fiscal year, there shall not be included:

(1) Civil works officers;
(2) Members paid from appropriations for the Reserve Components;
(3) Reserves ordered to active duty in time of war, or national emergency declared by Congress or the President after January 1, 1978;
(4) Units and members of the Selected Reserve ordered to active duty (other than for training) under section 673b of title 10, United States Code;
(5) Members of the Army National Guard or members of the Air National Guard called into Federal service under sections 3500 or 8500 of title 10, United States Code;
(6) Members of the militia of any State called into Federal service under chapter 15 of title 10, United States Code;
(7) Reserves ordered to temporary active duty for administration of the Reserves who are covered by section 678 of title 10, United States Code;
(8) Reserves on active duty filling positions in accordance with the provisions of section 265 of title 10, United States Code; and
(9) Reserves on active duty for training.

(c) Title 10 United States Code is amended

(1) by striking out ", but shall not be counted against any prescribed military strengths" in section 2114(b);

(2) by striking out clauses (1) and (5) in subsection (a) and clauses (1) and (4) in subsection (b) of section 3201;

(3) by repealing section 3230 and by striking out the corresponding item for that section in the chapter analysis of chapter 331;

(4) by repealing sections 5415 and 5416 and by striking out the corresponding items for those sections from the chapter analysis of chapter 531;

(5) by striking out clauses (1), (2), and (6) in subsection (a) and clauses (1) and (4) in subsection (b) of section 8201; and

(6) by repealing section 8230 and by striking out the corresponding item for that section in the chapter analysis of chapter 831.

(d) Section 625(b) of the Department of Energy Organization Act (91 Stat. 598) is amended by striking out the second sentence.

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1978, and ending September 30, 1979, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 363,000;
(2) The Army Reserve 196,700;
(3) The Naval Reserve, 51,400;
(4) The Marine Corps Reserve, 33,000;
(5) The Air National Guard of the United States, 92,400;
(6) The Air Force Reserve, 53,200;
(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1978, and ending September 30, 1979, the Department of Defense is authorized an end strength for civilian personnel of 1,007,531.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized in subsection (a) of this section but such additional number may not exceed 1¼ percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. For the fiscal year beginning October 1, 1978, and ending September 30, 1979, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 67,843;
(2) The Navy, 58,086;
(3) The Marine Corps, 21,324;
(4) The Air Force, 44,917;
(5) The Army National Guard of the United States, 11,793;
(6) The Army Reserve, 5,959;
(7) The Naval Reserve, 991;
(8) The Marine Corps Reserve, 3,074;
(9) The Air National Guard of the United States, 2,471;
(10) The Air Force Reserve, 1,184.

TITLE VII—DEFENSE CIVIL PREPAREDNESS AGENCY

SEC. 701. Funds are hereby authorized to be appropriated during the fiscal year 1979 for carrying out the purposes of the Federal Civil Defense Act of 1950, as amended, for the Defense Civil Preparedness Agency, in the amount of $96,500,000.

This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1979".

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., February 8, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith legislation "To authorize appropriations during the fiscal year 1979, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads and to authorize appropriations for civil defense and for other purposes."

We are also submitting herewith, as separate legislation, a similar request for authorization of appropriations for fiscal year 1980.

These proposals are part of the Department of Defense legislative program for the 95th Congress and the Office of Management and Budget has advised that enactment of the proposals would be in accordance with the program of the President. These proposals are being sent to the Speaker of the House.

The enclosed request for FY 1979 supersedes the previous request for that fiscal year which was submitted as separate legislation along with the FY 1978 appropriation authorization request. Because Congress did not act on the FY 1979 proposed legislation and in order to update our original request to make necessary changes reflecting, for example, Congressional action on our 1978 request, we believe it is appropriate to resubmit the proposed Department of Defense authorization legislation for fiscal year 1979.

Title I provides procurement authorization for the military departments and Defense agencies in amounts equal to the budget authority included in the President's budget for fiscal year 1979.

Title II provides for the authorization of each of the research, development, test and evaluation appropriations for the military departments and the Defense agencies in amounts equal to the budget authority included in the President's budget for fiscal year 1979.

Title III of the proposal prescribes the end

strengths for active duty personnel in each component of the Armed Forces as required by section 138(c)(1) of title 10, United States Code, in the numbers provided for by the budget authority and appropriations requested in these components in the President's budget for fiscal year 1979. It also contains a provision, section 302, which would provide permanent criteria for determining end strengths.

Title IV of the proposal provides for average strengths of the Selected Reserves of each Reserve component of the Armed Forces as required by section 138(b) of title 10, United States Code, in the numbers provided for by the budget authority and appropriations requested for these components in the President's budget for fiscal year 1979.

Title V of the proposal provides for civilian personnel end strengths for each component of the Department of Defense as required by section 138(c)(2) of title 10, United States Code, in the numbers provided for by the budget authority in appropriations requested for the Department of Defense in the President's budget for fiscal year 1979.

Title VI of the proposal provides for the average military training student loads as required by section 138(d)(1) of title 10, United States Code, in the numbers provided for this purpose in the President's budget for fiscal year 1979.

Title VII of the proposal provides for the Defense Civil Preparedness Agency as required by section 408 of the Federal Civil Defense Act of 1950, as amended.

In accordance with the Budget Control Act of 1974, we are also submitting, in the form of a separate bill, authorization for appropriations for fiscal year 1980.

Sincerely,

DEANNE C. SIEMER.

By Mr. HELMS:

S. 2573. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

VOLUNTARY PRAYER IN SCHOOLS: AMERICA'S HERITAGE

Mr. HELMS. Mr. President, the physical and moral strength of the American Republic rests upon our religious heritage. We believe in the ethic of hard work and a just reward for our labors. This is one of the reasons why we are such an industrious and prosperous Nation. We are guided by religious principles that underlie our political and legal system. This is one of the reasons why Americans are a generous and humane people. We are indeed a religious people, and this is why we are free.

Throughout the world today, tyranny reigns where the free exercise of religion is prohibited by government. In the totalitarian dictatorships, religious prayer has been replaced by the cult of the personality. The modern utopian regimes, which hold their citizens in bondage, cannot tolerate the existence of religion, and they fear its influence among the people. Indeed, they promote secularism as the state religion.

Even in America the influence of religion is on the decline. We see the rise of secularism among our youth, in our laws, in every aspect of our culture. Is it any wonder that we are engulfed in a wave of crime, drugs, abortion, and pornography?

Mr. President, the unfortunate and unwise decision of the Supreme Court to abolish voluntary prayers in our public schools can only serve to accelerate the decline of religion in America. The rising generation is less influenced by religion today than at any time in our history. For many American children, the public school has been the only place in their daily lives where they were exposed to the great moral principles of our Judeo-Christian tradition. When we prohibit the exercise of voluntary prayer in the public schools, we are promoting secularism and interfering with the free exercise of religion by the individual citizen.

In my view, Mr. President, the American Government has a solemn duty to encourage religion among the people. With this in mind, I send to the desk a bill which will permit the recitation of voluntary, nondenominational prayers in the public schools. This bill has been made necessary by the judicial prohibition announced by the Supreme Court in *Engel* v. *Vitale*, 370 U.S. 421 (1962). There the Court held that the constitutional prohibition against governmental establishment of religion was violated by the recital of a nondenominational prayer at the beginning of each public school day. This is a complete distortion of our first amendment rights.

To this day, an overwhelming majority of the American people have opposed the Court's decision. I believe that Justice Stewart reflected the views of most Americans when he noted in his dissent that:

> With all respect, I think the Court has misapplied a great constitutional principle. I cannot see how an "official religion" is established by letting those who want to say a prayer say it. On the contrary, I think that to deny the wish of these school children to join in reciting this prayer is to deny them the opportunity of sharing in the spiritual heritage of our Nation. Ibid. at 445.

Since the Engel decision there have been consistent attempts to restore the true spirit of the first amendment by further amending the Constitution. I have always supported and I shall continue to support such proposed amendments. The amendment process is time consuming, however, and it is replete with procedural encumbrances. When little progress has been made since 1962, it is time we look to an alternative approach provided by our Constitution.

Fortunately, the Constitution provides this alternative under the system of checks and balances. In anticipation of judicial usurpations of power, the framers of our Constitution wisely gave Congress the authority, by a simple majority of both Houses, to check the Supreme Court through regulation of its appellate jurisdiction. Section 2 of article III states in clear and unequivocal language that the appellate jurisdiction of the Court is subject to "such exceptions, and under such regulations, as the Congress shall make."

THE AUTHORITY OF CONGRESS TO REGULATE THE APPELLATE JURISDICTION OF THE SUPREME COURT

Permit me to point out, Mr. President, that Congress has never doubted its authority to exercise this power. Since the earliest days of the Republic, Members of Congress have proposed and enacted legislation to regulate the appellate jurisdiction of the Supreme Court. The Norris-LaGuardia Act, for example, narrowly restricted the authority of Federal courts to issue restraining orders or injunctions in "a case involving or growing out of a labor dispute," and further provided that "yellow-dog" contracts "shall not be enforceable in any court of the United States and shall not afford any basis for the granting of legal or equitable relief by any such court."

More recently, we have seen an increasing number of such bills introduced by Members of Congress who are concerned about the rise of judicial activism and the decline of State power through judicial edict.

As my colleagues will recall, Representative William Tuck of Virginia, introduced a bill in 1964 which provided that neither the Supreme Court nor any other Federal court should have jurisdiction to change or set aside any apportionment or reapportionment of legislative districts adopted by the State legislatures. On August 19, 1964, the Tuck bill passed the House by a vote of 242–148. Here in the Senate, a similar bill was sponsored by Senators Dirksen, Mansfield, STENNIS, and EASTLAND. I call these examples to the attention of my colleagues, Mr. President, to emphasize the fact that Members of Congress have always been cognizant of their responsibilities under the Constitution to check the encroachment of judicial power.

SUPREME COURT ACCEPTANCE OF CONGRESSIONAL REGULATION OF APPELLATE JURISDICTION

Nor has the Supreme Court itself ever entertained any doubts or misconceptions concerning the authority of Congress to regulate the jurisdiction of the Federal courts. Within 10 years after the ratification of the Constitution, the Court observed:

> If Congress has provided no rule to regulate our proceedings, we cannot depart from it. *Wiscart* v. *D'Auchy*, 3 U.S. (3 Dall.) 321, 327 (1796).

Few members of the Supreme Court in the 19th century went beyond Chief Justice John Marshall in asserting the powers and independence of the Federal judiciary. Yet it was Marshall who declared in 1805 that—

> When the Constitution has given Congress the power to limit the exercise of our jurisdiction, and to make regulations respecting its exercise, and Congress under that power has proceeded to erect inferior courts, and has said in what cases a writ or error or appeal shall lie, an exception of all other cases is implied. And this Court is as much bound by an implied as an expressed exception. *United States* v. *More*, 7 U.S. (3 Cranch), 159 170–171 (1805).

Marshall restated his position in *Durousseau* v. *United States*, 10 U.S. (6 Cranch 307, 314 (1810)), where he flatly asserted that—

The appellate powers of this Court are not given by the Judicial Act, they are given by the Constitution. But they are limited and regulated by the Judicial Act, and by such other acts as have been passed on the subject.

Chief Justice Marshall never allowed that there were any limits to the exceptions and regulations that Congress could prescribe.

Later, the Court went so far as to reaffirm Congress authority over its jurisdiction where Congress had withdrawn jurisdiction after the case had already been argued before the Court. In the well-known case of *Ex parte McCardle,* 74 U.S. (7 Wall.) 514, decided in 1868, the Court promptly dismissed the case for want of jurisdiction. Speaking for a unanimous Court, Justice Davis declared:

We are not at liberty to inquire into the motives of the legislature. We can only examine its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words.

The principle laid down in the *McCardle* case has been reaffirmed many times by the Court in subsequent cases down to the present. As the Court observed in the *Francis Wright,* 105 U.S. 381 (1882).

While the appellate power of this Court extends to all cases within the judicial power of the United States, actual jurisdiction is confined within such limits as Congress sees fit to describe. What these powers shall be, and to what extent they shall be exercised, are, and always have been, proper subjects of legislative control.

In the words of the late Mr. Justice Frankfurter:

Congress need not give this Court any appellate power; it may withdraw appellate jurisdiction once conferred and it may do so even while a case is *subjudice. National Mutual Ins. Co.* v. *Tidewater Transfer Co.,* 337 U.S. 582, 655 (1948).

Not once in its history, Mr. President, has the Supreme Court departed from this principle or suggested that there are any limitations to Congresses control over the Court's jurisdiction. Indeed, the Constitution itself admits to no limitations.

THE MINORITY VIEW OF CONGRESS AUTHORITY

In spite of these firmly established precedents, we have seen in recent years the sudden appearance of a school of thought which purports to argue that there are, after all, limitations on Congress control over the appellate jurisdiction of the Supreme Court, even though the Court has not recognized them. One line of argument seeks to discredit ex parte McCardle by rallying around the lonely outpost defended by Justice Douglas who assumed in 1956 that ex parte McCardle was still good law, stating that—

The power of Congress over the appellate jurisdiction of the Supreme Court is complete.

But insisted in 1962 that—

There is a serious question whether the McCardle case could command a majority view today.

Support for Justice Douglas minority position is drawn by a few writers from an interpretative analysis of two early cases in the history of the Supreme Court, *Ex Parte Yerger,* 75 U.S. (8 Wall.) 85 (1869) and *U.S.* v. *Klein,* 80 U.S. (13 Wall.) 128 (1871). Although neither one of these decisions overruled McCardle, it is nevertheless maintained that they are in conflict with it and now represent the true feelings of the Supreme Court. In response to this speculative view, suffice it to say that in the Yerger case, the Court at best implied that there might be a limitation on Congress control of appellate jurisdiction; and in the Klein decision, the Court confronted a different situation from that in McCardle.

Pursuing another line of argument, some writers have also presented the view that Congress may not constitutionally deprive the Supreme Court of appellate jurisdiction so as to make it impossible for a Federal court to protect so-called Federal rights, whether constitutional or statutory, from State action.

CONCLUSIONS ON CONGRESS AUTHORITY

Once again, however, we are dealing with mere speculation and not law. If there are limitations on Congress power to regulate the appellate jurisdiction of the Supreme Court, I do not know what they are; nor does anyone else. And until the Court has reversed its present stand, we should not assume that it has. Writing in the Columbia Law Review, the leading constitutional authority, Prof. Herbert Wechsler, put it this way:

There is, to be sure a school of thought that argues that "exceptions" has a narrow meaning, not including cases that have constitutional dimension; or that the supremacy clause or the due process clause of the fifth amendment would be violated by an alteration of the jurisdiction motivated by hostility to the decisions of the Court. I see no basis for this view and think it antithetical to the plan of the Constitution for the courts—which was quite simply that the Congress would decide from time to time how far the federal judicial institution should be used within the limits of the federal judicial power; or, stated differently, how far judicial jurisdiction should be left to the state courts, bound as they are by the Constitution as "the supreme Law of the Land . . . any Thing in the Constitution or Laws of any State to the Contrary notwithstanding." Federal courts, including the Supreme Court, do not pass on constitutional questions because there is a special function vested in them to enforce the Constitution or police the other agencies of government. They do so rather for the reason that they must decide a litigated issue that is otherwise within their jurisdiction and in doing so must give effect to the supreme law of the land . . . The difficulty with legislative withdrawal of jurisdiction is not one of constitutional dimension. . . .

Perhaps we should also observe, Mr. President, that this school of thought has appeared at a time when Members of Congress have been very active in their efforts to limit the awesome powers of the Supreme Court through control of its appellate jurisdiction. Can it be that this so-called school is motivated simply by a desire to protect the constitutional revolution of the modern Court, and to shield the Court from the outraged citizens of this country, who depend upon us to control the Federal judiciary?

In my view, Mr. President, these arguments against the right of this Congress to regulate the jurisdiction of the Courts of the United States amount to little more than an assertion of judicial supremacy. They are based on the assumption—and it is a false as well as a dangerous one—that once the Supreme Court has taken jurisdiction over a class of cases, that we are thereafter helpless to do anything about it except by constitutional amendment. Such an assumption flies in the face of the theory and language of our fundamental law and totally disregards the democratic character of our system. Abraham Lincoln gave this point classic expression in his very first inaugural address, when he spoke of the Dred Scott case in these terms:

I do not forget the position assumed by some that constitutional questions are to be decided by the Supreme Court, nor do I deny that such decisions must be binding in any case upon the parties to a suit as to the object of that suit, while they are also entitled to very high respect and consideration in all parallel cases by all other departments of the Government. And while it is obviously possible that such decision may be erroneous in any given case, still the evil effect following it, being limited to that particular case, with the chance that it may be overruled and never become a precedent for other cases, can better be borne that could the evils of a different practice. At the same time, the candid citizen must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made in ordinary litigation between parties in personal actions the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal. Nor is there in this view any assault upon the court or the judges. It is a duty from which they may not shrink to decide cases properly brought before them, and it is no fault of theirs if others seek to turn their decisions to political purposes.

RESTORING VOLUNTARY PRAYER AND THE FREE EXERCISE OF RELIGION

For these reasons, I am introducing today a bill which would limit the appellate jurisdiction of the Supreme Court, and the original jurisdiction of Federal district courts, in actions relating to the recitation of prayers in public schools. This bill states simply that the Federal courts shall not have jurisdiction to enter any judgment, decree, or order, denying or restricting as unconstitutional, voluntary prayer in any public school. Implicit in the bill is the understanding that the American citizen will have recourse to a judicial settlement of his rights, but this settlement will be made in the State courts of this Nation, and not in the Federal courts. This is where our religious freedoms have always been safeguarded, until they were nationalized by the Supreme Court just a few years ago. From 1789 until 1962, a period of 173 years, the whole matter of what constitutes a religious establishment in the separate States was determined by our State courts, and if I am

not mistaken Americans enjoyed their religious freedom throughout this long period of time. In this sense, then, my bill simply restores to the American people and to their respective States those rights which they possessed until the Supreme Court decided a few years ago, without benefit of statute, that the Justices themselves must take jurisdiction.

The limited and specific objective of this bill, then, is to restore to the American people the fundamental right of voluntary prayer in the public schools—and I stress the word "voluntary," Mr. President. No individual should be forced to participate in a religious exercise that is contrary to his religious convictions, and the bill takes cognizance of this cherished freedom. At the same time, the bill seeks to promote the free exercise by allowing those who wish to recite prayers—and they are the vast majority of our citizens—to do so, with or without the blessings of government.

As many critics of the Engel decision have correctly observed, the free exercise of religion was actually denied in that case. As you will recall, no individual was compelled to recite the nondenominational prayer, and dissenters were allowed to excuse themselves from the classroom. But the remaining students were denied the freedom to participate in the recitation of the prayer. The conclusion is inescapable, Mr. President, that in Engel against Vitale, the Supreme Court, in effect, gave preference to the dissenters and at the same time, violated the establishment clause of the first amendment by establishing a religion—the religion of secularism. Public school children are a captive audience. They are compelled to attend school. Their right to the free exercise of religion should not be suspended while they are in attendance. The language of the first amendment assumes that this basic freedom should be in force at all times and in all places. I respectfully urge my fellow colleagues in the Senate to join me in supporting this bill and restoring the free exercise of religion to its full constitutional status.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD, as follows:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provision of sections 1253, 1254, and 1257 of this chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule regulation, or any part thereof, or arising out of any Act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to voluntary prayers in public schools and public buildings.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

SEC. 2. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of the chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on jurisdiction.".

SEC. 3. The amendments made by the first two sections of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.

By Mr. BROOKE:

S. 2574. A bill to amend the Urban Mass Transportation Act of 1964 to provide an alternative operating subsidy for fiscal years 1979 through 1982, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

ALTERNATIVE OPERATING ASSISTANCE PROGRAM FOR URBAN MASS TRANSIT

Mr. BROOKE. Mr. President, I am today introducing a bill which would amend the Urban Mass Transportation Act of 1964 in order to provide an alternative operating assistance program for urban mass transit. The bill would create a simpler and more equitable mechanism for allocating operating assistance based upon local commitment to mas transit. It would replace the Urban Mass Transit Administration's (UMTA) current formula for allocating section 5 operating assistance which does not relate to the extent of local transit service or to local financial commitment to mass transit.

President Carter has indicated that one of his administration's goals is to develop a balanced transportation policy which takes into account the importance of mass transit to the social and economic well-being of our cities. However, S. 2441, the administrations' legislative package for highway and mass transit programs, is woefully inadequate to the needs of our existing mass transit systems.

The administration's mass transit policy runs counter to the policy statement of the President's own Urban and Regional Policy Group and does not recognize the vital importance of a viable mass transit program to a national energy conservation policy. The President's urban policy statement urged that the emergency needs of communities and people must be met and that the deteriorated capital infrastructure of our cities must be improved.

Since the President's energy proposals did not even consider the tremendous importance of an adequate mass transit program, I expected that the administration's mass transit legislation would correct that mistake. But it has not. And it seems to me that there is no clearer case of need for increased Federal support than for assistance to our urban mass transit systems.

My proposal relates operating assistance to local transit effort in a simple and predictable manner. It would avoid the complexities of the administration's proposed formula for operating assistance, which involves factors which are susceptible to manipulation. Under my bill, the Federal Government would pay up to 50 percent of a locality's operating expenses after farebox revenue as long as the remaining 50 percent is financed by State or local taxes or other local revenues—in short, a dollar-for-dollar Federal match of local subsidy. The Federal payment would be subject to a cap of either one-third of local operating expenses which were incurred 2 years prior to the year of the Federal grant or a hold-harmless amount based upon the existing level of operating assistance received by the locality. No locality would receive less funding than it would be eligible to receive under the existing section 5 operating assistance program.

I am proposing that the cap on Federal payments be based upon the locality's operating expenses for a period 2 years prior to the Federal payment. This would give Congress a firm basis for determining the outside limit of authorizations for this program based upon reported and confirmed expenses of local transit systems. In addition, there would be an incentive for local systems to control costs, since increases which exceed the cap for the current year and the previous year would have to be borne by the local system without Federal support.

Mr. President, I have been quite concerned that the existing formula for Federal operating assistance did not adequately fund the needs of our existing mass transit systems. And I was hopeful that the Carter administration would propose legislation which would redress that serious inequity. I am deeply troubled that the administration's bill as it has emerged represents a trend which could have serious adverse consequences for Massachusetts and other transit-dependent States. And if the President's transportation package is the opening salvo in this administration's attack on our urban problems, then the older cities of our country should be very concerned.

My approach would provide a realistic level of funding for mass transit and would establish a basis for a long-term commitment to transit operating costs. I think that it will encourage responsible local efforts to provide adequate transit service which is supportive of our broader national energy and urban goals.

By Mr. HART (for himself and Mr. THURMOND):

S. 2575. A bill to amend the revise of the Strategic and Critical Materials

Stockpiling Act; to the Committee on Armed Services.

NATIONAL DEFENSE STOCKPILE ACT

Mr. HART. Mr. President, today we are introducing a bill to completely revise and update the Strategic and Critical Materials Stockpiling Act. This act, originally passed in 1939, and has been amended numerous times and is now badly out of date.

The bill that we are introducing relies heavily on imaginative and pioneering work performed over many years by Representative CHARLES BENNETT of Florida who has a longstanding concern with stockpile matters. He is an acknowledged expert on this complex and little understood subject and we have made every effort to incorporate the excellent work he has already done.

My intention in introducing this legislation is to provide a means to modernize our strategic stockpiles which themselves—like the current law—are badly out of date. We have billions of dollars worth of materials now stored that we do not need, and we are deficient in many other commodites that should be acquired expeditiously. Because the existing law is so vague and conflicting, there have been essentially no additions to our strategic stockpiles since 1959 and there have been no disposals authorized since 1974. It is time for an overhaul.

Although I am not inalterably bound to the provisions in the bill that I am introducing today, after much research and consultation I think it provides a very sound basis for hearings and more in-depth examination by all concerned.

This bill makes several important changes in current stockpile law:

First, the three stockpiles that currently exist—the national stockpile, the supplemental stockpile, and the Defense Production Act inventory—are combined into a single national defense stockpile.

Second, for the first time there is specific congressional guidance as to how the stockpiles should be sized and what they should be used for. The bill emphasizes that these are not economic stockpiles—they are for national defense purposes only. The stockpiles are to be sized to meet a national emergency that may extend up to 3 years and they are to consider the needs of the civilian population as well as our Armed Forces.

Third, the bill retains and somewhat strengthens congressional control over the stockpiles by requiring authorization for the acquisition of stockpile materials as well as the disposal of stockpile materials. Existing law requires authorization only for disposals.

Finally, there is established a special fund to account for receipts and expenditures associated with stockpile materials. The fund has two purposes. It provides a continuous account of stockpile transactions which should enable the Congress to better analyze the health and status of the stockpiles. And more importantly, it serves to minimize the opportunity to use the stockpile for budgetary or economic purposes by insuring that receipts from the sale of surplus stocks may be used only to acquire needed stocks. It is important to note that the fund does not tie up moneys indefinitely; in the event that large surpluses are generated there is a provision to have these surpluses revert to the Treasury.

I am announcing today that the Subcommittee on Military Construction and Stockpiles of the Senate Armed Services Committee will hold hearings on this bill and all other pending stockpile matters on March 8 and 9, 1978. Pending legislation includes H.R. 4895—and the identical S. 1198—as passed by the House to establish a fund to account for stockpile receipts and expenditures; S. 1810, Senator MCCLURE's bill to specify a formula for computing stockpile requirements as a function of imports; S. 2167, Senator DOMENICI's bill to sell 30,000 tons of tin and acquire 250,000 tons of copper; and S. 2181, an administration bill to donate 5,000 tons of tin to the international tin buffer stockpile.

In addition, I anticipate receiving from the administration legislative proposals necessary to implement the fiscal year 1979 budget which indicates that $245 million will accrue to the Treasury from stockpile sales and that $175 million will be spent on new stockpile acquisitions without identifying the specific commodities concerned.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Strategic and Critical Materials Stockpiling Act (60 Stat. 596; 50 U.S.C. 98–98h) is amended to read as follows:

"That this Act may be cited as the 'National Defense Stockpile Act'.

"POLICY AND PURPOSE

"SEC. 2. It is the policy of the Congress and the purpose and intent of this Act to provide for the acquisition and retention of stocks of certain strategic and critical materials in order to preclude, whenever possible, a dangerous and costly dependence by the United States upon foreign sources for supplies of such materials in times of national emergency.

"DEFINITIONS

"SEC. 3. For the purposes of this Act—

"(1) The term 'strategic and critical materials' means those materials which are not found or produced in the United States in sufficient quantity to sustain the United States during a national emergency.

"(2) The term 'national emergency' means a period of time during which the national security of the United States is jeopardized by the threat or action of a foreign power.

"MATERIALS TO BE ACQUIRED; PRESIDENTIAL AUTHORITY AND GUIDELINES

"SEC. 4. (a) The President shall determine from time to time which materials are strategic and critical materials for the purposes of this Act and shall determine the quantity, and form in which such materials shall be acquired and stored. Such materials when acquired, together with all other materials described in section 5 of this Act, shall constitute and be collectively known as the 'National Defense Stockpile'.

"(b) The President shall make the determinations required to be made under subsection (a) of this section on the basis of the following principles:

"(1) that the purpose of the National Defense Stockpile is to serve the interest of national security only and is not to be used for economic or budgetary purposes;

"(2) that the quantities of materials to be stockpiled should be sufficient to sustain the United States during a national emergency extending up to three years;

"(3) that the needs of the civilian population during a national emergency, as well as the needs of the armed forces, should be considered and provided for in the National Defense Stockpile; and

"(4) that the stockpile goals for any material (the quantity of such material determined to be required for the National Defense stockpile) should not be changed unless a revised determination is made that would change the existing stockpile goal by more than 20 percent.

"CONSTITUTING THE NATIONAL DEFENSE STOCKPILE

"SEC. 5. (a) On and after October 1, 1978, the National Defense Stockpile shall consist of—

"(1) those materials acquired under this Act and contained in the so-called national stockpile on September 30, 1978;

"(2) those materials contained in the supplemental stockpile (established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954) on September 30, 1978:

"(3) those materials of stockpile grade acquired under the provisions of the Defense Production Act of 1950 and contained in the so-called Defense Production Inventory on September 30, 1978; and

"(4) those materials acquired under this Act on and after October 1, 1978.

"(b) Any material that is (1) owned by any department or any agency of the United States, (2) determined by such department or agency to be surplus to its needs and responsibilities, and (3) required for the National Defense Stockpile, shall be transferred to the National Defense Stockpile without reimbursement to such department or agency. All costs required to effect such transfer shall be paid by the Administrator of the National Defense Stockpile (appointed by the President under section 7).

"ACQUISITION AND DISPOSAL AUTHORITY

"SEC. 6. Except for disposals and acquisitions made under the authority of sections 7(a) (3) and (4) and 8(a), no acquisition of any material may be made for, and no disposal of any material may be made from, the National Defense Stockpile unless such acquisition or disposal, as the case may be, including the quantity of the acquisition or disposal, has been specifically authorized by legislation enacted after October 1, 1978.

"STOCKPILE MANAGEMENT

"SEC. 7. (a) The President shall appoint an administrator of the National Defense Stockpile (hereinafter referred to as the 'Administrator'). The Administrator shall have overall management responsibility for such stockpile. In carrying out his responsibility under this Act, the Administrator shall—

"(1) acquire the materials determined by the President to be necessary for the National Defense Stockpile.

"(2) provide for the proper storage, security, and maintenance of materials acquired for the National Defense Stockpile;

"(3) provide for the refining or processing of any material acquired for the National

Defense Stockpile when necessary to convert such material into the form best suitable for storage and subsequent use;

"(4) provide for the rotation of any strategic and critical material in the National Defense Stockpile where necessary to prevent deterioration by replacement of such material with an equivalent quantity of substantially the same material; and

"(5) dispose of such quantities of strategic and critical materials in the National Defense Stockpile as are determined to be excess to the national emergency needs of the United States.

"(b) Except as otherwise provided herein, acquisitions of strategic and critical materials under this Act shall be made in accordance with established Federal procurement practices, except that—

"(1) competitive bidding procedures shall be used in all cases; and

"(2) reasonable efforts shall be made to avoid undue disruption of the commercial market for such materials.

"(c) Except as otherwise provided herein, disposals of materials from the National Defense Stockpile shall be made in accordance with established Federal practices, except that—

"(1) competitive bidding procedures shall be used in all cases;

"(2) reasonable efforts shall be made to avoid undue disruption of the commercial market for such materials; and

"(3) no disposal may be made from the National Defense Stockpile to any foreign interest.

"(d)(1) The Administration shall establish a program under which strategic and critical materials may be acquired and disposed of by barter when the acquisition or disposal of such materials by such means is practical and in the best interest of the United States.

"(2) The Administration may use excess stockpiled materials needed for the National Defense Stockpile.

"(3) To the extent otherwise authorized by law, the Administrator may use surplus commodities owned by the United States to barter for materials needed for the National Defense Stockpile.

"(e) The Administrator may acquire any material for, or dispose of any material from, the National Defense Stockpile without regard to the provisions of subsections (b), (c) and (d) of this section but only if he notifies the Committees on Armed Services of the Senate and the House of Representatives in writing of the proposed acquisition or disposal at least 30 days before any obligation of the Federal Government is made, and includes in the notification to such committees his reasons for not complying with any or all of the provisions of such subsections..

"SPECIAL AUTHORITY TO THE PRESIDENT

"SEC. 8. (a) The President may order the use, sale, or other disposition of any material contained in the National Defense Stockpile when in his judgement such use, sale, or other disposition is required for purposes of the common defense in response to a national emergency.

"(b) Any order issued by the President under subsection (a) of this section shall be promptly reported by the President, in writing, to the Committees on Armed Services of the Senate and the House of Representatives.

"AUTHORIZATION FOR APPROPRIATIONS FOR ROUTINE OPERATIONS

"SEC. 9. There are authorized to be appropriated to the Administrator such sums as the Congress may from time to time deem necessary to provide for the transportation, processing, refining, storage, security, maintenance, and rotation of materials acquired for the National Defense Stockpile. Funds appropriated to the Administrator for such purposes shall remain available to carry out the purposes for which appropriated for a period of two fiscal years.

"ESTABLISHMENT OF THE STOCKPILE TRANSACTION FUND

"SEC. 10. (a) There is established in the Treasury of the United States a separate fund to be known as the National Defense Stockpile Transaction Fund (hereinafter referred to as the 'fund'). All moneys received from the disposal of materials from the National Defense Stockpile and all moneys appropriated for the acquisition of materials for the National Defense Stockpile shall be credited to the fund.

"(b) Moneys credited to the fund shall be available, as provided in appropriation Acts, only for the acquisition of strategic and critical materials for the National Defense Stockpile.

"(c) After September 30, 1981, any balance of money in the fund at the beginning of any fiscal year in excess of the highest amount expended from the fund for the acquisition of materials for the National Defense Stockpile in any of the three preceding fiscal years shall be transferred to the general fund of the Treasury.

"ADVISORY COMMITTEES

"SEC. 11. The President may appoint advisory committees composed of members from industries concerned with specific materials if the President deems such action appropriate. It shall be the function of any such advisory committee to advise the President and the Administrator regarding the best procedures for the acquisition, transportation, processing, refining, storage, security, maintenance, rotation, and disposal of such materials under this Act.

"REPORT TO CONGRESS

"SEC. 12. (a) The President shall submit to the Congress every six months a written report detailing operations under this Act, including such pertinent information on the administration of this Act as will enable the Congress to evaluate the effectiveness of the program provided for under this Act and to determine the need for additional legislation.

"(b) The President shall also include in each report submitted to the Congress under subsection (a) of this section a statement and explanation of the financial status of the fund and the anticipated expenditures to be made from the fund during the next year."

SEC. 2. The amendment made by the first section of this Act shall become effective on October 1, 1978.

SEC. 3. Nothing contained in the amendment made by the first section of this Act shall be construed as amending, repealing, replacing, or otherwise affecting the authority contained in any Act, other than the Strategic and Critical Materials Stock Piling Act as in effect on September 30, 1978, regarding the acquisition of strategic and critical materials for the United States.

SEC. 4. Any reference contained in any statute, rule, regulation, directive, executive order, or other document, on and after the effective date of this Act, to the Strategic and Critical Materials Stock Piling Act shall be deemed to refer to the National Defense Stockpile Act.

Mr. THURMOND. Mr. President, it is with pleasure that I join with the distinguished junior Senator from Colorado, Mr. HART, as a cosponsor of new legislation entitled, "The National Defense Stockpile Act."

It has been my view the last several years that new legislation was needed to insure the proper administration and control of the important strategic stockpiles so necessary for our national defense.

The legislation being offered today fulfills that need and I am pleased to join with Senator HART as a cosponsor of this legislation. As the ranking minority member of the Military Construction and Stockpiles Subcommittee, I look forward to early hearings on this legislation. Currently the strategic stockpiles are being managed under amended legislation which dates back to 1939. This bill will bring together what we have learned since that time and establish a new program which is greatly needed.

Early hearings on this legislation will be beneficial, as I believe the country will be greatly served by prompt attention to this subject matter.

By Mr. McCLURE:

S. 2576. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of earned income of United States citizens and resident aliens from sources without the United States, and for other purposes; to the Committee on Finance.

Mr. McCLURE. Mr. President, I have recently returned from a trip to the Middle East. During my trip I talked with a great many Americans at work over there. I also saw that most are living under conditions that few of us would tolerate.

It is clear to me that we are not giving our people overseas the support they are due. They are doing yeoman service for our Nation's continued economic growth. Yet recent blindsided actions by our own Government have set up extraordinary hurdles for our people overseas—hurdles that are making it virtually impossible for them to compete for work overseas.

I cannot tell you how many times I was told that—

People back home just do not seem to understand how much business we're shipping back home.

Well, I understand it very well. Our people overseas are helping to build a huge market for U.S. goods and services around the world.

Our Nation needs that market. Without that market we cannot create all the jobs we need to create at home. Without that market we cannot solve our staggering deficit of trade problem—a deficit that will run to $60 billion for calendar years 1977 and 1978 combined. Without that market we cannot maintain the strength of our dollar or our influence on international security.

It is worse than ironic that, at a time when we are justifiably concerned about the export of U.S. jobs and our stubbornly high rates of domestic unemployment, our Government is adopting policies that profoundly frustrate efforts to import new jobs into the domestic econ-

omy through the export of our goods and services. It is just plain foolish.

I am determined that we restore commonsense to our foreign trade policies.

A major step in that direction is to correct what one economic writer has aptly termed "A bizarre tax nightmare." We created that nightmare when we undertook wholly misguided revisions in the tax treatment of foreign-earned income. The revisions have been a disaster. They have produced, among other things, something approaching a 50-percent decline in our engineering and consruction volume abroad since 1975. When you consider that more than half of the value of our engineering and consruction contracts abroad is returned directly to the domestic economy, the magnitude of the problem we have created becomes all too clear.

I single out the engineering and construction industry because it is among the hardest hit.

What has happened is this: The revisions we made in section 911 of the tax code in 1976 drastically increased the tax burden on American nationals working overseas. The effect was to place an intolerable price premium on Americans. American engineering and construction firms have no choice but to pass the added costs on in higher contract costs. They estimate that the added costs have increased contract costs by 25 to 45 percent.

The industrial nations with which we must compete for foreign work have moved in exactly the opposite direction. They have removed any tax burden on their nationals at work overseas. Not one of them tax foreign-earned income.

Small wonder that our competitors can now consistently underbid American firms on major overseas construction projects.

But it is more than a loss of the contracts. American firms may stay in the bidding competition by using foreign engineers, architects, and technicians instead of U.S. citizens. They cost less, because of the tax treatment of their income and living allowances. In turn, they specify products with which they are familiar—products manufactured in their home countries, but not the United States. As an example, I visited a housing site built by a Canadian contractor. Every item, from air conditioners or furniture, to light fixtures and lumber products, used in that project came from Canada. Should that surprise us? Not at all. It is happening all the time. Thousands of jobs and millions of dollars are lost as a result.

I am, therefore, proposing legislation which will once again enable Americans to compete in overseas markets.

I ask unanimous consent that my bill, a technical explanation, and two articles concerning this critical problem be included in the RECORD.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 2576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Earned income from sources without the United States.

Section 911 of the Internal Revenue Code of 1954 is amended as follows:

(a) Subsection (a) is amended by substituting "an individual citizen or resident of the United States" for "an individual citizen of the United States" each place it appears.

(b) The last sentence of subsection (a) is amended to read as follows:

"An individual shall not be allowed, as a deduction from his gross income, any deductions (other than those allowed by section 151, relating to personal exemptions, section 217, relating to moving expenses, and section 221, relating to foreign source income related expenses) properly allocable to or chargeable against amounts excluded gross income under this subsection."

(c) Paragraph (1) of subsection (c) is amended by substituting the following new paragraphs:

"(1) Limitation on Amount of Exclusion.—

"The amount excluded from the gross income of an individual under subsection (a) for any taxable year shall not exceed the amount determined under subparagraphs (A) and (B) of this paragraph:

"(A) An amount computed on a daily basis at an annual rate of:

"(i) $20,000 except as provided in subparagraph (ii);

"(ii) $25,000 in the case of an individual who qualifies under subsection (a)(1), but only with respect to that portion of such taxable year occurring after such individual has been a bona fide resident of a foreign country or countries for an uninterrupted period of 3 consecutive years.

"(B) The amounts in (i) and (ii) of subparagraph (A) above shall be adjusted annually by the Secretary in accordance with the percentage rate increase paid to an employee of the United States in step 1 of grade GS–12 and shall be made effective as of the first day of the individual's taxable year in which such adjustment is made."

(d) Paragraph (8) of subsection (c) is deleted.

(e) Subsections (d) and (e) are deleted and subsection (i) is redesignated as subsection (d).

SEC. 2. Additional gross income.

(a) IN GENERAL—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding the following new section:

"SEC. 85. REIMBURSEMENT OF FOREIGN-SOURCE INCOME RELATED EXPENSES.

(a) Except as provided in section 119 (relating to meals or lodging furnished for the convenience of the employer), there shall be included in gross income (as compensation for services) any amount received or accrued, directly or indirectly, by an individual as a payment for or reimbursement of expenses of the type for which a deduction is allowed by section 221. For purposes of this section, the excess of the fair market value in the local market of goods or services of such type provided to an individual in kind in connection with his employment over the amount paid by such individual for such goods or services shall be treated as an amount received.

(b) The table of sections for part II of subchapter B of chapter 1 of such Code is amended by adding the following:

"SEC. 85. REIMBURSEMENT OF FOREIGN-SOURCE INCOME RELATED EXPENSES."

SEC. 3. Allowance of deduction.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. FOREIGN SOURCE INCOME RELATED EXPENSES.

"(a) GENERAL RULE.—There is allowed as a deduction to an individual whose principal place of work is located outside the United States the amount determined under subsection (c) for the taxable year.

"(b) EARNED INCOME LIMITATION.—The amount of the deduction allowed by subsection (a) for the taxable year shall not exceed the amount by which the individual's earned income from sources without the United States for the taxable year exceeds any amounts exempt from taxation under section 911.

"(c) DETERMINATION OF AMOUNT.—

"(1) GENERAL RULE.—The amount of the deduction allowed to an individual by subsection (a) for the taxable year shall be the sum of the following amounts:

"(A) Qualified cost-of-living differential.

"(B) Qualified housing expenses.

"(C) Qualified schooling expenses.

"(D) Qualified home leave expenses.

"(E) Qualified hardship post travel expenses.

"(2) QUALIFIED COST-OF-LIVING DIFFERENTIAL.—

"(A) The term 'qualified cost-of-living differential' means a reasonable amount to be determined under tables which shall be published at least annually by the Secretary establishing the amount (if any) by which the general cost-of-living in the foreign country of the individual's principal place of work during such taxable year exceeds the general cost-of-living for the United States computed on a daily basis for the period during which the individual's principal place of work is located outside the United States.

"(B) The amount shall be determined in accordance with the following rules:

"(i) an individual's cost-of-living differential shall be determined by reference to the cost of maintaining a household (excluding the costs of housing and schooling) which consists of (i) the individual, and (ii) such individual's spouse and dependents if they reside with the individual, and

"(ii) in the case of married individuals (as determined under section 143), who both have earned income from sources without the United States and file separate income tax returns, the cost-of-living differential for any taxable year shall be equally allocated between such individuals.

"(C) Consultation.—The Secretary, in determining the general cost-of-living in any foreign country, and in the United States, shall be guided by the Department of State's Local Index of Living Costs Abroad.

"(D) This paragraph shall not apply for any period during the taxable year in which the individual's meals and lodgings are excluded from income under section 119.

"(3) QUALIFIED HOUSING EXPENSES.—

"(A) The term 'qualified housing expenses' means excess of the reasonable expenses paid or incurred during the taxable year for housing (including utilities, taxes, insurance, and other expenses attributable to such housing) by or on behalf of the individual, his spouse or dependents in a foreign country which is his principal place of work, over the base housing amount determined under subparagraph (B). Housing expenses shall not be considered reasonable to the extent that they are lavish and extravagant under the circumstances (considering the type of housing an individual in a similar work position would typically occupy in the United States and the availability to the individual of that type of housing within a reasonable distance of the individual's principal place of work in such foreign country).

"(B) The term 'base housing amount' shall mean—

"(i) an amount equal to 16⅔% of the in-

dividual's base compensation as defined under any qualified plan or deferred compensation within the meaning of section 401 in which the individual participates (or would be eligible to participate but for his failure to satisfy any applicable age or service requirements under such plan) for the period to which the qualified housing expenses are attributable, or

"(ii) in the event an individual's base compensation cannot be determined under the method described in clause (i), an amount equal to 10% of the excess of the individual's earned income as determined under section 911(b) for the period to which the qualified housing expenses are attributable, over the amount of the qualified housing expenses described in subparagraph (A) (before reduction by the amount determined under this subparagraph) and the amounts determined under paragraphs (2), (4), (5), and (6).

The base housing amount shall be zero in the case of an individual who is compelled, because of dangerous, unhealthful, or adverse living conditions, or for the convenience of his employer, to maintain a household (in addition to a household at his principal place of work) at a place other than his principal place of work for his spouse, dependents, or both.

"(C) This paragraph shall not apply for any period during the taxable year in which the value of the individual's housing is excluded from income under section 119.

"(4) QUALIFIED SCHOOLING EXPENSES.—

The term 'qualified schooling expenses' means the reasonable expenses paid or incurred during the taxable year for the education through secondary level for each of the dependents of the individual. Such expenses shall include the costs of tuition, fees, books and local transportation, and if an adequate United States-type school is not available within a reasonable commuting distance of the individual's principal place of work in the foreign country, the expenses of room and board and reasonable travel each school year between such place of work and the location of the school.

"(5) QUALIFIED HOME LEAVE TRAVEL EXPENSES.—

The term 'qualified home leave travel expenses' means the reasonable amounts provided to, or paid or incurred by, an individual for one trip and return each taxable year between the location of the individual's principal place of work and a place in the United States approved by his employer (if any), for such individual, his spouse and each dependent.

"(6) QUALIFIED HARDSHIP POST TRAVEL EXPENSES.—

"(A) The term 'qualified hardship post travel expenses' means the reasonable expenses paid or incurred by an individual, his spouse and each dependent for travel between a hardship post and any other location approved by his employer, to the extent that such expenses are paid or reimbursed by the individual's employer and that such payment or reimbursement is attributable to services performed at a hardship post.

"(B) The term 'hardship post' prescribed in subparagraph (A) shall mean any location in a foreign country with adverse living conditions or which is remote or isolated.

(d) DOUBLE DEDUCTIONS DISALLOWED.—

An individual shall not be allowed, as a deduction under any other provision of this chapter (other than under section 151), any amount to the extent that the item to which such amount is attributable is properly allocable to amounts taken into account under paragraphs (3), (4), (5) and (6) of subsection (c).

(b) DEDUCTION ALLOWED IN DETERMINING ADJUSTED GROSS INCOME.—

Section 62 of such Code (relating to definition of adjusted gross income) is amended by adding after paragraph (13) the following new paragraph:

"(14) FOREIGN-SOURCE INCOME RELATED EXPENSES.—

The deduction allowed by section 221."

(c) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and by inserting in lieu thereof the following:

"Sec. 221. Foreign source-income related expenses.

"Sec. 222. Cross references.".

SEC. 4. MOVING EXPENSES.

(a) Increase in Limitations for Foreign Moves.—Section 217 of the Internal Revenue Code of 1954 (relating to moving expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Special Limitations for Foreign Moves.—

"(1) Increase on limitations.—In the case of a foreign move—

"(A) subsection (b)(1)(D) shall be applied by substituting '90 consecutive days' for '30 consecutive days,' and

"(B) subsection (b)(3) shall be applied—

"(i) by substituting '$4,500' for '$1,500' in subsection (b)(3(A) and '$3,000' for '$1,500' in subsection (b)(3)(B),

"(ii) by substituting '$6,000' for '$3,000' each place it appears, and

"(iii) by substituting '$2,250' for '$750'.

"(2) Allowance of certain storage fees.—In the case of a foreign move, for purposes of this section, the term 'moving expenses' under subsection (b)(1)(A) includes the reasonable expenses of moving and storing household goods and personal effects for the duration of each foreign assignment.

"(3) Foreign move.—For purposes of this subsection, the term 'foreign move' means the commencement of work by the taxpayer at a new principal place of work—

"(A) located outside the United States; or

"(B) located within the United States, if the taxpayer's former principal place of work is outside the United States. If the taxpayer had no former principal place of work, the preceding sentence shall be applied by substituting 'former residence' for 'former principal place of work' each place it appears.

"(4) In the case of (i) a taxpayer entering bona fide retirement, or (ii) the spouse or dependents of a deceased taxpayer who returns to the United States within six months of the taxpayer's date of death, there shall be substituted the phrase 'new residence' for the phrase 'new principal place of work' wherever it appears in this section and the requirements of subsection (c)(2) shall not apply."

SEC. 5. FOREIGN MEALS OR LODGING FURNISHED FOR THE CONVENIENCE OF THE EMPLOYER UNDER CERTAIN CONDITIONS

Section 119 of the Internal Revenue Code of 1954 (relating to meals or lodging furnished for the convenience of the employer) is amended to read as follows:

"(a) General Rule. There shall be excluded from gross income of an employee the value of any meals or lodging furnished to him, his spouse and his dependents pursuant to his employment for the convenience of his employer, but only if—

"(1) in the case of meals, the meals are furnished on the business premises of the employer, or

"(2) in the case of lodging, the employee is required to accept such lodging on the business premises of the employer as a condition of his employment.

"In determining whether meals or lodging are furnished for the convenience of the employer, the provisions of an employment contract or of a state statute fixing terms of employment shall not be determinative of whether the meals or lodging are intended as compensation.

"(b)(1) Foreign Meals or Lodging. The value of meals or lodging furnished to an employee, his spouse and dependents at a location outside the United States by or on behalf of his employer shall be excluded from gross income of an employee if either—

"(A) the requirements of subsection (a) are satisfied, or

"(B) such meals or lodging are camp-style meals or lodging, as defined in paragraph (2).

"(2) Camp-Style Meals and Lodging Defined. For purposes of this subsection—

"(A) meals shall be considered camp-style meals if—

(i) such meals are furnished in a common eating area which normally serves ten or more individuals and is not available to the public, and

(ii) the employee is furnished lodging the value of which is excludable from gross income under this section;

"(B) lodging shall be considered camp-style lodging if either—

(i) two or more unrelated employees are required by the employer to share the same living quarters; or

(ii) the lodging is furnished in a common area not available to the public which common area normally accommodates ten or more employees in connection with the design or construction of a facility located outside the United States, the exploration for, or development or production of, natural resources located outside the United States or the installation, maintenance or operation of export property (within the meaning of section 993(c)).

SEC. 6. MISCELLANEOUS PROVISIONS.

(a) Section 3121(a)(11) is amended to read as follows:

"(11) remuneration paid to or on behalf of an employee if (and to the extent that) at the time of payment it is reasonable to believe that such remuneration will be excluded from gross income under section 119 or it is reasonable to believe that a corresponding deduction is allowable under section 217 or section 221."

(b) Section 3306(b)(9) is amended to read as follows:

"(9) remuneration paid to or on behalf of an employee if (and to the extent that) at the time of payment it is reasonable to believe that such remuneration will be excluded from gross income under section 119 or it is reasonable to believe that a corresponding deduction is allowable under section 217 or section 221."

(c) Section 3402(a)(8) of such Code (relating to wages) is amended by striking out subparagraph (A)(1) and by inserting in lieu thereof the following:

"(1) performed by a citizen or resident of the United States if, at the time of the payment of such remuneration, it is reasonable to believe that such remuneration will be excluded from gross income under section 119 or section 911 or it is reasonable to believe that a corresponding deduction is allowable under section 221; or".

(d) Section 6091(b)(1)(B)(iii) of such Code (relating to place for filing returns or other documents) is amended by adding after the word "of" the following: "section 221 (relating to foreign source income related expenses).".

(e) Section 1034 of the Internal Revenue Code of 1954 (relating to the sale or exchange of a residence) is amended by redesignating the existing subsection "(h)" as "(h)(1)" and adding the following at the end thereof:

"(2) The running of any period of time specified in subsection (a) or (c) (other than the 18 months referred to in subsection (c)(4)) shall be suspended during any time that the taxpayer (or his spouse, if the old residence and the new residence are each used by the taxpayer and his spouse as their principal residence) has his principal place of work located outside the United States (within the meaning of section 221(a)) after the date of the sale of the old residence except that any such period of time as so suspended shall not extend beyond the date 4 years after the date of the sale of the old residence."

SEC. 7. EFFECTIVE DATE.

The amendments made by the above sections shall apply with respect to taxable years beginning after December 31, 1977.

TECHNICAL EXPLANATION

SUMMARY OF THE BILL

The principal effects of this bill would be:

(i) to restore the level of the earned income exclusion allowed by Internal Revenue Code ("Code") section 911 to its pre-1976 status and to provide for "indexing" of the excludable amounts by reference to civil service salaries;

(ii) to allow a series of deductions from earned income to individuals working abroad in recognition of the extraordinary nature of some of their expenses;

(iii) to adjust the time and dollar limitations on deductible moving expenses in connection with foreign moves; and

(iv) to authorize a special exclusion from income for the value of camp-style meals and lodging furnished in connection with construction projects, natural resource exploration and development, or the installation, maintenance or operation of export property.

DETAILED EXPLANATION

Section 1. Section 1 of the bill makes a number of amendments to Code section 911, relating to earned income from sources without the United States. Prior to the Tax Reform Act of 1976, section 911 authorized a taxpayer who was a bona fide resident of a foreign country or who was present in a foreign country or countries for 17 out of 18 consecutive months to exclude $20,000 per year of earned income from his gross income for tax purposes. The amount excludable was increased to $25,000 in the case of bona fide foreign residence for more than three consecutive years. The Tax Reform Act of 1976 reduced the amount of the exclusion to $15,000 in all cases (other than employees of charitable organizations), required the tax benefit of the exclusion to be computed at the taxpayer's bottom rates, disallowed foreign tax credits attributable to the amount excluded, and imposed certain other restrictions.

The present bill would make the following changes in section 911:

(a) All resident aliens who otherwise qualified for the section 911 exclusion would be entitled to its benefit (subsection 1(a) of the bill). Under present law, only those resident aliens who are citizens of countries with which the United States has a tax treaty containing a non-discrimination clause are entitled to the benefits of section 911. See Rev. Rul. 72-330, 1972-2 CB 444, amplified by Rev. Rul. 72-598, 1972-2 CB 451. This will correct an unwarranted discrimination between similarly situated resident aliens.

(b) Foreign tax credits attributable to the amounts excluded from income would no longer be automatically disallowed, and moving expense deductions and the foreign-source income related expense deduction provided by section 3 of the bill would not be apportioned to the excluded income and disallowed in part (subsection 1(b) of the bill). The disallowance under present law simply has the effect of reducing the net value of the exclusion and thereby reducing its effectiveness in minimizing the competitive disadvantage suffered by employers of U.S. citizens and resident aliens in foreign markets.

(c) The $20,000 (or $25,000) exclusion as in effect under prior law would be restored, and the amounts of these exclusions would be adjusted for inflation in future years by reference to salary increases for an employee of the United States in Sept. 1 of Grade GS-12 (section 1(c) of the bill). In most cases, an exclusion of this magnitude, coupled with the deductions created by section 3 of the bill, will prevent the U.S. tax from exceeding the foreign tax to which the typical middle-level employee in a foreign jurisdiction would be subject. This will substantially reduce the competitive disadvantage now suffered by employers of U.S. taxpayers abroad in comparison to employers of expatriate employees who are citizens of other countries and who pay no tax to their countries of origin. At the same time, the amount of the exclusion is low enough that it will not provide undue benefits to high-income taxpayers. The indexing of the exclusion will prevent its beneficial effect from being dissipated by inflation.

(d) The benefits of section 911 will not be denied where earned income is received outside the country where the services were performed because "one of the purposes" of the payment arrangement is the avoidance of foreign taxes (section (d) of the bill). This limitation is unworkably abroad in light of the many ordinary business reasons for which payments of compensation are made outside the country in which services are performed.

(e) The benefit of the $20,000 (or $25,000) exclusion will be computed at the taxpayer's marginal tax rates, not at the bottom rates (section 1(e) of the bill). This method of computation is necessary for the reasons specified in paragraph (c) above.

(f) The application of section 911, as amended, will no longer be elective, since it is unlikely that its application would ever be detrimental to a taxpayer (section 1(e) of the bill).

SECTION 2

Section 2 of the bill will add a new section 85 to the Code, specifically requiring a taxpayer to include in income (a) any reimbursements received for foreign-source income related expenses and (b) the market value of the local market of any goods or services of such type provided in kind. This provision is modeled on Code section 82, which requires inclusion in income of reimbursement of moving expenses.

SECTION 3

Section 3 of the bill adds a new section 221 to the Internal Revenue Code, allowing a series of deductions from the gross income of an individual whose principal place of work is located outside the United States. The deductions are intended to adjust for some of the extraordinary living costs faced by U.S. taxpayers abroad, particularly those living in "boom" economies (as in the case of rapidly-developing nations) or in hardship locations.

Subsection (a) of Code section 221 would allow the special deductions if the individual's "principal place of work" is located outside the United States. Under existing case law, the location of an individual's principal place of work determines whether he is "away from home" for the purpose of deducting travel expenses under Code section 162. It is intended that the section 221 deductions would be allowable whenever an individual's assignment abroad is or becomes sufficiently permanent that he is not permitted to deduct his meal and lodging expenses as travel expenses.

Under subsection (b), the sum of the section 221 deductions could not exceed the amount by which the individual's earned income from foreign sources exceeds his section 911 exclusion. Thus the section 911 exclusion and the section 221 deductions could not be combined so as to shelter either domestic earned income or any passive income, regardless of source.

Subsection (c) of Code section 221 lists the specific deductible items:

(a) Cost-of-living differential. A deduction would be allowed for the excess costs (other than housing and schooling costs) of maintaining a household in the individual's foreign place of work over the comparable costs in the United States. The Secretary of the Treasury is directed to publish annual tables establishing the cost-of-living differentials throughout the world. These tables, which would state the difference as a percentage of earned income for each country, would take into account the comparable State Department indices. The cost-of-living differential deduction would be denied for any period during the taxable year during which the individual received tax-free meals and lodging from his employer, since an individual receiving those benefits is much less subject to excess local costs.

(b) Housing expenses. A deduction would be allowed to the extent that an individual's housing expenses exceed 16⅔ percent of his base pay (determined by reference to his base pay for qualified deferred compensation plan purposes). In cases in which base pay cannot be determined by reference to a qualified plan, the "floor" would be 10 percent of earned income. The floor is intended to insure that housing costs will be deductible only in "boom" or other extraordinary circumstances in which the foreign housing cost exceeds the percentage of income which an individual resident in the United States typically would spend for housing. However, there would be no "floor" on the deduction of the foreign housing costs incurred at the principal place of work if the individual is required to maintain a second household away from the principal place of work because of dangerous, unhealthful or adverse living conditions at the principal place of work, or for his employer's convenience. However, no housing expense deduction is allowed under section 221 for any period during which the taxpayer is entitled to exclude the value of his housing from gross income under section 119. Furthermore, no deduction is allowable to the extent that the housing expenses are lavish and extravagant in the circumstances.

(c) Schooling expenses. A deduction would be allowed for the reasonable costs of tuition, fees, books and local transportation for the purpose of educating the individual's dependents through the secondary level (the level through which education is generally provided at public expense in the United States). In addition, if an adequate U.S.-type school is not available within a reasonable commuting distance of the individual's principal place of work, a deduction would also be allowed for the expenses of room, board and reasonable transporta-

tion between the principal place of work and the location of the school.

(d) Home leave travel expenses. A deduction would be allowed for the cost of round-trip travel once each year between the individual's foreign place of work and the United States. If the individual is an employee, the deduction would be limited to the cost of travel to the place in the U.S. which his employer approves.

(e) Hardship post travel expenses. A deduction would be allowed for the cost of "R & R" travel provided by an individual's employer because of the individual's assignment at a location which has adverse living conditions or is remote or isolated. It is not intended that any location in Western Europe would qualify as a hardship post.

SECTION 4

Section 4 of the bill liberalizes the moving expense deduction for foreign moves in several important respects.

First, the time period during which a deduction is allowed for the costs of meals and lodging while the taxpayer is occupying temporary quarters at the new principal place of work is increased from 30 days to 90 days, and the combined limitation for house-hunting expenses and temporary living expenses at the new place of work would be increased from $1,500 to $4,500 in the case of a foreign move. These changes reflect the increased complexity of a foreign move.

Second, the term "moving expenses" will include the cost of moving and storing household goods for the duration of the foreign assignment. This change reflects the fact that many foreign assignments are of limited duration, and in light of high overseas shipping costs it is frequently more economical to store household goods in the United States than to move them to the new place of work.

Third, the requirement that the move be in connection with the commencement of work at a new principal place of work and the 39-week employment test are waived in the case of an individual returning to the United States to enter retirement and in the case of the family of a deceased taxpayer returning to the United States within six months of the taxpayer's death. This change also reflects the limited nature of most foreign assignments.

For these purposes, the term "foreign move" will include moves to and from a foreign assignment.

SECTION 5

Section 5 of the bill makes some technical changes to Code section 119, relating to meals and lodging furnished for the employer's convenience, and adds a new class of excludable meals and lodging: foreign camp-style meals and lodging.

The technical changes are:

1. It is made clear that meals or lodging furnished to the spouse and dependents of an employee as well as the meals or lodging furnished to the employee himself are excludable from income if the conditions of section 119 are met. This change would conform the statute to the apparent existing interpretation. Rev. Rul. 60-348, 1960-2 C.B. 41, withdrawing Rev. Rul. 59-409, 1959-2 C.B. 48.

2. The requirement that the meals or lodging be furnished "by his [the taxpayer's] employer" would be changed to a requirement that they be furnished "pursuant to his employment." This change would cover the case where the employer's client directs that the employer house his personnel in a camp or campground owned by the client. This situation occurs with some regularity in the construction business.

Section 5 of the bill also adds a new subsection (b) to section 119, providing that foreign meals and lodging can be excluded either under the general rule of section 119 or if such foreign meals and lodging are "camp-style". Camp-style meals are defined as those furnished in a common area not available to the public serving 10 or more individuals to an employee who is also furnished excludable lodging. Lodging is considered camp-style if either (a) the employee is required by the employer to share his living quarters with one or more unrelated co-employees, or (b) the lodging is furnished in a common area which is not available to the public and which normally accommodates 10 or more employees, in connection with construction projects, natural resource exploration or development, or the installation, maintenance or operation of export property (within the meaning of the DISC provisions).

SECTION 6

Section 6 of the bill makes several miscellaneous amendments relating to employment taxes and gain from the disposition of a personal residence.

Subsections (a), (b) and (c) exclude reimbursements of foreign-source income related expenses from the term "wages" for FICA, FUTA and income tax withholding purposes to the extent that the employer reasonably believes that a corresponding deduction will be allowed under Code section 221. A similar exclusion would be available for meals and lodging believed to be exempt under section 119. Subsection (c) would also continue the exclusion from income tax withholding (but not FICA or FUTA) which now applies to wages expected to qualify for the section 911 exclusion.

Subsection (d) of section 6 would authorize the Treasury to require a taxpayer claiming a deduction under section 221 (relating to foreign-source income related expenses) to file his federal income tax return with the Director of International Operations.

Under subsection (e) of section 6 the running of the 18-month period prescribed in Code section 1034 for reinvestment of the proceeds of the sale of a taxpayer's principal residence would be tolled while the taxpayer has his principal place of work outside the United States. However, the period for reinvestment as extended could not exceed 4 years from the date of sale of the old residence. This provision is substantially similar to the existing subsection (h) of section 1034 dealing with members of the United States Armed Forces on extended active duty.

SECTION 7

On the assumption that the effective date of the 1976 Tax Reform Act amendments to Code section 911 will be deferred through 1977, section 7 of the bill specifies that the amendments contained therein shall be effective for tax years beginning after December 31, 1977.

A PREVIEW OF WHAT'S TO COME

(By Robert J. Samuelson)

President Carter soon will send his tax reform package to Capitol Hill, where, according to the conventional wisdom, it will be attacked viciously, and possibly mauled, by special interests.

You should resist the strong temptation to view this combat as a morality play: sinister Washington lobbyists struggling to preserve unwarranted tax breaks; good versus evil. This is a comforting but simplistic view.

On the path to "reform," the government often stumbles about, not quite certain what it is doing, to whom, or with what consequences. The beneficiaries of existing tax preferences (or, if you please, loopholes) don't always fit the satisfying stereotype of the obscenely wealthy. And the consequences of change sometimes include some nasty side effects.

A good case in point is the current struggle to reshape sections 911 and 912 of the tax code. Though obscure, these provisions involve an intriguing story that illuminates some of tax reform's practical and political problems.

Both sections deal with the taxation of Americans working abroad, and, superficially, each seems ripe for reform. In fact, Congress actually changed section 911 late last year.

Before the change, non-government workers living abroad were not required to pay taxes on the first $20,000 of income (or $25,000 if they'd lived abroad for three years). Moreover, anything above $20,000 was taxed at the bottom of the income tax scale, not the $20,000 rate. Finally, a taxpayer could claim a dollar-for-dollar tax credit for any foreign income taxes paid. The result: in 1975, an executive with $40,000 in taxable income who paid taxes of $12,140 in the United States would have paid only about $4,380 if he lived abroad.

For government workers, who are covered by section 912, the setup seems as good or better.

Working abroad entitles most federal workers to a variety of non-taxable allowances. The government usually supplies housing or pays most or all the rent. In Paris, for example, a State Department worker with a $20,000 salary gets a housing allowance of about $10,500. The same worker also receives a cost-of-living allowance of $3,425, which is supposed to represent the difference in basic expenses—food, clothing—between Washington and Paris. There also is an educational allowance of $3,000 per child and a transportation allowance for travel to the United States. None of these cash benefits is taxed.

But changing either section 911 or 912 has proven only a shade less difficult than melting the polar ice cap.

Last year's congressional review of 911 made a halting start. Congress reduced the $20,000 income exclusion to $15,000. Equally important, it required that the remaining income be taxed at normal tax rates (that is, beginning at the $15,000 rate) and limited the effect of the foreign tax credit. The upshot of this bit of reform was an outcry so loud that Congress already has postponed the effective date of the change, may do so again, and—sooner or later—will probably end up writing the whole section.

The retreat reflects more than timidity or effective lobbying. With some justification, a number of international firms—primarily construction and engineering firms involved in major foreign building projects—contend that the new law not only is unfair but also risks losing a substantial amount of business, particularly from oil-producing countries.

The basic problem is simple. Maintaining Americans abroad is expensive. Housing in many oil-producing countries commands astronomical rents. "In Iran, you may pay $4,000 to $5,000 a month for what would cost less than $500 to $600 in the United States," says Robert M. Gants, an official of the National Constructors Association. Companies usually pay most of these rents directly or reimburse workers. Likewise, firms often subsidize travel and educational costs.

It is a long-standing tax principle that such benefits should be counted as income, but, abroad, the Internal Revenue Service often overlooked the requirement. Until recently, that is. Just as Congress altered section 911, two court cases signaled an about-face for the IRS.

The outcome is a bizarre tax nightmare. By including these benefits, a $20,000 to $30,000 engineer may report an income of $40,000

to $70,000. Combined with the change in section 911, potential taxes skyrocket. One construction engineer complained to the Chamber of Commerce of the United States, for example, that on a salary of $27,000 (not including allowances), his taxes would total $20,000.

Construction companies say they cannot escape the resulting dilemma. Compensating workers for the extra tax payments makes their project bids uncompetitive against foreign firms. But if they don't compensate, Americans—middle-level engineers, architects, technicians—flee home to escape the tax burden.

One major firm, Ralph M. Parsons Co., reports that 58 Americans have resigned since late 1976 and that it now recruits only foreign professionals. The contractors raise the specter that the flight of Americans will diminish U.S. influence in oil countries and the demand for U.S. exports. Whether that's actually a danger is anyone's guess.

As for government workers, the same ignorance prevails. The State Department—and other government agencies—have long defended their non-taxable allowances as necessary incentives and compensation for overseas service. In some cases, they may be, but, in other cases, the workers' allowances are simply lush handouts.

The Treasury now is wrestling with these problems, but the episode offers broader lessons. In both cases, tax preferences—subsidies—were used to encourage Americans to work abroad. Whether the tax system should have been twisted for this end is questionable. But undoing past mistakes is not easy, painless or even virtuous.

Compared to many potential tax reforms, sections 911 and 912 are trivial items, affecting less than 200,000 taxpayers. If tampering with them has prompted heavy lobbying, the reaction is but a microscopic sample of what's to come when Congress takes up tax reform.

[From the U.S. News & World Report]

THE UPROAR OVER TAXING AMERICANS WHO WORK ABROAD

(A tax reform that got scant notice when enacted is now the focus of a bitter battle. Critics say that the reformers overlooked big problems.)

A group of angry Americans—people living abroad—is setting out to overturn a new law that threatens them with sharply higher U.S. income taxes.

At stake in the outcome is far more than the tax bills of more than 100,000 U.S. citizens working overseas who are not Government employes. Also riding on their fight is lucrative overseas business for American firms, the jobs of countless workers here at home and this country's standing in world trade.

The object of the taxpayers' assault is an obscure provision of the sweeping tax measure enacted last year that altered the treatment of their income earned abroad.

Specifically, it lowered the level of earnings overseas that could be excluded from U.S. taxes, reduced the credit that individuals could take for the foreign taxes they pay, and raised the tax bracket of most expatriates.

The intent on Capitol Hill was to whittle down the special tax exclusions and credits that Americans abroad have received to compensate them for the higher living costs and foreign taxes that they often pay. The lawmakers believed that the old system was too generous and thus unfair to U.S. residents.

The changes were to apply retroactively to 1976 income, but last May, groups fighting the measure were able to win from Congress a one-year postponement. Now the new system is in effect for 1977 income. The Treasury estimates that it will mean an extra 44 million dollars in revenues during the first year and smaller gains thereafter.

Adding to the ire of Americans' abroad were two U.S. Tax Court rulings in 1976, which mean that most company allowances for extraordinary living expenses abroad such as $40,000 rent for an apartment in Saudi Arabia, will count as employe income.

Americans overseas are calling the new law "punitive and ill-conceived," and are warning that it could cause "severe dislocation in U.S. trade."

At least three different groups are pressing for relief from the new tax law before Congress adjourns this year. They represent engineering and construction companies and thousands of Americans working all around the world as airline pilots, university professors, doctors, independent businessmen, and in other jobs. The General Accounting Office also is looking into the problem and will make a report to Congress.

THE CONSEQUENCES

What the tax protesters are telling Congress is this:

The new law will mean sharply higher tax bills for individuals working overseas. That, in turn, will raise the costs of American firms operating abroad. Eventually, they say, foreigners will take over jobs now held by Americans, and fewer contracts will be won by American companies, causing exports and employment in the United States to suffer too.

The impact of the changes in the law and the Tax Court decisions can be severe. Take the case of a business manager earning $23,855, who receives company benefits for housing, education for his two children at an American school and for one annual family trip home. That brings his total income to $63,855. Assuming he takes the standard deduction, his U.S. income tax under the old law would be $10,905. Under the new law, the tax bite jumps to $17,704, a 62 percent increase, according to calculations made by the Economic Unit of *U.S. News & World Report*.

For individuals in the most costly areas of the world—parts of South America, Northern Africa, Far Eastern cities and, particularly, the Middle East—the new law can mean that there is little money left over after taxes.

In the illustration above, the individual would pay 74 percent of his $23,855 base pay in U.S. taxes, compared with 46 per cent under the old law. "Many people are living less well abroad than they could here, and making ends meet can be tough," asserts a lobbyist for one of the groups seeking changes.

Already, some effects are visible abroad. The Ralph M. Parsons Company of Pasadena, a big construction and engineering firm, reports that 58 Americans resigned in the last 12 months and were replaced by Europeans and Canadians. And 378 new positions that normally would go to Americans will be filled by workers from other nations, according to the California company. It puts the total payroll loss to Americans at 11 million dollars this year.

RISING COSTS

Companies that absorb some of the higher tax burden of their foreign-based employes say that the new law adds substantially to their costs.

Particularly hard hit are industries in which wages and salaries account for a very large share of total costs, such as defense contracting and engineering and construction. Another big California company, the Bechtel Corporation, estimates that the 1976 law has added 15 percent to its cost of sending an American to the Middle East. And the American Consulting Engineers Council reports that a number of its members expect to lose money on current contracts because they will, in effect, be paying higher taxes for their American employees.

Future business also is in jeopardy because of those increases, says Robert M. Gants, vice president of the National Constructors Association. "There has always been a premium paid for American ability," he explains. "The question now is how much more are countries willing to pay for American know-how. We feel it is getting so high that we are not getting the new contracts."

The loss of contracts can have a ripple effect. Critics of the new law, including some Government officials, point out that project chiefs and company managers tend to use products, equipment and systems that they are familiar with—and those choices often determine future development.

Gants tells of an American-designed road system in a Mideastern country that was built to nonmetric U.S. standards. Any further development would almost have to be done by Americans, he says.

A State Department memorandum also worries about the replacement of American employes abroad by foreigners. It says: "This substitution of non-U.S. engineers, professors, architects and managers for U.S. personnel could trigger a gradual shift away from a preference for U.S. technology and equipment to those of European and Japanese origin." A large-scale shift, the memo adds, could cost the U.S. billions of dollars in lost markets within a few years.

"Our European and Japanese competitors are incredulous that our nation is voluntarily crippling itself economically in this way, but obviously they are delighted," comments a Parsons Company official. With the United States expecting to run up a record trade deficit of around 25 billions this year, he and others think that this country should be developing export markets, not inhibiting them.

GOAL: BETTER TREATMENT

What do the opponents of the present law want from Congress?

In addition to the present flat exclusion of $15,000 from U.S. taxes, they want a deduction for moving expenses abroad and a change back to the old law for calculating their tax bracket. If Congress will not go along with that, they say they should have deductions for extraordinary expenses, such as high-cost housing, education, home leave, moving and foreign sales taxes. And a group representing engineers and builders is pressing for even more: a $20,000 exclusion, plus liberal deductions for extra living expenses.

But the drive for more-generous tax treatment faces some hurdles. A House Ways and Means Committee task force has recommended that special treatment for Americans abroad be cut back even further than the new law provides.

The lawmakers noted that U.S. residents receive no special tax benefits if they live in high-cost areas in this country. And the task force said that they saw no reason why the Federal Government should foot the bill, through special tax breaks, for attracting U.S. workers to jobs overseas.

Furthermore, the task force said, the benefits of the old law went to U.S. citizens abroad—regardless of need and even if they were dealing in foreign goods and projects, and were not working for U.S. companies.

Other tax experts question the true financial hardship of higher employe costs for companies with large foreign profits.

On the other hand, the groups fighting for change assert that the new law is unfair because it boosts taxes on Americans who, because they are abroad, receive few, if any, Government services in return for tax dollars paid to the Internal Revenue Service.

Says a lobbyist: "For some of these people, their closest link to the Federal Government is their IRS return."

By Mr. McCLURE:

S. 2577. A bill to provide for the conservation, development, and use of the Nation's natural resources through the coordinated management of water and related land resources, through the establishment of an Office of Water Resources in the Office of the President, by providing financial assistance for State water management, and by providing for creation of Interstate Coordinating Commissions; to the Committee on Environment and Public Works.

COMPREHENSIVE WATER MANAGEMENT ACT

Mr. McCLURE. Mr. President, water is emerging as our Nation's No. 1 natural resource issue—its importance to our country's health goes well beyond the scope of our current energy crisis. Yet, we are still struggling to determine the best method of managing this priceless resource. With the advent of the Federal water policy study, the Federal Government is becoming increasingly involved in the role of administering our water resources which has always been, to a major extent, the responsibility of the States.

The legislation I am introducing today, proposed by the Interstate Conference on Water Problems, is designed to involve the Federal, State, and local governments and private individuals in a nationwide comprehensive water management program. It strongly recognizes the State responsibility in water management while providing for the coordination of water resource management at all levels of government.

The 1965 Water Resources Planning Act is the existing law that sets the guidelines for the coordination of the various water policies and programs of Federal agencies and State governments. The 1965 act established the Water Resource Council, the River Basin Commissions, and provided the financial assistance to the States for planning purposes. After 10 years, however, we have recognized major problems in the act and its implementation. Congress has been unwilling to fully fund this act. We need to revise some of our previous policies and programs to insure the best overall management of our water resources.

The Interstate Conference on Water Problems, which represents the water resource interests of all the States, has done an outstanding job of reviewing and researching all the problems related to water resources management and have come up with this widely endorsed legislation as a suggestion for helping solve some of the problems we face. It is an excellent basis for establishing a workable, practical, comprehensive national policy act which protects the traditional State responsibilities.

Specifically, this legislation establishes an Office of Water Resources in the Executive Office of the President (title I), provides financial assistance to the States to increase State participation in water resources management (title II), and provides for the creation of interstate coordinating commissions (title III).

The Office of Water Resources, whose Director would be appointed by the President, would coordinate water resource activities at the Federal level and provide coordination of State and Federal water resources management efforts. The Office would be served by two advisory councils: the Federal Water Advisory Council composed of secretaries of certain departments, and the State Water Advisory Council of 12 members appointed by the National Governors Association.

The State comprehensive water management program (title II) recognizes State needs and areas of national concern and provides increased funding for the coordinated conservation, development, and utilization of the water resources of the Nation. The act provides a flexible program under which each State summarizes its policies, problems, needs, objectives, and priorities for water resources management.

Each State, in developing its water management program under title II must provide details to the Office of Water Resources on the particular mechanism and/or process under which it will coordinate and cooperate with other States, regions, and the Federal Government. In furtherance of this need, some States may wish to enter into a State-Federal partnership to provide for program coordination, problem identification, and a system for resolving conflicts between States or between States and the Federal Government. Title II of this act provides for establishment of interstate water coordination commissions for this purpose.

Requirements of the program specified by this act include coordination among Federal agencies and consistency of their actions with State priorities, definition of the national interest, and establishment of procedures for resolving conflicts.

Ultimately, this act is designed to improve water management decisions by relating them to actual needs and by recognizing State priorities and the national interest.

Mr. President, I heartily endorse ICWP for their efforts in trying to resolve the water problems this Nation faces through this legislative proposal. It is a framework to build from but most importantly, it is a proposal that has evolved from the States and should be considered very carefully for that reason. I encourage my colleagues to take a serious look at this bill as we must act intelligently and quickly to see that a coordinated water resources management program is established before we find ourselves reacting to yet another natural resource crisis.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Water Management Act."

INTRODUCTION AND POLICY

SEC. 2. In order to meet the Nation's water quantity and water quality requirements, it is hereby declared to be the policy of the Congress to: (a) Encourage the conservation, protection, development, and utilization of water and related land resources of the United States through comprehensive and coordinated management by the Federal Government, States, local governments, and private individuals.

(b) Promote effective coordination of water resources at the Federal level which is essential to meaningful national water management.

(c) Assist the States in increasing their capabilities for managing their respective water and related land resources.

(d) Provide, at the Federal level, for the management which is beyond the financial and technical capabilities of the States, local governments, and private enterprise.

Title I of this Act provides a mechanism for coordinating water management at the State and Federal levels. It provides for an Office of Water Resources, in the Executive Office of the President, and establishes advisory councils for interaction by Federal and State water officials.

Title II of this Act provides a system under which State water management programs would be defined and accomplished by the States, based on State priorities and options, related to defined national objectives and interests and with Federal cooperation and assistance through Federal actions which are consistent with State programs and defined national objectives and national interests.

Comprehensive water management programs provided for under title II of this Act are intended to consider both intrastate and interstate water management. There is a need, however, to assure adequate means for interaction among States and, where the national interest is involved, among States and the Federal Government on matters of international, interstate, regional, and national concern.

Each State, in developing its water management program under title II must provide details to the Office of Water Resources on the particular mechanism and/or process under which it will coordinate and cooperate with other States, regions, and the Federal Government.

Each State must provide information to the Office, the President and Congress, on the particular institutional arrangement under which Federal/State cooperation will be afforded in coordinating interstate water matters.

Each State must be given its option as to the particular institutional arrangement it desires to address interstate water matters.

Some States may wish to enter into a State-Federal partnership to provide for: Program coordination; problem identification; a system for resolving conflicts between States or between States and the Federal Government; and such other pro-

grams or actions as may be mutually agreed upon by parties involved.

Title III of this Act provides for establishment of interstate water coordination commissions for those states who wish to utilize this means of providing interstate coordination.

EFFECT ON EXISTING LAWS

SEC. 3. Nothing in this Act shall be construed—

(a) To expand or diminish existing Federal or State jurisdiction or responsibility in water rights; or to displace, supersede, limit or modify any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States, or of two or more States and the Federal Government; or to limit the authority of Congress to authorize and fund projects;

(b) To change or otherwise affect the authority or responsibility of any Federal official in the discharge of the duties of his office unless such actions are inconsistent with the provisions of this act; and

(c) To supersede, modify, or repeal existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water and related land resources or to exercise licensing or regulatory functions in relation thereto, unless such laws, licensing or regulatory functions are inconsistent with the provisions of this act; or to affect the jurisdiction, powers, or prerogatives of the international joint commission, United States and Canada, the permanent engineering board and the United States operating entity or entities established pursuant to the Columbia River Basin treaty, or the International Boundary and Water Commission, United States and Mexico.

SEC. 4. Definition—comprehensive water management shall include, but not be limited to, planning data collection, research, development, regulation, and coordination of water and related land resources of the United States, including water quantity and water quality.

TITLE I—OFFICE OF WATER RESOURCES

SEC. 101. (a) There is established in the executive office of the President an Office of Water Resources (hereinafter referred to as the "Office").

(b) The office shall be composed of—

(1) a director who—

(i) shall be appointed by the President, by and with the advice and consent of the Senate, who shall be compensated at the rate provided for level IV of the Executive Schedule in section 5313 of title 5, United States Code, and who shall not as director of the office hold any other position as an officer or employee of the United States;

(ii) shall be a person who, because of training, experience and attainments in the water resources field, is exceptionally well qualified to analyze and interpret trends in water resources and related land resources needs; to appraise programs and activities of the Federal Government in light of the policy set forth in this act; to formulate and recommend national policies to promote the orderly conservation, development and utilization of water and related land resources; and serve as the water resources advisor to the President.

(2) A Deputy Director, appointed by the Director with the recommendation of the State advisory council, compensated at the rate prescribed for grade GS–18 under section 5322 of title 5, United States Code, to serve as the administrator of grant programs under title II of this Act. The deputy director shall be a person who, because of training, experience and attainments in State water management is exceptionally well qualified to work with States in accomplishment of federally assisted State water management programs.

(3) Such other staff as is required for the performance of the office.

SEC. 102. The Director shall—

(a) Appraise the adequacy of existing and proposed policies and programs to meet requirements of the act; after consultation with the public, States and Federal agencies, make recommendations to the President with respect to Federal policies, programs and projects affecting water and related land resources; and, when authorized by the President, consult with Federal agencies, States and the public in the development and recommendation of guidelines and procedures for water management programs for Presidential and congressional consideration.

(b) Assist and advise the President in the preparation of the water resources report required by section 105 of this act;

(c) Transmit to the President for his review and transmittal to the Congress such reports on priorities as are submitted by each State whenever such priority reports involve apparent conflicts with defined national interest or when States specifically request such transmittal to emphasize State needs and concerns.

(d) Review and appraise the significant water and related land resources programs and activities of the Federal Government in the light of the policy set forth in this act including their relationship to State programs and priorities, and areas of inconsistency or conflict between agency actions, defined national interest, and the State management program, and make recommendations to the President with respect thereto;

(i) Advise the President of water resources management, including planning, research, data collection, and development with regard to Federal funding and in cooperation with the Office of Management and Budget, provide the President with an annual review and analysis of funding proposed for water resources management in the budgets of all Federal agencies, and their relationship to State priorities and the national interest;

(ii) Determine the applicability and consistency of Federal programs in basic data collection, research, and development between Federal agencies and between Federal actions and State water management priorities and programs;

(iii) Provide the necessary staff and other support required for efficient and effective functioning of the two advisory councils;

(iv) Coordinate the input to Federal policy from the two advisory councils; and

(v) Facilitate the reconciliation of differing views expressed by the Federal and State Water Advisory Councils.

(e) Where Congress has not specifically defined the national interest in a water matter including, but not limited to, planning, development, and conservation, establish procedures for defining the national interest through actions of the office and the advisory councils including conduct of appropriate public hearings.

(f) Coordinate research related programs with the director of the Office of Water Research Technology to assure that Federal research activities address state water management concerns and encourage the advancement of scientific knowledge relating to water and ensure the transfer of technology to potential users as required by section 201 of the Water Resources Research Act of 1964, as amended;

(g) Determine the institutional arrangements preferred by each state for affording interstate water management coordination and provide the states with the opportunity for the establishment of regional or interstate coordinating entities as provided in section 301(a)) of this act, if they wish to select this means to provide federal-state cooperation in matters involving interstate water resources management;

(h) Coordinate activities of the Office with other appropriate Federal, State and interstate agencies and schedule and act as chairman of at least four meetings annually of each of the federal water advisory council and the state water advisory council created in section 103 of this act.

(i) Establish a project review and coordinating committee in cooperation with the Federal and State advisory councils to review projects authorized but unfunded and to monitor compliance with laws, regulations and defined national interests and to determine the impact of projects on Federal State and local programs and objectives.

SEC. 103. (a) There shall be created under the Office of Water Resources:

(1) A Federal Water Advisory Council

(2) A State Water Advisory Council

(b) The Federal Water Advisory Council (hereinafter referred to as the "Federal Council") shall consist of:

(1) One member from each of the following departments, who shall, at the time of appointment, be an assistant secretary over bureaus, divisions, services or other primary sub-cabinet units which administer the primary water and related functions of the department, or an equivalent policy representative in the office of the Secretary or Under-Secretary. Such member shall be appointed by the head of such department, and serve as the representative of such department with full authority to commit the department to decided actions:

(i) Department of the Interior;

(ii) Department of Agriculture;

(iii) Department of the Army;

(iv) Department of Commerce;

(v) Department of Housing and Urban Development;

(vi) Department of Transportation; and

(vii) Department of Energy

(2) An Assistant Administrator of the Environmental Protection Agency designated by the Administrator;

(3) A member of the Council on Environmental Quality designated by the chairman; and

(4) Those members (if any) appointed pursuant to the provisions of paragraph (c) of this subsection.

(c) Whenever the President determines that any program or other action under consideration by the Federal Council directly affects—

(1) Any other department or agency of the United States, the President shall designate such department or agency as being one which is entitled to representation on the Federal Council during the period (as determined by the President) for which such program is in effect or such action is under consideration, and the head of such department or agency shall, at the earliest practicable date after such department or agency is so designated, appoint an Assistant Secretary, or equivalent who has policy responsibilities involving water resources, as a member of the Federal Council to represent such department or agency.

(d) The Federal Council shall—

(1) Assist and advise the Director in carrying out the duties specified under section 102 of this act;

(2) Review the responsibilities of their respective agencies as relates to water and related land resources and submit recom-

mendations to the Director on conflicts or problem areas which may impact on existing legislation or require consideration of new legislation to enable the agency to more appropriately carry out its assigned responsibilities consistent with this act;

(3) Bring to the attention of the Director any conflicts in the manner in which Federal agencies are administering legislation related to water and related land resources so that a uniform Federal implementation procedure may be developed;

(4) Review permit procedures of Federal Water Resource Agencies and make recommendations to simplify such procedures;

(5) Continuously review instructions issued by Federal Water Resource Agencies to implement legislation in order to simplify the administrative burden on citizens and States in preparing reports to comply with Federal legislation; and

(6) Assure Federal agency support for the State title II programs including review and comment on any water related guidelines and regulations issued by a Federal agency and programs implementing such regulations, in order to ensure the consistency of the agency guidelines, regulations and programs with State programs and defined national interests and objectives.

(e) Members of the Federal Council may elect a chairman who shall also serve as the coordinating officer of the Federal members.

(f) The State Water Advisory Council (hereinafter referred to as the "State Council") shall consist of not more than twelve members as selected by the governing body of the National Governors' Association. Ten of the members shall be selected by the governing body in such a manner as to provide broad national coverage. All of these ten members shall be full-time state water resources employees. Two of the members shall represent interstate water management agencies with one representative chosen from east of the Mississippi River and one member from west of the Mississippi River. Each of these members shall be a full-time official of an interstate water management agency.

(g) Members of the State Council shall be appointed for staggered terms as determined by the governing body of the National Governors' Association.

(h) The State Council shall—

(1) advise the Director in carrying out the provisions of section 102 of the act;

(2) Serve as advisor to the Director in matters relating to State Water Resource programs. The State Advisory Council shall be consulted by the Director regarding all matters of significant State interest. Whenever the Director's position on a significant water matter differs with the views and position of the State advisory council, such differences shall be recorded and appended to any report forwarded to the President or Congress;

(3) Advise the director with respect to the activities and programs conducted by the office and the coordination of such activities and programs with the activities and programs of Federal, State, and local governments;

(4) Make such recommendations as it may deem appropriate regarding the implementation and improvement of water management procedures, studies and other activities and programs undertaken by the office and new activities and programs which the office should undertake or support; and

(5) Cause to be published in the report established by section 105 of this Act, such views and recommendations as the State Council may deem appropriate relating to the functions set forth by this section.

(i) When authorized by the Director, funds provided under section 401 of this act may be used to pay the travel and such other related costs which are incurred by members of the State Council incident to their attendance at any meetings of the State Council, subject to applicable Federal travel regulations.

(j) Members of the State Council shall elect a chairman who shall also serve as the coordinating officer of the state members.

Sec. 104. (a) For the purpose of carrying out the provisions of this act, the director may:

(1) Hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as the director may deem advisable;

(2) Acquire, furnish, and equip such office space as is necessary;

(3) Use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States;

(4) Employ and fix the compensation of such personnel as deemed advisable in accordance with the Civil Service laws and classification act of 1949, as amended;

(5) Procure services as authorized by section 15 of the act of August 2, 1946 (5 U.S.C. 55a), at rates not in excess of the daily equivalent of the rate prescribed for grade GS–18 under section 5332 of title 5 of the United States Code in the case of individual experts or consultants;

(6) Purchase, hire, operate, and maintain passenger motor vehicles;

(7) Incur such necessary expenses and exercise such other powers as are consistent with reasonably required to perform functions under this Act; and

(8) Contract with private consultants to perform studies required to provide the information needed to carry out the purposes of the Act.

(b) The director is authorized to administer oaths when it is determined that testimony shall be taken or evidence received under oath.

(c) To the extent permitted by law, all appropriate records and papers of the office of water resources shall be made available for public inspection during ordinary office hours.

(d) Upon request of the director the head of any Federal Department or agency is required:

(1) To furnish to the office such information as may be necessary for carrying out the office's functions and as may be available to or procurable by such department or agency; and

(2) To detail to temporary duty with the office on a reimbursable or non-reimbursable basis such personnel within administrative jurisdiction as the office may need or believe to be useful for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(e) The Director shall be responsible for:

(1) The appointment and supervision of personnel;

(2) The assignment of duties and responsibilities among such personnel; and

(3) The use and expenditures of funds.

Sec. 105. The President shall transmit to the Congress annually, beginning one year after the date of enactment of the Comprehensive Water Management Act, a water resources report (hereinafter referred to as the "report"), which shall briefly set forth the following:

(a) An evaluation of existing and potential problems concerning water management as related to defined national interest;

(b) A review of the programs and activities (including regulatory activities) of the Federal Government, the State and local governments, and non-governmental entities or individuals, with particular reference to their effect on water resources quantity and quality and the conservation, development and utilization of water and related land resources as they relate to national interests;

(c) Such additional views and comments including minority views as may be submitted by the State council established by section 103 of this act;

(d) Suggestions for remedying the deficiencies by existing programs and activities, together with recommendations for legislation;

(e) A summary of the accomplishment of the States under title II of the act;

(f) An evaluation of the consistency of Federal water resources programs with State priorities and the national interest;

(g) An evaluation of the effectiveness of Federal/State coordination procedures, including interstate coordination, and recommendations for improvement where applicable;

(h) A summary of any identified conflicts between State programs and the defined national interest;

(i) An assessment of the adequacy of national water policy to meet the national need; and

(j) A summary of the progress and effectiveness of the integration of water quality and water quantity programs.

TITLE II—STATE COMPREHENSIVE WATER MANAGEMENT PROGRAM

Sec. 201. (a) In recognition of the appropriate role of the State in water and related land resources management, there are hereby authorized to be appropriated to the office for fiscal years 1979 and 1980, $40,000,000 in each such year, for fiscal years 1981 and 1982, $50,000,000 for each such year, and for fiscal years 1983 and 1984, $75,000,000 for each such year for grants to States to assist them in developing and participating in the development of comprehensive water and related land management programs.

(b) The office, in consultation with the State advisory council created under title I of this act, shall establish procedures for providing assistance to the States in comprehensive water management.

The procedures shall be based on rules, arrangements and provisions prepared in cooperation with State agencies and the public, subject to public hearings. The procedures shall provide a flexible program for the States to exercise their authorities and discharge their responsibility for the management of water within the States, consistent with defined State programs and the national interest.

These efforts are dependent on cooperative State-Federal water management as a national objective requiring consistency of Federal actions with State programs and policies and consistency of State actions with defined national interests through the provisions of this act.

(c) Rules, regulations and procedures established pursuant to this section shall require that:

(1) Each State participating in the comprehensive water management under title II shall provide to the office a summary of:

(i) The programs and policies which the State will follow in carrying out its water management program including any laws and planning strategies;

(ii) Current and anticipated water and water related problems which are of concern to the States;

(iii) Needs of the State in accomplishing its water management program and solving its problems;

(iv) Priorities of the State in meeting its needs and solving its problems; and

(v) Existing or proposed methods and institutional arrangements which the State will use in coordinating State-Federal water matters including those matters of an interstate nature and concern involving other States and the Federal Government.

(2) The State summary shall address such elements it wishes to include in the State water management program including the designation of those elements it considers to be of highest priority for accomplishment and the expected time frame required. State selected elements and priorities may change as State management objectives are met and new objectives are sought.

(3) In accordance with the requirements of Title I of this Act the Office of Water Resources shall:

(i) Review the State summaries;

(ii) Review, analyze and comment on the consistency of Federal projects and programs with State programs and priorities;

(iii) Identify areas of defined national interest and their relationships and applicability to State programs and priorities;

(iv) Identify conflicts between State and Federal activities and programs and provide a mechanism to seek resolution of such conflicts;

(v) Seek assurances from Federal agencies that the agency activities will support the State water management program and State priorities wherever such programs and priorities are not inconsistent with defined national interests;

(vi) Review the relationships of related Federal assistance programs to the State program authorized under Title II of this Act, including but not limited to, those listed in Section 203(2) of this act, identify areas of inconsistency and conflict and seek assurances from involved Federal agencies that such assistance programs will supplement and complement State water management programs and will be part of a comprehensive water management effort within defined national interests; and

(vii) Advise and seek cooperation of other Federal agencies administering programs which may contribute to achieving the purposes of this act.

Section 202. (a) From the sums appropriated pursuant to section 201 for any fiscal year the Office shall from time to time during the fiscal year make allotments to the States, in accordance with its regulations, on the basis of:

(1) The need to establish basic and stable staff capacity to develop and carry out the program;

(2) Identified water and water related needs and problems;

(3) Population of the States; and

(4) Area of the States.

For the purposes of this section the population of the States shall be determined on the basis of the latest estimates available from the Department of Commerce and the area of the States shall be determined on the basis of the official records of the United States Geological Survey.

(b) From each State's allotment under this section for any fiscal year the office shall pay to such State (1) an amount to establish and maintain a basic and stable organization, this amount will not require State matching to qualify and (2) an amount which is not more than eighty (80) per centum of the cost of carrying out the remaining part of the State program approved under section 203.

SEC. 203. (a) The Office shall approve any program for comprehensive water and related land management which includes a flexible approach to addressing needs and problems and which includes:

(1) Provisions for public involvement, water conservation and coordination of the State program with Federal agencies and affected States;

(2) Provides for comprehensive management with respect to intrastate or interstate water resources, or both, in such State to meet the needs for water and water-related activities taking into account prospective demands for all purposes served through or affected by water and related land resources development, with adequate provision for coordination with all Federal, State, and local agencies, and nongovernmental entities having responsibilities in affected fields;

(3) Provides, where comprehensive water and related land resources management is being carried on with or without assistance under: Section 701 of the Housing Act of 1954, the Land and Water Conservation Fund Act of 1965, the Clean Water Restoration Act of 1977, the Wild and Scenic Rivers Act of 1968, the National Flood Insurance Act of 1968, the Estuarine Protection Act of 1968, the Environmental Policy Act of 1969, the Rural Development Act of 1972, the Federal Water Pollution Control Act of 1972, the Coastal Zone Management Act of 1972, the Safe Water Drinking Act of 1974, the Federal Nonnuclear Energy Research and Development Act of 1974, the Resources Recovery Act of 1976, and such other related acts as appropriate, for full coordination between comprehensive water resources management and other state-wide management programs and for appropriate mechanisms to ensure that such water resources management will be in general conformity with the development program and policy of such State;

(4) Designates a State entity, by State law or the Governor, as applicable, (hereinafter referred to as the "State agency") to administer the program;

(5) Sets forth the procedure as described in section 201(c) to be followed in carrying out the State program and in administering such program;

(6) Provides such accounting, budgeting, and other fiscal methods and procedures as are necessary for keeping appropriate accountability of the funds and for the proper and efficient administration of the program; and

(7) Provides that a State agency will submit annually to the Office an assessment of progress in meeting its goals and objectives in comprehensive water management.

The annual report shall include:

(i) An update of the State summary, including goals and objectives to achieve the state determined needs and their relative priority recommendations for accomplishment.

(ii) A listing of problems, concerns, and management program elements which were dealt with during the year by the State through use of grants-in-aid funds.

(iii) A summary of the benefits accrued to the State under the program. The type and nature of productivity attained under each work element.

(iv) Comments on Federal programs and projects related to the State water management program.

(b) The office shall not disapprove any program without first giving reasonable notice and opportunity for hearing to the State agency administering such program.

SEC. 204. Whenever the office, after reasonable notice and opportunity for hearing to a State agency, finds that—

(a) The program submitted by such State and approved under section 203(a) has been so changed that it no longer complies with a requirement of such section; or

(b) In the administration of the program there is a failure to comply substantially with such a requirement, the office shall notify such agency that the grant will be terminated or suspended under this title until it is satisfied that there will no longer be any such failure. Until the office is so satisfied, it shall make no further payments to such State under this title.

SEC. 205. For the purpose of this title the term "State" means a State, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

SEC. 206. (a) Each recipient of a grant under this act shall keep such records as the director of the office shall prescribe, including records which fully disclose the amount and disposition of the funds received under the grant, and the total cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The director of the office and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of the grant that are pertinent to the determination that funds granted are used in accordance with this act.

TITLE III—INTERSTATE COORDINATING COMMISSIONS

SEC. 301. (a) In recognition of the need for coordination of interstate activities and resolution of interstate water problems involving interstate water management and defined national interests, States are required under Title II of this Act to provide the Office of Water Resources with facts on the mechanisms and institutional arrangements which will be used to provide coordination between States on interstate water matters. States may select whichever means they consider appropriate to provide interstate coordination. Those States which desire to participate in a joint State-Federal coordinating commission with supporting Federal funding may wish to become members of interstate coordinating commissions as provided by this title.

(b) The President is authorized to declare the establishment of an interstate water coordinating commission, (hereinafter referred to as "commission") upon request addressed to the office by two or more States within which all or part of the basin or basins concerned are located, if the request by the States:

(1) Defines the area for which a commission is requested;

(2) Is made in writing by the governors or in such manner as State laws may provide; and

(3) Is concurred in by the office and by all States within which portions of the basin or basins concerned are located and, in the event the upper Colorado River basin is involved, by at least three of the four States of Colorado, New Mexico, Utah, and Wyoming. River basin commissions previously established under Title II of PL 89-80 may continue to function as interstate coordinating commissions subject to the provisions of Title III of this Act if so declared by members of such commissions.

(c) Each such commission shall, to the extent consistent with Section 3 of this Act—

(1) Serve as the principal mechanism for the coordination of interstate activities and definition of interstate problems and shall seek resolution of interstate problems involving interstate water management, including any defined national interests;

(2) Foster and undertake such studies of water and related land resources problems in its area, river basin, or group of river basins as deemed necessary to carry out its functions; and

(3) Upon agreement of all States and Federal agencies involved, engage in such other activities including planning, as are necessary to coordinate interstate water management and resolve related problems.

SEC. 302. Each commission shall be composed by members appointed as follows:

(a) A Chairman appointed by the President, who shall report to the director of the office and who shall also serve as chairman and coordinating officer for the federal members of the Commission and who shall represent the Federal Government in Federal-State relations on the Commission and who shall not, during the period of service on the Commission, hold any other position as an officer or retired employee of the Federal Government;

(b) One member from each Federal department or independent agency determined by the President to have a substantial interest in the work to be undertaken by the Commission, such member to be appointed by the head of such department or independent agency and to serve as the representative of such department or independent agency;

(c) One member from each participating State which lies wholly or partially within the area for which the Commission is established, and the appointment of each such member shall be made in accordance with the laws of the State represented. In the absence of government provision of State law, such State members shall be appointed and serve at the pleasure of the Governor;

(d) One member appointed by any interstate agency created by an interstate compact to which the consent of Congress has been given, and whose jurisdiction extends to the waters of the area for which the Commission is created; and

(e) When deemed appropriate by the President, one member, who shall be appointed by the President, from the United States section of any international commission created by a treaty to which the consent of the Senate has been given, and whose jurisdiction extends to the waters of the area for which the Commission is established.

SEC. 303. (a) Each Commission shall organize for the performance or its functions within ninety days after the President shall have declared the establishment of such Commission, subject to the availability of funds for carrying on its work. A Commission shall terminate upon agreement of a majority of the States composing the Commission. Upon such termination, all property, assets, and records of the Commission shall thereafter be turned over to such agencies of the United States and the participating States as shall be determined by the office; *Provided*, that studies, data, and other materials useful to any of the participants shall be kept freely available to all such participants.

(b) State members of each Commission shall elect a Vice Chairman, who shall serve also as Chairman and coordinating officer of the State members of the Commission and who shall represent the State governments in Federal-State relations on the Commission.

(c) Vacancies in a Commission shall not affect its power but shall be filled in the same manner in which the original appointments were made; Provided, that the Chairman and Vice Chairman may designate alternatives to act for them during temporary absences.

(d) In the work of the Commission every reasonable endeavor shall be made to arrive at a consensus of all members on all issues, but failing this, full opportunity shall be afforded each member for the presentation and report of individual views; provided, that at any time the Commission fails to act by reason of absence of consensus, the position of the chairman, acting in behalf of the Federal members, and the Vice Chairman, acting upon instructions of the State members, shall be set forth in the record. The Chairman, with concurrence from the Vice Chairman, shall have the final authority, in the absence of an applicable bylaw adopted by the Commission or in the absence of a consensus, to fix the times and places for meetings, to set deadlines for the submission of annual and other reports, to establish subcommittees, and to decide such other procedural questions as may be necessary for the Commission to perform its functions.

SEC. 304. Each Commission shall—

(1) Engage in such activities and make such studies and investigations as are necessary and desirable in carrying out the purposes set forth in section 301(b) of this Act.

(2) Identify and report to the office any inconsistencies, problems, and differences between Commission programs and individual State programs and defined National interests.

(3) Seek resolution of any identified inconsistencies, problems, and differences between the States and the Federal agencies involved.

(4) Submit to the office and the Governor of each participating State a report on its work at least once each year. Such report approved shall be by the Chairman and Vice Chairman and sent to the heads of such Federal, State, interstate, and international agencies as the President or the Governors of the participating States may direct.

The report shall: include a work plan and objectives of the Commission: describe the status of and progress in coordinating interstate water problems; and describe relationships to individual State water management programs.

SEC. 305. (a) For the purpose of carrying out the provisions of this title, each Commission may—

(1) Hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as may be necessary to accomplish its purpose;

(2) Acquire, furnish, and equip such office space as is necessary;

(3) Use the United States mails in the same manner and upon the same conditions as departments and agencies of the United States;

(4) Employ and compensate such personnel as it deems advisable, including consultants, at rates not in excess of the daily equivalent of the rate prescribed for grade GS–18 under section 5332 of title 5, United States Code, and retain and compensate such professional or technical service firms as it deems advisable on a contract basis;

(5) Arrange for the services of personnel from any state of the United States, or any subdivision or agency thereof, or any intergovernmental agency on a reimbursable or a nonreimbursable basis;

(6) Make arrangements, including contracts, with any participating government, except the United States or the District of Columbia, for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for or continuing in another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel;

(7) Purchase, hire, operate, and maintain passenger motor vehicles; and

(8) Incur such necessary expenses and exercise such other powers as are consistent with and reasonably required to perform its functions under this act.

(b) The chairman of a commission, or any member of such commission designated by the chairman thereof for the purpose, is authorized to administer oaths when it is determined by a majority of the commission that testimony shall be taken or evidence received under oath.

(c) To the extent permitted by law, all appropriate records and papers of each commission shall be made available for public inspection during ordinary office hours.

(d) Upon request of the chairman of any commission, or any member or employee of such commission designated by the chairman thereof for the purpose, the head of any federal department or agency is authorized—

(1) To furnish to such commission such information as may be necessary for carrying out its functions and as may be available to or procurable by such department or agency; and

(2) To detail to temporary duty with such commission on a reimbursable basis such personnel within his/her administrative jurisdiction as such commission may need or believe to be useful for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(e) The chairman of each commission shall, with the concurrence of the vice chairman, appoint the personnel employed by such commission, and the chairman shall, in accordance with the general policies of such commission with respect to the work to be accomplished by it and the timing thereof, be responsible for:

(1) The supervision of personnel employed by such commission;

(2) The assignment of duties and responsibilities among such personnel; and

(3) The use and expenditure of funds available to such Commission.

SEC. 306. (a) Any member of a Commission appointed pursuant to section 302 of this act shall receive no additional compensation by virtue of membership on the Commission.

(b) The per annum compensation of the Chairman of each Commission shall be determined by the President, but when employed on a full-time annual basis shall not exceed the maximum scheduled rate for grade GS–18 of the Classification Act of 1949, as amended; or when engaged in the performance of the Commission's duties on an intermittent basis such compensation shall be not more than $100 per day and shall not exceed $12,000 in any year.

SEC. 307. (a) Each Commission shall recommend what share of its expenses shall be borne by the Federal Government, but such share shall be used only for those purposes set forth in section 301(c)(1), subject to approval by the office. The remainder of the Commission's expenses shall be otherwise apportioned as the Commission may determine for the purposes of sections 301(c), (2) and (3) subject to availability of funding. No Federal funds shall be provided for the purposes of sections 301(c), (2) and (3) unless evidence is provided to assure that such efforts are necessary to supplement and complement actions provided for by title II of this act and are approved by all Federal and State agencies involved. Each Commission shall prepare a budget annually and transmit it to the office and the States. Estimates of proposed appropriations from the Federal Government shall be included in the budget estimates submitted by the office under the Budgeting and Accounting Act of 1921 as amended, and may include an amount for advance to a Commission against State appropriation for which delay is anticipated by reason of later legislative sessions. All sums appropriated to or otherwise receive by a Commission shall be credited to the Commis-

sion's account in the Treasury of the United States.

(b) A Commission may accept for any of its purposes and functions appropriations, donations, and grants of money, equipment, supplies, materials, and services from any State of the United States or any subdivision or agency thereof or intergovernmental agency, and may receive, utilize, and dispose of the same.

(c) The Commission shall keep accurate accounts of all receipts and disbursements. The accounts shall be audited at least annually in accordance with generally accepted auditing standards by independent certified or licensed public accountants, certified or licensed by a regulatory authority of a State, and the report of the audit shall be included in and become a part of the annual report of the Commission.

(d) The accounts of the Commission shall be open at all reasonable times for inspection by representatives of the jurisdiction and agencies which make appropriations, donations, or grants to the Commission.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. There is authorized to be appropriated to the Office of Water Resources such sums as are necessary to carry out the purposes of the act, as specified in titles I and III, and as set forth in section 201(a) for title II.

SEC. 402. The Office of Water Resources is authorized to make such rules and regulations, subject to the provisions of section 201(b), as it may deem necessary or appropriate for carrying out those provisions of this act which are administered by it.

SEC. 403. The Director may with the consent of the head of any other department or agency of the United States utilize such officers and employees of such agency on a reimbursable or nonreimbursable basis as are necessary to carry out the provisions of this act.

SEC. 404. Notwithstanding any other provisions of law, Federal appropriations for all resource management studies to be conducted by and through the Office of Water Resources shall be made to the Office and the Office shall be responsible for assigning studies and apportioning funds; providing that for studies administered by a commission such funds shall be assigned through the office to said commission.

SEC. 405. Records, administrative equipment, and other property belonging to the Water Resources Council will be transferred to the Office of Water Resources.

SEC. 406. Public law 89–80 89th Congress S 21 (as amended) is hereby repealed.

By Mr. CURTIS (for himself, Mr. YOUNG, Mr. HAYAKAWA, Mr. MCGOVERN, Mr. GARN, Mr. HANSEN, Mr. ZORINSKY, Mr. JOHNSTON, Mr. LAXALT, Mr. GOLDWATER, and Mr. WALLOP):

S. 2578. A bill to amend the Water Resources Planning Act so as to strengthen and protect the rights of the State and delineate congressional authority and responsibility with regard to national water resources policy; to the Committee on Environment and Public Works.

AMENDMENT OF THE WATER RESOURCES PLANNING ACT

Mr. CURTIS. Mr. President, I am today introducing a bill to amend the 1965 Water Resources Planning Act. My bill would strengthen and protect the rights of the States and delineate congressional authority and responsibility with regard to national water resources policy.

It would make five major changes in the Water Resources Planning Act, all of which have been the subject of concern and complaint by the States. The five provisions are:

First. The appointment of a Chairman for the Water Resources Council by the President shall be subject to confirmation by the Senate;

Second. Recommendations by the Water Resources Council concerning national water policies and programs shall be transmitted to the Congress as well as to the President;

Third. Proposals by the administration for changes in national policy relating to or affecting water resources issues must be submitted to the Congress and specifically enacted into law;

Fourth. Establishment of procedures by which the executive branch must hold public hearings where changes in national water policy are concerned;

Five. Appointees for chairmanship of the regional river basin commissions made by the President shall be subject to confirmation by the Senate.

I believe these changes in the Water Resources Planning Act address the major concerns expressed by the States this past year, and that as such, they will provide assurance that the rights of the States shall be protected and the concerns of the States shall be heard; and that the responsibility of the Congress in establishing national policy shall be reemphasized.

My colleagues may know that the Committee on Environment and Public Works already conducted hearings last year on a national water policy. At the same time, however, the administration has been proceeding with studies and proposals for establishment of a new national policy, which was due to be completed this month.

Unfortunately, those efforts have been coordinated, and the action of the administration has been independent of the activities of the Congress in its oversight and investigation of national water policy issues.

I am aware of the interest of members of the Committee on Environment and Public Works, and of the Committee on Energy and Natural Resources, in continuing hearings and efforts to review and investigate national water policy. Senate Resolution 284, which passed the Senate on October 5 last year, expressed the sense of the Senate that no new national water policy be established by the executive branch until the States have had the opportunity for further review and comment, and until the Congress has had the opportunity to conduct hearings on the recommendations.

There have been bills introduced in this Congress, but to date hearings have not been held on specific legislative proposals regarding national water policy. I believe my bill, besides addressing the concerns of the States, provides such specific legislative proposals as can be the subject of continuing congressional hearings for final action by the Congress in this important matter.

I hope that the Committees will be able to hold hearings on this and other legislative proposals at the earliest possible time.

Mr. President, most of my colleagues share my interest in Federal Government reorganization to trim the waste, duplication, and overlapping of Federal agencies and programs.

The Federal Government has grown so large, and Federal programs have proliferated at such a rate that the American citizenry and economy are being suppressed by the amount of bureaucratic redtape, paperwork, and regulation.

The escalation of Federal involvement in every phase of life and the economy has resulted in a massive structure of competing and overlapping functions and authorities that is draining the energy and resources of the country.

So, we do have, and we do see, a need for reorganization at the Federal level.

Realizing the seriousness of this problem, the Congress last year enacted and the President signed into law, Public Law 97–17, the Reorganization Act of 1977. That act was intended to set the stage for Government reorganization at the Federal level.

The first efforts under the act were taken by President Carter last year when he reorganized the Executive Office of the President, including such agencies as the Office of Management and Budget.

Subsequent to the realinement of OMB, the President set in motion plans for other reorganization projects—these to be handled through a division of OMB known as the President's reorganization project.

While there is no requirement for the President or executive agencies to confer with the Conrgess or otherwise to publicize their activities during the development of reorganization plans, we did have scattering news reports toward the end of last year that the President's reorganization project was working on one or more plans.

Finally, by the end of December we were notified of the President's reorganization project for natural resources and the environment. By letter dated December 12 and delivered December 16, Members of Congress were notified by OMB of the natural resources reorganization project.

Along with that notification came an unaddressed letter dated December 12 from the project director, which had attached a 15-page single-spaced typewritten project outline. That letter specifically asked for comment and input in the project.

Indeed, OMB said it was President Carter's intention that the project solicit the widest possible input and comment from the public.

The problem was, Mr. President, that the administration gave only until January 14 of this year for Members of Congress, Governors and State agencies and the public to comment. That is less than 1 month from the time of the project.

I need not remind my colleagues that by mid-December the Congress had recessed for the holidays. After the recess, many of us were busy catching up on correspondence and committee business, others had committee trips which had

been postponed because of the extended first session of the 95th Congress.

Many Members returned home for travel and meetings around their States and congressional districts. Also during that time, many of the committee and other congressional staff took vacations that they were not able to take during the summer months because of the hectic congressional schedule.

So, the announcement of the natural resources reorganization project, with a comment period of shorter than 1 month around the holidays, was ill timed by the administration.

I responded to that announcement by sending a letter to the President and OMB to request an extension of the time for public comment and input by at least 60 days. Shortly after the first of the year I was joined by several other Senators in another letter to the President, and just before the January 14 comment deadline we were notified of an extension of 30 days until February 14.

The extension did provide some relief, but still it was not sufficient time.

I remind my colleagues that most of the State governments are subject to the same conditions of operation as are the Congress and the Federal Government.

The State legislatures were not in session over the holidays, many State governments have employees taking vacations over the holidays, and the smaller size of State operations just does not leave them with staffs large enough to respond to major Federal policy matters in such short time.

By the time of the initial comment period expiration on January 14, most of the States had scarcely had the time to read and review the 15-page outline of the natural resources reorganization project. So, when the comment period was extended to February 14, the opportunity provided for State and public input was barely more than a month.

Mr. President, my staff has read and analyzed the project outline paper. We have discussed it at length. We feel that we have substantial material and information to provide for the study. However, from the scope of the outline and our perusal of it, we believe it would take at least one person, full time, working 1 month just to put the material together that I have to submit for the project.

I am sure that most of my colleagues are in the same position as I am in not having experts available at the staff level who are free to be moved to a special project such as this on a moment's notice.

I can imagine the perplexitv of some of the States which have small professional staffs in these areas who are working on so many projects and programs at any given time.

We have all heard from our State agencies about the problems they experience in dealing with various Federal agencies, and I am sure the States could provide some invaluable information and recommendations regarding natural resources reorganization. That is, they could provide it if they had a reasonable time in which to accumulate and prepare it.

So far I have talked about the problems of congressional offices and the States. If Government offices and agencies which regularly deal with Federal programs and activities have difficulty in meeting such short times for comment on a massive Federal undertaking, just think how difficult it must be for the private citizen—for the public.

Individual citizens who must work daily and who spend time with their families and do not have expert staffs to help, just do not have the time to offer any suggestions or recommendations.

I brought this up, Mr. President, because it makes me wonder about the sincerity of this administration in its statements about wanting public comment and input in such important matters as reorganization of departments, agencies, programs, and activities of the Federal Government.

Mr. President, if the States and public are to have a voice in such sweeping Federal policy matters, they must be given a reasonable time in which to study proposals and develop their recommendations and comments.

On February 10, 16 other Senators joined me in another letter to the President to request an additional 60 days for public input, extending the comment period to April 14.

By this time the February 14 comment period has passed, and we have heard of no further action by the administration to provide additional time for input.

Mr. President, I have already mentioned the Reorganization Act of 1977 which set the stage for executive branch reorganization. I would like to point out that the act was very specific in its provisions for public comment and input in reorganization activities.

I do not recall any other bill in recent history in which the Congress so explicitly recorded its intentions with regard to public participation in a Federal undertaking. I quote from that act, Public Law 95–17, subsection "c" of the first section:

> It is the intent of Congress that the President should provide appropriate means for broad citizen advice and participation in restructuring and reorganizing the executive branch.

Clearly, the short amount of time provided and the manner in which the solicitation of public comment and input has been handled for the natural resources reorganization project has not been sufficient for broad citizen participation.

Lest my colleagues think that this matter is not as serious as I have said it is within the States, I refer to an editorial that appeared in the Denver Post on January 10 of this year. That editorial concluded with the following statement:

> The Carter Administration needs to look in the mirror and ask itself if it really favors public input on public land decisions. If it answers "yes" there is a lot of groundwork to be done. The first thing to do is drop the January 14 deadline and draft plans for a thorough public debate on Federal reorganization of resource agencies. It is too important a subject to be handled hastily, capriciously and arbitrarily out of Washington.

Mr. President, the natural resources reorganization project, by its nature and scope involves many subjects of concern to the States. It is also deeply interwoven with other major Federal activities and efforts currently underway.

My colleagues will remember the difficulties of the administration in the way it handled public comment and input in the national water policy project last summer and fall. Though the period for State and public input has long ended on that study, we still have not had a report on it.

Just before the time of announcement of the reorganization study, the Western States and the public therein were notified of another Federal study—the interagency irrigation study being conducted jointly by the Departments of the Interior and Agriculture with the Environmental Protection Agency. That study has set up a task force, and it expects to make a report to the President sometime in September of this year.

Still other independent studies and reviews are being conducted by and within agencies of the Federal Government concerned with areas of natural resources.

The point I am making here is that this general area of natural resources, and the Federal activity for a sweeping study of natural resources reorganization, is so massive and complex that it is interwoven with many other individual efforts and activities. Because of that I believe there should be more coordination than is apparent in these studies and efforts. And, I do not believe that any one of them—particularly one that is viewed as the parent or major study—should be promulgated without considering the other more specific and detailed studies.

At this time we are advised that the President will make some final recommendations on natural resources reorganization in late February. We are also informed that by the end of February some specific recommendations on a national water policy will be made. The irrigation management and other studies now underway by the administration will be concluded at different times throughout the year.

I point out that the recommendations of the President on natural resources reorganization and water policy will not be subject to any review, or comment, or input. or recommendations by the States and the public.

To date, the States and public have only been afforded a short time in which to comment generally on suggested issue and option papers and outlines. But they have not had the opportunity to comment on specific proposals. Nor does the administration plan to provide that opportunity.

Mr. President, I have written the chairmen and my colleagues on the Senate Committees on Environment and Public Works, and Energy and Natural Resources regarding hearings at the earliest possible time this year on a national water policy. I have heard back from several Senators who have expressed their concern about the manner in which the administration has handled this situation. There is apparently seri-

ous interest in the Congress holding hearings in this area.

It seems to me that if we are to provide for meaningful input and comment by the public, and opportunity for meaningful recommendations and proposals by the States, we must provide substantial time for that comment and input to be developed.

I can understand the zeal of the administration for reorganization of the Federal Government. But, in its zeal I believe it may have lost sight of the obligation of Government to be responsive to its citizenry.

The delay of a few more weeks or months in developing final recommendations surely would not be disastrous to our country. Indeed, it could prove to be most beneficial from the expert advice and recommendations that could be obtained from the States and the public in these areas.

It would certainly do much to restore faith in the Federal Government among the States and the public, and thereby help promote coordination among Federal and State efforts and activities.

Mr. President, I do hope that hearings will be held soon this year on these matters.

I would also hope that my colleagues will join me in appealing to the President and the administration for more time for the State and public to study the Federal proposals and recommendations, and to provide the opportunity for additional comment and input.

It has to be for the benefit of any government in major areas of change, to have those changes effected with the least disagreement and hostility possible. Surely it is to the advantage of effective implementation of the changes to have the most agreement and coordination possible.

I cannot believe that these changes and policies being proposed by the administration will be viewed warmly by the States or the public. Unless the administration changes its tactics and opens its doors to broad public participation, I can see only difficulty in implementing new programs of a national water policy and natural resources reorganization.

In recent months—since the announcement of and hearings on a national water policy and the announced plans and outlines of the natural resources reorganization study and the irrigation management study—the Governors, State agencies, and regional and national organizations representing the States have sought the opportunity to have input in these massive undertakings of the Federal Government. The reports I have had indicate that the States have been frustrated in their efforts, because of an unwillingness by the administration to provide time and to cooperate in seeking State and local government input.

The most recent instance of this occurred after the announcement of the natural resources reorganization project. While we did get a 30-day extension of public comment time from January 14 to February 14, the comment time was still far too short to allow the expert comment and recommendations of the States and water resources organization.

The executive secretary of the Universities Council on Water Resources on January 18 wrote the President's reorganization project office to request further extension of time and to offer some expert and concerted efforts for input by that organization which represents the water resources interests of the Nation's leading universities. The letter stated flatly that sufficient time had not been provided to allow the organization to meet and organize a panel to study the matter and make some concrete recommendations.

Unfortunately, situations like that have not been rare. Indeed, most of the State resources organizations, the Governors and State agencies themselves, and the regional and area groups have not had the time in which to provide any meaningful input in this Federal endeavor.

It comes back to the question raised in the Denver Post editorial: Does the Carter administration really favor public input in these important matters? If it does, more time must be provided, and a forum must be established to solicit real and meaningful input from the States and the public.

Mr. President, I assure my colleagues that the matters of water policy, irrigation management, and natural resources are viewed seriously by the States. Many of my colleagues also have introduced legislation regarding these matters. We do hope to achieve remedies to the problems experienced in the past. And, we should hope that those remedies take into account the concerns of the States.

I am today introducing a bill to amend the Water Resources Planning Act so as to strengthen and protect the rights of the States and to delineate congressional authority and responsibility with regard to national water resources policy.

I am joined in sponsoring this bill by 10 of my colleagues, including Senators YOUNG, HAYAKAWA, MCGOVERN, GARN, HANSEN, ZORINSKY, JOHNSTON, LAXALT, GOLDWATER, and WALLOP.

It is my hope that the Environment and Public Works and Energy and Natural Resources Committees may be able to schedule hearings as soon as possible on this and other bills, and on the issue generally of a national water policy.

At this time I would like to state that the Interstate Conference on Water Problems which represents the Governors of all of the States, has itself prepared a comprehensive bill for reorganization of national water policy and planning. That bill may be introduced in the near future.

I wish to remind my colleagues again of the passage of Senate Resolution 284 last October 5. The resolution established a sense of the Senate regarding national water policy, and set up a timetable for State comment and congressional hearings after the administration makes any recommendations for a new national water policy.

It is my hope that congressional hearings will be held as soon as possible, and that the administration may see fit, as a result of all of this concern expressed by the States and public and the Congress, to provide additional time for comment and review of its proposals and studies regarding a national water policy and natural resources reorganization.

Mr. President, I ask unanimous consent that four items be printed in the RECORD, along with my bill to amend the 1965 Water Resources Planning Act. They include the January 10 editorial from the Denver Post, the February 10 letter from me and 16 colleagues to the President requesting extension of the comment period on the natural resources reorganization project, a letter from the executive secretary of the Universities Council on Water Resources to the President's reorganization project office requesting additional time so that the universities could make input, and Senate Resolution 284 as passed by the Senate on October 5, 1977.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 2578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3(a) of the Water Resources Planning Act is amended by inserting at the end thereof the following: "nor to interfere with or detract from the authority and responsibility of the Congress in the exercise of national policy regarding water resources;".

(b) Section 101 of such Act is amended by inserting before the period at the end the following: "by and with the advice and consent of the Senate".

(c) Section 103 of such Act is amended by inserting before the period at the end the following: "but any such principle, standard, or procedure, which will affect or be affected by existing Federal or State law or interstate or international compact, agreement, or treaty shall be submitted to the Congress with the Council's recommendations and shall only be effectuated if enacted into law by the Congress".

(d) Title I of such Act is amended by inserting at the end a new section to read as follows:

"SEC. 106. For the purposes of carrying out the provisions of this Act with regard to formulation of any recommendation for a national policy revision, the Council shall hold public hearings, in no fewer than six sites chosen for geographical distribution around the nation. The hearings shall be held only after (1) sufficient public announcement has been made in the Federal Register of the plans for the hearings, including the dates, times and locations, the subject of the hearings, and any specific change being proposed regarding water resources; and (2) the Governor and legislature of each State have been notified in writing of such plans.".

(e) Section 202 of such Act is amended by inserting after "President" a comma and "by and with the advice and consent of the Senate.".

[From the Denver Post, Jan. 10, 1978]

WHY THE HASTE, MR. CARTER, IN YOUR RESOURCES PLANS?

President Carter took office a year ago amidst promises he would run an open, people-oriented presidency. Since then the president has angered and confused thousands of Westerners with secret White House maneuvers over natural resources.

This week, Vice President Walter Mondale is visiting Colorado and other parts of the West in a fence-mending role. He is out here to find out what is bothering Westerners. Well, there is a strong message he can take back to President Carter.

Environmental staffers, pretending an expertise they do not always have, last winter ripped savagely into Western reclamation spending—ripping out long-planned or partly-finished projects—with no explanation.

Then the administration dumped a huge proposal for water policy changes on the West and Midwest. It gave state officials insultingly-brief periods in which to comment on the proposed options.

In both these cases Congress had to step in and correct or at least slow down the administration's headlong attacks.

You'd think the administration would have learned something from these unnecessary confrontations. Apparently not. The Office of Management and Budget, a White House agency, now has unleashed a governmental resource reorganization team to plunge into a complex situation with the same inconsiderate haste so visible early last year.

On Dec. 19, just before the Christmas holiday, the OMB study team dropped into the Federal Register an announcement that it wanted response from the public on reorganization of federal resource and environmental agencies.

When? Plenty of time. Just have your comments ready by Jan. 14. A bare two weeks, counting the holidays. That's scarcely time enough for the average government body to alert the proper departments what's afoot. It certainly isn't enough to draw up a balanced response.

What's particularly painful is that the OMB study leader, William W. Harsch, had promised that OMB would inform the public of its plans through the press.

The Dec. 19 announcement was made through the obscurity of the Federal Register without benefit of supplementary press releases. It took days for even federal agencies to find out what was going on.

In past confrontations, resource agencies have suspected a covert alliance between environmentalists within the White House and those outside it. But this time the bureaucrats kept their secret so well they caught even environmental groups off guard.

The Colorado Open Space Council, a prominent environmental organization, met in Denver last week to hear details of the plan as gleaned from various sources. At the end of the meeting COSC's board voted to send a letter to OMB asking for more time to study the plan.

COSC is right regardless of one's view of resource agency reorganization. This is simply too important a subject to be disposed of in two weeks.

Many citizens have given thought to unifying such agencies as the Forest Service and the Bureau of Land Management. The OMB team is looking at the whole picture. In one scenario it is asking the public to approve merely a better system of coordination among resource agencies. Or possibly, it says, we should set up entirely new departments according to function.

That could mean a Department of Recreation office in say, Idaho Springs, adjoining a Department of Timbering office and a branch of the Department of Wildlife. Each office would be governing the same plot of ground which used to be a simple national forest tract. Is this what we want?

Or do we want to find out, first, where change is needed before plunging into reorganization?

Half the counties in 17 Western states have a stake in this reorganization. But we'll bet most of their officials don't even know they must react by Friday if they want to have some input on the subject.

The Carter administration needs to look in the mirror and ask itself if it really favors public input on public land decisions. If it answers "yes" there is a lot of groundwork to be done. The first thing to do is drop the Jan. 14 deadline and draft plans for a thorough public debate on federal reorganization of resource agencies. It is too important a subject to be handled hastily, capriciously and arbitrarily out of Washington.

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C., February 10, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We were pleased at the response to appeals made in late December and early January for extension of the time for state and public comment on your Natural Resources Reorganization Project.

The extension of time from January 14 to February 14 was welcomed by the states and the public, and we appreciate that action. However, we feel the time for public comment and input is still too short for such a complex issue. The outline provided by the reorganization project staff within the Office of Management and Budget is quite extensive, and we know that the states will be hard pressed to develop meaningful input in such a short time.

The opening of the doors of the Federal government to public input is an admirable and worthy objective. Greater attention to the public will, needs, and concerns can only result in more responsive government from the Federal level. However, if the opportunity for input, public comment, and participation is to be meaningful, the public must be given ample time in which to study Federal proposals and develop responses. If the citizenry is to be given more than lip service, it should be afforded adequate time to provide real input.

The initial comment period of less than one month from the time of notification and public announcement just prior to Christmas, came at a time when the Congress and most state governments were on relaxed work schedules for vacations over the holidays. Most governors, responsible state agencies, and Members of Congress had scarcely had the opportunity to scan the project outline by the time of expiration of the original period for outside comment on January 14. Thus, the extension of the comment period to February 14 afforded barely more than a month in which the governors and their state agencies, the Members of Congress, and private and public groups and individuals could delve into the reorganization project outline.

Because of the importance of this subject, and the impact and effect it can have on so large an area of the citizenry, we feel that additional time must be provided for state and public input. We therefore urge you to extend the time for public comment and input on the Natural Resources Reorganization Project an additional 60 days, to April 14, 1978.

Respectfully yours,

Carl T. Curtis, Malcolm Wallop, Milton R. Young, Paul Laxalt, John Melcher, Jesse Helms, Edward Zorinsky, S. I. Hayakawa, James A. McClure.

Jake Garn, Orrin G. Hatch, James B. Allen, Kaneaster Hodges, Jr., Dennis DeConcini, Ted Stevens, Dewey F. Bartlett, Clifford P. Hansen, U.S. Senators.

THE UNIVERSITIES COUNCIL
ON WATER RESOURCES,
Lincoln, Nebr., January 18, 1978.

MR. WILLIAM W. HARSCH,
Executive Office of the President, Office of Management and Budget, President's Reorganization Project, Natural Resources/Environment Division, Washington, D.C.

DEAR MR. HARSCH: I have reviewed, with some consternation, your announcement relating to the President's Reorganization project which appeared in the December 19 addition of the *Federal Register*. My consternation does not stem from the substance of the project, which is of a very timely and important nature; rather it stems from the manner in which you and the project staff have chosen to address the project.

Perhaps I should point out to you that the time between December 19 and January 14 was less than a month. Subtract from that time the holidays for our traditional Christmas and New Years periods and allowances for postal service from Washington and back to Washington, and I believe you will see that the public, whose participation you say you value so highly, had very little time to reflect on this matter or to produce a constructive response. May I suggest that if you truly value the public's participation in such efforts, you might reconsider the time frame of your study. Surely, problems which have existed for decades can be allowed to go on for a few more weeks while we take the time to try and decide, in a logical and coherent manner, what should be done about them.

The Universities Council on Water Resources (UCOWR), representing some 86 U.S. universities with significant programs in water resources research and education, is very much concerned with the efforts of this Reorganization project. I feel certain we would want to contribute our opinion and comment to the record of this project. We were able, when given time, to make a significant contribution to the public record in the case of the currently ongoing National Water Policy Review. Should your project staff decide to extend the deadline for review and comment on the Reorganization project, I will ask the Board of Directors of UCOWR to form a task force to respond to your comments contained in the December 19 Federal Register.

Failing this extension of time, I'm afraid we, like so many others in this country, simply have to pass on your request for comment on this matter—a situation which saddens us greatly.

Sincerely yours,

MILLARD W. HALL,
Executive Secretary.

S. RES. 284

Whereas the 1965 Water Resources Planning Act authorizes and delegates to the executive branch the establishment of certain Federal water resources policies;

Whereas the executive branch has proposed establishment of a national water resources management policy;

Whereas procedures have been initiated toward establishment of such a policy;

Whereas the timetables set by the executive branch permit public comment only until November 20, 1977, on executive branch proposals, with final policy approval by February 28, 1978;

Whereas the States have expressed opposition to certain proposals and procedures of the Federal government in the policy study, and have expressed concern that States needs and concerns have not been addressed or considered;

Whereas the Interstate Conference on Water Problems on August 31, 1977, unanimously adopted a water policy statement supporting the States roles in water man-

agement policy and opposing the Federal proposals;

Whereas the Western Governors' Conference on September 2, 1977, unanimously adopted a policy statement asserting the rights of the States in management of water resources;

Whereas the National Governors' Association representing all of the fifty States on September 9, 1977, unanimously adopted a resolution opposing certain Federal policy proposals and supporting the roles of the States in water resources management;

Whereas most States have ongoing research, study and activities in water resources management which would be affected by or which would affect any national policy on water resources management;

Whereas management expertise in water resources now exists in most of the States and the authority and domain over most water resources in the United States has historically been vested in the individual States and is now so vested;

Whereas the proposals as published in the Federal Register to date show the intent of the executive branch to assume certain functions previously exercised by the States, and as such appear to be contrary to the intent of Congress as stated in the 1965 Act;

Whereas any national water policy must provide for differences in topography, geology, hydrology and other criteria concerning water resources in the various States and regions; and

Whereas the responsibility for and authority over Federal policy is clearly vested under the Constitution with the legislative branch: Now, therefore, be it

Resolved, That it is the sense of the Senate that no new national water resources management policy shall be implemented without Congressional concurrence, and no proposed regulations for such a policy shall take effect for a period of six calendar months, during which the Congress is in session, from the time of publication of proposed regulations in the Federal Register and of notification by the executive branch of such proposals to the Congress: *Provided further*, That—

(a) the executive branch shall cause to have all recommendations and proposals transmitted to the States, and shall make available transcripts, documents, and material collected and prepared at and as a result of regional hearings conducted on such proposals;

(b) the States shall be provided two months in which to develop their responses to the executive branch proposals, and to develop recommendations, which responses and recommendations should be transmitted to the Water Resources Council and the appropriate Congressional committees;

(c) the States shall be provided an additional month in which to meet within river basin or regional commissions for recommendations of regional water resources management policies which should be transmitted to the Water Resources Council and the appropriate Congressional committees; and

(d) the Congress shall have an additional three months in which to hold hearings on establishment of a national water resources management policy.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. JAVITS, and Mr. PELL):

S. 2579. A bill to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; to the Committee on Human Resources.

PRESIDENT'S COMMISSION FOR THE PROTECTION OF HUMAN SUBJECTS OF BIOMEDICAL AND BEHAVIORAL RESEARCH ACT OF 1978

Mr. KENNEDY. Mr. President, I rise on behalf of myself and Senators SCHWEIKER, WILLIAMS, JAVITS, and PELL to reintroduce the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act, which reestablishes the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research as a Presidential Commission, broadens its jurisdiction, and expands the composition of its membership. Similar legislation passed the Senate last Congress, but was not acted upon in the House of Representatives.

Last year, similar legislation (S. 1893) was introduced in the Senate. S. 1893 generated a great deal of discussion and constructive comments and suggestions. The bill that I am introducing today is a rework of S. 1893 reflecting many of those comments and suggestions.

Mr. President, this Nation was shocked several years ago by the revelations of unethical research and unethical medical practice carried out in programs sponsored by Department of Health, Education, and Welfare funds. In Tuskeegee, Ala., black men were enrolled in a syphilis study and were denied treatment for this dread disease for over 30 years, long after the time that syphilis became an easily treated disease. In Montgomery, Ala., Alice and Minnie Relph, two teenage girls, one of whom was retarded, were sterilized without their parents' knowledge or consent. In Mississippi, experimental psychosurgical techniques were carried out without proper experimental designs and without fully informed consent.

During the Health Subcommittee's investigations of these matters, Dr. Bernard Barber, the distinguished sociologist from Barnard University in New York City, presented the results of his national survey of biomedical research programs which raised profound ethical questions about all kinds of research in all kinds of settings.

The Congress responded to these abuses and others by enacting the National Research Act of 1974, which established the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. Because the hearings had focused on abuses in the Department of Health, Education, and Welfare, and because it was believed that most of the violations occurred in programs under the purview of that agency, and because focusing on that agency alone was in itself a mammoth job, the commission's jurisdiction was limited to the programs of HEW. As structured, the commission reviews the policies for the protection of human subjects in HEW. It specifically was charged with focusing on fetal research, psychosurgery, research on children, prisoners, and the mentally retarded, as well as the overall protection system for human subjects. It is charged with making recommendations in all of these areas. The Secretary of HEW, though not bound to follow the recommendations, must, if he chooses to disagree with the commission, publish the reasons for his disagreement in the Federal Register so that all interested parties, including the Congress, will know and will have an opportunity to take corrective action if warranted. It also assures that the entire process will be a public and open one.

In establishing this commission, the Congress clearly stated that the highly emotional issues involved in human experimentation required careful, scholarly study by a group of persons with a wide range of backgrounds. This interdisciplinary approach has focused some of the best minds in the country on the ethical dilemmas raised by human experimentation.

Mr. President, one of the responsibilities for the National Commission is to recommend to the Congress a mechanism for the expansion of its jurisdiction so as to cover all programs of biomedical and behavioral research which are conducted under Government funds regardless of which Federal agency administers those grants or contracts. I believe, however, that it is no longer necessary or desirable to wait for the commission to make that recommendation. The revelations of the past months concerning biomedical and behavioral research abuses in the Department of Defense and the CIA underscore the urgent need to expand the National Commission's jurisdiction and to expand it now. The abuses that have been uncovered in the research programs of the Defense Department and the CIA are of a magnitude every bit as frightening, every bit as outrageous and every bit as incompatible with the spirit of biomedical and behavioral research in this country, and warrant immediate action.

Mr. President, the measure that I am introducing on behalf of myself and Senators SCHWEIKER, WILLIAMS, JAVITS, and PELL takes the long-needed step of establishing a commission with the capability of reviewing the research of any department or agency of the Federal Government to help assure that human subjects are adequately protected.

Mr. President, this Nation has always had a biomedical and behavioral research program second to none. The commission gives this Nation a policy for the protection of human subjects of research second to none. The Senate has seen fit to enact this measure before. It must enact it again. The time is right. The authority for the existing commission expires in October. Its track record is evident for all to see. It has earned a reputation for responsible, effective work in very difficult and controversial areas. We can look at its record with pride and look to the expansion of its responsibilities with optimism. Only after this legislation is enacted can we assure our constituents that the U.S. policy on the protection of human subjects of biomedical and behavioral research is the best.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act of 1978".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 2. The Public Health Service Act is amended by adding after title XVII the following new title:

"TITLE XVIII—PRESIDENT'S COMMISSION FOR THE PROTECTION OF HUMAN SUBJECTS OF BIOMEDICAL AND BEHAVIORAL RESEARCH

"ESTABLISHMENT OF COMMISSION

"SEC. 1801. (a) There is established a Commission to be known as the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (hereinafter in this title referred to as the "Commission").

"(b) The Commission shall be composed of eleven members appointed by the President. The President shall appoint—

"(1) five (and not more than five) members of the Commission from individuals—

"(A) who are or have been engaged in biomedical or behavioral research involving human subjects, and

"(B) who are especially qualified to serve on the Commission by virtue of their training, experience, or background; and

"(2) six members of the Commission from individuals—

"(A) who are not and have not been engaged in biomedical or behavioral research involving human subjects, and

"(B) who are distinguished in the fields of medicine, law, ethics, theology, the biological, physical, behavioral and social sciences, philosophy, humanities, health administration, government, and public affairs.

"(c) No individual who is a full-time employee of the United States may be appointed as a member of the Commission.

"(d) The Secretary of Health, Education, and Welfare, the Secretary of Defense, the Director of Central Intelligence, the Director of the Office of Science and Technology Policy (established under the Presidential Science and Technology Advisory Organization Act of 1976), the Administrator of Veterans' Affairs, and the Director of the National Science Foundation shall each designate an individual to serve as a nonvoting, ex officio adviser to the Commission.

"(e) Prior to the appointment of an individual as a member of the Commission, each such individual shall receive all department and agency security clearances necessary to assure such individual's access, as a member of the Commission, to any information which is classified or deemed to be classified for any purpose (including national security) by any department or agency.

"(f) Until such time as the President acts to appoint members of the Commission under subsection (b), those members of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, who are serving upon the date of enactment of this title, are deemed members of the Commission: *Provided,* That no classified information shall be made available to such members through a request of the Commission until appropriate security clearances are obtained.

"(g) The term of office of each member of the Commission shall be four years; except that—

"(1) the terms of office of members first taking office shall begin on the date of appointment and shall expire, as designated at the time of their appointment, four at the end of two years, four at the end of three years, and three at the end of four years;

"(2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(3) a member whose term has expired may serve until his successor has been appointed.

"(h)(1) The President shall choose a Chairman (who shall be appointed by and with the advice and consent of the Senate) and one Vice Chairman from among the members of the Commission. Either the Chairman or Vice Chairman may be a researcher; however both shall not be researchers. No individual may serve as Chairman or Vice Chairman for more than four years.

"(2) Seven members of the Commission shall constitute a quorum for business, but a lesser number may conduct hearings.

"(3) The Commission shall meet at the call of the Chairman or at the call of a majority of its members.

"(4) No individual may be appointed to serve as a member of the Commission, if such individual has served for two terms of four years each.

"(5) Four or less vacancies on the Commission shall not affect the authority or activities of the Commission.

"(i) Members of the Commission shall receive compensation at a rate not to exceed for any day (including traveltime) the daily equivalent of the effective rate for GS–18 of the General Schedule while engaged in the actual performance of the duties vested in the Commission. While away from their homes or regular places of business in the performance of duties of the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"Duties and Functions of the Commission

"Report on Protection of Human Subjects of Biomedical and Behavioral Research

"SEC. 1802. (a) The Commission shall issue a report every two years on the protection of human subjects of biomedical and behavioral research.

"(b) In preparing such report, the Commission—

"(1) shall periodically review the rules, policies, guidelines, and regulations of each department or agency (including the Department of Defense and the Central Intelligence Agency) concerning the conduct of biomedical and behavioral research to determine whether the human subjects involved in such research would be adequately protected if such rules, policies, guidelines, and regulations were followed;

"(2) may review in detail any program of any department or agency (including the Department of Defense and the Central Intelligence Agency) to determine whether the human subjects of any biomedical or behavioral research involved in such program are adequately protected; and

"(3) shall take any other action that it deems necessary to collect the information to adequately prepare such report.

"(c) The Commission shall simultaneously issue copies of the report prepared pursuant to subsection (a) to all departments and agencies and to the appropriate committees of Congress. The Commission may, as it deems appropriate, include in such report recommendations for administrative or legislative action.

"Followup of Work of National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research

"SEC. 1803. (a) The Commission shall complete any of the duties of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research set forth in section 202 of Public Law 93–348 that remain unfinished on the date of enactment of this title and, where appropriate, conduct additional studies and investigations (with respect to any and all departments and agencies) on any of the matters set forth in such section 202.

"(b) The Commission shall periodically issue reports on its work pursuant to subsection (a). The Commission shall simultaneously submit copies of its reports to the appropriate departments and agencies and to the appropriate committees of Congress. The Commission shall, as it deems appropriate, include in such reports recommendations for administrative or legislative action.

"General Studies

"SEC. 1804. (a) The Commission shall undertake studies of the ethical, social, and legal implications of—

"(1) advances in biomedical and behavioral research and technology which shall include—

"(A) an analysis and evaluation of scientific and technological advances in past, present, and projected biomedical and behavioral research and services,

"(B) an analysis and evaluation of the implications of such advances, both for individuals and for society, and of public understanding of and attitudes toward such implications;

"(C) an analysis and evaluation of laws and moral and ethical principles governing the use of technology in medical practice, and of public understanding of and attitudes toward such laws and principles, and

"(D) an analysis and evaluation of implications for public policy of such findings as are made by the Commission with respect to advances in biomedical and behavioral research and technology and public attitudes toward such advances; and

"(2) resource allocation decisions concerning health care research and delivery.

"(b) The Commission shall issue a report on its studies pursuant to subsection (a) every three years. The Commission shall simultaneously submit copies of its report to the appropriate departments and agencies and to the appropriate committees of Congress. The Commission may, as it deems appropriate, include in such report recommendations for administrative or legislative action.

"Special Studies

"SEC. 1805. (a)(1) The Commission shall undertake a study to identify the requirements for informed consent by patients before they receive any medical treatment (regardless of the setting of such treatment) including but not limited to the information that should be given to patients or their legal representatives concerning the purpose of such treatment, whether or not such treatment will be provided in connection with clinical research, the identification of the individuals who will be involved and their respective roles, the description of the procedures to be used, the potential risks and anticipated benefits from such treatment, and the freedom of the patient or his legal representative to make a choice for or against such treatment.

"(2) The Commission shall conduct an investigation and study of the matter of defining death including the advisability of developing a uniform definition of death. In making such an investigation and study, the Commission shall take into account ethical, moral, social, legal, and medical considerations.

"(3) The Commission shall conduct an investigation and study respecting the ethical, moral, social and legal implications of voluntary testing, counseling, and information and education programs with respect to genetic diseases and conditions.

"(4) The Commission shall undertake a study to assess and evaluate current procedure and mechanisms designed to safeguard the privacy of research subjects, to ensure confidentiality of patient records, and to ensure appropriate access to information contained in such records by such patients. In making such a study, the Commission shall specifically take into account the recommendations developed by the Privacy Protection Study Commission established pursuant to Public Law 93-579 in its report of July, 1977 respecting medical records and participants in research studies.

"(5) The Commission may conduct an investigation or study of any other appropriate matter consistent with the purposes of this title on its own initiative, at the request of the head of a depatrment or agency, or at the request of a committee of the Congress.

"(b) The Commission shall issue reports on the studies set forth in subsection (a) upon their completion. The Commission shall simultaneously submit copies of such reports to the appropriate departments and agencies and to the appropriate committees of Congress. The Commission may, as it deems appropriate, include in such reports recommendations for administrative or legislative action.

"Administrative Provisions

"SEC. 1806. (a) The Commission may for the purpose of carrying out its duties hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems advisable.

"(b)(1) The Commission may appoint and compensate, at a rate not to exceed the annual rate of basic pay in effect for grade GS-18 of the General Schedule, an executive director, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such ttile, relating to classification and General Schedule pay rates, who shall administer full-time the daily activities of the Commission.

"(2) The Commission may appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(3) The Commission may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the Commission, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for grade GS-18 of the General Schedule. While away from his home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Commission may, at any time, publish and disseminate to the public such reports, information, recommendations, and other material relating to its functions, activities, and studies as it deems appropriate.

"(d) Upon the request of the Chairman or a majority of the members of the Commission, each department or agency shall furnish all information requested by the Commission which the Commission determines is necessary to enable it to carry out its duties and functions under this title.

"(e)(1) Within sixty days of the receipt of any recommendation made by the Commission under this title, the appropriate department or agency shall publish it in the Federal Register and provide opportunity for interested persons to submit written data, views, and arguments with respect to such recommendation. Within one hundred and eighty days of the date of the publication in the Federal Register of such recommendation, the appropriate department or agency shall (1) determine whether the administrative or other action proposed by such recommendation is appropriate, and (2) if it determines that such action is not appropriate, publish in the Federal Register such determination together with an adequate statement of the reasons for its determination. If the appropriate department or agency determines that the administrative action recommended by the Commission should be undertaken, it shall undertake such action as expeditiously as is feasible.

"(2) On November 1 of each year, each department and agency shall submit a report simultaneously to the President and to the appropriate committees of Congress which shall include with respect to the previous fiscal year—

"(A) a complete list of all recommendations made to such department or agency by the Commission;

"(B) in those situations where such department or agency accepted a recommendation, a description of the policies, procedures, guidelines, or regulations that were implemented, and any other administrative actions that were taken by such department or agency to comply with such recommendation; and

"(C) in those situations where such department or agency failed to accept, in whole or in part, a recommendation, a description of the reasons for such failure.

"(f) The Commission shall determine the priority and order of the duties and functions to be performed under this title.

"(g) The Commission, in performing its duties and functions under this title, may enter into contracts with appropriate public or non-profit entities.

"(h) Section 14 of the Federal Advisory Committee Act shall not apply with respect to the Commission.

"Confidentiality

"SEC. 1807. (a) The Commission shall not disclose any information reported to or otherwise obtained by it pursuant to this title which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of such section.

"(b)(1) The Commission shall in securing and maintaining any record of individually identifiable personal data (hereinafter in this subsection referred to as "personal data") for purposes of this title—

"(A) inform any individual who is asked to supply personal data (i) whether he is legally required, or may refuse, to supply such data and (ii) of any specific consequences known to the Commission of providing or not providing such data;

"(B) upon request, (i) inform any individual if he is the subject of personal data secured or maintained by the Commission and (ii) make the data available to him in a readily understandable form;

"(C) assure that no use is made of personal data which is not within the purposes of this title unless an informed consent has been obtained from the individual who is the subject of such data; and

"(D) upon request, inform any individual (i) of the use being made of personal data respecting such individual and (ii) of the identity of the persons who will use the data and their relationship to the Commission;

"(2) Notwithstanding any other provision of law, personal data collected or maintained by the Commission, pursuant to this title, may not be made available or disclosed by the Commission to any person other than the individual who is the subject of such data without such individual's informed consent. No Federal, State, or local civil, criminal, administrative, legislative or other proceeding may require the disclosure of such personal data.

"Departmental Ethics Advisory Board

"SEC. 1808. (a) Each head of an executive or military department as defined in sections 101 and 102 of Title V of the United States Code may establish an ethics advisory board to advise him or her on ethical and moral issues involving activities of the department.

"(b)(1) A member of each such ethics advisory board shall be designated to act as a liaison to the Commission.

"(2) To the extent practicable, such ethics advisory boards shall coordinate their priorities and agenda with the priorities and agenda of the Commission.

"Definitions

"SEC. 1809. (a) As used in this title, the terms "department or agency" and "department and agency" mean each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

"(1) the Congress;

"(2) the courts of the United States;

"(3) the governments of the territories or possessions of the United States; and

"(4) the government of the District of Columbia.

"(b) As used in this title, the term "protection of human subjects" includes, among other things, protection of their health and safety and protection of their privacy.

"Authorizations for Appropriations

"SEC. 1810. For the purpose of carrying out the provisions of this title there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1979 and for each of the next four fiscal years thereafter.

MISCELLANEOUS

SEC. 3. (a) Part A of title II of the National Research Act (42 U.S.C. 2891) is repealed.

(b) Sections 211 and 213 of the National Research Act are repealed.

(c) Subsection (f) of section 217 of the Public Health Service Act (42 U.S.C. 218(f)) is repealed.

By Mr. GLENN:

S.J. Res. 112. A joint resolution adopting the pledge entitled "America's Pledge for the Third Century"; to the Committee on the Judiciary.

AMERICA'S PLEDGE FOR THE THIRD CENTURY

Mr. GLENN. Mr. President, during the observance of this Nation's Bicentennial Celebration, the Ohio General Assembly adopted, as a "Bicentennial Pledge" the text of what has come to be known as the Patriots' Pledge.

The Patriots' Pledge consists of patriotic and noble statements by America's Founding Fathers and other outstanding Americans. This pledge, compiled by Sara Ensor of Frederick, Md., has also been adopted by the city council of Salem, Ohio, as "America's Pledge for the Third Century."

Mr. President, at the request of the mayor of Salem, the Honorable Frank

Dauria; the internationally recognized youth singing organization, "Sing-Out-Salem"; and their adult adviser, Walter J. Hunston, Esq., I am introducing the text of this pledge to be considered by the Senate as "America's Pledge for the Third Century."

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 112

Whereas, the United States of America has embarked on its third century of independence dedicated to the principle of one Nation under God;

Whereas, the American people over the past two centuries, in building this Nation to greatness, have been guided by principles of personal freedom, integrity, and virtue; respect for the rights of others; hard work and dedication to the welfare of family, community, and Nation; and a firm belief in the patriotic commitment of Americans to our Nation;

Whereas, many Americans have seen fit to rededicate themselves to these principles and reaffirm their loyalty to America and to the noble goals of freedom, equality, liberty and brotherhood by adopting a meaningful pledge as part of their Bicentennial observances; and

Whereas, the pledge entitled "America's Pledge for the Third Century" represents a fitting rededication of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress of the United States adopts the following pledge and urges that it be appropriately disseminated and displayed so the American people may be increasingly aware of this national recommitment, and that the peoples of all nations may come to know that the United States of America and its citizens and government continue to believe in and live by the principles upon which this Nation was founded:

AMERICA'S PLEDGE FOR THE THIRD CENTURY

Inspired by the Founding Fathers, we pledge, "our lives, our fortunes, and our sacred honor" to the end that all men everywhere find the dignity of responsibility and the right to "life, liberty, and the pursuit of happiness".

FREEDOM

They said: Liberty can no more exist without virtue than the body can live and move without a soul.—John Adams

We pledge: To so live that America finds true freedom—not freedom to do as we wish, but freedom to do "the right as God gives us to see the right."

CORRUPTION

They said: Virtue or morality is a necessary spring of popular government.—George Washintgon

We pledge: To answer corruption in the nation, starting with absolute honesty in all our own dealings.

RESOURCES

They said: The Ground says, the Great Spirit has placed me here to produce all that grows on me. The Great Spirit, in placing men on earth, desired them to take care of the ground and to do each other no harm.—Young Chief, of the Cayuses, 1855

We pledge. To steward the resources God has put on and in the earth, so that all people, in this and future generations, may equally enjoy their fruits.

HUNGER

They said: We have been the recipients of the choicest bounties of heaven. We have grown in wealth . . . and numbers as no other nation has grown. But we have forgotten God.—Abraham Lincoln

We pledge: To set a pattern for unselfish living that can break the bottlenecks of waste, greed and graft which rob the hungry in a world of plenty.

FAMILY

They said: I have always thought it of very great importance that children should in the early part of life, be unaccustomed to such examples as would tend to corrupt the purity of their words and actions.—Abigail Adams

We pledge: To uphold the sanctity of marriage, and to base family life on honesty, undemanding care and goals beyond self-fulfillment and material success.

VIOLENCE

They said: No man can make me stoop so low as to hate him.—Booker T. Washington

We pledge: To cure the hate that spawns violence, by our caring and compassion.

They said:

Give me your tired, your poor,
Your huddled masses, yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost to me.—Emma Lazarus on Statue of Liberty

We pledge: To open our homes and hearts to those of all races, faiths and social conditions. To restore broken relationships by putting right past wrongs.

GOVERNMENT

They said: I have had so many . . . instances when I have been controlled by some other power than my own will, that I cannot doubt that this power comes from above.—Abraham Lincoln

We pledge: To listen to God each day, seeking the inspired plan for our life and work, and accepting change in our basic motives where needed.

They said: Men must choose to be governed by God, or they condemn themselves to be ruled by tyrants.—William Penn

We pledge: To build a world free from blame and indifference, hate and fear, and governed by men and women who are governed by God.

By Mr. BAYH:

S.J. Res. 113. A joint resolution to recognize the heritage of black citizens of the United States; to the Committee on the Judiciary.

BLACK HISTORY MONTH

Mr. BAYH. Mr. President, today I am introducing a Senate resolution which would mandate by law that February be officially designated Black History Month.

Mr. President, the history of the black people of this country and their contribution to the growth of America has too long been ignored. Race pride is an important component to the growth and advancement of all people.

We certainly can all agree that the history of the many outstanding black men and women in our Nation is of the utmost value, not only to blacks, young and old, but to all people. The great contributions that such men and women as Frederick Douglass, Harriet Tubman, Sojourner Truth, William Wells Brown, Booker T. Washington, W. E. B. DuBois, William Monroe Trotter, A. Phillip Randolph, Mary McCleod Bethune, Walter White, Roy Wilkins, Whitney Young, Dr. Martin Luther King, Jr., and the thousands of other courageous black men and women who have struggled to improve the quality of life for all Americans, are an important facet of our history and culture. This resolution will increase the visibility of such people and add to our awareness as it is celebrated in our great universities, high schools, and libraries.

Because the history of black America is so critically important to an understanding of this country's past, I hope that this resolution will be passed into law as soon as possible, and that my colleagues will join with me in urging its passage.

I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 113

Whereas the month of February of each year has been designated by the Association for the Study of Afro-American Life and History as "Black History Month";

Whereas the black citizens of the United States have made unique and valuable contributions to the United States in all areas of American life;

Whereas the extent of these contributions has not been fully recognized by all of our citizens; and

Whereas the rights of black citizens of the United States are not fully recognized and respected by all of our citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby—

(1) recognizes February as "Black History Month";

(2) encourages all citizens of the United States to learn about and recognize the heritage of our black citizens; and

(3) calls upon all citizens of the United States to commit themselves to rectify the injustices suffered by our black citizens.

ADDITIONAL COSPONSORS

S. 991

At the request of Mr. RIBICOFF, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 991, a bill to establish a separate, Cabinet-level Department of Education in the Federal Government.

S. 2300

At the request of Mr. BAYH, the Senator from California (Mr. CRANSTON), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of S. 2300, a bill to extend the Civil Rights Commission.

S. 2348

At the request of Mr. INOUYE, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2348, a bill to establish a program of development grants for seaports located in our noncontiguous States of Hawaii and Alaska, the Commonwealth of Puerto Rico, and the Territories of Guam and the Virgin Islands.

S. 2392

At the request of Mr. ALLEN, the Senator from Alabama (Mr. SPARKMAN) was added as a cosponsor of S. 2392, a bill to provide emergency assistance to farmers by increasing the target prices for the 1977 and 1978 crops of upland cotton and corn.

S. 2401

At the request of Mr. HART, he was added as a cosponsor of S. 2401, the Emergency Interim Consumer Product Safety Rule Act of 1977.

S. 2416

At the request of Mr. JAVITS, the Senator from North Dakota (Mr. YOUNG), the Senator from North Dakota (Mr. BURDICK), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Nebraska (Mr. ZORINSKY), the Senator from New Jersey (Mr. CASE), the Senator from Michigan (Mr. RIEGLE), the Senator from Tennessee (Mr. SASSER), and the Senator from Maine (Mr. HATHAWAY) were added as cosponsors of S. 2416, the Nurse Training Amendments of 1978.

S. 2450

At the request of Mr. KENNEDY, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 2450, a bill to extend the assistance programs for community mental health centers and for biomedical research, and for other purposes.

S. 2462

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 2462, a bill to amend the Internal Revenue Code to permit a limited individual retirement deduction to individuals who are participating in retirement plans.

S. 2479

At the request of Mr. DOLE, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 2479, a bill to amend the Higher Education Act of 1965 relating to eligibility of new State guarantee agencies for advancement of reserve funds.

S. 2528

At the request of Mr. DOLE, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 2528, a bill to amend the Internal Revenue Code to provide for the issuance, and exclusion from income of interest on educational savings bonds.

S. 2540

At the request of Mr. RIEGLE, the Senator from New York (Mr. JAVITS), the Senator from Maine (Mr. HATHAWAY), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 2540, the Consumer Food Act of 1978.

SENATE JOINT RESOLUTION 99

At the request of Mr. MATSUNAGA, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of Senate Joint Resolution 99, to require improvement and expansion in the collection, analysis, and publication of data relating to women in the professional, technical, and managerial occupations.

SENATE RESOLUTION 300

At the request of Mr. DOLE, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of Senate Resolution 300, regarding antihijacking measures to be undertaken by the United States in cooperation with other nations.

SENATE CONCURRENT RESOLUTION 62

At the request of Mr. MCGOVERN, the Senator from Maryland (Mr. SARBANES), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Oregon (Mr. MARK O. HATFIELD) were added as cosponsors of Senate Concurrent Resolution 62, requesting the United Nations to convene a World Alternate Energy Conference and establish an Internal Alternate Energy Commission.

SENATE RESOLUTION 402—SUBMISSION OF A RESOLUTION RELATING TO PROPOSED BANS ON CERTAIN USES OF PENICILLIN AND TETRACYCLINE PRODUCTS IN ANIMAL FEEDS

Mr. ALLEN (for himself, Mr. DOLE, Mr. BELLMON, Mr. CURTIS, Mr. EASTLAND, Mr. HANSEN, Mr. HAYAKAWA, Mr. HELMS, Mr. HUDDLESTON, Mr. LUGAR, Mr. STONE, Mr. TOWER, Mr. YOUNG, Mr. WALLOP, Mr. ZORINSKY and Mr. PEARSON) submitted the following resolution, which was referred to the Committee on Human Resources:

S. RES. 402

Whereas the Food and Drug Administration has proposed bans on most uses of penicillin and tetracyclines in swine, cattle, and poultry feeds and restrictions of the remaining uses of these drugs to a veterinarian's order;

Whereas the Nation's livestock and poultry producers depend upon the use of antibiotics as feed additives at low levels to assure an abundant, wholesome, and economical supply of meat products for American consumers;

Whereas the proposed actions by the Food and Drug Administration would not only endanger our livestock and poultry industries, but would also place an impossible burden on the limited number of veterinarians who service the livestock and poultry industries;

Whereas the Food and Drug Administration has stated that continued low level use of penicillin and tetracycline products in animal feeds does not pose an imminent hazard to human health;

Whereas a large segment of the scientific community contends that the available scientific evidence does not warrant the Food and Drug Administration's proposed actions;

Whereas the proposed actions by the Food and Drug Administration appear unwarranted and will cost agricultural producers more than $100 million per year in increased production costs at a time when net farm income for 1978 is projected, in real dollars, at the lowest level since the Great Depression, and could cost consumers in excess of $1 billion in higher meat prices with no apparent benefits to either producers or consumers; and

Whereas the Committee on Agriculture, Nutrition, and Forestry has requested that the Office of Technology Assessment conduct a comprehensive assessment of the feed additives issue, and has also requested that the Secretary of Agriculture conduct a complete assessment of the economic impact of the Food and Drug Administration's proposed actions on agriculture, consumers, and the entire economy; Now, therefore, be it

Resolved, That it is the sense of the Senate that the Food and Drug Administration should dispense with further promulgation of its proposed bans and restrictions on the use and distribution of penicillin and tetracycline products in animal feeds at low levels until a thorough determination is made concerning the safety of these products. The Commissioner of the Food and Drug Administration should reach such determination by—

(1) conducting a well-designed epidemiological study to determine if, in fact, the uses of penicillin and tetracycline products in animal feeds at low levels compromise human health in any manner, and

(2) conducting scientific research necessary to determine the extent of hazard involved in order that a rational benefit-risk decision can be made; and be it further

Resolved, That it is the sense of the Senate that only when the additional scientific studies have been completed and credible cost-benefit assessments have been made—including the studies and assessments being conducted by the Secretary of Agriculture and the Office of Technology Assessment—should the Food and Drug Administration proceed with any proposed rulemaking concerning the continued low level use of penicillin and tetracycline products in animal feeds.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the Secretary of Health, Education, and Welfare and the Commissioner of Food and Drugs.

Mr. ALLEN. Mr. President, when Al Capp's comic strip, Li'l Abner, was in its heyday, one of his characters was "Evil-Eye Flegal" whose arsenal of tricks included the "triple-whammy"—a devastating pitch and stare that incapacitated its recipient.

Perhaps unknowingly, and without malice aforethought, recent proposals by the FDA could serve up the triple-whammy to the livestock and poultry industries in this country. Three successive proposals by FDA would severely restrict the distribution and use of animal feeds containing antibiotics.

On August 30, 1977, FDA's Bureau of Veterinary Medicine proposed in the Federal Register to withdraw approval of all subtherapeutic uses of penicillin in animal feeds. This proposal was followed by a second one, published in the Federal Register on October 21, 1977, to withdraw approval of most of the uses of tetracyclines on the grounds that such use has not been shown to be safe. The third in this series of proposals appeared in the Federal Register of January 20, 1978, with FDA proposing to limit the distribution of animal feed premixes containing penicillin and tetracyclines to feed mills holding approved medicated feed applications and to restrict the further distribution of such feeds to the order of a licensed veterinarian.

In its press release of January 17, 1978, FDA said of its most recent proposal—

> The proposal is FDA's third step in its effort to halt the routine addition of small quantities of these antibiotics to animal feed to prevent disease and make animals grow faster. FDA is concerned because this practice is known to cause bacteria to become more resistant to the drugs. This resistance can then be transferred to bacteria in people and as a consequence antibiotics may be less effective in therapy because the bacteria have increased immunity to the drugs. . . . In effect, the proposed restrictions set up a new catagory of medicated feeds—restricted medicated animal feeds.

Mr. President, hard scientific facts are still missing from these claims by FDA. These proposals could very well be precipitous actions based on an unproven theory. It is for this reason that I am today submitting a very temperate resolution, actually, which expresses the sense of the Senate that FDA should dispense

with further promulgation of its proposed bans and restrictions for the use and distribution of these antibiotics in animal feeds until a thorough determination is made as to the safety of these products.

The purpose of this resolution is to urge the FDA to conduct a well-designed study to determine if, in fact, the use of these antibiotics in animal feeds at low levels does compromise human health.

Such a request is not unreasonable, in my judgment. The Committee on Agriculture, Nutrition, and Forestry, on which it is my privilege to serve, has requested that the Office of Technology Assessment conduct a comprehensive assessment of the feed additives issue and we have also requested the Secretary of Agriculture to conduct a complete assessment of the economic impact of FDA's proposals on agriculture, consumers, and the entire economy. These studies should be forthcoming later this year, and further action by FDA should be suspended until all the facts have been gathered. While no one wants to compromise human health, it is unfair to subjugate the livestock and poultry producers of this country to regulations that have, at this juncture, been issued without real scientific evidence to support them.

For more than 25 years, low levels of certain antibiotics have been incorporated into feed of many animals grown for food in order to help protect those animals against disease and to shorten the period required for their growth to market weight.

Those two benefits provided by the use of feeds medicated with antibiotics represent important economic contributions to the productivity of animals grown in confinement, whether they be chickens in broiler houses, swine in feeding pens, or cattle in feed lots. The incidence and spread of disease are curtailed, less food is required per pound of gain, and more animals are made available to supply meat as the result of a shorter feeding period.

Complicating the basic issue—the possibility of a potential threat to human health from antibiotic feed additives—is the recent action by FDA to make penicillin, tetracycline, and oxytetracycline available for animal use only on order of a veterinarian. This requirement would impose heavy new burdens of time, cost, and paperwork on veterinarians, feed manufacturers, and poultry and livestock producers, effectively limiting the use of these antibiotics at a time when the basic safety issue remains unresolved

Also at question is the adequacy of other antibiotics as substitutes for those that would be banned. There are differences in the spectrum of microorganisms sensitive to the various antibiotics. Losing the broad spectrum of activity provided by those at issue could well have an adverse effect on the operations of many producers, for the nature of the disease potential varies from place to place. There are also differences in antibiotic costs.

What does seem to be clear is that the elimination of antibiotics from animal feeds carries these consequences:

More feed would be required to bring animals to market weight;

Fewer animals would be available for marketing because of the longer growing period;

There would be a higher mortality rate among meat animals;

There would be increased meat inspection condemnations of animals and animal parts showing indications of disease.

These factors would reduce the meat supply, with shortages a possibility at times; increase both producer and processor costs; and result in higher retail prices for consumers.

Even now, with antibiotics available for low-level feeding and with production cycles substantially well established, price fluctuations occur at the retail level as a reflection of the supply and demand relationship. The lengthening of production cycles with its accompanying reduction in supply might well push consumer prices even higher than anticipated in the various estimates that are based only on increased losses and higher costs of production.

Mr. President, the respected Council for Agricultural Science and Technology (CAST) headquartered at Iowa State University has stated in its interim summary of its task force report on the subject of the use of antibiotics in animal feeds that even though under FDA's proposals allowing therapeutic use of antibiotics under prescription of a veterinarian—

> The effectiveness of this technique in reducing the use of antibiotics in animal production is doubtful. A similar procedure, tried in Great Britain, seems to have failed. Should restriction of antibiotic usage in livestock production be considered necessary, careful study would be needed to design an efficient and effective implementation system.

The purpose of this resolution which I am submitting today, along with several of my distinguished colleagues who have agreed to cosponsor it, is to request further study and more hard scientific proof of, and the economic impact of such proposals which have been issued by FDA.

Mr. HELMS. Mr. President, I am pleased to join my distinguished colleague from Alabama (Mr. ALLEN) in his resolution urging a more reasonable approach to FDA regulation of antibiotics in animal feeds.

Agriculture in North Carolina—as well as the rest of the Nation—is experiencing one of its most difficult times in 40 years. Adverse climatic conditions, the crippling inflation caused by Federal deficit spending, and the tremendous burden of too much unnecessary Federal regulation, among other factors, are responsible for the present farm crisis.

It is particularly distressing to farmers and poultry and livestock producers to learn that the Food and Drug Administration is contemplating removal from the market of certain antibiotics that are absolutely necessary for their efficient and profitable operation. It is felt by most that the FDA regulations are to be promulgated without being based on adequate research and information. In fact, evidence does not support restrictions on the use of penicillin and tetracycline in feed.

These two antibiotics are used by farmers to abate disease problems in young animals which are raised for meat. They have been found to be economical and efficient. Acceptable substitutes are far more expensive, and in many instances even prohibitive.

If our farmers are to continue to supply the American public with quality meat and poultry products it is necessary that they have the tools to enable them to produce those products. At a time when the costs of production are exceeding the return received from the sale of their crops and livestock, farmers just do not need to have the further harassment new FDA regulations would cause.

I commend my distinguished friend from Alabama for submitting his resolution, and am pleased to offer my support.

Mr. DOLE. Mr. President, the livestock producers of this Nation have been using various antibiotic products such as penicillin and tetracycline for 25 years to improve the efficiency and health of the animals they produce to supply the best and most adequate red meat food supply in the world. With fewer producers today they are producing as many or more pounds of higher quality healthful meat today, and there antibiotics have become an integral part of this efficient production.

With more animals being produced by the average farmer today as 25 years ago, the meat yield contains far less fat and more lean meat. In addition, we are reaching market weights in less time than 25 years ago. These advancements are certainly indicative that livestock producers are knowledgeable of the importance of and accurate use of antibiotics in livestock production.

It is, therefore, imperative that we be aware that certain regulatory steps are now being proposed that would ban present use of these low-level feed additives.

Mr. President, at this point in the RECORD I would like to insert a letter from Mr. Richard McDougal, president of the National Cattlemen's Association, to Dr. Kennedy, Administrator of the Food and Drug Administration, and Dr. Kennedy's response.

The letters serve to indicate the arguments that exist in the FDA's proposed ban, their effect on the livestock industry, and FDA's justification for their actions.

Also, I would like to include a notice of public hearings on the subject scheduled for March and April.

I am joining with the Senator from Alabama (Mr. ALLEN) in submitting this resolution in hopes of preventing the implementation of actions pertaining to use of antibiotics that are neither scientifically nor economically practical.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL CATTLEMEN'S ASSOCIATION,
Denver, Colo., September 30, 1977.

Commissioner DONALD KENNEDY,
Food and Drug Administration,
Rockville, Md.

DEAR COMMISSIONER KENNEDY: We have reviewed your Congressional hearing testi-

mony and your responses to questions on the proposed restrictions on use of antibiotics in animal feeds.

We remain extremely concerned that you are ignoring the proven benefits and the 25-year safety record of the antibiotics and that you are basing your actions on risks which are only speculative. By your own admission, the FDA position is based on theoretical speculation. Does not this kind of speculation violate statutory criteria established by Congress for the regulation of animal health products? Focusing almost entirely on speculative risks and not properly weighing benefits not only may be improper but may be illegal.

Carried to the extreme, your present policy of not balancing benefits with risks will not only make us safe from the alleged risk of technical products like antibiotics but will make us "safe" from having adequate supplies of food to consume.

As far as I can determine, there are years and years and volumes and volumes of scientific work and experience which indicate that the fears you express simply are not valid. I still have not seen factual documentation to support the position you have taken. I simply do not see how you can take these kinds of action without more scientific proof.

Many capable scientists—equally concerned about safety and health—have looked at the resistance question several times in the past; and they concluded that continued use of the antibiotics was safe and efficacious and that proven benefits far outweighed any theoretical risks. I do not see how you now can act in the face of that kind of evidence and expert opinion.

There apparently has been a great deal of research on antibiotic resistance. But when it comes to a conclusion that animal use causes disease problems in humans, the matter seems to be one of assumption, not documented fact. And our agriculture and society are indeed in jeopardy if we start basing far-reaching regulatory decisions on theoretical assumption and not on documented fact.

If the claims now made by FDA were valid, animals no longer would respond to antibiotics. But the fact is—as shown in research and our own experience and records—that they do respond. I can assure you that today's cost-conscious producers would not go on using a technical product if there were not a response and an economic benefit. Secondly, if there were actually a human disease problem, those of us who work with animals should be the first to experience it. So far as I can see, we have not experienced such a problem.

It appears that the whole process FDA is going through is a sham—extremely and needlessly costly to the public and to an economically important industry. You have given the appearance of going through due process, but now it looks as though you intend to circumvent that process.

During your appearance before the Moss Subcommittee, a committee member expressed concern that the move to restrict antibiotic use would drag out for one or two years or longer. To this statement you replied, and I quote from the hearing record, "I think that the process may get a little speeding up. For one of our Federal Register notices, the one that involves the requirement for a written order of the veterinarian and so forth, we are using informal rulemaking procedures for that. We may be able to manage very substantial curtailment before the formal evidentiary hearing process on the tetracyclines and on penicillin is brought to a close."

What you have said, in essence, is that you plan to restrict penicillin and the tetracyclines to a veterinary prescription basis before the hearings on these antibiotics are completed. If you succeed in making these antibiotics unavailable except with a veterinarian's prescription, wouldn't the hearings and other avenues of due process under the law be nothing more than a sham?

While the law states that you may use informal rulemaking procedures for some administrative decisions, the case law is not clear. There would be a very real legal question if, once you granted hearings, you were to move ahead to final regulation without proper procedural participation by the public and those vitally affected by such a rule.

Your proposed move to restrict these antibiotics to a prescription-only basis, before the speculation about risk is answered and before normal hearings and due process can function, certainly would be unfair and unwarranted.

In testimony by you and Dr. John Bennett of the Center for Disease Control, it was stated that persons working around livestock have more drug-resistant bacteria in their systems than do persons in the average population. Is this statement supported by hard data obtained from samples from persons throughout the livestock working force? Those of us who work with livestock obviously have more than a casual interest in the answer.

In ensuing discussions, you and Dr. Bennett speculated that, if there were higher percentages of resistant bacteria, those of us working with animals, and our families, should (1) get sick more often, (2) have more serious cases of disease, (3) be harder to treat, and (4) require longer treatment periods. This is serious speculation. But, I ask you, are the alleged dangers real? Or, again, are they only theoretical?

Obviously, we in the livestock industry are consumers as well as producers, and we have families and employees about whom we are concerned. We do not want to needlessly endanger ourselves or our families, or the public which buys our product.

At this point, however, the questions you raise seem to be academic. It appears to me that, if anything, those of us in agriculture are consistently healthier than persons in the average population. To date, I have seen or experienced nothing to cause me to fear continued use of antibiotics in feeds.

If the points you make can be documented, such documentation should have top priority in your agency and the CDC. If they cannot be documented, speculation should be ended.

As it is now, our regulatory process often seems to be largely influenced by public speculation about dangers of technical products. When this speculation is repeated often enough, it becomes "fact" in the minds of the media, the public, and some of our law makers, and we get laws and regulations based on undocumented fears and speculation, not on scientific data and scientific judgment and a rational balancing of benefits and risks.

To be sure, your agency has a fundamental responsibility to help assure the safety of our food supply, but it also has a responsibility to avoid needlessly jeopardizing the adequacy and economy of that food supply—to say nothing of a very important and necessary part of our economy.

Furthermore, your agency has a responsibility to follow normal due process procedures. As members of the public as well as an affected industry, we respectfully insist that due process procedures be followed.

Sincerely,

RICHARD A. MCDOUGAL,
President.

FOOD AND DRUG ADMINISTRATION,
Rockville, Md., November 2, 1977.

MR. RICHARD A. MCDOUGAL,
President. National Cattlemen's Association, Washington, D.C.

DEAR MR. MCDOUGAL: Thank you for your letter of September 30, 1977, regarding the proposed restrictions on the use of certain antibiotics in animal feeds.

Your letter states that FDA's proposed actions pertaining to the use of penicillin and the tetracyclines (chlortetracycline and oxytetracycline) in animal feed are based merely on "theoretical speculation" void of any scientific basis. Because I will be ultimate fact-finder in this case, it is inappropriate for me to comment on the facts in this case. However, your letter confuses a theoretical argument, which is an essentially established explanation accounting for known facts, with a hypothetical one, which is a conjecture put forth as a possible explanation of phenomena.

There is a great body of evidence raising questions about the safety of extensive subtherapeutic antibiotic use, and the Director of the Bureau of Veterinary Medicine has summarized the evidence in Federal Register notices proposing to withdraw approval of the appropriate new animal drug applications (NADA's). He sets forth his position on each issue with exhaustive citation to the basis for that position for both drugs. Rather than summarize the Director's position, I have enclosed a copy of his notices on penicillin and the tetracyclines for your information. The Director's notices have satisfied all the legal requirements thus far applicable to the administrative proceeding. He has adduced new evidence about the subtherapeutic use of antibiotics in animal feeds and explained what that evidence shows in terms of undermining his previous conclusions about the safety of that use. The manufacturers of these drugs now have the burden of proving that the drugs are safe.

The Agency does not disagree that there are economic benefits from the use of antibiotics in animal husbandry, but it is not required under the statute to consider them in this proceeding. Basically, FDA must first consider a drug's safety and effectiveness to the target animal, which includes a risk/benefit calculation. Then it must consider the safety of the food-additive-like use of the drug, which disallows consideration of economic benefit. It should be noted also that the Agency does not consider lack of economic benefit from such use which the interpretation you suggest would mandate.

FDA is retaining the tetracyclines for therapeutic use, and for unique, essential subtherapeutic uses in animal feeds. Moreover, there are other drugs available for use in feed and implants as alternatives for the uses of penicillin and the tetracyclines the Director proposes to withdraw. I believe that innovation by the industry, in terms of the alternative uses of approved drug uses and modified husbandry practices, will result in little long-range economic effect resulting from our proposals.

The notices of opportunity for hearing (NOH's) proposing to withdraw approval of the NADA's for the subtherapeutic uses of penicillin and the tetracyclines and the proposal to restrict use to the order of a licensed veterinarian are legally severable actions based on separate statutory provisions and standards of review The Director of the Bureau of Veterinary Medicine issued the NOH's in accord with Section 512(e) of the Federal Food, Drug, and Cosmetic Act. Essentially, these notices propose to withdraw the licenses to market the antibiotics, and under the Administrative Procedure Act (APA), the FD&C Act, and the amplifying case law, all affected parties have the opportunity for a formal evidentiary hearing if they demonstrate the existence of a genuine and substantial issue of material fact that requires a hearing for resolution. I am the ultimate fact-finder, and judicial review of my decision will be based on the evidence of record.

On the other hand, Section 701(a) of the FD&C Act grants me authority to promulgate substantive regulations for the efficient en-

forcement of the Act, and these regulations are subject to judicial review under the "arbitrary and capricious" standard. This rulemaking authority, in conjunction with the substantive authority in Sections 502(f)(1); 512(a), (b), (d) (1), and (m) of the Act, permits me to impose controls on the distribution of new animal drugs. In the aggregate, I may restrict the distribution of new animal drugs and require affected parties to keep records and reports on drugs and medicated animal feeds in order to determine whether the continued use of drugs under those circumstances is safe, effective, or otherwise appropriate.

For penicillin and tetracycline use in animal feed, a decision to control their use in this manner is essentially a policy decision, and the informal rulemaking procedure will facilitate public discussion on this policy question—controlling the disposition of these antibiotics in feeds by a veterinarian's order and the FD Form 1800 mechanism. It does not involve any specific fact-finding on the issues; therefore, my status as the impartial ultimate fact-finder in the adjudications remains untainted.

The notice of proposed rulemaking will provide all affected parties with the opportunity for full public participation through opportunity to submit written comments, objections, alternative solutions, and other issues for consideration before I reach a decision on the provisions of any regulations that will be subsequently promulgated to implement the policy. For all these reasons, the procedures satisfy all the requirements imposed by the Due Process Clause and the APA.

Genuine questions of public health significance require resolution in terms of the options available under the FD&C Act, and FDA has embarked on a sound course of action based on the available evidence.

Sincerely yours,

DONALD KENNEDY,
Commissioner of Food and Drugs.

[From the Department of Health, Education, and Welfare, Public Health Service, Food and Drug Administration, Rockville, Md., February 6, 1978]

ANTIBIOTICS IN ANIMAL FEEDS

In the Federal Register of January 20, 1978, the Commissioner of Food and Drugs proposed to limit the distribution of animal feed premixes containing penicillin, chlortetracycline and oxytetracycline to feed mills holding approved medicated feed applications. He also proposed to restrict the further distribution of such feeds to the order of a licensed veteriniarin.

Because of the broad public interest in and concern about the proposed restrictions on the distribution of animal feeds containing penicillin and tetracycline, the Commissioner has determined that, in addition to the 90-day comment period on the above proposed rulemaking, informal public hearings should be held on the proposal in geographic areas where it will have its major impact. The purpose of the hearings is to provide an open forum for the presentation of information and views concerning all aspects of the proposal by interested persons, be they consumers, scientists, farmers, feed manufacturers, or representatives of manufacturers of regulated products.

The public hearings will be held on: March 23, 1978, in Ames, Iowa, March 30, 1978, in Raleigh, North Carolina; April 6, 1978, in Dallas, Texas.

The enclosed notice which will be published in the Federal Register on February 7, 1978, provides more detailed information.

If you have any questions please contract me or Mr. Henry Hallerman of my staff at 443-3793.

ROBERT C. WETHERELL, Jr.,
Director Office of Legislative Services.

SENATE RESOLUTION 403—SUBMISSION OF A RESOLUTION TO ASSURE A FAIR RETURN ON AGRICULTURAL EXPORTS

Mr. CHURCH submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 403

Whereas United States agricultural exports in fiscal year 1977 totaled nearly $24,000,000,000 and provided a net surplus to the Nation's balance of trade in excess of $10,000,000,000;

Whereas agricultural exports have in recent years been among the most significant positive factors in the United States balance of trade;

Whereas the Department of Agriculture has been predicting a 10 per centum increase in the volume of agricultural exports in fiscal year 1978;

Whereas both the administration and the Congress are currently considering means to further expand the volume of United States agricultural exports;

Whereas fiscal year 1978 export prices have averaged approximately 15 per centum below those of the preceding fiscal year;

Whereas the unit value of United States wheat exports fell from $154 per ton in fiscal year 1976 to $120 per ton in fiscal year 1977 and the unit value of feed grain exports declined from $120 per ton in 1975–1976 to $88 per ton in September 1977;

Whereas negotiations are currently underway in Geneva aimed at reaching a new International Wheat Agreement;

Whereas the Multilateral Trade Negotiations are continuing in Geneva with the goal of improving the General Agreement on Tariffs and Trade;

Whereas foreign governments frequently purchase United States agricultural commodities in the world market and increase their prices significantly for sale within their domestic economies;

Whereas the United States agricultural economy is facing a severe crisis with production costs increasing while farm income has not kept pace;

Whereas, total net income for farmers in the United States in 1977 was $10,000,000,000 less than it was four years before;

Whereas the total number of United States farms has dropped by nearly five hundred thousand in the last decade;

Whereas in the last five years United States farm debt has increased 63 per centum;

Whereas over 5 per centum of United States farmers are facing the immediate prospect of bankruptcy; and

Whereas proposals have been introduced in both Houses of the Congress to mandate farm prices at the parity level to protect American farmers: Now, therefore, be it

Resolved, That the President should forthwith direct United States negotiators participating in the International Wheat Conference and the Multilateral Trade Negotiations and also direct the Secretary of Agriculture, the Secretary of State, and the Special Representative for Trade Negotiations, to set as their goals both expansion of United States agricultural markets abroad and increases in prices of United States agricultural exports to levels sufficient to assure, for United States farmers, a fair and reasonable return on those exports.

THE INTERNATIONAL WHEAT AGREEMENT NEGOTIATIONS: OUR OBJECTIVES MUST INCLUDE A FAIR PRICE FOR AMERICA'S FARMERS

Mr. CHURCH. Mr. President, representatives of wheat importing and exporting countries began gathering in Geneva, Switzerland, last week to open negotiations for a new International Wheat Agreement.

As chairman of the Subcommittee on Foreign Economic Policy, which has jurisdiction over such commodity agreements, I intend to follow these negotiations closely for they may play a critical role in our attempts to provide hard-pressed American farmers with economic justice.

The administration has announced three basic objectives for the improvement of international trade in wheat—

First, to reduce trade barriers;

Second, to moderate price swings; and

Third, to enhance food security, especially of poor nations.

I support these objectives and agree that they can only be reached through new forms of shared action. However, these goals cannot be achieved without assuring our domestic producers a fair price for their product.

If America's farmers were assured of a fair return for their products in the world market, price swings would moderate and food security would be enhanced. A fair price goes hand in hand with these negotiating objectives. Without adequate price levels, such an agreement is doomed.

Mr. President, I am submitting a resolution today that will make it very clear that our objectives for these negotiations must include a fair price for our farmers. Farmers have been riding the roller coaster world market for too long with the high points never quite making up for the low ones. The American Agriculture Movement has pointed out vividly that our Nation's wheat farmers have been the world's "shock absorber" for fluctuations in the world wheat market. We cannot expect—the world cannot expect—American farmers to bear the burden alone if adequate supplies of reasonably priced food are to continue to be maintained.

Mr. President, I ask unanimous consent that the U.S. statement for the International Wheat Council Meeting explaining the U.S. proposal be inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.S. STATEMENT FOR THE INTERNATIONAL WHEAT COUNCIL MEETING

The United States has three basic objectives for the improvement of international trade in wheat—objectives that we hope are shared by all wheat trading nations. They are:

(A) To moderate price swings;

(B) To reduce trade barriers;

(C) To enhance food security, especially of poor nations.

We believe—and the failures of the past bear this out—that these objectives can only be reached through new forms of shared action. We also believe that this organization must take the initiative in devising new forms of shared action for incorporation into a new international wheat agreement. And we believe the time to begin is now.

The Carter Administration already has indicated to the world community, in many forms and several forums, that it wants to work with other nations toward developing agreements designed to expand and improve the framework for international trade in agricultural products.

This has been a central theme of Secretary of Agriculture Bergland in conferences with other ministers in Washington, at meetings in Ottawa, and in the Far East.

This is a new direction in U.S. policy. We are giving priority attention to achieving an arrangement on wheat that would provide for the expansion and liberalization of trade, moderation of price fluctuations, and increased food security, including an international system of nationally held grain reserves.

To do this, the United States proposes exploration of an agreement which would incorporate the following concepts:

(A) That all major grain trading nations—exporters and importers—would accept meaningful obligations for reserve stocks, with common guidelines for acquisition and release.

(B) That the participating nations agree to measures to facilitate adjustment of consumption and production in response to world supply conditions.

The objective should be to reduce extreme price fluctuations around the long-term equilibrium price. We do not want an agreement that would attempt to increase the average price of wheat above its long-term equilibrium level, that is the level required to provide reasonable returns to efficient producers.

In September 1975 the United States tabled a proposal for an international reserve stocks system. At that time, we advocated the use of quantitative triggers for coordinated stock actions. We are now prepared to cooperate in developing a reserves agreement in which world prices would be a trigger for stock actions.

We hope this will help move negotiations forward.

There does seem to be consensus on the usefulness of coordinated reserve stocks based on price indicators, but this is not enough. We still must determine whether a practical and equitable system can be developed, taking into account the difference in systems of the countries that would participate. Until we find out whether it can, meaningful negotiations on reserves for price stabilization purposes cannot begin.

There already has been some technical examination of this question, both in the work of the Preparatory Group to date, and in some informal sessions recently held between certain wheat exporting countries. However, it is our view that further examination in the next two or three months is essential before a judgment can be made as to whether a basis exists for negotiation of reserves provisions.

As many of you know, the United States has taken steps to create a limited domestic reserve. Under this program, producers will carry more grain in permanent storage than would otherwise be the case. The framework established by this new step was in large part designed to facilitate U.S. participation with other nations in an international system of reserves. The U.S. could be flexible in adjusting its reserve program to accommodate a system for joint international actions.

Reserve stocks are a first line of defense against excessive price swings. But we must also recognize that national policies which prevent adjustments of consumption and production in response to world supply conditions are an important source of price instability in world markets. Therefore, if an effort to reduce price swings is to be durable over time, we must also develop cooperative measures to allow such adjustments. Two particular areas of potential cooperation deserve special attention—utilization of wheat for feed and industrial purposes, and the availability of supplies to the world market.

The utilization of wheat for feed and industrial purposes should be allowed to increase when wheat supplies become temporarily burdensome and to decrease when supplies are tight. This will assure that more wheat is available for essential human consumption, especially in developing countries, during periods of shortage. Through joint actions, the magnitude of such adjustment could be enlarged. This would bring greater stability and security to the world market. We believe this should be an additional area for negotiation.

With respect to the availability of supplies to the world market, we must also consider provisions in a new agreement on the application of export restraints and perhaps even production restraints.

The United States attaches great importance to improving the food security of poor nations. In our view, effective measures to reduce extreme price swings in the world wheat market would have important benefits for those developing countries that either regularly or occasionally have large food deficits. These benefits would likely be greater than those which could be expected to result from some special measures aimed solely at developing countries. Nevertheless, special measures for these countries may be needed.

I talked earlier about the new attitude of the United States toward the role of price in a new agreement, and I would like to clarify that attitude. Price should have a role in indicating the need for joint action on stocks and on measures influencing utilization and the availability of supplies. In previous meetings of the Preparatory Group, the United States has consistently taken the position that the traditional form of price provisions does not appear capable either of being negotiated or of being carried out. We continue to believe that obligatory floor or ceiling prices cannot be both equitable and workable.

It is also necessary that any agreement on wheat be consistent with efforts now under way to reduce barriers to grain trade. An agreement that uses reserve stocks to moderate price swings cannot be regarded as a substitute for permanent reductions in barriers to trade.

Finally, we want to make clear that the U.S. will not be in a position to carry a burden of short-term adjustments as large as that which the world became accustomed to in prior decades. At times this burden has taken the form of extreme stress upon the orderly flow of supplies of grains for users within the U.S. And at times the burden has taken the form of an umbrella in the world market under which other exporters have taken a large share of that market. These are conditions which cannot be expected in the years ahead. Continued growth of world trade, including a reasonable U.S. share of such growth, have become extremely vital not only to U.S. agriculture but to the U.S. economy. A new agreement needs to take account of these concerns and must ensure that the burdens of providing greater stability to the world market are equitably shared.

In conclusion, the United States believes that negotiation of a new international wheat agreement must be pursued. We are optimistic that progress can be made, and we hope that the Council can agree at this time on the next steps to be taken.

AMENDMENTS SUBMITTED FOR PRINTING

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1977—S. 50

AMENDMENT NO. 1703

(Ordered to be printed and referred to the Committee on Human Resources.)

Mrs. HUMPHREY (for herself, Mr. NELSON, Mr. ROBERT C. BYRD, Mr. WILLIAMS, Mr. JAVITS, Mr. CRANSTON, Mr. BROOKE, Mr. JACKSON, Mr. MAGNUSON, Mr. ABOUREZK, Mr. ANDERSON, Mr. BAYH, Mr. CASE, Mr. CLARK, Mr. EAGLETON, Mr. HATHAWAY, Mr. INOUYE, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. PELL, Mr. RIEGLE, Mr. SARBANES, Mr. LEAHY, and Mr. RIBICOFF) submitted an amendment intended to be proposed by them, jointly, to the S. 50, the Full Employment and Balanced Growth Act of 1977.

THE HUMPHREY-HAWKINS BILL: MOVING AMERICA TOWARD FULL EMPLOYMENT WITH BALANCED ECONOMIC GROWTH

Mrs. HUMPHREY. Mr. President, the revised Full Employment and Balanced Growth Act, which I have introduced today in the nature of an amendment along with Senators NELSON, BYRD, WILLIAMS, JAVITS, CRANSTON, BROOKE, JACKSON, MAGNUSON, ABOUREZK, ANDERSON, BAYH, CASE, CLARK, EAGLETON, HATHAWAY, INOUYE, KENNEDY, MATSUNAGA, MCGOVERN, METZENBAUM, MOYNIHAN, PELL, RIEGLE, RIBICOFF, SARBANES, and LEAHY, should be ranked among the most important legislative proposal now before Congress.

The bill should occupy this position because it makes the goal of achieving and sustaining full employment, while holding inflation to reasonable levels, the permanent centerpiece of national economic policy.

Moreover, it provides a major improvement in the way in which economic policy decisions are made. It requires that we establish specific numerical short- and long-term goals for economic performance and sets up the procedures our Government will follow to carry out its efforts to achieve these goals in a consistent, comprehensive, and focused manner.

In effect, the bill is an absolutely necessary first step toward ending the recurring appalling tragedy and waste that successive and increasingly severe recessions have imposed on the workers of our Nation and their families.

WHAT THE BILL DOES

Mr. President, there has been some debate over what this legislation would actually do. For the convenience of my colleagues I wish to present a brief list of some of the more important things this bill will accomplish.

The bill would:

Affirm in law, for the first time, the right of every American willing and able to work to useful employment paying decent wages;

Commit the Federal Government to the goal of reducing overall unemployment to 4 percent—3 percent for workers 20 years old and older—within 5 years following enactment and to further reduce unemployment thereafter;

Require the President to annually propose to Congress the short- and medium-term employment, production, productivity and real income goals, together with the comprehensive, coordinated fiscal and monetary policy and program mix aimed at achieving these objectives

within the framework of the 5-year unemployment goal of the bill;

Require the Federal Reserve to report annually its intended monetary policy for the years ahead and estimate its impact on the numerical economic goals presented by the President;

Place first emphasis on creating and sustaining the kind of economic climate that will promote maximum activity and job opportunities in the private sector;

State a clear prohbition against interference with private business activity;

Recognize in law, that unemployment and inflation feed upon each other and that, as a result, methods must be used to reach our goals that reinforce their achievement and do not sacrifice progress on one in the name of achieving the other;

Commit the Government to achieve reasonable price stability as rapidly as possible and call for the use of effective anti-inflation programs designed to monitor prices, stockpile commodities in short supply, encourage increased productivity on the part of both management and labor, enforce—and when necesssary—strengthen antitrust laws, and remove or modify counterproductive Government regulations;

Temporarily utilize existing public works, employment, and job training programs to fill the gap between private-sector employment and established employment targets;

Require the President to expand existing programs or propose to Congress new employment programs, if, no sooner than 2 years following enactment, he finds this necessary to reach the 5-year employment goal;

Provide needed flexibility by allowing the President, no sooner than the third year following enactment and subject to congressional approval, to propose modification of the 5-year employment goal in the event that unforeseen circumstances, in his judgment, make such action unavoidable.

Require that the Federal budget be directed toward the achievement of the economic goals provided under the bill and be fully supportive of these goals.

PRIMARY EMPHASIS ON PRIVATE SECTOR

The primary emphasis of the legislation is directed toward promotion of private-sector performance to create the bulk of the job opportunities needed to meet the bill's goal.

This would be accomplished through, first, the balanced use of both general and targeted tax, spending, and monetary policies and programs aimed at simultaneously reducing cyclical and structural unemployment; second, expansion of private employment through Federal assistance in connection with priority programs in the act, such as private company construction of environmental protection and other community facilities; third, expansion of public employment through existing job and job training programs, thus avoiding the automatic creation of massive new programs or expansion of bureaucracy; and fourth, the creation of new "last resort" job programs, but only if the President finds it necessary to make such proposals, subject to the approval of Congress, in order to achieve the goals of the bill.

New programs could be proposed no sooner than 2 years following enactment in order to provide adequate opportunity for private sector response to employment needs. To assure maximum expenditure impact, new programs, for the most part, would be confined to lower skill and pay levels. Safeguards would be required to prevent cross-over by workers in the private sector.

ANTI-INFLATION PROVISIONS

Under the revised bill, the President and Congress are required to recognize, as a matter of policy, that unemployment and inflation feed on each other and that mutually reinforcing methods must be used to reach full employment while holding inflation at a reasonable level. In this connection the legislation calls on the President to use a series of important anti-inflation measures which include:

First. Establishing an information system to monitor and analyze price trends and bottlenecks;

Second. Developing and utilizing policies and programs to increase the supply of goods, services, labor, and capital in tight markets;

Third. Encouraging business and labor to increase productivity through voluntary arrangements;

Fourth. Enforce, and when necessary, strengthen antitrust laws; and

Fifth. Remove or modify Government restrictions and regulations that add unnecessarily to inflationary trends.

NEEDED FLEXIBILITY

Needed flexibility has been provided in the revised measure. The time frame for achievement of the interim unemployment goal has been extended from the 4-year period of previous versions, to 5 years. New federally assisted job programs, if they are needed, cannot be proposed or enacted sooner than two years following enactment. In addition, the President, beginning with the third year following enactment, may propose modification of the employment goals if unforeseen circumstances make such action unavoidable in the President's judgment. Any proposed modifications of the employment goals or the time frame in which it is to be achieved, are subject to congressional approval.

RIGHT TO EMPLOYMENT OPPORTUNITIES

Mr. President, one of the key policy declarations of the bill "establishes as a national goal the fulfillment of the right of all Americans, able, willing, and seeking to work, to full opportunities for useful paid employment at fair rates of compensation."

That provision establishes in law a national commitment to use all the available tools of government in a comprehensive and coordinated effort to help build and maintain the economic conditions which will ultimately reduce unemployment to levels which are less than 4 percent of the overall labor force. The codification of this goal is the final articulation of the right to employment opportunities publicly expressed by every President, Republican as well as Democrat, beginning with Franklin D. Roosevelt and his bill of economic rights. It reflects a primary goal of the United Nation's Universal Declaration of Human Rights which the United States endorsed as a charter member of the world organization. It is firm and formal recognition that the dignity and self-respect of men and women depend in a major way on whether they are given the opportunity to perform meaningful work for decent pay.

At the same time it must be pointed out that there are limits on this policy. It does not lock Government into a requirement of guaranteeing a job to anyone demanding one. Nor does it in any way hold out recourse through the courts to an unemployed person to legally claim a right to employment. What it does do is establish in law a first priority commitment by Government to help move our economy as quickly as it is practical to do so toward frictional unemployment, the stage reached when unemployment is confined to normal job changes made by workers wishing to improve their employment status.

THE FEDERAL RESERVE

The Federal Reserve would be required to report its intended monetary policy for the year ahead to Congress and indicate the extent to which that policy supports the President's proposals.

Nothing in the bill changes the status of the Federal Reserve.

In testifying in support of the legislation for the administration, Charles L. Schultze, Chairman of the Council of Economic Advisers told the House Education and Labor Committee:

> Let me emphasize that the bill does not call for review or oversight by the Executive Branch of the Federal Reserve's policies. The monetary authority would continue to be responsible to the Congress and to the Congress alone. The independence of the Federal Reserve System from the Executive Branch of government, an arrangement which has served our nation well, would be preserved.

THE UNEMPLOYMENT-INFLATION LINK

Mr. President, by its title, the Full Employment and Balanced Growth Act, the need to check inflation is made a major goal of the bill. The legislation recognizes the close link between joblessness and inflation in its finding that—

> High unemployment often contributes to inflation by diminishing labor training skills, underutilizing capital resources, reducing the rate of productivity advance, increasing unit labor costs, reducing the general supply of goods and services and thereby generating cost-push inflation.

The legislation's first emphasis on creating employment opportunities in the private sector, the need to address both cyclical and structural unemployment and the required use of specific anti-inflation provisions, are further evidence of the bill's close attention to this critical problem.

In stating the administration's complete support of the legislation, CEA Chairman Schultze said:

> The Administration would not endorse this bill if it threatened to aggravate our inflationary problem.

He went on to cite the bill's stress on the need to fully utilize policies and pro-

grams targeted at structural unemployment to prevent over reliance on aggregate policies and programs and the bill's requirement that the President recommend policies and programs to increase the rate of capital formation to prevent shortages and bottlenecks in industries as we reach high levels of output and employment.

Chairman Schultze said:

This bill explicitly identifies inflation as a major national problem and establishes the goal of reasonable price stability as a high priority objective of national policy.

Prof. Charles C. Killingsworth, in testifying before the Senate Human Resources Committee stated:

There is now a fairly widespread recognition among economists that in recent years our problem of inflation has not originated in the labor market. I do not believe that full employment will cure inflation. I do believe it should be attacked at its true sources and not by the intolerable and ineffective remedy of high unemployment rates. The Humphrey-Hawkins bill would make an indirect contribution to better control of inflation. . . . This bill implicitly calls for development of more cost-effective unemployment remedies than we have emphasized in the past. The predictions of accelerated inflation from the Humphrey-Hawkins bill have been based on analyses of the past (and) are obsolete and old fashioned.

Mr. President, I think it is extremely important that some basic points be borne in mind in considering the bill and the inflationary pressures besetting our economy. High unemployment and underutilized capacity are existing side by side with a high rate of inflation. During 1975 we had 9 percent unemployment and double-digit inflation. Since then both the rates of unemployment and inflation have dropped significantly. Under existing circumstances, the conventional wisdom that says high unemployment will reduce inflation has been proven no longer credible.

High domestic unemployment is not going to reduce OPEC oil price levels. High unemployment is not going to effect periodically soaring international demand for domestic wheat and other grains or the crop failures which increase the cost of food and other items at home, or the rising cost of basic commodities in the world marketplace.

It is true that as unemployment drops below 5 percent and domestic markets tighten, inflationary pressures, stemming solely from domestic conditions, will increase. The bill recognizes this and, therefore, calls for noninflationary structural measures to move unemployment below this level. But at present we are a long way from this point. If we deliberately cling to the obsolete conviction that high unemployment will reduce inflation regardless of circumstances and act accordingly, we will succeed in fostering the continued tragedy and waste of totally unnecessary joblessness and aggravate inflation caused by other factors by pressing policies which produce underutilized capacity and lost productivity.

SOUND BUSINESS LEGISLATION

Mr. President, I am well aware that opinion within the Nation's business community is divided on the legislation. This is an ironic as well as unfortunate situation. The fact of the matter is, the Full Employment and Balanced Growth Act is basic sound business legislation. As a matter of primary emphasis it is dedicated to fostering through spending, tax and monetary policies, and programs an economic climate promoting maximum activity by the Nation's business and industry in order to create most of the jobs necessary to reach its employment goal.

It recognizes that no other approach is feasible if Government is to hold with the bill's commitment to safeguard and strengthen our competitive enterprise system. In this connection, the legislation carries a clear prohibition against "Government control of production, employment, allocation of resources, or wages and prices, except to the extent authorized under other legislation." It requires removal or modification of Government restrictions and regulations that add unnecessarily to inflationary costs and diminish the competitive ability of business.

William C. Norris, chairman of the board and chief executive officer of the Control Data, one of the Nation's largest, and I might add best managed corporations, in testifying in support of the bill before the House Education and Labor Committee, said:

I believe that enactment of the Humphrey-Hawkins bill must be considered as a top priority objective of the second session of the 95th Congress. Its passage will announce to all our citizens that the United States is firmly and fully committed to reduce unemployment in our country. It also provides a framework for supplementary legislation that will be needed to establish specific action programs to reduce unemployment, underemployment, and to create jobs for our expanding work force.

At that hearing the National Small Business Association, representing 50,000 firms throughout the Nation, acknowledged that the bill listed small business among its priorities. The organization, one of the largest of its kind in the Nation said:

Placing the emphasis on the small business community is a real first step toward achieving an abundant supply of jobs and increased productivity, without increasing inflation and without concentrating the labor force in capital-intensive big business or burgeoning government.

THE WAY TO BUSINESS CONFIDENCE

With enactment of the Full Employment and Balanced Growth Act, the policy and program course advocated by Government for the short and medium-term future will be well defined. Business will know, with an exactness it has never enjoyed, how Government assesses the state of the economy, where it wishes the economy to move and the action it is prepared to take to help get it there. Thus business can plan and pursue its future with real confidence. In addition, business through its required representation on an Advisory Board or Boards established under the bill, and through congressional legislative hearing processes, will have the opportunity for direct input to Government policy and program planning activities to achieve the purposes of the legislation.

BORROWING MANAGEMENT TECHNIQUES

In point of fact, if the goals of the bill are to be reached, Government must borrow and use the same basic management techniques that characterize the efforts of business to discern markets, anticipate future problems and opportunities, and develop and realize stated production, income and profit goals. In this sense, Government must learn from business in order to break out of fragmented, uncoordinated largely futile ways in which policies and programs are now established and carried out.

Senator GAYLORD NELSON expressed this point succinctly in his opening statement for the Human Resource Committee hearing on the bill. He said:

(The bill's) passage would establish a constructive process which would enable the Administration, Congress, and the Federal Reserve to formulate national economic goals and policies in an orderly framework, and to deal with economic problems on a coordinated basis.

The same point was stressed in a different way by Senator EDWARD BROOKE at that hearing when he stated that:

Humphrey-Hawkins is not a radical bill. Actually, it is a conservative one in the classic sense of the word. It seeks to preserve private enterprise by correcting deficiencies and abuses which currently find expression in over 5 million people unemployed.

WHY DO WE NEED A NEW COMMITMENT TO FULL EMPLOYMENT?

Six recessions have beset the Nation's economy since the end of World War II. In each case the Government response was too little and too late. In each case the response of Government consisted of scattering "emergency" band-aids when effective curative and preventive economic medicine was needed. Taken as a whole, these recessions display a frightening trend toward deeper troughs and shallower recoveries.

Unemployment reached a high of 7.9 percent in October 1949 and a low of 2.5 percent 28 months later.

It peaked at 6.1 percent in December 1954 and bottomed out at 3.7 percent 19 months later.

In July 1958 joblessness went up to 7.5 percent and was reduced to 4.8 percent during a period of equal length.

An unemployment high of 7.1 percent was reached in May 1961 and a low of 3.4 percent 33 months later.

In August 1971 joblessness reached a high of 6.1 percent and went down to 4.7 percent 26 months later.

Unemployment rose to a postdepression record high of 9 percent in May 1975 and has dropped to only 6.3 percent 32 months later.

As bad as these overall unemployment totals are, they nevertheless mask massive joblessness among minority workers—currently more than 12 percent for adults, more than 40 percent for young people.

STAGGERING HUMAN AND ECONOMIC LOSSES

These unemployment figures I have mentioned, spanning 27 years, are statistical mirrors reflecting staggering economic costs incurred by the Nation's failure to reach and hold a full employment economy. Opinion varies as to the

exact magnitude of those costs, but all are agreed that the total is immense. The Council of Economic Advisers estimated lost production of goods and services between 1953 and 1976 resulting from our failure to maintain a 4-percent unemployment level, at 1.2 trillion 1976 dollars. Former CEA Chairman Leon Keyserling put the cost at $4.5 trillion during the same period of time. The Exploratory Project for Economic Alternatives estimated a loss of 2.3 trillion 1976 dollars for the period 1956 to 1976 in goods never produced, services never provided, wages never earned. Failure to hold unemployment down to 4 percent has cost the economy over $600 billion during this decade alone. That total translates into a loss of some $12,000 to the typical family of four during those 7 years.

The direct cost to our taxpayers has also been staggering. Every 1 percent unemployment above 4 percent costs our taxpayers nearly $20 billion in lost Government tax revenues and increased unemployment related Government spending.

The dimensions of human tragedy produced by these periods of economic disintegration are just now beginning to be measured. Prof. Harvey Brenner of Johns Hopkins University has conducted landmark studies showing that a 1-percent increase in the unemployment rate over a 6-year period is directly linked to nearly 37,000 additional deaths, most of them from heart attacks, 920 more suicides, 648 murders, nearly 500 deaths due to cirrhosis of the liver, more than 4,000 State mental hospital admissions, and more than 3,000 State prison admissions.

What Professor Brenner has produced is the tip of the iceberg in terms of the devastating effects of our failure to reach and hold a full employment economy. For each one of those categories of physical and emotional anguish there are hundreds of thousands of severe but less crippling cases stemming from rising unemployment. And for each of the cold statistics there is a story of deep personal anguish and heartache.

WE HAVE REACHED THE GOAL BEFORE

There are some who assert that the goals of the bill are too ambitious and that we will have to sacrifice economic stability to achieve low unemployment. They forget that we have reached or exceeded the goals of the bill during the past 22 years. For example, in 1956, joblessness was 4.1 percent and inflation was 2.9 percent.

As Senator EDWARD KENNEDY pointed out earlier this month during hearings on the legislation:

I think we (should) look back over the period of the early 1960's when we started off with 6.7 percent unemployment, reduced that to 3.6 percent unemployment, which was prior to the Vietnam buildup, with an inflation rate around 2 percent—some years down to 1.2 percent. I think we can see that it can be done if we develop the resources and commitment and set the goals.

To this Senator JACOB JAVITS, in his opening statement at the hearing, added that:

Sustainable full employment can be achieved. . . but only as a result of balanced economic growth and indicative economic planning, and this is what the Humphrey-Hawkins bill can give our country. . . . I am referring to the kind of planning that is practiced by General Motors, Exxon, AT & T, IBM and about every other well run business in the United States.

Earlier George Meany, president of the AFL-CIO, in commenting on the revised version of the bill said:

The 4 percent unemployment rate set forth in Humphrey-Hawkins is a realistic goal—an achieveable goal. The record proves that fact. . . . Enacting the Humphrey-Hawkins Full Employment and Balanced Growth Act—and then providing policies and programs to make it work—will set America back on the road toward full employment and toward alleviating the misery caused by widespread joblessness.

PRESIDENTAL AND PUBLIC ENDORSEMENT

The scope of our unemployment problem and the response to it that can be provided by the Humphrey-Hawkins bill were clearly recognized by President Carter in his 1978 Economic Report to Congress. He said:

To reach high levels of employment while maintaining reasonable price stability, we must take effective and adequate measures now to increase the employment opportunities of the disadvantaged This principle is a key element of the Humphrey-Hawkins bill—The Full Employment and Balanced Growth Act. I support this legislation and hope the Congress will enact it.

With that statement, President Carter reflected the conviction of more than 80 community, church, civil rights, small business, farm, organized labor, rural, and women's groups, representing millions of Americans. These organizations have mounted a determined effort to win enactment of the Humphrey-Hawkins bill. No other single piece of legislation of this importance in recent history has received such widespread and unwavering support.

This coalition of more than 80 concerned organizations recently sent a letter to all Members of Congress urging enactment of the Humphrey-Hawkins bill. In that letter these groups, representing American workers from all walks of life, stated that:

Humphrey-Hawkins is not a massive public service jobs bill nor is it a multibillion dollar stimulus to the economy. Rather, this legislation establishes priorities for our economic life, specific targets and a time table for the reduction of joblessness and a comprehensive process of planning and coordinating economic policy. In doing this, Humphrey-Hawkins brings a critical dimension of rationality and concern for the jobless into our economic decision making.

Mr. President, the time has come for the Members of the Senate to demonstrate they share this concern for all our people and this faith that the American system is capable of answering the national demand for a full employment and stable growth economy. It is time now to enact the Humphrey-Hawkins bill to take the first step in this direction.

Mr. President, I ask unanimous consent that the names of the signers of this letter, together with a section-by-section summary of the bill and the text of the amendment itself be printed in the RECORD.

There being no objection, the material and amendment were ordered to be printed in the RECORD, as follows:

GROUPS BACK H-H BILL

83 national organizations representing Americans from every walk of life—religious leaders, trade unionists, women, blacks, Hispanics, farmers, students, senior citizens, environmentalists, consumers, Mayors and others—have endorsed the Humphrey-Hawkins Full Employment Bill. In a letter sent to every Member of Congress in January, the groups called for the bill's prompt passage "as an essential first step toward full employment."

The Full Employment Action Council has been working for several years in support of an effective national commitment to full employment. Working with other groups, we now have a unique opportunity to pass legislation to address the problem of massive joblessness.

Below is a list of the organizations which signed the January letter. Local coalitions should seek to involve the local affiliates of these groups wherever possible.

ORGANIZATIONS

Martin Luther King, Jr. Center for Social Change; ACTWU; UAW; Women's International League for Peace and Freedom; Rubber Workers; Graphic Arts International Union; Catholic Committee on Urban Ministry; IUD-AFL-CIO; League of Women Voters; National Conference of Catholic Charities; National Center for Urban Ethnic Affairs; NETWORK; OPEIU; National Farmer's Union; Environmental Action; Center for Community Change; B'nai B'rith; Public Interest Economics Center; IUE; Laborers International Union; Sierra Club; American Jewish Committee; National Commission on Working Women; Public Citizen's Congress Watch; OCAW; U.S. Conference of Mayors; Service Employees International; DSOC; Americans for Indian Opportunity; Retail, Wholesale and Dept. Store Union; National Education Assoc.; A. Philip Randolph Institute; National Urban Coalition; NAACP; National Council of Senior Citizens; National Student Lobby; National Women's Political Caucus; National Urban League; U.S. Catholic Conference; National Center for Community Action; American Jewish Congress; AFSCME; Frontlash; Coalition of Black Trade Unionists; National Conference on Public Service Employment; National Council of Catholic Women; National Jewish Community Relations Advisory Council; Bread for the World; International Chemical Workers Union; United Steelworkers of America; ADA; National Catholic Rural Life Conference; Coalition of Labor Union Women; United Brotherhood of Carpenters and Joiners; Garment Workers; American Flint Glass Workers; Amalgamated Meat Cutters and Butcher Workmen; International Brotherhood of Painters and Allied Trades; National Council of Churches; National Office for Black Catholics; American Veterans Committee; United Furniture Workers; AFT; Jewish Labor Committee; National Committee on Household Employment; National Federation of Settlements and Neighborhood Centers; NOW; Friends Committee on National Legislation; The Workmen's Circle; Synagogue Council of America; Paperworkers Union; International Union of Operating Engineers; Communication Workers; United Assoc. of Plumbers and Pipe Fitters; National Assoc. of Counties; National Consumers League; National Convergence of Justice and Peace Centers; IAM; Retail Clerks International Union; National Conference of Puerto Rican Women; National Council of La Raza.

AMENDMENT No. 1703

Strike all after enacting clause and insert in lieu thereof:

That this Act and the following table of contents be cited as the "Full Employment and Balanced Growth Act of 1977".

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TITLE IV—GENERAL PROVISIONS
Sec. 401. Nondiscrimination.
Sec. 402. Labor standards.
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GENERAL FINDINGS

SEC. 2. (a) The Congress finds that the Nation has suffered substantial unemployment and underemployment, idleness of other productive resources, high rates of inflation, and inadequate productivity growth, over prolonged periods of time, imposing numerous economic and social costs on the Nation. Such costs include the following:

(1) The Nation is deprived of the full supply of goods and services, the full utilization of labor and capital resources, and the related increases in economic well-being that would occur under conditions of genuine full employment, production, and real income, balanced growth, and reasonable price stability.

(2) Insufficient output of goods and services is available to meet pressing national priorities.

(3) Workers are deprived of the job security, income, skill development, and productivity necessary to maintain and advance their standards of living.

(4) Business and industry are deprived of the production, sales, capital flow, and productivity necessary to maintain adequate profits, undertake new investment, create jobs, and contribute to meeting society's economic needs.

(5) Unemployment exposes many families to social, psychological, and physiological costs, including disruption of family life, loss of individual dignity and self-respect, and the aggravation of physical and psychological illnesses, drug addiction, crime and social conflicts.

(6) Federal, State and local government budgets are undermined by deficits due to shortfalls in tax revenues and in increases in expenditures for unemployment compensation, public assistance, and other recession-related services in the areas of criminal justice, drug addiction, and physical and mental health.

(b) The Congress further finds that:

(1) High unemployment often contributes to inflation by diminishing labor training and skills, underutilizing capital resources, reducing the rate of productivity advance, increasing unit labor costs, and reducing the general supply of goods and services and thereby generating cost-push inflation.

(2) Aggregate monetary and fiscal policies alone have been unable to achieve full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability, and therefore must be supplemented by other measures designed to serve these ends.

(3) Attainment of these objectives should be facilitated by setting explicit short-term and medium-term economic goals, and by improved coordination among the President, the Congress, and the Federal Reserve.

(4) Increasing job opportunities and full employment would greatly contribute to the elimination of discrimination based upon sex, age, race, color, religion, national origin, and other improper factors.

(c) The Congress further finds that an effective policy to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and price stability should (1) be based on the development of explicit economic goals and policies involving the President, the Congress, and the Federal Reserve, with full use of the resources and ingenuity of the private sector of the economy, and (2) include programs specifically designed to reduce high unemployment due to recessions, and to reduce structural unemployment within regional areas and among particular labor force groups.

(d) The Congress further finds that full employment, production and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability are important national requirements that will promote the economic security and well-being of all our citizens.

TITLE I—ESTABLISHMENT OF GOALS AND GENERAL ECONOMIC POLICIES

STATEMENT OF PURPOSE

SEC. 101. It is the purpose of this title to declare the general policies of this Act; to provide an open process under which economic goals and policies are proposed, reviewed, and established; to provide for yearly review of national economic policies to ensure their consistency with these goals to the maximum extent possible; and generally to strengthen and supplement the purposes and policies of the Employment Act of 1946.

DECLARATION OF POLICY

SEC. 102. Section 2 of the Employment Act of 1946 is amended to read as follows:

"SEC. 2. (a) The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means, consistent with its needs and obligations and other essential national policies, and with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions which promote useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priority needs, and reasonably stable prices as provided for in section 5(b) of this Act.

"(b) The Congress further declares and establishes as a national goal the fulfillment of the right of all Americans able, willing, and seeking to work to full opportunities for useful paid employment at fair rates of compensation.

"(c) The Congress further declares that inflation is a major national problem requiring improved government policies relating to food, energy, improved fiscal and monetary management, the reform of outmoded Government rules and regulations, the correction of structural defects in the economy that prevent or seriously impede competition in private markets, and other measures.

"(d) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1977 to improve the coordination and integration of the policies and programs of the Federal Government toward achievement of the objectives of such Act through better management, increased efficiency, and attention to long-range as well as short-range problems.

"(e) The Congress further declares that, although it is the purpose under the Full Employment and Balanced Growth Act of 1977 to seek diligently and to encourage the voluntary cooperation of the private sector in helping to achieve the objectives of the Act, no provisions of the Act shall be used, with respect to any portion of the private sector of the economy, to provide for Government control of production, employment, allocation of resources, or wages and prices, except to the extent authorized under other legislation.

"(f) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1977 to maximize and place primary emphasis upon the expansion of private employment, and all programs and policies under that Act shall be in accord with that purpose. Toward this end, the effort to expand jobs to the full employment level shall be in this order of priority to the extent consistent with balanced growth: (1) expansion of conventional private jobs through improved use of general economic and structural policies; (2) expansion of private employment through Federal assistance in connection with the priority programs in such Act; (3) expansion of public employment other than through the provisions of section 206 of such Act; and (4) only when recommended by the President under section 206 of such Act and subject to the limitations therein, the creation of employment through the methods set forth in such section.".

ECONOMIC REPORT OF THE PRESIDENT AND SHORT-TERM ECONOMIC GOALS AND POLICIES

SEC. 103. The headings preceding section 3 and section 3(a) of the Employment Act of 1946 are amended to read as follows:

"ECONOMIC REPORT OF THE PRESIDENT AND SHORT-TERM ECONOMIC GOALS AND POLICIES

"SEC. 3. (a) The President shall transmit to the Congress during the first twenty days of each regular session an economic report (hereinafter called the Economic Report), together with the annual report of the Council of Economic Advisers submitted in accord with section 4(c)(2) of this Act, setting forth—

"(1) the current and foreseeable trends in the levels of employment, unemployment,

production, real income, productivity, and prices, and a review and analysis of recent developments affecting economic trends in the United States;

"(2) annual numerical goals for five years for employment and unemployment, production, real income, and productivity. The goals for the calendar year in which the Economic Report is transmitted and for the following calendar year, designated as short-term goals, shall be consistent with achieving as rapidly as feasible the goals of full employment, production, and real income, balanced growth, adequate productivity growth, and proper attention to national priorities.

"(3) the program and policies which the President deems necessary to achieve the goals of paragraph (2) of this subsection, and to achieve reasonable price stability as rapidly as feasible as provided for in section 5(b) of this Act.

"(4) for all of the purposes of the Full Employment and Balanced Growth Act of 1977, the percentage rate of unemployment at any given time shall be the rate of unemployment as a percentage of the civilian labor force as set forth currently by the Bureau of Labor S tatistics in the United States Department of Labor.".

FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

SEC. 104. The Employment Act of 1946 is amended by adding a new section 4 as follows:

"FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

"SEC. 4. (a) In each Economic Report after enactment of the Full Employment and Balanced Growth Act of 1977, the President shall incorporate (as part of the five-year numerical goals in each Economic Report) medium-term annual numerical goals covering the same items and for the same purposes as the goals specified in paragraph (2) of subsection 3(a), but for the three calendar years subsequent to the two years referred to in such paragraph, and the programs and policies the President deems necessary to achieve such medium-term goals, and to achieve reasonable price stability as rapidly as feasible as provided for in section 5(b) of this Act.

"(b) The medium-term goals in the first three Economic Reports after enactment of the Full Employment and Balanced Growth Act of 1977 shall include (as part of the five-year goals in each Economic Report) the interim numerical goal of reducing unemployment among Americans aged twenty and over in the civilian labor force to not more than 3 per centum and to reduce unemployment among the entire civilian labor force aged sixteen and over to not more than 4 per centum within a period not extending beyond the fifth calendar year after the first such Economic Report, counting as the first calendar year the year in which such Economic Report is issued. Upon achievement of the 3 and 4 per centum goals as specified above, each succeeding Economic Report shall have the goal of achieving full employment as soon as practicable and maintaining full employment after it has been reached. In the third Economic Report after enactment of the Full Employment and Balanced Growth Act of 1977, the President shall review the numerical goals and timetables for the reduction of unemployment, report to the Congress on any obstacles to their achievement, and if necessary propose corrective economic measures toward achievement of such goals and timetables: *Provided*, That beginning with such third report and in any subsequent reports, if the President finds it necessary, the President may in his or her judgment recommend modifications in the numerical goals and/or timetables for the reduction of unemployment, and the Congress may take such action as it sees fit by the method set forth in title III of the Full Employment and Balanced Growth Act of 1977.

"(c) In moving to reduce unemployment in accord with the numerical goals and timetables as called for in subsection (b), every effort shall be made to reduce those differences between the rates of unemployment among teenagers, women, minorities, and other labor force groups and the overall rate of unemployment which stem from any improper factors, with the ultimate objective of removing such differentials to the extent possible. Insofar as these differences are due to lack of training and skills, occupational practices, and other relevant factors, the Secretary of Labor shall take such action as he or she can to achieve the objectives of this subsection; shall make studies, develop information, and make recommendations toward remedying these differences in rates of unemployment, and include these in the annual Employment and Training Report of the President; and, if deemed necessary, make recommendations to the Congress related to the objectives of this paragraph."

PROVISIONS APPLICABLE TO SHORT-TERM AND MEDIUM-TERM GOALS

SEC. 105. The Employment Act of 1946 is amended by adding a new subsection 5 as follows:

"PROVISIONS APPLICABLE TO SHORT-TERM AND MEDIUM-TERM GOALS

"SEC. 5. (a) To aid in determining the short-term and medium-term goals for employment, production and real income, analysis shall be presented in the Economic Report with respect to major aspects of the appropriate composition or structure of each goal, and as to the appropriate apportionment of total national production among its major components (private investment, consumer expenditures, and public outlays) as affected by relative income flows and other factors, in order to promote balanced growth, reduce cyclical disturbances, and achieve the other purposes of the Full Employment and Balanced Growth Act of 1977.

"(b) The objective of achieving reasonable price stability as soon as feasible, as set forth in section 3(a)(3) and section 4(a), shall be sought by vigorous efforts through the methods set forth in section 109 and elsewhere in the Full Employment and Balanced Growth Act of 1977, and by such other means as the President may find necessary, including recommendations to the Congress. In choosing means to achieve the goal for the reduction of unemployment and choosing means to achieve the goal of reasonable price stability, those means which are mutually reinforcing shall be used to the extent practicable.".

NATIONAL PRIORITY POLICIES AND PROGRAMS REQUIRED FOR FULL EMPLOYMENT AND BALANCED GROWTH

SEC. 106. The Employment Act of 1946 is amended by adding a new section 6 as follows:

"NATIONAL PRIORITY POLICIES AND PROGRAMS REQUIRED FOR FULL EMPLOYMENT AND BALANCED GROWTH

"SEC. 6. To contribute to the achievement of the goals under the Full Employment and Balanced Growth Act of 1977, the Economic Report shall include priority policies and programs to encourage productive nonwasteful jobs and help to reorder national priorities and employ the jobless in the production of goods and services which add to the strength of the economy, the wealth of the Nation, the well-being of the people, and the restraint of inflation. Such policies and programs shall not be set forth in the programmatic detail developed by specialized Federal agencies, and by others in the public and private sectors, but only sufficiently to furnish an integrated perspective of our needs and capabilities and as a long-run guide to relevant national economic policies and programs. The national priority policies and programs dealt with in the First Economic Report under the Full Employment and Balanced Growth Act of 1977 shall include those listed below, but in subsequent Economic Reports the President may deal with them more selectively as he or she finds desirable:

"(1) development of energy, transportation, small business, and environmental improvement;

"(2) proper attention to the needs of rural America, related to (a) nationwide food and fiber requirements and the labor force and capital needed to meet these requirements, (c) the income needs of farmers to encourage production in accord with the above requirements and moving farm families toward parity of income, (d) encouragement of supplementary nonfarm work and income for farm families, and (e) other policies and programs for rural people outside of agriculture;

"(3) the quality and quantity of health care, education and training programs, child care and other human services, and housing, essential to a full economy and moving gradually toward adequacy for all at costs within their means;

"(4) Federal aid to State and local governments, especially for public investment and unemployment related costs;

"(5) national defense and other needed international programs; and

"(6) such other priority policies and programs as the President deems appropriate".

THE PRESIDENT'S BUDGET

SEC. 107. The Employment Act of 1946 is amended by inserting a new section 7 as follows:

"THE PRESIDENT'S BUDGET

"SEC. 7. (a) The President's Budget shall recommend levels of outlays and receipts which shall be consistent with the short-term economic goals of subsection (a)(2) of section 3.

"(b) The President's Budget shall provide five-year projections of outlays and receipts consistent with the medium-term goals of subsection (b) of section 4.

"(c) The basic elements in the President's Budget shall be set forth briefly in each Economic Report, toward the end of making clear the relationship between the President's Budget and the goals and policies set forth in such Economic Report. Both the expenditure and the tax sides of the President's Budget, as set forth briefly in the Economic Report, shall be geared to the purposes of the Full Employment and Balanced Growth Act of 1977. The size of the President's expenditure and tax proposals, and the relationships between the two, shall be determined in a manner which pays due attention to the needs of the economy and the people in the priority areas set forth in section 6, and the relationship between the President's expenditure and tax proposals shall be guided accordingly.".

MONETARY POLICY

SEC. 108. The Employment Act of 1946 is amended by inserting a new section 8 as follows:

"MONETARY POLICY

"SEC. 8. The Board of Governors of the Federal Reserve shall transmit to the Congress, within one month after the transmission of the Economic Report, an independent statement setting forth its intended policies for the year ahead, and their relationship to the short-term goals set forth in the Economic Report pursuant to subsection (a)(2) of section 3. The Congress shall then take such action as it finds necessary to insure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1977.".

OVERCOMING INFLATION

SEC. 109. The Employment Act of 1946 is amended by inserting a new section 9 as follows:

"OVERCOMING INFLATION

"SEC. 9. (a) The Congress hereby determines that the objective of achieving reasonable price stability as soon as feasible, as set forth in section 3(a)(3) and section 4(a), shall be pursued by the methods and subject to the requirements of section 5(b).

"(b) The Congress finds that, in addition to the coordinated use of fiscal and monetary policies to combat inflation, structural measures are also needed. The President shall initiate as appropriate, including recommendations to the Congress where necessary, and included within the Economic Report to the extent practicable without excessive delay, structural policies to reduce the rate of inflation, embracing but not necessarily limited to—

"(1) an effective information system to monitor and analyze inflationary trends in individual economic sectors, so that the President and Congress can be alerted to developing inflation problems and bottlenecks;

"(2) programs and policies for increasing the supply of goods, services, labor, and capital in tight markets, with particular emphasis on food, energy, and critical industrial materials;

"(3) the establishment of stockpiles of agricultural commodities and other critical materials to help stabilize prices, meet emergency needs, and promote adequate income to producers;

"(4) encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements in industries and economic sectors;

"(5) recommendations to strengthen and enforce the antitrust laws and such other recommendations as are necessary to increase competition in the private sector;

"(6) removal or proper modification of such Government restrictions and regulations as add unnecessarily to inflationary costs;

"(7) such other administrative actions and recommendations for legislation as the President deems desirable, to promote reasonable price stability."

COUNCIL OF ECONOMIC ADVISERS

SEC. 110. (a) The second sentence of section 4(a) of the Employment Act of 1946 is amended by inserting "full" immediately after "promote".

(b) Section 4(c)(4) of such Act is amended by inserting "full" immediately after "maintain".

(c)(1) Section 4(e)(1) of such Act is amended by inserting immediately before the semicolon a comma and the following: "and shall consult with the Board or Boards established under section 11.".

(2) Section 4(e) of such Act is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon, and by adding after such paragraph (2) the following:

"(3) In its work under this Act and the Full Employment and Balanced Growth Act of 1977, the Council is authorized and directed to seek and obtain the cooperation of the various executive and independent agencies in the development of specialized studies essential to its responsibilities."

"ADVISORY BOARD OR BOARDS

SEC. 111. (a) Sections 4 and 5 of the Employment Act of 1946 are renumbered sections 12 and 13.

(b) The Employment Act of 1946 is amended by adding a new section 11 as follows:

"ADVISORY BOARD OR BOARDS

"SEC. 11. (a) The President shall establish, in not less than three months prior to the first Economic Report under the Full Employment and Balanced Growth Act of 1977, an advisory board or boards to advise and consult with one or all of the following periodically at reasonable periods of time as he or she shall determine: The President, the Council of Economic Advisers, and such other departments and agencies of the executive branch of the Government as the President shall determine. Such advisory board or boards shall include appropriate representation of labor, industry, agriculture, consumers, State and local officials, and the public at large and shall advise and consult with respect to matters related to the Full Employment and Balanced Growth Act of 1977 and other appropriate matters related to national economic programs and policies. The President shall take the steps necessary to provide appropriate compensation to the members of such advisory board or boards.

TITLE II—STRUCTURAL ECONOMIC POLICIES AND PROGRAMS, INCLUDING TREATMENT OF RESOURCE RESTRAINTS

STATEMENT OF PURPOSE

SEC. 201. The Congress recognizes that general economic policies alone have been unable to achieve the goals set forth in this Act related to full employment, production, and real income, balanced growth, adequate growth in productivity, proper attention to national priorities, and achievement of reasonable price stability as provided for in section 5(b) of the Employment Act of 1946. It is therefore the purpose of this title to require the President to initiate as he or she deems appropriate, with recommendations to the Congress where necessary, supplementary programs and policies to the extent that he or she finds such action necessary to help achieve these goals, including the goals and timetables for the reduction of unemployment. Insofar as feasible without undue delay, any policies and programs so recommended shall be included in the Economic Report.

COUNTERCYCLICAL EMPLOYMENT POLICIES

SEC. 202. (a) Any countercyclical efforts undertaken to aid in achieving the purposes of section 201 shall consider for inclusion the following programmatic entities: accelerated public works, including the development of standby public works projects; countercyclical public service employment; State and local countercyclical grant programs as specified in section 203; the levels and duration of unemployment insurance; skill training in both the private and public sectors, both as a general remedy and as a supplement to unemployment insurance; youth employment programs as specified in section 205; community development programs to provide employment in activities of value to the States, local communities (including rural areas), and the Nation; and augmentation of other employment and manpower programs which would help to reduce high levels of unemployment arising from cyclical causes.

(b) In any countercyclical efforts undertaken, the President shall consider a triggering mechanism which will implement the program during a period of rising unemployment and phase out the program when unemployment is appropriately reduced, and incorporate effective means to facilitate individuals assisted under programs developed pursuant to this section to return promptly to regular private and public employment as the economy recovers.

COORDINATION WITH STATE AND LOCAL GOVERNMENT AND PRIVATE SECTOR ECONOMIC ACTIVITY

SEC. 203. (a) As an integral part of any countercyclical employment policies undertaken in accord with section 202, the President shall to the extent he or she deems necessary set forth programs and policies, including recommended legislation where needed, to facilitate harmonious economic action among the Federal Government, regions, States and localities, and the private sector to promote achievement of the goals of this Act and an economic environment in which State and local governments and private sector economic activity and employment will prosper and essential services will be maintained.

(b) In any efforts under this section, the President shall endeavor to meet criteria that establish programs which are funded to take account of the fiscal needs and budget conditions of the respective States and localities and their own efforts, with special attention to the rates of unemployment in these States and localities.

REGIONAL AND STRUCTURAL EMPLOYMENT POLICIES

SEC. 204. To the extent deemed appropriate by the President in fulfillment of the purposes of section 201, the President shall initiate, and recommend legislation to the Congress if necessary, regional and structural policies and programs. In formulating the regional components of any such programs, the President, to the extent he or she deems it desirable, shall encourage new private sector production and employment to locate within depressed localities and regions with substantial unemployment. Any regional employment proposal of the President shall also include an analysis of the extent to which Federal Government tax, expenditure, and employment policies have influenced the movement of people, jobs, industry from chronic high unemployment regions and areas, and proposals designed to correct Federal policies that have an adverse economic impact upon such regions and areas.

YOUTH EMPLOYMENT POLICIES

SEC. 205. (a) The Congress finds and declares that serious unemployment and economic disadvantage of a unique nature exist among youths even under generally favorable economic conditions; that this group constitutes a substantial portion of the Nation's unemployment, and that this significantly contributes to crime, drug addiction, and other social and economic problems; and that many youths have special employment needs and problems which, if not promptly addressed, will substantially contribute to more severe unemployment problems in the long run.

(b) To the extent deemed necessary in fulfillment of the purposes of this Act, the President shall improve and expand existing youth employment programs, recommending legislation where required. In formulating any such program, the President shall include provisions designed to fully coordinate youth employment activities with other employment and manpower programs; develop a smoother transition from school to work; prepare disadvantaged and other youths with employability handicaps for regular self-sustaining employment; and develop realistic methods for combining training with work.

JOB TRAINING, COUNSELING AND RESERVOIRS OF EMPLOYMENT PROJECTS

SEC. 206. (a) Further to promote achievement of full employment under this Act, the President through the Secretary of Labor shall develop policies, procedures, and programs to provide employment opportunities to Americans aged 16 and over in the civilian labor force able, willing, and seeking to work but who, despite serious efforts to obtain employment, remain unemployed.

(b) In meeting the responsibilities to provide job opportunities under subsection (a) and after full utilization of the Comprehensive Employment and Training Act of 1973 and other relevant provisions of law, the Secretary of Labor shall, as appropriate—

(1) assure that counseling, training, and other support activities necessary to prepare persons willing and seeking work for employment under relevant provisions of law in-

cluding the Comprehensive Employment and Training Act of 1973 (including use of section 110 of such Act when necessary); and

(2) refer persons able, willing, and seeking to work to job opportunities in the private and public sectors through the existing public employment placement facilities and through the United States Employment Service, including job opportunities in any positions created pursuant to sections 202, 204, and 205 of this Act.

(c) Only to the extent that Americans aged sixteen and over and able, willing, and seeking work are not and in the judgment of the President cannot be provided with private job opportunities nor provided with job opportunities under other programs and actions in being, in accord with the goals and timetables set forth in the Employment Act of 1946, the President shall establish reservoirs of public employment and private nonprofit employment projects, to be approved by the Secretary of Labor, in the form of expansion of CETA and other existing employment and training projects and/or through such new programs as are determined by the President to be needed and which the Congress authorizes and provides funds for. Such new programs as require authorizations under this Act shall not be put into operation less than two years after the enactment of this Act, nor without a finding by the President, transmitted to the Congress, that other means of employment are not yielding enough jobs to be consistent with attainment of the goals and timetables for the reduction of unemployment set forth in the Employment Act of 1946. The Congress hereby establishes the policy that such new programs for reservoir projects shall be so designed as not to draw any workers from private employment to the reservoir projects thereunder. The jobs under such new program reservoir projects shall be useful and productive jobs. Nonetheless, such jobs shall be mainly in the lower ranges of skills and pay, and toward this end the number of reservoir jobs under such new programs shall, to the extent practicable, be maximized in relationship to the appropriations provided for such jobs. The projects under this subsection relating to such new programs shall be phased in by the President as necessary, in conjunction with the employment goals under sections 3(a)(2) and 4(b) of the Employment Act of 1946.

(d) The Secretary, in carrying out the provisions of this section, shall establish such regulations as he or she deems necessary. Such regulations shall include provisions for—

(1) an initial determination of the job seekers' ability to be employed at certain types and duration of work, so that he or she may be appropriately referred to jobs, training, counseling, and other supportive services;

(2) compliance with the nondiscrimination provisions of this Act in accordance with section 401;

(3) appropriate eligibility criteria to determine the order of priority of access of any person to any new program under subsection (c) requiring authorization by the Congress, including, but not necessarily limited to, such criteria as household income, duration of unemployment (not less than five weeks), and the number of people economically dependent upon such person; and denial of access to any person refusing to accept or hold a job other than a job under subsection (c) except for good cause as determined by the Secretary of Labor, including refusal to accept or hold a job subject to reference under subsection (b) paragraph (2), in order to seek a reservoir project job under subsection (c); and

(4) such administrative appeal procedures as may be appropriate to review the initial determination of the abilities of persons willing, able, and seeking to work under clause (1) of this subsection and the employment need and eligibility under clause (3) of this subsection.

CAPITAL FORMATION—PRIVATE AND PUBLIC

SEC. 207. (a) The Congress finds that—

(1) promotion of full employment and balanced growth is in itself a principal avenue to high and sustained rates of capital formation;

(2) high rates of capital formation are necessary to insure adequate rates of capacity expansion and productivity growth;

(3) an important goal of national policy shall be to remove obstacles to the free flow of resources into new investment; and

(4) while private business firms are, and should continue to be, the major source of the Federal, State, and local governments play an important role in affecting the level of output, employment, and productivity and in achieving other national purposes.

(b) The Economic Report shall, as appropriate, review and assess existing Federal Government programs and policies which affect business investment decisions, including, but not necessarily limited to, the relevant aspects of the tax code, Federal regulatory policy, international trade policy, and Federal support for research, development, and diffusion of new technologies. In addition, the Economic Report shall assess the effect of the overall economic policy environment and the rate of inflation on business investment. The President shall recommend, as appropriate, new programs or modifications to improve existing programs concerned with private capital formation.

(c) The Economic Report shall review and assess, to the degree appropriate, Federal policies and programs which directly, or through grants-in-aid to State and local governments, or indirectly through other means, affect the adequacy composition and effectiveness of public investments, as a means of achieving the goals of this Act. The President shall recommend, as appropriate, new programs and policies or modifications to improve existing Federal programs affecting public investment.

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW

STATEMENT OF PURPOSE

SEC. 301. (a) The purposes of this title are to establish procedures for congressional review and action with respect to the Economic Report, the report of the Board of Governors of the Federal Reserve System, and the other policies and provisions of this Act and the Employment Act of 1946.

(b) To provide for comprehensive national policies to meet the objectives of this Act and the Employment Act of 1946, and to provide the Congress with guidance on these matters, the appropriate committees of the Congress shall review and revise, to the extent deemed desirable, the economic goals, priorities, policies, and programs proposed under such Acts by the President and the Board of Governors of the Federal Reserve System. Furthermore, the Congress shall consider the implications of the short-term goals and related policies for the Concurrent Resolutions required under the Congressional Budget Act of 1974. The Congress shall initiate or develop such legislation as it deems necessary to implement these proposals and objectives, after such modification in such proposals as it deems desirable. Nothing in this Act shall be construed to prevent the Congress or any of its committees from considering or initiating at any time action to implement this Act.

REVIEW OF ECONOMIC REPORT BY JOINT ECONOMIC COMMITTEE

SEC. 302. (a) In conjunction with its review of the Economic Report, and the holding of hearings on the Economic Report as required under the Employment Act of 1946, the Joint Economic Committee shall review and analyze the policies and programs recommended by the President and the short-term and medium-term goals for employment, production and purchasing power under sections 3(a)(2) and section 4(b) of the Employment Act of 1946.

(b) The Joint Economic Committee shall hold hearings on the Economic Report for the purpose of receiving testimony from Members of the Congress, appropriate representatives of Federal departments and agencies, such representatives of the general public and interested groups, and such others as the joint committee deems advisable. The joint committee shall also consider the comments and views on the Economic Report which are received from State and local officials.

(c) Within thirty days after receipt by the Congress of the Economic Report, each standing committee of the Senate and the House of Representatives and each joint committee of the Congress shall submit to the Joint Economic Committee a report containing its views and recommendations with respect to aspects of the Economic Report which relate to their respective jurisdictions.

(d) Not later than ninety days after the submission of the Economic Report to the Congress, the members of the Joint Economic Committee who are Members of the House of Representatives shall report to the House, and the members of the joint committee who are Members of the Senate shall report to the Senate, a concurrent resolution which shall state in substance that the Congress approves or disapproves in whole or in part the programs, policies, and goals in the Economic Report, and which may contain such alternatives to, modifications of, or additions to the Economic Report as the joint committee deems appropriate and in accord with the purposes of this Act and the Employment Act of 1946. The report accompanying such concurrent resolution shall include findings and recommendations of the joint committee with respect to each of the main recommendations contained in the Economic Report.

(e)(1) When a concurrent resolution referred to in subsection (d) has been reported to the House of Representatives it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any such concurrent resolution in the House of Representatives shall be in the Committee of the Whole House on the State of the Union, and shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the concurrent resolution. A motion further to limit debate shall not be debatable.

(3) Except to the extent specifically provided in the preceding provisions of this subsection, consideration in the House of Representatives of any such concurrent resolution and amendments thereto (or any conference report thereon) shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions, amendments, and conference reports in similar circumstance.

(f)(1) Debate in the Senate on a concurrent resolution referred to in subsection (d), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided

between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to any such concurrent resolution shall be limited to two hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution. Debate on any amendment to an amendment, and debate on any debatable motion or appeal shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of the concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passsage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion in the Senate to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed three, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

(4) The conference report on any such concurrent resolution shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(5) During the consideration in the Senate of the conference report on any such concurrent resolution, debate shall be limited to two hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(6) Should the conference report be defeated in the Senate, debate on any request for a new conference and the appointment of conferees shall be limited to one hour to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(7) In any case in which there are amendments in disagreement, time on each amendment in the Senate shall be limited to thirty minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

(g) Upon adoption of a concurrent resolution under this section with respect to any Economic Report, the concurrent resolution shall serve as a long-term guide to the Congress with respect to legislation relevant to the goals, priorities, policies, and programs recommended in such report, as modified by the concurrent resolution. A copy of the concurrent resolution shall be transmitted to the President by the Clerk of the House of Representatives or the Secretary of the Senate, as appropriate, for such actions as the President deems appropriate.

EXERCISE OF RULEMAKING POWERS

SEC. 303. (a) The provisions of this title are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House), at any time, in the same manner and to the same extent as in the case of any other rule of such House.

REVIEW OF ECONOMIC REPORT BY COMMITTEES ON THE BUDGET OF BOTH HOUSES

SEC. 304. (a) Section 301(a) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of clause (5);

(2) by redesignating clause 6 and clause 7, and

(3) by inserting after clause (5) the following new clause:

"(6) the policies, programs, and goals set forth in the Economic Report of the President, and".

(b) The second sentence of section 301(c) of the Congressional Budget Act of 1974 is amended to read as follows: "The Joint Economic Committee shall submit to the Committees on the Budget of both Houses its recommendations as to the policies and programs and the short-term and medium-term goals set forth in the Economic Report. These recommendations shall be incorporated by the Committee on the Budget of each House in the first concurrent resolution on the budget referred to in subsection (a) reported by that committee, with modifications if necessary to fulfill the objectives of the Full Employment and Balanced Growth Act of 1977. In the event that the Committee on the Budget of either House modifies the recommendations of the Joint Economic Committee, that Budget Committee shall provide its reasons for such modification in the report accompanying the first concurrent resolution.

TITLE IV—GENERAL PROVISIONS

NONDISCRIMINATION

SEC. 401. (a) No person in the United States shall on the ground of sex, age, race, color, religion, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Act, including membership in any structure created by this Act.

(b) Whenever the Secretary of Labor determines that a recipient of funds under this Act has failed to comply with subsection (a), or an applicable regulation, he or she shall notify the recipient of the noncompliance and shall request such recipient to secure compliance. If within a reasonable period of time, not to exceed sixty days, the recipient fails or refuses to secure compliance, the Secretary of Labor is authorized (1) to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), or (3) to take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b) or whenever he or she has reason to believe that a recipient is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in the appropriate United States district court for any and all appropriate relief.

(d) To assist and evaluate the enforcement of this section, and the broader equal employment opportunity policies of this Act the Secretary of Labor shall include, in the annual Employment and Training Report of the President, a detailed analysis of the extent to which the enforcement of this section achieves affirmative action in both the quantity and quality of jobs, and for employment opportunities generally.

LABOR STANDARDS

SEC. 402. Any new programs provided for and implemented by this Act, and funded in whole or in part through this Act, shall provide that persons employed pursuant to such policies and programs are paid equal wages for equal work, and that such policies and programs create a net increase in employment through work that would not otherwise be done or are essential to fulfill national priority purposes. The President shall insure that any person employed in any such reservoir project undertaken under section 206(c) as require new authorization by the Congress, or in any other job utilizing funds provided in whole or in part under this Act, shall be paid not less than the pay received by others performing the same type of work for the same employer, and in no case less than the minimum wage under the Fair Labor Standards Act of 1938 as amended. No person employed under section 206(c) shall perform work of the type to which the Bacon-Davis Act, as amended (40 U.S.C. 276a–276a–5) applies. Any recommendation by the President for legislation to implement any program under this Act, requiring the use of funds under this Act, and submitted pursuant to the requirements of this Act, shall contain appropriate wage provisions based upon existing wage standard legislation.

AUTHORIZATIONS

SEC. 403. There is authorized to be appropriated such sums as may be needed to carry out the provisions of this Act. Notwithstanding any other provisions of this Act, no provision shall be construed to require expenditures in excess of amounts appropriated pursuant to this Act.

SECTION-BY-SECTION SUMMARY OF THE MAJOR PROVISIONS OF THE REVISED HUMPHREY-HAWKINS BILL

(A Bill "To translate into practical reality the right of all Americans able, willing and seeking to work to full opportunity for useful paid employment at fair rates of compensation . . . to promote full employment, production, real income, balanced growth, attention to national priorities and reasonable price stability . . . to require the President each year to set forth explicit short- and medium-term economic goals . . . to achieve better integration and coordination of general and structural economic policies. . . .")

Sections 1 and 2 include the title, table of contents and general findings. Findings include acknowledging the high economic and social costs of unemployment; the conclusion that inflation is often aggravated by high unemployment; the need for explicit short- and medium-term economic goals and coordinated economic policy; the need for microeconomic policies and programs to supplement aggregate policies and programs.

TITLE I—ESTABLISHMENT OF GOALS AND GENERAL ECONOMIC POLICIES

STATEMENT OF PURPOSE

Section 1. States the purpose of the title is to declare the general policies of the Act; to provide an open process for the proposal, review and establishment of goals and policies; provide for annual review; and to improve the purposes and policies of the Employment Act of 1946.

DECLARATION OF POLICY

Sec. 2. Congress declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means to foster competition and the general welfare; useful employment opportunities for those able, willing and seeking to work; balanced growth; proper attention to national priority needs; and stable prices.

Establishes as a national goal the fulfillment of the right of all Americans able, willing, and seeking to work to full opportunities for useful paid employment at fair rates of compensation.

Declares that inflation is a major national problem requiring improved policies relating to food, energy, fiscal and monetary management, reform of outmoded rules and regulations, and the correction of structural defects that seriously impede competition.

Prohibits any provision of the Act from being used to extend Government control over production, employment, allocation of resources, or wages and prices, except as authorized under other legislation.

Places primary emphasis on expansion of private employment. States the following order of priorities to achieve the purposes of the Act: (1) expansion of conventional private jobs through improved general and structural economic policies; (2) expansion of private employment through Federal assistance in connection with the priority programs of the Act; (3) expansion of public employment through existing Federal job and job training programs; and (4) expansion of existing programs and/or the creation of new programs, but no sooner than two years following enactment, subject to Congressional approval.

ECONOMIC REPORT OF THE PRESIDENT AND SHORT-TERM ECONOMIC GOALS AND POLICIES

SEC. 3. Requires the President to transmit to Congress during the first 20 days of each session an Economic Report, together with the annual report of the Council of Economic Advisers, setting forth—

current and foreseeable trends in employment, unemployment, production, real income, productivity and prices, and a review and analysis of recent economic developments;

annual numerical goals for 5 years for employment, unemployment, production, real income, and productivity;

the programs and policies deemed necessary to achieve the short-term goals and reasonable price stability as rapidly as possible.

FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

SEC. 4. In each Economic Report the President shall present medium-term annual numerical goals for the same areas as specified in Sec. 3 and the programs and policies deemed necessary to achieve such medium-term goals.

Requires the medium-term goals shall include the interim numerical goal of reducing unemployment among workers 20 years old and older to 3 percent and reducing unemployment in the entire civilian labor force to not more than 4 percent within 5 years following enactment. In the third annual Economic Report the President shall review the 3 and 4 percent interim unemployment goals and report to Congress any obstacles to their achievement. If necessary, the President shall propose corrective measures to eliminate such obstacles. Beginning in the third year following enactment the President, if he or she finds it necessary to do so, may, subject to Congressional approval, recommend modification of the numerical goals and/or the timetable for their achievement.

PROVISIONS APPLICABLE TO SHORT-TERM AND MEDIUM-TERM GOALS

SEC. 5. In choosing the means to achieve the employment goal of the bill and choosing means to achieve the goal of reasonable price stability, those means which are mutually reinforcing shall be used to the extent practicable.

NATIONAL PRIORITY POLICIES AND PROGRAMS REQUIRED FOR FULL EMPLOYMENT AND BALANCED GROWTH

SEC. 6. The Economic Report shall include priority policies and programs. The priority policies and programs dealt with in the First Economic Report shall include:

development of energy, transportation, small business and environmental improvement;

proper attention to the needs of rural America related to nationwide food and fiber requirements, the labor force and capital needed to meet these requirements, the income needs of farmers to encourage production and to move farm families toward parity of income, encouragement of supplementary nonfarm work and income for farm families;

the quality and quantity of health and child care, education and training programs, and adequate housing;

Federal aid to State and local governments, especially for public investment and unemployment related costs; and

national defense and other needed international programs.

THE PRESIDENT'S BUDGET

Sec. 7. The President's Budget shall recommend levels of outlays and receipts which shall be consistent with the short-term economic goals.

The President's Budget shall provide five year projections of outlays and receipts consistent with the medium-term goals.

The basic elements of the President's Budget shall be set forth briefly in each Economic Report to make clear the relationship between the budget and the goals and policies set forth in the report. Both expenditures and tax proposals shall be geared to the purposes of the Act.

MONETARY POLICY

Sec. 8. The Federal Reserve Board shall transmit to Congress an independent statement setting forth its intended policies for the year ahead and the relationship of these policies to the short-term goals set forth in the Economic Report. The Board's statement shall be made within one month after transmission of the Economic Report. Congress shall take such action as it finds necessary to insure closer conformity of the statement to the purposes of the Act.

OVERCOMING INFLATION

Sec. 9. In addition to aggregate fiscal and monetary policies, the President shall initiate or propose, without delay, structural policies to reduce the rate of inflation. Such policies shall include—

an effective information system to monitor and analyze inflationary trends;

programs and policies for increasing the supply of goods and services, labor, and capital in tight markets, with particular emphasis on food, energy and critical industrial materials;

establishment of stockpiles of agricultural commodities and other critical materials to help stabilize prices, meet emergency needs, and promote adequate income to producers;

encouragement to labor and management to voluntarily increase productivity;

recommendations to strengthen and enforce antitrust laws and increase competition; and

removal or modification of Government restrictions and regulations that unnecessarily add to inflation.

COUNCIL OF ECONOMIC ADVISERS

Sec. 10. Requires the Council of Economic Advisers to assist the President to carry out his responsibilities under the Act.

ADVISORY BOARD OR BOARDS

Sec. 11. The President shall establish an advisory board or boards to advise and consult with the President and the various departments and agencies of the executive branch. Such board or boards shall include representatives of labor, industry, agriculture, consumers, State and local government, and the public-at-large.

TITLE II—STRUCTURAL ECONOMIC POLICIES AND PROGRAMS INCLUDING TREATMENT OF RESOURCE RESTRAINTS

STATEMENT OF PURPOSE

Section 1. Congress recognizes that general economic policies alone have been unable to achieve the goals of the Act. The President is therefore required to initiate appropriate supplementary programs and policies to help achieve these goals.

COUNTERCYCLICAL EMPLOYMENT POLICIES

Sec. 2. Any countercyclical efforts shall consider for inclusion accelerated public works, standby public works projects, public service employment, State and local grant programs, the levels and duration of unemployment insurance, youth employment programs, and community development programs.

In any countercyclical effort, the President shall consider a trigger mechanism implementing programs during rising unemployment and phasing them out when unemployment is appropriately reduced. Means to assist individuals to return promptly to regular private or public employment shall be incorporated in such programs.

COORDINATION WITH STATE AND LOCAL GOVERNMENT AND PRIVATE SECTOR ECONOMIC ACTIVITY

Sec. 3. As part of any countercyclical effort, the President shall facilitate harmonious economic action among all levels of government and the private sector.

In undertaking such efforts, the President shall endeavor to establish programs which take account of the fiscal needs and budget conditions of State and local governments, with special attention to their rates of unemployment.

REGIONAL AND STRUCTURAL EMPLOYMENT POLICIES

Sec. 4. Requires the President to initiate or propose necessary regional and structural policies and programs to encourage new businesses to locate within depressed localities and regions.

YOUTH EMPLOYMENT POLICIES

Sec. 5. Congress finds that serious unemployment and economic disadvantage of a unique nature exists among youths, even under generally favorable economic conditions

The President shall improve and expand existing youth employment programs. Such efforts shall include provisions to develop a smoother transition from school to work, prepare youth with employability handicaps for regular self-sustaining employment and develop effective methods for combining training with work.

JOB TRAINING, COUNSELING AND RESERVOIRS OF EMPLOYMENT PROJECTS

Sec. 6. The President through the Secretary of Labor shall develop policies, procedures and programs to provide job opportunities to Americans 16 years old and older who cannot obtain work despite serious efforts to do so.

The President shall establish "last resort" reservoirs of public employment and private nonprofit employment projects through expansion of existing programs and/or through creation of new programs for workers who cannot otherwise be provided with job opportunities. Such new programs, subject to the approval of Congress, cannot be placed in operation sooner than two years following enactment. In proposing new programs, the President must transit a finding to Congress that other means of employment are not providing enough jobs to meet the goals of the Act. Reservoir jobs must be useful and productive, but held mainly to lower ranges of skill and pay to maximize expenditure impact.

Appropriate eligibility criteria must be established to assure that reservoir jobs are provided those most in need.

CAPITAL FORMATION—PRIVATE AND PUBLIC

Sec. 7. Congress finds that—

high rates of capital formation are needed to assure adequate expansion of capacity and productivity;

an important goal shall be the removal of obstacles to adequate new investment; and

the private sector should continue to be the major source of investment. However, Federal, State and local government investments play important roles in affecting the level of output, employment and productivity.

The Economic Report shall contain a review and assessment of existing Federal Government programs and policies effecting business investment. Relevant aspects of the tax code, regulatory policy, international trade policy and federal support for research, development and diffusion of new technologies shall be part of that assessment.

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW

STATEMMENT OF PURPOSE

Section 1. This title establishes the procedures for Congressional review and action on the Economic Report, the report of the Federal Reserve Board and other polices and provisions of this Act.

The appropriate committees of Congress shall review and, to the extent deemed necessary, revise the economic goals, priorities, policies and programs proposed by the President and the Federal Reserve Board.

REVIEW OF ECONOMIC REPORT BY JOINT ECONOMIC COMMITTEE

Sec. 2. The Joint Economic Committee shall review and analyze the policies and programs recommended by the President.

Within 30 days after receipt of the Economic Report, each standing committee of the Senate and House of Repesentatives and each joint committee of Congress shall submit their views and recommendations on the report to the Joint Economic Committee.

Not later than ninety days after receipt of the Economic Report, members of the Joint Economic Committee who are members of the House shall report to the House, and members of the Joint Economic Committee who are members of the Senate shall report to the Senate, a concurrent resolution stating whether and to what extent Congress approves or disapproves the programs, policies and goals in the Economic Report. The concurrent resolution shall present any recommended changes in the proposals of the report together with findings and recommendatoins from the joint committee on each of the report's main recommendations.

Upon its adoption, the concurrent resolution shall serve as a long-term guide to Congress regarding legislation relating to the goals, priorities, policies and programs recommended in the Economic Report as modified by Congress.

EXERCISE OF RULEMAKING POWERS

Sec. 3. Provisions of this title shall be considered as part of the rules of each House, or of that House to which they specifically apply.

REVIEW OF ECONOMIC REPORT BY COMMITTEES ON THE BUDGET OF BOTH HOUSES

Sec. 4. The Joint Economic Committee is required to submit to the Budget Committees of both Houses recommendations on the policies and programs and the short- and medium-term goals of the Economic Report. These recommendations shall be incorporated by the Budget Committees of both Houses in the first concurrent resolution on the budget. In the event the Budget Committee of either House modifies the recommendations of the Joint Economic Committee, the Budget Committee shall present its reasons for such modification in its report accompanying the first concurrent resolution.

TITLE IV—GENERAL PROVISIONS

NONDISCRIMINATION

Section 1. No persons shall be subjected to discrimination under any program or activity funded in whole or in part under this Act. The prohibition includes membership in any entity created by the Act.

LABOR STANDARDS

Sec. 2. Any person employed under programs funded in whole or in part by this Act shall be paid equal wages for equal work. Any persons having a job utilizing funds provided in whole or in part under this Act shall be paid not less than the pay received by others performing the same type of work for the same employer. In no case can wages be less than the minimum wage. No person employed in a "last resort" reservoir job program shall perform work of the type to which the Davis-Bacon Act applies.

AUTHORIZATIONS

Sec. 3. Authorizes the appropriation of such sums as may be needed to carry out the provisions of the Act.

Mr. JAVITS. Mr. President, I am pleased to join Senator HUMPHREY and my other colleagues today in cosponsoring this landmark legislation. For me, personally, this is a day of special significance; because of the deep affection I had for the coauthor of the bill, the late, distinguished Senator from Minnesota. Today commemorates, also, the initiation in the Senate of a renewed commitment to full employment for our country. The genesis of a key provision of the bill is the Humphreys-Javits bill, the Balanced Growth and Economic Planning Act of 1975—the planning bill the late Senator Humphrey and I authored to initiate the debate on the subject of indicative national economic planning.

The principle that guided us in our work on that bill and the one that I shall continue to work for in consideration of this bill is that indicative national economic planning is required to achieve balanced economic growth—and this is the right avenue to sustainable full employment. Full employment must be planned; it must come about as a result of conscious policy planning and coordination.

Mr. President, we have had full employment in our country on a few occasions in the postwar period. Most of these periods have coincided with war and they have all been short lived. These periods have been elusive because we have not had coordinated and planned national economic policies. We have stumbled upon full employment, so to speak, and sometimes in spite of ourselves. So we have enjoyed some sporadic episodes of full employment; but we have not had the balanced economic growth that could make it last. I believe we can achieve sustainable full employment as a result of balanced economic growth and indicative economic planning, and this is what can flow from the Humphrey-Hawkins bill.

I hasten to add that I am not referring to the Soviet or Chinese approaches to economic planning—these are inconsistent with our system of private enterprise and economic freedom. What I am referring to is the kind of planning that is practiced by General Motors, Exxon, A.T. & T., IBM, and about every other well-run business in the United States.

The Humphrey-Hawkins bill can enable us to establish a framework in which the executive branch and Congress can formulate national economic goals—particularly full employment goals—and coordinate economic policies and programs to achieve balanced economic growth—but acting on each measure advisedly. Once we have agreed on the goals and have our path before us, we can consider policies and programs in a coordinated manner and move better toward full employment.

For this reason, I am thoroughly in agreement with the principles embodied in the Humphrey-Hawkins bill and I intend to do all I can to have it passed in the Senate.

I understand that some Senators, while sympathetic with the objectives of the Humphrey-Hawkins bill, have serious reservations about one or more of its provisions. I must confess that I, too, have some reservations about some of the provisions in the bill. I feel, for example, that the numerical goal for full employment may be inconsistent with the objective of balanced economic growth. But I believe we can agree on a provision that can be accepted by a majority of Senators.

Therefore, I believe we can enact a full employment bill; one that emphasizes the need for sustainable full employment and establishes the framework for an economic goal-setting process in order to get us there. And once we put the planning process into place, we can begin at long last to have coordinated economic policymaking in our country, and then we may be able to have the kind of balanced economic growth that leads to full employment.

Mr. BAYH. Mr. President, today my colleague, Senator HUMPHREY, will introduce the revised version of the Hum-

phrey-Hawkins bill, known as the Full Employmen' and Balanced Growth Act. I rise in support of this legislation because I believe that it is time for the U.S. Senate to face squarely the problem of unemployment in this country. The goal of this bill is to reduce the overall unemployment rate to 4 percent by 1983.

Mr. President, we can no longer tolerate the 6.8 percent unemployment which we have experienced during the last 3 years. We can no longer afford to stand idly by while upwards of 14 percent of our minority work force is unemployed.

Since this country's inception, we have believed that all our citizens should have equal opportunities to earn a living. If we are to be consistent with our belief in an honest day's work for each and every American, then we must do everything within our power to reduce the unacceptable levels of unemployment in the very near future.

This bill provides a weapon in our battle against joblessness. It now has the full endorsement of the President. It is time to stop procrastinating and to act to meet the needs of the American people.

I hope all the Members of this body will come together and support prompt enactment of this bill.

S. 50—HUMPHREY-HAWKINS BILL

Mr. HATHAWAY. Mr. President, I am pleased to join a number of my distinguished colleagues today in introducing the revised version of the Full Employment and Balance Growth Act of 1977, the Humphrey-Hawkins bill.

As a member of the Subcommittee on Employment, Poverty and Migratory Labor, I look forward to working on this legislation, and shall be pushing for its prompt and favorable consideration by the Senate as a whole.

This legislation is a logical and long overdue extension of the principles set forth in the Employment Act of 1946. It provides a blueprint for mobilizing the economic potential of the private and public sectors. It requires, for the first time, the coordination of our national economic planning mechanisms toward achieving the goal of full employment.

The failure of our economy to achieve full employment has cost our society greatly. The range of costs is wide and tragic. The waste of human potential, the concomitant social ills of crime, alcoholism, drug abuse, and neglect constitute an immeasurable cost to our society and economy.

In more direct costs, it has been shown statistically that excessive unemployment has cost our economy over $600 billion in lost production since 1970—or over $12,000 for the typical family of four.

Further, every 1 percent of unemployment has been shown to cost $20 billion in lost Federal, State, and local tax revenues, extra unemployment costs and increased welfare costs.

The Humphrey-Hawkins bill does not promise a miracle cure to these ills, but it does provide a mechanism for addressing the massive and fundamental problem of unemployment in a comprehensive and rational fashion.

It sets as a national policy goal to be achieved by 1983 an overall unemployment rate of 4 percent; and a rate of 3 percent for those workers over the age of 20. Interim goals are also set. The legislation does not mandate that these goals must be achieved; we learned a long time ago that Congress cannot, simply by passing laws, solve all of society's problems.

But Congress can require that all the departments and agencies of the executive branch coordinate their programs and policies toward achieving this goal of full employment.

Consistent with this, the bill affirms in law the "right to useful employment paying decent wages for every American able. willing, and seeking work." But the bill clearly states that this is not the kind of right which allows a person to sue in court. Rather, the bill mandates that this right be translated into practical reality through the coordination of planning and implementation of Federal programs.

To fulfill this mandate, the legislation requires the President to propose to Congress on an annual basis both short term and medium term employment, production, and income goals, together with fiscal and monetary policies and objection intended to achieve the 5 year unemployment goals of the bill.

The Federal Reserve must also report to Congress its proposed monetary policies and to estimate the impact of these policies on inflation and unemployment.

Also, the legislation stipulates that first priority be directed toward promoting jobs and economic opportunity within the private sector. Consistent with this, the Full Employment and Balanced Economic Growth Act, as its name implies, recognizes that unemployment and inflation are parallel problems in our society, and that they feed upon each other in preventing us from fulfilling our national goals.

Therefore, the inflation consequences of the employment policies contained in the President's report and the report of the Federal Reserve must also be addressed. In this regard, the bill commits the Government to achieving reasonable price stability as rapidly as possible, and calls for the use of programs designed to monitor prices, stockpile commodities which are in short supply, and to encourage increased productivity on the part of both labor and management. The bill urges that antitrust laws be strengthened and the burdensome Government regulations be modified or eliminated.

The bill does provide flexibility to the President with respect to the employment goals established. If after 3 years it becomes apparent that the initial 5-year goals cannot be achieved, these may be adjusted. The bill is pragmatic in this regard, but the goals do not become meaningless thereby, and this is not a political loophole. Rather, it insures that the integrity of the planning mechanisms be maintained and the overali goal of balanced economic growth be assured.

The legislation requires that a very close look be taken at all Government programs and policies with a view toward job promotion and economic growth. Special emphasis is placed on private capital formation and public investment. Changes in legislation to address these problems are to be reported to Congress and thereafter acted upon.

The legislation does not set up a massive new bureaucracy or require expensive new initiatives. But it does recognize the integrated nature of our total economy and the role which the Federal Government has played and must continue to play to meet our job needs.

Some have criticized the Humphrey-Hawkins bill on the one hand as providing too much and on the other hand as being watered down. The inconsistency of these criticisms ought to temper their credibility, but these critics have gone so far as to say that the bill is nothing more than an emotional memorial to Senator Hubert Humphrey. Such statements are unfair to the bill, unfair to its proponents, and particularly unfair to Senator Humphrey, who never was one to engage in public relations at the expense of sound programs and solid achievements.

Rather than repeat the fundamental improvements proposed in this bill, and its potential for limiting the adverse impacts of unemployment, I refer my colleagues instead to the excellent article appearing in this morning's edition of the Washington Post by Hobart Rowen, titled "Humphrey-Hawkins: The Bill Is Still Strong." For the benefit of my colleagues, I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMPHREY-HAWKINS: THE BILL IS STILL STRONG

(By Hobart Rowen)

I keep seeing or hearing references to the Humphrey-Hawkins bill as weak and meaningless. As it has now come to the House floor, it no longer calls for the impossible—a 3 percent unemployment rate within a year—or massive government jobs programs taking precedence over the private economy.

Instead, it is a much more gradual approach, setting a target of 4 percent unemployment after five years (which the president can postpone if he deems it necessary). And throughout, the emphasis is on providing a framework in which the private economy can eliminate waste of human and material resources.

But anyone who assumes that these more modest proposals represent such a "watering down" as to make the Humphrey-Hawkins bill merely another memorial to the late senator from Minnesota had better put on glasses and take a look at the precise language of the bill.

If nothing else, the bill would establish a totally new relationship between the Federal

Reserve System and the executive branch of government. The full effect of this change is now difficult to foresee with precision.

In analyzing this latest version of Humphrey-Hawkins, one must start first with its requirement that the president submit to Congress at the start of each regular session numerical targets for employment, unemployment, production, real income, productivity and prices for the ensuing five years.

All of these numbers are to be keyed, of course, to winding up five years later with the overall unemployment rate cut to 4 percent, and adult unemployment (20 years and older) reduced to 3 percent. The Economic Report and the Budget Message are supposed to outline the policies and programs that the president selects to achieve these goals.

Now, this is where the Humphrey-Hawkins bill—in my opinion—really bites. For the first time ever, the Federal Reserve will have to submit to Congress—within 30 days after the Economic Report—a statement of its intended policies over the next two years "and their relationships to the short-term goals set forth in the Economic Report."

Thus, the Federal Reserve would be required to say whether its money policies would be adequate to support the president's economic targets. And presumably, if they were not in tandem, it would be up to the Fed to explain why not.

"The Congress shall then take such action as it finds necessary to assure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1977," the bill says.

That allows for an open debate on the proper economic goals for the nation. A respected and persuasive Fed chairman could argue the case for a different set of goals from the president's. But once Congress makes a decision and defines what the policy is to be, the bill calls for the president and the Fed to work together, not at cross-purposes.

There will be those who fear that this arrangement wipes out the so-called independence of the Federal Reserve. But in a democratic society, it is not possible for the central bank to countermand the programs and policies of the elected national administration, or the people's elected representatives in Congress. The Fed should be independent only of narrow partisanship or political interference with its day-to-day operations, including its regulatory as well as monetary functions.

As the creature of Congress, the Fed cannot be allowed to go its own way in opposition to the policies of the rest of the government. No chairman of the Federal Reserve, including the last two giants, William McChesney Martin and Arthur F. Burns, has seriously contested that principle. On the other hand, both, as expert politicians themselves, tried to influence government policy. And both, by virtue of their unique personal abilities, succeeded. So will future strong chairmen.

But the Humphrey-Hawkins bill would for the first time establish as a matter of law a national coordination of all agencies making economic policy, including the Fed, with the purpose of achieving a fully employed economy "and reasonably stable prices." It makes very good sense.

One final note. Much has been made of the danger of guaranteeing everyone a job, and some of the more ardent Humphrey-Hawkins advocates (and opponents) still claim (or warn) that the bill provides such a right. It does not do so. It establishes, instead, "as a national goal the fulfillment of the right of all Americans able, willing and seeking work to full opportunities for useful paid employment at fair rates of compensation."

What the bill seeks to do is to provide not a job slot that you can sue for if you don't have employment, but "full opportunities." That in itself is a noble enough goal, one worth striving for in this, the richest nation in the world.

SUPPORT FOR THE HUMPHREY-HAWKINS FULL EMPLOYMENT AND BALANCED GROWTH ACT

Mr. McGOVERN. Mr. President, I am pleased to join with many of my colleagues in cosponsoring a bill that is well known not only here in the Congress but across the country. This legislation, in its revised form, is being introduced today by Senator MURIEL HUMPHREY and in the House by Representative AUGUSTUS HAWKINS.

The attention given to the Humphrey-Hawkins Full Employment and Balanced Growth Act reflects directly on the public concern for the unacceptable number of Americans who are unemployed and who have no hope for employment.

On January 31, 1978, I testified, on behalf of the Americans for Democratic Action, before the House Subcommittee on Employment on the need for a united commitment to the passage of the revised Humphrey-Hawkins bill. I ask unanimous consent that on this special day my testimony be printed in the RECORD along with the excellent February 23, 1978, Washington Post article, "Humphrey-Hawkins: The Bill Is Still Strong," by Hobart Rowen.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GEORGE MCGOVERN

Mr. Chairman and Members of the Committee, I am pleased to have this opportunity to testify on behalf of Americans for Democratic Action on an issue that should become the number one priority of the Congress and the White House—full employment. Many of us have been working for years to establish an economic policy for this country firmly rooted in the right to a job at fair wages for all those able and willing to work. We have been strengthened in this difficult task by the courageous leadership of yourself and the late Senator Humphrey. It is with renewed hope and commitment that I appear before you today to express ADA's commitment to passage of the 1978 Humphrey-Hawkins Full Employment and Balanced Growth Act. Now that we are joined by President Carter and his Administration we can expect passage of this important piece of legislation this Congressional session.

Realizing the human and material benefits of a job, to lose the battle with unemployment is intolerable. Our lack of planning, the absence of a comprehensive employment policy, the lack of institutionalized structures that can quickly and effectively deal with rises and drops in the rate of unemployment, our long term policy of not balancing individual and human needs with those of the business world—all these have only served to intensify the social, economic and psychological ramifications of long periods of high unemployment.

Several weeks ago, CBS released a poll showing the difference between liberal and conservative support of government providing a variety of services and opportunities. On the question as to whether the government should see that everybody who wants a job can get one, 80 percent of the liberals supported this statement, but almost the same percentage of conservatives, 75 percent, supported the government's obligation to find jobs for those seeking work.

If this is, and has been, the mood of the nation, if three-fourths of both conservatives and liberals favor government action to guarantee full employment, why has there been so much opposition to the Humphrey-Hawkins bill? In part, it is due to misinformation, not only about the provisions of the bill but also about the real costs of full employment—even when full employment is defined as 4 percent as in this latest bill. In part, it can also be attributed to hesitant economic leadership from the White House in recent years. And finally, some responsibility must be laid at the door of business and the private sector in their blatant misrepresentation of what the bill will allow the government to do.

There is no question that opponents of this bill have misinterpreted key concepts embodied in the bill to generate opposition to establishment of a full employment economy. The bill is much more than the 1946 Employment Act and much more than the "empty promises" forecasted by some of the news media. With passage of this legislation, the structure and very tenor of American economic planning will change. This change will be radical only to those who view pursuit of policies that directly respond to the needs of individuals and the country as radical. Rather, pursuit of a full employment economy is nothing more than full realization of the very premise of American democracy—full access to opportunity and equality. This is necessary and just; it is far from radical.

Why, in a nation with economic, human and natural resources such as ours, must words like inflation, public service employment and national planning strike fear in the hearth of some citizens? The Humphrey-Hawkins bill established a conceptual framework and the operational basis for full implementation of economic policies and programs that already exist today. Passage of the bill will ensure that economic debate and policy determinations would focus on the provision of jobs, consistent with our national production and consumption needs and in a manner that is mutually reinforcing to price stability. The bill ensures that economic policy would be developed in a manner responsive to the human being rather than the corporate being. The bill provides for coordination of programs and policies that are already the very basis of our economic structure in a manner that will allow the country to reach its full employment and full production potential. Briefly, the major components of this bill are:

1. the translation into practical reality of the right of all Americans, able and willing to work, to full opportunity to useful paid employment at fair rates of compensation;

2. national policy of full employment, balanced growth, price stability and related objectives;

3. a 4 percent overall unemployment rate and a 3 percent adult unemployment rate to be reached within five years of enactment of the bill;

4. A strong anti-inflationary language which, in addition to anti-inflationary fiscal and monetary policies, suggests supplementary approaches, i.e., productivity and supply incentives, strengthening anti-trust enforcement and changes in federal regulatory requirements; utilization of anti-inflationary provisions that are mutually reinforcing to

the goal of achieving full employment rather than paramount to a full employment economy;

5. national planning component which requires:

a. annual submission to Congress by the President of an economic report that includes numerical targets for employment, unemployment, production, real income and productivity for each of the succeeding five years;

b. subcommission of an annual budget consistent with these goals and suggestions for the potential mix of policies and programs necessary to achieve these goals;

c. development by the Congress of a budget consistent with these goals.

6. the creation of the number of jobs necessary to achieve interim and long terms employment goals along the following lines: conventional private sector job expansion through the use of general economic and structural policies; expansion of private employment through federal assistance; expansion of existing public employment programs; the creation of last resort jobs, not before two years of implementation of the act and if the President deems necessary.

7. methods for reducing the differentials that continue to exist among various segments of the population in terms of employment opportunity and earnings potentials.

There is nothing in this bill that will weaken our economic stability. Rather through a more rational, well coordinated planning mechanism in the White House, in governmental agencies, in the House and Senate, there will be opportunity to develop economic policies that will bring individual, state, regional and national needs into greater harmony and will protect the nation from ever again having to face the national and personal economic destruction of the past few years.

There is nothing in this bill that allows greater control by the public sector over private sector planning and production. Language in the bill is emphatic that planning by the federal government shall not involve the private sector. And there is nothing in the bill that places a primary, or even a major role on the federal government for the production of a majority of the neeued jobs. The bill is clear in its intent to offer all forms of incentives, subsidies and supportive polices to assist the private sector in expanding both employment opportunities and production capabilities.

And finally, in terms of inflation, I have two things to say. First, the past eight years of consciously designed policy to accept intolerably high levels of unemployment in order to control inflation have been a major economic disaster. Attempts to redefine full employment at increasingly high levels of unemployment while pushing for lower and lower accepeable levels of inflation is outrageous. The inconsistency and total lack of validity of this argument aside, the full employment bill before us includes very strong provisions on controlling inflation. And, while these provisions will be as effective if not more effective than anti-inflationary measures pursued in the past, they will be pursued in conjunction with rather than at the expense of full employment.

In terms of the costs of this bill, we are dealing with an issue that must be viewed beyond the mere economic costs. If there is such insistence that we look at the costs to the government of achieving a full employment economy, let's first look at the costs to the nation of years of high levels of unemployment. Rough figures show that for every one percent unemployment, over a year's time the country loses $50 billion in unproduced goods. That means, if this year's unemployment average was roughly 6.5 percent, the nation lost over $300 billion worth of potentia gross national product. Every one percent of unemployment means that roughly 1 million individuals are actively seeking work but unable to find employment. One of the most outrageous statistics attached to high unemployment is that for every one percent of unemployment, government assistance programs (food stamps, unemployment compensation, welfare) combined with the loss of potential federal tax revenues costs the nation an additional $20 billion. In addition, for every one percent unemployment, states lose $5 billion in potential taxes.

Mr. Chairman, I consider myself and the organization I represent to be reasonable and rational and as gravely concerned with the economic stability of this country as our more conservative counterparts. I find it offensive, however, that the bulk of the discussion and debate on full employment focuses on the cost to the government in terms of dollars and cents rather than the cost to the individual and the nation in terms of the economic and mental health impact produced by long periods without work. We are talking about human beings, about families, about the welfare of cities, rural areas and communities. We should not and cannot allow the needs and opportunities of all of our people to be held hostage to the antiquated and self-serving economic polices of vested interests.

STRENGTHENING AMENDMENTS

ADA supports the present full employment bill before this subcommittee. We understand the political considerations that had to be taken into account in arriving at this latest version. We feel, however, that as a long term supporter, we need to urge a few amendments we believe will further strengthen the bill and ensure a full employment economy base. We offer these amendments as friends, and fully committed to working for passage of this legislation, even if these amendments fail to win the support of a majority of this Committee or the full House.

1. The present bill sets a goal of reaching 4 percent unemployment within five years for the overall population, and 3 percent for the adult population (over 20). This in itself is a reasonable improvement over the January, 1977 bill which set a 4 percent unemployment rate for the adult population, with no target for the entire labor force. ADA, however, would like to see a 3 percent unemployment rate set for the entire population to be reached within five years. If we pursue a 4 percent overall unemployment rate, there will still be unacceptably high levels of unemployment among certain sectors of the labor force—particularly those sectors that have suffered enormous employment discrimination, i.e., women, minorities and youth.

2. The bill includes strong language about reducing the employment differentials among various sectors of the labor force. There are not, however, provisions that ensure the development of programs and the automatic triggering of programs and policies to reduce unemployment within specific groups of the population when unemployment for that group exceeds the national unemployment average. ADA would like to see such a provision included in the final bill. Central to the establishment of a full employment economy is the concept that there must be equal employment opportunity and that no group should suffer the hardships of unemployment. A provision that would allow automatic triggering of programs and policies to bring the unemployment rate of individual groups in line with the general unemploymen rate would ensure minimization of such hardships.

3. The present bill allows the President to implement last resort jobs, two years after implementation of the Act, if he or she deems necessary to reach interim unemployment goals. Removed from the bill was the provision that allowed Congressional authority to initiate implementation of last resort jobs, or expansion of existing public service jobs without approval of the President, if Congress felt such jobs were necessary to meet stated goals. We feel replacement of this Congressional authority is a necessary amendment. Not only does this allow greater flexibility in terms of the mix of policies and programs used to meet interim and long term employment and production goals, but it offers the option of fuller utilization of the public sector in the provision of necessary goods and services the private sector will not or cannot provide.

4. Perhaps the change in the present bill that concerns us the most is the degree of flexibility that is given the President in developing the types of fiscal and monetary programs and policies that will be used in pursuit of full employment. We feel that it is necessary that the President present, in the economic report, the specific fiscal and monetary policies and private and public sector employment programs that will be pursued to achieve that year's employment, production and purchasing power goals. This requirement, which would remain open to change given proper justification, allows the Congress and all individuals and groups concerned with the process to respond to the plan and to offer suggestions and alternatives to the President's package.

CONCLUSION

Mr. Chairman, the task of passage of the Humphrey-Hawkins bill will not be an easy one, but it is a necessary task. Even with passage of the bill, the battle to generate the economic climate necessary in both the private and the public sector to reach the states goals of the bill will have just begun. With your continued persistence and the efforts of over 75 national organizations that have pledged their time and energy to passage of this important legislation, we will turn American economic policy towards the protection of the right to a job at fair rates of compensation for all Americans, able and seeking work. It demands aggressive leadership in both the White House and the Congress; it involves the undertaking of certain risks by both public and private industry and it demands the initiation of creative and well thought out programs. Full employment is the key to every other policy supporting human dignity and freedom of choice. The programs and policies needed to achieve full employment are within the economic and human resources of this country. It needs only the leadership of the President and the Congress and the will of the people. This is all within the grasp of this country.

HUMPHREY-HAWKINS: THE BILL IS STILL STRONG

(By Hobart Rowen)

I keep seeing or hearing references to the Humphrey-Hawkins bill as weak and mean-

ingless. As it has now come to the House floor, it no longer calls for the impossible—a 3 percent unemployment rate within a year—or massive government jobs programs taking precedence over the private economy.

Instead, it is a much more gradual approach, setting a target of 4 percent unemployment after five years (which the president can postpone if he deems it necessary). And throughout, the emphasis is on providing a framework in which the private economy can eliminate waste of human and material resources.

But anyone who assumes that these more modest proposals represent such a "watering down" as to make the Humphrey-Hawkins bill merely another memorial to the late senator from Minnesota had better put on glasses and take a look at the precise language of the bill.

If nothing else, the bill would establish a totally new relationship between the Federal Reserve System and the executive branch of government. The full effect of this change is now difficult to foresee with precision.

In analyzing this latest version of Humphrey-Hawkins, one must start first with its requirement that the president submit to Congress at the start of each regular session numerical targets for employment, unemployment, production, real income, productivity and prices for the ensuing five years.

All of these numbers are to be keyed, of course, to winding up five years later with the overall unemployment rate cut to 4 percent, and adult unemployment (20 years and older) reduced to 3 percent. The Economic Report and the Budget Message are supposed to outline the policies and programs that the president selects to achieve these goals.

Now, this is where the Humphrey-Hawkins bill—in my opinion—really bites: For the first time ever, the Federal Reserve will have to submit to Congress—Within 30 days after the Economic Report—a statement of its intended policies over the next two years "and their relationships to the short-term goals set forth in the Economic Report."

Thus, the Federal Reserve would be required to say whether its money policies would be adequate to support the president's economic targets. And presumably, if they were not in tandem, it would be up to the Fed to explain why not.

"The Congress shall then take such action as it finds necessary to assure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1977," the bill says.

That allows for an open debate on the proper economic goals for the nation. A respected and persuasive Fed chairman could argue the case for a different set of goals from the president's. But once Congress makes a decision and defines what the policy is to be, the bill calls for the president and the Fed to work together, not at cross-purposes.

There will be those who fear that this arrangement wipes out the so-called independence of the Federal Reserve. But in a democratic society, it is not possible for the central bank to countermand the programs and policies of the elected national administration, or the people's elected representatives in Congress. The Fed should be independent only of narrow partisanship or political interference with its day-to-day operations, including its regulatory as well as monetary functions.

As the creature of Congress, the Fed cannot be allowed to go its own way in opposition to the policies of the rest of the government. No chairman of the Federal Reserve, including the last two giants, William McChesney Martin and Arthur F. Burns, has seriously contested that principle. On the other hand, both, as expert politicians themselves, tried to influence government policy. And both, by virtue of their unique personal abilities, succeeded. So will future strong chairmen.

But the Humphrey-Hawkins bill would for the first time establish as a matter of law a national coordination of all agencies making economic policy, including the Fed, with the purpose of achieving a fully employed economy "and reasonably stable prices." It makes very good sense.

One final note. Much has been made of the danger of guaranteeing everyone a job, and some of the more ardent Humphrey-Hawkins advocates (and opponents) still claim (or warn) that the bill provides such a right. It does not do so. It establishes, instead, "as a national goal the fulfillment of the right of all Americans able, willing and seeking work to full opportunities for useful paid employment at fair rates of compensation."

What the bill seeks to do is to provide not a job slot that you can sue for if you don't have employment, but "full opportunities." That in itself is a noble enough goal, one worth striving for in this, the richest nation in the world.

LABOR LAW REFORM ACT OF 1978—S. 1467

AMENDMENTS NOS. 1704 THROUGH 1706

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted three amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

PANAMA CANAL TREATIES, EX. N, 95–1

AMENDMENT NO. 42

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 43

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

Mr. BARTLETT. Mr. President, with respect to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, no provision is more important than the one simple, but unfortunately, very vague, sentence which constitutes article IV and which is the fundamental source of all rights the United States retains to defend the Panama Canal after the year 1999. That article reads as follows:

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties.

By now, every Member of the Senate is aware of the ambiguities inherent in this language and all are aware of the disputed interpretations which exist among the Members of this body, among officials of the Governments of Panama and the United States, and possibly, between the Governments of Panama and the United States.

Key issues to be resolved include:

Does the United States have the right to determine on its own, without necessarily obtaining the agreement of the Government of Panama, when and how the United States should act to protect the neutrality of the Panama Canal?

Does the United States have the right to enter Panamanian territory and waters to protect the canal?

Does the United States have the right to protect the neutrality of the canal against actions taken by the Government of Panama which infringe upon the neutrality of the canal?

In protecting the neutrality of the canal, what limits exist upon measures which could be taken by the United States to protect the neutrality of the canal?

These are fundamental issues which remain unresolved after extensive hearings by the Senate Committee on Armed Services and the Committee on Foreign Relations. The inadequacy of the language existing in the treaty is made clear by the fact that over three-fourths of the Members of this body have agreed to cosponsor the amendment (No. 20) which would add the October 14, 1977, joint statement by President Carter and General Torrijos to the article IV of the Neutrality Treaty, in an effort to provide greater clarification to those provisions. I am myself a cosponsor of this amendment which reads as follows:

At the end of Article IV, insert the following:

"A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of Understanding issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty, as follows:

" 'Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain

open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

" 'This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.'."

Unfortunately, the language in the joint statement does not satisfactorily address the questions I have raised above. Where does it make clear the right of the United States to act without the invitation of the Government of Panama? Where does it make clear the right of the United States to conduct military operations on the territory and waters of Panama to protect the canal? Where does it provide for action by the United States to protect the canal's neutrality against infringements by the Government of Panama?

The American Law Division of the Library of Congress underscored this problem when it concluded:

[T]he Carter-Torrijos statement, while guaranteeing each party the right to act against threats directed at the Canal, also specifies that the U.S. may not intervene in the internal affairs of Panama. It is not altogether clear that the statement would permit the United States to intervene in the event that the aggression or threat should result from Panamanian action.

These doubts are reinforced by statements such as that made by General Torrijos on the 20th of October 1977, in which he said:

[I]t is necessary for the United States to be committed so that when we ring the bell here, when we push the button, a bell rings over there, and the United States comes in defense of the Panama Canal. * * *

I repeat, we push the button, the bell rings, and the United States is obligated to come to our defense.

The continued existence after the October 14 Joint Statement, of confusing and divergent interpretations of the provisions of article IV by citizens, public and private, in Panama and the United States, underlines the fundamental inadequacy of the language which already exists in that article. Clearly, the addition of the language of the Joint Statement as provided by amendment No. 20 makes some fundamental changes in the treaty, changes which I believe will require that the Neutrality Treaty be resubmitted by the Government of Panama to the people of Panama in accordance with article 274 of their Constitution. But these changes alone are not sufficient to justify consent to ratification of the Neutrality Treaty if it retains the language now in article IV. It is that language which must be changed.

Fortunately for the Members of the Senate, language exists which would correct the weaknesses now in article IV—language which is consistent with the joint statement of October. This is the language which was revealed in testimony before the Senate Armed Services Committee by the Honorable William P. Clements, Jr., former Deputy Secretary of Defense. Mr. Clements was intimately involved in determining our Panama Canal negotiating policy and would have been a supporter of these treaties had he not discovered that key provisions of article IV had been changed during negotiations. The original language read:

In the event of any threat to the neutrality or security of the Canal, the Parties shall consult concerning joint and individual efforts to secure respect for the neutrality and security of the Canal through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means. If such efforts would be inadequate or have proved to be inadequate, each Party shall take such other diplomatic, economic or military measures as such Party deems necessary in accordance with its constitutional processes.

Mr. President, I send to the desk for printing an amendment which would substitute this language for article IV as it now exists. The advantage of this language is that it answers the questions that I have raised without undermining the position of the United States or the Government of Panama and is, I believe, consistent with and compatible with the joint statement of October 14, 1977, issued by President Carter and General Torrijos. It also has the advantage of having been approved, according to Secretary Clements, by representatives of the Government of Panama and the United States. This amendment is consistent with the highest objectives of this treaty and will prevent dangerous and painful confusion and confrontation with the Government of Panama in the future.

ADDITIONAL COSPONSORS—EX. N, 95–1

AMENDMENTS NOS. 10 AND 11

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER) was added as a cosponsor of amendment No. 10 and amendment No. 11 intended to be proposed to the Panama Canal Treaty.

AMENDMENT NO. 12

At the request of Mr. DOLE, the Senator from Texas, (Mr. TOWER) and the Senator from Utah (Mr. GARN) were added as cosponsors of amendment No. 12 intended to be proposed to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

AMENDMENT NO. 16

At the request of Mr. HATCH, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Virginia (Mr. SCOTT) were added as cosponsors of amendment No. 16 intended to be proposed to the Panama Canal Treaty.

RESERVATIONS SUBMITTED FOR PRINTING

PANAMA CANAL TREATIES—EX. N, 95–1

RESERVATION NO. 3

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an understanding to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Executive N, 95–1.

RESERVATION NO. 4

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an understanding to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Executive N, 95–1.

Mr. BARTLETT. Mr. President, for some time, the Senate has been involved in extended debate over the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. The length of the debate reflects not only he importance of the Panama Canal to the United States, Panama, and the world, but also concern over divergent interpretations of its provisions. Clearly, there is major dissatisfaction in the Senate with the treaties as they were negotiated. The Senate will inevitably make changes and add reservations to these treaties in order to secure the neutral and efficient operation of the Panama Canal and to maximize the possibility of good relations with Panama and the world.

Over three-fourths of the Members of the Senate have joined with the majority and minority leaders in support of two amendments to the Treaty of Neutrality. Given the testimony received by the Armed Services Committee concerning ambiguous and inadequate economic provisions of the Panama Canal Treaty, it is likely that both treaties will contain altered language prior to the Senate's consent to ratification. Although the process of making these changes is consistent with American constitutional procedures, the resulting treaty documents will be different from the documents recently subjected to approval by a plebiscite of the people of Panama.

I would remind my colleagues in the Senate that the fate of the Panama Canal is as important to the people of Panama as it is to the people of the United States. For that reason, article 274 of the Constitution of Panama provides very specifically for exceptionally careful ratification procedures for any treaty dealing with the Panama Canal. Article 274 reads as follows:

Treaties which may be signed by the Executive Organ with respect to the Panama Canal, its adjacent zone, and the protection of the said Canal, and for the construction of a new Canal at sea level or of a third set of locks, shall be submitted to a national plebiscite.

Many Panamanians have expressed their view that the original 1903 Panama Canal Treaty was negotiated in a less-

than-straightforward manner, and this unusually specific provision for ratification of treaties dealing with the Panama Canal was undoubtedly designed to allay fears that a new treaty might also be negotiated in a cloud of confusion. This is not an unreasonable fear.

Mr. President, the citizens of Panama, like the citizens of the United States, are aware that a treaty is an agreement which is, in many ways, like a business contract. They understand that each side puts forth offers which are either accepted or rejected by the other side. The agreement is consummated when both parties agree to the same terms and express that agreement in language acceptable to both. Essentially, the same procedure applies to treaties.

By altering the treaty language as originally negotiated and as approved in Panama by plebiscite, the Senate is, in effect, rejecting an offer from Panama while at the same time countering with an offer of its own. Were the Government of Panama not to resubmit the treaties as amended to a plebiscite of the people of Panama, its action would seemingly constitute a rejection of the new offer from the United States.

Clearly, to give the proposed Panama Canal Treaties their maximum legitimacy, they must be submitted along with all changes to the people of Panama in accordance with article 274 of the Panamanian Constitution of 1972. Failure to take this step would leave the treaties vulnerable to refutation by subsequent governments of Panama, or for that matter the United States, and might reduce the binding effects of the treaties under international law. In my opinion, such a loophole could work to the advantage of Panama in the future.

Although the Government of Panama is undoubtedly a dictatorship, the rule of law has not completely ceased in Panama. Article 274 of their constitution clearly requires a plebescite prior to ratification of any treaty dealing with the Panama Canal and the present Government of Panama has already acted once in accordance with that provision. Certainly, when confronted with a changed document, the right of the present Government to rule would be seriously called into question if the new language were not submitted to a plebescite.

I believe that the seriousness of this issue can be illustrated by two questions. Do you believe that Panama would accept a treaty that had not been ratified by the U.S. Senate in accordance with our Constitution, when such ratification is required by the language of the treaty itself? And would you, as an elected representative of the American people, give your consent to ratification of a treaty whose language had been changed subsequent to first consideration of the document? I think that the answer to both of those questions is no.

It would be a crime and an injustice to the people of the United States if the Senate were to ignore its treaty responsibilities, and it would be an injustice to the people of Panama, about whose human rights and democracy we have been greatly concerned, not to expect that the treaties as amended would be resubmitted to a plebescite of the people of Panama.

Mr. President, in order to strengthen respect for international law and the constitutional procedures of Panama and the United States, I am sending to the desk one reservation to the Panama Canal Treaty and one reservation to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the reservations were ordered to be printed in the RECORD, as follows:

RESERVATION NO. 3

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservation that before the date of the exchange of the instruments of ratification the President shall have determined that the Republic of Panama has ratified the Treaty, as amended, in accordance with its constitutional processes, including the process required by the provisions of Article 274 of the Constitution of the Republic of Panama".

RESERVATION NO. 4

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservation that before the date of the exchange of the instruments of ratification the President shall have determined that the Republic of Panama has ratified the Treaty, as amended, in accordance with its constitutional processes, including the process required by the provisions of Article 274 of the Constitution of the Republic of Panama".

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. TALMADGE. Mr. President, I wish to announce that the Senate Committee on Agriculture, Nutrition and Forestry will meet Friday, February 24 at 9 a.m., in room 324 to consider the nomination of P. R. "Bobby" Smith to be Assistant Secretary of Agriculture for Marketing Services. Mr. Smith is a farmer from Winder, Ga., and for the past year has been a consultant to Secretary Bergland primarily in the areas of cotton, tobacco, and energy policy.

Anyone wishing further information should contact the committee staff at 224-2035.

SUBCOMMITTEE ON CONSUMER AFFAIRS

Mr. RIEGLE. Mr. President, the Banking Committee's Consumer Affairs Subcommittee, which I chair, has scheduled an additional day of hearings on S. 2470 and S. 2546, legislation to establish consumer protections in electronic fund transfers. The hearings will be held at 10 a.m. on Friday, February 24, in room 5302 of the Dirksen Building.

SUBCOMMITTEE ON PUBLIC LANDS AND RESOURCES

Mr. BUMPERS. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Public Lands and Resources Subcommittee of the Senate Committee on Energy and Natural Resources.

The hearing is scheduled for March 2, 1978, beginning at 9 a.m. in room 3110, Dirksen Senate Office Building. Testimony is invited regarding S. 2234, a bill to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management. This authorization will cover the 4-year period of fiscal years 1979 to 1982.

For further information regarding the hearing, you may wish to contact Ken Goodwin of the subcommittee staff on extension 224-3959. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Public Lands and Resources Subcommittee, room A-420 Immigration Building, Washington, D.C. 20510.

SUBCOMMITTEE ON PUBLIC LANDS AND RESOURCES

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Public Lands and Resources of the Senate Energy and Natural Resources Committee.

The hearing is scheduled for April 12, 1978, beginning at 10 a.m. in room 3110, Dirksen Senate Office Building. Testimony is invited regarding S. 242, a bill to provide for consideration of the comparative productive potential of irrigable lands in determining nonexcess acreages under Federal reclamation laws; S. 1812, to supplement and clarify the Federal reclamation laws, to promote the settlement of family farmers in Federal irrigation projects, to provide for acreage equivalency between class I lands and lands of lesser productive capability, and for other purposes; and S. 2310, a bill to approve certain contracts negotiated pursuant to section 7 of the Reclamation Project Act of 1939.

For further information regarding the hearings, you may wish to contact Mr. Russell R. Brown, of the subcommittee staff on extension 202-24-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Public Lands and Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

ALASKANS DON'T WANT "JEWELS" LOCKED UP

Mr. STEVENS. Mr. President, one of the most important issues that the Congress will decide this year relates to the establishment of lands in Alaska as new national parks, wildlife refuges, wild and scenic rivers, and national forests. The Senate will be called upon to strike a balance between the need to preserve Alaska's natural and scenic wonders and insure that its natural resources are

available for appropriate and reasonable development for the good of the Nation. Unfortunately, the level of debate in the country has often reached a fever pitch of rhetoric. Rather than examining the need for a balanced solution, the issue is too often reduced to that of develop or not develop.

A recent article in the Seattle Post Intelligence points out the need to take a more reasonable approach to this important issue. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Seattle Post Intelligence, Jan. 13, 1978]

ALASKANS DON'T WANT "JEWELS" LOCKED UP

(By Don Clark)

The subject is Alaska, and Alaska's land, and how much it will be carved out for national parks, forests, wilderness preserves, and such. Section (d) (2) of the Alaska Native Claims Settlement Act, passed by Congress in 1971, provided that a portion of federal lands in that state be reserved for these purposes, but failed to legislate the specifics.

Because of this shortcoming, Alaska is in turmoil. Battle lines are formed and those who can't be generals seem to appoint themselves public information officers. The land rush is on, and the would-be "Sooners" are crowding the starting line.

Reasonable and responsible Alaskans and environmentalists join in the hope that meaningful portions of the state's wilderness will be protected and maintained perpetually. Most agree that protection does not preclude the land's traditional role of providing for its people's basic needs.

Then there are the extremists—the few who insist that the meddlers stay home, that Alaska is doing just fine with no controls. Holding up the other extreme are those who would seal Alaska's fate in polyethylene, trapping both its people and its treasures in everlasting limbo.

At a time when constructive and objective minds are needed, it is upsetting to read the rhetoric of Joel Connelly.

Connelly charges against what he sees as a big scare backed up by big buck," and "industry's expensive campaign aimed at minimizing the preservation of . . . the crown jewels of Alaska."

If the language were turned in the other direction, I wonder how he would answer allegations that the real power lies with the conservationists and their proliferation of propaganda campaigns, heavily endowed by the idle rich.

It's all pure bunk, and those playing the D–2 game for personal pleasure or profit should be disqualified. Alaska's land problems are real and serious. In the nearly 20 years since statehood, the State of Alaska and the federal government have yet to confirm title to all the land the state has coming under the statehood entitlement. Then add the complications that came with passage of the Settlement Act. This awarded to Alaska's natives 40 million acres of land they deserve as Alaska's hereditary owners.

Native land choices conflicted with the state's land selections in many cases and in turn, these sometimes interfered with the ambitions of the Bureau of Land Management, the Department of Agriculture, and others. Problems of easements, subsurface minerals, outer continental shelf rights, historic sites, and other priorities further befuddled the planners on all sides.

Inseparably involved in these deliberations are two significant and sensitive issues:

First, what about the original and historic owners of Alaska; the Indians, Aleuts and Eskimos? The land and its surrounding waters often provide most of their sustenance, even today. These people never turned over title to Alaska to anyone, neither the Russians nor the Americans who "bought" Alaska without a title search.

What is the native's reaction to "no trespassing" signs littering his landscape? Anger and despair, plus a generous dash of frustration such as was experienced in Tokyo recently. There the U.S. government meekly nodded its head in assent as the Whaling Commission cut the Eskimo's annual allotment to 12 whales at the same time it increased the harvest of Pacific whales to Japanese and Russian whaling fleets. Many see this as sentencing the Alaskan Eskimos to starvation.

Issue number two is similar. What about the hardy and persevering Alaskan pioneers of the last 100 years or so? They have built homes and businesses, and developed industries to provide themselves with jobs and futures. If, indeed, Alaska is no longer considered a free state of the Union, and becomes a playground for the activists of the Lower 48, then perhaps it should be returned to territorial status.

Despite the arguments propagated by the radical conservationists, Alaskans don't want their country plowed up or otherwise molested. They neither want, nor need, a mass of newcomers crowding in on them. Most Alaskans are conservationists by nature and of the pristine purity of their lands as they are now.

Certain environmental activists have missed the big point. There's a big difference between quietly closing the door, and having the barred door of a jail cell slammed on you.

Connelly argues that the Udall Bill is not confiscatory at all, that we misunderstand. that it "accommodates to Alaskan lifestyles and provides for oil and gas exploration." That's pure whitewash, as those who follow the D–2 legislation will tell you. He also tends to heap credit on Rep. Morris Udall for his understanding, and his willingness to scale down his land grab from 146 million acres to 102 million. What he dosn't point out is that a land mass of more than a million acres is of proportions beyond the imaginations of most, and totally out of reason. A chunk this size, carved out of Alaska, could easily put the state in the deep freeze for generations, if not centuries.

Udall's concession was not voluntary. It was a compromise to save a bill that was in trouble in Congress.

The motive underlying the inclusion of Section (d) (2) in the Native land bill is another story, but it was the intent of Congress that such protective legislation become part of the law of the land, and it is a splendid idea as long as the intent of Congress is maintained in the drafting of the legislation, and that preservation and protection do not become confused with prohibition.

If his lower lip is quivering, the pushy conservationist can only blame himself—because he forgot to do one very important thing at the beginning . . . ask Alaska!

THE TOKYO ROUND

Mr. TALMADGE. Mr. President, the Tokyo Round of International Trade negotiations at last appears to be moving. As hopes rise that these negotiations may in fact produce a healthier climate for world trade, it becomes increasingly important for us to avoid old labels and outdated slogans in evaluating our foreign trade objections.

Whenever this country takes steps to reduce unfair foreign competition against a beleaguered American industry, almost automatic cries of anguish go up that we are irreversibly heading down the road to protectionism. We in Congress must learn to ignore the rhetoric and must examine the merits of each case. This is particularly important because the Congress must approve trade agreements under the Trade Act of 1974.

I am confident that if our trading partners are willing to meet us halfway, we can emerge from the Tokyo round with a substantial reduction of tariffs and nontariff barriers without sacrificing the legitimate interests of our domestic industries. If our negotiators fail to take those interests into account, I see no hope for genuine progress in these negotiations.

One case in point is the rubber footwear industry. This is a small highly labor intensive industry which has been operating in America for well over 100 years. It is an industry benefiting from high tariffs subject to the American selling price method of customs valuation. Despite these barriers, it is also an industry whose domestic market has been eroded by imports to the point where American rubber footwear companies have become a truly endangered species. Manufacturers in Korea and Formosa alone have captured over 50 percent of the market for rubber footwear in the United States.

What does all this have to do with the Tokyo round? The Tokyo round is the most ambitious trade negotiation in history. The major subject for negotiation is government programs which affect trade, whether or not they are intended to do so. The most important example of such a program is foreign government subsidy practices.

We in this country have generally chosen to implement social and public policy through regulation of our domestic industries rather than through Government ownership or subsidies. We have decided that employers should: pay a minimum wage; meet strict occupational and health standards; pay taxes on corporate profits in addition to the taxes on dividends that are paid by stockholders; meet strict environmental safeguards; and deal with a wide variety of Federal and State agencies on every subject imaginable.

Mr. President, as you know, our domestic industries' foreign competitors are not subject to these same costs of production and can therefore sell identical goods in America at below what its American counterpart can. I am not taking issue with these policies, but I am saying that the cost of them must be shared. If they are not, our domestic industries will die from the influx of cheaper foreign goods, our unemployment problems will be multiplied, and the

general taxpayer and consumer will have to shoulder the costs of all of this.

In the rubber footwear industry alone, several efficient and highly competitive companies have either closed or sharply curtailed their operations in recent years in the face of such foreign competition. For example, B.F. Goodrich closed its footwear operation as a result of the cut-rate Far Eastern competition, and Uniroyal and Converse have found it necessary to close many of their plants because of such competition.

I speak of the rubber footwear industry not only because of the seeming anomaly of a large and growing import penetration in the face of fairly high tariffs, but also because I am personally familiar with the efficiency and the high standards of this American industry.

Two leading rubber footwear companies employ some 2,000 workers in the State of Georgia. They are of great importance to the economy of the communities where they are located.

If the Tokyo round cannot succeed without sacrificing small, efficient, competitive, labor intensive industries such as this, then it cannot succeed. It is not protectionist to suggest that any foreign industry—such as rubber footwear manufacturers—which can capture more than 50 percent of the American market for its products ought not to look to this round of trade negotiations to make its access to our market even earlier.

America has a large stake in the Tokyo round. The health of our economy depends on our ability to increase access to foreign markets for many American goods. Our own markets must be readily available to the products of other countries. But, all of this must happen within the limits set by a mutual recognition that every country has a right to the continued survival of long-existing, efficient industries which make substantial contributions to the communities where they exist and which do not survive at the expense of others.

In short, Mr. President, it is not enough for the Tokyo round to deal with broad concepts at the expense of the unique problems of particular industries. This is why, as we enter the critical stage of negotiations, it is important that we give Ambassador Strauss a full opportunity to advance the twin objectives of lowering the barriers to trade and of assuring that industries already seriously endangered by import penetration will not be destroyed. As I said, I have mentioned the problems of the rubber footwear industry only because it is one of our domestic industries with which I am intimately familiar. Where other industries have similar problems, the problems of those industries must of course also be taken into account. The success or failure of this negotiation will depend not so much on agreement to general principles as it will on the recognition that agreement will have to take into account the unusual problems of certain industries.

MARYLAND WELCOMES ASPEN INSTITUTE

Mr. MATHIAS. Mr. President, last week a rich new dimension was promised to the intellectual life of Maryland and the Nation, when Arthur A. Houghton, Jr., announced that he would turn over Wye Plantation to the Aspen Institute for Humanistic Studies.

Mr. Houghton's extraordinary generosity brings to the Eastern Shore of Maryland a world-renowned educational institution that will greatly enhance the cultural life of the State. The programs of the Aspen Institute, too, will be immeasurably enhanced by the charm, beauty and historic connotation of their new setting at Wye Plantation.

The Aspen Institute, as many of my colleagues know, is a nonprofit educational institute that, in the 30 years since its founding, has pioneered, among other things, a remarkable, wide-ranging executive seminar program that brings together representatives from various areas of human endeavor in order to foster mutual understanding and to improve communication, both nationally and internationally.

Last summer, for example, I participated in an Aspen Institute symposium on energy. It was a useful and revealing experience. Each of us at the conference, which included representatives of government, industry, labor, academia, and consumer groups, came to appreciate the others' points of view. We came to recognize that the other side—whatever it was—was more convincing than we had thought at first. We ended our meeting on an optimistic note that has convinced me that consensus on even our most troublesome problems is possible if approached creatively.

The Aspen Institute programs explore new avenues and new approaches to problems old and new. But, everything it does affirms an abiding faith that man is rational and can be entrusted with his future.

I look forward to having the Aspen Institute in our midst. I am confident the people of Maryland join me in wishing it a very warm welcome to our State.

So that my colleagues may appreciate the full extent of Mr. Houghton's generosity to the State of Maryland by bringing the Aspen Institute to Wye Plantation, I ask unanimous consent that an article from the Baltimore Sun of February 15, 1978, "Aspen Institute To Get Wye Estate," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ASPEN INSTITUTE TO GET WYE ESTATE

(By Mary Corddry)

QUEENSTOWN, MD.—Arthur A. Houghton, Jr., the owner of Wye Plantation, has announced he will turn over the estate's land and buildings, including his residence and Eighteenth Century formal gardens to the Aspen Institute for Humanistic Studies.

No formal agreement has been signed, but details of a permanent transfer are expected to be worked out in the next few weeks, a spokesman for the Aspen organization said.

Some of the international institute's activities would be relocated at the Eastern Shore estate on the banks of the Wye River within the next few months.

Aspen Institute, a nonprofit educational institution supported by the nation's major foundation, has its main offices in New York and maintains facilities in Aspen, Colo., as well as Hawaii, Japan, West Berlin and Mexico.

Its chairman is Robert O. Anderson, board chairman of the Atlantic Richfield Company. The institute's supporters include the Rockefeller and Ford foundations; individual gifts and memberships also help support it.

During its 30-year history it has become known throughout the world for its executive seminar programs and conferences drawing together participants from government, industry, the academic world and a range of fields such as agriculture, science and technology, international affairs and communications.

The prospect of having an Aspen Institute facility on the Eastern Shore was described by a person familiar with its programs as "an exciting development for the state."

Mr. Houghton is chairman of the board of Steuben Glass and a director of Corning Glass Works. A spokesman for him said, the Aspen Institute is expected to bring gatherings of world significance to the Eastern Shore.

Joseph E. Slater, president of the institute, discussing the project from his New York office yesterday, called the Shore project "a major step in the institute's development."

He said the proximity of Wye Plantation to Washington will give it a special role as an Aspen facility. He promised a range of year-round activity from conferences on specific energy and economic issues to cultural programs such as those of the Aspen Music Center in Colorado.

Mr. Slater is a former deputy assistant secretary of state for educational and cultural affairs and former director of international affairs of the Ford Foundation.

Mr. Houghton said in the announcement of his plans for Wye Plantation that Aspen Institute is expected to transfer some of its activities later this year to facilities soon to be available, such as the estate's visitors' center and office building.

He said he is planning to build a residence for himself and his family on the estate, after completion of which the present main house and gardens will be used by Aspen.

Mr. Houghton has followed the activities of the institute for many years, Mr. Slater said.

A spokesman for the 72-year-old Mr. Houghton, who has owned the Queen Annes County estate since 1937, said he wants to assure that it will remain intact as well-kept open space. By turning it over to Aspen he has chosen a use for it appropriate to Queen Annes county, where conventional patterns of industrial and population growth have been resisted in favor of a rural economy and character, the spokesman added.

The Aspen Institute will not replace the Wye Institute, another Shore-related foundation program supported by Mr. Houghton. The Wye Insitute's offices, conference center and summer educational camp are on another historic estate called Cheston-on-Wye, adjacent to Wye Plantation.

"It will strengthen our program," James G. Nelson, director of Wye Institute, said.

Mr. Houghton said that atlhough Aspen Institute is a tax-exempt organization, the agreement will provide that it pay the equivalent of real estate taxes to Queen Annes county.

He and Mr. Slater said Aspen intends to recruit as much of its staff as possible from Eastern Shore.

Mr. Houghton's announcement of the plans for the land and buildings follows by only a month the gift of his world-famous herd of Wye Angus beef cattle to the University of Maryland.

CHINA-AMERICAN RELATIONS

Mr. JACKSON. Mr. President, I believe the American Government has been giving insufficient attention to our relationship with China.

In a statement on February 22 following my just completed trip to the People's Republic of China, I emphasized this major point:

The United States has not been giving sufficient priority to our own relationship with the People's Republic of China. Our leadership has been preoccupied with other issues. However important these other issues are, they ought not to become an excuse to slow the development of our relations with China. We should immediately move toward increased and more substantial consultation with the Chinese in areas where we have parallel interests. These consultations must not only be frequent but should be held at the highest official level.

Mr. President, I believe my full statement will be of interest to many of my colleagues.

I ask unanimous consent that the text be printed in full in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CHINA-AMERICAN RELATIONS

(Statement by Senator HENRY M. JACKSON)

I detected a new spirit in China. The Chinese people and their leaders are determined to build a strong and modern nation, and to maintain their own security and territorial integrity. They are also playing an important role in the struggle for stability in key areas of tension around the world.

Despite this reality, the United States has not been giving sufficient priority to our own relationship with the People's Republic of China. Our leadership has been preoccupied with other issues. However important these other issues are, they ought not to become an excuse to slow the development of our relations with China. We should immediately move toward increased and more substantial consultation with the Chinese in areas where we have parallel interests. These consultations must not only be frequent but should be held at the highest official level.

During my stay in Peking, I had frank and friendly conversations over a period of four days with Vice Premier Teng Hsiao-ping, Foreign Minister Huang Hua, Deputy Chief of Staff Wu Hsiu-chuan, Vice Minister of Petroleum and Chemical Industries Sung Chen-ming, Ambassador Hao Teh-ching, and other high officials. We also had the opportunity to look at China's energy developments first hand on a trip through Shantung Province to the Sheng-li Oil Field, to petrochemical complexes in Peking and Shantung Province, and to the Hang-shan coal mine (also in Shantung).

We share with China a common interest in key strategic issues. The lack of normalized relations makes working together on these common concerns more difficult and we should seek to resolve with the Chinese the outstanding issues that stand in the way of full normalization. But we must not let the lack of normalization impede increased consultations on strategic concerns that are the first priority of both ourselves and of the Chinese.

There are important areas in which the interests of both countries run parallel. Most fundamentally, a strong and secure China is in America's as well as China's interest. The Chinese favor a credible NATO and see developments in the Horn of Africa as being closely related to a strong Western position in Europe.

The Chinese support our efforts to build better relations with India and they are not letting outstanding border issues deter them from new initiatives with India. For China, good US-Japan relations are also an important priority.

Although my views on what needs to be done to reach a stable settlement in the Middle East differ from those of the Chinese, their support for the Sadat initiative reflects a Chinese desire to ensure that instability in the region does not open up new opportunities for Soviet expansion.

Of course my positions on SALT and MBFR are well known to the Chinese. They are also concerned that some versions of the agreements now under negotiation could lead to a significant weakening of the forces that will be available to sustain the peace.

In the course of our discussions on arms control issues, I suggested that it would be in the long term political interest of the Chinese to develop the technology to do all of their nuclear weapons testing underground. While the Chinese made clear that they do not want to be bound by any agreement that would prevent them from making above ground tests, they are apparently working on the capability to rely on underground tests. I am hopeful that this capability can be acheived in the near future so that their tests above ground can be ended.

Most fundamentally, the Chinese continue to look to the United States to play a determined and active role in world affairs both at the strategic level and in local areas of tension. They are concerned that we are doing too little rather than too much. At this time, they are especially troubled that our leaders seem not to understand the significance of China's own strategic role.

An essential part of the new spirit in China is their intense commitment to the "four modernizations" of agriculture, industry, science and technology, and national defense, especially to the closing of the technological gap between China and other countries. This determination, as they put it, "to learn from the advanced experience of other countries" is resulting in a new openness towards the outside world.

In this connection, I was glad to hear from the Chinese about the greater movement to and from the People's Republic for overseas Chinese. This policy, which I encouraged, can bring to China new technical expertise and financial resources, while serving the humanitarian aim of reunifying long separated families.

Nowhere is their interest in learning from the experience of others more apparent than in the area of energy. The Chinese are confident that their energy resources are adequate to provide for the modernization of their economy. They have enormous coal reserves and have indicated their own agreement with foreign estimates that their oil reserves may ultimately prove to significantly exceed those of the United States. They are confident, furthermore, of their ability to develop the necessary energy resources.

While the Chinese spirit of self-reliance runs strong and deep, the Chinese appear convinced that American petroleum technology is superior to that available anywhere else in the world. There is a growing receptivity in China to the introduction of foreign technologies which can assist in the goals of mechanization and modernization.

The extent of Chinese receptivity to foreign technology and the degree to which China will enter world energy markets as an exporter of petroleum are still decisions under consideration. They are decisions which could profoundly affect the future world energy situation. China, for example, has just signed an important agreement with Japan to sell modest amounts of oil in the next five years, but further such agreements will be possible only if China can expand oil production substantially.

I have urged on China's leaders the importance of energy development and the potential of American technology in helping China meet her energy goals. Although the absence of normalized relations is seen by the Chinese as an impediment, I am convinced that they would be interested in purchasing petroleum technological goods and services if they can be made available under appropriate conditions through U.S. industry. The role of our government should be to facilitate such transactions. I will urge that Secretary Schlesinger create a small task force in the Department of Energy for this purpose.

In addition, we should promptly move to expand energy exchanges following the successful visit of the Chinese petroleum delegation earlier this year. I suggested to the Chinese that they send a delegation of hydroelectric experts to visit the hydroelectric production and long-range transmission facilities of the Pacific Northwest. Although the Chinese have been active in the development of hydroelectric power, only 2 percent of China's vast hydroelectric potential has thus far been developed.

I would also hope that we could develop a series of graduate and post-doctoral exchanges where their scientists and ours reside and study for a sustained period in major centers of learning and research particularly in such energy technologies as solar energy. The success of China's energy efforts is in our national interest.

Throughout my visit, in Peking, in the provincial cities we visited, and in the remote Sheng-li oil field, I was impressed by the general appearance of the Chinese people. They all were adequately clothed for the cold of this winter weather and they looked healthy and well fed. Provincial officials reported that the indigenous diseases of Asia were no longer problems. Now, in common with most advanced nations, their primary health concerns are cancer and heart disease.

I must mention how warmly received I was by all the Chinese with whom I dealt and I am grateful for the cordial hospitality of my host, the Chinese People's Institute of Foreign Affairs, and its President, Hao Teh-ching. I also want to thank the PRC Liaison Office here in Washington for its contributions to the visit.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

Mr. INOUYE. Mr. President, as the deadline for filing individual income tax returns nears, I am receiving a number of requests from elderly citizens asking again for clarification and enumeration of the changes in our 1976 Tax Reform Act affecting them; and also for the more recent changes which they need to

know in preparing their 1977 tax returns.

To inform and help protect the elderly taxpayers from paying more taxes than are legally due, the Senate Special Committee on Aging has updated its valuable checklist of itemized deductions for the guidance of older Americans. Major revisions were required to the list released last year due to the enactment of the Tax Reduction and Simplification Act of 1977. Several provisions in the new law—such as the "zero bracket amount," new tax tables, and the general tax credit—can ease the tax burden for many of our elderly citizens as well as others, but only if known to the taxpayer when he is preparing his return. The Senate Special Committee on Aging, and those in the Internal Revenue Service who lend their valuable expertise to the preparation of this annual checklist, are to be commended for this ongoing public service.

Scores of the elderly in my home State of Hawaii, struggling to stretch their incomes shrunken by inflation and taxation, have written citing their previous profitable use of this checklist; and asking for its dissemination again in 1978.

To facilitate dissemination of the Senate Special Committee on Aging's helpful revised publication, I ask unanimous consent to have the publication printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1977)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of a taxpayer's adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor)
Acupuncture services
Ambulance hire
Anesthetist
Arch supports (prescribed by a doctor)
Artificial limbs and teeth
Back supports (prescribed by a doctor)
Braces
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs
Chiropodist
Chiropractor
Christian Science practitioner, authorized
Convalescent home (for medical treatment only)
Crutches
Dental services (e.g., cleaning, X-ray, filling teeth)
Dentures
Dermatologist
Eyeglasses
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed)
Gynecologist
Hearing aids and batteries
Home health services
Hospital expenses
Insulin treatment
Invalid chair
Lab tests
Lipreading lessons (designed to overcome a handicap)
Neurologist
Nursing services (for medical care, including nurse's board paid by you)
Occupational therapist
Ophthalmologist
Optician
Optometrist
Oral surgery
Osteopath, licensed
Pediatrician
Physical examinations
Physical therapist
Physician
Podiatrist
Psychiatrist
Psychoanalyst
Psychologist
Psychotherapy
Radium therapy
Sacroiliac belt (prescribed by a doctor)
Seeing-eye dog and maintenance
Speech therapist
Splints
Supplementary medical insurance (Part B) under Medicare
Surgeon
Telephone/teletype special communications equipment for the deaf
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)
Vaccines
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health)
Wheelchairs
Whirlpool baths for medical purposes
X-rays

Taxes

Real estate
State and local gasoline
General sales
State and local income
Personal property

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.

Other charge accounts for installment purchases—may deduct the lesser of (1) 6 percent of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) or (2) the portion of the total fee or service charge allocable to the year.

Casualty or theft losses

Casualty (e.g, tornado, flood, storm, fire, or auto accident provided not caused by a will-

ful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box for income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1978, you will be entitled to the additional $750 personal exemption because of age for your 1977 Federal income tax return.

"Zero Bracket Amount" (Standard Deduction).—The former standard deduction has been replaced by a flat amount the law calls "zero bracket amount." This amount depends on your filing status. It is no longer a separate deduction as such; instead, the equivalent amount is built into the new simplified tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, taxpayers who itemize deductions will need to make an adjustment. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

New Tax Tables.—New simplified tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Now, even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you no longer need to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

General Tax Credit.—The general tax credit has been revised to take into consideration the exemptions for age and blindness. Married taxpayers filing separate returns will now be limited to a credit based on $35 per exemption.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $35,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $35,000, an election may be made to exclude part of the gain based on a ratio of $35,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Alimony Paid.—Payments for alimony are now adjustments to income. You no longer have to itemize deductions to claim a deduction for alimony you paid.

Credit for the Elderly.—An expanded and simplified credit for the elderly has replaced the former more complex retirement income credit.

A taxpayer may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if the taxpayer is:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

To be eligible for this credit, taxpayers no longer must meet the income requirement of having received over $600 of earned income during each of any 10 years before this year.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If a taxpayer maintained a household that included a child under age 15 or a dependent or spouse incapable of self-care, a taxpayer may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable the taxpayer to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—A taxpayer who maintains a household for a child who is under age 19, or is a student, or is a disabled dependent, may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if a taxpayer reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, the taxpayer may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

DEPARTMENT OF EDUCATION

Mr. RIBICOFF. Mr. President, Rufus E. Miles, Jr., has written a most important letter to the New York Times on the Department of Education.

Mr. Miles is presently a senior fellow at Princeton University's Woodrow Wilson School of Public and International Affairs.

Mr. Miles was Assistant Secretary for Administration of HEW for many years. He knows HEW inside and out. His thoughts are very worthwhile to share with my fellow Senators. It is significant that the American Society for Public Administration for the first time in its history has given its formal endorsement for the establishment of a Department of Education.

I ask unanimous consent that this letter which appeared in the New York Times on February 23, 1978, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FIVE GOOD REASONS FOR A DEPARTMENT OF EDUCATION

To the Editor:

As a former Assistant Secretary for Administration of H.E.W. and student of government organization, I must take strong exception to your two recent editorials opposing a Cabinet Department of Education. There are at least five good reasons for creating such a department.

First, education is one of the most important values of American society. Its institutions directly involve more than a quarter of the population. It deserves a full-time spokesman at the highest level of government.

Second, H.E.W. has become gargantuan and unmanageable. Its 1979 budget of $181 billion dwarfs all other domestic departments, with the health and welfare components demanding the overwhelming proportion of that budget and of the attention of the H.E.W. Secretary.

Third, education can be split off from the rest of H.E.W. without adding to the burdens of the President; in fact, a Cabinet Secretary of Education could improve the coordination of education programs throughout the Government.

Fourth, Cabinet positions can attract the most able persons in the country; lower-level positions cannot.

Fifth, a Secretary of Education would, in fact, have more leverage in obtaining a fair share of the Federal budget for education than would a Secretary of H.E.W., despite your contrary assertion.

The American Society for Public Administration understands these reasons and, in consequence, has given its formal endorsement—the first such endorsement in its history—to the creation of such a Cabinet department.

Your proposal for the adoption of the Defense Department model of sub-Cabinet secretaries within H.E.W. would gain none of these five advantages. Not one person in a thousand knows the name of even one of the three sub-Cabinet secretaries in the Defense Department. They have little prestige or leverage in or out of the Pentagon building and negligible influence on the defense budget. The Defense Department model denigrates the title of "Secretary." What is needed is a real Secretary of Education in the President's Cabinet and in the consciousness of the public.

RUFUS E. MILES, Jr.

PRINCETON, N.J., *February 13, 1978.*

ARTHUR E. BENEDICT RECEIVES WORLD WAR I VICTORY MEDAL

Mr. LEAHY. Mr. President, on December 21, 1977, it was my great honor and pleasure to present the World War I Victory Medal to Mr. Arthur E. Benedict during a dinner held in his honor by his many friends in Middlebury, Vt. Mr. President, I want to take a few moments this morning to share a few thoughts with my colleagues about this award, the dinner, and Arthur Benedict.

In an era in which our thoughts rightfully turn to peace with a certain revulsion to the thought of any warfare, we sometimes forget that this country has fought several wars that were essential to our survival as a free nation. They were efforts that enjoyed nearly universal support within the country as opposed to our more recent experiences.

To the extent that we forget those earlier conflicts, we forget some of our most important history. In presenting the World War I Victory Medal to Mr. Benedict, we reaffirmed those values that men like Arthur Benedict fought valiantly to preserve.

Each of my colleagues comes from a State with small towns, but Vermont is composed entirely of small towns. The State's special character is merely an amplification drawn from the special character of its towns.

Middlebury is such a town, and it was refreshing to me to see so many friends of Mr. Benedict turn out on a cold and snowy Vermont evening so near Christmas. It is obviously a reflection of the special feeling Mr. Benedict's friends have for him, but it is also a reflection on the town and the State that such occasions have not disappeared in the commotion of the times as they have in all too many areas of the country.

Finally, I would like to take a few moments to tell you about Arthur Benedict's military record for his story is truly a Vermont and American story.

At the age of 22, Mr. Benedict, who was born in Cornwall, Vt., enlisted in the Army at Camp Devens, Mass. on April 29, 1918. While with the 303d Field Artillery, Mr. Benedict saw action in France in the Marcheville and Pinthonville-Butgneville-Bois de Harville offensives.

He returned to the United States in April 1919, and was discharged honorably on May 1, 1919. His official record indicates that at the time of separation, he was single and of excellent character. In accordance with an act of Congress, he was paid a bonus of $60 and given a railroad ticket back to Middlebury.

Mr. Benedict's military history is both special and typical: Special because any American who saw combat in defense of this country is special and deserves recognition, and typical because it is true of so many Americans.

For all these reasons, that night was remarkable. I applaud Mr. Benedict and all his friends in Middlebury for making it so.

ISSUES BEFORE THE ENERGY CONFEREES

Mrs. HUMPHREY. Mr. President, I want to briefly review my thinking on several key energy issues before the House-Senate conferees on the administration's energy proposals.

The foremost subject at issue before the conferees is natural gas pricing. The House, as my colleagues know well, supported the President's decision to extend price controls on natural gas to the intrastate market. This provision also sharply increased the regulated price for gas at the wellhead and built in automatic price increases in the future to offset inflation. The Senate largely disagreed with the House and the President, and voted to gradually deregulate natural gas over a number of years. This provision was designed to minimize the inflationary impact of the resulting higher wellhead prices. Nevertheless, the administration has predicted that this provision would ultimately raise consumer gas prices by as much as $10 billion annually.

Our natural gas producers need sufficient revenues to undertake the terribly risky, exacting, and expensive chore of locating new gas fields. Equally important, they need a resolution of the gas pricing issue once and for all. The uncertainty surrounding this issue has been the single most serious obstacle recently to gas exploration. Finally, producers need to know that future prices will cover inflationary increases in their costs.

At the same time, however, consumers—housewives, farmers, fertilizer producers, and businessmen—need to be protected from the OPEC cartel. Individually or in small groups, consumers have insufficient power to bargain for reasonable prices with OPEC. Consequently, it is up to their Government—which has the responsibility to protect them from manipulated prices—to protect them from the collusively set OPEC energy prices.

I am convinced, Mr. President, that complete natural gas price deregulation will quickly result in prices at or above the equivalent OPEC cartel price for oil. There is no inherent attribute to that price level; it is solely based on the desire of OPEC members to maximize profits at the expense of consumers. The Congress has an obligation to protect consumers from manipulated OPEC prices. And it can only fulfill that obliga-

tion if the conferees accept the President's concept—permitting higher but regulated prices for natural gas. I might add my conviction that such a plan will not needlessly reduce gas supplies or the level of exploitation. In fact, by eliminating uncertainty regarding wellhead prices, the conferees may actually see production increase.

A second related issue before the energy conferees involves distribution of revenues from the crude oil equalization tax (COET). Again, the House and Senate disagreed, with the latter seeking to divert a portion of these tax receipts directly into energy investments. COET receipts would be collected directly from consumers and business. These receipts, as a consequence, will sharply and directly reduce consumer purchasing power, employment, and production and corporate income. If these revenues are not channeled directly back to consumers as tax rebates, built into the withholding structure, we face a real threat of a COET induced recession. Money paid to the COET fund is money not available for consumer spending—it is money not available to pay wages or dividends, and it is money which cannot be used to hire new employees or retain existing ones.

It is critical that COET not become a recessionary force in our economy as we try to reduce unemployment to reasonable levels. And, the only sure way to avoid a COET fiscal drag is to rebate energy COET dollars back to consumers. In that way, COET will serve its purpose of diminishing the relative attractiveness of oil; but without needlessly increasing unemployment or acting as a fiscal drag on the economy.

ONE JOB, AND THEY WOULD HAVE HAD SMOOTH SAILING

Mr. McGOVERN. Mr. President, unemployment is certainly one of our most serious problems. To most of us in the Senate, unemployment is too often merely a set of statistics or a line on a graph. Rarely do we experience or see firsthand some of the serious social and human consequences of unemployment.

I have found an article recently published in the Boston Globe by a well known psychologist and author, Dr. Thomas Cottle of Harvard University and Amherst College. Although the article is fiction, I believe that it portrays graphically the horrible human consequences of unemployment.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Nov. 6, 1977]

ONE JOB, AND THEY WOULD HAVE HAD SMOOTH SAILING

(By Thomas Cottle)

Ed Zegler was in on everything. What he didn't actually witness, he heard through the walls, or his wife Frances heard, or his children heard.

Everybody at 1826 South Peletus knew about Peter and Stacey Bennett. They knew when he was hitting her and when she was hitting him back, and when one of them was beating up on their children, and particularly when it was the baby, Margaret Ann, only a year and a half, who was the victim of their fury.

When it was evident to everyone that Peter Bennett's employment situation was, to say the least, uncertain, Ed Zegler told his wife: "That family's not going to make it. That family is going down very fast."

While he never liked Peter Bennett, Ed Zegler never wrote him off completely. He felt for the man, and while he never sat down and analyzed Bennett's life, he knew from the little they had talked and from what he had seen and heard everyday exactly what was happening to Peter Bennett.

"I saw the man hit his wife on two occasions. I heard them fighting first. She's yelling at him, 'You couldn't hold a job if they tied it to your neck, for Chrissakes. You're the biggest phony I've ever met. Grown man not working. There are jobs. You just don't want to work.'

"Oh, she'd give it to the guy real good. But he'd come right back at her. 'If you're such a big deal, he'd be yelling, 'why the hell don't you get a job? You think they're so easy to get, you get one.

" 'I'll work over your dead body,' she'd tell him 'You run around like a guy with no arms. You're a goddam baby.' I mean, she'd really pull out the guns on him. She could be a devil. But he'd sulk around. I was there. Right in the kitchen one night and in front of me they put on one of their shows. I have to admit I was a little alarmed at first.

"It started sort of slowly, if you know what I mean, so I couldn't tell for sure if they were even serious, although we'd heard them fight before, so I knew they weren't just kidding around. But in the beginning they'd push at each other, or shove, like kids—little kids who want to fight but they don't know how. Then, this one time, while I'm standing there not sure whether to stay or go and them treating me like I didn't even exist, she begins yelling at him like she did.

" 'You're a bust, you're a failure, I want you out of here. I can always get men who'll work, good men, not scum like you,' and they're pushing and poking with their hands, like they were dancing. She pushes him, he pushes her, only she's doing all the talking. Bennett himself isn't saying a word. Nothing.

"Then all of a sudden, she must have triggered off the right nerve because he lets fly with a right cross that I mean stuns, I mean she goes down like a rock! And he's swearing at her, calling her every name in the book. Jesus, I don't know what the hell to do.

"What I wanted to do was call the police. But I figured, how can I call the police and add to this guy's misery, because she was pushing him. She was really pushing him about not working. I'd have done something to her myself. I mean, that's the way you have to gauge these things. She was beginning to churn up my own stomach pretty well by then. What she was doing, see, was first trying to convince him that he was no better than a baby.

"Then another time, he finally got it from her. I happen to know that was on a night he'd just been told a part-time job he had was going under. You can't imagine these things happening. A man is out of work, his wife tells him he's no longer a man, she goes and finds another guy, and I'm sure that's just to get even with her husband, and they're fighting to beat the band, and this time Mr. Bennett had an enormous gash on his arm 'cause she was breaking bottles and throwing them at him, and you have these two little children sleeping through the whole thing.

"You know, when I see a thing like that, I'm always telling myself, here I am, sitting in front of the TV a little tired, maybe a little bored with my life, too. The same event, the same routines, and I sit there wondering, you know, what am I feeling down for, or what am I feeling so special for feeling this way because everybody in the country, I imagine, feels this way more often than they'd like to admit.

"Once, you know, they were screaming at each other during the day. I was at work, my wife was shopping, but it happened to be a day my kid, Tommy, was home sick with a cold. Well, they're going at it and he hears it, all of it. This time they're calling for *him*. And this boy goes in there and there they are, and the man, Mr. Bennett, Tom says, is naked, and his wife is in her slip, and they're going at each other—are you ready?—with knives and forks.

"Regular knives and forks. Stuff is flying through the air and they're swearing like usual, and here's my son, his mouth hanging open. I'm sure, and coughing and sneezing and he walks in on these two very sad people and sees what he sees.

"But he stopped them. He stopped them. Because they were like children, and as soon as anybody, even a 14-year-old kid, comes in and tells them to stop and behave themselves, they stop. They were just like obedient children.

"But again that time, the topic was his not having a job. She couldn't stop that. It drove her crazy—not to say what it did to him. It was more than money and security with her, and with him.

"People out of work are beaten people. They do to themselves the same thing not having a job does to them. They beat themselves, and they beat each other.

"I'll tell you, in the beginning, I thought they were both strange people, nuts. Honest to God, I made up rhymes about them. I felt ashamed that what they were doing to one another was going on under the same roof I was living under. I was ashamed. But I never realized how this unemployment business was affecting people, changing them, destroying them. The Bennetts were dying on the floor below me. They were dying, and I joked about them."

Francie Zegler said she smelled the smell of death when she accidently met the Bennetts as they were unpacking. They could not have been more charming or neighborly, but there was something about them, something they were hiding. When Mr. Bennett was seen hanging around the apartment house for hours at a time during the day, she knew exactly what problem these two people were facing.

"In the beginning I thought he might have been a mental case. Or maybe she was. I didn't really feel they were crazy, but something was off. Then, of course, it came out that Mr. Bennett hadn't been able to find work and Mrs. Bennett felt it wasn't her role to work. She thought it would only hurt him more if she found work when he couldn't, so she didn't try. She told me on several occasions she was willing to take the welfare amount until he found something. He'd get steady work, no matter what it paid, and they'd be able to straighten their lives out.

"But I was becoming aware of their problems. All the talk about moving to where it was better was part of the lie they kept with one another and everyone they met. So I accepted it.

"Mrs. Bennett, she came up to our place every once in a while. Never stayed if any-

body else was home. I'll never forget that woman's face as long as I live. She couldn't have been more than early thirties, maybe younger. But she looked like she was in her mid-forties.

"She had these terrible lines around her eyes like I've never seen before on anyone. This terrible purple, blue color around her eyes too, like she was an actress with makeup on. Her teeth were bad, like she never brushed them, and her hair always seemed so dirty. But the thing I remember the most was the way her eyes looked like they had been cried out. Like she had no more tears to cry. That's where you could see she was finished—in her eyes. Mr. Bennett, who I don't remember nearly so well, he looked the same way. Ed called them the couple with the workless eyes.

"There were only a few conversations, nothing too much, but she told me how she fought with her husband and refused to sleep with him in the same bed. She said she knew it wasn't a good idea, but she had her principles.

"I told her it was none of my business, but since the job market was so terrible, it didn't make much sense for her to be tough on her husband. She said she knew that, but she had her pride. She said she couldn't go home to see her mother because her mother wouldn't talk with her because Mr. Bennett didn't have a job. She didn't even bother to telephone her mother. She'd tell her husband he was the reason she couldn't have a relationship with her own mother.

"That's how it went with Mrs. Bennett. I'd be ready to bawl her out and she'd come to me and tell me her side of the story. I couldn't do anything because she was trying to tell me she had pride and a sense of shame about it.

"That's the part that was so strange. Mrs. Bennett believed she was doing a great thing just by the fact that she stayed with her husband and children. That was her act of courage, if you could call it that, and I think you could. I think you could say she was a courageous woman.

"The Bennetts, they knew by the time they moved into this building they were dying. When she said to me that first day, 'We're only going to be here a little while.' I knew what she was saying. She was telling the world, 'I'll be here 'til I die.' It was the end of the line and she knew it.

"So you think, how, because you can always look back, if a job, not even the greatest job in the world had come up, these people might have been spared all they had fall on them. No one needed to give them advice or tell them about other families going through the same thing they were going through. They needed some company to come to them and say, 'Here, Mr. Bennett, here's a job. You need a job, we'll give you this one.'

"One job and they would have had a little smooth sailing, a little more time. But there was no way I could give her time."

Francie Zegler was not the first person to be awakened by the commotion that cold February night. Ed woke first, certain their apartment was being robbed. Listening more intently, he realized the noise was coming, as usual, from the Bennetts.

But it wasn't fighting, or furniture being thrown, this time. There had been an explosion. He roused his wife and told her what he thought he had heard. Francie told him he was dreaming.

No, he protested. He had heard an explosion which sounded like a gun firing. Then, as she was about to speak, they heard a gunshot and saw lights going on in apartments across the small courtyard.

Edward and Francie knocked on the Bennetts' door for more than a full minute before they tried opening it. The door was unlocked. The living room lights were on and a strange smell hung in the air, as if someone had left burnt food in the kitchen.

Ed ordered Francie to go upstairs and phone the police. Alone, he tiptoed into the kitchen where he found Stacey Bennett seated in a chair, her head lying face down in the white Formica table. There was blood on the table and the floor. She was wearing a blue bathrobe and was barefoot. And she was dead.

He ran from the room, left the Bennetts' front door open, raced up the one flight of stairs to his own apartment, locked himself inside and leaned against the door, as if he were preventing anyone from entering.

A few minutes later the police arrived to find the body of Peter Bennett lying on his bed. He had shot himself in the head. Unbelievably, the baby, Margaret Ann, and her sister, Marie, had slept through the noise.

Now, several years later, Ed Zegler cannot decide whether he remembers a great deal or a little about that one night. At times, he can replay the events in his mind without skipping a single detail; at other times he cannot make himself recall anything, not even the sight of Stacy Bennett dead in the kitchen.

One fact, however, he always remembers. A policeman asked him whether he knew Mr. Bennett. Ed said he did. Then the policeman, his eyes focused on a little notebook, asked: "Have you any idea what he did for a living?"

SECRECY AND DISCLOSURE SUBCOMMITTEE HEARINGS

Mr. BIDEN. Mr. President, next week the Subcommittee on Secrecy and Disclosure of the Senate Select Committee on Intelligence will conduct hearings on the use of classified information in litigation. These hearings will pertain to a matter of vital interest to those of us who have been engaged in congressional oversight of the intelligence community. We have learned through our study of the administration of the espionage laws that secrecy surrounding the use of classified information has hindered both the investigation and prosecution of crimes related to the national security. We have learned that fear over disclosure of classified information during criminal trials has been a significant factor in leak investigation; investigations of classical espionage, that is the covert passage of secrets to foreign powers; and even in some bribery, narcotics, and even in at least one murder investigation.

In some of these cases apparently defense counsel aware of the reluctance of the intelligence community to proceed in cases where disclosure is possible, exploit the sensitivity and in effect thwart the administration of justice. One intelligence community memorandum described this process as "gray mail."

A recent editorial in the New York Times pointed out that Attorney General Bell faced a similar problem as he engaged in plea bargaining with former Director of Central Intelligence Richard Helms in the case of his alleged perjury before a congressional committee. The Times editorial warned that if some effort was not made to develop procedures for the use of classified information in criminal trials, the defendants in cases requiring the use of national security information might engage in a form of "blackmail" which courts might find "legitimate."

The overriding concern of the Secrecy and Disclosure Subcommittee, which I chair, is that a failure to resolve this dilemma on the use of intelligence information in criminal prosecutions, might seriously undercut the committee's effort to develop statutory charters and restrictions on the intelligence community. To be more precise, if we attach criminal sanctions to some of the restrictions for foreign intelligence activities proposed in the charter, a failure to resolve this dilemma would raise the possibility that any intelligence official charged with a violation of the prohibition might be able to use intelligence information to avoid or limit prosecution.

In the hearings next week we intend to address this problem and explore possible solutions with officials of the executive branch, both the intelligence community and the Department of Justice; Federal judges; former prosecutors and defense counsel; and law professors and representatives of various public interest groups who have expressed concern about this problem.

The first day of hearings is set for March 1 at 10 a.m. in room 457 in the Russell Building, at which time we will hear from Admiral Turner, Director of Central Intelligence, Deputy Attorney General Benjamin Civiletti, and Philip Lacorva, formerly of the Watergate Special Prosecutor's Office. On March 2, at 10 a.m. in room 318 in the Russell Senate Office Building, we will hear from Federal Judge Frank Kaufman of Baltimore, who handled a serious espionage case where many of these issues arose, and the Chief Judge of the Court of Military Appeals, which has handled a number of espionage cases involving military personnel. And finally, on March 6, at 10 a.m. in room 1318, Dirksen Senate Office Building, we will hear from former Director of Central Intelligence William Colby, former CIA General Counsel Lawrence Huston, Prof. Charles Nesson of Harvard Law School, and finally Morton Halperin who will represent the American Civil Liberties Union and the Center for National Security Studies.

Finally I would like to ask unanimous consent that a speech which I delivered at Bowdoin College in Maine last November on this subject be printed in the RECORD in order that Members of the Senate have a better understanding of the precise issues which are likely to arise in these hearings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PRICE OF SECRECY

(Address by the Honorable Joseph R. Biden, Jr., at Bowdoin College, Brunswick, Maine)

I would like to share with you today a dilemma which I face almost every day as a

United States Senator, especially as a member of the Senate's Select Committee on Intelligence, and as a member of the Foreign Relations Committee. This dilemma, indeed I would call it a puzzle, results from the existence within our democracy of a body of information which we call national secrets, and organizations within our government which operate almost totally in secret, the intelligence community.

Perhaps I can best explain that dilemma by summarizing my reactions to the briefings I received as a member of the Committee. I cannot and will not discuss with you the details of what was disclosed in those briefings, but I can tell you my reactions.

I came to the Committee with a certain skepticism about intelligence activities, a healthy skepticism which I still have. However, after the first few briefings it became clear to me that there were indeed activities of the intelligence community that were in the national interest and that by their very nature had to remain secret. Without going into actual espionage operations which I would obviously be banned from discussing publicly, allow me to give you a few hypothetical examples of the kinds of operations which I feel deserve secrecy.

There are forms of technological spying of which I am sure you have read in the newspaper. These operations are critical to our efforts to achieve an international understanding with respect to disarmament. Without the capability to verify and monitor compliance, a SALT agreement would be impossible. Furthermore, the technological monitoring and spying systems must be kept secret because their effectiveness can be so easily frustrated by a government attempting to avoid compliance with any such agreement.

I have also not found it difficult to defend absolute secrecy with respect to CIA covert operations directed against terrorism and narcotics. We expect the CIA to attempt to recruit spies within the various terrorist groups that have been hijacking airliners and murdering both crew and passengers, and to penetrate the major drug trafficking rings around the world in order to frustrate the flow of hard drugs into the United States. If we expect the CIA to do these things then it must be able to offer to those spies who are obviously risking their lives the promise of complete confidentiality. Similarly, take the not uncommon hypothetical case of an American military officer who has been approached by the Soviets to engage in espionage but instead reports the approach to the FBI and is willing to cooperate in an FBI effort to catch the Soviet spies. He is also entitled to a pledge of absolute confidentiality.

Having conceded the need for this secrecy and indeed secrecy in other areas which I have not even mentioned pertaining to intelligence, I found myself faced with a terrible dilemma. I was immediately reminded of those basic principles of democracy which we all learned in high school civics, that the basic foundation of democracy is consent of the governed, and that the essence of consent is trust and candor from those who govern.

I remembered reading Alexis de Tocqueville's "Democracy in America" written in the late 18th century in which he described with enthusiasm the American democracy as the most vibrant in the world and the hope of mankind. However, I will never forget a passage in "Democracy in America" in which he warned about the tendency of our government to centralize power and increase secrecy and he pictured a centralized power in our government which:

"Does not tyrannize but . . . compresses, enervates, extinguishes and stupifies the people, until each nation is reduced to nothing better than a flock of timid and industrious animals of which the government is the shepherd."

I remembered studying the writing of other political scientists who argued that de Tocqueville's, Rousseau's, and Aristotle's concept of democracy are no longer feasible, and that the only feasible alternative was a form of "democratic elitism". For the first time in my political life I am prepared to buy that argument.

However, the question I keep asking myself is am I becoming one of those "shepherds" of a "flock of timid and industrious" citizens blinded by secrecy. I seem prepared to keep from my fellow citizens information which was imparted to me as a part of that "elite". That is the dilemma—how can we have secrecy in a democracy based on the principle of consent of the governed?

I have just finished an excellent book on this subject by David Wise entitled "The Politics of Lying," which provides greater focus to my concerns about the competition between secrecy and democracy. I was particularly struck by a newspaper article which Mr. Wise summarizes at the beginning of the conclusion to his book.

According to this article, published in June of 1970, a survey conducted by the Knight Newspapers of 1700 individuals in 6 American cities, indicated that a substantial number of Americans do not believe that their government landed a man on the moon. In Macon, Georgia 19 percent of those interviewed doubted the moon landing; in Charlotte, North Carolina 17 percent and Philadelphia 9 percent, Miami 5 percent, Akron 4 percent and Detroit 2 percent. When asked why they believed the government would play such a hoax upon them, many responded that they believed that their government had done it to fool the Russians and the Chinese, or that it had been done to justify the great cost of the space program.

This survey was conducted in 1970, two years before the Watergate break-in; four years before the resignation of Richard Nixon. Surely a survey taken in 1975, 1976 or 1977 would indicate an even greater distrust among people in their government. Indeed, Jimmy Carter ran on a platform of restoring credibility in the office of the Presidency and in the government generally.

Surely at the heart of this basic distrust is the legacy of deceit and secrecy which has characterized our government's activities in the national security sphere over the last decade. Although some of the secrecy was legitimate, most of the secrecy and almost all of the lying was borne of a certain contempt by the government that the average American could not understand affairs of state. Presidents, Secretaries of State, Defense and the CIA deceiving the Congress and the American people about the U–2 incident, Vietnam, Cambodia, covert actions in Chile, and numerous other countries around the world have created a conventional wisdom even among educated people in this country that the government does not tell the truth and rarely, if ever, tells all.

As a member of the Intelligence Committee of the Senate I am part of a new solution to this problem of deceit in the name of national security, a new effort to accommodate secrecy with democracy. This solution is called Congressional oversight of the intelligence community.

In effect Congress has struck a deal with the Executive branch. In 1976 the Senate said we in the Congress must and will oversee on behalf of the American people the activities of the intelligence community no matter how sensitive, no matter how vital to the national security. But in return we promise to keep your secrets no matter how outrageous they might be. Granted we did reserve a limited power to unilaterally declassify secrets provided us, but that procedure has rarely been used.

This arrangement is a form of "democratic elitism" because those of us on the Committee are not only reviewing secret information on your behalf but on behalf of other members of the Senate as well. The Committee was deliberately constituted to reflect in its membership the political positions and philosophy of all the members of the Senate, and therefore the Committee contains a full spectrum of political views. Furthermore, it has representatives of the four major committees which are concerned about intelligence operations—Foreign Relations, Armed Services, Appropriations, and Judiciary. But make no mistake about it, the Committee is deliberately designed to be a substitute for those committees and the other members of the Senate and except in unusual circumstances we do not share what we find with the rest of the Senate. It is an imperfect arrangement but it is the best we can devise for the moment, and therefore I endorse it.

I would like to now summarize for you very briefly the activities and agenda of our Committee, and then discuss with you an incident that occurred just last week which could, if misinterpreted, threaten the continuation of this very delicate arrangement.

Under the leadership of its first Chairman, Daniel Inouye of Hawaii, the Intelligence Committee has established oversight procedures for the whole intelligence community. We are routinely informed of many delicate and sensitive intelligence operations, similar to the types of operations I described earlier. We are also required by statute to be informed of all so-called covert actions, efforts by our government to do more than simply collect intelligence, but to actually influence events. We must also be informed of any information pertaining to improprieties and illegalities engaged in by officers and agents of the intelligence community. Procedures are also being established for review of sensitive electronic surveillance and other intrusive investigative techniques directed at American citizens.

Each year the Committee, through its Budget Subcommittee, carefully reviews the budgets of each of these agencies. Last year for the first time in history the Congress actually reviewed, through this Subcommittee, the exact amounts expended by each intelligence agency for each intelligence operation. This oversight project consumed 20 legislative days and involved the interview of over 300 intelligence agency officials and review of thousands of intelligence documents. This review has already had some impact on intelligence operations. The power of the purse has become a powerful weapon in oversight.

The Committee has authority to and has actually conducted a number of extensive interviews into allegations of improprieties by the intelligence community. We have actually reviewed in great detail thousands of documents, in particular espionage operations awry. For example, this last year the Committee issued a report on spying operations in Micronesia and held public hearings on new information about CIA drug testing and behavior modification projects. The Committee has established a special Subcommittee for the purpose of reviewing allegations of impropriety and has hired its own team of special investigators.

I chair a Subcommittee on Secrecy and Disclosure. We have been focusing on the problem of leaks of classified information and what sanctions should or should not apply to the unauthorized disclosure of intelligence

information. We have also attempted to develop more precise definitions of what not only the Executive branch but our Committee should be required to make public on the one hand, and required to keep secret on the other.

Finally, perhaps most important, the Committee has devoted a large amount of its energy to developing statutory charters which will establish in permanent legislation the do's and dont's for the intelligence community. The legislation will create clear authority where it is ambiguous and precise prohibitions where they do not now exist.

Ultimately the explicit prohibitions in this comprehensive charter will be enforced by both criminal sanctions and the authority of private citizens who are victims of violations of the charter to sue the government for damages. Furthermore, all of the provisions of the legislation will be enforced by regular oversight by our Committee and a similar committee in the House of Representatives.

The solution then that seems to be emerging to the dilemma of secrecy in a democracy is a mix of checks and balances, a mix of legislative prohibitions enforced by Congressional oversight and judicial sanctions. A basic premise of that system is that although the intelligence community cannot be held publicly accountable in the press, it can be held accountable before the secret processes of our Committee and in extreme cases before the courts in the violation of explicit statutory prohibitions to be developed by that same committee.

Two weeks ago the Attorney General of the United States entered into an agreement with the former Director of the Central Intelligence Agency, Richard Helms, which has the potential of disrupting this whole delicate arrangement. On November 1, Richard Helms pleaded nolo contendere to a charge of lying to a Congressional committee. In exchange for that plea, Attorney General Bell promised not to seek a prison term for Mr. Helms. That sequence could set the precedent for making intelligence officials immune to accountability by not only Congressional committees, but by the judicial branch as well.

For the purposes of our discussion tonight, permit me to review with you the basic facts of the Helms case. In February of 1973, Richard Helms, who was then a nominee to be Ambassador to Iran, appeared before the Foreign Relations Committee, a committee of the Congress which at the time had responsibility for oversight of the CIA. During that hearing he was asked questions about the Agency's involvement in attempting to prevent Salvador Allende from becoming President of Chile. Despite the fact that Helms was completely knowledgeable about CIA's efforts to prevent the Allende election, he deliberately deceived the Committee by denying any Agency involvement. He did not simply state that he should answer in executive session or even tactfully avoid answering the question. He deliberately deceived the Committee.

Similarly, in March of 1973, he appeared again before the same Committee in connection with its inquiry into allegations that the CIA and the International Telephone and Telegraph Corporation had attempted to influence the presidential election in Chile in 1970. Again, he deceived the Committee by denying any Agency involvement.

All of my information on this case is based entirely on newsclips in that the Committee has generally taken the position that it will not question the Attorney General on an ongoing criminal case and we have not had the opportunity to discuss this matter with the Attorney General.

Apparently within a year of the incident in the Spring of 1973, the Department of Justice began to investigate the possible perjury by Helms. According to a news story which appeared in the Wilmington News Journal in February of this year, then Attorney General Saxbe entered into an agreement with Edward Bennett Williams, Helms' attorney, not to proceed with the prosecution. According to the News article, "Helms might feel compelled to discuss the role of Kissinger, ITT, Nixon and others in Chile. And that is why Justice backed off." However, when Edward Levi became Attorney General he decided to pursue the investigation and although he had problems obtaining relevant sensitive documents from the intelligence agency, on January 14 of this year Helms was formally notified that he was the target of a federal grand jury investigation.

Soon thereafter newspaper articles began to appear quoting prominent officials inside and outside the government stating their fear that this prosecution might have severe damaging consequences on our U.S. intelligence activities. One article stated that the case was "fraught with political and national security landmines". Another stated that Helms had been quoted as saying that if he were indicted he would "bring down" with him former Secretary of State Henry A. Kissinger. An Evans and Novak column appearing on August 18 was quite explicit:

"So dangerous to this country are the implications of the unprecedented grand jury investigation of Helms on suspicion of perjury that Carter has been secretly warned by informal advisors he must never let the case go to trial. One prominent Democrat, deeply involved in high intelligence matters for many years has said privately that Helms' indictment and trial "would be the single-most damaging thing that could be done to this country."

I was not very surprised when I read in the newspaper on November 1 that the Department of Justice had determined to dispose of the matter by means of a nolo contendere plea to a misdemeanor. This is a process frequently used and much criticized in big corporate anti-trust cases, whereby the defendant need not undergo the embarrassment of a guilty plea or a public trial but agrees not to contest the government's charge which has been usually reduced to a minor offense. In its statement to the Judge, the Justice Department attorney stated that he thought the case was fair because "the trial of this case would involve tremendous cost to the United States and might jeopardize national secrets."

So here we have a former ranking official of the intelligence community agreeing not to contest an allegation that he deliberately deceived Congressional committees which had legitimate responsibilities to oversee his operations. The Attorney General says that for reasons of national security, because a trial could jeopardize national security information, the man could not be prosecuted for the crime and should instead be penalized a $100 fine. As you are probably aware, the judge disagreed with the Justice Department and fined Helms $2,000.

At this point I must hasten to add that I am not one who has argued for the "drawing and quartering" of Richard Helms. If I were a judge sitting on this case I would probably not issue a very harsh sentence to Mr. Helms because I believe Helms honestly believed he was under a conflicting obligation to maintain national secrets, even in the face of a Congressional committee. Furthermore, this was at a time when the public was still quite willing to give the CIA the benefit of the doubt.

I am, however, deeply disturbed with the possible precedent that this case may set, and especially the process by which this decision was made. First, on its surface the case presents an obvious threat to the delicate oversight and charter arrangements that I have described above. It could easily be misinterpreted to stand for the proposition that a member of the intelligence community could still come before our special intelligence oversight committee and lie to our committee about activities which were in obvious violation of any arrangement we had established, or indeed any charter that had been written by the Committee. He would, if the Justice Department position prevails in these cases, be subject to a minimal $100 fine for each time he lied. Indeed, in Helms' case, the Justice Department seems prepared to allow him to keep his government pension.

Furthermore, criminal actions attached to the more obvious prohibitions of any charter that we would enact would appear to be unenforceable in the fact of this decision. Any official of the intelligence community could simply take the position that there was very sensitive national security information necessary to prove the case against him, he would insist upon its disclosure, the government not wanting to jeopardize the information would drop the case.

In a recent editorial, the New York Times characterized this as a form of blackmail by intelligence officials which a court might find "legitimate". In effect, intelligence officials caught violating any law, be it a charter applying to their agency or any criminal statute, even espionage, have a powerful tool to immunize themselves, the threat that prosecution would reveal classified information and "legitimately blackmail" both the court or any Congressional oversight committee.

The thought that classified information might be used by a criminal defendant in a form of "legitimate blackmail" is obviously very disturbing. However, I have learned as a member of the Intelligence Committee that the New York Times was not exaggerating when it stated that a court might be willing to recognize this type of pressure upon the Attorney General as legitimate.

As Chairman, of the Intelligence Committee's Subcommittee on Secrecy, I have been engaged in a year long study of actual espionage cases, cases where the espionage statute has not been enforced in the fact of a serious breach of our secrecy regulations. I have engaged in this study primarily because the intelligence community has been clamoring in recent years for a revision of that statute and I wanted to have a better understanding of how the existing statutes operated. In the course of conducting that study I have come across abundant evidence that this form of "legitimate blackmail" has taken place in an astonishing number of cases.

As a background to understanding how this process might be legitimatized, even in the most heinous of crimes such as espionage, it is necessary to understand another basic dilemma which the courts and Justice Department must face in the national security area.

It is a basic premise of our criminal justice system that when a defendant is charged with a crime he is entitled to have all the information in the government's possession which might be used to exonerate him or might be used in his defense. Obviously when a defendant is charged with a crime related to the national security it is not only probable but likely that the evidence necessary for his defense or indeed the evidence necessary to prove the crime will be classified information.

Every time there is a criminal prosecution or indeed even an investigation of a crime relating to the national security, the prosecutors and the court face the dilemma of determining whether or not to risk compromise of sensitive national security information necessary for conviction or to provide constitutionally required information to the defendant for his own defense.

What I have learned in my study, and I cannot describe this in great detail at the present because the study is only half finished, is that this dilemma becomes an impasse. In many espionage cases the FBI will not even begin the investigation and the Justice Department rarely prosecutes because investigation or prosecution is fruitless. The intelligence community has determined that to provide and disclose the information first to the FBI or the Justice Department and ultimately to the defendant or the court will jeopardize national security. There are cases, of great notoriety such as the Rosenburg case, where the government takes the risk and proceeds. But in every case, including the Rosenburg case, this risk must be taken.

What seems to happen in these cases is that the defendant who has engaged in the most heinous form of espionage, who has taken the most sensitive of information, has the greatest likelihood of enjoying immunity from prosecution. Because the more sensitive the information involved in the criminal case the more likely it is that the Department of Justice cannot prosecute the case.

The Secrecy Subcommittee which I chair will be holding hearings on this problem next month. Until we are finished with our work I hestitate to discuss the cases we have examined in any great detail. But I can cite two cases, other than the Helms case, which illustrate this phenomenon, two cases which have already been discussed publicly.

One case was discussed in great detail in hearings held before the House Government Operations Committee in 1976. In the course of those hearings representatives of the Department of Justice and the CIA discussed the 1974 dismissal by the Department of Justice of an indictment against CIA operative on national security grounds. The operative had been indicted in 1973 for participating in the illegal importation of 25 kilos of raw opium into the United States. Originally the CIA operative had decided to cooperate as a government witness in the case but subsequently he changed his mind. The Justice Department issued another indictment naming him as a defendant and had him arrested. During that period the operative publicly claimed that part of his defense would be that the CIA knew about his opium smuggling.

Although there was a great deal of controversy in the course of the hearings, it was clear that the CIA had suddenly become reluctant to provide necessary documents to the Justice Department to rebut any claims that the defendant would make in terms of CIA knowledge of the operation. Indeed, there was a similar problem with CIA cooperation with classified documents in the Helms case. Regardless, the CIA's reluctance to proceed with this drug prosecution apparently was a significant factor in the Justice Department's decision in 1974 that it was fruitless to proceed with a prosecution.

Certainly a more infamous example of this process of national security claims frustrating criminal investigations or prosecution is the Watergate case itself. If you will recall, within about a week of the Watergate break-in the FBI discovered evidence linking the actual burglars to an individual named Kenneth Dahlberg and another individual named Manuel Ogarrio in Mexico City. This was a critical link that eventually traced the burglars to money in the Nixon reelection campaign and eventually to the White House.

If you will review the House Impeachment Committee statements you will find that as soon as the White House discovered that the Bureau had uncovered this connection, the President directed Haldeman to meet with CIA Director Helms, Deputy Director Vernon Walters and John Ehrlichman to ascertain whether there was any CIA involvement in the Watergate affair. Then, according to the actual statement of information in the House Judiciary Committee's report:

"The President directed Haldeman to ask Walters to meet with Gray to express these concerns and to coordinate with the FBI, so that the FBI's investigation would not be expanded into unrelated matters that would lead to disclosure of the early activities of the Watergate principals."

Despite the fact that Helms assured Haldeman and Ehrlichman that there was no CIA involvement in Watergate, he directed his Deputy to meet with the FBI Director, and to remind them of an agreement that the FBI and the CIA had that if they appeared to be running into each others sensitive operations, that they would notify each other and back away.

For about a week the FBI did not proceed with this investigation because it was under the impression that it had indeed stumbled across a CIA operation and for national security reasons felt that any further investigation would jeopardize sensitive information and operations. So here again the claim of national security and the threat of jeopardizing secrets undermined the administration of justice.

So without even going into the espionage cases we are examining in the Secrecy Subcommittee study, we can discuss three very serious crimes in which the investigation and prosecution were frustrated because they touched national security. One involved deceit of a Congressional committee, the other importation of heroin, and the final the notorious Watergate case itself.

I submit that in all three cases it appears the Department of Justice was pressured, if not coerced, by claims of national security to back away from very important criminal investigations or prosecutions. This is a process which we cannot permit to continue. It not only threatens the very delicate oversight apparatus and charters agenda that we are establishing for the intelligence community, but as exemplified in the drug case and the Watergate example I have suggested, threatens to undermine the equitable administration of justice by our government.

So what can we do about this very difficult, indeed apparently intractable problem? I can propose no simple solutions. Indeed, just as our compromise on Congressional oversight is imperfect I am sure that any proposal that we pursue in the Congress in this regard will not be totally satisfactory. This matter will be high on the agenda of the Secrecy Subcommittee and for the Intelligence Committee generally.

One idea which I have heard discussed, indeed it was even suggested by the recent New York Times editorial, is so-called in camera procedures. This derives from the famous case of *Nixon* vs. *Sirica* in the U.S. Court of Appeals for the District of Columbia. In that case former President Nixon essentially made the same claim—that national security would be jeopardized if documents in his possession were used in the investigation and prosecution of individuals in the Watergate conspiracy. The court forced the President of the United States to turn over the documents deemed to be privileged to a federal judge for his in camera or private inspection. Perhaps a similar procedure could be developed for the review of such documents in criminal cases such as the Helms case, the drug case and the Watergate case I described above, as well as the espionage cases that we have been examining in the Secrecy Subcommittee.

Such a procedure would not be without controversy. Many civil libertarians believe that these so-called secret or in camera federal judicial procedures are unconstitutional. They contend that a defendant in a criminal case has a right to a public trial and that any in camera or secret procedure that excludes the defendant, his counsel or indeed even the public infringes upon that constitutional right.

I don't know where I come out on this problem yet and I intend to put a lot more thought to it because I think the issues that it raises are fundamental. Hopefully the hearings planned for next month will shed more light on this problem. However, I am confident that if we cannot fashion an acceptable solution to this impasse I believe that our democracy is in grave trouble.

Secrecy will have become a real cancer devouring our government. It will not only create an impasse in the administration of justice, paralyzing the Department of Justice, but it will ultimately destroy whatever little credibility we have been able to restore in our government in recent months.

In short, if we cannot develop procedures which can accommodate necessary secrecy with fundamental democratic principles, the outrageous results of that Knight Newspaper study about the moon landings will pale in comparison to the cynicism which we will see in the average American citizen. Ironically in the name of preserving secrets which are indeed necessary to the national security which protects our democracy, we will have destroyed that very democracy itself.

In conclusion I am reminded of the infamous statement of a U.S. military officer defending the bombing of a South Vietnamese village, "We had to destroy it in order to save it."

THE REALITY OF SOLAR POWER

Mr. McGOVERN. Mr. President, the issue of energy and energy costs has occupied a great deal of the Senate's time in the past months. We have been discussing in different ways which energy technologies should get the most Federal support. I believe that we should put more of our resources into encouraging and supporting the use of solar energy and other renewable energy technologies.

I would like to bring to the attention of the Senate a very interesting article, "You Can't Hold Back the Dawn: The Reality of Solar Power" by Bruce L. Welch, president of the Environmental Biomedicine Research Institute. It was published in the January 21, 1978, issue of the Nation. I think that we should all pay close attention to Dr. Welch's case for greatly increasing Federal funding for solar energy.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE REALITY OF SOLAR POWER

(By Bruce L. Welch)

(It is no longer resources that limit decisions. It is the decision that makes the resources. That is the fundamental revolutionary change—perhaps the most revolutionary that mankind has ever known.—U Thant.)

There is no shortage of energy, only a shortage of initiative for making energy accessible in usable form. We are still in a position to choose our future energy sources and, hence, to shape other important characteristics of society that depend upon them. The process of making that choice and the forces that shape it are of major public concern.

Fortunately, ours is a government of contradictions, of checks and balances, so complex that it can harbor, even nurture, the

seeds of contradiction to administrative intent. Candidate Carter said there would be no more nuclear power except as a last resort. Yet the thrust of the Department of Energy's emerging program is to speed up the development of nuclear power while doing no more for solar energy—indeed, even less—than was done by the Ford administration.

Secretary of Energy James Schlesinger's attitude toward solar energy was succinctly expressed in a recent CBS television documentary. Asked to justify the accelerated development of nuclear fission, he called it a "last resort"; asked whether the energy crisis was not critical enough to justify an all-out effort to develop solar energy, he grinned indulgently: "The crisis is not yet that serious." In the same documentary, the President said that important contributions from solar energy are very far away.

Yet, like the truth that will out, superior technologies tend to come to the fore. Quietly, as inexorably as the sun rises, a solar electric age is being born. Acting against the major thrust of administrative policy and the inadequate advice of "prestigious" scientific committees, the Congress is paving the way.

In Congressional committee, the ERDA (Energy Research and Development Administration) Authorization Act for fiscal 1978 was amended to provide $13 million for the purchase of flat-plate solar cell arrays to generate electricity, and $6 million for research and development related to their automated production. Appropriation of these funds seems assured.

In addition funds for the Department of Defense to buy solar cell systems, staggered over three years commencing in fiscal 1979, were included in both the House ($39 million) and the Senate ($98 million) versions of the National Energy Act. A conference committee on October 27 decided to provide $98 million for this purpose, of which $53 million will be for the purchase of silicon solar cell arrays and the remainder for supporting services and equipment. Congress expects that these purchases will save the Department of Defense $328 million net, in 1975 dollars, over a twenty-five-year period and make solar cell systems competitive in conventional energy markets by 1983. The production of this equipment for the DoD is expected to lower the open market price of the arrays by 1983 to a point where large sustaining markets (e.g. residential power) will develop, possibly at prices as low as $750 per peak kilowatt. Additional purchases from other quarters may well cause even greater price reductions within this period of time.

While the cost of nuclear power has climbed over the past two decades at about twice the general rate of inflation, the cost of generating electricity from sunlight—even uncorrected for inflation—has sharply and consistently declined. In 1955, an assembly of solar cells capable of generating a kilowatt of electric power in full sunlight (a "peak" kilowatt) cost about $600,000. Today, such units can be bought in modest quantities for less than $10,000 per peak kilowatt. These remarkable savings have occurred despite the facts that solar manufacturing plants are not yet automated and that the total U.S. production, while steadily increasing, was only 330 to 350 kilowatts in 1976.

Moreover, a Federal Energy Administration report of July 1977 demonstrated that, if a purchase contract for 152 megawatts of flat-plate silicon solar cell arrays were staggered over three years, a first buy of 32 megawatts in 1978 to be followed by buys of 50 megawatts and 70 megawatts at one-year intervals, the last delivery to be made in fiscal 1983 (purchases customarily call for delivery dates in future years), the total cost of the 152-megawatt purchase would be $240 million, an average of $1,570 per kilowatt; and that the open market price could be driven as low as $500 per kilowatt in constant 1975 dollars for the last solar cells delivered in fiscal 1983.

These projections are fully consistent with historical experience for other semi-conductor products. Moreover, they are based upon actual estimates obtained from three leading manufacturers. The FEA circulated these projections widely to industry and government in draft form before releasing its report, and they were judged to be attainable. A market impact analysis released by the BDM Corporation of McLean, Va. last October estimated that such a purchase might drive array prices as low as $440 per peak kilowatt by 1983.

The total cost of installing the 152 magawatts of flatplate solar cell arrays in the illustrative case, including the solar cell arrays, power conditioning equipment, support structures and storage batteries, would be about $450 million. If, for example, the Department of Defense were to make a purchase of that size, it could replace 20 percent of its gasoline-powered generators with solar cells at a net savings, in 1975 dollars, of $1.5 billion over twenty-five years from reduced operating, maintenance and fuel costs. These are conservative estimates, because purchase costs of gasoline generators and their fuel tanks, installation costs and the expense of training mechanics were not included.

The staggered purchase of the relatively modest quantity of 152 megawatts of peak solar cell electrical generating capacity would justify the capital investment to automate three to five companies in this fledgling industry, and the consequent reduction in the price of solar cells would open vast new markets and thereby drive prices even lower. The FEA has estimated that potential annual markets for public lighting and for driving small electrical motors and water pumps could alone reach 7,900 peak megawatts—an annual market which, incidentally, is about three times the current annual sales of nuclear generating capacity in the United States. Moreover, prices that would tap a 13,000-megawatt per annum market for the on-site solar generation of residential electricity may then be expected to come rapidly into range.

A contract just awarded for solar cells capable of delivering 362 peak kilowatts of electricity to meet all the power needs of Mississippi County Community College in Blytheville, Ark., was signed at a price of $3,026 per peak kilowatt of capacity, about half what informed observers had expected the contract to command. This development suggests that the FEA's estimates of the price-lowering effect of orders more than 420 times that large were greatly understated.

The installation cost, in comparable 1975 dollars, of some nuclear plants now under construction, and which will come on line in the early to mid-1980s, is about $1,000 per kilowatt of electrical generating capacity (later construction will probably cost more). But this figure does not include the first fuel loading of a plant, which will add 15 to 20 percent to capital costs. Nor does it include such extras as design for added resistance to earthquake, flood or aircraft impact; the purchase of more than 3 square miles of land, at a minimum, for siting; the cost of power lines and other distributing equipment, operating and maintenance expenses, security, decommissioning, waste storage and disposal; or the cost of government assistance, regulation, subsidy, insurance and emergency services. Moreover, large nuclear plants have been found to operate only about 50 percent of the time at their installed capacity rating, and up to 20 percent of the power that they do generate is lost internally and in transmission.

Solar cells, because of variations in sunlight, have an average capacity of only about 25 percent, and about 30 percent of the power generated is lost if cycled through storage batteries. Yet, solar cells installed on one's own roof to power direct current appliances at a cost of about $500 per peak kilowatt of generating capacity may seem an attractive alternative to nuclear power in some locations, even considering the appreciable added cost of a power storage system. Most authorities anticipate that, in addition to economies from increased production, substantially lower costs will be brought about through technical advances now in sight. This means that within a decade electricity from solar cells could actually become much cheaper than nuclear power for consumers in many areas of the United States. The equation will be affected by the relative lifetime of solar arrays and nuclear plants, a comparison that cannot yet be made because of insufficient experience with either system. However, solar cells should last as long as their encapsulation maintains its integrity to protect them from weather. Compared to nuclear power plants, they are extremely simple devices. For the former, we lack even such important information as the pattern of aging-associated neutron bombardment embrittlement of metal in reactor pressure vessel walls. Claims that large nuclear power plants will have a forty-year life are wholly conjectural; indeed, it has not yet been determined that they can function safely and reliably for a single decade.

A solar electric age is coming no matter what the federal administration does. The government can merely speed or slow its coming. If we wish it to be so, solar cells for generating electricity can become cost-competitive with nuclear fission in widespread applications within little more than half the time that it takes to build a new nuclear power plant. The nation has the realistic option to meet much of its need for further expansion of electrical generating capacity with autonomous solar cell arrays powered by the sun.

For this to happen, large amounts of government money are not required. Indeed, considering the promise that the solar electric age offers for bringing needed diversity and competition into world energy markets, it is regrettable, in a way, that it is to be born of government funds. The absurdity is that government spending is required to offset the inhibitory effects of other government spending. (See Welch: "Nuclear Energy on the Dole," *The Nation*, February 26, 1977.)

Solar cell electricity would have come into widespread use spontaneously, and much sooner, had it not been for the false promise of economic competitiveness given nuclear fission by more than a quarter century of indulgent government support of the nuclear industry, support that continues and is even growing. Solar technologies would develop rapidly if the government would simply withdraw all support from the nuclear industry. The $450 million that the FEA estimated would be required to lower the price of solar cells to $500 per peak kilowatt or less, with a resulting savings of about $1.5 billion to the Department of Defense, is considerably less than one-third the amount provided in the fiscal 1978 budget for continued research, development and demonstration related to nuclear power.

Why, then, does the Carter administration press so obdurately for rapid expansion of nuclear power? Why does it so resist a major solar initiative? One reason is that nuclear interests have pervasive influence among the small "elite" corps of scientists who provide technical advice on such subjects at the top echelon of government. Solar energy interests have almost no voice at all. True, scientists are supposed to be totally objective, to seek persistently and weigh all relevant information. But, sadly, that ideal is not al-

ways achieved. All too often the authority and credibility of reports from major scientific study groups or committees, and hence the justification for using them to guide public policy, is assumed from the prestige of the study's sponsors and participants. This is commonly true even when the panel participants are obviously not qualified in, and have not carefully considered, all important areas of science that their advice appears to weigh. The study report, *Nuclear Power, Issues and Choices*, is a case in point.

Its prestigious backing with a $500,000 Ford Foundation grant administered by the Mitre Corporation and its stellar cast of panelists* would guarantee it high visibility under any conditions. The facts that it appeared while President Carter was formulating his energy program and that two members of the study group were given key positions in his new administration could only enhance its chance to influence national policy.

A copy of the report was hand-delivered to the new President by his science adviser. On the day that the report was released, the study group was called to the White House to brief the President in person. In the ensuing months, the President's energy program and his acts and comments on energy issues have been in remarkable accord with the recommendations of the Ford-Mitre report. Bias and inadequacies in the structure and conduct of this study are therefore of major consequence and of public interest.

With regard to alternative energy sources, the report acknowledged that, "An assessment of the need for nuclear power should consider potential alternatives that might be economically competitive or might avoid specific serious problems associated with nuclear power and fossil fuels." However, it stated that the "goal" should be to have supplies of energy available at moderate cost when present resources are "gone"; that solar energy in general, and solar cells for generating electricity in particular, will be too expensive to compete with coal and nuclear power through the next three decades; that there is "little value in demonstrating clearly noncompetitive technology," and that it would be "inefficient and unnecessarily limiting" to try to make alternative energy sources available "prematurely."

While the panel's remarkable assurance about the appropriate timing for transition to alternative fuels may not be reflected in the President's thinking, there is every indication that its recommendations are reflected in the administrative policy of the new Department of Energy in ways that could cause the deployment of solar energy technologies to be drastically delayed. This is regrettable, because the panel's judgment that the solar technologies could not be competitive are unduly pessimistic and are not based upon a careful analysis of the relevant available information.

To focus upon but one crucial error: in summarily dismissing solar cells, the Ford-Mitre report said that "current collector costs are about $200,000 per kilowatt of peak electrical capacity." In fact, that price—which was not a misprint (I confirmed this with the author of that section of the report)—was almost twenty years out of date. Solar cells cost $200,000 per peak kilowatt in 1959; in September 1976, eight months before the Ford-Mitre report was released, ERDA purchased solar cell arrays for less than 8 percent of the price quoted by the Ford-Mitre study group—$15,500 per peak kilowatt in quantities as small as 130 kilowatts. The price had been $21,000 per peak kilowatt six months earlier, and $31,000 per peak kilowatt in March 1975, which was about the time the Ford-Mitre study group was assembled.

Superficiality, inaccuracy and lack of percipience were not confined to the panel's treatment of solar cells; they characterized their comments on other "solar" technologies as well. These deficiencies may be understood in terms of the relative vacuum in which the analysis of solar energy technologies evolved. The sections of the report on solar energy were the primary responsibility of an experimental physicist who for more than twenty years has had active professional interests in nuclear energy; he is currently involved in laser separation techniques for uranium enrichment. He has never been directly involved in any aspect of solar energy research or application, although in 1975, he was chairman of a National Research Council committee formed to explore the optimal role and organizational characteristics of the then prospective Solar Energy Research Institute. And he is the only member of the Ford-Mitre study panel who had had prior professional experience in any way related to solar energy. The chairman of the panel lists his professional interest in *American Men and Women of Science* as "military and civilian applications of nuclear energy."

The Mitre Corporation, where the Ford-Mitre study was actually conducted, has been a major center of activity for quality research and systems analysis in solar energy technology for more than five years. Yet, the Ford-Mitre study group worked in total isolation from the solar energy experts who were under the same roof. I heard this first from a member of the Mitre solar energy group, and later confirmed it with the author of the solar energy section of the Ford-Mitre report. In our conversation, he justified not seeking and evaluating ideas and information from people in the solar energy field by classifying them collectively as "enthusiast nuts." (The accuracy of this label must be weighed against the historical facts that the price of nuclear power has consistently outstripped the enthusiastic projections of its advocates, whereas the cost of solar energy has consistently declined more rapidly than the relatively conservative predictions of professionals in that field.)

When a prestigious panel makes recommendations on an important public issue, it implies that those recommendations are based upon a thorough and balanced weighing of all relevant information. When that is not the case, and the deficiencies are not clearly stated, their recommendations comprise at best an irresponsible disservice to the scientific community, the government and the public at large.

For years after penicillin was developed it was so expensive that physicians took care to collect urine from a few favored patients who received it so that the penicillin could be recycled. Today, thanks to the economies of a large market and mass production, penicillin is available in every physician's office at an almost trivial price.

Similarly, solar cells will soon be cheap enough to generate electricity in widespread applications. It has been estimated that the basic electrical power requirements of a village of 250 people in Iran could be met by 20 peak kilowatts of solar cells. Such a need can reasonably be expected to be met for about $10,000 within little more than five years. Similar needs exist in innumerable villages throughout the world, and it will soon be possible for such needs to be profitably met.

The rate at which solar cells will actually spread throughout this and other industrialized countries will depend upon the development of adequate low-cost ways to store the electrical energy. It is in the administration's tepid encouragement of new storage technologies that its reluctance to promote solar energy really shows. The budget authority for fiscal 1978 provides only $48.4 million for all aspects of energy storage research, development and demonstration—less than 3 percent of the amount provided for nuclear fission. Almost four times as much is being spent by the federal government for research, development and demonstration related to the storage of commercial nuclear waste. Although hydrogen is a strong bet to be the major energy storage medium of the future, the fiscal 1978 budget provides only $6 million toward that goal. It is no exaggeration to say that the Department of Energy has not set up a crash program to find better ways to store electrical power. For nuclear power, storage of electrical energy is not particularly important; for distributed solar systems it is crucial.

The federal government should withdraw its multifarious supports from the nuclear power industry and remove remaining institutional obstacles to the rapid development of distributed solar energy systems. If this were done, electrical power production would gradually return to the private sector, the economy would be stimulated dramatically, and the nation would develop a safer, less wasteful and more resilient electric power base.

Finally, and viewing all areas of the nation's continued welfare, it is imperative that we evolve a more reliable science advisory system. To its credit, the Congress has shown that it knows that the recommendations of "prestigious" scientific committees cannot be taken as gospel. It is increasingly essential, for the shaping of national policy, to have scientific advice that can be relied upon to be comprehensive, competent and unbiased.

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* Spurgeon M. Keeney Jr., Chairman; Seymour Abrahamson, Kenneth J. Arrow, Harold Brown, Albert Carnesale, Abram Chayes, Hollis B. Chenery, Paul Doty, Philip J. Farley, Richard L. Garwin, Marvin L. Goldberger, Carl Kaysen, Hans H. Landsberg, Gordon J. MacDonald, Joseph S. Nye, Wolfgang K. H. Panofsky, Howard Raiffa, George W. Rathjens, John C. Sawhill, Thomas C. Schelling and Arthur Upton.

BILL TO AUTHORIZE ACQUISITION OF LANDS FOR WATER RECREATION PROJECTS (S. 2563)

Mr. MOYNIHAN. Mr. President, I am pleased to cosponsor this bill with my distinguished colleagues from Tennessee.

The bill will maintain an activity of the Corps of Engineers that is, perhaps, its most popular and noncontroversial water-related function: The development of recreational facilities around completed water projects. The corps has done this for several years and it should be permitted to continue this activity.

In my own State, there is at least one recreation facility that will be affected by this bill. This bill will allow Cattaraugus County in New York to complete its master plan for recreational facilities around Kinzua (Allegheny) Reservoir. The area around this reservoir offers particularly attractive recreational resources for residents of Jamestown, Salamanca, Olean, Dunkirk, Fredonia, and Buffalo.

This legislation will generate substantial local interest in many States. I urge my colleagues to support it.

AIRLINE DEREGULATION

Mr. McGOVERN. Mr. President, we will soon have before us the Air Transportation Regulatory Reform Act of 1978—which had its genesis as S. 292, considered in the Senate Committee on

Commerce, Science, and Transportation as S. 689—and now emerges for Senate action as S. 2493.

For the past year, I have taken issue with various aspects of the airline deregulation proposal. At each turn, we were advised that the bill was being drafted, redrafted, more hearings would be held and various other procedural mechanism involved that somehow would result in a bill that was fair and equitable to the airlines, their employees, small communities, and the traveling public.

After having examined the report accompanying S. 2493—I find that the old questions remain unanswered with the final bill predicated more on supposition than on substance, more on fiction than on fact, and containing more wishful thinking than an indepth understanding of what the realities are in the airline industry or among the traveling public.

Implementation of S. 2493, as presently drafted, will, over time, result in the domination of the U.S. commercial airlines by a few carriers—probably five or less—who have the financial resources and excess fleet capacity to outlast less favored carriers.

Once this market dominance has been obtained, there will be fewer flights and ultimately higher fares. A large number of the Nation's existing regional carriers will be out of business or merged with stronger airlines. Thousands of presently employed pilots, flight attendants, clerks, baggage personnel, mechanics, and others will be out of work.

The bill recognizes that a substantial number of present airline employees will not have jobs and provides for some "employee protection." But the fact remains that no financial award is sufficient if at the end of any reasonable period there will be no job—and the person is simply added as another statistic in the ranks of the unemployed.

Small communities which are now receiving commercial services will lose that service and have substituted some as yet undefined third level carrier. In time, the CAB can be expected to use its discretionary powers to reduce "essential service points" and eliminate subsidies which the CAB has indicated is its ultimate goal.

This will, in effect, deny millions of Americans in rural areas—including my own State of South Dakota—access to a national airways system. There may be service between major points, but none to smaller towns and cities.

Certainly there is no excuse for the "regulatory lag" or foot-dragging at the Civil Aeronautics Board. But given their full support of this legislation, one must question if they really tried to make the system work.

I would remind my colleagues that several years ago—with an equal amount of fanfare—this body adopted the Postal Reorganization Act of 1970 that was to have ended, for all time, the problems with the dispatch and delivery of mail. Legislation now pending—and the hue and cry from the country—indicates that we acted in haste and the problems with the mail system continue and grow.

Let me suggest that this bill—S. 2493—contains all the ingredients for a similar disaster in the Nation's commercial air transportation system.

The fact remains that the proponents of the bill simply do not know, nor can they know, what the ultimate impact of this legislation will be.

I would strongly recommend that my colleagues read the minority views of Senator INOUYE, MELCHER, and GOLDWATER as they appear at the end of the committee report on S. 2493. In my view, they represent a better balanced view of the situation than does the report of the majority on this issue.

THE CITIES

Mr. McGOVERN. Mr. President, I have long felt that the condition of our cities is extremely critical. Housing, in particular, is a problem that has needed some real, original, and creative thinking. I think that we have to approach housing in a different way than we have done in the past.

I was very interested in an article which I recently read by Robert Shur, an author, lawyer, and former New York housing official. He offers some very important insights on how we should approach the problem of housing and community development in our older cities. "Rebuilding from Within: Prescription for the South Bronx" was published in the January 21, 1978, issue of the Nation.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REBUILDING FROM WITHIN: PRESCRIPTION FOR THE SOUTH BRONX

(By Robert Shur)

On October 6, 1977, President Carter, accompanied by Patricia Harris, his Secretary of Housing and Urban Development, and New York City's lame-duck Mayor Abraham Beame, paid a surprise but not unwelcome visit to the South Bronx. The President saw for himself what looks like the terminal stage of the nation's most deplorable case of inner city decay and abandonment. The news and TV photographers caught the entourage gingerly picking its way through acres of rubble and gazing at burned-out hulks of buildings—the remains of what, little more than a decade ago, had been one of the most densely populated residential areas of any city in America.

Appropriately enough, the President was "sobered" by what he saw. Turning to Ms. Harris, he said that something must be done about it. And then, as in a flash, helicopters wheeling overhead, the cortége of limousines was gone. Silence fell once more upon what was once a throbbing part of a great city.

That, however, is not the predictable end of the matter. Further press dispatches and other reports show that the Carter administration does indeed intend "to do something about" the South Bronx. South Bronxites recall other visits by other officials who were similarly sobered and who made similar "let's do something" remarks, but we may confidently predict that the federal people will stay with the issue—at least for a while.

Thus, the President was reported as having promptly asked his Assistant for Intergovernment Affairs, Jack Watson Jr., to "put together a schedule of visits to the South Bronx" by Cabinet-level officers and sub-Cabinet officials. William White of HUD was officially named "coordinator of all federal services to the South Bronx." Mr. Watson is reported to have put some of his own staff on full-timed duty to oversee efforts to alleviate conditions in the area. And Secretary Harris is said to have come back from the South Bronx "full of fire" to work with these officials on their plans. "She intends to be very supportive of them," is how one person at HUD described her commitment.

This hasty delegation of responsibilities to high-ranking officials was accompanied by some hints at least of the substantive programs the federal government is being asked to devise. And these hints, it must be admitted, fill one with foreboding as to what is apt to happen. Both in a note Mr. Carter circulated to several aides and Cabinet officials and in remarks attributed to Watson, two points seem to be stressed. First, maximum use is to be made of existing programs; principally, that means the federal block grant for Community Development and the Section 8 Housing Assistance Allowance scheme. Both of these are essentially revenue-sharing devices under which the city has been told how much money it is to receive. The city, in turn, can allocate that money for a variety of purposes very much as it pleases. Second, the city will be expected to achieve "leveraging" in its use of these funds—i.e., it will be expected to induce private sector investment in housing projects by granting various kinds of subsidies and making its own commitments for infrastructural improvements (completing the demolition of the old Third Avenue El, which winds and twists its way through much of the South Bronx, is one example of a public improvement designed to enhance the appearance of the neighborhood and thus its attractiveness to private investors). In effect, the White House is telling New York City that if it focuses its existing resources on fixing up the South Bronx, the President will be mighty pleased.

Of course, there is nothing wrong, on the surface, with New York City's re-evaluating its use of current community development funds (it is to receive slightly more than $150 million of block grant funds this year, and almost $700 million over the next three years, beginning in the fall of 1978). And it is high time that the city concocted some kind of rationally focused housing assistance plan for the use of Section 8 funds, whereby rents for low- and moderate-income families are subsidized, making it possible for them to live in new and rehabilitated housing, as well as in existing housing that is decently maintained.

Indeed, under the 1977 Housing and Community Development Act, an additional federal subsidy may well come to New York City by way of a discretionary "Urban Development Action Grant," for which the city may specially apply. Perhaps the White House and Ms. Harris are hinting that New York should speedily get an application into Washington for a grant earmarked for the South Bronx.

All this is fine, if slightly unspectacular, but the key question is how the city, with federal acquiescence and encouragement, will probably use the money. Will the South Bronx get another round of tired, self-defeating, "rip-off" projects, or will the community of the South Bronx be allowed at least to start rebuilding itself from the inside out, so to speak, in a way that can produce lasting betterment to its remaining residents and can encourage others to return? A suitable warning note was sounded by Father Neol Connolly, Catholic vicar of the South Bronx (who has nineteen years of association with that area), writing on the

Op-Ed page of the New York Daily News on October 16:

"To be perfectly honest, I got scared a little when I heard that a bundle of money was coming down the tubes from Washington.

"Mr. President, before your plans are made, don't forget to consult with the people of the South Bronx. Don't let the New York Housing Authority and HUD plan from their offices without us. Don't leave us with crumbly dough to be fought over by different community groups in the poverty program. What we need in South Bronx are policies that will foster tenant involvement, self-invested interest and people's ownership. A plan for a new South Bronx can't come without a plan for bringing jobs, industry, health and social services to our area. Mr. President, we ask for a policy that won't ever again allow the South Bronx to be described as a 'Haven for unemployed men and stray dogs.' "

That was an eloquent plea and a timely one; and lest anyone conclude that Father Connolly was indulging in pulpit oratory, we need add only a slight gloss to some of his allusions.

The South Bronx has more than its share of public housing—more than 10,000 dwelling units—all of it assembled in multiblock high- and higher-rise apartment buildings, built to resemble as much as possible a cross between a maximum-security penal institution and a rabbit warren. While well run and reasonably maintained, on the whole, these housing projects have created environments that are almost the precise antitheses of anything that could be called living neighborhoods or communities.

As they displaced old, worn-out tenements, they destroyed the social fabric of the former neighborhoods, putting nothing in their place but sterile detention centers for the city's poor, disadvantaged and minority population. One thing the South Bronx doesn't need—indeed can absorb no more of—is this kind of high-rise, high-density, totally impersonal and anti-human housing project.

Yet, only a few months ago, and despite pleas from community residents and organizations that low-rise, low-density housing should replace nearby blocks of gutted and abandoned houses, the New York City Housing Authority obtained the go-ahead to build yet another high-rise public housing monstrosity over the railroad yards in the Morrisania section of the South Bronx. The Authority and the city fathers insisted on proceeding with ten-year-old plans, on the ground that to change them would result in years of delay—which they attributed to HUD processing procedures.

Most of the South Bronx is designated as a Model Cities Neighborhood under a federal law of 1967. In the ten years that this program has existed, it has channeled grants of more than $300 million into the South Bronx. And the decade while this was going on has seen an uninterrupted, ever accelerating decline of the community—a decay that could hardly have been worse if Model Cities had never existed.

Nor has the much-vaunted anti-poverty program avoided the South Bronx. New Yorkers are familiar enough with the notorious Hunts Point Multi-Service Center, with its hundreds-strong staff payroll and multimillion-dollar annual budgets, which has functioned principally as the private political club and personal power base of former City Council member Raymond Velez, a few of whose protégés and cohorts are now under indictment for defrauding the U.S. Government in a building acquisition scheme for a Bronx-based drug-treatment center known as SERA.

Other South Bronx politicians, including at least one state Senator and three members of the Assembly, each receives state supplemental budget appropriations of $200,000 or more with which to establish housing and community development programs in their home districts. Such programs are thus far noticeable by their total absence.

So it goes in the South Bronx. When the politicians don't take the money outright, their friendly real estate developers are ever present to pick up their shares of the action. Besides government-run public housing projects built with government subsidies and loan guarantees under federal Housing Act Section 221(d)(3) and 236 programs, so-called public housing turnkey and state and city Mitchell-Lama programs proliferate in the area. Indeed, it would be an interesting exercise to look into the relationships between these private developers and the local political structure—how, for instance, the campaign chests of the ubiquitous Father Louis Gigante who, when he was a City Council member, shared the South Bronx turf with Raymond Velez, have been liberally added to by contributions from Bronx landlords, builders and real estate developers.

It might also be interesting to find out how one Herman Krauss, long before Carter ran for the Presidency, became the very first recipient in the entire country of a HUD Section 8 subsidy, which enabled him to rehabilitate some 375 units of slum tenements on Aldus Street in the South Bronx; and how Krauss's "co-sponsor" for the project came to be the South East Bronx Community Organization (SEBCO), a group organized and dominated by Father Gigante. Krauss, who prides himself as a tough, no-nonsense low-income housing manager, was virtually run out of the Williamsburg section of Brooklyn by aroused community groups which saw him drive dozens of poor residents from their homes to make way for his city-subsidized housing schemes in that neighborhood.

On the "economic development" side, the South Bronx has fared no better, despite large infusions of public money over the past decade. Exhibit one is the extensive renovation at city expense of the Yankee Stadium—home of the privately owned and operated American League baseball team (and until last year, when it moved to the New Jersey meadows, one of the National Professional Football League teams as well).

Refurbishing the fifty-year-old ball park would cost less than $25 million, the city fathers said in the early 1970s, and would become an anchor for rejuvenating the whole South Bronx. The city also promised to add substantial funds to upgrade the surrounding neighborhood. When finished last year, the stadium's rehabilitation alone had climbed to a figure estimated at between $75 million and $120 million, and not a penny had been committed or even programmed for the promised neighborhood improvements. At such a cost, the rents paid to the city by users of the stadium will never repay the city's capital investment. Local businessmen, merchants and residents say that the benefits of the stadium refurbishment are totally unobservable to them. Less well-publicized, but even more scandalous rip-offs have occurred, all in the name of economic development, in the ill-conceived and largely uncompleted development of the city-owned Hunts Point Market and the still nonexistent Mott Haven Industrial Park.

It is against a resurgence of such developments, designed, produced and operated by and for the benefit of the local political-developer establishment, that Father Connolly and many others are arguing. More of this hand-in-glove planning by the existing cabal of the Housing Authority-City Hall-City Planning Commission-real estate industry will, as their previous activities have demonstrated, do nothing except channel more dollars into the pockets of developers and politicians. For the Carter administration to "urge" the city to allocate its present and perhaps forthcoming federal resources and to resurrect the former kinds of public-private sector partnership to redevelop the South Bronx is exactly what the legitimately concerned local community leaders do not want.

What sort of thing *does* the South Bronx need and want? Despite all the fires and abandonments, more than two-thirds of the people who lived in the South Bronx in 1970 are still there today. Perhaps, before writing a prescription for that benighted neighborhood, Mr. Carter and his people should look at what some of these residents have been trying to do on their own. A good place to begin is at one of the two stops the President made on his early October tour.

Peoples Development Corporation, a three-year-old group of mostly Hispanic youths, has just completed the total rehabilitation of what was an abandoned six-story apartment house on Washington Avenue in the Melrose section of the South Bronx. The story of this project, accomplished in the face of early and prolonged indifference and even hostility by the city's housing agency; how its young and inexperienced developer-builders created an innovative financing package, combining public rehabilitation loan funds with grants from the Law Enforcement Assistance Administration, for a community job training program, and from HUD, for a solar-generated energy system; how they are leveraging this first project to plan the resurgence of the entire neighborhood (having received commitments to manage and rehabilitate a dozen additional apartment houses over the next twelve months); how they have brought together the skills and resources of a half-dozen public and nonprofit private agencies to help them plan, design and rebuild their neighborhood, and how they are passing their experiences on to others by forming coalitions with groups on adjacent blocks—all this in itself merits an article.

Nor is Peoples Development Corporation the only beacon to suggest that the citizens of the South Bronx have not given up on their community. Elsewhere in the area a number of similar grass-roots community-based groups are stretching their almost always meager resources in struggles to preserve, maintain and upgrade their neighborhoods.

Organizations like Bathgate Community Housing Development Corporation, KBA (Kelly Street Block Association), South Bronx Community Housing Corporation, LABOR (League of Autonomous Bronx Organizations) and Neighborhoods Engaged, to name only a few, have proven their abilities to organize tenants, rehabilitate and manage buildings, and plan for the redevelopment of communities with which they are concerned. Many others are waiting in the wings for a chance to show what they can do with just a little fiscal support and technical assistance. Though each has its own agenda and perceptions of what it should be doing, they all have this in common: they are truly nonpolitical and community-rooted, they are free from entanglements with the officeholder and professional poverty agency developer web of alliances that has done so much to strangle the South Bronx, and they have earned a measure of credibility with the residents of their neighborhoods.

By their deeds, the people of the South Bronx have written their own prescription; it is here passed on to the President for his consideration:

Ignore, avoid and work around, as much as possible, the city, borough and neighborhood officialdoms. They are far too institutionalized into networks of self-interested individuals and firms who have so excessively milked the South Bronx in the past and who can see it now solely as a source of profits and jobs—for themselves.

Local officialdom has indeed lost no time in unveiling a "Revitalization Plan" for the South Bronx. Flown down to Washington in mid-December, the city father's plan calls for a ludicrously inadequate expenditure of $180 million a year for five years (shades of Yankee Stadium!). For this, they propose nothing less than carving up the entire southwesterly quarter of the borough (an area of more than 8 square miles) into a new town. It would have 3,000 unneeded housing units opening upon a "greenbelt," which would extend from existing parks to an area of urban farms (which would have to be created) surrounded by chunks of territory marked off, respectively, for "new construction," "substantial rehabilitation" and "moderate rehabilitation."

A grandiose scheme, but one which would make sense only if the territory involved were either virgin farmland or totally depopulated—which 90 percent of it is not. And of course, this plan carries absolutely no input from any of the people who do in fact live there. This plan would undoubtedly earn the plaudits of the likes of Robert Moses; it bids fair to complete the destruction of the heart of the Bronx which Moses so ably began two decades ago when he forced 15,000 families out of their homes to build the monstrous Cross-Bronx Expressway.

Significantly, the new plan expressly disclaims any programs to alleviate the problems of unemployment and welfare that plague fully a third of the present residents. Plans like these will also undoubtedly whet the appetites of the developers and building trades unions, but they can only hasten and accelerate the total demise of what is left of a once-proud borough. They should be quietly and quickly filed and forgotten.

Instead, reach out directly to the existing, struggling, legitimate community-based groups. This should consist, in turn, of a threefold process:

(1) Meet the people. Let them say what they have done and are in the process of doing. *Don't* tell them about professionally designed plans and programs, ivory-towered standards of what buildings, blocks and neighborhood ought to look like. Let them, for a while at least, do the talking and the showing.

(2) Find out what each of them sees that it must do in the next year or two. How would each group reach out from its present sphere of activities, and from the few buildings in which each is now involved, to encompass more of its neighborhood? Again, listen to *their* ideas; don't try to superimpose the visions of experts.

(3) Prepare with them (not for them) plans to locate and assign the resources (people and dollars) needed to accomplish their respective short-term objectives. Nothing grandiose; just, how do you do more of the same positive things you are now doing and what other and related things do you think you ought to do?

When you see these plans, you (along with citywide groups like the Pratt Institute Center for Community and Environmental Development, the Urban Homesteading Assistance Board, the Association of Neighborhood Housing Developers, the Consumer-Farmer Foundation, and others) should look again at the government programs that are now authorized and available and jointly figure out how they can be used to provide the needed resources. You will be surprised (and delighted) by what is going to come out of such planning and analysis sessions.

You will learn, for example, that hundreds—aggregating thousands—of jobs can be created, immediately, in the rehabilitation, maintenance, repair and management of the buildings that the South Bronx community groups want to assist. You will hear about plans to develop the open space (on which your shoes got scruffed) into parks, playgrounds, ball fields, urban gardens and the like—at minimal cost and employing more community people. You will hear how programs now run (partially, ineffectively and too expensively) by the city, such as the sealing up and demolition of vacant buildings, emergency repair services to buildings lacking heat or hot water and harboring other conditions dangerous to health and/or safety, management and repair of owner-abandoned buildings, emergency shelters for families and individuals forced to flee from unlivable accommodations, can be decentralized and operated by local community groups and made truly accountable to the local residents who depend on the services they provide. You will hear ideas for energy conservation projects, cooperative fuel buying, fire insurance companies, building supply, cabinet making and other community-run companies that can save millions of dollars in operating and maintenance costs for low-income residents and create more hundreds of jobs for local residents. And you will learn from the community groups a number of things you need to do to make existing programs more workable and relevant to the South Bronx—things that may require some fairly simple changes in some of the statutes and administrative regulations and procedures.

If you are thinking about an Urban Development Action Grant for the South Bronx, let it be designed and developed by a partnership of federal housing people, working directly with the South Bronx's own community groups and let it be based on the principle of supporting, aiding and abetting those groups to accomplish their own objectives.

Be skeptical of proposals (by such as the City Planning Commission and the private construction industry) to fill up the empty lots and replace the empty buildings with new housing—low rise or high rise or whatever. It is always less costly to rehabilitate than build anew; most of the Bronx's vacant buildings are structurally sound and were originally built, and can easily be restored, to acceptable standards of decent, livable, low-cost housing; and if new units are added before the older ones are restored and upgraded, the result will be only more abandonment. There are years of work to be done in fixing up the existing structures and getting people to live in them before we need turn to new construction.

Finally, there is no easy way to bring private business and industry back to the South Bronx—or to anywhere else in New York City for that matter. And even in the South Bronx's flourishing past, though there were more local industries and jobs then than now, most of its wage earners rode the subway to work in factories and offices in Manhattan and other boroughs. Job generation should be promoted within the South Bronx community, by and through the community groups and as part of their programs to regenerate their neighborhoods.

There are any people living in the South Bronx who not only believe that their community can be saved but who are already trying to save it. Join with them in the process. What is there to lose? If federal aid should come in the old packages and via the usual administrative mechanisms, it is bound to fail. Indeed, the South Bronx today is living—or more accurately, dying—proof that it fails, for all the remedies and procedures have been tried there. Contrary to what HUD Secretary Harris is reported to have said on the President's tour, the South Bronx did not begin to fall apart only five years ago, when President Nixon clapped a moratorium on federal housing programs. Its decline began long before that and had been noted with deep alarm by all who cared long before 1972. New York City's own proposed Master Plan—issued in 1969—describes graphically how badly off the South Bronx had by then become.

While no guarantees can be given that the prescription offered here will work—and admittedly it asks for a lot of flexible thinking and commitment by the federal bureaucracy—it ought to be worth at least a couple of years of investment. In that time it just might begin to turn things around in that troubled area. And if it does work, the dividends should be enormous—for not only will the physical environment be improved but people's lives will be changed.

THE COAL SLURRY ISSUE AND OUR RAILROADS

Mr. McGOVERN. Mr. President, the coal slurry pipeline question is a difficult one. On the surface it seems simple enough, coal slurry pipelines are another effective way to move western coal to points of use throughout this Nation. No one can fault this. But Western States are vitally concerned with the coal slurry transportation question for a variety of reasons. Two of the reasons most frequently enunciated are the potential effects of the coal slurry industry on western water supplies, and the effect of this industry on railroads. The West's interest in both railroads and water is fundamental.

Certainly, in a time of increasing demand for energy and increasing costs of energy production, the power industry is interested in holding costs down. Power consumers share that interest. There is evidence that coal slurry transportation may help accomplish this goal. But we must be careful that our concern for saving dollars and cents in terms of energy production does not ultimately cost us far more in terms of the livelihood of the West.

In an article entitled "What's Yours Is Mine" in the March 6 Forbes magazine, James Cook examines what that cost to the Western States' livelihood might be in terms of the impact of a supercompetitive coal slurry pipeline industry on the rail industry.

While I cannot wholeheartedly endorse every aspect of Mr. Cook's article, I believe the question he raises and the perspective he presents are important enough for our consideration.

If it is the policy of this Congress to assist in the rebuilding of this Nation's rail system, we must be certain that while we may be accomplishing that goal through passage of legislation designed to help the rail industry that we are not, on the other hand, inadvertently handicapping our effort through passage of other legislation having a detrimental effect on that same industry.

I ask unanimous consent that Mr. Cook's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT'S YOURS IS MINE

(By James Cook)

Wrapping itself in the banner of free competition, a powerful special interest group is close to persuading Congress, in effect, to confiscate the property rights of its competitors.

Too brazen to be true? Not at all. At stake is special legislation introduced by Congressman Bob Eckhardt (D-Tex.) that would

give the sponsors of coal slurry pipelines the right of eminent domain. According to those who know the ways of Congress, this complex piece of legislation has an excellent chance of passing. Pushing for it are such influential outfits as the San Francisco engineering and construction company, Bechtel Corp., Houston Natural Gas, Texas Eastern Transmission and Wall Street's Lehman Brothers Kuhn Loeb.

"All we want," says W. Pat Jennings, president of the Slurry Transport Association, "is an opportunity for the free competitive enterprise system to work." The pipeline sponsors want to build their pipelines across railroad property; the railroads don't want to let them. But the Eckhardt bill would permit these private businesses to use a power normally granted primarily to the public utilities—and by the federal government only to natural gas transmission companies—to condemn whatever property they need for their lines.

Slurry is a mixture of ground coal and water, and one 273-mile line already operates between an Arizona coal mine and a Nevada power plant. A half dozen others have been proposed linking western coal fields with plants in Texas and the Southeast, but most won't be built unless the federal government grants them the power of eminent domain.

This seemingly obscure bill could very well end up condemning a major part of the U.S. railroad system to the fate of the Penn Central. All this in the name of as yet unproven claims of long-range cost savings in coal—but with an undeniably huge use of scarce capital.

By 1985 U.S. coal production could well increase from the current 665 million tons a year to 1.2 billion. Normally, two-thirds of this moves by rail, the rest by barge and truck. Coal is the rail system's single biggest commodity, generating nearly 20 percent of all traffic volume, 14 percent of revenues but probably a much larger percentage of the ultimate profit. Coal and railroads are made for each other, because coal handling can be automated to a fare-thee-well. Railroads with heavy coal volume, the Norfolk & Western, Chessie and Burlington Northern, prominent among them, are among the nation's most prospercus. And as coal production moves westward, it promises to give a big boost to the ailing midwestern roads, two of which, the Rock Island and the Milwaukee, are already in receivership.

Slurry pipelines, however, could easily skim off the cream of the coal and thereby darken the future of an entire industry. By the mid- or late 1980s, a Hudson Institute study sponsored by the Burlington Northern has concluded, coal surry pipelines "could be carrying the bulk of western coal, while others might conceivably pick up a significant portion of eastern coal at some future date."

In bidding for such traffic, the pipeliners claim a significant cost advantage. Because their main operating cost consists of interest on their construction outlay, they're relatively immune to inflation. Not so the railroads, with their high labor component. In a case the pipeliners like to cite, the Burlington's coal rate from Wyoming to San Antonio would have gone from $7.90 a ton in 1973 to $17.34 in 1977, if the Interstate Commerce Commission had not forced them back to $11.94 per ton.

In arguing for passage of their special interest legislation, the pipeline proponents are making some substantial claims.

The Energy Transport System plans a $955-million, 1,000-mile line between Gillette, Wyo. and Baton Rouge, La. that will deliver 25 million tons of coal a year to a group of southern utilities, almost half as much coal as the Burlington currently carries. Middle South Utilities claims the line will save it $14 billion in transportation costs over a 30-year period, or an average of $466 million a year. The proposition is somewhat theoretical, however, as railroad rates are known, while pipeline rates can only be guessed at. No slurry line on the scale of the ETS project has yet been built, and pipeline costs have been known to run away before—witness the Alaska pipeline, whose costs rose from an original $900 million to around $8 billion. Similar overruns could conceivably afflict the slurry pipelines.

"Coal slurry pipelines," a congressional Office of Technology Assessment study concluded in January, "do represent under some specific circumstances the least costly available means for transporting coal." If so, why not take the wraps off, let the two modes compete?

Well, for one thing, because the pipelines will effectively offer only selective competition. The economics of surry pipelines depend on moving large volumes of coal long distances, the larger and longer the better, just as the railroads do, but because the pipelines generally involve much larger minimum volumes to be economic, they'll target in on what is probably the railroads' most profitable coal traffic.

But even granting that the pipelines can sometimes offer significant savings, such savings would probably take money out of one pocket to put into another. Here's why:

By law, the railroads must act as common carriers—that is, accept at approved (not necessarily profitable) rates any commodities offered for transport. This has meant in effect that the commodities on which the railroads make money (such as coal) have tended to subsidize those on which they do not—"the sort of operation that, if we weren't regulated, we'd abandon," says William H. Dempsey, head of the Association of American Railroads. "The railroads couldn't say to the city of San Antonio, We are not willing to accept that rate because it is not remunerative, and we are not going to provide you with service." The pipeline companies, on the other hand, could refuse to proceed with a project if the rates were unacceptable.

If the railroads were a true monopoly like the telephone or utility businesses, there probably wouldn't be any problem. If the slurry pipelines took away coal business, the rails might recoup by raising rates on, say, grain. But there's a limit to how far they can go. Though their prices are rigidly regulated, they're subject to selective competition from almost everything that moves. As a result, close competition has restricted both their rates and their profits so severely that the industry has not earned more than 4 percent on its investment in 20 years, or more than 5 percent in 35 years.

The pipelines no longer insist that the railroads lack the financial or competitive vigor to move the coal that's going to be needed. The railroads already have much of what they need to move a huge volume of coal, and the additional freight cars, locomotives and heavier track they'll need in some areas as the traffic expands can be put into place fairly quickly. So the pipeliners are now inclined to argue that pipelines are necessary to keep railroad rates in check, but in check mainly for certain individual utility companies and their customers. The rest of the shipping public may wind up paying the bill. "A slurry pipeline," the Office of Technology Assessment study concluded, "may lower the shipping costs of a utility while raising them for noncoal rail users."

So the basic issue remains one of public policy: Is it in the best interests of the U.S. to encourage the development of yet another specialized carrier to skim off some of the most profitable and promising traffic the common carrier railroads have? Rail passenger service, once subsidized by the railroads, now costs the taxpayers $500 million a year, while the government's Conrail system now absorbs close to $1 billion annually.

It was the emergence of the specialized, exempt, private and contract competition, chiefly trucks, that fatally weakened the railroads in the East, and it was the loss of its coal traffic that finally pushed Penn Central over the brink. The slurry pipelines may not cost the railroads a ton of existing traffic, but they would skim off their best hope for traffic growth. Without that the rail face a dismal future.

Of course, the marginal railroads can always wind up wards of the state, and the prosperous ones can go into pipelining themselves—as the Southern Pacific, Burlington Northern and Santa Fe have talked of doing.

There is no reason why coal slurry lines should not be built—as the Energy Transport Line will be—within the framework of existing law. But neither is there any reason why railroads should give up their birthright—especially to potential competition whose future benefits seem more limited than their proponents suggest.

SPECIAL PROBLEMS OF SENIOR CITIZENS

Mr. McGOVERN. Mr. President, an article appeared in yesterday's Washington Post which adds another dimension to the problems inner-city senior citizens face with acquiring adequate nutrition.

In recent years major supermarket chains have closed their inner-city stores and moved to the suburbs. We have long heard discussions of the effects that physical decline, the fear of crime, and poverty have on the nutritional status of the elderly. Now it appears that there are fewer and fewer stores within easy access of inner-city elderly where food can be purchased. For the mobile, relatively affluent elderly person this situation results in higher costs and considerable trouble. The implications for the poor and disabled elderly are far more severe.

Because authorizations for the title VII nutrition program for the elderly will be renewed this year, I believe this article is particularly apt. I ask unanimous consent that "Scarce Groceries" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 20, 1978]

SCARCE GROCERIES

(By Stephen J. Lynton)

For Rosetta Womack, who is 81 and carries a cane when she walks, 10 blocks is a long distance to travel to buy groceries.

Sometimes she goes by bus, sometimes by taxi. When she has finished her shopping, she asks one of the men who wait outside the Georgia Avenue supermarket to drive her home and bring her groceries indoors. They provide what amounts to a gypsy, or unlicensed, cab service. She pays them what she can afford—usually, she says, $1.65 or $2.

"Now I make out the best I can because I have arthritis and heart trouble," she said during an interview a few days ago. "It's difficult and it's costly also."

In her grocery shopping difficulties, Mrs. Womack is not alone.

As the number of major chain supermarkets in the District of Columbia has dwindled over the years, thousands of city

residents have found the distances from their homes to their food markets increasing. Researchers who have studied the issue say that the severest difficulties confront those who are elderly, handicapped or poor—especially those who do not own cars.

Almost no section of the city has been left untouched by what has been a nationwide trend: the flight of major supermarkets from central cities to the suburbs because of shifts in shopping habits, increased reliance on automobiles, the changing economics of the supermarket business, the urban riots of the 1960s, crime and other factors.

For many city dwellers, the decline of the neighborhood supermarket has required considerable accommodation and some ingenuity.

In neighborhoods such as Mrs. Womack's, some shoppers rely on gypsy cabs or other informal car-for-hire arrangements. Others form monthly car pools to go where the biggest supermarkets have gone—the suburbs. Some shop at downtown supermarkets because they can get there by bus without a transfer—a reflection of the commuter orientation of Washington's bus system. Some, who must walk long distances to supermarkets, take their children along to push their shopping carts home and act as lookouts against possible theft or vandalism. Some simply make fewer shopping trips.

For Mrs. Womack, a lively, assertive woman who declined to be photographed and who lives on a retirement annuity from her nearly 35 years as a Post Office employee, the days of going around the corner to a neighborhood Safeway store are only a memory, as they are for many other Washington residents.

Safeway, the city's dominant food chain, once had a small store on Georgia Avenue south of Columbia Road, about a block from Mrs. Womack's Harvard Street home. She remembers shopping there during the 1930s. Safeway vacated the shop, along with a number of its other stores, after the 1968 riots here.

Long before her neighborhood Safeway closed, however, Mrs. Womack had apparently stopped buying groceries there. Why she stopped is not altogether clear. Her recollections, she said, are hazy. But one reason apparently was that the small Safeway had only a limited assortment of groceries. "They just didn't have what you wanted," she recalled.

To get to other larger Safeways farther north along Georgia Avenue, Mrs. Womack would rely on her grandchildren and a variety of improvised shopping carts. "I would take either the baby carriage or the boys' cart and one of them would go along to pull it," she said. For a time, she walked to the supermarket, accompanied by her grandchildren. As she grew older, she began to ride there and back by bus. Her grandchildren would meet her at the supermarket with a cart and haul the groceries home.

Now the nearest Safeway is even farther north, at Georgia Avenue and Randolph Street NW. Two other less distant Safeways have closed, one of them on Georgia Avenue near Newton Place and the other on New Hampshire Avenue off Georgia Avenue. For Mrs. Womack, a widow who still lives at the brick row house on Harvard Street that her family moved into in 1922, the trip to the supermarket has become slightly longer, increasingly difficult and considerably more costly.

When she feels well enough, she rides a bus up Georgia Avenue to the Safeway, paying a 20-cent fare, a reduced rate for the elderly. Occasionally, she is given a free lift to the Safeway by a driver for a senior citizens' center she visits. Otherwise, she goes to the supermarket by cab—a trip for which she apparently is regularly charged an illegally high fare.

Mrs. Womack insisted that taxi drivers always demand $1.65 for the ride—an amount that city and taxicab company officials describe as improper. The fare, they said, should be $1.10, the one-zone rate, because her trip does not take her across Randolph Street, the dividing line between two taxi zones.

To get home with her groceries, Mrs. Womack depends on the informal car-for-hire system that operates outside the supermarket. She said it is always available.

On a recent afternoon, one such driver was shuttling shoppers to their homes in his station wagon. Asked who his main customers were, he replied, "It's mostly older people." Mrs. Womack said she gives the drivers $1.65 or $2 for a ride because she feels they should get at least what licensed taxi drivers demand and because they also carry her groceries inside to her dining-room table. They do not charge a fare, she added "You give them a donation."

The once-simpler chore of going grocery shopping has in recent years prompted considerable research and urban debate here and across the United States.

In one D.C. government study, many low-income, elderly and handicapped persons living in Southeast Washington communities east of the Anacostia River were found to do their principal shopping for groceries and other household necessities either by riding a bus to a downtown store or traveling to a commercial area in Prince George's county, such as the Eastover Shopping Center. For such persons, the study concluded, available transportation was "most inadequate."

The report, published in 1976, found that low-income families without automobiles made half as many major shopping trips as those who owned cars. The elderly, it said, faced similar obstacles. "A typical shopping trip by an elderly person usually required riding the bus to a desired location with a return trip by taxi. Such procedure is usually necessary, despite the cost, because of the burden of carrying packages any distance on the return trip. Thus, the elderly make fewer shopping trips."

Transportation officials who took part in the study said in interviews that Southeast Washington residents shopped in the suburbs or downtown for a variety of reasons in addition to the dearth of supermarkets where they lived.

Most direct bus service, they noted, leads downtown or to the suburbs. Much of Anacostia and surrounding communities is hilly—a deterrent to going shopping on foot. Many residents, they said, believe—correctly or not—that suburban supermarkets offer lower prices, higher quality and more variety. Many elderly persons avoid walking to a supermarket because they are afraid they may be robbed. "The element of fear is a lot greater than you may realize," J. W. Lanum, a city transportation official who took part in the study, said. "Young kids are really doing a number on old folks these days."

A survey by the Washington Urban League of low-income residents of Northwest Washington's Shaw and Adams-Morgan neighborhoods also pointed to widespread concern about difficulties in going grocery shopping. The Urban League study, published in 1976, found that 69 percent of those who responded to its survey did not own cars, 41 percent lived more than four blocks from the nearest supermarket and 45 percent took 15 minutes or longer to get there.

Elsewhere in the United States, a number of studies has also underscored the problems low-income families face in doing their grocery shopping. Though their findings differ, sometimes markedly, most such studies appear to show that many poor persons travel considerable distances by buses, taxis, car pool and other arrangements to supermarkets where they believe the prices are lower and merchandise is better.

"This notion of lack of mobility—that's not true," Clyde Smith, an associate professor of marketing at Morgan State University in Baltimore, said in a telephone interview. Smith conducted a study of grocery shopping patterns among inner-city residents in Oakland, Calif., in 1974. "There are many alternatives," he added, "and they use them."

Part of the national debate on this issue centers on the extent to which low-income families travel to major chain supermarkets or are confined instead, to shopping at higher-priced mom-and-pop grocery stores and other independent markets closer to where they live.

Charles S. Goodman, chairman of the marketing department at the University of Pennsylvania's Wharton School, found in a study of a low-income section of Philadelphia in 1965 that 92 per cent of the residents traveled to chain supermarkets and other large food stores outside their neighborhood to do their main grocery shopping. He concluded that the poor "do not pay more" for their groceries.

Other studies, however, have found that a much larger proportion of low-income families shops at higher-priced neighborhood stores. One study in New Haven, Conn., reported that more than 60 per cent of the low-income families there did their main shopping at small local food stores.

Marcus Alexis, who is chairman of the economics department at Northwestern University and has written extensively about these issues, has reached more complex conclusions. Although a significant number of inner-city residents travels to major chain supermarkets in other neighborhoods, he said in a telephone interview, the proportion of low-income families that shops at neighborhood food stores is larger than the proportion of higher-income families that shops at similar high-priced stores.

In the District of Columbia, the decrease in major chain supermarkets in recent years has prompted several efforts by government and private agencies to help city residents, especially the elderly, go grocery shopping.

The D.C. Department of Housing and Community Development recently started a special bus service, financed by a federal grant, for elderly, handicapped and other residents who live near the site of a Northeast Washington A&P supermarket that was forced to close because of an urban renewal project. It operates three days a week. Several social welfare centers run similar bus services for the elderly. Safeway itself started a special bus service for the elderly after closing one of its Connecticut Avenue NW stores.

While the decline of the neighborhood grocery store has caused hardship for some city residents, many others appear to have accommodated themselves to the change. At the Safeway on Martin Luther King Jr. Avenue SE near St. Elizabeths Hospital, for example, taking a taxicab ride home from the supermarket has become a way of life.

"I been doing it on 13 years," Mary Wester, a Southeast Washington resident said as she stepped into a taxi with her groceries in front of the Safeway there one evening this month. "It just comes natural," she added. "You just figure that into your budget."

MR. MEANY ON JOBS

Mr. McGOVERN. Mr. President, I am increasingly disturbed by a strange contradiction in modern American life. While our Nation has enormous unmet needs in housing, public works, energy conservation, nutrition, and transporta-

tion, we also have large numbers of people unemployed.

I was very impressed by an article which I read in the December 1977 issue of the Federationist entitled "Jobs." It was written by George Meany, the distinguished president of the AFL–CIO. I believe that it is an excellent and perceptive analysis of why the Humphrey-Hawkins bill is so important to this Nation.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

There benig no objection, the article was ordered to be printed in the RECORD, as follows:

JOBS

(By George Meany)

The greatest commitment this nation can make toward human rights at home is full employment. To us, unemployment is not only a waste—it is a denial of human rights.

Recently, President Carter announced his support for the Humphrey-Hawkins bill. We take that announcement as a solemn commitment. But a commitment is not enough.

Full employment promises must be backed up with comprehensive, effective programs that will meet that goal. Anything less is unacceptable because not only do the American people have a right to a job, they also have a human right to expect their government to fullfill its promises.

The 4 percent unemployment rate set forth in Humphrey-Hawkins is a realistic, achievable goal. The record proves that fact.

In January of 1969, when unfortunately Arthur Burns returned to Washington after eight years of absence, unemployment was 3.4 percent and inflation was 4.2 percent.

That was nine years ago—nine years filled with economc misery caused by the economic poilices of Dr. Arthur F. Burns.

Enacting the Humphrey-Hawkins Full Employment and Balanced Growth Act and then providing policies and programs to make it work will set America back on the road toward full employment and toward alleviating the misery caused by widespread joblessness.

The election year of 1976 ended with an official unemployment rate of 7.9 percent. In reality, 10 million Americans who wanted and needed full-time jobs could not find them.

Today, the official unemployment rate has gone down to 6.9 percent. But there are still almost 10 million Americans who cannot find the full-time work they want and need.

Three million of these workers went the entire year without being able to find work. For them, the unemployment rate was 100 percent every day and every month of the year. About 20 million workers were out of work at least once during the year. Don't those statistics prove that something must be done?

What did it cost America not to have full employment in 1977?

In terms of budget deficits, a popular benchmark in the office of administration economic experts, it cost $61 billion—practically the entire budget deficit for the year.

In terms of the gross national product, unemployment cost more than $220 billion in lost output of goods and services, about $1,000 for every man, woman and child.

That is pure, unadulterated waste that is of itself a major contributing factor to inflation.

Consider the inflationary impact of keeping 14 percent of U.S. productive capacity idle. Firms with idle plant and equipment still pay for the machinery, pay property taxes, pay for maintenance and guards. Those costs are paid by all of us in higher prices for the products that were being produced.

For the unemployed and their families, the costs cannot even be estimated. There is no way to put a dollar value on human costs—like the mental anxiety that comes with unemployment, the fear of harassment over unpaid bills, idle hours, loss of self-esteem, stresses and strains on family relationships, lost physical health.

Continued high unemployment in America has created a new segregation between those who work and those who are always jobless. It is a segregation that is both brutal and dehumanizing.

Frankly, we must note that promises and speeches will not do the job. This bleak picture will only improve when there is strong action by the President and the Congress.

We hear a great deal of talk these days from economists inside and outside of government about an acceptable level of unemployment around 6 percent. What this really means is that we can live with a permanent rate of unemployment at that level.

The people who smugly decide that a 6 percent overall rate of unemployment is acceptable fail to spell out just what this actually means.

For example, 6 percent unemployment would mean approximately 32 percent permanent unemployment for black teenagers, 15 percent for white teenagers and 10 percent permanent unemployment for all of our black employables.

What would this mean in human terms? What would this mean in regard to the social structure of our nation for the future?

I am sure that the answers to these questions are obvious and frightening to anyone interested in the preservation of our American way of life.

We also hear these same voices stressing the importance of building up business confidence in the economic future of America.

This would be done by various concessions to business on tax relief, all designed to add to business profitability.

The same old trickle-down theory is advanced. If we make business more profitable, somehow or other those at the bottom of the economic ladder will benefit.

We believe the way to restore confidence throughout America is to set a goal of 4 million new jobs a year for the next four years. That is the only way unemployment is going to be reduced substantially.

That means 76,000 jobs a week for the next 208 weeks.

With that kind of commitment, the President would meet both of his major goals: full employment and a balanced budget.

Unless the Administration is honestly willing to make such a commitment and back it up with an economic stimulus program that won't be cut in half at the last minute neither goal will be met.

Real job-creating programs are what the economy needs. Tax cuts for business will not do the job.

Programs like an extra $5 billion in accelerated public works. In addition, funds should be provided for building the sewer and water systems and transportation facilities needed for a healthy economy.

Such a program would create more jobs than $10 billion in tax cuts. Of course, in addition, there is a return to the Treasury from taxes paid by people who go back to work.

So, the economists figure the net cost to the federal budget of $5 billion investment in public works would be about $2.75 billion, as opposed to a more than $7 billion net cost for $10 billion in tax cuts.

Three times President Carter's predecessor vetoed the public works program before we were able to secure passage of a $2 billion program. This year, the Congress increased the program to $4 billion, double President Carter's original proposal. An estimated 126,500 direct jobs at construction sites will be created by this program, plus an additional 66,000 indirect jobs in supplier industries. The so-called ripple effect will bring another 362,500 jobs, or a total of 555,000 jobs.

But, public works alone will not be enough.

America needs housing and housing construction can be the single most effective economic stimulus in terms of jobs and in terms of fighting inflation. Reducing home mortgage interest rates to 6 percent would lower monthly payments for an average house by more than $60 per month, enabling more families to buy homes.

ECONOMIC ALTERNATIVES

Mr. McGOVERN. Mr. President, the Senate will soon be debating both the fiscal year 1979 Federal budget and the President's proposed tax reform measure.

I expect the discussion will help us focus on matters of national priorities, seeking to balance the needs of the majority of our citizens while both stimulating the economy and restraining inflation.

I am looking forward very much to that debate in part because the subject of the economy is obviously one of the most important domestic issues, but also because the debate, by necessity, will have to include some rethinking of the old truths.

Many economists and students of public policy are now talking about a new economic era, where many of the old methods of fiscal and monetary manipulation, including the trade-off between unemployment and inflation, are no longer useful. This is a very important new consideration, one which I believe must be very fully discussed.

To that end, Mr. President, I ask unanimous consent that the following article entitled "A New Look at Economic Alternatives," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW LOOK AT ECONOMIC REALITIES

Economist Gar Alperovitz, 40, is a director of the Exploratory Project for Economic Alternatives, a group which studies ways to reorganize the American economic system. He was interviewed by Washington Star Staff Writer Thomas Love.

Question: There have been a number of recurring problems the economy has faced. Various proposals have been tried and have failed. Is there anything that really can be done to solve problems in an economy the size of ours?

Alperovitz: Yes. We can make changes but it requires us to recognize that we are entering a dramatically new economic era. The postwar boom is over. We're into a situation where the old solutions won't really apply. Capital problems, shortages of basic raw materials, productivity slowdown, jolts we've been getting from the climate—these are in a dramatically new era. Above all, the United States is no longer in the dominant position it was after World War II so we're going to need solutions appropriate to the new era.

Q: Your organization has been conducting studies on various aspects of the situation. Have you come up with any sense of direction to new solutions?

A: Yes, in a number of areas. Take inflation, which is one of the most powerful and

pervasive. It is very clear to us that the old solutions are obsolete. Much of the inflation which bothers the average family is in the basic necessities of life—health, energy, shelter. The reality there is that the source of the inflation has not derived significantly from labor costs. We can have all sorts of budget cutting but we won't be getting at the heart of the matter.

Q: What is the heart of the matter?

A: Well, as for energy, everyone realizes that with Arab policies, shortages and linking our price levels domestically to the world economy, it is a major, dramatic source of inflation. Unless we can break that linkage, particularly on the necessities of life, we will continue to allow the Arab tail to wag the American dog. So that our whole inflation cycle, the ripple effect and everything coming after it will continue if the Arabs hit us with another 5 or 10 percent rise. It's dramatic to me how lucky the Carter administration has been so far in the restraint of the Arabs. But we are very, very vulnerable. Unless we are willing to go at pricing and energy policies in a different way, we are likely to hit this cycle once more.

Q: Do you believe one of our main aims should be to get away from oil, to nuclear or solar power?

A: Yes. We've got to develop new, renewable sources of power, particularly. We've really got to develop a three-part program. One is to develop renewable sources of energy dramatically—and I would emphasize solar and not nuclear. Secondly, use direct measures to conserve basic energy. Instead of allowing the price of gasoline to go up 25 or 30 cents, directly prohibit or eliminate gas guzzlers. That's a basic principle. And thirdly, stabilize the price for necessity users of energy. Heating oil in the winter in New England is a necessity use, the price of gasoline or petroleum for private yachts is not. So we have to have a split-level pricing system that clearly distinguishes between what is important and what is not.

Q: Is that feasible to develop? Aren't there gray areas?

A: Yes, there are gray areas. But when you look at what is a necessity to most families—heating oil, drive-to-work gasoline, basic electrical utility use—that's the heart of the matter for the vast majority of American families. You can draw the line pretty carefully and pretty clearly as to what's an obvious necessity. There is the intermediate area where a great deal of debate is required, but that's not the significant part.

Q. Wouldn't this take an even larger government bureaucracy to handle?

A. That's the most interesting thing. The question of government bureaucracy is already resolved. We have a huge bureaucracy in the government managing the energy industry. No one expects the government to get out of the energy business. The real question is whose benefit is it going to serve—the major oil companies or the average consumer or the next generation which needs conservation? Whether we like it or not, we've resolved the question of whether the government's going to be involved; the question is whether it's going to be for good or bad.

Q. Unemployment is a major factor in the economy. What do you think of the Humphrey-Hawkins bill approach?

A. The Humphrey-Hawkins bill in its present form is a very limited and generalized concept. We could put some real teeth in it by implementing it beyond this. Or we could avoid the trap of targeting it in on the inflation question which I think some in the House and Senate may very well do. It's a vehicle which takes us in the right direction but we've got a lot of improvement to do.

Q. What actually is the effect of unemployment on the economy, the gross national products?

A. If you look at virtually all the other advanced industrial countries in the world and take a look at their employment records and inflation records in the post-war years, you find that most countries were running unemployment figures below 2 percent for long periods of time. If we had been able to do that for the past 20 years, we would have generated vast excess sums which could have been translated into public programs, which could have been used for tax relief.

Q: Would this have been a net profit, considering the inflation rate that accompanies high employment?

A: Well, it depends on whether we had simultaneously stabilized our inflation rates. But the basic answer is yes. In the new economic era we are entering, the trade-off between inflation and unemployment is increasingly a non-fact. You can lower the levels of unemployment dramatically hoping to stem inflation and if the Arabs boost the price of energy—which has no relationship to employment—you still have inflation. World food prices will go up, and this has no relationship to the U.S. employment situation but it will raise inflation.

Q: What do you think of the Carter economic policies so far?

A: They've been extremely mild, in many ways extremely cautious and they have been operating in a context which has been quite fortuitous for the administration. They have not been hit by any major shocker. They could very well have been. They also have been very conservative in that they have not been willing to spend money on the things that society needs to stimulate the economy. Instead, tax relief or reduction—the most conservative way of using over-all economic policy—has been the Carter administration's primary slant. Now, they do attempt on the margins of economic policy to reform in small ways, if possible, some parts of the tax package which is a move in the right direction. But in the larger issues it's been very cautious and, by and large, very conservative.

Q: In what areas do you feel more money should be spent?

A: It would be very easy for us to list what our railroad needs are, our mass transit needs, our solar needs, our pollution control devices. Those are self-evident. There would be no objection, indeed many advantages in accelerating our investment in these things that we'll be doing anyway and using that to stimulate the economy. This would be killing at least two or maybe three birds with the same stone. We meet some of our needs that are well defined, we'd stimulate the economy and in the cases at least of mass transit, rail and solar, we'd be taking a good cut at the energy problem.

Q. Tax reform measures have come both from the Congress and the administration. From the individual's point of view, what do you think of the proposals so far?

A. They are very modest on the reform end. They have not dealt with very many of the major areas of reform that the president talked about during the campaign. By and large, that was left out. If you look then at a much smaller package, there are some small gains at the lower end of the income distribution, there are large benefits for the corporations. There are tiny tokens taken at such things as expense account luncheons which in the big picture are not the heart of the matter.

Q. How about from the small business point of view?

A: Early on in the administration, there was some sign that the president was taking a strong position in favor of the nation's 14 million small businesses and that he understood the great, great difference between their needs and those of the Fortune 500. Of late, it appears that the president is listening much, much more to the large business leaders and is not taking up the issues facing the nation's small businesses. The average small businessman is facing difficulty in getting capital. He also has difficulty in getting access to local markets. He's having difficulty with government paperwork, regulations and tax policy as well. A strong policy favoring the small and medium-sized businessman could be very advantageous, could be healthy to innovation and healthy to communities.

Q. How do you see the impact of the government on the marketplace?

A: The old issue of big government and small government is really obsolete. Everyone recognizes that government is gigantic and when you press even the most conservative people on this issue, everyone understands that we're really not going to turn history back. Involvement in the economy is with us. Once you recognize that, the question really is: Who benefits? The vast majority of the consumers on the one hand or the the giant oil companies? Are we going to have policies that benefit communities of America and stabilize their local economies or are we going to have corporations which hop-scotch around from the North to the South? The question is what goals can we set that are positive rather than negative.

SIMONTON TESTIMONY TO THE ENERGY DEPARTMENT

Mr. McGOVERN Mr. President, on August 4, 1977, President Carter signed Public Law 95–91 establishing the U.S. Department of Energy. That was an historic occasion. The Congress knew this action would have far-reaching impact on Federal energy policy. Such was our intent and desire. The purpose of the Department of Energy Organization Act was to bring together scattered responsibilities for energy policy into one agency to which we could look for coordination and development of a comprehensive energy program for this Nation.

Pursuant to section 302 of this act, we transferred jurisdiction previously held by the Secretary of the Interior over Federal power marketing agencies to the Secretary of Energy. In doing so we transferred the agencies created to administer Federal power projects to the Department of Energy. Among these was the administrative structure in the Bureau of Reclamation dealing with that agency's power functions. Subsequently that administrative structure was given a name of its own, the Western Area Power Administration (WAPA).

Other actions we carried out which are related to the concerns I am expressing today were creation of the Federal Energy Regulatory Commission and the Economic Regulatory Administration (ERA). The Secretary of Energy has vested ERA with confirmatory authority over power rates of the various power marketing agencies.

Prior to promulgation of the rule establishing confirmatory rate jurisdiction in ERA, Federal power "preference customers" learned that serious consideration was being given to altering the traditional approach to ratemaking by the Federal power marketing agencies, WAPA among them.

This traditional approach is embodied in language of the Flood Control Act of 1944 wherein it is stated that power rates will be set on the basis of the "lowest possible cost consistent with sound business principles". Of a dozen criteria under consideration by ERA, this historic principle was conspicuous by its absence. In fact, many of the criteria under consideration bv ERA seem to be inconsistent with this principle.

My colleagues will recall that at the time we debated the Department of Energy Organization Act, I set forth my concerns for the discretion the Department would be allowed in altering Federal power rates. My concerns are reflected in wording we adopted in section 302(a)(3) of the act which refers to transfer of the Bureau of Reclamation's functions to the Department or to WAPA:

Neither the transfer of functions affected by paragraph 1(E) of this subsection nor any change in cost allocation or project evaluation standards shall be deemed to authorize the reallocation of joint costs of multipurpose facilities theretofore allocated unless and to the extent that such change is hereafter approved by Congress.

According to this paragraph in Department of Energy Organization Act, the Department is without authority to increase power rates for any purpose without prior congressional approval.

My reasoning in urging adoption of this language is contained in testimony I offered before this body on May 18, 1977.

The Congress has carefully evaluated the financial aspects of the total project (authorized under the 1944 Flood Control Act) during previous years. The Department of the Interior prepared a financial report and recommendations for financial management that were accepted by the Congress in conjunction with the Garrison (Diversion) unit in 1966.

Congress should determine cost allocations and project repayment requirements. This becomes even more important with the new alinements and adjusted responsibilities in the executive branch. We need this assurance at the time when new alinements and adjusted responsibilities are being considered in the executive branch.

I recall my comments for my colleagues at this time because on January 3d of this year, the Department of Energy proposed amendments to the ratemaking procedure for the Western Area Power Administration. WAPA's "preference customers" are concerned about this development.

Fred G. Simonton is the executive director of the Mid-West Electric Consumers Association. That association is the regional service organization of rural electric cooperatives, municipally-owned electric systems, and public power districts in nine States of the Missouri River Basin. On behalf of the association, Mr. Simonton presented testimony on February 3 at a Department of Energy public hearing here in Washington. He has provided me a copy of his testimony.

Because the Mid-West Electric Consumers Association was organized 10 years ago to obtain an adequate and dependable supply of low cost electric power for its members and to promote the interest of electric consumers in the Missouri River Basin, I believe Mr. Simonton's comments clearly summarize the view of WAPA's customers and should be printed in the RECORD at this time.

This matter is of vital concern not only to my constituents in South Dakota, it is of paramount importance to consumers of federally generated power throughout the Missouri River Basin. Therefore, Mr. President, I ask unanimous consent that Mr. Simonton's testimony to the Department of Energy be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

COMMENTS BY MR. SIMONTON

On January 3, 1978, the Department of Energy proposed amendments to the ratemaking procedures for the Western Area Power Administration (WAPA). 43 Fed. Reg. 31 (January 3, 1978). Pursuant to the invitation there contained for submission of written comments on the proposed procedures, Mid-West Electric Consumers Association, Inc. submits the following:

MID-WEST ELECTRIC CONSUMERS ASSOCIATION, INC.

Mid-West Electric Consumers Association, Inc. (Mid-West), with headquarters at Evergreen, Colorado, is the regional service organization of the rural electric cooperatives and publicly-owned electric systems located in the nine states comprising the Missouri Basin: Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, North Dakota, South Dakota and Wyoming. Mid-West is composed of approximately 250 systems, which serve almost 1,500,000 consumers. It was formed to obtain an adequate supply of low-cost and dependable electric power for constituent members, and generally to promote the interests of electric consumers in the region.

Mid-West's members qualify as entities entitled to preference in the sale of federal power generated at projects constructed pursuant to the Flood Control Act of 1944 (16 U.S.C. § 825s), mostly located on the main stem of the Missouri River. These projects are now under the jurisdiction of WAPA, the successor agency to the Bureau of Reclamation in the area of power marketing.

For many years members of Mid-West purchased all of their electric requirements from the Bureau of Reclamation. As their loads have grown beyond the capacity of existing hydroelectric generating facilities, Mid-West's members have banded together to obtain an additional source of electric energy at a reasonably low cost. Resulting generation and transmission organizations include Basin Electric Power Cooperative, Missouri Basin Municipal Power Agency, Tri-State Generation and Transmission Association and Wyoming Municipal Electric Joint Power Board.

Additional generating facilities planned or under construction by these entities are, by necessity, coal fired steam plants which must rely on low sulfur western coal as a fuel supply, coal which is owned, in the main, by the federal government. Mid-West will not detail here the difficulties which its members have experienced in securing access to federal coal, but will state that federal policies with respect to this resource are confused and ill defined, charitably speaking, which confusion has spawned a rash of litigation and a freeze by federal agencies on the leasing of federal coal which is necessary to meet the needs of electric consumers in the western region (See, e.g., *Kleppe* v. *Sierra Club*, 427 U.S. 390 (1976), in which Mid-West participated, with others, *amici curiae*).

Notwithstanding that Mid-West's members have or are developing sources of electric power supply independent of the federal government, WAPA's policies with respect to federal power projects are of acute interest to Mid-West. First, federal hydro-power remains a substantial portion of the total electric supply needs of Mid-West's members.

Second, the historically low cost of federal hydro-power enables Mid-West's members to blend more expensive thermal power to provide electric consumers with power supply at a price compatible with the fragile rural economies of the areas served by them.

Thus Mid-West files these comments for the primary purpose of ensuring that the procedural framework for WAPA decisionmaking with respect to federal power rates is such as to ensure a continuation of historical federal power marketing policies, policies which Mid-West believes are mandated by existing law and which Mid-West will do everything in its power to see are continued.

Briefly stated, these historical policies are:

1. That rates be drawn to recover *only* the proper allocation of project costs to electric users;

2. That rates be developed at the local level by those involved with project operation;

3. That rate design for the ultimate electric consumer be left to the distributing utility and not mandated by the federal power marketing agency.

THE REGULATIONS

Mid-West will not repeat here the details of the regulations proposed but does say that the regulations, as drawn, are objectionable in four respects. Specifically, Mid-West objects:

1. To the involvement of the Economic Regulatory Administration (ERA) in the rate-setting process;

2. To the lack of procedural safeguards provided for by the regulations;

3. To the omission of a requirement that WAPA follow the dictates of the National Environmental Policy Act (NEPA) in the formulation of rates;

4. To the provision allowing the setting of an "interim" rate by ERA.

A. The Involvement of the Economic Regulatory Administration Is Contrary to the Energy Organization Act.

On October 1, 1977, the Secretary of the Department of Energy (DOE) delegated to ERA confirmatory authority over rate adjustments for federal hydro-projects constructed under the Flood Control Act of 1944. 42 Fed. Reg. 60726, 60727 (November 29, 1977). The delegation of authority is recognized in the regulations here under discussion in Section 10, which vests ERA with the jurisdiction to set an "interim" rate pending review of a rate adjustment proposal by the Assistant Secretary for Resource Application, and in Section 11, which vests ERA with the jurisdiction to announce a "final decision on the rate adjustment."

Any involvement by ERA in the ratemaking process is, in Mid-West's view, improper both as a matter of policy and under the Energy Organization Act (the Act).

ERA is still another amalgamation of "experts," isolated in Washington, with little, if any, understanding and sensitivity to the needs of western America and its rural economy. ERA is charged with a vast array of other responsibilities by the Secretary and it can hardly be expected to take the time and effort to acquaint itself with the intricate relationship of power supply and cost and the economic well-being of already hard-pressed, rural Americans. Instead, ERA can be expected to tinker with federal rate levels and rate design to achieve what it perceives to be worthwhile social goals in the selling of federal power regardless of the spin-off effect this tinkering may have on the social frame-

work of those areas dependent on federal power.

With this in mind, Congress, in the Act, very carefully mandated that WAPA remain separate and distinct within DOE, and that the Secretary, in exercising his supervisory jurisdiction over WAPA, do so through an Assistant Secretary, and not ERA. The structure created by Congress for federal power marketing functions within DOE is, of course, a continuation of the historical chain of command utilized in the Department of the Interior. The involvement of ERA, on the other hand, is inconsistent with the congressionally-mandated structure and historical policies.

Attached as a part of these comments is a Legal Opinion (the Opinion) prepared at the request of Mid-West and the Salt River Project.[1] At pp. 7–10 of the Opinion, the propriety of ERA's involvement in rate-making is discussed. The conclusion reached there is that the delegation of authority to ERA is improper under the Act. Mid-West adopts the conclusion and urges that the regulations be altered to remove any involvement of ERA in the rate-making process. Instead, the Assistant Secretary for Resource Application and WAPA should propose an appropriate rate adjustment directly to the Secretary for his review and decision with appropriate procedural safeguards.

B. *The regulations as proposed are inconsistent with procedural due process.*

The discussion at pp. 14–16 of the Opinion clearly shows that procedures for federal rate-making must meet the requirements for procedural due process. Mid-West maintains that the regulations as proposed fail to meet the judicial interpretation of due process in that no opportunity is provided for the presentation of witnesses by affected customers, no opportunity is provided for cross examination under oath of both WAPA personnel and customer witnesses, and ERA (under Section 11) is not limited to the record developed before WAPA and the Assistant Secretary for Resource Application in passing on a final rate. Instead, ERA would seem to have the freedom to adopt a rate higher than that proposed or to alter rate design after the close of the record below.

Also attached as a part of these comments is a Resolution adopted by the Legislation and Resolutions Committee of the American Public Power Association at its meeting of January 25, 1978. The Resolution addresses the subject matter at hand and Mid-West concurs with it in its entirety. Paragraphs 4 and 6 of the Resolution specifically deal with appropriate rate-making procedures for federal power marketing agencies and Mid-West believes that, at a minimum, these procedures are required to insure the validity of any final rate decision for federal power projects.

C. *The regulations improperly omit procedures for compliance with NEPA.*

Mid-West believes and maintains that NEPA is applicable to the power marketing functions of WAPA, and specifically rate-making. At pp. 16–24 of the Opinion the application of NEPA to rate-making activities is discussed in detail. If DOE continues to ignore NEPA's application to its rate-making activities, DOE simply must realize that litigation will ensue at some point (and probably critical) given the enormous stakes involved to the customers of WAPA.

Certainly DOE is aware that Section 2(f) of Executive Order 11514 requires federal agencies to implement procedures designed to meet the mandates of Section 102(2)(C) of NEPA. Regulations of the Council on Environmental Quality interpret Section 2(f) to require each agency to establish procedures to identify those actions requiring environmental statements and the timing of the preparation of statements, among other matters. 40 C.F.R. § 1500.3.

The vice of the proposed regulations here addressed is that they are totally silent on NEPA and procedures designed to insure compliance with NEPA. The assumption made must be that NEPA is never applicable to rate-making. If so, the assumption is patently erroneous as the Opinion makes abundantly clear.

For example, if ERA proposed to impose rate levels or rate design to achieve the conservation of electric energy, a NEPA statement would, by definition, be required prior to the proposal to implement such a rate on an "interim" or final basis. The federal action, by definition, would have a significant effect on the quality of the human environment since its sole purpose would be to alter the way people live and work.

Mid-West is not saying here that a NEPA statement is required prior to the implementation of any rate adjustment. Mid-West does maintain, however, that the proposed regulations are presently inadequate and illegal since no provision is made for a process to determine when and under what circumstances a NEPA statement is required prior to the implementation of a rate adjustment, or even proposal for a rate adjustment.

D. *There is no authority for the setting of an interim rate in the power marketing statutes which control DOE's rate-making activities.*

Section 10 of the proposed regulations provides a procedure whereby ERA can put the Assistant Secretary for Resource Application's proposed rate into effect on an interim basis where it is deemed "necessary and appropriate" to do so. Mid-West believes that it will never be appropriate under the power marketing statutes which goven federal power rate-making (see the Opinion, pp. 24–31) to set interim rates since the statutes neither expressly provide for an interim rate procedure nor can the statutes be construed to impliedly authorize such a procedure.

It cannot be argued that rates for federal power projects can only be set in accordance with the statutory criteria. Cf. *Associated Electric Cooperative* v. *Morton*, 507 F.2d 1167 (D.C. Cir. 1974), *cert. denied*, 423 U.S. 830. The criteria applicable to federal power rates is found in 16 U.S.C. § 825s which mandates that rates be set ". . . in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles."

Thus, ERA is unable to set an "interim" rate for federal power since it will be unable to determine on an "interim" basis whether the proposed rate meets applicable criteria.

Had Congress intended that federal power marketing rates be set on an "interim" basis, it would have specifically provided for it.

For example, in *Hope Natural Gas Commission*, 196 F. 2d 803 (4th Cir. 1952), the company sought to effectuate a rate increase during a statutory suspension period by posting bond. The FPC denied the company's request on the ground that the Natural Gas Act did not authorize interim rates during the suspension period. The Court agreed:

"It is argued that since the rates allowed by the Commission were found to be reasonable with reference to a test year which ended just before the beginning of the suspension period, there is as much reason in making the rates applicable during the suspension period as during the following period when the rates which had been suspended were in effect. *This however, was a matter for Congress and not for the Commission or the courts.* As pointed out above, Congress might have provided for the increased rates to become effective at once upon the giving of bond for the refund of any portion found to be unreasonable. It preferred, however, to adopt the method which had been found to work satisfactorily in railroad rate regulation and to make no provision for the collection of increased rates during the period of suspension. *Ibid.* at 808." (Emphasis supplied).

Similarly, in *Northern California Power Agency* v. *Morton*, 396 F. Supp. 1157 (D.D.C. 1975) (affirmed without opinion), the Court held that rates could not be put into effect until procedures comporting with due process had been completed and set aside an interim rate increase. The Court stated that ". . . our jurisprudence has traditionally valued an opportunity for a hearing comporting with due process prior to the time a person may be deprived of a statutory entitlement." *Ibid.* at 1194–95.

In addition, the concept of an "interim" rate is inconsistent with the requirements of NEPA. Since NEPA requires an assessment of the environmental impact of a proposed action prior to its implementation, and since an "interim" rate may well be different from the rate finally adopted, it is difficult to conceive how the ERA process could adopt itself to the promulgation of any rate that is subject to future alteration in the same proceeding.

Finally, even if the statutes in question explicitly or impliedly allowed utilization of interim rates, Section 10 of the regulations is nonetheless deficient on due process grounds since it lacks any specificity on when an "interim" rate may be "necessary and appropriate." To repeat, no one in DOE has unfettered discretion to set rates; rates must comply with statutory standards. DOE simply may not set any rate when it is deemed "necessary and appropriate," no matter the perceived justification for departing from historical practices.

RATE LEVEL, RATE DESIGN AND CONCLUSION

Mid-West is well aware of the desire in ERA to depart from historical practices with respect to federal power marketing. As the Opinion makes abundantly clear, Mid-West's primary concern is over the future electric bills of its members, not how rates are adopted.

In this regard, Mid-West will vigorously object to any departure from traditional rate-making practices for projects under WAPA's jurisdiction, either as to rate level or rate design. In Mid-West's view, applicable statutory criteria will neither justify rate levels derived on any basis other than recovery of project costs (see the Opinion, pp. 24–31) nor rate design prompted by conservation considerations (*e.g.*, time of day pricing). Congress has commanded that rates be set as low as possible to consumers, and this is the only criteria that may now be used.

Whether Mid-West's views prevails on this subject must await another day, but, in the interim, Mid-West and other customers of WAPA are entitled to carefully-defined procedures under which crucial decisions will be made. The proposal before the house today is neither carefully defined nor complete. We are all entitled to more and Mid-West respectfully requests that they be altered to meet the views expressed here.

[1] The Salt River Project, also a customer of WAPA, has prepared its own comments on the regulations and nothing in these comments should be construed as the view of the Salt River Project.

PANAMANIAN POLICE UNDER PROPOSED PANAMA CANAL TREATY

Mr. CASE. Mr. President, the State Department recently responded to some questions which have arisen regarding the authority of United States and Panamanian police under the proposed Panama Canal Treaty.

The State Department's letter brings out a number of important points and I ask unanimous consent that the text of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., February 8, 1978.

Hon. CLIFFORD P. CASE,
U.S. Senate.

DEAR SENATOR CASE: We understand that you have requested further information concerning certain aspects of the police authority of the United States under the proposed Panama Canal Treaty.

Under the new Treaty and its related implementing agreements, Panama would assume general police responsibility in the former Canal Zone, but the U.S. would retain significant enforcement responsibility.

For the duration of the Treaty, the U.S. military forces will control access to and exercise police functions within all U.S. defense sites. They would have full power to arrest persons subject to the jurisdiction of the United States who are suspected of violating U.S. law. Moreover, they would be empowered to detain persons not subject to U.S. jurisdiction who are suspected of committing offenses against applicable laws or regulations, pending their formal arrest. Formal arrests of such persons would be made by Panamanian police authorities, and it is contemplated that Panamanian police liaison officers will be assigned to the U.S. military police headquarters on defense sites to facilitate such cooperation. A similar system will apply within military areas of coordination, although in these areas joint U.S.-Panamanian police patrols will in general be used, which will further facilitate the prompt, formal arrest of suspected offenders. Such joint patrols may also be utilized in other areas by mutual agreement.

Within the Canal operating areas, housing areas, and the Ports of Balboa and Cristobal, the U.S. will retain police authority for a period of 30 months from the entry into force of the Treaty. Joint patrols will be utilized in these areas, and a system of detention and arrest similar to that applicable on military areas of coordination will obtain.

After the 30-month period, Panama will assume police functions in these areas, but the U.S. will retain authority to use armed watchmen to guard all important installations related to the management, operation and maintenance of the Canal. These watchmen will have authority to detain suspects pending their formal arrest by the Panamanian police. It should be noted that all installations owned or used by United States Government agencies, including the Panama Canal Commission, will be inviolable, and therefore Panama's police may not function within them without the consent of the United States authorities.

We understand that you have also inquired concerning the procedures for apprehending persons present in Panama who have been indicted in U.S. courts for serious crimes against U.S. law. Under the present treaty arrangements, such persons found in the Canal Zone may be apprehended by the U.S. authorities; the Canal Zone is treated as an organized territory under U.S. law for purposes of extradition to United States State courts. Such persons found in Panama are subject to arrest and extradition by the Panamanian authorities pursuant to the United States-Panama Extradition Treaty of May 25, 1904. Under the new Treaty, U.S. general jurisdiction over the Canal Zone would terminate, but the treaty procedures for extradition now applicable in the rest of Panama would continue to apply throughout that country.

I hope the foregoing information will be of use to you. We would be pleased to provide any further information you may desire.

Sincerely,

HERBERT J. HANSELL,
Legal Adviser.

NATIONAL VOLUNTARY SERVICE AWARD

Mr. KENNEDY. Mr. President, I am very honored to be able to share with my Senate colleagues the fine tribute paid to the Worcester Parks and Recreation Commission and the Worcester Area Association for Retarded Children by the National Recreation and Parks Association. For their outstanding work in servicing the needs of the mentally retarded, these two groups were recently awarded the highly coveted National Voluntary Service Award, and they received further recognition through the following resolution adopted by the Massachusetts House of Representatives:

RESOLUTIONS CONGRATULATING THE PARKS AND RECREATION COMMISSION OF THE CITY OF WORCESTER AND THE WORCESTER AREA ASSOCIATION FOR RETARDED CHILDREN UPON RECEIVING THE NATIONAL VOLUNTARY SERVICE AWARD

Whereas, The Worcester Parks and Recreation Commission and the Worcester Area Association for Retarded Children, Inc. have joined together in pioneering and servicing the needs of the mentally retarded; and

Whereas, They competed with contestants from all fifty states and Canada for the National Voluntary Service Award given by the National Recreation and Parks Association, whose membership consists of 18,000 professionals in the parks and recreational field; and

Whereas, At the National Recreational Congress held in Las Vegas, Nevada, on October 3rd, 1977, the Worcester Parks and Recreation Commission and the Worcester Area Association for Retarded Children, Inc. were the recipients of this coveted Award, and are reported to be the first in the Commonwealth to receive such a national Award; therefore be it

Resolved, That the Massachusetts House of Representatives hereby congratulates the Parks and Recreation Commission of the City of Worcester and the Worcester Area Association for Retarded Children, Inc. upon receiving the National Service Award of the National Recreation and Parks Association and commends them for their efforts in behalf of the mentally retarded; and be it further

Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the Parks and Recreation Commission of the City of Worcester and the Worcester Area Association for Retarded Children, Inc.

THE PANAMA BUG-OUT

Mr. GOLDWATER. Mr. President, every day we hear more opinions from more people about the Panama Canal. Most of these come from people who regard themselves as experts but who have never seen the canal nor read the proposed treaties which would give it away at a huge cost to the American taxpayer. I suggest that what is important is what the treaties say rather than what self-styled experts say about them. Recently Mr. Jenkin Lloyd Jones wrote a highly edifying article for the Los Angeles Times syndicate concerning the content of the treaties. He says that what they say is "outrageous in terms of the security and dignity of the United States and justice to American taxpayers."

Mr. Jones urges his readers and all Americans to get copies of the treaties and read them with a view to finding out exactly what they say. I endorse Mr. Jones' recommendation wholeheartedly. Mr. President, I ask unanimous consent that Mr. Jones' article entitled "The Panama Bug-Out" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PANAMA BUG-OUT

(By Jenkin Lloyd Jones)

Among the millions of Americans who have expressed opinions pro and con concerning the proposed cession of the Panama Canal, it's a safe bet that not one percent have read it.

The basic issue is not what somebody says about the treaty but what the treaty says.

And (if I may tip my hand this early) what the treaty says is outrageous in terms of the security and dignity of the United States and justice to American taxpayers. Read it.

The gist of the document is that the Americans must pay the Panamanians heavy indemnity for having had the effrontery to build the canal in the first place.

We would turn over to Panama free of charge a facility that had cost in 1904–1914 $993 million with a present unrecovered investment of $750 million. The canal could not be presently duplicated for $2 billion, in spite of vastly improved earth-moving techniques.

In addition, Panama would take over the Zone, with all the improvements thrown in.

Between the time the treaty would be ratified and its expiration date at the end of 1999, the canal would be run by an American-controlled commission. The commission would owe the Panamanians:

1—$10 million a year for police and fire protection, street maintenance, etc. (Article 3, Section 5). This would escalate, according to inflation.

2—Thirty cents per ton of freight transiting the canal. (Art. 13, Sec. 4a). Currently, about 120 million tons are passing through each year. That would net the Panamanians $36 million. Again, this 30-cents figure would increase if the index of prices of U.S. manufactured goods should rise.

3—A fixed annuity of $10 million. (Art. 13, Sec. 4b).

4—An additional payment of up to $10 million annually out of canal profits. (Art. 13, Sec. 4c). If the profits didn't amount to $10 million, the shortfall would be charged against future surpluses.

Outside the treaty, the U.S. government has also agreed to hand Panama loans, grants and credits amounting to about $300 million in the next five years.

The United States would have the right to defend the canal for the next 22 years only. But how much defense, even in that short time?

In the amazing sub-treaty on the permanent neutrality of the canal it is provided (Art. 2) that in time of war the canal may be peacefully transited by vessels of all nations. Art. 3, Sec. 1e says specifically that

"vessels of war of all nations shall at all times be entitled to transit the canal."

This means, in the event of war between America and Russia, for example, that even between now and 1999 while the United States would retain the theoretical right to defend the canal, we couldn't prevent the passage of Russian ships and submarines as long as they went through peacefully.

Article 5 reads in its entirety: "After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory."

The idea that this gigantic and specifically worded giveaway of America's most srategic strong point can be cured by clarifying memoranda between Panama strong man Omar Torrijos and President Carter overwhelms credulity. What would the next Panama strong man say?

Now, about the poor Panamanians. Our chief negotiators, Ambassador Ellsworth Bunker and Sol Linowitz, seemed as guilt-ridden over the injury we had allegedly done to the Panamanians as they were casual about American money.

What is the fact?

Among the 21 nations between the Rio Grande and the southern tip of South America, Panama's per capita income of $1,147 (1975) was exceeded by only two—Argentina and Venezuela. It was more than double that of the average for the five other Central American republics.

How can one account for this except by the existence of the canal? We built the canal. Do we owe hundreds of millions in conscience money for doing it?

In his recent State of the Union message, President Carter said that America's cession of the canal would greatly strengthen our nation by cooling a point of irritation with our Latin neighbors.

If the President thinks that the cries of "Yanqui imperialismo" will be muted when we surrender the canal he is as naive as those college presidents, during the wild '60s, who kept backing up before the SDS in an effort to find peace. Damning Yankee imperialism is an absolute necessity in Latin politics, and the more fouled-up and corrupt the politician the more he needs it.

If our collapse in Panama is going to be so good for America how does it happen that Havana, Moscow and every Communist-lining outfit in this country and abroad are demanding that we get out?

What we need to do is fire the striped pants and get a couple of riverboat poker players to renegotiate this sorry, sorry thing.

THE CAMBODIAN TRAGEDY

Mr. KENNEDY. Mr. President, developments in Cambodia since the end of the war in 1975 have largely been screened from the world's view by the rigid and closed character of the Khmer Rouge regime in the new "Democratic Kampuchea."

Yet from all accounts, a massive human tragedy has once again overtaken the people of Cambodia. Having suffered greatly from the ravages of war—from massive American bombing and a civil conflict that knew no boundaries—the people of Cambodia now face the cruelties of a totalitarian and ruthless regime.

Developments in Cambodia since 1975 are largely unknown, but the known dimensions of the tragedy which has swept that "gentle land" have been carefully reviewed in a recent Washington Post article by Lewis Simons. We cannot forget Cambodia, Mr. President, not only because of our earlier heavy involvement there, but because the continuing tragedy that has resulted from that conflict must command the attention and concern of our country and the entire international community.

I commend the Washington Post for focusing attention on developments in Cambodia, and I ask unanimous consent that the text of Mr. Simons' thoughtful article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Washington Post, Feb. 19, 1978]

THE UNKNOWN DIMENSIONS OF THE CAMBODIAN TRAGEDY

(By Lewis M. Simons)

Are the Communist leaders of Cambodia waging genocide there? It's widely assumed that they are. But no one knows.

How many Cambodians have been killed since the end of the war nearly three years ago? Tens of thousands? Hundreds of thousands? A million? Two million? All these figures are used. But no one knows.

What's the population of Cambodia? Five million? Eight million? What's the strength of the army? Forty thousand? One hundred thousand? All these figures are used, too. But no one knows.

If nobody really knows much about what is happening in Cambodia, why do most Americans assume that the Cambodian Communists run the most brutal regime since the Nazis? Is the answer, as the Cambodians and their tiny handful of foreign friends allege, that Western governments and news media are guilty of "distortions and wild fabrications?"

Even those few friends of Cambodia acknowledge that they have little in the way of hard facts. Their arguments with popular opinion are based chiefly on what they consider skewed interpretations of the scanty information available. They maintain, in essence, that a number of U.S. government officials have a vested interest in putting the worst possible face on everything happening in Cambodia.

As to press coverage, most journalists who've ever attempted to "cover" Cambodia probably would concede that one guess is as good as another. With so few facts available, it's nearly impossible to prove or disprove anything. Nevertheless, a number of journals, including The Washington Post, Newsweek, Time and Paris Match, have published several photographs purporting to show atrocities in Cambodia.

Several U.S. and other experts believe that these pictures were posed in Thailand. "They're fakes," commented a State Department officer who has followed Cambodian affairs closely since before the end of the war.

Another piece of journalism claimed by supporters of the Phnom Penh regime to be a fraud has been widely used as a basis for the figure of 1 million executed. This was an interview supposedly given by head of state Khieu Samphan to an obscure Italian Catholic journal, Famiglia Cristiana, in September, 1976, and subsequently referred to in The New York Times Magazine. Francois Ponchaud, a French Catholic priest who is a bitter opponent of the Cambodian Communists, wrote last August that "I know for certain that the Italian journalist writing in that journal never interviewed Khieu Samphan."

Probably the one published account which most arouses defenders of the Cambodian regime is "Murder of a Gentle Land," a book by Anthony Paul and John Barron. The book received wide circulation through condensation in The Reader's Digest, its publisher, and has given popular credence to the genocide thesis. Its critics complain that it is based almost entirely on refugee accounts and thus is onesided.

This is not to suggest that whatever is written or said about Cambodia, however horrendous, is not true. What is does mean is that reports about Cambodia should be treated with skepticism.

INTERVIEWING REFUGEES

Oddly, those few Western governments which have diplomatic relations with Cambodia generally refuse to accept the genocide allegation. "We'd need a lot more evidence before we'd be ready to believe such a serious charge," said an ambassador from a Scandinavian country. Representatives of his government have visited Phnom Penh several times since the war ended.

No U.S. diplomat has been in Cambodia since April 12, 1975, the day Ambassador John Gunther Dean evacuated the embassy. Just one member of the U.S. embassy staff in Thailand is assigned to monitoring Cambodian affairs.

Most information gathered by this official and by journalists in Southeast Asia comes from interviewing Cambodian refugees who have fled to Thailand. Almost all of these refugees come from the northwestern part of Cambodia, an area which was never well controlled by the Communists and where reprisals by long-embittered guerrillas were fierce in the months immediately following the Communist victory.

From this bare-bones intelligence-gathering, nationwide projections have been drawn. It is these projections that have led to the conclusion that Cambodian leaders are genocidal monsters and that the torment of the once-gentle land has no parallel in modern history.

Why has this been widely accepted? First, while figures may be subject to doubt, what's the difference between whether tens of thousands or a million people have been killed? Any government that orders widespread reprisals against its own people obviously is monstrous. Moreover, a government that does not want to hide some horrible secret would not seal itself off from the rest of the world. If they're not soaking the ground with the blood of their countrymen, why not let independent observers in to look around?

Both these points have acceptable moral basis. Yet they sidestep key issues. For one thing, how many wars have there been, anywhere in the world, which were not followed by reprisals? For another, the Cambodian Communists have never left any doubt about their compulsion to free the new society from what they consider foreign contamination. While this certainly may be judged extreme xenophobia, it does not prove that genocide is being carried out behind the bamboo curtain.

"WHAT CAN I KNOW?"

Noam Chomsky, the MIT linguist who has been one of the most outspoken opponents of U.S. involvement in Indochina, agrees that there have been reprisals and brutality in Cambodia. But he said in a telephone interview the other day, "I do not believe that it is the monolith we're constantly told it is."

Could he prove this? "No," Chomsky replied. "I've followed every scrap of information—every article, every book, the photos, the sketches—and I don't know anything with certainty. What can I know?"

Chomsky said a Cambodian-speaking colleague of his recently toured refugee camps in Thailand and interviewed large numbers of inmates. "He gives some credence to horror stories," Chomsky said, "but he said there were many conflicting stories, often from people who came from the same area."

Furthermore, Chomsky added, his colleague said the refugees confirmed that camp di-

rectors normally chose individuals to meet Western diplomats and journalists who did not speak Cambodian "and singled out only those with horror stories to tell."

In response to criticism about the failure of himself and other war opponents to speak out against the alleged atrocities in Cambodia, Chomsky said the burden was not on them. "My opposition, which was extremely strong, had nothing to do with the nature of the regimes which might arise. I was just opposed to U.S. aggression. Now it's the job of those who supported the bombing, the extremely heavy bombing of Cambodia, to concede that this is what provoked the Communists."

Chomsky charged that former Secretary of State Henry Kissinger deliberately ordered the unprecedentedly heavy bombing, as late as 1973, to "embitter the enemy."

"Kissinger knew in 1973 that the United States couldn't win in Cambodia," he said. "But he was setting the stage for the 'bloodbath' thesis, which is now being given credence. The U.S. record just has to be sanitized."

Gareth Porter, another of Cambodia's few friends in this country, charged that a number of diplomats in the U.S. embassy in Thailand were interested in saving their own reputations. "These people had predicted that millions of people would starve to death once the United States pulled out of Cambodia," he said. "When the regime clearly averted mass starvation, these people would have lost face. So they created the genocide claim."

Porter, 35, was a co-director of the Washington-based Indochina Resource Center, which opposed U.S. involvement in Indochina. He also was a consultant to the House select committee on U.S. servicemen missing in action in Indochina.

Contrary to most views in the United States, Porter insists that the forced evacuation of Phnom Penh and other Cambodian cities immediately after the war's end was well-advised, though "heavy-handed." "The fact is that the evacuation and the regime's concentration on rice production have averted mass starvation," he said. "If you look at the three Indochinese countries today, you'll find that Cambodia undoubtedly is in the best food position."

"VERY, VERY LOW PRIORITY"

This claim is more or less supported by State Department officials. "Last year's harvest was pretty good, and people are probably eating better," an official said. "There have even been reports of some rice exports."

That's about as firm as U.S. officials are willing to be about Cambodia. What about reports that U.S. satellites and electronics-laden ships are monitoring the border struggle between Cambodia and Vietnam? "The capability exists," the official replied. "But we can't discuss details."

What about a report from Bangkok that "six high-ranking Cambodian defectors flew to the U.S. in December for debriefing?" "There's nothing to it," another official replied.

Cambodia acknowledges that a group of Communists who had been trained in Vietnam attempted to topple Premier Pol Pot last April and that most of their activity was concentrated in the northwest. Pol Pot emerged victorious. But it is wise to assume, as has been done, that their plot was more widespread and that another round of executions resulted?

"We don't know that," replied a State Department source. "We don't know how, or if, Vietnam was involved. We think we know who's who in Cambodia now, but we don't know which former leaders, if any, are out."

Why is it that the United States, with its vast intelligence network, should know so little about events in Cambodia? The answer seems to be that Cambodia no longer counts for anything in the U.S. scheme of things. At least that's what the officials say. "All of Indochina, as an intelligence target, is of very, very low priority. And Cambodia is so low as to be almost nonexistent," said one official.

Only three years ago, Cambodia was a top priority for this country. U.S. bombers had dropped thousands of tons of explosives on just about every square mile of the country, much of it on densely populated towns and villages. Other U.S. planes airlifted tons of food and medicine to besieged Phnom Penh in the final throes of its agony. By that time half a million Cambodians had died—in battle, in bombing attacks, from starvation—and Americans had spent nearly $1 billion on the five years of warfare.

So now Cambodia is on the U.S. back burner, receiving only cursory, and often shabby, attention. Since the renegade regime has openly gone to war with Vietnam, which is perceived as relatively stable in the Indochinese context, Cambodia is swiftly losing even its few friends here.

"There's a new hysteria which reveals a worrying dimension of the leaders' instability," said Porter. Although he insisted that charges of genocide were baseless, Porter conceded the regime was "very, very tough. Harsh. It's a great tragedy."

SIXTIETH LITHUANIAN ANNIVERSARY

Mr. CASE. Mr. President, I want to congratulate Lithuanians everywhere on the occasion of the 60th anniversary of the declaration of independence of Lithuania on February 16, 1918. The origins of the Lithuanian state reach back to the 12th century; today, her rich cultural and religious traditions still are strong, even in the face of Russification.

As a member of the Commission on Security and Cooperation in Europe, I am watching the difficult course of human rights in Soviet Lithuania. Unfortunately, most of what I see there is new evidence of the dismal Soviet record of respect for fundamental human freedoms. Flying in the face of their Helsinki promises, on August 23, 1977, the Soviet authorities arrested one of the Lithuanian Helsinki Watch Group, Viktoras Petkus. Since then, there has been no further news of him.

The continuing bravery of Lithuanians in the face of persecution is revealed by new "illegal" unofficial publications—in addition to the well-know Chronicle of the Lithuanian Catholic Church, five new journals have recently appeared. Among those paying the high penalties imposed by the Soviets for participation in the distribution or writing of these journals are: Niiole Sadunaite, who has completed her 3-year term in a labor camp and is now in exile; Matulionis, Lapienis and Pranckunaite who in July 1977 were all sentenced to camp. And yet the Soviet authorities continue to insist that freedom of conscience exists in the U.S.S.R.!

A document of the Lithuanian Helsinki Watch Group reveals the awful conditions under which former political prisoners are obligated to live—many of them cannot return to Lithuania, let alone to their native cities. Perhaps the most terrible human document of the group relates to the Lithuanian political prisoner, Algirdas Zypre, who, after the end of his 15-year camp sentence in 1973, has been held in various psychiatric hospitals and subjected to forcible drug "treatment." What had Zypre done to make the authorities suspect his state of mental health? He complained that the copy of his court sentence had been forged and did not agree with the verdict which had been made public by the court. He has been told by psychiatrists that as long as he persists in this view, he will continue to be "cured" by massive injections of drugs.

The problem of family reunification is particularly acute in the Baltic republics, since so many people fled from Soviet rule after World War II. Perhaps for that reason, the Soviet authorities are particularly intransigent in this area, even in regard to requests for family visits from the old and the ill.

One such person, the Reverend Pranas Masilionis, 75, has been trying to visit his brothers and sisters in the United States for 7 years. During that time, he has sent four appeals to the Lithuanian Minister of the Interior, and, as too often happen with requests of this kind, they have quite simply been ignored. What possible threat to Soviet state security can be posed by an old priest visiting his family in the United States once before he dies?

All in all, it is hard for me to understand why the Soviets continue to compile such an abysmal record of respect for human freedoms in Lithuania and in all their other "republics." However, I do want to commend all Lithuanian-Americans who demonstrate their continuing concern for their native land by supporting by means of letters and protests to the Soviet authorities the fate of those brave men and women who continue to struggle for those basic human freedoms which Americans all too often take for granted.

SENATOR RANDOLPH RECEIVES AMERICAN LEGION LEGISLATIVE AWARD

Mr. CRANSTON. Mr. President, yesterday the National Legislative Commission of The American Legion, meeting at the Capital Hilton Hotel, honored our good friend and distinguished coworker on the Senate Veterans' Affairs Committee, JENNINGS RANDOLPH of West Virginia.

National Commander Robert Charles Smith presented the Legion's "Legislative Award" to Senator RANDOLPH. It is only the fourth time in the organization's 59-year history that this highest award has been bestowed.

Commander Smith cited Senator RANDOLPH for his "outstanding achievements in securing beneficial legislation for our Nation's veterans and their families."

The West Virginia senior Senator received the Legion's honor in appreciation for his service to the veterans of America during his 33 years in Congress. He served before I did as chairman of the Subcommittee on Veterans' Affairs of the former Labor and Public Welfare Committee and has been a diligent and effective member of the Senate Veterans' Affairs Committee—which I am now

privileged to chair—since its inception in 1971.

In his acceptance remarks before a joint session of 500 persons the Legislative and Veterans' Affairs and Rehabilitation Commission, Senator RANDOLPH restated his opposition to attempts to eliminate the veteran preference in employment and proposals to consolidate the Veterans' Administration medical hospitals into a proposed national health insurance program. He also recounted the testing of faith that faced General Washington and his ragged troops at Valley Forge.

Mr. President, I ask unanimous consent that Senator RANDOLPH's remarks, in which he suggested "we remember the tribulations of Washington in 1776 when we are asked to dim the light, when we are requested to lessen the speed, when we are urged to lower the thermostat," be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JENNINGS RANDOLPH

It is a genuine privilege to accept the American Legion's Legislative Award. It is indeed gratifying to be honored by those who have given so much to preserve and protect our freedom. The Legion represents the basic interests of our country's veterans, and also voices the concerns of the American public on policy and direction. I salute your spirit and dedication.

The sacrifice of our veterans and their suffering in the cause of freedom will not fade away, but the Nation's memory of their deeds is becoming increasingly obscured by the idealistic notion that, somehow, from this moment on, all mankind will live in peace.

We are reminded of two West Virginians who have served as National Commander of the American Legion: Louis A. Johnson (1931–32), and Donald R. Wilson (1951–52). And, I commend the Legion membership for electing West Virginia's native son, Chester Phillips, my fellow townsman, as one of your National Vice Commanders this year.

As a member of the Veterans' Affairs Committee, I am understanding of your intense interest in the legislation directly affecting the Veteran.

The veterans preference has come under attack from several sides recently. Various activist groups are advocating the complete repeal of the veterans preference in employment. In a speech before your convention in Denver, Alan Campbell, Civil Service Commission Chairman, called for the curtailment of the hiring preference the Federal Government now gives the Veteran.

You may be assured that I will not support such a proposal and that I will actively support legislative efforts to provide incentives to hire the veteran and programs to place the veteran in work.

Certainly another substantial concern that you and I have shared for a long time has been the continued independence and survival of the Veterans Administration health care program providing a unique service to the disabled veteran population of America.

We must not allow the Veterans Administration medical program to be brought to destruction because of a national health insurance program.

It is important that we give our tribute to our first Commander-in-Chief, George Washington. On his birthday today, I feel that we should review some of the hardships of General Washington and some stalwart patriots who stood with him (our first veterans) in December 1776. He was not the President of the United States but the leader of a little band of men who were torn asunder, often by disease, even disaffection.

During those days of 1776, we were not a united people in our desire or determination to become a new nation. Only one-third of the population believed that we should bring into being a new republic. Another third felt that we should remain under British rule. The remaining third did not care which side was to prevail.

In December of 1776, General Washington as General of our Continental Army made desperate and repeated pleas to the Continental Congress in Philadelphia. He pleaded for men. He pleaded for supplies. He pleaded for a thousand men to join him, to restore a semblance of strength to an army that needed rebuilding. Only 100 raw recruits responded.

How precise was Washington?

He pleaded for "261 pairs of pants." People may smile today when that statement is made, but he had documented exactly the number of men who could not stand muster because they had no trousers. Of 8, 10, 12 living in small tent or hut, often only one soldier was able to answer the rollcall.

Today, when we find billions and billions of dollars in cost overruns in our delivery of military equipment, we should recall the preciseness—I use that word again (preciseness)—with which Washington knew the needs in 1776.

Yes, the dark picture becomes very clear. Dr. Thatcher, assigned to the Virginia Regiment at Valley Forge, wrote that often just one man among dozens and dozens of soldiers could stand muster. So 261 pairs of pants became a very real need to George Washington as he pled for that supply.

General Mercer, on the eve of the battle at Trenton, reported on the staff hospital. It was a so-called hospital. He wrote—"We have no medicine. We have no food. We have not a bandage fit to be used. We have," he concluded, "three blankets." Three blankets, legionnaires, that was all!! But the flame of faith burned on.

Washington, when he was 10 miles above the Falls of the Delaware River was thinking to himself, "What am I to do? Will there be a deliverance? What course shall I follow on the morrow?"

Today I suggest we remember the tribulations of Washington in 1776 when we are asked to dim the light, when we are requested to lessen the speed, when we are urged to lower the thermostat. Let us remember in this period—this affluent period of our country and our people—of the testing in the beginning years of our history.

In that period doubts came to George Washington, just as men and women today, not only in public life but generally, have fears and forebodings. But they feel the obstacles, as in Washington's times, are not too severe to be overcome.

Tom Paine, on December 19, 1776, in an editorial entitled "Crisis" wrote: "These are times that try men's souls."

But he was to say much more. He continued: "The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country, but he that stands by it now deserves the love and thanks of man and woman."

More than two centuries later, I add my thanks to you—the Veterans and Legionnaires.

WATERWAY USER CHARGES: THE BARGE INDUSTRY AND "FORTUNE'S 500"

Mr. DOMENICI. Mr. President, one of the intriguing factors in the issue of waterway user charges is the nature of the inland barge industry, which is the recipient of considerable taxpayer largess. The barge industry is dominated by some of the Nation's largest industrial corporations, corporations that can afford to begin to compete with other modes of transportation without the added buoyancy of taxpayer subsidies.

At my request the Library of Congress has developed a listing of those large corporations that now receive a free ride from the taxpayers on the subsidized inland waterways. The scope of this list of blue-chip companies riding for free on the waterways is surprisingly large—Exxon, Mobil, Texaco, United States Steel, and so forth.

Mr. President, to give my colleagues a picture of the barge industry, I ask unanimous consent that a list of these corporations, their size ranking, and whether they operate barges on the Mississippi River system or along the coasts be printed in the RECORD.

I should point out that the list of companies operating in the Mississippi River column are all barge operators; those listed under the "Atlantic, Gulf, and Pacific Coast" column, I am informed by the Library, are nearly all barge operators, but may include an occasional deeper draft operations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPANIES OPERATING THEIR OWN BARGES

Company name	"Fortune 500" ranking	Mississippi River and Gulf Intracoastal	Atlantic, Gulf, and Pacific coast
Allied Chemical	82	X	X
Ashland Oil	43	X	
Atlantic Richfield	15	X	X
Bethlehem Steel	33		X
Boise Cascade	116		X
Crown Zellerbach	104		X
Diamond Shamrock	167	X	
Dow Chemical	25	X	X
DuPont	16	X	X
Exxon	1	X	X
FMC Corp	97	X	
General Dynamics	85		X
Georgia Pacific	68		X
Getty Oil	67	X	X
Goodrich (B. F.)	112	X	
Gulf Oil	7		X
Hercules, Inc	142		X
International Paper	52	X	X
Kaiser Aluminum & Chemical	122	X	
Kaiser Industries	222		X
Lone Star Industries	284		X
Marathon Oil	55		X
Martin Marietta	189		X
Mobil Oil	5	X	X
Monsanto Chemical	42		X
National Steel	76		X
PPG Industries	100		X
Pennwalt Corp	272		X
Pfizer, Inc	118	X	
Phillips Petroleum	24	X	X
Potlatch Corp	308	X	
Scott Paper Co	166	X	X
Shell Oil Co	13	X	
Standard Oil of California	6		X
Standard Oil of Indiana	12	X	
Stauffer Chemical	204	X	X
Sun Co	29	X	X
Superior Oil	405	X	
Tenneco	20	X	
Texaco	4	X	X
Texasgulf	383	X	X
Union Camp	225		X
Union Oil of California	30	X	X
U.S. Gypsum	233	X	
United States Steel	14	X	X

Source: Corps of Engineers, U.S. Army, Transportation Lines on the Mississippi River System and the Gulf Intracoastal Waterway, 1976 (transportation series 4); Transportation Lines on the Atlantic, Gulf, and Pacific Coasts, 1976 (transportation series 5); and the "Fortune 500" list of industrials.

In addition to the "Fortune 500" companies conducting private barge operations for their own account in their own names, the following such companies operate water carriers in exempt, for-hire services:

Company name	"Fortune 500" ranking	Mississippi River and Gulf Intra-coastal	Atlantic, Gulf, and Pacific coast
Aluminum Co. of America	72	X	
Amerada Hess	48		X
Amoco Shipping (division of Standard Oil of Indiana)	12		X
Atlantic Richfield	15		X
Boise Cascade	116		X
Chevron (Standard Oil of California)	6	X	X
Continental Oil	17	X	
Diamond International	252		X
Dow Chemical	25	X	
Dresser Industries	101	X	
Exxon	1	X	
Flintkote	370	X	
Georgia Pacific	68	X	X
Gulf Oil	7	X	X
Houdaille Industries	496		X
Koppers Co	190	X	
Martin Marietta	189		X
Pillsbury	159	X	
Sun Co	29		X
Texaco	4	X	

An inspection of the annual reports for 1976 filed with the Interstate Commerce Commission by regulated, for-hire domestic water carriers shows the following regulated water carriers as being owned by "Fortune 500" Companies:

Transportation company	Parent company	"Fortune 500" ranking	Mississippi River and and Gulf Intracoastal	Atlantic, gulf, and Pacific coast
Arrow Transportation	Champion International	74	X	
Bay & River Navigation Co	Partially owned by Castle & Cooke	250		X
Calmar Steamship Corp	Bethlehem Steel	33		X
Cooper Steamship Co	Litton Industries	60	Inactive in 1976	
Delta Queen Steamboat Co	Coca-Cola (bottling)	69	X	
Kosmos Towing Co	Flintkote Co	370	Inactive in 1976	
Marine Navigation	GATX	341	X	X
Ohio Barge Line	United States Steel	14	X	
Ohio River Co	Eastern Gas & Fuel	288	X	
Palantic Steamship Co	Crown Zellerback	104	Inactive in 1976	
United States Lines	Walter Kidde	184		X
Valley Line	Chromalloy American	242	X	
Warrior & Gulf Navigation Co	United States Steel	14	X	
Western Transportation	Crown Zellerback	104		X

Grain trading companies, such as Bunge. Cargill, Continental, and Cook, while not included in the "Fortune 500," are large owner-operators of barge transportation on the inland waterways. Railroads and rail holding companies, such as the Penn Central Transportation, also operate ancillary waterway services, as do several large power and light companies. One of the largest regulated, for hire barge lines. Union Mechling Corporation (1976 revenues of $46 million) is owned by Dravo Corporation, a $735 million (1976 revenues) corporation not included in the "Fortune 500" list.

Companies engaging in private water transportation for their own account do not report separately, for public information, financial data concerning such operations. Those engaged in exempt, for hire transportation do not report to the ICC, and the financial results of their barge operations is difficult to obtain in one central place for all operators.

Of the major regulated water operators that are owned by big corporations, Calmar Steamship Corp. (Bethlehem Steel) had 1976 domestic operating revenues of $3.7 million, Federal Barge Lines (owned by Pott Industries, which is not a "Fortune 500" company) had $28 million, Marine Navigation (GATX) had $52 million, Ohio Barge Line (US Steel) $32 million, Ohio River Company (Eastern Gas & Fuel) $53 million, Union Mechling (Dravo Corp.) $46 million, Valley Line (Chromalloy American) $38 million, Warrior & Gulf Navigation Co. (US Steel) $28 million, and Western Transportation Company (Crown Zellerbach) had $12 million.

THE MEXICAN OIL BONANZA

Mr. KENNEDY. Mr. President, few Americans realize how quickly evidence is accumulating that Mexico is the next major producer of oil in the world. Proved reserves of oil have now been estimated at more than 16 billion barrels but the director-general of PEMEX, Jorge Diaz Serano, now estimates that probable oil reserves could go as high as 120 billion barrels, making Mexico a nation possessing reserves substantially greater than those in the United States and potentially greater than any Middle East country except Saudi Arabia.

Even if these estimates prove exaggerated or other difficulties ensue, Mexico clearly is an important contributor to solving the energy shortage in the world. The question then becomes, How much can the United States count on Mexico to supply its needs and how much should it make such a reliance?

The Mexicans, too, are of differing views on how much they wish to depend upon the United States as their major purchaser. Clearly proximity makes the economics attractive to both countries.

It would be my hope that as good neighbors and as friends of the Mexican people and the Mexican Government that the United States would deal sensitively with the need to Mexico and the political concerns which Mexicans will naturally have when so much of their foreign currency earnings depend upon sales to the United States. At the same time the United States should understand that Mexico provides an opportunity to meet our needs and to prevent world prices from getting completely out of hand.

It is important for both countries to proceed with the utmost respect. An article setting out the major issues and the facts was recently written by Leon Howell for a journal called The Elements, a journal of world resources. I ask unanimous consent that this excellent summary be printed in the CONGRESSIONAL RECORD.

I would also like to inform the Senate that on March 8 and 9 the Subcommittee on Energy of the Joint Economic Committee of which I am chairman will hold hearings on world oil and gas supply and demand. The Mexican contribution to meeting supplies will be discussed at that time by experts within and without the administration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEXICO STRIKES IT RICH

(Oil discoveries in Chiapas, Campeche and Tabasco can make Mexico's reserves equal to those of the most important OPEC countries.)

As if it were a new Virgin of Guadaloupe, black gold gives promise of redeeming the tortured Mexican economy. Discovery after discovery of oil and gas in scantily explored fields must overwhelm desperate Mexican officials struggling to maintain their power with the same sense of wonder that stuns the winner of the Irish Sweep Stakes.

Because Mexico, which in the last few years has imported both crude oil and refined products to meet its own energy needs, appears well on the way to providing fully for its demand and to claiming a seat at the select table of the countries receiving large sums of money from their petroleum exports.

"It seems", says Herberto Castillo of the leftist Mexican Worker's party, "that the symbol of the next six years will be petroleum."

Caution is always advisable when important new discoveries are proclaimed. Wild enthusiasm usually greets even minor new finds, especially in new areas. But enough is known about the series of wells drilled onshore and offshore Tabasco, Chiapas and Campeche on the Gulf Coast to suggest very large oil and gas deposits, even if their eventual size is undetermined. Within three years, officials of the national petroleum company of Mexico Petroleos Mexicanos (PEMEX), have lifted estimates of proved reserves of oil from three billion barrels (bbls) to 6.8 to 11 to 14 to 16.8. Estimates of probable oil reserves have shot upwards from 15 billion bbls to 30 to 60 to a stupendous 120 in November by PEMEX director general Jorge Diaz Serrano.

In mid-1977 DeGolyer and MacNaughton, the leading American reservoir engineer firm, "certified" proved reserves as 11 billion bbls. New discoveries "have catapulted Mexico far ahead of the United States in proved oil reserves," say Myerhoff and Morris in October 1977 (see box).

Rich natural gas deposits accompany the

oil being found in the southeast. In Northern Mexico, PEMEX claims major gas discoveries in a 15,000 square mile area in Sabina, Coahuila, and in a 3,400 square mile area just across the border from Laredo, Tex.

The world watches. Sen. Adlai Stevenson said in October that "Mexico is the best prospect outside of the Communist and developed nations for significant new world oil and gas supplies."

And Mexico, which two years ago spent money to import petroleum products, will realize more than $1 billion in foreign exchange in 1977 on exports averaging about 200,000 barrels a day [b/d] to the United States. 20,000 b/d to Israel.

That's only the beginning. PEMEX expects to double its current oil production to 2.2 million b/d by 1982. It would export half of that. And PEMEX estimates a return of between $17–21 billion in foreign exchange during 1977 to 1982 from oil alone. It also expects to receive additional billions from export of refined products and natural gas.

Already under construction is a 48-inch pipeline which will run north from Cardenas, Tabasco, 800 miles to Reynosa near the Texas border, where it would link up in McAllen, Tex., with existing US pipeline systems. When completed—now projected for 1979—it could carry 2.7 billion cubic feet (bcf) of natural gas daily to service Mexican needs and go to the US. The estimated two bcf going daily to the US by 1982 represents about four percent of current US needs.

To drill the wells, pump the oil and gas, process it, and increase refining and petrochemical potential. PEMEX expects to spend about $16 billion on oil and $1.5 billion of the pipeline in the six years beginning with 1977. (Much of recent Mexican political history is divided into six-year sexenios which begin and end with presidential terms.)

Assuming these ambitious plans come to fruition about 1982, it is clear that the United States will have a supplier of oil and gas near at hand and outside the politics of OPEC at about the time some experts predict the next crunch on oil and gas will arrive.

Mexico sought international participation in supplying the pipeline, using German, Japanese, French, Italian and US companies. In September the Export-Import Bank approved two loans to PEMEX totalling $590 million for the pipeline: $340 million will go for US sales of pipe, compressors and the like; $250 million is a line-of-credit for PEMEX to buy other equipment in the US for the pipeline. (In mid-December final approval of that loan had been held up by a resolution introduced in the Senate by Sen. Stevenson, who objects to the price of $2.60 per thousand cubic feet—90 cents higher than the current intrastate price within the US. He points out that the banks, energy companies, and suppliers have no concern about the price. But Congress does. The loan will probably be approved when the Congressional energy conference determines the price of US natural gas.)

What Mexico plans to do with its petroleum bonanza is summed up succinctly by PEMEX chief Diaz Serrano. "Our task is to develop gas and oil for export as quickly as possible to generate foreign exchange."

Herberto Castillo, who went to jail in 1968 for his support of the student movement as a leader of the National Council of Teachers and is now President of the Mexican Worker's Party, speaks for many Mexicans who oppose this use of their resources.

He believes that some officials have known since 1939 that the areas now being explored contained rich deposits of oil and gas. "But an attempt was made to keep this secret in order to protect them from exploitation by richer countries."

1978 marks the 40th anniversary of the nationalization of Mexico's petroleum industry and the creation of PEMEX. "Since that time our country has owned its own oil. It has served for the development of our industry. To a great extent the development of Mexico can be attributed to this—and the land distribution which came about as a result of the revolution."

Pressure increased on the industry when consumption began to exceed production in recent years and imports of crude from Venezuela, petro-chemicals from the US, began to wear on the economy.

The picture changed, says Castillo, with the economic collapse of the country in 1974 as public spending outran income and the foreign debt shot up from $15 billion to $25 billion. (In 1971 foreign debt was 10 percent of GNP; by 1976 it was 60 percent.) On August 31, 1976, under pressure from the International Monetary Fund (IMF), the peso was devalued for the first time in 22 years. Shortly after, Castillo says, PEMEX began its publicity campaign to call attention to the growing oil and gas potential.

He wrote then that these announcements were being made to guarantee credits from the IMF. And he questioned the validity of the estimates. "Every time we questioned the oil reserves, they seemed to grow."

Castillo opposes the export drive on several levels. With Mexican consumption going up by 7.7 percent each year (and still it is only one-eighth per capita US consumption), he feels that reserves of 16.8 billion bbls would be exhausted in the 1990s by Mexican use alone. "Why sell gas to get money to buy machines that use gas when we may sell all our gas?

He also sees Mexican dependence on the "hungry giant to the north" further increased by this move to make Mexico a pumping station for US needs. "My thesis is that the world very soon will be confronted with a major energy crisis, between 1990–1995. The oil resources of the US, Europe and Russia will be tremendously depleted by then. I believe that we should retain our gas and oil resources until there are prospects of an energy substitute for them."

Castillo and several like-minded people expressed their concern to President Jose Lopez Portillo and several other high officials in separate meetings. Afterward the president, according to Castillo, said that they opposed the pipeline because of xenophobia. "To love Mexico—to desire that its natural riches serve our people—to fight because 'they' don't stop robbing us—is this to hate foreigners? With petroleum we can become more free or more dependent. Everything has to do with whether we have 'learned to distinguish between xenophobia and patriotism."

Without question Mexico has oil and gas in very large quantities, perhaps rivaling many Middle Eastern exporters other than Saudi Arabia. Mexico plans to turn its oil and gas into capital to pull it out of debt. But the prognosis—look at Indonesia, where its national oil company turned its own export bonanza into a choking debt—is not good.

Richard Fagen put it well in *Foreign Affairs*, Summer, 1977: "Oil exports, the related relaxation of debt limits, and the easing of some aspects of the austerity program give breathing space for hard-pressed Mexican politicians. But oil by itself cannot respond to peasant's demands for land; nor can it keep millions of Mexicans from crossing the border; nor make rapid inroads on redressing a distribution of income that is one of the most unequal in the world; nor reduce public and private corruption; nor deal with the human and social problems generated by a population that doubles in size every 20 years. All that oil can do—and this is not to be scoffed at—is soften and perhaps postpone for some years the sharpening of the contradictions that are inherent in the Mexican development model. It cannot solve them."—Leon Howell.

PROVED RESERVES

A. A. Myerhoff, a petroleum geologist widely known for his early estimates that Chiapas and Tabasco states encountered Morris write in the October 17, 1977 *Oil & Gas Journal* that in "1972 deep tests in the Miocene Sitio Grande and Cactus fields of Chiapas and Tabasco states encountered prolific carbonate reservoirs of Late Jurassic, Early Cretaceous, and Middle Cretaceous ages. Continued exploration and development steadily increased the proved reserves of the popularly called "Reforma trend" to the point where the trend now constitutes the largest reservoir complex in the Western Hemisphere.

The new discoveries have catapulted Mexico far ahead of the United States in proved oil reserves that are recoverable by conventional methods. Recent off-shore discoveries in the same trend have extended this lead and, if successful, the Ixchel exploratory well off the coast of Yucatan, more than 200 km farther north, can increase Mexico's reserves to equal those of the most important OPEC countries."

B–1 BOMBER

Mr. CASE. Mr. President, the dispute over whether to put the B–1 bomber into production involves almost as many factors as the complicated design of the plane itself.

The Senate, by a 57–38 vote on February 1, again voted against funds for building a 5th and 6th plane for research and development. The two additional planes were sought by those who want to keep work on the B–1 continuing as long as possible in the hope that the Carter administration may reverse its position against putting the plane into production.

The decision last year against production was a tough one and surprised most observers in view of the usual history of such matters. However, the B–1 is something special, not only in design but also in its price tag. The estimates that production models of the plane would cost about $135 million per copy made it questionable whether the aircraft was worth the money. Our budget is not unlimited and there must be every attempt to make the best use of our funds. There is an even more pressing need for tactical aircraft, such as the F–15, to improve our ability to counter the Soviet Union's massive armor force, and to modernize our Navy.

I supported funds for these purposes, as well as alternative approaches to meeting our strategic requirements such as modernizing and adapting the B–52's to carry cruise missiles and developing a long range, strategic version of a newer bomber already in service, the FB–111.

It is necessary to maintain our defenses. It also is possible to do so without automatically approving every weapons system the designers want to come up with and the pilots want to fly. Careful evaluation is needed and I did support earlier funding proposals for research and development of the B–1. I concluded, however, that four planes for this purpose were sufficient. Keeping open the B–1 production route another 6 to 10 months did not appear to be worth the estimated three-fourths of a billion dollars for building and testing two more B–1's.

IDAHO: BATTLEGROUND IN THE FIGHT FOR RESPONSIBLE NATIONAL FOREST MANAGEMENT

Mr. McCLURE. Mr. President, at the Idaho Forest Industry Council annual legislative dinner, Mr. R. J. Woods of the Wickes Corp., gave an address entitled "Idaho: Battleground in the Fight for Responsible National Forest Management." His remarks to the Governor, legislators, and others in attendance touches on many of the issues concerning forest management including recreation, economics, jobs, housing, and our need to find answers to the tough questions concerning management of our public lands. I ask unanimous consent that portions of the speech be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPT OF SPEECH

Governor Evans, distinguished legislators officers of the Council; ladies and gentlemen, the Idaho Forest Industry Council has been most gracious by inviting me to visit with you tonight at this, your annual legislative dinner.

We are becoming concerned. As you know, we rely heavily on forest products producers such as you to provide us with the products our customers need at a reasonable cost. For example, our customers need 30,000 cars of lumber this year. Will we get them? At what cost?

I believe Idaho is in the throes of a classic confrontation between business and the environmental movement. The field of battle is Idaho's national forest system.

The "Endangered American Wilderness Act" (HR-3454) must be of major concern to all in this State. In addition, rare II which will encompass 67 million acres nationally, impacts on 8 million acres in Idaho—a State that already has 3 acres of wilderness for every resident of the State.

Indecision is the concern. Indecision in the Panhandle. Indecision at Clearwater and indecision in the Nez Perce.

On one hand, the Federal Government has set a 26 million unit housing goal over a ten-year period. On the other hand, Government indecision in areas of a national forest policy has not only reduced supplies but can be cited as the single most important reason for the increased cost of wood products.

Senator McClure has maintained, and we agree, that America's current timber inventories cannot and will not sustain two million housing units per year, let alone the national goal of 2.6 million units annually.

You many think that a 2.6 million housing unit goal is only a dream. Our Government doesn't think so, for a review of the Federal 1979 budget which begins October 1, 1978 will show that Government will be supporting in one way or another 778,000 housing unit starts—or 40 percent of a 2.0 million housing unit year.

By vigorously supporting housing which is a National goal worthy of pursuit—our government should be applauded—but, by concurrently ignoring or avoiding the hard decisions of timber supply we are caught in a web of high demand, high hopes, and high ambition coupled with uncertainty, supply interruption, cost inflation, and indecision.

Yes, we are concerned. But in my concern, I do not want to overstate or understate the importance of this, your annual legislative conference. However, in the real-life world of the Idaho forest industry, your dialog with the legislators here is extremely critical. The significance of your interaction with one another cannot be overstated.

What is happening here—what results in the near future—is being and will be monitored by companies such as Wickes, by other State governments, and environmental action groups. You are setting precedents—you are establishing examples for others to follow or not to follow. We thing that responsible Idaho forest management is so critical that Craig Hawker and Jim Johnson and T. J. Hedrick and me—all of us at Wickes—want you to know that we want to be counted in the fight.

Our concerns have been heightened by our own recent experience in the forest products segments of our business.

We all realize that the lumber industry is a capital intensive business, and more modern machines and equipment are essential to industry growth and profitability. However, an examination of lumber mill return on investment over the last five years shows that, on average, return on investment is declining at an alarming rate.

The returns by the big five producers overshadow the seriousness of this problem because of their low actual cost base of timber harvested. But couple a lowering return on investment potential with heightening uncertainty regarding the availability of timber, the basis of our concern becomes crystal clear.

Last fall, the Department of Agriculture completed a study of conversion costs at eleven Idaho mills. Their findings were that conversion costs ranged from a low of $58/M bd. ft. to a high of $96/M bd. ft. with a break even at $75/M bd. ft. Four mills were making money, two were breaking even, and five were losing money. The significance of this study is this:

If stumppage is $100.00/M,

If logging (bucking and hauling) is $75.00/M,

If breakeven at the mill is $75.00/M the total cost at the mill level is $250/M and prices today will not support that cost base and it can be concluded that seven of the eleven mills studied face serious economic difficulty.

Uncertainty in terms of a Federal forest management policy has resulted in interruption of supply, inflation has destroyed our opportunity to earn a reasonable profit on our long term investments, the lack of integrity in bidding practices allowed has caused furor with price structures, and government bureaucracy has resulted in untold regulations which boggle one's mind and increase costs to the consuming public far beyond the level of reasonableness.

The environmental movement in the United States has produced some very positive benefits. This movement has been sprawned by a strong belief that technology is not the answer to all human problems and our drive to increase our standard of living cannot be so intense so that we ignore our responsibilities for conservation, protecting the environment, and for stewardship of our limited natural resources.

However, we have learned from costly experience (or at least should have learned by now) that Government regulation is the most ineffective way to influence society to consider the social and environmental impacts of the business decisions you and I must make. In 1960, 27 Federal regulatory bodies existed. Today, 77 regulatory bodies exist. Think of it, 50 new bodies making rules that we are told we must obey. Think of the cost, reflect on their effectiveness, reconsider your own experiences in implementing the regulations and, whether you are in business or government I'm sure you agree—that regulation is not the way to encourage responsible citizenship or stewardship. If it were we could regulate crime away or, get you to wear seatbelts. I often ask those who propose more Government involvement to review the rules of the Department of Agriculture, the F.D A., the E.P.A., and of OSHA to see how absurd they can become.

For example take a look at the Occupational Safety and Health Administration's rules on ladders—it takes 21 pages to give us the rules in ladder use including (and I quote) "when ascending or descending, the user should face the ladder."

Look at the rules designed to protect the environment. To make a point, look at yourself. The human body can be considered a near perfect chemical plant. However, after drinking a glass of crystal clear water, the effluent discharged from this near perfect chemical plant does not meet EPA standards. The Environmental Protection Agency has issued over 45,000 separate plant permits and it is therefore forced to make thousands of decisions based upon detailed considerations it cannot possibly know, and, even less, keep up with over time.

Rules in force today, if present years ago, would we ever deal with all the regulations penicillin and the common aspirin. How would we ever deal with all the regulations we face without the common aspirin?

Government must accept the reality that by commanding obedience to public goals while leaving private interests alone, they produce nothing but more rules, many of which become so absurd that compliance is ignored and unmanageable. Instead, government must get agreement on goals and social values then structure programs around positive (or negative) incentives assure that public goals become private interests.

The role of government is vital to our process. But, words like restraint, recycle, reforest and rekindle are woefully missing from today's legislation. By capturing the full meaning of each of these words, by surrounding them with positive incentives—then we are on our way toward resolving the pressing national forest questions.

Government has at least four additional high priority responsibilities. First, government must address the issues of inflation. For President Carter in his state of the union address to call for a partnership between Government and business is admirable. But, if the partnership is one where government can fuel inflation by printing more and more money and where its business partner is expected to keep prices down at the expense of profits, and even experience business losses, well, Mr. President with all due respect, that's not a partnership—that's a you-win-I-lose proposition and it just won't work.

Governments traditional response has been that society wants more programs. Nobel laureate, Dr. Milton Friedman defines our attitude well. He observes that we all want more government do good programs without showing any concern as to where the money comes from. He thinks and I sometimes agree that we truly believe that added social programs are paid for by the tooth fairy.

We must stop asking and, Government must stop printing money if inflation is to be licked.

Second, today's society, in recognizing that technology alone does not lead to utopia, strongly desires government to play a leadership role in reestablishing positive value systems in American life. Charles L. Schultze, well known as the chairman of the Council of Economic Advisors, lectures widely on the public use of private interest. His recommendation to legislators is to rely more on giving the private sector incentives to act for social ends. He notes that government resists the market approach to achieve social aims because it seems so uncertain.

As an example, after discovering pollution, we wanted to end it in five years. Regulations were drafted into law and we quickly realized that they locked us in to present technology and that the laws were counter productive. One market device proposed by Schultze is a stiff tax on each pound of polluting sulfur oxides put into the air. That's an incen-

tive to cut pollution. He believes, as I do, that market mechanisms can be used in diverse areas such as health and manpower training and I think we can extend that to the management of forests.

When the American public calls for reestablishing value systems, you may ask what or why? A few examples will clarify the point:

In 1976, the Federal Government received $191.7 million in revenue from lumber sales in Oregon, but only put back $89.3 million in forest management programs. Responsible stewardship must be questioned. Stewardship is a basic to our value system.

Road building allowances in national forests fall up to 30 percent below actual costs incurred. Honesty is basic to our value system.

Bidding over $1,100 for cedar is ludicrous. Integrity is basic to our value system.

Third, Government has at its disposal numerous tax incentives to encourage investment, reforestation, research and development of hybrid species, clearing and removal of damaged, diseased, or dead trees. On the latter point, it is estimated that over 6 billion board feet of damaged, diseased, or dead stock are available for removal each year. Enough wood to support the basic housing needs of America.

Fourth, and finally, government, through responsive leadership and by maintaining a sense of urgency, can eliminate much of the uncertainty that exists when talking of timber supplies. Investments in the future, in the order of economic magnitude we talk about when we examine the capital needs of the forest industry, will not be made by responsible managements of the industry until the uncertainty in sources of supply are greatly minimized.

But what all these recommendations, ideas, and views boil down to is what happens or will happen as a result of this and other legislative conferences. So it all boils down to you—what you will do.

The significance of the forest industry to the Idaho economy is motivation enough for you to take a much needed progressive stance on both the endangered American Wilderness Act and the roadless area review evaluation. The announced 25 percent reduction of timber production in Idaho willl not only have a profound effect on Idaho's economy but will ripple throughout the entire housing industry.

I hope I have sparked your desire to play a continuing and much needed role in shaping tomorrow's forest industry in Idaho—you have my support, and if you share my enthusiasm and optimism for a brighter tomorrow, I think you'll enjoy an old and somewhat well known story. A story of a foreigner who visited the United States for the first time. He started his tour in Washington, D.C., to get a first-hand feel of the home of free enterprise. While touring the city by taxi, he passed the National Archives building and noted the passage engraved in stone. The passage read "What is past is prologue." The visitor asked the taxi driver what it meant. The taxi driver replied, "Mister, it means that you ain't seen nothing yet!"

CHAPEL HILL NEWSPAPER SEES THROUGH "LABOR REFORM" HOAX

Mr. HELMS. Mr. President, I am growing increasingly optimistic as I observe that more and more citizens are becoming aware of the deceptions contained in the so-called labor reform bill currently pending in the Senate. The Chapel Hill Newspaper, a newspaper published at the home of the University of North Carolina, has eloquently denounced the hoax that is commonly referred to as the Labor Reform Act.

The debate on this legislation is not the classic debate between the blue collar working man or woman and the big business interests. Rather, it is a debate between the big union bosses and the small businesses of this Nation—and the men and women who rely on these businesses for their livelihood. In fact, it is difficult to find anyone who supports this legislation except the big labor hierarchy and the politicians who owe them allegiance.

Mr. President, I ask unanimous consent that the editorial appearing in the February 2 edition of the Chapel Hill Newspaper entitled, "Labor Law Bill H.R. 8410 Not Reform, But Rip Off," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LABOR LAW BILL H.R. 8410 NOT REFORM, BUT RIP OFF

When President Carter was elected to the country's highest office he made a lot of promises to minorities and labor. There has been an outcry from both that the president has already forgotten who elected him. Don't you believe it.

By means of HEW, government employment and other ways, Carter has been quietly fulfilling some of his promises to minorities. The needs, however, of minorities are so great that it would take more than a president to get them solved, so Carter seems to be losing this battle.

On the labor front it seems to be taking a bit longer, but recently several pieces of legislation have been introduced in Congress that will please George Meany and others in the labor movement.

A speaker at the North Carolina Press Association last weekend—George Joplin of Somerset, Ky., immediate past president of the National Newspaper Association—has participated in several private conferences with the president on labor legislation. He believes Carter to be the typical politician, in that he will tell you what you want to hear and then proceed to do exactly the opposite. Such action is bringing about a lot of distrust of the president, and rightly so.

Joplin pointed out that the president admitted to the dangers in the Labor Reform Act of 1977, but that two days later his advisors helped introduce the bill in Congress. Joplin believes that if the bill (S. 1883 and H.R. 8410) passes the House and Senate it could affect almost every small business in the country. The unions are in trouble, and they are out to organize every business with 10 or more employees. At the present time the AFL-CIO represents 500,000 fewer workers than it did at its last convention. Union membership throughout the country is declining.

Larger firms are becoming more attuned to workers' needs than they were a few years ago. Wages and benefits are up, and the average employee sees less need for union representation. About 25 percent of America's work force is now unionized compared to 35 percent a decade ago. Unions are losing more and more local elections, but they backed the right candidate for President a year ago. George Meany and the other labor leaders truly believe that to the victors should go the spoils. The President, regardless of how he feels, must repay his campaign promises.

Ask the small businessman in Chapel Hill what bill S. 1883-H.R. 8410 is, and he probably cannot give you an answer. Yet that same businessman, already struggling to keep his head above water, does not realize that passage of the bill could put him out of business overnight. A union can right now be quietly working to organize your business. Over a period of several months they can convince the employees of the many benefits. One morning the owner goes to work and discovers that eight of his 15 employees have decided that they want a union to represent them. An election must be held within 25 days after the owner has been notified. Remember that the union has been quietly working for several months to obtain union representation, and you, as the owner, have less than a month to undo what it has done. Also, if you talk with your employees as a group or individually during those 25 days, you must allow the union to do the same thing, in your plant and on your time. You must also be very careful not to offer them increased wages or other benefits as an inducement. If and when the union wins, chances are you would end up in bankruptcy.

Don't take our word for it. Contact your trade association or a good lawyer and get the facts. Let your Congressman know immediately the dangers of the passage of such a bill.

While the Carter administration supports H.R. 8410, the Labor Department has just sued Teamsters' President Frank Fitzsimmons and 18 others to recover tens of millions lost in shaky loans made out of the Teamsters' pension funds. There are about 20,000 Teamsters in the Carolinas who stand to lose a great deal of their retirement income because of these transactions.

If the unions get the go ahead with the passage of H.R. 8410, the results can be disastrous. If small businesses are able to continue operating we will see the greatest inflation in the history of this country. Many present workers stand to lose even more. There must be a better way.

The social security tax continues to rise. Most small firms have some kind of a pension plan, and the young worker should consider this when he takes a job. Unions getting in the front door will not solve an almost impossible problem for the small business, that of survival.

AIRWEST'S LOCALS AND MANAGEMENT SUPPORT AIRLINE REGULATORY REFORM

Mr. KENNEDY. Mr. President, Hughes Airwest, a relatively small CAB regulated airline, is a strong supporter of airline regulatory reform, especially those provisions of the Cannon-Kennedy bill that would allow airlines to lower their fares within certain limits and add up to two new routes each year without CAB interference. Although management and labor do not always see eye to eye, airline regulatory reform is one issue that has received the support of both Airwest's local unions and Airwest management. The Airwest master executive council chairmen of the Air Line Pilots Association and the Air Line Employees Association both support the Air Transportation Regulatory Reform Act, as reported by the Senate Committee on Commerce, Science, and Transportation. Both unions are associated with the AFL-CIO and are strong forces in the labor movement. I ask unanimous consent that letters announcing this support be printed in the RECORD.

There being no objection, the letters

were ordered to be printed in the Record, as follows:

AIR LINE PILOTS ASSOCIATION,
Washington, D.C., January 27, 1978.

Re deregulation proposal.

Mr. R. V. STEPHENSON,
President and Chief Executive Officer, Hughes Airwest, San Francisco International Airport, San Francisco, Calif.

DEAR MR. STEPHENSON: Approximately one year ago the Pilot group MEC, noticing the inevitable changes projected for airline regulation, formed a deregulation committee to study the potential effects.

In working with an ALPA committee in Washington, D.C., we have been able to keep abreast of the deregulation bill as originally proposed through its some twenty different markup sessions to the evolutionary product before the Senate this year.

We foresee a deregulation bill greatly different than the original draft being prepared for enactment late in 1978. Realistically, the industry needs long overdue change, and like it or not, change will occur.

Realizing that the Hughes Airwest policy toward deregulation parallels greatly the ALPA National policy, the Hughes Airwest MEC can clearly see a common interest in the long term goal of deregulation. If this airline can achieve new route authority promoting growth and financial reward, then to not support such a policy would be counter-productive to the well-being of each Hughes Airwest pilot.

It gives us great pleasure to endorse your position of the deregulation legislation and to offer the Pilot group's active support. If Hughes Airwest prospers by receiving long overdue route expansion, then Hughes Airwest Pilots and all employees prosper.

Respectfully submitted,

STEVEN F. CRAMER,
MEC Deregulation Committee Chairman.

WILLIAM J. LEA,
Hughes Airwest MEC Chairman.

AIRLINE EMPLOYEES ASSOCIATION INTERNATIONAL,
Chicago, Ill., October 10, 1977.

Mr. RUSSELL V. STEPHENSON,
General Manager, Hughes Airwest, San Francisco International Airport, San Francisco, Calif.

DEAR MR. STEPHENSON: The Hughes Airwest/Air Line Employees Association, International Master Executive Council has considered the Company's position on Regulatory Reform as you have outlined it during recent meetings. This will advise that the MEC endorses the Company's position on this extremely important matter.

During the past forty years, the airlines have been regulated under the Federal Aviation Act of 1938. It has been a period of growth, technological changes and stability for the industry. The Act, as originally written and slightly amended in 1958, has done an exceptional job in producing the finest air transportation system in the world. We believe, as you do, that the time has come when major modifications of the Act are necessary for the continued development of this system. The basic principles of Regulatory Reform as outlined in the United States Senate "Air Transportation Regulatory Reform Act of 1977" Draft 3, provide a vehicle to accomplish this end.

The provisions we specifically support are:

1. The ability to enter new markets annually without a lengthy and costly hearing before the Civil Aeronautics Board.

2. Flexibility to raise or lower air fares within a specific zone without seeking approval from the regulatory agency.

3. Provisions to protect small communities through a new subsidy program.

4. Elimination of the regulatory lag which the industry has experienced in the past.

You can count on our support in your efforts to achieve these provisions.

Sincerely,

THEODORE G. SMITH,
Hughes Airwest/ALEA Master Chairman.

CHAIRMANSHIP OF THE FEDERAL RESERVE BOARD

Mr. BROOKE. Mr. President, on January 31, the term of Dr. Arthur Burns as Chairman of the Board of Governors of the Federal Reserve System expired. Since the Banking Committee has not yet acted to confirm G. William Miller, whom the President has nominated to be Dr. Burns' successor as Chairman, the question arises as to how the Office of Chairman will be filled in the interim.

The staff of the Federal Reserve Board has produced a staff opinion on this subject, and a copy of the staff opinion has been sent to the Banking Committee. Mr. President, I ask unanimous consent that this staff opinion be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BROOKE. The Federal Reserve Board staff opinion concludes:

No provision of the Federal Reserve Act or of the Board's regulations provides a clear answer to the question posed. Under existing law and regulation and considering past practices of the Board, either of two conclusions may be urged: (1) the incumbent Chairman could "hold over" in office and exercise the authority and perform the duties of the office until a qualified Board Member successor has been designated; or (2) the Vice Chairman could assume the responsibilities of the Chairman. Section 10 of the Federal Reserve Act specifically assigns to the Vice Chairman the function of presiding at Board meetings in the absence of the Chairman. In the absence of both the Chairman and Vice Chairman, the statute directs the Board to elect a Member to act as Chairman pro tempore. The Board's Rules of Organization implement this provision by directing the selection of the Member of the Board present with the longest service. For reasons discussed below, the more sound solution to the question presented would appear to be for the incumbent Chairman to "hold over" in office until his successor has qualified to serve as a Board Member and as Chairman.

On February 2, President Carter issued an order which reads as follows:

ORDER

I hereby designate Arthur F. Burns to serve as Acting Chairman of the Board of Governors of the Federal Reserve System until such time as his successor as Chairman is designated, or until his resignation as a member of the Board of Governors, already received and accepted, becomes effective, whichever first occurs.

JIMMY CARTER.

THE WHITE HOUSE, *February 2, 1978.*

Mr. President, if the Federal Reserve Board staff opinion is correct, then the President's order may be regarded as superfluous, since in this case the result would be the same whether or not the order were issued. However, there is the possibility that the President's order may be cited as precedent in the case of some future vacancy in the Office of Chairman, and, therefore, I am constrained to comment on it.

Mr. President, the Federal Reserve System was created pursuant to the money power conferred on the Congress by section 8, clause 5 of the Constitution. And it was the clear intent of Congress that the Federal Reserve Board should remain independent of the executive branch of the Government.

With regard to the President's authority to appoint the Chairman of the Federal Reserve Board, the Federal Reserve Act, 12 U.S.C. 242, provides that of the persons appointed to the Board—

One shall be designated by the President as chairman and one as vice chairman of the Board, to serve as such for a term of four years. The chairman of the Board, subject to its supervision, shall be its active executive officer . . . Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and qualified.

This language confers on the President the power to name a Chairman and a Vice Chairman for 4-year terms. But it does not confer the authority to name an Acting Chairman. Indeed, if a President could name Acting Chairmen, then he could effectively make meaningless the requirement of a 4-year term by failing to nominate a permanent Chairman. The requirement of a 4-year term for the Chairman of the Federal Reserve Board is designed to assure that the Chairman will be independent of the President. By delaying the appointment of a permanent Chairman or failing to nominate a new Chairman, a President could, through the device of naming an Acting Chairman, exercise influence over the Board which was never intended by the Congress.

Mr. President, while I believe it is clear that the Congress did not intend to confer on the President the power to name an Acting Chairman of the Federal Reserve Board, the question of succession after the expiration of the term of the Chairman unfortunately is not clear, and I intend to offer clarifying legislation on this subject later this year.

Mr. PROXMIRE. Mr. President, I would like to associate myself with the remarks of the Senator from Massachusetts. I can find no statutory basis for the President to name an Acting Chairman of the Federal Reserve Board, and I think that such an action is inconsistent with the intent of Congress when it passed the Federal Reserve Act; and it would diminish the independence of the Board.

I also agree with Senator BROOKE that the Federal Reserve Act should be amended to make the succession to the Fed chairmanship clear, and I shall join the Senator in developing and cosponsoring legislation on this subject.

Mr. BROOKE. I thank the distinguished chairman of the Banking Committee for his remarks, and I look forward to working with him on legislation

which will clarify the succession to the chairmanship of the Federal Reserve Board.

EXHIBIT 1

BOARD OF GOVERNORS OF
THE FEDERAL RESERVE SYSTEM,
Washington, D.C., January 10, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In Chairman Burns' absence, I am pleased to respond to your request of January 3, 1978, for a staff opinion on the following question: Assuming that on January 31, 1978, the Senate has not completed action on the nomination of Mr. G. William Miller to serve as Chairman of the Federal Reserve Board, who would serve as Chairman of the Board?

A staff opinion on the subject of your inquiry has been prepared and is enclosed.

It is my own view that the staff opinion is correct and the incumbent Chairman could continue to serve until his successor is appointed and duly qualified, which is a customary and well established procedure in Government.

Best wishes.

Sincerely,

STEPHEN S. GARDNER.

Enclosure.

STAFF OPINION

Question Presented.—If the Senate has not confirmed the President's designation of Mr. G. William Miller as Chairman of the Board of Governors by January 31, 1978, the date on which the incumbent Chairman's term officially expires, the question has been raised as to who will serve as Chairman on and after February 1, 1978, until Mr. Miller is qualified to assume office.

Conclusion.—No provision of the Federal Reserve Act or of the Board's regulations provides a clear answer to the question posed. Under existing law and regulation and considering past practices of the Board, either of two conclusions may be urged: (1) the incumbent Chairman could "hold over" in office and exercise the authority and perform the duties of the office until a qualified Board Member successor has been designated; or (2) the Vice Chairman could assume the responsibilities of the Chairman. Section 10 of the Federal Reserve Act specifically assigns to the Vice Chairman the function of presiding at Board meetings in the absence of the Chairman. In the absence of both the Chairman and Vice Chairman, the statute directs the Board to elect a Member to act as Chairman pro tempore. The Board's Rules of Organization implement this provision by directing the selection of the Member of the Board present with the longest service. For reasons discussed below, the more sound solution to the question presented would appear to be for the incumbent Chairman to "hold over" in office until his successor has qualified to serve as a Board Member and as Chairman.

Discussion: While no statutory provisions provide a clear answer to the question presented, the following provisions could be said to relate indirectly to the question posed. Section 10, paragraph 2 of the Federal Reserve Act, 12 U.S.C. § 242, provides that of the persons appointed to the Board: "one shall be designated by the President as chairman and one as vice chairman of the Board, to serve as such for a term of four years. The chairman of the Board, subject to its supervision, shall be its active executive officer . . . Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and qualified."

Paragraph 4, Section 10 of the Federal Reserve Act, 12 U.S.C. § 244, provides that:

"at meetings of the Board the chairman shall preside and in his absence the vice chairman, and, in the absence of the chairman and the vice chairman, the Board shall elect a member to act as chairman pro tempore."

Section 2 of the Board's Rules of Organization provides that: "[A]t meetings, the Chairman presides or, in his absence, the Vice Chairman presides. In the absence of the Chairman and Vice Chairman, the Member of the Board present with the longest service acts as Chairman."

With respect to the first alternative presented; namely, that in the circumstances presented the incumbent Chairman should "hold over" in office and exercise the authority and perform the duties of the office of Chairman until his successor has qualified, the following rationale is supportive of such approach.

As earlier stated, paragraph 10, section 10 of the Federal Reserve Act provides that "upon the expiration of their terms of office, Members of the Board shall continue to serve until their successors are appointed and have qualified." This provision, applicable by its language to the term of an individual as a Board Member, can reasonably be read as also applicable to the term for which a designated Board Member serves as Chairman. Under such interpretation, an incumbent Chairman should "hold over" in office as Chairman until his successor has qualified. However, even if the above-quoted phrase were narrowly interpreted as applying only to the terms of Board Members, the obvious objective of the provision is to provide continuity of process in the Board's activities and continued use of the service of experienced Board Members until their successors are available to assume office. This goal obviously serves the important public interest of assuring that the Board's statutory responsibilities are at all times carried out in an efficient and effective manner, without the disruption characteristically attending changes in authority, in assignments, and in responsibilities. Similar concerns are obviously applicable to the office of Chairman, and argue strongly for the conclusion that an individual serving as Chairman should "hold over" in that office until his successor has been appointed and has qualified.

Further study of the statute reflects the fact that the Vice Chairman is given only authority to preside at Board meetings in the absence of the Chairman. In addition, the Board is only to elect a Chairman pro tempore in the absence of the Chairman and Vice Chairman. It can be argued that the term "absence" is distinguishable from "vacancy", with the former term contemplating an instance in which a Chairman is physically absent, so as not to be able to preside at Board meetings. "Vacancy" on the other hand, is reasonably interpreted as referring to an actual void in the office of Chairman, such as that occurring by reason of resignation, death, or removal for cause. The term "vacancy" would also appropriately be applied to the "void" in the official occupancy of the office of Chairman that would result from expiration of an incumbent's term as Chairman, coupled with lack of a qualified successor. Under this rationale, a Vice Chairman would assume the responsibilities of a Chairman, at least for Board meeting purposes, in instances of a Chairman's brief absence from the city, or in cases in which the death, resignation, or removal for cause of a Chairman resulted in a permanent physical "absence" of a Chairman able to preside. A vacancy in the office of Chairman arising from expiration of an incumbent's term, on the other hand, would not result in such permanent physical "absence" for the reason that the former Chairman would, as a result of "holding over" in office as de facto Chairman until a successor was appointed, be physically present and available (i.e., not absent) to perform duties of the Chairman's office. There would be no occasion to resort to the provision of law calling for the Vice Chairman to preside at Board meetings in the Chairman's absence.

It is submitted that practical considerations, particularly those addressed to maximum utilization of agency resources, also support the logic of an incumbent Chairman "holding over" in office at the expiration of his term pending the qualification of his successor. Such practice allows for the maintenance of the "status quo", rather than requiring the Board to go through a series of administrative changes involving (1) the assumption of the former Chairman's duties by the Vice Chairman, (2) the assumption of the Vice Chairman's duties by another designated Board Member, and (3) the later assumption by the qualified Presidential designee of the Chairman's duties.

Finally, because of the sensitivity of the topics with which the Board deals on a daily basis, it is essential that public confidence in the stability and continuity of Board policies and operations be maintained. Although perhaps unwarranted, any impending change in leadership of an organization such as the Board tends to produce some uncertainty in the minds of domestic and foreign observers. Such feelings might well be further magnified were a new individual to assume the full duties of Chairman on a short-term basis pending qualification of the former incumbent's successor. Because the incumbent Chairman has earned the public's confidence, has established personal relationships with national and world leaders, and has "color of title to the office", it would appear that he can best provide continuity to Board operations, pending confirmation action by the Senate of his successor. He also would be best positioned to provide for smooth transition to any new appointee the President may designate.

Concluding the rationale relative to the "hold over" theory, it may be noted that further support of the de facto status of the "hold over" Chairman could be gained by obtaining from the Board Members a recorded vote affirming the Chairman's de facto status until qualification of his successor. While such Board action would not be legally required or necessary, it could be viewed as increasing the "color of title" accorded to the role performed by the de facto Chairman.

Turning to rationale that would support the position that the Vice Chairman should act as Chairman in the period during which no Chairman has been designated and qualified, it can be asserted that such service by the Vice Chairman was contemplated by Congress and reflected in the statutory provision creating the post of Vice Chairman. Particular support for this argument may be found with reference to periods of time when the Chairman is absent, as distinguished from periods when the office of Chairman might be vacant. In periods of absence of the Chairman, such as if he were to be out of the city, or become ill, or otherwise be physically absent for a brief period, the wording of the statute can be said to contemplate the performance of the necessary and usual duties of the Chairman by the Vice Chairman.

It is significant, however, that the provision in question calling for the Vice Chairman's service as acting Chairman is restricted narrowly to the conduct of Board meetings, although that provision cannot be read as an explicit bar or inhibition to a broader spectrum of service by the Vice Chairman in the areas of the Chairman's responsibilities. Indeed, it can be argued that a logical extension of the statutorily sanctioned Board meeting function would be the assumption by the Vice Chairman in the Chairman's absence of all the responsibilities normally as-

signed to the Chairman. Similarly, it might be argued, that the expiration of a Chairman's term creates a permanent "absence" of a Chairman, and thus the Vice Chairman should assume the duties of the Chairman's office in such periods.

A near precedent in previous Board action occurred in early 1948. Mariner Eccles' term as Chairman had expired on January 31, 1948. At that date there was a vacancy in the office of Vice Chairman, the incumbent having died on December 2, 1947, and no successor having been designated. Thus, on February 1, 1948, there was neither a designated Chairman nor Vice Chairman of the Board. On February 3, 1948, a Board meeting was held at which, on motion of the senior member then present (Governor Szymczak), the Board elected Governor Eccles "to serve as Chairman 'pro tempore' until a new Chairman or Vice Chairman is designated and assumes his duties."

The wording of the Board's February 3, 1948, designation suggests that had there been an incumbent Vice Chairman, he would have assumed the Chairman's duties, either by silent assent of the Board or by specific designation at least for the purpose of conducting Board meetings and perhaps for a broader range of duties and functions, even though the former incumbent Chairman was willing and able to perform the role himself until his successor was designated. Significant also is the fact that Mr. Eccles, in assuming the position of Chairman pro tempore apparently assumed not just Board meeting responsibilities, but all duties and responsibilities as active executive officer.

As initially stated, either of two conclusions on the question presented can be reasonably urged. Neither clearly outweighs the other as a matter of law. However, as a matter of procedural soundness and compatibility with continuing agency performance and in service of the public interest, and as a matter of consistency with the somewhat narrow role seemingly suggested by the statutory provisions relating to the Vice Chairman's service as Chairman (i.e., presiding at Board meetings), the continued service of the former incumbent as Chairman, pending the qualification of his successor, appears the more reasonable and sustainable approach to the question presented.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 8:45 a.m. tomorrow morning. After the prayer, the following Senators will be recognized, each for not to exceed 15 minutes, as in legislative session: Senators LUGAR, BAKER, SCHMITT, GARN, and ROBERT C. BYRD; upon the completion of these orders and no later than the hour of 10 o'clock a.m., the Senate will resume consideration of the treaty, Executive N concerning the permanent neutrality and operation of the Panama Canal.

At that time, Mr. President, what will be the pending question, on what amendment?

The PRESIDING OFFICER. Amendment No. 40 will be the pending question and the Senator from Minnesota (Mrs. HUMPHREY) will be recognized.

Mr. ROBERT C. BYRD. And the amendment that has been offered by the distinguished Senator from Alabama (Mr. ALLEN) is an amendment to article I; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, rollcall votes may occur tomorrow on amendments or motions in relation to the treaty. However, I have indicated to the distinguished Senator from Alabama that no motion will be made to table his amendment this week. Of course, I cannot keep any other Senator from moving to table, but if such happens. I would certainly oppose that motion with all the strength I could muster, in keeping with my promise to my friend, the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator. I can always rely on his courtesy and his generosity in consideration of these matters. I appreciate this notice.

Mr. ROBERT C. BYRD. I thank the Senator.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, in executive session, stand in recess until 8:45 a.m. tomorrow.

The motion was agreed to; and, at 6:28 p.m., the Senate, in executive session, recessed until Friday, February 24, 1978, at 8:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 23, 1978:

DEPARTMENT OF JUSTICE

John P. Volz, of Louisiana, to be U.S. attorney for the eastern district of Louisiana for the term of 4 years.

David T. Wood, of Guam, presently U.S. attorney for the district of Guam, to be also U.S. attorney for the District of the Northern Mariana Islands for a term expiring November 2, 1981.

Larry D. Patton, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

Juan G. Blas, of Guam, presently U.S. marshal for the district of Guam, to be also U.S. marshal for the district of the Northern Mariana Islands for a term expiring September 14, 1981.

Charles H. Gray, of Arkansas, to be U.S. marshal for the eastern district of Arkansas for the term of 4 years.

Coy W. Rogers, of Oklahoma, to be U.S. marshal for the western district of Oklahoma for the term of 4 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE COAST GUARD

Coast Guard nominations beginning Lewis J. Buckley, to be lieutenant, and ending Theodore F. Ramsey, to be chief warrant officer, W-2, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

Coast Guard nominations beginning Ernest E. James, to be commander, and ending Larry D. Brooks, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

Coast Guard nominations beginning Bruce E. Tate, to be lieutenant, and ending Jerry D. Jackson, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

HOUSE OF REPRESENTATIVES—*Thursday, February 23, 1978*

The House met at 11 o'clock a.m.

The Reverend B. R. Wimberley, Fountain View United Pentecostal Church, Humble, Tex., offered the following prayer:

O Lord God, that does govern in the affairs of men, if a sparrow cannot fall to the ground without Your notice, it is improbable that a nation can rise without Your aid. We know that unless the Lord build the house, they labor in vain that build it, and without Your concurring aid we shall succeed no better in this political building than the builders of Babel. Lord, let this be the day that Your spirit becomes our guide. Millions are waiting O Lord, for the decisions that will be made in this Chamber today. Direct our leaders we pray. We shall pass this day but once. Any kindness we can show any human being, let us do it now and not defer it.

In Jesus name we pray. Amen.

CALL OF THE HOUSE

Mr. KETCHUM. Mr. Speaker, under rule I, clause 1, of the rules of the House, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 74]

Ambro	Derwinski	Miller, Calif.
Anderson, Ill.	Diggs	Mitchell, Md.
Andrews, N.C.	Dingell	Moffett
Armstrong	Edwards, Okla.	Moss
Ashbrook	Erlenborn	Ottinger
Badham	Ford, Mich.	Perkins
Beilenson	Fraser	Quie
Bonior	Garcia	Rhodes
Breckinridge	Gaydos	Santini
Burke, Calif.	Gibbons	Scheuer
Burke, Fla.	Guyer	Shipley
Chappell	Hannaford	Skubitz
Clausen,	Harsha	Steed
Don H.	Holtzman	Stockman
Clawson, Del	Ireland	Teague
Clay	Jenkins	Thornton
Cochran	Kazen	Tucker
Coleman	Krueger	Udall
Collins, Ill.	Le Fante	Ullman
Conyers	Leggett	Waggonner
Cornwell	Marriott	Wiggins
Coughlin	Metcalfe	Wilson, Tex.
Dent	Mikva	Young, Tex.

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3816) entitled "An act to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease-and-desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8803. An act to amend the National Trails System Act, and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 94–201, appointed Janet Anderson, from private life, to be a member of the Board of Trustees of the American Folklife Center, Library of Congress, effective March 9, 1978, for a term of 2 years, in lieu of Donald Yoder, term expired.

And that the Vice President, pursuant to Public Law 86–420, appointed Mr. BENTSEN (chairman) and Mr. DURKIN to attend, on the part of the Senate, the Mexico-United States Interparliamentary Conference, to be held in San Francisco, Calif., May 1978.

REV. BOB WIMBERLEY

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, I am very pleased to be able to introduce to my colleagues in the House the Reverend Bobby Raymond Wimberley. For the past 21 years, Reverend Wimberley has been pastor of the Fountain View United Pentecostal Church in Humble, Tex., where he has recently been busy with the construction of a new church building, the dedication of which is scheduled for March.

A native of Abilene, Tex., Reverend Wimberley graduated from high school there, then came to Houston in 1955. He attended South Texas College before enrolling at Sam Houston State University in Huntsville, where he obtained his B.S. degree in psychology with a minor in sociology in 1971.

Reverend Wimberley is married to the former Gladiola Irwin, and they have three children, the oldest being a preacher himself. The Reverend P. C. Wimberley is the music director of the United Pentecostal Church in Tempe, Ariz., and his other children are Gregg, 16, a sophomore at MacArthur High School, and Novella Renee, 15, who attends the Irvington Christian Academy in Houston.

Although he is an avid sportsman, Reverend Wimberley finds little time to pursue Texas whitetail deer or the bobwhite quail. Instead he stays active in his community as well as his own church. He is a charter member and past president of the Rotary Club and presently serves on that organization's board of directors. In May 1977 he had the honor of serving as chaplain of the Texas House of Representatives.

Last September, I had the pleasure of visiting with Reverend Wimberley and his family while they visited Washington, D.C. Today, I am proud to welcome him back and express thanks to him for the very fine prayer with which he opened this morning's proceedings of the House.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON H.R. 10982, FIRST BUDGET RESCISSION BILL FOR FISCAL YEAR 1978

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill H.R. 10982, the first budget rescission bill for fiscal year 1978.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER CONSIDERATION OF H.R. 10982 ON TUESDAY NEXT OR ANY DAY THEREAFTER

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order to consider in the House on Tuesday next, or any day thereafter, the bill H.R. 10982, the first budget rescission bill for fiscal year 1978.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORTS ON SEVERAL PRIVILEGED MONEY RESOLUTIONS

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file reports on several privileged money resolutions.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman tell us what they are?

Mr. THOMPSON. Mr. Speaker, if the gentleman will yield, they are for the Committee on Agriculture, the Committee on Armed Services, the Committee on Internal Security, the Committee on Assassinations, and one or two others. They are all on committees of the House.

Mr. ROUSSELOT. Did the gentleman say the Committee on Internal Security?

Mr. THOMPSON. No; not the Committee on Internal Security; I meant to say the Committee on Assassinations.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING THE 5-MINUTE RULE TODAY

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries may sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SCIENCE, RESEARCH, AND TECHNOLOGY OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY BETWEEN 2 AND 4 P.M. DURING THE 5-MINUTE RULE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Science, Research, and Technology of the Committee on Science and Technology may be permitted to sit today between 2 and 4 p.m. during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman tell us whether there will be a mark-up of the bill or just the taking of testimony?

Mr. BROWN of California. If the gentleman will yield, Mr. Speaker, the schedule for the subcommittee calls for it to start the markup process if it has a quorum. We will abide by the rules of the House, of course.

Mr. ROUSSELOT. Science and Technology. Could the gentleman tell us why it is so important to do this today? Could it not wait?

Mr. BROWN of California. The problem, as the gentleman well knows, is that we are under a very rigid schedule to complete a number of important authorization bills. The subcommittee is required to report these bills out in the very near future, and unless they meet morning and afternoon, they will be unable to do so.

Mr. ROUSSELOT. Further reserving the right to object, could the gentleman tell us something about the bill?

Mr. BROWN of California. Yes; the legislation before the Subcommittee on Science, Research, and Technology is the authorization for the Bureau of Standards standard reference data and fire research and development.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, has the gentleman consulted the minority at all? Does the minority know about it, or does it not matter?

Mr. BROWN of California. The minority on the subcommittee has been consulted on the schedule and has no objection to it.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SOCIAL SECURITY FINANCING

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I take this opportunity to inform the House that the Executive Council of the American Federation of Labor and the CIO have strongly endorsed the concept of general revenue financing for social security. Over the past weekend the Executive Council of the AFL–CIO unanimously endorsed the Burke bill. We have approximately 130 cosponsors right now. I would like to get it up to 250 so these Members of Congress who are concerned about the plight of the working men and women of America can do something by cosponsoring the Burke bill. I would appreciate it if Members would contact my office and let us know if they want to do so.

The statement by the AFL–CIO Executive Council is as follows:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON SOCIAL SECURITY FINANCING

The recent Social Security legislation made a number of major changes in the program's financing, including significant increases in the payroll tax and in the wage base. Some of these changes impact severely on those least able to pay. President Carter's original financing proposals, which were supported by the AFL–CIO, would have avoided new payroll tax increases for most workers.

Social Security is now on a sound actuarial basis into the next century. But Social Security financing remains regressive. Despite this nation's commitment to the principle of progressive taxation based on ability to pay, low and middle-income workers contribute a higher proportion of their income to Social Security than do the wealthy.

The AFL–CIO has repeatedly stated that the payroll tax should be supplemented by general revenues, since that revenue is based on a more progressive tax system. Congress should use general revenue funding to reduce the existing tax burden and to avoid future tax rate increases now scheduled in the law.

Representative James A. Burke of Massachusetts has introduced a bill, H.R. 10668, which would achieve a long-sought AFL–CIO goal of having one third of the total cost of Social Security financed by a governmental contribution. We urge Congress to adopt the principle of H.R. 10668, through a series of steps starting with a rollback in the 1979 payroll tax to 5.85 percent, with all scheduled future tax rate increases replaced by general revenues. This would achieve one-third general revenue financing within an acceptable period of time.

We emphatically reject alternative sources of financing, such as sales or value added taxes, which would continue to place the financing burden on those least able to bear it. At the same time, additional funds to finance any improvements in Social Security could come from requiring employers to contribute to the program on the basis of total payrolls. The wage base should be used only to determine the employee's contribution and average wage for figuring benefits.

The rollback in the Social Security tax rate would provide an effective stimulus to consumer buying power and benefit both employees and employers through reduced Social Security tax payments.

RESIGNATION AS MEMBER OF JOINT ECONOMIC COMMITTEE

The SPEAKER laid before the House the following resignation as a member of the Joint Economic Committee:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 2, 1978.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I would like to submit herewith my resignation from the Joint Economic Committee.

I appreciate very much the honor of having served on this committee, but find that my other committee assignments have made it impossible for me to give the Joint Economic Committee the attention which it deserves and I feel that the Congress would be better served if this fine opportunity were given to another Member.

With best personal regards,
Cordially,

OTIS G. PIKE.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

APPOINTMENT AS MEMBER OF THE JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 U.S.C. 1024(a) the Chair appoints as a member of the Joint Economic Committee the gentleman from Maryland, Mr. MITCHELL, to fill the existing vacancy thereon.

PERMISSION FOR SUBCOMMITTEE ON ADVANCED ENERGY TECHNOLOGIES AND ENERGY CONSERVATION RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET TODAY DURING 5-MINUTE RULE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Advanced Energy Technologies and Energy Conservation Research, Development and Demonstration may be allowed to meet today from the hours of 2 to 4 p.m. during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, will the gentleman tell us, Is this just to take testimony?

Mr. McCORMACK. If the gentleman will yield no. We will be working on the markup of the Department of Energy authorization bill and working fundamentally on geothermal energy and high energy physics authorization.

Mr. ROUSSELOT. Is that all part of the bill?

Mr. McCORMACK. It is all part of the bill.

Mr. ROUSSELOT. Has the gentleman consulted the minority?

Mr. McCORMACK. The gentleman from California (Mr. GOLDWATER) is the minority member of the committee, and he and I are working very closely on this matter.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

REQUEST FOR INFORMATION

(Mr. KETCHUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KETCHUM. Mr. Speaker, I take this time to ask a favor of the Speaker since he does have the ear of the President of the United States. It has been widely reported that the President has taken and will be taking more trips of a campaign nature. I am wondering, Mr. Speaker, if the Speaker might ask him who is paying for those trips.

Additionally, Mr. Speaker, it has been widely reported that a member of the

President's staff was involved with a small problem in a local watering spot. I wonder if the Speaker might ask the President: Who paid the Government lawyers who got the depositions in that 33-page statement.

DEPARTMENT OF COMMERCE DEFERRAL OF MARITIME ADMINISTRATION FUNDS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–294)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a new Department of Commerce deferral of Maritime Administration funds totalling $122 million in budget authority and a new deferral of $0.4 million in outlays for the Antirecession financial assistance fund in the Department of the Treasury.

In addition, I am reporting routine revisions to two previously transmitted deferrals. A Department of the Interior deferral is increased by $2 million in budget authority, and a Department of the Treasury deferral is increased by $4.1 million in outlays.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1978.*

INTERNATIONAL MONETARY FUND SUPPLEMENTARY FINANCING FACILITY

Mr. NEAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9214) to amend the Bretton Woods Agreements Act to authorize the United States to participate in the supplementary financing facility of the International Monetary Fund.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. NEAL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 9214, with Mr. NEDZI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Wednesday, February 22, 1978, all time for general debate had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 9214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act (22 U.S.C. 286–286k–2), as amended, is further amended by adding at the end thereof the following new section:

"SEC. 27. (a) For the purpose of participation of the United States in the Supplementary Financing Facility (hereinafter referred to as the 'facility') established by the decision numbered 5508–(77/127) of the Executive Directors of the Fund, the Secretary of the Treasury is authorized to make resources available as provided in the decision numbered 5509–(77/127) of the Fund, in an amount not to exceed the equivalent of 1,450 million Special Drawing Rights.

"(b) The Secretary of the Treasury shall account, through the Fund established by section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 882a), for any adjustment in the value of monetary assets held by the United States in respect of United States participation in the facility.".

Mr. NEAL (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to speak in support of H.R. 9214, a bill to authorize a $1.7 billion U.S. contribution to a supplementary financing facility in the International Monetary Fund (IMF). This facility, named the Witteveen facility after the managing director of the IMF, would provide approximately $10 billion to enable the fund to make larger, longer term loans to countries with especially severe balance-of-payment adjustment problems.

The financing for this facility, which would have the lifespan of about 3 years, would come from loans supplied by 14 countries. Besides the United States, these countries include six other importing industrial nations and seven oil-exporting countries. There will be an approximately 50/50 split in the financing of the facility between the two groups of nations and Saudi Arabia, which has agreed to put in $2.5 billion, will be the single largest contributor.

The interest costs for the contributors, including the United States, are fully covered by the interest receipts from the IMF. In addition, we will receive a highly liquid reserve claim on the IMF in exchange for the financing we may provide.

There are a number of reasons why it is in the U.S. interest to participate in the proposed facility. They relate to the critical role the facility plays in our efforts to sustain U.S. growth, improve the trade balance, and maintain a strong dollar. These reasons can be best understood if it is kept in mind that the Witteveen facility is to help maintain a healthy world economy in the face of high oil prices.

The large increase in oil prices, brought about by the OPEC nations, has created a situation where most countries in the world have trade deficits and only a handful of countries have trade surpluses. The OPEC nations, as a group, had a surplus on current transactions (goods, services, and remittances) that is estimated at $40 billion last year. The rest of the world, taken together, had a corresponding deficit.

These deficits are financed mainly through banks and private capital markets in a process known as recycling. The surplus nations (OPEC plus Germany, Japan, Switzerland, and one or two others) place the financial proceeds of their surpluses in bank deposits or in securities. The deficit countries borrow from banks and issue securities.

If this process of recycling funds from the surplus to the deficit countries does not continue to operate smoothly, the countries in deficit will be unable to finance themselves and will be forced to curtail their imports. The result could be another recession like the one that occurred in 1974–75 and from which the world has not yet fully recovered.

The particular importance of the Witteveen facility lies in the fact that it attaches a stick to its financial carrot. Those few countries that appear to be in trouble as debtors, can go to the IMF and borrow there, but in doing so, must accept policy conditions laid down by the Fund. When that happens the confidence of private lenders in the country is strengthened and the recycling process continues, under the IMF "Good Housekeeping seal of approval."

The establishment of the Witteveen facility would provide a form of economic "life insurance" for the world economy. It can be drawn upon by economically troubled nations to stabilize a shaky balance-of-payments situation. Such an "insurance" fund was conspicuously absent in the early 1930's when the international economy plunged into worldwide depressions. Therefore, although the premium to this admittedly short-term "insurance" policy seems high, we should consider the economic consequences of an international recession that would surely be worsened by the absence of such a facility. A curtailment of imports by the countries unable to finance their deficits would effect U.S. exports directly and thereby, worsen our unemployment problem.

As Treasury Secretary Blumenthal indicated in a letter to me urging support for this legislation, the U.S. economy is heavily dependent on international trade and finance. He states:

> . . . Our exports account for one-sixth of manufacturing jobs and nearly one-thrd of farm acreage. Our foreign trade—$270 billion—equals about 15 percent of our GNP. The facility, by economy, will help assure a sound, growing U.S. economy and a stable dollar.

I believe that one must conclude legislation should be approved, if for no other reason than it is in our economic self-interest to do so.

It is also in our political self-interest that we support this legislation. The in-

ternational image of the United States is at stake. Having proposed and then failing to ratify the OECD safety net while other countries took enabling legislative action, the United States weakened its leadership role in economic affairs. If we should once again fail to support a proposal that has wide-spread support abroad, we will suffer a tremendous loss of prestige abroad. Arthur F. Burns emphasized this point in recent testimony before the Senate Banking Committee. He stated that—

I don't think that we will have any prestige left or any influence left in international financial circles if we don't make good on our promise to participate in the Witteveen facility.

More importantly, if we do not support this facility, it will not come into existence. If this happens, we will give the impression that we are indifferent to what happens outside our borders.

In summary, I urge this body to support the U.S. contribution to the Witteveen facility because it is in our economic and political self-interest to do so.

Failure to support this proposal may not be an act of isolationism, but it would be something worse, an act of indifference to the economic plight of other nations. Such an act is not worthy of this great nation.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 10, Strike "facility.". "and insert "facility."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, after line 10, add the following new subsection:

"(c) Notwithstanding any other provision of this Act, the authority of the Secretary to enter into agreements making resources available under this Act shall be limited to such extent or in such amounts as are provided in advance in appropriation Acts."

AMENDMENT OFFERED BY MR. NEAL TO THE COMMITTEE AMENDMENT

Mr. NEAL. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The Chair will inquire of the gentleman, is this amendment to the committee amendment which was reported?

Mr. NEAL. Yes, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. NEAL to the committee amendment: Page 2, lines 11 and 13, strike out "Act" and insert in lieu thereof "section".

The CHAIRMAN. The gentleman from North Carolina (Mr. NEAL) is recognized in support of his amendment to the committee amendment.

Mr. NEAL. Mr. Chairman, this amendment is offered, because of an oversight in committee. During complete subcommittee and committee consideration of this bill we attempted to consider only this new Witteveen facility. This simply brings the bill in conformity with that desire of the committee.

AMENDMENT OFFERED BY MR. MATHIS AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. MATHIS. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHIS as a substitute for the committee amendment:

In lieu of the matter proposed to be inserted by the Committee amendment insert the following:

"(c) Notwithstanding any other provision of this Act, the authority of the Secretary to enter into agreements making resources available under this Act shall be limited to such extent or in such amounts as are provided in advance in appropriation Acts. The Secretary shall submit to Congress an annual report detailing the utilization by the Bank and the Fund of all appropriations made to them by Congress, with a projection of the need for such additional appropriations by the Bank and the Fund for the next five fiscal years, and with a recommendation as to whether such appropriations should continue to be made beyond September 30, 1979."

Mr. MATHIS. Mr. Chairman, the purpose of this substitute for the committee amendment at this point is twofold.

First of all, I think the gentleman from North Carolina (Mr. NEAL) was eminently correct when he said that what he was offering is a technical amendment because of a staff error—I believe that is what the gentleman said—in the markup of the legislation that we have before us.

However, the truth is that what the gentleman is now attempting to do is to correct that style error and tighten the bill that we have before us to the degree that nothing other than the amendments the committee would like to see offered can be offered because of germaneness.

We have now before us a bill that deals with amending the original Bretton Woods Act, and I think the gentleman from North Carolina (Mr. NEAL) was very honest when he said that what he is now trying to do by offering a technical amendment is to narrow the scope of this legislation to the point where not only amendments I had intended to offer later to the bill but other amendments, including the human rights amendment to be offered by the gentleman from Iowa, would be excluded on the question of germaneness. So the substitute amendment I have offered would keep the bill sufficiently broad that other amendments could be offered.

Second, by my amendment I want to make it clear—and I hope the legislative intent would be clear—that we are requiring the Secretary of the Treasury to report to the Congress on an annual basis the utilization of the funds that are appropriated by this Congress to be used by the International Monetary Fund and by the World Bank. I am given to understand that there is now a report that comes to the Congress from the World Bank that generally tells about the work of the Bank and the work of the fund.

I am not in any way being critical of the work that has been done by either the IMF or the World Bank.

I am not attempting to stop it. I am simply saying that we in the Congress should use our constitutional oversight rights that have not been exercised properly in the past. And what we are doing is requiring the Secretary of the Treasury to report back to the Congress on what American dollars have been used for, what percentage of American dollars have been made a part of these loans which have gone out to the other countries throughout the IMF.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from North Carolina.

Mr. NEAL. I thank the gentleman for yielding.

Mr. Chairman, I just want to say to the gentleman that I think he probably raises an interesting question, but we did not have a chance to consider any of these questions in committee or subcommittee.

Mr. MATHIS. Mr. Chairman, let me ask the gentleman from North Carolina why the committee did not have an opportunity to consider these questions in committee.

Mr. NEAL. Mr. Chairman, if the gentleman will yield further, this was simply not germane to the matter that we were discussing at the time.

I would certainly be happy to try to explore some of the questions the gentleman is asking. This bill is very narrow in scope.

Mr. MATHIS. Mr. Chairman, let me correct the gentleman to say that the bill would be very narrow in scope if the gentleman's amendment to the committee amendment is adopted. If the Mathis amendment is adopted, it would retain the broad scope of the legislation in order that this House may work its will on the legislation. If the Neal amendment to the committee amendment is adopted, it would have the same effect as bringing a closed rule.

Mr. NEAL. Mr. Chairman, will the gentleman yield further?

Mr. MATHIS. I yield to the gentleman.

Mr. NEAL. If we sought and got a completely open rule, everything we considered in subcommittee and in full committee would be open to full debate and amendment here in the House.

Mr. MATHIS. Would the gentleman concede to me that what he is seeking to do by the offering of the Neal amend-

ment is to narrow the scope of this bill to the point that no other amendments could be considered?

Mr. NEAL. Oh, no. If the gentleman will yield further, the gentleman knows that I told him in advance about this.

Mr. MATHIS. I appreciate the gentleman's candor.

Mr. NEAL. This was to offer the gentleman every opportunity regarding amendments to the bill as we considered it in subcommittee and in full committee. Of course, as the gentleman knows, we did not have to tell him that, but I thought that would be the gentlemanly thing to do for the gentleman.

Mr. MATHIS. The gentleman from North Carolina will continue to be gentlemanly, I am sure, and this gentleman appreciates the gentlemanly nature of the gentleman from North Carolina.

Mr. NEAL. Let me say that the gentleman from California (Mr. ROUSSELOT) has offered an amendment which we are prepared to accept, which we already accepted in principle in committee, as a matter of fact, but which we are prepared here to accept on the floor of the House, which would make this bill subject to appropriation.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. MATHIS) has expired.

(By unanimous consent, Mr. MATHIS was allowed to proceed for 2 additional minutes.)

Mr. MATHIS. Mr. Chairman, I would say to the gentleman from North Carolina that I have not had an opportunity to see or to examine the amendment offered by the gentleman from California. I would hope that the committee would extend the same courtesy to the gentleman from Georgia and be willing to accept his amendment, because I do not think it does any harm to the legislation which we have before us, but it would simply provide an opportunity for other amendments to be offered and to reject the narrow scope that the gentleman seeks to impose upon this House as to what amendments might be offered in later proceedings.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from South Carolina.

Mr. DERRICK. I thank the gentleman for yielding.

Mr. Chairman, as a member of the Budget Committee, I offered an amendment to this bill that appears as the committee amendment. Before this amendment was offered, this was considered by the Treasury as an exchange of assets. This amendment subjected the funds that will be used for this facility to the appropriations process. This amendment does this. It allows the Committee on Appropriations, in its wisdom, to do two things: One, to set limitations on the amount of funds that might be expended at the Witteveen facility; and also to make a set-aside for any loss contingency.

Mr. Chairman, I really think that this takes care of what the gentleman is trying to do, with this exception: What the gentleman is asking in his amendment, if I perceive it correctly, is that an absolute appropriation be made in the total amount of whatever funds are dedicated to the Witteveen facility. This is not necessary. It imposes an unreasonable hardship.

Mr. MATHIS. Mr. Chairman, I would say to the gentleman that the language contained in the Mathis amendment is identical to the language contained in the first part of section 2 of the bill at this point.

Therefore, I think the gentleman is making an argument against what we are doing here, Mr. Chairman.

Mr. DERRICK. I think the balance of the gentleman's amendment is really nebulous.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. MATHIS) has expired.

(By unanimous consent, Mr. MATHIS was allowed to proceed for 1 additional minute.)

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Chairman, as I was saying, the balance of the amendment does not do anything. Nobody has any objection to the Treasury's making a report, but I disagree with the first part of the amendment.

Mr. MATHIS. If that is the case, then I hope the committee would accept the amendment.

Mr. Chairman, I urge the adoption of my amendment.

Mr. NEAL. Mr. Chairman, I rise in opposition to the amendment.

The bill that we considered in subcommittee and in full committee is subject to amendment at any point, and this proposed amendment by the gentleman from Georgia (Mr. MATHIS) would open up the bill far beyond anything that we discussed in subcommittee or full committee.

Therefore, Mr. Chairman, I urge its defeat.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I certainly will yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, one shakes his head sometimes when he listens to some of this discussion.

The gentleman just spoke of an amendment to the committee amendment.

Since he is on the committee, he has a right to do what he is doing, and I do not challenge that; but we have a bill before the committee which specifically states that the United States will participate in a supplementary financing facility.

Mr. Chairman, we can add all the amendments we want to that; but the committee amendment will just go in this direction. Conversely, the substitute amendment offered by the gentleman from Georgia goes to the World Bank. I cannot believe that we should seriously consider it.

Mr. Chairman, I strongly urge the defeat of the substitute and the acceptance of the committee amendment.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I appreciate very much the comments of the gentleman from Ohio (Mr. STANTON); but the committee did, in fact, deal with the World Bank. There is a later section in this bill which deals with establishing the salary, in fact reducing, as I understand, the salary of the Executive Director of the IMF.

Mr. NEAL. Of the IMF but not of the World Bank.

Mr. MATHIS. Mr. Chairman, I apologize to the gentleman. He is absolutely correct.

However, what he is trying to do is to narrow the scope of this legislation to the point where my sunset amendment would be ruled nongermane by the Parliamentarian. The gentleman knows full well that that is the case. He is trying to tighten this bill; and I think that would also go to the amendment offered by the gentleman from Iowa (Mr. HARKIN) dealing with human rights.

Mr. Chairman, I think the gentleman is trying to exclude all amendments by the adoption of the Neal amendment.

Mr. STANTON. Mr. Chairman, will the gentleman yield further?

Mr. NEAL. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, as far as I am concerned, the gentleman's amendment on human rights does not apply to a supplemental facility.

Mr. NEAL. Again, Mr. Chairman, I urge defeat of the amendment of the gentleman from Georgia.

Mr. REUSS. Mr. Chairman, I move to strike the last word, and I rise briefly in opposition to the Mathis amendment.

Mr. Chairman, I want to make it clear that if the Mathis amendment is defeated, as I hope it will be, the committee then intends to accept a carefully drafted amendment by the gentleman from California (Mr. ROUSSELOT) which will be offered, which will make it crystal clear that the amendment offered by the gentleman from South Carolina (Mr. DERRICK), a member of the Committee on the Budget, shall be the law of the land and the rule of the road.

Let me also say, Mr. Chairman, that the defeat of the Mathis amendment and the passing of the committee amendment, as perfected, will be in no way inhibit the amendment which I understand is to be offered by the gentleman from Iowa (Mr. HARKIN), which provides that human rights and human needs on this facility will be regarded by our industries director.

Mr. Chairman, I do not intend to raise a point of order against the Harkin amendment to the supplementary financing primary facility. If I did, it deserves to be defeated, and I hope we can turn down the Mathis amendment.

Mr. Chairman, I call for a vote.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I thank the gentleman for yielding.

I would like to point out to the members of the committee that this amendment which I have offered in no way deals with budgetary restraints, the red herring which some Members are trying to drag across the trail here.

All I am trying to do is to keep the bill open so that it can be amended at later points.

Furthermore, Mr. Chairman, I do not believe that we can get the assurance of every member of the committee that no point of order will be made against the Harkin amendment. I have been told that a point of order will be made against it, and I have also been told that a point of order will be made against my sunset provision.

If we can get assurances from every Member of the House that no point of order will be made, then we have a moot question, but I do not think that is the case. Budgetary restraints and the question of appropriations are not the issues. What we are talking about is trying to keep the bill open at this point.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from North Carolina.

Mr. NEAL. I just want to assure the gentleman that the rule we have sought and the rule we have gotten would allow amendments to any part of the bill that we considered in subcommittee and in full committee. The gentleman's amendment would open up the whole Bretton Woods agreement, which we did not consider in subcommittee or full committee.

As I understand it, there would be no point of order sustained against any amendment that dealt with that which we considered in subcommittee and full committee, and which is considered in the bill now before us. It is not a closed rule. We are not trying to close out debate beyond that.

Mr. MATHIS. Mr. Chairman, will the gentleman yield further?

Mr. GRASSLEY. I yield.

Mr. MATHIS. I thank the gentleman for yielding to me. The committee has brought to us a broad piece of legislation that, in fact, amends, as I have said earlier, the entire Bretton Woods agreement. It is here whether or not the gentleman wants to admit it or not, and he has admitted it by the fact that he is now trying to close the loophole he left open.

Mr. NEAL. We are trying to correct technical errors.

Mr. MATHIS. The gentleman can call an elephant a mouse, but a rose is a rose is a rose. That is exactly where we are now.

Mr. GRASSLEY. Mr. Chairman, I yield back the balance of my time.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

The gentleman from Georgia knows that I shared his concern in the past, and I would address my remarks to the gentleman from Georgia. The fact is, as I understand it, that the thing we are talking about here is the Witteveen Facility. I am told that this additional supplemental financing to the IMF is really going to be the bulk of the financing within the IMF over the next couple of years anyway. They need more money, so this Witteveen Facility is, as I understand it, for all intents and purposes, the IMF for the next couple of years.

So I guess, looking at it in that way, I am not as disturbed as I was yesterday or the day before. The point is, if we do have our amendments on the Witteveen Facility, we are in effect amending the IMF for the next couple of years.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield.

Mr. STANTON. The gentleman is absolutely right. I think the committee ought to know that the Treasury Department is faced with the problem that we are going to get into the seventh replenishment of the IMF. It should be this year, and at that time all of that is open for whatever Members want to do.

Mr. HARKIN. I think the gentleman is exactly right. For that reason, I am not opposed to this amendment because I feel that any amendments we might make to the Witteveen Facility are, in fact, covering IMF operations for the next couple of years.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield.

Mr. MATHIS. I appreciate very much the gentleman yielding to me. I think the gentleman makes an argument to a degree, but this is an opportunity we have, and I am not sure we are going to have an opportunity later this year to deal with IMF. I do not know what is going to happen, but the time to kill a snake is when you have the hoe in your hand.

The CHAIRMAN. The parliamentary situation requires that a vote occur on the amendment offered by the gentleman from North Carolina (Mr. NEAL) first; following which the substitute amendment offered by the gentleman from Georgia (Mr. MATHIS) will be voted on.

The question is on the amendment offered by the gentleman from North Carolina (Mr. NEAL) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. MATHIS) as a substitute for the committee amendment, as amended.

The question was taken; and on a division (demanded by Mr. MATHIS) there were—ayes, 9; noes, 27.

So the amendment offered as a substitute for the committee amendment, as amended, was rejected.

AMENDMENT OFFERED BY MR. ROUSSELOT AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT, AS AMENDED

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment as a substitute for the committee amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT as a substitute for the committee amendment, as amended: On page 2 strike lines 11 through 15 and insert in lieu thereof:

"(c) There are hereby authorized to be appropriated to the Secretary of the Treasury, without fiscal year limitation, such sums as are necessary to carry out subsection (a) of this section, but not to exceed an amount of dollars equivalent to 1,450 million Special Drawing Rights".

Mr. ROUSSELOT. Mr. Chairman, this amendment would correct what I consider, and many of my colleagues also consider a defect in the committee amendment. The committee amendment would in its present form require approval in advance by the Appropriations Committee of the amount of dollars the Secretary of the Treasury could commit to this facility. But it stops short of actual appropriation of the funds.

The Treasury Department proposes to fund our participation in this new facility on a "painless" basis under the exchange-of-assets concept. According to the argument, we can unleash the spending of $1.75 billion by member countries borrowing from the facility and no appropriation is necessary because it is a financial transaction exchanging dollars for an equivalent amount of special drawing rights (SDR) credit in the IMF. Notwithstanding, this credit immediately would be available for our use if we represented to the IMF that we had a balance-of-payments need and if we requested repayment in whole or in part and if the IMF decided to make repayment giving benefit of the doubt to our request. It is self-evident that approval by the IMF of such withdrawal requests would result in partial self-destruction of the new facility.

Without the new facility the United States of course could draw down $1.75 billion because our regular unused credit with the IMF exceeds that amount. But if and when we reached the limit of our call on regular assistance from the IMF and then would have to look to the new facility for further assistance, we, as any other member of the IMF, would have to comply with the special requirements applicable to use of the new facility. Treasury Secretary Blumenthal explained these requirements to the House Appropriations Committee on February 2, 1978, in the following manner:

The Facility will be used only under clearly specified criteria. Specifically, a country drawing financing from the Facility must have a balance-of-payments financing need that is large relative to its IMF quota; must justify a period of stabilization and adjust-

ment that is longer than that provided under regular IMF policies; and must adopt a program of corrective economic stabilization policies adequate to deal with its problem. Thus the Facility will be used only by those countries that have the most severe payments problems and that are prepared to adopt needed corrective policies.

The painless-billions exchange-of-assets concept presents an interesting paradox. If the dollar has recovered from its present weakness relative to the SDR by the time the IMF repays the dollars we originally advanced, we would suffer a loss in dollars. In other words, if the dollar gains in value, we lose dollars and conversely if the dollar loses in value we would gain in dollars paid back. This is true because our dollars once put in are valued in terms of SDR's on the books of the IMF. The proposed facility is so structured that this paradoxical result automatically takes place. It is a negative incentive against a stronger dollar.

The administration is quite properly of the firm opinion that the dollar now is undervalued and will improve in value over a period of time. When this takes place we will suffer a dollar loss because of the appreciation of the dollar. This administration accordingly proposes the establishment of up to a $200 million reserve from separate appropriated funds to cover any dollar losses to be incurred from our participation in this facility.

A measure of the adequacy of such a $200 million loss reserve can be approximated by noting recent swings in the value of the dollar relative to the SDR. The IMF approved the establishment of the facility on August 29, 1977. As of September 1, 1977, the dollar value of the SDR was 1 SDR equaled $1.16210. Our proposed participation of 1.450 billion SDR therefore represented $1.685 billion. Subsequently the dollar depreciated so that on January 31, 1978, 1 SDR equaled $1.21512. It then required $1.762 billion to equal 1.450 billion SDR—$77 million more than would have been required just 5 months earlier. Reverse the equation and assume the dollar over the next 5 months appreciates to its level of September 1, 1977. If we were paid off at that time, for our $1.762 billion outlay we would only get back $1.685 billion—a dollar loss of $77 million. Such a loss would amount to 43.6 percent of the $200 million loss reserve so it cannot be claimed the proposed $200 million loss reserve is excessive.

Placing the funding of this facility on a regular appropriation basis would not require any change or renegotiation of any of our international agreements and commitments in connection with the facility. For the first 30 years, U.S. increased participations in the IMF and maintenance of value obligations were funded through the regular appropriation process. It works.

In 1967 the President's Commission on Budget Concepts recommended a change from the regular appropriation process to the exchange of assets concept. It was not implemented, however, until mid-1975 when Treasury announced it would not seek an appropriation to meet U.S. maintenance of value obligations to the IMF for its fiscal year ending April 30, 1975. The Congress in October 1976 authorized the sixth U.S. quota increase in the IMF (SDR 1.705 million) without authorizing the appropriation of any funds for that purpose. The sixth quota increase (overall 10 billion SDR) would add $6 to $7 billion of usable resources to the IMF. That general quota increase has not yet become effective because as of now, the necessary approvals have not been received from participants to put the quota increase in effect. It is more than 15 months since the United States completed action to make our participation in the quota increase fully effective.

The danger of the painless billions exchange of assets concept is that it spawns thinking such as came forth in connection with the defunct $100 billion safety net proposal. With a big problem, think big and why not? Although the U.S. participation was to be $25 billion, under the exchange of assets concept it would not cost the American taxpayer anything.

There is a limit to credulity. Commonsense requires that we go back to the time proven regular appropriation process in funding this facility. With our $27 billion trade deficit and almost $20 billion current account deficit it is high time the Congress take consistent actions to put our own house in order. There is no room for fuzzy thinking.

This substitute for the committee amendment would correct a serious deficiency in the bill and preserve the integrity of the appropriation process, and I therefore ask its acceptance.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Chairman, it is my understanding that this is offered as an amendment to the committee amendment, not a substitute to an amendment to the committee amendment.

Mr. ROUSSELOT. All right.

The CHAIRMAN. The Chair will state to the gentleman from North Carolina that this is a substitute for the committee amendment.

Mr. NEAL. I believe it is an amendment to the committee amendment that was just adopted.

I would like to ask unanimous consent that this be considered an amendment to the committee amendment we just adopted.

The CHAIRMAN. The Chair will state, if he may, that the committee amendment has not yet been adopted.

We have now pending a committee amendment as amended for which this is a substitute.

Mr. ROUSSELOT. Mr. Chairman, could we have the committee amendment read as amended?

The CHAIRMAN. Without objection, the Clerk will report the committee amendment, as amended.

There was no objection.

The Clerk read as follows:

Committee amendment: Page 2, line 11, insert:

"(c) Notwithstanding any other provision of this Section, the authority of the Secretary to enter into agreements making resources available under this Section shall be limited to such extent or in such amounts as are provided in advance in appropriation Acts.".

PARLIAMENTARY INQUIRY

Mr. NEAL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NEAL. Mr. Chairman, I guess I would have to ask this question: If we did adopt the amendment on page 2, lines 11 and 13 and insert in lieu thereof—that has been adopted?

The CHAIRMAN. Yes.

Mr. NEAL. A further parliamentary injury: This is an amendment to which amendment then, might I ask?

The CHAIRMAN. The reported substitute offered by the gentleman from California (Mr. ROUSSELOT) is a substitue for all the language of the committee amendment as amended.

Mr. NEAL. For the committee amendment regarding budget appropriations requirements?

The CHAIRMAN. Correct.

Mr. NEAL. May I be recognized to speak on this?

The CHAIRMAN. The gentleman from California has the floor.

AMENDMENT, AS MODIFIED, TO THE COMMITTEE AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that my amendment be considered as having been offered as an amendment to the amendment, to commence at the end of line 15, and not as a substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. ROUSSELOT)?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment, as modified, as requested by the gentleman from California (Mr. ROUSSELOT).

The Clerk read as follows:

Page 2, at the end of line 15, insert:

There are hereby authorized to be appropriated to the Secretary of the Treasury, without fiscal year limitation, such sums as are necessary to carry out subsection (a) of this section, but not to exceed an amount of dollars equivalent to 1,450 million Special Drawing Rights.

The CHAIRMAN. The gentleman from California (Mr. ROUSSELOT) is recognized for 5 minutes in support of his amendment.

Mr. ROUSSELOT. Mr. Chairman, I have already stated the reason for the amendment because, as was pointed out by several of the Members, the amendment as presently submitted falls short of an actual appropriation of the funds limitation and I felt that was necessary.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Chairman, I would like to commend the gentleman from California (Mr. ROUSSELOT) on his

amendment as modified. I think the gentleman states the fiscal intent of our committee which, of course, is always fiscally responsible as the gentleman knows and again I commend the gentleman for offering his amendment.

Mr. ROUSSELOT. I thank the gentleman.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Chairman, I thank the gentleman for yielding, and I also would like to commend the gentleman from California (Mr. ROUSSELOT). I would also state that this is the third time that I have agreed with the gentleman today and it rather worries me.

Mr. ROUSSELOT. The gentleman is in deep trouble.

Mr. DERRICK. Further, this amendment will subject this facility to the appropriation process and be a further discipline.

I thank the gentleman very much for offering his amendment.

Mr. ROUSSELOT. And I too thank the gentleman, and I hope this does not undo the intent and purpose of my amendment—to place the Witteveen Facility "on budget" and to make it subject to the appropriation process.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT), as modified, to the committee amendment, as amended.

The amendment, as modified, to the committee amendments, as amended, was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, after line 15, insert:

SEC. 2. Section 3(c) of the Bretton Woods Agreements Act (22 U.S.C. 286a(c)) is amended by inserting "(1)" immediately after "(c)" and by adding at the end thereof the following:

(2) The United States executive director to the Fund shall not be compensated by the Fund at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code. The United States alternate executive director to the Fund shall not be compensated by the Fund at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(3) The Secretary of the Treasury shall instruct the United States executive director to the Fund to present to the Fund's Executive Board a comprehensive set of proposals, consistent with maintaining high levels of competence of Fund personnel and consistent with the Articles of Agreements with the objective of assuring that salaries of Fund employees are consistent with levels of similar responsibility within national government service or private industry. The Secretary shall report these proposals together with any measures adopted by the Fund's Executive Board to the relevant committees of the Congress prior to July 1, 1978.

AMENDMENT OFFERED BY MR. NEAL TO THE COMMITTEE AMENDMENT

Mr. NEAL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. NEAL to the committee amendment:

Page 2, strike out line 20 and insert in lieu thereof "The individual who represents the United States in matters concerning the Supplementary Financing Facility".

Page 2, lines 24 and 25, strike out "The United States alternate executive director to the Fund" and insert in lieu thereof "The alternate to the individual who represents the United States in matters concerning the Supplementary Financing Facility".

Page 3, line 5, strike "United States executive director to the Fund" and insert in lieu thereof "individual who represents the United States in matters concerning the Supplementary Financing Facility".

Mr. MATHIS. Mr. Chairman, I rise in opposition to the amendment to the committee amendment.

Mr. Chairman, I would like to engage in a brief colloquy with the distinguished chairman of the subcommittee the gentleman from North Carolina (Mr. NEAL) and I do so only for the purpose of asking the purpose of this amendment.

Mr. NEAL. If the gentleman will yield, Mr. Chairman, again this amendment, like my previous amendment, is concerned only with the Supplementary Financing Facility.

Mr. MATHIS. The gentleman is trying to narrow the scope of the legislation to the point that no other amendment can be offered; is that correct?

Mr. NEAL. Certainly not. If the gentleman will yield, it just brings the bill into conformity with what we considered in the committee. It makes it consistent with the rest of the bill.

Mr. MATHIS. Which would be to say that no other amendment could be offered, but it does not amend the original Bretton-Woods Agreement.

But, let me ask the gentleman a question, if we look at the amendment as offered by the gentleman from North Carolina (Mr. NEAL) to the committee amendment, on page 2, line 20 of the original committee amendment, it reads:

The United States executive director to the Fund . . .

Now what the gentleman from North Carolna, Mr. NEAL's amendment, proposes to do is substitute for that:

The individual who represents the United States in matters concerning the Supplementary Financing Facility.

Mr. NEAL. That is correct.

Mr. MATHIS. Who is this fellow?

Mr. NEAL. The same man.

Mr. MATHIS. The same man, but the gentleman comes in here in a clumsy attempt to try to circumvent the will of this Member and offers amendments to alter the legislation, and blatantly argues that he is trying to do that.

Mr. NEAL. I will say to the gentleman that what we are trying to do in this section of the bill is reduce the salary. Does the gentleman want us to raise the salary?

Mr. MATHIS. I have no quarrel whatsoever with the original committee language that does exactly the same thing. The gentleman is not attempting to say that the amendment he now offers reduces the salary. The committee already provided that; did they not?

Mr. NEAL. It brings the section into conformity with the rest of the bill and makes it doubly clear.

Mr. MATHIS. When the gentleman from North Carolina has to resort to such language regarding the individual who represents the United States in matters concerning the Supplementary Financing Facility, rather than just to call him the Executive Director of the Fund as has always been the case, I think it is a pretty sad day, and it is an obvious attempt to try to close the bill to the point that no amendments can be offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. NEAL) to the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MATHIS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that a regular quorum call will now commence. Members will have 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 75]

Anderson, Ill.	Edwards, Calif.	Perkins
Andrews, N.C.	Edwards, Okla.	Quie
Archer	Erlenborn	Rhodes
Badham	Ford, Mich.	Roberts
Bellenson	Forsythe	Roncalio
Bonior	Fraser	Ruppe
Bowen	Guyer	Santini
Breckinridge	Hannaford	Scheuer
Burke, Fla.	Harsha	Selberling
Burton, John	Kastenmeier	Shipley
Cederberg	Kazen	Shuster
Clausen, Don H.	Krueger	Skelton
	Le Fante	Stockman
Clawson, Del	Leggett	Teague
Clay	Lehman	Thompson
Cochran	Long, Md.	Thone
Coleman	McCormack	Thornton
Collins, Ill.	McDonald	Tucker
Conyers	McHugh	Udall
Cornwell	Madigan	Wiggins
Coughlin	Marriott	Wilson, C. H.
Daniel, Dan	Metcalfe	Wilson, Tex.
Dent	Michel	Wright
Diggs	Mikva	Young, Alaska
Dingell	Miller, Calif.	Young, Tex.
Drinan	Moss	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GIAIMO) having assumed the chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 9214, and finding itself without a quorum, he had directed the Members to record their

presence by electronic device, whereupon 358 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand for a recorded vote made by the gentleman from Georgia (Mr. MATHIS).

A recorded vote was ordered.

PARLIAMENTARY INQUIRY

Mr. NEAL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. NEAL. Mr. Chairman, is my understanding correct that we are voting now on the technical amendment of the committee and that an "aye" vote is in support of the committee's amendment?

The CHAIRMAN. The Chair will state that the vote is on the amendment offered by the gentleman from North Carolina (Mr. NEAL) to the committee amendment.

Mr. NEAL. And an "aye" vote is in support of the amendment?

The CHAIRMAN. An "aye" vote is in support of the amendment; that is correct.

A recorded vote has been ordered.

The vote was taken by electronic device, and there were—ayes 253, noes 141, not voting 40, as follows:

[Roll No. 76]

AYES—253

Addabbo	Conyers	Hamilton
Akaka	Corcoran	Hanley
Alexander	Corman	Harkin
Allen	Cornell	Harrington
Ambro	Cotter	Harris
Ammerman	D'Amours	Harsha
Anderson, Calif.	Danielson	Hawkins
	de la Garza	Heckler
Annunzio	Delaney	Hefner
Armstrong	Dellums	Heftel
Ashley	Derrick	Hillis
Aspin	Derwinski	Hollenbeck
AuCoin	Dicks	Holtzman
Baldus	Diggs	Horton
Barnard	Dingell	Hubbard
Baucus	Dodd	Hughes
Beard, R.I.	Downey	Hyde
Bedell	Drinan	Jacobs
Beilenson	Duncan, Oreg.	Jeffords
Benjamin	Early	Johnson, Calif.
Biaggi	Eckhardt	Johnson, Colo.
Bingham	Edgar	Jones, Okla.
Blanchard	Edwards, Calif.	Kastenmeier
Blouin	Eilberg	Keys
Boggs	Emery	Kildee
Boland	Evans, Colo.	Kostmayer
Bolling	Evans, Del.	Krebs
Bonker	Evans, Ind.	LaFalce
Brademas	Fary	Leach
Brodhead	Fascell	Lederer
Brooks	Fenwick	Lehman
Broomfield	Findley	Lloyd, Calif.
Brown, Calif.	Fish	Long, La.
Brown, Mich.	Fisher	Long, Md.
Brown, Ohio	Fithian	Luken
Burgener	Flood	Lundine
Burke, Calif.	Florio	McClory
Burke, Mass.	Foley	McCloskey
Burlison, Mo.	Ford, Tenn.	McDade
Burton, Phillip	Forsythe	McEwen
Butler	Fraser	McFall
Carr	Frenzel	McHugh
Carter	Garcia	McKay
Cavanaugh	Gephardt	McKinney
Cederberg	Giaimo	Maguire
Clay	Gibbons	Mahon
Cohen	Glickman	Markey
Collins, Ill.	Gore	Marks
Collins, Tex.	Gradison	Marlenee
Conable	Green	Mattox
Conte	Gudger	Mazzoli
Meeds	Pettis	Solarz
Meyner	Preyer	Spellman
Mikulski	Price	St Germain
Mikva	Pritchard	Staggers
Milford	Quillen	Stanton
Miller, Calif.	Rahall	Stark
Mineta	Railsback	Steed
Minish	Rangel	Steers
Mitchell, Md.	Regula	Steiger
Moakley	Reuss	Stokes
Moffett	Richmond	Studds
Moorhead, Pa.	Rinaldo	Traxler
Moss	Rodino	Tsongas
Murphy, Ill.	Roe	Udall
Murphy, N.Y.	Roncalio	Ullman
Myers, Gary	Rooney	Van Deerlin
Myers, John	Rose	Vander Jagt
Myers, Michael	Rosenthal	Vanik
Neal	Rostenkowski	Vento
Nedzi	Roybal	Waggonner
Nix	Ruppe	Walgren
Nolan	Russo	Watkins
Nowak	Ryan	Waxman
O'Brien	Santini	Weiss
Oakar	Sarasin	Whalen
Oberstar	Scheuer	Wiggins
Obey	Schroeder	Wilson, Bob
Ottinger	Seiberling	Winn
Panetta	Sharp	Wirth
Patten	Simon	Wolff
Patterson	Sisk	Wylie
Pattison	Skelton	Yates
Pease	Skubitz	Zablocki
Pepper	Smith, Iowa	

NOES—141

Abdnor	Gonzalez	Natcher
Andrews, N. Dak.	Goodling	Nichols
	Grassley	Pickle
Applegate	Hagedorn	Pike
Archer	Hall	Poage
Ashbrook	Hammer-schmidt	Pressler
Bafalis		Pursell
Bauman	Hansen	Quayle
Beard, Tenn.	Hightower	Quie
Bennett	Holland	Risenhoover
Bevill	Holt	Robinson
Bowen	Howard	Rogers
Breaux	Huckaby	Rousselot
Brinkley	Ichord	Rudd
Broyhill	Ireland	Runnels
Buchanan	Jenkins	Satterfield
Burleson, Tex.	Jenrette	Sawyer
Byron	Jones, N.C.	Schulze
Caputo	Jones, Tenn.	Sebelius
Carney	Jordan	Shuster
Chappell	Kasten	Sikes
Cleveland	Kelly	Slack
Cochran	Kemp	Smith, Nebr.
Crane	Ketchum	Snyder
Cunningham	Kindness	Spence
Daniel, Dan	Lagomarsino	Stangeland
Daniel, R. W.	Latta	Stratton
Davis	Lent	Stump
Devine	Levitas	Symms
Dickinson	Livingston	Taylor
Dornan	Lloyd, Tenn.	Thone
Duncan, Tenn.	Lott	Treen
Edwards, Ala.	Lujan	Trible
English	McDonald	Volkmer
Ertel	Madigan	Walker
Evans, Ga.	Mann	Walsh
Flippo	Martin	Wampler
Flowers	Mathis	Weaver
Flynt	Miller, Ohio	White
Fountain	Mitchell, N.Y.	Whitehurst
Fowler	Mollohan	Whitley
Frey	Montgomery	Whitten
Fuqua	Moore	Wydler
Gammage	Moorhead, Calif.	Yatron
Gaydos		Young, Alaska
Gilman	Mottl	Young, Fla.
Ginn	Murphy, Pa.	Young, Mo.
Goldwater	Murtha	Zeferetti

NOT VOTING—40

Anderson, Ill.	Dent	Perkins
Andrews, N.C.	Edwards, Okla.	Rhodes
Badham	Erlenborn	Roberts
Bonior	Ford, Mich.	Shipley
Breckinridge	Guyer	Stockman
Burke, Fla.	Hannaford	Teague
Burton, John	Kazen	Thompson
Chisholm	Krueger	Thornton
Clausen, Don H.	Le Fante	Tucker
	Leggett	Wilson, C. H.
Clawson, Del	McCormack	Wilson, Tex.
Coleman	Marriott	Wright
Cornwell	Metcalfe	Young, Tex.
Coughlin	Michel	

Mr. DUNCAN of Tennessee changed his vote from "aye" to "no."

So the amendment to the committee amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. CAVANAUGH

Mr. CAVANAUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVANAUGH: At the end of the bill add the following:

The Bretton Woods Agreements Act (22 U.S.C. 286–286k–2), as amended, is further amended by adding at the end thereof the following new section:

SEC. 29. The Secretary of the Treasury shall instruct the United States Executive Director to seek to assure that no decision by the International Monetary Fund on use of the Facility undermines or departs from United States policy regarding the comparability of treatment of public and private creditors in cases of debt rescheduling where official United States credits are involved.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Chairman, I would just like to say that I commend the gentleman from Nebraska (Mr. CAVANAUGH) upon offering his amendment and bringing this important matter to our attention. We are prepared to accept the gentleman's amendment on this side.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I have asked the gentleman from Nebraska to yield simply for the purpose of requesting the gentleman to explain his amendment.

Mr. CAVANAUGH. I will be glad to do so.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Ohio.

Mr. STANTON. I am opposed to the amendment; but since everybody else is for the amendment, all I can say to the gentleman from Nebraska (Mr. CAVANAUGH) is good luck with your amendment.

Mr. CAVANAUGH. Mr. Chairman, the language of the amendment, which I am now offering is substantially different from the language that I had published in the CONGRESSIONAL RECORD on February 9, and which was referred to in subsequent CONGRESSIONAL RECORD inserts in a "Dear Colleague" letter that was distributed to all congressional offices yesterday. While the language is substantially different its purpose has not changed and its impact has actually been enhanced.

On December 12, 1977, I met with Assistant Secretary Solomon and Deputy Secretary Bergsten at the Treasury to discuss a series of amendments which I had prepared for the full Banking Committee markup at the close of the first session. That markup was suspended and

over the adjournment period I met with Treasury officials to discuss those amendments. As a result of those discussions, on January 5 the Treasury Department promulgated the United States policy on multilateral debt reorganizations. It is that January 5 policy which is referred to in my amendment.

Mr. Chairman, that policy statement is as follows:

U.S. POLICY ON MULTILATERAL DEBT REORGANIZATIONS

The policy of the U.S. Government on the reorganization of international debts has the following elements.

1. Debt-service payments on international debt should be reorganized on a case-by-case basis only in extraordinary circumstances where reorganization is necessary to ensure repayment. Debt relief should not be given as a form of development assistance.

2. Debt-service payments on loans extended or guaranteed by the U.S. Government will normally only be reorganized in the framework of a multilateral creditor-club agreement.

3. When a reorganization takes place that involves government credits or government-guaranteed credits, the U.S. will participate only if:

(a) the reorganization agreement incorporates the principle of non-discrimination among creditor countries, including those that are not party to the agreement;

(b) the debtor country agrees to make all reasonable efforts to reorganize unguaranteed private credits falling due in the period of the reorganization on terms comparable to those covering government or government-guaranteed credits;

(c) the debtor country agrees to implement an economic program designed to respond to the underlying conditions and to overcome the deficiencies which led to the need for reorganizing debt-service payments.

4. The amounts of principal and interest to be reorganized should be agreed upon only after a thorough analysis of the economic situation and the balance-of-payments prospects of the debtor country.

5. The payments that are reorganized normally should be limited to payments in arrears and payments falling due not more than one year following the reorganizing negotiations.

BACKGROUND

When an individual country defaults or faces imminent default on its debt-service obligations, it may seek debt relief from some or all of its creditors by requesting reorganization of all or part of its debts. Official and officially guaranteed debt has been reorganized predominantly in creditor groups such as the "Paris Club". (Some official debt reorganizations have been negotiated in aid consortia, as in the case of India and Pakistan, but these were the result of unique circumstances.)

The negotiations with creditor groups set the general terms for reorganizing direct government credits, and private credits guaranteed by creditor-country governments on a non-discriminatory basis among countries participating in the negotiations and those that are not (such as communist countries). Subsequently, bilateral arrangements are concluded between the individual creditor countries and the debtor country to implement this multilateral agreement. As a general rule, the international financial and monetary institutions have not reorganized their credits.

Negotiations to reorganize debt-service payments on unguaranteed credits extended by private creditors usually take place separately from the negotiations with official creditors. Occasionally, debt-service payments on these credits are reorganized while payments on government credits and government-guaranteed credits are made on schedule. More commonly, negotiations with private creditors on their unguaranteed credits follow immediately upon the conclusion of negotiations with the government creditors. Comparability can be achieved without actually rescheduling or refinancing debt-service payments, if the private creditors agree to extend additional credits (i.e., greater than the amount which would have been rescheduled or refinanced if they had chosen those methods of debt reorganization) to the debtor country on terms comparable to those negotiated in the creditor club.

JANUARY 5, 1978.

[From the Committee on Banking, Finance and Urban Affairs]

MEMORANDUM

To: All Members, House Committee on Banking, Finance and Urban Affairs.
From: Henry S. Reuss, Chairman.
Date: January 16, 1978.

Please find enclosed letters which I sent December 15, 1977 to the Department of the Treasury, the Federal Reserve, the Comptroller of the Currency and the FDIC regarding the International Monetary Fund Supplementary Financing Facility legislation, and the replies I received.*

As my memorandum of January 11, 1978 stated, we will continue to mark-up this legislation Monday, January 23, 1978 at 10:00 a.m.

COMMITTEE ON BANKING,
FINANCE AND URBAN AFFAIRS,
Washington, D.C., December 15, 1977.

Hon. W. MICHAEL BLUMENTHAL,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: As you know, this Committee began marking up H.R. 9214 to authorize U.S. participation in the International Monetary Fund's Supplementary Financing Facility, but has not completed action on it. Additional action is scheduled for January. In this interim period, I would appreciate your assistance in resolving some of the issues which have been raised by Members as outlined in the questions set forth below. I believe your answers to these questions will greatly aid this Committee in its consideration of the legislation:

THE ROLE OF PRIVATE BANKS

1. Those who have testified on the Witteveen Facility indicated explicitly or implicitly that the bulk of balance of payments financing must continue to be made by private banks. However, testimony before Congressional Committees last Spring revealed a reluctance on the part of both banks and bank regulators to continue such financing at current levels. Now this reluctance seems less evident. Nevertheless, according to some witnesses, it is not clear that the Witteveen Facility will assure that additional bank lending will be safe. These witnesses see dangers to both lenders and borrowers in permitting additional accumulations of debt.

Do you believe that OPEC countries will continue to have sizable payments surpluses for the foreseeable future? If so, do you intend to rely completely on IMF conditionality and private lending to deal with it? What do you expect the results of such a policy to be: ultimate adjustment to oil prices, or more private lending?

Do you believe that continued private bank lending to finance the corresponding deficits is safe? If such lending is not safe, what do you suggest as an alternative?

Will continued foreign lending by private U.S. banks have adverse impacts on the U.S. economy either because of the diversion of credit to overseas borrowers or because foreign borrowers must export, primarily to the U.S., to repay bank loans? Will an increase in debt impede development in LDCs? Will it contribute to continued low levels of economic activity in industrial nations?

2. A number of witnesses have expressed concern about the proper relationship between public officials and private banks with respect to balance of payments financing. They have suggested that in making these loans banks assume that governments will bail them out if necessary. This concern is illustrated by the State Department's role in the renegotiation of U.S. bank loans to Pertamina. It has also been noted that the Federal Reserve might be required to act as lender of last resort in the event of a default by a given country, and that the implications of such a role have not been explored.

Some witnesses have noted that, while balance of payments financing is a quasi-governmental function, private banks are not concerned with public policy considerations. They believe that if private banks continue to make most of these loans there should be greater supervision of their activities by public officials before loans are made.

What efforts have been made to coordinate the views of bank regulators with those of the State and Treasury Departments? Should they be intensified? Do you believe there should be closer consultation between U.S. government officials and private banks on balance of payments loans? Should there be closer consultations between IMF officials and private banks?

3. If there is a continuation of sizable imbalances in current accounts of countries, will balance of payments problems increase the likelihood that foreign central banks will limit the availability of foreign exchange for repayment of loans by private borrowers in a given country? Do balance of payments problems, then, increase risk factors involving the entire foreign portfolios of commercial banks?

4. Several alternatives to continued private bank recycling of OPEC surpluses have been suggested, including direct OPEC financing of payments deficits or increasing IMF resources by having the Fund borrow in the private market for relending to deficit countries on a larger scale. Do you believe these alternatives are necessary? Do you favor having the Fund borrow in the private market? What steps are being taken or proposed by the Administration to encourage more direct OPEC financing of deficits?

THE "BAIL-OUT" QUESTION

Some have suggested that the Witteveen Facility will be used to bail out overextended private banks. Several amendments have been proposed to deal with this problem. I would appreciate your general comments on this issue, as well as your reaction to the amendments proposed by Mr. Cavanaugh and other proposals which attempt to deal with it.

HUMAN NEEDS—HUMAN RIGHTS

1. As you know, several Members of Congress and witnesses who spoke on the Witteveen Facility are concerned that the conditionality imposed by the IMF could adversely affect economic growth in a borrowing country, and lead to economic and political oppression. In testimony before the Senate Banking Committee, Professor Rudiger Dornbusch noted that these concerns are heightened by the fact that, under the Witteveen Facility, stabilization programs may be undertaken for periods up to three years, rather than the usual one year period for IMF programs. He thinks it will be necessary that the Fund's personnel establish expertise to deal with the longer time frames under Witteveen loans.

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* My letters to the FDIC and the Comptroller of the Currency have not been enclosed since the questions I asked appear in the letter to the Federal Reserve.

I would appreciate your comments on the amendments proposed to the Witteveen Facility legislation which address these issues, including those suggested by Mr. Cavanaugh and by Mr. Harrington. If you cannot support these amendments, what approach to this problem do you suggest?

Is the Fund developing the necessary expertise to design the longer term stability programs which would be authorized under the Witteveen Facility? If not, do you plan to urge that such efforts be undertaken?

2. I am not yet aware of any amendments to the Witteveen Facility legislation which are aimed at denying loans to countries whose governments violate the human rights of their citizens. Nevertheless, I would appreciate any comments you wish to add to those made by Undersecretary Solomon in response to Congressman Stanton's inquiry on this subject.

In addition, Mr. Cavanaugh has asked me to submit the following questions:

A. In Undersecretary Solomon's testimony before the Subcommittee he indicated that over the next three years the private banks will absorb $170 billion.

Are the U.S. banks capable of prudently absorbing a major portion of the $170 billion? How much of the debt is anticipated to be financed by U.S. banks? Coupled with the existing level of outstanding debt, what are the prudent U.S. bank lending limits over the next three years?

B. Regarding the OPEC surplus:

How much has already been deposited in U.S. banks and their foreign subsidiaries? (1970–77) What are the terms of deposits? How much has been invested in U.S. Treasury notes and other governmental obligations? How much has been directly or indirectly invested in the other sectors of the U.S. economy? How much of the OPEC surpluses do you anticipate will be deposited directly in U.S. banks and their foreign subsidiaries over each of the next three years? Invested in U.S. Treasury notes and other governmental obligations? Directly or indirectly invested in other sectors of the U.S. economy? What do you anticipate will be the terms of the deposits?

C. Regarding the current international lending portfolio of U.S. banks:

What are the terms of the loans generally and specifically what are the terms to the less developed countries? What do you anticipate will be the terms of loans to the LDCs over the next three years? Is there currently a situation where U.S. banks receive short term foreign deposits and make long term foreign loans? How extensive is it? Does this policy shift the long term liability to American depositors? How do you view accepting short term deposits as a basis for long term lending? Is there any danger in such a policy? What are you doing to monitor such activity so as to be able to foresee potential problems? What actions would you take if such a short term deposit/long lending policy was deemed by you to jeopardize the safety and soundness of a financial institution?

I would appreciate a response to these questions by January 5, 1978 so that the Committee can resume consideration of this important legislation without delay.

Sincerely,

HENRY S. REUSS,
Chairman.

THE SECRETARY OF THE TREASURY,
Washington, January 10, 1978.

HON. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of December 15, 1977, regarding proposed U.S. participation in the IMF Supplementary Financing Facility. I appreciate this opportunity to respond for the record to a number of questions raised by members of your committee I will address these questions in the order presented in your letter.

THE ROLE OF PRIVATE BANKS

1. You ask a number of questions relating to the size of future payments imbalances, the role of the banks in financing the imbalances, and the role of conditional lending by the IMF.

A main premise of the proposed Supplementary Financing Facility is that the OPEC surplus is structural in nature and will diminish only gradually over time. Alternative sources of energy simply are not adequate at present, and oil importing nations cannot cut back sharply on use of oil without serious adverse effects on their economies. Moreover, the capacity of the major OPEC nations to absorb imports is limited, and it is unrealistic to expect those few countries in which the surplus is concentrated to increase purchases of foreign goods and services rapidly enough to eliminate the surplus quickly. As the capacity of these OPEC nations to absorb imports increases, and as the oil importing countries, particularly the United States, implement effective energy programs, the large imbalances that now exist will be eliminated or reduced to more manageable levels.

Over the next several years, however, large payments imbalances will continue to exist. Thus the non-OPEC countries as a group will continue to have substantial financing requirements. In the aggregate, funds will be available to meet this financing need: the OPEC financial surplus, which is the counterpart of the oil importers' deficit, must be invested in the oil importing countries. Some of it will be invested in government securities, some in corporate bonds and stocks, some in real estate, etc. The remainder will be left on deposit with banks. The amount which OPEC invests in any particular country, however, need not match the size of that country's current account deficit, and some investments will be placed with oil importing countries which have current account surpluses. Thus the distribution of OPEC placements does not correspond to the pattern of current account deficits, and certain individual oil importing countries must use a variety of channels to obtain the financing they need.

Not all countries collect data on such financial transactions, and the data that are collected by various countries are not always computed on the same basis. In an effort to provide a very rough approximation of major types of capital flows, the Treasury has prepared estimates of the sources and uses of funds by countries in current account deficit in the 1974–76 period. During this period total financing by countries with current account deficits amounted to about $277 billion, comprised of $225 billion in net new financing of current account deficits, $40 billion to debt amortization and $12 billion for reserve increases. Of this total, private banks provided $128 billion (46 percent) and other private sources—including direct portfolio investments, bond sales, government placements and a variety of other financing channels—provided $96 billion (34 percent). All official sources of financing, bilateral and multilateral, provided the remainder, some 20 percent of the total. A detailed presentation of these statistics is located at Enclosure A.

Our expectation is that the OPEC surplus, though decreasing gradually, will remain large over the next few years and that—despite some important shifts and reductions in imbalances among oil importing nations—total financing needs will continue to be on the same order of magnitude over the next two to three years as during the 1974–76 period. At the same time, while we would expect some expansion of official sources of financing in the period ahead—for example in IMF financing—official financing is unlikely to expand enough to account for a sharply increased share of total financing. Consequently, it seems inevitable—barring some dramatic and unexpected change in the world energy balance in the short-term—that the scale of balance of payments financing will remain very large in the period immediately ahead, and that the private sector will continue to provide the bulk of such financing.

In dealing with the problems posed by present and prospective payments patterns, a careful balance must be struck between financing and adjustment. In the early aftermath of the 1973/74 oil price increases, emphasis was placed on assuring the adequacy of resources for financing the balance of payments costs of higher oil prices in a world also facing deep recession. Nations were encouraged, at least temporarily, to "accept" the oil deficit and finance it, rather than to try individually to eliminate their deficits through restrictions and domestic retrenchment. It was recognized that such policies by any one country would increase the problems of other oil importing nations and exacerbate worldwide economic difficulties. Much of the financing made available—by both private and official sources—was essentially without conditions or requirements that particular adjustment policies be implemented.

This was a reasonable and prudent initial response to the payments problems caused by the oil price increases. But it is clearly recognized by the international community that a process of adjustment must be undertaken, that the pattern of current account deficits must be brought more closely into line with sustainable patterns of capital flows. In some countries, policies have been altered effectively to bring deficits into a position that is reasonable and sustainable in light of the country's ability to attract capital. In others, where programs have only recently been put in place or progress on earlier programs has been slow, perseverance and time are required to achieve the economic stability essential for sustainable growth. And some countries, which have reached or are approaching the limits of their ability to borrow in private markets, must initiate adjustment efforts that have been too long delayed. There is a danger that in some cases of particularly serious difficulty, adequate private financing will not be available and countries could be compelled to implement unduly restrictive domestic economic measures, protectionist trade and capital restrictions, or aggressive exchange rate practices in order to reduce their financing needs. Such measures could have serious implications for the world economy in general as well as adverse consequences for the economy of the country introducing them. To defend against this danger, and to promote orderly and internationally responsible adjustment, adequate official balance of payments financing must be available to supplement other sources of financing during the transition while adjustment takes effect.

The Supplementary Financing Facility will meet this need by helping to assure that IMF resources are adequate to meet official balance of payments financing requirements and by encouraging countries to take essential adjustment measures—thus strengthening confidence in the monetary system as a whole. The facility will not sharply reduce aggregate financing requirements—that is largely a function of the world energy balance—but will help to bring about a more sustainable pattern of imbalances and reduce imbalances among oil importing countries.

I do not share the view that continued

large-scale financing, by itself, constitutes a serious danger for the monetary system. The key questions are who is borrowing and how is the credit being used. Foreign debt is not necessarily bad—it can be an important positive factor in an economy. If borrowed funds are properly used to support productive investment and to strengthen the borrower's current account position, the debt need not constitute a serious future burden, as shown by the experience of the United States in the last century and other countries at present. Excess savings in surplus OPEC countries can, in effect, finance investment in the oil importing countries by supplementing those countries' domestic savings. The OPEC savings can be transferred to oil-importing countries directly or indirectly (through capital markets) and used to finance productive investment in those countries. Provided that the borrowed funds are productively invested, there need not be servicing problems in the future. IMF programs are designed to promote the sound and stable economic conditions which are conducive to productive investment.

Continued foreign lending by private banks need not have an adverse impact on the U.S. economy, either because of a diversion of credit to overseas borrowers or because borrowers will rely on exports to repay their debt. Commercial banks have been able and will continue to be able to expand overseas lending from the net capital inflows of the OPEC countries. There is no evidence that bank liquidity is strained, and as domestic credit demands revive with economic growth, we do not anticipate that U.S. banks will have difficulty in meeting these demands. Certainly countries will service their debt, in part, through export earnings, and some of those exports will be to the U.S. At the same time, however, those countries will be increasing their capacity and demand for imports, and some of those imports will be from the U.S. As one country grows, so will many of its trading partners, with the result that all countries can share in increased economic prosperity.

There is no reason to expect that an increase in debt per se, will impede development in LDCs. On the contrary, if productively invested, borrowed money increases a nation's capacity to service debt by encouraging economic growth and expanded trade. As discussed above, if the borrowed funds are properly used to support productive investment and to strengthen the borrower's current account position, the debt will not necessarily constitute a serious future burden. Foreign debt can thus be an important positive factor in an economy, by providing a major source of economic growth. Not only is this true for developing nations, but also for industrial countries. By enabling countries to finance their payments imbalances in an orderly way and increase productive capacity foreign lending leads to a healthier world economy.

In sum, I believe that financing needs will remain at high levels in the period immediately ahead. This outlook is largely determined by the world energy situation, which cannot be corrected by financial measures. I see no realistic alternative to continued reliance on the private sector for the bulk of financing—and no serious danger for the system provided that financing is used in a prudent and productive way. The IMF has an important role to play, both in supplementing private sources of financing and in encouraging an adjustment of payments imbalances to a more stable and sustainable pattern. Finally, I believe that the private markets have played an invaluable role in the aftermath of the oil price increases, in providing financing needed by countries to sustain growth and avoid mutually destructive policy responses to the abrupt deterioration in their current account positions. With care on the part of both public officials and the private sector, that constructive role can be continued, while we work to achieve a fundamental adjustment of the energy imbalance which is the chief underlying source of current world payments problems.

2. You ask a number of questions about relationships between public officials and private banks in the area of balance of payments financing.

Relationships between U.S. public officials and private banks must be kept absolutely proper.

There are two very different kinds of relationships, however, which must be distinguished: one is that of U.S. public officials who deal with the banks in the bank examination and regulatory process: the other is that of U.S. policy officials who might be concerned with what your letter calls the public policy considerations of bank lending.

It is appropriate—indeed necessary—for bank examiners to take views on loans of particular banks to particular countries, given their responsibilities for regulating and helping to assure the safety of the banking system. It is in my view not appropriate for U.S. officials to propose, for reasons of public policy in particular foreign countries. Indeed, such involvement of U.S. policy officials in the banks' decisions, other than through the bank regulation activities of the Comptroller and other bank examiners, could lead to the dangers you mention—a feeling on behalf of banks that they should be compensated or "bailed out" for bad banking decisions made as a result of U.S. Government influence.

Accordingly, bank examiners and regulators aside, I think there are good reasons for skepticism about involving U.S. policy officials in making private banking decisions for reasons of "public policy." The banks do not want and cannot expect the U.S. Government or other official institutions to assume the banks' responsibilities—the banks alone can make their decisions, and when their decisions are wrong, they alone must bear the risk of default, rescheduling, or, as in the case of Indonesia, refinancing.

It is my understanding that in the case of Pertamina, the role of the USG was not to "bail-out" the private banks. The initial role of the State Department and embassy officials was to provide information to the private banks with a view to encouraging sounder judgments on their financing operations. Subsequently the State Department sought to improve communications between the Government of Indonesia and the private banks.

While U.S. policy officials should not participate in banking decisions, I think the banks do take due account of U.S. policy considerations and the IMF in making lending decisions—the postures of the IMF and of major governments are important elements of any full analysis of the policies and prospects of borrowing countries. Since the banks are interested in making sound loans—that will be repaid on time and earn a return for the bank—I think they have an interest in following policies that are not incompatible with efforts of the IMF, or of the U.S. Government, to help strengthen and stabilize the economies of borrowing countries.

The Treasury Department Office of International Affairs has expanded its contacts both with the Federal bank regulators and with the private banks, following the rapid growth in international bank lending in recent years. We have been particularly careful in dealings of the Office of International Affairs with regulatory authorities, including the Comptroller, to draw a distinction between policy issues of concern to the Government and the exercise of responsibilities to enforce the banking laws of the U.S. and to ensure sound banking practices. Within that limitation, the Treasury's Office of International Affairs has sought to provide assistance as appropriate to the regulatory authorities whose examination of the international activities of the banks has become more complex and extensive.

For several years, economists in the Office of the Assistant Secretary for International Affairs have held periodic meetings with representatives of the Office of the Comptroller of the Currency, to provide information on economic trends and prospects in countries of particular concern to the Comptroller. It is my understanding that frequent discussions also are held between bank regulators and the State Department.

Treasury contacts with banks have also expanded. In addition to frequent discussions between senior Treasury officials and leaders of the banking community, bank representatives and Treasury staff have frequent conversations on developments abroad. These contacts have recently been supplemented by periodic meetings between senior officers in the international departments of the major banks and Treasury's new Office of International Banking. In addition, I am sure that the IMF meets frequently with representatives of the private banking community, although in any such discussions the IMF must respect the confidentiality of its relationships with member countries.

3. You ask whether continued payments imbalances increased the likelihood of official limitations on repayments of banks, increasing risk on banks' entire portfolios.

Sizable payments imbalances are certainly likely to continue in the period ahead, but if the deficits are borne by the countries which are capable of financing them, payments problems will be manageable. We believe that in fact the bulk of the deficits probably will be borne by major industrial countries, including the U.S.

Obviously, there may be a few countries which do not act quickly enough or forcefully enough and find themselves in such severe financing difficulty that they cannot pay their debts on time. In such cases there may be resort to rescheduling. Outright default, however, is highly unlikely. Historically, foreign governments and central banks have made maximum efforts to permit continued servicing of both public and private external debts even during periods of foreign exchange shortages. We expect that this ordering of priorities in favor of debt repayment will continue, especially since a country's track record in servicing its debt will continue to be an extremely important factor in decisions by banks to extend new loans.

The past record of servicing of foreign loans to U.S. banks has been very good. A recent survey by the Federal Reserve, covering the experience of ten major U.S. banks in the period 1962–74, showed that losses on foreign loans were proportionately about half the level of losses on domestic loans.

4. You ask about possible alternatives to continued bank financing—greater direct OPEC financing of current account deficits and IMF borrowing in the private markets—and ask what the Administration is doing to encourage more OPEC financing of deficits.

It is important to bear in mind that not all financing is being undertaken by the private sector, and that not all private sector financing is being channeled through the banks. As indicated in Enclosure A, the banks have provided less than half of total financing for deficit countries during the period 1974–76.

OPEC nations are "directly" financing a substantial portion of payments deficits, in the sense of OPEC funds being placed directly in the nations running those deficits. For example, we expect that final data will show OPEC placements in the United States amounted to more than half of the U.S. current account deficit in 1977. There have also been direct OPEC placements in a number

of other developed countries—including the U.K., France, Canada, Spain—at times when these countries were in payments deficit. In addition, OPEC countries have since 1974 disbursed nearly $16 billion, on a bilateral basis, to non-oil exporting developing countries; have provided financing to the IMF oil facility and agreed to an increase in their IMF quotas; and have increased their contributions to the development lending institutions.

As to what steps the Administration is taking to encourage OPEC financing of international payments imbalances, the answer is that the Supplementary Financing Facility is such a step and a very important one. We will, of course, keep under close review the evolution of the international payments pattern and its financing, with a view to the maintenance of a sound and smoothly functioning international monetary system. With regard to the question of additional efforts to promote greater direct OPEC financing, this issue must be considered in light not only of the steps already taken or proposed, but also of the fact that the OPEC countries regard their financial placements as investments of the national wealth and the possibility that they may find leaving the oil in the ground more attractive than some forms of financial investment.

With regard to the question of IMF borrowing in private capital markets, that method was considered at the time the Witteveen facility was developed, but was felt not to be practicable at the present time.

The IMF's capital structure, unlike the IBRD and the regional banks, does not provide for any callable capital as backing for private borrowing, and many of its assets are generally not usable—e.g., many of its currency holdings are not usable at any particular time, because of the balance of payments positions of the issuing countries. Reliance on the IMF's readily usable assets for backing would not provide net increases in the IMF's lending capacity, as those funds being used as backing could not then be used in other transactions. Moreover, the IMF has not entered the market previously and would therefore be seeking substantial funds as an untested borrower. Given the special character of the IMF's capital structure and the absence of a prior record as a borrower, there is no assurance that the large amounts of financing and the extended maturities required for the Witteveen facility could be obtained, particularly within a relatively short period of time, nor is there assurance of the interest rate that might be charged.

An important technical consideration that must also be taken into account is that IMF operations are denominated in SDRs. The market is not familiar with SDR bonds—and European experience with the SDR and other forms of unit of account debt instruments is not entirely favorable.

The IMF is not legally precluded from raising funds in the private markets, and the question will continue to be examined for the future. Recourse to private market borrowing for IMF financing would constitute a significant change in the character of IMF operations that would have to be considered very carefully. For the present, however, the approach being taken in the Supplementary Financing Facility appears to be the only reasonable and practical approach.

THE "BAIL-OUT QUESTION"

You request my general comments on the suggestion that the Witteveen facility will be used to bail out overextended private banks, and for my reactions to amendments proposed by Mr. Cavanaugh and other proposals relating to the issue.

My general view is that concerns over this issue are overdrawn and misplaced. The facility will not "bail out" countries or banks. It will help countries deal with their balance of payments deficits in the period ahead—deficits which will continue to require net new financing. The objective of the facility is to help such countries to finance their deficits while they reduce them to a sustainable level—without resort to excessive deflation or protectionist trade and payments measures. This objective is achieved by linking the availability of IMF financing to the adoption of appropriate and effective adjustment measures.

The facility will strengthen the international monetary system by promoting an improvement of the creditworthiness of those countries adopting adjustment programs. By encouraging a country to adopt appropriate stabilization policies and offering financing for future deficits, the facility reduces the likelihood that a country will have to curtail its external payments severely and disruptively. The borrowing countries will be able to maintain a higher level of imports than would otherwise be possible and, as an ancillary effect, the likelihood that the country will have to seek a rescheduling of its debts may be reduced. I readily concede that such strengthening of the system will benefit all participants in the international economy—including American industry, workers, farmers, and consumers as well as banks. But I do not think it appropriate or meaningful to characterize this process as a "bail-out".

Typically, IMF financing does not cover a country's full balance of payments financing requirements but some lesser amount. Thus a country must expect to meet the remaining portion from other sources. IMF financing agreements help to improve confidence in a borrowing country's prospects—which helps to keep private funds flowing.

Historical experience with IMF credits demonstrates that bank exposure has increased in conjunction with IMF stand-by arrangements, rather than declining. In the period 1970–75, the IMF negoiated stand-by agreements providing about $2.1 billion. Net lending by the private sector in the 35 countries involved increased by nearly $9.6 billion during the period covered by the agreements. A more detailed presentation of this record was submitted by the Treasury during the hearings on the facility. At this point, I would add only that we have no reason to expect a reversal of this experience—and I see no realistic alternative to continued large-scale financing by the private sector in present and foreseeable circumstances.

Mr. Cavanaugh's statement to the Banking Committee appears to concur in the view that the facility is not a "bail-out" for the banks. On the contrary, his concern in that statement is that the facility will encourage continued bank lending, which he regards as of questionable desirability and soundness. I have discussed these questions earlier. However, Mr. Cavanaugh has also proposed amendments that would seek to use U.S. participation in the Witteveen facility as a vehicle for ensuring comparable treatment of the public and private sectors in situations of debt rescheduling.

I agree with the substantive objective of these amendments. However, I have serious problems with attempts to use the IMF in this way and with the specific amendments Mr. Cavanaugh has proposed.

First, I do not believe the IMF is an appropriate way to accomplish the objective Mr. Cavanaugh seeks, or that the IMF membership would accept a U.S. effort to use the IMF in this way. The IMF does not play a leading role in debt rescheduling exercises; it does not initiate negotiations, it does not chair discussions, and it does not represent the interests of either debtors or creditors. Its role is confined to the provision of technical expertise to the principals in rescheduling negotiations—if asked to do so by the debtor and creditor parties involved. I am quite certain that the IMF and other participants would not accept U.S. participation in the facility on the condition Mr. Cavanaugh proposes—i.e., that no loan be made by the facility to any country unless such country agrees not to seek or accept debt renegotiaion except on comparable terms for all lenders. In my judgment, this amendment would, in effect, preclude U.S. participation in the facility.

Second, debt reschedulings have been very rare, and I hope and expect they will continue to be needed only in very infrequent, exceptional situations. I would not want a provision of U.S. law to be interpreted as meaning that the U.S. favored debt rescheduling or viewed it as a normal part of international financial practice—which I fear could be the effect of Mr. Cavanaugh's amendments.

Third, one of Mr. Cavanaugh's amendments would mean that if a single creditor nation wished for political or other reasons to provide debt relief on a bilateral basis to a debtor country, all other creditors would have to do the same—and on the basis of the most liberal terms offered by any creditor. I do not believe that this is sensible, and I assume that it is not what Mr. Cavanaugh intends.

As I indicated above, I understand Mr. Cavanaugh's concern to be that when rescheduling occurs, private and governmental creditors be treated on a comparable basis. That is, in fact, U.S. policy when the U.S. agrees to participate in multilateral debt rescheduling negotiations. A detailed statement of that policy is enclosed in Enclosure B. I believe this policy is prudent and responsible, and I hope that view will be supported by others concerned with this question. We will continue to pursue this policy in rescheduling negotiations as they arise, and I believe that this—and not the IMF—is the appropriate way to approach this issue.

Mr. Cavanaugh has also proposed an amendment which would require, as a condition for U.S. financing, that the IMF agree that the facility would make no loan to a country unless the country agrees not to apply the proceeds directly or indirectly to repayment of debts to entities in the United States.

The resources of the IMF are made available in relation to the overall balance of payments situation of a country, and not for the financing of any particular item that enters into balance of payments. The IMF has no authority to impose such restrictions on the use by members of currencies purchased from the IMF, and could not provide such an agreement. As a practical matter, money is fungible. The amendment could not be given practical effect unless all countries using the facility were prohibited from repaying loans owed to U.S. institutions. Such a proposal is clearly not in the U.S. or any other country's interest.

In my judgment, this amendment would also preclude U.S. participation in the facility, and I do not believe such a amendment is practical or desirable.

HUMAN NEEDS/HUMAN RIGHTS

1. Your letter raises a number of questions about the role of IMF conditionality, in relation to human needs and human rights and requests my comments on amendments that have been proposed.

Before commenting on the specific amendments that have been proposed, I would like to make some general observations about the United States policy with respect to human rights and human needs and about the role of the IMF in this area.

First, respect for human rights and satisfaction of basic human needs are fundamental elements of United States foreign policy. The Carter Administration has launched major initiatives to promote these objectives. I strongly support these initiatives, and I feel that we must make every

effort to use available policy instruments in the most effective way possible to meet our human rights and human needs objectives. At the same time, I believe we must maintain balance and judgment in the selection of instruments available to us, to insure that we do not undermine other critical elements of U.S. policy and that we do not misuse particular instruments to our own disadvantage and to the detriment of our objectives in the areas of human rights and human needs.

The IMF is one of the most important means we have to promote the economic well-being of people throughout the world. Its Articles of Agreement provide the framework for an open and cooperative system of international trade and payments—a system that is vital to U.S. and world prosperity. Its resources are designed to help members correct their balance of payments problems without recourse to measures destructive to their own and the world economies. By serving these two broad functions, the IMF seeks to promote a stable and smoothly operating international economic system. It has long been recognized that such a system is integral to U.S. economic, political and security interests. Such a system is equally important in helping to establish a worldwide economic environment that is conducive to the effective pursuit of our own human rights and human needs objectives.

The IMF can continue to further these interests only so long as it is permitted to serve the purposes for which it is intended. The IMF's Articles of Agreement require that decisions on its operations be made only on the basis of economic criteria and that it not involve itself in the political and social policies of members. The IMF's membership is nearly universal and spans a broad political spectrum. Despite the conflicts—political, social and even military—that have arisen between members from time to time, the membership and the IMF as an institution have carefully respected these rules, recognizing that all benefit from the universal system represented by the IMF. Any attempt to introduce non-economic factors into IMF decisions would, I believe, seriously undermine the effectiveness of the institution. This result would be severely damaging to U.S. economic foreign policy interests—including our human rights and human needs objectives. Moreover, such efforts, if successful in preventing IMF financing for certain countries, could have the direct but unintended result of exacerbating the human rights and human needs situations in the individual countries concerned.

Second, I think there is inadequate understanding of how IMF financing and IMF stabilization programs in individual countries help to create an economic environment within which nations can prosper and better meet the needs of their citizens. Countries seeking IMF financing are by definition in balance of payments difficulty. They need to stabilize their economies and adjust their payments positions, and thereby restore their ability to attract capital. Denial of IMF assistance would exacerbate a country's economic difficulties, and could well lead to a reduction—or even elimination—of resources from private sources as well. The result would be additional economic restrictions—protectionist trade measures, exchange controls, excessive domestic deflation—which in all likelihood would impose the harshest burden on the poor.

In contrast, a country seeking to correct its problems with the help of IMF financing designs, in cooperation with the Fund, a stabilization program that is both suited to the borrower's own circumstances and consistent with its obligations to follow internationally responsible policies. Stabilization normally does require temporary restraint—in broadest terms, the problem a country in balance of payments difficulty faces is that it is generating claims on more resources than it can produce or acquire from abroad on a sustainable basis. In cooperation with the IMF, countries can establish, in a manner that is least disruptive to their own and world economies, the economic stability that is necessary to sustainable growth and improved living conditions over the longer term. This is the contribution that the IMF can appropriately make, and its record is a good one. It is not a development institution, nor a source of permanent financing, and it would not be right to attempt to divert its resources to development purposes. We have many institutions designed to provide dvelopment financing, and we should concentrate on funding and managing those institutions adequately to meet our development objectives.

Third, I think there may be some misconception about how the IMF operates. The IMF's purposes in entering into a program with a member country can be stated very simply: it wants to assure that the problem causing the need for IMF financing is corrected, that it is corrected in an internationally responsible manner, and that the IMF's resources can be repaid in a reasonable period. The conditions of IMP programs, which are developed in a process of discussion and negotiation between the Fund and the borrowing member, are usually related to broad macroeconomic objectives: the size of the public sector deficit, the growth in monetary aggregates, the current account deficit, the level and maturity of external borrowing, exchange rate policies, and trade and payments policies. In certain cases, where governmental programs, e.g., subsidies on imported goods, have seriously distorted the economy and have had important balance of payments costs, IMF programs have, by agreement with the government, included criteria related to changes in such programs. The IMF does not attempt to impose on borrowing countries economic policies that are contrary to the country's own wishes and interests, or arrogate to itself decisions on budget expenditure priorities or the allocation of resources among income groups. These are political decisions of fundamental importance to the country concerned, and the IMF as an international financial institution fully respects the domestic, social and political policies of its various members. It would, in my view, be extremely unwise and damaging for the United States to seek to change its basic approach in IMF operations. As you know, the United States has borrowed from the IMF in the past and has the right to draw in the future. Neither the United States nor any other member would, or should, relinquish its sovereignty to the extent of allowing an international financial institution such as the IMF to determine issues of basic social and political structure.

Your letter also mentions Professor Dornbusch's concern that the Witteveen facility involves stabilization programs for as long as three years rather than the usual one year of IMF programs. You ask whether the Fund is developing the necessary expertise to design longer term programs and whether I plan to urge that they do so.

I believe the lengthening of the time period of stabilization programs to three years under the Witteveen facility is an important and highly desirable feature. The purpose of lengthening the period of stand-bys is to ease the pace of adjustment in cases of particularly serious difficulty, not make adjustment more abrupt or severe. It should not heighten concerns about conditionality—quite the contrary.

In this connection, there may also be some misunderstanding of Mr. Dornbusch's views. As you know, he has written to me to correct the record and to indicate that he supported the increased length of stabilization program. Mr. Dornbusch's letter stated that he believes the Witteveen facility "is an important initiative" and that the "reorientation of conditionality" involved in the lengthening of stabilization programs "is one of its most positive features."

I believe that the Fund has the ability and experience to help countries design programs lasting longer than a year. There have been stand-bys for longer than two years, and the Fund has had experience in helping to design programs related to basic structural economic change under its Extended Facility.

A number of possible amendments on human rights and human needs have been suggested. I will comment specifically on the provisions of an amendment that has been given to Treasury by Committee staff, which I understand represents the efforts of staff members from a number of Representatives' offices.

(a) "The United States Executive Director on the Executive Board of the International Monetary Fund shall initiate a wide consultation with the Managing Director of the Fund and other member country Executive Directors with regard to encouraging the IMF staff to formulate stabilization programs which, to the maximum feasible extent, foster a broader base of productive investment and employment, especially in those productive activities which are designed to meet basic human needs, and upon which participating countries regularly depend for imports."

Since the IMF's stabilization programs are designed to foster conditions that are necessary to sustained economic growth and development, these programs will foster a broader base of productive investment and employment and thus help the economy to meet basic human needs. However, the IMF should continue to deal with broad macroeconomic objectives in the economy as noted above, and should not attemp to design programs to deal with specific sectors or income groups. With regard to the proposal for IMF programs to emphasize investment for import substitution, I feel this approach may not represent appropriate policy for many countries and should not be given this general endorsement. While import substitution may be appropriate for particular industries in particular countries, import substitution policies in many cases have led to the growth of inefficient and excessively protected industries, where market size is often inadequate to provide sufficient demand to support the industry. Such industries can contribute to inflationary pressures and are often characterized by underutilization of capital. Accordingly, while import substitution may be appropriate in some cases, I do not think the IMF should attempt to emphasize it as a general policy in its stabilization programs.

(b) "In accordance with the unique character of the International Monetary Fund, the U.S. Executive Director shall take all appropriate steps to insure that all Fund transactions, including economic programs developed in connection with the utilization of Fund resources, do not contribute to the violation of basic human rights, such as torture, cruel and inhumane treatment or degrading punishment, prolonged detention without charge, or other flagrant denials of life, liberty and the security of person; or contribute to the deprivation of basic human needs."

IMF programs are designed to bring economic stabilization to member countries, and are aimed at influencing the broad economic trends of member countries to that end. They do not deal with, and cannot in any direct sense contribute to, violation of basic human rights.

Moreover, the effect and purpose of IMF programs is to help create the economic conditions in which the well-being of the citizens of member countries can be improved,

and their basic human needs better fulfilled rather than deprived.

(c) "In order to gain a better understanding of the social, political and economic impact of the Fund's stabilization programs on borrowing countries, especially as it relates to the poor majority within those countries, the Executive Director representing the United States to the Fund shall prepare and submit, not later than 60 days after the close of each calendar year, a report to the Congress. Such report shall evaluate, with respect to countries to which loans are made by the facility during each year, the effects of fiscal and monetary policies of those countries which result from the standby agreement on the ability of the poor in such country to obtain:

(1) an adequate supply of food with sufficient nutritional value to avoid the debilitating effects of malnutrition;

(2) shelter and clothing;

(3) public services, including health care, education, clean water, energy resources, and transportation;

(4) productive employment that provides a reasonable and adequate wage."

I do not believe it is possible to show or measure any direct relationship between IMF conditions and the ability of the poor to obtain food and other necessities. Apart from measurement questions, as noted above, stabilization necessarily involved a degree of restraint in the short-run, but the incidence of such restraint on income groups is not a part of IMF conditions. Also, needed restraint may well be greater in the absence of an IMF program and financing. More generally the longer-term effect of IMF standby programs and financing will be to improve the economic conditions of borrowing countries as a whole to help create an economic environment within which they can better meet the needs of the poor and other segments of the population, and to help them avoid the abrupt and severe restrictive measures that could be particularly harmful to the poor. Accordingly, it would be impossible to prepare a report as proposed.

2. You also asked whether I had any comments to add to Under Secretary Solomon's response to Mr. Stanton on possible amendments aimed at denying credit to countries whose governments violate the human rights of their citizens. I agree fully with Mr. Solomon's comments, and I would emphasize that such amendments would seriously undermine the important work of the IMF and directly damage both U.S. economic interests and the world economy generally.

QUESTIONS SUBMITTED ON BEHALF OF MR. CAVANAUGH

The following are my responses to the questions raised in your letter on behalf of Mr. Cavanaugh.

A. In Under Secretary Solomon's testimony before the Subcommittee he indicated that over the next three years the private banks will absorb $170 billion.

Are the U.S. banks capable of prudently absorbing a major portion of the $170 billion? How much of the debt is anticipated to be financed by U.S. banks? Coupled with the existing level of outstanding debt, what are the prudent U.S. bank lending limits over the next three years?

Response: The estimate of $170 billion referred to the amount of financing that might be arranged through all private markets over the next three years. This is a very rough projection, which includes financing provided by non-bank lenders. OPEC investments in the U.S. and in other industrial countries would fall in this category, as would international bond issues sold to institutional investors. The increase in outstanding foreign claims held by banks will be substantially less than $170 billion. In the 1974–76 period, total private market flows to all countries in deficit amounted to $224 billion, of which commercial banks supplied $128 billion or about 60 percent. Claims of U.S. bank home offices and branches in offshore centers represented an estimated 50 percent of this latter total. The proportion of U.S. bank financing of total deficits is not expected to change radically. However, it is extremely difficult to pinpoint what actual flows from these institutions will be.

Two factors will help to assure a prudent ceiling on the level of U.S. bank lending abroad. First, present legal ceilings limit loans to individual borrowers to 10 percent of the capital of a national bank (subject to certain exceptions). Loans to public sector entities within a foreign country are combined for purposes of the lending limit, if these entities do not have independent means of repaying the loans. Second, bank examiners are developing a system which would enable them to assess the concentrations of a bank's loans to any one country and to cite excessive concentrations in examination reports.

Obviously limits of prudence vary sharply from country to country. Loans a country might prudently absorb will depend on a number of factors, including how the funds are used, the pace of the expansion of the country's economy and trade and the rate of domestic and world inflation. For example, if the economy and exports of a country, whose debt burden is not now excessive, are growing at 4 percent a year and its domestic and export prices are growing at 6 percent a year, a 10 percent increase in outstanding debt could mean no increase in its real debt service ratio. Accordingly, this situation could mean an increase in the level of financing external lenders might prudently provide.

B. Regarding the OPEC surplus:

How much has already been deposited in U.S. banks and their foreign subsidiaries? (1970–77) What are the terms of deposits? How much has been invested in U.S. Treasury notes and other governmental obligations? How much has been directly or indirectly invested in the other sectors of the U.S. economy? How much of the OPEC surpluses do you anticipate will be deposited directly in U.S. banks and their foreign subsidiaries over each of the next three years? Invested in U.S. Treasury notes and other governmental obligations? Directly or indirectly invested in other sectors of the U.S. economy? What do you anticipate will be the terms of the deposits?

Response: By end-September, 1977, we estimate oil-exporting country investments in the U.S. totalled roughly $36 billion. These funds were invested as follows:

[In billions]

Type of asset	
Treasury issues:	
Short-term	$5.7
Long-term	9.5
Other government securities	3.3
Bank liabilities:	
Short-term	7.9
Long-term	1.1
Corporate securities:	
Bonds	1.8
Stocks	4.9
Other investments	2.3
Total	36.5
Short-term (1 year and under)	15.3
Long-term (over 1 year)	21.2

In addition to the investments above, oil-exporting countries held claims on branches of U.S. banks abroad totaling $19.4 billion at the end of September.

We have no way to determine the amount of investment oil exporting countries make indirectly in the U.S., for example, through nominee accounts, although we do not believe the amount is large. As an illustration, total direct investment in the U.S. by or through Swiss investors in the three year period since 1973 has increased by only about $0.9 billion. After a surge in Swiss claims on U.S. banks in 1974, these claims as of September 1977 and virtually unchanged from the level of end 1974.

Since 1973, the oil exporting countries have invested between $9.5 and $12.5 billion in the U.S. each year. These investments have ranged between 20% and 30% of OPEC's investible surplus. We have no reason to expect a reduction in these flows. Some of these countries have expressed interest in expanding their investments in U.S. Government securities. The tendency in 1976 and 1977 has been for a higher proportion of the inflow to be placed in longer-term instruments.

The breadth and depth of the U.S. capital market continue to make it pre-eminent, and it remains one of the few markets capable of absorbing very large placements. Also, the traditional political and social stability in the U.S. and the general confidence in our long-term economic outlook continue to be significant factors in attracting OPEC and other foreign investment to the U.S.

C. Regarding the current international lending portfolio of U.S. banks:

What are the terms of the loans generally and specifically what are the terms to the less developed countries? What do you anticipate will be the terms of loans to the LDCs over the next three years? Is there currently a situation where U.S. banks receive short-term foreign deposits and make long-term foreign loans? How extensive is it? Does this policy shift the long-term liability to American depositors? How do you view accepting short-term deposits as a basis for long-term lending? Is there any danger in such a policy? What are you doing to monitor such activity so as to be able to foresee potential problems? What actions would you take if such a short-term deposit/long lending policy was deemed by you to jeopardize the safety and soundness of a financial institution?

Response:

(1) Terms—

Most U.S. bank loans to foreigners are variable interest rate loans provided at some margin over the London Interbank Offer Rate (LIBOR). There may also be small commitment fees and, where loans are syndicated, management and participation fees. These rates and fees are primarily a function of bank liquidity and banks' assessments of the creditworthiness of individual borrowers, and not whether the borrower is a developed or less developed country.

The World Bank publishes each quarter the terms of individual loan transactions for most eurocurrency credits as well as data on the maturity distribution of eurocurrency credits. A copy of the table from the latest IBRD report which shows the maturity structure of these loans is enclosed (Enclosure C).

To our knowledge, no index of average interest rates on eurocurrency credits is compiled. According to the OECD, the lowest spread for prime borrowers has narrowed from 1¼ percent over LIBOR in mid-1976 to 1 percent at the end of last year to ⅞–1 percent in May 1977. During this period, spreads to less creditworthy borrowers probably ranged up to 2¼ over LIBOR.

We have made no forecast of interest rate trends on bank loans to LDCs. These may be expected to continue to vary in accordance with trends in LIBOR and the banks' evaluations of the creditworthiness of individual countries.

(2) Maturity Transformation—

Maturity transformation is one of the principal functions of commercial banks, whether operating domestically or abroad. The transformation by individual banks of relatively shorter-term bank liabilities into longer-

term assets becomes a source of concern only where there are gross excesses and inadequate attention is paid to risk. Comprehensive data on the maturity distribution of the foreign claims and liabilities of U.S. banks are not available. However, data for the head offices indicate that most of their liabilities to foreigners have a maturity of one year or less. On the other hand the proportion of claims of head offices and offices in overseas banking centers on foreigners with remaining maturities of less than one year is below 50 percent. Bank examiners look closely at the maturity structure of the balance sheets of U.S. banks during the examination process and cite instances where the maturity structure of a bank's assets and liabilities is out of line. The examination process should continue to be the appropriate vehicle for ensuring a sound maturity structure.

We do not believe that maturity transformation represents a problem in the aggregate since liabilities in the global banking system cannot simply or suddenly be extinguished by the holders of the claims. As a practical matter, deposits withdrawn from a bank or banks must either be redeposited directly in another bank(s) or used to purchase goods, services, or investments, with the proceeds from these sales being placed in the banking system in the absence of monetary policies designed to sterilize such funds.

Mr. Chairman, I hope this letter and those you will be receiving from the Chairman of the Federal Reserve Board, the Comptroller of the Currency and the Chairman of the Federal Deposit Insurance Corporation are fully responsive to the concerns that have been raised in connection with the Supplementary Financing Facility. As you know, this facility is needed to meet an urgent need, and has been designed specifically to deal with a number of important concerns expressed by the Congress in connection with proposals put forward by the previous Administration. I believe strongly that the proposal before you is sound and thoroughly supportive of U.S. interests. I hope your Committee will be able to report H.R. 9214 promptly and favorably, without amendments that would preclude U.S. participation in the facility or undermine the effectiveness of the IMF.

Sincerely,

W. MICHAEL BLUMENTHAL.

Enclosures 3.

ENCLOSURE A

ESTIMATED SOURCES/USES OF FUNDS BY COUNTRIES IN CURRENT ACCOUNT DEFICIT

[In billions of dollars]

	1974	1975	1976	Total 1974–76
SOURCES				
Official flows, total	15	18	20	53
Multilateral	8	11	14	33
IMF (net)	3	4	6	13
Others (net) [1]	5	7	8	20

ENCLOSURE A—Continued

ESTIMATED SOURCES/USES OF FUNDS BY COUNTRIES IN CURRENT ACCOUNT DEFICIT—Continued

[In billions of dollars]

	1974	1975	1976	Total 1974–76
SOURCES—Continued				
Bilateral development assistance (credits, net of grants) [2]	7	7	6	20
Private flows, total	71	73	112	256
Commercial banks (change in claims on all areas, including surplus countries)	50	40	70	160
Europe (G-10)	35	50	56	141
Canada and Japan	5	.....	5	10
United States (domestic)	19	14	21	54
United States (offshore)	13	15	23	51
Total	72	79	105	256
Minus double counting of interbank deposits	22	38	35	95
Net lending by banks	50	40	70	[3] 160
Memo: Included in above are medium-term Euro-credits	(28)	(23)	(34)	(85)
Other private sources:				
International bonds placed by deficit countries	6	14	22	42
Direct placement (including government to government)	3	8	12	23
Portfolio/direct investment	12	11	8	31
Total (other private sources)	21	33	42	96
Total sources	86	91	132	[3] 309
USES				
Aggregate current account deficits (including official transfers)	76	76	72	224
Debt amortization	10	12	18	40
Reserve change by countries in deficit (+ indicates reserve increase)	+4	−3	+11	+12
Credits to surplus countries (bonds and banks) [4]	5	10	17	32
Total uses	95	95	118	308
Error and residual	−9	−4	+14	+1

[1] IBRD, IDA, IDB, regional development banks, EEC, U.N. and special OPEC funds.

[2] Grants by OECD and OPEC were $11,000,000,000 in 1974, $11,000,000,000 in 1975, and $12,000,000,000 in 1976.

[3] Treasury staff estimates that included in this total is roughly $32,000,000,000 of banking flows to surplus countries, leaving a total of $128,000,000,000 of commercial bank lending to deficit countries and a total of $277,000,000,000 in total financing flows to deficit countries.

[4] Treasury staff estimate.

ENCLOSURE B

U.S. POLICY ON MULTILATERAL DEBT REORGANIZATIONS

Policy

The policy of the U.S. Government on the reorganization of international debts has the following elements.

1. Debt-service payments on international debt should be reorganized on a case-by-case basis only in extraordinary circumstances where reorganization is necessary to ensure repayment. Debt relief should not be given as a form of development assistance.

2. Debt-service payments on loans extended or guaranteed by the U.S. Government will normally only be reorganized in the framework of a multilateral creditor-club agreement.

3. When a reorganization takes place that involves government credits or government-guaranteed credits, the U.S. will participate only if:

(a) the reorganization agreement incorporates the principle of non-discrimination among creditor countries, including those that are not party to the agreement;

(b) the debtor country agrees to make all reasonable efforts to reorganize unguaranteed private credits falling due in the period of the reorganization on terms comparable to those covering government or government-guaranteed credits;

(c) the debtor country agrees to implement an economic program designed to respond to the underlying conditions and to overcome the deficiencies which led to the need for reorganizing debt-service payments.

4. The amounts of principal and interest to be reorganized should be agreed upon only after a thorough analysis of the economic situation and the balance-of-payments prospects of the debtor country.

5. The payments that are reorganized normally should be limited to payments in arrears and payments falling due not more than one year following the reorganizing negotiations.

Background

When an individual country defaults or faces imminent default on its debt-service obligations, it may seek debt relief from some or all of its creditors by requesting reorganization of all or part of its debts. Official and officially-guaranteed debt has been reorganized predominately in creditor groups such as the "Paris Club". (Some official debt reorganizations have been negotiated in aid consortia, as in the case of India and Pakistan, but these were the result of unique circumstances.)

The negotiations with creditor groups set the general terms for reorganizing direct government credits, and private credits guaranteed by creditor-country governments on a non-discriminatory basis among countries participating in the negotiations and those that are not (such as communist countries). Subsequently, bilateral arrangements are concluded between the individual creditor countries and the debtor country to implement this multilateral agreement. As a general rule, the international financial and monetary institutions have not reorganized their credits.

Negotiations to reorganize debt-service payments on unguaranteed credits extended by private creditors usually take place separately from the negotiations with official creditors. Occasionally, debt-service payments on these credits are reorganized while payments on government credits and government-guaranteed credits are made on schedule. More commonly, negotiations with private creditors on their unguaranteed credits follow immediately upon the conclusion of negotiations with the government creditors. Comparability can be achieved without actually rescheduling or refinancing debt-service payments, if the private creditors agree to extend additional credit (i.e., greater than the amount which would have been rescheduled or refinanced if they had chosen those methods of debt reorganization) to the debtor country on terms comparable to those negotiated in the creditor club.

JANUARY 5, 1978.

ENCLOSURE C

BORROWING IN INTERNATIONAL CAPITAL MARKETS BY TYPE OF LOAN, CATEGORY OF BORROWING COUNTRY, BORROWING COUNTRY AND ORIGINAL MATURITY, 1974 TO 2D QUARTER, 1977

EUROCURRENCY CREDITS

Original maturity (years)	1974 [1]	1975 [1]	1976 [1]	1976, I	1976, II	1976, III	1976, IV	1977, I	1977, II
INDUSTRIALIZED									
Amount borrowed (U.S. dollars, millions or equivalent):									
Over $1 to $3	544.6	407.0	321.7	51.0	65.0	70.0	135.7	50.0	.....
$3.01 to $5	2,007.9	1,860.5	2,136.3	352.0	433.9	546.0	804.4	156.0	262.0
$5.01 to $7	5,288.8	1,978.5	4,106.2	688.0	1,110.3	1,101.2	1,206.7	3,109.4	1,403.0
$7.01 to $10	7,153.1	411.5	342.0	200.0	.....	128.0	14.0	216.0	800.0
$10.01 to $15	1,573.0	.....	.....	.....	.....	.....	.....	.....	.....

ENCLOSURE C

BORROWING IN INTERNATIONAL CAPITAL MARKETS BY TYPE OF LOAN, CATEGORY OF BORROWING COUNTRY, BORROWING COUNTRY AND ORIGINAL MATURITY, 1974 TO 2D QUARTER 1977—Continued

EUROCURRENCY CREDITS—Continued

Original maturity (years)	1974 [1]	1975 [1]	1976 [1]	1976, I	1976, II	1976, III	1976, IV	1977, I	1977, II
INDUSTRIALIZED—Continued									
Amount borrowed (U.S. dollars, millions or equivalent):									
$15.01 to $20	29.0								
$20.01 to $25									
$25.01 and over									
Unknown	674.0	411.8	809.9	353.6	136.8	306.1	7.4	207.0	
All maturities	17,270.4	5,069.3	7,716.1	1,650.6	1,746.0	2,151.3	2,168.2	3,738.4	2,465.0
Distribution of amount borrowed (percent of total): [2]									
Over $1 to $3	3.2	8.0	4.2	3.1	3.7	3.3	6.3	1.3	
$3.01 to $5	11.6	36.7	27.7	21.3	24.9	25.4	37.1	4.2	10.6
$5.01 to $7	30.6	39.0	53.2	41.7	63.6	51.2	55.7	83.2	56.9
$7.01 to $10	41.4	8.1	4.4	12.1		5.9	.6	5.8	32.5
$10.01 to $15	9.1								
$15.01 to $20	.2								
$20.01 to $25									
$25 and over									
Unknown	3.9	8.1	10.5	21.8	7.8	14.2	.3	5.5	
All maturities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DEVELOPING									
Amount borrowed (U.S. dollars, millions or equivalent):									
Over $1 to $3	186.0	714.1	186.0	110.0	40.0	30.0	6.0	22.5	50.0
$3.01 t $5	1,316.4	7,842.6	9,115.3	1,401.0	2,574.3	2,277.2	2,862.8	910.8	970.0
$5.01 to $7	1,792.4	3,008.4	5,819.6	886.6	829.3	916.2	3,187.5	2,723.6	2,119.0
$7.01 to $10	4,705.7	409.8	778.5	315.0	32.0	291.5	140.0	43.5	128.0
$10.01 to $15	1,361.6	214.2							
$15.01 to $20									
$20.01 to $25									
$25.01 to and over									
Unknown	349.2	274.4	1,636.1	18.2	154.2	256.2	1,207.5	334.0	74.1
All maturities	9,711.3	12,463.5	17,535.5	2,730.8	3,529.8	3,771.1	7,403.8	4,034.4	3,431.1
Distribution of amount borrowed (percent of total): [2]									
Over $1 to $3	1.9	5.7	1.1	4.0	1.1	.8	.1	.6	1.5
$3.01 to $5	13.6	62.9	52.0	51.3	70.9	60.4	38.7	22.6	28.3
$5.01 to $7	18.5	24.1	33.2	32.5	22.8	24.3	43.1	67.5	61.8
$7.01 to $10	48.5	3.3	4.4	11.5	.3	7.7	1.9	1.1	6.4
$10.01 to $15	14.0	1.7							
$15.01 to $20									
$20.01 to $25									
$25.01 and over									
Unknown	3.6	2.2	9.3		4.2	6.8	16.3	8.3	2.2
All maturities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Includes loans which have not been allocated to a specific month.

[2] Components may not add to the total because of rounding.

COMMITTEE ON BANKING,
FINANCING AND URBAN AFFAIRS,
Washington, D.C., December 15, 1977.

Hon. ARTHUR BURNS,
Chairman, Board of Governors, Federal Reserve System, Washington, D.C.

DEAR CHAIRMAN BURNS: As you know, this Committee began marking up H.R. 9214 to authorize U.S. participation in the International Monetary Fund's Supplementary Financing Facility, but has not completed action on it. Additional action is scheduled for January. In this interim period, I would appreciate your assistance in resolving some of the issues which have been raised by Members as outlined in the questions set forth below. I believe your answers to these questions will greatly aid this Committee in its consideration of the legislation:

1. Those who have testified on the Witteveen Facility indicated explicitly or implicitly that the bulk of balance of payments financing must continue to be made by private banks. However, testimony before Congressional Committees last Spring revealed a reluctance on the part of both banks and bank regulators to continue such financing at current levels. Now this reluctance seems less evident. Nevertheless, according to some witnesses, it is not clear that the Witteveen Facility will assure that additional bank lending will be safe. These witnesses see dangers to both lenders and borrowers in permitting additional accumulations of debt.

Do you believe that OPEC countries will continue to have sizable payments surpluses for the foreseeable future? If so, is it reasonable to rely completely on IMF conditionality and private lending to deal with it? What do you expect the results of such a policy to be: ultimate adjustment to oil prices, or more private lending?

Will continued foreign lending by private U.S. banks have adverse impacts on the U.S. economy either because of the diversion of credit to overseas borrowers or because foreign borrowers must export, primarily to the U.S., to repay bank loans? Will an increase in debt impede development in LDCs? Will it contribute to continued low levels of economic activity in industrial nations?

2. A number of witnesses have expressed concern about the proper relationship between public officials and private banks with respect to balance of payments financing. They have suggested that in making these loans banks assume that governments will bail them out if necessary. This concern is illustrated by the State Department's role in the renegotiation of U.S. bank loans to Pertamina. It has also been noted that the Federal Reserve might be required to act as lender of last resort in the event of a default by a given country, and that the implications of such a role have not been explored.

In the Board's view, would it be appropriate to make funds available to U.S. banks through discounts or loans collateralized by loans to foreign borrowers? Would loans to foreign governments be acceptable as collateral for the extension of Federal Reserve credit? In the event of a major default by a foreign government, would the Board recommend that the Federal Reserve banks extend all necessary credit to the affected banks, limited only by the amount of collateral acceptable for discount or borrowing?

3. Some witnesses have noted that, while balance of payments financing is a quasi-governmental function, private banks are not concerned with public policy considerations. They believe that if private banks continue to make most of these loans there should be greater supervision of their activities by public officials before loans are made.

What efforts have been made to coordinate the views of bank regulators with those of the State and Treasury Departments? Should they be intensified? Do you believe there should be closer consultation between U.S. government officials and private banks on balance of payments loans? Should there be closer consultations between the officials and private banks?

4. Are banks' systems of evaluating country risk adequate? What efforts have been made by the regulatory agencies to evaluate country risk? Is there, or should there be, coordination between private banks and regulatory authorities in evaluating country risk? Should the State and Treasury Department share in making such evaluations? Should such evaluations also involve the IMF and World Bank?

5. As of June 30, 1977, $22.8 billion or approximately 10 percent of the total liabilities of foreign branches of U.S. banks were borrowings from their parent banks in the United States. These deposits were used primarily to support foreign lending through the branches. In addition, private banks in the United States have made foreign loans and purchased foreign-related bankers acceptances. What is the total amount of foreign lending supported by U.S. funds? What impact does this have on domestic credit markets?

6. Deposits payable in foreign branch offices of U.S. banks are not insured. But, in

view of the sizable borrowings of foreign branches from their parent banks, isn't the FDIC now indirectly involved in insuring a substantial portion of foreign branch deposits? Moreover, is it likely that a major default overseas would not involve the U.S. parent banks and thus also involve the FDIC?

7. The "Special Report to the President and to the Congress on U.S. Participation in the Supplementary Financing Facility of the International Monetary Fund, September 1977" of the National Advisory Council on International Monetary and Financial Policies states that, in the period 1974 through 1976, cumulative current account deficits equaled about $225 billion, of which some $170 billion were financed largely through market-oriented borrowing, mostly through banks and securities markets.

What is the aggregate figure on loans to foreign governments by U.S. banks? What portion of loans to foreign governments are made to developing countries? Are U.S. bank placements with foreign banks used as an indirect method for balance of payments financing?

What is the total of OPEC deposits in U.S. banks? Are these deposits adequate to fund all balance of payments-related lending by U.S. banks?

What is the average maturity of OPEC deposits? What is the average maturity of loans by U.S. banks to foreign governments?

8. If there is a continuation of sizable imbalances in current accounts of countries, will balance of payments problems increase the likelihood that foreign central banks will limit the availability of foreign exchange for repayment of loans by private borrowers in a given country? Do balance of payments problems, then, increase risk factors involving the entire foreign portfolios of commercial banks?

9. Figures available to the Committee indicate that there have been significant increases both in the share of total assets which represent claims on foreign borrowers, and the rate of increase in foreign lending.

What proportion of total U.S. bank assets, in both domestic and foreign offices, represent claims on foreign borrowers? Would you provide figures for previous years, back to 1970, and indicate the annual rate of increase for each year? Would you also indicate the annual rate of increase in domestic assets?

In view of these increases, should additional foreign lending be encouraged? Is there reason to believe that U.S. banks can expand their capital base sufficiently to support additional foreign lending at recent rates of increase? Are their liquid assets sufficient to insure that additional long term balance of payments loans will not impair the liquidity of individual banks and/or the banking system as a whole?

10. In your view are balance of payments loans an appropriate form of lending for commercial banks? Do they entail greater risks than loans to foreign commercial borrowers? Do you believe that continued private bank lending to finance balance of payments deficits is safe?

In addition, Congressman Cavanaugh has asked me to submit the following questions:

A. In Undersecretary Solomon's testimony before the Subcommittee he indicated that over the next three years the private banks will absorb $170 billion.

Are the U.S. banks capable of prudently absorbing a major portion of the $170 billion? How much of the debt is anticipated to be financed by U.S. banks? Coupled with the existing level of outstanding debt, what are the prudent U.S. bank lending limits over the next three years?

B Regarding the OPEC surplus:

How much has already been deposited in U.S. banks and their foreign subsidiaries? (1970–77) What are the terms of deposits? How much has been invested in U.S. Treasury notes and other governmental obligations? How much has been directly or indirectly invested in the other sectors of the U.S. economy?

How much of the OPEC surpluses do you anticipate will be deposited directly in U.S. banks and their foreign subsidiaries over each of the next three years? Invested in U.S. Treasury notes and other governmental obligations? Directly or indirectly invested in other sectors of the U.S. economy? What do you anticipate will be the terms of the deposits?

C. Regarding the current international lending portfolio of U.S. banks:

What are the terms of the loans generally and specifically what are the terms to the less developed countries? What do you anticipate will be the terms of loans to the LDCs over the next three years? Is there currently a situation where U.S. banks receive short term foreign deposits and make long term foreign loans? How extensive is it? Does this policy shift the long term liability to American depositors? How do you view accepting short term deposits as a basis for long term lending? Is there any danger in such a policy? What are you doing to monitor such activity so as to be able to foresee potential problems? What actions would you take if such a short term deposit/long lending policy was deemed by you to jeopardize the safety and soundness of a financial institution?

I would appreciate a response to these questions by January 5, 1978 so that the Committee can resume consideration of this important legislation without delay.

Sincerely,

HENRY S. REUSS,
Chairman.

FEDERAL RESERVE SYSTEM,
Washington, D.C., January 6, 1978.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to respond to your letter of December 15, 1977, regarding questions on the international lending by American banks and its relation to the proposed Supplementary Financing Facility of the International Monetary Fund.

As you are aware, the Board of Governors fully supports U.S. participation in the Witteveen Facility. The Board believes that this Facility is an important, constructive step in dealing with the serious problem of continuing large international payments imbalances, and it urges prompt and favorable Congressional action on the enabling legislation.

Unless the IMF has resources commensurate with the needs of its members, it will lack the power to stimulate them to adopt responsible adjustment policies. The IMF cannot, of course, be expected to meet all, or even the bulk of, the external financing needs of its member countries. But it does require sufficient resources to deal with contingencies. At the present time, the resources of the IMF, without the Witteveen Facility, are not adequate to cope with demands that might arise from troubled countries. Thus, as a matter of prudent contingency planning, we need to provide for additions to the IMF's resources through the establishment of the Witteveen Facility.

Lending by the IMF should not be regarded as a substitute for lending by commercial banks; rather, I would expect that in many instances lending by commercial banks, and in particular by American banks, would take place in conjunction with, or following the adoption of, stabilization programs that borrowing countries would undertake with IMF assistance and guidance. Private bank credits can strengthen the international financial system as long as they are made on terms and conditions that foster financial stability. I have expressed concern on a number of occasions that our banks follow prudent policies in international lending, and I believe that our bankers generally recognize this need.

I enclose answers prepared by the Board's staff to the specific questions posed in your letter.

Sincerely yours,

ARTHUR F. BURNS.

Enclosures.

Question 1. Those who have testified on the Witteveen Facility indicated explicitly or implicitly that the bulk of balance of payments financing must continue to be made by private banks. However, testimony before Congressional Committees last Spring revealed a reluctance on the part of both banks and bank regulators to continue such financing at current levels. Now this reluctance seems less evident. Nevertheless, according to some witnesses, it is not clear that the Witteveen Facility will assure that additional bank lending will be safe. These witnesses see dangers to both lenders and borrowers in permitting additional accumulations of debt.

Do you believe that OPEC countries will continue to have sizable payments surpluses for the foreseeable future? If so, is it reasonable to rely completely on IMF conditionality and private lending to deal with it? What do you expect the results of such a policy to be: ultimate adjustment to oil prices, or more private lending?

Will continued foreign lending by private U.S. banks have adverse impacts on the U.S. economy either because of the diversion of credit to overseas borrowers or because foreign borrowers must export, primarily to the U.S., to repay bank loans? Will an increase in debt impede development in LDCs? Will it contribute to continued low levels of economic activity in industrial nations?

Answer. OPEC countries as a group are expected to continue to have large payments surpluses over the next few years. These surpluses have a counterpart in the deficits of non-OPEC countries, including the United States.

The U.S. Government has been seeking to promote adjustment to a more stable pattern of world payments by encouraging non-OPEC countries with large payment surpluses to reduce those surpluses. But adjustment is also needed by foreign countries with current account deficits arising not only from higher oil prices, but more importantly in many cases from financial instability.

To evaluate the current situation, one must look behind the aggregate figures and examine the experience of individual countries. A number of countries that borrowed heavily in international markets in recent years have already made progress toward financial stability, and have markedly reduced their trade deficits—in some cases shifting into surplus. Among these countries are not only a number of developing countries such as Korea, Taiwan, Brazil, and Mexico, but also industrial countries, such as the United Kingdom. Other countries, both developed and developing countries, still need to improve their external positions. This can come about both through moderation in imports

and through increases in exports—in good part to industrial countries other than the United States, since the United States accounts for less than one-fourth of total imports of all industrial countries.

Countries with deficits will, of course, require financing while they are moving toward more sustainable payments positions. The nature of the financing will vary depending on the individual circumstances. In some instances, inter-governmental credits may play an important role, including sizable credits extended by some European countries. Drawings from the IMF, including use of the proposed supplementary Financing Facility, should also play an important role in some individual cases. And private markets will assist in providing countries with external financing as stabilization programs take effect. Taking a longer perspective, one should, of course, recognize that developing countries will typically be net importers of capital, and thus will have a growing amount of outstanding external debt.

U.S. banks can be expected to continue to increase their outstanding foreign credits, but not at the rate of recent years. In fact, the pace of U.S. bank lending to the main borrowing countries has lessened this year, compared to last. It should, of course, be recognized that the United States is a net importer of capital from abroad—the counterpart of the deficit in our current account transactions—and that while we lend to some countries, on balance, there are inflows of funds from other countries.

Question 2. A number of witnesses have expressed concern about the proper relationship between public officials and private banks with respect to balance of payments financing. They have suggested that in making these loans banks assume that governments will bail them out if necessary. This concern is illustrated by the State Department's role in the renegotiation of U.S. bank loans to Pertamina. It has also been noted that the Federal Reserve might be required to act as lender of last resort in the event of a default by a given country, and that the implications of such a role have not been explored.

In the Board's view, would it be appropriate to make funds available to U.S. banks through discounts or loans collateralized by loans to foreign borrowers? Would loans to foreign governments be acceptable as collateral for the extension of Federal Reserve credit? In the event of a major default by a foreign government, would the Board recommend that the Federal Reserve banks extend all necessary credit to the affected banks, limited only by the amount of collateral acceptable for discount or borrowing?

Answer. Section 13 of the Federal Reserve Act permits advances to member banks secured by "eligible" customer notes—those notes drawn for agricultural, industrial, or commercial purposes, and having no more than 90 days to maturity (270 days for agricultural notes). Section 10(b) permits advances secured to the "satisfaction of the Reserve Bank." Notes drawn by foreign borrowers are not distinguished under the Act from those drawn by domestic borrowers; however, all collateral must be acceptable to the Reserve Bank. Thus, notes from foreign borrowers have been used to collateralize the extension of Federal Reserve credit to member banks—where such borrowings were considered appropriate. Member banks are not given automatic access to the discount window; borrowing is only permitted for appropriate purposes as defined in the Board's Regulation A.

Because of the sensitivity involved in determining the credit-worthiness of notes drawn by foreign governments, the Federal Reserve has discouraged the submission of such notes for collateral, except where such notes are guaranteed by the U.S. Government. However, where other collateral is lacking, a Reserve Bank would consider using notes drawn by foreign governments as collateral for the extension of Federal Reserve credit, provided that the notes are not in default.

In general, banks have diversified their foreign lending and they could be expected to absorb probable losses from foreign credits without substantial deterioration in their capital or liquidity positions. The Board would determine what action to take in the event of a major default in the light of the circumstances at the time, notably the character and condition of the bank, the impact on the community, on business, on payrolls and on the availability of credit.

Question 3. Some witnesses have noted that, while balance of payments financing is a quasi-governmental function, private banks are not concerned with public policy considerations. They believe that if private banks continue to make most of these loans there should be greater supervision of their activities by public officials before loans are made.

Answer: Commercial bank credits to foreign countries have implications for public policy, as do bank investments in securities of, or extensions of credits to, other types of borrowers. However, the Federal Reserve does not believe that supervisors or other public officials should seek to substitute their judgments for those of bankers in deciding who should get credit or in setting the amounts or terms of individual credits. Consultation between U.S. Government officials and private bankers may, of course, be appropriate when private credits are extended in conjunction with U.S. Government credits from AID, the Eximbank, the Commodity Credit Corporation and/or under PL 480. But the important role for private credit judgments should be preserved.

Credit judgments should be based on careful evaluation of necessary information. In the case of foreign lending, this could include full information not only on the financial position of the specific debtor but also on the external debt position of the country. The Federal Reserve has been working with other U.S. bank supervisors and with foreign central banks to improve the information available to both banks and bank supervisors on external debts of borrowing countries. Such information is needed in evaluating all types of international credits. The Federal Reserve and other bank supervisors also, of course, have responsibility in the content of bank examinations for reviewing the adequacy of the procedures that banks employ in extending credits, as well as the terms, conditions and characteristics of individual credits.

It is worth noting that commercial banks increasingly recognize the need to avoid letting themselves be used as sources of funds by countries seeking to circumvent the discipline of standby arrangements with the International Monetary Fund. Formal consultations between bankers and IMF officials, therefore, would not appear necessary to achieve this objective.

Question 4. Are banks' systems of evaluating country risk adequate? What efforts have been made by the regulatory agencies to evaluate country risk? Is there, or should there be, coordination between private banks and regulatory authorities in evaluating country risk? Should the State and Treasury Department share in making such evaluations? Should such evaluations also involve the IMF and World Bank?

Answer. In early 1977 the Federal Reserve conducted an informal survey of bank practices in defining, monitoring, and controlling their country risk exposure. The general conclusions from that survey were that those U.S. banks that are active in international lending had systems in place for gathering substantial amounts of information and for analyzing country risk. The lending banks were devoting considerable resources to maintaining and improving their systems, which are still in the process of development. The Federal Reserve intends to review banks' systems as part of the examination process.

The Federal Reserve does not believe that extensive coordination between private banks and the regulatory authorities in evaluating country risk would be desirable. Such coordination could result in the regulatory agencies as banks would be hesitant to lend to countries that the regulatory authorities considered poor risks. Moreover, it is not clear that the judgments of the regulatory agencies would necessarily be better than the independent analysis of the private banks.

Instead of rating or analyzing individual country risks the Federal Reserve, as well as other government agencies, can best make a contribution to sound lending practices by helping improve the flow of information about the economies and external indebtedness of the borrowing countries. The Federal Reserve also believes that ways should be explored by which the IMF and World Bank (IBRD) can improve the flow of information on borrowing countries without compromising their confidential relationships with those countries. The Federal Reserve has been active in efforts to improve such flows.

Question 5. As of June 30, 1977, $22.8 billion or approximately 10 percent of the total liabilities of foreign branches of U.S. banks were borrowings from their parent banks in the United States. These deposits were used primarily to support foreign lending through the branches. In addition, private banks in the United States have made foreign loans and purchased foreign-related bankers acceptances. What is the total amount of foreign lending supported by U.S. funds? What impact does this have on domestic credit markets?

Answer. Because of the size of our domestic credit markets, international credit flows have only a very small impact on total credit flows and interest rates in these markets. Foreigners supply funds to U.S. markets, as well as borrowing in those markets, and the extent to which foreign lending is financed by U.S. funds varies substantially depending on relative credit market conditions. Thus, in 1974, when domestic demands for credits were strong, the increase in foreign claims of U.S. banks was more than matched by an increase in foreign liabilities (line 3 of the attached table). During 1975 and 1976, when domestic loan demand was relatively weak, U.S. banks extended net credits abroad, including some advances to their foreign branches. In the first 10 months of this year, however, U.S. banks have increased their liabilities to foreigners and their claims on foreigners by essentially equal amounts. Indicative of the variability of these bank credit flows have been the advances of U.S. parent banks to their foreign branches: these advances rose in the first half of 1977, declined by almost $5 billion in the third quarter and then rose again by $3 billion in October.

ATTACHMENT TO QUESTION NO. 5

FLOWS OF FUNDS TO FOREIGNERS THROUGH U.S. BANKING OFFICES

[In billions of dollars]

	1974	1975	1976	1977 1st half	1977 3d quarter	1977 October	Outstanding end of October 1977
1. Increase in claims of U.S. banking offices on foreigners:[1]							
U.S. banks' own overseas branches[2]	19.4	13.5	21.3	0.9	−0.2	2.9	84.6
	(4.2)	(6.4)	(7.6)	(3.1)	(−4.8)	(3.2)	(21.6)
Other foreigners	(15.2)	(7.1)	(13.7)	(−2.2)	(4.6)	(−.3)	(63.0)
2. Increase in liabilities of U.S. banking offices to foreigners:[3]	21.9	−1.6	12.1	1.6	2.3	−.2	73.9
Foreign official	(5.8)	(−2.3)	(1.0)		(−.2)	(1.5)	(20.5)
U.S. banks' own overseas branches[2]	(2.6)	(−.8)	(.7)	(−.7)	(4.6)	(−3.6)	(4.6)
Other foreigners	(13.5)	(1.5)	(10.4)	(2.3)	(−2.1)	(1.9)	(48.8)
3. Net outflow through U.S. banking offices[4]	−2.5	15.1	9.2	−.7	−2.5	3.1	10.7

[1] Includes agencies and branches of foreign banks in the United States.
[2] Based on reports filed by overseas branches of U.S. banks.
[3] Includes custody holdings for foreigners of private U.S. money market instruments.
[4] Positive signs indicate net lending (outflow); negative signs indicate net borrowing (inflow).

Question 6. Deposits payable in foreign branch offices of U.S. banks are not insured. But, in view of the sizable borrowings of foreign branches from their parent banks, isn't the FDIC now indirectly involved in insuring a substantial portion of foreign branch deposits? Moreover, it is likely that a major default overseas would not involve the U.S. parent banks and thus also involve the FDIC?

Answer. U.S. banks extend foreign credits from both their domestic offices and their foreign branches. Since foreign branches are integral parts of their parent organizations, any defaults or other difficulties on loans carried on the books of the branches could have consequences similar to defaults on loans on the books of the banks' domestic offices.

In general, the portfolios of U.S. banks are sufficiently diversified that a problem with any major domestic or foreign borrower could be met from the banks' own resources. Banks' experience since World War II has been that major foreign borrowers do not default on their loans. Rather, they may suspend payments on interest and principal while the debt is being renegotiated; the losses, if any, to the banks in such cases are likely to be only a small percentage of the outstanding loans. In general, losses on banks' foreign loans have been less than on domestic loans.

In the unlikely event that default on foreign or domestic loans held either at a bank's domestic offices or foreign branches threatened the solvency of a bank, the FDIC would be liable to cover the insured deposits at that banks' domestic offices. Large deposits at domestic offices and all deposits at foreign branches are not guaranteed by the FDIC; however, depositors might eventually realize a portion of such deposits depending upon the ultimate value of the assets of the bank concerned.

Question 7. The "Special Report to the President and to the Congress on U.S. Participation in the Supplementary Financing Facility of the International Monetary Fund, September 1977" of the National Advisery Council on International Monetary and Financial Policies states that, in the period 1974 through 1976, cumulative current account deficits equal about $225 billion, of which some $170 billion were financed largely through market-oriented borrowing mostly through banks and securities markets.

What is the aggregate figure on loans to foreign governments by U.S. banks? What portion of loans to foreign governments are made to developing countries? Are U.S. bank placements with foreign banks used as an indirect method for balance of payments financing?

What is the total of OPEC deposits in U.S. banks? Are these deposits adequate to fund all balance of payments-related lending by U.S. banks?

What is the average maturity of OPEC deposits? What is the average maturity of loans by U.S. banks to foreign governments?

Answer. The foreign country exposure report for June 30, 1977 indicated that American banks had $42.1 billion in loans to foreign governments, of which $18.7 billion, or 44 percent were to governments in developing countries. On that same date U.S. banks had placements with foreign banks of $42.5 billion, a large proportion of which was to banks with head offices in the industrial countries. It is impossible to trace the specific uses of the funds placed by U.S. banks with foreign banks because foreign banks derive funds from a variety of sources and use the funds for a variety of purposes, including making placements with other banks.

As of September 30, 1977, total OPEC deposits at U.S. banks were $28 billion. There is, however, no particular reason for loans to foreign governments to be matched against OPEC deposits. Moreover, since U.S. banks lend to foreign governments for many purposes, it is not always possible to determine which loans are specifically related to balance of payments financing.

Data collected for the Senate Subcommittee on Multinational Corporations (renamed the Subcommittee on Foreign Economic Policy) indicated that, as of end-1975, about one-half of the liabilities of a sample of 21 large U.S. banks to OPEC countries had a maturity of 30 days or less, and the remainder had a maturity of over thirty days. Our best esitmates are that OPEC countries have lengthened the average maturity of their deposits with U.S. banks somewhat since December 1975.

Precise information is not available on the maturity of U.S. bank lending to foreign governments. Data collected from U.S. banks for a survey in December 1976 indicated that about one-half of total U.S. bank lending to non-G–10 countries other than the offshore banking centers (an exclusion which eliminates most interbank transactions) represented claims with one year or less to maturity.

Question 8. If there is a continuation of sizable imbalances in current accounts of countries, will balance of payments problems increase the likelihood that foreign central banks will limit the availability of foreign exchange for repayment of loans by private borrowers in a given country? The balance of payments problems, then, increase risk factors involving the entire foreign portfolios of commercial banks?

Answer. A country with a deficit in its current account must obtain the means to finance that deficit. A current-account deficit can involve some risks but when countries take strong measures to control the level of deficit the risks may not be large. It must be remembered that the developing countries as a group are capital importers and should be expected to have a deficit in their current accounts. So long as these countries borrow for productive purposes, including improving their capacity to export, increases in debt need not increase risks.

It is possible that a country experiencing balance of payments difficulties might limit the availability of foreign exchange for repayment of loans by private borrowers. However, this type of restriction would probably be counterproductive as it would inhibit future capital flows, both official and private, to the country imposing the restriction.

While the current account deficits of the non-oil-producing countries continue to be large, in aggregate they have been reduced from peak levels. Moreover, risks in international lending will depend less on the aggregate size of the current account deficits than on the ability of individual countries to maintain internal and external financial stability. Some of the countries with the largest external debts have adopted stabilization programs and have brought their payments deficits to manageable proportions, and in some cases these countries have been shifted into surplus. Other countries still need to adopt and implement stabilization programs, in some cases with the assistance of the IMF.

Question 9. Figures available to the Committee indicate that there have been significant increases both in the share of total assets which represent claims on foreign borrowers, and the rate of increase in foreign lending.

What proportion of total U.S. bank assets, in both domestic and foreign offices, represent claims on foreign borrowers? Would you provide figures for previous years, back to 1970, and indicate the annual rate of increase for each year? Would you also indicate the annual rate of increase in domestic assets?

In view of these increases, should additional foreign lending be encouraged? Is there reason to believe that U.S. banks can expand their capital base sufficiently to support additional foreign lending at recent rates of increase? Are their liquid assets sufficient to insure that additional long term balance of payments loans will not impair the liquidity of individual banks and/or the banking system as a whole?

Answer. The attached table indicates the total amount of U.S. assets of insured commercial banks and the amounts that represent claims on foreign and domestic borrowers.

Last spring Chairman Burns noted that rates of growth in foreign lending suggested a need for slowing down in foreign lending, and such a slowing down has in fact taken place. Some further growth in outstanding foreign loans, however, is to be expected, reflecting the fact that developing countries will have current account deficits.

The question of the capital adequacy of U.S. banks is a complex issue and cannot be adequately summarized in a few ratios. The decline in capital ratios for banks which has taken place in recent years appears to have been arrested. The ratio of capital to assets for banks with total assets exceed-

ing $5 billion—i.e., those banks that account for the majority of foreign lending of all U.S. banks—has increased from 4.92 per cent in December 1974 to 5.44 per cent as of June 1977. Moreover, net loan losses for these banks as a percentage of total assets have declined from 0.65 per cent in 1975 to an annualized rate of 0.46 per cent in the first half of 1977. While this improvement is encouraging the Federal Reserve would welcome a further strengthening of the capital positions of large member banks. The Federal Reserve through its "go-slow" policy in approving investments has encouraged member banks to improve their capital bases.

The liquidity position of U.S. banks is also difficult to summarize briefly; however, in recent years the liquidity position of large banks has improved somewhat. Between December 1974 and June 1977 the ratio of loans to total assets for the large banks declined from .58 to .54, while their ratio of cash and securities to total assets increased from .26 to .29. The improvement in these liquidity ratios, which has occured during a period of relatively rapid growth in foreign lending, is an encouraging development and suggests that prudent extensions of foreign credits will not impair the liquidity of individual banks or the banking system.

ATTACHMENT TO QUESTION 9.—TOTAL DOMESTIC AND FOREIGN ASSETS OF U.S. BANKS

[In billions of dollars]

Date	Total consolidated assets of all insured banks [1]	Claims on foreigners [2]	Claims on domestic residents [3]	Percentage increase from previous year: Total assets	Claims on foreigners	Claims on domestic residents
December 1970	614.5	40.1	574.4			
December 1971	694.0	57.9	636.1	12.9	44.4	10.7
December 1972	810.4	76.9	733.5	16.8	32.8	15.3
December 1973	943.8	110.5	833.3	16.5	43.7	13.6
December 1974	1,042.7	140.3	902.3	10.5	27.0	8.3
December 1975	1,092.1	161.8	930.3	4.7	15.3	3.1
December 1976	1,185.3	200.6	984.7	8.5	24.0	5.8
June 1977	1,231.2	211.4	1,019.8	[4] 7.7	[4] 10.8	[4] 7.1

[1] From Consolidated Report of Condition, including foreign and domestic office data.
[2] Total foreign claims on Treasury balance-of-payments reports for banks in the United States less claims held by U.S. offices of foreign banks. Total foreign claims reported on FR 502 form for foreign branches of U.S. banks less claims on related branches and less branch liabilities to their head offices.
[3] Total assets less total foreign claims.
[4] Estimated annual rate of growth from data for 6 mos.

Question 10. In your view are balance of payments loans an appropriate form of lending for commercial banks? Do they entail greater risks than loans to foreign commercial borrowers? Do you believe that continued private bank lending to finance balance of payments deficits is safe?

Answer. The soundness of an individual loan, and its appropriateness for bank portfolios, depends both on whether the loan is used for a productive purpose and on the financial condition and policies of the borrower, public or private. Loans for the purpose of helping to meet a country's general external financing requirements can benefit not only the lending bank and the borrowing country but also the general economic welfare—provided that the loan is soundly based. International lending by banks in the aftermath of the sharp oil price increases and the accompanying dislocations in the world economy helped prevent financial strains from cumulating dangerously. Both U.S. exports and the domestic economy have been helped by banking's role in international lending.

One cannot generalize about the risk of a particular type of loan. Nor is it always possible to identify a balance of payments loan. All international loans should be made on the basis of full financial information regarding the borrowing country. They should also promote rather than detract from the financial stability of the borrowing country. So long as private banks follow these principles, loans to finance payments deficits in isolated cases would not necessarily be unsafe for banks, and could well benefit the international financial system.

Question A. Undersecretary Solomon's testimony before the Subcommittee he indicated that over the next three years the private banks will absorb $170 billion?

Are the U.S. banks capable of prudently absorbing a major portion of the $170 billion? How much of the debt is anticipated to be financed by U.S. banks? Coupled with the existing level of outstanding debt, what are the prudent U.S. bank lending limits over the next three years?

Answer. Aggregate payments deficits of foreign countries are not expected to be as large in the next three years as during 1974–76. Moreover, a number of individual borrowing countries have already made adjustments in their internal financial positions, and as a consequence improved their international trade and payments positions. Adjustments are still needed by other countries, however.

Foreign borrowing countries can be expected to draw on a number of different sources of credit: foreign governments, international lending institutions, the IMF (including the proposed Supplementary Financing Facility) and the private market. U.S. banks are likely to continue to account for a significant share of the financing provided by the private market, but as the rate of expansion of such financing declines, we would expect an accompanying lessening in the volume of credit provided by U.S. banks. In the first nine months of 1977, for example, outstanding U.S. bank lending to the smaller developed countries, non-oil LDCs and Eastern Europe—the principal borrowers outside of the industrial countries—has risen by about $7 billion, compared to a rise of $10 billion in the comparable period of 1976. (See attached table.)

One cannot judge from aggregate figures whether any given amount of growth in bank loan portfolios is prudent. A judgment on this point requires examination of the terms, conditions and characteristics of individual credits. It also requires an evaluation of the concentrations of such loans in the loan portfolios of individual banks, and of the credit extension procedures in those banks. On the basis of examinations of U.S. banks engaged in international lending and of their lending record to date, it appears that these banks are, on the whole, exercising prudent standards in their international business.

ATTACHMENT TO QUESTION A.—U.S. BANK CLAIMS ON FOREIGNERS

[End of month; in billions of dollars]

	Outstanding					Increase in 9 mo	
	1975		1976		September 1977		
	September	December	September	December		1976	1977
I. G–10 Countries and offshore financial centers	103.0	107.4	114.1	126.4	131.5	6.7	5.1
II. Oil-exporting countries	6.3	6.9	10.4	12.6	16.4	3.5	3.8
III. Other countries	48.9	53.2	63.5	68.9	75.9	10.3	7.0
Of which:							
Other developed countries	10.0	10.7	13.4	15.0	18.1	2.7	3.1
Nonoil developing countries	31.7	34.0	40.1	43.3	47.6	6.1	4.4
Eastern Europe	3.1	3.7	4.7	5.2	5.1	1.0	−.1
Miscellaneous and unallocated	4.1	4.8	5.4	5.4	5.1	.6	−.3
IV. Total	158.2	167.5	188.0	207.8	223.8	20.5	16.0

Note: Data are adjusted to exclude U.S. agencies and branches of foreign banks and to exclude accounts between offices of the same parent bank.

Question B. Regarding the OPEC surplus: How much has already been deposited in U.S. banks and their foreign subsidiaries? (1970–77) What are the terms of deposits? How much has been invested in U.S. Treasury notes and other governmental obligations? How much has been directly or indirectly invested in the other sectors of the U.S. economy? How much of the OPEC surpluses do you anticipate will be deposited directly in U.S. banks and their foreign subsidiaries over each of the next three years Invested in U.S. Treasury notes and other governmental obligations? Directly or indirectly invested in other sectors of the U.S. economy? What do

you anticipate will be the terms of the deposits?

Answer: At the end of September 1977, oil-exporting countries held deposits in U.S. banks, including their foreign branches, in the amount of $28.4 billion, virtually all of which have been acquired since the end of 1973. Of the $9.0 billion of deposits held at domestic offices, $7.9 billion or 88 per cent, had a maturity of one year or less. Comparable maturity data do not exist for deposits at foreign branches. A special survey of 21 large U.S. banks as of December 1975 showed that about one-half of the combined liabilities to OPEC of domestic offices and foreign branches had a maturity of 30 days or less and the remainder a maturity of over 30 days. It is believed that the average maturity has since lengthened.

Oil-exporting countries held Treasury bills and Treasury bonds and notes in the amount of $15.2 billion at the end of September 1977, almost entirely acquired since 1973. These countries bought about $5 billion of U.S. bonds (other than Treasury bonds) and $4.8 billion of U.S. equities in 1974–76 and the first nine months of 1977; it is believed that any purchases before 1974 were negligible. Nonbanking concerns in the United States owe $1.8 billion to creditors in oil-exporting countries. Some of these debts may represent short-term investments of OPEC countries in instruments other than bank deposits and Treasury bills, while others may represent OPEC credits to U.S. importers. We do not have data on other types of investments by oil-exporting countries in the United States.

It is not possible to forecast how large the investments of oil-exporting countries in the United States, or U.S. bank branches abroad, will be in the next three years, nor to forecast the specific forms these investments will take. Our estimates indicate that the oil-exporting countries invested about one-fourth of their current-account surpluses in the United States in 1975–76 and the first half of 1977. This experience suggests that roughly one-fourth of the surpluses in the years immediately ahead may be invested in the United States. The investments in the United States in the first nine months of 1977 were at an annual rate of about $10 billion.

Question C. Regarding the current international lending portfolio of U.S. banks.

What are the terms of the loans generally and specifically what are the terms to the less-developed countries? What do you anticipate will be the terms of loans to the LDCs over the next three years? Is there currently a situation where U.S. banks receive short-term foreign deposits and make long-term foreign loans? How extensive is it? Does this policy shift the long-term liability to American depositors? How do you view accepting short-term deposits as a basis for long-term lending? Is there any danger in such a policy? What are you doing to monitor such activity so as to be able to foresee potential problems? What actions would you take if such a short-term deposit/long lending policy was deemed by you to jeopardize the safety and soundness of a financial institution?

Answer. Loans by foreign branches of U.S. banks to nonbank borrowers in the Euro-dollar market are priced by adding on a spread to the cost of funds to prime banks in the London interbank market; this cost is known as LIBOR ("London interbank offer rate"). The spread varies with the maturity of the loan as well as the quality of the borrower. Market reports indicate that on three-month loans prime borrowers currently pay a spread of ¼ to ½ percent. For medium-term loans, which are typically for five or seven years, the highest rated borrowers, including a few developing countries, now pay spreads of ¾ to 1 percent for the first few years, but usually slightly more for the later years of the loan. Other borrowing countries, including both industrial countries and non-oil-producing countries, currently pay spreads ranging up to about 2⅛ percent, with the majority of recent loans to such countries carrying spreads of 1½ to 1¾ percent. So-called front-end fees (one-time payments) may add to the equivalent of ⅛ to ¼ percent of the cost of funds to the borrower.

U.S. banks make medium-term Euro-dollar loans on the basis of deposits of shorter average maturity. Such transformations of maturies are a traditional function of all banks. However, Euro-dollar loans carry interest rates that, as noted above, are based on LIBOR and are usually set every three or six months on the basis of the current level of LIBOR for three- or six-month deposits. Therefore, changes in the cost of Euro-dollar funds to banks are quickly reflected in the rates paid by borrowers. When a situation arises where banks have to pay higher rates on deposits in order to retain the funds needed to maintain their loan portfolios, these higher costs are swiftly passed on the borrower. The experience of banks in past periods of high interest rates, such as 1974, has shown that the variable interest rate feature of Euro-market lending in general gives banks adequate protection against a negative interest rate spread in financing medium-term loans.

The Federal Reserve does not now collect data on the maturities of Euro-dollar deposits and loans at U.S. bank branches. However, the Bank of England collects such data quarterly for American (and other) banks in London, the center of the Euro-dollar market. In May 1977, 5 per cent of the liabilities of American banks in London were of one year maturity or more, while 18 per cent of the assets were of those maturities. Data collected prior to 1974 by the Federal Reserve showed that the average maturity of Euro-dollar deposits of U.S. bank branches in London was about the same as the average maturity of banks' CD's issued in the United States.

Avoidance of excessive reliance on short-term volatile funds to finance medium-term loans is an essential part of overall prudent bank management, and is not uniquely related to international operations. A bank's reliance on volatile funds is evaluated in connection with a review of the bank's general liquidity position in the course of the bank examinations process. The procedures available to bank supervisors to reduce risks would be those regularly used in bank examinations. If necessary, the Federal Reserve could institute cease and desist proceedings to stop practices that would threaten the viability of the institutions.

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, D.C., January 9, 1978.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance, and Urban Affairs, Washington, D.C.

DEAR CHAIRMAN REUSS: This is in reply to your letter of December 15, 1977, wherein you request our responses to eleven questions to serve as background for future consideration of H.R. 9214. The responses to your questions are made in numerical order and are followed by the responses to Congressman Cavanaugh's questions.

Question 1. As of June 30, 1977, $22.8 billion or approximately 10 percent of the total liabilities of foreign branches of U.S. banks were borrowing from their parent banks in the United States. These deposits were used primarily to support foreign lending through the branches. In addition, private banks in the United States have made foreign loans and purchased foreign-related bankers acceptances. What is the total amount of lending supported by U.S. funds? What impact does this have on domestic credit markets?

Response. A major activity of foreign branches is to attract dollar funds which, for one reason or another, depositors prefer to hold in Eurodollar banks rather than our domestic banks. As the Eurodollar market has expanded and the size and number of U.S. foreign branches have increased concomitantly, total liabilities and assets of branches vis-a-vis their parent banks have also increased.

Increased liabilities to parent banks, in and of themselves, do not necessarily indicate increased underwriting of foreign branch loans by parent banks. The liabilities of foreign branches to parents net of claims on parents are a more appropriate barometer of the degree to which parents have supported foreign lending through branches. Net liabilities between parents and branches, presented in the attached table, have varied directly with the relative strength of domestic credit demand versus credit demand in the Eurodollar market. When greater demands for credit in the Eurodollar market during 1974–75 increased relative loan yields, the higher net position indicates that U.S. banks supported more lending through branches.

U.S. BANK NET POSITIONS VIS-A-VIS FOREIGN BRANCHES AND DIRECT FOREIGN LOANS AND PLACEMENTS

[In billions of dollars]

	December 1974	December 1975	December 1976	June 1977	September 1977	October 1977
Parent claims on branches	37.1	30.7	23.1	20.0	24.8	21.6
Parent liabilities to branches	4.1	4.9	4.9	5.6	1.0	4.6
Net position	33.0	25.8	18.2	14.4	23.8	17.0
Parent claims on foreigners	85.9	78.8	65.1	67.3	62.7	63.0
Parent liabilities to foreigners	83.1	84.1	72.7	70.4	72.7	69.3
Net position	2.8	−5.3	−7.6	−3.1	−10.0	−6.3
Combined net position for domestic offices of U.S. banks	35.8	20.6	10.6	11.3	13.8	10.7

Source: Federal Reserve.

More recently, the data indicates a decline in net positions between parents and branches. While the net position has been variable in response to changing credit market conditions around the world, we do not consider it excessive. As of October, 1977, net liabilities of branches to parents represented about 8 percent of total branch liabilities and about 1.5 percent of the total U.S. commercial bank liabilities.

As a measure of the total amount of foreign lending supported by U.S. funds, the final row of the attached table presents the combined net position of U.S. banks vis-a-vis foreign branches and direct loan and deposit transactions with foreigners. Since 1974 and 1975, when the excess of claims over liabilities were $35.8 billion and $20.6 billion, respectively, the combined net position has remained near the $11 billion to $14 billion range. Based on recent trends and past history, we can only conclude that foreign lending supported by U.S. funds has not been excessive, nor has it had a significant detrimental effect on domestic credit markets.

Question 2. The "Special Report to the President and to the Congress on U.S. Participation in the Supplementary Financing Facility in the International Monetary Fund, September 1977" of the National Advisory Council on International Monetary and Financial Policies states that, in the period 1974 through 1976, cumulative current account deficits equaled about $225 billion, of which some $170 billion were financed largely through market-oriented borrowing, mostly through banks and securities markets.

What is the aggregate figure on loans to foreign governments by U.S. banks? What portion of loans to foreign governments are made to developing countries? Are U.S. bank placements with foreign banks used as an indirect method for balance of payments financing?

What is the total of OPEC deposits in U.S. banks? Are these deposits adequate to fund all balance of payments-related lending by U.S. banks?

What is the average maturity of OPEC deposits? What is the average maturity of loans by U.S. banks to foreign governments?

Response. Based on data from the Federal Reserve Country Exposure Reports, U.S. banks have outstanding foreign public sector credits and loans guaranteed by foreign governments of approximately $42 billion. Of this amount, $19 billion has been extended to non-oil exporting less developed countries (LDCs).

Assuming that your reference to "balance of payments financing" loans refers to loans to foreign governments and central banks to supplement foreign exchange reserves used in supporting and effecting an official balance of payments policy, available evidence indicates that a very small portion of U.S. bank foreign loans are used for balance of payments financing. World Bank data indicate that the majority of medium term loans, whether direct or through interbank placement with foreign banks, are loans to finance development projects and capital formation that are part of capital account inflows to LDCs. Though capital account inflows have been abnormally large since 1974 because oil related current account deficits have reduced LDCs' internal sources of development financing, it is natural and desirable that developing countries remain net debtors to the industrial countries. This is true in the short run because the industrial countries have banking institutions capable of recycling petrodollars while economic adjustments to higher oil prices take place. It is true in the long run because the industrial countries will have a relative excess of capital as long as differentials in development exist.

Publicized Eurodollar loan statistics compiled by the World Bank indicate that loans by branches of U.S. banks to foreign central banks and ministries of finance are infrequent. There is no discernible relationship between the volume of such loans and the volume of OPEC deposits. By contrast, development financing and capital account inflows of LDCs are related to oil payments and petrodollar recycling because oil deficits in LDCs have increased reliance on external sources of capital formation. Although OPEC deposits have provided U.S. banks with additional means to fund loans to LDCs, a one to one relation does not exist between the volume of OPEC deposits and the volume of LDC loans. U.S. banks have diverse sources and uses of funds. OPEC deposits represent only 3 percent of total U.S. bank deposits, and OPEC deposits of $28 billion exceed U.S. bank loans of $19 billion guaranteed by LDC governments.

Of loans to and guaranteed by foreign governments, at least half have maturities of less than one year and are primarily self-liquidating trade credit. The majority of the remaining loans are medium term Eurodollar credits (averaging five to six years) and are negotiated as variable rate loans at a spread above the London Interbank Offer Rate (LIBOR). Since the LIBOR is reestablished every six months, the effective interest rates on such loans vary directly with market rates. Banks do not bear the risk normally associated with lending long and borrowing short, i.e., being locked into a given yield on loans while bearing risk of increasing rates on deposits used to fund the loans. Thus, it is perfectly acceptable for a bank to fund longer term variable rate loans with three, six, and twelve-month deposits as long as the bank is viewed as a viable institution by the market so that the bank maintains access to deposit and interbank funds.

Federal Reserve data indicate that approximately half of OPEC deposits in U. S. banks have maturities greater than 30 days. Approximately half of U.S. bank foreign loans have maturities of greater than one year. A sample of world bank medium term Eurodollar loan data indicates that syndicated U. S. bank loan maturities to LDCs have fallen from an average of nine years in 1973 to between 5.5 and six years in 1976–77.

Question 3. If there is a continuation of sizable imbalances in current accounts of countries, will balance of payments problems increase the likelihood that foreign central banks will limit the availability of foreign exchange for repayment of loans by private borrowers in a given country? Do balance of payments problems, then, increase risk factors involving the entire foreign portfolios of commercial banks?

Response. Foreign exchange controls could curtail repayment of loans by private foreign borrowers, but current account deficits do not portend the necessity of foreign exchange controls, nor do current account deficits alone imply balance of payments problems. Using the example from my answer to Question 2, it is expected and acceptable that LDCs run current account deficits and surpluses on capital account to a degree. The capital account surpluses are in effect financing the current account deficits. But assuming that the capital inflow produces adequate growth in export and import competing industries, a balance of payments problem does not exist.

Although every country should not be expected to maintain a balance on current account, the large oil payments to OPEC countries have reduced current account surpluses or increased current account deficits from long run sustainable levels for the rest of the world. The "oil deficits" reflect the transfer of wealth and capital flows implicit in higher oil prices. By financing these deficits in the short run, the inflows on capital account have enabled deficit countries to avoid the disruptive consequences of economic policies designed to bring a rapid return to current account balances which are sustainable in the long run. Such drastic internal economic adjustments to reduce oil consumption would have taken a toll in greater losses of output and unemployed resources than actually realized as a result of higher oil prices.

With continued recovery of world economic growth rates, there is no reason to believe that deficit countries cannot pursue the economic adjustments and reductions in oil consumption necessary to achieve sustainable current account balances. During the interim period, petrodollar funds will continue to provide world capital financing. U.S. banks have proven to be efficient intermediaries for these funds, as evidenced by the volume of petrodollar recycling conducted, the contribution of foreign earnings to the income of large U.S. banks, and the continued performance of foreign loan portfolios. By channeling funds toward the greatest demands in world credit markets, U.S. banks have contributed to international financial stability as well as their own revenue. While I believe that my general characterization of current account imbalances as aceptable and temporary phenomena is correct, economic difficulties have certainly created bona fide balance of payments problems in some countries. It is my feeling and, I believe, the feeling of the banking industry as a whole, that commercial banks should and have played more limited roles in financing the needs of such conutries.

Question 4. Are banks' systems of evaluating country risk adequate? What efforts have been made by the regulatory agencies to evaluate country risk? Is there, or should there be, coordination between private banks and regulatory authorities in evaluating country risk? Should the State and Treasury Departments share in making such evaluations? Should such evaluations also involve the IMF and World Bank?

Response. Country risk evaluation systems are being accorded high priority by banks engaged in international finance. Most State nonmember insured commercial banks engaging in such activity are owned by or affiliated with a parent company with a worldwide banking network. Reports are received from the parent company which summarize information relative to the political conditions, economic stability, social fabric and future prospects of a particular country. This information is gleaned from reports of bank employees in the country or through visitations by lending officers and is augmented by available economic data. These studies are reviewed and analyzed by bank economists and senior lending officials with the objective of determining the appropriate volume of funding and type of loans and investments to be channeled into the country consistent with the goals and strategies of the bank's board of directors.

The foregoing description of the methodology to assess country risk employed by banks under our supervision generally typifies the customary procedure utilized by banks engaged in foreign lending. In our judgment, the system is adequate to assess country risk particularly in view of the favorable record of loan losses in foreign lending. Nevertheless, indications are that the banking industry is actively pursuing the development of more structured, uniform and systematic risk assessment formats which will facilitate comparisons of economic, political and social conditions within various borrowing countries with the objective of deriving a ranking of country credit-worthiness. These supplemental approaches provide expanded information used to allocate funds and monitor conditions affecting loan performance. A fundamental ingredient to the success of these systems is

the receipt of timely and more precise statistical data describing relevant economic trends and conditions.

The increasing activity of American banks in international banking has precipitated a reconsideration of traditional approaches to country risk evaluation used by the three Federal bank regulatory agencies. At the outset it is worthwhile to describe the current framework and proceed to describe interagency efforts to improve the ability to systematically evaluate country risk and monitor the exposure levels for the industry as a whole.

The country risk evaluations of the bank regulatory agencies have been left primarily to the individual examiner's judgment based on his/her assessment of political, economic and social indicators, along with the credit history and financial condition of the borrower. In recent years the Office of the Comptroller of the Currency and the Federal Reserve Bank of New York have formed committees to study risks involved in foreign public sector credits and to provide guidance to examiners in their evaluation of country risk. However, the growth of foreign lending, both in terms of volume and complexity, has rendered individual country evaluations difficult. In addition, there has been some variance in examiner evaluation of country risk. These factors suggested the need for a more uniform and systematic method of dealing with the problem of country risk exposure.

The first step toward adopting a more uniform interagency approach to country risk was taken in July of this year when the Federal bank regulatory agencies requested banks under their supervision to submit data on bank deposits, loans, investments and commitments to lend to foreign borrowers (Country Exposure Report). Collection of this information set the stage for the commencement of interagency discussions of a single uniform method of evaluating country risk. The initial experiment with the Country Exposure Report has proven to be highly beneficial and the three Federal bank regulatory agencies have now adopted the form as a standard reporting mechanism to be completed on a semiannual basis (periods ending June 30 and December 31) by banks that have substantial foreign banking activities. It is anticipated that aggregate data will be published periodically. We attach hereto, as Exhibit A, a copy of the report schedule and instructions which were mailed to selected banks on December 23, 1977.

The examination process, to some extent, provides a framework for coordination of country risk analysis. The bank's perceptions are obtained by the regulatory authorities through the examiner's review of data and analyses contained in bank credit files. The views of the regulatory authorities are stated via oral remarks of the examiner during discussions with senior management, and if appropriate, through written commentary on criticized assets or in the Examiner's Comments and Conclusions. The bank is then afforded an opportunity to set forth more formally its position in its response to the report of examination. From this standpoint we can state that there has been some cross fertilization of ideas and exchange of information regarding the risk posed in lending to certain countries. In the formal sense, however, regulatory authorities and commercial banks have never jointly evaluated country risk.

The question of coordination must be considered in light of the differing responsibilities of banks and bank regulatory authorities. Our approach to bank supervision has been to achieve a balance between our responsibilities as a regulatory authority to assure a safe and sound banking environment which serves the credit needs of each bank's market area and the promotion of a free market place where the lending and investment strategy of a bank are essentially matters for bank management to decide. Within this framework, it is axiomatic that individual bank management must make its own portofolio decisions and be held accountable for ill-advised or reckless decisions. Congress has provided the regulators with the authority to impose remedial measures in the event bank management fails to perform its duties properly. Formal coordination between the private and public sectors in evaluating country risk would present a departure from our perceived mission as bank regulators.

We believe a sharing of expertise and information by the State and Treasury Departments with respect to political circumstances and economic trends in foreign countries would be useful inputs in the country-risk evaluation process. These agencies have apprised the Federal bank regulatory agencies on such factors upon specific request. Such information has also been supplied to private banks by the State Department's Bureau of Economic Affairs and by its individual country desks.

The IMF and World Bank are organizations with access to a wide range of economic, political and social information. A good deal of these data are confidential in nature and could not be divulged without potentially severe economic and political repercussions. As such, the involvement of the IMF or the World Bank in the country risk evaluation process could jeopardize their independent standing as official international lenders. Nevertheless, it may be useful to continue to pursue a dialogue with these two entities with the objective of seeking their assistance in obtaining a more timely and precise data flow from various nations.

Question 5. Figures available to the Committee indicate that there have been significant increases both in the share of total assets which represent claims on foreign borrowers, and the rate of increase in foreign lending. What proportion of total U.S. bank assets in both domestic and foreign offices, represent claims on foreign borrowers? Would you provide figures for previous years, back to 1970, and indicate the annual rate of increase for each year? Would you indicate the annual rate of increase in domestic assets?

In view of these increases, should additional foreign lending be encouraged? Is there reason to believe that U.S. banks can expand their capital base sufficiently to support additional foreign lending at recent rates of increase? Are their liquid assets sufficient to insure that additional long term balance of payments loans will not impair the liquidity of individual banks and/or the banking system as a whole?

Response. The information you request on relative growth rates of foreign and domestic assets of U.S. banks has been forwarded to the FDIC by the Federal Reserve in the attached table.

Our analysis indicates that U.S. banks as a whole have exercised due caution in their international lending programs. Especially as regards lending to LDCs, U.S. banks have demonstrated an awareness and responsiveness to differences in country risk, continuing or expanding loan programs primarily in the LCDs classfiied as "high income" by the World Bank. Additionally, banks have adjusted both real amounts of loans supplied and interest spreads as indicators of country risk (internal inflation rates, debt-GNP ratios, and debt service requirements) have changed.

TOTAL DOMESTIC AND FOREIGN ASSETS OF U.S. BANKS

[In billions of dollars]

Date	Total consolidated assets of all insured banks [1]	Claims on foreigners [2]	Claims on domestic residents [3]	Percentage increase from previous: Total assets	Percentage increase from previous: Claims on foreigners	Percentage increase from previous: Claims on domestic residents
December 1970	614.5	40.1	574.4			
December 1971	694.0	57.9	636.1	12.9	4.4	10.7
December 1972	810.4	76.9	733.5	16.8	32.8	15.3
December 1973	943.8	110.5	833.3	16.5	43.7	13.6
December 1974	1,042.7	140.3	902.3	10.5	27.0	8.3
December 1975	1,092.1	161.8	930.3	4.7	15.3	3.1
December 1976	1,185.3	200.6	984.7	8.5	24.0	5.8
June 1977	1,231.2	211.4	1,019.8	[4] 7.7	[4] 10.8	[4] 7.1

[1] From consolidated report of condition, including foreign and domestic office data.
[2] Total foreign claims on Treasury balance of payments reports for banks in the United States less claims held by U.S. offices of foreign banks. Total foreign claims reported on FR 502 form for foreign branches of U.S. banks less claims on related branches and less branch liabilities to their head offices.
[3] Total assets less total foreign claims.
[4] Estimated annual rate of growth from data for 6-mo.

We are keenly aware of the need for banks to augment their capital base if the burgeoning demand for credit both at home and abroad is to be funded. In light of the past ability of banks to take the steps necessary to maintain an acceptable capital base in relation to risk assets, it is not unreasonable to conclude that banks can and will continue to take whatever action is needed to maintain an adequate capital cushion regardless of the impact of foreign lending activities. Historically, banks have maintained an adequate level of capital through the sale of equity and debt capital as well as through retention of earnings. Indications are that banks are using these means to increase capital. However, if a particular bank or the industry as a whole is incapable of maintaining a safe level of capital in relation to risk asset growth, it is the responsibility of bank management, in the first instance, to curtail expansive lending until the appropriate level is achieved. Furthermore, through the use of surveillance

and enforcement authority, the agencies should encourage banks to maintain acceptable capital bases either through capital accretion or a retrenchment of lending activity, or both.

Although the capital position of the industry has been enhanced somewhat over the last two years through a slowdown in domestic loan demand and retention of earnings, increased loan demand, stimulated by world-wide economic recovery, will probably, place renewed pressure on capital cushions. Absent some turn-around in the bank stock market, it appears that the major sources of capital augmentation will be increased earnings retention, debt capital or preferred stock. Since many large U.S. banks have enjoyed substantial income from foreign portfolios, and a few have derived their principal income from foreign investments, foreign lending has acually contributed to banks' ability to maintain or raise capital through retained earnings. We believe that the need for additional capital will be met, but we also believe that the growth of foreign lending may have to be curtailed if significant capital augmentation is not forthcoming.

The institutional arrangements of medium term Eurodollar lending tends to insulate U.S. banks from much of the potential liquidity pressures arising from expansion of international loan portfolios. As stated in our response to Question Number 2, these floating rate loans are funded primarily through short term deposits. A viable financial institution maintains constant access to deposit and interbank funds at market rates, and any cost increases or decreases are rapidly passed on to the borrowing entity. Accordingly, the institutional mechanics of Eurodollar lending and the fact that much of U.S. bank medium term foreign lending passes through foreign branches should allay undue concern over liquidity problems in the international portfolio.

Question 6. Deposits payable in foreign branch offices of U.S. banks are not insured. But, in view of the sizable borrowings of foreign branches from their parent banks, isn't the FDIC now indirectly involved in insuring a substantial portion of foreign branch deposits? Moreover, is it likely that a major default overseas would not involve the U.S. parent banks and thus also involve the FDIC?

Response. Deposits payable only in foreign branch offices of U.S. banks are not insured and, therefore, there is no direct risk to the insurance fund for such deposits. The legislative history of the Federal Deposit Insurance Act indicates that the omission of deposits in foreign branches from deposit insurance coverage was deliberate and was grounded on the premise that the additional cost of insurance would place U.S. banks in a poor competitive situation in foreign countries (Hearings on H.R. 5357, Before the House Committee on Banking and Currency, 74th Cong., 1st Sess. 72 (1935)).

The FDIC has two primary methods of protecting depositors in the event of a bank failure. One is to pay off deposits up to the present general insurance limit of $40,000 per depositor (12 U.S.C. Section 1821). Utilization of this method clearly does not include coverage of deposits payable only in foreign branches because insurance coverage is, by statute, not available for deposits payable only in foreign offices of American banks.

The other method is the so-called purchase and assumption transaction under Section 13(e) of the Act (12 U.S.C. Section 1823 (e)) whereby the FDIC assists an assumption of the failed bank's deposits and certain other liabilities by a sound bank. The effect of such a transaction is to provide full protection to all bona fide depositors of the bank, even though their accounts are over the $40,000 limit. To the extent that FDIC assistance facilitates such a transaction, the uninsured depositors do benefit indirectly from FDIC involvement. However, the statutorily imposed test which must be met before Section 13(e) may be employed is that its use "will reduce the risk or avert a threatened loss" to the FDIC.

Under present policy, in most cases of an impending bank failure the FDIC will first try to determine if a purchase and assumption transaction under Section 13(e) with FDIC assistance can be worked out with a healthy bank consistent with the statutory criteria set forth in Section 13(e) of the Act. Therefore, prior to entering into such a transaction, the Board of Directors of the FDIC will satisfy itself that the purchase and assumption route will either reduce the risk or be less costly to the insurance fund than the pay off of deposits method.

To summarize, the foreign branch deposits of a U.S. bank are not insured directly. Those deposits are, however, protected indirectly when a Section 13(e) purchase and assumption is used and the present policy of the FDIC favors the use of Section 13(e) whenever the statutory tests can be met.

There is no doubt that foreign, as well as domestic, activities of insured banks can adversely affect their safety and soundness and, therefore, have a direct impact on the FDIC's insurance risk, but only if a bank fails. Thus, a major default by a foreign borrower could, depending on the size of the default and the health of the bank involved, adversely affect the condition of the entire institution and, in turn, expose the insurance fund to loss.

Question 7. What steps has the Corporation taken to assess any additional risks to the Fund as a result of the substantial increase in foreign lending by U.S. banks? Do such loans involve special risk to the Fund?

Response. For convenience, we have designated our responses "(a)" and "(b)" to correspond to the two questions posed.

(a) The Corporation assesses the risk to the insurance fund posed by foreign, as well as domestic, lending by U.S. banks largely through the use of the examination process, review and analysis of examination reports furnished to the Corporation by the Office of the Comptroller of the Currency ("OCC") and the Federal Reserve, review and analysis of various statistical reports, and the operation of our recently instituted computerized Integrated Monitoring System.

Although the Corporation is the insurer of member as well as nonmember banks, we only directly supervise and regularly examine insured nonmember banks. Historically, relatively few banks under the direct supervision of the Corporation have been active in international banking.

The Corporation does not regularly examine nor does it otherwise directly supervise National or State member banks. The Corporation relies largely upon the information and data furnished by the OCC and the Federal Reserve to evaluate whether and how National and State member banks may affect the insurance fund.

Reports of examination of National and State member banks which are the subject of special supervisory efforts by the OCC or the Federal Reserve are reviewed as soon as received. In addition, bank examination reports for National and State member banks of $100 million or more in size, which are not the subject of special supervisory efforts by the Federal Reserve or the OCC, are regularly reviewed and analyzed. It is, of course, the banks in the $100 million or more size category which engage in virtually all of the international banking activity conducted by American banks. Finally, at least once every three years, the most recent examination reports provided us by the OCC and the Federal Reserve for National and State member banks of less than $100 million in size are reviewed.

An integral part to the examination process is the determination by an examiner of asset quality, both foreign and domestic, and concentration of risk in relation to total capital and reserves. The purpose is to alert management and the supervisor to the incipient and ongoing hazards of poor quality assets and a failure to diversify risk. Knowledge and analysis of these critical areas are perhaps the most important elements in evaluating the impact on the insurance fund of the international, as well as domestic, activity of banks. We believe that the examination process conducted by FDIC of State nonmember insured banks, coupled with the review and analysis of examination reports furnished to the Corporation by the Federal Reserve and the OCC for State member and National banks, has been sufficient to inform the Corporation of the potential impact on the insurance fund of the international activities of all insured banks.

In a further effort to increase our knowledge of the foreign country exposure of United States insured banks involved in international banking activities, we, together with our sister agencies, asked those banks which met certain criteria to report selective information about their claims on foreign residents, by country, as of June 30, 1977. The three Federal bank regulatory agencies found that the information provided was useful and have agreed to institute a regular report on country exposure on a semi-annual basis. Please refer to our response to Question Number 4 for discussion of the Country Exposure Report. The first such regular report will be completed by the banks meeting the criteria specified as of December 31, 1977. The information derived from the Country Exposure Report form should serve as a useful supplement to the review and analysis of examination reports and should provide important additional data on a timely basis.

In addition to the foregoing, the Corporation has expended considerable effort and resources in the past few years to upgrade its capabilities in the field on international banking supervision. Several of our examiners have regularly attended the School for International Banking at the University of Colorado and the international banking seminar conducted by the New York State Banking Department. Moreover, commencing in 1974, a new course of training for commissioned examiners was introduced at the FDIC's Training Center of the Division of Bank Supervision. The new course includes pertinent information for examining international banks. Approximately 290 examiners have attended that course to date. We are also exploring with our sister agencies the possibility of instituting on an interagency basis a more concentrated training program for examiners involved on a regular basis in the examination of international banking activities.

In areas other than training, new report of examination pages dealing specifically with international banking and foreign exchange, together with instructions for their use, were completed and forwarded to the FDIC's Regional Offices in April, 1977. International specialists recently hired by our Division of Bank Supervision and Division of Research are in the process of incorporating these new examination data and other relevant international banking information into our computerized Integrated Monitoring System. We have also recommended to Congress, both in 1975 and 1976, legislation to give the Corporation additional supervisory powers over the international activities of State nonmember insured banks in Bills S. 2233 and H.R. 9742 in 1975 and S. 895, which were introduced in March of 1977.

(b) In responding to the second portion

of your question, we assume that the phrase "special risk" means risk other than the type of risk normally experienced by banks engaging in domestic lending. It is axiomatic that risk is an integral part of all banking operations and the test of prudent and sound banking is the ability to keep the risk element within the bounds of reason. Banking risk in international lending, namely credit standing and repayment capabilities, is essentially the same type of risk as is faced by banks on the domestic level. While somewhat greater difficulties may be present in obtaining detailed credit information on foreign borrowers, similar difficulties may be experienced when a domestic bank attempts to make domestic loans outside its usual trade area. Thus, banking risk on the international level is essentially the same as on the domestic level, with adequate portfolio diversification being the fundamental protection against potentially incapacitating loan losses.

Experience and available information indicate that banks have been successful in limiting their risk exposure in the international field, especially when compared with domestic activities, in light of the relatively low losses they have experienced and the concomitant high income on their foreign portfolios. Historically, there have been few cases where countries refuse to pay or order their citizens not to pay foreign loans, because such action would seriously jeopardize the ability of the country to obtain foreign funding in the future. As in the case with troubled domestic borrowers, foreign loans are more likely to be rescheduled or renegotiated rather than payment being refused. Accordingly, there have been few cases in the last 20 years where banks experienced serious losses as a result of international exposure. Moreover, available evidence indicates that commercial banks have moved to protect themselves against excessive international risk. They have increased their expertise as international leaders, have undertaken more detailed analysis of economic conditions in individual countries, and have followed policies of both geographic and industry diversification to reduce such risk.

Question 8. In your view are balance of payments loans an appropriate form of lending for commercial banks? Do they entail greater risks than loans to foreign commercial borrowers? Do you believe that continued private bank lending to finance balance of payments deficits is safe?

Response. Commercial balance of payments lending to foreign governments for the purpose of supplementing foreign exchange reserves entails risks which differ from the risks of more ordinary commercial lending. Foreign exchange loans to central banks are riskier in the sense that they are not related to specific income and foreign exchange generating enterprises. However, these loans embody less risk in that they are direct claims on central banks and ministries of finance, ordinarily the most creditworthy of borrowers.

In extending balance of payments loans, commercial banks must assess the risk involved in lending to a particular government, as well as the soundness and consistency of the domestic and foreign economic policies expected to be pursued. Strong governments pursuing reasonable economic policies present acceptable banking risks, and the extent of commercial balance of payments lending does not indicate that such lending has been made unsafe or unduly risky.

Data available from the World Bank indicate that the extent of commercial lending to support official balance of payment policies of foreign governments has been minimal. By contrast, development lending guaranteed by foreign governments and representing surpluses on capital account has been extensive, with U.S. banks holding approximately $19 billion in foreign government guaranteed liabilities on non-oil LDCs. In general, commercial loans guaranteed by foreign governments represent lower risks than nonguaranteed loans. Such risks are "bankable" when the specific uses of the loan promise to be productive and the government's economic policies are expected to be sound. Overall, guaranteed commercial development lending and balance of payments lending is not viewed as unsafe or unduly risky.

Question A. In Under Secretary Solomon's testimony before the Subcommittee he indicated that over the next three years the private banks will absorb $170 billion.

Are the U.S. banks capable of prudently absorbing a major portion of the $170 billion? Coupled with the existing level of outstanding debt, what are the prudent U.S. bank lending limits over the next three years?

Response. Under Secretary Solomon's testimony of September 20, 1977, p. 16, before the Subcommittee on International Trade, Investment and Monetary Policy, referred to $170 billion in private market borrowing over the 1974–76 period to finance current account deficits. A large portion of this borrowing has been part of the recycling of the OPEC surplus on current account, and U.S. banks have been the intermediaries for a major portion of these funds.

International loan performance has been a high point in the recent operations of large U.S. banks. International loan portfolios have outperformed domestic portfolios by yielding higher returns as well as loan charge-offs four to five times lower than domestic loan charge-offs. These facts, bolstered by evidence that bank lending behavior is responsive to changing risk characteristics in international credit markets, suggest that U.S. banks have acted prudently.

It is difficult to anticipate the demand for international capital flows from private banks over the coming three years, but total lending should be somewhat less than the $170 billion of the preceding three years. This follows since the OPEC surplus, and thus the flow of petrodollars to commercial banks, will gradually decline as oil-importing countries continue internal economic adjustments and OPEC countries increase their imports of goods and services. If U.S. banks maintain prudent lending practices and foreign loan demand gradually declines as expected, there is no reason to believe that U.S. banks cannot prudently absorb the anticipated demands of creditworthy foreign borrowers in the future.

Question B. How much has already been deposited in U.S. banks and their foreign subsidiaries? (1970–77) What are the terms of deposits? How much has been invested in U.S. Treasury notes and other governmental obligations? How much has been directly or indirectly invested in the other sectors of the U.S. economy? How much of the OPEC surpluses do you anticipate will be deposited directly in U.S. banks and their foreign subsidiaries over each of the next three years? Invested in U.S. Treasury notes and other governmental obligations? Directly or indirectly invested in other sectors of the U.S. economy? What do you anticipate will be the terms of the deposits?

Response. OPEC countries have deposits of approximately $28 billion in U.S. banks and their branches, with $9 billion of deposits in home offices alone. Approximately $1 billion of home office deposits have maturities of more than one year. The $19 billion of Eurodollar deposits in U.S. branches are believed to be almost exclusively of maturities of less than one year. This follows from the Eurodollar market practice of matching short term deposits against short term loans and medium term floating rate loans (as described in my response to Question Number 2).

The FDIC does not directly monitor OPEC investments in the nonbanking sector, and we defer to the judgment of the Treasury and Federal Reserve on statistics and projections relating to such activities. As regards OPEC flows into U.S. banks, we believe that petrodollar deposits are likely to continue increasing at the current rate in the near future. As the OPEC surplus gradually declines over the longer run, growth rates for OPEC deposits should decline concomitantly.

Question C. Regarding the current international lending portfolio of U.S. banks: What are the terms of the loans generally and specifically what are the terms to the less developed countries? What do you anticipate will be the terms of loans to the LDCs over the next three years? Is there currently a situation where U.S. banks receive short term foreign deposits and make long term foreign loans? How extensive is it? Does this policy shift the long term liability to American depositors? How do you view accepting short term deposits as a basis for long term lending? Is there any danger in such a policy? What are you doing to monitor such activity so as to be able to foresee potential problems? What actions would you take if such a short term deposit/long term lending policy was deemed by you to jeopardize the safety and soundness of a financial institution?

Response. A great deal of international lending by U.S. banks takes place through Eurodollar branches, and of this lending, medium term (two to ten year) Eurodollar lending has been of primary interest and concern. As discussed in the response to Question Number 2, the return on these loans floats at a spread above the London Interbank Offer Rate (LIBOR). Since 1973–74, the terms of medium term Eurodollar lending to LDCs by U.S. banks have reflected falling term to maturity and rising interest spreads above LIBOR. During 1973–75, the maturities and interest rate spreads to major non-oil LDCs averaged eight to nine years and 1.3 percent, respectively. During 1976–77, maturities averaged six years and spreads averaged 1.6 percent to 1.7 percent.

The major adjustments in spreads and maturities came during 1975 when LDC demand for commercial loans rapidly increased in response to higher oil prices and the recession-induced decline in world commodity prices. Because full adjustments to reduce the OPEC surplus to sustainable long run levels are expected to take some time, LDC loan demand should decline slowly from current levels in the coming three years. Hence, the terms of LDC loans may well remain near current levels in the absence of additional credit demands in world markets. Recent evidence derived from World Bank statistics and preliminary FDC analysis indicates that the total volume of loans (adjusted for inflation) extended to LDCs through the Eurodollar market will fall approximately 10 percent in 1977 from the record levels of 1975–76.

Regarding your question concerning the practice and implications of U.S. banks accepting short term foreign deposits and making long term foreign loans, I refer you to the details of my response to Question Number 2. I would add that the Corporation monitors the overall relation of loans and deposits in its examination process and reviews examination data received from the Federal Reserve and OCC. If the safety and soundness of a bank is jeopardized by an imbalance of maturities between assets and liabilities, such information is recorded and the appropriate supervisory action would be taken by the FDIC or the agency with direct jurisdiction.

Sincerely,

GEORGE A. LEMAISTRE,
Chairman.

COMPTROLLER OF THE CURRENCY,
ADMINISTRATOR OF NATIONAL BANKS,
Washington, D.C., January 12, 1978.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter dated December 15, 1977, in which you pose several questions regarding the proposed U.S. participation in the International Monetary Fund's Supplementary Financing Facility. I will respond to your questions in the order in which they appear in your letter.

1. As of June 30, 1977, $22.8 billion or approximately 10 percent of the total liabilities of foreign branches of U.S. banks were borrowings from their parent banks in the United States. These deposits were used primarily to support foreign lending through the branches. In addition, private banks in the United States have made foreign loans and purchased foreign-related bankers acceptances. What is the total amount of foreign lending supported by U.S. funds? What impact does this have on domestic credit markets?

Data published in the Federal Reserve Bulletin reflect net foreign branch liabilities to their U.S. head offices of $19.2 billion as of June 30, 1977. Analysis of this data from 1968 through 1977 shows quarter-to-quarter variances which coincide with changes in U.S. credit market conditions. For instance, U.S. banks borrowed as much as $15.0 billion from their foreign branches to alleviate domestic tight money pressures during 1969–70. Conversely, the present foreign branch net borrowing situation began in 1975 when domestic credit demand began to slacken. Presumably this borrowing will lessen as the U.S. economy continues to gain momentum.

U.S. insured commercial bank, domestic only, Reports of Condition as of June 30, 1977, reflect an additional $9.5 billion in loans and interest bearing balances with foreign banks which are almost entirely offset by $8.2 billion in deposits taken from foreign banks and foreign branches of other U.S. banks. The latter net foreign assets of $1.3 billion, combined with the $19.2 billion are again partially offset by $7.5 billion in deposits taken from foreign governments and official institutions, central banks and international institutions. Therefore, $13.0 billion in international assets are identified as being supported by domestic funds and is believed to represent the great majority of U.S. funded international assets. I wish to emphasize that domestic deposits, because of reserve requirements, generally are not competitive with reserve-free Eurodeposits.

Consequently, domestic deposits would normally be lent abroad only when domestic credit demand is lagging. This important point is developed further in my response to question six. Suffice to say now, however, that changes in these credit flows are primarily a result of domestic credit conditions. Finally, the $13 billion only represents .76 percent of the total domestic deposits in U.S. financial intermediaries.

2. Deposits payable in foreign branch offices of U.S. banks are not insured. But, in view of the sizable borrowings of foreign branches from their parent banks, isn't the FDIC now indirectly involved in insuring a substantial portion of foreign branch deposits? Moreover, is it likely that a major default overseas would not involve the U.S. parent banks and thus also involve the FDIC?

The supervisory strategies of the Office of the Comptroller of the Currency are based on the assumption that national banks are responsible for the activities of their branches. The OCC's examination practices and procedures encompass each bank's consolidated global activities and are designed to focus on asset quality, operational soundness and management expertise within individual branches as well. Should problems develop in a given area, it is expected that the management, capital, liquidity and borrowing power of the parent will be utilized to resolve the problem as expediently, and with the least economic burden to the institution, as possible. This would in no way affect the FDIC except in the unlikely event of failure of the institution, in which case the FDIC would become receiver. If a liquidation were necessary, the FDIC would satisfy holders of insured domestic deposits and liquidate the assets in a manner most likely, on a pro rata basis, to recoup FDIC disbursements and satisfy remaining creditors. Therefore, any shortfall in the FDIC's pro rata share of recoveries from liquidation vis-a-vis insurance payouts could be construed as indirect support for uninsured liabilities, whether or not booked in foreign offices. However, after consideration of the ratio of insured deposits to uninsured liabilities of the particular institution, in conjunction with the FDIC's historically high rate of recovery on insurance fund disbursements, it is inconceivable that the FDIC could be considered to be indirectly involved in "insuring a substantial portion of foreign branch deposits."

3. The "Special Report to the President and to the Congress on U.S. Participation in the Supplementary Financing Facility of the International Monetary Fund, September 1977" of the National Advisory Council on International Monetary and Financial Policies states that, in the period 1974 through 1976, cumulative current account deficits equaled about $225 billion, of which some $170 billion were financed largely through market-oriented borrowing, mostly through banks and securities markets.

What is the aggregate figure on loans to foreign governments by U.S. banks? What portion of loans to foreign governments are made to developing countries? Are U.S. bank placements with foreign banks used as an indirect method for balance of payments financing?

What is the total of OPEC deposits in U.S. banks? Are these deposits adequate to fund all balance of payments-related lending by U.S. banks?

What is the average maturity of OPEC deposits? What is the average maturity of loans by U.S. banks to foreign governments?

Specific figures for U.S. bank "loans" to foreign governments are not available. However, this Office together with the Federal Reserve System and the Federal Deposit Insurance Corporation collected country exposure data as of June 30, 1977, which aggregates all outstanding external currency "claims" on banks and other public and private sector borrowers by country. Preliminary aggregation of these reports, before adjustments for balances guaranteed by U.S. residents, indicates U.S. bank external currency claims on foreign public sector borrowers totaling $52,297 million (including banks of $9,682 million) with additional external currency claims on private sector borrowers of $112,971 million (including banks of $49,296). Total external currency claims of $165,268 million are broken down by categories, as defined by the World Bank, in Table I.

Data collected by the Federal Reserve System reflect direct OPEC deposits in U.S. banks totaling $28 billion. Maturity information applicable to these data, as of December 1975, indicated that about half of the total had contracted maturities of 30 days or less. More current maturity information is not available at this time.

Country exposure information collected as of June 30, 1977, does not provide separate maturity schedules for the individual, public and private, "bank" and "other" borrower data. However, preliminary aggregates for maturities of these four claims categories are: $104,192 million, or 63 percent, due in under one year; $47,797 million, or 29 percent, due in one to five years; and, $13,279 million, or 8 percent, due in five years and over.

Your questions regarding balance of payments loans raise many issues for which a concise response is difficult. I would define a balance of payment loan as an international loan denominated in a currency external to the country of the borrower and which is granted for general foreign exchange liquidity rather than specific commercial or development purposes. Such loans usually are identifiable only through detailed loan-by-loan analysis. National Bank Examiners routinely perform this analysis with regard to loans made to foreign government instrumentalities particularly where such determinations are required in order to judge compliance with the legal lending limits. At present, there is no systematic data collection process for these loans any more than there is for corporate "working capital" loans. However, all indications are that pure balance of payment loans are few.

Balance of payment borrowing could be accomplished through bank placement transactions and normal market forces naturally will result in higher rates to identified, continuous takers of interbank funds. Balance of payment-related bank placements, however, are significantly more difficult to recognize than are balance of payment loans and higher rates to banks within certain countries are not, in any way, an indication of pure balance of payments borrowing; they might very likely be used primarily for internal or external commercial lending purposes. Furthermore, because of the large number of foreign participants in offshore financial markets who may be direct takers of OPEC deposits and the high volume of interbank dealing between U.S. and foreign banks, any specific comparisons, direct or abstract, between the volume of OPEC deposits in U.S. banks and U.S. bank lending, whether international or domestic, are meaningless.

4. If there is a continuation of sizable imbalances in currency accounts of countries, will balance of payments problems increase the likelihood that foreign central banks will limit the availability of foreign exchange for repayment of loans by private borrowers in a given country? Do balance of payments problems, then increase risk factors involving the entire foreign portfolios of commercial banks?

Current account deficits which are not offset by foreign investment, borrowing or grants-in-aid necessitate a reduction in exchange reserves; increasing the likelihood (short of eventual correction of the deficits themselves through exchange rate adjustments) that some systems of exchange rationing will become necessary. Responsible central bankers and other public officials would strive to establish priorities relative to imports and debt service requirements to maintain creditworthiness in the eyes of those governments, banks and suppliers most likely to continue to provide credit. This would indicate that service of debt would continue to be given high priority.

Balance of payments "problems" can have a direct impact on the liquidity and soundness of bank's external currency loans, due from borrowers within a given country, the repayment of which is affected by the relative levels of exchange reserves held by the country. Local currency loans, depending upon the manner in which they are funded, generally would be affected only indirectly and normally to a lesser degree. Loans to locally based multinational entities which earn exchange externally, might escape adverse impact altogether. Therefore, the fact that risks exist is apparent; the important thing is that the risks differ significantly among

countries and each situation must be viewed independently.

5. Are banks' systems of evaluating country risk adequate? What efforts have been made by the regulatory agencies to evaluate country risk? Is there, or should there be, coordination between private banks and regulatory authorities in evaluating country risk? Should the State and Treasury Department share in making such evaluations? Should such evaluations also involve the IMF and World Bank?

U.S. banks have expended substantial monetary and human resources toward the development of sophisticated quantitative data systems as well as improved quantitative studies encompassing all of the credit considerations necessary to evaluate and monitor "country risk" lending. Surveys conducted by the OCC, the Federal Reserve and the Export-Import Bank of the United States as well as examination reports indicate that some systems differ in terms of the relative importance of quantitative or qualitative factors. However, the methods of country risk analysis employed by our major banks are as sophisticated as can be found anywhere.

The methodology employed by this Office is described in Appendix I. The three Federal regulatory agencies have initiated a strong effort to develop a uniform approach to country risk analysis.

There is no formal coordination between the private banks and the regulatory authorities in evaluating country risk. However, one of the major strengths of any regulatory program is the access to all of the bank generated information which is inaccessible to others. Regulators can compile and compare information from all sources. In the event of asset criticisms, the OCC program provides all participating banks with a narrative statement of the underlying reasons for the criticism. Some new information might thereby be made available to some banks or, at very least, the system serves an extremely important information verification function. Therefore, the coordination that does exist is helpful. Actual joint evaluations, on the other hand, must not be encouraged because of credit allocation implications and because bankers must be responsible for their own credit decisions which must be made in relation to the unique market strategy and risk diversification requirements of each individual institution.

Treasury and State Department country analyses are considered in bank examiners' loan evaluations as supplemental tools. However, the bank regulators must make independent assessments unrelated to the public policy considerations which are of particular concern to these Departments. Examiner decisions regarding loan quality must be based on factual credit considerations, relating to specific loans, which permit sound subsequent portfolio and institutional analysis.

The analysis and information service capabilities, as well as the disciplinary influence which the World Bank and IMF may have over public sector borrowers, are invaluable to the credit supervision processes within our banking system. However, they are international credit institutions with fundamentally equal responsibilities to all member nations. It is imperative that their autonomy and integrity be preserved. It is equally important that our free-enterprise system not be compromised. Therefore, it is proper that credit judgment and bank supervision be left to the discretion of appropriate parties within member nations.

6. Figures available to the Committee indicate that there have been significant increases both in the share of total assets which represent claims on foreign borrowers, and the rate of increase in foreign lending.

What proportion of total U.S. bank assets, in both domestic and foreign offices, represent claims on foreign borrowers? Would you provide figures for previous years, back to 1970, and indicate the annual rate of increase for each year? Would you also indicate the annual rate of increase in domestic assets?

In view of these increases, should additional foreign lending be encouraged? Is there reason to believe that U.S. banks can expand their capital base sufficiently to support additional foreign lending at recent rates of increase? Are their liquid assets sufficient to insure that additional long term balance of payments loans will not impair the liquidity of individual banks and/or the banking system as a whole?

You ask what proportion of total U.S. bank assets, in both domestic and foreign offices, represent claims on foreign borrowers. Preliminary aggregates of data collected through a new interagency Country Exposure Report, from banks of $1 billion and more in assets, as of June 30, 1977, reflect external currency claims on foreign borrowers of approximately $165 billion plus foreign office local currency claims of $46 billion, the latter of which are almost entirely funded by local currency liabilities of $39 billion. The total of these asset figures equals $211 billion. However, of this total, $26.5 billion represent external currency claims on foreign offices of other U.S. banks while external currency claims of another $1.5 billion are guaranteed by U.S. residents. Actual claims on foreign borrowers, therefore, equal approximately $183 billion or 14.9% of the $1,231 billion in total assets reported on the June 30, 1977, Consolidated Reports of Condition (Including Domestic and Foreign Subsidiaries).

Since the Country Exposure Reports represent the first collection of data based upon the residence of international borrowers, comparative data for prior years are not available. Therefore, June 30, 1977, and parallel data for prior years, as reflected in TABLE II, have been compiled primarily by deducting applicable items on the domestic-only reports of condition from corresponding items on the consolidated foreign and domestic reports of condition. As a result, these figures relate to international assets in general and do not focus strictly on obligations due from foreigners. Compilations could have been performed in another manner, however, by virtue of the coincidental equality of the $183 billion in claims on foreign borrowers calculated above and the $182 billion in international assets reflected in TABLE II, the ratios displayed can be considered representative of those requested.

Despite the generally depressed equity and domestic credit markets in recent years, U.S. banks managed during 1973 and 1974 to arrest the previous decline in their equity capital to asset ratios and significant improvement has been demonstrated through the first half of 1977. With domestic earnings remaining relatively flat, the substantial growth in earnings from international operations has been the principal means of internal capital generation and may be the most significant supportive factor underlying recent increases in new equity issuances.

Other positive indicators include a reduction in the percentage of net loan losses to total assets from .65% in 1975 to .46% on an annualized basis for the first half of 1977, and a significantly lower rate of international asset growth for 1977 based on annualized first half figures. In general, annual rates of growth in international assets have been significantly reduced since 1973 and annual changes in year-end equity to international asset ratios have been dramatically reduced since 1972. I am encouraged by these signs and I believe that U.S. banks can expand their capital base sufficiently to support additional foreign lending at their most recent rates of increase. I also believe, however, that much of the recent improvement is due to an acute realization of the very real pressures of our financial capital marketplace and I expect that the managers of our major banks will pursue even greater improvement to ensure an easing of these pressures.

As explained in my response to question three, U.S. commercial bank loans normally are for specific commercial or development purposes; pure balance of payment loans are few. There is no reason to believe that a pure balance of payment loan need be any less liquid than any other loan made by a bank. Similarly, a balance of payment loan is subject to the same analysis encompassing financial cash flow, future prospects and management capability as are all other types of loans. Our examination procedures include such analyses to determine the liquidity and soundness of individual loans and investments. These analyses are essential in determining the overall liquidity of individual banks. In this regard, the liquidity of a major bank is heavily reliant on the confidence each major bank enjoys in the marketplace from its peer banks. As long as a major bank has the confidence of its peers, it has access to liquid funds. Our examination procedures emphasize an in-depth study of each bank's money-market practices, policies, and procedures to insure that the market confidence in every major bank is maintained.

Your broader question regarding the liquidity of our international banking system as a whole and particularly as it relates to balance of payments, can be addressed most clearly through statistics which are not of in-country, local currency, assets and liabilities booked in foreign branches. Data as of June 30, 1977, reflect total liabilities of foreign offices of $183.8 billion, less in-country, local currency liabilities of $39.4 billion, equaling a total of $144.4 billion from "offshore" funding sources. This total, when combined with the $19.2 billion in foreign branch borrowing from domestic offices mentioned under question one, equals a total of $163.6 billion in liabilities acquired to fund the total external currency claims on foreign borrowers reflected in TABLE I. Of those claims of $165.3 billion, $104.2 billion or 63 percent are due within one year, $47.8 billion or 29 percent are due in one to five years, $13.3 billion or only 8 percent are due in over five years. In addition, $59 billion or 35.7 percent represent bank placements and represent a high degree of liquidity in the interbank market itself, particularly since this ratio of bank placements to total offshore interbank liabilities is representative of those maintained by our banks individually for many years. In conclusion, then, I do not expect any major changes in these liquidity indicators over the next few years.

7. In your view are balance of payments loans an appropriate form of lending for commercial banks? Do they entail greater risks than loans to foreign commercial borrowers? Do you believe that continued private bank lending to finance balance of payments deficits is safe?

As stated in my response to question six, there is no reason to believe that balance of payment related loans need entail a higher degree of risk than any other general type of loan. Banks have been making working capital loans to commercial enterprises for many years. The more important question with regard to future bank loans for such purposes is whether timely information necessary to assess the underlying prospects for orderly repayment is made available by the borrowers. In this regard, an overriding safeguard has been provided in the proposed interpretive ruling about 12 USC 84, a copy of which is attached as Appendix II. That ruling requires the necessary information for analysis of loan repayment. The ruling also subjects all loans to the public sector of a country to 10 percent of the capital and surplus of each national bank if the borrowers fail to demonstrate adequate means of repayment or if

the loans are used primarily for balance of payment purposes.

With regard to Congressman Cavanaugh's questions:

A. In Under Secretary Solomon's testimony before the Subcommittee he indicated that over the next three years the private banks will absorb $170 billion.

1. Are the U.S. banks capable of prudently absorbing a major portion of the $170 billion?

2. (a) How much of the debt is anticipated to be financed by U.S. banks? (b) Coupled with the existing level of outstanding debt, what are the prudent U.S. bank lending limits over the next three years?

B. Regarding the OPEC surplus:

1. (a) How much has already been deposited in U.S. banks and their foreign subsidiaries (1970–77)? (b) What are the terms of deposits?

2. How much has been invested in U.S. Treasury notes and other governmental obligations?

3. How much has been directly or indirectly invested in the other sectors of the U.S. economy?

4. (a) How much of the OPEC surpluses do you anticipate will be deposited directly in U.S. banks and their foreign subsidiaries over each of the next three years? (b) Invested in U.S. Treasury notes and other governmental obligations? (c) Directly or indirectly invested in other sectors of the U.S. economy?

5. What do you anticipate will be the terms of the deposits?

C. Regarding the current international lending portfolio of U.S. banks:

1. What are the terms of the loans generally and specifically what are the terms to the less developed countries?

2. What do you anticipate will be the terms of loans to the LDC's over the next three years?

3. (a) Is there currently a situation where U.S. banks receive short term foreign deposits and make long term foreign loans? (b) How extensive is it? (c) Does this policy shift the long term liability to American depositors?

4. (a) How do you view accepting short term deposits as a basis for long term lending? (b) Is there any danger in such a policy?

5. What are you doing to monitor such activity so as to be able to foresee potential problems?

6. What actions would you take if such a short term deposit/long term lending policy was deemed by you to jeopardize the safety and soundness of a financial institution?

I believe questions A. 1 and 2, are adequately covered under item six above. Question B. 1 is answered under item three. I must defer questions B. 2, 3, 4 and 5 to the other Offices of the Department of the Treasury since their staffs are much closer to the issues involved and can provide a more meaningful response. Concerning C. 1 and 2, I do not foresee any major changes in the terms (maturities) of loans over the next three years from those provided for question six above.

Questions C. 3, 4, 5 and 6: Most international loans are floating rate loans for which the rates charged are established in terms of a fixed percentage over the bank's cost of funds in the London interbank market. Since the interbank rate is subject to some change, the rate charged the borrower, regardless of the final maturity date on the note, is scheduled, at the outset, to periodic future adjustments; usually at six month intervals. Normal practice, therefore, (absent of long and short term interest rate differential implications) is for banks to fund such loans in accordance with their predetermined interest adjustment schedules. It is reasonable to assume, therefore, that a significant portion of the assets identified, in item six above, as maturing in excess of one year represent longer term lending with short term borrowings. This practice has developed over many years, in part because long term deposits proportionate to longer term loan demand have not been available and the inherent rate risks involved in operating in such a market are hereby minimized if not completely eliminated. Naturally, the liquidity implications remain and must be managed carefully; thus, the relatively high ratio of interbank assets to loans and the very high degree of attention given to liquidity and funds management in our examination procedures. Were my staff to identify a policy or practice of short term deposit/long term lending policy which was deemed to jeopardize the safety and soundness of a financial institution, I would naturally utilize all of the persuasive and legal powers available to my Office to ensure correction of the problem.

I sincerely regret not having been able to respond to your letter by January 5, as requested, but I believe that this important issue warrants the most thorough analysis possible. I hope this information is helpful to you and your Committee and I appreciate the opportunity to have been of assistance.

Sincerely,

JOHN G. HEIMANN,
Comptroller of the Currency.

TABLE I.—PRELIMINARY: OUTSTANDING EXTERNAL CURRENCY CLAIMS OF U.S. BANKS ON FOREIGN BORROWERS [1]

Countries	Public sector	Private sector	Total	Percent
Developed countries	14,723	66,861	81,584	49.4
Developing countries by income group (excluding oil exporters):				
Higher income	5,144	14,744	19,888	12.0
Upper middle income	15,209	20,584	35,793	21.7
Middle income	1,940	4,631	6,571	4.0
Lower income	386	167	553	.3
Oil exporting developing countries	5,146	4,799	9,945	6.0
Centrally planned countries	4,357	439	4,796	2.9
Other unidentified countries	1,121	5,017	6,138	3.7
Total	48,026	117,242	165,268	100.0

[1] Data represents advances to foreign borrowers (including acceptances executed by U.S. banks and outstandings) before adjustments for guarantees by residents of the United States

TABLE II.—ASSET AND EQUITY DATA FOR ALL INSURED COMMERCIAL BANKS (UNITED STATES AND OTHER AREAS)[1] (IN MILLIONS OF DOLLARS)

	1969	1970	1971	1972	1973	1974	1975	1976	June 30, 1977 (preliminary)
Assets:									
Consolidated domestic and international assets	545,270	605,771	684,896	800,990	933,459	1,029,092	1,077 759	1,185,309	1,231,175
(Percent growth)		(11.10)	(13.06)	(16.95)	(16.54)	(10.25)	(4.73)	(9.98)	[2] (7.74)
Domestic assets	518,474	564,118	626,956	723,646	816,577	895,738	934,959	1,011,329	1,048,91
(Percent growth)		(8.08)	(11.14)	(15.42)	(12.84)	(9.69)	(4.38)	(8.17)	[2] (7.43)
International assets	26,796	41,653	57,940	77,344	116,882	133,354	142,800	173,980	182,264
(Percent growth)		(55.44)	(39.10)	(33.49)	(51.12)	(14.09)	(7.08)	(21.83)	[2] (9.52)
Equity:									
Equity capital	38,010	41,104	44,759	49,216	55,008	60,633	65,844	72,266	75,508
(Percent growth)		(8.14)	(8.89)	(9.96)	(11.77)	(10.23)	(8.59)	(9.75)	[2] (8.97)
Equity and capital notes	40,028	43,196	47,745	53,323	59,170	64,894	70,226	77,487	80,931
(Percent growth)		(7.1)	(10.53)	(11.68)	(10.97)	(9.67)	(8.22)	(10.34)	[2] (8.89)
Equity capital ratios:									
Equity/consolidated assets	6.97	6.79	6.54	6.14	5.89	5.89	6.11	6.10	[2] 5.13
Equity/domestic assets	7.33	7.29	7.14	6.80	6.74	6.77	7.04	7.15	[2] 7.20
Equity/international assets	141.85	98.68	77.25	63.63	47.06	45.47	46.11	41.54	[2] 41.43

[1] These data are extracted from consolidated and domestic only reports of condition for all insured U.S. commercial banks. Data from 1969–75 have been adjusted to fit 1976–77 call report definitions, by adding the contingency reserve to equity capital and subtracting the valuation reserve and unearned income from assets.

[2] Estimated annual percentages based on the 1st 6-mo increases.

THE OCC'S FOREIGN PUBLIC SECTOR CREDIT REVIEW COMMITTEE

Background

Prior to July 1974, national bank examiners were required to evaluate, independently, all credits involving country risk just as they always have been required to evaluate domestic loans. With the increase in international lending by an increasing number of national banks during the late 1960's and early 1970's it became apparent that a few examiners in various parts of the country had reached different conclusions regarding similar, and sometimes the same, loans. The banking industry justly complained about this dissimilar treatment and the OCC shared the bankers' concern. Analysis indicated that the problem centered in large, syndicated, unsecured, public sector credits. The differences were due primarily to diverse levels of examiner experience regarding country risk analysis as well as a vast difference in the quality of credit information encountered among banks. The solution to the immediate problem appeared to require the formation of a committee which, given a broader information base, could study each situation in question and render a uniform opinion to be applied to each such credit during every national bank examination.

In July, 1974, the responsibility for evaluating foreign public sector loans was placed with a committee comprised of the OCC's most experienced international examiners from Washington, New York, Chicago, and San Francisco. These examiners continually examine, both in the U.S. and overseas, our country's major multinational banks. Through their examinations, they have developed the skills necessary to evaluate properly foreign public sector loans and it is emphasized here that these major banks' international portfolios generally contain every type of such loan. Therefore, the

perspectives which the committee members develop through their examinations of these major banks are applicable to the examination of all national banks which lend internationally.

Purpose

The OCC recognizes that countries normally do not disappear as can corporate borrowers, and that, traditionally, foreign public sector loans in national banks have an excellent record of ultimate repayment. The OCC also recognizes, however, that historically national banks have not held in portfolio the increased levels of foreign public sector loans which they hold today. The primary purpose of the committee, therefore, is to evaluate these loans not only for ultimate loss potential, but, more appropriately, for early identification of those large credits or blocks of credits which could become illiquid and remain in banks' portfolios, in some form, long after their currently scheduled maturities. The committee evaluations result in loans being placed into one of five categories relating to the liquidity and soundness of the asset.

(1) Pass—The loan is repaying as structured and analysis of the loan indicates no foreseeable interruption in regular payments or eventual payout.

(2) Especially Mentioned—The loan is repaying as structured but analysis indicates factual inherent conditions which could lead to an interruption of regular payments.

(3) Substandard—Orderly repayment is jeopardized or has been interrupted, resulting in a slow paying loan. Ultimate payment in full is expected.

(4) Doubtful—There is no performance and full repayment appears tenuous.

(5) Loss—There is no performance and no repayment is expected during the near future. The loan is not bankable, requiring its removal from the bank's assets. A loss classification does not mean that principal never will be recovered.

The committee disseminates its decisions to all national bank examiners who apply them uniformly during their examinations.

Procedures

The committee's evaluation procedures represent an extension of the traditional OCC examination process. The three committee examiners from New York, Chicago, and San Francisco, independently of each other, continually conduct examinations of the major national banks in those cities. Examiners outside of New York, San Francisco, and Chicago often receive, through their examinations of regional financial center banks, information relevant to the committee purpose. These examiners document their findings and forward their information to OCC headquarters for use and research by the committee. Thus, all areas in the nation have access to the committee process.

The committee's examiners begin their examinations of foreign public sector loans by determining the amounts of each borrower's liabilities due the bank under examination. The examiners also determine the structure of the loans, e.g. whether the loans are payable in the borrower's local currency or in an external currency; whether the loans are short or long term; or, whether the loans are secured or unsecured. The examiners then review the borrower's financial information held by the bank as support for making the loans. The examiners next analyze the financial condition of the borrower in relation to the loans outstanding. Finally, the examiners discuss their analysis with the bank's lending officers in order to obtain information about the loans which may not yet be on file, and in order to receive the officers' opinions about the borrowers' ability to pay those loans.

The committee members meet quarterly in Washington to discuss their individual findings from examinations conducted during the quarter. The members also review data in OCC headquarters' files including that available from other U.S. government sources. The members then evaluate, as a committee, the foreign public sector loans repayable in currencies external to that of the borrowers, and assess whether the borrowers have or likely will have the external currency available to pay the national bank loans when payments are due.

Generally, the committee first looks to external economic information; e.g. balance of payments trends over the last few years, the expected results for the next twelve months (the short term), and the external debt structure as well as the service requirements for the same period. The committee's evaluations of loans maturing within twelve months are heavily influenced by the anticipated current account balance and current year's debt service in relation to such factors as available IMF facilities, reserve levels, official and private loan commitments, foreign investment trends and the attitude among bankers toward further lending. Generally, if a borrower appears to have the capacity to repay short term loans and appears willing to honor the indebtedness, the committee will "pass" the loans. Should a borrower appear to face a critical short term shortage of foreign exchange and lack availability of credit, the committee may "Especially Mention" the short term loans. The committee normally does not criticize short-term trade credits unless they become delinquent or require refinancing.

The committee's evaluations of medium and long term loans place greater emphasis on the social/political effects of prevailing economic trends, and their impact on prospective cash flow's for external debt service. The committee weighs such things as the borrower's external debt size and structure in relation to consistency of revenues; realism in projections relative to global commodity consumption and prices; attractiveness to foreign investors; natural and human resource potential; willingness and ability to recognize economic/budgetary problems and formulate appropriate remedial or long term plans; the anticipated social impact of remedial actions; and, finally, the feasibility of implementing such actions, given the form of government and the internal political climate.

The uncertainties involved in judging long term risks are apparent. However, it is the degree of these uncertainties that is of concern to the committee. Generally, the committee does not criticize long term loans which are paying as agreed and which show positive trends for continued performance. If social, political and economic trends are adversely affecting the availability of foreign exchange for debt service, long term loans might be "Especially Mentioned." The committee classifies more severely loans which are not meeting scheduled payments, and/or which show trends indicating protracted repayment difficulties.

It is emphasized that the committee evaluations do not apply to foreign public sector loans denominated in the currency of the country where the borrower is located. The committee evaluations also do not apply directly to foreign private sector loans. As a practical matter, the committee is not in a position to evaluate the financial condition of every private borrower, or to determine whether a private borrower in a particular country can generate sufficient exchange outside that country to service its own obligations. Therefore, independent examiner judgment is required to determine whether private sector credits are of lesser or greater quality than those loans evaluated by the committee.

Finally, the OCC's Foreign Public Sector Credit Review Committee is an in-house bank examination vehicle. It is important that the committee's determinations be recognized, not as some sort of credit allocation device nor as an order to cease lending within a particular country but, as only one source of objective opinion regarding specific types of credit. The Comptroller of the Currency believes that decisions to grant or refuse loans are best left to the discretion of qualified professional lenders. For these reasons, the OCC does not distribute committee criticisms nationwide but communicates those criticisms only to bankers during the normal course of a regular bank examination.

(Department of the Treasury, Comptroller of the Currency [12 CFR Part 7]

LOANS TO FOREIGN GOVERNMENTS, THEIR AGENCIES AND INSTRUMENTALITIES

NOTICE OF PROPOSED RULEMAKING

Agency: Comptroller of the Currency.

Action: Proposed rule.

Summary: The proposed interpretive ruling summarizes principles which the Comptroller of the Currency believes applicable to the combining of loans made by national banks to foreign governments, their agencies and instrumentalities under the lending limit provision of 12 U.S.C. § 84. A new interpretive ruling is necessary because existing interpretive rulings applying the combining principles of 12 U.S.C. § 84 do not directly address such loans.

Dates: Written comments must be received on or before _____ (60 days from publication in the *Federal Register*).

Addresses: Comments should be addressed to Mr. John S. Shockey, Chief Counsel, Comptroller of the Currency, Washington, D.C., 20219.

For further information contact:

Mr. Larry Mallinger, Staff Attorney, Office of the Comptroller of the Currency, Washington, D.C. 20219 (202) 447–1880.

Supplementary information: In recent years there has been rapid growth in lending by commercial banks to foreign governments, their agencies, and instrumentalities. This growth has required national bank examiners to give increasing attention to the applicability of the statutory lending limits of 12 U.S.C. § 84 to such credits. In this process, specific questions have been raised as to how such loans should be combined for purposes of applying the lending limits.

The present series of formal interpretive rulings applicable to the combining of loans under 12 U.S.C. § 84 (12 CFR 7.1310–7.1320) do not specifically address the types of inquiries which should be made in the case of credits related in one way or another to a foreign government. However, for some time the Comptroller's staff has advised banks making specific inquiries of two general principles. First, that foreign governments and government-related entities are regarded as "persons" under the language of 12 U.S.C. § 84. Second, that loans to foreign government-related entities that have a significant degree of independence from the central government in their sources and uses of funds will not be combined with loans to the central government so long as such entities satisfactorily evidence means of repayment that are not substantially dependent upon general revenues of the central government. Implicit in these individual rulings has been the understanding that the borrowing by an individual entity is for the purpose of satisfying funding needs related to its own activities. This second principle has been expressed in staff opinions issued over the past several years in terms of the "means" and "purpose" tests.

Because of the increased number of circumstances in which examiners and bank officers must take the lending limits into account in reviewing loans to foreign gov-

ernments and their instrumentalities, the Comptroller proposes to state the applicable principles and minimum documentation requirements in an interpretive ruling.

The proposed ruling addresses the following items.

First, loans to foreign governments, their agencies and instrumentalities will be combined under 12 U.S.C. § 84 if they fail to meet either the "means" or "purpose" test.

Second, these tests will apply to all existing and new loans at the time each new loan is made.

Third, the borrower is required to provide a statement describing with particularity the purpose of the loan. Normally this will be sufficient to satisfy the requirements of the "purpose" test. However, the ruling makes it clear that when a bank has available to it other information suggesting a use of proceeds inconsistent with the borrower's representation, it may not, without further inquiry, accept the representation.

Fourth, certain additional documentation is required to enable the bank to carry out its responsibility of reasonable investigation and to satisfy examiner inquiry under the "means" and "purpose" tests. In part, because of the threshold need to identify properly the real borrower, the additional documentation includes a statement describing the borrowing entity's legal status and relationship to the central government. Also required are financial statements for the borrowing entity for each of the three years prior to the making of the loan (or for each year less than three that the borrower has been in existence) and for each year the loan is outstanding, and analytical opinions by management supporting their assessment of the borrowing entity's ability to service the loans.

In a number of other areas, the proposed interpretative ruling does not attempt to establish firm boundaries because the differences in function and operation of various foreign governments and their related entities cannot be so inflexibly addressed. For example, the documentation required under the proposed ruling suggests that the presence or absence of central government support for the borrowing entity is a relevant inquiry. Some central government support whether direct or in the form of a guarantee would not, without more, require combining. However, where such support approaches a relatively large percentage or a principal portion of the borrowing entity's annual revenues, such as 50 percent, or where but for the presence of a governmental guarantee the bank would not consider the borrower to have sufficient credit standing, a presumption of lack of independent means may arise.

The proposed interpretive ruling does not supplant current interpretive rulings (12 CFR 7.1310–7.1420) applicable to the combining of loans to partnerships, corporations and their subsidiaries, and certain other common enterprises. Thus, 12 CFR 7.1310 remains applicable to loans to foreign entities organized as corporations whether or not they are related in some way to the central government.

While the proposed interpretive ruling states the inquiries which the Comptroller's Office for sometime has believed appropriate in applying 12 U.S.C. § 84 to loans to foreign governments and their related entities, the specific terminology used in the ruling may be unfamiliar to some banks. In this connection, it should be clearly understood that the principles expressed in the ruling will not be applied by the Comptroller's Office to reverse prior examiner determinations on particular bank loan portfolios. However, because the principles expressed in the ruling are directly related to existing statutory requirements, these principles should be carefully considered in connection with any new loans made by national banks to foreign governments and their related entities during the comment period.

The Administrative Procedure Act does not require notice and solicitation of comments in connection with interpretive rules (5 U.S.C. 553(b)). However, the Comptroller has elected to afford opportunity to comment on the proposed amendment.

PROPOSED RULING

For the reasons stated above, the Comptroller proposes to amend 12 CFR Part 7 by adding a new section 7.1330 to read as follows:

§ 7.1330. Loans to foreign governments, their agencies, and instrumentalities.

(a) Loans to foreign governments, their agencies, and instrumentalities will be combined under 12 U.S.C. § 84 if they fail to meet either of the following tests:

(1) The borrowing entity must have resources or income of its own sufficient over time to service its debt obligations ("means" test);

(2) The loan proceeds must be used by the borrowing entity in the conduct of its business and for the purpose represented in the loan agreement or otherwise acknowledged in writing by the borrowing entity ("purpose" test). This does not preclude converting the loan proceeds into local currency prior to use by the borrowing entity.

These tests will be applied at the time each loan is made.

(b) In order to show that the "means" and "purpose" tests have been satisfied, a bank shall, at a minimum, assemble and retain in its files the following items:

(1) A statement and supporting documentation describing the legal status of the borrowing entity and showing its ownership and any form of control that may be exercised directly or indirectly by the central government.

(2) Financial statements for the borrowing entity for a minimum of three years prior to making the loan or for each year less than three that the borrowing entity has been in existence.

(3) Financial statements for each year the loan is outstanding.

(4) The bank's assessment of the borrower's means of servicing the loan including specific reasons justifying that assessment. Such assessments shall include an analysis of the financial history of the borrower, the present and projected economic and financial performance of the borrower, and the significance or lack of significance of any guarantees or other financial support by third parties, including the central government.

(5) A written statement from the borrower describing with particularity the purpose of the loan. Normally, such a statement will be regarded as sufficient evidence to meet the "purpose" test requirements. However, when the bank knows or has reason to know of other information suggesting a use of proceeds inconsistent with the representation in the statement, it may not, without further inquiry, accept that representation.

JOHN G. HEIMANN.
Comptroller of the Currency.

During full committee markup in January our distinguished colleague from New York, Mr. PATTISON, offered an anti-bail-out amendment similar to the amendment that I had intended to offer today. To quote from page 7 of the committee report on this legislation—

The amendment was not adopted. However, during its consideration, members of the Committee expressed support for the principle that debtor countries should treat all creditors on a comparable basis. The Committee, therefore, supports the Administration's policy announced on January 5, 1978, which states that the United States will participate in debt reorganizations only if "the debtor country agrees to make all reasonable efforts to reorganize unguaranteed private credits . . . on terms comparable to those covering government or government guaranteed credits."

The amendment which is before us now, in effect, raises the U.S. policy on multilateral debt reorganization to the forefront of the consideration of the U.S. Executive Director in his activities in the International Monetary Fund concerning the use of supplementary financing facility resources.

This is a significant step.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from New York.

Mr. RICHMOND. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment by Mr. CAVANAUGH. It is suggested by supporters of the Witteveen Facility that it would enhance an otherwise sound international lending system providing mutual benefits for both lenders and borrowers, to both industrialized and underdeveloped countries.

We are offered mollifying phrases: The facility, we are told is not meant to bail out the banks, rather it is designed to aid countries with acute balance-of-payments problems.

Recently, I asked our representative to IMF who precisely the recipients of this aid would be and I could not get an answer. It seems we are to take it on faith that those who conceived this idea, those who would administer it, those who would contribute their resources, and those who will receive loans from the facility will all be joined in a communion of good will, right purpose, and mutual benefit. I suggest, however, that the issue is more complex than this and by no means as benign as it appears.

Since the early 1970's we have witnessed the greatest expansion of global finance in history. A tremendous volume of wealth in the form of petrodollars from oil-rich sheikdoms literally flooded Western banking houses. The bulk of this wealth gravitated predictably to those houses with the greatest clout in world financial markets—the New York banks. This was altogether logical for these concerns were not only formidable world financial institutions in their own right, but had the added benefit of being American banks with all the added political weight that status entails.

Faced with a condition of economic recession and stagnation in the United States, and the prospect of expansion into the Eastern bloc thwarted by the slow progress of "détente", New York bankers were eager to find a "fast fix" for the new and rapidly increasing volume of capital at their disposal. The underdeveloped nations proved a prime and willing victim for their designs.

The CDC's financial conditions offered the "fix" in a number of ways: First, as a result of the monopolistic gouging of OPEC policies—the very price hikes which created the flood of petrodollars—the LDC's were forced to the verge of financial collapse. All prospects of hard won development were jeopardized by a

tremendous surge of petroleum prices, necessitating borrowing by LDC's in ever greater volume and at increasingly usurious rates. Second, the frailty of the political infrastructure of many LDC's matched their financial instability. In many instances the bureaucratic power of a single U.S. bank could rival the government with which it dealt. In many cases control of an entire country's financial system was effectively placed in the hands of a single New York bank. At the least these houses had the prospect of operating with little or no regulation by the host government. Third, in all too many instances the countries desperately in need of capital were not democracies and the banks knew full well that in a pinch these nations were able to inflict upon their populations Draconian economic measures intolerable in more humane societies.

Thus, the stage was set for perhaps the most monumental "shake-down" in world economic history: OPEC bleeds the Western industrial democracies through outrageous price hikes and brings the LDC's to the brink of fiscal disaster. The tremendous profits generated by these hikes are funneled back to prostrate LDC's through the good offices of New York banks on terms that would make a self respecting loan shark embarrassed.

In the short run everybody's happy. The Arabs make profits on both ends of the deal and the banks rake in returns from the LDC's that constitute the bulk of their yearly earnings.

While all this is going on what do we face on the economic front at home? We face economic stagnation. We face major cities in desperate need of capital for all manner of developmental and social needs. The city of New York is on the brink of bankruptcy. Yet, will Chase Manhattan and First National City Bank be as forthcoming in supplying New York City with long term loans as they are to some of the "banana dictatorships"? Will these bankers take an interest in the economy bustling beneath their very windows in Manhattan as seriously as they take the affairs of some political back water thousands of miles from our shore?

When the city of New York, one of the greatest cultural and economic centers of the world, asks for funds to deal with its pressing fiscal problems; problems of decaying housing, ancient sewers, pock-marked roadways, and broken down subways, the money, we are told, is not available.

Of course it is not available when our major banks are more interested in being "bagmen" for international oil cartels than devoting their holdings to the benefit of the cities and towns from which this wealth originated.

But there is a catch. OPEC is not too concerned about the "goose that is laying their golden egg." The entire economic structure of the LDC's is simply too fragile to bear this stress for long and the big banks, after having played fast and loose with these billions, suddenly realize that they may not be able to "squeeze water from this economic stone" indefinitely.

This, my friends, is the real motivation for the Witteveen facility.

Despite all the high-minded and antiseptic phrases, behind all the talk about "righting acute balance-of-payments deficits," contributing to "greater international liquidity," "strong dollar" and "world development," the bottom line is that the present structure of world finance is acutely exploitative, not only of the underdeveloped countries, but increasingly of segments of our own society as well. Billions of dollars are not being used as effectively as they might to achieve real economic growth and social progress in the world. The Witteveen Facility is nothing more than a stop-gap measure to paper over these shortcomings.

I am not opposed to development aid for LDC's. On the contrary, we should provide aid on terms that will truly develop the nations receiving it in a manner conducive to the widest possible social benefit to the societies and peoples concerned. I greatly fear the economic machinations of OPEC and America's banking community becoming a force around which international monetary policy is structured.

To this end I strongly support the amendment offered by my colleague, Mr. CAVANAUGH, in an effort to see these funds used toward advancing financial goals with maximums potential for development and benefits for the many, rather than banking bonanzas for the few.

If the amendment is defeated, then I urge my colleagues to vote against the entire bill.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, I rise today in support of the amendment offered by the gentleman from Nebraska which addresses the possibility that the resources of the supplemental financing facility of the International Monetary Fund could be used by borrowing countries to, in effect, help bail out large international banks which in the recent past have aggressively marketed loans to the developing world. I am sure that in drafting this amendment the gentleman was aware of Zaire's default on U.S. Exim credits last summer and their decision instead to keep their private bank debt service payments current. In total, Zaire failed to meet $130 million in payments on principal that were due in 1976–77. If the current IMF negotiations with the Kinshasa government are successful in developing an economic plan for Zaire it will signal some $250 million of additional loans to the African country from the international banks.

On this matter, I quote from the February 27 issue of Newsweek magazine in an article entitled "LDC Debt: The Load Eases":

> They (the banks) must continue to lend to the countries in trouble, or at least agree to reschedule payments, if they want to get their earlier loans repaid.

Certainly, countries in sufficient trouble to require them to apply to the supplementary financing facility for resources should not be allowed to show preferential treatment to private credits over public debts. The logical extension of that argument would have these countries' future political sovereignty mortgaged to Western governments. At that point, the cry for debt relief will be overwhelming.

I support the Cavanaugh amendment as an effort to take pressure off the rescheduling of public credits by countries in balance-of-payments deficit difficulties in their attempt to free up additional funds in the current period to meet their private debt service payments. I urge my colleagues to support this amendment.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the last word.

Would the gentleman in the well yield for a question. Being unfamiliar myself in the world of finance, I get a little nervous when we start taking $1 billion here and $1 billion there. As someone once said, that starts to add up to real money. I have heard it alleged that this particular Fund is used only for short-term loans, cash-flow adjustments. I have also had it told to me very specifically that some of the developing countries, after exhausting their line of credit with the World Bank and some of the other international development trusts, have gone to private banks and secured loans which, from all prudent men's judgment, would now appear to have been bad loans. Can the gentleman tell me specifically how his amendment addresses the developing nations' ability to use these short-term borrowings to pay off private-bank loans?

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding.

In simple terms, that is exactly what this amendment is intended to do, to preclude the possibility, that public funds would be used to protect bad private loans that have been extended to countries by private banking institutions.

That is a principle established by this amendment, a principle accepted by the Treasury Department. Private lenders should not receive a preference when the loan is extended by the U.S. Government and, similarly, it should not occur when the loans are extended by the International Monetary Fund with participation by the U.S. Government.

What the amendment says is when renegotiation occurs, that is, a renegotiation of the terms of the public debt, the debt extended by either the public agency or the Monetary Fund and there has been no comparable extension of the terms of the loans by a private creditor that would create a windfall for the private creditor that would be benefiting by the benefits conferred by the public creditors, while they had joined in the risk initially of lending money. The

principle of this amendment is that they should also join in the diminution of the value of their loan through participation in the renegotiation. That is what this amendment insures.

Mr. CUNNINGHAM. Mr. Chairman, if the gentleman would answer this, in actuality once these funds are commingled, how do we physically prevent the bailout from occurring?

Mr. CAVANAUGH. There is no way in which you could address public lending institutions on an absolute basis of assurance that the funds lent in the public sector or through public institutions or agencies or multinational agencies will not eventually be commingled with the obligations incurred through private lenders; but what this says is that the terms of those agreements when renegotiation occurs must be comparable, or the U.S. representatives, the International Monetary Fund, will not support further extensions of credit by the International Monetary Fund.

We control 20 percent of the Fund in this particular facility and that pretty much precludes any extension of credit if we take a posture in opposition; so, effectively, it will address the situation, although we cannot offer an absolute guarantee, because the funds are fungible.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman from Nebraska.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 3, immediately after line 14, insert the following:

SEC. 3. The Bretton Woods Agreements Act (22 USC 286–286k–2), as amended, is further amended by adding at the end thereof the following new section:

"SEC. 29. (a) The Secretary of the Treasury shall instruct the United States Executive Director on the Executive Board of the International Monetary Fund to initiate a wide consultation with the Managing Director of the Fund and other member country Executive Directors with regard to encouraging the IMF staff to formulate stabilization programs which, to the maximum feasible extent, foster a broader base of productive investment and employment, especially in those productive activities which are designed to meet basic human needs.

"(b) In accordance with the unique character of the International Monetary Fund, the Secretary of the Treasury shall direct the U.S. Executive Director to take all possible steps to the end that all Fund transactions, including economic programs developed in connection with the utilization of Fund resources, do not contribute to the deprivation of basic human needs, nor to the violation of basic human rights, such as torture, cruel or inhumane treatment or degrading punishment, prolonged detention without charge, or other flagrant denials of life, liberty and the security of person; and to oppose all such transactions which would contribute to such deprivations or violations.

"(c) In order to gain a better understanding of the social, political and economic impact of the Fund's stabilization programs on borrowing countries, especially as it relates to the poor majority within those countries, the U.S. Governor of the Fund shall prepare and submit, not later than 180 days after the close of each calendar year, a report to the Congress. Such report shall evaluate, with respect to countries to which loans are made by the Fund during the year, the effects of the policies of those countries which result from the standby agreement(s) on the ability of the poor in such countries to obtain:

"(1) an adequate supply of food with sufficient nutritional value to avoid the debilitating effects of malnutrition;

"(2) shelter and clothing;

"(3) public services, including health care, education, clean water, energy resources, and transportation;

"(4) productive employment that provides a reasonable and adequate wage."

Mr. NEAL (during the reading). Mr. Chairman, I rise to make a point of order against the amendment.

The CHAIRMAN. The Chair will say to the gentleman from North Carolina (Mr. NEAL) that the amendment has not as yet been read in its entirety.

Mr. NEAL. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Chairman, I object. Let us hear the amendment.

The CHAIRMAN. Objection is heard. The Clerk will continue to read.

The Clerk concluded the reading of the amendment.

POINT OF ORDER

Mr. NEAL. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. NEAL. Mr. Chairman, we have just established that we are only considering the so-called Witteveen Facility of the International Monetary Fund, and this amendment goes far beyond that.

The CHAIRMAN. Does the gentleman from Iowa (Mr. HARKIN) desire to be heard on the point of order?

Mr. HARKIN. Yes, I do, Mr. Chairman.

I would respond to that argument by saying that my amendment is entirely in order because, if we look at the different sections, the first section of my amendment goes toward instructing the U.S. Executive Director of the IMF to do certain positive things about initiating wide consultations, and so forth, which would help to promote those kinds of programs that would help meet the basic human needs in other countries. This is a directive to our Director on the Board of the International Monetary Fund.

The last part of my amendment, subparagraph (c) also mandates that the Executive Director do other positive things by submitting a report to the Congress not later than 180 days after the close of each calendar year outlining the effects of the policies that were followed on the Fund which were designed to meet these basic human needs of people in other countries.

As far as the Fund or the Witteveen Facility itself is concerned, my subparagraph (b), which is the human rights section, speaks directly to the Witteveen Facility and directs the U.S. Executive Director to make sure that the basic human rights of people are not violated.

Mr. MATHIS. Mr. Chairman, will the gentleman yield to me on the point of order?

Mr. HARKIN. Yes, I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I thank the gentleman for yielding, and I would like very much to have the attention of the Chair while the point of order is being argued.

The gentleman from North Carolina (Mr. NEAL) is attempting now to say that the legislation before us has been narrowed in scope to the point where it only deals with the Witteveen Facility, and that has been the thrust of the previous committee amendments that I have argued against, because I knew we were going to arrive at a point where the gentleman was going to raise this point of order.

Mr. Chairman, the clumsy attempt to do that has obviously failed in this fashion because subsection (3) of section 2 of the bill still deals with the question of the Secretary of the Treasury instructing the Executive Director of the Fund to present a comprehensive set of proposals that do not deal with that issue. So the committee amendment, which has already been adopted, very clearly deals with the original Bretton Woods Act, and it is not restrictive in its scope.

Mr. REUSS. Mr. Chairman, will the gentleman yield on his point of order?

The CHAIRMAN. The Chair will recognize the gentleman on the point of order.

Has the gentleman from Iowa (Mr. HARKIN) concluded?

Mr. HARKIN. Mr. Chairman, I have not concluded. I would like to reserve the balance of my time to speak further on the point of order.

The CHAIRMAN. It is not in order to reserve debate time on a point of order. The gentlemen has no dock of time to reserve.

Mr. HARKIN. Then I would like to continue, Mr. Chairman.

The CHAIRMAN. The Chair is hearing arguments on the point of order at the present time. The gentleman from Iowa (Mr. HARKIN) will be recognized in support of his amendment at a subsequent time if the point of order is not sustained.

Mr. HARKIN. Then, Mr. Chairman, do I understand I will be recognized further?

The CHAIRMAN. Yes. The gentleman will be recognized to debate his amendment if the point of order is not sustained.

Mr. HARKIN. No. Mr. Chairman, I want to speak further before the Chair rules on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. HARKIN. Mr. Chairman, I think the gentleman from Georgia (Mr. MATHIS) has raised an interesting point. In the bill, under paragraph (3) on page 3, it does in fact provide that the U.S. Executive Director to the Fund has to do a certain positive thing. He has to present to the Fund's Executive Board a comprehensive set of proposals, et cetera.

So it does not speak simply about the Witteveen Facility.

I think that my amendment, which mandates that the Executive Director do other positive things, fits in very nicely with subparagraph (3).

I am not making any kind of argument for any other amendments that might be offered or I am not speaking about any other amendments that might go beyond the scope of instructing the Executive Director of the IMF to do certain things. That would be for the Chair to rule later on, on the germaneness of those. In terms of instructing the Executive Director to do certain things, my amendment is quite germane.

Mr. MATHIS. Mr. Chairman, will the gentleman from Iowa yield further on the point of order?

The CHAIRMAN. Has the gentleman from Iowa (Mr. HARKIN) concluded his statement on the point of order?

Mr. HARKIN. Mr. Chairman, I would like to yield to the gentleman.

The CHAIRMAN. There is no yielding on a point of order.

Mr. HARKIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS. Mr. Chairman, I think, after consultation with the Parliamentarian, I am now told that the amendment that was offered by the gentleman from North Carolina (Mr. NEAL) has been changed beyond what was read into the RECORD to go to page 3, line 5, where the language of the amendment very clearly says page 2, line 5, as it was read by the Clerk at the time.

The CHAIRMAN. That is the gentleman's copy and not the copy which was handed to the desk.

Mr. MATHIS. Mr. Chairman, I do not know what the procedure is for having words read back. But I think this is an attempt to try to close off amendments which are going to be offered. The Parliamentarian now explains to me that changing the words "Executive Director" can preclude this amendment on the basis of germaneness.

If that is so, I would point out that this House has just adopted an amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH) that contains the words "Executive Director." So we are still talking about the Executive Director to the Fund.

It is a clumsy attempt to try to prevent the Members of this House from offering amendments.

Very clearly, Mr. Chairman, the amendment offered by the gentleman from Iowa is germane to the bill, just as much as the Cavanaugh amendment. If the distinguished chairman of the committee is going to make a point of order, he should have made it on the Canvanaugh amendment, because that went back to the Executive Director of the Fund.

Mr. NEAL. Mr. Chairman, I would say that the amendment before us is not germane because it is not germane to the fundamental purpose of the bill nor does it relate exclusively to the subject matter under consideration.

Under the Rules of the House, no motion or proposition on a subject different from that under consideration shall be admitted under disguise of an amendment.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. HARKIN. Mr. Chairman, I am interested in why there was not a point of order raised against the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH). He speaks of "Executive Director," just as I do.

The CHAIRMAN. The Chair is prepared to rule and perhaps clarify that question for the gentleman from Iowa.

The gentleman from North Carolina (Mr. NEAL) made a point of order that the amendment offered by the gentleman from Iowa (Mr. HARKIN) is not germane to the bill H.R. 9214 in its perfected form. In its perfected form the bill, while amending the Bretton Woods Agreement Act, relates only to the authority of the United States to participate in the supplementary financing facility of the International Monetary Fund and to the salaries of the IMF employees who are employees who admininster that supplemental financing facility, the so-called Witteveen Facility, but it does not deal with the other operations of the International Monetary Fund.

The precedents indicate:

To a bill amending one section of existing law to accomplish a particular purpose, an amendment proposing changes in another section of that law in a matter not within the terms of the bill is not germane. (Deschler's Procedure, chapter 28, section 32.1, section 32.14.)

In passing on the germaneness of an amendment, the Chairman considers the relationship of the amendment to the bill as modified by the Committee of the Whole. (Deschler's Procedure, chapter 28, section 2.4.)

The bill as modified by the Committee of the Whole is not sufficiently broad, in the opinion of the Chair, to permit amendments affecting operations of the IMF which are not directly and solely related to the Witteveen Facility. As indicated throughout the report on the bill, that special function of the IMF is separate and distinct from other operations of the IMF, both from the standpoint of qualification for participation in the facility and from the point of view of disposition of assets and the liabilities of participating nations.

Let the Chair just add that the Cavanaugh amendment to H.R. 9214 reserved itself to decisions by the IMF on the use of the facility, referring to the Witteveen Facility, thereby confining itself to that narrow aspect of the bill and not amending the entire act.

Accordingly, the Chair sustains the point of order.

PARLIAMENTARY INQUIRIES

Mr. MATHIS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MATHIS. Mr. Chairman, I would like to ask what portion of the Chairman's prepared statement was struck.

The CHAIRMAN. The Chair will advise the gentleman that the Chair eliminated from his ruling a reference to an amendment not now under consideration. The words beginning with "Thus, the amendment to the Bretton Woods Agreements Act which is intended to restrict United States participation in the operations of the World Bank." Which were not responsive to the pending point of order, were stricken.

Mr. MATHIS. A further parliamentary inquiry, Mr. Chairman: Were there words dealing with agricultural loans that were also stricken?

The CHAIRMAN. Yes.

Mr. MATHIS. A further parliamentary inquiry, Mr. Chairman: When was the decision of the Chairman written?

The CHAIRMAN. That is not a parliamentary inquiry.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 3, immediately after line 14, insert the following:

SEC. 3. The Bretton Woods Agreement Act (22 USC 286–286k–2), as amended is further amended by adding at the end thereof the following new section:

"SEC. 29. (a) The Secretary of the Treasury shall instruct the United States Executive Director on the Executive Board of the International Monetary Fund to initiate a wide consultation with the Managing Director of the Fund and other member country Executive Directors with regard to encouraging the staff of the Fund to formulate stabilization programs entered into pursuant to loans from the Supplementary Financing Facility which, to the maximum feasible extent, foster a broader base of productive investment and employment, especially in those productive activities which are designed to meet basic human needs.

"(b) In accordance with the unique character of the Fund, the Secretary of the Treasury shall direct the U.S. Executive Director to take all possible steps to the end that all Supplementary Financing Facility transactions, including economic programs developed in connection with the utilization of Fund resources, do not contribute to the deprivation of basic human needs, nor to the violation of basic human rights, such as torture, cruel or inhumane treatment or degrading punishment, prolonged detention without charge, or other flagrant denials of life, liberty and the security of person; and to oppose all such transactions which would contribute to such deprivations or violations.

"(c) In order to gain a better understanding of the social, political and economic impact of the Fund's stabilization programs entered into pursuant to loans from the Supplementary Financing Facility on borrowing countries, especially as it relates to the poor majority within those countries, the U.S. Governor of the Fund shall prepare and submit, not later than 180 days after the close of each calendar year, a report to the Congress. Such report shall evaluate, with respect to countries to which loans are made by the Supplementary Financing Facility during each year, the effects of policies of those countries which result from the standby agreement(s) on the ability of the poor in such countries to obtain:

"(1) an adequate supply of food with sufficient nutritional value to avoid the debilitating effects of malnutrition;

"(2) shelter and clothing;

"(3) public services, including health care, education, clean water, energy resources, and transportation;

"(4) productive employment that provides a reasonable and adequate wage."

Mr. HARKIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HARKIN. Mr. Chairman, again this is another one in the long history of human rights amendments which this House has been passing in the last 2½ years.

To briefly review that history, we started out in September of 1975 adding a human rights amendments to our economic aid bill. Shortly thereafter, there was another one added to the military aid bill, and another one for regional banks. Then last year, of course, we added a human rights amendment to the authorization for the World Bank.

In each case the House has overwhelmingly approved these human rights amendments.

Even last year, when the bill on the World Bank came back from the conference committee and the language was changed substantially in that conference the House voted overwhelmingly to reject that conference report and to put back in the language that was adopted earlier in the House; and, of course, subsequently the conference report was adopted by both the House and Senate.

I just might add also, parenthetically, that the State Department and the Treasury Department have opposed every single one of the human rights amendments passed by this body. There has not been one that they have not opposed.

Last year when we tried to put one into the World Bank bill, there were all kinds of dire predictions that the World Bank would go under, that they could not accept it, and that they could not operate with it included in the bill.

They did and they are operating with it included, and everything is going along all right.

However, now, Mr. Chairman, the Treasury Department is making the same arguments about the IMF, about the injection of politics, and about the fact that we are injecting American values which make it impossible for them to operate with the human rights amendment included.

It is the same old argument that they have been using all along. I would say, No. 1, in terms of American values, that no, there is nothing in my amendment that speaks to American values. It speaks to human values, values that every country that participates in IMF has subscribed to and signed their names to on the Universal Declaration of Human Rights. So, these are rights they all believe in and all subscribe to, not just American values.

Secondly, when the IMF says that they deal only in money and not in politics, I would submit that there is probably nothing in this world more political than money, how it is loaned and under what conditions it is loaned. If we look at the history of IMF in terms of South Africa and Zaire, we see at least two examples of countries having gross violations of human rights getting money. These are the kinds of things I hope we can move the IMF away from.

I am not making any brief for Members to vote for or against IMF or the Witteveen Facility. All I am saying is that if this body does in fact approve of the Witteveen Facility, it ought to insure that our Director carries out the provisions in my amendment.

First, it initiates a wide consultation with other members to try to see if they can build a broader base of productive investment and employment to meet these human needs. Second, to take all possible steps to the end that any financing does not contribute to the deprivation of human needs or the violation of human rights. Third, to have that Director report to Congress once a year on the steps that they have taken to make sure that these basic human needs are being met, how the Fund is being used to meet them, and also what steps have been taken to make sure that their transactions do not in fact violate human rights.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the distinguished chairman.

Mr. REUSS. I think the gentleman for yielding to me. Speaking for myself, I think it is a good amendment. I intend to support it, and I urge our colleagues to do likewise.

I particularly think that the half of the amendment offered by Mr. HARKIN that goes to human needs is important. In the past, from time to time the IMF has displayed tendencies to have ice rather than blood flowing in its veins. They have imposed austerity conditions which, whatever their intent, do grind unduly on the poor of a developing country. I do not think it hurts one bit to tell the Executive Director that he should use his good offices to see that human needs are considered. For example, if under this supplementary facility people on the IMF staff are minded to ratify a country's program, which country's program allows the import without limit of oil for the Mercedes automobiles of the oligarchy, While cutting down on soybeans from the State of Georgia which would give needed protein to everybody, I think our Executive Director should speak up against that.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent Mr. HARKIN was allowed to proceed for 3 additional minutes.)

Mr. REUSS. So, I think that is by no means an unnecessary prohibition. Of course, the administration never likes to be told, and it is known that this administration is a good one on human needs and human rights, but we still have a Congress in business, and I do not think there is anything wrong in our bringing out the better angels of the administration.

On the other point, the human rights point, one might quibble with the language. I do not really see much connection between the IMF and torture, but there again some country might come through with a little old austerity program saying that anybody who engages in a strike should be stood up against a wall and shot. These things happen. I would hope the Director would blow his top on that, which is what the amendment suggests.

There are words in the amendment which, if I were drafting it, I would have improved, but basically it is a good amendment. I am additionally moved by the fact that we need the votes of Mr. HARKIN and the doughty band of human righters who are for this amendment. I can have the gentleman's assurances, can I, that he will support the bill on final passage if it has the Harkin amendment in it?

Mr. HARKIN. I thank the gentleman for his words. I know we have had our differences in the past on human rights amendments, but at no time have I ever doubted the chairman's sincerity or dedication to human rights. We may have had our differences, but I think only on a matter perhaps about our manner of doing things. I do not feel that there is any doughty band. I do join those Members of this body who have consistently supported these human rights amendments which I have offered consistently since 1975, and who are voting their consciences.

I believe that they will continue to support human rights because it is in the best traditions of this country and what this country stands for.

As for myself, as I said, I am making no brief either for or against support of the IMF or the Witteveen Facility. Members can make their decision on their own basis as to their support.

Mr. REUSS. And if the Harkin amendment passes, the gentleman's decision will be what?

Mr. HARKIN. If my amendment passes, I will vote for final passage.

Mr. REUSS. I thank the gentleman.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman. I support the gentleman's amendment, but I have one question.

One of the criticisms that has been made of the gentleman's proposal is put very succinctly by Secretary Blumenthal in a letter which many of us have seen, where he says this.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(On request of Mr. MAGUIRE, and by unanimous consent, Mr. HARKIN was allowed to proceed for 2 additional minutes.)

Mr. MAGUIRE. Mr. Chairman, if the gentleman will continue to yield, the quotation is this:

Moreover, greater restraints on the poor and other segments of the population might be required in the absence of an IMF program.

I simply wanted to ask the gentleman if in making determinations about what would affect negatively or positively the human needs in a given country at a given time when a proposal was before

the IMF, whether the impact on human needs of not having an IMF transaction approved would also be weighed in as well as whatever the consequences might be if one were to be approved?

Mr. HARKIN. To respond to the gentleman I would say two things. No. 1, that is why I drafted the amendment in more positive tones perhaps than in negative tones of the effect on the people in terms of the economic and military aid, et ccetera., telling them that when they do make these loans to go ahead and do these things. The gentleman's point is that perhaps if they do not give the loan, it will be more a violation of human needs than if they do?

Mr. MAGUIRE. That has been a point which has been made.

Mr. HARKIN. Take the case of the farmer in India that makes $50 a year.

The question has been raised whether in not extending the loan we hurt the farmer more. We can only hurt the farmer so much. He can only starve so much.

Most of the time, as the gentleman from Wisconsin pointed out, many of these loans go to keep up their imports of those kinds of goods that do not go to help the poor, that do not go to help meet the basic needs, but they go to help keep the middle and upper class pretty comfortable.

So what I am saying is when a country tries squeezing down in austerity programs, they should try squeezing down the top as well as the bottom.

Mr. MAGUIRE. In principle the kind of calculation I have referred to would be part of the evaluation process as the gentleman envisions it?

Mr. HARKIN. I do not think so.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 1 additional minute.)

Mr. HARKIN. Mr. Chairman, let's face facts; none of these countries are going to go under. They are going to get financing someplace. There is no banking institution in the world or the IMF that is going to allow any kind of domino process to begin with these countries going under. They are going to get the money to help them, either through the IMF or through private banks.

The private banks want the IMF to do it, and I can quote the speech that Mr. Rockefeller gave a couple of years ago.

Therefore, it is a moot point to argue about the IMF not giving a loan. What we have to take a hard look at are the conditions set by IMF for the proposed recipient to get the loan.

Mr. MAGUIRE. Mr. Chairman, if the gentleman will yield further, if the gentleman is concerned about human rights and needs, and I know he and I share that deep concern, I would hope all these factors might be considered in any given case. That is my only point.

Mr. TSONGAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the amendment.

Mr. Chairman, I have been involved with this issue every time it has come up. Today I am supporting the Harkin language because I think it is a much more balanced and sophisticated instrument than has been the case in the past.

What I would like to do, however, is to relate to the committee an instance of the effect of our deliberations. We legislate here on the floor of the House and it is like a ripple in a pool of water, it goes out and it affects other people. I thought you might like to know what we are doing.

In December the gentleman from Washington (Mr. BONKER) and I went to Ethiopia. If there was ever a country in this world that has a problem of basic needs, it is Ethiopia. I lived there for 2 years and I know it quite well. Many of the people we spoke to were very bitter, people who were not supporters of the government, but people who were involved in trying to bring economic development to the poor people of that country. They were bitter because the Director of the United States, serving on the World Bank, voted against two proposals. One was a $25 million irrigation program and the other was a $32 million roads program. While we sat here in 1974 and 1975, 200,000 Ethiopians starved to death. These programs would have done something to relocate those people, to give them a chance, not for largess, but for survival. Is survival not a basic human need? Yet the U.S. Director voted against these two programs.

Now if you were an Ethiopian and you were in the ministry of rehabilitation trying to keep your people from dying and you applied to the World Bank for programs on irrigation and roads, and you have been through the savagery of seeing 200,000 of your people die, and the United States voted against it, how would you feel?

It seems to me that what we are doing with human rights is important and it should be continued, but it should be a very delicate instrument that you do not, in essence, kill the people you are trying to help.

I would like to send the work back to the Treasury Department and the State Department that our representatives in this particular agency, realize that there is an exception for the basic human needs in the Harkin language, and it is a serious exception and should be understood. It will take a long time for the United States to recoup its losses in Ethiopia. It may take decades. And the action taken by the U.S. representatives in the World Bank has set us back many years. I believe it is a tragedy.

Mr. NEAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Iowa (Mr. HARKIN).

Let me say first of all that I intend to accept this amendment but I must point out that I personally think it is a bad amendment because, as I said in the letter that I circulated to all of the Members, we are reducing people to the status of poker chips as we gamble their human needs in pursuit of human rights.

There are two main problems with the amendment. In the first place we are setting a precedent, I think, by attaching conditions to our participation in the International Monetary Fund that will inspire other countries to adopt conditions to their contributions. Might not some OPEC countries adopt some conditions with regard to, say Israel, as far as their money is concerned? Or might not the Governments of Greece or Turkey attach conditions when they participate, and so on? We do not know. I cannot prove that they will. I certainly hope that they would not. My point is, though, that for 33 years the International Monetary Fund has not been politicized to its detriment, and I am afraid that by doing this we would be inspiring that politization, and we may live to regret it.

The other point that bothers me has to do with just this question of getting money to the people who need it. The gentleman from Massachusetts (Mr. TSONGAS,) mentioned the programs in Ethiopia. It is my understanding that under the language that we have adopted in the past, amendments to the IFI's, we have voted against a $25 million road project in Chile and a $6.3 million education project in Central Africa. It did not stop these projects. It just meant that we voted against them. The gentleman from Massachusetts, (Mr. TSONGAS,) mentioned the $25 million irrigation project in Ethiopia, the $32 million road project in Ethiopia, a $5 million project in Guinea. The list goes on: a $5 million road project in Benin. What did we gain from all of this? It seems to me all we would be gaining is a bad reputation with the very people whom we want to help.

Let me just ask, if I can, whether the gentleman from Iowa (Mr. HARKIN) could assure me that if we adopt this language that other countries will not add conditions to their participation that would be very harmful to the very people I think we both want to help. Could he assure me of that?

Mr. HARKIN. If the gentleman will yield, obviously, I cannot assure the gentleman of that.

Mr. NEAL. Does the gentleman think, if I may ask him, that the possible benefits that we gain, and based on past experience the kind of benefits that we gain by attaching these amendments, far outweigh the possible risks?

Mr. HARKIN. Without any doubt. Could I respond further to the gentleman?

Mr. NEAL. I yield to the gentleman.

Mr. HARKIN. I am sure he would want me to expand further on that.

Mr. NEAL. I will be happy to yield.

Mr. HARKIN. When we talk about these basic human needs and basic human rights, again I think a lot of people get confused in their minds that we are talking about some kind of American value system. These are things that each one of these countries has subscribed to in the Universal Declaration of Human Rights. We are not talking about settlements like this that are perhaps argu-

ments between one country and another country. We are talking about certain fundamental concepts of human needs and human behavior that all of these countries have subscribed to. It is not an American concept.

The gentleman speaks of the politization of the IMF and that IMF has avoided politics. I do not know how the gentleman can say that in light of all that has been written about the IMF in the last few months. I quote from an article in Fortune magazine in July of last year. I would like to read this quotation because I think it is illustrative of what has happened in the IMF recently. I quote:

A cartoon that appeared in the London Evening Standard last November showed Denis Healey, the Chancellor of the Exchequer, kneeling in front of the Tower of London wtih his head on a chopping block. Standing next to the executioner, Prime Minister James Callaghan was explaining plaintively, "I'm sorry, Denis, but it's one of the IMF's conditions."

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. HARKIN, and by unanimous consent, Mr. NEAL was allowed to proceed for 2 additional minutes.)

Mr. HARKIN. If I could have 30 seconds to finish, that indicates that the IMF is setting down conditions that do in fact involve politics, internal politics, in those countries.

Mr. NEAL. I would like to respond to that point. Certainly the most successful recent involvement of the IMF has been with the Government of the United Kingdom. That country was facing inflation at the rate of something like 26 percent a year, and because of all of the issues involved, which I cannot detail in this limited time, the Government spiraling downward. Great Britain went to the International Monetary Fund asking for help, and as the IMF always does, it said, "Sure, if you can demonstrate to us that you can pay back the money, we will lend you the money," just as any bank or credit union in this country would ask of a borrower. Then the British Government agreed to some conditions which were established and submitted to the IMF.

Mr. HARKIN. Which the IMF had to approve.

Mr. NEAL. That is right. The IMF had to approve them.

The IMF agreed and then, you see, the beauty of IMF was this. It gave the British Government an excuse to do what it knew it should do, but could not do politically, so they could blame it on the IMF. This is where IMF gets its bad reputation around the world, because governments do not do things they know they should do to survive, they blame the IMF. The IMF functions are a useful whipping boy just as the Federal Reserve in our country.

The greatest thing that happened in Britain in recent years was its participation in IMF. It was so successful that the British Government is paying back its loan ahead of schedule.

Mr. Chairman, while I abhor the denial of basic human rights anywhere in the world and respect and share fully the concern of human rights advocates, H.R. 9217 is not a proper place to pursue this worthy cause. In fact, such restrictions on the activities of IMF would be in direct violation of its articles of agreement, which we have supported for the past 33 years.

The problem with adding human rights language to H.R. 9214 is not with the intent, but with precedent. Since its inception, the IMF has not been politicized to its detriment. If we add language which will require IMF to be anything other than a financial institution, we will set a precedent which could be followed by other participating countries. For example, the OPEC nations, which are putting up almost one-half of the supplementary funds, also might add limitations to use of their contributions. Conceivably, they could insist that no IMF funds be made available to any nation which occupies foreign land, or some equally volatile restriction. Such politicization of IMF could only lead to its ineffectiveness. We have only to look at examples such as the United Nations and the International Organization to realize that the IMF cannot perform its primary functions if it becomes politicized.

Mr. Chairman, in a very real and important way the International Monetary Fund furthers the cause of basic human rights to food, clothing, shelter, et cetera, because it gives economies time to adjust to the problems they encounter when their imports exceed their exports. Without the IMF, many countries would face bankruptcy. In others, austerity to the point of human deprivation would be required. If we attach conditions which open the door to other nations' conditionality, we may be reducing people to the status of poker chips as we gamble their human needs in pursuit of their human rights.

Mr. Chairman, an editorial in Monday's edition of the Washington Post and a letter from Secretary of the Treasury Michael Blumenthal express this point very emphatically. I would like to bring both to the attention of my colleagues and I ask unanimous consent that they be included in the RECORD immediately following these remarks.

[From the Washington Post, Feb. 20, 1978]

WHEN HUMAN RIGHTS ARE WRONG

Congress is once again trying to decide how far the United States can go in exporting its political standards to other countries. This time the focus is, remarkably, a financial bill to increase international support for countries with balance-of-payments troubles. The bill has already fired up an intensely ideological debate over American responsibilities to pursue social justice abroad. When it comes to the floor of the House—it's currently scheduled for Wednesday—Rep. Newton Steers (R-Md.) is going to offer a human-rights amendment. That amendment constitutes a classic case of good intentions gone wrong.

If the bill is beaten, it will be a jarring defeat for the American effort to preserve a stable world economy. If it is passed with the human-rights amendment, it will bring this country into repeated collision with other nations over their sovereignty and their internal politics. Worse, it will politicize the world's central monetary pool with genuinely ugly possibilities for future discrimination by other countries with other purposes.

The International Monetary Fund is one of those large gray institutions whose operations rarely draw much notice. But its job is crucial. World trade has soared over the past decade and created vast and unexpected flows and surges of money among countries. The IMF lends to the nations that are under pressure, to prevent defaults and currency collapes. Fear of defaults chills world trade and starts a spiral of unemployment. The danger is not hypothetical. It happened in the 1930s.

The IMF operates a central kitty to which its members contribute and from which all of them, including the United States, draw as needed. But with the huge increases in oil prices, most of the oil-importing countries are now running unprecedented trade deficits. To help carry them along, it is urgent to expand the IMF's kitty. The present plan is a $10 billion increase, with the United States contributing one-sixth and the oil-exporting countries, led by Saudi Arabia, putting up nearly half. This new credit is known, after the IMF's director, as the Witteveen Facility. The endangered bill before Congress is to authorize the American share.

It has set off an avalanche of doubts and objection in the House. Some of them have real substance, like the fear that the oil deficits are becoming self-perpetuating and are dragging down the growth of the world's economy. That's probably true, but the drag will become rapidly worse if the IMF runs short of money. You could argue that the Witteveen Facility itself solves nothing, but only buys time—probably about three years. But that's time worth having. It would be irrational to kill the bill because it only insures the world's monetary system, instead of gloriously reforming it.

Mr. Steers, incidentally, recognizes that point and intends to vote for the bill whether the House accepts his human-rights amendment or not. But a lot of his support on the amendment is coming from young Democrats who see a looming issue of ideology and social justice. When the IMF makes a loan to a country with a large and rising deficit, it usually insists as a condition that the country do what it can to help itself—which usually means cutting public spending. That strikes some of the Democrats as reactionary. The Steers amendment contains language requiring the U.S. representative to the IMF to do everything in his power to prevent "deprivation of basic human needs." When Britain got that vital loan from the IMF in late 1976, it had to agree to cancel some future social benefits. Did that contribute to deprivation? In a sense, it did. But even the poorest of Britain's people was left better off than if the pound had kept falling.

The human-rights activists are drawing on American experience at home, under a constitution—specifically, experience with the Civil Rights Act of 1964, which cuts off federal money to offenders. The people supporting this amendment want to strike in the same way at repression in countries like South Africa. But South Africa can get along without IMF support. The urgent cases in the coming months are likely to be countries like Portugal, Turkey and Spain. The Arabs would doubtless be glad to help Congress declare monetary warfare against South Africa. But if the IMF is turned into a political weapon, the Arabs are likely to use it against other and more vulnerable targets.

It's true that the Witteveen Facility is a limited and rather unsatisfactory device. It cannot do much for civil rights abroad, and ought not be asked to try. It cannot carry much of a freight in social values, other than

the simple principle that stable prosperity is better than the alternative. It cannot reform the wicked or chastise the sinful. It can do only one narrow, technical job. But that job is essential.

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 1, 1978.

DEAR CONGRESSMAN NEAL: I want to thank you for your efforts to get the Banking Committee to report favorably—and without further amendment—H.R. 9214, which would authorize U.S. participation in the IMF Witteveen Facility and reinforce the IMF's efforts to assure a strong world economy and sound monetary system.

I strongly support the Committee's decision not to adopt the amendment on human rights and human needs that was proposed in the mark-up. International progress in advancing human rights and fulfilling basic needs is indeed a principal aim of this Administration. But applying legislative requirements on human rights and human needs in the wrong way, or to the wrong institutions, would not further those objectives—and could undermine the value work of these institutions toward other critical U.S. objectives.

The purpose of the International Monetary Fund is to promote an open and cooperative system of international trade and payments—which is vital to U.S. and world prosperity. I am concerned that a human rights/human needs amendment as proposed in the Committee could seriously damage the IMF's ability to fulfill its purpose, and impair the U.S. role in the IMF. Specifically, the proposed amendment would:

(a) Require the U.S. to work against and oppose all IMF transactions which contribute to the deprivation of basic human needs. The problem with this requirement is that stabilization programs, including those developed by the IMF and its members, typically involve some temporary restraint and austerity measures, while the country stabilizes its economy and creates the conditions for sustainable growth. Needed stabilization may well involve a temporary curtailment of public sector services, and perhaps even temporary increases in unemployment, as the country attempts to bring its total demands into line with available resources. The U.K. and Italy are recent examples where important limitations were needed on the public sector's claims on resources—and where the proposed amendment could be interpreted as having required U.S. opposition to such IMF programs. A requirement that the United States oppose IMF stabilization programs which involve such restraint would not be in the interests of the U.S. or any other country—particularly since IMF programs are agreed upon by the country concerned and a greater degree of austerity and retrenchment might be required in the absence of an IMF program.

(b) Require the U.S. to oppose all IMF transactions which contribute to the violation of human rights. It is hard to see how IMF programs, which deal with broad economic stabilization measures, could in any direct sense contribute to the violation of human rights. Nonetheless, by introducing such criteria, the U.S. would not be acting in accord with the IMF charter, which provides that decisions on IMF operations be based on economic and not on political factors. It is important to remember that IMF membership entails not only rights but important obligations—obligations, for example, to provide financing to the IMF and to follow cooperative monetary practices—and nations will not fulfill these obligations if for political reasons they are denied the rights of membership. The U.S. would be introducing political considerations into an institution whose success has been based on the absence of such factors.

Aside from these fundamental issues, there are other problems with the proposed amendment. For each financing arrangement under the Facility, the U.S. Governor would be required to evaluate for Congress the effect of policies introduced by the borrower on the ability of the poor to obtain food, shelter, clean water, and other specified necessities. I do not believe a meaningful evaluation is possible. The effects on these matters of broad fiscal and monetary policies adopted as part of IMF programs in most cases cannot be quantified. Moreover, greater restraints on the poor and other segments of the population might be required in the absence of an IMF program.

I hope, therefore, that the House will follow the lead of the Committee and approve H.R. 9214 as reported.

Sincerely,

W. MICHAEL BLUMENTHAL.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe everybody in this Chamber was deeply moved by the account of what happened in Ethiopia. Certainly if we were dealing with one of the World Development Banks, such as the Asian Bank, the African or Central American Bank, this would be entirely appropriate; but we are not. We are dealing with something quite different. We ought to recognize that and keep a straight line as to what we are up to. Certainly we must try, for example, to correct what is happening in the difficult economic situation in Portugal and also in Italy; if they are going to borrow money, certain economic corrections have to be made which are politically impossible in those countries, without tremendous Communist agitation.

The only way to make the corrections is as conditional loans from some totally impartial and obviously nonpolitical group.

I would like to say one thing further also in relation to all our activities in the international field. We are going to have to be more understanding of the sensitivities of other nations. I went up to the United Nations with others of my colleagues. It was suggested that some of the money that was being given by AID and the U.N. agencies was being used for the upper class, as the gentleman from Iowa suggested, and that we should be more careful and attach strings to each grant, to make sure stadiums and palaces are not being built instead of roads into the hinterlands. The reaction of the representative of a small country in Asia was absolutely furious. "How dare you suggest that because you have money you are going to push us around?"

That is what can happen with a politically influenced fund. We should not make decisions for political reasons in the International Monetary Fund. They should be made for the international stability of the world. They ought not to be involved in the politics of the donor countries, particularly since we are going to give 17 percent of the money and 48 percent of the money is to come from OPEC countries.

Before we indulge in high-minded and well-meant declarations which are suited to other forms of aid we should consider soberly that they are not suitable here.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words. I rise to oppose the amendment.

Mr. Chairman, first, I would like to commend the gentleman from North Carolina on the excellent job the gentleman has done in managing this bill, and also commend the gentleman from Iowa for offering what I think is a vastly improved human rights amendment to this facility.

In the past I have strongly opposed the amendments of the gentleman from Iowa (Mr. HARKIN), usually because they have mandated "no" votes legislatively. I think as a philosophical approach that we ought not to be legislatively mandating "yes" or "no" votes on any issue.

The nature of a representative function is discretion in the exercise of good judgment. We certainly would not want to come to this Congress mandated to vote yes or no; we want to be able to take at all times the totality of circumstances into the judgment process.

This amendment does not do that, to be sure; it is much better drafted. I think it does have some difficulties, though.

For example, the amendment says that we shall direct the U.S. Director to the Fund to take all steps to make sure that actions are not taken which would contribute to the deprivation of basic human needs.

I am concerned about that wording because virtually any conditions imposed by the International Monetary Fund are effected because some country has been engaged in profligate spending or irresponsible spending, and the efforts that have to be made in order to deal with that problem are usually economic austerity measures which probably are going to contribute to the deprivation of some services that have been provided by that government. So I am concerned with that aspect of it.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

Most of the so-called profligate spending has been because of the importation of oil, which has cost these people a lot of money. That oil, as I believe the gentleman from Wisconsin pointed out, goes many times to help the upper classes and the upper-middle classes. At the same time the IMF imposes austerity conditions for the poorer classes.

Let us talk about Egypt. I point out Egypt, where the IMF mandated austerity programs which caused food riots. The poor people were rioting because they could not get any food. The same thing happened in Peru.

There is one other reason that is involved, and that is because of military spending. Let us look at South Africa. The IMF gave South Africa $464 million, and what did South Africa do? The very next year they spent about $464 million on military spending.

Mr. LAFALCE. Without getting into the problems of the South African situa-

tion, it becomes a question of juggling the budget, so to speak. I appreciate the gentleman's interpretation of what this amendment does, and I certainly hope that that will be the interpretation given to it by the Secretary of the Treasury. That certainly would be an acceptable one.

I do not think that the most probable reading of the literal words in the amendment, though, would lead to that interpretation. I think on its face, without the gentleman's explanation, we would have a tough time explaining this to the country attempting to get the funds.

Mr. Chairman, let me make my next point. The gentleman from Massachusetts (Mr. TSONGAS) mentioned his recent trip to Ethiopia. Some of the members of our committee recently went to Chile, to Argentina, and to Brazil, and we were very concerned with exploring and investigating the human rights conditions in those countries.

We also saw some of the projects that have been undertaken in those countries by the Inter-American Development Bank and by the World Bank. I can think of nothing more that has advanced the cause of basic human rights in those countries than the projects that were funded, for example, by the Inter-American Development Bank and that were voted against by the United States. I do not think that is what the United States ought to be doing within those multilateral financial institutions.

At one and the same time, we must be advancing the cause of human rights in the underdeveloped countries for 99 percent of the people, and, with all the diplomatic resources within our power, we have got to be complaining about and working against the activities of the 1 percent or one-half of 1 percent or one-tenth of 1 percent who are guilty of violations of human rights. We should bring the full force of the U.S. Government to bear against those types of activities without cutting off our relations with them legislatively, or mandating a precise "yes" or "no" vote, legislatively.

Mr. STEERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am giving my support to this amendment for two reasons: First of all, I believe it is an almost entirely symbolic amendment. I frankly would prefer that it were totally symbolic. I did propose a couple of changes in the second paragraph. I think the first and third sections are totally free of any hampering of the operation of the IMF.

In the second paragraph, which is designated (b), I would have preferred that the word, "possible," be replaced by the word, "prudent," and further in that same paragraph I would have preferred that the word, "oppose," be changed to "encourage opposition to."

However, even without those changes I think it is fair to say that this amendment will not shackle the hands of the executive director nor hamper the operation of the Secretary of the Treasury. Among other things, there is no penalty if the officials involved decide for their own good reasons to ignore what this amendment calls for.

I have heard a lot of talk about retaliation, that is, action by other foreign nations. No one has explained to me any reason why these foreign nations could not do this, even if we did not pass this amendment.

The second reason, in addition to the fact that I think this is almost a totally symbolic amendment, in that I also think that, without this amendment, the Witteveen Facility may very well be defeated on this floor.

Mr. Chairman, it happened in the committee that I stepped off of the floor of the committee room to make a telephone call, I came back, and this Witteveen Facility had failed. The chairman allowed me to cast a vote at the very end of the day's session, and that saved this Witteveen Facility.

I do not welcome the Witteveen Facility. However, I do feel that sometimes it is absolutely necessary to keep a patient alive, so that, perhaps bitter, very bitter, medicine may be administered later.

I just happened to have lunch a few minutes ago with Mr. Charls Walker, former Undersecretary of the Treasury, and some other Members here, and he said that, if for no other reason, we should support the Witteveen Facility, because it is the best bargain ever to come down the pike. At relatively small cost to the United States. For the first time, a major contribution will be made by other nations, and particularly OPEC nations, and more particularly the Saudi Arabian nation.

I think for that reason, if for no other, we ought to accept this amendment, so that we can get the Witteveen Facility approved, though it is far from a cureall.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. STEERS. I yield to the gentleman from North Carolina, chairman of the subcommittee.

Mr. NEAL. I thank the gentleman for yielding.

Mr. Chairman, I just want to correct the gentleman's figures, if I may. This so-called Witteveen Facility passed in the subcommittee by a vote of 15 to 1, and passed in full committee by a vote of 27 to 9. It was not a close vote at all. It was overwhelmingly endorsed.

Mr. STEERS. The gentleman is correct. My vote saved the bill, which had failed for want of a quorum.

Mr. NEAL. Mr. Chairman, I thank the gentleman for his support.

Mr. STANTON. Mr. Chairman, if the gentleman will yield, the gentleman had in mind the committee amendment during the consideration of this particular human rights amendment.

Mr. STEERS. No, it was the bill, where my vote was needed, not the human rights amendment.

Mr. NEAL. The amendment was defeated in committee by 2 votes, as I remember.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I accept the tactical judgment of the chairman of the committee that this amendment should be accepted in order to help the passage of the bill; but I also want to express some unease about the whole thing. There is a point where, if we act in too heavyhanded a way, what we do is counterproductive. All of us at some point or other have had experience with people who are trying to promote a particular religious belief, and they come on with an arrogance and a self-righteousness that does not attract but repels. And I fear that we are creating precisely that kind of an image.

The gentlewoman from New Jersey, when she quoted the Asian gentleman as saying, "Don't push us around just because you have the money," that is the kind of reaction I am concerned about.

Second, Mr. Chairman, I am concerned for precisely the reason the gentleman from Massachusetts (Mr. TSONGAS) mentioned in his statement about Ethiopia. His illustration, it seems to me, supports a position which is opposite to that which he took.

In fact, there is no greater place or few greater places—I imagine Idi Amin would provide a greater exception—but there are few places where there are greater violations of human liberty today than in Ethiopia. Can we deny the hungry of Ethiopia what they sought to get to survive, because we do not approve of what their government does?

The third thing, Mr. Chairman—and the gentleman from North Carolina pointed this out—is that it seems to me we invite opening up Pandora's box here.

Let us take Saudi Arabia, one of the main contributors to the Witteveen Facility. Let us say that Saudi Arabia says:

> We are going to vote against any loan for any country that trades with Israel.

I can see them taking that position. I can see that politically that would be a very popular thing for them to do; but traditionally IFM has been nonpolitical and rightfully so about such matters.

Mr. Chairman, I think we are moving in the wrong direction. There are two things to avoid, it seems to me. One is to do nothing in the field of human rights; and the second is to deal with too heavy a hand. I fear this particular action, sincere though it is—and I have great respect for my colleague, the gentleman from Iowa (Mr. HARKIN)—goes in that opposite direction and is dealing with too heavy a hand.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

I would just reiterate once more, for probably the thousandth time, that I have always put in every single human rights amendment a clause stating "unless it goes to meet basic human needs."

Therefore, we can go to help those people in Ethiopia regardless of what their government is doing, if our action does, in fact, meet human needs.

That clause has been in every single one of my amendments.

Mr. SIMON. I understand that that has been so, but when we get to the examples cited today from Ethiopia, it becomes a gray area. The projects were a gray area, so we voted against them. Consequently, the people of Ethiopia thought we were voting against them—rather than their government—and against their needs.

Mr. Chairman, we have to be cautious. I realize that this amendment is going to be adopted; but I rise simply to hope that in the future we will proceed with some caution.

Mr. STANTON. Mr. Chairman, I move to strike the requisite number or words, and I rise in opposition to the amendment.

Mr. Chairman, the chairman of the subcommittee and the ranking member of the Committee on Banking, Finance and Urban Affairs have already stated that they accepted this amendment.

We have talked now for almost 40 minutes upon an amendment that the committee chairman has already accepted.

Before we close, Mr. Chairman, and simply for the benefit of people who will read this RECORD later on, let me repeat a little bit of what I said yesterday so that somebody who should read this RECORD will understand that there was at least one person—and I know there are others—who fully comprehends and understands the difference between the International Monetary Fund and our loaning institutions such as the World Bank, the Asian Development Bank, IDA, and others.

Mr. Chairman, there is a tremendous difference. The International Monetary Fund created by our action in 1944 was to bring some kind of order out of chaos to the international area in which so many countries had currency problems. They worked out an arrangement of coordinating the relationship of the currency of one country to that of another.

In the ensuing years, the IMF until this particular moment—and I am not sure how this amendment will come out—has operated under an article of agreement which is agreed to by 132 nations in the free world.

They operate under articles of agreement. I simply point out to the Members—that the articles of agreement of the IMF clearly state in chapter 4 and in chapter 6, that the articles call for IMF decisions to be based solely on economic and financial considerations.

In all of its 44 years, the Arabs and the Egyptians have gone to war with Israel several different times; Turkey has fought Greece; other problems of hatred around this world have come about, but never once has one country throughout these years stood up to challenge the articles of agreement on the operation of the International Monetary Fund. Down the road, we have got to think of this.

We have in this Witteveen agreement, agreements for example for the Arab world to contribute 49 percent of the amount. In relation to the $10 billion, that is almost $5 billion. What happens is that they do not, under this agreement, increase the percent of the vote that they now have. The replenishments will come up, and the Arabs will have the right and will demand an increase in participation. They will look back and see that, the first time, the United States of America was the one that first put any other political considerations on this particular Fund.

I bring that out. Members may vote as they wish, but I just want somebody to know, someone who reads the RECORD, that there is one person who clearly understood fully the ramifications of this amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, members of the Committee of the Whole House, by the committee accepting this amendment, this is another example, I believe, of the way the administration is not staying with their initial position. They have done this time and time again. I had the impression from the administration that they were very much opposed to this amendment. Therefore, I am very, very disappointed that they did not hang in there, because I felt that they were right.

Mr. Chairman, I rise in opposition to the amendment by Mr. HARKIN, which, if adopted, would violate longstanding IMF articles of agreement and politicize the workings of the IMF for the first time.

Mr. HARKIN's amendment would require the U.S. Executive Director of the IMF to take it upon himself to decide whether or not the Fund's transaction would violate human rights and if he perceives a violation, to take all steps possible to prevent such a transaction. He would also be instructed to work with other directors to see that IMF stabilization programs in recipient countries do not cut back on human need delivery programs while military and other programs remain untouched.

It is self-evident that the amendment would place new and difficult burdens on the U.S. Executive Director, first to ferret out such violations and then to decide the appropriate action. My objection is not that such efforts are ignoble but that they are irrelevant to the primary, narrow task of IMF and Witteveen, which is to encourage stability in the world economic order so that its member nations and its people can make economic progress. Such economic progress, in almost all cases, improves, rather than inhibits, human rights in the member nations.

To decide whether or not a nation is making a reasonable decision in its allocation of resources between human welfare and defense spending is a difficult decision in the best of circumstances. And we in Congress should be fully aware of this. Judging the validity of such decisions made by other nations, from the narrow point of view of the U.S. Director to the IMF, is hardly decisionmaking in the best of circumstances. This is especially true here where doing so would introduce political matters into an organization designed to make decisions based on economics alone. Besides, we have a variety of ways ranging from moral suasion to the cutoff of bilateral aid to advance human rights, rather than resorting to the most inappropriate mechanism.

Implicit in the Harkin amendment is the suggestion that IMF policy conditions result in hardship for the population in recipient countries, because the conditions proposed by the IMF often result in cuts in public spending. However, the IMF conditions are not as reactionary in effect as some claim. When the United Kingdom received a vital loan from the IMF in 1976, it had to agree to cancel spending for future social benefits. Can it be seriously argued that the poor British people were deprived as a result of this loan? Would we have argued for the cancellation of the loan, because of Britain's large military contribution to NATO? I think it clear that the whole of British society is much better off now, as a result of conservative spending measures suggested by IMF, which in large part checked the descent of the pound.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr CONTE was allowed to proceed for 3 additional minutes.)

Mr. CONTE. Mr. Chairman, in an editorial published on February 20, 1977, the Washington Post correctly pointed out that this "amendment constitutes a classic case of good intentions gone wrong." The Post further states that—

> If it is passed with the human rights amendment, it will bring this country into repeated collision with other nations over their sovereignty and their internal politics. Worse, it will politicize the world's central monetary pool with genuinely ugly possibilities for future discrimination by other countries with other purposes.

The editorial concluded that:

> It's true the Witteveen Facility is a limited and rather unsatisfactory device. It cannot do much for civil rights abroad, and ought not be asked to try. It cannot carry much of a freight in social values, other than the simple principle that stable prosperity is better than the alternative. It cannot reform the wicked or chastise the sinful. It can do only one narrow, technical job. But that job is essential.

In summary, I urge this body to support the U.S. contribution to the Witteveen Facility free of this well-meaning, but in this case, wrongful human rights amendment.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I mentioned England only in the context of responding to a question on political decisions being made within the IMF. I mentioned this only to show that in fact there are "political" decisions made in the IMF. I did not go to show that somehow the poor in England suffered, because of those decisions. It seems to me because of the situation in terms of the balance of payments and their own econ-

omy they were able to absorb this quite well.

However, what about the policies the IMF approved, as they say, for Peru and Egypt which have caused food riots by the poor, because they did not have food to eat, and the rich were quite well off in those countries, and those two countries had to go back and get release from the IMF policies?

The gentleman said England made great strides after that.

Mr. CONTE. I would say forward strides, not great.

Mr. HARKIN. Forward strides. I would ask the gentleman how much of that was, because of the North Sea oil which came in and helped them out.

Mr. CONTE. That certainly was part of it, but the IMF had a great deal to do with stabilizing the English pound.

I sit on the Appropriations Committee which handles the appropriations for the international banks and the bilateral aid, and I have witnessed the amendments we have adopted on the international banks, and I have also now been checking to see what the votes were on the World Bank and the Inter-American Bank and the Asian Development Bank and all the other banks and what they have been doing.

For some countries we have adopted, specific amendments, they have been voting against those loans as the amendments went through the House and Senate, but on others they have been giving loans to countries which have flagrant human rights violations. This applies not only to the banks, but also to U.S. bilateral aid. Just yesterday I found out we are giving bilateral aid to Haiti among many others that violate human rights.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment for some of the very same concerns that have been expressed by other colleagues, not because I am opposed to human rights or the use of resources we have to improve the basic human rights of members of other countries, but because I believe that this particular amendment does not sit well in this particular piece of legislation. I believe it may confuse our efforts in attempting to improve basic human rights.

I would like to ask the gentleman from Iowa (Mr. HARKIN) a question in regard to the amendment he has offered so that we can explore the full scope of his attitude of countries and their human rights efforts. What is the opinion of the gentleman of contributor nations to this Fund who do not meet our basic human rights objectives? Should we participate in a fund with contributors who may not meet those ideals which the borrowers are expected to meet?

Mr. HARKIN. If the gentleman will yield, I am sorry but I do not understand his question.

Mr. GARY A. MYERS. The gentleman is asking us to levy a restriction on poor countries, those countries who will come to the IMF for loans. What about those countries who will come to the Witteveen Facility as contributors? Should we avoid associating or contributing to a fund with those countries forming the fund whom we might disagree with as to their basic human rights performance?

Mr. HARKIN. If the gentleman will yield again, we do not have any kind of a veto, we cannot go and say to a country that we do not want their money because their government violates human rights, it is on the other end of the spigot where we can have effect. It is when you open that spigot and out comes the money to these countries. We may not have a veto right, but we do want the Director to try to do as my amendment says, to have this wide consultation with other member countries to try to get them to take a close look at the effect of their policies with respect to the Witteveen Facility. The countries that will be donating to the Witteveen Facility, if you look at the names of the countries, the majority of those countries have been very close allies with us in our human rights efforts. I have talked with a number of people from those countries and they have told me that they support what we are doing.

Mr. GARY A. MYERS. Is the gentleman including all of the countries in that list?

Mr. HARKIN. No, I do not include all of them, I said most of them.

Mr. GARY A. MYERS. Would you care to say which countries on that list do not meet our standards and whether or not we ought to enter into an agreement with them as donors when they themselves do not meet the criteria of the countries that are going to come as borrowers will have to meet?

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield, I will give the gentleman the name of a country.

Mr. GARY A. MYERS. I am asking the gentleman from Iowa (Mr. HARKIN) whether that association decreases our efforts toward human rights. It seems to me we ought to be concerned about the donors and about our association with the donors, we ought not to put the limitations simply on the poor countries that have to be the borrowers.

Mr. HARKIN. Mr. Chairman, if the gentleman will yield still further, the gentleman is confusing the issue, we are not talking about conferring certain benefits to contributing countries.

Mr. GARY A. MYERS. I am aware of what the Fund does. What I am not aware of is what the attitude of the gentleman is about the human rights efforts of the donor countries and whether or not they should meet the same standards as the borrowers have to meet.

Mr. HARKIN. My attitude is that all countries ought to meet those standards, donors or not donors.

Mr. GARY A. MYERS. Then I ask whether in his amendment he requires the donors to meet the same standards as the borrowers will have to meet? And if the gentleman does not have it in his amendment is it fair to the borrowers who are the poorer countries in the world?

Mr. HARKIN. No, because the IMF has never set up a list of standards nor do they meet in consultation to say whether or not they will let a member contribute.

Mr. GARY A. MYERS. I will ask the gentleman whether his amendment requires our representative to speak out in opposition to donors who do not meet the requirements that the borrowers will have to meet, because we are asking them to speak out against the borrowers?

Mr. HARKIN. That is just it. The point is that our representative there is not consulted in the same way and in the same manner in terms of whether or not a country ought to donate to the Witteveen Facility. He is only consulted if the money is going out, not coming in.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. GARY A. MYERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. MATHIS

Mr. MATHIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHIS: On page 2, immediately after line 15, add the following new subsection:

"(d) All authorities granted under this section shall be effective only for the fiscal years ending September 30, 1979, unless reauthorized for a longer period by an Act of Congress."

Mr. MATHIS. Mr. Chairman, this amendment deals only with the Witteveen section of the bill, the authorization that establishes that facility in conformance with earlier rulings by the Chair on points of order that have been raised by previous attempts to offer amendments. All this amendment does is to place a sunset provision on this legislation that says all authorities granted shall be effective only for the fiscal years ending September 30, 1979, unless reauthorized for a longer period by an act of Congress. It is a very simple sunset provision, and I urge its adoption.

Mr. NEAL. Mr. Chairman, I rise in opposition to the amendment. A sunset amendment on the supplementary financing facility would simply kill the facility. The obligations of members under the supplementary financing facility are designed to run for 12 years. The facility could not accept our participation for just one or just a few years. It must be able to count on the funds we make available for the entire period for which it will lend these funds to other countries. Without our participation for the entire period, the facility cannot be established. A sunset amendment would simply kill the whole facility, and I urge defeat of the amendment.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Wisconsin.

Mr. REUSS. I thank the gentleman for yielding.

I want to add my words to those of the gentleman from North Carolina, (Mr. NEAL), the chairman. The tragedy of this amendment is that nothing could be more inimical to the great State of Georgia. Georgia prospers by the export of cotton, soybeans, peanuts, aircraft, lumber, and poultry products. To put in an amendment which would pull the rug out from under the whole facility which is used to enable other countries to import goods from this country, would deal a serious blow to the economy of Georgia. So it is because of my love for the gentleman from Georgia that I am going to vote against his amendment.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding.

I deeply appreciate the love offering from the gentleman from Wisconsin. I would say that the purpose of the amendment is to be sure this time next year that we can come back and look and see that cotton, soybeans, and peanuts are still being exported, thanks to the efforts of the gentleman from Wisconsin.

But in response to the gentleman from North Carolina (Mr. NEAL) who says this would have the effect of killing this legislation, the truth is that any membership in the IMF or of the so-called Witteveen Facility can be withdrawn anytime now. Article XV, section 1, clearly states in the charter:

ARTICLE XV—WITHDRAWAL FROM MEMBERSHIP

SECTION 1. RIGHT OF MEMBERS TO WITHDRAW

Any member may withdraw from the Fund at any time by transmitting a notice in writing to the Fund at its principal office. Withdrawal shall become effective on the date such notice is received.

So again the gentleman is bringing up a moot point. We can pull out now.

All we are asking is that the Committee on Banking, Finance and Urban Affairs and this Congress have an opportunity to review where we are 1 year from now.

Mr. NEAL. Let me assure the gentleman we are going to exercise diligent oversight of the IMF.

Mr. MATHIS. I am sure the gentleman is correct.

Mr. NEAL. As a matter of fact, it would defeat the purpose of the supplementary financing facility if we were to adopt this very destructive amendment.

Mr. MATHIS. Does the gentleman, if he will yield further, disagree with the language?

Mr. NEAL. I have not had a chance to study the language.

Mr. MATHIS. Here it is.

Mr. NEAL. I think the gentleman is probably quoting from the articles of agreement of the Fund itself.

Mr. STANTON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition.

The chairman of the full committee knows there is no way it could possibly work. If you are against the facility, vote against it on the final passage, but let us make it clean instead of fooling around with games like this that are surely silly.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I am a member of the committee. I do not believe that this amendment in any way damages the ability of this Congress to properly review this facility or that it somehow hampers the directors. They can go ahead and decide and the Treasury can go ahead and allocate whatever they feel is necessary.

We have been told that this is a new facility and that it is needed for emergency purposes. Well, let us review it 1 year from now and encourage the committee to conduct thorough oversight and also to see to it that the human rights provisions have been adequately complied with, assuming that they have not been taken out in conference.

I think this is a very clean amendment; absolutely, it is clean. It requires us to fulfill oversight responsibility. I am surprised at my colleagues who are afraid of this. It merely asks that the Committee on Banking, Finance and Urban Affairs review all these amendments to make certain that the administration and the IMF are complying. It believes it is an excellent amendment, and I accept it as a member of the committee.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am always delighted to yield to my friend, the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, the gentleman from California is eminently correct. The gentleman from California says the committee is going to review it anyway, so what possible harm will this amendment do?

Mr. Chairman, I thank the gentleman. I did not interrupt the gentleman from Ohio when the gentleman was trying to speak; but nevertheless, the gentleman from Ohio said it was a silly amendment. I guess the gentleman from Ohio is probably correct, if we assume that constitutional oversight of our function around here is a silly notion. I hope the House will go on record as being in favor of this silly notion.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, if we have an agreement or not, either way it will kill these 9 or 13 countries that are coming under this Witteveen agreement. It is $13 million, of which we are paying $7.5 million. We tell them this and when they come along, we are going to say we will do it this year and not next year.

Mr. ROUSSELOT. Mr. Chairman, if we act in a timely manner, I think it is a very reasonable amendment. It does encourage the committee to act promptly to oversee this legislation.

Let me give another reason why we should do it. Last year we increased our quota participation in the IMF, and another quota increase will be proposed shortly, yet several major countries have not even accepted the last quota agreement or the amendments to the IMF articles of agreement.

They still have not ratified what we did here 1 year ago, so I believe that is another additional reason why we ought to add a requirement that we review it.

I do not think the gentleman's fear will prove justified, and that is this: If this bill is such a good idea, then the Committee on Banking, Finance and Urban Affairs, which has a very liberal voting record, would suddenly turn it down a year from now. If it is doing all the good we have been told it will do, I cannot imagine our committee would let the Sun set on this bill.

So this just provides us a chance to review it, and I cannot understand my distinguished colleague's not supporting this amendment.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I just want to clear the record. When the gentleman said the other countries have cleared it, that is not exactly correct.

Mr. ROUSSELOT. Not an adequate number have approved to permit the quota increase to take effect.

Mr. STANTON. I believe the figure is 80 percent.

Mr. ROUSSELOT. It still has not been approved by a sufficient voting percentage of the membership.

Mr. STANTON. Eighty countries, and when France approves next month, that will put them over the top.

Mr. ROUSSELOT. Well, that will be next month. There is many a slip 'twixt the cup and the lip.

Mr. STANTON. I wanted that to be clear in the record, because I know the gentleman always wants to be exact and correct.

Mr. ROUSSELOT. Mr. Chairman, that is why I yielded to the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. MATHIS).

The question was taken; and on a division (demanded by Mr. MATHIS) there were—ayes 9, noes 28.

Mr. MATHIS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further

proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Georgia (Mr. MATHIS) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. NEAL

Mr. NEAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NEAL: Page 1, line 6, strike out "SEC. 27." and insert "SEC. 28.".

Mr. NEAL. Mr. Chairman, this amendment simply changes the numbering of the new section of the Bretton Woods Agreements Act added by this bill. This is a technical change to accommodate a recently enacted section number.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. NEAL).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MATHIS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-nine Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceeding under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Georgia (Mr. MATHIS) for a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to this bill.

Mr. Chairman, I doubt that there is one Member of this House who is not generally aware of what has happened to the U.S. dollar since the Witteveen facility agreement was finalized on August 29, 1977, but to put into perspective the action we are about to take on this legislation, it might be helpful to look at some figures on the relative movements of major currencies in the basket which defines the so-called special drawing rights (SDR's).

The West German deutsche mark has a weight of 12.5 percent of the SDR, and the deutsche mark has appreciated approximately 12.9 percent against the dollar since the facility was negotiated. West Germany is a participant in the facility.

The British pound has a weight of 9 percent of the SDR, and the pound has appreciated approximately 11.6 percent against the dollar since the facility was negotiated. The United Kingdom is not a participant in the facility.

The French franc has a weight of 7.5 percent of the SDR, and the franc has appreciated approximately 2.2 percent against the dollar since the facility was negotiated. France is not a participant in the facility.

The Japanese yen has a weight of 7.5 percent of the SDR, and the yen has appreciated approximately 11.3 percent against the dollar since the facility was negotiated. Japan is a participant in the facility.

The Italian lira has a weight of 6 percent of the SDR, and the lira has appreciated approximately 3.3 percent against the dollar since the facility was negotiated. Italy is not a participant in the facility.

The Canadian dollar has a weight of 6 percent of the SDR, and the Canadian dollar has depreciated approximately 4.1 percent against the U.S. dollar since the facility was negotiated. Canada is a participant in the facility.

The U.S. dollar has a weight of 33 percent of the SDR, and the dollar has depreciated approximately 5.5 percent against the SDR since the facility was negotiated. The United States is a participant in the facility.

The purpose of my citing these figures is not to suggest that there is a direct cause-and-effect relationship between the negotiation of the term of U.S. participation in the Witteveen Facility and the recent decline in the dollar. Rather, my point is that some significant events have taken place since last August which ought to cause us to question whether we should remain committed to a course of action which, if it made any sense last August, does not make sense today.

Perhaps we should ask ourselves whether we are not working at cross-purposes with our own stated goals if we participate in this facility. One of the avowed purposes of the IMF in general and of the Witteveen facility in particular is to provide countries with assistance in financing their balance-of-payments deficits, so that those countries will not adopt "beggar-thy-neighbor" polices, such as devaluations and import restrictions. If we in the United States approve participation in the Witteveen facility while at the same time we conduct an effective devaluation of 13 percent against the West German deutsche mark, 12 percent against the British pound, and 11 percent against the Japanese yen, who are we kidding? What good is it going to do the defense of the dollar to create more than 1.7 billion of them in order to finance U.S. participation in this Witteveen facility?

This bill is a wholly inadequate substitute for a policy on how to reduce the enormous balance-of-payments surpluses which the OPEC nations have amassed since the cartel quadrupled the price of oil in 1973. No one has explained to our satisfaction why it is in the national interest of the United States, which is itself a victim of OPEC oil policies and which has serious balance of payments problems of its own, to provide $1.7 billion to the proposed $10 billion supplementary financing—"Witteveen"—facility designed to assist other countries in financing their oil-related balance of payments deficits.

There are three major reasons why I believe that the United States should not participate:

First. Establishment of the Witteveen facility represents a departure from the historic role of the IMF.

The International Monetary System was established under the Bretton Woods Agreement of 1944 for the principal purpose of administering the system of fixed exchange rates which was agreed to at Bretton Woods. Countries which experienced balance-of-payments deficits in the course of keeping their currencies within the agreed-upon range could obtain temporary financing from the IMF to tide them over while they made the necessary internal "adjustments" to bring their payments into balance. No one would have to adopt "beggar-thy-neighbor" policies, such as devaluations and import restrictions. Much of this machinery became obsolete when in 1974 the Bretton Woods system collapsed and was replaced by a "floating rate" system. Henceforth, changes in the relative strength of national economies would be gradually reflected in exchange rates and there would be little need for an elaborate machinery to prevent devaluations.

An embargo or dramatic increase in the price of a commodity is not an event to which a country should be expected to adjust its economy and standard of living. Rather, it is a perfect example of a "beggar-thy-neighbor" policy.

Prof. Robert Z. Aliber, of the University of Chicago, stated during a colloquy with Subcommittee Chairman NEAL:

> Now the issue has been raised . . . if this is not approved, will we have social catastrophies, troops in the streets in many countries, and growth in trade barriers.
>
> Both issues are far-fetched. We are contemplating a facility which would enable five, six, seven, or eight countries to prolong their deficits a few extra months before they have to take the adjustments.[1]

If the United States really does want to encourage countries hard-pressed by oil-related deficits to adjust to the artificially high price of oil, the most effective way to do it would be to refrain from supporting the Witteveen facility. If, on the other hand, the United States and the IMF really want to foster a liberal climate for international trade, they should exert pressure upon the OPEC nations to reduce the price of oil. While there is no single action which can be taken with assurance that it will break up the OPEC cartel, a good place to be-

[1] Hearings before the Subcommittee on International Trade. Investment and Monetary Policy of the Committee on Banking and Currency on H.R. 9214. U.S. House of Representatives, Sept. 29, 1977, p. 187.

gin would be to deny funding to the Witteveen facility and, therefore, to refuse to accommodate the OPEC-imposed price increase. It would then be left to OPEC to decide whether it would prefer to finance the oil deficits itself or to reduce the price of oil, which would obviate the need for special financing. Since it was OPEC and not the United States, which created the problem of massive oil-related balance of payments deficits, it is most appropriate that the world look to OPEC and not to the United States, for a solution. While the materials supplied by proponents of the Witteveen facility are full of "temporary" expedients designed to assist countries in learning to live with oil-related deficits, they are bereft of any suggestions as to how to deal with the underlying problem, which is the power of the OPEC cartel to tax the world economy.

Supporters of the facility have argued that if the United States attempted to apply financial pressure against OPEC, the cartel would reduce production. The proponents also point out that the OPEC countries are putting up almost half of the funds for the facility. Professor Aliber's comments on this point are instructive:

I am not impressed because the OPEC countries are willing to participate in this scheme.

If we do not have this facility I think it is highly unlikely that any of them would produce less oil. Their willingness to supply oil is determined by the price at which they can sell it, and the primary market in which they can invest the surplus export proceeds, not by the ability to put a few billion dollars in this facility.[2]

Second. "Recycling of petrodollars" augments OPEC power and imposes unwarranted risks upon the banking system of the United States.

Ever since the onset of the oil embargo, major international banks have accepted huge dollar deposits from OPEC countries on a short-term basis and have lent substantial amounts to governments for periods of several years to finance balance of payments deficits. Although the banks have stated that this business has been highly profitable in the past, it may be much less profitable in the future. In any event, several major problems are inherent in this recycling process:

First. Unlike most commercial bank financing, the financing of balance of payments deficits is not tied to a specific project which can generate earnings to pay off the loan or which can be foreclosed upon in the event of default. How do you foreclose upon a government?

Second. The banks do not have the authority to impose conditions upon the sovereign governments to which they lend. For this the banks depend upon the IMF, but stringent "conditionality" invariably brings cries of repression and threats that the debtor countries will default and bring down the international monetary system if the screws are turned too tight.

Third. The existing OPEC "oil weapon" has been augmented by the ability of OPEC to "pull the plug" on the U.S. banking system by withdrawing short-term deposits and leaving U.S. commercial banks in exposed positions with respect to their long-term loans to deficit-ridden governments.

The staff of the Senate Subcommittee on Foreign Economic Policy has made the following observation concerning this potential problem:

The debt side is only half of the problem. There are potential dangers on the petrodollar deposit side as well. The oil producing states now hold approximately $50 billion in assets in the United States and in the overseas branches of U.S. banks. At least half of these assets are highly liquid, such as Treasury bills and short term bank deposits which could quickly be withdrawn or converted, if the need arose. Any sudden movement of this volume of funds could be extremely disruptive to the financial system.

So far, the surplus states, including Saudi Arabia, which probably controls more than half the oil country assets in the United States, have shown no inclination to use these assets in a destabilizing manner; on the contrary, they have been extremely careful not to destabilize Western capital markets in disposing of their surplus funds. But in the event of another major outbreak of hostilities in the Middle East, in which the United States and Saudi Arabia are likely to find themselves on opposite sides, can one be sure that they will continue to act in the best interest of the Western financial system? Saudi Arabia did not hestitate to use the oil weapon against the United States in the last Mid-East war, despite earlier warm U.S.-Saudi relations; there is no guarantee that next time they won't wield the money weapon, too.[3]

Third. Continued financing of oil-related balance of payments deficits may eventually lead to a massive "bail-out" of the private banks.

This is an issue which is usually raised by supporters of the Witteveen facility because they believe they can effectively refute arguments that this legislation itself constitutes a "bail-out." The proponents are technically correct when they point out that since wholesale defaults have not yet occurred, any "bail-out" must necessarily take place in the future. Whether the contribution of $1.7 billion toward the Witteveen facility will forestall the need for a "bail-out" or whether it merely represents "throwing good money after bad" only time will tell.

Prof. Marina V. N. Whitman, of the University of Pittsburgh addressed herself to the "bail-out" issue during her testimony on this bill:

More fundamentally, it seems to me that the "bailout" issue is a red herring. The existence of such a facility will not prevent individual banks from suffering losses on particular foreign loans that go sour, as they do on domestic loans that turn out, after the fact, to have been misjudgments. It will, of course, benefit the banks—along with the rest of the U.S. economy—to the extent that it improves the creditworthiness of foreign borrowers in general, goads and assists them in the difficult process of adjustment, and enhances confidence in the viability of the international financial system. But this is an outcome to be desired, not deplored. On the other side, should the pessimists turn out to be right and widespread defaults loom, the American banks would look for "bailout" not to an IMF facility totalling less than $10 billion, but to the incomparably greater resources of our own Federal Reserve System.[4]

Granted that the "bail-out" issue may be a "red herring" with respect to this bill, my question is: With reassurances like these, who needs pessimism?

In conclusion, it is our belief that creation of the Witteveen facility will not solve any of the serious problems which now afflict the international economy, although it may create some new ones. Congress and international financial institutions should cease trying to devise new gimmicks to justify their refusal to address the fundamental problem of dependence on OPEC oil.

This problem can be solved without a Witteveen facility if there is the will to solve it. If that will is lacking, we might as well save our $1.7 billion.

Mr. GOLDWATER. Mr. Chairman, I would like to take this opportunity to urge my colleagues to vote "nay" on the authorization for the International Monetary Fund Supplemental Financing Facility (H.R. 9214). The bill calls for U.S. participation in a so-called Witteveen Facility within the IMF which will provide loans to certain member countries in order to help restore financial stability to their economies. The Banking Committee states that this facility is needed to help IMF member nations finance balance-of-payment deficits caused by increases in the price of imported oil. This in itself seems to be a rather solid gesture, but provisions of this bill are embroiled in a variety of controversies which have convinced me that this bill is not in the best interests of U.S. taxpayers.

First among these controversies is whether the $1.7 billion requested for the facility is a loan or an expenditure. The committee report states that it is a loan to be repaid, with interest. It is interesting to note that the interest rate paid to the U.S. Treasury on this loan will be about 7¼ percent, while the interest paid to the Treasury by the city of New York for a loan to help stabilize its economy is about 8 percent. At the same time, the going rate for loans in the private sector is about 9 percent. This interest differential of about 1¾ percent will be paid for and subsidized by the U.S. taxpayers.

Further, the Bretton Woods Agreements Act points out that any repayments on the principal of IMF loans shall continue to be available for loans to the IMF. If this be the case, then I believe that the definition of a "loan" to the IMF needs to be reevaluated and clearly differentiated from an "expenditure." To my understanding, a loan is an amount of money lent for temporary use. But, under the provisions of the Bretton Woods Agreements Act—section 17b—these funds will remain available for IMF use for an unspecified amount of time. I would be inclined to consider this an "expenditure." The difference here between a "loan" and an "expenditure" is an important one. Labeled as a "loan," the appropriation would not be included

[2] Hearings on H.R. 9214, p. 198.

[3] International Debt, the Banks, and U.S. Foreign Policy, a staff report prepared for the use of the Subcommittee on Foreign Economic Policy of the Committee on Foreign Relations. U.S. Senate, August 1977, p. 7.

[4] Hearings on H.R. 9214, pp. 239–40.

in the fiscal year 1979 budget and could very easily be overlooked in light of our total fiscal year 1979 foreign aid appropriations. I believe that this bill authorizes an "expenditure." As such, it should be included in the budget. As a result, the $1.7 billion requested by the bill should be considered in light of the nearly $10 billion the United States can expect to spend on foreign assistance for fiscal year 1979.

The second questionable aspect of the facility is its very nature. This $10 billion fund is designed to aid countries facing large balance-of-payment deficits caused by the increased prices of imported oil. The United States is one of those countries facing deficits due to the price of foreign oil, yet we are going to contribute $1.7 billion to the facility. At the same time, 48.3 percent of the $10 billion fund will be contributed by a combination of seven OPEC countries. I believe it to be very admirable for these countries to take such an interest in the economic problems we oil importing nations face. But, I do not believe that this bill, by its very nature, will help to ease the deficits believe that U.S. involvement in the Witteveen Facility is warranted on economic grounds. I do not believe that the United States should help the OPEC countries solve our economic problems in this manner.

Finally, a large controversy has arisen over the attempts of some Members of the House to include a human rights clause in this bill. Many members of the Banking Committee apparently feel that the IMF is excluded from the politics on which our foreign policy thrives. I cannot agree. Ideally, this might be desirable, but, by its very nature, the IMF serves a certain political role in our international economic policy. Its actions can and do have direct political consequences on that policy. The present administration has gone through great pains to incorporate a strong human rights clause into our foreign policy. Unfortunately, based on this bill, the House has thus far acted very inconsistently in the application of this human rights policy.

In conclusion then, this bill is full of contradiction. It is supposed to be a loan, but it is really an expenditure. It is intended to aid countries facing balance-of-payment deficits, yet we are one of those countries. The administration has pursued the incorporation of a strong human rights clause into our foreign aid programs, but this legislation avoids any mention of human rights. This Witteveen Facility is not a solution to any balance-of-payment deficits, and I urge my colleagues to reject it as such.

Mr. NEAL. Mr. Chairman, a negative vote in Congress would send economic shock waves around the globe. More directly, it would adversely affect the U.S. economy and, in fact, the economic well-being of millions of Americans.

If that seems overstated, one needs only to realize the nature of U.S. dependence on world trade—and world trade's reliance on stable monetary behavior—to grasp the economic implications.

For instance, approximately 1 of every 7 manufacturing jobs in the United States produces for export; $1 of every $3 in corporate profits either comes from exports or is earned abroad. One of every three acres of U.S. crops is grown for the export market.

We, in turn, are dependent on imports for many of our critical raw materials—oil being the most obvious example. Like it or not, we are involved in a very interdependent world economy. Many of our jobs, and much of our profits depend on world trade.

Obviously, we cannot maintain a vigorous export trade unless other countries are able to buy from us. We already run a trade deficit of about $27 billion a year, and many other countries have even more severe trade imbalances. If they shut the doors to our exports—as many surely would do without the IMF—our trade deficit would grow. our dollar would weaken, and our economy would be the loser.

Mr. Chairman, it should be apparent, then, that a vigorous U.S. economy cannot be achieved or maintained except in the context of a healthy world economy. The fact is, however, that most nations have not yet recovered from the worldwide recession of the mid-1970's. Many countries, beset by inflation and the oil price squeeze, lack the U.S. ability to adjust. They need both time and money to make these adjustments, and the IMF is their best and sometimes only hope.

That is one of the two primary functions of the IMF. It provides short-term loans to nations with balance of payments difficulties. But it can provide those loans only if the country agrees to adopt policies to overcome its balance of payments problems. This is necessary to insure the country once again becomes credit-worthy, will be able to repay its debts, and make its contribution to world economic growth. Thus the IMF functions as a balance wheel in the complicated workings of world economics.

Mr. Chairman in light of current criticism, it is perhaps even more important to understand what the IMF is not.

The IMF is not a foreign aid program. Borrowing countries must repay their loans with interest. Loans made possible under the legislation now before the Congress would carry an interest rate slightly above the rate on U.S. Treasury securities of comparable maturity. No IMF loan has ever been defaulted. Our participation in the IMF costs the United States nothing.

It is not a development agency which borrows from the wealthy and lends only to lesser developed countries. The United States has drawn from the IMF, on 23 separate occasions, for a total of $3.5 billion. The IMF's most spectacular recent success was a large loan to Britain. The economic policies implemented by the British in connection with that loan led to a dramatic improvement in the U.K. domestic economy and balance of payments, and Britain has now begun repayment of the loan, ahead of schedule. To qualify for loans from the IMF countries must need money to pay for imports. The money borrowed is not development money for the purpose of exporting palm oil, citrus fruits or anything else.

Mr. Chairman, in a very real and important way the International Monetary Fund furthers the cause of basic human rights to food, clothing, shelter, and so forth, because it gives economies time to adjust to the economic problems they face when their imports exceed their exports. Without the IMF, many countries would face bankruptcy. In others, austerity to the point of human deprivation would be required.

The IMF—like any bank or credit union in America—does require evidence that loans will be repaid, and counsels with countries to establish macroeconomic policies which will, if implemented, allow countries to repay loans. Because programs which reduce public spending are seldom popular, government leaders often blame the IMF for unpopular policies adopted to solve balance-of-payment problems. But by definition, countries with balance-of-payment problems must make adjustments, and although the IMF cannot be an aid institution or be effective if it imposes moral or political conditions on countries, it does have a 33-year history of success in its limited but important mission.

We would not close down an emergency room because it cannot perform major surgery. We should not cripple the IMF because it is not perfect. In the real world the choice is not between the IMF and long-term aid or between the IMF and a perfect society; the choice is between the IMF and nothing.

Some opponents of the Witteveen facility have labeled it a bailout of the commercial banks. On the contrary, these funds would not be for the purpose of paying off old debts, to banks or otherwise. Inevitably, the adjustments required to qualify for IMF assistance makes a nation a better credit risk in the private capital market. Historically, bank lending has increased in countries which arrange for IMF loans.

Specifically, the legislation which Congress will soon debate would authorize the United States to invest about $1.8 billion—or about 17 percent—in the $10 plus billion supplementary financing of the IMF, the so-called Witteveen facility.

The oil exporting nations, whose price increases have created so much of the world's balance-of-payments difficulties, would invest 48 percent of the total. Thus, oil money would be made available to help solve some of the problems which oil prices have created.

Mr. Chairman, this new fund for the IMF is essential. Without it, trade barriers would be erected, and world confidence would be shaken. Our economic walls, along with those of other countries, would begin to crumble. It would be a tragedy if the Congress did not en-

dorse our participation in this new IMF operation. I urge your support.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9214) to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund. pursuant to House Resolution 990, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 267, nays 125, not voting 42, as follows:

[Roll No. 77]

YEAS—267

Addabbo	Cavanaugh	Foley
Akaka	Cederberg	Ford, Mich.
Alexander	Chisholm	Ford, Tenn.
Allen	Cleveland	Forsythe
Ambro	Cohen	Fowler
Ammerman	Collins, Ill.	Fraser
Anderson, Calif.	Conable	Frenzel
Andrews, N.C.	Conte	Garcia
Annunzio	Conyers	Gephardt
Ashley	Corman	Giaimo
Aspin	Cornell	Gibbons
AuCoin	Cotter	Ginn
Baldus	D'Amours	Glickman
Barnard	Danielson	Gonzalez
Baucus	de la Garza	Gore
Beard, R.I.	Delaney	Gradison
Bedell	Dellums	Green
Bellenson	Derwinski	Hall
Biaggi	Dicks	Hamilton
Bingham	Diggs	Hammer-schmidt
Blanchard	Dingell	Hanley
Blouin	Dodd	Harkin
Boland	Downey	Harrington
Bonker	Drinan	Harris
Brademas	Duncan, Oreg.	Hawkins
Brodhead	Eckhardt	Hefner
Brooks	Edwards, Ala.	Heftel
Broomfield	Edwards, Calif.	Hightower
Brown, Calif.	Eilberg	Hillis
Brown, Mich.	Erlenborn	Hollenbeck
Brown, Ohio	Ertel	Holtzman
Buchanan	Evans, Colo.	Horton
Burke, Calif.	Evans, Del.	Howard
Burke, Mass.	Fary	Hubbard
Burleson, Tex.	Fascell	Hughes
Burlison, Mo.	Fenwick	Hyde
Burton, Phillip	Findley	Jacobs
Carr	Fish	Jeffords
Carter	Fisher	Johnson, Calif.
	Flood	
Johnson, Colo.	Moorhead, Pa.	Schroeder
Jones, Okla.	Moss	Seiberling
Jordan	Murphy, N.Y.	Sharp
Kastenmeier	Murtha	Sikes
Keys	Myers, Gary	Simon
Kildee	Myers, Michael	Sisk
Kostmayer	Natcher	Skelton
Krebs	Neal	Skubitz
LaFalce	Nedzi	Smith, Iowa
Leach	Nix	Solarz
Lederer	Nolan	Spellman
Leggett	Nowak	St Germain
Lehman	O'Brien	Staggers
Lent	Oakar	Stanton
Lloyd, Calif.	Oberstar	Stark
Long, La.	Obey	Steers
Luken	Ottinger	Steiger
Lundine	Panetta	Stokes
McClory	Patten	Studds
McCloskey	Patterson	Thompson
McCormack	Pattison	Treen
McDade	Pease	Tsongas
McEwen	Pettis	Udall
McFall	Pickle	Ullman
McHugh	Pike	Van Deerlin
McKay	Preyer	Vander Jagt
Madigan	Price	Vanik
Maguire	Pritchard	Vento
Mahon	Quayle	Waggonner
Mann	Quie	Walgren
Markey	Rahall	Walsh
Marks	Railsback	Waxman
Martin	Rangel	Weiss
Mattox	Regula	Whalen
Mazzoli	Reuss	White
Meeds	Richmond	Whitehurst
Meyner	Rinaldo	Wiggins
Michel	Roberts	Wilson, Bob
Mikulski	Rodino	Winn
Mikva	Roe	Wirth
Milford	Rooney	Wolff
Miller, Calif.	Rose	Wright
Mineta	Rosenthal	Wydler
Minish	Rostenkowski	Wylie
Mitchell, Md.	Roybal	Yates
Mitchell, N.Y.	Ruppe	Yatron
Moakley	Ryan	Young, Mo.
Moffett	Santini	Zablocki
Mollohan	Sarasin	Zeferetti
Moore	Scheuer	

NAYS—125

Abdnor	Fountain	Murphy, Ill.
Andrews, N. Dak.	Frey	Murphy, Pa.
Applegate	Fuqua	Myers, John
Archer	Gammage	Nichols
Armstrong	Gaydos	Pressler
Ashbrook	Gilman	Pursell
Bafalis	Goldwater	Quillen
Bauman	Goodling	Risenhoover
Beard, Tenn.	Grassley	Robinson
Benjamin	Gudger	Rogers
Bennett	Hagedorn	Rousselot
Bevill	Hansen	Rudd
Bowen	Harsha	Runnels
Brinkley	Holland	Russo
Broyhill	Holt	Satterfield
Burgener	Huckaby	Sawyer
Butler	Ichord	Schulze
Byron	Ireland	Sebelius
Caputo	Jenkins	Shuster
Carney	Jenrette	Slack
Chappell	Jones, N.C.	Smith, Nebr.
Cochran	Jones, Tenn.	Snyder
Collins, Tex.	Kasten	Spence
Corcoran	Kelly	Stangeland
Crane	Kemp	Stratton
Cunningham	Ketchum	Stump
Daniel, Dan	Kindness	Symms
Daniel, R. W.	Lagomarsino	Taylor
Davis	Latta	Thone
Derrick	Levitas	Traxler
Devine	Livingston	Trible
Dickinson	Lloyd, Tenn.	Volkmer
Dornan	Long, Md.	Walker
Duncan, Tenn.	Lott	Wampler
Early	Lujan	Watkins
Emery	McDonald	Weaver
English	Marlenee	Whitley
Evans, Ga.	Mathis	Whitten
Evans, Ind.	Miller, Ohio	Wilson, C. H.
Fithian	Montgomery	Young, Alaska
Flippo	Moorhead, Calif.	Young, Fla.
Florio	Mottl	

NOT VOTING—42

Anderson, Ill.	Clausen, Don H.	Edwards, Okla.
Badham	Clawson, Del	Flowers
Boggs	Clay	Flynt
Bolling	Coleman	Guyer
Bonior	Cornwell	Hannaford
Breaux	Coughlin	Heckler
Breckinridge	Dent	Kazen
Burke, Fla.	Edgar	Krueger
Burton, John	Le Fante	McKinney
Marriott	Rhodes	Thornton
Metcalfe	Roncalio	Tucker
Pepper	Shipley	Wilson, Tex.
Perkins	Steed	Young, Tex.
Poage	Stockman	
	Teague	

The Clerk announced the following pairs:

On this vote:

Mr. Hannaford for, with Mr. Charles Wilson of Texas against.

Mr. Le Fante for, with Mr. Shipley against.

Mrs. Boggs for, with Mr. Breaux against.

Mr. Breckinridge for, with Mr. Badham against.

Mr. Bonior for, with Mr. Del Clawson against.

Mrs. Heckler for, with Mr. Edwards of Oklahoma against.

Mr. McKinney for, with Mr. Guyer against.

Mr. Pepper for, with Mr. Marriott against.

Until further notice:

Mr. John L. Burton with Mr. Teague.

Mr. Clay with Mr. Krueger.

Mr. Cornwell with Mr. Anderson of Illinois.

Mr. Steed with Mr. Burke of Florida.

Mr. Roncalio with Mr. Don H. Clausen.

Mr. Dent with Mr. Coleman.

Mr. Edgar with Mr. Coughlin.

Mr. Flowers with Mr. Kazen.

Mr. Flynt with Mr. Tucker.

Mr. Metcalfe with Mr. Perkins.

Mr. Thornton with Mr. Stockman.

Mr. DERRICK and Mr. MURPHY of Illinois changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEAL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, and that I may be permitted to include extraneous matter in my remarks made in the Committee of the Whole, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1977

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9179) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 9179, with Mr. EVANS of Colorado in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, November 3, 1977, the bill had been considered as having

been read and open for amendment at any point.

Are there any amendments?

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: Page 8, add the following new subsection at the end of the bill:

(k)(1) Section 237 of such Act, as amended by subsection (h) of this section, is further amended by adding at the end the following new subsection:

"(n) The Corporation may not provide any insurance, reinsurance, guaranty, financing, or other financial support authorized by section 234, for any project which involves the exploration for or the mining or other extraction of any deposit of copper."

(2) The amendment made by paragraph (1) of this subsection shall not apply to any insurance, reinsurance, or guaranty, which is provided under a contract or other agreement entered into before the date of enactment of this Act.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. UDALL. Mr. Chairman, this amendment deals with a matter vitally important to many people in the Western part of this Nation, specifically, those copper miners, and their families, who have seen their incomes cut, or fall to nothing, as a result of the depression in the copper industry. In my home State of Arizona alone, 8,000 to 10,000 miners have been laid off, as a direct result of the vast worldwide glut of copper on the market. And the last thing those miners need to hear is that an arm of the U.S. Government is going to bring more foreign copper mines into production.

This amendment, very simply, would prohibit OPIC from having anything to do with development of foreign copper. The Corporation could not finance, insure, or guarantee any projects dealing with copper. The officials at OPIC have told me that they have no plans to become involved in such projects, but I would prefer, and those thousands of unemployed miners would prefer, that a prohibition be written directly into the language of the bill. I urge my colleagues to support this amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Chairman, I have had occasion to discuss the amendment with the gentleman. As far as I am concerned and as far as the majority of the committee is concerned, we see no objection to it. We can understand the gentleman's very real concern, the concern in his area.

Mr. UDALL. Mr. Chairman, I thank the gentleman for his comments.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Nevada.

Mr. SANTINI. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from Arizona (Mr. UDALL) for his sponsorship of this critical amendment to the issue of the needs of our copper industry in this country. If any man can appreciate those needs or interests, the gentleman from Arizona can, with 8,000 to 10,000 people either unemployed or part-time unemployed in his district. I think the gentleman has taken a good shot at a very important target.

Mr. UDALL. Mr. Chairman, I thank the gentleman for his comments.

Mr. RYAN. Mr. Chairman, I rise in support of the amendment because it is important that we recognize what is coming after. The author of this particular legislation to continue OPIC will shortly put in some amendments having to do with the capacity of OPIC to support and finance mining overseas by U.S. interests.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. RYAN. Mr. Chairman, I would rather finish my opening statement.

Mr. BINGHAM. I think it would save some time if the gentleman would yield.

Mr. RYAN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I would like to advise him that in view of the controversy that has arisen over the amendment that I had proposed to offer with regard to raw materials, I do not propose to offer that amendment.

Mr. RYAN. Mr. Chairman, if I may pursue my point, that is supportive, even more so, of the amendment offered by the gentleman from Arizona (Mr. UDALL).

Let me just say that this entire area which affects so many American employees is of extreme importance.

Mr. Chairman, I have here, in anticipation of the amendment which the gentleman from New York (Mr. BINGHAM) would have offered, a broad amendment of my own. I am not quite sure at this point whether to pursue the same point by saying that if the amendment of the gentleman from Arizona (Mr. UDALL) is good because it exempts copper, my amendment ought to be great because it exempts a good many other products. If the Udall amendment is to pass, my own intention would then be to still introduce my own amendment to make assurance doubly sure.

Therefore, Mr. Chairman, I would support this amendment.

Mr. RUDD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by my colleague from Arizona (Mr. UDALL).

As the Members of Congress know, the domestic copper industry, which is located primarily in Arizona, is severely depressed. One of the principal causes lies with the overproduction of copper by the lesser developed countries, whose governments own or effectively control 40 percent of the world's productive capacity.

Many of the mines of the lesser developed copper-producing countries were developed by U.S. companies with U.S. dollars and nationalized without compensation. The governments of these countries are today subsidizing overproduction of copper while receiving foreign assistance money from the United States.

Mr. Chairman, the United States does not need to do more toward developing foreign copper production. I urge my colleagues to support this amendment.

AMENDMENT OFFERED BY MR. BAUMAN TO THE AMENDMENT OFFERED BY MR. UDALL

Mr. BAUMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN to the amendment offered by Mr. UDALL: After the word "copper" on line 5, insert "or for any project which involves the production of agricultural products."

Mr. BAUMAN. Mr. Chairman, as I understand it, section 234 of the basic law authorizing the Overseas Private Investment Corporation gives the ability to this agency to issue investment insurance, reinsurance or guarantees of financing for projects abroad, which, in fact, in many cases may well be in direct competition with American economic entities such as the copper industry, as we have just heard.

Mr. Chairman, my distinguished colleague, the gentleman from Arizona (Mr. UDALL), who is the chairman of my committee and subcommittee and for whom I have a great deal of respect and affection, has made an excellent point regarding the copper mining industry and its plight.

My amendment would simply add and expand the principle that is embodied in the amendment of the gentleman from Arizona, which is that there are certain economic interests in this country that badly need protecting at this point.

Mr. Chairman, I see no reason that American taxpayers' funds should be used to in some way enhance competition abroad.

Therefore, I would like to go a step further than the copper industry and include our farmers and all of those who are engaged in agriculture and who may suffer at the hands of OPIC decisions to reinsure or guarantee investments in various foreign agricultural enterprises.

Mr. Chairman, right now our farmers are in the worst financial shape they have been in for the better part of 40 years as far as prices are concerned. Consequently, I think that what is good for the copper industry is good for the farmers.

That, simply, Mr. Chairman, is my intention in offering this amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I deeply regret that my good friend, the gentle-

man from Maryland (Mr. BAUMAN), is tying this albatross around a perfectly good amendment of mine.

There is a good deal of difference involved here. Copper is a highly capital-intensive industry. There is a worldwide glut of copper. Nonetheless, we import considerable copper into this country, whereas we are a very large exporter of agricultural products.

Mr. Chairman, there may be some merit to the gentleman's proposal. I might even support it, but I wish he would offer it separately and not attempt to drag down an amendment of mine which deals with a single problem on a 1-to-1 basis.

Mr. BAUMAN. To respond to the gentleman, Mr. Chairman, agriculture is also a capital-intensive industry.

Many of the young farmers in the United States are suffering because they do not have the capital. Indeed, we do export to other countries, but right now we have a great deal of farm production and supplies on hand, particularly in feed grains, corn, soybeans, wheat. The Congress has been struggling with some means to deal with this and help the farmers. If indeed OPIC is devoting the funds we provide from our taxpayers' pockets to finance competition with American agriculture, as the gentleman is concerned they are financing competition with the copper industry in the United States, I can see nothing wrong in supporting my amendment.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maryland to the amendment offered by the gentleman from Arizona. I wish that the chairman of the Committee on Agriculture were here on the floor at this moment. I am sure that if he were, he would join me in opposing the gentleman's amendment. The fact of the matter is that the chairman of the great Committee on Agriculture, Mr. FOLEY, is a strong supporter of this bill. He feels that the operations of OPIC are very much in the interests of the American farmers.

That is understandable, because projects that OPIC has facilitated have resulted, for example, in the production of 10 flour mills that purchase 15 million bushels of U.S. wheat a year, and other processing facilities that absorb American exports such as feed mills, storage facilities, and plants to process poultry, livestock, rice, farm products, and cotton. The addition of this amendment, of course, to the Udall amendment adds a totally new dimension to the Udall amendment. I think that it is so mischievous in its effect on the total program that if this amendment were adopted, I would have to oppose the Udall amendment, regretfully.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I agree with the chairman wholeheartedly. Adoption of this amendment, I think, would have a drastic influence on American agricultural interests, contrary to being an assistance, for some of the reasons that the gentleman has stated.

OPIC has been vigorous, and in fact is expanding its efforts to assist developing countries to improve their agriculture and agricultural-related industries in order that they can become, in fact, greater consumers of those surplus agricultural products that we are now producing in this country and that have caused the American farmer such hardship because its prolific production depressed his ability to receive a fair price.

We must expand our markets, and OPIC is directing its efforts to programs that would provide opportunities for the expansion of markets for American agricultural products. The amendment offered by the gentleman from Maryland would do great violence to that very noble and desirable goal and aim of OPIC.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield.

Mr. BAUMAN. I just wanted to ask the gentleman from Nebraska how he spares his statement that OPIC has been instrumental in expanding agricultural production of other countries with the fact that this would directly decrease the ability of those countries, or their need, to have American agricultural products. I do not quite understand his reasoning.

Mr. CAVANAUGH. I think the gentleman could understand increased production and increased standard of living among less developed countries of the world increases their consumptive capacity, while not all countries can produce the same agricultural products that we are able to produce here in the United States. So, because they increase their ability in one area in which they have an ability to increase their productivity, it raises their standard of living and that increase in the standard of living increases their ability to purchase other goods and services we produce, and agricultural products we are capable of producing in great surplus that those countries are not able to produce. So it does inure directly to the benefit of this country to improve those agricultural commodities abroad.

Mr. BINGHAM. Mr. Chairman, if I may reclaim my time for a moment, I would just like to add to what the gentleman from Nebraska said, that the gentleman's amendment would apply to agricultural production of products that are not grown in the United States and would adversely affect the economies of countries that depend very heavily, for example, on tropical products which we do not produce.

Mr. WHALEN. Mr. Chairman, I rise in opposition to the amendment.

I think it is important that we differentiate between investment and investment insurance. Whether or not investment insurance is granted does not mean that an investment necessarily will not be made abroad. Thus even if an investment should result in the loss of jobs in the United States, that potential investor may make that investment in the host country. But under existing circumstances OPIC is forbidden by law to insure that investment.

Section 231(m) reads that OPIC is—

to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment if the Corporation (OPIC) determines that such investment is likely to cause such investor . . . significantly to reduce the number of his employees in the United States . . .

Now it might be argued, well, supposing the investor does not have any investments in agriculture in the United States, would this then permit OPIC to go ahead and insure such investment in agriculture abroad? We might recall that when this bill was debated late last fall, the gentleman from New York (Mr. SOLARZ) introduced an amendment which was adopted. It reads as follows and I think it relates to the question I just posed:

"(o) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment if the Corporation determines that such investment is likely to cause a significant reduction in the number of employees in the United States.".

So this broadens the scope of subsection 231 to cover those instances where the investor may not be involved in that particular enterprise in the United States.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding. I am pleased by his assurance and this reference to section 231(m) and the Solarz amendment adopted last fall, but if indeed what he says is true, then why do we need the Udall amendment at all? The copper industry would be protected by law. Are we involved in a useless exercise that runs contrary to this legislation?

Mr. WHALEN. I think the gentleman's point is well taken.

Mr. BAUMAN. Mr. Chairman, I ask unanimous consent to withdraw my amendment to the amendment in view of the fact that I think my point has been made by the offering of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: Add the following new subsection at the end of the bill:

( ) Section 231(k) of such Act, as redesignated by subsection (a) of this section, is amended to read as follows:

"(k) to give preferential consideration to investment projects in low income countries that have per capita incomes of $520 or less in 1975 United States dollars, and to restrict its activities with respect to investment projects in less developed countries that have per capita incomes of $1,000 or more in 1975 United States dollars.".

Mr. BINGHAM. Mr. Chairman, the purpose of this amendment, which has

been discussed in the Committee on International Relations—and I have been authorized to offer it here today—is simply to codify and to put into the law a new approach to the extension of insurance to developing countries at the upper end of the income scale. Investments in countries with per capita income of $1,000 or more would receive OPIC support only in exceptional cases. Projects having to do with energy, where a small business is involved, or involving minerals, would constitute such exceptions. That is the approach that the new administration has taken. We think it is sound.

It is true, and it is fair, as the gentleman from California, who has so resolutely opposed this legislation, has pointed out in the past, that too much of OPIC's activities have centered in countries like Brazil which are emerging from the category of developing countries. Their per capita income is well in excess of $1,000.

So it is the intention of this amendment to see to it that the OPIC organization lives up to its current policy—that is, to focus on the poorer countries, those with incomes of $520 or less. That figure represents a slight adjustment over the current figure in the act, merely to reflect inflation. In addition to that, insurance and other activities in countries with incomes in excess of $1,000 per year, would be severely restricted.

Mr. WHALEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will be very brief. I have discussed this amendment with the gentleman from New York (Mr. BINGHAM), its author, and it is acceptable to the minority side. I urge its adoption.

Mr. RYAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise either in support of or in opposition to, whichever is the best way to speak on the amednment.

Mr. Chairman, I have no particular objection to this amendment but I would like to make the point that it is not a major point in the discussion of this bill. It is cosmetic in nature. The agency is now 7 years old and its purposes have wandered over the years and they wander today. We are still trying to put in language to tighten it up when in fact it has very little effect.

Mr. Chairman, let me read from the 1974 record, if I may, which relates directly to this amendment, in which it says:

". . . to the maximum extent practicable, to give preferential consideration . . . to projects in the less developed friendly countries." Many of the countries where OPIC has the largest programs—Indonesia, the Philippines, South Korea—fall into this category. The per capita incomes fall under $520. All of these countries are gross violators of human rights, where the benefits of development rarely trickle down to the neediest—

To the peasants themselves, where the per capita income is less than the $525 that is mentioned in this particular amendment.

The fact is, Mr. Chairman, in this amendment as well as the present law regarding OPIC, there is no real way to enforce it. There is no penalty if OPIC does not follow the directive, if they ignore the legislation as they have in the past.

In other words, this amendment appears to be some kind of an improvement in the law when actually it is not.

As I say, I do not have any objection to it, but it does not change the basic problem with OPIC itself.

It is for that reason, among others, that I believe OPIC simply should be done away with. That is the reason that I opposed the program before, and while I believe this amendment, while it has no particular negative affect, certainly with respect to why I oppose the bill, probably illustrates the reasons why better than I have stated them. I can either oppose or support the amendment.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word.

I agree entirely with the gentleman from California (Mr. RYAN) on this. This amendment has no harm in it, but the fact is that it is meaningless; it will not do anything to improve the operation of this bill. Most of our foreign aid, most of our development aid to poor countries has gone to the rich people in the poor countries, where some of the richest people in the world can be found. I have been to 50 of them. Our help goes to the cities, to the bureaucracy, to the businesses, the military. Many of their cities look better than ours. But when one gets outside of the city, bang. One finds oneself back in the dark ages with almost no beneficial impact from the third of a trillion dollars we have spent on foreign aid. Do not think for 1 minute that this amendment is going to do one thing to sweeten or make more acceptable the OPIC bill. There is no harm in it nor any good either. It leaves the OPIC bill just as objectionable as before.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFERED BY MR. RYAN

Mr. RYAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: Page 8, add the following new subsection at the end of the bill:

(j) (1) Section 237 of such Act, as amended by subsections (g) (2) and (h) of this section, is further amended by adding at the end the following new subsection:

"(n) No insurance, reinsurance, guaranty, financing, or other financial support may be provided under this title for any project which involves the exploration for or the mining or other extraction of, any of the following: alumina; aluminum; aluminum oxide, fused; copper; lead; manganese ore; or zinc."

(2) The amendment made by paragraph (1) of this subsection shall not apply with respect to any contract or other agreement which provides for insurance, reinsurance, or a guaranty and which is entered into before the date of the enactment of this Act.

Mr. RYAN. Mr. Chairman, this amendment is pretty obvious because it simply broadens the amendment offered by the gentleman from Arizona (Mr. UDALL) earlier which says do not do it to copper. But this amendment says do not do it to copper and do not do it to some other materials, too, which affect tens of thousands of mining jobs in this country and related industries.

One of the basic problems with OPIC is at the present time, and has been all along, that they find themselves looking around for work. They find themselves looking around for something to do, for something to insure. Inevitably they begin to hone in on those large corporations, those multinational corporations doing the kind of business where there is very little risk except where there is the occasion of mining. In these various countries where OPIC has insured in the past, we find very interesting statistics. Two-thirds of the total insurance claims of $336 million that OPIC is paying U.S. companies—that is paid out—have been for expropriated mines, especially in Chile. In the yet to be released 1977 OPIC annual report, OPIC made cash payments of $47.5 million to Anaconda Copper Co., not a very small operation, and not a very small company as far as support is concerned. Revere Copper and Brass has filed a claim for $80 million for expropriation for its bauxite aluminum facility in Jamaica. Four other claims are presently on file involving another $1.9 million.

The fact is that the United States being involved in extracting industries overseas may help us. It does not particularly help our image in the countries involved, because if there is one area where many foreign countries are extremely sensitive—many foreign countries that are poor are extremely sensitive—it is in the extracting industries, the mining industries. The comment is, "Here is another gigantic American corporation raping our land, giving us a little bit of money for it, and going off and leaving us without much raw material of our own to exploit for our own purposes as a matter of national interest."

The fact is that even in Saudi Arabia, for example, where we had dominating ownership of Aramco, because of the nationalist concept, even in Saudi Arabia, we had to move hurriedly to arrange for repayment of the shares that Aramco had so that the Saudis could own their own extracting industry; namely, oil.

On a worldwide basis, mining and extracting projects are taken to be something special in the countries involved. We would not particularly like to have the Japanese mine ore in Arizona. We would not like to have the West Germans mining whatever particular product there is in South Dakota or Montana. We want it done by our own people; so do other countries.

Now, OPIC says, "We will take care of that by insuring you in the case of expropriations. It is risky business. You should not be here at all."

This particular amendment simply follows in the direction of the Udall amendment already approved. It would

be impossible to accept the Udall amendment and not accept this and make an exception for copper in the case of Arizona and not make an exception for aluminum, lead, manganese, and zinc, which affects tens of thousands of American workers and affects a significant part of our gross national product.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

First of all, if the gentleman had limited the amendment to such products as lead and zinc, I think I could have gone along with it, as I did the amendment of the gentleman from Arizona (Mr. UDALL).

What I do not understand about the gentleman's amendment is that it includes bauxite or aluminum products. We are virtually totally dependent on foreign supplies of bauxite. For manganese we are 99 percent dependent on foreign supplies. We do not have any extracting project for these materials.

We are about to consider the deep sea mining bill in which we will be talking about ways to take manganese from the floors of the ocean at great expense, because we need supplies of manganese. So with the inclusion of aluminum and aluminum products, aluminum oxide and manganese, I must oppose the gentleman's amendment.

Now, let me say a word about the general proposition of OPIC providing insurance for raw materials development and for minerals development. Let me say also a word about some of the general comments that my friend, the gentleman from California, has made about OPIC's operations. The gentleman continually describes them as if we did not have over the past 14 months a new administration. We had for the first several years of OPIC's operation an administration of a different character. It is, in my judgment, partly the fault of the Congress. But OPIC engaged in some very unwise activities, concentrating in countries that did not necessarily need it. Only because, as I said before, the Congress in 1974 unwisely put a provision in the law that OPIC should try to turn the whole business over to private insurance. That, however, did not work.

Now, the kinds of projects in which OPIC involves itself, which involves raw materials extracting, are not the sort of projects the gentleman from California was just referring to that were so much hated by the developing countries. They are mostly joint ventures. Many countries today have laws prohibiting foreign ownership of raw materials extraction projects; so if there are U.S. companies that are going into this field to assist in the development of raw materials, or minerals development, they will be doing so in partnership with the developing countries themselves in such a manner as to assist in the development of those countries and, of course, only with the consent of those countries.

The type of operation involved, which frequently involves technology and engineering, is a very different type of operation from those involved in the gigantic operations of Anaconda and other companies in another era.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Chairman, I thank the gentleman for yielding.

I would point out once again that the problem of job loss is addressed by existing law, specifically, section 231(n), plus the Solarz amendment which I quoted a few moments ago. Thus I do not think this amendment is necessary, because the objective has already been taken care of by existing legislation and by the amendment which has been incorporated in this measure.

Mr. BINGHAM. Mr. Chairman, would the gentleman agree with me that we do need to import aluminum and aluminum products, and that we need to import manganese?

Mr. WHALEN. Without any question. We are going to need to import many more products in the future as our supply of minerals and raw materials decline.

I would also agree with the gentleman that at the present time and into the future there will be a new kind of investment by the United States, if indeed there is investment or ownership at all. For example, the Latin American countries have what is known as the Andean Code. This code requires that the foreign investor have only 40 or 45 percent of the investment, a majority going to the host country.

So we are seeing an entirely new environment, a new set of circumstances, especially with respect to investment in industries abroad.

Mr. RYAN. Mr. Chairman, if the gentleman will yield on that point, I would like to insert some figures here and then ask a question, if I may.

Mr. BINGHAM. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, I thank the gentleman for yielding.

Let me ask this: According to the charts and figures I have from the Congressional Research Service, these are the facts concerning alumina and aluminum.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(On request of Mr. RYAN and by unanimous consent, Mr. BINGHAM was allowed to proceed for 3 additional minutes.)

Mr. RYAN. Mr. Chairman, if the gentleman will yield further, we have presently in this country in this category, U.S. products from Texas, Louisiana, Alabama, Mississippi, the Virgin Islands, Washington, Oregon, Montana, the Gulf Coast States, many Northern States, and other Southern States. Those are in various categories as between alumina and aluminum, and I am not sure what the difference is.

We have almost 20 million tons of U.S. consumption, and we import about 4 million tons of alumina and aluminum. That means that we get about 16 million tons of U.S. consumption per year at the present time in this country. The total number of jobs involved, incidentally, in the aluminum industry alone is 34,500, according to the Congressional Research Service. That is just for aluminum.

If we go down the list and take copper or any of these other metals, lead, for example, we are talking about a majority of the amount of the particular minerals in this amendment. With the exception of manganese, they are all still mined in this country, in the majority.

Mr. BINGHAM. Mr. Chairman, would the gentleman comment on the manganese situation?

Mr. RYAN. I would be happy to. If the gentleman will support my amendment, I would be happy, by unanimous consent, to take manganese out of my amendment.

Mr. BINGHAM. Mr. Chairman, does the gentleman ask unanimous consent to take manganese out of his amendment?

Mr. RYAN. Mr. Chairman, I ask unanimous consent that I be allowed to take manganese out of my amendment, in the hopes that the gentleman will support my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. RYAN. I think I will leave my amendment as it is, Mr. Chairman.

Mr. Chairman, if the gentleman will yield further, the point I am trying to make is that there are jobs involved here in the tens of thousands. There are millions of tons of ore and of raw materials mined in this country, and this particular amendment seems to protect those, just as the amendment offered by the gentleman from Arizona (Mr. UDALL) sought to protect copper, and that amendment was accepted by the author of this legislation.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I do not have any ax to grind for any of these industries, but let me point this out: We have in the United States a tremendous capital shortage, depending on who estimates it.

The New York Stock Exchange has estimated a capital shortfall of around $640 billion over the next few years. My own estimates, if we look into such things as flood control, pollution control, and rehabilitation of our steel industry, and other industries, is a capital shortage of as high as a couple of trillion dollars.

Yet we are exporting vast quantities of capital at a time when our own industries are starved for capital to put themselves on a productive basis.

Now, are we helping the developing countries? Let me tell the Members this: I have been in 50 of these developing countries. I have climbed over every kind of mountain road and looked at the conditions of life of the people in those countries, and I can say this: This is not the kind of project that helps poor people in poor countries. The poor people in poor countries need food; they need a decent place to live. They need clothes. They need education. None of these things are they getting in adequate

amounts. The mass of poor people in this world are short about 20 percent of the quantity of food that they need to feed themselves, even though they are eating about 1,800 calories a day in many cases, they still have to import about 20 percent abroad. We should be putting our expertise in these countries to help them do the first things first, feed themselves, house themselves, clothe themselves. We are not doing that.

Furthermore, let me point out that when we build up this type of export industry, what we do is turn most of the gravy over to the people in the export industries and in the import industries. They are the ones who make the money out of it. The poor worker gets darn little out of it. He gets bare wage, when he gets a job at all. He is also being exposed to all of the vicissitudes of the world market, fluctuating prices, fluctuating economic conditions, and so on.

So when we stimulate this type of capital export abroad, we are hurting ourselves and we are not helping the poor countries.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

Mr. Chairman, is it not factual, though, that when a company makes an investment in a lesser developed country, with its investment guaranteed by OPIC, that investment might very well produce some jobs for the local people that otherwise might not be there? And is not a job for a native or a citizen of one of these countries an improvement?

Mr. LONG of Maryland. If it were the right kind of job. But usually these are not the right kinds of jobs. They are just wretched jobs, poorly paid.

They need to feed themselves. What we need to do is to show them how to produce the food in their own backyard.

Mr. HYDE. If the gentleman will yield further, is not providing a job a benefit, when the benefit might not otherwise be there?

Mr. LONG of Maryland. Not when the job might not be there, in any case, because you have that wide fluctuation in world prices, economic fluctuation, and so on, and you are putting them at the mercy of all kinds of world forces, when what they need is something they can count on to feed themselves. We are wasting our capital on the wrong kinds of economic development. We have been doing this for years.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from California.

Mr. RYAN. I thank the gentleman for yielding.

Mr. Chairman, I think it is a matter of viewpoint that the gentleman from Ohio referred to. I think what we are talking about here is the fact that the U.S. flag, the full faith and credit of the U.S. Treasury, is standing behind the giant corporation which comes in and says to the desperate local native worker, "Go down in that mine, work 10, 12, 14 hours a day, 7 days a week, for the absolute merest pittance and call that an improvement in your life."

That is exactly where the United States got in trouble years ago, and we got the reference "Yankee imperialism." And here we are now, with the American flag attached to some of the less attractive elements in multinational corporate activity. If Exxon wants to go into a country on its own and do that, that is their business. But to have the U.S. flag attached, that is precisely where I get off the trolley. If the full faith and credit of the U.S. Treasury is behind these loans, that is where we make our mistake, and that is what I object to.

Mr. WHALEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would just like to respond to the observations made by the gentleman from Maryland. I want to make two points. First, when we talk about investment we cannot assume that an American firm can go into a country without that country's approval. We must recognize the fact that before any investment can be made, regardless of the kinds of products that can be produced, it must have the approval of the host country. As I indicated a few minutes ago, there will be various kinds of investment codes with which we will be faced in the future.

Second, that investment probably will be made whether or not insurance will be available.

In some instances the insurance has been the difference. However, when insurance coverage is requested of OPIC, OPIC will examine the investment to determine whether or not it contributes to the development of the host country. This is the objective of this legislation, of course.

OPIC officials also will meet with representatives of the host country to determine whether or not this investment conforms with their development program. If, in the opinion of OPIC, it does not contribute to development, if the investment does not conform to the host country's development program, insurance will not be given. It is that simple.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, I am confused.

Since the gentleman is opposed to this amendment, I would like to have him explain, if he can, just for me, since I need a very simple explanation, why he can be in favor of the Udall amendment, which says, "Don't do it to copper," but cannot be in favor of this amendment, which says, "Don't do it to aluminum"?

How is copper different from aluminum as far as OPIC is concerned?

Mr. WHALEN. There is absolutely no difference, as far as I am concerned.

If the gentleman heard my comments in response to the question of the gentleman from Maryland, I agreed with the viewpoint that he took. Further, if the gentleman also listened very carefully during the voice vote, he would have heard me respond "nay."

I do not see any difference, and I opposed the Udall amendment as I oppose this amendment.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, may I say that, of course, the poor countries are going to approve. This type of industry which we would be guaranteeing is going to benefit some people, surely. It is going to benefit the ruling class. It is going to benefit the businessmen, the upper income groups.

It is not going to touch the lives of the poor people. At the same time, it makes one more stretchout of the slim quantity of capital we have in this country to deal with our own industry. We do not have enough capital to develop our own industry. Industry after industry is starving for lack of capital, such as in the gentleman's own State. In the gentleman's own State the steel factories are having to close down because they are an antiquated rust pot.

Mr. WHALEN. We are short of capital, but let us not forget that those who possess the capital have the right to invest it as they see fit. They have the right to invest it in a manner which will yield to them the greatest profit.

Mr. LONG of Maryland. Of course, but not with a U.S. Government guarantee.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

On the matter of capital and the shortage thereof, I think it is of interest to note that the totality of OPIC-encouraged foreign investment amounts to one-quarter of 1 percent of private domestic investment in the United States and less than 5 percent of U.S. direct investment overseas.

Mr. HYDE. Mr. Chairman, I rise in opposition to the amendment.

I simply want to reply to my good friends, the gentleman from Maryland, that we spend billions, and I mean billions of dollars, in foreign aid, in moneys that we put into the Inter-American Development Bank, the Asian Development Bank, the International Monetary Fund and the World Bank. We contribute to the U.N. which puts money into the fund for special operations, and that is foreign aid.

In this situation, Mr. Chairman, we are stimulating foreign investment by private industry; and this has, in my humble opinion, a very salutary effect not only on helping the industry making the investment to make a profit, but in bringing an American presence to some of these lesser developed countries, which can be very salutary, even though their practices of democracy may not be equal to the standard we would like to have. An American presence there has a ripple effect and has a very salutary impact on more than just the economy. In addition, contrary to what my friend, the gentle-

man from Maryland, said, I think the most important things for a citizen of a developing country is a job. Then he can buy seeds to plant a garden. Then he can feed himself and educate his family and himself.

Again, Mr. Chairman, these investments stimulate jobs. Yes, there are profits. Maybe the ruling class makes out; but if the investment provides jobs for people in lesser developed countries, it is well worth the effort. Furthermore, it complements our foreign aid effort, for which we get nothing tangible in return. At least in these investments with U.S. guarantees, some profit is expected which can aid capital formation.

I might add, Mr. Chairman, that the track record of this agency has been very good.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I agree entirely about the foreign aid program. As chairman of that program, I am going to do everything I can to hold it down because I think much of it over the years has done more harm than good. But, this is part of the foreign aid program. It comes before my committee, and I think what it is doing is exporting American capital with a U.S. Government guarantee, that they are going to get their money back under certain conditions, a guarantee the American firms cannot get to produce here in this country. To that extent, it is foreign aid, and that is why I am very suspicious of it.

Mr. HYDE. I just submit, with respect to my good friend from Maryland, that we have an interest in the economies of other countries of the world. We create markets for our own products and raw materials. It seems to me that if we are not to return to isolation our economic concern ought to be directed to those lesser developed countries where we can get a profit rather than simply give the money away.

Mr. LONG of Maryland. If I could point out, of course we have an interest in other countries, but we do not have to sell goods to other countries in order to provide employment in the United States.

Mr. HYDE. I respectfully disagree.

Mr. LONG of Maryland. So long as we put money in the American people's hands, they will buy the goods and we do not have to sell them abroad.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield.

Mr. RYAN. I ask the gentleman to yield for the same purpose I requested of the gentleman from Ohio. I would like to ask the author of the legislation the difference between aluminum and copper as far as the amendment is concerned.

Mr. HYDE. Let me answer. The Solarz amendment, it seems to me, made totally unnecessary the Udall amendment, but if it helps him get a little public relations at home, so be it.

Mr. RYAN. I would like to know what the difference is.

Mr. HYDE. If the gentleman from New York wishes to answer, I would certainly be happy to yield to him.

Mr. RYAN. The question to the gentleman from New York is, what is the difference between copper and aluminum as far as the function of the Udall amendment is concerned, when the gentleman can support the Udall amendment and he cannot support mine?

Mr. BINGHAM. If the gentleman will yield, the difference, as I say, is that the corresponding product in the case of aluminum would be bauxite. That would be the raw material, but in this case the gentleman is talking about processing, which is a different thing from the extraction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. RYAN).

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. RYAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Thirty-eight Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Does the gentleman from California (Mr. RYAN) desire to demand a recorded vote?

Mr. RYAN. I do, Mr. Chairman. I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: On page 8, add the following new subsection:

(m) Section 237 of such Act, as amended by subsection (h) of this section, is further amended by adding at the end thereof the following new subsection:

"(n) The Corporation shall not make any loan to, or guarantee or insure the obligations of, the National Finance Corporation of Panama unless the House of Representatives adopts a resolution approving such loan, guaranty, or insurance.".

POINT OF ORDER

Mr. BINGHAM. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BINGHAM. Mr. Chairman, I make a point of order that this amendment is virtually the same as the amendment that was dealt with when this bill, H.R. 7179, was previously before the House and was defeated by a rollcall vote. Accordingly, the gentleman does not have the right to reoffer it.

The CHAIRMAN. Does the gentleman from Illinois care to be heard on the point of order?

Mr. CRANE. I do, Mr. Chairman.

I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the amendment that was offered by the gentleman from Illinois (Mr. CRANE) on November 2, 1977, and which was narrowly defeated by a 14-vote margin in the House provided that these loan guarantees not take place to the National Finance Corporation of Panama unless both Houses of the Congress approved.

This is a substantial change in that amendment that requires only a one-House approval, that of the House of Representatives. It is not the same amendment.

The CHAIRMAN. The Chair is ready to rule.

The amendment which was previously offered and defeated provided, as the gentleman from Maryland has stated, "unless the Congress" adopts a concurrent resolution.

The amendment offered by the gentleman from Illinois provides:

unless the House of Representatives adopts a resolution.

This is a significant difference in the amendment and, therefore, the point of order is overruled.

The gentleman from Illinois is recognized for 5 minutes.

Mr. CRANE. Mr. Chairman, I thank the Chair.

Mr. Chairman, back last year Mr. Vance in a letter to Senor Gabriel Lewis Galindo of Panama stated:

The Overseas Private Investment Corporation would guarantee borrowings of not to exceed $20 million in United States private capital by the National Finance Corporation of Panama (COFINA) for use in financing productive projects in the private sector in Panama, subject to terms and conditions as shall be agreed upon by the Overseas Private Investment Corporation and COFINA and approved by the Overseas Private Investment Corporation's Board of Directors.

Part of the administration package to bribe Dictator Torrijos into taking our $7 billion canal investment off our hands is contained in this particular piece of legislation.

Inasmuch as public funds are involved to the tune of approximately $88 million and, further, that OPIC also has a $100 million standby Treasury-borrowing authority, clearly we are discussing the involvement of American property and its disposition.

Article IV, section 3, clause 2 of the Constitution is explicit on the point. It reads:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory—

And this is the significant line—

or other property belonging to the United States;

Clearly then, consistent with that constitutional requirement and the fact that we are in this instance discussing the dis-

position of American property, the Congress of the United States, in this instance under my amendment the House of Representatives, should participate in the determination of whether Secretary Vance's position will be upheld.

I think on grounds, if nothing else, of asserting our prerogatives as the legislative branch of Government which has the exclusive authority to make policy, or on the grounds of whether this House is willing to go on record on the very important question of whether we will participate, as is required under the Constitution, in the disposition of the canal and the zone, we should support my amendment.

A majority of the Members of this body are already on a resolution requiring House and Senate action in the disposition of the canal and the zone. This includes Members who are supportive of the treaties that are being debated in the Senate at the present time.

But we not only have the constitutional requirement of congressional action, we also have precedent. There were alienations of property that took place in previous treaty agreements with the Republic of Panama, the most recent in 1955 when we gave them a $55 million piece of American property in the zone. That was done, not just by treaty, but it was done by the joint action of the Congress, as is required by article IV, section 3, clause 2, of the Constitution.

Finally, I would remind the Members—and I think this is important to keep in mind—that not only will we be asserting a position embraced by a majority of the Members on the resolution that they cosponsored but, further, we will be telling the American people who have already registered in overwhelming terms their objection to these treaties that are up before the Senate that we have taken a position here in the House and we want to reflect their views through this, the people's body.

Mr. Chairman, does my distinguished and learned colleague, the gentleman from Illinois (Mr. DERWINSKI), wish me to yield?

Mr. DERWINSKI. Yes, Mr. Chairman.

Mr. CRANE. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I know that my distinguished colleague, the gentleman from Illinois (Mr. CRANE), is a member of the so-called truth squad that is traveling about the country on the Panama Canal issue.

Is it logical for me to assume that the gentleman's statement this afternoon is truthful and accurate?

Mr. CRANE. It is indeed. And unlike some others we have heard from who have made great protestations about how they would never lie to us, I have made no such protestation, but I can assure the gentleman that what I have just said is truthful.

Mr. Chairman, I yield back the balance of my time.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

Well, here we have it again, Mr. Chairman. On last November 2, this same identical proposition was offered to us in an obvious attempt to embarrass the President and the Secretary of State. That is all it could possibly do.

This does not directly involve the treaty with Panama. Why of all the countries of the world would we single out Panama and say that no loan can be made to any private investor for any operation in Panama?

Well, the answer is quite simple. The gentleman from Illinois (Mr. CRANE) has a vendetta against the treaty with Panama. This is not the place to settle that issue.

Panama contains many friendly people. Panama historically has been a friend of the United States. I am persuaded that the people of Panama want to be friends of the United States.

Is this the way we make friends? Do we make friends by gratuitously slapping their country in the face, and singling out that country and saying that no loans can be made to anybody for any private investment in Panama?

The letter which the gentleman from Illinois (Mr. CRANE) quoted refers to "productive projects in the private sector." Surely he is not opposed to those. Surely he does not believe that it is in the national interest of the United States to deny productive projects in the private sector of Panama.

This is clearly a mischievous amendment. We defeated it last November by a vote of 215 to 188. This is a test of our sense; it is a test of our statesmanship; it is a test of our reasonable determination to pass the kind of a bill that the Congress can in good conscience support.

The amendment is utterly unworkable. How on Earth could Congress be expected to pass on each loan? That is why we create these institutions. Yet the gentleman's amendment, by its very terms, would require that the Congress pass a concurrent resolution with respect to each loan that was proposed to any individual or small business or small firm wanting to invest in Panama.

We would certainly have a proliferation of resolutions.

It would not work. The gentleman from Illinois knows that it would not work. He just wants to embarrass the President. He simply wants to embarrass the State Department. He simply wants to throw a monkey wrench in our diplomatic machinery.

The House is surely too mature to participate in that kind of irresponsible mischief, so for that reason I earnestly implore the Members that they vote against this mischievous amendment.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my friend, the gentleman from Illinois, if I have time remaining.

Mr. CRANE. I thank the gentleman for yielding.

Mr. Chairman, let me reassure the distinguished majority leader that I do not think that this is going to embarrass the administration, because if the administration is truly reflecting the sentiments of the American people and this body, then this body will, under my amendment, have the opportunity to act very simpy and expeditiously to guarantee the $20 million that Secretary Vance has promised Panama.

Mr. WRIGHT. I am sure that the President and the administration appreciate the advice offered by their self-appointed adviser from Illinois. But I do know that we are engaged in a very serious matter in the other body, determining whether or not the canal treaties shall be ratified.

Surely, it is not the part of wisdom, or our responsibility, for the House at this juncture to try to gum up those works. I am sure that the gentleman could make his protestations to the President and the Secretary of State. They would be glad to hear from him, although they probably would not agree with him.

Mr. CRANE. Mr. Chairman, will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman if I have additional time.

Mr. CRANE. Mr. Chairman, the matter before us in this particular amendment is divorced totally from the considerations going on in the other body. There is nothing in either of the two treaties before the other body that involves this pot-sweetning $20 million through OPIC and another $325 million through military and economic assistance.

Mr. WRIGHT. What the gentleman says, I think, is quite true. Nevertheless, it is—and the gentleman would not deny—an effort to spoil what relations we have with Panama, an effort to discriminate against Panama, an effort to make different rules that the gentleman knows would not be workable with respect to that one country of the world.

It is, therefore, an obvious attempt to embarrass the President and the State Department.

Mr. Chairman, permit me to emphasize that I did not engage in any such attempt when the President was a Republican, and I think the better part of patriotism is for none of us to engage in such partisanship in resolving foreign policy questions.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think it is out of place for the majority leader to say that this amendment is an embarrassment to anyone. Parliamentary procedure rules here, and we are allowed to offer amendments. The real embarrassment is that the President ever signed and presented these treaties to the other body for ratification. That is a national embarrassment.

This amendment is perfectly in order, and it goes directly to the ability of OPIC to guarantee $20 million in loans to COFINA, the National Finance Corporation of Panama, which is an agency of the Panamanian Government. That $20 million is to be used, under the terms of Secretary Vance's letter, to finance various projects by the Government of Panama.

When we voted on this on November 2, 1977, it was defeated by a narrow mar-

gin. Fourteen vote changes would have passed it. One of the arguments made against it was that we did not know then what the treaties were going to look like, what the final accords would be. We do know now that under the terms of the treaty the U.S. taxpayers are going to be giving approximately $2 billion in various forms of payment to Panama, part of which is this $20 million in OPIC guarantees. They are supposedly going to use it to enhance their economy.

The gentleman from Maryland, who is a member of the Committee on Merchant Marine and Fisheries, and who was formerly a member of the Subcommittee on the Panama Canal, visited in Panama for a week, and I spent more than an hour talking with Nicholas Ardito Barletta, the Economics and Planning Minister, about how Panama was going to use all this money. I can tell you the Panamanian Government sees the Panama Canal and the money that they will get from the arrangements that the treaty offers as a gold mine to be stripped. Dr. Barletta handed me a 43-page document on various planned economic projects that will never fly. The present Panamanian Government has wasted money in the past on things such as the Bayano electric project, where they are 6 months behind. The water levels are not high enough to run the electric turbines. There is also the construction of an addition to the Tocumen Airport, which is way behind schedule. They also want to use this money to expand Panamanian copper production. This is one of the major products. I wonder if the gentleman from Arizona (Mr. UDALL) wants to vote for this amendment so that he can protect the copper interests in Arizona?

The point of the matter is that the Government of Panama, with or without these pending treaties, has a record of expropriating American investment, such as the Panama Power & Light Co., which was owned by the Boise Cascade Co. in 1972, when Torrijos sent troops into their office and took control. Then there is the deal he forced on United Brands, when the Panamanian Government said, "We will either nationalize your company or you will give us your lands which we will lease back to you" and they had to agree to it under the power of the gun.

Mr. Chairman, the United States does not owe anything, by way of OPIC guarantees, and that is the only issue here, to the Government of Panama.

The House has been denied the right to vote on these treaties, and 60 Members of the House in both parties believe that under article IV of the Constitution we have that right and have filed a suit to that end. This amendment is the only vote we may get.

Can we go back home and explain to the people who are writing to us and to the Members of the other body that on the flimsy excuse that we do not want to embarrass President Carter, we voted to give away to Panama $20 million in guarantees under OPIC? That is the issue here.

Can we go back home and explain that to our constituents? There is no rational explanation.

Mr. Chairman, I hope that we will turn this vote of last November 2 around. The government in power there does not deserve this kind of OPIC guarantee, and the Members who vote no bear the responsibility if this amendment fails, just as surely as Members of the other body bear responsibility.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

The gentleman has made several very valid points.

Certainly, one thing that has changed since the last time we considered this amendment is we now know what the terms of the treaties are. In addition, we now know—for sure—that the administration is not going to submit this question to the House, in spite of the fact that the Constitution clearly requires, in article III, section 2, that the entire Congress, House as well as Senate, must be involved in the disposition of U.S. property. That question will ultimately be decided in the courts, but it would seem to me that the administration, whether or not they felt that they legally had to do so, should have submitted that important matter to this body, which is the closest to the people of the United States, for consideration.

Mr. Chairman, as the gentleman from Maryland (Mr. BAUMAN) says, this is one way to let our views be known or, at least, to take a position as to whether we think the House should have a part to play in this major decision now pending in this country.

Mr. Chairman, I ask that the amendment be adopted.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman.

I would like to correct one misimpression left by the gentleman from Texas. This does not prevent OPIC from guaranteeing private investment loans. It only goes to loans to COFINA, an agency of the Panamanian Government.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. YOUNG of Florida and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

While the gentleman is talking about figures and dollars and guarantees for Panama, the gentleman might be interested to know that the Executive Director of the Export-Import Bank has already testified before the Subcommittee on Foreign Operations of the Committee on Appropriations requesting an additional $200 million worth of authority for Panama over and above the $141 million we already have committed there. The total cost begins to add up.

Mr. BAUMAN. Mr. Chairman, I say to the gentleman that when the Committee on Merchant Marine and Fisheries, under the able leadership of the gentleman from New York (Mr. MURPHY), held hearings last August, we were told in no uncertain terms by Ambassador Bunker and by Mr. Linowitz that there would be no additional cost to the taxpayers of the United States, that the total cost of financing these treaties would come directly out of increases in the canal tools.

Last week one of the major supporters of the treaties—and the rules do not permit me to mention his name—said publicly that it is now true we will probably have to go beyond paying out of canal toll increases that will hurt port cities all up and down the coasts of this Nation. We were told by this leader we will have to subsidize to the tune of perhaps a half billion dollars the operation of the canal, in addition to giving roughly something in the neighborhood of $80 million a year and a total of $2 billion over 23 years to Panama.

Mr. Chairman, all we are talking about in the Crane amendment is a $20 million guarantee. If this is the only protest I can make on this matter, then we, as Members, ought to make that protest.

We do not have to go along with this, and it is our constitutional right to exercise our judgment. If it embarrasses the gentleman in the White House, I think he embarrasses very easily. As a matter of fact, his brother is probably more of a problem than is this amendment.

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will yield further, we might have another chance when the Export-Import legislation is before us.

Mr. BAUMAN. I would hope so.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, members of the committee, I am very sorry that my distinguished colleague and ex-friend did not see fit to yield to me. I though we operated under the custom and courstesy of the House to respond to each other.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield.

Mr. BAUMAN. I apologize. I should have yielded to the gentleman.

Mr. DELLUMS. I appreciate that from the gentleman. It shows a lot of style and class.

Mr. BAUMAN. Will the gentleman yield further?

Mr. DELLUMS. I yield to my colleague.

Mr. BAUMAN. Right on, I would say to the gentleman.

Mr. DELLUMS. Mr. Chairman, to return to the serious nature of the brief comment I would like to have made if my distinguished colleague had yielded to me, all I wanted to state is what I perceive is an obvious contradiction in the statement of the gentleman. One challenge to this amendment has been that it is an effort to embarrass the President,

and the gentleman indicated that was not the case. Yet, near the end of his formal statement he pointed out that 60-some-odd Members of the House, both Democrats and Republicans, signed a statement saying that the House of Representatives ought to be able to vote on the treaties that are presently before the Senate. Then, the gentleman's follow-on statement was, "So, this is the one opportunity we have."

The point I am trying to make is that it is perceived by those Members as a referendum on the treaties. I would simply suggest to the gentleman that this is not what we ought to be doing with this bill today. If he wants to vote on the treaties, then become a Member of the U.S. Senate. At this particular moment, we are outside the realm of influence with respect to that matter.

I would suggest that this is a referendum on the treaties, and we should not be dealing with that question on this floor. We ought to be dealing with the integrity and wisdom, or the lack of it, and not to allow the debate to get into a referendum on the treaties.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding to me. I would just like to point out that there will be ample opportunity for both Houses, including the House of Representatives, to pass upon, approve, or reject implementing legislation if the treaties are ratified by the Senate. It is the Senate's constitutional obligation to ratify or not to ratify. If they do so ratify, then at least four committees of the House will be concerned with implementing legislation.

Mr. CRANE. Mr. Chairman, will my good friend from California yield?

Mr. DELLUMS. I am a classy person; I will yield.

Mr. CRANE. I thank the gentleman. I think what the gentleman from New York has referred to about other opportunities to vote on this is not really the issue. The question is, the Constitution is explicit on the question of alienation of American property. That is divorced from the debate that is going on in the other body, that not only should we, on foreign issues, also vote as Members of Congress, but even on this case as well.

So, I do not think this is inconsistent with what is mandated constitutionally and established by precedent, nor should it have anything to do with the debate that is going on in the other body.

Mr. DELLUMS. I appreciate the comment made by the gentleman. It is just on that particular issue, intellectually, we disagree.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to point out that this Panama Canal issue is one which the Members face with some frustration here in the House. Not because they are frustrated that they are not serving in the other body, but by the fact that it is a major policy issue. In that sense, I think the gentleman from Illinois has the proper feel for the concerns of House Members, that they will be completely bypassed in this Panama Canal issue.

I, for one, am inclined to support the gentleman's amendment, but I would also like to point out that in so doing I do not believe it is a political slap at the President or at this administration. As a matter of fact, I have been doing yeoman work on behalf of the administration in both committees on which I serve. I would support the gentleman's amendment on the merits.

I know the gentleman is not a very partisan man, and I am sure his motivation is completely noble and proper in offering this amendment.

Mr. CRANE. Mr. Chairman, will my colleague from Illinois yield?

Mr. DERWINSKI. Yes.

Mr. CRANE. I am overwhelmed with gratitude for his gracious remarks, and particularly coming from so distinguished a Member of this body, a man who probably commands more respect internationally, in the powerful position he holds on the International Relations Committee, than any Member of this Congress. So, his words are doubly appreciated.

Mr. DERWINSKI. Before we end this mutual admiration exchange, I would like to tell my friend from Illinois, who has been rumored as a potential candidate for President in 1980, that one of the traits one must develop to seek that office, and one which I want my friend from Illinois to try to practice, is that humility.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I will yield to the orator from Maryland.

Mr. BAUMAN. In the vernacular of my ex-friend, the gentleman from California (Mr. DELLUMS), the gentleman from Illinois is indeed classy, and I appreciate his yielding. But, I think the gentleman has brought the argument back into focus. The question perhaps the gentleman from Maryland overstated is not so much a referendum on the treaties, but it is definitely a question of whether the House, in exercising its judgment on the OPIC authorization before us, should go along with the specific guarantee stated by Secretary Vance to the Panamanian Government of $20 million in guarantees to COFINA, the Panamanian Finance Corporation. That is certainly within our right to do. This is the bill that will provide that authority, and I think if for no other reason the gentleman indicated he is supporting the amendment, he should vote in favor of this amendment at least on that one small part of the agreement.

Mr. DERWINSKI. Also I would like to point out it seems to me in a period where there is a definite effort to assert the prerogatives of the legislative branch at the expense of the executive branch, is it equally important to assert the direct voice of the House in the Panama Canal deliberations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. CRANE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 199, not voting 69, as follows:

[Roll No. 78]

AYES—166

Abdnor	Gibbons	Murphy, Pa.
Ammerman	Gilman	Myers, John
Anderson, Calif.	Go.dwater	Natcher
Andrews, N. Dak.	Gonzalez	O'Brien
Applegate	Goodling	Pickle
Archer	Gradison	Poage
Ashbrook	Grassley	Pressler
Bafalis	Gudger	Quayle
Bauman	Hagedorn	Quie
Bennett	Hall	Quillen
Bevill	Hansen	Regula
Biaggi	Heckler	Rinaldo
Bowen	Hightower	Risenhoover
Brown, Ohio	Hillis	Robinson
Broyhill	Holland	Rogers
Buchanan	Hollenbeck	Rousselot
Burleson, Tex.	Holt	Rudd
Butler	Horton	Runnels
Byron	Hubbard	Russo
Caputo	Huckaby	Santini
Carter	Hughes	Satterfield
Chappell	Ichord	Schulze
Cleveland	Ireland	Sebelius
Cochran	Jeffords	Shuster
Cohen	Jenrette	Sikes
Collins, Tex.	Jones, N.C.	Skelton
Crane	Jones, Okla.	Smith, Nebr.
Cunningham	Jones, Tenn.	Snyder
D'Amours	Kasten	Spence
Daniel, Dan	Kelly	Stangeland
Daniel, R. W.	Kemp	Stratton
Davis	Ketchum	Stump
Derrick	Kindness	Symms
Derwinski	Lagomarsino	Taylor
Devine	Latta	Thone
Dickinson	Leach	Treen
Dornan	Lent	Trible
Duncan, Tenn.	Livingston	Vander Jagt
Edwards, Ala.	Lloyd, Calif.	Volkmer
Emery	Lloyd, Tenn.	Waggonner
English	Lott	Walker
Ertel	Lujan	Walsh
Evans, Del.	Luken	Wampler
Evans, Ga.	McDade	Watkins
Evans, Ind.	McDonald	White
Fish	McEwen	Whitehurst
Fithian	Madigan	Whitley
Flippo	Mahon	Whitten
Flood	Marlenee	Wilson, Bob
Flynt	Martin	Winn
Fountain	Miller, Ohio	Wydler
Frenzel	Mitchell, N.Y.	Yatron
Frey	Montgomery	Young, Alaska
Fuqua	Moore	Young, Fla.
Gaydos	Moorhead, Calif.	Zeferetti
	Mottl	

NOES—199

Addabbo	Chisholm	Fowler
Alien	Clay	Garcia
Ambro	Collins, Ill.	Gephardt
Andrews, N.C.	Conable	Giaimo
Annunzio	Conte	Ginn
Ashley	Conyers	Glickman
Aspin	Corman	Gore
AuCoin	Cornell	Green
Baldus	Cornwell	Hamilton
Barnard	Cotter	Hammer-schmidt
Baucus	Danielson	Hanley
Bedell	Delaney	Harkin
Beilenson	Dellums	Harrington
Benjamin	Dicks	Harris
Bingham	Dingell	Hefner
Blanchard	Dodd	Heftel
Blouin	Downey	Holtzman
Boggs	Drinan	Howard
Boland	Eckhardt	Hyde
Bonker	Eilberg	Jacobs
Brademas	Erlenborn	Jenkins
Brinkley	Evans, Colo.	Johnson, Calif.
Brodhead	Fary	Johnson, Colo.
Brooks	Fascell	Jordan
Brown, Calif.	Fenwick	Kastenmeier
Brown, Mich.	Findley	Keys
Burke, Mass.	Fisher	Kildee
Burlison, Mo.	Florio	Kostmayer
Carney	Foley	Krebs
Carr	Ford, Mich.	LaFalce
Cavanaugh	Ford, Tenn.	Lederer
Cederberg	Forsythe	

Leggett	Myers, Michael	Sharp
Lehman	Nedzi	Simon
Levitas	Nix	Sisk
Long, La.	Nowak	Skubitz
Long, Md.	Oberstar	Smith, Iowa
Lundine	Obey	Solarz
McCloskey	Ottinger	Spellman
McCormack	Panetta	Staggers
McFall	Patten	Stanton
McHugh	Pattison	Stark
McKay	Pease	Steed
Maguire	Pepper	Steers
Mann	Pettis	Steiger
Markey	Pike	Studds
Marks	Preyer	Thompson
Mattox	Price	Traxler
Mazzoli	Pritchard	Tsongas
Meeds	Pursell	Udall
Meyner	Railsback	Ullman
Michel	Rangel	Vanik
Mikulski	Reuss	Vento
Mikva	Richmond	Walgren
Milford	Rodino	Waxman
Miller, Calif.	Roe	Weaver
Minish	Roncalio	Weiss
Mitchell, Md.	Rooney	Whalen
Moakley	Rose	Wiggins
Moffett	Rostenkowski	Wirth
Mollohan	Roybal	Wolff
Moorhead, Pa.	Ruppe	Wright
Moss	Ryan	Wylie
Murphy, Ill.	Sawyer	Yates
Murphy, N.Y.	Scheuer	Young, Mo.
Murtha	Schroeder	Zablocki
Myers, Gary	Seiberling	

NOT VOTING—69

Akaka	Dent	Nichols
Alexander	Diggs	Nolan
Anderson, Ill.	Duncan, Oreg.	Oakar
Armstrong	Early	Patterson
Badham	Edgar	Perkins
Beard, R.I.	Edwards, Calif.	Rahall
Beard, Tenn.	Edwards, Okla.	Rhodes
Bolling	Flowers	Roberts
Bonior	Fraser	Rosenthal
Breaux	Gammage	Sarasin
Breckinridge	Guyer	Shipley
Broomfield	Hannaford	Slack
Burgener	Harsha	St Germain
Burke, Calif.	Hawkins	Stockman
Burke, Fla.	Kazen	Stokes
Burton, John	Krueger	Teague
Burton, Phillip	Le Fante	Thornton
Clausen, Don H.	McClory	Tucker
	McKinney	Van Deerlin
Clawson, Del	Marriott	Wilson, C. H.
Coleman	Mathis	Wilson, Tex.
Corcoran	Metcalfe	Young, Tex.
Coughlin	Mineta	
de la Garza	Neal	

The Clerk announced the following pairs:

On this vote:

Mr. Charles Wilson of Texas for, with Mr. Akaka against.

Mr. Shipley for, with Mr. Breckinridge against.

Mr. Breaux for, with Mr. Anderson of Illinois against.

Mr. Gammage for, with Mr. Broomfield against.

Mr. Badham for, with Mr. Beard of Rhode Island against.

Mr. Beard of Tennessee for, with Mrs. Burke of California against.

Mr. Burgener for, with Mr. Diggs against.

Mr. Burke of Forida for, with Mr. Hannaford against.

Mr. Don H. Clausen for, with Mr. Hawkins against.

Mr. Del Clawson for, with Mr. Le Fante against.

Mr. Coleman for, with Mr. Metcalfe against.

Mr. Nichols for, with Mr. Rosenthal against.

Mr. Roberts for, with Mr. St Germain, against.

Mr. Teague for, with Mr. Stokes against.

Mr. Edwards of Oklahoma for, with Mr. Van Deerlin against.

Mr. Guyer for, with Mr. Alexander against.

Mr. Marriott for, with Mr. Edwards of California against.

Mr. Mathis for, with Mr. McClory against.

Mr. SEIBERLING changed his vote from "present" to "no."

Mr. HOLLENBECK changed his vote from "no" to "aye."

So the amendment was rejected

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MOORE

Mr. MOORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORE: Page 3, immediately following line 10, add the following:

"(7) The Corporation may not provide any insurance, reinsurance, guaranty, financing, or any other financial support authorized by Section 234 for any project to establish or expand production or processing of palm oil, sugar, or citrus crops for export."

Mr. MOORE. Mr. Chairman, this amendment is in almost the exact same language as amendments that were accepted on two occasions in the first session of this Congress to authorization and appropriation bills relating to the international lending institutions.

This amendment is also extremely similar to an amendment this Committee just accepted a few moments ago—and I refer to the amendment concerning copper that was offered by the gentleman from Arizona (Mr. UDALL)—except that this amendment is not as restrictive as the copper amendment.

This amendment pertains only to production of these crops that go into export in competition with our own. They can still make guarantees, make loans, and insure projects that do not go into export.

I think all the Members are familiar with the problem the American farmer is having today. These crops we are talking about in this amendment are those that are some of the hardest hit. These farmers need assistance, and I think the least assistance we can give them is to prevent American dollars from going for the purpose of putting foreign people in competition with them.

OPIC has in fact guaranteed a loan in this area, and has the legal ability to do so again. In June 1977, OPIC received an application from Pacific Gamble Robinson, a Seattle, Wash., company, to finance two palm oil projects, one in Indonesia and one in Malaysia. They approved the Indonesian one and gave a loan guarantee of $500,000 on that date for a palm oil processing plant in the country of Indonesia.

Therefore, this is the kind of thing we want to restrict and prevent, if the palm oil, citrus fruit, and sugar products are in fact going into competition with American farmers. They have done it once before, and they can do it again without this kind of amendment.

Mr. Chairman, I think this amendment is most necessary. It is in keeping with earlier House action, and it is in keeping with the amendment relating to copper that was adopted by the Committee a few minutes ago. I urge adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

First of all, I would like to direct a question to the author of the amendment. When at the end of the amendment he says, "for export," does the gentleman mean for export to any other country or for export to the United States?

Mr. MOORE. Mr. Chairman, if the gentleman will yield, we mean for export to the United States.

Mr. BINGHAM. Then, Mr. Chairman, may I suggest to the gentleman, if that is what he intends, that is something that is really already covered by the existing practices of OPIC and by existing legislation.

I have a number of cases here where applications have been made to OPIC for palm oil projects, and one after another those were rejected. OPIC has not approved these projects. They will not approve these projects under existing law, and particularly as strengthened by the Solarz amendment and the language of the bill before us, they will not approve projects where the result will be competition with U.S. projects.

Mr. Chairman, I think the amendment is unnecessary. To the extent it is not limited to exports to the United States, it goes way beyond anything that is reasonable.

If we were to help, let us say, Indonesia to export products to Malaysia, surely that is not something that hurts the the United States.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I thank the gentleman for yielding.

If the gentleman is correct in his statement that OPIC will never make such a loan, there is no danger in not passing the amendment. I charge, however, that in the instance of June 1977, with the $500,000 guarantee to the Pacific Gamble Robinson Co., they in fact did exactly what my amendment is trying to prevent.

Mr. BINGHAM. Mr. Chairman, my information is that there are no citrus projects that have been assisted by OPIC. There is one sugar project in Swaziland, with no exports to the United States, a very small project. The Pacific Gamble Robinson Indonesia does not export to the United States. The gentleman is expressing a fear that is unnecessary. The bill before us takes care of this problem.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. MOORE).

The question was taken; and on a division (demanded by Mr. MOORE) there were—ayes 55, noes 76.

RECORDED VOTE

Mr. MOORE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 167, not voting 76, as follows:

[Roll No. 79]

AYES—191

Abdnor	Gibbons	Myers, John
Addabbo	Ginn	Neal
Ambro	Glickman	O'Brien
Anderson, Calif.	Go.dwater	Oakar
	Gonzalez	Oberstar
Andrews, N. Dak.	Goodling	Panetta
	Gradison	Pepper
Applegate	Grassley	Pettis
Archer	Gudger	Pickle
Ashbrook	Hagedorn	Poage
AuCoin	Hall	Pressler
Bafalis	Hammer-schmidt	Pritchard
Baldus		Quayle
Barnard	Hanley	Quie
Baucus	Hansen	Quillen
Bauman	Harkin	Railsback
Bedell	Hefner	Regula
Benjamin	Heftel	Risenhoover
Bennett	Hightower	Robinson
Bevill	Hillis	Roe
Biaggi	Holland	Rogers
Blouin	Holt	Rose
Boggs	Horton	Rousselot
Bowen	Hubbard	Rudd
Brinkley	Huckaby	Runnels
Brooks	Ichord	Ruppe
Brown, Ohio	Ireland	Ryan
Broyhill	Jeffords	Satterfield
Burleson, Tex.	Jenrette	Sawyer
Burlison, Mo.	Johnson, Colo.	Schulze
Butler	Jones, N.C.	Sebelius
Byron	Jones, Tenn.	Shuster
Caputo	Jordan	Sikes
Carter	Kasten	Sisk
Cederberg	Kelly	Skelton
Chappell	Kindness	Skubitz
Cochran	Krebs	Smith, Nebr.
Cohen	Lagomarsino	Snyder
Collins, Tex.	Latta	Spence
Cornwell	Leach	Stangeland
Crane	Lent	Stump
Cunningham	Livingston	Symms
Daniel, Dan	Lloyd, Tenn.	Taylor
Daniel, R. W.	Long, La.	Thone
Davis	Lott	Traxler
Derrick	Lujan	Treen
Devine	McDade	Trible
Dickinson	McDonald	Vander Jagt
Dornan	McEwen	Volkmer
Duncan, Tenn.	McFall	Waggonner
Edwards, Ala.	Madigan	Walker
Emery	Mahon	Walsh
English	Mann	Wampler
Evans, Ga.	Marlenee	Watkins
Evans, Ind.	Martin	White
Fithian	Michel	Whitehurst
Flippo	Miller, Ohio	Whitley
Flynt	Mitchell, N.Y.	Wilson, Bob
Ford, Tenn.	Montgomery	Wolff
Fountain	Moore	Wydler
Fowler	Moorhead, Calif.	Yatron
Frenzel		Young, Alaska
Frey	Mottl	Young, Fla.
Fuqua	Murphy, Pa.	Young, Mo.
Gaydos	Murtha	Zeferetti

NOES—167

Allen	Derwinski	Holtzman
Ammerman	Dicks	Howard
Andrews, N.C.	Diggs	Hughes
Annunzio	Dingell	Hyde
Ashley	Dodd	Jacobs
Aspin	Drinan	Johnson, Calif.
Beard, R.I.	Eckhardt	Jones, Okla.
Bellenson	Edgar	Kastenmeier
Bingham	Erlenborn	Kemp
Blanchard	Ertel	Ketchum
Boland	Evans, Colo.	Keys
Bonker	Evans, Del.	Kildee
Brademas	Fary	Kostmayer
Brodhead	Fascell	LaFalce
Brown, Calif.	Fenwick	Lederer
Brown, Mich.	Findley	Leggett
Buchanan	Fish	Lehman
Burke, Mass.	Fisher	Levitas
Carney	Flood	Lloyd, Calif.
Carr	Florio	Long, Md.
Cavanaugh	Foley	Luken
Chisholm	Ford, Mich.	Lundine
Clay	Forsythe	McCloskey
Cleveland	Garcia	McCormack
Conable	Giaimo	McHugh
Conte	Gilman	McKay
Corman	Gore	McKinney
Cornell	Green	Maguire
Cotter	Hamilton	Marks
D'Amours	Harrington	Mazzoli
Danielson	Harris	Meeds
De aney	Heckler	Meyner
Dellums	Hollenbeck	Mikulski
Mikva	Preyer	Steed
Milford	Price	Steers
Miller, Calif.	Rangel	Steiger
Minish	Reuss	Stratton
Mitchell, Md.	Richmond	Studds
Moakley	Rinaldo	Thompson
Moffett	Rodino	Tsongas
Mollohan	Roncalio	Udall
Moorhead, Pa.	Rooney	Ullman
Moss	Rostenkowski	Vanik
Murphy, Ill.	Russo	Vento
Murphy, N.Y.	Santini	Walgren
Myers, Gary	Scheuer	Waxman
Myers, Michael	Schroeder	Weaver
Natcher	Seiberling	Weiss
Nedzi	Sharp	Whalen
Nowak	Simon	Wiggins
Obey	Smith, Iowa	Wirth
Ottinger	Solarz	Wright
Patten	Spellman	Wylie
Pattison	Staggers	Yates
Pease	Stanton	Zablocki
Pike	Stark	

NOT VOTING—76

Akaka	Downey	Nix
Alexander	Duncan, Oreg.	Nolan
Anderson, Ill.	Early	Patterson
Armstrong	Edgar	Perkins
Badham	Edwards, Calif.	Pursell
Beard, Tenn.	Edwards, Okla.	Rahall
Bolling	Flowers	Rhodes
Bonior	Fraser	Roberts
Breaux	Gammage	Rosenthal
Breckinridge	Gephardt	Roybal
Broomfield	Guyer	Sarasin
Burgener	Hannaford	Shipley
Burke, Calif.	Harsha	Slack
Burke, Fla.	Hawkins	St Germain
Burton, John	Jenkins	Stockman
Burton, Phillip	Kazen	Stokes
Clausen, Don H.	Krueger	Teague
	Le Fante	Thornton
Clawson, Del	McClory	Tucker
Coleman	Markey	Van Deerlin
Collins, Ill.	Marriott	Whitten
Conyers	Mathis	Wilson, C. H.
Corcoran	Mattox	Wilson, Tex.
Coughlin	Metcalfe	Winn
de la Garza	Mineta	Young, Tex.
Dent	Nichols	

The Clerk announced the following pairs:

On this vote:

Mr. Corcoran for, with Mr. Broomfield of Illinois against.

Mr. Marriott for, with Mr. Sarasin against.

Mr. Nichols for, with Mr. Akaka against.

Mr. Teague for, with Mr. Hawkins against.

Mr. Breaux for, with Mr. Le Fante against.

Mr. Badham for, with Mrs. Burke of California against.

Mr. Beard of Tennessee for, with Mr. Hannaford against.

Mr. Burgener for, with Mr. Stokes against.

Mr. Burke of Florida for, with Mr. Metcalfe against.

Mr. Don H. Clausen for, with Mr. Nix against.

Mr. Del Clawson for, with Mr. Edwards of California against.

Mr. Coleman for, with Mr. Rosenthal against.

Mr. Coughlin for, with Mr. Roybal against.

Mr. Guyer for, with Mr. St Germain against.

Mr. McClory for, with Mr. Van Deerlin against.

Messrs. OBERSTAR, FOWLER, BLOUIN, and NEAL changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 9179, to extend and modify the basic authorities of the Overseas Private Investment Corporation. Although I can certainly sympathize with the reservations which some of my colleagues have raised concerning this bill, I believee that any drawbacks of this program are overshadowed by the many benefits it provides.

For example: OPIC will not cost the American taxpayer one cent. It is a self-sustaining enterprise which is earning a profit. In fact, the net contribution during fiscal years 1974 to 1977 to the U.S. balance of payments resulting from OPIC-assisted investment was $1.3 billion.

There has been some criticism that OPIC operations result in a loss of American jobs. A close look at the situation shows that this is clearly not the case. In fact, it has been estimated that OPIC-related projects will, over a 5-year period, create more than 37,500 man-years of employment in the United States.

OPIC has been especially criticized for its involvement in the steel, electronics, textile, clothing, shoe, and leather goods industries. The fact is that in each of these instances, OPIC has taken great care to see that the projects it insures will not cause or contribute to the loss of U.S. jobs. In many cases employment levels were not only sustained but increased.

OPIC has also been very active in assisting projects which help develop additional sources of raw materials critical to the United States and world economics. As a matter of fact, over 23 percent of OPIC's insurance covers mining investments.

Mr. Chairman, H.R. 9179, along with the amendment offered by my distinguished colleague from New York, Mr. BINGHAM, is indeed an extremely attractive legislative package. The measure, for one, would eliminate the constraining and ill-advised requirement that OPIC turn over the insurance business to private companies. It would mandate that OPIC broaden the participation of small business in the development of private enterprise in less developed countries and would forbid OPIC to finance any proposed investment which might have an adverse impact on the U.S. employment. OPIC would be encouraged to invest in low income countries which have per capita incomes of $520 or less.

What more do the opponents of this measure want? OPIC is self-sustaining, promotes an increase in U.S. jobs, provides a means for U.S. access to valuable minerals, and aids the less developed countries. Is not this a model of what a foreign assistance program is supposed to be? To provide for trade—not aid.

Mr. Chairman, I submit that OPIC provides us with a foreign aid situation where we can have our cake and eat it to. Everyone, business, the poor countries, and the American taxpayer benefit from OPIC's existence. When OPIC does the job without taxing our people, when OPIC earns a profit, when good is done for the United States and others—that kind of foreign assistance surely looks better than the kind on which so many billions of tax dollars have been wasted. Mr. Chairman, I urge my colleagues to support H.R. 9179.

I might point out, in addition, that the

legislation has the support of the Republican Policy Committee.

REPUBLICAN POLICY COMMITTEE,
Washington, D.C., February 21, 1978.

OPIC NOT OPEC

OPIC, the Overseas Private Investment Corporation should not be confused with OPEC, the Organization of Petroleum Exporting Countries. They are completely different entities.

The Republican Policy Committee supports legislation (H.R. 9179) to extend the statutory authority for OPIC which expired on December 31, 1977.

OPIC is a self-sustaining federal agency established in 1969 to complement the development assistance programs of the United States in economic and socially less developed countries. OPIC through insurance and loan guarantees insures against the political risks of expropriation, inconvertibility of currency and losses due to war, revolution and insurrection, and has a limited program of financing private investment projects.

H.R. 9179 extends OPIC's operating authority through September 30, 1980, and modifies some basic authorities of the corporation on strictures imposed in 1974 regarding private insurance companies. It also terminates coverage in cases of bribery of foreign officials.

The Republican Policy Committee believes that OPIC's performance warrants renewal of its operating authority. In the past 3 years OPIC has provided productive capital, managerial and technical expertise, and training in industrial skills to 425 projects in 55 countries, representing $4.6 billion in total investment and important gains in jobs, revenues and foreign exchange for the host country. In turn, OPIC has provided economic benefits to the United States. The estimated five year benefits of the projects assisted in the last three fiscal years shows net cash flows of $2.3 billion in purchases of machinery and equipment and a net gain of some 37,500 man year of employment in the United States contrary to the assertion of the AFL–CIO that OPIC exports American jobs. In addition, some of the OPIC assisted projects have developed new sources of raw materials critical to the U.S. and world economies.

OPIC is a federal program which does not require the appropriation of the American tax dollars. OPIC charges substantial fees and premiums for its policies compared to the premiums and fees charged in similar programs by France, Germany and Japan.

The Republican Policy Committee calls upon the Carter Administration to openly and vigorously give its full and complete support to extending OPIC's statutory authority in the interests of maintaining United States economic presence in friendly less developed countries and provide U.S. investors, especially small busineses, and companies lacking significant experience overseas, with an opportunity to expand and compete in the international economy.

Mr. RYAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know we all appreciate the presence here on the floor of one of our former Members who is now the mayor of the city of New York, the Honorable Edward I. Koch.

Mr. Chairman, I know that we all want to have a vote here shortly but, I believe I should add a few words.

Mr. Chairman, this legislation probably has had the most interesting history of any piece of legislation since I have been here, which is a relatively short time, a little over 5 years.

This bill was taken off the floor last November and disappeared. It has had two hearings since it left the committee. Attempts were made to amend it and to change it in the hearings that were held in an attempt to revive it or try to find some way to twist and turn it to make this thing a clean enough bill so that a bare majority might vote for it.

Mr. Chairman, I have two or three points that I would like to mention, and I do so because so many Members were missing from the floor when I was so eloquent before.

What is at issue here? It has been said by my dear friend, the gentleman from California (Mr. LAGOMARSINO) that there is an increase in jobs, as he has just mentioned here. Let me say that I have here a copy of an article from the Akron Beacon Journal that is near the district of my friend from Dayton, Ohio, which says:

Goodyear workers knew plant closing was coming.

This has to do with the closing of a plant for the Goodyear Tire & Rubber Co. in Akron, near Dayton.

In 1976 OPIC issued a guarantee for a project in Morocco for Goodyear in the amount of $1.8 million. To do what? To manufacture tires. Now the plant closes over here and a plant opens up over there to do the same thing. The conclusion that I arrive at is that we lost some jobs. I do not know whether or not a giant corporation like Goodyear could put that plant over there without OPIC insurance.

But at least if they could do it without OPIC insurance and many corporations, large corporations can—at least, it would not have the American flag following and saying, the full faith and credit of the American Treasury is behind that loan in case they go busted.

The second point I would like to make I made before and that is that this piece of legislation is legislation which reminds me of the old story that we will back up the radiator cap on the old car, and we will drive it. This piece of legislation, continues a corporation, government-backed, when in fact the original purpose for which it was created has long since been distorted past the point of reality. This organization, this corporation, does not insure in small companies. It does not insure small business. It does not insure against the kinds of things that it was set up to insure 7 years ago when it was born. It has twisted and turned. They have used the excuse, "But we will try to do better the next time."

Three years ago on this floor I heard them say they will try to do better the next time, and at that time I was somewhat reluctant to take them on because I felt maybe there was a cause in the idea of helping small business in this country go to poor countries overseas, telling them, "We would like to have you see free enterprise and show you how it works." Over the period of the last 3 years I have watched this particular combination. It is still bad. It still does exactly the wrong kind of things. That does not mean we should not do business overseas and that other private corporations should not do business overseas. What it does means is that I do not think the Overseas Private Investment Corporation should be putting guaranteed money into foreign lands that work against the best interests of this country as far as foreign aid is concerned, to lesser developed countries, and that is the reason why over the years I have come to oppose it flatly. It is time to get rid of it. Simply vote it down; drop it; get rid of it.

Mr. DANIELSON. Mr. Chairman, I move to strike the last word.

Apropos of the argument just made by my colleague, the gentleman from California (Mr. RYAN) a topic was touched on that is very important in my district. I come from the Los Angeles area which is the world's largest automobile tire market simply because we have so many automobiles. In the year 1975 the Goodyear or Goodrich tire plant closed. In the year 1976 the other Goodyear or Goodrich tire plant closed. Right now the Uniroyal plant, which is in my district, is closing. That means I have lost three tire plants, which have been closing in the last 2 years, including the current one, and I have an awful lot of people who are out of work as a result.

I took this up with the Business Roundtable just 10 days ago, and I was informed, "Well, the only reason for that is that your plants are not productive. We need to have some trade schools so people can learn how to run these plants." When I reminded them that the Uniroyal plant had been going since something like 1920, and they had an absolutely fully trained work force on hand who did not need training, they replied that then there must be some other reason. Maybe the plant has been growing obsolete. Then I remembered that we have depreciation allowance in our income tax, and the whole reason for depreciation is that as your plant becomes obsolete, you buy new machinery that has been paid for by tax deductions. The Business Roundtable people told me that they would give me an answer.

As of today, I have no answer. Maybe my friend, the gentleman from California (Mr. RYAN) has put his finger on it. Maybe these jobs, are being sent abroad. Maybe we are going to make them in Morocco. I do not know the answer, but the Business Roundtable has not given me an answer.

We do have trained employees, and we have the world's largest tire market. And we do have plant facilities.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from California.

Mr. RYAN. I thank the gentleman for yielding.

I read to the gentleman from the Overseas Private Investment Corporation Annual Report of 1976. On page 45 it says:

Company: B. F. Goodrich Company; Country: China (Republic of); Project: Manufacture of synthetic rubber; Total insured investment: $712,401.

Company: B. F. Goodrich Company; Country: Turkey; Project: Manufacture of vehi-

cle tires; Total insured investment: $2,750,000.

Company: B. F. Goodrich Company; Country: Yugoslavia; Project: Manufacture of tires; Total insured investment: $3,000,000.

Company: Goodyear Export S.A.; Country: Morocco; Project: Manufacture of tires and rubber products; Total insured investment: $1,800,000.

That is where the jobs went to.

Mr. DANIELSON. Mr. Chairman, I thank the gentleman.

I plan to vote for this bill because I have been assured by the Business Round Table that is not a reason for their closing; but I can assure them and every Member on this floor that I am going to look into this real well and we will have a record on it.

Mr. WHALEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall be brief. I just want to make two comments in response to the observations made by my two friends, the gentlemen from California.

First, as I have suggested several times during the course of the afternoon, OPIC is prohibited by law from insuring investments which cost jobs in a particular industry in the United States.

Second. there has been no connection made by either gentleman as to whether the investment in Morocco or elsewhere has cost jobs.

I am kind of reminded of a Member of the other body a number of years ago who was always one step ahead of the investigation or the analysis of the charge. A number of charges were made in debate a couple of months ago. These were investigated and it was determined that the charges made in this House were not relevant, that the investment alleged to have cost jobs, indeed, did not.

I would ask about the Morocco tire plant. Were the tires manufactured and sent back to the United States? Were the tires manufactured and replacing tires which were produced in the United States and sent to Morocco?

We have no facts. All we have been told is that a plant closed in Akron, Ohio, and the Firestone Tire & Rubber Co., opened a plant in Morocco. Therefore, investment is bad and OPIC is bad. Until we get the facts, I submit we have no proof.

I submit further that if, indeed, that is costing jobs, that OPIC has violated the law.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Chairman, I stated that I will vote for the bill because I have no proof of a causal connection; but I want to remind the gentleman of something. When we used to practice law we had a saying:

I don't know what that bird is, but if it walks like a duck and it quacks like a duck and it has feathers like a duck and it looks like a duck, it just may be a duck.

Mr. WHALEN. Mr. Chairman, I am certainly one Member of this body that has been faced with the same situation.

Mr. RYAN. Mr. Chairman, will the gentleman yield for a question?

Mr. WHALEN. Not at this time.

Mr. Chairman, I have been faced with a situation in my own district where our major company has reduced its production employment over about 6 years from 20,000 factory workers to 1,000 factory workers. This firm has a number of plants located abroad.

It might be argued that those jobs have been transferred to foreign plants, but the fact is that the foreign plants have also suffered from reductions in employment. We cannot assume, I am suggesting, Mr. Chairman, that the fact that a company in the United States builds a plant abroad means that indeed that company is exporting jobs to that plant. No proof of that has been given this afternoon by the gentleman from California (Mr. RYAN).

Mr. Chairman, I yield back the balance of my time.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this bill, and I urge that my colleagues vote against it.

Let me say, first of all, that I am not a protectionist. I recently voted against the "Buy American" amendment in connection with the Outer Continental Shelf legislation, although I have the biggest steel plant in the world located in my district.

But I know of nothing in the theory of international trade or free enterprise that says that we have to subsidize our competition. That is what we are doing with OPIC, and that is what we are doing with the Export-Import Bank and many other programs.

The United States has loaned or participated in loans for steel production of over $4.5 billion in 46 countries, and we know the trouble the American steel industry is in.

These are subsidies which American firms cannot get. Foreign aid for steel has increased imports of steel into this country. It has dried up our export market. It has also helped to absorb our investment capital, which is in great shortage in this country. The New York Stock Exchange predicts that the capital shortage in this country will amount to over $600 billion during the next decade.

Jobs come from capital. If we do not have capital to invest, we are not going to get employment. Let me give the Members an example.

Between 1974 and 1976 OPIC provided Armco Steel with $11.6 million for a steel project in the Philippines. Yet between 1975 and 1977 Armco Steel had 6,547 workers laid off because of imports of competitive steel products from abroad.

Let me give the Members another example. In 1977 OPIC financed a steel project in Brazil, a country that has received over $940 million in total foreign assistance for its steel industry.

Mr. Chairman, I have seen one of their plants. They are pathetic. One has to laugh when he watches them operate. They are getting a subsidy from their government, in addition to one from ours. But once they have a steel mill, they are going to produce steel and export it abroad, no matter how uneconomic the operation is, and they are going to stop buying from the United States. The steel industry in Brazil has increased its exports of steel into the United States by over 160 times between 1959 and 1974.

Are we doing these countries a favor by building up an industry that is not to their competitive advantage? Brazil ought to be learning how to feed its people and how to clothe them. Instead, they want to be a major steel producer like us.

That is prestige, it is showmanship. It helps build a lot of fortunes in these countries, but it does not do us any good and it does not do them any good.

I say, in view of this great shortage of capital in the United States, that we should vote against this program. It provides subsidies to other countries that American steel producers and American firms cannot get from our own Government.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, I think the gentleman from Maryland (Mr. LONG) said the Export-Import Bank subsidizes our competition. Does the gentleman mean to stand by that statement?

Mr. LONG of Maryland. I certainly do. The Export-Import Bank has in fact provided half the loans for all the steel industry abroad. It provides loans at lower rates of interest for furthering steel capacity abroad than the rates of interest American steel firms can receive to build steel plants in this country.

Mr. TSONGAS. Would the gentleman prefer a situation in which our competitive countries subsidize their industries through various programs and we do not?

Mr. LONG of Maryland. Mr. Chairman, I am afraid I did not quite follow the gentleman's question.

Mr. TSONGAS. Other countries have the equivalent of OPIC and the Export-Import Bank. The gentleman would like a situation in which the United States would not have either; is that correct?

Mr. LONG of Maryland. Mr. Chairman, what I am saying is that if they depend on subsidies for their own steel industry, why on earth should we add our subsidies to their subsidies?

Mrs. FENWICK. Mr. Chairman, will the gentleman yield for a question?

Mr. LONG of Maryland. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I am a little confused by the discussion of subsidies. I thought we were dealing here with insurance in three fields.

Mr. LONG of Maryland. That is a subsidy.

Mrs. FENWICK. There is no convertibility of production, there is no revolution, there is no expropriation, and there is no gift of money or loan of money involved, as I understand it?

Mr. LONG of Maryland. It is a subsidy because it stretches the faith and credit of the United States and the aver-

age taxpayer in the United States to do something that the companies are not willing to do themselves.

Mrs. FENWICK. Where there is a revolution and expropriation. In other words, if they fail, they fail, and no one is going to insure them against incompetence or competition.

Mr. LONG of Maryland. But we are enabling, nevertheless, capital to be exported from the United States to those countries by virtue of those subsidies, which are backed up by the United States taxpayer. Remember, they are going to add their subsidies to our subsidies, which makes it difficult for our firms to compete with their products.

Mrs. FENWICK. I thought by "subsidy" the gentleman meant subsidy.

Mr. LONG of Maryland. I think a subsidy is anything which gives somebody else an advantage.

Mr. McKINNEY. Mr. Chairman, last November, when we first debated H.R. 9179, OPIC's reauthorizing legislation, several amendments were adopted which spelled disaster for this Government agency. I can only hope that after this debate, a similar misfortune does not occur to this U.S. Government-owned corporation that continues to make a profit.

We have all repeatedly heard the background of OPIC: How it was created by the Congress in 1969 to administer the political risk insurance and loan guaranty programs operated at the time by AID and that its objective has been "to mobilize and facilitate the participation of U.S. private capital and skills in the economic and social development of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States."

And many of us were here in 1974 when the Congress extended OPIC through December 31, 1977, and promoted the transfer of OPIC's insurance functions to private insurance companies, multilateral organizations or other private agencies by stating the intent of Congress that OPIC cease writing expropriation and inconvertibility insurance after December 1979 and war risk insurance 1 year later.

Since 1974, it has become apparent that this mandate has been quite costly to OPIC and is doomed to failure. As the International Relations Committee found after extensive hearings, private insurers have no interest in taking over all of OPIC's insurance programs. OPIC representatives, private insurers, and a GAO report substantiated this conclusion.

As a result, H.R. 9179 would eliminate the 1974 requirements that OPIC seek to transfer its insurance operations to the private sector. In addition, the bill extends OPIC's insurance and loan guaranty authorities for 3 years, sets forth specific developmental criteria and procedures and bars payment of insurance claims in cases where the insured investor is found to have committed an act of bribery of a foreign official with respect to the project. It contains no authorization for appropriation of funds or borrowing authority since OPIC operates on a self-sustaining basis.

This bill will not solve all of OPIC's problems. For example, a large percent of OPIC's insurance coverage will continue to go to Fortune 500 companies. This should not come as much surprise, however. It is almost inevitable that Fortune 500 companies are the major clients for political risk insurance, for they have continually shown more interest in investing in developing countries. Also, it is of great importance to note that there is no evidence that small businesses are being denied insurance. And would many of the small businesses that have infested abroad done so without OPIC?

All of these points must be taken into consideration before supporting any amendments restricting the percentage of insurance coverage to large companies. At present, OFIC does give preferential assistance to small companies, primarily through financing and investment counseling. Limiting the amount of investments to large companies, by requiring that at least 50 percent of all insurance, reinsurance, guarantees, or financing activities go to small businesses, would not in itself increase the number of small business participants. It would, however, most certainly limit the profitability of OPIC.

There is also the unsolved question of whether or not OPIC exports American jobs. While such a determination is difficult to calculate, we should not forget that OPIC is already required to take that impact into consideration in reviewing applications, and since 1974 the Board of Directors has rejected five projects, because they were classified as "runaway plants." Furthermore, an additional 29 projects were rejected because of the potential adverse impact on the U.S. economy. Actually, a strong argument can be made that they produce additional jobs and result in few, if any, job losses.

It is my strong hope that while these claims and counterclaims are debated my colleagues will keep in mind that under the present program OPIC has made money—a net profit of nearly $216 million in its first 6 years through June 1976. The amendments offered today may reverse this trend, along with adversely affecting our national interest. OPIC has helped in providing new sources of needed raw materials, stimulated the domestic economy by encouraging the export of goods and services, and supported our greater developmental objectives by facilitating the transfer of technology to friendly developing countries. As a result, I strongly urge my colleagues to support H.R. 9179.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know the hour is late, and I will try to be brief.

The gentleman from California (Mr. RYAN) touched on a subject on which I think I speak with some authority; namely, Akron, Ohio, which, incidentally, is not near Dayton, and the tire industry. I have a lot of problems with the OPIC program, and I have discussed them at length with the gentleman from New York (Mr. BINGHAM).

This bill has addressed itself to some of those problems. But I think at least we ought to understand the facts. I do not know about the steel industry in detail, but I do know something about the tire industry. The gentleman from California is absolutely right about plant closings, so far as the fact of the closing is concerned. Nobody can be more concerned than I am. In the last year, we have lost over 2,600 jobs in my home town of Akron due to the closing of tire plants, and it looks like there are more to come. Not only Goodyear, but Firestone, are about to close their tire plants in Los Angeles as well. This is a subject which cannot be dismissed lightly, certainly not by me.

I also think there is a good question as to whether the Government ought to guarantee plants abroad by American companies, at least tire companies, who are perfectly capable of supplying the necessary capital and taking the necessary risks in most cases. We believe in the free enterprise system; that involves taking risks. If the investment is not sound, then, from a strictly business point of view, it should not be made. But what happens is that a country, such as Greece or Turkey, makes a decision that they are going to have a domestic tire plant, and they are going to close their boundaries to any imports except those they cannot make in their plant. It is only a question of who is going to build it.

So there are some arguments in behalf of encouraging American tire companies, at least, to build in those countries, for the simple reason that if they do not do it, somebody else will, and then the American companies will be frozen out completely.

There is another reason. I have discussed this at length with the tire companies. They assert they actually make more exports to countries where they have a plant than to countries where they do not have a plant. These consist of special types and sizes of tires not made in the foreign plant, as well as machinery and equipment. So there are arguments on both sides.

The problem with the market in Los Angeles is not competition from countries where OPIC has financed plants. It is, basically, so far as imports are concerned, Japanese tire imports—made by Bridgestone Tire Co. to be specific.

The problem with respect to Akron is basically not caused by plants in other countries. It is caused by plants right in this country. Goodyear, Goodrich, and Firestone have built plants, modern plants in other parts of this country, many in the Members' districts. Akron happens to have the oldest plants. When there is a downturn in the industry, which plant gets closed down first? The oldest and highest cost plant.

I have introduced legislation now pending in the Committee on Ways and Means to provide an extra investment tax credit, and extra pollution control tax credit and I am working on other legislative proposals to encourage the modernization and replacement of old industrial plants in the communities where they are already located. That could benefit a lot of our communities

and a lot of industries, including steel as well as tires. It will certainly do a lot more for them than any vote we cast on OPIC.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, I would like to refer the gentleman back to the amendment agreed to by the author of this legislation earlier when he accepted the amendment proposed by the gentleman from Arizona (Mr. UDALL) to exempt the copper industry from the capacity of this agency to loan for overseas operations. The reason he did so was that the gentleman from Arizona (Mr. UDALL) made an eloquent plea, saying that unless the exception was made, it would have a heavy effect on the copper industry in Arizona. Consequently, he got his amendment through which said, "Don't do it to copper."

I tried to get an amendment through later on which said, "Don't do it to aluminum; don't do it to lead; and don't do it to some other metals which are on our strategic list of materials."

Mr. SEIBERLING. Mr. Chairman, I do not yield further to the gentleman.

Let me just say that the copper industry is a separate question. I am familiar with the tire industry and I am speaking about that industry alone.

I will say, however, that we have to look at each one on an industry-by-industry basis.

Mr. RYAN. I imagine we do.

Mr. SEIBERLING. If I understand correctly the gentleman from New York (Mr. BINGHAM), this bill is structured so that there are tough restrictions against OPIC making guarantees in the absence of assurances that the plant would not export back to this country.

Mr. RYAN. They police themselves.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

If for no other reason than the fact that this ought to be defeated, it ought to be defeated because of the following facts: In the last 2 years of all OPIC insurance, 41 percent went to the following companies: Dow Chemical, W. R. Grace, J. P. Morgan, Celanese, General Telephone and Electronics, Getty Oil, Bank of America, Standard Oil of Indiana, Weyerhaeuser, ITT, and RCA.

The fact is that if the insurance is there, they are going to take it. If it is not there, I submit that they are probably going to get it and make their investments anyway.

There is one other thing: OPIC claims that other countries would have an advantage over us and that if we did not have OPIC, U.S. investments would be at a disadvantage. That is not the case. In fact, OPIC covers three times as much investment as the Japanese program does, eight times as much as Germany's program, and over 100 times as much as Canada's, Great Britain's, and France's.

Therefore, Mr. Chairman, I do not think that those arguments hold any water.

For those reasons, I think this OPIC thing ought to be laid to rest once and for all.

Mr. McCLORY. Mr. Chairman, I rise in support of H.R. 9179, the Overseas Private Investment Corporation amendments. The importance of this bill cannot be overstated in that it furthers our foreign policy interests while aiding our own economy—all at no cost to the taxpayer.

All other major industrial countries provide a service to their businesses such as that called for under this bill. And, they do so at approximately one-third the rates charged by OPIC. This is not a "give-away" program. No appropriation is required, for OPIC is entirely supported through insurance premiums and interest payments.

While organized labor stands in opposition to this bill, Hubert Humphrey, labor's longtime and strongest ally, expressed his support for OPIC in a letter written late last year. For while he felt that some U.S. jobs might be lost, he believed that many more would ultimately be created.

Criticisms have been raised about OPIC's past performance, however, this bill would establish clear, new policy guidelines to better encourage investments in the most needy countries. Furthermore, under an amendment previously adopted, 50 percent of all OPIC programs must serve U.S. small businesses. Certainly with this shift in emphasis, what has been a good program will now be much better.

I urge my colleagues to vote for this important bill.

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 9179, Overseas Private Investment Corporation (OPIC) amendments. I do so, because of the contribution that OPIC makes to U.S. agriculture. At a time when the American farmer finds himself in a credit crunch and with a surplus of commodities, it would be folly to shelve an effort that is a clearly positive contributor to a stable U.S. agricultural sector.

That U.S. agriculture has a major stake in the economic growth of developing nations is unquestionable. Seventy-three percent of our exports of rice, 66 percent of our wheats exports, 60 percent of our cotton exports, and over 50 percent of our beef and poultry exports are destined for these countries. OPIC-assisted, private U.S. investment in these countries stimulates U.S. agricultural exports both directly and indirectly—at no expense to the taxpayer.

Our exports to developing nations exceed our exports to Western Europe, Eastern Europe, Russia, and China combined. The 80 friendly less-developed countries served by OPIC can maintain or increase this level of purchases only by increasing their purchasing power or seeking more foreign aid or loans.

OPIC-supported private U.S. investment can supply both essential capital and managerial, technical, and marketing skills needed to expand less-developed countries' purchasing power through economic growth and development. OPIC-assisted projects also help develop additional markets for U.S. goods and services.

OPIC has insured or financed many projects that have an ongoing need to buy U.S. agricultural commodities. Presently 10 OPIC-insured or financed flour mills purchase 15 million bushels of U.S. wheat each year and OPIC has four more milling projects under consideration. Other projects purchase poultry, livestock, rice, corn products, as well as some nonfood agricultural products such as cotton.

About 31 percent of OPIC's expropriation insurance covers mining projects that produce exports earning hard currencies with which to buy goods from the United States. Some investment projects, such as grain unloading facilities, are helpful to U.S. agricultural exports. About 7 percent of OPIC incovertibility coverage covers branch bank operations of U.S. financial institutions that provide financial arrangements necessary for the purchase of agricultural commodities and liaison between U.S. exporters and host country buyers.

OPIC's enabling legislation requires it to consider U.S. employment effects in reviewing all potential projects and prohibits OPIC from assisting "runaway industries." As a result, OPIC rejects about one out of every 14 applications for insurance, because of adverse impacts on the United States. A recent example of such a rejection is found in OPIC's denial of assistance to projects involving the production of palm oil, projects that would put their output in direct competition with U.S. oilseed production.

A recent initiative that OPIC has engaged in is a joint program with the Department of Agriculture to encourage U.S. companies with recognized capabilities in agricultural management and marketing to help expand and improve the livestock and processing industries of those developing nations which cannot efficiently produce most grains. Some of these countries are potentially large markets for feed grains, soybeans, wheat, corn, and rice. Mr. Chairman, it is just such a program that can improve the diets of the peoples of the developing countries and assure reliable production by America's highly efficient farmers.

The Overseas Private Investment Corporation, in my estimation, is a proven contributor to a sound U.S. agricultural sector. That contribution merits OPIC's continued existence. I urge my colleagues to support this bill.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9179) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation, pursuant to House Resolution 848, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. RYAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 191, nays 165, answered "present" 2, not voting 76, as follows:

[Roll No. 80]

YEAS—191

Ambro	Goldwater	Ottinger
Andrews, N.C.	Gore	Pattison
Andrews, N. Dak.	Gradison	Pease
	Green	Pepper
Archer	Hagedorn	Pettis
Ashley	Hall	Pickle
Aspin	Hamilton	Preyer
AuCoin	Hammer-schmidt	Pritchard
Baldus		Quie
Beilenson	Hanley	Quillen
Bingham	Harris	Railsback
Blanchard	Heckler	Rangel
Blouin	Heftel	Regula
Boggs	Hightower	Reuss
Bonker	Horton	Roe
Bowen	Howard	Roncalio
Brademas	Hyde	Rooney
Breaux	Ireland	Rose
Brooks	Jeffords	Rousselot
Brown, Calif.	Johnson, Calif.	Rudd
Brown, Mich.	Johnson, Colo.	Runnels
Brown, Ohio	Jones, N.C.	Ruppe
Broyhill	Jordan	Satterfield
Buchanan	Kelly	Sawyer
Burleson, Tex.	Kindness	Scheuer
Butler	LaFalce	Schroeder
Carr	Lagomarsino	Schulze
Cavanaugh	Leach	Sebelius
Cederberg	Leggett	Simon
Chisholm	Lehman	Sisk
Cleveland	Lent	Smith, Iowa
Cochran	Livingston	Smith, Nebr.
Cohen	Lloyd, Calif.	Solarz
Collins, Ill.	Long, La.	Spence
Collins, Tex.	Lott	Stangeland
Conable	Lundine	Stanton
Conte	McCloskey	Steed
Corman	McCormack	Steers
D'Amours	McDade	Steiger
Daniel, Dan	McEwen	Stratton
Daniel, R. W.	McFall	Thompson
Dickinson	McHugh	Thone
Dicks	McKinney	Traxler
Diggs	Madigan	Treen
Dodd	Maguire	Tsongas
Dornan	Mahon	Udall
Erlenborn	Mann	Ullman
Evans, Colo.	Marks	Vander Jagt
Evans, Del.	Meeds	Vanik
Fascell	Meyner	Waggonner
Fenwick	Michel	Walsh
Findley	Mikva	Waxman
Fish	Milford	Whalen
Fisher	Mitchell, N.Y.	White
Flood	Montgomery	Whitehurst
Flynt	Moore	Whitley
Foley	Moorhead, Calif.	Wiggins
Forsythe		Wilson, Bob
Fountain	Moorhead, Pa.	Wirth
Fowler	Moss	Wolff
Frenzel	Murphy, N.Y.	Wylie
Frey	Myers, Gary	Yatron
Garcia	Neal	Young, Fla.
Giaimo	Nedzi	Zablocki
Gilman	O'Brien	

NAYS—165

Abdnor	Annunzio	Bauman
Addabbo	Applegate	Beard, R.I.
Allen	Ashbrook	Benjamin
Ammerman	Bafalis	Bennett
Anderson, Calif.	Barnard	Bevill
	Baucus	Biaggi
Boland	Harrington	Myers, Michael
Brinkley	Hefner	Natcher
Brodhead	Hillis	Nowak
Burke, Mass.	Holland	Oakar
Burlison, Mo.	Hollenbeck	Oberstar
Byron	Holt	Obey
Caputo	Holtzman	Panetta
Carter	Hubbard	Patten
Chappell	Huckaby	Pike
Clay	Ichord	Poage
Conyers	Jacobs	Pressler
Cornell	Jenkins	Price
Cornwell	Jenrette	Quayle
Cunningham	Jones, Okla.	Rinaldo
Danielson	Jones, Tenn.	Risenhoover
Davis	Kasten	Robinson
Delaney	Kastenmeier	Rodino
Dellums	Kemp	Rogers
Derrick	Ketchum	Ryan
Derwinski	Keys	Santini
Devine	Kildee	Seiberling
Dingell	Kostmayer	Sharp
Drinan	Krebs	Shuster
Duncan, Tenn.	Latta	Sikes
Eckhardt	Lederer	Skelton
Edwards, Ala.	Levitas	Skubitz
Eilberg	Lloyd, Tenn.	Snyder
Emery	Long, Md.	Spellman
English	Lujan	Staggers
Ertel	Luken	Stark
Evans, Ga.	McDonald	Studds
Evans, Ind.	McKay	Stump
Fary	Markey	Symms
Fithian	Marlenee	Taylor
Flippo	Martin	Vento
Florio	Mattox	Volkmer
Ford, Mich.	Mazzoli	Walgren
Ford, Tenn.	Mikulski	Walker
Fuqua	Miller, Calif.	Wampler
Gaydos	Miller, Ohio	Watkins
Gephardt	Minish	Weaver
Gibbons	Mitchell, Md.	Weiss
Ginn	Moakley	Wilson, C. H.
Glickman	Moffett	Wydler
Gonzalez	Mollohan	Yates
Goodling	Mottl	Young, Alaska
Grassley	Murphy, Ill.	Young, Mo.
Gudger	Murphy, Pa.	Zeferetti
Hansen	Murtha	
Harkin	Myers, John	

ANSWERED "PRESENT"—2

Bedell	Hughes

NOT VOTING—76

Akaka	Downey	Pursell
Alexander	Duncan, Oreg.	Rahall
Anderson, Ill.	Early	Rhodes
Armstrong	Edgar	Richmond
Badham	Edwards, Calif.	Roberts
Beard, Tenn.	Edwards, Okla.	Rosenthal
Bolling	Flowers	Rostenkowski
Bonior	Fraser	Roybal
Breckinridge	Gammage	Russo
Broomfield	Guyer	Sarasin
Burgener	Hannaford	Shipley
Burke, Calif.	Harsha	Slack
Burke, Fla.	Hawkins	St Germain
Burton, John	Kazen	Stockman
Burton, Phillip	Krueger	Stokes
Carney	Le Fante	Teague
Clausen, Don H.	McClory	Thornton
	Marriott	Trible
Clawson, Del	Mathis	Tucker
Coleman	Metcalfe	Van Deerlin
Corcoran	Mineta	Whitten
Cotter	Nichols	Wilson, Tex.
Coughlin	Nix	Winn
Crane	Nolan	Wright
de la Garza	Patterson	Young, Tex.
Dent	Perkins	

The Clerk announced the following pairs:

On this vote:

Mr. Hughes for, with Mr. Russo against.

Mr. Richmond for, with Mr. Carney against.

Mr. Breckinridge for, with Mr. Nichols against.

Mr. Gammage for, with Mrs. Burke of California against.

Mr. Hannaford for, with Mr. Bonior against.

Mr. Whitten for, with Mr. Le Fante against.

Mr. Duncan of Oregon for, with Mr. Shipley against.

Mr. Charles Wilson of Texas for, with Mr. Rahall against.

Mr. Anderson of Illinois for, with Mr. Corcoran of Illinois against.

Mr. Broomfield for, with Mr. Crane against.

Mr. Akaka for, with Mr. Guyer against.

Mr. McClory for, with Mr. Marriott against.

Mr. Teague for, with Mr. St Germain against.

Mr. Edwards of California for, with Mr. Slack against.

Until further notice:

Mr. Alexander with Mr. Badham.

Mr. John L. Burton with Mr. Beard of Tennessee.

Mr. Cotter with Mr. Harsha.

Mr. Early with Mr. Sarasin.

Mr. de la Garza with Mr. Burgener.

Mr. Phillip Burton with Mr. Burke of Florida.

Mr. Dent with Mr. Trible.

Mr. Flowers with Mr. Winn.

Mr. Roberts with Mr. Don H. Clausen.

Mr. Rosenthal with Mr. Coleman.

Mr. Fraser with Mr. Edwards of Oklahoma.

Mr. Downey with Mr. Armstrong.

Mr. Metcalfe with Mr. Del Clawson.

Mr. Hawkins with Mr. Edgar.

Mr. Mineta with Mr. Coughlin.

Mr. Kazen with Mr. Krueger.

Mr. Nix with Mr. Mathis.

Mr. Nolan with Mr. Stockman.

Mr. Stokes with Mr. Tucker.

Mr. Van Deerlin with Mr. Thornton.

Mr. Wright with Mr. Perkins.

Mr. Patterson of California with Mr. Roybal.

Messrs. GOODLING, WYDLER, and BEVILL changed their vote from "yea" to "nay."

Mr. HUGHES. Mr. Speaker, I have a live pair with the gentleman from Illinois (Mr. Russo). If he had been present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HUGHES changed his vote from "yea" to "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 1771) an act to amend certain provisions of the Foreign Assistance Act of 1961 relating to the Overseas Private Investment Corporation, strike all after the enacting clause, and insert in lieu thereof the provisions of H.R. 9179 as passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. BINGHAM. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BINGHAM. Is a motion in order to accomplish the same objective?

The SPEAKER. The Chair will answer in the negative. The bill will be sent to the Senate as it passed the House.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to

revise and extend their remarks on the bill H.R. 9179 just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DISCHARGING COMMITTEE ON INTERNATIONAL RELATIONS FROM FURTHER CONSIDERATION OF H. RES. 1033, TO RECOGNIZE THE CONTRIBUTIONS OF GENERAL JOSÉ DE SAN MARTÍN TO THE LIBERATION OF THE PEOPLE OF LATIN AMERICA

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the resolution (H. Res. 1033) to recognize the contributions of Gen. Jose de San Martin to the liberation of the people of Latin America, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1033

Whereas General José de San Martín is revered by our Latin American friends who owe their political existence to his selfless leadership in the successful pursuit of freedom from colonial rule in Chile, Argentina, and Peru;

Whereas the aforementioned nations participated with enthusiasm in the American Bicentennial celebration, and the San Martin Society of Washington, District of Columbia, comprised of members of the diplomatic corps as well as Latin Americans throughout the United States, have suggested such commemoration to be in keeping with the inter-American friendship and cooperation displayed during our bicentennial;

Whereas, with great foresight, General José de San Martín molded a patriotic cause and recruited and trained Mestizos, Indians, and Gouchos to form the Mounted Grenadiers, inspiring them to victory with military genius in spite of the political dissension, cultural disparity, and the perilous crossing of the Andes Mountains;

Whereas General José de San Martín fought for the liberation of his homeland with no personal ambition beyond his desire to turn a pacified people and a free land over to a capable government, but with personal generosity, giving as much as half his salary and most of his monetary awards for the construction of libraries, schools, roads, and bridges;

Whereas, as protector of Peru, General José de San Martín proclaimed religious and press freedom in the American ideal, and issued a proclamation that all children born after July 15, 1821, would be free and equal, regardless of the status of their parents; and

Whereas no man in the histories of Chile, Peru, or Argentina has faced such insurmountable odds and contributed as much to the liberation of the Latin American people as has General José de San Martín: Now, therefore, be it

Resolved, That the House of Representatives recognizes the great contributions of General José de San Martín to the cause of personal freedom and to the liberation of the Latin American people, and directs the Speaker of the House to forward a copy of this resolution to the Secretary General of the Organization of American States, the Ambassadors of Chile, Peru, and Argentina, and the President of the San Martin Society of Washington, District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the spelling of the word "Gouchos" in the third whereas clause be corrected.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Resolution 1033, recognizing the contributions of Gen. José de San Martín to the liberation of the people of Latin America.

Mr. Speaker, this Saturday, February 25, 1978, the San Martin Society of Washington, D.C., will celebrate the memory of Gen. José de San Martín, the great Latin American soldier who contributed so much to the progress of religious, personal, and press freedom in Latin America during the first half of the 19th century.

House Resolution 1033 specifically calls attention to General San Martín's efforts on behalf of freedom and liberation from colonial rule in the countries of Chile, Argentina, and Peru as well as his assistance in the construction of libraries, schools, roads, and bridges in the Andean area. Finally, the resolution provides for the Speaker of the House to forward copies of the text of the resolution to the Secretary General of the Organization of American States, to the Ambassadors of Chile, Peru, and Argentina, and to the president of the San Martin Society of Washington, D.C.

Mr. Speaker, I urge the adoption of the resolution.

Mr. McDADE. Mr. Speaker, I rise in support of H.R. 1033. I urge my colleagues to consider it favorably. This resolution to honor José de San Martín on the 200th anniversary of his birth is in keeping with the inter-American friendship displayed during our Bicentennial celebration.

In this effort I have had the encouragement of Chairman ZABLOCKI, the ranking member, Mr. BROOMFIELD, and the chairman of the Inter-American Subcommittee, Mr. YATRON, and his counterpart, Mr. GILMAN, all of whom share my admiration of Gen. José de San Martín's accomplishments. I would like to express my appreciation of the cooperation I received from these gentlemen.

In the name of freedom, Gen. José de San Martín created a patriotic spirit similar to that of our Revolutionary era. He was an inspiration to his soldiers and countrymen, and Gen. José de San Martín's selfless dedication to the ideals of liberty and equality are legendary. His own words, "I shall always be ready to make the ultimate sacrifice for the liberty of my country" are known to have been true, and have a similar ring to words uttered by great patriots in our own history. The name of Gen. José de San Martín stands tall among the men who, through a consuming desire to promote ideals of political freedom, forged a path in the history of self-determination in our American Continent.

I encourage the Members of the House of Representatives to join me in honoring Gen. José de San Martín for his myriad accomplishments in the quest for human rights and dignity in Latin America.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 1033, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

DIRECTING CLERK OF HOUSE TO MAKE CERTAIN TECHNICAL CORRECTIONS IN ENROLLMENT OF H.R. 8638

Mr. ZABLOCKI. Mr. Speaker, I call up the concurrent resolution (H. Con. Res. 486) directing the Clerk of the House of Representatives to make certain technical corrections in the enrollment of House Resolution 8638, the Nonproliferation Act of 1978, and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 486

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 8638) to provide for more efficient and effective control over the proliferation of nuclear explosive capability, the Clerk of the House of Representatives shall make the following corrections (all page and line citations are to the Senate engrossed amendment):

On page 7, line 21, insert "goals" immediately after "policy".

On page 8, line 5, insert "international" immediately after "effective".

On page 11, line 7, strike out "strenthened" and insert in lieu thereof "strengthened".

On page 15, line 3, strike out "that" and insert in lieu thereof "the".

On page 15, line 8, strike out "the 1954" and insert in lieu thereof "this".

On page 15, line 17, strike out "assurance" and insert in lieu thereof "assurances".

On page 15, lines 18 and 19, strike out "subsection 127 a." and insert in lieu thereof "section 127 of this Act".

On page 16, line 4, strike out "303" and insert in lieu thereof "131 of this Act".

On page 16, line 11, insert "the" immediately before "Department".

On page 16, line 14, strike out "this section" and insert in lieu thereof "the Nuclear Non-Proliferation Act of 1978".

On page 16, line 21, strike out "section" and insert in lieu thereof "subsection".

On page 17, line 16, strike out "section" and insert in lieu thereof "subsection".

On page 17, line 17, strike out "this Act" and insert in lieu thereof "the Nuclear non-Proliferation Act of 1978".

On page 17, line 19, strike out "section" and insert in lieu thereof "subsection".

On page 18, line 6, insert ", section 54 d., section 64, or section 111 b." immediately after "this section".

On page 19, line 1, strike out "Commission" and all that follows through "notice" in line 7 and insert in lieu thereof "Notice"; and in line 12, immediately after the period, insert the following: "Whenever the Director declares that he intends to prepare a Nuclear Proliferation Assessment Statement pursuant to paragraph (2) of this subsection, notice of the proposed subsequent arrangement which is the subject of the Director's declaration shall not be published until after the receipt by the Secretary of Energy of such Statement or the expiration of the time authorized by subsection c. for the preparation of such Statement, whichever occurs first.".

On page 20, line 7, strike out "or" the first time it appears and insert in lieu thereof "of".

On page 20, line 21, strike out "standopint" and insert in lieu thereof "standpoint".

On page 22, line 8, strike out "arrangemants" and insert in lieu thereof "arrangement".

On page 22, line 24, strike out "view" and insert in lieu thereof "judgment".

On page 23, line 2, strike out "other" and insert in lieu thereof "all the".

On page 25, line 11, strike out "of" the first time it appears and insert in lieu thereof "on".

On page 25, line 15, strike out "Act" and insert in lieu thereof "section".

On page 25, line 18, strike out "The" and all that follows through the period in line 21.

On page 26, line 1, insert "Nuclear" immediately after "International".

On page 26, line 2, insert "of the Nuclear Non-Proliferation Act of 1978" immediately after "section 105".

On page 26, line 10, strike out "a".

On page 27, line 21, strike out the period and insert in lieu thereof a semicolon.

On page 28, line 1, strike out "the Atomic Energy" and insert in lieu thereof "this".

On page 28, line 7, insert "a" immediately after "(A)".

On page 29, line 14, strike out "this" and insert in lieu thereof "the 1954".

On page 30, line 1, strike out "facility" and insert in lieu thereof "facilitv".

On page 30, line 6, insert ", until" immediately after "be".

On page 30, line 7, insert "the Commission" immediately after "(1)".

On page 30, line 22, strike out "application" and insert in lieu thereof "applications".

On page 31, line 22, strike out "Act" and insert in lieu thereof "section".

On page 32, line 16, strike out "that" and insert in lieu thereof "whether".

On page 32, line 23, strike out "that" and insert in lieu thereof "whether".

On page 33, line 3, strike out "that" and insert in lieu thereof "whether".

On page 33, lines 5 and 6, strike out "subsection 127 a." and insert in lieu thereof "section 127 of this Act".

On page 33, line 8, strike out "that in his" and insert in lieu thereof "whether in the Secretary's".

On page 33, line 15, insert "the Commission" immediately after "(2)".

On page 33, line 18, strike out "subsection 127 a." and insert in lieu thereof "section 127 of this Act".

On page 33, beginning in line 20, strike out "for a period of twenty-four months after the date of enactment of this section,".

On page 34, line 2, strike out"Act, and" and insert in lieu thereof "section, and for a period of twenty-three months".

On page 34, line 15, strike out "subsection 127 a." and insert in lieu thereof "section 127 of this Act".

On page 35, line 22, strike out "finding" and insert in lieu thereof "findings".

On page 39, line 10, insert "as" immediately after "at any time".

On page 39, line 15, strike out "section" and insert in lieu therof "Act".

On page 45, line 25, strike out "State" and insert in lieu thereof "Senate".

On page 50, line 15, insert "subsection 123 d., 126 a. (2), 126 b. (2), 128 b., 129, 131 a. (3), or 131 f. (1)(A) of" immediately after "required by".

On page 50, line 25, strike out "such House" and insert in lieu thereof "the Congress".

On page 51, line 2, strike out "either" and insert in lieu thereof "any".

On page 51, line 5, strike out "any" and insert in lieu thereof "if, in the case of a proposed agreement for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c. of this Act, the other relevant committee of that House has reported such a resolution, such committee shall be deemed discharged from further consideration of that resolution. If no such resolution has been reported at the end of such period, the first".

On page 51, beginning in line 9, strike out "committee has reported such a resolution or" and insert in lieu thereof "relevant committee or committees have reported such a resolution (or have been discharged from further consideration of such a resolution pursuant to subsection a.) or when".

On page 51, line 11, strike out "the proviso in".

On page 56, line 6, insert "subsections b. and c. of" immediately after "provisions of".

On page 57, line 10, insert an opening quotation mark immediately before "No".

On page 60, line 16, insert ", uranium 233," immediately before "or uranium"; and in line 17, strike out "233 or".

On page 61, line 18, strike out "The"; in line 19, insert "The" immediately before "President"; and reset line 19 on page 61 through line 5 on page 63 on a 2 em indention.

On page 63, line 22, insert "and" immediately after the semicolon.

On page 65, line 2, strike out "; and" and insert in lieu thereof a period.

On page 65, line 3, strike out "e. following" and insert in lieu thereof "Following".

Beginning with line 3 on page 65 and continuing through line 8 on page 66, reset the lines full measure.

On page 65, line 19, strike out "f. if" and insert in lieu thereof "If,".

On page 66, line 17, strike out "303(a) of this" and insert in lieu thereof "131 of the 1954".

Beginning with line 24 on page 67 and continuing through line 6 on page 68, reset the lines on a 2 em indention; beginning with line 7 on page 68 and continuing through line 6 on page 69, reset the lines on a 4 em indention; and beginning with line 7 on page 69 and continuing through line 18 on page 70, reset the lines on a 2 em indention.

On page 74, line 23, strike out "inndustrialized" and insert in lieu thereof "industrialized".

On page 76, line 1, insert "the" immediately before "Department".

On page 78, line 22, strike out "and".

On page 79, line 13, strike out the period and insert in lieu thereof a semicolon.

On page 79, line 14, strike out "as" and insert in lieu thereof "an".

On page 80, line 19, strike out "chapter" and insert in lieu thereof "title".

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain why it is necessary to do it this way?

Mr. ZABLOCKI. Mr. Speaker, if the gentleman will yield, H.R. 8638, the Nonproliferation Act of 1978, was passed by the House by a vote of 411 to 0, and a companion bill was passed by the Senate earlier this year by a vote of 88 to 3. Scores of amendments were added to the Senate version. The House reviewed these and found the amended Senate version to be, in all essential respects, consistent with H.R. 8638. Upon reaching this judgment, the House, by unanimous consent, then moved to recede and accept H.R. 8638 as amended.

The resolution that I am calling up today makes minor technical revisions in H.R. 8638 that were discovered after House and Senate action. Very simply, the resolution does the following kinds of things: First, it corrects a few errors in spelling and punctuation; second, it changes certain incorrect internal references that resulted from Senate floor amendments; third, it strikes out a duplicative sentence from one section, and, fourth, in another case, it clarifies an internal reference that was somewhat loosely stated. This is then just a minor cleanup matter that needs to be accomplished before the bill is sent on to the White House.

The resolution has been agreed to by all of the principals in the Senate and I know of no objection to it in either body.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, does the gentelman mean the other body made all these mistakes?

Mr. ZABLOCKI. Mr. Speaker, if the gentleman will yield further, there was not one mistake in our version of H.R. 8638. The mistakes corrected by this resolution came about as a result of amendments added to the legislation on the Senate floor.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I am always delighted to yield to my friend, the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, the chairman has properly stated the case and I am sure that the chairman of the committee will agree with me that if our former colleague, Mr. Frelinghuysen, had remained with us, the gentleman would have caught this in conference and we would not have this situation.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. Is there objection to the first request of the gentleman from Wisconsin?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

REORGANIZATION PLAN NO. 1 OF 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–295)

The SPEAKER pro tempore (Mr. DANIELSON) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I am submitting to you today Reorganization Plan No. 1 of 1978. This Plan makes the Equal Employment Opportunity Commission the principal Federal agency in fair employment enforcement. Together with actions I shall take by Executive Order, it consolidates Federal equal employment opportunity activities and lays, for the first time, the foundation of a unified, coherent Federal structure to combat job discrimination in all its forms.

In 1940 President Roosevelt issued the first Executive Order forbidding discrimination in employment by the Federal Government. Since that time the Congress, the courts and the Executive Branch—spurred by the courage and sacrifice of many people and organizations—have taken historic steps to extend equal employment opportunity protection throughout the private as well as public sector. But each new prohibition against discrimination unfortunately has brought with it a further dispersal of Federal equal employment opportunity responsibility. This fragmentation of authority among a number of Federal agencies has meant confusion and ineffective enforcement for employees, regulatory duplication and needless expense for employers.

Fair employment is too vital for haphazard enforcement. My Administration will aggressively enforce our civil rights laws. Although discrimination in any area has severe consequences, limiting economic opportunity affects access to education, housing and health care. I, therefore, ask you to join with me to reorganize administration of the civil rights laws and to begin that effort by reorganizing the enforcement of those laws which ensure an equal opportunity to a job.

Eighteen government units now exercise important responsibilities under statutes, Executive Orders and regulations relating to equal employment opportunity:

The Equal Employment Opportunity Commission (EEOC) enforces Title VII of the Civil Rights Act of 1964, which bans employment discrimination based on race, national origin, sex or religion. The EEOC acts on individual complaints and also initiates private sector cases involving a "pattern or practice" of discrimination.

The Department of Labor and 11 other agencies enforce Executive Order 11246. This prohibits discrimination in employment on the basis of race, national origin, sex, or religion and requires affirmative action by government contractors. While the Department now coordinates enforcement of this "contract compliance" program, it is actually administered by eleven other departments and agencies. The Department also administers those statutes requiring contractors to take affirmative action to employ handicapped people, disabled veterans and Vietnam veterans.

In addition, the Labor Department enforces the Equal Pay Act of 1963, which prohibits employers from paying unequal wages based on sex, and the Age Discrimination in Employment Act of 1967, which forbids age discrimination against persons between the ages of 40 and 65.

The Department of Justice litigates Title VII cases involving public sector employers—State and local governments. The Department also represents the Federal government in lawsuits against Federal contractors and grant recipients who are in violation of Federal nondiscrimination prohibitions.

The Civil Service Commission (CSC) enforces Title VII and all other nondiscrimination and affirmative action requirements for Federal employment. The CSC rules on complaints filed by individuals and monitors affirmative action plans submitted annually by other Federal agencies.

The Equal Employment Opportunity Coordinating Council includes representatives from EEOC, Labor, Justice, CSC and the Civil Rights Commission. It is charged with coordinating the Federal equal employment opportunity enforcement effort and with eliminating overlap and inconsistent standards.

In addition to these major government units, other agencies enforce various equal employment opportunity requirements which apply to specific grant programs. The Department of Treasury, for example, administers the anti-discrimination prohibitions applicable to recipients of revenue sharing funds.

These programs have had only limited success. Some of the past deficiencies include:

—inconsistent standards of compliance;
—duplicative, inconsistent paperwork requirements and investigative efforts;
—conflicts within agencies between their program responsibilities and their responsibility to enforce the civil rights laws;
—confusion on the part of workers about how and where to seek redress;
—lack of accountability.

I am proposing today a series of steps to bring coherence to the equal employment enforcement effort. These steps, to be accomplished by the Reorganization Plan and Executive Orders, constitute an important step toward consolidation of equal employment opportunity enforcement. They will be implemented over the next two years, so that the agencies involved may continue their internal reform.

Its experience and broad scope make the EEOC suitable for the role of principal Federal agency in fair employment enforcement. Located in the Executive Branch and responsible to the President, the EEOC has developed considerable expertise in the field of employment discrimination since Congress created it by the Civil Rights Act of 1964. The Commission has played a pioneer role in defining both employment discrimination and its appropriate remedies.

While it has had management problems in past administrations, the EEOC's new leadership is making substantial progress in correcting them. In the last seven months the Commission has redesigned its internal structures and adopted proven management techniques. Early experience with these procedures indicates a high degree of success in reducing and expediting new cases. At my direction, the Office of Management and Budget is actively assisting the EEOC to ensure that these reforms continue.

The Reorganization Plan I am submitting will accomplish the following:

On July 1, 1978, abolish the Equal Employment Opportunity Coordinating Council (42 U.S.C. 2000e–14) and transfer its duties to the EEOC (no positions or funds shifted).

On October 1, 1978, shift enforcement of equal employment opportunity for Federal employees from the CSC to the EEOC (100 positions and $6.5 million shifted).

On July 1, 1979, shift responsibility for enforcing both the Equal Pay Act and the Age Discrimination in Employment Act from the Labor Department to the EEOC (198 positions and $5.3 million shifted for Equal Pay; 119 positions and $3.5 million for Age Discrimination).

Clarify the Attorney General's authority to initiate "pattern or practice" suits under title VII in the public sector.

In addition, I will issue an Executive Order on October 1, 1978, to consolidate the contract compliance program—now the responsibility of Labor and 11 "compliance agencies"—into the Labor Department (1,517 positions and $33.1 million shifted).

These proposed transfers and consolidations reduce from fifteen to three the number of Federal agencies having important equal employment opportunity responsibilities under Title VII of the Civil Rights Act of 1964 and Federal contract compliance provisions.

Each element of my Plan is important to the success of the entire proposal.

By abolishing the Equal Employment Opportunity Coordinating Council and transferring its responsibilities to the EEOC, this plan places the Commission at the center of equal employment opportunity enforcement. With these new responsibilities, the EEOC can give coherence and direction to the government's efforts by developing strong uniform enforcement standards to apply throughout the government: standardized data collection procedures, joint training programs, programs to ensure the sharing of enforcement related data among agencies, and methods and priorities for complaint and compliance reviews. Such direction has been absent in the Equal Employment Opportunity Coordinating Council.

It should be stressed, however, that affected agencies will be consulted before EEOC takes any action. When the Plan has been approved, I intend to issue an Executive Order which will provide for consultation, as well as a procedure for reviewing major disputed issues within the Executive Office of the President. The Attorney General's responsibility to advise the Executive Branch on legal issues will also be preserved.

Transfer of the Civil Service Commission's equal employment opportunity responsibilities to EEOC is needed to ensure that: (1) Federal employees have the same rights and remedies as those in the private sector and in State and local government; (2) Federal agencies meet the same standards as are required of other employers; and (3) potential conflicts between an agency's equal employment opportunity and personnel management functions are minimized. The Federal government must not fall below the standard of performance it expects of private employers.

The Civil Service Commission has in the past been lethargic in enforcing fair employment requirements within the Federal government. While the Chairman and other Commissioners I have appointed have already demonstrated their personal commitment to expanding equal employment opportunity, responsibility for ensuring fair employment for Federal employees should rest ultimately with the EEOC.

We must ensure that the transfer in no way undermines the important objectives of the comprehensive civil service reorganization which will be submitted to Congress in the near future. When the two plans take effect, I will direct the EEOC and the CSC to coordinate their procedures to prevent any duplication and overlap.

The Equal Pay Act, now administered by the Labor Department, prohibits employers from paying unequal wages based on sex. Title VII of the Civil Rights Act, which is enforced by EEOC, contains a broader ban on sex discrimination. The transfer of Equal Pay responsibility from the Labor Department to the EEOC will minimize overlap and centralize enforcement of statutory prohibitions against sex discrimination in employment.

The transfer will strengthen efforts to combat sex discrimination. Such efforts would be enhanced still further by passage of the legislation pending before you, which I support, that would prohibit employers from excluding women disabled by pregnancy from participating in disability programs.

There is now virtually complete overlap in the employers, labor organizations, and employment agencies covered by Title VII and by the Age Discrimination in Employment Act. This overlap is burdensome to employers and confusing to victims of discrimination. The proposed transfer of the age discrimination program from the Labor Department to the EEOC will eliminate the duplication.

The Plan I am proposing will not affect the Attorney General's responsibility to enforce Title VII against State or local governments or to represent the Federal government in suits against Federal contractors and grant recipients. In 1972, the Congress determined that the Attorney General should be involved in suits against State and local governments. This proposal reinforces that judgment and clarifies the Attorney General's authority to initiate litigation against State or local governments engaged in a "pattern or practice" of discrimination. This in no way diminishes the EEOC's existing authority to investigate complaints filed against State or local governments and, where appropriate, to refer them to the Attorney General. The Justice Department and the EEOC will cooperate so that the Department sues on valid referrals, as well as on its own "pattern or practice" cases.

A critical element of my proposals will be accomplished by Executive Order rather than by the Reorganization Plan. This involves consolidation in the Labor Department of the responsibility to ensure that Federal contractors comply with Executive Order 11246. Consolidation will achieve the following: promote consistent standards, procedures, and reporting requirements; remove contractors from the jurisdiction of multiple agencies; prevent an agency's equal employment objectives from being outweighed by its procurement and construction objectives; and produce more effective law enforcement through unification of planning, training and sanctions. By 1981, after I have had an opportunity to review the manner in which both the EEOC and the Labor Department are exercising their new responsibilities, I will determine whether further action is appropriate.

Finally, the responsibility for enforcing grant-related equal employment provisions will remain with the agencies administering the grant programs. With the EEOC acting as coordinator of Federal equal employment programs, we will be able to bring overlap and duplication to a minimum. We will be able, for example, to see that a university's employment practices are not subject to duplicative investigations under both Title IX of the Education Amendments of 1972 and the contract compliance program. Because of the similarities between the Executive Order program and those statutes requiring Federal contractors to take affirmative action to employ handicapped individuals and disabled and Vietnam veterans, I have determined that enforcement of these statutes should remain in the Labor Department.

Each of the changes set forth in the Reorganization Plan accompanying this message is necessary to accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. I have taken care to determine that all functions abolished by the Plan are done under the statutory authority provided by Section 903(b) of Title 5 of the United States Code.

I do not anticipate that the reorganizations contained in this Plan will result in any significant change in expenditures. They will result in a more efficient and manageable enforcement program.

The Plan I am submitting is moderate and measured. It gives the Equal Employment Opportunity Commission—an agency dedicated solely to this purpose—the primary Federal responsibility in the area of job discrimination, but it is designed to give this agency sufficient time to absorb its new responsibilities. This reorganization will produce consistent agency standards, as well as increased accountability. Combined with the intense commitment of those charged with these responsibilities, it will become possible for us to accelerate this nation's progress in ensuring equal job opportunities for all our people.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1978.*

BUY AMERICAN ACT

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I am today introducing legislation to amend the Buy American Act to increase requirements for purchasing domestic articles, materials, and supplies with regard to not only Federal procurements, but also federally funded procurements.

The Buy American Act is, in my opinion, one of the least understood statutes on the books. Many people believe that only American products can be purchased with Federal dollars. Unfortunately, the act is not nearly that strong.

In the first place, the act covers only procurements made by departments or agencies of the Federal Government. It does not cover procurements made by the State and local governments (or their political subdivisions), even though the money for the purchase comes from the Federal Government through some type of grant-in-aid program.

This loophole in the law has grown wider and wider as the Federal grant-in-aid outlays have increased. These outlays will total at least $85 billion in 1979, an increase of 6 percent over 1978 and 24 percent over 1977. Since 1967, the grants have been increasing at an annual rate of 16.2 percent.

These grant programs are by no means limited to welfare type programs, where the Buy American Act would have little or no application. A substantial amount of these outlays are used for purchases that should and can be covered by the buy American policy established by law 45 years ago.

For instance, outlays for urban mass transportation are expected to be $2.2 billion in 1979, a 13-percent increase over 1978 and 34 percent over 1977. Outlays for the Federal aid for highways portion of grants for ground transportation will exceed $7 billion in 1979. Outlays for construction of water sewage treatment plants will total $4.7 billion in 1979.

Faced with the fact that more and more Federal dollars are being spent by other than Federal agencies, I think it is incumbent upon us to find some way to insure that the buy American requirements "follow the Federal dollar." These dollars come from the American taxpayers—the very people whose jobs are threatened when the dollars are used to purchase foreign goods, materials, and supplies.

My bill would remedy the problem simply by prohibiting the Federal departments and agencies from providing a grant unless the grantee agrees to comply with the Buy Ameircan Act.

Second, my bill corrects another defect in the current statute. Today, contrary to popular belief, the act does not impose an absolute buy American requirement, even on the Federal agencies. A Federal department or agency can buy from foreign sources if the head of the department or agency determines that a domestic purchase would be "inconsistent with the public interest" or "unreasonable" as to cost.

The act does not define what is or is not consistent or what cost is or is not reasonable. This has been left to regulations. The Armed Services—and I applaud them for their adherence to congressional intent—have imposed a 50-percent differential in the evaluation of competing foreign versus domestic bids. The civilian agencies on the other hand have seen fit to impose only a 6-percent differential.

The 50 percent factor is exclusive of duty, while the 6 percent factor is inclusive of duty; but the Armed Services differential is still far more responsive to the plight of American workers who are losing their jobs at an ever increasing rate to foreign imports. It is more responsive to national security which is being threatened by the exportation of technology. And it is more responsive to American business which cannot compete with the low foreign wage scales.

I contend, Mr. Speaker, that it is time to take American jobs, national security, and business health out of the hands of the regulation writers. We should write the 50-percent differential into the law; and that is what the other part of my bill does.

In closing, Mr. Speaker, I would like to cite just one recent example of why my bill is needed. Last December, the Massachusetts Bay Transit Authority opened bids for a complete overhaul of the electrical system used to power subways and electrical buses in the Boston metropolitan areas. When bids were opened on December 16, 1977, the low bidder was Hitachi Electric Co. of Japan, which bid $17.8 million. The two domestic bidders were General Electric and Westinghouse, which bid $23.92 million and $23.87 million, respectively. Although Federal funds were used in the purchase, Hitchi won the award, because MBTA is not a Federal agency, the Buy American Act did not apply, and no differential was used in evaluating the foreign bid. If my bill had been law, over $23 million worth of work could have gone to American workers—American taxpayers—rather than to Japan.

I think it is also interesting to note, Mr. Speaker, that, according to our Bureau of Labor Statistics, the average hourly compensation of manufacturing workers in Japan is $3.29. The average hours wage in manufacturing in this country is around $6.84. In other words, Japanese employers would have to give their workers a 108-percent increase in wages in order to bring them up to par with our workers.

Under these circumstances, and for all of these reasons, I believe it is time—it is past time—to put some teeth in our Buy American Act by enacting my bill or something quite similar to it. I will be asking for cosponsors, and I hope that a majority of my colleagues will join me in this worthy effort.

ESTONIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 60 minutes.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order concerning the Independence Day memorial of Estonia.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Speaker, 60 years ago today, Estonia prolcaimed itself a sovereign, democratic nation. No longer were its people obligated to foreign rule. After 7 centuries of subjugation, they were finally free to determine their own government and regulate their own lives. Stirred by the democratic spirit of the times, Estonia adopted a constitution that provided for a representative government, guaranteed the rights of ethnic minorities, and created a bill of rights. Enfranchisement and the right to run for elected office was denied to no citizen on the basis of sex, religion, ethnic background, or social standing. Woman or man, Estonian or Swede—all had equal privileges before the law.

Estonian independence was short-lived. Twenty-years after declaring its independence from Soviet Russia, Estonia was again invaded by Soviet troops. Public assembly was banned. Censorship was imposed. The Estonian Government was dissolved. The new government took its orders from Moscow. In August 1940, Estonia was once again forced to relinquish its national sovereignty.

In 1940, the United States condemned the predatory activities of the Soviet Union. It refused to recognize the new Estonian Government, instituted by threat, force, and fraudulent means. Today, in honor of the anniversary of Estonian independence, I would like to reiterate the position of the United States in regard to national sovereignty and human rights. Military occupation and broad scale purges may well be buried in the Estonian past, but so too are the freedoms of thought, speech, and national self-determination. It is with hope that the Estonian people may again enjoy these human rights that the 60th anniversary of their independence is hereby commemorated.

The Estonian American National Council and the Estonian-American community of the United States deserve commendation for their efforts and continued activity in behalf of their brothers and sisters who are not so fortunate to enjoy the democracy we Americans so easily take for granted. As we pause to mark this anniversary, let us also recognize the contribution of the more than 1 million Americans of Estonian descent who have contributed to the development of the United States and to the preservation of its ideals of liberty and freedom.

Mr. HUGHES. Mr. Speaker, February 24, 1978, marks the 60th anniversary of the formation of the free and independent state of Estonia. This occasion is a time to join those Estonians living in other countries of the world in recalling the history of their proud country.

The establishment of the independent Republic of Estonia followed the War of Liberation, lasting from 1918 to 1920, ending the occupation of the country by the Soviet Red Army. In the peace treaty that followed, Soviet Russia permanently renounced any claims to the territory of Estonia. Estonia and the Soviet Union also signed a Pact of Non-Aggression and Peaceful Settlement of Conflicts, dated 1932.

These treaties did not prevent the Soviet liquidation of the Estonian Republic. In 1939 the division of Eastern Europe by Hitler and Stalin found Estonia as well as Latvia and Lithuania unilaterally declared Soviet republics and annexed to the Soviet Union. Today Estonia remains under Soviet domination. The freedoms enjoyed by the Estonian people under their own constitution have been abolished by the central authority of the Communist state.

Possessed of a strong sense of national unity, the Estonians have suffered tremendous hardships at the hands of Soviet rule. The process of Russianization threatens to push the Estonian language and cultural heritage into the background. Many thousands of Estonians have fled their homeland to seek freedom elsewhere in the world. Others, less fortunate, have been sent to remote areas of the Soviet Union or have been executed.

However, the Estonian nationalist spirit has not been destroyed. This spirit is especially obvious in the youth of Estonia, who in recent years have shown a strong resistance to Communist subjugation through demonstrations and appeals to the free world.

On this 60th anniversary of the Estonian declaration of independence we join with all freedom-loving Estonians in hoping the fight for liberty and self-determination continues in the great country of Estonia.

Mr. PATTEN. Mr. Speaker, 60 years ago tomorrow, the Republic of Estonia declared a long awaited independence. It was not easy to hold onto that freedom, but for 22 years, these strong people fought for that right which we, in the United States, both hold dear and too often take for granted. In August of 1940, Estonia fell to Soviet occupation once again.

Today, the only freedom truly enjoyed by Estonians is their freedom in spirit. That is important, but hardly enough. We, in the United States must demand that the Soviet Union live up to the agreements in the Helsinki document which they signed. We must demand that the Soviet Union respect the freedom of movement across borders, and al-

low divided families to be reunited. We must demand that all people in Estonia and especially political prisoners, be accorded the broadest and most basic human rights, as outlined in the Helsinki document.

My hopes and prayers are with the Estonian people, and in every small and great way possible I will continue to support their efforts to again be free.

Mr. HANLEY. Mr. Speaker, February 24, 1978, is the day on which Estonians throughout the world observed the 60th anniversary of the proclamation of the independence of Estonia.

At this time, I am honored to join with thousands of Americans of Estonian descent to pay tribute to this anniversary.

On that day, in 1918, after the Soviet Red Army was driven from the land in the War of Liberation, the free and independent Republic of Estonia was created.

The maintenance of that independence and freedom, however, lasted only two decades. In 1940, Estonia was annexed and eventually became a territorial possession of the Soviet Union.

Since that Soviet occupation, thousands of Estonians have been interned in Soviet prison camps, while others have fled their homeland to seek sanctuary in various parts of the free world.

Despite Soviet attempts to Russianize this Baltic State, the Estonian culture, heritage, and national identity remain strong. This national will and spirit serve as an inspiration for all oppressed nations throughout the world. During this struggle, the U.S. Government has maintained a policy that supports oppressed nations in their quests for independence and natural rights.

On this 60th anniversary, we salute the courage of Estonians everywhere and pay tribute to these efforts as they seek to regain a free homeland.

Mr. DERWINSKI. Mr. Speaker, on February 24, Americans of Estonian origin and descent will celebrate the 60th anniversary of the establishment of the independent Republic of Estonia. Unfortunately, those who live in Estonia do not have the same opportunity. In 1918, this small nation established its independence only to be seized in 1940 by the forces of the Soviet Union during their westward expansion in the early stages of World War II. Since then, Estonia has been bound by the shackles of Soviet control, and all of the freedoms enjoyed by its citizens under their own Constitution have been abolished.

However, this period of occupation and the continued suppression of their culture and nationalism have not dampened the firm desire of the brave Estonian people for national independence. They continue to yearn for their human rights and personal freedoms to be restored.

Many Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and continue to speak out on behalf of the people of Estonia.

Mr. Speaker, I believe it is especially important for the United States to continue its full and uncompromising support for the basic concept of the sovereign rights of a people to the free and independent choice of the form of government under which they wish to live. The Soviets have continued to ignore their promise to fulfill the human rights provision of the 35-national Final Act of the European Conference of Cooperation and Security, signed in Helsinki in August 1975. This portion of the accord gave official international recognition to the rights of individuals within Soviet-rule countries.

Thus, if Communists continue to renege on human rights, it is imperative that the democratic countries of the world assert their opposition to this form of political tyranny and reinforce Estonians and others who are still denied their basic liberties. I call upon my colleagues to join me in commemoration of the Republic of Estonia and in reaffirming our support of true independence for these subjugated people.

Further, I add my prayers to those of the Estonian-Americans who are contributing so much to our country while remembering their homeland and who hope to see their relatives and friends liberated from the brutal repression of present Soviet rule.

Mr. FORSYTHE. Mr. Speaker, the recognition of the pursuit of a people, that are common in their heritage, culture, and ancestry, to establish a nation-state that is the collective repository of their beliefs has been an essential motivating part of our foreign policy initiatives. The Truman Doctrine is one official statement of such initiatives.

Consistent with this theme of our foreign policy objectives is our refusal to date to recognize the incorporation of Estonia into the Union of Soviet Socialist Republics (U.S.S.R.). Our recognition of Estonia as an independent entity is rooted in then-President Wilson's insistence at Versailles to allow nations to self-determine their destinies.

For decades, Estonia has been forging its country toward a destination of independence. Its reasons are many: Estonia is entrenched within a state that is foreign to its people. Estonia is a country of Western ideology and posture; the U.S.S.R. espouses Eastern doctrines. Geographically, it faces toward the West. Its people are primarily Lutheran. Its statesmen interpret the world's occurrences with Western terms and concepts.

This alienation to Soviet sovereignty resulted from a series of events which caused this region to eventually subterfuge to Soviet domination. In the summer of 1940, Red Army troops infiltrated the country. Three weeks after their arrival, an election was held. The results of this election showed supporters of Soviet rule numbering only a few 100ths of a percentage point less than a unanimous decision. Many historians and foreign affairs observers maintain that the election was rigged.

Today, marks the 60th anniversary of the declaration of the independence of the Republic of Estonia. I join with my colleagues from the New Jersey delega tion in focusing attention upon this country's anniversary.

Mr. WYDLER. Mr. Speaker, tomorrow, February 24, marks the 60th anniversary of the proclamation of Estonian independence. Anniversaries are usually happy occasions. Certainly anniversaries of national independence should be so. Our own country recently celebrated its Bicentennial, and it was a festive time as well as an occasion for honoring our national heroes and rededicating ourselves to the principles of freedom and justice for which our country stands.

However, the commemoration of the proclamation of the independence of the Republic of Estonia is a somber occasion, for since that happy day 60 years ago, this land and its people have been deprived of their freedom and independence. Through military force followed by the standard Soviet political maneuvers of puppet governments and fake elections, the Soviet Union has swallowed up this small country and enslaved its people.

We, therefore, who live in freedom, must do what the Estonians themselves cannot do. We must celebrate this land and its courageous people, and pay tribute to those who fought for Estonian independence.

To study the history of Estonia is to marvel at the courage and tenacity of the Estonian people. For over 600 years Estonia has been invaded and dominated by a series of stronger foreign powers. Danes, Germans, Swedes, and lastly Russians have all ruled in Estonia. But none of the invaders succeeded in destroying the Estonians or their sense of their own cultural identity and distinctness as a people. And a distinct people they are. By the time of the Roman Empire, the Estonians had already long been settled in their present homeland on the eastern shores of the Baltic Sea, and they are mentioned in the first century A.D. in the writings of the Roman historian Tacitus, who called them Aesti, described them as an agricultural people, and discussed their political system. Estonians have their own language, and are culturally distinct from both the Germanic and Slavic peoples.

A less courageous people, and a people less sure of their own cultural identity, would not have resisted foreign domination so valiantly for so many centuries, and would not have survived as a unique people right down to the 20th century. What a victorious day in our own century that was when the reawakening of national consciousness in the latter part of the 19th century finally culminated, in 1918, in the proclamation of an independent Estonian Republic, a Republic that lasted only the brief period between the two World Wars of our troubled century.

Yes, Estonians have lived under foreign masters in previous centuries, and survived. But never has this country and its people been subjected to a tyranny as thorough, brutal, and ruthless as the totalitarian Soviet regime, which has left no aspect of Estonian life free from domination, and is determined to destroy the cultural identity of the Estonian people. What a loss it would be to all of us if the Soviet attempt at cultural genocide were to succeed in destroying the uniqueness of this ancient people who have maintained their identity through so many centuries. If history did not testify to the vitality, resilience, outstanding

courage, and desire for freedom of the Estonians, we would have to despair of their future as a people. But looking at the historical record, we have grounds for hope that the Estonians will survive even this most terrible tyranny, and that one day Estonia will again be a republic in fact as well as in name.

Mr. RINALDO. Mr. Speaker, today marks the 60th anniversary of the Estonian declaration of independence and the founding of the Republic of Estonia. It is an honor for me to join with my colleagues and with the Estonian people in commemorating this occasion.

Athough both Russia and Germany over the centuries have claimed an interest in Estonia, this Baltic State has neither cultural nor linguistic ties with either nation. In the 18th century, however, Estonia was overrun by Russian troops during the Great Northern war and remained under Russian control until 1917.

But the Estonian national consciousness had not diminished over that period of time. On February 20, 1918, Estonia declared its independence.

Unfortunately, this period of freedom and political liberty was only short-lived. Despite Soviet treaties and agreements to respect Estonia's territorial integrity, the Soviet Union forcibly seized Estonia, along with the other Baltic States of Lithuania and Latvia, in June, 1940.

Since that day, Estonians have not enjoyed the political liberties they so justly deserve. But their will remains strong. Over 75,000 Estonians have fled Soviet rule, and they have testified to the world of the cruelties and repression that are rampant under Soviet dominance.

Since coming to Congress, I have been pleased to join my colleagues each year in expressing support for the Estonian people. Their struggle to regain their freedom should give hope to everyone who believes in freedom and human rights.

Mr. Speaker, Estonia is justly deserving of our support in its noble effort to regain its independence. As representatives of the people, we express our solidarity and support for the unity of purpose which binds us to them in their struggle to throw off the shackles of colonialism and rise once again into the light of freedom and independence.

SERVICE FUNDING TO RAPE VICTIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. STEERS) is recognized for 5 minutes.

Mr. STEERS. Mr. Speaker, Congressman HENRY WAXMAN and I are today introducing legislation to provide service victims through the National Center for the Prevention and Control of Rape within the National Institute of Mental Health. Senator MATHIAS—whose efforts created the Rape Center—is introducing an identical version of the bill with an impressive list of cosponsors in the Senate.

The National Rape Center was originally established by Congress in 1975 and has carried out an ambitious research program identifying the causes of rape, situations in which rape is likely to occur, and characteristics of offenders. In addition, it funds demonstration grants to test model methods of providing better services to rape victims, and methods of rehabilitating offenders and generally reducing the overall incidence of rape.

Our legislation is intended to provide such direct services as: accompaniment of the victim to medical, social and legal services; the direct provision of medical, social and legal services; operation of a telephone "hot line" for crisis counselling and referral; counselling the victim both at the time of assault as well as subsequently both at a crisis center and at home; transportation costs for the victim and for service providers; consultation with allied professionals; and a community education program. The bill also provides for the training of counsellors and paraprofessionals.

Rape is a brutal and humiliating crime that is often accompanied by forced sodomy and similar violent invasions of the victims' privacy, sense of security and integrity which further traumatize her. This initial tragedy can be followed by pregnancy, venereal disease, hospitalization, loss of employment, accusations of guilt, and perhaps ostracism by family and friends.

The rape victim is in no condition to coordinate medical, psychological, and legal services for herself. Her emotional and physical well-being and her willingness to report the crime depend on a sensitive coordination of interdependent community resources including the police, hospital emergency rooms, social services, rape crisis centers, prosecutors, judges, and other medical and psychological service providers.

SERVICE NEEDS

For the following outline of services, I relied heavily on Gail Abaranel's "Helping Victims of Rape," "Social Work," 1976.

MEDICAL CARE

Both immediate and long-term physical needs are a part of comprehensive medical treatment. This includes diagnosing and treating general trauma, performing gynecological examinations and appropriate laboratory tests, and providing information and treatment for venereal disease and pregnancy.

SUPPORTIVE SERVICES

Supportive services, to help the victim deal with emotional trauma and related social problems, are essential. Counselling must deal with unique problems of rape such as the victim's feeling that she could have prevented it—that she must in someway be responsible. In addition to counselling, she must be provided with information about her legal rights and options, and about what she can expect of rape trauma as she moves through both medical care and criminal justice systems.

MEDICAL, LEGAL AND LAW ENFORCEMENT—PERSONNEL TRAINING

Because rape victims have special physical and emotional needs, staff training for medical and legal personnel and law enforcement officials is vital. This is particularly important if personnel have attitudes about rape which can be detrimental to the victim. The success of such training is crucial to whether or not the victim can cope with the emotional trauma following rape, and whether she in fact will report the incident.

COMMUNITY COORDINATION

As I stated previously, coordination of community resources is essential if the victim is to receive a full range of services. Hotline personnel for instance, frequently refer victims to hospitals first when it appears that the victim is reluctant to go to law enforcement officials. Law enforcement officials in turn provide victims with transportation to hospitals for necessary medical attention. Social workers and/or rape crisis personnel must have a working knowledge of the criminal justice system.

COMMUNITY EDUCATION

The rape victim's adjustment back to as near a normal life as possible depends to a great extent on community education. Such programs help raise everyone's conciousness. Rape must not be seen by the community as a crime that happens to "certain kinds of women," but one that can happen to any woman.

RAPE CRISIS CENTER

I want to stress the importance of rape crisis centers in coordination of the needs I have just outlined. Such centers, frequently reached by hotlines when physical facilities do not exist, help with medical, legal, and psychological problems of rape victims. In most cases, volunteers act as "friends" to the rape victim accompanying her to the hospital, police station's gynecologists, psychologists and even to family and freinds. Such centers need money and should be a priority in funding under this bill.

HOW THE BILL WORKS

Under our bill, the National Center for Rape Prevention is authorized to make grants to State and local government agencies and nonprofit organizations to: First, develop and establish training programs for professional, paraprofessional, and volunteer personnel in the fields of law, social service, mental health and other related fields who are or will become primarily involved in areas relating to rape; second, develop programs of community education and offender rehabilitation and counseling; third, provide transportation costs including accompaniment to medical, social, and legal services; forth, establish self-help programs; fifth, operate telephone systems to provide assistance to victims; sixth, assist emergency shelter programs; and seventh, support demonstration projects which are likely to result in developing and implementing methods of preventing and treating rape and its victims.

Not more, than 90 percent of the costs of any project shall be funded by a grant.

In order to participate in this grant program, grantees must: First, establish a recordkeeping system to insure the protection of the privacy of the victim, as well as other individuals involved; second, establish internal procedures to measure progress and goals stated by the grantee in its application; and third, establish a continuing education program for all staff members.

Not more than 5 and not less than 4 percent of the funds appropriated under the bill must be used to fund technical assistance to any nonprofit organization which the Secretary determines does not possess the resources and expertise necessary to transmit an application without such assistance, $45,000,000 would be appropriated for fiscal year 1979, $50,000,000 for fiscal year 1980 and $55,000,000 for fiscal year 1981 .

Fifty-five full-time staff would be added to the National Rape Center staff; $750,000 would be added for each funded year, 1979, 1980, and 1981 to support the additional staff.

COMPARISON OF PROPOSED NEW FOOD LABELING LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, several times in recent months I have commented in the CONGRESSIONAL RECORD and other public fora on the subject of food labeling. Presently my staff is conducting an ongoing investigation of the need for more complete disclosure of the ingredients in processed foods.

Increasingly, I am being asked whether I intend to introduce legislation on this subject. The answer is "no."

The reason I say this is because we already have pending two major pieces of legislation in this area. The first is H.R. 42, introduced on the first day of this Congress by BEN ROSENTHAL.

The second is H.R. 10358, introduced late last year by PAUL ROGERS. Both of these bills take a comprehensive look at the food labeling issue, among others.

Of course, my research will continue and I do not rule out the possibility of taking various actions other than proposing further legislation. For instance, I think there remains a great opportunity for improvement of food labeling regulations, within the existing statutory framework.

Mr. Speaker, although H.R. 42 and H.R. 10358 both approach the issue of improved food labeling requirements, the two bills are different in many respects. Consequently, I asked the Congressional Research Service of the Library of Congress to prepare a comparison of the two bills. Their study was confined solely to those sections pertaining to food labeling and ingredient disclosure.

For the benefit of my colleagues and the general public, I am inserting in the RECORD the full text of the memorandum I received from the American Law Division of the Congressional Research Service. The report follows:

COMPARISON OF H.R. 42, 95TH CONGRESS, AND H.R. 10358, 95TH CONGRESS, WITH EMPHASIS ON THEIR FOOD LABELING PROVISIONS

H.R. 42	H.R. 10358
§ 103(b) would require that a food be deemed misbranded if it purports to be or it's represented as a food for which a definition and and standard of identity has been prescribed by regulations as provided by 21 U.S.C. § 341 unless its label bears (A) the name of the food specified in the definition and standard, (B) a listing (in order of their predominance after processing and by their common or usual name) of all ingredients, and (C) an accurate statement of the percentage of each ingredient.	§ 9(b)(2), covering the same foods, would require that the name of the food specified in the definition or standard be on the label but it would not require that ingredients be listed.
§ 103(c) would require that a food be deemed misbranded if it does *not* purport to be a food for which a definition and standard of identity has been prescribed by regulations as provided by 21 U.S.C. § 341 unless its label bears (1) the common or usual name of the food and (2) if it is fabricated from two or more ingredients, a listing (in order of predominance after processing and by their common or usual name) of each ingredient and an accurate statement of the percentage of each ingredient.	§ 9(b)(3)(A), covering the same foods, would also require the label to bear the common or usual name of the food. If a food is fabricated from two or more ingredients, the information required on the label would be the same except that (1) a spice or flavoring shall be designated a spice or flavoring; its individual identity shall not be disclosed unless the Secretary requires disclosure for the purpose of providing important health information to consumers and (2) the percentage of any specified ingredient need be disclosed only if the Secretary determines that the ingredient has a significant bearing on the quality, nutrition, acceptability or cost of such food.
§ 103(d) would require that a food be deemed misbranded if it bears any artificial flavoring, artificial coloring, or chemical preservative, unless it bears labeling stating that fact. It would remove the authority of the Secretary, found in the current 21 U.S.C. § 343(k), to promulgate exemptions where compliance is impracticable, and it would remove the exemption in the current law for butter, cheese, and ice cream.	§ 9(b)(3)(B) would have the same effect except that it would not remove the authority of the Secretary to promulgate exemptions where compliance is impracticable.
§ 202 would require that any packaged consumer food product be labeled by the processor with the following information: (1) with respect to processed food products, an analysis of nutritional contents including fat content, vitamin and protein value, fats and fatty acids, and calories. (2) in the case of any canned or frozen product whose packing medium constitutes a substantial proportion of its total weight, the net weight and drained weight of the product. (3) in the case of any combination food item, the major ingredients by percentage weight after proccessing.	§ 9(b)(4) would require that any food package form have a label bearing such nutrition information as the Secretary prescribes to provide important health information to consumers.
§ 203 would require that any packaged food commodity distributed in interstate commerce bear a label containing a statement specifying the nutritional value of the food commodity. If the commodity states the number of servings it contains, then its label would have to state the nutritional value of each serving.	No comparable provision.
§ 302 would add to the Fair Packaging and Labeling Act a provision prohibiting any person who manufactures or packages a perishable or semiperishable food from distributing such food unless he has labeled it to show the last date on which it may be sold and the optimum temperature and humidity conditions for storage. Such information would be determined in a manner prescribed by the Secretary.	§ 9(a)(1) would add a section to the Food, Drug, and Cosmetic Act that would require that a perishable or semiperishable food in package form be deemed misbranded unless its label shows the last date on which it may be sold.
§ 402 would amend the Food, Drug, and Cosmetic Act to require packages of food, drugs, or cosmetics to disclose the name and place of business of the product's manufacturer, packer, and distributor. At present disclosure of only one of the three is required.	No comparable provision.
§ 502 would require the Secretary of Agriculture to promulgate a system of retail quality grade designations for consumer food products expressed in a uniform nomenclature. In developing standards, consideration shall be given to the nutritional qualities and wholesomeness of food products, as well as the acceptability of the products. The Secretary of Agriculture would have the authority	No comparable provision.

COMPARISON OF H.R. 42, 95TH CONGRESS, AND H.R. 10358, 95TH CONGRESS, WITH EMPHASIS ON THEIR FOOD LABELING PROVISIONS—Con.

H.R. 42	H.R. 10358
to establish, by regulation, the manner in which the system of grade designations shall be displayed and disseminated to the public.	
§ 602 would prohibit the sale of any packaged consumer commodity unless it has plainly marked on it the total selling price and the retail unit price. § 603 would exempt retail outlets whose gross sales do not exceed $250,000 per annum.	No comparable provision.
§ 702 would require that a food be deemed misbranded if there has been a change in its ingredients unless for six months after such change as the Secretary shall by regulation prescribe it bears a label which sets forth such change in a conspicuous manner in accordance with regulations prescribed by the Secretary.	No comparable provision.
§ 802 would amend § 5(a) of the Federal Trade Commission Act to provide that it shall be an unfair or deceptive act or practice to advertise a brand name of a product which inherently misleads the public as to the product's value, quantity, or the quality of the contents, or performance of the product.	No comparable provision.

We note that whereas H.R. 42 deals almost entirely with matters that might fit under the broad heading of food labeling, only § 9 of H.R. 10358 appears to properly fit in that category. H.R. 10358 contains other features, however, including, among others, the following: It would require food processors, upon acquiring information indicating that any food they processed may be adulterated, to notify the Secretary of Health, Education, and Welfare of such information and to institute a recall of such food. It would require food processors to implement a food coding system to monitor recalls, and would require all food processors to register with the Secretary. It would also require any person who proposes to import food into the United States for commercial purposes to file an import notice with the Secretary. It would repeal the current provisions of the Food, Drug, and Cosmetic Act governing margarine, and it would give the Food and Drug Administration jurisdiction over alcoholic beverages.

CONTINUING OPPRESSION BY THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, this month marks the 60th anniversary of the Declaration of Independence of the captive nations of Estonia, Latvia, and Lithuania. At a time when there is a growing commitment to human rights it seems particularly appropriate to think through and sharpen our historical perspective concerning a situation any American should find intolerable.

For the past 36 years these freedom-loving people have been under the totalitarian control of Soviet Russia, their social, cultural, civil, and political rights denied. When human dignity and freedom are under siege, our moral responsibility should be reflected in our foreign policy, and congressional response to these violations should be clearly defined.

In recent years we have experienced major breakthroughs and the stabilizing of our relations with Communist governments. We cannot let these steps overshadow the importance of retaining integrity in foreign policy which deals with regimes which do not constitute "governments instituted among men, deriving their just powers from the consent of the governed."

Greater publicity must be drawn to cases, such as Estonia, Latvia, and Lithuania, where smaller nations come under the control of oppressive governments. The United States must bring pressure on governments that fail in their obligations to respect international human rights standards. It is only when the full realization of political rights are achieved that the economic, social, and cultural rights of individuals can be secured.

In America freedom is considered a human right, but it is a right we had to fight for, as it seems people all over the world must fight for it. As these captive Baltic nations celebrate the 60th anniversary of their declaration of independence, it should serve as a reminder to us to keep the goal of U.S. foreign policy in line with our inherent responsibility to protect and promote human freedoms both at home and abroad.

TELLICO DAM AND RESERVOIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN of Tennessee. Mr. Speaker, we Americans are quite fond of being on the scene to observe record-making events, to see history in the making. I would, therefore, like to direct my colleagues' attention to the GAO's recent report on the Tellico Dam and Reservoir project in my congressional district in East Tennessee, for I believe it establishes a new highwater mark in bureaucratic irresponsibility.

Last March, I joined with the House Committee on Merchant Marine and Fisheries in asking GAO to study the virtually completed Tellico Project, which has been under construction since 1967. We were interested in obtaining certain economic information, including information about nonrecoverable resources committed to the project and the remaining costs and benefits. Project completion has been delayed as a result of litigation under the Endangered Species Act. This delay comes at a point where over $197 million of $116 million total project cost has been invested to obtain needed flood control, hydroelectric power, navigation, industrial development, and other benefits, and at a point where the gates of the already completed dam are ready to be closed.

Here is what happened. GAO took 7 months to prepare a report which, while establishing the costs that were not recoverable, concluded that GAO was unable to determine whether project benefits were understated or overstated. GAO answered the committee's request that it ascertain "the actual public benefits and losses" if the dam were completed, with a recommendation that TVA be asked to restudy the costs and benefits of the project and the alternative uses of the river. It took GAO 7 months to conclude that it was unable or unwilling to perform the task it was directed to do by Congress. It took GAO 7 months to decide that further study and delay were needed on a project whose gates are ready to be lowered and its public benefits realized.

This recommendation comes despite GAO's finding that $47 million of the $103 million which had been invested at that time would be totally lost if the project were not completed; that the remaining $56 million spent as of last February would produce some public benefit but not one proportionate with its costs; and that up to $16 million in new funds would be needed to simply remove the dam and restore the area to its preproject condition if some alternate use were to be made of the resources.

The recommendation comes despite the obvious fact that additional resources would have to be invested before any new plan can be developed. It comes despite the fact that so-called scenic stream alternatives which GAO suggests be examined are not new. This was considered during the congressional hearings in the midsixties prior to the initial funding of the project. It was reexamined in the early 1970's as a part of the environmental review under the National Environmental Policy Act.

It has been rejected because it could provide only a small percentage of the benefits of Tellico. Further study and delay is recommended to determine whether we should waste nearly $100 million of the taxpayers' money with its proven benefits within reach. Gentlemen, this is the height of bureaucratic irresponsibility.

Here is a project which Congress has had under study since 1965; which we have funded continually since 1966; which has been under construction since 1967; which has been through a detailed environmental impact review approved by the courts; which has been studied by President Carter's water resource project review team and found to have

a remaining benefit-cost ratio of 7 to 1; and which at a cost of over $107 million in public funds has been brought to the stage where the gates can be lowered and the public benefits realized and now GAO recommends further study and delay.

Gentlemen, the people of this country have invested over $100 million in a project that has been built and is ready to yield its public benefits. Tellico will produce 200 million kilowatt hours of clean, renewable hydroelectric power each year, valued in excess of $3 million. It will extend commercial navigation approximately 30 miles up the Little Tennessee River and provide industrial development opportunities that will create an estimated 6,600 new jobs over a 25-year period in an area suffering from underemployment and the outmigration of its young people. It will provide flood protection for downstream communities like the city of Chattanooga, where it could have prevented $15 million in damages if it had been available during a March 1973 flood. These are just some of the benefits this project will produce—yet GAO recommends that the benefit-cost study be updated before we decide whether the gates of the completed dam should be lowered. Presumably, we should forgo these public benefits even longer than they have been already so that the accountants can determine exactly how much they are worth—so we will know exactly how much the public has lost during the delay. Gentlemen, it is time to use commonsense. It is time to lower the gates.

A COMMEMORATIVE POSTAGE STAMP SHOULD BE ISSUED IN HONOR OF GEN. CASIMIR PULASKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the year 1979 will mark the 200th anniversary of the death of Gen. Casimir Pulaski, the Polish patriot who gave his life in the Battle of Savannah in America's Revolutionary War for the cause of freedom. General Pulaski contributed mightily to making the bicentennial of our Nation's independence possible, and I feel it would be most appropriate for the U.S. Postal Service to commemorate his contributions with the issuance of a commemorative postage stamp in his honor.

Copies of my most recent letters to the chairman of the Citizens' Stamp Advisory Commitee and to the Postmaster General follow:

FEBRUARY 17, 1978.

Mr. BELMONT FAIRES,
Chairman, Citizens' Stamp Advisory Committee, U.S. Postal Service, Washington, D.C.

DEAR MR. CHAIRMAN: I am contacting you in behalf of the Polish National Alliance and the Polish American Congress and enclose herewith a copy of a telegram forwarded to you by the President of those organizations, Aloysius Mazewski requesting that the Citizens' Stamp Advisory Committee extend favorable consideration to the issuance of a commemorative stamp in honor of the 200th anniversary of the Battle of Savannah which will occur in 1979 and General Casimir Pulaski's invaluable help in the defense of that city.

I have on many occasions in the past urged that this honor be extended to General Pulaski, especially in view of the fact that our Bicentennial celebration recently took place and that General Pulaski contributed mightily to making our Bicentennial possible. In fact, he gave his life fighting for our freedom in the American Revolution.

I urgently request that the Citizens' Stamp Advisory Committee put this new proposal on its agenda and extend favorable consideration toward issuance of such a stamp in 1979.

Sincerely,

FRANK ANNUNZIO,
Member of Congress.

FEBRUARY 17, 1978.

Hon. BENJAMIN BAILAR,
Postmaster General, U.S. Postal Service, Washington, D.C.

DEAR MR. POSTMASTER GENERAL: Enclosed is a copy of my letter to the Citizens' Stamp Advisory Committee as well as a copy of a telegram written by President Aloysius Mazewski of the Polish National Alliance and the Polish American Congress urging issuance of a commemorative stamp in honor of the 200th anniversary of the Battle of Savannah and of General Pulaski's invaluable contribution to the defense of that city.

I have written to you on many occasions in the past urging that this honor be extended to General Pulaski, especially in view of the fact that our Bicentennial celebration recently took place and that General Pulaski contributed mightily to making our Bicentennial possible. In fact, he gave his life fighting for our freedom in the American Revolution.

I request that you contact the Citizens' Stamp Advisory Committee and urge that this new proposal be put on their agenda and favorable consideration be given to issuance of such a stamp in 1979.

Sincerely,

FRANK ANNUNZIO,
Member of Congress.

Mr. Speaker, although the rules of the House Post Office and Civil Service Committee do not provide for the consideration of legislation relating to commemorative stamps, I have nevertheless introduced such a bill, H.R. 10911, to emphasize my support for the issuance of a commemorative postage stamp in honor of Gen. Casimir Pulaski and Americans of Polish descent. I strongly urge my colleagues in the House of Representatives to let the Postmaster General know of their support for a stamp in honor of General Pulaski.

Mr. Speaker, an article on this subject appeared February 15 in Chicago's Polish-American newspaper Zgoda, and a copy of that article follows:

GROUNDSWELL FOR PULASKI COMMEMORATIVE STAMP GATHERS MOMENTUM—PROMINENT AMERICANS JOINED AND SUPPORT INITIAL ACTION

CHICAGO.—Polonia's request that the Post Office Department issue Kazimierz Pulaski Commemorative Stamp to mark Bicentennial of his heroic activities in the American Revolution is gaining widespread and important support reports Dr. Edward C. Rozanski, Chairman of the National Committee for a Pulaski Commemorative Stamp.

Among the first to accept membership in Honorary Committee formed by Dr. Rozanski to facilitate the quest for the stamp, is former Postmaster General, former U.S. Ambassador to Poland, currently Director of Radio Free Europe corporation and Dean of the Lyndon Johnson School of Public Affairs at the University of Texas/Austin, Dr. John A. Gronouski.

In his letter to Dr. Rozanski, Dr. Gronouski expresses pleasure in serving on Honorary Committee and adds:—"In the next couple of months I will be visting the Postmaster General and will bring this deficiency to his attention."

Sen. H. John Heintz III (R-Pa) a member of the Senate Committee on Governmental Affairs (and a PNA member) writes:—"Please keep me informed of the efforts of the Committee, and let me know when I can be helpful to you."

Expressions of support and readiness for cooperation were received from:—Sen. Abraham Ribicoff (D–NY).

Congressmen:—Frank Annunzio (Ill.), John W. Wydler (N.Y.), Gerry E. Studds (Mass.), Edward J. Derwinski (Ill.), Clement J. Zablocki (Wis.), Henry J. Nowak (N.Y.) and Barbara A. Mikulski (Md.).

Heads of the Fraternals in a grand support: A. A. Mazewski, President PNA and PAC, Joseph Osajda, President PRCU, Helen Zielinska, President PWA of Am., Richard E. Jabloski, President Poles of America, G. Cioromska, Pres. Legion of Young Polish Women. Industrialista: Chester Sawko and Tadeusz Sendzimir, and many more to be recorded in the future edition.

TWO TELEGRAMS

Polonia's request for a Pulaski stamp is expressed in a series of telegrams. Chief among them were:

Telegram of Aloysius A. Mazewski, President of the Polish American Congress to the Citizens Stamp Advisory Committee, which reads:

"Please insert on your agenda the issuance of a General Casimir Pulaski stamp at the two hundredth anniversary of the Battle of Savannah in 1979. This could be issued in conjunction with the bicentennial program in Savannah, Georgia. His accomplishments and sacrifice for this country are well known. He is worthy of recognition and we urge you to seriously consider the approval."

Telegram of Dr. Rozanski to the Citizen's Advisory Committee:

"General Kazimierz Pulaski the gallant hero of America's war for independence, continually risked his life in the Battle of Savannah, Georgia. The year 1979 marks the 200th anniversary of that famous Polish calvary officer's sacrifice on the plains of Georgia. He, as well as many other ethnic heroes, contributed to the establishment of a republic that assured a home for free and hard working people.

"Contemporary Americans have an obligation to honor General Pulaski in every possible manner. Issuance of a commemorative stamp would indeed be a singularly fitting tribute for Pulaski. As the Chairman of the National Committee for Pulaski Commemorative Stamp, I strongly urge the Citizens Stamp Advisory Committee to issue a commemorative stamp on the 200th anniversary of General Pulaski's death.

"The multi-million Americans of Polish heritage are deeply committed to this proposal."

LETTER TO THE PRESIDENT

A letter of Judge Thaddeus W. Maliszewski of Hartford, Conn., Vice President of the Polish American Congress to President Carter, reads in part:

"After his death, the Congress (perhaps in a Mae-Culpa spirit) resolved that a monument to Pulaski be erected. But the resolve of Congress turned out to be a hollow funeral oration, for over a hundred years passed before a monument to Pulaski was erected in Washington at the turn of the 20th century.

"In direct contrast to this something-less-than-distinguished record of the Continental Congress, it must be noted for the record that Savannah and the citizens of Georgia acted much more expeditiously in erecting

the Pulaski statute at Savannah because the South cherishes Pulaski's intrepid valor at Charleston, Savannah, and during the Southern Campaign.

"It would therefore seem to be most appropriate that an appreciative and remembrance-minded America, memorialize the death of "the father of American cavalry" by issuing a commemorative stamp in 1979 honoring the fighter "For your Freedom and Ours", which I believe is what you inscribed in the book at the Tomb of the Unknown Soldier in Warsaw.

"An expression of your sentiments on this matter to the postal service would carry great weight."

Other, equally significant expressions of support from prominent Americans will be published at a later date.

PROPOSED SALE OF F-15 BOMBERS TO SAUDI ARABIA, A TROUBLING DEVELOPMENT IN U.S. MIDEAST POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, the President's proposed sales of 60 F-15 fighter-bombers to Saudi Arabia and 50 F-5E fighter-bombers to Egypt represents a significant and troubling development in U.S. Middle East policy. At a time when the United States should be promoting a peaceful solution to the region's conflicts and striving to end the fruitless arms race, the President is instead moving to expand our arms supply relationship with two Arab States and has taken upon himself a new responsibility to maintain the regional arms balance through the supply of both sides in the conflict.

The proposed sale to Egypt would be the first time that the United States has sold lethal weapons to that nation. Administration spokesmen argue that President Sadat should be rewarded for his peace initiative—an initiative that has resulted in direct Arab-Israeli negotiations for the first time. However, supplying fighter aircraft is not an appropriate way of demonstrating that we appreciate Sadat's move toward peace with Israel. One need only ask against whom does President Sadat expect to deploy his aircraft. Unless we are convinced that Israel will not be the target of Egypt's weaponry, we must avoid providing Sadat with lethal weapons. We should defer any new arms sale to Egypt until there has been genuine progress in the Egypt-Israel negotiations.

President Sadat has been unyielding on several of the key issues in the negotiations including the Sinai settlements, the Palestinian question, and the future of Jerusalem. There is considerable room for "give" in his position. A little more flexibility on his part will surely be reciprocated by the Israelis. We must encourage that kind of "give and take." Without substantial progress in the peace negotiations which would provide ironclad assurances by Egypt that under no circumstances will it deploy the F-5E's against Israel, I shall oppose the sale. If there is to be future military strife between Egypt and Israel, we must insure that Egypt will not be using American supplied weapons.

The Saudi sale raises similar questions. Certainly Saudi Arabia has been helpful in the quest for Mideast peace. Without its tacit support, the Sadat initiative could not have taken place. Saudi Arabia, a nation as large as the eastern United States, feels compromised by an antiquated air force and threatened by Iraq, South Yemen, and other "radical" states. It insists upon the F-15's as a token of U.S. friendship. A significant factor is our continued and increasing reliance on Saudi oil. In many ways, the Western World is dependent on Saudi Arabia. A Saudi refusal to increase oil production significantly in the 1980's could have disastrous effects not only on the U.S. economy, but on the economic viability of the entire Western World including Israel. Nevertheless I do not believe that the sale of our most sophisticated fighter-bomber is necessary to guarantee continued Saudi oil production. After all, the Saudis do not pump oil as an act of charity. Economically they need us quite as much as we need them. The United States is already supplying Saudi Arabia with the versatile and potent F-5E's. It should not be imagined that friendship requires that we supply any nation with every piece of military hardware it desires.

Saudi Arabia is constructing three major airbases near Israel's borders—Tabuq is only 125 miles from Eilat. One cannot dismiss the possibility that the F-15's we would supply Saudi Arabia would be deployed against Israel. Even if the Saudis do not themselves fly the planes against Israel, it is not difficult to imagine circumstances under which the F-15's would be made available to other Arab States. It must be rememberd that the Arab States have, in the past 30 years, embarked on many actions that were irrational and self-destructive in their jihad against Israel. Saudi involvement in a future Arab-Israeli war sounds farfetched at this point but in matters of this kind, logic and reason do not always outweigh emotion. As guardian of Islam's holy places, Saudi Arabia certainly would feel strong pressure to put her aircraft at the disposal of the so-called Arab nation. I do not believe that we should increase the likelihood of such involvement through the provision of these aircraft. Accordingly, I shall oppose and will vote against the F-15 sale.

I am appalled by the administration's insistence that its proposed military sales to Egypt, Saudi Arabia, and Israel constitute a "package" which cannot be broken up. This is unprecedented and is an obvious ploy designed to win congressional approval of two controversial sales by "piggy-backing" them on a popular sale. It is especially inappropriate to lump the Israeli sale, which is a continuation of established policy, with the Arab sales, both of which strike out in new directions. I have called for quick congressional investigations of the proposals and will insist that each be scrutinized on its own merits.

I am very disturbed by administration statements that the "package" approach is necessary because any attempt to break it up would "unbalance" the arms situation in the Middle East. The implication is that the United States now considers arms sales to Israel to be "unbalancing" without parallel sales to the Arabs. This is a new development. Previous policy has been to maintain Israel's defensive strength as measured against the combined might of the Arab States. The new approach seems to be maintaining Israel's parity with the Arab States and the Arab States parity with Israel. A Soviet-United States arms race is to be replaced by one almost entirely fueled by the United States.

Thus we see the return of "even-handedness," raised to new heights. This is an odd position for an administration which came to office committed to reducing our reliance on arms sales as an instrument of foreign policy. Is it any wonder that Israel, outnumbered and outflanked, is apprehensive? Should it surprise us if Israel now asserts with new determination the necessity for airbases in Sinai or military outposts on the West Bank? Can anyone honestly contend that this proposed "package" really promotes the cause of Mideast peace?

I shall oppose the sales of F-15's to Saudi Arabia and F-5E's to Egypt. I believe that these sales would endanger the possibility of achieving the peace we all desire. I shall be working with other friends of Israel in Congress on a strategy to defeat the sales and I shall do everything I can to insure that Israel's security is not in any way compromised.

PROTECTING THE UPPER DELAWARE RIVER: THE McHUGH PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. McHUGH) is recognized for 15 minutes.

Mr. McHUGH. Mr. Speaker, I am today introducing a bill to provide for the inclusion of the Upper Delaware River in the National System of Wild and Scenic Rivers.

LEGISLATIVE BACKGROUND

In 1968, Congress passed and the President signed the National Wild and Scenic Rivers Act to protect our Nation's most precious water resources from degradation. At that time, the act designated eight rivers for immediate inclusion. It also designated 27 rivers for study as potential additions to the system. One of the rivers selected for study was the Upper Delaware River between New York and Pennsylvania.

The study was conducted over a number of years by the bureau of outdoor recreation with the assistance of New York and Pennsylvania. Then, concerned agencies of the executive branch reviewed the findings of the task force. Finally, in May of last year, the Secretary of the Interior forwarded to the President his recommendation that a segment of approximately 75 miles of the Upper Delaware River be included in the National Wild and Scenic Rivers System. The President endorsed this recommendation and transmitted it to the Congress last May.

Mr. Speaker, I believe that in the decade since the Federal Wild and Scenic Rivers program was created, the principle of Federal protection for our Nation's

great rivers has demonstrated its value. Throughout our abundant land, there are other rivers like the Delaware, free flowing and majestic in their natural state, but frequently threatened or victimized by ignorance, misuse, or greed. Many a river has been polluted through lack of respect for its fragile ecosystem. Many others have been forever diminished through reckless overdevelopment by those for whom a river's irreplaceable character was less important than short-term economic gain. However, because of the protection afforded by the National Wild and Scenic Rivers System, a significant number of our Nation's finest rivers have been saved, rivers which might otherwise have deteriorated irreversibly.

PROTECTING THE UPPER DELAWARE

With specific regard to the Upper Delaware, I am keenly sensitive to the need for adequate protection of this magnificent natural resource. The Upper Delaware River is the southern boundary of a good third of New York's 27th Congressional District, which I am privileged to represent. It is also, together with the Catskill Mountains, one of the region's most precious economic resources, since the recreation and tourist industry is a major factor in the area's economy. As one of the last great free-flowing rivers in the Northeast, the Upper Delaware provides a fishery which is the delight of countless sportsmen, and unparalleled opportunities for sport canoeing. Its scenic wonders remind us how increasingly precious such resources have become during the last decade, as we have gradually learned how fragile they are. Moreover, this magnificent river is less than 2 hours' drive from the largest population center in the East. In that sense, its unique value to the people of the Eastern United States is matched only by the threat to it without adequate and effective protection.

In recognition of this fact, the President's recommendation that the river be designated a Wild and Scenic River was accompanied by a report which set forth general objectives for the river's protection. These objectives included preservation of the river and its immediate environment in their present natural setting; providing high quality recreational opportunities associated with a free-flowing river for present and future generations; and providing a level of recreation use that would minimize deterioration of land and water resources.

In setting forth these objectives, the report stressed the need for protective action in these words:

> Basic to these recommendations is the realization that the existing recreation use, vacation home and residential development, and commercial and industrial development, while still at a volume that does not immediately endanger the resource, is nearing a point where significant deterioration will occur unless adequate safeguards are provided.

The report also gave this specific warning:

> Whether or not the Upper Delaware receives national designation, development and utilization of the Upper Delaware area is expected to increase, as is the use of the river itself. Without implementation of a comprehensive management program, those properties most desirable for aesthetic, recreational and other reasons will be quickly subdivided and lost. Such activity will eventually result in extensive shoreline development, further limiting the general public's opportunities for use and enjoyment of the area. Uncontrolled development can slowly erode the significant intrinsic values of this area for both the landowner and the occasional visitor. Inclusion of the Upper Delaware in the National System will have an overall effect of preserving existing scenic, recreational, historic, fish and wildlife, and water quality values of the river.

KEY LEGISLATIVE CONCERNS

Mr. Speaker, when the President forwarded his recommendations to us, the years of study were over for the Upper Delaware River, and the time for action had arrived. The need for protection is clear and compelling. The question now is not whether the Upper Delaware should be protected by inclusion in the National System, but under what conditions that designation should take place.

In this connection, I am concerned that we protect this great river without compromising other significant values, such as the vital interests of the people who live and work in the river corridor. I believe that the bill I am introducing today not only protects the natural resources, but assures the people along the river that their vital concerns will also be protected. The essential provisions of the bill are as follows:

First. The Upper Delaware River between Hancock and Sparrow Bush, N.Y., would be designated a Wild and Scenic River upon enactment of the legislation.

Second. General guidelines for land and water use would be developed by the Secretary of the Interior within 6 months of designation; public hearings would be held to assure full public participation.

Third. Within 3 years thereafter, a detailed management plan would be developed for the Upper Delaware River corridor. This plan would establish regulations governing land and water use, thereby providing permanent protection for the river.

Fourth. An Upper Delaware Citizens Advisory Council would be established, a majority of whose members would be local and river residents. This council would participate actively in the development and implementation of the general guidelines and the management plan. As provided by law, however, the Secretary would have the final word on the guidelines and the management plan.

Fifth. Within 2 years after the Secretary approves the management plan, each municipality along the river would have to conform its laws and ordinances to the management plan.

Sixth. The Secretary's power to acquire land would be limited to an initial acquisition of no more than 450 acres. If the management plan so provided, he could acquire an additional 1,000 acres. This would be the full extent of his acquisition power unless a municipality failed to conform to the management plan. In that case, the Secretary would be able to acquire land—in that municipality only—in accordance with the authority given to him by the 1968 Wild and Scenic Rivers Act.

Mr. Speaker, I think that two points deserve special emphasis. First, designation can and should take place without undue disruption of those who live along the river. This is why I have proposed limiting the Secretary's authority to purchase land and interests in land. It is this kind of power which local residents most fear. It is the kind of power which, at least from a local perspective, has sometimes given the Federal Government a bad name.

If substantial Federal acquisition were necessary to protect the river, then the Secretary should be given the power to acquire. In 1968, when the Wild and Scenic Rivers Act was passed, Congress apparently believed that in most areas such broad acquisition power was essential. Accordingly, that legislation gave the Secretary authority to acquire in fee an average of 100 acres per mile on both sides of a designated river, and easements on an average of 220 additional acres per mile. However, since 1968 we have learned through experience that substantial acquisition is not necessary to protect a river. In many cases, it can be accomplished through local action consistent with a management plan which has been thoughtfully developed. This approach not only has the benefit of keeping property in private hands, but it costs the Federal Government less than outright acquisition.

In addition to limiting the Secretary's power of acquisition, the second major feature of my bill is the guarantee it provides to local residents that they can participate in developing the plan under which the river and its corridor will be managed. Clearly, the management plan will have its greatest impact on those who live and work along the river. As in the case of acquisition, these people fear that the Federal Government will, through the management plan, regulate the use of their land in an arbitrary manner; that some impersonal bureaucracy will be insensitive to their basic concerns. In fairness to them, and to assure their cooperation in the process, my bill would establish a citizens advisory council which would participate fully in the development of the management plan. This council, which would be comprised primarily of local people, would not have the last word on management, but would contribute to the plan which would ultimately be implemented along the river. It would provide a very important means by which local residents, who are now apprehensive about regulations imposed by outside forces, could themselves share the responsibility of developing the regulations.

In summary, Mr. Speaker, I believe it is now time for action to protect the Upper Delaware River, and that inclusion of the river in the Wild and Scenic Rivers System is the best way to do so. At the same time, however, it is essential that we act in a manner which is also sensitive to the interests of those who live and work along the Delaware. I believe that the bill which I am introducing today strikes that important balance.

The full text of the bill is as follows:

H.R. 11131

A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River between the State of New York and the Commonwealth of Pennsylvania as a component of the National Wild and Scenic Rivers System, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Upper Delaware River Protection Act."

DESIGNATION OF THE UPPER DELAWARE RIVER

SEC. 2. Section 3(a) of the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271 et seq.) is amended by adding the following new paragraph at the end thereof:

"(16) Upper Delaware River, New York and Pennsylvania; the segment of the Upper Delaware River from the confluence of the East and West Branches below Hancock, New York, to Sparrow Bush, New York, as depicted on the boundary map entitled 'The Upper Delaware Protection Boundary and River Recreation Sites' dated ; to be administered by the Secretary of the Interior. Subsection (b) of this section shall not apply, and the boundaries and classifications of the river shall be as specified on the map referred to in the preceding sentence, except to the extent that such boundaries or classifications are modified pursuant to section 4 of the Upper Delaware River Protection Act. Such boundaries and classifications shall be published in the Federal Register and shall not become effective until 90 days after they have been forwarded to the President of the Senate and the Speaker of the House of Representatives."

GENERAL GUIDELINES

SEC. 3. (a) Notwithstanding any requirement to the contrary contained in section 6(c) of the Wild and Scenic Rivers Act, within 180 days after the date of enactment of this Act, the Secretary of Interior (hereinafter referred to as "the Secretary") shall publish in the Federal Register general guidelines for land and water use control measures to be developed and implemented by the appropriate officials of the States of New York and Pennsylvania (hereinafter refered to as the "directly affected states"), by the local political subdivisions, and by the Delaware River Basin Commission (hereinafter referred to as "the Commission"). The Secretary shall provide for participation in the development of the said general guidelines by all levels of state, county and local government, and concerned private individuals and organizations, and also shall seek the advice of the Upper Delaware Citizens Advisory Council established in Section 7 of this Act (hereinafter referred to as "Advisory Council"). Public hearings shall be conducted by the Secretary, or his designee, in the Upper Delaware River region of each of the directly affected states prior to publication of such general guidelines.

(b) The Secretary may from time to time adopt amended or revised guidelines and shall do so in accordance with the provisions of subsection (a) hereof.

MANAGEMENT PLAN

SEC. 4. (a) Within three years from the date of receipt of appropriations authorized by this Act, the Commission, in cooperation with the Advisory Council, the directly affected states and their concerned political subdivisions and concerned federal agencies, shall develop, approve and submit to the Secretary and to the Governors of the directly affected states a management plan for the Upper Delaware River which shall provide for as broad a range of land and water uses and scenic and recreational activities as shall be compatible with the provisions of this Act, the Wild and Scenic Rivers Act, and the general guidelines for land and water use controls promulgated by the Secretary under the provisions of section 3 of this Act.

(b) The plan shall apply to the Upper Delaware River and shall set forth:

(1) a map showing detailed final landward boundaries, and upper and lower termini of the area and the specific segments of the river classified as scenic and recreational, to be administered in accordance with such classifications;

(2) a program for management of existing and future land and water use, including the application of available management techniques;

(3) an analysis of the economic and environmental costs and benefits of implementing the management plan, including any impact of the plan upon revenues and costs of local government;

(4) a program providing for coordinated implementation and administration of the plan with proposed assignment of responsibilities to the appropriate governmental unit at the federal, regional, state and local levels; and

(5) such other recommendations or provisions as shall be deemed appropriate to carry out the purpose of this Act.

(c) Immediately following enactment of this Act, the Secretary, through the National Park Service or such other designee, shall develop and implement such interim programs as he shall deem necessary and appropriate to protect the Upper Delaware River and its environs and to protect the public health and safety. Such interim programs shall include provisions for information to river users, education and interpretation activities, the regulation of recreational use of the river, and maintenance activities along the River.

(d) To enable the directly affected states and their political subdivisions to develop and implement programs compatible with the management plan, the Secretary and the Commission shall provide such technical assistance to the said states and their political subdivisions as they deem appropriate.

(e) The Commission shall promote public awareness of and participation in the development of the management plan, and shall develop and conduct a concerted program to this end. Prior to final submission of the management plan by the Commission to the Secretary, it shall hold two or more public hearings in the Upper Delaware River region of each directly affected state.

(f) Upon approval of the management plan by the Secretary, it shall be published in the Federal Register and shall not become effective until 90 days after it shall have been forwarded to the President of the Senate and the Speaker of the House of Representatives. The plan shall be administered by the Secretary in accordance with the provisions of this Act and the Wild and Scenic Rivers Act. The Secretary is hereby granted such authority as may be required to implement and administer said plan.

(g) Until the management plan is approved and becomes effective as provided herein, the provisions of section 7 of the Wild and Scenic Rivers Act (P.L. 90–542) and the restrictions upon the departments and agencies of the United States contained therein shall be applicable not only to water resource projects but to all other projects for which a federal permit, license, certificate or other entitlement is required.

LAND ACQUISITION

SEC. 5. Notwithstanding any provision of the Wild and Scenic Rivers Act, the Secretary may not acquire more than a total of 450 acres of land and interests in land for access, development sites, the preservation of scenic qualities, or for any other purpose; provided that the Secretary may acquire land and interests in land for such purposes not in excess of 1,000 acres if such additional acquisition is recommended and provided for in the management plan as finally approved by the Secretary. The limitations contained in this section shall not apply under the circumstances set forth in section 6(d) hereof. Prior to acquisition of any land or interests in land which has been used for business purposes prior to enactment of this Act, the Secretary shall first make such efforts as he deems reasonable to acquire easements or restrictive covenants, or to enter into any other appropriate agreements or arrangements with the owners of said land, consistent with the purposes of this Act.

REVIEW AND APPROVAL OF LOCAL LAWS

SEC. 6. (a) For the purpose of protecting the integrity of the Upper Delaware River, the Secretary shall review all relevant local plans, laws, and ordinances to determine whether they substantially conform to the approved management plan provided for in section 4 of this Act and to the general guidelines promulgated by the Secretary pursuant to section 3 of this Act. Additionally, the Secretary shall determine the adequacy of enforcement of such plans, laws, and ordinances, including but not limited to review of building permits and zoning variances granted by local governments, and amendments to local laws and ordinances.

(b) The purpose of such reviews shall be to determine the degree to which actions by local governments are compatible with the purposes of this Act. Following the approval of the management plan and after a reasonable period of time has elapsed, but not less than two years, upon a finding by the Secretary that such plans, laws, and ordinances are nonexistent, are otherwise not in conformance with the management plan or guidelines, or are not being substantially enforced, the Secretary may exercise the authority available to him under the provisions of subsection (d) hereof.

(c) To facilitate administration of this Act, the Secretary may contract with the directly affected states or their political subdivisions to provide, on behalf of the Secretary, professional services necessary for the review of relevant local plans, laws, and ordinances, and of amendments thereto and variances therefrom, and for the monitoring of the enforcement thereof by local governments in the Upper Delaware River region. The Secretary shall notify the appropriate State or local officials as to the results of his review under this section within 45 days from the date he receives notice of the local government action.

(d) In those sections of the Upper Delaware River where such local plans, laws, and ordinances, or amendments thereto or variances therefrom, are found by the Secretary not to be in conformance with the guidelines or the management plan promulgated pursuant to sections 3 and 4 of this Act, respectively, or are not being substantially enforced, the Secretary is hereby authorized to acquire land or interests in land in excess of the acreages provided for in section 5 of this Act; provided that land and interests in land acquired pursuant to this section shall be restricted to the geographical area of the local government unit failing to conform with the said guidelines or management plan, and shall be limited to those lands clearly and directly required, in the judgment of the Secretary, for protection of the scenic or recreational objectives of this Act. The total acreage of land and interests in land acquired pursuant to this section shall not in any event exceed the limitations contained in section 6(a) of the Wild and Scenic Rivers Act. This section shall apply notwithstanding the first sentence of section 6(c) of the Wild and Scenic Rivers Act.

UPPER DELAWARE CITIZENS ADVISORY COUNCIL

SEC. 7. (a) At the earliest practicable date following enactment of this Act, but no later than 60 days thereafter, there shall be es-

tablished an Upper Delaware Citizens Advisory Council. The Advisory Council shall encourage maximum public involvement in the development and implementation of the plans and programs authorized by this Act. It shall report to the Commission and the Secretary from time to time during preparation of the management plan. Following completion of the management plan, it shall report to the Secretary and the Governors of the directly affected states no less frequently than once each year its recommendations, if any, for improvement in the programs authorized by this Act, or in the programs of other agencies which may relate to land or water use in the Upper Delaware River region.

(b) Membership on the Advisory Council shall consist of seventeen members appointed as follows: (1) there shall be six members from each of the directly affected states appointed by the Secretary from nominations submitted by the legislatures of the respective counties and appointed such that two members shall be from each of Orange, Delaware and Sullivan Counties, New York, and three members shall be from each of Wayne and Pike Counties, Pennsylvania (at least one appointee from each county shall be a permanent resident of a municipality abutting the Upper Delaware River); (2) two members appointed at large by each Governor of a directly affected state; and (3) one member appointed by the Secretary. The Secrtary shall designate one of the aforesaid members to serve as chairperson of the Advisory Council who shall be a permanent resident of one of the aforementioned counties. Vacancies on the Advisory Council shall be filled in the same manner in which the original appointment was made. Members of the Advisory Council shall serve without compensation as such, but the Secretary is authorized to pay expenses reasonably incurred by the Advisory Council in carrying out its responsibilities under this Act on vouchers signed by the Chairman.

AUTHORIZATION

Sec. 8. There are hereby authorized to be appropriated to carry out the purposes of this Act such sums as may be necessary, including amounts:

(1) for the acquisition of land and interests in land as authorized in this Act;

(2) for such costs and expenses of the Secretary as shall be incurred in carrying out the provisions of this Act, including development and implementation costs; and

(3) for such costs and expenses as shall be incurred by the Commission in connection with its responsibilities under this Act.

CLARIFYING PROVISIONS

Sec. 9. Where any provision of the Wild and Scenic Rivers Act is inconsistent with any provision of this Act, the provision of this Act shall govern. In applying the provisions of section 6(g)(3) of the Wild and Scenic Rivers Act, with regard to "improved property", the date specified therein, shall, for purposes of the river designated in this Act, be the date of enactment of this Act (rather than January 1, 1967). The third sentence of section 4(b) of the Wild and Scenic Rivers Act shall not apply in the case of the river designated by this Act as a component of the National Wild and Scenic River System.

CRIME SUBCOMMITTEE TO CONTINUE ITS EXAMINATION OF THE ATTORNEY GENERAL'S PROPOSAL TO RESTRUCTURE THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, will continue its examination of proposals to restructure the Law Enforcement Assistance Administration. In this regard, the subcommittee has scheduled a hearing for March 1, 1978, at 10 a.m. in room 2141, Rayburn House Office Building, at which time we expect to receive testimony from Attorney General Griffin B. Bell.

Last August, the subcommittee received testimony from the task force members commissioned by the Attorney General to formulate recommendations for restructuring LEAA. Last November, the Attorney General officially submitted his reorganization proposal to the President.

This proposal calls for restructuring LEAA, first, through a Presidential reorganization plan, and second through statutory changes in the normal legislative process. A number of Members of Congress have expressed concern over the proposal to separate reorganization changes from statutory changes, given the fact that statutory changes are necessary to effect the program changes the Attorney General proposes and the fact that the organizational structure proposed is naturally based upon the program structure the Attorney General has in mind. We understand that discussions between the Attorney General and the President's reorganization project are likely to produce some amendments to the November proposal, and we hope that these amendments will be finalized in time for Judge Bell to discuss them with us during his appearance.

Other witnesses scheduled to testify on March 1 are Austin Sarat, professor of political science at Amherst College, and a representative of the Conference of Chief Justices.

Those wishing to testify or submit a statement for the record should address their requests to the House Judiciary Committee, Subcommittee on Crime, 207E Cannon House Office Building, Washington, D.C. 20515.

FUNDING FOR SERVICES TO RAPE VICTIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

Mr. WAXMAN. Mr. Speaker, Congressman NEWTON I. STEERS, JR., and I are today introducing legislation to provide funding for treatment of rape victims through the National Center for the Prevention and Control of Rape within the National Institute of Mental Health. Senator MATHIAS—whose legislative initiative created the Rape Center—is introducing an identical bill in the Senate.

Rape is the most brutalizing of all crimes. Members of Congress have a responsibility to educate themselves on the magnitude of this problem. The number of reported rapes nearly doubled between 1970 and 1975, but of those reported in 1975, only half resulted in arrest. The FBI tells us a rape is reported in the United States every 10 minutes. National surveys indicate three to four rapes actually occur for every one that is reported.

This low reporting rate may be attributed to victims fear of insensitive treatment and poor coordination in the past of local resources which deal with the crime—police departments, hospital emergency rooms, social services, rape crisis centers, and the courts.

Rape is a crime which is reaching epidemic proportions even in suburban areas. When compared to statistics on murder, aggravated assault, and robbery, rape is the fastest rising violent crime against the person. Yet among such crimes, it has had the lowest percentage of investigations concluding in an arrest. Senator MATHIAS informed the Senate that at rape's present rate of incidence, the odds are better than 1 in 15 that a woman will be raped sometime during her lifetime.

We in Congress must support a national effort to reduce the incidence of rape and to alleviate the anguish of its victims. As a result of a humiliating attack, the woman may face unwanted pregnancy, venereal disease, hospitalization, lost work time, medical and legal expenses, and may feel psychologically estranged from family and friends. The freedom to move about freely in our society is precious to us, yet this freedom is illusory not only to rape victims, but also to all women who fear for their security.

In Houston recently, the National Women's Conference passed 25 substantive resolutions on issues of direct concern to the welfare of American women. One of these resolutions endorsed the continuation and permanent funding of research and demonstration programs of the National Center for the Prevention and Control of Rape within the National Institute of Mental Health.

The legislation I am introducing with Mr. STEERS will provide direct services to rape victims. These services will include accompaniment of the victim to medical, social, and legal services; the direct provision of medical, social, and legal services; operation of a telephone "hotline" for crisis counseling and referral; counseling the victim both at the time of assault as well as subsequently both at a crisis center and at home; transportation costs for the victim and for service providers; consultation with allied professionals; and a community education program. The bill also provides for the training of counselors and paraprofessionals.

Under our bill, the National Center for Rape Prevention is authorized to make grants to State and local government agencies and nonprofit organizations to: First, develop and establish training programs for professional, paraprofessional, and volunteer personnel in the fields of law, social service, mental health, and other related fields who are or will become primarily involved in areas relating to rape; second, develop programs of community education and offender rehabilitation and counseling; third, provide transportation costs including accompaniment to medical, social, and legal services; fourth, establish self-help programs; fifth, operate telephone sys-

tems to provide assistance to victims; sixth, assist emergency shelter programs; and seventh, support demonstration projects which are likely to result in developing and implementing methods of preventing and treating rape and its victims.

In order to participate in this grant program, grantees must: First, establish a recordkeeping system to insure the protection of the privacy of the victim, as well as other individuals involved; second, establish internal procedures to measure progress and goals stated by the grantee in its application; and third, establish a continuing education program for all staff members.

Not more than 5 and not less than 4 percent of the funds appropriated under the bill must be used to fund technical assistance to any nonprofit organization which the Secretary determines does not possess the resources and expertise necessary to transmit an application without such assistance; $45 million would be appropriated for fiscal year 1979, $50 million for fiscal year 1980, and $55 million for fiscal year 1981.

Fifty-five full-time staff would be added to the National Rape Center staff; $750 million would be added for each funded year, 1979, 1980, and 1981 to support the additional staff.

I feel that with this legislation, the National Center for the Prevention and Control of Rape at the National Institute of Mental Health will reach the great potential that was envisioned when it was established by Congress in 1975:

Public Law 94–63, Title III, Part D, established the National Center for the Prevention and Control of Rape within the National Institute of Mental Health, a component of the Alcohol, Drug Abuse, and Mental Health Administration of the U.S. Department of Health, Education, and Welfare.

This law gave the Center the responsibility to develop, implement, and evaluate promising models of mental health and related services for rape victims, their families, and offenders. The center encourages research into the legal, social, and medical aspects of rape and, through its research and demonstration program, will develop and provide much needed public information and training materials aimed at prevention and treating problems associated with rape.

The center has four main responsibilities:

1. To support research and research-demonstration projects.

2. To disseminate information.

3. To develop and distribute training materials.

4. To hold conferences and provide technical assistance.

The center has done an outstanding job under the directorship of Elizabeth Kutzke, and is ready to take on additional responsibilities.

If women were more adequately represented in our national health planning, a program like the legislative proposal we are introducing today would have been in effect long ago. The rape crisis in the United States today justifies our deepest concern. I urge the Congress to support this bill so that we can do a better job of addressing ourselves to the health care needs of women which have been neglected in the past.

RESTORING AUTHORITY TO THE CORPS OF ENGINEERS FOR RECREATIONAL PROJECTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 5 minutes.

Mr. LUNDINE. Mr. Speaker, I rise today to introduce legislation in the House of Representatives to amend section 4 of the Flood Control Act of 1944 to authorize the Army Corps of Engineers to obtain land for public park and recreational facilities at established corps sites where a recreational purpose was not specifically authorized. In addition, this bill would permit local project sponsors to continue to receive credit for the value of the lands provided in conjunction with their responsibility for contributing 50 percent of the costs of the recreational development. My colleagues Senator SASSER and Senator MOYNIHAN have introduced an identical bill in the Senate.

Until recently, the authority granted under the provisions of this bill was generally agreed to fall within the corps' congressional mandate under the Flood Control Act of 1944 and 1962. In fact, the corps has used this assumed authority in conjunction with many projects over the past 15 years. After a careful legislative review, the chief counsel of the Corps of Engineers ruled that without a specific legislative mandate, corps participation in recreational adjuncts would not be continued. This legislation is not designed to take issue with that ruling, but rather to restore the authority which had been previously assumed.

This recent corps ruling, if left intact, will present difficulties for many projects already underway and many future projects. The corps has indicated that there are recreational projects in the States of Tennessee, New York, West Virginia, Kentucky, Ohio, Iowa, Oregon, Washington, Kansas, Pennsylvania, Virginia, Arizona, California, North Dakota, and Minnesota which would be affected. Projects in these States were impacted to differing degrees, depending on the stage of completion of each at the time of the chief counsel ruling. The Kinzua Dam and Allegany Reservoir project in my own congressional district is affected by the chief counsel decision.

It is not only for the sake of the halted projects that I today submit this legislation, though these must be a major consideration. As importantly, in the past the corps has successfully combined needed flood control and navigational projects with recreational development. This legislation would provide the corps with continued flexibility in the development of projects by granting them the authority to combine the multiple objectives of navigation, flood control, and recreation. I have little doubt that in some cases, the benefits of such a recreational addition has made the difference between community acceptance or rejection of needed corps projects, while at the same time providing substantial additional value to the community. The addition of recreational development can often change the complexion of a Federal project from one which protects buildings to one which serves people. The corps has shown that the difference can be a very small additional dollar investment with a very large public return.

This legislation will return needed authority to the Corps of Engineers. I urge that my colleagues join me to encourage swift and positive House action on this bill:

HR 11113

A bill to authorize the acquisition and development of lands for public park and recreation facilities located adjacent to water resources development projects under the control of the Department of the Army

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 4 of the Act of December 22, 1944 (58 Stat. 889), as amended (16 U.S.C. 460d), is amended to read as follows: "The Chief of Engineers, under the supervision of the Secretary of the Army, is authorized (1) to construct, maintain, and operate public park and recreational facilities at water resource development projects under the control of the Department of the Army and to provide improved access thereto; (2) to acquire additional lands adjacent to the projects, and to construct, maintain and operate public park and recreation facilities on such additional lands; (3) to construct public park and recreational facilities on lands adjacent to the projects that are acquired and held by local interests for recreational use by the general public, and to permit local interests to include the value of such lands as part of their contribution towards the development of such facilities; (4) to permit the construction of any such facilities by local interests on project lands (particularly those to be operated and maintained by such interests); and (5) to permit the maintenance and operation of any such facilities by local interests.".

TOBACCO PROTEIN COULD FEED 30 MILLION PEOPLE BY YEAR 2000

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

Mr. FOUNTAIN. Mr. Speaker, an excellent article pointing out the single most complete protein ever found in a green plant is found in tobacco, was published in the Medical World News of February 6, 1978. The article, which notes that enough tobacco could be produced by the year 2000 to feed 30 million people, is as follows:

WHAT NEXT—TOBACCO STEAK?

BELTSVILLE, MD.—What would happen to the tobacco farms if suddenly all the smokers in the country decided to quit? There might be some angry farmers and many wasted acres of farm land. However, this need not be, according to scientists who are studying the possibility of using tobacco leaves as a major source of food.

Dr. Tien Chioh Tso, chief of the U.S. Department of Agriculture's tobacco research labs here, and UCLA's Drs. Benjamin H. Ershoff and Samuel Wildman are convinced tobacco leaves produce the single most complete protein ever found in a green plant. Tobacco contains the only pure form of fraction-1 protein, found in all green plants, and fraction-2, a combination of other water-soluble proteins. Dr. Tso says a food as high in protein as eggs or milk can be extracted from the slurry form of the leaf.

Dr. Ershoff, a research nutritionist, reports many uses for the colorless, odorless,

tasteless protein. "It can be made into a powder that can be stored indefinitely and can be added to any food to increase its protein value. It can even be textured to form a food like ham steak, for instance." The excess nicotine can be used for pesticides. The protein may also be the salvation for people with kidney disease who must avoid sodium and potassium, Dr. Ershoff says. Since it contains neither mineral, it could reduce dialysis from three times a week to once every ten days.

By the year 2000, says Dr. Tso, enough tobacco protein could be produced worldwide to feed 30 million people. And since a tobacco food crop is harvested in just five to six weeks, many crops could be produced in a single growing season. Dr. Ershoff says one acre of tobacco would yield almost 3,000 lb. of protein a year. "There's no question tobacco protein will be used in the future," he says, "but commercial companies will have to spend millions on the toxicity studies required by the FDA—and that could take five to ten years."

Removing the protein from cigarette tobacco might also make smoking safer, says Dr. Tso, explaining that the protein is very harmful when burned. "However, the reconstituted tobacco would require further testing to see whether the public would accept it."

ESTONIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I would like to ask my colleagues to join me in the observance of the 60th anniversary of the Declaration of Independence of the Republic of Estonia.

Today, the people of Estonia are struggling to become free from outside domination, and it is important for Americans to recognize their plight. Estonia has a rich history which reflects a love for individual liberties and national self-determination. American society has greatly benefited from this culture and the contributions made by Americans of Estonian origin.

It is with honor that I call attention to the historic significance of this day, as a reaffirmation of the American and Estonian commitment to human rights and democratic freedoms for all the nations of the world. As Americans, we must steadfastly reinforce the determination of the Estonian people.

Mr. Speaker, I salute our fellow Americans of Estonian descent and Estonians throughout the world in their pursuit of justice and national freedom.

CONGRESSMAN JOE WAGGONNER, AMERICAN LEGION DISTINGUISHED SERVICE AWARD WINNER, SPEAKS OUT ON AMERICA'S DEFENSE POSTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 10 minutes.

Mr. STRATTON. Mr. Speaker, last night our distinguished colleague, the gentleman from Louisiana (Mr. WAGGONNER) was the featured speaker at the annual dinner of the American Legion held in the Washington Hilton Hotel, and also received the legion's Distinguished Public Service Award. We salute JOE on this well deserved honor.

JOE WAGGONNER is highly knowledgeable on the subject of national defense, and so he took advantage of this occasion to appraise for his listeners the present status of our national defense, mentioning not only the unfortunate vote that occurred here yesterday against the B–1 bomber, but other disturbing developments as well.

I feel sure that our colleagues will find Mr. WAGGONNER's forceful and perceptive remarks of great interest, and I am sure the American people will want to ponder the implications of his very frank appraisal.

The address follows:

REMARKS BY REPRESENTATIVE JOE D. WAGGONNER, JR., LOUISIANA, UPON RECEIVING THE AMERICAN LEGION'S DISTINGUISHED PUBLIC SERVICE AWARD, FEBRUARY 22, 1978

The special glow I feel tonight does not come from the fame of those who have received your Distinguished Service Award before me. Naturally, I am very pleased to have my name bracketed with theirs. I appreciate deflected as much as the next man. But what makes this night unforgettable is that you and your officers have chosen to tap me on the shoulder—you; plain American soldiers, sailors, and airmen; fighting men who have carried the flag in the heat of the day, and made the American Legion a power for good in our affairs for 59 years. A compliment from you makes me stand to attention. It touches my feelings as nothing else could.

For patriotism is the heart of the matter—our love of country; our pride in what it is, and in the good things it has done, and our chagrin about the bad; our devotion to the glory of its future.

There are fashions in talking about patriotism. When I was a boy, the great orators in my part of the country would beat the drum on an occasion like this, and make the eagle scream. They were tub thumpers; they wept; they raged; they shouted; and they whispered. And they released the sincere emotions of their audiences, who were plain people, too, as we are, with deep feelings.

We are more buttoned up than they were, accustomed to more restrained styles of public speaking. But we feel exactly as they did about the country and the rough passages we have had to endure lately. We don't beat our breasts the way our grandfathers did. But we care as much. We too hear those famous chords of which Lincoln spoke, "the mystic chords of memory" which stretch "from every battlefield and patriot grave to every living heart and hearthstone" of the land.

It is meet tonight to pluck those mystic chords of memory, and to listen. For the land we love is in danger, grave danger.

I thought I might say a few words tonight, by way of response to your award, by talking about that danger. I shall try to be as blunt about it as I possibly can, in the spirit of the little boy who pointed out that the Emperor was naked. It is a time, I am afraid, for very plain speaking.

We all realize the nature of the danger—it comes from the imperial policy of the Soviet Union, based upon and backed by military power which is growing at a rate without parallels in modern history. The pressures of that policy are visible wherever there is an opportunity for the expansion of Soviet influence—in Asia and in Africa, in Europe and in South America, and on the high seas. The Russians are a persistent people. They keep at it despite temporary setbacks.

We realize that the danger is increasing, but dimly, as we recognize figures in a nightmare. We don't quite believe that the danger is real. We are still paralyzed; hypnotized perhaps; walking, groping in our sleep; still bemused by the lullabies of detente. For a number of reasons, we hesitate, waiting for a Pearl Harbor that will make the challenge obvious. Thus the months and years slip by, and we do not act while there is still time to protect the interests of the nation in peace.

But we must act, and act soon, before it is too late for deterrence, for concerted alliance diplomacy, and the other weapons of peace. The time has come to wake up. Somehow, we must liberate ourselves from the nightmares and bogeymen which have kept us from facing the truth during the last ten years, and dealing with it as Americans should—with the confidence, the energy, and the optimism of our natural leaders like Harry Truman. Then we shall easily be able to protect our interests in peace. We, and the Europeans, and the Japanese, and China together have more than enough power to contain and confine Russian ambitions—but only if we lead the coalition, and organize its potential.

Burned in the fires of bitter controversy over Vietnam, many of those who profess to lead the nation—both within and outside the government—have lost their nerve. They tiptoe around the great issues of our foreign policy, and are afraid to address them.

This situation must be cured quickly. A nation is doomed if its leaders will not accept the burden of leadership. We must insist on the first ethical rule of democratic politics—the rule of truth, of discipline, and of civility in the debate among all who take on the responsibility of discussing our political problems.

I shall go further and suggest to you that our public life will not be healthy again until we have talked out a subject which is taboo at the moment—Vietnam. What went wrong? What are the lessons we should learn from the experience? How will our withdrawal there affect our problems tomorrow?

Today in Washington; in the press and the media; in our universities and many other parts of the country, these are forbidden subjects. Yet our secret and unacknowledged thoughts about Vietnam affect what we think and do about South Korea, Taiwan, Angola, the Horn of Africa, and many, many other important places and problems.

I shall tell you plainly how I should answer those questions. What went wrong in Vietnam is that we didn't win, as we did in Korea. There were many other mistakes as well—mistakes in conception, in explanation, and in diplomacy. But the big, the important mistake was that we did not win. The troops did their part magnificently, under incredibly difficult conditions. But our political leaders, frightened by public opinion, failed them.

What lessons should we learn from the experience? Make no promises you are unwilling to keep. The rule is just as basic to diplomacy as it is to every other part of life. You will notice that I said nothing about whether President Eisenhower's treaty commitment to South Vietnam should have been made. Once that promise was given, it should have been kept. The sanctity of American treaties is the only cement there is in the world political system. Once that goes, we shall be really in the jungle, in a war of all against all.

How will our withdrawal from Vietnam affect our problems tomorrow? It is making them more difficult, for we cannot escape problems of that kind in the future. There is no hiding place. The world is round, and our vital national interests in world politics are being attacked and outflanked in many parts of the world, and by many maneuvers other than an old fashioned cavalry charge. For example, we are bleeding every day, and bleeding arterial blood, from the results of an oil embargo, and a rise of 500% in the price of oil, which would never have been undertaken if the Soviet Navy were not a formidable blue water fleet.

One of our difficulties in deciding how to counter Soviet policy is that it is more complex than a straight-forward program of military conquest like Napoleon's, the Kaiser's, or Hitler's. The Russians are chess players. Our national game is poker. We tend to believe that the object of military power is military victory. The Russians follow the maxim of Sun Tzu, the great Chinese writer on war who said that the acme of military skill is "to subdue the enemy without fighting." That, he said, is far better than a hundred victories in a hundred battles. And that is exactly what the Soviet Union is trying to do to us.

Mesmerized, while the Soviet Union builds up all its armed forces, we watch its sea power, its nuclear forces, and its conventional armies, grow at a rate of about 5% a year in real terms. We note that their forces are equipped with sophisticated weapons, including uniforms and armored personnel carriers which protect their troops against radiation. And our Secretary of Defense scratches his head, and confesses in public that he cannot figure out why the Russians are doing all this.

Why are so many of us still in this curious state of sleepwalking about the implications of the Soviet military build up, and of the imperial policy it is designed to support? We have experienced Soviet imperialism since the day World War II ended in 1945. We know we shall have to deal with that policy for as far ahead as we can foresee. And we know that the serious men who direct the Soviet Union and the Communist Parties of the world are devoted to their goals, and will stop only when we and our allies present them with unacceptable risks.

But many say, if we match their military build up, that will end detente, revive the Cold War, and may even involve us in new Vietnams. Wouldn't it be better to reach agreements with the Soviet Union on nuclear arms, or forces in Europe or the Indian Ocean, or peace in the Middle East? of course it would be better to reach fair agreements with the Soviet Union. But in more than thirty years of patient diplomatic effort, such agreements are few and far between. And they have been achieved in the past, and can be achieved in the future, only when the Soviets realize that they have no alternative but to agree.

Reluctant to confront the fact that detente is a figment of political imagination, and that the Cold War has never stopped, or diminished in intensity, we find ourselves unable to make up our minds, and to act decisively. As a result, our behavior is becoming dangerously irrational.

Consider, for instance, these examples of policies no one has explained, or can explain.

The Administration understands that we have a vital national security interest in keeping Japan independent, and allied with us rather than with China or the Soviet Union. It understands also that Japan would be in deadly peril if South Korea came under hostile control. That is why we have a mutual security treaty with South Korea. What conceivable advantage to us could there be in withdrawing our conventional forces from South Korea, before the two Koreas have made peace, or entered the United Nations? If we have no conventional forces there, does President Carter plan to use nuclear weapons to defend South Korea in case of attack?

Take another example. The Chief of Naval Operations has testified in Congress that in the event of war in the Pacific, where we have had to fight three times since 1941, he could not guarantee the sea lanes beyond Hawaii. But the Administration has just proposed a further reduction in the Navy—an actual reduction at a time when perhaps the most important diplomatic signal we could give would be a big and urgent naval building program.

Or consider the energy problem. Properly speaking there is not yet a shortage of oil in the world. But there are two basic reasons why we cannot be dependent upon the importation of foreign oil. No country can afford to pay for its current consumption of oil out of capital. But that is exactly what we are doing. The world monetary system is breaking down under the burden of paying tribute to the oil producers. Secondly, it would be insanity to have the supplies of oil on which we depend for security exposed to the planes, the cruise missiles, and the submarines of the Red Navy. Therefore, we need an energy program, and need it desperately. But the Administration proposed a totally inadequate program. So far as consumption is concerned, the Administration's program is a toothless mouse—its goals are pitiful; it does nothing to curb consumption, to force traffic back to the railroads, or take any of the other steps so obviously needed. The Administration's energy program is even weaker on the side of producing alternate sources of energy, and encouraging a quick shift from oil to coal, nuclear power, alcohol, geothermal and solar energy, and other possibilities. We should be using every incentive we can think up under the tax laws and other statutes to stimulate investment in alternative sources of energy. Thus far, we have wasted another year which we can ill afford.

I could go on and on, with instances of behavior which seems irrational to everyone I know. But I want to be brief, and will therefore, close with two more staggering examples.

The Secretary of Defense acknowledges that Soviet military strength has been increasing steadily for more than fifteen years at a rate of something like 5 percent a year in real terms; that it exceeds our own in many categories, and that it presents a grave problem for us in several areas vital to our interests. In a speech last September, he said that we "will not be outgunned," and that we will restore effective strategic and conventional force deterrence, and the development of adequate mobile forces to deal with brush fire conflicts affecting our interests.

Indeed, an unchallenged leak to the New York Times last August says that the President signed a secret directive to this effect on August 26: the most important decision he has made in his year as President, totally unexplained to the American people. Now the President has sent Congress a military budget for 1979. The experts are arguing whether the new budget proposes an increase in real terms of 1%, 2%, or 3%, and whether the increase, whatever it turns out to be, will be absorbed entirely in the pay of troops and pensions. How can an increase of 1%, 2%, or 3% overcome the gaps which have developed both in nuclear and conventional arms, and also keep up with a Soviet growth rate of about 5% a year?

Unless Congress increases the military budget this year by at least $30 billion—for research and development, for strategic weapons, for naval vessels, and for our ready forces and their equipment—our security position will continue to erode, and our foreign policy will continue to decline in influence.

Finally, let me say a word about the Administration's policy towards SALT, which is necessarily the cornerstone for a policy of stable deterrence in the world. A fair SALT agreement would be a very desirable thing to have. An unfair SALT agreement would be worse than having no agreement at all. We had a SALT agreement between 1972 and 1977—and they were bad years for American foreign policy from the Far East and Africa to the Mediterranean basin and Latin America. The Administration has been negotiating a new SALT agreement, offering the Soviet Union concession after concession in the hope of persuading the Soviet Union to agree to something. Indeed, in another totally inexplicable move, the Administration cancelled the B–1 bomber, slowed down several important missile projects, and took other steps of unilateral restraint while it was negotiating on these subjects with the Soviets.

The Administration's negotiating positions, amply documented by Administration leaks, have been characterized by a responsible and bipartisan citizen's committee, the Committee on the Present Danger, as impossibly hazardous. That group has said that in the short run a comprehensive and safe SALT agreement is "unlikely". The Committee believes that "the only hope" for a fair agreement requires us to "demonstrate in action our determination, agreement or no agreement, to maintain forces fully adequate to deter attack against the United States and our Allies. This course would require us to move forward promptly on several pending and projected strategic systems to restore the credibility of our second strike capability." Such a program, which I fully endorse, would require the President to reverse his decision about the B–1 bomber, and move forward vigorously on the Minuteman III and MX ballistic missiles.

Our government and a great many of our newspapermen and television pundits are dithering in the mood I have just tried to describe—swaying back and forth between action and inaction, and in the end doing too little too late. For some of us, the mood in the country recalls that of Britain forty years ago, at the time of Munich. Because Britain failed then to pursue the resolute and clearsighted policy which could have prevented World War II, it has ceased to be a major influence in world politics, despite its heroism on the battlefields of the Second World War.

We share many of the impulses and yearnings of the British, and their general outlook, too. But we are not as well off as Britain was in 1913 or 1938. No matter how badly Britain conducted its affairs, the American giant always loomed in the wings, able to protect Britain against the ultimate consequences of its folly. There is no sleeping giant to save us from our folly, if we persist in our present course.

It is sometimes suggested by the Administration that it is all Congress' fault—that the Administration is asking for all it thinks Congress will vote, given the state of public opinion. This is government by pollster, and it is abdication.

I am leaving Congress, as you know, after 17 proud years of service in that great institution. I step down with regret, and with reverence. And I want to say tonight with all the force at my command that Congress will vote any amount the nation needs for defense, not grudgingly, not half-heartedly, not reluctantly, but with faith and passion.

Our Constitutional system works only when the President and the Congress trust each other and above all trust the people—when they tell the people the truth, with the bark on, and lay out the facts as they see them every day. When the President keeps the disagreeable facts about Soviet policy secret, and tells us that detente is alive and well, that we shall have a fine SALT agreement next week, or next month, who can blame Congress and the people for hesitating? What should people believe—what their President tells them, or what they are taught by forty-five years of harsh experience with the Russians?

Every age and every generation of Americans has had to contend with those who wanted to disarm us as a nation. Each time we have succumbed to the mistaken belief that we should lay down our arms, we have paid the price in blood and money. What has happened to prove that they are anymore correct now than they have been in the past?

They have always been wrong and they are wrong now.

So I say to everyone here, to every citizen who writes or talks or argues about our foreign and defense policy; to my colleagues in Congress; and to the President: trust the people; tell them the truth; they will gladly do whatever is required to head off the peril to the nation, hopefully through an effective deterrent diplomacy based on our alliances around the world and our new relation with China, and backed by ample military strength.

Our people have never failed to heed the sacred chords of our national memory. Let us insist that our leaders listen also. The experience will revive their courage.

ADMINISTRATIVE ACTION CAN OFFER IMMEDIATE HELP TO FARMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of Tennessee. Mr. Speaker, today I am introducing a sense of the House resolution which encourages the President and the Secretary of Agriculture to make use of powers granted to them in the farm bill which was enacted into law last year to increase farm income. The purpose of this resolution is to make known the feelings of this body as those feelings relate to agriculture.

Essentially, the resolution states that the Department of Agriculture should use the powers granted to them to institute voluntary land diversion programs under which farmers could receive payments; establish higher loan rate levels for the 1978 crops of wheat, feedgrains, and soybeans that would cover the farmers' cost of production; impose a 20-percent reduction in acreage in cotton, and expand the export sales of American farm products. I feel that these steps could be used as a start in the Federal Government's efforts to solve the current farm problems.

Let me assure this body that the farm problem is serious. No mistake can be made about it. It is urgent and it needs to be solved now. To illustrate that point, one only has to take a look at what has happened to farm income since 1973. That year, gross farm income amounted to $95.6 billion with farm costs of production amounting to $65.2 billion, leaving the farmer with a net income of $30.3 billion. In 1977, farm income dropped over $10 billion compared to the figure of 4 years ago. That reduction in farm income occurred because farm gross income increased only $8 billion while the farmers' cost of production rose by over $20 billion.

I do not presume to tell this body that these steps are all that should be done. Legislation is going to be needed but administrative action such as I have described can offer immediate help for farmers throughout this country. These actions can begin the tremendous effort that is going to be needed to get supplies back in line with demand. It is in that way that farmers can obtain higher prices for their products through the marketplace.

I hope that all Members of this body will give careful study to this resolution. It affects us all, urban and rural, white and black, rich and poor.

AD HOC COMMITTEE FOR IRISH AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BIAGGI) is recognized for 60 minutes.

(Mr. BIAGGI asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, not too long ago I was asked by the National Ancient Order of Hibernians to serve as the chairman of an ad hoc committee for Irish affairs in the Congress. The Ancient Order of Hibernians has been around for decades. It is a very respectable, prestigious and responsible organization. It did that because in a letter from its president, Jack Keane, it recognized that I had been concerned for the 10 years I have been in the Congress with the troubles in Northern Ireland.

We now have 93 Members of the U.S. House of Representatives serving on that committee. We have approached this problem with a sensitivity, with an unusual amount of care, and in a very scupulous manner as we functioned in our fact-finding process. We welcomed input from every quarter, which is comparable to the legislative process in our committees, in that we listen to every point of view on the central issue.

I believe that we were arousing some public attention, and it came as a great surprise to me when the Prime Minister, Jack Lynch, of the Republic of Ireland, issued statements through the Embassy, in a very surprising fashion, critical of the committee and its members, creating implication without basis, and denying in fact a position that had been declared by him on a previous occasion and printed in the press, both in Ireland and here in America, and carried on radio interviews—a transcript of which I have—a statement that was declared in the presence of two Members of the Congress within the last month. Those two gentlemen are here. One is the gentleman from Connecticut, Congressman CHRISTOPHER DODD, and the other is the gentleman from New York, Congressman BEN GILMAN. They reported to the executive committee of the ad hoc committee that he had expressed a desire for support from the Congress for the British to declare an intent to withdraw, with no specified date.

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Connecticut.

Mr. DODD. I thank the gentleman for yielding.

Mr. Speaker, before addressing the particular point that the gentleman has referred to in our recent meeting with President Lynch in Dublin, I would just like to say to the gentleman and to those Members who are still here in the chamber that I think the gentleman from New York, MARIO BIAGGI, deserves a great deal of credit for his courage and his willingness to take on an issue which has caused many, many people in this country to avoid, stay away from, because of the complicated nature of the problem.

Mr. Speaker, no one has suggested that the difficulties that face Northern Ireland are simple ones. It is a serious problem. There are human rights issues involved here; and the reluctance of Members of Congress or the reluctance of other people, regardless of their heritage, to come to terms with this issue, I think, is unfortunate.

The fact that my colleague, the gentleman from New York (Mr. BIAGGI) has been willing to do what he has done, I think, is to his credit. I think many, many people in this country respect the gentleman for it.

Mr. Speaker, I do not think there is one of us on that committee, one law-abiding citizen of whom I know in this country, who condones terrorism or terrorist activities. We do not support that kind of conduct at all; and I think to insinuate that because there is an ad hoc committee that has been formed to look into the issue of the problems of Northern Ireland is somehow to equate the existence of that committee with support for terrorist activities is just wrong. I think any fair thinking person would recognize it as such.

I had the opportunity, along with my colleague, the gentleman from New York (Mr. GILMAN), to meet with President Lynch. There were several other Members of Congress with us. President Lynch could not have been any more clear than he was to us when he said he supported—in fact, it was reported in the Irish press—a declaration of intent from the British to withdraw from Northern Ireland. He did not set any time limit on it, but he said that would be the quid pro quo, the sine qua non, before there could ever be peace in Northern Ireland. He said that as long as there is a British presence there, it will be almost impossible, if not impossible, for the principal parties there to come to terms with the difficult problems they face.

I think he is right. I think most people who have looked at the issue think he is right. However, for him to turn around and accuse the gentleman and accuse the committee by implication that we are somehow engaging in support of terrorist activities and to then deny that he ever announced support for the declaration of intent, I find to be shocking.

I heard those words from him. In fact, I met with Ruairi O'Bradaigh, who is not a fugitive from justice, but who as the president of the Sinn Fein Party is supporting a united Ireland.

Mr. BIAGGI. Mr. Speaker, if I may interrupt the gentleman, is the Sinn Fein Party regarded as a legal political entity there?

Mr. DODD. Absolutely. They participate in elections in Ireland.

I met with Mr. O'Bradaigh and one other man of his political party. He was delighted over the fact that President Lynch had decided to support the declaration of intent. He felt it was a good step in the right direction.

He was not looking for a definitive time when the British would withdraw, but he thought it was the first time that the Irish Government was expressing support and would ultimately have to come to that point.

Therefore, I find it even more shocking that President Lynch took that position. It is not only disturbing to us here in this country who are interested in this issue,

but it is going to be of great concern, I would imagine, to the Irish people who have heralded his statement in support of the declaration of intent.

Again, Mr. Speaker, I want to compliment the gentleman from New York (Mr. BIAGGI) and the other Members who served on this ad hoc committee.

I cannot help concluding by just quoting the last sentence of an editorial that appeared in he Washington Star. I think the Members will find it as revealing as I did.

The editorial is entitled, "Mr. Biaggi and the Irish." The last sentence of the last paragraph says as follows:

> But if the prime minister of Ireland is concerned about Mr. Biaggi's and several dozen other congressmen's choice of Irish and Irish-American mentors, perhaps we should be too.

Mr. Speaker, can anyone imagine what would happen if that sentence had appeared with regard to any other Members of this Congress who had been interested in the problems of the Middle East or of Latin America, for example? Can we imagine what the reaction would be in this body?

Why is it that we have only some Members here who are interested in the bloodshed and in the terrorism going on in Northern Ireland today? Why is everyone shying away from that?

I think it is a mistake; it is a pity to see that occur. Again, I want to compliment my colleague from New York for his fine work in this area.

Mr. BIAGGI. I thank the genteman.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. I, too, want to join my colleague, the distinguished gentleman from Connecticut (Mr. DODD) in expressing his thoughts on the recent activities of the House Ad Hoc Committee on Irish Affairs in relation to events which have recently transpired in Ireland.

Several recent news reports have criticized the committee's position on the "declaration of intent," a pledge which would request the disengagement of British troops from Northern Ireland. That pledge requires gradual withdrawal of British troops, and has been praised by the ad hoc committee in the House, which now consists of 87 Members from many States and which is strongly bipartisan and was supported as well by the leaders of Ireland, Mr. Lynch, the Prime Minister, and by Mr. Fitzpatrick, the minority leader.

Recently, I had the pleasure of visiting the Prime Minister of Ireland in Dublin along with other members of the International Relations Committee, including the gentleman from Connecticut (Mr. DODD). At that time, we were informed that the leadership of Ireland favors a declaration of intent by the British.

According to recent news reports Prime Minister Lynch denies that he condones such a declaration of intent. The news reports insinuate that Chairman BIAGGI, and our ad hoc committee ought not speak out about the violence in Northern Ireland because Prime Minister Lynch believes that the committee is identifying with supporters of violence who have no democratic mandate from our people. (From the Washington Star editorial appearing on February 22, 1978.)

I would like to help set the record straight: Prime Minister Lynch did indeed, as did some of his colleagues in this Irish Government, commend the declaration of intent, and did express support for the goals of the House's Ad Hoc Irish Committee. As well, the Prime Minister, in a radio broadcast on January 9, 1978, on RTE radio, stated that a declaration of intent, the withdrawal of British troops gradually from Northern Ireland, was an idea whose time had come. Permit me to quote from the transcript of this radio program called "This Week":

> Interviewer. Do you think the time has come for the British Government to make that long awaited declaration of intent?
>
> Taoiseach (Prime Minister). I think it has, yes. You see this declaration of intent can be interpreted in a very stark way. We never intended that it be interpreted as "the British Government can get out at the end of a certain year." What we want them to do is to indicate their interest in the bringing of Irish people together and their indication as well that they have little to offer Ireland as a whole and therefore if they could start the process of bringing the Irish people together.

I have no desire to debate Mr. Lynch on this issue, nor do I think that it is necessary and proper. However, I would like to make it known that the Ad Hoc Irish Committee is sincerely and genuinely interested in helping to bring peace to North Ireland, and that the declaration of intent is a moderate and reasonable means of procuring peace.

The Prime Minister did assure Members of the House on our recent visit to Dublin that a declaration of intent was feasible and would help restore peace to Ireland. Our Ad Hoc Committee on Irish Affairs has no intention of interfering in the internal affairs of Ireland, but should in good conscience examine ways to bring peace to this war-torn nation. We should employ the expertise of the U.S. Congress to suggest rational and fair solutions to this ongoing problem.

I want to commend the committee chairman, the gentleman from New York (Mr. BIAGGI), for his unwavering stance on the issue of peace in Northern Ireland and for his outstanding leadership that he has provided for the past several months. Chairman BIAGGI has provided a forum in which the topic of peace can be discussed and in which information can be disseminated. Clearly, this committee functions with the utmost concern for the innocent people who are suffering in Ireland, and wishes to offer assistance in bringing the Irish people together.

I regret that any misunderstanding occurred on this matter, and hope that our good friends across the ocean may soon have peace and may enjoy the freedoms that are due them.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding to me.

I rise at this moment to take issue, serious issue, with the campaign, it seems, of personal villification that has been visited upon our colleague in the well for attempting to bring some area of interest into a problem that continues to plague our society. As chairman of the ad hoc committee, the leadership the gentleman has shown is one that I think should be brought to the attention of, not only this entire body, but the Nation.

The terrible tragedy of continuing violence in Northern Ireland has shocked the world. Terrorism has no place in our society. The killing of innocent people must be deplored with all the vigor at our command. There can be no justification for the taking of innocent life. But, we must also deal with and deplore the continuing denial and repression of basic human rights of the Catholic minority in Northern Ireland.

It is axiomatic that violence begets violence. The bombs that are bursting in Northern Ireland resound to the thundering silence of the world to the findings of the Human Rights Commission in Strasbourg, which included five torture techniques which have been utilized by the British in Northern Ireland. Unless this country and all countries of the world concerned about peace and justice raise their voices to demand the restoration of equal justice to all in Northern Ireland and the respect of the human rights of every citizen there, we shall continue to witness death, destruction, and tragedy in that strife-torn area.

This Nation cannot be selective in its commitment to the human rights of people. Either we are committed or we are not. If we condemn apartheid in South Africa, if we demand the release of political prisoners in the Soviet Union, if we call for the restoration of basic freedoms of human beings behind the Iron Curtain, when are we going to break our silence about the repression of the minority in Northern Ireland? When are we going to demand that the political prisoners there jailed without specific charges, held without the opportunity of bail, in conditions that are appalling, will be afforded the basic human and legal rights that have, for centuries, been the boasted pride of the British Government?

I have personally witnessed the violence in Northern Ireland. I have seen the terror and destruction in the streets, the children that are killed by bullets while other people stand watching. I have observed the grief-stricken families and the despair so apparent on their faces. I have even been inside the prison at Long Kesh. Unless some action is taken to deal with these root causes of the violence, there is no hope for peace.

The days of the "star chamber" have long since been gone. No longer is guilt presumed and innocence to be proved—except perhaps, in Northern Ireland. What was long regarded as the "cradle of freedom" is being stained by the blood of innocent human beings and the tears of their loved ones.

Let this Nation move now to demand the restoration of human rights there, the end of the oppression of the minority and the freedom of the political prisoners. Perhaps—perhaps this new

approach is what is needed. It has not been tried, so why do we not try it? Why do we not attempt this approach to peace?

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, it is this very declaration of intent that would set in the minds of all in Northern Ireland and convey to them the notion that the British, who have been a thorn in the sides of the minority, will in fact one day withdraw. We say "one day" with special significance, because no one suggests that they withdraw immediately or at a time certain. The declaration of intent would give a signal to all parties that they must sit down and work out a solution to the complex problems at this time. While the British are present that meeting of peoples and the minds will never occur.

Mr. WOLFF. I thank the gentleman for yielding further.

We have assiduously sought peace in the far off corners of the world. We have sought an end to totalitarianism, we have shed our colonial ties of the past. The world cannot ignore the north of Ireland and the continuing colonialism that exists there.

Let us ear for ourselves the promise of the beatitude:

Blessed are the peacemakers, for they shall see God.

I thank the gentleman.

Mr. BIAGGI. I thank the gentleman from New York (Mr. WOLFF).

Mr. BEARD of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I am happy to yield to my distinguished colleague, the gentleman from Rhode Island (Mr. BEARD).

Mr. BEARD of Rhode Island. Mr. Speaker, it was not so long ago that I had the chance to join this committee. I am a very proud member of the committee. I believe the chairman certainly has done an excellent job. One reason I joined the committee was that I have a background that puts me into a good position to be a pretty fair judge of what is going on in Ireland. All of my life I have heard the arguments pro and con because my father's parents are English and my mother's parents Irish. So I have heard the two sides of the arguments and can understand the constant problems that exist among the Irish people.

Mr. Speaker, I believe that the Irish Government has made a mistake in trying to make insinuations and cast reflections upon the committee, saying that the committee is a "front" and that they are not acting in the best interests of the Irish people.

I believe it is possible that they may well be embarrassed because there are millions of people in America who believe otherwise. Especially there are two individuals that I can think of just off the top of my head and one of them is the chairman of the ad hoc committee, the gentleman from New York (MARIO BIAGGI) and the other is the gentleman from New York (Mr. WOLFF). They have really been champions. Thus it may be an embarrassment to the Irish Government that greater leadership in this country has not done as much or have not been as interested as the two individuals I just named.

I think it is a great commendation that these two Members of Congress from New York, MARIO BIAGGI and LESTER WOLFF, have taken up this cause—MARIO BIAGGI of Italian-American descent and the other a man with Jewish blood and a Jewish background. I think it is a wonderful thing that they have done so much for the Irish. I think across the country the Irish appreciate the fact that the gentleman from New York (MARIO BIAGGI) has done such a tremendous job and has such strong objectives. I can say that I do not believe he could be swung in the wrong way. That is the type of individual he is.

Mr. Speaker, if I thought for one second that this committee was no more than a front, as has been suggested, then I would not be on the committee. I do not believe for one instant that they and the committee should be challenged. I do not believe that the Irish Government can challenge the motivations of the entire committee. When they challenge the chairman of the committee then they are challenging all of us. This is a disgrace I think upon the Irish Government, and I believe the Irish Government owes this committee an apology.

We have been trying to do the best we can to see some results achieved in Ireland. Maybe this will not occur in our lifetime, but we are trying, but we are hoping to see some justice done. That is the way the committee has been conducted since the first meeting that the gentleman from New York (MARIO BIAGGI) conducted.

Again I would say that they made a mistake. They made a mistake. They made a serious mistake to try to challenge you. I repeat, that in doing so then they have challenged all of us who serve on that committee.

I would hope they would realize that and do the right thing and apologize.

Mr. BIAGGI. Mr. Speaker, I thank the gentleman from Rhode Island (Mr. BEARD) for his kind comments.

Mr. Speaker, I might add that we have better than 30 some members of the committee of Irish origin who make a very substantial contribution.

It is a fact that in the history of our Nation the Irish have fought bloody fights throughout the 200 years of our existence, fighting for liberty and for justice in this country. The pages of the history books are stained with the blood of Irishmen who have shed their blood all over the world in the cause of liberty and justice. But somehow we find ourselves in this case engaged in an age-old practice of selective morality. We talk in terms of human right but fail to act constructively. Our President is a disciple of human rights and is making human rights a very prominent issue all over the world, and rightfully so. He is the first President that we have had to address himself to the question of human rights. He even talks about economic development and economic assistance in Northern Ireland, and we are hoping that something will materialize in that regard.

I must say that I share some sense of confusion and perplexity when I heard and read and ask why did the Irish Government take that position? Maybe it is because of some internal politics. It seems to indicate that from some of the newspaper clippings we have seen from Ireland and the Irish papers in America. The fact of the matter is, ours is an objective of noble intent and nature.

Many of the members of this committee have involved themselves with human rights all over the world with equal vigor. I am gratified they responded for the first time in the numbers that they have on the largest ad hoc committee of its kind in the history of this country or Northern Ireland.

It was essential that the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. DODD) testified here today. They were over in Ireland and spoke to Prime Minister Lynch, as they testified, just within the last month, and they made it very clear that Mr. Lynch enunciated support and advocacy of a declaration of intent by the British of withdrawal at a date uncertain. So the recent position obviously represents a change and a departure from the truth, and a denial of that original statement can only be branded with uncomplimentary characterizations.

I have for the record, Mr. Speaker, an Item No. 1 in which the interviewer interviewing Mr. Lynch on January 9, 1978, in an RTE radio program "This Week" asked:

Conversely, do you think the time has come for the British Government to make that long-awaited declaration of intent?

Mr. Lynch replied:

I think it has, yes.

Then he went on to make some other comments in connection with it.

On page 2 of the Washington Post, dateline Dublin, January 10, 1978, "Irish Leader's Comments on Ulster Stir Tempest," once again Mr. Lynch talks about withdrawal.

[From the Washington Post, Jan. 11, 1978]

IRISH LEADER'S COMMENTS ON ULSTER STIR TEMPEST

(By Bernard D. Nossiter)

DUBLIN, IRELAND, January 10.—Irish Prime Minister Jack Lynch has stirred up tempest in a teapot in Britain by speaking out on the supersensitive issue of Ulster's future.

In a rambling radio interview on Sunday, Lynch managed to offend the most cherished beliefs of Northern Ireland's Protestant majority.

He talked of eventual unity between Ulster and the Irish Republic, suggesting that London should "indicate" its "interest" in such a goal.

Lynch, 60, said that Prime Minister James Callaghan had privately assured him that any new Ulster governor would give minority Catholics a share in power. He held out the prospect of "some form of amnesty" for Irish Republican Army convicts if a real peace ever comes to the war-torn province.

These seemingly innocuous and familiar remarks brought angry protests in London and Belfast. Ulster's Protestant politicians broke off the desultory talks they were having with London's representatives over a limited form of local rule. They insisted that Callaghan must repudiate what Lynch said was an assurance over power-sharing.

Roy Mason, Callaghan's minister for Ulster, declared he was "surprised and disap-

pointed by the unhelpful comments made by Mr. Lynch . . . Talk of an amnesty can do nothing but give succor to lawbreakers."

In Dublin, Garrett Fitzgerald, the leader of the opposition Fine Gael Party, said Lynch's observations were "ill-considered" and "dangerously obscure."

A close reading of Lynch's remarks shows he said nothing he has not said repeatedly in the past. If anything, he softened his party's published demand for a British declaration to get out of Ulster.

Tonight, Lynch attempted to reduce the "unexpected" heat his words had generated, stressing that his proposal on amnesty would take effect only when IRA "violence and hostilities ceased and were not likely to break out afterwards."

Moreover, he said, he would not pardon those "convicted of crimes of violence . . . for offenses against the state." Lynch said he was continuing Ireland's cooperation with British police and soldiers in their joint war against the IRA.

Political observers are convinced that the shouting and alarms in London have more to do with Callaghan's domestic political considerations than with Ulster itself.

Callaghan is running a minority government that openly depends on uncertain support from 13 Liberals to stay in power. Behind the Liberals, Callaghan has a second line of defense, 10 Ulster Protestant members of Parliament.

Most of them generally vote with Callaghan's Labor government and he has gone to great lengths to keep them happy. For one thing, he and his minister Mason never publicly talk of power-sharing. Most Protestants hate the idea, largely because it would threaten their near monopoly of jobs in the province.

In 1974, Protestant workers paralyzed Ulster to destroy a government that gave Catholics a share in governing. There has been no serious political initiative in the province since then.

The Protestant leaders' boycott of home-rule talks affects very little. The talks were deadlocked anyway. As a minimum demand, Catholic leaders insist on a share in any rule; Protestants are equally insistent on retaining their unfettered supremacy. The present state of affairs, rule by Britain, freezes the status quo—which suits the Protestants. So Lynch's statements are seen as a good opportunity to break off the meaningless talks.

Lynch's comments on a possible amnesty when a genuine peace is achieved undoubtedly offended Mason, a tough law-and-order man.

But observers here say it is hard to cite any guerrilla war that ended without some form of forgiveness for guerrilla terrorists.

Perhaps the most emotion-ridden issue in Ulster is the border. Northern Ireland's million Protestants are mostly horrified at the thought of a forced union with the predominantly Catholic Irish Republic to the south. All leading Irish politicians, including Lynch, agree that Protestants must not be driven into union, the aim of the IRA.

What Lynch did assert was that Britain's "negative guarantee" of a Protestant veto erected a "steel wall" against which Protestants stand and refuse to consider any accommodation. He urged Britain to declare that union is an eventual solution. London, he said, should give "an indication of their interest in the unification of Ireland as an ultimate remedy" without any timetable.

A substantial number of non-Catholics in Britain would agree with Lynch, including some of Callaghan's key advisers, but how to get there baffles everyone.

One unsolved political mystery is why Lynch chose to repeat his views now. Some think he is eager to unblock the stalemated Ulster question and stir things up in what is probably his last term in office.

His aides, however, insist he had no plan in mind but was simply responding to an interviewer's questions and is astonished at the fuss he has caused. Irish politicians, even canny ones like Lynch, often speak off the tops of their heads and this may have been another example of a local habit.

On January 15, 1978, in the Irish Echo, a long-recognized responsible publication in this country, dateline Dublin, "Lynch Calls for British Withdrawal. Britain Should Leave Says Primate," who is the Reverend Tomas O Fiaich, who is the Archbishop of all of Ireland and supports the Irish people and supports withdrawal.

[From the Irish Echo, Jan. 15, 1978]

LYNCH CALLS FOR BRITISH WITHDRAWAL

DUBLIN.—Prime Minister Jack Lynch urged Britain to remove its statutory "steel wall" bar to Irish unity in a radio interview last Sunday.

He urged Westminster to "indicate in a general way" that it would like to see the Irish people coming together.

Mr. Lynch's remarks brought an immediate and enraged reaction from Northern Loyalists accusing him of meddling in the "Ulster" affairs.

Mr. Lynch, who was being interviewed on RTE radio said he believed the British Government did not have any heart for continuing its involvement in Irish affairs. He thought the British people had no stomach for continuing to subsidize, at a current annual cost of $1.3 billion a small corner of Ireland.

He stressed that the Fianna Fail Party had never insisted that Britain should say it would get out of the North "at the end of a certain year." He added: "What we want them to do is to indicate their interest in the bringing of Irish people together and their indication as well—that they have little to offer Ireland as a whole—rather than maintain what I have described as the negative guarantee contained in all the statutes.

"This says that unless and until there is a majority in the North in favor of changing the constitutional position, there will be no change.

"That is a steel wall against which any intransigent Unionists can put their backs—and nothing will shift them."

BRITAIN SHOULD LEAVE SAYS PRIMATE

DUBLIN.—In a wide-ranging interview in The Irish Press (Dublin), Most Rev. Tomas O Fiaich, Archbishop of Armagh and Roman Catholic Primate of all Ireland, says that the British should withdraw from Ireland.

The interview was conducted by Tim Pat Coogan, editor of The Irish Press.

"I believe in a declaration of intent," says Archbishop O Fiaich. "I regret that it didn't happen after the collapse of Stormont. There were Protestants looking around for a friendly hand to grasp and a declaration, coupled with sincere gestures from the South, would have done good."

In the first in-depth interview he has given since becoming Primate, Dr. O Fiaich told editor Coogan that he would trust Protestants in the event of a withdrawal. "I would have enough confidence in the Protestants to take independence as an interim solution, but I haven't really solved within myself the implications of independence."

Asked if there was a divergence of opinion, on the question of changing the Constitution, between himself and Prime Minister Lynch, Archbishop O Fiaich replied there was.

Mr. Coogan has quoted Dr. O Fiaich as saying last year that he would prefer a new Irish Constitution which would be acceptable to both Protestants and Catholics—a short basic document—while Mr. Lynch, in a statement after Christmas, said that he didn't favor changing the Constitution, until such time as it became a bargaining issue with Northern Protestants and the Southern Government of the day.

Questioned as to what his reaction would be if it were announced that the South were to change its laws on divorce and contraception, the Primate said that any proposed changes regarding civil divorce or contraception should be argued, for or against, as to whether they were good or bad for society, but not as a matter of seeking to have Catholic morality enshrined in State legislation.

He recalled the statement of the Catholic Hierarchy in June, 1976, that in the law of the State, principles peculiar to the Catholic faith should not be made binding on people who do not adhere to that faith.

Archbishop O Fiaich, asked if he would talk to the Ulster Defense Association or the Irish Republican Army, said he would be prepared to talk to anyone, particularly fellow Irishmen, if such talks could save a life or lead to a lasting peace.

On Saturday, January 21, 1978, "O Fiaich Calls for British Withdrawal."

[From the Irish Press, Jan. 21, 1978]

O FIAICH CALLS FOR BRITISH WITHDRAWAL

In a major interview in the "Irish Press" on Monday, January 16, Dr. Tomas O Fiaich, Catholic Primate of All-Ireland, says that the British should withdraw from Ireland.

The interview conducted by Mr. Tim Pat Coogan, Editor of "The Irish Press", Dr. O Fiaich says:

"I believe in a declaration of intent. I regret that it didn't happen after the collapse of Stormont. There were Protestants looking around for a friendly hand to grasp and a declaration, coupled with sincere gestures from the South, would have done good."

In the first in-depth interview he has given since becoming Primate, Dr. O Fiaich told editor Coogan that he would trust Protestants in the event of a withdrawal. "I would have enough confidence in the Protestants to take independence as an interim solution, but I haven't really solved within myself the implications of independence."

Asked if there was a divergence of opinion, on the question of changing the Constitution, between himself and the Taoiseach, Dr. O Fiaich replied that there was.

Mr. Coogan had quoted Dr. O Fiaich as saying last year that he would prefer a new Irish Constitution which would be acceptable to both Protestants and Catholics—a short document—while Mr. Lynch, in a statement after Christmas, said that he didn't favor changing the Constitution, until such time as it became a bargaining issue with Northern Protestants and the Southern Government of the day.

Dr. O Fiaich, asked if he would talk to the UDA and the IRA, said he would be prepared to talk to anyone, particularly fellow Irishmen, if such talks could save a life or lead to a lasting peace.

In his answer about the Protestant backlash:

Dr. O Fiaich: The continental view is influenced by the British media. The British have won the propaganda war, unlike the era of the Civil Rights agitation, but now, since the military entered the scene, they have put over the view that the Irish would slaughter each other in a religious war if the British withdrew. Continental contacts do give me a chance to suggest that there are other factors and I have used interviews in France and Germany to put these views across in the French and German media.

I think the British should withdraw from Ireland. I believe in a declaration of intent. I know it's a colored phrase but it's the only thing which will get things moving . . ."

January 28, again pressing for withdrawal, this is what Mr. Lynch has been doing. We have a series of these articles.

[From the Irish People, Jan. 28, 1978]

PRESSING FOR WITHDRAWAL

A front page article in last Saturday's "Newsletter" reports that dissident British Army officers were pressuring G.O.C. Creasey into getting little Roy Mason to shut up about his boasts of defeating the Irish Republican Army.

The contradiction which appeared in the story, though possibly this was included by the reporter to ease loyalist fears that their sectarian, privileged statelet was taking a bashing, was that the British officers held the belief that they were winning anyway, but just didn't want to antagonize Republicans into a temporary violent reaction!

The truth of the matter is that British officers on-the-ground were being continually embarrassed by little Mason's boasts of a defeated IRA against the background of a strong and widespread bombing campaign causing millions of pounds worth of damage and which was increasing political instability.

One rare and candid story in the "Daily Mirror" emphasized that since Mason's end-of-year statements "three businesses a day" have been wiped out. What the media will have to grasp, without backpeddling in their explanations, is that recent Irish Republican Army activity isn't a specific reply to Mason but is representative of the revolutionary Irish Republican Army flexing its muscles.

LYNCH

On Radio Eireann [RTE] last Sunday, Jack Lynch, Taoiseach of the 26-county Free State, repeated the Fianna Fail request for a British declaration of intent to withdraw from the Six Counties.

This was novel since such a request hadn't been emphasized since it was first made under pressure from the "republican wing" in Fianna Fail some two years ago, and made whilst out of government.

However, the British presence in the north political imperialism—treated this request with predictable anger and derision, and the loyalists did their usual bit of screaming—with the Official Unionists refusing to discuss "interim devolution", or any agreement with the SDLP in any form of government. Strong IRA activity had made this collaboration, under British imperialism, impossible anyway.

EFFECTS

But the effect of Lynch's remark, in a sheer "nationalist" sense, was a tendency to outflank the Republican People, who have fought so hard and made many sacrifices.

Nationalistically we have sprung out of, and base ourselves in the oppressed Irish people; in the north oppressed by the British presence and loyalism, but in the south oppressed by political economic exploitation, not so much open to the appeals of patriotism.

Our support, where it is strong in the 26-counties is often based on appeals to patriotism ONLY, where it should be based also on our answers to combat economic exploitation.

That is why calls from Fianna Fail for Irish Unity will always tend to outflank us, unless we also carry the sympathy of the Laboring People.

Painted on the walls of Republican areas throughout Ireland is the slogan: Out of the ashes of '69, arose the Provisionals.

Their task, never, never to be forgotten, or compromised on, is to give all the People of Ireland a peace with justice in the only way possible—the Democratic Socialist Republic.

Only the present courageous armed struggle, of IRA Volunteers planting bombs against the British presence, of People in the occupied six-counties resisting repression, of the Republican People in the 26-counties providing support and the propaganda back-up, can force the British out of Ireland, by humiliating and defeating cocky little dictators like Roy Mason.

This activity which forces all of us to be conscious of our power when we act as one, can create the necessary confidence in the oppressed Irish People to throw off ALL their shackles and govern themselves as the working-class.

The Brits, the Loyalists, the SDLP and the Clergy and Fianna Fail attempt to wear down the courageous people with the slogan: "Seven Years is Enough. Where is Your Victory?"

VICTORY IS FIGHTING ON! WE WILL NEVER LIE DOWN!

Who is winning the war in Ireland? The Crown's Gauleiter Mason protests too loud and too much but the facts are—that 1977 was a Disaster Year for the enemy.

Cost of attacks on capital in the Six Counties [properties the Crown is pledged to cover financially] in 1977 was twice that of 1976. Even allowing for inflation, the odds were on the side of the patriotic revolutionary forces.

Did the British Crown manage to limit attacks to one or two areas? Again the answer is that the British Crown failed. Last year, Irish attacks on the British Crown took place in each of the six counties consistently and over wide areas.

Did the British Crown succeed in weakening the structure of Oglaigh na hEireann? The opposite is true. Following steady recruiting and training, orderly expansion took place and resistance was extended to new areas.

At present, no potential recruit in the Six Counties has to walk farther than a mile or two to present himself to serve his or her country.

On the issue of casualties, however, the enemy has been most silent and with good reason for, last year, enemy casualties were the greatest in three years.

The fact, known widely in the Six Counties, but which needs to be broadcast and documented to a greater extent abroad, is that 1977 was a disastrous year for the British Crown in Ireland and that to a considerable extent, the British Crown was responsible for this disaster. Increased repression brought increased resistance.

Could supplied intelligence reports on the British Crown's disastrous 1977 have been responsible for the remarks of Jack Lynch in the RTE radio interview last Sunday?

It is not so much what Lynch said that is intriguing people as why. And why just now?

NOTHING NEW

Lynch's statements on the Six Counties were not new, just very soft echoes of traditional Fianna Fail policy. That is to talk about Irish unity now and then [ignoring the issue of Irish freedom], to hope out loud for the best, to do nothing to help make history in favor of the Irish nation, but to do everything nasty possible to prevent others taking history by the horns.

The people of the Six Counties are suffering terribly from unemployment, the housing crisis and from the British Crown jackboot at present in Belfast's Turf Lodge, in Derry's Seantalamh, and elsewhere; the prisoners of war are undergoing the tortures experienced by the Fenians 100 years ago in the jails; and Lynch has been under much pressure from incurable optimists to take the British Crown sternly to task; to have the soldiers made behave themselves and to carry heavy complaint files to Strasbourg.

Lynch had to do nothing. He gave an interview. Thus, one view.

Kevin Boland's book, "Up Dev", is getting wide publicity and is selling well. It is being read widely even by Fianna Fail readers who are demanding that Lynch, with the greatest Fianna Fail majority in its history, should "do something about the North" from 'this position of power", according to current party opinion, and "retrieve the Fianna Fail republican image." Thus, another view.

These are two valid views based on long observation of the animal and its tired reaction to continued and determined prodding. But what about the chief and most determined prodder, James Callaghan? Is it likely that Jack Lynch would open his mouth without a cue from that source?

VESTED INTEREST IN BORDER

Callaghan would like to think that Mason's figures are factual, that it is just a matter of mopping up operations and that some sympathetic noises from Lynch about a possible amnesty might speed things.

Though Lynch talks about the desirability of Irish unity, the political fact at present is that if Ireland were reunited tomorrow, Fianna Fail would lose power at the next election. Jack Lynch knows this. Fianna Fail has a vested interest in the Border, as have the other major status quo political parties, north and south.

None of them wants Ireland to be liberated. None of them favors the revolution. None of them seeks re-unification and reconciliation.

In a statement issued on January 9, Sinn Fein summerized the party program for the next 12 months. "The ardcomhairle of Sinn Fein, at its first meeting of the new year, held on Saturday last, considered the work program for Sinn Fein for the coming year.

"The political struggle for a British withdrawal and the creation of a new federal Ireland based on the four provinces will be intensified," the statement continues. "Many other options and solutions have been tried and failed. Brits Out remains the prerequisite for a lasting peace in Ireland and Sinn Fein will direct its efforts towards accomplishing this.

UNEMPLOYMENT PROBLEM

"The question of full EEC membership, particularly in relation to fishing limits at the moment, is also of great importance. There is no prospect whatever of properly developing our resources and solving the unemployment problem within EEC and Sinn Fein will seek to explain this to the Irish people.

"We are taking a keen interest in the forthcoming elections to the EEC Assembly and are considering how best we can use this occasion to organize strong opposition to full membership. We shall also be strengthening our links with freedom movements in other countries during 1978.

"Mr. Jack Lynch's latest pronouncements are of little consequence when one considers his record in 1969–72, when he failed on several occasions, much more propitious than the present time, to lead the Irish people in completing the 800 years' struggle for freedom.

"Power-sharing, as envisaged at Sunningdale, is now a dead letter. Vague calls to Britain to think in terms of Irish unity are of little use without exerting some kind of pressure and without plans for the future such as our Eire Nua policy.

"Mr. Lynch's pseudo-Republican statements probably resulted from his being stung by Mr. Kevin Boland's latest book which accuses him of betraying Fianna Fail ideals and policy," the statement concludes.

Patricia Davidson, oilgeach chaihrimh phoibli, Comhairle Chuige Uladh, Sinn Fein, in a statement, comments on the Roy Mason new-year statement that civilian deaths last year had been reduced to two-thirds and that the poundage of explosives had decreased: "His speech was merely a clever distortion of the facts."

REGARDING NORMALITY

As to the civilian fatality rate, "what Mason deliberately failed to convey was that this dramatic drop was due to the fact that no Catholic assassinations were carried out by Loyalist gangs for the major part of 1977.

"In stating that the poundage of explosions had decreased he left out the fact that no-warning, 100–200 pub bombings carried out by Loyalist sectarian murder gangs had also ceased."

There is nothing "normal" about the north of Ireland. It has never been normal. There is nothing that any British minister can do or say that will make it normal. British-controlled totalitarian rule, British military repression, internment in every decade since partition, Special Powers Acts, Emergency Provisions Acts, torture of prisoners, the imprisonment of thousands, can never be classified as being part of a normal healthy society.

"What is normal about a society the most lucrative industries of which are the police and prison service, with over 2,000 men and women in jail out of a population of 1,500,000 and some 250 men held naked and in solitary confinement in H-Block-Long Kesh, and Crumlin Road Prison?"

OBSTACLE TO PEACE

"Sinn Fein says 'yes' to peace and "no" to violence but we do not make this statement in isolation of the situation we are in. We recognize that physical force has been forced upon our Movement by the British. It is they who brought violence to our shores and it is they who must in the first instance declare a halt.

"We now state publicly that if the British are interested in peace, it is they who must now realize that they alone are the main obstacle to the establishment of a just peace in Ireland. All violence can be brought speedily to an end when the British face the facts and get out of our country," the statement concludes.

In reccgnition of this position, Mr. Speaker, I wrote a letter to Mr. Lynch, a personal letter to him, and I emphasize "personal" because protocol dictates it should not have been made public and made the subject of his subsequent conduct—not that it is of any bearing, but it is just a reflection on the attitude. I said:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 24, 1978.

Right Hon. JACK LYNCH,
Leinster House, Dublin, Ireland.

SIR: As Chairman of the 87-Member, Ad Hoc Congressional Committee for Irish Affairs, I wish to commend you on your recent call for a declaration of intent from Great Britain to withdraw her troops from Ireland.

This action represents an important initiative toward establishing a peace which the people in the North of Ireland long for. Certainly, the indefinite presence of British troops serve as a fundamental obstacle to peace. In recognizing this, your government has demonstrated to your people and all concerned people throughout the world, that you are dedicated to the pursuit of peace.

The Ad Hoc Committee is most interested in seeing this declaration of intent become a reality. We note a recent, similar statement issued by the Most Reverend Tomas O Fiaich. I intend to submit a resolution in Congress supporting a declaration of intent. I hope these collective actions will result in progress.

I would be most grateful for your comments on the overall prospects for peace in Ireland, as well as your assessment of the efforts which the Ad Hoc Committee might undertake to contribute to the goal of peace.

Respectfully yours,

MARIO BIAGGI,
Member of Congress.

I say this because we are trying to communicate our conciliatory and cooperative spirit.

Mr. WALGREN. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. Mr. Speaker, I simply want to state for the RECORD and hope it is communicated abroad, the utmost respect that the gentleman in the well, the gentleman from New York (Mr. BIAGGI) as chairman of the committee, has for the even-handed way the gentleman has addressed the problem.

We are interested in this country and in this committee on only one thing. That is free speech. We believe that where there is violence, that nothing good can come from not talking about it.

I believe the gentleman from New York (Mr. BIAGGI) as chairman has been absolutely committed to a fair hearing for every point of view. If we do not have that approach to problems where people are dying today, there is very little hope for the world as a whole.

I believe that any attack upon this committee and any intimation that the efforts of the gentleman in the well are connected in any way to violence anywhere in the world is an attack upon the very basic principles upon which this body is founded and should be treated as literally a statement that does deserve an apology from anybody that should make it.

Mr. BIAGGI. Mr. Speaker, I want to thank the gentleman from Pennsylvania for these kind observations.

Mr. Speaker, I would like at this point to inject for the RECORD that I have been to Northern Ireland on three or four different occasions. At one time I went at the suggestion of the Irish Caucus and I paid my own expenses.

I sent my daughter some 10 years ago with a member of my staff, Carol Nolan, to make a field report to see what was involved; was it worthy of additional investigation. Their report is in the CONGRESSIONAL RECORD. It was inserted in the RECORD shortly after their return. As a result of it, I went to Ireland. I went on three or four subsequent occasions. I went to Newry after the 11 young Irishmen had been killed in Derry in a slaughter where the world responded. The Derry slaughter was so offensive that the right-thinking people of the world responded and they came from all parts of this universe on that great day in Newry. It was an ominous day. It had all the components of an explosive situation and some people credit my presence with having stilled the potential action of the British.

On the way over I met then Ambassador John Moore who spent 3 hours of his flight attempting to dissuade me from going to Newry and said, "You can see it on television, the same effect."

Of course, I rejected his suggestion and offer. I have been there. I have seen the violence. I have seen the consequences. I know the deprivation and denial of human rights that exist. If you visit there, you will conclude, as I have concluded, and as every other Member of Congress that has visited there has concluded, there is a need to address ourselves to the problems of Northern Ireland as human beings that have human rights. At least, we think they have.

I received a letter from Mr. John G. Molloy, Ambassador of Ireland, in connection with this response, as follows:

EMBASSY OF IRELAND,
Washington, D.C., February 20, 1978.

Hon. MARIO BIAGGI,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. BIAGGI: On the instructions of the Taoiseach Mr. John Lynch T.D. I am sending you copy of a letter dispatched to you by mail in Dublin on February 17 from the Taoiseach in reply to your letter which you sent to him dated January 24, 1978.

Yours sincerely,

JOHN G. MOLLOY,
Ambassador of Ireland.

FEBRUARY 17, 1978.

DEPARTMENT OF THE TAOISEACH,
Government Building,
Dublin 2, Ireland.

I have received your letter dated 24th January which you sent me in your capacity as Chairman of the Ad Hoc Committee for Irish Affairs. I welcome the opportunity to reply to it and to remove any misunderstanding which may have arisen as a result of misleading media coverage of the policy of my Government in relation to Northern Ireland.

I should perhaps first of all make it clear that at no stage in my recent radio interview was I asked or did I offer views about the withdrawal of British troops from Ireland. I did reiterate my view that the British Government should indicate its interest in the bringing together of all the people of Ireland and attached for your information is the transcript of the relevant part of the interview together with the text of my address to the Fianna Fail party's Ard Fheis (Annual Conference) in Dublin on 18th February.

You ask for my comments on the overall prospects for peace. A just and lasting peace can come about only through the reconciliation of the two main traditions of the Irish people. As represented in Northern Ireland, the traditions are obviously sharply divided and my government is committed to pursuing—and encouraging—policies which would reconcile them. The prospects for peace are dependent not simply on our policy and that of the British Government but also on the extent to which moderate, responsible groups in both sections of the Northern Ireland community are encouraged and enabled to engage in fruitful political activity.

One of the obstacles to progress is violence which, though it has time and time again been rejected by the overwhelming majority of the Irish people, emanates from extremists of both political traditions and, in both cases, derives support and encouragement from small groups outside the country. One such group is the Irish National Caucus which, whatever its recent pretensions to the contrary, has been closely associated with the cause of violence in Northern Ireland. It has been noted in media reports that the Irish National Caucus termed the establishment of your Ad Hoc Committee as a victory for itself and that you yourself have visited Ireland at the request of the Caucus. We in Ireland have also noted your public identification when here with supporters of violence who have no democratic mandate from our people.

The Irish people of both traditions look to the United States with gratitude, warm affection and respect. We admire Americans' success in reconciling divergent traditions and we hope some day to emulate that success. We welcome the interest of American leaders in our problems and my Government and the Irish people were particularly encouraged by the generous, imaginative and highly responsible initiative outlined by Pres-

ident Carter in his statement of August 30 last year. We were, moreover, profoundly grateful to four distinguished political leaders of Irish descent, Speaker O'Neill, Senators Kennedy and Moynihan and Governor Carey, for their call for an end to violence and an end to American support for violence on St. Patrick's Day last year and hope that many more U.S. elected representatives will find it possible to associate themselves with that appeal.

It has come to my attention that my Government's policy on Northern Ireland has been seriously misrepresented to members of the Congress and in view of the extent of this confusion and of the seriousness with which I must view it, I am issuing copies of our correspondence to members of your Ad Hoc Committee and other Congressional leaders. I would hope that in doing so, the existing confusion will be removed and the cause of peace and political progress in Ireland advanced.

JOHN LYNCH.

Mr. Speaker, is it not interesting that not one member of the Irish Embassy has interested themselves sufficiently to speak to the committee or to members. They resort to the kind of tactics which have been demonstrated in the last few days.

The Daily News of February 21, 1978, as well as the New York Times of February 22, and the Washington Star of February 22, had the following, which I would like to present:

The articles are as follows:

[From the Daily News, Feb. 21, 1978]

IRISH CHIEF BLASTS BIAGGI ON IRA LINKS

(By Bruce Drake)

WASHINGTON.—In an unusual slap at an American congressman, Irish Prime Minister Jack Lynch has written Rep. Mario Biaggi (D–Bronx) questioning the congressman's links to "supporters of violence" in Ireland.

Lynch was responding to a letter from Biaggi in his capacity as chairman of the 87-member Ad Hoc Congressional Committee for Irish Affairs.

Lynch said that the Irish National Caucus, an American lobbying group which he says linked to the Irish Republican Army, "termed the establishment of your Ad Hoc Committee as a victory for itself and (said) that you yourself have visited Ireland at the request of the caucus."

Referring to a trip Biaggi made to Ireland in 1975, Lynch added: "We in Ireland have also noted your public identification when here with supporters of violence who have no democratic mandate for our people."

While Lynch's letter did not elaborate, it was made known that he was referring to appearances with "prominent supporters" of the Provisional IRA."

Biaggi said yesterday: "Prime Minister Lynch has misconstrued fact-finding with support; a willingness to hear all sides and speak to all groups as partiality. He did not mention that I also met with Roy Mason, Northern Ireland's secretary of state, and John Hume, deputy leader of the moderate Social Democratic Labor Party, at the behest of House Speaker O'Neill.

"The Ad Hoc Committee for Irish Affairs was formed in September 1977 at the direct request of the leadership of the Ancient Order of Hibernians, which represents 1.5 million Irish-Americans, and other Irish groups. The insinuations of Prime Minister Lynch are regrettable and erroneous. I and the committee denounce violence and terrorism such as the despicable bombing this past weekend in Belfast. Lynch and I have both been pressing for British withdrawal from Northern Ireland and the common goal of peace in this troubled area."

Biaggi had written to Lynch last month to commend him for a reported statement calling on Great Britain to declare its intent to withdraw troops from Northern Ireland. However, Lynch in his response denied making the statement and ended his letter by saying that his government's policy on Northern Ireland had been "seriously misrepresented to members of the Congress."

[From the New York Times, Feb. 22, 1978]

DUBLIN'S PRIME MINISTER DENOUNCES BIAGGI ON ULSTER

(By Linda Charlton)

WASHINGTON, February 21.—The Prime Minister of Ireland, in what an Irish Government official called an "unprecedented step," has written to Representative Mario Biaggi, assailing him for supporting groups and individuals "closely associated with the cause of violence in Northern Ireland."

Prime Minister John Lynch wrote to the Bronx Democrat in reply to a letter of Jan. 24, 1978, commending Mr. Lynch for what Mr. Biaggi said was his "recent call" for the withdrawal of British troops from Northern Ireland. Mr. Lynch, in his reply, began by denying that he had ever made such a statement—and went on to assail Mr. Biaggi's views and associations on the Irish issue.

Mr. Biaggi is founder and chairman of the Ad Hoc Committe for Irish Affairs, which he established in September 1977, and which claims 92 members in the House.

Mr. Biaggi had also asked Mr. Lynch for his comments on "the overall prospects for peace." In reply, the Prime Minister wrote that violence was an obstacle to peace that "derives support and encouragement from small groups outside the country."

"One such group," Mr. Lynch went on, "is the Irish National Caucus which, whatever its recent pretensions to the contrary, has been closely associated with the cause of violence in Northern Ireland."

"It has been noted in media reports," he went on, "that the Irish National Caucus termed the establishment of your Ad Hoc Committee as a victory for itself and that you yourself have visited Ireland at the request of the Caucus. We in Ireland have also noted your public identification when here with supporters of violence."

Mr. Biaggi, in a statement of reply to Mr. Lynch, said that his trip to Ireland was a "fact-finding" one, that he also met with Irish moderates, and that his Ad Hoc group was formed "at the direct request of the leadership of the Ancient Order of Hibernians" and other Irish groups.

He added: "The insinuations of Prime Minister Lynch are regrettable and erroneous. I and the committee denounce violence and terrorism such as the despicable bombing this past weekend in Belfast."

The Irish National Caucus, an Irish Government official said, is a political lobbying group whose national chairman, Jack Keane, is also the president of the Ancient Order of Hibernians. The latter group is largely social, and generally organizes St. Patrick's Day parades around the country. Mr. Keane's extreme views do not reflect that of most of its 15,000 members, he said.

Mr. Lynch, in his letter, said that his Government's policy on Northern Ireland had been "seriously misrepresented to members of Congress." Such misrepresentation, the Government spokesman said, as well as plans by the Caucus for a "peace conference" in the United States to bring together representatives of Catholic and Protestant paramilitary terrorist groups, led the Irish Government to decide that "the time had come for us to do something."

In a speech in Ireland Saturday, Mr. Lynch appealed "to Irish people abroad, especially in the United States, who might not be fully aware of the atrocities committed in the name of Irish patriotism." Contributions to such groups, he said, go not to "widows and orphans," but "to make widows and orphans." He described the activities of the Irish National Caucus and the Irish Northern Aid Committee as "anathema to our party and our Government."

Responding to Mr. Biaggi's reaction to the Lynch letter, the Government spokesman declared that Mr. Biaggi himself said he had made the 1975 trip to Ireland at the request of the Caucus and was accompanied by its information director, Dr. Fred Burns O'Brien. In addition, he shared a news conference with two men whom the spokesman described as "outspoken and unambiguous supporters of violence" and with leaders of the political wing of the outlawed Provisional Irish Republican Army.

As for the Caucus, it was described at the time of its founding, in the weekly newspaper published by the aid committee, as a "pro-Provo Irish-American pressure group." Dr. O'Brien and other of its officers have expressed public support for the Provisional I.R.A., which, is an avowedly violent group.

Senator Edward M. Kennedy, the Massachusetts Democrat, issued a statement today that, while directed specifically to the bombing in Belfast last Friday in which 12 persons were killed, made a pointed reference to his "colleagues in Congress." Mr. Kennedy called the bombing "one of the worst atrocities" in the past eight years of violence.

[From the Washington Star, Feb. 22, 1978]

MR. BIAGGI AND THE IRISH

Ethnic politics is a time-honored practice in this nation of immigrants. Much of it is a harmless ritual of honoring old-country traditions and heroes beloved by some of a politician's constituents—laying wreaths on Columbus Day and marching on St. Patrick's. Ethnic loyalties sometimes are brought to bear, wisely or not, on weighty matters of American foreign policy. The case of Rep. Mario Biaggi and Prime Minister Jack Lynch of Ireland is in a category by itself.

Mr. Biaggi, a New York Democrat, wrote to Mr. Lynch last month as chairman of an unofficial group of 87 House members, the Ad Hoc Congressional Committee for Irish Affairs, formed in September. The congressman ostensibly sought to make common cause with the Irish leader on the subject of getting British troops out of Ulster, and asked for Mr. Lynch's "comments on the overall prospects for peace in Ireland."

In a reply by Mr. Lynch the other day, Mr. Biaggi got more than he asked for. The congressman received a stern lecture about his choice of partners in the practice of Irish-American politics. We quote from Mr. Lynch's letter:

"One of the obstacles to progress [in Northern Ireland] is violence which, though it has time and time again been rejected by the overwhelming majority of the Irish people, emanates from extremists of both political traditions and, in both cases, derives support and encouragement from small groups outside the country. One such group is the Irish National Caucus which, whatever its recent pretensions to the contrary, has been closely associated with the cause of violence in Northern Ireland. It has been noted in media reports that the Irish National Caucus termed the establishment of your Ad Hoc Committee as a victory for itself and that you yourself have visited Ireland at the request of the Caucus. We in Ireland have also noted your public identification when here with supporters of violence who have no democratic mandate from our people."

A Biaggi letter recruiting other House members for his committee a few months ago was revealing in a list of recommended emphases for House hearings. First was "human rights violations employed by Britain."

Second was the State Department's denial of visas "to leading Irish political figures seeking to visit America, most recently Ruairi O Bradaigh, president of the Sinn Fein Party." The Sinn Fein mentioned here is the political arm of the Provisional Irish Republican Army.

Most of the congressmen on Mr. Biaggi's committee list, we suspect, are insufficiently informed on the political machinations and fundraising of IRA-front organizations. This despite the years of highly publicized violence in Northern Ireland—down to the weekend bombing that took a dozen lives in Belfast—and despite repeated warnings about pro-IRA activity in the United States. These warnings have come not only from British and Irish officials, but from such Americans as House Speaker O'Neill, Senators Kennedy and Moynihan and Governor Carey of New York.

Does it matter whether a less responsible bunch of American officeholders plays games with the political passions of Northern Ireland, where U.S. foreign policy is hardly involved? Mr. Lynch put it this way: "The prospects for peace are dependent not simply on our [Irish] policy and that of the British government but also on the extent to which moderate, responsible groups in both sections of the Northern Ireland community are encouraged and enabled to engage in fruitful political activity." Conversely, the encouragement of Ulster extremists by thoughtless and ill-informed politicking in this country hurts the chance for peace over there.

Mr. Biaggi, reacting to the Lynch admonition, issued his own denunciation of violence in Northern Ireland. But if the prime minister of Ireland is concerned about Mr. Biaggi's and several dozen other congressmen's choice of Irish and Irish-American mentors, perhaps we should be, too.

My response to that was as follows:

Prime Minister Lynch has misconstrued fact-finding with support; a willingness to hear all sides and speak to all groups as interference. He did not mention that I also met with Roy Mason, Northern Ireland's Secretary of State, and John Hume, Deputy Leader of the moderate Social Democratic Labor Party, both at the behest of House Speaker Tip O'Neill.

The Ad Hoc Congressional Committee for Irish Affairs, with 92 Members of Congress, was formed in September 1977 at the direct request of the leadership of the Ancient Order of Hibernians, which represents 1.5 million Irish Americans, and other Irish groups.

The insinuations of Prime Minister Lynch are regrettable and erroneous. I and the Committee denounce violence and terrorism such as the despicable bombing this past weekend in Belfast. Prime Minister Lynch and I have both been pressing for British withdrawal from Northern Ireland and the common goal of peace.

My response to that was that the Prime Minister misconstrues factfinding with support of terrorist conduct, and it is for me to say that I condemn most vigorously violence in every quarter.

It should not be necessary. Every right-thinking person must condemn violence, and we have done it from the very beginning. Those who are guilty of that violence should be pursued, apprehended, and prosecuted with due process as we know it here in America, not as they practice it in Northern Ireland.

Agai he denies in this article that he made the declaration of intent. Happily, we have had the testimony of two Members of this House who were there less than a month ago, and we have the evidence in the press and his statement in a radio interview which was recorded and transcribed.

Then we come to the New York Times article: "Dublin's Prime Minister Denounces Biaggi on Ulster." Let me tell the Members the nature of this exercise.

I think we owe the Irish Government a debt in a sense because they have aroused more interest in this issue than we have ever been able to have before by trying to focus attention on the atrocities. They are atrocities that were denied year after year, time after time, day after day, by the British until the European Commission on Human Rights found them guilty. The fact is that the European Court on Human Rights found them guilty on three different occasions, notwithstanding the fact that after each occasion they promised they would not do it any more.

It is remarkable, is it not, that we heard nothing from the Irish Government in protest of these atrocities until we saw "Mr. Biaggi and the Irish" in the Washington Star? We have a response to that comment, and I think the gentleman from Connecticut (Mr. DODD) said it correctly when he read the last paragraph; in the last paragraph it says that—

* * * Mr. Biaggi, reacting to the Lynch admonition, issued his own denunciation of violence in Northern Ireland.

Well, to begin with, I did not react to Mr. Lynch's admonition. We condemned most vigorously the practice of violence time and time again everywhere in the world.

The paragraph continues:

But if the prime minister of Ireland is concerned about Mr. Biaggi's and several dozen congressmen's choice of Irish and Irish-American mentors, perhaps we should be, too.

Well, it is not "several dozen." It is 93 Members right from the leadership, the gentleman from New Jersey (Mr. RODINO) among them—a gentleman of integrity and concerned, who was hailed by the world as he chaired the impeachment proceedings of a President and was credited with saving the Constitution and these United States, a Member who has demonstrated clearly his concern for peoples all over the world and human rights for all.

But the gentleman from Connecticut (Mr. DODD) said it: What would the Washington Star say or what have they said about many of the very same members of this committee who were in pursuit of justice, free emigration from the Soviet Union, or on the subject of apartheid in Rhodesia or the difficulty in Israel or the denial of rights in South America? Is it different because they are Irish?

Human rights is a great philosophy for all, but if it is to be meaningful at all, it is supposed to be universally applied and hence can be more effectively applied when it touches you.

Mr. Speaker, I have been authorized to read this letter from Mr. John M. "Jack" Keane, national president of the Ancient Order of Hibernians in America, incorporated in New York City on May 4, 1836. Everybody in America knows about the Ancient Order of Hibernians. They are steadfast, they are respectable, they are responsible and concerned.

Mr. Keane's statement is as follows:

The vicious and unwarranted attacks by Prime Minister Lynch and Irish government officials against the Ancient Order of Hibernians and the Ad Hoc Congressional Committee for Irish Affairs are indefensible and have angered millions of Irish Americans. The Ad Hoc Committee speaks for the concerns of the more than 1 million members of the A.O.H., and for some of our fellow Irish American organizations such as the Irish National Caucus.

Chairman Mario Biaggi is one of Ireland's true friends in Congress. His efforts over the past eight years reflect an unending commitment to advancing the cause of peace and justice for Ireland. His outspoken views against human rights' violations committed throughout Ireland by Britain have helped raise the consciousness of people in this country and around the world. He has conducted several important fact finding missions to Ireland and has denounced all forms of violence in Ireland, whether perpetrated by British troops, the IRA or the Loyalists. The A.O.H. also opposes violence.

Mr. Biaggi's acceptance of my invitation to serve as Chairman of the Ad Hoc Committee was a challenge which he gladly accepted. In fewer than six months, under his chairmanship, the Ad Hoc Committee has been joined by 91 Members, making it the largest such Committee in the U.S. Congress.

Mr. Lynch's comments reflect a sense of desperation caused in some part by his own shaky political situation in Ireland. He has lashed out against the wrong people and groups. When peace finally does come to Ireland, it will be due in good part to the efforts of the Ad Hoc Committee. Meanwhile, Mr. Lynch and his statements have again divided the people of Ireland and surely do not serve to further the common goal of peace and justice for Ireland.

JOHN M. "JACK" KEANE,
National President.

Mr. Speaker, I will read from my letter to Mr. Sidney Epstein, editor, the Washington Star, in response to an editorial entitled "Mr. Biaggi and the Irish."

The 93 Member Ad Hoc Congressional Committee for Irish Affairs has as its primary objective, to advance the constructive role which the United States can and should play in bringing peace and justice to Ireland.

The driving force behind the creation of the Committee was the Ancient Order of Hibernians which represents the interests of more than one million Americans of Irish origin. The Committee's formation in September was hailed by a number of Irish American organizations including, but not limited to, the Irish National Caucus. Throughout our existence, the Committee has been scrupulously broad-based with respect to hearing all sides in the Irish dispute. We have met with Roy Mason, Secretary of State for Northern Ireland, and John Hume, Deputy Leader of the moderate Social Democratic and Labor Party. The latter meeting was at the behest of Speaker Thomas O'Neill. For the Committee to be portrayed in such a one-dimensional fashion is erroneous and an insult to each of our 93 Members.

Your editorial makes the assumption that Northern Ireland is hardly a matter for U.S. foreign policy. To the contrary, by virtue of the President making human rights a fundamental precept of our foreign policy, Northern Ireland assumes an important position in our foreign policy. The deprivation of human rights throughout Ireland occurs with tragic regularity. Great Britain has been convicted of human rights' violations by both the European Commission and the European Court of Human Rights in rulings as recent as this year. What's more, in Febru-

ary of 1977, Britain admitted its guilt to the European Commission's charges.

Further refuting your argument, President Carter became the first American President to address the Northern Ireland situation, thus elevating it as a prominent issue for American foreign policy. The Committee applauded his initiative and is now working to have the Administration apply pressure to Great Britain to cease its human rights' violations as a prerequisite for peace and the possibility of future U.S. economic assistance which the President indicated.

Your editorial also referred to the Committee's interest in the visa policies of the State Department. In fact, the State Department has been denying visas to certain segments of the Irish political community on a regular basis. The Sinn Fein party happens to be a legally sanctioned political party much as the Social Democratic and Labor Party whose leaders enter this nation virtually at will. The State Department's visa policy seems even more inconsistent when one considers that they had no reservations about allowing twelve Ugandan pilots to enter this nation for training, nor did they have any qualms about permitting Communists from Italy and North Korea to visit here.

I, and other Members of the Committee, have denounced violence on many previous occasions, not just in reaction to Mr. Lynch's charges. To think otherwise would be sheer foolishness. However, unlike Mr. Lynch, our condemnations have been more complete—we deplore all violence, whether perpetuated by the IRA, British soldiers or Protestant Loyalists.

I strongly dispute your charge that we are playing games with the political passions of Northern Ireland. I believe the unfortunate and regrettable tactics by Mr. Lynch have the effect of removing the pressures from the real wrongdoers.

Sincerely,

MARIO BIAGGI,
Member of Congress.

Mr. Speaker, I have several other items, including a list of the 93 Members, which I include in the RECORD at this point, as follows:

MEMBERS, AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS *

Mario Biaggi (D-NY), Chairman.
Peter W. Rodino (D-NJ).
James J. Delaney (D-NY).
John M. Murphy (D-NY).
Benjamin S. Rosenthal (D-NY).
Joshua Eilberg (D-Pa).
James M. Hanley (D-NY).
Robert A. Roe (D-NJ).
Lester L. Wolff (D-NY).
Joseph P. Addabbo (D-NY).
William R. Cotter (D-Conn).
Edward P. Beard (D-RI).
Bruce F. Caputo (R-NY).
John J. Fary (D-Ill).
Jerome A. Ambro (D-NY).
Silvio O. Conte (R-Mass).
Charles B. Rangel (D-NY).
Antonio Borja Won Pat (D-Guam).
Matthew J. Rinaldo (R-NJ).
Leo C. Zeferetti (D-NY).
William F. Walsh (R-NY).
Gladys Noon Spellman (D-Md).
Stephen J. Solarz (D-NY).
Joe Moakley (D-Mass).
Bruce F. Vento (D-Minn).
Norman F. Lent (R-NY).
Anthony Toby Moffett (D-Conn).
David W. Evans (D-Ind).
Marty Russo (D-Ill).
Herbert E. Harris II (D-Va).
Lawrence Coughlin (R-Pa).
Raymond F. Lederer (D-Pa).
Berkley Bedell (D-Iowa).
Richard Nolan (D-Minn).
Daniel J. Flood (D-Pa).
Samuel S. Stratton (D-NY).
John P. Murtha (D-Pa).
George M. O'Brien (R-Ill).
Andrew Maguire (D-NJ).
Clarence D. Long (D-Md).
James H. Scheuer (D-NY).
James J. Howard (D-NJ).
William Clay (D-Mo).
Harold C. Hollenbeck (R-NJ).
Matthew F. McHugh (D-NY).
John Conyers, Jr. (D-Mich).
Michael O. Myers (D-Pa).
Michael Harrington (D-Mass).
Austin J. Murphy (D-Pa).
Phillip Burton (D-Calif).
J. Herbert Burke (R-Fla).
Christopher J. Dodd (D-Conn).
Edward W. Pattison (D-NY).
Thomas J. Downey (D-NY).
Mary Rose Oakar (D-Ohio).
Doug Walgren (D-Pa).
Edward P. Boland (D-Mass).
Henry J. Hyde (R-Ill).
Joseph A. Le Fante (D-NJ).
Benjamin A. Gilman (R-NY).
James M. Collins (R-Tex).
Margaret M. Heckler (R-Mass).
Bob Traxler (D-Mich).
Ronald M. Mottl (D-Ohio).
Charles J. Carney (D-Ohio).
Robert A. Young (D-Mo.).
Joseph M. Gaydos (D-Pa).
Ronald V. Dellums (D-Calif).
Ted Weiss (D-NY).
John L. Burton (D-Calif).
Joseph G. Minish (D-NJ).
John H. Dent (D-Pa).
Richard L. Ottinger (D-NY).
Paul N. McCloskey, Jr. (R-Calif).
Billy Lee Evans (D-Ga).
Robert N. C. Nix (D-Pa).
Wyche Fowler, Jr. (D-Ga).
Stewart B. McKinney (R-Conn).
Paul E. Tsongas (D-Mass).
Morgan F. Murphy (D-Ill).
Norman Y. Mineta (D-Calif).
Robert W. Edgar (D-Pa).
William J. Hughes (D-NJ).
Fred B. Rooney (D-Pa).
Gus Yatron (D-Pa).
Newton I. Steers, Jr. (R-Md).
Thomas A. Luken (D-Ohio).
Ronald A. Sarasin (R-Conn).
John J. Cavanaugh (D-Nebr).
Elliot H. Levitas (D-Ga).
William M. Brodhead (D-Mich).
James J. Blanchard (D-Mich).
Paul Findley (R-Ill).

* As of February 23, 1978.

More importantly, Mr. Speaker, I am grateful for this opportunity to bring into this forum, the House of Representatives of the United States, some detailed comments about the recent conduct and exchange on the part of the Irish Republic and the ad hoc committee, which represents 93 Members of this House. Still more importantly, however, I am so delighted and gratified and thankful that we had two Members of this body, one of them a member of the Committee on International Relations, who visited with Mr. Lynch and members of his cabinet and were present when he declared support of the declaration of intent for the withdrawl of British troops.

Mr. Speaker, that gives the lie to his recent position.

Mr. Speaker, the articles and letters previously referred to are as follows:

[From the Irish Echo, Jan. 29, 1978]

DUBLIN REPORT—LYNCH'S COMMENTS ON N.I.

(By John A. Kelly)

DUBLIN.—"Ill advised," extremely irresponsible," "badly timed," "shocking".

These are just some of the more predictable instant reactions to the remarks of Irish Prime Minister Jack Lynch, during an excellent radio interview with Mike Burns, here in Dublin.

Airey Neave, British Conservative Party spokesman on Northern Ireland also threw in his ten and a half cents when he threatened to make an official complaint to the Irish Ambassador in London. And Garret Fitzgerald, the Fine Gael party leader, has to nobody's surprise, attempted to make a certain amount of political capital out of the hoopla.

The Unionists in the north are momentarily pleased by the affair. The neanderthal "leaders" of the Province were engaged in continuing talks with the British Government on some form of devolved government when Mr. Lynch told the nation that he had already gained the agreement of the British that only a powersharing government would be entertained seriously for the statelet.

People like Harry West and Ian Paisley do not take kindly to talks on devolution. It goes against the centuries of entrenched privilege and the Ulster Scots resistance to change that have spawned their political philosophies.

INTERVIEW

So, they used the Lynch interview as a convenient reason for breaking off talks which they did not want to be involved in at all. They will now attempt to obtain guarantees from the British before they re-enter discussions, most likely another ringing promise of eternal support for their continued hegemony.

The British would be very foolish indeed if they were to yield to such a demand.

Continued support for the intransigence of the majority in the Six Counties, a minority on this island, is a recipe for protracted disaster. As I have written so many times in this column the kernel of Ireland's problem is British support, politically militarily and financially for a junta that would do credit to South Africa.

Everything that Jack Lynch said during his radio interview has been stated before. About the only piece of really hard news that emerged from the question and answer session was that the southern government might contemplate an amnesty for Provisional IRA prisoners, if there was any genuine guarantee of peace on this island.

And even that is nothing exceptional especially when the Taoiseach Mr. Lynch was careful enough to make a veiled reference to the difference between those who were jailed for criminal acts, as against those who were imprisoned under the "Offences Against the State" legislation which makes it criminal to be a member of the IRA and requires only the evidence of a Garda (police) chief to support the charge.

SETTLEMENT

Given a genuine settlement in the North, one that appealed to both sections of the people there and the majority of Irish people as a whole, is it too much to express the possibility that those jailed for membership might be released?

Roy Mason, British Secretary for the North, concentrated his criticism on this particular aspect of the interview and, by so doing, revealed the entire spuriousness of the charges that have been made against the Irish leader.

Mr. Lynch's statement may have been badly timed but I have more than a vague suspicion that it was the opposite and, indeed, I would not be at all surprised to learn that the British Government might have welcomed the interview despite the public statements.

The plain fact is that a way must be found forward in the North. The killing, the destruction, the poisoning of Irish life north and south of the Border has simply continued for too long.

Anyone with a modicum of knowledge of Irish history realizes that there has been campaign after campaign not only in this century but from the 17th century when the cancer was introduced in the first place.

And now, in 1978, what have we got?

TOMBSTONES

Fresh graves, shiny new tombstones in the Creggan and the Falls, people of all religious creeds, broken and maimed for life, the highest unemployment rate in Europe, ruined factories and shattered homes.

Yet the campaign staggers along. The tattered remnants of the Provisional IRA may be harried and hounded. Yes, while there are even ten left there can be no peace and no victory for either side.

The North can live only with "an acceptable level of violence", as the British so glibly put it. But what is acceptable—and to whom is it acceptable?

At the end of this particular campaign, the most protracted and vicious since the Irish War of Independence in the South, what will there be to salvage? And how long will it be before the next bloody campaign—and the next—and the next!

No, the timing was perfect. There is no "right" time to express the feeling of the majority of the Irish people, aye, and the feeling of the majority of Britishers as well. It can only be stated, then restated, until the message begins to sink into rational minds.

What he said was that the British Government must show an active interest in bringing Irish people together, that it must work actively to promote peace here.

ACCEPTABLE

Few in the South realistically expect any genuine type of Irish "unity" in the immediate future. Only the most naive could possibly predict any sort of centralized government over both sides of the island within the next ten years.

When asked for his view on this, the Taoiseach said that he certainly hoped to see within his own lifetime the establishment of a type of government in the North that would be acceptable to all shades of opinion.

It is a totally realistic aspiration and, indeed the only one that holds any sort of hope for the North at all. It is also obviously the view of the majority of European states and one that has also been endorsed in carefully couched diplomatic language by the United States as well.

Unionists like Harry West and Ian Paisley are now beginning to make noises about total integration with Britain. On the one hand they are not prepared to accept any form of power sharing. Neither are they even prepared to entertain any thoughts of allowing the minority Northern population any voice in the European Parliament.

If the British attempt to coerce them into agreeing they will then attempt to integrate fully with the U.K. sacrificing the ("independence") they claim to prize so highly rather than integrate with Catholics, or Republicans. Talk about a pyrrhic victory!

PERVERSITY

Although unemployment is chronic in the North, for Protestant and Catholic alike, the Harry Wests of that tight little province are prepared to spurn American offers of aid, tossing it aside with the standard "We will decide our own affairs" type of reply.

Of course Jack Lynch is perfectly correct to oppose such appallingly ignorant perversity. The British must be continually pressed into realizing the futility of supporting Loyalist intransigence.

Quite simply, the western world cannot tolerate it any longer. It is outdated, archaic, political and economic lunacy of the worst sort. Anything Irish people anywhere, can do to hammer home that truth should be done.

Is it "bad timing" to approach the Irish problem rationally and positively? All that the enlightened person can say to that is that the only "bad" thing about it is that it has come so late.

[From the Irish Echo, Jan. 29, 1978]

MUCH ADO ABOUT NOTHING

DUBLIN.—Fears were expressed during last summer's general election campaign that somehow Fianna Fail in Government would adopt a hardline (whatever that is) position on Northern Ireland. The main reason given by proponents of this view was that the party's policy committed it to demanding a "declaration of intent" by Britain to withdraw from the North.

Actually, during the campaign, Mr. Lynch virtually explained away these words by stressing that he was interested only in a Westminster statement expressing some kind of interest in extricating itself ultimately from Irish affairs. Since starting in office security in Border areas has been increased and the prisons are still run in the same dehumanizing way so nobody can accuse Fianna Fail of being "soft."

Furthermore, when Mr. Lynch met with Mr. Callaghan he took more or less the same line as his predecessors; namely a demand for devolved government with power-sharing in the North. Actually, the joint communique issue did not include the words power-sharing. Ironically, this led Garret Fitzgerald to rebuke the Taoiseach (Mr. Lynch) for not being tough enough with the British. In his time, he said, they never agreed to a joint communique which omitted the sacred words.

INTERIM MEASURE

Anyway, following the Prime Minister Lynch's visit, Roy Mason was told to put on some kind of a show which would give the impression that progress was being made towards devolved government. "Administrative devolution" was now being talked about as an interim measure. The talks were referred to as "delicate negotiations." However, nobody (least of all those involved) believed that they were more than a public relations exercise which were supposed to create the illusion of progress.

The Jack Lynch went on radio to give a New Year's interview—half of hell broke loose. Conservative spokesman Airey Neave was filled with holy anger about what the Taoiseach had to say. Mason claimed that his "delicate negotiations" were in ruins. And a former Northern Ireland Minister, Mr. Van Stranbenzee, was so outraged that he characterized Mr. Lynch as a man who showed "all the finesse of a mentally subnormal elephant."

So what did the Taoiseach say that they found so objectionable and that commentators spent the following few days analyzing? He was attacked for his comments on two issues.

First, he was asked about power-sharing. In reply he repeated Mr. Callaghan's assurance to him that under no circumstances would there be devolved government under any other system.

Of course the Coalition Government demanded and got the same assurance on a number of occasions. Furthermore, by urging the British to set up a partnership government of this type Mr. Lynch was offering his blessing to a constitutional settlement which involved maintaining a strong Westminster connection.

It is hard to discern the logic of suppor for keeping the tie with Westminster and at the same time demanding a declaration of intent to withdraw in accordance with Fianna Fail policy. Thus, on this issue, watering down his Party's policy, and in demanding power-sharing was saying no more than, for instance, the supposedly Anglophilic Cruise O'Brien.

AMNESTY

Secondly, he was asked a hypothetical question. Would he consider amnesty for political prisoners in the event of a permanent peace being achieved? He answered that in the right circumstances, following a settlement, the whole cabinet would have to deal with the matter of partial or total amnesty for some or all political prisoners.

Surely, this is a harmless statement. I recall the Alliance Party leader, Oliver Napier, making the same point at the Amherst Forum. Clearly even if Harry West becomes Taoiseach after an eventual settlement the matter of amnesty will still be considered—remember that Mr. Lynch did not say that anyone would be granted a reprieve.

To say that such a statement encourages violence makes no sense at all.

INTERFERENCE

Thus the whole affair has to be viewed in a broader context.

Think back to 1971, when Ted Heath lambasted his Irish counterpart, Jack Lynch, for interfering in the internal affairs of the United Kingdom. However, in 1974 the Sunningdale Agreement which included the creation of a Council of Ireland was negotiated by representatives from the North as well as Westminster and Dublin. It seemed that the British had learned a lesson.

Not so. A few months ago they tried to pressurize President Carter into omitting any reference to the Dublin Government in his public statement on the North. And Roy Mason told Mr. Lynch after the recent interview that he had no business commenting on internal affairs of the United Kingdom.

So, there is an air of unreality about nearly everything that is happening in the North. It is abundantly clear that there is no way that a power-sharing executive will come again Yet Jack Lynch, Jim Callaghan and the SDLP keep pushing it.

One wonders what they are all really thinking about.

ANCIENT ORDER
OF HIBERNIANS IN AMERICA,
Jefferson City, Mo., August 31, 1977.

Hon. MARIO BIAGGI,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BIAGGI: Because of your service to the Irish-American community, we know you share our concern about the tragic situation in Ireland today.

We, as representatives for the leading Irish-American organizations, feel strongly that the formation of a Congressional Irish Committee, comprised of concerned Representatives and Senators, could be an important vehicle in seeing to it that the concerns of Irish-America are addressed.

In view of your longstanding commitment to those concerns, we believe that you should serve as Chairman of such a group. We sincerely hope you share this belief and that you will contact your colleagues with an eye toward attaining that goal.

It is our hope that, once formed, such a Committee would combine their efforts to research problems of concern to the Irish American community, bring their findings to the attention of their colleagues and meet with concerned citizens and officials in an effort to resolve those problems.

The idea for a Congressional Irish Committee was originated by the Ancient Order of Hibernians in America.

We hope your response can be favorable and we stand ready to assist you in any way possible.

Sincerely,

JOHN M. "JACK" KEANE,
National President.

MOTION BY ANCIENT ORDER OF HIBERNIANS IN AMERICA, NATIONAL BOARD MEETING

On motion by Robert J. Bateman, National Historian, duly seconded and unanimously adopted:

The National Board of the Ancient Order of Hibernians in America hereby commends

the Irish National Caucus, National President "Jack" Keane, Congressman Mario Biaggi and the members of the Ad Hoc Congressional Committee on Irish Affairs for their interest and activity on behalf of the cause of human rights, jutsice and peace in Ireland and other issues of interest to Irish America.

And further, the National Board gives a unanimous vote of thanks and commendation to the Irish National Caucus for its superb work.

And lastly, the National Board directs that copies of this motion be made available to all relevant parties.

Mr. ZEFERETTI. Mr. Speaker, I want to be identified with the remarks of my colleague from New York (Mr. BIAGGI) and I would now like to comment on the situation in Northern Ireland and the recent attack on the ad hoc committee for Irish affairs by Jack Lynch, Prime Minister of Ireland.

I am proud to say that I was one of the first few Members of this body to join the ad hoc committee, because I feel it is time for the U.S. Congress to take a stand in bringing about a peaceful solution to the bloodshed in that land. The purpose of the committee is not to lend allegiance to any one faction of the conflict but to enable the United States to play a constructive role in bringing peace and justice to that part of the globe.

In carrying out this task, the committee, under the outstanding leadership of MARIO BIAGGI, has welcomed all points of view on both sides of the issue. It is foolish for Mr. Lynch or anyone else to think that the committee is some sort of a "front" organization for groups advocating the use of violence and bloodshed in Ireland. Such a statement could not be further from the truth. The members of the ad hoc committee are striving to end the violence in that land through totally peaceful means.

The Carter administration and this Congress has made the quest for human rights throughout the world one of our of our major objectives. I strongly feel that this endeavor be advanced indiscriminately, not in a haphazard fashion that chastises a number of nations and ignores a chosen few.

Great Britain has certainly been our strong ally during this century, but we cannot continue to turn our backs on the outright discrimination in Northern Ireland that the British Parliament has allowed to continue for over 800 years. The Catholic minority in the North has been reduced to second-class citizens and have been denied fair and equal opportunity in employment, housing, voting rights, and other basic rights enjoyed by their Protestant neighbors.

When this minority sought to obtain their rights, they were met with organized violence and, since that time, the countryside has been a battleground of death and destruction. The British response to the unrest was the sending in of troops, a move that was not only a failure in bringing peace, but led to increased bloodshed as the British Army joined the oppressors in attempting to crush the uprising. The British use of torture and even death to suspects interned without trial has not been an uncommon practice during these years. The European Council on Human Rights found the British guilty of such atrocities on three occasions, the last as recent as 1977 when Britain admitted its guilt before the court.

During this time, although fully aware of these injustices, the U.S. Government has remained silent and, by doing so, we have given our implied consent to the practice of suppressing the Irish desire for self-determination.

Now we have taken the initiative in striving to bring about a just peace by forming the ad hoc committee for Irish affairs, and Prime Minister Lynch has launched an unpredecented and unfounded attack on this group and its chairman, Mr. BIAGGI. I find it astounding that the Irish Prime Minister has voiced his opposition to the operations of a committee which is dedicated to a broad-based approach in hearing all sides of the Irish dispute. Could it be that he himself is fearful that the committee may uncover human rights violations by the Irish Government in the South? Amnesty International had expressed its concern that the systematic maltreatment of prisoners had been carried out by Irish police detectives. The Cabinet decided to undertake an official inquiry into the charges, but the Irish Department of Justice successfully watered down the inquiry by severely limiting the scope of the committee.

I implore the members of the ad hoc committee to stand firm in the face of Mr. Lynch's onslaught and continue to press for congressional hearings on the Irish question, to continue to attempt to reverse State Department policies to deny visas for leading Irish political figures, to continue to give the President and the Congress access to the views of hundreds of thousands of Irish Americans the committee has been authorized to represent.

These are the goals of the ad hoc committee for Irish affairs. We are striving for a nonviolent resolution to the conflict and torture that exists in Northern Ireland, and we must not rest until peace and justice are attained for all peoples in the land of Erie.

PUBLIC COOPERATION DURING THE BLIZZARD OF 1978

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Indiana. Mr. Speaker, in this modern and technologically advanced society, we often do not hear or even see the very humane element of cooperation between individuals, particularly during an emergency. I am pleased to insert an article appearing on January 31, 1978, in the Indianapolis News, as an example of how my fellow Hoosiers cooperated during our recent blizzard.

Mayor William Hudnut today issued an open letter to the citizens of Indianapolis, thanking them for their cooperation in last week's snow emergency.

Hudnut wrote in part:

"During the snow emergency last week, many people rallied to the cause of assisting our community through the crisis, and while these individuals are too numerous to name, the city does say, to each and every person who lent a helping hand, a sincere and heartfelt 'Thank You.'

"The outpouring of civic spirit, the spontaneous combustion of neighborliness, the unselfish and sacrificial willingness to bear one another's burden, provided us all with not only a larger feeling of family, it seems to me, but also a glimpse into the true greatness of our city—people helping people."

The director of plans and operations of the Indianapolis-Marion County Department of Emergency Planning and Civil Defense also said today a big thank-you is owed to the businesses, organizations and individuals who helped with rescue operations during the blizzard.

Long's Bakery, Servomation Corp., the Salvation Army and the Red Cross donated food to shelters around the city, David Johnson said.

Radio equipment was provided by RCA and Naval Avionics. Radio Amateur Civil Emergency Services and Citizens Radio Emergency Radio Emergency Services provided radio equipment, operators and four-wheel-drive vehicles, he said.

The Indiana Trail Blazers also provided four-wheel-drive vehicles, and volunteers from the Department of Public Works Flood Control Division drove the four-wheel-drive units provided by the city, Johnson said.

A list of individuals who donated their time would be too lengthy, Johnson said, but their efforts are greatly appreciated.

AN OPEN LETTER TO FORMER PRESIDENT GERALD FORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, this very short special order, if it had a caption, would probably be called, "An Open Letter to Former President Gerald Ford."

Mr. Speaker, I was disappointed, distressed, and saddened this morning to pick up the Los Angeles Times and to read on page 10 a story that our former President, Mr. Ford, is now endorsing a set of medals, for a fee, and that he is commercializing on the fact that he has been a President of the United States.

I happen to be an admirer of former President Ford. As a matter of fact, in 1973, when he was selected as the first Vice President to be picked by the Congress, I took part in the investigation of his background, and I supported his nomination and his selection as Vice President.

But this morning, Mr. Speaker, I read in the paper that he is going to use his former White House connection to endorse a commercial product for a fee. He is going to endorse and help advertise and sell a new series of 100 medals depicting important events in American history. The Franklin Mint, which is the company that is going to make the medals, said that Mr. Ford signed a contract to do so nearly a year ago, which must have been about the time he left the Presidency. The amount of the fee, the spokesman for the mint said, is strictly private, between former President Ford and the mint. Mr. Ford's aide in his California office, when asked, said:

He is getting a flat fee, but we won't disclose any figures. That is really nobody's business.

Then he went on to say that Mr. Ford believes in the free enterprise system, and that he is engaging in that system.

He is in television, in real estate. He is a captive of no one.

And here is the point that distressed me the most. He says, referring to President Ford:

His name is the selling point and he uses it for earned income . . .

The contract, according to the mint people, said that Mr. Ford's take could increase depending on how many sets of medals are sold. So, he certainly has a piece of the action, a direct commercial tie-in. The proposed sale of the medals was announced by the mint in a press release that mentioned that Mr. Ford was connected. They stated:

This will be a truly historic collection because this is the first time that a President has ever attempted a comprehensive review of the highest office in the land . . .

That is a comment from a Charles Andes, the chairman of the board of the mint. To that I say, hogwash. The endorsing of a medal is a far cry from making a comprehensive review of the highest office of the land. The only comprehensive reviews of the Presidency are made by the American people and in the pages of history.

The mint also mailed a letter announcing the sale of these medals, a letter bearing Mr. Ford's signature, on his own stationery, addressed to "Dear Fellow American," to thousands of customers.

Now, Mr. Speaker, the reason I am saddened and distressed by this announcement is this: The Presidency is the highest office that the people in this Republic can confer upon anyone. Way back in the impeachment hearings, I once said that the American people want a President whom they can revere and respect. I still feel that way. I have no quarrel with the way in which President Ford discharged the duties of his office, but I do object, and I object strenuously, to his using the title of President for earned income, for personal gain, as a matter of free enterprise, or any other kind of enterprise, after he has left office.

The statement by his aide, Mr. Robert Barrett, that Mr. Ford believes in the free enterprise system and that he is engaging in that, and that his name is the selling point, and he uses it for earned income, misses the point entirely. Mr. Ford could not have gotten 25 cents for the endorsement of any product on Earth before October of 1973, when the American people, through the Congress, made him Vice President of the United States. He could not have gotten two bits for the use of the name Jerry Ford endorsing a medal, a football, or anything else on Earth. He worked like the rest of us for his income. His name was the same then as it is now—"Jerry Ford." He is not getting his endorsement fee for the use of that name.

Mr. Ford is getting this income, because he uses the title "President," and I submit that the Presidency does not belong to Gerald Ford. It belongs to the American people. The Presidency of the United States did not belong to George Washington or to John Adams or to Franklin Roosevelt or to John F. Kennedy or to Gerald Ford or to Richard Nixon or to Jimmy Carter. It belongs to the American people; it is their property. It does not belong to Gerald Ford, and he has no right to use it for a cheapening commercial venture. He has no right to sell, to use it for personal gain. He has the obligation of enhancing and adding luster and respect to the name of President. No President owns the Presidency. It is the highest office in the Republic and belongs to all of us. The person who occupies that office holds it in trust for the time that he is the President, but it belongs to the American people. A President has the paramount duty to preserve, to protect, and to bring honor and luster to that office and he must not cheapen it by making it an object of commerce. When our country gives the high honor of the Presidency to someone he has the duty to conduct himself, then and forever after, so that public respect for that public trust will not be diminished.

I ask of Jerry Ford, "Why do you do it? You don't need the money. The American people have provided you with a very generous lifetime pension, both as an ex-Congressman and as an ex-President. They provide you with free offices, free postage, generous staff allowances, a lifetime staff of Secret Servicemen for your personal security and comfort, and many other generous perquisites. And no one begrudges them to you, Is that not enough? Do you really have to sell the name of 'President'? The American people gave you their highest honor. Will you not return the honor by respecting the office with which they honored you?"

The SPEAKER pro tempore (Mr. WALGREN). The time of the gentleman from California has expired.

(By unanimous consent Mr. DANIELSON was allowed to proceed for 2 additional minutes.)

Mr. DANIELSON. My point is simply this: If a former President wants to write a book, let him. At least he is using some intellectual energy to write the book, and the memoirs, the incidents he may preserve for posterity through that book, will have a historical value. If he wishes to teach or give lectures, let him. But, if he is going to endorse medals, why not next time some pipe tobacco or a set of golf clubs?

Mr. Ford, I supported you throughout your Presidency whenever I had a chance. I respected the manner in which you held your office, and the people of America have respected and do respect you. Please do not disappoint us. If you can still break this contract which can cheapen the name of "President," break it.

I hate to chide a former President. I respect the Presidency, but I am not going to stand idly by while I see a former President's pursuit of money detract in the least bit from the Office of the President of the United States.

And so I say, "For this action, shame on you. Break that contract if you can, and then go and sin no more."

The story in the Los Angeles Times to which I referred reads as follows:

ENDORSES PRODUCT FOR A FEE: FORD PROMOTING NEW SERIES OF MEDALS

PHILADELPHIA.—In a break from modern presidential tradition, Gerald R. Ford is using his former White House connection to endorse a commercial product for a fee.

The former President has a contract with the Franklin Mint, which claims to be the world's largest private maker of coins to help advertise and sell a new series of 100 medals depicting the most important events of the American Presidency.

The sales drive will be launched Friday when Ford strikes the first medal illustrating the inaugural of George Washington.

The Franklin Mint and a Ford aide refused to disclose Ford's fee.

The firm's public information director, David C. Schreiber, said Ford signed a contract nearly a year ago "to select the events and edit the text that accompanies each medal.

"The amount is strictly a private matter between him and the mint," Schreiber said.

The final medal in the series will show Ford addressing the nation on its 200th birthday at Independence Hall on July 4, 1976.

"It is strictly a business venture," Ford aide Robert Barrett said when contacted in Ford's California office. "He is getting a flat fee, but we won't disclose any figures. That's really nobody's business.

"Mr. Ford believes in the free enterprise system, and is engaging in that. It is one of many business deals. He is in television, in real estate. He is a captive of no one. His name is the selling point. And he uses it for earned income, and also for charity and even when he plays in golf tournaments."

Barrett said he helped put together the mint deal but denied reports that Ford's take could increase depending on how many sets of medals are sold.

In silver the price of a set is $1,950; in gold $2,750.

Most American Presidents, after leaving office, have written books, accepted television assignments, lectured and engaged in other less commercial ventures to supplement their pensions.

Charles L. Andes, the mint's board chairman, acknowledged the importance of Ford's connection with the sales project in a news release that omitted reference to an endorsement fee.

"This will be a truly historic collection because this is the first time that a President has ever attempted a comprehensive review of the highest office in the land," Andes said in his statement.

Ford also made his own personal pitch in a letter on his own stationery. It was addressed to "Dear Fellow American."

The mint mailed that letter, bearing Ford's signature, to thousands of prospective customers.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes. If I had been present, I would have voted as indicated:

January 19, 1978: Rollcall No. 2, "yes." Rollcall No. 3, "yes."

January 30, 1978: Rollcall No. 18, "yes."

SCARE TACTICS IN OPPOSITION TO ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks

at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, we in the Congress have become all too familiar with the use of distortions, evasions, and even outright untruths in lobbying efforts concerning important legislation. Those of us who have served on the Subcommittee on General Oversight and Alaska Lands have become especially familiar with these tactics as they have been used by opponents of H.R. 39, the Alaska National Interest Lands Conservation Act.

Now that the subcommittee has completed its work on this bill, and has voted to send to the full Committee on Interior and Insular Affairs a revised version of the bill introduced by Mr. UDALL and sponsored by many other Members, we can expect the same barrage of disinformation to be directed at the members of the committee and of the entire House.

One discussion which put these tactics into sharp perspective appeared in the January 3, 1978, issue of the Seattle Post-Intelligencer in a column by Mr. Joel Connelly, who concluded that—

The Boris Karloff Award of 1977 for scare tactics must go to those corporate citizens and allied politicians who are fighting against creation of new national parks, wildlife refuges, and wilderness areas by Congress in the "Battle of Alaska."

A more recent example is found in communications by spokesmen for the National Rifle Association who have been fed some grossly inaccurate information about the effect of the bill on sport hunting in Alaska. The fact is that, if the bill as reported were enacted into law, there would be no Federal statutory prohibition on sport hunting or fishing in over 90 percent of Alaska.

Following these remarks are the Post-Intelligencer article and the full text of my letter of February 22 to the National Rifle Association.

[From the Seattle Post-Intelligence, Jan. 3, 1978]

1977's BEST SCARE TACTICS

(By Joel Connelly)

Few lobbying strategies can be as effective as a big scare backed up by big bucks.

The Boris Karloff Award of 1977 must go to those corporate citizens and allied politicians who are fighting against creation of new national parks, wildlife refuges and wilderness areas by Congress in the "Battle of Alaska."

It's not that they don't have a case. Lumbermen and miners have legitimate interests to safeguard in Alaska, and the state's vast natural resources need to be utilized in cutting down America's foreign mineral and energy dependence.

That fact has been recognized by two of Congress' foremost conservationists, Reps. Morris Udall and John Seiberling, and by Interior Secretary Cecil Andrus.

They've proposed legislation that would allow environmentally safe mining and oil drilling in national wildlife refuges and park-bordering "national preserves."

You won't learn that from industry's expensive campaign aimed at minimizing the preservation of what Andrus calls "the crown jewels of Alaska."

Last fall I was taken on a quick tour by its lobbying group, Citizens for the Management of Alaska Lands (CMAL). We set down at places like Prudhoe Bay and the Kenai oil fields, but had to inspect proposed parklands from 15,000 feet up in a British Petroleum plane.

The tour did touch ground at a hunting lodge on remote Farewell Lake, where we were told by a guide that expansion of Mt. McKinley National Park would eliminate his hunting camps at nearby Rainy Pass.

That surprised the National Park Service planners. They pointed out that even the most ambitious conservationist park proposal stops 15 miles EAST of Rainy Pass.

We were told, too, that Mt. McKinley—not all of which is within the present national park—gets enough protection from Alaska's "6 million acre" Denali State Park, Alaska's parks department says its actual size is 336,480 acres.

The biggest whopper of all is a charge that Udall's Alaska legislation would "lock up" and deny any access to 146 million acres, or more than a third of the state.

The figure was developed by taking Udall's initial 114 million acre proposal, adding 32 million acres of existing parks and refuges, then quoting language from the 1964 Wilderness Act:

"There will be no temporary road, no use of motor vehicles, motorized equipment or motor-boats, no landing of aircraft, no other form of mechanical transportation, and no structure or installation within any such area."

Alaska Sen. Ted Stevens and CMAL lobbyist Tony Motley used the 146 million acre figure in a presentation to the Seattle Chamber of Commerce.

CMAL hasn't done any slides quoting subsequent language in the Wilderness Act which permits cabins, motorboats, and plane landings where there has been an established pattern of use. Udall's legislation specifically applies such a provision to Alaska.

The 146 million acre scare also ignores Udall's scaling down of proposed parks and refuges to 102 million acres, and his bill's accommodations to Alaskan lifestyles and provisions for oil and gas exploration.

Park foes have borrowed Spiro Agnew's language for their attacks on conservationists. Stevens called them "the effete rich of this country" during a Seattle visit, and U.S. Rep. Don Young has come up with the phrase "jetsetting California hippies."

If their labels are correct, Alaska's countryside is being overrun by Haight-Ashbury's affluent.

Visitors to Mt. McKinley National Park totaled 157,513 in 1976 (not counting 400,000 other folks who drove through on the Fairbanks-Anchorage Highway), compared to only 31,300 in 1966. A total of 339 climbers attained the 20,320 foot high summit of Denali, which saw only 10 climbers a decade earlier.

It's difficult to envision such people as "effete," particularly when Webster's Dictionary defines the term as "exhausted of physical energy . . . strength, stamina or vitality."

Personal perspectives are the writer's views and do not necessarily reflect The P-I's editorial opinion.

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
Washington, D.C., February 22, 1978.

Mr. BILL PICKENS,
Federal Liaison, Governmental Affairs Division, National Rifle Association of America, Institute for Legislative Action, Washington, D.C.

DEAR MR. PICKENS: I have received your letter of February 17, concerning H.R. 39, the Alaska National Interest Lands Conservation Act.

While I certainly recognize your organization's right to urge changes in the bill as reported by our Subcommittee, I must say that I was appalled by the misstatements of fact and misleading implications contained in your letter.

You state that "by designating a large portion of the land as wilderness, the bill would preclude its use for hunting and fishing for native Alaskans and sportsmen". Nothing could be farther from the truth. Designation of lands as wilderness has no effect whatsoever on whether such land is open to hunting and fishing since lands so open remain open with wilderness designation. Furthermore, under H.R. 39 as reported by the Subcommittee, the taking of fish and wildlife for subsistence uses (whether by Natives or other Alaskans) is specifically permitted even in new National Parks such as Gates of the Arctic and Wrangells-St. Elias; sport hunting can occur in the units of the National Park System designated as "National Preserves", as well as in the units of the National Wildlife Refuge System; and sport fishing can occur even in National Parks closed to sport hunting. In fact, if H.R. 39 were enacted as it stands today, there would be nothing in federal law to interfere with sport hunting and fishing on over 90 percent of all of Alaska.

It is also wrong to say, as your letter does, that "any plan to have the federal government formally restrict a major portion of the state would limit recreational use and hunting in Alaska . . . because it would limit access and isolate communities". The bill, in Section 1202 and elsewhere, has ample provisions protecting access—indeed the bill clearly sets forth (Section 102(3)) as one of the fundamental policies of Congress that "the public should have access to the public lands in Alaska, including access to those public lands which constitute conservation system units, consistent with the purposes for which those units are established."

Finally, I must strongly object to your letter's implication that H.R. 39 must be changed "for reasons of sound wildlife management and States' rights to enforce their laws". On the contrary, the bill would expressly authorize the State of Alaska to regulate hunting and fishing on Federal lands in Alaska (Sec. 704(a)). In fact, Alaska would be the only state in the Union with statutory recognition of its role in regulating hunting and fishing on Federal lands.

Before making any further such communication on this subject, you would do well to check out the facts with me or my staff or, at least, read the bill.

Sincerely,

JOHN F. SEIBERLING,
Chairman, Subcommittee on General Oversight and Alaska Lands.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members be permitted 5 legislative days within which to extend their remarks and to include therein extraneous material on the subject of the special order given today by the gentleman from New York (Mr. BIAGGI).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. THOMPSON, for February 24, 1978, on account of official business.

Mr. NEDZI, for February 24, 1978, on account of official business.

Mr. SAWYER, for February 24, 1978, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 30 minutes, February 24, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. CUNNINGHAM) to revise and extend their remarks and include extraneous material:)

Mr. STEERS, for 5 minutes, today.
Mr. WHALEN, for 5 minutes, today.
Mr. CLEVELAND, for 5 minutes today.
Mr. DUNCAN of Tennessee, for 5 minutes, today.
Mr. CONTE, for 5 minutes, today.

(The following Members (at the request of Mr. KOSTMAYER) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. MCHUGH, for 15 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mr. MOAKLEY, for 5 minutes, today.
Mr. WAXMAN, for 5 minutes, today.
Mr. LUNDINE, for 5 minutes, today.
Mr. FOUNTAIN, for 5 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. STRATTON, for 10 minutes, today.
Mr. JONES of Tennessee, for 5 minutes, today.
Mr. BIAGGI, for 60 minutes, today.
Mr. EVANS of Indiana, for 5 minutes, today.
Mr. DANIELSON, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. NEAL, to revise and extend his remarks on H.R. 9214 and to include extraneous matter.

The following Members (at the request of Mr. CUNNINGHAM) and to include extraneous matter:

Mr. YOUNG of Alaska.
Mr. MARTIN.
Mr. CONTE.
Mr. MARKS.
Mr. STEERS in two instances.
Mr. WHALEN.
Mr. WYDLER in two instances.
Mr. DERWINSKI in three instances.
Mr. RUDD.
Mr. FORSYTHE.
Mr. MCCLORY.
Mr. BOB WILSON.
Mr. WINN.
Mr. ROUSSELOT in five instances.
Mr. GILMAN.
Mr. GREEN.
Mr. SYMMS.
Mr. HOLLENBECK.

The following Members (at the request of Mr. KOSTMAYER) and to include extraneous material:)

Mr. BINGHAM in five instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. WOLFF.
Mr. MOORHEAD of Pennsylvania.
Mr. WALGREN.
Mr. SIMON.
Mr. RANGEL.
Mr. MAZZOLI in two instances.
Mr. RICHMOND.
Mr. WAXMAN in two instances.
Mr. ROGERS in five instances.
Mr. FUQUA in five instances.
Mr. FLYNT.
Mr. BAUCUS.
Mr. FRASER.
Mr. MURTHA.
Mr. EDWARDS of California.
Mr. SISK.
Mr. HOWARD.
Mr. CARNEY.
Mr. SOLARZ in three instances.
Mr. RAHALL.
Mr. CONYERS.
Mr. GUDGER.
Mr. SKELTON.
Mr. APPLEGATE.
Mr. PEASE.
Mr. ULLMAN.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 9375. An act making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 4544. To amend the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established under such act, and for other purposes.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, Friday, February 24, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3342. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting reports that various appropriations have been apportioned on a basis which indicates a necessity for further supplemental estimates of appropriation for fiscal year 1978, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

3343. A letter from the Secretary of Commerce, transmitting a report of a violation of the Antideficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

3344. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-152, "To authorize the Mayor to take certain actions in connection with energy resources shortages," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3345. A letter from the Secretary of Health, Education, and Welfare, transmitting a report that during calendar year 1977, the Department of Health, Education, and Welfare did not transfer any excess property in foreign countries, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

3346. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during January 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

3347. A letter from the Chairman, Securities and Exchange Commission, transmitting a draft of proposed legislation to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

3348. A letter from the Administrator, U.S. Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act to remove the authority of the Small Business Administration to provide assistance to agricultural enterprises; to the Committee on Small Business.

3349. A letter from the Comptroller General of the United States, transmitting a report on the Navy's Vertical Short Take-off and Landing Aircraft (PSAD-78-61, February 23, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3350. A letter from the Comptroller General of the United States, transmitting a report on ways to increase the effectiveness of the Center for Cultural and Technical Interchange Between East and West (ID-78-11, February 15, 1978); jointly, to the Committees on Government Operations, and International Relations.

3351. A letter from the Comptroller General of the United States, transmitting a report on the status of the Darien Gap Highway (PSAD-78-65, February 23, 1978); jointly, to the Committees on Government Operations, International Relations, and Public Works and Transportation.

3352. A letter from the Comptroller General of the United States, transmitting a report on housing Federal prisoners in non-Federal facilities (GGD-77-92, February 23, 1978); jointly, to the Committees on Government Operations and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. H.R. 10982. A bill to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95-285), transmitted pursuant to the Impoundment Control Act of 1974 (Rept. No. 95-896). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 953. Resolution providing funds for the Committee on the District of Columbia; with amendment (Rept. No. 95-897). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 956. Resolution providing for funds for the Select Committee on Assassinations; with amendment

(Rept. No. 95–898). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 957. Resolution providing funds for the Committee on Veterans' Affairs; with amendment (Rept. No. 95–899). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 976. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs; with amendment (Rept. No. 95–900). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 979. Resolution providing for the expenses for the second session activities of the Committee on Interior and Insular Affairs; with amendment (Rept. No. 95–901). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1001. Resolution to provide for the expenses of investigations, studies, oversight, and functions to be conducted by the Committee on Government Operations; with amendment (Rept. No. 95–902). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1003. Resolution providing funds for the Committee on Public Works and Transportation, and for other purposes. (Rept. No. 95–903). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1010. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary; with amendment (Rept. No. 95–904). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1012. Resolution providing funds for the Committee on Rules; with amendment (Rept. No. 95–905). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1021. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Aging, and for other purposes; with amendment (Rept. No. 95–906). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1034. Resolution providing funds for the Permanent Select Committee on Intelligence; with amendment (Rept. No. 95–907). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STAGGERS:

H.R. 11100. A bill to amend the Communications Act of 1934 to extend and improve the provisions of such act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Mr. ALEXANDER:

H.R. 11101. A bill to authorize an intermediate term Commodity Credit Corporation credit program for the purpose of stimulating and maxmizing commercial export sales of U.S. agricultural commodities by improving the terms, conditions, and availability of credit for the export of such commodities; jointly, to the Committees on Agriculture and International Relations.

H.R. 11102. A bill to strengthen the economy of the United States and the income of U.S. farmers through increased export sales of U.S. farm products; jointly, to the Committees on Agriculture and International Relations.

By Mr. ANDERSON of California (for himself and Mr. Moss):

H.R. 11103. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

By Mr. BLOUIN (for himself, Mr. QUIE, Mr. PERKINS, Mr. ANDREWS of North Dakota, Mr. RODINO, Mr. BUCHANAN, Mr. JOHNSON of California, Mr. LUJAN, Mr. UDALL, Mr. ABDNOR, Mr. EDWARDS of California, Mr. PRESSLER, Mr. MEEDS, Mr. RUDD, Ms. CHISHOLM, Mr. RUNNELS, Mrs. BURKE of California, Ms. HOLTZMAN, Mrs. SCHROEDER, Mr. BALDUS, Mr. LUNDINE, Mr. MINETA, Mr. KILDEE, Mr. YOUNG of Alaska, and Mr. STUMP):

H.R. 11104. A bill to provide for grants to tribally controlled community colleges, and for other purposes; to the Committee on Education and Labor.

By Mr. BRADEMAS (for himself and Mr. THOMPSON):

H.R. 11105. A bill to amend the Older Americans Act of 1965 to provide assistance for legal services projects for the elderly; jointly, to the Committees on Education and Labor, and the Judiciary.

By Mr. CARNEY:

H.R. 11106. A bill to amend the Internal Revenue Code of 1954 to restore the exclusion from gross income of sick pay which existed before the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. COHEN (for himself, Mr. BUTLER, Mr. DUNCAN of Tennessee, Mr. GUYER, Mr. LOTT, Mr. MCCLORY, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. WHITEHURST, Mr. CHARLES H. WILSON of California, Mr. YOUNG of Alaska, and Mr. EVANS of Georgia):

H.R. 11107. A bill to amend the Internal Revenue Code of 1954 to provide graduated corporate income tax rates to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 11108. A bill to amend the Buy American Act to increase the incentives for the purchase of domestic articles, materials, and supplies with regard to Federal and federally funded procurements; to the Committee on Government Operations.

By Mr. DOWNEY:

H.R. 11109. A bill to reform electric energy ratemaking, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FITHIAN:

H.R. 11110. A bill relating to the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOWARD (for himself, Mr. ROE, Mr. WINN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PICKLE, and Mrs. SPELLMAN):

H.R. 11111. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. LEVITAS:

H.R. 11112. A bill to amend section 553 of title 5, United States Code, to require submission to Congress of rules promulgated thereunder, and to provide for disapproval of such rules by enactment of a joint resolution of disapproval; jointly, to the Committees on the Judiciary and Rules.

By Mr. LUNDINE:

H.R. 11113. A bill to authorize the acquisition and development of lands for public park and recreation facilities located adjacent to water resources development projects under the control of the Department of the Army; to the Committee on Public Works and Transportation.

By Mr. MONTGOMERY:

H.R. 11114. A bill to protect the economy of the United States; domestic agriculture, labor, and industry by the maintenance of farm income and purchasing power; to the Committee on Agriculture.

By Mr. MONTGOMERY (for himself, Mr. CAVANAUGH, Mr. PRITCHARD, Mr. LE FANTE, Mr. RAHALL, Mr. BINGHAM, Mr. PRESSLER, Mr. THONE, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. SARASIN, Mr. PRICE, Ms. KEYS, and Mr. SIKES):

H.R. 11115. A bill to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RISENHOOVER:

H.R. 11116. A bill to amend title 38, United States Code, to provide that pensions payable by the Veterans' Administration shall not be reduced by the amount of the annual income of the recipient after the recipient attains age 70; to the Committee on Veterans' Affairs.

By Mr. ROE (for himself, Mr. SEBELIUS, Mr. SKUBITZ, and Mr. WINN):

H.R. 11117. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Commitee on Ways and Means.

By Mr. STAGGERS:

H.R. 11118. A bill to amend the act of March 4, 1907, commonly referred to as the Hours of Service Act; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. DEVINE) (by request):

H.R. 11119. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1979–81; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 11120. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. WHITE:

H.R. 11121. A bill to authorize the Secretary of Housing and Urban Development to enter into annual contributions contracts with respect to housing located in a certain area in Odessa, Tex.; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JEFFORDS (for himself, Mr. NOLAN, Mr. AKAKA, Mr. BALDUS, Mr. BRECKINRIDGE, Mr. BROWN of California, Mr. CONTE, Mr. DICKS, Mr. ENGLISH, Mr. GLICKMAN, Mr. HARKIN, Mrs. HECKLER, Mr. JENRETTE, Mr. JONES of Tennessee, Mr. KREBS, Mr. LONG of Maryland, Mr. MCCLOSKEY, Mr. PANETTA, Mr. PRITCHARD, Mr. QUIE, Mr. ROSE, Mr. RICHMOND, Mr. SIMON, Mr. STEIGER, and Mr. WEAVER):

H.R. 11122. A bill to establish an Agricultural Land Review Commission; to establish a demonstration program for protecting agricultural land from being used for nonagricultural purposes; and for other purposes; to the Committee on Agriculture.

By Mr. BURLESON of Texas (for himself, Mr. MAHON, Mr. HIGHTOWER, Mr. TEAGUE, Mr. BROOKS, Mr. COLLINS of Texas, Mr. DE LA GARZA, Mr. GAMMAGE, Mr. HALL, Miss JORDAN, Mr. KRUEGER, Mr. MATTOX, Mr. MILFORD, Mr. PICKLE, Mr. ROBERTS, Mr. CHARLES WILSON of Texas, Mr. KAZEN, and Mr. GONZALEZ):

H.R. 11123. A bill to designate the U.S. Department of Agriculture's Pecan Field Station in Brownwood, Tex., as the W. R. "Bob" Poage Pecan Field Station; to the Committee on Agriculture.

By Mr. BURLESON of Texas (for himself and Mr. CONABLE):

H.R. 11124. A bill to provide that the public debt limit shall be the limit established pursuant to the congressional budget procedures, to provide that operations of the Federal Financing Bank will be included in the budget, and for other purposes; jointly, to the Committees on Rules, and Ways and Means.

By Mr. BYRON:

H.R. 11125. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

H.R. 11126. A bill to establish a Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. DIGGS (by request):

H.R. 11127. A bill to amend section 501 of the District of Columbia Self-Government and Governmental Reorganization Act; to the Committee on the District of Columbia.

By Mr. FRENZEL:

H.R. 11128. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a program of assistance to multipurpose service centers for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mr. KEMP (for himself, Mr. ADDABBO, Mr. ASHBROOK, Mr. AUCOIN, Mr. BALDUS, Mr. BLANCHARD, Mr. BROOMFIELD, Mr. JOHN L. BURTON, Mr. DAN DANIEL, Mr. DUNCAN of Tennessee, Mr. FARY, Mrs. HECKLER, Mr. LAGOMARSINO, Mr. LEHMAN, Mrs. MEYNER, Mr. MOAKLEY, Mr. OTTINGER, Mr. PEPPER, Mr. QUILLEN, Mr. ROSENTHAL, Mr. SISK, Mr. SOLARZ, Mr. WHITEHURST, Mr. WOLFF, and Mr. ZEFERETTI):

H.R. 11129. A bill to provide for the issuance of a commemorative postage stamp in observance of the 30th anniversary of the founding of the modern State of Israel; to the Committee on Post Office and Civil Service.

By Mr. KEMP (for himself, Mr. BENJAMIN, Mr. BURKE of Florida, Mr. CORMAN, Mr. COTTER, Mr. CRANE, Mr. CUNNINGHAM, Mr. DOWNEY, Mr. EILBERG, Mr. EVANS of Delaware, Mr. FORD of Tennessee, Mr. GUYER, Mr. LIVINGSTON, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. ROE, Mr. SANTINI, Mr. SCHEUER, Mr. SIMON, Mr. STRATTON, Mr. THONE, and Mr. BOB WILSON):

H.R. 11130. A bill to provide for the issuance of a commemorative postage stamp in observance of the 30th anniversary of the founding of the modern State of Israel; to the Committee on Post Office and Civil Service.

By Mr. McHUGH:

H.R. 11131. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River between the State of New York and the Commonwealth of Pennsylvania as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MIKVA (for himself, Ms. HECKLER, and Ms. MIKULSKI):

H.R. 11132. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 11133. A bill to amend section 8118 of title 5, United States Code, to provide for physical examinations with respect to claims for compensation for work injuries, and to provide that continuation of pay under such section shall not begin until the fourth day of disability; to the Committee on Education and Labor.

By Mr. RUPPE (for himself, Mr. BROWN of California, Mr. SIMON, Ms. KEYS, and Mr. EDWARDS of California):

H.R. 11134. A bill to amend the Federal Meat Inspection Act to permit States to impose inspection, marking, labeling, packaging, and ingredient requirements that are more stringent than Federal standards; to the Committee on Agriculture.

By Mr. TEAGUE:

H.R. 11135. A bill to amend title 38, United States Code, to reduce from 3 months to 12 weeks the period of active duty which a member of the Reserves must serve before being entitled to reemployment rights; to the Committee on Veterans' Affairs.

H.R. 11136. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. TEAGUE (by request):

H.R. 11137. A bill to authorize appropriations to the Department of Energy in accordance with section 660 of the Department of Energy Organization Act, and for other purposes; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Interior and Insular Affairs, International Relations, Interstate and Foreign Commerce, and Science and Technology.

By Mr. TUCKER:

H.R. 11138. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 11139. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, to provide coverage for preventive care under part B, to provide coverage for services furnished in outpatient rehabilitation facilities and elderly day care centers, to improve the administration of the medicare program, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. ECKHARDT (for himself and Mr. BROYHILL) (by request):

H.R. 11140. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. TREEN (for himself, Mr. MOORE, Mr. SYMMS, Mr. ROUSSELOT, and Mr. GOODLING):

H.R. 11141. A bill to amend section 206 of the Labor Management Relations Act, 1947, provide for expedited employee ratification of contract offers in certain emergencies, and for other purposes; to the Committee on Education and Labor.

By Mr. UDALL:

H.R. 11142. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses by establishing a graduated income tax rate for corporations; to the Committee on Ways and Means.

By Mr. APPLEGATE:

H.J. Res. 748. Joint resolution to establish the Patriots' Pledge; to the Committee on Post Office and Civil Service.

By Mr. JONES of Oklahoma (for himself, Mr. SAWYER, Mr. DUNCAN of Tennessee, Mr. ENGLISH, Mr. GUYER, Mr. GEPHARDT, and Mr. LAGOMARSINO):

H.J. Res. 749. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. KEMP (for himself, and Mr. YOUNG of Florida):

H.J. Res. 750. Joint resolution designating the week in each year during which Veterans Day is observed as Love America Week; to the Committee on Post Office and Civil Service.

By Mr. LATTA:

H.J. Res. 751. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. NOLAN (for himself, Mr. BEILENSON, Mr. GOLDWATER, Mr. HARRIS, Mrs. HECKLER, Mr. MOORHEAD of California, Mr. PREYER, and Mr. RAILSBACK):

H.J. Res. 752. Joint resolution authorizing the President to proclaim the third week of May of 1978 and 1979 as National Architectural Barrier Awareness Week; to the Committee on Post Office and Civil Service.

By Mr. HANSEN (for himself, Mr. MURPHY of New York, Mr. TUCKER, Mr. BEARD of Rhode Island, and Mr. MCCLOSKEY):

H. Con. Res. 487. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. LATTA:

H. Con. Res. 488. Concurrent resolution disapproving the President's action relative to import relief of the metal fasteners industry; to the Committee on Ways and Means

By Mr. JONES of Tennessee:

H. Res. 1043. Resolution expressing the sense of the House of Representatives that emergency action should be taken by the President and the Secretary of Agriculture to bolster the farm economy; jointly, to the Committees on Agriculture and International Relations.

By Mr. KEMP (for himself, Mr. BADHAM, Mr. BEVILL, Mr. BREAUX, Mr. BURGENER, Mr. CLEVELAND, Mr. COCHRAN of Mississippi, Mr. EVANS of Georgia, Mr. FLYNT, Mr. FUQUA, Mr. HALL, Mr. HYDE, Mr. LAGOMARSINO, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. LIVINGSTON, Mr. LOTT, Mr. MURPHY of Pennsylvania, Mr. PATTEN, Mr. ROE, Mr. ROSE, Mr. SEBELIUS, Mr. TUCKER, Mr. WALKER and Mr. WALSH):

H. Res. 1044. Resolution to reaffirm the use of our national motto on currency; to the Committee on Banking, Finance and Urban Affairs.

By MURPHY of New York:

H. Res. 1045. Resolution providing funds for the ad hoc Select Committee on the Outer Continental Shelf; to the Committee on House Administration.

By Mr. ST GERMAIN (for himself and Mr. BEARD of Rhode Island):

H. Res. 1046. Resolution expressing the sense of the House with respect to a reorganization of the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. ZABLOCKI:

H. Res. 1047. Resolution providing funds for the Committee on International Relations for expenses incurred in connection with visits to the United States by foreign heads of state and other foreign officials and for similar expenses incurred for meetings with senior U.S. Government officials and other dignitaries to discuss matters relevant to U.S. relations with other countries; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

305. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to proposed increases in grazing fees for public lands; to the Committee on Interior and Insular Affairs.

306. Also, memorial of the Senate of the State of New Jersey, relative to the Nation's telecommunications system; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. COTTER introduced a bill (H.R. 11143) for the relief of Antoinette Slovik; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

404. The SPEAKER presented a petition of the Pearl River County Development Association, Inc., Picayune, Miss., relative to correcting the water flow of the Pearl River; which was referred to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.J. RES. 554

By Mr. BUTLER:

Strike out all after the resolving clause and insert in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. For purposes of representation in the House of Representatives, the District constituting the seat of government of the United States shall be treated as though it were a State.

"SEC. 2. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.".

EXTENSIONS OF REMARKS

PRESENTATION OF GENERAL SPAATZ AWARD TO CADET LARRY TRICK

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. MARKS. Mr. Speaker, it was with a great deal of pleasure that I recently presented the Civil Air Patrol's highest award, the General Spaatz Award, to a very deserving young man who lives in the 24th Congressional District. Cadet Larry Trick worked hard to earn this award, which is given to only an outstanding few. I would like to share my remarks at that presentation:

PRESENTATION OF GENERAL SPAATZ AWARD

Congressmen are frequently called upon to perform various civic duties—such as presiding at ribbon-cutting ceremonies, christening babies, or participating in Main Street parades—but this presentation of the General Spaatz Award to Larry Trick today is one of the highest honors I have had the privilege of sharing.

The Civil Air Patrol's General Spaatz Award is, indeed, a high honor. It denotes the highest achievement in aerospace knowledge, leadership, integrity and physical fitness. The written and physical examinations given to earn the Spaatz Award are exceedingly rigorous. Many who attempt the exams cannot even complete them, and only about 10 percent are able to pass them. Since the early 1960's, only 425 cadets in the country have earned the Award, and Larry Trick is one of only three in all of Pennsylvania to have achieved this honor.

In earning this Award, Cadet Trick is joining an elite company of persons who have trained themselves to be much like the man for whom this award is named, General Carl A. Spaatz. Pennsylvania should be particularly proud today, since General Spaatz was born and raised in Boyertown, Pennsylvania. Young Carl Spaatz entered the U.S. Military Academy at West Point in 1910, where he promptly earned his nickname of "Tooey," since a redhead in each class was dubbed "Tooey" in those days.

Spaatz entered aviation training in 1916. Perhaps even then he possessed a foresight about the role aviation would someday play in world affairs. In aviation's fledgling days, however, not everyone shared that enthusiasm. Spaatz' future father-in-law, a cavalry colonel, wanted the engagement ended when Spaatz was accepted for aviation school since, the cavalry man said, "there obviously is no future in that."

And Spaatz' beginning *was* slow. Shortly after he had earned his wings, he saw his first combat service—flying with the 1st Aero Squadron, chasing Pancho Villa with Pershing's Punitive Expedition in Mexico!

Even Spaatz' own daughter held a rather dim view of the benefits of aviation. She was 10 years old when her father was conducting the famous *Question Mark* mid-air refueling experiment which ultimately set a world record of a single plane in flight for 150 hours. As Spaatz' plane passed overhead, Mrs. Spaatz said, "your father is in that plane. He has been in the air a whole week, a world's record. What do you think of that?" The youngster promptly replied, "I think it's silly."

General Spaatz' faith in aviation and its potential accomplishments persisted, however, and were proven true in the two World Wars. In World War II, General Eisenhower turned to Spaatz when the Luftwaffe was repeatedly out-fighting the Allied Forces in North Africa. Spaatz believed that airpower should be used offensively, and after he assumed command of the Allied planes, the Luftwaffe never won another air battle in the North African campaign.

Spaatz was later assigned command of all U.S. Strategic Air Forces in Europe, and then assumed command in the Pacific Theater. After World War II was over, Spaatz fought to elevate the Army Air Forces to a separate service, equal with the Army and the Navy. He won that battle, too, and became the first Chief of Staff of the new Air Force.

Upon the General's retirement from the Air Force in 1948, he became the Chairman of the National Executive Board of the Civil Air Patrol.

The Civil Air Patrol also plays a vital role in our nation's history. During World War I, small planes helped patrol stretches of coastline and vital installations to guard against sabotage. In World War II, the Civil Air Patrol, by this time nationally recognized, again patrolled our nation's coastline, sighting a total of 173 German submarines and sinking two of them, summoning help for 91 ships in distress and for 353 survivors of submarine attacks, and flying 245,000 hours—nearly 24 million miles!

Pennsylvania again played a part in air history. In the spring of 1942, pilots of the Pennsylvania Wing of the Civil Air Patrol undertook the mammoth task of moving mountains of war materials which were stacking up in warehouses and supply depot yards. With only five light planes, the Pennsylvania Wing transported Army cargo successfully over many parts of the nation. With the success of this effort, the Civil Air Patrol was mobilized nationally for cargo transport, and many military aircraft were released for more direct employment in the war.

Today the Civil Air Patrol proudly carries on its tradition, conducting search and rescue operations, community services and preparation of young cadets for aerospace careers.

It is indeed an honor for me to present the Spaatz Award, the highest award in the Civil Air Patrol, to a cadet representing Erie Squadron 502. The Erie Squadron has its own record of acomplishments. Some of its members were involved in tow-target operations in World War II, and since then the Erie Squadron has been active in both search and rescue, and community operations. In addition, a good number of cadets have entered aerospace careers, and five Erie cadets have received college scholarships since 1971.

The Civil Air Patrol Spaatz Award is a culmination of all these achievements. This award reminds us of the individual accomplishments of General Carl Spaatz, it represents the collective efforts of the Civil Air Patrol, and it embodies the personal successes of Cadet Larry Trick.

Larry has done a remarkable job as a cadet in the Civil Air Patrol, earning a number of awards, taking part in several encampments, holding many staff positions in the Erie Squadron, and participating in three National Special Activities. He is truly deserving of the General Carl A. Spaatz Award.

General Spaatz helped make aviation a viable force in our modern world. The Civil Air Patrol continues this spirit. Looking to the future of aerospace, I fully expect that Cadet

Larry Trick will make major accomplishments in his own right for our country and our world.

UNFAIR TREATMENT OF REPRESENTATIVE HENRY HYDE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. MAZZOLI. Mr. Speaker, it has been my pleasure to serve alongiside the distinguished gentleman from Illinois, Mr. HENRY J. HYDE, since my assignment 1975 to the Judiciary Committee.

And, Mr. Speaker, it has been my honor to have been associated with Representative HYDE in his commendable and vital fight to protect the life and the fundamental rights of the unborn.

I speak, therefore, from personal knowledge of HENRY HYDE's decency, unfailing congeniality, legislative competence and total good faith.

Those persons who would portray HENRY HYDE as any less than my description of him do not know him—or do not care to know him and only care to vilify and discredit him.

I ask that the following column by Nick Thimmesch be placed in the RECORD at this point:

[From the Chicago Tribune, Feb. 13, 1978]

ACLU SHOWS BIAS IN DEALING WITH REPRESENTATIVE HYDE ON ABORTION

(By Nick Thimmesch)

WASHINGTON.—Rep. Henry J. Hyde [R., Ill.] is a jovial, rotund man whose amendment to bar federally funded abortions has driven the pro-abortion crowd frantic. Consequently, Hyde attracts all manner of harassments for grievously offending this mistaken lot of secularists.

He has been picketed, booed, blocked from leaving a hall, sent symbolic coat hangers, and spied upon. And yet colleagues in Congress regard Hyde as congenial, sincere, and in no way the ogre depicted by pro-abortionists.

"Henry is a decent man acting out of conviction," Speaker Thomas "Tip" O'Neill [D., Mass.] says.

The latest attack on Hyde, a Catholic, is the suggestion that he is part of some papal plot, that he only follows orders from the Vatican in his anti-abortion work. This charge takes form in a legal effort to prove that the Hyde amendment establishes religion, and thus violates the separation of church and state.

Hyde and Sen. Jesse Helms [R., N.C.], a Protestant pro-lifer, got into this dispute by intervening as taxpayers on the side of Health, Education, and Welfare Secretary Joseph Califano in the case of Cora McRae vs. Califano. Ms. McRae wanted an abortion for personal convenience [so she could continue her education] and, on the urging of pro-abortion groups, sued to challenge Califano's order stopping federally funded abortions.

Since the plaintiffs might have ensnared Hyde in a messy legal battle over his legislative privilege to withhold documents, Hyde agreed to allow counsel to inspect his mail on the abortion issue.

But he never dreamed that the American Civil Liberties Union, representing McRae, would employ procedures out of George Orwell's "1984" to discredit him.

The ACLU attorney, Ellen Leitzer, in the presence of Hyde's legal representative, Larry Washburn, spent two days categorizing and filing words from Hyde's mail and structuring a chart from them.

Words like "unborn," "child," and "baby" were cited as Right-to-Life terms. "Sacred," "sanctity," and "God" were cited as religious terms. "Lutheran Synod," "Mormon," "church," and "seminary" were also sifted out.

The ACLU strategy is obvious: to demonstrate by charts that the pro-life movement elicits language rooted in religion, specifically the Roman Catholic Church.

"I didn't anticipate this bigotry," Hyde says. "I don't take orders from anyone. I disagree with Catholic bishops on a whole range of issues.

"The ACLU is raising a serious question as to whether people with moral convictions should have access to the political process. Forget abortion. What if people with moral convictions would have stayed away from the civil rights effort or in opposing Nazi racial doctrine? They're trying to make it unconstitutional to work for moral views."

If ACLU would only check, it would learn that Catholics today can be a maverick lot indeed often inclined to ignore what a priest or bishop preaches.

The ACLU argument is ridiculous and based on bias. Planned parenthood, one of its partners in this anti-Hyde effort, in a Jan. 27 statement referred to "sacred" abortion rights. Will ACLU count that?

Hyde's endurance has been sorely tested. After he addressed public health workers here last fall, some hostile members blocked his exit. One woman later charged that Hyde pushed her out of the way. She tried to get publicity by complaining to a United States attorney, but he found no cause for action. In Chicago, a law firm called another to inquire if Hyde does legal work for Catholic bishops. He doesn't.

RABBI BARUCH SILVERSTEIN ELECTED PRESIDENT OF NEW YORK BOARD OF RABBIS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. SOLARZ. Mr. Speaker, last week the New York Board of Rabbis, the world's oldest and largest rabbinic body, elected as its president my dear friend, Rabbi Baruch Silverstein.

For those of us in the American Jewish community, the election of Rabbi Silverstein comes as no surprise. For over 30 years as the communal and spiritual leader at Temple Emanu-el of Boro Park in Brooklyn, Rabbi Silverstein has been making enormous contributions to Jewish life both in the neighborhood and the Nation.

An eminent scholar of Jewish history and law, Rabbi Silverstein has taught two generations of students what Judaism has to say about the problems and questions facing our society today. He has always been available to try and help anyone who might need his assistance and his kindness and understanding has set an example that few people can equal.

In addition to his role as a religious leader, Rabbi Silverstein has placed great emphasis on involvement in civic affairs. He recognized that he could not divorce himself from the daily life of the community, and he has spent countless hours in trying to keep New York City a desirable place in which to live. His perception of problems and his ability to develop solutions has made him one of the persons to whom the community turns during times of crisis. He can truly be described as one of the most outstanding leaders in the Jewish community, not only of our city, but of the country.

I have known Rabbi Silverstein for several years now and I have come to have the greatest respect for his knowledge, judgment, perception, and inspiring leadership. I look forward to working closely with him in the effort to reaffirm America's historic and morally just commitment to the safety and existence of Israel.

I know that my colleagues join me in saluting this outstanding religious and civic leader on another milestone in his life. I am enormously proud to count Rabbi Silverstein as both a constituent and a friend.

CUTBACK IN RETIRED SENIOR VOLUNTEER PROGRAM

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. WHALEN. Mr. Speaker, I was surprised to discover that the proposed 1979 budget for ACTION contains a 24-percent cutback in one of the most cost-effective and worthwhile Federal programs, the Retired Senior Volunteer Program (RSVP). A convincing argument can be made that the benefits of this program far outweigh its small costs in relation to our Nation's total budget.

RSVP is unlike any other program for the elderly in that older Americans are enrolled as givers rather than receivers. In Ohio, for example, senior citizens participating in the program work in schools, senior centers, hospitals, museums, in thrift shops with the proceeds going to aid the elderly poor, and with battered children recouperating in hospitals. They handle emergency hotlines, work on nutrition projects and in shcools for the blind. Over 12,000 volunteers participate in RSVP in the State of Ohio, 490 of those in my home city of Dayton.

The requirements to take part in RSVP are two: that the participant be 60 or older and that he or she have a desire to serve other people. The small costs of this program go for administrative expenses and to reimburse volunteers for travel expenses. In the recent past, a stipend was also provided for meals while on the job, but this has been eliminated due to budgetary constraints.

The proposed reduction of 24 percent, from $20.1 million to $15.4 million will mean that approximately 138 RSVP projects will have to be terminated, while the remaining 554 would be forced to reduce their activities. The number of volunteers would drop from 235,000 to 194,000.

I would like to suggest that in no other

Federal program does the taxpayer get so much for so little. The national average cost per volunteer hour is 64 cents. In Dayton, in all modesty, RSVP operates for an amazingly low 32 cents per volunteer man hour. These hours of public service are of great value to the community and to the volunteers (many of whom are living on social security or other small, fixed incomes) who are thus able to offer their time to assist their neighbors.

Mr. Speaker, it would be hard to invent a more ideal program, one which involves Americans in helping each other at minimal costs to the Federal budget. I hope as Congress considers this matter, complete funding will be restored to RSVP and an appropriate adjustment made to account for inflation.

A NEW UNITED STATES-JAMAICA RELATIONSHIP

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. RANGEL, Mr. Speaker, although Jamaica has been politically independent since 1962, only recently has she declared her economic, social, and cultural independence.

Jamaica realizes that in order to grow and learn her development depends to a large degree on her ability to deal with the powerful nations of the world without succumbing to their will. Therefore, Jamaica's sovereignty must and will be respected by all nation's of the world.

The free world must respect Jamaica's status as a sovereign democratic socialist country with rights equal to our own. In the following article, Jamaican Prime Minister Michael Manley candidly explains the reasons for his country's new outlook on world affairs and her new relationship with the United States:

[From the New York Times, Jan. 21, 1978]

JAMAICA AND THE UNITED STATES

(By Michael Manley)

In 1962, when we attained independence, a Jamaican leader would probably have begun a discussion on United States-Jamaican relations with a dissertation on the investment opportunities in Jamaica for adventurous United States capital.

The Jamaican would certainly have extolled the remarkable confluence of sun, sea and white sand beach against the graceful background of the Blue Mountain ranges. He would have mentioned the importance of the United States sugar market to our sugar industry. Then there would have been a case for United States aid, supported by the argument falling somewhere between our poverty and your abundance. Finally, the discussion would have been capped with a pleasant peroration on the traditional friendship between the peoples of our two countries.

Those were simpler times in which it was possible to see a bilateral relationship purely in bilateral terms.

In the first place, the world of 1962 was still dominated by history's most intimidating bilateral relationship, that between the United States and the Soviet Union. And the first consequence of the cold war, for a small country like Jamaica, was to reduce international perspectives to one single issue: How did you relate to the United States if you are in this part of the world?

Furthermore, 300 years of colonialism confirmed our perception of the world to the Anglo-Saxon nexus of economic and political power represented by the United Kingdom, Canada and the United States. Also, our economy was largely owned and controlled by the same bloc, a situation that contradicted our political independence.

Today, however, Jamaica makes common cause with all those of the third world and nonaligned nations who have engaged in the long struggle to achieve changes in the world's economic system, changes that are seen as the only real hope for the poor two-thirds of the world's population.

This new perception of national policy has two roots. First, we have rejected, as an unacceptable suspension of sovereignity, continuing dependence on a single power bloc; second, we understand more clearly the relationship between the adverse trends of trade as they affect the primary producers of the third world and the brutal reality of third-world poverty, and also that movement of investment capital and technology are often nullified by the reverse flow of profits and royalities.

There was a time when opponents of the new international economic order argued that improvements for the third-world's poor, through new economic arrangements, could only be achieved at the expense of the living standards of the developed world's citizens. But now, however, international economists are beginning to recognize that further economic growth in the developed world is conditional upon third-world ability to break out of the poverty trap.

Breaking out of this trap, among other things, involves a process that the American people have applied once before in their history. At the time of the Marshall Plan, the United States bankrolled the resurrection of a shattered Europe because you were wise enough to realize that America's capacity to grow after the war was closely linked with Europe's capacity to recover. Now, on a global scale, it is increasingly appreciated that the future of the developed and developing worlds are inseparable. Under the traditional modes of international finance and exchange, however, the developed nations are destined for stagnation and the rest doomed to defeat.

Therefore, today's United States-Jamaican relationship must be seen from the perspective of historical experience that obliges us to wage an unceasing political, diplomatic and sometimes economic struggle.

Jamaica's agreements with the United States corporations engaged in mining of our bauxite—Kaiser, Reynolds and Alcoa—can serve as models of the proper relationship between multinationals and the developing world. However, there is still a great need for a systemic change in both the principles and the methods upon which international trade is based—which international trade is based—a change that would contain and reduce the overseas power of all multinational corporations.

At the same time, because of the scope of United States power, your Administrations are the focus of continuing international analysis. When a United States Administration appears to be indifferent to third-world aspirations, and seems to spring automatically to the defense of American multinational corporations regardless of particular circumstance, third-world responses, including Jamaica's, reflect that fact. When, on the other hand, an Administration seeks an imaginative accommodation with the third-world interests and needs, it becomes the automatic beneficiary of more positive attitudes.

While we pursue these objectives, and state these positions, however, we always distinguish between the overseas activities of your corporations, or even the positions of particular Administrations, on the one hand, and the American people themselves, on the other. It is a tribute to your nation as a whole that even among those of us whc fight most strenuously for the new international economic order, there remains a deep and abiding affection for, and admiration of, the American people.

Hence, one would now, in 1978, address United States-Jamaican relationships along quite different lines from those of 1962. One would begin by asserting that Americans are still welcome as our guests on vacation. What is more, we can guarantee them a more interesting time now because the sun, the sea, the beaches and the mountains are as beautiful as ever, but also because today's Jamaica is a much more exciting place.

We can still benefit from bilateral assistance, and that argument not only hovers somewhere between our poverty, still acute, and your abundance, which is still evident. It is also perceived as a means to correct a historic injustice. We are still concerned with market opportunities for our exports. We are still interested in adventurous American capital, but now we have learned to invite its presence on the basis of consistency with national needs, through joint ventures, good corporate citizenship, rapid training of local personnel, and support for worker-participation and industrial democracy.

But most of all, we insist that the United States recognize our sovereignty and our fight to pursue our own course of economic, social and political development, including the democratic socialist path we have chosen.

We regard ourselves as friends of the American people and are well-disposed to your nation but we assert the right to be friends of other peoples and other nations, insisting that they, too, respect our independence and sovereignty, and refusing ever to moderate the extent of our friendship for any one people or nation as the price of the friendship of any other people or nation. This we know to be essential to the successful pursuit of independence.

More than aything else, we hope that the American people will understand that their future is inseparable from the future of the world and that there will be no worthwhile future for mankind unless international relations reflect the imperatives of interdependence.

The greatest contribution the United States could make to that future would be to supply a positive leadership within the developed world that could lead to a resumption of the North-South dialogue on the basis of a real determination to create a world of justice and opportunity for all.

LOSSES

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. BAUCUS. Mr. Speaker, I would like to place in the RECORD today an article that recently appeared in Rural America concerning the career of our late colleague, Senator Lee Metcalf.

This piece was brought to my attention by Senator Metcalf's long-time aide, Vic Reinemer, an unheralded Senate staffer who has done much for disadvantaged Americans.

[From Rural America, February, 1978]

LOSSES

A politician who did not give a tinker's dam about publicity. A senator who sat stoically while colleagues endlessly argued irrelevancies, then cut through legal jargon and bureaucratic gibberish to the gut issues. A private person committed to doing the public's business in public. A towering inferno when outraged—yet a warm and gentle person whose wise counsel, incisive insights and delightful humor were treasured by countless friends. That was Senator Lee Metcalf, the Montana Democrat who died January 12 at the age of 66.

He made his choices early in a career of public service spanning 41 years. Serving his Bitterroot Valley neighbors in the Montana legislature after graduating from law school, he declined a utility's offer to retain him, helped rural cooperatives organize and entered a lifelong vocation devoted to improving the circumstances of rural, working Americans and opposing the interests who continually seek to exploit them.

There are two kinds of public officials, the consensual—the many who wait for majority support before they move—and, to coin a word, the incensual, the few trailblazers who light the way for the herd behind. Metcalf was one of those rare point men out front.

On issue after issue, he put in the first bill, held the first hearing or educated his colleagues through a series of Congressional Record statements. In this category were strip mining legislation, air and water pollution control, the wilderness bill, federal aid to education, the mine safety act, rural library service, the coal research program, the Youth Conservation Corps, national power grid, funds for utility consumers and pesticide research. And he followed through on legislation, to see that funds were appropriated and that executive agencies carried out the responsibilities given them by Congress.

Part of the measure of a public person is what he stops from happening. Time after time, Metcalf moved successfully to halt plunder of public lands, give-aways of public resources to commercial interests, new subsidies for utilities or tax benefits for hobby farmers.

Metcalf authored the first Federal "sunshine" legislation, the Federal Advisory Committee Act, opening to public view hundreds of hitherto secret meetings of corporate and government officials. Congress finally opened up its own committee meetings—but only after he had opened up the two major committees on which he sat. During this 95th Congress he was sending sunlight into dark corners of the business world—corporate ownership and control, federal consultants and contractors, and within the accounting industry.

Eclipsed by Majority Leader Mansfield of Montana in life, by the late Senator Humphrey in death, Lee Metcalf's star shall always beckon those to whom public service is the highest calling.

CLARENCE DAVIS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. WAXMAN. Mr. Speaker, a number of California citizens receive honors during the course of a year for their contributions to many types of philanthropic endeavors. We try to make these devoted men and women aware of our appreciation for their years of hard work, and cheerful performance of a diversity of tasks, not all of them enjoyable. And so. it is a very special pleasure to ask my fellow members to join with me in congratulating Mr. Clarence Davis for being this year's recipient of the Jane Dewey Ellsworth Humanitarian Award by the Myasthenia Gravis Foundation. The testimonial dinner in Mr. Davis' honor on March 11, 1978, will mark the occasion.

As present chairman of the MG Advance Planning Committee and an ardent worker for the California chapter, Myasthenia Gravis Foundation, Clarence Davis has contributed materially to the growth of this organization for battling an insidious disease. A mark of the California chapter's success is its contribution to a number of hospitals and medical schools for patient services, research and education; among them are the Salk Institute, branches of the University of California at Davis, San Francisco, Irvine and San Diego, the UCLA Center for Health Sciences, USC School of Medicine, Stanford University, and the Loma Linda University Medical Center. Great progress has been made recently into the causes of this neuromuscular disease.

Clarence Davis served in World War II and received the Purple Heart for wounds suffered during the Battle of the Bulge. After discharge from the service, he and his wife, Joan, came to California from New York by way of the Midwest, and have lived here ever since. Their community of Villa Park is the beneficiary of many of their public-spirited contributions. Clarence is president of the Admiral Paper Box Co. in Long Beach, president of the Pacific Coast Paperbox Manufacturers' Association in Los Angeles, member of the World Affairs Council of Orange County, past president of the Paperboard Packaging Council in Washington, D.C., a Los Angeles Chamber of Commerce executive committeeman, Domestic Trade Division.

The Davis' son, Richard K., is in the real estate business in the Los Angeles area, and their daughter, Marilyn, is married to Terry Baker, a Heisman Trophy winner, and lives in Portland, Oreg.

Every community has its public-spirited residents, and we in Los Angeles are especially proud to call Clarence Davis one of ours.

CONSERVATION AS A SOURCE OF ENERGY

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. STEERS. Mr Speaker, recently I came across an article in "Sierra", the Sierra Club Bulletin from February/March 1978, that spoke of the promise of energy savings around the home. In the article the point to keep in mind is that by improving insulation and appliance performance, we will realize an increased savings in energy consumption. What the authors did was to program computer models of three futures. The first future was business as usual, this future outlines that without home improvements or increased applicance efficiency, consumption of energy will increase at a slower rate than between 1950 and 1975. The second and third futures outline the effects on energy consumption when current and proposed Federal programs are included in the analysis, and when improved energy efficiency and stronger programs are included.

I am impressed with the article and the point that certain conservation measures increase our supply of available energy. I am inserting the article for all of my colleagues to read:

[From the Sierra Club Bulletin, Feb./March, 1978]

RESIDENTIAL ENERGY USE—HOW MUCH CAN WE SAVE?

(By Eric Hirst and Linda Pearlstein)

Can energy conservation measures, even if they are widely adopted, significantly reduce the growth of energy use in the United States? Won't these conservation measures force us to change our life styles and simultaneously cause severe financial hardships for most families?

Our answers to these questions—for those who can't wait until the end of the article—are: yes, energy conservation can substantially reduce growth of energy use in homes during the rest of this century. And no, practicing energy conservation will not require more than such modest changes in behavior as setting the thermostat lower by a few degrees at night. What's more, energy conservation will save households money because savings in fuel bills will outweigh the extra cost of more efficient appliances and of more energy-efficient homes.

We base our answers on more than a personal belief that energy conservation is the most environmentally benign substitute for fuels. In a computer-model study conducted at the Oak Ridge National Laboratory, we simulated what household energy use might be like between now and the year 2000. We used the computer model to test the energy and economic effects of three different kinds of "futures" concerning home energy use. These futures differ from each other in the degree and strictness of projected federal programs intended to conserve energy.

FUTURE ONE: BUSINESS AS USUAL

Our first projected future assumes no improvements in the efficiency of home appliances or homes. Future One does assume, however, that fuel prices and household incomes will increase between now and the year 2000. Given these assumptions, household energy use will grow only modestly during the rest of this century. We calculate an average growth rate of 1.7 percent per year, compared with a growth rate of 3.6 percent per year between 1950 and 1975. Thus, even without government conservation programs, growth in household energy use will be cut by one-third in the coming 23 years—relative to an extrapolation of historical demand.

This slowdown will occur because of slower growth in population (women are now having an historically low 1.7 children each); a reverse in fuel price trends (until 1970 fuel prices actually declined); and the approaching saturation of existing households with various household appliances. How many refrigerators can one house use?

FUTURE TWO: FEDERAL PROGRAMS

Our second future assumes that the energy conservation programs authorized by the Ninety-fourth Congress in 1975 and 1976 and proposed in the President's National Energy Plan will be fully implemented by the new Department of Energy (DOE). These conservation measures include appliance efficiency, insulation standards for new homes, and a national program to "retrofit" existing homes by adding attic insulation, storm windows and other devices to cut energy use.

Congress told FEA to require an increase of at least 20 percent in the average efficiency of new appliances by 1980—that's 20 percent above the average efficiency of appliances in 1972. FEA wants to reduce the amount of energy used in refrigerators by one-third. We found that this goal can be met, using available technology, by increasing the insulation thickness in refrigerator walls, moving the fan motor away from the refrigerated area, adding an anti-sweat heater switch, and increasing the condenser surface area. These improvements would add only $10 to the price of a new refrigerator. But the annual saving in electricity bills would be $20—the improvements would pay for themselves within six months.

Another FEA goal is to reduce energy use in gas water heaters by 20 percent. Again, using available technology, this goal can be met by adding urethane foam to the water-heater jacket, insulating the distribution pipe, and reducing air flow through the flue. These improvements would add $40 to the cost of a new water heater. But gas bills would be cut by $13 a year; the investment would be paid off in only three years. These two examples suggest that investment in efficient household equipment is very cost-effective. Put another way, saving energy saves money. Savings accounts pay from 5 to 6 percent interest, but these investments pay from 30 to 200 percent.

Congress similarly directed HUD to develop insulation standards for new buildings within three years. The standards must then be enforced by the states, but only if Congress first approves.

The added cost of constructing a typical single-family house in accordance with the proposed HUD standards is only about $500. The extra insulation plus storm windows and storm doors called for by these standards would cut energy use for space-heating by 40 percent and would cut energy required for air-conditioning by 30 percent. The annual savings in fuel bills would be about $125. This investment would pay for itself in four years.

The final element in the national residential energy conservation program involves changes in existing houses. Congress authorized (and the President proposed additional) financial incentives such as tax-credit programs to encourage homeowners to "weatherize" their homes. Our study assumes that these programs will encourage owners to retrofit forty million single-family homes and seven million apartments during the next several years, resulting in an average saving of 35 percent for a typical heating season.

What would happen to energy use and to household costs if all three federal programs were adopted? We calculate that these technical improvements would cut residential energy growth to only 1.2 percent per year—a great savings over the 1.7 percent energy growth in Future One. Furthermore, the amount of energy saved would increase each year as more and more efficient equipment and structures replaced existing inefficient systems. In the year 2000, these programs would have cut United States energy use by an amount equal to that produced by 61 large electric power plants plus 400 billion cubic feet of natural gas plus 44 million barrels of oil. Hence one of the primary axioms of energy planning: the cheapest source of fuel is conservation.

Adopting these federal conservation programs would also save money for individual homes. Overall, household fuel bills would be cut by $56 billion between now and the end of the century. These savings would be partially offset by increases in the costs of equipment and buildings, but the net saving would still be $27 billion—about $30 for each American household.

Pessimists have predicted that any significant savings in energy use must involve drastic changes in our lifestyle. But these savings would require virtually no change in the typical lifestyle of Americans—unless paying lower utility bills is unwelcome.

FUTURE THREE: STRONGER PROGRAMS

Until now, we've been talking about energy savings that would result from implementing federal programs within the next three years. Even without additional improvements in technical efficiency, these savings are both possible and considerable. But why assume that appliances will not continue to grow more efficient?

Fuel prices will increase between 1980 and 2000. DOE estimates that natural gas prices will rise 50 percent; oil prices will go up 25 percent and electricity prices will grow by 15 percent. It seems obvious that there will be ample incentive for homes, appliances and other equipment to be made even more efficient than required by current federal programs.

In addition, federal and private research is sure to develop more efficient equipment and structures than those available today. For example, the ACES (Annual Cycle Energy System) house constructed by the Oak Ridge National Laboratory in Knoxville, Tennessee, will require only 20 percent as much electricity for heating, cooling and water heating as would a conventional house.

To get a feel for the energy and economic savings from additional improvements, we posited a third future that assumes that homes and appliances will continue to increase in energy efficiency after 1980. Using a computer model, we developed a future with efficiencies higher than those in the federal programs—but attainable with present-day technologies. The results suggest a 20 percent reduction in energy use by the year 2000 compared with Future One and a 10 percent cut in energy use over Future Two. Energy growth would be cut to 1 percent a year.

Future Three would provide economic benefits of $34 billion to households compared with Future One (and $7 billion more than Future Two). These final results suggest that continuing federal efforts to further improve energy efficiency would yield large financial savings. Again, these savings assume only slight—and positive—changes in lifestyle by American families, no change in government fuel-pricing policies and no use of such emerging technologies as solar heating. Very conservative assumptions—but very promising results.

OFFERS SOUND ADVICE ON CHINA DILEMMA

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. SIMON. Mr. Speaker, the Washington Post recently printed an article by Michael Lindsay, professor emeritus of Far Eastern studies at American University.

That article deals with the question of our relationships between the two Chinas, and the conclusion that Professor Lindsay draws is one I have called attention to in the House on a number of occasions as the sensible answer. We must be willing to recognize the People's Republic of China, but we must not turn our backs on our agreements with the Government of Taiwan.

I hasten to add that I do not want the publication of this item in the CONGRESSIONAL RECORD to be taken as a criticism of Ambassador Leonard Woodcock. I have known him a long time and have great respect for him. The problem is not caused by Ambassador Woodcock but by the lack of firmness in our own policy. Our friends in China will understand firmness. They will respect our desire not to turn our backs on our friends. No one will have respect for a nation which turns its back on its friends and repudiates its treaties.

I hope my colleagues in the House and Senate will read the article by Professor Lindsay.

OUR FAULTY "LOW POSTURE" APPROACH TO CHINA

(By Michael Lindsay)

Giving evidence to a subcommittee of the House Foreign Affairs Committee last September, Prof. Robert Scalapino said, "But one can only view with some apprehension the recent course of Sino-American negotiation. On the American side, it was decided to attempt a 'low posture' approach. . . . The effort seemed to be to avoid anything that might displease or give offense to Peking, and in the process to suggest that the United States was prepared to make very considerable concessions in order to attain normalization rapidly."

Woodcock's recent comments on relations between the United States and the People's Republic of China indicate that this "low posture" approach is still in effect. It seems clear that he never tried to argue in Peking for the position supported by a majority of the American people: that the United States should have full relations with both Peking and Taipei.

It is true that argument often displeases and gives offense to the Chinese leaders. One member of Congress who recently visited China replied to criticism of the United States for not normalizing relations on Peking's terms by saying that the American people did not want to abandon an old ally. The high Chinese official with whom he was talking reacted by a show of anger. But when people react to argument by anger, it is evidence that their position cannot be defended in reasoned argument, and there have been many points in the Chinese Communist position that they could not defend in reasoned argument.

In 1954 my wife and I heard the discussion between Clement Attlee's Labor Party delegation and Mao Tse-tung and other Chinese leaders. Mao started an argument by criticizing the Labor Party for refusing to cooperate with the Communist Party of Great Britain but, at several points in the discussion, he could only get out of an embarrassing situation by hastily changing the subject. It became clear that he had never considered possible objections to the Marxist-Leninist postulates from which he reasoned.

There are more recent examples. For instance, after seeing Mao Tse-tung's birthplace, an American visitor asked the argumentative question, "What was Mao Tse-tung's class status?" It was obvious from the size and style of the house that Mao's father

had been at least a "rich peasant" which, in China, would have put Mao in a "black category," barred from Communist Party membership and with other social disadvantages. One Chinese official refused to answer the question. The other replied, "At that time, we had not yet invented classes."

Again, in 1973 local officials seemed to regard my wife and me as a challenge and would start arguments that began as reasoned discussions. However, one revolutionary committee chairman ended by asserting that truth was what had been decided by the Communist Party leaders, and others ended by saying, "Your standpoint is wrong"—meaning that our bourgeois class status made us incapable of seeing the truth.

If Woodcock had been willing to engage in reasoned argument in Peking, he could have pointed out that the Chinese leaders could secure normalization with the United States at any time by giving up their demand for the right to impose their rule on the people of Taiwan, who clearly do not want it.

He could have noted that the Chinese leaders wish the United States to keep up its defense commitments in Europe and Japan but that the credibility of all U.S. defense commitments would be damaged if the United States repudiated its defense treaty with Taiwan.

He could have asked what the United States would gain by changing his liaison office to an embassy, considering the restrictions on all diplomatic missions in Peking.

He could have suggested that Chinese leaders would be likely to secure voluntary unification with Taiwan if they gave their subjects at least as much freedom and respect for human rights as the Taiwan government gives to its subjects, and if they improved their economic performance to give their peasants and workers something near the standard of living in Taiwan (which should be possible because the mainland has a more favorable ratio of natural resources to population).

Such arguments would have given offense in Peking but they would also have produced some respect for the United States as a country with principles for which it would make a stand. The present "low posture" policy does more to produce a risk of Chinese-Soviet rapprochement than the failure to normalize on Peking's terms. The new Chinese Communist Party constitution and Hua Kuo-feng's speech to the 11th Party Congress make clear that the Chinese Communist Party is hostile to all capitalist regimes and regards the relationship with the United States as a tactical alliance against the immediately more dangerous enemy. What would provide the strongest motive for seeking détente with the Soviet Union would be a conclusion that the United States was too opportunist, unprincipled and lacking in determination to be a useful ally against the spread of Soviet hegemony.

If the United States were to abandon an old and friendly ally to win the favor of one communist regime, Chinese leaders would have reason to suspect that the United States would have even less scruples about abandoning a tactical alliance with China if it seemed expedient to win Soviet favor. If Woodcock could reason as clearly as the Chinese Communists, he might suspect that Chinese leaders are so insistent on the Taiwan issue because they want to secure something they can only get from the United States before seeking détente with the Soviet Union.

In effect, Woodcock and those who share his views want to forgo the attainable objective of winning the respect of Chinese leaders in order to pursue the unattainable objective of winning friendship for a capitalist society from believing and practicing Marxist-Leninists.

TUITION TAX RELIEF

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. WALGREN. Mr. Speaker, a constituent of mine, Bernard L. Study, recently sent me a copy of a thoughtful and moving letter which he had sent to the Princeton-based College Entrance Examination Board. The board had been quoted in a Pittsburgh newspaper as saying that only 25 percent of U.S. families pay the full cost of their children's college education with scholarships, loans, and work-study grants paying for the bulk of a student's college expenses.

I think Mr. Study, like many other middle-class parents in my district, found this somewhat surprising. So. many hard-working parents, after years of saving, are unable to finance completely their children's education and yet still do not qualify for the scholarships, loans, and work-study grants available. It is these parents that deserve the tax break offered in the Tuition Tax Relief Act which I have joined in cosponsoring.

Mr. Study's letter to the College Board eloquently speaks to that need.

GENTLEMEN: The attachment says I am either rich or a sucker. Unfortunately, I'm a sucker who is now poorer than I was and that's what makes me bitter. I knew of several cases of families with higher incomes than mine (including relatives) and students of lower performance than my children who have been granted college tuition assistance.

I've often heard it stated that there is plenty of scholarship money available if people would only apply for it. I did apply three times and was turned down each time. I didn't even try for the fourth child because of my experience with the first three.

Last week I attended a "college night" at my son's high school at which representatives from several area colleges were present. Everyone of them devoted considerable time to explaining scholarship aid and how you go about applying for it. Obviously, it is assumed everyone will be applying for scholarship aid. It was flatly stated by some college representatives that no scholarships would be granted based on performance—all awards would be based on "need." When I went to college performance was taken into consideration. What happened to that system?

Your organization (the C.E.E.B.) has recently been given credit for releasing data to the effect that college entrance examination scores (S.A.T.) are lower in recent times than they were a few years ago. Did it ever occur to you that there no longer is any incentive for high school students to excel because there is no reward for excellence? The rewards today are for being "poor" and many people are masters at cheating to make themselves appear poor when they can reap a benefit by so doing. It isn't so easy to cheat at being intelligent.

My problem is that I have been too good a planner for which there is no longer any incentive. My wife and I have sacrificed for 25 years to save money for educating our five children. By having the children work part time from the age of 16 through college graduation, we were successful and felt good about our accomplishment until we realized that having accumulated such funds only served to deny us any scholarship help. Had we not done this, as many people with far greater incomes do not do, the children would probably have received some help. I made the mistake of being too honest in supplying complete and accurate information on scholarship application forms. Our children and we know of several cases of students from families who lived much "higher on the hog" than we have been able to live where scholarship aid was granted while we have been consistently denied any help. Obviously, we are hurt by this and we would appreciate an explanation even though it will not undo what we feel is an injustice.

Our children have all attended State-related colleges because I cannot afford the tuitions at private colleges. The private colleges obviously have become exclusive clubs for the very rich who can pay the high tuitions and the poor who will have their way paid by scholarships which are frequently made possible by the taxes I pay—even though I can't send my own children. The large group of middle income family students must go elsewhere where the costs are lower.

To me, the scholarship programs in this country have become discriminatory and are nothing more than another form of welfare. The incentive for hard work and excellence is dead—and this is leading to the slow deterioration of this great country of ours.

The incentive today is to be poor—honestly or dishonestly. What is going to happen when everyone becomes poor?

Yours truly,

BERNARD L. STUDY.

UNITED STATES: A PACIFIC NATION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. WOLFF. Mr. Speaker, recently, I headed an 11-member congressional delegation that visited 8 Asian nations. The primary purpose of that mission was to seek Asian views on regional stability and the future role of the United States in that region. As chairman of the International Relations Subcommittee on Asian and Pacific Affairs, I can express the views of members of that study mission by saying that we feel that the Congress and the American people need to have a clear picture of what our Asian friends, allies, and trading partners expect from us in the coming years, particularly in political, economic, and security areas.

In conversations with heads of state, key government officials, parliamentarians and private individuals, concerns and misgivings were expressed in varying degrees regarding the present and future position of the United States in Asia and the Pacific.

Despite repeated statements by our delegation that we are an Asian and Pacific nation attempting to better understand the problems they face, and to make clear our common interest in human rights, representative democracy, and to discuss matters of mutual concern, I am afraid that we did not allay the unwarranted fears of the nations involved.

It is extremely important, Mr. Chairman, that we reiterate our national security policy in the Asian and Pacific region. It is, for that reason, that I would like to emphasize some key points made

by the Honorable Harold Brown, Secretary of Defense, in a speech delivered to the Los Angeles World Affairs Council on February 20, 1978.

Mr. Brown stated that a misconception exists about the policy of the United States, expressed both at home and abroad—a misconception that this country is withdrawing from Asia. He went on to say:

That perception is, quite simply, wrong. We are and will remain a major force in the Pacific.

He then proceeded to spell out the important geographic, economic, political, and security reasons that make it imperative that we remain an Asian and Pacific nation. Again, these views are in keeping with, and in support of, the very same positions conveyed by my delegation during our recent mission.

Mr. Chairman, I insert full text of Mr. Brown's remarks at this point in the RECORD. In my opinion they express a cogent and forceful statement concerning our present and future policy in this important area of the world.

REMARKS BY HAROLD BROWN, SECRETARY OF DEFENSE

I am pleased to be back in Southern California and to appear before you tonight. Because of California's particular interest in Asia and the Pacific, I have chosen this opportunity to speak to you about our national security policy with particular emphasis on East Asia. I also do so because I believe this aspect of our defense posture has not received the public attention it deserves.

I have just returned from several days visiting the Pacific Fleet and reviewing our defense posture in the Pacific and East Asia with our senior military commanders there. Like them, I am concerned with what can only be termed a misconception about our policy—that is the belief, expressed sometimes at home and sometimes abroad, that the United States is withdrawing from Asia.

That perception is, quite simply, wrong. We are and will remain a major force in the Pacific. It cannot be otherwise. We were involved in Asia even when, two hundred years ago, this West Coast of North America was Spanish, British, and Russian. We continue to have deep and extensive political, economic, security, and cultural ties with Asia.

—Geographically, our territory in the Aleutians, Hawaii, and Guam is in the heart of the Pacific. Many of our peoples come from Asia.

—Economically, our Asian trade grows by leaps and bounds. Last year it reached $60 billion. Japan, the third largest economy in the world, is the major element in that trade. Keeping Japan a stable political and economic part of the coalition that so much sustains what order and progress the world now offers is a very high priority in U.S. policy.

—Politically, many of our staunchest allies are in the Pacific Basin and we have solemn commitments to help them maintain their security. Moreover, what happens in Asia greatly influences our relations with the Soviet Union.

Clearly our defense posture in Asia must be based on protecting these interests and those of our friends and allies and on helping preserve peace and stability. Our military forces in Asia make a vital contribution to these ends.

Equally important, however, is the fact that our Asian defense policy is part of our global policy. We cannot be strong in Europe and weak in Asia. Indeed, our strength in Asia supports our strength in Europe, and vice versa. They are two sides of a coin. We are a global power faced with a global challenge. We must be prepared to meet that challenge in Asia just as we are prepared to meet it elsewhere.

Why then do others question our intentions in Asia? There would appear to be two reasons:

First, public attention during the past year has focused on the more newsworthy aspects of President Carter's defense and foreign policy—the strategic balance, the B–1, cruise missiles, NATO, and the Middle East.

Second, the part of our Asian defense posture that has received the most attention has been our plan to withdraw our ground combat forces from Korea. What we are doing to maintain and strengthen our already powerful forces in the region has received less emphasis in the news.

Let me discuss those two points in greater detail.

First, why has so much attention been focused on non-Asian aspects of our defense posture? In part because that posture has many aspects.

The Soviet Union is, of course, our most difficult national security problem. It has steadily expanded its capability to project power worldwide, and it has increasingly involved itself militarily or through military proxies in the developing world. Its nuclear weapons pose the only direct threat to our national survival. The Soviets have steadily improved their nuclear forces and are currently deploying their fourth generation of ICBMs—the SS–17, SS–18, and SS–19—at a rate of approximately 135 a year.

At the present time, there is a rough strategic balance, what we call essential equivalence—neither nation enjoys a military or politcal advantage over the other from its strategic forces. Since we cannot be sure of Soviet intentions, our immediate concern is to ensure that this balance remains stable, that our capabilities are neither actually inferior nor seen as inferior. To this end we plan to continue the development of cruise missiles as a part of our air-breathing strategic forces; we will soon begin deploying the TRIDENT missiles; and we will increase the rate of development of the mobile missile.

We also are trying to preserve and strengthen the present balance and to curb arms competition through arms control negotiations. I believe we are making progress towards that goal in SALT. Given the fundamental importance of the strategic balance, the emphasis we have placed on it and related issues can hardly be termed "misplaced."

Similarly, our attention this past year has focused on Europe. This is also appropriate, for Europe is where the Soviet conventional threat is greatest. It is where the growth of Soviet conventional capabilities in recent years has created the most disturbing threat to the NATO-Warsaw Pact balance. Moreover, it is the area where the United States itself had to draw down its contribution during the decade of our involvement in Southeast Asia, in response to the Soviet threat the U.S. and its allies have had to take immediate steps to strengthen our forces in NATO. Specifically, we have pledged to increase our real defense spending by three percent. But such an emphasis on NATO is not at the expense of our other commitments and programs. We are enlarging our military capabilities in Europe, not degrading our strength elsewhere.

Finally, the Middle East and the Persian Gulf pose great challenges for U.S. policy. The stakes here are very high. For many years this has been a highly volatile region—and the constant meetings of heads of State and foreign ministers have rightly served to focus public attention on this area.

Because the area is the world's greatest source of oil, the security of the Middle East and the Persian Gulf cannot be separated from our security and that of Nato and our allies in Asia. Japan, for example, imports 80 percent of her oil from this area. We intend to safeguard the production of oil and its transportation to consumer nations without interference by hostile powers. We also are committed to help find a just peace in the Middle East with adequate security for Israel.

These issues are important. But, at least as far as this Administration is concerned, the attention we have given to the strategic balance, to NATO and to the Middle East has not been at the expense of our posture in Asia.

This brings me back to my second point—Why, when our Asian defense posture has been in the news, has there been so much public attention to our plans to withdraw our ground combat forces from Korea—not on what else is happening in the region and what else we are doing?

Again—the answer should be obvious—the planned withdrawal of ground troops is "new," whereas constance of commitment is not.

Moreover, we are removing from the center stage one element that has been prominent for some twenty-five years. Such a change quite understandably can produce anxiety in the area.

Let me assure you that our withdrawal program has been thoroughly worked out in both Washington and with the Koreans. It is the continuation of a process begun in 1970 when we withdrew one of our two divisions in Korea. It has support of the Joint Chiefs of Staff and our commanders in the field.

We can plan on withdrawing our ground combat forces because we believe that the environment on the Korean peninsula has changed to the point that it is no longer necessary for the United States to maintain its ground forces in Korea indefinitely. South Korea has been transformed into a modern state of impressive military and economic dimensions. North Korea also has developed impressive military capabilities, but the South is far more dynamic and its economic superiority is increasing. In the past decade South Korea has clearly surpassed North Korea economically—in raising labor productivity, absorbing modern technology and building international financial strength. South Korea's GNP tripled in the past decade and grew at a rate 50 percent greater than that of the North; its per capita income has now surpassed the North's. The South has developed the basic industries—steel, shipbuilding, electronics, petrochemicals—essential to the support of a modern military establishment. Its credit rating is not in doubt. It enjoys much greater access than the North to advanced technology. All this is a testament to the vigor, enterprise, and determination of the Korean people.

Not only have the South Koreans performed prodigious economic feats, they also have shown a relentless dedication to preserving their independence and military security. This is clearly evident to anyone who visits South Korea. The share of resources devoted to national defense has risen from some four percent in the early seventies to almost seven percent in 1977, a considerably greater percentage than we or our European allies spend. In absolute terms the Republic of Korea devoted about $2 billion to defense in 1977—six times more than they spent in 1970. In this decade they have taken over responsibility for the DMZ and virtually the entire forward defense of their nation, and the remaining U.S. division is held in a reserve role. In short, Koreans are able and willing to defend their country.

Equally as important, the situation in the rest of Asia has also changed dramatically over the past decade. Non-Communist Asia has developed impressively; the Communist nations are bitterly divided:

Growing Soviet and Chinese military capabilities in East Asia are largely directed toward each other in an absorbing and hostile way. Neither country has shown much capability to translate military power into significant political advantage in Asia. Their ideological attraction for other nations has atrophied. Their dispute has reduced drastically the probability that we would have to fight a war in Asia either against China or against both the Soviet Union and China. We no longer plan forces on the assumption of a possible ground war against China in Asia.

Second, the improvement in U.S. relations with the People's Republic of China has marked the end of our confrontation with the world's most populous nation. We believe that the continuation of effective relations with China will strengthen China's stake in regional stability. We look forward eventually to normalizing our diplomatic relations with China in order better to solidify what has already been achieved. We believe there are other problems in the world on which we can cooperate.

Third, Japan's economic miracle has made her a major influence in the region and throughout the world. The U.S.-Japanese security relationship and the close friendship of our two nations is fundamental to our position in Asia. It has enabled both countries to work together in the interest of peace and stability. Our protective umbrella has enabled Japan to play an increasingly constructive role in the area, while within the alliance Japan has developed significant but purely defensive capabilities.

Finally, after the collapse of South Vietnam and Cambodia there were grave fears in Southeast Asia of an inexorable Communist tide. It was thought that the elan of the conquering North Vietnamese would in some fashion be translated into victories by insurgents in Thailand and elsewhere. But what has happened? Vietnam, Laos, and Cambodia are in deep economic distress. In fact, historical enmity and national feelings have quickly surfaced, resulting in repeated and serious clashes between Vietnam and Cambodia. The non-communist nations of Southeast Asia, however, are enjoying a period of economic development and we are encouraged by the increasing vitality of ASEAN—the Association of Southeast Asian Nations. The non-communist Asian nations have also shown a healthy and controlled nationalism and a determination to resist outside pressures.

In short, the situation we find in Asia is significantly different from that in Europe In Europe the alignments are clear, with Soviet forces and their allies on one side, the U.S. and its allies on the other. The military balance is more easily measured. While in Europe Soviet military capabilities are immense and focused, in Asia the threat to us and to our allies, though real, is more diffuse. Enemies are not always clearly distinguishable. The interplay between the powers is more fluid. Consequently, our defense requirements are less demanding than they are in Europe but in many ways more complex because of the political factors.

The situation in Asia thus is more favorable to our interests than in the past. We want to ensure that this environment continues. We therefore maintain major military forces in the Western Pacific. They include B-52s, ballistic missile submarines, nine U.S. Air Force tactical fighter squadrons, two aircraft carriers, two amphibious ready groups, twenty cruisers and destroyers, two-thirds of a Marine division, and a Marine air wing.

The President has decided that, except for the planned withdrawals from Korea, the United States will maintain this current level of combat forces in Asia. Nor are we neglecting the possibility that many forces stationed in the west could be deployed to Asia in an emergency, just as they could to Europe. This is why we program general purpose forces, with all the flexibility that such forces provide.

In the next five years we will also be strengthening our forces in the region by the introduction of several advanced weapon systems: TRIDENT nuclear missiles for our submarine fleets, cruise missiles for B-52s, F-14 fighters for our carriers, F-15s for Air Force squadrons, the Aerial Warning and Control System (AWACS), and other improvements. We will maintain the size of our Pacific fleet and modernize and increase it to the extent our shipbuilding schedules permit.

We are taking other defense-related measures to help preserve peace and stability in the area. In Korea we plan to balance the withdrawal of our ground combat forces by helping South Korea improve its own forces through the transfer of necessary equipment to Korean forces and the extension of credits to purchase additional military equipment. We have introduced legislation to this effect in Congress and I will testify in support of that legislation the day after tomorrow. We also will maintain our Air Force in Korea indefinitely and will increase its numbers before the end of this year. Elsewhere in the region we have been actively engaged in negotiations with the Philippines in an attempt to work out a satisfactory agreement on our bases to stabilize and strengthen our presence there. We also have been working steadily to foster closer defense cooperation with Japan within the framework of our Mutual Security Treaty.

Why, you might ask, are these improvements necessary, especially if the situation in East Asia and the Pacific is as favorable as I have just implied?

Let me begin addressing this question by observing that while the situation in Asia is now favorable, there is no assurance that it will remain so—especially if we were to ignore Asia, diminish our capabilities there and concentrate our attentions elsewhere.

There are major uncertainties in Asia which could threaten future peace in Asia and in Europe. The equilibrium that has emerged in East Asia during this decade—in which the United States, the USSR, the People's Republic of China and Japan are the principal players—is not only beneficial to Asia but helps maintain the balance in Europe.

That equilibrium, however, is not necessarily permanent. Soviet military strength in Asia and the Pacific continues to grow. Changes of fundamental strategic significance in Sino-Soviet relations are possible. North Korea is always an uncertain element which could disrupt the peace on the peninsula and embroil the great powers. Economic development of the lesser developed non-Communist nations in the region might falter. Vietnam might undertake an adventuristic policy against its non-Communist neighbors. If we don't give Asia its due—if we don't maintain the necessary military forces, as well as enough economic and political strength in the region to hedge against these uncertainties—the favorable political balance we now find in Asia could deteriorate rapidly.

In addition to providing a hedge against future uncertainties, I believe that our continued military presence in the area—combined with our mutual defense treaties with our principal allies in the region—significantly increases the probability of sustained peace in Asia. Our military presence strengthens the political inhibitions on potential adversaries and serves the cause of deterrence. It also provides an important psychological element of security to friendly countries. Thus our close alliance with Japan lends steadiness to Japanese diplomacy, contributes to a thriving democracy in Japan and encourages a constructive Japanese role in Asia. Similarly, the ASEAN countries believe our continued military presence in the area provides an important stabilizing factor.

Our military presence also imposes certain defensive considerations upon our would be opponents. The Soviet Pacific fleet must operate with the U.S. Seventh Fleet in mind. Remove a significant portion of the U.S. Pacific Fleet—or fail to improve our forces as Soviet forces are improved—and the military and political potential of the Soviet fleet would be considerably enhanced.

Finally, and most importantly, as I said earlier, we are a Pacific power—with vital interests and solemn commitments in the region. Our military presence and planned improvements to our forces are designed to ensure that we have the capability to continue to protect these interests and meet our commitments. We cannot fail to do that, nor can we avoid our responsibility to maintain peace in the area. For these purposes we will need our forces in Asia for some time to come. Everyone should understand that. The President and this Administration understand it, and will behave accordingly.

Thank you.

WASHINGTON STAR PRAISES HOUSE OF RUTH

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. STEERS. Mr. Speaker, last week, the House of Ruth—a prominent home for homeless and battered women in the District of Columbia—was honored by the Washington Star on its editorial page. The Star praised the home's director, Dr. Veronica Maz, stating that her early recognition of the need for such shelter and positive action to establish it "may be a decent definition of courage."

Having worked on legislation to aid battered women, I would like to add my own heartiest congratulations to the House of Ruth for a job well done. The editorial follows:

THE HOUSE OF RUTH

To pursue a small vision largely will not erase a society's deficiencies by a week from Tuesday, but the pursuit can make a corner of it more humane. That is not so easy a course, particularly in a time when social needs seem, somehow, validated only when the attention and money of government can be summoned.

The House of Ruth and its founder, Dr. Veronica Maz, for example. Two years ago, Dr. Maz, a former George Washington University sociology professor, became aware of the numbers of destitute women in Washington when she was operating a soup kitchen. "Nobody ever believes homeless women really exist," she said. They are young and not so young, left by husbands, abandoned by children; they are runaways, unwilling prostitutes, women whose experiences have intimidated hope.

Dr. Maz was concerned at the number of these women and the paucity of provision for them. She decided to do something. A rundown rooming house was rented at 459 Massachusetts Avenue NW. Eight women who had been sheltering in a nearby park became the first residents of the House of Ruth. These were the vanguard of 2,500 women who have passed through Dr. Maz's refuge in its two years.

"They stay one night or three months. Some come back more than once. Some may never quite find themselves." The Star's Zofia Smardz recently reported. "But most go on to rebuild and rehabilitate their lives after the house has provided them with the assistance, the confidence and the stimulus to do so."

The volunteer staff of 40 counsels the women, helps them find jobs, apartments, guides them through the social-welfare maze of government—provides a caring environment. "Our whole objective is really to take the person without friends or family and make her feel like part of a family," says Dr. Maz, "because what we're really dealing with here is loneliness."

The original 35-bed House of Ruth has expanded to include an annex for 30 battered women, and two thrift shops. Dr. Maz also has established two "second stage" shelters—with a $30,000 grant from the Cafritz Foundation—to which women from the main house can move and pay rent but where they can still live with mutuality and support. A site is being sought for another shelter.

This has been accomplished on the strength of donations and contributions, and the determination of Dr. Maz and her volunteers. "We never starve though," says Dr. Maz. "We don't receive any funding, it's true, but that's as it should be."

Recognizing a need and acting on it, quietly and inconspicuously, as Dr. Maz has done, may be a decent definition of courage.

PUTTING PARKS WHERE THE PEOPLE ARE

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. SISK. Mr. Speaker, I would like to call to my colleagues' attention an editorial comment by Neal R. Peirce which appeared recently in the Washing Post. It is a notion I fully support and, based on recent actions by both this body and the U.S. Senate, underscore, in my estimation, a need to shift our thinking.

I feel, that as costs for even the rural parks continue to mount, that the appropriate committees seriously review the question of where our Federal dollars should be going regarding this issue of urban and rural parks.

The editorial comments of Mr. Peirce follow:

TIME TO PUT PARKS WHERE THE PEOPLE ARE

(By Neal R. Peirce)

A controversy pitting environmentalists against city leaders, and rural areas against urban, is shaping up over how the federal government should focus the hundreds of millions of dollars it spends on parks and recreation.

Ever since the Yosemite Valley became protected territory in 1864, federal funds for parks and recreation have been channeled overwhelmingly toward the great open spaces, far away from the centers of population where most of the nation's people live.

City spokesmen are arguing that it's time to reverse the priorities, to use federal funds to undergird badly deteriorated urban parks and to place new parks and recreation areas where they're accessible to the 70 percent of Americans who live in urban areas.

The cities are finding surprising allies in the Interior Department, historically a bastion of rural and western interests. Interior Secretary Cecil Andrus recently presented in person a check for $307,476 to Massachusetts Gov. Michael S. Dukakis to cover half the cost of Boston's new Harbor Islands State Park.

Says Interior Under Secretary James A. Joseph: "A week in the mountains can be a wonderful and revitalizing escape from the numbing routines of urban life, but its brief exhilaration cannot carry one through 51 weeks of life trapped in the inner-city constrictions of brick and asphalt, mind-numbing routine and depressing lack of recreational opportunity."

Joseph notes that many of the people who need recreational opportunities the most can ill afford them—"especially if they involve long trips by private automobile to faraway places." And a new Interior Department study (the National Urban Recreation Study, to be sent to Congress today) notes that 45 million Americans live in households without cars.

The new study is sure to generate heated debate because it will name as one clear policy option deemphasizing acquisition of open space and recreation development in rural areas in favor of federal support for park facilities in densely populated urban centers. Specifically, the study will suggest the possibility of shifting part of the federal government's Land and Water Conservation Fund, 60 percent of which goes to the states for preservation of natural areas and outdoor recreation development, toward direct aid to cities to develop and operate their own park and recreation facilities.

The idea of siphoning off part of that fund, authorized by Congress at $900 million in the next fiscal year, already has environmental interests, led by the Sierra Club, up in arms. They say federal funding for open space is already inadequate and that the cities ought to look to other funding sources. The cities reply that inflation and declining tax bases have made it almost impossible to maintain their existing recreational facilities, let alone expand them.

In fact, Congress has reduced some of the federal government's traditional bias for open space projects by funding three urban recreation areas since 1970; Gateway in New York City and neighboring New Jersey, Golden Gateway in San Francisco, and Cuyahoga between Cleveland and Akron, Ohio. All have proven expensive to operate. Congress, worried about becoming enmeshed in a bottomless pit of similar requests, in 1976 asked the Interior Department to list "options" for future urban park development—the genesis of the study.

Meanwhile, the new urban facilities are proving extremely popular. The Gateway National Recreation Area, for instance, drew 9.6 million visitors in 1976, costing $6.6 million to operate. In the same year, Yellowstone National Park drew only 2.5 million visitors, with an operating cost of $7.6 million.

Urban parks, says Massachusetts state planner Frank Keefe, provide multiple benefits: They save energy "by bringing parks to where people live." They serve needy populations. And by making cities attractive places in which to live and work, they help attract private investment and provide a powerful incentive for citywide and neighborhood economic redevelopment.

Keefe says that in earlier years, when Massachusetts was using federal funds to buy up big chunks of open space on the urban fringe, "we found we were just making the contiguous parcels all the more attractive for development by high-income people and fostering suburban sprawl." Now the Bay State focuses 90 percent of its federal park funds on urban centers.

Keefe believes environmentalists defeat their own goals by insisting that federal support for parks be concentrated in distant rural areas. "That scarce money opens up areas where there are fragile natural resources," he says. "You just attract more and more people there to trample around." Urban parks, by contrast, create amenities close to home so that people will be less tempted to try to get "a second home, a trailer, or a tent pack in the middle of the wildlands of America. It's an elitist notion that the only place you can recreate with any level of satisfaction is in the wildlands."

But Keefe takes issue with the Interior Department's suggestion that federal parks money might go directly to cities, bypassing the states. He acknowledges that states have made the mistake of putting most or all their parks money—from federal grants and their own treasuries—into distant open spaces. But Washington could require states to reorient their use of federal parks funds toward urban areas. The states' own moneys would probably be reoriented as well, so that "the grants would be mutually supportive of one another."

In several large cities where local recreation funds have been cut back, private nonprofit "friends of the parks" organizations have been formed. The New York City Parks Council, for instance, raises private money, trains federal manpower workers and lobbies the state parks agency for federal and state money for city parks. With regular parks maintenance personnel cut back 50 percent, the organization mobilizes adult and teenage volunteers to assist with park maintenance.

Last year the council built a waterfront park at the foot of Grand Street in Brooklyn's Williamsburg section. Using oak barrels from an old fish market for seating, rock from a subway tunnel for construction and donations from industries in the area, the cost was kept under $10,000.

Chris T. Delaporte, newly appointed director of the Interior Department's Heritage Conservation and Recreation Service (formerly the Bureau of Outdoor Recreation), is clearly of a mind to support urban recreation. Delaporte says his agency will be part of "the campaign at all levels of government to make our towns and cities good places to live in. We are going to have a national set of goals and objectives to see that neighborhood parks become synonymous with the reputation and quality of our national parks."

W. K. KELLOGG FOUNDATION ADDRESSES PROBLEMS OF THE FAMILY AND SOCIETY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues the following statement by the president of the W. K. Kellogg Foundation, Mr. Russell G. Mawby, which appeared in the foundation's 1977 annual report. I believe it is an excellent statement of the importance of the family to the quality of American life:

THE FAMILY AND SOCIETY: COPING WITH COMMON CRISES

Most Americans were shocked, frightened and dismayed last July by the civil disorders which accompanied the electrical power "blackout" in New York City. Television news clips showed people of all ages smashing store windows, carting away thousands of dollars in stolen merchandise, and stoning police and firemen who attempted to halt the rampage. One distraught store owner who had spent 23 years nurturing his small grocery, stood amidst the rubble and ruin, and with tears streaming down his face, implored: "What's happening to America?" There are

no simple answers to the man's question. One could not help but notice with alarm, however, the obvious youth of many of the looters shown on network television that Thursday evening. There were scores of eight- and nine-year-old youngsters, faces aglow with macabre expressions of glee, leading in the destruction of their own community.

The scene brought to mind the warning contained in the 1970 Report to the President: White House Conference on Children: "America's families and their children are in trouble, trouble so deep and pervasive as to threaten the future of the nation. The source of the trouble is nothing less than a national neglect of children and those primarily engaged in their care—America's parents. "The same conclusion was reached by the Senate Subcommittee to Investigate Juvenile Delinquency. It found that youngsters between the ages of 10 and 17 accounted for only 16 percent of the population, but 50 percent of all persons arrested for serious crimes. The committee chairman observed that "we are living in a period in which street crime has become the surrogate for employment and vandalism a release from boredom." There are certainly very basic issues, such as unemployment, racial discrimination, and inadequate housing, which also underlie the rioting in New York and the general increase in teenage crime. While the breakdown in the American family structure usually takes a less dramatic form than that evidenced on the streets of our largest city last summer, the impact in human terms is always negative and substantial.

The dilemma is that while we recognize the tandem deterioration of family life and social values, too little has been done to reverse the trend. Treatment has been emphasized and prevention largely ignored. Public welfare and health agencies, together with many private organizations in the same fields, consequently, represent a group which, as hard as they work, are falling behind in coping with family-related problems. These problems have a personal dimension for most of us: the teenage daughter who becomes pregnant; the alcoholic neighbor who periodically beats his wife and children; and, yes, the growing incidence of divorce, teenage crime and violence. Such social and psychic wounds can only be treated and contained as best as possible within the general society through comprehensive human welfare programs.

What, then, is the role of private philanthropy? Private foundations can, as they have on many occasions in the past, use their limited financial resources to serve as catalysts in addressing preventive aspects of family-related problems. Throughout its nearly 50 years, the Kellogg Foundation has believed that the home and family are the most important forces in transmitting values from one generation to another. That commitment stretches back to 1934, when the Foundation pioneered the Michigan Community Health Project—a comprehensive effort which demonstrated that the family's health, educational opportunities, and general standard of living could be enhanced through public health services, childhood medical screening and care, together with an extensive program of school improvement, expanded library services and general community development.

The process of analyzing and determining how to most effectively address modern day family problems has been under way for some time now by the Foundation, with assistance from family and child development experts. Several projects described in this report aim specifically at family concerns. In a very real sense, most of the Kellogg Foundation's more than 620 active projects are directly focused on family-related problems in health, education, nutrition and other areas. There are and will be many other approaches, far more than the Foundation can possibly impact. They may include marital/family health education, family crises intervention, projects tailored to address ways to alleviate the stress and adjustment of frequent family moving, and efforts aimed at improving family stability through "work shifting" of gainfully employed parents.

We choose to look ahead with a certain degree of optimism based on the adaptability of human beings and the family unit. "The Family" will most likely change and adapt to new demands and circumstances, but it will survive and prosper. As Margaret Mead has said: "We have never discovered any other way to produce responsible adult beings except through the family." The Kellogg Foundation will continue its support of projects which reflect the practical application of knowledge to the problems of people. For we believe, to quote philosopher and author Michael Novak, that "if the quality of family life deteriorates, there is no 'quality of life.' "

RECTIFYING ARTISTS' AND ART INSTITUTIONS' TAX INEQUITIES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. RICHMOND. Mr. Speaker, recently I introduced four pieces of legislation designed to aid museums, libraries, and individual artists. The problems of these groups are particularly important to me because of the large role played by the arts in New York City. Over 68,000, or nearly 13 percent, of all American artists live in the city. The impact of New York's arts community is felt nationwide. The combination of rising costs, inflation, and tax reforms has resulted in near crisis situations for many arts institutions and individuals.

Unless funds can be found to insure that operating expenses can be met, many museums, libraries, botanical gardens, and similar institutions will be forced to curtail operations and possibly shut down. The supplemental appropriation for the Institute for Museum Services, H.R. 10441, will provide $25 million to carry out grant programs established under the Museum Services Act in fiscal year 1978. Presently, many museums are able to locate funding for special projects. Funds for daily operation expenses are not as readily available. The current appropriation of $4 million for the Institute for Museum Services is woefully inadequate to provide any real assistance to our Nation's 6,000 museums.

Representatives of several cultural institutions have written me in support of H.R. 10441. Since their comments are an accurate description of the benefits of this legislation, I would like to insert them into the RECORD:

Joseph Veach Nobel, President, American Association of Museums: "The full funding of the Institute for Museum Services in the amount of $25 million is imperative because the most pressing needs of the museums of America lie in operational funds which this bill provides.

"It well complements the effective funding which continues to be provided in the program areas primarily by the National Endowments for the Arts and Humanities.

"This combination of funding provides a balanced approach for all of our museums."

Victor J. Danilov, President and Director, Museum of Science and Industry, Chicago, Illinois: "It is simple arithmetic. If the Museum Services Act really was intended to provide financial assistance to the Nation's 5,000 museums, then it is obvious that the current appropriation of $4 million is totally insufficient.

"The proposed supplemental appropriation of $25 million could make the difference between a feeble and a robust Institute for Museum Services—as well as salvation for many museums in a desperate struggle for survival in a period of excelerating cost."

Elizabeth Scholtz, Director, Brooklyn Botanic Gardens: "The Brooklyn Botanic Gardens welcomes the creation of the Institute for Museum Services and warmly endorses Fred Richmond's resolution, H.R. 10441 which urges appropriation of its full $25 million authorization for the fiscal year 1978.

"In order to make more than a token impact full funding is essential. The Institute for Museum Services enabling legislation specifically mentions numerous types of museums, including zoos and botanic gardens.

"The broad purpose so constructively envisioned for the Institute is to concentrate on operating and ongoing programs—day to day expenses—as opposed to special programs.

"Since all cultural institutions today are confronted with a financial crisis brought on by a combination of factors beyond their control, there is a compelling need for this kind of realistic support."

One of the injustices of our current tax code involves the required payment of an excise tax on net investment income of private foundations. Section 4940 of the Internal Revenue Code which was enacted as a part of the Tax Reform Act of 1969 requires that a private foundation pay a 4-percent excise tax on its net investment income. The stated purpose of this tax was to provide revenue equivalent to the Government's costs of auditing tax exempt organizations. In practice, the tax has generated more than twice the amount expended by the IRS to audit compliance activities of tax-exempt organizations.

The imposition of this tax has increased costs considerably for museums. To meet these increased expenses, many museums, among them the Isabella Stewart Gardner Museum, the Henry Francis DuPont Winterthur Museum, and the Frick Collection in New York, have been forced to initiate admission fees or to increase existing charges. Thus the tax has placed a burden not only on libraries and museums, but also on the general public.

At present, many cultural institutions are struggling simply to maintain their current operating levels. Since every dollar is crucial to these financially troubled institutions, the 4 percent could mean the difference between operating at full potential or drastically curtailed seasons or increased admission charges. For this reason I have introduced the relief for private foundations bill, H.R. 10443. This bill amends the tax code to exempt private foundations organized and operated exclusively as a library, museum, or similar educational institution from this 4-percent excise tax.

Prior to 1969, a 100-percent tax deduction was allowed for contributions

of artistic, musical, or literary works to nonprofit, tax-exempt organizations by the creator of the work. Reaction to abuses of the deduction by political figures donating personal papers to archives and libraries caused Congress to enact measures closing this loophole. Under the tax revisions of 1969, an artist can only deduct the cost of materials from his income if he donates his work to a museum, library, or other nonprofit, tax-exempt institution. If someone other than the creator donates art work to a nonprofit, tax-exempt organization, a full deduction of the fair market value of the work is allowed. It was never the legislative intent of Congress to penalize artists, but they were caught in an unfortunate crossfire.

Since 1969, over 30 amendments have been offered in Congress to restore contribution rights to artists. An amendment to allow a 30-percent tax credit for donations was passed by the Senate in 1975 but was dropped during the House-Senate conference on the 1976 Tax Reform Act.

As a result of this inequity in the tax code, donations to museums by artists have dropped dramatically. Prior to 1969, the Museum of Modern Art received in 1 year 41 artworks from 17 different artists; none were received in 1975. Between 1968 and 1970, 168 artworks were donated to the Library of Congress by their creators. In the past 6 years, 75 have been received. In twice the amount of time, there have been fewer than 50 percent of the number of gifts donated by their creator to the Library of Congress. If this trend continues at the Library of Congress and at museums and libraries across the country it will be difficult at best for future historians to understand present-day artworks. Ultimately it is not only the institutions which are penalized, but also the American public who finds it increasingly difficult to experience much of the contemporary work which would be available under more realistic laws.

The artist tax credit bill, H.R. 10445, will allow artists to receive a 30-percent tax credit on the fair market value of literary, musical, or artistic compositions when they contribute them to nonprofit, tax-exempt organizations. Passage of the artist tax credit bill will restore incentives to artists to donate their works.

Limitations to this credit have been written into the bill to prevent misuse of the credit. The credit is only attributable to taxable income from artworks sold. The taxpayer must receive from the donee a written statement certifying that the donated material is of artistic, literary, or musical significance and that proper use of the donation will be made. The credit would not be allowed for the contribution of any material produced by an official of the U.S. Government during his tenure if related to the performance of the duties of such office. A tax liability of up to $2,500 can be removed by a credit of that amount for a donation. If the artist's tax liability exceeds $2,500, credit for donations may be applied to 50 percent of such liability. The maximum credit an artist may receive is $10,500 per year. If 30 percent of the fair market value of a donated work exceeds $10,500 the amount may be divided and carried over as a credit for a 5-year period. Deductions are not allowed for any contribution for which credit is claimed under this act.

Another discrepancy in the law states that creations of an artist which remain in his estate are taxed at their full market value at the time of his death. For artists, this provision means that an estate worth virtually nothing, in purchased goods, becomes an overbearing burden to the trustees of the estate. Selby Kelly, cartoonist Walt Kelly's widow, had to sell her home and belongings to pay, what I consider, an unfair Federal tax.

Arizona artist Ted De Grazia recently burned $1.5 million worth of his paintings, because his wife could not afford to inherit them.

Artist/cartoonist Charles Saxon has a provision in his will that requests his wife to destroy his unsold artwork so she will not be driven into bankruptcy at the time of his death.

Hundreds of artists throughout the United States have written me expressing their intent to destroy their works if the law is not changed.

On June 20, 1977, I introduced H.R. 7896 which, when signed into law, will significantly aid the heirs and estates of creative artists.

This bill provides that when an artist dies, his artwork, manuscripts, compositions, and similar material will, for estate tax purposes only, be valued at the cost of the materials in the work and not its market value.

Unfortunately, because of the unfairness of the present law, the family of an artist is often forced to sell a majority of the deceased person's work on the open market, the value of the work is drastically deflated. In addition, the estate is then forced to pay income tax on the sale of the work, thus paying a double tax.

Under present tax laws a maximum of 15 percent tax on earned income, goes up to 70 percent on "passive" income. Passive income consists of earnings from such sources as dividends, royalties, and interest, where no physical effort produced the income. Therefore, the heirs of the artist receive income from a source they did not help create and which may be subject to a 70 percent tax rate.

It is clear from the legislative history of both the 1950 enactment of the Internal Revenue Code and the 1969 amendments that it was never legislative intent to penalize the estates and heirs of qualified creative artists.

Naturally, under the proposed revision, if the heirs sell the artwork they will still pay an ordinary income tax on the total sales price over the cost of materials.

America is losing thousands of valuable artworks each year as artists destroy their unsold work rather than place an untold financial burden on their families.

Several artists, arts organizations, and concerned citizens have written me in support of H.R. 7896. Since these individuals more than adequately describe the benefits of this legislation, and the financial burdens under the current estate tax laws, I would like to insert their comments into the RECORD:

COMMENTS BY ARTISTS AND CULTURAL REPRESENTATIVES ON H.R. 7896

This bill is esential to family security and piece of mind of every creative artist in the country. Evaluating artists' work at cost solves the agonizing problem of heirs having to quickly sell the art to pay the estate tax.

RUBIN GOREWITZ,
President, Artists' Rights Today.

The irony of an artist not to be able to afford being alive or dead can be creatively altered by the passing of your bill. Everyone survives in this change in the law, even the deceased is comforted. Thank you.

ROBERT RAUSCHENBERG,
Prominent American Artist.

The present estate tax situation is a glaring inequity. It seems to me an appalling contradiction that an artist giving a gift of his or her own work to a public institution may deduct only the cost of producing that work. (Usually about $75.) At the artist's death that same work is then assessed at fair market value and this figure often reaches into the hundreds of thousands of dollars. The real losers in this situation are our public institutions, libraries, and museums and thus the American people. If we are to believe that the arts are a national resource, let us encourage them with this measure.

JAMIE WYETH,
Prominent American Artist.

Artists' Equity Association, the national organization for professionals in the visual arts, endorses H.R. 7896 so that created art work may be valued for estate tax purposes at the costs of artists' materials. In addition to relieving the punitive burden on artists' heirs, the legislation would, if enacted, bring the code into line with those portions that pertain to deductions for casualty losses and charitable donations.

GILDA ELLIS,
President, Artists' Equity Association.

I want to thank you for writing this bill to enable the artist at his death to leave his work evaluated at cost to his heirs. This would help stop the confusion between esthetic value and money, so that after death each painting could achieve its own value and be taxed as it is sold. Thomas Hart Benton whose murals adorned the Truman Library burned many of his works so his family wouldn't inherit an immediate, unusual tax burden. The passing of this bill will help normalize a stricken cultural situation.

JAMES ROSENQUIST,
Prominent American Artist.

An unfair contradiction exists in present tax law. In an artist's estate, his work is taxed at full value, but should he donate his works to an institution during his life-time, the works are valued essentially at zero. One end or the other of this contradiction should be changed. I am very much in favor of H.R. 7896.

ROY LICHTENSTEIN,
Prominent American Artist.

As an artist deeply concerned about the welfare of my family, I heartily endorse this bill. Being an artist is a risky and uncertain occupation. I am disturbed that I can contribute to a museum and only deduct cost of materials. If I give the work as a gift, I must pay a gift tax. I cheerfully pay all my taxes when I sell my work. When I die, my heirs under present law would be forced to pay large taxes on unsold works. Your bill redresses an unfair situation and I wish you great success in your endeavors.

GEORGE SEGAL,
Prominent American Artist.

These four bills will rectify current tax structures which discriminate against artists and will provide some relief to the pressing financial burdens facing individuals and cultural institutions. I hope that my colleagues in Congress will act swiftly to pass these bills putting to an end glaring errors in the current tax laws unfairly penalizing artists and art institutions and insuring that the American people will have the opportunity to enjoy the creative efforts of contemporary artists.

MAYBE ALGER HISS WAS GUILTIER THAN THE JURY THOUGHT

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. RUDD. Mr. Speaker, the following item caught my eye in the February 13, 1978, issue of Newsweek magazine:

HISS TURNS PLAINTIFF

Alger Hiss, 73, plans to go to court in New York this spring in an attempt to wipe out the 1950 perjury conviction that sent him to prison for 44 months and all but branded him a Communist spy. With the help of the National Emergency Civil Liberties Committee and the Freedom of Information Act, Hiss has spent the past three years amassing 45,000 FBI documents on his case, and the committee's lawyers think they have enough evidence to prove misfeasance on the part of Hiss's Federal prosecutors. The lawyers will ask the court to expunge the entire Hiss case from the records as a miscarriage of justice. If Hiss's petition succeeds and he ultimately collects any damages, either by suing the government or through an act of Congress, he plans to give the money to charity.

Mr. Speaker, nearly 30 years ago Alger Hiss was convicted of having lied under oath about turning over U.S. Government secrets to an agent of the Soviet Union. The overwhelming preponderance of evidence at that time suggested that Hiss was saved from being tried and probably convicted on much more serious charges than perjury only by the statute of limitations.

It would be a travesty of justice if this convicted criminal could wait out time and circumstance, until key witnesses have passed from the scene, and evidence has become cold and remote, and then by a legal challenge to some narrow technicality claim a general vindication.

Few cases have ever been studied more thoroughly than the Hiss case. Few cases have ever been searched more tirelessly for error by the minions of the radical left, whose adoration of Hiss seemed to please rather than embarrass him. If there had been the slightest substantiation for challenge to Hiss' conviction, it would have been brought decades ago, not now. This scheme to corrupt justice and history will hopefully not succeed.

A recent news story in the Washington Post, shortly after the thousands of FBI documents related to the Hiss matter had been released, reported that those documents "shed little new light on the Hiss case, except to show that various Government agencies suspected him far earlier than previously supposed and to portray (FBI Director J. Edgar) Hoover in the ironic position of defending himself against charges of insensitivity to Communist subversion of the Government."

In other words, the Government was very careful in the way it proceeded in the Hiss case, and took meticulous steps to prosecute him only after it was absolutely certain about his previous collaboration with Soviet espionage agents. This indicates that Hiss was maybe guiltier than the jury thought.

The Post story detailed some other interesting circumstances about Hiss' pro-Soviet subversive activities that were not widely known even at the time of Hiss' 1950 conviction. We might be reminded that this conviction during the administration of President Harry Truman was by a duly empaneled jury of Hiss' peers, so to speak, who were convinced beyond a shadow of a doubt that Hiss had lied.

I would like to include the Post story at this point in the RECORD:

[From the Washington Post, Feb. 8, 1976]

HISS SEEN AS SUSPECT EARLIER

(By William Chapman)

In 1946, nearly three years before Alger Hiss was publicly accused of furnishing secret documents to Communist spies, Secretary of State James Byrnes wanted to discharge him because of alleged subversive connections, according to documents released by the FBI.

Byrnes was urged not to do so by FBI Director J. Edgar Hoover, who argued that the dismissal of Hiss might disclose information on another espionage plot he said he was investigating.

The government's early suspicions of Hiss, who was convicted of perjury in 1950, are recorded in a memorandum in which Hoover defended himself against charges that the FBI had been faulty in not exposing Hiss' alleged espionage activities.

It is contained in more than 15,000 pages released by the FBI in response to a Freedom of Information Act suit.

The papers, opened to the public last week, appear to shed little new light on the Hiss case, except to show that various government agencies suspected him for earlier than previously supposed and to portray Hoover in the ironic position of defending himself against charges of insensitivity to Communist subversion of the government.

Hiss, a State Department official, was convicted of perjury for denying that he passed secret documents to Whittaker Chambers, an admitted espionage courier, in the 1930s.

Hiss served 44 months of a 5-year term. Now 71 and recently admitted to the practice of law in Massachusetts, Hiss still maintains his innocence and claims he was the victim of a frame-up by Chambers and the government.

The celebrated case launched the career of a young congressman named Richard M. Nixon, who, as a member of the House Un-American Activities Committee, led a campaign to expose Hiss and accused the Truman administration of concealing evidence of subversion.

In late 1948, when Chambers' first charges against Hiss were publicized, Hoover and the FBI were nervous about charges they had suppressed information on Hiss. In particular, Hoover was upset by repeated suggestions in print that the FBI had once "cleared" Hiss of any subversive taint.

In a lengthy memo to Attorney General Tom C. Clark, Hoover defended his agency against those charges asserting that they ". . . are entirely false since the FBI, as you know, never clears or charges anyone."

But in reviewing what he knew of Hiss, Hoover acknowledged that as early as December, 1945, he had told Secretary of State Byrnes that Hiss had been mentioned as a member of the Communist underground in Washington by Elizabeth Bentley, an ex-Communist who had told her story to the FBI earlier that year.

By March, 1946, Hoover wrote in his memo, Byrnes had wanted to discharge Hiss. But during a conversation, both men decided it would not be wise to do so. Byrnes did not want to go through a civil service appeal, which he thought Hiss probably would demand. Hoover thought a hearing might damage another espionage investigation—not detailed in the memo—the FBI was conducting. He suggested that Byrnes demote Hiss to a minor position and hope that he would resign.

In that same month, Hiss voluntarily sought an FBI review of his record. No charges were brought. Hiss eventually resigned from the State Department and became president of the Carnegie Endowment for International Peace.

The earliest FBI files on the case suggest that the agency was initially more concerned about Chambers than Hiss. Its file designation for the case was "Chambers—Perjury" and agents spent a considerable time investigating Chambers' background. Ultimately, however, the FBI strenuously investigated all leads attempting to link Chambers and Hiss.

Conflict between the FBI and the House committee is apparent in the files. Several FBI memos express concern that the committee was keeping pieces of evidence, including microfilmed documents, away from the bureau. At one point, Nixon sent word through an intermediary that he had heard rumors that he was "out to get" Hoover. Nixon told the intermediary to assure Hoover that was not true.

Thousands of pages in the documents describe the massive nationwide search for letters which Hiss and his wife, Priscilla, typed on their old Woodstock typewriter, the one used to copy documents passed along to Chambers and his underground superior, known as "Colonel Bykov." At Hiss' trial, FBI experts testified that the copied documents had been typed on the typewriter the Hisses owned in 1937 and 1938.

The FBI tracked down former friends, employers and casual contacts to whom the Hisses had written letters in that period. Agents discovered from Hiss' tax returns he had received $200 from The New York Times for an article he wrote, and they attempted to find the manuscript to compare typewriting similarities. The investigation delved into the Bryn Mawr Alumnae Society, of which Mrs. Hiss was a member, and the files of the Illinois Law Review for an article Hiss had written on the United Nations.

Ultimately, the document that proved most useful in the trial, according to FBI records, was a three-page letter Mrs. Hiss had typed and sent to the Landon School in Bethesda, seeking to enroll her son, Timothy. Experts later testified that letter was typed on the same Woodstock used to copy the stolen State Department documents.

The Freedom of Information suit was filed by the American Civil Liberties Union and by Allen Weinstein, a Smith College professor who is completing a book on the Hiss case.

The FBI has refused to release an additional 1,055 pages, claiming they are covered by exemptions permitted in the Freedom of Information Act.

THE NEXT CHAPTER ON ALASKAN NATURAL GAS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. MURTHA. Mr. Speaker, last November the U.S. House engaged in a debate over how best to transport Alaskan natural gas to the lower 48 States. At that time, I raised several points of concern that disturbed me about approving the proposed Trans-Canadian (Alcan) route as recommended by the administration. Unfortunately, some of my predictions are already coming true.

First, in November I noted the alternative El Paso/Alaska route had "pledged to buy all its steel for its project from American companies—now, the President has recommended approval of an American project that is going to buy much of its steel—possibly all of its steel—from foreign manufacturers."

This week Canada announced it will use a low-pressure, 56-inch pipe to construct about one-half of the 2,000-mile Canadian section of the pipeline. Canadian Deputy Prime Minister Allan MacEaschen, according to the Wall Street Journal, told Parliament the key reason for the 56-inch pipe decision was that the pipe is currently made by two Canadian companies, but is not made in the United States. The Canadian decision freezes the hard-pressed U.S. steel industry from even bidding on this part of the project.

Second, I mentioned in November "the positive potential economic impact had the Government approved the Alaskan route." The El Paso proposal would have produced $4 billion more than Alcan in economic impact into the U.S. economy and produced 765,000 man years of additional jobs. The agreement negotiated between Canada and the United States (prior to Congressional approval) called for economic benefits for both countries. Now, Canadian pipeline enabling legislation gives the Canadian Federal Government the power to block any contract related to the pipeline for goods and services if it fails to provide sufficient Canadian content. Officials talk of a 90-percent Canadian content as sufficient.

Third, a major factor in consideration of the pipelines was final cost to American consumers. The Energy Department consistently argued the Trans-Canadian route would be cheaper. But using 56-inch pipe will cost U.S. consumers hundreds of millions of additional dollars not figured into those calculations.

Fourth, the primary concern I expressed in the debate last fall was the potential for delay. In the 4 months since Congress agreed to the resolution, little has been done to facilitate pipeline development, and these recent Canadian decisions serve to produce more controversy and delay.

Mr. Speaker, if the Canadian Government does not plan to abide by the agreement of principles agreed to by the United States, I believe the U.S. Government should reopen negotiations on those principles, and possibly reconsider our decision. This is our Nation's gas, and cooperation with Canada to help both countries should not be replaced by a giveaway of economic development to Canada.

In closing, Mr. Speaker, I would like to congratulate Chairman JOHN DINGELL for his excellent statement in the RECORD on this subject and his leadership in working to complete the principles the House agreed to in debate last fall.

VETERAN PENSION REFORM

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. RAHALL. Mr. Speaker, the Veterans' Affairs Subcommittee on Compensation, Pension, and Insurance recently held hearings on veteran pension reform. As a cosponsor of legislation that would provide the World War I veteran with a fixed monthly income above and beyond any other pensions received, my remarks focused primarily on the need for World War I veteran pension reform. I would like to share my statement before the committee with my colleagues.

My remarks follow:

TESTIMONY OF THE HONORABLE NICK J. RAHALL II

I wish to touch upon a few points this morning with regard to a very special group who unfortunately have been minimally compensated for a tremendous service rendered our Nation in time of war. I speak of America's World War I veterans.

As I travel around my district of southwestern West Virginia and meet with veterans of all ages, I am constantly reminded that the World War I veteran is a person who has not been as fairly rewarded as veterans of subsequent wars. Upon his discharge from the service in 1917–1918, the World War I veteran received $60 in cash, train fare to his home and later an average of $547.50 in adjusted service certificate compensation. These two sums totaling $607.50 was *all* he received in the way of reward from his country for wartime service. The World War I veteran did not receive any benefit from the nearly 40 billion dollars in educational benefits that the Congress appropriated for veterans of later wars, nor did he receive any benefits from the billions of dollars made available to veterans for farm and home loans.

As I talk to the veterans of World War I from my district, it is my feeling that they do not begrudge the benefits and aid that later veterans have received, but I am reminded that it is too late to send World War I men off to school at $250 or more a month, and it is too late for the 81 year old to employ himself and take advantage of earned income above and beyond monthly social security benefits as has recently been enacted into law.

I believe what I hear the most from veterans of all ages is that when their monthly social security benefits are increased, then whatever veterans pension they do receive is automatically offset and often times done away with completely. With the average monthly payment to veterans of World War I at $138.34, it is unthinkable to allow an elderly individual who has risked his life for the defense of his country to live below the poverty level. Where, may I ask, is the definition of the word "compensation" to a veteran who receives only $8 per month from the federal government because his annual income is $3,000? To live on such an annual income is inhumane, especially in these times of escalating prices.

Veterans of all wars previous to World War I received a pension, and veterans of World War II and subsequent conflicts have received generous benefits. These facts leave the World War I veteran standing alone. Are they less deserving than any other veteran?

I firmly believe that an objective look at our present system of veterans compensation will indicate that the World War I veteran has not been fairly rewarded. There are nearly 700,000 surviving veterans and this number diminishes at an annual rate of 10%. Minimal incomes and the increased frequency of illness that befall our World War I veterans demand that some type of legislation be enacted to allow these individuals to live their remaining years as comfortably and decently as possible.

I earnestly implore the Veterans Affairs Committee to take timely action for consideration of a bill that would award the elderly veterans of the 1917–1978 conflict a fixed, meaningful pension. It is our moral obligation to make a long overdue entitlement a reality.

SOLVING UNITED STATES-SOVIET OIL CRISES AT ONE STROKE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it is not often that we come across a truly imaginative new idea, one that is bold without being wholly impractical. One of my constituents, Mr. Meyer Berger, an experienced businessman, has produced a suggestion in the interrelated fields of energy, finance, and East-West relations that I believe is worthy of examination. It would require a change in our habitual way of thinking and dealing, but its objective is of the utmost importance: Making sure that the huge unexploited oil and gas reserves of the Soviet Union are brought on stream in time to prevent the impending world energy problem of the next decade from being much worse.

Mr. Berger's ingenious idea for tackling this problem appeared in a recent edition of the Pittsburgh Post-Gazette. I commend it to the attention of my colleagues at this point:

SOLVING UNITED STATES-SOVIET OIL CRISIS AT ONE STROKE

(By Meyer Berger)

Last fall the CIA produced figures pointing out a series of failures in the economy of the Soviet Union, particularly in the energy area, which had assumed crisis proportions. Since then the Soviets were forced to admit another crop failure and to enter the American market for substantial purchases of grain.

The current crash of their spy satellite, coupled with the recent space link-up failure, suggests that they may have been spread too thin in the field in which they were once supreme.

But the most damaging disclosures have been in the production of oil. The Soviets have now confirmed the CIA analysis and have stated that their flow is expected to peak in 1980 and to decline fairly rapidly thereafter, unless a way is found to develop

the eastern oil and gas fields which contain the world's largest proven reserves. Since the Soviets are now $40 billion in debt to the West and have neither the capital nor technology to exploit these treasures in their remote fastness, there is little chance that without foreign help they can avoid becoming an importer of oil after 1980, in the critical period prior to the emergence of other energy sources.

At the same time the oil position of the United States has also continued to deteriorate. Our $45-billion trade imbalance because of oil imports has thrown our economy out of kilter and resulted in a serious devaluation of the dollar.

A multi-billion dollar deal providing American capital, manufactured goods, technology and management expertise in exchange for the Soviet's raw material wealth would seem to be a natural. But the obvious problem lies in financing this tremendous project, spread over a not inconsiderable number of years.

The answer could be found in that vast ocean of funds presently being transferred from the United States to the Mideast for payment of current oil shipments: a "deferred energy payment" plan.

Under such a plan, the oil-supplying nation would continue to sell at the world market price of $13 per barrel. But in lieu of receiving the entire amount in cash, they would be paid, for example, $8 plus an interest bearing note in the amount of $5. Such notes would be issued by the United States government, which would set up a purchasing office for oil imports.

The United States importing company would purchase the oil through such an office, paying $13 in cash, as such companies presently do. The government would then deposit $5 cash in an Energy Development Fund which would be used to finance United States private industry sources to develop new oil and natural gas.

The funds withheld should be ample to finance a Soviet development project. These billions of dollars which would otherwise be transferred to the OPEC nations would now be invested here for the production of pipe, drilling and roadbuilding machinery and a myriad of other manufactured goods, plus the engineering and administrative expertise required in a project of this magnitude.

At some point in the 1980s, when Russian oil and gas production comes on-stream, the United States producer, who would now be repaid in the form of energy, would return its share of the product to the United States. There it would be used to repay the loan from the U.S. government, which would in turn pay off the deferred energy notes.

Why should Saudi Arabia or other oil producing nations be party to such an arrangement in lieu of the present cash-on-the-barrelhead policy?

1. They would have the security of holding U.S. interest-bearing notes.

2. The flood of dollars involved in current oil payments is cheapening the dollar and eroding our economy and is thus detrimental to their interest as well as to ours.

3. The climate in which the Soviet Union becomes oil-hungry, competing with the United States for the only quickly available sources of oil, must be perceived as destabilizing to world peace and threatening to the wealthy but small oil producing nations.

4. Availability of substantial new energy sources would ease tensions and would certainly not reduce the world market price.

Such a scenario must appear euphoric in view of the present trade impasse between us and the Soviets. That impasse results from their abrogation of the 1973 trade treaty because of its linkage with human rights. This is a particular timely moment, as Sen. Henry Jackson is scheduled to go to Moscow in March and could perhaps develop a formula under which the Soviet trade treaty could be reinstated. Sen. Jackson is coauthor of the Jackson-Vanik Amendment which stipulates a tie-in between trade and Soviet Jewish emigration.

Under such a treaty, implementation of the proposal to develop Soviet oil and gas by American interests would bring the following advantages:

1. The number of dollars which would otherwise go abroad would be sharply reduced, halting the slide of the dollar.

2. The funds derived from the $5 per barrel withheld would be used for manufacturing, technology, engineering and management, to be expended in the United States. This would stimulate business and create jobs in areas where we have plenty of capacity and would create new pools of capital for expansion where necessary.

3. U.S. industry would be developing and extracting new sources of Soviet energy, thus adding to available world supplies, as well as to our own.

4. The entire project would be financed with dollars which otherwise would be paid out in cash for OPEC oil.

5. The United States would be supplying profitable manufactured goods plus technology and management expertise in exchange for the raw mineral wealth of the Soviet Union.

This relationship in which we find and extract Russian mineral wealth is based on pragmatic common-sense considerations, where our profits can be measured and our self-interest can be clearly perceived. There could be beyond this, however, a dimension consistent with our national heritage and aspirations.

If the two super powers could work together to increase the world supply of energy, avoiding what appears to be a looming crisis, that effort will open new possibilities toward expanded trade, mutual disarmament and joint effort toward maintaining world peace. It surely seems worth a try.

Mr. Berger is a Pittsburgh businessman who is a member of the board of directors of the American Committee for East-West Accord.

PROPOSED CPA DEFEATED BY ACTION OF THOUGHTFUL, RESPONSIBLE CONSUMERS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. McCLORY. Mr. Speaker, in the rejection by the House of Representatives of the so-called consumer protection bill, the Members were responding primarily to the demands of individual constituents—the consumers themselves.

In reviewing the mail which I received on this issue, I find that, while some small and large businesses addressed communications to me in opposition to this proposed legislation, the principal correspondents were individuals who are themselves consumers. However, as consumers these individuals do not relish any more Federal bureaucracy. They do not need nor want a Federal bureaucrat appointed to a lifetime job to serve as a personal caretaker. In addition, most citizens regard the proposed Consumer Protection Agency as just another Federal bureau which the American taxpayer can neither afford nor tolerate if our traditional American freedoms are to be preserved.

Mr. Speaker, the message which came through on the vote on the consumer protection bill is loud and clear—no matter how high-sounding and well-intentioned the measure appeared to be—Federal bureaus all pose serious burdens to the men and women of our Nation. These burdens are reflected in untold reams of regulations and directives—in an overpowering bureaucracy and in a continuing escalation of governmental expenses and redtape which is bogging down our entire system of freedom and private enterprise.

Mr. Speaker, the American people deserve to be protected against unlawful conduct at every level and in every aspect of our lives. Products must be made safe and the marketplace must operate within the bounds of fairness and equity. However, these benefits can be experienced far better without a Federal monitor or agent to look over the shoulder of all our citizens and become involved in the daily exercise of action in our free, Democratic system.

Mr. Speaker, the citizens of the Nation have spoken as a forceful lobby, and their views have been reflected by the votes of the Members of the House of Representatives, notwithstanding extreme pressures from the White House and from the majority party leaders, the Ralph Naderites and other burdensome elements which have their own ends to serve.

Mr. Speaker, I am pleased to report to the hundreds of individual constituents who have communicated with me that this House, the most representative body of individual citizens in the Nation, has heard their voices and have responded by rejecting the Consumer Representation and Reorganization Act.

CITY OF HOPE TO HONOR JACK M. BREDEL OF YOUNGSTOWN, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. CARNEY. Mr. Speaker, on Thursday, March 16, 1978, the City of Hope, a national, nonsectarian medical and research center, will hold a testimonial dinner in honor of Mr. Jack M. Bredel at the Squaw Creek Country Club in Youngstown, Ohio.

During the testimonial, City of Hope officials will present Mr. Bredel with the coveted Spirit of Life Award. This award recognizes Mr. Bredel's accomplishments as a leader of his community. It is a symbol of his concern for his fellow men and women, concerns which are shared by the City of Hope. Accordingly, the "Jack M. Bredel Research Medical Fellowship" will be established at the City of Hope in recognition of Mr. Bredel's service to our community in the fields of health, sports, the environment, business, and civic development.

Jack Bredel was born and educated in Pittsburgh, Pa. After serving in the Navy for 4 years, he became associated with the business firm of General Ionics, Inc. In 1967, he came to Youngstown and became president of General Ionics Water, Inc. Four years later, he became chairman of the board of General Ionics.

Mr. Bredel's interest in his community is evidenced by his membership in the Boardman Rotary Club. He is also a member and a director of the Water Quality Association, a member of the National Football Hall of Fame, a varsity member of the University of Pittsburgh's Golden Panthers as well as an arbitrator for the National Panel of Consumer Arbitrators, Council of Better Business Bureaus.

As a life member of the City of Hope National Medical Center, Jack Bredel has affirmed his support for an institution which conducts important research and education in the major diseases of our time. These include cancer, leukemia, heart, blood, and respiratory afflictions, diabetes, lupus, Huntington's, and other hereditary and metabolic illnesses. Basic studies are also conducted in genetics and neurosciences.

The City of Hope was founded in 1913, and provides patient care to those persons suffering from cancer and leukemia, chest, blood, and heart ailments, and other illnesses. No patient has ever been required to pay for his treatment at the City of Hope, despite the expense of providing such treatment. Doctors and hospitals throughout the Nation avail themselves of the center's consultation service which diagnoses illnesses and recommends treatment for patients who are unable to take advantage of the medical center's services.

The City of Hope has made many discoveries and original findings during the past 65 years which have prolonged life and improved the quality of health care in the United States. It deserves our wholehearted support in its efforts to establish new programs and facilities for the medical sciences. The men and women who support and actively advance the aims of the City of Hope, without thought of personal reward, deserve recognition for their great contribution to the well-being of our community.

Mr. Speaker, Jack M. Bredel has demonstrated outstanding qualities of leadership. He has devoted many hours of his time to community service and philanthropic activities, thus enriching the lives of many citizens in the Mahoning Valley. We are proud to have this outstanding man as a member of our community. On behalf of my constituents, I would like to take this opportunity to extend my sincere congratulations to Jack M. Bredel on the occasion of his testimonial, and to commend him for the many good works he has unselfishly performed.

HOWARD ROLAND HONORED FOR PUBLIC SERVICE

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. HOWARD. Mr. Speaker, the finest gift that can be given to one's fellow man is one's time, energy, and thought. Combine these noble qualities with a deep concern for the health and well-being of others and one has described a truly outstanding citizen of Asbury Park, N.J., Howard Roland.

For over five decades, Howard Roland has been the hero of the northern Jersey shore. He has saved the lives of more than 10,000 people, either directly or through those whom he has instructed in fire and water rescue programs.

His unrivaled dedication for the preservation of life began at the age of 12 when Mr. Roland saved the life of a young girl who was drowning. Through the course of his life, Mr. Roland has often entered treacherous seas to rescue swimmers.

He has set a precedent for all life guards in his attempt to provide the public with the best safety measures possible.

I ask the Members to join me in extending sincere congratulations and good wishes to Howard Roland on his 50th anniversary celebration to be held on March 1, 1978 in Monmouth County, N.J.

TRIBUTE TO FRANK S. POPE

HON. JOHN J. FLYNT, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. FLYNT. Mr. Speaker, the sudden and untimely passing of Frank S. Pope, a citizen and leader of Villa Rica, Carroll County, Ga., has thrust upon us an irreparable loss to his community, his church, his family and his wide circle of friends.

During his 69 years he was an influence for good wherever he went and brightened the lives of family and friends alike.

I especially feel the loss of Frank because of our close association and warm friendship which span more than a quarter century. It can truly be said that he scattered sunshine wherever he walked and brightened the lives of all he touched.

He was a devoted husband, father and friend. He was married first to Doris Parker who predeceased him a number of years ago. He was married second to Bobbie Sue Lee, who survives him. He is the father of two daughters, Lila Pope Crittenden and Martha Pope Smith, and the grandfather of five adoring and loving grandchildren.

During the time that Frank Pope and I were friends, I probably visited in his home on more occasions than I have visited in the home of any person outside my home community and outside my own family. In turn, he has been our guest both in Griffin and in Washington on many happy occasions.

He was a civic, church and community leader for practically all of his life. He was in the general insurance business, real estate business, warehouse and banking business and was a strengthening asset to every business enterprise of which he was a part. He was a friend, indeed, of the First Baptist Church of Villa Rica and an influence for good in the community, county and State of which he was a part and stood out as a beacon light for those things which made things more pleasant and happier for so many people.

He was born February 10, 1909, the son of Mr. and Mrs. James Henry Pope of Carroll County, Ga. He died in the early morning hours of February 19, 1978. By an unusual coincidence, he died on the same day of the same month 33 years after his only brother, James H. Pope, Jr., was killed in the battle of Iwo Jima while serving in the U.S. Marine Corps.

His funeral services were conducted Monday, February 20, 1978, at 3 p.m. at the First Baptist Church at Villa Rica. Dr. J. B. Marlow, pastor of the First Baptist Church, Rev. Terry Phillips, of the First Methodist Church, and Rev. Al Ruggles of the First Presbyterian Church officiated. It was one of the most beautiful and appropriate memorial services which I have ever attended, and Dr. Marlow, Frank's pastor, closed with these words:

Some meaningful thoughts I would leave with you from an inspired author. It seems fitting to relate these words to what Frank probably would say to us in this assembly:

"I'd like the memory of me
To be a happy one.
I'd like to leave an afterglow
Of smiles when day is done.

I'd like to leave an echo
Whispering softly down the ways,
Of happy times and laughing times
And bright and sunny days.

I'd like the tears of those who grieve
To dry before the sun
Of happy memories I leave
Behind, when Day is done."

Patty, our children, and I extend our affection and our heartfelt sympathy to his widow, Bobbie, to his daughters, Lila and Martha, and to his grandchildren and the other members of his family.

PEACE PEOPLE IN NORTHERN IRELAND

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. EDWARDS of California. Mr. Speaker, when it was announced that Betty Williams and Mairead Corrigan, the two courageous women who began the People's Peace Movement in Northern Ireland, had been awarded the Nobel Peace Prize, I circulated a resolution, House Resolution 940, among my colleagues commending the Norwegian Nobel Committee. I took this action in order to provide a mechanism for those in the House of Representatives who wanted to signify their support of the peace people in Northern Ireland and their opposition to the terrorists and their fundraisers in the United States.

It is true, unfortunately, that Members of the House have on occasion, allowed their good names to be used in propaganda efforts designed to boost support for the IRA-Provisionals (Provosts). As the Prime Minister of Ireland,

Jack Lynch, said recently, as reported in the New York Times of February 22, 1978, people in the United States "might not be fully aware of the atrocities committed in the name of Irish patriotism." Contributions to such groups he said go not to "widows and orphans," but "to make widows and orphans." He described the activities of the Irish National Caucus and the Irish Northern Aid Committee as "anathema to our party and our government."

Mr. Speaker, I most earnestly hope that all Members of this House will hark back to your statement of last St. Patrick's Day in which you were joined by Senators KENNEDY, MOYNIHAN and Governor Carey, and that on this St. Patrick's Day they will join you in a reaffirmation of support of those who are trying to end the bloodshed and tragedy in Northern Ireland. The IRA Provisionals have claimed responsibility for the most recent horrible firebombing in the La Mond Restaurant outside of Belfast. Five of the victims were buried yesterday. There are others dead, dying, and maimed. I append the short notice of the funeral in the New York Times of February 23, 1978, with the hope that we will take our responsibilities toward the suffering people of Northern Ireland with a renewed seriousness.

FIVE VICTIMS OF BOMBING ARE BURIED IN ULSTER

BELFAST, NORTHERN IRELAND, Feb. 22.—The people of this divided province today buried five persons killed in a firebomb attack on a crowded restaurant that has inflamed sectarian feelings.

In an icy rain, thousands of mourners walked behind the coffins of four women and one man at three separate funerals. Thousands of workers halted work in a province-wide display of grief that closed Belfast's airport and several factories. Most shops closed for a half day of mourning.

Mid the tears there was anger. Protestant leaders continued their demands that the British Government wipe out guerrillas of the Provisional Irish Republican Army, a predominantly Roman Catholic organization. The I.R.A., fighting to end British rule in the largely Protestant province, has taken responsibility for the bombing last Friday.

VOLUNTARY HOSPITAL COST CONTAINMENT?

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. WINN. Mr. Speaker, hardly anyone in this room, or even in this country, remains unaffected by what seems to be an endlessly rising spiral of health care costs.

One of the most evident causes of these rising costs seems to be that Americans continue to demand more and better health care services. Unfortunately, a lot of people fail to recognize the connection between this increased demand and the resulting costs due to such broader health insurance coverage.

Another factor is that some people, by having health insurance policies and not paying directly for the health care they receive, fail to realize just how costly these services really are.

It goes without saying that hospital costs represent a large percentage of every dollar a person spends on health care. As these costs keep going up, we must do something about them. That's why the explosive trend of the past decade has led to many calls for some sort of national health insurance program and for legislation to curb hospital costs.

President Carter submitted his hospital cost containment plan last year. Yet, even after hearings, I do not believe this plan is flexible enough to take into consideration the wide variation in hospitals and the unique cost pressures they face.

Hospitals and doctors do not want, nor am I sure they need, Federal fiscal controls restricting their activities. They feel, almost universally, that Federal intervention will hamper their delivery of health care services more than it will benefit patients, and I believe they have a point.

In my district, I am happy to report what seems to be a reversal of the rising spiral. It may be only temporary, but starting late last fall several hospitals in Kansas City and Johnson County began to announce lower patient charges and price rollbacks. Today I would like to pay tribute to the hospital administrators and boards of directors of these institutions for the leadership they have shown.

This position was summed up eloquently in a letter I received recently from Mr. Thomas W. Flynn, executive director of the Shawnee Mission Medical Center in Shawnee Mission, Kans. For the benefit of my colleagues, I am submitting that letter for the record, and I hope that after perusal, we in Congress will not be tempted to act too hastily and try to impose regulations and control in an area that may be able to meet the same goal of lower medical costs in a voluntary manner:

SHAWNEE MISSION MEDICAL CENTER,
Shawnee Mission, Kans., Feb. 14, 1978.

Honorable LARRY WINN, Jr.,
2416 Rayburn House Office Building,
Washington, D.C.

DEAR MR. WINN: Shawnee Mission Medical Center, along with many other hospitals, is doing something about the high cost of health care. We are reducing patient charges.

This 373-bed hospital in suburban Kansas City has joined the Voluntary Cost Containment Program initiated by the American Hospital Association, the American Medical Association, and the Federation of American Hospitals.

After careful deliberation, the hospital's board of directors approved a price rollback, effective February 1. During the remaining five months in the 1978 fiscal year this reduction will total $300,000—saving the average patient about $60 per hospital visit.

As health costs have increased, special interest groups have pressured government officials to legislate fiscal controls. Many of us in the voluntary hospital system feel this is the wrong approach. Action must be originated from internal—not external—sources, and we are voluntarily taking such action.

As Johann Wolfgang von Goethe once said, "The best of all governments is that which teaches us to govern ourselves." On behalf of all hospitals, please recognize this attempt by Shawnee Mission Medical Center to voluntarily impose such self-restrictions.

Sincerely,

THOMAS W. FLYNN,
Executive Director.

FUTURE FARMERS OF AMERICA, A CITADEL OF AMERICAN VIRTUES

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. FUQUA. Mr. Speaker, the 50th anniversary celebration of the Future Farmers of America this week reminds us that tenacity, resourcefulness, and pride in workmanship are qualities that still thrive in this country.

On November 20, 1928, members of various State agricultural clubs merged to form the FFA with the goal of promoting modern farming techniques. They could not know that agriculture would change more in the next half century than it had in the previous 2,000 years. They could not predict the incredible economic and natural disasters the American farmer would endure. They could not guess that FFA membership would soar to more than 450,000 young men and women in 9,000 high schools across the Nation. And they could not imagine the vital role that these members would play in overcoming those hardships to make the American farmer the most efficient food producer in world history.

Through organizing on-the-job projects such as cattle breeding, fertilizer experiments, and machinery maintenance, the FFA has lived up to its slogan, "The Successful Farmer of Tomorrow Is the Future Farmer of Today," time and time again. An enormous number of youngsters have gotten a head start in agriculture through the FFA in 50 years. But being a member of the FFA means far more than learning the principles of good farming. A Future Farmer learns the tenets of good citizenship as well.

This week-long celebration has a special significance for me because it takes me back to the days when I wore that familiar blue jacket as Florida's State FFA president from 1950–51 and received the American farmer degree and Star Dairy Farmer Award. Though I have not farmed for many years now, the guidance I received, the ability to cooperate with others I learned, and the friendships I made have never been forgotten.

I am not surprised that the FFA has survived for 50 years because its hallmark has always been adaptability. Even though the American farmer is weathering a difficult financial storm now, I know this organization will help find solutions to this crisis just as it has done for the past five decades.

I salute the golden emblem of the FFA and the thousands of members who wear it on the backs of their jackets. It will undoubtedly become an even more familiar symbol in the next 50 years as long as there is a row to plow, a crop to harvest, a people to feed.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. WYDLER. Mr. Speaker, I believe that the greatest travesty within the entire tax structure is the overpaying of taxes by our senior citizens. Persons living on a fixed income simply do not have one additional penny to lose or give away. And, to unknowingly lose money because of not knowing what might be declared as deductible is a genuine problem. Provisions of the Tax Reduction and Simplification Act of 1977 have made possible increased tax relief for many Americans. However, these additional tax advantages cannot be utilized by our seniors unless they know about them.

The following is a summary of itemized deductions for use in taxable year 1977 for Schedule A (Form 1040). I commend it to the attention of all seniors who want to avoid overpayment of their income tax:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1977)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of a taxpayer's adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital, or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3-percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3-percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental service (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nurses services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Taxes

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables add to your adjusted gross income any nontaxable income (e.g., Social Security, Veteran's pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Costs and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value or the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.)
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.
Points—deductble as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).
Penalty for prepayment of a mortage—deductible as interest.
Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.
Other charge accounts for installment purchases—may deduct the lesser of (1) 6% of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) or (2) the portion of the total fee or service charge allocable to the year.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusines property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box for income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1978, you will be entitled to the additional $750 personal exemption because of age for your 1977 Federal income tax return.

"Zero Bracket Amount" (Standard Deduction) —The former standard deduction has been replaced by a flat amount the law calls "zero bracket amount." This amount depends on your filing status. It is no longer a separate deduction as such; instead, the equivalent amount is built into the new simplified tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, taxpayers who itemize deductions will need to make an adjustment. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

New Tax Tables.—New simplified tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Now, even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you no longer need to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

General Tax Credit.—The general tax credit has been revised to take into consideration the exemptions for age and blindness. Married taxpayers filing separate returns will now be limited to a credit based on $35 per exemption.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $35,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $35,000, an election may be made to exclude part of the gain based on a ratio of $35,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be exluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling your Home) may also be helpful.

Alimony Paid.—Payments for alimony are now adjustments to income. You no longer have to itemize deductions to claim a deduction for alimony you paid.

Credit for the Elderly.—An expanded and simplified credit for the elderly has replaced the former more complex retirement income credit.

A taxpayer may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if the taxpayer is:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

To be eligible for this credit, taxpayers no longer must meet the income requirement of having received over $600 of earned income during each of any 10 years before this year.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If a taxpayer maintained a household that included a child under age 15 or a dependent or spouse incapable of self-care, a taxpayer may be allowed a 20-percent credit for employment related expenses. These expenses must have been paid during the taxpayer year in order to enable the taxpayer to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—A taxpayer who maintains a household for a child who is under age 19, or is a student, or is a disabled dependent, may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if a taxpayer reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, the taxpayer may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040), line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

APPRECIATION FOR DISASTER RELIEF SERVICES

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. GUDGER. Mr. Speaker, on November 5, 1977, western North Carolina was hit by devastating floods, which left 11 dead and more than $100 million in property damage in the 11th District alone.

The relief activity which followed offered a model of effective communication and cooperation among Federal, State, and local authorities.

President Carter responded immediately to the request of North Carolina's Governor, Jim Hunt, for disaster designation, and later the President dispatched his special assistant, Gregg

Schneiders, to inspect the disaster operations.

The Federal Disaster Assistance Administration established a disaster center in Asheville and satellite centers in area of heaviest damage, offering "one stop" access to supportive services for flood victims.

The efficiency and dispatch of these operations involving more than a dozen State and Federal agencies can be attributed substantially to the highly professional performance of the Federal Disaster Assistance Administration's coordinator, Joseph D. Winkle.

Not only were they able to render coordinated and effective relief, but FDAA participation was a major factor in the success of a multiagency meeting convened in Asheville, N.C., in mid-December to explore means for more effective long-range flood prevention and control.

On behalf of my constituents of the 11th Congressional District, I would like to express for the record, our deep appreciation for the outstanding services rendered in our time of need.

THIRTIETH ANNIVERSARY OF COMMUNIST COUP IN CZECHOSLOVAKIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. DERWINSKI. Mr. Speaker, up until 1948, the Czechoslovak Republic was a progressive and democratic country. After the consequences of Munich and World War II and despite the uncertainty of the postwar days, Czechs and Slovaks were looking forward to a promising future. However, the Czechoslovak Communist Party and the Soviet Union realized that a Communist defeat was certain in the forthcoming elections. Thus, to halt such a development, the Communist Party seized absolute control.

The lights of freedom went out as the free world looked on. The people of Czechoslovakia were deprived of their great democratic structure as their country was forced into satellite status.

The casualties of this Communist coup in terms of lives, economic values, and the happiness of the Czechoslovak people are countless. However, their longing for freedom remained strong and again in 1968, the Soviets and other Warsaw Pact troops invaded Czechoslovakia to maintain Communist tyranny.

Today, these brave men and women, known for their love of democratic principles, are demanding restoration of their fundamental civil and political rights in a charter entitled, "Petition 78." Following the signing of Charter 77, the Human Rights Manifesto signed by over 900 brave individuals in Czechoslovakia last year, the signatories and their supporters and many still are being persecuted by the Government of Czechoslovakia. "Petition 78" was developed for the practical purpose of supporting the signers of Charter 77.

The Soviet Union continues to suppress Czechoslovak dissent in violation of the Helsinki accords. The process of regeneration of national culture and democratic public life remains arrested by the Communist oppressive powers.

As we pay homage to the victims of the February 1948 Communist coup and the 30 years of Communist domination and suppression in Czechoslovakia, we must encourage the brave people in their struggle to liberate Czechoslovakia so that it may once again enjoy the independent and humanistic country that it once was.

NAVY "SUPERIORITY" LOSING ITS BATTLE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. BOB WILSON. Mr. Speaker, I call the attention of my colleagues to the following editorial from the San Diego Union of February 10, 1978, by William Safire:

NAVY "SUPERIORITY" LOSING ITS BATTLE

One of the greatest naval battles of all times is raging at this very moment, and the United States Navy is losing.

The combat zone: "Whiz-kid Gulf," the vast area of disagreement that has opened at the Pentagon between former whiz kids of the McNamara era (Assistant Secretaries of Defense Russel Murray and David McGiffert) and our present naval persons (Navy Secretary Graham Claytor and Adm. James Holloway, Chief of Naval Operations).

The prize to be won: the national decision to save, or to scuttle, the U.S. Navy as a force capable of maintaining "command of the seas" in wartime.

The opening blast was fired late last year, as the Carter administration shot out most of the budget for the F-14 Tomcat naval fighter plane, which many defense analysts thought was our best chance to combat the Soviet "Backfire" bomber.

Behind a smokescreen of secrecy, the Navy blazed back, with a draft of a "posture statement" that made clear that the U.S. policy would continue to maintain naval "superiority."

The whiz kids—more whiz geezers, now—thundered their answer in a secret critique of the Claytor-Holloway posture proposal, a copy of which was stuffed in a bottle and has floated into my hands.

"Change references to 'maritime superiority' or 'superiority' to 'adequacy,'" the critique suggested the admiral be ordered. "Reason: the term 'maritime superiority' is a policy enunciated by the previous administration and is in direct contradiction with the policies of the current administration and secretary of defense."

That will come as news to many Americans. As proof that the policy has changed, the critique (written in the Office of Program Analysis and Evaluation) cites this evidence: "The SecDef Fiscal Year 79 posture statement does not use the terms 'naval' or 'maritime superiority.' Instead it uses the term 'adequate' to describe the desired sea control capabilities in a major emergency (page 95 of classified SecDef posture statement)."

The bureaucratic trick here is to plant a word in your boss' mouth and then build a policy on it. In the unclassified version of Secretary of Defense Harold Brown's posture statement, he says: "We would want to be able to provide sea control forces sufficient to maintain our lines." But in the version with "secret" stamped on it, that phrase was changed to read: "We would want to be able to provide adequate sea control forces to maintain our lines."

Why the change? "Adequate" and "sufficient" are synonymous. The reason for the insertion of "adequate" is so that the whiz-kids could have their code word fall from the top man's lips, to be cited—as it was—in their critique. These are the games bureaucrats play, for the highest security stakes.

The lust to replace the word "superiority" with "adequacy" is rooted in this: up to now our defense policy has been to maintain a rough "parity" at the strategic or missile level; to cede "superiority" to the Soviets on the ground, not trying to match their 160 divisions of troops; and to maintain our "naval superiority." The reason for our need for naval supremacy is that our allies are across oceans while the Russian allies are contiguous to the Soviet Union.

But if, as the whiz-kid critique makes clear, we should abandon naval superiority as our goal, that would affect our entire defense balance.

The critique revealed the depth of Admiral Holloway's despair: "The statement (of Holloway's) that the balance of maritime superiority will tip substantially in favor of the Soviets within the next 5–10 years"—that's some warning from our chief naval officer—"is not supported," wrote the men around the defense secretary. Harold Brown induced the admiral to change "will" to a more conditional and less truthful "could" and let him deliver his warning to the House Armed Services Committee this week.

As the smoke clears from the opening engagement of the battle of Whiz-kid Gulf, the Navy has been able to navigate around the torpedoes of adequacy, and holds fast to the flag of superiority. But the secret "consolidated guidance" from the defense secretary projects a naval "decrement" (that's Pentagonese for the opposite of "increment") of 5 percent a year, which would bring the Navy down to 300 ships by 1990. You could call that "adequacy"; the Soviets would gleefully call it "inferiority."

Harold Brown bids fair to become the Louis Johnson of the '70s: as the CIA estimates the Soviets now spend 13 percent of their gross national product for arms; we now project 5 percent, the lowest rate since 1938. They used to say that only in the presidency of a staunch anti-Communist could the opening to Communist China take place; in the same way, only in the presidency of a former naval officer could we see the scuttling of the U.S. Navy.

"DOCTOR BETTY"

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. SKELTON. Mr. Speaker, there is a passage in the Apocrypha which, I think, aptly prescribes the most fitting tribute for a doctor: "Honor a physician with the honor due unto him for the uses which ye may have of him: for the Lord hath created him." I guess in those days they did not have too many doctors like my friend, Betty Slaughter, or they would have said "him or her." The community of Lexington, Mo., where I was born and raised, has been fortunate

enough to have "Doctor Betty" practicing in our midst for over 35 years. During that time, she has brought comfort and relief to countless people, while earning the respect and love of the entire community.

Referring back to the passage which I quoted above, "the uses we have had of her" have been plentiful and she has never been found wanting. She is one of those rare doctors who still make house calls. A visit from "Doctor Betty" always means a strong dose of sunshine and good spirits, in addition to he · considerable medical skill. On a personal note, I can remember many times, when I was a young man, that "Doctor Betty" had a quiet word of encouragement or kindness for me. It was this sort of gesture—above and beyond her duties as a doctor—that was, and is, so typical of her. She is a doctor who really cares about people and, believe me, her patients respond as much to that as to anything else.

On March 4, the Lexington community will honor Dr. Betty Slaughter for her many years of service. One person I spoke to tol1 me, "We just felt it was high time to do something for her for all the things she's done and all the effort she's put into her work. Everybody just loves 'Doctor Betty'." What more can I add to that? Only that I am pleased and proud to add my few words in praise of this wonderful lady.

WILLIAM T. MURPHY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. HORTON. Mr. Speaker, I rise to pay tribute to an old friend and colleague, former Congressman William T. Murphy of Chicago, Ill. Bill died 3½ weeks ago, on Sunday, January 29, at the age of 78.

I had the privilege of serving with Bill from 1963, when I first came to Congress, until his retirement, at the end of the 91st Congress. Although we did not sit on the same committees, I came to admire Bill's industriousness and his chairmanship of the House Subcommittee on Asian and Pacific Affairs. It was under his chairmanship that the subcommittee opened hearings on improved relations with the People's Republic of China. Those who knew Bill recognized his expertise on the problems, geography and politics of mainland China, and often sought his counsel.

Prior to his election to the 86th Congress, Bill served as alderman of Chicago's 17th Ward for 24 years. This service coupled with his membership on the Chicago Planning Commission from 1947 to 1959, proved to be excellent preparation for his 12 years of congressional service.

I also knew Bill as a result of our mutual friends in baseball. He was a good personal friend and one I shall always remember.

Chicago, and indeed, the Congress has lost a distinguished and able public servant. My sincerest condolences to Bill's family during this very sad time.

HOBART ROWEN ON HUMPHREY-HAWKINS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. CONYERS. Mr. Speaker, as is often the case with legislation that provides an entirely new approach to solving the country's social and economic problems, there is bound to be strong reaction on all sides. The Humphrey-Hawkins bill is a very good case in point. Some of its critics think it is not substantive enough; others think it goes too far. There is a great deal of evidence that very few of its critics have carefully reviewed its provisions and weighed its import.

Humphrey-Hawkins does constitute a fresh approach to economic problems. It calls on the Congress and President to sort out in a deliberate, coordinated, and systematic way the Nation's priorities; utilize the appropriate mix of selective and targeted policies to reduce structural unemployment; and, finally, it enables us to monitor and evaluate the outcomes of policy so that the most cost-effective ones for achieving full employment can be found. One of the great strengths of H.R. 50 is that it is firm in its mandate and goals, but flexible and self-correcting in its method.

Critics of H.R. 50 who assert that its goals are noble, but unrealizable ignore the fact that this focused, coordinated approach has never before been tried. Nor do critics present any alternatives of their own to what they all admit is a thorough-going failure of current economic policies.

Humphrey-Hawkins should be compared to the planning of an historic journey. The first thing that has to be done in any journey is to pick a destination and time of arrival. Road maps are needed, contigencies have to be anticipated, and alternative routes allowed for, should this be necessary. The bottom line is that any great journey requires a great deal of thought and planning.

The point is that a beginning has to be made, and Humphrey-Hawkins provides that beginning for the first full-scale national effort to put employment opportunity and economic security within reach of every American. To do less, with all that we have been and learned in the last several years, is to surrender either to defeatism or cynicism.

Mr. Speaker, Hobart Rowen of the Washington Post has followed the course of the full employment debate over the past few years as closely as any individual in Washington. His experience with economic policy is vast and his judgment over the years has proved unerring. For these and other reasons Hobart Rowen's commentary on Humphrey-Hawkins that appeared in the Washington Post of February 23 warrants special attention. I commend to my colleagues his commentary, "Humphrey-Hawkins: The Bill Is Still Strong":

[From the Washington Post, Feb. 23, 1978]

HUMPHREY-HAWKINS: THE BILL IS STILL STRONG

(By Hobart Rowen)

I keep seeing or hearing references to the Humphrey-Hawkins bill as weak and meaningless. As it has now come to the House floor, it no longer calls for the impossible—a 3 percent unemployment rate within a year—or massive government jobs programs taking precedence over the private economy.

Instead, it is a much more gradual approach, setting a target of 4 percent unemployment after five years (which the president can postpone if he deems it necessary). And throughout, the emphasis is on providing a framework in which the private economy can eliminate waste of human and material resources.

But anyone who assumes that these more modest proposals represent such a "watering down" as to make the Humphrey-Hawkins bill merely another memorial to the late senator from Minnesota had better put on glasses and take a look at the precise language of the bill.

If nothing else, the bill would establish a totally new relationship between the Federal Reserve System and the executive branch of government. The full effect of this change is now difficult to foresee with precision.

In analyzing this latest version of Humphrey-Hawkins, one must start first with its requirement that the president submit to Congress at the start of each regular session numerical targets for employment, unemployment, production, real income, productivity and prices for the ensuing five years.

All of these numbers are to be keyed, of course, to winding up five years later with the overall unemployment rate cut to 4 percent, and adult unemployment (20 years and older) reduced to 3 percent. The Economic Report and the Budget Message are supposed to outline the policies and programs that the president selects to achieve these goals.

Now, this is where the Humphrey-Hawkins bill—in my opinion—really bites: For the first time ever, the Federal Reserve will have to submit to Congress—within 30 days after the Economic Report—a statement of its intended policies over the next two years "and their relationships to the short-term goals set forth in the Economic Report."

Thus, the Federal Reserve would be required to say whether its money policies would be adequate to support the president's economic targets. And presumably, if they were not in tandem, it would be up to the Fed to explain why not.

"The Congress shall then take such action as it finds necessary to assure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1977," the bill says.

That allows for an open debate on the proper economic goals for the nation. A respected and persuasive Fed chairman could argue the case for a different set of goals from the president's. But once Congress makes a decision and defines what the policy is to be, the bill calls for the president and the Fed to work together, not at cross-purposes.

There will be those who fear that this arrangement wipes out the so-called independence of the Federal Reserve. But in a democratic society, it is not possible for the central bank to countermand the programs and policies of the elected national administration, or the people's elected representatives in Congress. The Fed should be independent

only of narrow partisanship or political interference with its day-to-day operations, including its regulatory as well as monetary functions.

As a creature of Congress, the Fed cannot be allowed to go its own way in opposition to the policies of the rest of the government. No chairman of the Federal Reserve, including the last two giants, William McChesney Martin and Arthur F. Burns, has seriously contested that principle. On the other hand, both, as expert politicians themselves, tried to influence government policy. And both, by virtue of their unique personal abilities, succeeded. So will future strong chairmen.

But the Humphrey-Hawkins bill would for the first time establish as a matter of law a national coordination of all agencies making economic policy, including the Fed, with the purpose of achieving a fully employed economy "and reasonably stable prices." It makes very good sense.

One final note. Much has been made of the danger of guaranteeing everyone a job, and some of the more ardent Humphrey-Hawkins advocates (and opponents) still claim (or warn) that the bill provides such a right. It does not do so. It establishes, instead, "as a national goal the fulfillment of the right of all Americans able, willing and seeking work to full opportunities for useful paid employment at fair rates of compensation."

What the bill seeks to do is to provide not a job slot that you can sue for if you don't have employment, but "full opportunities." That in itself is a noble enough goal, one worth striving for in this, the richist nation in the world.

E. ROLAND HARRIMAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. GILMAN. Mr. Speaker, the people of the 26th Congressional District in New York State lost a good friend last week. E. Roland Harriman, a name synonymous with the development and promotion of harness racing in our Nation, passed away at the age of 82 at The Homestead in Arden, N.Y.

But ours is not the only region to feel the loss. Throughout the length and breadth of this Nation, many mourn his passing.

E. Roland Harriman possessed a goodness which reached out to a multitude of people in all walks of life. Tributes have been arriving at his home, en masse, from rich and poor alike; from the known and unknown; and from all parts of the world.

I have my own views of this distinguished citizen. Roland was a gentleman, in every sense of the word. Far from living in the shadow of his active brother, former Gov. W. Averell Harriman, he cast his own shadow. His life and good works touched many organizations and many individuals.

As national chairman of the American Red Cross from 1953 through 1973, Roland Harriman worked many difficult days and weeks in an effort to comfort the millions who suffered during those two decades.

As president and trustee of the Boys' Club of New York, he helped to foster new programs for the youngsters of the metropolitan area. He was an energetic leader who demonstrated his deep concern for our young people.

And in more recent years, he and his beloved wife, Gladys, established the Gladys and Roland Harriman Foundation which created the Irving Sherwood Wright Professorship in Geriatrics at the New York Hospital-Cornell Medical Center.

Not only was he active in community and phiyanthropic endeavors, but he was also the founder of the Harriman Brothers and Co. banking firm, which became Brown Brothers Harriman & Co. in 1931. He was also elected to the Board of Directors of the Union Pacific Railroad Co. in 1920, and eventually served as Chairman of the Board.

But Orange County, N.Y., will most remember E. Roland Harriman as a sportsman; a lover of fine stallions; and a leading patron of harness racing.

It was in Goshen, N.Y. that harness racing was born, and it is in Goshen, not far from Mr. Harriman's Homestead, that he established the Hall of Fame for the Trotter. It was he who helped form the U.S. Trotting Association which was designed to foster the sport of harness racing. At his death he was Chairman of the Board of both the Hambletonian Society and the Hall of Fame of the Trotter.

The sporting world, the business world and humanity lost a friend when E. Roland Harriman was laid to rest in the family plot on the mountainside at Harriman, N.Y., alongside his beloved chapel, St. John's Episcopal Church.

I know my colleagues join with me in extending our condolences and deepest sympathy to his widow, Gladys, and daughter, Mrs. Phyllis Mason of New York City, and his many children.

B'NAI B'RITH MESSENGER'S MIDDLE EAST ANALYSIS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. WAXMAN. Mr. Speaker, I should like to call the attention of my colleagues to a most lucid and astute analysis of the current Middle East situation. The analysis focuses on both the general picture and gives special attention to aircraft sales to Saudi Arabia, Egypt and Israel. I believe the remarks of the B'nai B'rith Messenger, a highly respected Jewish community weekly in Los Angeles, convey both the moral and strategic considerations which ought to guide our policy in that tense and warprone region. I regard the editorial as especially valuable for the clarity with which it points out that the United States cannot be a neutral bystander in the Middle East. Every step we take (or fail to take) has profound ramifications for the countries of that region—and especially for Israel who has no consequential ally other than the United States.

The editorial follows:

[From the B'nai B'rith Messenger, Feb. 17, 1978]

STEADY HAND IN AN UNSTEADY WORLD

Just a month ago, the delegates to the United Jewish Appeal's Western Regional Conference heard Senator Henry Jackson call upon the American Jewish community to maintain a "steady hand in an unsteady world." Senator Jackson warned against a "state of euphoria" during this "dangerous period" in Mideast peace negotiations.

In view of Egyptian President Anwar Sadat's recent six-day blitz in Washington, the Senator's cautionary words were prophetic.

Sadat's *six-day* war fought on many fronts. He engaged President Carter and officials of his Administration, Congressional leaders, influential Americans, the media and even some Jews. Sadat's careful approach paid off.

President Carter was obviously pleased by Sadat—calling him the "world's foremost peace maker". The Administration tried to maintain a facade of even-handedness, balancing a statement favoring Sadat's position with one of support for Israel. This notwithstanding, the State Department released a list of its messages to Israel's Prime Minister Begin objecting to Israeli settlements on the West Bank and on the Sinai. Perhaps, more significant, was the seven-point statement issued by the White House after the Sadat visit which denounced the settlements in occupied territories and again called for Palestinians to participate in the determination of their own future.

It now appears that the most damaging move by the United States vis-a-vis the resumption of Mideast peace talks was the announcement this week by the Carter Administration of a new military aircraft sales package to Egypt, Israel and Saudi Arabia.

Sources close to the Israeli government point out that the delivery of the planes to Egypt and Saudi Arabia would not only make the negotiations more difficult, but it would tilt the balance of power against Israel. It was pointed out that the new American plan has three essential weaknesses: it gives Israel less than it needs in military aircraft; it gives the Saudis very sophisticated equipment without any commitment on their part toward the peace initiative or a pledge that such equipment would not become part of a military pool against Israel; and finally, it removes from Egypt the onus of the need to negotiate. If the Egyptians can get the planes they want before talking peace, then why should they talk peace at all?

Each of these elements are viewed by the Israelis as serious, and together they amount to a serious aggravation of the current situation.

Many influential members of the United States Congress warned the Carter Administration not to submit such a plan because of its potential of becoming another bone of contention between Congress and the Administration. Congressional reaction critical of the Administration's move to supply Egypt and Saudi Arabia with sophisticated military aircraft has already been heard in the halls of Congress.

We agree with the contention of Israel's Foreign Minister Moshe Dayan, as expressed in Los Angeles this week, that the supply of military aircraft to Egypt, or any other Arab country, should be a subject for the peace negotiations and incorporated into final peace agreements.

Achieving peace will require patience. It will also require face-to-face negotiations between the sides involved. It is not up to the American government to pressure either side but to help create the atmosphere that will allow Egypt and Israel to come to an agreement; an agreement that is reached through give and take on both sides, not through dictates from one of the parties. If the American

government wishes to contribute positively towards the peace process, it will be to get Sadat to understand that just as he wants Israel to negotiate his proposals, the Israelis are entitled to having him negotiate their proposals. Demands on either side for preconditions will never bring peace.

These crisis days place an unusual burden on the Jewish Community to show its solidarity with Israel and firmness of resolve to flood the halls of Congress with messages pointing up to our Representatives these issues which are of the gravest danger to Israel—the bastion of democracy in the Middle East.

Each Jew has within himself an element of the Messiah which he is required to purify and mature. Messiah will come when Israel has brought him to the perfection of growth and purity within themselves.—Judah Zevi of Stretin.

FEDERAL LAW NEEDED AGAINST PIPELINE SABOTAGE

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. YOUNG of Alaska. Mr. Speaker, as you are aware, the Trans-Alaska pipeline system was shut down last week when an explosive shaped charge blew a 1- to 2-inch hole in the pipeline near Fairbanks, Alaska.

Alaska State troopers and Alyeska personnel found at the apparent sabotage site a 20-foot fuse. A leak caused by the explosion resulted in the spillage of approximately 8,000 barrels of oil, or one-third million gallons.

Fortunately, due to the prompt detection of the leak and expeditious efforts on the part of Alyeska, the spill was contained within an area of approximately 4 acres or less. Vacuum and tank trucks recovered much of the oil and transported it from the spill site to pump station 9 where the oil was reinjected into the pipeline.

Happily, I can state there is no apparent threat to the Chena River. Within 24 hours of detecting the leak, the pipeline was fully operational and back to the prespill throughput flow rate of approximately 730,000 barrels per day.

Mr. Speaker, this successful sabotage attempt is a perfect example of willful and wanton disregard of the environment, private property, and State and Federal taxpayers.

Billions of dollars were spent to assure the Alaska pipeline as it traversed its way from Prudhoe Bay to Valdez would be compatible with the environment.

The most technologically advanced safety feature equipment is integrated within the TAPS to protect the environment. However, all the safety equipment in the world will not protect the TAPS or for that matter, any pipeline, from being blown up by some kooks or terrorists.

Last July 21, I introduced H.R. 8478, a bill which would amend title 18, United States Code, to make a crime the willful destruction of any interstate pipeline system. Specifically, the bill addressed destruction in the following manner:

Whoever willfully injures or destroys, or attempts to injured or destroy any interstate pipeline system shall be fined not more than $5,000 or imprisoned not more than fifteen years, or both.

Mr. Speaker, my bill was identical to one (S. 1502) introduced earlier in the Senate by Senator STEVENS of Alaska. The Senate bill passed the Senate on July 18 and the next day was referred to the House Committee on the Judiciary. On August 9, Chairman PETER RODINO wrote to the Secretary of the Interior, Cecil Andrus, and within the transmittal letter to the Secretary of the bill then pending before the Judiciary Committee, the chairman stated:

I shall appreciate your furnishing the Committee with an expression of your views on the proposed legislation.

Mr. Speaker, it is my understanding the Department of the Interior has yet to respond to Chairman RODINO's explicit request. This is but another example of requests from the legislative branch falling upon deaf ears downtown.

Congress and the American people cannot afford to await any longer executive branch views on the matter of willful destruction of any interstate pipeline system.

I urge my colleagues to join me in requesting that the gentleman from New Jersey (Mr. RODINO) reactivate his committee's interest in S. 1052 to make a crime the willful destruction of any interstate pipeline system.

TIN FOR COPPER

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. RUPPE. Mr. Speaker, I rise today to introduce a bill which would direct the Administrator of the General Services Administration to sell 30,000 tons of tin from our national stockpile and utilize the proceeds of that sale to purchase a quantity of copper—not to exceed 250,000 tons—for addition to the national stockpile.

It is rare that this Congress has the opportunity to take action which benefits all concerned. Yet, here, in this simple, straightforward legislation, lies such an occasion. Allow me to explain.

As a result of unequaled foreign production and dumping of copper on the American market, as a result, too, of environmental protection demands made of our Nation's industry—America's copper industry, an industry which we will need in a strong and viable state for our Nation's defense and economic well being, is critically threatened. Copper prices are at their lowest in history. Many mines are closed—possibly never to be reopened. Thousands of miners are out of work.

At the same time, our stores of copper under the provisions of the Strategic and Critical Materials Stockpiling Act are almost nonexistent in light of the national stockpile objective of 1.299 million tons.

As well, tin, of which our stockpile contains an excess of 170,000 tons over the national stockpile objective, is at its highest price.

Thus a sale of tin, and the purchase, from the proceeds of that sale, of copper, would allow the Nation to acquire essential stockpile copper at an excellent price and provide at least some assurance and protection to the copper industry which America must keep strong.

Under present law, the President may not order the purchase of stockpile commodities from the proceeds of a stockpile sale but must place such proceeds in the general fund. This bill would permit such an action in one simple step for a one time sale of tin and purchase of copper. The bill requires no additional appropriations.

Mr. Speaker, I urge quick action by the House upon this vital measure.

The bill follows:

H.R. —

A bill to assist in increasing the depressed price of copper in the United States by authorizing the purchase of a quantity of such metal for inclusion in the national stockpile, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Administrator of General Services shall (1) sell thirty thousand tons of tin from the stocks of the national stockpile (established under the strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h–1)) or the supplemental stockpile (established under section 104(b) of the Agricultural Trade Development and Assistance Act of 1954), or from both such stockpiles, and (2) use the proceeds of such sale to purchase a quantity of copper not in excess of two hundred and fifty thousand tons. Any copper purchased under authority of this Act shall be added to and made a part of the national stockpile referred to above.

LITHUANIAN INDEPENDENCE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. HOLLENBECK. Mr. Speaker, February 16 marked the 60th anniversary of the reestablishment of a free and independent Lithuanian State. This day affords us the opportunity to hail the continuing dedication of the Lithuanian people to the freedom of their native land and to remind ourselves of the liberty which we often take for granted.

The history of Lithuania as a free nation dates back to 1251, when it was established as an independent state on the shores of the Baltic Sea. Through the centuries, Lithuania's strategic location led to frequent invasions by foreign powers; from 1795, it was under the domination of czarist Russia.

The repressive rule of the czars over Lithuania finally ended in 1915. German and Russian attempts to control this

small country continued, however, and it was not until February 16, 1918, that the following declaration could be made:

> The Council of Lithuania, as the only representation of the Lithuanian people . . . declares that it is restoring an independent Lithuanian state on democratic foundations . . . and that it is severing all the ties that have bound this state to (any) other nation.

Despite this declaration, the Lithuanian people were forced to defend their independence against the new Soviet government in a war which was not ended until July 1920.

Unfortunately, Lithuania's long-awaited freedom was short-lived. On June 15, 1940, Lithuania was invaded by the Soviet Union, which also annexed the other Baltic states of Latvia and Estonia.

Throughout their history of repression and foreign domination, the people of Lithuania have retained their spirit of independence and pride in their national heritage. The Soviet rulers have tried to destroy this spirit through mass deportations of indigenous Lithuanians and the infusion and implantation of exogenous Soviets. However, they have found that the essential human desires of freedom and identify cannot be so easily extinguished.

Last October 10, following a soccer match in the capital city of Vilnius, 15,000 Lithuanians participated in a strong anti-Soviet demonstration, shouting nationalist slogans and tearing down Soviet propaganda posters. The Lithuanian patriots took this action despite the risks of arrest, imprisonment, and other reprisals.

As we observe the continuing dedication to freedom among a people who have enjoyed it so seldom in their history, we should not forget our obligation as a signatory of the Helsinki Accord to insure that the basic human rights of all those in the captive nations are observed. We cannot ignore widespread suppression of those who yearn so much to regain their independence.

NOTICE OF PUBLIC HEARINGS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. ROGERS. Mr. Speaker, because of the large number of requests we have received from individuals wishing to testify at hearings presently scheduled for March 1 and 2, 1978, on H.R. 10908, the Biomedical Research and Research Training Amendments of 1978 and all similar bills, the Subcommittee on Health and the Environment has scheduled an additional day of hearings on these bills. The subcommittee will meet to hear testimony beginning at 10 a.m. in room 2322, Rayburn Building, on H.R. 10908 and all similar bills. Witnesses will be notified of changes in their previously scheduled testimony dates by subcommittee staff.

WORKERS' COMPENSATION PROBLEMS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. PEASE. Mr. Speaker, today I have introduced a bill to address some very real problems within the Office of Workers' Compensation (OWCP) and especially within the Federal employees compensation program. At a time when the American people are unhappy with wasteful spending and inefficient administration, we must be responsive. The tremendous growth in the costs of the Federal employees compensation program and the accompanying workload compel us to take action to insure the integrity of the program and to improve upon the quality of its administration.

It is somewhat alarming to note what has happened to this program in recent years. From fiscal year 1971 through fiscal year 1977, yearly benefit payments increased by 340 percent, from $163 million to $552 million. During this same period, the size of the Federal work force has remained fairly constant. The U.S. Department of Labor has projected that by fiscal year 1980, benefit payments will be in excess of $1 billion.

As the costs of this program have skyrocketed, there has also been a dramatic increase in the caseload to be handled by OWCP. From fiscal year 1971 through 1977, injuries reported yearly increased by 86 percent, from 111,851 to 207,615, and claims received increased by 44 percent, from 20,987 to 30,301. Individuals on extended compensation increased by 80 percent, from 25,331 to 45,216.

Within the Federal agencies, there has been a similar burgeoning of the Federal employees compensation program. The U.S. Postal Service, which traditionally has the highest outlays, has seen its total workers' compensation payments nearly quadruple in the last 4 years.

In fiscal year 1973, Postal Service benefit payments totaled $46.8 million, but payments increased to $180.5 million in fiscal year 1977. This fiscal year the benefit payments are expected to hit $234 million. To comprehend the significance of these figures, it is important to note that according to the Postmaster General, 1 cent of every 13-cent stamp we buy goes for workers' compensation payments. The Navy, Army, and other Federal agencies have had similar experiences with the Federal employees compensation program in recent years.

I recognize there are many factors that have contributed to this rapid growth—increase in Federal salaries, cost-of-living increases built into compensation awards, increased medical costs, a vigorous educational campaign publicizing coverage and benefits and mandated increase in benefit levels. Moreover, the continuation of pay (COP) provisions enacted into the 1974 amendments to the Federal Employees Compensation Act (FECA) have increased benefit payments. For example, COP outlays for the Postal Service since the amendments became effective in November 1974 have steadily grown from $7.1 million in fiscal year 1975 to $25.1 million in fiscal year 1977. Nevertheless, there exists enough documented evidence and available information for the Congress to accept the challenge of making sense of a program now out of control and badly in need of improvements.

In the 93d Congress, legislation (H.R. 13871) was passed to alleviate the hardship many Federal employees were encountering with long delays in getting their claims acted upon by OWCP. The FECA was amended to include a COP provision allowing an injured employee to continue to receive his regular pay for up to 45 days from his employing agency.

The Congress thought this would not only help reduce OWCP's backlog of cases, but it would also alleviate financial problems for injured workers who could be assured of receiving income for up to 45 days. Unfortunately, there are indications the Congress acted unwisely and in haste, particularly in moving the waiting period to the end of the 45-day period.

The fact that the Postal Service has experienced a 357 percent increase in COP payments in just 3 years suggests something has gone awry. Consequently, I asked my staff to undertake a survey of Federal agencies to try to gage what, if any, trends exist in COP payments in recent years. Initially, I thought this evaluation would be relatively simple. Section 10.206 of chapter 1 of the Code of Federal Regulations provides for quarterly COP reports to be filed by each Federal agency with OWCP detailing the number of employees receiving COP, the number of workdays for which COP was paid, and total COP costs. Upon contacting OWCP for the quarterly reports, I was dismayed by the response. No meaningful compilation of COP payments exists on a Government-wide basis. In fact, virtually none of 60 Federal agencies have filed COP reports with OWCP. Most agencies seemed completely unaware of the regulation calling for COP reports. What appeared to be a useful tool for evaluating the use of COP in fiscal years 1975 through 1977 and the costs associated with it in reality is a worthless example of bureaucratic nonsense.

Disregarding the sham reporting requirement, I have now sent a questionnaire to more than 60 Federal agencies in hopes of receiving some meaningful data about COP. The preliminary returns lead me to believe that the Postal Service experience with COP may be typical.

The Manpower and Housing Subcommittee of the House Government Operations Committee held lengthy hearings in the summer of 1976 on the administration of the FECA and the impact of the 1974 amendments. In House Report 94–1757 there is more evidence that this program needs some immediate attention.

Among the findings of the report are the following: First, the Federal workers' compensation system today is costing more than necessary and does not have enough effective checks to prevent hon-

est mistakes or outright cheating. Second, the federal system is designed and operated so that most parties have little incentive to challenge questionable claims. Third, the OWCP is not properly staffed to manage the cases that it receives. Fourth, in administering the compensation program, the Labor Department has not evaluated its system in sufficient detail and often has not followed the recommendations that have been made.

Finally, the removal of the 3-day waiting period before eligibility for compensation has resulted in a marked increase in employees being excused from work because of traumatic injury. A number of experts in the field contend that when a worker need not use sick leave, it encourages absence for minor injuries that would otherwise be ignored.

The Labor Department itself established an Office of Workers' Compensation program task force in 1976 which filed a 250-page report complete with recommendations in December of that same year. The report details immense operational difficulties in the Federal employees compensation program. It also amplifies some of the problems caused by the 1974 amendments. Among the findings of the task force was a conclusion that the COP provision has led to more injury reports for short-term injuries. The task force went on to state its belief that Federal employees now use COP for minor injuries and to stretch out lost time. It recommended reinstatement of a waiting period to eligibility for COP or compensation as a way of ending COP abuses and reducing OWCP's workload.

Furthermore, the GAO issued a report on July 8, 1977, evaluating the administration of the Federal employees compensation program within the Postal Service. It bears out that there is more than enough blame to go around for the inadequacies of this program. The Congress, the Federal agencies, OWCP, and others have all contributed to the problems.

Last Sunday, the Baltimore Sun began a series on the Federal employees compensation program that promises to be the latest contribution to the record calling for substantial changes. It is also worth remembering that OWCP received the lowest rating of all Federal offices when Members of Congress were asked by the White House for evaluations.

Clearly there is a need for prompt attention to the Federal employees compensation program. It will be a long and tedious process to make positive long-lasting improvements. In fairness to the personnel of OWCP, they have been asked to perform a difficult task and have not really been given the means to do a decent job. This must change and there must be administrative and legislative reforms. With this in mind, I am introducing a bill designed to focus attention upon some of the program's problems and to prompt responsible action. My bill calls for reinstatement of a waiting period for eligibility for compensation or COP. Every State in the Union has a waiting period ranging from 2 to 7 days. In addition, my bill will explicitly give an agency supervisor discretionary authority to request an injured employee to be examined by a doctor employed by the U.S. Government or a private physician approved by the supervisor. The findings of the second medical exam would not be binding on the employee but the exam would provide additional evidence for the claims examiner at OWCP to consider. The Department of Labor has taken the position that the FECA does not now provide any such authority to the agencies.

I strongly identify with the purposes of the Federal employees compensation program. I am offering my bill as a constructive first step toward tackling some of the deficiencies of the FECA and helping OWCP improve upon its administrative performance. Hopefully, it will be viewed as an attempt to establish a healthy, equitable balance between competing rights—the rights of Federal employees to expect prompt compensation for injuries incurred in public service, the rights of Federal agencies to expect maximum work performance from their employees, and to protect themselves from financial exploitation, and the rights of the American people to be certain their tax dollars are being spent wisely for worthwhile purposes.

GRAZING FEE MORATORIUM

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. ULLMAN. Mr. Speaker, I want to call attention to a bill scheduled for floor action tomorrow which would grant a measure of relief to ranchers raising livestock on Federal lands.

The bill I refer to is H.R. 9757, which would impose a 1-year moratorium on any planned or proposed increases in public lands grazing fees. The moratorium is necessary to give Congress additional time to examine this important matter further and to propose a grazing fee formula which is equitable to both the United States and to the lessees and permittees.

Without adoption of H.R. 9757, a grazing fee formula proposed by the Secretaries of Interior and Agriculture will go into effect automatically on March 1, 1978. The fee proposed by the Secretaries would be based on so-called fair market value as represented by the average "fair market value" of $1.23 per AUM as established by a 1966 western livestock grazing survey and adjusted annually by the percent change in the charges for grazing on privately-leased lands.

Under the Secretaries' proposed formula—which is but one of several that could be adopted—the grazing fee would increase by 25 percent per year until so-called "fair market value" is reached (probably in 1980 or 1981). This formula, although possibly attractive in the abstract, would result in a doubling of grazing fees on both BLM and national forest lands over the next 4 years.

At a time when beef prices are unacceptably low, costs of production are increasing rapidly, and range conditions are decimated by extended drought, this increase is excessive. The additional expense to a full-time family rancher running between 100 to 150 head of cattle on public lands would exceed $600 per year. While market prices remain low and costs of production continue to rise, such an increase cannot be absorbed with ease.

Many different grazing fee formulae have been proposed by interested groups, agency officials, and Members. I personally support a formula emphasizing the cost of meat production. This was the intent of Congress, as I understood it, when the Federal Land Policy and Management Act was passed. Other Members prefer other proposals.

Be that as it may, I firmly believe that Congress should be given the opportunity to address this issue prior to automatic imposition of the Secretaries' formula.

In conclusion, Mr. Speaker, I want to reiterate my strong support for H.R. 9757 and encourage my colleagues to adopt it

PERSONAL EXPLANATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. MOAKLEY. Mr. Speaker, I was necessarily absent from the House on official business on Tuesday, February 14, and Wednesday, February 15. I have asked permission to address the House for the purpose of indicating how I would have voted on the rollcall votes taken during my absence.

On Tuesday, February 14, the House agreed to a motion by Mr. PHILLIP BURTON that the House resolve into the Committee of the Whole for the consideration of the bill (H. R. 8336), Chattahoochee River National Park, by a vote of 325 to 7. I would have voted yea.

Subsequently, in the Committee of the Whole, an amendment by Mr. SEBELIUS was defeated 119 to 230. The amendment would have required the State of Georgia to enter an agreement to participate in the management and funding of the national park. I would have voted no.

The House voted to pass the bill (H.R. 8336) by a vote of 273 to 79. I would have voted "yea."

Finally, on that day, the House voted to pass the bill (H.R. 5503), defense officer personnel management, by 351 to 7. I would have voted "aye."

On Wednesday, February 15, the House agreed to the conference report on the bill (H.R. 4544), black lung benefits reform, by a vote of 264 to 113. I would have voted "aye."

Subsequently the House passed the bill (H.R. 9370), Aquaculture Organic Act, by a vote of 234 to 130. I would have voted "aye."

RESOLUTION TO ESTABLISH PATRIOTS' PLEDGE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. APPLEGATE. Mr. Speaker, today I have the distinct priviledge of introducing a House joint resolution aimed at renewing our interest in America. I feel it is most appropriate, as does my good friend and colleague in the other body, Senator JOHN GLENN, who is also introducing the same resolution there.

This joint resolution, Mr. Speaker, is to establish the Patroits' Pledge as a pledge for all people to enjoy and to be proud of. I remember the patriotic feelings of all Americans during our Bicentennial celebration and the many months leading up to it; and also, how good I felt to be part of this great Nation. The celebration was needed, I believe, to remind us of where we have come from and where we are going. Since that time, however, we have again slipped back in that valley of complacency and find ourselves in need of having our feelings refreshed. Supporting the Patriot's Pledge in the form of the joint resolution will accomplish this.

Many times, it takes something like this to remind us of just how great this country really is. Our values and ideals which have guided this great land are still relevant and the wisdom of our forefathers is still valued around the world.

I hope that my colleagues in this House will join with me in renewing the patriotic spirit that is so dear to all of us by cosponsoring this joint resolution.

A copy of the resolution follows:

JOINT RESOLUTION

Whereas the freedom now enjoyed by United States citizens was won through great sacrifice;

Whereas United States citizens should take time to reflect on the significant patriots of the past and their wisdom;

Whereas the values and ideals which have guided this great country are still relevant; and

Whereas United States citizens can well use the words of inspiration of their forefathers to guide them into the third century of the United States of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following is designated as a pledge to invoke the wisdom of past patriots of the United States and shall be entitled the "Patriots' Pledge":

"Inspired by the Founding Fathers, we also pledge 'our lives, our fortunes, and our sacred honor' to the end that all men everywhere find the dignity of responsibility and the right to 'life, liberty, and the pursuit of happiness'.

"With regard to freedom, John Adams said: 'Liberty can no more exist without virtue than the body can live and move without a soul.' We pledge to so live that the United States of America finds true freedom—not freedom to do as we wish, but freedom to do 'the right as God gives us to see the right'.

"With regard to corruption, George Washington said: 'Virtue or morality is a necessary spring of popular government.' We pledge to answer corruption in the nation, starting with absolute honesty in all our own dealings.

"With regard to resources, Young Chief of the Cayuses said: The ground says, the Great Spirit has placed me here to produce all that grows on me. The Great Spirit, in placing men on earth, desired them to take care of the ground and to do each other no harm. We pledge to steward the resources God has put on and in the earth, so that all people, in this and future generations, may equally enjoy their fruits.

"With regard to hunger, Abraham Lincoln said: 'We have been the recipients of the choicest bounties of heaven. We have grown in wealth . . . and numbers as no other nation has grown. But we have forgotten God.' We pledge to set a pattern for unselfish living that can break the bottlenecks of waste, greed, and graft which rob the hungry in a world of plenty.

"With regard to families, Abigail Adams said: 'I have always thought it of very great importance that children should, in the early part of life, be unaccustomed to such examples as would tend to corrupt the purity of their words and actions.' We pledge to uphold the sanctity of marriage, and to base family life on honesty, undemanding care, and goals beyond self-fulfillment and material success.

"With regard to violence, Booker T. Washington said: 'No man can make me stoop so low as to hate him.', and the words of Emma Lazarus on the Statute of Liberty state:

'Give me your tired, your poor,

Your huddled masses, yearning to breathe free,

The wretched refuse of your teeming shore,

Send these, the homeless, tempest-tost to me.'

We pledge to cure the hate that spawns violence by our caring and compassion, to open our homes and hearts to those of all races, faiths, and social conditions, and to restore broken relationships by putting right past wrongs.

"With regard to government, Abraham Lincoln said: 'I have had so many . . . instances when I have been controlled by some other power than my own will, that I cannot doubt that this power comes from above.', and William Penn said: 'Men must choose to be governed by God, or they condemn themselves to be ruled by tyrants.' We pledge to listen to God each day, seeking the inspired plan for our life and work, and accepting change in our basic motives where needed, and to build a world free from blame and indifference, hate, and fear, and governed by men and women who are governed by God."

SEC. 2. All citizens are encouraged to recite the Patriots Pledge at appropriate occasions.

JOE WAGGONNER: DISTINGUISHED PUBLIC SERVANT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. SYMMS. Mr. Speaker. I was privileged last night to hear Congressman JOE WAGGONNER deliver an address to the American Legion Conference in Washington. The speech was given after WAGGONNER was given an American Legion Distinguished Service Award. Congressman WAGGONNER has been a stalwart friend of freedom for all of his 18 distinguished years in the House and I am sorry to see him leaving the Congress. He probably could be elected speaker of the House if all the conservatives in both parties would get together in the 96th Congress.

I am sure that wherever he goes, he will always talk straight, in every sense of the word, as the true patriot that he is. And although he is leaving the House, I know he will always continue the fight to preserve the Republic.

I commend to your attention Congressman WAGGONNER's address:

REMARKS BY REPRESENTATIVE JOE D. WAGGONNER, JR.

The special glow I feel tonight does not come from the fame of those who have received your Distinguished Service Award before me. Naturally, I am very pleased to have my name bracketed with theirs. I appreciate reflected glory as much as the next man. But what makes this night unforgettable is that you and your officers have chosen to tap me on the shoulder—you; plain American soldiers, sailors, and airmen; fighting men who have carried the flag in the heat of the day, and made the American Legion a power for good in our affairs for 59 years. A compliment from you makes me stand to attention. It touches my feelings as nothing else could.

For patriotism is the heart of the matter—our love of country; our pride in what it is, and in the good things it has done, and our chagrin about the bad; our devotion to the glory of its future.

There are fashions in talking about patriotism. When I was a boy, the great orators in my part of the country would beat the drum on an occasion like this, and make the eagle scream. They were tub thumpers; they wept; they raged; they shouted; and they whispered. And they released the sincere emotions of their audiences, who were plain people, too, as we are, with deep feelings.

We are more buttoned up than they were, accustomed to more restrained styles of public speaking. But we feel exactly as they did about the country and the rough passages we have had to endure lately. We don't beat our breasts the way our grandfathers did. But we care as much. We too hear those famous chords of which Lincoln spoke, "the mystic chords of memory" which stretch "from every battlefield and patriot grave to every living heart and hearthstone" of the land.

It is meet tonight to pluck those mystic chords of memory, and to listen. For the land we love is in danger, grave danger.

I thought I might say a few words tonight, by way of response to your award, by talking about that danger. I shall try to be as blunt about it as I possibly can, in the spirit of the little boy who pointed out that the Emperor was naked. It is a time, I am afraid, for very plain speaking.

We all realize the nature of the danger—it comes from the imperial policy of the Soviet Union, based upon and backed by military power which is growing at a rate without parallels in modern history. The pressures of that policy are visible wherever there is an opportunity for the expansion of Soviet influence—in Asia and in Africa, in Europe and in South America, and on the high seas. The Russians are a persistent people. They keep at it despite temporary setbacks.

We realize that the danger is increasing, but dimly, as we recognize figures in a nightmare. We don't quite believe that the danger is real. We are still paralyzed; hypnotized perhaps; walking, groping in our sleep; still bemused by the lullabies of detente. For a number of reasons, we hesitate, waiting for a Pearl Harbor that will make the challenge obvious. Thus the months and years slip by, and we do not act while there is still time

to protect the interests of the nation in peace.

But we must act, and act soon, before it is too late for deterrence, for concerted alliance diplomacy, and the other weapons of peace. The time has come to wake up. Somehow, we must liberate ourselves from the nightmares and bogeymen which have kept us from facing the truth during the last ten years, and dealing with it as Americans should—with the confidence, the energy, and the optimism of our natural leaders like Harry Truman. Then we shall easily be able to protect our interests in peace. We, and the Europeans, and the Japanese, and China together have more than enough power to contain and confine Russian ambitions—but only if we lead the coalition, and organize its potential.

Burned in the fires of bitter controversy over Vietnam, many of those who profess to lead the nation—both within and outside the government—have lost their nerve. They tiptoe around the great issues of our foreign policy, and are afraid to address them.

This situation must be cured quickly. A nation is doomed if its leaders will not accept the burden of leadership. We must insist on the first ethical rule of democratic politics—the rule of truth, of discipline, and of civility in the debate among all who take on the responsibility of discussing our political problems.

I shall go further and suggest to you that our public life will not be healthy again until we have talked out a subject which is taboo at the moment—Vietnam. What went wrong? What are the lessons we should learn from the experience? How will our withdrawal there affect our problems tomorrow?

Today in Washington; in the press and the media; in our universites and many other parts of the country, these are forbidden subjects. Yet our secret and unacknowledged thoughts about Vietnam affect what we think and do about South Korea, Taiwan, Angola, the Horn of Africa, and many many other important places and problems.

I shall tell you plainly how I should answer those questions. What went wrong in Vietnam is that we didn't win, as we did in Korea. There were many other mistakes as well—mistakes in conception, in explanation, and in diplomacy. But the big, the important mistake was that we did not win. The troops did their part magnificently, under incredibly difficult conditions. But our political leaders, frightened by public opinion, failed them.

What lessons should we learn from the experience? Make no promises you are unwilling to keep. The rule is just as basic to diplomacy as it is to every other part of life. You will notice that I said nothing about whether President Eisenhower's treaty commitment to South Vietnam should have been made. Once that promise was given, it should have been kept. The sanctity of American treaties is the only cement there is in the world political system. Once that goes, we shall be really in the jungle, in a war of all against all.

How will our withdrawal from Vietnam affect our problems tomorrow? It is making them more difficult, for we cannot escape problems of that kind in the future. There is no hiding place. The world is round, and our vital national interests in world politics are being attacked and outflanked in many parts of the world, and by many maneuvers other than an old fashioned cavalry charge. For example, we are bleeding every day, and bleeding arterial blood, from the results of an oil embargo, and a rise of 500% in the price of oil, which would never have been undertaken if the Soviet Navy were not a formidable blue water fleet.

One of our difficulties in deciding how to counter Soviet policy is that it is more complex than a straight-forward program of military conquest like Napoleon's, the Kaiser's, or Hitler's. The Russians are chess players. Our national game is poker. We tend to believe that the object of military power is military victory. The Russians follow the maxim of Sun Tzu, the great Chinese writer on war, who said that the acme of military skill is "to subdue the enemy without fighting." That, he said, is far better than a hundred victories in a hundred battles. And that is exactly what the Soviet Union is trying to do to us.

Mesmerized, while the Soviet Union builds up all its armed forces, we watch its sea power, its nuclear forces, and its conventional armies, grow at a rate of about 5% a year in real terms. We note that their forces are equipped with sophisticated weapons, including uniforms and armored personnel carriers which protect their troops against radiation. And our Secretary of Defense scratches his head, and confesses in public that he cannot figure out why the Russians are doing all this.

Why are so many of us still in this curious state of sleepwalking about the implications of the Soviet military build up, and of the imperial policy it is designed to support? We have experienced Soviet imperialism since the day World War II ended in 1945. We know we shall have to deal with that policy for as far ahead as we can foresee. And we know that the serious men who direct the Soviet Union and the Communist Parties of the world are devoted to their goals, and will stop only when we and our allies present them with unacceptable risks.

But many say, if we match their military build up, that will end detente, revive the Cold War, and may even involve us in new Vietnams. Wouldn't it be better to reach agreements with the Soviet Union on nuclear arms, or forces in Europe or the Indian Ocean, or peace in the Middle East? Of course it would be better to reach fair agreements with the Soviet Union. But in more than thirty years of patient diplomatic effort, such agreements are few and far between. And they have been achieved in the past, and can be achieved in the future, only when the Soviets realize that they have no alternative but to agree.

Reluctant to confront the fact that detente is a figment of political imagination, and that the Cold War has never stopped, or diminished in intensity, we find ourselves unable to make up our minds, and to act decisively. As a result, our behavior is becoming dangerously irrational.

Consider, for instance, these examples of policies no one has explained, or can explain.

The Administration understands that we have a vital national security interest in keeping Japan independent, and allied with us rather than with China or the Soviet Union. It understands also that Japan would be in deadly peril if South Korea came under hostile control. That is why we have a mutual security treaty with South Korea. What conceivable advantage to us could there be in withdrawing our conventional forces from South Korea, before the two Koreas have made peace, or entered the United Nations? If we have no conventional forces there, does President Carter plan to use nuclear weapons to defend South Korea in case of attack?

Take another example. The Chief of Naval Operations has testified in Congress that in the event of war in the Pacific, where we have had to fight three times since 1941, he could not guarantee the sea lanes beyond Hawaii. But the Administration has just proposed a further reduction in the Navy—an actual reduction at a time when perhaps the most important diplomatic signal we could give would be a big and urgent naval building program.

Or consider the energy problem. Properly speaking there is not yet a shortage of oil in the world. But there are two basic reasons why we cannot be dependent upon the importation of foreign oil. No country can afford to pay for its current consumption of oil out of capital. But that is exactly what we are doing. The world monetary system is breaking down under the burden of paying tribute to the oil producers. Secondly, it would be insanity to have the supplies of oil on which we depend for security exposed to the planes, the cruise missiles, and the submarines of the Red Navy. Therefore, we need an energy program, and need it desperately. But the Administration proposed a totally inadequate program. So far as consumption is concerned, the Administration's program is a toothless mouse—its goals are pitiful; it does nothing to curb consumption, to force traffic back to the railroads, or take any of the other steps so obviously needed. The Administration's energy is even weaker on the side of producing alternate sources of energy, and encouraging a quick shift from oil to coal, nuclear power, alcohol, geo-thermal and solar energy, and other possibilities. We should be using every incentive we can think up under the tax laws and other statutes to stimulate investment in alternative sources of energy. Thus far, we have wasted another year which we can ill afford.

I could go on and on, with instances of behavior which seems irrational to everyone I know. But I want to be brief, and will therefore, close with two more staggering examples.

The Secretary of Defense acknowledges that Soviet military strength has been increasing steadily for more than fifteen years at a rate of something like 5% a year in real terms; that it exceeds our own in many categories, and that it presents a grave problem for us in several areas vital to our interests. In a speech last September, he said that we "will not be outgunned," and that we will restore effective strategic and conventional force deterrence, and the development of adequate mobile forces to deal with brush fire conflicts affecting our interests. Indeed, an unchallenged leak to the New York Times last August says that the President signed a secret directive to this effect on August 26: the most important decision he has made in his year as President, totally unexplained to the American people. Now the President has sent Congress a military budget for 1979. The experts are arguing whether the new budget proposes an increase in real terms of 1%, 2%, or 3%, and whether the increase, whatever it turns out to be, will be absorbed entirely in the pay of troops and pensions. How can an increase of 1%, 2%, or 3% overcome the gaps which have developed both in nuclear and in conventional arms, and also keep up with a Soviet growth rate of about 5% a year?

Unless Congress increases the military budget this year by at least $30 billion—for research and development, for strategic weapons, for naval vessels, and for our ready forces and their equipment—our security position will continue to erode, and our foreign policy will continue to decline in influence.

Finally, let me say a word about the Administration's policy towards SALT, which is necessarily the cornerstone for a policy of stable deterrence in the world. A fair SALT agreement would be a very desirable thing to have. An unfair SALT agreement would be worse than having no agreement at all. We had a SALT agreement between 1972 and 1977—and they were bad years for American foreign policy from the Far East and Africa to the Mediterranean basin and Latin America. The Administration has been negotiating a new SALT agreement, offering the Soviet Union concession after concession in the hope of persuading the Soviet Union to agree to something. Indeed, in another totally inexplicable move, the Administra-

tion cancelled the B–1 bomber, slowed down several important missile projects, and took other steps of unilateral restraint while it was negotiating on these subjects with the Soviets. The Administration's negotiating positions, amply documented by Administration leaks, have been characterized by a responsible and bipartisan citizen's committee, the Committee on the Present Danger, as impossibly hazardous. That group has said that in the short run a comprehensive and safe SALT agreement is "unlikely". The Committee believes that "the only hope" for a fair agreement requires us to "demonstrate in action our determination, agreement or no agreement, to maintain forces fully adequate to deter attack against the United States and our Allies. This course would require us to move forward promptly on several pending and projected strategic systems to restore the credibility of our second strike capability." Such a program, which I fully endorse, would require the President to reverse his decision about the B–1 bomber, and move forward vigorously on the Minuteman III and MX ballistic missiles.

Our government and a great many of our newspapermen and television pundits are dithering in the mood I have just tried to describe—swaying back and forth between action and inaction, and in the end doing too little too late. For some of us, the mood in the country recalls that of Britain forty years ago, at the time of Munich. Because Britain failed then to pursue the resolute and clearsighted policy which could have prevented World War II, it has ceased to be a major influence in world politics, despite its heroism on the battlefields of the Second World War.

We share many of the impulses and yearnings of the British, and their general outlook, too. But we are not as well off as Britain was in 1913 or 1938. No matter how badly Britain conducted its affairs, the American giant always loomed in the wings, able to protect Britain against the ultimate consequences of its folly. There is no sleeping giant to save us from our folly, if we persist in our present course.

It is sometimes suggested by the Administration that it is all Congress' fault—that the Administration is asking for all it thinks Congress will vote, given the state of public opinion. This is government by pollster, and it is abdication.

I am leaving Congress, as you know, after 17 proud years of service in that great institution. I step down with regret, and with reverence. And I want to say tonight with all the force at my command that Congress will vote any amount the nation needs for defense, not grudgingly, not half-heartedly, not reluctantly, but with faith and passion.

Our Constitutional system works only when the President and the Congress trust each other and above all trust the people—when they tell the people the truth, with the bark on, and lay out the facts as they see them every day. When the President keeps the disagreeable facts about Soviet policy secret, and tells us that detente is alive and well, that we shall have a fine SALT agreement next week, or next month, who can blame Congress and the people for hesitating? What should people believe—what their President tells them, or what they are taught by forty-five years of harsh experience with the Russians?

Every age and every generation of Americans has had to contend with those who wanted to disarm us as a nation. Each time we have succumbed to the mistaken belief that we should lay down our arms, we have paid the price in blood and money. What has happened to prove that they are anymore correct now than they have been in the past? They have always been wrong and they are wrong now.

So I say to everyone here, to every citizen who writes or talks or argues about our foreign and defense policy; to my colleagues in Congress; and to the President: trust the people; tell them the truth; they will gladly do whatever is required to head off the peril to the nation, hopefully through an effective deterrent diplomacy based on our alliances around the world and our new relation with China, and backed by ample military strength.

Our people have never failed to heed the sacred chords of our national memory. Let us insist that our leaders listen also. The experience will revive their courage.

PITFALLS IN A REFORM BILL

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Ms. HOLTZMAN. Mr. Speaker, the criminal code reform bill now pending before the House Judiciary Committee would make profound changes in the Federal sentencing system.

John Shattuck, director of the American Civil Liberties Union in Washington, recently pointed out in a letter to the New York Times that the "reforms" may create a system that is worse than the present system. While I do not necessarily subscribe all his concerns, his views are worthy of consideration.

The text of his letter, published on February 8, 1978, follows:

[From the New York Times, Feb. 8, 1978]

U.S. CRIMINAL CODE: PITFALLS IN A REFORM BILL

To the Editor:

Reforms of our freakish and unfair sentencing system are long overdue, as Judge Marvin E. Frankel pointed out in a recent Op-Ed article. Unfortunately, the vehicle of reform could turn out to be more dangerous than the outdated model it would replace.

The sentencing provisions of the Criminal Code reform legislation now pending before the House Judiciary Committee have the potential for putting people behind bars for longer periods of time than is the case under existing law. While this possibility was somewhat reduced last week by Senate amendments to the bill, the danger of longer sentences is still acute in H.R. 6869, the version pending in the House.

For example, S. 1437 would permit a Federal judge to send a person to prison for the entire length of a sentence, and the maximum permissible sentence could be considerably longer than the time actually served for a comparable offense today. These two factors alone could serve to increase the prison population at a time when our prisons are already severely overcrowded. An additional factor—the bill's sharp reduction of the availability of time off for "good time" served in prison—could hasten this unfortunate and presumably unintended result.

A second major problem in the Criminal Code bill is that it would, for the first time, permit prosecutors to appeal sentences that they regard as too lenient. This provision is unsound public policy. Sentences are already too long. The average sentence length for Federal offenders is now 45.5 months, giving the United States the largest per capita imprisonment rate and the longest average sentences of any Western, industrialized nation except South Africa.

A third problem is that while the bill would eliminate some of the existing disparities in sentencing, it could permit considerable unfairness to continue. For example, judges could consider a variety of personal factors in selecting a particular sentence to be imposed, including the "history and characteristics of defendants" and their need for "educational and vocational training." Accordingly, an impoverished or uneducated defendant could receive a substantially different sentence from one who is wealthy and skilled.

Finally, the legislation would do little to encourage greater use of alternatives to incarceration. To reflect a growing consensus that prison experience rarely, if ever, rehabilitates a person, the bill should provide a broader range of less costly prison alternatives—such as community supervision and community service—and should require judges to consider every alternative before imprisoning a person.

It is true, as Judge Frankel notes, * * * provide for greater certainty and less disparity in sentencing. But it would be a mistake for Congress to link these and other important reforms to a potential for longer sentences and overpopulated prisons. The fair and humane system envisioned by Judge Frankel should be brought into effect through a revision of H.R. 6869.

JOHN H. F. SHATTUCK,
Director, Washington Office, American Civil Liberties Union.

WASHINGTON, *Feb. 6, 1978.*

COMMITMENT TO A SECURE ISRAEL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. SOLARZ. Mr. Speaker, in the wake of the historic Sadat-Begin peace initiative, there is renewed hope that the Arab-Israeli conflict will be peacefully resolved. Despite our urgent desire to quickly reach a negotiated settlement, we must exercise patience in encouraging the parties to negotiate a viable settlement. Most importantly, we cannot abandon our principles, which include a firm commitment to a secure Israel, our close ally and the only democracy in the Middle East.

Albert Liss carefully addresses these considerations in two articles recently published in the Brith Shalom Digest. Brith Shalom, a national organization with headquarters in Philadelphia, has been serving the needs of Jewish people for over five decades. In observing that the Prime Minister "* * * has gone farther in his initial response than could reasonably be expected of him, given the historic record of unrelieved warfare waged by the Arab nations against this small nation-state * * *," Mr. Liss reminds us that Mr. Begin's commitment to peace is unquestioned. Along with this commitment to peace, Prime Minister Begin bears "* * * the terrible burden of achieving a solution that will insure the survival of an inde-

pendent, sovereign, Jewish nation living in peace with its neighbors—the goal of all Israelis, whatever party is in power." In assessing Israeli positions in the peace negotiations, Americans should be aware of Mr. Begin's obligation to the Jewish people. I submit for your consideration the articles written by Mr. Liss, executive director of Brith Shalom Lodges:

[Reprinted from Brith Sholom Digest, Dec. 12, 1977]

LANDING TOP SIDE

(By Albert Liss)

Political observers need not squander much time to analyze the impulses which sent Sadat to Jerusalem to enter direct negotiations with his arch foe, a course earnestly sought by every Israeli Prime Minister. His actions have been shaped not only by the factors of real politics and economic imperatives, but also by the well-springs of deep emotions.

Egypt has paid a costly price for the romantic notion of Pan-Arabism which his predecessor endorsed—100,000 killed and $60 billion wasted on armaments in the four wars waged with Israel. Although the totalitarian control exercised by the Egyptian political system may put a lid on popular discontent, the terrible loss of life and economic deprivation must be a festering sore among the Egyptian people. Seen in this context, the outpouring of support for Sadat's vision of a settlement must be judged as a passionate cry of the heart. Nevertheless, Sadat's humanitarian concerns for his people should not lead us to the false belief that he would blindly expose himself to risks from which he could not recover. The popular view of Sadat lurking on the brink of disaster because of his dispute with the rejectionist front is a lop-sided view. Egypt's President has demonstrated a rare instinct for survival and in this instance too, whatever the outcome—excepting from a possible attempt on his life by a fanastic assassin—he has shrewdly calculated his moves to insure that he remains afloat.

To begin with, Sadat knows that he may have his desperately needed peace with Israel tomorrow. For the pursuit of this end, he has already received the backing of his military forces and the acclaim of his people. He has also reaffirmed the American connection, forged by Kissinger and Ford, to collect on United States commitments under the previous disengagement agreement to provide Egypt with economic and military aid. This economic aid has already reached a level higher than that given to Israel, an annual sum of $1 billion. He has also created the necessary climate to expect a stepped up delivery of masses of armaments, including some of the most sophisticated in America's arsenal. Until now, because of opposition by Congress and the Jewish community, the Carter administration has moved slowly on Egypt's request for armaments. Under the present circumstances, neither Congress nor friends of Israel are likely to put forth strenuous objections. Should Sadat renew the option of war, he will then have made certain he has regained a military preponderance over Israel and make it likely that the United States government will remain neutral in any clash between Egypt and Israel, barring Israel's total destruction. His insight is sharpened by his knowledge that America stood aside during the Pakistan/Indian war over Bangladesh, despite its defense treaty with Pakistan.

At this juncture, Sadat does not believe it will come to war. Despite his publicly expressed annoyance at President Carter's acknowledgment of Prime Minister Begin's initial negotiating stance, Sadat maintains confidence that the United States government will provide both the incentive and the leverage to persuade Israel to grant sweeping concessions as demonstrated before by the Ford/Kissinger strategy which resulted in Israel's surrender of parts of the Sinai, the return of oil wells and the opening of the Suez. This, Sadat remembers, was achieved without reciprocal response from Egypt. His former Soviet sponsors no longer of any use to him, Sadat is now counting on American support to achieve Egypt's goal for peaceful settlement as he once accepted Russian support when he chose the battlefield as a test for Egyptian supremacy.

[Reprinted from Brith Sholom Digest, Jan. 3, 1978]

THE ROLE OF AMERICA IN THE MIDDLE EAST PEACE

(By Albert Liss)

Even the most cynical observers cannot deny that the peaceful communion begun by Prime Minister Begin and President Sadat has turned a new page in the violent history of the Middle East since the establishment of modern Israel. What remains to be seen is whether the momentum toward peace put in motion by the audacious Begin/Sadat gambit can overcome the obstructionism of the Arab rejectionist nations and the purported self-interest of our own government and the Soviet Union.

What also must be watched is the depth of Mr. Sadat's new found tolerance for an independent non-Arab sovereign nation in the Arab heartland. His prejudice against Jews, kept alive by his own propaganda, is an unmeasurable factor that can deform his rational perceptions.

Despite the initial hysterical reaction among Arab nations to his overtures to Israel, Sadat may hope that the power of the drama for peace he has produced will bring most of his opponents to the theatre, not as a thundering claque, but at least powerless to draw the curtain until the final act. After all, the nations which have fought Israel have very little to gain by their continuing hostility to the Jewish state. While they are responsible for creating, financing, and training the PLO and have exploited the Palestinian situation to gain advantage in their internecine struggles in the Arab world, they have found the PLO to be troublesome. Alone, it cannot accomplish its sworn goals. Its powers derive from the authority and support granted it by the Arab nations. This was demonstrated in Jordan and in Lebanon.

Regarding the concern displayed by Arab nations for the establishment of a new Palestinian state, their failure to establish such a state during the 19 year period Jordan occupied the West Bank and Egypt controlled the Gaza strip speaks for itself. As neither Jordan nor Egypt can lay claim to the West Bank and Gaza, they had every opportunity during their illegal control of the disputed territory to make the Palestinian state a reality. Having opposed this development before, the creation now of a second Arab national entity in Palestine (Jordan is the first) can be seen only as a pretext for reducing the size of the single Jewish nation-state as a prelude to its eventual extinction.

Yet, whatever dangers emanate from the PLO or the rejectionist front, which to this day refuse to abandon their fantasy of destroying Israel on the battlefield, the biggest factor that will determine success or failure for Sadat and Begin are still the intentions of the United States and the Soviet governments.

Their parallel strategy of manipulating Israel and the Arab nations to serve their national objectives has seldom reflected the real interests of the Middle East nations. Both governments contributed to the continuing beligerency in the area by preventing Israel from gaining a victory that would have made peace possible, and by relieving the Arab nations of their responsibility to settle their differences with Israel at the Conference table, following their periodic military conflagrations.

When they embarked on their present course, Sadat and Begin were well aware that global consideration extraneous to the aims of Egypt and Israel complicated American and Soviet policies. At the same time, because of their nation's dependency upon the United States, they realized that without Carter's support their efforts would collapse. They could alter the script somewhat, but they would have to allow the American President to remain as the prompter. It was their theatre, but Carter held the mortgage.

In view of terms Carter spelled out previously for a settlement which includes Israel's withdrawal from the West Bank and the recognition of Palestinian rights, it was particularly important for Begin to secure from President Carter an acknowledgment that the position of the Israeli government was a fair start in negotiations. Their case having been explicitly articulated by Israel's friend, Arab nations could demand no less. Their extreme demands were further encouraged when Carter let word out that Begin's far reaching tangible concessions would not be acceptable to the Arabs. The effect of President Carter's views was to legitimize the negative response initially publicized by Saudi Arabia and Jordan and to compel Sadat, who already was under pressure from the extremist camp, to take a hard line. This accounts for Begin's unscheduled, abrupt trip to Washington which resulted in Carter's public statement of appreciation for the Begin approach. Carter was able to parry the attacks which his statement provoked, by drawing upon his previous outline for a Middle East settlement to reassure his hosts in Egypt and Saudi Arabia that his script conformed to their version.

The President would still like to steer Begin and Sadat back to the blueprint for an overall settlement he has tenaciously held to since assuming office.

Admittedly, a comprehensive plan which would bring peace to Israel on all of its borders would be ideal. Nevertheless, the ultimate goal may be reached by steps and it serves no one's interest to hinder the establishment of peaceful relationships between Egypt and Irsael, should the PLO and other Arab nations remain intransigent.

Begin has gone farther in his initial response than could reasonably be expected of him, given the historic record of unrelieved warfare waged by the Arab nations against his small nation state since its birth. With his unusual capacity to assess his adversary's intentions and limits, and a grand intellectual understanding of the broad sweep of history, Begin can be depended upon to provide a statesmanship approach leading to a just settlement, provided his opposite number is willing to reciprocate. It must be remembered, however, that he bears on his shoulders, as his nation's Prime Minister, the terrible burden of achieving a solution that will insure the survival of an independent sovereign, Jewish nation living in peace with its neighbors—the goal of all Israelis, whatever party is in power. Begin should not be expected to barter away Israel's security.

Carter now seems to grasp this urgent requisite as Israel's immutable bottom line. The problem is that what is perceived as

essential for Israel's security needs in Washington may be seen differently in Jerusalem by Israel's leaders, who are, after all, responsible for the welfare of a population which has been the victim of repeated assaults by hostile neighbors with genocidal designs.

Addressing the Knesset, Egypt's President also acknowledeged Israel's security as the foremost consideration for peace with Israel. Sadat's credibility will be tested when he makes his hard decision to sue for peace based on Egypt's interests or succumbs to the destructive role of a Pan Arab zealot and persists in uncompromising demands which will jeopardize Israel's security. Choosing the former, he will find no obstacle to peace. Opting for the latter, he will revert to the Arab hard-liner who said it will be for future generations to make peace with Israel.

Sadat may hope that the United States government will deliver Israel, but in fair balance, may Begin also hope that Sadat and the United States government can deliver the Arab nations who have vowed to attain a settlement through war. Carter must come up with that answer before he can expect further substantial concessions from Israel.

The military and economic involvement of the two super powers, the United States and the Soviet Union, in the Middle East give them awesome power. We must hope that these two great nations can find the intellectual and moral resources to aid, not impede, the search for peace.

The public also must accept responsibility. Grown weary of the Middle East problem which has dominated the international agenda for 30 years, they must not allow their impatience to replace critical judgment and expect the 1,000 mile journey for peace begun by Begin and Sadat to be completed at the expense of Israel's existence. Czechoslovakia's fate at Munich must be the silent specter which counsels them.

Examined realistically, the hazardous trek toward a just and peaceful settlement in the Middle East will more likely bear a resemblance to the flight to freedom by the ancient Israelites under Moses than it will to our vaunted trips to other starry planets.

HOUSE OF REPRESENTATIVES—*Friday, February 24, 1978*

NOTICE

Effective Wednesday, March 1, 1978, the Laws and Rules for Publication of the **Congressional Record** will be amended to identify statements or insertions in the **Record** where **no part of them was spoken.** Unspoken material will be preceded and followed by a "bullet" symbol, i.e., •.

Since procedures in the House and Senate differ, variations of the Laws and Rules for Publication for each body are as follows:

1. **HOUSE AND SENATE FLOOR PROCEEDINGS**

(a) When, upon unanimous consent or by motion, a prepared statement is ordered to be printed in the **Record** and **no part** of it is spoken, the entire statement will be "bulleted."

(b) If a Member verbally delivers the **first portion** of the statement (such as the first sentence or paragraph), then the entire statement will appear **without** the "bullet" symbol.

(c) Extemporaneous speeches supplemented by prepared statements **will not** be "bulleted."

2. **SENATE ONLY**

(a) **Additional Statements.** All **unspoken** prepared statements submitted for printing in the **Record will be** "bulleted"; and

(b) If the statement is **not germane** to the pending or unfinished business before the Senate, it will be printed in the **Record** under the heading of "Additional Statements";

(c) If, however, the unspoken prepared statement **is germane** to the pending or unfinished business, it will be printed in the **Record** as part of the debate on the matter being considered.

(d) **Routine Morning Business. Unspoken** prepared statements submitted with the introduction of legislation, notices of hearings, or any other "first person" statement **not spoken** will be printed in the **Record** with the "bullet" symbol and will appear in the **Record** at the appropriate place during Routine Morning Business.

3. **HOUSE ONLY**

(a) **One-Minute Speeches and Special Orders.** If **no portion** of such statements is spoken by the Member, the entire statement **will** be "bulleted."

(b) **Extensions of Remarks.** All statements **not spoken** by the Member will be "bulleted." If, however, a portion of a statement **is delivered verbally** by the Member, revised, but **not** received by GPO in time to appear in the **Record** for that day, it will be printed **without** the "bullet" symbol in a subsequent issue of the **Record** under "Extensions of Remarks."

By order of the Joint Committee on Printing.

FRANK THOMPSON, JR., Acting Chairman.

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Trust ye in the Lord forever: for in the Lord God is everlasting strength.—Isaiah 26: 4.

Eternal Father, whose love for Thy children extends to the ends of the Earth, in the glory of a new dawn and with the coming of a new day we go forth laborers together with Thee treading the upward way and seeking the highest good of our Nation. We pray for a real sense of Thy presence that whatever the hours may bring forth we can face them with courage and confidence knowing Thou art with us all the way.

As the leaders of our country in these troubled times give us good thoughts, great hearts, and genuine faith. In the midst of all our dealings and all our relationships may we dare to do justly, to love mercy, and to work humbly with Thee now and forevermore. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 10368. An act to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

The message also announced that the Vice President, pursuant to Public Law 94–201, appointed Janet Anderson, from private life, to be a member of the Board of Trustees of the American Folklife Center, Library of Congress, effective March 9, 1978, for a term of 6 years, in lieu of the 2-year term appointment made February 22, 1978.

PRESIDENT'S BUDGET SO MUCH WINDOW DRESSING

(Mr. LATTA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LATTA. Mr. Speaker, it has been exactly 1 month since the President sent his proposed 1979 budget to the Congress. During this period I have grown weary of hearing how "lean" and "tight" this half-trillion dollar budget supposedly is. That, of course, is window dressing. As we examine this budget on a daily basis, let me say that our findings become more alarming. It has become clear that the President is using massive cuts in the farm programs, disaster relief, veterans' aid, small business assistance and the like to camouflage staggering increases in a whole series of warmed-over great society spending programs and to pay the increased costs for "beefing up" a host of regulatory agencies which are condemned by everyone who must come in contact with them.

Here's just a few samples of what's happening in this "lean" Carter budget.

Subsidized housing, up a whopping 18 percent;

The National Highway Transportation Safety Administration, up 33-percent.

Spending for EPA's enforcement division is up by 26 percent;

And let's not forget big labor's favorite—OSHA—it gets a fat 16 percent boost;

Nor should we overlook the 60-percent increase for the Legal Services Corporation—that should be enough to double the number of law suits brought against the Government at taxpayer's expense;

Multilateral foreign aid—that is the U.N. agencies and the like—goes up 61 percent in budget authority;

Spending for energy regulation jumps by 31 percent, while spending for energy supply programs actually declines in real terms;

Rural housing grants, not loans, will increase by 230 percent, and funding for housing repair grants go up by 161 percent;

Or take education. With declining enrollments the President thinks Federal spending by the Office of Education should be increased by 30 percent.

Do these examples tell us that Mr. Carter is trying to pay off his liberal constituency at the expense of the farmers, small business people, veterans, and the American taxpayers. Moreover, by lavishing these enormous increases on the regulatory agencies, Mr. Carter is reneging on his campaign pledge to reduce Government interference in the lives of our people and the conduct of private business. In this budget he has finally shown his true colors, and I expect his liberal friends are quite pleased even though they clamor for more. Such expenditures were not contemplated by the voters when they cast their votes for a person who professed to be a conservative. They have been fooled but they have a way of remembering.

THE PRESIDENT'S PROPOSED "LEAN" AND "TIGHT" BUDGET

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I also share the concerns of the gentleman from Ohio (Mr. LATTA) about the outlines of our congressional budget, regardless of the budget document submitted to the Congress by the President.

A few weeks ago we held a press conference in which the gentleman from Ohio (Mr. LATTA), and the minority leader, also participated and we focused on a number of aspects of the budget which we felt indicated it was not a lean, tough, and conservative budget.

One particular concern I have has to do with what I believe to be an overestimation of the shortfall in spending. Spending shortfalls have been a concern lately, but the Director of OMB claims he has now got spending up to speed. If so, why are shortfalls estimated in this document substantially above the average for the past 10 years?

A preliminary estimate of the budget figures indicated to me at the time of our press conference that the OMB is overestimating the shortfall by about $20 billion. That could result in the appearance of a Government out of control.

The OMB has objected to the methodology by which I arrived at the conclusion I have indicated. We have made a further study of it and, Mr. Speaker, I am going to ask for an extension of my remarks later in this session in which I will put in a further analysis of why we think the shortfall is overestimated by at least $15 to $20 billion.

The Congress must move carefully in determining what it does in the budget area. Unless we do so I am afraid we can have a misleading budget blueprint leading the American people to believe that circumstances are quite different than they are.

THE MAKE OR BREAK ISSUE

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, the coal strike has produced an accelerating crisis. The outlook for our Nation is now grim. It is hard to comprehend the gravity of the situation which threatens. This strike could paralyze the American economy.

It is easy to understand that Mr. Carter would be reluctant to grapple with so grim a situation. He has sought to obtain a solution through voluntary cooperation of operators and workers. This has not been forthcoming. The moment of truth is here.

Failure to reach a solution requires that he now accept the responsibility for action. The way in which he deals with the problem may mean that this is the make or break hour of his administration. The country wants strong action now. Strong action may be unpopular with the miners or the operators or both, but the public is entitled to results. If the President fails to produce results in this hour of crisis, he will lose much of the credibility he still retains.

THE NATION FACES A DUAL CRISIS

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. HILLIS. Mr. Speaker, the Nation is currently facing a dual crisis—a shortage of coal and a lack of effective leadership.

Today in Kokomo, Ind., 6,000 hourly employees of Delco Electronics are at home, temporarily laid off for 1 day due to a mandated 25-percent reduction in electrical power usage. Similar situations are occurring throughout 12 different States in the Midwest and East. Because President Carter is not grasping the urgency of the current shortage of coal, an untold amount of wages and industrial output are being lost every day the now 81-day-old strike continues.

NBC news last night reported that 65 percent of Americans favor the President invoking the Taft-Hartley Act. While I once considered the President a shrewd politician, it is now obvious that he is misreading the public's opinion concerning the coal strike. I will venture to guess that there are at least 6,000 idle Delco employees who are wondering how long it is going to take before Mr. Carter stops hoping something will happen and start to act.

Eventually the coal strike will be over and electrical power usage will return to normal. In the meantime, however, billions of dollars will be lost from our economy. Even after things return to normal the natural question will be whether the same crisis of leadership will extend to other areas.

THE PRESIDENT'S FISCAL YEAR 1979 BUDGET REQUEST

(Mr. DUNCAN of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN of Tennessee. Mr. Speaker, I wish to rise and express a couple of concerns which I have relative to the President's fiscal year 1979 budget request.

The first deals with the defense budget. While it is true that the administration's budget takes into some account the ever-growing threat to us and our NATO allies presented by the Soviet Union and the Warsaw Pact nations, and has recommended increased spending to strengthen our conventional military capability in that area, I am worried that this budget offers no real solutions to the problems we have concerning the continuing Soviet buildup of strategic forces. I am particularly concerned about the "temporary" reduction in our Navy shipbuilding.

Also, in this so-called lean budget, I must question the wisdom of the admin-

istration's proposals for 24 new social programs. While their costs may be minimal at the beginning, we all know only too well, as do the majority of this Nation's taxpayers, what happens to the price tag of such items after only a few years. Perhaps the President thinks the cost of these programs can be borne in part by money saved through budget cuts for agriculture, dams, et cetera. Personally, I feel the President is politically naive if he thinks these budget cuts will survive committee and House floor debate in an election year.

In general, I feel this budget leaves much to be desired. I think there have been a number of underestimations of cost and overestimations of benefit. The result, I fear, will be a greater deficit, higher inflation, and fewer benefits for the American people to show for it all.

THE PRESIDENT'S FISCAL YEAR 1979 BUDGET REQUEST

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, as my colleagues have pointed out we have been examining the President's budget. Instead of responsible budgeting, the Carter administration has offered us an inflation machine. The $60 billion budget deficit this year would be followed by a $60 billion deficit next year.

If you doubt where this leads us, then let me quote the director of the President's Council on Wage and Price Stability. Mr. Barry P. Bosworth told the House Budget Committee:

> In the absence of specific government action, the most reasonable expectation would be for inflation to continue in the range of 6 to 7 percent over the next several years.

Mr. Bosworth also warned us:

> The risks of a higher future rate are greater than the probabilities of moderation.

The economy and our citizens desperately need a tax cut to offset the social security tax increases and the inflation tax burden. President Carter has proposed a net income tax reduction of $25 billion.

But he has proposed tax "reforms" that would actually increase the tax burden on middle-income families. The Carter budget is a horror story of high spending, high inflation, and high taxes.

THE UNDERESTIMATED FEDERAL DEFICIT

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, the President's proposed 1979 budget calls for an unacceptably large Federal deficit—$60.6 billion—the third largest in our history. The budget deficit, however, would be a lot bigger than $60.6 billion if it did not omit some expenses. There are a number of Federal agencies which have been excluded from the budget by law even though their debt is part of the gross Federal debt and must be financed like on-budget debt. The Federal Financing Bank, which raises money for other agencies, is the largest, but there are others, such as the rural electrification and telephone revolving fund, the Postal Service fund and the U.S. Railway Association. If these off-budget items are included in the deficit, it is estimated that another $12.5 billion will have to be added, leaving Congress with a total deficit of $73.1 billion. But even this figure of $73.1 billion seriously understates the size of the projected 1979 Federal deficit.

Federal loan guarantees, to the extent that they induce loans that would not occur in the absence of guarantees, have the same effect as direct Treasury borrowing from the public. In testimony before the House Budget Committee, Mr. Kaufman of the investment firm of Salomon Bros. estimated that the net Federal deficit for fiscal year 1979 will be an astounding $110 billion. The huge Federal financing requirements, even as officially projected by the administration, will add to inflationary pressures, raise interest rates, and ration credit among private borrowers.

Mr. Speaker, the most evident defect in the current expansion of the economy has been low capital investment. When the Federal Treasury is forced to go into the marketplace to borrow money to finance its deficits, it reduces the amount of capital available to the private market for investment in home mortgages, for individual investments, for outlays for business growth and productive development and research, and for other operations that help increase total output of goods and services and to create jobs. The President's 1979 budget will not help the U.S. economy, Mr. Speaker, because the Federal Government cannot borrow its way to prosperity.

THE BUCK STOPS HERE

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, Jimmy Carter was fast to grab on to Harry Truman's slogan of "The buck stops here." I do not know what has happened in this coal strike. I took the floor of this House on January 31 and suggested the President assume leadership, instead of timidity, in this coal strike. Perhaps he is afraid to offend the big labor union leaders.

The people of America, particularly in the Midwest, want to know who is running the country. If the buck stops here, the last report is he wants to wait another day. It is "only" 81 days now. He wants to see what may happen. Maybe instead of the buck stopping at the White House, perhaps he wants it to stop in the Congress. He says Federal seizure. What does that mean? It means we in this House will probably have to write the terms of the contract, and this Congress, as now constituted, we know how that will come out. We know who will win. They will give the mine workers everything they want. Who will pick up the check? The consumer.

Coal prices will go up. The electric bill will go up. I do not know how we can afford to lose job after job, as the gentleman from Indiana said is happening in Indiana, while the President marks time.

Come on, Mr. President, let us have some leadership, not timidity. Let us settle this strike. Invoke Taft-Hartley. It was enacted by the Congress years ago to give the President the power and authority in situations exactly like this.

COAL PRODUCTIVITY

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, America is now looking to coal as our future primary energy source. But the current coal strike gave me cause to review the record on coal mining productivity. I have written President Carter and Chairman HARLEY STAGGERS to suggest legislation to have our energy bill provide for an open market with greater coal productivity. The coal mining problem does not center on wages. Let us review the facts.

First. Coal miners' average hourly earnings have risen to 231 percent of what they were making in 1967, from $3.75 to $8.65. Even when adjusted for inflation, wages have increased in real dollars to 125 percent of what they were 10 years ago. This does not include the many improvements in fringe benefits. The hourly value of fringe benefits increased from about $1.18 to $3.30 over that period, so the miners' fringe benefits in 1977 were 280 percent of what they were 10 years earlier, or 152 percent with inflation.

Second. In addition to increased pay and fringe benefits for the workers, we have seen substantial improvements in technology, machinery, and mining equipment over the past decade. This caused us to anticipate increased productivity over that period.

But the facts show that, despite these increases in wage rates and great advances in equipment and technology, productivity has been dropping steadily. In 1969, a coal miner produced 19.9 tons per day, but by 1976, this had steadily dropped, all of the way down to where he only produced 14.46 tons per day in 1976. The figures are not all in yet for 1977, but it is expected that the decline will continue.

Third. Thus, while actual wages have increased 2.3 times and real wages have gone up 25 percent, output has fallen by 28 percent. So when you compare the two you find that, even with the improved equipment and machinery, productivity relative to wages has dropped by over 42 percent in the last decade.

The drastic drop in productivity is mainly attributed to new Government regulations and restrictions which require a lot of nonproductive and duplicative effort in the mines.

We are all aware of the need to use more coal as an alternative energy

source. However, the answer is not simply more wage increases, but to cut the red tape of Federal intervention in the coal industry.

Fourth. Let us keep the Federal Government out of the final coal settlement, as both sides are capably represented.

What we need to do is to eliminate the interference that has caused coal productivity to fall by 28 percent over the last decade while real wages after inflation have risen by 25 percent for coal miners. How can we help the coal miner get more production for each dollar he has earned?

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 554, AMENDING CONSTITUTION TO PROVIDE FOR DISTRICT OF COLUMBIA REPRESENTATION IN CONGRESS

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–908) on the resolution (H. Res. 1048) providing for consideration of the joint resolution (H.J. Res. 554) to amend the Constitution to provide for representation of the District of Columbia in the Congress, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 9757, GRAZING FEE MORATORIUM OF 1977

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1024 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1024

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9757) entitled "Grazing Fee Moratorium of 1977". After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to my colleague, the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resoultion 1024 allows for the consideration of H.R. 9757, the Grazing Fee Moratorium Act of 1977.

This is a simple, open rule, providing 1 hour of general debate. Time is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs. The bill is to be read for amendment under the 5-minute rule, and one motion to recommit shall be in order.

Mr. Speaker, the purpose of H.R. 9757 is to place a 1-year moratorium on any planned or proposed increases in public lands grazing fees. The moratorium would extend until the end of the 1978 grazing year or approximately March 1, 1979.

The bill is necessary to allow the appropriate committees of the Congress time to study the impact of higher grazing fees proposed in a study conducted by the Secretaries of the Interior and Agriculture.

The Federal Land Policy and Management Act of 1976 required the Secretaries of the Interior and Agriculture to undertake a joint study of grazing fees on public lands in 11 Western States in order to determine equitable rates for the grazing rights to these lands. The study, completed and submitted to Congress on October 21, 1977, recommends considerably higher fees than those now in effect.

If the moratorium is not imposed, the higher grazing fees will go into effect for the 1978 grazing fee year. The result may be to impose another hardship on already hard-pressed ranchers and ultimately to raise prices for all consumers.

Mr. Speaker, this bill is important not only to the 11 Western States directly involved but to millions of consumers who may be ultimately affected by the outcome of fees charged for grazing rights on public lands. I urge my colleagues to adopt House Resolution 1024 so that we might proceed to the consideration of H.R. 9757, the Grazing Fee Moratorium Act of 1977.

Mr. Speaker, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a routine open rule, which provides 1 hour of general debate for the consideration of H.R. 9757, the grazing fee moratorium of 1977.

The purpose of H.R. 9757 is to place a 1-year moratorium on any increases in public lands grazing fees. This will give Congress the time necessary to legislate a grazing fee formula which is fair to both the Federal Government and ranchers who graze their livestock on public lands. This moratorium would expire at the end of the 1978 grazing year, or approximately March 1, 1979.

The Congressional Budget Office estimates that no additional cost to the Government will be incurred as a result of enactment of this bill. However, because the bill prevents the Departments of Agriculture and Interior from implementing recommended grazing fee increases for the 1978 season, a loss of about $5 million in potential grazing receipts will result.

Mr. Speaker, I support this rule so that the House may consider the merits of this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MOTTL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 302, nays 1, not voting 131, as follows:

[Roll No. 81]

YEAS—302

Abdnor	Devine	Johnson, Calif.
Allen	Dickinson	Johnson, Colo.
Ambro	Dicks	Jones, N.C.
Ammerman	Dodd	Jones, Okla.
Anderson, Calif.	Dornan	Jones, Tenn.
	Downey	Jordan
Andrews, N.C.	Drinan	Kastenmeier
Andrews, N. Dak.	Duncan, Tenn.	Kelly
	Eckhardt	Ketchum
Annunzio	Emery	Keys
App'egate	English	Kildee
Archer	Erlenborn	Kindness
Ashbrook	Ertel	Kostmayer
Ashley	Evans, Colo.	Krebs
Aspin	Evans, Del.	Lagomarsino
AuCoin	Evans, Ind.	Latta
Bafalis	Fary	Leach
Baldus	Fenwick	Lehman
Barnard	Findley	Lent
Baucus	Fish	Levitas
Bauman	Fisher	Livingston
Bedell	Fithian	Lloyd, Calif.
Beilenson	Flood	Lloyd, Tenn.
Benjamin	Florio	Long, La.
Bennett	Foley	Long, Md.
Bevill	Ford, Tenn.	Lott
Biaggi	Forsythe	Lujan
Bingham	Fowler	Luken
Blanchard	Frenzel	Lundine
Blouin	Fuqua	McCloskey
Boggs	Garcia	McCormack
Boland	Gaydos	McDade
Bonker	Gephardt	McDonald
Brademas	Giaimo	McEwen
Breaux	Gibbons	McFall
Brinkley	Ginn	McHugh
Brodhead	Glickman	McKay
Brooks	Goldwater	Madigan
Broomfield	Gonzalez	Mahon
Brown, Calif.	Goodling	Mann
Broyhill	Gore	Markey
Buchanan	Gradison	Marks
Burke, Mass.	Grassley	Martin
Burleson, Tex.	Green	Mattox
Burlison, Mo.	Gudger	Mazzoli
Butler	Hagedorn	Meeds
Byron	Hamilton	Meyner
Caputo	Hammer-schmidt	Michel
Carr		Mikulski
Carter	Hanley	Miller, Ohio
Cavanaugh	Harkin	Minish
Cederberg	Harrington	Mitchell, Md.
Cleve and	Harris	Mitchell, N.Y.
Cochran	Heckler	Moakley
Collins, Tex.	Hefner	Moffett
Conable	Heftel	Mollohan
Conte	Hightower	Montgomery
Corcoran	Hillis	Moore
Corman	Hollenbeck	Moorhead, Calif.
Cornell	Holt	
Cornwell	Howard	Moorhead, Pa.
Cunningham	Hubbard	Moss
D'Amours	Huckaby	Mottl
Daniel, Dan	Hughes	Murphy, N.Y.
Daniel, R. W.	Hyde	Murtha
Danielson	Ichord	Myers, Gary
Delaney	Jacobs	Myers, John
Dellums	Jeffords	Natcher
Derrick	Jenkins	Neal
Derwinski	Jenrette	Nowak

O'Brien	Rudd	Stratton
Oakar	Runnels	Studds
Oberstar	Ruppe	Stump
Obey	Russo	Symms
Ottinger	Ryan	Traxler
Panetta	Santini	Treen
Patten	Satterfield	Trible
Pease	Scheuer	Tsongas
Pepper	Schroeder	Udall
Perkins	Schulze	Vander Jagt
Pettis	Sebelius	Vanik
Pickle	Seiberling	Vento
Pike	Sharp	Vo.kmer
Poage	Shuster	Waggonner
Pressler	Sikes	Wa.gren
Preyer	Simon	Walsh
Price	Sisk	Wampler
Quie	Skelton	Watkins
Quillen	Skubitz	Waxman
Railsback	Smith, Iowa	Weaver
Regula	Smith, Nebr.	Weiss
Reuss	Snyder	Whalen
Rinaldo	Solarz	White
Risenhoover	Spellman	Whitehurst
Robinson	Spence	Whitley
Rodino	Staggers	Wilson, Bob
Roe	Stanee and	Wirth
Rogers	Stanton	Wolff
Roncalio	Steed	Yates
Rooney	S eers	Young, Fla.
Rose	Steiger	Young, Mo.
Rousselot	Stockman	Zablocki

NAYS—1

Holtzman

NOT VOTING—131

Addabbo	Eilberg	Nichols
Akaka	Evans, Ga.	Nix
Alexander	Fascell	Nolan
Anderson, Ill.	Flippo	Patterson
Armstrong	Flowers	Pattison
Badham	Flynt	Pritchard
Beard, R.I.	Ford, Mich.	Pursell
Beard, Tenn.	Fountain	Quayle
Bolling	Fraser	Rahall
Bonior	Frey	Rangel
Bowen	Gammage	Rhodes
Breckinridge	Gilman	Richmond
Brown, Mich.	Guyer	Roberts
Brown, Ohio	Hall	Rosenthal
Burgener	Hannaford	Rostenkowski
Burke, Calif.	Hansen	Roybal
Burke, Fla.	Harsha	Sarasin
Burton, John	Hawkins	Sawyer
Burton, Phillip	Holland	Ship.ey
Carney	Horton	Slack
Chappell	Ireland	St Germain
Chisholm	Kasten	Stark
Clausen, Don H.	Kazen	Stokes
	Kemp	Taylor
Clawson, Del	Krueger	Teague
Clay	LaFalce	Thompson
Cohen	Le Fante	Thone
Coleman	Lederer	Thornton
Collins, Ill.	Leggett	Tucker
Conyers	McClory	Ullman
Cotter	McKinney	Van Deerlin
Coughlin	Maguire	Walker
Crane	Marlenee	Whitten
Davis	Marriott	Wiggins
de la Garza	Mathis	Wilson, C. H.
Dent	Metcalfe	Wilson, Tex.
Diggs	Mikva	Winn
Dingell	Milford	Wright
Duncan, Oreg.	Miller, Calif.	Wydler
Early	Mineta	Wylie
Edgar	Murphy, Ill.	Yatron
Edwards, A'a.	Murphy, Pa.	Young, Alaska
Edwards, Calif.	Myers, Michael	Young, Tex.
Edwards, Okla.	Nedzi	Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Shipley.
Mr. Carney with Mr. Chappell.
Mr. Zeferetti with Mr. Hall.
Mr. Mikva with Mr. Roberts.
Mr. Richmond with Mr. Teague.
Mr. St Germain with Mr. Anderson of Illinois.
Mr. Le Fante with Mr. Beard of Tennessee.
Mr. Akaka with Mr. Nichols.
Mr. Breckinridge with Mr. Cohen.
Mr. Cotter with Mr. Davis.
Mr. Rostenkowski with Mr. Crane.
Mr. Duncan of Oregon with Mr. Brown of Michigan.
Mr. Thompson with Mr. Coleman.
Mr. Edwards of California with Mr. Coughlin.
Mr. Hawkins with Mr. Frey.
Mr. Eilberg with Mr. Brown of Ohio.
Mr. Mineta with Mr. Clay.
Mrs. Burke of California with Mr. Gilman.
Mr. Gammage with Mr. Burgener.
Mr. Nix with Mr. McKinney.
Mr. Rangel with Mr. Pritchard.
Mr. Rahall with Mr. Badham.
Mr. Van Deerlin with Mr. Edwards of Alabama.
Mr. Hannaford with Mr. Guyer.
Mr. Ireland with Mr. Burke of Florida.
Mr. Roybal with Mr. Don H. Clausen.
Mr. Kazen with Mr. Harsha.
Mr. Bonior with Mr. Marriott.
Mr. Stokes with Mr. Horton.
Mr. Beard of Rhode Island with Mr. Del Clawson.
Mrs. Chisholm with Mr. Michael O. Myers.
Mr. Dent with Mr. Kasten.
Mr. Early with Mr. Kemp.
Mr. Nedzi with Mr. Marlenee.
Mr. Wright with Mr. Edwards of Oklahoma.
Mr. John L. Burton with Mr. McClory.
Mr. Alexander with Mr. Purcell.
Mr. Bowen with Mr. Quayle.
Mr. Phillip Burton with Mrs. Collins of Illinois.
Mr. Conyers with Mr. de la Garza.
Mr. Diggs with Mr. Edgar.
Mr. Dingell with Mr. Sarasin.
Mr. Evans of Georgia with Mr. Taylor.
Mr. Fascell with Mr. Wiggins.
Mr. Flowers with Mr. Thone.
Mr. Flynt with Mr. Walker.
Mr. Fountain with Mr. Winn.
Mr. Fraser with Mr. Wydler.
Mr. Holland with Mr. Young of Alaska.
Mr. Krueger with Mr. Wylie.
Mr. LaFalce with Mr. Sawyer.
Mr. Lederer with Mr. Maguire.
Mr. Mathis with Mr. Leggett.
Mr. Metcalfe with Mr. Nolan.
Mr. Patterson of California with Mr. Milford.
Mr. Miller of California with Mr. Rosenthal.
Mr. Slack with Mr. Murphy of Illinois.
Mr. Murphy of Pennsylvania with Mr. Stark.
Mr. Thornton with Mr. Whitten.
Mr. Ullman with Mr. Tucker.
Mr. Charles Wilson of Texas with Mr. Yatron.
Mr. Flippo with Mr. Ford of Michigan.
Mr. Pattison of New York with Mr. Hansen.

Mr. ZABLOCKI changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3377, WICHITA INDIAN LAND CLAIMS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, and on behalf of my colleague, the gentleman from New York (Mr. DELANEY), I call up House Resolution 1030 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1030

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3377) to authorize the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indians Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 3377, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 773, and it shall then be in order in the House to move to strike all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 3377 as passed by the House.

The SPEAKER pro tempore (Mr. ANNUNZIO). The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, I would state that this rule again is, as far as I know, totally noncontroversial. It is an open rule, with 1 hour of general debate, providing for the gentleman from Wyoming (Mr. RONCALIO) to bring to the attention of the Members an Indian claims bill, H.R. 3377.

Therefore, Mr. Speaker, I would urge the adoption of the resolution in order to permit his committee to proceed with the presentation of the bill.

I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides 1 hour of general debate for the consideration of H.R. 3377, which deals with Wichita Indian claims. Under this rule the bill will be open to germane amendments. There are no waivers of points of order. In order to expedite going to conference, this rule makes it in order, after passage of the House bill, to insert the House-passed language in the Senate bill.

Mr. Speaker, the primary purpose of H.R. 3377 is to authorize the Wichita Indian Tribe of Oklahoma to file any of its claims against the United States with the Indian Claims Commission, notwithstanding that the time for filing the claim under the Indian Claims Commission Act terminated in 1951.

Although it may be that the litigation authorized by H.R. 3377 will result in a monetary award for the Witchita Tribe, no direct expenditures are authorized by the bill.

The Congressional Budget Office points out that there has been no appraisal of the value if the land in question, but estimates that the values is not likely to exceed $10 million.

Mr. Speaker, I support the rule so that the House may consider the merits of this legislation.

Mr. DELANEY. Mr. Speaker, House Resolution 1030 provides for the consideration of the Wichita Indian claims bill, H.R. 3377. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs. The bill will be read for amendment under the 5-minute rule. The rule also provides that after passage of H.R. 3377 it shall be in order to strike out all after the enacting clause of the Senate-passed bill, S. 773, and insert in lieu thereof the text of the bill, H.R. 3377 as passed by the House.

Mr. Speaker, according to the Committee on Interior, the Wichita Tribe and its affiliated bands have always asserted aboriginal claim to land now included in Oklahoma and Texas. Legislation was enacted in 1924 authorizing the Court of Claims to determine all claims of the Wichita against the United States. In 1939, the Court of Claims concluded that the Wichita's claim was based on aboriginal occupancy and that the 1924 act did not authorize such a claim.

In 1946, Congress established the Indian Claims Commission authorizing Indian tribes to file claims against the United States within 5 years of enactment. In testimony before the Committee on Rules, it was revealed that the Wichita failed to meet the deadline despite the fact that it had sought repeatedly to obtain legal counsel to pursue its claims. It was noted that in every instance when the case was refused by counsel it was done so on the erroneous grounds that a previous decision by the Court of Claims dismissing their claim for lack of jurisdiction was res judicata—meaning that a matter once decided is finally decided.

Mr. Speaker, H.R. 3377 authorizes the Wichita Indian Tribe and its affiliated bands to file land claims against the United States with the Indian Claims Commission notwithstanding the statute of limitations in the Indian Claims Commission Act of 1946.

Mr. Speaker, H. Res. 1030 is not a controversial rule and I would urge adoption of the resolution so that the House may consider the Wichita claims legislation.

GENERAL LEAVE

Mr. SISK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 295, nays 6, not voting 133, as follows:

[Roll No. 82]

YEAS—295

Abdnor	Fish	McDade
Allen	Fisher	McEwen
Ambro	Fithian	McFall
Ammerman	Flippo	McHugh
Anderson, Calif.	Flood	McKay
	Florio	Madigan
Andrews, N. Dak.	Foley	Mahon
	Ford, Mich.	Mann
Annunzio	Ford, Tenn.	Markey
Applegate	Forsythe	Marks
Archer	Fowler	Martin
Ashley	Frenzel	Mattox
Aspin	Fuqua	Mazzoli
AuCoin	Garcia	Meyner
Bafalis	Gaydos	Michel
Baldus	Gephardt	Mikulski
Barnard	Giaimo	Miller, Ohio
Baucus	Gibbons	Minish
Bauman	Ginn	Mitchell, Md.
Bedell	Glickman	Mitchell, N.Y.
Beilenson	Goldwater	Moakley
Benjamin	Gonzalez	Moffett
Bennett	Goodling	Mollohan
Bevill	Gore	Montgomery
Biaggi	Gradison	Moore
Bingham	Grassley	Moorhead, Calif.
Blanchard	Green	
Blouin	Hagedorn	Moss
Boggs	Hamilton	Mottl
Boland	Hammer-schmidt	Murphy, N.Y.
Bonker		Murtha
Brademas	Hanley	Myers, Gary
Breaux	Hansen	Myers, John
Brinkley	Harkin	Natcher
Brodhead	Harrington	Neal
Brooks	Harris	Nowak
Broomfield	Heckler	O'Brien
Brown, Calif.	Hefner	Oakar
Broyhill	Heftel	Oberstar
Buchanan	Hightower	Obey
Burke, Mass.	Hillis	Ottinger
Burleson, Tex.	Hollenbeck	Panetta
Burlison, Mo.	Holt	Patten
Butler	Holtzman	Pattison
Byron	Howard	Pease
Caputo	Hubbard	Perkins
Carr	Huckaby	Pettis
Carter	Hughes	Pickle
Cavanaugh	Hyde	Pike
Cederberg	Ichord	Poage
Cleveland	Jacobs	Pressler
Cochran	Jeffords	Preyer
Collins, Tex.	Jenkins	Price
Conable	Jenrette	Quie
Conte	Johnson, Calif.	Quillen
Corcoran	Johnson, Colo.	Railsback
Corman	Jones, N.C.	Regula
Cornell	Jones, Okla.	Reuss
Cornwell	Jones, Tenn.	Rinaldo
Cunningham	Jordan	Risenhoover
D'Amours	Kastenmeier	Robinson
Daniel, Dan	Kelly	Rodino
Daniel, R. W.	Ketchum	Roe
Danielson	Keys	Rogers
Delaney	Kildee	Roncalio
Dellums	Kindness	Rooney
Derrick	Kostmayer	Rose
Derwinski	Krebs	Rousselot
Dickinson	Lagomarsino	Rudd
Dicks	Leach	Runnels
Dodd	Lehman	Ruppe
Downey	Lent	Russo
Drinan	Levitas	Ryan
Duncan, Tenn.	Livingston	Santini
Eckhardt	Lloyd, Calif.	Satterfield
Emery	Lloyd, Tenn.	Scheuer
English	Long, La.	Schroeder
Erlenborn	Long, Md.	Schulze
Ertel	Lott	Sebelius
Evans, Colo.	Lujan	Sharp
Evans, Del.	Luken	Shuster
Evans, Ind.	Lundine	Sikes
Fary	McCloskey	Simon
Fenwick	McCormack	Sisk
Skelton	Stump	Waxman
Skubitz	Symms	Weaver
Smith, Iowa	Traxler	Weiss
Smith, Nebr.	Treen	Whalen
Snyder	Trible	White
Solarz	Tsongas	Whitehurst
Spellman	Udall	Whitley
Spence	Vander Jagt	Wilson, Bob
Staggers	Vanik	Wilson, C. H.
Stange and	Vento	Wirth
Stanton	Volkmer	Wolff
Steed	Waggonner	Yates
Steers	Walgren	Young, Fla.
Steiger	Walsh	Young, Mo.
Stratton	Wampler	Zablocki
Studds	Watkins	

NAYS—6

Ashbrook	Dornan	Latta
Devine	Gudger	McDonald

NOT VOTING—133

Addabbo	Eilberg	Nix
Akaka	Evans, Ga.	Nolan
Alexander	Fascell	Patterson
Anderson, Ill.	Findley	Pepper
Andrews, N.C.	Flowers	Pritchard
Armstrong	Flynt	Pursell
Badham	Fountain	Quayle
Beard, R.I.	Fraser	Rahall
Beard, Tenn.	Frey	Rangel
Bolling	Gammage	Rhodes
Bonior	Gilman	Richmond
Bowen	Guyer	Roberts
Breckinridge	Hall	Rosenthal
Brown, Mich.	Hannaford	Rostenkowski
Brown, Ohio	Harsha	Roybal
Burgener	Hawkins	Sarasin
Burke, Calif.	Holland	Sawyer
Burke, Fla.	Horton	Seiberling
Burton, John	Ireland	Shipley
Burton, Phillip	Kasten	Slack
Carney	Kazen	St Germain
Chappell	Kemp	Stark
Chisholm	Krueger	Stockman
Clausen, Don H.	LaFalce	Stokes
	Le Fante	Taylor
Clawson, Del	Lederer	Teague
Clay	Leggett	Thompson
Cohen	McClory	Thone
Coleman	McKinney	Thornton
Collins, Ill.	Maguire	Tucker
Conyers	Marlenee	Ullman
Cotter	Marriott	Van Deerlin
Coughlin	Mathis	Walker
Crane	Meeds	Whitten
Davis	Metcalfe	Wiggins
de la Garza	Mikva	Wilson, Tex.
Dent	Milford	Winn
Diggs	Miller, Calif.	Wright
Dingell	Mineta	Wydler
Duncan, Oreg.	Moorhead, Pa.	Wylie
Early	Murphy, Ill.	Yatron
Edgar	Murphy, Pa.	Young, Alaska
Edwards, Ala.	Myers, Michael	Young, Tex.
Edwards, Calif.	Nedzi	Zeferetti
Edwards, Okla.	Nichols	

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Shipley.

Mr. Carney with Mr. Chappell.

Mr. Zeferetti with Mr. Hall.

Mr. Mikva with Mr. Roberts.

Mr. Richmond with Mr. Teague.

Mr. St Germain with Mr. Anderson of Illinois.

Mr. Le Fante with Mr. Beard of Tennessee.

Mr. Akaka with Mr. Nichols.

Mr. Breckinridge with Mr. Cohen.

Mr. Cotter with Mr. Davis.

Mr. Rostenkowski with Mr. Crane.

Mr. Duncan of Oregon with Mr. Brown of Michigan.

Mr. Thompson with Mr. Coleman.

Mr. Edwards of California with Mr. Coughlin.

Mr. Hawkins with Mr. Frey.

Mr. Eilberg with Mr. Brown of Ohio.

Mr. Mineta with Mr. Clay.

Mrs. Burke of California with Mr. Gilman.

Mr. Gammage with Mr. Burgener.

Mr. Nix with Mr. McKinney.

Mr. Rangel with Mr. Pritchard.

Mr. Rahall with Mr. Buchanan.

Mr. Van Deerlin with Mr. Edwards of Alabama.

Mr. Hannaford with Mr. Guyer.

Mr. Ireland with Mr. Burke of Florida.
Mr. Roybal with Mr. Don H. Clausen.
Mr. Kazen with Mr. Harsha.
Mr. Bonior with Mr. Marriott.
Mr. Stokes with Mr. Horton.
Mr. Beard of Rhode Island with Mr. Del Clawson.
Mrs. Chisholm with Mr. Michael O. Myers.
Mr. Dent with Mr. Kasten.
Mr. Early with Mr. Kemp.
Mr. Nedzi with Mr. Marlenee.
Mr. Wright with Mr. Edwards of Oklahoma.
Mr. John L. Burton with Mr. McClory.
Mr. Alexander with Mr. Pursell.
Mr. Bowen with Mr. Quayle.
Mr. Phillip Burton with Mrs. Collins of Illinois.
Mr. Conyers with Mr. de la Garza.
Mr. Diggs with Mr. Edgar.
Mr. Dingell with Mr. Sarasin.
Mr. Evans of Georgia with Mr. Taylor.
Mr. Fascell with Mr. Wiggins.
Mr. Flowers with Mr. Thone.
Mr. Flynt with Mr. Walker.
Mr. Fountain with Mr. Winn.
Mr. Fraser with Mr. Wydler.
Mr. Holland with Mr. Young of Alaska.
Mr. Krueger with Mr. Wylie.
Mr. LaFalce with Mr. Sawyer.
Mr. Lederer with Mr. Maguire.
Mr. Mathis with Mr. Leggett.
Mr. Metcalfe with Mr. Nolan.
Mr. Patterson of California with Mr. Milford.
Mr. Miller of California with Mr. Rosenthal.
Mr. Stack with Mr. Murphy of Illinois.
Mr. Murphy of Pennsylvania with Mr. Stark.
Mr. Thornton with Mr. Whitten.
Mr. Ullman with Mr. Tucker.
Mr. Charles Wilson of Texas with Mr. Yatron.
Mr. Weeds with Mr. Pepper.
Mr. Moorhead of Pennsylvania with Mr. Seiberling.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GRAZING FEE MORATORIUM OF 1977

Mr. RONCALIO. Mr. Speaker, I call up the bill (H.R. 9757) entitled "Grazing Fee Moratorium of 1977" and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Clerk read the bill, as follows:

H.R. 9757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 401(a) of the Federal Land Policy and Management Act of 1976 (Public Law 94-579; 43 U.S.C. 1701 et seq.) is amended by adding at the end thereof the following new sentence: "In order to allow Congress sufficient time to analyze the Secretaries' report and recommendations and take such action as may be appropriate, neither Secretary shall increase the grazing fee for the 1978 grazing year.".

Mr. KREBS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in strong support of this bill. I think the chairman of the subcommittee, the gentleman from Wyoming (Mr. RONCALIO), should be congratulated on bringing this legislation before us.

A comment has been made here that this is not an important bill. It certainly is important to the cattlemen in my district and it certainly is important to the cattlemen throughout the State of California.

This bill would indeed provide a period in which the Congress can come up with fair legislation covering grazing fees. I submit it is going to be equitable to the cattlemen, it is going to be equitable to the American taxpayer, and it hopefully is going to take into consideration the cost of production, plus additional factors that would make this type of a grazing fee fair to all concerned.

Mr. SANTINI. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, as part of the Federal Land Policy and Management Act of 1976, Congress required the Secretaries of Agriculture and the Interior to conduct a study of "the value of grazing on the lands under their jurisdiction." This study was to "take into consideration the costs of production" and other important aspects of livestock grazing in the Western United States. This study was completed last year, and, after making some substantial changes from the original recommendations of the Technical Committee, the Secretaries announced that they would use a new formula for determining the 1978 grazing fees.

Because the act required that the study be conducted in order to "establish a fee for livestock grazing on such lands which is equitable to the United States and to the holders of grazing permits," it is important that Congress look seriously into the formula which the Departments are proposing.

After announcing the new grazing fee levels, the Departments of Agriculture and the Interior received a great deal of criticism from many sides, including Members of Congress. They opened up the regulations for public comment. The period allowed for such input ended earlier this week. In order to allow time for careful consideration of those comments which have been received, the Secretaries announced that the new fees would not be charged on March 1, as originally scheduled. Although this decision did provide some time for thought, and has allowed Congress a little more time to act on the moratorium proposal which we are now considering, it does not guarantee us sufficient time to thoroughly analyze the proposed grazing fee structure and the alternative proposals which have been presented. This is especially important when we recognize that although the study required by the 1976 act did include analysis of the cost of production and other factors, the proposed grazing fee formula does not. Despite this temporary reprieve, we still need to pass this bill in order to guarantee Congress the time that it needs to properly deal with this important issue.

We do not intend to sit and wait for the year to come to a close and then simply ask for another year's extension of the same moratorium. We are actively working to develop a formula which will really meet the goal of the 1976 act; that is, establishing a fee which is equitable to the United States and to those holders of grazing fee permits. Last month, I joined Mr. RONCALIO and others in introducing legislation which would establish such a formula. Hearings on that proposal will begin next week, and more hearings are already scheduled for March. In that hearing process, we will attempt to carefully analyze all of the possible options and then endorse that formula which really will provide equity for all involved.

We are not proposing this moratorium in order to delay such a change forever. We do not intend to sit and wait for the year to end and then ask for another extension. The process of analyzing the grazing fee structure has already begun. Last month, I joined with Mr. RONCALIO in sponsoring a bill which would change the proposed formula to include the important cost of production factor. Hearings on that bill will begin next week and will continue through March. We are moving as rapidly as possible to find that equitable formula.

Mr. PANETTA. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the basic point I would make here is that this bill gives Congress the time to act in a responsible manner. The purpose is to establish a rational formula for increasing the fees that would be provided in this area. Cattlemen need this. Consumers need this. It is extremely important that the committee have that time to do it so that the formula that is established is fair and equitable to those who participate in the grazing effort and the public in general.

Mr. RONCALIO. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of H.R. 9757, the Grazing Fee Moratorium of 1977. H.R. 9757 would prevent the Secretaries of Interior and Agriculture from shortly implementing a planned grazing fee increase on public lands in the 11 Western States during the 1978 grazing year, which runs from March 1, 1978, to March 1, 1979. If the bill passes, current grazing rates averaging $1.51 per animal unit month (AUM) for lands administered by the Bureau of Land Management, and $1.60 per AUM on National Forest lands, would remain in effect until March 1, 1979.

Mr. Speaker, H.R. 9757 is necessary to give Congress time to consider the Secretaries' recommendations for an increase in grazing fees on the public lands. These recommendations and findings were made pursuant to section 401 of the Federal Land Policy and Management Act of 1976, which directed the Secretaries to conduct a joint study on grazing fee levels and report their recommendations to Congress. Unfortunately, although the Secretaries completed their study on schedule, Congress adjourned for 1977 shortly after the Sec-

retaries' recommendations were received in late October. While my subcommittee held hearings and took immediate action on the Secretaries' recommendations, and H.R. 9757 was reported by the Committee on Interior and Insular Affairs in a special meeting on November 29, 1977, congressional recesses and the press of other business have not enabled us to consider the matter until today. Legislation similar to H.R. 9757 has encountered virtually identical roadblocks in the other body, despite broad support.

In short, H.R. 9757 is necessary to provide a 1-year period of grace to allow Congress time to seek a solution to the grazing fee problem, and a solution will be sought. On January 26 of this year I introduced legislation, H.R. 10587, along with 13 cosponsors from the Western States, to deal with the grazing fee issue as well as other range management problems. Senator CHURCH and others have introduced identical legislation in the other body. My subcommittee will commence hearings on this bill March 10 and will hold several more days in Washington as well as a day in Salt Lake City, Utah. I anticipate that markup will commence shortly after the Easter recess. While my bill contains a specific grazing fee formula, it is not so much the details of that formula that are important today, but rather that we have ample time to consider various formula alternatives, including the Secretaries' recommendations. If H.R. 9757 does not pass today, a grazing fee increase will likely go into effect before Congress has time to act.

Mr. Speaker, the importance of the H.R. 9757 grazing fee moratorium can be garnered from the fact that it is cosponsored by practically every Congressman from the 11 Western States whose district contains public grazing lands. The Secretaries' recommendation, which would increase grazing fees by 25 percent per year in 1978, 1979, 1980, and possibly 1981, is simply too drastic an increase. This is especially true when the proposed increases coincide with a period when the western livestock industry is beset by 4 consecutive years of low beef prices, and severe drought conditions.

Although recent precipitation in the Western States may help alleviate the drought conditions, the outlook for beef prices is not so encouraging. Beef prices may well remain at depressed levels, and if this occurs, increases in beef production costs could force ranchers out of business. Nowhere is this problem better stated than in the Secretaries' report on grazing fees, and I quote:

> Ranchers are not able, in the short run, to pass increased production costs on to the purchasers of their products. That is, they must accept the prices offered for their livestock when the livestock are ready for market.

As this is the case, I am most concerned about the Secretaries' proposed grazing fee increases of 25 percent per year over the next 3 to 4 years—a rate of inflation in each single year which is four to five times the current national average.

Although the Secretaries' report takes great pains to point out that the average increase per year under their proposal for 72 percent of the Nation's permittees would average only about $60 per permittee per year, the cost for a full-time family rancher running between 100 to 150 head of cattle on the public lands would be in excess of $600 per year. I repeat, $600 per year. This is no trifling sum. Indeed, when considered along with the rapidly escalating costs for other aspects of livestock production, it would place an increasing, and perhaps fatal, burden on the many livestock operations which are heavily dependent on the use of the public grazing lands. While it is arguable that such problems should be addressed through other Federal programs, such as beef price supports, I am not aware that any such programs are forthcoming. I am, therefore, extremely reluctant to agree to any grazing fee formula, such as that proposed by the Secretaries, which would result in an immediate and substantial increase in livestock production costs, without giving careful consideration to the permittee's ability to afford such increases.

Indeed, when Congress passed the Federal Land Policy and Management Act in 1976 requiring the Secretaries to undertake a joint study of grazing fees, it specifically directed them to consider the equities involved, and particularly the "costs of production, and other factors as may relate to the reasonableness of such fees." Unfortunately, although the Secretaries' report does contain discussion of the cost of production issue, this mandate appears to have been taken lightly, and the Secretaries have rejected any formula which incorporates components relating to cost of production or the rancher's ability to pay. This is true even though the Secretaries' own experts, the Technical Committee to Review Public Land Grazing Fees, have recommended a formula which is intricately tied to the costs of production and is sensitive to both long-range forage values and short-range beef price fluctuations. In short, I feel that the Secretaries' recommendation may have honored the letter of the law, but certainly not its spirit.

For these reasons, I feel Congress needs more time to examine the Secretaries' recommendation, the technical committee's formula, and several other grazing fee proposals. As I have indicated, my subcommittee will commence hearings on this issue next month, but time will be needed to reach a solution. H.R. 9757 will provide this time, and I strongly urge its enactment.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I want to add my endorsement to this bill. It is something that is necessary, something that is consistent with the congressional intent in the Organic Act. I urge all of my colleagues to vote for it.

Mr. RONCALIO. I thank the gentleman for his comments.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of this legislation, and I think it is extremely important to the cattlemen of the country, especially those in the far West, to take, to take a good, long, careful look at this, and do not let these regulations go into effect.

Mr. RONCALIO. I thank the gentleman for his comments.

Mr. HANSEN. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, I rise in support of this legislation which I have sponsored and call to the attention of my colleagues a memorial from the legislature of my home State of Idaho. This memorial expresses the concern of the people of Idaho regarding the plight of our ranchers and conveys support for a moritorium on grazing fees as expressed in H.R. 9757. I submit this memorial as support for passage today of this legislation and urge its adoption. The strength of a nation is no greater than its food resources and the ranchers of Idaho and the Nation drastically need this relief to stay in business:

HOUSE JOINT MEMORIAL NO. 11 BY RESOURCES AND CONSERVATION COMMITTEE

A joint memorial to the Honorable Cecil D. Andrus, secretary of the interior, and the Honorable Robert Bergland, secretary of agriculture, the Honorable Senate and House of Representatives of the United States in the Congress assembled, and the Senators and representatives representing the State of Idaho in the Congress of the United States

We, your Memorialists, the House of Representatives and Senate of the State of Idaho assembled in the Second Regular Session of the Forty-fourth Idaho Legislature, do hereby respectfully represent that:

Whereas, increases in grazing fees on federal lands administered by the Bureau of Land Management and the Forest Service are now pending and subject to review by the Congress of the United States; and

Whereas, the proposed fee structure constitutes a twenty-five percent increase over existing fees; and

Whereas, the livestock industry in the State of Idaho is heavily dependent upon grazing programs on federal lands; and

Whereas, the livestock industry is facing depressed prices and, consequently, serious financial conditions under existing market conditions and is operating with costs exceeding profits even with the present fee structure; and

Whereas, it is incumbent upon the Congress to consider not only the direct impact of the proposed rate structure upon the livestock industry, but also the related effects upon all phases of the economy of a state such as Idaho where livestock production is at the foundation of the economic health of the State.

Now, therefore, be it resolved by the Legislature of the State of Idaho, the House of Representatives and the Senate concurring therein, that we urge the Congress to reject the proposal now pending for increases in the grazing fees as submitted by the Secretary of the Interior and the Secretary of

Agriculture, and to extend a moratorium upon increases in the fees until a thorough study has assessed the impact upon the livestock industry and the western economy. Any study should consider the financial conditions now facing the industry and potential consequences of additional agricultural failures on the national economy and our citizens.

Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the Honorable Cecil D. Andrus, Secretary of the Interior, the Honorable Robert Bergland, Secretary of Agriculture, the President of the Senate and the Speaker of the House of Representatives of Congress, and the Senators and Representatives representing the State of Idaho in the Congress of the United States.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman for yielding.

Mr. Speaker, I have some questions of the gentleman. First of all, do I understand that this is just a 1-year moratorium in regard to these fees?

Mr. RONCALIO. Yes. It is for the 1978 grazing year.

Mr. BEDELL. So it would not extend beyond that period?

Mr. RONCALIO. That is correct.

Mr. BEDELL. Do I understand that quite a large part of this will go to large operators as compared to small operators?

Mr. RONCALIO. No, the grazing fees will be held at present levels for all grazing lessees and permittees.

Mr. BEDELL. The information we received indicated that some 3.3 percent at this time of the leaseholders have 38 percent of the government land. That seems to conflict with the gentleman's information. Does the gentleman know whether that is correct?

Mr. RONCALIO. 3.3 percent of the grazing permittees and lessees account for 38 percent of the animal unit months grazed on Federal lands.

Mr. BEDELL. The information we have obtained is that 1½ percent control 26 percent of the land.

Mr. RONCALIO. No, the 1½ percent account for 26 percent of the animal unit months grazed on the public lands.

Mr. BEDELL. And the average lease would be $16,600 per lease.

Mr. RONCALIO. There are large livestock men, as well as small ones, who would benefit by this legislation, and they are also losing money in the livestock business. But the main point here is that Federal grazing leases are mainly awarded to these individuals who lands are contiguous to, or interspersed with Federal grazing lands. These contiguous and interspersed landowners are given a preference to lease adjacent Federal lands no matter how large or small their landholdings may be. In short, I can see nothing in Federal grazing land leasing or grazing fee policy that in any way discriminates against large or small landholders. The moratorium we seek to enact today is "across the board," and applies to all Federal grazing lessees, whether large or small.

Mr. BEDELL. My further comment is that at least there are some of us, of whom I am one, who are very much concerned over the movement away from the small family operator to bigger and bigger operators all through our agricultural sections.

Since this is only a 1-year extension, I would assume that these matters would be considered in that light at the time that the consideration of the charges for leases comes up again a year from now.

Could I have the chairman's assurance of that fact?

Mr. RONCALIO. The gentleman is correct. There will be additional legislation based upon the question of the need of various users. That will be the basis for legislation later on.

Mr. BEDELL. Mr. Speaker, I thank the chairman.

Mr. BAUCUS. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Montana.

Mr. BAUCUS. Mr. Speaker, I thank the chairman, and I would like to associate myself with his remarks.

This bill is very important, certainly, to my State of Montana.

Mr. Speaker, I would like to say a few words in support of the grazing fee moratorium of 1978. This is a matter of foremost importance for Montana's ranchers.

Some have argued that this action will primarily benefit large ranchers. If we do not provide some relief for ranchers, we won't have any left to worry about.

Nearly one-third of my State is owned by the Federal Government. Ranchers, from the smallest to the largest, depend on Federal land to provide a substantial portion of their forage needs.

Although the Forest Service and Bureau of Land Management say their proposed 25 percent grazing fee increase will cost the average lessor only $60, a typical small Montana rancher running 150 animals on Federal land might have a cost increase of $600 in 1978 alone.

Mr. Speaker and fellow colleagues, ranchers in the Western States cannot absorb these cost increases now. Four years of cattle prices below costs of production have severely eroded the equity of ranchers.

Families that homesteaded in Montana and have ranched for generations are going bankrupt now. Recently our problems were aggravated by the worst blizzards in memory, which have killed large numbers of cattle and caused feed prices to skyrocket.

The grazing fee moratorium will provide essential temporary relief. During the 1-year moratorium we can work toward a method of setting grazing fees that is equitable for all parties involved.

Mr. Speaker, I would also like to say, in reply to the questions of the gentleman from Iowa (Mr. BEDELL), that with this bill there is, perhaps, too much of a tendency to help large operations.

I would like to tell the gentleman that from my experience in the West, strictly in Montana, that without some help for the livestock industry, there are not going to be any operations of any size.

We desperately need this bill in our area.

Again, I want to thank the chairman.

I see the chairman of the Committee on Interior and Insular Affairs is about to speak. I am sure he will speak for the bill as well.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I would like to say a few words in support of H.R. 9757, the grazing fee moratorium of 1977. This bill will maintain grazing fees on the public lands at their 1977 levels for 1 additional year. Ranchers currently pay $1.51 per animal unit month on lands administered by the Bureau of Land Management and $1.60 per animal per unit month for lands administered by the Forest Service. Retaining these fee levels for 1 more year is necessitated by the depressed state of the cattle industry in this country. Many ranchers are already finding it difficult to stay in business, and adding additional costs at this point may be the telling blow to some of them. On the other hand, placing a 1-year moratorium on increases will have a minimal impact on the Federal Treasury.

This is not to say that grazing fees on the public lands should not be raised in future years. I fully support the concept that grazing fees on the public lands should eventually reach an equivalent of fair market value, or that which ranchers must pay to graze their cattle on private property. Of course, such a formula must take into account the different costs associated with grazing on public land as compared to private land, but I firmly believe that grazing on the public lands should provide a fair return to all the people of the United States. However, we must avoid implementing this policy at a time when the industry may be unable to respond.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Speaker, I take it that the intention is to move toward fair market value when the time is appropriate so that we can do so without upsetting our cattle industry; is that correct?

Mr. UDALL. Mr. Speaker, if the gentleman will yield further, that is certainly my policy, speaking personally; but there are reasonable men who differ on how to compute it or on how the formula should be worked out.

That is the matter we want to get to.

Mr. McKAY. Mr. Speaker, I rise to hopefully persuade those of my colleagues who are undecided on this bill to vote for the grazing fee moratorium of 1977. Particularly, I address my colleagues from the eastern part of the country who may feel that this is special interest legislation that benefits only a small group of western ranchers. Let us look at a few facts which will discredit this belief.

There are 622 million acres of grazing land both public and private in the 11 Western States. This figure accounts for 83 percent of the total area in these States. Federal grazing lands comprise almost 50 percent of the rangelands in the West. I believe this tremendous resource should be utilized. Agricultural communities throughout the West have developed and maintained stability because of the privilege of including these lands in a livestock production enterprise.

As the world population is expected to increase from the present 3.6 billion people to 7.8 billion within the next 50 years, increased meat consumption will result. While 1 pound of table meat presently requires from 6 to 12 pounds of grain, we cannot expect grain-fed cattle to meet future demands.

The Western public land States have the potential of producing one-half of the total meat consumed in the United States. Right now, 20 percent of all feeder beef calves and 50 percent of all feeder lambs come from the 11 Western States. The entire country has a deep interest in continued grazing on the public lands. I believe that if this bill is defeated and proposed grazing fee increases occur, many ranchers will be forced off the range and out of business. If cattle prices remain where they are, many permits will go vacant and there will be a loss of income to the Government from lost grazing receipts.

The Federal Land Management and Policy Act directed the Secretaries of Interior and Agriculture to develop a grazing fee formula which "shall take into consideration the cost of production normally associated with domestic livestock production in the 11 Western States." The Secretaries cannot hide the fact that this fee formula does not consider increased costs associated with raising livestock on public ranges. An analysis by Prof. Darwin Nielsen from Utah State University has estimated that there is at least $6.50 per AUM added cost resulting from grazing on public lands rather than private. These added costs of producing livestock were not taken into account. Indeed, the proposed fee schedule does not even give credit for the cost of the permit itself. This fee schedule totally ignores the recommendations of the technical committees whose expertise includes agricultural economics, range science, survey design, and statistical analysis.

I have rented enough private pasture land to know that when the livestock industry is depressed, the value of my land goes down. I urge you to recognize that the proposed grazing fee formula is based on faulty logic and unless stopped, the American consumer as well as the livestock industry will be hurt.

The livestock industry recognizes that it is a privilege to graze on public lands. They are quite willing to pay a fair and reasonable fee for this privilege. The proposed fee formula is not fair and reasonable.

It appears now that the Congress must retake the responsibility of determining a fair and reasonable grazing fee formula. The formula recommended by the technical committee is equitable to both ranchers and the Government. The major national farm and livestock organizations have endorsed the technical committee's formula. Should this body pass this grazing fee moratorium, we should then consider the Public Lands Grazing Improvements Act of 1978 which is presently being worked on in the Interior Committee. That bill mandates the technical committee's formula and even more significantly authorizes a 20-year program for sustained range improvements.

I commend the House Interior Committee for its diligence in exercising its responsibilities in this area and I commend their work to my colleagues for support.

Mr. STUMP. Mr. Speaker, October 21, 1977, Interior Secretary Cecil D. Andrus and Agriculture Secretary Bob Bergland announced a joint proposal which would raise the grazing fees on public lands. The two Secretaries' recommendations were to comply with the Federal Land Policy and Management Act of 1976.

The grazing fee system is imperfect in that it has neglected to base the grazing fees on such factors as the cost of production, difference in forage values, and the current economic status of the cattle industry. The factors that are placed in this proposal are inflationary and do nothing but further harm the suppressed position of cattle growers.

H.R. 9757 will place a 1-year moratorium on any planned or proposed grazing fee increase. This will give Congress time to legislate a grazing fee which will include a cost of production formula equitable to the cattle growers of our Nation. This moratorium would expire at the end of the 1978 grazing year, on or about March 1, 1979.

Therefore, I urge my colleagues to vote in favor of this bill as it will go far in strengthening an equitable formula for both the cattlemen and the United States.

Mr. RONCALIO. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 257, nays 47, not voting 130, as follows:

[Roll No. 83]

YEAS—257

Abdnor	Gephardt	Murphy, N.Y.
Allen	Gibbons	Murtha
Anderson, Calif.	Ginn	Myers, John
Andrews, N.C.	Glickman	Natcher
Andrews, N. Dak.	Goldwater	Neal
Annunzio	Gonzalez	Nowak
Applegate	Goodling	Oakar
Archer	Gore	Oberstar
Ashbrook	Gradison	Obey
Ashley	Grassley	Panetta
Aspin	Green	Patten
AuCoin	Gudger	Pease
Bafalis	Hagedorn	Perkins
Baldus	Hamilton	Pettis
Barnard	Hammer-schmidt	Pickle
Baucus	Hanley	Pike
Bauman	Hansen	Poage
Bevill	Harris	Pressler
Biaggi	Hefner	Preyer
Bingham	Heftel	Price
Blanchard	Hightower	Quie
Boggs	Hillis	Quillen
Boland	Hollenbeck	Railsback
Bonker	Holt	Regula
Brademas	Howard	Risenhoover
Breaux	Hubbard	Robinson
Brinkley	Huckaby	Rodino
Brodhead	Hughes	Roe
Broomfield	Hyde	Rogers
Brown, Calif.	Ichord	Roncalio
Brown, Ohio	Jeffords	Rooney
Broyhill	Jenrette	Rose
Buchanan	Johnson, Calif.	Rousselot
Burke, Mass.	Johnson, Colo.	Rudd
Burleson, Tex.	Jones, N.C.	Runnels
Burlison, Mo.	Jones, Okla.	Ryan
Butler	Jones, Tenn.	Santini
Carr	Jordan	Satterfield
Carter	Kelly	Schulze
Cavanaugh	Ketchum	Sebelius
Cederberg	Keys	Seiberling
Cochran	Kildee	Sharp
Collins, Tex.	Kindness	Shuster
Corcoran	Kostmayer	Sikes
Corman	Krebs	Simon
Cornell	Lagomarsino	Sisk
Cornwell	Latta	Skelton
Cunningham	Leach	Skubitz
D'Amours	Lehman	Smith, Nebr.
Daniel, Dan	Lent	Snyder
Daniel, R. W.	Livingston	Solarz
Danielson	Lloyd, Calif.	Spellman
Delaney	Lloyd, Tenn.	Spence
Dellums	Long, La.	Staggers
Derrick	Lujan	Stangeland
Derwinski	Luken	Stanton
Devine	Lundine	Steed
Dickinson	McCloskey	Steers
Dicks	McCormack	Steiger
Diggs	McDade	Stratton
Dingell	McDonald	Stump
Dodd	McEwen	Symms
Dornan	McFall	Traxler
Drinan	McHugh	Treible
Duncan, Tenn.	McKay	Udall
Eckhardt	Madigan	Vander Jagt
Emery	Mahon	Volkmer
English	Mann	Waggonner
Erlenborn	Markey	Walgren
Ertel	Marks	Walsh
Evans, Colo.	Martin	Wampler
Evans, Del.	Mattox	Watkins
Fary	Mazzoli	Waxman
Fish	Meeds	Weaver
Fisher	Meyner	White
Fithian	Michel	Whitehurst
Flippo	Mikulski	Whitley
Flood	Miller, Ohio	Wilson, Bob
Florio	Minish	Wilson, C. H.
Foley	Mitchell, N.Y.	Wirth
Ford, Tenn.	Moakley	Wright
Forsythe	Mollohan	Young, Alaska
Fowler	Montgomery	Young, Fla.
Frenzel	Moore	Young, Mo.
Fuqua	Moorhead, Calif.	Zablocki
Gaydos	Moorhead, Pa	

NAYS—47

Ambro	Byron	Garcia
Ammerman	Caputo	Giaimo
Bedell	Cleveland	Harkin
Beilenson	Conable	Harrington
Benjamin	Conte	Heckler
Bennett	Downey	Holtzman
Blouin	Evans, Ind.	Jacobs
Brooks	Fenwick	Jenkins

Kastenmeier	Rinaldo	Tsongas
Levitas	Ruppe	Vanik
Long, Md.	Russo	Vento
Moffett	Scheuer	Weiss
Mottl	Schroeder	Whalen
Myers, Gary	Smith, Iowa	Wolff
Ottinger	Studds	Yates
Pattison	Treen	

NOT VOTING—130

Addabbo	Findley	Nix
Akaka	Flowers	Nolan
Alexander	Flynt	O'Brien
Anderson, Ill.	Ford, Mich.	Patterson
Armstrong	Fountain	Pepper
Badham	Fraser	Pritchard
Beard, R.I.	Frey	Pursell
Beard, Tenn.	Gammage	Quayle
Bolling	Gilman	Rahall
Bonior	Guyer	Rangel
Bowen	Hall	Reuss
Breckinridge	Hannaford	Rhodes
Brown, Mich.	Harsha	Richmond
Burgener	Hawkins	Roberts
Burke, Calif.	Holland	Rosenthal
Burke, Fla.	Horton	Rostenkowski
Burton, John	Ireland	Roybal
Burton, Phillip	Kasten	Sarasin
Carney	Kazen	Sawyer
Chappell	Kemp	Shipley
Chisholm	Krueger	Slack
Clausen, Don H.	LaFalce	St Germain
	Le Fante	Stark
Clawson, Del	Lederer	Stockman
Clay	Leggett	Stokes
Cohen	Lott	Taylor
Coleman	McClory	Teague
Collins, Ill.	McKinney	Thompson
Conyers	Maguire	Thone
Cotter	Marlenee	Thornton
Coughlin	Marriott	Tucker
Crane	Mathis	Ullman
Davis	Metcalfe	Van Deerlin
de la Garza	Mikva	Walker
Dent	Milford	Whitten
Duncan, Oreg.	Miller, Calif.	Wiggins
Early	Mineta	Wilson, Tex.
Edgar	Mitchell, Md.	Winn
Edwards, Ala.	Moss	Wydler
Edwards, Calif.	Murphy, Ill.	Wylie
Edwards, Okla.	Murphy, Pa.	Yatron
Eilberg	Myers, Michael	Young, Tex.
Evans, Ga.	Nedzi	Zeferetti
Fascell	Nichols	

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Chappell.
Mr. Mitchell of Maryland with Mr. Mineta.
Mr. Carney with Mr. Flynt.
Mr. Nix with Mr. Fraser.
Mr. Akaka with Mr. Anderson of Illinois.
Mr. Van Deerlin with Mr. Del Clawson.
Mr. Thompson with Mr. Coughlin.
Mr. Richmond with Mr. Findley.
Mr. Pepper with Mr. Badham.
Mr. Beard of Rhode Island with Mr. Frey.
Mr. Early with Mr. Guyer.
Mr. Stark with Mr. Brown of Michigan.
Mr. Rostenkowski with Mr. Crane.
Mrs. Chisholm with Mr. Holland.
Mr. Bonior with Mr. Don H. Clausen.
Mr. Hawkins with Mr. Gilman.
Mr. Phillip Burton with Mr. Harsha.
Mr. St Germain with Mr. Cohen.
Mrs. Burke of California with Mr. Krueger.
Mr. Eilberg with Mr. Horton.
Mr. Bowen with Mr. Beard of Tennessee.
Mr. Duncan of Oregon with Mr. Kasten.
Mr. Fascell with Mr. Burgener.
Mr. Breckinridge with Mr. Kemp.
Mr. Rosenthal with Mr. McClory.
Mr. Marlenee with Mr. Lott.
Mr. Cotter with Mr. Burke of Florida.
Mr. Le Fante with Mr. Coleman.
Mr. Davis with Mr. Edwards of Alabama.
Mr. John L. Burton with Mr. Pritchard.
Mr. Rangel with Mr. McKinney.
Mr. Gammage with Mr. Edwards of Oklahoma.
Mr. Dent with Mr. Marriott.
Mr. Ford of Michigan with Mr. O'Brien.
Mr. Clay with Mr. Leggett.
Mr. de la Garza with Mr. Pursell.
Mr. Alexander with Mr. Kazen.
Mrs. Collins of Illinois with Mr. Edwards of California.
Mr. Conyers with Mr. Edgar.
Mr. Evans of Georgia with Mr. Milford.
Mr. Flowers with Mr. Quayle.
Mr. Fountain with Mr. Michael O. Myers.
Mr. Hall with Mr. Patterson of California.
Mr. Hannaford with Mr. Nedzi.
Mr. La Falce with Mr. Metcalfe.
Mr. Lederer with Mr. Nichols.
Mr. Maguire with Mr. Miller of California.
Mr. Moss with Mr. Rahall.
Mr. Murphy of Illinois with Mr. Nolan.
Mr. Mathis with Mr. Sarasin.
Mr. Murphy of Pennsylvania with Mr. Shipley.
Mr. Mikva with Mr. Taylor.
Mr. Reuss with Mr. Sawyer.
Mr. Roberts with Mr. Thone.
Mr. Roybal with Mr. Slack.
Mr. Stokes with Mr. Thornton.
Mr. Tucker with Mr. Teague.
Mr. Ullman with Mr. Walker.
Mr. Whitten with Mr. Wiggins.
Mr. Charles Wilson of Texas with Mr. Winn.
Mr. Wydler with Mr. Yatron.
Mr. Zeferetti with Mr. Wylie.

Messrs. BLOUIN, HARRINGTON, and TSONGAS changed their vote from "yea" to "nay."

Mr. SKELTON changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill entitled 'Grazing Fee Moratorium of 1978'."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I would like to proceed for 1 minute for the purpose of inquiring of the distinguished majority leader the program for the remainder of the day and next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman.

Mr. WRIGHT. I thank the gentleman for yielding.

Only one matter remains on the program for this week, the Wichita Indian Tribe claims bill. We anticipate that it will come immediately under the rule already granted.

On Monday of next week we will meet at noon. There are no suspensions scheduled for that day, but it is District Day. There are two bills on the calendar:

House Concurrent Resolution 464, home rule charter amendment for initiative and referendum, and

House Concurrent Resolution 471, home rule charter amendment for recall of elected officials.

On Tuesday the House again will meet at noon. Four bills are scheduled under suspension of the rules and, of course, votes on those suspensions will be postponed until the end of all debate on suspensions. They are as follows:

H.R. 9622, abolish diversity of citizenship jurisdiction in Federal courts,

S. 1617, Ocean Pollution Research Program Act,

H.R. 112, reduction in rate of excise tax on investment income of private foundations,

H.R. 4089, Indian Tribal Governmental Tax Status Act.

Following the votes on the suspensions, we expect to bring H.R. 5981 up for consideration, the American Folklife Preservation Act, under an open rule, with 1 hour of general debate.

On Wednesday the House will meet at 3 o'clock. The first item on the agenda for Wednesday is the official photograph of the House, so Members might be advised to straighten neckties and have their hair combed as they come into the Chamber upon convening at 3 o'clock Wednesday. That is the official photograph which goes into publications of the House.

Following that we will have the rule and general debate only on House Joint Resolution 554, a proposed constitutional amendment providing representation in Congress for the District of Columbia. Under the proposed rule there will be 2 hours of general debate.

We will meet at 11 o'clock on Thursday, resume consideration and continue to conclusion on that matter House Joint Resolution 554, voting on any amendments and the resolution itself.

Following that, we will take up H.R. 3350, subject to a rule being granted. That provides for the Deep Seabed Hard Minerals Act.

On Friday, we will meet at 11 o'clock. There are a series of 11 House committee funding resolutions to be considered.

Following that, we will consider H.R. 10982, the first budget rescission bill of 1978, and House Joint Resolution 746, Emergency Southwestern Power Administration appropriation, subject to the granting of a rule.

Of course, the House would adjourn at 3 o'clock on Friday and by 5:30 on all other days, except Wednesday.

Conference reports could be brought up at any time and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader.

If the coal strike is not settled and the President decides this weekend to either invoke Taft-Hartley or in combination with that to send us any kind of legislation that he chooses, what would the gentleman's conjecture be as to whether the legislation would be referred to the Education and Labor Committee and go through an expedited hearing process? I can foresee that there is no way that the whole House would be called upon as early as Monday or Tuesday to make a decision.

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield further, I have not

seen a copy of any proposed legislation. As the gentleman is aware because the gentleman and I both were present on yesterday in our meeting with the President and the Secretary of Labor there is a series of at least three options which the President is holding upon to himself. It is not possible to state with certainty what committee would have jurisdiction until a copy of the draft bill would be available.

I would imagine that it would go to the Committee on Education and Labor.

I just say that if it should become necessary for that legislation to be considered, we would want to consider it very expeditiously. The gentleman is fully aware, as I am, of the seriousness of the problem that is developing. If we count backward, we realize that very soon partial curtailments of industrial fuel in several midwestern States are going to go into effect and they will go into effect in ever-widening concentric circles with ever-greater intensity.

Depending whether one is an optimist or a pessimist, to project some 20 million tons of available coal presently extant and available for us, one comes to the conclusion that by either mid-April or by the end of April, unless settlement is reached, we would see a 90-percent industrial curtailment in those Midwestern States, with the natural spinoff effect in other States and some 3 million Americans thrown out of work.

If the present situation continues unabated into May, there would be by early that month the specter of homes being denied necessary power, with all the horrendous prospects of blackout and the social evils that would follow.

Given that hard set of facts, all of us, I believe, agree that infinitely preferable to any of those other solutions available would be a voluntary settlement. Hope has not yet been given up that that may be achieved by the end of this week. If it is not, however, I anticipate that the President will find it necessary to call upon the Congress for some action, and if he does, I anticipate that we would act expeditiously.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman, and I would like to make one further comment.

Notwithstanding the observation that hopefully this House will not have to act in any way and that there may be a voluntary settlement of the coal strike, I would call the attention of the Members particularly to the fact that next Friday 11 House funding resolutions are scheduled for consideration along with two items from the Appropriations Committee. If the pattern of today is followed next Friday, the Members may very well want to plan to be around in case there are a number of rollcalls which they would miss if they were not here.

I will say quite frankly to the gentleman that I understand we are trying to meet a better schedule on authorizing legislation. Under the Budget Act we are obliged to conform to a strict timetable, and if we do not get our authorizing committees to meet frequently and on time, we are just really gutting the whole budget process.

So, Mr. Speaker, I applaud the leadership for scheduling 5-day workweeks. While the legislative schedule appears soft as far as floor consideration is concerned, I think the intention is to keep the committees working so that we can meet those target dates as prescribed by our Budget Act.

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield further, I want to express my sincere appreciation for those comments. I know the Speaker appreciates them personally as well.

In order that the Members may be accurately advised, it is the plan to schedule Friday sessions between now and the time that we shall bring up the concurrent resolution on the budget. That is May 15. So we may anticipate Friday sessions between now and May 15.

The gentleman from Illinois (Mr. MICHEL) is absolutely correct in saying that one of the reasons for scheduling Friday sessions is to have Members present so that the committees may meet and complete their deliberations on these authorizing bills in an orderly manner so that the budget process can be carried out.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my colleague, the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, the distinguished majority leader mentioned the deep seabed mining bill. My interest is aroused, because my understanding is that at least three, if not four, committees were involved in the processing.

Would it be fair for me to assume that the rule would protect the rights of all members of all the affected committees?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield further, I would respond by saying that the chairman of the Committee on Merchant Marine and Fisheries, the gentleman from New York (Mr. MURPHY) has asked that we schedule this bill for consideration next week subject to the granting of a rule.

I have not had any sessions with the members of the Committee on Rules, and I would not want to preempt their judgments, so I would like to defer answering the other part of the gentleman's question.

I would presume that the rights of all the members would be protected. That is certainly the intention and the policy of the leadership. At least four committees have been involved, and I would assume the rights of all the members would be protected.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my colleague, the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I would like to ask the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT) to speculate further on the prospect that the President might at some date in the near future or in the distant future bring us legislation that would relate to the coal strike.

I would hope that the President's action would be sooner rather than later, because in my district, once again now for the second straight year, we have begun to close down industry. That is happening broadly in Ohio. The schools will come next. As I understand it, in the settlement of a coal strike the miners ordinarily would have 10 days to vote on whatever settlement might take place, and it would take anywhere from 10 days to 3 weeks to deliver the coal to the major users.

In this case our problem is electricity, because we have electric generating plants that are very close to being out of coal for the generation of electricity. Even if the strike were settled tomorrow, the prospect is that we would have massive industrial layoffs in Ohio.

A shortage of natural gas was our problem last year, and that has been eased up some because the price has been allowed to go up. The problem may come back to us later if we continue to freeze the price. However, I do not mean to get into that argument.

The question I want to raise is why it would be necessary for the President to bring legislative action to this body or to the U.S. Senate. Does the President not have the authority under laws previously passed to invoke legislation such as the Taft-Hartley Act?

Does not he have the authority, by his own powers of persuasion, to bring the negotiators together, to see what really is bothering the miners? And it seems to me that one of the things that is really bothering them may be the fact that they have lost their pension funds and their hospitalization and there is some lack of confidence in the leadership of their own union. So they may have an internal problem that may require some prestigious leadership to give them some assurances. I am not sure what proposal the President may bring forward, but I would like to see him use some more of his own authority in this area, and certainly authorities he has been given under law.

Do I understand from the majority leader that he has eschewed the possibility of using the Taft-Hartley Act?

Mr. WRIGHT. If the gentleman will yield, the use of the Taft-Hartley injunction is one of those options which the President is considering. Others would include such things as the possibility of compulsory arbitration or the possibility of seizure, which the Government of the United States on 71 occasions in our history has exercised. Either of the latter two would require legislation. It is conceivable that a combination of two or of three of those alternatives might be attempted.

I want to leave to the President of the United States the maximum flexibility in his dealings this week, in his last-minute attempts to bring a settlement.

I would just say to the gentleman that the President and the Secretary of Labor have been diligent. They have gone around the clock in meetings with representatives of the operators and representatives of the unions. They have done their best, and they are continuing to do their best. They are continuing to hold out a light of hope that by this weekend a settlement may be reached in a volun-

tary way. If it is, then all of us will be happy.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield further, I might say that I would hope also for a voluntary settlement. I do congratulate the Secretary of Labor for now operating around the clock. I might say to the gentleman from Texas that as recently as 1 week ago, in the Joint Economic Committee, Secretary Marshall advised me that turning out the lights in Ohio was not a national emergency and I should not be concerned about it; it was purely a local issue. I found that somewhat shocking. He became much more attentive to the problem later, and I congratulate him for that. I might say that turning out the lights in Ohio is of national interest, because when we turned them off last year, factories closed in other parts of the country where they did have a lot of gas but they did not have the parts that were made in Ohio. I would suggest that in the area of presidential options that there is a combination of a couple of things; that he would consider law put on the books years ago by the United States Congress before he comes in and asks for new law, law that has given us reasonable results in the past, and that he might not precipitately go to passing off this problem by not using the options he does have and asking the Congress to suddenly enact new law which may or may not relate to that which he may undertake on his own.

Mr. WRIGHT. I do not think this is the proper forum or quite the proper time to engage in a lengthy discussion of this matter. I would simply say that the President has not acted precipitately.

Mr. BROWN of Ohio. Certainly not.

Mr. WRIGHT. The President does not intend to act precipitately. He has demonstrated, in my opinion, great patience and great forebearance; but I would assure the gentleman that he is also capable of demonstrating strength.

If that should become necessary, then I do believe that it would become incumbent upon the Congress of the United States, regardless of party affiliation, to join ranks and demonstrate that this Government of the United States is capable of acting when necessary to avoid a calamity of national impact.

Mr. BROWN of Ohio. I would like to say that his actions have hardly been speedy up to this point.

Mr. MICHEL. Mr. Speaker, if I may regain my time, I see the gentleman from Illinois (Mr. SIMON) on his feet and the gentleman from Indiana (Mr. JACOBS) seeking recognition. I think they probably have something to offer here.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Speaker, I appreciate the gentleman's yielding, and I shall be as concise as possible.

In my case, two of my constituents named Zazas and Seidensticker have given an idea to me which would give greater flexibility to the President, but would provide an avenue that would not require the President to go to extremes.

It is simply this: Under present law, at the end of the 80-day injunction period, the NLRB is empowered to conduct a secret-ballot election among rank-and-file members of the union to see if they will accept the latest and presumably best offer of the employer.

What these gentlemen have suggested and what makes a lot of sense to me—and I have discussed it with the majority leader, and I believe I have his agreement—is that if we consider new emergency legislation, we might consider permitting the President the discretion to conduct such an election without waiting 80 days for an injunction period to run.

No. 2, the President would get the authority to appoint arbiters who would make a recommendation, which then could be referred by secret ballot to the individual mine owners and the rank-and-file miners.

No. 3 and finally, the tool might be that the President could make his own recommendation. For example, let us take a settlement with the independents in this case, which could be referred, by secret ballot, to the rank-and-file members, on the one hand and to the mine owners, on the other, through secret ballot.

That avoids seizure, that avoids injunction. That solves the problem.

Mr. Speaker, if we accept this one simple premise that people in public get up tight and that private individual mine owners might like to get back to their profits and individual workers might like to get a paycheck back to their families, that might be a solution.

Mr. Speaker, I merely offer this for the record so that the President and the leadership might carefully consider this as a commensense way out, a middle-ground way out to settle this strike and settle it effectively so that people will not be saying that we do not want to mine coal.

Again, Mr. Speaker, I thank the gentleman for yielding.

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Speaker, I thank the gentleman for yielding.

I think the Members have to be very realistic about the mood of the coal miners.

Mr. Speaker, I see some of my colleagues, the gentleman from Virginia (Mr. WAMPLER), the gentleman from Kentucky (Mr. CARTER), and the gentleman from Ohio (Mr. MILLER) here. They have coal mines in their district, and I think they can vouch for what I am saying. That is that it is highly unlikely, in response to the gentleman from Ohio (Mr. BROWN), that the Taft-Hartley Act will be effetcive. There is nothing in the history of coal mining to suggest that.

Mr. Speaker, I think we ought to be realistic about that, and the President is going to have to be realistic.

I think the second thing, in partial response to the gentleman from Indiana (Mr. JACOBS), is that if the original contract is agreed to by President Miller and the coal companies and then went before the coal miners, it would be overwhelmingly rejected, 90 percent rejected. The contracts with the independents would be a different thing. I think they would take any emergency action which takes care of a temporary situation; but it does not resolve the problem, whether it is Taft-Hartley or whatever it is.

Mr. Speaker, my colleague, the gentleman from Illinois (Mr. MICHEL), the minority whip, has made a suggestion which I think makes a great deal of sense; and that is to pull in someone like Willard Wirtz or Arthur Goldberg with a great deal of experience and some prestige and power, either one of whom might be able to pull this thing together and see if we cannot resolve it.

Even that is not going to be an immediate solution. I think the President is going to have to act more rapidly, but I think the suggestion of the gentleman from Illinois is a very good one.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I hope that we will move along to conclude the legislative program scheduled for today, but if the gentleman will be nice and concise, as I have observed him to be on a number of occasions, I will yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I will try to be as concise as the gentleman was in yielding to me.

Let me just say to the gentleman from Illinois (Mr. SIMON) that I suggested the arbitration by any three former Secretaries of Labor he might choose to the President 2 weeks ago, in the hope that we could get the union situation resolved. I agree with the gentleman.

With reference to the Taft-Hartley Act, however, I am reluctant, somewhat reluctant, as an individual Member of Congress, to have the President come forward with entirely new, untried legislation based on the speculation that the tools he has, and has not used, would not work. It seems to me the President ought to use some of the tools he has available to him. I might say that his patience in the area of the strike has overrun the patience of some of my constituents, who feel that he has been somewhat slow to act.

Mr. MICHEL. The gentleman makes his point very well, and of course the House could grant him unanimous consent also, if he wishes, to revise and extend his remarks, because he always has something very substantive to add.

ADJOURNMENT TO MONDAY, FEBRUARY 27, 1978

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday

rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

WICHITA INDIAN CLAIMS

Mr. RONCALIO. Mr. Speaker, I call up the bill (H.R. 3377) to authorize the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 13, 1946 (60 Stat. 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the Indian Claims Commission under section 2 of the Indian Claims Commission Act of August 13, 1946 (60 Stat. 1050; 25 U.S.C. 70a) to hear, determine, and render judgment on any claims the Wichita Indian Tribe of Oklahoma and its affiliated bands and groups have against the United States with respect to any lands or interests therein which were held by aboriginal title or otherwise, which were acquired from such tribe, bands, or groups without payment of adequate compensation by the United States. Such jurisdiction is conferred notwithstanding any defense of res judicata or collateral estoppel, or any failure of such tribe, band, or groups to exhaust any available administrative remedies. Any party to any action under this Act shall have the right of review with respect to any decision of the Indian Claims Commission or the Court of Claims under section 20 of the Act of August 13, 1946 (60 Stat. 1054; 25 U.S.C. 70s).

(b) Any award made before, on, or after the date of the enactment of this Act, under any judgment of the Indian Claims Commission or any other authority, with respect to any lands that are also the subject of a claim submitted under this Act shall not be considered as a defense, estoppel, or set-off to such claim, and shall not otherwise affect the entitlement, or amount of, any relief with respect to such claim.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RONCALIO

Mr. RONCALIO. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. RONCALIO: Strike all after the enacting clause and insert, in lieu, thereof, the following:

"That, notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 13, 1946, as amended, (60 Stat. 1049, 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the Indian Claims Commission under section 2 of the Act of August 13, 1946, as amended, (60 Stat. 1049, 1050; 25 U.S.C. 70a), to hear, determine, and render judgment on any claims the Wichita Indian Tribe and its affiliated bands and groups (namely, the Wichita, Keechi, Tawakoni, and Waco) have against the United States with respect to any lands or interests therein which were held by aboriginal title or otherwise, which were acquired from such tribe, bands, or groups without payment of adequate compensation by the United States; *Provided,* That no affiliated band or group may bring a claim not held in common with the Wichita Indian Tribe. Any claim filed hereunder wih the Indian Claims Commission shall be subject to the provisions of the Act of October 8, 1976 (90 Stat. 1990), relating to the transfer of cases to the Court of Claims. Any party to any action under this Act shall have the right of review with respect to any decision of the Indian Claims Commission or the Court of Claims under section 20 of the Act of August 13, 1946, as amended, (60 Stat. 1049, 1054; 25 U.S.C. 70s)."

Mr. RONCALIO (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The SPEAKER pro tempore. The gentleman from Wyoming (Mr. RONCALIO) is recognized for 5 minutes in support of his amendment.

Mr. RONCALIO. Mr. Speaker, in its initial report on H.R. 3377, the Department of Justice opposed enactment. However, on February 15, 1978, the committee received a letter from Justice reversing their position and supporting enactment with certain amendments. I ask unanimous consent that the Justice letter be made a part of the record at this point. My substitute incorporates the Justice amendments, which are as follows:

First. Language in the bill waiving the defense of res judicata and collateral estoppel is deleted. Since there has never been a decision on the merits of the Wichita claims, the language is unnecessary.

Second. The phrase "affiliated bands and groups" of the Wichita is given a more limited construction. The Department was concerned that tribes not holding a claim in common with the Wichita might be able to file a claim under the loose language of the bill. It is intended that the phrase apply only to the Keechi, Tawakoni, and Waco tribes.

Third. The substitute provides that any claim filed with the Indian Claims Commission by the Wichita would be subject to the act of October 8, 1976, providing for the transfer of cases from the Commission to the Court of Claims. Justice felt that jurisdiction should be with the court rather than the Commission, since the Commission is due to expire on September 30, 1978. The amendment would confer such jurisdiction, if necessary or appropriate.

Fourth. Finally, the amendment eliminates subsection (b) which provides that no decision of the Commission or other authority relating to aboriginal lands of the Wichita shall affect any claim under this legislation. Justice feels that this is unnecessary since the Wichita would not be bound by any decision to which it was not a party.

I urge adoption of the amendment.

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Speaker, I just want to say, first, that I appreciate the good work the gentleman from Wyoming and his committee have done on what I think is an important bill for these American people who have been victims of very serious neglect.

I also want to say the amendment the gentleman has before the House so far as I know meets the objections of everybody concerned in this bill, and this is one bill we all heartily endorse, and I recommend its approval.

Mr. RONCALIO. I thank the gentleman from Oklahoma.

Mr. GARY A. MYERS. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Speaker, I would ask the gentleman two questions.

No. 1, I understand the bill will affect no land claims but only monetary compensation. Is that correct?

Mr. RONCALIO. That is correct. That is a fact.

Mr. GARY A. MYERS. No. 2, although the gentleman from Oklahoma indicated he felt the bill, as it would now be amended, meets the problems of all the Members concerned, I would have to say that is somewhat inadequate. My concern is I can understand the Congress passing a bill which would allow the courts to ignore the statute of limitations in the 1946 act but I do not understand why the Congress made the decision that the tribes had adequately proved that they had exhausted all their legal rights or efforts in the statute of limitation timing.

I would have thought if we would have passed an act which would have allowed the courts, on the basis of their independent findings, to decide that the tribes had adequately explored the opportunities for representations, that would have been the most appropriate action, and that we should not go a step beyond, so that I think we are acting as a court in deciding whether legally they had or they had not gone to the extent they could have gone.

Mr. RONCALIO. Mr. Speaker, the report answers the gentleman's questions. All we are doing is allowing a decision of the court on the merits of the claim. At the most, even if the most liberal court of claims were to recommend their case be considered, their liability could not exceed somewhere between $7 and $10 million under a liberal interpretation.

Mr. GARY A. MYERS. If the gentleman will yield further, my concern is the nature of this bill and the precedents it might perhaps set. What I think Congress intended in 1946 to do was to require the Indians to bring in and file within a time period, maybe 5

years, all the claims that were going to be placed before the Federal Government. I think the case in this particular tribe could have or could not have gotten into the courts with their claim. I am not arguing on the merits. I think what we could have done and should have done was to say to the courts they do not have to throw this case out at this time if they could prove there was a legal reason why they did not bring it in within that time period.

Mr. RONCALIO. The gentleman is quite correct in a sense, but we did not know in the time frame of 1946 what a floodgate of claims would be presented.

Mr. GARY A. MYERS. I am speaking of this time frame. But we could say in this bill within the timing, without saying that this tribe explored every opportunity to file, that they could file in a court, file their claim and show whether or not they could have filed their claim in the time period.

We have said that legally they did, in fact, try. The difference, as I see it is that in a court hearing they would have to prove it. At least people would be speaking under oath and making a presentation for an independent court to make that judgment.

Mr. RONCALIO. But that would not be to the merits of the claim, that would be procedural. We are quite competent I believe to say whether their legal remedies were exhausted.

Mr. GARY A. MYERS. The problem as I understand it is to decide whether or not he should extend the statute of limitation for this case. I would have thought the committee would have been interested in extending the statute if in fact in a court of law the tribe could prove that they did not have adequate access to the courts at that time.

Mr. RONCALIO. But the gentleman from Pennsylvania (Mr. GARY A. MYERS) is imposing double jeopardy upon the tribe. All the tribe wants is its day in court. That is all they want. The evidence before our committee is that they have not had their day in court and that they have used up every possibility they could.

We are the ones who set the 5-year limitation, not any court of law and therefore we have the right to extend that time if the tribe never had its day in court.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I now yield to the gentleman from Colorado (Mr. JOHNSON). I believe he might have an additional answer to the inquiries of the gentleman from Pennsylvania (Mr. MYERS).

Mr. JOHNSON of Colorado. Mr. Speaker, the gentleman from Pennsylvania is arguing against whether we should extend the time frame and on also making the Indian tribe prove that they tried to every extent possible to litigate their claim prior to 1951.

Let me say that the Department of Justice has written a letter. It is a part of my file but I do not know whether everybody has seen it. The Department of Justice originally was in opposition to the bill but they changed their minds. Let me read just a sentence or two that I believe points it out very clearly:

> We have spelled out in some detail the long history of the attempts of the Wichita and affiliated tribes to litigate their aboriginal title claims. These attempts have been frustrated at every turn by the law as it stood at the time the attempts were made. Therefore, with the Wichita we have a unique instance of the tribe having assiduously tried to litigate aboriginal title claims such as other tribes have litigated, but having been denied the right even though this has been done without error on the part of the courts which have heard their case.
>
> In the final analysis, the Wichita have never been given a jurisdictional act which would fulfill the promise which the United States made to them in Article 6 of the 1891 Agreement that they would have "the right to prefer against the United States any and every claim that they may believe they have the right to prefer." Only Congress can fulfill the promise.

Mr. RONCALIO. I thank the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I believe the bill should be passed.

Mr. RONCALIO. Mr. Speaker, getting back to the question of the gentleman from Pennsylvania (Mr. GARY A. MYERS) the evidence before our subcommittee showed that the tribe pursued diligently and desperately their claim during the time it had the right to raise it.

Documents have shown us that they had contacted over 27 attorneys and law firms seeking legal help—and that is not much of a commendation on the bar, of which I am a member—but the lawyers refused the case on an erroneous assumption that is was res judicata and it was not res judicata. It was running into the statute of limitations upon when litigation could be brought. That is the reason it was not brought up.

Mr. GARY A. MYERS. Mr. Speaker, if the gentleman will yield further, my concern is the fact that Congress should not allow tribes to present their case before it went to court. My concern is that we, as a legislative body, have looked at the law, the statute of limitations, and made the legal judgment that this tribe was not able to get representation during this time frame. They had sufficiently proved to us the reasons why they did not meet the prior time limit. I think the same condition could be imposed upon them to prove why, if it were going to court, why they did not get a lawyer and meet the time limitation that the Congress had passed. In that situation it seems to me that there would have been witnesses and where they would have had an independent court and where there would have been people testifying under oath.

I am not arguing that the court might not find the same thing we are doing here, but I think Congress went one step too far rather than acting as a deliberative body in setting a different time frame for them.

Mr. RONCALIO. I appreciate the observation, and I somewhat sympathize with it, but the basic distinction is we did not make a finding based on merits and issue a judgment, so we were not acting as a court. We were extending an act of Congress which we created in the first place. Congress has the right to create an act. Congress has the right to repeal it, amend it, modify it, qualify it, and all we are doing is qualifying the act beyond the 5 years we gave the Indians to make their claims.

Mr. GUDGER. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I feel constrained to repeat the concern which I expressed in the dissent which I filed with the committee report on this bill and to concur in the observations made by the gentleman from Pennsylvania (Mr. GARY A. MYERS). Despite the amendment which appears to change the impact of this committee report and of this bill, there is no real change. We have here a claim which was due to be filed by the year 1951 under the Indian Claims Act. It was not filed until the 5-year period after 1946 allowed for such claims had elapsed. It is the contention of the Wichita that the reason for this failure to file by 1951 was on account of the fact that they could not find qualified counsel that would handle the claim because the matter had been twice in litigation previously and counsel apparently felt that it was barred by the legal principle of res judicata.

The concern that I have about the legislation is expressed very aptly, I think, in the statement of Donald Mileur, Chief of the Indian Claims Section, when he addressed the Senate Subcommittee on Indian Affairs on June 15, 1976, when that body in the last session was considering Senate bill 3315, which was substantially this same act. He said then:

> Unless Congress is prepared to reopen the jurisdiction of the Indian Claims Commission to new claims by all tribes, bands and identified groups of American Indians it should not favor any one tribe. Should Congress choose either to reopen the jurisdiction of the Commission or to recommence the consideration itself of ancient Indian claims individually then it should be prepared for a large number, perhaps hundreds of such claims. Congress should be advised moreover that the litigation of such additional claims would undoubtedly take as long as the approximately 30 years already consumed by the Indian Claims Commission litigation.

The Indian Claims Commission is due to lapse, Mr. Speaker, in about 6 months, and we are here suggesting that they take up this claim, whi h I submit should have been filed and should have been presented by the year 1951.

Mr RONCALIO. Mr· Speaker, will the gentleman yield?

Mr. GUDGER. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I appreciate the gentleman's yielding.

The gentleman said we should not favor one particular tribe. Neither should we discriminate against one particular tribe. The gentleman says that we are now assigning another case to the Indian Claims Commission. We have already set up the machinery for the succession of the Indian Claims Commission by the U.S. Court of Claims which will have lawful jurisdiction. The gentleman is afraid that there may be 30 more years of hearing Indian claims. What is wrong with that if it brings some justice to Indians? What is wrong with bringing cases to adjudicate claims? I know of no better way to give a hearing to claims of those

who felt they were dealt with unjustly in courts of law.

Mr. GARY A. MYERS. Mr. Speaker, will the gentleman yield?

Mr. GUDGER. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. I thank the gentleman for yielding.

I do not see anything wrong with 30 years, but cannot the gentleman agree that the tribes ought to prove that they had good reason for not meeting the satute of limitations as prescribed in the 1946 law? And should not that proof be dealt with in a court of law and not in a legislative branch which operates in not a particularly independent fashion?

Mr. GUDGER. I would like to respond to that question. I submit and contend that at no time have I ever seen legislation which tolled the statute of limitations because the claimant could not get counsel, and that is exactly what is the impact and import of this bill. I submit that what is to be the law should remain the law for all, and that these claimants should not be treated separately and have their claim considered now which claim has been fully and effectively barred by all recognized principles applicable to the bar of a statute of limitations.

Mr. Speaker, I yield back the remainder of my time.

(By unanimous consent, Mr. RONCALIO was allowed to proceed for 5 additional minutes.)

Mr. GARY A. MYERS. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I will be happy to yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. I would simply like to ask the gentleman if he is prepared to respond to my previous question

Mr. RONCALIO. Yes, I am. There are differences between the objections to this legislation of the gentleman from North Carolina (Mr. GUDGER) and the gentleman from Pennsylvania (Mr. GARY A. MYERS). There is a basic difference. The gentleman from Pennsylvania's objection is a court ought to find the basis for extending the statute of limitations, and we are saying that it is quite properly a function of Congress. The statute of limitations was created by Congress, not by Moses on Mount Sinai. It is not something that we must be sacrosanct about and not make an exception. We set the 5 years for the Indians; we can give them a year or two more where justice requires.

Mr. GARY A. MYERS. Mr. Speaker, if the gentleman will yield further, the gentleman misinterpreted my point. My point is that the proof why they did not meet the previous statutes of limitations ought to be met in the atmosphere of a court and not in the atmosphere of a legislative body.

Mr. RONCALIO. Mr. Speaker, I believe the atmosphere of the Subcommittee on Indian Affairs and Public Lands is as close to a body of law and justice as any court in this land. That is my answer to the gentleman. There is no more eminent man than the gentleman from California (Mr. JOHNSON), who is a good lawyer. The gentleman has presented and has gone over thoroughly the bills that have come out of the subcommittee.

Mr. GARY A. MYERS. Mr. Speaker, if the gentleman will yield further, I contacted the gentleman's committee today and the response we got was that there was never consideration given to requiring the Wichita's to prove in court the reason why they did not comply with the original statute of limitations. It would seem to me at least the subject should have come up in the committee.

I apologize to the ranking minority Member. I do not mean to criticize the gentleman or the committee; but it is my concern there is a legal question why they did not meet the jurisdictional limitations. We ought to let the courts decide that.

Mr. RONCALIO. Mr. Speaker, would the gentleman let me recoup a couple minutes of my time.

I hope the dialog we have had and the opportunity to listen bring to our attention more than just the case of the Wichita Tribe. There are only a few Indians there, but I hope it brings to our attention the need for providing a mechanism in our beloved country where great native Americans or American natives, either one, whether they are Hawaiians or the Arapahoes in Wyoming or the Indians of Alaska, or whatever have an opportunity to correct a wrong committed against them. As long as this Government can afford to them that machinery, we will have a better, a higher, more fair domestic tranquility and that is vitally important today in the treatment of the majority of our people.

No one is wronged by this extension. A court of claims may find that the Wichita's are not entitled to a dime, and if they do, that is what they are entitled to.

On the other hand, maybe it would be a bona fide valid claim for which money judgment would lie and, if so, they can render judgment. That is all this bill does.

Mr. Speaker, I urge my colleague to vote for the amendment.

Mr. Speaker, I move the previous question on the amendment in the nature of a substitute and also on the bill to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Wyoming (Mr. RONCALIO).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CUNNINGHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 293, nays 1, not voting 140, as follows:

[Roll No. 84]

YEAS—293

Abdnor	Andrews, N.C.	Ashbrook
Allen	Andrews, N. Dak.	Ashley
Ambro	Annunzio	AuCoin
Ammerman	Applegate	Bafalis
Anderson, Calif.	Archer	Baldus
Baucus	Hammer-schmidt	Ottinger
Bedell	Hansen	Panetta
Beilenson	Harkin	Patten
Benjamin	Harris	Pattison
Bennett	Heckler	Pease
Bevill	Hefner	Pepper
Biaggi	Heftel	Perkins
Bingham	Hightower	Pettis
Blanchard	Hillis	Pickle
Bouin	Hollenbeck	Pike
Boggs	Holt	Poage
Boland	Holtzman	Pressler
Bonker	Howard	Preyer
Brademas	Hubbard	Price
Brinkley	Huckaby	Quie
Brodhead	Hughes	Quillen
Brooks	Hyde	Railsback
Brown, Calif.	Ichord	Regula
Brown, Ohio	Jacobs	Reuss
Broyhill	Jeffords	Rinaldo
Buchanan	Jenkins	Risenhoover
Burke, Mass.	Jenrette	Robinson
Burleson, Tex.	Johnson, Calif.	Rodino
Burlison, Mo.	Johnson, Colo.	Roe
Butler	Jones, N.C.	Rogers
Byron	Jones, Okla.	Roncalio
Caputo	Jones, Tenn.	Rooney
Carr	Jordan	Rose
Carter	Kastenmeier	Rousselot
Cederberg	Kelly	Rudd
Cleveland	Ketchum	Runnels
Cochran	Keys	Ruppe
Collins, Tex.	Kildee	Russo
Conable	Kindness	Ryan
Conte	Kostmayer	Santini
Corcoran	Krebs	Satterfield
Corman	Lagomarsino	Scheuer
Cornell	Latta	Schroeder
Cornwell	Lehman	Schulze
D'Amours	Lent	Sebelius
Daniel, Dan	Levitas	Seiberling
Daniel, R. W.	Livingston	Sharp
Danielson	Lloyd, Calif.	Shuster
Delaney	Lloyd, Tenn.	Sikes
Dellums	Long, La.	Simon
Derrick	Long, Md.	Sisk
Derwinski	Lujan	Skelton
Devine	Luken	Skubitz
Dickinson	Lundine	Smith, Iowa
Dicks	McCloskey	Smith, Nebr.
Dingell	McCormack	Snyder
Dodd	McDade	Solarz
Downey	McDonald	Spellman
Drinan	McEwen	Spence
Duncan, Tenn.	McFall	Staggers
Eckhardt	McHugh	Stangeland
Emery	McKay	Stanton
English	McKinney	Steed
Erlenborn	Mahon	Steers
Ertel	Mann	Steiger
Evans, Colo.	Markey	Stratton
Evans, Del.	Marks	Studds
Evans, Ind.	Martin	Stump
Fary	Mattox	Symms
Fenwick	Mazzoli	Traxler
Fish	Meeds	Treen
Fisher	Meyner	Trible
Fithian	Michel	Tsongas
Flippo	Mikulski	Vander Jagt
Flood	Miller, Ohio	Vanik
Florio	Minish	Vento
Foley	Mitchell, N.Y.	Volkmer
Forsythe	Moakley	Waggonner
Fowler	Moffett	Walgren
Frenzel	Mollohan	Wampler
Fuqua	Montgomery	Watkins
Garcia	Moore	Waxman
Gaydos	Moorhead, Calif.	Weaver
Gephardt	Moorhead, Pa.	Weiss
Giaimo	Moss	Whalen
Gibbons	Mottl	White
Ginn	Murphy, N.Y.	Whitehurst
Glickman	Murtha	Whitley
Goldwater	Myers, Gary	Wilson, Bob
Gonzalez	Myers, John	Wilson, C. H.
Goodling	Natcher	Wirth
Gore	Neal	Wolff
Gradison	Nowak	Wright
Grassley	O'Brien	Yates
Green	Oakar	Young, Alaska
Gudger	Oberstar	Young, Fla.
Hagedorn		Young, Mo.
Hamilton		Zablocki

NAYS—1

Cunningham

NOT VOTING—140

Addabbo	Beard, R.I.	Brown, Mich.
Akaka	Beard, Tenn.	Burgener
Alexander	Bolling	Burke, Calif.
Anderson, Ill.	Bonior	Burke, Fla.
Armstrong	Bowen	Burton, John
Aspin	Breaux	Burton, Phillip
Badham	Breckinridge	Carney
Bauman	Broomfield	Cavanaugh

Chappell	Hanley	Pritchard
Chisholm	Hannaford	Pursell
Clausen, Don H.	Harrington	Quayle
Clawson, Del	Harsha	Rahall
Clay	Hawkins	Rangel
Cohen	Holland	Rhodes
Coleman	Horton	Richmond
Collins, Ill.	Ireland	Roberts
Conyers	Kasten	Rosenthal
Cotter	Kazen	Rostenkowski
Coughlin	Kemp	Roybal
Crane	Krueger	Sarasin
Davis	LaFalce	Sawyer
de la Garza	Le Fante	Shipley
Dent	Leach	Slack
Diggs	Lederer	St Germain
Dornan	Leggett	Stark
Duncan, Oreg.	Lott	Stockman
Early	McClory	Stokes
Edgar	Madigan	Taylor
Edwards, Ala.	Maguire	Teague
Edwards, Calif.	Marlenee	Thompson
Edwards, Okla.	Marriott	Thone
Eilberg	Mathis	Thornton
Evans, Ga.	Metcalfe	Tucker
Fascell	Mikva	Udall
Findley	Milford	Ullman
Flowers	Miller, Calif.	Van Deerlin
Flynt	Mineta	Walker
Ford, Mich.	Mitchell, Md.	Walsh
Ford, Tenn.	Murphy, Ill.	Whitten
Fountain	Murphy, Pa.	Wiggins
Fraser	Myers, Michael	Wilson, Tex.
Frey	Nedzi	Winn
Gammage	Nichols	Wydler
Gilman	Nix	Wylie
Guyer	Nolan	Yatron
Hall	Obey	Young, Tex.
	Patterson	Zeferetti

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device; and there were—yeas 226, nays 68, not voting 140, as follows:

[Roll No. 85]

YEAS—226

Abdnor	Byron	Fithian
Allen	Caputo	Flippo
Ambro	Carter	Flood
Ammerman	Cederberg	Forsythe
Anderson, Calif.	Cleveland	Fowler
Andrews, N.C.	Cochran	Frenzel
Andrews, N. Dak.	Collins, Tex.	Fuqua
Annunzio	Conable	Garcia
Applegate	Conte	Gaydos
Ashley	Corcoran	Gephardt
Bafalis	Corman	Giaimo
Baldus	Cornell	Gibbons
Barnard	Cornwell	Ginn
Baucus	D'Amours	Glickman
Beilenson	Danielson	Goldwater
Bennett	Delaney	Gonzalez
Bevill	Dellums	Gore
Biaggi	Derrick	Green
Bingham	Dickinson	Hagedorn
Blanchard	Diggs	Hammer-schmidt
Blouin	Dodd	Harkin
Boggs	Downey	Harris
Boland	Drinan	Heckler
Brademas	Duncan, Tenn.	Hefner
Brinkley	Eckhardt	Heftel
Brodhead	Emery	Hightower
Brooks	English	Hollenbeck
Brown, Calif.	Erlenborn	Holt
Brown, Ohio	Evans, Colo.	Holtzman
Buchanan	Fary	Howard
Burke, Mass.	Fenwick	Hughes
Burlison, Mo.	Findley	Hyde
	Fish	Jacobs
	Fisher	

Jeffords	Minish	Ryan
Jenrette	Mitchell, N.Y.	Santini
Johnson, Calif.	Moakley	Scheuer
Johnson, Colo.	Moffett	Schroeder
Jones, N.C.	Mollohan	Schulze
Jones, Okla.	Moore	Sebelius
Jones, Tenn.	Moorhead, Pa.	Seiberling
Jordan	Moss	Sharp
Kastenmeier	Murphy, N.Y.	Sikes
Ketchum	Myers, John	Simon
Keys	Natcher	Sisk
Kildee	Nowak	Skubitz
Kostmayer	O'Brien	Smith, Iowa
Krebs	Oakar	Solarz
Leach	Oberstar	Spellman
Leggett	Ottinger	Stangeland
Lehman	Panetta	Steed
Levitas	Patten	Steers
Livingston	Pease	Steiger
Lloyd, Calif.	Pepper	Studds
Long, La.	Perkins	Stump
Long, Md.	Pettis	Traxler
Lujan	Pickle	Tsongas
Luken	Pike	Vander Jagt
Lundine	Pressler	Vanik
McCloskey	Preyer	Vento
McDade	Price	Volkmer
McEwen	Quie	Walgren
McFall	Quillen	Watkins
McHugh	Railsback	Waxman
McKay	Regula	Weiss
McKinney	Reuss	Whalen
Madigan	Rinaldo	White
Mahon	Risenhoover	Whitley
Mann	Rodino	Wilson, Bob
Markey	Roe	Wirth
Marks	Rogers	Wolff
Martin	Roncalio	Wright
Mattox	Rooney	Yates
Mazzoli	Rose	Young, Mo.
Meyner	Runnels	Zablocki
Mikulski	Ruppe	
Miller, Ohio	Russo	

NAYS—68

Archer	Grassley	Myers, Gary
Ashbrook	Gudger	Neal
AuCoin	Hamilton	Pattison
Bedell	Hansen	Poage
Benjamin	Hillis	Robinson
Broyhill	Hubbard	Rousselot
Burleson, Tex.	Huckaby	Rudd
Butler	Ichord	Satterfield
Carr	Kelly	Shuster
Cunningham	Kindness	Skelton
Daniel, Dan	Lagomarsino	Snyder
Daniel, R. W.	Latta	Spence
Derwinski	Lent	Staggers
Devine	Lloyd, Tenn.	Stanton
Dicks	McCormack	Stratton
Dingell	McDonald	Symms
Dornan	Meeds	Treen
Ertel	Michel	Trible
Evans, Del.	Montgomery	Waggonner
Evans, Ind.	Moorhead, Calif.	Weaver
Foley		Whitehurst
Goodling	Mottl	Wilson, C. H.
Gradison	Murtha	Young, Fla.

NOT VOTING—140

Addabbo	Conyers	Horton
Akaka	Cotter	Ireland
Alexander	Coughlin	Jenkins
Anderson, Ill.	Crane	Kasten
Armstrong	Davis	Kazen
Aspin	de la Garza	Kemp
Badham	Dent	Krueger
Bauman	Duncan, Oreg.	LaFalce
Beard, R.I.	Early	Le Fante
Beard, Tenn.	Edgar	Lederer
Bolling	Edwards, Ala.	Lott
Bonior	Edwards, Calif.	McClory
Bonker	Edwards, Okla.	Maguire
Bowen	Eilberg	Marlenee
Breaux	Evans, Ga.	Marriott
Breckinridge	Fascell	Mathis
Broomfield	Florio	Metcalfe
Brown, Mich.	Flowers	Mikva
Burgener	Flynt	Milford
Burke, Calif.	Ford, Mich.	Miller, Calif.
Burke, Fla.	Ford, Tenn.	Mineta
Burton, John	Fountain	Mitchell, Md.
Burton, Phillip	Fraser	Murphy, Ill.
Carney	Frey	Murphy, Pa.
Cavanaugh	Gammage	Myers, Michael
Chappell	Gilman	Nedzi
Chisholm	Guyer	Nichols
Clausen, Don H.	Hall	Nix
	Hanley	Nolan
Clawson, Del	Hannaford	Obey
Clay	Harrington	Patterson
Cohen	Harsha	Pritchard
Coleman	Hawkins	Pursell
Collins, Ill.	Holland	Quayle
Rahall	St Germain	Walker
Rangel	Stark	Walsh
Rhodes	Stockman	Wampler
Richmond	Stokes	Whitten
Roberts	Taylor	Wiggins
Rosenthal	Teague	Wilson, Tex.
Rostenkowski	Thompson	Winn
Roybal	Thone	Wydler
Sarasin	Thornton	Wylie
Sawyer	Tucker	Yatron
Shipley	Udall	Young, Alaska
Slack	Ullman	Young, Tex.
Smith, Nebr.	Van Deerlin	Zeferetti

The Clerk announced the following pairs:

Mr. Mitchell of Maryland with Mr. Mineta.
Mr. Addabbo with Mr. Chappell.
Mr. Akaka with Mr. Flynt.
Mr. Carney with Mr. Fraser.
Mr. Nix with Mr. Anderson of Illinois.
Mr. Thompson with Mr. Don H. Clausen.
Mr. Harrington with Mr. Coughlin.
Mr. Roberts with Mr. Badham.
Mr. Richmond with Mr. Frey.
Mr. Early with Mr. Guyer.
Mr. Stark with Mr. Brown of Michigan.
Mr. Le Fante with Mr. Crane.
Mr. Rostenkowski with Mr. Holland.
Mr. St Germain with Mr. Del Clawson.
Mrs. Burke of California with Mr. Gilman.
Mr. Bonior with Mr. Harsha.
Mr. Hawkins with Mr. Cohen.
Mr. Eilberg with Mr. Krueger.
Mr. Duncan of Oregon with Mr. Horton.
Mr. Fascell with Mr. Beard of Tennessee.
Mr. Breckinridge with Mr. Kasten.
Mr. Cotter with Mr. Burgener.
Mr. Rosenthal with Mr. Kemp.
Mr. Davis with Mr. McClory.
Mr. Phillip Burton with Mr. Burke of Florida.
Mr. Rangel with Mr. Coleman.
Mr. John L. Burton with Mr. Edwards of Alabama.
Mr. Gammage with Mr. Pritchard.
Mr. Dent with Mr. Breaux.
Mr. Ford of Michigan with Mr. Edwards of Oklahoma.
Mr. Clay with Mr. Marriott.
Mr. de la Garza with Mr. Florio.
Mr. Bowen with Mr. Pursell.
Mr. Van Deerlin with Mr. Edgar.
Mrs. Chisholm with Mr. Milford.
Mr. Kazen with Mr. Quayle.
Mr. Alexander with Mr. Michael O. Myers.
Mrs. Collins of Illinois with Mr. Patterson of California.
Mr. Conyers with Mr. Metcalfe.
Mr. Evans of Georgia with Mr. Nichols.
Mr. Flowers with Mr. Miller of California.
Mr. Fountain with Mr. Rahall.
Mr. Hall with Mr. Nolan.
Mr. LaFalce with Mr. Sarasin.
Mr. Lederer with Mr. Shipley.
Mr. Maguire with Mr. Taylor.
Mr. Murphy of Illinois with Mr. Sawyer.
Mr. Mathis with Mr. Thone.
Mr. Mikva with Mr. Thornton.
Mr. Murphy of Pennsylvania with Mr. Teague.
Mr. Roybal with Mr. Walker.
Mr. Stokes with Mr. Wiggins.
Mr. Tucker with Mr. Winn.
Mr. Whitten with Mr. Yatron.
Mr. Charles Wilson of Texas with Mr. Wylie.
Mr. Zeferetti with Mr. Aspin.
Mr. Wydler with Mr. Bauman.
Mr. Edwards of California with Mr. Broomfield.
Mr. Bonker with Mr. Cavanaugh.
Mr. Ford of Tennessee with Mr. Jenkins.
Mr. Hanley with Mr. Lott.
Mr. Ireland with Mr. Marlenee.
Mr. Nedzi with Mrs. Smith of Nebraska.
Mr. Beard of Rhode Island with Mr. Udall.
Mr. Slack with Mr. Ullman.
Mr. Obey with Mr. Walsh.
Mr. Wampler with Mr. Young of Alaska.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 1030, the Committee on Interior and Insular Affairs is discharged from the further consideration of the Senate bill (S. 773) authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. RONCALIO

Mr. RONCALIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. RONCALIO moves to strike out all after the enacting clause of the Senate bill S. 773 and to insert in lieu thereof the provisions of H.R. 3377 as passed, as follows:

That, notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 13, 1946, as amended (60 Stat. 1049, 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the Indian Claims Commission under section 2 of the Act of August 13, 1946, as amended (60 Stat. 1049, 1050; 25 U.S.C. 70a), to hear, determine, and render judgment on any claims the Wichita Indian Tribe and its affiliated bands and groups (namely, the Wichita, Keechi, Tawakoni, and Waco) have against the United States with respect to any lands or interests therein which were held by aboriginal title or otherwise, which were acquired from such tribe, bands, or groups without payment of adequate compensation by the United States; *Provided*, That no affiliated band or group may bring a claim not held in common with the Wichita Indian Tribe. Any claim filed hereunder with the Indian Claims Commission shall be subject to the provisions of the Act of October 8, 1976 (90 Stat. 1990), relating to the transfer of cases to the Court of Claims. Any party to any action under this Act shall have the right of review with respect to any decision of the Indian Claims Commission or the Court of Claims under section 20 of the Act of August 13 1946, as amended (60 Stat. 1049, 1054; 25 U.S.C. 70s).

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3377) was laid on the table.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the getleman from Wyoming?

There was no objection.

CONVEYING CERTAIN PUBLIC AND ACQUIRED LANDS IN THE STATE OF NEVADA TO THE COUNTY OF MINERAL, NEV.

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4979) to direct the Secretary of the Interior to convey certain public and acquired lands in the State of Nevada to the county of Mineral, Nev., with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That (a) the Secretary of the Interior, hereinafter referred to as the "Secretary", shall issue to the county of Mineral, State of Nevada, a patent or other instrument of conveyance for the land owned by the United States and comprising approximately two thousand six hundred and twenty acres described in this section, or any portion thereof, upon payment into the Treasury of the United States the appraised value of the parcel to be conveyed, plus the costs of appraisal, surveys and extinguishing adverse claims: Provided, That any of the land described in this section which remains unconveyed to the county of Mineral on and after five years from the date of approval of this Act shall no longer be subject to conveyance under this Act.

(b) The following described lands situated in the State of Nevada are hereby made subject to this Act:

(1) The west half of the northwest quarter of section 26, township 8 north, range 30 east; the part of the northwest quarter of the southwest quarter of section 26, township 8 north, range 30 east, that is north of the highway 95 right-of-way.

(2) The northwest quarter of the northeast quarter and the east half of the east half of section 25, township 8 north, range 29 east; all of section 29 and 30, township 8 north, range 30 east; the north half of the southeast quarter of section 28, township 7 north, range 30 east.

(3) The part of section 21, township 7 north, range 30 east, that is west of Nevada State Highway Route 31; the north half of the northwest quarter and the southeast quarter of the northwest quarter of section 28, township 7 north, range 30 east; the part of the northeast quarter of section 28, township 7 north, range 30 east, that is west of Nevada State Highway Route 31; the part of section 27, township 7 north, range 30 east, that is west of Nevada State Highway Route 31; the east half of the northwest quarter and the north half of the southeast quarter of section 34, township 7 north, range 30 east; the part of the northeast quarter of section 34, township 7 north, range 30 east, that is west of Nevada State Highway Route 31; the part of section 35, township 7 north, range 30 east, that is west of Nevada State Highway Route 31.

SEC. 2. Upon receipt of a request from the county of Mineral, State of Nevada, for the purchase of a tract of the lands described in section 1, the Secretary shall immediately cause the same to be appraised and, upon completion of such appraisal, shall notify the county of Mineral of the appraised value of such tract and the county shall have six months from the date of such notice to complete the purchase of such tract by payment of the appraised value into the Treasury of the United States whereupon the Secretary shall issue a patent or other instrument conveying such tract to such county. Any such patent or other instrument of conveyance shall be subject to valid existing rights and easements of record; and shall contain any reservation necessary to protect the continuing uses by the United States of real property owned by the United States that is adjacent to the tract conveyed. In addition, conveyance of section 29, township 8 north, range 30 east, shall be made only in accordance with the provisions of section 209 of the said Federal Land Policy and Management Act of 1976 (90 Stat. 2757; 43 U.S.C. 1719).

SEC. 3. All moneys received from the conveyance of lands under the terms of this Act shall be disposed of in the same manner as moneys received from the sale of public lands, except that moneys received as reimbursement for costs of appraisal, surveys, and extinguishing adverse claims may be used by the Secretary for said purposes without appropriation.

SEC. 4. Subject to valid existing rights on the effective date of this Act, the lands described in section 1 which are subject to conveyance pursuant to this Act are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws. Such withdrawal shall terminate automatically with respect to a particular tract upon conveyance of that tract pursuant to this Act. Such withdrawal shall terminate upon publication of an order in the Federal Register by the Secretary no sooner than five years from the effective date of this Act, with respect to any lands or interest remaining in the United States at the conclusion of such five-year period.

Mr. RONCALIO (during the reading). Mr. Speaker, I ask unanimous consent that the remainder of the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Clerk read the House amendment to the Senate amendment, as follows:

Delete all of section 2 of the Senate amendment and insert in lieu thereof the following:

"SEC. 2. Upon receipt of a request from the County of Mineral, State of Nevada, for the purchase of a tract of the lands described in section 1, the Secretary shall immediately cause the same to be appraised and, upon completion of such appraisal shall notify the county of Mineral of the appraised value of such tract and the county shall have six months from the date of such notice to complete the purchase of such tract by payment of the appraised value into the Treasury of the United States whereupon the Secretary shall issue a patent or other instrument conveying such tract to such county. Any such patent or other instrument of conveyance shall be subject to valid existing rights and easements of record; and shall contain any reservation necessary to protect the continuing uses by the United States of real property owned by the United States that is adjacent to the tract conveyed. In addition, conveyance of section 29, township 8 north, range 30 east, shall be made only in accordance with the provisions of section 209 of the said Federal Land Policy and Management Act of 1976 (90 Stat. 2757; 43 U.S.C. 1719)."

Mr. RONCALIO (during the reading). Mr. Speaker, I ask unanimous consent that the House amendment to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I have the permission of Hon. MORRIS UDALL, chairman of the Committee on Interior and Insular Affairs, to urge my colleagues to accept the Senate amendments to H.R. 4979 requiring Mineral County, Nev., to pay the costs of appraisal, surveys, and extinguishing any adverse claims; reserving the mineral interests to the United States; and revising the withdrawal section.

However, we feel that section 2 of the Senate-passed bill could be detrimental to the very purposes for passing this legislation. For that reason, I am offering a substitute section 2.

Under H.R. 4979 Mineral County would have 5 years to purchase—for fair market value—up to 2,620 acres which would be used for potential industrial sites. In order not to impose a financial burden, the county may purchase individual tracts at various times within 5 years from the date of enactment. When the county submits a request to the Secretary of the Interior for a specific tract, the Secretary is required to have the tract appraised and surveyed to determine fair market value. If the legislation does not require that the Secretary "immediately" cause these appraisals and surveys to be performed, it is quite probable that there could be a 2-year lag between the county's request and completion of the surveys. This would greatly limit the total amount of land the county could purchase in the allotted 5 years.

Once payment for each tract has been made, the Secretary would issue a document of conveyance to Mineral County. The county could then begin implementing its proposed land use plans for the tract purchased. Since the land would be owned by the county, we feel it would be redundant and unnecessary for the Secretary to place reservations and conditions in the conveyance document to insure proper land use. Mineral interests are being reserved to the United States together with the right to remove those minerals, valid existing rights and easements of record are also being protected. After the land is conveyed, it is the responsibility of Mineral County to insure that the land use plans are within the county's and State's zoning ordinances and in the public interest.

The document of conveyance should contain reservations to protect the "continuing uses" by the United States of real property adjacent to the tract conveyed. The county would be aware of any ongoing uses on adjacent tracts and could make their plans around those uses; however, the county should not be responsible for reshifting their plans later if the Secretary authorizes a use which was not ongoing at the time the county purchased the tract.

Mr. Speaker. I urge my colleagues to concur in the Senate amendment to H.R. 4979 with my amendment to section 2.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from Wyoming?

There was no objection.

A motion to reconsider was laid on the table.

ANOTHER INDICTMENT AGAINST THE REGRESSIVE SOCIAL SECURITY TAX RATE

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to file another indictment just returned against the regressive social secuirty tax rate. The charges are contained in an article by Ms. Lisa Myers published in the Chicago Sun-Times. The accusation comes in the form of a yet unpublished Joint Economic Committee memorandum that predicts that the recently enacted tax increases in social security will cost 1,300,000 American workers their jobs.

Mr. Speaker, I would like to include Ms. Myers' article in the RECORD. I want this dire prediction on public record for the particular attention of the Members of this representative body who have not yet cosponsored my bill, H.R. 10668, which would reduce the payroll tax, use general revenue contributions, and create at least as many jobs as present tax rates will wipe out. I call to the attention of these Members this sobering thought—1.3 million jobs averages out of almost exactly 3,000 jobs per district.

I do not know how much evidence it will take to convince my colleagues of the devastating impact the payroll tax is having on our domestic and international economies.

Let me add to my remarks, Mr. Speaker, a congratulatory note for the 130 cosponsors that I am going to list in the RECORD. There are 130 of them and we expect to have 250 within another 10 days. These 130 cosponsors have had the foresight and wisdom to fully realize that payroll taxes can no longer fully support social security.

Further, Mr. Speaker, I believe that once the Members of the Congress get the message they will realize that the social security taxes are the biggest deterrent to employment in this Nation.

Mr. Speaker, the article by Ms. Lisa Myers is as follows:

SOCIAL SECURITY HIKE TIED TO 1.3M JOB LOSS

(By Lisa Myers)

WASHINGTON.—That massive Social Security tax increase that Congress overwhelmingly approved last year and President Carter lauded as "wise" will cost 1.3 million workers their jobs and add significantly to inflation, according to an unpublished congressional staff analysis.

And there is no assurance that this self-inflicted economic wound from the largest peacetime tax hike in history will preserve the solvency of the nation's retirement system, the analysis says.

"The Social Security bill will ensure the long-run financial integrity of the Social Security system only under reasonably favorable economic and demographic conditions," the Joint Economic Committee memorandum asserts.

"Protracted economic stagnation, slow growth of productivity, continuing rapid inflation and a decline in the fertility rate below present expectations could put the Social Security system into a long-run deficit despite the measure that has been passed by Congress."

The analysis stands as the strongest indictment yet of Congress' decisions in December to as much as triple Social Security taxes on middle and high-income workers and their employers to save the retirement program from impending bankruptcy.

The study is unusual because it is rare for a congressional committee staff to so strongly criticize an act of Congress particularly when the issue is as explosive as Social Security and the November election is less than nine months away.

Perhaps for this reason, the committee has refused to make the analysis public, although the results have been ready for more than a week. The Chicago Sun-Times, however, was able to obtain a copy of the report.

Basically, the findings are that the Social Security tax increases scheduled over the next decade will be as painful to the economy collectively as they will be to workers and employers individually.

Payroll taxes are a tax on labor. They lower wages or raise consumer prices. Therefore, the logical results of increasing payroll taxes are slower economic growth, higher unemployment and faster inflation, the analysis says.

Because of the Social Security bill, it is estimated that the real gross national product will be $34 billion lower, that inflation will be seven-tenths of 1 percent higher, and that joblessness will be 1.3 percent higher in 1982 than they would be under prior law.

Ironically, these economic consequences of the compromise bill, which Carter said "evolved after very careful and long preparation," are worse than what would have happened under either the original House or Senate bills or the White House proposal, according to the analysis.

The study concludes that it would be wise for Congress to rethink its Social Security action—a conclusion reached weeks ago by lawmakers stunned by voter outrage over the notion of higher payroll taxes.

Cited as a "sound alternative" is a plan sponsored by Sen. Gaylord Nelson (D-Wis.) and Rep. Abner Mikva (D-Ill.) to reduce Social Security taxes one-third by financing Medicare and disability benefits through general income-tax revenues.

The JEC previously has endorsed using general revenue to finance Medicare. A similar option was rejected by Congress only months ago.

However, this analysis, plus the uproar over the modest rise in Social Security taxes this year, gives added ammunition to those who believe the nation no longer can rely exclusively on payroll taxes to finance the retirement system.

Mr. Speaker, the list of the present 130 cosponsors is as follows:

1978 SOCIAL SECURITY HONOR ROLL

Applegate, Douglas—Ohio
Addabbo, Joseph—New York
Anderson, Glenn—Maryland
Annunzio, Frank—Illinois
Aspin, Les—Wisconsin
Baucus, Max—Montana
Beard, Ed—Rhode Island
Biaggi, Mario—New York
Bingham, Jonathan—New York
Blanchard, James—Michigan
Boland, Edward—Massachusetts
Bonior, David—Michigan
Brodhead, William—Michigan

Burke, James—Massachusetts
Burke, Yvonne Braithwaite—California
Burton, John L.—California
Burton, Phillip—California
Carney, Charles—Ohio
Chisholm, Shirley—New York
Clay, William—Missouri
Collins, Cardiss—Illinois
Conte, Silvio—Massachusetts
Conyers, John—Michigan
Corman, James C.—California
Corrada, Baltasar—Puerto Rico
D'Amours, Norman—New Hampshire
Dellums, Ronald—California
Dicks, Norman—Washington
Diggs, Charles—Michigan
Dodd, Christopher—Connecticut
de Lugo, Ron—Virgin Islands
Drinan, Robert F.—Massachusetts
Early, Joseph—Massachusetts
Edgar, Robert—Pennsylvania
Eilberg, Joshua—Pennsylvania
Evans, Frank—Colorado
Fary, John G.—Illinois
Fauntroy, Walter—Dist. of Columbia
Flood, Daniel—Pennsylvania
Florio, James—New Jersey
Ford, Harold E.—Tennessee
Ford, William—Michigan
Fraser, Don—Minnesota
Gaydos, Joseph—Pennsylvania
Gore, Albert, Jr.—Tennessee
Guyer, Tennyson—Ohio
Hanley, James M.—New York
Harrington, Michael—Massachusetts
Hawkins, Augustus—California
Heckler, Margaret—Massachusetts
Holland, Ken—South Carolina
Howard, Jim—New Jersey
Johnson, Harold T.—California
Jones, Walter—North Carolina
Jordan, Barbara—Texas
Kastenmeier, Robert—Wisconsin
Kildee, Dale—Michigan
Kostmayer, Peter H.—Pennsylvania
Krebs, John—California
Le Fante, Joseph A.—New Jersey
Leggett, Robert—California
Lederer, Raymond—Pennsylvania
Long, Clarence—Maryland
McFall, John—California
McHugh, Matthew—New York
McKinney, Stewart—Connecticut
Markey, Edward—Massachusetts
Metcalfe, Ralph—Illinois
Meyner, Helen—New Jersey
Mikulski, Barbara—Maryland
Miller, George—California
Minish, Joseph—New Jersey
Mitchell, Parren—Maryland
Moakley, Joe—Massachusetts
Moffett, Anthony Toby—Connecticut
Moss, John E.—California
Murphy, Austin J.—Pennsylvania
Murphy, Morgan—Illinois
Nedzi, Lucien N.—Michigan
Nix, Robert N. C.—Pennsylvania
Nolan, Richard—Minnesota
Oberstar, James—Minnesota
Ottinger, Richard—New York
Patten, Edward—New Jersey
Patterson, Jerry—California
Pattison, Edward W.—New York
Pepper, Claude—Florida
Perkins, Carl D.—Kentucky
Price, Melvin—Illinois
Quillen, James H.—Tennessee
Rangel, Charles—New York
Reuss, Henry S.—Wisconsin
Richmond, Frederick—New York
Risenhoover, Ted—Oklahoma
Rodino, Peter W.—New Jersey
Roncalio, Teno—Wyoming
Rooney, Fred B.—Pennsylvania
Rose, Charles—North Carolina
Rosenthal, Benjamin S.—New York
Scheuer, James H.—New York
Schroeder, Patricia—Colorado
Seiberling, John F.—Ohio
Shipley, George—Illinois
Simon, Paul—Illinois
Sisk, B. F.—California
Spellman, Gladys Noon—Maryland
Steed, Tom—Oklahoma
St Germain, Fernand—Rhode Island
Solarz, Stephen—New York
Stark, Fortney "Pete"—California
Stokes, Louis—Ohio
Studds, Gerry—Massachusetts
Thompson, Frank—New Jersey
Tsongas, Paul E.—Massachusetts
Van Deerlin, Lionel—California
Vento, Bruce—Minnesota
Weaver, James—Oregon
Weiss, Ted—New York
Wilson, Charles H.—California
Wolff, Lester—New York
Won Pat, Antonio B.—Guam
Yatron, Gus—Pennsylvania
Zablocki, Clement—Wisconsin
Zeferetti, Leo C.—New York

SENATORS

John A. Durkin—New Hampshire
Tom Eagleton—Missouri
William Hathaway—Maine
Don Riegle—Michigan
Daniel Patrick Moynihan—New York
Mark Hatfield—Oregon

FRUSTRATED FARMERS VENT FRUSTRATIONS ON SECRETARY BERGLAND

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, a most unfortunate incident occurred 3 days ago in Amarillo, Tex., when angry farmers attempted to pelt Secretary of Agriculture Bob Bergland with snowballs, eggs, and their protests. Even though this action is deplorable, and this type outburst should neither be condoned nor encouraged, I can certainly understand why these farmers were frustrated and chose to vent their frustrations upon the major agricultural spokesman for the Carter administration. After all, they have been both betrayed and ignored by this administration.

Farmers nationwide, as individuals and as members of various farm organizations, have—with very loud voices—proclaimed their economic plight to this Nation. They have evidently not impressed the administration under whose guidance net farm income has plummeted, but their problems have impressed the recently created Republican Task Force on the Agriculture Emergency. This task force can and will produce comprehensive legislation, the aim of which will be to assist farmers pull out of this economic crisis. I assure you, Mr. Speaker, that we will try, like Secretary Bergland, to not end up with egg on our face.

PERSONAL EXPLANATION

(Mr. CORCORAN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. CORCORAN of Illinois. Mr. Speaker, due to prior commitments in my district yesterday, I was unable to be present during the consideration of two amendments and final passage of H.R. 9179, Overseas Private Investment Corporation Act amendments. If I had been present, I would have voted "yea" on the amendment offered by Mr. CRANE of Illinois; I would have voted "yea" on the amendment offered by Mr. MOORE of Louisiana; and I would have voted "nay" on final passage of the bill.

FBI INJUSTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise simply because an obvious and patent slander and injustice against me has been committed by the FBI.

Now, I was here and present, I think, if I recall correctly, at least 10 years ago when the then majority leader, the Honorable Hale Boggs from Louisiana, rose and electrified the House and I think the country, at least the thinking people of the country, when he charged that he had been a victim of improper and unconstitutional surveillance by the FBI. Also, he said further that everyone who was serving in the House and in the Congress, on the Hill, as he put it, were then and assumed and stated categorically for some time that all of our phones had been tapped or other surveillance done by the FBI, which sounded at that time rather outlandish; but I knew that in the person of Hale Boggs that that statement uttered here in the well of the House would never have been forthcoming unless he had very carefully documented it, as he obviously had.

This was before Watergate. We were still in our national innocence, and nothing that I can recall was ever done to follow through on that.

I have had good reason to think of this lately because of my own experience which I want to discuss. I will also place in the RECORD a written report as made by the Honorable Griffin B. Bell, the Attorney General, and the Director of the FBI, the Honorable William Webster, who was sworn in yesterday.

Some time ago—to be precise, at midnight on the night of October 22, 1976—I was alerted by the FBI in my hometown of San Antonio that they had received a report of a contract on my life for $35.000.

When I got home, at just about midnight, my wife was up, and she was obviously perturbed. It was reported to me that a man claiming to be from the FBI office had called at 11:35 p.m. and awakened her. I was out campaigning because it was an election year. The date was October 22, 1976.

She was agitated. She said, "This man said it was urgent. The FBI has been trying to reach you since this afternoon,

and it is urgent that you call immediately this number here in San Antonio."

I proceeded to make the call. It turned out that the gentleman who answered, after I asked him who he was, described himself as the "night clerk." I asked him specifically if he was an agent.

He said, "No," that there were no agents on duty. He said he was a night clerk on night duty and that he had been instructed by the agent who left earlier in the evening to reach me and say it was necessary for me to call the office because they wanted to communicate to me the receipt through their informer system of a contract in the amount of $35,000 against my life.

So naturally my next question was: "Well, what am I supposed to do? What is the substance, the gist, and the validity of this threat?"

The gentleman said, "I don't know other than this: All I can tell you is that the name of the individual who is supposed to have received the offer to carry out the contract is" so-and-so. "We are checking him out, and we have the names of two individuals who were the ones who are supposed to have made the offer of the contract, but all we have is their first names, or what appears to be a nickname."

I said, "Do you have any other information to identify these individuals?"

"No. This is what we are checking out."

Then I said, "Well, now, what about any record you might have about these individuals? For example, the man who said he received the offer, does he have a record of any kind that would reveal to you his capacity to carry out such a threat?"

He said, "Well, we checked, and our preliminary information shows that there is some record of an individual bearing that name, and we have to verify that tomorrow. We can't tell you for sure. The other two men, we think their last name is" this, that, or the other.

I said, "Well, wait a minute. As to one of those, I know well he was notorious as a member of the Carasco drug ring. He was very definitely a dangerous individual and fully capable of carrying out a contract. But he was murdered gangster-fashion about half a year ago."

Well, he said he did not know that.

I said, "Now, the other one, if it is the same one—and he has the same identical name—is also a well-known character of the underworld in San Antonio. I know that much."

After all, I was born in the city. I have lived there all along. I have had law enforcement experience myself. I have been very proud of my association with the law enforcement agencies; I have been an honorary member of every single one of them in my area since I served on the city council, in the State Senate in Texas, and later in the Congress.

The gentleman then said, "Well, look, this is all I can tell you anyway. You'll just have to wait."

I said, "OK. Meanwhile, what am I supposed to do?"

"Well, nothing."

I had no report. But about a week later, an agent on the telephone identified himself as an agent calling my San Antonio office and spoke with my manager in charge of the field office. He said, "Look, tell the Congressman that we have checked into this. We are still checking it out. We think now that all it amounts to is a quarrel in a family, a couple got to quarreling and an informer came to us because the husband got to talking, and we think maybe it does not amount to anything more than that."

When my staff assistant gave me the information, I said, "Well, did he give a number, or anything? Did he identify himself any further? Is there any report that is going to be given to me eventually?" Well, she did not know. So I tried to get hold of that agent, and he was not in. So then I made a request that at the proper time I be given a report. No report was ever forthcoming. But in the interim, between that October date and January, of last year, there were two additional threats reported, apparently unconnected with the first, but still no report from the FBI as what, if anything, had come as a result of their investigation.

I checked the law. I had been one of the cosponsors, one of the authors of the law after President Kennedy's assassination, and I just rechecked it for my own information. As a result of the passage of that law, any threat of bodily harm to a Member of the Congress must be investigated by the FBI. It is a mandate in the law. However, there is a vacuum or a hiatus in the law. It does not say that the FBI shall make a report of any investigation to the Member of the Congress. So that when I failed to receive any report as of a year ago in January, I then proceeded to contact the National FBI Office, because there are and were then certain factors involved that make it a continuing source of concern, which may or may not be reflected by the FBI, who may or may not be aware of these facts that I am aware of. And, after all, it is my life. It is not the agent's life, it is not the FBI that washes its hands and says, "We do not have to give you a report, irrespective of the fact that you are a Member of the Congress." So that if anything does happen, and even though they might have been charged with knowledge, they can always say, "Well, there is not anything that could have been done anyway."

But knowing of threats, which, as I say and repeat, may or may not be known to the FBI—and, apparently, reflected in the information they have given me thus far, they are totally unaware of it—I have good solid reason to be concerned; and, therefore, I would find it helpful to have a report, if any is forthcoming from the FBI, as to the result and the nature of their investigation. Up to now the documentation I have been able to get shows that the investigations carried out by the FBI in this type of case are, at best, very superficial or cursory. All they do is go to the source, and they say, "It isn't true you made this threat, is it?" And the individual says, "Well, no. I was drunk."—in the case of one fellow who called the police in San Antonio—"I have a Molotov cocktail, I have a fully loaded 38, and I am going to go out and kill the Congressman." It turned out he was a drunk in the bar. So he was picked up by the San Antonio police after he made the second call. He admitted he was drunk and had no gun. No gun was found on him. But he did have a record. He was a floater. He was a man who, by police admission, was capable of carrying the threat out. That report was given to the FBI. The FBI gave it to me 72 hours after it was in the San Antonio newspapers. What did they investigate?

I do not know. They have rendered a report; but once afterward, since that first threat, I did have an FBI agent in Washington call the office to say, "We are just checking. We want to know if the Congressman has heard anything more about that individual who made that threat"—as though I would be the one who would be expected to inform the FBI.

Mr. Speaker, either the FBI has the responsibility under the law or it does not. If it does—and clearly it is mandated by the law—then I feel that the least that could be done would be that the target Member of the Congress, at least, be given a written report. However, the FBI takes the position that it not only does not have to, but it will not.

Anyway, going back to this correspondence over a year ago, I sat down and made a request in writing, because in speaking over the phone with the FBI officials, they made it plain that they were under no compulsion to make a report. They said, "We consider the closed, and that is it."

I said, "Won't you please give me a report. You never have given me a report."

They said, "We don't do those things."

Consequently, I then sat down and in writing requested the report. The month of January went by, as did February, March, April, and May; and I received no acknowledgment.

Finally, in June, I made another request. This time the reply was definite.

They said, "We are not going to give you a written report. We never do it, and we are not going to do it. We don't care if you are a Member of the Congress. We are not going to do it; but if you want to appeal under the Freedom of Information Act, you can do so in writing, and then we will give you pertinent information, maybe."

So then, in writing, I requested, under the Freedom of Information Act terms, information in connection with that threat and as to any investigation and what conclusions, if any, there were as to the worth or validity or the value of that threat.

July went by, August went by, September went by, October went by, and I heard nothing.

Finally, in November, I again made a request to find out what had happened. At that point I got another letter saying, "All right. We are processing it, but you have to send us a check for $26.95 to defray the cost of Xeroxing the documents, and they will be censored because

there is some information there, such as informers' names and so forth, that we will not give you."

Finally, just last week, I got the skimpy documentation which I cannot decipher for the world because they do block out a lot of names. However, they left about four individual names of obvious informers. They must have done that through inadvertence. I cannot imagine why they would leave 4 names and strike out about 16.

However, Mr. Speaker, more disturbing, and that is why I am taking the floor, is that in their documentation they go back and take all of the documents they had or that they wanted to give me having to do with all of the threats they had ever received on my life, and it turns out that they had a total of four, which surprised me. There were some I never heard of.

In any event, in one paragraph, as I point out to the new Director of the FBI, there is this comment in the memorandum:

> Congressman Gonzalez is considered a liberal who has received Communist support. He has opposed a House Committee on Un-American Affairs. Our relations with him have been of a purely business nature.

This was in 1967 that this memorandum was apparently made by an individual by the name of Jones in the Washington office.

Mr. Speaker, on both counts, this is not only an unconstitutional invasion, but it is untruthful.

If they said I got elected with Communist support, does that mean that President Kennedy, who supported me when I first ran; Vice President Johnson; the Firemen's and Policemen's Association; the Teachers' Association—who were the Communists? I do not know.

Mr. Speaker, I was almost killed by those of the opposite persuasion because apparently they felt I was not liberal enough or was not leftist enough, or did not hew to whatever the Communist line happened to be.

Mr. Speaker, this is shocking. How much more of this type of gratuitious and unfair and slanderous and libelous comment is in the FBI files? God only knows, but I think I am going to try to find out; and that is the reason I take the time to importune the House, because I think that, as in the case of our illustrious Hale Boggs, this involves us all.

It is not just, I think, my case. I think that this is a matter that ought to concern every Member of the Congress. Now, I have not been one of those who has been jumping around and flailing at the FBI, even when I could have done it with some justification a little more than a year ago in connection with the so-called Assassination Committee, but certainly it gives credence to so much that I have read lately about the misfeasance and the arrogance and the runaway characteristic of this agency and others, where apparently the Congress is a victim and has no kind of oversight or even ability—even ability—to seek the most rudimentary cooperation from the FBI in the case affecting the well-being, the safety, and the life itself of individual Members of the House or the Senate.

So that, I have felt compelled to write two letters, one to the Honorable William Webster, Director of the Federal Bureau of Investigation.

Mr. Speaker, I have also written, with appropriate copies and documentation, to the Honorable Griffin B. Bell, the Attorney General, along similar lines, and under unanimous consent already granted I place these letters with enclosed documents in the RECORD at this point:

WASHINGTON, D.C.,
February 22, 1978.

Hon. GRIFFIN B. BELL,
The Attorney General, Department of Justice, Washington, D.C.

DEAR GENERAL BELL: I am enclosing herewith a copy of a document furnished pursuant to my Freedom of Information Act request dated March 17, 1977, because it is a matter that merits your attention; and beyond that, I am due an apology from the Federal Bureau of Investigation. I hasten to say that this is a matter for which you were in no way responsible, but it is one for which you can provide redress.

The enclosed memorandum of the FBI relates my staff's request for investigation of a threatening letter I received on June 22, 1967. With respect to me personally, the memorandum says:

"Congresman Gonzalez is considered a liberal who has received Communist support. He has opposed the House Committee on Un-American Activities. Our relations with him have been of a purely business nature."

This memorandum was addressed to a Mr. Wick, and originated by M. A. Jones. I do not know whether either of these persons is still associated with the FBI. Regardless of that, there is absolutely no basis for Jones' statement, and the record ought to be corrected in the most unequivocal way; further, the FBI owes me an apology for this idle and baseless slander.

I am writing the present Director to request action on this matter; I call it to your attention because I know you to be an honorable and decent person, and you have it in your power to see that prompt action is taken by your subordinate.

With best wishes, I am

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

JUNE 23, 1967.

Subject. M. T. Valdez, Frio City Road 321, San Antonio, Texas; Congressman Henry B. Gonzales, (D-Texas)—victim, extortion.

By request, Special Agent —— called at the office of Congressman Gonzales on 6-22-67, to see the Congressman's Executive Assistant, Gail J. Beagle. She furnished the enclosed letter, typed in Spanish, from Valdes, the envelope of which indicates it was mailed in San Antonio, Texas, on 6-20-67, to the Congressman. She also furnished an English translation of the letter.

The letter is critical of the Congressman and concludes, "If you think I have offended your honor (which you do not have) I am at your service to give your any satisfaction." Below this is printed, "HAND IN HAND OR DEATH."

Miss Beagle stated the Congressman considered the letter threatening. She said the return address on the letter is the address of "Inferno," an extremist publication issued in San Antonio. She furnished a copy of this publication dated 6-8-67, pointing out it contains references to the Congressman on pages 4 and 6.

The original letter and its envelope along with the translation and the newspaper are enclosed.

Valdez is not identified in Bufiles.

[Omitted]

Our relations with him have been of a purely business nature.

Recommendations:

That this matter be referred to the General Investigative Division for appropriate action and that the Crime Records Division be furnished the results of any inquiry so that the Congressman's office may be notified.

Addendum: General Investigative Division, June 23, 1967, BHC:blw.

San Antonio is being instructed to immediately furnish the facts of this matter to the appropriate U.S. Attorney to determine if a prosecutable violation of the Federal Extortion Statute exists.

WASHINGTON, D.C.,
February 22, 1978.

Hon. WILLIAM WEBSTER,
Director, Federal Bureau of Investigation, Washington, D.C.

DEAR MR. DIRECTOR: I enclose herewith a copy of a June 23, 1967 memorandum, furnished by your Bureau pursuant to my Freedom of Information Act request of March 14, 1977.

I direct your attention to the following comment in this memorandum:

"Congressman Gonzalez is considered a liberal who has received Communist support. He has opposed the House Committee on Un-Amercian Affairs. Our relations with him have been of a purely business nature."

You obviously have no responsibility for events that transpired prior to your tenure. On the other hand, you do have it in your power to correct this baseless slander and provide the apology which I am due from the Bureau.

It should go without saying that it was not the business of the FBI to judge or characterize my public record or that of anyone else. The record speaks for itself, and it goes considerably beyond the grounds of constitutional limits for the FBI to make judgments on the public record of any Member of Congress. For the FBI to place any label on me was grossly improper. For it to claim, without any basis whatever, that I had ever received communist support, is enough to light the deepest fires of outrage. Nothing could have been further from the truth than this egregious statement; it was slanderous and ought to be expunged from the records of your agency.

I have received only the documents I specifically requested from the FBI, related to investigations into various threats on my life. I have no way of knowing what other files it may have on me, let alone what they may contain. But I have a right, in view of these statements, impugning my loyalty and integrity, to request that you review any and all files and references to me, whatever and wherever they may be, and expunge any and all references that characterize my political persuasions; that in any way question my loyalty to this country; or that are in any way lacking in complete documentary support. Moreover, I have a right to know exactly what these references were, who was responsible for them, and to receive apologies from each responsible person.

I entered public life with nothing other than my good name and a determination to serve the public with efficiency, integrity and honor. All I have is my good name. I cannot and will no abide any slander; and I believe that, were our positions reversed, you would feel as I do.

Accordingly, I request:

1. that the references I have quoted in the June 23, 1967 memorandum from M. A.

Jones to Mr. Wick be deleted from the records of the FBI, and that I receive a specific apology for these statments;

2. that this apology be in writing and placed in FBI records pertaining to me;

3. that all records pertaining to me be made available to me at once and without charge;

4. that upon examination, these records be corrected as to any factual error, and that any unsupported statements, comments or other items be deleted; and

5. that I receive such further apologies as may be appropriate; that all records relating to me be amended to reflect the fact of my unquestioned and unquestionable loyalty to this country; and that I receive your personal assurances that the FBI will not again commit slander upon me.

I repeat that you are in no way responsible for anything that happened in the past. I regret to have to ask that you correct the sins of others. But the FBI has grievously wronged me, and I have the right to expect full redress; and it is your responsibility to provide it, as Director of the Bureau and as guarantor of its integrity and my own Constitutional rights.

Thank you and with best wishes.

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

JUNE 23, 1967.

Subject: M. T. Valdes, Frio City Road 321, San Antonio, Texas; Congressman Henry B. Gonzalez, (D-Texas)—victim, extortion.

By request, Special Agent ——— called at the office of Congressman Gonzalez on 6-22-67, to see the Congressman's Executive Assistant, Gail J. Beagle. She's furnished the enclosed letter, typed in Spanish, from Valdes, the envelope of which indicates it was mailed in San Antonio, Texas, on 6-20-67, to the Congressman. She also furnished an English translation of the letter.

The letter is critical of the Congressman and concludes, "If you think I have offended your honor (which you do not have) I am at your service to give your any satisfaction." Below this is printed, "HAND IN HAND OR DEATH."

Miss Beagle stated the Congressman considered the letter threatening. She said the return address on the letter is the address of "Inferno," an extremist publication issued in San Antonio. She furnished a copy of this publication dated 6-8-67, pointing out it contains references to the Congressman on pages 4 and 6.

The original letter and its envelope along with the translation and the newspaper are enclosed.

Valdez is not identifiable in Bufiles.

[Omitted]

Our relations with him have been of a purely business nature.

Recommendations: That this matter be referred to the General Investigative Division for appropriate action and that the Crime Records Division be furnished the results of any inquiry so that the Congressman' office may be notified.

Addendum: General Investigative Division, June 23, 1967, BHC; blw: San Antonio is being instructed to immediately furnish the facts of this matter to the appropriate U.S. Attorney to determine if a prosecutable violation of the Federal Extortion Statute exists.

Mr. Speaker, I have been very well aware of some of the travail that seems to have aroused present and past members of the FBI when the Justice Department itself decided to prosecute some members and some former members for having violated the rights of other Americans. At no time have I spoken out on the judgment or the merit or lack of it on that procedure on the part of the Justice Department.

I was appealed to for membership by a group organized in New York to raise funds to help defend that FBI agent. I am glad I did not, for I would be most embarrassed now, even though I must confess I sympathize with the plight. I felt as I felt in the case of other cases widely publicized of other agents of other agencies of the Government who had, looking at it in retrospect, committed actions which turn out now to be so heavily censured, who felt they were doing their duty.

Of course this is exactly what Hitler's generals have all said. This is what a dedicated Communist says today: That they are doing their duty. This is what the revolutionary and the violent men and women of the world say to justify murder of innocent children and women. They can always justify it.

But the question here is whether we are going to allow the FBI or any other governmental agency to be above the law. They are supposed to be enforcers of the law, not sanctified, hallowed, and protected deceivers and slanderers and outrageous violators of the law.

THE PUBLIC INTEREST IS PARAMOUNT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, 7 months ago—on July 19, to be exact—and again last Monday, I raised the question here on the floor of the House as to why the President did not include in his so-called labor law reform proposal a recommendation for the establishment of machinery for settlement of emergency labor disputes. The inadequacy of the Taft-Hartley Act in its emergency provision has long been recognized. The correction of this labor law deficiency has been one of our most pressing public needs.

For whatever reason, the President chose to ignore this need. He saw fit to ignore the fact that the general public is also an interested party to a labor dispute, as well as the employees and the employer. In my view, if not from the point of view of this administration, the public interest is paramount over any special interests where the health and safety and welfare of our Nation are at stake.

Now we are faced with a labor crisis in the coal industry adversely affecting our national well-being. We now find ourselves without an established machinery adequate to resolve the crisis in an orderly manner and in fairness to both sides of the dispute. We now find our President delaying from week to week, and from day to day, a decision on what specific action to take. With each passing day the situation becomes more critical: More and more people are without heat and electricity, more and more factories are reducing production, and more and more people are without jobs.

Perhaps the coal strike could not have been avoided when the collective bargaining process broke down. But I frankly believe that we would not be confronted with the grave crisis now facing us if we had had decisive national leadership willing to put aside all political considerations in order to better serve the public good by taking definitive action without all this delay.

THIRTY SMALL BUSINESS GROUPS ENDORSE H.R. 7711, THE PRODUCT LIABILITY INSURANCE TAX EQUITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

Mr. WHALEN. Mr. Speaker, the House Small Business Committee is currently holding hearings on the likely impact of tax policies affecting small business. On February 22 they received testimony from the Small Business Legislative Council, a coalition of trade associations that represent small businesses engaged in a wide variety of enterprises. Their statement was presented by their executive director, John Lewis, who also is the president of the National Small Business Association.

The small business groups presented 12 specific recommendations to the Small Business Committee. Recommendation No. 6 reads as follows:

The Small Business Legislative Council supports changes in the tax code to allow as business deductions payments to a product liability trust.

I need not tell you that this is an idea that I wholeheartedly advocate, and I am pleased to have the support of the Small Business Legislative Council (SBLC). In previous statements I have discussed how small business and other groups would benefit from passage of the Product Liability Insurance Tax Equity Act, H.R. 7711. Today, I would like to let them speak for themselves.

At this point in the RECORD, I wish to insert the relevant portion of John Lewis' statement before the Small Business Committee. Also, I am inserting a list of the SBLC members who endorse H.R. 7711:

STATEMENT OF NATIONAL SMALL BUSINESS ASSOCIATION AND SMALL BUSINESS LEGISLATIVE COUNCIL

RECOMMENDATION NO. 6

The Small Business Legislative Council supports changes in the tax code to allow as business deductions payments to a product liability trust.

Within recent years, there has been an explosion of litigation in the medical malpractice and product liability areas. The result of the increasing numbers of cases and the large judgments awarded to plaintiffs in these cases has been a corresponding explosive increase in product liability insurance rates. Many manufacturers have experienced increases in their premiums of 1,000 per cent, and some increases have been much larger. A growing number of companies find that product liability insurance is unavailable at any price.

The causes of the increase in product liability suits are many. Relatively recent changes in tort law governing the area (making it much easier to pursue a successful suit against the manufacturer and distributor of a product) are largely responsible for the upsurge in product liability litigation,

but other factors, such as the increasing cost of medical care and the relatively low level of state admniistered Workers Compensation awards, have also contributed to the problem.

While a solution to the product liability problem lies ultimately in statutory or judicial changes in the tort law of product liability, the immediate and serious problems of the manufacturer and distributor seeking to obtain some type of protection against this liability demand an interim solution.

One approach being offered in the House is by Congressman Charles Whalen (R-Ohio) and many cosponsors. Called the "Product Liability Insurance Tax Equity" (PLITE) bill, this proposal would allow companies and professionals to self-insure against risk by establishing a reserve fund in trust, and take advantage of the tax provisions available to those who deal with insurance companies.

The bill (H.R. 7711) would allow business deductions for payments made into a reserve fund, as insurance premiums are deductible. It would also exempt the reserve fund from taxation and from charges of undistributed dividends by corporate shareholders.

PLITE would do this by estabilshing a legal device known as a product liability trust. As long as the funds in the trust were withdrawn only for payment of (1) administrative costs of the trust, (2) legal or investigative costs in connection with a liability claim, and/or (3) settlement of a claim, the funds would be deductible as a business expense when put into the trust, and tax-exempt while they remain in the trust. Money withdrawn from the trust for purposes other than those listed above would be taxable. This would put the person who established a reserve fund for self-insurance in the same position regarding taxes as the person able to get a policy from an insurance company.

PLITE, as proposed, would be applicable to professional insurance as well as to product liability insurance. Thus, physicians, lawyers, engineers, architects and others would also be able to self-insure.

While it is obvious that the increase in product liability and the consequent increase in insurance rates affects business of all sizes, small business in general is least able to bear the impact of this development.

The small manufacturer who cannot obtain product liability insurance from any source at any price is faced with two choices—go "naked" (i.e., remain uninsured), or go out of business. In certain cases, he does not have even this choice, as distributors, wholesalers, or other buyers of his product may refuse to handle his goods without proof that he is insured. This may be particularly true if his product is one that is a component of another finished product, and the manufacturer of the finished product is also under pressure.

The manufacturer who chooses to go "naked," even if he can find people to handle his goods, may have great difficulty obtaining loans or other credit or financing, because of the unlimited contingent liability against his company's assests that going uninsured entails.

And, of course, if and when the smaller manufacturer is confronted with a large judgment resulting from a product liability suit, he rarely has the cash or other reserves needed to meet the judgment without liquidating his company.

Where insurance is available, but only at a very high cost (often greater than the gross sales of the company), the "smalls" are similarly disadvantaged. Lacking excess cash to meet the higher premium, the smaller company is also less able to pass the cost through to his customers, or to spread the cost over an entire line of products.

Thus, the product liability problems of all companies are truly of "crisis" dimensions for smaller businesses, whether they are manifested in the form of unavailability, unaffordability, or very high deductibles. In each case, the smaller manufacturer feels the squeeze much more than the larger company.

The small companies whose existence is threatened now by the product liability situation cannot afford to wait years for the picture to change. They need immediate relief.

The PLITE bill will allow smaller companies that cannot obtain coverage from insurance companies to protect themselves against the potentially catastrophic results of product liability legislation.

We urge the House Small Business Committee to recommend that the issue of professional and product liability be taken up by the tax-writing committees.

Thirty associations support the Small Business Legislative Council position endorsing the PLITE bill. (See attachment C.)

ATTACHMENT C

Thirty associations support the PLITE bill, H.R. 7711. These associations believe that small business needs immediate relief if it is to survive the current product liability crisis. The PLITE bill helps provide that relief, without foreclosing more substantive reforms in the law at the federal and state levels. These associations are:

American Association of Nurserymen, Washington, D.C.

Automotive Warehouse Distrbutors Association, Inc., Kansas City, MO.

Building Service Contractors Association International, McLean, VA.

Christian Booksellers Association, Colorado Springs, CO.

Electronic Representatives Association, Chicago, IL.

Food Merchandisers of America, Inc., Washington, D.C.

Independent Bakers Association, Washington, D.C.

Independent Sewing Machine Dealers of America, Inc., Hilliard, OH.

Machinery Dealers National Association, Silver Spring, MD.

Manufacturers Agents National Association, Irvine, CA.

Menswear Retailers of America, Washington, D.C.

Narrow Fabrics Institute, Inc., New Rochelle, NY.

National Association for Child Development & Education, Washington, D.C.

National Association of Black Manufacturers, Washington, D.C.

National Association of Brick Distributors, McLean, VA.

National Association of Home Manufacturers, Washington, D.C.

National Association of Independent Lumbermen, Washington, D.C.

National Association of Plumbing/Heating/Cooling Contractors, Washington, D.C.

National Association of Retail Druggists, Washington, D.C.

National Beer Wholesalers of America, Inc., Chicago, IL.

National Electrical Contractors Association, Inc., Bethesda, MD.

National Family Business Council, Westville, NJ.

National Home Improvement Council, New York, NY.

National Independent Dairies Association, Washington, D.C.

National Independent Meat Packers Association, Washington, D.C.

National Insulation Contractors Association, Washington, D.C.

National Office Products Association, Alexandria, VA.

National Paper Trade Association, Inc., New York, NY.

National Precast Concrete Association, Indianapolis, IN.

National Small Business Association, Washington, D.C.

NATION FACING MOST SEVERE ENERGY CRISIS SINCE OIL EMBARGO OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RUPPE) is recognized for 10 minutes.

Mr. RUPPE. Mr. Speaker, this Nation is facing the most severe energy crisis since the oil embargo of 1973.

For 80 days, we have watched a paralyzing coal strike grow into a struggle for human survival. The time for action is now.

Look at the facts—40 percent of Ohio Edison's generating capacity is gone.

West Virginia's gross State product has lost $1.1 billion.

Chrysler Corp., a major Michigan based industry, has already laid off workers.

And layoffs and power reductions are occurring throughout the heartland of America, where heavy snowstorms have already punished the Great Lakes area.

And the worst is yet to come.

According to one account, if there is no settlement by April 1, the midwestern regional power supply will be cut to 30 percent of normal by May—which would mean at least 5 million unemployed, countless billions in lost earnings, and unfortellable human suffering.

For a shortage of coal, which is the cornerstone of President Carter's energy policy, is having domino effect on other industries—steel as well as utilities. And when steel production is interrupted, the auto industry will be brought to its knees.

Even the dollar is suffering on the foreign exchange markets because of concern over U.S. industrial performance and employment.

The coal strike cannot be classified as anything but a national crisis.

And what is even more alarming is the 11th hour intervention of the White House—73 days after the strike began. It is unfortunate that the administration did not get involved in the strike earlier, rather than exercising a hands-off policy.

The three options under consideration—invoking the Taft-Hartley Act, seizure of the mines, or binding arbitration are all tough measures. But as a DOE official stated, there is no way to deal with the situation except to get the coal to market.

So let us get on with it.

President Carter said last Friday that, and I quote:

> I don't think we could afford another week of negotiations. I would hope that we could conclude the negotiations within the next few hours or a day or so.

That was a week ago.

The time for invoking the Taft-Hartley Act is almost past due. Because of the crisis developing I believe that the President must take this first step to put moral and legal force of the law behind settlement of the strike.

It is not an easy decision, politically speaking, but then no one ever said the

Presidency was a piece of cake. I think a majority of Americans and members of Congress would support this action.

On the other hand, if the President thinks there are legislative problems with the present Taft-Hartley law, then he should come to us immediately with the needed changes.

The point is that the strike is 80 days old today, and its effect could be disasterous if not stopped now.

Congress has a role to play also. If the President is not willing to invoke Taft-Hartley because of its political implications, I think Congress should let the President know their feelings on this matter.

Therefore, I shall introduce early next week and seek support of a resolution expressing the sense of Congress to invoke the Taft-Hartley Act if a break in the strike has not occurred.

We, in Congress, cannot afford to sit on our hands while our economy slowly strangles in the grip of a coal strike crisis.

CONGRESSMAN BROYHILL'S FLOOR STATEMENT ON BUDGET

(Mr. BROYHILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROYHILL. Mr. Speaker, there is no way that the Nation's first one-half trillion dollar budget can be termed lean, conservative, or austere. That in itself is a disservice to the intelligence of the American people, especially when the President "promises" a deficit of $62 billion. That figure in itself is staggering enough, but Mr. Speaker, I submit to my colleagues that this projected deficit is unrealistic when several factors are considered, and I cannot help but believe the President knew this when he prepared his budget.

The President has made some unrealistic cuts in the budget when you consider the past spending habits of this Congress. Who believes that the recommended reductions in such programs as agriculture, veterans benefits, water resources, power projects, small business assistance, and the like will stand? These are basically programs which are popular with the American people as well as with the Members of Congress. The President knows this, yet he will place the blame on Congress if funds for these programs are restored leading to a deficit higher than the $62 billion he projected.

Congress has its work cut out for it in the days ahead. With a budget which is unacceptable to the American people, it becomes our duty to give careful study to the Carter proposals. We must look at existing programs and we must also give careful attention to the new and expanded programs which the President proposes.

With the much heralded zero-based budgeting and Government reorganization, along with the President's promise to reduce the bureaucracy, we should be able to cut this budget. It will not be easy. The pressures from the White House, the various special interest groups, and the bureaucracy itself will make our job more difficult, but our obligation to the American people and to future generations demands that we have the courage to halt the dangerous trend toward bigger and more expensive Government.

DEFINITION OF LIGHT CAPITAL TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. LONG) is recognized for 5 minutes.

Mr. LONG of Maryland. Mr. Speaker, although a number of amendments have been enacted into law requiring emphasis on "light capital technology" in foreign aid programs, there is still a great deal of confusion over what the term "light capital technology" means.

Light capital technology should not be regarded as "primitive," "low," "unsophisticated," or "obsolete" technology. Rather it is technology economical of capital. Producing a light capital technology that works, is culturally congenial, and is economic can require ingenious design and careful field testing.

Light capital technology should not be regarded as synonymous with inefficiency or high cost. On the contrary, if done appropriately, it should represent the least-cost solution by combining factors of production according to their relative scarcities, economizing on capital wherever capital is scarce and expensive and labor abundant and cheap.

Labor intensiveness is a necessary condition by which to define light capital technology, but it is not a sufficient condition, since even primitive or labor wasting technologies are labor intensive.

Light capital is not defined by dividing the total cost of a project by some total of beneficiaries, especially where it is difficult to identify these beneficiaries and to measure their individual benefits. It is defined by a small amount of capital investment per worker using the capital, and preferably by small projects that can be managed by small entrepreneurs.

A useful approximation of light capital technology is $100 per worker employed. The $100 figure is intended to be an order of magnitude, rather than a precise figure. A few light capital technologies will be more costly than $100, but many others can be found that will be much cheaper—a one-shot seeder in Honduras for $20; a family grain storage bin in El Salvador for less than $60. Any cost appreciably larger than $100 per worker tends to soak up so much capital in helping a relatively small number that no capital would be left to help the great majority. Even a cost of $100 per worker would mean that $100 billion would be required to finance the employment and increased production of the world's one billion working poor—a far larger sum of money than would be available for economic development even over a number of years. Therefore, any standard on an order of magnitude greater than $100 per worker deprives us of any hope of reaching a significant proportion of the world's poor.

Of course, if a technology costing in the thousands of dollars per worker—such as a wheat thresher I saw in El Salvador—should turn out to be spectacularly productive, it should be given consideration. But the burden of proof should be against any technology requiring such an infusion of capital, if for no other reason than because too much capital used in one place is going to mean less capital at another place. Even at $100 or less, most of the cost of economic development will have to be borne by finding ways for poor countries to produce their own capital from their own reserves of underutilized labor time or by finding ways of accumulating money savings through cooperative savings and lending institutions.

Light capital technology does not necessarily mean the displacement of large scale infrastructure projects. Light capital technologies can be developed in the rural areas or inserted into the interstices of urban sectors of poor countries simultaneously with capital-intensive infrastructural development, especially if the latter are designed to complement the light capital development (for example, irrigation and rural roads). But so much attention has been given to infrastructural projects, that it would seem possible, for a while at least, to shift the emphasis to light capital technology.

LONG AMENDMENTS IN THE FIELD OF LIGHT CAPITAL TECHNOLOGY

May 31, 1976: Amendment to the Inter-American Development Bank Authorization Act requiring the U.S. Executive Director to propose that light capital technologies "be accepted as major facets of the Bank's development strategy." (PL 94–302)

August 17, 1977: Amendment requiring that the U.S. place "important" emphasis on light capital technologies in preparing for and participating in the U.N. Conference on Science and Technology. (PL 95–105)

October 3, 1977: Amendment to the International Financial Institutions Authorization Act Requiring the U.S. to "promote the development and utilization of light capital technologies" through the international financial institutions. (PL 95–118)

July 26, 1977: Amendment to the Interior and Related Agencies Appropriation Act for FY 1978 providing $3 million for ERDA (Energy Research and Development Administration; now a part of the Department of Energy) program in light capital or appropriate energy technologies. This program is for domestic U.S. projects but should develop some technologies that will be applicable to developing countries. (PL 95–74)

THE FACTS ON KENNEDY CENTER OPERATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wyoming (Mr. RONCALIO) is recognized for 5 minutes.

Mr. RONCALIO. Mr. Speaker, recently, a number of misleading or erroneous statements have appeared in media coverage of issues involving the Kennedy Center. They have led to substantial public misunderstanding about the relationship of the Center to the National Park Service, the recent General Accounting Office (GAO) report concerning its capital debt, who pays for its programing and what is happening in regard to repair of structural and design defects that have caused extensive waterleaks. The following is an effort to correct these

misconceptions and set the record straight:

ASSERTION/FACT

1. ASSERTION

The taxpayers subsidize the Kennedy Center's stage productions.

FACT

The Center receives no direct Federal subsidy for its regular performing arts programing. Beyond that, it paid the National Park Service $569,452 last year for its share of electricity, cleaning and other building maintenance costs borne by the Park Service. The Center is both a national cultural center and a memorial to a slain President. The Park Service maintains the building as a national memorial but the Center is responsible for the theaters and massive backstage support facilities. When originally conceived as simply an arts center, an admission fee was contemplated. But Congressional policy prohibits this for Presidential memorials. Congress long ago recognized that it was unreasonable to expect a center for performing arts to pay all the costs of maintaining a memorial which drew more than 4.7 million visitors last year and thus, authorized a sharing of costs for performing arts and public use. The Center now considers its share an unfair burden given the range of educational and other programing that it must subsidize to fulfill its role and the mandate of Congress. Currently, only a small amount of Federal funding, involving educational programs, comes to the Center. And even in this area, these funds are far outweighed by money raised by the Center from foundation and private sources.

2. ASSERTION

The Federal government has borne most of the cost of the Center.

FACT

The Center has raised $35 million for the building's construction. Beyond that, it has raised more than $5 million to carry out programs mandated—but not funded—by Congress. Congress appropriated $23 million for the Center's construction and authorized a $20.4 million loan to build the 1,400 car parking garage. It should be noted that the Center was built at 65 percent of the cost of Lincoln Center—on either a square foot or cubic foot basis. Adjusted for inflation, the Center's cost figure shrinks to 40 percent of Lincoln Center. The Center fully concurs with the GAO that the Center's present fiscal dilemma is a matter "where only Congress can make the value judgments involved." The GAO itself concludes that the Center has little chance of raising substantially more private funds than it now does. Therefore, it is caught in a dilemma between repayment of the $20.4 million loan (plus millions of dollars in interest) to the Federal government or cutting back Congressionally mandated programming. Unfortunately, there is a further complication: Private donations since the Center opened 6 years ago have been secured for programming only; similar generosity for repayment of a Federal loan and compound interest is highly unlikly. There is a certain incongruity in the Center being charged compound interest on a Federal loan at a time when the National Arts Endowment is giving more than $125 million annually to other institutions, many of which—unlike the Center— have been unable to balance their operating budgets.

3. ASSERTION

The GAO report says the Center has failed to pay its telephone bills since 1972 and owes more than $300,000.

FACT

This is incorrect. The telephone bill was one of a number of items in dispute with the General Services Administration (GSA), including funds the Center felt it was owed. These issues were resolved under mutually agreed terms in September 1976. Since that time, the Center has been making regular payments to GSA and has now paid more than half the obligation.

4. ASSERTION

The Center should find more money by attracting more patrons or raising more money privately.

FACT

The Center, unlike most performing arts operations throughout the world, operates all its houses on a 52-week per year basis. At peak times, in the Concert Hall, for example, there are as many as 10 events a week. The Center has been called "the most active performing arts center anywhere in the world." So far, the Center has been able to match this extraordinarily intensive schedule of events to an equally phenomenal patron response—filling its halls to more than 80 pervent of capacity since its opening, a record unmatched by any other foreign or regional cultural center. The Center has consistently raised substantial private funds through an integrated and intensive campaign reaching corporate, foundation and individual donors. The recent GAO report itself specifically recognizes that the Center is unlikely to be able to increase patronage or raise additional money from private sources.

5. ASSERTION

Why can't the Center use profits from hits like "Annie" and "First Monday in October" to pay off the debt incurred in building the parking garage?

FACT

The Center is chartered by Congress to serve as a national cultural center presenting quality productions from around the country and the world, as well as educational and public service programming for audiences ranging from children to the elderly. It has, since opening its doors, been able to maintain its performing arts operations in the black while presenting thousands of free educational and public service events as well as other productions—like opera—that require substantial subsidies secured by the Center from private sources. Underwriting such losses is necessary to provide the variety and quality of programing that a true national cultural center should present. The Center's performing arts programming is not intended as a profit making operation but rather a delicate mechanism aimed at using funds raised from commercially successful ventures to underwrite the risk and losses involved in other ventures to achieve balanced programming reflecting all phases of the performing arts. The Center's unique achievement is that, so far, it has been able to balance those profits and losses.

6 ASSERTION

The Center is "elitist" and fails to try to reach a broad audience.

FACT

Don't be misled by the foreign gifts of crystal chandeliers and tapestries. The Center offered more than 1,000 free educational and public service events during the Bicentennial year and some 600 during fiscal '77. Some 414,000 persons—nearly 10 percent of all those who visited the Center—attended these free events last year. Beyond that, the Center had made up to 15 percent of its tickets available at half-price to such groups as the elderly, students, and those with fixed low incomes since its opening. Last year, this program cost the Center nearly $409,000 in potential revenue. An intensive program to expand black participation at the Center has been underway for more than a year. For the past two years, the Center has offered a year-long series of free children's programs. In fiscal '77, more than 50,000 youngsters took advantage of these. As a national cultural center, the Center has an obligation to present performing arts across the spectrum—from solo recitalists to elaborate operas.

7. ASSERTION

The Center is largely just a booking house and does little to add to the country's cultural enrichment through new Center productions.

FACT

Roughly ⅔ (68 of 107) of theatrical productions at the Kennedy Center have been financed in part or whole by Kennedy Center funds—the investment necessary to carry a presentation from paper to stage. In the Bicentennial year alone, for example, the Center presented 9 new productions of American plays and produced a half dozen music festivals with hundreds of concerts. Of course, the Center also has a responsibility to present high-quality productions in the performing arts that may originate elsewhere. The Center has made a notable artistic impact with the major festivals it has presented since it opened. The Mozart Festival, the Haydn Festival, Shakespeare and the Performing Arts, the Festival of the Old and the New, to mention a few, have received accolades from critics throughout the country. And in its invitations to foreign opera companies like the Bolshoi, the Berlin, La Scala and Paris, the Center has become the international showcase for great opera from all over the world.

8. ASSERTION

Kennedy Center Productions, Inc. is a private, profit-making group.

FACT

No. Kennedy Center Productions, Inc. is a wholly owned, non-profit subsidiary of Kennedy Center which secures its funds from a continuing, revolving line of credit guaranteed by a group of public spirited citizens. Unless fully extended, this line of credit is immediately available to the Center at those times when it is necessary to make critical production decisions rapidly. One such case was "Annie." None of the guarantors receives a salary or fee. Those involved can only lose—not make—money, since any profits go to the Center. So far, Kennedy Center Productions, Inc. has been able to maintain a closely balanced record of profits and losses in the productions it has sponsored.

9. ASSERTION

How in the world can it take $4.5 million to fix a roof and who is at fault?

FACT

The Center's roof was fixed, as of last May, under a relatively small $125,000 project and has remained watertight under a five-year guarantee. Virtually all of the Center's horizontal surfaces, however, have design or construction defects that have led to water damage. There are many elements in the Congressionally approved waterleak repair program now underway. The two primary repair projects authorized under the $4.5 million appropriated last year by Congress are reconstruction of the Roof Terrace (which runs partially above the Grand Foyer) and the East Plaza Drive (the roadway which provides the main access to the Center and is above an underground tunnel and service facility). These repairs could cost nearly $3 million of the $4.5 million appropriated and will get underway later this year. Complex engineering and design work is nearly complete. The building was designed by Edward Durell Stone—one of the nation's leading architects and built by John McShain, at the time one of the nation's leading contractors. Construction was supervised by GSA, which furnished the cost estimates and was paid nearly $1.5 million for its services. One other factor: Normally, in private construction, roofs are bonded; Federal government policy is to self-insure and the small amount

necessary for bonding was waived by GSA. Unfortunately, when you are in the insurance business, you sometimes have to cover losses—and this is one of those instances.

BANK BOARD EFTS REGULATIONS PRAISED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, time and again consumers have voiced serious concerns about the safeguards of electronic funds transfer systems (EFTS). Their message appears to be this: If financial institutions want to convince consumers to use impersonal banking machines, they will have to provide consumers with certain protections.

That is why I applaud the recent proposals by the Federal Home Loan Bank Board to establish regulatory guidelines for Federal savings and loans associations in their use of EFTS. Effective consumer protection is one of the most sensitive areas in the EFTS issue and I congratulate the Bank Board and Chairman Robert McKinney for their foresight and determination. Four years ago the FHLBB was the first agency to impose guidelines in the experimental use of electronic banking terminals and now it is the first to require mandatory long-range protection of the consumers' interests in this area.

As chairman of the Consumer Affairs Subcommittee, I have heard many witnesses from the banking industry testify on the EFTS section of H.R. 8753, the Consumer Credit Protection Act amendments. By and large, they are wary of any regulation in the development of electronic banking, calling it restrictive and premature. But does the FHLBB fear that its permanent regulations will inhibit thrift institutions? After 4 years of studying EFTS on a temporary basis would the FHLBB consider its new regulations as unwise and premature? It is difficult to see how other members of the banking community could regard essential regulations like privacy safeguards, clear disclosure terms and liability of loss as anything but in the best interests of both consumer and bank.

Quite simply, the Bank Board would require that Federal thrift institutions set forth clearly the rights and responsibilities of consumers. The regulations would also prohibit the thrifts from disclosing certain computer data to third parties, require that regular account statements be issued to customers, as well as printed receipts with each transaction, and establish clear terms of liability. These guidelines certainly do not spell out doom for EFTS, nor impose an unreasonable burden upon financial institutions. Rather, they are feasible and sensible suggestions and, coming from such a prestigious body as the FHLBB, should be taken seriously by all parties concerned with the development of EFTS.

By encouraging the development of this new technology within a regulatory structure, the Bank Board has taken a significant step in the direction of conscientious implementation of EFTS. There is little doubt but that EFTS services are expanding around the country. Nearly 2,000 electronic terminals are in use by almost 300 Federal thrifts alone. And Citibank in New York has launched a massive advertising campaign to promote its automated teller machines. Yet the banking community acknowledges that EFTS has not been a profitmaker and will not be until a high volume of consumer transactions take place. But if aggressive marketing produces the required high volume, will it also magically produce consumer protection? Consumer safeguards will not evolve by themselves, but only through the constructive actions and cooperation of agencies, financial institutions, and Government. That is why I introduced EFTS legislation that is why the Bank Board proposal is commendable.

Mr. Speaker, while the FHLBB regulations are laudatory, it is my belief that they point to the urgent need for comprehensive and uniform EFTS consumer safeguards. We cannot have some members of the financial community abiding by one set of rules and others abiding by another set or even by no regulations at all. EFTS is still a developing, immature technology. H.R. 8753 can help it mature by giving consumers the protection that will ultimately lead to confidence in their electronic banking transactions.

ORGANIZED CRIME AND BOOTLEGGED CIGARETTES: CURBING A NASTY HABIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, the press has frequently reported the growing problem of cigarette bootlegging across State lines. This smuggling takes place because State taxation rates vary widely, and thus it is profitable to smuggle cigarettes from low-tax States to high-tax States.

The proceeds from this illicit traffic flow into the treasuries of organized crime, which in turn invests this money across the United States for drugs, gambling, prostitution, and other illegal activities. Last year alone, cigarette smuggling cost the States over $400 million in lost revenue.

There have been several legislative proposals introduced to curb this growing problem. Some seek to declare smuggling a Federal crime. They propose putting additional Federal agents into the field to police this law. Most observers think this approach would only curb at most about one-third of the smuggling problem. Moreover, such contraband proposals could well increase the amount of Government redtape and Federal interference with the States and tobacco dealers.

Other proposals seek to establish a uniform tax rate, thus making smuggling unprofitable. Some would even seek to curb cigarette smoking altogether by setting a very high tax rate.

I recently introduced a proposal, H.R. 10579, which I think is both fair and workable. It is not an antismoking bill, it is an anticrime bill. It would eradicate the root cause of smuggling (that is, interstate tax differentials) and actually increase State revenues to those States who participate.

Specifically, my proposal would provide incentives for the States to adopt a uniform tax rate while slightly increasing the existing Federal tax. The current State and Federal tax on cigarettes averages 20 cents per pack, and my proposal would bring the total tax up to 25 cents per pack. This slight increase in taxes would be used to compensate participating States for reducing their taxes.

The increase in Federal tax revenues would be paid back to the participating States in a two-step process. First, the States would be compensated from a special trust fund for the revenues they would have received under their existing tax rates without smuggling activities. A second payment would also be made to the States based on the number of cigarette sales in each State. The money remaining after these two payments would go into the general fund of the Treasury.

This proposal would eliminate the wide variation in State tax rates which is the root cause of smuggling. Moreover, the States, for the most part, would receive more funds under my proposal than they are currently collecting.

I am reintroducing this bill today with additional cosponsors. I am very hopeful my other colleagues will join us in this effort to curb organized crime.

THE GREAT POSTAL STING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. PEASE) is recognized for 5 minutes.

Mr. PEASE. Mr. Speaker, yesterday I introduced legislation to stop abuses in the workers' compensation program under the 1974 amendments to the Federal Employees Compensation Act.

This week's Newsweek magazine carries a timely and informative article which points out the need for such legislation. It specifically cites the continuation of pay provision and doctor verification of injuries as problem areas, each of which would be expressly improved by enacting my bill.

Next week I will be circulating a Dear Colleague letter inviting Members to cosponsor the legislation. I have asked that the article be reprinted so that Members and the public might be better informed on the topic of workers' compensation as the bill is considered.

THE GREAT POSTAL STING

Albert DeVivo, a 50-year-old Long Island, N.Y., letter carrier, was put on disability pay last October after he convinced his superiors that, in slipping on a leaf, he had injured his back and arm so severely that he couldn't work. But a few days later, a suspicious Postal Service investigator videotaped DeVivo hefting 60-pound cartons at a grocery store

he co-owned—and he is now awaiting trial on fraud and other charges. A 26-year-old postal worker in Pasadena, Calif., had been on full disability for nearly a year with a knee "injury" when he was pictured in a magazine jumping triumphantly over a tennis net. And on Staten Island, N.Y., a postal employee who had collected $1,681 in compensation for shoulder pains was exposed when a newspaper reported he had rolled a "fiery 267" in a local bowling tournament.

All three postal workers were fired or suspended, as are most who are caught. But they are only a tiny minority of workers who, authorities suspect, have been filing fraudulent disability claims against the Postal Service. Since fiscal 1974, current and accrued workmen's compensation costs have increased more than sevenfold, from $93.7 million to $656.7 million in fiscal 1977—and the total may well reach $1.2 billion by 1979. This massive rise comes in the face of a sharp drop in the number of postal employees, from 710,433 in 1974 to 655,097 last year. In his report for fiscal 1977, Postmaster General Benjamin F. Bailar—who announced his resignation last week to take a job with U.S. Gypsum Co.—said the "dramatically increasing" cost of compensation payments was the major reason for last year's postal deficit of $687.8 million. And George G. Gould, staff director of the House subcommittee on postal personnel and modernization, has warned that unless the program is brought under control, "it will be like social security; it will drive everybody broke."

Ouch! The primary reason for soaring costs is a 1974 amendment to the Federal Employees' Compensation Act. Prior to the change, a worker certified as injured or disabled had to wait three days to be eligible for compensation pay, meanwhile either going without pay or using up sick leave; he then collected a mixmum of 75 per cent of his salary. But under the new plan, benefits start immediately and an employee can collect full pay for up to 45 days for such maladies as sprained ankles and sore backs. "You'd be surprised how many miracle cures we have on the 46th day," one postal authority noted. The act covers all Federal employees, but the Postal Service is the principal beneficiary. It is the biggest nonmilitary Federal employer with 655,097 workers, and most of them, unlike the majority of government employees, don't work at desks.

The overwhelming majority of payments, of course, go to legitimate claimants. Increasing mechanization of the work and cursory safety-training procedures have made the post office a more dangerous place to work, union officials say. And the rise in reported deaths and injuries on the job would seem to bear that out; despite the shrinking work force, they rose from 17,171 in 1971 to more than 44,000 last year. But postal authorities caution that the 1977 figure may have been inflated by an undetermined number of phony claims.

Easy Ride: The Postal Service, along with other Federal agencies, is more vulnerable than most employers to cheating.* For one thing, under the 1974 amendment, applicants no longer have to submit to an examination by government doctors; they can choose their own. All claims are then passed to the Labor Department's understaffed Office of Workers' Compensation Programs, and despite frequent objections by postal supervisors, most claims are usually upheld.

*Another "disabled" government employee may have run afoul of the New York City Fire Department last week. Former fire fighter August G. Muhrcke, 37, who was retired on a tax-free disability pension of $11,822 annually four and a half years ago because of a bad back, led fourteen contestants in a race up the 86 flights of the Empire State Building in a time of 12 minutes, 32 seconds.

The House postal subcommittee plans to reopen hearings in Washington next month on the compensation spiral. Gould said Congress might at least endorse a request from the Postal Service that it be allowed to appeal OWCP rulings on suspicious claims. And postal inspectors are stepping up their efforts to punish cheats as a warning to others. On Long Island recently, inspector Michael Cassidy arrested Gary C. Of, a letter carrier who claimed an injured knee and collected 74 hours in illegal compensation pay. Of agreed to repay the money and he's now on court probation for six months. "After the publicity about Gary Of, our injuries on duty dropped to about zero," postmaster Robert Schwab of Bellmore, N.Y., reported last week. "Inspector Cassidy put the fear of God in them."

—Tom Nicholson with Melinda Beck in New York and Jeff B. Copeland in Washington.

LITHUANIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

Mr. HANLEY. Mr. Speaker, in 1918, the Republic of Lithuania was created, and declared its independence from the Russian Empire. Sixty years later, on February 16, 1978, Lithuanians throughout the world observed the anniversary of the Declaration of Independence of Lithuania. On this occasion, I am proud to join with all Americans of Lithuanian descent to commemorate this 60th anniversary.

The freedom and independence that I speak of, however, have been short-lived in this Baltic nation. Upon an invasion by Soviet Union troops in 1940, thousands of Lithuanians were forced to leave their native land while others were interned in Siberian prison camps.

Despite these hardships, the culture, heritage, and national identity of the Lithuanian people survive. Today, over 1 million people of Lithuanian ancestry live in the United States as well as in various other parts of the free world.

Although modern maps depict Lithuania as being a possession of the Soviet Union, the U.S. Government has maintained a policy of nonrecognition of this forcible seizure of Lithuania and her neighbors.

Agreement with the Helsinki accords of 1975 in no way constitutes a shift in our position on this policy.

The Lithuanian struggle continues to this day. We salute the efforts and determination of the Lithuanian people in their quests for human rights and a free homeland.

I feel it is only fitting to pay tribute to these efforts and to the many Lithuanians who live and work in our country.

TREATIES IGNORE ENVIRONMENTAL RESPONSIBILITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 30 minutes.

Mr. LEGGETT. Mr. Speaker, administration officials claim they have the necessary facts concerning the effects of the proposed Panama Canal Treaties upon the environment to enable the Congress and the American people to assess their merits and faults. In their efforts to mobilize political support for the new treaties they also claim that the proposed treaty arrangements "represent an environmentally sound course of action" and that "no serious omissions have been identified in the provisions on environmental protection." These officials are wrong on both counts.

The fact is that the Department of State has not gathered the necessary environmental information concerning the proposed treaties. Nor has it completed an adequate environmental statement for the treaties as required by the National Environmental Policy Act (NEPA). Indeed, the President's Council on Environmental Quality (CEQ) has told the Department of State that the environmental impact statement for the proposed treaties is inadequate and should be supplemented with the data and analysis required by NEPA.

While certain Federal officials also assert that the proposed treaties adequately provide for the protection of the environment, the fact is that the proposed treaties are seriously deficient on a number of points. In their present form, the treaties:

May be a death warrant for over a dozen species of endangered wildlife;

Fail to preserve several unique and important forest areas;

Fail to provide adequate protection against the spread of tropical diseases; and

Fail to address the potentially serious environmental implications of raising canal tolls, adding a third lane of locks to the canal and constructing a new sea level canal.

The final environmental impact statement (EIS) for the proposed treaties is to grossly deficient that it is hard to begin in listing its adequacies. Its most basic flaw is its failure to assess the impact of the proposed treaties upon those areas of the Canal Zone which would be transferred to Panamanian control. The crux of the problem is summed up in the EIS—page 42—which states:

> A distinction must be drawn between environmental effects arising directly from the implementation of the proposed Treaty and those effects which are anticipated in some quarters as a result of the proposed change in control over the present Canal Zone.

This is like saying that the environmental impacts of a mining operation or oil drilling operation do not have to be assessed when Federal lands are leased or sold for these purposes. This is absurd. Having established such an erroneous "distinction" the EIS goes on to note that "there will be large areas—about two-thirds of the Canal Zone area—in which environmental protection will depend on Panamanian legislation and enforcement"—page 30. These "protections," however, are never assessed in the EIS. As a result, the future of over two-thirds of the Canal Zone environment is ignored.

Equally frustrating is the discussion in the EIS of those environmental issues concerning a possible sea level canal, a third lane of locks and increased tolls. Rather than address these issues, the EIS refers to possible future studies and assessments. No commitment is made to

complete these studies and no good faith attempt is made to address these issues in the EIS. What the EIS is saying is that the Federal officials concerned will assess the environmental implications of what they will do under the treaties after they do it and not before. Such a disregard for environmental concerns is consistent with the past failure of these same officials to consider environmental issues during the negotiation of these treaties. It is also, however, contrary to NEPA and should not be tolerated by Congress.

These basic flaws repeat themselves time and again in the EIS. For example, in the discussion of the impact of the proposed treaties upon the Canal Zone's unique forest areas, the EIS states—pages 20–21:

> There has been extensive deforestation in the areas adjacent to the Canal Zone and there are population and economic pressures for further exploitation of the forest areas. By contrast, because of restrictions on public access to the Canal Zone watershed and defense areas, much of the Canal Zone is now an island of forest in the midst of a generally cleared countryside—probably the most extensive, readily accessible lowland forest area in Middle America.

At one point the EIS concludes that the possible environmental impacts of giving control of the forest areas of the zone to Panama "cannot even be predicted with any confidence without a full understanding of the government of Panama's intentions and capabilities"—page 48. Nowhere in the EIS is there any serious analysis of what those "intentions and capabilities" are, how they could be enhanced or improved, or specifically what the impacts on the environment will be if they are not, improved.

An Agency for International Development (AID) memorandum attached to the EIS—tab N—suggests that the result of the proposed treaties will be deforestation and damage to watersheds as follows:

> There is little or no (Panamanian) legislation designed to avoid indiscriminate resource destruction or to promote their rehabilitation. What laws there are cannot be expected to be applied for lack of enforcement mechanisms. There are only six graduate foresters in the entire country of whom only two work in the public sector and there are only seven formally trained middle-level forest technicians.

Compare this statement to the statement in the EIS that future environmental protection in approximately two-thirds of the zone "will depend on Panamanian legislation and enforcement," concluding without any analysis at all that present Panamanian laws and regulations "appear to provide an adequate legal base for such protection"—page 39.

Although the EIS concludes in several places that preservation of resources and prevention of environmental degradation in the Canal Zone will depend in large part on the level of support given by the United States, no systematic attempt has been made to analyze what specific commitments have been made to protect watersheds and forest areas or what level of support is needed. Very little information is presented on management goals and options for the critical areas. Indeed, these areas are not even identified. Specific concerns over ground water and water quality issues are unanswered—see, DOI comments at EIS, pages P–10–15.

In summary, the discussion in the EIS of the impact of the proposed treaties upon the forests and watersheds of the zone is conclusory and inconsistent. This kind of analysis was condemned by the court in *National Wildlife Federation* v. *Andrus*, 7 ELR 20526, 20530 (D.D.C. 1977) as follows:

> A weighing of economic benefits against costs is impossible where there is only speculation and the promise of future details concerning the impact upon the environment.

The EIS also fails to adequately discuss the effect of the proposed treaties upon the many species of important and unique wildlife in the zone.

Several comments on the draft EIS identified the various species protected by the Endangered Species Act and the Convention on International Trade in Endangered Species of Wild Flora and Fauna which are found in Panama. These comments called into question the record of the Panamanian Government in protecting these species in the past and the lack of protection given these species by the proposed treaties. The U.S. Department of the Interior, for example, commented that—

> There is no discussion of how the proposed action might affect the endangered species of the Canal Zone. Pages 40–43 of the draft indicate real concern for the possibility of general environmental disturbance. What would be the effects of such disturbance on endangered species, and can such effects be tolerated pursuant to the provisions of section 7 of the Endangered Species Act of 1973?

In response, the EIS attaches a list of 17 animals protected under the Endangered Species Act of 1973, which are located in the Canal Zone. This list was submitted by the Audubon Society as part of its comments on the draft EIS and no independent assessment of endangered species was made by the State Department—appendix E.

The EIS states:

> That if hunting is not properly controlled and deforestation prevented, this wildlife will be extirpated—page 22.

Left undiscussed is whether hunting and timber harvesting would be controlled—see previous discussions. Also left unanswered is the question posed by the Department of the Interior of whether or not section 7 of the Endangered Species Act has been satisfied. The failure of the EIS to adequately respond to these concerns over endangered species is inexcusable and provides basis for finding the EIS to be inadequate under the National Environmental Policy Act.

The EIS does show, however, how the proposed treaties are inconsistent with section 7 of the Endangered Species Act which provides, in part, as follows:

> All other Federal departments and agencies shall, *in consultation with* and with the assistance of the Secretary, utilize their authorities in furtherance of the purposes of this chapter by carrying out programs for the conservation of endangered species and threatened species listed pursuant to section 1533 of this title and by taking such action necessary to insure that actions authorized, funded, or carried out by them do not *jeopardize* the continued existence of such endangered species and threatened species * * *. (Italic added.)

The obligation not to "jeopardize" endangered species applies to the Canal Zone.

The proposed treaties do not specifically address the question of the protection of endangered species. Protection of these species in the Canal Zone after the year 2000 remains totally unguaranteed. Similarly, in the period prior to 2000 there are no assurances that endangered species will be protected. Indeed, it can be inferred from the EIS that these species will not be protected. Note, for example, the comment that the Canal Zone is presently an island of forested habitat surrounded by generally cleared landscape in Panama—EIS at pages 20–21. The EIS vaguely states:

> There are reasons for environmental concern. However, these problems are recognized . . . and plans are being made to deal with them.

What these "plans" are, however, is unexplained in the EIS.

In my view the EIS provides a prima facie case that the proposed treaties are contrary to section 7 of the Endangered Species Act. Section 7 was also violated by the Department of State when it failed to consult with the Secretary of the Interior during the negotiations of the proposed treaties.

The failure of the proposed treaties to guarantee protection for endangered species is also inconsistent with the direction of section 8(b) of the Endangered Species Act which encourages—

> The entering into of bilateral or multilateral agreements with foreign countries to provide for (the conservation of fish and wildlife including endangered and threatened species).

One of the endangered species which the EIS fails to adequately discuss is the West Indian manatee which is protected under both the Endangered Species Act and the Marine Mammal Protection Act—tab E. The failure of the proposed treaties to provide any protection for the manatee, therefore, not only is inconsistent with the Endangered Species Act, it is contrary to the direction in section 108 of the Marine Mammal Protection Act that the Secretary seek international agreements which provide "for the protection and conservation of all marine mammals."

The impact of the proposed treaties upon migratory birds has also been ignored in the EIS. Moreover, the failure of the proposed treaties to guarantee protection of migratory birds brings into question their consistency with the conventions for the protection of migratory birds signed with Great Britain, Mexico, Japan, and the Soviet Union. The Convention with Japan, for example, obligates the United States to "take appropriate measures to preserve and enhance the environment of birds."

Similarly, the Convention with the

Soviet Union obligates the United States to identify areas under its jurisdiction which are "of special importance in the conservation of migratory birds" and to "undertake measures necessary to protect the ecosystems in those special areas * * * against pollution, detrimental alteration and other environmental degradation."

Wildlife issues are not the only ones ignored in the EIS and proposed treaties. The proposed treaties anticipate substantial increases in the tolls for canal use—page 33. The traffic diversions resulting from these increases might result in significant adverse environmental impacts in the United States and elsewhere. Several comments on the EIS from expert Federal agencies note that the discussion of this issue was inadequate—see for example, EIS, pages P–6, P–11.

Rather than answer these comments the EIS states that a study of such impacts is underway but that until this study is complete "it is not possible to tell whether the environmental effects of a further toll increase will be significant or not"—page 34. The proposed treaties, however, constitute the crucial decision point regarding increased tolls. Because of this the failure to assess the impact of these tolls violates NEPA.

The EIS also fails to assess the possible impact of the construction of a sea level canal as being "outside the scope of the statement"—page 32. The reason given for this failure is the proposed treaties merely commit the United States to study the feasibility of such a canal. The EIS further states, however, that a possible sea level canal would be "examined in any environmental impact statement done in connection with the feasibility studies." No commitment is made to prepare a final environmental impact statement in connection with the feasibility study.

Sections 3 and 4 of article XII of the treaty give the United States a virtually unrestricted right to add a third lane of locks to the existing canal prior to the year 2000. The EIS devotes only one sentence to this option, stating that "no studies or surveys of the environmental impact" of the construction of a third lane of locks have been made. NEPA requires more than this sort of cursory nonanalysis. The third-lock option has potential environmental consequences similar to those of a sea level canal if Gatun Lake is converted to salt water. If this were to be done, it is likely that many marine organisms would move from one ocean to the other.

At several points, the EIS infers that the proposed treaties might cause substantial impacts on Panama's environment. The EIS states that the Canal Zone is a barrier for the dispersal of tropical disease—pages 20, 49. Presumably, the proposed change in administration of the Canal Zone might seriously damage the environment of Panama and other foreign countries by causing the spread of tropical disease. The Department of Health, Education, and Welfare commented that the EIS should address this issue in detail—EIS, page P–13. The EIS, however, does not discuss this subject. Nor does it assess the consequences in these areas if diseases spread. These impacts might be major—see comments of the Gorgas Memorial Institute at EIS page P–31.

Similarly, the potential effect of the proposed treaties upon the watersheds in Panama, if any, is not addressed. While the EIS notes that forest protection and soil conservation are important to the "watershed upon which the canal depends"—page 49—there is no analysis of the consequences if such protection and conservation are not provided. Neither is there any discussion of where these impacts might occur.

The Department of State continues to oppose the longstanding view of the Council on Environmental Quality that impacts on foreign countries be addressed in impact statements. The sensitivity of the State Department in discussing environmental impacts within foreign countries is reflected in the EIS where it discusses the impact of the proposed treaties upon those areas of the Canal Zone being returned to Panama for administration—pages 36–43. The failure of the EIS to discuss impact on Panama, therefore, does not necessarily mean that such impacts do not exist. It may mean that the Department of State failed to report on these impacts or even investigate them. If significant impacts exist but are not reported in the EIS, or if the issue was not investigated by the Department of State, section 102(2)(C) of NEPA was violated.

Finally, NEPA requires that an environmental impact statement contain a "detailed statement concerning alternatives to the proposed action." In addition, Federal agencies are under an obligation to "study, develop, and describe appropriate alternatives to recommended course of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources." This requirement that alternatives be discussed in an impact statement has been described as "the lynch pin of the entire impact statement."

Federal agencies are to explore "all reasonable alternative actions particularly those that might * * * avoid some or all of the adverse environmental effect." Federal agencies "must explain the basis for each conclusion that further consideration of a suggested alternative is unwarranted." *Aeschliman* v. *NRC*, 547 F.2d 622, 628, 9 ERC 1282 (D.C. Cir. 1976).

Missing from the EIS is any meaningful discussion of the alternative of seeking changes to the proposed treaties. The present discussion of alternative actions is mislabeled, untrue and conclusory—EIS page 46. The statement in the EIS that additions to the treaties are unnecessary and impossible is inconsistent with numerous references in the EIS to future "plans" to protect wildlife and the need to define the responsibilities of the Joint Commission—page 18. Comments on the draft statement which pointed out the inadequacy of this discussion went unanswered in the EIS—see for example, Department of Air Force, at EIS page P–10, Department of Health, Education, and Welfare at EIS page P–16.

It is clear from this EIS and the proposed treaties that the Department of State either misunderstands its environmental obligations or is unwilling to adhere to them. Unless Congress corrects this situation, the environment of the Canal Zone will be inadequately protected and the Department of State will continue to disregard its environmental responsibilities.

Irrespective of its failure to comply with environmental requirements in negotiating the proposed treaties, the Department of State could use the NEPA process to assess in good faith: First, whether or not to seek changes to the treaties, and second, how to implement the proposed treaties so as to protect the environment. It is not too late to use the NEPA process and other environmental laws to seek the commitments necessary to protect the zone's environment.

THE 1977 SOL FEINSTONE ENVIRONMENTAL AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, I wish to call to the attention of my colleagues an honor which was recently bestowed upon Ms. Barbara Blum, Deputy Administrator of the Environmental Protection Agency, and a fellow Georgian. On September 23, 1977, Ms. Blum was the recipient of a 1977 Sol Feinstone Environmental Award. Ms. Blum was selected from nearly 100 nominees from across the Nation.

These awards were initiated by the State University of New York, College of Environmental Science and Forestry (ESF), Syracuse, after alumnus Sol Feinstone established a $100,000 endowment at the college to support the program.

Through the awards, Mr. Feinstone hopes to recognize people who do things "simply because they should be done for the good of society." He wishes to highlight volunteerism, which has characterized the environmental movement. Feinstone is an acclaimed author of scholarly articles on freedom and the American struggle to obtain it within political, economic, and social spheres. He hopes the awards will serve "as a reminder to youth that our country, with all its shortcomings, is worth saving."

The protection of Georgia's Chattahoochee River has been one focus of Barbara Blum's environmental and conservation activities since 1960 when she first alerted environmentalists and public officials to the dangers of the loss in water quality and recreational value of this river which serves as Atlanta's main water supply. With the help of her leadership, an effective group was organized to pursue a course of action that would protect and preserve a portion of the Chattahoochee River from destructive development. Their efforts resulted in the passage of the first land use legislation in Georgia, the Metropolitan River Protection Act. The bill governed development in the 48-mile river corridor, up-

graded sewer construction methods and provided for additional parklands.

In 1976 Ms. Blum received the Special Conservation Award of the National Wildlife Federation.

In 1977 legislation was proposed in both Houses of Congress to establish the Chattahoochee River National Park to protect and enhance this urban river. We in the House of Representatives have already passed our bill, giving overwhelming support to what will become a major addition to our national park system to be enjoyed by present and future generations.

Recently, Ms. Blum's early support of President Carter's environmental programs led to her appointment as Deputy Administrator of the Environmental Protection Agency, the position she now holds.

In Atlanta, on September 23, Gov. George Busbee, representing the award directors and Mr. Feinstone, presented Ms. Blum with a check for $1,000 and a citation of her environmental accomplishments which is quoted below:

Barbara Blum, concerned citizen, knowledgeable activist, and effective lobbyist, your community and regional land and water conservation efforts have made you one of the most respected environmental leaders in the State of Georgia. Mobilizer and motivator, you alerted citizens and public officials to the imminent dangers of declining water quality and recreational value of the Chattahoochee River. You skillfully assembled effective lobbies at the local, state and national levels, which achieved an environmental landmark—enactment of the first land-use law in Georgia. Called the Metropolitan River Protection Act, it governed development of the Chattahoochee Valley, assuring Atlanta's water supply, creating parks and recreational areas and providing other benefits. Other water management achievements in the region have followed these first successes. As a constructive critic, with broad vision, commitment, and involvement, you have, through several organizations and activities contributed significantly to the quality of life in your state. Tireless worker and protector of the irreplaceable, you are devoted to the preservation of America's natural environment.

We are proud to present to you the 1977 Sol Feinstone Environment Award.

THE NEED FOR EXTENSION OF PUBLIC LAW 86–797

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, earlier this week, I appeared before the distinguished House Committee on Merchant Marine and Fisheries in support of legislation which I am cosponsoring, along with a number of other Members, to extend authorization of Public Law 86–797, also known as the Sikes Act. I recognize and appreciate the outstanding accomplishments of that great committee which has contributed so effectively to our Nation's progress. This committee also has given its support to the legislation which I am now discussing. In that connection, Mr. Speaker, I wish to acknowledge in particular the active and effective support provided by my very good friend of many years, the distinguished gentleman from Michigan (Mr. DINGELL) who is one of the Nation's foremost authorities on conservation.

I am very pleased that this committee has recognized the need for extending the act by scheduling early hearings and I am very hopeful the Congress will enact legislation for this purpose at an early date. Similar steps are in progress in the Senate. Also, I am hopeful that the Department of Defense and the Department of the Interior will make a greater effort than they have previously toward fully implementing the act. Many outstanding programs have been initiated under the act, but much more could be accomplished if we have a greater degree of cooperation from government agencies that are affected.

The original Sikes Act of 1960, known as Public Law 86–797, authorized fish and wildlife programs on military lands. The 1974 amendments extended the act's provisions to other public lands including national forests, national resource lands, national energy lands, and National Aeronautic and Space Administration lands.

It will come as a surprise to many to learn that the act originally called for 25.4 million acres of land and military reservations. The total scope has now been expanded to 659 million acres which include the following: 450 million acres, BLM; 180 million acres, Forest Service; 25.4 million acres, military lands; 2.1 million acres, Department of Energy; 1.5 million acres, NASA.

In addition to emphasis on improvement and greater utilization of recreation facilities, the act directs that comprehensive plans for fish and wildlife habitat improvements on those lands be developed and implemented by the Federal agencies through cooperative agreements with State fish and wildlife agencies.

Many installations acting largely on their own have successfully complied with the intent of this legislation. Eglin Air Force Base, Fla., in my district, developed an extensive program of recreation use. The progressive leadership of Eglin in the fields of land use conservation, natural resource management and recreational use, has been well recognized. The same is true of Tyndall Air Force Base. Year after year, these installations have been among the top finalists in the Air Force Annual Conservation Award and in nationwide conservation awards. These installations and the Air Force are not unique in excellence in these programs. The excellent public programs of the Marines at Quantico, the Army proving ground at Fort Sill, the A. P. Hill Army Installation, and many other military installations, provide an important recreation and wildlife resource to the military and civilian personnel in their areas.

As I stated, it is estimated that 659 million acres of land are now available for utilization under the act. There are many who see the value of the program and have worked to take advantage of its opportunities. Much has been done but much more could be done. With the growing diversity of outdoor recreation pursuits and with energy and economic problems forcing many people to seek recreation nearer home, I am confident the bill has served a useful purpose. Obviously, the first requirement is to extend the act. I will welcome any improvements that your distinguished committee sees fit to make in the language or in the act. I feel there has been growing recognition of its value and I trust that, with the continued support of the committee and Congress, we can make this legislation an even more useful instrument in the years ahead.

WYOMING HIGH LAKES

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, I am today introducing legislation to designate the Wyoming High Lakes region of the Shoshone National Forest, Wyoming, as a component of the National Wilderness Preservation System. These lands are of a spectacular nature, and comprise an integral part of the Yellowstone-Beartooth ecosystem in Montana and Wyoming. They are contiguous to the proposed Absaroka-Beartooth Wilderness area in Montana which passed the Senate unanimously last week, and is awaiting action in the House Interior Committee.

While the bill I am introducing would create a 46,500-acre wilderness, it should be known from the outset that this acreage figure is introduced for discussion purposes only, and does not reflect my endorsement of the 46,500-acre figure. Indeed, I am keenly aware that portions of the area contain important areas for four-wheelers, snowmobilers, and other offroad vehicle users, and that boundary adjustments must be made to accommodate these and other existing uses.

I am also convinced that portions of the High Lakes area contain outstanding wildlife, nonmotorized recreation, scenic and other values, and should be afforded the permanent protection from development which is provided by inclusion in the National Wilderness Preservation Systems. This will not be accomplished by the pending Absaroka-Beartooth Wilderness legislation because it stops at the Montana-Wyoming line. Nature does not respect State lines, and in the case of the Absaroka Beartooth, it is evident that the wilderness values which exist north of the Wyoming border also extend south into the Wyoming High Lakes region. This fact was evidenced by the strong support for inclusion of the High Lakes in wilderness which was in clear abundance at my subcommittee's hearings on the Absaroka-Beartooth Wilderness in Billings, Mont., last August 10.

In order to gain a more precise idea of what exact boundaries might best meet the concerns of all parties involved, a subcommittee hearing is planned on the High Lakes wilderness proposal in Powell, Wyo., on March 22. Testimony will be

heard as to appropriate boundaries, and where wilderness values exist.

I am confident that we can arrive at a boundary solution which will best suit the needs of those who use and enjoy the many values of the High Lakes region.

CALIFORNIA SUPPORT FOR ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, on Tuesday, February 28, the Committee on Interior and Insular Affairs opens markups on a revised version of H.R. 39, the Alaska National Interest Lands Conservation Act, as reported by the Subcommittee on General Oversight and Alaska Lands. Subcommittee consideration of this legislation was completed last week after 10 months of hearings, briefings, and intensive study, and discussion. The subcommittee's version would add approximately 98 million acres of Federal land in Alaska to the Nation's conservation systems. This is 16 million less than the original Udall bill and 6 million acres more than the administration's proposals.

In September, the Los Angeles Times reviewed the issues involved in this legislation, which would designate Federal lands in Alaska for inclusion in the national parks, national wildlife refuges, national wild and scenic rivers, national forests, and the national wilderness preservation system. The Los Angeles Times concludes that "we believe Congress should be as ambitious as possible" in approaching this once-in-our-history opportunity. As the editors point out—

> Land preserved in its original condition, or near it, is scarce and getting scarcer. And land withdrawn from commercial development now can always be converted later if America, even a century or two from now, needs more lumber or minerals or other resources * * * Sequestering as much as possible now means that today's Americans will have bequeathed to their descendants a stunning legacy.

The full text of the editorial follows these remarks:

A STUNNING LEGACY

Only in Alaska does the United States possess a virtually untracked realm of hundreds of millions of acres of forest, mountain, glacier, stream and marsh. Only in Alaska does this country still let millions of waterfowl and mammals live undisturbed by mankind in a wilderness that is truly vast.

In a series of articles that appeared last weekend, Times Staff Writer Robert A. Jones described in compelling detail this land and the growing controversy over it. A national deadline is approaching, and so is a major battle in Congress. By December, 1978, Congress has to decide how the remaining available land in Alaska will be divided, used and controlled. At issue is which tracts, and how much in each part of the state, should be given over to national parks and recreation areas, national monuments and wildlife refuges.

Three major proposals are now pending. Each has intricacies of its own that make it difficult to choose among them. But we believe that Congress should be as ambitious as possible. And it is possible to be ambitious, indeed.

We can think of few investments that are more cheaply made at the outset, or more durably rewarding, than the setting aside of large amounts of natural riches.

Land preserved in its original condition, or near it, is scarce and getting scarcer. And land withdrawn from commercial development now can always be converted later if America, even a century or two from now, needs more lumber or minerals or other resources.

Alaska today stretches the imagination. With 362 million acres of land, more than 566,000 square miles, the state is more than twice the size of Texas. There are seven major mountain ranges and 3 million lakes—not thousands, but millions. Ten thousand undammed streams and almost 50,000 miles of shore, which is twice the earth's circumference, are home for fish and crab and the creatures that hunt them. Some 12 million waterfowl breed in Alaska's marshes. It has 41 active volcanoes, and more high mountains than any other part of America.

How much of this wealth should be preserved rather than developed? Alaskan officials advocate a 25 million-acre system of national parks and refuges and the placing of 55 million acres under joint federal-state control. The Carter Administration is expected this week to recommend setting aside more than 90 million acres. Rep. Morris K. Udall (D-Ariz.) is sponsoring a bill that would withdraw 113 million acres, almost a third of the entire state, and an area larger than all of California.

We think Congress should aim at no less than the Administration's proposal. Weighing in detail the merits of each approach is something we are not equipped to do; the job will demand hearings and analyses by congressional committees of all the factors and viewpoints and sectional interests that are involved.

Some advocates of rapid development have complained that taking much land off the market would give America more recreation lands and wilderness areas than it will need in the foreseeable future. They warn that Alaska's lodes of ore and stands of timber must be available to meet national shortages.

This point of view neglects the fact that Alaska's most likely areas for mining and logging have been meticulously excluded from the park plan. And the resources that are encompassed by the federal preserves won't go away if left untouched.

Sequestering as much as possible now means that today's Americans will have bequeathed to their descendants a stunning legacy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. AKAKA (at the request of Mr. WRIGHT), for today and February 27, on account of official business of the Committee on Agriculture.

Mr. MCKINNEY (at the request of Mr. MICHEL), from 11 a.m. through 1 p.m., today, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CUNNINGHAM) to revise and extend their remarks and include extraneous matter:)

Mr. MICHEL, for 5 minutes, today.
Mr. WHALEN, for 10 minutes, today.
Mr. RUPPE, for 10 minutes, today.

(The following Members (at the request of Mr. BLANCHARD) to revise and extend their remarks and include extraneous matter:)

Mr. LONG of Maryland, for 5 minutes, today.
Mr. RONCALIO, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. JONES of Oklahoma, for 5 minutes, today.
Mr. PEASE, for 5 minutes, today.
Mr. HANLEY, for 5 minutes, today.
Mr. LEGGETT, for 30 minutes, today.
Mr. LEVITAS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CUNNINGHAM) and to include extraneous matter:)

Mr. LENT.
Mr. CONABLE.
Mr. SCHULZE.
Mrs. HOLT.
Mr. GREEN.
Mr. COLLINS of Texas in two instances.
Mr. STEIGER.
Mr. LUJAN.
Mr. MARRIOTT.
Mr. ASHBROOK in three instances.
Mr. YOUNG of Florida in two instances.
Mr. BROWN of Ohio.
Mr. MICHEL.

(The following Members (at the request of Mr. BLANCHARD) and to include extraneous matter:)

Mr. BAUCUS.
Mr. KASTENMEIER.
Mr. PEASE.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. MAZZOLI in two instances.
Mr. BREAUX.
Mr. BLANCHARD.
Mr. COTTER.
Mr. EILBERG.
Mr. ROE in two instances.
Mr. JACOBS.
Mr. UDALL.
Mr. MAGUIRE.
Mr. BIAGGI in 10 instances.
Mr. WEISS.
Mr. OTTINGER.
Mr. GEPHARDT in two instances.
Mr. PATTEN.
Mr. DODD.
Mr. OBERSTAR.
Mr. BYRON.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day

present to the President, for his approval, a bill of the House of the following title:

H.R. 9375. Making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 28 minutes p.m.), under its previous order, the House adjourned until Monday, February 27, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3353. A letter from the Vice Chairman, Commodity Futures Trading Commission, transmitting the Commission's comments on H.R. 10285 and H.R. 10901; to the Committee on Agriculture.

3354. A letter from the Secretary of Labor, transmitting a report of a violation of the Antideficiency Act, pursuant to section 3679 (1) (2) of the Revised Statutes, as amended; to the Committee on Appropriations.

3355. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to require the use of the Consumer Price Index for all urban consumers in certain Federal programs, and for other purposes; to the Committee on Government Operations.

3356. A letter from the Comptroller General of the United States, transmitting a report on the Federal Government's bill payment performance (FGMSD–78–16, February 24, 1978); to the Committee on Government Operations.

3357. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to promote a more adequate and responsive national program of water research and development, and for other purposes; to the Committee on Interior and Insular Affairs.

3358. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

3359. A letter from the Secretary of Transportation, transmitting the annual report for fiscal year 1977 on the Northeast corridor improvement project, pursuant to section 703(1)(D) of Public Law 94–210; to the Committee on Interstate and Foreign Commerce.

3360. A letter from the Secretary of Transportation, transmitting the 2-year report on the Northeast corridor improvement project, pursuant to section 703(1)(E) of Public Law 94–210; to the Committee on Interstate and Foreign Commerce.

3361. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

3362. A letter from the Administrator of General Services, transmitting an amendment to the previously approved prospectus which proposed the lease of space at Building No. 5, O'Hare Lake Office Plaza, 2300 East Devon Avenue, Des Plaines, Ill., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3363. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's AEGIS weapon system program (PSAD–78–29, February 24, 1978); jointly, to the Committees on Government Operations and Armed Services.

3364. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to facilitate the implementation of section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976, to provide for the conversion of a part of the National Visitor Center to railroad passenger service, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 1048. Resolution providing for the consideration of House Joint Resolution 554. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress (Rept. No. 95–908). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN (for himself and Mr. DOWNEY):

H.R. 11144. A bill to reform electric energy ratemaking, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, Mr. LEVITAS, and Mr. MINETA):

H.R. 11145. A bill to amend the Federal Aviation Act of 1958 to improve air service and provide flexibility in air fares; jointly, to the Committees on Public Works and Transportation and Rules.

By Mr. DERRICK (for himself, Mr. CUNNINGHAM, Mr. ERLENBORN, Mr. ERTEL, Mr. RUSSO, Mr. BROYHILL, Mr. FARY, and Mr. LAFALCE):

H.R. 11146. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objections, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; to the Committee cn Rules.

By Mr. DORNAN:

H.R. 11147. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school or public buildings; to the Committee on the Judiciary.

By Mr. HIGHTOWER (for himself, Mr. GLICKMAN, Mr. JENRETTE, Mr. SEBELIUS, Mr. BURLESON of Texas, Mr. RUNNELS, Mr. KRUEGER, Mr. ROSE, Mr. RISENHOOVER, Mr. BREAUX, and Mr. WATKINS):

H.R. 11148. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 through 1981 crops; to the Committee on Agriculture.

By Mr. HILLIS (for himself, Mr. LENT, Mr. QUIE, Mr. ARMSTRONG, Mr. EDWARDS of Oklahoma, and Mr. GRASSLEY):

H.R. 11149. A bill to amend the Internal Revenue Code of 1954 to allow taxpayers to treat certain federally required nonproductive expenditures as not chargeable to capital account and as currently deductible; to the Committee on Ways and Means.

By Mr. HILLIS (for himself, Mr. GUYER, Mr. CEDERBERG, Mr. HARRINGTON, Mrs. SPELLMAN, and Mr. BEDELL):

H.R. 11150. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, dentures, eyeglasses, and hearing aids among the benefits provided by the insurance program established by part B of such title, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. JACOBS (for himself, Mr. SHARP, and Ms. KEYS):

H.R. 11151. A bill to amend section 206 of the Labor Management Relations Act, 1947, to provide for expedited employee ratification of contract offers in certain emergencies, and for other purposes; to the Committee on Education and Labor.

By Mr. JONES of Oklahoma (for himself, Mr. BEDELL, Mr. COTTER, Mr. DUNCAN of Tennessee, Ms. MEYNER, Mr. PATTISON of New York, Mr. PICKLE, Ms. SPELLMAN, and Mr. CONABLE):

H.R. 11152. A bill to amend the Internal Revenue Code of 1954 to discourage interstate bootlegging of cigarettes by increasing the Federal tax on cigarettes and to provide payments to certain States which do not impose more than 3-cent special tax on a pack of cigarettes; to the Committee on Ways and Means.

By Mr. MEEDS (for himself, Mr. LUJAN, Mr. KAZEN, Mr. DON H. CLAUSEN, Mr. WON PAT, Mr. SYMMS, Mr. KREBS, Mr. MARRIOTT, Mr. CORRADA, Mr. VENTO, Mr. MILLER of California, Mr. ENGLISH, Mr. STEED, Mr. ABDNOR, Mr. MARLENEE, Mr. MCKAY, Mr. HANSEN, Mr. RONCALIO, Mr. SANTINI, Mr. RUDD, Mr. JOHNSON of California, Mr. BAUCUS, and Mr. UDALL):

H.R. 11153. A bill to authorize the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for safety of dams and for other purposes; to the Committee on Interior and Insular Affairs.

By Ms. MIKULSKI (for herself and Mr. D'AMOURS):

H.R. 11154. A bill to amend title 4 of the United States Code to restrict the authority of any State or political subdivision to impose any income tax on any compensation paid to any individual who is not a domiciliary or resident of such State or political subdivision; to the Committee on the Judiciary

By Mr. PEASE:

H.R. 11155. A bill to provide that daylight savings time shall be observed in any State for 60 days after the President declares an energy emergency to exist within that State, to permit the President to extend such period after reviewing reports submitted by the Secretary of Transportation, and to permit certain daytime broadcast stations to operate before local sunrise; to the Committee on Interstate and Foreign Commerce.

By Mr. RINALDO (for himself, Mr. ARCHER, Mr. BEVILL, Mr. BURGENER, Mr. GOLDWATER, Mr. GUYER, Mr. KELLY, Mr. LAFALCE, Mr. LENT, Mr. MCDONALD, and Mr. MOORE):

H.R. 11156. A bill to prohibit the Board for International Broadcasting from providing funds or other assistance to Radio Free Europe and Radio Liberty if they allow any Communist country to use their facilities to broadcast; to the Committee on International Relations.

By Mr. RONCALIO:

H.R. 11157. A bill to provide for the Wyoming High Lakes Addition to the Absaroka-Beartooth Wilderness; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of New York (for himself, Mr. ABDNOR, Mr. AKAKA, Mr. ANDERSON of California, Mr. ASHLEY, Mr. BAFALIS, Mr. BIAGGI, Mrs. BOGGS, Mr. BONIOR, Mr. BONKER, Mr. BOWEN, Mr. BREAUX, Mr. DON H. CLAUSEN, Mr. CORRADA, Mr. CUNNINGHAM, Mr. DELLUMS, Mr. DICKS, Mr. DORNAN, Mr. EILBERG, Mr. EMERY, Mr. FISH, Mr. FISHER, Mr. FORSYTHE, Mr. FREY, and Mr. GOODLING):

H. Con. Res. 489. Concurrent resolution urging the Secretary of Defense not to include within the competitive rate program the movement of household goods of military and civilian personnel being transferred between the Continental United States and Alaska or Hawaii; to the Committee on Armed Services.

By Mr. MURPHY of New York (for himself, Mr. GRADISON, Mr. GUYER, Mrs. HECKLER, Mr. HEFTEL, Mr. HYDE, Mr. KETCHUM, Mr. LAGOMARSINO, Mr. LEGGETT, Mr. LIVINGSTON, Mr. LLOYD of California, Mr. LONG of Louisiana, Mr. MCCORMACK, Mr. MATTOX, Mr. MEEDS, Ms. MIKULSKI, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOORHEAD of California, Mr. NOLAN, Ms. OAKAR, Mr. OBERSTAR, Mr. PATTERSON of California, and Mrs. PETTIS):

H. Con. Res. 490. Concurrent resolution urging the Secretary of Defense not to include within the competitive rate program the movement of household goods of military and civilian personnel being transferred between the Continental United States and Alaska or Hawaii; to the Committee on Armed Services.

By Mr. MURPHY of New York (for himself, Mr. PRITCHARD, Mr. QUAYLE, Mr. RAILSBACK, Mr. ROBINSON, Mr. ROUSSELOT, Mr. RUDD, Mr. STOCKMAN, Mr. TRIBLE, Mr. VANDER JAGT, Mr. VOLKMER, Mr. WAGGONNER, Mr. WALSH, Mr. BOB WILSON, Mr. CHARLES WILSON of Texas, Mr. WON PAT, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. ZEFERETTI, Mr. DE LA GARZA, Mr. JACOBS, and Mr. WHITEHURST):

H. Con. Res. 491. Concurrent resolution urging the Secretary of Defense not to include within the competitive rate program the movement of household goods of military and civilian personnel being transferred between the Continental United States and Alaska or Hawaii; to the Committee on Armed Services.

By Mr. WOLFF (for himself, Mr. HARRINGTON, Mr. MARKS, Mr. GOODLING, Mr. HUGHES, Mr. FITHIAN, Mr. QUIE, Mr. HYDE, Mr. LAGOMARSINO, Mr. LLOYD of California, Mr. GLICKMAN, Mr. SEIBERLING, Mr. LIVINGSTON, Mr. BEDELL, Mr. CUNNINGHAM, and Mr. PATTERSON of California):

H. Con. Res. 492. Concurrent resolution expressing the sense of the Congress that the President actively seek an international convention which has as its goal a multilateral treaty to deny sanctuary to international terrorists; to the Commitee on International Relations.

By Mr. WOLFF (for himself, Mr. KILDEE, Mr. RODINO, Mr. D'AMOURS, Mr. PEPPER, Mr. CARR, Mr. MOAKLEY, Mr. VENTO, Mr. MAZZOLI, Mr. EILBERG, Mr. CORNELL, Mr. DORNAN, Ms. KEYS, Mr. BROWN of Ohio, Mr. WALGREN, Mr. FOUNTAIN, and Mr. EDWARDS of Oklahoma):

H. Con. Res. 493. Concurrent resolution expressing the sense of the Congress that the President actively seek an international convention which has as its goal a multilateral treaty to deny sanctuary to international terrorists; to the Committee on International Relations.

By Mr. BROOKS (by request):

H. Res. 1049. Resolution to disapprove reorganization plan No. 1, transmitted by the President on February 23, 1978; to the Committee on Government Operations.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of February 15, 1978 (p. 3487).

H.R. 10413. January 19, 1978. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay a monthly pension of $150 to each veteran of World War I who meets specified service requirements, or to the surviving spouse (who meets specified requirements), or when there is no surviving spouse, to the child or children (who meet specified requirements).

H.R. 10414. January 19, 1978. Agriculture. Directs the Secretary of Agriculture to establish the price supports for each crop year in regard to any crop of corn, cotton, peanuts, rice, tobacco, wheat, barley, oats, rye, grain sorghums, soybeans, sugar, wool, mohair, milk, and honey at 100 percent of parity, except in any case in which producers disapprove any marketing quota for any crop involved.

H.R. 10415. January 19, 1978. Ways and Means. Amends the Tax Reform Act of 1976 to delay for one year, in the case of individuals whose taxable year is a fiscal year, the limitations imposed by such Act on the deduction of prepaid interest by cash basis taxpayers.

H.R. 10416. January 19, 1978. Rules; Ways and Means. Amends the Second Liberty Bond Act to limit the public debt to the amount specified in the concurrent resolution on the congressional budget most recently adopted.

Amends the Federal Financing Bank Act of 1973 to require that receipts and disbursements of the Federal Financing Bank be included in the Federal Budget.

Directs such Bank to make commitments to purchase and to purchase specified obligations which are guaranteed by Federal agencies.

H.R. 10417. January 19, 1978. Government Operations. Establishes a Department of Education within the executive branch of the Federal Government to take over specified educational functions of various departments and agencies. Creates the Federal Interagency Committee on Education and the National Commission on Education.

H.R. 10418. January 19, 1978. Interstate and Foreign Commerce. Treats the Commonwealth of Puerto Rico as a State with a single health service area for purposes of Title XV (National Health Planning and Development) of the Public Health Service Act.

H.R. 10419. January 19, 1978. Ways and Means. Amends the Tariff Schedules of the United States to designate specific customs rates for ball or roller bearing pillow block, flange, take-up, cartridge, and hanger units.

H.R. 10420. January 19, 1978. Agriculture. Directs the Secretary of Agriculture to establish the price supports for each of the 1977 through 1981 crops of feed grains, cotton, peanuts, rice, tobacco, wheat, soybeans, sugar, wool, mohair, milk and honey at 100 percent of parity, unless a majority of the producers of any such commodity, in a referendum, vote to exempt such commodity from such support price.

H.R. 10421. January 19, 1978. Rules. Requires that legislation considered by Congress be accompanied by statements assessing the economic and social costs and the expected accomplishments of programs established or authorized by such legislation. Requires that duplicative programs be identified. Requires Federal agencies to annually report to Congress on the extent to which such programs meet their objectives. Prohibits the funding of any program for more than five years. Requires Congress to consider the extent to which any program has met its objectives in the past before considering refunding of such program.

H.R. 10422. January 19, 1978. Ways and Means. Amends the Internal Revenue Code to allow taxpayers with earned income of less than $10,000, and who are not subject to withholding, to postpone their estimated tax payments to the end of the year at half the normal interest rate.

H.R. 10423. January 19, 1978. Judiciary. Prohibits commerce in contraband cigarettes.

Defines "contraband cigarettes" as a quantity of more than 20,000 cigarettes, bearing no evidence of payment of applicable State cigarette taxes, which are in the possession of any person other than (1) a person licensed by the State where the cigarettes are found or by the Internal Revenue Service, (2) a common or contract carrier, or (3) a government agent in the performance of duties.

Subjects dealers in cigarettes to such reporting requirements as the Secretary of the Treasury may prescribe.

H.R. 10424. January 19, 1978. Ways and Means. Amends the Internal Revenue Code to simplify and expand the application of the fresh start, gift, estate and death tax adjustments to carryover basis property. Increases to $175,000 the amount by which the bases of carryover basis property in an estate may be increased. Provides that the income tax deduction for estate taxes paid on income in respect of a decedent shall be determined at the marginal estate tax rates.

H.R. 10425. January 19, 1978. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a specified segment of the Upper Mississippi River, Minnesota as a component of the National Wild and Scenic Rivers System.

Provides for the inclusion of lands owned by the Chippewa Indian Tribe.

H.R. 10426. January 19, 1978. Agriculture. Amends the Agricultural Act of 1940, for the 1978 through 1981 crops of wheat and feed grains, to remove the current ceiling of 60-percent-of-the-potential-harvest from the formula for the amount of disaster payments which an agricultural producer can receive for a crop loss.

H.R. 10427. January 19, 1978. Banking, Finance and Urban Affairs. Establishes the National Neighborhood Reinvestment Corporation to continue and expand upon the work of the urban reinvestment task force.

H.R. 10428. January 19, 1978. Ways and Means. Amends the Internal Revenue Code to allow a credit against an individual's income tax in an amount equal to 50 percent of the sum of the amounts paid by him to educational institutions as tuition (though no more than $250 for any single individual) for the attendance of the taxpayer, the taxpayer's spouse, or any of his dependents with

respect to whom he is entitled to a personal exemption.

H.R. 10429. January 19, 1978. Ways and Means. Amends the Internal Revenue Code to allow a deduction for the current fair market value of charitable contributions of literary, musical or artistic compositions created by the taxpayer, without any reduction for appreciation.

H.R. 10430. January 19, 1978. Judiciary. Makes it a Federal crime to steal or destroy any lifesaving, navigational, or other equipment utilized in the operation of any vessel with Federal documentation or to break into and enter any such vessel with intent to commit a felony.

H.R. 10431. January 19, 1978. Public Works and Transportation. Modifies the navigation project for the Royal River, Yarmouth, Maine, to declare that the Federal share of related dredging costs shall be 100 percent.

H.R. 10432. January 19, 1978. Ways and Means. Amends the Tariff Schedules of the United States to reduce the Customs duty for fish netting or fish nets of fabric other than cotton or vegetable fibers.

H.R. 10433. January 19, 1978. Agriculture. Amends the Agricultural Act of 1949 to set the established price for the 1978 crops of wheat, corn, cotton, and soybeans at 100 percent of the cost of production.

Directs the Secretary of Agriculture to announce a 20 percent cropland set-aside for the 1978 crops of wheat, corn, and cotton.

H.R. 10434. January 19, 1978. Agriculture; International Relations. Amends the Agricultural Act of 1954: (1) to establish United State Agricultural Trade Offices abroad, for the purpose of developing, maintaining, and expanding international markets for United States agricultural commodities; and (2) to rename Agricultural Attaches Agricultural Counselors, and to require annual reports from them on specified subjects.

Amends the Commodity Credit Corporation Charter Act to require the Corporation to finance export sales of agricultural commodities on credit terms of from three to ten years.

Establishes an Assistant Secretary of Agriculture for Commodity Programs and an Under Secretary of Agriculture for International Affairs.

H.R. 10435. January 19, 1978. Judiciary. Prohibits any State or political subdivision thereof, including the District of Columbia, from treating as taxable income any compensation paid by any employer to any individual who is not a resident or domiciliary of such State or political subdivision.

H.R. 10436. January 19, 1978. Post Office and Civil Service. Prohibits the mailing of any business solicitation which resembles a bill or statement of account.

H.R. 10437. January 19, 1978. Agriculture. Amends the Agricultural Act of 1949 to set the established price for the 1977 and 1978 crops of upland cotton at 60 cents per pound and of corn at $2.30 per bushel.

H.R. 10438. January 19, 1978. Armed Services. Grants annuities under the Survivor Benefit Plan of the armed forces to survivors of individuals who would have been eligible for retired pay for non-Regular service but who died before reaching the age of 60. Entitles such survivors to specified medical and dental benefits.

H.R. 10439. January 19, 1978. Ways and Means. Amends the Internal Revenue Code to allow a refundable tax credit in an amount of $250 for each individual who is at least 65 years of age before the beginning of the taxable year, whose principle place of abode during the taxable year is the principal residence of the taxpayer, and who is not a lodger with the taxpayer.

H.R. 10440. January 19, 1978. Agriculture. Amends the Federal Meat Inspection Act to permit without separate inspection the interstate movement of meat food products processed by federally inspected establishments and which are derived from meat slaughtered or processed at a State-inspected establishment in a State where meat inspection requirements are at least equal to the Federal requirements.

H.R. 10441. January 19, 1978. Appropriations. Appropriate funds for the making of grants under the Museum Service Act during fiscal year 1978.

H.R. 10442. January 19, 1978. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to give financial assistance to centers which train dogs to assist individuals with hearing disabilities. Directs that grants will be made to one center in each of the 10 standard Federal Regions as defined by the Office of Management and Budget.

H.R. 10443. January 19, 1978. Ways and Means. Amends the Internal Revenue Code, to provide that the excise tax on tax-exempt foundations' investment income will not apply to any private foundation organized and operated exclusively as a library, museum, or similar educational institution.

H.R. 10444. January 19, 1978. House Administration. Requires the President pro tempore of the Senate and the Speaker of the House of Representatives to install telecommunication devices to enable deaf persons and persons with speech impairments to engage in toll-free communications with Members of Congress.

H.R. 10445. January 19, 1978. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for contribution of the taxpayer's literary, musical or artistic compositions to certain tax-exempt organizations.

H.R. 10446. January 19, 1978. Judiciary. Requires specified organizations which employ lobbyists to register and file quarterly expense reports with the Comptroller General. Makes such reports available to the public. Establishes civil and criminal sanctions to enforce this act.

H.R. 10447. January 19, 1978. Veterans' Affairs. Authorizes outpatient dental care at Veterans' Administration facilities for veterans who (1) were prisoners of war for at least 6 months; or (2) have a service-connected disability rated at 50 percent or more.

H.R. 10448. January 19, 1978. Veterans' Affairs. Revises the procedures for determining permanent and total disability status and annual income for purposes of nonservice-connected veterans' pensions.

Revises certain nonservice-connected disability pension provisions for specified war veterans concerning (1) eligibility requirements; (2) establishment of flat rate payments; (3) surviving spouses; and (4) surviving children.

Establishes flat rates for war veterans' pension payments to surviving spouses in need of aid and attendance.

Provides for annual increases in certain veterans' pension rates in conjunction with cost-of-living increases in social security benefits.

H.R. 10449. January 19, 1978. Interior and Insular Affairs. Denies payments to a local government by the Secretary of the Interior based on the amount of public lands within the boundaries of such locality when such lands were acquired by a State or local unit of government solely for the purpose of conveyance to the United States.

H.R. 10450. January 19, 1978. Armed Services. Authorizes the Secretary of the Army to establish an Army Reserve career interest program for persons between the ages of 14 and 18.

H.R. 10451. January 19, 1978. Agriculture. Amends the Food and Agriculture Act of 1977 and the Agriculture Act of 1949 to: (1) increase the established prices of wheat and corn for the 1978 crops; (2) require land diversion payments whenever a set-aside of wheat or feed grains cropland is in effect for the 1978 crop year; (3) require implementation of the critical lands resource conservation programs for the Great Plains States for the 1978 crop year; and (4) allow, under specified circumstances, interest-free extensions of the repayment period on wheat and feed grains loans.

H.R. 10452. January 19, 1978. Education and Labor. Amends provisions of the Fair Labor Standards Act which permit hiring full-time students at less than the minimum wage to, among other revisions, (1) repeal the requirement that an employee obtain prior certification and (2) include youths under 19 during their first 180 days of employment.

H.R. 10453. January 19, 1978. Interstate and Foreign Commerce. Establishes a Commission for the Study of Recombinant DNA Activities to find safe means of conducting recombinant DNA Activities. Authorizes the Secretary of Health, Education, and Welfare to inspect any facility conducting recombinant DNA activities. Amends the Public Health Service Act to require all recombinant DNA activities be carried out in accordance with the recombinant DNA research guidelines of the Department of Health, Education, and Welfare.

H.R. 10454. January 19, 1978. Ways and Means. Amends the Internal Revenue Code and Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to include within the coverage of such program all Members of Congress.

H.R. 10455. January 19, 1978. Armed Services. Prohibits the sale of any defense article classified as Prepositioned Material Configured to Unit Sets or as decrement stock (as defined in this Act). Prohibits, after September 30, 1980, the sale of any defense article presently classified as War Reserve Stock, except that the President may sell 15 percent of the stock of such an article under specified conditions. Directs the Secretary of Defense to submit a plan to specified committees of Congress for increasing the quantity of Prepositioned Material Configured to Unit Sets and War Reserve Stocks in Europe.

H.R. 10456. January 19, 1978. International Relations. Amends the Arms Export Control Act to permit the President to extend the time period during which Congress must act to disapprove arms transfer or sales proposals.

H.R. 10457. January 19, 1978. Interior and Insular Affairs; Merchant Marine and Fisheries. Authorizes the Secretary of the Interior or the Secretary of Agriculture to permit the private, noncommercial ownership of excess wild free-roaming horses and burros.

H.R. 10458. January 19, 1978. Ways and Means. Amends the Internal Revenue Code of 1954 and Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to authorize individuals who are enrolled in a private retirement plan to voluntarily exempt themselves from the Old-Age, Survivors, and Disability Insurance program.

H.R. 10459. January 19, 1978. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to authorize payment under the supplementary medical insurance program for foot care involving the cutting and removal of corns, warts, and calluses and the trimming of club nails.

H.R. 10460. January 19, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to require the Secretary of Health, Education, and Welfare to review annually the health systems plans and annual implementation plans of health systems agencies and State health plans. Requires the Secretary to give priority to those

health systems agency applications recommended by a Governor for approval. Makes funds under a grant for obligation at the end of the fiscal year in which the grant has been made available for obligation in the succeeding fiscal year.

Authorizes appropriations to carry out various health planning and health resources programs.

Sets forth guidelines concerning the governing body of health systems agencies.

H.R. 10461. January 19, 1978. Agriculture. Amends the Consolidated Farm and Rural Development Act to raise the ceiling on aggregate water and waste facility grants. Raises the amount of each grant from 50 to 75 percent of the development cost of a project.

H.R. 10462. January 19, 1978. Agriculture. Amends the Consolidated Farm and Rural Development Act to make operating and real estate loans under such Act available to private domestic corporations and partnerships engaged in farming or ranching, and to revise authorized loan levels under such Act.

H.R. 10463. January 19, 1978. Agriculture. Amends the Cotton Statistics and Estimates Act of 1927, relating to monthly crop progress reports by the Secretary of Agriculture during the cotton growing and harvesting season, to change the month of the first required report from August to September.

H.R. 10464. January 19, 1978. Ways and Means. Amends the Medicare program of the Social Security Act to authorize the President to enter into agreements establishing reciprocal arrangements between such program and the program of any foreign country under which health services are provided.

H.R. 10465. January 19, 1978. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 10466. January 19, 1978. Interior and Insular Affairs; Interstate and Foreign Commerce. Requires that the Surgeon General of the Public Health Service shall reimburse Bernalillo County, New Mexico, for the inpatient and outpatient care and treatment of eligible Indians for hospital and medical services.

H.R. 10467. January 19, 1978. Interior and Insular Affairs. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, Wild and Scenic Rivers and Nations Wilderness Preservation Systems. Makes provisions for the management of subsistence uses of fish and wildlife on national lands. Sets standards for oil, gas and mineral exploration.

H.R. 10468. January 19, 1978. Interstate and Foreign Commerce. Amends Title VIII (Nurse Training) of the Public Health Service Act to extend for the two fiscal years, through fiscal year 1980, the program of financial assistance for nurse training.

H.R. 10469. January 19, 1978. Public Works and Transportation. Amends the Public Buildings Act of 1959 to require that from one-half to one percent of any funds appropriated for the construction of certain public buildings be used for the creation and acquisition of artwork for such buildings.

H.R. 10470. January 19, 1978. Judiciary. Directs the Secretary of the Air Force to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 10471. January 19, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 10472. January 19, 1978. Judiciary. Permits a certain individual to be issued a visa and admitted to the United States for permanent residence if such individual is found to be otherwise admissible under the provisions of the Immigration and Nationality Act.

H.R. 10473. January 19, 1978. Merchant Marine and Fisheries. Directs the Secretary of the Department in which the Coast Guard is operating to cause a certain foreign-built vessel to be documented as a vessel of the United States upon compliance with the usual requirements other than the requirement that the vessel be built in the United States, so long as the vessel is owned by a citizen of the United States.

H.R. 10474. January 19, 1978. Merchant Marine and Fisheries. Directs the Secretary of the Department in which the Coast Guard is operating to cause a certain vessel to be documented as a vessel of the United States upon compliance with the usual requirements, so long as the vessel is owned by a citizen of the United States.

H.R. 10475. January 19, 1978. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10476. January 19, 1978. Judiciary. Authorizes a specified individual to file a claim with the Comptroller General with respect to unpaid combat pay incident to service in World War II.

H.R. 10477. January 19, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 10478. January 19, 1978. Judiciary. Declares that the annuity to which a certain individual is or has been entitled under the Railroad Retirement Act shall be computed or recomputed without being reduced as provided for by such Act.

H.R. 10479. January 23, 1978. Ways and Means. Amends the Internal Revenue Code to allow farmers an income tax deduction for the wholesale market value of crops which are not economically feasible for harvesting and are harvested and donated to charitable organizations for use in the organizations' charitable work.

H.R. 10480. January 23, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) remove the adjusted gross income limitation on the credit for the elderly; (2) increase the amount of the credit; and (3) provide an annual cost-of-living adjustment for the credit.

H.R. 10481. January 23, 1978. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a segment of the Pere Marquette River, Michigan, as a component of the National Wild and Scenic Rivers System.

H.R. 10482. January 23, 1978. Education and Labor. Amends the Older Americans Act of 1965 to direct the Commissioner on Aging to establish a special grant program to enable States to establish community long-term care initiatives to assess the needs of chronically ill or disabled older persons for services and to provide for the efficient delivery of such services to such older persons.

H.R. 10483. January 23, 1978. Ways and Means. Amends the Tariff Schedules of the United States to suspend temporarily the customs duty on nitro cellulose.

H.R. 10484. January 23, 1978. Science and Technology. Authorizes the Secrtary of Health, Education, and Welfare to make grants for research and development of new methods of research, experimentation, and testing which minimize the use of, and the pain inflicted upon, live animals.

H.R. 10485. January 23, 1978. Armed Services. Allows civilian employees of the Department of Defense stationed outside the United States and their dependents to receive routine dental care in military facilities where adequate civilian facilities are unavailable.

H.R. 10486. January 23, 1978. Interior and Insular Affairs. Denies payments to a local government by the Secretary of the Interior based on the amount of public lands within the boundaries of such locality when such lands were acquired by a State or local unit of government solely for the purpose of conveyance to the United States.

H.R. 10487. January 23, 1978. Ways and Means. Amends the Internal Revenue Code to promote the survival of independent newspapers by providing for the establishment of tax exempt trusts for paying estate taxes of such papers, and by postponing the payment of estate taxes on such papers.

H.R. 10488. January 23, 1978. International Relations. Expresses the insistence of the Senate that the Government of the Republic of Korea cooperate with a certain investigation of the House of Representatives Committee on Standards of Official Conduct. Declares that failure of the Government to cooperate with such investigation will have a negative impact on relations between the United States and the Republic of Korea, including assistance for the latter country.

H.R. 10489. January 23, 1978. Judiciary. Authorizes the Law Enforcement Assistance Administration to make supplemental grants to States submitting approved applications for correctional facility grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 10490. January 23, 1978. Ways and Means. Amends the Internal Revenue Code to allow a tax credit for an amount, not to exceed $250, equal to 50 percent of the expenses paid or incurred by a speech- or hearing-impaired individual for the use of toll telephone services by means of teletypewriters.

H.R. 10491. January 23, 1978. Banking, Finance and Urban Affairs. Requires that all paper money of the United States bear a designation in braille indicating the denomination of the bill.

H.R. 10492. January 23, 1978. Judiciary. Confers jurisdiction upon Fedreal district courts to enforce a State Child Custody order against a parent who, in violation of such order, took the child to another State.

H.R. 10493. January 23, 1978. Judiciary. Makes it unlawful for a parent to kidnap his or her minor child. Directs that orders of a State court or a court of the District of Columbia relative to the custody of children of divorced or separated parents be given full faith and credit by every other State and the District of Columbia until such issuing court no longer has under the law of the State in which it is located, or declines to exercise, jurisdiction over modification of such orders.

H.R. 10494. January 23, 1978. Interstate and Foreign Commerce. Amends the Controlled Substances Act to provide that the possession of more than one ounce of marihuana for private use, or the free transfer of not more than one ounce of marihuana shall not constitute a crime against the United States.

Provides for a civil penalty of not more than $100 for such possession or transfer.

H.R. 10495. January 23, 1978. Veterans' Affairs. Reduces the number of items excluded in the determination of income for veterans who have a non-service-connected disability. Set flat pension rates for specified categories of such veterans and also for widows and children of Mexican border period, World War I, World War II, Korea conflict or Vietnam era veterans. Requires cost-of-living increases in the rates payable to persons affected by this Act.

H.R. 10496. January 23, 1978. Veterans'

Affairs. Provides a statutory total disability for National Service Life Insurance purposes to any veteran who has undergone a kidney or heart transplant or anatomical loss or loss of use of both kidneys.

H.R. 10497. January 23, 1978. Veterans' Affairs. Revises the presumptions relating to certain diseases and disabilities of prisoners of war for purposes of wartime disability compensation eligibility.

H.R. 10498. January 23, 1978. Veterans' Affairs. Revises provisions dealing with dependency and indemnity compensation to parents of certain deceased veterans to set flat payment rates for (1) single parents; (2) two parents living apart; (3) two parents living together; and (4) two remarried parents.

Revises the items excluded from the annual income determination for purposes of such compensation.

Provides for cost-of-living increases for such compensation in conjunction with Social Security increases.

H.R. 10499. January 23, 1978. Veterans' Affairs. Provides beneficiaries of United States Government Life Insurance and National Service Life Insurance policies who are 65 or older with the right to select certain payment options.

H.R. 10500. January 23, 1978. Veterans' Affairs. Sets increased flat rates for veterans' non-service-connected disability pension, aid-and-attendance allowance, and survivors' benefits. Excludes from the determination of annual income, for benefit payment purposes, specified categories of payments currently included in such determination. Requires pension applicants to report the income of each spouse and child on account of whom added pension is applied for or received.

H.R. 10501. January 23, 1978. Judiciary. Requires the Commission on Civil Rights to establish advisory committees within each State under the Civil Rights Act of 1957 (previously the establishment of such committees was authorized but not required).

H.R. 10502. January 23, 1978. Judiciary. Authorizes the Secretary of Health, Education, and Welfare to pay for certain medical services provided to qualified individuals suffering from physical injuries attributable to the atomic bomb explosions on Japan in August 1945.

H.R. 10503. January 23, 1978. Judiciary. Directs the United States Postal Service to reimburse a certain company for the amount paid by the company into an escrow account pending the outcome of a decision by such service.

H.R. 10504. January 23, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10505. January 24, 1978. Agriculture. Requires under the Federal Meat Inspection Act, that imported meat and meat food products made in whole or part from imported meat be labeled "imported" or "imported in part" at all stages of distribution until reaching the ultimate consumer.

Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Health, Education, and Welfare.

H.R. 10506. January 24, 1978. District of Columbia. Amends the District of Columbia Code to increase the distance which members of the District of Columbia's Police Force and Fire Department may live from the United States Capitol Building from 25 to 50 miles.

H.R. 10507. January 24, 1978. Public Works and Transportation. Authorizes the modification of a specified flood control project on the Saginaw River, Michigan.

Directs the Secretary of the Army, acting through the Corps of Engineers, to implement a nonstructural flood control and recreation project on the Tittabawassee River, Michigan. Requires non-Federal cooperation for such project. Directs the Secretary to include the costs and benefits of non-Federal improvements initiated before a specified date in determining the non-Federal share of such project.

H.R. 10508. January 24, 1978. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to establish an advisory body to be known as the National Council on Quality in Education.

Directs such Council to develop models to improve the quality of elementary and secondary education with particular emphasis on basic skills.

H.R. 10509. January 24, 1978. International Relations. Amends the Foreign Assistance Act of 1961 to require the President to submit specified economic and social statistics with respect to each developing country for which development assistance and security assistance is proposed under such Act, the Agriculture Trade Development and Assistance Act of 1954, or the Arms Export Control Act.

Requires the President to take into account the extent to which a country devotes natural resources to military, rather than, social needs in determining whether to furnish military education and training assistance.

H.R. 10510. January 24, 1978. Ways and Means. Amends the Trade Act of 1974 to prohibit the President from designating as a "beneficiary developing country" any member of the Organization of Petroleum Exporting Countries (or a party to any other arrangement of foreign countries) which withholds vital commodities from international trade and raises the price of such commodities to an unreasonable level.

H.R. 10511. January 24, 1978. Judiciary; Ways and Means. Authorizes a $543,000,000 appropriation for reimbursing States for expenditures made with respect to services provided by such States under specified titles of the Social Security Act.

Sets forth procedures and time limitations for making claims for reimbursement and maximum amounts which a State may receive for providing services under the Social Security Act.

H.R. 10512. January 24, 1978. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to apply the adulteration and misbranding provisions of such Act to hair dyes.

H.R. 10513. January 24, 1978. Interestate and Foreign Commerce. Amends the Railroads Retirement Act of 1974 to eliminate the provisions which disqualify certain employed spouses of retired railroad employees from receiving an annuity.

H.R. 10514. January 24, 1978. Judiciary. Revises the method for selection of United States attorneys to establish a United States Attorney Selection Commission for each judicial district. Proivdes for appointment of commission members by the appropriate State chief executive.

Directs a commission to select and forward to the President and Attorney General a list of four to eight candidates within 90 days of the expiration of the incumbent's term. Requires the President to nominate a commission candidate or to request another list.

Limits U.S. attorneys to two four-year terms.

Restrict the power of the President to unilaterally remove a U.S. attorney.

H.R. 10515. January 24, 1978. Judiciary. Confers jurisdiction upon Federal district courts to enforce a State Child Custody order against a parent who, in violation of such order, took the child to another state.

H.R 10516. January 24, 1978. Agriculture. Directs the Secretary of Agriculture to provide 100 percent parity price support for each crop year for all agricultural commodities, unless the producers of any commodity disapprove any marketing quota for such commodity.

H.R. 10517. January 24, 1978. Post Office and Civil Service. Requires the head of each Federal agency to establish and maintain a program for part-time career employment. Requires the Civil Service Commission to conduct a demonstration program to determine the extent to which part-time personnel can be utilized in managerial and professional positions and the extent to which job-sharing arrangements may be established in various occupations.

H.R. 10518. January 24, 1978. Post Office and Civil Service. Requires each Federal agency to establish a flexible scheduling or compressed work schedule program on an experimental basis.

H.R. 10519. January 24, 1978. Ways and Means. Amends the Internal Revenue Code to allow individuals whose income consists solely of employee compensation and interest to elect to have the Internal Revenue Service compute their income tax liability.

H.R. 10520. January 24, 1978. Agriculture; International Relations. Amends the Agricultural Act of 1954: (1) to establish United States Agricultural Trade Offices abroad, for the purpose of developing, maintaining, and expanding international markets for United States agricultural commodities; and (2) to rename Agricultural Attachés Agricultural Counselors, and to require annual reports from them on specified subjects.

Amends the Commodity Credit Corporation Charter Act to require the Corporation to finance export sales of agricultural commodities on credit terms of from three to ten years.

Establishes an Assistant Secretary of Agriculture for Commodity Programs and an Under Secretary of Agriculture for International Affairs.

H.R. 10521. January 24, 1978. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to require States applying for assistance under such Act to establish and implement standards of educational proficiency applicable to public school students.

Establishes the National Commission on Basic Education and direct it to (1) establish such standards; and (2) review and approve or disapprove State plans implementing such standards.

Authorizes the Commissioner of Education to financially assist States in preparing such educational standards plans.

Directs the Commissioner to make such proficiency examinations directly available to public school students in districts where such proficiency plans are not in effect.

H.R. 10522. January 24, 1978. Agriculture. Establishes a Commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 10523. January 24, 1978. Agriculture. Establishes a commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 10524. January 24, 1978. Agriculture. Establishes a Commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 10525. January 24, 1978. Government Operations. Creates an independent agency known as the Visa and Naturalization Administration in the executive branch to enforce and administer immigration and naturalization laws.

Transfers various powers, functions, and duties from the Department of State, Justice, and Labor, to such Administration.

H.R. 10526. January 24, 1978. Education and Labor. Amends the Emergency School Aid Act to extend to Franco-Americans the same benefits afforded other minority groups under such Act.

H.R. 10527. January 24, 1978. Judiciary; Post Office and Civil Service. Permits the transportation or mailing of tickets or materials of a lottery authorized under the laws of a foreign country to such country.

H.R. 10528. January 24, 1978. Agriculture. Directs the Secretary of Agriculture to provide 100 percent parity price support for each crop year for all agricultural commodities, unless the producers of any commodity disapprove any marketing quota for such commodity.

H.R. 10529. January 24, 1978. Veterans' Affairs. Designates the Veterans' Administration—University of California, San Francisco Medical School medical education building to be located on the grounds of the Veterans' Administration Hospital, Fresno, California, as the "Milo E. Rowell Medical Education Building."

H.R. 10530. January 24, 1978. Interior and Insular Affairs. Authorizes the Secretary of the Interior to allow continuation and completion of construction undertaken to mitigate the effects of the 1976–77 drought where unanticipated and unavoidable circumstances prevented completion before January 31, 1978.

H.R. 10531. January 24, 1978. Interstate and Foreign Commerce. Amends the Consumer Product Safety Act to include electrical wiring systems as consumer products for purposes of such Act.

H.R. 10532. January 24, 1978. Interior and Insular Affairs. Authorizes the Secretary of the Interior to allow continuation and completion of construction undertaken to mitigate the effects of the 1976–77 drought where unanticipated and unavoidable circumstances prevented completion before January 31, 1978.

H.R. 10533. January 24, 1978. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 10534. January 24, 1978. Judiciary. Amends the charter of the American Legion to entitle those who served in the military or naval service between August 15, 1973, and May 7, 1975, to join such organization.

H.R. 10535. January 25, 1978. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay a monthly pension of $150 to each veteran of World War I who meets specified service requirements, or to the surviving spouse (who meets specified requirements), or when there is no surviving spouse, to the child or children (who meet specified requirements).

H.R. 10536. January 25, 1978. Ways and Means. Amends the Internal Revenue Code to increase the amount which can be contributed to certain retirement plans for a self-employed individual.

H.R. 10537. January 25, 1978. Armed Services. Grants additional dental care benefits to dependents of active duty members of the uniformed services.

H.R. 10538. January 25, 1978. Post Office and Civil Service. Provides that except for mail matter transmitted under the Federal Voting Assistance Act of 1955, an individual casting an absentee ballot in any election may return such ballot postage-free to the appropriate State or local election authority.

H.R. 10539. January 25, 1978. Agriculture. Amends the Consolidated Farm and Rural Development Act to permit insured loans of up to $1,000,000 to farm owners and operators for refinancing existing indebtedness incurred between January 1, 1973, and December 31, 1977.

H.R. 10540. January 25, 1978. Ways and Means. Amends the Internal Revenue Code to allow certain small businesses to compute taxable income under the cash method and without regard to inventories. Increases the corporate surtax exemption and reduces the corporate tax rates. Provides for limited recognition of the gain from the sale or exchange of a sole proprietorship prior to the age of 55, and nonrecognition after age 55. Allows the rapid amortization of expenses of a business for property acquired to put the business in compliance with Federal law and which does not have any economic usefulness to the business.

H.R. 10541. January 25, 1978. Education and Labor. Amends the Higher Education Act of 1965 with regard to college library assistance to (1) revise the basic grant standards pertaining to the maximum amount available and matching funds; (2) define the circumstances exempting an applicant from making the assurances required for funds by such Act; (3) redefine institutions to be given priority for supplemental grants; and (4) redefine matching fund requirements for special purpose grants.

H.R. 10542. January 25, 1978. Ways and Means. Amends the Internal Revenue Code to allow a deduction of up to $1,500 for household expenses to any taxpayer who maintains a household in which a dependent aged 65 or over resides.

H.R. 10543. January 25, 1978. Ways and Means. Amends the Internal Revenue Code to allow a deduction of up to $1,500 for household expenses to any taxpayer who maintains a household in which a dependent aged 65 or over resides.

H.R. 10544. January 25, 1978. International Relations; Banking, Finance and Urban Affairs. Amends the Export-Import Bank Act of 1945 to repeal the prohibition against the extension of export credit for nuclear materials or technology transfer. Repeals prohibitions against credit approval to a country for the purchase of any liquid metal fast breeder reactor or any nuclear fuel processing facility. Prohibits the Bank from approving credit for the export of nuclear materials or technology transfer, unless the President determines that such credit approval is in the national interest and reports this determination to Congress.

H.R. 10545. January 25, 1978. Judiciary. Grants a Federal charter to the American Ex-Prisoners of War, Incorporated.

H.R. 10546. January 25, 1978. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibitions against voting qualifications, prerequisities, test, or devices which abridge the right of a citizen to vote who is a member of a language minority.

Repeals the requirement that States and other political subdivisions make available registration and voting materials and voting assistance in a language other than English.

H.R. 10547. January 25, 1978. Veterans' Affairs. Increases the rate of special pension payable to Congressional Medal of Honor holders.

H.R. 10548. January 25, 1978. Armed Services. Grants survivor benefits to dependents of present or former members of the armed forces who die before becoming entitled to retired pay for non-regular services.

H.R. 10549. January 25, 1978. International Relations. Directs the Administrator of the Agency for International Development to submit to Congress regulations establishing a unified personnel system for employees of such Agency.

H.R. 10550. January 25, 1978. Education and Labor. Amends the Higher Education Act of 1965 to change the date after which States establishing an interest subsidy program for guaranteed student loans may receive advances to reserves for making insurance payments under the State guaranteed loan program.

H.R. 10551. January 25, 1978. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to extend for fiscal year 1979 the Commissioner of Education's authority to approve grants to local education agencies participating in experimental compensatory education programs.

H.R. 10552. January 25, 1978. Interstate and Foreign Commerce. Amends the Communication Act of 1934 to extend until 1981 the provisions holding that no agreement which would prevent the broadcasting of a professional sports game by means of television at the same time and in the area in which the game is to be played shall be valid if all tickets to such game are sold 72 hours before game time.

H.R. 10553. January 25, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to: (1) extend the authorization of appropriations for specified programs for one year; (2) establish a preventive health service program; and (3) require the consideration of mental health care in developing State health service plans.

Establishes a grant program to encourage States to eliminate surplus medical facilities.

Extends through fiscal 1981 the authorization of appropriations for community and migrant health centers. Enumerates the services to be provided by such centers.

Amends the Community Mental Health Centers Act to provide a phased approach to the provision of comprehensive mental health services by new community mental health centers.

H.R. 10554. January 25, 1978. Agriculture. Requires, under the Federal Meat Inspection Act, that imported meat and meat food products made in whole or part from imported meat be labeled "imported" or "imported in part" at all stages of distribution until reaching the ultimate consumer.

Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Health, Education, and Welfare.

H.R. 10555. January 25, 1978. Ways and Means. Amends the Internal Revenue Code to provide that artistic compositions, copyrights, and the like shall not be included in the estate tax valuation of the creator's estate.

H.R. 10556. January 25, 1978. Interstate and Foreign Commerce. Amends the Federal Railroad Safety Act of 1970 to authorize appropriations for fiscal year 1979 for expenses of the Office of Safety, State safety programs, expenses of the Federal Railroad Administration and for conducting safety research and development programs. Sets forth limitations on the use of such funds for railroad research and development programs under such Act.

H.R. 10557. January 25, 1978. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 10558. January 25, 1978. Interior and Insular Affairs. States the purpose of this Act is to establish the National Reserves System for the protection of outstanding ecological, scenic, historic, cultural, and recreational landscapes through new local-State-Federal partnerships.

Establishes a National Reserve Council whose duties are to regulate such areas des-

ignated as National Reserve Planning Areas and to provide licenses, permits, grants, and loans to agencies implementing approved management programs for such a reserve.

Designates Pine Barrens, New Jersey, as a National Reserve Planning Area.

Establishes a National Reserves System Fund.

Makes provisions for review of such reserves and in the event of violations, penalties.

H.R. 10559. January 25, 1978. Ways and Means. Amends the Internal Revenue Code to allow a credit against an individual's income tax in an amount equal to 50 percent of the sum of the amounts paid by him to educational institutions as tuition (though no more than $500 for any single individual) for the attendance of the taxpayer, the taxpayer's spouse, or any of his dependents with respect to whom he is entitled to a personal exemption.

H.R. 10560. January 25, 1978. Interior and Insular Affairs. States the purpose of this Act is to establish the National Reserves System for the protection of outstanding ecological, scenic, historic, cultural, and recreational landscapes through a new local-State-Federal partnership.

Establishes a National Reserve Council whose duties are to regulate such areas designated as National Reserve Planning Areas and to provide licenses, permits, grants, and loans to agencies implementing approved management programs for such a reserve.

Designates Pine Barrens, New Jersey, as a National Reserve Planning Area.

Establishes a National Reserves System Fund.

Makes provisions for review of such reserves and in the event of violations, penalties.

H.R. 10561. January 25, 1978. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to apply the adulteration and misbranding provisions of such Act to hair dyes.

H.R. 10562. January 25, 1978. Interstate and Foreign Commerce. Directs the Secretary of Transportation to evaluate the adequacy and appropriateness of Federal Motor Vehicle Standard 121 (49 CFR 571.121) with particular attention to whether the antilock braking requirement is practicable and meets the needs of motor vehicle safety. Requires the Secretary to submit the results of such evaluation to Congress within 12 months. Suspends the implementation of any antilock braking requirement until three months after the Secretary submits such report.

H.R. 10563. January 25, 1978. Judiciary. Declares that an application for veterans' benefits filed by a certain individual was received by the Veterans' Administration as of a specified time.

Authorizes the Administrator of Veterans' Affairs to pay to such individual a lump sum.

H.R. 10564. January 25, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10565. January 25, 1978. Judiciary. Authorizes classification of certain individuals as children for purposes of the Immigration and Nationality Act.

H.R. 10566. January 26, 1978. Interior and Insular Affairs. Designates specified lands in Oregon Islands National Wildlife Refuge, Oregon, as wilderness.

H.R. 10567. January 26, 1978. Veterans' Affairs. Prohibits the Veterans' Administration from down-grading a disability rating of total or permanent total which has been made for compensation, pension or insurance purpose if such rating has been made for 20 years, regardless of whether or not such 20 years were continuous.

H.R. 10568. January 26, 1978. Ways and Means. Amends Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) to eliminate the reduction in supplemental security income benefits which is presently imposed when the recipient is living in another person's household. Directs that support maintenance furnished the recipient in kind by such other person shall be disregarded in determining such recipient's income for supplemental security income purposes.

H.R. 10569. January 26, 1978. Education and Labor. Amends the Alcohol and Drug Abuse Education Act to extend the authorization of appropriations for carrying out the provisions of such Act.

H.R. 10570. January 26, 1978. Education and Labor. Amends the Environmental Education Act to extend the authorizations of appropriations for carrying out the provisions of such Act.

H.R. 10571. January 26, 1978. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to require broadcast station licensees and noncommercial educational broadcasting stations to retain transcripts or audio recordings of any programs made in connection with the broadcast of public affairs programs which permit audience particiaption by telephone.

H.R. 10572. January 26, 1978. Judiciary; Public Works and Transportation; International Relations. Establishes agencies in the Executive Office of the President, the Department of State, and the Department of Justice, to combat terrorism.

Specifies penalties for violations of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation. Sets forth penalties for certain other acts which endanger aircraft.

Requires Presidential approval of sales of defense articles to groups and individuals. Requires that all explosives contain identification and detection taggants.

Directs the President to impose sanctions against dangerous foreign airports and countries which aid terrorists.

H.R. 10573. January 26, 1978. Ways and Means. Amends the Internal Revenue Code to replace the corporate income tax rates with a graduated, five-tier rate schedule, imposing the uppermost (48 percent) marginal rate upon income in excess of $100,000.

H.R. 10574. January 26, 1978. Rules. Requires that legislation considered by Congress be accompanied by statements assessing the economic and social costs and the expected accomplishments of programs established or authorized by such legislation. Requires that duplicative programs be identified. Requires Federal agencies to annually report to Congress on the extent to which such programs meet their objectives. Prohibits the funding of any program for more than five years. Requires Congress to consider the extent to which any program has met its objectives in the past before considering refunding of such program.

H.R. 10575. January 26, 1978. Judiciary; Education and Labor. Amends the Civil Rights Act of 1964 to prohibit discrimination based on affectional or sexual preference in: (1) public accomodations; (2) public facilities; (3) public education; (4) federally assisted opportunities; (5) equal employment opportunities; (6) housing; and (7) educational programs receiving Federal assistance.

H.R. 10576. January 26, 1978. Judiciary. Prohibits any State or political subdivision thereof, including the District of Columbia, from treating as taxable income any compensation paid by any employer to any individual who is not a resident or domiciliary of such State or political subdivision.

H.R. 10577. January 26, 1978. Small Business; Ways and Means. Amends the Small Business Act to authorize the Small Business Administration to participate in any loan made to any eligible minority corporation for the acquisition or construction, conversion, or expansion of any broadcast or cable facility.

Amends the Internal Revenue Code of 1954 to permit nonrecognition of gain in the case of a taxpayer who sells any broadcast cable or facility to an eligible minority business and purchases replacement property within three years of such sale.

H.R. 10578. January 26, 1978. Public Works and Transportation; Ways and Means. Revises the authorization for appropriations for the Interstate Highway System and establishes an accelerated schedule for the completion of such System.

Establishes a small urban and rural transportation assistance program.

Requires the establishment of highway safety improvement programs.

Revises the discretionary grant and loan program under the Urban Mass Transportation Act of 1964.

Directs the Secretary of Transportation to formulate a plan to consolidate the Urban Mass Transportation Administration and the Federal Highway Administration.

H.R. 10579. January 26, 1978. Ways and Means. Amends the Internal Revenue Code to impose an additional excise tax on cigarettes to be paid into a Cigarette Tax Trust Fund in the Treasury and disbursed to States which do not impose more than a three-cent special tax on a pack of cigarettes.

H.R. 10580. January 26, 1978. Ways and Means. Amends the Internal Revenue Code to lower individual and corporate income tax rates.

H.R. 10581. January 26, 1978. Interior and Insular Affairs. Establishes provisions governing the distribution of the minor's share of judgment funds awarded to the Confederated Tribes and Bands of the Takima Indian Nation by the Indian Claims Commission or the United States Court of Claims.

H.R. 10582. January 26, 1978. Ways and Means. Amends the Internal Revenue Code to exempt from taxation the income of trusts established to care for mentally incompetent relatives. Excludes distributions from such trusts from the gross income of the beneficiary so long as the distribution is received by someone other than a family member of the grantor of the trust.

H.R. 10583. January 26, 1978. Agriculture. Prohibits the importation of palm oil unless the Secretary of Agriculture has certified that such imports originate from pure and wholesome supplies and that such imports were processed in plants meeting minimum sanitation standards. Directs the Secretary to establish standards which are comparable to domestic standards for purity, wholesome ness, and sanitation. Directs the Secretary to inspect such imports. Subjects such imports to the Federal Food, Drug, and Cosmetic Act after entry. Requires that such imports be labeled. Imposes penalties for violation of such labeling requirements.

H.R. 10584. January 26, 1978. Agriculture; International Relations. Amends the Agricultural Act of 1954: (1) to establish United States Agricultural Trade Offices abroad, for the purpose of developing, maintaining, and expanding international markets for United States agricultural commodities; and (2) to rename Agricultural Attaches Agricultural Counselors, and to require annual reports from them on specified subjects.

Amends the Commodity Credit Corporation Charter Act to require the Corporation to finance export sales of agricultural commodities on credit terms of from three to ten years.

Establishes an Assistant Secretary of Agriculture for Commodity Programs and an Under Secretary of Agriculture for International Affairs.

H.R. 10585. January 26, 1978. International Relations; Education and Labor. Establishes a Commission on Proposals for a United States Academy for Peace and Conflict Resolution to study the establishment of such academy and alternative proposals which would assist the Federal Government in promoting peace. Directs the Commission to review the theory and techniques of conflict resolution and the institutions for conflict resolution.

H.R. 10586. January 26, 1978. Appropriations. Makes a supplemental appropriation of $3,739,000 for the Inspector General of the Department of Health, Education, and Welfare for fiscal year 1978.

H.R. 10587. January 26, 1978. Interior and Insular Affairs. Requires that public rangelands be managed and improved so that they become as productive as feasible in accordance with the rangeland management objectives established through the land use planning process prescribed in the Federal Land Policy and Management Act.

Announces the formula to be used in setting fees for domestic livestock grazing on public lands.

States that grazing leases or permits be for a ten year period unless such period is inconsistent with sound land management policy

Provides for the adoption and transfer of excess wild burros and horses.

H.R. 10588. January 26, 1978. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to eliminate agricultural credit transactions from such Act. Specifies procedures agencies enforcing such Act shall use in obtaining compliance. Requires the development of model forms and clauses, for use in common transactions describing the transaction in understandable language.

H.R. 10589. January 26, 1978. Interior and Insular Affairs. Amends the Federal Land Policy and Management Act of 1976 to make certain changes to allotment management plan requirements for the issuance of grazing permits.

H.R. 10590. January 26, 1978. Ways and Means. Amends the Antidumping Act of 1921 to require conditional payment of antidumping duty, and to revise procedures for determinations of violations of such Act.

Amends the Trade Act of 1974 to permit Congressional disapproval of Presidential reduction of import relief, and to revise procedures for relief from unfair trade practices under such Act.

Amends the Tariff Act of 1930 to require the Secretary of the Treasury to initiate investigations within 30 days of alleged violations of such Act which require the imposition of countervailing duties (subsidy of imported products by foreign governments).

H.R. 19591. January 26, 1978. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction of up to $2,500 annually and $10,000 in a lifetime for contributions to an individual housing account. Makes such accounts tax exempt and allows distributions from such an account to be tax free if such distributions are used exclusively for the purchase of a principal residence for the distributee.

H.R. 10592. January 26, 1978. Veterans' Affairs. Increases the burial and funeral expense allowance which may be paid by the Veterans' Administration on behalf of certain deceased veterans.

H.R. 10593. January 26, 1978. Ways and Means. Imposes import quotas on beef and veal products entering the United States, a trade zone thereof, an insular possession thereof, or the Trust Territory of the Pacific Islands. Sets forth the formula for establishment of such quota quantities by the Secretary of Agriculture.

H.R. 10594. January 26, 1978. Ways and Means. Amends the Internal Revenue Code to provide that meals furnished by an employer to an employee may be considered furnished for the convenience of the employer (and the value excluded from the employee's gross income) without regard to whether a charge is made or whether the employee is required to accept such meals.

H.R. 10595. January 26, 1978. Veterans' Affairs. Increases from $500 to $1,000 the amount by which the annual income of certain disabled veterans may exceed the maximum annual income limitation for pensions without such veterans losing the right to continue to receive drugs and medication from the Veterans' Administration.

H.R. 10596. January 26, 1978. Interstate and Foreign Commerce. Amends the Federal Power Act and the Natural Gas Act to provide procedures for the establishment and review of fuel adjustment clauses. Extends the scope of the prohibition against interlocking directorates among utilities, natural gas companies, and related firms.

H.R. 10597. January 26, 1978. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 10598. January 26, 1978. Judiciary. Provides that a certain individual's remarriage shall be deemed to have occurred after she attained the age of 60 for purposes of widow's insurance benefits under the Social Security Act.

H.R. 10599. January 26, 1978. Judiciary. Authorizes a specified individual to make a claim for credit or refund of overpayment of Federal income taxes for three years for which such claim is prohibited by the time limits of the Internal Revenue Code.

SENATE—*Friday, February 24, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 8:45 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, giver of every good and perfect gift, put muscle in our bodies, muscle in our brains, and spiritual sinews in our souls that we may endure what must be endured for service in this place.

Give strength to our souls, O Lord, that while we struggle we lose not the holy vision of a better nation in a better world.

We pray for this Nation and all the nations of the Earth. Inspire and undergird the President, the Members of this body, and all our leaders that we may have a part in the fulfillment of the long-awaited kingdom where Thou dost rule in righteousness.

Hear us in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 24, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield to me for 30 seconds with the time to come out of the order that is allotted to me?

Mr. LUGAR. Yes.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

ORDER EXTENDING TIME FOR RELEASE OF CLOSED SESSION TRANSCRIPT TO 4 P.M. ON TUESDAY, FEBRUARY 28, 1978

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared all the way around.

Mr. President. in view of the fact that originally it was planned to release to the press the transcript of the closed door sessions of last Tuesday and Wednesday at 4 p.m. today, I ask unanimous consent that Senators have until 3 p.m. today to edit their remarks in room S-406 of the Capitol, and that the time for release of the transcript to the public be extended until 4 p.m. on Tuesday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Does the Senator from Alaska seek recognition?

Mr. STEVENS. I thank the Chair. I do not seek recognition.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Indiana (Mr. LUGAR) is recognized for not to exceed 15 minutes.

COAL STRIKE

Mr. LUGAR. Mr. President, I appreciate the majority leader and the minority leader setting aside this time this morning so that the Senate of the United States might consider the coal strike and the very difficult economic circumstances that are abroad in the State of Indiana that I represent and, I would submit, in the country as a whole.

Clearly, the Senate has embarked upon a historic debate on the Panama Canal

Treaties and we have been devoting our undivided attention to that situation. But I suspect that the times call for a break in that procedure, at least for this hour, to consider that, even as we think of these important foreign responsibilities, there is, at least in this country currently, an economic situation caused by the coal strike, now in its 81st day, which demands our immediate attention. Indeed, the President of the United States in various meetings with our leaders in the U.S. Senate and in the House and in the press has indicated that he will act this Sunday, if in fact a negotiated settlement has not occurred by that time.

I should like to review for a moment the situation as I see it, and I know that others of my colleagues will want to review this situation as the debate proceeds.

In Indiana, as of this morning, I am advised that three of our six major utilities are now in mandatory cutbacks which, under the laws of Indiana, are required when a 40-day supply of coal—and no more than that—is at hand. Public Service of Indiana, serving 500,000 customers; Hoosier Energy, serving 112,000 customers; and Indiana & Michigan, serving 350,000 customers, are all in the 40-day curtailment program, which calls for a mandatory cutback of 15 percent in residential usage of electric power, 25-percent cutback for all industrial and commercial customers, and a 50-percent cutback for our schools. These orders now cover at least 69 of the 92 counties in Indiana. This has led, predictably, to very considerable hardship, first of all in the schools.

During our recess of last week, it was my privilege to address students in a number of Indiana schools. Uniformly among those who were involved then in the cutback program, the classrooms were from 60 to 65 degrees. In several instances, hot lunches had been terminated. In some instances, the use of hot water had been terminated. In all instances, the schools were closed by 3 or 3:30 in the afternoon. In several instances, the schools already had gone to an 8 a.m. to 12 noon program.

Indeed, the Brownsburg High School in Hendricks County, Ind., was featured in a nationally televised broadcast describing how a school in Indiana meets the 50-percent cutback. One way, of course, is simply to halve the time for students.

Even then, mandatory cutback monitored by the utilities as a matter of law is a very different proposition from a voluntary cutback.

Much has been made of the need for conservation in this country. I know of a few instances recently in our history in which, by law, every residence has been required to cut back 15 percent in usage power; every industry in a designated area, 25 percent; and every school and other institution, 50 percent.

It is not something that is going to happen in the future. This is the situation in the State of Indiana currently. This has led, predictably, to industrial layoffs.

I was in Kokomo, Ind., a week ago today. I saw a headline in the Kokomo Tribune that 600 workers at the local Chrysler plant would be laid off that very day. This was before going to Eastern High School, in Howard County, where I found students doing as good a job as possible in conservation of resources, along with a talented administration, but facing a monitoring of the meter on the following Monday, to see whether a 50-percent cutback had been enforced. With all their extracurricular activities canceled, the schools as aforementioned, are very cold indeed.

This morning I received word that 6,000 employees at the Delco plant in Kokomo, Ind., will not be coming in to work this morning. They have been laid off. This is not because demand for Delco products has abated. As a matter of fact, that factory has been going full tilt; jobs have been increasing. The whole economic thrust that is favored by the President and by this body and by Congress as a whole had led to increased production and new jobs. But, in fact, 6,000 people have been laid off this morning in that instance alone, and the word from Delco is that 6,000 will be leaving again next Friday. They will try to find ways to conserve energy so that the 25-percent mandatory cutback can lead to production on Monday through Thursday. There will be substantially more layoffs simply to meet the 25-percent cutback in power.

The point I am trying to make is that we are not in a situation of an illusion as to what might occur or a prediction of hard times for the people who are laid off in Indiana today, for the losses in revenue to the company involved—General Motors, in this case—for the losses to the State of Indiana in terms of revenue anticipated—these losses probably are not going to be retrieved as easily as national economists have predicted.

I want to touch upon that situation in a moment, because although I am dwelling in this passage of my remarks on the situation in Indiana, there has been too easy an inference, I believe, that our situation is parochial and localized and that, in fact, a national crisis does not exist.

Let me add, Mr. President, that the State government of Indiana, the State legislature, has taken a look at the budget and estimates that, to date, the State government in Indiana has lost from $40 to $60 million which cannot be retrieved; that it simply cut into the surplus which, wisely, Governor Otis Bowen had set aside. Of course, if we proceed in these conditions further, we shall have more revenue lost at that point.

Indiana is not unique in that respect. With respect to the intergovernmental balances that have been pointed to by some students in this area, balances in which State governments have become stronger in their financial conditions, these positions of strength are rapidly being dissipated.

According to the report I have received from Indiana this morning, 14 corporations are threatened with closure in a matter of days; 13 are now on a 3-day week, 15 on a 4-day schedule, and most have reduced hours.

Our universities are taking advantage of the forthcoming spring breaks to simply extend their vacations indefinitely, until such time as they believe the crisis has passed or they have accumulated sufficient coal for power to meet the 50-percent cutback.

Mr. President, the dilemma for Indiana is this: Three major utilities are at the 40-day level; but when we reach the 30-day level—the Public Service of Indiana, our largest utility in terms of coverage of many counties in Indiana, anticipates that they will be reaching that point sometime in mid-March—then we have a mandatory closing of schools, with only protection level left in the classrooms so that pipes will not freeze.

At that stage, we have a 25 percent mandatory cutback for residences, based upon a 3-month average in the year before, so that residential meters might be monitored and equity found, and a 50 percent industrial cutback.

Mr. President, this morning's Washington Post notes that Indiana has been the hardest hit, although our sister States of Ohio and West Virginia, and now certainly western Maryland, face similar affliction, if not specific affliction, in various counties. Indiana has been hardest hit, and I suppose that many people in Indiana are astonished to read one account after another in the press that essentially we can be comforted that we have not had a national catastrophe thus far.

The inference is very clearly—although there is sympathy for Indiana, certainly recognition through the national press media—that suffering is occurring, that we all can indeed be grateful that it is confined there; that in Indiana there are peculiar circumstances, dictated by the fact that so much electrical energy is generated by coal; but that, mercifully, coal is not that extensively utilized in all the other 49 States. Some have problems. Six have been identified as potentially critical, 12 substantially critical. But for the rest essentially the feeling is the coal strike is one of those things that has some rather severe local impacts but ought not to generate precipitous action at the national level.

I think I do not overstate that mood. Despite some gratuitous remarks from day to day that we have a problem in the country, by and large, the local situations I have expressed this morning have been confined to the footnotes and to the back pages.

I would simply say, as our Governor, Otis Bowen, has been pointing out again and again, that the situation in Indiana is indeed critical, but in fact it is likely to be far more critical on the national front than most observers might have anticipated.

Indeed, as I read the economic analyses coming through presently they suggest that if in fact the Delco plant shuts down, if in fact the Ford steering column plant in the Indianapolis area

should shutdown, if in fact various other component plants shutdown, then the automobile industry throughout the country is likely to be severely crippled. Many people will say, "Well, we were not a party to this strike, we really did not have a power shortage in our areas, but we have an awful lot of people unemployed." And I suspect that this situation is beginning to dawn on the rest of the country that the automobile industry may be severely crippled, that in fact many components of the steel industry may be severely crippled, by events that are now occurring, not in the future, but now occurring in Indiana and in parts of Ohio and may in fact be occurring shortly in West Virginia and in western Maryland.

This is the reason that it is certainly not an intemperate request to call upon the President for decisive leadership. I am not the first person to suggest that nor will I be the last. The facts of life are the Presidency is a very, very difficult job. The pressures upon the President to do this and that are enormous from day to day.

But let the Senator from Indiana analyze the situation perhaps in a different way than some have analyzed it. It would appear from early on in these particular negotiations with the coal industry the leadership situation in the United Mine Workers was a precarious one to say the least.

Certainly, Mr. Arnold Miller, the president of the United Mine Workers, has testified as much. Even as these negotiations have reached critical stages in Washington, D.C., we are given the impression in television reports that the United Mine Workers are petitioning for his removal even while the negotiations are proceeding.

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes have expired.

Mr. LUGAR. I ask unanimous consent that I may utilize the 15 minutes allotted to Senator BAKER.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LUGAR. Thank you, Mr. President.

Indeed, Mr. Miller's situation even as these negotiations go into these final days appears to be precarious. Under conditions of this sort, and it is easy to second guess after the fact, it might be well to mention that perhaps even some purview might have been given by Congress to what was bound to become a rather critical dilemma. If in fact in an industrial situation at the national level there are not parties competent to bargain, competent to reach a negotiated settlement, continually pleading for a negotiated settlement is not likely to produce one. It is likely to simply indicate the fractures that were there.

Let me say very candidly, Mr. President, that the best solution for Indiana presently is to suggest to a company such as Amax Coal, for example, to name one specifically in Indiana, that they reach a negotiated settlement on their own with the United Mine Workers in Indiana of whom there are 3,200 out of the 3,700 miners we have in Indiana. That would in fact produce, I am told, 25 to 30 percent of the coal that we need, and that would keep our schools open and keep our industries going.

We could take the position the rest of the country has taken with regard to Indiana that we have solved our problem, whatever might be the problems for Mr. Miller and the United Mine Workers generally, for the BCMO or the coal industry generally. The facts of life, I believe, Mr. President, are that if we cannot have a national settlement, we shall have local settlements, we shall have a situation in Indiana which our Governor has brought about now, in which the authorities that are at his command are riding shotgun on convoys of trucks as they take coal from mines to places where electricity is generated. And that alone has kept alive a large part of our economy. Governor Bowen has been fully prepared to do that and is fully prepared to utilize all of the force at his command, when it finally comes down to the tough issues of life, as to whether we are going to have jobs and schools and at least some degree of civil living in our States. I have pled with the President, I think in a moderate way, for the past 3 weeks, to either invoke the Taft-Hartley Act, to seize the mines, to proceed into a request for legislation for arbitration, either voluntary or compulsory, but to act and to act now.

I appreciate the dilemmas. The President is advised and we are all advised that the Taft-Hartley Act would be defied, that violence would ensue, that many persons would not obey, and I would guess by this time the prediction is almost self-fulfilling. A myth or a reality, as the case may be for 30 years, is that a large group of Americans simply are above the law because of privation, because of history, because of difficulty. They simply do not respond and have no intention of doing so. That is not a satisfactory response from a group of any Americans, but I predict, and anyone can play this game, that at least in several States there are miners who have compassion for children in schools, for their fellow labor members in the United Auto Workers and in the Steelworkers of American who are going to lose jobs, lose them substantially, and who are now losing pay in my State. I think we would have a response, one that would at least move us beyond the emergency predicament.

Let me just say in fairness to the President——

Mr. PERCY. Mr. President, will my distinguished colleague yield for a question?

Mr. LUGAR. Yes, I am pleased to yield.

Mr. PERCY. I agree, the President is going to have to act. I think we recognize that there must be Executive action but it is a question of timing. When does my distinguished colleague from Indiana feel that the President should act? Today? Tomorrow? Should he have acted yesterday to invoke the Taft-Hartley or seize the mines, or use alternative weapons available to him?

Mr. LUGAR. I would reply to my distinguished colleague from Illinois that I called for the President to invoke the Taft-Hartley Act 3 weeks ago. I think he should have done so at that time. In response to the question of what he should do today, my understanding is that he has given his word he is going to act on Sunday, if a negotiated settlement does not occur today or Saturday. I take that for granted. I would like to reinforce that resolve. In other words, I would hate to see Sunday pass and come to Monday, with the leadership conferences again summoned, all the alternatives are expressed, there is a great wringing of hands, a waffling of leadership, and we come back to this sort of debate.

Mr. PERCY. I shall just mention my own opinion as one Senator. First, I wish to say that I have watched with great interest the situation in my neighboring State of Indiana. I think Governor Bowen and my distinguished colleague, Senator LUGAR, have acted responsibly and they have responded to the constituency needs they see present. They want to avoid a disaster and Indiana is as close to deep trouble as any State could be, Indiana and Ohio.

I hope every other Governor will cooperate with Indiana and help in its time of need.

I believe that to invoke the ultimate authority of the Taft-Hartley Act precipitously could destroy the credibility of the collective-bargaining process. It has been my hope that the ultimate weapon of Government intervention, either by the Taft-Hartley Act or by seizure of the mines or anything else, would be undertaken only when it is clear that the national safety and health are endangered. A few days may make a real difference in the achievement of a voluntary agreement and I believe that there is a real possibility we could have a settlement within a day or two.

If we invoke Taft-Hartley, and an injunction is issued, the miners may or may not respond. Once the cooling off period is over a settlement has to be reached anyway, so why not try to get one sooner instead of later?

Something would have to be done by early next week, but I hope our colleague from Indiana would agree with me that if it is possible to get a voluntary settlement within the next 48 hours, that is by far the best course of action.

Mr. LUGAR. Yes, I——

Mr. PERCY. But if, in the meantime, there are emergency situations in Ohio or Indiana, I think the neighboring States, including Illinois, should be cognizant of that, and help. Governor Thompson has already indicated his desire to cooperate, and we want to help do anything we can to prevent the use of government authority with the inevitable result of bitterness among the parties involved. Conditions are bad enough now between the industry and the union without applying the heavy hand of gov-

ernment and aggravating an already difficult situation. We may suffer in the future because of any unwise, precipitous action taken now. I hope we will allow the normal process to work. The effect of the strike on coal-dependent industries, particularly the steel companies, is now tremendous. All affected sectors of the economy are putting pressure on the operators and the union to settle their differences, and this is as it should be.

I commend the Pittsburgh & Midway Co. again for the leadership they have exercised in moving ahead to a settlement through the collective bargaining process. It appears to be an agreement both parties can live with, and I do believe, that it will be ratified by the miners themselves, to their everlasting credit. In the process, they will have preserved the collective bargaining process as well as won a new contract for themselves.

I commend my colleague for arranging this colloquy this morning. Certainly I would like to hear the rest of his statement, and also that of our distinguished colleague from Ohio (Mr. GLENN), whose State is also deeply involved.

Mr. LUGAR. I thank my colleague from Illinois. The President has given his word that he will act on Sunday. I take his word as his bond, and offer my support on Monday if he comes forth. As a practical matter, that is the first time we will be able to deal with legislation. I would hope we would break into the Panama Canal Treaty legislation to do that, as a matter of priorities.

Mr. President, I have just some brief, quick observations, and then I shall yield to our colleagues in equally distressed situations.

Let me suggest to my colleagues respectfully that we are, in this body, going to take a look, I presume, at so-called labor reform legislation later on in this session. I suggest respectfully that the labor-management legislation that may soon be before us is much more of a fine tuning of labor legislation that might leave us, as the distinguished Senator from Illinois has well expressed it, with some other gradation of Presidential or congressional initiative, other than the Taft-Hartley Act. Conceivably this is not in the best interests immediately or early on, but maybe the President does not have as many responses as he needs. Maybe we are entering a situation of such interdependence in our society that we can no longer leave affairs subject to such ultimate and jerky motions that may be disruptive of labor relations. It may be, in other words, as opposed to taking a look at the sort of labor-management legislation that might otherwise come forth, that we should be taking a look at amendments to the Taft-Hartley Act which offer other potential responses in difficult situations.

Second, I think we are going to have to take another look in this body at our energy legislation, and the new dependence we have placed upon coal. If in fact we are unable, as a nation, to deal with the coal industry's industrial problems, we are going to have to take a look at——

The ACTING PRESIDENT pro tempore. The Senator's additional 15 minutes have expired.

Mr. LUGAR. I ask unanimous consent for 3 additional minutes.

Mr. GLENN. Mr. President, may I inquire of the Senator how long he is going to continue requesting additional segments? I do have other commitments; if he is going to have many more extensions of his time period, I am going to have to ask to leave the floor.

Mr. LUGAR. May I have 3 additional minutes?

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. LUGAR. I suggest we had best undertake an examination of the alternative fuel situations. Coal is abundant. It has been an economical source——

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I ask unanimous consent that the order allowing the Senator 3 additional minutes be vitiated, and that the 3 minutes come out of my time. We do not agree to the extension of 15-minute orders.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LUGAR. I appreciate the request of the majority leader.

In essence, it seems to me that this is another aspect of legislation that will come before us in one form or another very shortly.

Finally, Mr. President, I would suggest, as I alluded a moment ago, in the event the President calls on this body for action, whatever he may recommend on Sunday, if he is called upon for ultimate, drastic action, as he has characterized it, that I would hope we would respond immediately. I would hope that this would be our first order of business on Monday, and I would simply say I would pledge to support the President in the drastic action that he suggests. This will not be a time, in my judgment, to quibble in a partisan or sectional way over those recommendations, but I hope that we shall act promptly, and I pledge my support in that endeavor.

For the reasons that I have suggested in this message, and simply because I believe the situation involves the credibility of the presidency itself, the ability to act in times of emergency, in crisis, and in this respect the President will lead, he will deserve our support.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico is recognized for not to exceed 15 minutes.

Mr. PERCY. Mr. President, will it be possible to yield half a minute out of someone's time?

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized for 15 minutes.

Mr. PERCY. Will the distinguished Senator yield 1 minute out of his time?

Mr. SCHMITT. I will be happy to; and do I understand the distinguished Senator from Ohio needs some time?

Mr. GLENN. No, that is all right.

Mr. PERCY. Mr. President, I just wanted to comment on the reference the Senator from Indiana made to the Labor Reform Act. I would say to organized labor that, if this strike continues and there is not some sense of responsibility on the part of the mineworkers now to ratify the agreement with Pittsburgh & Midway and to step forward and close ranks behind a reasonable compromise with the operators within the next 24 or 48 hours for a nationwide settlement, they will do irreparable damage to any prospective labor-management legislation. I hope they will listen very carefully, and act accordingly.

I thank our distinguished colleague from New Mexico.

Mr. SCHMITT. I thank the Senator from Indiana for his elucidation of the depth of the crisis as it is growing in Indiana, and for his clear portrayal of the spread of that crisis throughout the country.

Mr. President, yesterday I introduced Senate Resolution 401 urging the President of the United States to invoke the provisions of the Labor Management Act, commonly known as the Taft-Hartley Act, for an 80-day cooling-off period.

In my introductory statement, I underscored the seriousness of this issue and it has been much more eloquently underscored by the Senator from Indiana this morning.

The situation in the Eastern and Midwestern States has already reached crisis levels, as he has described. The President has acknowledged this by declaring Indiana and Ohio energy disaster areas.

As I pointed out yesterday, every segment of society in the directly affected areas is touched. Schools have instituted 3-day weeks or half-day sessions. Industries have been shut down. Power cutbacks are taking place, and will continue, even if a settlement is reached shortly.

While utilities have cut back their maximum and have bought power from other utilities, there is a limit to this short-term measure. The grids cannot take more than a 10-percent cutback. The transformers which are used to step-up and step-down voltages between the utilities have a limit as to the power they can handle. Brownouts on a rolling basis will be the next step, even if there is a settlement. Some utilities have already drawn up their plans for this measure, and more certainly will do so shortly.

In my own State of New Mexico, we are not experiencing the power shortages, the secondary layoffs the suspension of classes; in other words, the energy crisis that is being experienced in many of the other States. New Mexico, however, is suffering, not only for itself but for the country. As I pointed out, the miners and their families have not received pay checks or medical benefits for almost 3 months. This is true in the rest of the Nation. Retired miners have had the pension checks on which they depend suspended this month. The small busi-

nesses in the mining areas are faced with a serious cash flow problem which may result in even bankruptcy should the strike continue much longer.

The Nation as a whole is suffering due to this strike, and our problems in New Mexico are just a small microcosm of the national suffering.

Those States not directly affected are sharing power with the directly affected areas. How long this can continue is in question. But there is no doubt that industries in these "unaffected areas" will be forced to shut down because of lack of supplies from the coal dependent States. This has begun to occur. New Mexico and most other States will undoubtedly be affected even more as time goes on. We simply cannot allow our Nation's industrial complex to be brought to a standstill.

The newspapers have discussed the three options available to the President: Taft-Hartley, seizure of the mines, or binding arbitration, the latter two requiring assistance from Congress.

The United Mine Workers have stated that they will not enter into binding arbitration. That is a fairly flat statement. The President could, however, ask for congressional approval to impose binding arbitration. I would, however, submit that this is a very dangerous precedent. At no time in the history of labor relations in the United States has the Federal Government imposed binding arbitration in a contract dispute. All binding arbitration has been entered into voluntarily by both parties.

Even a representative of the National Mediation and Conciliation Service considered this a dangerous step. It should be viewed as the last resort, if even then. Both labor and management would consider this an abridgment of their freedom to negotiation. In addition, it would involve considerable time in that such a drastic step would be extensively debated in the Congress, certainly by this Senator. Constitutional questions would also be raised about this action.

With regard to Federal seizure of the mines, the problem of time also exists. It would require extensive debate, as would the other "solution." This action also would set a dangerous precedent. While the mines have been seized twice by Presidents Roosevelt and Truman, they were under special wartime powers. To quote the Wall Street Journal of February 22: "Today, nationalization of the mines would set a dangerous precedent," says John Higgins, vice president, production, Eastern Associated Coal Corp., a unit of Eastern Gas & Fuel Associates." The article continues:

> Not only might Congress be wary about setting a precedent of solving strikes by government takeover but there is also a constitutional issue: The government can't take private property without providing "just compensation." Almost any compensation the government suggests is likely to strike some mine operators as unjust. "There are certain to be suits," says one government lawyer.

This is not to say that this option should be completely discarded. It should, however, not be the first course of action. It should be viewed as a last resort.

The law does provide for situations such as this. The provisions of the Labor-Management Act were developed precisely for this reason, precisely to settle the kind of situation the administration, labor, and management are today facing. Those provisions have been invoked 34 times in the past 30 years. They have worked.

There are also advantages to Taft-Hartley. It could be done quickly and still offer the President flexibility. To quote the Wall Street Journal again:

> Indeed, one senior government official says that "the beautiful thing about Taft-Hartley is that it's a two-step process." The President first appoints a "board of inquiry" to study the issues in the negotiations, only moving for a back-to-work injunction after receiving the board's report. While waiting for the board's report, which can be delayed indefinitely, negotiations continue under greatly heightened pressure for a settlement.

There is also a strong support for this course of action. Governors Rhodes of Ohio and Bowen of Indiana, as well as Senator LUGAR, have asked the President to take this action. Numerous Members of Congress have stated that they will support the President. George Meany has stated that he will not "criticize the President" if he invokes Taft-Hartley. The Gallup poll indicates that two-thirds of the country favors this course of action.

Critics of this step argue that it will result in violence. Yet, the Governors of two States which have been hardest hit by the strike, and which are major coal-producing States, feel confident that this risk, if there is one, is worth it.

Critics have also maintained that the coal miners will not return to work. I would not assume that coal miners are not good Americans, good citizens, or that they would violate a court injunction.

I think that is an unfair and very dangerous assumption for anyone in this country to make.

Wilbert Killion, Indiana's union representative stated:

> We'd all grumble, but I doubt that my members would stand up and defy the President. My people are law-abiding citizens.

I concur completely with Mr. Killion's remarks.

Should the criticism that Taft-Hartley will not produce coal be true, then the other options, Federal takeover and binding arbitration, will also not produce coal. If the miners are not, in fact, law-abiding citizens, which I would not want to assume, they would not feel bound by the other options either.

Mr. President, I feel that the President must take a decisive step at this time. I join Senator LUGAR in asking him to do so. Taft-Hartley should be that step. If this is not sufficient, then the Congress can and should be asked to consider other options including a Federal seizure of the mines. But, if history has anything to offer us, then we should learn from President Truman's experience. He invoked Taft-Hartley. When the miners did not return to work, he submitted legislation to the Congress for a Federal seizure of the mines. At that time, the miners did return to work, even before the Congress had time to act on the legislation.

I therefore, urge the President to invoke the provisions of Taft-Hartley. I also ask support of my colleagues for Senate Resolution 401 which would show the support of this body for the President, even in the absence of action on that resolution.

Mr. RANDOLPH. Mr. President, will my colleague from New Mexico yield 60 seconds to me?

Mr. SCHMITT. Mr. President, I would be happy to yield the remainder of my time to the distinguished Senator from West Virginia. I do not know how much time I have remaining.

How much time do I have remaining, Mr. President?

The ACTING PRESIDENT pro tempore. Three minutes.

Mr. SCHMITT. I shall be happy to yield that time to the Senator.

Mr. RANDOLPH. Could I have colloquy with my able colleague?

Mr. SCHMITT. I should enjoy that.

Mr. RANDOLPH. I think that the Senator's closing comment is indicative of a desire of the Members of the Senate to move in these matters in concert with the administration, with no partisanship. Am I correct?

Mr. SCHMITT. Yes, sir, very much so.

Mr. RANDOLPH. As I listened earlier to the Senator's discussion of the alternatives—mandatory arbitration, seizure, the use of Taft-Hartley—I felt that he was working his way through these options, as it were, wondering what option is preferable. Certainly, the Senator is correct in saying that action must be forthcoming. The Senator's concern is for what would be, perhaps, best at a time like this, when, for a period of 81 days, we have had no mining of coal in much of the country. Is that correct?

Mr. SCHMITT. Yes, that is correct. The Senator from New Mexico would strongly recommend the use of a law that exists, as it is a two-step process. It gives us the time, then, in Congress as well as in the administration, either to work out a settlement or to work with legislation requiring either a seizure or arbitration.

Mr. RANDOLPH. I add this comment in my discussion with the Senator from New Mexico. It was my responsibility with other Members of Congress to draft and pass the National Labor Relations Act in 1935. That was a Magna Carta for labor. It was the process of collective bargaining. Now, at the moment, I believe—I still have the flame of faith within me—that, during these next few hours, there will be a negotiated settlement of this strike. I think that it is wholesome to have the discussion that is taking place in the Senate today. But I still believe that, during this day, or possibly tomorrow at the latest, collective bargaining, with the full resources of everyone who is intensely interested being brought to bear, which can bring into being an

agreement under which miners can go back to work. The productivity of the mines will succeed, and an earlier law will still show its validity when people of good faith continue, at the White House and on the Hill, work for solutions. I feel that still, this can happen today.

I believe this very firmly as I stand here this morning in this Chamber.

Mr. SCHMITT. The Senator from West Virginia has made a major contribution in this area.

The PRESIDING OFFICER (Mr. SASSER). The time of the Senator from New Mexico has expired.

Under the previous order, the Senator from Utah (Mr. GARN) is recognized for not to exceed 15 minutes.

Mr. LUGAR. Mr. President, I ask unanimous consent that the time allotted to Mr. GARN be transferred to me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Will the Senator from Indiana yield?

Mr. LUGAR. I am happy to yield to my colleague from New Mexico.

Mr. SCHMITT. I wish only to reiterate my compliments to the Senator from West Virginia for his hope and his faith, not only in the people of this country involved in this very serious crisis, but also his faith in the collective-bargaining process. History will show he has always been a great supporter and did so tainly hope, that the collective-bargaining is a part of our national scene.

I cannot say that I believe, but I certainly hope, that the collective bargaining process will work in the next few hours or the next 2 days or so. If it does not. I think the President has a very clear set of alternatives before him: One, to begin the use of the provisions of the Labor-Management Act, the Taft-Hartley Act; and, as the same time, to ask Congress to begin consideration of alternatives should this course of action not work or should the crisis deepen so rapidly that more drastic measures are required.

The collective-bargaining process, though, must go on through all this time. It must continue. It is up to the President, Members of Congress, the Governors of our States, and all of our citizens, to insure that it does, in fact, continue and continue successfully.

I thank the Senator.

Mr. RANDOLPH. Mr. President, is it possible to yield further to me?

Mr. LUGAR. I am pleased to yield to the Senator.

Mr. RANDOLPH. I appreciate the comments of the Senator from New Mexico. I should like to have colloquy with the Senator from Indiana as I am having with the able Senator from New Mexico. I think my thoughts can perhaps be expressed best if we talk back and forth, if that is agreeable.

Mr. LUGAR. That is excellent.

(Mr. LEAHY assumed the chair.)

Mr. RANDOLPH. May I inquire further? I think that the Senator from New Mexico has expressed with his words, as I am sure Senator LUGAR has expressed with his words, the necessity, at a certain time, for action. I think that that is implicit in what has been said—action that will include the President of the United States, working with the Members of Congress, a step here, a step there—during this period of time that is now running out. Is that correct?

Mr. SCHMITT. It is.

Mr. RANDOLPH. Time no longer is on the side of those of us who still have the faith and the belief that the collective-bargaining process can bring a settlement. Is that correct?

Mr. LUGAR. I believe the distinguished Senator from West Virginia has expressed it well. Furthermore, I would suggest that I am encouraged, I should say, by his remarks that he has faith in the negotiated settlement process, that somehow, something is going to occur. Obviously, I believe each Member of this body hopes for a negotiated settlement. We have expressed ourselves in that way.

Does the Senator have any knowledge he can share with us as to why he believes something may occur in the next 48 hours that would lead to a negotiated settlement and the need, then, for the President to let that process continue, as opposed to taking the action which I understand he is pledged to take on Sunday if Friday and Saturday run out?

Mr. RANDOLPH. In answer to the inquiry, which is certainly proper, there were those of us who were at the White House yesterday afternoon. We were from both sides of the aisle. That meeting was indicative of what we have been saying here, a desire to have a settlement, a fair settlement.

I have kept in constant contact with United Mine Workers officials and miners in West Virginia—in constant touch, of course, with the Secretary of Labor, Ray Marshall, and with the operators' bargaining committee, and also heads of coal companies. I have continued, frankly, through the weeks, becoming very frustrated at times when it looked like there was no way out of the wilderness that we are now in.

No one can express in this Chamber the full seriousness of this plight, beyond what any other person could do. We all know that the economic strength of the country is being whittled away with every hour that we do not have the full production of coal moving forward.

I have attempted not to be pressing one way or the other as I have talked with all of these people. But I have continued to appeal to them that the hours and days, no matter what length they would be, be spent in consultation and negotiation.

I am getting to the point of the Sentor's question but the Senator said he had a few minutes.

Mr. LUGAR. Yes.

Mr. RANDOLPH. I am not a carping critic, I will never allow myself to be in that position. But it is my strong feeling that it would have been better had the President moved more quickly as the Chief Executive of this country. I am sure that he has been deeply concerned, as have the Senator from Indiana and the Senator from New Mexico, and certainly, the Senator from Illinois (Mr. PERCY), who is in the Chamber, and the majority leader, my colleague from West Virginia (Mr. ROBERT C. BYRD). These persons and others in this body, I think, understand that these hours now are the critical hours, the hours of today and tomorrow.

I have reason to believe with information that I have on work during the night, with which I am familiar, that this situation is going to jell, hopefully, within a few hours, and that there will be the spirit of negotiation once again surfacing without an action needed here by the Senate of the United States or the Congress itself.

So I am responding, in not prophetic sense, and I do not have inside information. No. But from the sensitivity that I have to what is now going on and the discussions with others yesterday and today I believe that within hours, hopefully, there will be reason for all the Senators here now and for the people of the United States to know that collective bargaining can succeed, rather than any legislation, or Taft-Hartley, or seizure, or mandatory arbitration. I reemphasize that I think we can see action and it will take place, I hope, within a few hours.

Mr. SCHMITT. That comment of the Senator is the best news we have had this morning, I believe, or perhaps in many days, and that feeling that the Senator from West Virginia has after so many years of involvement in this process is a very good feeling to hear articulated on this floor.

I think it is only underscored by the ripple effect that is beginning, that the Senator from Indiana discussed is happening in the industries of Indiana.

The problems in my discussion with the people who manage utilities in having these low power levels start to develop in equipment that was never designed to handle it, that is a ripple effect we can anticipate fully.

We do not know what will happen unless coal starts to move today, tomorrow, or very soon.

Mr. PERCY. Will my distinguished colleague yield?

Mr. SCHMITT. The Senator from Indiana has the floor.

Mr. PERCY. I wish to respond to my colleague from West Virginia who commented earlier in the session, after Senator LUGAR gave an analysis of the situation. The Senator from Illinois indicated his appraisal of the situation, which was conducted quite independently from that of the Senator from West Virginia. I know he has followed it even more closely than I because of his leadership position in the Senate and his deep concern for his own State.

The information the Senator from Illinois had is that the miners will actually ratify the Pittsburgh & Midway agreement, fairly arrived at between the two parties.

I have been advised this morning by sources in the industry that there can be and will be a settlement, if not within a few hours, at least within 48 hours.

It is my hope, therefore, that whatever action becomes necessary by this body or by the President could be withheld until Sunday or Monday.

Mr. President, I ask unanimous consent to have printed in the RECORD a Chase Econometrics' study which indicates, for instance, that in Illinois, 10 percent of our industry would be shut down by March 17 if the strike is not settled.

There being no objection, the material

was ordered to be printed in the RECORD, as follows:

EFFECTS OF A LONGER COAL STRIKE

(By Michael K. Evans and John C. Zamzow)

THE REGIONAL APPROACH

In view of the breakdown of negotiations between the BCOA and the UMW, we have calculated the macroeconomic effect of a coal strike lasting until (a) March 15 and (b) April 15. Adjustments in industrial production have been superimposed on our latest baseline forecast of the U.S. economy, which differs somewhat from the January standard in that it reflects the latest statistics. In particular, housing starts, new car sales, and the index of industrial production are all lower in the first quarter, while unemployment is lower for the entire forecast period. Our forecast is built up from the regional level and begins with an analysis of individual states where coal shortages currently exist or are imminent.

Table 1 lists those states most likely to be affected by a continuing coal strike. They are primarily states in or surrounding the Ohio Valley and contain 44% of national manufacturing employment. These states represent areas where there is a heavy dependence on (1) coal to produce electric power and (2) union controlled mines. The twelve states have an average of 78% of their electricity generated from coal fired boilers versus a national average of only 46%. These same states rely on their existing coal inventories for 82% of their coal supply. That is, only 18% of their coal demand is being satisfied by new (nonunion) coal. On a national average, 33% of the coal supply comes from nonunion mines.

TABLE 1.—STATES MOST VULNERABLE TO A LONG COAL STRIKE

State	Feb. 4 inventory (thousand tons)	Nominal days supply	Electricity produced from coal (percent)	Coal consumption drawn from inventory (percent)	Manufacturing employment [1] (thousands)
Illinois	5,667	58	65	79	1,227
Indiana	6,359	73	98	76	701
Kentucky	6,100	80	94	77	279
Maryland	1,595	97	41	91	234
Michigan	5,945	124	58	93	1,101
Missouri	3,830	58	92	67	434
North Carolina	3,466	52	86	73	790
Ohio	8,159	58	98	77	1,339
Pennsylvania	8,131	97	76	94	1,340
Tennessee	3,273	55	82	78	507
Virginia	1,160	97	38	89	398
West Virginia	3,950	71	99	87	126
Total, United States	99,609	74	46	67	19,460

[1] 1977 average value.

Thus, the above states are much more vulnerable to a long coal strike than the nation as a whole. All of these states except North Carolina, Illinois and Missouri have been identified by the Federal Government as "problem areas." Ohio and Indiana have already declared a state of emergency and others will soon follow.

WHY THE CRISIS?

Looking at the "Days Supply" numbers one is at first hard pressed to see why anyone should be concerned. There is, after all, a 74 days supply of coal still left for the U.S. and about the same for the identified states.

However, "Days Supply" simply doesn't tell the whole story. First, it will take almost a month after a new settlement is agreed upon to resume full scale deliveries to the states in the Ohio Valley region. After a tentative settlement is reached it must be documented, approved by the union Bargaining Council and then ratified by the union members. That whole process takes about two weeks. Then the mines must be reopened, the rail cars loaded and the deliveries made—which again can take up to two weeks. Thus four weeks are likely to pass between tentative agreement and full scale coal deliveries.

Second, some of the inventory is simply unusable. It consists of coal down at the "bottom of the barrel" which is too wet to use. Some has been there long enough to have changed chemical composition. We estimate that 5 percent to 10 percent of the total U.S. coal inventories are so affected and therefore unavailable.

We have captured all of these factors in a "Days to Crisis" series shown in Table 2. These numbers are computed taking into consideration (1) current rates of coal consumption, (2) the coal being delivered from nonunion sources, (3) the total inventory available, (4) the unusable inventory, and (5) the four week delay between settlement and new coal deliveries. Days to Crisis thus represents the number of days which an average utility in a state has before a settlement must be made. At "0" Days to Crisis that utility would have just enough usable inventory to make it through the four week period before coal deliveries resume if it were not to institute cutbacks sooner.

TABLE 2.—"DAYS TO CRISIS" FOR 12 KEY STATES

	Feb. 4, nominal days supply	Days to crisis as of—		
		Feb. 15	Mar. 15	Apr. 15
Illinois	58	59	31	0
Indiana	73	27	(1)	(32)
Kentucky	80	69	41	10
Maryland	97	31	3	(28)
Michigan	124	81	53	22
Missouri	60	62	34	3
North Carolina	52	19	(9)	(40)
Ohio	58	19	(9)	(40)
Pennsylvania	97	54	26	(5)
Tennessee	55	26	(7)	(33)
Virginia	97	53	25	(6)
West Virginia	71	29	1	(30)
Total, United States	74	64	36	5

Table 2 clearly shows why states such as Ohio and Indiana have declared states of emergency even though their "Days Supply" appears adequate. If a settlement isn't reached until March 15 these states will already be beyond the point where they could last until coal deliveries resume. Thus these and other critical states are already starting to order mandatory cutbacks in industrial electricity use. It should also be noted that these figures are state-wide averages and some individual utilities have already ordered mandatory reductions.

Table 3 shows the percentage of industry which will be shut down in the forthcoming ten-day periods under our two alternative assumptions about the coal strike. These figures are based on the assumption that power to the industrial sector will be curtailed 10% when the utilities have 30 "Days to Crisis," 20% at 20 days, 30% at 10 days, and 50% at 0 days.

The steps used in calculating the monthly declines in XIP, which are then entered as constant adjustments, are as follows:

(1) Calculate "days to crisis" (Table 2).

(2) Assume 30 days to crisis: 10% cutback; 20 days to crisis: 20% cutback; 10 days to crisis: 30% cutback; and 0 days to crisis: 50% cutback. These figures are shown in Table 3.

(3) Multiply these percentage cutbacks by proportion of manufacturing employment in each state to get cutback as a percent of total U.S. production.

(4) Multiply this figure by "multiplier," which represents secondary cutbacks due to unavailability of materials or supplies.

(5) Phase in using ten-day period to obtain monthly averages.

The actual monthly and quarterly adjustments are given in Table 4.

TABLE 3.—PERCENTAGE OF INDUSTRY WHICH WILL BE SHUT DOWN ASSUMING COAL STRIKE LASTS UNTIL APR. 15

	Feb. 15	Feb. 25	Mar.	Mar. 17	Mar. 27	Apr. 6	Apr. 16	Employment
Ohio	(20)	(30)	(50)	(50)	* 50	50	50	50	1,339
North Carolina	(10)	(30)	(50)	(50)	* 50	50	50	50	790
Tennessee	(10)	(20)	(30)	(50)	50	50	50	50	507
Indiana	(10)	(20)	(30)	(50)	50	50	50	50	701
West Virginia	(10)	(20)	(30)	(50)	50	50	50	50	126
Maryland	(10)	(10)	(20)	(50)	50	50	50	50	234
Virginia				10	20	30	50	50	398
Pennsylvania				10	20	30	50	50	1,340
Illinois				10	20	30	50	20	1,227
Missouri				10	20	30	20		434
Kentucky				10	20	30			279
Michigan									1,101
Total, United States	64	54	44	34	24	14	4		19,460
Multipliers:									
Mar. 15	1.0	1.25	1.5	1.5	1.25				
Apr. 15	1.0	1.25	1.5	1.75	2.0	2.0	1.5		

Note: Figures in parenthesis indicate extent of shutdown if coal strike ends by Mar. 15, except where noted by asterisk.

* 20 percent for Ohio and 10 percent for North Carolina if coal strike ends by Mar. 15.

TABLE 4.—ADJUSTMENTS IN INDEX OF INDUSTRIAL PRODUCTION MONTHLY BASIS, INDEX POINTS

	Assuming coal strike ends—	
	Mar. 15	Apr. 15
February	−2.5	−2.5
March	−14.0	−20.2
April	+2.5	−40.6
May	+9.0	+2.5
June	+5.0	+12.2
July	0	+16.2
August		+16.2
September		+16.2
Quarterly basis:		
1978.1	−5.5	−7.6
1978.2	+5.5	−8.6
1978.3	0	+16.2

MACROECONOMIC EFFECTS

As is always the case in simulations, our results primarily reflect the assumptions entered into the model. In this case, we have assumed that the losses suffered in late February, March, and even April will be made up by the end of the year. This is based on the record of what happened following the cold weather last year and after other major strikes in the past. Hence we find that the effects of the coal strike are merely those of displacement rather than lost income and production. Obviously, if we were to assume that some proportion of the output were never recovered, the results would be different. However, that does not seem to be a reasonable assumption. Currently the major industries which have been affected—autos, metals, and machinery—are far below maximum capacity rates and hence the lost production can be made up in a few months.

We turn first to the simulation in which it is assumed that the coal strike ends on March 15. The displacement is not very large on a quarterly average basis; real GNP is 0.6 percent lower while unemployment is 0.3 percent higher. On a monthly basis this implies somewhat greater disruption. Assuming that the coal strike had no effect at all on unemployment in January, this suggests that the unemployment rate would be about 0.2 percent higher in February and 0.7 percent higher in March if the strike were not to be settled until the March 15 date. Production would then be increased for the rest of the year; the 1978 yearly figures show virtually no change for all major economic indicators.

When we consider the postponement of a settlement until April 15, the displacement is much more significant. The index of industrial production declines sharply, particularly in April, and the unemployment rate is some 0.8 percent higher on a quarterly average basis. Considering that employment would recover in May and June, this implies a spike in the unemployment rate in excess of 8 percent in April. However, even with this much damage done to the economy, the recovery proceeds swiftly once the strike is settled. Real GNP increases 4.7 percent instead of 3.1 percent in the third quarter of the year, while the industrial production index zooms from 131 to 158. Real GNP for the year is 0.2 percent lower, but it is actually 0.6 percent higher in 1979 as the economy somewhat overshoots the recovery from the coal strike; it is then 0.4 percent lower in 1980. The same sort of induced cyclicality occurred following the aftermath of the 117-day steel strike in 1959.

On balance, we have no reason to expect the coal strike to last past March 15, in which case the effect on the economy would be both temporary and small in magnitude. If the strike were to continue until April 15, the economy still would not be permanently damaged, but the after effects of the strike could lead to an accentuated cyclical pattern in the economy during 1979 and 1980.

Mr. PERCY. Mr. President, our coal reserves are diminishing; Chase Econometrics has estimated that between 5 and 10 percent of the reserves are unusable because they are wet, frozen, or have deteriorated in other ways. It will take a month from the time of any tentative agreement between the miners and the operators for the mines to reach hormal production levels. Although the majority of States are not directly affected by the strike, indirect effects will be felt soon if something is not done.

Mr. President, Illinois is not the most critical State. Some States are in a much more critical condition and, certainly, action will be necessary if the strike cannot be settled soon.

If the strike continues until March 17, the amount of industry shut down will reach 50 percent in Indiana, Ohio, and West Virginia. In Illinois, 50 percent of the State's industry will be shut down if the strike continues until April 16. By that date, if there is no strike settlement, 50 percent of the industry in nine States will be shut down.

Let the operators and miners understand that it is a perilous path we follow not to let the collective-bargaining process work. Failure to act responsibly will do irreparable damage to the future use of coal and to other legislation which labor is so anxious to have adopted.

I urge them to reach a voluntary settlement because none of the alternatives are equivalent in value to the collective-bargaining process.

I thank our distinguished colleague for bringing his own expertise to the floor to share with us.

Mr. RANDOLPH. May I speak very briefly?

Mr. LUGAR. I am happy to yield.

I simply want to compliment the distinguished Senator from West Virginia and the distinguished Senator from Illinois on the talks they may have had with the various parties. I think this is good news and the country is indebted to both sides.

I am happy to yield.

Mr. PERCY. I can say that the consultation is steadily going on. I met personally yesterday with Jay Rockefeller, the Governor of West Virginia, who has been so deeply involved in this, and for whom I have developed over a period of years great respect.

Many of our Governors have shown great leadership at this time, including the distinguished Governor of Indiana whom we all respect.

Mr. RANDOLPH. I appreciate the further yielding to me.

The Senator mentioned the problem of nonproductivity with coal not moving into the plants or into the generation of electric current.

In the State of West Virginia, as the majority leader well knows—he has kept as close as anyone in his thinking and his counseling to this subject—there are for example, Corning Glass operations. That corporation has four plants in West Virginia. They have a total of roughly 3,000 workers. That is a considerable total of workers.

The PRESIDING OFFICER. The Chair hates to interrupt, but the time of the Senator from Indiana has expired, and under the previous order the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 12 minutes.

Mr. ROBERT C. BYRD. I yield 2 minutes to my senior colleague.

Mr. RANDOLPH. I am grateful that I can make this continuation of the Corning Glass picture.

Now, those employees, according to the president of Corning, are going to be off the job in the near future.

This is only the tip of the iceberg, but that is the picture throughout the country.

The seriousness of the unemployment that affects one State like West Virginia, Pennsylvania, Indiana, or Ohio, of course, will spread throughout the country. It will be a chain reaction of unemployment.

But I go back to my original thought, even though we have talked about alternatives and options.

There is enough so-called industry statesmanship and labor statesmanship to bring this to a negotiated settlement, rather than to rely upon Congress.

I reemphasize that I want the instrumentality of collective bargaining to work, rather than using Taft-Hartley Act, or seizure, or arbitration.

I appreciate the opportunity to discuss these matters, because our country is in a very crucial state at this time. In West Virginia, as a major producer of coal, we understand the implications of this situation. We have not been derelict, nor has the Governor of our State been derelict, Governor Rockefeller has been a leader in trying to bring a settlement.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

The Chair recognizes the Senator from West Virginia, the majority leader.

Mr. ROBERT C. BYRD. Mr. President, does my senior colleague need any additional time? I yield him 1 additional minute.

Mr. RANDOLPH. I will use 30 seconds only.

Mr. ROBERT C. BYRD. Use 60 seconds.

Mr. RANDOLPH. I do not want to be repetitive, and I do not want to be emotional. I want to be realistic.

I believe that prior to Monday, when I am sure there will be some action from the standpoint of the administration, in concert with Congress, this matter can be settled through the process of people working together in good faith to bring about an early conclusion to this tragic situation in which all Americans find themselves.

Mr. ROBERT C. BYRD. Mr. President, I yield 1 minute to the distinguished Senator from Kansas.

Mr. DOLE. I thank the distinguished majority leader.

Mr. President, the coal strike is now 82 days old. The leadership of the United Mine Workers and the Bituminous Coal Operators Association have been unable to reach an agreement. The administration has been unable to use their influence to bring about a settlement, and the

next step seems to be that they will ask the Congress to become involved.

It is unfortunate, but typical, that the Congress has been ignored until now. At this point, the country is on the verge of a crisis and, again in typical fashion, the Congress will soon be asked to assume the leadership role that seems always beyond the reach of this administration.

ADMINISTRATION PROPOSALS

At the present time, the administration claims that there are only three possible actions that it can take.

First, the administration could invoke the Taft-Hartley Act and order miners back to work temporarily while they continue to negotiate. This could be done without congressional involvement.

I know that we have heard ominous statements as to what might happen if the President chooses to invoke Taft-Hartley. Nevertheless, there comes a time when we must assume that laws on the books are meant to be obeyed. It is hardly an excuse to hold off and do nothing because the President is afraid that he might have to enforce the law. Another approach would be for the Government to seize the mines and establish conditions that would get the miners back on the job. Legislation would be required for such a move and it would be the Congress that would in effect authorize the Government to seize the mines.

The administration needs to do its homework very carefully before it asks the Congress to take such a drastic measure. The Congress must have an assurance that such a move will solve the problem. In my opinion the Congress would oppose such a move if there were a chance that it would likely exacerbate the situation.

The third approach proposed by the administration would be to require the parties to submit to mandatory arbitration. This move would also take action by the Congress. The Government would impose a solution on the miners and the owners, and presumably both parties would agree to go back to work under a "fair" settlement. The problem is again one of enforcement. There is a danger that the miners could refuse to comply with a Government-imposed settlement, even if the union leadership had accepted it. In that case the Government would again have to be prepared to enforce the law. There, of course, are problems with any of these possibilities. Yet, the administration describes these three as its only options.

OTHER OPTIONS STILL AVAILABLE

There are still other options besides the three just mentioned. Somehow the administration must explore these other avenues before they ask the Congress to take over.

First, there is still coal being mined in this country. If that coal were available where it is needed, the economy could continue to function as the Government pressed the parties to arrive at a solution. One role for the Government is to locate both the suppliers and the customers in need, and attempt to get them together. But there is a further need to guarantee that the available coal ends up safely at the point where it is to be burned. If help is needed, the States must know that the Federal Government is ready to assist in assuring safe delivery of the coal. The administration already has the power to help the market work. The question is whether this administration is ready to guarantee the safety of the supplies that are now available.

Second, a new avenue opened up just last weekend. We have just seen the union leadership welcome a separate agreement between one company and its employees. This type of settlement offers a new opportunity for the administration. They could encourage local solutions instead of remaining deadlocked at the national level. The question now is whether the administration can seize the opportunity and exert the influence that we expect of them.

There are still other options remaining. With proper influence, the administration could convince the parties to accept an interim contract, one that could be opened again for negotiation after some period of time—like 6 months. This would allow the parties to defer their controversial problems until a later date, while firmly establishing the points on which they already agree. If, as some have said, the problem is one of leadership within the union, then such a solution would relieve the pressure and provide the time for the union to work out its internal problems.

Such solutions can work. But each of them depends on the administration's ability to establish the strong role of leadership that has thus far seemed to be beyond their grasp.

THE NEXT STEP

We are on the verge of a crisis. The administration has waited too long and that has contributed to the worsening situation. At this point, Congress may be asked to become heavily involved, although even now we wait for administration leadership.

Congress can help. We can assist the administration by pointing out the options and helping them to explore each and every one. I sincerely hope that the administration will not come to the Congress merely to get our stamp of approval for a drastic measure. Such measures should never be taken when other possibilities are still available.

The next few weeks will be a critical time for the country and a critical test of the influence this administration can expect to exert in its remaining 3 years. I know I reflect the sentiment of all my colleagues in saying that the Congress is willing to work in partnership with the administration in getting the country through this difficult period.

Mr. President, I share the hope expressed by the distinguished Senator from West Virginia that there can be some resolution in a voluntary way, through the collective bargaining process, though I must add that the facts are that we have very weak union leadership and we have less than sterling leadership from the administration. We find that the President put more pressure on industry, but it seems to me that the time has come for action.

Mr. ROBERT C. BYRD. Mr. President, it is unavoidable at a time like this not to recall the motto of President Truman, "The buck stops here." In the case of the coal strike—now in its 81st day—the buck has wound a torturous route from the coal fields of Appalachia to the bargaining table, and finally, to the White House and to President Carter.

It is worthwhile to put this difficult process into proper perspective. We must remember the position in which the UMW and the BCOA found themselves a year ago. A series of local strikes continued to plague the industry. The health and welfare funds of the union were running out of reserves. Tensions were building up within the UMW and between the miners and the coal operators. It was in this atmosphere that the two sides sat down to begin the bargaining process this fall—in an atmosphere not entirely conducive to the good-willed give and take necessary for collective bargaining to succeed. Nonetheless, a concerted effort was made to reach an equitable settlement. Days passed, the contract expired, and the national strike began.

Mr. President, the concept of collective bargaining is a precious but fragile doctrine. It has come to us not only through a long history of exploitation and human suffering but also through the realization that if we are to maintain order in our society, all parties involved must be able to develop certainty through contract. This is necessary whether we are trading jars of oil or bargaining our labor. Collective bargaining is as essential as is the Bill of Rights. Only in the most extreme circumstances should the Federal Government be permitted to intervene in this process.

This being understood, President Carter did not intervene. He did, however, lend his office and that of his administration to help pave the way for a voluntary settlement. As far back as last August, the Conciliation and Mediation Service was working behind the scenes with both the union and the coal companies to seek an amicable agreement. Naturally, this garnered neither headlines nor media coverage. But my senior colleague and I were in contact with the Secretary of Labor all along during that process, when the Conciliation and Mediation Service was lending its good offices to bringing the parties together.

When the possibility arose that the talks might disintegrate, the President called both sides to the White House. For days, Secretary Marshall has worked nearly around-the-clock in an attempt to bring about reconciliation. Time and again, it seemed as though an end to the dispute was close at hand. The President made it very clear, however, that he would take decisive action if it finally became apparent that a voluntary solution was not forthcoming. I have felt in the past, and I feel today—as my senior colleague has so eloquently and appropriately stated—that a voluntary solution is still a possibility. I think the President should give that voluntary solution every opportunity to come about—every opportunity, up to a point. Of course, that point is rapidly being reached.

On Wednesday, February 22, Charles L. Schultze, Chairman of the Council of

Economic Advisers, stated that the strike thus far has had only a relatively small effect on the overall economy. Such a finding is not sufficient to satisfy the language of the statute that the national health or safety of the country is imperiled. It is therefore questionable whether the President could have, at an earlier time, legally invoked the Taft-Hartley Act.

It is easy to say that it should have been invoked a week ago or 2 weeks ago or 3 weeks ago. But could the President have invoked it legally? Would there have been the facts on which the courts would have sustained such an action by the President? That is the question.

Premature action on the part of the President in triggering Federal intervention not only could have been legally invalid but it also could have undermined the future of collective bargaining. The impact which we are now experiencing in several States, including West Virginia, although severe, may have only been a shadow of the chaos caused in the coalfields by such a premature course of action. I commend the President for his wise and responsible handling of the situation.

Mr. President, if voluntary agreement is not reached by the end of this week—and I share the hope and the belief and the faith of my senior colleague, Mr. RANDOLPH, and that of the distinguished Senator from Illinois (Mr. PERCY), that some voluntary solution will be reached before midnight Sunday—we shall have come to the point where some kind of Federal intervention is needed, and the President understands this. He made this clear to the members of the bipartisan joint leadership of the Senate and House yesterday, at a meeting. He understands that. I hope that this is not the case, because whatever form Federal intervention takes, it will be a drastic step—a step that is far less preferable than a settlement voluntarily negotiated.

So let us hope that in the remaining hours of this weekend, a voluntary settlement will be reached. I hope it will be. If we arrive at the point, however, that it is not reached, the President then recognizes that he will have to recommend some action. So be it. I, for one Senator, will not shirk my duty. I believe that thus far the President of the United States has followed a reasonable and a judicious course of action—one that supports our doctrine of collective bargaining, in the hope that it will serve us now as it has served us in the past.

If it comes to the point that congressional action is needed, there need be no concern about the Panama Canal treaties being set aside. They will be set aside. There need be no concern that every effort will be made to see that expeditious action is taken on whatever proposal is needed to deal with this national crisis.

I will do my duty, and I am sure that other Senators will do theirs.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RANDOLPH. I believe that in the Senate, if we come to the point of the drastic action to which my colleague has referred, there generally will be approval of what the President brings to the Hill.

Mr. ROBERT C. BYRD. I believe that, and I think it will be bipartisan support—and if takes 24 hours around the clock, we have seen that occur in the past. If it becomes necessary, we can do it again.

Mr. RANDOLPH. I agree.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PERCY. I express my appreciation to both of my distinguished colleagues from West Virginia for their statements. I support the President in what he is doing. I think he has acted very responsibly.

I did mention the disaster we may face in Illinois if 613,500 workers are laid off. Beginning March 17, we could have 10 percent of our industry shut down, and we are only 65 percent dependent on coal for electricity. Indiana is 98 percent dependent for its electricity on coal and West Virginia is 99 percent dependent on coal for its electricity. The disaster that those States would face is much greater.

I again refer to the figures that I have printed in the RECORD before to show the consequences for the States of Ohio, North Carolina, Tennessee, Indiana, West Virginia, and Maryland.

We must act at the executive branch level and Congress by Monday if the industry does not settle this itself within the meantime.

Mr. ROBERT C. BYRD. I thank the Senator.

ADDITIONAL STATEMENT SUBMITTED

Mr. ALLEN. Mr. President, I am hopeful that a fair and generous solution of the issues in the long coal strike can be reached through the collective-bargaining process. I agree with Mr. RANDOLPH and Mr. BYRD that it is still possible that a solution can be reached before it is necessary for the President to act or for the Congress to be called on to provide a legislative solution.

It has been stated that the President has three options:

First—invoke the Taft-Hartley law. And it is doubtful that this would produce much coal.

Second—ask for legislation authorizing Government seizure of the mines and Government operation. I would hate to see the Government take over the mines or any other business in the free enterprise system. Also under what terms and conditions would the mines to operated? Under the old contract? Surely not. Under an improved contract that might not be fair to either side? This seems to be a poor solution. When would the mines be returned to the owners?

Third—compulsory arbitration—and this is the worst of all possible solutions. After some 80 days and more on strike, after hardships and sacrifices by the miners, and after a cessation of operation of the mines for almost 3 months, would it not be unfair to both sides and particularly to the miners to have outside forces decide the terms under which they would have to resume operations of the mines. Consequently, I will not in this case, or in any other case, vote for compulsory arbitration of a labor-management dispute. That is an ingrained, basic, and fundamental part of my political philosophy.

So, I say, let the collective-bargaining process continue. In this way only will the best efforts of all concerned in the mining industry be obtained.

I hope and pray for an early and equitable solution of this lamentable crisis.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The second assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The Senate resumed the consideration of the neutrality treaty.

The PRESIDING OFFICER. The pending question is on amendment No. 40 by the Senator from Alabama (Mr. ALLEN).

The Chair, with pleasure, recognizes the distinguished Senator from Minnesota (Mrs. HUMPHREY).

THE PANAMA CANAL TREATIES—LAUNCHING AN ERA OF PARTNERSHIP

Mrs. HUMPHREY. Mr. President, it is not a small coincidence that my maiden speech as a U.S. Senator should be addressed to the issue of the new Panama Canal treaties. It is not because this emotion-charged issue just happens to be the business of the Senate at this particular time. I say this because my interest in Panama and Latin America dates back to 1961 when I traveled with Hubert on an extensive study mission to our neighbors in that region.

The dispute with Panama over modernizing our treaty relationship for the operation of the Panama Canal has been the United States longest running argument with our hemispheric neighbors. Even as my husband and I arrived in Panama 17 years ago, then Panamanian President Roberto Chiari was calling for new negotiations on the 1903 treaty. In fact, President Chiari formally advised President Kennedy, on September 11, 1961, of his government's desire to negotiate a new canal treaty. The festering concern over this issue was readily apparent in the body politic of Panama.

But basically, there was a spirit of optimism which Hubert and I sensed throughout our trip. It was a new era in United States-Latin American relationships. It was a time of the launching of the Alliance for Progress. It was a time, or at least the nations of Latin America believed it was the time, that the United States would truly enter into a more mature relationship with our traditional friends and allies. We were moving from a past which had been characterized by U.S. colonialism, interventionism and paternalism. We were moving into an era of equality among nations.

Yet, something happened during the

course of these intervening 17 years. The Alliance for Progress lies in ruin. Our preoccupation with Vietnam, the Middle East, and superpower politics pushed Latin America and other regions of the developing world onto the back burner of our foreign policy considerations.

And that one symbol of the willingness of the United States to enter into a more mature relationship with our friends throughout Latin America—the Panama Canal—has become more than just a festering concern. It has reached crisis dimensions in our relations throughout Latin America.

Will the United States finally rise to the challenge? After 17 years, will our Latin American friends finally come to believe that they are coequal partners with the United States?

This is the essential question which is now before the U.S. Senate. The Panama Canal treaties symbolize the pivotal point in U.S. policy toward Latin America and the nations of the developing world.

I can recall my own deep concern and shock over the riots in Panama. Three U.S. soldiers and 21 Panamanians were killed in the 1964 riots. These riots presented President Lyndon Johnson with his first foreign policy crisis. And it became urgently clear that there was a need for a new basic agreement on the status of the Panama Canal. Yet, public and congressional pressure foredoomed prospects for ratification of any new agreement that might be negotiated with the Republic of Panama at that time.

In all too many national capitals of Latin America, the issue of the future status of the Panama Canal Zone has been raised to the level of an all or nothing confrontation with the United States. We are not being candid with ourselves or the American people if we do not face up to this reasoning. It should be readily apparent to us that the nations of Latin America have grown increasingly independent of the United States in the determination of their foreign policy positions. They are united in opposition to the United States continuing to exercise the role which it assumed in the Panama Canal Zone under the 1903 treaty.

Yet, we have to understand, and appreciate, the roots of this concern throughout Latin America. For these nations, the Panama Canal Zone, under the 1903 treaty, represents a vestige of a period of humiliating weakness and servitude in inter-American affairs. The Canal Zone is a violation of a deeply held Latin American concern for sovereignty and nonintervention that has long historical roots. Sensitivity over the sovereignty issue easily generates common cause with the Afro-Asian nations of the Third World who have confronted similar issues in their move away from European colonial domination.

We emerged from World War II, as the world's most powerful democracy. We were perceived as the champions of equality, decency, and human compassion. It was at our urging that the European powers began divesting themselves of their colonies in Asia and Africa. Yet, in the mid-1970's, when the last of the traditional colonial empires—that of Portugal—dissolved under nationalist and world pressures, the United States continued to maintain what commonly has been perceived as a colonial enclave in Panama. In essence, while we have been telling other industrialized powers that colonialism could no longer be tolerated in a diverse community of nations, we have until now refused to address that same charge of colonialism directed against our privileged status, as if sovereign, in the Panama Canal Zone.

Those who are opposed to the ratifications of the new Panama Canal treaties argue that we are engaged in a headlong retreat globally. This march backwards, they allege, began with Vietnam. It is continuing with Panama. They ask: Where do we draw the line? They contend that we cannot allow ourselves to be perceived as caving-in to a "little banana Republic."

True, the United States is a great and powerful nation. But let us be mindful of the fact that our greatness depends as much on our tradition of dedication to justice and fairness, the Founding Fathers' ideals and dreams of liberty, and our healthy political and economic base at home, as upon military power.

A great power which aspires to be an arbiter of stability and orderly change accepts certain responsibilities. In this economically and politically interdependent world of today, we must insure that our friends derive enough out of their relationship with us that they remain our friends. If a great power does not take care to keep its friends, it will inevitably stand alone against its enemies.

We are a world power. But do we have to prove it by flexing our muscles against little Panama? I think this would be the most preposterous position in which we could place ourselves.

We must also be honest with ourselves in evaluating who would benefit, should the Senate reject these treaties. The prime beneficiaries would be the Communist parties of Latin America. The Communists exploit this issue as being an example of "Yankee imperialism." They use the Panama Canal issue as concrete evidence that the United States never was, and never will be, a true and good neighbor.

In our preoccupation with the differences over the canal, Americans tend to overlook the many positive elements in our long association with Panama. The United States and Panama have been working together for 75 years now. There certainly is not another nation with which Panama maintains a closer relationship than the United States.

Although this relationship has centered on the canal, it has not been limited exclusively to this vital waterway. Important ties of trade and investment link our two countries. For 30 years we have been allies under a mutual defense treaty—the Rio Pact. And on a personal level, thousands of Panamanians have attended schools and universities in the United States. And Gen. Omar Torrijos is in charge of one of Latin America's most capitalist economies.

We have to admit that the Panamanians have been extremely patient. Would we have exhibited this same patience had we been forced to wait 75 years for change?

We justifiably are growing concerned over the decline of democracy globally, and in particular throughout the developing world. Yet, as the world's leading democracy, we often have not fulfilled the ideals of our Founding Fathers. The concepts of justice and equality should not stop at our Nations' shores. They should be reflected in our relationship with other countries. The only effective way to combat the tyranny of communism and the totalitarianism of the right is to battle for human and economic rights and democratic values. This concept is just as applicable to our relations with other nations, as it is to our concern for the individual in those nations.

The Panama Canal treaties offer the United States an opportunity to demonstrate that we have the capacity to meet changed international conditions constructively and to move ahead toward more cooperative and more mutually beneficial relations with the developing world.

One of the most relevant observations concerning these treaties was delivered by Bill Moyers on CBS Reports, which was aired November 1, 1977. Mr. Moyers stated:

As this debate continues, you wonder if the United States Senate will finally be voting on a pair of treaties or a symbol. For many people, the Panama issue has ceased to be the Canal itself. It is, instead, a choice between conflicting emotional beliefs about America's role in the world; rival views of American patriotism. The voices against ratification echo a time when the clearest act of patriotism was to oppose any change on the world scene that the Communists might exploit. Given a chance now to send a message of American resolve to a world that has steadily frustrated our national will, these people say no to the treaties. There are times when a great power whose ideal is freedom had to draw a line and say to hostile forces, this far and no further. What the Senate must consider is whether Panama is the place to draw it.

Americans who favor ratification of the treaties say it is not, that Panama is actually the place to show we can protect our self-interest best by helping a small country achieve its own nationalist dreams.

To be sure, you cannot listen to the Panamanians without believing that they have heard the voices of our own ancestors—those who wrote the Declaration of Independence, and helped to rid our country of foreign powers. Enough of them are determined to imitate us that the talk of a long war of independence if we don't leave gracefully becomes neither a bluff nor blackmail, but a lesson drawn straight from our own experience and from the Panamanian's own conviction of their national destiny. They have their patriots, too. The Canal is equally a symbol to them.

In the end, the Senate faces a pragmatic choice: whether the best way to keep the Canal open is through negotiation or confrontation. If the issue remains more than that, the Senate will also have to determine what price we're willing to pay for a symbol.

Mr. President, it has been 17 years since my trip to Panama, and 17 years is much too long a time for a great power and a great democracy to resist change, particularly when that change is in our

vital national interest. It is time for us to move into the era of partnership and equality, and that is why I strongly support the Senate giving its advice and consent to ratification of these treaties.

I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Minnesota yield?

Mrs. HUMPHREY. Yes.

Mr. ROBERT C. BYRD. Mr. President, I rise to congratulate Senator HUMPHREY on the first speech that she has made to the Senate.

It is a speech that reflects judicious vision, realism, and compassion. She has briefly touched upon the history of the treaties and of our relations with our small neighbor to the south. She has rightly pointed to the fact that our policy toward the country of Panama with respect to the treaties is one that is being watched in other Latin American countries; and, as she has so accurately predicted, the outcome of what we do here in respect of these treaties will have a far-reaching impact on our relations not only, as she has pointed out, with all of the Latin American countries of this hemisphere, but also the developing Third World countries of Asia and Africa.

She has pointed to the canal treaty of 1903, as amended in 1938 and 1955, and to our presence in Panama, as a continuing vestige of colonialism—a concept of which we have been highly critical in other countries and on other continents. As she has stated, Latin American countries, particularly the country of Panama, have common cause with Asian and African Third World nations.

As the Senator from Minnesota has said, we have spoken with a forked tongue. We have derided and castigated and criticized colonialism where it has existed in Asia and Africa, but we are reluctant to recognize the injustice that we would bring to bear upon the country of Panama were we to reject these treaties. We would be saying, as it were, "This is the voice of Esau," when actually, in that context, it would be the voice of Jacob with the hairy hand of Esau. We criticize colonialism elsewhere and hold onto it ourselves.

She has pointed accurately and decisively to the fact that a great nation has been done an injustice, not only within the confines of its own borders but in its dealings with other nations.

She has pointed to the impact that our decision here has upon this country's future.

I commend her also for pointing out, as has been pointed out before, that to reject these treaties would be to invite Communist exploitation of this issue in Panama, in other Latin American countries, and elsewhere.

I hope the American people will ponder upon that statement by the Senator from Minnesota. We must not act in a way that will encourage Communist exploitation of an issue against the United States of America.

Finally, she asks the rhetorical question, would we have exhibited the same patience the people of Panama have shown now for over a period of three-quarters of a century? Would we have exhibited the same patience?

Would the people of the State of Minnesota, would the people of the State of West Virginia, would the people of the State of Maryland, of Nevada, of Alabama have exhibited that same patience were a foreign power after 75 years still exercising its right to sovereignty to maintain a military presence over a strip of land and water 10 miles wide and 50 miles long across any one of these States I have named, or any of the other States of this great Nation?

So let us live and let live. Let us act in accordance with the admonition, advice, and counsel that have been given to the Senate today by the very distinguished Senator from Minnesota (Mrs. HUMPHREY). Again I commend her and salute her for her statements.

Mr. ALLEN. Will the Senator yield?

Mr. SARBANES. Will the Senator yield?

Mrs. HUMPHREY. I yield to the Senator from Alabama.

Mr. ALLEN. I thank the able, distinguished, gracious and charming Senator from Minnesota for her very fine, her very eloquent points, on this important issue. I am delighted that she has chosen this issue of the Senate advising and consent on the Panama Canal treaties for her maiden speech here on the Senate floor.

As she was speaking, I could not help but recall to mind her late, great, distinguished husband, our long-time colleague, the eloquent Senator from Minnesota, Hubert Humphrey, and how pleased and proud he would be if he could have known of the wonderful way that she is carrying on the fight that he would have carried on in the Senate Chamber on this very issue.

We had looked to Senator Hubert Humphrey for his advice, for his eloquence in discussing this issue, and we looked to him to be one of the leaders of the forces seeking ratification of the treaties, the approval by the Senate of the treaties.

I am very much pleased for having had the opportunity of being 3 or 4 feet away from the present Senator HUMPHREY as she delivered her maiden speech.

It so happens that we adopt different position in regard to this issue. That does not lessen in the least my admiration for her and for her statement of reasons for supporting the treaties.

I am certainly not able to refer to my other colleagues as I did the charming and gracious Senator from Minnesota because I do not know any of my other colleagues who would qualify for that expression. But certainly she is all that I have said about her.

I might say that I am reminded of Paul's appearance before King Agrippa. Paul had spoken so eloquently before King Agrippa in urging him to accept the presentation that he should follow the advice of Paul. King Agrippa said, "Almost thou persuadest me."

I will say to the distinguished Senator from Minnesota, almost thou persuadest me on this issue. But not quite, I will say to the distinguished Senator from Minnesota.

Again, I commend the Senator for her very fine and most gracious remarks on this subject.

Mrs. HUMPHREY. I wish to thank and the distinguished majority leader both the distinguished majority leader Alabama for their very kind words. I am especially appreciative of the words of our majority leader.

Mr. SARBANES. Will the Senator yield?

Mrs. HUMPHREY. I yield.

Mr. SARBANES. I join with the other Senators in thanking Senator HUMPHREY for stating in a very lucid and thoughtful way a powerful case for supporting these treaties. I thought she brought to the discussion of this vital issue the same qualities of understanding, of thought, of concern, of vision that have always marked her approach to the serious problems which face this country. She has been in her own right a strong and powerful leader in this Nation to bring forth the best in the American character.

I join in thanking her for undertaking, as her maiden speech, to enter into this issue, which is so important to measuring up to the best that is in America; and in particular, to thank her for speaking so eloquently with vision, with a deep perception of a better future. By the nature of things, we have to engage in what one would call a worst-case analysis, as we seek to make our judgment with respect to approving these treaties. It is refreshing and very helpful, once in a while, for someone to come along and, in a very clear and strong voice, point out that these treaties offer a positive opportunity to this country; an opportunity to build a close and healthy partnership.

As the distinguished Senator from Minnesota pointed out, we have worked together with the Panamanian people over the years. Panamanians have come to this country by the droves to obtain their education. They look to the United States for economic cooperation, for political cooperation. And I, for one, thank the able Senator from Minnesota for speaking in this debate in terms of the opportunities these treaties offer to America, in terms of a vision of the relationship that can be developed between the people of the United States and the people of Panama, between our two countries. I know how sensitive the Senator from Minnesota has always been to these considerations.

Mr. President, I support her completely in her view that we have an opportunity to build a relationship which will be one of close partnership with the Panamanians; to build a relationship which we can hold up to the rest of the world as a classic example of how a superpower and a small country can work together to their own mutual benefit.

I again commend and thank the distinguished Senator from Minnesota for her extraordinarily fine statement.

Mrs. HUMPHREY. I want to thank the distinguished Senator from Maryland for his remarks. He made me feel very good.

Mr. LAXALT. Will the Senator from Minnesota yield for a short statement from the Senator from Nevada?

The PRESIDING OFFICER. The Senator from Nevada.

Mr. LAXALT. Mrs. HUMPHREY, may I join in commending you for an excellent statement? I have not been around here long enough not to remember how intimidating an experience for a new U.S. Senator it is on this floor. I thought you did marvelously well. You brought, once again, to this floor, a badly needed Humphrey presence.

I do not know of anybody on this floor whom I valued in terms of advice and counsel more than Senator Hubert Humphrey. We are of totally opposite philosophical persuasions, but the thing that struck me all the time was that he was a totally honest liberal, believing with complete conviction in what he felt was in the best interests of this country. It is good to have that presence once again with us.

Mrs. HUMPHREY. Thank you.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Rhode Island (Mr. CHAFEE).

Mr. CHAFEE. I thank the Chair. Mr. President, I also would like to join in the praise of the Senator from Minnesota for the excellent statement that she gave on this subject.

Mr. President, few issues have divided Members of the Senate and the American people to the extent that the proposed Panama Canal treaties have. As is true with many differences, this one transcends partisan and ideological lines. My own party, the Republican Party, has respected leaders on both sides of this issue and, of course, this is true of the Democratic Party as well. Rather than being based on partisan identity, it seems to me that the debate over the proposed Panama Canal treaties centers around a fundamental issue. That is, how we look at the world around us.

The building of the Panama Canal in the early days of this century was an enormous engineering feat. It stands as an extraordinary national accomplishment in that we conquered what seemed to be unconquerable. In addition to the tremendous engineering expertise that was required, the medical skill, and the sheer human determination on the part of those associated with the project, the successful completion of the Panama Canal was made possible by the bursting self-confidence of the American people. The American people had a vision to look and to plan well into the future.

America, at the turn of the century, as you will recall, was a strong and confident nation and, in building the Panama Canal, we saw an opportunity to take a leadership role in a world in which we were hardly dominant. All Americans, all across this Nation, can indeed be proud of what our countrymen did in building and operating the path between the seas.

Just as the building of the Panama Canal demonstrated our world outlook at the beginning of this century, America's action on these proposed treaties will demonstrate how we see the world today. It seems to me, Mr. President, that the kind of American spirit that led to the building of the canal now moves us to approve these treaties.

The world is constantly changing; we all know that. It behooves a great nation such as ours not only to keep pace, but to be a leader in setting the direction for our changing world. I do not think we should be immobilized by fear that things in the future will be different than they were in the past. We should be confident that this country of ours can adapt her role as needed to assert a strong leadership position in the future. The winds of change have swept away colonialism. Now these winds of change move us to to reassess our relationship with Panama. The time has come for the United States to achieve a new arrangement with Panama, a new arrangement that will provide for the protection and the respect of the interests of both countries.

To understand present circumstances, it is important that we briefly highlight a few significant historical facts. These have been touched on by prior speakers, but they do seem to me to be extremely important in deciding where we go now.

It would be an understatement to say that the 1903 treaty was slanted in favor of the United States. And, of course, the very man who negotiated that treaty, Secretary of State John Hay, writing in 1903 to Senator Spooner, said:

> The new treaty was very satisfactory, vastly advantageous to the United States and, we must confess with what face we can muster, not so advantageous to Panama. You and I know too well how many points there are in this treaty to which a Panamanian patriot could object.

Now, lopsided as it was in favor of the United States, the 1903 treaty did not convey sovereignty over the zone to the United States. We obtained the right to act as if sovereign, but actual sovereignty has resided in Panama. I do not think that it has been pointed out yet that in the 1936 United States-Panama Treaty of Friendship and Cooperation, which we negotiated with Panama, we referred to the Canal Zone as "territory of the Republic of Panama under the jurisdiction of the United States."

The issue of the Americanized Canal Zone, complete with an American Governor there, cutting Panama in two, has been a particular sore point ever since the 1903 treaty was enacted. Recently, I had the pleasure, as so many other Senators did, of being in Panama. There, one could not help but be struck by the depth of the feeling of the Panamanian people regarding this issue. I must say there is no single issue that unites the people of Panama more than the irritation that their nation is divided by a foreign power. I am sure that we, too, would be resentful if there were a 10-mile wide strip, occupied by a foreign power, cutting through our State—Rhode Island, Nevada, Alabama, wherever it might be—or cutting our country in half. Every Member of this body would be rightfully outraged at such an affront.

Now, why concluding these treaties with Panama is the right thing to do goes far beyond the fact that these treaties pass muster simply on the basis of being in the best interests of the United States. The principal American interest in the canal is to insure that the canal remains open, efficient, and secure. The other issues are subordinate to that principle objective.

These treaties assure that goal, and this is the significant point, it seems to me, because the Panamanians become partners in this arrangement with a substantial stake in the success of the canal. It is in their self-interest.

While the United States will have the primary responsibility to operate and defend the canal for the next 23 years, the Panamanians each year will assume greater responsibility in achieving these objectives.

There is no question but there has to be the closest cooperation between the United States and Panama during this period.

Everything is not perfect in these arrangements, and I must say that I think it behooves the United States and the Panamanians to proceed immediately with this increased cooperation.

During the recent trip, which I mentioned we had to Panama with Senators GARN and BAKER, we were astonished when we met with Gov. Harold Parfitt of the zone and asked him how his relationships were with General Torrijos. He replied that he never met General Torrijos, even though he had been there as Governor for some 7 or 5 years.

Mr. LAXALT. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. LAXALT. Is that not rather troublesome?

Mr. CHAFEE. That was troublesome, and it seems to me we have to understand the arrangements that exist there now and immediately take the steps necessary to insure this cooperation between the Governor and General Torrijos.

Mr. LAXALT. Many of us are troubled by the fact that we do not think that by consenting to these treaties we are going to be dealing with a credible partner. It has nothing to do with the Panamanians.

Many of us feel we are dealing with a dictator and, apparently, that is the case.

I had the same information, and I was there myself, that the general has maintained at least a hands off posture with our own representatives in the zone. How well does that speak in these coming 23 years as a foundation upon which to base a workable agreement?

Mr. CHAFEE. The very next day after we met with Governor Parfitt, we met with General Torrijos, and we raised precisely this point. "Why, General, have you personally not met with Governor Parfitt?"

The answer was:

> My people have met with his people, firemen have met with the firemen, the police chiefs with the police chiefs in the zone. There is that level of cooperation.

But here, it seemed to me, was the most significant point, significant to those who constantly say that General Torrijos is a dictator, and in a dictator the term implies he is above all, he is supreme.

Mr. LAXALT. Does the Senator have any doubts about that?

Mr. CHAFEE. If the Senator will just listen to this next point, that he is su-

preme and he can act regardless of the feelings of the people not at all.

We asked General Torrijos, "Why don't you meet with Governor Parfitt?"

General Torrijos' reply was, and that was substantiated by the views of others:

It would be impossible for me to have my picture taken with Governor Parfitt because the people of Panama would say I had sold out, I have given way to the Yankees.

So, therefore, while we can have this cooperation at the present time on the lower level, until the treaties are approved, until we have a definite arrangement, he has to keep an arms' length distance or his people will react in the very manner I pointed out earlier, demonstrating their feelings of outrage over this zone that goes right through the middle of their country.

So it seems to me that we have got a lot to do when we enact the treaties, as the Senator knows, then during the next 23 years about everything remains the same except the zone is abolished and the Panamanians take over the responsibility for the fire, the police, the general maintenance in the area of what we now call the zone.

Furthermore, the Panamanians will take an increasing responsibility in the operation and the maintenance of the canal. However, the full responsibility, the major part of the responsibility, the 5-to-4 vote on the commission, remains with the Americans as they ever bring in the Panamanians to positions of increased responsibility in the zone regarding the canal.

Mr. LAXALT. Will the Senator yield for a question?

Mr. CHAFEE. Yes.

Mr. LAXALT. I value the Senator's observations in this regard, because he is a former Governor. Of course, he was Secretary of the Navy. I know that he must share with many of us great concern about where we are securitywise.

It is true, is it not, that during this 23-year period, in addition to gradually moving away in the so-called civil functions toward the Panamanian people, we will also drastically reduce our defense establishment in the zone?

Mr. CHAFEE. Not required.

As a matter of fact, we talked with the American general, General McAuliffe, who is in charge, the senior American military officer in the zone.

The reduction in the size of our bases from what they are now is minimal and of no concern to him. I mean, it does not reduce his military effectiveness whatsoever.

Mr. LAXALT. Well, is it not true that during the course of this 23-year period that the present 14 establishments we have are going to be reduced to three or four.

Mr. CHAFEE. What we define as an establishment is open to debate, as the Senator knows. A little small encampment, is that an establishment or is it not?

Mr. LAXALT. I am talking about in terms of fixed bases within the Canal Zone.

It has been our understanding during the course of the debate, and Senator Allen perhaps could shed some light on this, that one of the troublesome features of this treaty is that during this next 23-year period our military presence is going to be drastically reduced and in the year 2000 it is gone. We will have no military presence there.

That, of course, is the thrust of the Allen amendment.

Mr. ALLEN. That certainly is true. Immediately, we will reduce our bases from 14 down to 4.

Also, it is provided in the signed agreements, which I pointed out are three times as voluminous as the treaties, that every 2 years the two governments have a right to review this defense status and, conceivably, we could be completely out of there in 2 more years under this signed agreement that we are not able to reach by amendment.

The PRESIDING OFFICER. The Chair would remind Senators that the Senator from Rhode Island has control of the floor and has to agree to yielding to the Senators.

Mr. CHAFEE. I am always glad to yield for the observations of my distinguished colleagues.

Mr. ALLEN. I thank the distinguished Senator from Rhode Island.

Mr. CHAFEE. If the Senator from Alabama has further points to make, I would be glad to yield, and the same goes for the Senator from Nevada.

But I would like to touch on a point the Senator from Alabama raised. I quote now the testimony of Lieutenant General McAuliffe, who, as we know, is our senior military commander on the spot, and this is his testimony before the Senate Armed Services Committee:

On several occasions, as an example, I have seen and heard statements to the effect that there are now 14 U.S. bases in the Zone, but that there will be only four left under the 1977 treaties. I know of no good foundation for either one of those figures—neither is correct. By actual count, there are 22 identifiable U.S. military reservations in the Canal Zone, most of them in active use, some inactive. However, they are administratively grouped in the Code of Federal Regulations into four: one per military service and one for my joint headquarters.

In my judgment, the number of bases is far less important than their adequacy to support our forces and missions. I invite your attention to the first map on which is indicated the extent of the military reservations in the Canal Zone today. To compare it to the base areas provided under the 1977 treaty agreements, I refer you to the second map on which (again in red), is indicated the extent of the defense sites available to the U.S. forces until the year 2000. One can see from the two maps that the size of the base areas in red would be somewhat reduced under the new treaties.

As Senators will recall, I mentioned that General McAuliffe said:

As the military commander, I can assure you that the reduction is not significant in terms of supporting U.S. forces and our mission accomplishment.

It seems to me that that is the word from the man who is in charge.

Mr. LAXALT. Mr. President, will the Senator yield for a question?

Mr. CHAFEE. I yield.

Mr. LAXALT. Was he not making these observations to indicate also complete military capability to defend the canal without having to send in additional forces?

Mr. CHAFEE. I would have to refer later to his testimony, to see if that is true.

Mr. LAXALT. I do not know if that is the context of the testimony.

I do know that General McAuliffe, in interviews with the Washington Star and the Miami Herald in May of last year, indicated, in opposition to the statement that we needed 50,000 or 100,000 additional troops to defend the canal, that with our present forces there we could adequately protect it and defend it. I wonder if the comments the Senator from Rhode Island attributed to him during the hearing were not directed to that particular point.

Mr. CHAFEE. I believe not. What he was doing here was referring to the areas available for defense purposes.

This keeps coming up. The distinguished Senator from Alabama discussed the number of bases, and I believe the Senator from Nevada mentioned it in his remarks here today: Is it 22, is it 14?

However, I believe the important point is the one that General McAuliffe makes. He concludes:

In my judgment, the number of bases is far less important than their adequacy to support our forces and missions . . . I can assure you that the reduction is not significant in terms of supporting U.S. forces and our mission accomplishment.

He also mentions, as I mentioned earlier, that between now and the year 2000, the reductions in our military bases there will not be significant. I have difficulty understanding why it constantly comes up that that is not so. Here we have the comments of the man in charge, which I think is the only source we can turn to.

I do not think that those who have seen it can come away without being impressed by the mammoth ongoing dredging effort that is required, which has removed 1½ times as much dirt from the canal as was removed in the original construction.

Mr. LAXALT. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. LAXALT. If the Senator would prefer, I will defer questioning until the conclusion of his statement. However, I think it makes more sense to discuss these points as they are raised, if that is all right.

Mr. CHAFEE. Fine.

Mr. LAXALT. The Senator from Rhode Island has raised the point of maintenance. I think our colleagues should know and the American people should know that for this year the maintenance budget—and I will stand corrected by the Senator—is $65 million, is it not?

Mr. CHAFEE. No. That maintenance budget, as it was explained to us by Governor Parfitt, applies to all the activities conducted within the zone. By that we mean schools, housing, fire departments, police stations, the Governor's residence, and all that. It does not apply to the maintenance for the canal itself.

Mr. LAXALT. It was our recollection—and I will stand corrected on this—that this was devoted purely and simply to

maintenance of the canal facilities per se. Does the Senator have the figure as to the canal?

Mr. CHAFEE. I will try to get that. Perhaps we can set that point aside, if the Senator wishes to bring up another one.

Mr. LAXALT. The other day, Senator GARN spoke on the floor. He traveled with the Senator from Rhode Island on this trip. In the debate on the floor, he expressed strong reservations, as a former executive—as is the Senator from Rhode Island—about pressures being brought to bear on General Torrijos or whoever is going to be in charge of the canal government, to properly take the money and set it aside for maintenance of this facility, in view of the pressures that will be brought to bear to use it for social and other causes. Does the Senator from Rhode Island share that?

Mr. CHAFEE. As the Senator from Nevada knows, as the former Governor of a State, setting aside money for maintenance, particularly preventive maintenance, is one of the most difficult things a Governor or any other executive has to do, because the money is there and it is up for grabs. Let us postpone that new boiler for another year. We do not want more trucks. We will get them next year.

There is always this thrust to take money and use it now for schools or health or whatever it might be. There is no question that that temptation exists, and that pressure will be on any executive who is running the canal. There is no question about that.

Mr. LAXALT. That presents a rather serious problem in connection with eventually handing over a facility of this size to the Panamanian Government, in all fairness, does it not?

Mr. CHAFEE. It presents the kind of concern that caused me to raise it with the Panamanians. I pointed out to them that this canal is dependent upon not just operation, because once operation stops and the ships do not go through, everybody objects. There is also this preventive maintenance question that the Senator raises. That is why I was particularly interested in getting to know personnally the top people in the Panamanian Government. As I am sure the Senator from Nevada noted when he was there, the top officials in the Panamanian Government are not military leaders. They are extremely well educated, extremely well motivated, intelligent, competent civilians. I was impressed by their realization of this and their dedication to the principle that this canal has to be maintained if they are going to get the revenue from it that they are looking forward to in the future.

Mr. LAXALT. Does the Senator from Rhode Island think that under the existing provisions of the treaties there would be adequate safeguards built in so that money is set aside, so that we do not have to worry about maintenance of this facility, or is it left wholly to the whim of the Panamanian Government?

Mr. CHAFEE. I would quarrel with the Senator's phraseology.

Mr. LAXALT. Only to the discretion, then, if that is a more sensitive word.

Mr. CHAFEE. I think the canal is left, come the year 2000, to the Panamanians. We have to have some confidence in them, as we always have to have confidence in any kind of dealing, in their national pride, their sense of self-interest. After all, this canal is not the only way to transport goods between the seas, as we know. There are alternate ways. If this canal is not kept in operational and proper maintenance, then shippers will use alternate methods.

Mr. LAXALT. Is the Senator not a little concerned about the fiscal track record of the present regime in Panama, regardless of their good intentions? And I do not challenge that. Is it not a fact that they have gone from a public debt of around $187 million 10 years ago to a $2 billion level presently? It is eating up deferral of debt service, some 39 percent of their gross national product. Does it not concern the Senator that these people, well intentioned though they might be, do not have the financial and fiscal know-how to administer the type of facility?

Mr. CHAFEE. It is a little hard for us, who are currently running a $60 billion debt, and perhaps more next year, to lecture other countries on fiscal responsibility.

Mr. LAXALT. I do not intend to do that. We do a lot of it around here, too. I think that perhaps one of the problems in the situation is that they have profited from our bad example and bad fiscal management.

Mr. CHAFEE. It would be my hope that the United States, Panama, and a few other countries in the world would pay more attention to fiscal responsibility.

But back to the maintenance that we were touching on before, as the Senator from Nevada knows, being a former distinguished Governor, this maintenance problem is a constant difficulty. But I think in the canal situation there is one point that perhaps makes it different than the experiences we had in our own States where we could defer this or that, defer new painting at the institutions, defer the maintenance of our heating systems. There if we failed the results were not so severe. But in the canal I think everybody appreciates that failure to do the proper dredging, failure to do the proper detection of potential landslides can result in such mammoth results that it would be catastrophic. A landslide coming into the canal is incredibly expensive to remove, and I think those who have been associated with the canal, including the Panamanians, are cognizant of this. So this alone I believe will create a great incentive for them to keep that canal in top condition.

I would refer once again to the capabilities of the civilian ministers of the government which I believe the Senator was impressed with, as was I. We can only also mention that many of them received their education in the United States. This does not make them perfect, but at least it makes them think in the same terms as many Americans do.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. CHAFEE. I certainly will.

Mr. SARBANES. I think the point the Senator made with respect to the Panamanians is a very important point. One of the things these treaties do is give the Panamanians a very strong interest in an open, efficient canal that will maximize its business and, in fact, the payments to Panama will be geared to the amount of traffic that moves through the canal; therefore, there is a very strong incentive to maximize the amount of traffic that moves through the canal by operating an efficient canal.

It is clear that for the next 22 years the decision on the maintenance budget of the Panama Canal will be made by the Panama Canal Commission Board of nine members, all nine of them appointed by the United States, five of them Americans and four Panamanians, but all nine appointed by the United States.

I think the point the Senator makes that the Panamanians do have, and will have, even more, a strong interest in a viable canal is a very good one. They have a direct interest in making this canal work, and there is no reason in the world to think that they will not want to do that; in fact, there is every reason to believe that they will want, in the most compelling way, to make the canal work well. They would only be hurting themselves if they, in fact, did not do that.

It does not take a particularly unique perception of self-interest to see that a strong viable canal serves their purposes as well as everybody else's purposes.

Mr. CHAFEE. I think the point the Senator makes is an extraordinarily good one. It would seem to me that those who are so dedicated to the free enterprise system, such as the distinguished Senator from Nevada, would realize that there is nothing stronger to create an incentive to keep something going successfully than a self-interest. The Panamanians will get a significant amount of their prospective budget in the future from the successful operation of the canal. No canal; no income. And so what greater incentive could we give any country than that?

Mr. LAXALT. Mr. President, will the Senator yield for an observation?

Mr. CHAFEE. I certainly will.

Mr. LAXALT. I do not for the moment attempt to minimize the importance of motivation and incentive, and it is here. But we have thousands of businesses all around this country that go broke every year with people who have all kinds of incentive and motivation but lack one important ingredient in making a business work, and that is know-how. That is the concern the Senator from Nevada has, because the track record from the last 10 years down there of this particular government in business enterprises has not been too good.

I have information which indicates that these major projects started by Torrijos' government have failed financially: Three sugar mills, a hydroelectric project, a new airport, public transportation system, the Cantadora resort island, agricultural development programs, and exploration of natural resources.

Mr. GRAVEL. Mr. President, will the Senator yield on that point?

Mr. LAXALT. Let me conclude, if I may, to make a reservation.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor.

Mr. CHAFEE. I think I have the time, and let us take them one at a time. I say to the Senator from Navada I am interested in his views.

Mr. LAXALT. Without getting into details and without using a blanket indictment here I do not intend to do that. All I indicate is that there are serious questions on the part of this little government. We have 1,300,000 people in this small country. There are serious questions, irrespective of their motivation, irrespective of their initiative, in the area of financial know-how to operate and manage a gigantic facility. That is the reservation the Senator from Nevada has and I think it is shared by many of my colleagues.

Mr. GRAVEL. Mr. President, will the Senator yield to me briefly?

Mr. CHAFEE. Why do we not hear from the Senator from Alaska and then the Senator from Idaho?

Mr. GRAVEL. I have a brief observation. We are not talking about some high technology endeavor. We are talking about something that requires average manual dexterity and probably not too much more than that. You open and close the gates. I mean, we are not talking about moving into some space-age technology. You need somebody to stand at the switch and when somebody says "Ready open the gates" you let the water in, and then when somebody says "Ready" again you close the gates. This is preposterous. I have seen things in Panama on two trips that are considerably more sophisticated in the private sector than operating the Panama Canal will ever be. So, I would hope there would be no Member of the Senate who would come before this body and insult the intelligence of colleagues by trying to imply that operating the Panama Canal takes some special technology that only we Americans possess. You are operating tugs, which are operated around the world. You are operating valves and not little valves, big valves—there is not a little valve in the Panama Canal—these big things you turn around and you pull levers, stuff that was designed 70 years ago. And so to turn around and say that the Panamanians cannot operate that is not only an insult to the Panamanians. It is also an insult to the Members of this Senate to suggest that they might entertain such a thought.

So I thank my colleague from Rhode Island for yielding to me. I think the main qualifications are average intelligence and average manual dexterity, and you can do an excellent job keeping the canal area clean and greasing these big, big valves that have to operate.

I thank my colleague.

Mr. CHAFEE. Also, I think the point should be made that it is not tomorrow when they start running that canal, and by the way they are running 70 to 80 percent of the jobs anyway there. But let us hear from the Senator from Idaho who has some views.

Mr. CHURCH. I thank my able friend from Rhode Island for yielding. He has just made the observation I had intended to make. The latest figures show that about 75 percent of the employees presently engaged in operating the canal are Panamanians, and we have 22 years under this treaty to train other Panamanians to take over the remaining jobs.

Mr. GRAVEL. To give them manual dexterity.

Mr. CHURCH. Well, whatever may be required.

But I can hardly believe that anyone would seriously contend that Panamanians are inferior to the point where they cannot learn how to handle the rest of these jobs, despite a training period that will last for 22 years. As I recall, it was also said that the Egyptians could not operate the Suez Canal.

Mr. CHAFEE. How well I remember that. I remember the article in Life magazine about the pilots. No one could run that Suez Canal, because of pilots and the pilots were all foreigners, and those Egyptians could not pilot through that Suez Canal. We all fell for that. Life magazine told us. It was not true. They took over that canal and they put more tonnage through that canal than was ever put through before.

I agree with the Senator's point as to the view that somehow the Americans, the Northern industrial races, are so much better at operating anything than other countries.

Mr. CHURCH. When the Russians were arming the Egyptians, they trained the Egyptians to use advanced SAM missiles in 6 months. Now there is a really technical job, requiring a very high level of competency. The notion that the Panamanians are inferior, incompetent, and not up to the task of running the Panama Canal is, on its face, absurd.

But may I say to the Senator one other thing. The distinguished Senator from Nevada (Mr. LAXALT) began to list a series of other alleged failures, in order to portray the Government of Panama as so incompetent that it cannot manage anything, not just first base, but second base, third base, the infield, and the outfield.

Among the examples that Senator LAXALT gave us were two I jotted down, of perhaps four or five he mentioned. One was the international airport, its abysmal failure.

Well, I was in Panama in January. The new international airport there does not even open for 6 months. It is not scheduled to be in operation until sometime this coming summer. Senator LAXALT's claim that airport is already a failure is a trifle premature.

The other example he gave was that of Cantadora Island. It just happens that members of the Foreign Relations Committee met with Omar Torrijos at the Cantadora Island resort. Now, that resort was originally built by a private company, not the Government of Panama. It was the private company that went bankrupt. The Government of Panama has tried to pick up the pieces, and when I was at Cantadora Island resort, I must say this: If it is now a failure, would that we had more failures of that sort in this country.

It was booked up until the end of April. It is an exceedingly popular resort, and the prospects for it have improved remarkably since the Panamanian Government took charge.

So, you know, these examples of alleged failure are not backed up by the facts, once you begin to examine them. I think it is not only demeaning to the people of Panama, but it is hardly a credit to the intelligence of the U.S. Senators, to propound objections of this kind to these treaties.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. CHAFEE. Yes.

Mr. SARBANES. I just wanted to add one further point, because I agree that it is sheer arrogance to contend that the Panamanian people do not have the competence to carry forward this endeavor.

The fact of the matter is that the next 22 years—that is a long, long transition period—will be spent with the United States still operating the canal and effecting the transition over to the Panamanians. And, of course, the same thing is true with respect to military cooperation.

Now, if by the end of the century Panama and its people are not prepared to assume this responsibility, if for a moment one were even to accept the thrust of the argument by the opponents of the treaties, if, by the end of the century, in 22 years' time, they are not then in a position to take over, that is an indictment of our capacity, the American capacity to accomplish that transition.

In other words, we have an opportunity there, given the way these treaties are phrased, to develop a partnership and to insure results. We have the opportunity to initiate the necessary training programs.

Almost 80 percent of the existing work force with respect to the Panama Canal is Panamanian, and I think we can clearly accomplish that transition. The Panamanians, I think, have the capacity to accomplish that transition, and the real question, then, is whether the Americans are prepared, in carrying forward their role over the next 22 years, to accomplish the transition. I think we can do it.

Mr. CHAFEE. I thank the Senator.

Mr. GRIFFIN. Mr. President, will the Senator yield briefly for a followup observation?

Mr. CHAFEE. Yes.

Mr. GRAVEL. When this great nation of ours wanted to advance in technology in space rocketry, what we did was bring over a German by the name of Wernher von Braun. So often, when we have made technological advances in our society, we did not hesitate to go hire a Dutchman, or whatever expert we needed. It is a common practice in the operations of both business and Government. So, if the Panamanian were tomorrow to get control of the canal, they would naturally go out and hire technicians to do the job properly; that is no big deal.

When I was there, I went to Cantadora, and I have been to Panama twice. I would ask anybody who has been to Panama and traveled around the world, have you noticed anything different in Panama than in any other place in the world? My observation is no, there is no difference, no better and no worse than any other place in the world.

I think when Members of the U.S. Senate stand here with sick Yankee arrogance, and that is really all I can term it, and look down our noses at other people as inferior, I think we demean the Senate and the great American people. We have been a melting pot; we bring in people from all over the world and absorb them, and make them a part of our great nation. These people are involved in all the spectrums of human activity. I think that kind of argument demeans us, and does us no service anywhere in the world.

I thank the Senator for being so generous with his time.

Mr. ALLEN. Mr. President, will the Senator from Rhode Island yield to me for a question?

Mr. CHAFEE. I will say to the Senator from Alabama that I have a few more remarks to make that I think might persuade him, but if perhaps——

Mr. ALLEN. It would possibly be best, then, to let me ask you now, before I am persuaded.

Mr. CHAFEE. I was thinking of that, but also that if you spoke now, you might leave me speechless.

Mr. ALLEN. I do not want to overburden the Senator, if he does not wish to yield at this time.

Mr. CHAFEE. I certainly will yield, yes.

Mr. ALLEN. The Senator mentioned a few moments ago that General McAuliffe, who is the commander of our Southern Command position there, called attention to the fact that it is being stated—he is not quite able to identify the source of the statements—that we are going to cut our military bases in the Canal Zone from 14 down to 4, and he states that neither figure is correct. The Senator quoted from his testimony.

Well, of course, if there are 22 bases there instead of 14, reducing them down to 4 or some other number would be a greater reduction than is being stated as to the 14 bases that are to be cut down to a lower figure.

But as to the four bases that we are to be confined to for full control—there are some installations where we will have joint control, but, as I pointed out, there are side agreements three times as prolix as the treaties themselves, because they occupy over 60 pages, whereas the treaties occupy some 23 or 24 pages. If the Senator would refer—I am sure he has this booklet—if he would refer to page 29 of the side agreements, and I call them that because that is what they are—we do not have the right, according to the ruling of the Vice President, to amend these agreements—it is pointed out, near the bottom of page 29, in the first column, that the U.S. forces may use the different sites listed in paragraph (2) of annex A of this agreement.

When we turn over to paragraph (2) of annex A, there you find listed (a), (b), (c), (d), and (e), the five military installations, only four of them, however, on the mainland of the Canal Zone: Howard Air Force Base, Fort Clayton, Fort William D. Davis Military Reservation, Fort Sherman Military Reservation, and then the fifth military installation is on Galeta Island. So there, the Senator may surmise, is where the figure of four comes from.

But, going beyond that, we also find—to show how curious our defense position there is—for a period of 2 years our Government and the Panamanian Government examined the matter to determine whether four bases were not too many, to see if we could not give up some of those. With the trend toward giving away our very substance in this country to foreign nations, I have no doubt that there is a good chance that we will waive our right to one or more of these four bases. It is possible that we would have suicidal tendencies to pull out of all bases during the life of the first treaty.

Mr. CHAFEE. When the Senator describes the United States having suicidal tendencies, we have the capacity for those suicidal tendencies now. There is nothing written in stone that says we have to keep the bases we have in the zone now.

Mr. ALLEN. No; I think that is wrong. We are charged with the obligation, under the treaty, of defending the canal. I think everyone would agree that we would need troops to defend the canal.

Mr. CHAFEE. But we still have that obligation. I cannot follow why the Senator ascribes this greater suicidal tendency under these treaties.

Mr. ALLEN. I do not quite follow the Senator's line of argument. Here we are giving the canal away and we are making it less possible for us to defend the canal. Even under the leadership amendments, which we have discussed from time to time, which are before the Senate and determined to be necessary, it is provided in the leadership amendments that we will pull out all of our forces during this century. Where we would have the right to take steps to defend neutrality of the canal under the leadership amendments, it would be a far cry from being able to defend when all of our troops have been withdrawn. That is the difficulty of the leadership amendment which made it necessary for me to offer an amendment, which would require that the President, if he deems it necessary for the defense of the canal, to keep our military presence there beyond December 31, 1999, by so certifying that need to Panama prior to December 31, 1999.

Mr. GRAVEL. Will the Senator from Rhode Island yield for a moment?

Mr. CHAFEE. I would like to see if the Senator from Alabama has completed first.

Mr. ALLEN. Will the Senator speak a little louder?

Mr. CHAFEE. The Senator from Alaska wanted to make a point but I did not want to interrupt the thought of the Senator from Alabama.

Mr. ALLEN. I will yield the floor.

Mr. CHAFEE. I will yield to the Senator from Alaska.

Mr. GRAVEL. The Senator from Rhode Island (Mr. CHAFEE) is correct. We still have our obligation to defend this canal not only during the treaty but in perpetuity. That is what the treaty is all about. The Senator from Alabama I believe is in error. I believe Senator CHAFEE has pointed out the proper interpretation. The language is very clear.

With respect to the point just made by the Senator from Alabama that the President would decrease the troops, he can do that right now. There is no point that the Senator has not just stated which cannot happen to us right this minute without this treaty. So I do not think that is a valid point to be made against the Senator from Rhode Island in the explanation he has so ably put forward.

Mr. ALLEN. But the point is that where the leadership amendment gives us the right to defend in perpetuity it deprives us of the means with which to defend because we will withdraw from the Canal Zone. The only way we could defend the canal would be to have an amphibious landing or send in paratroops.

The amendment which is before the Senate now would give the President that right. The Senator says the President could withdraw, and that is true, but I do not believe he would do that. There would be a hue and cry against it.

Mr. GRAVEL. May I say to my distinguished friend from Alabama (Mr. ALLEN), for whom I have great respect, I think we both might take umbrage under more qualified military perceptions than he and I might have.

I merely want to quote the opening statement of General Wilson, the Commandant of the Marine Corps. He has probably had a few experiences running up a beach in the past. I will quote:

> I do not believe, however, that successful defense of the canal is dependent upon continued U.S. military presence in Panama.

If my colleague is trying to make a case that this is a bad treaty because these options are left open, they obviously should be left open.

Of course, this was a statement by the general before the Armed Services Committee.

My colleague from Rhode Island has demonstrated too much patience with us and I again thank him for his generosity.

Mr. CHAFEE. I thank the Senator.

I might say we will go into these points more deeply when we discuss the amendment of the Senator from Alabama.

Politically, these treaties will be for our benefit in other areas of the world besides Panama. By approving these treaties, the United States strengthens our friends throughout the world while proving wrong those who are hostile to us and claim that we are a bullying imperialist power.

Approval of these treaties eliminates that argument of those disruptive forces in the hemisphere who see the Panama Canal issue as fertile grounds for cultivating seeds of anti-Americanism.

Given the national security aspects of Panama, and we discussed these briefly a minute ago, our military leaders have participated right from the beginning

in the negotiations of these treaties, in order to insure that our military interests are protected. Therefore, when the provisions of these treaties were made public, the Joint Chiefs of Staff were unanimous—every single one of those generals—in supporting the treaties.

I have been particularly impressed with the force and sincerity of the arguments supporting the treaties by the Chairman of the Joint Chiefs of Staff, General Brown.

Those who are familiar with General Brown know that he is not in the remotest sense of the word what we would call a "political" general. Therefore, we have to respect his word when he declares that in his personal opinion these treaties are in the best defense interests of the United States.

That is the only issue he addressed, the defense interests of the United States.

Like every Member of the Senate, I have been struck by the depth of feeling throughout our States, throughout the Nation, regarding these treaties.

I must say I do not think there has been a single issue which has come before the Senate in a good many years on which everybody in the United States seems to have a view. I suppose it comes from the fact that all of us in chapter 4 of our history books read about the Panama Canal.

Polls have disagreed on just what this public sentiment is, but it is clear, unquestionably, that these treaties are controversial, intensely controversial.

When the voters send a Representative to the House or a Senator to the Senate, that person is faced with a difficult philosophical dilemma. The question is simply, does he vote as public sentiment wishes, or, in those cases where there is public sentiment in conflict with his judgment, with his experience, does he vote as he thinks best in the interests of his State and his Nation?

Now, voting one's conscience sometimes places a public servant at loggerheads with a large number of his constituents. This obviously involves political risks and these political risks are not inconsequential. They can take the ultimate form of the politician being defeated. John F. Kennedy, in his book, "Profiles in Courage," addressed this subject, when he said:

> Perhaps if the American people more fully comprehended the terrible pressures which discourage acts of political courage, which drive a Senator to abandon or subdue his conscience, then they might be less critical of those who take the easier road—and more appreciative of those still able to follow the path of courage.

Now, trying to vote strictly according to the wishes of the people, while politically popular, also has its hazards. It is pretty hard to define exactly what is public opinion, because it is a changing, fluid element. So, what do we do? Do we vote in accordance to the total amount of mail or the total number of telephone calls? Should every new issue be subject to some survey, just like Presidential campaigns seem to be?

It does not seem to me that any of these options is the best way for a public official to make up his mind. Rather, it seems to me incumbent on each of us to bring all our individual experience and our judgment, our analytical abilities, whatever they might be, to bear on studying the issue. It would be irresponsible to make ourselves hostage to what we perceive to be "public opinion."

Mr. LAXALT. Will the Senator yield?

Mr. CHAFEE. Could I just finish this one thought? Then I shall be delighted to yield to my companion.

Mr. LAXALT. Yes.

Mr. CHAFEE. The Panama Canal issue is an example of the perils of relying upon existing casts of public opinion. I do not know what others find. My own mail count has fluctuated from being almost totally against the treaties in some weeks to where it has been, by a small margin, in favor of the treaties, then back to opposing the treaties. The national polls have differed on this subject, as you know. The polls have shown, that, at large, the people are against the treaties; but then, if you take that group who has taken the trouble to study them or understand them, those polls have shown that the people are more in favor of them, not overwhelmingly, but are in favor of them.

So my colleagues who oppose the treaty could easily produce evidence to show that the American people oppose them. But, frankly, I do not think this is the way we ought to make our decisions.

I am glad to yield.

Mr. LAXALT. I wish only to make this observation: I do not think a public opinion survey on the matter of where the constituency is going is conclusive. But I do think it should be highly persuasive. There have been statements made by our colleagues on the floor to the effect that they are going to turn their back on their constituencies and call their own shots. I suggest that that is one of the problems that we have here in Washington. I suggest that is one of the great problems we have in terms of the integrity and credibility of the Congress. There are millions of Americans who feel that we do not listen to them.

In my own case, we had a recent survey indicating that, even with the leadership amendment, 81 percent of the people of my State are strongly opposed to these treaties. Would I not be terribly derelict if that were not highly persuasive in my consideration of the vote of these treaties, I as the Senator?

Mr. CHAFEE. When the Senator says highly persuasive, I am not sure what he means by that, because these treaties affect the Nation. It really is a very serious national issue.

Mr. LAXALT. I am aware of that.

Mr. CHAFEE. It seems to me that each of us wears several hats. The hats we wear are not totally those of the Senator from Rhode Island or Nevada or North Carolina, or wherever it might be. We have an obligation to do what is best for our Nation as well.

Mr. LAXALT. I am aware of that. We have a dual responsibility, of course we do. But, in my own judgment, I do not feel that the national interest has to be completely dominating of our local constituencies and our local responsibilities.

Nor am I saying that it should be conclusive, because there are times, I suppose, that the winds of public opinion can be fanned into an improper result, or conclusion. I am aware of all that. Yet, in all the years I have been in this business, I have never seen more interest in an issue.

I might say I have never seen more knowledge exhibited by the public generally throughout this country in an issue. The quality of the mail I have, aside from the organized, postcard type mailing, is of high quality, exceedingly high quality. It seems to me that this is one of those rare issues where we must pay heed in great part to what the American people are telling us. I am afraid that, as far as many of our colleagues on the floor are concerned, we are not listening closely enough on this issue.

Mr. CHAFEE. I would hope that all Senators, obviously, would give heed, read their mail, and understand the views of their constituents. But I think we have an obligation to go further; that is, to study these issues in considerable depth, to recognize the views of our military leaders, those who are actively on the job, to give consideration to the thoughts of those who are in positions of responsibility regarding our foreign policy, our Secretary of State and others; to give consideration to what this holds for the future—not just this year or next year, but also, what are the alternatives: What is going to happen in the event that the treaties are not approved?

I do not think we should be subject to blackmail, or anything, that there are possibilities of turbulence. But, obviously, all of these things have to go into our equation. Based on these, we have to make our judgment.

Frequently—I am sure the Senator found this when he was Governor. I cannot believe that there were not occasions, and here he was dealing solely with a State issue principally—I suppose it came up in budgetary matters—where he had to take a position that was extremely unpopular, that the bulk of the people in his State were opposed to a position he took.

I had a similar situation dealing with a State income tax. Overwhelmingly, the people in our State were against it. As a matter of fact, I got voted out of office because of it. But it was a thing that had to be done. Subsequently, it was done, to preserve the financial integrity of our State.

So we cannot respond solely to the whims of the constituents, because their views change. And we come here with a considerable responsibility to think, it seems to me, not just of now but of the long range and the future, particularly as it involves the welfare of our Nation.

I think Senator BYRD, the majority leader, put this rather well in his opening comments when he said that a Senator is meant to reach a judgment not simply on the basis of mail count. If that were so, we could have a computer or we could have some organized pollster setup, and that is all we would need. Then he

gave that really, I think, magnificent quote from Edmund Burke, where Burke said:

> Your representative owes you not only his industry but also his judgment, and he betrays rather than serves you if he sacrifices it to your opinion.

As we consider these treaties, I hope that, in looking at the world and America's role in it, we will act with confidence and with a vision to the future.

We are a great nation. There is no doubt about that.

We are a great nation because we are strong enough to do what we feel is right because it is right—not, like an adolescent youth, because we think we have to prove our might.

We are a great nation because we are confident enough to exert leadership and adjust in a growing world rather than cringe at the prospect of change and seek the reassuring shelter of bygone eras.

We are a great nation because we have the vision to look ahead and chart our course toward long-term stability of our best interests, because we realize that efforts in partnership are more secure than confrontations out of frustration.

Mr. President, we are a great nation because we seek to have our Government's decisions, in the words of Theodore Roosevelt—the builder of the canal—"laid on the foundations of righteousness and of decency."

So, let us use those as our guidelines as we vote in these treaties and show what a great nation we are.

Mr. LAXALT. Will the Senator yield for a question or two?

Mr. CHAFEE. Yes.

Mr. LAXALT. I commend the Senator for a statement that I know he believes in completely.

I ask the Senator this: Since the pending business is the amendment of the treaties proposed by Senator ALLEN and others, and recognizing that the Senator from Rhode Island, by reason of his general background and having been Secretary of the Navy, must have as a high priority the security interests of this country and of the capital—I know that is a high priority.

Mr. CHAFEE. No question about it.

Mr. LAXALT. And weighty consideration in his deliberations upon all these matters.

I have been concerned about this scenario and I think it is a realistic one. Under the terms of the treaties, we are going to have a gradual lessening of military power within the canal. I do not think it is disputable that come the year 2000, as far as the military presence in the Canal Zone is concerned, it is gone.

Mr. CHAFEE. It could be. I think the Senator's point is valid, although I do think we have got to keep in mind that we have entered all over this world into negotiations and agreements with foreign powers to provide for American forces there.

For example, Subic Bay in the Philippines, a magnificent, mammoth naval installation which we have got out in the Philippines.

Look at Forrejon, a base in Spain, and Rota, a base in Spain, where American naval forces are today.

It is all worked out with independent countries, just as I anticipate we will work out some kind of arrangement with Panama.

Mr. LAXALT. That is precisely what I am talking about. Under the terms of these agreements, at this point, when this country has the greatest leverage, that type agreement has not been worked out.

Under the terms of this agreement, in the year 2000 we have no military presence, per se, within the zone.

I find it terribly hard to believe why there would be any resistance to the type amendment Senator ALLEN has presently pending before the Senate which would provide, not automatically, but a bona fide certification by the President of the United States that our military presence was required within the Canal Zone, that that military presence be maintained, if we take that in the context of statements from our retired Joint Chiefs of Staff, I think a vast majority of the retired flag officers in this country oppose these treaties on the basis it is a vital strategic asset and we better protect it.

It seems to me the so-called leadership amendment, while giving us a legal right for prior passage, while giving us a right to protect our neutrality, is a naked legal right only as a practical matter. If we enter into difficulties with the Panamanians, we are going to be left in the position of having to fight either by sending in paratroopers or an amphibious landing.

This amendment presently under discussion, it seems to me, would greatly minimize that kind of risk because we already have a military presence there to protect our interests as well as the Panamanians.

I would like the Senator's comments and suggestions concerning the pending amendment in this context.

Mr. CHAFEE. Again, the pending amendment, as I understand it, the Senator can correct me, gives the United States a unilateral right to make this decision. That is the very thing that has proved so irritating to the Panamanians and would prove irritating to us.

If France had the unilateral right to reestablish bases in Florida, or the Soviets had a unilateral right to put a base in Alaska—they once owned it, should they not have that right—it would irk us more.

I do not think we would find a single American that would support that proposition.

This is the same kind of arrangement suggested here that we cram down the Panamanians' throats.

Mr. GRAVEL. Will the Senator yield for an observation?

Mr. CHAFEE. Yes.

Mr. GRAVEL. The Senator from Rhode Island (Mr. CHAFEE) is totally correct.

What this Allen amendment does is establish in perpetuity the right of the U.S. Government under the President of the United States to have troops in Panama as long as we ever want.

If my colleague from Nevada is so intent on an accommodation, what he ought to do is come in here with an amendment that talks about our willingness to pay for these things. We pay every place else in the world. Why would we have such an attitude that in Panama we are not going to make that kind of consideration?

This amendment is preposterous, truly preposterous.

Because of the Panama Canal and because we have got some minor economic interest—and I submit that by the year 2000 that will be not minor, but minuscule—why would we want to foist upon a legitimate sovereign nation—a legitimate sovereign nation—our ability to put troops on their soil.

That is what we had the revolution in this country over. Why would we want to insist upon that?

I just cannot understand this amendment. Now, that is not talking to the fact that this amendment is in the wrong place. I will not make a germaneness argument over that.

Mr. CHAFEE. I do not think we want to get into side arguments.

Mr. LAXALT. Mr. President, who has the floor? I assume it is the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor.

The Senator from Rhode Island.

Mr. CHAFEE. I would be delighted to yield for some more comments.

Mr. LAXALT. Only this comment, in response to the Senator from Alaska (Mr. GRAVEL).

The reason why we feel we have to have his right, it necessarily must be unilateral. I am trying to guard against that contingency when the year 2000 comes that Panamanians are not going to be all that happy with us. It has been developed during the course of these debates that there are many areas of potential friction. I put that in the context, and as I indicated, you can disagree with it if you want, I do not choose to, that this is a vital strategic asset to the interests of this country and to the interests of the hemisphere and, certainly, to the interests of the Panamanians.

Now, constantly, when we think about rights of this type during the debate on this floor, we are being cast in the position of being a spoiler, a bad guy, whose interests are inimical to the Panamanian interests.

I do not understand that because if I were a leader in Panama I would welcome this kind of provision being in the agreement, recognizing that our military presence there will protect the canal and the Panamanian interests.

Mr. GRAVEL addressed the Chair.

Mr. LAXALT. If that is a preposterous approach——

Mr. GRAVEL. It is.

Mr. LAXALT. I suggest that the treaties are preposterous.

Mr. GRAVEL. Will my colleague say, if he thinks the leadership of Panama ought to accept in perpetuity U.S. troops, if he would be prepared to accept British or French troops in perpetuity in any part of the United States?

Mr. LAXALT. Of course not.

Mr. GRAVEL. But why would my colleague hold a different standard for the national sovereignty of the people of Panama than he would for a U.S. citizen?

Mr. LAXALT. Because it is our canal.

Mr. GRAVEL. Who says it is our canal?

Mr. LAXALT. I do, and so do millions of Americans.

Mr. GRAVEL. It is not our canal. We went into the history of how we got that canal.

But why should we threaten these people?

I ask my colleague from Nevada, does he have any guess as to how economically important the Panama Canal will be in the year 2000? Could he enlighten us?

Mr. LAXALT. No. I think it is a matter of speculation.

Mr. GRAVEL. Well——

Mr. LAXALT. Just a minute.

Mr. GRAVEL. I am sorry.

Mr. LAXALT. I think anybody would concede that the economic situation in 2000 is necessarily speculative. We can hear from both sides. Some would denigrate its economic importance, others maximize it.

I do not know. I am not as concerned about that as I am where we will be from a security standpoint in the year 2000.

I cannot predict that. The Senator cannot predict that. Nobody can predict that. So that is the situation.

Mr. CHAFEE. Mr. President, I think I have the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. LAXALT. May I pursue this for a moment?

Mr. CHAFEE. I would prefer to pursue the security point, if we could stay on that.

Mr. LAXALT. I would like to stay on that. We can talk economics forever and already have.

To get to the security point, recognizing that no one of us can foresee what the situation is going to be in 2000, I do not care how we define the opinion between existing Joint Chiefs and those who oppose it, feelings of the Joint Chiefs, I do not care how.

The least we can say is that there is divided opinion among the military experts about the strategic value of the canal.

So it seems to me if that is going to be the case in the year 2000, why not build in a safeguard in this treaty so that the President of the United States in terms of national interest can make a finding upon a certification and thereby continue a military presence?

I fail for the life of me to see how anybody thinking in terms of the national interests of this country can oppose this kind of amendment.

Mr. CHAFEE. It seems to me that we have a very fundamental difference of opinion here, and the difference is on this point: Do we want the Panamanians enthusiastic partners with us in this enterprise?

Mr. LAXALT. Surely, we do.

Mr. CHAFEE. Or do we want the Panamanians to be subordinates, to have their situation really remain not greatly changed?

If we want them on our team, we have to respect them and respect their nation. For us to have worked out a provision that gives us unilaterally the right to go back in there if in our opinion the neutrality of that canal is threatened is an extraordinary thing. I do not think any of us would ever accept such a term in a treaty.

Now the Senator from Nevada is trying to press it one step more and to say that we can keep troops in there at our own volition, unilaterally. That is going just too far. I do not think the Senator can expect any self-respecting Panamanian to go for such an arrangement.

Mr. LAXALT. Certainly, the Senator is not going to place the feelings of the Panamanians ahead of the national interests and security of this country. I hope that is not his judgment.

Mr. CHAFEE. No. My objective is to keep the canal open and operating.

Mr. LAXALT. I think we are both proceeding along the same path.

Let us assume that in 2000 we are out of there, no military presence, and that we have difficulties with the Panamanians. I hope that is not the case. Let us assume they are serious difficulties. Under the terms of this treaty, we cannot intervene to protect neutrality or prior passage, if it involves invasion of their internal affairs. In that type of situation, if we have that type of difficulty, I ask the Senator, as a former naval person, how in the world are we going to reinforce those rights properly, in the absence of dropping paratroops in there or making an amphibious invasion of Panama?

Mr. CHAFEE. We would have to do it; no question about that.

Mr. LAXALT. Is not that prospect far more onerous, in terms of our future relationships with Panama, rather than having a military presence there to begin with, in order to obviate that kind of problem?

Mr. CHAFEE. I do not agree with the Senator. It seems to me that we have a treaty here. A good deal, in my judgment, is something both sides want. We have gone a long way in asserting our views in this treaty. There is no question about it.

The provision that permits us to go in unilaterally, as I mentioned previously, is something that must be pretty tough for the Panamanian patriots to swallow.

Mr. LAXALT. All I hear on this floor is the feelings of the Panamanians, the Panamanians' aspirations, and the Panamanian patriots. I think part of our consideration should be the feelings of the American people and the feelings of the American patriots. They feel rather strongly about this issue, too. We seem constantly to shunt that aside, beating our breasts in some form of artificial guilt, in my opinion, and in the process—and this concerns me more than anything else—perhaps jeopardizing the national security of this country.

Mr. CHAFEE. It seems to me, following the Senator's argument to its logical extent, that we would have no treaty whatsoever.

Mr. LAXALT. That would be perfectly all right with me.

Mr. CHAFEE. In the Senator's judgment, no treaty.

Mr. LAXALT. No new treaty.

Mr. CHAFEE. If our objective is to keep the canal open and to maintain the status quo so far as the operation and maintenance of the canal are concerned, does the Senator suggest that the absence of any treaty, to remain the way we are now, with the zone and the governor, would promote the open, efficient use of the canal for the future?

Mr. LAXALT. Yes, I believe so. I am satisfied, from talking to the people there, that we have the military capability to easily protect that canal.

I am not being placed in the posture that we should not make other types of concessions. We want to protect the operational facility with U.S. military capability. That does not mean we cannot think in terms of making economic concessions of various kinds to the Panamanians—release of additional Canal Zone ground. What we are talking about is the fundamental consideration, basically, of preserving that asset.

Mr. CHAFEE. It is the judgment of the proponents of the treaties, of which I am one, that the best way to preserve the independence of the canal, to maintain it, to have it serve its purposes for the remainder of this century and into the next one, is to agree to these treaties, to have the Panamanians part of the cooperative effort.

Mr. LAXALT. I say to the Senator from Rhode Island that that, really, is the essence of our disagreement. Those of us who oppose these treaties feel that to enter in this kind of partnership can only harm the security interests of this country.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. GRAVEL. There is one item that was mentioned which I think is very serious. It occurred when the Senator from Nevada was trying to keep on the subject raised by the Senator from Rhode Island, and I thought it was a very good colloquy that took place, in view of the expertise of the Senator from Rhode Island, who has been Secretary of the Navy and knows something about maritime matters and defensive matters. I have personal affection for my colleague from Nevada, and sometimes I am distraught by the fact that he beats me so resoundingly at tennis.

I am disturbed about one point—the cavalier way in which we put aside the economic arguments. To stand on this floor and ask for the power to infringe upon the sovereignty of the Panamanian nation for perpetuity—I hope there is some sound economic logic behind that. Otherwise, what is the point of stationing troops abroad? It must be to defend something that is valuable to us. I think the crux, the touchstone, of any argument has to be the economic basis.

When I asked my colleague from Nevada if he had given thought as to what the economic importance of the Panama Canal would be in the year 2000, he said he could not speculate. I would like to propound a question to my col-

league, if he would have any doubt as to the economic importance of the canal today; and I would inquire about the economic importance not only to the United States, but I also would ask him what percentage of the world's maritime fleet presently can go through the canal, to get some barometer of the importance of this canal economically today. Maybe upon that basis, we could speculate for the future.

Mr. LAXALT. I am not familiar with the precise tonnage, except that I know I do know—and I can secure the figures—that there is substantial commercial use of the canal. It has tremendous economic benefit to the people of this country, principally the mining and the agricultural interests. It has tremendous economic value to our allies throughout Latin America and South America.

I know there has been an effort on the part of the proponents of this treaty to denigrate the economic value of the canal. I submit that there is still substantial economic value in the Panama Canal. In terms of specifics, I can provide that to the Senator from Alaska (Mr. GRAVEL) and make it part of the record.

Mr. GRAVEL. I thank my colleague. I would like him to cause his staff to research this area and bring forth these statistics, because I think it will be very revealing to the Amreican people.

I will give the Senator a statistic that I picked up in research houses from Norway to London to Washington, D.C. Presently, 57 percent of the world tonnage of the world's maritime fleet cannot go through the Panama Canal. Fifty-seven percent. It is a very shocking figure.

If you project out the next 22 years, to the year 2000, and if you extrapolate the growth that took place in the last 15 years, not at an equal rate or even at one-half of that rate, but if you extrapolate at only one-third of the previous rate to the year 2000, you get a figure in excess of 90 percent of the tonnage of the world's maritime fleet that will not be able to go through the Panama Canal.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. HELMS. Where did the Senator get these amazing figures?

Mr. GRAVEL. From the research outfits that do the research for the shipowners of the world.

Mr. HELMS. Who is the president of it—Mr. Omar Torrijos? [Laughter]

Mr. GRAVEL. Oh, no. It is a company in Oslo, Norway, which has very little contact with Mr. Torrijos. It is a company in London called Drury. It is companies in the United States. It is the Maritime Administration.

I will go into it at great length, showing charts that will cover the rear of this Chamber with the research data. If my colleague quarrels with it, or can find error with these figures, this research data, I will stand here on the floor and apologize to my colleague.

Mr. HELMS. Then the Senator better get ready to apologize, because 95 percent of the vessels afloat in the world today can go through the Panama Canal.

Mr. GRAVEL. Say that again.

Mr. HELMS. Ninety-five percent of the vessels afloat in the world today can go through the Panama Canal.

Mr. GRAVEL. What about the tonnage?

Mr. HELMS. The Senator was talking about——

Mr. GRAVFL. It does not do us any economic good to count the little pleasure crafts or little bitty rust buckets that go through the canal. Let us talk tonnage. The numbers of vessels do not matter. What matters is how much oil can you move through the canal, how much coal, that my colleague from Nevada talks about, how much coal you can move through the canal.

Is my colleague aware that 44 percent of all the tonnage of bulk carriers in the world cannot go through the canal? Is my colleague aware that 76 percent of all the oil tonnage in the world cannot go through the canal?

Mr. HELMS. I do not think anybody is aware of that. It is simply not so.

Mr. GRAVEL. He can line up 6,000 rust buckets that can carry three drops of oil apiece, and they can all go through the canal. Big deal. One supertanker will take through 1 million times more than that.

Mr. HELMS. The Senator can outshout me.

Mr. GRAVEL. I yield to my colleague to make his statement.

Mr. HELMS. I thank the Senator.

Mr. GRAVEL. I have great respect for the Senator from North Carolina. I apologize if my voice has been raised in harshness. It was not any indication of any disaffection for my colleague. Quite the contrary. It is because of the zeal that I have over these important figures which I think are so illuminating.

I will be happy to yield.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor.

Mr. GRAVEL. Unfortunately I do not have that power. It is the Senator from Rhode Island who has that power.

Mr. CHAFEE. Mr. President, I wonder if we could get in order who is next because I have completed my remarks, and it was my understanding that the Senator from Alaska was next. I am willing to do whatever Senators want to do here. What is the situation?

The PRESIDING OFFICER (Mr. DECONCINI). After the Senator from Rhode Island is finished, the floor is open. There is no order for recognition.

The Senator from Rhode Island.

Mr. CHAFEE. Thank you, Mr. President.

Does the Senator from New York have comments?

Mr. JAVITS. No; I understand Senator GRAVEL is going to follow the Senator; is that right?

Mr. CHAFEE. We are waiting for Senator GRAVEL. Meanwhile, the Senator from North Carolina.

Mr. HELMS. I have some statistical information on the way to the Senate Chamber. I suggest that we have a brief quorum call.

Mr. JAVITS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I would like to continue my initial presentation, the presentation that I began before we went into recess last week.

I tried to cover some elements of the history that found us in the situation that we are in today. Now I would like to continue on, and focus on the operations of the canal.

Mr. HATCH. Will the distinguished Senator from Alaska yield for a question?

Mr. GRAVEL. I would be happy to yield for a question.

Mr. HATCH. It is my understanding that my friend from Alaska is contending that the tonnage going through the canal is not really very heavy.

Mr. GRAVEL. I did say that the tonnage was not heavy.

Mr. HATCH. In other words, what is the significance of the canal to the Americans?

Mr. GRAVEL. I think Americans are not aware as to the present economic significance of the canal or its projected economic significance.

Mr. HATCH. Am I correct in my assumption that one of the reasons that the Senator feels the canal is not so significant concerns the fact that the supertankers cannot go through the canal?

Mr. GRAVEL. The statement I made earlier was that 76 percent of the tonnage of the world tanker shipping cannot use the canal today. Forty-four percent of the bulk cargo tonnage in the world today cannot use the Panama Canal. Those two are the two most significant areas of the world maritime fleet. But when we average the total maritime fleet, 57 percent of all the maritime tonnage in the world today cannot go through the Panama Canal.

Mr. HATCH. That, I assume, is because of the supertankers, the few ships in the world which cannot go through the Panama Canal. But I might add they cannot dock in most of the world's ports.

Mr. GRAVEL. I cannot hear the Senator.

Mr. HATCH. They are so large they cannot dock in most of the ports of the world, is that not true?

Mr. GRAVEL. That is not so.

Mr. HATCH. Yes; it is.

Mr. GRAVEL. The vessels which carry oil from Alaska are on the order of 120,000 tons.

Mr. HATCH. But they cannot——

Mr. GRAVEL. Excuse me. They cannot go through the Panama Canal today but they can be handled on the east coast of the United States. If my colleague is trying to make the inference that the figure I am giving with respect to obsolescence of the canal is also relative to the obsolescence of the port facilities, that is not accurate. If my colleague wants to make that argument, what he ought to do is to dispatch some of his staff to research the obsolescence of the ports in relationship to the world maritime tonnage.

Mr. HATCH. Will the Senator yield again?

Mr. GRAVEL. Yes.

Mr. HATCH. We have already done our research. But what the Senator referred to is not my argument. I think the port facilities in the United States of America are fairly adequate. In fact, I believe we have great port facilities. It is my understanding that many critics raise the fact that the supertankers cannot go through the canal, and, therefore, the canal is not quite as significant as we would think. I just want to point out that the new supertankers were designed so that they could go through the canal, so that they would not have to travel the longer way. Also, the largest supertankers cannot dock in most of the ports in this world.

Mr. GRAVEL. May I ask my colleague what he calls a supertanker? Can he give the size?

Mr. HATCH. We are talking about the huge supertankers being built in Japan at this time.

Mr. GRAVEL. What is the size of the vessels that can go through the Panama Canal?

Mr. HATCH. As I understand it, 95 percent of all the world's shipping can go through the canal.

Mr. GRAVEL. That is not what I asked. I asked my colleague what is the size of a vessel that can go through the Panama Canal right now?

Mr. HATCH. The Senator has asked me a question and I would be happy to answer it. As I understand it, all of our military vessels, except for the 13 largest carriers, can go through the Panama Canal.

Mr. GRAVEL. That is not what I asked the Senator.

Mr. HATCH. I hope the Senator will wait a moment.

That is 98 percent of the military vessels.

Mr. GRAVEL. Excuse me, but I yielded the floor for a question and my colleague is engaging in a colloquy. I am happy to answer his question directly.

I am asking a specific question: How wide a vessel, what is the draft? Is it 30,000 deadweight tons that can go through the canal, 100,000 deadweight tons? That is what this is all about.

Mr. HATCH. Let me answer that. No. 1, 98 percent of all military vessels. Only 13 of the largest carriers cannot go through the canal.

No. 2, 95 percent of the world's fleet can go through the canal. No. 3——

Mr. GRAVEL. I must not remain silent when my colleague says 95 percent of the world's fleet can go through the canal. That is not accurate. Is the Senator counting vessels or tonnage?

Mr. HATCH. I am counting vessels.

Mr. GRAVEL. Is not tonnage more important than vessels? You may have 100 small vessels and one big vessel that can carry as much as 100 smaller vessels. That is a ridiculous argument.

I ask my colleague if the 95 percent is based on tonnage. What is the tonnage that can go through the canal?

Mr. HATCH. Basically, 95 percent of all the tonnage in the world could go through the canal.

Mr. GRAVEL. I cannot yield to that point. I will not accept that because it is not true. I went to great length to show the figures, to show what the facts are—they are simple—all the tonnage, not the number of vessels.

So the public can understand the Senator, he is saying that 95 percent of all the vessels in the world can go through the Panama Canal. My answer is that is, "Big deal." There can be a whole lot of midget vessels going through the canal. The question is how much tonnage can go through the canal? I will give the figure. The figure is 57 percent of the world tonnage cannot go through the canal today.

Mr. HATCH. So the Senator thinks 43 percent can go through the canal?

Mr. GRAVEL. That is right.

Mr. HATCH. That is pretty substantial.

Let me answer the question asked before. As we know, vessels transiting the Panama Canal are limited to 40 feet in depth, 950 feet in length and with a 106 foot beam. Ships larger than that cannot go through the canal. That includes 13 of our largest carriers, some of the supertankers, and some other ships that are larger.

Mr. GRAVEL. Not all the supertankers.

Mr. HATCH. I said some of the supertankers.

Mr. GRAVEL. Is an 80,000-ton tanker covered by your statement?

Mr. HATCH. No.

Mr. GRAVEL. So we have a lot of vessels that cannot go through the canal but that can dock at Hampton Roads, at New York, and New Orleans.

Mr. HATCH. I understand what the distinguished Senator is saying.

Let me ask this: Of the oil coming out of the north slope of Alaska, how much of that oil is going through the canal?

Mr. GRAVEL. Well, if we had full capacity—it would be somewhere between 400,000 and 500,000 barrels per day.

Mr. HATCH. And what percentage is it now?

Mr. GRAVEL. The Alaskan pipeline capacity is 1.2 million.

Mr. HATCH. The Senator is asking——

Mr. GRAVEL. Between 30 and 40 percent of the capacity of the Alaskan pipeline will be going through the Panama Canal.

Mr. HATCH. That is not my question. My question is, How much of the total Alaskan oil coming out of the pipeline is going through the canal as of right now?

Mr. GRAVEL. I would say of the capacity of the line——

Mr. HATCH. Not the capacity. Does the Senator mean present capacity?

Mr. GRAVEL. Thirty or forty percent, thereabouts.

Mr. HATCH. That is present capacity?

Mr. GRAVEL. No, no.

Mr. HATCH. I was asking about present capacity. How much of the present capacity goes through the Panama Canal?

Mr. GRAVEL. I do not have that figure. I would say somewhere around 100,000 or less.

Mr. HATCH. Is it virtually 100 percent of the oil that comes to the east coast from Alaska?

Mr. GRAVEL. Oh, no.

Mr. HATCH. It is not?

Mr. GRAVEL. Did the Senator say 100 percent?

Mr. HATCH. Yes.

Mr. GRAVEL. Preposterous.

The only oil going through the Panama Canal from Alaska right now is that oil that is declared surplus to the west coast. That surplus will not be great until the full capacity of the line comes in.

Right now, it is—I might enlighten my colleagues:

What it does is come down from Valdez Harbor into Balboa Bay in tankers of about 100,000 to 120,000 deadweight tons. It is transferred into the very, very large supertankers, on the order of about 250,000 deadweight tons. Then vessels of 65,000 deadweight tons or less come in, take the oil out of the tanker, then truck on through the canal and on up to the ports of the gulf coast in the United States and some minor ones on the east coast.

Mr. HATCH. I think the Senator is correct. I apologize for not phrasing my question correctly.

That question is this: Other than that oil that stays on the west coast of the United States—remember, I am talking about the oil that goes to the gulf coast and the east coast of the United States.

Mr. GRAVEL. I am sorry, I did not hear the question.

Mr. HATCH. The oil that comes from Alaska and goes to the gulf coast refineries and east coast refineries, where most of the refineries of the United States are, how much of that oil goes through the canal, from Alaska?

Mr. GRAVEL. Right now?

Mr. HATCH. Right now.

Mr. GRAVEL. I would think less than 100,000 barrels a day.

Mr. HATCH. That oil that does not go to oil refineries on the west coast or is not used otherwise on the west coast.

Mr. GRAVEL. Very little, until—you see, there is no surplus on the west coast. There are refineries on the west coast that can handle the oil. What we are talking about essentially is the oil that Sohio has. That is the reason they have an application to move it from Long Beach, to move it to Texas by pipeline. For the time being, that is why we are going to have to move it through the canal in this very inefficient process.

Mr. HATCH. I understand. So the oil that does come through, that is not utilized on the west coast, because of the limited delivery of oil right now through the Alyeska pipeline—the oil that does come to the east coast goes through the canal. That is all I am asking, if that is true.

All the oil from Alaska which is refined on the gulf coast and on the east coast of the United States, where the principal refineries in this country are, comes through the Panama Canal at the present time.

Mr. GRAVEL. If there is any oil going through, it goes through the Panama Canal. I would be happy to make that stipulation. I just do not understand how

the Senator is coming at it from that direction, because there is no oil that I know of that is coming out of California or the west coast of the United States and purposely going through the Panama Canal to get to the gulf coast and the east coast. That just is not happening, not projected to happen. What we have is oil that will come down from Alaska that will be surplus to the refinery capacity of the west coast and, therefore, will have to go through the Panama Canal or go around Cape Horn.

Mr. HATCH. That is what I am talking about.

Mr. GRAVEL. I would have been happy to state that if he had asked it straightaway.

Mr. HATCH. That oil is going to increase to the total capacity of the Alyeska pipeline of about 1.2 million barrels a day.

Mr. GRAVEL. The oil that will then go through the Panama Canal would probably be somewhere between 400,000 and 500,000 barrels a day when we get the capacity of the pipeline up to 1,200,000.

Mr. HATCH. That would be the 30 to 40 percent the Senator talked about earlier?

Mr. GRAVEL. Yes, of the present capacity.

Mr. HATCH. I think the disagreement we have had on the floor is because of the way I asked my questions and the way the Senator interpreted them. Let me ask the question in a different way.

If the Panama Canal is shut down, for whatever reason, assuming the pipeline is at full capacity, how could that affect Alaska and the Gulf Coast and east coast refineries, which will be dependent on Alaskan oil to help reduce some of the energy prices we have in this country?

Mr. GRAVEL. I do not think I understood the question.

Is the point the Senator is trying to make that the canal is important to the transshipment——

Mr. HATCH. I think even the distinguished Senator from Alaska would admit that it is extremely important, even though it does not take care of all the world's tonnage, even though it takes care, in the opinion of the Senator from Alaska, of only 40 or 45 percent of the world's tonnage, or at least can. My question is: What economic effect will there be to Alaska if the pipeline reaches its limit or capacity of 1 million 2 barrels a day? Will not the cost of oil coming through the canal increase under these treaties because of the higher tolls? Will not the cost to consumers in America go up accordingly? And if the canal is shut down, will not we have even more of an energy crunch and difficulty than we have today in America?

Mr. GRAVEL. Not at at all.

Mr. HATCH. I would be most interested in hearing the explanation of that.

Mr. GRAVEL. Let me give the figures.

First of all, if Sohio can get the permit to move oil through Long Beach, from Long Beach Harbor, they have to build a short pipe up to the Redlands in California. Then they go from the Redlands into Midland, Tex. There are two gas lines already in place that are underutilized. Therefore, the Sohio Co. purchased from El Paso, the gas line company, these lines. If thy get approval to move the oil, the oil will move from Valdez to Midland, Tex., into a system that can get into Chicago and the entire United States. It will cost $2.06 per barrel to do that.

Mr. HATCH. What if we are unable to do that because of the Environmental Protection Agency and all the other difficulties, the overregulation of Government and all these problems that exist with regard to anything having to do with oil, energy, transportation, and other facilities? As the Senator knows, the pipeline in Alaska was held up for years, to the cost of billions of dollars, by environmental and other problems.

Mr. GRAVEL. If we are unintelligent and unable, as a nation, to make intelligent decisions, I would hope we would not blame it on the Panamanians or the Panama Canal. If we are dumb, I hope we will be able to stand up to a mirror and say, "We are dumb."

Mr. HATCH. We should do that every day.

Mr. GRAVEL. Let me give the Senator the figures to show how ignorant we can be.

I just showed where we have two pipelines in existence that are underutilized. There is a company prepared to utilize them. They have spent a lot of money on the engineering.

Mr. HATCH. They do not own them?

Mr. GRAVEL. It will cost $2.06 a barrel to go through that to Houston. If it goes through the Panama Canal, it costs $2.46. We are now paying $2.46 a barrel—more than it would cost us if we went ahead and built the pipeline.

The Senator is saying that this canal is real important to us, because if we lose it, we will not be able to move the oil. We have the facility. The problem is we are not doing it, and shame on us, because we are not smart enough to move it the cheapest way possible.

If you want to take the next step, even more efficient than that, we do not have to look at the canal. We could export our oil to Japan and swap with them, because it is cheaper, time and distance-wise, to move that oil to Japan. You take the savings involved, and tell the Japanese, "We will split even-Steven with you. We will take 50 cents"—it is about $1 saving—"You keep 50 cents," and we will decrease the cost of oil coming into Houston or New York by 50 cents a barrel by the amount we swap. So we do not even have to talk about pipelines or talk about the canal.

There are a lot of intelligent things that we could do that are not immediately germane to this argument.

What was the point my colleague wanted to make?

Mr. HATCH. I have to admit that the Senator has given us some very interesting alternatives, none of which is presently in fruition, none of which is presently even possible. The pipeline is run by a private company. Sohio does not have the access to them, if we are to accept his particular assertions. He is assuming that the pipeline people would not charge one extra penny to bring oil in if they were to have a virtual monopoly if the Panama Canal is shut down.

Mr. GRAVEL. Maybe my colleague is not aware of the fact that we control the rates of return of pipelines. They have to file their tariffs. In fact, we have litigation right now in Alaska as to what that tariff is. The companies think it ought to be one thing, the Federal Government and the States think it ought to be another.

The inference that the Senator is trying to give to the American public listening to him is that the pipelines can hold people up without the Government doing anything. We have a ton of law that deals with that subject. My colleague is a little bit on weak ice.

Mr. HATCH. I would have to say that my colleague is a little bit on weak ice, because in order to put his scheme together, he would have to override private interests, which our country has not done thus far. He would also have to interfere with the orderly transmission of natural gas. He is assuming all of this can be done in an orderly, efficient manner, when we have seen, year after year, the Alaska pipeline held up by the Federal Government, even when we need it because we are 50 percent dependent on foreign oil, gas, and supplies. So that is how much force that has in this regard.

Mr. GRAVEL. I thank my colleague for that compliment.

Mr. HATCH. I think the Senator's suggestion is excellent.

Mr. GRAVEL. Construction of the Alaska pipeline is the only thing that has been done, appreciably, to solve the energy crisis in this country.

I thank my colleague for bringing that event to the attention of the public.

Mr. HATCH. I am glad to be able to do so.

I thank the people of Alaska for the efforts they put forth trying to alleviate our country's energy crisis.

Mr. GRAVEL. I think we ought to thank the Lord, because the Lord put our oil there. We are very blessed and proud of it, but I do not think we claim any intellectual prowess over the fact that we stand on top of oil.

Mr. HATCH. I guess the Senator does not know the same Alaskans I know, then.

Mr. GRAVEL. Most Alaskans I know are intellectual, intelligent, bright, strong, couragecus, forthright people.

Mr. HATCH. Well, they must all be like the people out there in Utah.

As a matter of fact, the ones I know, with very few exceptions, I would have to agree with the Senator on those comments.

Mr. GRAVEL. But I do not know of any Alaskan that claims we are responsible for the oil. I think we accept it as blessing. We are very happy with the blessing because we are a high-cost area and have suffered great poverties in the past. This affords us an opportunity to get up to the table. We do not have to pick up crumbs any more. We are not any better off than anybody else.

Mr. HATCH. I commend the Senator and I agree with him on that. I am proud

of the Alaskans and we will fight alongside Senator STEVENS to try to protect Alaska from the ravages of the Federal Government, which we do very little of here in the Senate.

I would like to say this. I think the Senator brought some interesting things to light today. He testified before our committee and I was interested in his comments then. The only problem is he has made some very big assumptions which, personally, I wish could come to fruition because it would be beneficial to America if they could, but I do not believe they will.

My assumption is that if we lose the Panama Canal, we are going to have an energy crunch and an energy crisis in this country that is even compounding that which we have right now.

Mr. GRAVEL. How are we going to lose the Panama Canal? What this whole exercise is about, the reason why four Presidents, why we have been negotiating for 13 years and come forward with this treaty is so we can guarantee access, to ourselves and to other maritime countries, to the Panama Canal.

Why does the Senator stand there and say that we are going to lose the Panama Canal? Nobody is going to lose the Panama Canal, even in the year 2000, unless it is obsolete.

Now, if there are no vessels going through the Panama Canal, I think the best thing to do is close it, put a plaque on the front of the Miraflores Lock and sell tourist tickets. That is probably the only money they will make off it.

But we are assuming that if it has economic viability, that viability is more important to the people of Panama than any other group of people in the world.

So why stand there and tell us we are losing the canal, because if that viability is real, we will be able to use it. If we do not use it, they do not make any money.

What is the inference here that we stand up and say the Panamanian people are so dumb, we will give them an asset and they will promptly destroy it. Why say that?

Mr. HATCH. Would the Senator yield for an answer to that?

Mr. GRAVEL. Why did the Senator insist on reference to these Panamanian people as inferior when——

Mr. HATCH. I did nothing——

Mr. GRAVEL. They are——

Mr. HATCH. I respect my colleague from Alaska, but I resent his inference from what I have said because I never called the Panamanian people inferior. In fact, I said that I loved them.

Mr. GRAVEL. My colleague said the canal would be closed.

Mr. HATCH. That is not the point. It had nothing to do with the Senator's inference that the Panamanian people may be inferior.

What I was saying was this: The very same people who argued that Cuba could never do without American commerce and the American industry, and the purchase of sugar or cigars, made the same arguments then that Cuba was so dependent economically upon the United States and upon what we did for them that it was very unlikely that Cuba would ever drop relationships with the United States.

But they did, and why? Because Russia poured billions of dollars down that sewer every year, and why would it not be equally as wise for Russia——

Mr. GRAVEL. Does my colleague think the whole Russian fleet will circle South America, going through the Panama Canal, to raise revenues for the Panamanian people?

Mr. HATCH. I yielded to the Senator to answer, if he will extend me the same courtesy.

Mr. GRAVEL. I apologize.

Mr. HATCH. No need to. We are friends, I have great respect for the Senator.

The fact of the matter is that I think it would be a pretty smart thing for the Russians if they want a crunch on our supplies, our military security and transferability of agricultural supplies and commodities, and put hundreds of billions of dollars of extra cost on Americans, for them to give the Panamanians $1.5 billion, which is a lot more than the $250 million they may be able to get out of the canal, or, as a matter of fact, as $70 million a year. And if they did shut it down, I am suggesting Alaska will suffer, this country will suffer. And if they do not shut it down, it is going to cost us more for Alaskan oil as a result of higher tolls, because your scheme cannot be put into effect immediately. I wish it could—especially in the expeditious, indiscriminate, and inexpensive manner in which the United States has always operated the canal.

Mr. GRAVEL. Well, if I could respond to the question of my colleague from Utah and the analogy he makes with Cuba, I think they are very faulty.

First, I do not recall anybody standing around on the Senate floor yelling about this situation, that situation, before Cuba parted ways with us economically.

We had a trade relationship with Cuba, from some point of view; when they ruptured that relationship they had to find other people to trade with.

That is not the way with Panama.

It is a physical asset there. The bridge. The pass between the seas is there. You cannot pick that up and sell it in another part of the world. We use one-third of the canal because we have a lot of traffic from the east coast of the United States to the west coast of the United States.

I cannot conceive that the Panamanian leadership would say, "Boy, we are in a brouhaha with the United States, we will get mad and not let the United States go through the canal. We will let everybody else, but we will cut out one-third of the revenue capriciously because we are mad at the United States."

Can you see the scenario?

Now, we have the specter of somebody else coming in like the Russians did in buying Cuban sugar. We are going to see the Russians come in and help the Panamanians. So what we will see is a decision made in the politburo of the Soviet Union to tell the people on the east coast, in the Baltic Sea, and all of the eastern part of the Soviet Union, that they will load up all the Russian commercial vessels and send them through the Panama Canal to get to Vladivostok just so the Soviet Union can cause some earnings to take place for the benefit of Panama. I cannot think of a more ridiculous comparison.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. GRAVEL. Let me finish. I tried to be patient as I could with my colleague when he was posing the question and making the analogy.

I think we can appreciate our mutual zeal. I want to make this point, and it is important.

People say this is like Cuba and the Communists and all that. That is a lot of rot. The comparison the Senator from Utah just made is invalid. He is talking about sugar and I am talking about a physical piece of real estate, and the reason that real estate is successful is that we use it to the tune of a third of the entire operation.

That is where the inference was made that seemed to me an insult to the Panamanian people. The Panamanian people are just as smart as we are. They want to make some money and have some revenue. Why would they not keep the canal open? Why would they intentionally tell their largest customer, their largest source of revenue, "You can't use the canal?"

Forget the Alaskan oil, forget the wheat, forget the coal. A person would have to be really dumb, and that is what we are really saying: "You people are not very smart, because the first thing you are going to do when we give you the canal is tell us we cannot use it and cut off your revenue."

I assume that if somebody is going to have a capital resource which would make him money, that person would want to make some money. I cannot conceive that somebody would want to throw money away. It happens. I have seen it happen in this country, and it may well happen in Panama someday, because they are just like us. They are capable of making mistakes.

But it strikes me as odd, the scenario that my colleague is building up and that the radical conservatives in this country are building up, that these Panamanian people are so inferior that they will not be intelligent enough to make a buck.

Mr. HATCH. I think I made it clear before that I have never said the Panamanian people were inferior, and the inference is not well founded.

Mr. GRAVEL. If I can clarify that, because I do not want to attribute anything to my colleague that is not accurate——

Mr. HATCH. I would not think so.

Mr. GRAVEL. I have come to the conclusion that you are insulting the people of Panama when you are telling them they are not intelligent enough to make money like we are.

Mr. HATCH. Let me answer that.

I understand, also, that a part of the argument of the Senator from Alaska has been that the Panamanian people, irrespective of how equal they are to any other nation in the world in intelligence,

and so forth, and I suggest that they are——

Mr. GRAVEL. That they are?

Mr. HATCH. That they are just as capable as anybody else.

Mr. GRAVEL. I appreciate that, for the record, and I will rest upon that.

Mr. HATCH. I think it is important to dispel another problem that the Senator from Alaska brought up.

However, before I get to that, the Senator acts like there is no Russian interest in Panama at all. The Senator is aware that the Russians were there right before these treaties were written?

Mr. GRAVEL. Were what?

Mr. HATCH. They were in Panama.

Mr. GRAVEL. Doing what?

Mr. HATCH. From July 11 through July 30.

Mr. GRAVEL. Oh, the Russians.

Mr. HATCH. The "trade delegation."

Mr. GRAVEL. I did not realize that. Was that the same delegation that was in the Senate here, in room 208, where we had meetings with them for 2 days? Was that the same Russian delegation negotiating with you and me?

Mr. HATCH. No.

Mr. GRAVEL. Oh, it is a different Russian delegation.

Mr. HATCH. You do not know that the Russians were there? Everybody else does. I wonder why you do not.

Mr. GRAVEL. I do not follow everybody's itinerary.

Mr. HATCH. Do you understand why they were there?

Mr. GRAVEL. I was a little confused that it might be the same delegation that was negotiating with us.

Mr. HATCH. Not at all. But do you know why they were there?

Mr. GRAVEL. No. Why were they there?

Mr. HATCH. You do not know?

Mr. GRAVEL. No.

Mr. HATCH. And you are arguing that there is no Russian interest in Panama?

Mr. GRAVEL. I did not say that.

Mr. HATCH. I hope you did not say that.

Mr. GRAVEL. And I would hope the Russians would be smart enough to want to continue using the canal.

Mr. HATCH. They were there for six basic reasons.

Mr. GRAVEL. What were they?

Mr. HATCH. No. 1, to negotiate to build a heavy-duty equipment plant.

Mr. GRAVEL. Would that not be a good thing for Panama?

Mr. HATCH. It may or may not be. No. 2——

Mr. GRAVEL. You say, "may or may not be?"

Mr. HATCH. Has it been a good thing for them to do that in Europe?

Mr. GRAVEL. If it is economically advantageous to the Panamanians, would you have any objection to the Russians doing that?

Mr. HATCH. Yes.

Mr. GRAVEL. Why?

Mr. HATCH. Because of the Monroe Doctrine.

Mr. GRAVEL. They build Caterpillar trucks.

Mr. HATCH. Just like the Comar River plant, where they built the mobile missile which was financed by American dollars, under the guise that they were going to build Caterpillar tractors and trucks.

Mr. GRAVEL. You say the Russian trade mission was there talking about tractors but it is really missiles they were negotiating?

Mr. HATCH. There may be some truth to that.

No. 2, they were there to build a hydroelectric powerplant.

Mr. GRAVEL. Would there be something wrong about the Russian financing a hydroelectric powerplant in Panama?

Mr. HATCH. There could be.

Mr. GRAVEL. What?

Mr. HATCH. There could be.

Mr. GRAVEL. I would like to know what it could be.

Mr. HATCH. Because I do not want a Russian presence established in the center of our intelligence-gathering activities in this hemisphere, as you know and everybody else knows.

Mr. GRAVEL. You are telling me that if the Soviets want to help the Panamanians build a hydroelectric dam to make some electricity, and they are prepared to give them more favorable economic benefits than the United States is prepared to, you object to their taking economic advantage in princple?

Mr. HATCH. That is right.

No. 3——

Mr. GRAVEL. How would you feel——

Mr. HATCH. Do you not object to the Russians being there and establishing a presence?

Mr. GRAVEL. I do not object to the Russians being there, any more than when they were in the U.S. Senate.

Mr. HATCH. But establishing a presence there.

Mr. GRAVEL. Wait a minute. What are you trying to do, pin me as a Communist or something?

Mr. HATCH. No.

Mr. GRAVEL. The Russians were here. I met with them in meetings, and so did the leadership of the Senate, and you are saying there is something wrong with talking to the Russians. The only way we are going to get world peace is talking to them.

Why would you be against a Panamanian citizen being able to buy electricity cheaper because it is from a Russian-made generator rather than if it were an American made generator?

Mr. HATCH. I would not have any objection to that.

Mr. GRAVEL. How would you feel if another country said that you cannot trade in principal with another country because of their ideology and you cannot take economic advantage? How do you stand here and talk about the fact that we get chrome from the Soviet Union that goes on the bumpers of your car, and it does not bother you at all?

Mr. HATCH. And they get what from us.

Mr. GRAVEL. And you will not let the Panamanian citizens buy cheap electricity from a Russian generator. Shame all over you. Now you see why we get a reputation of Yankee imperialists. We cannot even let these poor people buy economic goods wherever they want to.

Mr. HATCH. Will you let me give you the six reasons? Then we can argue them.

Mr. GRAVEL. You only got to two reasons.

Mr. HATCH. Let me go through the reasons, and then we will debate them. I think that, as a composite, they have a lot to do with what is going on in Panama today.

I might mention that everybody knows that détente means we give the Russians wheat and they give us the Russian flu. That is about the way things work.

Let me go through all six reasons.

Mr. GRAVEL. But, besides, there is one thing that my colleague has molded into his reasoning which I think has to be cleared up before he finishes his six reasons.

Would you think the Panamanians would be entitled to the same rights and relationships that we Ameircans have with the Soviet Union?

Mr. HATCH. We can assume so.

Mr. GRAVEL. Then having a mission go there like a mission coming to the United States is about the same thing.

Mr. HATCH. Is it?

Mr. GRAVEL. Well, my colleague also——

Mr. HATCH. How can the Senator argue that?

Mr. GRAVEL. I wonder if the American people know that there is not even a diplomatic relationship between those two countries, between Panama and the Soviet Union. They do not exchange embassies, I mean they are not even at the level we are of contact with the Communists.

Mr. HATCH. Let me get it straight.

Mr. GRAVEL. So when the Senator said a minute ago that he thinks it is OK for the Panamanians to have the same level of contact that we have, they do not have the same level, and so I do not know the point the Senator is making with his six points over this trade delegation, which is clearly a trade delegation.

Mr. HATCH. Let me make the six points.

Mr. GRAVEL. I would like to hear the rest of the points the Senator wants to make.

Mr. HATCH. I thank the Senator. Let me make the six points and then we will be glad to debate them. Let me start from the beginning again and make all of the points without interruption, if we can, and then I shall be happy to discuss them.

No. 1 was to establish a heavy duty equipment plant; No. 2 was to establish a hydroelectric plant; No. 3 was to establish a Russian bank; No. 4——

Mr. GRAVEL. What was No. 3?

Mr. HATCH. To establish a Russian bank.

No. 4 was to acquire the right——

(Mr. HODGES assumed the chair.)

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. DECONCINI. Mr. President, I ask unanimous consent that Romano Romani and Larry Ritt, of my staff, be permitted the privileges of the floor during debate and votes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I thank the Senator from Utah for yielding.

Mr. HATCH. The Senator is welcome.

No. 4 was to acquire the rights to the old France World War I Air Force base right outside of the city of Colon. No. 5 was to establish a——

Mr. GRAVEL. Wait a second. France had a——

Mr. HATCH. No.

Mr. GRAVEL. First World War air base?

Mr. HATCH. The Senator is not aware of the old France World War I Air Force base we established there?

Mr. GRAVEL. No.

Mr. HATCH. I am surprised. Might I add I am not surprised.

No. 5.

Mr. GRAVEL. Wait a second, please. I am not aware that France had an air field.

Mr. HATCH. They did not.

Mr. GRAVEL. What is the Senator saying?

Mr. HATCH. It was called the old France World War I Air Force base.

Mr. GRAVEL. And the Russians want it?

Mr. HATCH. They want to acquire that.

No. 5, they want to establish a propaganda network.

Mr. GRAVEL. What?

Mr. HATCH. Establish a propaganda network, with their top propagandists.

Mr. GRAVEL. Does the Senator have the biography so that he knows he is the top one?

Mr. HATCH. Wait until I finish and then make the debate. I wish to make these points and the Senator can then ask questions.

Mr. GRAVEL. I am having great difficulty controlling my zeal, and I think my colleague shares the same zeal I do.

Mr. HATCH. I understand.

Let me just say this. We are both on opposite sides of this thing, but off the floor we are good friends and we are both very zealous for our respective causes.

No. 6, they want to purchase 50,000 metric tons of raw sugar at double the world price, at two times the world price. I have to ask why are they doing these things? Why would they want to pay double the world price during a sugar glut for Panamanian sugar?

Mr. GRAVEL. Look.

Mr. HATCH. Let me finish.

What I would like to say is this: Anybody who believes that the Russians do not want to establish a presence down there, do not want to interfere with our use of the Panama Canal, and have not backed up the Cubans in building the biggest embassy down there, has not been studying this particular problem. Anybody who says that the Russians should have all the rights in the world to do what I have suggested I think is wrong.

I must leave the floor, but let me just say this in conclusion.

Mr. GRAVEL. Do not leave until I have a chance to respond.

Mr. HATCH. I will be happy to have the Senator respond, and I said this earlier in the debate. Frankly, since the distinguished Senator from Alaska has not heard about the Russian delegation in Panama, I wonder how widely disseminated these facts really are. But those of us who studied it know this is what is happening. The State Department knows this. They have admitted it to me. The ambassadors have admitted it. Even the President has admitted it except in public. I cannot understand why these things are not brought up publicly. I cannot understand why the distinguished Senator from Alaska, who made such a thorough study of this has not heard of these things.

Mr. GRAVEL. If I could just respond, first off, I do not monitor the trips of foreign delegations all over the world, much less Panama.

We had a delegation of the leadership of the Soviet Union come to the Senate of the United States, and less than 100 feet from this spot in that other room there we sat and negotiated with these people about human rights, about economic matters, and about defense matters. Does this mean we are un-American? Does that mean we are not to be trusted? But, of course, if a Panamanian talks to a Communist, it is going to close the canal. I mean, what kind of convoluted logic brings the Senator to that kind of conclusion? I would even go so far as to say this——

Mr. HATCH. Study of world affairs.

Mr. GRAVEL. If the Soviet Union sent a delegation to Panama to buy sugar at two times the world price, I will pay the psychiatric bill of the idiot who will not sell it to him.

Mr. HATCH. Who are the idiots who are allowing it to be done?

Mr. GRAVEL. I do not know where the Senator got the figure that the Soviets are prepared to pay the Panamanians twice the world price.

Mr. HATCH. Right out of the Panamanian Embassy.

Mr. GRAVEL. I do not want to insult some of my Russian acquaintances by dignifying it too much. But if the Senator is right—and I do not know where he got his information—I hope he will bring it forth and put it in the RECORD, and I hope if there was an agreement made down there he will bring that forward and put it in the RECORD so that we can see what the price of sugar is for people who are dumb enough to pay.

There is a world price of sugar, and I do not think the Soviet Union went to Panama and offered twice the world price, particularly when Panama has an overproduction and there is an overproduction of sugar in the world today. In fact, the market is extremely depressed.

Maybe my colleague from Hawaii, who has just come on the floor, might tell us a little bit about the market situation of sugar. I do not know. I am not very knowledgeable. We do not grow much sugar in Alaska. But I do know that there is an overabundance of it. And my colleague links the possible closure of the Panama Canal with the fact that the Soviet Union is prepared, or at least he says is prepared, to pay twice the world price of sugar. That is the way he presents it here, the way it is presented to us and to the American public over these airways. It is suggested that because the Panamanians entertained a trade delegation from the Soviet Union that this makes them suspect, that we cannot trust them, there is something wrong with these people, and obviously these people cannot be trusted to give them back their proper due operation of the Panama Canal.

That is a very, very convoluted reasoning because we deal with the Soviet Union all the time. We deal a lot more with the Soviet Union than do ever the Panamanians and will ever the Panamanians deal with the Soviet Union.

So does that mean that our Government, the President of the United States, the Senate of the United States, the Members of the House of Representatives, who have traveled to the Soviet Union, cannot be trusted? Can one imagine what the Senator from Utah would be saying here on the floor of the U.S. Senate had Gen. Omar Torrijos had the temerity to go to Moscow? The general traveled around Europe. He went to visit the Arab world. He went to visit Israel. Just imagine had General Torrijos been to Moscow. We would be hearing on the floor of the U.S. Senate right now that obviously he has concluded some secret deal with the Communists that are going to bring him in.

This is preposterous, absolutely preposterous, and when the American people can perceptively wade through a lot of the garbage that is put out, they will be able to realize that, so what? So there has been a trade negotiation between the Government of Panama, a sovereign nation, and the Government of the Soviet Union, a sovereign people. There is nothing wrong with that.

I hope they have a lot of trade delegations go down there. I hope they have a lot of these trade delegations from the Soviet Union come to the United States.

There is only one way we are going to have world peace. It is by living together and working together, and there is only one way we are going to live together and work together and that is by talking to each other, start trading with each other. If the Soviet Union can go to Panama and build a heavy equipment repair facility cheaper than we Americans can do it then, boy, let them go do it, and maybe next time our private area will shape up.

But I do not think that is the case. I do not think that the Soviet Union can beat us economically in any one place in the world. Our free enterprise system is the most successful system in the world, and we can overpower anybody at will with our economic might. All we have to do is focus on the problem and so if we have a problem in Panama I submit it is not because a trade delegation from the Soviet Union went there. It is a problem of our own making and that problem perpetuates itself in the kind of debate we have here.

That problem perpetuates itself in the kind of debate, we have here, because it is implied that there is something wrong with a Panamanian talking to some foreign nation.

We can talk to anybody in the world;

why cannot they? Who do we think we are? Who do we think we are, that we can say that because Mr. Torrijos, the head of the government, talks to a Communist talks to a Russian, that that is something wrong with him. We do it all the time.

When people make that kind of argument, I think they do us a disservice, a great disservice, and the inference, of course, is that these people of Panama cannot act like normal citizens, like anyone else.

That is what is so characteristic of the problem as we perceive the Panama Canal situation, that we have some unique situation there where these people in Panama are not entitled to realize their normal human aspirations, that they should not be able to enjoy their sovereignty like anyone else; that because we are in bed with them, there is something wrong in that.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. GRAVEL. Yes, I am happy to yield.

Mr. MATSUNAGA. I wish to commend the Senator from Alaska for the keen observation he has made relative to human relations, which form the basis of international relations.

Inasmuch as the Senator mentioned Hawaii and sugar, I would like to state that if the Soviet Union is willing to pay double the market price for sugar, Hawaii will be more than willing to sell that sugar to the Soviet Union.

When I was in Panama with the distinguished majority leader (Mr. ROBERT C. BYRD) and five other Senators, I had occasion to discuss the matter of sugar with General Torrijos, and he was very much concerned about the surplus of sugar he had in his country. I think, if I recall the figure correctly, he said that he was running to as much as 200,000 tons of expected surplus by the end of this year, if the price of sugar did not go up and if the surplus did not go down.

Heavens, we are trying to help Panama now to be able to stand up economically on its own feet. If the Soviet Union is willing to pay double the market price to Panama for that surplus sugar, let the Soviet Union do it.

Mr. GRAVEL. But——

Mr. MATSUNAGA. It would not only help Panama, it would help us to get rid of some of that surplus sugar from the world market, and it would definitely help Hawaii.

Mr. GRAVEL. But the inference here of our colleague from Utah (Mr. HATCH) was that if the Panamanian people dare sell sugar to the Soviet Union for twice the world market price, that could cause them to not be qualified to handle the Panama Canal, because obviously that would make them fellow Communists, and therefore we should oppose the Panama Canal treaties and ruin their communism.

Mr. MATSUNAGA. Will the Senator yield further?

Mr. GRAVEL. I am happy to.

Mr. MATSUNAGA. I was very much concerned about the allegation that General Torrijos, the recognized leader of Panama, was a Communist. Well, last November, the seven of us, Members of the Senate who were there, made this a major inquiry on our part. When we put the question directly to General Torrijos whether he was a Communist or not, he was very much disturbed, in fact insulted, to the point where he said he felt as though we had asked him the question whether he was a fairy, realizing how much he and his people think of manhood there.

Then I myself put the question to him, "It is said by the opponents," I said to him, "that if the U.S. Senate should ratify the treaties, you will then turn over control of the canal, after you get control of it, to the Cubans or the Russians or some other Communist nation."

His response was, "I don't want Panamanian waters infested by Communist sharks."

We went further, and pointedly made an issue of this question of whether he was a Communist or not, and he said, "If I tried to lead my people to communism, they would oust me from office," or words to that effect. "And if, despite my leadership," he said, "my people would take up communism, I would then leave this country."

That is how strongly he feels. I am convinced that if anything, he is pro-American. He is American educated, as the Senator from Alaska well knows.

When we talked to Americans living both in the zone and outside of the zone in Panama proper, and when we questioned them about what they thought about Torrijos' political leanings, and we talked to Panamanians as well, those who voted for the treaty and those who voted against the treaty, to college students and to Panamanian leaders in business and in government, not a single one—I repeat, not a single one of them—thought that Torrijos was a Communist.

Now, how can we insist on this floor, after all that testimony—President Demetrio Lakas of Panama went so far as to say that he would stake his life on it that Torrijos was not a Communist—now, how can the opponents keep insinuating on this floor that we cannot deal with Panama because its leader now is a Communist or has Communist leanings, or he may well turn to the Soviet Union or Cuba for leadership upon the United States Senate ratifying the treaties now pending in this body?

That, to me, is beyond comprehension, unless, of course, they are just trying to convince themselves that they ought to stand pat against the ratification of the treaties.

I thank the Senator from Alaska (Mr. GRAVEL) for yielding. I have been listening to the radio also, and I must commend him for the tremendous job that he did this morning and is now continuing to do to rebut the statements being made by the opposition.

Mr. GRAVEL. I thank my good friend from Hawaii (Mr. MATSUNAGA). We share a lot of unique problems, since both our States are noncontiguous.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. GRAVEL. I will be happy to yield in one moment.

Mr. HELMS. I wanted to ask the Senator from Hawaii one question.

Mr. GRAVEL. Fine, but I just want to place something in the RECORD. It is a statement by Ambassador Jorden on the Panama Canal treaties before the Foreign Relations Committee. It is on page 286. I quote Ambassador Jorden.

> In the first place, I have come to know General Torrijos very well—

This is on the subject of Torrijos and the Communists, and I am quoting Ambassador Jorden:

> In the first place, I have come to know General Torrijos very well over the last 3½ years. I have spent a lot of time with him traveling around the country and in the capital.
>
> I guess at this point I know him about as well as any American. I can assure you that he is not a Communist. He is a man deeply dedicated to his country and to the improvement of his people's conditions. He has insisted on great improvements in education, health care, and particularly for those people in the countryside who in the past have never had much opportunity for an education or for much health.

To continue, this is the American Ambassador:

> Just as a footnote, let me point out that as captain in the national guard he was rounding up a group of left-wing guerrillas and was shot by the Communists. It is very hard for me to believe that a man who has been shot by the Communists can become a convinced member of the organization. In any case, all one needs to do is to talk to the man at great length, see what he has done, see what the impulse is in his government to quickly recognize that he is not a Communist and does not approve of the Communist system.

I would only add to that, in our great American tradition, and in normal human experience, we judge people by their friends. We may not know a guy. We may say, "Well, I do not know him very well. I only met him once or twice, but who are his friends? Who does he associate with?"

That is a key thing with Torrijos. Who are his friends? That is the question.

At the crucial moment of negotiating the treaties with the United States, just a week before the treaties were really completed in negotiations, what did he do? He asked for a meeting in Bogota—this was in July—he asked for a meeting of his friends, the people from whom he takes counsel. He asked to sit down with them and show them what was going on in negotiations so he could get their views.

Who were his friends? Who showed up at the meeting in Bogota? The President of Jamaica, an official elected by the people. Mr. Carlos Andres Perez, the President of Venezuela. Then we have Mr. Lopez Michelsen, duly elected by the people of Colombia, and we have Mr. Daniel Oduber, duly elected by the people of Costa Rica, a great little democracy.

These are the people he sat down with at a table and said, "Friends, let us talk about this treaty I am negotiating with the United States. Give me your advice so I can decide if this is the right thing I am doing." Those were his friends.

After that meeting is when the treaty was concluded.

I think Americans can understand that. If there is someone you do not know very well, you can ask simply, "Who are his friends in a crunch? Who does he rely upon?"

In the case of Omar Torrijos, the person who has been vilified extensively on this floor, unfortunately, his friends are all the leaders of the great democracies of Central and South America.

That is how you judge the man.

I am happy to yield to my colleague from North Carolina.

Mr. HELMS. I do not want to go into solicitudes for Torrijos. I will leave that to others.

Mr. GRAVEL. I was only giving facts.

Mr. HELMS. Well, maybe the Senator was.

I was intrigued by the statement of the Senator from Hawaii, who said something to the effect that, as the distinguished Senator from Alaska well knows, Torrijos was educated in the United States. Will the Senator tell me where he was educated in the United States?

Mr. MATSUNAGA. I will be happy to, if the Senator will yield.

Mr. GRAVEL. I would be happy to yield.

Mr. MATSUNAGA. In December 1959, General Torrijos attended the Junior War College, Fort Sherman, Canal Zone. In June of 1962 he attended the Counter-Insurgency Orientation Course at the U.S. Army Caribbean School, Fort Gulick, Canal Zone. In July 1964 he was a student, Senior Officer Preventative Maintenance Course at the U.S. Army School of the Americas, Fort Gulick, Canal Zone. From March to December of 1966 he was again a student of the Army Command and General Staff Course, School of the Americas, Fort Gulick, Canal Zone, which, as the Senator from South Carolina said, claims to be American territory.

Mr. HELMS. General Torrijos will be dismayed to hear the Senator from Hawaii describing that as U.S. territory. I thank the Senator.

Mr. GRAVEL. I again want to point out to my distinguished colleague from Hawaii (Mr. MATSUNAGA), I would be very distressed as a taxpayer that we would spend all of this money educating a person who was a Communist. It would bother me no end. I am glad he has great proximity to the views of the American military.

Obviously, friends in life are made in military institutions. I would hope that the benefit would be that General Torrijos would be affected that way. The military people I have talked with in the Panama Canal Zone, General McAuliffe and others, feel he is very close. General Brown considers him a friend. Imagine that. The chairman of the Joint Chiefs of Staff has a personal and high regard for General Torrijos. That is not the Soviet Union chief of staff but the American Chief of Staff. He went to school with him and he taught him.

Mr. GOLDWATER. Will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. GOLDWATER. Mr. President, I do not associate General Torrijos with the Communist Party. That has no bearing on my decision. However, as a U.S. Senator, I would not be surprised even if he were a Communist if my Government would be interested in doing business with him. We recognize Russia and we want to recognize Red China. We recognize as many Communist countries as we recognize free countries. If Torrijos were a Communist, and I do not think he is, it would not surprise me that my Government would like to get in bed with another Communist. We bundle very well.

Mr. GRAVEL. If I might comment, my colleague should have been here debating the Senator from Utah rather than I. I am sure he could answer much better than I.

I will ask my colleague from Arizona, why is he convinced that Torrijos is not a Communist? Many allegations have been made and inferences made that he is, by people on this floor.

Mr. GOLDWATER. I think that there are Communists in his organization, just as there are such people in our own Government. But the fact that he has graduated from our military courses and graduated from the War College, all of which require the same attention as when we entered military service, he may or may not have been interested. He did not impress me as being a Communist. I did not feel it necessary to question him about it. He is a gentleman who is interested in the welfare of his country. I do not doubt that. Those are not my reasons for opposing the treaty at all.

Mr. ALLEN. Will the Senator yield?

Mr. GRAVEL. I would be happy to yield.

I thank my colleague from Arizona and I yield to my colleague from Alabama.

Mr. ALLEN. I thank my colleague.

I would only like to present a few comments. The Senator has been making a very forceful and effective speech. I could not help but take note of the naivete of Senators who give words of praise to a dictator in charge of a dictatorial regime which does not respect human rights. I wonder if the distinguished Senator would see any parallel between this praise of dictator Torrijos and the praise and adulation heaped on Fidel Castro when he was seeking to overthrow Batista in Cuba, the great praise that was heaped upon him as a land reformer, and the support which was given to him by the media in this country, when all the while he was a Communist at heart as he showed very soon after he came into office.

I am wondering, too, if the distinguished Senator sees any parallel in the praise that he heaps on Torrijos and the fact that——

Mr. GRAVEL. Will my colleague let me correct him? I do not recall in the last hour that I have had the floor heaping any praise on Torrijos.

Mr. ALLEN. The Senator can be judged whether he praised him or not, but that was the effect of the Senator's comments as I heard them.

Mr. GRAVEL. If praise is saying that a person is not a Communist, then, of course, we have heaped such praise on Mr. Torrijos. And perhaps the Senator from Arizona, the distinguished Senator (Mr. GOLDWATER), has been heaping praise on him.

Mr. ALLEN. I have not phrased my question. I was going to ask the Senator if he saw any parallel between the praise which is or is not being heaped upon him by the distinguished Senator with the support that the industrialists gave that dictator in the early days of his seeking to come to power.

I am somewhat taken back by the naivete of the distinguished Senator from Alaska and the distinguished Senator from Hawaii.

Mr. MATSUNAGA. Will the Senator from Alaska (Mr. GRAVEL) yield, inasmuch as the Senator from Hawaii has been mentioned and been accused of heaping praise upon a dictator?

Mr. GRAVEL. I am happy to yield.

Mr. MATSUNAGA. I want to make it clear to the Senator from Alabama (Mr. ALLEN) that I am as much opposed to dictators as he is. The issue which was brought up was whether or not General Torrijos is a Communist. I joined the Senator from Alaska, and the Senator from Arizona even joined us, in stating that, in our view, General Torrijos is not a Communist. I spent, as the Senator from Alabama well knows, 4 days in Panama with the distinguished majority leader and five other Senators in personal contact, not only with the general himself but with people who know him, people who live in Panama. Through interviews with these people who know him, people who ought to know whether or not General Torrijos is a Communist, I personally became convinced that General Torrijos is not a Communist.

If that be heaping praise upon the general, I say, I am convinced to the very end of my life that the Senator from Alabama is not a Communist. That is only a statement, not praise.

Mr. ALLEN. I thank the Senator for that remark.

Mr. MATSUNAGA. I do not even know whether the Senator from Alabama is concerned that I heap praise upon him, but I have admired the way he has held the fort here for the opposition, although I think he is misguided in offering his latest amendments. I am sure the majority of the Members of this body will go along with the distinguished majority leader and the rest of us in voting down his amendment, because that amendment which the Senator from Alabama has offered goes to the very heart of the treaty. If his amendment is accepted, then there will be no treaty. For that reason, I am opposing the Senator's amendment.

I thank the Senator from Alaska for yielding.

Mr. GRAVEL. I shall be happy to yield additionally.

I do want to pick up on the statement made by my distinguished colleague from Alabama. He is very clever in how he presents his logic—first, that we are praising Torrijos. That is not the case. I think there may be areas, and I know of

areas, where he should be praised. That is not what we are talking about here.

What we were talking about was the opening of the colloquy that started with Senator HATCH, of Utah, about communism in Panama and the inference that Omar Torrijos is a Communist and, for that reason, we should stop the treaties and take the position that my colleague from Alabama holds and some other colleagues hold.

None other than the Senator from Arizona (Mr. GOLDWATER), who is knowledgeable in this area, stepped forward to say that, in his best judgment, Mr. Torrijos is not a Communist.

Mr. GOLDWATER. Will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. GOLDWATER. I was forced to make my statement, because I very well recall both the senior and junior Senators from New York very eloquently explaining to the Senate that whatever a dictator or a leader of the country is is not the issue. They feel that it makes no difference if Torrijos is in the narcotics business. I assume it would make no difference to them if he were a Communist; the treaty has to be judged on the merits of the treaty.

I wish I had been here when the Senator from Utah started to speak, because I feel that both Senators from New York have made a very good point, that we have done business throughout our history, since the days of Thomas Jefferson, with countries of ill repute, with leaders of ill repute, and they have done business with the United States, at times when our heads could not be held high.

I still repeat that I am a rather old-fashioned fellow. I like to know with whom I am doing business. If it is proven that he is a Communist, that will just make more strong my opposition to this worthless treaty.

Mr. GRAVEL. Another person who joins the Senator from Arizona is John Wayne. I would like to quote from his statement.

> There will always be accusations and counteraccusations in this area. General Torrijos has never followed the Marxist line.

That is John Wayne.

I would like to add to this bevy of gentlemen William Buckley, from an article in the Star of December 4, 1977, quoting the last paragraph:

> The desire of the Panamanians for sovereignty over the spinal column of their country is as genuine whether they are tyrannized over by Torrijos or led gently by Pericles. If we are determined to mistrust everyone—the President, the military, the Senate—what use is a canal to us?

Mr. GOLDWATER. Will the Senator yield at that point?

Mr. GRAVEL. I am happy to yield.

Mr. GOLDWATER. This is just a little comment.

I well recall, during the Presidential campaign 2 years ago, when I chastised my old and dear friend, Ronald Reagan, for, in effect, declaring war against Panama in many of his statements prior to his seeking the nomination, I received a 6-page letter from my very, very old friend, John Wayne, giving me pluperfect hell. In fact, he typed it himself and he is a worse typewriter operator than I am.

A little while ago, he came out for the treaty, so I mailed the 6-page letter back and asked him to explain it. I have since spoken to him. He has good reasons.

Strangely, just today, I have a letter from Bill Buckley, and we have not talked about this treaty at all. He complained that we had not had time. Two of the major points I had been making he agrees with. However, he disagrees with what I call the banking issue, or how much do the big banks of this country really have to do with the treaty? I intend to go back to my office, if I have time, and either write him or call him and explain that.

I think the big thing about the Buckley switchover was that the Archbishop of Panama was one of the most persuasive men I have ever run into, a very attractive fellow, and I had to sit there with my armor fully well developed in order to keep from yielding to him.

I am glad the Senator brought the subject up, because it gave me an opportunity to make that comment.

Mr. GRAVEL. The Senator from Alabama, in his statement, raised the question of human rights. I would like to pose a question to my good friend from Alabama.

There is one organization that I know of, called Amnesty International, that generally goes around the world investigating human rights. The other in this hemisphere is the OAS, the Organization of American States. Does my colleague know of any report in which Panama has been chastised or been reported by these two organizations about its civil rights abuse since General Torrijos has been in office?

Mr. ALLEN. I know nothing of the organizations to which the Senator referred, as to their rating of dictator Torrijos and his regime. I do know that dictator Torrijos came to power as a result of a coup d'etat, that they have not had a free election in Panama in almost 10 years.

I do know that civil rights there are not respected. I do know that there are numerous political prisoners in the jails in Panama.

I do know that free expression is not permitted there and that strict censorship is maintained.

One organization, possibly it was one of the very ones to which the distinguished Senator from Alaska referred, rating various countries around the globe on their record on human rights on a scale of from one to seven—one being the best and seven being the worst—rated Panama six in that category.

I hope the distinguished Senator is not suggesting that the dictator has a good track record on civil rights or human rights. Possibly, he has been taken in, shall I say, or deluded by dictator Torrijos' agreement, which he announced to a number of the 50-odd Senators who went down to Panama to visit the dictator, that he is going to start doing better.

I do not know in what way he promised to do better, but anyone that would believe that, I believe, would believe anything.

I hope I have properly and accurately answered the Senator.

Mr. GRAVEL. I thank my colleague from Alabama who just made some remarks. Let us put up a little bit of proof here.

He says there was no free election. They had one last October when they had a plebiscite on the treaties.

Mr. ALLEN. That was hardly an election. That was a referendum or a plebiscite.

An election is a decision of the people as to the public officials who shall represent them. That is what an election is.

A plebiscite or a referendum is not an election.

Now, when they start having elections to choose their duly chosen representatives in government, then they will start having free elections, if, in fact, they are free.

Mr. GRAVEL. Does my colleague know what percentage of countries in the world do not have free elections as he defines them?

Mr. ALLEN. No, I do not know that.

Mr. GRAVEL. A close guess?

Mr. ALLEN. I do not know that is important to this issue. I do not have that statistic.

If the Senator has it, it might be interesting to put it in the RECORD. I do not have anything.

I thank the Senator.

Mr. GRAVEL. My colleague also made the statement of human rights, abolishing human rights.

What organization is he quoting—from whose figures? I do not know if he went down there and visited all the jails and can ascertain that directly. If he has not, he has to be relying on hearsay or what somebody told him.

Mr. ALLEN. I do not have any actual knowledge of it because I have not been to Panama since 1943 when I went through the canal on a Navy vessel, an APA attack transport, as a member of the U.S. Navy. And I have not made any personal checks on the human rights conditions there at any time. Only, necessarily, I have to rely on research and information furnished by others.

The distinguished Senator from Alaska, having recently been in Panama, possibly could give the Senate more accurate information, or fuller information, about the dictator's denial of human rights there in Panama.

Mr. GRAVEL. I think the people within earshot of our voice expect a little more of us than to stand here and make gross statements of fact, and they expect us to back up our statements a little bit.

I just said earlier that Amnesty International, since Torrijos has been in power, has not rendered a negative report on him, nor has the OAS, the Organization of American States.

My colleague is saying there are gross violations of human rights by Mr. Torrijos. All I am asking for is somebody to put up a piece of paper that says some organization looked at it, and ask at least

for a name to give the American people as to where this charge comes from.

Mr. ALLEN. Do I understand the distinguished Senator is saying that dictator Torrijos has a good record on human rights in his dictatorial regime, is that the Senator's statement?

Mr. GRAVEL. I am sorry, I did not hear.

Mr. ALLEN. I just asked the Senator if he is stating to the Senate that dictator Torrijos in his dictatorial regime there does, in fact, have a good record on human rights?

Mr. GRAVEL. Now, I think people can understand the English language the way we are talking about it right now.

I did not say that. I do not——

Mr. ALLEN. I am asking the Senator.

Mr. GRAVEL (continuing). Accept the twist in the colloquy like that.

My colleague stated very clearly there was gross violation of human rights. All I am asking is to put up a little bit of proof, just a little bit. Do not turn the question around saying I am giving the affirmative. I made my statements very clear. When I used a figure, I used it very precisely.

All I am asking is for my good friend from Alabama, if he says there is gross violation of human rights, we do not know if he picked it up down the corridor or in the men's room. All I want to say is that we are talking to the American public and somebody ought to put on paper here that Amnesty International has not found anything gross. The Organization of American States has not found anything gross. The United Nations had an observer at the last election, or referendum, whichever you want to call it, and they found it a fair, open, democratic election.

If you want to make statements to the American people, some of us are going to stand up here and hold you accountable.

Now, put up the name of the organization that did the studies on human rights in Panama so that we can examine it.

Mr. ALLEN. I am asking the Senator to state if he states that Torrijos has a good record on human rights.

Mr. GRAVEL. Well, I would say that the Organization of American States and Amnesty International, particularly Amnesty International which——

Mr. ALLEN. What do they say? Put it in the RECORD.

Mr. GRAVEL. Amnesty International looked at Panama and did not come up with the accusations of gross civil rights.

Mr. ALLEN. What did they say?

Mr. GRAVEL. I do not have the report in front of me, but I am using—mind now, my colleague, what I am doing is using Amnesty International, if he wants to match me.

Mr. ALLEN. What is that?

Mr. GRAVEL. Come up with the name of an organization and then we will send our staffs out, researching what each other has said, and then come back tomorrow and assault each other with it.

I have put my stuff on the table; put up yours.

Mr. ALLEN. What have you put up?

Mr. GRAVEL. Where do you get your information of the gross human rights violations in Panama?

Mr. ALLEN. It is a matter of record. It is a matter of record.

Mr. GRAVEL. Give me the name of what the record is.

Mr. ALLEN. Well, if the Senator is arguing this dictator has a good record on human rights, I will certainly ask him to show that.

Mr. GRAVEL. That is not——

Mr. ALLEN. It does not show what they say. What do they say?

Mr. GRAVEL. What I am arguing, I am taking the Senator at his word. I know my colleague from Alabama is a man of his word. He just a few moments ago, said there were gross human rights violations in Panama by this dictator Torrijos. All I am saying is, put up, put up your proof.

I would like to read a quote, just a quote from somebody who is close to the situation, Ambassador Jorden. This is on the human rights question during the hearings before the Foreign Relations Committee:

> Ambassador JORDEN. I think that human rights is an issue that is a serious one in every country in Latin America. I think that the performance on human rights in Panama has been far better than most. There is no system of massive arrests or you don't have cases of people being picked up and disappearing. There is no calculated program of torture and inhumane treatment, although let me say candidly that there sometimes occurs rough treatment in jail but rough treatment in jail at the hands of an overenthusiastic policeman has been known to happen in a lot of places.

Sometimes in Alaska, and sometimes in Alabama also.

Mr. ALLEN. Very well. I hope the Senator will put that——

Mr. GRAVEL. I just did. I read it very clearly into the RECORD.

So I go back to my original point, my colleague asked me to yield so that he could ask me a question. In the phrasing of the question he made the statement that there is gross violation of human rights by the Dictator Torrijos.

Mr. ALLEN. That is correct.

Mr. GRAVEL. All I am asking is for him to put up a little bit of proof for the American people, because they have been led down the primrose path on this thing—just a little.

Mr. ALLEN. I quoted the finding of an international body. I am not able to supply the name right now. I will do so before the day is over.

Mr. GRAVEL. I will accept it.

Mr. ALLEN. They gave Torrijos a rating of 6 on a scale from 1 to 7, 1 being a good record, 7 being a bad record.

If the distinguished Senator is saying that Torrijos has a good record on civil rights and human rights, I would like him to show us where any organization says that is correct, that they do have a good record in observing human rights.

Mr. GRAVEL. Do you know of any organization that has rated our treatment of the canal? Do you know of any organization that has done that—rated us?

Let me read a quotation that has been handed to me.

In 1977, Freedom House listed Panama as not free. Incidentally, Freedom House is for the treaties. They support the treaties. They listed Panama as not free and gave the Torrijos government a rating equal to Cuba in the suppression of——

Mr. ALLEN. Wait a minute. What the Senator says is the Panama is rated equal to Cuba in human rights?

Mr. GRAVEL. I did not say that.

Mr. ALLEN. What did the Senator say?

Mr. GRAVEL. I am reading from a document that is talking about Freedom House.

Mr. ALLEN. I see.

Mr. GRAVEL. I am not familiar with Freedom House. But this is the closest thing I could find to give you any kind of umbrage with respect to your statement.

Mr. ALLEN. Will the Senator read that again, for the edification of the Senate?

Mr. GRAVEL. I think I read clearly enough. I am not a great reader, but I think I read clearly enough.

Does my colleague know who Freedom House is? I do not. Do you know who they are? I know who Amnesty International is. I know who the Organization of American States is. I know who the United Nations is. But I do not know who Freedom House is. I am prepared to give you a little help.

Mr. ALLEN. Yet, you are reading from it.

Mr. GRAVEL. That is right. I will take my chances.

Mr. ALLEN. Go ahead with it.

Mr. LAXALT. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. LAXALT. I think you will find out that one of our colleagues, Senator JAVITS, I believe, is a member of the board of directors of Freedom House.

Mr. ALLEN. So the Senator says that Freedom House equates human rights in Panama with human rights in Cuba.

Mr. GRAVEL. In Cuba. On a scale of 1 being most free and 7 the least free, Panama was given a rating of 7 on political rights and 6 on civil rights.

Mr. ALLEN. Yes.

Mr. GRAVEL. Chile has a rating of 7 and 5; Argentina, 6 and 5. In the rating of territories and dependencies, the Canal Zone is given a 5 and 3, the worst of any U.S. dependency or territory. I could go on.

If your staff wants to bother to look, I think you will find one of your sources is Freedom House and they back you up, but they also have rated the Canal Zone, and I do not think we have anything to be proud of.

If you want to be accusatory of Torrijos on one ground, you have to be accusatory to our conduct in the canal on the same ground.

So I say we should agree to the treaties so we can have a change in the situation.

Mr. ALLEN. I thank the Senator for providing the evidence that the Senator from Alabama did not have beforehand.

From what he states, this organization, Freedom House—on which, accord-

ing to the distinguished Senator from Nevada (Mr. LAXALT) the distinguished Senator from New York (Mr. JAVITS) serves as a board member—in rating Mr. Torrijos' regime in Panama on political rights, I believe they say 6—or was that 7? On civil rights it is 6 and on political rights it is 7. Is that correct?

Mr. GRAVEL. Yes.

Mr. ALLEN. If 7 is the bottom and Torrijos rates 7, would you not say that is a pretty bad record for political rights, and would you not think that 6 on a scale of 1 to 7 is a pretty bad record on civil rights?

The Senator has been kind enough to supply the omission that existed as to naming an organization that has been critical of human rights in Panama. I thank the Senator for supplying this information.

Mr. GRAVEL. I wanted to hasten and avoid having the Senator from Alabama do any undue research to find out what is backing up his statement.

Mr. ALLEN. I appreciate that.

Mr. GRAVEL. So often we stand on the floor and make statements that are not backed up.

Mr. President, I ask unanimous consent to have printed in the RECORD a release from Freedom House organization, the same one that gave this rating, that urges passage of the treaties.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FREEDOM HOUSE URGES APPROVAL OF CANAL TREATIES DESPITE PANAMA'S "DEPLORABLE" HUMAN RIGHTS RECORD

NEW YORK, November 17.—John Richardson, Jr., president of Freedom House, today released a board advisory calling upon the United States Senate to ratify the Panama Canal treaties, despite "the deplorable record on human rights of the present regime in Panama." Ratification, said the human rights group, "would best protect American interests and maintain the security of the Canal."

The organiaztion released a 1,000-word analysis and advisory on the treaties.

"This advisory was approved by the Board of Trustees of Freedom House after extensive study and review, and an overwhelmingly favorable vote," declared Mr. Richardson. "Expressing their views to their colleagues on our board were some of the principal supporters and an opponent of the treaties," said Mr. Richardson, until January an assistant secretary of state.

"Zbigniew Brzezinski, national security advisor to President Carter, on leave from our board, expressed his views to us, as did Gale McGee, U.S. ambassador to the Organization of American States. Both supported the treaties. We also received an extensive opposition memorandum from our colleague, Karl R. Bendetsen, former under secretary of the army and chairman of the Panama Canal Company, which presently controls the canal zone," Mr. Richardson added.

The advisory said that if the treaties are not ratified, "the immediate winners will be the communist parties of Latin America and the Caribbean, and Marxist regimes throughout the Third World." The cry of "Yankee imperialism" would be raised again, Freedom House predicted. It noted that "South American communists as well as North American conservatives oppose the treaties."

The organization declared that the "proclaimed U.S. concern for human rights will have been disavowed by our refusing to restore rights in the canal area to the sovereign."

Freedom House acknowledged that it is supporting the treaties despite the organization's "frequent analyses and reporting of the deplorable record on human rights of the present regime in Panama." The organization conducts year-round surveys of human rights in every country. Its latest finding reveals a "recent improvement attributable to the national referendum on the treaties." Freedom House concluded, however, that "the level of political rights and civil liberties in Panama is still low."

The advisory added that "most Panamanian governments, however, regardless of ideology or political or civil practices, have sought a new treaty with the United States." In considering ratification, the United States does not now face "a real choice," if it is "to recognize the severe losses we would almost certainly suffer from rejecting thirteen years of responsible negotiations by both Panama and the United States."

The advisory said that by ratifying the treaties "we will demonstrate that we not only support a higher world order based on the advancement of human rights and collaborative international agreements, but that we act on those moral commitments."

This action, the statement continued, would "also demonstrate that a major power can negotiate as an equal with a smaller nation, yield to the latter those rights which were inherently its own, and yet retain for the large power the fundamental advantages which it is in their mutual interest to reinforce."

The treaties, signed by President Carter and Brig. Gen. Omar Torrijos, have been approved by a national referendum in Panama but must be ratified, presumably in January, by two-thirds of the U.S. Senate.

Under the treaties, Panama would immediately share control of Canal Zone facilities and services. The U.S. would have primary responsibility to protect the Canal until the year 2000. After that, the U.S. would indefinitely have the right to defend the Canal's neutrality, with "expeditious" use of the waterway assured.

The organization maintained that the United States "is not yielding what it owns, as would be the case with Alaska or Louisiana." The government of Panama "has been the sovereign over the Canal and the surrounding zone" since 1903, said the statement.

A FREEDOM HOUSE ADVISORY—IN SUPPORT OF PROMPT RATIFICATION OF THE TREATIES RELATING TO THE PANAMA CANAL

THE RELEVANT HISTORY

Since the United States built the Panama Canal in 1903 the government of Panama has been the sovereign—over the Canal and the surrounding zone. Under terms of the earlier treaty, the Canal Zone and the waterway became "territory of the Republic of Panama under the jurisdiction of the United States." The U.S. Supreme Court in 1948 described the Canal Zone as "territory over which we do not have sovereignty."

The United States, therefore, is not yielding what it owns—as would be the case with Alaska or Louisiana. Instead, this country in a mature, indeed wise decision in 1964—since renewed by three successive administrations—recognized that policies acceptable for a major power at the turn of the century were no longer defensible, morally or even militarily.

THE SECURITY OF THE CANAL

The present status of the Canal increasingly has generated disapproval throughout Latin America and the Caribbean. The Canal has become the focal point of political attacks and, fourteen years ago, anti-U.S. riots which resulted in the death of 20 Panamanians and four Americans. Negotiations culminating in the present treaties began shortly thereafter, and there has been relative calm since the treaty talks opened. Some attacks on the American presence may have been exacerbated and exploited by foreign or domestic communists. Antipathy to the American presence, however, was rooted in incontrovertible facts:

1. Panamanians long resented the splitting of their country in two, and the carving out of 550 square miles on which to maintain a foreign enclave.

2. No Panamanian ever signed the 1903 treaty.

3. Under that treaty, in exercising U.S. jurisdiction in the Canal Zone, the U.S. operates the schools, courts, prisons, and police force.

4. Though the tide of anti-U.S. feeling has ebbed and flowed throughout Latin America and the Caribbean, the Canal has always been a symbol of North American intrusion into the sovereignty and affairs of southern America.

By the manner in which the U.S. secured and retained control of the area, the considerable technological and medical achievements of the U.S. in constructing and operating the Canal have been overshadowed. We continue to perform a great service to the international maritime and trading communities. That service should not be diminished by anachronistic political arrangements.

For indeed the old political arrangements, continuing into this era, serve to undermine rather than bolster the security essential to the protection of the Canal.

There have been negotiated two agreements. The Panama Canal Treaty sets forth the terms for a new political relationship between Panama and the United States, and describes new operating procedures. For the remainder of this century, the U.S. shall have primary responsibility to protect and defend the Canal. After the year 2000, the second treaty—on the Permanent Neutrality and Operation of the Panama Canal—will give the U.S. the right to continue to defend indefinitely the Canal's neutrality. The treaty also guarantees U.S. warships "expeditious" use of the waterway. Neutrality of the Canal—certainly in the best interest of America and of all maritime nations—is explicitly defined in the treaty. No limit is set on the means the U.S. can use to guarantee the Canal's neutrality. We are free to interpret unilaterally when the Canal's neutrality is violated or threatened.

WILL THE CANAL FUNCTION AS EFFICIENTLY?

The basic treaty provides for the training of Panamanian specialists and administrators. They would move into responsible positions and ultimately operate Canal installations. If both countries agree, a new sea-level canal or a third lane of locks may be constructed to expand the present facilities. Approximately $60–$70 million in revenues will be paid Panama at the onset. The proper, uninterrupted operation of the Canal is patently in Panama's national interest. Revenues from the Canal will become a mainstay of Panama's economy.

THE DANGERS OF NONRATIFICATION

Without question, if the present Canal treaties are not ratified by the U.S. Senate the immediate winners will be the communist parties of Latin America and the Caribbean, and the Marxist regimes throughout the Third World. The cry of "Yankee imperialism!" will once again be raised. Curiously, South American communists as well as North American conservatives oppose the treaties. The proclaimed U.S. concern for human rights will have been disavowed by our refusing to restore rights in the Canal area to the sovereign.

We support the ratification of the treaties despite Freedom House's frequent analysis and reporting of the deplorable record on human rights of the present regime in Panama. Despite a recent improvement attributable to the national referendum on these treaties, the level of political rights and civil liberties in Panama is still low. Most Panamanian governments, however, regardless of ideology or political or civil practices, have sought a new treaty with the United States.

DOES THE UNITED STATES FACE A REAL CHOICE?

If we are to recognize the severe losses we would almost certainly suffer from rejecting thirteen years of responsible negotiation by both Panama and the United States, we do not now face a real choice.

The gains in ratifying the treaties promptly are, we believe, apparent:

We will demonstrate that we not only support a higher world order based on the advancement of human rights and collaborative international agreements—but that we act on those moral commitments.

We will also demonstrate that a major power can negotiate as an equal with a smaller nation, yield to the latter those rights which were inherently its own, and yet retain for the large power the fundamental advantages which it is in their mutual interest to reinforce.

Because we are convinced that these treaties would best protect American interests and maintain the security of the Canal, we warn against any Senatorial recommendations that would force the reopening of negotiations, a return to an uncertain status quo, and thereby fuel political and paramilitary attacks on the American presence in the Canal area.

Freedom House believes that the U.S. Senate, after full and careful study of the history of the Panama Canal, the extensive negotiating process, and the texts of the agreements already signed, should act promptly to ratify the Panama Canal treaties now before it.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the leadership of the religious community of Panama, also endorsing these treaties.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PANAMANIAN ARCHBISHOP ON TREATIES

Canal Zone-born Archbishop Marcos McGrath of Panama is the son of a Trenton, N.J., laborer who worked on the construction of the waterway and is the principal spiritual leader of the nation's large Catholic population. He was interviewed by Washington Star Staff Writer Jeremiah O'Leary.

Question. In a real sense, how much influence does the Catholic Church have with the people of Panama on any subject?

McGRATH. Well, they're much more influenced, obviously, on a strictly doctrinal subject or a matter of strict interpretation of morals or liturgy or something that is directly related to religious concerns. When we're talking about social matters, then what we're really doing is interpreting the application of the gospel to the situations. When we talk about problems of poor housing and slum areas and bad distribution of health, lack of civil liberties in Panama, we're not speaking in a strictly dogmatic fashion, but we're pointing out that these things are not consonant with our gospel concept of the dignity of man, the equality of opportunities that all should have. And I suppose this would be true in the matter of the treaties.

Q. Have you spoken out on the subject of the ratification of the Panama Canal treaties?

A. The church has always identified with the preoccupation of the people with the Panama Canal issue. This goes back to my predecessors. For instance, I remember back in 1955 when President Ramon came up to the United States to visit with President Eisenhower. The archbishop of Panama went to the airport with the crowd and then received him when he came back. It's an expression of solidarity on the part of the church with the government as representing the cause of the people. When the riots took place in 1964, I was temporarily in charge of the archdiocese. And myself and the bishops and the clergy had a mass for the solidarity of the people for peace with justice. And since that time, 1964, the matter has been constantly on the frying pan. One of our main efforts is to bring to bear on this question a kind of thinking which is Christian, which is looking for the ethical underpinning of this whole question so this will not be a cause of extremists.

Q. Hasn't this matter come under attack from both the extreme left and the extreme right in Panama?

A. You have to distinguish, I think, in Panama, whether these are independent lefts and rights or whether they are linked to some dogmatic party position. If they're linked to some party position, you ask yourself, "when this party says this, what does Moscow have to say?" Then there is an obedience to be followed which we do not consider to be in the interest of Panama. It's an international obedience. But you do have nationalists in Panama—on the left and on the right and in the center—who feel that these treaties have given too many concessions to the United States and therefore are opposed. There are some who, although they object to the treaties, would nevertheless vote for them because they say it's not what Panama would like to have but it's the best that Panama can get. And probably a good number of people on the plebiscite who voted for the treaties voted in that sense. They were also preoccupied with the treaties that conceded a great deal to the United States, but felt that it's far better to do this than to go back to 10 more years of negotiations.

Q. Did the plebiscite have some element also of a popularity contest for the Torrijos regime involved?

A. After the plebiscite there were several commentators on the radio and television, newspapers, who said that Torrijos should pay a great amount of attention to that plebiscite because it was a statement from the Panamanian public that they want some changes in the government and they want more democratic participation, and so forth and so on. I think this is true now. To what extent that accounts for the 30 percent vote against the treaties, I think this is a combination of both things. There was a number, certainly, that were going to vote against the treaties on the merits of the treaties themselves and a number who did not want these treaties to be approved for this government in power, and the one-third vote is a combination of those two factors. I think we all felt that these two elements of opposition would show themselves. And, honestly, many people who voted in favor of the treaties, they didn't necessarily approve of the Torrijos government, nor did they necessarily like the treaties, but they felt this was the best thing available. The most eloquent case was the little vote in San Blas. San Blas actually voted against the treaties. San Blas are just sick and tired of the government not paying any attention to them. Not only this government, but all the governments.

Q. What position did you take on the plebiscite?

A. We did not know the exact details of the treaties until 7th of September, 1977. Until then we just had rumors of what they were going to be. Before those treaties came to be, we had stressed the necessity of a new treaty, or, as we put it in Spanish, *un nuevo tratamiento*, a new treatment of Panama, because we have felt for a long time that the 1903 treaty is untenable—not only in the way it came to be, which we know historically, but also because over the years there has developed in the consciousness of nations the right of self-determination of peoples. Nations which had held colonies as their own territory have released those colonies, which have become independent nations. Panama has never been a colony, legally, and I think now sufficiently demonstrated to the American public, that Panama has always been Panamanian territory, including the Canal Zone under U.S. administration and jurisdiction. So with greater reason Panama has a right to its own self-determination. Panama has become over the last generation, particularly, more conscious of itself as a people and a nation. And so this situation of subservience, which the canal has signified—having the heart of a nation, another nation—has become every day more difficult, more uncomfortable.

Q. Was there any change or hardening of your attitude once the details of the treaties become known?

A. Well, I'll tell you. When these treaties were signed on Sept. 7, I was among the many who experienced some surprise. There were some concessions in there that I thought Panama was going to make. I can see now in the course of the debates how hard the negotiators fought for those things and I can see that if they hadn't fought for them the treaties would have had hardly any chance with the Senate today. But it's interesting that they did achieve these things. The very treaty of neutrality is a shocker for most Panamanians. It means that after the year 2000, as far as Panamanians are concerned, the United States will still have the power that can come in there whenever it wants to. And it's precisely what the Senate insists upon for the security and the safe defense and operation of the canal.

Q. How did this affect your attitude during the plebiscite?

A. The churches in Panama—Catholic, Protestant and Jewish communities—withheld our opinions on the treaty until the plebiscite had taken place. And we made it quite clear that everyone should vote and vote as he or she thought best and that the church having supported the necessity for new *tratamiento* was not necessarily for the treaties. We didn't want to incline or bring pressure on public opinion. Once the plebiscite had been taken—and I think honestly taken—and once it can be said that the Panamanian people supported this, then we are also supporting it because we believe that this is a manifestation of what the Panamanian people accepts that these concessions granted. Therefore we accept them also because what we are fundamentally interested in is this new treatment, which we think is very much for the best for all concerned—United States, Panama and Latin America.

Q. The situation must be resolved.

A. This calause of perpetuity is simply untenable, morally and in terms of international law, in terms of United Nations declarations, self-determination, decolonization, and in terms of the United States' attitude toward the rest of the world, which has to be applied logically also in this case. For everyone concerned, it has to be resolved. The longer it is not resolved, the more serious the problems are for all concerned and we feel that this is the crux of the problem. The other elements—economic, military—have their solution. The solutions have to be sought for the initial purpose of the safe and effective passage through the canal, the defense of the canal and sufficient

economic compensation—all this is important. But the fundamental thing really is the sense of a people that has to exercise its national character without jingoism, without exaggerating the nationality of a very small nation. But in order to be a part of a community of nations it has to feel itself as a nation. And this is, I think, what we all agree upon.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have printed in the RECORD a statement about the OAS rights group.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PANAMA INVITES PROBE BY OAS RIGHTS GROUP

(By Lewis H. Diuguid)

Panama announced yesterday that it has invited the Inter-American Commission on Human Rights to make an on-site inspection of alleged infractions.

Gen. Omar Torrijos, the Panamanian strongman who was here last week to sign the Panama Canal treaties negotiated with the United States, declared in a cable to the commission:

"I will give you the keys to the jails. If you find any political prisoners, I will set them free."

U.S. opponents of the canal treaties, along with several Panamanians exiled by Torrijos, have charged that the human rights of Torrijos' opponents are being violated. They say further that the Carter administration, with its stress on human rights, is inconsistent in negotiating with Torrijos, the dictator that they hold responsible for the alleged abuses. Several international monitors of human rights have reported that Panama is relatively free of major abuses.

Torrijos' invitation, read to the council of the Organization of American States here yesterday, said the seven-member rights commission will be allowed to go anywhere in Panama and will be free to talk with anyone.

A State Department spokesman declared: "We feel this visit by an objective international body will be helpful in arriving at a clear definition of the status of human rights in Panama."

The U.S. Government has sought to strengthen the rights commission as a means of policing rights in the hemisphere. In June President Carter signed a long-standing OAS convention that will result in formation of an inter-American human-rights courts as soon as 11 nations have ratified the pact.

In another attempt to disarm U.S. opponents of Senate ratification of the canal treaties, Panama has invited U.N. observers to oversee a plebiscite on Oct. 28. Panama's form of ratifying the treaties.

The plebiscite is expected to produce an overwhelming vote for ratification. Conservative U.S. critics—who oppose the treaties' stipulation that the canal will pass to Panama's control in the year 2000—have declared that the plebiscite will be rigged by Torrijos.

The rights commission also received an invitation yesterday from El Salvador to make an on-scene investigation in that Central American nation. Several priests working with the peasants in El Salvador have been killed by terrorists. Critics charge that the military government there condones the terrorism.

Meetings last week between President Carter and Latin presidents here for the treaties' signing appear to be a factor in the renewed activity of the rights commission. Earlier this year both Uruguay and Paraguay refused requests for inspection visits and Chile, after permitting an inspection shortly after the coup there in 1974, has refused to allow a return visit.

OAS Secretary General Alejandro Orfila recently named a Chilean exile, Edmundo Vargas Carenno, as executive secretary of the rights commission. Its members are elected by the OAS council from nominations made by member states.

Mr. GRAVEL. Mr. President, the point I am trying to make right here, with all these inclusions in the RECORD, is that there is a large body of knowledge that is reasonable on this subject. Nobody quarrels with the fact that they have not had elections. That is a fact.

Mr. ALLEN. I quarrel with it.

Mr. GRAVEL. Wait a second. Do you want to quarrel with most of the nations of the world? Do you want to go to war right now with most of the nations of the world? We take the world as it is. We take the human race as it is. We are in a forward plunge toward greater maturity. It is going to take time to mature. It is going to take time for everybody in the world to enjoy the same degree of freedom.

If there is a real, sincere desire to see the Panamanians free, to see them realize the aspirations and the hopes that we think are important, the best way to do it is to improve their economy, to improve their economic well-being, and that, per se, will bring a great deal of freedom with it. The best way to do that is to give some justice to the Panamanians.

Is it not odd that those who, out of hand, oppose any change of the status quo, which is so unjust to these most unfortunate people, really oppose the first opportunity these people have had to regain their birthright and to maximize the economic benefits from their birthright? There is nothing wrong with that. It is just proper and fair.

If there is anything the American people have, it is a sense of fair play. So I do not understand the logic that says they are under a dictatorship. They are not free; and, my God, we are not only going to make sure they are not free, but also, we are going to make sure they are poor. That is what we are going to do.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. ALLEN. Does not this publication by Freedom House, which gives the Torrijos regime a 7 rating on political rights, also give Russia the same 7 rating? Would that not equate the conditions in Panama with the conditions in Russia on political rights?

Mr. GRAVEL. First off, I do not know.

Mr. ALLEN. The Senator had it in his hand a moment ago.

Mr. GRAVEL. All I had in my hand was the evaluation of Panama.

Mr. ALLEN. I say to the Senator that it does.

Mr. GRAVEL. I do not know, and I would say that I do not know how they define their 7. I would say that they probably would evaluate a 7 in any country that does not have free elections. That is a big spectrum in this world. Any country that does not have free elections is a 7. The other is civil rights. So there is a big difference.

As Ambassador Jorden stated in the quotation I read, there is nobody being arrested off the streets; there is nobody being tortured. We had Amnesty International go down and look at it. They do not find a gross problem like you are trying to intimate. We had the Organization of American States go into it. We are a member of that organization, as a government. We have an ambassador to that organization. They do not find any gross violations.

You have a scenario of playing with little numbers and saying the Soviet Union has a 7. They do not have free elections in the Soviet Union—I will stipulate that right now—and they have not had any elections for political officials in the leadership of Panama since——

Mr. ALLEN. Does the Senator think a rating of 6 on a scale of 1 to 7 is very good in civil rights?

Mr. GRAVEL. For this organization's rating, no, I do not think it is very good; but I do not know the individuals and I have not talked with them, whoever did the rating. It is the first I have heard of Freedom House.

I do not claim to know all the organizations. I have heard of Amnesty International, and I think they do good work. In fact, I believe they got a Nobel prize a couple of years ago. They are highly recognized, and I stand to be corrected in this regard. If they got a Nobel prize, they are a pretty heavy organization. They looked, and they did not find anything.

Mr. ALLEN. Is Amnesty International an organization—I am not familiar with it myself—is it an organization that has recommended general amnesty for draft dodgers and deserters? Is that the thrust of its work?

Mr. GRAVEL. I do not know. I do not know if the president of the Amnesty International beats his wife. I do not know.

Mr. ALLEN. I see.

Mr. GRAVEL. The Senator thinks it is a prodraft dodger organization; is that what the Senator thinks it is?

Mr. ALLEN. I do not know. I am just asking the Senator.

Mr. GRAVEL. I do not know.

Mr. ALLEN. I thought the Senator was vouching for them and now he does not know about them.

Mr. GRAVEL. I do not know.

Mr. ALLEN. I thank the Senator.

Mr. GRAVEL. I do not know if the president of Amnesty International has been beating his wife or children or if he has a draft dodger in his family or if he is housing draft dodgers.

Mr. ALLEN. The Senator a moment ago was praising the organization as an organization to be trusted.

Mr. GRAVEL. I think they won a Nobel prize.

Mr. ALLEN. Is that right? For what?

Mr. GRAVEL. For going out doing good work.

Mr. ALLEN. Oh, I see. I did not know they awarded Nobel prizes for that. I thank the Senator.

Mr. GRAVEL. I thank my colleague from Alabama. He is a most enjoyable

person to have a colloquy with. I think that we deal with a little bit of levity on this subject, but I do not think that the American people are going to be pulled off target here because so often in this whole debate and in the information that pours out of Congress on this issue, and not only out of Congress, out of the extreme right wing of the United States, pours out about what all this treaty is going to do, how terrible it is, the world is going to come to an end. I am just chagrined that we are spending so much time on it. This treaty is not worth this kind of recognition. The only reason it is getting this recognition is because it is a highly emotional issue. It goes to our guts. It goes to the American pride. It appeals to the best of our jingoism. It calls up our greatest degree of chauvinism—that we built this canal, a lot of big macho, and we own this canal. The Senator knows we euchred these poor people out of it—I mean euchred them out of it, and my colleague from Alabama knows that.

I am not the last person in the world to accept good Yankee trading. I think we are good Yankee traders, but I just think it is gross when we take advantage of poor little countries and set upon them and then take this money that rightfully belongs to them and then give them a job, throw them a few coins, and tell them that we are doing them a favor. That is a little strong for me.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. ALLEN. As I understand it, the Senator has been to Panama and in conference with the dictator of that country; is that correct?

Mr. GRAVEL. Why did the Senator not say I had met with the chief of state of Panama?

Mr. ALLEN. Use any words the Senator wishes.

Mr. GRAVEL. Why does he like that word "dictator," as if I went down there and sat down with some guy who had a 45 on the shoulder and had a bullwhip in the other hand, and then I talked to him? No. I went down.

Mr. ALLEN. The Senator talked with Mr. Torrijos.

Mr. GRAVEL. I met with him on three occasions. The first time I met Mr. Torrijos was here in Washington. Does the Senator know where I met him? It was at that patriotic beautiful Blair House right across from the White House, and I met him on an American shrine, and Mr. Torrijos was in civilian clothes.

Mr. ALLEN. That was not the Sting White House apartment?

Mr. GRAVEL. He did not have any armed guards around except our people.

Mr. ALLEN. I see. I just asked the Senator a few questions.

Mr. GRAVEL. I briefed him on what I thought was important to his country, and that is the fact that the present Panama Canal is not as economically as important as it used to be and it is becoming very unimportant and that by the year 2000 it could almost be worthless, which is my particular view.

Mr. ALLEN. I understand.

Mr. GRAVEL. That is why I get a little disturbed sometime when the Senator prepares an amendment that insists that we unilaterally have the power to station troops in Panama in perpetuity.

The canal might not last in perpetuity. It might not even be worth a darn in the year 2000. The Senator wants the right in his amendment, he wants the right to be able to have troops in Panama in perpetuity.

Mr. ALLEN. The President can withdraw them any time.

Mr. GRAVEL. Is that not a bit too much?

Mr ALLEN. No, I think not.

Mr. GRAVEL. Why? Suppose we are not using the Panama Canal in the year 2000. The Senator still wants to be able to put troops there.

Mr. ALLEN. No. To be able to but not mandatory.

Mr. GRAVEL. Does the Senator want to be able to let any other country put troops in the United States unilaterally? Does he?

Mr ALLEN. Do I what?

Mr. GRAVEL. Does the Senator want to be able to let foreign countries put troops in the United States unilaterally?

Mr. ALLEN. Of course, that is not the situation here.

Mr. GRAVEL. It is not? It is exactly the situation the Senator is asking the Panamanians to put up with.

Mr. ALLEN. The Senator is absolutely wrong. What we are trying to do is provide for the defense of the canal.

Mr. GRAVEL. Say the canal is useless and closed.

Mr. ALLEN. We would not have to do it. It is up to the President.

Mr. GRAVEL. Then I ask the Senator again. Would he want the President of France to be able to put troops in the United States unilaterally? Take them to Alabama. How would he like it to be able to wake up one day and there are some French troops in Mobile, Ala., at the will of the President of France?

Mr. ALLEN. We have had troops in the Panama Canal Zone for almost 70 years.

Mr. GRAVEL. Wait a second.

Mr. ALLEN. Let me finish.

Mr. GRAVEL. The scenario is the canal is closed.

Mr. ALLEN. We do not have to do that. It is up to the President.

Mr. GRAVEL. Why does the Senator insist on having that right?

Mr. ALLEN. Because it is necessary for the proper defense of the canal, because under the leadership amendment all of the troops will have been withdrawn from Panama, and the only way that under the leadership amendment we could defend the canal would be to invade Panama. But the Senator strayed from the question I asked him. I asked him if he had conferred with, shall I say, Mr. Torrijos, in Panama. That is what I asked the Senator.

Mr. GRAVEL. And I stated yes, in Washington, but before we do that we have a lot of time this afternoon—it is only 5 minutes after 2—we have a lot of time. Let us just stick to what the Senator thinks the amendment does.

Mr. ALLEN. I want to ask the Senator——

Mr. GRAVEL. I will be happy to answer.

Mr. ALLEN (continuing). If, in his conference with Mr. Torrijos in Panama, if he and other Senators questioned Mr. Torrijos about his poor human rights position and record and if he did not, in fact, promise to do better? Was it the group of Senators the Senator was in, or was it another group of Senators to whom Torrijos promised that he would do better in the field of human rights?

Mr. GRAVEL. I did not bring up the subject with him.

Mr. ALLEN. Was it brought up?

Mr. GRAVEL. I presume maybe some Senators did. If they did, they can speak to it.

Mr. ALLEN. I see.

Mr. GRAVEL. OK. So the Senator is asking me if I brought it up. I say no, I did not bring it up.

Mr. ALLEN. I did not ask the Senator. I asked if in the group of Senators that he accompanied if it was brought up.

Mr. GRAVEL. No; I was not there with a group of Senators. I was alone with him.

Mr. ALLEN. I see.

Mr. GRAVEL. I did not bring up that subject. I brought up economic matters.

Mr. ALLEN. Did he promise to do better? It was not the Senator, then, who he made that promise to; is that correct?

Mr. GRAVEL. No; but that would be a funny conversation with me. I am talking to him about a sea-level canal and all of a sudden he jumps up and says, "Senator, I promise to do better." It does not make any sense. We are talking about economic matters, the obsolescence rate of the present Panama Canal.

Mr. ALLEN. The Senator knows he made that promise to the delegates of the U.S. Senate.

The distinguished Senator from Idaho (Mr. CHURCH) nods his head.

It must have had a pretty bad record if he is promising to do better. Why would he have to do better if he had a good record in that regard?

Mr. GRAVEL. Going back to the Senator's amendment, why would he insist on having something from the Panamanians that he would not let anybody have here; that is, he does not want to let the President of France have the right to unilaterally send troops to Mobile, Ala.? Why does he want to have the President of the United States to be able to send troops to Panama in the year 2050 or the year 5010?

Mr. ALLEN. Because we have a tremendous asset there, that I would think the Senator from Alaska would want to see defended, and that is the very function and purpose supposedly of the leadership amendment that we would be able to defend the canal. My amendment does not destroy the leadership's amendment. It accepts that as a good provision, that we could come back into Panama after having withdraw all of our troops by the year 2000 and defend the canal. What I am suggesting be done by this amendment is not pull all of our troops out

prior to the year 2000, if the condition in Panama indicates that troops are needed for the defense of the canal, because we do not know what the situation is going to be in Panama in the year 2000. We should not close out all of our options, close all of our doors on the right to properly defend the canal.

It does not make that mandatory. If the President of the United States thinks it is necessary for the defense of the canal and for maintaining neutrality of the canal, to continue our military presence there beyond the year 2000, then we would have a right to do so. It just implements, adds to, and makes stronger the administration, the leadership, amendment.

Mr. LEAHY. Mr. President, will the Senator from Alaska yield?

Mr. GRAVEL. If I could respond briefly to this one point. Again, I want to quote the Commandant of the Marines, who might have some experience in this area. He states:

> I do not believe, however, that successful defense of the canal is dependent upon continued U.S. military presence in Panama.

So that takes care of that, Now, in the year 5000——

Mr. ALLEN. Well, I disagree with the Senator that that takes care of it.

Mr. GRAVEL. It does. For the year 5000, why do we need the right for the President of the United States to send troops to Panama?

Mr. ALLEN. That is not within the contemplation of the amendment. It says they can be maintained there beyond the year 2000.

Mr. GRAVEL. Do you not think that could also extend to the year 5000?

Mr. ALLEN. He does not have to do it, and it would be up to him whether he did that.

Furthermore, under these side agreements, we have provisions made for our pulling our troops out long before the year 2000, and I would not be surprised if that does not take place.

I just want it understood that I do not agree that a statement by the distinguished Commandant of the Marine Corps——

Mr. GRAVEL. The Commandant of the Marine Corps.

Mr. ALLEN. That that takes care of the matter. I do not care how much prestige and ability General Wilson has, even if he had the military prowess of Napoleon, anyone knows it is easier to defend the canal with the presence of troops there in the Canal Zone than it is to send in an invading force; you have already got a beachhead there, and I do not care what any military man says who is serving at the pleasure of the President, I do not contend that is at all conclusive of the military situation.

Mr. LEAHY. Mr. President, will the Senator from Alaska yield?

Mr. GRAVEL. I am happy to yield.

Mr. LEAHY. I discussed precisely the same issue with our military commanders in Panama, with members of the Joint Chiefs of Staff here in Washington, and with others.

Certainly I agree to one extent with the Senator from Alabama, that as far as defending an area is concerned, in most cases having a military base already there is preferable. Not in every case, of course, because sometimes the military bases themselves will limit your freedom of action.

But is it not a fact—I ask this question of my friend the Senator from Alaska—that if we maintain military bases after the year 2000 there, what that means is, of course, that we are causing a constant drain of American tax dollars in maintaining bases for a remotely possible contingency?

Mr. GRAVEL. Very possibly so, yes. We do not know what the situation would be in the year 2000, but under the treaties, if the canal needs defending, we have an obligation to defend the canal, and so does the nation of Panama. Maybe their defense effort will be sufficient to defend the canal, and we will not have to spend any of our tax money to defend the canal.

But what we are talking about in this amendment of the Senator from Alabama is something very different from that.

Mr. LEAHY. That was going to be my next question, or my next point of commentary.

Mr. GRAVEL. We are talking about something, essentially, that the Senator does not want to have happen to the people of Alabama, but he is darn well willing to have it happen to the people of Panama, and I just get torn a little bit by that.

Mr. ALLEN. There is no parallel between Panama and Alabama.

Mr. GRAVEL. There is very much of a parallel.

Mr. LEAHY. If I could finish what I was saying, it occurs to me, in listening to my friend from Alaska and my friend from Alabama, and it occurs to me in looking around the world where we have very real interests, very strong interests, if we take a look at it—I think we have to take a look first at our NATO commitments and our commitments to the North American Continent. I know of no countries where we have NATO commitments and where we are presently spending billions of dollars a year, where we have a right to maintain American bases in perpetuity.

With that in mind, and considering the fact that our military presence is so far more vital in these NATO areas, by trying to put on this amendment to the treaties, are we not saying, in actuality, that the United States will talk a good game in rejecting questions of imperialism and rejecting questions of colonialism, but we will not follow through with it?

I happen to feel, looking at what is happening in the horn of Africa and other parts of the world, that the one imperialist country today is the Soviet Union; and I hate to see us in a situation where we allow the United States to be tagged with a tag of imperialism.

So I look back again at the fact that, from a military standpoint, we consider not only the military security of the United States, but the military security of our allies, and that our strongest commitments and our most expensive ones, you might say, are within our NATO commitments.

In none of those do we have rights in perpetuity. In none of those do we have the right of the American people, even now, in the year 2000, in the year 2050, in the year 3000, or anywhere down the line, to say, "If we decide we want a base, if we decide we want a beachhead, or we just want to move in, not because you call on us at this time or any other time, we come, because we have always had tucked away this little ace up our sleeve."

That is precisely what we are saying to Panama. We are saying, "All right, we will give you a treaty, and we will say, on the one hand, that we are really withdrawing, that we are withdrawing a presence that more and more is seen as either a colonial presence or an imperialist presence, but at the same time we are telling you, you may or may not like it, but any time, if we feel like it, we will come back in there."

I cannot imagine any sovereign country accepting that. There is no question in my mind that with such an amendment on the treaty, the Panamanians would reject the treaty; I think they would reject it no matter what else we put in there, no matter what economic considerations might be given them, no matter what plans are made for any other withdrawals, if they know we reserved that right, and knowing that the U.S. Government, from past performance, would not mind spending the tens of millions of dollars it would cost to keep these bases after the year 2000. I cannot imagine them possibly accepting it; and I think we ought to consider that for what it is.

I have no objection to our State Department or our Executive sitting down and talking, separate from this treaty, with the Panamanians on questions of mutual defense, or questions of aid of their own defense, or their aid of our defense, of the neutrality of the treaty, but I ask my friend from Alaska, does it not appear to you that putting this amendment on the treaty, albeit it might sound very nice, it might be well-worded, is the surest way possible to guarantee the rejection of any treaty by the Panamanians?

Mr. GRAVEL. I am positive that the Panamanians would reject it, just as I am positive that the citizens of Mobile, the citizens of Alabama, or the citizens of Alaska would reject such a treaty.

Mr. LEAHY. Or the citizens of Vermont, I can assure my good friend from Alaska.

Mr. GRAVEL. Or the citizens of Vermont. No American would stand still and permit a right of another country to station in perpetuity troops in their land. I mean you just do not give those rights. So when a Senator puts forth an amendment like this, what is it for? It is obviously to destroy. This is not a credible amendment; it is just a tactical way of trying to destroy the treaty. But I do not think it is a very good one, for the very simple reason that when you go to the issue of defense, there has been

ample testimony in the Armed Services Committee and in the Foreign Relations Committee that our colleague from Alabama is approaching the defense argument all wrong.

You can defend the canal. We are a superpower; we can defend the canal from anybody. But what are we going to have then? We are going to have a ditch of water that is not usable, that you cannot get commercial vessels through, and the record is really complete on this.

I would just like to give a statement from General McAuliffe, our head of the command down there:

However even with the sizeable force or a larger one I would say that unless extraordinary measures are prevented such as moving across the national boundaries, there is no way that I could see that I could prevent the interruption of the canal.

Then I go to a colloquy between Senator NUNN and General McAuliffe. Senator NUNN on page 81 of the Armed Services hearings states:

With that kind of force, could you keep the canal from being closed?

General MCAULIFFE. I don't think so. Senator, I think I could assure that the canal is not destroyed, that is, rendered useless, where you couldn't do anything with it; but I think that it would be virtually impossible to keep transiting ships from being stopped . . .

And then it goes on.

The point I am making here, which is what the Senator from Vermont alludes to, is that we can send in all the troops we want, but the whole purpose of the exercise of either defense or of these treaties, or I would think of anything—otherwise we are standing here being ridiculous—the whole purpose of the exercise is to be able to commercially use the canal and to use it in time of war for our war vessels when needed.

Our military people tell us that regardless of what military capability we have, sure, we can keep possession of it, but it is keeping possession of something that cannot work. So what is the point? What is the point of insulting the Panamanian people, telling them, "We are going to go for a treaty, but you have to let us be able to station our military on your soil in the year 2000, in the year 5000, the year 10,000, even if there is not a canal in operation. You have to give us inherently that right."

That is a little much.

Mr. LEAHY. Would it be possible to look at countries where our military presence is far more vital to the security of the world, such as Germany, France, Italy, England, countries like that, where we do not have such rights, where we could not have such rights if we asked for them?

Mr. GRAVEL. And, as the Senator well knows, where we have a little presence, we pay. I wonder why the Senator from Alabama does not want to pay them for these rights. He just wants to tell them, "We are going to be there in perpetuity whether you like it or not." We pay every other place in the world. We pay for our defense, for the collective defense of the world, but not in Panama.

Mr. ALLEN. Will the Senator yield?

Mr. GRAVEL. I will be happy to.

Mr. ALLEN. The Senator loses sight of the fact that at the present time we own the entire Canal Zone. All this would do would be to allow the President, if he thought it was necessary to defend the canal, to retain a military presence there. That would not occupy but just mighty little space out of the 500-square-mile area of the canal.

I am wondering, too, since the Senator is so disturbed about keeping troops in Panama, why he has not raised any objection to the fact that under the Panama Canal Treaty we will keep troops there for 22 years. He seems to be raising no objection to that.

The historical parallel between a State in the United States and Panama is an entirely different situation. No foreign government owns any property in Alabama, and certainly they have no reason to come there and defend Alabama. But where we have such a tremendous national asset as the Panama Canal, and as the thrust of the leadership amendment is to provide a way whereby we may unilaterally defend the canal, allowing us to maintain a presence there, it does not violate the present situation that exists. It merely aids the leadership amendment, which is deficient on this point.

Mr. LEAHY. Will the Senator yield?

Mr. ALLEN. I might state also to the distinguished Senator from Alaska, so he will quit talking about the year 5000, I am sending a modification to the desk.

Mr. President, I ask that it be stated.

The PRESIDING OFFICER (Mr. PASSER). The modification will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes a modification to his amendment No. 40.

On page 2, line 2, after "1999" insert "but not beyond December 31, 2019.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

Strike article I, and insert in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama: *Provided*, That the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, but not beyond December 31, 2019, if the President of the United States deems it necessary for the defense of the Canal or the maintenance of the neutrality thereof and shall prior to December 31, 1999, so certify to the Government of Panama.

Mr. GRAVEL. How long would that be?

Mr. ALLEN. It is 20 years. I just did not want the Senator to be talking about the year 5000. We do not have to worry about that. If he wants to talk about 2019 he can do it. The Panama Canal Treaty gives the United States the primary responsibility for the next 22 years of maintaining troops there in the Panama Canal Zone, defending the canal and maintaining its neutrality.

What this amendment would do would be to tell the President, if he thinks it is necessary to continue a military presence in the Panama Canal Zone for an additional 20 years, he shall have that right. I hope the Senator will not be talking about the year 5000.

Mr. GRAVEL. No, but I will bring up the year 2020. Why would the Senator capriciously cut off this unusual right he wants and not keep it for the year 2020?

Mr. ALLEN. Because the Senator from Alaska would object to that even more than he would object to 2019. Inasmuch as the Panama Canal Treaty gives us 22 years, this would merely add an additional 20 years, during which we would have the right, if the President at that time deems it necessary to protect the canal, for an additional 20 years to maintain troops there for the defense of the canal.

Panama ought to be just as glad as the United States to defend the canal because it is a profitmaking operation for them as soon as we ratify these treaties. They are going to skim off around $100 million a year to be used in the operation of their government, whereas the United States operates the canal on a nonprofit basis. This would allow defense of the canal for an additional 20 years without cost, I might say, to Panama.

Mr. GRAVEL. Does the Senator think we have not skimmed off anything in the last 60 years?

Mr. ALLEN. No, sir.

Mr. GRAVEL. We have not?

Mr. ALLEN. No, sir, except the same benefit as all nations of the world who have waterway commerce have had. We have operated it on a nonprofit basis.

I might say also that we still owe $319 million on the canal, unpaid capital investments. We are going to write that $319 million off, giving it to Panama as well. We are going to forego the interest payment of some $16 million or $17 million a year. Certainly, the United States has operated it on a nonprofit basis and have not even paid for the original investment as yet.

Mr. GRAVEL. Could I address myself to that one point? Here we subsidized the maritime interests of the world for the last 60 years. And we have an illusion that the Panamanians, now that they are going to get their birthright back, are going to skim it off, and we do not get into the skimming. How really tragic. Here we euchre them out of it. We built a canal that cost $319 million. We collect $20 million a year interest on the money, subsidize our people. Presently, today, it is more than 50 percent obsolete. By the year 2000, it will probably be over 90 percent obsolete. And we have the crust to turn around and tell them, be happy with what we have done for you, go in peace.

What a terrible tragedy.

Mr. ALLEN. How much of an investment did Panama make in the canal?

Mr. GRAVEL. It is as if the Senator said, How much did the landowner of Rockefeller Center, the fellow who owns the land, what has his investment been? Was the investment in building the

building or was the investment in the land?

They invested the land. We suckered them out of it, and we did it with a straight face.

Mr. ALLEN. I am under the impression that if we owe anything to anybody, it would be Colombia, not Panama.

Mr. LEAHY. Will the Senator yield on that?

Mr. GRAVEL. We shall get to Colombia in a minute.

Yes, I yield.

Mr. LEAHY. There is a point everybody seems to overlook. We talk about the canal being 10 miles by 50 miles, approximately. It occurs to the Senator from Vermont that if we look at a map of the area, we see a very large area that juts out from there. That is what surrounds Gatun Lake.

If we look at the fact that it takes somewhere between, I believe it is 52 or 58 million gallons of fresh water from Gatun Lake for one transit, for whatever is going to use the locks in one transit; whether that is one big ship or a couple of big ships, it is that many million gallons of fresh water washed out to sea every time.

If we want to get truly technical on that and claim that we own everything down through that Canal Zone and that is ours, we are not in any way interfering with a national asset, what would we do if the watershed started being diverted off from Gatun Lake? I tell you what we would do. During a very large part of the year, we would not have any transiting of ships. Or we would have ships that would have to be so unloaded to transit—and they would have to pay the same amount for their bulk, whether they are loaded or unloaded—that they just would not even use it.

That is certainly a national asset. Certainly, the geographical location of it is a national asset, just as I consider, in my own State of Vermont—a State that I feel is one of the most beautiful in the country——

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. LEAHY. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the pending amendment as modified.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. I shall just finish by saying that every country can determine to some extent internally what they consider to be a national asset but, certainly, an objective standard could be made as far as the Panama Canal is concerned. The national asset to Panama is the location, is the isthmus, is the watershed, and the inclusive parts of Lake Gatun which feed the canal, and without which the canal would not even operate.

I yield back to the Senator from Alaska.

Mr. GRAVEL. The Senator from Alabama touched on history a little bit. I think it might be enlightening to the American people to delve into history.

When I talked about the birthright of Panama, he responded, what about Colombia? All I can tell him about Colombia is that when we cut a deal with them, they turned it down unanimously, and it was not as bad as the deal we foisted on Panama.

What about Colombia?

Mr. ALLEN. We made a deal with Colombia. In 1924, we paid them $25 million and, at the same time, we paid Panama $10 million, plus an annuity of a quarter of a million dollars a year, which is now up to $2.3 million a year.

I state to the Senator from Alaska that I have no objection to raising the amount we pay to Panama, providing we keep the ownership and control and the maintenance and the right to defend it. It is not just a dollars-and-cents proposition.

By these treaties, we change the whole nature of the operation. The United States operates it as a nonprofit venture. It realizes no profit from the enterprise. Yet, according to Economic Minister Barletta, by his own statement in Panama, in the 22 years of the existence or the life of the Panama Canal Treaty, Panama received $2,265 million in revenues. That is not counting the more than $1 billion in assets turned over to Panama immediately; not counting the Panama Canal Railroad; not counting the tremendous value of the Panama Canal, which is estimated to have a replacement cost of around $10 billion. They are going to skim off, to use the words that the distinguished Senator quoted me as using, $100 million a year, which will be charged against the tolls on the ships transiting the canal. That changes the entire operation, changing it from a nonprofit operation that the United States has to a $100 million-a-year profit for Panama.

Well, you say, maybe that comes out of the tolls. Well, even if it came out of the tolls, it would be a burden on shipping. The United States has a very large percentage of that shipping. This seems to me, I shall say halfway facetiously, as an anticonsumer treaty, because the added tolls are going to have to be charged up against the ultimate price of the goods being transported.

So, that is the vast difference in the situation that will exist after the treaties from the situation that exists now.

Oh, you say, it has to come out of the toll. Well, there is just a little bit of a joker there, I say to the distinguished Senator from Alaska. It is provided that, at the end of the life of the first treaty, which will end with this century, whatever debts the Panama Canal Commission has—which is the successor to the Panama Canal Company—will have to be paid by the American taxpayer, because we have to deliver the canal to Panama free of all debts and liens of any sort. So it seems to me that we are giving the canal away and we are, in fact, paying the Panamanians to take it.

Mr. GRAVEL. First, we are not paying the Panamanians to take it. Two, we are not giving the canal away.

We have made a ton of money off the canal. What we have done with all this money that we have made is subsidize our maritime interests. The Senator is right, we have subsidized the consumers of the world at the expense of Panama. Since we are one of the greatest consumers in the world, we fed ourselves first; we stood in line first.

That is exactly what has happened. It has been operated as a nonprofit public utility. What is wrong with somebody owning an asset and getting a profit from it? We expect that in our economic society. There is something wrong if that does not happen.

Mr. GARN. Will the Senator yield for a question?

Mr. GRAVEL. Let me finish this one point and I shall be happy to yield.

We have a double standard. It is great for the United States of America to make a profit off our industriousness, off our capital, off our oil, whatever we have. But if we have the might and we can force some other little country to heel, what we do is not let that little country get the same benefits that we have for our citizens.

That is essentially what has gone on in Panama. We fixed it through our might to get the canal—we built it. We are proud of this technical accomplishment. But over the years, we have taken their heritage and seen that it has been operated on a nonprofit basis, meaning that they got little or nothing for it. So, when we talk about what now the Panamanians will be able to receive for this obsolete canal, because we are giving them back the canal after it has all been used up, we are giving them the rind after we have sucked it dry. I quote from another authority, John Wayne again, that the United Nations—he is quoting from another source:

> The United Nations Economic Commission made a survey of the value of the canal. Over the past 50 years it has been a saving to the American consumer—

And, of course, to consumers of the world, anybody who goes through the canal—

> and producers, a direct savings of $12 billion.

The canal only cost $319 million, but we were able to save $12 billion by operating it as a nonprofit public utility for the world.

I do not mind that. I do not mind ripping off a little bit. I do not mind taking a little bit of advantage. But let us be fair. We do not permit that to happen in this country. When we have a public utility in the United States, we are allowed to make 15 percent, that is the conventional figure now for return on investment.

What is so wrong with letting the Panamanians make that kind of money?

Also, now that times have changed, it is the last cry of colonialism, "Well, we will give them a little more money."

The French said that when they left Algeria. The British said that when they left Suez. That will not wash any more. We are going to have to give it up. Times have changed.

These are people that are sovereign and entitled to the same justice and equality as ourselves in the world community, and not an ounce less.

If they do not make that demand, I, as an American citizen, would make that demand for them because I cherish that

freedom as an American citizen. I cherish that equality. And I want them as a citizen of the world to enjoy the same freedom as I do.

I know that the only way they can realize that freedom is through their economic birthright, and their birthright is the fact that their land is not wealthy like Alaska, or not populated like Alabama, with an economy like Alabama, but that their land has a characteristic that is most unusual in the world; it is the narrowest part between the entire lands of the hemisphere. It is the narrowest part between the two oceans. So their economic advantage is that path between the seas.

To not permit the people who are citizens of that land to enjoy that economic birthright is just unfair. I do not think in the final analysis the American people will stand for that unfairness.

I am happy to yield to my colleague from Utah (Mr. GARN).

Mr. GARN. I thank the Senator from Alaska.

I am a little bit puzzled by his talk about profit. That is what I want to ask him a question about.

Far be it from me to disagree with somebody making a profit. I think profits make this country run. But when the Senator talks about allowing them a profit, then I would like him to respond to the testimony of the Comptroller General of the United States and the Governor of the Canal Zone. They come out in their testimony before the Armed Services Committee and say that there will be a profit next year, in fiscal 1979, with no treaty, of $9.3 million, but as soon as the treaties are signed we will have a $36.7 million loss, or a $46 million difference the first year. This will rise to a $58 million difference by 1984, and that beyond 1984 we better be aware that tolls may not be able to be raised sufficiently to cover the guaranteed payments to Panama.

Now, if we just want to turn it over to them, why do we not just give it to them and say, "Fine, you run it as a utility and charge what tolls you think you can get without diminishing traffic," and we hope the oil from Alaska continues to flow through the canal, which it probably will not.

Mr. GRAVEL. Why not?

Mr. GARN. Because they are talking about building pipelines through the United States so it will not have to go down there any more.

Mr. GRAVEL. All right.

Mr. GARN. This is testimony of the Comptroller General of the United States, not the Senator from Utah.

So that disturbs me. The Senator's thesis of profit is fine. Let them run it as a business enterprise if they can, but tell me why we guarantee those annuities to them, even if the tolls are not sufficient? Why should we guarantee annuities to them? That is the cost to the American taxpayer, and the taxpaver had better listen and be aware. The IRA study shows a point of diminishing returns. The Panamanians will get their cut. But that is not free enterprise or profit, that is the American taxpayer guaranteeing that Panama is not going to take any risks.

A debt-free canal, guaranteed annuities, regardless of what the hell happens to the tolls or the sensitivity or the——

Mr. GRAVEL. Could I respond to my colleague?

First, when he says guarantee annuities, the only guarantee we have in this treaty is to pay them $10 million. That is the only guarantee that is a flat statement. The rest is tied to tolls and profit.

Mr. GARN. OK, 30 cents per ton.

Mr. GRAVEL. No. Let me say it again so it is very clear to the Senator.

The only thing we are committed to pay is $10 million a year. OK?

So there is no other open-ended obligation, so to speak. That is a guaranteed payment if there is not 1 ton of cargo that goes through the canal. Under these treaties we have got to pay $10 million a year. That is the right for being there.

Now, the revenues——

Mr. GARN. But we are not there any more, that is my question, why should we guarantee anything?

Mr. GRAVEL. Can the Senator not read the English language? The treaties say very clearly we will be there until the year 2000.

Why does the Senator keep making the public statement that everybody can hear that we will not be there any more? Read me a line now, read me a single line in these two treaties that throws us out before the year 2000.

Mr. GARN. OK, quoting the Governor——

Mr. GRAVEL. Forget the Governor. I am talking about the treaties before us. Read me one line that speaks of where we have to get out before 2000.

We operate the canal until the year 2000. So please do not make contrary statements.

Mr. GARN. If the Senator will let me respond, I will tell him, and the Governor of the Canal Zone is important. He happens to run it. I think he knows a little bit more about it than the Senator and I, a lot more about it. He happens to have the responsibility to run it.

Mr. GRAVEL. He loses his job if these treaties go through, so I can understand his concern.

Mr. GARN. But let us not let the American people misunderstand. Most of the American people think we are there until the year 2000, that nothing important changes, and I will quote the Governor of the Canal Zone whether the Senator likes it or not.

Mr. GRAVEL. Quote the treaties. Quote the treaties. Why not quote the treaties?

We are getting off into an argument that does not make any sense.

The Senator is saying he wants to quote the statement of the head of the Canal Zone when really what we are debating is not what the heck he thinks but what has been signed by the two Governments, the Government of Panama and the Government of the United States.

If the Senator wants to quote something, quote that, not his opinion, my opinion, or Charlie's opinion.

Mr. GARN. I am not quoting my own——

Mr. GRAVEL. Quote the treaties. They say very clearly, and I quote:

ARTICLE III

CANAL OPERATION AND MANAGEMENT

1. The Republic of Panama, as territorial sovereign, grants to the United States of America the rights to manage, operate, and maintain the Panama Canal, its complementary works, installations and equipment and to provide for the orderly transit of vessels through the Panama Canal.

That is the language of the treaty.

How can the Senator stand there and tell the American people over a public radio that we are giving up the canal as soon as these treaties are signed? How can the Senator do that?

Mr. GARN. It is very easy, because that is exactly what takes place.

We continue to operate it under a new Canal Zone Commission composed of five Americans and four Panamanians, is that correct?

Mr. GRAVEL. All appointed——

Mr. GARN. Is that correct?

Mr. GRAVEL. Yes.

Mr. GARN Yes or no?

Mr. GRAVEL. Yes, all appointed by the United States.

I mean, we are so great on this treaty that we appoint the Panamanians to serve on the Commission. Can you imagine that?

Can you imagine my going into your State and saying, "We'll have a joint commission of operation, but I'm going to pick your guys."

Mr. ALLEN. Wait a minute, will the Senator yield for a question?

Mr. GARN. May I finish this?

Mr. GRAVEL. I would like the Senator from Utah's cooperation.

Mr. GARN. The fact, immediately upon ratification of these treaties, the Canal Zone Government is done away with and all sovereignty of the Canal Zone is returned to the Republic of Panama.

Mr. GRAVEL. Thank God it is, because we can more efficiently operate the canal and get rid of socialism.

Mr. GARN. Not maintain any governmental function——

Mr. GRAVEL. Why do we need a governmental function, or why do we need a government, or why do we need a vessel?

We have a vessel that is owned by the Government of the United States, by the Panama Canal Company, which is literally the Government of the United States, that picks up goods in New Orleans and ships them down to the zone. Here is the Panama Canal, which has thousands of ships a year going through. Do you think we could rely on free enterprise to bring down some goods for the commissary? Heck, no. We have a vessel that is owned—we used to have five. Do you know who cut them down? That great Republican free enterpriser, President Dwight Eisenhower, and I salute him on this occasion for what he did.

They had five vessels that used to pick up goods in New Orleans, take it to Panama, and unload it there so the people in the zone could have it. They did not want to use the free enterprise system.

Now you are saying how terrible it is that we are going to lose the government of the Panama Canal Zone. It has been a millstone around our neck for 60 years. We cannot tell what is efficient operation of the Panama Canal today, because all the money slides in. The tolls were never raised, but expenses of the canal were always equal to what the growing traffic became. Is that not an interesting phenomenon? For 60 years, the needs of the canal always measured up to the totally ascending amount of the traffic. I just am struck by that phenomenon. I think it is a lot of socialism, that whatever you put on the table, that is what it costs you, and that is the way we have been operating the canal, within the zone.

I hope we will do away with that stuff, so that we can let the people operate a canal—not operate a government, not operate a PX, not operate the movies, not operate the cleaners. Stop all that stuff. Just let them operate the canal, and let them go to the cleaners downtown.

Mr. GARN. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. GARN. The Senator is very articulate and persuasive and rhetorical, editorializing on what I am saying.

Let me summarize so the people know the facts. The Canal Zone Government is replaced. Without arguing whether it should be, let us talk about facts. It is replaced. The Canal Zone Company is done away with, and the Republic of Panama does take over all governmental functions within that area. It is a fact that it goes from a $9.7 million profit for fiscal 1979 to a $30.67 million loss. It is a fact that through 1984 it will go up——

Mr. GRAVEL. But——

Mr. GARN. Let me finish.

Mr. GRAVEL. You are talking about the future. How can you say those are facts? We do not know what they are going to make next year. Somebody told you that.

Mr. GARN. We are probably conservative, and they probably will be higher losses.

Mr. GRAVEL. I do not know that we are being conservative. It depends on how much oil from Alaska is going to go through there at those uneconomic prices. We cannot tell.

Mr. GARN. In the finish, we are guaranteeing the annuity, whether the canal revenues are sufficient to take care of it or not. Those are facts. Those are in the treaty. I do not care to get into as rhetorical a battle as you have been carrying on.

Mr. GRAVEL. I do not know that. People give me testimony when their livelihood is involved.

Mr. GARN. The livelihood of the Comptroller General of the United States is not dependent upon this treaty.

Mr. GRAVEL. I would like you to produce for the record the testimony by the Comptroller General.

Mr. BAYH. Mr. President, would the Senator like to have a reiteration of testimony by the Governor of the Canal Zone that was given to the Subcommittee on Transportation of the Committe on Appropriations no later than yesterday?

Mr. GRAVEL. I think we need that information at this time.

Mr. BAYH. I do not want to interject myself unnecessarily. The discussion by my friend from Alaska and my friend from Utah has been stimulating and interesting. But inasmuch as we are talking about economics, and my friend from Utah talks about the Governor of the Canal Zone, I do not know whether he has had a chance to talk to the Governor.

Coincidentally, it was sort of accidental that yesterday, as I sat down to preside over the first session for this year's budget of the Department of Transportation—in other words, that part of our appropriation bill that includes all the money that goes into all the areas of transportation—I found myself face to face with the man who is the Governor of the Canal Zone right now.

I say to my friend from Alaska that when they were carving up the jurisdiction of the appropriations subcommittee, how the Panama Canal got in with transportation, I do not know. But it has been my good fortune to chair that subcommittee and to look at the canal revenues and operations from the dollar standpoint over the last several years.

It might be relevant to let the Senate know what the Governor of the Canal Zone said. There was a discussion about deficits. What the Senator from Alaska said over the long haul is technically true about our being able to spend all the money we raise, to suggest that the Panama Canal has always been an in-the-black operation is to deny the facts. As the Governor of the Canal Zone pointed out, this year we are in the black; next year we are going to be in the black; but we ran into a couple of years prior to this time in which we were in the red.

So to suggest that this deficit problem is a new and novel one is not based on the facts as presented by the Governor of the Canal Zone.

The fact of the matter is that the Senator from Utah is accurate. We are going to give up governmental functions. We are no longer going to provide certain specified public services in canal operating and housing areas. But if one talks to the Governor, his primary emphasis is not whether we tell both the Panamanians and the American citizens who are living in the Panama Canal Zone what to do and how to perform the governmental function. If we are concerned about the economics of the situation, the Governor will tell you that that is a losing proposition, that the running of the Government of the Canal Zone costs us money. The revenue comes in from the canal company, which will be maintained in the Commission.

So if you are concerned about how you are going to balance the budget down there, we are getting rid of that part of the operation which has cost us somewhere between $10 and $20 million a year. It is hard to nail that down, because we are going to shift some of those services off to the Department of Defense, and other factors of that nature.

Mr. GARN. Is it not correct, though, that we are going to pay them $10 million a year, at least the first year, to provide those services? You are correct. So that offsets the costs you are talking about. We guarantee them, for 3 years, to pay them $10 million. The Comptroller General testified it would only cost $4.4 million, and we are going to subsidize them an additional $5.6 million. That is in the testimony as well.

Mr. BAYH. I was going to deal with that, not from the standpoint of what the Comptroller General said, but from the standpoint of what the Governor of the Canal Zone said, since he appeared before us as a credible witness, and I think that is an accurate assessment. I think he is.

It is important, and I do not say this in a critical sense. If you look through that budget, you see where that money is coming from and where it is going and how we are going to base tolls, and it is very complicated. You need a computer and a crystal ball of some kind.

The Senator from Utah is accurate—we do not know what the long-range view is. Realistically, we can only project to about the year 1984. The Senator from Alaska could suddenly find that all that water and all that land is oil, the likes of which he has been telling me it is going to have, so that we will have more toll revenue from Alaskan oil instead of less.

The Governor was quick to point out that one of the reasons the picture looks more rosy now than it had for the last couple of years is that the revenues have significantly exceeded expectations—by several million dollars. They did that despite the fact that pumping station No. 8 has not been operating, so the Alaskan pipeline has not been providing as much oil by any means as we anticipate in the next several years.

But let me not get involved in that. Let us try to divide what we are talking about, so that at least I can understand it. I do not have a magic formula for understanding it.

As I understand it, we are talking about two entities. We are talking about a governmental operation in which the United States has undertaken, over the past decades, to actually run the governmental functions, the utilities—the water, the electricity, the fire, the police, the garbage collection, providing schools—all those kinds of things that we would normally say are the functions. My good friend from Utah was the mayor of Salt Lake City. He was running the government there. That is what we are doing in the Canal Zone.

The second part is the canal company.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. RIEGLE. If I understand correctly these municipal services that the Senator from Indiana speaks about, the estimate I was given as to the cost to the United States is about $18 million a year. So

that, in effect, we transfer these functions from the United States carrying them out, at a cost of about $18 million a year, to the Panamanians doing it for the payment that was referred to earlier, of $10 million. That actually is a saving to the American Government.

Obviously, it may cost the Panamanians more to do it than they would pay by using their own pay rates, and so forth, because there are going to be a certain number of mixed details, and the American pay scales in the zone have been higher than what would normally be Panamanian pay scales outside the zone.

It is important to note that there is information indicating that we have been paying more for the same functions.

Mr. BAYH. I think that I pretty well said about the same thing here just a few moments ago, and I appreciate the Senator adding enforcement to that logic.

Here again I am just relating what was given to us as testimony from the Governor of the Canal Zone yesterday.

If one divides these operations into the governmental operations and the canal operation he will find that the governmental operations are costing us—the Senator from Michigan used the figure of $18 million—we estimated and the Governor estimated yesterday it costs us about $20 million.

Inasmuch as some of those are going to be laid off and will be assumed by the Government of Panama and by the Department of Defense, let me say, the loss will be less than $20 million, but it is somewhere greater than $10 million of losses that the United States has had to pick up every year that we will no longer have to pick up. All right.

Let us look at the other part of the operation, because it is awfully easy to confuse this. The Senator from Utah accurately talks about the annuities. The United States has agreed to pay these annuities. The Government of the United States has agreed to pay Panama for services that they will pick up and provide which are now financed by the United States.

But to suggest that that is going to lead to a loss is to ignore the fact that all of those costs are the basis for determining what the tolls are.

In other words, whatever we have to pay the Panamanians in annuities, $10 million for services, $10 million in fixed annuity, and the other things that are on that list that we have all seen, all of those things are not losses; all of those things are computed and they are charged into whatever the toll revenue shall be.

And I must say I have never run a canal, and I do not want to start now, but it was rather comforting to the Senator from Indiana yesterday to hear the Governor of the Canal Zone say that for the predictable future the Canal Zone will be financially self-sufficient.

It is not going to cost us money, at least so says the Governor of the Canal Zone.

I do not know what the Senator from Utah was referring to, but I here again think it is important for us to understand what we are talking about as to the Government's total outflow to the United States running that government down there. We are going to give that up and give it to the Panamanians, so we are going to save money in that regard.

The question is whether we save $20 or $10 million, or somewhere in between there. We are going to have to pay Panama for assuming some of those services, right, but that cost is not borne by the taxpayers of America. That cost goes into figuring out what the basis for the tolls are and that money will be recouped and recovered every time a ship goes through the canal.

I appreciate the tolerance of my distinguished colleague from Alaska and my friend from Utah. I only yielded to temptation, because of the close proximity and it seems to me the relevance of the testimony of the Panama Canal Zone Governor.

Mr. GARN. Mr. President, if I could respond to the Senator, I am sorry the Senator from Alaska has left because he was asking for direct quotes, and I am sorry he is not here, but I would like to at least put in the RECORD what he was asking for, and again I do not know whether the Governor of the Canal Zone has changed some of his opinions yesterday, but this is his official testimony before the Armed Services Committee so I will quote directly rather than my statements before, paraphrasing what he said:

> Now I would like to turn to the proposed Panama Canal treaty. The dominant and all-encompassing change under the treaty is immediate recognition of Panamanian sovereignty and general territorial jurisdiction over the present Canal Zone. . . .
>
> . . . More specifically, the treaty would eliminate the Canal Zone Government and the Panama Canal Company and substitute therefor the Panama Canal Commission. This agency will have no authority to perform most governmental or commercial functions.

He goes on on the reduction in facilities:

> As of June 30, 1977, the net book value of property, plant, and equipment of the canal enterprise was $567 million.

And I want to emphasize net book value is a bookkeeping term for depreciated assets. It has no relationship to replacement value or to fair market value:

> On the effective date of the treaty, an estimated $92 million of these assets will be transferred to Panama and $30 million to other U.S. Government agencies. An additional $4 million in assets will be transferred to Panama during early phases of the treaty. Our current estimate is that the net book value of such property at termination date would amount to $522 million, making the total value of transfers to Panama $618 million.

Then he outlines what has been discussed many times in this Chamber:

> The 30-cent per Panama Canal net ton of shipping transiting the canal, the fixed annuity of $10 million, the $10 million for certain specified public services, the additional $10 million that will come out of surplus if there is one.

The point that I wanted to make, and the Senator is correct, if the tolls are sufficient to cover these costs he is talking about, fine. There would be no cost to the American taxpayer, but again I want to quote from the Governor of the Canal Zone:

> Summary results for fiscal year 1979 are shown here. . . . Using the most recent estimate of tolls ($195 million), it is projected that there would be $9.3 million earnings without a treaty and a $36.7 million loss with a treaty.
>
> Our analysis has also covered the period fiscal year 1979 through fiscal year 1984 in order to include the total transitional impact as well as the first year effect—in fiscal year 1984—of indexing the payment to Panama for each Panama Canal ton of shipping transiting the Canal. The predicted shortfalls in revenues range from $36.2 million to $58.9 million and are shown on this chart.

That is his conclusion.

Mr. BAYH. Let us go ahead and read the rest of that statement which points out the fact and although I do not think he would tell that committee one thing and our committee another, and that is they do not continue to operate business as usual. They anticipate a 19-percent increase in the tolls which will balance the budget.

Mr. GARN. I was going to go ahead with that.

Mr. BAYH. All right. Fine.

Mr. GARN. That is exactly what he said.

Mr. BAYH. I do not want to tell the Senator from Utah how to debate.

Mr. GARN. Nevertheless, the probability is very high that toll rates will have to be increased often during the next 23 years if the canal is to continue on a self-supporting basis.

Over the longer term, if revenues and costs develop as projected, it appears that periodic toll rate increases will be required, treaty or no.

But here is the difference:

> With a treaty, the need is sooner and greater.

That is what he talks about and what the Comptroller General was talking about.

Because of these new financial guarantees of the U.S. tolls will go up more rapidly and sooner.

And let me quote his last statement in his official testimony until 1984 he has no doubts that the toll rates can cover it. But he said:

> Nevertheless, I believe you should be alert to the possibility that the Canal operation may not be self-sustaining in the out years.

If I could just follow up with what the Comptroller General says about the same thing where he is talking about the IRA study. He says:

Unfortunately—

This is Elmer Staats testifying—

> the IRA study does not analyze the sensitivity of traffic to a two-stage or multi-stage toll rate increase.

In other words, what he is talking about is some place you reach a point of diminishing returns and he said:

> Who would bear the ultimate burden of fulfilling the Treaty obligations to Panama? Since the Treaty calls for Panama to receive benefits from the Canal's existence that it isn't receiving presently, someone or some group would be paying more. U.S. citizens

could potentially be affected in two roles: as taxpayers of the country that operates the Canal and guarantees payments to Panama, and as producers and consumers of products shipped through the Canal.

He goes on to point out in dollar terms to be fair this amount is negligible when compared with our total import bill, but nevertheless what the toll rate increases are 30 percent of that increase is going to be paid by U.S. consumers.

His final statement is very similar to the statement of the Governor of the Canal Zone. He says:

If canal transits fall short of what is currently estimated, it is possible that toll revenues will be insufficient to cover the costs of the Commission, including the scheduled payments to Panama. In this eventuality, the U.S. Government is likely to be required to provide financial assistance either through congressional appropriations or by allowing the Commission to borrow from the Treasury.

The whole thing that started this particular debate was the talk about profits and guarantees.

Forgetting the issue of sovereignty, and whether we should or should not turn our backs, just dealing with the economic questions here, I ask the Senator from Indiana why, even if we agree that it should be turned back to them, is it not sufficient to give them a $9.7 billion asset and a lot of other related assets that would go with the canal and its operation? Why is it not fair to say, "We have decided to give it back to you"—again, I do not agree with that, but using that assumption—"but you are going to have to run it as a utility; you make the decisions, you set the tolls, and you run it"?

Why say we are going to give them all that, and then say we are going to give them all this in addition if the tolls do reach a point of diminishing returns, as the Comptroller General and the Governor of the Canal Zone warn us we had better watch out for, beyond 1985?

It is just like owning a house, and then deciding, after so many years, you are going to give it back to the original owner of the land, and you say, "Fine, I am giving it to you, but I am going to guarantee certain payments to you; if the rents are not sufficient, I will guarantee the rents, I will guarantee the taxes, and I will guarantee that, after the year 2000, the mortgage will be paid off."

Why? Why is it not enough to give it to them? Why do we need the guarantee? Why do they not work it like a business or utility, to sink or swim, and take the risk of whether those tolls will be sufficient? Why should the American taxpayer have to pick up those payments?

Mr. BAYH. May I just make one other observation, or perhaps try to reiterate what I have said earlier?

I think that neither the proponents nor the opponents of the canal would be doing justice to the traditional debate process of the U.S. Senate if we did not recognize that there are limits to our ability to predict what actually is going to happen, particularly in the long-range forecasts.

Indeed, the Comptroller General and the Governor of the Canal Zone have said there are certain features that could arise in the future, that could cause, in time, the decreasing use of the canal and the toll problems just suggested by my good friend from Utah.

By the same token, I have not talked with the Comptroller General, but the Governor yesterday said:

There are also other factors that could have a positive impact.

So I would suggest that perhaps the course of wisdom would be to try to examine that timeframe in which we have a reasonable opportunity to determine what is going to happen, and not go looking for the ultimate extremes, either positively or negatively. The Governor of the Canal Zone said yesterday—and I would be glad to have my friend from Utah have a copy of the RECORD, and perhaps I should ask unanimous consent that significant relevant portions of it be put into the RECORD as soon as it is available, if there are no objections.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. BAYH. But I was very concerned about the economics and so we zeroed in on it. The Senator from New Jersey was there and contributed to this dialog—our distinguished colleague who is the ranking Republican member of this committee. The Governor said repeatedly that in the time frame in which one could predict, between now and 1982, the canal could be made self-sufficient and the taxpayers of the United States would not have to be paying for it.

I just want to go back here again to what we are really talking about; hopefully we are not confusing apples and oranges, because the fact of the annuities has come up two or three times.

We are talking about an agreement in the treaties that would provide for a $10 million flat use payment to Panama. We are talking about payment for services, and we are talking about a number of other cost factors which are not now decided but which will be decided as a result of a legislative program that will be given to us by the President, which will consider other factors that will be written off against tolls.

One factor that I think is important to get in there is the right kind of depreciation on assets. The Senator was concerned about that, and I think it only makes sense that those assets are there, they are in the Canal Zone, let us depreciate those so that the depreciation of the assets goes into the toll base, so that when a lock suddenly needs to be repaired, for example, you have the money there, through the actuarial process, to restore that.

All of those factors are present, and I think it is important for Congress to stand up and make sure those factors are defined in a way that is fair to the United States, and I think the dialog with the Governor yesterday took that into consideration.

All those factors should go into the cost of running the canal, which would then be prorated against each ton that is going to go through there. Now, if there is a surplus—first let me say, the toll basis, the toll fee is supposed to be, and efforts will be made to try to set it, at a level so we come out at zero, so we do not have any losses or we do not have any surpluses.

If there is a surplus, as we have now—this year there was a surplus, where the revenues were greater than had been anticipated—if that condition exists, then there is another payment that goes to Panama, not to exceed $10 million. I think it is important for us not to confuse that payment, which only exists if there is a surplus, with the other $10 million, which is a basis for determining what the total value would be.

I am sure I have said more—I know I have said more than I intended to, but let me just say a couple more words? Because if we are looking at the economics, and to me the economics are important, I suggest perhaps——

Mr. GARN. Could I just ask the Senator one question?

Mr. BAYH. Please.

Mr. GARN. The Senator brought up the implementing legislation, and I think he is absolutely right; we ought to see that implementing legislation. As a matter of fact, regardless of who is on which side of this issue, it seems to me that we should not have even started considering the treaties until we had that implementing legislation before us, so that we would not be arguing about some of these possibilities that we do not yet know.

I think it is important to note that the State Department told us that they would have the implementing legislation before us in October, and we had the chief counsel, Mr. Hansell, before us in Armed Services, and he said they would continue to rush, but there were so many things that were difficult to interpret in the treaties that it was difficult for them to write the implementing legislation.

Comptroller General Staats said he could not estimate all the treaty-related costs; he does not really know how much it is going to cost the American taxpayer in total treaty-related costs, because that information is not available.

I agree with you; we are going to take a look at that implementing legislation. I think it would have been helpful to this debate if we had actually had that legislation, to know what it is going to contain and what the cost associated with it are, before we had this debate on the treaty.

Mr. BAYH. Let me say I am going to join with my friend from Utah. We are not going to let the Comptroller General write that legislation. Let us look at what we have to do here in the Senate.

Mr. GARN. It is the State Department that is going to send it up, not the Comptroller General.

Mr. BAYH. I understand. But there is nothing in the treaties that tells us what we have to do in that implementing legislation. The two stand on their own legs; and once the treaty is ratified, when you and I and other Senators have voted for the treaty or against the treaty, then we will have the responsibility of looking at this and saying, "OK, this is what the treaty says and this is what we envision as being financially true, so that our taxpayers do not have to bear the burden and we in Congress, together

with the people of the United States, can write that implementing legislation, and I assume that both the proponents and the opponents will be able to do a good job.

Mr. GARN. The only problem with that—I agree with the Senator from Indiana that we will have to write it. The only thing is, there are a lot of things that will have to be done, that we will have no discretion on. For example, the transfer of 2,100 employees to the Department of Defense payroll. There is a prediction here that 20 or 25 percent of all Canal Zone employees will have to be taken out of the Canal Zone within 5 years. There are some phases of that implementing legislation that will greatly affect the cost. We are going to have to take care of that 20 percent of American employees, one way or the other. We will have to take care of the American school teachers, and so on. That is where we get this estimate of about $1 billion over the 22 years: the cost for these indirect treaty-related items.

But I still have not received an answer from the distinguished Senator from South Dakota or Indiana to the question which started this whole colloquy. I am seeking an answer. Hypothetically, I agree if they are entitled to this money why should they not bear the risk of the sensitivity of the zone.

The Senator is correct. These are estimates. The traffic may not drop off. The toll rate increases may not reach the point of diminishing returns. It may be self-sustaining to the year 2000. But the financial experts say beyond the year 1984 they are concerned about that. I am sure the Governor told the Senators that. Beyond 1984 they are not sure.

After giving this $9.7 billion asset to them, why should not the taxpayers of Panama bear the risk of the tolls dropping off? That is the question that started it off. Why should the American taxpayers take that risk and Panama have no risk at all?

I would like someone to give me a business and say, "Mr. GARN, we are going to give it to you debt free, no mortgage, no interest to be paid, and you can charge whatever you want for your products. If you charge too much and your sales drop off, we are going to guarantee you a payment anyway."

I do not understand the economics of that, that we have to bear the burden of a possible future risk, rather than the people we are giving this asset to. I cannot comprehend why it is placed on the American taxpayer rather than Torrijos.

Mr. McGOVERN. Will the Senator let me attempt to answer?

Mr. GARN. I would like someone to attempt to.

Mr. BAYH. Let me complete one thought, if I may I want to get back to the fact that got me involved in this debate. We talked about what the Governor of the Canal Zone said. He said that in the short-range it would be made self-sustaining. We all know that there can be things that happen, good or bad, that would change that equation in the future.

Let me suggest, before I yield the floor, that one of the reasons I determined to support this treaty after a great deal of thinking and struggling in my own mind was—because if I had my druthers, it would be why change things, it has worked pretty well—one of the things which compelled me was just as we right now are discussing the unpredictability of costs for running the canal under a treaty.

I think we can understand that there are some significantly higher unpredictable costs of greater dimensions of continuing to run the Panama Canal as it is right now. Some say it is fair to say, "Well, suppose you do not ship as much oil through there? It is not going to make it possible to get higher tolls in the treaty." I think it is just as fair and responsible for us to say, "If we do not get a treaty, we better figure out how much it will cost to have 100,000 American boys down there, some of whom will not come back." That is one of the costs that we hope we will not have to confront, and that is one of the major concerns to the Senator from Indiana.

Mr. GARN. If I may respond to the Senator, I have said here on the floor, though maybe not in his presence, that those people should not assume that those of us who oppose this treaty oppose any treaty. I am not one who believes we should continue on with the status quo. I do not believe many of my colleagues do, either. We believe there should be significant modifications in the 1903 treaty. To avoid the kind of a situation the Senator was talking about, I will not get involved in the military side today as it will take too long. I will address at some other time how vulnerable the canal is. Nevertheless, whatever the military implications are, suppose we defeat this treaty in the Senate? Why does everyone assume that this is the end, that it is over, that there is a big confrontation and no place to go? I would certainly hope that if we are successful in defeating this treaty——

Mr. BAYH. Does the Senator know how long we have been negotiating this treaty?

Mr. GARN. Yes; off and on for 13 or 14 years. But I would hope that after having been down there and recognizing how badly Torrijos needs a treaty for his own political survival, and how important politically it is to the President of the United States and this country, that we would go back and say, "Hey, this is not the end. We are still willing to talk. Let us start immediately and work on something that is fair to both countries."

I think it is interesting that a lot of people, citizens who were in favor of the treaty, of the principle of returning sovereignty, when they found out these details of economics and defense told me:

Although we are in favor of giving it back, we had no idea these were the terms for giving it back. We think you ought to go back and negotiate something that is fair to both sides.

Mr. RIEGLE. Will the Senator yield?

Mr. GARN. In a moment.

Let us not assume that if we defeat it we have an armed conflict. As reasonable people, we would say, "We did not make it on the first round, let us go back and talk some more and see what we can work out."

That would be a more responsible position than to say, "Well, it is dead. Let us have a war."

Mr. RIEGLE. Will the Senator from Utah yield?

Mr. GARN. I will be happy to yield.

Mr. RIEGLE. I think the question of what happens if the treaties are turned down is a really powerful and important question. It involves trying to look into the future, and that is not an easy thing to do. Having been to Panama and having talked to opposition groups in Panama, those to the left of Torrijos and those to the right of Torrijos, I have not talked to anybody in Panama who said if there had to be a new negotiation they would not insist on a better deal from the Panamanian point of view.

It seems to me that if we listen to what the Senator is saying, if the United States turns down these treaties and the United States goes back for however long, 6 months, 6 years, 12 years, and negotiates a new treaty, that should not cause us to assume that we would come back at a later time with a package more favorable to the United States. I would assume just the reverse of that.

Frankly, I do not think if we went back and negotiated we would necessarily get the Panamanian people, 66 percent of them as in the referendum, to agree to a transition period as long as 22 years.

On what basis does the Senator think we would not be facing a worse situation after those negotiations?

(Mr. ALLEN assumed the chair.)

Mr. GARN. I would be happy to respond. I was there for 5 days and I made it a point to talk to a lot of private citizens. I thought the reactions were rather interesting.

We have heard about all this anti-American, antigringo talk, and yet almost every Panamanian citizen I talked to on the streets of Colon, Panama City, and Balboa wanted to assure me that they were not anti-American, not to fear any great uprising, they liked us, they appreciated what we had done for them, they appreciated what had been done for their economy as a result of the canal being down there.

I said, "OK, did you vote for or against it?"

Everyone I talked to had voted for it. I am not talking about large numbers—between 20 and 25. I do not know exactly.

They said:

We voted for the treaty because we are Panamanians. We believe in our country as you believe in yours, and we would like to have the canal back in our jurisdiction.

It was amazing how they said:

We are afraid of our operation under the dictatorship. We would prefer to work out some kind of a lease arrangement, some way that you would run it for us.

I was surprised. I am not arguing that none of them said they did not want it back. They did, but they were seeking some guarantees that it would be run efficiently and well.

Those who voted against it, interestingly enough, said the same thing, that they wanted the canal back. They did

not vote against it because of not being patriotic or nationalistic, but they did not want it back under Torrijos. If they had it back under a democratic government, where they would have control as voters over the operations of the canal and their public officials, then they would have voted for the treaty.

Mr. RIEGLE. That is exactly my point, if the Senator will yield. If these treaties are turned down and this causes an uprising in Panama, if Torrijos is ousted and somebody else takes power and we then undertake to start negotiating again with whoever the new government is, it seems to me the Senator just made the very arguments which were the ones I heard. That is, that the rest of the people in Panama, if they have to negotiate a new deal, want to negotiate an even better one from their point of view than the one we are considering here now. I should think that they would advance that as an argument to say, why should there be a 22-year phased transition; why not make it 5 years? Why not make it 7 or 8 years?

I heard a number of Panamanians say that, and I suspect the Senator may have, too, if one assumes Torrijos is out of the picture.

Mr. GARN. I make the point, or the assumption, just the opposite way, to refute the Senator's point. I believe they would be willing to reconsider, because the paramount issue for them was getting the canal back under their control. As far as the operation and maintenance and everything, that is not what they were fighting about. So I would not assume, when they are getting sovereignty back immediately—that is what I tried to point out earlier about this 22-year period: All they are doing is trying to operate the canal for 22 years. They take over the whole canal zone, under their police, under their courts, under their government. That was the overriding issue, not the individual terms of the treaty.

If we went back and said, we are going to renegotiate all of these, I am not convinced that they would ask for a better deal on those terms.

Mr. RIEGLE. I might just say that I do not believe it is completely correct to say that is all that is involved. We, in fact, as the Senator says, manage to run the canal for 22 years. We also keep our military bases there, too. That is an enormous additional part of the bargain.

In terms of running the canal, 80 percent of the jobs on the canal today are manned by Panamanians. So if we were to have 100 percent of the employees operating the canal being Panamanian, we would only have to have them move into the additional 20 percent of the jobs that they do not already have.

I heard many Panamanians say to me, regardless of where they were philosophically, that they felt they were ready to assume control of this canal much sooner than 22 years. Quite frankly, I think our negotiators were very effective, from the point of view of the United States, in persuading Panama to accept a transition period that is that long when, right today, 80 percent of the jobs in the canal are held and carried on by Panamanian citizens.

Mr. GARN. Did the Senator ask the Panamanian employees how they felt about the treaty? The ones I talked to, 12 or 13—and I picked them out at random—each said that they voted against the treaties, they were opposed to the treaties, because they trusted our Government; they do not trust their own.

The point I am trying to make is that I do not have any doubts that the Panamanians can run it from an operational standpoint. There are some very bright people down there. Torrijos, as low level as he is in intelligence, has cabinet ministers who are very smart fellows. I talked to Mr. Barletta at great length. He has a Ph. D., University of Chicago, is minister of finance. I spent a lot of time talking to the minister of finance and the education minister.

I do not argue that they cannot run the canal. Their problem is political interference. That is what the Panamanian citizens were telling me, not that they were not ready to operate it or run it from a mechanical, physical standpoint. They do not trust their Government. They have a dictator who overthrew an elected established government.

Let me give an example. I told Torrijos this personally.

For $65 million a year are used for operation and maintenance of the canal, for slides, locks, et cetera. I said to Torrijos, "Do you think that whoever is around in the year 2000, with all the social and economic problems in this country, will be able to keep their hands out of that maintenance fund?"

It does not have to be a dictatorship where you have absolute total dictatorship. He can do what he wants. He cut the equation fund for students in half on the streets of Colon because somebody complained. He did it by snapping his fingers. There are no checks and balances from Congress. His education minister was aghast.

When I was mayor of Salt Lake City, we had a general fund. It came out of property tax revenues. We had an airport facility that ran out of its landing fees. We had a water facility that was self-sufficient, totally run by taxpayers' money from water revenues. The point I make is that every single year, we were required by the State constitution to balance the budget. The mayor has always balanced the budget in Salt Lake City, because mayors go to jail if they do not. It is that specific. So every year, we balanced the budget.

But there was always the pressure from our city council, the city commissioners because, with inflation, we always had more expenditures than we were going to have revenue. The first suggestion was always, let us be politically popular and not raise the property tax, but how about another million or two out of the water facility or the airport fund? Let us rob Peter to pay Paul. I was able successfully to keep that down and say, no, let us keep those separate.

If there is that temptation in a well-run American city with democratically elected officials who are required by a constitution to balance the budget, do you think that a dictator who has severe housing problems, severe economic problems in his country, will not be tempted to say, "Let me take $10 million of that $65 million next year; we will defer fixing this lock or repairing this water line and use it to buy housing."? That is a worthy purpose.

So I do not doubt the Panamanians' ability to run the canal. I doubt the political ability of that Government to run it properly. Both opponents and proponents among Panamanian citizens told me they were worried about that fact.

Mr. RIEGLE. I think the maintenance question is an important factor, one that has to be looked at. But it has to be looked at in the context of the fact that it is going to be the United States that makes the maintenance decisions for the next 22 years.

We are talking about what kind of government, who will head it, and whether it will be Torrijos or somebody else. It really is beyond my imagination to expect that in the year 2000, 22 years from now, when the United States stops running the canal and making the maintenance decisions, Torrijos is going to be around. I do not think any of us can forecast what the domestic situation is going to be in Panama at that time in terms of what the pressures might be or the form of that government or who will be in it or what have you. I do not think we can use that issue today to say that that rules out the wisdom of passing the treaties at this time. So I thing that question of who is around in the year 2000 is one that no one has the answer to.

Mr. GARN. It might be Colonel Noriega, and he would be worse than Torrijos.

Mr. RIEGLE. I think the key point that we have to look at here is the question, from the point of view of Panama, that their whole reputation internationally will depend upon the degree to which they can demonstrate a capacity to accept the responsibility for managing and operating the canal. Let us take ourselves forward to the year 2000.

It would seem to me that the one way that Panama will be measured by every other nation—their immediate neighbors, the rest of the countries in South America, the United States, the rest of the world—will be on the basis on which they responsibly, ably, and wisely manage the canal. I think they understand it. I think they uderstand it today, let alone having 22 more years elapse.

It would be my thought that, knowing that, and having the canal be something that all the nations of the world use, Panama would put premier attention and emphasis and talent to work to make sure that if they did one thing right, they would manage the canal right.

As the Senator himself said, he has every confidence that the Panamanians have the capacity, even today, to run the canal. They run 80 percent of the canal at the moment, in terms of the on-line jobs there. I think they possess those talents.

Twenty-two years' time, it seems to me, is certainly more than enough, in terms

of a reasonable transition time, for them to be able to assume the full management and operation and control of this facility.

I thank the Senator for yielding.

Mr. GARN. I hope the Senator is correct in that feeling. I do not share his optimism that that will take place.

We have been on this a long time. The Senator from South Dakota has been patiently waiting. I yield to him at this time.

Mr. McGOVERN. I thank the Senator from Utah.

Mr. President, I want to talk about a different matter.

I have been listening to this discussion with regard to the possible dollar cost to the American taxpayer if we miscalculate how high the tolls should be over the next 22 years while we continue to operate this canal. As I understand Senator GARN's argument, what he is saying is that, under the terms of the treaty, between now and the year 2000, during which time the United States will continue to operate the canal and will continue to set the toll rates which provide the revenues for the canal, if through some miscalculation, the cost of operating that canal during this period while the United States is operating it turns out to be higher than the revenue from the tolls, we have to make up the difference at the end of the 22-year period so that we do not give Panama, at that point, a canal with encumbrances against it. That in fact, is what the treaty says. The Senator is right about that.

The PRESIDING OFFICER. If the Senator from South Dakota (Mr. McGOVERN) will indulge the Chair for just a moment, Mr. GRAVEL had the floor at the time he left the Chamber and the Chair has not subsequently recognized the Senator, even though the distinguished Senator from Utah did take the floor, and——

Mr. McGOVERN. Will the Chair now recognize me?

The PRESIDING OFFICER (continuing). A moment ago yielded to the distinguished Senator from South Dakota.

The Chair at this time would like to recognize the distinguished Senator from South Dakota in his own right, and he does so recognize the Senator.

Mr. McGOVERN. I thank the Chair, and I do prefer, as a matter of fact, to speak in my own right.

The point that the Senator from Utah makes, as I said, is correct.

But I presume that even under the present operation of the canal, with or without this treaty, if we have people running it who are not sufficiently capable to evaluate the cost of that operation and then set the tolls accordingly, that somebody is going to have to make up the difference, and that would have to be the U.S. Government as matters now stand.

So I do not really see what we are arguing here as far as the next 22-year period is concerned. The only question is whether we have enough confidence in the Americans who are going to continue to operate this canal for the next 22 years to assume they will continue to do a reasonably responsible job and will know enough to set the tolls at a level where we do not lose money on the canal.

We are not sacrificing until the year 2000 our authority to set the toll rates. That is an American right. It is in American hands.

Now, I grant that there is always a human possibility of error. It is always possible that whoever is managing this canal may not set the rates exactly right. That is true with other businesses. Every once in a while a business will estimate its income at a higher level than it turns out to be and it has a shortfall. But I presume we are talking here, even at worst, of a few million dollars.

What I was hopeful we could do here for a little while this afternoon is to look at some of the costs that might fall on the United States and on the——

Mr. GARN. Will the Senator yield?

Mr. McGOVERN. If I could finish first.

What I want to think about for a few minutes is what it might cost, since we are dealing with speculative matters here today. I think the Senator from Utah would agree that the case he has posed is something that might happen, a possibility that there might be a miscalculation involving a few million dollars, some year, that would have to be made up.

But while we are in that frame of mind, I want us to think about the potential costs to the United States of rejecting these treaties.

In other words, why is it that the last six Presidents of the United States, three Democrats and three Republicans, have thought it was in the national interest of the United States to negotiate a new treaty?

Why have the Joint Chiefs of Staff who are responsible for the defense of the canal both under the present treaty and under the one we are now debating—and they will be in perpetuity as long as this new treaty we are now debating is in effect, we have a joint responsibility with Panama for the defense of that canal—why is it that our Joint Chiefs unanimously say that their job of keeping that canal open and operating peacefully is better under the treaty we are now debating than it is under the old 1903 treaty?

I think it is because these men have looked ahead to what the potential costs are, and I am talking about financial costs, I am talking about foreign policy costs, I am talking about political costs, I am talking about the possible loss of life on which it is very difficult to put a dollar sign.

Can we think for a moment about those costs?

Now, before I proceed any further, since the Senator yielded to me, I want to show him the courtesy of yielding to him.

Mr. GARN. I thank the Senator. I want to respond very briefly.

The Senator posed the question, he did not see much difference because the taxpayers were involved now if there were losses.

That is correct, if we did not have a treaty change.

The reason it is more likely to fall back under the new treaty is because of these enormously increased payments to Panama. That is the essence of the testimony, that the first year we would have a $9.3 million profit under the present operation, but we would go to a $36.7 million loss.

That is the question I really posed, and under the financial terms of the treaty, and the Governor testifies, the tolls would have to go up, in any event, but higher and more rapidly under the terms of the treaty.

That is my question.

Why does the United States have to assume that new risk rather than the Panamanians?

Mr. McGOVERN. My understanding is that it is in payment for services that will derive to the American personnel and to the United States during that 22-year period when we continue to operate the canal.

Mr. GARN. Part of it is, but not all.

Mr. McGOVERN. And on the Senator's point here earlier about wishing we had the implementing legislation before us and that the State Department would hurry this legislation to the Capitol, I am not all that sure that that is the kind of doctrine we want to be expounding here on the Senate floor.

After all, we are the legislative branch. We do not have to depend on the State Department to draft implementing legislation, or legislation of any other kind.

I realize that, as a practical matter, when we mark up a foreign aid bill, or a State Department authorization bill of some kind, we usually do, in fact, sit back and wait until they have drafted a bill and persuaded some Senator to introduce it.

But that is not the way the Constitution intended it. The Constitution designates us as the lawmaking branch of the Government, and in the final analysis we cannot pass off on the State Department the terms of this implementing legislation. That is our obligation.

So I will join with the Senator when the time comes in offering my input along with his and other Senators as to how these implementing laws are to be discussed and what they ought to contain.

But, for the moment, what we are debating here is whether or not it is in the interest of the United States to move ahead with the ratification of these treaties. Since there has been so much discussion on this floor the last few days, most of which I have listened to either here on the floor or over the radio, it strikes me that the time has come for us to have a little more consideration of what the cost might be to us if we reject these treaties.

Mr. CURTIS. Will the Senator yield for a question?

Mr. McGOVERN. Yes.

Mr. CURTIS. I thank my distinguished friend.

A little bit earlier he made reference to the opinion expressed by the members of the Joint Staff of the various

branches of the military, and that opinion indicated that they favored the treaties and that it would be better down the road for our country.

Here is a problem that bothers the Senator from Nebraska. I have observed that many high-ranking officers in our Armed Forces, all branches, who are still on active duty, subject to the commands of their Commander in Chief, some of them perhaps having hopes in their breasts of further promotions and further office, for the most part have supported the treaty and made optimistic predictions about the future if the treaties are adopted. On the other hand, the number of high-ranking officers who have retired and who have expressed grave concern about the wisdom of ratifying the treaties are legion. Why has all that happened?

Mr. McGOVERN. I say to the Senator, first of all, that I would tend to place more reliability on the testimony of military commanders who are in office and have the responsibility for defending this country than I would an ex-military officer who has no obligation at all for the defense of this country. He has his right to speak out as a private citizen. However, it is my judgment, and I think the Senator would have to agree with this, that these retired officers have not been in the same position, have not had the same opportunity, as have our Joint Chiefs, who have followed these negotiations from the beginning.

I think the Senator is aware of the fact that some of the provisions of this treaty actually were drafted in the Pentagon. They were cleared, of course, by our negotiators.

The implication of the Senator's question is a very serious one, which is that the highest military commanders in this Government would deliberately slant their answers in order to keep open the possibilities for promotion.

Let me read the answer of General Brown, the Chairman of the Joint Chiefs of Staff, to that question, in testimony before the Foreign Relations Committee on September 26. Senator Clark raised the very point that the Senator from Nebraska has now raised. I quote Senator CLARK, speaking to the Joint Chiefs. He said:

> Gentlemen, some of the most bitter critics of the treaty say that those of you in the Joint Chiefs of Staff and the higher ranks of the military commander are supporting this treaty in fear of maintaining or enhancing your positions. They say that you are being intimidated. What is your response to these accusations?

This is what General Brown had to say—Chairman of the Joint Chiefs:

> Senator, I just turned to Secretary Brown to ask if he would mind if I made an unsolicited statement at some point to get this on the record. I thank you for your question. The rules are quite clear and I think understood by all of us that nobody, no senior officer in uniform will remain on active duty and publicly be critical of a Presidential decision. I, in my role as chairman, and other members of the Joint Chiefs of Staff will articulate as forcefully and as logically as we can the view the Joint Chiefs of Staff hold on issues of national security, but if the judgment goes against us as it does in many cases, there is nothing in the law that says the President has to accept our advice, but we have to give it.
>
> We don't go public without leaving active duty first in doing so. However, the rules are also quite clear that in response to interrogation before a congressional committee that we answer fully and factually. The public record is quite clear where we have been in opposition to a Presidential decision. I can cite two cases. One, and I am sure this comes as no surprise, was the B–1.

I think the Senator will recall that military commanders spoke out in favor of the B–1 even at a time when the President of the United States was on the other side of the issue.

I continue reading:

> The second was in January, the Joint Chiefs of Staff urged that the President not plan to withdraw the 2nd U.S. Division from Korea unless three things were made part of that program. One was that the drawdown be done in such a manner that the military balance on the peninsula not be disturbed. Second, that we make public a pledge of our continued support of the Mutual Security Treaty with the Republic of Korea, and third, that we remain a Pacific power. Those three conditions the President accepted, and it became part of his program, at which point the Joint Chiefs of Staff endorsed the program.

He goes on to say that they were overruled on that point. Then he concludes:

> So, it is wrong to say that in the case of the Panama Canal we are doing this only because a decision has been made. I have personally worked very diligently for 4 years to achieve these treaties with Ambassador Bunker and subsequently with Ambassador Linowitz.

At that point, Secretary Brown entered the dialog, and he said:

> Senators, there is nothing that is more offensive or insulting to military commanders than to imply that they would lie as to their real feelings to a congressional committee in order to buck for a promotion.

I believe that to be the case. If these men are honorable in retirement, they are just as honorable on active duty, in my judgment, and more so at a time when the only oath they take is to uphold the Constitution and the well-being of the United States.

Mr. CURTIS. If the Senator will yield further—and I appreciate his indulgence very much—perhaps I spoke unwisely when I made reference to a desire for promotion. Certainly, I would not want to intimate at all that officers in any position, retired or active, would tell untruths, would lie to us. But I believe this is a true statement of the facts.

Mr. McGOVERN. On that point, I think the Senator is aware that General Brown cannot be promoted any higher, so he cannot buck for any more promotions.

Mr. CURTIS. That is what I say. Perhaps I was even unwise in referring to promotions. But I think this is true. I think it is the nature of a soldier on duty to obey the higher commands. It is in the tradition in the military that after a decision is arrived at as to national policy, they go along.

I also believe that once someone is retired, they perhaps, for the first time in their lives, become free to speak as they see, and these individuals are some of the most dedicated, patriotic people. They have nothing to gain but to promote the welfare of the country they have served so long. Yet, they are absolutely free to speak, because they are not a part of a great military that, by tradition, by practice, and oftentimes for very good reason, goes along with a policy after it is made.

Many of those officers have served in the Canal Zone, many are familiar with all the matters in the countries south of the border, and many of them have strong and deep feelings that this treaty is a mistake.

So, without impugning anybody's motives and without charging that some are trying to advance themselves—and I withdraw anything I said that implied that—and without implying that anyone is telling an untruth, I think we are faced with a real fact here: that the vast majority of knowledgeable, dedicated, patriotic military leaders who are now retired, and thus free to express an opinion of deep feeling as they see the welfare of this country, are greatly opposed to the treaties.

I believe that we, as legislators and as the Senate considering this treaty, must take that into account and give great weight to the opinion of these dedicated men, who feel that we are making a mistake in these treaties.

Mr. McGOVERN. I do not disagree with the Senator from Nebraska that they have a right to be heard, that their opinions should be evaluated, and they have been. These retired officers have been given every chance to testify, both before the Armed Services Committee and before the Foreign Relations Committee. They are free to go public with their statements. They can lecture across the country, as they have.

However, in the final analysis, when we make decisions that affect the security of this country, I think we are better advised to go to the officers who have responsibility today, the ones who are charged with the defense of this country, rather than to turn to those who are out of Government service, who are away from the exposure of the negotiations that are now going on, who obviously have not been taken in on all the discussions that have led to these treaties.

There is not the slightest doubt in my mind that these officers—the Chief of Naval Operations; the Army Chief of Staff; the Air Force Chief of Staff; General McAuliffe, who is currently in command of the Southern Command, which includes Panama—are speaking what they honestly believe to be in the best interests of this country.

I yield to the Senator from Idaho.

Mr. CURTIS. I thank the Senator.

(Mr. ZORINSKY assumed the chair.)

Mr. CHURCH. I thank the distinguished Senator, my good friend from South Dakota.

I just must take issue with the statement made by the Senator from Nebraska which gives the impression that all retired generals and admirals are opposed to the treaty and only those who are on active duty support it.

That is not the case. I am quite certain that we can call upon a roster of retired generals and admirals who have spoken up for the treaties that is every bit as impressive as the roster that could be presented on the other side.

Let me give you a few examples of those distinguished military leaders now retired who could not possibly be under any kind of restraint who have vigorously endorsed the treaties. They include Gen. Maxwell D. Taylor, who was formerly a Chief of Staff of our Armed Forces; Gen. M. B. Ridgway, who commanded American Forces in Korea during the Korean War; Adm. E. R. Zumwalt, former Chief of Naval Operations; Gen. W. C. Westmoreland, the commanding officer of the American Army in Vietnam; Gen. Lucius D. Clay, a renowned American general in charge of American Forces in Italy during the Second World War; Gen. Lauris Norstad, of the Air Force, who was not only the commanding general of our Air Force but went on to be the commanding general of NATO forces in Europe.

I cannot think of a more impressive list of retired generals and admirals than those who I have just named, all of whom vigorously support these treaties.

So, I thought that we ought not to let the record stand in a form that would suggest that only active generals and admirals endorse the treaty while those who have retired do not.

Mr. McGOVERN. I thank the Senator from Idaho for that very helpful intervention because he has very properly reminded us that a number of distinguished retired generals and admirals have supported these proposed treaties.

In that connection, I ask unanimous consent that a letter from General Ridgeway, the Army Chief of Staff during the Korean War, dated August 13, 1977, to Senator SPARKMAN, be printed in the RECORD, together with the supporting statement by General Ridgeway.

There being no objection, the letters and statement were ordered to be printed in the RECORD, as follows:

JANUARY 10, 1978.

General M. B. RIDGWAY,
Waldheim Road W., Fox Chapel,
Pittsburgh, Pa.

DEAR GENERAL RIDGWAY: Many thanks for your letter and enclosures of January 3 in support of the proposed Panama Canal treaties.

I very much appreciate having your views on this very controversial matter and you may be sure that I intend to share your letter with my colleagues on the Committee and in the Senate as a whole.

When the Committee gets around to reaching a final decision on the pending treaties, I will be sure to keep your thoughts and comments in mind.

Sincerely,

JOHN SPARKMAN,
Chairman.

PITTSBURGH, PA., *January 3, 1977.*

Hon. JOHN J. SPARKMAN,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR SPARKMAN: Because of my fifty years of participation in high-level US-Latin American relations, I hope you will read the enclosure. It sets forth my Latin-American experience, my reasons for strongly supporting ratification of the Panama Canal Treaties, and my hope that after full debate, with such clarifications as the Senate may deem essential, it will approve and advise ratification.

With kindest personal regards and my highest respect,

Sincerely,

M. B. RIDGWAY.

MEMO—PANAMA CANAL TREATIES

1. FACTS BEARING ON THE SUBJECT AS I SEE THEM

a. During WW I we had the full cooperation of all of Latin-America, except for the Argentine.

b. During WW II we had complete political, military, and economic cooperation from all of Latin-America, except initially from the Argentine, and this we retained throughout a decade and more following the war.

c. If we should become involved in another major war, then the importance of a friendly cooperative Latin-America would be of vital strategic importance to us, and to secure and retain it should be a major objective of our foreign policy.

d. Currently, our relations with Latin-America have become marred by serious disagreements, such as those with Brazil (our oldest and firmest friend in the Hemisphere), Chile, Colombia, Ecuador, Panama, and Peru, with some knotty problems with Mexico, while Cuba remains strongly aligned with the USSR.

e. The governments of the Latin-American Republics are unanimously in support of Panama on the Canal issue.

f. The situation in Panama is one made to order for demagogues and all those elements inherently hostile to the United States.

g. Panama itself has the potential for arousing strong anti-U.S. feelings; of facing us with dangerous rioting; and, depending on how such a situation were handled, of turning much, if not all of Latin-America from friendly allies to neutrals, or worse.

h. It therefore becomes of major importance to us to defuse this potential time-bomb, and ratification of the treaties would, I think, be most effective in doing this.

i. The vulnerability of the Canal to sabotage is greater today than ever with the availability of nuclear explosives, but even breaching the earth fill at Caño Saddle would drain Gatun Lake, rendering the Canal useless for at least the three years it would take Nature to refill it after the break were replaced.

j. The U.S. Senate will give full consideration to reconciling the divergence of views on the two provisions dealing with our "rights" of priority of passage in war or emergencies, and of our use of armed force for its protection. I believe these obstacles can and will be surmounted.

2. CONCLUSIONS

I fully recognize the great weight and divisive nature of the arguments of those who oppose ratification, but I firmly believe that these arguments are outweighed by our long range vital strategic interests, and when the U.S. Senate has thoroughly debated the issues, I would strongly urge and hope that it would approve and advise ratification.

See Attachment hereto.

M. B. RIDGWAY,
General, U.S. Army, Retired.

ATTACHMENT TO MY MEMO OF SAME DATE—PANAMA CANAL TREATIES

My judgment on the issue of ratification derives from fifty years of experience involving high-level U.S.-Latin American relations, as listed below:

1. 1927–28, Asst Secretary, Nicaraguan National Board of Elections.

2. 1930, Secretary of that Board.

3. 1932, lecturer in Spanish to the Panamanian Police, Balboa.

4. 1939, with General George C. Marshall on his mission to Brazil, negotiating an agreement for establishing our line of communications across the South Atlantic from Natal via Asenssion Island to Accra and Dakar.

5. 1940, Organized the U.S. Staff of the Mexican-United States Military Commission.

6. 1940–41, under State Department supervision, organized US Army officer teams to negotiate with all of the Latin-American governments for their military cooperation, and personally conducted those negotiations with Colombia and Venezuela.

7. 1941–42, Chief, Latin-American Section, War Plans Decision, Army General Staff.

8. 1947, member of the U.S. Delegation to the Rio Conference.

9. 1948, member of the U.S. Delegation to the Bogota Conference.

10. 1946–48, Chairman of the Inter-American Defense Board, consisting of the military representatives of all 21 American Republics.

11. 1948–49, Commander-in-Chief, Caribbean Command, when the Governor of the Canal Zone was under the military commander, and this command was responsible for most of U.S. military activities throughout Latin America.

12. 1949–50, again Chairman of the Inter-American Defense Board until ordered to take command of the US Eighth Army and the ROK Army in Korea.

13. Have traveled extensively throughout those fifty years in South and Central America and the Caribbean.

14. Have been decorated in years past by the Governments of Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Guatemala, Mexico, Panama, and Peru. Acceptance and retention of all these decorations was authorized by our Government.

M. B. RIDGWAY,
US Army, Retired.

PITTSBURGH, PA.

Mr. McGOVERN. I think General Ridgway's arguments always carry special weight with me because he is the general way back in 1954 who, at a time when it had been proposed by some in the administration that we intervene in Vietnam militarily, advised President Eisenhower against that with such force that he thought he had carried the day, and General Ridgway writes in his memoirs that when he faces his Maker some day the thing he will be proudest of is that he persuaded the United States not to send American forces into Vietnam. Unfortunately, the general wrote those memoirs in 1956 and, of course, we all know what happened after he left as Army Chief of Staff and others took over and we went right down the road that he warned us in 1954 would lead to disaster.

And it is that disastrous road that I want to talk about here momentarily. But I yield to Senator GARN at his request.

Mr. GARN. I thank the distinguished Senator from South Dakota for being so patient. He has tried for a half-hour now to get his statement out. The Senator from Idaho is correct. There are some very distinguished retired military officers who do support this treaty. He stated it accurately, and there are some distinguished officers.

I would just point out, though, that in a poll, and it is not current—it was some 3 weeks ago, so I do not know what has come in since—but a poll was conducted

of over 300 retired general and flag officers, and at that point there were about 307 opposed and 6 in favor.

When Admiral Holloway was testifying before the Armed Services Committee I questioned him on this and he said much as the proponents have said that, well, the Joint Chiefs of Staff had the responsibility, and therefore that would make some difference. So I want to be fair about the testimony. But I asked him. I said: "Admiral, what do you think a poll of active duty flag and general officers would show, not reservists who are off, if it were held secretly?" And he commented that he thought it would be about the same. However, he wanted to put in one caveat, again to be fair so that I am not taking something out of context, that the others did not have the direct responsibility and access to the same information that he and the Joint Chiefs of Staff did. So he did put those caveats in.

Mr. CHURCH. Which are very important caveats.

Mr. GARN. They are and, that is why I want to be fair and not quote something out of context, but nevertheless he said that if it were held in secret he would expect the ratio would be about the same of active duty general and flag officers.

I thank the Senator.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. CHURCH. I know the Senator from Utah wants to be wholly objective and fair. He has referred to a poll and the results of a poll. I presume that it was the poll taken by the Retired Reserve Officers Association of the United States. Is that correct?

Mr. GARN. Yes.

Mr. CHURCH. My presumption, the Senator nods, is correct.

Let me read the question that was asked to these Reserve officers just to give you some flavor of how this poll was tilted.

The question that was asked was really a solicitation for opposition to the treaty, which is hardly the form that an objective and fair poll normally takes. The solicitation reads as follows:

I concur with your opposition to the treaty concerning the Canal Zone to be brought before the U.S. Senate for ratification at an early date. I am willing to join Admirals Moorer, Burke, and a great many other senior members of the Reserve Officers Association in publicly expressing my disapproval of the treaty in the belief it is not in the best interest of the people of the United States.

That is the poll. It is kind of like a Russian election. You get to put your signature down in opposition. I do not see a place here for expressing your approval.

Moreover, just in order to be wholly objective and fair in the presentation of these figures, I think something needs to be added that the distinguished Senator from Utah omitted when he referred to the results of the poll.

The ROA requested some 800 general and flag officer members to join in opposition to the canal treaties by signing the statement to which I have just referred.

Of this group only 347 officers responded to the request. A total of 340 officers signed the statement, 7 indicated their support of the treaties—they must have had to write separate letters to accomplish that—and 453 failed to respond. Incidentally, the total ROA membership is about 107,000. What a poll.

The most significant part of it, once all the facts concerning it are placed in the RECORD, is the number of generals and admirals who would not sign such a statement.

That, I think, puts this poll into a fairer and more objective frame of reference.

Mr. GARN. I just want to briefly respond. I do not think we can assume that as to people who did not respond what their position was one way or another. I would not like that impression left.

I get mail at home all the time that asks my opinion, and I throw most of it in the waste basket.

I may agree or disagree with that poll. But the Senator did not bother to respond to Admiral Holloway's testimony of what he thought active duty general and flag officers would do. Furthermore, to say there are 107,000, they were seeking the opinions of general and flag officers and not all the lower ranking officers. Do not believe that impression.

Mr. CHURCH. Indeed, they were. I left no impression but a factual statement of the case. It seems to me rather extraordinary for the Senator from Utah first to present this poll with an overwhelming vote against the treaty, which was nothing but a solicitation for opposition to the treaty, to which half or more of the generals and admirals refused to respond. And then say, oh, they just threw it in the waste paper basket. I suggest to the Senator that admirals and generals who are retired would have a sufficient interest in this case that they would not simply just discard it out of hand. They knew it for what it was. It was a solicitation for opposition, and those who refrained from signing did so because they did not want to be counted a part of this opposition.

Mr. GARN. I would simply say that that is a fairly high percentage of the poll, from the polls I have been used to.

If we are talking about slanting polls, that is being done with the Byrd-Baker amendment. The answers are being turned around, in public opinion polls, because of the way the questions are being slanted there.

Mr. CHURCH. If the Senator is concerned about the slanting of polls, he has given us a straight illustration on the Senate floor about how to do it.

I will put the rest of the facts in the RECORD, and yield the floor.

Mr. GARN. I agree the question is slanted to get the kind of answer desired, but I will also say it does not take very many people. The overwhelming proportion of active duty military people, and retired, are opposed to this. I ask the American people to ask officers that they know, and enlisted men, and see what kind of responses they would get from the American military.

Mr. McGOVERN. Mr. President, just one final word. I really had not intended to get into the discussion here today, primarily, of military opinion, on a matter that is essentially diplomatic and political. I would just hasten to add again that the overwhelming percentage of the testimony of our military officers who now have the obligation to defend this country is in support of the treaties.

I somehow missed one interesting observation that Admiral Holloway, the Chief of Naval Operations, made in testimony before the Armed Services Committee, but it is a rather interesting statement, and I would like to read it into the RECORD. It was a brief exchange involving Senator STENNIS and Admiral Holloway, on January 24, just a month ago today.

The admiral said:

If I can give my view which I think is representative of the Chiefs, we had two choices: one essentially was no new treaties, which could cause us to withdraw from the canal in the next 5 years under adverse conditions.

That is a very serious thought, that the Chief of Naval Operations and the Joint Chiefs are seriously considering that as the kind of option they might face then, if we had to labor under the 1903 treaty, that within 5 years time they might be forced to withdraw under adverse conditions.

"or"—

Said Admiral Holloway—

we could, with new treaties, provide for the future security of the canal. Mr. Chairman, I would like to make one point; I think that there was no member of the JCS with a stronger conviction than myself of the national need for the use of the canal for our defense purposes in the future, and I was seeking the best solution to give us the highest assurance that we would be able to use the canal in the future.

It was on that basis, he went on to say, that he came down squarely on behalf of these new treaties.

Now, Mr. President, to get back to what I started to say here about an hour ago, our distinguished new colleague, Senator MURIEL HUMPHREY, delivered her maiden speech in the Senate of the United States today, on the very theme that I had intended to discuss this afternoon.

What she, in effect, is calling on the Senate to do is to consider costs that are even greater than any we have talked about here today: that is, the potential cost to the standing of the United States in Latin America and throughout the Third World, indeed throughout the world, indeed throughout the world, if we were to reject these treaties that had been negotiated in good faith.

Just to quote a couple of passages from this eloquent address on the Senate floor earlier today by Senator HUMPHREY:

The Panama Canal Treaties symbolize the pivotal point in U.S. policy towards Latin

America and the nations of the developing world.

Then she went on to warn:

But let us be mindful of the fact that our greatness depends as much on our tradition of dedication to justice and fairness, the Founding Fathers' ideals and dreams of liberty, and our healthy political and economic base at home, as upon military power.

She went on to say:

We are a world power. But do we have to prove it by flexing our muscles against little Panama? I think this would be the most preposterous position in which we could place ourselves.

Mr. President, I think that is an eloquent statement from the new Senator HUMPHREY, and one that her late beloved husband, Hubert Humphrey, would be very proud to see her underscore in her maiden address to the Senate.

I must say that same thought has come to my mind as I have read some of the mail that has come in to my office from all over the country saying, "Why can't we stand up to Panama?" As though somehow our manhood, our patriotism as a nation, was under attack in these treaties.

I do not think anybody is so foolish as to think the United States is going to impress either ourselves or anybody else simply by showing that we have the power to stand up to Panama. Of course, we do. We demonstrated that in 1903, when we negotiated this treaty that has caused so much trouble over the last 75 years. It is not a question of whether the United States is as strong as Panama, or strong enough to rebuff them diplomatically or militarily or any other way we see fit. Obviously we have the power to quash Panama any afternoon. The question is what is just, what is fair, what will best enhance the standing of the United States in the world?

I just want to commend, in the strongest possible terms, Mrs. HUMPHREY's reminder to us here earlier today that the power and greatness of this country are not measured by how we flex our muscles toward a little country like Panama, but whether or not we are true to the ideals of self-determination, dignity, and justice that have brought this country to a position of power, influence, and greatness in the world.

I have listened with some care to the heated public debate that has gone on since these treaties were signed last summer, and I must say that after all that time I am still left wondering what the opponents of the treaty expect to happen should they prevail. What are the results they are so anxious to achieve?

A number of results have been implied. We are told, for example, that if we junk these agreements, we will then be free to negotiate with some other country in Central America for a new sea level canal, and we will not need Panama any more. But, Mr. President, in that connection, the most careful studies have been made of alternative canal routes in Central America, and these studies have without exception come down very decisively on the conclusion that the only feasible route for a canal in Central America is in Panama.

Back in January of this year, when we had the former executive director of the sea level canal study before the Senate Committee on Foreign Relations, the man who had participated in some 5 years of study of alternative routes, speaking for that whole committee, he said:

I assure you that there are no foreseeable circumstances in which the United States would be likely to consider building a new canal outside Panama. The only feasible routes are in Panama.

Mr. President, we spent $22 million for that study, and it contains some of the most distinguished Americans on the study: Milton S. Eisenhower, Robert Storey, Kenneth Field, Raymond A. Hill, and the chairman, Robert B. Anderson. After some 5 years of study, they came to this conclusion:

Limiting the choice to Panama costs the United States nothing, and in return, we get the commitment that other powers cannot meddle in this matter. The theoretically feasible routes across Nicaragua and Costa Rica are 140 miles and 100 miles in length, in comparison with the Panamanian route.

It goes on to point out that what they proved after the expenditure of $22 million and 5 years of study, "is that we could not build a canal outside Panama."

I think the argument which has been made here that because, during the next 22 years, we sign an agreement not to build a sea level canal elsewhere in Central America other than Panama, means we have given away nothing. We have given away something we would not consider anyway. That is the possibility of a canal in Nicaragua or someplace else our experts' studies have ruled out as not being feasible.

Mr. CHURCH. Will the Senator yield for a question?

Mr. McGOVERN. Yes, I yield to the Senator from Idaho.

Mr. CHURCH. I think the Senator is unquestionably right. He has said that we yielded nothing. We did not want to preserve the option to build a canal outside of Panama when our studies have already shown us that only a canal within Panama would be economically feasible. So we gave up nothing.

The other side of the coin is that we got something from the Panamanians that was rather valuable.

This is why our negotiators sought to insert this provision in the treaty. It is not the Panamanians who urged it upon us, but it was the American negotiators who sought to insert the provision.

What we got back was a commitment on the part of Panama not to permit any other country during the life of the agreement to build a sea level canal in Panama, a matter of the greatest consequece to the United States and our future security interests.

So we have a provision which weighs heavily in favor of the United States, securing a commitment from Panama of enormous value to us in return for a commitment on our part of little value at all. It may be the most one-sided provision in our favor in the treaty before us.

Mr. McGOVERN. I believe the point is well taken.

In addition to this argument that I regard as a specious argument about forfeiting the right to build a canal outside of Panama, a right that we are not about to exercise with or without this treaty, there has also been another argument expressed about the concern for human rights, the implication being that the present government in Panama is of an authoritarian character.

It is interesting to me that some of the same people who would argue that it is perfectly proper for us to maintain forces in South Korea to back the regime of General Park, which, if anything, is an authoritarian regime, are so concerned about the authoritarianism of Panama. I wish that government was somewhat more democratic than it is, too, but I do not see how we could carry on diplomatic relations with the rest of the world if we are going to limit those relations only to those countries which have a parliamentary democracy. That is going to eliminate a lot of allies and alleged friends of ours around the globe.

It has also been said that we could better defend the canal under the old treaty, that we could have more assurance that the canal would remain secure and operational if it is in American hands.

There was also some point that was to be drawn from the secret session. As I suggested before, I found it very hard to discover the relevance between the treaties and the disclosures we heard earlier this week. I suppose the implication was that if we turned the treaties down it is going to somehow help solve the drug problem in Latin America. Upon closer examination these claims all tend to crumble.

Even setting aside the feasibility problem and the billions in cost, there is, for example, no reason at all to believe that we can negotiate a better deal with Nicaragua than with Panama. Nor is there reason to believe that the human rights of the Panamanians will improve in the slightest should these treaties be scrapped. It is likely the opposite will happen, that all Panamanians will suffer both the injury of oppression and the continued insult of a foreign zone dividing their nation.

Similarly, the matter of defending the canal should have been long since settled, both by the explicit testimony of our top military commanders and by simple logic.

Most deeply of all we can set aside the notion that there is somehow a relation between these treaties and the international traffic in narcotics. Whether we support or oppose the treaties, I think most of us have come to the view that the secret session proved to be irrelevant and a waste of our time. It is quite safe to predict that rejecting the treaties will have no impact at all on the problem of narcotics.

So what we will really have if we reject these treaties, after weighing all the claims, is it seems to me we come down to only one indisputable result. It will be the right, if we reject these treaties, to throw out our chests and say that the Panama Canal is still ours. In the final analysis, that is what we are really talking about, the prize of claimed ownership.

It is a sort of collective possessiveness over a thing to which we have, over the years, become strongly attached.

I must say, Mr. President, that the strength of that emotion is surprising. People who never thought about the canal are discovering now they cannot live without it.

I do not suggest that that feeling can or should be ignored. I do not want to ridicule it or minimize it. We simply cannot set aside the strong feelings that many of our fellow citizens have. I have tried to answer every letter which has come to my office on this subject.

Mr. ALLEN. Will the Senator yield?

Mr. McGOVERN. Yes, I will yield.

Mr. ALLEN. The Senator mentioned if the Senate in its wisdom should reject the treaties. Would not the Governments of the United States and Panama have the additional option of having their negotiators return to the negotiating table and negotiate further treaties which could then be submitted to the U.S. Senate for its advice and consent?

Mr. McGOVERN. That is right. It means we might get another treaty back here about the year 2000.

Mr. ALLEN. Yes; but the Senator must realize that the 13 years of negotiating finally resulted in a treaty which was signed. Then if the U.S. Senate, by the amendment process, has an opportunity to show what it would agree to, and finally would reject these treaties, would that not serve as a blueprint for the possible work by the negotiators in arriving at an earlier agreement on the treaties?

Mr. McGOVERN. I will say to the Senator that is what this debate is all about. If these treaties are not in the interest of the United States they ought to be rejected.

The argument I would make here today, which I have made before, is that the treaties are clearly in our interest; that they have been in the process of negotiation now ever since 1965; that our negotiators have done a good job; that we have been able to suggest certain changes. Recommendations which came out of the Foreign Relations Committee by a vote of 14 to 1, I am confident will be overwhelmingly adopted here on the floor of the Senate, which will strengthen the treaties.

I think the time has come now not to negotiate another treaty, but to face up to these very carefully drafted documents before us. That is what we are in the process of doing.

Mr. ALLEN. Yes; but the Senator is supposing a situation where the treaties are defeated. But would not the debate here, in the U.S. Senate, point out the shortcomings that would serve as guidelines for the negotiators to come up with a treaty to which the Senate would give its advice and, finally, its consent?

Mr. McGOVERN. I can only say to the Senator that it is my own judgment, having sat through all of the discussions on this matter and the hearings before the Committee on Foreign Relations, that I do not anticipate at all that we could negotiate in the next 25 years a substantially better treaty than the one we now have.

What I fear is that if we reject this treaty, we would set off the kind of reaction in Panama that would lead to a hardening of lines, that we might get a more extremist type of government replacing the one that is already in power. I think we are walking a very fine line politically with Panama right now.

General Torrijos, for all of his faults, has made a number of concessions to the sensibilities of the U.S. Senate. He spent hours and hours hosting Senators who went down there with questions. He tried, I think, the best that any political leader could to modify the treaties from time to time and accept language that was important, to consider the sensibilities of Americans, and particularly the Senate.

Maybe the time has come for us to consider some of the sensibilities in Panama. They have political problems as well. This canal may be an important issue to us, but it is the issue in Panama. I think one would be hard pressed to put this on a list of the top three or four problems before America today, but it is No. 1 in Panama. It is the issue.

I think they have been remarkably flexible in the way they have approached these negotiations over the years, but I would shudder at the thought of going through that whole process again. I am not sure what we would come up with.

I might say to the Senator, there was a draft treaty back in 1967 that the Panamanians tentatively agreed to that permitted us to stay there until the year 2004. Now we have come back, 10 years later, with a treaty where they are asking us to get out 4 years earlier. Maybe if we go back still a third time, they may say, "Get out today; that is all we will settle for."

Mr. ALLEN. Yes; and there was a draft of the treaties, I believe, in July of last year that was changed drastically in the last few days before the expiration of the 6-month period of service of Ambassador Linowitz.

I might say further that if the defeat of the treaties would result in the toppling of the Torrijos regime down there and the return of a democratic form of government to Panama. I would think that would be one further reason why we should defeat these treaties.

Mr. McGOVERN. For whatever it is worth, I would like to give the Senator not only my judgment, but the judgment of some of our top diplomats who have been in that part of the world that, if General Torrijos is toppled because of the rejection of this treaty, it will not be to bring in a greater measure of democracy. It will be because the left wing and some of the Communist-tinged groups down there who are saying that this treaty is too generous to the United States will be the ones who will take over. Then we will be faced with a much tougher and more rigid situation than we are today.

I might also add that at least one of the witnesses—I think it was the Secretary of State—who testified before the Committee on Foreign Relations said that the more democratic government there is in Panama, the more they are going to insist on Panamanian national interests being represented in this treaty. So we may face a much tougher situation if this treaty is rejected than we do today.

Mr. ALLEN. In other words, the Senator takes the position that it is to our interest, then, to perpetuate in office the Torrijos dictatorial regime; is that correct?

Mr. McGOVERN. I think it is in our interest to negotiate a treaty that we have hammered out with the Panamanian Government under which, I think, major concessions have been made to the United States I think it is in the interest of this country, and it is really not up to us to try to dictate the kind of government they have in Panama. Obviously, it is not the kind of ideal democracy we would like, but the Senator from Alabama and I could think of a good many other countries around the world that we negotiate with, that we sell arms to, where we even have American forces stationed, that also leave something to be desired in the way of democratic institutions.

Mr. ALLEN. I am sure that is true. I thank the distinguished Senator.

Mr. McGOVERN. What I do suggest here today, Mr. President, is that all the considerations be weighed, because I think the job of the Senate is not simply to reflect transitory popular emotions, but, as the majority leader reminded us a few days ago, to apply some measure of judgment to consider what is in the long-term interests of the country, even if it means losing some popularity now.

On one side of the balance, we have this matter of national pride in the history of the canal and the claim of present ownership, what is referred to as rights in the zone as if we were sovereign. If we reject the treaties, it will be essentially for the sake of those values. Now the question is, What are some of the potential costs of rejecting the treaty?

First, it is not hard to forecast the impact on our relations with Panama. Two-thirds of that country's voters supported the treaties in the plebiscite and there is scant reason to expect that either they or the other third would feel more kindly toward the United States if the treaties were killed.

I think the evidence is very strong that the one-third of the Panamanians who voted against the treaties in the present form did so because they wanted treaties that were slanted more in the direction of Panamanian interests. Some of them did not like the idea that we were going to stay there until the year 2000. That became one of the rallying cries against the treaties. Nevertheless, they were adopted by a 2-to-1 margin in the Panamanian plebiscite.

We have only to recall the situation in the aftermath of the tragic rioting in 1964 to envision the shattering effect

that failure to ratify the treaties can have on United States-Panamanian relations. At that time, diplomatic relations were broken between the two countries. An atmosphere of hostility surrounded the American community in Panama and there was uncertainty concerning the operation of the canal, whether it could, in fact, remain in operation. Should the treaties now be voted down, I think Panamanian leaders would be hard put to restrain radical elements and other groups, who could point to rejection of the treaties as vindication of their position that violence was the only way to achieve Panama's objectives.

I suspect that is what Admiral Holloway, the Chief of Naval Operations, meant when he told the Armed Services Committee that they were considering an option in the event of the rejection of these treaties, that they might have to withdraw under adverse conditions within a 5-year timespan. Indeed, Panamanian leaders would have little incentive or reason for restraint. Escalation of demands against the United States would be the order of the day. Since rejection of the treaties would presumably result from demands for tougher terms, these demands from the U.S. side would exacerbate further our relationship with Panama.

In these circumstances, we would have lost, possibly permanently, the opportunity to negotiate a treaty on terms as reasonable as those the Senate is now being asked to approve.

Even if some future Panamanian Government had the strength and the popular support to reopen negotiations, it would almost certainly insist on terms less favorable to us than the present treaty.

Along with these political impacts, a failure of the treaties would deal a severe setback to the Panamanian economy and to our economic relations with Panama.

Mr. President, one of the things that I learned on a trip to Panama in December, a trip I was not sure would produce any new insights, but I went primarily because I thought as a member of the Foreign Relations Committee I ought to at least familiarize myself with attitudes there, and one of the first things I learned on that trip was that investment is paralyzed at the present time. That is, both Panamanian and foreign investment coming in from outside is virtually paralyzed while the investors wait to see what the outcome of the treaty debate here in the Senate is going to be.

I talked with a group of American businessmen one morning over breakfast who said that the reason for that is that a great many people in the business community and in the investment community fear a condition of instability and agitation if these treaties were to be rejected that would make business investment very uncertain, indeed.

So that with each passing month, the opportunity for economic growth and economic investment in Panama is being hampered by the delay of these treaties.

I do not cite that to stampede Senators into a quick ratification of these treaties. I know better than to think that would work, in any event. But simply to indicate it is another factor we ought to keep in mind, that Panama is a little country with economic problems of its own. It does need whatever investment it can secure to provide jobs and opportunities for its people, and the indefinite delay of action on these treaties is paralyzing that investment process.

On the basis of a booming economy in the 1960's, the present Panamanian Government has undertaken development programs designed to spread this wealth to its rural population. But the uncertainty about the canal treaties on top of a worldwide economic recession has caused Panama's economy to falter. Rejection of the treaties and the further uncertainty that would follow would certainly dampen hopes for renewed economic development.

I think radical groups could then point to the failure of free enterprise in Panama and would be encouraged to offer authoritarian or Communist models in its place.

I think it would be ironic, indeed, if rejection of the treaties helped bring to power the very groups that treaty opponents say they most fear and wish to frustrate.

Perhaps the greatest loss in this relationship would be the disillusionment of tens of thousands of Panamanians who count themselves friends of the United States and share our beliefs in what it stands for.

It is interesting, Mr. President, that the top officials in the Torrijos government and their negotiators very discretely avoided any threats of what they were going to do if we do not ratify these treaties. They warn us about what some of the more radical and extreme elements in the country might do, but, to the best of my knowledge, there is no Panamanian official in office today, no one of their negotiators, who has said, "Either you ratify these treaties or there is going to be military trouble, there is going to be a tax on the canal, there is going to be sabotage from us."

They imply that may happen from some of the people they cannot control, but it has not been a policy that their government has pursued in a heavy-handed way as a threat over our negotiators or over the U.S. Senate.

Despite the publicity about anti-American feeling in Panama, that country probably has closer ties to the United States than any other in Central America because of the presence of the canal and the many ties that have developed between us. Thousands of Panamanian citizens have attended our colleges and technical schools. They have come to know us and our way of life and to develop a respect for our freedom and fairness. This has led them to accept the present treaties, even though they will not achieve many of their cherished national aspirations for nearly a generation.

So if we dash these hopes, this country will have lost its most valuable asset in Panama, and that is the confidence of its people in what we stand for as a nation.

Panama, of course, is only one country. Strong feelings on that same issue spread throughout Latin America and in much of the Third World.

Traveling through other countries in Central America and Latin America in December, in Peru, in Venezuela, in Costa Rica, in Puerto Rico, and elsewhere, every political figure I talked with in those countries said that the rejection of these treaties would be an enormous setback for the influence and prestige of the United States throughout Latin America.

While we do not consider our presence in Panama as colonial, Latin Americans frankly do regard our arrangements in the Canal Zone under the 1903 treaty as a colonial vestige of the past, and at sharp odds with all we say about national independence and freedom from colonial domination.

In December I visited three friendly countries in Latin America—Costa Rica, Venezuela, and Peru—to seek candid expressions on the treaties. In each case I heard that rejection would severely damage our standing in Latin America. By the same token I heard that the signing of the treaties brought this country enhanced respect and support. They are viewed not as a retreat, but as a reaffirmation of American greatness. This is an issue on which Panama has the full support of all the member states of the Organization of American States.

We find ourselves similarly isolated, not only in Latin America, but the United Nations, on this contention that we should be allowed to continue under the 1903 treaty.

If the treaties are now rejected, it is highly likely that we would, once again, come under criticism and attack in the United Nations and other international bodies. And we could hardly look even to our closest allies in Western Europe for support. Since the end of World War II, we have been pressing the British, the French, the Dutch, the Spanish, and the Portuguese to give up their colonial position around the world and we can hardly expect their sympathy for any effort on our part to hang on to a colonial vestige of our own.

Meanwhile, by our own action, we would hand the Communists a ready made issue with which to embarrass and divide us from those who would be our friends. There is understandable exasperation in this country at the political double standard that is sometimes displayed in the United Nations. But if we are to succeed in our efforts to eliminate these abuses, surely we cannot practice what is regarded by so many as a double standard of our own.

But let me put this in a more positive way. I submit that our own history—our own origins, traditions, and principles of independence—are among our greatest assets in international affairs. I think one of the great tragedies of our recent history has been our tendency to underestimate the power of these traditional American values, while we have overestimated what might be accomplished by force of arms.

Why, then, should it seem strange to us that smaller countries are more and more resentful of outside interference, and that they are demanding a greater say over their own destinies? Those are precisely the aspirations that founded our own country. Two centuries ago the British had a claim to sovereignty over America which was, by the lights of that time, every bit as valid as our claim to the Canal Zone is today. And now it would be especially valuable to our international standing if, less than 2 years after our Bicentennial Celebration, we could remember our own history as well as others do. There are systems in the world who believe, to their shame, that they have a right to control other nations. We should be proud to say that America is not such a country, and to say that democracy is not such a system. That is exactly what these treaties say. And that is why I not only accept them but enthusiastically embrace them. It is why I have so much trouble understanding those who would give up this precious international asset these treaties represent simply to be able to proclaim, "the canal is still ours."

The political cost of refusing these treaties ought to be reason enough to endorse them, indeed, to welcome them. But there is another cost which troubles me still more.

Over the past several months there has been a great deal of discussion over the question whether the United States has retained a right to intervene militarily in Panama should we conclude that the canal is endangered or that our access to it might be limited or denied. I must confess that all of this talk gave me an eerie feeling. Here we were, just a few years after young Americans had stopped being killed and maimed as a consequence of our intervention in Vietnam, nonetheless demanding a guaranteed right to intervene somewhere else.

Of course, it is not my contention that those who wanted the treaties clarified on this score were spoiling for another jungle war. I support the amendments recommended by the Foreign Relations Committee, to incorporate the Carter-Torrijos understanding into the treaty language itself.

It is my contention, however, that another consequence of treaty rejection will be a heightened risk that our "right" to fight over the canal will have to be exercised. And that prospect, too, must be weighed on the scales.

Too much of the debate has operated on the apparent assumption that a war over the Panama Canal will be a nice, sterile sort of exercise in which we will show the flag and the adversary will fade away. The terms used are "right to intervene" and "right to defend." No one ever talks about the "right to send young Americans to be killed" in another guerrilla war.

The Joint Chiefs of Staff have told us that the defense of the canal will be much easier if the United States and Panama are in a partnership rather than in a relationship of antagonism. One reason why that is true is that a military or terrorist threat to the canal is far less likely with the treaties than without them. Moreover, without the treaties, the kind of conflict which might happen would be more deadly—not isolated terrorism, but an insurgency from among the indigenous population, with the continuous threat of death from an adversary that cannot even be seen.

Again, I make no charge that anyone here would welcome such a conflict. But we are dealing with conditions bearing directly on the risk. And as we do that, we should always bear in mind that for all of our talking, not one of us here has to fear that we will be required to go down and take part in the fighting.

These, then, are some of the consequences we should expect if the treaties are defeated. Secretary of State Vance summarized similar results in his testimony before the Foreign Relations Committee last September:

> Our relations with Panama would be shattered, our standing in Latin America damaged immeasurably, and the security of the canal itself placed in jeopardy.

To that I would add what would be for some Americans the gravest result of all—a measurable increase in the danger of a war resulting in death or injury.

And for what?

There might be some international causes that would warrant all of these costs. No one should ever doubt our willingness to sacrifice when our own security is at stake or when our friends are under attack.

But let us also show the world and ourselves that we have a sense of proportion. Let us declare that we will not squander our values or our credentials for the sake of misplaced national pride. Let us ratify these treaties, as our best assurance both that we will have continuous access to the Panama Canal and that lives that might someday be needlessly spent will be spared.

In conclusion, Mr. President, I would like to insert in the RECORD an excellent editorial from one of the major newspapers in my State, the Sioux Falls Argus Leader.

The Argus Leader makes the unassailable point that we need not repudiate the past in order to recognize the need for new arrangements with Panama. The editors endorse the treaties now pending in the Senate with this concluding thought:

> The world has changed greatly since the 1903 treaty between Panama and the United States. To insist on staying with the status quo in Panama is to disregard history and the emerging nationalism of the world's smaller nations.
>
> A change of course in 1978, by ratification of the treaties, is a positive step that the world's free superpower can take without fear of its security or vital interests. Both will be served by ratification of the treaties by the U.S. Senate.

Mr. President, I heartily agree with that editorial. I ask unanimous consent that this editorial of Sunday, February 19, together with an editorial published in the Washington Post of February 1, entitled "Remember Panama?" be printed in the RECORD.

There being no objection, the editorials were printed in the RECORD, as follows:

[From the Sioux Falls (S. Dak.), Argus-Leader, Feb. 19, 1978]

SENATE SHOULD RATIFY TREATIES

"Truly there is a tide in the affairs of men, but there is no gulf stream setting forever in one direction."—James Russell Lowell, Literary Essays (1870–1890), New England Two Centuries ago.

This quotation from the 19th century is pertinent to the great national debate over the Panama Canal Treaties. They represent a different direction for the United States in its relationship to the canal and with Panama in the future. It is a direction we think this country should take.

The debate has polarized many elements of the citizenry, and particularly the conservative wing, with dire predictions of what will happen if the United States Senate gives its advice and consent for ratification. The predictions see the United States retreating and giving up a vital part of its defense.

Liberals have been ready with equally grim propaganda, chastizing the United States for using gunboat diplomacy in aiding Panama in its break from Colombia and stuffing a favorable treaty down the throats of the newly free Panamanians in 1903. Liberals should mute their call for an end to colonialism. The United States record refutes this contention. Similarly, critics of the treaties should stop wailing about Uncle Sam caving in under pressure. This country didn't.

We see a different scenario. Our construction of the canal and U.S. presence in Panama have helped that country greatly, both in an economic way and in the general well-being of Panamanians. We need make no apologies for the past in taking a different course for the future. It is time, however, to recognize the Panamanians' nationalism, and their desire for a place in the sun.

No country, large or small, wants its territory bisected by a zone controlled by another nation. The Egyptians in the 1950s demonstrated this in nationalizing the Suez Canal. Panama has an American enclave—10 miles wide—bisecting its middle. Panamanians want to control their own, operate the canal and get a piece of the action. They are demonstrating the same yearnings American colonists had in another era.

The treaties which President Jimmy Carter has sent to the U.S. Senate for its advice and consent represent the work of four presidents. The initiative for a new treaty started with President Lyndon B. Johnson, following the strains arising from deep-seated Panamanian dissatisfaction which culminated in riots along the Canal Zone border in January 1964. The riots killed 20 Panamanians and four Americans and injured 500 persons.

In December 1964, Johnson, after consulting with former Presidents Truman and Eisenhower and with bipartisan support, made a commitment to negotiate a wholly new, fixed term canal treaty.

Presidents Richard Nixon and Gerald Ford continued that commitment. Carter concluded the negotiations with Panama and signed the treaty in Washington last September.

The first of the two new treaties—the Panama Canal Treaty—terminates previous treaties and spells out ways in which the canal is to be operated and defended until 2000. The United States retains primary responsibility for canal operations and defense until the end of the century, but with increasing Panamanian participation. The Canal Zone ceases to exist and Panama assumes general jurisdiction over the area.

The United States retains bases until 2000. The canal will be operated by a U.S. government agency called the Panama Canal Commission, with five American and four Pana-

manian directors. The United States will set tolls until the end of the century. Increased economic benefits to Panama under the treaty will come from a share of canal tolls, not from the U.S. taxpayer.

The second treaty is entitled "Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal." The canal is to remain open to merchant and naval vessels of all nations indefinitely, without discrimination as to conditions or tolls. The treaty does not give the United States the right to intervene in the internal affairs of Panama. It gives the United States and Panama responsibility to insure that the canal remains open at all times. This country retains the right to defend the canal against external attack and to use the canal for its warships.

A clarifying memo issued by President Carter and Gen. Torrijos, after the treaties were signed, specified that the United States would have a right of priority passage in wartime and could take whatever action it saw fit to protect the waterway, including use of military force. In our opinion, there's no question about the right of this country to defend the canal.

We think the future defense of the canal will be in sea and air lanes on its approaches. This country's military, in time of war, would destroy any enemy vessel outside either end of the canal if it ever gained neutral passage.

Giving up military bases in the present Canal Zone after 2000 is a drawback, but cooperation between this country and Panama should diminish any future ground threat against the canal. Panamanian operation should also decrease the threat of terrorism from within. It will be to Panama's national interest to keep the canal operating. This seems preferable to the possibility of jungle guerrilla operations if the Yanks stayed beyond 2000.

There has been criticism of Gen. Torrijos as a strong man and a Marxist. His strength has brought some stability to Panama; the claims that he is a Communist are so much bunk. He's a nationalist. His people have approved the treaties in a referendum.

The world has changed greatly since the 1903 treaty between Panama and the United States. To insist on staying with the status quo in Panama is to disregard history and the emerging nationalism of the world's smaller nations.

A change of course in 1978, by ratification of the treaties, is a positive step that the world's free superpower can take without fear of its security or vital interests. Both will be served by ratification of the treaties by the U.S. Senate.

REMEMBER PANAMA?

[From the Washington Post, Feb. 1, 1978]

It's all too typical of the self-indulgence with which the Panama issue has been debated that so little consideration was initially given to Panama's likely and legitimate objections to treaty changes being wrought in Washington. With State Department approval, the Senate Foreign Relations Committee voted 14 to 1 last Friday to incorporate as a new article in the treaties the earlier Carter-Torrijos executive language spelling out American defense and transit rights after 2000. Only when Gen. Omar Torrijos raised the question with visiting senators did it dawn on Americans that adding a new article would compel Panama to go the risky route of submitting the treaties to another plebiscite.

It is interesting to see why the treaties, which won 66 per cent of the vote last October, would probably not survive a second plebiscite, or so the best judge, Gen. Torrijos, believes. Part of the explanation lies in discontents of other sorts with the general—discontents that surface quite easily in the freer atmosphere he has allowed to flourish to persuade Americans he's no dictator. Another part lies in growing nationalistic resentment against the very concessions he's accepted to make the treaties acceptable to the United States. Can Americans envisage, for instance, granting a foreign country the right of military intervention, or hosting wave after wave of Panamanian legislators come to check out whether the United States was fit for their diplomatic company?

Strongman Torrijos has even felt it necessary to say that if the treaties are approved he'll step down. By this offer he evidently means to disarm Americans who complain of having to do business with a dictator, and to win support for the treaties from Panamanians who object to his personal rule. If he were in fact a dictator, of course, he would have engineered a larger margin in the first plebiscite, and the treaties would not be facing rejection in the second, and he would not be considering stepping down. Some pro-treaty Americans privately wish he were a dictator!

On Monday the Foreign Relations Committee corrected its Friday error and agreed to work the Torrijos-Carter language into existing treaty articles, rather than write a new one. Although the practical effect would presumably be the same, Panamanian authorities apparently have concluded that this formulation would avoid the need for a second plebiscite. That's a determination—however difficult it may be for some senators to comprehend—that is up to the Panamanian government to make, according to its own reading of what is politically tolerable in Panama. As it heads into floor debate, however, the Senate must keep in mind that no further assaults on Panamanian nationalism can be condoned. The substance of the American demands has been met. It is thoughtful of the majority and minority leaders to offer their distinguished colleagues the opportunity to strut and posture and show their constituents how forceful and vigilant they can be in stiffening the treaties. But this opportunity must be exercised within narrow limits. It cannot be taken as license for the sort of further arm-twisting that would put the treaties back into jeopardy in Panama.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, earlier this afternoon, when I made the statement that the Torrijos regime had a poor record in the field of human rights, the distinguished Senator from Alaska (Mr. GRAVEL) asked me to document that statement. He stated that he wished to have some sort of documentation of this statement, inasmuch as he did not feel that this accusation was correct.

I did not have in my file with me at the time a documentation of that accusation, though the distinguished Senator from Alaska (Mr. GRAVEL) did produce a survey or an analysis by Freedom House, touching on the human rights record of many countries throughout the world.

I had stated that there had been a survey by an international organization rating various countries on a scale of 1 to 7, as to their record on human rights, and that this survey rated Panama 6 in the area of civil rights and 7 in the area of political rights.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. CURTIS. Perhaps the Senator from Alabama has covered it, but I did not follow to the point I would like to understand it. What does a 6 and a 7 mean? Is that a high score or a low score? What is it?

Mr. ALLEN. I should have stated that it is a scale of 1 to 7, with 1 being the highest and best rating and 7 being the lowest and worst rating.

Panama scored a 6 on civil rights and a 7, which is the lowest possible rate, on political rights.

The distinguished Senator from Alaska produced the document or the analysis from Fredom House, and the distinguished Senator from Nevada (Mr. LAXALT) volunteered the information that the distinguished Senator from New York (Mr. JAVITS) was a member of the board of directors of this organization.

Mr. CURTIS. Who made this rating the distinguished Senator from Alabama is talking about? Whose rating is that?

Mr. ALLEN. I have not gotten to that. I have some documentation here I wanted to insert at this point.

Mr. CURTIS. I see.

Mr. ALLEN. I have it here with me. I am getting ready to insert it.

Mr. CURTIS. Whose rating is the Senator talking about that gave Panama a 6 on a 1-to-7 scale?

Mr. ALLEN. That was Freedom House I just referred to.

M. CURTIS. I see.

Mr. McGOVERN. Mr. President, will the Senator yield on that point?

Mr. ALLEN. I yield.

Mr. McGOVERN. Does the Senator value the judgment of Freedom House?

Mr. ALLEN. In this particular area I do, yes.

Mr. McGOVERN. Is the Senator aware that they endorsed the Panama Canal treaties?

Mr. ALLEN. We are not talking about that. We are talking about their rating in regards to their human rights record. That is what we are talking about.

Mr. McGOVERN. I thought if the Senator thought highly of their judgment on some issues he might also think highly on others.

Mr. ALLEN. I said this particular area. I do not agree with the distinguished Senator from South Dakota on all of his positions and I do not agree necessarily with Freedom House on their analyses.

But the distinguished Senator from Alaska was wanting some sort of documentation, and I furnished it, and if I would be allowed to I want to furnish some additional documentation.

Mr. McGOVERN. I make one more intervention here and just observe to the Senator that if his point is that we should be careful about entering into treaties with countries that do not have a high record on human rights I remind him that we already have a treaty with Panama and have had since 1903 so it seems to me that if the point is——

Mr. ALLEN. We did not know at that time that a dictatorial regime was going to come in about 60 years later.

Mr. McGOVERN. That is a chance I think the Senator would agree that one has to take in dealing with Latin America, that sometimes over a 60-year period the chances are fairly good you are going to have something other than a constitutional democracy.

Mr. ALLEN. I understand that. I am making these remarks in connection with the national policy of the administration to seek to achieve human rights throughout the world, and if we do have a government that is guilty of not observing human rights, I think that is very pertinent on the issue involved.

But the reason the Senator from Alabama is furnishing this information at this time is that he was requested to do so by the distinguished Senator from Alaska.

Mr. McGOVERN. Just one more observation. I remind the Senator that to whatever extent we have a government in Panama today that is somewhat below where the Senator would like on the human rights scale, I will remind him that is despite the fact that we had Americans living down there in the Panama Canal Zone under the existing treaty which I think the Senator from Alabama prefers to the new treaty. So apparently even with this long American presence there, we have not been able to lift the human rights standards to where the Senator would like them.

Maybe with a new treaty where Panama is given more control over its own destiny instead of having a foreign presence 10 miles wide right across the center of their country it might be that you would have a more unified government, one with a greater sense of national pride and perhaps they would even pay greater attention to such things as human rights.

Mr. ALLEN. The Senator may draw this conclusion, but I do not feel that just because Panama is going to receive approximately $100 million a year out of this Panama Canal Treaty during the next 22 years that would necessarily result in a better record on human rights. Nor do I put any credence whatsoever in Mr. Torrijos' assurances to a number of Senators who went to Panama to interview Mr. Torrijos, he was going to do better in the area of human rights. I do not put a bit of credence in that and with an additional $100 million a year in his pocket I think he would be much more independent, and what we are doing here is to help perpetuate in office this dictatorial regime there in Panama; whereas, if we were able to defeat the treaties the Senator sugested it might result in an overthrow of the government down there which I think would be a step in the right direction.

Mr. GARN. Mr. President, will the Senator yield?

Mr. ALLEN. Mr. President, if I could be allowed to print these two documents I would appreciate it and then I will yield for a question.

Mr. GARN. All right.

Mr. ALLEN. I ask unanimous consent to have printed in the RECORD a booklet prepared by the Council for International Security, the chairman of which is Mr. Ronald F. Docksai, Georgetown University, Graduate School of Government, here in the Nation's Capital.

This booklet, some dozen pages or so, is entitled "Violation of Human Rights and Civil Liberties in Panama." I am not going to discuss every item here but appendix B has a partial list of persons reported exiled by the Torrijos government and there are three pages of political exiles by the Torrijos regime. I did not know we had political exiles anywhere in the world since the days of the Roman Empire but apparently there are three pages of people who have been exiled from Panama by dictator Torrijos.

There being no objection, the booklet was ordered to be printed in the RECORD, as follows:

VIOLATION OF HUMAN RIGHTS AND CIVIL LIBERTIES IN PANAMA

(By Dr. Gustave Anguizola)

INTRODUCTION

General Omar Torrijos seized power in Panama on October 11, 1968, through action of the Panamanian National Guard. The successful military *coup* ousted the populist Dr. Arnulfo Arias who had been in office only eleven days.[1]

Since that time, charges of corruption and repression have been leveled against the Torrijos government. Torrijos has presented himself as a nationalist revolutionary leader. It has been suggested that his personal style, similar to the of Fidel Castro, has been developed by Torrijos to help him legitimize and stabilize his own position.

The record of repression, human rights violations, and corruption since October, 1968 is not consistent. These activities seem to vary according to the government's perception of its own stability and short-term objectives.

Though the Torrijos government has received military equipment[2] and training from the United States, it would be a mistake to seriously contemplate conclusion of major political agreements with this regime. In particular, to conclude a settlement changing the status of the Panama Canal would sanction the Torrijos government in its present form. It would also endanger the safety of the citizens of the Canal Zone.

President Carter has stirred world opinion through his focus on the issue of human rights.[3] If the United States is to hold to its own historic principles of human dignity and freedom, this moral position must remain at the base of his diplomacy. To conclude in haste a major agreement with the present government of Panama would call into question the credibility of the Administration's advocacy of human rights. A Canal treaty with Torrijos could undermine U.S. foreign policy as well as do a grave injustice to the people of Panama.

The following charges raise serious questions as to the advisability of concluding major agreements with the Torrijos government. They also raise important questions about the character of the Torrijos regime.

MISUSE OF POLITICAL POWER

Omar Torrijos has exercised power in a highly personal way. In fact his government has been called a "personality cult." His powers are so broad and ill-defined as to permit regular misuse of executive authority. Only in Haiti, in fact, does a national constitution grant such absolute powers to one man by name.[4]

Article 277 of the Panamanian constitution, promulgated in 1972, refers to General Omar Torrijos, Commander-in-Chief of the National Guard, as the "recognized Maximum Leader of the Panamanian Revolution." In order to insure the fulfillment of this revolution, he is formally granted the power to:

1. Appoint commanders and officers of the armed forces and military hierarchy.

2. Appoint, with Cabinet approval, all Supreme Court magistrates, Attorney General, Attorney of the Administration, and their alternates.

3. Approve all government contracts, negotiate all government debts, and direct foreign relations.

4. Appoint the Comptroller General and Sub-Comptroller General, Director of the Autonomous and Semi-Autonomous institutions and Magistrates of the Electoral Tribunal which are to be named by the executive branch according to the Constitution and laws.

5. Coordinate all the work of public administration.

6. Participate with voting rights in all Cabinet meetings, meetings of the Legislative Commission, National Assembly of Representatives, Provincial Councils of Coordination, and the Communal Committees.[5]

Torrijo's enumerated powers extend beyond the executive sector, and vest both judicial and legislative functions in the hands of one man. Legislation in Panama, since 1968, has been both vague and abundant. Almost 4,000 new laws have been issued during the years 1968–1976. It has not been uncommon for new laws to be voided soon after passage. Contrary to Constitutional guarantees prohibiting such practice, retroactive law has also been enforced. Also, as will be detailed later, Torrijos only permits one political party to operate.

I—VIOLATION OF FUNDAMENTAL HUMAN RIGHTS AND CIVIL LIBERTIES

VIOLATION OF THE RIGHT TO LIFE

Since the coming to power of Torrijos' regime, not only arbitrary arrest, but also torture and murder at the hands of the powerful G–2 State Security Police have become increasingly more frequent. The accusation is frequently made that arrested parties have evidenced opposition to the regime, or have associated with those considered opponents.

One of the most notable recorded cases constituting abuse involves a combination of human rights violations: the case of Roman Catholic Priest Hector Gallego.

In the summer of 1968, Father Gallego was appointed "Parroco"[6] of the Santa Fe parish, located in Veraguas Province of Panama. His subsequent work, organizing agricultural cooperatives in his parish, was found damaging to the commercial interests of some powerful local relatives of Omar Torrijos. On June 9, 1971, G–2 agents entered Father Gallego's home while he slept and arrested him. There has been no word of him since that date, and the government has forbidden the Catholic Church to employ private investigators.[7] The regime has also failed to carry out the full public investigation which had been promised. It was widely conjectured, however, that Father Gallego was tortured and murdered.[8] Father Pedro Hernandez Robal stated on August 21, 1972 that "The Colombia priest, Father Hector Gallego, 30 years of age, was thrown into the sea from an airplane on June 9, 1971 by order of General Omar Torrijos, head of the Panamanian National Guard.[9]

During September of 1976, a number of women related or married to known critics of the government were victimized by the National Guard:

Mrs. Blanca de Marchosky, wife of lawyer Eusebio Marchosky.

Mrs. Alma Robles de Samos, sister of Ivan and Winston Robles, lawyers in exile in Miami.

Mrs. Fulvia Morales.

Footnotes at end of article.

These women were arrested and held incommunicado. Deprived of food and water, they were subjected to long periods of interrogation. G-2 agents and some Cuban interrogaters who assist in G-2 training were involved in the questioning. The subsequent jailings included depriving the accused of beds, change of clothing, and contact with relatives.

During this period, a list of women who were married to reputed dissidents was published in the government-controlled newspapers. These same women, accused of "collaborating" with the women previously jailed, were also threatened with arrest. Arrest of persons by the government's special G–2 National Guard section is reportedly often carried out without either formal charges or warrant. The authorities may refuse to acknowledge the arrest, and may prohibit arrested persons from contacting friends or family members.

The list of persons murdered by the G–2 police is a lengthy one, (see Appendix A), and attempts by relatives or associates to investigate are reportedly usually squelched [10].

In addition to the reported murder of Father Gallego, a more recent case of notes is that of Miss Marlene Mendizabal and her fiance, Jorge E. Falconet. Both young people were members of student groups which opposed communist-oriented organizations at the University of Panama. These revolutionary leftist organizations openly supported General Torrijos.

Mr. Falconet, a student at the National University of Panama, simply disappeared, but Miss Mendizabal's body was found. The National Guard prevented an autopsy from being performed. Several student organizations at the *Instituto Nacional*, Miss Mendizabal's high school, sent letters to the Attorney General which accused the authorities of covering up the incident and of intimidating the victims' family members. Miss Mendizabal's mother, for example, was allegedly so badly beaten by government agents during her attempt to investigate her daughter's May, 1976, murder, that a considerable period of hospitalization was required. It is also said that the tombstone, purchased by some of Miss Mendizabal's relatives, was destroyed two days after it was placed over her grave.

It has been found that torture is widely employed by G–2 guards. Bodies which have been discovered and examined show evidence of various types of corporal abuse such as the body of Ruben Miro, a lawyer, who was tortured and murdered after his arrest.

Eduardo White died of injuries to stomach and chest inflicted by a rubber hose during his arrest

Miss Dorita Moreno, a University of Panama medical student and member of a group opposing deposition of Arnulfo Arias, was sexually assaulted by members of the National Guard.

Three persons, Nat Mendes, Jr., Fernando Ayala, and Francisco Mata, were tortured for condemning the unexplained disappearance of Father Gallego.

Sammy Sitton was tortured by National Guard members for speaking out against the Torrijos government.

Enrique Moreno, after torture, was able to leave Panama to reside in Miami.

Father Luis Medrano was forced to wear a black hood while being driven to his execution. However, because one of the directors of "Radio Hogar" recognized the G–2 chief as one of the priest's abductors, Father Medrano was not murdered.

Antonio Poole, a British national born in Argentina, experienced during imprisonment beatings, clubbings, and prodding in "sensitive" body areas with a stick. He also underwent electric shocks administered by a 12-volt car battery attached to two cables. Mr. Poole has also related a mock execution during which he was driven with his eyes taped shut to a location away from his place of incarceration. Here he was put through a thorough pre-execution preparation, only to discover that the ritual was only a hoax.[11]

Methods of torture have reportedly included the following:

1. Sexual abuse by sexual deviants placed in prisoner's cells.
2. Insertion of prisoners' hands in bone crushing machines.
3. Beating with a rubber hose which leaves no scars.
4. Blows with the fist.
5. Long periods of interrogation without recesses for sleep, under strong lights, and without clothing.
6. Bathing of prisoners in *ice water*.
7. Electric shocks applied to sensitive body parts.
8. Simulated execution, a psychological torture, usually accompanied by physical abuse.
9. Forcing prisoners to stand for long periods away from a wall with legs spread, hands on the neck, and forehead touching the wall. Any movement results in beating with a rubber hose.[12]

DENIAL OF FREEDOM OF ASSEMBLY AND ASSOCIATION

When the military seized power in Panama in 1968, ten political parties were dissolved.[13] Though parties are allowed to exist, according to the 1972 Constitution, only the *People's Party* (The Communist Party) is sanctioned by the Torrijos regime. This party alone, headed by Secretary General Ruben Dario Sousa, operates freely and openly. In addition to Omar Torrijos, other prominent *People's Party* members include: Romulo Escobar Bethencourt, Chairman of the National Information Commission; Juan Materno Vasquez, President of the Supreme Court; and Marcelino Jaen, President of the National Legislative Assembly.

Various other political organizations have reportedly been forced underground. The Social Democratic Movement, begun in February, 1976; the Movement of Independent Lawyers; the Odontologist Association; the Engineers and Architects Society; and other professional and political groups are said to be constantly faced with G–2 repression. For example:

Several of the organizations' directors have been removed from their positions by Torrijos.

According to sources, two former Chamber of Commerce Presidents, the President-elect, and one of its directors were exiled.[14]

The headquarters and records of the Panama Business Executive Association were confiscated in January, 1976.

For criticizing at a public meeting the government's economic policies, corruption, and repression, the presidents of the Cattlemen's Association and the Rice-growers of Panama were also exiled.

In addition to coercing enlistment of government employees into a state-controlled political organization, G–2 squads have been known to take more violent actions against labor unions. It has been disclosed that during September, 1976, the offices of the Christian Democrat-associated labor unions were broken into and ravaged. All the leaders were arrested.

Labor unions of all types are expected to join the *Federacion Sindical*, a communist-dominated labor federation through which organized labor could be controlled by the government. The leaders of the *Federacion Sindical* include long-time Communist Party members Domingo Barrio and Marta Matamoros.

The unions which have managed to maintain an independent status have faced extreme difficulties in seeking benefits from the Labor Ministry. It has been revealed that in government institutions where labor has traditionally been well represented, these groups are not allowed a voice. The pressures to which the Christian Democrat-associated groups have been subjected are said to be increasingly felt by other non-*Sindical* members.

When students gathered in September, 1976, for a march protesting the government's increase of milk and rice prices, and the continued lack of basic freedoms, the Torrijos government reacted swiftly. First, the state-controlled Student Federation (FZP), made up largely of non-student government agents, was sent to foment an "inter-student clash". However, what followed was a seven-day protest, resulting in disruption of Panama City's main traffic artery and damage to a large portion of the commercial sector.[15]

When the regime's initial attempt to place blame for the disruptions on U.S. agencies collapsed, protest became widespread. Finally, sections of the Army were deployed with tear gas, rubber hoses, anti-riot pellets, and dogs.[16]

At least two students died, one of whom reportedly "disappeared" from a government hospital. Three hundred to five hundred students, including some non-involved bystanders, were said to have been arrested and given the option of attending indoctrination classes at the City Jail, or of being sent to the penal colony at Coiba. It is reported that some of the imprisoned youths were tortured by electric shock. A number of those arrested were forced to stand outdoors from 13–15 hours, deprived of food, in a stationary position. After finally being given breakfast, the youths were made to attend a political awareness seminar.

This major disruptive incident compromises the regime's credibility. Especially noteworthy was the apparent absence of border crossings, anti-American demonstrations, posters, etc. which typically accompany student upheavals. Instead, the primary grievances this time were over Panama's internal problems.

VIOLATIONS OF FREEDOMS OF PRESS AND SPEECH

Both the press and radio are controlled in Panama by the Torrijos government. Media expressing opinions considered hostile to the regime are faced with the prospects of censorship or confiscation. Prominent media personnel may receive harsh sanctions.

Five radio stations, "La Voz de Colon," "Ondas Instmenas," "Radio Aeropuerto," "Radio Soberna," and "Radio Impacto" have been confiscated by the government since the 1968 *coup*.

Great pressure has reportedly been exerted on privately owned newspapers to bring them in line with the official press bureau, *Editora Renovacion*. This agency is owned by the government and managed by Rodrigo Gonzales, a close Torrijos assistant. It has been disclosed that two new private papers, "Quibo" and "La Opinion Publica" were squelched even before full-scale publication could begin. *Editora La Verdad*, which was to publish "La Opinion Publica," was closed down for having previously printed subversive materials. Resolution "099" of March 6, 1975, which decreed suspension of publication was, it is reported, signed by the Minister of Justice, and was authorized by Torrijos. When the Movement of Independent Lawyers published a bulletin exposing in detail the "Quibo" and "La Opinion Publica" confiscations, its directors were threatened with release of a press decree which would label their actions a crime.[17]

Such violations have reportedly become so flagrant that the Inter-American Press Society (SIP) at its March, 1975 meeting in San Salvador, El Salvador, published a resolution (No. 6) which exposed and condemned the Torrijos regime for acts of censorship and other violations of free speech and press:

"Considering that the regime of Panama,

Footnotes at end of article.

which has the Press under direct or indirect control, has again censored the publication of a weekly newspaper which would have been called "La Opinion Publica" (Public Opinion) even before it appeared; considering that all the measures pursued by the SIP to the government of Panama to revoke the measure as to allow the publication of "La Opinion Publica" have failed; considering that this measure is the culmination of a series of arbitrary acts against the Free Press that have been carried out by the regime of dictator Omar Torrijos, the Board of Directors has determined to condemn the arbitrary resolution that prevented the publication of "La Opinion Publica" and to renew its efforts to promote a Forum of World Opinion where the repressive methods of the regime of dictator Omar Torrijos are exposed." [18]

EXILE AND PERSECUTION OF NATIONALISTS

It is widely known that the right to live in one's own country without fear of arbitrary deportation or expatriation has been consistently violated by the Torrijos government. (See Appendix B).

Exiled persons have told of being accused of anti-government subversion. For example, three lawyers involved in the Movement of Independent Lawyers were exiled in January, 1969, and a fourth entered Miami after a period of physical and mental torture. Altogether, in the eight years from 1968–1976, at least 1,300 Panamanian professionals, businessmen, students, and labor union members have been exiled.[19]

The public record shows that Dr. Reuben D. Calres, Jr. was exiled in January, 1976, after attending a public meeting in Chiriqui Province, Panama. Open public meetings were called by community leaders in David, Chiriqui Province, to discuss grievances against the Torrijos regime. Public officials and representatives of both public and private organizations were invited to attend. Soon after attending this meeting, Dr. Carles and fourteen other businessmen and professionals (see Appendix B) were arrested and exiled.

After his arrest, Carles was transported to a National Guard headquarters where he encountered several other men who had attended the Chiriqui meeting. The prisoners were searched; and personal documents, identification cards, and family photographs were confiscated. They were then ordered to remove all clothing and watch while their billfolds were searched. Most of the group were allowed to retain only their identification cards.

Following questioning, Carles and his associates were ordered into a DC–3, and flown to Guayaquil, Ecuador. The Panamanian government explained the deportations, it is reported, as its response to an alleged conspiracy which had sought to promote class struggle. According to Dr. Carles, the Panamanian government tried to prevent the exiles from obtaining visas from other countries by pressuring officials in Ecuador to prohibit their departure. Ecuadorian authorities also informed them that two Panamanian agents had been assigned to spy on them in Guayaquil.[20]

The *first American citizen* and a legal resident of Panama who was deported by the Torrijos government is David Dale Mendelson. On the afternoon of April 3, 1977, Mr. Mendelson was taken against his will by the Panamanian secret police. He was not only denied his rights as an American citizen and Panamanian resident, but was also brutally beaten. His beating resulted in a contusion of the kidney, causing blood in the urine, and requiring hospitalization. He was held incommunicado and prohibited from making telephone calls to an attorney or to the American Consulate. On April 4, 1977, he was deported, via Braniff Flight 948, to the United States. In his subsequent letter of April 29, 1977, to two Panamanian lawyers, Mr. Mendelson sought assistance in suing the Panamanian government for violation of human rights, beating, defamation of character, loss of business and personal property, and denial of contact with an attorney or the America Consulate.[21]

It has also been discovered that the Torrijos regime has sent G-2 agents to other South, Central, and North American countries to arrest and intimidate Panamanian exiles. Often posing as officials of consulates and embassies, G-2 agents are able to seek out and persecute former Panamanian citizens. Mr. Ruben Carles has also discussed the awareness and fear of Panamanian agents which he and his associates felt while in Ecuador.

Leopoldo Aragon, then in exile in Costa Rica (presently in Sweden), was actually arrested by Panamanian agents. It is also suspected that in Costa Rica, Panamanian National Guards have murdered several opponents of the Torrijos regime who sought refuge there. Agents have reportedly been extremely active in Venezuela, Colombia, Miami, New York, and Washington, D.C. A portion of a 1975 G-2 payroll sheet lists Edgardo Lopez, now the Panamanian Consul in Miami. Although Lopez is called a "guardia" (common soldier) by occupation, he receives a salary comparable to that of the highly-paid G-2 chief, Manual Noriega.

DENIAL OF THE RIGHT TO COUNSEL

Officials of the Torrijos government have written laws which deny the accused the right to defense, if such person has allegedly engaged in subversive activities directed against the Panamanian state. In fact, some feel that the situation has become so serious that in November, 1969, the Panamanian National Bar Association published a statement concerning the new relationship between the individual and the law:

"With the implementation of this system, the power the Judiciary enjoys is such as to exercise both the legislative and the judicial functions. For this reason, the National Bar Association, when protesting the fact that power was given to the executive branch to sanction a crime, following the procedure of a police indictment, it does so, convinced that the defendant has no access to the guarantees of the due process of law. For this reason, the National Bar Association considers the re-establishment of the constitutional guarantees a mere formality since the decrees that have been issued consider that the practice of the citizen's inherent rights is a crime." [22]

VIOLATION OF THE RIGHT TO PRIVACY AND FREEDOM FROM UNWARRANTED SEARCHES AND SEIZURES

As previously noted, unwarranted entry into private homes has reportedly occurred repeatedly under the Torrijos regime. The unwarranted search of domiciles is known to be a frequent violation of privacy of individuals and their personal effects.

Both wiretapping and interference with private correspondence by the military police are reportedly routinely carried out by the military police. The Movement of Independent Lawyers was initially formed after fourteen Panamanian nationals had all their property confiscated before they were exiled to Ecuador.

II—Corruption

NEPOTISM

Over forty members of Omar Torrijos' extended family hold high governmental positions. Family members so favored include three brothers and their wives, six sisters and their husbands, three nephews, and at least twelve cousins. Among Torrijos' cousins is Panama's Vice-President, Gerardo Gonzales. Other powerful positions into which Torrijos' relations have been placed are those of Director of the National Lottery and Director of the government-owned gambling casinos. Torrijos' older brother, Hugo Torrijos, Director of the gambling casinos, is also involved in "Juliano Internacional" This establishment sells and rents gambling machines. Hugo Torrijos also controls the prositution business for Panama and Latin America and the white slave market through his company "Espectaculos Nacionalas, S.A." [23]

Roberto Diaz Hererra, Torrijos' first cousin, was recently promoted to lieutenant colonel in the Panamanian National Guard. Diaz Hererra's brothers are Efebo Diaz Hererra, Panamanian Ambassador to Cuba, Nitido Diaz Hererra, Chief of Customs in the Republic of Panama, and Edison Diaz Hererra, Municipal Treasurer. Mareclino Jaen is married to Omar Torrijos' sister, Toya Torrijos Hererra, and serves as president of the National Legislative Committee.

INVOLVEMENTS OF OMAR TORRIJOS OUTSIDE PANAMA

Omar Torrijos is reportedly compiling vast holdings both in Panama, Spain and Belize. His brother Moises Monchi is Panamanian Ambassador to Spain, and is said to be engaged in procuring large real estate holdings. The Torrijos government has also changed Panamanian banking laws to permit special Euro-dollar accounts.

Since Fidel Castro came to power in Cuba on January 1, 1959, only three heads of State have visited him. Omar Torrijos is one of these three leaders. He arrived in Cuba on January 10, 1976.[24]

INVOLVEMENT IN NARCOTICS TRAFFIC

In spite of public concern about international narcotics traffic, it has been found that members of Torrijos' family and other national officials are deeply involved in Mafia-connected narcotics trade. Though not a diplomatic official, Rafael Richard, Jr. was awarded a diplomatic passport under orders of the Panamanian Minister of Foreign Affairs. Richard entered New York, under diplomatic immunity, with 70 kilos of heroin given to him by the then Panamanian Ambassador to Argentina, Moises Torrijos. When arrested, Richard was in the company of Guillermo Gonzales and Nicolas Polanco, who are closely related to Torrijos' brother, Moises.[25]

Joaquin Him Gonzales, chief of the control two of Panama City's Tocumen International Airport, was reportedly arrested in the Canal Zone for involvement in the smuggling of drugs into Dallas, Texas. As tower chief, this Torrijos confidant was in a position to prevent searches of air cargo by the Immigration Department. Altogether, from 1971 to 1972, 641 pounds of heroin were intercepted enroute from Panama to the United States, according to the Draft Report of the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee, March 8, 1972.[26]

III—Popular Organized Protest: Professional, Labor, and Student Groups

Several civic groups of various types have been formed in Panama to articulate grievances and to work for reform. One of the largest is the *Movimiento Civico Nacional*, formed on December 11, 1973. The original Declaration of Principles was signed by 35 organizations, including the Kiwanis Club, Lions Club, Housewive's Association, and National Medical Association. The organization claimed that its members were "concerned for the restless and unsure climate in which all the classes are living in this country, and because of the absence of public and individual liberties."

The objective of the organization is the pursuit of basic freedoms which are considered lacking in Panama. Among these are: freedom of information, freedom of expression, complete independence of the judiciary, freedom to form political parties and to see political liberties recognized. Also, the group

Footnotes at end of article.

calls for permanent and complete information on Canal negotiations in order to guarantee effective sovereignty.

In a speech given before the organization by (Rotarian) Dr. Osvaldo Velasquez, the speaker suggested that the call for total Canal Zone sovereignty is used as proof of popular support for the Torrijos government. Dr. Velasquez stated that because Panamanians lack civil liberties, any new draft document on the Canal submitted to the plebiscite, as constitutionally required, undoubtedly would have been approved in advance by the Foreign Office. Because any opposition to a draft treaty would likely be met with reprisals, the plebiscite "would be nothing more than a pseudo-democratic subterfuge." Furthermore, he questioned whether the U.S. Senate would consider approval of a treaty imposed in such a fashion.[27]

Among others in Panama who were concerned about a Torrijos-imposed agreement was Jerry Dodson, who said in his letter of resignation from his consular post (to Secretary of State William Rogers, June 5, 1969): "American citizens have been arrested on a large scale for no apparent reason. In a large number of cases, the National Guard has denied consular access to the citizens. There have been numerous cases of mistreatment as well."[28]

CONCLUSION

General Omar Torrijos, since assuming power in 1968, has, as evidence illustrates, repeatedly violated the rights of Panamanian citizens. He has rewritten the Panamanian constitution to give himself extraordinary powers and he has supplemented these powers with arbitrary arrests, torture, and murders. While the principal targets of his oppression are political opponents, even non-political individuals like Father Gallego fall victim.

These reported violations of human rights have stirred protests in Panama. Along with evidence of profiteering by Torrijos and his family, they have led groups like the *Movimiento Ciuico Nacional* to reject Torrijos' legitimacy and his right to negotiate a new Panama Canal settlement.

In light of this, it seems that the best course for the United States is not to conclude a treaty which could augment and perpetuate Torrijos' power over Panamanians and extend it to Canal Zone residents.

FOOTNOTES

[1] Panama, La Estrella de Panama, Oct. 11, 1968, p. 1, cc 1–6.

[2] On October 2, 1976, the first of a group of 16 tanks, armed with 50 caliber machine guns, arrived in Panama via Miami. (See "Canal Protection Division Activity Report No. 2205", Oct. 2, 1976.)

[3] See New York Times, June 20, 1977, p. 3, cc 4–6; and June 25, 1977, p. 1, c5, p. 6, c5.

[4] Haitian Constitution, 1964, revised 1970.

[5] See Constitution of the Republic of Panama, (Panama City, 1977), article 277.

[6] Parish Priest.

[7] Agence France Presse, Aug. 21, 1972. El Sol de Mexico.

[8] Ibid. Statement by Reverend Pedro Hernandez Robadal.

[9] Ibid.

[10] Report of Panamanian Committee on Human Rights, Sept. 15, 1976.

[11] Notarized statement from Antonio Poole to Ruben D. Carles, Jr., Sept. 15, 1976, Miami. Panamanian Committee on Human Rights.

[12] Ibid.

[13] Political parties include: Christian Democratic Party (PDC), Panamenista Party (PR), Republican Party (PR), National Patriotic Coalition (CPN), Democratic Action (AD), Third National Party (TPN), Liberal Party (PLN), Agrarian Labor Party (PAL), National Liberation Movement (MLNP), Progressive Party (PPN).

[14] Two former Presidents of the Chambers of Commerce, Guillermo Ford and Roberto Eisenmann, Sr.

[15] The Dallas Morning News, Jan. 24, 1976, p. 30E, c4, and New York Times, Sept. 23, 1976, p. 48A, c8.

[16] Ibid.

[17] Editorial Miami Herald, Jan. 19, 1974.

[18] See Panamanian Committee for Human Rights, Document, Sept. 1976, Vol. 1.

[19] Ibid.

[20] Ruben D. Carles, Jr., "The Constitution of Panama, Article 29", (Washington, D. C., Library of Congress Research Service, 1976), pp. 48–50.

[21] David D. Mendelson reported these happenings in conversations with Phillip Harman.

[22] Panama, La Estrella de Panama, No. 13, 1969, p. 1, cc 1–4.

[23] *Ibid.* Also Martin C. Needler, "Omar Torrijos: The Panamanian Enigma, in Intellect, Feb. 1977, pp. 242–243.

[24] The other two are Salvador Allende and Luis Esheverria.

[25] Panamanian Committee For Human Rights, Document, Sept. 1976.

[26] See U.S. House of Representatives, Panama Canal sub-Committee on Merchant Marine and Fishing, "Draft Report", (Washington, D.C. March 8, 1972.)

[27] Address by Osraldo Velasquez before the "Movimiento Civico Nacional", Nov. 4, 1976.

[28] Dodson to Secretary William Rogers, June 5, 1969.

APPENDIX A: PARTIAL LIST OF PERSONS REPORTED MURDERED BY THE TORRIJOS GOVERNMENT

Arrieta, Abdiel, Britton, Floyd, Cadeno, Anibal, Cubas Perez, Hipolito, Cubas Perez, Narciso, Cruz, Mojica, Cruz, Ramon, Falconnet, Jorge, Fistonich, Andres, Frederic, Jaime Alberto, Gallego, Hector (Rev.), Generoso, Elisondro, Gonzales, Encarnacion, Gonzales, Felix, Ganzales, Elias, Gonzales, Ariosto, Gantez, Belisario.

Medrano, Jore Tulio, Moreno, Dorita, Mendizabal, Marlene, Monterosa, Luis Carlos, Miro, Ruben, Manson, Hildebrando, Osorio, Waldemedo, Palacios, Teodoro, Portugal, Heliodoro, Quintanar, Herbert, Rivera, Basilio, Sanchez, Ubaldo, Sarmiento, Cesar, Sarmiento, Genaro, Tejada, Cesareo, Tunon, Jose del C., White, Eduardo.

APPENDIX B: PARTIAL LIST OF PERSONS REPORTED EXILED BY THE TORRIJOS GOVERNMENT

Abood, Tito, Achurra, Serafin (Major of the National Guard), Aizpurua, Jaime (Agronomist Engineer)*, Alvarado, Osvaldo (Lt. of the National Guard), Alvarez, Antonio*, Aragon, Leopoldo, Arauz, Angel, Arias, Gilberto, Arias, Madrid, Dr. Arnulfo (former President of Panama, M.D.), Arias, Tomas, Avila, Victor, Beecher, Clarence (Professor), Bernal, Dr. Miguel Antonio (Lawyer, University Professor)*, Berriiman, Felipe (Priest), Boyd, Federico (Lt. Col. of the National Guard), Boyd, Dr. Julio (D.D.S.).

Britton, Federico (Brother of Floyd who was murdered by the National Guard), Calamari, Humberto (Lawyer), Carles, Querube S. de (Civic Leader), Carles, Ruben Dario (Economist, University Professor)*, Chen, Demetrio, Crespo, Bolivar, Crocamo, Abraham (Captain of the National Guard), De Arco, Gilberto, De Arco, Juan Manuel, De Arco, Tare, De La Guardia, Rodolfo, Diaz, Duque Luis Carlos (Lt. Col. of the National Guard), Dominiguez, Antonio (Business and Civic Leader)*, Domiiniguaz, Domingo, Dominiguez, Julio, Dubois, Cesar, Eisenmann, Jr., I. Roberto (Businessman, Former President of the Chamber of Commerce, Banker)*.

Ford, Guillermo (Businessman, Banker, Former President of the Chamber of Commerce)*, Francheschi, Adolfo, Gonzales, Gabriel, Gonzales de la Lastra, Carlos Ernesto (Former President of the APEDE and Executive Secretary of the Social Democratic Movement), Guevara, Guillermo (University Student), Harris, Humberto, Huertematte, Max, Jimenez, Humberto (Major of the National Guard), Jurado, Dr. Alonso (M.D.), King, Thelma, Lecuona, Julian (Priest), Lekas, Juan, Lopez, Eudoro, Lopez, Humberto (Law Student, Member of the Executive Committee of the Social Democratic Movement).

Mandura, Eduardo, Marchosky, Eusebio (Lawyer), Martinez, Boris (Colonel of the National Guard), Martinez, Luis, Martinez, Jr., Luis, Mayo, Jesus, Menendez Franco, Gonzalo (Lawyer), Medrano, Rev. Luis (Catholic Priest), Miller, Luis Carlos (Lt. in the National Guard), Miranda, Sergio (Lawyer), Miro Jr., Ruben, Mong, Enrique, Morales, Marcos, Moran, Diana (Lawyer), Moreno, Quico, Nicosia, Hildebrando, Nieda, Harmodio, Perez del Rosario, Juan, Pitti, Jorge, Quiros Guardia, Alberto (Newsman, University Professor)*, Richard, Jose Alexis.

Robinson, Carlos (Newsman), Robles, Ivan (Lawyer)*, Robles, Dr. Winston (Lawyer, University Professor)*, Rodriguez, Bolivar, Rodriguez, Felix, Rolla, Pimentel, Dr. Guillermo (M.D.), Romero, Buenaventura, Romero, Maximo, Saavedra, Canilo (Lt. Col. of the National Guard), Sagel, Diogenes (Newsman), Salas, Jacobo, Samudio, David, Sanchez, Pascual, Sanjur, Amando (Col. of the National Guard).

Sanjur, Fidencio, Sanjur, Ruben, Silvera, Ramiro (Col. of the National Guard), Solis Palma, Manuel, Turner, David, Turner, Domingo, Turner, Jorge, Velasquez, Gilberto, Weeden, Alvin (Lawyer)*, Weeden, George (Businessman, Director of the Chamber of Commerce)*, Wilson, Carlos, Yanez, Victor, Young Adams, Dr. Carlos (M.D.), Zappi, Humberto.

*Exiled in January and February, 1976, to Ecuador.

Mr. ALLEN. I ask unanimous consent, also, inasmuch as I was asked to document by statement, to print in the RECORD a situation report and position paper by the U.S. Civil Council, the Canal Zone, February 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A SITUATION REPORT AND POSITION PAPER BY U.S. CIVIC COUNCILS, CANAL ZONE, FEBRUARY 1977

For the past 3½ years, the U.S. Civic Councils in the Canal Zone have been preparing position papers and formal statements of community opinion for submission to Congressmen, Canal Zone officials, Department of Army representatives, treaty negotiators and State Department officials. We have tried to maintain an attitude of rationality, calmness, and sensible perspective on the subject of a new Panama Canal treaty with the Republic of Panama. One of the points we have tried to make so often, so much so that we feel like "broken records," is that the U.S. citizen in the Canal Zone feels very apprehensive about living under the type of "legal system" now in force in the Republic of Panama.

What exists now in the Canal Zone, after 3½ years of our trying to send out warning signals and indications of problems to come, is a "siege mentality" and crisis atmosphere. Now that one of the Civic Council presidents whose signature appears at the conclusion of this paper has had experience with arbitrary detention, arrest, interrogation and search in the Republic, we are having real difficulty in maintaining an attitude of composure and calm rationality. (Attached are copies of newspaper clippings describing two recent incidents of U.S. citizens being arrested at Tocumen Airport.)

Two major concerns we have stressed to government officials during the past 3½

years has been the lack of adequate information about the treaty and the need of job assurances and transfer rights for employees who might choose not to continue their government service in the Canal Zone. All we have received in response from government officials is empty rhetoric and promises of "as soon as we know something definite we'll tell you. We must maintain confidentiality, but trust us; your employee interests will be taken care of."

Now, added to job insecurity and apprehension caused by lack of information, our people feel threatened physically because of September riots in Panama, October bombings in the Canal Zone, numerous bomb threats in the Canal Zone, and now arrests of U.S. citizens at Tocumen Airport who were not involved in breaking a law of either the Republic of Panama or the United States. It is no wonder that a "let me out of here" mentality has stimulated a constant, ever-increasing exodus of needed skilled talent out of the Canal Zone.

Our qualifications to speak out on the new Canal treaty matter include being elected representatives of the U.S. citizens living in Panama Canal communities, being year-round residents in the area whose future is being negotiated, and having a constant awareness of activities in Panama. Treaty negotiators and State Department officials have little at stake themselves personally, other than to successfully negotiate a treaty which will, in their minds, ease hemisphere tensions and get rid of chronic problems in our relations with Panama. When they finish their assignment, they will move on to other missions, leaving us to live with what they have arranged in treaty form. Generally, the treaty negotiators come to Panama for short periods of time, followed by journalists who become experts after a three-day tour that includes standard briefings by the Panamanian and Canal Zone governments. These negotiators for the most part stay in isolation on the island of Contadora and when they have consented to meet with Canal Zone labor and civic representatives, they have said relatively nothing of any significance on the treaty issue.

Let us make clear that we are American citizens deeply concerned with the present and future well-being of our nation. Our opinions on what the U.S. has at stake in the negotiation of a new Canal treaty are affected by our conversations with Panamanian friends, our reading of Spanish-language and English-language newspapers in Panama, and our understanding of the behavioral traits of the Panamanian government (something which one does not arrive at overnight or even in three days). Because of the present situation in the Republic of Panama, many of us do not "cross the border" as often, as freely, or even as nonchalantly as we used to. Fear, apprehension, and deep concern for our personal safety brought by a succession of events in Panama, have given us an increasing "locked-in" feeling in the Canal Zone. When Panamanian businessmen are deported for expressing opposition to the current government, when Panamanian citizens are arrested, tortured and even killed for having dissident opinions, and now when even our own people are subject to arrest in an airport to which we thought we had free access—the average U.S. citizen in the Canal Zone is not at all enthusiastic about submitting to the legal jurisdiction of such a repressive government. As an additional item of evidence, we have had numerous conversations with many Panamanians that you will never be able to meet. Our impression from these conversations is that when the Panamanian government officials speak today, they are NOT speaking for all the people. The people are silent because they have no effective means that they can see with which to fight back.

What effect does all this have on the operation of the Canal? Right now, it is having a disastrous effect on the quality of work being performed because workers are "uptight" constantly about physical and economic security. The pride in working on the Panama Canal that has been a part of our history, is now giving way to constant preoccupation with one's personal welfare. Many of our people are now weighing whether they want to continue working here or to escape the pressure-cooker atmosphere that is now an accepted part of our way of life in the Canal Zone.

After 3½ years of being told by our own government that they can tell us nothing yet about the treaty, imagine the shock waves that went through our workforce February 7, 1977 when we learned that Brigadier General Omar Torrijos had invited some of our labor leaders to a conference on treaty matters. In that meeting, General Torrijos told the leaders that his country could pass legislation guaranteeing the U.S. employee rights if "only you will stop all anti-treaty activity." His persuasive ability has been reduced to zero since that time as a result of the arrest of William Drummond, a local labor union official, and the detention and arrest of some other labor union officials accompanying Drummond when he attempted a second time to board a flight to Washington, D.C. on labor union business.

In defense of our Canal Zone Governor, Harold R. Parfitt, we must say that he has indicated to us many times that he has wanted to release information on the status of negotiations but that higher officials in Washington have prevented him from doing so. At this point, we will not comment on the irony that General Torrijos wanted to set up a high-level commission in his own government to keep OUR labor leaders informed.

The U.S. and foreign press have given the world the impression that any opposition to the treaty that exists here in the Canal Zone is due to overwhelming desire to preserve a status quo that resembles a "tropical paradise." We would like to correct that misconception and explain reasons for many of the ambivalent feelings that our people have toward the proposed treaty.

The average U.S. citizen working for the Panama Canal Company/Canal Zone Government is a middle-class American who wants to do his job, provide for his family and live in relative peace and tranquility. He wants to live under a system of laws that makes his rights clear and that gives him opportunity for redress of grievances. He does not believe that this atmosphere exists under the current Panamanian government. Rather, Panamanian policemen make generous interpretations of the law forbidding "disrespect to a police officer" and arrest people for offenses they didn't even know they committed. Panamanian policemen fire their pistols freely in pursuing suspects; the defendant may be dead before he's arrested.

If Panama's police force does not give its own people fair and just treatment consistently, we are not naive enough to believe that we will have "special privileges" under the "sovereignty" of Panama. Many, many of our constituents have told us that "when the Canal Zone Police go, I go." When those people leave the Canal operation, there will be real problems in recruiting qualified help from the U.S. to replace these people until the time that Panama is able to provide skilled and trained workers for all the jobs needed in the Canal operation.

During the past three to four years, our people have been receiving an "education" from the State Department concerning the treaty. By means of briefings, newspaper articles, and informal discussions, they make clear these basic premises for their argument that a new treaty is needed:

1. A Canal Zone is not necessary for the successful operation of the Canal. (They tell us that we wouldn't WANT to live in the Canal Zone if Panama didn't get the treaty it desires.)

2. The countries of Latin America give full support to Panama's claims for sovereignty over the Canal Zone and eventual control of the Canal operation.

3. The turnover of the Canal to Panama is in the best interests of the United States because not to do so would possibly involve our country in another Viet Nam-style guerrilla war.

4. Panama has a sincere interest in keeping the Canal open and would not do anything to jeopardize the efficient operation of the Canal.

5. The Canal Zone is an anachronism; it is a source of irritation. Once the U.S. citizens are scattered throughout Panama City and Colon, they will no longer be identified as "Zonians", thus easing tensions and frictions between the U.S. and Panama.

6. The economic growth of Panama depends on acquiring the lands in the Canal Zone so that Panama City and Colon can expand their business interests.

7. The denial of basic human rights within the Republic of Panama is not a matter that needs to be brought into the treaty negotiations. After all, Panama is one of the "developing countries of the world," and such behavior is quite normal for such countries.

8. The State Department would not negotiate a treaty which the U.S. Congress would not ratify.

The above concepts might be plausible to someone who has not lived here, to someone who has little or no dealings with the Panamanian government and its officials. They make the negotiation of a new treaty with Panama under the Kissinger-Tack conceptual principles as the most logical course to follow. Permit us to provide some responses to these concepts we have listed.

1. When the Canal Zone U.S.-based legal system ceases to exist, many U.S. employees will leave, creating a problem for Canal administrators in finding qualified replacements for the short-term, at least.

2. The countries of Latin America say one thing in public and another privately. In the newspapers they pledge full support for Panama's claims to the Canal. In private, to people such as former Under Secretary of State William Rogers that they are satisfied with the course that the U.S. is following in the Canal treaty negotiations. From observation of the political behavior and egocentrism of Latin American governments, one can safely say that Omar Torrijos could not depend on his Latin American neighbors for monetary or military support in an open conflict with the United States. Those other countries wish to preserve their own ties to the United States in foreign aid allotments and commercial ventures. They would not sacrifice their own interests for the sake of Torrijos' "just aspirations" concerning the Panama Canal. Rhetorical support is about all that General Torrijos can expect from Central and South America.

3. Turning over the Canal is NOT in the best interests of the United States because:

a. Construction of enough warships to provide a "two-ocean navy" would be necessary in case Panama became whimsical in permitting us access to the Canal for military vessels.

b. The Moscow-Havana axis has been casting lustful eyes for a long time toward our Canal as well as at other straits and waterways of the world. Panama does not have the military strength to withstand an assault from ANY country that would choose to invade and occupy it. The Panamanian people are not "fighters" by tradition; they have never fought a war of liberation. The average campesino reasons in this way: "Why should I get myself killed for the sake of a

dictator? What will it gain me or my family? Absolutely nothing. Therefore I will simply adjust to whoever is in power. One ruler is as bad as another."

c. The flow of Alaskan oil through the Panama Canal en route to eastern ports in the United States will be in serious jeopardy when Panama has control over access to the Canal and over the setting of tolls.

d. Our first line of defense in the western hemisphere would suddenly become Harlingen or McAllen, Texas (or perhaps Key West, Florida.)

4. The Panamanian government is not noted for rational, logical behavior, nor for extensive attention toward preventive maintenance of government equipment. At this point, the government, which is nearly bankrupt, needs money desperately. This government has already indicated an interest in increasing the tolls 13-fold when they gain control of the Canal. This would seriously jeopardize the economic health of the Canal, and the government's lackadaisical attitude toward repairs and maintenance would contribute to the mechanical breakdown of the Canal (unless the United States agreed to continue supplying parts and maintenance indefinitely.)

5. The "gringo" as he is often called here in Panama will continue to receive harassment, whether he lives in Panama or the present Canal Zone. The United States has been a rather convenient whipping-boy for the Republic of Panama for years and years. Criticism of the U.S. has always been used to distract the Panamanian public's attention from the incompetence, graft, corruption, and poor judgment of the Panamanian government. Besides, the average Panamanian, (when he permits himself to talk freely), does NOT want a treaty signed under the regime of Omar Torrijos. Such a treaty would reinforce the already crushing power of the Torrijos government on the Panamanian people.

6. The economic growth of Panama will need more than a Canal to restore it to health. The repressive atmosphere has inhibited consumers from visiting stores and businesses; it has inhibited investors from putting their money to work in Panamanian enterprises. The acquisition of Canal Zone lands for use by Panamanian commercial interests still requires the intelligent use and exploitation of those lands by competent businessmen. Such people are not the ones in control in the Panamanian government today. The ones in power are military men without adequate training in economics and business management.

7. The denial of basic human rights within the Republic of Panama IS a matter that should be considered in the treaty negotiations. President Carter has expressed repeated interest in the matter of human rights. If our country is to participate in a metaphorical "marriage" by means of a treaty with another country, we should know just who that "spouse" is. Denial of human rights is bound to make further problems for Canal employees later on, no matter WHAT nationality they are. Rather than taking an amoral stance, our country should apply its influence on the Panamanian government, to the extent that U.S. citizens (who do come under the legitimate concern of our federal government) will not be permitted to live under such repression. We cannot rightfully interfere in the domestic policies of another nation, but we can let them know that they will not receive what they want so desperately from us until they make some changes in those policies.

8. The State Department is negotiating a treaty which it is willing to ratify. They make the assumption that they know what is "in the best interest of the United States" and that all other opinions are to be considered ill-informed, unenlightened, and out of step with modern times. It is our sincere hope that the U.S. Congress will give long and hard consideration to all the factors of a new treaty with the Republic of Panama. The very unstable condition of the Torrijos regime condemns this proposed "marriage" to eventual separation or divorce in a very short time.

For ourselves as U.S. citizens living and working thousands of miles from our homeland, we can say, "Pack up tomorrow. We're ready to go." But for the sake of U.S. commerce and of U.S. national interests in general in the hemisphere, we urge you to examine the proposed treaty (whenever it is announced) thoroughly. We urge you to visit here for more than three days, to observe the situation with your own eyes and not to depend solely on briefings by U.S. or Panamanian government officials. The new treaty with Panama will have long-range repercussions that coming generations will have to live with; we urge you not to ratify a new treaty solely because the State Department says that it is the cure-all to problems with Panama. Russia and Cuba are waiting to see which way the treaty issue goes. A hasty decision on the part of our Congressmen without giving deep and thoughtful study to the question would please them very much.

Mr. ALLEN. I am now delighted to yield to the distinguished Senator.

Mr. GARN. Just for a brief comment. Earlier today when Senator GRAVEL was discussing human rights and saying there was nothing really going on, people were not being arrested on the streets down there, he is correct right now. Senator BAKER and I met with five members of the Panmesta Party, some of them part of the Arias' government that was overthrown just after it was legally elected in 1969. I asked them why do they dare to meet with us. They said, "Oh, because we are on a holiday. Since the treaties were signed, Torrijos is being very nice and we enjoy it. So discuss those treaties for a long, long time. He is trying to impress you Senators."

Each one of them had been imprisoned at various times, one of them as many as seven times in solitary confinement with no charges made ever, just picked up off the street, and political parties were outlawed by Torrijos. They do not exist legally at all. But it was rather interesting. They were enjoying the whole process. "The first time we had freedom from being picked up on the streets and arrested, held incommunicado, and not charged, since September 7." What they said is that "We are afraid whether you sign the treaties or not, or ratify them, that as soon as it is decided then we are going to be in trouble again."

So they described it very accurately as "We are enjoying a holiday from human rights violations right now."

Mr. ALLEN. I thank the Senator for this most interesting information.

The PRESIDING OFFICER. The Senator from Louisiana (Mr. JOHNSTON).

Mr. JOHNSTON. Mr. President, I rise today to express my opposition to both Panama Canal Treaties. I commend the distinguished majority leader for offering two clarifying amendments concerning our right to intervene unilaterally to defend the canal and our right to priority passage for our vessels during emergencies, but I do not believe these rights will be unequivocally secure without a continued American military presence in Panama and they will not change my vote. Second, I do not believe that the treaties assure that the canal will remain open, secure, and well run during the proposed transitional period. Finally, I believe the financial aspects of the treaties are unacceptable and I simply cannot justify voting for huge expenditures, which could amount to as much as $10 billion by December 31, 1999, according to the State Department, without having all the implications clearly spelled out.

Militarily, I do not believe that we can be assured, under the current treaties or clarifying amendments, that we can defend the canal at a reasonable price, keep the canal in operation, and protect our strategic interests. Numerous military officials have testified that a continuing American presence in Panama, after the year 2000, is both necessary and desirable. For example, Adm. Thomas H. Moorer, USN, retired, stated before the Armed Services Committee:

> I believe a permanent U.S. presence in the Panama Canal Zone to be the only feasible and safe posture for all of the nations of this hemisphere.

Maj. Gen. George L. Mabry Jr., USA, retired, stated that the United States "should retain the right to operate some bases and remain in the canal under a status of forces type agreement" and that these bases "would enhance our ability to operate and defend the canal on a unilateral basis if the United States deems such action as necessary." He also pointed out that a continued American military presence would give the United States leverage over Panama during a major dispute and would enable our Government to "apply levels of pressure against Panama to encourage better cooperation."

Even some of those officials who support the treaties admit, by implication, that a continued American presence would make it easier and less costly—in terms of lives as well as dollars—for the United States to defend the canal after the year 2000.

Should the treaties be ratified, there remains the possibility of internal civil strife in Panama that would disrupt the operation of the canal. As Lt. Gen. Gordon Sumner, Jr., commented, many of our OAS allies see the possibility of Communist subversion as real and all members of the Inter-American Defense Board have "expressed reservation about the fact that the United States will no longer be in Panama. * * * Once we do not have the bases there, then the entire area becomes destabilized."

The treaty is also inadequate over the transitional period. With the disappearance of Canal Zone institutions like the police and the courts, it should come as no surprise that many polls indicate many skilled American workers in the zone will leave. While actual operators may well remain, it is likely that many—if not a majority—of company administrators will depart. I believe that Panama, boasting a commendable 80-percent literacy rate, can find skilled operators, who can successfully maintain the canal's daily technical operations. But I do have serious doubts about the Pana-

manian Government's commitment to managing the canal professionally and efficiently, to replace the current administrators without so politicizing these jobs that the efficiency of the canal is jeopardized.

Let me state that this is a very serious concern, and not simply a justification of my position. General Torrijos already has more than 3 dozen relatives on the government payroll and the Government of Panama has a bleak record in managing other public enterprises—to wit, the phone and power companies, the new airport, the new convention center, the Bayamo hydroelectric project. The overriding reason for these failures is bad, dishonest, corrupt management—not lack of skilled or trained technicians. This track record certainly does not give one much hope for responsible management of the canal. And, since the canal's economic situation is fragile, as we saw in the deficits incurred from 1973 to 1976, there is little margin for covering poor judgment or graft. The upshot, as I see it, is an unacceptably high risk of inefficient management and permanent U.S. subsidies to keep the canal open, not a guarantee for continued access to an open, free and secure canal.

Financially, I believe that those costs which we can estimate are too high, based on information we have at hand. Gov. Harold R. Parfitt outlined the various kinds of cost impacts the treaties could have. The figures he noted are as follows:

Early retirements—$165 million.

Defense construction costs—$43 million.

Payments to Panama out of Commission revenues—$2 billion.

Current value of the Panama Canal Company and Canal Zone assets—$4.6 billion.

Value of all assets, at current prices—$10 billion.

Furthermore, there are other costs we cannot estimate—partly because of the lack of implementing legislation and partly because of ambiguities in the treaty. These costs would push the bill for the American taxpayer up even higher. This is unacceptable to me and the majority of the citizens I represent. A number of my colleagues have already raised this issue and I do not wish to belabor the point. Nonetheless, I am constrained to join these voices and state that it is absolutely vital that we know—and that those people whom we represent know—precisely what we are voting on.

Elmer Staats, Comptroller General of the United States, made this point clear in his testimony before the Armed Services Committee, stating that there will be other treaty related costs we cannot estimate that will be born by U.S. Government agencies, but we do not know what these will be since "only sketchy details are available at this time." Mr. Staats stated further:

> That the treaty implementing legislation is the key determinant of the financial viability of the proposed Panama Canal Commission.

And—

> We did make an effort to obtain that implementing legislation, even in draft form, because we thought it would be helpful to us, but we were unable to obtain it.

He further noted:

> If I were a Senator, I would want to see the legislation before I voted.

Well, I am a Senator, and I do want to see that before I vote. That is only fair to the American taxpayer and we should not ramrod down the taxpayer's throat future obligations which we cannot put a price tag on.

One example of our uncertainty is the disposition of possible surpluses over actual costs of services during the first 3 years of the treaty—which could theoretically be as much as $15 million. Will this be applied to reducing the annual $10 million payment during the following 3-year period, will it be returned to the commission, or will it become a hidden subsidy to the Panamanian Government? Another question concerns the annual interest payment to the U.S. Treasury from canal revenues on the U.S. investment in the canal. Amounting to some $20 million annually, the discontinuance of the interest payment would be a considerable revenue loss for our Government and I understand that the administration intends that this be stopped. This would mean a loss of $450 million in revenues to our Treasury over the 23-year life of the treaty. There is also the large question of whether the United States—directly or indirectly—will be asked to make up deficits if there are inadequate revenues to cover debts incurred by the proposed canal commission when the canal is turned over to Panama in the year 2000. With the canal's track record of operating deficits from 1973 to 1976 and the projections for deficits after 1984, this is a legitimate and serious issue which should be brought out in the open.

Before we in the Senate are asked to vote, these matters need to be resolved. Given the strong possibility—or at least toleration—of corruption and graft in the current Panamanian regime which we all heard about during the closed sessions of the Senate, I do not believe such loose financial arrangements are in the interests of our Nation and our taxpayers. And given the statement issued by various Panamanian officials concerning the amount of money they expect to receive directly and indirectly as a result of the treaties, the economic question becomes of great importance to that Nation as well. For if these expectations are dashed, there is a greater likelihood of instability in that country, with a resultant potential for threats to the continued efficient operation of the canal through subversive activities.

I can only conclude that the treaties were hastily negotiated, poorly negotiated and should be rejected. We in the Senate are to give advice and consent to treaties on the basis of full knowledge. We do not have that and this alone is reason for rejecting these documents. But, based on what I have seen so far, I believe the treaties should be rejected, and I intend to so vote.

Mr. ALLEN. Mr. President, will the distinguished Senator from Louisiana yield?

Mr. JOHNSTON. Yes, I yield to our distinguished colleague from Alabama.

Mr. ALLEN. I congratulate and commend the distinguished Senator from Louisiana (Mr. JOHNSTON), not only for his eloquence but for his sagacity and for his ability to put so much wisdom and such a devastating analysis of these treaties into so few words. He has summed up in about 5 or 6 minutes what some of us have spent several days in trying to point out to the Senate, and I commend him for this very fine analysis of the treaties, and for his statement that while he feels that the leadership amendments might possibly improve the treaties, it will not be sufficient to justify his casting his vote in favor of the treaties.

I would like to ask a further question of the distinguished Senator. Is this the first time that the Senator has stated a definite position with regard to his attitude on the treaties?

Mr. JOHNSTON. First of all, I would like to thank my distinguished friend for his kind comments.

I have spoken out on the treaties, though not on the floor of the Senate. I have spoken out at home and in various other ways. This is the first time I have spoken on the floor of the Senate. Frankly, my distinguished friend from Alabama, and other colleagues in opposition, have been doing such a splendid job I could not find much to add to what he has said. This is, indeed, however, the first time I have spoken on the floor of the Senate.

I think in the final analysis we have to look at these treaties from the standpoint of the United States and our basic interest. No one that I know of is contending that the 1903 treaty should remain intact, that the $2.3 million a year, as I recall the figure, that we pay to Panama is the last word, that we should hold them to that figure; that there are not other modifications in our arrangements with Panama that should perhaps be made.

What we are dealing with here is a finished document, finished in that it is complete in terms of what we are going to vote on here in the Senate, but which leaves large, gaping holes as to the implications of that financially, and as to the implications of it in terms of our right to use that canal.

It may be temporarily unpopular in Panama if we turn down these treaties. I am mindful of that. Frankly, I am disturbed about it. But when we get right down to it, if we approve these treaties there is no more guarantee that this treaty that we approve, if we do, would be the final word than there is that the 1903 treaty would be the final word.

Suppose we get to 3 or 4 years after ratification, if we should ratify, and the Panamanians say it is not enough; that continued American presence and membership on the commission is colonial; that the rest of the Americans have to get out? What do we then do? Then not only are we faced with the same situation, but we do not have control of the zone and we do not have an American military presence. Then we do not have that ability to defend the canal. That disturbs me greatly.

I do not see how these treaties, as written, are in the basic interests of the United States, and I do not think we should ratify these treaties.

I think what we ought to do is to go back to the negotiating table and address some of these considerations the Senator from Alabama has talked about and those that I have talked about. Let us try to get a treaty that is fair to the Panamanians, which gives them a bigger slice of the pie. This does not do that. It is a model of ambiguity, and it seems to me it is a treaty which does not protect the basic rights that we ought to have in the use of that canal.

It may breed much more trouble than we presently have, though it is designed to avoid that trouble.

We were continually told that American presence, the so-called colonial presence, in the Panama Canal Zone breeds contempt, hatred, and ridicule on the part of the Panamanians; that in this year of 1978 that is unacceptable.

Perhaps that arrangement can be modified somewhat.

Simply because there are some objections to the present treaty does not mean that we should be asked to swallow these treaties, which, in my view, do not give stability, economic predictability, nor the continued security and our right to use that canal, which I think are basic elements that any treaty should have with respect to Panama.

Mr. ALLEN. I thank the distinguished Senator for a very compelling statement.

I would like to ask one further question. I know the distinguished Senator from Louisiana (Mr. JOHNSTON) makes frequent trips back home to Louisiana, and that he consults there with his constituents. He appears before many groups of citizens in all walks of life.

I wonder if he has had the opportunity to touch base with them on the issue of the Panama Canal treaties.

What reaction has the distinguished Senator had from his constituents back in Louisiana?

Mr. JOHNSTON. I have in fact had vast opportunity to touch base on this issue. Indeed, even when I did not seek to touch base, even when I was doing other things, they were touching base, they were sliding in, one might say, on this issue. The reaction of the people of Louisiana is that they feel very strongly in my State, and I think by an overwhelming margin, perhaps by a margin of 2½ or 3 to 1. This is not an issue which is mysterious to the people of my State or this country. It is not an issue which the average citizen can fail to comprehend or have an understanding of.

I would guess that almost everybody in this country knows what the Panama Canal is and knows its general history. They may not have read "The Path Between The Seas," as I have. They may not have attended the hearings. But it does not take a huge amount of study, it does not take years of training, it does not take a doctor's degree to understand basically what we are doing in these canal treaties.

I think my people understand it fairly well. They feel by overwhelming numbers, 2½ or 3 to 1, that these treaties are not in our interest.

I think there is something to be said for the collective judgment of the people of this country. I think we can tend to trust the collective judgment on an issue of this kind.

Mr. ALLEN. I certainly agree.

(Mr. DECONCINI assumed the chair.)

Mr. JOHNSTON. This is not an issue of a complicated weapons system where the American people are to decide whether the AWACS control airplane should be sold to Iran, whether we ought to have cruise missiles or B–1 bombers. Those are technical questions which need great study.

This is a very simple, straightforward issue, and people of the country, I believe, understand the issue.

I am frank to say that I have no special knowledge that this is of such an esoteric nature, of such a difficult or technical nature, that my constituency cannot understand it. They understand it, and they feel the treaties ought to be rejected. I think people across this land feel the same way.

Mr. ALLEN. If they are rejected, would that not then still leave the opportunity for the negotiators representing the two governments to get together and work together on a treaty which, if it were drafted along the lines debate here in the Senate would indicate it should be drafted, might well be approved the next time it is submitted to the Senate?

Mr. JOHNSTON. I would hope so. I am not unmindful of the risk of turning this treaty down. I do not laugh that off. I do not say it is an inconsequential concern.

I have heard fears range all the way from riots in Panama to a new Vietnam war.

I do not think that will happen. I hope and pray it will not happen if we should reject these treaties.

But I do not think we can run American policy based on the shrillest voices of concern about what happens if the treaties are turned down. I have talked to some South American officials of other governments about how they feel about this treaty, and they are all united—not all of them; most of them are united in their official comments. Privately, they are not nearly so enthusiastic about the treaty as the signing ceremony would indicate.

More than that, I do not know that we have a whole proliferation of countries in South America that have a really, truly democratic system. If we did, then we might have a better idea about how the people down there feel. I do not know whether there is any way to satisfy any American presence against the most extreme voices of the so-called anticolonialism movement.

It is not colonial, in my view, for us to have a presence in Panama based upon a treaty, based upon our investment, our work, our blood, sweat, and tears. In my view, that is not colonial. It is according to the norms of international law. There is not a country in the world that does not recognize that treaty and that treaty has been recognized for over 75 years. So we are not there by force of arms.

We are not insisting that that treaty remain unabridged and unmodified. But if we are going to change that, if we are going to give up internationally recognized American rights, then I say let us do it in a manner consistent with our basic interests. These treaties do not recognize that basic American interest, in my view.

Mr. ALLEN. Again, I thank the distinguished Senator from Louisiana (Mr. JOHNSTON). I assure him of my deep sense of gratification and reassurance that the distinguished Senator from Louisiana has reached this decision, because I know the time and thought, the serious consideration that he gives to his positions on the issues that confront the people of Louisiana and the people of the United States, that come before us here in the U.S. Senate. I know how highly regarded the distinguished Senator from Louisiana is among his colleagues in the Senate, many of whom lean heavily upon the advice of the distinguished Senator from Louisiana.

I know of his closeness to the leadership. I know that he has served with distinction as chairman of the Democratic Senatorial Campaign Committee, and I know that he is close to the Senate powers who are seeking to obtain Senate advice and consent to these treaties. So my respect and admiration for the distinguished Senator from Louisiana, already very high indeed, has greatly increased, I might say escalated, as a result of this independent decision that the distinguished Senator from Louisiana has reached.

I believe it might well be the turning point in this body, because there are a number of uncommitted Senators, I read in the press and here on the electronic media. I might say I have not asked a single Senator how he is going to vote on the treaties. I feel it is my responsibility to take a position that I believe in and that I believe the people of Alabama believe in, but I do not believe it is my responsibility to solicit votes among Senators. I do know that many Senators regard the distinguished Senator from Louisiana so highly that it is bound to affect the ultimate decision that they make on this issue.

Again, I commend and congratulate the distinguished Senator from Louisiana.

Mr. JOHNSTON. I thank my distinguished colleague from Alabama for those kind and overly generous remarks.

ADDITIONAL STATEMENT SUBMITTED

Mr. DOMENICI. Mr. President, I would like to take this opportunity to make a few brief comments on several statements of concern raised by two of my distinguished colleagues, Senator BROOKE and Senator STENNIS. Both of these able statesmen chose to draw attention to the financial issues embodied in these treaties.

Mr. President, on September 30, 1977, I wrote the Comptroller General of the United States. In my letter I told him, and I quote:

After careful analysis of available data on the Panama Canal Company, I am unable to conclude with any degree of confidence that the proposed treaty assures sufficient revenues to fulfill the obligations and services of running such an operation.

We requested a statement of projected annual costs and revenues. We wanted a breakdown on costs running the gamut from police and fire protection to commitments on maintenance and repairs on the channels, harbors and locks.

It was immediately apparent to me that we might be promising the Panamanian people one thing, but what we were eventually delivering would bear little resemblance to their expectations. I cannot duplicate any thought more than the succinct comment by my distinguished colleague, Senator BROOKE, when he said:

Indeed, it is not inconceivable that passage of the treaties, with gross ambiguities regarding likely financial outcomes, could lead to an exacerbation of tensions rather than a lessening of the same in a relatively short period of time.

I would like to mention that I have not received a statement of projected annual costs and revenues from the General Accounting Office. However, I have carefully reviewed Mr. Staats' comments delivered before the Senate Armed Services Committee on this crucial topic. The distinguished chairman of the Armed Services Committee, Mr. STENNIS, has now presented these financial concerns before this body. I commend his committee and him personally for this excellent review and analysis. And, I join with him in urging all of my colleagues to read both the committee staff study and the State Department comments. When Mr. STENNIS tells us that this treaty could cost the American taxpayer upward of $2 billion, then this issue is certainly worthy of our attention.

Additionally, we have only received general observations on a complete estimate of the budget impact of the treaties from the Congressional Budget Office. Apparently, as has been mentioned innumerable times before my fellow colleagues, we cannot make an accurate assessment of costs and revenues, partially because implementing legislation which has been promised us months ago, has not been forthcoming.

Now, I recognize that there are many contingencies involved in an assessment of this magnitude. However, I find it very difficult to believe that after after some 13 or 14 years of negotiations, we do not have an indepth financial analysis of projected deficits, or profits, if any.

Mr. President, last year the State Department assured me there would be no need for appropriations to cover any possible deficits—that toll increases would sufficiently cover any expenses. After reexamination, the administration admitted that there would possibly be cause for appropriations of additional funds to meet the requirements of the treaties. And, now, we are looking at figures which suggest enormous appropriations may be needed. I would like to respectfully suggest that when the administration tells us it will not cost the taxpayers any money, they are assuming the American taxpayer is not intelligent enough to know that we are not going to be writing out checks to the Government of Panama. They must underestimate our citizens. The average citizen in this country does know that his tax dollars, in one form or another, will be expended to meet the obligations the United States has promised in these treaties.

Mr. President, I received a letter signed by the President of the Panamanian Association of Business Executives urging my support of these treaties. I would like to quote a few sentences from that letter.

One can objectively state in regards to Panama that few countries have given you so much in return for so little.

They further tell me:

We have to tell you frankly that there is a lot in that Treaty (that) is objectionable and even humiliating from our standpoint.

While I do not agree with these views, these are private businessmen in Panama that want these treaties because they believe they are in the best interests of their country. I understand their patriotism. But, I worry when they tell me that unless these treaties are ratified they could not stop violent means such as terrorism and sabotage against the canal. And, I believe them when they tell me that should radical actions take place—

Panama will welcome all the help it could get from any country in the world.

I cannot help but believe that they will be even more distressed and frustrated when they find that services they have become accustomed to may deteriorate or disappear, and promises they believe have been made, may not be forthcoming.

I totally agree with Senators BROOKE and STENNIS, and others who have spoken out on this issue, that we must all know, once and for all, what financial obligations the United States must assume to carry forth the terms of these treaties.

We must not be faced with a situation in 2, or 5, or 10 years, when we are asked to appropriate vast sums of money to meet these treaty obligations, and take a chance on the appropriations being reduced or denied. If we are worried about sabotage and rebellion in Panama now, while they have many financial benefits, then we must surely consider the possible future repercussions that will exist when the financial stability of this enterprise is in jeopardy.

To conclude, Mr. President, I am very pleased to hear the concerns raised before this body on the financial aspects of these treaties. I cannnot be party to any instrument which raises the hopes and dreams of both Americans and Panamanians, and then dashes these expectations to pieces. If Panama does not believe we were honest in 1903, then let us at least be honest in 1978.

Thank you.

Mr. President, I ask unanimous consent that the letter of September 30, 1977, to the Comptroller General be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 30, 1977.

COMPTROLLER GENERAL OF THE UNITED STATES,
General Accounting Office,
Washington, D.C.

DEAR SIR: After careful analysis of available data on the Panama Canal Company, I am unable to conclude with any degree of confidence that the proposed treaty assures sufficient revenues to fulfill the obligations and services of running such an operation.

As I understand the financial aspects of the Canal operation, the negotiations were conducted on the premise that any entity established to operate the canal would be self-financing over the life of the treaty. Therefore, we would like to request a statement of projected annual costs and revenues under the proposed treaty—a statement reflecting the expected annual expenditures required to meet the treaty obligations. We would appreciate a breakdown on costs running the gamut from police and fire protection costs, wages, etc., to commitments on maintenance and repairs of channels, harbors and locks.

At this point in time we are unable to determine what annual costs may be recovered, how the present assets will be depreciated and whether these assets will reduce any costs, or how deferred payments will be managed. Accordingly, I would hope that you would employ the resources of your office to conduct a thorough review of the financial condition of the Panama Canal Company (and Canal Zone Government), and furnish me with a breakdown of anticipated costs and revenues under the proposed Panama Canal Treaties. Thank you for your assistance and cooperation.

Sincerely,

PETE V. DOMENICI,
U.S. Senator.

NOMINATION

Mr. ROBERT C. BYRD. Mr. President, the nomination of P. R. Smith of Georgia to be Assistant Secretary of Agriculture has been reported by Mr. TALMADGE from the Committee on Agriculture, Nutrition and Forestry. It has been cleared on both sides of the aisle. I ask unanimous consent that the 1-day rule be waived and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the nomination.

DEPARTMENT OF AGRICULTURE

The assistant legislative clerk read the nomination of P. R. Smith of Georgia to be Assistant Secretary of Agriculture, reported earlier today.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. LAXALT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NEW REPORTS

Mr. ROBERT C. BYRD. Mr. President, all nominations on the Executive Calendar, beginning with new reports, have

been cleared for action on both sides of the aisle. I ask unanimous consent, therefore, that the Senate proceed to consider the nominations, beginning with new reports and going through the remainder of the Executive Calendar on page 15.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the nominations.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the various nominations, beginning with new reports, be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider en bloc the votes by which the nominations were considered and confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make that motion.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

EXTENSION OF TIME TO REPORT RESULTS OF STUDY

Mr. RIBICOFF. Mr. President, I ask unanimous consent as in legislative session that the Committee on Governmental Affairs may have until April 1, 1978, to report the results of its study, together with its recommendations, on the subject of the handling of employment discrimination complaints under section 310 of Senate Resolution 110, 95th Congress, first session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TODAY UNTIL 10 A.M. ON MONDAY, FEBRUARY 27, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SCOTT ON MONDAY, FEBRUARY 27, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the prayer on Monday, Mr. SCOTT be recognized to speak on the Panama Canal Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR STAFFORD ON MONDAY, FEBRUARY 27, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. STAFFORD be recognized following Mr. SCOTT on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that there now be a brief period for the transaction of routine morning business, not to extend beyond 5 minutes.

Mr. STEVENS. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Is there a timeframe for Senator SCOTT and Senator STAFFORD on Monday?

Mr. ROBERT C. BYRD. No, I did not limit it. I understand, from talking with Senator SCOTT, that he wants to speak for about an hour.

The PRESIDING OFFICER. Is there objection to the request for a period for morning business?

Without objection, it is so ordered.

Is there morning business?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on February 17, 1978, he had approved and signed S. 1509, an act to provide for the return to the United States of title to certain lands conveyed to certain Indian pueblos of New Mexico and for such land to be held in trust by the United States for such tribes.

The message also announced that on February 20, 1978, he had approved and signed S. 1360, an act to amend section 14(e) of the National Forest Management Act of 1976.

The message further announced that on February 21, 1978, he had approved and signed S. 266, an act to authorize appropriations for financial assistance to limit radiation exposure to the public from uranium mill tailings used for construction, and for other purposes.

MESSAGES FROM THE HOUSE

At 8:47 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has appointed Mr. MITCHELL of Maryland as a member of the Joint Economic Committee.

At 1:30 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 9179. An act to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation; and

H.R. 9214. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund.

The message also announced that the House has agreed to House Concurrent Resolution 486, directing the Clerk of the House of Representatives to make certain technical corrections in the enrollment of H.R. 8638, in which it requests the concurrence of the Senate.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and placed on the calendar:

H.R. 9214. An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund.

ORDER TO HOLD BILL AND CONCURRENT RESOLUTION AT DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the following bill and concurrent resolution be held at the desk pending further action:

H.R. 9179. An Act to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

H. Con. Res. 486. A concurrent resolution directing the Clerk of the House of Representatives to make certain technical corrections in the enrollment of H.R. 8638.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS

The Presiding Officer laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–2864. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual evaluation report covering the major Forest Service annual accomplishment information and the annual reporting requirements of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Agriculture, relative to the annual report of the Forest Service, be referred jointly to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC–2865. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the Department of Agriculture or any of its programs; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Agriculture relative to the acceptance of gifts in behalf of the Department of Agriculture, be referred jointly to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC–2866. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Tobacco Inspection Act to consolidate, and provide additional authority for the Secretary of Agriculture to establish methods of efficient and equitable marketing of tobacco; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2867. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, appropriations apportioned on a basis which indicates a necessity for supplemental appropriations for the fiscal year 1978; to the Committee on Appropriations.

EC–2868 A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $54.4 million of funds available in the Defense Stock Fund for war reserve inventories; to the Committee on Appropriations.

EC–2869. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 37, United States Code, to make permanent the special pay provisions for reenlistment bonus and enlistment bonus, and for other purposes; to the Committee on Armed Services.

EC–2870. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, the Commission's proposal to delay until November 1, 1979, the full effectiveness of Section 11(a)(1) of the Securities Exchange Act of 1934; to the Committee on Banking, Housing, and Urban Affairs.

EC–2871. A communication from the Attorney General, transmitting, pursuant to law, a report on the Credit Opportunity Act Amendments of 1976, February 1, 1978; to the Committee on Banking, Housing and Urban Affairs.

EC–2872. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on proposed actions concerning Skylab Reboost-Deorbit Mission; to the Committee on Commerce, Science, and Transportation.

EC–2873. A communication from the Acting General Counsel, Department of Energy, reporting, pursuant to law, a meeting related to the international energy program; to the Committee on Energy and Natural Resources.

EC–2874. A communication from the Deputy Assistant Secretary of the Interior, reporting, pursuant to law, that the Secretary of the Interior has determined that certain lands in the States of Idaho and Nevada are considered as not suitable for disposal under the provisions of the Unintentional Trespass Act (UTA) of September 26, 1968 (43 U.S.C. 1431); to the Committee on Energy and Natural Resources.

EC–2875. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report entitled "Effects of Changes in the Ozone in the Stratosphere Upon Animals, Crops, and Other Plant Life." December 1977; to the Committee on Environment and Public Works.

EC–2876. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Baltimore, Md., U.S. Customhouse, in the amount of $3,241,000; to the Committee on Environment and Publice Works.

EC–2877. A communication from the Adminstrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Washington, D.C., Federal building No. 8, in the amount of $8,400,000; to the Committee on Environment and Public Works.

EC–2878. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Miami, Fla., U.S. post office-courthouse, in the amount of $3,560,000; to the Committee on Environment and Public Works.

EC–2879. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Antirecession Assistance on 15 State Governments," February 22, 1978; to the Committee on Environment and Public Works.

EC–2880. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Antirecession Assistance on 16 County Governments," February 22, 1978; to the Committee on Environment and Public Works.

EC–2881. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Antirecession Assistance on 21 City Governments," February 22, 1978; to the Committee on Environment and Public Works.

EC–2882. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to promote a more adequate and responsive national program of water research and development, and for other purposes; to the Committee on Environment and Public Works.

EC–2883. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on the state of the finances of the United States Government for the fiscal year ended September 30, 1977; to the Committee on Finance.

EC–2884. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–2885. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–2886. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office issued during January 1978; to the Committee on Governmental Affairs.

EC–2887. A communication from the Associate Administrator for Administration, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, a report for a system of records, DOT/FAA 844, Airplane Noise Complaint System; to the Committee on Governmental Affairs.

EC–2888. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact on Trade of Changes in Taxation of U.S. Citizens Employed Overseas," February 21, 1978; to the Committee on Governmental Affairs.

EC–2889. A communication from the Attorney General, transmitting, pursuant to law, a report of is intention to add a new Privacy Act system of records, JUSTICE/INS–003, Position Accounting/Control System (PACS), to be maintained by the Immigration and Naturalization Service; to the Committee on Governmenal Affairs.

EC–2890. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on October 25, 1977, which would authorize the Mayor to take certain actions in connection with energy resources shortages (Act 2–152); to the Committee on Governmental Affairs.

EC–2891. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, that the Department of Health, Education, and Welfare did not during 1977 transfer any excess property in foreign countries; to the Committee on Governmental Affairs.

EC–2892. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Housing Federal Prisoners in Non-Federal Facilities is Becoming More Difficult," February 23, 1978; to the Committee on Governmental Affairs.

EC–2893. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of the Navy's Vertical Short Takeoff and Landing Aircraft," February 23, 1978; to the Committee on Governmental Affairs.

EC–2894. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "East-West Center—Progress and Problems," February 15, 1978; to the Committee on Governmental Affairs.

EC–2895. A communication from the Chairman, Federal Deposit Insurance Corporation, reporting, pursuant to law, its compliance with the requirements of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–2896. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Opportunities for Improving Internal Auditing in the Department of Agriculture," February 9, 1978; to the Committee on Governmental Affairs.

EC–2897. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Is the Administrative Flexibility Originally Provided to the U.S. Railway Association Still Needed?", February 22, 1978; to the Committee on Governmental Affairs.

EC–2898. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Number of Newly Arrived Aliens Who Receive Supplemental Security Income Needs to be Reduced," February 22, 1978; to the Committee on Governmental Affairs.

EC–2899. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, Final Regulation for Part 172—Teacher Corps; to the Committee on Human Resources.

EC–2900. A communication from the Chairperson, National Advisory Council on Bilingual Education, Office of Education, Department of Health, Education, and Welfare, transmitting, for the information of the Sen-

ate, legislative recommendations for the Bilingual Education Act; to the Committee on Human Resources.

EC–2901. A communication from the Secretary of Health, Education, and Welfare, transmitting, for the information of the Senate, a report of the Education Outreach Hearings scheduled by the Office of Education during the period September 7, 1977 to November 9, 1977; to the Committee on Human Resources.

EC–2902. A communication from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and for other purposes; to the Committee on Human Resources.

EC–2903. A communication from the Executive Director, Federal Labor Relations Council, transmitting, pursuant to law, a report concerning the activities of the Federal Labor Relations Council and the Federal Service Impasses Panel with regard to public information requests during calendar year 1977, February 10, 1978; to the Committee on the Judiciary.

EC–2904. A communication from the Public Information Officer, Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report on the admnistration of the Freedom of Information Act during the calendar year 1977; to the Committee on the Judiciary.

EC–2905. A communication from the President, Panama Canal Company, transmitting, pursuant to law, a report of its compliance with the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–2906. A communication from the Chairman, United States International Trade Commission, transmitting, pursuant to law, a report of the activities of the United States International Trade Commission for calendar year 1977 with respect to the Freedom of Information Act; to the Committee on the Judiciary.

EC–2907. A communication from the Executive Officer, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, the 1977 annual report on Freedom of Information activities; to the Committee on the Judiciary.

EC–2908. A communication from the Administration, U.S. Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act; to the Select Committee on Small Business.

PETITIONS

The PRESIDING OFFICER laid before Senate the following petitions, which were referred as indicated:

POM–486. A resolution adopted by the Executive Committee of the National Institutional Food Distributor Associates, Inc., relating to a Humphrey Universal Free School Lunch Program; to the Committee on Agriculture, Nutrition, and Forestry.

POM–487. A resolution adopted by the Legislature of the State of New Jersey; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Whereas, With the enactment of the Communications Act of 1934, Congress declared that the overriding objective of the Nation's communications policy would be 'to make available, so far as possible, to all the people of the United States a rapid, efficient, Nationwide and world-wide wire and radio communications service with adequate facilities at reasonable charges; and

"Whereas, In implementing that goal, the telecommunications industry of the United States has provided telecommunications service that is acknowledged as the finest in the world and is provided to more than 90 percent of American homes and almost every business, both rural and urban; and

"Whereas, The public has benefited from a policy under which a Nation-wide telephone network, as a single entity, has provided the public with low-cost, universally-available service of superior quaity; and,

"Whereas, Recent decisions of the Federal Communications Commission threaten this complex and integrated telecommunications network; and,

"Whereas, Municipal and county governing bodies, senior citizens groups, chambers of commerce and other organizations and consumers have formally expressed concern about this trend in regulatory philosophy; and,

"Whereas, There has been introduced in Congress certain legislation known as the 'Consumer Communications Reform Act of 1977,' which is designed to provide regulatory agencies with the necessary direction to return to the goals of the Communications Act of 1934; now, therefore,

"Be It Resolved by the Senate of the State of New Jersey;

"The Congress of the United States is hereby respectfully memorialized to enact legislation to safeguard a Nation-wide telecommunications system that has provided superior service at a low cost to the consumer.

"When this resolution shall have been finally agreed to and returned into the hands of the Secretary of Senate, duly authenticated copies shall be transmitted to the Vice President of the United States and Speaker of the United States House of Representatives, and to each of the members of Congress elected from this State."

POM–488. A resolution adopted by the Pearl River County Development Corporation, Inc., requesting the Corps of Engineers, Mobile District, to proceed with correction of diversion on Pearl River and restoring same with water as it was at statehood, and publicly reestablish the State line between Mississippi and Louisiana in Pearl River; to the Committee on Environment and Public Works.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry.

P. R. Smith, of Georgia, to be an Assistant Secretary of Agriculture.

(The above nomination was reported favorably with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. McGOVERN (for himself, Mr. KENNEDY, Mr. DOLE, Mr. PERCY, and Mr. DOMENICI):

S. 2580. A bill to establish the National Home-Delivered Meals Act of 1978; to the Committee on Human Resources.

By Mr. RANDOLPH (by request):

S. 2581. A bill to repeal section 506 of the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

By Mr. WEICKER:

S. 2582. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE:

S. 2583. A bill to provide for the temporary transfer of the hospital ship United States ship Sanctuary (AH–17) to LIFE International for the purpose of providing health care and related services to developing nations on a nonprofit basis, and to authorize funds for such purpose; to the Committee on Armed Services.

By Mr. HART (by request):

S. 2584. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Environment and Public Works.

S. 2585. A bill to amend Public Law 95–209 to increase the authorization for appropriations to the Nuclear Regulatory Commission in accordance with Section 261 of the Atomic Energy Act of 1954, as amended, and Section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Environment and Public Works.

By Mr. WALLOP:

S. 2586. A bill to limit the quantity of feeder and slaughter cattle which may be imported into the United States during each calendar year; to the Committee on Finance.

By Mr. DOMENICI:

S. 2587. A bill to authorize the consolidation and use of funds arising from judgments in favor of the Apache Tribe of the Mescalero Reservation and of each of its constituent groups; to the Select Committee on Indian Affairs.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 2588. A bill to declare that the United States holds in trust for the Pueblo of Santa Ana certain public domain lands; to the Select Committee on Indian Affairs.

By Mr. CRANSTON:

S. 2589. A bill to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 2590. A bill to amend certain provisions of law relating to land claims by the United States in Riverside County, California, based upon the accretion or avulsion, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McGOVERN (for himself, Mr. KENNEDY, Mr. DOLE, Mr. PERCY, and Mr. DOMENICI):

S. 2580. A bill to establish the National Home-Delivered Meals Act of 1978; to the Committee on Human Resources.

NATIONAL HOME-DELIVERED MEALS ACT OF 1978

Mr. McGOVERN. Mr. President, today I am introducing the National Home-Delivered Meals Act of 1978. Joining with me in the introductions of this measure are Senators KENNEDY, DOLE, PERCY, and DOMENICI.

Congress has shown a great deal of interest in the concept of home-delivered meals legislation since last January when I introduced S. 519, The National Meals on Wheels Act of 1977. The Senate Select Committee on Nutrition and Hu-

man Needs held hearings last April on the need for home-delivered meals legislation, and completed in December a report which contains a major section on home-delivered meals programs. Senator KENNEDY introduced in April S. 1283, The National Home-Delivered Meals For The Elderly Act, which varied in certain respects from S. 519. The Senate Subcommittee on Aging held hearings last May on S. 519 and S. 1283, and the House Subcommittee on Federal, State and Community Services held hearings in April on establishing a national meals on wheels program. These hearings, the report and S. 1283 have provided invaluable information regarding the best method of implementing a national home-delivered meals program.

The National Home-Delivered Meals Act of 1978 contains the best elements of S. 519 and S. 1283, and makes some other minor additions to the bills that would strengthen the program. It is my hope as well as Senator KENNEDY's that this new bill will supersede S. 519 and S. 1283, and that Congress will move quickly to mark up this badly needed legislation.

I will not review today all the arguments concerning the need for a national home-delivered meals program. The hearing records of the House and Senate are filled with such documentation. Moreover, the cosponsors of S. 519 and 104 cosponsors of its House equivalent introduced by Representative GEORGE MILLER demonstrate that my colleagues in the House and Senate are well aware of the need for home-delivered meals legislation. I would, however, like to emphasize one further point at this time.

I believe that as a matter of public policy we must make a greater investment in home care services for our disabled, homebound citizens. A recent General Accounting Office report indicated that until people become extremely impaired the cost of institutional care exceds the cost of home care. In addition, it has long been known that people prefer the security of their homes to the unfamiliar surroundings of an institution. If a wide range of home services were available people could select only the services they need to maintain their independence. Unfortunately, few services are currently available outside the institutional setting.

Passage of the National Home-Delivered Meals Act of 1978 would provide many homebound individuals with the service they need to avoid premature institutionalization. I urge Congress to make this small commitment to the homebound and the concept of home care so that we may begin to construct a rational and humane system of care which provides the homebound with alternatives to institutional care.

The National Home-Delivered Meals Act of 1978 would amend title VII of the Older Americans Act specifically to allow for delivery of meals and ancillary services to the homebound. Up to 15 percent of the caseload of each home-delivered meals program could consist of non-elderly homebound persons. There would be authorized to be appropriated for the purposes of this act $100 million in fiscal year 1979, $115 million in fiscal year 1980 and $130 million in fiscal year 1981. A $100 million appropriation would triple the number of persons currently receiving title VII home-delivered meal services.

Funds made available under this act would be distributed to the States in accordance with the current title VII formula: That is, each State would receive an allotment based on the number of people 60 years and older in that State as compared to the number of such persons in all States. Preference in receiving those funds would be given to areas in which a large percentage of the residents are low-income or minority individuals. Further, the State and area agencies responsible for dispensing title VII funds would be encouraged to develop a coordinated and integrated system of home-delivered and congregate meal services. However, the State and area agencies would have the authority to distribute congregate and home-delivered meal funds within regions of a State on the basis of the relative need for such services in those regions.

The State and area agency would make awards to nonprofit organizations such as local meals-on-wheels groups or title VII nutrition projects. State agencies must provide assurance in their State plans that title VII congregate projects receiving home-delivered meals awards will, to the extent feasible, contract or subcontract with local meals-on-wheels projects to deliver the meals. This provision should not be interpreted as a dictate that title VII projects currently operating home-delivered meals programs should discontinue that service or that title VII projects should not develop new home-delivered meals programs. Rather, assurances must be given that, first, before starting new programs title VII projects will attempt to utilize the resources and capabilities of local meals-on-wheels groups, and second, title VII programs currently providing home-delivered meals will seek the assistance of local meals-on-wheels groups in expanding services to the homebound.

Any group applying for a home-delivered meals award would be required to meet certain criteria of efficiency and quality to qualify for that award. These standards would be developed by the Commissioner of the Administration on Aging in consultation with representatives of the American Dietetic Association, the Association of Area Agencies on Aging, the National Association of Title VII Project Directors, the National Association of Meals Programs, Inc., the National Association of State Units on Aging, an organization representing rural areas, and any other appropriate groups.

Well-established meals on wheels groups would be used as a model in developing such criteria. These groups have offered excellent service for years and can provide invaluable guidance in developing criteria that will not interfere with service delivery.

If for any reason a meals-on-wheels program or title VII nutrition project believes that it has been unjustly denied an award, that organization will be afforded an impartial hearing before the State agency. In the event that a project has been denied a renewal of funding, the hearing and hearing decision must be provided prior to the time when the prior funding has expired.

It is not intended that persons who are capable of participating in the congregate program receive home-delivered meals. Each potential participant should be screened prior to being served under this act. Screening may be accomplished automatically by referrals from physicians, visiting nurses, or the congregate program or may be undertaken by staff or volunteers of the nutrition project. In addition, need assessments of each individual recipient by a professional would be required four times a year.

Local projects may choose to serve one or more meals a day, so long as participants receive no less than one-third of the recommended dietary allowances 5 or more days per week. Local projects may elect to provide meals on weekends.

Each project receiving funds under this act would be strongly encouraged to conduct community outreach, using techniques similar to those used in participant outreach to attract and use a substantial pool of volunteers. In addition, projects and local organizations could use funds available under this act to compensate volunteers for transportation expenses incurred in the delivery of meals to the homebound participant.

The use of volunteers should in no way jeopardize the jobs of meals-on-wheels or title VII nutrition project personnel who are currently paid a small stipend for their services. Further, projects and meals-on-wheels groups may use funds from their administrative allotment to expand personnel receiving stipends, especially senior citizens who are providing part-time or full-time services.

This bill also provides State administrative funds for title VII. Under current law State agencies receive their administrative funds from title III of the Older Americans Act and other sources. If a national home delivered meals program is implemented the administrative burden on the State agency will significantly increase. This bill would amend title VII to set aside up to 5 percent of each States' title VII allotment for administration of the State plan.

The National Home-Delivered Meals Act of 1978 would also establish a demonstration project to determine the feasibility of using shelf-stable and/or frozen food systems as a supplement to or, in emergency conditions, as a substitute for normal title VII service delivery. It is important to note that these systems are not intended except in emergency conditions to replace regular title VII congregate or home-delivered meal programs. Personal contact with the elderly is an essential feature of the meal program and should not be displaced. Rather, these systems are intended to complement normal meal delivery, and replace services only during a temporary emergency.

In addition to the above provisions, the bill would establish a study to determine the effectiveness of the home-delivered after the implementation of this act. It completed within the first 24 months

after the implementation of this act. It would be designed to generate data on the conditions of the homebound and to determine the strengths and weaknesses of the home-delivered meals program.

I ask unanimous consent that the National Home-Delivered Meal Act of 1978 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Home-Delivered Meals Act of 1978."

SEC. 2 Section 706(a)(1) of the Older Americans Act of 1965 is amended by inserting "(A)" immediately after "(1)", by inserting after the semicolon the words "and, or", and by adding after such section the following new subparagraph:

"(B) to establish a project (referred to herein as a 'nutrition project') for the elderly which, five or more days per week, provides at least one home-delivered hot meal which assures a minimum of one-third the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council."

SEC. 3. (a) Section 706(a) of the Older Americans Act of 1965 is amended by adding at the beginning of paragraphs 3 and 6, the following: "With regard to nutrition projects as described in subsection (a)(1)(A) of this section,"; and by striking out "and" at the end of paragraph (10), by redesignating paragraph (11), and all references thereto, as paragraph (13), and by inserting immediately after paragraph (10) the following new paragraphs:

"(11) With regard to nutrition projects as described in subsection (a)(1)(B) of this section, to make assessments at least quarterly of individuals receiving assistance under (a)(1)(B) of this section to determine their need for additional services or for a continuation of services, provided that, where feasible, the assessment shall be made by a professional with experience to make such assessment."

"(12) With regard to nutrition projects as described in subsection (a)(1)(B) of this section, to the maximum extent possible, to seek and utilize volunteer personnel, with preference given to the elderly, for the provision of home-delivered meals, and to compensate such personnel when appropriate for transportation expenses incurred in the delivery of such meals; and."

(b) Section 706 of such Act is further amended by striking out subsection (b) and redesignating such subsection as subsection (c), and by adding immediately after subsection (a)(13) a new subsection 706(b) as follows:

"(b)(1) In allotting funds for projects under (a)(1)(B) of this section, the grantor agency shall give preference to congregate projects and meals-on-wheels projects that are operating in those areas of each State that contain the highest incidence of low-income individuals, and, to the extent feasible, projects receiving allotments shall be operated by and serving the needs of, minority Indian, and limited English speaking eligible individuals in proportion to their numbers in their State: Provided, that the grantor agency is also encouraged to make awards to projects, such as meals-on-wheels groups, which demonstrate an ability to meet the minimum criteria of efficiency and quality established under Section 706(b)(5) of this Act, if such groups—

"(A) are able to demonstrate the need for the services furnished by such groups; and

"(B) provide reasonable assurance that the nutrition project for which assistance is sought will maintain, to the maximum extent possible, its level of funding from non-Federal resources for the fiscal year prior to the year for which the determination is made under Title VII of this Act; and

"(C) provide assurance that the conditions and regulations of title VII, where they are applicable to meals-on-wheels projects, will be met by such groups;

"(2) In making awards under clause (a)(1)(B) of this section, the State agency shall assure that home-delivered nutrition services should be provided in conjunction with congregate meal sites whenever possible to promote an integrated nutrition system. Where meals-on-wheels or other home-delivered nutrition services exist without a congregate meal site, State agencies are encouraged to develop complimentary congregate services.

"(3) Title VII projects currently using funds made available under section 708(a) of this Act for home-delivered meals may replace any amount of those funds with funds made available under section 708(b) of this Act provided that said projects do not decrease their home-delivered meals caseload.

"(4) The Commissioner, in consultation with representatives from the American Dietetic Association, the Association of Area Agencies on Aging, the National Association of Title VII Project Directors, the National Association of Meals Programs, Incorporated, the National Association of State Units on Aging, an organization representing rural areas and any other appropriate groups, shall develop minimum criteria of efficiency and quality for the furnishing of home-delivered meal services for such projects. Such criteria shall be designed so that well-established meals-on-wheels programs may continue such service without major alteration in the furnishing of such services.

"(5) No award may be made under clause (a)(1)(B) of this section unless the award includes provisions designed to assure that the furnishing of such services complies with the minimum criteria established under this subsection.".

"(6) Not to exceed 15 per centum of the individuals receiving services in any project assisted under clause (1)(B) of subsection (a) of this section may consist of disabled homebound individuals who are not elderly; provided that said services are financed to the extent feasible from sources other than funds made available under Section 708 of this Act.".

SEC. 4. (a) Section 705(a) of the Older Americans Act of 1965 is amended by inserting immediately after paragraph (5) the following new paragraphs:

"(6) provide assurances that within its awards to title VII projects, contracts or subcontracts shall be made, to the maximum extent feasible, with existing meals-on-wheels organizations to, at a minimum, deliver the meal service."

"(7) provide that the State agency shall require that any nutrition project applicant whose application for approval has been denied and any nutrition project whose application for renewal has been denied, shall be afforded an opportunity for an impartial hearing before the State agency, which hearing and hearing decision, in the case of nutrition projects denied a renewal of funding, shall be provided prior to the time when the prior funding period of such nutrition projects will have expired."

(b) Section 705(a)(2)(B) of the Older Americans Act of 1965 is amended by striking the entire subsection (B) and inserting in lieu thereof the new subsection designated:

"(B) to provide for the proper and efficient administration of the State plan at the least administrative cost. Not to exceed 5 per centum of the funds allotted to a State under section 708 of such Act may be used for the administration of the State plan pursuant to this section. In administering the State plan the State agency shall—".

SEC. 5. (a)(1) Section 708 of the Older Americans Act of 1965 is amended by inserting "(a)" after the section designation.

(2) Section 708(a) of such Act (as redesignated by paragraph (1) of this subsection) is amended by inserting "and paragraph (1)(B), (11) and (12) of section 706(a)" after "section 707(c)" in the parenthetical.

(b) Section 708 of such Act is amended by adding at the end thereof the following subsection:

"(b)(1) In addition to the sums authorized by subsection (a), there are authorized to be appropriated $100,000,000 for the fiscal year 1979, $115,000,000 for the fiscal year 1980, and $130,000,000 for fiscal year 1981 for the purpose of providing home-delivered meals pursuant to section 706(a)(1)(B).

"(2) Sums appropriated pursuant to paragraph (1) of this subsection shall be obligated and expended during the fiscal year for which they are appropriated, provided that sums appropriated pursuant to this section, shall notwithstanding the provisions of any other law, continue to remain available until expended."

SEC. 6(a). The Commissioner shall conduct a study on the effectiveness of the national home-delivered meals program. Such study shall include in its objectives:

(1) an assessment of the areas of greatest need for home-delivered meals and a determination of whether services are reaching such areas of need;

(2) an assessment of whether the home-delivered meal services are being coordinated with other available community services for the elderly; and

(3) a determination of the cost effectiveness of the home-delivered meals program including a determination in selected areas tested as to whether the rate of institutionalization of the elderly has been affected.

In carrying out the study required by this subsection the Commissioner shall consult with representatives of State agencies conducting programs assisted under title VII of the Older Americans Act of 1965.

(b) The Commissioner shall prepare and submit a report to the President and to the Congress not later than twenty-four months after the date of implementation of this Act on the results of the study required by this section, together with such recommendations, including recommendations for legislation, as he deems appropriate.

(c) There are authorized to be appropriated for the fiscal year 1979 and the fiscal year 1980 such sums as may be necessary to carry out the provisions of this section.

SEC. 7. Section 701(b) of the Older Americans Act of 1965, is amended by adding after the period following the word "services" the new sentence: "In addition, the national policy should provide home-delivered meals and other social services to those elderly who are homebound and unable to attend a congregate center, however, it is not intended that such meals and services serve to foster dependency on the part of those who are able to attend a congregate site."

SEC. 7. Section 703(a)(2)(c) of the Older Americans Act of 1965, is amended by adding at the end thereof the following sentence: "Voluntary contributions or services provided to projects described in section 706 (a)(1) of this Act, shall be counted as non-Federal resources for the purposes of meeting the requirements of this provision.

SEC. 8. Title VII of the Older Americans Act of 1965 is amended by redesignating section 710 and all references thereto, as section 711 and by inserting immediately after section 709 the following new section:

SUPPLEMENTAL MEAL SYSTEMS FOR THE ELDERLY

"Section 710(a). The Commissioner shall conduct a demonstration project involving at least three States to determine the feasibility of using shelf-stable and/or frozen meal systems for the elderly as a component of or as a substitute in emergency conditions for regular nutrition projects assisted under this Act. Each such demonstration project shall include an evaluation by the Commissioner of the usefulness of this approach in meeting the nutritional needs of the elderly.

"(b) The Commissioner shall report to the Congress on the results of the demonstration projects authorized by this section together with such recommendations including recommendations for legislation as he deems appropriate.

"(c) There are authorized to be appropriated for the fiscal year 1979 $150,000,000 to plan the implementation of the demonstration projects and for fiscal year 1980 $650,000 to carry out the provisions of this section. Not more than 20 per centum of the allotment made available in fiscal year 1980 shall be available for administration and support services.".

Section 703(a)(1) of the Older Americans Act of 1965 is amended by striking the word "and" immediately after the semicolon in subparagraph (A) of this section. Section 703(a)(1) is further amended by striking the period immediately after the word "Islands" in subparagraph (B), and by adding in lieu thereof a semicolon, the word "and", and the following new paragraph:

"(C) distribution of funds by formula to each state shall not prevent the distribution of funds within each state and within each planning and service area of each state on the basis of relative need for congregate or home-delivered meals as determined by the state or area agency on aging respectively."

By Mr. WEICKER:

S. 2582. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL AQUACULTURE ORGANIC ACT OF 1978

Mr. WEICKER. Mr. President, today I am pleased to introduce the National Aquaculture Organic Act of 1978.

This legislation is based on the needs of the Nation to stimulate development of a viable aquaculture program in the United States.

Aquaculture is the controlled cultivation of aquatic plants and animals for the purposes of providing food and other materials to the consumer. It is a fledgling industry in the United States but has been practiced in other nations for many centuries.

China, for instance, has used aquaculture techniques for over 20 centuries and produces much of its fish products through aquaculture techniques. Aquaculture accounts for roughly 10 percent of the world's production of fish products, but in the United States, it only provides a scant 3 percent of our total production.

World production of seafood still comes largely from hunting and gathering fish, shellfish, and seaweed from wild stocks. In an attempt to meet the growing demands for food to feed an ever expanding population and to satisfy worldwide affluence, many wild stocks of fish have already been fished too heavily, often exceeding maximum sustainable yields. It is also expected that the world demand for seafood will increase dramatically in the near future; even in the United States the demand may increase 80 percent by the year 2000.

The sea still has potential for producing more food but only with changes in attitude towards under utilized species which are often wasted and with the implementation of proper management of all species. But, no matter what the circumstances, seafood production will soon plateau and other methods of obtaining a source of high protein will have to be found.

Since aquatic organisms have extremely high productivity and are some of the best converters of primary foods, it is desirable, in my estimation, to increase the production of aquatic foods through aquaculture techniques rather than look for alternative sources of protein. Indeed, in this country, the most successful agricultural Nation in history, we have reached the peak of production. As a matter of fact, our demands on agriculture may cause serious soil degradation in the future.

Aquaculture technology has reached a point where it has the potential in this country to produce low-cost, high-protein food as well as the gourmet items such as shrimp and possibly lobster. Catfish is one species that is already being cultured at moderately successful levels. Other species, particularly marine organisms, that hold great promise are salmon, oysters, mussels, pompano, and trout. The most commercially important cultured aquatic species for other than human consumption are the seaweeds used in the production of animal feeds and industrial chemicals.

The whole issue of aquaculture has not been properly addressed in the United States. It is still considered a high risk—capital intensive industry. Large initial investments for building and holding pond construction, disease control, physiological and nutritional research and purchasing and developing seed stocks are necessary to begin an aquaculture operation. It is still, therefore, considered a speculative industry and private investment will not become available until assurances of attractive returns are realized.

Other problems concerning site selection of facilities, pollution, and good water supplies must also be addressed. Economical sources of feeds are one of the biggest drawbacks to aquaculture advancing on its own. Only hard research in developing feeds can bring down the cost of rearing most aquatic species.

For many of these reasons past aquaculture ventures have failed in the United States. Such failures have led to strong feelings that aquaculture has been tried and failed and, therefore, should not go any further.

Most attempts at aquaculture in the past have been premature and conducted by small, undercapitalized companies that could not go beyond their initial operational phases.

Mr. President, the time has come for the Federal Government to help aquaculture on its feet.

The legislation that I am introducing today, similar to H.R. 9370, the National Aquaculture Organic Act of 1978, that has already passed the full House by an impressive vote of 234 yeas to 130 nays, will instruct the Secretary of Commerce to establish a national aquaculture development plan.

It would coordinate programs to identify primary species with greatest aquaculture potential, and to conduct research in life history, behavior, physiology, disease control of aquaculture species, and potential food organisms for such sepecies.

A loan guarantee program administered by the Secretary would make developmental capital available for construction and operation of aquaculture facilities and for acquiring essential seed stocks.

The Secretary would also establish an insurance program covering the essential stocks of an aquaculture facility that may be lost through such things as disease or unavoidable equipment failure.

The major differences between this legislation and of H.R. 9370 are:

First. The Secretary of Commerce would have total responsibility for the program as opposed to shared responsibility with the Secretary of the Interior and Secretary of Agriculture as provided for in the House bill. I believe that the entire aquaculture program should be conducted from one central office.

Second. The House bill provides for disaster relief loans. My bill has no such provision since I believe this can best be handled through existing programs in the Small Business Administration.

Third. H.R. 9370 contains an all-risk insurance program. This bill only covers essential stocks. Liability and other insurance can be obtained through private insurance.

Fourth. Authorizations in this bill do not to exceed $100 million for the loan guarantee program and $250 million for the insurance program. H.R. 9370 authorizes $500 million for loan guarantees and $1 billion for the insurance program.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Aquaculture Organic Act of 1978."

SEC. 2. FINDINGS, PURPOSE, AND POLICY.

(a) The Congress finds the following:

(1) The world consumption of seafood is increasing and the harvest of some populations of fish and shellfish has exceeded levels of maximum sustainable yield.

(2) Certain stocks of fish and shellfish of importance to the United States are depleted, or are declining, and such depletion or decline has an undesirable impact on both commercial and recreational fisheries.

(3) There is an extensive market for seafood in the United States, but the United States imports in excess of 50 percent of its fish and shellfish for human consumption (which imports are ten times the level of

exports), and this dependence on imports as a source of protein makes it difficult to insure continuous supplies and suggests that alternatives such as aquaculture be developed.

(4) Many segments of the world population are now facing serious nutritional deficiencies and food shortages due to adverse climatic conditions and the steady growth of population. These problems will become more severe, and the resulting demand for increased food production will have to be met chiefly through the application of scientific and technological advances from research on aquaculture and other food production systems.

(5) Aquaculture is contributing significantly to world food supplies with production equal to 10 percent of current landings of seafoods and has the potential for increase by a factor of five before the end of this century.

(6) Less than 3 percent of current United States fisheries production results from aquaculture but there is a good potential for expanding production from aquaculture to equal or exceed the worldwide average, thereby helping to provide United States consumers with stable supplies of high quality aquatic foods.

(7) The stocking of advanced life stages of fish and shellfish produced by aquaculture to the natural environment is a possible means of rebuilding and augmenting fish and shellfish populations and establishing new fisheries.

(8) The application of aquaculture technology offers opportunities for recovery of thermal energy, nutrients, and other resources normally wasted and may be a more efficient use of these resources for food production than current methods of agriculture.

(9) Water, whether fresh, brackish, or marine, which is suitable for aquaculture is diminishing or in many cases is underutilized.

(10) Where land-use and water-use management policies may inhibit the development of aquaculture facilities in areas suitable for aquaculture, consideration should be given to the utilization of these areas for aquaculture along with the other uses of such areas.

(11) Current efforts to develop aquaculture in the United States are highly diffuse, and a strong commitment by the Federal Government will make aquaculture more efficient and competitive, thereby stimulating public and private investment and development.

(12) While many scientific and technological problems are unsolved, there is sufficient knowledge to further the development of aquaculture production systems for some species of fish and shellfish.

(13) The development of aquaculture in the United States has been limited by the inability of producers of aquatic species to obtain adequate capital and a reliable source of seed stock.

(14) Aquaculture in the United States has traditionally concentrated on a few aquatic species, but many others have a potential for commercial and other culture.

(15) Government programs that help to reduce the risks associated with production of agricultural commodities have not been generally available to producers of those aquatic species in which the risk, is high.

(b) The purpose of this Act is to promote aquaculture in the United States by—

(1) declaring a national aquaculture policy;

(2) establishing and implementing a national plan for aquaculture; and

(3) developing programs and encouraging activities;

which will result in the coordination of domestic aquaculture efforts, the conservation and increased availability of fisheries resources, the creation of new industries and job opportunities, and other national benefits.

(c) Aquaculture has a high potential for augmenting existing commercial and sport fisheries, thereby increasing the supply of aquatic protein for both human and animal consumption and assisting the United States in meeting its future food needs and contributing to the solution of world food problems. It is, therefore, in the national interest, and it is the national policy, to encourage the development of aquaculture.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) The term "aquaculture" means the propagation and rearing of aquatic species in controlled or selected environments, including ocean ranching.

(2) The term "aquaculture facility" means any dry or submerged land, floating or fixed structure, or other appurtenance, if such land, structure, and appurtenance is located within the United States, which is used for aquaculture, including, but not limited to, any laboratory, hatchery, rearing pond, raceway pen, incubator, or other equipment, including vessels in support of aquaculture.

(3) The term "aquatic species" means any species, native or introduced, of finfish, mollusk or crustacean or other aquatic invertebrae, amphibian, reptile or aquatic plant but does not mean any species of finfish or aquatic plant primarily used for ornamental purposes.

(4) The term "Fund" means the Federal Aquaculture Assistance Fund established by section 11.

(5) The term "person" means any individual who is a citizen or national of the United States and any corporation, partnership, association, or other entity (including, but not limited to, any community development corporation or fishermen's cooperative) organized or existing under the laws of any State.

(6) The term "Secretary" means the Secretary of Commerce.

(7) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and any other Commonwealth, territory, or possession of the United States.

(8) The term "United States", when used in a geographical context, means all States including the adjacent fisheries economic zone.

SEC. 4. NATIONAL AQUACULTURE DEVELOPMENT PLAN.

(a) (1) Before the close of the 1-year period beginning on the effective date of this Act, the Secretary shall by regulation establish a National Aquaculture Development Plan (hereinafter in this Act referred to as the "plan"). The Secretary shall give interested persons an opportunity to participate in the rulemaking in accordance with the provisions of section 553 of title 5, United States Code.

(2) (A) If the Secretary deems it appropriate, the Secretary may establish and appoint members of an advisory committee to assist in the initial development of the plan. Persons appointed to the committee shall be knowledgeable or experienced in the principles or practices of aquaculture and or other disciplines directly applicable to aquaculture.

(B) If an advisory committee is established under subparagraph (A), the members of the committee, while away from their homes or regular places of business in the performance of services for the committee, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(b) The plan shall—

(1) identify those aquatic species (hereinafter referred to in this Act as "priority aquatic species") which the Secretary determines to have a potential for culturing on a commercial or other basis, which determination shall be made by the Secretary after taking into account—

(A) the extent of commercial aquaculture, if any, currently being carried out with respect to such species, and the projected biological and economic feasibility of culturing such species;

(B) the extent to which aquaculture research and development have been undertaken, within the public and private sectors, with respect to such species;

(C) the time and resources which will be required to develop aquaculture technology to the point where such species can be cultured on a commercial or other basis; and

(D) such other factors as the Secretary determines to be appropriate; and

(2) contain an aquaculture development program, prepared by the Secretary, for each priority aquatic species.

(c) The aquaculture development program contained in the plan for each priority aquatic species shall set forth those actions which the Secretary determines should be undertaken, and the period of time within which each such action should be completed, to provide for the culture of each such species on a commercial or other basis. Such actions, with respect to each priority aquatic species, shall include—

(1) such research and development, technical assistance, demonstration, extension education, and training as may be necessary and appropriate regarding—

(A) aquaculture facility design and operation,

(B) water quality management,

(C) utilization of waste products (including thermal effluents),

(D) nutrition and the development of economical feeds,

(E) life history, behavior, genetics, physiology, and pathology and disease control (including research regarding organisms which may not be harmful to fish and shellfish but are injurious to humans),

(F) life history, behavior, genetics, physiology and pathology and disease control organisms designated as potential food sources for aquaculture species,

(G) processing and market development, and

(H) production management and quality control;

(2) research with respect to the effect of the culture of such species on estuarine and other water areas, including the effects on the natural flora and fauna;

(3) the identification and analysis of any legal or regulatory constraints which may affect the culture of such species;

(4) the development of adequate supplies of seed stock;

(5) the construction, purchase, lease, or acquisition of necessary developmental aquaculture facilities; and

(6) such other actions relating to research and development, technical assistance, demonstration, extension education, and training as the Secretary deems necessary and appropriate.

(d) In preparing an aquaculture development program for any priority aquatic species, and in reviewing any such program pursuant to subsection (f), the Secretary shall, to the extent practicable, take into account any significant action which has been, or which is proposed to be undertaken by any other Federal agency, any State agency, or any person, and which may affect the accomplishment of the program.

(e) Each action under each aquaculture development program prepared under this section for a priority aquatic species shall be implemented, by the Secretary, on the basis of—

(1) responsibilities vested in the Secretary by law or any executive action having the effect of law (including, but not limited to, Reorganization Plan Numbered 4 of 1970); and

(2) in cases where paragraph (1) does not apply, the experience, expertise, and other appropriate resources which the department, over which the Secretary concerned has jurisdiction, may have with respect to the action required under the program.

(f)(1) The Secretary, and any Federal or State agency which has significant functions which relate to acquaculture, shall review on an annual basis—

(A) each acquatic species not identified as a priority acquatic species; and

(B) the acquaculture development program established under the plan for each priority acquatic species to determine whether the actions specified in the program are being accomplished on a successful and timely basis.

(2) If as a result of the review conducted pursuant to paragraph (1)(A), the Secretary determines, after taking into account the criteria set forth in subsection (b)(1), that any acquatic species has a potential for culturing on a commercial or other basis the Secretary shall by regulation amend the plan to identify such species as a priority aquatic species and prepare an aquaculture development program for such species pursuant to subsection (c).

(3) If as a result of the review conducted pursuant to paragraph (1)(B), the Secretary finds that—

(A) any action so specified should be revised, the Secretary shall make such revision to the program as he deems necessary and appropriate; or

(B) sufficient progress is not being made with respect to any such program or that actions taken under any such program indicate that culture of the priority aquatic species concerned is doubtful, the Secretary shall cancel the program.

The Secretary shall by regulation amend the plan whenever any revision or cancellation is made pursuant to this subsection.

SEC. 5. FUNCTIONS AND POWERS.

(a) In implementing the aquaculture development program prepared under section 4 for any priority aquatic species, the Secretary shall—

(1) provide advisory, educational, and technical assistance (including training) with respect to culture of the species to interested public and private organizations and individuals, but in providing such assistance, shall, to the maximum extent practicable, avoid duplication of like assistance provided by other Federal agencies;

(2) consult and cooperate with interested persons, Federal, State, and local government agencies, regional commissions, and educational institutions regarding the development of aquaculture technology;

(3) produce, under the authority of section 4(c)(4), and sell at cost seed stock for the priority aquatic species when privately produced seed stock is unavailable, unreliable, or not sufficient to meet production needs; and

(4) prescribe such regulations as may be necessary to carry out such program.

(b) The Secretary may, incident to such Secretary's implementation of any aquaculture development program—

(1) for the purposes of assessing the biological and economic feasibility of any aquaculture system—

(A) conduct scale tests of the system, and, if necessary for the conduct of any such test, construct, operate, and maintain developmental agriculture facilities, including, but not limited to, pilot plants for testing laboratory-scale results; and

(B) conduct such other tests or analyses as may be necessary;

(2) develop methods to enhance aquatic species stocks by aquaculture;

(3) carry out such studies and research with respect to aquatic species as may be appropriate regardless of whether such species is or has been identified as a priority species; and

(4) take such other actions as the Secretary deems necessary and appropriate.

(c) In addition to carrying out such other functions as are required under this Act, the Secretary shall—

(1) establish and maintain an aquaculture information center which shall function as a national clearinghouse for the collection, selection, analysis, and dissemination of scientific, technical, legal, and economic information relating to aquaculture;

(2) conduct appropriate surveys, in coordination with other agencies of public and private aquaculture being carried out in the United States with respect to each aquatic species for the purpose of acquiring information on acreages, water use, production, culture techniques, and other relevant matters;

(3) arrange for mutual exchange of information relating to aquaculture with foreign nations; and

(4) conduct a continuing study to determine which existing capture fisheries could be adversely impacted in the marketplace by competition from products produced by commercial aquaculture enterprises significantly aided under this Act, which study shall include an assessment of economic impact by species and by geographical region, and recommended measures to ameliorate any adverse impact. The Secretary shall report to Congress on the findings made under such study no later than 2 years following the effective date of this Act and every 2 years thereafter.

Any production information submitted to the Secretary by any person under paragraph (2) shall be confidential and shall not be disclosed except to the Secretary for purposes of carrying out this Act, the advisory committee which may be established under section 4(a)(2)(A), or when required under court order. The Secretary shall by regulation prescribe such procedures as may be necessary to preserve such confidentiality, except that the Secretary may release or make public any such information in any aggregate or summary form which does not directly or indirectly disclose the identity or business of any person who submits such information.

(d)(1) The Secretary is authorized to accept any gift, temporary donation, or devise or bequest of real or personal property, or the proceeds therefrom, or interests therein, for use in carrying out any function that such Secretary may have under this Act. Any such acceptance may be subject to the terms of any restrictive or affirmative convenant, or condition of servitude, if such terms are deemed by the Secretary concerned to be in accordance with law and compatible with the purpose for which acceptance is sought.

(2) Any gift or bequest of money, and any proceeds from the sale of other property received as a gift or bequest under this subsection, shall be deposited in a separate account in the Treasury and shall be disbursed upon the order of the Secretary.

SEC. 6. COORDINATION OF FEDERAL AGENCY ACTIVITIES REGARDING AQUACULTURE.

(a)(1) There is established the Interagency Committee on Aquaculture (hereinafter in this section referred to as the "Committee") which shall be composed of the following officers or their designees:

(A) The Secretary, who shall be the Chairman of the Committee.

(B) The Secretary of the Interior.

(C) The Secretary of Agriculture.

(D) The Administrator of the Environmental Protection Agency.

(E) The Administrator of the Energy Research and Development Administration.

(F) The Commissioner of Food and Drugs.

(G) The Administrator of the Small Business Administration.

(H) The Chief of Engineers.

(I) The chief executive officer of any other Federal agency and any Regional Fishery Management Council which the Secretary finds to have significant functions which relate, or may relate, to the development of aquaculture.

(2) The functions of the Committee shall be—

(A) to ensure that there is a continuing exchange of information among the agencies represented on the Committee with respect to the nature and status of the programs or projects being carried out by such agencies which relate, or which may relate, to acquaculture in general or to the implementation of the plan; and

(B) to review on a continuing basis, for purposes of exchange of information the relevant programs and projects of all Federal agencies to determine whether they are being carried out in compliance with subsection (b).

(b) Each Federal agency which has any function or responsibility with respect to aquaculture or has jurisdiction over any activity which affects, or may affect, the achievement of the purposes of this Act, shall, in consultation with the Secretary and to the maximum extent practicable, carry out such function, responsibility, and activity in a manner which is consistent with the purposes of this Act.

(c) Nothing in this Act shall be construed to amend, repeal, or otherwise modify the authority of any Federal officer or any Federal agency to carry out any functions relating to aquaculture which are authorized under any other provision of law.

SEC. 7. CONTRACTS AND GRANTS.

(a) The Secretary may carry out any function under this Act, through grants to, or contracts with, any other Federal agency, any agency of any State and, subject to the approval of the State, any agency of any political subdivision thereof, any regional commission, any educational institution, or any other person.

(b) Any contract entered into, or any grant made, pursuant to this section shall contain such conditions and limitations as the Secretary concerned shall by regulation prescribe as being necessary and appropriate to protect the interests of the United States; except that no contract may be entered into, and no grant may be made, pursuant to this section unless the applicant submits with his application therefor a certification from each appropriate State agency and each appropriate local government agency stating that nothing in the laws administered by such agency prevents the carrying out of the project to which the contract or grant will be applied.

(c) The amount of any grant made pursuant to this section may not exceed one-half the estimated cost of the project for which the grant is made.

(d) Any person who receives a grant or contract under this section shall make available to the Secretary concerned and to the Comptroller General of the United States, or any of their authorized representatives, for purposes of audit and examination, any book, document, paper, and record that is pertinent to the funds received by such person under such grant of contract.

SEC. 8. GUARANTEES OF OBLIGATIONS ISSUED FOR AQUACULTURE FACILITIES.

(a)(1) The Secretary may, subject to the provisions of this section, guarantee, or make a commitment to guarantee, the payment of interest on, and the principal amount of,

any obligation issued by an obligor for any of the following purposes:

(A) The financing of the construction, reconstruction, or reconditioning of any aquaculture facility (including the financing of the purchase cost of any aquaculture facility to be reconstructed or reconditioned); except that no obligation may be guaranteed under this section later than 2 years after the date of the completion of the construction, reconstruction, or reconditioning of the aquaculture facility involved.

(B) The acquisition of stocks of aquatic species in all stages of development necessary to initiate any aquaculture facility.

(C) The financing of the initial operating expenses of any aquaculture facility.

(D) The financing of marketing operations exclusively for aquaculture products.

(E) The refinancing of any existing obligation issued for any of the purposes specified in subparagraph (A), (B), (C), or (D), whether or not guaranteed under this section, including, but not limited to, any short-term obligation incurred for the purpose of obtaining temporary funds for refinancing.

(F) Guarantees and commitments to guarantee may be made under this section without regard to section 3679(a) of the Revised Statutes of the United States (31 U.S.C. 665(a)).

(2) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including any interest, if provided for in the guarantee, which may accrue between the date of default under a guaranteed obligation and the payment in full of the guarantee.

(3) Any guarantee, or commitment to guarantee, made by the Secretary under this section shall be conclusive evidence of the eligibility of the obligation for such guarantee, and the validity of any guarantee, or commitment of guarantee, so made shall be incontestable.

(4) The aggregate unpaid principal amount of all obligations guaranteed under this section and outstanding at any one time shall not exceed $100,000,000.

(b)(1) Obligations guaranteed under this section—

(A) shall have an obligor approved by the Secretary as being responsible and possessing the ability, experience, financial resources, and other qualifications necessary for the adequate operation and maintenance of the aquaculture facilities;

(B) shall be in an aggregate principal amount which does not exceed 87½ percent of the actual cost involved or the depreciated actual cost, as determined by the Secretary;

(C) shall have maturity dates satisfactory to the Secretary, but not to exceed 25 years;

(D) shall provide for payments by the obligor satisfactory to the Secretary; and

(E) shall bear interest (exclusive of charges for the guarantee and service charges, if any) at rates not to exceed such percentage per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary.

(2) In guaranteeing any obligation under this section, the Secretary shall give preference to any person with 40 or fewer employees which, together with its affiliates, is primarily engaged in the business of aquaculture or commercial fishing for aquatic species.

(3) No obligation shall be guaranteed under this section unless the obligor conveys or agrees to convey to the Secretary such security interest as the Secretary may require to reasonably protect the interests of the United States.

(c)(1) The Secretary may charge a fee for any obligation guaranteed under this section, the amount of which shall be established by the Secretary by regulation but which may not exceed one-half of 1 percent per annum of the outstanding principal balance of the obligation. Fee payments shall be made by the obligor to the Secretary when moneys are first advanced under a guaranteed obligation and at least 60 days before each anniversary date thereafter.

(2) The Secretary shall charge and collect from the obligor such amounts as he may deem reasonable for the investigation of the application for any guarantee, for the appraisal of properties offered as security for any guarantee, and for the inspection of such properties during construction, reconstruction, or reconditioning; except that such charges shall not aggregate more than one-half of 1 percent of the original principal amount of the obligation to be guaranteed.

(3) All fees and other amounts received by the Secretary under the provisions of this subsection shall be deposited in the Fund.

(4) Obligations guaranteed under this section, and agreements relating thereto, shall contain such other provisions with respect to the protection of the security interests of the United States (including acceleration and subrogation provisions and the issuance of notes by the obligor to the Secretary), liens and releases of liens, payments of taxes, and such other matters as the Secretary may prescribe.

(d)(1) In the event of a default, which has continued for 30 days, in any payment by the obligor of principal or interest due under any obligation guaranteed under this section, the obligee or his agent shall have the right to demand, at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than 90 days from the date of such default, payment by the Secretary of the unpaid principal amount of said obligation and of the unpaid interest thereon to the date of payment. Within such period as may be specified in the guarantee or related agreements, but not later than 30 days from the date of such demand, the Secretary shall promptly pay to the obligee or his agent the unpaid principal amount of the obligation and unpaid interest thereon to the date of payment; except that the Secretary shall not be required to make such payment if before the expiration of such period he finds that there was no default by the obligor in the payment of principal or interest or that such default has been remedied before any such demand.

(2) Payments required to be made by the Secretary under paragraph (1) shall be made by the Secretary from the Fund.

(3) In the event of any payment by the Secretary under paragraph (1), the Secretary shall have all rights in any security held by him relating to his guarantee of such obligations as are conferred upon him under any security agreement with the obligor. Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Secretary may, under such terms and conditions as the Secretary prescribes or approves, complete, recondition, reconstruct, renovate, repair, maintain, operate, or sell any property acquired by him pursuant to a security agreement with the obligor.

(4) After any default referred to in paragraph (1), the Secretary shall take such action against the obligor or any other parties liable thereunder that, in his discretion, may be required to protect the interests of the United States. Any suit may be brought in the name of the United States or in the name of the obligee and the obligee shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary may accept a conveyance of title to and possession of property from the obligor or other parties liable to the Secretary and may purchase the property for an amount not greater than the unpaid principal amount of such obligation and interest thereon. In the event the Secretary receives through the sale of property an amount of cash in excess of any payment made to an obligee under paragraph (1) and the expenses of collection of such amounts, he shall pay such excess to the obligor.

(5) Whoever, for the purpose of obtaining any loan or advance of credit from any person with the intent that an obligation relating to such loan or advance of credit shall be offered to or accepted by the Secretary to be guaranteed, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage relating to an obligation guaranteed by the Secretary, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the purpose of influencing in any way the action of the Secretary under this section, makes, passes, utters, or publishes, or causes to be made, passed, uttered, or published any statement, knowing the same to be false, or alters, forges, or counterfeits, or causes or procures to be altered, forged, or counterfeited, any instrument, paper, or document, or utters, publishes, or passes as true, or causes to be uttered, published, or passed as true, any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset, or income shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 2 years, or both.

(e) The Secretary shall promulgate such rules and regulations as may be deemed necessary or appropriate to carry out the purposes and provisions of this section.

(f) For purposes of this section—

(1) The term "actual cost" of an acquaculture facility, as of any specified date, means the aggregate, as determined by the Secretary, of—

(A) all amounts paid by, or for the account of, the obligor with respect to such facility on or before that date; and

(B) all amounts which the obligor is then obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of such facility.

(2) The terms "construction", "reconstruction", or "reconditioning" include, but are not limited to, designing, inspecting, outfitting, and equipping of the aquaculture facility involved.

(3) The term "depreciated actual cost" means the actual cost depreciated on a straightline basis over the useful life of the property involved as determined by the Secretary.

(4) The term "obligation" means any note, bond, debenture, or other evidence of indebtedness issued for one of the purposes specified in subsection (a).

(5) The term "obligee" means the holder of any obligation.

(6) The term "obligor" means any person primarily liable for payment of the principal of or interest on any obligation.

SEC. 9. INSURANCE AGAINST ESSENTIAL STOCK LOSSES INCURRED IN AQUACULTURE FACILITY OPERATIONS.

(a) As used in this section, unless the context otherwise requires—

(1) The term "essential stock insurance" means insurance against loss of, or damage to, any aquatic species being cultured at an aquaculture facility due to unavoidable or natural causes, including, but not limited to, drought, pollution, hail, frost, wind, winterkill, freeze, lightning, fire, excessive rain, flood, snow, wildlife, hurricane, tornado, insect or parasite infestation, disease, and such other unavoidable or natural causes as the Secretary by regulation shall specify.

(2) The term "insurer" includes any insurance company or group of companies under common ownership which is authorized to engage in the insurance business under the laws of any State.

(3) The term "owner" means any person

having an insurable interest in an aquaculture facility or aquatic species stock.

(4) The term "pool" means any pool or association of insurers in any State which is formed, associated, or otherwise created for the purpose of making insurance more readily available.

(5) The term "reasonable premium rate" means that premium rate determined by the Secretary, which would permit the purchase of any direct insurance coverage by a reasonably prudent person in similar circumstances with due regard to the costs and benefits involved.

(b) The Secretary may by regulation define any technical or trade term necessary in the administration of this section, insofar as any such definition is not inconsistent with the provisions of this section.

(c)(1) The Secretary shall conduct, within 6 months after the effective date of this Act, and annually thereafter, a study to determine whether direct insurance for essential stock loss is generally available to owners at reasonable premium rates, through insurers, pools, or a suitable program adopted under State law.

(2)(A) If the Secretary finds, as a result of the study referred to in paragraph (1), that essential stock insurance is not available at reasonable premium rates in any State and that such insurance has not been provided by State action, the Secretary shall establish a program to provide such insurance in such State.

(B) Any essential stock insurance issued by the Secretary under this paragraph shall be subject to such terms and conditions and to such deductibles and other restrictions and limitations as the Secretary deems appropriate; except that the Secretary may not provide essential stock insurance with respect to any stock of aquatic species if the Secretary determines such stock to be uninsurable due to the failure of the owner to follow established principles for culturing aquatic species or due to the lack of reasonable protective measures at the aquaculture facility concerned to prevent the loss of, or damage to, the stock being cultured.

(d)(1) In determining the premium rate for any essential stock insurance offered from time to time under subsection (c) the Secretary shall consult with persons knowledgeable and experienced in insurance, including, but not limited to, State insurance regulatory authorities, and may take into consideration with respect to the insurance concerned, the nature and degree of risk involved, the protective devices employed, the extent of past and anticipated losses, the prevailing rate for similar coverages, the economic importance of the insurance, and the relative abilities of the particular classes and types of insureds to pay the actual premium for such coverage.

(2)(A) The Secretary may not establish the premium rate for essential stock insurance at less than 25 percent of the actual premium rate for such insurance.

(B) For purposes of subparagraph (A), the actual premium rate for essential stock insurance offered under this section shall be determined as follows:

(i) If insurance of the same kind is generally offered by insurers or pools in the State concerned, the actual premium rate shall be that rate which the Secretary determines to be the median premium rate for all such insurance so offered.

(ii) If insurance of the same kind is not generally offered by insurers or pools in the State concerned, the actual premium rate shall be that rate which the Secretary determines to be the rate at which insurers or pools in such State would offer such insurance, taking into account actuarially sound principles applicable to the elements making up such rate, including, but not limited to, claim losses, general administrative expenses, acquisition expenses, taxes, license fees, and profits.

In making determinations under clauses (i) and (ii), the Secretary shall consult with the insurance regulatory authority of the State concerned and any rate advisory organization licensed by such State.

(3) Nothing in this section shall be construed to prohibit or require either the adopting of uniform national rates or the periodic modification of the currently estimated reasonable premium rates for any particular coverage, class, State, or risk on the basis of additional information or actual loss experience.

(e)(1) The Secretary may enter into any contract, agreement, treaty, or other arrangement with any insurer or pool to provide reinsurance coverage with respect to essential stock insurance issued by such insurer or pool, in consideration of payment of such premiums, fees, or other charges by insurers or pools which the Secretary deems to be appropriate, after consultation with persons knowledgeable and experienced in insurance.

(2) Reinsurance issued under this subsection shall reimburse an insurer or pool for its total proved and approved claims for covered losses resulting from providing insurance concerned during the term of the reinsurance contract, agreement, treaty, or other arrangement, over and above the amount of the insurer's or pool's retention of such losses, as provided in such reinsurance, contract, agreement, treaty, or other arrangement entered into under this section.

(3) Such contracts, agreements, treaties, or other arrangements may be made without regard to section 3679 (a) of the Revised Statutes of the United States (31 U.S.C. 665(a)), and shall include any terms and conditions which the Secretary deems necessary to carry out the purposes of this section. The premium rates and terms and conditions of such contracts, agreements, treaties, or other arrangements with an insurer or pool shall be uniform in any one year throughout the country.

(f)(1) All premiums received by the Secretary under this section shall be deposited into the Fund.

(2) The Secretary, in a suit brought in the appropriate United States district court, shall be entitled to recover from any owner, insurer, or pool the amount of any unpaid premium lawfully payable to the Secretary by such owner, insurer, or pool under essential stock insurance or reinsurance issued under this section.

(3) No action or proceeding shall be brought for the recovery of any premium due the Secretary, or for the recovery of any premium paid to the Secretary in excess of the amount due, unless such action or proceeding is commenced within 5 years after the right accrued for which the claim is made; except that, if the insurer has made or filed with the Secretary a false or fraudulent statement or other document with intent to evade, in whole or in part, the payment of premiums, the claim shall not be deemed to have accrued until its discovery by the Secretary.

(g) In order to provide for maximum efficiency in the administration of the insurance and reinsurance program provided under this section, and in order to facilitate the expeditious payment of any claims under such program, the Secretary may enter into contracts with any insurer, pool, or person, for the purpose of providing for the performance of any of the following functions:

(1) The estimation or determination of any amounts of payments for reinsurance or essential stock insurance claims.

(2) The receipt, disbursement, and accounting for funds in making payments for reinsurance and direct insurance claims.

(3) The auditing of the records of any insurer, pool, or person to the extent necessary to assure that proper payments are made.

(4) The establishment of the basis of liability for reinsurance or essential stock insurance payments, including the total amount of proved and approved claims which may be payable to any insurer, pool, or owner, and the total amount of premiums earned by any insurer or pool in the respective States from essential stock insurance or reinsurance.

(5) The provision of assistance in any manner provided for in the contract to further the purposes of this section.

(h) The Secretary may, with the consent of the agency concerned, accept and utilize, on a reimbursable basis, the officers, employees, services, facilities, and information of any Federal agency with respect to any insurance matter which is within the purview of this section.

(i) The Secretary may prescribe regulations establishing the general method or methods by which proved and approved claims for losses are paid under essential stock insurance or reinsurance issued under this section. Proved and approved claims shall be paid from the Fund.

(j) The Secretary, in providing essential stock insurance or reinsurance under this section may adjust and pay all claims for proved and approved losses covered by such insurance and, upon the disallowance by the Secretary, or upon the refusal of the claimant to accept the amount allowed upon any such claim, the claimant, within one year after the date of mailing of notice of disallowance or partial disallowance of the claim, may institute an action on such claim against the Secretary in the United States district court for the district in which the insured owner or reinsured insurer or pool resides or principally conducts business, and jurisdiction is hereby conferred upon such court to hear and determine such action without regard to the amount in controversy.

(k) The face amount of essential stock insurance and reinsurance coverage outstanding and in force at any one time under this section shall not exceed $250,000,000.

(l) No essential stock insurance or reinsurance may be issued by the Secretary under this section after the close of the 5-year period beginning on the effective date of this Act.

SEC. 10. FEDERAL AQUACULTURE ASSISTANCE FUND.

(a) There is established in the Treasury of the United States a Federal Aquaculture Assistance Fund. The Fund shall be available to the Secretary as a revolving fund for the purpose of carrying out, and administering, sections 8 and 9. The Fund shall consist of—

(1) any sums appropriated to the Fund;

(2) any fees received by the Secretary in connection with any guarantee made under section 8;

(3) recoveries and receipts received by the Secretary under security, subrogation, and other rights and authorities under sections 8 and 9.

(4) premiums paid to, or recovered by, the Secretary for any direct insurance or reinsurance issued by the Secretary under section 9; and

(5) moneys deposited pursuant to the last sentence of subsection (b). All payments made by the Secretary to carry out the provisions of sections 8 and 9 (including reimbursements to other Government accounts) shall be paid from the Fund, only to the extent provided in appropriation Acts. Sums in the Fund which are not currently needed for the purposes of sections 8 and 9 shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(b) If at any time the moneys in the Fund are not sufficient to pay any amount the

Secretary is obligated to pay under section 8(d)(1) or any direct insurance or reinsurance claim under section 9, the Secretary shall issue to the Secretary of the Treasury notes or other obligations (only to such extent and in such amounts as may be provided for in appropriation Acts) in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury prescribes. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations to be issued hereunder and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury at any time may sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Moneys borrowed under this subsection shall be deposited in the Fund and redemptions of such notes and obligations shall be made by the Secretary from the Fund.

SEC. 11. REPORT AND RECOMMENDATIONS.

Before the close of the 90th day after the close of the 3-year period beginning on the effective date of this Act, the Secretary shall review the operation and effectiveness of the insurance program provided for under section 9 and shall submit a report thereon to the Congress, together with the recommendation of the Secretary as to whether or not such program should be continued and, if the Secretary recommends continuation, such suggestions as the Secretary may have for improving the operation and effectiveness of such program.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

(a) For purposes of carrying out the provisions of this Act (other than sections 8 or 9), there are authorized to be appropriated, notwithstanding any authorization for appropriations in any other Act in effect before the date of the enactment of this Act—

(1) to the Department of Commerce, not to exceed—

(A) $5,000,000 for the fiscal year 1979,

(B) $20,000,000 for the fiscal year 1980, and

(C) $25,000,000 for the fiscal year 1981;

(b) There are authorized to be appropriated, without fiscal year limitation, to the Fund such sums as may be necessary and appropriate for purposes of carrying out sections 8 and 9; but not to exceed $100,000,000 for the purposes of section 8 and not to exceed $250,000,000 for the purposes of section 9.

SEC. 13. EFFECTIVE DATE.

This Act shall take effect October 1, 1978.

By Mr. DOLE:

S. 2583. A bill to provide for the temporary transfer of the hospital ship U.S.S. *Sanctuary* (AH–17) to Life International for the purpose of providing health care and related services to developing nations on a nonprofit basis, and to authorize funds for such purpose; to the Committee on Armed Services.

SS LIFE ACT OF 1978

Mr. DOLE. Mr. President, the United States has a long and distinguished record in the field of international health. In the past, a multitude of efforts to assist developing nations in caring for their citizens have been implemented by such groups as the Peace Corps, the Department of Health, Education, and Welfare, the Department of Defense, the U.S. Agency for International Development, Project Hope, private foundations, and other nongovernmental agencies. These efforts have ranged from educating foreign nationals in this country, placement of American health care providers, educators, managers in foreign countries, supplying consultants to foreign countries, exchanging scholars, to actual funding of health care resources in foreign lands.

All of these activities have served as a clear example of our continued commitment to assisting the peoples of the world in upgrading their health status and in developing life styles consistent with this goal. At present, there are over 2,000 full-time equivalent U.S. Government employees involved in international health activities.

It has become evident to many of us that while the utilization of American citizens to provide care in foreign lands is still an important aspect of our effort—it is even more vital that we encourage the development of local resources. Imported health care providers who often bring with them imported health care delivery systems are not always the answer.

The World Health Organization has frequently pointed out that foreign country health system development efforts are now realizing that imported health manpower systems usually do not solve the fundamental health system problems of their country.

Without question the critical problem in many of these countries is the lack of trained health care professionals and community/mid-level health workers.

FOREIGN "BRAIN DRAIN"

While there are a great many foreign students training in this country—many do not return home. Additionally, we have seen many health care providers trained in other countries enter this country to practice. In 1974, there were almost 83,000 foreign-trained physicians practicing in the United States—almost 22 percent of our total number. Approximately 8,000 nurses enter this country each year from other nations. This "brain drain" has serious consequences for the developing nation.

The legislation I propose today is designed to help solve these problems. The SS Life Act of 1978, a companion bill to one introduced in the House by my distinguished colleague, Mr. PARREN MITCHELL of Maryland, provides for the temporary transfer of the hospital ship U.S.S. *Sanctuary* to Life International for the purpose of providing health care and related services to developing nations on a nonprofit basis, and to authorize funds for such a purpose.

LIFE INTERNATIONAL

Life International is an incorporated, tax exempt, nonprofit organization founded in June 1975 for the general purpose of providing humanitarian services to developing nations. This organization had its beginnings in the Christian Service Corps, who has in the past stationed more than 400 volunteers in over 60 nations to assist these countries in the areas of medicine, health, communications, business, agriculture, and other programs.

HOSPITAL SHIP

The U.S.S. *Sanctuary* is a retired hospital ship presently in the Philadelphia Naval Yard. The *Sanctuary* launched in 1945, had as her first tour responsibility, the evacuation of POW's from Japan at the end of World War II. She has since served in Vietnam, treating civilians. At this time the ship has three operating rooms, five intensive care rooms, and 100 beds. This capacity will most likely be increased.

HEALTH EDUCATION

The emphasis of this effort will certainly be directed toward bringing health education action programs to developing nations. The volunteer staff of the "SS Life" will work with interested and motivated personnel in the host country so that a cadre of local resources will remain after the ship has departed. We believe a mobile ship based health care delivery program similar to the well known project HOPE effort, coupled with a health education program, will have an immediate and long-term impact toward meeting the health needs of developing nations. Certainly we have no intention of supplanting the fine land-based efforts of project HOPE, but rather add to their efforts and those of the many other groups I mentioned earlier.

VOLUNTEER STAFF

For a period not to exceed 15 years, the U.S.S. *Sanctuary* would be renamed the S.S. *Life*. The ship would be staffed by volunteer operational and health professional personnel. To date, Life International has received over 600 expressions of interest from health personnel volunteering their services. Additionally 200 officers, seamen, and technicians have indicated a similar interest.

INTERNATIONAL SUPPORT

In response to a letter explaining the goals of the "SS Life," sent by Mr. MITCHELL, in excess of 30 foreign governments filed letters of interest or invitation for the program. These countries understand our wish to help them help themselves.

JOINT VENTURE

This effort will be a joint venture between the public sector and the Federal Government—and will draw on each other for its support.

We look to the Government to provide funding to activate the ship, a nonrecurring cost, and funds in declining amounts each year for 6 years with the balance of programs costs being raised from the public sector. The nongovernment sector will take over all funding after 6 years.

The initial year's cost is estimated at $6.49 million including activation and operational costs. Subsequent operational costs to the Government for the following 5 years would be $15 million. As you can see, our total cost would be

approximately $21.4 million—not a large amount considering the potential contribution of this effort to the health status of people all over the world.

CONCLUSION

While recognizing that there are still a great many problems in our own health care delivery system yet to be solved, I still believe we have a tremendous amount to offer others less fortunate than we are in this country.

I urge you to join me in this effort and the efforts of all those willing to volunteer their time, experience, and skill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objections, the bill was ordered to be printed in the RECORD, as follows:

S. 2583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "SS LIFE Act of 1978".

DECLARATION OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) it is the right of every human being to be free from disease and to have access to high quality health services;

(2) millions of people in developing nations suffer greatly because of a lack of availability of health education, training, and care;

(3) it is the moral obligation of the United States to help developing nations which desire to help themselves to improve health services for the benefit of their people; and

(4) it is in the best interest of the people of the United States to share their knowledge of health care with the people of all nations, regardless of ideology, in order to better the quality of life in the world.

(b) The purposes of this Act are

(1) to institute a joint venture between the Government of the United States and the private sector (A) to foster high quality, comprehensive health education, training and care (including medical, dental, environmental, and nutritional programs) in developing nations, and (B) to promote international interchange of health ideas, services, and personnel; and

(2) to make available (through LIFE International) to developing nations on a nonprofit basis for the uses described in paragraph (1) the hospital ship United States ship Sanctuary (AH–17) which (A) shall be staffed by volunteer operational and health professional personnel, and (B) shall be renamed "SS LIFE" during the period of such availability.

TRANSFER

SEC. 3. (a) Notwithstanding any other provision of law, the Secretary of the Navy shall transfer, without consideration, to LIFE International, a nonprofit corporation organized under the laws of the District of Columbia, the hospital ship United States ship Sanctuary (AH–17) for use by such corporation to provide health care and related services to developing nations in accordance with the purposes described in section 2(b).

(b) The transfer required by subsection (a)—

(1) shall be effective not more than ninety days after the date on which funds are first paid to LIFE International under section 4(a);

(2) shall be for a period not to exceed fifteen years during which the hospital ship United States ship Sanctuary (AH–17) shall be renamed "SS LIFE" and shall be maintained and operated for the purposes described in section 2(b); and

(3) shall be subject to such additional terms, reservations, restrictions, and conditions as may be determined by the Secretary of State and the Secretary of the Navy to be necessary to safeguard the interests of the United States.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) There are authorized to be appropriated for fiscal year 1979 not to exceed $6,000,000 to be paid to LIFE International for modification and refitting of the hospital ship United States ship Sanctuary (AH–17) to carry out the purposes described in section 2(b).

(b) There are authorized to be appropriated for the six fiscal years designated in paragraphs (1) through (6) the sums specified in such paragraphs to be paid to LIFE International for administration, support, maintenance, and operation of the hospital ship United States Ship Sanctuary (AH–17) with respect to the purposes described in section 2(b):

(1) not to exceed $494,000 for fiscal year 1979;

(2) not to exceed $5,000,000 for fiscal year 1980;

(3) not to exceed $4,000,000 for fiscal year 1981;

(4) not to exceed $3,000,000 for fiscal year 1982;

(5) not to exceed $2,000,000 for fiscal year 1983; and

(6) not to exceed $1,000,000 for fiscal year 1984.

(c) Sums appropriated pursuant to this section shall remain available until expended.

By Mr. HART (by request):

S. 2584. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Environment and Public Works.

S. 2585. A bill to amend Public Law 95–209 to increase the authorization for appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Environment and Public Works.

Mr. HART. Mr. President, I am introducing, by request of the Nuclear Regulatory Commission Chairman, Joseph M. Hendrie, legislation authorizing appropriations of $330,670,000 for the Nuclear Regulatory Commission for fiscal year 1979. Similarly, I am introducing supplemental authorization legislation requested by the Nuclear Regulatory Commission which would amend the fiscal year 1978 NRC Authorization Act, Public Law 95–209, increasing that authorization by $2,700,000.

The fiscal year 1979 budget was the subject of a hearing by the Committee on Environment and Public Works on February 8, 1978. The Subcommittee on Nuclear Regulation has scheduled further hearings for April 10 and 11, 1978, to examine the Nuclear Regulatory Commission's budget request more closely. The Committee on Environment and Public Works will report an authorization bill to the Senate in due course.

The Committee on Environment and Public Works will also be considering whether the fiscal year 1978 supplemental authorization bill is required. After such a determination has been made, the Senate Appropriations Committee will be informed.

Mr. President, without making any commitment as to the merits of the particular funding levels proposed, I am pleased to submit them as an indication of the needs, as seen by the agency. I look forward to working with Chairman Hendrie and Commissioners Kennedy, Gilinsky, and Bradford in arriving at orderly resolution of the authorization for the Nuclear Regulatory Commission for the coming year.

By Mr. WALLOP:

S. 2586. A bill to limit the quantity of feeder and slaughter cattle which may be imported into the United States during each calendar year; to the Committee on Finance.

CATTLE IMPORTS

Mr. WALLOP. Mr. President, today I am introducing a bill to help speed recovery in the cattle industry and prevent the market disruptions created by live feeder cattle imports. Cattle imports from Canada and Mexico have increased over the past few years to levels that can no longer be tolerated. Imports have risen from 379,000 head in 1975 to over 1.1 million head in 1977.

These imports create a significant impact on the cattle industry, particularly for producers and feeders on the Canadian and Mexican borders. In addition to the growing number of feeders imported each year, wide variations in imports from month to month cause significant market disruptions. Cow calf operators and other segments of the cattle industry find themselves whiplashed by excessive fluctuations in cattle imports. In the first quarter of calendar year 1976, cattle imports from Mexico were 96,868 head, and in the second quarter they rose to over 120,000 head. In the third quarter cattle imports fell to only 6,117 head and then soared to 269,117 head in the last quarter. The unregulated flow of feeder cattle allows Mexico and Canada to use the United States as a common dumping ground for excess production. They service their domestic market and then dump their excess cattle here.

All segments of the beef industry have already been weakened by the prolonged downturn in the cattle cycle. Cattlemen have operated at a loss for most of the past 4 years. Rising production costs, increased Government regulation, low product prices, and drought combine to belt the industry. The excessive imports of beef and live cattle have aggravated this situation and only serve to prolong the downturn in the cycle. Live cattle imports are creating problems that must be addressed immediately by Congress.

Due to existing trade agreements, it is impossible to cut live cattle imports completely, but action must be taken to regulate this abusive trade practice.

This bill would address the problems by placing limits on feeder cattle imports based on historical averages and regulate the number of cattle imported within each calendar year. Under this bill, the entry of feeder cattle in any one calendar year would not exceed 110 percent of a sliding 5-year average. This provision confines Canadian and Mexican exports to an average of their performance over the recent past. The provision will prevent massive increases in live cattle imports such as we have recently experienced.

The second provision of the bill would limit feeder cattle imports within each quarter of the calendar year to 30 percent of the annual entitlement. This would prevent the market disruptions caused by wide fluctuations in cattle imports from month to month. Quarterly limits on imports give some predictability to cattle flows from Canada and Mexico.

This legislation does not call for punitive or retaliatory trade restrictions against our neighbors. It does, however, provide some regulation to a chaotic trade situation which has become distructive to the U.S. cattle industry. I urge the Senate to support this legislation.

By Mr. CRANSTON:

S. 2589. A bill to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

DESERT PUPFISH NATIONAL MONUMENT

Mr. CRANSTON. Mr. President, I introduce a bill to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada. This bill is identical to the measure I introduced in the 94th Congress (S. 70), preceded by earlier measures in the 92d and 93d Congresses, to set aside a 35,000-acre area to protect the few remaining desert pupfish.

The Ash Meadows area has been the home of the several species of pupfish for 20,000 years. During this time, the pupfish have adapted from the cold-water, postglacial lakes which covered the Western United States following the last ice age to a totally different and inhospitable environment, which is typified by Devils Hole, where the water is high in mineral content, low in oxygen, and 92 degrees in temperature.

Over the years, pumping of water by a local ranching operation caused the water level in Devils Hole to drop to a dangerous low level, until the pumping was restricted by the U.S. Supreme Court in a landmark decision. Still, the episode proved the very tenuous circumstances of the pupfish existence and no firm protection for their continued existence has yet been provided. Moreover, there are signs that some development may take place in Ash Meadows that could further threaten the pupfish.

Saving the remaining species and subspecies of this endangered fish, along with the protection of their habitat, is of importance not only for the maintenance of nature's diversity, but because of their tremendous value for studies of genetic evolution. Already man's needless indifference has permitted the extinction of several subspecies, and two which live in the Ash Meadows area are on the brink of extinction.

In addition to the unique desert pupfish found in the Ash Meadows area, botanical research conducted by Dr. Janice C. Beatley of the laboratory of nuclear medicine and radiation biology of the University of California at Los Angeles, Assistant Professor of Botany James L. Reveal, of the University of Maryland, and others, has revealed unique species of plants growing in the Ash Meadows area plants that are found in no other place in the world.

Some of these plants were restricted by evolution to this single area; most of them are entirely different from plants in surrounding areas of Nevada and California. If a Desert Pupfish National Monument were established, not only would the desert pupfish be rescued from extinction but these unique species of plants would be preserved. As Professor Reveal states:

We are fighting time. No advanced technology will ever replace an extinct species.

The desert region which I propose as the site of the Desert Pupfish National Monument is a 40-acre parcel of hillside which is part of Death Valley National Monument, but separated by almost 20 miles of desert from the main body of the monument. The 40 acres was included in the national monument in 1952, because of a deep limestone chasm in the side of the hill at the bottom of which is a small warm water spring. It is called Devils Hole, and is surrounded by two chain link fences.

Outside of the fences the Park Service has erected a sign which reads as follows:

DEVILS HOLE

In the small pool at the bottom of this limestone cavern lives the entire population of Cyprinodon diabolis, one type of desert pupfish. These fish live in what is probably the most restricted environment of any animal in the world.

Mr. President, the little pupfish stands as both a concrete example of a living species about to become extinct as a result of man's reckless activities and as a symbol of what the environmental fight is all about. Few of us have ever seen a pupfish; unlike other fish, pupfish cannot be eaten; and most would, in considering my proposal, find a question on the tip of their tongues: "What good are they? Why should we worry?"

The answer to that question is that we cannot afford not to worry about the unforeseen future consequences of allowing the desert pupfish to die out as a living species on the planet Earth. Much of the environmental crisis today is the result of man's failure in the past to see far enough ahead of his own nose to avoid some of the frightening consequences which all of us today face. Not only do we confront a tremendous costly cleanup job, but we know we are in a struggle for our own future survival.

I sincerely hope that my colleagues will join with me in this effort to save the tiny desert pupfish from total extinction.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD, together with a resolution in support of the bill by the Desert Fishes Council.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 2589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve and protect several species of desert pupfish, and to interpret their evolution in areas of their natural environment, for the benefit and education of the people of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to rename the Devil's Hole portion of Death Valley National Monument, which was added to the Death Valley National Monument by Proclamation numbered 2961 of January 17, 1952 (66 Stat. e18), the Desert Pupfish National Monument (hereinafter referred to as the "national monument") and the Secretary is also authorized to expand the boundaries of the national monument in the States of Nevada and California to those depicted on the drawing entitled "Desert Pupfish National Monument," numbered NM–DP–91,000, and dated January 1971, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

SEC. 2. Within the boundary of the national monument, the Secretary may acquire lands, waters, and interest therein by donation, purchase with donated or appropriated funds, or exchange. Lands, waters, and interests therein owned by the States of California or Nevada, or any political subdivision thereof, may be acquired only with the consent of such owner. Until the Secretary determines that lands, waters, and interests therein have been acquired sufficient to constitute an efficiently administrable unit for the purposes of this Act, the Secretary shall administer the lands, waters, and interests therein within the boundary of the national monument as part of the Death Valley National Monument and in accordance with the provisions of this Act and the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1 et seq.).

SEC. 3. Any funds available for the Devil's Hole portion of Death Valley National Monument on the date of such establishment shall be available for the purposes of the national monument established pursuant to this Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

ASH MEADOWS PUPFISH—A RESOLUTION

Whereas, the water level in the Devil's Hole has been lowered below its historic level by pumping of the ground water in Ash Meadows for agricultural use; and

Whereas, the reproduction of Pupfish in the Devil's Hole has been seriously threatened; and

Whereas, a stable water supply is necessary for the continued survival of the several species of Pupfish native to Ash Meadows; and

Whereas, Ash Meadows contains numerous unique and endemic aquatic and terrestrial organisms;

Therefore, be it resolved: That the Pupfish of Ash Meadows be protected by an Act of Congress by whatever means may be deemed appropriate by the Congress of the United States; and

Be it further resolved: That the Desert Fishes Council supports this Resolution with all its resources and at every opportunity to insure the lasting protection of the Pupfish and aquatic and terrestrial ecosystems of Ash Meadows.

Be it further resolved: That copies of this Resolution be transmitted to Senator Cranston of California and Senator Cannon of Nevada and to the appropriate federal agencies.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 2590. A bill to amend certain provisions of law relating to land claims by the United States in Riverside County, Calif., based upon the accretion or avulsion, and for other purposes; to the Committee on Energy and Natural Resources.

LAND CLAIMS IN RIVERSIDE COUNTY, CALIF.

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to amend certain provisions of law relating to land claims by the United States in Riverside County, Calif. The bill is identical to H.R. 7101 sponsored by Congresswoman SHIRLEY PETTIS in the House.

In 1965, the Federal Government instituted four separate court actions against a number of California landowners in the Palo Verde Irrigation District. The Federal Government asserted that it owned portions of their land lying west of the Colorado River on the grounds that the river shifted course and the private lands accreted to the Government's. Each case involved a previously existing westward bend in the river, from north to south known as the Raab, Hauser, Comer, and Casad bends.

In the 91st Congress, the House and Senate approved legislation I sponsored which permits the owners of the land in dispute to go to court and plead their equity if they meet six conditions in the law. These conditions require the landowners to demonstrate:

First. That the claim of the United States is based on accretion or avulsion;

Second. That the land that is claimed is not necessary to provide riparian frontage to contiguous lands owned by the United States;

Third. That the facts upon which the United States bases its claim occurred more than 40 years ago;

Fourth. That the landowner has paid real property taxes on the same basis as other owners of comparable fee lands;

Fifth. That the landowner demonstrates chain of title deriving from the State, or Federal Government, or political subdivision of those governing; and

Sixth. That a reasonable prudent man would have believed that when he acquired title to the lands in question, he had acquired title free of the likelihood of any claim by the U.S. Government, any State, or any private person.

Public Law 91–505 covers the Raab, Hauser, and Comer bends, but only part of the Casad bend. The purpose of the bill I am introducing today is to correct a deficiency in Public Law 91–505 and include the remainder of the land involved in the Casad bend. The legislation does not give title of the land to the claimants. It merely gives them the same right to go to court and present the merits of their case as the other landowners now covered by Public Law 91–505.

I believe the equities in this case are at least equal to those now covered by Public Law 91–505. The factors on which the passage of the law was based exist with respect to this land. Fairness and equity would require that all the landowners along the Casad bend be granted the same relief as the others similarly situated.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of October 23, 1970, entitled "An Act to render the assertion of land claims by the United States based upon accretion or avulsion subject to legal and equitable defenses to which private persons asserting such claims would be subject" (84 Stat. 1106; Public Law 91–505) is amended by striking out "13.17" and inserting in lieu thereof "13.19".

ADDITIONAL COSPONSORS

S. 2295

At the request of Mr. HATCH, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2295, the Families with Alcoholism Assistance Act of 1977.

S. 2335

At the request of Mr. MORGAN, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Missouri (Mr. DANFORTH), the Senator from Vermont (Mr. LEAHY), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Oregon (Mr. MARK O. HATFIELD) were added as cosponsors of S. 2335, a bill to provide coverage under the Social Security Act for Members of Congress and employees of the legislative branch.

S. 2420

At the request of Mr. SPARKMAN, the Senator from Pennsylvania (Mr. HEINZ), the Senator from Michigan (Mr. RIEGLE), and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 2420, the International Development Cooperation Act of 1978.

S. 2462

At the request of Mr. DOLE, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2462, a bill to amend the Internal Revenue Code to permit a limited individual retirement deduction to individuals who are participating in retirement plans.

SENATE JOINT RESOLUTION 29

At the request of Mr. BURDICK, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of Senate Joint Resolution 29, establishing an annual National Family Week.

SENATE RESOLUTION 401

At the request of Mr. SCHMITT, the Senator from Oklahoma (Mr. BARTLETT) and the Senator from Texas (Mr. TOWER) were added as cosponsors of Senate Resolution 401, to express the sense of the Senate that the President of the United States invoke the Labor Management Relations Act, 1947, commonly known as the Taft-Hartley Act for an 80-day cooling off period in the coal strike.

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. GLENN, the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of Senate Concurrent Resolution 66, relating to disapproval of import relief to domestic producers of nuts, bolts, and large screws.

SENATE RESOLUTION 404—SUBMISSION OF A RESOLUTION TO DISAPPROVE REORGANIZATION PLAN NO. 1 OF 1978

Mr. RIBICOFF (by request) submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. RES. 404

Resolved, That the Senate does not favor the reorganization plan numbered 1 transmitted to the Congress by the President on February 23, 1978.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDING THE FEDERAL AVIATION ACT OF 1958—S. 2493

AMENDMENT. NO. 1707

(Ordered to be printed and to lie on the table.)

Mr. ZORINSKY submitted an amendment intended to be proposed by him to the bill (S. 2493) to amend the Federal Aviation Act of 1958.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices and Open Government's hearing on oversight of Small Business Administration reform efforts of the 8(a) program, previously scheduled for February 27, 1978, has been rescheduled for Tuesday, March 7, 1978, at 10 a.m., in 1318 Dirksen Senate Office Building. For further information regarding the hearing, please contact Mr. Ronald A. Chiodo, subcommittee chief counsel and staff director (224–0211).

RURAL HOUSING SUBCOMMITTEE

Mr. MORGAN. Mr. President, as chairman of the Rural Housing Subcommittee of the Committee on Banking, Housing and Urban Affairs, I announce that the subcommittee will hold hearings on March 9 andl 10 on budget authorizations for the housing programs of the Farmers Home Administration. The subcommittee will receive testimony from the administration and from other interested groups. Anyone interested in testifying at these hearings should contact the subcommittee staff prior to March 5.

HEALTH MISSION BUDGET HEARING

Mr. CHILES. Mr. President, I wish to take this opportunity to inform my colleagues of an unusual hearing we will be having at the Labor-HEW Appropriations Subcommittee on March 3. This hearing will review the health mission budget presented by the Department of HEW for 1979.

Mission budgeting is a way of looking

across the multitude of programs in a Department like HEW and seeing how they do and do not fit together to serve major policy objectives. It gives us a framework against which we can examine the hundreds of small budget requests to see what they add up to. In order to make this kind of review we will have the Assistant Secretary for Health and the Health Care Financing Administrator appear simultaneously.

Let me give some examples of what this approach does. We will be able to discuss how the administration's legislative proposals for medicaid and their budget requests for child and adolescent health grant programs relate to each other. We will look across all the National Institutes of Health to discuss the priorities for basic versus applied research. We will examine the roles of medicare and medicaid regulations and the operations of the various physical and mental health grant programs in deinstitutionalization of the elderly. We will also discuss nutrition programs across the Department and ask how they relate to programs in the Department of Agriculture.

Mr. President, I ask unanimous consent that a table summarizing the present and proposed budget allocations be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—SUMMARY OF HEALTH MISSIONS

Health missions	1977	1978	1979
A. Knowledge development:			
1. Basic research	$870,786,000	$969,256,000	$1,098,065,000
2. Applied research: Treatment methods	1,868,272,000	2,048,648,000	2,009,224,000
3. Applied research: Service system operation, effectiveness	70,536,000	104,935,000	109,432,000
4. Statistics and health status monitoring	66,308,000	90,775,000	102,010,000
Subtotal	2,875,902,000	3,213,614,000	3,318,731,000
B. Prevention and protection:			
1. Personal and occupational health	363,025,000	386,708,000	465,337,000
2. Environmental health	152,836,000	52,809,000	96,477,000
3. Nutrition	232,681,000	282,807,000	607,750,000
4. Health education	58,526,000	62,432,000	68,639,000
5. Product safety	247,077,000	283,103,000	290,105,000
Subtotal	1,054,145,000	1,067,859,000	1,528,308,000
C. Financing direct medical care:			
1. Services to children and adolescents	2,470,081,000	2,899,970,000	3,601,719,000
2. Services to adults	7,968,318,000	9,616,919,000	10,864,372,000
3. Services to the elderly	22,571,442,000	26,542,622,000	30,559,960,000
Subtotal	33,009,841,000	39,059,511,000	45,026,051,000
D. Improving the capacity of service systems:			
1. Administration, management, and planning	238,024,000	247,122,000	294,076,000
2. Cost control and utilization review	18,296,000	29,932,000	42,797,000
3. Distribution of service	139,925,000	167,063,000	188,987,000
4. Innovative methods of service organization	87,466,000	86,184,000	89,987,000
5. Develop skilled personnel	627,645,000	638,561,000	430,720,000
6. Facility construction and modernization	130,242,000	150,928,000	67,985,000
Subtotal	1,241,598,000	1,319,790,000	1,113,840,000
Total obligations, DHEW	38,181,486,000	44,660,774,000	50,986,930,000
(PHS) Public Health Service	(6,580,514,000)	(7,248,626,000)	(7,668,691,000)
(HCFA) Health Care Financing Administration	(31,300,338,000)	(37,056,218,000)	(42,634,513,000)
(OHDS) Office of Human Development	(216,880,000)	(264,190,000)	(588,926,000)
(OE) Office of Education	(79,820,000)	(84,940,000)	(87,250,000)
(OS) Office of the Secretary	(3,934,000)	(6,800,000)	(7,550,000)

Mr. CHILES. Mr. President, I think this will be a particularly useful hearing and I invite any of my colleagues who are interested in this new approach to budgetary policy to sit in on the hearing, which will be held Friday, March 3, at 10 a.m., in room S–128 of the Capitol. Of course it will be an open hearing and the public is invited.

ADDITIONAL STATEMENTS

S. 2573—VOLUNTARY PRAYER IN SCHOOLS: AMERICA'S HERITAGE

Mr. HELMS. Mr. President, on yesterday I introduced S. 2573, a bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school.

It was my intention to ask that the bill be printed in the RECORD following my remarks. I ask unanimous consent that the bill be printed in the RECORD and that the permanent RECORD be corrected accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provision of sections 1253, 1254, and 1257 of this Chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of any Act intepreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to voluntary prayers in public schools and public buildings.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

SEC. 2. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereo fthe following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, th district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of the chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on jurisdiction.".

SEC. 3. The amendments made by the first two sections of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was apending in any court of the United States.

COAL STRIKE NEGOTIATIONS

Mr. HUDDLESTON. Mr. President, I join my colleagues in their very urgent appeals to both sides of the coal contract negotiations to reach a just and reasonable settlement without any further delay. With each passing day, the hardships become deeper and more widely spread to the very serious detriment of not only those directly involved but, indeed, to the Nation as a whole.

It is extremely important that both sides to the negotiations weigh the importance of their respective positions against the human suffering, economic disruptions, and adverse public reaction so pervasive in the country today. To be sure, there are alternatives to a collective bargaining settlement. But, each has very serious drawbacks, both for the immediate crisis, and for the precedents they would set for the future. The effectiveness of each is seriously questionable. No one of them would replace a voluntary agreement. But, the time is fast approaching, in fact many would argue that the time is already upon us, when the Government will have to act in the interest of national health and safety. And, I believe the government will act if a settlement is not reached. Far too much is at stake not to.

Mr. President, as a Senator from the Nation's largest coal producing State and a State which relies on coal for virtually all of her electricity, I could not be closer to the situation or more anxious to see it end.

The immediate effects of massive job layoffs, economic hardships, and disruptions in vital services are, by themselves, a crisis of constantly increasing proportions. But, we must add to that the jeopardy in which the coal industry's and the Nation's energy future are

placed. At long last, this Nation's is embarking on a return to coal to replace foreign energy sources and help return us to energy self-sufficiency. The versatility and potential of coal is enormous, and it is nothing short of tragic for that potential to be threatened.

EDUCATION TAX CREDITS

Mr. ROTH. Mr. President, as my colleagues know, I have been proposing a tuition tax credit for some time. The Senate passed my college tax credit legislation three times in the last 18 months, and more than 100 tuition tax relief bills have been introduced in the House this session. Within the last 6 months, other members of the Senate Finance Committee have joined Senator RIBICOFF—who has been advocating college tax credits for the last 10 years—and myself in proposing education tax relief.

Senators PACKWOOD and MOYNIHAN have proposed an expanded tax credit which includes not only colleges but elementary and secondary schools as well. I support their efforts, and I am one of the 50 cosponsors of their bill.

All four of us share the same goal, and yesterday the Senate Finance Committee adopted my proposal to combine the Roth-Ribicoff bill (S. 311) with the Packwood-Moynihan bill (S. 2142).

This proposal, which the committee added to H.R. 3946, combines my college tax credit bill with the Packwood-Moynihan elementary and secondary approach. The Roth proposal would be phased in over three stages. The tax credit would be refundable for all years the credit is in effect. The three stages are as follows:

Effective August 1, 1978, a tax credit of up to $250 would be available for full-time students in colleges, junior colleges, and postsecondary vocational schools.

Effective August 1, 1980, the tax credit would also apply to elementary and secondary schools. In addition, the credit would be increased to a maximum of $500 per student.

Effective August 1, 1981, the credit would apply to graduate and part-time students.

We believe this approach is the best way to relieve the tremendous burden now imposed on families struggling to educate their children.

Although we believe the revenue impact of this proposal is a worthwhile and necessary investment in the future of our country, the phasing in of the proposal will reduce its revenue impact. The following chart, prepared by the Joint Committee on Taxation shows the preliminary revenue estimates of the proposal.

Fiscal year	*Revenue impact (million)*
1978	$39
1979	916
1980	1,424
1981	2,806
1982	4,479

And despite the administration's claims that this proposal will only benefit the wealthy, a Joint Committee on Taxation breakdown shows that 85 percent of the benefits of the tuition tax credits would go to those people earning less than $30,000 a year. The bulk of the benefits would go to middle-income families earning between $10,000 and $30,000 a year, as the following chart shows:

Income	Percent of benefits	Cumulative (percent)
0–$5,000	7	7
$5,000–$10,000	11	18
$10,000–$15,000	19	37
$15,000–$20,000	20	57
$20,000–$30,000	28	85
$30,000–$50,000	11	96
$50,000 plus	3	99

Mr. President, the overwhelming Finance Committee vote in support of this package puts the administration on notice that their efforts to derail the tax credit approach is not going to work.

The administration spent the last year claiming there was no need for tuition tax relief, but in a series of quick-fix measures, they have proposed spending approximately the same amount of money on a program of expanded grants and loans.

I totally reject this approach, which will mean bigger government and bigger bureaucracy. Instead of forcing working Americans to fill out detailed forms and prove their need, we should allow working Americans to keep more of their own earnings to spend on an education for their children.

Middle-income taxpayers are not going to benefit from Mr. Califano's last minute legislative acrobatics in merely expanding the existing, fraud-ridden programs.

The tuition tax credit is simple, direct, and easy to administer. The President's program would add more redtape and more problems to programs which HEW cannot even administer now.

A Congressional Budget Office study said an expanded grant program "would involve a greater administrative burden" than the tuition tax credit.

A recent HEW study of the existing student aid programs found they were plagued with "managerial problems which have contributed to inefficiencies, inequities, abuse and fraud." The president of Syracuse University testified before the Senate Finance Committee that the existing student aid programs "are bewildering to potential applicants, have defied the ability of bureaucracies to administer them, and have resulted in a labyrinth of disconnected, overlapping, and uncoordinated parts."

And Dr. Larry L. Leslie, an expert in education financing with the University of Arizona, testified last week before the House Ways and Means Committee that—

> It is difficult to conceive of a workable extension of existing entitlements that would not at the same time pit class against class, and in the long run jeopardize the grant entitlements for the poor.

Mr. President, we need a program that compliments, not complicates, the existing student aid program. As I have said previously, the time has come for the enactment of tuition tax credits. And I am confident the education tax credit package approved by the Finance Committee will be approved by the full Senate and enacted into law this year.

Mr. President, I ask unanimous consent that a recent Washington Star editorial comparing the tax credit approach with the grant approach be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Feb. 10, 1978]

GRANTS VERSUS TAX CREDITS

The Carter administration has shown a sudden interest in expanding the Educational Opportunity grant program, the existing program of federal assistance to college students. Its new proposal would broaden access to these grants for children of middle-income families, up to a family income ceiling of $25,000. And it would pour substantially more money into these grants.

President Carter coupled his initiative with a tell-tale directive. Congress, he said, "must choose" between an expanded grants program and the tuition tax credits now being pushed by Senators Packwood, Moynihan, Roth and others. "This nation cannot afford, and I will not accept, both," he declared. That implies, without exactly saying, that Mr. Carter might veto legislation that does not conform to his specifications.

It won't do to be dogmatic about the comparative benefits of the two approaches to the subsidization of college students, if indeed it were appropriate to compare them at all. It may be a gain that the administration, previously so hostile to assistance that helps middle-income taxpayers (who apparently exist to pay and keep quiet), concedes that the cost of higher education is a strain not only on the "poor" but on practically everyone. "Increasingly," said Mr. Carter, "middle-income families . . . are being stretched to the limit."

Obviously, no individual student should have both a grant and the benefit of a parental tax credit. But mightn't families be allowed to choose?

Not if the administration can prevent it, apparently. The two clashing approaches spring from philosophies of federal assistance that stand worlds apart. An expanded grant program would preserve the redistributionist ideology that marks all welfare-like programs, sometimes appropriately, sometimes not. It will entail an enlargement of the bureaucratic apparatus that, in effect, adds a cost overhead on every dollar that's ultimately put in the hands of a needy student. And unlike the Packwood-Moynihan bill, it would do nothing for costs below the college level.

The tax-credit approach leaves it to the parent to declare eligibility on a line or two of the income tax form; and it leaves it to the student to purchase educational services without the nannies of HEW looking over his shoulder and imposing picayune rules. Of course, the latter approach is irksome to those who imagine that Americans are simpletons who need constant mothering from the capital.

A further distinction is, of course, that the tuition tax credit would be open to all, regardless of income, who have eligible children in college (and, in the Moynihan-Packwood bill, in private primary and secondary schools). Implicit in it is the notion that the aim is not the redistribution of income, but the assistance and promotion of education.

In short, the battle looming here would array those who can't kick the habit of bureaucratic regulation against those who believe that this interference could be reduced at no cost to compassion and with undoubted savings in administrative overhead. In this re-

spect, the battle lines resemble those drawn over the Nixon Guaranteed Annual Income legislation.

It isn't clear to us why President Carter, who in his recent State of the Union message acknowledged "a limit to the role and function of government," sticks so firmly on the grant approach. No doubt he must appease Secretary Califano and other bureaucratic imperialists. But it is certainly the conventional response. It would not rid us of overadministration. It would probably increase the forms and guidelines and red tape and general intrusiveness of Federal health, education and welfare programs.

Senators supporting legislation for tuition tax credits say they will not yield, nor should they. The manifest need to relieve some of the financial strain of higher education, now widely acknowledged, presents an opportunity for the exercise of imagination. So why merely widen and deepen the old rut of government direction?

THE MINNESOTA DEPARTMENT OF TRANSPORTATION

Mr. ANDERSON. Mr. President, in the past several years many States have undertaken to consolidate under one administrative roof all the agencies dealing with transportation. Rather than one department of highways and one of mass transit, for instance, there would be one department of transportation consolidating these functions. Such a new department has a difficult job—it must approach consolidation with caution since there is traditionally considerable competition among the various transportation modes.

In Minnesota, I am pleased to say, this move to a multimodal transportation department has gone remarkably smoothly. The primary reason for this is the man behind the department—Jim Harrington. Commissioner Harrington has succeeded in coordinating a massive reevaluation of the transportation situation in Minnesota. To do this, he examined the structure of existing transit agencies and organized the new department of transportation to facilitate cooperation among the various transportation modes. Harrington also went straight to the people of Minnesota. By holding public meetings to identify citizens' concerns in the area of transportation, he was able to organize his department around these issues. He has done a difficult job well and with his assistance Minnesota now looks forward to a sensible and well-planned transportation system for the future. As Governor of Minnesota, I appointed Jim Harrington commissioner of transportation and am proud of his work in this difficult assignment.

Mr. President, I ask unanimous consent that an article by Commissioner Harrington about the Minnesota Department of Transportation in the February 1978 issue of Better Roads be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM HIGHWAY DEPARTMENT TO DOT

During the year since its inauguration, the Minnesota Department of Transportation (Mn/DOT) has been scrutinizing and evaluating the effects of major changes within its basic structure and activities.

The reorganization of the department—which involved taking over the responsibilities of the Departments of Highways and Aeronautics and segments of the State Planning Agency and of the Public Service Department—has directed the agency's focus toward multimodal planning and operations. This new vision brought with it fears that transportation modes other than highways would be sacrificed in the revamping of the department, or that the high-quality Highway Department would deteriorate or be swallowed up by the formation of a monster "super agency."

Those fears have been laid to rest, and 14 months after its inception Mn/DOT is well on its way to becoming a model of efficiency and cooperation among the various modes.

Atypically, the legislature established the department without stipulating its organizational structure. The 1976 DOT Act simply created the department with a commissioner and ten key unclassified positions, and charged us to develop a state transportation plan by the summer of 1978. The rest was up to us.

Early in the reorganizing process, we decided that we would not disturb the basic operating activities that dealt with maintenance and construction—whether it was highways, airports, bus lines, or whatever. Where commitments had been made, we would honor those commitments, and we would not let our reorganizational design get in the way of the orderly carrying-out of our day-to-day business.

A major factor in the "orderly" transition involved searching for talent within the agencies that made up the new Mn/DOT before looking outside for personnel to assume management roles.

In many cases, people who were identified in-house as good managers moved into different kinds of management roles or different modes; the emphasis was on people who were in place.

The department was not a victim of patronage in its organization. Everybody who's here has the credentials to do the job.

The nucleus of employees we started with were quality personnel. It was really only a matter of managing that resource or redirecting it. That was more the issue than trying to diminish this group's role or raid someone else. Not only were the Highway people concerned, for example, but I suspect Aeronautics employees were more concerned than those in Highway operations because they were the ones who felt they were going to be engulfed.

Instead, there was a genuine trade-off among the modal skills. In addition, some of the modes came out of the reorganization with methods and procedures they hadn't had before—such as inventory systems, modern audit, and the opportunity to draw upon the entire Mn/DOT talent pool.

The revamping allowed Mn/DOT to reanalyze what the various agencies—Highways, Aeronautics, Planning, and Public Service—had been doing for years, and it was discovered that there were many services that the department provided that were very nice public services but not related to our mission. We just couldn't afford them anymore. As a result, some activities were cut, such as mapping for other agencies and right-of-way services that weren't reimbursed.

On the other hand, the analysis revealed that many efficiencies and forms of intermode cooperation were possible. Rather than adding staff to Aeronautics for navigational aid repair work, for example, Mn/DOT retrained some of its highway electronics personnel to handle the work. In another instance, some highway maintenance employees moved into contract work with airports and highway right-of-way personnel began to provide service to the Aeronautics Division.

The infant Mn/DOT was careful not to isolate the different modes. We brought them all into our central office and put our top managers from the different modal areas together so that they became part of the management team. We don't have identifiable little pockets of special interests, even though there are staff for different areas. We've got our top management people working and talking together.

The legislation setting up the transformation also stipulated that Mn/DOT develop a state transportation plan by the summer of 1978.

The final Mn/DOT/PLAN will guide the department in making future transportation decisions—ones that will affect the economic, environmental, and social well-being of the entire state. As a "framework for action," the PLAN is a way to achieve an efficient and economical transportation system.

Most planning efforts in the past have been directed toward producing a long-range or "master" plan, consisting of developing and analyzing alternative transportation systems for a target year, usually 25 to 30 years into the future. Efforts would then be focused upon programming and implementing the projects specified in the alternative adopted as "the plan."

We can't accurately forecast where the jobs, shopping, and other human activities will be located in the year 2000. We can't forecast whether we'll even have the fuel to run our vehicles—there's always a possibility that some new technology will come along to replace the automobile, bus, or train. We don't even know how much money we are going to have to build transportation facilities.

The Mn/DOT/PLAN, ignoring the "master plan" approach, instead would consist of four basic parts:

An up-to-date description of all transportation systems, their characteristics, and conditions.

A set of procedures to be used in developing future Mn/DOT policies, plans, and implementation programs on a continuing basis.

A short-range implementation program and long-range planning program that will determine what Mn/DOT is going to build or subsidize in the next two to six years and what issues Mn/DOT is going to study or consider.

Department positions and policies on key issues identified by the citizens of Minnesota through a series of public meetings held throughout the state and in response to Mn/DOT's appeal for input from government officials, businessmen, special interest groups, and others who have contacted the department directly to share their ideas.

More than 4000 issues were identified through those meetings and contacts, and some 18,000 non-Mn/DOT person-hours involved in participation in the meetings.

The PLAN process has been important to the reorganized agency because it gave Mn/DOT the opportunity to start fresh and build a reputation of a group that is listening, responsive, and not committed on any long-term basis to a particular modal emphasis.

In effect, we said, "Hey, we're a new department yet the work's getting done and here we are, also, listening to what you want to have done for your state."

The real excitement will come in March and April when we take the 'shopping list' of projects and problems identified at the meetings and the policies we've been developing and go back out to the people and say, "Here's what you get, folks." At that point, the key leadership in all the regions won't be questioning us; they've got to question their regional development people—their city councils—because those are the people we'll have been directed by. We've really worked with the people. We've never refused to go anywhere or to meet with anyone to talk about transportation concerns. And we've tried to demonstrate that we're not totally committed solely to a specific mode.

The results of those meetings revealed that although Minnesota has a good transportation system, many problems remain to be solved.

Those include:

Insufficient access to certain areas of the state, which hinders the movement of farm products and other goods.

The impact of transportation facilities on land use.

Lack of identifiable criteria for use by Mn/DOT in project selection.

Availability and cost of fuel.

Regulatory red tape.

Lack of transit service for the elderly and handicapped as well as for those without access to a car.

Continued air and noise pollution.

Lack of coordination among various transportation modes.

Insufficient public funds to finance transportation projects.

With wide-based public support going into Budget Year 1979, I predict that the basic Mn/DOT program will be adequately funded.

We think we'll get pretty good support from the public because we've continued to work with all the traditional support groups. We haven't rejected the American Road Builders group, we haven't rejected Minnesota Good Roads . . . we haven't played those games.

We've welcomed them as our partners to improve all aspects of the Minnesota transportation system.

ESTONIAN INDEPENDENCE DAY

Mr. CURTIS. Mr. President, this day marks the 60th anniversary of the Declaration of Independence of Estonia.

Between the years of 1918 and 1940, the Republic of Estonia was a free nation. Various treaties signed with the Soviet Union protected her, she thought, from the danger of Soviet aggression.

But, in 1939, Stalin and Hitler decided to divide Eastern Europe. As a result of this agreement, and in direct violation of the 1932 Pact of Nonaggression and Peaceful Settlement of Conflicts, the Baltic States were forced to agree to the establishment of Soviet military and naval bases on their territory. A short time later, the Soviet Union declared Estonia, Latvia, and Lithuania Soviet republics and annexed them to the Soviet Union.

To camouflage this act of aggression, the Soviets have tried to tell the world that the Baltic States requested this Soviet takeover. This is ridiculous.

Over 75,000 Estonians have fled their country and taken up residence in various parts of the free world. But for those who have remained, the process of Russification and the systematic denial of human rights have become an unfortunate way of life.

As in the other Baltic nations, Estonian national spirit thrives. Those who are the most vocal in their desire for freedom have either been murdered or sentenced to hard labor in Siberia.

The 60th anniversary of Estonian independence finds Estonians everywhere with a continuing fierce desire to see freedom for their homeland. Despite Soviet oppression, the nationalistic consciousness of these brave people remains undimmed and serves as an inspiration to oppressed people the world over.

The Senate of the United States continues in its firm resolve to deny recognition of the Soviet annexation of all the Baltic nations.

THIRTIETH ANNIVERSARY OF COMMUNIST COUP IN CZECHOSLOVAKIA

Mr. PELL. Mr President, tomorrow February 25 marks the 30th anniversary of the Communist coup in Czechoslovakia, an act that galvanized the West to band together to form the North Atlantic Alliance as a means of self-defense against the advance of Communist totalitarianism. As a member of the American Foreign Service in charge of our Consulate General in Bratislava, Slovakia in 1948, I remember the tragic events of February 25, 1948, all too well.

Years ending in 8 have been fateful in Czechoslovakia's brief history as an independent nation. Born in 1918 out of the wreckage of the Austro-Hungarian empire, she was absorbed by Nazi Germany in 1938, succumbed to a Communist coup in 1948, and had her liberalization movement crushed in 1968. One wonders what 1978 will bring.

The Council of Free Czechoslovakia has issued a statement in connection with the 30th anniversary of the 1948 coup. It is an eloquent and forceful declaration of a brave people yearning to be free again. Mr. President, I commend this statement to my colleagues and ask unanimous consent that the full text of the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE 30TH ANNIVERSARY OF THE FEBRUARY 1948 COUP D'ETAT

There are few days in the thousand-year history of the Czechs and Slovaks as tragic as those of February 1948. Their singular nature lies in the uselessness and deceit accompanying them and the brutality which has dominated the life of the Czechoslovak people ever since.

In 1948, the Czechoslovak Republic was on the road to become a model state of democratic freedoms and social justice. After the disasters of Munich and World War II and after the uncertainty of the postwar days, Czechs and Slovaks were looking forward to a promising future.

However, the Czechoslovak Communist Party and the Soviet Union found this development and outlook unacceptable and unbearable because such a turn would have heralded the beginning of the end for the totalitarian plans of the Czechoslovak communists and for the Soviet imperial policy regarding Czechoslovakia. Thus the promising development had to be halted at the expense of the Czechoslovak people so that the Czechoslovak Communist Party might seize absolute control. The genuine interests of the country had to be sacrificed to give the Soviet Union free hand in the Republic.

The deceit which accompanied the communist coup d'etat disrupted the traditions of democratic values, political life, and bonds between the nation and the state cultivated by the Czechs and Slovaks since the time of their national liberation to such an extent that they disappeared from public life completely. Only their ruins have remained while the deception and dishonesty of the communist regime are constantly undermining them.

The casualties of the communist coup d'etat in terms of the lives, economic values, and the happiness of the Czechoslovak people are countless. Thousands of people executed and tortured, hundreds of thousands of political prisoners, millions of oppressed, humiliated and exploited persons, two waves of exiles, a Soviet occupation, and lost independence—this is the balance sheet of the 1948 coup d'etat and the thirty years of communist rule in Czechoslovakia.

Speaking for all the Czechs and Slovaks, the Council of Free Czechoslovakia rejects the notion that the February coup d'etat by the Communist Party was an expression of the free will of the Czechoslovak people, condemns it as the supreme act of violence committed against the Czechs and Slovaks and makes the Czechoslovak Communist Party and the Soviet Union responsible for all the resulting damage, suffering, and losses the Czechoslovak people have had to sustain.

The Czechoslovak Communist Party knows well that while it seized power in February 1948 it has not gained the consent of the people and never will. In spite of all the violence the values purged from public life of the Republic have remained the treasure kept and cultivated in the hearts of every Czech and Slovak. The day will come when the Czechoslovak people will make the Communist Party responsible for all the evil committed.

We pay homage to the victims of the February 1948 coup and of the thirty years of communist domination and suppression. We promise all Czechs and Slovaks that we shall never stop to continue the struggle to redress the unfortunate consequences of the communist coup.

THE 60TH ANNIVERSARY OF ESTONIAN INDEPENDENCE

Mr. DOLE. Mr. President, today marks the 60th anniversary of the independence of Estonia and persons of Estonian heritage celebrate this event throughout America and the rest of the free world. Unfortunately, the people living in Estonia today do not have the opportunity to do so openly. Despite the fact that the Soviet Union signed a peace treaty in 1919 recognizes Estonia's right to self-determination, by June of 1940 the Soviet Union saw fit to break its word and invade and annex Estonia as well as the other two Baltic Republics.

SOVIET MASS DEPORTATIONS IN THE 1940'S

Many Estonians perished in 1940 when the Soviets deported men, women, and children in cattle carts to die in the cold Siberian regions. Among them was the late President of Estonia, Konstantin Pats, whose place and manner of death is still kept secret by the Soviet Union. Similar purges were carried out in 1944 with many Estonians fleeing to escape the Communist onslaught. Although Stalin's death brought an end to that stark reign of terror, today there are still many suffering in Soviet prison camps and the Soviets have added a new dimension to its repressive policies in the form of psychiatric political prisons.

STILL MANY POLITICAL PRISONERS IN ESTONIA

To commemorate this day, I think it is fitting to remember all those who are now suffering in the various places of detention, denied their human and civil rights, many convicted on the flimsiest of charges, without the benefit of due process of law. Although biographical data is sketchy, the information has been garnered carefully from all available sources such as Samizdats and people who have been prisoners themselves. As we commemorate the independence of Estonia, and its hopes for future freedom, we must not forget them for they are fighting for Estonia's independence and freedom even now. The following list is a list of the political prisoners in So-

viet-occupied Estonia today that we in the West are aware of:

Peeter Bergman, Vladimir Eichvald, Peeter Einsasto, Anton Elias, Gerhard Fast, Haavastik, Ulo Ird, Johannes Jaakob, Artjom Juskevitsh, Jarvo, Jaan Kalju, Bernhard Kangur, Mati Kiirend, Evald Kiiv(Kirr), Alfred Kirotosk, Karl Kivilo, Johannes Kivipuur, Sven Kreek, Walter Kukk, Kaarel Korboja, Richard Laarman, Raivo Lapp, Jaak Leivand, Ilmar Lill, Linra, Matuson, Tonis Merila, Leonard Must, Kalju Matik, August Molder, Neeme.

Elmar Nugis, E. Nurmsaar, Ludmilla Oldenburger, Juri Pentman, Toivo Praks, Aarne Prints, Artur Johannes Pupart, Teodor Reinhold, Poigo Ritson, Villem Saarte, Saarts Voldemar Schultz, Kaarel Sillamagi, Verner Soer, Sergei Soldatov, Anto Sava, Edgar Vaikma, Iivo Waldman, Valdur, Karl Varres (vares), Andres Vosu, L. Heeska, Meinhard Jurha, Vello Ladva, Raimond Maisvali, Sikk, Taido Turk, Enn Uibo, Jaan Veski, Ralf Gerrets, Jaan Juriste, Theodor Kaldre, Edmund-Johannes Kuusik.

Augustin Reinvald, Julius Viks, Edgar Oro, August Molder, Tonu Salumae, Harri Juksaar, Edvard Lumiste, Aleksander Piigli, Arnodl Tang, Georg Veski, Herman Sikk, Johannes Ajuoja, August Kukk, Enn Oodla, Ernst Pahn, Herman Kaljula, Eduard Kulvi, Vladimir Meriloo, Johannes Ojavere, Ilmar Sillard, Erich-Osvald Org, Aleksander Zeeman, Rolad Rand, Ants Tinniste, Osvald Issak, Runge, Oskar Peterson, Ants Aunvere, Johannes Heesdak, Arnodl, Karl Helk, Elfriide Holm, Arnold Lindermann, Johannes Lindermann.

The number of dissidents is increasing and there are many others that we do not know about. But the movement that has started within the Baltic States, the Ukraine, Byelorussia as well as Russia itself cannot be stopped. While some years ago the number of dissidents was a mere handful, today people from all walks of life are becoming involved in attempting to exercise the rights guaranteed under the Helsinki Final Act.

ESTONIANS HAVE QUALITIES OF ENDURANCE

Although it may seem that progress is painfully slow in winning basic freedoms in the Baltic States and in the rest of the Soviet Empire, I am certain the Estonian people will be victorious in the end.

Despite the fact that Estonia's time of independence was so short, Estonians have not forgotten it, nor will they. The hope and striving for freedom will continue and the stamina and endurance for which the Estonians are well known will stand them in good stead.

The day will undoubtedly come when Estonia will again be celebrating her independence in freedom and will take her rightful place among the rest of the free nations of the world.

ESTONIAN INDEPENDENCE DAY

Mr. ANDERSON. Mr. President, on this, the 60th anniversary of Estonian independence, I feel it appropriate to pause and reflect upon the remarkable national spirit and patriotic fervor of the Estonian people. Sixty years ago today, Estonia proclaimed herself a free and sovereign nation. And although today Estonia languishes under the political control of the Soviet Union, the continuing determination of her citizenry to retain their national heritage and return independence to the land serves as an inspiration to freedom-loving people everywhere.

Mr. President, while I was back in Minnesota during the recent recess, some of my constituents of Estonian ancestry gave me a copy of an appeal for independence by the Estonian American National Council. I ask unanimous consent that portions of this appeal be printed in the RECORD, in order to share its stirring sentiments with my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPEAL FOR RESTORATION OF INDEPENDENCE TO ESTONIA

On February 24, 1918, Estonia proclaimed her independence, establishing thereby the basis for the free and independent Republic of Estonia. On the 60th anniversary of that historic event, it is appropriate to recall certain facts about the Estonian people and their land.

Since time immemorial, the Estonians have lived in their present geographic location on the east coast of the Baltic Sea. They belong to the Finno-Ugric race and speak their own language—Estonian—which is related to Finnish. The Estonians have no relationship to either the Slavic or Germanic peoples or their languages. Their strong sense of national unity and cultural distinction have carried them through all previous periods of foreign oppression and exploitation. In the latter part of the 19th century their national consciousness became a particularly forceful element which eventually led to the creation of the independent state of Estonia.

The establishment of the independent Republic of Estonia was possible only after the Soviet Red Army was driven from Estonia in the War of Liberation, which lasted from November 28, 1918, to February 2, 1920, when a peace treaty was signed at Tartu, Estonia, in which Soviet Russia renounced forever any claims to the territory of Estonia. There followed several other basic treaties between Estonia and the Soviet Union:

1. The Pact of Non-Aggression and Peaceful Settlement of Conflicts, dated May 4, 1932.

2. The Convention of Conciliation, dated June 16, 1932.

3. The Convention for Definition of Aggression, dated July 3, 1933.

The Soviet Union and Estonia were also parties to the Kellogg-Briand Pact on renunciation of war as an instrument of national policy, signed at Paris, August 27, 1928, which is still on the list of treaties in force.

In spite of these solemn treaty obligations, Estonia, Latvia, and Lithuania were unilaterally declared Soviet republics and annexed to the Soviet Union in 1940. In the history of the world, there has never been a country that would voluntarily renounce its own freedom and independence and submit itself to the overlordship of a foreign ruler. As far as the people of Estonia are concerned, they have suffered incalculable human and material losses since the start of the Soviet occupation.

More than 75,000 Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and they feel morally obligated to speak out on behalf of the people of Estonia.

The Final Act signed in Helsinki declares that the inherent dignity and equal and inalienable rights of members of the human family lie at the foundation of freedom, justice, and peace in the world, and the right of self-determination for every nation is the goal of mankind.

Keeping these principles in mind, all freedom-loving Estonians are united in their determination for the restoration of the independence and national rights of Estonia. On the 60th anniversary of the proclamation of Estonian independence, all Estonians appeal to world public opinion to support them in this struggle for freedom and justice.

ANNIVERSARY OF ESTONIAN INDEPENDENCE

Mr. CASE. Mr. President, today, February 24, 1978, marks the 60th anniversary of the proclamation of independence of the Republic of Estonia and I wish to congratulate all Estonian Americans on this occasion. On August 23, 1939, however, Stalin and Hitler met and marked out areas in eastern Europe which were to be "theirs" and so the Baltic Republics fell to the Soviets. Estonia is the target of particularly severe Russification. Visitors to Tallinn notice the increase in Russian heard on the streets, due to the many Russians who are resettled there. At the same time, Estonians living in the villages are legally restricted in their place of residence, while Russians are encouraged to move to Tallinn.

As a member of the Commission on Security and Cooperation, I am watching the difficult course of civil liberties in Soviet Estonia. Much to my dismay, I note new evidence of Soviet official disregard for basic human freedoms. As an example, I want to cite the case of Enn Tarto, an Estonian former political prisoner, who now lives in Tartu. In an appeal to the Lithuanian Helsinki Watch Group, Tarto complains of repeated KGB interrogations, dismissal from an educational institute, and four attempts to set fire to the building where he lives. Another example of the difficulties facing former political prisoners is the case of Mart Niklus, an Estonian who spent 10 years in camp for sending abroad a few photographs of Estonia. On October 8, 1976, Niklus was arrested for "resisting the police" a week earlier and has since been sentenced to camp.

Another startling document from the Lithuanian Watch Group relating to Estonia, is from Erik Udam, who told of KGB attempts to recruit him to form a phony dissident group in Estonia. The purpose of this "dissident" group would have been to establish contact with American diplomats in Moscow. Udam was offered 250,000 rubles for initial expenses in this enterprise. This incident speaks volumes about the effectiveness of real dissident groups in Estonia and all over the U.S.S.R.

When the Soviet authorities are confronted with a real dissent group—as they were in Estonia in October 1975—the sentences meted out were very severe, indeed: Mati Kiirend and Artem Yuskevich got 5-year terms in prison camps; Kalju Matik and Sergi Soldatov received 6-year terms in prison camps, in the trial of the Estonian democrats.

In general, I cannot understand why it is that the Soviets continue to feel so threatened by any expression of individual views, of any groups meeting to dis-

cuss nonparty (not necessarily anti-party) ideas in Estonia or any other of the Soviet "republics." On this occasion, I do want to commend all Estonian Americans who show their support for Estonians in their native land by writing letters to them, and protests to the Soviet authorities who continue to ignore the obligations they have assumed in the Helsinki accords and other international agreements.

TRADE, TAXES, AND LABOR REFORM

Mr. MORGAN. Mr. President, on February 16, 1978, I had the privilege of addressing the Catawba Valley Hosiery Association.

I ask unanimous consent that my remarks before the association be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TRADE, TAXES, AND LABOR REFORM

Issues of the greatest concern to North Carolina's textile industry are now under discussion in Washington, and I would like to take the time today to go over these with you. As I am sure you know, the Labor Reform bill has come to the floor of the Senate, and it may be on the back burner there for a long time. As of right now, it has made way for the Panama Canal treaty debate, which appears to be going to take a while.

The multilateral talks on trade agreements are presently under way in Geneva, and the outcome of those talks could very well mean real trouble for the textile industry.

In addition, with the substantial increases in Social Security payroll taxes we will be facing next year, there is a great deal of concern in business about President Carter's proposed offsetting tax cuts.

To begin with, let me talk about the Labor Reform Bill, and my approach to it.

I do not oppose responsible labor laws, if they are balanced and equitable. In my opinion, the proper role for government is that of a neutral and judicious arbiter. An economic balance of power exists between labor and management, and it would be terribly bad for the economy if the government were to take one side or the other. The law must always maintain this spirit of neutrality.

For this reason, I cannot support the proposed Labor Reform Bill. It would tip the balance too far toward union organizing efforts, and some of its provisions could well backfire so badly as to endanger workers' jobs.

Proponents of the bill say it is needed to speed up the work of the NLRB, and to end unreasonable stalling by industry. But the statistics simply do not justify such a sweeping change in the law. The fact of the matter is that the Labor Reform Bill is a reaction to a small number of cases—about half a dozen—in which there may have been excessive delay.

It is true that the NLRB has a backlog. It is also true that the backlog has been substantially reduced since 1975, and that the NLRB is handling cases much faster than it did 20 years ago, according to Chairman Fanning.

Sponsors of the bill argue that the Senate Labor Subcommittee has been calling on the NLRB to cut down on delays for the last seven years. That is exactly what the NLRB has done. Under its informal guidelines and voluntary compliance doctrine, 82 percent of the NLRB-ordered elections take place within 12 to 44 days. Only 47 elections took over 200 days, and it is undeniable that these were very complex. In all, they amounted to less than one percent of the elections.

And it should be pointed out that fully 95 percent of all unfair labor practice cases were settled within 55 days. The bill attempts to create reforms where no real problems exist, which leads one to suspect, as has been claimed, that it is aimed at promoting labor activity in the South, and to stem the movement of industry from the North.

One of the worst things about the bill is that it would remove too much discretion from the NLRB. Take the matter of union elections, for an example. The bill would require an election to be held within 21 days from the filing of a petition.

Now clearly, no petition is going to be filed until the union is ready to go to a vote. In the case of a smaller company, a businessman could very well be caught flat-footed. It might well be impossible for that company to find a labor lawyer to tell them what they can and cannot do in an election, and under other provisions of the bill even a technical, inadvertent mistake could be fatal.

For example, a company would be debarred from holding any federal contract for three years, for any willful violation of labor law. No discretion on the part of the NLRB would be allowed. This means that a company whose sole business is a contract with the Department of Defense could be literally put out of business for errors made in complying with a complicated set of statutes. Its workers could be put out on the street.

The bill is clearly unreasonable and unneeded. The question is, what do you do about it? What you do depends on who's got the votes, and it would appear that at this point the supporters of the bill have the votes to pass it and to defeat a filibuster in the long run. To me, this means a more flexible strategy is in order. For that reason, I am preparing a series of amendments which would moderate the effect of the bill at almost every point. About six other Senators are joining me in the effort.

There are two good reasons for doing this. In the first place, if they are going to pass the bill anyway, it behooves us to make it as palatable as possible. I assure you it would be a lot easier to declare I am unalterably opposed to the bill in advance. Then, the pressure would be off me, the mail would be easier to answer, and I could just make a fine speech when I get beat. But I could not be as effective, and it is certain I could not get an amendment accepted on the floor of the Senate.

As for the filibuster, I have been repeatedly asked whether I will vote the way some of the industry groups want me to on each and every procedural motion. And I have to ask, which vote? On what motion? Under what circumstances? It would be plainly irresponsible for me to commit myself on votes, when I don't even know what they will be. I have long supported the tactic of the filibluster, and I have been on both sides of them. Unlimited debate is necessary. Even when it does not defeat a bill outright which is almost always the case it forces compromise and moderation. I know how it works and I am reasonably capable of waging a procedural battle. But how I vote on an individual item is a matter of strategy, which can change from moment to moment. The best strategy to take will have to remain my judgment, on the floor. The people sent me to Washington to use my best judgment, and I will. But they did not send me up there to vote anyone's party line and declare I will do so in advance. I have seen those carrying on a filibuster do a lot of damage to their own cause, and my approach will always be to do what promises to be most effective.

The second reason I think my present approach to the Labor Reform Bill is the best is this: it appears the sponsors of the bill are a lot more worried about substantive amendments than they are about a filibuster. They may well have the votes to pass the bill. But they don't have the votes to defeat moderating amendments. So, in the last few days, Senator Williams, the floor manager, has said he may have to withdraw the bill for now, and reintroduce it later on, because there will be too many amendments. It is too early to say whether he will withdraw the bill, but if he does take it off the floor, it could put an entirely new complexion on things.

The battle over the Labor Reform Bill therefore remains very fluid. Its progress through the Senate is very unpredictable at this time. Personally, I believe this bill should be defeated. If it turns out that this is impossible, then we must try to make it as palatable as possible.

Let me pass on to the subject of the proposal that we reduce tariffs for textile imports. As you know, this is one of the possible outcomes of the present Geneva talks on the General Agreement on Tariffs and Trade, and the Tokyo Round of Multilateral Trade Negotiations later this year.

There was talk of reducing tariffs on apparel and other textile products by 40 to 60 percent. Clearly, this would be a disaster, especially on top of the six percent growth rate in imports now part of the Multifiber Arrangement. We can expect the total market to grow by somewhere between two and three percent a year, depending on whose figures you use, and that is just not enough to absorb an import growth rate of six percent.

I have always been an advocate of free international trade, and I am acutely aware that many of our competitors in textiles are also nations which are a prime market for North Carolina agriculture products. But I must say we have bent over backwards to permit other nations access to our markets. To cut our tariffs when we have already lost hundreds of thousands of jobs to imports is simply unwise.

I was looking at some figures developed by Burlington Industries the other day, and they paint a rather bleak picture. Even if there were to be no tariff reductions, we still can expect to lose almost 400,000 textile and apparel jobs, and 1985 tax revenues of $34 billion, just to the growth of imports.

But if you include a fifty percent tariff reduction, we could well lose 600,000 jos and $50 billion in revenues.

When the tariff cut was proposed, I joined with Senator Fritz Hollings of South Carolina in introducing a "sense of Congress" resolution opposing it. We got 28 co-sponsors in the Senate, and an identical bill in the House attracted 274 co-sponsors. In this way, we were able to send a pretty strong message to the Administration.

We are still awaiting the results of our efforts. It is difficult to know exactly what the United States has proposed in Geneva, because the information is classified "secret." From press reports, if they are accurate, I would judge that we have had some success. It appears the U.S. proposal did exclude the possibility of tariff cuts on many apparel items, and included minor reductions on others. It may be, however, that our government's proposal did not adequately exclude manufactured textile goods.

The Administration has been under pressure to increase tariffs or reduce quotas for imported steel from the Far East. In return for restraint in this area, of course, our trading partners may well demand a quid pro quo, including increased textile market penetration. As long as the issue remains in the Administration's hands, it is essential that those of us who represent textile states, and those of you who guide the industry, make it clear to our negotiators that textiles have stood all they can stand to take. The jobs lost to steel imports have been a matter of frequent attention in the national

media. The plight of the unemployed textile worker deserves equal attention.

I want to close by talking a little bit about taxes. As you know, the President has proposed about $25 billion in individual and corporate taxes. Part of the reason is that American taxpayers will have to stand dramatically increased Social Security taxes beginning in 1979.

I have never voted for one of these tax cuts, and I believe the plight of Social Security is instructive of my reasoning. We got into trouble with Social Security because we did not see to it that revenues were equal to outlays. Earlier in this decade, Social Security benefits were substantially increased, in response to runaway inflation. But Congress did not, at the same time, increase the payroll taxes to pay for it.

Experts warned, at the time, that the obvious result would be to undermine the Social Security Trust Fund, and that is exactly what happened. Now, we are facing the biggest single tax increase in peacetime history, to make up for lost time.

In my opinion, a tax cut in a time of record budget deficits can only have the same eventual result, and I am not at all convinced of the argument that additional deficit spending now will produce a bonanza of increased revenues in the future. Even if this theory of economic stimulation were true—and I do not think it has ever been proven—the economic forecasts accompanying the President's budget do not indicate that eventual revenues will offset our present losses.

What we are really talking about, with regard to the tax cut, is simply writing ourselves another loan. And I submit that what we are creating, by such means, is not prosperity, but self-defeating debt. It has long been said that government spending generates economic growth. But spending on what? Every time we add to our deficiit, we increase the percentage of our tax dollar which must go for interest on the national debt.

The national debt now stands at three quarters of a trillion dollars. This year, we will pay 40 billion dollars in interest. That is eight cents out of every tax dollar, and it is also 40 billion we cannot spend on worthwhile projects. One way to look at it is this: we are talking about having another $60 billion deficit next year. Two-thirds of that deficit will go for interest, leaving a real spending deficit of only $20 billion. No wonder, then, that economic stimulation never quite seems to be forthcoming.

Opposing tax cuts is not a popular thing to do. But I remain committed to the principle of a balanced federal budget, and I do not see its attainment as a dream. It seems to me irresponsible and unjust to mortgage our children's futures to pay for our own needs and our excesses. Increased federal spending is the ultimate issue, of course, but it is also necessary to act responsibly when it is proposed that we decrease tax revenues. The effect on the deficit is the same.

It was an illusion to think, in the first place, that we could raise Social Security benefits without asking the people for the additional taxes that would take. I fear we merely continue to have the same illusory vision of economic fact, when we believe we can offset those same higher benefit levels with a tax cut.

In industry, you can carry what may be called productive debt. You finance new operations in the expectation that the revenues will pay the debt and yield a profit. But government has no such expectations. It makes no profit, and the sole source of revenues to retire debt is the taxpayer's pocketbook.

I think we must remember that fact now, as we are asked to finance a tax cut with more borrowed money. Difficult as it is to swallow this bitter pill, I think it is far better to do it now, instead of later, as the national debt rises to a trillion, or even two trillion dollars, and our interest payments begin to rival what we are now spending on defense.

Every time I have voted against a tax cut, I have gotten letters accusing me of begrudging the little man a break. But it has gotten so I receive an increasing number of letters from people who understand and appreciate my concern for the future. Last fall, North Carolinians voted to see the requirement for a balanced state budget written into our Constitution. In a recent poll I conducted, an overwhelming number of people said they wanted a balanced federal budget, even if this meant less spending and higher taxes. I think the people are more than ready for a little common sense, and as far as the tax cut is concerned, that is exactly what I am prepared to exercise.

Thomas Jefferson said that the world belongs to the living. He meant the choices we make as to government are ours and ours alone. But you must leave that legacy of freedom to future generations. If we saddle our children with debt, we reduce their choices, their freedom to run their own affairs to their liking. We take the decisions as to how they will spend their money into our own hands. We commit them to a course of action without knowing what urgent needs they will have to face.

It is grossly unfair to do so, in order to purchase for ourselves a little benefit, or the illusion of economic well-being. I wholeheartedly believe we must stop it.

WATERWAY USER CHARGES AND TRUCK TAXES

Mr. DOMENICI. Mr. President, one of the arguments we sometimes hear for the token waterway users fees in the House bill is that a 4 cents–6 cents tax is comparable to what the truckers and family motorists pay. That is not the case. Family motorists pay 4 cents a gallon at the pump to the Federal Government, plus more than that again to finance State highway programs. The trucking industry pays the equivalent of 20 cents a gallon in use taxes toward State and Federal highway programs, many times the per-gallon charge in the House waterway user tax. No significant State navigation program exists, of course, and any State-operated waterways would be exempt from charges under the proposal adopted by the Senate last June.

Mr. President, the figures are as follows:

Truck taxes	*Gallon*
Federal diesel tax	4¢
Average State diesel taxes	8¢
Annual Federal excise taxes and other highway-dedicated taxes, calculated on a per-gallon estimate*	8.6¢
Total	20.6¢

*Includes 10 percent Federal excise tax on new trucks and trailers, 8 percent on parts, 10 cents per pound on new tires, 5 cents per pound on retread rubber, $3 per 1,000 pounds annually on larger trucks, and state registration fees.

INFLATIONARY IMPACT OF DOLLAR DEPRECIATION

Mr. STEVENSON. Mr. President, the Subcommittee on International Finance held an oversight hearing on exchange rate policy and U.S. exports on February 6. At that hearing, I asked Anthony M. Solomon, Under Secretary of the Treasury for Monetary Affairs, how large an impact depreciation of the dollar had had on U.S. prices, especially export prices. I have received a letter from Secretary Solomon clarifying Treasury's estimate of the price effects of dollar depreciation.

Mr. President, in view of the significance of the subject and the need to correct any misinterpretations which may have arisen, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS,
Washington, D.C., February 10, 1978.

Hon. ADLAI E. STEVENSON,
Chairman, Subcommittee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I have reviewed the record of the Subcommittee hearing February 6, and I believe it is necessary to clear up a misunderstanding on the significance of dollar depreciation for the U.S. price level.

In my response to your initial question, I indicated that the first-round, direct effects on the CPI of a 1 percent depreciation of the dollar would be on the order of 2½ tenths, or one-quarter of one percent. The correct figure of Treasury's estimates is 2½ hundredths of one percent.

I should emphasize that there is no single, unique measure of "the" impact of dollar depreciation on the U.S. price level. Depending on the specific assumptions made, and the degree to which indirect effects are taken into account, a very wide range of estimates would result. The degree to which foreign sellers in the U.S. "pass-through" the effects of dollar depreciation in the form of higher dollar prices may vary as will the degree to which prices of domestically produced substitutes, and other products, may rise "sympathetic" with dollar import prices. There may also be third-round effects, e.g., on wage demands. The degree to which the presence or absence of spare production capacity may affect behavior on all these fronts is also important.

When the domestic economy is running close to full capacity, the indirect effects can be quite significant. In current conditions, with considerable slack in the economy, I would expect the inflationary impact to be relatively small.

I regret this error, and I believe it important that the record be corrected on this important matter.

Sincerely,

ANTHONY M. SOLOMON.

TUITION TAX CREDITS: EASING THE EDUCATION FINANCING BURDEN

Mr. GRIFFIN. Mr. President, I would like to commend and thank my colleagues on the Senate Finance Committee for the wise and resolute action they took yesterday in approving a solid tuition tax credit bill despite rigid opposition from the Carter administration.

As a longstanding supporter of tuition tax credits—and as a cosponsor of the two major Senate bills considered during this session—I know the Finance Committee's announcement yesterday is very good news for many Americans who are struggling desperately to find

a way to meet the increasingly heavy burden of financing education costs.

Tuition tax credits is an idea whose time has come. The Senate recognized this last November when it adopted the Roth amendment to the social security financing legislation. That amendment would have allowed a $250 college tuition tax credit. Unfortunately, our colleagues in the House of Representatives—under great pressure from the administration—refused to go along with the amendment, and it was dropped from the legislation.

As I understand it, the bill the Finance Committee reported yesterday is a combination of the two major tuition tax credit bills, the Roth bill and the Packwood-Moynihan bill. The Finance Committee's bill would, in the first year of its enactment, allow a tax credit of 50 percent of tuition costs up to $250 (per student) for full-time vocational and college undergraduate tuition payments. In the second year following enactment and beyond, the tax credit would be extended to elementary and secondary tuition costs, and the amount of the credit would be increased to allow a maximum credit of $500. Finally, in the third year, the tax credit would be made available for tuition paid for graduate and part-time studies.

Tuition tax credits is an idea which has a tremendous amount of popular support. People representing groups from all parts of the country came to Washington to testify in support of tuition tax credits when the Finance Committee held hearings in January. But, perhaps the one group to whom this legislation is most vital is the students themselves. Enactment of this legislation would open the door of opportunity for many who would otherwise find it closed.

To illustrate student support for the tuition tax credit concept, I ask unanimous consent that the testimony before the Finance Committee of Kent L. Berry, president of the Associated Students of Michigan State University—one of the largest student government organizations in the country—be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. KENT L. BARRY

Mr. Chairman, honorable committee members, I am pleased to appear before you this morning in support of the Tuition Tax Credit Bill. Accompanying me today are Mr. Corey Binger and Mr. Michael McCandless; both members of my staff. Our testimony is representative of the major universities and colleges (public and private) in the state of Michigan, comprising a student population of over 350,000.

As President of the student body, at Michigan State University, I am well aware of the problems in attaining a place in the world of higher education. This awareness has been manifest throughout our student community and, as a result, has prompted the formation of a fact-finding task force whose job it has been to prepare a detailed analysis of the problems as we see them.

The value of our testimony, however, does not lie in the statistical and graphic analyses that our research has led us through; but rather, in the expression of the effects felt by the "average" Michigan college student in his or her attempts to deal with rising tuition costs.

The cost of tuition at Michigan State University, recently cited as one of the ten most expensive public institutions of higher learning, has risen by some 28 percent in the last two years.

Even with our own limited knowledge of the variegated factors which make up the entire economic picture, it is readily apparent that the increases are not in line with the growth of the economy as a whole; and this trend is certainly not unique to Michigan State University. We believe a tuition tax credit would provide a reasonable financial assistance to those families and/or individuals who would not otherwise be eligible for grants or scholarships. We have determined, through our research, that institutions throughout the country are suffering from a characteristically similar fate; to wit, they have seen a reduction in the numbers of students enrolled from economic backgrounds traditionally regarded as the middle class.

We strongly support financial assistance programs for lower income families, and we do not regard the support of Congress for a tuition tax credit as being in any way indicative of a diminution of support for the needy. Rather, we feel that such legislation will serve to guarantee that no person be denied a college education on economic grounds alone. This is a crucial point, and one which we cannot stress too strongly. There have been some who would urge that we turn our efforts in the direction of direct aid from the federal government for students in financial need. We believe that the tax credit for tuition would more properly address the problem by allowing taxpayers to keep more of their earnings, instead of waiting in line for federal "aid".

Enrollments are down at most of the colleges and universities in the state of Michigan and this is indicative of a national phenomenon. Part of this problem can be attributed directly to the fact that the "baby boom" years have reached their zenith. Another part of the problem can be traced directly to the rising costs of obtaining a college education. We believe that this second factor is one which should concern all Americans.

A tax credit for tuition would certainly go a long way toward giving further incentives for individuals to pursue their educational aspirations, without undue regard for the limitations imposed by economic barriers. Such incentives are especially significant in instances where an individual would be unable to attend college without the credit. Typically, these persons are to be found in the middle class, where they are regarded as too affluent for federal or state scholarship aid.

One of the most far-reaching and significant aspects of the proposed legislation is that this policy would encourage a freedom of choice. Senator Moynihan has correctly reminded us that "as the 'tuition gap' between public and private colleges has widened, the proportion of college students choosing private campuses has shrunk: from 50 percent in the 1950's to less than 25 percent today." The ever-expanding space between the cost of a private college and a school subsidized by the government, has meant that the freedom of choice and opportunity has been denied to many persons as to where they will pursue their educational ambitions.

As rising costs and decreasing enrollments force more and more private institutions to close their doors, the diversity of choice, and indeed freedom of choice is similarly reduced. Again, I would agree with Senator Moynihan's assessment that "diversity and pluralism are values too, and perhaps nowhere more valuable than in the experiences that our children have in their early years, when their beliefs and attitudes are formed, their minds awakened and their friendships formed . . . I do not believe it excessive to ask that they be embodied in our national policies for the betterment of American education." A society that wishes to remain forever free must concern itself with the proper development of its succeeding generation and allow them their own freedom of choice and will for the determination of their own future.

We believe that the tuition tax credit will help promote the kind of diversity and pluralism which have marked the United States for greatness. We sincerely think that it is essential for the individual to have such choices available in decisions of educational pursuits so that he is not relegated, by economic necessity, to one alternative.

Mr. Chairman and honorable members of this committee we are convinced that a situation approaches rapidly where only the very affluent and the very poor will be able to attend college, and we are convinced that action must be taken to ease the financial plight of the middle-income families.

In the words of the late distinguished Senator Humphrey, "a college education has become almost a necessity for children to have opportunities." As a representative of the student community in the state of Michigan, I see the tuition tax credit as an outstanding example of progressive legislation aimed at attaining a high level of excellence in education for many who would not otherwise be participants. The opportunities spoken of by Senator Humphrey can, in fact be realized; but not without your help. I respectfully urge your support for the Tuition Tax Credit Act.

Thank you for your time and patience.

TRIBUTE TO THE INDIANA FFA

Mr. BAYH. Mr. President, this week of February 18–25 is National Future Farmers of America Week and its marks the FFA's 50th anniversary. I would like to give credit to this national organization which has helped educate and train our young farmers. America, which can boast of the most productive agriculture in the world, is greatly indebted to the efforts of the FFA.

In Indiana, as in States across the country, the FFA plays a very important part in the lives of high school students who want to learn more about farming and agriculture. FFA is based on local chapters, led by vocational agriculture advisers, where young men and women learn skills and gain experiences which prepare them for their future careers in agriculture. Through programs of practical on-farm application as well as participation in the national organization, FAA contributes to developing competent farm managers, agricultural professionals, concerned community leaders, and productive American citizens.

The record of the FFA in developing leadership is a great source of pride to all of us who have been close to this fine organization. A number of our Nation's leaders, from the White House to the State legislatures and county councils, have gained their first leadership experience in the FFA.

Indiana's FFA has been blessed with many fine student leaders. Several have reached the offices of national president, national vice president or national secretary. This year's State officers, who are

following the FAA's tradition of excellent leadership, are:

State Officers:
Kevin Drane, State President, Nineveh.
Ben Weiss, State Secretary, Greens Fork.
Ted McKinney, State Vice President, Kempton.
Greg Tormoehlen, State Vice President, Crothersville.
Glenn Crum, State Treasurer, Frankfort.
Kirk Perkins, State Reporter, Wolcottville.
Dan Countryman, State Sentinel, Kokomo.

The State officers are guided in their work by Dr. Dewey Stewart, the State adviser, and Dr. Larry Warfel, the State executive secretary. I commend them all for their efforts on behalf of Future Farmers.

I am confident that the FFA's role will continue to grow as interest in agricultural vocations increases. The rise in FFA memberships, now over 500,000, parallels the swelling enrollments at agricultural colleges across the country. Despite the hardships and uncertainties now facing farmers, more and more young people are choosing to stay on their home farms or to begin farming. Many others are finding great vocational satisfaction in related agricultural work or professions.

I am especially impressed with the high enthusiasm and quality of today's students who will be tomorrow's farmers, agriculturalists and rural leaders. I would like to compliment and thank the FFA for encouraging these fine young people. I hope that National Future Farmers of America Week has reminded all Americans of the valuable past and future contributions of the FFA in building efficient and productive agriculture.

A TRIBUTE TO THE LATVIAN AND LITHUANIAN PEOPLES

Mr. HEINZ. Mr. President, 38 years ago, the Soviet Union forcibly annexed the Baltic States of Latvia and Lithuania. What followed was the implementation of a ruthless policy of Russianization. Latvians and Lithuanians were summarily transported to Siberia and Russians were brought in. For years, the Lithuanian and Latvian peoples have been treated with an appalling disregard for their basic human dignity and freedom. This month would have marked the 60th anniversary of Lithuanian and Latvian independence had the Soviets not shattered these nations' sovereignty. However, the U.S.S.R. could not destroy the dream of freedom which continues to live on in the hearts of all Latvians and Lithuanians, a dream shared by their relatives here in the United States. These brave people are striving to obtain the right to self-determination. They are a living tribute to the precious quality of freedom.

Perhaps one day the Lithuanian and Latvian dream of political freedom can become a reality. Until then, we in the free nations of the world must continue to condemn the repression and brutality which these Baltic nations are suffering at the hands of the Soviet Union. We must continue to support their struggle to regain the basic human right to live and worship as they wish.

U.S. SCIENCE POLICY FOR 1979 U.N. CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

Mr. STEVENSON. Mr. President, in a recent Science magazine commentary, William D. Carey, executive director of the American Association for the Advancement of Science, emphasized this country's dilemma in formulating U.S. policy for the 1979 U.N. Conference on Science and Technology for Development. At issue is the need to commit our technological and scientific knowledge to assist developing countries without eroding our own technological base and the economic benefits it produces for this country. U.S. policy for the 1979 conference must be judiciously considered so that we avoid the extremes of North-South confrontation on the one hand, or a rash of empty promises which are soon forgotten on the other hand.

As we develop ways to bring the benefits of science and technology to developing nations, we must also be aware of our own economic problems and the need to strengthen and refine the scientific and technological base of America.

Mr. President, I commend Mr. Carey's comments to my colleagues. I ask unanimous consent that the text of his commentary be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

As the year turns, we are a step closer to the 1979 U.N. Conference on Science and Technology for Development. That Conference promises to be more than a general exchange of scientific courtesies. It will be a face-off between advanced and deprived societies, with science and technology as hard currencies in the new diplomacy. This is the outcome of postwar Western achievement in discovery and use of knowledge, and the lessons have not escaped notice.

The issues now being raised go to the rate, the terms, and the scale on which this productive knowlege will be shared by the have-not majority. As it happens, these questions are entangled with troubling dilemmas of our own national economy, our markets, and our institutional structures. Science and technology may be the new high cards in foreign policy, but how they are dealt in that arena cannot be separated from consideration of U.S. economic growth and stability. This double image has to be respected in preparing for the Conference, and it defines implicit constraints on our diplomatic posture.

Stimulation of development through science and technology will not come about through an instant and massive transfusion of Western knowhow. It will take time, measured in decades. It follows that any significant U.S. response to the ideas of the "new international economic order," and especially to industrialization demands, will require a strong and lasting U.S. political consensus.

That kind of consensus is unlikely if we cannot count on an expanding U.S. economy with lively growth and innovation. A struggling economy, lagging in productivity, averse to industrial risk investment, shying off from long-term research and development, beaten repeatedly by foreign competitors, and unable to keep its own work force employed, is not likely to sustain the political consensus needed to underwrite decades of scientific and technical support for development—especially when the aim of the Group of 77 is to reduce and erase the relative economic differentials between North and South. But the alternative prospect of an expanding economy capable of absorbing the near- and mid-range economic and social costs of industrialization assistance would enhance the chances for political consensus and open up the diplomatic options. The work of our beleaguered economic strategists thus assumes an important external dimension.

The benefits of science and technology to developing countries can be substantial, but so can the costs. If the goal is to make a difference, the quality of the difference needs to be considered. Just as Congress had good reasons for providing itself with an Office of Technology Assessment, we should be equally thoughtful of the risks of handing off technology. We can hardly tell the developing countries what is good for them, but we can try to shape priorities to meet basic human needs and to promote industrialization which is not simply imitative but builds on whatever natural advantage is present and awaiting development. Much of the developing world is organized around rural-based societies and village systems, while industrialization has a centralizing drive. Unchecked, it can wreak violent changes on unprepared cultures and value systems with all the familiar downside effects of rampant urban migration, poverty, and political instability. This is the dark side of unthinking modernization, and it is a poor trade-off for present dissatisfactions. If decentralization can be built into industrialization objectives, so much the better.

Although much is said about the limitations of U.S. diplomacy where science and technology are concerned, the preparatory homework in the State Department is very good indeed. Uncertain as may be the outcomes of the 1979 meeting, we are likely to emerge from it with stronger and better foreign policy management.

THE BEGINNING OF CUBA'S INDEPENDENCE

Mr. DOLE. Mr. President, today, February 24, marks a date of great historic significance for the Cuban people. It was on this day in 1895 that the war with Spain, which ultimately resulted in Cuba's independence, began.

JOSE MARTI

The crusading patriot and ideological leader of this war was a man named Jose Marti—a gentle poet, orator, journalist, and idealist, who eventually became martyr to his cause and one of the brightest stars in the American constellation of freedom fighters. Marti has first-hand experience of the brutality of the Spanish oppressor, having been thrown into political prison at age 15.

Marti, along with Maximo Gomez, general-in-chief of the revolution, signed the historic Monte Cristo Manifesto, proclaiming to the world in principles and objectives of the new free Cuba—"A republic where the first law is the cult of the absolute dignity of man created for all and for the good of all."

As we all know, Marti's compatriots eventually won his war for freedom, but history has an unfortunate way of repeating itself and the once prosperous and great Republic of Cuba today finds herself again, under the heel of an oppressor—a satellite of the Soviet Union, governed by a Communist dictator who ignores all human rights.

U.S. AND CUBA: LONG-TIME PARTNERS IN SEARCH OF FREEDOM

Mr. President, I believe it is appropriate, on this anniversary of the beginning of the Cuban war for independence, to remind ourselves of the United States long and historic involvement in the Cuban struggle for independence, and also for the support we have received from Cuba in our own Revolutionary War and in two world wars, and to point out the parallels of the Cuban situation of 1895 and of today.

In 1895, the Spanish Governor General of Cuba, Capt. Valeriano Weyler, made war not only on the Cuban revolutionary soldiers but also on thousands upon thousands of noncombatants. On his order, thousands of peaceful peasants, women, children, and old people were concentrated in the cities under conditions of incredible cruelty and hardship. Hunger and illness killed more people than actual military action. Today, his atrocities are paralleled by Castro's complete disregard for basic human rights, his execution of thousands of Cubans and the living dead to which he subjects untold numbers of political prisoners, now languishing in inhumane jails and concentration camps. The concentration in cities decreed by Valeriano Weyler has been repeated—in reverse. As now, men, women, and children are ordered from the cities into the fields as forced labor for Castro.

AMERICAN SUPPORT IN CUBA'S FIGHT FOR FREEDOM

One of the first places Marti sought and found spiritual and financial support for his war for freedom was in the United States—from the large immigrant Cuban population and from freedom-conscious U.S. citizens. From 1895 to 1898 Marti's support came mainly from the Cuban immigrants, particularly those in Tampa and Key West, who gave a weekly contribution to his campaign. As these immigrants made public the cruelties and genocide being committed by the Spaniards in Cuba, U.S. public opinion began to lean decidedly in favor of the Cuban patriots. Finally, when the American warship, "*Maine*" was blown up in the Havana harbor, on February 15, 1898, the people of the United States gave their wholehearted support to the Cuban cause.

THE WAR WITH SPAIN

On April 11, President McKinley, pressed by public opinion and by Congress, sent a message to the legislative branch to force Cuba and Spain into an agreement. But Congress disagreeing with that opinion took the initiative and voted a joint resolution on April 19, declaring that "the people of Cuba were in fact free and independent and that Cuba should also be free and independent in its own right." In fact, this resolution led to war. On the 20th McKinley signed the resolution and a subsequent ultimatum to Spain.

On the 21st, diplomatic relations were broken. On the 25th, Congress declared a state of war against Spain, and on the 27th a blockade of Cuban ports was ordered. The war was brief and successful. On July 16 a surrender was signed at Santiago de Cuba. On August 12 the peace protocal was signed in Washington. On October 1, the ministers gathered in Paris to prepare the terms of a peace treaty. It is interesting to note that Cuba did not participate in the peace conferences. However, the Cuban people who had fought in various wars for almost a century for their independence and sovereignty saw their dreams materialize when they inaugurated their own government on May 20, 1902.

CUBA'S RIGHT TO LIBERTY AND INDEPENDENCE

Mr. President, approximately 100 years ago Congress sanctioned the joint resolution of April 11, 1898, recognizing Cuba's right to liberty and independence. In 1962, we reaffirmed this goal by passing Joint Resolution 230, Public Law 87–733. This resolution clearly states that the United States would "use whatever means may be necessary" to prevent the Communist Cuban regime from extending its influence to other parts of the Western Hemisphere. It determined to prevent the presence of any external military power within Cuba and it clearly supported the "aspirations of the Cuban people for self-determination."

Mr. President, in recent times several Cuban exile organizations such as the National Association of Cuban Lawyers, Inc., have come forward to demand the enforcement of this resolution. These Cuban exiles and Cuban Americans feel that the Carter administration's moves toward "normalization of relations with Cuba" will work to the disadvantage of democracy and human rights of individuals within Cuba.

Despite the hopes of freedom-loving Cuban, the hopes of this administration, and before that, of the Ford administration, the regime of Fidel Castro has shown itself to remain a client tool of Soviet interference on the African continent. It has shown itself to be an aggressive force of death and destruction in both Angola and Somalia. There is no end in Castro's perpetuation of misery and sorrow both at home and abroad.

Mr. President, I hope that on this historic anniversary date, this administration will heed the concerns of thousands of native and naturalized Americans who strongly object to a restoration of diplomatic ties to Cuba, at least until important concessions and changes are undertaken by the Castro regime.

SALT II

Mr. SPARKMAN. Mr. President, the committee on Foreign Relations has received from the executive branch, upon request, a report assessing the ability of the United States to verify adequately the provisions of the current proposals in the Strategic Arms Limitation Talks.

The report was originally requested by the Committee on Foreign Relations on November 2 pursuant to a provision of the Arms Control and Disarmament Act, as amended last year, which requires that the Director of the Arms Control and Disarmament Agency provide a report, upon request, as to the adequacy of verification of compliance with each provision of significant arms control proposals made to or by the United States. The request was reiterated February 1.

Although most of the report is classified, significant portions of the report were provided in unclassified form.

The report sets forth publicly for the first time in declassified form the major provisions of the SALT proposal under current discussion.

I am pleased to be able to make these materials available to my fellow Senators and the public. I ask unanimous consent that the unclassified portions of the report, together with the covering letter from the Honorable Paul C. Warnke, Director of the Arms Control and Disarmament Agency, be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without, objection, it is so ordered.

(See exhibit 1.)

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations has endeavored, on a continuing basis, to keep fully abreast of strategic arms limitation negotiations and to explore in detail with appropriate executive branch officials the full scope of SALT issues. While much of the information must remain classified in order to protect the privacy of the discussions and, most importantly, our national security, I and other members of the committee have urged the executive branch to place as much information about SALT as possible on the public record.

I would like to draw my fellow Senators' attention to a critically important judgment made by Mr. Warnke. He writes:

As you know, the SALT TWO agreement is still under active negotiation. It is therefore not possible at this time to make a final assessment of the verifiability of the agreement that may emerge from these negotiations. Nevertheless, on the basis of an extensive and continuing review that has been conducted by all involved agencies in the Executive Branch, it is my judgment that the anticipated SALT TWO agreement is adequately verifiable by existing national technical means. This judgment is based on an assessment of the verifiability of the individual provisions of the agreement and of the agreement as a whole.

Mr. Warnke's judgment is consistent with the coordinated assessment of the executive branch. The report states:

The anticipated SALT TWO agreement is adequately verifiable. This judgment is based on assessment of the verifiability of the individual provisions of the agreement and the agreement as a whole. Although the possibility of some undetected cheating in certain areas exists, such cheating would not alter the strategic balance in view of U.S. programs. Any cheating on a scale large enough to alter the strategic balance would be discovered in time to make an appropriate response. There will be areas of uncertainty, but they are not such as to permit the Soviets to produce a significant unanticipated threat to U.S. interests and those uncertainties can, in any event, be compensated for with the flexibility inherent in our own programs.

Mr. President, in making these materials available, neither I nor any member of the Foreign Relations Committee is passing judgment on the ability of the United States to verify the provisions of SALT II. That judgment can only be reached after a final version of the treaty is submitted to the Senate and the committee has held comprehensive hearings and conducted a full study and analysis of verification and other SALT issues.

With that very important caveat, I conclude that this new executive branch study merits careful attention. It demonstrates clearly the complex nature of questions which must be faced in judging the adequacy of verification.

We must realize that verification can never be absolute. Nor can there be any fixed, unyielding standards for adequacy. Risks must be weighed against benefits, and the individual parts must be assessed in relation to each other and as part of a whole agreement.

EXHIBIT 1

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., February 23, 1978.

Hon. JOHN J. SPARKMAN,
Chairman,
Foreign Relations Committee.

DEAR MR. CHAIRMAN: This letter is in response to your request of February 1 for a report on the verifiability of the proposed SALT TWO agreement as provided for in the Arms Control and Disarmament Act Amendment of 1977.

As you know, the SALT TWO agreement is still under active negotiation. It is therefore not possible at this time to make a final assessment of the verifiability of the agreement that may emerge from these negotiations. Nevertheless, on the basis of an extensive and continuing review that has been conducted by all involved agencies in the Executive Branch, it is my judgment that the anticipated SALT TWO agreement is adequately verifiable by existing national technical means. This judgment is based on an assessment of the verifiability of the individual provisions of the agreement and of the agreement as a whole. The considerations leading to this judgment are reflected in the attached report which has been prepared and agreed to by the agencies in the Executive Branch concerned with this issue. I commend this report, which has my personal endorsement, to you for your consideration of this important issue.

Very truly yours,

PAUL C. WARNKE.

VERIFICATION OF THE PROPOSED SALT TWO AGREEMENT

1. OVERALL ASSESSMENT

The anticipated SALT TWO agreement is adequately verifiable. This judgment is based on assessment of the verifiability of the individual provisions of the agreement and the agreement as a whole. Although the possibility of some undetected cheating in certain areas exists, such cheating would not alter the strategic balance in view of US programs. Any cheating on a scale large enough to alter the strategic balance would be discovered in time to make an appropriate response. There will be areas of uncertainty, but they are not such as to permit the Soviets to produce a significant unanticipated threat to US interests and those uncertainties can, in any event, be compensated for with flexibility inherent in our own programs.

2. DESCRIPTION OF THE PROPOSED AGREEMENT

The proposed SALT TWO agreement has three principal elements:

A Treaty to last until 1985, embodying basically the Vladivostok Accord with some reductions below the Vladivostok ceilings;

A Protocol to last until September 1980, temporarily limiting certain aspects of cruise missiles, new types of ballistic missiles, and mobile ICBMs; and

Principles and Guidelines for SALT THREE.

The proposed Treaty includes the following major provisions:

An initial overall aggregate level of 2400 strategic systems, to be reduced to an agreed number between 2160 and 2250 during the term of the Treaty.

A 1320 sublimit on MIRVed ICBM and SLBM launchers and aircraft equipped with long-range cruise missiles.

A sublimit of an agreed number between 1200 and 1250 on MIRVed ballistic missiles.

A sublimit of 820 on MIRVed ICBM launchers.

The proposed Protocol includes the following provisions:

A ban on deployment of mobile ICBM launchers and on the flight testing of ICBMs from such launchers.

Limitations on the flight testing and deployment of new types of ballistic missiles.

A ban on the flight testing and deployment of cruise missiles capable of a range in excess of 2500 km, and on the deployment of cruise missiles capable of a range in excess of 600 km on sea- or land-based launchers.

The agreement is still under active negotiation. Unless otherwise stated, the verification assessment for unresolved issues addresses only the US position.

3. VERIFICATION

Verification is the process of determining, to the extent necessary to safeguard our national security, that the other side is complying with the SALT agreement. We must have high confidence in our ability to detect Soviet noncompliance before it could significantly affect our interests. This process of judging the adequacy of verification must take into account the capabilities of existing and future intelligence collection systems and the ability of the other side to evade detection if it should attempt to do so. Equally important is the US ability to respond to Soviet cheating, should it occur. The US technological base, its R&D programs, and the substantial capabilities of its strategic forces provide this hedge.

This process must also assess the political and military significance of potential violations and the costs, risks, and gains to the Soviets of cheating. It also takes into account the degree to which the advantages conferred on the US by a particular provision outweigh the disadvantages caused by problems of verification. In such cases, we must consider the potential gains to the US of being allowed the flexibility to take certain actions, even though allowing the Soviets the same options may complicate verification. Cruise missile limitations constitute a prime example of such a situation.

Assessing the adequate verifiability of the proposed SALT agreement is most heavily based on our confidence in US monitoring capabilities. Such monitoring is carried out by the intelligence community and involves data collection and assessment of what the other side is doing or not doing. For the most part, the intelligence community has performed and would continue to perform these functions even in the absence of a SALT agreement. Many of the uncertainties that are discussed below would also exist in our intelligence assessments of Soviet strategic programs without an agreement.

Monitoring tasks in SALT can be divided into three categories: (1) counting numerically limited systems, such as ICBM and SLBM launchers and heavy bombers; (2) measuring limited quantities, such as the throw weight of an ICBM; and (3) monitoring for evidence that a prohibited activity is being undertaken.

Our monitoring judgments assume the availability of present and programmed collection assets. However, these assessments are conservative in that they do not take into account the possibility of unusual or unpredictable intelligence successes or fortuitous blunders by the Soviets which could have the effect of enhancing verification.

We have had over five years experience in monitoring Soviet compliance with the ABM Treaty and the Interim Agreement. We have demonstrated our ability to verify compliance with the SALT ONE agreements with high confidence. This experience reinforces our assessment of the capabilities of US national technical means to verify compliance with SALT agreements. The US has promptly raised with the Soviets any unusual or ambiguous activities which gave rise to US concern. Consequently, the Soviets are well aware that the US will call them into account for any questionable activities related to their strategic programs and will expect satisfactory clarification or resolution of the problems involved.

Since monitoring will always be subject to some degree of uncertainty, we must also assess the likelihood that the Soviets would cheat, taking into account the benefits that would accrue to them from such cheating, as well as the risks of their being detected. As a matter of prudence, therefore, we analyze scenarios involving altered or covert Soviet practices that could adversely affect our confidence in Soviet compliance. The following considerations are some that the Soviets must take into account before making a decision to cheat or not to cheat: (1) their uncertainty about our overall capability to monitor and analyze their activities; (2) the potential US reaction to discovered cheating; and (3) the possible strategic gains from cheating.

It must be stressed that, as noted previously, the US does not rely on trust, on Soviet intentions, or on political incentives for the Soviets to comply in assessing whether verification of a SALT agreement is adequate. Such judgments must be based most heavily on our monitoring capabilities, especially with regard to potentially significant Soviet noncompliance, and on the US ability to respond in a timely manner to possible Soviet cheating.

Finally, as with all aspects of a treaty, we must decide whether particular provisions and the agreement as a whole represent a net gain for US security compared to the absence of such provisions or to the no-treaty case. The projected higher levels of Soviet capability in the absence of a treaty would have to be matched or countered by expanded US programs probably with no net increase in US security. So long as US programs that may be required to hedge against lower monitoring confidence are not unduly restricted by the treaty, some uncertainties can be accepted in an overall agreement that serves US security interests.

4. VERIFIABILITY OF MAJOR LIMITATIONS

As stated previously, the verification tasks of the anticipated SALT TWO agreement can be grouped into three categories: (1) counting; (2) measuring capability; and (3) other tasks which, in general, are bans on certain types of systems and conduct. The scope of these tasks are illustrated in the attached table. Our judgment that the proposed agreement is adequately verifiable is based on an analysis of these tasks. The reasons for this judgment are reflected in the following discussion of the major verification tasks posed by the agreement.

5. OVERALL VERIFIABILITY OF AGREEMENT

(U) In assessing the adequacy of verification of the agreement, it is important to consider its totality and not only particular provisions.

A consideration in determining whether the agreement as a whole is adequately verifiable has been whether the Soviets could exploit the monitoring uncertainties of several individual provisions, each of which is judged as adequately verifiable, in a way that would affect our national security interests. We have confidence that we can adequately verify compliance in such a context because the probability of detecting the fact of cheating increases markedly if the number of provisions being violated in-

creases. Combined with the likelihood of detecting significant cheating on individual limitations, the ability to detect the fact of small cheating on a number of provisions enhances our monitoring confidence.

The Soviets cannot be sure of our overall capability to monitor a SALT TWO agreement. Thus, Soviet planners would be expected to make careful conservative assumptions regarding U.S. verification capabilities. For example, a slightly less than 50 percent chance of detection, which is considered "low confidence" in monitoring capability to the U.S., would probably appear as "high risk" to a Soviet planner contemplating cheating. Given U.S. R&D hedges and our greater industrial and technological base, the Soviets would not lightly undertake this risk and the attendant danger of U.S. abrogation.

In sum, although the possibility of some undetected cheating in certain areas exists, such cheating would not alter the strategic balance in view of U.S. programs. However, any cheating on a scale large enough to affect the strategic balance would be discovered in time to make an appropriate response. For these reasons, and others noted in this paper, we believe that the SALT TWO agreement, taken as a whole, is adequately verifiable.

NO MORE TAX DECEPTIONS

Mr. HATCH. Mr. President, Dr. Craig Roberts, a distinguished economist and my valued aide, has prepared a study of tax reform, which was published in the March 1978 issue of Harper's magazine, that I want to call to the attention to my colleagues in the Senate. Dr. Roberts points out that tax reforms, like the income tax system itself, have been justified through the years on the basis of making the rich pay more. However, the results have been not just to make the tax burden greater on the upper brackets but to raise it also on the middle and lower brackets.

Obviously, it is much easier to tax low levels of personal income at 14 percent when the top bracket is 50 or 70 percent than it would be if the top bracket were taxed at, say 30 percent. The heavier the rich are taxed, the heavier the middle and lower brackets will be taxed. The size of the top tax bracket determines the size of the middle and lower bracket. If the top rate is 30 percent, then the middle rate becomes 15 and the bottom rate becomes only 1 percent. The solgan of "equity" has served as a moral mask, a guise, so to speak, behind which the self-interest of government has hidden. For, as Dr. Roberts' article documents, the outcome of all of the reforms over the years has been a growing tax burden on all income earners.

The tax rates have reached such high levels that they are no longer productive in terms of the revenues that they raise. Cutting tax rates would not just increase the tax base by increasing the incentives to work, to hire, and to invest, it would also increase the tax base by pulling the so-called rich out of tax shelters. These shelters are profitable only because of the high marginal rates of taxation. High tax rates make it pay to find ways to avoid them. As a result, part of the tax base is sheltered. On February 21, 1978, at the American Enterprise Institute here in Washington, Milton Friedman, a Nobel economist, said that the Government would collect more tax revenues if the highest personal income tax rate were 25 percent. If the top rate were 25 percent, tax shelters would not pay. Also, there would be greater incentive to hold down costs and various "perks" and fringe benefits.

Dr. Roberts points out that—

The greatest loophole of all in our income tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income not a tax only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

Mr. President, I am certain that Dr. Roberts' article will contribute to the Senate's evaluation of tax reform proposals, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DISGUISING THE TAX BURDEN

(By Paul Craig Roberts)

Even when they appear singly, major tax increases have a way of slowing down the legislative process. It has to be worked out how to disguise the tax so everyone thinks it is falling on someone else. Then the Congress and the Administration have to work out among themselves who gets to hand out how much to which spending constituency. This is what is known as politics, and ordinarily the politicians can think of enough new rhetoric to explain the levying of new taxes. But by the end of his first year in office President Carter had proposed so many tax increases (the energy tax, the Social Security tax, and the tax-reform tax) that the system temporarily collapsed.

It was more new taxes than could be negotiated, and the major tax-reform proposals of last September have been withdrawn but not discarded.

From the standpoint of the government's interest, tax reform is a necessity. The rich are a depleted resource, and so it is inevitable that the government will come up with a new source of revenue in tax reform. As it customary in these matters, tax reform will be justified on the grounds of "equity," that is, closing loopholes and helping the poor. Tax reform to help the poor is easy, because the poor don't pay any taxes. Therefore, it doesn't cost the government anything. Look at the table prepared by the Tax Foundation from data published by the Internal Revenue Service in *Statistics of Income*, and be amazed at the distribution of the tax burden.

Half of the taxpayers, those whose adjusted gross incomes place them in the bottom 50 percent, account for only 7 percent of the total personal-income-tax collections. Taxpayers in the lowest 25 percent account for less than half of 1 percent of the personal income tax collected by the government. That's why the government likes to cut taxes for lower-income groups. It doesn't cost much to buy half the votes, and what guilt-ridden upper-income taxpayer would complain about compassionate government?

Besides, "everyone knows" that the bulk of the taxes is paid by lower-income earners, while the rich largely escape taxation. Public citizens' tax-reform organizations, peoples' tax lobbies, and other sheltered spokesmen for organized welfare groups have no difficulty getting out their well-packaged, public-spirited message. Meanwhile, the true facts pass unnoticed in the IRS's *Statistics of Income*.

The table shows that taxpayers with incomes in the top 5 percent—those with adjusted gross incomes of $29,272 or more—paid over one-third of the total personal income taxes collected by the federal government in 1975. The top 10 percent of taxpayers—those earning $23,420 or more—paid nearly half the total tax bill. In contrast, the lowest 10 percent of taxpayers paid only one-tenth of 1 percent of the total tax bill. Taxpayers earning $15,898 or more—those in the top 25 percent—paid 72 percent of total personal income taxes. Taxpayers whose incomes placed them in the top 1 percent paid more than two and a half times the total taxes collected from the bottom 50 percent.

PERCENT OF TOTAL TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS, 1970 AND 1975

Adjusted gross income class	Income level 1970	Income level 1975	Percent of tax paid 1970	Percent of tax paid 1975
Highest 1 percent	$43,249 or more	$59,338 or more	17.6	18.7
Highest 5 percent	$20,867 or more	$29,272 or more	34.1	36.6
Highest 10 percent	$16,965 or more	$23,420 or more	45.0	48.7
Highest 25 percent	$11,467 or more	$15,898 or more	68.3	72.0

Adjusted gross income class	Income level 1970	Income level 1975	Percent of tax paid 1970	Percent of tax paid 1975
Highest 50 percent	$6,919 or more	$8,931 or more	89.7	92.9
Lowest 50 percent	$6,918 or less	$8,930 or less	10.3	7.1
Lowest 25 percent	$3,157 or less	$4,044 or less	.9	.4
Lowest 10 percent	$1,259 or less	$1,527 or less	.1	.1

Source: Tax Foundation computations are based on Internal Revenue Service, Statistics of Income.

An income of $59,338 may qualify for the top 1 percent, but what about the really rich? The latest *Statistics of Income* shows that the 1,149 taxpayers earning $1 million or more in 1975 paid an average tax of $1,011,317. The total tax paid by these few high-income taxpayers added up to $1.15 billion. All of us might pause to ask what public services a taxpayer receives for a million dollars in income taxes.

The table reveals another interesting fact. Since 1970 the tax burden has shifted further away from the lower brackets. In 1970 the bottom 50 percent paid 10.3 percent of total income taxes, and the top 50 percent paid 89.7 percent. By 1975 the bottom's share had declined to 7.1 percent, while the burden carried by the top had risen to 92.9 percent. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–75." Many of the untaxed receive transfers in kind, such as food stamps and housing subsidies, together with earned-income credits (negative income tax) and welfare checks, so that their real income exceeds that of many taxpayers.

Most people think that tax reform means

making the rich pay taxes. They do not realize that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. The government is refashioning its tax net to catch those it pretends to protect. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions. The government, of course, will give reassurances that it is only after the rich, just as it did when it brought in the income tax in 1914. Initially the personal-income tax burden rested on only 357,515 people—less than one-half of 1 percent of the population. Only people with incomes much greater than average were subject to the tax. The rates ranged from 1 percent to 7 percent. Only income in excess of $117,000 in today's dollars encountered the first surtax bracket of 2 percent. The top tax bracket of 7 percent was encountered only by income in excess of $2.9 million in today's dollars. The personal income tax soon found its way into the lower brackets. The income thresholds were lowered and the tax rates raised. The bottom bracket today, an income level not subject to taxation in 1914, is taxed at 14 percent—twice 1914's top rate.

The tax rate today on the first $500 of taxable income is twice as great as the tax rate on a multimillionaire's income in 1914. This does not mean that things got better for the millionaire. The rate in his bracket today is ten times greater, and his average tax rate is 11.4 times greater. In 1914 the total tax on a million-dollar income was $60,000. Today it is $685,000. Since, as a result of inflation, the value of money today is only about one-sixth of what it was in 1914, today's millionaire's after-tax income of $315,000 is equivalent to a 1914 purchasing power of $53,800. He has only one-seventeenth of the purchasing power of his 1914 counterpart. During a period that has seen a rise in the average standard of living, the millionaire's has declined drastically.

It is an interesting story to trace the growth of the personal income tax, but it can be summarized in the following way: Between 1914 and 1975 the population grew 120 percent, but the number of individual-income-tax returns grew by 23,800 percent.

Hailed everywhere as loopholes for the rich, deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket. For example, in the under-$10,000 adjusted-gross-income class, deductions come to 48.9 percent of adjusted gross income. In the $10,000-to-$24,999 class, deductions are 31.1 percent of adjusted gross income, and in the over-$25,000 class they are only 22.8 percent. The higher the income, the less it is sheltered by deductions.

According to the latest Treasury figures, the upper-income groups benefited from about $16 billion in deductions, exclusions, and other privileges, about half of which resulted from recognizing the difference between capital gains and ordinary income. Lower- and middle-income groups benefited from about $50 billion in deductions and exclusions, such as the exclusion of unemployment benefits, Social Security payments, workers' compensation benefits, pension contributions and earnings, employer-paid medical insurance premiums and medical care, the deduction of interest on consumer credit and home mortgages, property taxes, medical expenses, and state and local taxes, and the deferral of capital gains on the sale of a home plus credit for the purchase of a new home. For every dollar of upper-bracket tax savings, $3 went to the lower and middle brackets.

Dr. Roger Freeman, former White House aide and Hoover Institution Fellow at Stanford University, summed up his book on tax loopholes (*Tax Loopholes: The Legend and the Reality*) as follows:

"The literature of the tax reform drive usually asserts that most of the loopholes were designed for and work for the benefit of the rich, that poor and middle income taxpayers are taxed on all of their income, with no escape possibilities, and that most of the income that avoids taxation is to be found in the very high income brackets. The facts, however, suggest the opposite: much or most of the untaxed income is in the low and medium brackets."

That neatly sums up why the government's tax reformers are interested in reducing deductions. You can't raise revenues for the government unless you go where the untaxed income is.

Untaxed income also means fringe benefits. The President says that taxing fringe benefits means "the three-martini lunch." But the unions are concerned rather than fooled. They know where the untaxed benefits are that would yield substantial tax revenue. Sen. Orrin G. Hatch (Rep.-Utah), a member of the Joint Economic Committee, has calculated that taxing fringe benefits as personal income "would mean an increase in taxes of $240 on the average taxpayer." With the 76 million tax returns filed in 1975 that reported wage and salary income, that would come to $18.24 billion, a tidy sum for government. That's why the unions are supporting the resolution introduced by Senator Hatch and Rep. Jack Kemp (Rep.-N.Y.) against the taxation of fringe benefits. They know that taxing fringes is the same as raising tax rates on existing wage and salary levels. You can't pay the IRS with part of your parking place, employer-subsidized meal, employee discount, or employer-paid health insurance and pension premiums.

The third plank of the tax reform redefines assets as income, and in addition to taxing the income from the asset confiscates part of the asset. Suppose you invest $10,000 in an income-producing asset, and inflation drives the price of that asset to $15,000. Suppose that family educational or medical expenses force you to sell the asset. Even though its replacement cost is $15,000—the $15,000 you receive will not buy any more than the $10,000 you paid—the government will claim that you have a $5,000 capital gain and tax it. Suppose you are in the 25 percent bracket. That means $1,250 of your assets will be confiscated by the government. The greater the inflation, the longer you hold the asset, and the higher your tax bracket, the more will be confiscated. The reformers are even talking about taxing the "capital gain" on an accrual basis whether or not you sell the asset.

The tax reformers showed how far they want to go by proposing to tax homeowners on the rental value of their homes. It's called taxing imputed rent. The reasoning is that owning a home provides income in kind (shelter). The value of that income is the rental value, so up goes your taxable income by the rental value of your home—even though it is not rented and you are living in it. This reform is especially valuable to the government as it pushes homeowners into higher tax brackets, which means they pay higher tax rates on the same money incomes. It is valuable also because it establishes a new principle of taxation that can be applied to home vegetable gardens and to the services of housewives. Cooking services, sexual services, cleaning services, child-rearing services, and laundry services are also income in kind. The imputed value of a housewife who is good at all of these tasks would exceed the salaries and wages of many husbands. The government could then take your house and make you hire out your wife to cover the unpaid taxes you couldn't pay.

So many major tax-increase proposals indicate runaway greed in Washington. It's not as if the government hasn't had a raise. The government gets an automatic increase in tax revenues every year as a result of inflation. Look at what happens to the real tax burden on a person whose income rises with the rate of inflation over the course of his working life. To show that it is not just the upper-income taxpayers who are harmed, let's take for an example someone who is today earning only $6,240 a year. In 1976 he would have paid no taxes. Instead, he would have received a check from the Treasury for $155 as a result of the earned-income credit. But after 45 years of 5 percent inflation he would be earning $56,077 a year, on which he would have to pay $17,019 in taxes (at present rates). His after-tax money income would have risen from $6,395 in 1976 to $38,058 in 2021, or by substantially less than the rate of inflation. His after-tax income in 2021 would have a purchasing power equal to only $4,345 in 1976 dollars. In spite of his much larger money income, this person would have experienced a decline in his living standard of nearly one-third. This is the result of progressive income taxation plus inflation, which together cause taxes on the same amount of purchasing power—$6,240 in 1976 dollars—to rise from a refund of 2.5 percent in 1976 to a tax of 30 percent in 2021. The higher the inflation, the worse it would be for him, because the faster he would reach the higher brackets.

Indexing the tax structure (adjusting it to offset inflation) would prevent this deterioration in the living standards of all Americans. One might think that this would make indexing an important issue of tax reform. Yet, it is not part of the tax reformers' proposals. The reformers argue that inflation causes government's costs to rise, so it also needs more revenues. However, the way it is now, the government's revenues don't simply rise by the amount of the inflation, they rise by 1.65 times the rate of inflation. A 10 percent rate of inflation means a 16.5 percent increase in government revenues. That is why governments prefer to fight unemployment.

The claim that inflation hurts the lower income brackets more than the upper income brackets is deceitful. What inflation really does is to push everyone into higher tax brackets. As average incomes rise, more and more people will experience the woes of being nominally rich. One of the woes is that the higher your nominal or money income, the harder it is to stay even with inflation. As the tax bill gets bigger on every raise, your income has to increase progressively faster than the rate of inflation in order to stay even. This is another reason government prefers to reduce the tax rates in the lower brackets. Inflation soon moves the people out of them and into the higher brackets that were not cut.

Dale W. Sommer in the September 26, 1977, issue of Industry Week presents some interesting statistics from the U.S. Department of Commerce's National Income and Products Accounts that illustrate the extent to which American incomes have been undone by tax-flation. Over the past ten years the average wage has risen 77.3 percent, whereas the consumer price index has risen 75.4 percent. So the average worker has kept up with inflation. But the tax burden has risen 144 percent during the same period. On a per capita basis, Americans paid $2,261 in taxes in 1976 compared with $1,014 in 1966. The 144 percent growth in the tax bite exceeded the 126.6 percent growth in total production of goods and services (GNP) and the 119.2 percent growth in total national income.

Last year Americans paid $16.7 billion more in taxes than they spent on the three basic necessities of food, clothing, and housing. The total tax bill came to $486.4 billion, whereas the total spent on food, clothing,

and housing came to $469.7 billion. Compared with the $2,261 per capita expenditure on taxes, $1,048 was spent on food, $354 on clothing, and $780 on shelter. Added together the three necessities are still $79 less than per capita taxes paid.

Taxes far outpace the growth in real income. In 1976 federal taxes grew 20.8 percent. The entire economy grew 11.6 percent, and 5.3 percent of that growth was the result of inflation rather than an actual increase in the production of goods and services.

The greatest loophole of all in our income-tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

We have come a long way from the time three decades ago when F. A. Hayek said something about the road to serfdom. A serf was a person who did not own his own labor. Although he was not himself owned by another—that is, he could not be bought and sold like a slave—the feudal nobility, the state of that time, had rights over the serf's labor. When we say that a peasant was enserfed, we mean that he owed a certain amount of his working time to the state. Over time and regions this obligation averaged about one-third of a serf's working life.

The serf's position provides a perspective that lets us sum up the success of reactionary force in this century in simple economic terms. In 1929 government in the U.S. had a claim to only 12 percent of the national income. By 1960 government had a claim to 33 percent of the national income. By 1976 government had extended its share to 42 percent. In relative terms our position today is worse than that of a medieval serf who owed the state one-third of his working time.

Many may reject this parallel. They may say that we have a democratic government controlled by the people, and that high taxes and big government merely reflect the voters' demands for public goods in the public interest. Such an argument is reassuring but problematical. The income tax was voted in under one guise and retained under another.

Furthermore, it was the action of a past generation. For us it is an inherited obligation, as were feudal dues, and it is seen that way the Internal Revenue Service. All of us have been born to the Statist gospel that government is the instrument of social progress. Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government. As we hear the talk about tax reform and "equity," we might pause to consider, if our cultivated progressive image will allow, that "equity" means more taxes on the productive to provide the revenues that build the spending constituencies of Congress and the federal bureaucracy. What is operating is not equity, but the government's self-interest.

The advent of several major tax increases in tandem will destabilize the economy, but from the government's perspective that is desirable. There will have to be more government programs to deal with the consequences of instability. Every sophisticated person is aware of how special interests use the legislative process for their own benefit, but the same sophisticate is badly schooled in how the legislative process furthers the special interests of those in government. Inflation leads to the imposition of wage and price controls and credit allocation, all of which increase the spoils, money, and influence divided up in Washington. Unemployment means more CETA jobs and public works, and what member of the government class is hurt by that? Put simply, instability increases the demand for the services of bureaucrats and for pork-barrel legislation that builds the spending constituencies of both Congress and the Executive branch. It advances the careers of academics and technocrats who move back and forth from their think tanks and universities and in and out of government.

Perhaps all of this won't come to pass all at once. Government might so engorge itself with Social Security and energy taxes that it can't reach the tax-reform dish. Or perhaps in a last-gasp effort the vested interests of old will flex their flabby biceps and hammer through a tax cut that will stave off enserfment and economic stagnation for a while longer.

ETHICS COMMITTEE NOTICE—SUBMISSION OF BLIND TRUSTS BY MARCH 15, 1978

Mr. STEVENSON. Mr. President, on behalf of the Select Committee on Ethics, I give this additional notice to Senators, officers, and employees covered under new rule 42, regarding blind trusts.

New Senate rule 42 (as agreed to in S. Res. 110 and as amended by S. Res. 265) requires the dissolution of all so-called blind trusts by May 15, 1978, to permit disclosure of the identity of the trust holdings on January 1, 1978, unless the trust falls within a narrow exception, or is a "qualified blind trust."

One of the requirements for a "qualified blind trust" is approval by this committee of the provisions of the trust instrument and the trustee(s). Submission of the trust instrument well in advance of May 15, 1978, is, therefore, necessary to allow time for review of the trust, committee action on the trust, and execution of any necessary amendments to the trust—all of which must occur prior to May 15, 1978, if dissolution of the trust is to be avoided.

In view of the foregoing, the committee has determined that any individual who seeks a determination that a blind trust is a "qualified blind trust" under clause 3(d)(3) of rule 42 should submit the trust instrument to the committee no later than March 15, 1978. Furthermore, if any restrictions are placed on the sale of trust assets which are not apparent from the instrument, a description of the restrictions should also be submitted. Trust agreements must be furnished to the committee with a form of certification available at the committee offices.

PAIN AND PROFIT

Mr. METZENBAUM. Mr. President, the trapping of animals by means of the painful steel-jaw leghold trap is a cruel practice regretably permitted in many of our States. The leg is clamped with great force and the animal's struggles to escape make the trap even more painful. Hours or days of agony ensue, until the animal is finally killed by the trapper or, as in some cases, severs its own paw. The traps catch much more than the target animals. They also catch birds, deer, dogs, and cats, and sometimes even children.

I am a cosponsor of S. 818, a bill introduced by my distinguished colleague from New Jersey (Mr. WILLIAMS). The bill's passage would end the use of steel-jaw leghold traps. Senator WILLIAMS has published an article, "Pain and Profit," in the Humane Society News, volume 23, No. 1. This excellent article gives further details about the traps' effects and explains why they serve no useful purpose except to bring profit to a small group.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAIN AND PROFIT—THE STORY OF THE STEEL-JAW TRAP

(By Senator HARRISON A. WILLIAMS, JR.)

In Eighteenth Century Europe, a variety of techniques were used to protect the property and privilege of the wealthy from their less fortunate countrymen.

Among these was a particularly diabolical device which guarded estates and private game preserves against trespassers and poachers. The "man trap," as described by British author, James A. Bateman, was "carefully hidden in coverts and set so as to take a man's leg at the knee and smash it. Even if the leg were not broken, which would be a rare occurrence, the injury might well become gangrenous, for the traps would be dirty and rusty although probably well-oiled around the moving parts."

While the man trap was subsequently banned, along with the rack and the pillory, it was a forerunner of a device still very much in use today—the steeljaw, leghold trap. In various forms and sizes, this trap is used to capture millions of animals every year.

The principle of the steel trap is to catch and hold an animal by the paw or leg until the trapper returns to kill it, usually by clubbing. When an animal steps on the camouflaged "pan," a powerful spring is released, causing the two semicircular "jaws" around the pan to snap shut. While most steel traps in use today have smooth jaws, those with teeth or spikes may still be used in all but the half dozen states that ban them. Whether they are toothed or smooth, the jaws must close quickly enough to catch the animal's paw, and must hold tightly enough to keep the animal from escaping.

Some proponents of the steel trap claim that animals do not feel pain as human beings do and that the device is relatively painless in any case.

But those who claim that animals do not feel pain ignore basic facts of biology. An animal's nervous system and pain perception are very similar to those of humans. Animals do suffer, and they suffer terribly in steel traps.

In an effort to prove their contention that the trap is painless, trap advocates have sat with one clamped on a hand or finger for several minutes. But such demonstrations are misleading for several reasons. First, they only show the holding force of the trap, not the closing force, which is what causes crush injuries and broken bones. Second, an animal is not likely to sit quietly when a trap suddenly grips its paw. Rather, the animal will struggle to escape, thereby greatly increasing its pain and injury. In fact, there are numerous cases of animals actually biting or twisting off their paws in order to free themselves. Besides the loss of a paw, the price of freedom may be slow death from gangrene or shock. Third, an animal

typically stays in a trap not for several minutes, but for several hours or even days before the trapper arrives to put it out of its misery.

The writings of Frank Conibear, a trapper for 32 years, should remove any further doubts that the steel trap causes animals pain. A case in point:

"The next trap has a mink. It is dead—died in the trap. The pen we built has been knocked down, and there are teeth marks on all the sticks and branches within range. There are signs of a terrific struggle, from experience. I know the mink lived about three or four days and then died of hunger and pain. The foot is lacerated, swollen and covered with blood. The stump of the leg above the trap is swollen four times its normal size, and frozen. The shoulder, too, is all swollen. When we skin it, we will find that the area will be a mass of blood-colored, sickly, gelatine-like substance, indicating the terrible suffering it has gone through before death released it. The trap is slowly severing the last shreds of the sinews, and then, with escape only a few hours away, the mink died."

Other arguments used by defenders of the steel trap similarly cannot withstand scrutiny.

One of their most common and most disputed arguments is that the steel trap is needed for "scientific management" of wildlife. Trapping, they contend, is needed to "harvest the annual surplus" of wild animals.

But if we examine this "harvest," we find not only foxes and muskrats and mink, but birds and deer, dogs and cats, and occasionally, even children!

The number of unwanted animals caught in steel traps may well exceed the number of "target" animals caught. Most of the nontarget animals have to be destroyed because of the injuries they sustain.

Endangered species are sometimes included in this tragic waste of wildlife. Thomas J. Harper, a U.S. game management agent, reported that some 2,500 eagles were accidentally trapped in Northeastern Nevada during a recent winter. Between 700 and 1,000 hawks, owls, and other birds of prey met the same fate.

In addition, there are hundreds of well-documented cases of pets being caught in steel traps. Children, too, have been victims of carelessly placed traps.

The New Jersey Branch of HSUS has compiled an extensive list of cases of trapping abuses in New Jersey over the past several years. It is a sad and brutal narrative that includes such entries as: "Pet cat missing one week, returned dragging trap, in starved condition. Paw hanging, almost severed, leg gangrenous"; "Fox terrier killed when a steel trap shut on its face"; "Young girl's ankle broken when she stepped on a camouflaged trap"; and "Duck found with both feet missing from being caught in traps."

My constituents and people around the country have written to me of their own unhappy experiences with the steel trap. But of course, most cases go unreported.

Since the steel trap is not selective, it can hardly be considered a "scientific management tool." Moreover, even if only "target" animals are taken, the trap's usefulness as a "management tool" would be questionable at best.

Several authorities have disputed the trappers' claim that trapping is necessary to control rabies and other wildlife diseases. For example, the Council on Environmental Quality stated: "The contention that rabies increases dramatically when steel leg-hold traps are banned seems entirely without merit." And the National Research Council, Subcommittee on Rabies, recommended: "Persistent trapping or poisoning campaigns as a means to rabies control should be abolished."

The same may be said of the effectiveness of trapping in controlling or reducing the population of predators or furbearers.

Despite a persistent trapping (and poisoning) campaign against coyotes, for example, the coyote population has stayed the same. The destruction of thousands of coyotes has had little if any effect on predation of livestock.

Trappers' claim that they help to control and balance the populations of furbearers are blatantly contradicatory. They claim, on the one hand that their activity helps to keep the population down, thereby preventing starvation and disease. Yet, on the other hand, they claim that their efforts have built up certain wildlife populations, such as beavers.

In fact, the primary goal of wildlife management is to protect the "maximum sustainable yield" of game animals for the benefit of hunters and trappers. It has little to do with maintaining the proper ecological balance of all species of wildlife within a certain habitat. Nature is much better at that.

As the Everglades Regional Manager wrote two years after the steel trap was banned in Florida: "In most wild animals, including furbearers, there is, as you know, a cyclic phenomenon that affects population. If trapping were a limiting factor on any of the animal populations the other limiting factors would take over after the ban was imposed. . . . We have not found it necessary to implement any control measures for wildlife populations that we did not have before the ban on trapping."

In any case, the trapper's "target" is the animal whose fur commands the highest price, not the one that is "surplus," or diseased, or overcrowded. Therefore, the claim that trapping is necessary to keep wildlife populations in balance is self-serving and is not borne out in practice.

Once these arguments are dismissed one question remains. Do fur coats justify the torture of wild animals? I think not. It is primarily for this reason that I have introduced a bill to end the use of the steel jaw, leghold trap. My bill, S. 818, would forbid the movement of the traps in interstate and foreign commerce. It would forbid the importation and interstate shipment of fur from any animal trapped in a state or country that has not banned the steel trap. I am hopeful that the Environment and Public Works Subcommittee on Resource Protection will hold hearings on S. 818 next year.

For too long we have allowed our wildlife and public lands to be "managed" for the benefit of a small minority of our people, those who trap and hunt. The steel jaw, leghold trap continues to brutalize wildlife for the economic gain of a few.

It is time we insisted that our wildlife be held in trust for all the people. It is time we relegated the steel trap to a museum where it belongs.

NHTSA PROPOSED STANDARDS UNREASONABLE

Mr. LUGAR. Mr. President, in mid-March, the National Highway Traffic Safety Administration is expected to issue a ruling on proposed fuel efficiency standards for light trucks. The standard, if adopted as proposed, will have a severe impact on the light truck industry.

The proposed NHTSA standards, which would take effect in 1980–81, are simply unreasonable. Every light truck manufacturer which participated in the January 15–16 hearings testified that the standards, if adopted, would greatly affect their ability to produce and market light trucks. Similarly, the United Auto Workers testimony argued that the single-minded pursuit of high mileage in light trucks by 1981 may create setbacks in terms of employment, trade deficits, and other concurrent administration priorities. These standards present a most drastic situation for the International Harvester Co., potentially affecting over 2,500 jobs in Indiana alone.

On January 31, I wrote to Secretary of Transportation Brock Adams urging his review and modification of these proposed standards. Many others have also indicated their concern for this agency action, including the President's Council on Wage and Price Stability, which, on January 31, recommended that "a major effort to reconcile the glaring differences between the industry and the NHTSA should be made prior to promulgation of the final standards."

This proposed NHTSA ruling is a classic example of Government overregulation, failing to consider the concerns of private citizens. Many hundreds of my constituents have communicated their concern about this proposed ruling, and I am grateful for their alertness and their willingness to register dissatisfaction with Government's inability to consider the real impact of unreasonable regulation.

On February 9, both houses of the Indiana State Legislature voted to pass a resolution calling for reevaluation of the NHTSA proposed fuel efficiency standards. This resolution thoroughly presents the shortcomings of the proposed ruling. I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no obligation, the resolution was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION

Whereas, The National Highway Traffic Safety Administration (NHTSA) has proposed average fuel economy standards for 1980–81 covering nonpassenger automobiles (NPA) with gross vehicle weight rating (GVWR) less than 8500 lbs.; and

Whereas, In arriving at its proposed standards, NHTSA has failed to take into account the substantial differences between the functions and purposes of NPAs of less than 6000 lbs. GVWR and 4 x 4 NPAs within the 6000 lbs. to 8500 lbs. range; and

Whereas, These differences in function and purpose call for heavier construction of chassis and engines to handle heavy loads in off-highway situations—meaning, in turn, longer warm-up times and higher friction required for the improved durability of engines, transmissions, axles and frames; and

Whereas, Despite these significant differences, NHTSA determined its fuel economy estimates for these NPAs using an equation derived essentially from passenger car data that grossly oversimplify the fuel economy problem faced by manufacturers of 6000 lbs. to 8500 lbs. 4 x 4 NPAs; and

Whereas, NHTSA also ignored the provisions of the Motor Vehicle Information and Cost Savings Act that require NHTSA to consider other federal regulations in establishing fuel economy standards—particularly those of the Environmental Protection Agency that, for example, either completely negate or call into serious question such NHTSA assertions that 6 percent and 4.5 percent improvements in fuel economy are readily available from the use, respectively, of super or synthetic lubricants and radial-ply tires; and

Whereas, Proposed NHTSA fuel economy

standards are based on erroneous calculations or assumptions about baseline fuel economy of 4 x 4 NPAs, about the possibility of timely technological improvement and weight reduction and about the detrimental impact of performance reduction; and

Whereas, all manufacturers of 4x4 NPAs will have completed such extensive design and engineering programs as those involved in improving combustion chamber design, increasing expansion ratio, introducing electronic fuel metering and electronic spark advance, improving carburetion and reducing internal friction—despite the fact that, in order to meet 1981 exhaust emissions certification, manufacturers must have all hardware ready for emissions development by November, 1978; and

Whereas, In addition to imposing such impossible time constraints on manufacturer compliance, the prepared NHTSA fuel economy standards recognize no unusual or unjust competitive disadvantage in compliance by manufacturers who have no lighter NPAs (under 6000 lbs.) with which to average fuel economy and do not have a light-duty fleet from which to gain technology and hardware; and

Whereas, Above and beyond their proven value as commercial work vehicles, 4x4 NPAs in the 6000 to 8500-lbs. range have repeatedly demonstrated their value in a wide variety of emergencies, both national and local; and

Whereas, Implementation of the proposed NHTSA fuel economy standards would leave manufacturers with no alternative but to discontinue their production or to pay civil penalties for non-compliance which would inevitably produce the same result by pricing their vehicles out of the market; and

Whereas, The result of either action would deprive 3,000 to 5,000 citizens of the State of Indiana of employment and would have a similar deleterious impact in other states where suppliers to and manufacturers of NPAs are located: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

Section 1. That NHTSA re-evaluate its proposed average fuel economy standards for 4x4 NPAs in the 6000 lbs. to 8500 lbs. range with particular consideration for the real differences in purpose and function between such vehicles and lighter NPAs and passenger cars; for other federal regulations which conflict with or tend to negate those standards; for technological and time-frame feasibility of compliance; for the demonstrated value of these vehicles in a wide variety of both economic and humane activities; and above all, for the negative consequences of its proposed rule-making—consequences measured essentially by employment loss for many communities of this nation and many more inhabitants of those communities.

PROTECTION OF HUMAN SUBJECTS

Mr. SCHWEIKER. Mr. President, on February 23 I joined with my colleagues Senators KENNEDY, WILLIAMS, JAVITS, and PELL in introducing the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act of 1978 (S. 2579). It is my understanding that this bill will replace S. 1893, originally introduced last July, as the basis for action by the Health Subcommittee and the Human Resources Committee.

Many people in the research community were disturbed by some of the provisions of S. 1893, which seemed to them to be unnecessarily burdensome and possibly duplicative. The other sponsors of the legislation and I agreed, and so we joined together in the drafting of a new bill, which eliminates many of the points of concern which have been raised.

This bill would establish a permanent Presidential Commission for the Protection of Human Subjects of Biomedical and Behavioral Research composed of five researchers and six nonresearchers. The Commission would be responsible for ongoing review of Federal policies toward questions of biomedical ethics involving the protection of human subjects. It would have access to information maintained by any Federal department or agency relating to human experimentation programs and the authority to make recommendations to any department or agency to safeguard the rights of human subjects of research.

These recommendations would be published in the Federal Register, and if the agency involved decided not to implement the Commission's recommendations as expeditiously as possible, the agency would also have to publish its reasons for rejecting the Commission's reports. As the successor to the present National Commission for the Protection of Human Subjects, the new Commission would also undertake special studies on major ethical issues in the research and health fields.

I hasten to add, Mr. President, that this bill would not create a new major Federal bureaucracy. The Commission established in the bill would replace the existing National Commission, which now only has the authority to make recommendations to the Department of Health, Education, and Welfare. A successor to the National Commission is already provided for in existing law (section 217(f) of the Public Health Service Act, which would be repealed by this bill); however, that body would also have been limited in its mandate to dealing with the activities of the Department of Health, Education, and Welfare. As I am sure my colleagues are well aware, many other Federal agencies—notably the Department of Defense, the Central Intelligence Agency, the Veterans' Administration, and the National Science Foundation—have also conducted and supported research involving human experimentation. I believe that it is vital that the Commission for the Protection of Human Subjects have an expanded mandate to span all Federal programs.

Mr. President, through my work as the ranking Republican member of the Senate Health and Scientific Research Subcommittee and a former member of the Senate Select Committee on Intelligence Activities, I was shocked by disclosures of flagrant abuse of the rights of human subjects, some of whom were unwittingly used in bizarre drug experiments with unknown consequences, as part of research conducted and supported by the Federal Government with taxpayers' dollars. Although in the current atmosphere it may appear unlikely that abuses like those documented in our past Health Subcommittee hearings will reappear, we cannot afford to relax our efforts to insure the fullest possible protection of the rights of human research subjects. In the area of human experimentation, we can allow nothing short of the highest ethical standards.

I believe S. 2579 demonstrates both our continuing commitment to the protection of the rights of human subjects of biomedical and behavioral research and our sincere desire not to impose overly burdensome requirements on researchers. The bill may need some further strengthening and revision, and I look forward to additional improvements in the legislation as we work our way through subcommittee hearings, markup, and consideration by the full Senate.

AMENDING TITLE IV OF THE FEDERAL AVIATION ACT OF 1958

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 581, which has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 9851) to amend the Federal Aviation Act of 1958 to improve cargo air services.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 2, line 1, strike "which begins on the date of enactment of this paragraph" and insert "beginning on April 1, 1978";

On page 2, beginning with line 13, insert the following:

SEC. 4. The provisions of this Act shall become effective on April 1, 1978.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the treaty.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Inasmuch as many Senators who are not on the floor will doubtless read the RECORD tomorrow, I would

like to state that the modification of amendment No. 40, which is pending before the Senate, to which the distinguished majority leader referred is as follows: That whereas the amendment authorizes that the President, if he deems it necessary for the defense of the canal or for maintaining its neutrality, may continue the military presence of the United States beyond December 31, 1999.

Now, the criticism has been offered here on the floor today that this amendment just would confer this right in perpetuity, just like the neutrality amendment is in perpetuity. To answer that criticism, the modification provides that the military presence, if the President deems it necessary for the defense of the canal, preserving its neutrality, to continue the military presence beyond December 31, 1999, he can do so, until December 31, 2019, which would add 20 years into the next century rather than a grant of this right in perpetuity.

So it would be 22 years under the Panama Canal Treaty and then the President could extend that time under my amendment for 20 years into the next century which, as I see it, would supply an omission in the leadership amendment, since under the leadership amendment the right to defend beyond the year 2000 would be a defense after all of our troops had been moved out of the Panama Canal Zone as required by the treaty.

Mr. ROBERT C. BYRD. Mr. President, of course, I do not know how the magic figure of 20 years came about. But, in any event, it would have the purpose of extending the military presence in the Canal Zone which is there now and which, under the Panama Canal Treaty, would remain there until December 31, 1999.

So, in effect, the Allen amendment, as modified, and I say this with all due respect to my friend from Alabama, the effect would simply be to kill both of the treaties, for that matter.

It would certainly require renegotiation of the Panama Canal Treaty which requires the cessation of U.S. control of the zone by December 31, 1999, and it would also negate or, at least, it would require a renegotiation of the Neutrality Treaty as well, which provides, when the leadership amendment is adopted, for the guarantee by the United States of access and use of the canal after December 31, 1999, and for the expeditious transit of military vessels of the United States after December 31, 1999.

So I hope Senators will see that although the amendment, as modified, which has been offered by the very distinguished, very able, very skillful, Senator from Alabama, looks good on its face and it sounds good. is indeed a killer amendment.

We have heard of killer satellites. This is a killer amendment, and Senators ought to know that before they vote on it.

It will have the effect of killing both of these treaties and requiring the complete renegotiation of both of them.

So it would be for that purpose that I shall move to table the amendment. So let the Senators read the RECORD, as Mr. ALLEN says, and also be fully knowledgeable of the impact and the result and the effect of the amendment, as modified, by Mr. ALLEN were it to carry.

Mr. ALLEN. May I have the floor?

Mr. ROBERT C. BYRD. I will be glad to yield to the distinguished Senator.

Mr. ALLEN. I thank the distinguished majority leader.

Mr. President, I do not foresee the dire effect that the distinguished majority leader is picturing if this amendment should be agreed to. When it was first discussed here on the floor the distinguished Senator from Idaho (Mr. CHURCH) branded the amendment as superfluous and unnecessary, and he stated at that time that whatever could be done under the amendment could be done under the leadership amendment.

I recognize he has changed his view on that and he says now that it might have the dire results that the distinguished majority leader has outlined. I do not see it that way. I think it might well be that Panama might be willing to allow the President in his discretion—it does not make it necessary that he do so, mandatory that he do so—I think the Panamanians might well welcome continued defense by the United States on the scene of the canal, and I do not feel that it would result in the defeat of the treaties.

Besides, whose interests are we looking out for? Are we looking out for the interests of the United States in defending the canal, or are we trying to shape this treaty in a manner that would be acceptable to Dictator Torrijos?

Mr. ROBERT C. BYRD. Mr. President, I have the floor, and I have heard that song sung and sung and sung by the distinguished Senator from Alabama.

Mr. ALLEN. The Senator is going to hear it some more, too.

Mr. ROBERT C. BYRD. The Senator undoubtedly will, but I refute every word of it.

I am acting in the interests of the United States just as much, in my viewpoint, as the distinguished Senator from Alabama.

Mr. ALLEN. I am sure the Senator is.

Mr. ROBERT C. BYRD. For him to repeatedly stand on this floor and say what we ought to do is to look out after the interests of the United States——

Mr. ALLEN. That is correct.

Mr. ROBERT C. BYRD (continuing). And not after the interests of the Dictator Torrijos—I could not care less about Torrijos. I could not care less about him.

Mr. ALLEN. I know you could not care less about him.

Mr. ROBERT C. BYRD. And I could not care less about his interests.

I am just as dedicated to the interests of these United States as is the Senator from Alabama or any other Senator whoever came from the State of Alabama.

Mr. ALLEN. I do not dispute that.

Mr. ROBERT C. BYRD. So this business of trying to paint, with a broad brush, that anybody who opposes the Allen amendment is not looking out after the interests of the United States, that he is looking out after the interests of Dictator Torrijos, is pure "BS," pure "BS." And I think it is about time somebody just stated it exactly for what it is.

The Senator has said time and time again—I have heard that same old theme—that we ought to be looking out for the interests of the United States.

Mr. ALLEN. I will say it again.

Mr. ROBERT C. BYRD. The Senator from Alabama is looking out for the interests of the United States, but so is the Senator from West Virginia, and so is every Senator who supports these treaties. I am not going to question by implication the patriotism of any Senator in this body, whether he is for these treaties or against them.

To stand here and say that any Senator in this body puts the interests of Dictator Torrijos ahead of the interests of the United States—the Senator knows that that is a false charge. He knows that that is a false charge, either explicit or by implication, and he knows the only inference that can be drawn from that is exactly as I have stated. He knows that is an unfair and unjust charge to make.

Mr. ALLEN. I have not impugned the Senator's patriotism or the patriotism of any Senator.

But when the attitude is expressed by Senators to whom I have talked that no amendment, no matter how constructive or beneficial to the interests of the United States, will be accepted if it calls for a plebiscite, another plebiscite, down in Panama, then it is time to start worrying about whether the treaty is being shaped by the dictator from Panama or whether it is being shaped here by the U.S. Senate.

Mr. ROBERT C. BYRD. Can the Senator from Alabama name one Senator who has said that, who has said that, regardless of the interests of the United States——

Mr. ALLEN. No; I am not saying, "Regardless of the interests of the United States."

I asked a leading Senator if he would be willing to consider and possibly vote for constructive, substantive amendments to the treaty, and the response was that he would vote for no amendment that would call for a new plebiscite.

Mr. ROBERT C. BYRD. The Senator has changed his statement.

Mr. ALLEN. No; I have not.

Mr. ROBERT C. BYRD. I bet him my shirt that these two statements that he has just made are not exact.

Mr. ALLEN. In what way?

Mr. ROBERT C. BYRD. In the earlier statement, if I recall, the Senator was portraying certain Senators here as saying to him that they would vote against any amendment to the treaty even if such amendment were in the best interests of the United States.

Mr. ALLEN. No; the Senator is misquoting me.

Mr. ROBERT C. BYRD. I do not mean to misquote the Senator.

Mr. ALLEN. I did not say that it was against the best interests of the United States.

Mr. ROBERT C. BYRD. I may have misunderstood the Senator.

Mr. ALLEN. I asked if he would support a constructive, substantive amend-

ment, and he said only if it would not cause a new plebiscite in Panama.

Mr. ROBERT C. BYRD. Would the Senator allow the reporter to read back his entire statement, his first statement?

Mr. ALLEN. That is all right.

Mr. ROBERT C. BYRD. I do not want to misquote the Senator. If I have misquoted him, I would like to apologize on the RECORD.

Mr. ALLEN. While we are waiting for that, we will go on, if it is agreeable to the Senator.

I see an attitude here, and that is what I am trying to work against, that as soon as the leadership amendment is agreed to, it is going to be mighty hard to get another amendment adopted, no matter how constructive that amendment is.

Mr. ROBERT C. BYRD. The majority leader has never said to the Senator from Alabama or to anybody else that his mind was closed to any and all amendments other than leadership amendments.

Mr. ALLEN. We will see what will take place.

Mr. ROBERT C. BYRD. We will see, yes. But no Senator can claim a monopoly on patriotism and service to the interests of the United States.

Mr. ALLEN. The Senator is twisting my words, and he is not stating my attitude with regard to the distinguished Senator from West Virginia, who unquestionably is a great patriot. I do not charge a lack of patriotism to any Senator in the Chamber.

Mr. ROBERT C. BYRD. I would hope not.

Mr. ALLEN. I have never done that.

Mr. ROBERT C. BYRD. We hear this thing over and over again, and I think I heard the Senator say the same thing in essence on television yesterday morning. Maybe I am wrong. I have heard him so much on this floor make the charge that certain Senators seem to be more interested in serving the interests of Dictator Torrijos than the good interests of the United States.

Mr. ALLEN. I did not say "serving the interests," but I have said making the treaty acceptable to Mr. Torrijos, Dictator Torrijos.

Mr. ROBERT C. BYRD. Perhaps we are talking in semantics, but I think the RECORD will show that the Senator has from time to time——

Mr. ALLEN. I also pointed out an example of how Torrijos has influenced the shaping of the treaty; and if the Senator would like me to recount that, I would be glad to do so.

Mr. ROBERT C. BYRD. The Senator will say that the Foreign Relations Committee heard from Torrijos that if it did not put these amendments after articles IV and VI, respectively, and provided a new article, such and such would happen. And he has then sought to leave the implication that the Foreign Relations Committee acted at the dictation of or in the interests of General Torrijos. Well, these are statements that simply do not stand up.

The Senator has a perfect right to vote against the treaty and offer all the amendments he wants to and to speak against the leadership amendment, deride the leadership amendment, point to flaws in the leadership amendment. That is perfectly all right. I would never question the patriotism of the Senator from Alabama. He is acting in what he thinks is the best interests of the United States. But, by the same token, those of us who support these treaties and those of us who are opposed to the amendment by the Senator from Alabama are just as patriotic. We love our country as much as he does.

Mr. ALLEN. I know that.

Mr. ROBERT C. BYRD. And we are not a bit more beholden to Dictator Torrijos than the Senator from Alabama.

Mr. ALLEN. Would the Senator, instead of telling what I was going to say about the action of the Foreign Relations Committee, let this Senator explain what was stated here on the floor of the U.S. Senate by a member of that committee, the Senator from Michigan (Mr. GRIFFIN)?

Mr. ROBERT C. BYRD. Yes; who voted against the treaties.

Mr. ALLEN. Yes, he did, but I do not believe that the fact that he voted against the treaties would cause him to utter an untruth on the floor.

Mr. ROBERT C. BYRD. No.

Mr. ALLEN. I hope the Senator is not implying that.

Mr. ROBERT C. BYRD. Oh, no, indeed; a hundred times no; a thousand times no; a million times no. Never let it be said. [Laughter.]

I just want to say for the record that he——

Mr. ALLEN. That would make him a fabricator.

Mr. ROBERT C. BYRD. No.

Mr. ALLEN. I just wonder why the Senator made that statement.

Mr. ROBERT C. BYRD. I certainly did not mean to imply that. What good does it do to have a vocabulary of 10,000 words, if we cannot say "No"? And I say, "No, a thousand times no."

I did not mean to interrupt.

Mr. ALLEN. I thank the Senator.

What the distinguished Senator from Michigan (Mr. GRIFFIN), who was the one Senator who voted against the treaties in the Foreign Relations Committee, said was that the Foreign Relations Committee approved the leadership amendment, the substance of the leadership amendment, in the form of a new article or articles; that after that action was taken by the Foreign Relations Committee, the State Department complained to the Foreign Relations Committee, stating that they did not feel that that would be acceptable to the Panamanians; that adding a new article would be different from merely amending the treaties; that amendment of the treaty would not call for a new plebiscite; whereas, the Panamanians felt that the addition of new articles would result in a new plebiscite which for some reason the Panamanians do not want.

Therefore, they asked the Foreign Relations Committee to retrace their steps and to revoke the action that they had taken before to report out the leadership amendments in the form of a new article or articles and go back and amend articles IV and VI which the committee proceeded to do.

So that is one evidence, as I see it, that the Panamanians are having great influence as the Senate gives its advice and consent to the treaties. That is one illustration.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished whip.

Mr. CRANSTON. Mr. President, I would like to comment on this particular discussion since I was in Panama at the time that all of this occurred.

I was in a meeting with the maximum leader, General Torrijos, with other members of the Senate delegation. This was down there at the time the Foreign Relations Committee took its action which was on a Friday. On a Saturday our delegation met with General Torrijos and the two negotiators who had negotiated with the United States and with his foreign minister. They stated that the substance of what had been done by the Foreign Relations Committee which was to incorporate into the treaty the exact terms and language of the Carter-Torrijos joint statement which gives us the right to protect the neutrality of the canal forever, forever, and that gives us the right to have our ships go through first at the head of the line in times of emergency from our point of view, that all——

Mr. ALLEN. It does not say from our point of view. It says in the event of an emergency. That is one of the defects in the amendment.

Mr. CRANSTON. That is fine. In the event of an emergency. I think we would decide—I know that we would decide.

Mr. ALLEN. That is not stated in the amendment.

Mr. CRANSTON. Anyway——

Mr. ALLEN. Excuse me for interupting.

Mr. ROBERT C. BYRD. There is plenty of time for an understanding to be written into the resolution for ratification.

Mr. CRANSTON. Absolutely, and I expect that will be done.

The exact substance of the language was acceptable to them. They stated they felt that if it was added as a new article under their Constitution and practices they would have to have a new plebiscite down there. They said they would like to avoid that. They explained various reasons why they would like to avoid it. Among the reasons are that it would be confusing to come back with a second plebiscite. It would be unnecessary since it had been clearly understood by the people and explained by the general before the vote that this was part of the treaty, and it was understood to mean that and he had made this joint statement with Carter and they had great expense involved in a plebiscite which they felt unnecessary, and they would like to avoid the expense.

Also having been through one plebiscite and coming back with another, they were not sure precisely what the outcome would be. If they had to go back it would have been very confusing.

Mr. ALLEN. Yes.

Mr. CRANSTON. Senator STAFFORD, from Vermont, the Republican coleader

of our delegation, and I thereupon communicated, I to Senator BYRD, Senator STAFFORD to Senator BAKER, the minority leader of the Senate, that this was the view of Panama. We stated that in our view since the substance would remain in the amendment it would be advisable to cooperate to this extent and avoid imposing an unnecessary plebiscite on the people of Panama.

The Foreign Relations Committee decided by, I think, a 14-to-1 vote that that would be an equally sound course since it would not change the substance of the action nor the meaning of the action in any way; therefore, the Foreign Relations Committee also having similar advice from the State Department made that change, and that is now the form of the Byrd-Baker amendment that I am confident will be adopted by an overwhelming vote of the Senate.

I suspect even the Senator from Alabama will vote for the amendment.

Mr. ALLEN. I am a cosponsor of it if we get to it.

Mr. CRANSTON. That is fine.

I would like to say that I am one Senator who favors if we can the national interest of the United States to avoid imposing a plebiscite on the people of Panama by our actions in the Senate, that that is the wisest course in the interests of the United States.

I am concerned that if we adopt some amendment that the Panamanians felt is unacceptable and, therefore, they vote down the treaty that that will be adverse to the interests of the United States because I think this treaty mutually negotiated and hopefully mutually ratified and accepted is in the national interest of our country, and I share the patriotism of the Senator from Alabama and the Senator from West Virginia and all other 97 Senators in terms of——

Mr. ALLEN. I never said anything to the contrary.

Mr. CRANSTON (continuing). In terms of that point. It is not the interest of Panama, it is not the interest of Torrijos, the dictator in Panama. It is not any interest except the best interest of the United States that I have in mind when I hope that we can ratify the treaty in a way that does not risk the ultimate defeat of the treaty by Panama by making it unacceptable to them which I think would do great harm to the national interest of my country.

Mr. ALLEN. May I inquire of the distinguished Senator if the account given by the Senator from Alabama, though not as complete, because he had no knowledge of the situation in Panama of which the Senator mentioned, was my account of the action of the Foreign Relations Committee at variance with the statement made by the distinguished Senator from California?

Mr. CRANSTON. I think the account of the Senator from Alabama was accurate. I think the implications that he read into those facts was quite different than what the facts justified.

Mr. ALLEN. I see. What the Senator from Alabama said is correct; is that right?

Mr. CRANSTON. Insofar as the factual account of what the Foreign Relations Committee did, yes.

Mr. ALLEN. Yes, they did back up at the behest of the Panamanians conveyed through the State Department.

Mr. CRANSTON. They did not back up. They kept the entire substance of the Carter-Torrijos statement that gives us the right to protect the neutrality of the canal and the right to have our ships go through first.

Mr. ALLEN. Yes.

Mr. CRANSTON. That was kept intact. There was no compromise on substance.

Mr. ALLEN. I understand that there was a question whether there was a new article which might cause a new plebiscite or whether it was language added to an existing article which would not be a cause for it.

Mr. CRANSTON. That is right, and a new plebiscite is to be avoided if possible because a new plebiscite——

Mr. ALLEN. I am sure of that.

Mr. CRANSTON (continuing). Might cause the defeat of the treaty and damage the national interests of our country.

Mr. ALLEN. I see, and damage the Torrijos regime as well.

Mr. CRANSTON. I am not concerned about that.

Mr. ROBERT C. BYRD. We are not concerned about that.

Mr. ALLEN. I see.

Mr. ROBERT C. BYRD. The distinguished Senator from Alabama likes to have his cake and eat it, too.

We are both, he and I both, and he and Senator CRANSTON—we all join hands in working for the best interests of the United States——

Mr. ALLEN. I am sure of this.

Mr. ROBERT C. BYRD (continuing). In this instance.

Mr. ALLEN. I am not saying anything to the contrary. I respect the Senator's patriotism.

Mr. ROBERT C. BYRD. Not only patriotism but dedication.

Mr. ALLEN. I recognize that.

Mr. ROBERT C. BYRD. To the interests of the United States.

Mr. ALLEN. I felt it, I say to the distinguished Senator.

Mr. ROBERT C. BYRD. I say we are both equally dedicated.

Mr. ALLEN. Hard-hitting, I might say.

Mr. ROBERT C. BYRD. Hard-hitting, hard-slugging, hard-slugging dedication to the interests of the United States.

Mr. ALLEN. I recognize that.

Mr. ROBERT C. BYRD. But we do have honest differences as to what actions may in the final analysis be in the best interest of the United States.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. And I do not fault the Senator from Alabama for differing with me on that. I simply must take issue when he leaves the implication, and I want the reporter to read because if I misconstrued the Senator's statement I want to apologize if I got the wrong impression, but I got the impression that he has been saying that there are Senators here who, in effect, are more interested in doing Mr. Torrijos' bidding than they are in doing what in their view is in the best interest of the United States.

Mr. ALLEN. If the Senator left that implication he would certainly be anxious to apologize. No such implication was intended.

Mr. ROBERT C. BYRD. Sure.

Mr. ALLEN. But I will accept the challenge of the distinguished Senator from West Virginia that the reporter might read the remarks of the Senator from Alabama.

Mr. ROBERT C. BYRD. It is not a challenge. I simply want to apologize if I have in any way misconstrued the Senator's statement.

Mr. ALLEN. I am ready.

Mr. CRANSTON. Mr. President, I would like to ask that one other thing be read. When the Senator from Alabama stated something to the effect that this was in the interest of the dictator of Panama, Mr. Torrijos, General Torrijos, and I said no, it was taken not in the interest of Panama or the dictator but in the interest of the United States, my country, did not the Senator from Alabama at that point say, "Oh, I see," as if this was a surprising revelation to him that this action was taken in the interest of the United States and not in the interest of Panama.

Mr. ALLEN. I believe the Senator is kind of splitting a few hairs.

Mr. CRANSTON. Did the Senator say "Oh, I see," when I made that statement?

Mr. ALLEN. I rather believe I did.

Mr. CRANSTON. Then we do not have to have the RECORD read. It stands for itself.

Mr. ROBERT C. BYRD. Now, if we might have the reporter read.

Mr. ALLEN. I hate for the distinguished Senator from California to split hairs certainly.

Mr. CRANSTON. Oh, I never do that.

Mr. ROBERT C. BYRD. There has been a lot of hair splitting, just so long as it does not get down to hair pulling it will be all right.

Mr. CRANSTON. You cannot do that with me.

Mr. ROBERT C. BYRD. Now, Mr. President, if the reporter would read the words back.

The PRESIDING OFFICER. The official reporter will read the remarks of the Senator from Alabama to which the Senator from West Virginia has referred.

The Official Reporter of Debates (Mr. William D. Mohr) read as follows:

Besides, whose interests are we looking out for? Are we looking out for the interests of the United States in defending the canal, or are we trying to shape this treaty in a manner that would be acceptable to dictator Torrijos?

Mr. ROBERT C. BYRD. Who said that?

The OFFICIAL REPORTER. Mr. ALLEN.

Mr. ALLEN. Go ahead. Read on. I asked the question.

The Official Reporter of Debates (Mr. William D. Mohr) read further, as follows:

Then Mr. BYRD and Mr. ALLEN were in colloquy.

Mr. ROBERT C. BYRD. Mr. President, I have

the floor, and I have heard that song sung and sung and sung by the distinguished Senator from Alabama.

Mr. ALLEN. The Senator is going to hear it some more, too.

Mr. ROBERT C. BYRD. The Senator undoubtedly will, but I refute every word of it.

I am acting in the interests of the United States just as much, in my viewpoint, as the distinguished Senator from Alabama.

Mr. ROBERT C. BYRD. So the Senator did use the words.

Mr. ALLEN. The Senator, according to the record there, asked that question. If that is an implication that anyone is not trying to protect the interests of the United States as well, I would certainly withdraw the statement. But I certainly will not withdraw the statement that Mr. Torrijos, Dictator Torrijos, is having great influence in the shaping of this treaty, whether that be for the interests of Panama or the interests of the United States.

Mr. ROBERT C. BYRD. Well, that is an assumption of the Senator. No one can keep him from drawing that assumption. But certainly no one has to agree to that.

Mr. ALLEN. I think amendments are going to be weighed on the basis of, will this be acceptable to Mr. Torrijos? Will this call for another plebiscite?

Mr. CRANSTON. May I comment on that point?

Mr. ROBERT C. BYRD. Yes; I think it requires some comment.

Mr. CRANSTON. It is very interesting that we are dealing with a dictatorship, with a man called "maximum leader," General Torrijos; but it is not a question of what he will accept or not accept. He is total dictator, but the people, under this plebiscite, do have a right to vote, that is, a right to accept or reject the treaties.

He might say to us, "Fine, from my point of view," but he is worried about a vote of the people in a dictatorship. They apparently have a constitution where they have to ratify a treaty by a vote of the people. So it is how all the people of that tiny country will vote that is of concern to the dictator there, and becomes of interest to the Senate of the United States because we want a treaty that can be ratified, and can be ratified by the people of Panama, because then the national interests of our country, from our point of view, will be served.

Mr. ALLEN. May I ask the Senator if one of the factors he is going to consider as amendments come before the Senate is whether or not that amendment might possibly cause the calling of another plebescite in Panama?

Mr. CRANSTON. I, of course, will consider that.

Mr. ALLEN. That is all I need to know.

Mr. CRANSTON. Because the effect of ratification or failure of ratification of a plebescite there is a factor we must consider in this debate. We have had negotiated through four administrations, two Democratic and two Republican, a treaty that is basically what we began with at the beginning. Four administrations, two of each party, have approved the general thrust of this treaty, and the three of those Presidents now living, I think, support the basic thrust of this treaty. It is in the national interest of this country. It is not in our national interest if it is defeated by amendments designed to kill it.

Mr. ALLEN. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

Mr. President, has morning business been closed?

The PRESIDING OFFICER. No, it has not. Is there further morning business?

ORDER FOR RECESS UNTIL 9:45 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HASKELL ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the prayer on Monday, as in legislative session, the Senator from Colorado (Mr. HASKELL) be recognized for not to exceed 15 minutes, after which the Senator from Virginia (Mr. SCOTT) then be recognized to speak on the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:45 a.m. on Monday next, and after the prayer Mr. SCOTT will be recognized to speak on the treaties, or on the amendment by Mr. ALLEN, as modified, and Mr. SCOTT will be followed by Mr. STAFFORD.

Rollcall votes may occur on Monday. It is possible that I might move to table the amendment by Mr. ALLEN, as modified, on Monday, or I may choose to bide my time until Tuesday. But, in any event, rollcall votes could occur on Monday.

ORDER FOR ROLLCALL VOTES ON MONDAY

But, Mr. President, I ask unanimous consent that no rollcall votes occur on Monday prior to the hour of 2 o'clock p.m. with the single exception being in the event that a rollcall vote is needed to establish the presence of a quroum.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:45 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, and with good will toward all my colleagues, that the Senate, in executive session, stand in recess until the hour of 9:45 a.m. on Monday.

There being no objection, at 6:14 p.m., the Senate, in executive session, took a recess until Monday, February 27, 1978, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate February 24, 1978:

DEPARTMENT OF THE TREASURY

Shallie M. Bey, Jr., of New Jersey, to be Superintendent of the Mint of the United States at Philadelphia, vice Nicholas G. Theodore, resigned.

DEPARTMENT OF THE INTERIOR

H. William Menard, of California, to be Director of the Geological Survey, vice Vincent E. McKelvey, resigned.

DEPARTMENT OF JUSTICE

James R. Williams, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years, vice Frederick M. Coleman, resigned.

Dwayne W. Gilbert, of Georgia, to be U.S. marshal for the middle district of Georgia for the term of 4 years, vice William L. Martin, Jr., deceased.

Richard W. Nehring, of Iowa, to be U.S. marshal for the southern district of Iowa for the term of 4 years, vice Harold M. Grindle, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 24, 1978:

DEPARTMENT OF DEFENSE

John Arnot Hewitt, Jr., of New Jersey, to be an Assistant Secretary of the Air Force.

DEPARTMENT OF AGRICULTURE

P. R. Smith, of Georgia, to be an Assistant Secretary of Agriculture.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Wilbur Lyman Creech, XXX-X... XX..., U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. James Erskine Hill, XXX-XX-XXXX, U.S. Air Force.

Gen. Robert J. Dixon, U.S. Air Force, (age 57), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

General Felix M. Rogers, U.S. Air Force, (age 56), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John George Albert, XXX-XX-XXXX, U.S. Air Force.

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. James A. Abrahamson, XXX-X... XXX-X... Regular Air Force.

Brig. Gen. Anderson W. Atkinson, [redacted] Regular Air Force.
Brig. Gen. Walter H. Baxter III, [redacted] Regular Air Force.
Brig. Gen Robert W. Bazley, [redacted] Regular Air Force.
Brig. Gen. Rufus L. Billups, [redacted] Regular Air Force.
Brig. Gen. Robert M. Bond, [redacted] Regular Air Force.
Brig. Gen. Max B. Bralliar, [redacted] Regular Air Force, medical.
Brig. Gen. Bruce K. Brown, [redacted] Regular Air Force.
Brig. Gen. Kenneth D. Burns, [redacted] Regular Air Force.
Brig. Gen. Gerald J. Carey, Jr., [redacted] Regular Air Force.
Brig. Gen. Robert W. Clement, [redacted] Regular Air Force.
Brig. Gen. Robert F. Cloverdale, [redacted] Regular Air Force.
Brig. Gen. James E. Dalton, [redacted] Regular Air Force.
Brig. Gen. Van C. Doubleday, [redacted] Regular Air Force.
Brig. Gen. Howard M. Estes, Jr., [redacted] Regular Air Force.
Brig. Gen. Martin C. Fulcher, [redacted] Regular Air Force.
Brig. Gen. Robert T. Herres, [redacted] Regular Air Force.
Brig. Gen. William J. Kelly, [redacted] Regular Air Force.
Brig. Gen. William B. Maxson, [redacted] Regular Air Force.
Brig. Gen. Thomas H. McMullen, [redacted] Regular Air Force.
Brig. Gen. John L. Piotrowski, [redacted] Regular Air Force.
Brig. Gen. Andrew Pringle, Jr., [redacted] Regular Air Force.
Brig. Gen. John E. Ralph, [redacted] Regular Air Force.
Brig. Gen. George W. Rutter, [redacted] Regular Air Force.
Brig. Gen. Stuart H. Sherman, Jr., [redacted] Regular Air Force.
Brig. Gen. Robert B. Tanguy, [redacted] Regular Air Force.
Brig. Gen. Robert L. Thompson, Jr., [redacted] Regular Air Force, medical.
Brig. Gen. Daryle E. Tripp, [redacted] Regular Air Force.
Brig. Gen. Jack L. Watkins, [redacted] Regular Air Force.
Brig. Gen. Charles E. Woods, [redacted] Regular Air Force.

The following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Maj. Gen. William H. Ginn, Jr., [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Billy M. Minter, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. James P. Mullins, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. John M. Murphy, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Paul W. Myers, [redacted] (brigadier general, Regular Air Force), U.S. Air Force, medical.
Maj. Gen. William R. Nelson, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Carl D. Peterson, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Thomas M. Sadler, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Henry B. Stelling, Jr., [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Lt. Gen. George H. Sylvester, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. John C. Toomay, [redacted] (brigadier general, Regular Air Force), U.S. Air Force.

To be brigadier general

Brig. Gen. Robert W. Bazley, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Max B. Bralliar, [redacted] (colonel, Regular Air Force), U.S. Air Force, medical.
Maj. Gen. James L. Brown, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Norma E. Brown, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William E. Brown, Jr., [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Gerald E. Cooke, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Hans H. Driessnack, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Walter D. Druen, Jr., [redacted] (Colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Billy J. Ellis, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Irwin P. Graham, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. David L. Gray, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Patrick J. Halloran, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Paul T. Hartung, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Gerald K. Hendricks, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Andrew P. Iosue, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Charles B. Jiggetts, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. George J. Kertesz, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Lt. Gen. Richard L. Lawson, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Howard W. Leaf, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William G. MacLaren, Jr., [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Thomas H. McMullen, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Warren C. Moore, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Don H. Payne, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Thomas C. Pinckney, Jr., [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Freddie L. Poston, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Dennis B. Sullivan, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Herman O. Thomson, [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Stanley M. Umstead, Jr., [redacted] (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Hoyt S. Vandenberg, Jr., [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Mele Vojvodich, Jr., [redacted] (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Garry A. Willard, Jr., [redacted] (colonel, Regular Air Force), U.S. Air Force.

Gen. William V. McBride, U.S. Air Force, (age 55), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066 in grade as follows:

To be general

Lt. Gen. Alton Davis Slay, [redacted], U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard Greenleaf Trefry, [redacted], Army of the United States (brigadier general, U.S. Army).

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284 and 3307:

To be major general

Maj. Gen. George S. Patton, [redacted], Army of the United States (brigadier general, U.S. Army).
Lt. Gen. DeWitt C. Smith, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Homer D. Smith, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Eugene P. Forrester, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Philip R. Feir, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Joseph P. Kingston, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Robert C. Kingston, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Gerd S. Grombacher, [redacted], Army of the United States (brigadier general, U.S. Army).
Lt. Gen. Eugene J. D'Ambrosio, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Ennis C. Whitehead, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Robert L. Kirwan, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. George L. McFadden, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Julius W. Becton, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. R. Dean Tice, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Harry A. Griffith, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Richard L. Prillaman, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. David E. Grange, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).
Lt. Gen. Arthur J. Gregg, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Bennett L. Lewis, [redacted], Army of the United States (brigadier general, U.S. Army).
Maj. Gen. John A. Wickham, Jr., [redacted]

[redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Wallace H. Nutting, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard G. Trefry, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James M. Lee, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Volney F. Warner, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles F. Means, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John J. Koehler, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Eivind H. Johansen, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William R. Todd, [redacted], Army of the United States (brigadier general, U.S. Army).

The following-named Army Medical Department officers for temporary appointment in the Army of the United States, to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447.

MEDICAL CORPS

To be major general

Brig. Gen. Enrique Mendez, Jr., [redacted] Army of the United States (colonel, Medical Corps, U.S. Army.)

To be brigadier general

Col. Bernhard Theodore Mittemeyer, [redacted], Medical Corps, U.S. Army.

The following-named Army Medical Department officer for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284, 3306, and 3307.

MEDICAL CORPS

To be brigadier general

Maj. Gen. William Sinclair Augerson, [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Marion Collier Ross, [redacted] U.S. Army.

IN THE NAVY

The following-named officer having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. George E. R. Kinnear II, U.S. Navy.

The following-named captains of the Reserve of the U.S. Navy for temporary promotion to the grade of rear admiral, pursuant to the provisions of title 10, United States Code, section 5910, subject to qualification therefor as provided by law:

LINE

Benjamin Joseph Lehman
Philip Wesley Smith, Jr.
George William Lotzenhiser
James William Gray, Jr.
Donald Sebring Albright, Jr.
Carl August Brettschneider

MEDICAL CORPS

Park Weed Willis III
John Robert Senior

SUPPLY CORPS

Frank James Allston

CHAPLAIN CORPS

Gerald Edwin Kuhn

DENTAL CORPS

Frank Hannum Anderson

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

John G. Wissler
William E. McGarrah
Milton J. Schultz, Jr.
Robert B. Fuller
Charles E. Gurney III
Frank C. Collins, Jr.
Frederick W. Kelley
Dempster M. Jackson
John B. Mooney, Jr.
Lawrence Burkhardt III
Walter M. Locke
Joseph F. Frick
Richard A. Martini
Harry C. Schrader, Jr.
Joseph J. Barth, Jr.
Richard T. Gaskill
Glenwood Clark, Jr.
Richard A. Miller
Louis R. Sarosdy
Joseph B. Wilkinson, Jr.
Richard K. Fontaine
James E. Service
Peter C. Conrad
James A. Lyons, Jr.
James B. Busey
William C. Neel
Donald S. Jones
Louis A. Williams
Powell F. Carter, Jr.
Wayne D. Bodensteiner
Stanley G. Catola

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general under the provisions of title 10, United States Code, sections 5769 and 5780:

Richard C. Schulze
William R. Maloney
David M. Twomey
Joseph V. McLernan
Hal W. Vincent
Stephen G. Olmstead
Bernard E. Trainor
Marc A. Moore

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general under the provisions of title 10, United States Code, sections 5769 and 5780:

Hugh S. Aiken
Bain McClintock
Roy E. Moss
William Weise
James P. King
Harry T. Hagaman
John Phillips
Wesley H. Rice
Gregory A. Corliss
Joseph J. Went
Raymond A. Shaffer
Harold G. Glasgow
Clayton L. Comfort

IN THE AIR FORCE

Air Force nominations beginning Walter E. Ackerlund, to be colonel, and ending William J. Sears, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 30, 1978.

Air Force nominations beginning Wayne W. Barkmeier, to be lieutenant colonel, and ending Earl W. Mabry II, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

Air Force nominations beginning Joseph D. Abate, to lieutenant colonel, and ending Barbara A. Cummings, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

IN THE ARMY

Army nominations beginning Monte L. Jones, to be second lieutenant, Regular Army, and first lieutenant, Army of the United States, and ending Linda L. Wright, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 30, 1978.

IN THE NAVY

Navy nominations beginning Alfredo Zamora Acosta, to be chief warrant officer, W-2, and ending David E. Young, to be chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

IN THE MARINE CORPS

Marine Corps nominations beginning Herbert M. Sanchez, to be lieutenant colonel, and ending Robert J. Watson, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

EXTENSIONS OF REMARKS

"MY RESPONSIBILITY TO AMERICA," WINNING WISCONSIN VFW VOICE OF DEMOCRACY SPEECH BY KATHLEEN BENKERT OF MONROE, WIS.

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. KASTENMEIER. Mr. Speaker, I would like to share with my colleagues a speech by Kathleen Benkert of Monroe, Wis., which recently won the Wisconsin Voice of Democracy contest sponsored by the Veterans of Foreign Wars.

Kathleen competed with several thousand other Wisconsin high school students and now goes on to the national competition.

Actually, we might all pay heed to Kathleen's remarks, since she has outlined a prescription for citizen involvement which could contribute greatly to helping solve some of the pressing problems facing our Nation.

Kathleen's speech follows:

MY RESPONSIBILITY TO AMERICA

(By Kathleen Benkert)

America has done a lot for me; she has provided me with an education, a free homeland, much natural beauty to enjoy and many rights and freedoms that those in other parts of the world don't have. What can I, a young American citizen, do for America in return? What is my responsibility to America? Many feel that they fulfill their responsibility simply by paying taxes, voting for a President every four years and honoring the American Flag. But I see my responsibility as going much deeper than that. I am indebted to America and I feel that it's my responsibility to repay that debt by combatting what I feel is the greatest problem facing America today.

We Americans have let our precious environment waste away; we leave the election of our officials to "the other guy"; we stand by and watch while our fellow Americans meet misfortune, for fear of "getting involved". All of these problems stem from one common root that concerns us all. What is it? Apathy: a lack of concern, a lack of caring. I feel that it is my responsibility to care about America in her many aspects.

How can I care? Look at all that is around us, our American environment: the land, water and air. Over the years we have polluted, abused and wasted our natural resources. We have senselessly squandered our endangered species, including our great American eagle. I care by working to clean

up the mess we have already made and to alleviate any future ones. And I can care by working to conserve energy and other precious, but dwindling natural resources.

I must also care about the unique democratic form of government that belongs to us. I'm concerned about current events, our government and its workings and our local community affairs.

My eighteenth birthday will be a milestone for me; I'll be able to vote, and I plan to use my voting privileges as often as possible. I should trust the government and government policies, whether I agree with them or not. Co-operation with the government is also important, such as complying with President Carter's energy plan. I know that this support will better the economy, the government, and, in turn, better America.

But most important, it is my responsibility to care about the people who make up America. No matter what race, sex or age they are, they are American citizens, the same as I and deserving of the same rights and respect. Whether they are my friends, teachers, family, employers or total strangers, they deserve to be cared about, by me, not only in times of need, but at all times. It's my duty to care and to get involved, unlike so many others. Without all the wonderful people that live here, America wouldn't be the country it is.

Yes, it's my responsibility to care about America in her physical, governmental and people-oriented aspects. But my responsibility goes one step further. I must appeal to you and other Americans and convince you that caring is our responsibility too. We can no longer sit back and let the "other guy" do it, because the "other guy" is ourselves. We, all Americans, must care more about our country. And, if we all care more about America and her people, we can make it an even greater place to live.

SOVIET PARLIAMENTARIANS IN THE U.S.

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. McDONALD. Mr. Speaker, from the moment the United States started the so-called exchanges with the Soviet Union the problem of what constitutes an equal exchange has not been solved by our policymakers. The result has all too often mismatched exchanges. Our amateur sports teams go to challenge their professional teams with very mixed results. In our exchanges of youth delegations we inevitably match up the college debate team with hardened party "apparatchiks" in their middle thirties from the Soviet Union. Thus, the propaganda victory usually goes to the hammer and sickle. It is no different with exchanges of parliamentarians, if it can be said that the Soviet Union has such persons. Soviet World Outlook, which is edited by Mose L. Harvey and former ambassador Foy D. Kohler, recently pointed how unequal our most recent exchange of parliamentarians has been in its February 15, 1978, issue. Those who feel these exchanges contribute to détente should read this article:

SOVIET "PARLIAMENTARIANS" IN THE UNITED STATES

One of Moscow's leading party ideologists, Politburo candidate member Boris Ponomarev, led a ten-member Supreme Soviet delegation in an eleven-day visit to the United States as part of exchanges involving the Supreme Soviet and the U.S. Congress which began in May 1974. The first visitation was Soviet, with Ponomarev also serving as leader. Reciprocating that visit, separate delegations from the Senate and the House visited the Soviet Union in June–July and August 1975 respectively.

The Soviet group, which was virtually identical to the one in 1974, was heavily weighted with leading party-government apparatchiks who have consistently been singled out for contacts with Americans. Four are full members of the Communist Party Central Committee, three are candidate members, one a member of the Central Auditing Commission. Two window dressing "Heroes of Socialist Labor," who completed the roster, were the only non-party professionals.

The contrast between the positions and functions of the Soviet "parliamentarians" and the members of the U.S. Congress who visited the Soviet Union in 1975 is striking, to say the least. The U.S. Senate delegation was headed by Hubert Humphrey and Hugh Scott and included twelve other outstanding members from both parties. The separate House group was headed by Speaker Carl Albert and included fifteen other ranking members. All from both the Senate and House were, of course, full-time legislators. For the Soviets, on the other hand, membership in the Supreme Soviet is a strictly perfunctory assignment. All have full-time, high-level responsibilities in other areas of party-government operations, and are engaged in Supreme Soviet sessions for only a dozen or so days a year. And the nature of their legislative functions is well indicated by the fact that never has a Kremlin proposal submitted to the Supreme Soviet been subject to even a single negative vote.

A tick-off of the credentials of the individuals making up the recent Soviet group underscores the incongruity of the exchange process in terms of its purported nature:

Boris N. Ponomarev, candidate member of the Politiburo, secretary of the Central Committee, chairman of the Foreign Affairs Commission of the Soviet of Nationalities, and, most importantly, head of the Central Committee department in charge of relations with nonruling communist parties. In this connection, on February 3 during his stay in New York, Ponomarev met with Gus Hall and Henry Winston of the American Communist Party. TASS' account of the meeting omitted any reference to Ponomarev's parliamentary role and identified him only by his party posts.

Georgii A. Arbatov, head of the Institute of the USA and Canada since November 1967, has been a perennial visitor to the U.S. and regularly enunciates the current official Soviet line on the U.S. in Pravda, in the Institute's journal USA: Economics, Politics, Ideology, and in countless conferences, social gatherings and tetes-a-tetes with American academicians, business and media leaders, and representatives of the Administration and Congress.

Leonid M. Zamiatin, at present director of the Soviet news agency TASS, served in the Soviet UN mission from 1953 to 1957; as permanent Soviet representative to the International Atomic Energy Agency in Vienna, 1957–61 (and incidentally succeeded there by Molotov in his last official assignment); head of the American section of the Foreign Office, 1961–62; and press officer of the Soviet Foreign Ministry from 1962 until assuming his TASS appointment in 1970. In effect, he served as public relations majordomo for the present delegation.

Georgii A. ("Yuri") Zhukov, a leading Pravda correspondent, was chairman of the Soviet State-Committee for Cultural Relations with Foreign Countries from 1957 to 1962 and was in Khrushchev's entourage when the Soviet leader visited the US in 1959.

Boris I. Stukalin, chairman since 1970 of the official Soviet publishing organization, and also a deputy chief editor of Pravda.

Nikolai V. Inozemtsev, Director of the Institute of World Economics and International Relations, an organization charged with analyzing developments in the noncommunist world. From 1961 to 1966 he was a deputy editor of Pravda.

Aleksandr B. Chakovsky, editor of the newspaper *Literary Gazette* since 1962, a leading guardian of ideological purity and often involved in meetings with American delegations.

Lev Shapiro, a party stalwart who serves as first secretary of the Jewish Autonomous Oblast Party Committee and obviously included for window dressing regarding the status of Jews in the USSR.

Zoya P. Pukhova and Viktor I. Dovbysh, the two labor heroes, the former included also as member of the 1974 delegation.

The contrast between Soviet and US media coverage of the visit provides further indication of the incongruities of the exchange setup. Activities of the Soviet visitors were given "major news" treatment in the US including network coverage of various meetings, appearances on nationally televised talk shows, press conferences, etc. Invariably, identifications were solely in terms of the Supreme Soviet role without references to the real professional functions of the individuals involved. In the case of the US delegation in 1975, Soviet media attention was limited to "one shot" coverage of group meetings and perfunctory coverage of remaining activities. Further, for the Americans in Moscow little was reported other than generalized expressions of satisfaction over the benefits of the get-together. However, statements of Soviet hosts, which were replete with harsh criticisms of US policies, were reported in detail. (Ideologue Ponomarev and superideologue Suslov were the principal hosts of the Americans in 1975.)

For the 1978 Soviet visitation, except for repeats of general expressions by US Senators and Congressmen about the utility of the exchanges, Soviet media gave details only about what Ponomarev said with no inkling of US positions raised in Congress or elsewhere on the issues discussed with him or other members of the delegation.

Ponomarev was quoted by the Soviets as having given typical Soviet presentations of standard Kremlin views on major issues. Echoing his chief, Brezhnev, he was reported in Pravda on January 27 to have told House members that difficulties especially on SALT "arose not through our fault." Pravda noted that at a press conference Ponomarev cited Brezhnev's assurance that the USSR did not seek military supremacy and declared that "one finds it surprising that in the US there exist doubts and even distrust of the new [SALT] agreement although it is not yet in existence." He was further reported as sharply critical of US efforts to go ahead with the neutron bomb and as calling for its prohibition.

In the same article, Pravda played up Ponomarev's heavy criticism of US policies for the Near East and the Horn of Africa. He claimed a deterioration of the situation in the former because of the Sadat-Begin moves. On the latter, he was said to have emphasized Soviet desire to prevent any sort of conflict and denied any intention on the Soviet bloc side to aid Ethiopia in attacks on Somalia. He was reported further as having expounded at length regarding Soviet views on Indian Ocean problems.

Meanwhile, Soviet reviews pictured the overall impact of the visit as helpful to US-Soviet relations. Thus, Radio Moscow on February 2 said that "summing up the results of the visit by the Soviet delegation to the United States, Comrade Ponomarev

said that they had useful and necessary meetings." TASS dispatches during the Washington portion of the visit similarly had called Ponomarev's conversations on Capitol Hill "useful." TASS on February 3 claimed "mutual satisfaction" that contacts between the Supreme Soviet and the US Congress "are successfully developing."

Presumably to bolster this general image, Soviet media completely ignored the sharp questioning reported in the US press to which U.S. Senators subjected the Soviet delegation regarding the prospective trial of Soviet Jewish dissident Anatoly Shcharansky. Zamiatin, according to US newspapers, responded that this was an internal matter and in any case, still under litigation. One month before the delegation's visit (on December 28), delegation member Chakovsky's newspaper Literary Gazette had protested against the "unprecedented fuss" in the West over Shcharansky as a "witches sabbath choreographed by the Zionists." While insisting, like Zamiatin, that it was up to the Soviet courts to decide the case, Literary Gazette condemned making Soviet-US relations dependent "on the fate of people who have transgressed against Soviet laws and committed acts punishable under criminal law."

Soviet media did permit one sour note to appear in its coverage with respect to a dinner in New York attended not only by the Soviet delegation but, much to Moscow's discomfiture, Soviet emigré dissidents. TASS on February 1 accused the latter of having made "crude attacks" against the Soviet officials. TASS castigated "the people who, in an attempt to discredit the visit by Soviet parliamentarians and, apart from everything, acting contrary to elementary laws of hospitality, engineered this dinner for obvious anti-Soviet purposes." In addition, TASS deplored, "strange as it may seem, some members of the American Congress, for instance Senator Moynihan, took part in this, mildly speaking, far-from-intelligent spectacle." Senator Moynihan had also been singled out for attack by Literary Gazette on the Shcharansky case.

BILALIAN CELEBRATION

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. FAUNTROY. Mr. Speaker, I would like to make special recognition of the Bilalian celebration taking place this month throughout the United States of America and Ethnic Survival Day, February 26, 1978.

Bilalians, the African name for the descendants of those abducted from Africa some four generations ago and brought to this country, are better known as Afro-Americans.

We take this name to remember our "roots." For we are the only race whose entire culture was wiped out by the tyranny of slavery. We retain no obvious linguistic or traditional ties to our mother continent as do other ethnic groups in America.

It is, therefore, necessary that we take this time to consider the place of our heritage and birth, to remember those descendants of our ancestors who still dwell there.

It is also a time to educate people about how much our present culture was lifted from the African culture. Despite attempts to virtually eradicate that culture in Africa it is still vibrant and rich in our daily lifestyles.

At the same time we celebrate our African heritage, we are celebrating our role as Americans. Bilalians have made outstanding contributions to the intellectual, moral and spiritual leadership of our country.

Imbued in the spirit of this celebration is the hope that the role of the Bilalian community will continue to grow and will be able to make an even larger contribution to our Nation in the future for a better and stronger United States of America.

ESTONIAN INDEPENDENCE DAY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. BLANCHARD. Mr. Speaker, today, February 24, marks the 60th anniversary of the proclamation of the independence of the Republic of Estonia.

The Estonian people have a long and proud national heritage. Although their independence as a sovereign nation was cut short by forced annexation to the Soviet Union in 1940, the independent spirit of the Estonians has never been crushed. Despite harsh repression under Soviet rule, the Estonians have resisted and stood firm for the principles of freedom and justice.

Their struggle has been a long one. I would like to bring to my colleagues' attention a statement issued on July 23, 1940, by the Acting Secretary of State, Sumner Welles, because the years have not diminished its relevance:

During the past few days the devious processes whereunder the political independence and territorial integrity of the three small Baltic Republics—Estonia, Latvia, and Lithuania—were to be deliberately annihilated by one of their more powerful neighbors, have been rapidly drawing to their conclusion.

From the day when peoples of these Republics first gained their independent and democratic form of government the people of the United States have watched their admirable progress in self-government with deep and sympathetic interest.

The policy of this Government is universally known. The people of the United States are opposed to predatory activities no matter whether they are carried on by the use of force or by the threat of force. They are likewise opposed to any form of intervention on the part of one state, however powerful, in the domestic concerns of any other sovereign state, however weak.

The principles constitute the very foundations upon which the existing relationship between the 21 sovereign republics of the New World rests.

The United States will continue to stand by these principles, because of the conviction of the American people that unless the doctrine in which these principles are inherent once again governs the relations between nations, the rule of reason, of justice, and of law—in other words, the basis of modern civilization itself—cannot be preserved.

Forty years later, these words remain our guide: the United States will continue to stand by these principles and the people of the captive nations.

I am proud today to salute the independent spirit of the Estonians, which has kept them united as a people in the face of great oppression and which one day will see them united as a nation again.

VETERANS PENSION STATEMENT BY DOROTHY FROOKS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. GREEN. Mr. Speaker, I would like to have included in the RECORD the recent testimony of Dorothy Frooks to the Veterans' Affairs Committee on a pension for World War I veterans. Ms. Frooks is a constituent of mine, a strong supporter in my bid to enter the House of Representatives, and a truly remarkable woman.

The statement follows:

STATEMENT OF DOROTHY FROOKS, PAST NATIONAL JUDGE ADVOCATE

Ms. FROOKS. I am Dorothy Frooks from New York City, and I braved the storm to come here.

Mr. MONTGOMERY. How did you come, for the Record? When did you come?

Ms. FROOKS. I came by automobile. I'm a lawyer, and I'm a Judge of the Small Claims Court, which I organized before any of you distinguished members of Congress were born, and I publish the Murray Hill News in New York City.

I am a veteran of World War I, having served in the United States Navy on recruiting duty, and I might add I got the Woodrow Wilson medal for recruiting 30,000 men. And I'm a veteran of World War II in the Army Judge Advocate's Office. I am past National Judge Advocate of the Veterans of World War I of the United States of America.

I feel that the defenders of our flag have been the backbone of our nation and are the trusted first-class citizens. The veterans made this country the strongest nation in the world.

The Government, in disburdening the twilight years with an honorarium of income to veterans and to their widows—and you know they have paid taxes all these years to make possible the benefits the public servants now enjoy—would strengthen our nation.

Old age security from want and preferential treatment to veterans who were ready, able, and willing to give the last drop of blood for our freedom—and many have—would prevent the need for draft or runaways to foreign countries. The veterans have "cast their breads upon the waters".

You know, of course, that World War I veterans received only a pittance of $30.00 a month, with no subsequent benefits enjoyed by later veterans, such as free education, loans for business, preference in jobs, house ownership, and many other advantages. These forgotten World War I veterans are proud people, and they need your understanding and cooperation.

You have the opportunity of establishing a meaningful and important equity for the veterans of World War I in our military forces: the guarantee of income—not to plead for it—an honorarium in old age with appreciation of service—as a goal for youth,

knowing they have the protection of our great Government.

Bill 9000 should be passed now with speed, and there may be suggestions I have to incorporate H.R. 10173 and H.R. 9000.

With the short and limited time on earth, our American Congress should honor itself by recognizing the first-class trusted citizens with the honorarium. While the Government does not owe the veteran a living, remember that the Government owes its very existence to the veteran.

(Applause.)

Mr. MONTGOMERY. Thank you very much. Thank you, Judge. You can just stay right there, and we'll make some comments. You made a very forceful statement here today. The Subcommittee will consider your thoughts in this matter. I might say that you've certainly had a wonderful career and will continue to have a wonderful, colorful career.

If you can recruit 30,000 men and women in World War I, maybe we could take some of this money that we're spending on the all volunteer force for the regulars and for the National Guard and reserves—and our strength levels are falling off—if we could get you to recruit, then we'd be able to find some of this money that we're looking for to do the things that you want us to do.

But you do have an excellent statement.

Ms. FROOKS. Mr. Chairman, you heard some of the testimony this morning that impressed me: we take care of foreigners and don't take care of our own. Let our charity begin at home.

LITHUANIAN INDEPENDENCE

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. GIAIMO. Mr. Speaker, Lithuanian-Americans have commemorated the 60th anniversary of their homeland's Declaration of Independence. I proudly join them in their observance.

Founded as a sovereign state in the year 1251, Lithuania was occupied by Czarist Russian forces for more than 100 years until it reestablished its independence in 1918, shortly before the end of World War I. As none of us can forget, Lithuania was invaded by the Soviet Union in 1940. Soon it was swallowed, along with Latvia and Estonia, by its predatory neighbor in a process of brutal annexation by force. Underneath its Russified veneer, Lithuania lives, despite, or perhaps because of, its people's brave endurance of grinding religious persecution and political repression, the utter suppression of their human rights.

Not only does Lithuania live, it continues to fight back against the Soviet oppressors. The graves of thousands of resistance fighters are memorials to the struggle. Underground publications continue to be disseminated in that hardy, woebegone land, despite the everpresent threat of arrest, imprisonment, even execution by the detested Russian occupiers.

Long before the founding of Lithuania, more than 1,500 years earlier, the ancient Greek historian Thucydides wrote words that ring true for Lithuania's modern day patriots, living and dead:

Their story is not graven only on stone over their native earth, but lives on far away, without visible symbol, woven into the stuff of other men's lives. For you now it remains to rival what they have done and, knowing the secret of happiness to be freedom and the secret of freedom a brave heart, not idly to stand aside from the enemy's onset.

PROGRESS AT EEOC

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. GONZALEZ. Mr. Speaker, the Equal Employment Opportunities Commission has for years suffered a poor reputation—far behind in processing its caseload, poorly administered, riven with internal quarrels. I am happy to say that all this is changing for the better, and rapidly so. Eleanor Holmes Norton has brought new order and new energy to the EEOC, and with it renewed hope that discrimination in this country will be effectively dealt with and one day eliminated.

The Commission deserves recognition for its new look, and its Chair deserves commendation for her outstanding record of accomplishment.

I offer for the RECORD a recent statement by Ms. Norton, because it is perfectly illustrative of the good things that have revitalized this long-suffering agency.

I am particularly pleased to speak to you of SER today because your mission so closely parallels that of the Equal Employment Opportunity Commission. Your work in training and placement geared especially to Latinos is an excellent example of work-a-day affirmative action. Each time you make a placement you are doing the work of Title VII of the 1964 Civil Rights Act, and you have done that work exceedingly well.

I want to say a few words this afternoon about the new systems that are showing such encouraging results at the EEOC. Before I do so, however, I would like to point to several efforts now underway addressed particularly to Hispanic Americans.

The relationship between the Spanish-speaking community and the EEOC has been flawed in the past. I knew this did not have to be the case. I had experienced just the opposite in New York. When I was that city's human rights commissioner we developed special programs geared to the needs of our huge million and a half Spanish-speaking population and enjoyed good relations with the Hispanic community. With some concentrated attention, I knew this could be done at EEOC. Thus we have set out to make the Commission's operations more relevant and sensitive to the Hispanic communities around the nation.

First, of course, is an act not of the Commission but of the President, who will shortly be naming a commissioner of Hispanic origin. The appointment was delayed only to allow the civil rights reorganization team of the Office of Management and Budget to complete its recommendations. Meanwhile the White House has been reaching out to the various Spanish-speaking communities and interviewing candidates. That process is well underway and will be completed shortly.

Second, the Commission will be making a new and special effort to bring commission-initiated pattern and practice cases in heavily Hispanic areas. I believe this is important for two reasons. Spanish-speaking people do not bring individual complaints in proportion to the deep discrimination they experience. This may be because of language and cultural differences. Thus systemic class action complaints may be the only way to get beneath the layers of discrimination which plague Spanish-speaking people. But equally important, class action systemic work is far more effective than individual cases as a way to effect the ponderous patterns that keep Hispanic Americans so often at the bottom or locked out of jobs altogether. Individual cases will always be important in anti-discrimination work, but they have almost no effect on the millions who are victimized by the stereotypes of the market place. Thus, for the first time, we will be developing special techniques for eliminating discriminatory patterns against Latinos in particular. We believe this is necessary because language and culture effect job opportunity differently from race and sex. We need to develop special techniques for getting at how Spanish language and cultural factors have their own peculiar effect in producing discrimination against Spanish-speaking workers. A special staff in the Office of Systemic Programs will develop such commission-initiated charges targeted to companies which do not reflect the available work pool of Spanish-speaking people in parts of the country where they are available in large numbers. Meanwhile, we will continue to include Hispanics in pattern and practice cases as we do whenever there is an appropriate work force.

Finally, we have developed a new field structure that extends our services to many previously uncovered areas of the country, with especially favorable effects in areas of heavy Latino concentration. Under the structure being phased out there were 32 offices where complaints could be taken, not including a sprinkling of sub-area offices. Under the new structure, this number will almost double to 59 offices. Under the old structure 53.4% of the Hispanic Labor Force had access to EEOC offices. Under the new structurt 62.7% of the Hispanic labor force will have access to EEOC offices for a 9.3% increase in access.

One-third of our 59 field offices will be in areas with at least a 5% Latino population in the particular standard metropolitan area. The areas with large Hispanic populations that will receive either new or enlarged EEOC offices include Albuquerque, Bakersfield, Chicago, Dallas, Denver, El Paso, Fresno, Houston, Long Beach, Los Angeles, Miami, New York, Oakland, Phoenix, Sacramento, San Antonio, San Diego, San Francisco, San Jose, and Tampa. New offices in Spanish-speaking areas where there was no EEOC presence before will include Bakersfield, Fresno, Long Beach, Oakland, Sacramento, San Diego, San Jose, and Tampa. These offices will not only increase access to EEOC for Hispanic complainants but will open new job opportunities for employment of Latinos at EEOC, one of my priorities. Moreover we have created a full-service district office in Phoenix, although the New Mexico, Arizona, Utah area did not meet the workload requirements for establishing a full-service office. We made this exception to demonstrate our determination to improve service to Spanish-speaking and Indian people. In addition, we have taken the extraordinary step of moving some case inventory from Houston to San Antonio in order to preserve existing staff levels in the city of San Antonio which is regarded as so important to Chicago aspirations.

Let me leave you with a sense of the reforms now underway at EEOC, in which you have so large a stake. The agency is experiencing a complete overhaul of all its

functions and the establishment of new case processing systems. We are now testing 3 new case processing systems, a Rapid Case Processing System for new cases, a separately staffed Backlog Case Processing System and a Systemic Case Processing System separately designed for pattern and practice cases.

You of course know of EEOC's infamous backlog of cases. But case backlogs are not inevitable. To eliminate the EEOC backlog, we have set up a special Backlog Case Processing System, while a separate Rapid Case Processing System processes current cases only, all the while preventing any future growth of large case backlogs.

Separating out backlogged charges has enabled us to convert to the Rapid Case Processing System for new charges immediately. This system, is currently being tested in model EEOC offices in Dallas, Chicago, and Baltimore. But parts of the new procedures—including new professionalized intake procedures and the entire Backlog Case Processing System are now in effect in every EEOC district office.

The most exciting part of the new Rapid Case Processing System deserves brief mention. It is a new mode of investigation we have introduced at EEOC—the face-to-face fact-finding conference. Instead of dealing with charging parties and respondents through formal legal paper, the parties are called together within a few weeks of the filing of the charge in a face-to-face fact-finding conference, and told to bring any relevant documents with them. Our experience in using fact-finding conferences in New York City was that it was a dramatic improvement over more sedentary and passive processes of investigation. The facts got out quicker and more extensively than would be the case in months of shuffling papers back and forth in order to try to get the same information while respondents often procrastinated taking advantage of the fact that they were dealing with the agency behind paper. Not only do the facts get out more quickly and more realistically, but parties are able to size up one another's case, and the result is often an early settlement of a charge satisfactory to both parties. Such settlements were popular in New York because they saved time and frustration for both complainants and respondents. Using this approach in New York, we got remedies for many people whose cases simply could not have survived months or years of the traditional process. Nearly 50% of our cases were satisfactorily settled before a formal finding in New York. And 60% of our cases were disposed of in 3 months, 80% in 10 months in New York. We are striving for a similar track record at EEOC.

Judging by data from the new systems we believe such a track record is in sight. The new case processing systems are already proving themselves effective and efficient. A ten-weeks study of the new systems in the model offices showed significant results. For example, there was an average 30% drop in intake of complaints, which were outside of our jurisdiction or otherwise inappropriate for Title VII treatment. This resulted from placing professionals rather than clericals at intake and offering careful counseling to people whose problems belong elsewhere. The rate of negotiated settlements increased from 6% in a 10-week period last year to 44% during the comparable period under the new systems. During this 10-week period the average dollar benefit was $2,235 per person. And the model offices resolved one-third more cases than they received, indicating clearly that the Commission is on its way to eliminating its backlog.

I hope you will look at the material in your folders to get a more detailed idea of the results achieved at the EEOC in the past 6 months. We have set up a new Office of Systemic Programs that is at this moment selecting large companies for class action suits so that the Commission can put more of its resources into high impact affirmative action work. We have issued reverse discrimination guidelines so that employers who take reasonable affirmative action to remedy discrimination against minorities and women will not be held liable by the Commission to reverse discrimination charges by white males. The Backlog Charge processing System is making heavy inroads into the EEDC backlog so that we now feel certain we will eliminate the present backlog. In the Dallas Model Office for example, 10 percent of the backlog was disposed of in 10 weeks, using Backlog Charge Processing techniques. In Chicago, 80 percent of the new charges were resolved in 2 months and 60 percent were satisfactorily settled. And of course, the fact that we are getting to cases early means also that we are able to escalate the remedy rate for complaints.

EEOC will not be changed overnight. But it will be changed this year. By September 30th all the reforms will be in place nationwide. We invite your closest monitoring of the new systems. We welcome your criticisms and suggestions. And you have my commitment that the new EEOC will be improved not only in its efficiency, but also in the priority it attaches to the concerns of the Hispanic communities of America.

LONG LIVE LITHUANIA!

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. WHALEN. Mr. Speaker, many Members of the House and the other body have joined in commemorating the February 16 Independence Day of the Republic of Lithuania. I am pleased to associate myself with my distinguished colleagues in reminding not only Lithuanian-Americans but peoples everywhere that we have not forgotten that small land once again occupied by the Russians.

The fact that Lithuanians residing both within that nation and abroad cherish the hope that their homeland will regain the right to determine its own life is not new. The Russians were reminded of it last fall when a soccer match in Vilnius between one of their teams and a Lithuanian squad became the spark for yet another outburst of nationalistic feeling. Troops were required to quell the disturbances as has been the case so many times both under the domination of Soviet and Czarist Russia.

It is gratifying to know that the Lithuanians thus far have maintained a strong sense of their identity and continue to resist the repeated encroachments of the Russians on their culture and their land. That they have survived is indeed one of the great curiosities of history. Whether they and the neighboring Latvians and Estonians will be able to prevent their disappearance remains to be seen. A valid question well could be whether the last speakers of those languages are now alive, a shuddering but not so idle thought.

The insensitivity of the Russians on the matter of the Baltic States and the other nations they rule by force of arms is startling. In discussing human rights, Russian diplomats attempt to convey shock that we in the United States and the Western world view life in Lithuania as anything less than paradise. They insist that Lithuanians do not lack for shelter. This, of course, is correct. But somehow Soviet officials cannot come to grips with the essential element without which everything else is relatively insignificant. And that is the fact that Russians, not Lithuanians, decide what course Lithuania will follow.

We use this occasion to salute the citizens of the ancient land of Lithuania upon the 60th anniversary of the reestablishment of that country as a Nation-State.

Tegyvuoja Lietuva! Long Live Lithuania!

AIR SERVICE IMPROVEMENT ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. ANDERSON of California. Mr. Speaker, today I have introduced, on behalf of myself and my colleagues, Congressman JOHNSON, Congressman LEVITAS, and Congressman MINETA, the Air Service Improvement Act of 1978, a bill to reform the economic regulation of the Nation's airlines.

The Aviation Subcommittee will hold a markup on regulatory reform legislation on March 8. To facilitate the markup Congressmen LEVITAS, MINETA, and I have prepared the bill introduced today, a compromise bill incorporating provisions from the reform bills we introduced last session. These include H.R. 8813, which Congressmen JOHNSON, MINETA, and I cosponsored, H.R. 9297, which Congressman LEVITAS introduced, and H. R. 9472, introduced by Congressman MINETA. All of these bills were extensively discussed at Aviation Subcommittee hearings last fall in Washington and in the field.

A major difference between the earlier bills was that the bill which Congressmen JOHNSON, MINETA, and I cosponsored included a new route authority section which provided that certificated interstate and intrastate airlines would have the right to enter one market per year of their choice. Congressman LEVITAS' bill did not include any similar provision.

The bill introduced today leaves it to the Civil Aeronautics Board to prepare a route authority program, no later than 1 year after enactment. The CAB's program will be submitted to the Congress and will become effective 60 days after submission unless either House passes a resolution disapproving the program. Under this approach the expert agency, the Civil Aeronautics Board, will have the responsibility for resolving the many difficult questions which enter into the establishment of a route authority pro-

gram. Congress will retain the final say on this issue.

I emphasize that the bill introduced today is a compromise vehicle which we will use as a starting point for markup. We will give openminded consideration to any amendments which our colleagues on the subcommittee propose.

SOCIAL SECURITY—A SYSTEM OF DAZZLING PROMISES

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. ROUSSELOT. Mr. Speaker, a number of us in the House of Representatives know that the social security system is shamefully defective. The full impact of this sits like a time bomb waiting to explode. Over the years Congress has increased benefits far beyond revenues—real or anticipated. It has been commonly agreed that the system has been operating with unfunded liabilities and that sooner or later it would go bankrupt unless the Congress raised taxes or lowered benefits—or both. Last December the Congress passed the "Social Security Amendments of 1977" supposedly to reform and restore the financial soundness of the social security program—this to be accomplished by raising $227 billion in new taxes over the next 10 years. I am proud to state for the public record that I did not vote for the 1977 social security bill because it did not make the necessary corrections to provide an economically sound and efficient system. This recently passed legislation is a deceit. It is in fact the largest peacetime tax increase in our Nation's history.

The public is now protesting because they realize the impact of these new taxes will be felt as a result of taxes escalating over the next 10 years. Proposals are now before Congress to finance social security by general revenues; that is, income tax. The Wall Street Journal, on February 22, 1978, had a good analysis of this plan that is being put forward by the Democrat majority for a less visible form of taxation and I hope my colleagues will take a few moments to read the editorial which follows entitled, "Social Security Flim-Flam."

The editorial follows:

[From the Wall Street Journal, Feb. 22, 1978]

SOCIAL SECURITY FLIM-FLAM

We try our best to keep up with Congress's schemes to spend money that isn't there, but even we often underestimate its ingenuity at finding new shell games. It is starting to look as if congressional spenders slipped another one by us on Social Security, and now it is probably too late to save the taxpayer from the consequences.

This time, the amount of money under the fast-moving shell is $227 billion. Last year, remember, President Carter and his Democratic team in Congress faced the inescapable fact that the Social Security trust funds were fast being drained and had to be replenished. Finally, it seemed, spending excesses were catching up with the liberals; now they'd have to pay the price.

To our amazement, the liberals "solved" the problem in a wholly uncharacteristic way. They voted to raise taxes by $227 billion over the next 10 years, by raising the taxable wage base in steps to $42,600 in 1987 from the current $16,500. Under the Social Security rules, of course, an increase in the wage base also means an increase in eventual pension benefits. But instead of the usual trick of raising benefits and pushing the costs into the future, here was Congress taxing now and boosting benefits later.

It seemed both economically and politically stupid. Here were the liberals solemnly talking about having made "hard, tough" decisions and "biting the bullet." Congressional Republicans were dumbfounded at having been handed a ready-made surefire political issue for the 1978 elections.

It was merely the first move in the shell game, and we didn't see what was going on.

We are now watching move two. The new taxes conveniently don't go into effect until 1979, and it now looks like that won't happen. Congress has discovered that the voters don't like new taxes. "A blast of mail," says The Washington Post's Hobart Rowen, "has now pricked the congressional conscience," adding "happily, there is a solution." In short, the spenders are using the uproar against the taxes as an excuse for doing what they wanted to do all along.

The happy solution, it turns out, is to reopen the Social Security issue, leave the wage base high, cut the tax rate from 6% to 4%, and remove Medicare and disability insurance from payroll-tax financing. Rep. Abner Mikva, Illinois Democrat, and Sen. Gaylord Nelson, Wisconsin Democrat, have a hot little bill drawn up to that effect. Two other Democrats, Moorhead of Pennsylvania and Burke of Massachusetts, propose using the "next" Carter tax cut to help finance all this, i.e., cut payroll tax instead of personal and corporate rates.

The most impressive magic in this sleight-of-hand is that when the smoke clears the liberals can announce that they have raised Social Security benefits for the beleaguered middle class; if you retire in 1987 you still get the much fatter pension from a $42,600 wage base. And you don't even have to pay for it in the meantime. The voters will love it!

There is, though, the remaining small matter of $227 billion, which made the voters so mad that their letters pricked the congressional conscience. The $227 billion was being squeezed out of taxpayer hides in order to pay out $227 billion in benefits. This happy solution still has $227 billion extra paid out in benefits, which can only mean that it is coming out of some other box in your payroll check.

Not to worry. "Inflation," Mr. Rowen reports, "gins up the capacity of the federal-tax-collection mill." As inflation proceeds, it pushes everyone into higher income-tax brackets, even if real incomes do not rise. The government automatically gets a larger share of the nation's resources to redistribute to the deserving voter. Nobody even has to vote for higher taxes to cover the $227 billion. To solve the Social Security crisis, the liberals will increase Social Security benefits and pay for it through the proceeds of inflation.

There is, of course, the alternative solution, the GOP plan designed by Rep. Barber Conable that the liberals rejected. Go back to the old wage base and raise the rate a bit, slowly phase in a higher retirement age and fund Medicare separately. But congressional consciences have not been stricken so forcefully that they'd be willing to repeal their benefit boost. No, the shell game goes on. We apologize to our readers. We've been had again.

THE PRESIDENT'S "SHORTFALL" BUDGET

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. CONABLE. Mr. Speaker, several weeks ago I participated in a press conference with our minority leader, JOHN RHODES, and the ranking minority member on the Budget Committee, DEL LATTA. At that time we expressed our concern that the projected deficit for fiscal year 1979 would end up substantially larger than the $61 billion projected in the Carter budget. We also discussed at that time the possibility of a larger deficit because prospective outlays for fiscal year 1979 were understated in the Carter budget. At that time we drew attention to an important—albeit technical—aspect of how the Carter budget understated outlays: that is, the issue of whether the budget, in order to reduce total estimated outlays, was assuming an unrealistically low rate at which executive branch agencies would spend their legislatively appropriated funds. The popular short hand term for this technical issue is "shortfall," and, in our view, shortfall is a very important subject.

If the administration has estimated wrong for its spending rate for next year, and if the agencies were to spend at a rate closer to their 10-year historic average than the President has estimated, then the deficit would be $80 billion rather than $60 billion—without Congress making one change in the President's budget.

Because this issue is so important to the Congress upcoming decisions on levels of spending and taxing, we have been looking further into the shortfall matter, and the attached table reflects further analytical work examining the whole issue of whether the prospective rate of Federal outlays for fiscal year 1979 is significantly understated in the Carter budget.

Although we realize that measuring the size of any potential outlay shortfall involves a great deal of subjectivity, we nevertheless believe that there are historical averages which should be taken into account in estimating outlays.

Initially we prepared a table showing the historical ratio of outlays to budget authority which the President estimates will be available the next fiscal year. That estimate is made when the budget is submitted to Congress. The average for 1969–1978 was 44.38 percent, a full two points above the 42.3 percent rate that the Carter budget projected. The gap between 44.38 percent and 42.3 percent amounts to approximately $20 billion in spending.

Simultaneously, we measured the historic rate of outlays to just the new budget authority enacted each year (that is, we omitted the BA carryover from previous years). Again we turned up a $20 billion discrepancy.

Subsequently, OMB has challenged our methodology, and urged us to measure the historic spending rate by including budget authority actually available to the Government, thereby expanding the estimated budget authority by counting in the carryover any additional budget authority enacted by Congress on top of the Presidentially requested level.

We have now done so. Our results turn up a budget with outlays of $515.4 billion, or $15.4 billion more than the Carter budget projects. Our methodology was simple: we took the historic average of actual outlays to total available budget authority (which comes to 43.6 percent) and multiplied it times the total budget authority of $1.182 trillion as projected in the Carter budget. This assumes, of course, that Congress will not increase budget authority over what the President requested, a dubious assumption given the historical record. Nevertheless, the result is $515.4 billion. (In running our historic average we included the fiscal year 1976 transitional quarter (weighted as a fifth of fiscal year 1976) and we excluded HUD section 8 budget authority of $75.1 billion and $62.2 billion for fiscal year 1974 and fiscal year 1975 respectively on the grounds that those amounts were retroactively added to the fiscal year 1974 and fiscal year 1975 accounts in the fiscal year 1976 budget).

However, we were struck with OMB's assertion that the Budget Committee should measure spending rates against congressionally determined budget authority levels rather than Presidentially projected levels. Hence we measured over the last 10 years how much, on average, Congress increases budget authority over the Presidential estimate level. The average increase is 5 percent. Applying that average to the Carter request of $1.182 trillion, the ultimate available budget authority for fiscal year 1979 would be $1.241 trillion, assuming the average increase takes place. If that indeed does, and we think it very well might, then outlays for the year should be $541 billion (the historic ratio 43.6 percent × $1.241 trillion) and not $500 billion as originally projected.

As we stated in the press conference, we believe that this result is not unlikely given the unrealistic estimates contained in the Carter budget for popular programs (like agriculture and veterans) and the unrealistically high shortfall for a budget which we saw as having relatively few big, new programs that would spend out slowly. We stated then that these "underestimates," not only camouflaged big proposed spending increases in education, manpower, transportation, and urban programs but—more serious—camouflaged the real size of the deficit which, we fear, could range from $80 billion to $100 billion.

I am placing the accompanying table into the RECORD in hopes that other Members also will begin to address this issue and, ultimately, force the administration to tell Congress what the real deficit is so that we can responsibly prepare tax and budget policy.

The table follows:

FISCAL YEAR 1979 CARTER "SHORTFALL"

[Dollar amounts in billions; fiscal years]

	10-yr average 1969–78	1969	1970	1971	1972	1973	1974	1975	1976 plus TQ	1977	1978	1979 Carter budget	1979 Carter budget adjusted estimate
A—Estimated available budget authority	NA	$424.0	$436.2	$451.7	$508.5	$537.6	$586.5	$641.9	$967.8	$943.9	$1,026.1	$1,182.2	$1,182.2
B—Percentage increase in actual BA over Presidential estimate	1.05	.99	1.01	1.05	1.0	1.02	1.07	1.21	1.05	1.07	1.07	----------	1.05
C—Actual available BA	NA	419.7	438.5	474.5	509.3	546.1	[1] 627.5	[2] 774.7	1,019.8	1,006.7	1,093.5	1,182.2	1,241.3
D—Actual outlays	NA	184.6	196.6	211.4	231.9	246.5	268.4	324.6	461.2	401.9	462.2	500.2	539–541
E—Actual outlays as percentage of actual available BA	43.6	44.0	44.8	44.6	45.5	45.1	42.8	41.9	45.2	39.9	42.2	42.3	43.6
F—Deflator of actual BA	2.30	2.27	2.23	2.24	2.20	2.22	2.34	2.39	2.21	2.50	2.37	2.36	2.30
G—Outlays as percentage of presidentially estimated BA	45.9	43.5	45.1	46.8	45.6	45.9	45.8	50.6	47.7	42.6	45.0	42.3	45.9
H—Deflator of estimated BA	2.19	2.30	2.22	2.14	2.19	2.18	2.19	1.98	2.10	2.35	2.21	2.36	2.19

[1] Actual balance carried forward end of fiscal year 1973 to fiscal year 1974 shown in fiscal year 1975 budget. Removes additional HUD contract authority retroactively included in fiscal year 1974 and fiscal year 1975 amounts shown in fiscal year 1976 Presidential budget request.

[2] Estimate of balance carried forward end of fiscal year 1974 to fiscal year 1975 shown in fiscal year 1975 budget. Removes additional HUD contract authority retroactively included in fiscal year 1975 amounts.

TAKING A SENSIBLE AND CALM LOOK AT THE ERA

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. MAZZOLI. Mr. Speaker, the highly emotional debate over ratification of the equal rights amendment (ERA) continues.

The debate has—I think incorrectly—focused on a connection between ERA and abortion on demand.

I believe one can support ratification of ERA and still oppose abortion and the Federal financing of abortions. In fact, this describes precisely my sentiments and my actions on these issues over the years.

I bring to the attention of my colleagues the following editorial which appeared in the Record, the Louisville Archdiocesan newspaper, on February 2. It offers sensible, calm, and logical views on these difficult and intensely emotional issues.

The editorial follows:

[From the Record, Feb. 2, 1978]

WE REAFFIRM OUR ENDORSEMENT OF EQUAL RIGHTS AMENDMENT

Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex.

Section 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Section 3. This amendment shall take effect two years after the date of ratification.

So reads the Equal Rights Amendment, approved by both houses of Congress and, on March 22, 1972, submitted to the states for ratification. Under the terms of the Senate resolution approved on that day, the article quoted above is proposed as an amendment to the Constitution of the United States, pending ratification by the legislatures of 38 states by 1979. To date, 34 states, including Kentucky, have ratified the Equal Rights Amendment.

Discussion on the Equal Rights Amendment dates back to 1923, when it was introduced to Congress by the National Women's Party. Discussion did not become widespread, however, until 1972, when the amendment was submitted to the states for approval by the legislatures. In Kentucky, discussion has reopened with fervor during the current legislative session.

As is to be expected, the comments which have sustained this lengthy debate have not been uniformly helpful or reliable. Perhaps these comments which have offered the greatest clarification have been those which articulate the need for the amendment. Many persons thought that "equality of rights" was already guaranteed under the 14th amendment to the Constitution, and wondered why another amendment was necessary. In the ensuing dialogue, they were reminded that, indeed, the 14th amendment was not a solution to all inequities, particularly those based upon sex. Had it been, then the 19th amendment, granting suffrage to women, would not have been necessary. Nor would the rash of legislation of the 1960s and 70s have been necessary, prohibiting discrimination on the basis of sex in employment, education and credit. Dialogue on the subject has made it clear that progress in the elimination of sex discrimination has been made, but in a piecemeal, ad hoc fashion. Once this is recognized, then the merits of a clear, comprehensive and accessible law such as the Equal Rights Amendment can be appreciated.

If the discussion on the Equal Rights Amendment has provided an opportunity for clarification, it has provided as well an opportunity for obfuscation that is worthy of a "clockwork orange" world. In this discussion, the phrase "equality of rights" has taken on such negative connotations that the con-

scientious thing would be to put down both equality and rights. For example, "equality of rights" has been said to augur the end of separate restrooms for men and women; to force women out of the home and into the marketplace, or worse, into the armed services. More recently, "equality of rights" has been both feared and hailed as the sanction for "constitutionalizing" homosexual marriages or abortion.

Discussion of this kind renders no service to logic or common sense by reducing equality and rights to bugaboos. Yet, it has evoked responses that are patient and reassuring. Since the Supreme Court has guaranteed the right of privacy, then bathroom facilities must remain private, as they have always been; the right for women to remain in the home should they so choose is guaranteed in all 50 states; Congress has the power both to draft men and women, and to exempt them, and this power exists with or without an Equal Rights Amendment. An Equal Rights Amendment would not interfere with a state law prohibiting marriage between two people of the same sex unless the law applied to men and not to women, or vice versa. Finally, an amendment that protects equal rights under the laws of the nation or the states could scarcely pertain to abortion, which is limited necessarily to women. Moreover, the Supreme Court decisions on abortion have been based upon the right to privacy, and the Equal Rights Amendment, directed against sex discrimination, has nothing to do with privacy or with the Due Process Clause.

Since widespread discussion opened on the subject in 1972, this newspaper has consistently supported the Equal Rights Amendment. It unequivocally affirms its support for the Equal Rights Amendment at this time, when it once again threatens to be reheard in the Kentucky legislature. As a Catholic newspaper, The Record continues to recognize "equality of rights" as the only trustworthy humaneness, which is the seed-bed for dignity and growth to full personhood for all. In making this reaffirmation, The Record is bolstered by the corroborative endorsements of such outstanding institutions as the American Bar Association, the National Conference of Catholic Charities, B'nai B'rith Women, the League of Women Voters and by the American Association of University Women, to mention only a few. As a footnote, it might be added that as a newspaper, The Record does have some concern for words and their meaning. Neither this newspaper nor any other can depend upon language as a vehicle for communication if words such as "equality" and "rights" become the bearers of indelicacy or infamy.

THE PANAMA CANAL DEBATE: OPENING UP THE SENATE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. OBERSTAR. Mr. Speaker, the opening days of debate in the other body on the Panama Canal Treaties have reflected great credit on the Senate, principally because of the very wise decision to open debate to nationwide radio coverage.

I am confident that this gesture of openness in Government will enhance public respect for the Senate in particular, and the Congress as a whole, in the same way as televised coverage of the House Judiciary Committee hearings on impeachment did in 1974.

In the coming weeks, the Nation will have the opportunity to hear the Senate debate firsthand, in full, and to assess the facts for themselves without the intervening judgment of third party interpreters. That is an absolutely vital element on this issue of international and national significance which, in addition, is so heavily charged with emotion.

The conduct of the debate by our Senate colleagues has earned widespread public approval, and considerable laudatory comment in the new media.

I would like to share with my House colleagues an editorial which appeared in the February 10 Christian Science Monitor, praising our Senate colleagues.

In addition to these words of commendation, the Monitor very cogently presents the compelling reasons for adoption of the treaties.

At stake in this debate is the future of our relationship with our American neighbors to the south, who will be following with intense interest every point and counterpoint of the debate. U.S. action of the treaties will signal to the world the future direction of our relations, not only with our American neighbors in this hemisphere, but also with lesser powers elsewhere throughout the world. The decision on whether or not to ratify these treaties may in the future be viewed by historians as a major turning point in the conduct of American foreign policy. It is vital, therefore, that the Senate debate be thorough, knowledgeable, and open to the public:

[From the Christian Science Monitor, Feb. 10, 1978]

PANAMA POLEMICS

Americans still sitting on the fence on the Panama Canal issue—or even off it—ought to tune in to the live broadcast Senate floor debate. An education in parliamentary rules as well as the substance of the controversy the debate is lively, informative and, so far at least, quite gentlemanly. It does credit to the U.S. Congress.

We are listening, too, and so far we have heard nothing to alter our view—and much to reinforce it—that the treaties ought to be ratified. To focus on this historic Senate discussion, the first ever broadcast live, we again sum up the affirmative arguments:

Panamanian nationalism requires that the United States change with the times. The Panama of today is no longer the Panama of 1903. It is acutely conscious of being bisected by a zone run by Americans and it wants control over its own territory (just as Egypt did over the Suez Canal). Americans would want no less in Panama's place and in fact fought their own revolution against a foreign power to change the existing legal arrangement.

Whether Panamanian leader Gen. Omar Torrijos is a dictator or not is not relevant (and he is more benevolent than many). The point is the Panamanian people themselves favor the treaties and, judging from past experience, will do so no matter who is in power.

The U.S. does not have sovereignty over the canal, as opponents argue. Under the 1903 treaty it is granted rights and control "as if it were sovereign" and down through the years it has often reaffirmed Panamanian sovereignty.

The 1903 treaty itself, moreover, came into being under controversial circumstances since Theodore Roosevelt, after the pact was rejected by Colombia, supported the independence of the province of Panama in order to get the treaty.

Security of the canal would be enhanced because, as Senator Frank Church cogently argues, it is easier to protect it in a climate of friendship than of hostility. If the U.S. fails to ratify the treaties, it opens itself to the danger of terrorism and sabotage, which military officials agree would make it difficult to keep the canal open.

As for defending the canal in time of war or national emergency, the joint statement issued by President Carter and General Torrijos makes clear the U.S. would have the unilateral right to defend the neutrality of the waterway and that American warships would go to the "head of the line" for priority passage. Amendments introduced in the Senate would make this "understanding" an integral part of the neutrality treaty, a move which apparently would be accepted by the administration and Panama.

Economically, the canal remains vital but its importance to the United States has declined. Supersized cargo ships cannot go through it. It carries only 7 percent of U.S. trade between the East and West coasts and 8 percent of U.S. foreign trade.

Panama stands to benefit generously from the new arrangement. But the $60 million annual payments to Panama would come from canal tolls, at no cost to American taxpayers. The Panamanians, in their own self-interest, would want to run the canal efficiently once they took over and the U.S. has until the year 2000 to train them to do so.

Political support for the treaties is bipartisan. Republican and Democratic presidents over the past 12 years have sought to write a new treaty. Both party leaders in the Senate also back it

Not least of all, the United States would only bolster its stature by giving up what Latin Americans generally view as a holdover of American colonialism. It can demonstrate that it understands the yearnings of a nation to exercise sovereignty over its land and that it can act generously and fairly. With the nations of Latin America growing in economic and military power, the U.S. ought to be alert to bettering relations with them rather than practicing a misbegotten jingoism that only feeds resentment and hostility.

These, in short, are points on behalf of the treaties. The debate in the Senate chamber concerns not only these fundamentals of foreign policy, however. It reflects a battle between conservatives and moderates within the Republican Party. If Ronald Reagan and his supporters manage to carry the day against the pacts, this is bound to impact on the future of the GOP and its chances to become a broadly based, viable party.

The stakes at home and abroad are thus high. Americans should bear this in mind as they switch on National Public Radio and, in the comfort of their homes, join the fray.

RISING TAXES

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. ROUSSELOT. Mr. Speaker, the President has submitted to the Congress his 1978 tax program and it is now under consideration by the House Committee on Ways and Means. Analysts have revealed that even with the enactment of the President's proposals most people's taxes would go up. This fact is graphically described in an article which appeared in the February 4, 1978, issue of

the National Journal entitled "Even Under Carter Tax Plan, Most People Lose." I commend this article to the attention of my colleagues before consideration of this measure:

EVEN UNDER CARTER TAX PLAN, MOST PEOPLE LOSE

Even if President Carter's proposed $25 billion tax cut is enacted, most individuals and families of four will pay a greater percentage of their income in federal taxes in 1979 than in 1977—assuming that their salaries rise with the cost of living.

The effort of the new tax system would not be so much progressive as perverse. Taxpayers at both the bottom and the top of the tax scale would pay more; only those in the middle would gain.

A National Journal analysis of the proposed tax changes shows that the only single taxpayers who would benefit are those whose 1977 incomes fell in the narrow range of $3,300 to $4,500. Probably only about 10 per cent of all single taxpayers fall in this range. The very poor, and the many single taxpayers whose incomes exceeded $4,500, would pay more.

The only families of four who would be better off are those with 1977 incomes between about $8,000 and $17,000. Those whose incomes ranged up to $22,000 would come out about the same. But for poor families whose incomes fall below $8,000, as well as families whose incomes exceeded $22,000, the tax bite would be worse in 1979 than 1977. Such families probably represent at least 45 per cent of all families of four.

Of course, most people who pay income taxes would be better off with the Carter tax proposals than without them. The perverse effects of the Carter proposals are the result of two factors that offset the tax cuts: social security tax increases legislated in 1977 and the effect of inflation as it pushes taxpayers into higher income tax brackets.

Taking these factors into account, National Journal compared the 1977 and 1979 tax bites of individuals and families of four with incomes up to $30,000 in 1977. The results are shown in the graph above.

Single taxpayers would have to pay as much as an additional 1.7 per cent of their income in federal income and social security taxes. In dollar terms, they would have to pay as much as $1,400 in additional federal taxes.

Families would get hit hard at both the low end and the high end of the income scale. Families with 1977 incomes of $6,000 would see their tax bite increase from 2.5 per cent of their income in 1977 to 4.5 percent in 1979, while $30,000-a-year families would experience an increase from 18.4 per cent to 20.1 per cent. At the upper end of the income scale that percentage difference means $1,400.

Because of the earned income credit, very poor families would continue to pay a negative income tax—that is, they would collect more money from the tax system than they would pay. But they would benefit less than before, because of the increase in the social security tax rate.

In its calculations, National Journal assumed that 1977 incomes would be inflated by 14.5 per cent in 1979. This increase, of about 7 per cent a year, is equal to the increase that Congress, anticipating inflation, originally assumed in setting maximum wages subject to the social security tax.

Income taxes were computed according to actual 1977 tax tables and Carter's proposed 1979 tax tables. The standard deduction ($2,200 for individuals, $3,300 for families) was used for taxpayers in the lower brackets, but the average itemized deduction was used in higher brackets.

The social security tax is scheduled to rise from 5.85 per cent in 1977 to 6.13 per cent in 1979, and the maximum wages subject to the tax will rise from $16,500 to $22,900. Families of four were assumed to have two wage earners contributing social security taxes, with the lower-paid worker earning one-third of the social security wage base.—Joel Havemann and Robert J. Samuelson

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THE UDALL RECORD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. UDALL. Mr. Speaker, some of my constituents have requested that I make my full voting record available for the first session of the 95th Congress, and so I will today begin printing a list of my votes in the CONGRESSIONAL RECORD.

The list is arranged as follows: The votes are listed by rollcall number, and a short description of the measure under consideration is given; my vote is indicated (Y-yes; N-no; NV-not voting); the vote of the Arizona delegation is given (in the order; Yeas—nays—not voting, or present); an indication of whether the measure passed or failed; and the total vote.

In addition, in order to point out the more important votes out of the more than 700 cast, I have marked with an asterisk (*) those votes which were chosen as a "key vote" by one or more of the following organizations: American Conservative Union, Americans for Democratic Action, National Federation of Independent Businessmen, AFL–CIO, Taxation with Representation, Women's Lobby, and the Congressional Quarterly.

The description of each measure is admittedly very basic, and I am sure that many of my constituents will have additional questions on some of these votes. So I would invite them to visit my district office, at 301 West Congress, in Tucson, where we have the CONGRESSIONAL RECORD for 1977, and back issues of Congressional Quarterly, both of which are very informative.

The list follows:

VOTING RECORD—I

(2) Election of the Speaker of the House. O'Neill, 290; Rhodes, 142, Udall voted O'Neill. Arizona Delegation: O'Neill, 2; Rhodes, 1.

(3) To bar amendments to Rules of the House for 95th Congress. Y(1–2–1) Passed, 261–140.

(4) Rules of the House for 95th Congress. Y(1–2–1) Passed, 256–142.

(9) Authorize the President to establish a 90-day emergency natural gas program. Y(4–0–0) Passed, 367–52.

(10) Approve journal of Feb. 1 proceedings. Y(4–0–0) Passed, 413–2.

(11) Emergency Natural Gas Act: 90-day emergency allocation program; 180-day emergency purchase program; delete ceiling price on gas purchased from intrastate suppliers for interstate markets. Y(3–0–1) Passed, 336–82.

(12) To adopt rule on resolution to create a Select Committee on Assassinations. Y(2–1–1) Passed, 265–145.

(13) To eliminate language defining scope of investigation of Select Committee on Assassinations. N(1–2–1) Failed, 165–237.

(14) To reestablish until March 31, 1977, the Select Committee on Assassinations. Y(2–1–1) Passed, 237–164.

(15) To approve journal of Feb. 2 proceedings. NV(2–0–2) Passed, 329–3.

(16) Emergency appropriation ($6.4 million) for Department of Interior's Southwestern Power Administration. NV(2–0–2) Passed, 341–5.

(17) To approve fishing agreements between U.S. and Bulgaria, Romania, East Germany, Poland, the Soviet Union, and the Republic of China. Y(2–1–1) Passed, 353–35.

(18) To approve journal of Feb. 9 proceedings. Y(3–0–1) Passed, 364–3.

(19) To direct Committee on Standards of Official Conduct to conduct an inquiry to determine whether Members of the House, their immediate families or their associates have accepted anything of value from the South Korean government or its representatives. Y(3–0–1) Passed, 388–0.

*(20) To raise ceiling on Small Business Administration loans and investments in FY 1977 from $6 billion to $8 billion. Y(3–0–1) Passed, 381–0.

(22) To adjourn from Feb. 17 to Feb. 21. Y(1–2–1) Failed, 109–224.

(23) Reduced air fares for the handicapped and the elderly. NV(3–0–1) Passed, 403–0.

(24) To authorize medal to Marian Anderson in recognition of her distinguished career. Y(4–0–0) Passed, 398–4.

(25) Budget Resolution: To adjust revenue and spending levels downward, assuming permanent tax cuts instead of expenditures for job programs. N(2–2–0) Failed, 148–258.

(26) Budget Resolution: Set spending ceiling and revenue floor for FY 1977. (Spending, $419.1 billion; revenue, $348.8 billion). Y(1–3–0) Passed, 239–169.

(27) To adopt rule on public jobs bill (Local Public Works Capital Development and Investment Act of 1977). Y(4–0–0) Passed, 384–5.

(28) To require that 65 per cent of funds for public works projects go to states based on number of unemployed in the state, and that 35 per cent of funds be set aside for states with unemployment rates in excess of 6.5 per cent. Y(2–2–0) Failed, 187–201.

(29) To base public works funds allocation on number of unemployed in state in relation to national rate. N(2–2–0) Passed, 229–158.

(30) To make $6 billion available for public works projects on which construction could begin within 90 days. Y(1–3–0) Passed, 295–85.

(31) To extend arrest and police authority of fish and wildlife enforcement officials. Y(1–2–2) Failed, 206–136. (Two-thirds required).

(33) To approve fishing agreements between U.S. and Spain, Japan, South Korea, and European Economic Community. Y(4–0–0) Passed, 377–18.

(34) Depository Institutions Amendments of 1977 on interest rate regulation, federal credit unions, Federal Reserve Banks. Y(4–0–0) Passed, 401–4.

(36) To close debate on H. Res. 287, a new code of financial ethics for the House of Representatives. Y(2–2–0) Passed, 267–153.

*(37) To remove provisions of ethics bill abolishing unofficial office accounts and, instead, increase official expense allowance. N(3–1–0) Failed, 187–235.

(38) To remove ethics code restriction on Members' outside income. N(2–2–0) Failed, 79–344.

(39) Code of financial ethics, strengthening financial disclosure requirements, prohibit unofficial office accounts and lame duck travel, and restrict franking privilege and outside earned income. Y(3–1–0) Passed, 402–22.

(41) To provide $200 million authority for disaster relief activities made necessary by severe weather in eastern U.S. Y(4–0–0) Passed, 411–4.

(42) To restore $81.6 million to budget for long lead time funds for Nimitz-class nuclear aircraft carrier. NV(3-0-1) Failed, 161-252.

(43) To restore to budget $371 million for converting U.S.S. Long Beach nuclear cruiser to anti-aircraft cruiser. N(3-1-0) Failed, 137-269.

*(44) Conference report (House-Senate compromise) on Third Budget Resolution calling for spending ceiling of $417.4 billion, revenue floor of $347.7 billion. Y(1-3-0) Passed, 226-173.

(46) To consider (adopt rule) on Kennedy Center Act Amendments. NV(0-1-3) Passed, 292-22.

(47) To reduce funds for Kennedy Center repairs from $4.7 million to $3.3 million. N(1-1-2) Failed, 101-213.

(48) Kennedy Center repairs. Y(1-1-2) Passed, 239-78.

(50) To reestablish committee to study need for sports legislation. N(1-2-1) Failed, 75-271.

(51) To accept resignation of Rep. Henry B. Gonzalez as chairman of Select Committee on Assassinations. Y(4-0-0). Passed, 296-100.

(52) To close debate on Tax Reduction and Simplification Act. Y(1-3-0) Passed, 208-181.

(53) To phase out $50 rebates for persons earning more than $25,000 per year; to provide $50 payment to recipients of social security and veterans benefits. Y(2-2-0) Passed, 312-103.

(54) Tax Act: To provide flat standard deduction of $2,400 for single persons and $3,000 for married couples. Y(4-0-0) Passed, 386-29.

*(55) To provide tax credit of 40 per cent on the first $4,200 of wages paid a new employee who represents actual increase in employer's payroll. Y(2-2-0) Passed, 341-74.

*(56) Tax Act: To substitute permanent tax cut in seven lowest brackets for $50 tax rebates. N(3-1-0) Failed, 194-219.

(57) Tax Act: Final passage providing $12.7 billion in tax cuts and payments in 1977, change standard deductions, etc. Y(1-3-0) Passed, 282-131.

(59) To end debate on resolution establishing Select Committee on Ethics. Y(2-2-0) Passed 242-175.

(60) To establish Select Committee on Ethics to issue interpretive regulations for the new code of financial ethics. Y(4-0-0) Passed 410-1.

(61) To recommit Judiciary Committee funding and earmark $300,000 to investigate subversive activities. N(2-1-1) Failed, 159-249.

(62) To adopt rule on Suppl. Housing Act Y(4-0-0) Passed, 411-0.

(63) Supplemental Housing: to increase Section 8 contract term from 20 to 30 years. Y(4-0-0) Passed, 411-0.

(64) Supplemental Housing: Equal number of men and women on the National Commission on Neighborhoods. Y(1-3-0) Passed, 249-157.

(65) Supplemental Housing: To eliminate provision creating Commission on Neighborhoods. N(3-1-0) Passed, 243-166.

(66) Supplemental Housing: Additional authority of $378 million for Section 8; $19.6 million for public housing; $10 million for urban homesteading. Y(4-0-0) Passed, 380-30.

(67) To raise overall loan limit of Small Business Administration. Y(3-0-1) Passed, 355-1.

(68) To prohibit importation of chrome from any nation which violates the human rights provisions of U.N. charter. N(3-1-0) Failed, 153-246.

(69) To delay for 30 days effective date of Rhodesian Chrome bill. N(2-1-1) Failed, 160-236.

*(70) To allow prohibition on importation of Rhodesian Chrome. Y(1-3-0) Passed, 250-146.

(72) To allow and evaluate 90-day test televising of House proceedings. Y(3-0-1) Passed, 398-10.

(73) To consider (adopt rule) on Economic Stimulus Appropriations. Y(2-1-1) Passed, 333-71.

(74) To reduce countercyclical aid from $632.5 million to $250 million. N(3-1-0) Failed, 183-225.

(75) To prohibit public works funds for projects unless at least 10 per cent of those employed had lived in area 30 days and been unemployed for at least 30 days. N(2-1-1) Failed, 165-245.

(76) Economic Stimulus Appropriations: $23.3 billion. Y(3-1-0) Passed, 281-126.

(77) To consider (adopt rule) on Supplemental Appropriations for FY 1977. Y(2-1-1) Passed, 331-58.

(78) Supplemental Appropriations: $200 million for emergency assistance to low-income families to help with fuel bills. Y(1-3-0) Passed, 233-170.

(79) Supplemental Appropriations: To bar use of funds for salaries and expenses in connection with military pardon program. N(2-1-1) Passed, 220-187.

(80) Supplemental Appropriations: To delete International Development Association funds. N(2-2-0) Failed, 171-234.

(81) Supplemental Appropriations: $27.92 billion for various departments and programs. Y(1-3-0) Passed, 306-98.

(82) To consider (adopt rule) on National Aeronautics and Space Administration (NASA) Authorization Act. Y(2-2-0) Passed, 389-0.

(83) To authorize $4.05 billion for NASA, FY 1978. Y(3-0-1) Passed, 338-44.

(84) To authorize $275 million for expanding public library services (two years). Y(3-0-1), 368-1.

(85) Unemployment Extension: To bar amendments to the rule. YES Y(1-1-2) Passed, 213-164.

(86) To consider (adopt rule) on Emergency Unemployment Compensation Extension Act. NV (1-0-3) Passed, 236-141.

(87) To extend Federal Supplemental Benefits (Unemployment Act) and reduce by one-half maximum number of FSB weeks. NV(0-1-3) Passed, 327-63.

(89) To amend Vocational Education Technical Amendments to remove $25 million limit on federal funds for state administration and no limit on local administration of vocational education programs. NV(3-0-1) Passed, 396-1.

(90) Resolution protesting the lack of freedom of emigration from the Soviet Union. NV(3-0-1) Passed, 400-2.

(92) To consider (adopt rule) on Common Situs Picketingg. Y(1-3-0) Passed, 297-112.

*(93) Common Situs: To limit right to picket a common site to employees of persons "primarily engaged in the construction industry on the site." N(3-1-0) Passed, 212-209.

(94) Common Situs: To exempt employers using "fast-track" or phased method of construction. N(3-1-0) Failed, 181-241.

(95) Common Situs: To exempt certain residential builders. N(3-1-0) Passed, 252-167.

(96) Common Situs: To require strike be approved by a majority of all workers afected, including union and non-union. (3-1-0) Failed, 115-304.

(97) Common Situs: Sarasin Substitute (similar to original bill). Y(1-3-0) Passed, 246-177.

*(98) Common Situs: Final passage, to permit picketing of an entire construction site even if the dispute was with one employer on the site. Y(1-3-0) Failed, 205-217.

(99) To approve journal of March 23. Y(4-0-0) Passed, 386-3.

(100) To authorize $85 million for Federal Aviation Administration. Y(4-0-0) Passed 402-6.

(101) To authorize $868 million for National Science Foundation. Y(2-2-0) Passed, 378-29.

(102) To authorize $89.7 million supplemental funds for State Department activities. Y(3-1-0) Passed, 292-114.

(104) To create Select Committee on Congressional Operations. N(0-2-2) Passed, 211-147.

(106) To provide that governmental reorganization plans become effective only if both House and Senate approve the plan. N(2-2-0) Failed, 87-329.

(107) To renew for three years the President's authority to submit reorganization plans to Congress, to become effective within 60 days unless rejected by either house. Y(3-1-0) Passed, 395-22.

(109) To consider (adopt rule) bill to continue the Select Committee on Assassinations. Y(2-2-0) Passed, 285-124.

(110) To withdraw authority given Assassinations Committee to bring, defend, or intervene in lawsuits. N(3-1-0) Passed, 223-195.

(111) To go into secret session to continue consideration of Assassinations Committee resolution. N(1-2-1) Failed, 185-226.

(112) Final passage, to continue Select Committee on Assassinations. Y(1-2-1) Passed, 230-181.

(113) To approve section of H. Res. 393 authorizing additional funds for House leadership offices. Y(4-0-0) Passed, 276-128.

(114) To authorize additional funds and personnel for House majority and minority leadership offices. Y(4-0-0) Passed, 276-122.

(115) Strategic and Critical Materials Stockpiling Act Amendments. Y(4-0-0) Passed, 373-24.

(116) To extend for one year authorizations for national cancer program; heart, blood vessel, lung and blood program, etc. Y(4-0-0) Passed, 385-4.

(117) To increase authorization for home health services demonstration and training programs. NV(3-0-0) Passed, 322-69.

(118) To extend for one year authorizations for grants to states for maternal and child health and crippled children services, etc. NV (3-0-1). Passed, 376-4.

(119) To restore to VA authorization to provide medical services on a fee basis to certain veterans outside VA facilities. Y (3-0-1). Passed, 402-0.

(120) To authorize $30 million (two years) for VA grants to states to construct veterans homes and nursing homes. Y (3-0-1). Passed, 399-0.

(121) To change effective date of sick pay exclusion to Jan. 1, 1977, for taxpayers who wish to claim old sick pay exclusion. Y (4-0-0). Passed, 404-0.

(122) To adopt conference report on extending Federal Supplemental Benefits Program through Mar. 31, 1978, and reduce number of FSB weeks from 26 to 13. Y (4-0-0). Passed, 406-2.

(123) To consider (adopt rule) on Debt Collection Practices Act. Y (3-1-0). Passed, 347-44.

*(124) To amend Consumer Credit Protection Act to regulate debt collectors' activities, including a prohibition on harassing and intimidating consumers and making false or misleading representations Y (1-3-0). Passed, 199-198.

(125) To authorize $20 million for earthquake disaster relief activities in Romania. NV (2-1-1). Passed, 322-90.

(126) To authorize grants to states to help local and state educational agencies provide

career education programs in elementary and secondary schools. Y (4–0–0). Passed, 398–14.

*(127) To protect petroleum franchisees from cancellation. Y (4–0–0). Passed, 404–3.

(128) To consider (adopt rule) on Federal Water Pollution Control Act Amendments. Y(3–1–0) Passed, 348–60.

(129) To authorize $18.2 billion (three years) for municipal wastewater treatment works. NV(2–0–2) Passed, 361–43.

(130) To approve journal of April 5 proceedings. Y(3–0–1) Passed, 373–8.

(131) To consider (adopt rule) on Increased U.S. Participation in International Banking Agencies. Y(2–0–2) Passed, 366–15.

(132) To inquire U.S. opposition to international banking loans for production of palm oil, citrus and sugar. Y(2–0–2) Passed, 218–145.

(133) To provide withdrawal of U.S. funds from International banking agencies if the agencies provided financial aid to Cuba, Vietnam, Laos or Cambodia. N(1–1–2) Failed, 165–189.

(134) To increase to $5.2 billion (four years) U.S. participation in several international development lending institutions. Y(2–1–1) Passed, 194–156.

(135) To permit tax deductible business use of residence for day care services. Y(3–0–1) Passed, 320–1.

(136) To approve journal of Apr. 18 proceedings. Y(3–0–1) Passed, 367–4.

(137) To amend Federal Rules of Criminal Procedure, changing language relating to secrecy of grand jury proceedings, cases tried by juries of less than 12 persons, and cases tried without a jury. Y(4–0–0) Passed, 376–3.

(138) To authorize $288 million for research, development and demonstration projects of Environmental Protection Agency. Y(2–2–0) Passed, 358–31.

(139) To consider (adopt rule) on Export Administration Act Amendments. Y(4–0–0) Passed, 399–2.

(140) To extend Export Administration Act through FY 1979. Y(4–0–0) Passed, 364–43.

(142) To adopt conference report on FY 1977 supplemental appropriations of $29 billion. NV(3–0–1) Passed, 264–142.

(143) Supplemental appropriations: $12.5 million for Uniformed Services University of the Health Sciences (trains doctors for the armed services). N(3–1–0) Passed, 250–162.

(144) Supplemental appropriations: $20 million to reimburse local governments for snow removal costs in emergency areas. Y(1–3–0) Failed, 124–279.

(145) To approve journal of April 21 proceedings. Y(3–0–1) Passed, 326–8.

(146) Defense: To prohibit procurement of Airborne Warning and Control System aircraft. NV(0–1–3) Failed, 135–222.

(147) To allow Treasury Department to earn interest on its idle tax and loan accounts by investing in interest-bearing securities. N(1–1–2) Passed, 384–0.

(148) Defense: To deactivate 17,000 troops stationed overseas and reduce total force by 50,000. Y(1–1–2) Failed, 88–301.

(149) Defense: To place all future enlistees under congressional retirement plan. Y(1–3–0) Failed, 148–247.

(150) Defense: To prohibit use of funds to advertise the review program for less-than honorable discharges. N(1–2–1) Passed, 291–96.

(151) Defense: To authorize $35.9 billion for military procurement, research and development; to set active duty troop level at 2,090,425. Y(4–0–0) Passed, 347–43.

(152) To consider (adopt rule) First FY 1978 Budget Resolution. Y(1–3–0) Passed, 400–1.

(153) Budget Resolution: To increase revenue target by $900 million (Third 1977 Budget Resolution), by assuming deletion of business tax credits contained in Tax Reduction Act of 1977. Y(2–2–0) Failed, 109–302.

BULGARIAN INDEPENDENCE DAY—100 YEARS LATER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. BIAGGI. Mr. Speaker, in many parts of the world, centennial observances are causes for celebration. Less than 2 years ago this Nation joyously celebrated our Bicentennial, 200 years of freedom.

Yet on March 4, a far more somber centennial anniversary will be observed, that of Bulgarian Independence Day. Bulgaria's history, particularly over the past quarter century, has been one of tragedy of captivity, of persecution; in short, exemplifying precisely the antithesis of independence.

Bulgaria has constantly fallen victim to stronger powers taking over control of her affairs. Unfortunately, they have all been tyrannical regimes. In the early part of this century, Bulgaria was able to free itself from the clutches of the Ottoman Empire and become fully independent. Economically, socially, and politically, Bulgaria flourished under the light of freedom.

However the joy was short lived. By 1941, Bulgaria was again overrun, this time by the mighty Axis controlled by Hitler. Following World War II. Bulgaria, like most of eastern Europe, fell to the Soviet Union, under whose oppressive rule they remain today. The Soviet style of rule is based on force, not freedom, persecution not personal liberty, deprivations of human rights instead of dignity. While this method may arouse fears into the Bulgarian people, many of them have remained ideologically free and hopeful that they may again resume a life of freedom.

The extent to which freedom and self-determination are advanced in Bulgaria and other captive nations will serve as the most accurate barometer on how successful of our new human rights oriented policy is working. There are no more horrible human rights violations occurring than in Soviet bloc countries. There is no more logical area we should demand reforms than in these nations.

Yet the people of Bulgaria and other captive nations are still skeptical about U.S. foreign policy. They vested great hopes in détente only to be betrayed. Now their hopes switch to the new U.S. human rights policies. We cannot betray them again.

On March 4 I will have the distinct privilege to attend the 16th biannual congress of the Bulgarian National Front in New York City. On this date the front and other captive nations organizations will come together in a demonstration of unity. I look forward to this significant event and salute the national president of the Bulgarian National Front, Inc., Dr. Ivan Docheff, a true leader and humanitarian.

I have long been an outspoken advocate of freedom for the millions of captive peoples of this world. The Congress and the administration have an obligation to be involved in this struggle and to demonstrate solidarity with captive people who seek freedom. The millions who comprise the Bulgarian-American community play an invaluable role in our society, as they have throughout our history. Yet, as we approach the 100th anniversary of Bulgarian Independence Day, Bulgarian-Americans are most aware of the lack of freedom which their relatives and friends endure in Bulgaria today. On this occasion, let us renew our pledge of support and assistance for this most important cause—the cause of freedom for Bulgaria and her people.

GLENDORA BOUGAINVILLEA—A HISTORICAL LANDMARK

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. ROUSSELOT. Mr. Speaker, on January 7, 1978, it was my privilege to participate in a ceremony in my congressional district to dedicate the city of Glendora's first historical landmark, the Glendora Bougainvillea. The bougainvillea is an ornamental vine with brilliant purple red flower clusters and the Glendora Bougainvillea is believed to be the largest growth in the Continental United States. Dr. and Mrs. Lloyd Pittman, owners of the estate where the Bougainvillea vines grow, made application to have the bougainvillea's dedicated as a State of California historical landmark. In their concern for the survival of the vines, Dr. and Mrs. Pittman also requested that the Glendora Bougainvillea be nominated to the National Register of Historic Places. I endorsed this nomination and was pleased to be advised by the keeper of the National Register, U.S. Department of Interior, that the Glendora Bougainvillea was entered on the National Register on February 7, 1978. This will enable the city of Glendora to receive grants-in-aid to provide funding for the maintenance and preservation of the Glendora Bougainvillea.

Well over 3,500 people turned out to recognize this important event in the city of Glendora and on the occasion an appropriate historical marker was placed at the foot of these magnificent vines. Mr. Speaker, in order that the entire proceedings at this significant event may be made known to the general public, who will now be able to visit and enjoy the beauty of the Glendora Bougainvillea vines for many, many years to come, I am submitting a list of those who were in the program and a copy of Mary E. LaFetra's keynote address which was an important part of the historic landmark dedication:

PROGRAM

Opening statements, Dr. Glenn Vaniman, Master of Ceremonies.

Invocation, Rev. Arthur Baldwin.

Posting of colors and flag salute, Campfire Girls.

High School Marching Band, M.C. and Band.

Introduction of mayor, M.C.

Comments, Mayor Finkbiner.

Introduction of other dignitaries, M.C.

Dr. Knox Mellon, Calif. State Historic Preservation Officer.

Gordon Browning, Representing Sen. Richardson.

Dr. Lee Lenz, Director of Rancho Santa Ana Botanic Garden.

John Rousselot, Congressman.

Short speech, Rousselot.

Introduction of Dr. Lloyd Pittman, M.C.

Statement of sponsor and introduction of contributing guests, Dr. Pittman.

Introduction of keynote speaker, M.C.

Keynote speech, Mrs. C. M. LaFetra.

Introduction of Dr. Knox Mellon, M.C.

Speech and plaque presentation, Dr. Knox Mellon.

Acceptance for city of Glendora, Mayor Finkbiner.

Musical selection, Band.

Closing statements, M.C.

Unveiling of monument, M.C. and Boy Scouts.

KEYNOTE ADDRESS BY MARY E. LAFETRA

This growth of bougainvillea is the largest in the United States. These magnificent vines have been viewed by thousands through the years. I remember being shown this beautiful sight as a Glendora attraction in 1927. The lovely magenta to purple bracts are evident throughout the year, but the heaviest bloom is in December, May, June and July.

The preservation of these giant vines, the trunks of which are from 18 to 24 inches in diameter, must become the responsibility of government agencies, since the owners of this grove, Lloyd and Doris Pittman, have plans to develop this property into a subdivision of single-family residences within the next six months.

The palm trees bordering the grove were planted in the 1890's by Mr. and Mrs. Reubin Hamlin. At the instigation of Helen Hamlin, the bougainvilleas were planted in the early 1900's. The growth of the vines was rapid because they were irrigated and fertilized as part of the orange grove. In the 1930's they reached a height from 50 to 70 feet forming a column of color 12 to 20 feet across. Through the years, the vines have gradually slid down and bulged out. Some are now only 20 feet in height.

The growing potential of the plants is still there, but some mechanical device must be provided for the vines to climb on so they can reach their former height and beauty. Both Dr. Lenz, Administrator of the Rancho Santa Ana Botanic Gardens in Claremont and Francis Ching, Chief Horticulturist for the Los Angeles County Arboretums have suggested types of devices which could be used as climbing ladders without injuring the palm trees. John Dourley, Chief Horticulturist for the Rancho Santa Ana Botanic Gardens has inspected the vines and suggested cultural practices and preservation methods.

Mrs. Beatrice Beck and John Dourley, both of the Rancho Santa Ana Botanic Gardens have contributed to our knowledge of the history of the genus in California and the world. Bougainvillea is named for Louis Antoine de Bougainvillea who was aide-de-camp to General Montcalm in the French and Indian Wars. When France lost her holdings in Canada, Bougainvillea with the King's botanist, Philibert Commuson, set sail on a voyage of discovery for France. During this voyage, Commuson found the plant in Brazil and named it after Bougainvillea. It was taken on their voyage to the South Pacific and later to France.

It is believed that bougainvilleas were brought to Southern California by whaling ship in the 1870's. Being sub-tropical to tropical, the vine cannot be grown as a year-round outdoor plant in continental United States except along the coast of Southern California and certain parts of Florida. Even in these regions cold nights of below 32° will cause considerable die back of the smaller branches. The location of the Pittman grove is ideal because the warm air from Dalton Canyon flows along a temperature slot less than ½ mile wide and the vines are seldom subjected to below freezing temperatures.

It has been difficult to pinpoint the year of planting of the Glendora Bougainvilleas, but some of the long-time residents of Glendora remember seeing the plants thriving by 1910. Mrs. Keith Suydam and Mrs. Ruth Kimball Richardson remember their beauty by 1910. Francis Detwiler attended Wilson Elementary School from 1914 to 1920 and remembers retrieving baseballs from the vines. Melvin Shorey, a grandson of Phillip Shorey, one of the prominent pioneers of Glendora says that the bougainvilleas were very large in 1929—when the second owner, Ivan Hanley, brought the grove from the Hamlins. In 1944 a newspaper article stated that the vines were planted by Mrs. R. W. Hamlin in 1903.

For years these vines have delighted our residents and visitors and have truly exemplified the Early Twentieth Century Promotional Image of California a Paradise. It is great gratitude that we extend to Lloyd and Doris Pittman, the City, and the State of California for preserving the beauty of this landmark which has given joy to so many.

COMMEMORATIVE SALUTE TO THE VALIANT PEOPLE OF ESTONIA ON THE 60TH ANNIVERSARY OBSERVANCE OF THE DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. ROE. Mr. Speaker, I wish to join with our colleagues in commemorative salute to the valiant people of Estonia on the 60th anniversary observance of the declaration of independence of the Republic of Estonia.

We share today with the Estonian communities throughout our Nation a renewed desire and strengthening of our resolve to seek to restore freedom and self-government to the oppressed people of Estonia in the U.S.S.R. The forcible occupation and incorporation of Estonia by armed forces and continuing oppression of these courageous people by a senseless and cruel exercise of governmental authority is abhorred by all freedom loving peoples throughout the world.

In this special order of the House we rededicate America's commitment to promote compliance with the Helsinki accords and particularly the Helsinki pledge to "promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his full and free development."

Mr. Speaker, hopefully through the viable force of world opinion that we are attempting to muster in achieving global agreement on basic human rights principles, we will eliminate government controls that dominate the personal freedoms of the individual to live and worship in the land of his or her choice. In Estonia, we trust that they will soon regain their independence and sovereignty as a nation of people and be able to hold their own elections as a free people in the choice of their government.

TRIBUTE TO FORMER GOVERNOR SAM H. JONES

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. BREAUX. Mr. Speaker, I am saddened at the untimely passing of a great American and one of Louisiana's greatest governors, Sam Houston Jones. Mr. Jones' accomplishments as Governor of Louisiana have contributed greatly to our Nation's wealth.

Former Governor Jones unselfishly devoted his life toward improving the quality of life for others and he gained the admiration and respect of all Louisianians. Louisiana has lost a great public servant and he will be greatly missed by all of us who are fortunate enough to have known him.

I would like to place in the RECORD the eulogy delivered at his funeral which details some of the accomplishments of this great Louisianian:

IN MEMORY OF SAM H. JONES

(By Paul Brown)

Future Louisiana historians will pay great tribute to the life and deeds of this great friend of ours before whose bier we stand today. His was a beautiful fruitful life. Few men leave in their wake so impressive and permanent a stamp on the history of their state. For over half a century he has served the fellow citizens of Louisiana with distinction and impeccable integrity. His fine contributions for good are beyond numbering. To have been chosen to serve as their Governor was a high honor indeed. That he served in that high office with unblemished morality, dignity, and effectiveness identified him as a true statesman, not a politician. Such honors and distinctions belong to Sam Houston Jones.

I speak today with deep emotions. I have known Sam Jones for many years, since the grand days of World War I, and I am highly honored to be here to deliver my tribute.

To cover adequately the life of Sam Jones would require a book of many pages. His achievements and honors are almost without limit. They are well known to you and to the people of his state. He was your neighbor. You knew him well. He was born and reared in the Southwest Louisiana area. It became necessary for him to leave college after only a year and a half, but in the book of Proverbs he must have found this quotation: "Happy is the man that findeth wisdom and the man that giveth understanding. For the gaining of it is better than the gaining of silver, and the profit thereof than fine gold."

He entered the School of Hard Knocks and to her teaching he gave unsparingly of his time and his singular mentality. He studied exhaustively our romantic history. He acquainted himself with our sons and daughters who have risen above their fellowmen to cast their shadows of lasting influence over all Louisiana. He learned of her great artists, her brilliant men and women of letters, her historians, her great industrialists, her men and women who have risen to positions of distinction in their various professions. He became on his own instructions, a master of his state's napoleonic code and unusual laws. He made of himself an authority on the wealth of natural resources with which the creator had endowed his state. From this self-imposed mental discipline, he emerged as a student of rare brilliance, whose light was to shine afar that others might see and be guided. Along with Abraham Lincoln and a host of other great men, he joined the Alumni of that School of Hard Knocks for which there are no entrance requirements, save an avid compelling desire to learn. There is no graduation because her teaching never ceases.

Early in life, an attorney of superior attainment, Sam Jones was elected as a member of the Louisiana Constitutional Convention in 1921, as its youngest member. As Governor, he served from 1940 to 1944. He was appointed by President Eisenhower as a member of the Federal Commission of Intergovernmental Relations in 1953 and served with great distinction. Unselfishly he gave of himself and of his time to military and political groups, to church and civic duties, to speaking and lecturing and to writing for numerous publication of high selectivity.

As Governor his crusade against political scandals and the spoils system in public employment attracted nationwide attention. Under his administration was initiated Louisiana's first real Civil Service System, central purchasing and auditing, and competitive bidding on state contracts. His administration was true reformation in Louisiana government. He served his state as co-chairman of a nonpartisan committee to revise Louisiana's system on penology, probation, paroles and pardons. The report of this committee and the results obtained have evoked the praise of national experts who are qualified to judge in this line.

Sam Jones was most active in the organization of the Public Affairs Research Council, the Council for a Better Louisiana and the Gulf South Research Institute. In all three of these organizations he was most active, giving to them much of his time, his wisdom, and his leadership; to him can be ascribed much of their success.

As early as 1940 Governor Jones gained legislative approval for his ideas on consolidation of many state agencies and a streamlined Executive Branch. These innovations which were far sighted and ahead of their times were as a result defeated. However, seeds were sown which today we see bearing fruit. So well were these ideas conceived and so able was his administration, that many who have been Governor in more recent years continued to turn to him for advice and council, and he, at all times, was willing to make available his time, his rich experience, his wide knowledge, and his fine talents in the continuing movement for reform.

The birth and growth of every idea takes place in the mind of a man. Another great American has said, "In the life of great movements it is necessary for one man who has faith to walk alone for awhile." As Sam Jones studied exhaustively the history of his native Louisiana he was impressed deeply with its great past, its almost unlimited natural resources, the days long past when it led the entire nation in its great wealth. Also he learned how this once proud place of leadership had been lost through the years of bitter strife and the yet more bitter years of reconstruction that had robbed the entire southland of its wealth and financial position. Governor Jones has always been a man of vision. His greatest vision was of a day when the enormous wealth of natural resources in Louisiana could be most effectively utilized within the economy of the state and produce the highest standard of living for all her people. He saw clearly that the then political climate in Louisiana had degenerated to such an extent that industry and capital had long been unwilling to enter the state.

Undaunted he had vision of the state's great future potential and its enormous reserves of oil and gas, of sulphur, salt, and iron ore, in the reforestation of its once denuded lands, the possibility of great plants for the manufacture of paper and wood products; its agriculture expanded 4-fold through modern methods and its cattle being raised for many markets and its wealth of raw materials for a tremendous chemical industry.

This idea of future greatness grew in the mind of Sam Jones, and for awhile, in complete faith, he walked alone. But the idea was one whose time had come, and where once Sam Jones walked alone, today thousands walk in his footsteps; led largely by his splendid vision. Many of the reforms he advocated are coming to pass. To these movements he has left his understanding and wisdom born of his vast experience.

So today in full confidence, great business interests are moving into Louisiana in an ever increasing number. Once again with competent and dedicated leadership Louisiana will regain its place among the leading states of the union, and this fair land he loved so much will come once more into its rightful estate.

His life has been devoted without reservation to the service of his God, his family, his host of friends, and to his state and nation. To his family, his friends and to all the people of his state he leaves a great heritage which will always be an inspiration to all of us.

The clairon call of Sam Jones is muted today, but in memory his voice will always carry "The Thunder of Silent Fidelity." A great Louisianian, a great American, a great Humanitarian, he was a dedicated and gifted leader who will be sorely missed.

To quote from the immortal bard "his life was gentle, and the elements so mixed in him that nature might stand up and say to all the world—He Was A Man."

Today we cannot say "Farewell" it is only "Aufwiederschen" until we meet again to, "this friend of ours who lives in God."

LITHUANIAN INDEPENDENCE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. OTTINGER. Mr. Speaker, on February 16, 1978, Lithuanians throughout the world commemorated the 60th anniversary of the independence of Lithuania. Today, the Congress of the United States joins in honoring the Declaration of Lithuanian independence.

However, the people of Lithuania have been unable to exercise their independence because for 37 years they have suffered from the illegal occupation and dominance of the Soviet Union. The people of Lithuania and all the Baltic States are the victims of intolerable human rights abuses.

As support and inspiration to Lithuanians, Estonians, and Latvians, we, of the Congress of the United States should join in condemning the Soviet Union's usurpation of the sovereign right of the Baltic peoples to self-determination and suppression of their international recognized human rights and individual freedoms.

DRS. ANNA FISHER AND JUDITH RESNICK: SOUTH BAY ASTRONAUT CANDIDATES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. DORNAN. Mr. Speaker, the Redondo Beach Chamber of Commerce is honoring two very outstanding young women March 10. Dr. Judith A. Resnik and Dr. Anna Lee Fisher are among the first six women ever selected as candidates to become American astronauts. They will join 33 other young Americans at Johnson Space Center in Houston this July to begin a 2-year training program as mission specialists for the National Aeronautics and Space Administration's Space Shuttle Program.

Since the Space Shuttle *Enterprise* is itself a product of California private enterprise, it is appropriate that many of the candidates are Californians, and four have South Bay connections. Dr. Resnik and Dr. Fisher are joined by Ronald E. McNair of Marina del Rey, a technical staff member at Hughes Research Laboratories, and Sally K. Ride, a Stanford University research assistant whose father is Dr. Dale B. Ride of Santa Monica College.

It is, then, fitting that the Redondo Beach Chamber of Commerce pay special tribute to Dr. Resnik and Dr. Fisher. But their achievements are not solely as South Bay residents, or scientists, or women. Each is an interesting and accomplished individual, and I would like to tell you briefly about them.

Judith Arlene Resnik is currently a senior systems engineer engaged in product development for Xerox Corp. in El Segundo. She was born in Akron, Ohio. After graduating with honors in electrical engineering from Carnegie-Mellon University, she pursued graduate work at the University of Pennsylvania, and earned a Ph. D. in Biomedical Electrical Engineering from the University of Maryland. During part of that time, she was an American Association of University Women fellow, and she continues her association with the AAUW. Other personal and professional activities include the Institute of Electrical and Electronic Engineers' Committee on Professional Opportunities for Women, the Federation of American Scientists and American Association for the Advancement of Science, and the Carnegie-Mellon University Admissions Council.

During her graduate studies, Dr. Resnik worked as design and project engineer for two divisions of RCA, dealing with NASA and naval equipment, and later as a biomedical engineer and staff fellow with the National Institute of Health Neurophysiology Laboratory. Her obvious scientific experience, in addition to the concern she has shown for others through her personal associations, will prove valuable in her services with NASA.

Anna Lee Fisher was born in St. Albans, N.Y., and in 1961 came to San Pedro with her parents, Mr. and Mrs. Riley F. Tingle. She is married to Dr William F. Fisher, and is currently specializing in emergency medicine, working with several Los Angeles area hospitals.

A graduate of San Pedro High School, she received her Bachelor of Science degree cum laude with honors in chemistry from the University of California at Los Angeles, where she did specialized graduate work in chemistry with Dr. M. F. Hawthorne. Dr. Fisher graduated from UCLA School of Medicine and served her internship at Harbor General Hospital in Torrance. During her undergraduate years she was a National Science Foundation Research fellow. Her personal, family, and community activities include such outdoor sports as skiing, scuba diving and backpacking, as well as flying and reading, and serving as an instructor of advanced cardiac life support for the American Heart Association. Dr. Fisher is a member of the American College of Emergency Physicians. Again, this young woman combines the personal warmth and professional dedication exemplary of the Californians and other Americans who promise to make this country's third century our best century yet.

I am certain that my colleagues in the House of Representatives join me in wishing these young astronaut candidates success in all their efforts. They bring excellent personal qualities and expertise to an exceptional national project.

ESTONIAN INDEPENDENCE

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. MAGUIRE. Mr. Speaker, I would like to take this opportunity to remind my colleagues in the House and the people of the United States that February 24 marks the 60th anniversary of Estonian independence.

When the Communists came to power in Russia in November 1917, the leaders of Estonia decided—on November 28—to break away from Russia. Early in December, the Russians installed a puppet government which, with the aid of Russian troops, ruled the country by martial law. When German troops entered Estonia in February, the Communists fled, but Estonians still would not accept the occupation of their homeland. On February 24, 1918, they proclaimed Estonia's independence. In late 1918, the Germans withdrew from Estonia, and it appeared as if the Estonians could finally become masters of their own country. But the Soviets once again attacked Estonia. By mid-January the Estonians had mounted an offensive against the Communist forces which was so successful that on February 24, 1919—the first anniversary of independence—it was announced that the invaders had been driven out of the national territory.

After the signing of the peace treaty with the Soviet Union, Estonia began to frame a constitution, which relied primarily upon the constitutions of Switzerland, France, and the United States. The constitution affirmed Estonia's independence and its republican form of government. The Estonian Constitution was especially significant because of its emphasis on human rights, and it has been described as "the mature deliberation of a people staunchly devoted to the cause of democracy and impelled to the creation of a regime of social and political liberty by every tradition of a somber past."

World War II brought a tragic end to the democratic country of Estonia. On August 23, 1939, the infamous nonaggression treaty between Hitler's Germany and the Soviet Union was signed, and by a secret protocol of this agreement, Estonia was assigned to the Soviet orbit. Estonia today, as we all know, is still under Soviet control—and the United States, I am pleased to say, has never invalidated its recognition of Estonia as an independent state—and the people of Estonia, like the people of other Soviet-dominated nations, are severely restricted in their social, political, and religious freedoms. On this important date, let us remember the contributions that Estonia has made to freedom and democracy, and let us again commit ourselves to the spirit of equality and dignity for all people.

PHOENIXVILLE HIGH SCHOOL PHANTOMS WRESTLING TEAM

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. SCHULZE. Mr. Speaker, I am pleased to share with my colleagues today the achievements of a group of young men in my congressional district. For the third straight year the Phoenixville High School Phantoms wrestling team has won the Ches-Mont League championship. For the second consecutive year they have emerged victorious from the District I sectional tournament. These young men should be proud of their 33 successive victories. This outstanding record has been compiled under the leadership of Coach Lonny Moore, Assistant Coach Doug Olsen, and Athletic Director Edward Aurand. The Phantoms were the only Ches-Mont team to boast more than one individual winner at the recent tournament where six of these young men won their matches, and nine team members will advance to the District I tourney later this week. This team has again brought honor to their school, their community and themselves. They represent what I consider to be the finest qualities in our young people today, and they should be proud of their accomplishments. These young men reflect well upon the calibre of our schools, and our great Nation will be the benefactor in the years to come.

The members of this championship team are Joseph Holland, Kurt Anderson, Steve McGovern, Dave Trevelino, John Giannopoulos, Joseph Tornetta, Paul Bearden, Joseph Parry, John Leo, Steve Vodanis, Peter Famulari, Tep Harrop, Evan Weiss, and Doug Sykes.

I congratulate these young men and their coaches for this outstanding achievement, and wish them well in their future endeavors.

CONGRESSIONAL SALUTE TO THE VALIANT PEOPLE OF LITHUANIA IN COMMEMORATION OF THE 60TH ANNIVERSARY OF THE REPUBLIC OF LITHUANIA

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. ROE. Mr. Speaker, on February 16, 1978, Americans of Lithuanian origin and descent throughout the United States commemorated the 60th anniversary of the re-establishment of an independent Lithuania and the 727th anniversary of the founding of the Lithuanian State. I wish to join my colleagues and the Lithuanian American community in commemorating this anniversary observance of Lithuanian Independence Day and salute the people of Lithuania who steadfastly cling to the richness of their cultural heritage and seek freedom of expression, religion and basic individual human rights in the country of their birth.

As we reflect on the history of the Lithuania, we look to the country of Lithuania situated at the southern end of the eastern coast of the Baltic Sea, right at the European continent's geographic center. Historians tell us it emerged as a unified state in the early decades of the 13th century and became internationally recognized as the Kingdom of Lithuania in 1251 A.D.

After centuries of vast expansion eastward and southward, in 1569 Lithuania became a partner in the Polish-Lithuanian Commonwealth, which lasted till 1795 when it was partitioned between Austria, Prussia, and Russia. Lithuania fell under the Russian rule.

Lithuania succeeded in re-establishing its independence in 1918, at the end of World War I, but was occupied again in 1940 by the armed forces of Russia, now known as the Soviet Union.

During the last Congress we were instrumental in establishing the Commis-

sion on Security and Cooperation in Europe (Public Law 94–304) to monitor international compliance with the Helsinki agreements. We also reaffirmed our Nation's policy of nonrecognition of the legality of the 1940 incorporation into the Soviet Union of the independent states of Lithuania, Latvia, and Estonia. I was pleased to sponsor and vigorously support these congressional resolutions.

Mr. Speaker, we are all agreed that there is a continuing need for concerted action in mustering world opinion as a viable force in achieving universal understanding and agreement on basic human rights principles to eliminate government controls that dominate the personal freedoms of the individual to live and worship in the land of his or her choice and stifle the independence and sovereignty of a nation of people.

Mr. Speaker, on behalf of the people of my congressional district and the State of New Jersey, I join in the annual observance of our Lithuanian heritage and trust that through our mutual endeavors and responsibilities that we will strive to continue to achieve international understanding and agreement that will eliminate the oppression of people and restore "human rights" and the rights of self-determination by the people of Lithuania and other captive nations of the world.

COMMEMORATION OF THE 60TH ANNIVERSARY OF ESTONIAN INDEPENDENCE PROCLAMATION

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. COTTER. Mr. Speaker, today marks the 60th anniversary of independence for the Republic of Estonia.

Yet this noble country on the Baltic Sea, which is the homeland of so many Americans, has enjoyed only a few years of true freedom and independence between World Wars I and II.

Since Stalin and Hitler divided eastern Europe in 1939, Estonia has been under the thumb, or more precisely the iron hand, of Communist Russia. The Soviets camouflaged their takeover with staged elections, completely disregarding the Estonian constitution and election laws.

Delegates of this speciously elected body were then ordered to Moscow where they "requested" the Kremlin to incorporate Estonia in the U.S.S.R. And confirmed reports show that Russianization of the country is proceeding with full force. The Estonian language is being pushed into secondary place.

But the people have not forgotten their national spirit or identity. Estonian youth has shown a will of resistance with demonstrations and appeals to the free world.

And on this day of celebration, I would like to appeal on their behalf to my colleagues and constitutents that we continue our support of this noble struggle for freedom on the Baltic shores.

BUDGET STUDY SUPPORTS SOCIAL SECURITY CHANGE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. GEPHARDT. Mr. Speaker, on Wednesday, February 8, 1978, my record insert on H.R. 10754, the bill calling for a change in social security financing by shifting funding for medicare and disability to general revenue, reiterated my hope that this is an idea whose time is coming. Recent budget analyses made by Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., indicate that the time has come.

The Secretary, in testifying before the House Budget Committee on February 22, said that nearly one-third of the $500 billion U.S. budget is being spent on the aged. This trend is rising as our population grows older and the social security system matures. This in turn should lead one to make three conclusions:

First. If possible, we should use vehicles like H.R. 10754 to reduce the social security tax and properly fund the retirement aspects of the system for this segment of our population;

Second. If we do not remove medicare and disability from the system, we may not be able to afford the retirement needs of the aged; and

Third. H.R. 10754 should be enacted, not for political or economic reasons, but because a long range solution is obviously needed now.

The Washington Post covered Secretary Califano's appearance and their article, dated February 23, 1978, gives even more reasons why this Nation needs a retirement plan like H.R. 10754, not an estate plan, which is what the present social security financing scheme represents:

NEARLY THIRD OF $500 BILLION U.S. BUDGET BEING SPENT ON AGED, CALIFANO TELLS PANEL

(By Spencer Rich)

Nearly a third of the $500 billion U.S. budget now goes to the elderly and their dependents, Secretary of Health, Education and Welfare Joseph A. Califano Jr. told the House Budget Committee yesterday.

"There has been a tremendous 'graying' of the federal budget over the past 10 years," said Califano, declaring that the percentage of the U.S. budget spent on the elderly had risen from about 21.5 percent in 1969 to about 30.5 percent in 1979.

Califano said most people think of his department, which handles much of the programs for the elderly, as an agency which transfers money from the well-to-do to the poor. But another way to view it, he said, is as a giant mechanism for "distributing money generationally"—from young and middle-age taxpayers to the elderly and retired.

Califano said the rising proportion of the federal budget spent on the aged reflects the growing numbers of aged in the population and the maturing of the Social Security system.

Citing figures developed by the National Journal from statistics supplied by his department, Califano said HEW is now putting $90 billion a year into Social Security payments for the aged and dependents, about $35 billion into Medicare and Medicard payments for the elderly and about $2 billion more into welfare and special programs for the aging. Aides said nearly $26 billion additional is paid by other federal agencies in civil service, railroad and military pensions—for a total of about $152 billion out of the overall $500 billion federal budget.

In some cases these figures include persons eligible for retirement before age 62.

Califano said that if the same trends continue over the next decade, by 1989 about 45 percent of the federal budget will go to the elderly.

Citing one program which is available to all low-income persons but where the elderly are increasingly taking up a larger share, Califano said the Medicaid program now spends half its money on long-term health care, including treatment of many diseases characteristic of aging.

The growing burden of care for the aged in the federal budget has serious implications for public policy. Although Califano didn't expound on them, they may portend an era of intergenerational political warfare in which younger workers increasingly draw back from paying the taxes needed to support the elderly.

Heavy Social Security taxes recently voted by Congress to keep the pension system solvent have drawn deep protests and resentment from many groups representing low- and middle-income taxpayers below retirement age.

It is estimated that today there are three active workers available to pay taxes needed to help support each retiree. With an aging population, the ratio is expected to drop to two-to-one in the next century.

This will mean a heavier burden for those workers, as fewer persons are available for taxation to support each retiree.

HEW figures presented by Califano reflect the rising proportion of the budget going for the aged and for health, education and welfare programs for all ages. In 1964, HEW outlays for all programs for all ages were $22.2 billion, or 18 percent of the federal budget. Outlays in 1979 are estimated at $181.5 billion—nearly nine times the earlier figure. They make up 36 percent of the federal budget.

PHILADELPHIA AIRPORT SETS NEW TRAFFIC RECORD

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. EILBERG. Mr. Speaker, it gives me a great deal of pride to report that passenger traffic at Philadelphia International Airport set a new record in 1977, topping more than 8.5 million persons.

This is an increase of 5.5 percent over the previous year, and is a result of an aggressive marketing effort by Philadelphia officials to attract new passengers to the city's new airport facilities.

According to Joseph A. LaSala, city representative and director of commerce, passenger traffic will continue to increase because of the $200 million modernization and expansion project being carried out under the direction of Mayor Frank L. Rizzo. The project will provide Philadelphia with one of the finest transportation facilities in the country.

At the same time, city officials are intensifying their efforts to stimulate use of the airport, particularly in the areas of international travel and air cargo.

The 1977 record-setting 8,569,487 passengers included 7,923,360 domestic passengers, and 646,127 international travelers.

Air freight traffic showed an increase of 8.9 percent, at 131,221 tons, while the number of airplane movements increased by 6.4 percent, to 330,591.

PROBLEMS FACING THE AMERICAN HOMEOWNER

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. ROUSSELOT. Mr. Speaker, on January 17, in Long Beach, Calif., I participated in field hearings of the Task Force on Home Ownership, which has been set up within the House Banking Committee's Subcommittee on Housing and Community Development to consider the problems facing home owners both in California and nationwide. In recognition of the fact that some of the most serious problems in home ownership have been caused by Government, I felt these hearings were important. It is my strong belief that Congress must work for more responsible fiscal and monetary policies so that we can achieve the fundamental stability that is necessary to enable Americans to undertake the long-term financial commitment which is involved in home ownership.

During these hearings, the members of our task force were able to hear from many outstanding witnesses who were well qualified to discuss all aspects of home ownership. A testimony submitted by Daniel T. McSweeney, of the consulting firm of McSweeney & Associates, appraises the current situation and sets forth proposals for the consideration of both the industry and Congress. I am hereby bringing these remarks to the attention of my colleagues for their review in evaluating the many unsettled questions in homeownership.

The remarks follow:

SAVINGS AND LOAN ASSOCIATIONS AND THE HIGH COST OF HOME OWNERSHIP

Mr. Chairman and members of the Task Force; my name is Daniel McSweeney and I am president of the consulting firm of McSweeney & Associates. Our firm is a general management consulting firm specializing in serving the financial services industry—with primary emphasis in the savings and loan and savings bank industries.

In our contact with savings institutions, we have developed some strong opinions about their future role in home finance. Since they currently hold about 60 percent of mortgages on one to four family non-farm homes, and they originate for sale increasing quantities of mortgage loans, their future role is very important to the issue of home ownership.

It is easy to think of home ownership as having three main costs: the cost of construction, the ongoing maintenance and related costs, and the financing cost (current and future). All three of these costs have increased dramatically in the last decade. Much of the increase can be attributed to the behavior of government at all levels.

I want to concentrate my comments on the aspect of the home financing cost and leave the other areas to their respective experts who will testify before you. It is necessary, though, to quickly review those other areas in order to put the various costs into perspective.

COST OF CONSTRUCTION

The price of both new and existing homes has increased dramatically in the last few years, though the increase has also been highly regional. Nationally, the cost of home construction very nearly doubled between 1967 and 1976. Since these have been years of terrible inflation, cost increases were to be expected. The key statistic is that the cost of construction increased 39.4 percent more than consumer prices in general.

Why are construction costs up? Think about the elements of construction costs: land, planning, design, permits, materials, labor, loan interest, sales cost and profits.

Land costs reflect supply and demand. The supply is declining, the demand is increasing. This is especially true in the sunbelt where there is a continuing migration stimulated by the energy crisis. The energy crisis is placing an additional premium on land closer to urban centers where units are small and the economies of tract construction are unavailable.

Planning, design and permit costs have increased as new regulations and governmental processes have been added to home construction. I doubt if you will hear many people with a "pave the world, forget about the environment" attitude. Builders are taking great pride these days in greenbelts, architecture, and general aesthetics. Unfortunately, many government agency employees appear more interested in defining new regulations and in following the process than in the final results. A long process means higher interest cost to the builder and to the ultimate consumer since the builder is borrowing money to perform the construction tasks.

Materials costs increases have exceeded total construction cost increases since 1973. Shortages of lumber in 1973 led to an 11.7% materials cost increase; shortages of copper and petroleum by-products forced a 16.5% total materials cost increase in 1974. At the start of 1977, construction materials cost 57% more than they did at the start of 1972.

The degree to which labor costs have been offset by increased productivity is an argument I do not wish to join. Let me observe, though, that the basic tools and approach to home construction have not changed much since the introduction of electric power tools more than 40 years ago.

In other industries there perhaps would have been more change in methods and materials in response to changing relationships in costs. In the housing industry many states and municipalities specify precisely the materials to be used in construction. Union contracts have rigid definitions of what each worker may and may not do. The result is a stifling of innovation.

Excess regulation implies a basic distrust of the good sense of the people, both buyer and seller, and of the free enterprise system. It raises costs, and, by doing so, biases the market. Anything that raises costs has a double effect of raising prices. Since the cost of excess regulation does not create value for the buyer, the builder tries to minimize it as a percentage of the total cost. He does this by building to a higher price market segment, thereby pricing out of the market a large segment of our population.

MAINTENANCE AND RELATED COSTS

The ongoing maintenance and related costs of home ownership have also increased faster than consumer prices in general. In this category of costs I am referring to property taxes and casualty insurance more than physical maintenance of the property.

The recent growth of state and local government is legendary. Of course, tax rates vary dramatically by region. In Orange County, California where we have our headquarters, a new house with a $62,500 price tag and a $50,000 mortgage would have a $400 monthly loan payment plus about $86 in property taxes and $43 in casualty insurance. These latter costs represent about 30% of the monthly house payment. They also are directly related to the value of the house and have increased proportionately.

CURRENT FINANCING COST

Now let us consider the cost of home financing in light of these other costs. Here is a table which depicts a home buyer's cash payments comparing the statistical base year of 1967 with 1976.

	1967	1976
Price	$31,250	$62,500
Down payment	6,250	12,500
Monthly loan payment	150	402
Taxes and insurance	65	129
Total monthly payment	215	531

The monthly loan payments are based on 6% interest in 1967 and 9% interest in 1976. The average new conventional loan in 1967 had a 6.46% interest rate, though 6% was often available in many areas. Similarly, the average loan interest rate in 1976 was 8.99% though regional differences and monthly cycles caused significant variations of rates available to individual homebuyers.

The cost of the house increased 100% in that decade, but monthly payments increased nearly 105%! The difference is in the cost of home financing. In addition, the down payment became more difficult because the dollar amount increased in proportion to the cost of housing which outpaced consumer prices in general.

FUTURE FINANCING COST

Since interest rates historically move both up and down, an optimist might suggest that the problem is temporary and can be remedied by a loose money philosophy at the Federal Reserve Board. We at McSweeney & Associates believe that the cost structure at thrift institutions is now fixed so that interest rates of 8½% to 9% now represent a floor which will not be broken except temporarily for the foreseeable future.

To understand why 9% is probably the new floor on home mortgage interest rates, let me explain a few details about the home financing industry. First, consider this balance sheet:

Assets	
Mortgage and other loans	88.7
Cash, required liquidity, FHLB stock	8.8
Nonearning assets	2.5
	100.0
Liabilities	
Savings	87.2
Borrowings	5.1
Other	2.0
Net worth	5.7
	100.0

A savings institution cannot invest all of its assets in loans. Some of its assets must be directed to maintaining a securities portfolio as required by the Federal Home Loan Bank. This securities portfolio is short term and typically yields much less than mortgage loans. Some of the assets must be invested in office buildings and furniture that earn nothing directly; a very small amount represents real estate acquired by foreclosure. Immediately, it is apparent that with this balance sheet, even if all of the loans were at 9%, the association's yield on assets would be less—about 8.5%.

Almost every savings and loan or savings bank has on its books some loans at much

less than 9%—loans which were made 10 or 20 years ago at 6%, 5%, or even lower interest rates. Today's borrower is subsidizing those people.

The liability side of the balance sheet consists mostly of savings and borrowings which have fixed costs. About 60% of the savings deposits are certificates. Most of the new deposits in this category are at a 7.75% interest rate. The other main category is at a 5.25% interest rate, but the proportion of deposits at this rate has been continuously declining. On average, savings deposits cost about 6.5% and the cost is rising.

The interest rates which can be paid on savings deposits are controlled by government agencies. There is always pressure to raise the rates, especially when they are unrealistically low as they were in 1973 and 1974. It is very difficult to move the rates down, because of the competitive environment to attract deposits. Removal of rate control ceilings would not solve the problem. Although institutions could then more easily compete for the savings dollar, the effect would be to further raise the cost of money and further raise the loan interest rates resulting in even a higher monthly payment by the borrower and more of our population being priced out of the market.

In general, the money borrowed from the Federal Home Loan Banks and elsewhere cost more than the savings deposits.

Expressed as a percentage of assets, a savings and loan association income statement, after all loans are at 9%, might look something like this:

[In percent]

Revenue	8.5
Cost of money	6.0
Gross margin	2.5
Expenses	1.4
Pretax profit	1.1
Taxes	0.4
Profit	.7

Even this profit of .7% per dollar of assets is probably inadequate for the health of the industry, and it is not yet being achieved by a majority of the thrift industry.

Profits are essential, even for mutual savings and loan associations, to support growth and absorb inevitable losses.

Savings and loan associations are required to have net worth equal to 5% of savings. Savings banks have similar regulations. This is a fairly lenient standard which should probably not be relaxed. The net worth, after all, provides the security for the depositor. In a mutual institution net worth comes only from profits.

In 1969 the average net worth to savings ratio was 8.57%. Today it is less than 6.5% and falling. The reason for this decline is that profits have not kept pace with savings deposits.

Even the .7% return on assets from our hypothetical future income statement will support only a 12.5% increase in savings. Many savings and loan associations are already limiting their deposits and, therefore, their home mortgages.

Our conclusion is that savings and loans simply cannot make loans at less than 8½% to 9%. If rates were to fall, with the present structure of the industry, prudently managed savings associations would choose to turn away deposits and not make loans, rather than make low rate loans. Even at current interest rates many associations are doing just that.

If interest rates represent a major cost of home ownership, but are inflexible, what can be done to reduce the cost of home finance?

LONG RUN SOLUTIONS

In the long run, the answer is the same as the answer to so many of the nation's other ills. The United States' government must balance its budget and cut the rate of inflation.

In 1977 the government borrowed about $58 billion or about 50% more than was deposited in savings and loan associations and mutual savings banks. Since treasury bills and savings deposits are direct competitors, the government was directly raising the cost of deposits to mortgage lenders.

More importantly, government debt was fueling a 7% inflation rate. Depositors earning less than the inflation rate were actually losing money. Additionally, the cost of housing kept climbing as previously mentioned. Market interest rates were being pushed well above 7%.

SHORT RUN OPTIONS

In the short run, there are artificial obstacles to home ownership which could be torn down. The most basic of these is the regulatory mandate to most savings and loan associations that they concentrate the majority of their lending on one type of loan: the thirty year fully amortizing equal payment mortgage with initial down payment of 20% of the purchase price.

A number of alternatives have been suggested. Let me give you four examples of the type of innovations savings and loans are talking about but are unable to implement:

(1) Graduated payment mortgage (GPM). This is a mortgage where the payments begin low and slowly increase. The loan fully amortizes in a normal time span, but the payments reflect the expectation that a family's income will increase over time. This is especially attractive to the young family unable to meet the monthly costs of the type of home they are likely to be able to afford for most of their lifetime.

(2) Sweat-equity mortgage. Many families quickly add to the value of their home with such basic improvements as landscaping, draperies, simple remodeling, painting, etc. Young families especially have the energy and the desire for such projects, but not the down payment to acquire the home and begin. A lender willing to advance 105% of the price of a home to a family with good credit and the commitment to upgrade a dwelling, should not be forbidden from doing so.

(3) Reverse Annuity Mortgage (RAM). Under this proposal a home would be slowly "sold" to the savings and loan association. The association would make monthly payments to a senior citizen who would be able to live in his home and cash in his equity. At the time of the senior citizen's death the annuity payments would be settled in probate as a claim against the property.

(4) Variable Rate Mortgage (VRM). This proposal including its variant called the Canadian Rollover is designed to increase the incentives savings and loan associations and other lenders have to concentrate their funds into mortgage loans and away from shorter term instruments during periods of rising interest rates. The variable rate mortgage has periodic adjustments in the interest rate within limits to reflect changes in the cost of the funds used to finance the mortgage loans. The Canadian Rollover is a loan with traditional 30 year amortization but a term of only 5 years and a balloon payment. Refinancing for the remaining years of traditional amortization is guaranteed at the prevailing interest rate at each 5 year rollover. By removing one of the biggest economic risks of mortgage lending more funds will be available to finance home ownership.

The point I want to make is not that any of these plans is right for all consumers or all financial institutions. The point is that an important obstacle to home ownership is that savings and loans and savings banks are prevented from innovating to help solve the problem.

There is no single solution to the problem of obstacles to home ownership. There is a general course of action that I recommend in the area of home financing costs. In addition to a balanced budget the government should deregulate many aspects of housing. Recognize that 80% or more of the money used to purchase a typical house is not the buyer's but the lender's. Trust lenders to police construction standards instead of spelling them out in excessive detail. Recognize that lenders know their business. Trust them to make sound loans of innovative types rather than specifying exactly the types of loans to be made and on what security.

Let the free market work.

GALION LEGION POST OPPOSES PANAMA CANAL GIVEAWAY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. ASHBROOK. Mr. Speaker, the American Legion has been playing a leading role in fighting the proposed Panama Canal giveaway. I commend this fine organization for its efforts.

The American Legion Post in Galion, Ohio, recently sponsored an informative newspaper advertisement in opposition to the Panama Canal treaties. I would like to bring this material, which appeared in the February 17 Galion, Ohio, Inquirer, to the attention of my colleagues:

PANAMA CANAL GIVE-AWAY

The American Legion Is Opposed to The Panama Canal Treaties Because—

U.S. loses Panama Canal: We immediately give Panama sovereignty over the U.S. Canal Zone that we bought and paid for at a price higher than the total price we paid for the Louisiana Purchase. Arizona and Alaska combined.

U.S. loses land: We immediately give Panama title to the land in the U.S. Canal Zone, which we bought from private landowners in addition to buying sovereignty from Panama. Present residents may continue to occupy their property only by paying rent to Panama. We start giving away "the management and protection and defense" of the U.S. Canal immediately.

U.S. can't defend canal: After 22 years, the U.S. is prohibited from any action whatsoever, to defend the Canal and may not have any "military forces, defense sites and military installations" at the Canal.

U.S. gives up right to build any other canal in western hemisphere: The United States gives up all right to build or even to negotiate for a new inter-oceanic canal anywhere in the Western Hemisphere without Panama's permission.

U.S. pays Panama $-millions per year: The U.S. agrees to pay Panama $10 million per year from the Canal tolls, plus 30 percent of the Canal tolls (estimated of $40-55 million per year) and another $10 million per year if revenues permit. This makes a total of $60 to $75 million per year.

American citizens in canal zone lose their rights: American citizens in the Canal Zone are prohibited from engaging in "any activity incompatible with the spirit of the treaty," and the United States pledges to "take all measures" to "ensure" that this provision is complied with. (This means that the U.S. promises to abridge the First Amendment rights of Canal Zone Americans and forces them to live under a dictator.)

Canal neutrality destroyed: Article IV of the Treaty bears upon U.S. responsibility con-

cerning the neutrality of the Canal and the entire document is so vague as to be virtually meaningless. There is no assurance that the U.S. can intervene to assure the neutrality of that vital area.

Our enemies in war can use canal just as we do: Article III(e) states that "vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the canal." This statement assures the passage of warships through the canal of nations which may be at war with the United States.

Article VI, Section 1 states that vessels of war and auxiliary vessels of the United States and the Republic of Panama "will be entitled to transit the canal expeditiously." The exact meaning of the word "expeditiously" is vague at best. Even more confusing is the interpretation placed on the word "expeditiously" by the Panamanian officials.

Panama is now under dictatorship: Gen. Omar Torrijos, since assuming power in 1968, has, as evidence illustrates repeatedly violated the rights of Panamanian citizens. He has rewritten the Panamanian constitution to give himself extraordinary powers and he has supplemented these powers with arbitrary arrests, torture, and exiles. The best course for the United States is not to conclude a treaty which could augment and perpetuate Torrijos' power over Panamanians and extend it to Canal Zone residents.

This treaty by-passes U.S. Constitution: The treaty states that it "be subject to ratification in accordance with the constitutional procedures of the two parties." However, the Executive Branch is seeking ratification of the Treaties without seeking enabling legislation from the House of Representatives to transfer real properties, appropriation funds and perhaps other legislation which is not spelled out, as required by the Constitution of the United States. This by-passing of the House of Representatives appears to be an usurpation of legal powers which is clearly conveyed to the House by the Constitution.

Panama violated present treaty 12 times in past 2 years: Panama has violated the present Treaty at least 12 times during the past two years. These violations included such militant acts as the Panamanian National Guard taking up positions in December 1975 within the U.S. Zone, attempting to arrest and actually shooting a citizen in the U.S. Zone in January, 1976, setting off bombs and explosions in the U.S. Zone in October, 1976, and capturing a vessel, the Sea Wolf, which was operating inside Canal Zone waters, burning and desecrating the U.S. flag and bombing the U.S. Ambassador's car in September, 1976.

Our freedom and safety depend on keeping Panama Canal: The canal is still of great strategic and military importance to the United States and all but 13 of the ships in the U.S. Navy can transit the canal.

FIGHT WITH PENCILS TODAY—OR GUNS TOMORROW

Here's what you can do, if you care—

1. Write letters protesting the Panama Canal Treaties to both Ohio Senators. The Honorable JOHN GLENN and The Honorable HOWARD METZENBAUM. The address for both Senators is: SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510.

2. Our 17th District Congressman, The Honorable JOHN M. ASHBROOK is against the Treaties and has joined other Representatives to assure America's rights. Send him a letter of encouragement in care of HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515.

3. Discuss the Panama Treaty issue with your Associates, Friends and Family at work, at club meetings, at school, anywhere that people gather. Ask them to write letters to our Senators and Congressmen. Mobilize entire Memberships of Groups to aid in the fight against the great Panama Canal giveaway!

4. In the end it will be we the people who decide this issue—but it will go against us all if we leave it up to "the other guy" to do our job. Congress convenes again on January 19. So there's no time to lose. We either do it with pens and pencils now . . . or with guns later!

60TH ANNIVERSARY OF THE ESTONIAN DECLARATION OF INDEPENDENCE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. LENT. Mr. Speaker, on February 24, 1918, Estonia achieved her independence. For the people of that small state who since 1219 have known only a few decades of outright independence from such powerful conquering neighbors as the Danes, Swedes, Germans, and Russians, it was a day of great hope for the future. Yet today, those in Estonia are unable to commemorate the anniversary of that great event because of their subjugation by the Soviet Union.

Estonia's tragic fate is similar to that of other Baltic States which Communist greed and treachery have devoured. Held in captivity by czarist Russia from 1721 to 1918, Estonian nationalism was permitted to blossom following World War I. It is perhaps a twist of irony that one of the States of Europe that was created after the war as a direct result of the newly enunciated concept of self-determination should find itself captive of one of the participants in that war—the war to save democracy. But both Germany and Russia refused to accept the declaration of independence and immediately dispatched soldiers in an attempt to overthrow the fledgling state. Sacrifice and dedication to freedom inspired the Estonian patriots to repulse both invading armies, and by 1920, Russia realized it would have to pay an exceedingly high price for continuing to fight against Estonia. In February of that year, Russia signed a peace treaty with Estonia renouncing all territorial claims to the state.

For 22 years, Estonia was able to enjoy a period of independence. Her domestic programs resulted in increased educational opportunities and agriculture and industrial output. Instilled with a sense of achievement, the Estonians were committed to the pursuit of a just economic and social order under a democratic system. Working together as a nation, they succeeded in making their state one of the most advanced, industrialized, and progressive countries in all of Eastern Europe.

But treaty or not, the Soviet Union had no intention of allowing the Estonian democracy to succeed, and an opportunity to satisfy Soviet greed presented itself with the carnage of World War II. Through the infamous Mutual Assistance Treaty of 1939, Russian forces occupied Estonian territory. Presented with an ultimatum, Estonia had no choice but to capitulate and subjugate its love of liberty to the authoritarian dominance of the Soviet Union.

When so much attention is focused today on the search of underdeveloped nations for freedom, the people of Estonia bear witness to the fact that the struggle for freedom is not limited to underdeveloped areas of the world. It is being carried out wherever one group of people uses force or intimidation to subject another group to its will.

To those Estonians who will not hear me on this, the 60th anniversary of their declaration of independence, I send my greetings and best wishes. I applaud your spirit in the face of adversity and the inner strength which yet propels you in your fight for the freedom all men deserve. Time is on the side of such a vigilant, purposeful, freedom-loving people. Dictators can enslave people, but they cannot destroy a people's spirit or desire for freedom. The Estonian people who have known freedom and slavery will know freedom again, for history is on the side of the just, and they will prevail in a free and independent Estonia once again.

ESTONIAN INDEPENDENCE DAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. BIAGGI. Mr. Speaker, today marks the 60th anniversary of the declaration of independence of Estonia. We remember this day each year as a salute to the millions of freedom-loving people in Estonia. In addition to paying tribute however, it is my hope that our words will offer encouragement to the captive nations and bring a constant pressure to bear on the Soviet Government. Pressure, Mr. Speaker, motivates change.

Oppression began in Estonia over two centuries ago. The Russian czars dominated the country from 1721 to 1917. Determined to have their freedom, Estonian leaders took advantage of the German occupation of the country, and on February 24, 1918, proclaimed their independence. It was not until the Germans retreated from Estonia that the Soviets attempted to reestablish their control. Assisted by Britain and Finland, Estonia won its independence. On February 2, 1920, a peace treaty with the Soviet Union was signed and the U.S.S.R. relinquished all claims to Estonian territories. A republican form of government was established and later in 1920, a constitution adopted. The constitution and its subsequent amendments were modeled after Swiss, French, and American designs.

Estonia was not to enjoy its newly found, and well-deserved freedom for long, however. In 1939, the U.S.S.R. and Nazi Germany entered into a secret agreement which divided Eastern Europe

between the two powers. At the same time that this agreement was signed, the Soviet Government imposed a treaty on Estonia which permitted the Soviets to build military bases on Estonian soil. By June 1940, the Red Army occupied the country and instituted a pro-Soviet puppet government. What was to follow was a reign of terror which has brought nothing but misery and hardship to the people. Just as in the other Baltic States, thousands were deported, an unknown number executed, and the industrial wealth of the nation exploited.

During the 20 years of freedom in Estonia, the people showed their willingness to help further both national and international progress. Great strides were made toward economic stability and social improvement. As a result of their desire to actively participate in global affairs, Estonians went to Geneva to help staff the Secretariat of the League of Nations. In addition, the Estonian Government succeeded in upholding the principles outlined in its Constitution.

Despite those achievements, the Soviet Government placed her in a bondage which continues to deprive the citizens of their basic human rights. Soviet oppression has forced the Estonian people to live in a system detrimental to their cultural heritage.

This, Mr. Speaker, is a time when the United States is attempting to influence the nations of the world through a foreign policy based on morality and justice. The success of this policy can only be measured by its ability to encourage the Captive Nations in their efforts to regain freedom. Human rights is the most fundamental principle of any society. It is recognized as such, and yet there is widespread deprivation of these rights throughout the world today.

We, in the Congress, as leaders of a noble and free society, have a special obligation to assist those fighting for their liberty. We must hold fast to the precepts which have brought our country to its present greatness. We must never withdraw the helping hand which has been available to all people in need. Finally, we must determine never to falter in our championing of human rights.

Mr. Speaker, fellow Members of Congress, I stand in honor of a mighty people who continue to fight the bondage and oppression which has plagued their nation for over two centuries. I stand in honor of the Estonian people.

ESTONIAN INDEPENDENCE

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. BYRON. Mr. Speaker, today marks the 60th anniversary of the Declaration of Estonian Independence as a Democratic Republic. We cannot let this occasion pass without commemorating the efforts and struggles throughout the centuries of the Estonian people in suppressing foreign domination, and in protecting their invaluable sovereignty.

Estonia was forcibly incorporated into the territories of the Soviet Union as a direct consequence of the Hitler-Stalin pact in 1940 after 20 years of peace and progress. Despite the inherent threats of repression, the citizens of this nation have consistently and outwardly expressed their appreciation to the United States for its failure to recognize the present socialistic regime.

We should therefore reaffirm our commitment to this policy of nonrecognition and should extend our support to these oppressed people for their endeavors to acquire the inalienable rights of freedom and self-determination which we as Americans tend to take for granted.

FEDERAL ASSISTANCE TO RESETTLE SOVIET JEWS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. WEISS. Mr. Speaker, I was most pleased to learn recently that President Carter has asked Congress to provide $21.2 million for increased grants to voluntary agencies that help to resettle Soviet refugees in the United States.

This proposed increase in the State Department's refugee program will enable nonprofit agencies to continue and hopefully to expand their efforts on behalf of immigrants to this country from the Soviet Union.

The vast majority of Soviet refugees arriving here in recent years have been Jewish. They are fleeing religious and political persecution and they need help in establishing a new life in our country.

According to the Federation of Jewish Philanthropies, 20,000 Soviet Jews have come to the United States since 1973 and 11,000 of them are currently living in New York City. Many of these immigrants are residing in my congressional district on Manhattan's West Side and the Riverdale section of the Bronx.

I am, therefore, personally familiar with the problems experienced by voluntary agencies in arranging for housing, language instruction, employment counseling, and other essential services for Soviet Jews coming to the United States.

Organizations like the New York Associations for New Americans and the Hebrew Immigrant Aid Society have nearly exhausted their limited resources in performing this humanitarian task. In 1976 alone, $19 million raised from private sources was spent for resettlement services delivered to 5,000 Soviet Jews.

Our Nation has a long and honorable tradition of welcoming and assisting newcomers. Indeed, the United States is a land of immigrants—a country that grew and prospered through the work of people who sought a better, more secure and free life on these shores.

With few exceptions, the United States has continued to respond generously to immigrants arriving here in recent years. We have established special aid programs for Indochinese and Cuban refugees. We have also assisted thousands of immigrants from other lands.

President Carter has wisely recognized the need for Federal aid to groups dedicated to helping Soviet immigrants to our country. By approving his budget request, Congress will have extended a helping hand—not only to the immigrants, themselves, but to the voluntary agencies that have done so much to make Soviet refugees feel welcome and at ease in their new country.

We will also be giving special meaning to our human rights policies by approving the President's request. The Soviet immigrants who have come here are eager to make their own contribution to our free society. We will be helping them to do so by supporting President Carter's most commendable initiative.

SIXTIETH ANNIVERSARY OF ESTONIAN INDEPENDENCE DAY

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. DELANEY. Mr. Speaker, it is my honor and privilege to bring to the attention of my colleagues that today marks the 60th anniversary of the Republic of Estonia's proclamation of independence. It was on this day in 1918 that the Council of Elders of the Estonian Diet issued the following Manifesto to all Peoples of Estonia:

> By virtue of the right of self-determination of nations . . . Estonia in her historical and ethnic boundaries is declared to be an independent democratic Republic.

The struggle between the forces of Russian imperialism and Estonia's insistence on self-determination has been long and bitter. When Russia first conquered Estonia after the great northern war 2½ centuries ago, the "scorched earth" policy employed by the callous invaders left the country totally devastated. But the tenacious Estonian people survived and their ancestral home on the eastern shores of the Baltic Sea grew into an outpost of Western culture in Eastern Europe.

Two centuries of national pride and identity suppressed by the czarist yoke erupted in 1918 and led to the proclamation we celebrate today. A bitter 2½-year war followed which saw many brave Estonians pay the highest price for their nation's freedom. A peace treaty was formally signed on February 2, 1920, in which Russia renounced forever any claims to this Baltic nation.

As the years passed, other treaties were duly signed and ratified between Estonia and the U.S.S.R. Among them was a Pact of Nonaggression and Peaceful Settlement of Conflicts in 1932; a Convention of Conciliation in 1933; and, as late as September 28, 1939, a so-called

Pact of Mutual Assistance which the Soviet Union forced upon all the Baltic States. At that time, V. M. Molotov, the Premier and Foreign Commissar of the U.S.S.R., went so far as to state before the fifth session of the Supreme Soviet that—

All these pacts of mutual assistance strictly stipulate the inviolability of the sovereignity of the signatory states and the principle of non-intereference in each others affairs . . .

But on June 17, 1940, under the terms of the infamous scheme between Hitler and Stalin to divide up Eastern Europe, the Soviet Union forcibly seized Estonia and thereby ended more than 20 years of independent democratic rule.

Mr. Speaker, the United States has never and does not recognize the Soviet Union's sovereignty over Estonia and the other Baltic States. I take this opportunity to congratulate the many Estonians and their descendants in this country who have made valuable contributions to American art, science, and the humanities. And I pray that their brothers and sisters still suffering under Communist tyranny may one day soon enjoy the liberty they so richly deserve.

BUDGET STUDY SUPPORTS SOCIAL SECURITY CHANGE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. GEPHARDT. Mr. Speaker, on Wednesday, February 8, 1978, my RECORD insert on H.R. 10754, the bill calling for a change in social security financing by shifting funding for medicare and disability to general revenue, reiterated my hope that this is an idea whose time is coming. Recent budget analyses made by Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., indicate that the time has come.

The Secretary, in testifying before the House Budget Committee on February 22, said that nearly one-third of the $500 billion U.S. budget is being spent on the aged. This trend is rising as our population grows older and the social security system matures. This in turn should lead one to make three conclusions:

First. If possible, we should use vehicles like H.R. 10754 to reduce the social security tax and properly fund the retirement aspects of the system for this segment of our population;

Second. If we do not remove medicare and disability from the system, we may not be able to afford the retirement needs of the aged; and

Third. H.R. 10754 should be enacted, not for political or economic reasons, but because a long range solution is obviously needed now.

The Washington Post covered Secretary Califano's appearance and their article, dated February 23, 1978, gives even more reasons why this Nation needs a retirement plan like H.R. 10754, not an estate plan, which is what the present social security financing scheme represents.

The article follows at this point:

NEARLY THIRD OF $500 BILLION U.S. BUDGET BEING SPENT ON AGED, CALIFANO TELLS PANEL

(By Spencer Rich)

Nearly a third of the $500 billion U.S. budget now goes to the elderly and their dependents, Secretary of Health, Education, and Welfare Joseph A. Califano Jr. told the House Budget Committee yesterday.

"There has been a tremendous 'graying' of the federal budget over the past 10 years," said Califano, declaring that the percentage of the U.S. budget spent on the elderly had risen from about 21.5 percent in 1969 to about 30.5 percent in 1979.

Califano said most people think of his department, which handles much of the programs for the elderly, as an agency which transfers money from the well-to-do to the poor. But another way to view it, he said, is as a giant mechanism for "distributing money generationally"—from young and middle-age taxpayers to the elderly and retired.

Califano said the rising proportion of the federal budget spent on the aged reflects the growing numbers of aged in the population and the maturing of the Social Security system.

Citing figures developed by the National Journal from statistics supplied by his department, Califano said HEW is now putting $90 billion a year into Social Security payments for the aged and dependents, about $35 billion into Medicare and Medicaid payments for the elderly and about $2 billion more into welfare and special programs for the aging. Aides said nearly $26 billion additional is paid by other federal agencies in civil service, railroad and military pensions—for a total of about $152 billion out of the overall $500 billion federal budget.

In some cases these figures include persons eligible for retirement before age 62.

Califano said that if the same trends continue over the next decade, by 1989 about 45 percent of the federal budget will go to the elderly.

Citing one program which is available to all low-income persons but where the elderly are increasingly taking up a larger share, Califano said the Medicaid program now spends half its money on long-term health care, including treatment of many diseases characteristic of aging.

The growing burden of care for the aged in the federal budget has serious implications for public policy. Although Califano didn't expound on them, they may portend an era of intergenerational political warfare in which younger workers increasingly draw back from paying the taxes needed to support the elderly.

Heavy Social Security taxes recently voted by Congress to keep the pension system solvent have drawn deep protests and resentment from many groups representing low and middle-income taxpayers below retirement age.

It is estimated that today there are three active workers available to pay taxes needed to help support each retiree. With an aging population, the ratio is expected to drop to two-to-one in the next century.

This will mean a heavier burden for those workers, as fewer persons are available for taxation to support each retiree.

HEW figures presented by Califano reflect the rising proportion of the budget going for the aged and for health, education and welfare programs for all ages. In 1964, HEW outlays for all programs for all ages were $22.2 billion, or 18 percent of the federal budget. Outlays in 1979 are estimated at $181.5 billion—nearly nine times the earlier figure. They make up 36 percent of the federal budget.

PANAMA CANAL TREATIES

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. LUJAN. Mr. Speaker, though many of us have disagreed with the administration on a number of issues over the past year, I urge each of my colleagues to give full cooperation to the administration in its efforts to "educate" the American public as to the "truth" of what the Panama Canal treaties will do.

Through every means at our disposal, the 435 Members of this House should:

First. Let our people know that when they "explain" that "most of the costs" of the treaties would come from the profits of canal operations, they are telling them only a part of the truth. Let them know that the canal operations last year resulted in a net loss of $7.2 million; that there is no profit, and that the payments will have to be made from the U.S. Treasury, which itself is broke and heavily in debt.

Second. Let our people know that the costs of the Canal Zone Government, which are presently subsidized by canal revenues, will be transferred to the Department of Defense (U.S. taxpayer) at a cost to the U.S. Treasury (which is broke and in debt) of $1.3 billion over the life of the treaty.

Third. Let our people know that interest payments of $17 billion per year, which have been paid by the Panama Canal Company since 1904, will end when the treaties take effect. This will result in a net loss, over the life of the treaties, of $1.3 billion to the U.S. Treasury (which is broke and in debt).

Fourth. Let our people know that the treaties call for a special early retirement program for those U.S. employees who will lose their Canal Zone jobs, because of the treaties; and that the cost to the U.S. Treasury (which is broke and in debt) will be $135 million, according to the Civil Service Commission.

Fifth. Let our people know that the U.S. Treasury (which is broke and in debt) will have to pay the undetermined cost of training Panamanians to operate the canal.

Sixth. Let our people know that the U.S. Treasury (which is broke and in debt) will have to pay the costs of relocating U.S. facilities that are now situated on land that will be transferred to Panama.

Seventh. Let us people know that U.S. citizens (many of whom are broke and all of whom are in debt) will be forced to pick up a $400 million tab in the form of higher prices they will pay for goods shipped through the canal, as the direct result of the 25- to 40-percent increase in shipping rates that will have to be made to have the canal operations break even under the terms of the treaties.

Eighth. Then let our people know that the treaties will result in a weakening of our national defenses, a strengthening of the pro-Communist Torrijos dictatorship, a major victory for Castro's Communist agitators who are in the forefront

of this effort to kick the United States off of land which was bought and paid for by the U.S. taxpayers, and a disastrous setback to the credibility of the United States throughout the world.

Yes, Mr. Speaker, I urge my colleagues to join the administration in an all-out effort to "educate" the American people as to the truth of what these treaties would do. And I am certain that the people, once they know the full truth, will see this hoax for the carnival shell game that it really is.

CONGRESSMAN FINDLEY ON LINCOLN

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. STEIGER. Mr. Speaker, our colleague from Illinois, PAUL FINDLEY, ably represents Abraham Lincoln's hometown of Springfield, Ill., and a great part of the congressional district which Lincoln represented when he was a Member of the 30th Congress.

Congressman FINDLEY has made a detailed study of Congressman Lincoln's career in Congress and its impact upon the rest of his life which will soon be published in a book. Recently, in a speech to the Lincoln Group of the District of Columbia, where Congressman FINDLEY was awarded the Distinguished Service Award, our colleague gave an insightful commentary on Lincoln's example and leadership.

I would like to insert Congressman FINDLEY's speech in the RECORD at this point so that others can read it:

LINCOLN, THE CONGRESSMAN

(By Congressman PAUL FINDLEY)

As we meet tonight to commemorate a drama that yesterday proved crucial in a great floodtide of human affairs, a new drama unfolds half way around the world in the hills of Jerusalem, with echoes in Cairo, Washington and most other capitals of the world.

May the pilgrimage of Anwar Sadat in pursuit of peace be as significant for the ultimate advancement of human decency and justice in the Mideast as was the awful conflict on the grain fields and pastures bordering Gettysburg for the ultimate advancement of human decency and justice on this continent.

The Egyptian President's first scheduled event last November in Jerusalem was a visit to a mosque for prayer.

During the Battle of Gettysburg a worried President put to work his trust in God. In July, 1863, shortly after the battle, Lincoln wrote to General Daniel E. Sickles:

"In the pinch of the campaign up there (at Gettysburg) when everybody seemed panic-stricken and nobody could tell what was going to happen, oppressed by the gravity of our affairs, I went to my room one day and locked the door and got down on my knees before Almighty God and prayed to Him mightily for victory at Gettysburg. I told him that this war was His war, and our cause His cause, but we could not stand another Fredericksburg or Chancellorsville. . . . And after that, I don't know how it was, and I cannot explain it, but soon a sweet comfort crept into my soul. The feeling came that God had taken the whole business into his own hands and that things would go right at Gettysburg."

Sadat prays in a mosque to same Almighty God. And in a synagogue so does Menachem Begin. May sweet comfort creep into their souls—a feeling that God will take the whole business into His hands and that things will go right at Jerusalem.

Perhaps you are waiting for me to cast one of the principals at Jerusalem in the role of Lincoln and the other Jefferson Davis—or to suggest which will win and which will lose.

Let us acknowledge that the peace table can bring victory to both sides. Appomattox Court House brought ultimate success—the sweet success of human justice—to the people of both North and South.

And settlement between the Arab states and Israel can bring the same sweet success to all parties in that unhappy land. Every family in Israel bears the scars of war. Few families in Egypt and Syria have escaped. All who survive groan under the weight of military preparations. Relieved from that burden all could turn to pursuits more compatible with decency and justice—food, shelter, education, health.

Sadat's courageous movement for peace may fail. And failure could bring an avalanche of recrimination. Still, it may succeed, and open a new healthy chapter in human relations in that ancient land.

Frankly, Sadat's daring quickens my spirits. He has the marks of greatness, and surely he has brightened the skies for the people he leads.

Whether Sadat and Begin and the other principals in the Mideast drama have Lincoln-like qualities remains to be seen.

As Lincoln might have put it, the occasion is piled high with difficulty. And truly Sadat and Begin are rising to the occasion.

Mankind has great need of Lincoln-like men and women in Jerusalem and throughout the world.

Lincoln was a great military commander, leading the greatest forces ever sent into battle in this hemisphere. But his greatest strength lay not in force of arms but force of ideas. He mobilized the English language. He kept the union together with eloquence, logic, close reasoning, persistence in thought.

This may be some comfort to Sadat, whose people are hungry, disease-ridden and militarily weak. He goes on the quest for peace armed with the force of ideas, despite the material weakness of his nation.

Indeed Lincoln's Gettyburg address illustrates best of all the force of ideas over arms. The military victory at Gettysburg was crucial among the complicated, extended, and costly maneuverings of that great war. But Gettysburg is remembered mainly for the commemorative speech, not for the turning of the Confederate tide.

In Gettysburg Lincoln mobilized the English language in a way never before or since equalled. He summed up the genius of the American political system—a nation conceived in liberty and dedicated to human equality.

And he did so in a land where liberty was far from secure and where equality was only a vision. Slavery still flourished. Women had no vote.

And he recognized accurately that the nation's commitment to liberty and equality was experimental. It might fail. The republic was in its infancy. The federal structure itself was novel—strained by the nullification controversy of a few years earlier and brought to the precipice by the secession challenge of the Civil War itself.

In my travels abroad I usually carry with me gifts related to Lincoln, a biography or a small bust. Wherever I am—South Yemen, Communist China, the Soviet Union, Romania—I find eyes brighten with recognition and satisfaction when I mention Lincoln's name. He is known and revered even in the darkest corners and most repressed societies of the world. When the Civil War is mentioned, the first name that comes to mind is Lincoln and the first place is Gettysburg.

This is because the sentiments of Lincoln's address encapsule the noble American experiment in self-government in terms that are timeless.

More than any other set of words, the address is the well-spring of understanding and commitment for each new generation of our citizens.

Now, more than ever before, we must understand and support the free institutions of which Lincoln spoke.

We must keep in mind the fact that the story of America is the chronicle of our efforts as a nation to fulfill the idealism of the Declaration of Independence.

Our greatest periods as a nation have been those times of greatest stress on our institutions—and the Civil War must rank above all else. In those times of greatest stress we have made our greatest strides toward equal justice.

In the Civil War a resolute President ended a dual threat to liberty. By proclamation he terminated the threat posed by the terrible institution of slavery. By force of arms he ended the threat posed by the effort of states to secede.

The magnitude and importance of these two accomplishments—in my opinion—are not widely understood even today.

Lincoln was driven to free the slaves by the conviction that the enslavement of his neighbors amounted to a threat to his own liberty. "In giving freedom to the slave, we assure freedom to the free," he said.

And since his day, millions of our countrymen have been driven to advance equal justice and liberty for their neighbors, convinced—as was Lincoln—that such action is commanded by the Judeo-Christian ethic but is also commanded by enlightened self-interest.

Lincoln was driven to use the full authority of his office and the military might of the nation to deny the right of states to secede. Here too it was a matter of conviction.

In his eyes the United States of America was a government of and by the people. This meant that the individual citizen, not state government, was the sovereign authority.

An individual citizen, holding sovereign power, could renounce citizenship and thus secede from the Union. But a state government could not. Sovereignty resides exclusively and indivisibly within each citizen.

If a state government were allowed to separate itself and all the people within its borders from the Union, then the most fundamental base of liberty would be destroyed. The federal government would fail. The American experiment would fail.

Lincoln of course won both rounds. Liberty was extended to blacks, and the people—not the states—continued to be the supreme sovereign authority.

The supremacy and equal worth of each individual citizen constitutes the keystone of our system. As Lincoln might have said, that precept is the great federal principle our republic lives by and keeps alive.

It is a principle which hopefully one day will serve still greater areas of the world and more of its people.

The other day perhaps you saw, as I did, Henry Steele Commager, declaring on television the need for better international institutions. He said no nation is today big enough to deal satisfactorily with monetary, trade, population, nuclear problems. Larger, more effective institutions must be created.

Ultimately we must have recourse to some greater degree of transatlantic common sense. Eventually the experienced democracies of the world must be brought together on the same political principle Lincoln espoused. They must be federated. It is an ultimate necessity.

It will come when Lincoln-like men and women, people of vision, courage, clarity of thought and persistence of purpose take charge.

The same vision of human decency and justice that inspired Lincoln to keep this union together will one day inspire a still grander union.

And when that day comes the human spirit everywhere will be lifted. And hope will be kindled even in the most remote corner of the earth where oppression rules.

During the Civil War, Lincoln ended a letter to the Loyal Union Men of Springfield, Illinois, with these words:

"Thanks to all. For the great republic, for the principle it lives by and keeps alive. For man's vast future. Thanks to all."

CARTER ADMINISTRATION FISCAL POLICES AND INFLATION

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mrs. HOLT. Mr. Speaker, if you want some idea of where Carter administration fiscal policies are leading us, I would refer you to the testimony presented to the House Budget Committee by Barry P. Bosworth, the President's Director of the Council of Wage and Price Stability. I quote:

In the absence of specific government action, the most reasonable expectation would be for inflation to continue in the range of 6 to 7 percent over the next several years.

Mr. Bosworth went on to warn us that "the risks of a higher future rate are greater than the probabilities of moderation, since forecasters assume the absence of any major shocks which would add fuel to the inflation." He cited OPEC oil price increases or farm price increases as examples of such shocks.

Then Mr. Bosworth said this:

If we are unable to slow inflation during a period in which economic slack remains, then we are almost certain to face higher inflation rates by 1980 and 1981 as the economy approaches higher levels of employment and capacity utilization.

And what does the Carter administration offer us to prevent this frightful scenario from developing? Nothing, except the hope for voluntary cooperation from labor and industry to restrain wages and prices.

President Carter has proposed a 1979 budget with a $60 billion deficit after a 1978 budget with a $60 billion deficit. I suggest to the House that back-to-back deficits totaling $120 billion are an inflation machine.

Already, Government borrowing to cover this year's deficit is driving interest rates higher. There is rising pressure on the Federal Reserve Board to increase the money supply at a fast rate to relieve the pressure on interest rates. And on we go into the inflationary future with printing press money.

The Carter administration tactic of beating on labor and industry to fight inflation is a slick political trick. The President is blaming them for high rates of inflation, when in fact the problem is caused primarily by Government extravagance plus other governmental actions that drive up production costs.

The Carter administration says it recognizes the critical need for significant income-tax reductions to offset the harmful economic consequences of large increases in social security taxes, the proposed energy taxes, and the inflationary push of families into higher income tax brackets.

But look at the "tax reforms" he has proposed. They have the effect of canceling out any tax relief for the middle class, and in fact would increase the tax burden on many middle-income families. Tax increases are not my idea of reform and we can hope that the Ways and Means Committee will change the Carter tax package. We need across-the-board tax cuts to stimulate job-creating investments and provide real relief for middle-class families.

Some liberal-spending Members of Congress, who never before demonstrated any concern about huge budget deficits, are suddenly blaming the proposed $25 billion in tax cuts for the enormous deficit found in the President's 1979 budget. Nonsense.

Mr. Carter failed to cut the growth rates of Federal spending sufficiently to justify the tax cut. Some of us will be attempting to correct that problem in the weeks ahead. We will be proposing to reduce both taxes and the deficit.

The huge deficits we have been experiencing, and the whopper projected for next year, have been caused by the runaway growth of social-welfare spending since the 1960's. Here are some selected budget categories to show what has been happening over a 10-year period. We have shown that the percent increases from 1969 through the 1979 budget proposed by President Carter:

Increase, 1969–79

Function:	*Percent*
Education, training, employment and social services	341
Income security	330
Health	321
National defense	47

President Carter and his administration have bamboozled most of the news media into believing that he has submitted a conservative budget for 1979, but a careful examination of the budget shows that he is continuing the trends of the recent past.

Outlays for the education, training, employment, and social services category would be up 13 percent from the 1978 level. Health outlays would increase by 12 percent. Income security outlays would rise a moderate 8 percent, but this includes some startup money for the great welfare expansion that Mr. Carter calls "welfare reform."

The President has proposed an expansion of medicaid eligibility in a move toward national health insurance. He has proposed a great leap forward in Federal education spending, including creation of a Cabinet-level Federal Department of Education, at a time of declining school enrollments.

President Carter is a politician who has complained about the swollen bureaucracy in Washington. How, then, does he explain his proposal to add 2,190 new positions to the most bloated civil bureaucracy of them all—the Depart- of Health, Education, and Welfare, which already has 147,700 functionaries on the payroll?

I would remind this House that the HEW budget has quadrupled in 10 years, and President Carter would continue the pace. Worse yet, the initiatives he is proposing in his 1979 budget will build in the momentum for extremely rapid growth in the years ahead.

If this is a conservative budget, I would hate to see a liberal version.

THE COAL STRIKE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. JACOBS. Mr. Speaker, the following are an editorial from the Washington Post, February 21, 1978, and an editorial from the Indianapolis News, February 24, 1978, and an article by Joseph Kraft in the Washington Post on February 23, 1978.

In addition to the option described in the Indianapolis News editorial, the new bill includes these:

First. The President could name an arbiter or arbiters to develop a recommended settlement which would be referred through the NLRB to the rank and file union members and also to the individual mine owners (probably not stockholders since agreement among stockholders and management is generally more likely) for a secret vote.

Second. The President could make his own recommendation (for example the settlement reached by the independent mine company) and have that recommendation put before the rank and file members and the mine owners for secret ballot consideration.

What do you think?

The articles follow:

[From the Washington Post, Feb. 21, 1978]

THE COAL STRIKE CONTINUES

The coal strike has created a peculiar situation for which neither labor law nor previous experience offers any guidance. The union has fallen into a state of anarchy. Authority within the United Mine Workers has collapsed. The law assumes that the spokesmen for management and labor speak for the people whom they represent, and can be held responsible for those people's actions. But if the UMW's president, the hapless Arnold Miller, had any real control over the union's membership, it would have accepted the contract that he negotiated for them. Instead, the bargaining council repudiated the contract—and Mr. Miller with it. The Carter administration, having brought the bargaining literally into the White House, is now groping for a way to deal with a union in which nobody appears to speak for anyone else.

There was a time, of course, when things were very different in the UMW. When John L. Lewis told the miners to strike, they struck. When he told them to work, they worked—with no delays, and with no questions. Congress enacted the Taft-Hartley Act in 1947 after a year of challenges by Mr. Lewis to the president and the country. In writing

it, Congress simply assumed that any union capable of creating a national emergency would have strong leadership that could be called to account for it.

But after Mr. Lewis, decay rapidly set in. Last weekend Tony Boyle was convicted, for the second time, of the murder in 1969 of Joseph Yablonsky, his wife and his daughter. Mr. Boyle was the president of the UMW, and Mr. Yablonsky was the man who challenged him in the union election that year. After Mr. Boyle came reform, and where there had been a dangerous concentration of power there currently is no power at all. In their present mood, the miners are only marginally less hostile to their own national leadership than to the mining companies.

That makes a court order, under the Taft-Hartley Act, a highly unpromising remedy. On whom would the court serve its order? Much the same thing can be said of binding arbitration. Working out a reasonable compromise would not be difficult, but enforcing it would be another matter.

Mr. Miller has suggested that perhaps the bargaining will break up into direct talks between local unions and the companies separately. That would mean abandoning, for all practical purposes, the UMW as anything more than a name. That Mr. Miller should publicly encourage this possibility is a concession of failure—but he is apparently approaching the point of desperation. The union has reached a tentative settlement with one of the independent mining companies that does not bargain through the industry's joint association. Perhaps that agreement will offer a route to a wider settlement.

If not, there is, as a last resort, seizure of the mines by the federal government. President Truman took the mines and ran them for seven months in 1946. But that would require legislation. There is support for the idea in the House, but the atmosphere in the Senate is coldly unreceptive. Senators have warned the administration that a seizure bill could interfere with the delicate preparations for the ratification of the Panama Canal treaties—let alone passage of the labor-law reform bill and the energy bill.

Secretary of Labor Ray Marshall is now preparing another attempt at reaching agreement through conventional bargaining. We wish him luck, but the chances of success do not look very good. In the meantime, we have to note, one of the most prominent victims of this unhappy strike is President Carter's national energy plan. As you may remember, it calls for a massive shift of the economy from imported oil toward coal. With the industry on strike since Dec. 6, not many industrial users are showing any visible enthusiasm about switching away from their present reliance on oil. In the end, one effect of the strike may well be to turn the country more sharply toward nuclear power.

[From the Indianapolis News, Feb. 24, 1978]

EXPANDING PRESIDENTIAL OPTIONS

Indianapolis' Congressman Andrew Jacobs Jr. has a good idea about how to settle the coal strike and avoid similar protracted strikes in the future.

The current tool available to President Carter is the 1947 Taft-Hartley Act which involves of Federal court injunction sending strikers back to their jobs for an 80-day period. During that time negotiations continue according to prescribed steps which eventually lead to a rank-and-file vote on management's last offer.

Unfortunately, that vote could come as late as 75 days into the so-called "cooling off period"—a time lag which coal-dependent Midwestern states, shivering in the dark, cannot afford.

Rep. Jacobs has offered a bill to Congress which would provide the president with the discretionary power to order such an election early.

His amendment to the labor-management relations act would allow the president to bring management's last (and presumably best) offer to a secret vote before both sides in the negotiations. The president would be able to order the National Labor Relations Board to complete a secret ballot without ordering a court injunction to send strikers back to work.

The advantages of such flexibility would be significant.

Injunctions sending strikers back to work have traditionally been unsuccessful. President Truman, in fact, was successful in such efforts only by adding the threat of nationalization of the coal mines. United Mine Workers have already vowed they will not obey such an order.

In addition, this particular miners' strike has demonstrated there is great division within union membership itself. Union President Arnold Miller is opposed by many of his own members, including some on the bargaining council. If the men are, indeed, prepared to accept an offer, they would have an early opportunity to do so. As it stands now, the nation can be held hostage to an internal union struggle.

Rep. Jacobs' bill, H.B. 10965, would provide the president with a key tool in settling not only this strike, but also others in the future. It was introduced in the House on Feb. 15.

But while Hoosiers face curtailments and cutbacks, the bill sits in the House Labor and Education Committee. Perhaps Midwestern suffering may not mean much to these congressmen enjoying Washington's more temperate climate, but come the next election, the chill in Indiana will make itself felt. Congress should treat H.B. 10965 as if jobs and lives depended on it.

[From the Washington Post, Feb. 23, 1978]

"GOOD" GULF

(By Joseph Kraft)

Behind the first break in the coal strike there lies a rare act of industries statesmanship by a company not exactly famous for that kind of thing. The company is Gulf Oil, which used to have one of the worst names in American business.

Gulf owns Pittsburgh and Midway, the small coal producer that broke with the rest of the industry to sign up with the miners last Monday. The decision represented a deliberate move by Gulf to underline a newfound sense of national responsibility.

Over the past few years, Gulf has been in the news chiefly for two sets of dubious transactions. For one thing Gulf participated in extensive campaign contributions through an elaborate money-laundering subsidiary.

For another, Gulf participated in what seems to be a cartel to raise high the prices of uranium. That issue is now subject to litigation and a major suit against Gulf by one of the chief users of uranium, Westinghouse.

Two years ago Gulf management was changed. The new head of the company is Jerry McAfee, a chemical engineer with extensive experience in Gulf's efforts to develop Canadian tar sands as a substitute for oil. In the course of that operation, McAfee perforce developed close relations with the federal and provincial governments of Canada, which are partners in the tar-sands scheme.

I went to see McAfee about a month ago in a general survey of the energy field. We did not discuss the coal strike, but I came away with the strong feeling that McAfee was determined to turn Gulf around. He struck me as a man with both strong social conscience and a high degree of honesty. "If he lied," I said a couple of days later to another oil-company executive I was visiting, E. M. Benson of Atlantic Richfield, "his nose would probably start to grow longer."

The new bosses at Gulf had unhappy feelings about management's position in the coal negotiations almost from the outset of the strike last December. The Bituminous Coal Operators Association, Gulf believed, was trying to take advantage of the splits that had developed in the United Mines Workers under the weak leadership of Arnold Miller.

In particular, Gulf believed that management was trying to use the weakness of the union to force unfair penalities on the miners for wildcat strikes. It also felt management was unwisely trying to do away with certain royalties paid to union pension plans for coal bought from non-union mines. The feeling at Gulf was that, even if management won, the result would be chaotic labor relations, which would be troublesome for the whole country.

Pittsburgh and Midway is a relatively small producer, however, and is not a member of the operators' association. So while it made its views known, it could not force them on coal management as a whole. But when the coal operators forced the union to the wall, and then refused to respond to an appeal from the White House, Gulf ordered its subsidiary to move on its own. In a matter of hours Pittsburgh and Midway signed a contract. The union leaders quickly approved the deal. Thus the point was made that the big trouble in reaching an agreement did not lie on the side of labor.

McAfee and others had high hopes that the Pittsburgh and Midway agreement would pave the way for a general accord binding the whole industry. Whether that ambitious hope can be realized is not yet certain.

Even so, the Gulf story deserves to be told. It proves the point that companies can turn around, and that management has it in its power to behave in statesmanlike ways that are helpful to the whole country.

CONGRESSIONAL RECORD SHOULD BE AVAILABLE TO AMERICANS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. YOUNG of Florida. Mr. Speaker, as I walk the halls of the House office buildings on my way to the House Chamber, to committee or a colleague's office, I see piles of CONGRESSIONAL RECORDS placed in the corridors to be thrown away as trash. Each copy is a valuable resource that is being discarded although there are many Americans who would like to have the information contained therein.

During the consideration of the legislative appropriations bill last year, Congress terminated the program of mailing the RECORD to Members' constituents. The number of RECORDS each Member is entitled to distribute was reduced by 50 percent and distribution was limited to public agenices and institutions. At a time when it is more important than ever for Americans to be aware of what is happening daily in Congress, the valuable service of receiving a free copy of the RECORD was denied to hundreds of individuals who closely followed the activities of Congress.

It seems hypocritical to want to open the processes of Congress to the public in some ways, but to cut back in others. Many have been pushing for a system to offer televised versions of what happens in the House Chambers. The purpose of this is to open the proceedings of the House to the view of the general public who cannot be in the gallery to witness the day's action. I fully support this kind of openness in Government and am a cosponsor of House Resolution 182 which provides for continuous radio and television broadcast coverage of proceedings on the floor of the House.

It is also hypocritical to say to the public that money is being saved by eliminating copies of the RECORD once available at no cost and in the same bill increase each Member's expense allowance by $5,000 per year and still allow a Member to receive free shipping trunks, packing crates, and plants. Why pick on this valuable service to the public when there are other opportunities to save money that do not close off an access to what is happening in Congress? The RECORD serves a far greater purpose than merely reporting a word-by-word account of the activities in the Chamber. The information in the RECORD can alert a constituent to upcoming legislation or hearings, provide a copy of a lengthy bill and, in general, offer to the average citizen a wealth of material on what is happening in Congress.

The point is that many, many copies of the RECORD are being wasted, thrown out as trash. These are copies that could and should be provided to concerned citizens who have expressed an interest in the proceedings of the House and Senate. What had been available without cost has been taken away from many citizens. Their right to know what is happening in Congress has been impeded. The copies of the CONGRESSIONAL RECORD which are denied to our constituents line the halls waiting for the trash wagon.

LITHUANIAN INDEPENDENCE

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. DODD. Mr. Speaker, the occasion of the 60th anniversary of Lithuanian independence provides an opportunity for the people of the United States to express their support for the continuing and inspiring struggle of the Lithuanian people to obtain their freedom and to secure the human rights denied them by the Soviet Union.

Each year, on July 4, the people of the United States are fortunate enough to celebrate the fact, as well as the spirit of American Independence. The Lithuanian people live under the yoke of Soviet oppression; they can honor only the spirit of freedom. But that spirit, as history has shown, has proved unconquerable and has provided the inspiration for the Lithuanian people to carry on the struggle against Soviet religious and political persecution and ethnic dilution.

The plight of the Lithuanian people has been eloquently voiced by the many Americans of Lithuanian descent whom the United States is proud to claim as citizens. The Lithuanian American community of northeastern Connecticut, in particular, has done much to further the cause of Lithuanian independence. It is with pride and admiration that I submit for the RECORD the following correspondence I received from Putnam, Conn., Chapter of the Lithuanian-American Community of the United States, Inc.:

RESOLUTION

We, Lithuanian-Americans of Northeastern Connecticut, assembled in Putman to commemorate the 60th anniversary of the reestablishment of the independent state of Lithuania on February 16, 1918, and the 727th anniversary of the formation of the Lithuanian Kingdom in 1251, send our warmest greetings to the people of Soviet-occupied Lithuania, pledge our unwavering support for the restoration of Lithuania's sovereignty and unanimously adopt the following resolution:

Whereas in 1918 the independent state of Lithuania was reestablished by the free exercise of the right of self-determination by the Lithuanian people; and

Whereas by the Peace Treaty of July 12, 1920 Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all rights and claims by Russia over Lithuanian soil and people; and

Whereas until 1940 Lithuania was a sovereign nation, a member of the League of Nations and a Signatory of numerous international treaties with the Soviet Union; and

Whereas the Soviet Union during June 15–17, 1940 invaded and occupied Lithuania, and subsequently, forcibly annexed the Lithuanian State into the Soviet Union; and

Whereas the Soviet Union continues to conduct a policy of colonization, Russification, ethnic dilution and religious and political persecution; and

Whereas the people of Lithuania to this day are risking and sacrificing their lives in defiance of the Soviet regime; as most recently an untold number of Lithuanian and Russian dissidents have been arrested and imprisoned for the publication or dissemination of "The Chronicle of the Lithuanian Catholic Church; and

Whereas the United States Government maintains diplomatic relations with the Government of the Free Republic of Lithuania and has consistently refused to recognize the unlawful occupation and forced incorporation of the freedom-loving country into the Soviet Union; and

Whereas the 89th U.S. Congress unanimously passed House Concurring Resolution 416 urging the President to raise the question of the Baltic Nations' status at the United Nations and other international forums; now therefore be it

Resolved, that we, Lithuanian-Americans will urge our representatives in Congress to sponsor and adopt resolutions which have been recently introduced calling for "Full Freedom and Independence for the Baltic States."

OPPRESSION OF TRANSYLVANIAN HUNGARIANS

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. PATTEN. Mr. Speaker, the plight of the 2.8 million Transylvanian Hungarians has been analyzed in the Halls of Congress many times during the past 13 years—without much success insofar as the human rights of and the persecution of this largest national minority, the Transylvanians, is concerned.

During this period I have called my colleagues' attention to the persecution of Hungarians in Transylvania, an area of the world which I had the opportunity to visit in 1965.

My good friend, the Right Reverend Bishop Zoltan Beky, national president of the American Hungarian Federation and president of the Transylvanian World Federation, has published four books to document the atrocities and oppression of Hungarians in Transylvania. He also personally presented the information to the U.N. Human Rights Commission in Geneva and to the World Council of Churches Assembly in Kenya.

Now Bishop Beky has called my attention to the activities of Charles Kiraly, a Romanian citizen of Hungarian origin. Mr. Kiraly presented a document to the Belgrade Conference as a member of the Central Committee of the Romanian Communist Party. The material was published in the New York Times and the Washington Post on January 10, 1978.

Kiraly had to revolt against the national chauvinism practiced by the Romanian Government against the Hungarian minority. For example: Denying them their human rights, their own language, and their own schools; confiscating their historical documents, and taking their church chalices.

In reviving our relationship with the Romanian Government I trust that our State Department will consider these charges. Charges which do not originate with dissatisfied emigrees, but come from the highest eschelon of the Romanian Communist Party.

In so doing, Kiraly has exposed himself to party disciplinary action by telling the truth about the oppression and persecution of ethnic Hungarians in the Socialist Republic of Romania.

May I ask for unanimous consent to print the text of the article, "Letter Charges Romania Oppresses Hungarians" from the Washington Post of January 30, 1978, and "Minority Issue Splits Bloc States" from the February 23, 1978, issue:

[From the Washington Post, Feb. 23, 1978]

MINORITY ISSUE SPLITS BLOC STATES

(By Dusko Doder)

Hungary and Romania, two Warsaw Pact allies, appear to be on a collision course over what Hungarians have publicly branded a "policy of apartheid" practiced by the Romanian government against its ethnic Hungarian minority.

Romania's policy of trying to disperse and assimilate various ethnic minorities, including nearly 2 million Hungarians has been the source of deep covert hostilities between the two countries. Increased public attention given by Hungary to the plight of ethnic Hungarians marks a new departure in relations between Warsaw Pact allies.

Romanian authorities are reported to have taken retaliatory measures against a prominent ethnic Hungarian who last month charged that ethnic people of Hungarian descent were being discriminated against and that the Romanian government was trying to stamp out the Hungarian language.

Karoly Kiraly, who was a member of the Romanian Communist Party Central Committee until his resignation in 1975, made the charges in an open letter. Since its publication in the West, Kiraly reportedly has been subjected to threats of violence by "gangs of hooligans" and forced to leave his home town in Transylvania.

According to these reports from Budapest, Kiraly was called in by Romanian security officials earlier this month and told that he had to leave Tigru Mures, a predominantly Hungarian town of 150,000, within 10 days. He was told that there would be "bloodshed" unless he complied and was given a factory job in the Romanian town of Caransebes, about 150 miles away.

According to a 1977 Romanian census, there are 1.7 million Hungarians in Romania, mostly in the Transylvania area. The region had for centuries belonged to Hungary and was detached by the Great Powers and awarded to Romania at the end of World War I.

The award was a source of friction between the two countries throughout the interwar period. Since the end of World War II, the Communist governments in Budapest and Bucharest have consistently maintained the fiction that the ethnic issue had been successfully resolved in the spirit of "socialist cooperation."

During this decade, Romania's policies have been privately criticized by Hungarian officials. The Hungarian government, however, has carefully avoided public discussion of Transylvania.

In Transylvania itself there have been growing signs of discontent over the past few years, especially over the suppression of Hungarian cultural and linguistic rights reflected most often in the closing or curtailment of Hungarian language educational programs.

There has been a steady exodus of Hungarian intellectuals from Transylvania to Hungary over the past two years. But the degree of discontent surfaced last month when Kiraly, once an alternate member of the party's ruling executive bureau, openly attacked the government of President Nicolae Ceasescu.

The Hungarian government in turn has mounted for the first time a public campaign on behalf of ethnic Hungarians in Romania. One of the country's leading poets, Gyula Illyes, recently wrote a series of articles comparing the plight of the Hungarian minority to South Africa's apartheid policy.

[From the Washington Post, Feb. 23, 1978]

LETTER CHARGES ROMANIA OPPRESSES HUNGARIANS

(By Michael Dobbs)

BELGRADE.—In a document that gives a rare insight into the problems of national minorities in Romania, a former high-level Romanian Communist Party official has alleged official repression against the country's 2 million Hungarians.

The claim is made by Karoly Kiraly, a member of the Romanian Communist Party Central Committee until resignation in 1975, in an open letter to the state and party leadership. A copy of the letter, which was written last month and smuggled out of Romania, has reached Belgrade through usually reliable channels.

Kiraly, who is himself of Hungarian origin, alleges job discrimination against ethnic Hungarians and suppression of the Hungarian language in violation of Romania's constitution. Professing himself to be a loyal Marxist, he lays the blame not on the Communist system but on the Romanian party leadership and in particular the personality cult that surrounds President Nicolae Ceausescu.

Western diplomats in Bucharest consider the widespread, if muted, discontent among Romania's minority nationalities more significant than last year's short-lived human rights movement led by the writer Paul Goma, who is now in Paris. Support for Goma was confined to a handful of intellectuals, but national grievances run much deeper.

Last year, considerable disquiet was reported among ethnic Germans, Romania's second largest minority after the Hungarians, who were applying in large number to emigrate to West Germany.

There is, however, still no evidence that national unrest will have any effect on the policies pursued by Ceausescu. In his appeal, Kiraly says that efforts to improve the lot of the Hungarian minority have brought no result.

Kiraly writes: "What mostly preoccupies me is the doggedness with which the problem is ignored by our party organizations from the grass roots to the highest level as something which does not exist."

A document attached to the Kiraly appeal, apparently prepared by his supporters abroad, states that he is now facing party disciplinary action for repeatedly calling attention to minority grievances.

In the letter, which is formally addressed to a Central Committee member for circulation among the party leadership, Kiraly alleges a wide gap between theory and practice in the treatment of the nationalities question. He cites cases of discrimination against the Hungarian minority in the mountainous region of Transylvania in central Romania.

After recalling a promise for more secondary and technical schools with instruction in minority languages, he argues that the number of such schools is actually decreasing.

The use of the Hungarian language, Kiraly claims, is officially discouraged, even in the Nationality Council that represents the Hungarian minority. He claims that bilingual signboards put up during his term of office as first party secretary of Covasna County in 1971 have all been removed.

Alleging job discrimination against ethnic Hungarians, Kiraly writes that nearly all influential posts in towns with a Hungarian majority go to Romanians, many of whom do not speak a word of Hungarian.

Foreign observers familiar with minority problems in Romania find Kiraly's allegations plausible although it is difficult to confirm them. Western correspondents who visited the Jiu Valley last year, scene of Romania's worst post-war mining strike, were told that discontent among the sizable Hungarian minority there was an important factor in the unrest.

Miners explained that the area was once part of the Austro-Hungarian empire and was used to relatively higher living standards than the rest of Romania. They complained that Hungarian schools in the area had been closed down.

Romania's treatment of its largest national minority poses a delicate problem for its neighbor Hungary. The Hungarian government has no wish to pick a quarrel with a fellow communist state, but feels responsible for Hungarians outside the country.

While carefully avoiding any public protest, Hungarian officials frequently raise the problems of national minorities in Romania in private bilateral contacts.

RESPECT FOR LIFE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. MAZZOLI. Mr. Speaker, opponents of abortion on demand quite often premise their opposition on the basis of their deep and abiding respect for life. But, a genuine respect for life does not begin and end, in my opinion, with opposition to abortion.

Though I am opposed to abortion on demand, I have supported many legislative measures which are designed to demonstrate a no-less-profound respect for human life than the antiabortion measures I have consistently supported on the House floor.

At this point, I would like to share with my colleagues an excellent article which appeared in the Record, the Louisville Archdiocesan newspaper, earlier this month.

This article points out that a genuine respect for life spans all issues—war, the arms race, economics, human rights, jobs, housing, wages, and working conditions. It is well worth reading:

THERE ARE MANY PRO-LIFE ISSUES

(By Joseph Duerr)

Some words of wisdom were spoken recently by the president of the U.S. bishops' conference, words that local Catholics might give serious thought to on the occasion of a Respect for Life celebration in the Archdiocese of Lousiville this weekend.

San Francisco Archbishop John Quinn, president of the National Conference of Catholic Bishops, underscored two major points in discussing respect for life: (1) that Catholics should be "comprehensive" in their support for life; and (2) that action taken to defend life should be done in Christian charity.

Whenever we hear of respect for life, we probably connect it with the abortion issue. Abortion is, of course, a respect for life matter—and an important one. But what we may tend to forget is that there are also other respect for life issues—in fact, a host of them, ranging from the unborn and born to the aged and infirm.

Archbishop Quinn stated it this way: "If you want to defend the preborn effectively, be opposed to war and the arms race . . . be on the side of those who work for a more just economic order in the world . . . uphold the rights of all people everywhere against unjust imprisonment and torture . . . see to it that the aged and handicapped are treated decently . . . support the rights of the hungry, the oppressed, the disinherited and disadvantaged wherever and whoever they are."

With this litany, the archbishop is not saying that efforts should be lessened in opposing abortion or that too much time is now being spent fighting abortion. He is simply saying that our defense of life must be all-inclusive and that anything which affects the dignity of life should be viewed as a pro-life matter.

The reason for this is quite simple: all human life is sacred because it is created by God, and thus anything which affects the conditions of human life should be of grave concern to us. As the U.S. bishops' pro-life committee puts it, "wherever human life exists—whether born or unborn, weak or strong, sick or healthy—there God is calling us."

Translated into everyday life, this means that programs, policies and actions—whether in government or outside government—which harm or threaten human life and dignity should be corrected. In the words of Pope Paul VI, each Christian has the responsibility for "effective action" and it's not enough simply to "recall principles, state intentions, point to crying injustices and utter prophetic denunciations."

But when such action is taken, whether individually or in concert with others, it should be done in a way that bespeaks a Christian. Positions should be advanced and

cases should be made with sound reasoning and in a manner that shows respect for those who may disagree with us.

In his recent comments, Archbishop Quinn said: we may be required to "denounce immoral actions and positions, but we must not give way to hate for those responsible. As scripture tells us, we are 'to do the truth in love.'"

This is sometimes forgotten in the heat of battle, when sides clash in public forums and when emotional issues are debated. And when these battles enter the political arena, such as the halls of government, it may be thought that the only way to fight a fire is to light a bigger flame, or the only way to counter mudslingers is to sling more mud.

As a practical matter, these approaches often backfire by tending to alienate those we hope to persuade and by putting those on our side in difficult positions. And from a Christian point of view, these tactics can hardly be squared with the practice of charity.

Pope John XXIII gave this advice: "take care. . . to show mutual esteem and regard" for each other and their views and "weigh the opinion of others with fitting courtesy." If this is done, he said, people "can, in good time, accomplish what necessity requires."

A LOOK AT RHODESIA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1978

Mr. DORNAN. Mr. Speaker, on January 29, the CBS news show, "Sixty Minutes" broadcast a segment on Rhodesia. It was an objective and honest look at the present situation there. Facts about life in Rhodesia which are many times downplayed or ignored outright were given proper weight.

There is no white Rhodesian army fighting an internal war against Rhodesian blacks. Black Rhodesians—who are not drafted but volunteer—outnumber whites in the police and the army by 7 to 1. Public education while still segregated—as was American education up until a few years ago—is loosening and private education is integrated. Ian Smith has been negotiating patiently and openly with two popular African leaders for a transition to black majority rule. Black citizens in Rhodesia have more freedom, more of an even break at life, more choice, that the people in many of the 49 independent states of Africa, the overwhleming majority of which are dictatorships, oligarchies, or one-party states.

Nor are the flaws in the Rhodesian nation glossed over. Neighborhoods are still segregated. It is still difficult for a black workingman to find an easy opportunity of breaking out of his lot in life. There is still a long way to go to majority rule.

But all in all, the CBS segment was an evenhanded treatment of Rhodesia. It was not the picture that a hardcore racist would have painted of Rhodesia. But neither was it one to suit the Andrew Youngs of this world. For just these reasons I recommend that those of my colleagues who were unable to see this program last month, take the time to read the transcript of the Rhodesia segment which I include as part of my remarks today:

RHODESIA

MORLEY SAFER. Africa—you have the utter madness of Uganda, the entrenched racism of South Africa, and in between, various degrees of starvation, repression, civil war, and the stage for a confrontation between the United States and the Soviet Union; a continent of roughly 50 fractured states—an unholy mess.

And you have Rhodesia, where the white minority of Prime Minister Ian Smith is in a struggle for survival. Black majority rule is on the way in Rhodesia, and the beginnings of it might even come this weekend. Smith is trying to negotiate an internal settlement that guarantees the stake that white men have put down in that country. Is it possible? We went to find out. First, let's get the vital statistics out of the way.

Rhodesia is a country about the size of California with a population less than Florida's. Six million blacks, who have not very much; a quarter of a million whites, who have just about everything. And let's get the travelogue part of this story out of the way. Rhodesia is just north of South Africa and, with the exception of South Africa, is surrounded by hostile neighbors. It is a country of magnificant sights, of magnificent climate; scenes so lovely they must have been gazed upon by angels, is the way the good Dr. Livingstone described Victoria Falls when he came upon them in 1855. When the first white settlers checked in, about 90 years ago, they were not unlike the American settlers who moved west a little earlier. The idea of the "little house on the prairie" is as African as it is American. The natives were less hostile here and so, indeed, were the settlers who trekked and farmed and built and wrought themselves a great country; a country that by the rules of the first half of this century was perfectly okay. But for all kinds of reasons, the rules of the second half of the century have been changed, and Rhodesia is an outcast nation.

Up to 1965, it was a self-governing colony of Britain, but when Britain demanded that Rhodesia give way to majority rule—black rule—the Prime Minister, Ian Smith, declared the colony independent. The white minority was charting its own course. It was denounced as an outlaw nation. Economic sanctions were placed on imports and exports. Britain said Smith wouldn't last two weeks. He has lasted 12 years, but 12 years of turmoil. In the seventies, militant black nationalists formed a "Patriotic Front". Using sanctuaries in other African states and Soviet arms, they declared guerrilla war against the whites, and against blacks who cooperated with the government. The Front was led by two men: Joshua Nkoma and Robert Mugabe—bitter rivals, but allies against Smith. Some whites pulled out, but mostly they dug in their heels, and the country became an armed camp.

(Noise of gunshots)

Sweet little old-fashioned Rhodesia was brought smack into the world.

GUARD. Good morning, sir.

SAFER. Good morning.

GUARD. Any firearms with you, sir?

SAFER. No.

GUARD. Any explosive things with you?

SAFER. No, nothing.

GUARD. (Indistinct), sir.

SAFER. Thank you.

There are reports of mercenaries being brought in to fight Rhodesia's war; in fact, it is mostly a people's war and a people's army. They're a stiff-necked bunch these people, and love them or hate them, you've got to admire their grit: an odd combination of 20th century delights and technology and a 19th century pioneer spirit. You are tempted to compare this place with Vietnam. The two wars have the same look—but it's only the look that's the same. Here they like to compare themselves with the Israelis: a small, superbly trained force; audacious strikes deep into hostile territory; and most important of all, they'll tell you, they're defending their own land.

WOMAN (Rhodesian citizen). You got to die. In some way I'd rather die fighting for something that's worth fighting for, honestly. My children—my oldest son is 12, and he—he is proud to be a Rhodesian. He's patriotic, and I think patriotism in a—in a child is something that's—that you don't see everywhere in—in the world. And he already talks about when he's old enough to fight for this country, and he knows what it's about; he knows that you can lose your life, but he's prepared to do it.

And I think that that's fantastic.

(Music; soldiers marching)

SAFER. If you believe that a white Rhodesian army was fighting the border war and the internal war against Rhodesian blacks, you couldn't be more wrong. Black Rhodesians—who, by the way, are not drafted but volunteer—outnumber whites in the police and the army by seven to one. And blacks are now becoming officers. Rhodesia is changing. In education, scenes like this would have been unthinkable only a few years ago. Public education is still segregated, but it's loosening, and private education for the few blacks who can afford it is integrated. Rhodesians feel put upon by the entire world; that their critics confuse them with South Africa, and have not tried to understand that, in its own way, Rhodesia is a developing country. They'll tell you that Rhodesia needs help, not hectoring, from the sidelines. And they blame Britain and the United States: Foreign Secretary David Owen and UN Ambassador Andrew Young, both of whom recognize the Patriotic Front rather than Smith, who for 10 weeks has been negotiating with two popular African leaders for a transition to black majority rule. These men: Ndabaningi Sithole and Bishop Abel Muzorewa. Smith feels the free world wants him to concede to the men with the guns, rather than negotiate with the men with the votes.

IAN SMITH. I can accept the Communists don't want us to succeed. The question I put to you, in turn—the Americans—is, why is it that the free world seems to be standing in our way? The free world led by Britain and America, because America has been drawn in now. I wonder why they are trying to trip us up, and prevent us from achieving this almost ideal situation where we can prove in Rhodesia that the white man and the black man can go on living and working together in harmony for their mutual benefits in this part of Africa.

SAFER. You've said you accept the principle of majority rule, and a lot of people looking at white Rhodesia, and looking at Ian Smith, will say, "Yes, if Smith is saying it, there's got to be a catch somewhere."

SMITH. Hmm.

SAFER. What's the catch?

SMITH. Well, there is no catch, because we've got to go on living in this country with the blacks, and we would indeed be foolish if we resorted to sleight-of-hand or deceit, because it would mean thereafter we would have to live with these problems, and we would never create trust and confidence between white Rhodesians and black Rhodesians. We are going to try to negotiate into this new constitution the maintenance of certain standards in a democracy; the preservation of things such as the impartiality of our courts of justice, our forces of law and order; the maintenance of decent standards. That is the sort of thing that we're trying to tie in, and to see if we can put the white man in a position where he will be satisfied that these standards will be pre-

served; that they won't be thrown out of the window the moment this thing called majority rule takes place in Rhodesia.

SAFER. The case for majority rule may be an overwhelming one in this day and age. But is there a case for the whites in Rhodesia? They feel they've rarely been given a fair hearing.

SMITH. I think there is an obsession in the world today which is along the lines that any white man in Africa is wrong just because he's white. If you've got a black skin, then whatever you do is right. Well, I want to be scrupulously fair. We are building a country here where black and white can live together, we hope, and will have equal rights and equal treatment. But the last thing we're prepared to accept is that because we've got a white skin we are wrong in Africa, especially when you look at the history of this country; when you know what the white man has done for Rhodesia in a very short time—you know, about 70 years or so. This was one of the last parts of the world that came into touch with Western civilization. When our forefathers came here, there was no civilization. There was no such thing as a—a cart with a wheel. There was no education. There was no written language in this part of Africa. That gives you some idea of the kind of situation that existed when we came.

SAFER. For whites, it is the essential colonial life: "We made all this possible," they'll tell you, and so they see no sin in taking their pleasures. They see a great deal wrong with outsiders telling them they must give them up in order to conform to some theory of human rights that anyway barely exists in only a handful of countries. So why pick on Rhodesia? Even with the absence of full civil rights, of majority rule, Rhodesia's black citizens have more freedom, more of an even break at life, more choice, then the people in many of the 49 independent states of Africa, most of which are dictatorships, oligarchies or one-party states.

It would be extremist to compare Rhodesia with Idi Amin's Uganda, or Emperor Bokassa's Central African Empire. But there are many lesser Ugandas with which Rhodesia can happily compete in the world's human rights contest: Mozambique to the east, South Africa to the south; and if you like, Haiti, in the very shadow of the United States.

But it's been Rhodesia's misfortune to find itself stuck on a chessboard—an international game in which only black can win; stuck on a continent on which white faces make bad causes. This is only a chess game of no great significance, but it's the kind of thing you can come upon quite casually in Salisbury. It's a sight that might have been impossible a dozen years ago, but one that suggests that white Rhodesia indeed is changing; that left alone, there is a chance of one African republic emerging that could set an embarrassing example for the rest.

(Black and white playing chess on a giant chessboard.)

To the eye or to the camera, life in Rhodesia can be seen to be free of the abject segregation, the apartheid, of South Africa. The management no longer reserves the right of admission, and white Rhodesians feel they have made giant strides in only a few years. In the daily commerce, the diversions of life, people mix easily. This can also be seen as mere cosmetics; that it ignores the psychological and very real legislative barriers that still keep this society separate and unequal.

In housing, there are just the beginning, tentative steps towards integrated neighborhoods, but for the most part urban Africans live in the so-called townships. Paternalism it may be, but the country has perhaps the best-educated, best-fed, healthiest population in Africa.

What there is not yet for the common workingman in Rhodesia is the easy opportunity to break out of a life that has been ordained for him by the color of his skin.

(Nightclub band—dancing.)

Smith feels that that is changing, that it must change; that the only way to achieve that change and protect the stake of Rhodesia's quarter of a million whites is through a gradual handing over to moderates, and not, as the Anglo-American plan would have it, to the Patriotic Front.

You can, with no trouble at all, find people among white Rhodesian settlers who are racist beyond redemption; caricatures of the southern African redneck. People, it would seem, who would never abide even the most moderate black government. Maybe so. And it could be that a Smith, once the reddest of rednecks himself, might be able to pull this country together—achieve in Africa what is only just being achieved in parts of the United States. It's ironic that it's the army that could make this a truly multiracial society. It's in the army that most young Rhodesians have any chance to share an experience equally, and the show of support for "our boys" seems to be totally nonracial. If anything has brought Rhodesians together, it is this:

(Funeral service—trumpets blowing)

MINISTER. We humbly commend the soul of this, Thy servant . . .

SAFER. There were two funerals in Salisbury today. This one for Corporal A. B. Tenant, age 31, married, two children—killed in active duty. And in the patriotic and quite moving language of such services, "Corporal Tenant was killed in the defense of his country."

(Sound of people weeping)

And later this afternoon, there was this funeral. Sergeant Obert Molassy, age 24, married, three children.

The two men are buried side by side. Sergeant Molassy, too, died for his country.

MINISTER. . . . unto Himself the soul of our dear brother here departed, and therefore commit his body to the ground, earth to earth, ashes to ashes, dust to dust.

(Singing—filling in the grave)

SAFER. There are two—or maybe 20—ways of looking at life in this patch of Africa. The contrast may be so stark as to offend the eye, the worlds too distant to ever make a nation. But new voices are being heard, and old voices are changing.

MINISTER. Let us offer to Almighty God our prayers that the killings may cease.

(Organ music)

SAFER. Or perhaps it's merely the routine schizophrenia of Rhodesian life: pride in the country they've built, guilt about the way it was done; their hearts stuck in pale nostalgic memory, their heads facing the black reality of Africa. Perhaps that odd mixture could produce a bright new idea on what is in so many ways still a dark continent. Foreign economic sanctions have forced Rhodesians of both races to get by on their own resources. Perhaps a sanction on foreign interference will allow them to get on with that notion, one that combines the reality of Africa with the idealism of a few people. Given half a chance, it could succeed.

ESTONIAN INDEPENDENCE ANNIVERSARY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. YOUNG of Florida. Mr. Speaker, on this day Estonians throughout the world commemorate the 60th anniversary of the Proclamation of Independence of the Republic of Estonia. It is important that Americans take time to memorialize the plight of the Baltic people who have been overcome by the ruthless tyranny of the Soviet Union.

Estonia, Lithuania, and Latvia exemplify the true meaning of human rights. In fact, no part of the world represents a more serious denial of human rights, including the right of self-determination, than the imprisoning of the Baltic people.

Soviet repression has been consistent and harsh. Human rights have been violated in numerous ways and these violations are continuing. This ongoing repression makes it incumbent upon us to uphold our heritage of a free and open society and we must champion the cause of self-determination for the Estonian people. The United States must continue to support the aspirations for freedom, independence, and national self-determination of all peoples. We cannot accept foreign domination by any nation over another nation. To this end we remain committed and we must not waiver from our responsibility.

HOUSE OF REPRESENTATIVES—*Monday, February 27, 1978*

NOTICE

Effective Wednesday, March 1, 1978, the Laws and Rules for Publication of the **Congressional Record** will be amended to identify statements or insertions in the **Record** where **no part of them was spoken.** Unspoken material will be preceded and followed by a "bullet" symbol, i.e., •.

Since procedures in the House and Senate differ, variations of the Laws and Rules for Publication for each body are as follows:

1. **HOUSE AND SENATE FLOOR PROCEEDINGS**

(a) When, upon unanimous consent or by motion, a prepared statement is ordered to be printed in the **Record** and **no part** of it is spoken, the entire statement will be "bulleted."

(b) If a Member verbally delivers the **first portion** of the statement (such as the first sentence or paragraph), then the entire statement will appear **without** the "bullet" symbol.

(c) Extemporaneous speeches supplemented by prepared statements **will not** be "bulleted."

2. **SENATE ONLY**

(a) **Additional Statements. All unspoken** prepared statements submitted for printing in the **Record will be** "bulleted"; and

(b) If the statement is **not germane** to the pending or unfinished business before the Senate, it will be printed in the **Record** under the heading of "Additional Statements";

(c) If, however, the unspoken prepared statement **is germane** to the pending or unfinished business, it will be printed in the **Record** as part of the debate on the matter being considered.

(d) **Routine Morning Business. Unspoken** prepared statements submitted with the introduction of legislation, notices of hearings, or any other "first person" statement **not spoken** will be printed in the **Record** with the "bullet" symbol and will appear in the **Record** at the appropriate place during Routine Morning Business.

3. **HOUSE ONLY**

(a) **One-Minute Speeches and Special Orders.** If **no portion** of such statements is spoken by the Member, the entire statement **will** be "bulleted."

(b) **Extensions of Remarks.** All statements **not spoken** by the Member will be "bulleted." If, however, a portion of a statement **is delivered verbally** by the Member, revised, but **not** received by GPO in time to appear in the **Record** for that day, it will be printed **without** the "bullet" symbol in a subsequent issue of the **Record** under "Extensions of Remarks."

By order of the Joint Committee on Printing.

FRANK THOMPSON, JR., Acting Chairman.

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

If anyone will come after me, let him deny himself and take up his cross and follow me.—Matthew 16: 24

O God, our Father, who hast brought us to the Lenten season when we think of self-denial and self-discipline, grant that Thy Spirit may be the spirit that dwells in all our hearts. May Thy presence sustain us all the day long keeping our minds free from bitterness and resentment and filled with the happy spirit of faith, hope, and love.

Guide our Nation and the nations of the world into the ways of justice and good will. Establish among us all the peace which is the fruit of righteousness and the love which is the faith of the believing heart.

O Lord, bless us this day and all our days in every way and all the way. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On February 2, 1978:

H.R. 3215. An act for the relief of Mrs. Olive M. V. T. Davies, and her children, Samira D. K. Davies, Ola-Tomi K. Davies, Ola-Yinka K. Davies, Ilesha E. K. Davies, and Baba-Tunji Davies.

On February 3, 1978:

H.R. 7691. An act to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes.

On February 7, 1978:

H.R. 10532. An act to amend Public Law 95–18, providing for emergency drought relief measures.

On February 10, 1978:

H.R. 5054. An act to repeal section 3306 of title 5, United States Code, to eliminate the requirement of apportionment of appointments in the departmental service in the District of Columbia; and

H.R. 5322. An act to impose an excise tax on the sale of coal by the producer, to establish a Black Lung Disability Trust Fund, and for other purposes.

On February 14, 1978:

H.J. Res. 386. Joint resolution to provide for the striking of a national medal to commemorate the bicentennial of an outstanding historic event or personality during 1777.

On February 15, 1978:

H.R. 2719. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands; and

H.R. 5798. An act to amend the Interstate Commerce Act to authorize appropriations for the Office of Rail Public Counsel for fiscal year 1978.

On February 21, 1978:

H.R. 7442. An act to amend the Communications Act of 1934 to provide for the regulation of utility pole attachments.

H.R. 7766. An act to authorize the Mayor of the District of Columbia to enter into an agreement with the U.S. Postal Service with respect to the use of certain public airspace in the District of Columbia.

On February 24, 1978:

H.R. 3454. An act to designate certain endangered public lands for preservation as wilderness, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9851. An act to amend the Federal Aviation Act of 1958 to improve cargo air service.

THE LATE GENERAL DANIEL JAMES

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, I am certain that the entire House is united in deep

regret that Gen. Daniel James is dead. America will miss him as a great leader who eloquently used every opportunity to extol our country's greatness and its continuing promise. The armed services will miss him as one of the great military leaders of our time. His family will miss him as a loving husband, father, and an inspiration to all. His friends—and few people can claim more friends—are saddened by the untimely loss of a wise and strong leader, who in his rise to greatness never outgrew those whom he knew, liked, and trusted.

General James was the first black American to hold four-star rank in the U.S. Armed Forces. He served with distinction in three wars, won many decorations for valor in combat, and for distinguished leadership, and became chief of NORAD. He rose to greatness through sheer courage and determination.

Mr. Speaker, I have been proud to share the friendship of the entire family for many years, and I extend my sympathies, and those of my family, to his beloved wife, Dorothy, to his children, and to all of the bereaved. I am confident the House will want to be included in this expression of sympathy and regret at their loss. I shall speak in much greater length on General James and his contributions to our Nation in a special order later today.

I would like to state at this time, Mr. Speaker, that it is now planned that General James' body will lie in state at the Shrine of the Immaculate Conception at Fourth Street and Michigan Avenue NE., in Washington on Wednesday from 7 o'clock p.m. until 10 o'clock, and a requiem mass will be celebrated at 8 o'clock that night. Interment services will be held at Arlington Cemetery chapel at 11 o'clock on Thursday morning, and burial will take place subsequently in Arlington Cemetery.

HAZARDOUS CARGO

(Mr. CORNWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORNWELL. Mr. Speaker, 11 persons die in Waverly, Tenn., and thousands are evacuated; 8 persons have died in the panhandle of Florida and as many as 70 more are hospitalized.

How many more tragic accidents involving railroads and human life will we, the Congress, allow to happen before we begin to accept the severity of the problem?

In my district, trains rumble through the very heart of downtown Bedford, Ind., on rickety, antiquated trackage, blocking traffic and posing extreme hazards to health and safety. At a hearing that I cochaired with Senator BIRCH BAYH on December 6 in Bedford, Ind., testimony was taken from over 20 different individuals—all of these people expressed the fear that has unnecessarily become reality in Tennessee and Florida. And even now, the railroads will not tell city officials what cargo is being moved through town by rail. But it is common knowledge that these trains serve both a naval ammunitions depot and numerous industrial plants that either use or manufacture toxics that pose a threat to life and environment.

The time to act has long gone by. We must now react. I urge you, my colleagues, to join Congressman SIKES and Congressman BEARD of Tennessee and myself to correct this gross neglect by the Congress.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. CORNWELL. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I commend my distinguished friend for his statement. I certainly share the gentleman's concern. I shall join gladly in whatever efforts are necessary to bring about a lasting solution to prevent the shock of recurrence of these incidents. The incident to which the gentleman referred in my district, which claimed eight lives just a few days ago, is the second fatal railway accident of a similar nature in my district in very recent weeks. We are all very concerned about the causes; we must join forces to find a proper cure for this problem.

FEDERAL TUITION ASSISTANCE WILL NOT SWAMP PUBLIC SCHOOLS

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, allegations have been made in the last few weeks that Federal tuition assistance at elementary and secondary schools levels would "deliver a devastating blow to public education in this country," to quote HEW Secretary Califano. This morning's Washington Post urged anyone who values the public schools to oppose elementary and secondary tuition tax credits.

Considerable misinformation is circulating about Federal subsidies for public and private school pupils. The truth is that at present the Federal Government is spending $238 a year on each public school student and between $55 and $75 on each private school student. Under the bill approved by the Senate Finance Committee last week, the figure for private per pupil aid would rise from $306 to $326, or some $70 more than for public school students.

I hope that our public schools are not in such a precarious state that they will be "swamped," or "dealt a devastating blow" by this $70 differential in Federal funds. In some parts of the country as much as $3,000 per pupil in total Government funds, from all levels of Government, is being spent on public school students.

I am entering as an extension of my remarks a detailed explanation of how I arrived at these statistics. I hope that those of you who, like me, have not come to any final conclusion on this important issue, will look at these numbers.

TWELFTH QUARTERLY REPORT OF COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the twelfth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council's activities during the third quarter of 1977 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies.

In August 1977 I asked the Council to undertake an in-depth study of the Nation's steel industry. The study was released in October and served as an important information base in the Administration's development of its reference price system for imports of foreign steel.

Also in the third quarter, at the request of Secretary of HUD Patricia Roberts Harris, the Council accelerated its study of lumber prices and the lumber products industry.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

JIMMY CARTER.

THE WHITE HOUSE, *February 27, 1978.*

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 86]

Addabbo	Chappell	Gammage
Akaka	Chisholm	Garcia
Ambro	Clausen, Don H.	Gaydos
Anderson, Calif.	Cleveland	Giaimo
Anderson, Ill.	Collins, Ill.	Gilman
Andrews, N.C.	Conyers	Gonzalez
Andrews, N. Dak.	Cotter	Harsha
Archer	Crane	Heckler
Armstrong	Dellums	Holtzman
Aspin	Dent	Howard
AuCoin	Dicks	Ireland
Barnard	Dodd	Jeffords
Beilenson	Drinan	Krueger
Biaggi	Eilberg	Le Fante
Bolling	English	Livingston
Breaux	Erlenborn	McEwen
Breckinridge	Evans, Ind.	Mann
Brown, Ohio	Flowers	Meeds
Burke, Calif.	Ford, Mich.	Meyner
Burke, Fla.	Ford, Tenn.	Mikva
Byron	Fountain	Milford
Cederberg	Fraser	Miller, Calif.
	Frey	Moffett
		Moorhead, Pa.

Moss	Schroeder	Van Deerlin
Mottl	Shipley	Wampler
Murphy, Ill.	Simon	Watkins
Murphy, Pa.	Skelton	Waxman
Nix	Solarz	Weiss
Nolan	Spellman	Wiggins
Patterson	St Germain	Wilson, Bob
Pattison	Stokes	Wilson, C. H.
Pepper	Teague	Wilson, Tex.
Quie	Thone	Yates
Roberts	Thornton	Young, Alaska
Rodino	Traxler	Young, Fla.
Roncalio	Treen	Young, Mo.
Roybal	Tucker	Young, Tex.
Sarasin	Udall	Zeferetti

The SPEAKER pro tempore (Mr. SISK). On this rollcall 320 Members have recorded their presence by electric device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, in the quorum call just completed, I placed my card in the electronic device to record my presence, but a few minutes ago I was told it was not recorded. I was here, and therefore I ask that the permanent RECORD show I was present.

The SPEAKER pro tempore. The gentleman's statement will appear in the RECORD immediately after the quorum call.

ANNOUNCEMENT AS TO VOTES

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, due to compelling business in my congressional district, I was unable to be present during four rollcall votes on Tuesday, February 21, 1978, and would like to announce how I would have voted had I been present.

Rollcall No. 65. H.R. 10979, amended, to provide emergency assistance for the repair of certain weather related damages to highways and urban mass transportation systems dues to the winter of 1977–78. H.R. 10979 was passed by a vote of 274 yeas to 137 nays. I would have voted "no."

Rollcall No. 66. H.J. Res. 649, amended, to authorize the President to call a White House Conference on the Arts. H.J. Res. 649 was passed by a vote of 341 yeas to 65 nays. I would have voted "nay."

Rollcall No. 67. H.R. 10569, amended, to amend the Alcohol and Drug Abuse Education Act to extend the authorizations and appropriations for carrying out the provisions of such act. H.R. 10569 was passed by a vote of 408 yeas. I would have voted "yea."

Rollcall No. 68. H.R. 10606, to authorize funds for the Hubert H. Humphrey Institute of Public Affairs. H.R. 10606 was passed by a vote of 356 yeas to 53 nays. I would have voted "yea."

MR. TUCKER NOT A COSPONSOR ON FLEXIBLE PARITY ACT

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, last week, February 21, I introduced H.R. 11040, the Flexible Parity Act of 1978 with the following cosponsors: Mr. TUCKER, Mr. NATCHER, Mr. GUYER, and Mr. JENRETTE. Since the introduction, Mr. TUCKER has informed me that he did not give me his consent to be a cosponsor. I apologize to the gentleman from Arkansas for this error and wish to state for the RECORD that he is not a cosponsor of the bill.

HOME RULE CHARTER AMENDMENT PROVIDING FOR INITIATIVE AND REFERENDUM

Mr. DIGGS. Mr. Speaker, pursuant to the provisions of section 604(g) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, I call up the concurrent resolution (H. Con. Res. 464), approving an amendment to the District of Columbia Charter relating to initiative and referendum, and ask unanimous consent that debate on the concurrent resolution be limited to not to exceed 1 hour, to be equally divided and controlled between the gentleman from Connecticut (Mr. MCKINNEY) and myself.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 464

Resolved by the House of Representatives (the Senate concurring), That the Congress approves the action of the District of Columbia Council described as follows: Amendment Numbered 1 (relating to initiative and referendum) to the District of Columbia Charter, as stated in section 2 of the Initiative, Referendum, and Recall Charter Amendments Act of 1977, approved June 14, 1977 (Act 2–46), as amended by the Emergency Amendments to the Initiative, Referendum, and Recall Charter Amendments Act of 1977, approved November 1, 1977 (Act 2–94), and as ratified by a majority of the registered qualified electors of the District of Columbia voting in the referendum held for such ratification on November 8, 1977, such amendment having been submitted to the Congress for its approval on December 2, 1977, pursuant to section 303 of the District of Columbia Self-Government and Governmental Reorganization Act.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. DIGGS) will be recognized for 30 minutes, and the gentleman from Connecticut (Mr. MCKINNEY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Speaker, I yield myself such time as I may consume.

PURPOSE OF THE RESOLUTION

Mr. Speaker, the purpose of the concurrent resolution (H. Con. Res. 464), as is set forth in the committee report (H. Rept. 95–890), is to approve the action of the Council of the District of Columbia, which was ratified by a majority of the registered qualified electors of the District of Columbia voting to amend the home rule charter to allow District of Columbia voters to initiate laws, and to disapprove Council acts by referendum.

House Concurrent Resolution 464 is reported to the House to effectuate the requirements for amending the home rule charter, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (approved December 24, 1973; 87 Stat. 774.)

BACKGROUND AND NEED FOR LEGISLATION

The Home Rule Act provides that an act to amend the home rule charter, that is passed by the Council and ratified in an election by a majority of those voting, shall take effect if, within 35 legislative days of submission to Congress, both Houses of Congress adopt a concurrent resolution as specified in Section 604 of the Home Rule Act.

House Concurrent Resolution 464 approves amendment No. 1 respecting the initiative and referendum provisions of the "Initiative, Referendum and Recall Amendments Act of 1977" (Council Act No. 2–46), which was adopted by the Council on May 17, 1977, and signed by the Mayor on June 14, 1977. Clarifying amendments thereto were approved by emergency measures of the Council (acts No. 2–94 and 2–95) on November 1, 1977.

The initiative and referendum provisions were ratified by a majority—27,094 for, 5,627 against—of the registered qualified voters of the District voting thereon in the general election held on November 8, 1977.

Congressional approval—as by adopting House Concurrent Resolution 464—must be completed during the 35-day layover, or by approximately March 13, 1978.

LEGISLATIVE HISTORY

INITIATIVE, REFERENDUM, RECALL CONSIDERED BY CONGRESS DURING HOME RULE DEBATE IN 1973

INITIATIVE

The House-passed home rule bill did not contain an initiative provision for ordinary acts, but did permit initiative petitions for charter amendments. (Section 303(a)(2)).

The Senate bill required all charter amendments to originate with Congress. The conference compromise permitted the Council to originate charter amendments, but dropped the initiative language of the House bill.

REFERENDUM

The House-passed bill required referenda for approval of general obligation bonds and charter amendments, but had no other provisions.

The Senate had permissive referenda for bond issues. The conference compromise has permissive referenda for bond issues and compulsory referenda for charter amendments.

RECALL

The House-passed home rule included section 496, a recall provision similar to

part of the charter amendment recently passed by District of Columbia voters.

The Senate bill contained no recall provision. Section 496 was dropped in conference committee.

HEARING

The Subcommittee on Fiscal and Government Affairs held a hearing on House Concurrent Resolutions 436 and 437 on January 31, 1978, after which it reported a clean concurrent resolution, House Concurrent Resolution 464, to the full committee.

The Honorable Arrington Dixon, chairperson of the Committee on Government Operations, Council of the District of Columbia and the Honorable Hilda Howland M. Mason, Council Member At-Large for the District of Columbia, testified in support of the House concurrent resolution. No opposition thereto was then expressed or has since been received by the committee.

COMMITTEE VOTE

On February 7, 1978, the full committee approved House Concurrent Resolution 464 by voice vote.

INITIATIVE AND REFERENDUM PROVISIONS OF COUNCIL ACT NO. 2–46

The initiative and referendum provisions of Council Act No. 2–46 that are the subject of House Congressional Resolution 464, allow the registered voters: First, to propose laws other than laws appropriating funds that could be adopted by the Council—in the case of initiative—and second, to suspend acts of the Council other than emergency acts, acts levying taxes or acts appropriating funds, by submitting a petition for such action to the Board of Election and Ethics. The petition must contain the signatures of at least 5 percent of the registered voters in each of five or more wards.

In the case of an initiative, the proposed law would appear on the ballot at the next general, special or primary election, held at least 90 days after the initiative petition is received by the Board.

If a majority of the qualified voters voting on an "initiative proposal" vote their approval of the legislation proposed in the initiative process, it must be transmitted by the Council Chairman to the Speaker of the House and to the President of the Senate for a 30-day layover period. If by the end of that time a concurrent resolution of disapproval has not been adopted by both Houses of Congress, the act so initiated by petition shall become law.

On the other hand, if a "referendum proposal" to suspend a Council act is approved by a majority of the qualified voters voting thereon, that prohibits said act from becoming effective, and the matter may not be acted upon by the Council for 1 year following the Board's certification of the disapproving vote.

Should a majority of the said qualified voters vote their approval of a Council act that is the subject of the referendum, then the act must be transmitted to the Speaker of the House and to the President of the Senate for a 30-day layover period. If by the end of such time a concurrent resolution of disapproval has not been adopted by both Houses of Congress, the act shall become law.

The effective data of Council Act No. 2–46, relating to initiative and referendum—as also with recall, is October 1, 1978, contingent upon the approval by both the Senate and the House of a concurrent resolution such as House Concurrent Resolution 464, approved by both the House and the Senate within the 35 days as provided for in the Home Rule Act.

STATE PRECEDENTS FOR THIS LEGISLATION

From the testimony presented the committee, as well as from other sources, it appears that many of the States amendments providing for initiative of, and referendum on, legislation and the recall of elected officials.

As the following exhibit shows, 23 States provides for initiative, 39 for referendum, and 15 for recall.

Some States, such as California, Colorado, and Oregon have made extensive use of the processes by their electorates over the past 50 years, so much so that their use has become a routine part of the legislative and political process in these States.

The approval by the Congress of House Concurrent Resolution 464 (and of its companion, House Concurrent Resolution 471) will allow the citizens of the District of Columbia the right to participate even more directly in the Government of the District of Columbia.

STATES ENACTING PROVISIONS FOR INITIATIVE

Alaska, Arizona, Arkansas, California, Colorado, Florida, Idaho, Illinois, Maine, Massachusetts, Michigan, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Utah, Washington, Wyoming.

REFERENDUM

Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska.

Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, Washington, Wisconsin, Wyoming.

RECALL

Alaska, Arizona, California, Colorado, Idaho Kansas, Louisiana, Michigan, Montana, Nevada, North Dakota, Oregon, Utah, Washington, Wisconsin.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from Oklahoma.

(Mr. JONES of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, I thank the gentleman for yielding to me briefly. I want to express my strong support for this legislation and to commend the chairman of the Committee on the District of Columbia, the gentleman from Michigan (Mr. DIGGS) for presenting this to the House today.

I hope that the action the House and the Congress takes this year on this particular legislation will be a prelude to adopting a constitutional amendment which I and many of my colleagues, including the delegate from the District of Columbia, have cosponsored to amend the U.S. Constitution so as to provide for the initiative petition process at the Federal level among all the States.

Mr. Speaker, I believe this is very worthwhile and necessary legislation. I hope it will receive the near unanimous approval of the membership. Then I hope the House Judiciary Committee will conduct hearings as a Senate committee has done so that my constitutional amendment to provide for a national initiative process can begin to wind its way through Congress to the State legislatures.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. DIGGS. I am happy to yield to the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Speaker, I thank the distinguished chairman of the Committee on the District of Columbia the gentleman from Michigan (Mr. DIGGS) for yielding to me.

There is no Member here, I believe, who is more in favor of the initiative, referendum and recall process than I am, because I believe it is like a fire extinguisher in a home that one hopes he never has to use but if you do have to use it it is because there is serious trouble that causes you to use it. But I come from the State of California where we have the initiative, the referendum and the recall, and because the rules, as they are submitted, tend to be a little too loose, we have had some very serious problems over the years there. I remember some years ago, maybe it was 20 years ago when a number of oil companies got together and rammed through an initiative measure that they paid for by having petitions circulated and paid for the signatures and simply bought their way to the ballot. And had it not been for a last minute heavy campaign by some interested volunteer citizen groups, that measure which would have changed the laws in the State of California with regard to what they could have done was defeated.

In other words, Mr. Speaker, the initiative process can be used by special interest groups. Right now there is one that is referred to as the Jarvis amendment which initiative would limit the amount of property taxes to 1 percent of the property value of property in California. The measure in order to qualify has had to have 670,000 signatures and it qualified in less than 2 weeks with 1.2 million signatures.

We know in California that that legislation would have an obsolutely devastating effect on the State. However, because the people in California believe so strongly in this, they campaigned hard for it and they have gotten it on the ballot.

So I believe that some kind of limitation needs to be imposed upon the number of signatures in order to have such measures qualified. It is my own personal belief that it ought to be made rather difficult to do this. It is rather like using the fire extinguisher, but it certainly should not be used to keep somebody out of a particular room, just as an example, if I can use that for an analogy.

We should not be able to use the initiative and referendum or recall unless there is more than simply disagreement with a particular matter passed by a legislative body. The recall in California is used and misused so often as to make it a kind of ludicrous operation. Anytime there is a disagreement with the elected government, they go to the recall process. Inevitably it passes—almost inevitably—and some action is taken as an election recall. It has become, I think, a mockery of the original purpose of the recall process.

I have reluctance in regard to these measures today because I am not so sure the numbers are high enough or perhaps low enough. The numbers ought to be responsive to allow for initiative and referendum and recall, but not so often as to be used in a way which I would call irresponsible where the legislative bodies themselves, the elected officials themselves, ordinarily can take control, and do take control, of the process of government reflecting the will of people which recall allows.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield so maybe I can address a comment to the gentleman from California (Mr. RYAN)?

Mr. DIGGS. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding.

I was going to say to the gentleman from California, if I understand the bill correctly, it provides for a broad-based expression on the part of the people—5 percent of the registered voters. The bill also requires that the total signatures include 5 percent of the registered voters in each of five wards. So it would be a lot harder in our case to allow for an organized group to jump in there and capriciously use these initiatives and referendums and recalls. But I think the point the gentleman brought out is important, and our committee tried to establish a threshold which was not so onerous that one could never trigger these provisions and yet not so easily reached that one could trigger them for political purposes.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. DIGGS. If I might interject at this point, then I will yield.

Mr. McKINNEY. I just wanted to answer some of the concerns of our colleague, the gentleman from California (Mr. RYAN) and say we have also made sure initiatives, referendums, and recalls cannot be used in tax matters and appropriation matters. So I think this made it extremely difficult, and I think it is a good bill in that aspect.

Mr. DIGGS. I think the final answer to the gentleman's concerns—and we certainly respect his concerns—is the fact that we still have congressional review, that anything that is passed locally by the initiative route or by the City Council has to lie over for 30 days for congressional review, and if there is anything passed through one of these mechanisms that is of concern to the gentleman—and I am sure his concern would be my concern—we would have an ample opportunity to invoke the will of Congress with respect to that.

Mr. RYAN. Mr. Speaker, will the gentleman yield on that point?

Mr. DIGGS. I yield to the gentleman from California.

Mr. RYAN. I thank the gentleman for yielding.

There is a bill presently in the Committee on the Judiciary, I believe, which has to do with home rule which the gentleman from Washington, D.C., has pursued these many years so assiduously. In that bill would that particular provision be changed if that legislation became a reality?

Mr. DIGGS. No, it would not.

Mr. Speaker, I yield 5 minutes to the gentleman from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Speaker, I rise in support of House Concurrent Resolutions 464 and 471, both providing for amendment to the District of Columbia Home Rule Charter.

House Concurrent Resolution 464 would amend the charter by allowing voter initiative and referendum. Initiative is the process that allows electors to propose laws to be voted on directly by the general electorate. Laws appropriating funds, of course, would not be included in this process. Referendum is the process that allows electors to suspend acts of the D.C. Council until they have been approved or rejected by the general electorate. Excluded from the referendum process would be emergency acts and acts appropriating funds or levying taxes.

House Concurrent Resolution 471 would amend the charter by allowing voter recall. Recall is the process that allows electors to remove an elected official of the District of Columbia, except, the Delegate to Congress.

On November 8, 1977, the District of Columbia joined 23 of the States by passing in a referendum by an overwhelming 83 percent of those voting, a citizen initiative, referendum and recall process. This greater than 4-to-1 margin of victory in the Nation's capital was the ultimate expression of support for a D.C. voter initiative process. The measure had earlier been endorsed by all of the members of the D.C. Council, the Mayor, the local major political parties, numerous civic and other citizens groups, and the local print and electronic media.

The subcommittee which held hearings on these resolutions, passed both by voice vote as did the full committee.

Before voter initiative becomes the way of life in the District of Columbia, the Congress under the Home Rule Act must pass a concurrent approval resolution. This concurrent resolution must be passed within 35 legislative days following submission, and the deadline is rapidly approaching.

There are ample safeguards in this legislation. Initiative or referendum petitions must contain signatures of a minimum of 5 percent of the registered voters in each of five or more of the city's eight wards. Further, no act is subject to referendum that has already become law, and no initiative or referendum ratified by a majority of voters shall take effect until the end of the congressional review period established by the Home Rule Act.

Recall petitions must contain signatures of a minimum of 10 percent of the electors in the area in which the official was elected, ward or at large. In the case of an at-large official, the 10 percent shall include 10 percent of the registered voters in each of five or more of the city's eight wards. Further, a recall may not be initiated within the first of final year of an official's term of office, and a recall may not be initiated within 1 year after a recall election determined in an official's favor.

Voter initiative, referendum, and recall is a growing trend in this country. I urge the Congress to support the overwhelming position of the D.C. electorate.

Thank you.

Mr. DIGGS. Mr. Speaker, I reserve the remainder of my time.

Mr. McKINNEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 464 and the resolution to follow, House Resolution 471, which, if passed, would permit amendments to the District of Columbia charter to enable the citizens of the District to initiate laws, disapprove City Council acts by referendum, and recall elected officials. I applaud the actions of the city in proposing these amendments, for they are indicative of the ability of the District of Columbia to govern itself and to govern itself well.

I have long supported these concepts of progressive and democratic government. I was an original supporter of Mr. FAUNTROY's amendment providing for recall of locally elected officials when the original home rule legislation was being considered. Though we were not successful at that time, the depth of support for initiative, referendum, and recall in the District of Columbia community has led to their adoption through the charter amendment procedures of the Home Rule Act.

I think it is interesting to note here that during the original debate on recall in 1973, a number of my colleagues were concerned that such a provision would lead to a "witch hunt" of public officials who were regarded as being controversial due to their actions or stances on various issues. However, a review of the legislative history of these charter amendments indicates that the City Council has addressed these concerns and has included adequate safeguards to prevent abuse. Chief among these is the restriction that no official may be re-

called in the first or last year of his or her term and, further, that no official, having survived a recall attempt, could be recalled again within 1 year after the recall election results have been certified by the D.C. Board of Elections. I doubt that the City Council would have unanimously enacted this legislation if there were concerns that it could be used to hound them from office.

Twenty-three States permit citizens to propose laws through initiative; 39 States permit citizens to reject proposed legislation through referendum; and 15 States permit citizens to remove elected officials from office through recall. In some States where citizens are permitted to exercise all three powers, such as California, Colorado, and Oregon, the use of initiative, referendum, and recall has been so extensive as to make these powers a routine segment of the legislative process. In these times when most Americans are concerned about the seeming lack of accountability of their Government, it makes sense that this particular legislation should be adopted in the Nation's Capital.

I urge the support of my colleagues on House Concurrent Resolution 464 and the other resolution to follow, 471.

Mr. Speaker, I reserve the balance of my time.

Mr. DIGGS. Mr. Speaker, I have no further requests for time.

Mr. McKINNEY. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. DIGGS. Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 321, nays 24, not voting 89, as follows:

[Roll No. 87]

YEAS—321

Abdnor	Blouin	Burton, John
Alexander	Boggs	Burton, Phillip
Allen	Boland	Byron
Anderson, Ill.	Bolling	Caputo
Annunzio	Bonior	Carney
Applegate	Bonker	Carr
Archer	Bowen	Carter
Ashbrook	Brademas	Cavanaugh
Ashley	Breaux	Cederberg
Badham	Brinkley	Clawson, Del
Bafalis	Brodhead	Clay
Bauman	Brooks	Cochran
Beard, R.I.	Broomfield	Cohen
Beard, Tenn.	Brown, Calif.	Coleman
Bedell	Brown, Mich.	Conte
Beilenson	Broyhill	Corcoran
Benjamin	Buchanan	Corman
Bennett	Burgener	Cornell
Bevill	Burke, Mass.	Cornwell
Bingham	Burleson, Tex.	Cotter
Blanchard	Burlison, Mo.	Coughlin
Cunningham	Jenkins	Perkins
D'Amours	Jenrette	Pettis
Daniel, Dan	Johnson, Calif.	Pickle
Daniel, R. W.	Johnson, Colo.	Pike
Danielson	Jones, N.C.	Pressler
Davis	Jones, Okla.	Price
Delaney	Jones, Tenn.	Pritchard
Derrick	Jordan	Pursell
Derwinski	Kasten	Quayle
Devine	Kastenmeier	Quillen
Dickinson	Kazen	Rahall
Diggs	Kelly	Railsback
Dingell	Kemp	Rangel
Dodd	Ketchum	Regula
Dornan	Keys	Reuss
Downey	Kildee	Richmond
Drinan	Kindness	Rinaldo
Duncan, Oreg.	Kostmayer	Risenhoover
Duncan, Tenn.	Krebs	Robinson
Early	LaFalce	Roe
Edgar	Lagomarsino	Rogers
Edwards, Calif.	Latta	Rooney
Edwards, Okla.	Leach	Rose
Emery	Lederer	Rosenthal
English	Leggett	Rousselot
Ertel	Lehman	Roybal
Evans, Colo.	Lent	Rudd
Evans, Del.	Levitas	Runnels
Evans, Ga.	Lloyd, Tenn.	Ruppe
Evans, Ind.	Long, Md.	Ryan
Fary	Lott	Santini
Fascell	Lujan	Satterfield
Fenwick	Luken	Scheuer
Findley	Lundine	Schulze
Fish	McCormack	Sebelius
Fisher	McDade	Seiberling
Fithian	McDonald	Sharp
Flippo	McFall	Sikes
Flood	McHugh	Sisk
Florio	McKinney	Skubitz
Flynt	Madigan	Slack
Foley	Maguire	Smith, Iowa
Forsythe	Mahon	Smith, Nebr.
Fountain	Markey	Snyder
Fowler	Marks	Spence
Fuqua	Marlenee	St Germain
Gaydos	Marriott	Staggers
Gephardt	Martin	Stangeland
Giaimo	Mathis	Stanton
Gibbons	Mattox	Stark
Ginn	Mazzoli	Steed
Glickman	Meeds	Steiger
Goldwater	Metcalfe	Stokes
Gonzalez	Mikulski	Stratton
Goodling	Milford	Studds
Gore	Miller, Calif.	Stump
Gradison	Miller, Ohio	Symms
Grassley	Mineta	Taylor
Green	Minish	Thompson
Gudger	Mitchell, Md.	Trible
Guyer	Mitchell, N.Y.	Tsongas
Hagedorn	Moakley	Udall
Hall	Moffett	Vander Jagt
Hamilton	Mollohan	Vanik
Hanley	Montgomery	Vento
Hannaford	Moore	Volkmer
Hansen	Moorhead, Calif.	Walgren
Harkin	Moorhead, Pa.	Walker
Harrington	Murphy, N.Y.	Walsh
Harris	Murtha	Waxman
Harsha	Myers, Gary	Weaver
Hawkins	Myers, John	Whalen
Heckler	Myers, Michael	White
Hefner	Natcher	Whitehurst
Heftel	Neal	Whitley
Hightower	Nedzi	Whitten
Hillis	Nichols	Winn
Holland	Nowak	Wirth
Hollenbeck	O'Brien	Wolff
Holt	Oakar	Wright
Horton	Oberstar	Wydler
Hubbard	Ottinger	Wylie
Huckaby	Panetta	Yatron
Hughes	Patten	Young, Alaska
Hyde	Pattison	Zablocki
Ichord	Pease	
Jacobs		

NAYS—24

Ambro	Hammer-schmidt	Obey
Ammerman	Lloyd, Calif.	Poage
Andrews, N.C.	McClory	Rostenkowski
Baldus	McKay	Russo
Butler	Michel	Shuster
Collins, Tex.	Mikva	Waggonner
Conable	Moss	Wiggins
Edwards, Ala.	Murphy, Pa.	
Frenzel		

NOT VOTING—89

Addabbo	Flowers	Roncalio
Akaka	Ford, Mich.	Sarasin
Anderson, Calif.	Ford, Tenn.	Sawyer
	Fraser	Schroeder
Andrews, N. Dak.	Frey	Shipley
	Gammage	Simon
Armstrong	Garcia	Skelton
Aspin	Gilman	Solarz
AuCoin	Holtzman	Spellman
Barnard	Howard	Steers
Baucus	Ireland	Stockman
Biaggi	Jeffords	Teague
Breckinridge	Krueger	Thone
Brown, Ohio	Le Fante	Thornton
Burke, Calif.	Livingston	Traxler
Burke, Fla.	Long, La.	Treen
Chappell	McCloskey	Tucker
Chisholm	McEwen	Ullman
Clausen, Don H.	Mann	Van Deerlin
	Meyner	Wampler
Cleveland	Mottl	Watkins
Collins, Ill.	Murphy, Ill.	Weiss
Conyers	Nix	Wilson, Bob
Crane	Nolan	Wilson, C. H.
de la Garza	Patterson	Wilson, Tex.
Dellums	Pepper	Yates
Dent	Preyer	Young, Fla.
Dicks	Quie	Young, Mo.
Eckhardt	Rhodes	Young, Tex.
Eilberg	Roberts	Zeferetti
Erlenborn	Rodino	

The Clerk announced the following pairs:

On this vote:

Mrs. Burke of California for, with Mr. Breckinridge against.

Mr. Pepper for, with Mr. Krueger against.

Until further notice:

Mr. Addabbo with Mr. Biaggi.

Mr. Dent with Mr. Eilberg.

Mr. Shipley with Mr. Murphy of Illinois.

Mr. Ford of Tennessee with Mr. Teague.

Mr. Eckhardt with Mr. Gammage.

Mr. Conyers with Mr. Dellums.

Mr. de la Garza with Ms. Holtzman.

Mr. Nix with Mrs. Chisholm.

Mr. Chappell with Mr. Rodino.

Mr. Roberts with Mr. Simon.

Mr. Roncalio with Mr. Baucus.

Mr. AuCoin with Mr. Fraser.

Mr. Solarz with Mrs. Spellman.

Mr. Ullman with Mr. Tucker.

Mr. Weiss with Mr. Yates.

Mr. Young of Texas with Mr. Zeferetti.

Mr. Long of Louisiana with Mr. Preyer.

Mr. Aspin with Mr. Howard.

Mr. Skelton with Mr. Traxler.

Mr. Charles H. Wilson of California with Mr. Young of Missouri.

Mr. Barnard with Mr. Watkins.

Mr. Dicks with Mr. Akaka.

Mr. Le Fante with Mr. Mottl.

Mr. Van Deerlin with Mr. Nolan.

Mrs. Schroeder with Mr. Thornton.

Mr. Flowers with Mr. Ford of Michigan.

Mrs. Collins of Illinois with Mr. Anderson of California.

Mr. Ireland with Mrs. Meyner.

Mr. Patterson of California with Mr. Mann.

Mr. Garcia with Mr. Charles Wilson of Texas.

Mr. Young of Florida with Mr. Brown of Ohio.

Mr. Burke of Florida with Mr. Don H. Clausen.

Mr. Crane with Mr. Erlenborn.

Mr. Steers with Mr. Treen.

Mr. Wampler with Mr. Bob Wilson.

Mr. Andrews of North Carolina with Mr. Thone.

Mr. RUSSO changed his vote from "yea" to "nay."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

HOME RULE CHARTER AMENDMENT PROVIDING FOR RECALL OF ELECTED OFFICIALS

Mr. DIGGS. Mr. Speaker, pursuant to the provisions of section 604(g) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, I call up the concurrent resolution (H. Con. Res. 471) approving an amendment to the District of Columbia charter relating to recall of elected officials and ask unanimous consent that debate on the concurrent resolution be limited to not to exceed 1 hour, to be equally divided and controlled by the gentleman from Connecticut (Mr. McKINNEY) and myself.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 471

Resolved by the House of Representatives (the Senate concurring), That the Congress approves the action of the District of Columbia Council described as follows: Amendment No. 2. (relating to recall of elected officials) to the District of Columbia charter, as stated in section 2 of the Initiative, Referendum, and Recall Charter Amendments Act of 1977, approved June 14, 1977 (Act 2-46), as amended by the Emergency Amendments to the Initiative, Referendum, and Recall Charter Amendments Act of 1977, approved November 1, 1977 (Act 2-94), and as ratified by a majority of the registered qualified electors of the District of Columbia voting in the referendum held for such ratification on November 8, 1977, such amendment having been submitted to the Congress for its approval on December 2, 1977, pursuant to section 303 of the District of Columbia Self-Government and Governmental Reorganization Act.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. DIGGS) will be recognized for 30 minutes, and the gentleman from Connecticut (Mr. McKINNEY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of the concurrent resolution (H. Con. Res. 471), as set forth in the committee report (H. Rept. 95-891), is to approve the action of the Council of the District of Columbia, which was ratified by a majority of the registered qualified electors of the District of Columbia voting to amend the home rule charter to allow D.C. voters to recall an elected official of the District of Columbia.

H. Con. Res. 471 is reported to the House to effectuate the requirements for amending the home rule charter, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (approved December 24, 1973; 87 Stat. 774).

BACKGROUND AND NEED FOR LEGISLATION

The Home Rule Act provides that an act to amend the Home Rule Charter, that is passed by the Council and ratified in an election by a majority of those voting, shall take effect if, within 35 legislative days of submission to Congress, both Houses of Congress adopt a concurrent resolution as specified in section 604 of the Home Rule Act.

House Concurrent Resolution 471 approves amendment No. 2 respecting the recall provisions of the "Initiative, Referendum and Recall Amendments Act of 1977" (Council Act No. 2-46), which was adopted by the Council on May 17, 1977, and signed by the Mayor on June 14, 1977. Clarifying amendments thereto were approved by emergency measures of the Council (acts Nos. 2-94 and 2-95) on November 1, 1977.

The recall provisions were ratified by a majority (28,019 for, 4,377 against) of the registered qualified voters of the District voting thereon in the general election held on November 8, 1977.

Congressional approval (as by adopting House Concurrent Resolution 471) must be completed during the 35-day layover, or by approximately March 13, 1978.

LEGISLATIVE HISTORY

INITIATIVE, REFERENDUM, RECALL CONSIDERED BY CONGRESS DURING HOME RULE DEBATE IN 1973

The House-passed home rule bill included section 496, a recall provision similar to part of the charter amendment recently passed by D.C. voters.

The Senate bill contained no recall provision. Section 496 was dropped in conference committee.

INITIATIVE

The House-passed home rule bill did not contain an initiative provision for ordinary acts, but did permit initiative petitions for charter amendments. (Sec. 303(a)(2)).

The Senate bill required all charter amendments to originate with Congress. The conference compromise permitted the Council to originate charter amendments, but dropped the initiative language of the House bill.

REFERENDUM

The House-passed bill required referendums for approval of general obligation bonds and charter amendments, but had no other provisions.

The Senate had permissive referendums for bond issues. The conference compromise has permissive referendums for bond issues and compulsory referendums for charter amendments.

RECALL PROVISIONS OF COUNCIL ACT NO. 2-46

The recall provisions of Council Act No. 2-46 that are the subject of House Concurrent Resolution 471 provide that the recall of an elected official of the District of Columbia, viz., the Mayor, the Chairman of the Council, Council members, and the members of the Board of Education, but excepting the Delegate to Congress, could be commenced by the filing of a petition containing the signatures of 10 percent of the registered voters of the ward from which elected, and in the case of at-large elected officials 10 percent from at least 5 or more wards.

A recall election must be scheduled by the Board of Elections and Ethics within 114 days of the receipt of the petition. The process, however, cannot be initiated within the first 365 days nor the last 365 days of such official's term of office. Nor can it be initiated within 1 year after a recall election has been decided in the official's favor.

If, however, an official is recalled by adverse majority vote, the vacancy created is filled in the same manner as other vacancies as provided in the Home Rule Act.

The effective date of Council Act No. 2-46 (relating to recall—as also with initiative and referendum) is October 1, 1978, contingent upon the approval by the Senate and the House of a concurrent resolution such as House Concurrent Resolution 471, within the 35 days as provided for in the Home Rule Act.

STATE PRECEDENTS FOR THIS LEGISLATION

From the testimony presented the committee, as well as from other sources, it appears that many of the States have already adopted constitutional amendments providing for initiative of, and referendum on, legislation and the recall of elected officials.

As the following exhibit shows, 23 States provide for initiative, 39 for referendum, and 15 for recall.

Some States, such as California, Colorado, and Oregon have made extensive use of these processes by their electorates over the past 50 years, so much so that their use has become a routine part of the legislative and political process in these States.

The approval by the Congress of House Concurrent Resolution 471 (and of its companion, House Concurrent Resolution 464) will allow the citizens of the District of Columbia the right to participate even more directly in the government of the District of Columbia.

STATES ENACTING PROVISIONS FOR INITIATIVE

Alaska	Montana
Arizona	Nebraska
Arkansas	Nevada
California	North Dakota
Colorado	Ohio
Florida	Oklahoma
Idaho	Oregon
Illinois	South Dakota
Maine	Utah
Massachusetts	Washington
Michigan	Wyoming
Missouri	

REFERENDUM

Alaska	New Hampshire
Arizona	New Jersey
Arkansas	New Mexico
California	New York
Colorado	North Carolina
Florida	North Dakota
Georgia	Ohio
Idaho	Oklahoma
Illinois	Oregon
Iowa	Pennsylvania
Kansas	Rhode Island
Kentucky	South Carolina
Maine	South Dakota
Maryland	Utah
Massachusetts	Vermont
Michigan	Virginia
Missouri	Washington
Montana	Wisconsin
Nebraska	Wyoming
Nevada	

RECALL

Alaska	Montana
Arizona	Nevada
California	North Dakota
Colorado	Oregon
Idaho	Utah
Kansas	Washington
Louisiana	Wisconsin
Michigan	

HEARING

The Subcommittee on Fiscal and Government Affairs held a hearing on House Concurrent Resolutions 436 and 437 on January 31, 1978, after which it reported a clean concurrent resolution, House Concurrent Resolution 471, to the full committee.

The Honorable Arrington Dixon, chairperson of the Committee on Government Operations, Council of the District of Columbia and the Honorable Hilda Howland M. Mason, Council Member At-Large for the District of Columbia, testified in support of the House concurrent resolution. No opposition thereto was then expressed or has since been received by the committee.

COMMITTEE VOTE

On February 7, 1978, the full committee approved House Concurrent Resolution 471 by voice vote.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding to me.

Mr. Speaker, I rise in support of the measure the gentleman from Michigan has described. I think it is another step in the effort to let the District of Columbia make its own laws, and to design and direct its own future.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. I thank the gentleman for yielding to me.

Mr. Speaker, I, too, want to associate myself with the remarks of the chairman in support of the recall provision which, as the chairman indicated, we had envisioned as a part of the home rule charter originally, but which in conference was dropped.

The chairman has indicated that not only is this the unanimous judgment of the elected Mayor and City Council, but we had a more than 4 to 1 vote in support of the recall provision at our referendum in November 1977.

I urge all Members to support the measure when it comes to a vote presently.

Mr. DIGGS. Mr. Speaker, I reserve the balance of my time.

Mr. McKINNEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in making my remarks on House Concurrent Resolution 464, I discussed House Concurrent Resolution 471. I strongly advocated that it was the will of the House when the home rule bill originally passed, and I hope it will pass this House, as it is clearly the will of the people of the District of Columbia and the City Council.

Mr. Speaker, I reserve the balance of my time.

Mr. DIGGS. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 4, not voting 80, as follows:

[Roll No. 88]

YEAS—350

Abdnor	Cornell	Gradison
Alexander	Cornwell	Grassley
Allen	Cotter	Green
Ambro	Coughlin	Gudger
Ammerman	Cunningham	Guyer
Anderson, Ill.	D'Amours	Hagedorn
Andrews, N.C.	Daniel, Dan	Hall
Annunzio	Daniel, R. W.	Hamilton
Applegate	Danielson	Hammer-schmidt
Archer	Davis	Hanley
Ashbrook	de la Garza	Hannaford
Ashley	Delaney	Hansen
Badham	Derrick	Harkin
Bafalis	Derwinski	Harrington
Baldus	Devine	Harris
Baucus	Dickinson	Harsha
Bauman	Diggs	Hawkins
Beard, R.I.	Dingell	Heckler
Beard, Tenn.	Dodd	Hefner
Bedell	Dornan	Heftel
Beilenson	Downey	Hightower
Benjamin	Drinan	Hillis
Bennett	Duncan, Tenn.	Holland
Bevill	Early	Hollenbeck
Bingham	Eckhardt	Holt
Blanchard	Edgar	Holtzman
Blouin	Edwards, Ala.	Hubbard
Boggs	Edwards, Calif.	Huckaby
Boland	Edwards, Okla.	Hughes
Bolling	Emery	Hyde
Bonior	English	Ichord
Bonker	Ertel	Jacobs
Bowen	Evans, Colo.	Jenkins
Brademas	Evans, Del.	Jenrette
Breaux	Evans, Ga.	Johnson, Calif.
Brinkley	Evans, Ind.	Johnson, Colo.
Brodhead	Fary	Jones, N.C.
Brooks	Fascell	Jones, Okla.
Broomfield	Fenwick	Jones, Tenn.
Brown, Calif.	Findley	Jordan
Brown, Mich.	Fish	Kasten
Broyhill	Fisher	Kastenmeier
Buchanan	Fithian	Kazen
Burgener	Flippo	Kelly
Burke, Mass.	Flood	Kemp
Burleson, Tex.	Florio	Ketchum
Burlison, Mo.	Flowers	Keys
Burton, John	Flynt	Kildee
Burton, Phillip	Foley	Kindness
Butler	Ford, Mich.	Kostmayer
Byron	Forsythe	Krebs
Caputo	Fountain	LaFalce
Carney	Fowler	Lagomarsino
Carr	Frenzel	Latta
Carter	Fuqua	Leach
Cavanaugh	Gaydos	Lederer
Cederberg	Gephardt	Lehman
Clawson, Del	Giaimo	Lent
Clay	Gibbons	Levitas
Cochran	Gilman	Lloyd, Calif.
Cohen	Ginn	Lloyd, Tenn.
Coleman	Glickman	Long, Md.
Conable	Goldwater	Lott
Conte	Gonzalez	Lujan
Corcoran	Goodling	Luken
Corman	Gore	Lundine
McCormack	Oberstar	Smith, Nebr.
McDade	Obey	Snyder
McDonald	Ottinger	Solarz
McFall	Panetta	Spellman
McHugh	Patten	Spence
McKinney	Pattison	St Germain
Madigan	Pease	Staggers
Maguire	Perkins	Stangeland
Mahon	Pettis	Stanton
Markey	Pickle	Stark
Marks	Pike	Steed
Marlenee	Pressler	Steers
Marriott	Price	Steiger
Martin	Pritchard	Stockman
Mathis	Pursell	Stokes
Mattox	Quayle	Stratton
Mazzoli	Quillen	Studds
Meeds	Rahall	Stump
Metcalfe	Railsback	Symms
Michel	Rangel	Taylor
Mikulski	Regula	Thompson
Mikva	Reuss	Trible
Milford	Richmond	Tsongas
Miller, Calif.	Rinaldo	Udall
Miller, Ohio	Risenhoover	Ullman
Mineta	Robinson	Vander Jagt
Minish	Roe	Vanik
Mitchell, Md.	Rogers	Vento
Mitchell, N.Y.	Rooney	Volkmer
Moakley	Rose	Waggonner
Moffett	Rosenthal	Walgren
Mollohan	Rostenkowski	Walker
Montgomery	Rousselot	Walsh
Moore	Roybal	Waxman
Moorhead, Calif.	Rudd	Weaver
Moorhead, Pa.	Runnels	Whalen
Moss	Ruppe	White
Murphy, N.Y.	Russo	Whitehurst
Murphy, Pa.	Ryan	Whitley
Murtha	Santini	Whitten
Myers, Gary	Satterfield	Wiggins
Myers, John	Sawyer	Winn
Myers, Michael	Scheuer	Wirth
Natcher	Schulze	Wolff
Neal	Sebelius	Wright
Nedzi	Seiberling	Wydler
Nichols	Sharp	Wylie
Nowak	Shuster	Yatron
O'Brien	Sikes	Young, Alaska
Oakar	Sisk	Zablocki
	Slack	
	Smith, Iowa	

NAYS—4

Collins, Tex.	McKay	Poage
McClory		

NOT VOTING—80

Addabbo	Erlenborn	Roberts
Akaka	Ford, Tenn.	Rodino
Anderson, Calif.	Fraser	Roncalio
Andrews, N. Dak.	Frey	Sarasin
Armstrong	Gammage	Schroeder
Aspin	Garcia	Shipley
AuCoin	Horton	Simon
Barnard	Howard	Skelton
Biaggi	Ireland	Skubitz
Breckinridge	Jeffords	Teague
Brown, Ohio	Krueger	Thone
Burke, Calif.	Le Fante	Thornton
Burke, Fla.	Leggett	Traxler
Chappell	Livingston	Treen
Chisholm	Long, La.	Tucker
Clausen, Don H.	McCloskey	Van Deerlin
Cleveland	McEwen	Wampler
Collins, Ill.	Mann	Watkins
Conyers	Meyner	Weiss
Crane	Motti	Wilson, Bob
Dellums	Murphy, Ill.	Wilson, C. H.
Dent	Nix	Wilson, Tex.
Dicks	Nolan	Yates
Duncan, Oreg.	Patterson	Young, Fla.
Eilberg	Pepper	Young, Mo.
	Preyer	Young, Tex.
	Quie	Zeferetti
	Rhodes	

The Clerk announced the following pairs:

On this vote:

Mrs. Burke of California for, with Mr. Breckinridge against.

Mr. Pepper for, with Mr. Krueger against.

Until further notice:

Mr. Addabbo with Mr. Yates.

Mr. Dent with Mr. Eilberg.

Mr. Leggett with Mr. Shipley.

Mr. Teague with Mr. Mann.

Mr. Long of Louisiana with Mr. Chappell.
Mr. Dellums with Mr. Ford of Tennessee.
Mr. Biaggi with Mr. Rodino.
Mr. Roncalio with Mr. Traxler.
Mrs. Meyner with Mr. Nolan.
Mr. Roberts with Mr. Charles H. Wilson of California.
Mr. Young of Missouri with Mr. Zeferetti.
Mr. Duncan of Oregon with Mr. Dicks.
Mr. Conyers with Mrs. Chisholm.
Mr. Aspin with Mr. Akaka.
Mr. Preyer with Mr. Mottl.
Mr. Le Fante with Mr. Garcia.
Mr. Gammage with Mr. Fraser.
Mr. Ireland with Mr. Howard.
Mr. Murphy of Illinois with Mr. Watkins.
Mr. Weiss with Mr. Nix.
Mr. Van Deerlin with Mr. Tucker.
Mr. Thornton with Mr. Simon.
Mr. Skelton with Mr. Barnard.
Mr. AuCoin with Mrs. Schroeder.
Mr. Anderson of California with Mr. Young of Texas.
Mr. Charles Wilson of Texas with Mr. Treen.
Mr. Thone with Mr. Sarasin.
Mr. Frey with Mr. McEwen.
Mr. Patterson of California with Mrs. Collins of Illinois.
Mr. Don H. Clausen with Mr. Quie.
Mr. McCloskey with Mr. Jeffords.
Mr. Andrews of North Dakota with Mr. Brown of Ohio.
Mr. Burke of Florida with Mr. Cleveland.
Mr. Crane with Mr. Erlenborn.
Mr. Livingston with Mr. Skubitz.
Mr. Wampler with Mr. Young of Florida.

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

HUMAN RIGHTS AT HOME

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KOSTMAYER. Mr. Speaker, according to this morning's New York Times, the Central Intelligence Agency between 1953 and 1973 went through bags of international mail in New York City and opened and copied at least 215,000 letters to and from Americans. They then fed 1.5 million names, taken from those letters, into computers.

Several of those citizens whose mail had been opened won a suit against the Federal Government last August.

Now, the Department of Justice is appealing that decision and the damages awarded. The damages awarded were $1,000 to each of three citizens. The Department of Justice said that was excessive.

In this instance, our Department of Justice is not on the side of justice.

I urge the Attorney General to reverse his decision and to condemn this action by the CIA, which we are told is no longer taking place, while commending the judgment of the court.

As Federal Judge Jack B. Weinstein wrote—

In this country we do not pay lip service to the value of human rights and individual dignity. We mean to live by our ideals.

Somebody better tell those lawyers that over in the Department of so-called Justice.

Mr. Speaker, following is the article on "Human Rights at Home," by Anthony Lewis:

HUMAN RIGHTS AT HOME

(By Anthony Lewis)

BOSTON, February 26.—For 20 years, from 1953 to 1973, the C.I.A. secretly went through bags of international mail in New York and other postal centers, opened first-class letters to and from Americans and made copies. Altogether it copied at least 215,000 letters and fed 1.5 million names gleaned from the mail-opening project into computers.

Last August three citizens whose letters had been opened won a suit against the Government for invasion of their privacy. Federal Judge Jack B. Weinstein of Brooklyn awarded the three victims $1,000 each in damages. Judge Weinstein wrote:

"In this country we do not pay lip service to the value of human rights and individual dignity—we mean to live by our ideals."

The Department of Justice—Jimmy Carter's Department of Justice—is now appealing that decision. A department brief says it "will not argue that the actions of the C.I.A. in this case, were legal or constitutional." But Federal law, it argues, gives the victims no remedy against the Government. And in any event, $1,000 in damages was "excessive."

The case is one more example of a depressing trend in the Carter Administration. While the President and others rightly talk about the importance of his human rights policy abroad, the Justice Department reacts with insensitivity and pettifoggery on issues of civil liberty at home.

One thing made this an especially compelling case. Although the final decision in damage suits against the Government is left to judges, Judge Weinstein had an advisory jury hear the evidence and give its opinions. Three jurors wanted to award $10,000 to each plaintiff, one suggested $2,500 and the other eight called for $5,000.

In effect, there was an extraordinary statement of public feeling about Government wrongdoing. Some jurors, when polled, said specifically that it was important to show the Government it could not trample on people's rights and get away with it. "It was instructive," Judge Weinstein said, that jurors of sharply different backgrounds all found that the mail-opening victims had "suffered substantial damages."

The three people involved in the case had no idea originally that their mail had been opened. Each made a general request under the Freedom of Information Act to see what the C.I.A. had under his or her name, and was told that a personal letter was in the files. Then each sued.

Norman Birnbaum, professor of sociology at Amherst, wrote to a faculty member at Moscow University in 1970 about an upcoming conference on the sociology of religion. The letter was opened and four copies distributed to various C.I.A. units that had, it was said, an "interest" in correspondence to and from Moscow University.

Mary Rule MacMillen wrote in 1973 to a well-known dissident whom she had met on a visit to the Soviet Union. His name was on a C.I.A. watch list. Because the letter was personal, it was agreed at the trial that the name would not be disclosed.

B. Leonard Avery had a letter in 1968 from his son, who was an exchange student at a Soviet University. The C.I.A. made three copies and sent one to the F.B.I., which had "an interest in U.S. exchange students in Russia."

The jury suggested that the Government apologize to the three victims, and Judge Weinstein held the damages to $1,000 on condition that it do so. He said that would help restore "faith in our Democratic institutions." Last November Stansfield Turner, the C.I.A. director, wrote to "express my regret at any intrusion into your privacy." He added an assurance that the agency is not today opening mail in U.S. postal channels.

Then the Justice Department decided to appeal. Its brief argues that these suits are barred by a provision of the Tort Claims Act excluding claims against the Government for damages suffered when an official performed "a discretionary function." Judge Weinstein held that the exception did not apply when an official act was illegal, as he found the mail-opening was. He said.

"There is no discretion under our system to conceive, plan and execute an illegal program."

The Government brief also argues that this case falls within a Tort Claims Act exclusion of suits for "loss, miscarriage or negligent transmission of letters." It says that these letters "miscarried."

Of course the Justice Department has the right to appeal. The question is whether it is wise to do so in such a case—wise to press an argument as petty as the idea that opening and copying personal letters is just "miscarriage" of the mail.

There is a special irony in this case. Many victims of Government illegality have sued the individual officials responsible. Attorney General Griffin Bell regards such suits as too burdensome. He has proposed legislation to bar them and make everyone sue the Government itself for damages. Here three people did exactly that, and Griffin Bell tells them that they may have a right, but they don't have a remedy.

WHATEVER HAPPENED TO THE SHORTAGE OF NATURAL GAS?

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, whatever happened to the shortage of natural gas? The sky is blue and we are looking for the first crocus, after a winter of unprecedented snowstorms and blizzards, stranded travelers, highways closed by snow and ice across vast portions of our Nation.

As we wait for the forsythia, have you not wondered how it is, with all the devastation we have seen all this long, hard winter, all the frigid cold weather, all the snow drifted over cars and homes, all the traffic brought to a standstill—with all of this, we have not heard a word or even intimation about any shortage of natural gas this winter.

What a contrast with last year. With the big push on at that time by the giant petroleum and pipeline lobbyists to persuade the Congress that it was absolutely imperative to deregulate the price of natural gas in order to assure an adequate supply, we found ourselves in the midst of that winter without anything like the snows and blizzards and winter storms we have seen this year, we found ourselves in the very first week of January without natural gas, and were told by the lobbyists and propagandists of the Petroleum Institute and pipeline companies that immediate deregulation of the price of natural gas was the only hope for improvement of the supply.

As a result of this shortage, whether real or contrived, schools had to be shut down, industries and factories were closed, thousands of our citizens were

threatened with having to go without heat for their homes, or fuel for their stoves.

If the shortage was not contrived, as many charged at the time, to pressure Congress into voting for deregulation, how is it that without deregulation having been passed, we have had no trouble at all in getting natural gas this winter?

Mr. Speaker, could it possibly be that the natural gas industry was trying last year to force this Nation to its knees by withholding supplies that industry knew perfectly well it had on hand in order to force price deregulation by the Congress? We all remember that after stories began to develop in the press about withheld gas, slowly but surely natural gas began to be available again.

This year, the natural gas industry seems to be biding its time, awaiting the fate of President Carter's famous energy program.

But, Mr. Speaker, my mind keeps going back to last year and the mysterious disappearance of all of our natural gas. Where did it go and how did it come back?

TRIBUTE TO GEN. CHAPPIE JAMES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, I am certain the House is united in deep regret that Gen. Daniel James, Jr., is dead. America will miss him as a great leader who eloquently used every opportunity to extol our country's greatness and its continuing promise. The armed services will miss him as one of the great military leaders of our time. His family will miss him as a loving husband and father and an inspiration to all. His friends—and few people could claim more friends—are saddened by the untimely loss of a wise and strong leader who, in his rise to greatness, never outgrew those whom he knew, liked, and trusted.

Yes, Chappie James is dead. He was the first black American to hold four-star rank in the Armed Forces of the United States. He served with distinction in three wars, won many decorations for valor in combat and for leadership, and became Commander in Chief of NORAD. He rose to greatness through sheer courage and determination.

General James was born February 11, 1920, in Pensacola, Fla., the youngest of 17 children, three of whom still survive. His father was Daniel James, Sr., and his mother was Lillie Anna Brown James. His mother sought to foster opportunity by whatever means she could, and founded and ran a little school in Pensacola. There Chappie James received the inspiration and the dedication that would be required to overcome huge obstacles which would lie ahead.

Chappie was graduated from Washington High School in Pensacola in June 1937. He went to Tuskegee Institute in Alabama, joined the campus branch of the Army Air Corps and was commissioned a second lieutenant in the summer of 1943. Promotion was slow because he fought the system of segregation then in effect for servicemen. He became a captain in Korea where he flew 101 combat missions. He advanced to the rank of colonel in Vietnam where he lead the 8th Fighter Tactical Wing. He was commander at the very important Wheelus Air Base in Lybia at the time of the overthrow of a regime friendly to the United States. His courageous demeanor in that post might have saved the regime and Wheelus had he received needed backing from the U.S. State Department. This was not forthcoming and we lost the friendship of an important country and one of our major military bastions.

He won his first star shortly thereafter in June 1970. Former Defense Secretary Melvin Laird recognized his potential and made General James Deputy Assistant Secretary of Defense for Public Affairs. Subsequently he was a much traveled spokesman for the administration's Vietnam war policy. On September 1, 1975, Gen. David C. Jones, Air Force Chief of Staff, pinned on General James' fourth star.

It is significant that throughout his lifetime he carried in his heart the teachings of his mother. Many of us have heard him relate items like these:

My mother used to say: "Don't stand there banging on the door of opportunity, then, when someone opens it, you say wait a minute, I got to get my bags. You be prepared with your bags of knowledge, your patriotism, your honor, and when somebody opens that door, you charge in."

"For you, my son, there is an 11th commandment. Thou shall not quit."

"Prove to the world that you can compete on an equal basis."

When he received his fourth star he said this:

This promotion is important to me by the effect it will have on some kid on a hot sidewalk in some ghetto. If my making an advancement can serve as some kind of spark to some young black or other minority, it will be worth all the years, all the blood and sweat it took in getting there.

General James retired February 1, 1978, because of a heart condition. He had traveled to Colorado Springs to address a convention at the time of his death early Saturday, February 25.

He is survived by his wife, Dorothy Watkins James; two sons, Claude of Rockville, Md., and Daniel III, an Air Force captain; a daughter, Mrs. Frank W. Berry of Clark Air Force Base in the Philippines; three grandchildren; two brothers, Tony James of Pensacola and Charles James of Jacksonville; and one sister, Mrs. Lillie James Frazier of Pensacola.

It is now planned that General James' body will lie in state in the Shrine of the Immaculate Conception, 4th and Michigan Avenue, NE., Washington, D.C., on Wednesday, March 1, from 7 p.m. until 10 p.m. A requiem mass will be celebrated at 8 p.m. by the Air Force Chief of Chaplains, Maj. Gen. Henry J. Meade. Interment will be at Arlington Cemetery on Thursday, March 2, with a procession at 11 a.m. from the Old Post Chapel at Fort Myer to the gravesite for services with full honors. The family has requested that no flowers be sent. Remembrances in the form of contributions can be sent to the Tuskegee Institute, Tuskegee, Ala. 36088.

I have been proud to share the friendship of the entire family for many years. I extend my sympathies and that of my family to all of the bereaved. I am confident the House will want to be included in this expression of sympathy and regret at their loss.

Defense Secretary Harold Brown said of General James, "We are wiser, more tolerant, and stronger because of Chappie." No person in this Chamber will gainsay that comment.

This truly was a man; the type of man America needs.

I am appending a copy of his civilian awards and military decorations, and the statements issued by Secretary Brown, Secretary of the Air Force Stetson, General Jones, and former Secretary of Defense Melvin Laird.

STATEMENT BY SECRETARY OF DEFENSE HAROLD BROWN

On behalf of President Carter and the men and women of the Department of Defense, I express deepest sympathy to the family of General Daniel "Chappie" James, Jr.

Our nation has lost a fine officer and a fine man. We shall miss him deeply.

Chappie fought for equal rights as he fought for his country, even when doing so was not popular. We are wiser, more tolerant and stronger because of Chappie.

Our hearts go out to Dorothy James and her family.

STATEMENT BY SECRETARY OF THE AIR FORCE JOHN C. STETSON

General "Chappie" James was an outstanding military leader and a champion of the rights of man whose warmth and vision touched many Americans of all races and walks of life. His passing is a great loss to the Armed Forces and the entire nation.

STATEMENT BY CHIEF OF STAFF, U.S. AIR FORCE, GENERAL DAVID C. JONES

This is a time of sorrow for the nation and the Air Force. A great American, a magnificent leader, and a close friend is gone. Chappie was special, very special, and we will miss him.

STATEMENT BY FORMER SECRETARY OF DEFENSE MELVIN R. LAIRD

Chappie James was a man who gave his all for his country. He fought a tireless battle for the nation's strength and for equal opportunity for all its citizens.

CIVILIAN AWARDS

General James was widely known for his speeches on Americanism and patriotism for which he was editorallized in numerous national and international publications. Excerpts from some of the speeches have been read into the Congressional Record. He was awarded the George Washington Freedom Foundation Medal in 1967 and again in 1968. He received the Arnold Air Society Eugene M. Zuckert Award in 1970 for outstanding contributions to Air Force professionalism. His citation read " . . . fighter pilot with a magnificent record, public speaker, and eloquent spokesman for the American Dream we so rarely achieve."

Other civilian awards that General James received include the following: 1969—Builders of a Greater Arizona Award; 1970—

Phoenix Urban League Man of the Year Award, Distinguished Service Achievement Award from Kappa Alpha Psi Fraternity; 1971—American Legion National Commander's Public Relations Award, Veteran of Foreign Wars (VFW) Commander in Chief's Gold Medal Award and Citation; 1975—Capital Press Club, Washington, D.C., Salute to Black Pioneers Award; 1976—Air Force Association Jimmy Doolittle Chapter Man of the Year Award, Florida Association of Broadcasters' Gold Medal Award, American Veterans of World War II Silver Helmet Award, United Service Organization Liberty Bell Award, Blackbook Minority Business and Reference Guidance Par Excellence Award, American Academy of Achievement Golden Plate Award, United Negro College Fund's Distinguished Service Award, Horatio Alger Award, VFW Americanism Medal, Bishop Wright Air Industry Award, and the Kitty Hawk Award (Military). He was awarded honorary doctor of laws degrees from the University of West Florida in 1971, the University of Akron in 1973, Virginia State College in 1974, Delaware State College in 1975, and St. Louis University in 1976. He was also named Honorary National Commander, Arnold Air Society in 1971.

General James was a command pilot. He received numerous military decorations and awards which are listed below:

DECORATIONS AND SERVICE AWARDS

Distinguished Service Medal (Dept. of Defense).
Distinguished Service Medal (Air Force) w/1 oak leaf cluster.
Legion of Merit w/1 oak leaf cluster.
Distinguished Flying Cross w/2 oak leaf clusters.
Meritorious Service Medal.
Air Medal w/13 oak leaf clusters.
Army Commendation Medal.
Distinguished Unit Citation Emblem w/1 oak leaf cluster (service before 1965).
Presidential Unit Citation Emblem w/3 oak leaf clusters (service 1965 and later).
Air Force Outstanding Unit Award Ribbon w/3 oak leaf clusters.
Combat Readiness Medal.
Good Conduct Medal.
American Defense Service Medal.
American Campaign Medal.
World War II Victory Medal.
National Defense Service Medal w/1 service star.
Korean Service Medal w/4 service stars.
Vietnam Service Medal w/2 bronze service stars.
Air Force Longevity Service Award Ribbon w/7 oak leaf clusters.
Armed Forces Reserve Medal.
Small Arms Expert Marksmanship Ribbon.
Republic of Korea Presidential Unit Citation Ribbon.
United Nations Service Medal.
Republic of Vietnam Campaign Medal.

Mr. DORNAN. Mr. Speaker, will the gentleman from Florida yield for a moment?

Mr. SIKES. I yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, I am today putting in the Extension of Remarks some sentiments about Gen. "Chappie" James that I know all of us who knew him share.

I spoke to General James only a week ago and had the honor of also being at his Andrew AFB retirement ceremony only a few weeks ago. But today I keep thinking about a phone call from Chappie late one night right before Christmas. He spoke about that retirement that he did not really desire.

I guess he was not aware how weak his great heart had become or he would not have told me that he was ready for 5 more years of active duty. He wanted to "stay on board".

I would just like to emphasize again today what a fine patriot, warrior, gentleman, and officer Gen. "Chappie" James was.

Satchel Paige once said:

There ain't no man can avoid being born average. But there ain't no man got to be common.

Chappie told me that. He lived that. I was with "Chappie," at one of his finest speeches about a mutual boyhood hero, Charles Lindbergh, made in Los Angeles on the 50th anniversary of Lindbergh's great flight.

Chappie told a spellbound audience and they always were:

I don't make a profession of being black. I'm here because I'm damn good. I've filled the squares. I've flown the friendly skies of Vietnam and Thailand. I am a leader, and I have done the things one must do to become a general. Generals are not born—they are made.

When he became the commander of the North American Air Defense Command and the Aerospace Defense Command, he told me, he found himself fighting the same establishment battles he fought when he was a young officer in a segregated Air Force. He told me that he felt the Panama Canal treaties were turning over the "keys, the plates, and the title to something very vital to American security."

What he said over and over about the B–1 was simply this:

Bob, we need that bomber. I am a warrior. I am the one who has to lead young men into combat to fight and often to die. If we have this superb plane, we will never have to use it, but if we don't build it, we are damn well going to wish we had it, and we are going to wish we had it to maybe save our civilization and precious freedom.

And how he wanted a follow-on interceptor, that magnificent F–15 Eagle, for his young Air Defense fighter pilots.

Concerning the awful malignant growth of Soviet military power, he said—and I am sure he said this also to the gentleman from Florida (Mr. SIKES)—

If we don't wake up soon, some day we are going to end up with the Soviets saying to us, "Stick 'em up, you dummies".

Mr. Speaker, I am sorry that we will not have "Chappie" James helping his beloved country to face the 1980's. This Daniel was well named. He told me he was going to stay close to the Washington, D.C., scene, to live here, so that he would be near the arena where he could "hear the screams of the Christians and the roar of the lions."

Well, "Chappie" has gone to his reward, the lions did not get him, his beloved Savior said: "Fly home, fighter pilot, you need a rest." He is watching over us and praying for us and God knows we need those prayers. I just wish he were here to continue in his untiring, gutsy way to cut through the bull as the great general and warrior that he was and lay on us the ungarbled truth.

I can assure my colleagues we are sorely going to miss the leadership of that particular four-star general. Patriots of Chappie James' quality are becoming very rare indeed.

Happy landings, Tiger.

Mr. Speaker, I thank the gentleman for yielding.

GEN. "CHAPPIE" JAMES—A COURAGEOUS MAN

Mr. FUQUA. Mr. Speaker, I would like to join many of my colleagues in paying tribute to the life of an outstanding American, Gen. Daniel "Chappie" James.

While it is inevitable that those who knew him will feel an immediate and deep sense of personal loss at General James' death, the contributions of this man's life have left a much deeper impression, and his tracks will remain visible for many years to come.

General James' remarkable military career was distinguished by dedicated service to his country, rising through the ranks from the Nation's first black pilot to four-star general—an aspiration even "Chappie" said on many occasions was beyond his greatest dreams.

During this rise, his devotion to his country which he so dearly loved and courageously defended, came before his personal career.

It was in this unswerving devotion and love that he achieved his greatest success. For it was this devotion that transcended into a dream which is the embodiment of faith in the American people; a dream larger than life and stronger than death; a dream which lives on in the hearts of all of us.

During pursuit of this dream General James set forth ideals that are uniquely American. He fought for the advancement of his race—but he fought within the system, often with unyielding courage in the face of adversity.

He gave of himself not only as a superb military officer, but as a man concerned with the problems of his fellow man. He understood the needs of others and at sacrifice to himself, compassionately worked to fulfill those needs.

Gen. "Chappie" James knew a lot about the air of giving and he will be sorely missed. As Emerson once said about giving; "* * * the poet brings his poem; the shepherd, his lamb; the farmer, corn."

Gen. Daniel "Chappie" James gave the American people the greatest gift of all—he gave us himself.

Mr. DIGGS. Mr. Speaker, "Chappie" James was one of America's most unique citizens. He has always been the object of my highest esteem and admiration, from the days of our mutual service as fellow officers in 1944 and 1945 at Tuskegee Army Air Base, the famed black flight training facility, through our tour in the Pac Af Command in 1959 when, together with the late Attorney Franklin Whittaker, we visited bases from Hickam in Honolulu throughout the Pacific Islands all the way to Tokyo, examining grievances of black GI's, and through other professional and personal contacts, highlighted by his fourth star award ceremonies in Colorado Springs in 1975 to his poignant retirement ceremonies in 1978.

Along that span of 34 years I know of many experiences that could have discouraged him or diverted him from the

path to the pinnacle of his achievement, but strength of character and profound beliefs in the ultimate righteousness of the democratic system kept him constantly riveted to his goals. In the process he withstood the manifest imperfections in American society and the barbs from critics of every persuasion.

General James' special quest for excellence and high degree of patriotism were a source of inspiration to many and with this combination of traits he represented one of the greatest symbols of our grateful Nation.

God bless his family. God forever preserve the memory of his shining example.

GENERAL LEAVE

Mr. SIKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Gen. Daniel (Chappie) James, U.S. Air Force.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

WINNERS ANNOUNCED IN "PITCH IN FOR CHICAGO" ESSAY CONTEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I want to call to the attention of my colleagues the winners in the essay contest sponsored by Mayor Bilandic's Committee for Neighborhood Pride and Beautification, myself, and Illinois State Representative William J. Laurino.

The essay contest, in conjunction with a program called "Pitch in for Chicago," is part of a nationwide antilitter project which invites all Americans to join in the important task of ridding our country of litter, and I am delighted to contribute $25 savings bonds to five of the winners, along with Representative Laurino, who will contribute savings bonds to the other five. The 10 runners-up will receive a city of Chicago citation from Mayor Michael A. Bilandic.

The pupils in grades 5 through 8 from 10 schools in the 39th Ward area of the 11th Congressional District of Illinois, which I am proud to represent, were asked by their principals and teachers to write an essay about "How I Can Help Keep Chicago Clean and Beautiful." The teachers selected the best entry from their room and the best of those were then judged by the principals and their staff, who selected the top two entries for their schools.

In order for our democracy to remain strong and viable, it is necessary for all our citizens to participate. A program such as this helps to prepare our youngsters to assume their obligations and responsibilities in a democratic society such as ours for they are not only future citizens but future officeholders.

The awards ceremony is tentatively set for March 18. Representative Laurino and I will present each first place winner with a $25 U.S. savings bond, and each runner-up with a special citation of recognition, and I wish to take this opportunity to extend to them my heartiest congratulations and warmest good wishes for their future.

Mr. Speaker, I proudly announce the winners in the "Pitch in for Chicago" essay contest: Sarah Murphy, 4730 North Springfield Avenue, of St. Edwards School, Sister Mary Brian, O.P., principal; Adriana Nadzikewycz, 5937 North Leader Avenue, of Queen of All Saints School, Sister Regina Crowley, O.S.B., principal; Pat K. Vician, 4027 North Tripp Avenue, of Belding School, Agenor E. Osuch, principal; Maria Gaa, 4511 North St. Louis Avenue, of Our Lady of Mercy School, Joseph LoCashio, principal; Francine Schwartz, 3336 West Lawrence Avenue, of Von Steuben School, William J. Schertler, principal; Lisa Argianas, 5809 North Cicero Avenue, of Sauganash School, Dorothea Avant, principal; Bilinda Strainght, 4952 North St. Louis Avenue, of Volta School, Naomi Nickerson, principal; Steven Brady, 4636 North Drake Avenue, of Haughan School, Marcellus Stamps, Jr., principal; Scott Tedesco, 4860 North Kilpatrick Avenue, of Palmer School, Deana Sommers, interim principal; Magaly Fernandez, 6129 North Bernard Avenue, of Solomon School, Elizabeth G. LaPalermo, principal.

Mr. Speaker, I am also proud to announce the runners-up in the contest: Sherry Mateja, 3642 West Ainslie Avenue; Tere Heinichen, 5766 North Kingsdale Avenue; Denise Schell, 3723 West Leland Avenue; Gale Suarez, 4108 North Kostner Avenue; Bob Vanecko, 6200 North Kilpatrick Avenue; Kim Rosenthal, 4711 North Keating Avenue; Gina Martyka, 4224 North Avers Avenue; Helen Skoulis, 6220 North Monticello Avenue; Alejandrina Segovia, 4915 North Kedzie Avenue; Lisa Steiner, 4743 North Keating Avenue.

Mr. Speaker, I also wish to include in the RECORD copies of the winning essays:

"PITCH IN FOR CHICAGO" ESSAY CONTEST WINNERS

SARAH MURPHY

Keeping Chicago clean is not an easy job. But at the same time, keeping Chicago clean is not an impossible job, either. However, a few people cannot do it by themselves. We need the whole city to help. Pollution is a big problem in Chicago. Besides making our streets look less attractive, pollution also harms the people of Chicago. Dirty air is bad for your health. In some places, it's so bad that you have to put a handkerchief to your mouth. Most of the diseases that are going around are caused by air pollution. Because it is such a big problem and because it can be so dangerous to your health, all of us must do something to help solve the pollution problems.

For instance, children can help by picking up papers and cleaning up parks. This summer I am going to start picking up papers all around my neighborhood. I think all children should help.

The grown-ups can help by smoking less. Sometimes the smoke irritates other people's eyes and lungs. You should bring your car in for a tune-up so smoke won't come out the back and cause strange, smelly gases that make other people cough. They can also join car pools. Though I would like to say there should be no cars, we, do need them. But car pools can help by having less cars on the streets; they also save energy.

If you see buildings with smoke coming out of them, tell someone who works there, they should be glad to help.

Sweep outside your home so your block looks nicer.

If a streetcleaner doesn't come by, call them so they will. We should also have a litter basket on the end of every block.

Everyone should recycle things such as bottles and paper.

We have to stop pollution! If we don't, who knows what's going to happen to our city.

ADRIANA NADZIKEWYCZ

What makes a city a city? Is it just streets, buildings and high rises? To me a city is people who love their surroundings and help in making their environment the best place to work, play and raise their families. It is a place that is not only found on a map, but is remembered in the memories of those that have been there.

To most people, the first impression is the lasting impression; therefore, if we are to remain a beautiful city, we are all obligated to do our fair share in keeping it clean, inviting and proud to call it our home town.

Cleanliness begins at home in your room, the attic, the basement, stores, neighborhoods, schools, etc.

Don't turn your streets into alleyways by throwing trash out of your car windows. Don't turn your parks into junkyards by leaving beer cans, napkins, and newspapers laying around. Don't turn your rivers into swamps by dumping soda cans and paper.

Perhaps we can't undo what has been done, but let's promise that we will not do anything to further mar our city.

Be proud of your clean city, but more so, be proud that you helped make it that.

PAT K. VICIAN

Chicago is the eighth largest city in the world and it isn't easy to keep this city clean and beautiful. It takes much co-operation and hard work. I truly think it can be done. For example, you're eating some candy. When you finish, and see no garbage can around, just put it in your pocket until you come to one. It really helps. Also try to encourage friends and relatives to co-operate in keeping our city a nice place in which to live. Little things like covering garbage cans, keeping glass or other rubbish off the streets will help our big city a-lot, because if people see you doing these things that are helpful, they will join in and help also.

MARIA GAA

The best tribute ever given to the United States of America is in the song "America the Beautiful." Its natural beauty which only God can give has been placed within everyone's reach to enjoy and appreciate. Sad it is to note that with the birth of industrialization and growing population, its beauty has been ruined by indifference. The air we breath now lacks the freshness our forefathers have enjoyed. We look around only to find trash scattered everywhere. It would seem that we Americans no longer are concerned with cleanliness.

I believe that ours is not a hopeless cause. The few of us who believe in preserving the beauty of our country can bind our efforts and spread the importance of cleanliness. Little things lead to bigger things. Let's make it a habit to put even our smallest scrap in the garbage can. Let's produce fewer disposable containers for if people know that for every container they have they will get a refund, then there will be less garbage thrown on every park, streets or sidewalks. I agree to the recycling of some disposable containers so that people will be encouraged to pick them up. I think our schools should re-emphasize Personal Hygiene and Civic Consciousness. With these subjects, we can teach our younger generation better values.

Big private industries should be made responsible to dispose their waste properly in order not to pollute our lakes, rivers and air. They should pay the price for this pollution and not completely leave it up to the government. Lastly, I suggest that strict laws should be made and people must be made to follow them. I believe that there are still few citizens who without penalty will never do their share. It is only through everyones cooperative efforts can we be assured that America will remain clean.

FRANCINE SCHWARTZ

Chicago is a growing city. Even with tall skyscrapers and other buildings we are keeping it beautiful and interesting. We have many playgrounds with green grass, tall trees, and activities for children of all ages. We also have many kinds of interesting museums with fascinating works of art and history. Downtown there is Picasso's art, Buckingham Fountain and many other beautiful things.

Christmas is a beautiful time of year in Chicago. Italian lights decorate the Magnificent Mile. There is a beautifully decorated, enormous Christmas tree. Stores set up their shop windows with Christmas scenes.

With the plan of the new State Street mall, our city will be better than ever. The mall will have many lovely stores, beautiful plants and flowers, and benches for people to relax on. No cars will be allowed, so there is none or very little noise and pollution.

Our neighborhoods are very nice too. People take care of their houses by putting up nice fences and growing vegetable gardens.

Children must not be careless. They should use trash containers, and not throw trash around. They should tell their friends not to litter and instead of vandalizing the neighborhoods and parks, they should take pride in our neighborhoods and parks.

Then, our city will truly be, "A city in a garden."

LISA ARGIANAS

I can keep my city clean by starting a club to clean up around the neighborhood. We can teach the younger kids to keep our city clean. We should pick up any wrappers we see and throw them away, even if they're not ours.

When we take out the garbage we should make sure it is sealed and in a container. We should teach the younger kids a lot about cleaning our city so they can teach the even younger ones.

We should not throw things out of the window of our cars and if you see any people throwing things around, tell them to please try to keep our city clean and ask them to tell others. That's how we can keep our city clean and beautiful.

BILINDA STRAIGHT

If someone asked you how you thought you could keep Chicago clean and beautiful, what would you say? Most would reply simply that they would try not to litter, or something of the sort. But actually, that's not enough. Sure, you wouldn't litter, but there are lots of other things to think about.

Did you ever consider the thought that beauty is only skin deep? This, in my opinion, fits in with most situations. If you want only to keep our city clean, then I'd say that we should all help to clean up polluted rivers, and collect as much garbage in our neighborhoods as possible. That's how I think you and I could help.

But, to keep Chicago beautiful is something else. In order to do that, we have to look at our problems. Some people may not want the cleaning up part, but could help to do their part in making our city one that everyone will enjoy.

It will take a great period in time to achieve only half of our goal. But, if we all tried to be loving, and help not only the polluted part, but also the problems of the people themselves, then perhaps we'll achieve our goal. Chicago will be not only clean, but also a place where people would want to go because they'd know that people would care, and try to help their needs.

I could never express my entire purpose, but perhaps I've reached one soft spot in the lives of the citizens of Chicago who take the time to read these words.

STEVEN BRADY

Chicago—a city of people, places, and regretfully of pollution. Pollution—the thick smoggy air, the polluted rivers, the clamor of noise pollution, and litter.

One question always arises. What can be done to stop pollution? It's very obvious. It's all the result of careless people.

As a start, children can help fight air pollution by limiting riding in the car and walking to places instead. Grown-ups can also limit rides in the car and organize a car pool to their jobs.

Water pollution is another major factor in Chicago. This is caused mainly because of stupidity—vandals throwing objects into the rivers and waterways. Keeping the water clean can be done only by stopping this vandalism—becoming much stricter to the crime.

Another factor of pollution in Chicago is noise. Shouting, screaming, and radios are a large part of this. To stop this, people should be more considerate and less clamorous.

Litter from people dropping garbage and papers on the once clean sidewalks is being very inconsiderate. A solution to this would be for people to hold their garbage, and later dispose of it properly. Also the Bureau of Sanitation should distribute more trash cans throughout the city.

The only way to stop pollution is for man to be much wiser, and stop doing the very foolish things he often does.

SCOTT TEDESCO

I would again, love to help Chicago this summer. I must say 31 ward of the Streets of Sanitation and great in operation "Snow Job." In the Spring I would suggest to plant flowers at schools and other public places. Also plant tree seeds. In the summer I'd like to ask my mother for money to give to old people who want grass growing in front of their house. I would plant for them and water it for them. In the fall I will rake leaves for old people and maybe get some money for it also. I will also help people pick their gardens if they have any. In the winter I will shovel snow for old people and again maybe get some money. I will also take out a dog when it is cold out. Thank you for reading this composition hope I help you!

MAGALAY FERNANDEZ

Chicago is full of trash and garbage, so we the young and old have to keep it clean. A very good suggestion is if the people from the neighborhoods would make up a cleaning committee. They could be cleaning their neighborhoods and helping a little. The Solamon children could take a day to go to parks and other polluted places to pick up trash.

We could also make signs and put them in public places, so people would see them and obey them. We could put trash cans in public places so people can throw their garbage in the cans and not on the streets. We can have a parade from the people of the neighborhoods. The people could have signs saying, "Keep America Beautiful", "Pitch In For Chicago," "Don't Pollute-Care For America," "Give a Hoot Don't Pollute" etc. They could go around and pick up trash and have others join in.

Some of my friends and I could go bike riding and pick up the trash around the area we cover. We could have games to see who can pick up the most trash. We could have relays, games that consist of how many miles we can cover by picking up trash. You and I and others can get signs, distribute papers on this very important constructive subject, write slogans in the newspapers.

Keeping America beautiful is a lovely thought, but we have to clean it and keep it clean for this thought to come true.

America needs help, so come on let's pitch in and keep it clean and beautiful.

INDEPENDENCE DAY IN SRI LANKA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 10 minutes.

Mr. ZABLOCKI. Mr. Speaker, Saturday, February 4, marked the 30th anniversary of Sri Lankan independence, an appropriate occasion for celebration by the people of that South Asian nation. It also provided a proper occasion for us to acknowledge the many economic, political and social achievements in Sri Lanka.

Sri Lanka is committed to political and economic goals shared by many Americans. Its model of constitutional democracy is inspired by American institutions. Its economic policies place high priority on increasing employment opportunities, particularly for the youth of the country. Moreover, according to objectives of the Government of Sri Lanka, in the coming year the bulk of development activity will be aimed at providing employment opportunities and economic stability to the rural sector, the neediest in the country.

As my colleagues know, I have long supported development programs that seek to benefit those who are most in need. Actions by the Government of Sri Lanka to provide such benefits deserve our special attention.

Other worthy economic plans include the development of hydroelectric power generating capability and the establishment of a free trade zone.

In human rights, the National State Assembly of Sri Lanka is now considering political reforms that will further protect the civil liberties of its citizens.

We should all take the opportunity provided by this occasion for celebration in Sri Lanka to wish the people and government there great success as they proceed with the tasks they have set before them.

I would particularly like to extend my best wishes to Prime Minister Jayawardene, an outstanding public servant since the 1940's.

His national and international achievements are many and long standing. I look forward to even greater success in the coming years.

I would also like to take this opportunity to express my admiration for His Excellency Neville Kanakaratne, Ambassador from Sri Lanka to the United States. Ambassador Kanakaratne has, indeed, served his country well. I am confident former Senator J. W. Fulbright was just as honored as I was to have been present when Ambassador Kanakaratne received his honorary law degree from George Washington University last

Monday, February 20, in recognition of his many achievements.

This honor is a fitting tribute to a fine 7½-year career in Washington. After serving as one of the senior members of the Diplomatic Corps here, Ambassador Kanakaratne is due to depart for new assignments. I wish him every success in his future endeavors.

So that the Members will have a better appreciation of the work that he has done, I include herewith in the RECORD the citation accompanying the degree and Ambassador Kanakaratne's acceptance speech.

THE GEORGE WASHINGTON UNIVERSITY,
Washington, D.C.

NEVILLE KANAKARATNE

Neville Kanakaratne, a native of Sri Lanka, a citizen of the world, has brought a humanistic understanding to a distinguished career of resolving differences that plague men and governments. Trusted and respected by all his professional colleagues, he has with genteel and patient skill spent a lifetime helping men to understand each other and to work together despite differences of history, culture, and philosophy.

For this university—as well as numerous universities and public forums throughout the country—he has added his knowledge to our understanding of learning and diplomacy.

Were there a parliament of man in our time, he would be eminently qualified to be its first Speaker. The George Washington University is new honored to confer on His Excellency the degree of Doctor of Laws with all of the rights, duties and privileges pertaining thereto.

LLOYD H. ELLIOTT,
President.

February the twentieth, Nineteen hundred and seventy-eight.

THE GEORGE WASHINGTON UNIVERSITY
WINTER CONVOCATION

(Address by His Excellency Neville Kanakaratne, Ambassador of Sri Lanka, February 20, 1978)

Mr. President, Honourable Trustees and members of The Faculty of the George Washington University, Your Excellencies, Ladies and Gentlemen:

It is always a matter for considerable pride, not unmixed with a sense of humility, to be invited to so prestigious and reputable a seat of learning as the George Washington University. Although not falling within the conventional functions of a diplomat, I was happy to accept the invitation extended to me by President Elliott on behalf of the Trustees, The Faculty and the students of this University to deliver the Convocation address here today. If the cynic could, perhaps not unjustifiably observe that the groves of academia are a strange setting for one engaged in diplomacy, sometimes described as the practice of the art of dissembling, I would content myself with the thought that perhaps in a moment of overindulgence, you, Sir, and the Faculty, had lowered your academic standards to permit me this opportunity of speaking on this auspicious occasion and of receiving from this University a Doctorate of Laws, honoris causa. I might, perhaps in a stage whisper, say to myself that today was a great day for the intellectually retarded! I shall therefore endeavour to try to convince you that learning and diplomacy are not, as is commonly thought, as different as chalk and cheese. I could think of no more appropriate place to do so than the George Washington University, on the anniversary of the birth date of the first President of these United States of America whose name it so proudly bears. In the course of a century and a half and in pursuance of the great man's advocacy of the idea of a national university as an institution of higher learning emphasizing graduate study and research, a small, church-related College, founded in 1821, has evolved into a large independent University located in the heart of this nation's capital City itself named after him. The City of Washington is today undoubtedly one of the main centres—if not the main centre—of international diplomacy. I therefore make no apology for inviting your thoughts to the link between learning and diplomacy as they have been combined in the significant birth of this University in this city.

Diplomacy and its practitioners, the diplomats, have suffered over the years by a serious lack of understanding on the part of the ordinary citizens in all countries of what diplomacy is and what precisely diplomats do or appear to do. I believe that it is perhaps more than a coincidence that the word diplomacy appears in Stevenson's Book of Quotations between "Dining" and "Disappointment"! This strategic placement of the word is perhaps not as ironical as it may superficially appear to be. Those of us who are collectively described as "diplomats" are not entirely unaware of the more than fair share of both "dining" and "disappointment" that we are called upon to shoulder as we go through our professional lives. There was, however, a belief a few centuries ago that the first diplomats were angels, whose task was to carry messages between heaven and earth.

It was much later—and indeed comparatively recently in terms of human history—that the task of diplomacy was left to a professional service when messages had to be carried not between heaven and earth but between governments of the several different sovereign nations which evolved out of the great historical changes of the 15th and 16th centuries, in the aftermath of the Renaissance, the Reformation, and the great voyages of Discovery of the world hitherto unknown to Europe. Even this concept of diplomacy has already given way, in keeping with the changing scenario of the mid 20th century and the continuing progress of science which has ushered in the radio, the television, the jet airplane and now the satellite communications system. Most of us would today observe that there is more of "disappointment" than of "dining" in the exercise of our professional functions. I believe those of my diplomatic colleagues who are in this hall tonight will not disagree with this observation.

In today's world diplomacy has no agenda of limited scope; it embraces within its compass every aspect of man's existence on this earth; it intrudes itself into ever-widening areas of international co-existence; it deals with serious economic disputes between nations; it exerts its efforts in fields which can only be described as "diplomatic functions" by the widest interpretation of its classic definitions; it seeks to prevent not only the march of armed forces across recognized national boundaries but also the over-population of the earth by man and the contamination of the oceans, the rivers, and the air common to all of us; it seeks to prevent hunger and malnutrition; it aspires to touch the moral conscience of mankind in demanding respect for human rights, recognition of basic human needs, and the quality of men and women everywhere; in short, diplomacy has become global and universal in its manifestations and takes within its province almost the entire field of activity of the international community as one human family.

Ladies and gentlemen, the precarious state of affairs produced by the looming threat of a nuclear holocaust, the antagonisms and adjustments of the post-colonial aspirations of liberated peoples, the pressures of an increasing world population and a simultaneous exhaustion of the earth's finite resources—these are what an inhabitant of another planet would probably see—as the last quarter of the 20th century begins. Diplomatic successes are no longer to be evidenced, as perhaps they were in the past, by single isolated achievements which, like Roman candles, rise out of the darkness and burst into brief moments of brilliance. Change is an imperative of nature and so it has to be of man's evolution. To the lay bystander change may seem to be nothing but unrewarding effort, but it really means transition—transition to something worse, or better, but certainly to something different. It is the function of diplomacy in the world of today to ensure that this change is to something better. This then is what links learning, in the broadest and most universal meaning of the word, to diplomacy today. The rhetoric of diplomacy will be futile without the historical imagination that can come only from learning, diplomatic ingenuity must be enhanced by a vision that only learning can inspire.

To some of you learning may mean the mere acquisition of knowledge in a specialised field, be it in the arts or the sciences, in medicine or in law, in engineering or in philosophy. As you go forth into life, as those of you who are graduating today will soon be doing, you will of course be experts or professionals in these respective fields and indeed you will be serving your fellow citizens to the best of your ability in those fields. However the years spent during the most idealistic and promising years of your lives, is a period of opportunity given to you to widen your horizons beyond your own special disciplines—it is a formative period when you learn not only what you read in your books and hear from your teachers but also about life in general, of the dignity of the human person, of the freedom of thought and of expression, the needs of others less fortunate than yourselves, the aspirations of those who are still without relief, and above all of the need in this interdependent world for understanding, tolerance and compassion.

In this apprenticeship you have today the advantages that science has placed before you, advantages totally unknown and unavailable to your earlier generations. Queen Isabella of Spain heard of the achievement of her protege, Christopher Columbus, only eight months after he had discovered what he thought was India; it was only two weeks after the event that Europe heard of the tragic assassination of Abraham Lincoln in Washington in April 1865; but it took only 1.3 seconds for hundreds of millions of people to see Neil Armstrong set foot on the moon, and today we gaze, in our living rooms, upon the red plains of Mars! These historic developments cannot but affect the narrow concept of "learning" as mere knowledge gained from the books. We not only live in the modern age as citizens and nationals of our respective countries but as inhabitants of an increasingly shrinking world sharing common problems, common sufferings and common aspirations. Who can deny that these vast achievements have completely changed not only the nature of our lives, but also the horizons of learning and the functions of diplomacy?

Learning pre-supposes the acquisition of knowledge in its broadest and most general terms. Science has enabled us to see and to believe, and to see and to believe is to be able to understand. The fundamental basis of diplomacy is the ability to understand and to appreciate the points of view of others; and in that understanding to try to accom-

modate their legitimate requirements and aspirations. What we learn, whether it be in the classics, or in history, or in science enriches our knowledge of the past but should also enable us to see it anew in the eyes of the present. The famous Swiss historian of Greek civilisation and of the Renaissance, Jakob Burckhardt, once remarked that "a hundred years from today some one will reread Thucydides and find something we all overlooked." So in science fresh questions elicit fresh approaches and answers. Psychiatry teaches us that we often overlook what we do not wish to see. These are but a few examples of the relevance of learning, as I have defined it, to the needs and challenges of our world of today, that is, to diplomacy.

The diplomat is trained to observe the reality of one sobering certainty—change. Wherever we look there appears to be tensions between the past and the future, between a pessimism we cannot shake off and an optimism that we cannot quite subscribe to. The present appears therefore as a confusion of paralysing indecision and bewildering prospects which combine very often to lead us to an attitude of negativism. It is therefore not surprising to find that the vast majority of mankind, unable to keep pace with the too much that is happening too fast, seem to have retreated into themselves, digging in against the complexities that change always brings about, and seeking relief in cults, or in abstract escapism, or in self-indulgent and non-productive consumerism. Learning is, as far as I can see, the only available source of resilience against this trend, and diplomacy the only road, albeit tedious and wearying, to orderly and rational solutions.

Some of us have placed priority on basic human needs and the material conditions of life; others have stressed the demands of basic human rights and the freedoms of thought and of expression. Napoleon once, in an oft-quoted remark, observed that "an army marches on its stomach". The philosophy behind that thought is surely not irrelevant to the present debate between the demands of the spirit and the demands of the body in the context of the serious imbalance between one-third of the world's population and the remaining two-thirds. It is the duty of diplomats and the function of diplomacy to convince the international community that both are essential for the realisation of man's dignity in its fullest sense and that there are no priorities as between the two. I speak now of the larger context of the economic problems which have in recent years emerged to occupy the time, the energy, and the skill of the world's leaders and their representatives in each other's countries. One of your greatest Presidents, Abraham Lincoln, once stated that it was his belief that his Government could not "endure permanently half slave and half free". In more recent times the present incumbent of that high office, Jimmy Carter, admitted that "A peaceful world cannot exist one-third rich and two-thirds hungry".

These two utterances are indicative of the expansion, during the century and more between them, of man's concern merely from one for freedom from physical oppression and the denial of his basic rights to one freedom from hunger and want as well. Correspondingly have the perspectives and objectives of diplomacy expanded from one of concern for mere political interests of nations to one of adjustments to ensure economic, and therefore social, stability within as well as between nations. There is however a danger of the newer horizons giving way to the equally vital concerns that formed the basis of diplomacy in its earlier manifestations. Diplomatic necessities, founded on national interests, sometimes compel an enforced selectivity. Nevertheless, it is the task of governments and of their diplomatic representatives to avoid elevating one set of priorities over another under the pressures of temporary forces. Problems have to be seen in the round and it is learning alone that could contribute to such a broad and overall approach. In recent times the international scene has been affected, in my personal opinion adversely, by the pursuit of pure national geo-political interests regardless of larger concepts of long-term human interests.

We must never forget the quest for purity and the stress on universal values which have to be, in the last resort, the purpose of the exercise of diplomatic skills. It is in this context that all of us have to appreciate that diplomacy requires not so much a 19th century stridency, as a careful and patient fitting together of ends and means. President Carter recently stated that "Those who govern can sometimes inspire, and we can identify needs and marshal resources"—a view which is most pertinent and one with which I myself can wholeheartedly agree with one important amendment, i.e. that the words "should always" be substituted for "can sometimes".

Although from time to time, when things go wrong in the political field, diplomats are blamed for such failures and impatiently described as "a brood of coiling, slippery creatures abhorred by the common man", I plead with such critics that however arduous is our pilgrimage the final achievement is a full answer. And as a former practitioner of my profession, and certainly a very distinguished one at that, once observed "So majestic is this living temple of Peace that the least of us is happy who hereafter may point to so much as one stone thereof and say, 'The work of my hands is there' ".

Mr. President, Ladies and gentlemen, I have in these general remarks tried to convey to you the vast changes that have occurred in the world since the time when Nicolo Machiavelli wrote this famous treatise "The Prince"—the first attempt to outline the principles of foreign policy and diplomatic activity. In keeping with those changes have been the corresponding changes in the art of our profession. I have also sought to outline the role that learning, and therefore the seats of learning, have played and must continue to play in that transformation. I wish finally to address a salute to those young men and women leaving this hall tonight with the satisfaction of having successfully completed studies in their respective fields and with the imprimatur of this great University upon them. You are the generation to whom we older ones are handing down not only what little success we have been able to achieve but also our own failures.

It is for you to take up this challenge, combine the knowledge you have acquired here with an attempt to learn from our mistakes. A world in peril is at your feet. It is for you to save it from self-destruction by your exertions, keeping always in mind that you are not mere engineers, architects, doctors or lawyers but you are also the citizens of a great nation and, even more, the inheritors of the sum total of human achievement and civilization, with responsibilities not to this or that group or to this or that discipline or to this or that nation but rather to the human family as a whole. If, in your future lives you ever have to cry let it be a cry for justice, if you ever have to fear let it be a fear of degradation and if you ever have to loathe let it be a loathing of the waste of human potential. The great 17th century English Jurist Sir Edward Coke, once said that "There is no jewel in the world comparable to learning, and no learning so excellent both for Prince and subject, for ruler and ruled, as the knowledge of man's past."

President Carter in his moving eulogy of the late Senator Hubert Humphrey referred to a quotation from Mahatama Gandhi entitled "The Seven Sins" which he saw inscribed on the Gandhi memorial during his recent visit to India. Those sins were "wealth without work, pleasure without conscience, knowledge without character, commerce without morality, science without humanity, worship without sacrifice, and politics without principle". I urge you to bear that in mind as you face Life's challenges and try, in your pursuit of professional success, to grapple with life's problems. A fortnight ago my country, Sri Lanka, installed in office under its new Constitution an elected executive President for the first time in our constitutional history. I leave you with the words President J. R. Jayawardene addressed to the National State Assembly before leaving it to assume his new office "Turn the searchlight inwards. Be a lamp unto yourselves. Hold fast to the truth. No harm can come to you in this life or after it."

I thank you very much for your indulgence.

"SHOULD WE BRING JOBS TO PEOPLE OR PEOPLE TO JOBS?"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. SEIBERLING) is recognized for 5 minutes.

Mr. SEIBERLING. Mr. Speaker, in Saturday's Washington Post there was an article by Neil R. Peirce entitled "Should We Bring Jobs to People or People to Jobs?" He states that helping bring jobs to people was the overwhelming sentiment among those attending the White House Conference on Balanced Growth and Economic Development earlier this month.

I was especially interested in this article because it pointed out something which I have been attempting to emphasize to the administration and to some of our colleagues, particularly those on the Committee on Ways and Means, for some time, at least a year, and that is this: that it does not make much sense to have all these programs to help depressed areas unless we also have some programs to help prevent those that might be teetering on the brink of becoming depressed areas from going over the brink.

Most of the industrial centers of the Northeast quadrant of this country—and that includes the Great Lakes States, as well as New England and the Mid-Atlantic States, the so-called Snow Belt, which means most of the industrial centers of the country, are in trouble today. Many of those that are not already suffering from above average unemployment are on the verge of receiving that unhappy distinction. Cities like Youngstown, Ohio, have already been pushed over the brink within recent months. Cities like Akron, which happens to be the city I represent, have lost thousands of jobs in the last few months, not from foreign competition, not from the country being in a depression, for it is not, but from the fact that, using various tax benefits which we bestow without much discrimination on industry, they have built brand-new plants in other parts of the country.

Goodyear, for example, is building a new plant in Lawton, Okla., a nonindustrial town, out in the middle of the cornfields or sagebrush. That plant will employ 1,400 employees. Just by coincidence, Goodyear, has permanently laid

off 1,400 employees in their tire plant at Akron. They are also closing out their tire plant at Los Angeles, and so is Firestone. Firestone are going to close one other of their plants. And which plant will they close? Undoubtedly the oldest and highest-cost plant, which is probable the plant that was first built, namely, their plant at Akron.

It does not make any sense for this country to have economic policies which give investment tax credits without regard to where a plant is built, or to permit tax-free industrial revenue bonds without regard to where a plant is built, or to provide other tax gimmicks to enable business to migrate out to the cornfields and at the same time to provide billions of dollars of grants-in-aid to help our cities after they have already collapsed from outmigration of industry.

It is a lot easier to keep Humpty Dumpty from falling off the wall than to try to put him back together again afterwards. No, this country cannot simply walk away from its investment in its established urban centers where we have billions of dollars invested in public facilities, cultural institutions, universities and schools, factories, offices and stores and, most important of all, where people have invested their life savings to build their homes. We simply cannot walk away from that. It is way past time for the administration and Congress, and in particular the Committee on Ways and Means, to review our tax policies, to see that we are starting to develop incentives to channel industries into established communities, at least to the extent needed to keep them viable.

I agree entirely with Mr. Pierce when he points out that the American people clearly favor a jobs-to-people strategy, and that no region of the country can escape the cost, human and fiscal, of people and businesses deserting established communities.

Mr. Speaker, I introduced a bill last year—I think I now have about 85 or 90 cosponsors on it—which provided an extra 10-percent investment tax credit for modernizing old industrial plants. After getting a considerable response from industry, labor, and government officials and private citizens all over the northeastern quadrant of the country, we simplified it and provided that the credit would also apply where an older plant is replaced with a new one within the same community. In that way we would not be providing an incentive to move the plant either to the suburbs or to another part of the country.

Mr. Speaker, I hope that Mr. Pierce's article will help focus our attention better on this problem. I might say that great interest in these proposals has been shown by the White House Domestic Council, under its Chairman, Mr. Eizenstat, but the Treasury Department has taken the usual purse strings approach and said, "Well, we have to worry about the loss of revenue." To that I can only respond, "What about the revenue lost in trying to resuscitate communities like Youngstown that have just had the rug pulled right out from under them. What about New York City?"

It is rather interesting to me that in an article in yesterday's Washington Post, by Jack Anderson, entitled "The Republican Right: Courting the Labor Vote," it is stated that a group of conservative Republican Congressmen journeyed secretly to Youngstown, Ohio, recently to meet with local union officials and that, as a result, the group, according to Mr. Anderson, are "designing a legislative package they believe will whipsaw Democratic Congressmen they hope to knock off in November. It emphasizes lunch-bucket issues that appeal to rank-and-file workers beset by high prices, factory closings, and stiff foreign competition. The three main features" (and now I am going to read No. 1) "a proposed reinvestment tax credit to encourage industry to remain in the city."

Mr. Speaker, it is said that imitation is the sincerest form of flattery; and I am delighted that some of my colleagues on the Republican side of the aisle have seen fit to make my tax-credit idea one of the main features in their legislative package. I hope that my colleagues on the Democratic side of the aisle will take heed because this is indeed a very important issue; and it is time that we came up with legislation to do something about it. If we do not, we will deserve the fate to which the group in question would like to consign us.

Fortunately, Mr. Speaker, the distinguished chairman of the Ways and Means Committee, the gentleman from Oregon (Mr. ULLMAN), has indicated his support for this concept. Fortunately, also the White House staff that is assembling President Carter's package of urban proposals seems to understand the importance of this issue.

One of the other things in the package which according to Jack Anderson, the so-called Republican right intends to offer is a group of amendments to Federal environmental statutes to delay enforcement of the requirements for costly antipollution equipment.

Mr. Speaker, I introduced recently a bill to provide an extra 10 percent investment tax credit for pollution controls for older plants.

The SPEAKER pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. To continue, Mr. Speaker, the thought behind that bill was that pollution controls can usually be incorporated into the design of a new plant at a lower cost than it takes to add them to an existing plant. Yet we insist that older plants meet the same basic clean air and water standards by certain dates.

I was down on the Ohio River last May looking at the electric plants of Ohio Edison Co. and their air pollution problems. It is a serious problem in Ohio because Ohio has coal with high sulfur content. One is a brandnew plant which they are still building. Approximately one-third of the cost of that plant, hundreds of millions of dollars, will go for pollution controls. They also have an older plant not far away which does not have some of the controls that the new one does. EPA insists, however, that they be installed. To put them in the older plant will be even more costly. Yet, if they are going to continue to use local coal and have healthy air to breathe, they are going to have to put in the controls. To protect the communities dependent on these facilities, it is important, indeed urgent, that such legislation be given serious attention by our colleagues on the Committee on Ways and Means. If we fail to take timely action, we pave the way for either economic collapse or dangerous reduction of public health standards.

Mr. Speaker, other bills have been introduced along these lines. One which I have cosponsored, would provide a 100-percent depreciation allowance in the first year for investment in pollution controls. When we are competing with countries like Japan, which have chosen to forego pollution controls, regardless of the dangers, the least we can do is to assist our own industries to shoulder the cost, if we do not wish our own people to suffer some of the terrible consequences that some Japanese people have suffered because of the lack of such controls.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding.

I have listened to his entire statement. I have to say that I think he has shown great perception. I agree almost entirely with everything he said.

Mr. Speaker, it is said that we have a mobile society, and I think we do have a mobile society; but, as I think the gentleman pointed out, there is a difference between people freely choosing where they want to live, and I think they should be able to do that, as against being forced to move out of their homes, or being forced to leave, as so often is the tragic case, when industry leaves their area.

I think the gentleman is absolutely correct in that while I do not think we want to mandate things that would prevent us from being a mobile society, we at least ought to allow people to have the opportunity of having the right to live where they purchased their homes, where their jobs are, and where they traditionally have looked for places in which to live.

Mr. Speaker, about 100 miles south of my colleague's area, in Newark, Ohio, we have virtually the same situation there. We have there one of the very first plants built by Kaiser Aluminum. I can remember when it was constructed in the early part of World War II. They are down to about 800 employees.

The SPEAKER pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(On request of Mr. ASHBROOK and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 1 additional minute.)

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield further?

Mr. SEIBERLING. I yield to the gentleman from Ohio.

Mr. ASHBROOK. As I was about to say, Mr. Speaker, fortunately, Kaiser Aluminum decided to spend $23 million

to renovate their plant or we probably would have 800 employees going somewhere else in the United States.

I think the people of Akron, the people of Youngstown, the people of Newark, should have a little bit more going for them than the teetering balance in a corporate board room as to whether they are going to stay in a city or move away.

I agree with the gentleman 100 percent that our economic policies, and indeed the policies we have in the Congress, should at least encourage the type of activity the gentleman has suggested. I congratulate him for making this statement. I certainly find myself in agreement with him.

Mr. SEIBERLING. I am delighted that my friend from Ohio sees eye to eye with me on this subject. Let me just add that I have also introduced two other bills which would give a company the benefit of the investment tax credits I have described, even if the company does not have any taxable income, just as long as they installed the new equipment, or the pollution controls. That is important because, for example, in a case like that of Youngstown Sheet & Tube, a tax credit would not have done them any good because the company was in a loss position, with no taxable income.

These credits would be doing what the gentleman from Ohio (Mr. ASHBROOK) has indicated: Not mandating, but providing business with incentives to remain in established communities.

Mr. Speaker, the articles to which I referred previously are as follows:

SHOULD WE BRING JOBS TO PEOPLE OR PEOPLE TO JOBS?

(By Neal R. Peirce)

Should the nation attack persistent pockets of high unemployment in depressed inner cities and rural areas by bringing jobs to people? Or should it instead try to induce migration of the jobless to growth areas in the suburbs, the South and the West?

President Carter and the majorities in Congress may not have read the message fully, but a powerful consensus is building that jobs should be brought to people where they live, not the reverse.

Jobs-to-people was the overwhelming sentiment of the 500 citizens and leaders from all 50 states and walks of life who met in Washington earlier this month for a unique national "town meeting," the White House Conference on Balanced National Growth and Economic Development.

A conscious policy to help people find a livelihood where they live would be a radical break for a nation built on the frontier psychology. Thomas Jefferson, as governor of Virginia in 1789–91, offered 50 acres of land in the West to those who were landless. Nationally subsidized canals, turnpikes, railroads and river navigation, homesteading and, more recently, federal highway and housing and tax policies—all have been strong inducements to open up new lands, to move people away from established communities. Whether acknowledged or not, we've always had a strong national growth policy.

Why then a change in policy now? As expressed at the White House Conference, the reasons seem compelling: The nation faces constraints—possibly severe shortages—of energy, water, capital and agricultural land. Reinvestment in existing communities will conserve all those resources, in contrast to fresh development on open land in the suburbs or open lands in the West.

Uprooting people to find work away from their home communities takes a heavy toll on families, neighborhoods and the towns or cities they leave. The most mobile are usually the more skilled, educated workers. They leave behind the elderly and less skilled who are likely to remain unemployed.

No region of the country can escape the costs—human and fiscal—of people and businesses deserting established communities. It was "immediately and continuously recognized" at the White House conference, said Harvard University's Paul Ylvisaker, "that this nation could not cut itself off from its older urban and agricultural communities as though the human and physical capital they represent had no use or potential worth our reckoning."

Despite the rapid population and economic growth of the Sun Belt, Georgia's Gov. George Busbee said, "there isn't a single problem" that states like New York or Massachusetts face that his state doesn't have to some degree. "Problems such as declining business investment, industry loss, boom towns, rural flight, suburban overcrowding, urban sprawl, white flight, central-city decay—I have them all."

Growth areas pay a heavy price in rapid population growth and have a direct interest in seeing Eastern urban areas stay viable, the governors of two of the fastest growing western states—Colorado's Richard Lamm and Montana's Thomas Judge—told me. "We're bumping the limits of finite resources out in the West," Lamm said. "To add endless sprawl, air pollution, water consumption in the West doesn't make any sense. I don't want everybody from Boston, Newark, Detroit moving to Colorado. It aggravates our problem, it aggravates theirs."

Some growth-state leaders take a distinctly different tack. They say a major share of federal economic-development dollars should go to expanding Sun Belt and western communities, now plagued with such problems as water- and sewer-system financing, so that they'll be viable places in the future.

"With scarce dollars you have to buttress and encourage what will take firm root and last," says West Virginia Gov. Jay Rockefeller. With the exception of a few declining cities that have some special regional or national interest, Rockefeller says, it's a mistake "constantly to be throwing money" into areas that have "no reasonable prospect for being anything but distressed."

The problem with Rockefeller's formulation is that a cold "writing off" of supposedly hopeless places would have meant zero federal aid for his own West Virginia in the early '60s. Instead, the Kennedy administration inaugurated special aid for Appalachia—a rare and quite successful federal effort to bring jobs to people. Now, with soaring demand for coal, West Virginia is prospering.

Clearly, the American public favors a "jobs to people" strategy. A recent national survey by Cambridge Reports, Inc., headed by Patrick Caddell, President Carter's pollster, showed 63 percent of the people believe "the federal government should spend funds to bring jobs to places where people are unemployed." Only 20 percent think the government should encourage the jobless to move to areas where more jobs are available.

To help distressed areas get on their feet economically and become competitive, the White House conferees came up with a wide range of proposals for possible federal assistance. They suggested an investment tax credit with geographically differentiated "bonus points" according to an area's degree of need, and federal subsidies for wages of hard-core unemployed given jobs in new enterprises.

Horrified by the degree of choking regulation and contradictory programs the government now administers, conference delegates were extremely wary of a detailed national growth plan administered from Washington. But almost universally, they endorsed the idea of a "bottom up" planning procedure. Localities and states, in close cooperation with business and labor, would develop investment strategies to steer workers into permanent, private-sector employment.

The "town meeting" was saying that the federal government should cooperate with and respond to local plans—but that the essential hope of bringing jobs to people lies in creative initiative at the grassroots, where the people in need of work now live.

THE REPUBLICAN RIGHT COURTING THE LABOR VOTE

(By Jack Anderson)

An energetic cadre of Republican conservatives has launched an imaginative program they believe will alter the political landscape by 1980. They are attempting to recruit into the right-wing camp a solid bloc of rank-and-file union members who traditionally pull the Democratic lever in the ballot booth.

A blockbuster campaign featuring money, propaganda and specially tailored legislation is being mounted by the rightists. Their secret strategy has so alarmed labor leaders that they have begun mapping a counter-offensive.

Middle-of-the-road Republicans have always enjoyed a smattering of support from individual union members. Richard Nixon made political hay by appealing to the "silent majority" vote of blue-collar workers and arranging backroom deals that resulted in endorsements and campaign contributions from Jimmy Hoffa and other Teamster bosses.

Since New Deal days, however, union members have been staunch supporters of the Democratic Party. The conservative creed has been: Write off the union vote and spend your time wooing other segments of the electorate.

But the new group of young ultraright Republicans are ready to do battle in the most formidable fortresses of organized labor.

Youngstown, Ohio, for example, has always been a bastion of Democratic strength with the vote of the steelworkers taken for granted. But recently, a band of young right-wing congressmen met secretly with local union officials in the economically frightened city. They decried the closing of steel mills, which has thrown thousands out of jobs. One GOP participant, Rep. Mickey Edwards (R-Okla.), emerged sounding like a missionary left uneaten by the cannibals. "Those guys made some of us conservatives sound like moderates in comparison," he chortled.

Their reception in Youngstown was so successful that they're setting up similar dates with grassroots union leaders in at least another six big labor strongholds.

Edwards and the group's leader, Rep. Philip Crane (R-Ill.), are also designing a legislative package they believe will whipsaw Democratic congressmen they hope to knock off in November. It emphasizes lunch-bucket issues that appeal to rank-and-file workers beset by high prices, factory closings and stiff foreign competition.

The three main features:

A proposed reinvestment tax credit to encourage industries to remain in the cities.

Amendments to existing federal environmental statutes that would delay enforcement of mandatory requirements for costly antipollution equipment. Modification of the Clean Air and Clean Water acts also would make it tougher to enforce those laws.

Protectionist legislation to curb imports, particularly by Japanese steelmakers, who have been accused of putting Americans out of jobs with the help of Japanese government subsidies.

Members of the New Right inner circle feel they are in a no-lose situation. If the legislation passes, they can claim credit among the union duespayers. If does down the drain, they can blame the liberals and

moderates for ganging up on the working man.

They're stockpiling other ammunition as well. One of the central figures of the group, propaganda wizard Richard Viguerie, is planning a direct-mail campaign this spring that will end-run the national AFL-CIO leadership and reach into the homes of local leaders and union members.

"If we don't get our legislative victory, we'll at least have our issue," Viguerie told our reporter Richard Shapiro. "The conservative leaders of the Republican Party in past years were all wonderful men, but they weren't leaders who could compete with the Kennedys, Udalls and Humphreys. These guys are."

For the election warfare ahead, the New Right strategists are preparing to recruit conservative candidates and conduct special political workshops to tutor them on how to woo the labor vote.

Paul Weyrich, director of the Committee for the Survival of a New Congress, has taken on this task. He explains his philosophy this way: "Most conservatives have always run on the theory that you should maximize the god areas in the district and not split your time by campaign in the bad, strongly Democratic areas. We're opposed to that kind of thinking. We think that no area, black, labor, etc., should be ignored."

He expects to enroll an estimated 60 congressional candidates and an additional 250 staff aides in the five-day workshops. Their pitch will be that the workers and their employers are mutually interested in protecting free enterprise from government interference in Washington.

They will cite their common interest in a balanced federal budget, strong national defense, the heavy bite taken by the new Social Security taxes and opposition to busing, abortion and gun control.

"With a little luck we could change the politics of this entire nation by 1980," Edwards told us. "The Republican Party has stopped addressing the problems of labor and blacks. Our solution is to address the problems, but to do so through the free-enterprise system."

Crane, who is also chairman of the American Conservative Union, believes the entrenched national labor leaders have isolated themselves from their followers. "The real political division today," he said, "is not between the liberals who work for a living and those people who want a free lunch."

The quiet conservative campaign, meanwhile, has raised alarms in the labor camp. An AFL–CIO official told us that the union has just completed a $75,000 film entitled "The Right Wing Machine" and is rushing out 400 prints for showing in union halls throughout the country. The AFL–CIO is also printing up national newsletters for mailing to the membership, warning them of the plans of the rightists.

A worried top labor official described the forthcoming political battle this way: "We are very concerned by the New Right's political effectiveness and sophistication. . . . They have more money, they're more intelligent in the approach to our people and they have a better degree of organization than any right-wing organization that we've seen before."

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes. If I had been present, I would have voted as indicated:

OCTOBER 6, 1977

Rollcall 635, "yes."

DECEMBER 15, 1977

Rollcall 776, "yes,"
Rollcall 777, "yes."

NUCLEAR SAFETY IN NAVAL SHIPYARDS

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, there recently appeared in the Boston Globe a story which would give the impression that workers at the Portsmouth Naval Shipyard, located in the State of Maine, were being exposed to cancer risks due to radiation exposure. The story was based on an independent study of the Boston Globe which has no known qualifications in the radiation health field.

I am always concerned about press stories which may adversely affect the morale of military personnel and civilian workers of the armed services, and their dependents. I am even more concerned when the stories involve nuclear ships and submarines which are the backbone of the fleet. Because of my concern, I asked the Navy to look into the matter and to provide a factual statement which I ask unanimous consent to insert in the RECORD at this point.

Mr. Speaker, in making its assessment of the health risks of workers at the Portsmouth Naval Shipyard, the Boston Globe apparently overlooked two important things. One is the cancer death rate in the State of Maine; the other is the cancer death rate of men in the age group of 45 to 64 years. Only two States and the District of Columbia, according to 1970 census figures, have cancer death rates higher than the State of Maine—197 per 100,000 of population. The average age of workers at most naval shipyards tends to be higher than other industries. This brings into play another factor, that is, that the cancer death rate for males between the ages of 45 and 64 is 327.9 per 100,000 of population. This death rate is nearly 10 times the cancer death rate of males in the 25 to 44 year age group, or 33.9 per 100,000 of population. The same census figures show that the cancer death rate for males above the age of 65 is some 40 times the rate for males in the 25 to 44 age group.

The Navy statement follows:

NAVY STATEMENT

SUMMARY

On 19 February 1978 the Boston Globe published an article stating that nuclear workers at Portsmouth Naval Shipyard were running an increased risk of cancer due to exposure to low levels of radiation. The Globe published some statistics of death due to cancer based on a two month review of a number of shipyard workers.

The Navy is concerned about the health of shipyard employees working with radiation as evidenced by the strict radiological control program in effect. The Navy believes that the Boston Globe, on the basis of a brief review of some shipyard employees, has reached conclusions which do not accurately reflect the actual health conditions for employees engaged in radiation work. To properly assess a matter as complex as low-level radiation induced health effects will require a far more detailed and expert analysis than that performed by the Globe. On the basis of Navy experience to date and a considerable body of expert scientific evidence, the Navy considers the risk to shipyard workers performing radioactive work is less than risks normally encountered in industrial activities.

BACKGROUND AND DISCUSSION

Since the start of the Naval nuclear propulsion program, the Navy established a radiation health program of high standards to maintain personnel radiation exposure as low as reasonably achievable. This program includes keeping detailed medical records including radiation exposure histories on each worker. Prior to starting nuclear work at any shipyard, a separate organization of specially trained shipyard personnel was established to implement the radiation health program. This program of strict radiological controls has continued to the present. As a part of this program comprehensive medical examinations are given to all employees who receive radiation exposure and the results of these medical examinations are reviewed by doctors with knowledge of radiation medical effects. With any indication of a radiological problem, whether identified by medical doctors, trained radiological control personnel, or concerned employees, a thorough investigation is conducted.

The radiological safety standards and procedures used by the Navy for radiation workers have not been developed independently by the Navy, but are based on the recommendations and requirements of the U.S. Environmental Protection Agency (which has incorporated the functions of the U.S. Federal Radiation Council), the U.S. National Council on Radiation Protection and Measurements which was chartered by Congress to recommend radiation safety standards for use in the United States, the U.S. Nuclear Regulatory Commission, and the International Commission on Radiological Protection. They are also based on standards which have been reviewed and accepted by the U.S. Department of Labor.

Thus, they compare with standards used throughout the United States and the rest of the world for work of this nature. The estimates of effects of radiation on humans on which radiation limits are based have also been reviewed by the U.S. National Academy of Sciences in 1972, the United Nations Scientific Committee on the Effects of Atomic Radiation in 1977 and the International Commission on Radiological Protection in 1977. These reviews have shown no need to reduce the radiation exposure limits that have been in use.

Although the Navy's program is based on Federal occupational radiation exposure limits of 3 rem per quarter year and no more than a total of 5 rem per year, the Navy's own radiological control procedures maintain shipyard personnel radiation exposure below these limits. As exposure reduction controls and techniques improved, total personnel exposure was reduced even further. As the number of nuclear ships nearly doubled, the amount of radioactive work to keep these ships in operation increased. In spite of this, the trend in total radiation exposure throughout the Naval nuclear propulsion program has been down for the past decade.

The radiological controls used in shipyards are extremenly strict. Personnel are held individually accountable for compliance. Each employee is informed of his radiation exposure and is required to keep his own exposure to a minimum.

Shipyard radiological practices are controlled by a group of specially trained ship-

yard personnel, and a separate independent shipyard organization also checks all aspects of radiological control. Further, the Naval Sea System Command conducts periodic in-depth inspections which fully evaluate the effectiveness of the shipyard's radiological program.

The Navy has applied the Federal radiation exposure limits so rigorously that no one in the Naval nuclear propulsion program has exceeded these limits in this decade. For this reason and because radiation exposures in the Naval nuclear propulsion program have not been greater than for many others in the nuclear industry, the Navy has not conducted its own epidemiological study. Rather it took cognizance of the work of others, such as the Department of Energy, who were conducting studies of long term effects of low level radiation. The Navy did, however, survey the health of Navy personnel who operate nuclear-powered submarines who were exposed to low levels of radiation. These surveys indicated no problems such as described in the Globe article.

The Globe article stated that the workers may have received higher radiation exposures than measured by dosimetry badges because of breathing radioactive dust or getting radioactivity on their skin and in wounds. The Navy was aware of such possibilities before radioactive work started in nuclear ships. Thus, the shipyards have always monitored radioactivity in the air and on workers' skin. Workers with open wounds are removed from radioactivity work. Airborne radioactivity has been controlled for workers to the same levels permitted for members of the general public; radioactivity on skin is controlled to levels too low to detect. In addition, the Navy has had a rigorous program for measuring personnel for internally deposited radioactivity. This program has shown that no civilian or Naval personnel in the Naval nuclear propulsion program has ever exceeded one tenth of the exposure limits from internally deposited radioactivity.

In November 1977, a study was published of the effects of low level radiation among radiation workers at the Department of Energy's nuclear facility at Hanford, Washington. This study, which was funded by the Department of Energy, indicated a possible increased risk of cancer. While the results of this study have been discounted by many reviewers, the report presented an indication of a potentially higher cancer risk due to low level radiation exposure than had previously been expected Accordingly, the Navy began working with the Department of Energy to determine the feasibility of conducting a study on Naval shipyard workers. Initial discussions and meetings in early December 1977 led to a formal request for this study on December 30, 1977. After preliminary work was done in January, Department of Energy consultants reviewed the Navy's radiation health program including specific review of a representative shipyard on February 14.

These consultants concluded a mortality study of shipyard workers is feasible, and on 16 February 1978, the Department of Energy agreed to perform such a study on Naval shipyard workers using the Portsmouth Naval Shipyard as a model. Portsmouth Naval Shipyard was selected because it was the first Naval shipyard to overhaul nuclear submarines.

To ensure proper conclusions can be obtained, scientific groups which conduct such a study must include specialists in epidemiology as well as in statistics. The study requires detailed review of medical records on almost all workers. This is necessary since there are many factors which can influence death rates such as smoking, race, age, medical history, and environmental hazards. Thus, such a study requires extensive investigation and a number of years to complete. For example, the mortality study of workers exposed to low-level radiation at Hanford, Washington has been based on about 12 years of review of tens of thousands of medical records.

Every organization which has recommended personnel radiation exposure limits has stated that there is some risk at all levels of exposure to radiation, including that received from cosmic radiation, from building materials, from radioactivity naturally present inside the body, and from medical X-rays. The Federal limits currently used were set so that these risks would be small compared with other risks normally accepted in daily life.

There are recognized risks involved in the things people do every day—both occupationally and in leisure time. The American Cancer Society for example, reports that the risk of death in any one year for smokers to die of smoking-related disease is 1 in 160. The National Safety Council reports that the risk of death in any one year from an automobile accident is 1 in 4000. Navy shipyard statistics reveal an annual risk of slightly less than 1 in 10,000 for death resulting from an industrial accident, which is a rate normally used to describe a relatively safe industry. The risk estimates available to the Navy are contained in reports by the U.S. National Academy of Sciences, the United Nations Scientific Committee on the Effects of Atomic Radiation and the International Commission on Radiological Protection. The consensus of these risk estimates for exposure to low levels of radiation is that the risk of a shipyard worker dying of a disease caused by radiation exposure from his work at the shipyard is less than any of the risks mentioned above.

The Navy does not have the data used by the Globe in preparation of their article. Even without this information the Navy considers the Globe study has limitations in not having had radiation exposure information available and in the small size of the group sampled. Obtaining correct conclusions in a matter of this complexity requires accurate data, and complete returns from a large percentage of the affected group.

The weight of evidence from numerous other studies and the simplistic approach of the Globe's study lead the Navy to conclude it is not credible that radiation from Naval nuclear propulsion plant work at Portsmouth Naval Shipyard or any other shipyard has doubled the total cancer rate for workers and Naval personnel. In any event the Navy intends to do everything possible to protect its workers and Naval personnel from any harmful effects of their work environment. To this end, and as previously stated, the Navy has requested the Department of Energy to initiate a study of the effects of radiation on shipyard workers. The Navy will also continue to enforce its strict radiological controls in shipyards and in ships.

ADDITIONAL MICHIGAN SUPPORT FOR ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I have had occasion already to put in the RECORD a number of editorials, including one from a Michigan newspaper, supporting the bill, H.R. 39, known as the Alaska National Interest Lands Conservation Act, which is about to be marked up in the Committee on Interior and Insular Affairs.

I am happy to offer another Michigan expression of support, this time in the form of a column in the Petoskey News-Review of November 30, 1977. Mr. Reg Sharkey, in his column "Jackpine Journal," puts the basic question before the committee very well:

Will Alaska remain as America's last bastion of pristine wilderness, or will it fall to the relentless demands of the exploiters who's quest for resources could leave its God-given beauty irreparably scarred and multilated?

The full text of Mr. Sharkey's column follows these remarks.

ALASKA: GOING, GOING—GONE?

Once more that vast, ruggedly beautiful land of the midnight sun is at the crossroads of its existence.

Will Alaska remain as America's last bastion of pristine wilderness, or will it fall to the relentless demands of the exploiters who's quest for resources could leave its God-given beauty irreparably scarred and mutilated?

The future of our 49th state lies in the hands of President Carter and the 95th Congress, who must decide by the end of next year what the fate of 229 million acres of Federally owned land will be.

Ever since March 30, 1867, when U.S. Secretary of State William Henry Seward successfully negotiated the purchase of Alaska from Russia, it has been beset by internal conflict, political wrangling, government collusion and fraud; envolvement in World War II when Japanese forces occupied Kiska and Attu of the Aleutian Islands and the continuous exploration and exploitation by those seeking its mineral wealth, capped by the recent struggle of environmentalists who fought a losing battle against the wilderness-scarring North Slope oil pipeline. (Prudhoe Bay, Arctic Ocean to Anchorage on the Pacific Ocean.)

Now the ultimate struggle to reserve 114 million acres of Alaskan wilderness for posterity in progress.

It all started with the Carter Administration's Alaska D–2 lands proposal which is threading its way through Congress.

Since Alaska achieved statehood in 1959, when 99 percent of the territories 365 million acres of land belonged to the federal government, there has been a slicing up of the "melon." When Alaska was admitted to the Union it was granted 105 million acres of the total. The selection of those acres has been plagued by delays and litigations mostly by the Alaska Native Claims Settlement Act of 1971, which gave Eskimos, Aleuts and Indians another 44 million acres of land and mineral rights.

Now the question before Congress is: How much of the remaining federal land should be kept for all the people in the 50 states and what its use should be? That's your land and mine!

The bone of contention seems to revolve around the so-called D–2 section of the Native Claims Act which is: how much land can be withdrawn from development and protection under the four systems of federal management-national forests, wildlife refuges, wild scenic rivers, monuments and parks.

The in-fighting continues with the meeting recently of the House Interior Subcommitte on Alaska Lands. The Subcommittee has voted to use the Subcommittee Staff Print of HR-39 as a mark-up vehicle. This is a crucial time when amendments will be made before it moves to the Interior Committee and then to the floor of the House.

Although it is too late for us to make our feelings known to this committee, it is not too late to let your Senator or Congressman know how you feel.

Space does not permit giving details of HR-39, but it is a good bill supported by the Alaska Coalition consisting of outstanding environmental and ecological groups such as: The Wildlife Society, Alaska Center for the Environment, National Audubon Society, Sierra Club and eight other prominent known groups.

I can only cap my appeal for support of the Alaska Coalition and HR-39 for the preservation of a part of Alaska land and fauna with this poignant excerpt, taken from a Coalition news release:

"Alaska means wide valleys and endless, unbroken distances, flocks of waterflow and migrating cranes. It means the possibility of sitting quietly through a long summer's eve while gyrfalcons hunt the plains, and watching caribou chart a tenous course across the open tundra or brown bear searching the river bars for salmon.

"Alaska is one of the last remaining wilderness frontiers on our planet, whose network of river and valleys and winter trails still largely defines the country. But the forces of change are pointed sharply to the North. Men and machines are piercing the Arctic; wild country yet little-touched by civilized ambitions is being eyed with speculative eagerness. For a land which is expected to give so much material wealth to the nation, we only ask in return that the nation seek to protect certain lands and wildlife so this priceless natural heritage will survive for future generations."

Silence on our part is surrender.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. AKAKA (at the request of Mr. WRIGHT), for today, on account of official business.

Mrs. MEYNER (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. YATES (at the request of Mr. WRIGHT), for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders orders heretofore entered, was granted to:

Mr. SIKES, for 30 minutes, today, to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. PANETTA) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ZABLOCKI, for 10 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. SEIBERLING, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. CONABLE.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. MOORE.

Mr. CORCORAN of Illinois.

Mr. LOTT.

Mr. DORNAN in two instances.

Mr. COUGHLIN.

Mr. HANSEN in eight instances.

(The following Members (at the request of Mr. PANETTA) and to include extraneous material:)

Mr. MATHIS.

Mr. RODINO.

Mr. MINETA.

Mr. RUNNELS.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. JONES of Oklahoma.

Mr. PATTEN.

Mr. AUCOIN.

Mr. ZABLOCKI in two instances.

Mr. BRADEMAS in 10 instances.

Mr. RICHMOND.

Mr. UDALL.

Mr. LEHMAN.

Mr. HOWARD.

Mr. ROE.

Mr. RANGEL.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 10368. An act to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

ADJOURNMENT

Mr. PANETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 48 minutes p.m.) the House adjourned until tomorrow, Tuesday, February 28, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3365. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations and for other purposes; to the Committee on Armed Services.

3366. A letter from the Attorney General, transmitting his annual report for calendar year 1977 on the administration of the Equal Credit Opportunity Act, pursuant to section 707 of the Consumer Credit Protection Act, as amended (90 Stat. 255); to the Committee on Banking, Finance and Urban Affairs.

3367. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during January 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

3368. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting proposed final regulations governing the award of fellowships for graduate and professional study and the award of institutional grants to expand or improve graduate or professional study programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3369. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3370. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting, a report on the Board's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3371. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a report on the activities of the Federal Open Market Committee under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3372. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1979 and 1980 and for other purposes; to the Committee on Merchant Marine and Fisheries.

3373. A letter from the Director, National Science Foundation, transmitting the statistical portion of the report on Federal support to universities, colleges, and selected nonprofit institutions during fiscal year 1976 and the transition quarter, pursuant to section 3(a)(7) of the National Science Foundation Act of 1950, as amended (82 Stat. 360); to the Committee on Science and Technology.

3374. A letter from the Comptroller General of the United States, transmitting a report on the Army's program to modernize the CH-47 helicopter (PSAD-78-18, February 24, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3375. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's SSN-688 Class attack submarine program (PSAD-78-21, February 27, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3376. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's Light Airborne Multi-Purpose System program (PSAD-78-30, February 27, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3377. A letter from the Comptroller General of the United States, transmitting a report on the Interstate Commerce Commission's procedure for granting temporary operating authorities (CED-78-32, February 24, 1978); jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3420. A bill to reduce speculation in excess lands purchased under the Federal reclamation laws by imposing additional restrictions on sales and resales of such excess lands originally sold to qualify for water rights under such laws, and for other purposes; with amendment (Rept. No.

95-909). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 11158. A bill to amend the Merchant Marine Act, 1936, to provide for the establishment of capital construction funds for fisheries facilities; to the Committee on Merchant Marine and Fisheries.

H.R. 11159. A bill to provide incentive loans to the commercial fisheries industry for the development of underutilized fisheries and to authorize the Secretary of Commerce to guarantee certain other loans made by banks to the commercial fisheries industry; to the Committee on Merchant Marine and Fisheries.

By Mr. AuCOIN (for himself and Mr. WEAVER):

H.R. 11160. A bill to amend the Farm Credit Act of 1971 to provide that certain loans to farmers, ranchers, and producers or harvesters of aquatic products may be made for a period of 15 years; to the Committee on Agriculture.

By Mr. BAFALIS:

H.R. 11161. A bill to amend the Internal Revenue Code of 1954 to allow the deduction for individuals retirement savings to certain individuals who are active but unvested participants in employer pension plans; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself and Mr. TREEN):

H.R. 11162. A bill to authorize appropriations for the U.S. Coast Guard for fiscal year 1979, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CONABLE:

H.R. 11163. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church; to the Committee on Ways and Means.

H.R. 11164. A bill to amend the Internal Revenue Code of 1954 to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions or associations of churches, and their agencies and to permit a *de minimis* contribution amount in lieu of such elections; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 11165. A bill to amend title 5, United States Code, to assure that appointments in the civil service are on the basis of merit, to prohibit improper recommendations with respect to personnel actions, and to establish statutory standards for excepting positions from the competitive service; to the Committee on Post Office and Civil Service.

By Mr. McKAY:

H.R. 11166. A bill to amend the National Trails System Act by designating the Mormon Trail, located in portions of Illinois, Iowa, Nebraska, Wyoming, and Utah as a component of the National Trails System; to the Committee on Interior and Insular Affairs.

By Mr. NEDZI (for himself and Mr. WHITEHURST (by request):

H.R. 11167. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

Mrs. PETTIS (for herself and Mr. KETCHUM):

H.R. 11168. A bill to provide that the sales of public lands in the town of Red Mountain, San Bernadino County, Calif., be conducted under the Townsite Act; to the Committee on Interior and Insular Affairs.

By Mr. PREYER:

H.R. 11169. A bill to amend chapter 21 of title 44, United States Code, to include new provisions relating to the acceptance and use of records transferred to the custody of the Administrator of General Services; to the Committee on Government Operations.

H.R. 11170. A bill to amend chapter 21 of title 44 to authorize the offering of restricted records to the National Archives under certain conditions, and for other purposes; to the Committee on Government Operations.

H.R. 11171. A bill to amend sections 3303a and 1503 of title 44, United States Code, to require mandatory application of the General Records Schedules to all Federal agencies and to resolve conflicts between authorizations for disposal and to provide for the disposal of Federal Register documents; to the Committee on House Administration.

By Mr. RUNNELS:

H.R. 11172. A bill to provide that only citizens and aliens lawfully admitted for permanent residence may be tenants in federally assisted housing or may receive certain other housing related benefits from the Federal Government; to the Committee on Banking, Finance and Urban Affairs.

By Mr. TEAGUE:

H.R. 11173. A bill to authorize the Secretary of Housing and Urban Development to make grants to assist certain totally and permanently disabled individuals in acquiring housing units; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WAGGONNER (for himself, Mr. HOLLAND, Mr. PICKLE, Mr. FRENZEL, Mr. ANDREWS of North Carolina, Mr. JONES of North Carolina, and Mr. MARTIN):

H.R. 11174. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. WAGGONNER (for himself and Mr. WYLIE):

H.R. 11175. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. WALGREN:

H.R. 11176. A bill to amend title 23 of the United States Code relating to the special bridge replacement program, and for other purposes; jointly to the Committee on Public Works and Transportation and Ways and Means.

By Mr. SATTERFIELD:

H.J. Res. 753. Joint resolution authorizing the President to proclaim annually a week during the first 10 days in May as "Pacific/Asian American Heritage Week"; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (for himself, Mr. ROONEY, Mr. DEVINE, and Mr. SKUBITZ):

H. Con. Res. 494. Concurrent resolution expressing the sense of Congress regarding the operation of certain rail passenger service by the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

By Mr. McKAY:

H. Res. 1050. Resolution to impose a moratorium on the reorganization of the Salt Lake City Internal Revenue Service District Office; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII proposed amendments were submitted as follows:

H.J. RES. 554

By Mr. VOLKMER:

On page 2, line 17, strike out the close quotation mark and the period which follows, and immediately following line 17, add the following section:

"SEC. 5. This article once ratified by a State legislature shall not be subjected to rescission by such State legislature or subsequent State legislature."

SENATE—*Monday, February 27, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 9:45 a.m., on the expiration of the recess, in executive session, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, who has given us this good land for our heritage, we humbly beseech Thee that we may always prove ourselves a people mindful of Thy favour and glad to do Thy will. Bless our land with honorable industry, sound learning, and pure manners. Save us from violence, discord, and confusion; from pride and arrogancy, and from every evil way. Defend our liberties, and fashion into one united people the multitudes brought hither out of many kindreds and tongues. Endure with the spirit of wisdom those to whom in Thy name we entrust the authority of government, that there may be justice and peace at home, and that through obedience to Thy law, we may show forth Thy praise among the nations of the earth. In the time of prosperity, fill our hearts with thankfulness, and in the day of trouble, suffer not our trust in Thee to fail; all which we ask through Jesus Christ our Lord. Amen.—Common Prayer.

RECOGNITION OF LEADERSHIP

The PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair. I do not have any request for time this morning.

SPECIAL ORDER

The PRESIDENT pro tempore. Under the previous order, the Senator from Colorado (Mr. HASKELL) is recognized for not to exceed 15 minutes.

THE FARMER SURVIVAL ACT— S. 2591

Mr. HASKELL. Mr. President, I send to the desk for appropriate reference the Farmer Survival Act. The purpose of this legislation is to realine the Nation's agricultural policy by insuring equity for the producers of our food and fiber. The American family farmer is in deep economic trouble. During the last 4 years net farm income has dropped from $33 billion to $20 billion, declining market prices have resulted in an increased debt load for producers that has sent many beyond the brink of bankruptcy. In the past 5 years that debt has risen 63 percent to an unprecedented $119 billion. Farmers have been confronted by spiraling production costs and during the past year Mother Nature has added her toll by placing an unequaled drought upon the West, Plains, Midwest, and South.

Today, parity, the gage of the farmer's return for his labors, stands at 65 percent—the lowest since the height of the great depression. The severity of the economic crisis facing the American farmer cannot be overemphasized.

During the past session of Congress members of both the Senate and House Agriculture Committees labored over the creation of the Food and Agriculture Act of 1977. The purpose of that bill was to "provide price and income protection to farmers and assure consumers of an abundance of food and fiber at reasonable prices." Since the passage of the act, however, the American farmer has responded by organizing in the largest grassroots movement in agricultural history to protest that national farm policy. The farmer has told us in the most unified voice he has ever spoken with, that the limits of his endurance to produce food and fiber, at a loss, have long ago been reached.

Agriculture Department statistics show that without question the American farmer is the most efficient producer of agricultural goods in the world. This Nation has relied on him to provide us with the agricultural goods we need, but by no stretch of the imagination has the farmer received a fair return for the food he has produced. The fact is that our current agricultural policy is not providing the farmer with price or income protection.

The Department of Agriculture reports that more than 30 percent of all farmers will have to refinance or liquidate their already mortgaged land, equipment, and homes to stay alive 1 more year. The use of the word "alive" is very appropriate. Farming is a way of life not just an occupation. The farmer's life revolves around the way he makes his livelihood. And that is why in times such as these, when a speculator or entrepreneur would have gotten out and switched to another business, the farmer hangs on and hitches up his belt to farm 1 more year, 1 more year, because it is a way of life for the farmer and his family. Today, this country, the strongest, and most prosperous Nation in the world, is fed by less than 4 percent of our population. A mere 2.8 million Americans feed the country and the world, and last year they pumped $105 billion into our economy, almost enough to finance the defense budget. But the farmer has hitched up his belt to the last notch.

Despite disagreeing in their approach, every farm organization in the country is unified in acknowledging that the situation in rural America is approaching the disaster of the thirties. Thousands have been driven from the land and thousands more will follow before the Congress can remedy the situation. As the family farmer leaves the land and as the rural communities of Colorado, Nebraska, South Dakota, Minnesota, Alabama, and Indiana, just to name a few, continue to dry up economically, the pressures on those who remain increase. William Jennings Bryan said it best when he remarked:

> Burn down your cities and leave our farms, and your cities will spring up again as if by magic, but, destroy our farms and the grass will grow in the streets of every city in the country.

As the farmer leaves, outside investment increases. Foreign and domestic corporations continue to increase their land holdings as foreclosure follows foreclosure. The House Agriculture Committee is conducting an investigation of this problem, as is the Government Accounting Office. If we do not act quickly, the family farm, the watermark of our free enterprise system, will become a part of American life only referred to in history books. A few will grow the food, a few will share the profits, and a few will control the prices. We have seen what has happened when that situation occurred with our energy sources. There is no reason to believe it cannot happen with our food sources, as well. Worst of all, the efficiency that the farmer brings to his trade through dedication, and lifestyle, will be lost forever. You cannot hire a farmer, you have got to raise one.

Critics of this bill will call it inflationary and will point to groups that do not agree with every part of its text. They will state that it will cause the price of food to rise even above the rate of inflation, and they will charge that we will lose our export markets. I respond only by stating that more thought should be given to what will happen if legislation of this kind is not adopted. Currently, no accurate cost estimates of this approach exist. However, the cost to consumers of corporate control of agricultural production would far exceed the cost of establishing parity prices for family farmers. Increased prices would cut into the volume of our agricultural export sales, but, increased prices will offset any decline by increasing revenues. It is my understanding that the Department of Agriculture is about to release an evaluation of the program advanced by the American agriculture movement. I am sure that information will aid us in designing the most sound approach to the problem solving ahead.

I realize that technicians of agricultural economics will need to add to and sculpture any bill of this nature. My hope is, however, that this bill will assist the members of the Agriculture Committee and serve as a vehicle as they prepare legislation to remedy the crisis in American agriculture today. Let us not forget that the time grows short.

I am pleased to introduce this bill today and hope its introduction will bring support and cosponsorship from Members of both aisles.

I ask unanimous consent that the text of the bill and the accompanying letters from various States and organizations be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The text of the bill is as follows:

S. 2591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Farmer Survival Act".

TITLE I—NATIONAL PRODUCTION QUOTAS

SEC. 101. The Secretary of Agriculture (hereinafter referred to as the "Secretary") shall, prior to the crop year for each agricultural commodity, proclaim a National Production Quota for those commodities (other than tobacco) designated by the National Agricultural Producers Board (established under title II of this Act).

SEC. 102. The National Production Quota for each agricultural commodity for any crop year shall be a quantity of such commodity sufficient to meet domestic consumption and export requirements for the next marketing year for such commodity, plus any quantity needed in such year for a National Strategic Reserve.

SEC. 103. The National Production Quota proclaimed for any commodity for any crop year shall not limit the quantity of such commodity that may be produced by a producer.

TITLE II—NATIONAL AGRICULTURAL PRODUCERS BOARD

SEC. 201. (a) There is hereby established in the Department of Agriculture a Board to be known as the National Agricultural Producers Board (hereinafter referred to as the "Board").

(b) The Board shall be composed of 50 members, one to be elected from each of the 50 States. The Secretary shall prescribe by regulation the qualifications for voting in the election for members of the Board and the time and place for voting; but only persons engaged in the production of agricultural commodities shall be eligible to vote in such election. No person may be elected to the Board unless such person is engaged in the production of one or more agricultural commodities and earns more than one half of such person's total income from such production.

(c) The duties of the Board shall include, but not be limited to, determining which agricultural commodities shall be included in the National Production Quota and marketing certificate program provided for in this Act, consulting with and advising the Secretary regarding the National Production Quota for any commodity for any year, and assisting in the development of policy for implementing this Act. The Board shall be given such other duties as the Secretary may prescribe.

(d) The Secretary may also establish regional, State, and local producers boards to help advise on the administration of this Act.

TITLE III—MARKETING CERTIFICATES

SEC. 301. (a) Whenever a National Production Quota has been proclaimed under this Act for any commodity for any crop year.

the Secretary shall issue a marketing certificate to each producer of such commodity for use in the marketing year applicable to such crop year. The marketing certificate issued to any producer for any commodity for any marketing year shall be issued for a quantity of such commodity which bears the same ratio to the National Production Quota for such commodity for the crop year concerned as such producer's yearly average production of such commodity for the five crop years immediately preceding such crop year bears to the total production of such commodity in such five crop years.

(b) The Secretary shall provide for equitable treatment of producers who have less than a five year history and producers with no production history who wish to begin producing such commodity.

SEC. 303. It shall be unlawful for any producer of any agricultural commodity to market in any marketing year any quantity of such commodity in excess of the quantity for which a marketing certificate has been issued for such commodity. It shall also be unlawful for any producer to sell, trade, or otherwise dispose of any such agricultural commodity without a marketing certificate.

SEC. 304. Marketing orders shall be implemented by the Secretary to insure a consistent supply of food and fiber.

SEC. 305. The Secretary shall promulgate such rules or regulations as are necessary to exempt minimum volume producers from the requirements of this Act.

TITLE IV—PRICING POLICY

SEC. 401. (a) No agricultural commodity may be sold, traded, or otherwise disposed of in any marketing year at any price less than the market price announced by the Secretary, pursuant to subsection (b) of this section, for such commodity for such marketing year if a national production quota and marketing certificate program is in effect for such commodity for such year.

(b) The market price at which any commodity for which a national production quota and marketing certificate program is in effect under this Act is to be sold during any marketing year for such commodity shall be the average parity price for such commodity for the preceding marketing year as determined by the Secretary and Board.

TITLE V—RESERVES

SEC. 501. All quantities of agricultural commodities produced in any year which do not qualify for marketing certificates shall be stored on the farm or in any approved commercial or cooperative storage facility.

SEC. 502. A producer may use a current year's marketing certificate for any commodity to sell any excess production from any prior year but only to the extent that the sale of such commodity does not exceed the quantity for which the marketing certificate was issued. All sales of excess production stocks must be accompanied by a current year's marketing certificate.

SEC. 503. The Secretary may establish a national strategic reserve of any commodity. No sales from the national strategic reserve may be made except to fulfill necessary amounts of any commodity needed to meet underproduction if no producer reserves are available to fulfill the requirements. No sales from the national strategic reserve may be made at less than full parity prices.

SEC. 504. The Secretary may purchase overproduction of any commodity in any year not needed to meet the national production quota for such commodity for such year but may not purchase any quantity in excess of the marketing certificates issued for such commodity for the marketing year concerned. Such purchases shall be made at full parity prices.

SEC. 505. Stocks of agricultural commodities in the national strategic reserve shall be released only for use in domestic food and fiber emergencies or disaster situations, as determined by the Secretary, and for humanitarian food or fiber relief needs in the event of foreign food or fiber emergencies, as determined by the Secretary.

TITLE VI—APPLICABILITY OF OTHER LAWS

SEC. 601. Whenever a national production quota provided for under this Act is made applicable to any commodity for any crop and marketing year, the provisions of all other laws, to the extent inconsistent with the provisions of this Act (as determined by the Secretary), shall be inapplicable to such commodity for such crop and marketing year.

TITLE VII—IMPACT ASSESSMENT

SEC. 701. The Secretary shall prepare and submit to the Congress within six months after the date of enactment of this Act a report detailing the extent to which increased food prices resulting from the provisions of this Act can be expected to adversely affect the ability of lower income Americans to attain nutritionally adequate diets at reasonable costs, taking into consideration the total disposable income of such persons. The Secretary shall also, in cooperation with the Secretary of the Treasury and the Secretary of Health, Education, and Welfare, make recommendations to the Congress within six months after the date of enactment of this Act concerning methods by which lower income Americans can be financially assisted in their ability to obtain nutritionally adequate diets at reasonable costs through revision of the supplemental security income program established by title XVI of the Social Security Act, the aid to families with dependent children program established by title IV of such Act, the food stamp program provided for under the Food Stamp Act of 1977, the Internal Revenue Code of 1954, or any other means the Secretary determines to be desirable.

TITLE VIII—SANCTIONS

SEC. 801. Any person who buys, sells, trades, or otherwise disposes of any agricultural commodity in violation of this Act or any rule or regulation issued thereunder shall be fined not more than $10,000 or imprisoned not more than six months, or both.

The material ordered to be printed in the RECORD is as follows:

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
East Lansing, Mich., December 19, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Independent Bankers Association of America, which represents 7,300 of the nation's commercial banks, more than half of the total of such institutions in the United States, is deeply concerned over the plight of the nation's farmers.

Our member banks, located mostly in rural areas, supply approximately 50% of the credit extended to agriculture by all commercial banks. We, therefore, are extremely sensitive to the changes in the health of the farm sector.

We believe that the distress of the farm community, manifested by recent demonstrations, is not merely another special interest plea for higher prices and augmented government support. It is a warning about a dangerous situation which requires action for 1978 and a creative long range program to turn around the deterioration of many rural institutions.

As bankers for millions of competent, hard working, and experienced farm owners in the country, we can attest to the seriousness of their financial problems and the fact that, although some improvements are in sight due to the regulatory and legislative initiatives of your Administration, these appear to be insufficient to prevent a buckling in the farm sector.

We urge you, therefore, to initiate such action as will alleviate the immediate crisis brought into public view by recent farmer protests and to search for solutions to the longer term problems affecting the suppliers of the nation's food and fiber.

Very truly yours,

EDWARD A. TRAUTZ,
President.

HOUSE JOINT RESOLUTION No. 1005

Whereas, American family farmers and ranchers have historically been, and are today, the most efficient food and fiber producers in the world; and

Whereas, For the past several years, government policies and circumstances have continually caused producers to operate at a deficit and to lose substantial equity in their farms and ranches; and

Whereas, Importation of agricultural commodities has caused a depression of farm income by the creation of surpluses of those commodities; and

Whereas, The owners of a substantial percent of American farms and ranches will be forced either to liquidate or to refinance in the year 1978; and

Whereas, During the past several years, most farmers and ranchers have been forced to mortgage their real estate, which has appreciated in value, to pay for operating deficits incurred in the production of food and fiber; and

Whereas, As American farmers are forced to liquidate, ownership of agricultural land in falling into the hands of big money industries to be used for tax advantages, developers, foreign investors, and federal government; and

Whereas, Foreign investors are purchasing large tracts of agricultural land throughout the country at an alarming rate; and

Whereas, Such acquisitions of agricultural land by foreign investors will substantially reduce agricultural acreage available for the production of food and fiber; and

Whereas, The American family farm system faces an economic crisis unprecedented in American history; and

Whereas, The farm economy of the United States determines the economy of the nation; now, therefore.

Be It Resolved by the House of Representatives of the Fifty-first General Assembly of the State of Colorado, the Senate concurring herein:

That the General Assembly support the American Agriculture Movement in its goals and objectives.

Be It Further Resolved, That copies of this Resolution be transmitted to the President and Vice-President of the United States, the Secretary of the United States Department of Agriculture, each Member of Congress from the State of Colorado, each Member of the United States House and Senate Agriculture Committees, and each presiding officer of the Legislatures of the following States: Alaska, Arizona, California, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington and Wyoming.

RESOLUTION

Whereas, agriculture is the largest industry in America and American agriculture is now an international power; and

Whereas, American agriculture is now uniformly suffering incomes which are far from sufficient for the continued economic well-being of the farmers and ranchers; and

Whereas, America is importing an excess of food into this country and importing two billion pounds of beef each year which deprives American producers of four billion dollars a year; and

Whereas, American reserves have held agricultural prices at an artificially low level; and

Whereas, the Department of Agriculture does not take into account the knowledge and expertise of American agricultural interests; and

Whereas, information relating to the planning and production of agriculture is not relayed to the producers in sufficient time for planning; and

Whereas, the great needs of American agriculture have caused the traditionally independent and unorganized farmers and ranchers in America to unite and take action against the insufficient income they received; and

Whereas, this united movement has developed a plan to improve the prices received for their products; and

Whereas, the adoption of this plan would have the advantages of improving the economy of America, for what assists American agriculture assists America; and

Whereas, the adoption of this plan would allow farmers and ranchers to pay their fair share of taxes to government at all levels; and

Whereas, the adoption of this plan would improve the planning and information of the United States Department of Agriculture; and

Whereas, this plan will not price American agriculture out of the world market, for the world market uses the Chicago Board of Trade prices, so that the American price *is* the world price; and

Whereas, the cost of this plan would not cause an overwhelming burden upon the American consumer, for it would raise the cost of food to the average American family on three and one-tenth percent of their income, making the food price in America still the lowest food price in the world; and

Whereas, this plan does not seek to guarantee a profit to agriculture, but only provides a fair law, similar to a minimum wage law, that will insure a minimum income to agriculture; and

Whereas, the need for this plan is urgent, for without it the family farm may disappear, allowing groups from foreign lands to take over the property involved, depriving America of the power of our agriculture; and

Whereas, for these reasons, and because of the importance of agriculture to the State of Oklahoma, the Oklahoma Legislature strongly urges the consideration of this resolution.

Now, therefore, be it resolved by the Senate of the 2nd Session of the 36th Oklahoma Legislature, the House of Representatives concurring therein:

SEC. 1. The Oklahoma Legislature supports the American Agricultural Movement in its efforts to seek equal economic justice for farmers and ranchers.

SEC. 2. The Oklahoma Legislature urgently recommends to the Oklahoma Congressional Delegation that they introduce and support legislation for the implementation of the plan formulated by the American Agricultural Movement.

SEC. 3. The united program of American agriculture is supported by the Oklahoma Legislature. That plan consists of the following demands:

1. A guaranteed minimum price for agricultural products consisting of a price at 100% of parity price;

2. All agricultural products held in reserve by the United States should not be released except at a price consisting of a price equal to 100% parity;

3. A Board of Agricultural Producers, selected by the farmers and ranchers of America, should be created and given a powerful role in the creation and implementation of rules and regulations by the United States Department of Agriculture;

4. All imports of products, produced in the United States, should be prohibited until full parity price has been reached, and then allowed into this nation only at the full parity price in the amounts the American farmer cannot supply; and

5. Announcements relating to planning and production of agricultural products should be made at as early a date as possible, so that agriculture in America can plan on a businesslike basis.

SEC. 4. Copies of this resolution shall be distributed to every member of the Oklahoma Congressional Delegation for his urgent consideration.

HOUSE CONCURRENT RESOLUTION NO. 6

Whereas, the family farm is the most efficient and dependable food producing unit in this nation; and

Whereas, American farmers have lost equity and enormous sums of money in recent years due to drought and depressed prices for agricultural products; and

Whereas, unless some positive action is taken by the United States Government to bring net profit into the prices of agricultural products, family farms as we know them will cease to exist; and

Whereas, the recent policy of the United States Government has been to encourage farmers to plant fence row to fence row and has consequently reduced market prices to dangerously low levels; and

Whereas, the American people today pay considerably less of their total disposable income for food than people of other nations; and

Whereas, parity pricing for American agricultural products would remove speculative profits for middleman and stabilize prices and profits for farmers and consumers; and

Whereas, parity pricing means cost of production plus a reasonable profit on commodities produced, but does not protect against the natural risks including weather, insects, and all other calamities farmers face; now therefore,

Be it resolved, by the House of Representatives of the State of Minnesota, the Senate of Minnesota concurring, that the Minnesota Legislature supports the goals and principles of the American Agriculture Movement.

Be it further resolved, that Congress establish programs that result in 100 percent parity for all agricultural commodities except tobacco.

Be it further resolved, that Congress adopt legislation comparable to the Minnesota Tax Loss Farming Act, and the Minnesota Corporate Farm Act (Minn. Statutes, Section 500.24).

Be it further resolved, that Secretary of Agriculture Bergland establish loan rates at the highest level allowable by law.

Be it further resolved, that the United States Government take an aggressive and positive position towards establishing international trade agreements with other exporting nations so as to establish a realistic level for farm commodities in world trade.

Be it further resolved, that the Chief Clerk of the Minnesota House of Representatives transmit copies of this Resolution to President Carter, Vice President Mondale, Secretary of Agriculture Bergland, the congressional delegations of all fifty states, and the Secretary General of the United Nations.

HOUSE OF REPRESENTATIVES,
Atlanta, Ga., Feb. 7, 1978.

Hon. FLOYD K. HASKELL,
U.S. Senator,
Washington, D.C.

DEAR SENATOR HASKELL: I am seriously concerned about the plight of the American farmer. According to recent statistics, farm income has declined from $33 billion in 1973 to $20 billion in 1977, in terms of present dollars. Many farmers across the United States are suffering severe financial hardship as a result of their unequal wage-earning circumstances as compared to other workers.

As a public servant representing a substantial farm district, naturally I must come to you for help in this severe situation. I feel that it is imperative that this matter be addressed with affirmative action by the leadership of our Federal Government.

I strongly urge your support of any legislation designed to stabilize farm income during less productive years. Our farmers need a minimum price for the products they produce in order to cover the cost of production, with a decent lifestyle added as a reward for the fruits of their labor.

Sincerely,

TERRY L. COLEMAN.

AGRICULTURE COMMITTEE RESOLUTION

A House Agriculture Committee Resolution supportive of the goals of the American Agricultural Movement.

Whereas the family farm is the most efficient food producing unit in this nation and,

Whereas, American farmers have lost equity and enormous profits in the last four years due to drought and depressed prices for agricultures products; and,

Whereas, substantial numbers of American farmers and ranchers will be forced to liquidate or refinance their operations this year; and

Whereas, unless some positive action is taken by the United States government to build net profit into the prices of agriculture products, large corporations, foreign investors, or government will be the only entities left with the resources required for the production of food; but such action should not include unreasonable government regulations in agricultural production; and,

Whereas, the recent policy of the U.S. Government has been to encourage farmers to plant fence row to fence row which creates surpluses and contributes to depressed market prices; and,

Whereas, the U.S. Government policies have also interfered with the exporting of agricultural commodities; and

Whereas, the American Agricultural Movement was conceived to preserve the family farm as a viable productive economic entity by seeking 100% parity for all agricultural products; and,

Whereas, the American people today pay less than 17% of total disposable income for food while people of other nations spend a minimum of 28% of their income for food; and,

Whereas, parity pricing for American agricultural products would increase the portion of disposable income spent on food for the American consumer to about 19%, thereby removing speculative profits for middle men and stabilizing prices and profits for farmers at a small cost for consumers; and,

Whereas, parity pricing does not mean a guaranteed income but rather a fair . . .

Whereas, the American Agricultural Movement considers the current farm program inadequate and petitions the Federal Government for 100% parity for all American agricultural products; and,

Whereas, the American Agricultural Movement petitions the Federal Government for an entity or structure composed of American agricultural producers to deivse and approve policies that affect agriculture; and

Whereas, the American Agricultural Movement petitions the Federal Government that imports of all agricultural products which are domestically produced be limited only to the amount that American producers cannot supply; and,

Whereas, the American Agricultural Movement requests that all announcements pertaining to any agricultural production cycle be made far enough in advance that producers have adequate time to make needed adjustments in their operations; and,

Whereas, the agricultural community represents less than 4% of the nation's population and it would be in the best interests of the state of Iowa to have a strong stable agricultural economy; now,

Therefore let it be resolved, by the House Agriculture Committee of the 67th legislature of the state of Iowa, that this legislative commitee supports the American Agricultural Movement and its goal of 100% of parity; and

Be it further resolved, that copies of this resolution be sent to President Carter, U.S. Secretary of Agriculture Bergland, the Iowa congressional delegation, and the Secretary General of the United Nations.

LEGISLATIVE RESOLUTION

Whereas, the Nebraska Legislature is a strong advocate of our free enterprise system; and

Whereas, an essential element of this system is that every man engaged in a productive livelihood is entitled to a fair profit as the fruit of his efforts; and

Whereas, the economic structure of Nebraska has a special dependency upon the profits earned by the farmer-businessman of our state; and

Whereas, many farmer-businessmen in our state and across the nation are unable to profit from their enterprise due to increased costs of production, low prices paid producers of farm commodities and other factors; and

Whereas, an identifiable group of these farm product producers have elected to pursue a farm production strike as a means of obtaining the higher price levels for farm commodities they need to insure a healthful agricultural economy.

Now, therefore, be it resolved by the Members of the Eighty-Fifth Legislature, Second Session:

1. That the Legislature offers its best wishes to all Nebraska farmers seeking to improve and strengthen our state farm economy.

2. That all Nebraska farmer-businessmen are encouraged to use reasonable, nonviolent means necessary to achieve their economic goals.

3. That the University of Nebraska make available its expertise and statistical information to activate higher farm prices.

HOUSE CONCURRENT RESOLUTION No. 543

A concurrent resolution memorializing the Congress, the President, and the Secretary of Agriculture to develop adequate price supports which would assure farmers a reasonable return based on their cost of production.

Whereas, Farm debt in the United States has doubled, to $100 billion from $50 billion, in the last four years. Despite federal price supports, the rapidly escalating price of production has placed a severe financial strain on many farmers; and

Whereas, Current price supports, based on a parity formula, have been inadequate to even cover the cost of production, let alone give farmers any return on their labor or investment; and

Whereas, action must be taken to provide farmers a statutory minimum commodity price level which would forbid the sale or purchase of farm commodities at less than 100 percent of parity, thereby assuring farmers a reasonable rate of return based upon their cost of production; and

Whereas, The Congress and the administration must seek to develop a more aggressive and realistic export policy to boost farmers' income, as well as investigate other alternatives which would insure farmers an adequate income; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature hereby memorialize the Congress, the President, and the Secretary of Agriculture to develop adequate price supports which would assure farmers a reasonable rate of return based upon their cost of production; and be it further

Resolved, That a copy of this resolution be transmitted to the Speaker of the House, the President of the Senate, the Michigan Congressional delegation, President Jimmy Carter, and the Secretary of Agriculture.

BAL HARBOR, PA.,
Feb. 26, 1978.

The following statement on support for family farmers, adopted at the winter meetings of the AFL–CIO executive council, will be released to news media in Washington and Bal Harbour, Fla., for use in morning newspapers of Monday, Feb. 27. You are authorized to release it to news media in your state for use at the same time.—Albert J. Zack, director, AFL–CIO Public Relations Department.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON SUPPORT FOR FAMILY FARMERS

The plight of America's family farmers is more serious today than at any time since the dust bowl, but the crisis today is manmade, not a natural disaster. The growth of corporate farming, insufficient regulation of commodity speculators and international grain traders, and high interest rates have created a blight for farmers far worse than any nature could supply.

At the same time, right-wing and corporate interests, working through the ultra-conservative, big business-oriented farm bureau federation, have launched a propaganda attack against the labor movement designed to alienate family farmers from their traditional allies. Throughout American political history, alliances between workers and family farmers have forged progressive social and economic programs to benefit average Americans. The traditional bond between workers and family farmers must not be allowed to be severed by cheap political propaganda.

The new movement in rural America, American agricultural movement—like the cooperative movement before it and the long-standing, progressive family farm organizations—deserves the support and assistance of the labor movement. The AAM has called a farm strike as a last resourt, in the same way that union workers are sometimes forced to strike. The AAM sees no other way to achieve quick government action to assist family farmers. Family farmers are threatened by corporate and foreign takeover of farm land, which would also leave consumers at the mercy of corporate monopolies and absentee landowners.

Obviously the farm strike is a legitimate exercise of their right as Americans to withhold their labor when conditions are unfair. Just as we believe that workers are entitled to a fair wage for their labors, we believe farmers are entitled to a fair return for their labors.

Therefore, the AFL–CIO pledges to work with labor's traditional allies in the farm community in the pursuit of that goal. We urge the Congress and the administration to seek speedy, effective solutions to the crisis in American agriculture tailored to meet the needs of the family farmer but denied to corporate farmers and to commodity speculators. Finally, we urge our state central bodies to continue to work with the family farm organizations in their state in pursuit of mutual goals.

MINNESOTA FARMERS UNION RESOLUTION

The Minnesota farmers Union is in support of raising farm commodity prices to 100 per cent of parity and legislation to prevent excessive payments and the ownership or control of farmland from falling into the hands of speculators and large non-family corporations. Furthermore, Legislation must be enacted to monitor pricing at the retail and wholesale level. We therefore commend and support the action of farmers acting in their own behalf to accomplish the above objectives such as they have demonstrated through the American Agriculture Movement in working to achieve these goals. We urge all farmers Union members to make a personal decision regarding involvement in this matter. This resolution was adopted by the full board of directors Jan. 9, 1978 in St. Paul.

RESOLUTION

Whereas, the affluence of our great nation is due in large measure to the 4% of our population, the farmers, who, thanks to their high productivity and ability, produce the food and fiber for the other 96% of our citizens so that they can spend their time producing other goods and services, and

Whereas, this nation spends only 17% of its disposable income on food, lower than any other country in the world, which means the remaining 83% of our income can be spent for other things in life, and

Whereas, 90% of the increase in grocery store prices since 1973 is due to increased marketing costs after the food leaves the farm, and

Whereas, a healthy farm economy is vital to our own well-being and that of the world and serves as our greatest hope to prevent a world food shortage crisis, which in time could dwarf our present energy crisis, and

Whereas, since 1971, United States Agricultural exports have tripled, reaching a record $24 billion in the last fiscal year with a net contribution to our balance of payments of $10 billion, and making agriculture the largest industry in the United States contributing favorably to our balance of payments, and

Whereas, farmers in large measure have existed solely on the basis of appreciated land values which have increased their borrowing capacity, and

Whereas, over the past several years farmers have experienced rapidly increasing production costs and severely depressed market conditions for their commodities resulting in the loss by many American farmers of their equity, their farms and their way of life, and

Whereas, farmers, like the other sectors of our business and industrial community expect a reasonable profit for the fruits of

their labor but have traditionally been forced to accept what the market will pay for their products which is often below the costs of production, and

Whereas, this situation, if allowed to continue unchecked will lead ultimately to the total collapse of our agricultural industry with resounding effects throughout our national economy:

Now, therefore, be it resolved, by the Governor and Cabinet that the President, Members of Congress and the United States Department of Agriculture give immediate attention to the current plight of our farmers and seek appropriate courses of action to relieve the present conditions and provide the necessary stability of our agricultural industry for the salvation not only of farmers but present and future generations of all Americans,

Be it further resolved, that such courses of action should include but not be limited to:

Consideration of cessation of farm product imports during such time as domestic surpluses of those products exist.

Examination of Department of State agreements *prior to execution* to determine the economic impact on the agricultural industry.

An in depth analysis of the marketing activities and reporting practices of the United States Department of Agriculture to determine their function and reliability.

Adopted this 20th day of December, 1977.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business as in legislative session, not to exceed beyond the hour of 10 a.m. this morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business? If not, morning business is closed.

RECESS UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 10 o'clock a.m. today.

There being no objection, the Senate, at 9:52 a.m., recessed until 10 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER (Mr. ALLEN). Under the previous order, the Senate will now resume consideration of executive N, 95th Congress, 1st session, which the clerk will report.

The legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The Senate resumed the consideration of the Neutrality Treaty.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. President, I ask unanimous consent that Ted Humes, of the Judiciary Committee staff, be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, I ask unanimous consent that citations of authority in the statement I am about to present be printed in the RECORD as if read in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, I understand that the pending business is the Allen amendment, offered by the distinguished Senator from Alabama who is presently occupying the chair. Of course, I support the pending amendment.

I have a printed amendment, No. 22, to offer at a later time, which provides that the Neutrality Treaty shall be void and of no effect unless and until the Panama Canal Treaty is also ratified.

This, in effect, would tie the two treaties together and this appears to be a policy desire of those in favor of ratification, as well as those who oppose ratification.

At a later time, I would also like to discuss the improvements within the Canal Zone placed there by our Government either at the time of the construction of the canal or at sometime thereafter.

The existence of the canal and the railroad are common knowledge, but the nature of the other improvements within the Canal Zone, having a combined replacement value of approximately $10 billion, is relatively unknown.

Mr. SPARKMAN. Will the Senator yield to me for a parliamentary inquiry?

Mr. SCOTT. Yes, of course.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. Mr. President, I am asking for information. The Senator from Virginia asked that certain materials be printed in the RECORD as if presented here orally.

I do not know whether, as yet, it is a rule, but I understand that statements submitted and not actually presented orally would be marked with an asterisk in the RECORD.

Mr. SCOTT. Mr. President, if the Senator will yield, this would have no reference to what I am discussing. I am talking about citations.

Mr. SPARKMAN. I realize that.

Mr. SCOTT. As to cases supporting the premises that I raise.

The PRESIDING OFFICER. I would add that the new regulation does not go into effect until March 1.

Mr. SPARKMAN. March 1?

The PRESIDING OFFICER. Yes.

Mr. SPARKMAN. Will that be as of March 1?

The PRESIDING OFFICER. As of March 1.

That does not prevent Senators from asking unanimous consent that certain articles or clippings from newspapers be printed in the RECORD. Senators would still be allowed to do that.

Mr. SPARKMAN. Without the asterisk?

The PRESIDING OFFICER. No. Unanimous consent, as has been customary in the past. That has not been changed.

Mr. SPARKMAN. I thank the Chair and I thank the Senator from Virginia.

Mr. SCOTT. Mr. President, the existence of the canal and the railroad are common knowledge, but the nature of other improvements, having a combined replacement value of approximately $10 billion, is relatively unknown.

It appears essential for every Senator to know what our country has in the Canal Zone before he votes on ratification.

Another amendment to article I of the Neutrality Treaty is my amendment No. 28 which would increase the annuity to be received by Panama from $2.3 million to $10 million per year. It would be my intention in the event this amendment is adopted to move to strike all other provisions of the treaty. In effect, we would continue our ownership and control of the canal but would assist the Republic of Panama from the tolls collected by a total of $10 million per year.

Before other amendments are considered, however, perhaps we should delve more deeply into our ownership and control of the Canal Zone because questions have been raised by proponents of the treaty to the effect that we do not own the land, nor have sovereignty over it. A position with which I disagree.

Of course, individual Senators undoubtedly have their own opinions on these matters and I do not pretend to be an expert on treaties or even on titles. However, I did serve as an attorney in the Lands Division of the Department of Justice for 18 years, serve as ranking member of the Subcommittee on the Constitution of our Senate Judiciary Committee and as a member of the Subcommittee on Separation of Powers have listened to the testimony before this subcommittee on the question of title and sovereignty which would appear to

qualify me to express an opinion on this basic matter.

I would ask that Senators permit me to indicate and document my views before yielding for questions or comments but after completing my statement, will be glad to yield.

Since the first article of the proposed new canal treaty would terminate and supersede the entire 1903 treaty, as well as all subsequent treaties between the United States and Panama, perhaps we should review the portions of the 1903 treaty that primarily relate to ownership and sovereignty.

Article I states that the United States guarantees and will maintain the independence of the Republic of Panama. This was important to a young nation which had attempted to obtain its independence from Colombia a number of times and had succeeded only once and then for a short period of time. Articles II and III read as follows:

ARTICLE II

The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land underwater for the construction, maintenance, operation, sanitation and protection of said canal of the width of ten miles extending to the distance of five miles on each side of the center of the route of the canal to be constructed; the said zone beginning in the Caribbean Sea three marine miles from mean low water mark and extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of three marine miles from mean low water mark with the proviso that the cities of Panama and Colon and the harbors adajacent to said cities, which are included within the boundaries of the zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said canal or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said enterprise.

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra, and Flamenco.

ARTICLE III

The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

I asked the Library of Congress what was meant by the phrase, "use, occupation and control in perpetuity" of the property presently comprising the Canal Zone and ask unanimous consent that the short memorandum the Library prepared to be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C. February 17, 1978.

To: Hon. William Scott.
From: American Law Division.
Subject: Nature or extent of interest conveyed in the phrase "use, occupation and control in perpetuity".

This will respond to your request of February 16, 1978, as clarified by a conversation with Mr. Foran on that date wherein it was agreed that our research would focus solely on the specific generally accepted legal effect of the meaning of the phrase "use, occupation and control in perpetuity" in a deed or other instrument purporting to convey an interest in real property.

In this regard, it might be noted initially that the phrase "in perpetuity" means "endless duration; forever." (Black's Law Dictionary 899 (4th ed. 1951)). Additionally, the word "use" is not synonymous with ownership since the right to use is but an incident to ownership not necessarily implying ownership. *Seaboalt* v. *Vandaveer*, (Tex. Civ. App.), 231 S.W. 2d 665, 667). Generally, the "use" of a thing does not mean the thing itself, but the right to use, enjoy, hold, or occupy, and have the fruits thereof. If the thing is in the form of real estate, the use includes its occupancy or cultivation, or the rent which can be obtained for the same, and if it is money or its equivalent, the use, generally speaking, consists of the interest it will earn. (*In re Sims Estate*, 83 So. 2d. 93, 94).

On the basis of the foregoing it can be said that, standing alone, a grant of a use in perpetuity translates into a use of endless duration, or, a use forever.

Such a grant without further qualifications or limitations annexed is, it is submitted, a grant and conveyance of a fee simple estate. In this respect, the habendum clause of the deed in controversy in *Dyer* v. *Siano*, (Mass. 1937), 298 Mass. 537, 11 N.E. 2d. 451), stated that the grantee (the State of Massachusetts) was "To have and to hold the . . . granted premises, with all the privileges and appurtenances thereto belonging to the said Commonwealth and its assigns, to their use and behoof forever". Respecting the nature of the title or estate transferred under this clause, the Court stated and held that "a conveyance with the habendum in the form used in the deed in question, made to the commonwealth which exists in perpetuity and can have no heirs, conveyed a fee". (p. 452).

Again, in *Wilson* v. *Shaw*, 204 U.S. 24 (1907), the exact phraseology in the Panama Canal Treaty is interpreted by the Court (as against the contention that the Canal Zone is no part of the territory of the United States) as conveying a perfect title to the land described in the Treaty:

"It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate." (p. 33)

The cumulative effect of the cases is and appears to be, then that a grant of a use in perpetuity conveys a fee simple title. Whether the same is defeasible, qualified, conditional, absolute or limited is, of course, a conclusion that can be arrived at only upon a consideration of the intent of the parties in entering into the conveyance and of the ordinary meaning of the terms employed in the conveyancing instrument.

ROBERT M. UJEVICH,
Legislative Attorney.

Mr. SCOTT. Mr. President, it will be noted, of course, that "in perpetuity" means of endless duration—forever. That the word "use" is but an incident of ownership, not necessarily implying ownership, but the right to use, to enjoy, to hold or occupy and have the fruits thereof. If the thing is in the form of real estate, "use" includes its occupancy, or cultivation, or the money, or equivalent, the "use" will earn.

The memorandum, however, continues that standing alone a grant of a use in perpetuity translates into a use of endless duration, or a use forever. Such a grant without further qualifications or limitations annexed is a grant and conveyance of a fee simple estate. This was the conclusion of a Massachusetts court in 1937 in which the court stated that a conveyance with a habendum clause in a deed made to the Commonwealth of Massachusetts which exists in perpetuity and can have no heirs, conveyed the fee simple title.

The same memorandum also interprets the Supreme Court decision of *Wilson* v. *Shaw*, 204 U.S. 24 (1907), case as stating that the United States holds a perfect title to the Canal Zone. But because some have questioned the holding of this case, perhaps it should be examined more fully.

Wilson against Shaw was a case originally brought in the then Supreme Court of the District of Columbia, now the U.S. District Court of the District of Columbia, by a citizen of Illinois to restrain Shaw, the Secretary of the Treasury, from disbursing money to purchase property for the construction of a canal at Panama, from borrowing money on the credit of the Unied States, from using bonds or making any payments for the acquisition of property and rights now constituting the Panama Canal Zone. The plaintiff believed that he, as a taxpayer, could restrain an unlawful disbursement of public funds and believed that the proper way to do it was through a taxpayer's suit. The Department of Justice, however, in its argument before the Supreme Court to which the case had been appealed, took a somewhat different view and stated, "title to the canal strip having been acquired, this suit, in effect, seeks to restrain the Government from improving its property."

Mr. President, this was the argument before the Supreme Court by the Department of Justice, by the Solicitor General of the United States. I believe it established the premise in its argument that the Department of Justice at that time believed title to the Canal Zone to be in the United States. The Court, speaking through Mr. Justice Brewer, agreed. It stated:

This new republic (referring to Panama) has by treaty granted to the United States, rights, territorial and otherwise. Acts of

Congress have been passed providing for the construction of a canal, and in many ways the executive departments of the Government have committed the United States to this work, and it is now progressing.

Further on, in the opinion it is stated:

The title to what may be called Isthmian or Canal Zone, which at the date of the act (referring to the Spooner Act) was in the Republic of Colombia, passed by an act of secession to the newly formed Republic of Panama. The latter was recognized as a nation by the President. A treaty with it, ceding the Canal Zone, was duly ratified. 33 stat 2234. Congress has passed several acts based upon the title of the United States. . . It is too late in the history of the United States to question the right of acquiring territory by treaty. Other objections are mode to the validity of the right and title obtained from Panama by the treaty, but we find nothing in them deserving special notice.

Continuing on, the Supreme Court states:

Article 2 of the treaty heretofore referred to, "Grants to the United States in perpetuity the use, occupation and control over a zone of land and land underwater for the construction, maintenance, operation, sanitation and protection of said canal." by article 3, Panama "Grants to the United States all the rights, power and authority within the zone mentioned and described in article 2 of this agreement, . . . which the United States would possess and exercise if it were sovereign of the territory within which said lands and water are located, to the entire exclusion of the exercise by the Republic of Panama or such sovereign rights, power or authority."

Other provisions of the treaty add to the grants named in these two articles further guarantees of exclusive rights of the United States in the construction and maintenance of the canal. It is hypercritical to contend that the title of the United States is imperfect and that the territory described does not belong to this Nation because of the omission of some of the technical terms used in ordinary conveyances of real estate.

A comparison is drawn further on in the opinion of the Supreme Court with the then territory of Alaska in these words:

Alaska was ceded to us 40 years ago, but the boundary between it and the English possessions east was not settled until within the last two or three years. Yet no one ever doubted the title of this republic to Alaska.

The Court, after reviewing the power of the United States to establish highways and bridges within the continental United States adds:

Of course the authority of Congress over the territories of the United States and its power to grant franchises exercisable therein, are and ever have been, undoubted. But the wider power was very freely exercised and much to the general satisfaction, in the creation of a vast system of railroads, connecting the East with the Pacific, traversing States, as well as territories, and employing the agency of State as well as Federal corporations.

Of course the Court concludes that the United States had the right to expend funds to construct the canal but I believe the quotations referred to establish that, according to the Supreme Court of the United States as then constituted, the Canal Zone was territory of the United States and we held a valid title to the property. This same conclusion was reached by the then Attorney General of the United States on September 7, 1907, as reported in volume 26 "Opinions of the Attorney General," at page 376. Then Attorney General Bonaparte stated:

In my opinion the sovereignty over the Canal Zone is not an open or doubtful question.

Article 3 of the treaty transfers to the United States, not the sovereignty by that term, but "all rights, power and authority" within that zone that it would have if sovereign, "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign (sic) rights, power or authority"

The omission to use words expressly passing sovereignty was dictated by reasons of public policy, I assume; but whatever the reason the treaty gives the substance of sovereignty, and instead of containing a mere declaration transferring the sovereign, "to the entire exclusion of the exer- rights, power, and authority" that belong to sovereignty, and negatives any such "sovereign rights, power, or authority" in the former sovereign.

The "rights" so transferred are to be enjoyed (article 2) "in perpetuity," and no exception is made of any persons or things in the zone.

I am unable to perceive that this language is obscure or ambiguous or that we are warranted in resorting to any construction of it except by the first rule of construction—that plain and sensible words should be taken to mean what they say.

A similar conclusion had been reached in 1904 by the then U.S. Secretary of State John Hay who signed the 1903 treaty on behalf of our Government. His opinion is set forth in full in the CONGRESSIONAL RECORD of September 15, 1977, beginning on page 29340. But let me just quote a few extracts from the opinion:

If it were conceived that the abstract, nominal "rights, power, and authority of sovereignty in and over the zone" are vested in the Republic of Panama, there would still remain the fact that by said article III the United States is authorized to exercise the rights, power, and authority or sovereignty "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority."

If it could or should be admitted that the titular sovereign of the Canal Zone is the Republic of Panama, such sovereign is mediatized by its own act, solemnly declared and publicly proclaimed by treaty stipulations, induced by a desire to make possible the completion of a great work which will confer inestimable benefit upon the people of the Isthmus and the nations of the world. It is difficult to believe that a member of the family of nations seriously contemplates abandoning so high and honorable a position in order to engage in an endeavor to secure what at best is a "barren scepter."

Further on in this lengthy opinion, the then Secretary of State Hay said:

That the grant accomplished by the treaty was a grant of land and sovereign right thereover, and not a mere concession or privilege, is shown by the granting clauses and also by the references to the grant in subsequent clauses of the treaty; for instance, article XIII employs the expression "outside the zone and auxiliary lands granted to the United States and within the territory of the Republic."

Another short paragraph of the Hay opinion states:

The legislative branch of the Government of the Republic of Panama has recognized the right of the United States to exercise the sovereign authority to regulate foreign commerce with the territory of the zone and has enacted two statutes with reference to such exercise of authority by the United States.

And further on Secretary Hay indicates:

The judicial branch of the Government of the Republic of Panama has determined the question as to which government possesses sovereignty over the canal zone in favor of the United States.

That is the legislative branch of the Republic of Panama and then the judicial branch, both having decided in favor of the United States.

The question was presented by numerous cases of criminal offenses committed in the territory of the zone since the transfer. The courts of Panama held that they are without jurisdiction and transmitted the papers to the foreign office of their government for transmission of the case and the person of the accused to the zone authorities.

As you know, Mr. President, article IV, section 3, clause 2 of the Constitution states that:

The Congress shall have power to dispose of and make all necessary rules and regulations respecting the territory and other properties of the United States; . . .

And in the annotated edition of the constitution prepared by the Congressional Research Service in 1973, it is stated on pages 849 and 850 under the heading "Territories: Powers of Congress Thereover," as follows:

This annotated edition of the United States Code is one that is revised periodically. It has been, to my knowledge, printed for more than 40 years from time to time by the Library of Congress, and the last, most recent, edition is the 1973 edition, with some pocket parts, and it has tried to keep up to date with any changes of the law, either by congressional act or by the decisions of the court.

It states as follows:

In the territories, Congress has the entire dominion and sovereignty, national and local, and has full legislative power over all subjects upon which a State legislature might act. It may legislate directly with respect to the local affairs of a territory or it may transfer that function to a legislature elected by the citizens thereof, which will then be invested with all legislative power except as limited by the Constitution of the United States and Acts of Congress. In 1886, Congress prohibited the enactment by territorial legislatures of local or special laws on enumerated subjects. The constitutional guarantees of private rights are applicable in territories which have been made a part of the United States by congressional action but not in unincorporated territories.

This is what we are talking about today, Mr. President. The Canal Zone is an unincorporated territory of the United States. But continuing with the reading from the Constitution annotated:

Congress may establish, or may authorize the territorial legislature to create, legislative courts whose jurisdiction is derived from

statutes enacted pursuant to this section rather than from article III . . .

Article III, of course, being the constitutional courts, the courts wherein the judges have lifetime tenure; and pursuant to article IV, the legislative courts are established by Congress, where the judges serve for terms of years.

You will note at the beginning of this quotation it is stated that Congress has entire dominion and sovereignty, national and local, and has full legislative power over all subjects upon which a State legislature might act. Pursuant to the general powers of Congress over the territories, title 8 of the United States Code annotated, entitled "Aliens and Nationality," has a general section on nationals and citizens of the United States at birth in section 1401 and with regard to persons born in the Canal Zone, or Republic of Panama at section 1403. It confers the rights of citizenship upon some and denies it upon others. A similar provision relating to Puerto Rico is contained in section 1402 and section 1404 relates to persons born in Alaska on or after March 30, 1867, but before Alaska became a State; and under section 1405 as to persons born in Hawaii; by section 1406, persons living in and born in the Virgin Islands; and by section 1407, of persons living in and born in Guam.

It should be noted, Mr. President, that not only did we acquire rights in the Canal Zone by the 1903 treaty under which we paid $10 million to Panama and agreed to an annuity of $250,000, representing the amount paid annually by the French Co. for the Panama Railroad, but we also purchased all of the rights of the French Co. which had attempted to construct a canal across the Isthmus of Panama, $40 million for its interest in the canal, in the railroad, for the improvements it had placed upon the property, for its maps, plans and other material; and we purchased the private rights of 3,598 claimants within the zone from private owners, paying the amounts determined by a Joint Commission of Panamanians and Americans for these rights. This compensation amounted to approximately $4 million. But some say that we were unfair in dealing with Panama, that we encouraged it to separate from Colombia and should have purchased the property from Colombia. If this were true it was cured by the payment of $25 million to Colombia pursuant to a treaty signed in Bogota on April 6, 1914, with ratifications exchanged on March 1, 1922. It recites in article 1 the rights to be enjoyed by the Republic of Colombia in the Canal Zone and I quote, "the title to which is now vested entirely and absolutely in the United States of America, without any encumbrances or indemnities whatever," an unqualified recognition of our title by Colombia.

Therefore, Mr. President, I would think these combinations of treaties, purchases, and eminent domain proceedings should be sufficient to establish our title to the Canal Zone. However, let me read portions of a decision in United States against Jonathan Howell Husband R., decided by the 5th Circuit Court of Appeals on December 30, 1971, for which the Supreme Court of the United States denied certiorari in 1972, 406 U.S. 395.

The syllabus to the case reads as follows:

Defendant was convicted in the Magistrate's Court of operating his bus in violation of regulations of Canal Zone, a misdemeanor, and he appealed. The U.S. District Court for the District of Canal Zone, Guthrie F. Crowe, J., in trial de novo, again found defendant guilty and he appealed. The Court of Appeals—

That is, the United States of Appeals for the Fifth Circuit—

held that Canal Zone regulation restricting operation of nonfranchised buses so that franchised company would have exclusive, or almost exclusive, access to several areas but allowing any bus operator to carry on his business along otherwise prohibited routes by obtaining a permit was reasonable, did not constitute illegal discrimination against nonfranchised bus operator and met requirements of substantive due process.

Thereafter, the court of appeals recites the history and structure of the Canal Zone Government:

In 1903 a convention was negotiated between the Republic of Panama and the United States for the construction of a ship canal across the Isthmus of Panama. Article II of that treaty "grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water for the construction, maintenance, operation, sanitation and protection of said canal." Article III "grants to the United States all the rights, power and authority within the (Canal Zone) . . . which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." In 1936 the United States and Panama concluded a general treaty of friendship and cooperation, supplementing the 1903 convention.

The Canal Zone is an unincorporated territory of the United States. Laws applicable in the Canal Zone are enacted by the Congress—there is no local legislature. Luckenbach Steamship Co against Panama Canal Co., 196 F.Supp. 835 (D.C.C.Z. 1961), Aff'd, 303 F.2d 252 (5th Cir. 1962). The "Organic Act" for the Canal Zone is the Panama Canal Act of August 24, 1912, 37 Stat. 560, 2 C.Z.C. para. 1, et seq., which was incorporated into the Canal Zone Code, effective June 19, 1934, and reenacted in the revised Canal Zone Code, effective January 2, 1963, 76a Stat. 1.

Later in the opinion, the court indicates:

Congress has complete and plenary authority to legislate for an unincorporated territory such as the Canal Zone, pursuant to art. IV, para. 3, cl. 2 of the Constitution empowering it "to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." In the exercise of such plenary powers, Congress may freely delegate its legislative authority to such agencies as it may select. United States against Heinszen, 206 U.S. 370, 27 S. Ct. 742, 51 L.Ed. 1098 (1907); annexation of Slatersville to Town of Fairbanks, 12 Alaska 308, 83 F. Supp. 661 (1949).

With respect to the basic areas of civil government of the Canal Zone, Congress has delegated its plenary authority to the executive branch of our Government. It has granted broad authority to the President, or directly to the Governor, over many fields of governmental activity . . .

Mr. President, there does not appear to be any need to read further provisions of this opinion. Suffice it to say that the Canal Zone is held to be territory over which Congress has complete control. Conviction in a magistrate's court of a violation of a regulation of the Canal Zone Government was affirmed by the U.S. Court of Appeals for the Fifth Circuit, and the Supreme Court denied certiorari in 1972. Apparently this is the latest case on the subject and the controlling law at present.

Mr. President, while I was home over the weekend, I thought about the questions that had been asked by the proponents of the canal treaties to many of the opponents, asking, "Why do not the people in the Canal Zone have the right to vote? Why do not the people in the Canal Zone have every right that the people in the continental United States have?"

Of course, Mr. President, there is a reason for that. As this court held, we are talking about unincorporated territories.

I have not practiced law for the past 12 years, but I still have some of my lawbooks in the den at the house. I brought a copy of Corpus Juris Secundum, which is one of the leading legal encyclopedias used in the day-to-day operations of a law office.

I believe it is the largest, most voluminous legal encyclopedia which is published in our country.

I would like to quote a few paragraphs on territories from volume 86 of this book, because it just seems to me that we should put this argument to rest. I think by an authoritative book like this any reasonable person who wants to get the facts, rather than just to argue about something without any foundation, can read this. It is an authoritative book. I believe it should be persuasive on this.

At page 618, "Incorporated and Unincorporated Territories" is the heading of paragraph 12:

Territories or possessions of the United States have been classified as incorporated and unincorporated. Incorporated territories are those which have become part of the United States and which are entitled to the benefits of the Constitution, as discussed supra § 6. Unincorporated territories or possessions are those which have not been made part of the United States for all purposes, those which merely belong to it or are "appurtenant to" it, and which, as discussed supra § 6, are not within the operation of all provisions of the federal Constitution in the absence of affirmative action by congress. The view has been expressed that this distinction between "incorporated" and "unincorporated" territories concerns the political relation to the Union and not the civil rights of the residents. Incorporation into the Union may not be assumed without express declaration or an implication so strong as to exclude any other view, but, in the absence of other and countervailing evidence, a law of con-

gress or a provision in a treaty acquiring territory, declaring an intention to confer political and civil rights on the inhabitants of the new lands as American citizens, may be properly interpreted to mean an incorporation of it into the Union.

This refers back on two occasions to numbered paragraph 6. Let me read numbered paragraph 6. It is headed "Application of the Constitution and laws of the United States":

While in a general sense the federal Constitution is in force wherever and whenever the sovereign power of the United States is exerted, it does not, as a whole, apply automatically to newly acquired territory, or to territory which merely belongs to, as distinguished from territory which is incorporated into, the United States, even though such territory has been given an organized government. Only a part of the restrictions or limitations of the federal Constitution apply in respect of such unincorporated territory, the applicable provisions in general being those which guarantee or secure certain fundamental personal rights or which limit the exercise of executive and legislative power when exerted for or over the insular possessions; and generally other guaranties of the Constitution extend to such possessions only as congress,

And, Mr. President, I think this is the crucial part:

In the exercise of its legislative power over territory belonging to the United States, has made those guaranties applicable.

Now, Mr. President, if we look at a third paragraph with regard to the powers of Congress, paragraph 15, page 619, volume 86 of Corpus Juris Secundum, it reads this way:

Congress has power to govern and control the territories and it has frequently been held or recognized that this power is general and plenary except as limited or controlled by the federal Constitution. The power of congress in this respect includes the power to govern directly or to organize a local government for a territory, and it has been said that congress exercises as to territories the combined powers of the national and state governments. In respect of territory not incorporated into the United States some form of civil government may be established. The power which congress constitutionally may delegate to a territory covers all matters which, within the limits of a state, are regulated by the laws of the state only; but the acts of the territorial government are subject to the supervision of congress.

Mr. President, the reason I have documented and taken so much time to discuss the question of title and sovereignty is because some of the proponents have indicated that we do not own the canal zone; that we have never owned it; that we do not have sovereignty over the Canal Zone; that we have never had sovereignty over it. It just seemed desirable to review this position. Not only did the Secretary of State and the Attorney General who held office at or near the time the United States obtained title and sovereignty consider this to be true, but I might add, Mr. President, that in 1923 the then Secretary of State, Charles Evans Hughes, who was later Chief Justice of the United States, agreed with the opinion by the Secretary of State, Mr. Hay, in 1904.

He said that the position of the Government was clearly and definitely set forth in the opinion of Secretary Hay in 1904 and also in 1923 by Secretary Hughes.

Later, Mr. Chief Justice Hughes said:

It is an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President, or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the Treaty of 1903.

Mr. President, the highest courts of our country have also held that we possess both title and sovereignty. I just am at a loss to understand what has happened to the leadership of our country in the last 20 years, or in the last 13 years, when we are attempting to give away a part of the United States. It just seems to me that this Nation of ours has to take a stand somewhere.

As late as 1971 it was held that the Canal Zone was a part of the unincorporated territory of the United States over which the Congress has complete control by virtue of article IV of the Constitution. While this documentation may have been somewhat boring, it was intended to authoritatively establish that we bought the canal; we paid for it; it is our property.

So this common phrase that we hear is literally a truth. Mr. President, if this treaty is approved we are giving away a part of America, even though it is unincorporated territory. The American people have clearly indicated their opposition to this giveaway or payaway as it has been designated by the Veterans of Foreign Wars. Therefore, I hope that each of us will carefully consider how far our Government should go before it takes a stand in favor of retaining American rights and property rather than catering to the desires of a dictator.

How far are we going to go, Mr. President? Are we willing to give away some of our insular possessions? We have, now, Russians flying planes in Castro's Cuba. We had 13 spies just recently excluded from the other side of our country. There is no doubt in my mind of the Communist desire. I do not believe it has changed in any way since Khrushchev said that he was going to bury us. I believe we have to take this into consideration before we further weaken our own Nation.

Some have suggested that failure to ratify these treaties will lead to disorder but ratification could well lead to considerably more disorder if we no longer operate or control the canal and our troops have all left the zone. Many witnesses, including former high military authorities, have warned of the danger of Communist control of this vital area.

We have nothing to gain by ratifying these treaties but much to lose by attempting to appease the dictator of a nation whose people have benefited so greatly over the years by the construction of the canal and numerous other improvements over the years and by the generosity of the American people.

I understand that the Republic of Panama receives more aid per capita than any nation in the world from the United States. It now seems time to do what is in our own national interest. To me, that means rejection of treaties overwhelmingly opposed by the American people.

That concludes my remarks, Mr. President.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I first experienced the great marvel of the Panama Canal as a naval officer during World War II. Three trips through the canal during that crucial period permit me to share—at least with some of my generation—the strong emotional attachment they have about U.S. control of the canal.

I well understand also the immense—and I believe justifiable—pride which the vast majority of Americans feel regarding our construction, operation, and maintenance of the canal over the last 75 years. It has been a job well done.

Nor do I have any guilt feelings about how we gained control of the Panama Canal. Had I been a U.S. Senator in 1903, there is no doubt—from my reading of history—but that I very strongly would have supported ratification of the 1903 Treaty, the same treaty basically under which we operate today.

We are here because the Constiution requires each of us—not by plebiscite, not by opinion polls, not by the weight of our mail—the Constitution requires us as individuals to vote "advice and consent" to two new treaties which have been submitted to us by the President of the United States regarding continued operation of the Panama Canal.

Mr. President, that is the only issue as far as this Senator is concerned.

The question is not do we own the canal. It is how do we insure our continued use of the canal under the most favorable conditions.

Surely not by insisting on being chained to the 1903 Treaty.

The need for an updated treaty has not been foisted upon us by a Panamanian dictator. Every President of the United States for the last 25 years—three Republicans and three Democrats—has recognized the need for better assuring our continued use of the canal. The United States itself has been partly responsible for the pent-up emotions which now cry out in Panama for a new arrangement, because we have persistently recognized the present one is not in our best interest.

Let us remember the United States was negotiating for a new treaty—long before General Torrijos assumed power—because it was in our national interest to do so. And a treaty insuring our continued use of the canal under the present Panamanian Government is even more in our national interest.

But just as surely in my judgment—the treaties signed by President Carter and General Torrijos and sent to the Senate for ratification do not serve the best interest of the United States.

I will not vote for ratification of either treaty as submitted.

They do not adequately and clearly protect the right of the United States to have expedited, head of the line passage for our warships in time of need or emergency. They do not clearly establish the right of the United States to defend the neutrality of the canal militarily after the year 1999.

Fortunately, it is clear at this point that at a minimum the Senate will insist on amending both treaties to insure our rights of passage and defense.

With these two amendments specifically added to the treaties, I shall support ratification.

The interest of the United States—our continued use of the canal—is best guaranteed by ratification of the treaties as submitted, amended by the so-called Byrd-Baker provisions.

Obviously, if other additions or deletions are voted, I reserve the right to make a final judgment thereafter.

Finally, let me note that no treaty—indeed no law approved by the Senate—is worth a sou if it is not backed by the will of the people.

If we ratify these treaties, it matters not what government is in control of Panama, either now or in the year 2000. What matters is the future will of the United States to enforce the rights which we will insist upon—continued priority use of the Panama Canal, and protection of it.

What will actually happen in the future, I do not know. What the will of the American people will be in the year 2000 is conjecture.

I only know that here and now I have tried my very best—with everything at my command—to carry out my constitutional responsibility for which the good people of Vermont elected me. I do not envy any of my distinguished colleagues in the decision they have to make. It has been hard enough to make my own.

Mr. LEAHY. Mr. President, will the Senator from Vermont yield?

Mr. STAFFORD. Mr. President, I am delighted to yield to my distinguished colleague from Vermont.

Mr. LEAHY. Mr. President, I will say just a couple of words.

I have known the distinguished senior Senator from Vermont (Mr. STAFFORD) for many years. I knew him when he was Governor of the State of Vermont.

Mr. and Mrs. Stafford, my parents, the whole Leahy family, in fact, have been friends for years and years.

He served with a great deal of distinction as the State's attorney in his own county, as deputy attorney general, as attorney general of the State of Vermont, as Lieutenant Governor, as Governor, then with distinction as Vermont's lone Member of the House of Representatives, and then as U.S. Senator from Vermont.

He serves now, again with distinction, as the distinguished Senator from Vermont in the tradition of Senator Aiken, and then Senator Prouty, and Senator Austin.

Mr. President, I mention this only to emphasize my own deep respect for Senator STAFFORD and my own feelings of not only pride but a true feeling of satisfaction of being able to serve as the junior Senator from Vermont with my distinguished colleague.

It has been a source of pride to me, but it has also been something that has given me the most satisfaction of anything I have ever done in my life.

I had the advantage of going to Panama approximately a month ago with an official delegation from the Senate. The delegation was led by the distinguished Senator from California (Mr. CRANSTON) and my distinguished colleague.

I know throughout that time the various people we met with, both those in favor of and those opposed to the Panama treaties, were subjected to long and searching questions by Senator STAFFORD, and they were questions that elicited not only various reactions among the Senate delegation, but certainly increased substantially the understanding of all of us of this crucial matter.

I also discussed with him my own intention to support the ratification of these treaties. I agree with him that the treaties, as they presently stand before us, should not be ratified, but that the treaties, if they are amended by the—for want of better terminology—Byrd-Baker amendments, are entirely different things.

I have stated before that I hope they are ratified. I have said that the greater and more powerful our country is, the greater responsibility the country has to show justice. The United States is the greatest and most powerful Nation in the world. I feel it can afford this act of overdue justice.

I wish to commend the distinguished Senator from Vermont in showing, again, the type of leadership and the type of responsibility that has distinguished him throughout a very long, distinguished career in Vermont. He has shown the kind of independence, the kind of responsibility, that has made him a man who has been elected to every single position that he has sought in the State of Vermont, elected with strong bipartisan support, elected because he demonstrates the integrity, the individuality, and the forthrightness that voters like to see in their public servants.

I yield back to my distinguished colleague.

Mr. STAFFORD. Mr. President, I want to express my deep appreciation to my colleague from Vermont (Mr. LEAHY) for his most kind words and say that I have found equal pleasure in serving with him. It has been one of the most satisfying relationships of my life to serve the State of Vermont and the country with him here in the U.S. Senate.

I thank Senator LEAHY very much for his very kind words.

Mr. President, I yield the floor.

Mr. SPARKMAN. Mr. President, I have been pleased to hear the remarks of our distinguished colleague (Mr. STAFFORD) and I want to commend and congratulate him on the effectiveness of a brief but powerful speech.

I have followed his career here, as has been discussed by his distinguished colleague (Mr. LEAHY), and I certainly join in the good things that have been said about him.

I thank him for his participation in this debate.

Mr. STAFFORD. Mr. President, if the distinguished chairman of the committee would indulge me, it is customary in our part of the country to be brief. I often think of my father's statement that when it comes to a sermon, few lives are saved after the first 10 minutes. I think that is quite so very often, whatever kind of speech we are making.

I thank the chairman.

Mr. LEAHY. Mr. President, I have not been a Vermonter as long as Senator STAFFORD, albeit I was born there, but I might add this: I recall the story Mark Twain told of going to hear one of the tent revivalists. It was a monotonous sermon, and as it went on, Twain decided to put $20 in the collection plate. The sermon droned on for a while longer and he said, "Well, $15 will be enough." Then the preacher went on and on, and Twain got down to $5 and wondered if it would ever stop. About a half-hour later, the preacher stopped and sent the collection basket around, and Twain took $12.87 out of the basket.

I mention that only because we have had a great deal of debate on the Panama Canal Treaties. We are going to have a great deal more debate on the Panama Canal Treaties. But I wonder at what point we are reaching the point of diminishing returns.

There is no reason why the main points that have to be made cannot be made within the next week, on both sides. We hear very often and read in the newspapers that there is some new secret matter that may come to everybody's attention. Well, that is not so. We do the country a disservice in pretending that these are sudden, secret matters that have come to everybody's attention.

The fact is that each of these matters we have heard discussed—whether it is the question of Galeta Island, whether it is the question of Moises Torrijos, or anything else—has been known and has been available to every Member of the U.S. Senate, if he or she wanted to take the time and the bother to go either to the Intelligence Committee or to the various governmental agencies that are prepared to give those briefings.

I was asked the other day what the purposes were for our secret session that went on for a day and a half.

I said, "You have to understand there is a reason for that. If you go into secret session, that means that that way, the basis of the testimony will be read for the afternoon's papers; whereas, if it is an open session, it would not seem as significant and would not make it until the evening editions of the paper."

Mr. President, this debate, as any debate, is costing the American taxpayers—I was going to say hundreds of thousands of dollars—a few million dollars.

To go on debating and debating a

point, when I think we could say right now that if we took all the amendments before the Senate and set down a decision within the next 2 weeks to vote on every one of them—I think we could do a head count here and come within two or three votes of how Senators are going to vote. If we set down a time for each amendment, and if the proponents and opponents would be given a certain amount of summation time, and if most of the Members of the Senate would be here for that, we would wrap up the matter one way or another.

The American people know that. The American people know that we have an energy bill that is still stuck in conference. The American people know that in one of the few areas in this country where we are self-sufficient—that is, the area of food—we have a major farmers' strike going on; that we have serious problems in agricultural production in this country. Yet, we are not in a position to bring forth agricultural legislation or bring forth modifications of our present farm legislation, even though that is vitally important not only to the well-being of this country but also to the security of this country, the eventual security of this country.

We have the question of the defense bill that will be coming up. We have some major issues as to expanding our interests in and our commitment to NATO, and I feel that they should be expanded. But they will have to wait.

Mr. President, I do not say this in any way in derogation of the patriotism or the responsibility of any Member of this body, but, as a body, I do not think we are doing much good for the United States of America by continuing to debate on and on something in which we know how we are going to go. We know how we are going to vote on virtually every one of the amendments before us.

I hate to use as an example the pending amendment, because it is the amendment of the distinguished Senator from Alabama, who is presiding; and, as Presiding Officer, he cannot take part in the debate, although if he wishes to ask me questions later, or anything else I will make sure to be back on the floor at his convenience, at a time he would like.

Even that is an issue that has gone on for some time—the absolute necessity to have a base beyond the year 2000. Yet, when somebody started to make the argument, reductio ad absurdum, by showing that it could mean 2000, 3000, or 4000, the distinguished Senator offered an amendment to make it 2019. Nineteen years one way or another—it seems that the amendment is offered for the sake of offering an amendment. Also, it is one that would be naturally and entirely inconsistent with the years of negotiation that went on within the treaties themselves.

So, Mr. President, while we carry out our constitutional duties to this country—and I applaud those constitutional duties—as I stated in Vermont, I hope there will be 3 or 4 weeks of solid debate on the treaties. But while we carry out those constitutional duties and spend the millions of dollars it will cost the American taxpayers for this debate, let us not prolong it for the sake of prolonging it in order to gain advantages, untenable though they may be, for those who favor the treaties or those who oppose them. Let us settle down. Let us decide if we have to go from early morning until very late at night, and let us do so and wrap up the matter.

I do not think the American people believe and I do not think most Senators believe that prolonging the matter by several weeks more is going to change one vote one way or the other in this body.

(Mr. HART assumed the chair.)

Mr. SCOTT. Mr. President, the distinguished Senator from Vermont has expressed a point of view with which I am at least in partial agreement. I do not think we should prolong the debate unnecessarily. But I believe we should bear in mind that our Department of State spent 13 years considering these two treaties. I do not believe we should spend 13 years in the ratification process. That would be too long. On the other hand, when they spend 13 years in preparing a treaty which, in my judgment, is for the benefit of the Republic of Panama and not in the best interests of this country, by which we would give away American property and pay another nation to take American property, then I think we should spend such time as may be necessary to develop all the facts.

The pending amendment has been offered by the distinguished Senator from Alabama, who presently is occupying his seat on the floor of the Senate, and he can ably defend his position. The amendment provides for the presence of American troops for another 20 years within the Canal Zone. I believe it is a very good amendment. I hope we will have other good amendments, just in the event that this treaty should be ratified.

I, for one, do not think that the treaty is capable of being amended so that it would be acceptable to the American people. The distinguished Senator gets mail, as I do. He knows how the people of this country feel about these two treaties, and they are opposed to the treaties.

I will be glad to yield in a minute to the distinguished Senator, but I want to make a couple more points before yielding.

He speaks of the cost. We are talking about giving away a piece of American property that has a present replacement value of $9.8 billion. I think before we give away a piece of property of that value we should know what is in that property.

Later this week I intend to take the floor again and to go over item by item the various facilities that we have down at the Canal Zone, and I do not believe every Senator here knows what we have in the Canal Zone.

I have been there personally and have looked at the facilities. I have taken a helicopter ride. I did not see everything down there and, perhaps, the distinguished Senator from Vermont has been there, as many Senators have, but I will submit that going down there and spending 2, 3, or 4 days that you do not see everything.

I think it gives you a good image, a picture, of what the general situation is. But I believe we have to go further than that.

Frankly, I do not believe we can get too much information upon which to base a sound decision. So, as I say, I agree with the distinguished Senator we should not unduly prolong the debate, but I believe we should take such time as may be necessary so that every Member of the Senate will know the facts.

The Senator speaks of going to the Intelligence Committee and learning information. Of course, we can learn some information with regard to intelligence matters from the Intelligence Committee. But I doubt that they know a lot of the things we need to know that do not relate to intelligence, so we can go to other places and learn other things. That is being brought out here in the debate on the floor of the Senate.

So, while agreeing with the broad general outline of what the distinguished Senator has said, I think we need to take such time as is necessary to know what we are doing before we do it, to have a full understanding of what is involved in these two treaties.

Mr. President, I yield the floor.

Mr. LEAHY. Mr. President, if I may ask the distinguished Senator from Virginia a question. I know he supports the present amendment before the Senate and, perhaps, just to aid us in our determination of that, if that amendment were accepted and made a part of any treaty, beside the question of whether that might or might not scuttle the treaties themselves, and receding from that question entirely, would that not vitiate article V to such an extent that while we would be given the right to have a base there until the year 2019, so would any other country, whether it is the People's Republic of China, whether it is Cuba, whether it is France, whether it is Germany, whether it is Ethiopia or anywhere else; if it were accepted, would this not vitiate article V to such an extent that any other country would have the right to negotiate for a base, whereas now they are excluded?

Mr. SCOTT. I would say to the distinguished Senator from Vermont that I believe the proponent of the amendment is better able to answer the question than is the Senator from Virginia. The Senator from Alabama is the one who introduced the amendment and, undoubtedly, he has thought these various questions through. That emphasizes the need for the Senators to have more debate, sufficient debate, to understand every phrase of the matters we have under consideration.

Mr. LEAHY. Perhaps I could phrase it this way to my friend from Virginia: If the amendment would, by its nature, allow Panama to go ahead and negotiate with any other country during that same period of time, and put military bases in Panama, would the Senator from Virginia be willing to support the amendment?

Mr. SCOTT. I believe the distinguished Senator from Vermont knows that I am

in favor of the United States retaining the Canal Zone. I believe in the Monroe Doctrine, that we should not have any foreign nation exercising undue influence or ownership of any part of the territory that they do not already have in North or South America.

So I am not going, because of any technicality, to be trapped into a position of indicating that the Allen amendment is going to bring in foreign troops because our Government, I would hope that our Government, would oppose foreign troops.

Yet we have Communists, Russian pilots, flying planes within 90 miles of Florida over Cuba. This is a matter that concerns me greatly.

Mr. President, I believe the answer to any question with regard to the amendment offered by the distinguished Senator from Alabama is one that he could more ably answer than could the Senator from Virginia, who did not offer the amendment. But I support the amendment in principle.

Mr. LEAHY. I understand that. I am not trying to ask the specific question. I am just asking so that I understand how the Senator from Virginia feels. The Senator from Virginia has been here longer than I, and I certainly look to my elders for whatever guidance I might get in this body. I just wanted to make sure I understood how the Senator from Virginia felt. I am not so sure I understood the answer, and I apologize early on Monday morning if I am running a little slower than usual. But would the Senator be in favor of this amendment if it would by its nature in a treaty, then ratified by the United States, allow Panama during that period of time to negotiate with other countries for bases, military bases, within Panama?

I understand the Monroe Doctrine and all, but I assume we are putting this amendment into a treaty which, if we then ratify it, might raise a question that we have allowed this.

Mr. SCOTT. I say to the distinguished Senator I am going to vote against ratification of both of the treaties. I am not in favor of giving away the Canal Zone. The American people are not in favor of giving away the Canal Zone.

The distinguished Senator from Vermont, I do not believe, was on the floor, at least all of the time that I devoted, about 50 minutes——

Mr. LEAHY. I listened to every word of the Senator's speech.

Mr. SCOTT (continuing). To phases of it. The only reference made to the Senator from Alabama's amendment was that I intended to support that amendment.

I intend to support it because, as I understand, it merely says that we will retain our troops; notwithstanding any other provision of the treaty we will have the right to retain our troops there for an additional 20-year period.

Now, I do not really believe that circumstances will change greatly within that 20-year period; and yet it does give us added protection.

Now, even if the Allen amendment is adopted, I am still going to vote against the ratification of the two treaties, even with every amendment which has been offered, except one that I intend to offer, that would give the Republic of Panama $10 million per year and strike out all the rest of each treaty. That would just raise the annuity. I will vote to ratify the treaty if it is amended in that respect; but I know of no other amendment that would cause me to vote to ratify these two treaties.

Mr. LEAHY. I thank the Senator.

Mr. SPARKMAN. Mr. President, I do not care to prolong this discussion. I think it has been a very helpful discussion. But I do want to mention to the Senators that our report is on their desks. An examination of that report will show the Committee on Foreign Relations spent an extensive amount of time on these hearings and heard 92 witnesses, in trying to make a decision on these treaties. We heard in the committee virtually everything that has been said here on the floor by different Senators from a great many officials and individuals who were greatly interested in this matter.

We found it to be with a great many people, as I have said many times, an emotional issue. I do think that it calls for calm consideration, and I believe we had that kind of deliberation in the meetings of the committee itself.

This treaty was signed, as I recall, on September 7, 1977. It was submitted to the Senate for consideration just a very short time after that on September 16. It was submitted to our committee, and we held 15 days of hearings. We discussed every feature of the treaties.

There is one thing that I would like to say: That I do not believe any committee ever gave more thorough consideration to the substance of an important issue than our committee gave the treaties. Having heard all of that testimony and having discussed it for days and days, the committee voted 14 to 1 in favor of reporting favorably the two treaties to the Senate.

I know there is room for certain amendments, and as a matter of fact we reported the treaties out with two recommended amendents. The Senate has had these treaties since September 16. I do not believe anyone can claim that we have been rushing this through, or trying to rush it. I certainly feel that we have not tried to delay it, and I believe that there has been adequate opportunity to have the proper consideration by the Senate and by the individual Members of Senator yield?

I would like to call attention to the report that the Foreign Relations Committee made, and I hope that Members of the Senate will read that report.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. SPARKMAN. As I say, I hope that Senators will read it. I realize that Senators may not be able to read all of this long report, but if Senators will read section VII, where we refer to the committee action, there is an important summary in that section that I believe Senators should read.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SCOTT. Mr. President, I appreciate the Senator's yielding to me, and I commend the distinguished chairman of the Committee on Foreign Relations for the time that he and his committee did take.

I was privileged to be one of the very many witnesses who testified before the committee, and I believe the committee did attempt to give every responsible individual an opportunity to come before the committee and testify.

But, Mr. President, the distinguished Senator refers to the vote by which the treaties were reported out. Of course, the Committee on Foreign Relations has primary jurisdiction over the treaties, and they properly considered them and reported them to the Senate. But hearings were also held by the Armed Services Committee, which has an interest in these treaties, although not primary jurisdiction.

Had the Armed Services Committee had primary jurisdiction, and had the consideration been given by the Armed Services Committee, in my opinion, we would not have these treaties on the floor at this time, because the majority of the members of the Armed Services Committee, in my opinion, would have voted not to report the treaties to the Senate.

We also had hearings before a subcommittee of the Judiciary Committee, chaired by the able junior Senator from Alabama (Mr. ALLEN), the Subcommittee on Separation of Powers, and I believe with one exception all of the members of that subcommittee are opposed to the treaties. We did discuss the matters of sovereignty and ownership, and such matters as that.

So, while I compliment the Senator on the hearings before his committee, other committees have an interest, even though Foreign Relations is charged with the responsibility of reporting the treaties.

Mr. SPARKMAN. Mr. President, let me say that on the point of jurisdiction the Senator is using the wrong terms. The Foreign Relations Committee is given not only the primary jurisdiction; it is given the exclusive jurisdiction. Other committees and other subcommittees can have their options, just as every individual Senator can, but that does not mean they have jurisdiction. Jurisdiction is lodged exclusively and solely within the Foreign Relations Committee. That committee reported the treaties favorably, by a vote of 14 to 1, after hearing more testimony and giving more consideration to the matter than any other committee, subcommittee, individual, or group could or did give them.

I just want Senators to keep that in mind. This is a treaty proposal, and the Foreign Relations Committee is given exclusive jurisdiction over all treaties.

Mr. SCOTT. Mr. President, if the distinguished Senator will yield briefly——

Mr. SPARKMAN. Yes, indeed.

Mr. SCOTT. I am willing to accept his explanation and his statement that the committee has exclusive jurisdiction. But, on the other hand, there are 17 military bases within the Canal Zone, and I believe the distinguished Senator would admit that the Armed Services Commit-

tee should have an interest in what happens to those 17 military bases.

Mr. SPARKMAN. I have admitted that every Senator has a right to have an interest, and I hope all of them do have. But I call attention, on page 3 of the staff memorandum on "The Role of the Senate in Treaty Ratification," to the following:

Under Rule XXV.1j all treaties are referred to the Committee on Foreign Relations, which has exclusive jurisdiction over them.

It is perfectly all right to point out the interests that others have, but that is not a part of the report made to the Senate by the sole committee with jurisdiction.

Mr. SCOTT. Mr. President, I believe it should be pointed out that the Armed Services Committee had hearings, and that there are copies of its report, not on the desk of each Senator, but under the desk of each Senator, there is a report by the Armed Services Committee.

I would hope Senators would refer to the hearings which were held by the Armed Services Committee, and those which are topics or reports by the Judiciary Committee and the Subcommittee on Separation of Powers. I agree with the distinguished senior Senator from Alabama.

Mr. SPARKMAN. If I understand correctly, the Judiciary Committee meetings were held to examine the matter of the extent to which the two Houses of Congress may become involved in self-executing treaties. I have agreed all along that the House does have a part to play in implementing legislation with reference to the carrying out of certain treaty terms.

Mr. SCOTT. Mr. President, we appear to be in substantial agreement. I appreciate the distinguished chairman yielding. I hope the Members of the Senate will look under their desks as well as on top of their desks, so that they will see the other reports, some of which reach contrary views to those of the Committee on Foreign Relations.

Mr. SPARKMAN. We will do that.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. First, I commend my distinguished senior colleague (Mr. SPARKMAN) for his statesmanship and his long and distinguished career in the U.S. Senate. I commend him for his dedication, his hard work, and the study which the Foreign Relations Committee gave to this great issue we are discussing on the floor of the Senate today.

Then I wish to discuss these two matters raised by the distinguished Senator from Vermont (Mr. LEAHY). I had not planned, and I do not now intend, to discuss the full merits of the amendment which is before the Senate, which will probably be voted upon by a motion to table made by the distinguished majority leader, to be made on today. We do have an order that there will be no rollcall votes prior to 2 o'clock. I am assuming that at a later time, during the early afternoon, when possibly there are more Senators on the floor, I will have an opportunity to discuss this amendment.

First, the distinguished Senator from Vermont (Mr. LEAHY) urges that we give speedy, almost immediate, consideration to a vote on the various amendments and the final vote on the treaties.

I might point out to the distinguished Senator from Vermont that we are just in the second week of discussion of this particular issue. As the distinguished Senator from Virginia (Mr. SCOTT) pointed out it took the executive branch of the Government 13 years to negotiate this treaty. Why the Senator would want to cut himself off after only perfunctory debate on the issue I do not understand. Even our distinguished majority leader (Mr. ROBERT C. BYRD) has estimated it would probably take up to 5 weeks to resolve this issue.

Mr. LEAHY. Will the Senator yield for a correction?

Mr. ALLEN. Yes.

Mr. LEAHY. I believe I used 4 weeks after today. That was a comment I made last week, that 4 weeks should be enough to complete, and I also said to my mind, if the Senate came in early in the morning and stayed until late at night, during that 4 weeks we could do it.

Mr. ALLEN. I recall the Senator suggesting staying in late, but I do not know whether he was suggesting 4 weeks from the start or 4 weeks from this morning.

Mr. LEAHY. Four weeks from the time I made the statement.

Mr. ALLEN. Four weeks from when?

Mr. LEAHY. Four weeks from the time I made the statement.

Mr. ALLEN. In other words, in 4 more weeks.

Mr. LEAHY. I would hope that it could be 4 weeks. Let us assume a small number of amendments.

Mr. ALLEN. I would call the Senator's attention to the fact that we have not yet voted on a single amendment, while amendments which will be brought up may be discussed and voted upon more rapidly than has been the case until now.

Mr. LEAHY. If the distinguished Senator will yield, I will say that we should be amply prepared to vote now on this amendment. I assume the distinguished Senator from Alabama is ready, able, and willing to vote on all the amendments presently before the body. The Senator from Vermont is also ready. I suspect if we took a count of our other colleagues we would find that they, too, are ready. That is the point I was making.

Mr. ALLEN. The Senator from Alabama is not ready to vote. He would hope that he would be accorded the courtesy of having an up or down vote on the issue, but that does not seem to be in the offing. The distinguished majority leader indicated that he was going to move to table the amendment. At the same time, I think this is an important amendment. I might say that I do not intend to offer any amendments which are not important. I did state the first day that this issue was brought before the Senate there would be dozens of amendments offered.

I also made the statement asking if the leadership would be willing to consider the Panama Canal Treaty first, the treaty having to do with transferring the canal to Panama and stating the conditions under which it was transferred, rather than considering the Neutrality Treaty, which, I recognize, goes into effect at the same time as the other treaty. Still, the other treaty governs our defense of the canal up to the year 2000. So, in effect, the Neutrality Treaty does not go into effect until the start of the next century.

I stated here on the floor several times that I felt we would save the Senate at least a week if we reversed the order of consideration of these treaties. Why? Because the so-called leadership amendment is going to be offered somewhat as a panacea for all of the ills of the treaty. As soon as that is adopted, then we ought to go ahead and expedite further consideration because there is nothing else involved.

That is far from being the case. Even if the Neutrality Treaty is agreed to, there will be considerable debate on the other issue, with more amendments offered there than will be offered, I feel, to the Neutrality Treaty.

I also suggested that I felt the leadership, by forcing the consideration of the Neutrality Treaty first, was going to deprive a number of Senators of the opportunity to vote for the Neutrality Treaty. Right now, the two treaties must be regarded as one package. Those of us who oppose the Panama Canal Treaty must, of necessity, vote against the Neutrality Treaty in the Senate first; whereas, if the Panama Canal Treaty had been considered first and agreed to, then there would be very little added work in connection with agreeing to the Neutrality Treaty, possibly five, six, or seven amendments. That probably could have been handled in a very short while.

Just because a treaty is sent to the Senate does not mean that we are going to rubber stamp that treaty, that we are not going to seek to amend it, and actually to amend it.

I am a little bit disturbed, I might state, Mr. President, by the statement of the distinguished Senator from Vermont—and I hope I am giving the effect of his statement—that it could be predicted right now, within a vote or two, how the Senate is going to vote on every one of the pending amendments. I hope that is not correct. We do not know what other amendments are going to be offered.

I have only one amendment and a modification of an amendment. I have only two amendments pending, but I do have a number of others that I have in mind to present as we proceed.

But to say that the Members of the Senate are so committed on this issue that it can be predicted within a vote or two how every Senator is going to vote here, on the floor, certainly indicates to my mind that an effort is going to be made by the proponents of the treaties to stonewall against all amendments other than the Neutrality Treaty.

I might state that the so-called leadership amendment, that is being offered as the solution to this problem—whether or not we will have the right to defend the canal after the year 2000—falls far short of being satisfactory, even though the junior Senator from Alabama is a cosponsor of that amendment. But if

that is the best that the collective thinking in the Senate can come up with, I am going to vote for it.

Mr. CHAFEE. Will the distinguished Senator yield for a question?

Mr. ALLEN. Not now. I shall be delighted to as soon as I finish this line of thought.

I believe the Senate can do better than that. What is the leadership amendment? It is based on, very nearly word for word, if not word for word—substantially, it incorporates or seeks to incorporate in the Neutrality Treaty the memorandum of agreement—unsigned, by the way—between the President and dictator Torrijos. It was the memorandum to which Mr. Torrijos referred when he went back to Panama and said, "I did not sign anything when I was up there, not even an autograph."

He gave his interpretation of that memorandum. And it was that it did not give the United States the right to intervene in Panama or to come into Panama for the purpose of defending the canal. What he said it did was to give the United States the duty of defending the canal when and if he asked the United States to do so.

So the leadership amendment is based on this memorandum as to which there is already difference of opinion. I have not seen or heard anyone suggest that Mr. Torrijos has come off of that position. He possibly has. If he has, I should be glad to hear of it.

But the leadership amendment—it is awfully hard to buck the leadership, the leader of our party and the leader of the minority party, if they tell their followers, "This is a good treaty now with the leadership amendment; you fellows can go ahead and vote for it with impunity. Everything is fine. The leadership amendment is adopted and therefore, you fellows can vote for it."

I want to see the U.S. Senate adopt a little bit more independence than that. I do not believe that the so-called greatest deliberative body in the world is so typed as to amendments that have not even been suggested, they are so typed as to their action on these amendments that it could be predicted with reasonable certainty, within one or two votes, how everybody is going to vote on the amendments.

Mr. SCOTT. Will the Senator yield?

Mr. ALLEN. Yes, I am glad to yield to the distinguished Senator.

Mr. LEAHY. I thought that comment was being directed to me. I should like to answer it.

Mr. ALLEN. If the distinguished Senator from Vermont will allow me to yield to the distinguished Senator from Virginia, I shall then yield to him.

Mr. SCOTT. The distinguished Senator from Alabama was referring to whether or not the present head of the Panamanian Government, General Torrijos, might or might not have changed his mind. The thought occurred to me that we should have something in a treaty that would not depend upon the change of mind of the present leader of government.

Mr. ALLEN. I certainly should think so.

Mr. SCOTT. Because this country has a history of instability. While Torrijos is there today, after all, he overthrew a lawful government that had only been in power, as I understand it, for 10 days. So it may be that he will not be there himself over a long period of time. I believe that it should be more than just what is in the mind of one individual who happens to be the dictator or the chief of state.

Mr. ALLEN. I certainly agree with the Senator.

Mr. SCOTT. I appreciate the Senator's yielding.

Mr. ALLEN. I yield to the Senator from Vermont (Mr. LEAHY).

Mr. LEAHY. I find myself agreeing with the Senator from Virginia on the point that we should not determine the treaty based on who is the head of government in Panama right now. I do not think that any Senator, for or against this treaty, is going to make up his mind to vote on it solely on who is head of government there now, or with the assumption that that person might be there 1 day after the treaty or 25 years after the treaty. To do otherwise would be irresponsible. I just cannot imagine people on either side of the issue basing their decision on that.

We had an unelected head of government there, of course, at the time of the original treaty; they did not have an elected head of government, either on the part of Bunau-Varilla or anybody else involved.

But that is not the point. I think, though the Senator from Alabama is right in the sense that nobody can predict what might happen with amendments no one has seen yet, I would hope, and I made my statement based on that, that I think everybody has done the same as I have and read carefully through all the amendments that are here and given some deliberation to them.

I might ask the Senator from Alabama, if the Senate adopted all of his amendments and none other, would the distinguished Senator from Alabama then feel that he could vote for ratification of these treaties?

Mr. ALLEN. I do not know what amendments I am going to offer. I would say, yes, there is an amendment that I plan to offer that would allow me to vote for it. I have not presented it as yet. But I would be willing to increase the annuity that Panama receives. That is about $2.3 million now. I would be willing to see that raised up to 10.4, provided all other conditions of the 1903 treaty are preserved.

In other words, we retain the control, the management, the operation and defense of the canal. Yes, the Senator has asked me if there are any of my amendments that would cause me to vote for the treaty. That is one that would cause me to vote for it.

But I disapprove of the whole thrust of the treaty, which is to give away the Panama Canal, this tremendous national asset of the United States and, this may be trite, but to pay the Panamanians hundreds of millions of dollars to take it off our hands.

Mr. CULVER. Will the Senator yield?

Mr. ALLEN. No, I must yield now to the Senator from Rhode Island.

Mr. CULVER. For a unanimous consent request.

Mr. ALLEN. Yes, I yield for that.

Mr. CULVER. Mr. President, I ask unanimous consent that Charles Stevenson and Mr. Richard Asplund of my staff be granted the privilege of the floor during consideration of this treaty.

The PRESIDING OFFICER (Mr. ZORINSKY). Without objection, it is so ordered.

Mr. ALLEN. I am pleased to yield to the distinguished Senator from Rhode Island (Mr. CHAFEE) for a question.

Mr. CHAFEE. I just want to ask the Senator a question or two, if I might.

In this amendment that we have before us, which I understand we are going to vote on today, it is provided that the time for the U.S. troops to stay in the area that is currently known as the zone would go until the year, in effect, 2020, if the President of the United States thought it necessary to do so, and the President would have to make his decision at the end of this century.

Mr. ALLEN. Yes, sir.

Mr. CHAFEE. My question of the Senator from Alabama is, if this amendment were adopted, would that satisfy the Senator from Alabama on this particular part of the treaty?

Mr. ALLEN. I have not made a study of this particular thing. No, I rather think the other amendments that are to be offered—the distinguished Senator from Arizona (Mr. DECONCINI) has a similar amendment. Would the Senator from Rhode Island then be willing to vote for the amendment if the Senator from Alabama could give the Senator from Rhode Island that assurance?

Mr. CHAFEE. No, I asked first.

My question was, here we have an amendment which has a lot of time on it——

Mr. ALLEN. The Senator from Alabama will make no commitments whatever. I am opposed to the treaties, I think they can be improved upon, but no other amendment but the one I am prepared to offer will persuade me to vote for the treaties.

Mr. CHAFEE. I am not sure what amendments have been offered. If they are passed overwhelmingly, I do not know if the Senator from Alabama would be prepared to vote for it on that point; he chose the year 2020.

Mr. ALLEN. That would satisfy me, because the leadership amendment is deficient on another point as well. That would be the matter of our warships going to the head of the line and getting access to transit the canal. We are able to do that, according to the leadership amendment, in case of emergency.

Mr. CHAFEE. Well, that is a separate point.

Mr. ALLEN. Let me finish, please.

But, who says it is an emergency is not set forth.

So the Panamanians would be in control of the canal. The United States would say, "Well, gentlemen, we have an emergency here, we would send our ships to the head of the line." The Panamanians would say, "We see no emer-

gency, just wait where you are, back at the end of the line."

So I want to hit that.

Mr. CHAFEE. Now——

Mr. ALLEN. I am answering the Senator.

The other place I want to amend it is where it provides that in no event shall we seek to intervene to protect the canal after the year 2000, in no event can we do anything that would interfere with the internal affairs of Panama.

Of course, in Panama, we do not know what shape it is going to be in the year 2000. It might be under Cuba. It might be under Russia. Or there might be a hostile power there.

Certainly, we do not want to commit ourselves that we are going to do nothing to interfere with the internal affairs of Panama, because Panama might be the very country that is forbidding us to use the canal.

So these are two or three areas that would certainly call for an amendment. I think we need some language that would not be susceptible to the construction as now is the case with the Presidential-dictator memorandum now being presented as the leadership amendment. It is directly divergent construction.

I think that ought to be straightened out.

So these are some of the things that ought to be done to fix the leadership amendment where it means something.

Mr. CHAFEE. I appreciate that the distinguished Senator from Alabama has a number of amendments on different points and objects to the treaties, but what I am trying to do is narrow down those objections as we come to each point.

For instance, in this particular one, as we all know, one of the key points the Senator finds objection to is the inability of the United States to put troops back.

Mr. ALLEN. All right. I will answer the Senator's question.

If this amendment is adopted to article I, I would be willing to proceed on to article II, as far as that is concerned.

Mr. CHAFEE. So it seems to me the——

Mr. ALLEN. I would suggest no further amendments to article I.

Mr. CHAFEE. Yes.

If that is so, it seems to me then what we are quarreling about, or disputing, is the matter of judgment, whether it should be the year 2000, or 2020 or I suppose 2030, or perhaps 1990, when the U.S. troops should get out.

That is a matter for honest dispute.

Mr. ALLEN. Well, it is already stated in the Panama Canal Treaty that we have to come out prior to the start of the next century, so that is already frozen in. That is my objection to the leadership amendment because it just provides for defense after all of our troops are out.

In other words, it gives us a right, but deprives us of the means. If we do not have any troops there, how in the world are we going to defend the canal without invading that tiny country?

Mr. CHAFEE. Except the Senator is willing to agree to that, but just 20 years later.

Mr. ALLEN. Yes. I am asking for a 20-year moratorium under this provision, that we be allowed an additional 20 years if the President certifies, if he deems it is necessary to protect the canal and preserve its neutrality. He would have the option. It is an option only.

Mr. CHAFEE. Which he has to exercise by 1999.

Mr. ALLEN. Sir?

Mr. CHAFEE. Which he has to exercise by the year 1999.

Mr. ALLEN. He must make that certification prior to pulling all the troops out.

Mr. CHAFEE. Right.

Mr. ALLEN. I do not know whether we will have any troops down there, or not, because these side agreements—and the side agreements are three times as long as the treaties themselves—provide they will look at this maintenance and military presence there every 2 years.

The might negotiate us out of there real soon. I do not know.

Mr. CHAFEE. The President can do that today.

Mr. ALLEN. I understand that. But this just gives him the power.

If it is so innocuous, I do not know why the Senator cannot support it.

Mr. SARBANES. Will the Senator yield for a question?

Mr. CHAFEE. I just want to pursue this one point.

Let us assume that the Senator prevails, that we go to the year 2020. Then——

Mr. ALLEN. We do not go to the year 2020 unless the President certifies it is necessary to do so.

Mr. CHAFEE. All right. So we have the possibility that, first, the President might not exercise his option. We do not know who the President is going to be any more than we know who is going to be the head of Panama in the year 2000.

But, in any event, let us assume the President does exercise his option and we are going to keep troops there until the year 2020. Then we come to the year 2020 and our troops come out.

Well, what difference is that except for 20 years?

Mr. ALLEN. That is quite a difference, I say, and if the Senator does not think it is material, why is he opposed to the amendment?

Mr. CHAFEE. I am opposed to the amendment because I do not think it does anything to it.

Mr. ALLEN. I see.

Mr. CHAFEE. All it does is extend it 20 years.

Mr. ALLEN. It allows us to stay there.

Mr. CHAFEE. May I continue for a minute?

It seems to me, if the Senator is really concerned, he would say there should not be any limit when the troops come back, but the Senator is willing to settle for 20 years. So now we are arguing whether it should be 20 years, or not 20 years, or should we really say 20, 43 years, or 23 years?

Those are the real dividing points.

Mr. ALLEN. As originally introduced, it did not have any time limit on it, but such as made here on the floor by certain proponents of the treaty, saying, "Well, that means they could stay there until the year 5000."

Well, to answer that argument, I did modify the amendment, and that is the way it now appears before the Senate, to allow an additional moratorium of 20 years.

That might give us an opportunity at the end of 20 years. We can negotiate with another nation there for another canal. We cannot do that under the treaty for 22 years.

That is another objection I have because right now we have a monopoly in Panama on the building of the canal. We are giving that away under the treaties that are submitted and the only way we can get it back is by agreeing that we will not build or negotiate outside of Panama for a canal.

Mr. CHAFEE. It seems to me those are separate points. I would really like to stick to this amendment here.

What we are really debating under this amendment is whether we are happy to get out in 23 years or whether we are happy to get out in 43 years, and it seems to me that this is what this amendment says.

Mr. ALLEN. In effect, the Senator is right. That is correct.

Mr. CHAFEE. And so now we are getting down to honest differences. We are quibbling, it seems to me.

Mr. ALLEN. I suggest the Senator not quibble. Let us go head and vote for the amendment.

Mr. CHAFEE. I missed that.

Mr. ALLEN. I would suggest the Senator not quibble and go ahead and vote for the amendment.

Mr. CHAFEE. I got up first and suggested the Senator not quibble and go along with the provision we have here.

But I think the point we should make it, as strong as possible, the Senator is willing to get out in 43 years.

Now, we have the President's message that says we will get out in 23 years.

Mr. ALLEN. No. The Senator is absolutely incorrect in saying I would be willing to get out in 43 years.

I am not willing to get out at all. I am against the treaties, but I am trying to improve the treaties, feeling that there is a good chance they might be agreed to.

So I want the least obnoxious treaty to be before the Senate at the time of the final vote. That does not mean that I am even for this provision, because I would like us to have the right to perpetuity to defend the canal and to defend the canal with a military presence.

I thank the Senator for his constructive questions.

Mr. CHAFEE. I appreciate the Senator yielding.

Mr. LAXALT. Mr. President, will the Senator yield?

Mr. ALLEN. I am delighted to yield to the distinguished Senator from Maryland (Mr. SARBANES), if he wishes.

Mr. SARBANES. I wanted to follow up on the questions of the able Senator from Rhode Island (Mr. CHAFEE).

Is it an unstated premise of this amendment, which provides that the President, at his own option, can maintain an American presence for an addi-

tional 20 years, that the distinguished Senator from Alabama is satisfied that the Neutrality Treaty provisions thereafter effectively protect American interests?

Mr. ALLEN. No, the Senator is wrong. I thought he was here when I was explaining that there are a number of deficiencies in the leadership amendment that I would like to address in due course. No, I do not think this would satisfy at all.

Mr. SARBANES. That is what I thought the Senator's position was. As I understood his response just now to the Senator from Rhode Island, it is his position that the U.S. military presence should not end at any point. Is that correct?

Mr. ALLEN. I am against the treaties. That would remove the question. If we do not adopt the treaties, we will not have to get out. But if we do have to get out, I would rather have to get out 42 years from now than 22 years from now.

Mr. SARBANES. But the basic position of the Senator from Alabama, as reflected in this amendment as it was proposed originally, would have kept the military presence in Panama in perpetuity. Is that correct?

Mr. ALLEN. Well, it did not say in perpetuity. It just said we could maintain a military presence there beyond the year 2000. It did not put a limit on it.

Mr. SARBANES. Without a limit on it——

Mr. ALLEN. That is not the amendment before the Senate.

Mr. SARBANES. I understand that. But without a limit, in effect, there was the right to do it without time limitation.

Mr. ALLEN. That is right.

I call the Senator's attention to the fact that the Neutrality Treaty is in perpetuity, so it would not extend beyond what the Neutrality Treaty already provides.

Mr. SARBANES. I think that is a very important aspect of the Neutrality Treaty, that our right to take action to maintain the neutrality of the canal is without time limitation; and that has been agreed to by the Panamanians. The Panamanians also have agreed in the Panama Canal Treaty to a continued American presence on the ground for the next 22 years.

Mr. ALLEN. I appreciate the Senator's suggestion. I say to him that if he would prefer that my amendment be in perpetuity, I would be willing to support the Senator in his amendment.

Mr. SARBANES. I think the difficulty with the Senator's amendment is that it shifts us from the position where we have the other party agreeing to the arrangement, that is where we have a mutually shared, legal basis for the American presence and for American action.

Mr. ALLEN. The Senator is wrong, because this does not take away one bit of power that we already have under the Neutrality Treaty, unamended. It does not take one bit of power from the United States that is provided. It is just an additional safeguard. The leadership amendment would have full force and effect, and to that would be added this additional right that we do not have under the treaties, and that is that we could stay there until December 31, 2019, if the President feels that it is necessary for the defense of the canal.

Mr. SARBANES. In effect, the Senator from Alabama would enable the President, by one determination at a particular time, to establish a further presence for 20 years: Is that correct?

Mr. ALLEN. That is correct.

I call the attention of the Senator from Maryland to the fact that it has been stated on the floor time and time again that four or five Presidents have favored giving the canal to Panama. I feel that later Presidents would have pretty much the same idea and that they would be willing to lean over backward to withdraw the troops from Panama if there were no real need for it.

I have some figures here that I am going to introduce when I really discuss the amendment. As I stated when I rose, I am not going into the full merits now, but I expect to have the opportunity later.

We have more than 300,000 troops all over the world now, by treaty arrangement, and they are not kicking about our troops being there.

Why should Panama object to having an unpaid, a free, defense of their canal? It is going to be turned over to them, and all we would be doing is giving them an unpaid defense of some 8,000 or 9,000 troops there. So it seems to me that this is something Panama might want.

I might also say that I do not feel we should be too concerned with whether this amendment would suit Mr. Torrijos or not. We should decide whether it is for the best interests of our country and then let them agree to it.

Another thing, and I think this should be said: Mr. Torrijos is saying, "Well, I can't agree to these amendments. I may agree to this amendment in the treaty, but that is as far as I'm going to go, because maybe I might have to hold another plebiscite."

Who in the world knows whether Torrijos is going to have another plebiscite or not? He will make that decision solely himself. So we could amend it a hundred times, and if he said he would take it, he would take it. Who would there be to say that it is not right? Would the Senator from Maryland say to the Panamanian dictator, "Because you have not had another plebiscite, even though we have amended this treaty, therefore, it is no good; it has not been properly arrived at and, therefore, it is a nullity"?

Nobody knows what Torrijos is going to say when we get through. I think that whatever we do, he will jump at it and say, "Well, no additional plebiscite is required."

However, I plan to offer an amendment saying that another plebiscite is required, and I hope that amendment will be supported in the Senate.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. ALLEN. I yield.

Mr. SARBANES. I think the question of a plebiscite is quite important because it goes to some extent to the legitimacy of the arrangement.

It seems to me, from the American point of view—and I am concerned about the protection of Amercan interests—that the plebiscite which took place in Panama constituted a 2-to-1 vote for these treaties, something that can be cited in the future as we continue to develop this relationship.

It is very clear from the people in Panama who opposed the treaties in the plebiscite and to whom we have spoken that one of their major objections was to a continued American presence over the next 22 years. In that regard the negotiators have accomplished a great deal by obtaining the assent not only of the Panamanian Government but also the approval in a plebiscite the assent of the Panamanian people to a continued American presence.

The question of a plebiscite as it relates to the question of amendments, may not matter to the Senator, but the Senator is opposed to the entire treaty arrangement; and if he had his preference, he would opt, as I understand it, for seeking to maintain the status quo, an option that I do not think is realistically before us, since there is going to be change, either as defined by the treaties or the change that will come without the treaties.

The important thing here is that Panama—not only the Government but also the Panamanian people—has agreed to this relationship and therefore has given the arrangement a legitimacy which I think is important to the United States in terms of asserting and protecting American interests. I believe it is generally conceded that the arrangement that allows us to maintain a continuing presence, both in terms of a military presence and in terms of operating and controlling the canal over the next 22 years, is one that it was not anticipated we would be able to achieve and one that, since Panama has agreed to it, is quite important for us, as is the permanent right to maintain the neutrality of the canal continued in the Permanent Neutrality Treaty.

The amendment of the distinguished Senator, of course, seeks to disrupt that arrangement.

Mr. ALLEN. It does not do that at all.

Mr. SARBANES. The Senator from Alabama places the entire treaty arrangements in jeopardy, which, of course, is the Senator's purpose and objective, and I recognize that. I do not fault him for it, because his aim is to defeat the treaties in any way he can.

I feel that it is important to maintain the treaty arrangement and particularly to maintain the legitimacy of this arrangement, which has been agreed to by the other party. We have an agreement on which we can stand when we use our power to maintain our interests—if we should have to. I think that is exceedingly importants to us.

Mr. ALLEN. I thank the Senator.

Since he is on that point, I should like to ask the Senator a question. Can he state categorically that if the amendment of the Senator from Alabama is agreed to and if four or five other substantial amendments are agreed to—

can he state with any degree of certainty that that would require a new plebiscite in Panama?

Mr. SARBANES. It is not for me to judge what the Panamanian requirements are.

Mr. ALLEN. But the Senator is saying this amendment would kill the treaties. How does the Senator know it would require another plebiscite? Has Mr. Torrijos said so? How does the Senator know it would call for another plebiscite?

Mr. SARBANES. Panamanians have indicated to us in our talks with them they feel any changes which went beyond the substance of what was presented at the plebiscite to the Panamanian people would call for another plebiscite. Whether Torrijos would decide that way or not I do not know. But it seems to me there is some respectable argument for that position and, therefore, I would have some concern if they pushed ahead without a plebiscite. In other words, a plebiscite is very helpful and valuable to the United States in terms of, as it were, sanctioning——

Mr. ALLEN. That is right.

Mr. SARBANES. Our rights under these treaties to protect our interests.

Why the Senator wants to deny the United States that additional sanction, that legitimacy, I do not understand.

In other words, what the Senator is pushing for will undermine or sap the American right to stand on these arrangements and to enforce them on the basis that they have been approved by the Panamanian people.

Mr. ALLEN. In other words, since Torrijos jumped the gun on calling a plebiscite down there we are bound to rubberstamp whatever is there; is that right?

Mr. SARBANES. We are not bound to rubberstamp——

Mr. ALLEN. That is the way the Senator is talking, it seems to the Senator from Alabama.

Mr. SARBANES. Mr. President, if the Senator will allow me to finish this one point, we are not bound to rubberstamp anything Torrijos does or anything the President does. We are 100 Members of the U.S. Senate, and we have the responsibility to exercise our independent judgment which is, of course, what the Senator from Alabama is seeking to do.

I am only pointing out to the Senator that his approach is premised upon his basic opposition to the treaties. That is what his amendment is designed to carry forward.

Mr. ALLEN. No, no, the Senator is wrong. The Senator misstates what I have stated. I stated that while I am opposed to the treaties, I do feel we ought to shape the treaties in the best way we can, feeling reasonably sure that in the ultimate we will OK the treaties.

I feel we need to shape them, and we need to do it through the process of debate and consideration here and not through the process of stonewalling every amendment.

It is going to be interesting to the Senator from Alabama to see how many constructive amendments the distinguished Senator from Maryland sees fit to agree to.

Mr. SARBANES. Does the Senator——

Mr. ALLEN. I am not quite through, and I do have the floor.

As I see it, no one can say with any degree of certainty that any number of amendments is going to cause Panama to reject these treaties or to cause Torrijos to hold another plebiscite.

Who is there to say Torrijos will not say, "OK, I did not want these amendments but I am satisfied with them and, therefore, I am going to exchange a note of ratification with the President," and they are agreed to, and that is what is going to happen, in my judgment. It is not going to be another plebiscite, in my judgment, because Torrijos is going to say, "It is not necessary. This is substantially what we agreed to."

So if the U.S. Senate is to stonewall against amendments that are constructive and that would give us added defense rights, it seems to me we are being a little shortsighted, and we are abdicating our role of giving advice and consent to the President with regard to these treaties.

This matter was before the Committee on Foreign Relations. They said they studied it for weeks, and I know they did, and they made a real fine study of it, had a lot of fine witnesses before the committee. But the Committee on Foreign Relations, even though this treaty had been under negotiation for 13 years, changes all the time, did not see fit to submit a single committee amendment, not a single one. Now, they recommended some amendments. Do you know why that was done? Well, I had no one to tell me, but it was quite obvious that the committee did not suggest those amendments, because they would have been voted on as committee amendments, and the leadership did not want that. They wanted the Senators themselves to join in these amendments so that they could say, "Oh, my, we had a part in agreeing to these leadership amendments."

I guess the Senator from Alabama is guilty because he, on the invitation of the leadership, became a cosponsor. That, however, gives me an opportunity to point out, as I see it, the shortcomings and the defects of the treaties, and they are many, as I have pointed out, and as I will point out subsequently.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ALLEN. No. I have one other point; I am trying to answer the distinguished Senator from Vermont a moment ago when he asked the distinguished Senator from Virginia if this amendment would not interfere with article V of the Neutrality Treaty.

Well, a comparison of the amendment shows that it would not conflict with it to the extent that Panama could bring in soldiers from other nations on account of this amendment being agreed to.

Let us study article V for a moment:

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory.

Well, in effect, this amendment before the Senate would add a proviso to article I. Let us see if it would permit other countries to maintain bases there:

Provided, That the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, but not beyond December 31, 2019, if the President of the United States deems it necessary for the defense of the Canal or the maintenance of the neutrality thereof and shall prior to December 31, 1999, so certify to the Government of Panama.

Not one word there saying anything about bringing in soldiers from other countries or granting bases to other countries; the qualification to article V being whereas Panama can maintain forces there, the United States has a right to continue its military presence there for an additional 20 years if the President deems that it is necessary for the defense of the canal or the maintenance of its neutrality.

I merely rose for the purpose of answering the two points made by the distinguished Senator from Vermont, and I did become involved in yielding the floor and answering the questions.

At this time, feeling I will have an opportunity later to discuss the amendment further, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I wish to address one point that was involved in the exchange between the Senator from Alabama and myself. A treaty, just like a contract, is not a one-party document; it is a two-party document. To have a treaty, you have to have an agreement between the two nations, or more if it is a multi-nation situation, that are engaged in the treaty negotiation with one another. And it is important, of course, especially to us as the powerful country in this arrangement, that the treaty which is negotiated is one upon which agreement has been reached. Otherwise we will be left with the situation of trying to maintain or impose our position through the use of our power, without the legal basis, and the accompanying moral basis, which an agreed arrangement provide us.

That is why the agreement which underlies these treaties is important; and, of course, one can offer any number of amendments, but if he does that, he has to make some judgment as to their acceptability to the other party and how they affect or may in fact destroy the agreement which has been reached.

It was my contention earlier in this debate, and I repeat it now, that this agreement fully protects American interests, and in fact provides a much better legal basis on which to protect those interests, than the existing 1903 treaty offers us; and that if, in fact, we do not move forward and approve these treaties, we will be back in a situation in which either we will have to maintain our position without regard to what the other party in the situation feels, or eventually we will have to consider a new agreed-upon arrangement—and it is my very strong view that we will not be able to achieve a new agreed-upon arrangement which is as protective of American in-

terests an the arrangements which are before us.

The arrangements which are before us provide us with the protections we need for our security and our defense interests, for our economic interests, and for the advancement of some very important foreign policy interests.

So I would suggest to the Senate that when we evaluate amendments which are offered, we ought to appreciate from whence they come; and, if offered by those who are in basic opposition to the treaties, who in fact want the treaties rejected, that those amendments, in effect, are designed to cause mischief.

Therefore, I strongly oppose the amendment that the Senator from Alabama has offered.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the Senator from Iowa.

Mr. CULVER. I was very much interested to have an opportunity to listen to the colloquy between the distinguished Senator from Alabama and the distinguished Senator from Maryland concerning the likelihood, in the event the pending amendments or some other amendments of a substantive nature beyond those that are currently contemplated and described as the "leadership amendments" are adopted. that might well call for another plebiscite in Panama with all the consequent risks that that may entail to the prospects of achieving a mutually acceptable agreement with regard to the future of the canal.

We have heard a great deal of discussion in the course of the debates on this subject about the personality and character of the current political regime of Panama. It seems to me that the starting point of wisdom in addressing this question is first of all the recognition that what we are talking about here is the relationship in the future, the long-term future. between not only the Government of the United States and the Government of Panama. I speak of not only of those in our executive branch, but also of those of us who have a responsibilities on behalf of their country. on behalf of their government. to enter into arrangements and to ratify arrangements from their side of this problem and this issue.

We are talking about an agreement that not only has been negotiated in a formal sense between the present governments on both sides of this issue, but in the most fundamental and real sense we are also talking about an arrangement. if it is to endure. if it is to survive. if it is to prove successful. over the long term, in bringing about mutually desired objectives on both sides, that will have to continue to enjoy the support of the people.

If there is one thing that is clear about this problem from a Panamanian perspective, it is that it does not really matter who is leader or President. It does not even matter, for the sake of argument, by what means a particular occupant of that office obtains power and official responsibility.

What does matter is that if you put an unacceptable plebiscite or referendum before the people of Panama, after the 75 years of a history in a relationship which they believe and they perceive—and I might say with enormous historical justification—to be unfair, to be discriminatory, to be an unacceptable affront to their dignity and their national honor, it will be rejected.

I was interested in listening to this colloquy, because it was suggested that because General Torrijos has said that if we go beyond what has already been tentatively understood to be acceptable—that is, the leadership amendments—in his judgment, in accordance with his understanding of the constitutional procedures and requirements of his own government, his duty and obligation would require the submission of these new terms of the people in the form of a plebiscite, before he could accept them.

I know it is easy to say that if one is a dictator, by definition anything goes. One of the things that troubles me the most is those who are repeatedly describing and characterizing the present government as a dictatorship, and certainly by implication are indicating they would like to see a governmental process operating in Panama more characteristic of a democratic society. It seems to me somewhat inconsistent for those people, almost in the same breath, to argue that any good-faith effort to acknowledge and recognize the need to get a popular democratic referendum on some of these substantive questions, so that they would comport with the popular expression and aspiration of the people, that somehow this is a course of conduct that we, first, should not be encouraging, or second, when it is suggested to us that that should properly be done, we can give it a cavalier, back-of-the-hand, almost contemptuous disregard.

I submit you cannot have it both ways. I submit that it must be hard for a Panamanian to say:

"What does America want from us? We hear about the Alliance for Progress. We hear about human rights. We hear about their revulsion in terms of their own national history and international role to dictatorial governments, either of the right or of the left." Here the Panamanians may well say, "we are somewhat confused about what America really wants from us.

"Are they really saying that they should expect us to have so little honor, so little dignity, so little respect for popular expression that if our leader says we have to submit this to a plebicite, because it does represent a fundamental departure from what was worked on and what was before us on the occasion of the first plebisite, that they really do not want us to go through that process; they really do not want us to recognize and implement and observe a procedure which would make this society more democratic, more in tune, more responsive and sensitive to the will of the people? We thought this was what America was always lecturing us about."

"We must confess that we have found the United States somewhat hypocritical on occasions, or lacking, or certainly their conduct was not always consistent with their high aspirations. Nevertheless, it is hard for us to figure out just what the Americans are talking about."

Mr. Torrijos subjected this treaty to a popular plebiscite. I might say that only two-thirds of the people were for this. That is a fairly big margin, but most people in this body who win by 60 percent of the vote realize they still have a little work to do politically when there is one-third of the people out there who wish they were not here.

There are a lot of people of the right and of the left in Panama today, and there are undoubtedly some who voted with the majority in the plebiscite, who swallowed very hard and accepted, in good faith, the fruits of 14 protracted years of agonizing diplomacy and give-and-take in order to achieve what, after all, in any treaty, is a compromise. A balance has to be struck, a new equilibrium achieved.

Mr. Torrijos said that, frankly, after some considerable thought, it was perhaps possible to accept the leadership amendments, or to accept as legally binding the executive joint pronouncement. If our own constitutional process or international law required, that understanding could be incorporated in a more formal sense into the body of this treaty in the course of Senate ratification. Torrijos said that he felt that he could accept that and it would be compatible, because those terms were announced to the people of Panama before the formal plebiscite was held. So, in effect, one could imply that there was notice, that the popular vote was informed, and it consciously incorporated these terms.

Mr. President, I think this issue is very important. I think it ill behooves us—by "us" I mean not only the U.S. Senate but the American people as a nation—to talk on the one hand about the concerns we have not only with regard to the situation in Panama, but elsewhere around the world where people are denied the fullest possible expression of their popular desire through the political process, and for us to maintain fidelity to that principle of our national life and, at the same time, to encourage the expression of sentiments which play down or treat with contempt any suggestion that there is an obligation for a popular referendum on the part of a leader whose government not comport with some textbook civics example of a democratic society. That same person is talking about the need, in accordance with their acknowledged procedures, however flawed, however imperfect from an ideal democratic utopian standard, to take this to the people for their acceptance, if it goes beyond in a substantive fundamental way, what they have already accepted and ratified.

Mr. SARBANES. Will the Senator yield?

Mr. CULVER. I yield.

Mr. SARBANES. I want to underscore the very forceful point which the Senator from Iowa (Mr. CULVER) has made. That is that these treaties have now been approved by the Panamanian people in a direct plebiscite. They are not merely treaties to which the government of the day has given its approval, although that is true as well. Under the

Panamanian constitutional process treaties affecting the canal and the Canal Zone must be put to the people directly in this instance.

In addition, as the Senator pointed out, the understanding, the joint statement, between President Carter and General Torrijos was incorporated into that national plebiscite campaign. It was printed in full in the Panamanian newspapers. It was stated by General Torrijos on Panamanian television. It, in fact, became part of the electorial process which was involved in the approval or the rejection of these treaties.

So that we have treaties now which have been approved by the Panamanian people, including the amendments, or the substance of the amendments, to be offered by Senator BYRD and Senator BAKER, what are called the joint leadership amendments. The arrangement in the treaties as clarified by the joint statement has the two-thirds approval of the Panamanian people in a plebiscite.

Now, that approval in a plebiscite is important to the United States, because it gives a legitimacy and a sanction to these treaties that would otherwise not be present. To come with mischievous amendments that, in the end, may undermine and lose us the legitimacy which comes through the approval voted in a plebiscite, will harm American interests—which is, after all, the basic question that we must address in this body as we consider these treaties.

Mr. CULVER. Would the Senator not also agree that those treaty opponents who talk about the character of this regime as being offensive and unacceptable because of its dictatorial authoritarian nature also must find themselves, at the same time, on some uncomfortable ground, where they rather cavalierly dismiss the necessity, the desirability, or, in fact, the actual requirement under the processes now in place for resubmission to the people, which by its very nature is the ultimate expression of a democratic society?

When Ben Franklin was coming out of the Constitutional Convention, following the formal signing, a woman reportedly ran up to him and said:

What kind of government have you given us, Mr. Franklin?

He said:

Madam, a republic if you can keep it.

Now, there are many political scientists and people in the world who say a republic is a compromise on a pure form of democratic government. The fact that the U.S. Senators were appointed by the State legislatures up until well into this century, in the judgment of many, hardly represented an ideal of democratic processes. And there were abuses under that system.

Some who study these matters say we ought to have popular referendums every time we turn around in order to have a democracy. One of the great criticisms we hear here, in this body, at the time of this debate on the Panama Canal, is why do we not do what the people want us to do? This is somewhat of a perversion on Edmund Burke, who said that our obligation under our form of democratic government requires a dual responsibility—to lead, to educate, to mold public opinion on the one hand, and, hopefully, to represent the interests of our people on the other.

When matters of conscience, when matters of constitutional principle, and, yes, when matters of the national security interest are involved, it is hoped that anybody worthy of the oath of office who sits here will give the people the benefit of their best judgment, or else there is no need to worry much about who is here, because anyone can be sitting here and can spontaneously reflect and emote the instantaneous determination by computer and other means, and then rubberstamp what a majority of the people think at any given point in time on any issue.

So we have made some compromises in terms of the kind of democratic society that we think works. It works for us, fits and comports with our traditions and our history.

Now, there are political scientists, as I mentioned, that want to go to this referendum, who think that is a more ultimate expression of a free society. When we have constitutional amendments, we have a very intricate system that requires ratification by the necessary three-fourths of the States. This is because a constitutional amendment is going to alter and change the nature of the society and the fundamental law of the land under which we live and operate and exist as people.

So why should we dismiss a similar determination of the Panamanian Government, and desire on the part of the Panamanian people, to exercise democratic practices and policies when they say this Panama Canal Treaty, if changed in a substantial way subsequent to our plebiscite, should properly require the ratification of the people of Panama?

We are not talking about a constitutional amendment to the U.S. Constitution as far as Panama is concerned. We treat constitutional amendments, as we should, with enormous caution, concern, and reverence. In order not to make a mistake, we subject them to all kinds of intensive political scrutiny and examination and acceptance—and acceptance—before we think we should go forward. But here, with Panama, we are talking about the heartbeat of that nation, this canal. It is the heartbeat of that nation in terms of its economic survival, it is the heartbeat of that nation in terms of its national honor and pride.

Why, then, under those kinds of circumstances should we suggest for a moment that it is not appropriate to subject any basic treaty change to a formal plebiscite for ratification by the people of Panama?

How can we deplore the nature of the regime and then say, "But the leader of Panama does not have to put it to a plebiscite," and "if we can get around that, fine; what difference does it make?" Such statements cheapen, with an arrogant disregard, the procedures and the governmental policies of that country.

We have rubbed salt into that wound of national pride for 75 years. Is there no sense of empathy, of compassion, of respect? This is not the great gringo of the north, this is not imperialism, paternalism. We profess to want to treat these people as equals—as equals. We expect them to patiently bend over backwards and understand the views of any individual Senator and accommodate the whole political climate to fit that particular expression of concern. Yet we apparently are not prepared even to acknowledge, in an act of reciprocity, that their own political processes require them to submit this matter to another plebiscite.

I welcome that determination. I think the leader of Panama should be commended. Frankly, I do not think any leader of Panama could stay in office a minute if the nature and contour of these treaty arrangements were fundamentally altered and, with a stroke of the pen, he is postured and pictured as having caved in to the heavy unilateral hand of the American political process. I do not think he could last a day. His only hope, whether he be a dictator of the right or the left, is to subject this to a plebiscite, if it does represent a substantive alteration of the basic agreement, and keep his fingers crossed that, after the time of the action by this body on a treaty with that effect, there will not be violent demonstrations; that this fact will not be seized upon, not only by the one-third that did not go along with the first plebiscite, but by those in between, who went along in recognition that this is the last best hope of a peaceful diplomatic negotiated resolution of this issue; that such an action will not be looked upon by outsiders as a great opportunity to foment discontent and to exploit an already extremely delicate political environment and climate.

(Mr. McINTYRE assumed the chair.)

Mr. CULVER. Mr. President, I have here an article entitled "Panama: Why They Hate Us."

Mr. President, the subtitle is "One Torn Flag Cannot Send Rioters Into the Streets To Kill. The Nation Exploded in Bitter Resentment That Has Festered for Half a Century."

The article is written by Mr. Trevor Armbrister and it is dated March 7, 1964.

I would like to read the opening paragraph:

Lt. Robert McGurk, of Manilus, N.Y., was having trouble finding the sniper. The shots were coming from somewhere across Fourth of July Avenue, perhaps from a window in the Legislative Palace or from the gutted Pan American Airways building. McGurk and his men in the Tivoli Hotel could not return the fire. Latticework on the balcony outside blocked their view. McGurk grabbed an ax, crawled out on the balcony and chopped at the obstruction. The sniper's bullet smashed into the right side of his chest. "I remember looking for my arm," he says, "trying to figure why it wouldn't move."

Outside the Tivoli, Pfc. William D. Campbell Jr., of Artesia, N. Mex., heard a shot. Because he thought his truck had been hit, he opened the door and got out. He remembers being hit. "It felt like someone slammed me up against the door." Several hundred yards away. SP/4 Robert Barnett, of Boonville, Ind,. was guarding a ware-

house. "They were throwing everything at us," he says. "Rocks, bottles, even Molotov cocktails." The bullet entered Barnett's neck below the Adam's apple. "It knocked me down," he says. "I tried to get up but I couldn't."

The riots in Panama left four U.S. soldiers and 21 Panamanians dead, another 500 people wounded, officers sacked, cars burned. Yet these were merely the immediate casualties. On a deeper level the shots in Panama awakened bitter memories of U.S. gunboat diplomacy. They made Latin Americans everywhere question recent U.S. commitments to social progress and reform, made them wonder specifically whether the Alliance for Progress represents a policy of friendship or merely colonialism in disguise.

I might point out that Mr. Armbrister is a very respected writer. He wrote a very good book, "A Matter of Accountability," about the *Pueblo* incident and the security and internal procedures that gave rise to that calamity. He has been on the staff a long time at the Saturday Evening Post. He recently wrote another book, "An Account of Vengeance." I remember reading about the Jablonski murder and its timely tragedy—timely, as we are involved in coal strike problems in this country. He is now writing memoirs with President Ford.

So I think his observations, the quality of his journalistic reputation, and his ability to assess with insight and sensitivity those events that he is investigating, is quite well established by any fair definition.

Mr. President, further into this article in the Saturday Evening Post of March 1964, is the subheadline, "Hemmed in by Leftists and Rightists Chiari is trapped." time—"over the Panama Canal."

At another point in the article, he says:

Panamanian anger against the United States grows out of a situation which most Americans take for granted, but which most Panamanians consider outdated, unjust, and immoral.

Mr. Armbrister writes in 1964:

In Panama, every schoolboy must take a course in the canal zone treaties in equities.

Every schoolboy must take a course, at least in 1964 and before, on the subject of the Canal Zone Treaties inequities.

And he soon learns of other rankling facts. He learns that the American Marines landed in Mexico, Nicaragua, Haiti and the Dominican Republic and that U.S. troops helped settle a 1925 rent strike in Panama City in favor of the landlords.

The natural dislike of the have-nots for the have's is not unique to Panama. But it is aggravated here by the presence in the Canal Zone of some 36,000 U.S. citizens whose tidy homes, shiny cars, and frequently arrogant attitudes remind Panamanians of their own inferior lot.

He writes:

In January, events in the Caribbean aggravated anti-U.S. sentiment. In January, 1959, Fidel Castro came to power in Cuba. His outright challenge to traditional American dominance fed the unrest of masses of impoverished Latins. Ten months later, violence broke out in Panama. Demanding sovereignty over the canal, mobs rioted along the border of the zone. Tear gas finally drove them away.

"I told a U.S. official here that it would be worse the next time," recalls a distinguished Panamanian surgeon who was quoted in 1964.

Mr. Armbrister goes on to say:

I do not think he believed that there would be a next time—

Meaning the U.S. official.

That was 1959. The events he is talking about are 1964.

At another place, Ambruster quotes an American citizen who he says unwittingly provides an example of the resentment of the Panamanians in 1964. He quotes that American as saying, "We have many Panamanian friends—our maid, for example."

He quotes another American in 1964 as saying: "We don't go into Panama very much because you get robbed and beaten."

He writes:

Two small American flags hang from her living room wall.

"There are some people here," complains one Zonian, "who have not been to Panama for 10 or 20 years. And they're proud of it."

He says:

Last August Ambassador Joseph S. Farland, perhaps the most able and certainly the most popular American diplomat ever to serve in Panama, resigned abruptly.

One reason behind his departure was a dispute with Washington over the handling of U.S. aid funds. A second reason was more disturbing. "I kept warning Washington about the depth of feeling on the treaty," he recalls. "I was trying to get the State Department to look at the problem squarely and without preconceptions." Farland claims his warnings seldom were acknowledged.

Then he writes about the tragic flag incidents that took place before the public schools in Panama, where an order went out at the time of heightened nationalistic sentiment with regard to new arrangements concerning the display of the respective flags of Panama and the United States. It was a provision of the canal Governor, in his order, that over the public schools no flags would fly.

One thing led to another, and the students there insisted on raising an American flag. That, in turn, in 1964, called forth a group of Panamanian students with a Panamanian flag, demanding that it be raised in front of the school, and a riot ensued.

I go on to read:

Shortly after 4:30 on Thursday afternoon 200 Panamanian students marched into the zone. They carried their flag and a banner proclaiming their nation's sovereignty over the canal. The Americans egged on by parents, circled the flagpole and refused to let them pass. In the scuffle that followed, the Panamanian flag was ripped.

At seven p.m. the country exploded.

Howling mobs shouting "death to the gringos" stormed through the streets. They set fire to the Braniff and Pan American Airways buildings, wrecked a Goodyear plant and a Sears, Roebuck outlet.

Driving his financee home from a movie, 22-year-old insurance salesman Bob Sander turned up Juan B. Sosa Street. It was 9:15. He saw the smoke pouring from the Pan American building and, for one brief moment, he thought it was nothing more than just another blaze.

Then the maleantes jumped him. They climbed on the fenders and hood of his '60 Oldsmobile and smashed at its windows with stones and lead pipes. A rock hit Sander square in the face. Dazed and bleeding profusely, he pushed his financee to the floorboards and gunned the engine. He turned into the zone on two wheels. Later, he lost all vision in his left eye.

The mobs ripped down the mesh fence, pushed into the zone itself. Canal Zone police, outnumbered at some points by 60 to 1, fired above their heads. Finally they lowered their aim. At 7:59 P.M., Lt Gov. David Parker issued a call for help. (Governor Fleming had boarded a jet bound for the United States three hours before on his way to Washington for "routine" talks.) Gen. Andrew P. O'Meara, chief of the U.S. Army Southern Command, assumed immediate control, and established a command post at the Tivoli Hotel. Units of the 193d Infantry Brigade rushed to positions at the border.

At 11 P.M. on Thursday Chiari addressed his people. His voice straining with emotion, he denounced the "unprovoked armed attack," demanded "just indemnification" for damages and said he was ready to sever diplomatic relations. Panama's U.N. Ambassador Aquilino Boyd flew to New York to call for an emergency session of the Security Council.

They later held a funeral for the Panamanian dead who were killed in that riot. And they buried their dead with military honors at a cemetery called Garden of Peace.

The sun bore down unmercifully. A bugler played Taps. Women fainted. "It is a sad day for all of us," said Bishop Marcos McGarth. As an American reporter walked back from the cemetery, two young Panamanians approached and asked for a dollar bill. They took the money, stamped it with slogans that read "Get Out U.S. Assassins" and "Panama is the Hungary of the Americas," then handed it back.

There then was a lot of second-guessing as to why we had this problem; who caused the riot?

Inside an air-conditioned office at a fire station in Colón, a short, stocky man named José Bazán, who is Panama's second vice president—and also a volunteer fireman—put the matter in perspective. "The Communists here are like firemen," he said. "They don't run out until they hear the bell. But instead of pouring water on the flames, they pour gasoline."

Six nights after the riots began, 2,000 students massed at the University of Panama. From the auditorium walls hung signs that read Down With Yankee Imperialism.

Thundering anti-*gringo* tirades, student orators called for a march on the presidential palace. The audience rose and sang the national anthem. Then the students moved out.

At the palace, guards were ready. The students were in no mood to compromise. Chiari knew it. Wisely, he agreed to hear their complaints. "There will be no resumption of relations," he shouted, "until the U.S. agrees to negotiate [a new treaty]." The students cheered.

Mr. ALLEN. Mr. President, will the Senator yield for a brief question?

Mr. CULVER. Just when I finish this, and then I will be glad to yield.

Mr. ALLEN. I merely wanted to ask the Senator——

Mr. CULVER. I think the Senator understood what I said.

Mr. ALLEN. Right.

Mr. CULVER. Now, later, near the concluson of the article, Mr. Armbrister writes:

The United States, if it wishes, can learn some valuable lessons from what happened

in Panama. The first is that a paternalistic policy outrages the Latin sense of dignity. Panamanians want to be treated as equals, not as the underpriviledged wards of a powerful guardian.

The last paragraph of this article from the Saturday Evening Post of March 1964 is:

The diplomatic stalemate continues. Time is not on our side. Delay in finding a solution increases the danger of new chaos. "The answer now is not to close ranks and rally around the flag," warns Governor Fleming. "There has either got to be some giving in to the Panamanian pressures or we've got to resist by force."

Mr. President, I ask unanimous consent that the article by Trevor Armbrister be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PANAMA: WHY THEY HATE US

(By Trevor Armbrister)

Lt. Robert McGurk, of Manluis, N.Y., was having trouble finding the sniper. The shots were coming from somewhere across Fourth of July Avenue, perhaps from a window in the Legislative Palace or from the gutted Pan American Airways building. McGurk and his men in the Tivoli Hotel could not return the fire. Latticework on the balcony outside blocked their view. McGurk grabbed an ax, crawled out on the balcony and chopped at the obstruction. The sniper's bullet smashed into the right side of his chest. "I remember looking for my arm," he says, "trying to figure why it wouldn't move."

Outside the Tivoli, Pfc. William D. Campbell Jr. of Artesia, N. Mex., heard a shot. Because he thought his truck had been hit, he opened the door and got out. He remembers being hit. "It felt like someone slammed me up against the door." Several hundred yards away, SP/4 Robert Barnett, or Boonville, Ind., was guarding a warehouse. "They were throwing everything at us," he says. "Rocks, bottles, even Molotov cocktails." The bullet entered Barnett's neck below the Adam's apple. "It knocked me down," he says. "I tried to get up but I couldn't."

The riots in Panama left four U.S. soldiers and 21 Panamanians dead, another 500 people wounded, offices sacked, cars burned. Yet these were merely the immediate casualties. On a deeper level the shots in Panama awakened bitter memories of U.S. gunboat diplomacy. They made Latin Americans everywhere question recent U.S. commitments to social progress and reform, made them wonder specifically whether the Alliance for Progress represents a policy of friendship or merely colonialism in disguise.

Tough decision now face both the United States and Panama. They involve national pride—which country should exercise how much control over the vital canal, and for how many years? They involve money—the amount the United States should pay each year to use the waterway. They involve employment opportunities—the number of jobs on the canal that Panamanians should hold. In a larger sense, they also involve the security of the whole hemisphere. A serious erosion of the U.S. presence in Panama would create a vacuum which Castro and his followers would attempt to fill.

Even in the best of times, prospects for a quick settlement of differences would be slim. These are not the best of times. Two significant obstacles stand in the way of mediation efforts. The first is technological—the present canal is rapidly becoming obsolete. By 1975 it will no longer be able to handle a steadily increasing flow of world shipping. A new site for a sea-level canal must be chosen soon—a new treaty signed; new construction begun. Until a decision is reached on the new canal, no meaningful agreements can be made on the old. The second obstacle is political—elections are scheduled in both countries this year. Neither the Johnson Administration nor the government of President Robert Chiari can afford to make politically dangerous concessions. Almost against their will, both sides have been forced to take a tough stand. The diplomatic stalemate persists. The resentment which caused the riots remains. New violence could break out at any time.

President Chiari is caught in a dangerous cross fire. He is at once the leader, and the captive, of his people. The rabidly nationalistic student and labor groups supporting Chiari today will turn upon him the moment he wavers from his militant stand. Yet Panama's rich businessmen, earn more than $15,000 per year. Most earn less—yet their average $8,000 is still far above the comparable figure in the United States. Until 1951 the Zonians did not have to pay any income tax. Today they do, but the shock has been cushioned by a tax-free allowance of 25 percent that is added to their annual wage. This is in compensation for the hardships they presumably suffer.

The Panamanian in the slums is angry enough to see such relative affluence near his doorstep. What angers him even more is the attitude of some Zonians.

Standing near the steps of Balboa High School, an amiable Virginian named John Knick unwittingly provides an example. "We have many Panamanian friends," he protests. "Our maid, for example," Knick is the high school's assistant principal.

Inside her comfortable home at 937 San José Place, Mrs. Ivan L. Jenkins, a trim, bespectacled budget analyst, sits upright on a hassock. "We don't go into Panama very much," she says, "because you get robbed and beaten." Two small American flags hang from her living room wall.

"Many of the typical Zonians," boasts the *Spillway*, official house organ of the Panama Canal Co., "are married to Panamanians. The typical Zonian dances the traditional folk dance of Panama, eats Panamanian food and can make a pretty good *seviche* himself."

This, of course, is mostly nonsense. The Canal Company's own figures show that only five percent of U.S. civilians in the zone have Panamanian wives and only 20 percent speak Spanish. Until 1956, zone schools didn't even offer courses in the language.

"There are some people here," complains one Zonian, "who haven't been to Panama for ten or twenty years. And they're proud of it."

"The overwhelming majority of these people are moderates," says Governor Fleming. Leaning back in a soft leather armchair, swagger stick across his knee, he is in a reflective mood. "But like all moderates, they're passive. Now you've also got down here 200, maybe 300, members of the radical right. They've been isolated so long, they've developed a reactionary mentality. Their whole attitude is that nothing shall be changed in this best possible worlds. It's the perfect situation for the guy who's 150 percent American—and 50 percent whiskey."

For the Americans who try to exert a liberalizing influence, the obstacles are great. Last August Ambassador Joseph S. Farland, perhaps the most able and certainly the most popular American diplomat ever to serve in Panama, resigned abruptly. One reason behind his departure was a dispute with Washington over the handling of U.S. aid funds. A second reason was more disturbing. "I kept warning Washington about the depth of feeling on the treaty," he recalls. "I was trying to get the State Department to look at the problem squarely and without preconceptions." Farland claims his warnings seldom were acknowledged.

The White House meant to name a successor. Somehow nothing was done. The death last November of President Kennedy brought further delay in filling the empty office. In December, when still no envoy had been named, President Johnson made Thomas C. Mann his chief adviser on Latin-American affairs. Panamanians wondered if the elevation of this tough-minded diplomat to such a key post meant a new policy of firmness.

During this same period, President Roberto Chiari seemed headed for political trouble. Unemployment was rising. Rumors told of a shortage of funds in the treasury. A general uneasiness filled the air. And President Chiari, who cannot legally succeed himself, was having difficulty finding a replacement. Throughout his term the 58-year-old president, whose family has a monopoly on Panama's milk and sugar production, had been accused of indecision. Now he was vacillating again. Anti-Chiari sentiment mounted. On December 23 the bus drivers called a strike against the Canal Zone Bus Service Co. Other unions threatened to join them. On January 4 Dr. Arnulfo Arias, a Harvard-trained surgeon who had twice before been president, announced he would run in the May elections. Thirty thousand people thronged Santa Ana Plaza to cheer his candidacy. The turnout frightened Chiari. He doubled his efforts to find solution to the bus strike—one that would win him favor with labor. Time was running short. On January 8 the tabloid *La Hora* carried a banner headline. Ultimatum, it read. The unions would give Chiari another 72 hours. Then they would call a general strike.

As Chiari battled to avert a crisis, other developments were racing toward a climax inside the zone. On December 30, 1963 Governor Fleming had put out a press release. The U.S. and Panamanian flags would fly together at five additional sites within the zone. No flags would fly in front of any Canal Zone schools. "This action," he said, "implements the understanding made public by the two governments earlier this year."

At Balboa High School the reaction was defiance. James Jenkins, a tall senior described by his schoolmates as "about right on everything," says, "I got this flag from a friend of mine and we raised it about 7:15 on Tuesday morning [Jan. 7]. School officials took it down an hour later. At recess a group of us formed on the steps. We clapped and said we wanted our flag. At three p.m. we put up a larger flag. If they [school officials] had told us not to, we would have walked out on strike. They didn't want that."

On Wednesday morning the students raised the colors again. News of their defiance raced through the zone. At eight p.m. that night Governor Fleming publicly asked everyone to "abide by the official commitments of their government." His plea came too late. Parents were offering the students moral support in their demonstration.

Shortly after 4:30 on Thursday afternoon 200 Panamanian students marched into the zone. They carried their flag and a banner proclaiming their nation's sovereignty over the canal. The Americans, egged on by parents, circled the flagpole and refused to let them pass. In the scuffle that followed, the Panamanian flag was ripped.

At seven p.m. the country exploded.

Howling mobs shouting "death to the *gringos*" stormed through the streets. They set fire to the Braniff and Pan American Airways buildings, wrecked a Goodyear plant and a Sears, Roebuck outlet.

Driving his fiancée home from a movie, 22-year-old insurance salesman Bob Sander turned up Juan B. Sosa Street. It was 9:15. He saw the smoke pouring from the Pan American building and, for one brief moment, he thought it was nothing more than just another blaze.

Then the *maleantes* jumped him. They

climbed on the fenders and hood of his '60 Oldsmobile and smashed at its windows with stones and lead pipes. A rock hit Sander square in the face. Dazed and bleeding profusely, he pushed his fiancée to the floorboards and gunned the engine. He turned into the zone on two wheels. Later, he lost all vision in his left eye.

The mobs ripped down the mesh fence, pushed into the zone itself. Canal Zone police, outnumbered at some points by 60 to 1, fired above their heads. Finally they lowered their aim. At 7:50 p.m., Lt. Gov. David Parker issued a call for help. (Governor Fleming had boarded a jet bound for the United States three hours before on his way to Washington for "routine" talks.) Gen. Andrew P. O'Meara, chief of the U.S. Army Southern Command, assumed immediate control, and established a command post at the Tivoli Hotel. Units of the 193rd Infantry Brigade rushed to positions at the border.

At 11 p.m. on Thursday Chiari addressed his people. His voice straining with emotion, he denounced the "unprovoked armed attack," demanded "just indemnification" for damages and said he was ready to sever diplomatic relations. Panama's U.N. Ambassador Aquilino Boyd flew to New York to call for an emergency session of the Security Council.

The U.S. reaction was one of shocked incredulity. On Friday morning President Johnson called in deputy defense secretary Cyrus Vance and Latin-American troubleshooter Thomas Mann, asked them to go to the scene and do what they could. Moments later he telephoned Chiari. That afternoon, the Organization of American States sent a peace committee of its own winging to Panama. That night the sniper fire increased. On Saturday morning Vance announced that henceforth the two flags would fly together in front of Canal Zone schools.

On Sunday morning American soldiers sang hymns on the grass behind the Tivoli. Four hours later the Panamanians buried their dead with military honors at a cemetery called Garden of Peace. The sun bore down unmercifully. A bugler played *Taps*. Women fainted. "It is a sad day for all of us," said Bishop Marcos McGrath. As an American reporter walked back from the cemetery, two young Panamanians approached and asked for a dollar bill. They took the money, stamped it with slogans that read Get Out U.S. Assassins and Panama is the Hungary of the Americas, then handed it back.

In the aftermath of the riots came troubled reappraisals. Many Zonians insisted Castro was responsible. "I think it's all a bunch of Communists," said Mrs. Eunice L. Thomas of Cambridge, Ohio, an elderly, bespectacled woman who wore a white blouse and a pair of gray slacks that seemed a little too tight. U.S. officials seemed to agree. "Castro or agents of Castro have taken a direct hand in this," said Secretary of State Dean Rusk. Panamanian students hotly denied Communist involvement. So did their government spokesmen.

Inside an air-conditioned office at a fire station in Colón, a short, stocky man named José Bazán, who is Panama's second vice president—and also a volunteer fireman—put the matter in perspective. "The Communists here are like firemen," he said. "They don't run out until they hear the bell. But instead of pouring water on the flames, they pour gasoline."

AGREEMENT, NO AGREEMENT

Efforts to solve the dispute continued. On Tuesday afternoon, O.A.S. Peace Committee chairman Enrique Tejera Paris told reporters he was optimistic. Early next morning a communiqué was issued. An agreement, it seemed, had been reached. The two countries would resume diplomatic relations. Within a month's time they would "negotiate" a new treaty. The Panamanian press erupted joyously. Hours later, the "agreement" collapsed.

The stumbling block was the verb *negociar*. In Spanish it means to negotiate, in the sense of reaching a new settlement through compromise, as well as meaning simply "to discuss." Before approving the communiqué, U.S. envoy Edwin Martin had made sure everyone understood the American position: *negociar* meant "discuss." Nothing more. Yet Chiari chose to grasp the verb's first meaning. The U.S., he crowed, had given in. The U.S. maintained that it had made no commitment on a new treaty. Now the leftists sprinkled their gasoline.

Six nights after the riots began, 2,000 students massed at the University of Panama. From the auditorium walls hung signs that read Down With Yankee Imperialism. Thundering anti-*gringo* tirades, student orators called for a march on the presidential palace. The audience rose and sang the national anthem. Then the students moved out.

At the palace, guards were ready. The students were in no mood to compromise. Chiari knew it. Wisely, he agreed to hear their complaints. "There will be no resumption of relations," he shouted, "until the U.S. agrees to negotiate [a new treaty]." The students cheered.

Asked to explain what they wanted in a new treaty, many Panamanians replied in vague and general terms. It remained for a chubby, white-haired, highly respected jurist named Dr. Octavio Fábrega to list his nation's demands in sequence. The perpetuity clause, he said, must go. Secondly, the United States should admit "in a real and tangible way" Panamanian sovereignty over the Canal Zone. Thirdly, Panama should be the "chief beneficiary" of the canal's profits. Finally, the United States should increase the number of jobs for Panamanians in the zone.

Washington seemed incensed. "There is no foundation for Panama to demand renegotiation of the treaty," said Missouri Rep. Clarence Cannon. Added Senate Republican leader Everett Dirksen, "If we crumble, the reverberations . . . will be felt around the world."

Quite obviously the United States cannot afford to negotiate under duress, or to barter away its primary obligation to operate and protect the canal. There are, however, several steps the United States can and probably should be willing to take. The perpetuity clause can go. "This is a psychological thing," says a Panamanian student. In a new treaty you could operate the canal for ninety-nine years. It wouldn't matter. The important thing is that it wouldn't be forever."

A second positive step would be to increase the $1.93 million annual payment for use of the waterway. One way to do this would be to increase shipping tolls, which have remained the same since 1914. However, because seventy-five percent of the total exports of Ecuador, Peru, Bolivia and Chile pass through the canal, a toll increase would cause a rise in prices of such commodities as copper and tin. A better solution might be a new congressional subsidy.

The United States can take a third important step by increasing job opportunities for Panamanians inside the zone. Ninety percent of U.S. employees are on the upper end of the wage scale; ninety percent of the Panamanians are on the lower end. Wages for Panamanians have risen 80 percent since 1952, yet the total annual payroll for 10,000 Panamanians is less than the total payroll for the 4,000 U.S. civilian employees. Because roughly half of these 4,000 positions fall under a security classification, they must, by law, be held by American citizens. "The regulations," says Governor Fleming, "can probably be liberalized."

The United States, if it wishes, can learn some valuable lessons from what happened in Panama. The first is that a paternalistic policy outrages the Latin sense of dignity.

"Our relations with Panama," Governor Fleming says, "are completely different from our relations with any other country in the world. We're sort of married, and the canal is the offspring." This, perhaps, is precisely what is wrong. Like the man who has been married for 60 years to the same woman, the United States really does not listen to the Panamanian grumblings. When it is finally forced to pay attention, it does so in a patronizing way "The U.S. has long told Latins of its desire to create a better environment for them," explains Will Arey, a former public-affairs officer for the Canal Company. "All too seldom have we stressed our hope to accomplish these goals with them. Panamanians want to be treated as equals, not as the underprivileged wards of a powerful guardian."

A second lesson is that our hydraheaded system of representation in Panama serves to breed confusion. The U.S. ambassador is responsible to the State Department. The Canal Zone governor reports to the Secretary of the Army and, through him, to Congress. The commanding general of the U.S. Army's Southern Command receives his orders from the Pentagon. "What we need," says former ambassador Farland, "is one loud clear voice to explain American policy. Until we get it, the Panamanians will continue trying to play off one U.S. official against another."

A third important lesson applies to the Zonians. Living behind their mesh fence in an enclave of economic advantage and special privilege, the Zonians inspire resentment on the other side of the barrier. But equally important, their isolation from Panamanians and their status as virtual expatriates produce in some a kind of ultra-Americanism that fosters local friction and hinders U.S. policy.

The atmosphere in Panama now is tense. The pressure on Chiari from the left has not abated. "We would rather die than give up [our claims]," he has said. "We are not worried a bit. We know how to tighten our belts." Few Panamanians think Chiari will waver. Yet pressure from the right is mounting. The crisis has dealt a serious blow to Panama's economy. Tourism has evaporated. Construction projects have stalled. Businessman wait to see what will happen before they proceed with investment plans.

Attitudes remain unchanged. Two flags now fly in front of Balboa High School. American students accept them glumly. "I'm thinking of making a casket in the shop," says a crew-cut 17-year-old junior named Mike Plucker. "I'll put a sign on it saying here lies the freedom of the Canal Zone people." James Jenkins has left the zone to continue his schooling in Ohio. "I think we've won our point," he said. "I sure hope this proves that teen-agers aren't juvenile delinquents and that we're patriotic."

The diplomatic stalemate continues. Time is not on our side. Delay in finding a solution increases the danger of new chaos. "The answer now is not to close ranks and rally around the flag," warns Governor Fleming. "There has either got to be some giving in to the Panamanian pressures or we've got to resist by force." President Johnson is more optimistic. "I think agreement can be reached," he said, "and I think men on both sides, men of goodwill, will try hard."

They will have to.

Mr. CULVER. Mr. President, I will be glad to yield.

Mr. ALLEN. Will the Senator yield the floor?

Mr. CULVER. Not the floor, I just yield for a question. I retain my right to the floor.

Mr. ALLEN. Yes, I understand. I merely wanted to see if the Senator planned to read the 1964 article until 2 o'clock, which was the time at which

the majority leader was going to make a motion.

Mr. CULVER. No, I do not plan to do that. But I want to say to the distinguished Senator from Alabama that the day that I receive a fraction of the time the Senator sees fit to take in order to elucidate properly some of these issues, I will be very happy indeed. I hope the inference and the implication of the Senator's question are not to suggest that somehow my presence in this colloquy is taking up a disproportionate amount of time.

Mr. ALLEN. Well, the Senator knows whether he is doing that or not. I will leave that up to him.

Mr. CULVER. Well, by what objective standard might one reasonably conclude that? Does he want to suggest that we put a timeclock on people——

Mr. ALLEN. If the Senator wants to——

Mr. CULVER (continuing). In discussing this issue?

Mr. ALLEN. If the Senator wants to yield the floor to me I will be glad to answer him.

Mr. CULVER. I am not going to yield the floor, but I will certainly yield to the Senator for the purpose of answering the question I pose.

Mr. ALLEN. That would be improper, as the Senator knows. The Senator having the floor can yield only for a question and not for the answer to a question. If the Senator will yield the floor I will be glad to answer his question.

Mr. CULVER. Why do I not ask unanimous consent to afford the Senator his opportunity without my losing my right to the floor to answer the question? I ask unanimous consent that I be able to yield the floor for that purpose, and that purpose only, retaining my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object.

Mr. CULVER. The Senator from Alabama objects?

Mr. ALLEN. Yes.

Mr. CULVER. Well, I might be even more interested in the subject.

It seems to me that this history is relevant to the Allen amendment that is pending now before the Senate, whereby we would be insisting that on the unilateral determination of the President of the United States, if in his judgment it was desirable to retain American military base presence in Panama after the year 2000, that we should be able to do it, and that we should not necessarily expect that the Panamanians would feel that that fundamentally alters the nature of our tentative treaty understandings to the extent that it would require an additional plebiscite in Panama.

Now, on the first point: I do not think one has to know very much about the real world today to realize that if there is one thing that is totally unacceptable at a time of increased nationalism, not only in Latin America but in Africa and elsewhere throughout the world, if there is one thing that is no longer tolerable to the people who live in this world, it is a continuation of occupation by a foreign military presence.

If there was a strip through Alabama—let us take this hypothetical example—if there was a strip through Alabama 50 miles long and 10 miles wide, and the people of Alabama were of the view that the circumstances under which that foreign occupying power got hold of that territory stunk—simply stunk, s-t-u-n-k—why would they think it stunk?

Well, they could go back, using the analogy and historical parallel of Panama, and they could say, "Well, at that time the Panamanian Government, which was more powerful than we were, was negotiating with some of our sister states about the desirability of having this canal somewhere in the area. To further their own economic and national security interests, they just picked a spot here. The French had been playing around down here in the South, and they could not seem to make a go of it, so the Panamanians started negotiating with some of the bigger states and more powerful states around Alabama, and they could not get a deal."

You will remember when the United States tried to work this out in Panama after the French went broke trying to get it done. Our lawyers could not get a deal with Colombia, they could not agree on a price, and Panama then was a part of Colombia, so what were we going to do? They were holding us up for a price we did not want to pay; America was big and powerful, and we decided we should not stand for that. I do not know why not, but we did not. We felt we had some right to pick a spot, any spot, if we were powerful enough to impose our will on whoever, God help them, was there at the time.

We could not get a deal with Colombia, so we lent ourselves to an awful lot of hanky-panky. A lot of hanky-panky went on. It is a question just how much was official and how much was unofficial. It is like this CIA business of direct plausible denial—never let the big guy know exactly what is going on, so he can always say, when it comes up, that he did not know about it. A wink and a nod, and a deal is struck.

But anyway, there were a lot of big economic interests that were holding the bag, because of the French experience. They wanted to get their money out, and they saw Uncle Sam with enough money to bail them out, if they could figure out a way to get hold of that land, at a price they wanted to pay, and control it. Colombia was a problem. So what did they do?

All these interests, governmental, quasi-governmental, big Wall Street lawyers, and others, the French financiers—they had a couple of governments collapse over this in France—worked out a deal. They would get a few people in Panama to "revolt." From whom? From Colombia. And declare what? Declare their independence.

How on earth were they going to pull that off? With our cooperation. So, in really one of the cost cynical, imperialistic power grabs, we got hold of Panama. Make no mistake about it, it is not a proud diplomatic chapter as to how we got our hands on the Panama Canal.

What we did as an engineering feat was an incredible compliment to the genius of the American people, as well as what we did in health and malaria control.

But the fact of the matter is that we put our warships down there and had the Marines standing ready to move. In those days all you had to do was bring a ship up along the shore and everybody ran for cover. And we had a revolution, a bloodless revolution, but it was a revolution. Then what happened? What was the next step?

Within 72 hours or less, we recognized Panama. We were really on the inside track. We recognized Panama in 3 days in a time when it would take months to get news anywhere, much less on the status of a revolution. We were on notice.

The next step, then, was to get a good deal on the canal. There was a Frenchman up here—a Frenchman, not a Panamanian—a Frenchman who had been up to his hips in all the financial and political shenanigans that had been going on in France, and he wanted to get his money out. So he started to draw up a treaty. He was on friendly terms with the "revolutionaries" in Panama, who were a handful of people, a dentist, and a couple of others who thought it would be a good idea; if the Americans took over instead of the Colombians, they would be with the big, powerful gringo and they could make out.

So this Frenchman worked out a deal with our Secretary of State until, when those revolutionary Panamanians who were very pro-American, found out about it. They said:

> Wait a minute, don't you negotiate the terms of that treaty arrangement, at least until we get a chance to look at the document. If we are the newly-constituted Panamanian Government, we want, of course, to be the ones who negotiate the rights and privileges and the mutual obligations of the Panamanian Government, on the one hand, and the United States on the other.

Well, of course, our French friend up here in Washington—I think he was staying at the Willard Hotel—got word of this, and he said, "I'd better move fast." And even though, in some strange way, he had gotten this official designation to negotiate, he decided that his writ was starting to run out. The Panamanians were moving fast to take a ship from Panama to New York and the train from New York down to Washington before he could sign that treaty.

It was a race against time. It was the Perils of Pauline. They tried; they sent messages; and, remember, he was moving as fast as he could.

The long and short of the story was, he cut a deal. Right from the beginning of that 1903 Treaty, there was not one Panamanian official, even under the phony arrangement that had just transpired, that even saw the document, much less negotiated it, much less signed it.

So there you have it. The Panamanian officials get back on the boat with their tails between their legs and go home and say, "Guess what, folks, my first state of the union message to you has to include the acknowledgement that I have a treaty here in my hand, just negotiated, that will bind you in perpetuity, that will compromise your sovereignty or at least

raise questions about it, that is going to provide that we get peanuts compared to the real value, and on that basis let us start our new nation and ratify your first government with me as your President by popular referendum. And incidentally, this deal was cut by a Frenchman, not a Panamanian but a Frenchman, on the day you are first starting out with your new Panamanian Government."

So, my friends, let us go back to our example of Alabama. Suppose this whole situation were reversed, and in the year 1903 it was the deep South—it was Alabama that had this unique geographic position in the world that gave rise to the desirability of a powerful nation somewhere else, let us call it Panama, wanting to dig a ditch right across 50-mile swath 10 miles wide in Alabama.

But the problem was complicated in those days, if one will recall American history, because Alabama did not exist as Alabama. It just existed as part of one of the large Southern States around Alabama.

So what are the Panamanians going to do? Well, the first thing that they would reasonably do, if they wanted to be able to represent themselves as a civilized nation among the various states of the world, would be to go to the big brother, those larger Southern States who were comparable to Colombia in our historical analysis.

They would say to whoever it was—Georgia, Mississippi, Florida, whoever—"Look, you own Alabama, right? You own this area?"

"Right."

"I will tell you what we have in mind. We think this is a good place to build a canal, because it will make a lot of money for us. It will improve our national and international trading position. It will improve our security posture. We will be a two-ocean power. If we can just plow through there it will be a tremendously good shortcut."

They start talking in those days with Mississippi, Georgia, Florida, and say, "How about it? How much will it cost to dig up 50 miles, 10 miles wide, of Alabama for this neat idea we have?"

Incidentally, there had been another country in there for 20 years or so which had tried and failed.

"How much do you want for that? We could not get a deal."

The Panamanians could not get a deal.

"Georgia and Mississippi wanted too much money. We thought they were holding us up.

"What did we do? We arranged a coup. We arranged for a revolution. We did. We just thought it would be a good idea in Alabama if we could sit down here and talk a little bit. There are a few people here in Alabama who are not so happy with being hooked up with Georgia, Florida, and Mississippi anyway. Maybe if they would cut themselves free—they are not powerful enough to do it themselves with those big bullies around them—if they could cut loose themselves, if they could just get free, with our help, those big bullies, as big as they are to us, would not be very big when they see the sight of your gunships out there."

A few people who were rather enterprising in Alabama in those days said they did not like Georgia, Mississippi, and whatnot, anyway. They said, "Good idea. How do we do it?"

"Well, you go ahead. They really do not have much physical presence or control here. You go ahead and cut a deal. We will work this out. You storm the palace or take over the guardhouse and put up a flag called Alabama, an independent flag, and then once you do that we will have our crack Panamanian marines just standing offshore around your boundaries, to intimidate, to successfully intimidate, any likelihood that Mississippi, Georgia, or Florida will attack."

All right, that was step 1, and it worked pretty well.

Step 2 was when the Panamanians said, "Now we have to formally get an agreement on a canal. Who do we deal with? Do we deal with the Alabamians or do we deal with somebody else?"

It is logical you would deal with the Alabamians with respect to their revolution. That would make some sense.

Then a Panamanian said, "Wait a minute. We know what kind of deal we want and you really do not know what these people are likely to ask for when we start negotiating with them. You really do not know. They are really an unknown element. They are pretty shaky and unstable. When they get down to Panama and try to work out the terms under which we build this canal in Alabama, they may hike the ante. I will tell you what we are going to do. We are going to negotiate with this New York Wall Street lawyer. He is a carpetbagger. He is a Yankee. He does not know that much about Alabama, you know, but, nevertheless, he is there."

He represented these people in Alabama, who were not sophisticated about international law or how you create a good nation or state, but like a good lawyer he was necessary to have at your elbows when you pull off one of these big deals.

The Panamanians said, "Look, we will negotiate with that fellow, because we know he is in our pocket, we know he stands to benefit from any deal we cut that is beneficial to us, and he had that previous experience with the French in trying to dig the canal in Alabama. We better go ahead and take that."

That is the way it worked.

Had that been the situation, I imagine today that, just as in Panama, in Alabama schoolhouses one would be taught a course, just as the Panamanian schoolchildren are, about the indignity, the injustice, the unfairness, of the historical circumstances surrounding the situation that, now, in Alabama, we have these Panamanian troops; that this swath that we sold off also has a canal zone; that they live better; that they live in this beautiful ghetto; that they have different wage scales, all the rest, plus on sacred Alabama soil are foreign troops.

We got awfully upset in this country about the British troops. That is really what we are talking about today, the accumulation of historic grievances that have now understandably and properly ripened to a point of explosion. They are no longer containable.

We had a warning in 1959 when we had riots. We had the riots I have referred to earlier in 1964, and it was because of those riots that we entered into the first of the negotiations over a new treaty. Four different Presidents have supported these negotiations, all the prior Secretaries of Defense, Secretaries of State, and the present ones, as the best arrangement. For what? For guaranteeing our national interest in the secured use of that canal in future years.

One of the most important points in the proposed new treaty, of course, besides the questions of perpetuity, sovereignty, and tolls, is the troop issue. Nothing goes more directly to the raw nerve ends of proud, sensitive people in the world than the unwelcome occupying presence of foreign troops. Nothing is a more fundamental outrage and insult to their national honor, their sense of pride and their true independence.

We work out arrangements all over the world for the positioning of American troops, on a basis of reciprocity and benefit in our mutual security interests, with proper and just compensation. That is one thing. But the mere symbol of continued foreign troop presence on one's soil for an indefinite period of time is absolutely and fundamentally unacceptable.

That makes sense to me. I think it would make sense to the people of Alabama if they had suffered all those years with foreign troops present in the form of the Panamanians.

As a member of the Senate Committee on Armed Services, we had testimony on these treaties, and I have reviewed it. Admiral Holloway, our Chief of Naval Operations, who of all the service chiefs should have a particular interest in the future security of the canal, given his particular mission responsibility, was very frank to say that if he had his "druthers," if any military person had their "druthers," they would like to see a situation where we could have American military troop presence anywhere we wanted to put them, in perpetuity, and the people where we put them would think that was just fine. From a purely military perspective, when we talk about the selfish national security interest of our country, assuming those host countries wanted them there and would leave them there unmolested, that would be the best deal. But—but—"that just ain't" the real world today.

When we talk about our national security interest, we have to anticipate the threat and we have to take steps now in anticipation of those problems that can best protect, properly understood and defined, our national security interest over the long term.

Admiral Holloway went on to say that, for 4 years, he personally was involved in these discussions. He was intimately involved. This is not something that is purely the work product and the fruit of diplomats working in isolation, insensitive to some of the hard-nosed security requirements of this Nation's status in the world. The Joint Chiefs or their

representatives were involved every hour of every day for 14 years. Every hour of every day for 14 years, we had military experts on hand—military experts—people who really knew their subject and who were, most importantly, in a position of immediate responsibility in the discharge of those judgments. Admiral Holloway said that, after 4 years, it became very clear to him that the possibilities of keeping troops indefinitely, in perpetuity, was out of the question. The only question was, what was the compromise we were going to reach because of this fundamental sticking point?

This issue stuck in the craw of the Panamanian people, and understandably so—foreign troop presence is the heart of the matter. Foreign troop presence is the most offensive physical symbol of your own lack of freedom and of your own lack of true independence. Unless that presence is negotiated as a result of a mutual benefit, formally agreed upon and mutually supported, it will not work. Anybody who has gone through the revolutionary experiences of modern history and has blinders on to this basic fact makes me very uncomfortable indeed, if that is their appreciation of how our national security interest can most properly be protected, defended, and advanced under the best possible circumstances.

Admiral Holloway said that the year 2000 was negotiated and agreed upon. Obviously, if this matter is of such basic importance as an issue in Panama, they started from a negotiating posture, "We do not want you there at all, your foreign troops."

I am sure that there is a very considerable and powerful body, not only of diplomatic official judgment, but of mass sentiment in Panama that cannot be ignored, that says that anybody who agreed to let one American military person stay there 1 more day ought to go resign, because of the historic injustices which make so unacceptable their presence here right now.

Admiral Holloway says we worked on that problem and we worked out a compromise. That compromise was, I think, under all these circumstances and facts, remarkable, truly remarkable. What did it provide? In spite of all this sordid history, in spite of the festering, vicious sense of dishonor that is harbored by the great mass of the Panamanian people, they were able to accept, in this mutual negotiation, a provision that all those American troops can stay there, that said, "We will let you continue your military presence, your troops, and we, in effect, will say you have primary responsibility now and will continue to have it." For how long? Twenty-two years. Twenty-two years.

The reason I emphasize that is I do not know how many Members of the Senate who are here in the course of this debate, assuming they are politically alive, will even be likely to be physically alive in the year 2000. Not that I welcome that consideration, nor am I unaware of the fact that we have to make a judgment today to last, responsibly, into that time frame. I say that for emphasis, to point out the magnitude of the concession the Panamanian people and Government have made on this particular aspect of the treaty, when they have said, yes, for the next 22 long years—22 long years.

You know, we have only had the canal for 75 years. For virtually another quarter of a century, they said, "You can stay down there, lock, stock, and barrel at the ready, to protect your interests and to prepare the way for our future relationship and mutual security."

Mr. President, if that is the case, and I believe it is, the issue posed by this amendment is the prospect of upsetting a delicately drafted compromise. The compromise is between those who look at it through the telescope of our own selfish national security interest and assume, in a dreamland, that it is conceivable we could stay there forever and the Panamanians would love us forever, and those who look at it through the Panamanian telescope that says we ought to go tomorrow. We have worked out, now, in these treaties, a balanced compromise. The issue that is posed by these amendments is whether or not that very genuine good-faith effort to compromise, to achieve a meeting of the minds on such a fundamental element in these treaties, is now going to be upset—not only upset in terms of the present compromise, but also by the possibility that unilaterally, without any bilateral discussions whatsoever, the President of the United States can determine we are going to stay there. Just on the face of it, that would be blatantly unacceptable to anybody.

It would be unacceptable to the people of Alabama if they had painstakingly negotiated a treaty with Panama that provided for the withdrawal of Panamanian troops after 75 years on their sacred soil.

Now, the other thing, of course, is when Mr. Torrijos says, "I would have to subject this to another plebiscite," I do not find that very surprising, because this goes to the guts of the matter. This goes to the heart of these treaties. It is one of the most fundamental and crucial issues. And, certainly, Mr. Torrijos is not in a position, in accordance with their own processes, not to subject this to ratification.

Of course, we run the risk, in doing that, that we are not now discussing this in isolation or in a vacuum. But if we send the treaties back with that provision, I submit, Mr. President, that we will have to assume the responsibility if that is used as a justification and as a trigger to ignite and unleash a veritable trend of public demonstration and outrage that will be very skillfully exploited, aided, abetted, and fanned by the enemies of the United States of America who do not wish us well and find it irresistible—the target of opportunity we have afforded them—not only to damage and bring about the likely closure—the closure—of that canal, as distinguished from its destruction, which will have the same security consequences to this Nation, but also to poison and spill over and affect the whole general climate of Latin America and the whole basic fabric of the United States-Latin American relationships.

I am delighted to yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Does the Senator yield the floor?

Mr. CULVER. Just—I yield the floor.

Mr. ALLEN. Other than to yield the floor——

Mr. CULVER. I yield the floor.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

(Mr. BENTSEN assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, article I of the treaty concerning the permanent neutrality and operation of the Panama Canal guarantees that the canal, or any other waterway constructed in Panama, will be permanently neutral. It sets forth the basic principle which undergirds this treaty, that being that the canal shall remain an open, neutral waterway for the use of all nations.

The amendment offered by the distinguished Senator from Alabama (Mr. ALLEN), as modified, would provide for a continued U.S. military presence, if the President of the United States deems it necessary, until December 31 in the year 2019.

Actually, other articles in the treaty, not article I, deal with the maintenance of the regime of permanent neutrality. Article IV states unequivocally that the United States and Panama will maintain that regime of neutrality.

Article IV would be reinforced and amplified by the proposed joint leadership amendment which states that the United States and Panama, and in accordance with their respective constitutional processes, shall defend the canal against any threat to its neutrality and shall have the right to defend against any aggression or threat directed against the canal or the peaceful transit of vehicles through the canal.

Amendment 20, which is the joint leadership amendment, makes our defense rights after the year 1999 abundantly clear. There will be no question about our right to take action to assure the canal's security and neutrality and it will not be necessary for us to maintain troops stationed there permanently in Panama in order to do this.

So let us be clear about the impact of the amendment offered by the distinguished Senator from Alabama (Mr. ALLEN). It is unnecessary and it flies in the face of the entire agreement.

The Panamanians are willing to recognize our right to defend the canal, and we will have that long-term guarantee. They are not willing to make an agreement at this time for the continued presence of U.S. troops on Panamanian soil after 1999.

The treaty with the inclusion of the leadership amendments will insure our ability to maintain the canal's accessibility and neutrality after 1999 without a continued military presence.

Insistence on the presence of U.S. troops after 1999 would result in the kind of hostile atmosphere that we want

to avoid. Cooperation and mutual respect, rather than an unwelcome show of military force, will engender the sort of environment that will enhance our security interests in the canal.

A realistic assessment of this matter was provided by one of our leading military officials, Adm. James L. Holloway III, Chief of Naval Operations.

Admiral Holloway said that although he considered a U.S. military presence after 1999 desirable, he had concluded that Panama would not accept a treaty without the provision that the U.S. armored forces be withdrawn after a certain date, and he had decided there was a great need to gain achievement by having the treaties as they are than by having no treaties at all.

Admiral Holloway said, and I quote:

It is more important to have the Panamanians sharing in the defense of the canal, cooperating in the operation of the waterway and working to create a favorable environment for the defense of the canal, than not having any treaties, which almost certainly would have been the case had our side insisted on an indefinite military presence.

So, Mr. President, as Admiral Holloway said, we need to view things in the real world perspective, and he has offered this realistic analysis.

This is, as I say, the Chief of U.S. Naval Operations. He recognizes the value, indeed the advantage, of being partners rather than adversaries with Panama.

Should the canal in any way be threatened or our ability to defend it, Gen. Lewis H. Wilson, Commandant of the Marine Corps, has stated:

I do not believe that successful defense of the canal is dependent upon continued U.S. military presence in Panama.

That is the position held by all the members of the Joint Chiefs of Staff.

General Wilson said:

With the capability of the Navy and Marine Corps to provide an amphibious task force to steam within a few miles of the end of the canal, a meaningful U.S. presence, for all practical purposes, is assured.

That, Mr. President, is the conclusion of our top military officials.

A U.S. military presence in Panama after the year 1999 is not necessary. There is no justification as of this date, February 27, 1978, that such U.S. military presence in Panama, extending 19 years into the next century, is needed or necessitated.

Our defense rights in the treaty, reinforced and amplified, as offered by the amendment offered by the joint leadership, and coupled with our military ability, will insure we have the ability to maintain the security and neutrality of the canal.

Mr. President, the amendment offered by the Senator from Alabama, in my judgment, is not only unnecessary, but it is antithetical—antithetical—to the treaties and to the best interests of the United States.

The Senator from Alabama has stated his opposition to these treaties. I respect him for his opposition, I respect him for his belief that the amendment is necessary. But I say, Mr. President, that the amendment is a killer amendment. It would provide for a unilateral determination by the President of the United States that a continued military presence in the country of Panama should be maintained until the year 2019 and, ipso facto, that military presence would be retained if written into the treaties by virtue of this amendment; and the President would only need to so certify to the Panamanian Government.

Obviously, this amendment goes to the very heart of the treaties. There is no question that it would require renegotiation of the treaties, because it extends the date under which the military presence of the United States would be withdrawn. In the treaties as written, that date is December 31, 1999, after which the Neutrality Treaty, as amended by the joint leadership amendment, would take effect.

If the Allen amendment is adopted, it would thoroughly unravel—it would thoroughly and unmistakably, indubitably, unquestionably unravel—the treaties, opening them to renegotiation, and certainly would not be in the best interests of the United States.

Therefore, I oppose it, and I am prepared now to move to table the amendment, and I do move to table the amendment; and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I withhold the motion temporarily.

Mr. ALLEN. I hope the Senator will withhold the motion.

The distinguished Senator from Maryland (Mr. SARBANES) has spoken in opposition to the amendment. The distinguished Senator from Iowa (Mr. CULVER) has spoken against the amendment. The distinguished majority leader has spoken against the amendment. Furthermore, the distinguished Senator from Iowa (Mr. CULVER) made several references in a most hostile fashion to my State of Alabama, which I resent very much, and I would like to have the opportunity to address—

Mr. CULVER. Mr. President, will the Senator yield?

Mr. ALLEN. I would like to have the opportunity of addressing the Senate in this regard.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. ALLEN. I do not have the floor.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Iowa.

Mr. CULVER. I thank the majority leader for yielding.

I am a little surprised by the suggestion that any of my remarks, properly construed, could for a moment give rise to the slightest adverse reflection or commentary on the distinguished citizens of the State of Alabama. Outside of my own State, I know of no State that I have a higher regard for.

I think the Senator from Alabama knows me well enough not to believe that I would in fact make any characterization about the people he represents—or the people any other Senator in this Chamber represents—that could be fairly construed to imply anything but the highest regard and respect, because Americans everywhere share that kind of assessment, so far as I am concerned.

What I did try to do, to place this debate in a little more meaningful perspective, was to attempt, by way of analogy, to suggest if the situation that we are facing with regard to Panamanian sentiments and attitudes and the long historical experience that they have suffered under were in fact reversed, and the people of Alabama were subjected to a comparable historical experience, I was using that illustration to try to effect a greater degree of sympathy, understanding, and empathy with regard to current Panamanian emotion.

The extent to which I had any intention to reflect on the attitudes of the people of Alabama would be, I think, a highly laudatory one, and a highly commendable one, and that was to suggest that the people of Alabama, like the people of Panama, would be most offended and most sensitive and most assertive in their determination to assert, as a matter of national pride or honor, their very real resentment to this historical experience.

So, to that extent, I really intended it to be a tribute to what I think are most admirable qualities of character that I am very confident exist in abundance in the people who reside in the State which you are honored to represent.

I thank the distinguished majority leader for yielding.

Mr. MATSUNAGA. Mr. President, will the distinguished majority leader yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. I yield, with the understanding that I will not lose my right to the floor.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that Dr. Jerry Comcowich, of my staff, have the privilege of the floor during the debate on the Panama Canal Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alabama knows that I want to respect his wishes. As I indicated to him last week, I stated that I would not make any motion before Monday to table the amendment. There was ample time on Friday to debate the amendment, and it was debated, and the Senator addressed himself to it. I addressed some remarks to it, likewise.

We have had now more than 4 hours today to address the amendment, which is the pending question before the Senate.

Insofar as further debate on the amendment is concerned, I feel that I have fulfilled my obligations, my promises, and I do not feel under any obligation to delay further the motion to table on that account. However, if the Senator feels that his State has been offended, or if he has been offended, by the remarks of any Senator—and I am not attempting to pass on that—I certainly would be willing to withhold my motion

for, say, 10 minutes, giving the Senator an opportunity to address his remarks to that point. I would feel compelled to do that. I feel that I owe the Senator, or any Senator, that consideration—but only to that extent, I say to the distinguished Senator.

Mr. ALLEN. I appreciate the kind offer of the distinguished majority leader. Ten minutes will not be sufficient, and I will avail myself of the first opportunity I have, after the tabling motion has been voted upon, to get what I might say is my unlimited right to discuss the matter.

I want to make this statement, though, and I will do so if the distinguished Senator will indulge me for 1 minute.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I will make this statement: If the name of the State of Alabama is used in a disparaging fashion by any Members of the Senate, whether he be a proponent or an opponent of these treaties, the Senator from Alabama will feel that it is his duty and his responsibility to do everything within his power to defeat these treaties. That has not been his feeling up to this point. But the references in an unfavorable way to the State of Alabama, and using the State of Alabama in an unfavorable analogy, as the Senator from Alabama sees it, must not be committed.

I say to the distinguished majority leader that I came very near seeking to invoke rule XIX, paragraph 3, which would give me the right to call the distinguished Senator from Iowa to order, before I sit down, and let the Senate determine the matter.

I do appreciate, shall I say, the partial apology made by the distinguished Senator from Iowa (Mr. CULVER), but I do not feel that it is sufficient.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. ALLEN. An unfavorable reference to Alabama must not be made in the U.S. Senate. I am sure my distinguished senior colleague feels the same way.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alabama is protected under rule XIX from any statement which disparages a State which that Senator represents or disparages that Senator, and the Chair is also obligated to uphold the rights of any single Member of that group.

As I say, I would be perfectly willing to delay my motion to give the Senator an opportunity at this point, if he seeks it. But I want to assure him that I respect his feelings in this regard. I feel the same way about the State of West Virginia.

I do not know what was said that has offended the Senator from Alabama, so I am not attempting to pass on that as to whether or not anything was said that should be duly offensive to the Senator or to his State. But if he wishes for me now to yield for that purpose I will do it for 10 or 15 minutes. If not, I would prefer to proceed with my motion.

Mr. ALLEN. I really do thank the distinguished majority leader, but I cannot accept that. I would hope that the Presiding Officer would recognize me as soon as the motion to table has been made.

Mr. GRIFFIN. Mr. President, will the majority leader allow me a minute?

Mr. ROBERT C. BYRD. Yes, without losing my right to the floor.

Mr. GRIFFIN. Mr. President, I wish to indicate that I am opposed to the Allen amendment, just as I would be opposed to all other substantive changes in the treaty text, including the Byrd-Baker, so-called leadership amendment.

However, even though I oppose it I would not vote to table the Byrd-Baker leadership amendment. The procedural motion to table cuts off debate, and when it prevails operates to avoid an up and down vote on the merits of an amendment.

I know of no filibuster in progress in connection with the Allen amendment now before us. I see no particular reason why the Senate should not proceed to an up and down vote on the merits of the Allen amendment.

Accordingly, I wish to make clear that when I vote against the motion to table I shall not necessarily indicate thereby that I would vote for the Allen amendment on its merits. Indeed, I would vote against it.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator.

Mr. SPARKMAN. Mr. President, will the Senator yield to me very briefly?

Mr. ROBERT C. BYRD. I yield 2 minutes, without losing my right to the floor.

Mr. SPARKMAN. I want to say to my distinguished colleague from Alabama, who said a few minutes ago he felt surely I would feel the same way that he did, of course, I do not know how we can compare feelings, but I do want to say this in all frankness: When the distinguished Senator here was speaking I found myself wondering how in the world that presentation was relevant. I just failed to see the connection.

I am not trying to condemn my friend here for it, but I just wanted to say, since my colleague had said I felt the same way, that I did feel it was wholly irrelevant.

Mr. ALLEN. I thank my senior colleague.

Mr. CULVER. Mr. President, if the distinguished senior Senator from Alabama will yield——

Mr. ROBERT C. BYRD. I yield for 1 minute. The reason I am a little chintzy with my time is because several Senators have to leave, and I want to make the motion before that time.

Mr. CULVER. I am a little bit in the eye of the storm on this, Mr. Leader, and I do think, in fairness to the two very able and distinguished Senators from the State of Alabama, as well as the collective institution of the U.S. Senate itself, that I should formally state that if anyone construed or interpreted my remarks as being an inappropriate or unfair reflection on the people individually of that State or that State as a whole that, of course, I would apologize. I certainly did not intend that.

But let me also say that such construction could only be brought about through the most tortured, the most tortured, interpretation of my remarks, and it could only be brought about as a result of my own inability to articulate with clarity the sentiments in my mind and heart.

What the Senator from Iowa——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. I yield again to the Senator.

Mr. CULVER. What the Senator from Iowa was simply attempting to do, and with how much success we could leave to a more objective audience, was to use the historical experience of the Panamanian people dating from the first part of this century, under the treaty arrangements of 1903 and how they were obtained and determined and subsequently implemented, and the Senator from Iowa went through the cumulative sense of national outrage an offense that, to this Senator, is more than understandable in terms of their own personal pride and national honor.

What I was attempting to do was to bring about a greater degree of sensitivity, empathy, understanding, and appreciation of the depth and intensity of that sentiment in Panama today. I think it is very essential that that be fully understood as we consider these treaties and their ratification and any amendments thereto, and as an opportunity and as an effort to better bring about such improved and enhanced understanding, I did think it would, perhaps, be most effective in making that point to suggest that if the national experience of a particular State—and I picked Alabama; it could apply to Iowa, it could apply to Massachusetts, it could apply to California, it could apply to any State in the Union—that if any of the people of this Nation were subjected to a historical experience comparable to that history of the establishment of Panama as a State, the circumstances surrounding the negotiation of the first treaty, the past 75 years of history under that treaty, the rioting and other things, then it is most logical and understandable to me that the kind of people I am proud enough to represent would not have any more of it. They would revolt, they would assert themselves, they would be prepared to take the necessary steps to restore a proper sense of national pride, honor, and self-respect.

By suggesting that in no way do I intend to convey the notion that people who react in such a fashion to such a national experience as the one I have just described are to me thought less of or that that would be properly interpreted as an adverse commentary. I do not think one could communicate a higher accolade or a more noble sentiment than that they would not stand for this.

If Senators feel that the people they represent could be subjected to this in a comparable national experience and react differently, that is for them to speak to, but I certainly intended my remarks with regard to using Alabama as an illustration that it was a high compliment indeed to try to bring home as dramatically as I could to the distinguished Senator from Alabama and the distinguished senior Senator from

Alabama the kind of reaction that I think would be most understandable and be expected and be applauded.

Mr. ROBERT C. BYRD. So the Senator meant no offense.

Mr. CULVER. I think it is clear from what I said that was my intent.

ADDITIONAL STATEMENTS SUBMITTED

Mr. HELMS. Mr. President, the case is very clear that the United States needs some assurance that we will have the right to keep troops stationed in the canal area after the year 2000. I support the amendment of the distinguished Senator from Alabama very strongly because it is my belief, based upon the analysis of experts, that the canal will be even more vital to our defense effort after the year 2000 than it is today.

It is noteworthy that the treaties speak only of the defense of the canal; nowhere does it give us authority to use our military bases on the isthmus for the general defense of the United States or even of the Western Hemisphere. At the present time, our bases there serve such a broad function. I presume that it is our intention to continue to use these bases for such broad purposes even until the year 2000. Yet no one can sit here today and predict what needs our defense will have 22 years from now. We should give the President the option to act unilaterally to protect the defense of the Nation.

The contributions of the Panama Canal to the defense of the United States, to the defense of the Western Hemisphere, and, even more broadly, to the defense of western civilization, are more often assumed than analyzed. Although some proponents of the proposed Panama Canal treaties contend that the canal is of declining significance in our defense strategy now and for the future, both the President and the Joint Chiefs of Staff are on record as to the continuing importance of the canal in our security plans.

Nevertheless it is important to form precise ideas of the way in which the Panama Canal and the Canal Zone can be useful militarily in order to understand how the proposed treaties will impact upon that use. In this way, we will be able to reach a correct conclusion as to whether the proposed treaties actually would guarantee military use of the canal or whether—as in my own judgment—they would more likely result in the denial of that use.

For the reason, I requested the Library of Congress to prepare an analysis of the roll of the Panama Canal and the Canal Zone in our defense planning. Mr. Edmund J. Gannon, Analysts in National Defense for the Library, prepared the study which is attached. It is the first major public contribution concentrating on this problem, and I wish to make it available to all of my colleagues and to the general public so that there will be a clearer understanding of the issues at stake.

In my view, Mr. Gannon's study may be read with profit both by the advocates of the new Panama Canal treaties and the opponents. Mr. Gannon's study takes no sides in the treaty debate; it is a thoroughly professional analysis of the value of the canal for strategic mobility and logistic support. Whether ratification or rejection of the treaties will best insure the protection of the defense contributions of the canal, he leaves to the Congress to decide. His work is another monument in the best scholarly traditions of the Library of Congress, a model of impartiality and detached observation.

Nevertheless, Mr. Gannon's work makes it difficult to lay aside the defense aspects of the canal treaties as negligible. Indeed, just the opposite is the case: By the year 2000, the year we would give up the canal under the treaties, the canal would be more important than ever. Unless major and costly overhauls are effected, our 13 carriers will have dwindled to 3, and we will be dependent upon the mobility of smaller air capable ships of either conventional or radically different design. He concludes:

By the end of the century, the inventory of large carriers will decline. Planners anticipate that by then fleet capability will be dispersed among numerous smaller ships that could transit the Panama Canal. The utility of the Canal in permitting strategic mobility would thus be greater for the year 2000 than at present.

Mr. Gannon examines three aspects of the canal's defense role: First, the value of the canal for logistic support in assembling a marine amphibious force (MAF) for a European landing to counter an attack on Western Europe by Warsaw Pact Forces; second, the role of the canal in facilitating the shipment of munitions to an Asian military operation, that is, Korea; third, the role of the Canal Zone as an advance base to support a carrier task force operating near the Pacific coast of South America. Let us summarize each point in turn.

First. For the first scenario Mr. Gannon chooses as an example a response to a major invasion of Europe by Warsaw Pact forces. That response might be a marine amphibious force (MAF) landing in Europe, either in North Cape, Norway, or the Dardenelles. Under our current posture our MAF elements are split between the east coast, the west coast, the western Pacific, and the Mediterranean. Because U.S. naval forces have dropped by half since 1964, we do not have sufficient forces to maintain all these elements in one location. For a landing of an assault echelon of 33,000 troops, and a follow-on echelon of 19,000 troops, it would take 45 days to assemble the MAF for either location, if the canal were available. Without the canal, it would take 60 days. The saving of time is 25 percent, and in a crisis could be the determining factor. But, more important, the elements that would have to transit the canal could do so within 10 days. Thus it would require only 10 days' notice to move eastern Pacific elements to Europe through the canal, and save 15 days overall.

Second. The second scenario presupposes a military action in Asia, perhaps triggered by a withdrawal from South Korea. Mr. Gannon's study shows that we have only one munitions port on the west coast, and that one is capable of loading only 4,000 tons per day. Since based on past experience, the requirement could easily be 10,000 tons daily, at least 6,000 tons would have to come from the east coast and transit the Canal. Most munitions are manufactured on the east coast, but even if they were shipped to the west coast, the west coast shipping facility does not have the "thruput capacity" to load a sufficient amount. Shipping would also be constrained by the number of merchant vessels available on the west coast. A mix of full capacity of west coast facilities plus the east coast facilities would require 38 ships through the Panama Canal, 48 through Suez, 52 by Capetown, and 55 by Cape Horn to move the required tonage per day. The Suez and Cape Horn routes could have additional drawbacks inasmuch as the routes could be subject to political constraints in going through the sovereign territories of Egypt and Chile.

Third. The third scenario described by Mr. Gannon is the use of the Canal Zone as an advance base for carrier task force operations in the southern Pacific. The assets of the Canal Zone are considerable: The Port of Cristobal (Atlantic side) has 5 piers capable of handling all U.S. warships, except carriers, and includes one pier for refueling. In addition there is a 30-ton diesel locomotive crane with a 50-foot boom and a floating crane with a 250-ton lift. The Port of Balboa (Pacific side) has 16 piers, including a 1,000-foot covered pier and 4 other large refueling docks. It also has a 1,000-foot drydock with a 50-ton gantry crane and a loading capacity for fuel of 3,000 barrels per hour. Rodman Naval Station has three more piers. In addition, Howard Air Force Base has an 8,500-foot runway with 275,000 square yards of apron space capable of storing scores of aircraft. For example, it could accommodate 12 cargo/tanker aircraft, two squadrons of F–4's, one squadron of A–7D's, one squadron of F–15's, and one squadron of F–111's. It also has a formidable capacity for storing fuel and munitions.

To support a carrier task force requires three flights a day of supply planes based within 1,300 miles. More flights would disrupt the carrier's primary mission; a greater distance would reduce the payload of the supply planes. Since the Canal Zone is 3,000 miles south of San Diego, it could support operations as far north as the entrance to the Bay of California and as far south as the Chile-Peruvian border. Both air and naval operations can operate more efficiently from an advance base than from bases within the United States. Although Mr. Gannon's study does not touch upon the point, it should also be pointed out that the Canal Zone serves as an advance base for the protection of the canal itself and the canal's hemispheric defense missions. It should be said that Mr. Gannon's scenarios are illustrative only and not intended to be an exhaustive accounting of the military value of the Canal Zone and the canal.

There are some, indeed, who imagine that the military value of the canal is marginal and not vital; that the canal is a convenience and not a necessity; that it is far too vulnerable to be a stable

element in military planning. I do not agree. We must understand, first of all, that there is not a single element of our strategic planning that is, by itself, vital. Even what is commonly considered the most important segment of our strategic systems, the land-based ICBM, is acknowledged by all to be, by itself, increasingly vulnerable. That is why our strategic defenses are based upon the Triad of ICBM's, submarine-launched ballistic missiles, and the long-range bomber. That is why we are moving to mobile-land based systems (MX), the Trident system, the cruise missile—and why we ought to move to the B–1 bomber.

So too with the Panama Canal. Undoubtedly, we could find alternatives to some military uses of the canal. We could, for example, set forth on the construction of a two-ocean navy, which would require us to increase the size of both our regular fleet and our carrier fleet by about one-third to bring the Navy up to the levels the CNO says he needs for his global responsibilities. We could double the size of our munitions factories and munitions shipping ports on the west coast and keep them on a standby basis in case they were ever needed. We could seek Pacific home port facilities in Ceneral and South America to use as an advance base for the conduct of hemispheric defense operations, communications, and as transit bases for the Navy and Air Force.

However, there are not many people urging us to take such actions, and even fewer who seem willing to pay for them. The Panama Canal and the Canal Zone, as they now exist, provide us with unparalled flexibility, efficiency, and speed of naval operations. As an important segment of our military planning, it infinitely complicates the attack plans of aggressors, and makes our response plans that much more swift and certain. Who does not remember the role which the canal played in helping to avert nuclear war in 1961? We cannot foresee every contingency, for the mind of the enemy is infinite.

As for the supposed vulnerability of the canal, I have already pointed out that all elements of our strategic planning are vulnerable; it is a matter of degree, and a matter of our overall defense and diplomatic posture. For those who agree that our defenses are important, the whole issue about the new treaties comes down to one question: Will the new treaties provide a better basis for the defense of the canal and for the use of the canal in our worldwide defense plans? The administration argues that the new treaties will secure the consent and cooperation of Panama, eliminating or reducing the possibility of sabotage and guerrilla warfare.

The fact is, however, that "goodwill" is based upon an emotional rather than a rational perception of interests. The treaties as drafted confer responsibility upon the United States without clear authority. The confused jumble of jurisdictions which will be imposed upon the present Canal Zone will lead to misunderstanding and rancor. Nowhere does the main treaty give the United States authority to use our bases in the isthmus for hemispheric or strategic defense; indeed, the Neutrality Treaty, which of course would go into effect at the same time as the main treaty, would restrain our use of those bases to the maintenance of the "regime of neutrality." Moreover, it would prohibit the very actions—routine actions in World War II—which are the most reasonable precautions against sabotage; namely, inspection, search, and surveillance and control or disclosure of internal operations, origin, armament, cargo, and destination of warships.

Finally, it must be pointed out that the disappearance of the Canal Zone and U.S. sovereign powers leaves the internal security of the canal almost totally dependent upon the cooperation of the Panamanian Government and people. The collapse of a friendly government or terrorist activity could isolate and paralyze canal operations, particularly if the acting government is unable or unwilling to permit all U.S. troops to enter what would have become Panamanian territory, an action forbidden by the Carter-Torrijos understanding. The land and waters agreement accompanying the treaties leave vital installations isolated, some of them deep in Panamanian territory—installations such as dams, drinking water reservoirs and plants, electrical generator plants, and communications facilities. Many schools, although under U.S. jurisdiction, are also isolated, in Panamanian territory, leaving schoolchildren as hostages to terrorists or possibly to hostile government forces.

All of these considerations raise grave doubts as to whether the United States would be able to sustain its rights under the treaties without grave international disturbances. It is highly significant that, of the four round-the-world routes, one passes through the sovereign territory of Egypt, one through the sovereign territory of Chile, and one through the present Canal Zone. Only the Cape of Good Hope route goes through international waters. The surrender of our sovereign rights in the Canal Zone has enormous consequences which surpasses United States-Panamanian relations.

Moreover, any effort to assert our rights in such disturbances would surely alienate the Panamanian people, including those employed in the canal operations. With the decline of U.S. citizen personnel, a decline which is officially estimated to be as high as 46 percent in the first 3 years, it is not likely that we could practically expect to use the canal for military purposes. Slowdowns, politically motivated strikes, walkouts, and minor sabotage would be the most likely response to any attempt to assert our military rights. After the year 2000, of course, we would not even have an advance base in Panama, but would have to depend upon amphibious landings to conduct military operations on the isthmus, all of which would have to be accomplished without violating Panamanian territory or interfering in Panamanian internal affairs.

Ironically, the new treaties set the stage for a situation where the last resort for asserting our rights, should they be denied, is through gunboat diplomacy. Many of the military uses of the Panama Canal which are studied in the accompanying report would be forbidden or curtailed by the proposed Panama Canal treaties, which eliminate our ownership of the canal facilities and our exercise of full sovereign rights. Moreover, with regard to those rights which purportedly remain, the treaties undermine the conditions of stability which make those rights effective. In short, the military uses of the Panama Canal are of an important magnitude. The rights we have at the present time would be diminished in number; those that would be left would rest upon very uncertain foundations.

IN SUPPORT OF PANAMA CANAL TREATIES

Mr. KENNEDY. Mr. President, in theory, the U.S. Senate is only considering an amendment to article I of the Neutrality Treaty, presented by Senator ALLEN.

In reality, we are considering an amendment which will demolish the Panama Canal treaties, by imposing a completely unacceptable and totally nonnegotiable condition on the Panamanians.

This amendment is a blank check for American military occupation of the Panama Canal Zone after the year 2000. It would warm the heart of the most hidebound colonialist of the 19th century. Yet it is unblushingly proposed for a treaty between equals in the 21st century.

It is hard to satisfy our colleague from Alabama.

He is told that the United States retains effective control of the Panama Canal for the rest of this century.

He is told that the United States has a permanent right "to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal."

He is told that this is an unprecedented right of intervention to secure the canal against any threat, meeting the most demanding requirements of the Joint Chiefs of Staff and the Commander in Chief.

But our colleague from Alabama is not satisfied. He doesn't want us merely to be able to send troops to Panama; he wants to be able to keep them there. He wants a permanent right of occupation, not just of some uninhabited land but of the very heart of Panamanian territory.

Imagine the response of Canada if we were to seek even half as much control over the gas pipeline to the United States. Imagine the response of European allies if we were to seek permanent military base rights on their territory. Or imagine the response of President Jefferson if Napoleon Bonaparte told him that France insisted on the right to occupy the Mississippi in the 20th century.

The Canadians would be outraged. The Europeans would be outraged. We would be outraged. By the same token, it would be a disgrace for the United States to demand this right today, and it would be an ultimate humiliation for Panama to grant it. Not even at the height of

American power has our country ever sought or obtained such a right from its friends and its allies.

We have heard over and over again in this body that it is virtually impossible to defend the Panama Canal against acts of sabotage. By abandoning our semicolonial domination of Panama, by establishing a true partnership with the Panamanians, we give them a stake in the efficient, fair, and open operation of this important waterway.

The effect of this amendment would be the opposite—to perpetuate our military domination, to create a foreign military presence, to alienate the very people who are prepared to work with us in partnership.

Where will the supporters of this amendment be if the Panama Canal is threatened with sabotage unless we withdraw our troops? Will they want us to pour in 50, 100, 200 thousand troops to secure the defense perimeter? Will they want us to be caught, once again, on a sinking boat in a hostile, anti-American sea? Are they so blind to the lessons of the recent past?

The answer is not to compound the frustrations of the people of Panama, but to recognize their essential interest in and responsibility for maintaining a neutral and open waterway from which all nations can benefit.

Our interests in an open and secure canal will be hurt, not helped by this amendment.

Our reputation for fairness and decency will be tainted, not enhanced.

We will be seen as the bully-boys of the hemisphere, not the force for what is fair and what is right.

So I am unalterably opposed to this amendment and to what it stands for. This is a time for a resounding majority of the Senate to insist on the standards of decency and fair play for which the United States has stood since it was founded.

Mr. ROBERT C. BYRD. Mr. President, I now renew my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table Mr. ALLEN's amendment. The yeas and nays have been requested, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Montana (Mr. HATFIELD), the Senator from South Dakota (Mr. McGOVERN), and the Senator from North Carolina (Mr. MORGAN), are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS), is absent on official business.

On this vote, the Senator from South Dakota (Mr. McGOVERN) is paired with the Senator from Montana (Mr. HATFIELD). If present and voting, the Senator from South Dakota would vote "yea" and the Senator from Montana would vote "nay."

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from South Carolina would vote "nay."

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), would vote "nay."

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), would vote "yea."

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from New Mexico (Mr. SCHMITT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from South Carolina would vote "nay."

The result was announced—yeas 55, nays 34, as follows:

[Rollcall Vote No. 34 Ex.]

YEAS—55

Abourezk	Haskell	Muskie
Baker	Hatfield,	Nelson
Bayh	Mark O.	Packwood
Bellmon	Hathaway	Pearson
Bentsen	Hayakawa	Pell
Biden	Heinz	Percy
Byrd, Robert C.	Hodges	Proxmire
Case	Hollings	Ribicoff
Chafee	Huddleston	Riegle
Chiles	Humphrey	Sarbanes
Church	Inouye	Sasser
Clark	Jackson	Sparkman
Cranston	Javits	Stafford
Culver	Kennedy	Stevenson
Danforth	Leahy	Stone
Durkin	Magnuson	Wallop
Eagleton	Matsunaga	
Glenn	McIntyre	
Gravel	Metzenbaum	
Hart	Moynihan	

NAYS—34

Allen	Garn	Nunn
Bartlett	Goldwater	Randolph
Brooke	Griffin	Roth
Byrd,	Hansen	Schweiker
Harry F., Jr.	Hatch	Scott
Cannon	Helms	Stennis
Curtis	Johnston	Stevens
DeConcini	Laxalt	Talmadge
Dole	Long	Tower
Domenici	Lugar	Young
Eastland	McClure	Zorinsky
Ford	Melcher	

NOT VOTING—11

Anderson	Mathias	Weicker
Bumpers	McGovern	Williams
Burdick	Morgan	
Hatfield,	Schmitt	
Paul G.	Thurmond	

So the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The Senator from Alabama.

The Senate will be in order.

Mr. HELMS. Will the Chair repeat the vote? Point of order, Mr. President.

The VICE PRESIDENT. The Senate will be in order. On that vote there were 55 yeas and 34 nays. The motion was agreed to, and the motion to reconsider was tabled.

The Senator from Alabama.

Mr. SCHMITT. Will the Senator from Alabama yield?

Mr. ALLEN. Provided I do not lose my right to the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I would like to say I missed that vote. If I had been present, I would have voted "nay."

The VICE PRESIDENT. The Senator from Alabama.

Mr. ALLEN. There are several things I would like to mention. First, I believe——

Mr. HELMS. Mr. President, could we have order?

The VICE PRESIDENT. The Senate will be in order.

Mr. ALLEN. First, let me say I appreciate the distinguished Vice President recognizing me. As most Senators know, I sometimes have difficulty getting recognized by the Vice President of the United States when presiding as President of the Senate.

I did want to comment first on this vote. I think it is a very favorable vote from the standpoint of the opponents of the treaties. I realize that it is not everyone who felt or feels that the leadership amendments are not sufficient as regards our right to defend the canal and preserve its neutrality. But yet 34 votes for our position out of only 89 Senators present, and the distinguished Senator from New Mexico saying had he been here to vote he would have voted "no," indicates, to my mind, that Senators are becoming more independent as regards these treaties, and whereas they might vote for the treaties on the final vote, they do want to see us get the strongest possible treaties before they come to a final vote.

I wish to comment first on a comment or two made by the distinguished Senator from Maryland (Mr. SARBANES), who advised the Senate in considering these amendments that are going to be offered to consider where they come from; that is, who might be offering the amendments. Also, that this amendment was a mischievous amendment.

I beg to differ with the distinguished Senator from Maryland with respect to these amendments. I do not think it is quite accurate to say that just because Senators might oppose the treaties and offer amendments thereto that they are not trying to improve the treaties, and to make them better.

I do not see that there is any reason to feel that the opposition to the treaties is going to offer amendments that are under some degree of question, that maybe because an opponent offers an amendment, that, in and of itself, would make its advisability highly questionable.

I do not believe that is quite right. That would seem to indicate that we ought to abdicate our role as the Senate, giving advice and consent to the President on this great issue. I do not believe that every amendment coming from a treaty opponent is, in and of itself, prima facie, a bad amendment.

I do not regard amendments as being bad, when I am for a bill, just because the opposition offers amendments. They

have a right to do that. It is not every proposal that comes to the Senate that should be rubberstamped. This is what is disturbing me about these treaties. Is it going to be the wish and the plan of the proponents of the treaties to rubberstamp what has come out of the negotiating process?

The PRESIDING OFFICER (Mr. BENTSEN). Will the Senator from Alabama withhold his comments? The Chair observes that the Senator's comments are important and are on an important issue. The Senate will be in order so that we may hear them.

Mr. ALLEN. I thank the Chair.

Should we rubberstamp these treaties, or should we, as what is said to be the greatest deliberative body in the world, seek to improve the treaties? I believe it is our duty to seek to improve the treaties. If, in fact, it took the executive branch 13 years to negotiate these treaties, why should not the Senate be allowed to spend a reasonable amount of time seeking to shape and mold and perfect these treaties? Are we to assume that what came from the negotiating table is the last word on the wording of the treaties? The record will show that numerous amendments were made by the negotiators in the period from July to September. The distinguished Senator from North Carolina (Mr. HELMS) made a fine speech giving a number of illustrations of amendments that came in at the very last moment among the negotiators.

I am not going to say that Mr. Linowitz, who had only 6 months to serve in his position, since he had not been approved by the Senate, accepted bad amendments in the last 2 or 3 days of his 6-months' term.

I do not know whether this is the case or not, whether it was an account of the urgency of completing the treaties before the expiration of his term of service, but I do say that important amendments were made at the last minute, in the last few days. I think we ought to have an opportunity to review those amendments and see if they were in the interest of the United States.

I am going to move on and go to the distinguished majority leader (Mr. ROBERT C. BYRD), who said, in speaking against this amendment that was just turned down by a 55 to 34 vote, that that went to the very heart of the treaty. Sure it went to the heart of the treaty, because I feel that constructive, substantial amendments should be legitimate amendments. If I had a little amendment, changing a comma or a semicolon or something like that, that would have been charged with being dilatory, and properly so. But as long as we are considering legitimate amendments, offered in good faith, I do not feel that criticism should be made because it goes to the very heart of the treaties. They should go to the very heart of the treaties. They should be substantive amendments. I hope that that will be the policy of the Members of the Senate.

Someone said something about this giving the President the unilateral right to maintain our troops there beyond December 31, 1999. Well, the whole Neutrality Treaty gives us unilateral powers. If it did not give us unilateral powers, we would not have much rights under them. So there is nothing wrong with the giving the President unilateral right to maintain our troops there for an added 20 years.

Also, Mr. President, there was said something about how bad it is that the President is going to continue our troops there in the Panama Canal Zone beyond the 31st of December 1999. I have a list here. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. We have troops stationed all around the world. We have approximately 350,000 troops stationed around the world, guarding American interests and defending those particular countries I read here from the list some of the larger numbers.

We have 2,815 troops in Iceland. We have 20,521 troops in the United Kingdom. We have 10,159 troops in Italy. We have 224,466 troops in West Germany. We have 14,000 troops in the Philippines We have 2,444 troops in Cuba.

Mr. CULVER. Will the Senator yield?

Mr. ALLEN. No, I should like to maintain my continuity, if I may. I shall wait until I conclude my remarks, then I shall be glad to yield for questions to any and all Senators.

We have 14,000 troops, as I stated, in the Philippines. We have almost 5,000 in Turkey, 3,300 in Greece. Why is it so bad if we give the President the option to continue a military presence in Panama if the President deems that it is necessary to defend the canal and to maintain its neutrality, and if he so certifies to the Government of Panama? It would seem to me that, after we have a sort of joint defense for the next 22 years, the Republic of Panama would not give up its right to maintain troops in Panama. So it would seem to me we would have pretty much the same argument as we have now, with the President having the right to opt for keeping the troops there.

That is one of the defects, Mr. Presirent, of the leadership amendments, because they overlook the fact that the right that the leadership amendments give does not start until the year 2000: the right to defend the canal We have the right up to the year 2000, under the Panama Canal Treaty, that we have not come to. But under the treaties, we are supposed to pull all our troops out by the year 2000.

So, under the leadership amendments, there is a great big hiatus, a big hole that you could drive an army through, an invading army from another country, a foreign power, under the leadership amendments.

So, yes, this amendment went to the very heart of the treaty. But what did it do? It just added to the rights which the United States has that would complement and be in addition to the rights granted under the so-called leadership amendments.

(Mr. GRAVEL assumed the chair.)

Mr. ALLEN. So it does not destroy the leadership amendments. It just improves them. That is all that is involved, just an improvement of the leadership amendments.

I might say, Mr. President, the leadership amendments need a whole lot of improvement. They are based on the memorandum entered into between President Carter and Dictator Torrijos and are substantially, if not entirely, the same as that memorandum.

But these amendments are faulty, the leadership amendments are faulty, by the construction which Dictator Torrijos placed on the Carter-Torrijos memorandum.

That memorandum was not signed. I am not making any point of that because we are not depending on that. It is going to be the leadership amendment. That was not signed and when Mr. Torrijos went back to Panama he commented that he had not signed anything up here in Washington, had not even signed an autograph. His construction of the memorandum which, in effect, is now the leadership amendments, was that this memorandum did not give the United States the right—the right—to come into Panama to defend the canal.

He said it gave the United States the duty to come in and defend the canal when he pushed the button and asked that we come in to defend it.

So the leadership amendments, based on the Carter-Torrijos memorandum, is flawed right from the beginning because of the differing constrictions placed on it.

A contract, that is what a treaty is, a high-level contract between governments. We learned back in law school if we do not have a meeting of the minds on a contract, that we have a void contract. Well, I have not heard of Dictator Torrijos recanting from that position.

I think we are going to have to amend the leadership amendments when they come up.

Also, another point I want to make, I am pointing out, Mr. President, that there has to be a series of amendments to the so-called leadership amendments to perfect them. This is just one effort today to perfect the leadership amendments, not to destroy them.

I am a cosponsor of the leadership amendments myself and I would vote for them if they come up for a vote, when and if they do come up for a vote, even in their weak condition because, possibly, it does improve the treaty.

I am not trying to defeat the leadership amendments, but I will vote for them, if the time comes.

I am trying to improve the leadership amendments and point out the serious defects that the leadership amendments have, which, by the way, they seem to think will solve every problem we have with respect to the treaties.

I am trying to improve them and to make them speak in no uncertain terms so that they will be understood by Torrijos and be understood by the President, be understood by the Senate, be understood by the people of Panama and the people of the United States.

Where else are the leadership amendments defective and where do we anticipate amendments to that?

Well, in the provision having to do with the right of American warships in time of emergency to go to the head of the line.

It just so happens the amendment leaves out the vital question of who is going to decide whether there is an emergency or not. Panama will be in control of the canal and if we say, "Mr. Castro"—he may be in charge, by the way, by then—"Mr. Torrijos, we feel that it is an emergency regarding our warships and we want to go to the head of the line."

Well, the Panamanians can say, "We don't regard there being any emergency, you stay where you are, back at the foot of the line."

So that is what we are trying to change. There will be an amendment offered, I do not know at what time, to the question that what constitutes an emergency be the sole decision of the United States.

Also, another defect in the amendments—as I say, I am a cosponsor of the amendments, but I feel that gives me a right to comment on them, I was invited by the leadership to become a cosponsor and I accepted that invitation—but it also provides that in no event shall any intervention on the part of the United States in the defense of the canal, in no event should they interfere with the internal affairs of Panama.

We do not know what is going to be 22 years from now, whether it will be a Cuban satellite or a Russian satellite or that government will be hostile to our Government.

So I feel this situation should be taken care of, that if we are going to say that we are not going to interfere with the internal affairs of Panama, it might be necessary to interfere with them because Panama might be the one blocking our access to the canal.

These are some of the areas. I am sure others have found defects in the leadership amendments. But this vote today would certainly indicate that Senators are using their independence and just because they may be committed for the treaties does not mean they are giving a blank check and to rubber stamp these treaties without amendments.

Now, what is wrong with constructive amendments? What is wrong with constructive amendments? Why, nothing. Nothing is wrong. So if Mr. Torrijos feels that another plebiscite is necessary after constructive amendments are adopted, I am sure he would do that. But the distinguished majority leader said that indubitably, unquestionably, this would kill the treaties.

Well, who knows that? Who knows it will kill the treaties?

Torrijos could say, "Yes, OK." Now, someone said during the debate that he first said that any amendments would require another plebiscite. Later he said, "Well, no maybe not." Maybe amendments putting into effect the memorandum between President Carter and dictator Torrijos, "maybe we could accept that without having another plebiscite."

Mr. President, I have got faith in the Panamanian people. Someone speaking earlier said that this would show we did not have any faith in the Panamanian people. It is not that we do not have faith in the Panamanian people. It is that we do not have it in that regime down there.

I would be glad to submit an amendment, and I daresay one will be offered, requiring, if there are substantial amendments, and I hope there will be, that the treaties be submitted to another plebiscite.

I could talk the rest of the afternoon and into the night, but I know there are others that wish to speak. I do want to comment further on the action of my distinguished friend and colleague, the distinguished Senator from Iowa (Mr. CULVER), and on reflection——

Mr. SCOTT. I wonder if the distinguished Senator would yield briefly.

Mr. ALLEN. I would hate to inasmuch as I promised the distinguished Senator from Iowa I would yield to him first and he would feel that I was taking unfair advantage if I yielded to someone else.

Mr. SCOTT. I would only take 1 minute, if I might.

Mr. ALLEN. Very well, I yield, with that understanding.

Mr. SCOTT. Mr. President, it is my understanding that the Senator from Utah intends to offer an amendment to article I. I have two amendments that I wish to offer before we leave article I, and I call the attention of the floor managers to my amendments numbered 22 and 28.

Amendment 22 merely ties the two treaties together, saying that one is void without the ratification of the other.

The second amendment would raise the annuity to $10 million a year.

Then I would intend to strike all other provisions of the treaty. I want the opportunity to offer these amendments, but not before the distinguished Senator from Utah offers his.

I appreciate very much the distinguished Senator from Alabama yielding so I could make this comment.

Mr. ALLEN. I am delighted to accommodate the Senator from Virginia (Mr. SCOTT).

Mr. President, the distinguished Senator from Iowa (Mr. CULVER) has assured me, both on the floor and personally, that making a derogatory statement regarding the State of Alabama and her people was not in his mind or in his purpose when he did concoct something of a fairy tale regarding similar or analogous negotiations that might have taken place with respect to Alabama which were similar to conditions that existed at the time of the 1903 treaty.

I might remark in passing that the distinguished Senator from Iowa exhibited a surprising lack of knowledge of constitutional law when he was talking about Mississippi and Georgia, of which Alabama was a part, having negotiations with a foreign power for building a canal in Alabama. I am sure the distinguished Senator knows that States of the Union cannot carry on relations with a foreign power, under the Constitution. I believe that is the very point involved in the claim of the Indians in Maine to vast portions of the State of Maine—that the treaties that were made with them were not made by the U.S. Government but were made by the State, so it would be the State of Maine or its predecessor in title. So this situation could not have come about, this fairy tale, more or less, that the distinguished Senator related.

After listening to this fairy tale that he related with respect to hypothetical negotiations by the State of Alabama or by Mississippi and Georgia with a foreign power, I believe that if the distinguished Senator from Iowa should ever see fit to leave the Senate, he would have no difficulty doing extremely well as a successor to Hans Christian Anderson or the Grimm brothers in relating and weaving fairy tales.

But I must insist, even though I accept the apology of the distinguished Senator from Iowa (Mr. CULVER)—I know at this time that he meant no offense; I did not know it before—but he is not the first Senator who has used Alabama in this example. I must confess that it is getting under my skin just a little bit. I must reiterate that if the State of Alabama is used in any hypothetical concoction or fairy tale of this sort, or analogous situation, it certainly will cause me to take a more active role, if I am capable of taking a more active role, against the treaties.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. CULVER. Mr. President, I appreciate the Senator's remarks. I hope he also realizes that when one weaves a "fairy tale" or, in fact, a hypothetical situation, one does not necessarily always have to observe with exquisite care all the legal niceties and nuances that apply to constitutional law as it pertains to the United States of America at any one given point in time. Does he not?

Mr. ALLEN. I understand.

Mr. CULVER. So if I am really going to be able to give full vent to my creative impulses when it comes to fantasizing—we cannot have it both ways. I cannot really have an anchor to windward. I have to be able to move about.

So I want to say to the Senator that this is just a very sincere attempt to try to dramatize, to every extent possible, a greater degree of sympathetic understanding and appreciation, which is really the objective of this whole exercise. I do not think the intent can fairly be construed otherwise.

Sometimes, when you place it in a context where you do force the mind to focus on what it would be like if you walk in the moccasins of the other person for a while, I know of few ways to do that more effectively than to try to bring it as close to home as possible. It was for that reason I gave the illustration involving the Senator's particular State, but I think it equally pertains to my own or any others. I think that one would have a very healthy and vigorous revulsion against that historical experience and that it would manifest itself in ways that were characterized by an intense determination to rid ourselves of foreign presence or correct these historical injustices; this would be a very natural and very admirable reaction. It would be

natural and admirable if it were to occur among the people of Alabama or elsewhere.

I might add that our country never has been reticent or reluctant—the various States—at various times in its history, to react that way, in terms of what is perceived to be unfair encroachments on their State pride or their economic, social, and political freedoms. We have a very healthy tradition in history in that regard; and I think that for us to translate that into greater understanding and appreciation of how others might feel under what they perceive to be relatively similar circumstances is sometimes a healthy exercise to try to indulge in. That really was the objective here.

Mr. ALLEN. I understand. I accept the Senator's statement at face value. I am no longer offended, but I do suggest that the State of Alabama not be used in any hypothetical fairy tale. Let a Senator choose his own State or use "State X."

Mr. President, another area I wish to discuss is this: I have been distressed and dismayed that on the floor of the Senate much talk has been not about the greatness of America, the genius of America, the generosity of America in this entire Panama Canal construction and the treaty itself. Every member, I suppose, of the proponent group who has discussed the matter has made a point of the fact that the treaty of 1903 was not signed by a Panamanian. There is considerable evidence that nine Panamanians did sign it subsequently or as part of the ratification of the treaties.

Why can we not talk about the genius of America in building this canal, the great engineering feat that took place? Why can we not talk about the fact that the United States, ever since the canal was opened, has operated this canal on a nonprofit basis, for the benefit of the entire world, for countries that have ships going through the canal?

Why can we not glory in the fact of the conquering of yellow fever by William Crawford Gorgas? Why can we not be proud to be from America which was able to build this canal after the French had fallen flat on their face? No, we have to talk about how the United States took advantage of the Panamanians. While we know the Panama Canal is the greatest thing that ever happened to Panama, we know that Panama did not beget the canal; the canal begot Panama. So why can we not have a little something to say favorably about the United States in this affair? Why have we just run over Panama all the while?

They say a Frenchman signed this on behalf of Panama. Well, he was delegated to do that job. He was the most knowledgeable man in the world on the situation in Panama and the problems having to do with the construction of the Panama Canal. He knew why France fell flat on its face. He knew why the building of the canal by the French did not succeed. He was the most knowledgeable man in the world, Bunau-Varilla.

The fact that he was of French ancestry and that he was not a citizen of Panama—how do you become a citizen of a state that is only 10 days old? How do you become a citizen? So the fact that he was of French ancestry does not take away the fact that he was commissioned to do this job.

I say he did a great job for the Panamanians. The Panama Canal has raised the standard of living there in Panama up to great heights. It is one of the very top among all Central American and South American countries in their standards of living. Seventy-five percent of the employees of the Panama Canal Company are Panamanians.

So I just do not like the idea of saying everything we did was an exercise of colonialism; that colonialism is bad; the United States treated Panama bad, and let us rectify this.

Unquestionably it is the greatest thing that ever happened to Panama, the construction of the Panama Canal.

Mr. President, I have talked as long as I feel I should, even though I have not covered the subject, and I will yield the floor.

EXHIBIT 1

AMERICAN TROOPS ABROAD BY DEFENSE ARRANGEMENT AND COUNTRY

	Army	Air Force	Navy	Marines	Total
NATO:					
Canada	5	252	402	10	669
Iceland	3	950	1,740	122	2,815
Norway	35	111	30	16	192
United Kingdom	155	17,196	2,190	260	20,521
Netherlands	668	1,383	20	10	2,081
Denmark	4	15	12	9	40
Belgium	1,274	605	104	21	2,004
Luxembourg				5	5
Portugal	64	983	330		1,377
France	13	12	11	35	71
Italy	3,832	3,037	3,059	231	10,159
Greece	749	2,135	474	11	3,369
Turkey	988	3,796	46	25	4,855
West Germany	192,060	32,032	293	81	224,466
Total	199,850	63,227	8,711	836	272,624
ANZUS:					
New Zealand	2	10	52	6	70
Australia	8	255	425	6	694
Total	10	265	477	12	764
Philippines	32	8,575	4,801	642	14,050
SEATO:					
United Kingdom	155	17,916	2,190	260	20,521
France	13	12	11	35	71
New Zealand	2	10	52	6	70
Australia	8	255	425	6	694
Philippines	32	8,575	4,801	642	14,050
Thailand	80	40	20	14	154
Total	290	26,808	7,499	963	35,560
Formosa	279	418	288	10	995
Japan	2,903	14,183	8,275	20,876	46,237
South Korea	32,024	7,038	258	755	40,075
Rio Treaty:					
Mexico	7	3	2	15	27
Cuba		5	2,021	418	2,444
Haiti	3	1		6	10
Dominican Republic	7	2	2	9	20
Honduras	4	6		6	16
Guatemala	6	3	1	10	20
El Salvador	7	2		7	16
Nicaragua	8	1	1	5	15
Costa Rica	2			6	8
Panama	6	2		13	21
Colombia	8	6	4	13	31
Venezuela	8	12	12	11	43
Ecuador	6	4		5	15
Peru	5	9	5	9	28
Brazil	22	20	17	22	81
Bolivia	10	11	2	11	34
Paraguay	3	1	1	7	12
Chile	4	6	9	10	29
Argentina	5	9	7	17	38
Uruguay	4	2	3	7	16
Trinidad					
Tobago					
Total	122	105	2,087	607	2,924
Panama Canal Zone	6,622	1,863	321	144	8,950

Mr. HATCH. Mr. President, I ask unanimous consent that Frances Knight of Senator CURTIS' staff be accorded the privileges of the floor during debate and all votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1

Mr. HATCH. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 1-EX.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, if the amendment is not too lengthy I think it would be helpful in the course of the debate to hear it.

The PRESIDING OFFICER. The clerk will proceed to read the amendment.

The assistant legislative clerk read as follows:

Strike out Article I and substitute in lieu thereof the following:

"ARTICLE I

"The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance

with the regime established in this treaty, done in the English and Spanish languages, both texts being declared by the parties equally authentic, provided however that in case of divergence in meaning in the words used in the two texts, the English language text shall be binding on the two parties: The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama."

Mr. HATCH. Mr. President, I have called up this amendment because I think it involves some very important considerations. I intend to call up a similar amendment when the Panama Canal Treaty comes up for consideration.

Although the disparities between the two translations in the Neutrality Treaty do not seem to be as highly significant as they are in the Panama Canal Treaty, they nonetheless are important, and I think the people of this country, as well as my colleagues here on the floor and in the Senate, need to be brought up to date and to be aware of the disparities between the Spanish translation and the English translation.

It has been brought to my attention by linguistic authorities considering these treaties that there are approximately 320 differences in translation between the English and Spanish texts, a very significant number, which should be cleared up by amendment here on this floor so that both sides know exactly what they are talking about, exactly what these treaties stand for. Basically, the amendment provides that in the case of divergence in meaning in the words used in the two texts, the English language text shall be binding on the two parties.

In other words, what I am saying is if we have a divergence in meaning or disparity in meaning or difference in translation, and especially those which are substantive and which may be difficult to handle that might create future controversies and difficulties between the parties, then we ought to clear those up now, and the best way to do so and the easiest way to do so, rather than retranslating the 320 some errors or discrepancies or disparities or divergences between the two translations, that we ought to clear up these problems now.

For instance, in an overview of the two translations that was earlier printed in the RECORD—and I shall limit myself to the Neutrality Treaty at the present time—the English says, "Done at Washington the 7th day of September, 1977 in duplicate in the English and the Spanish languages, both texts being equally authentic," whereas the English translation of the Spanish version says "Signed in Washington this 7th day of September, 1977 in the Spanish and English languages, both texts being equally authentic."

The quotations above are provisos found at the end of the Panama Canal Treaty documents. The first, as I have mentioned, is the English text of the proviso, and the second is a translation of the text as it appears in Spanish. You will note the Spanish text omits the phrase "in duplicate" found in the English text. This serves as an introduction to an important issue in the Canal Treaty controversy, the degree to which the language in the English and Spanish texts of the Panama Canal treaties correlate with each other.

On September 7, 1977, the United States and Panama agreed to a series of documents providing for the elimination of an American Canal Zone and the transfer of that authority over the canal to Panama. Among these documents, of course, are the two treaties, the Canal Treaty and the Neutrality Treaty; several agreements in implementation, and an exchange of notes.

The ensuing public controversy is related in some measure to the interpretation of key clauses in the Panama Canal documents. The U.S. Government maintains the Neutrality Treaty gives the United States the right to defend the canal until after the year 2000.

Panamanian Chief Negotiator Romulo Escobar Bethancourt denied this emphatically: [1] And his deputy negotiator Carlos Lopez Guevara further adds the treaty gives the United States "the right to hope that Panama and all other nations of the world will respect the right of American ships to transit the Canal," [2] and nothing more. Similarly, there have been varying interpretations of the term "expeditious transit," with some authoritative sources describing it as the equivalent of "right of way," and others, equally authoritative, refuting this claim.

These conflicting interpretations, although serious, nevertheless arise in connection with words that are mutually accepted. There is a second question as yet unconsidered; the possibility of discrepancies between the very words used in the English and Spanish texts. This issue constitutes a separate and distinct layer of problems. Yet it is evident that to identify all possible ramifications of the documents President Carter has signed, one must not only analyze the English texts for ambiguous language, but also the Spanish texts for potentially imprecise translations of the language.

According to the State Department, approximately 400 man-hours were spent by its official translators and the negotiating team comparing the substantive contents of the two versions of the agreements. While the resulting documents broadly correlate, their relationship is more that of highly similar documents than of identical texts. Because of differing syntactical requirements and limitations in vocabulary, some modifications are always required in translation work. The differences in these two texts, however, go far beyond those needed for a smooth translation. In the Spanish documents the syntax is repeatedly changed for no apparent reason, words are included which do not exist in the English text, and terms are used which are not totally accurate translations of the words in English.

Of these many differences, some clearly will have no effect on interpretation. Others could potentially alter the meaning of the provisions in which they appear. Had an understanding been reached that the parties would abide by the interpretation of the English text in case of a dispute, these discrepancies would raise little problem for the United States. Instead, article XIV of the Canal Treaty provides for the settlement of such disputes through consultation or mediation, tacitly acknowledging at the same time that both texts are equally valid. Thus, in the reconciliation of differences the Panamanian version would legally carry as much weight as the English.

Although disputes of this nature have not often occurred in connection with previous agreements with Panama, a few have taken place. In January 1904, the Panamanian Government sent Secretary of State John Hay a list of discrepancies between the two texts of the 1903 treaty.[3] These discrepancies, which it felt justified correction, were all minor. That is in itself an interesting point, given that just such minor inconsistencies permeate the 1977 agreements.

The principal reason for the traditional acceptance of the 1903 treaty language, however, is not the absence of discrepancies per se, but rather a related agreement cited in the letter. Panama states:

[T]he necessity of making further changes therein will be obviated by your official statement that the English text shall prevail in case of such difference of interpretation.

Because of this understanding, the choice of language in the Spanish text was immaterial, as it had been determined the English text would predominate.

Thus we see that in past history, with regard to the 1903 treaty, precedents beneficial to this country were established. They agreed that the English text would predominate, and I submit and suggest that the English text alleviated any future difficulties. Any difficulties in translation, any difficulties which are likely to cause concern, distress, argument, altercation, and perhaps even serious controversy, should be cleared up now.

If the ability of the United States to impose its understanding of the texts is limited by the very language of the documents, appeals to Panama's "cooperative spirit" will not necessarily result in U.S. interpretations predominating. Mutual good will is a spirit to be hoped for, but hardly to be inferred a priori, in international relations. Unspoken understandings as ephemeral in substance as the spirit they arise from, are no substitute for precise descriptions of the commitments being undertaken. When less than an unwritten understanding exists—only, as appears to be the case with possible disputes over the Spanish text, a general conviction that all will be well at the end—the risk is correspondingly greater. There are no grounds, in fact, to assume Panama would fail to insist on interpretations it regards as in

[1] *Matutino* (Panama City, Panama), August 20, 1977.

[2] *Miami Herald*, October 3, 1977.

[3] "Diplomatic History of the Panama Canal: Correspondence Relating to the Negotiation and Application of Certain Treaties on the Subject of the Construction of an Interoceanic Canal, and Accompanying Papers," Senate Document No. 474, 1914, p. 304.

its national interest, irrespective of their effect on the U.S. posture.

There are grounds, in fact, to assume Panama would not fail to insist on interpretations it regards as in its national interest irrespective of their effect on the U.S. posture, and I would suggest especially so when they consider how many of us are, it seems to me, begging to give Mr. Torrijos and his government anything they want, regardless of whether it is right for the United States or not. At least that is the way it appears to me.

Mr. McCLURE. Mr. President, will the Senator from Utah yield for a brief comment?

Mr. HATCH. I would be delighted to yield to the distinguished Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding. I think he has raised a very essential point, dealing with language differences between the Spanish and English versions. A great many of us have tried, over the period of the debates, which originated long before they opened formally on the floor of the Senate, to make the point that if we decide to give up sovereign control over the canal, if we turn over to this tiny country a secure multibillion dollar facility over which we now exercise all of the rights and attributes of a sovereign, we have, it seems to me, a perfect right to insist on absolutely clear understandings that the language of the treaties should be unambiguous, and that it must protect our legal rights.

It is not simply the lack of understanding of what the text says, although we have been talking about a number of those differences. From the day the treaties were signed, American understanding and Panamanian understanding of the meaning of the treaties has been different.

Now we are told that if we will just accept the Torrijos-Carter Memorandum of Understanding, which is now sanctified by the name Byrd-Baker amendment, that will wipe away all the ambiguities and there will be a clear understanding.

But even that understanding of last October, which is now claimed by proponents to give us the right to take action against any threat to the canal, even a threat from Panama, is subject to misunderstanding. Maximum Leader Torrijos has told his people that it merely says that if Panama summons us, we will come to the defense of the canal. I think he used the language—and I hope I quote him correctly—"We ring the bell, and the United States comes."

Well, clearly these treaties do not represent any agreement. They are artificially ambiguous instruments, designed to paper over the differences rather than to underline the agreements. There are any number of vague and ambiguous references, even if you look only at the English language version alone. I do not believe that there is any assurance that if we ratify these treaties and they go into effect, we will usher in an era of good will unmarked by dissent. I think they simply provide a different framework for the disagreements, and provide the grounds for a number of serious collisions at various points as the ambiguities throw us into conflict.

I do not accept the argument at all that Panamanians will not allow our rights to be spelled out clearly, but they would accept our intervention in the actual exercise of these rights. It seems absurd to believe that they would permit us to exercise rights which they will not permit us to spell out clearly.

I think the Senator from Utah has performed a valuable service in pointing out the additional ambiguity of the difference between the English and Spanish version, and to insist that we accept one or the other as the primary text can do nothing except to reduce the areas of ambiguity, reduce the areas in which we may have future conflict with them as we try to live under an agreement which is at best ambiguous and in which language differences increase the ambiguity.

The Senator from Utah has already pointed out that we have in the past specified which version would be the accepted version in case of dispute as to language meanings. Will the Senator from Utah indicate to me whether that is a usual provision or is it usual to Panama?

Mr. HATCH. The answer to the excellent question is that I think it would be more useful to require one language, as was the case in 1903. The difficulty here is if there were slight discrepancies between the two we might live with the Spanish translation, but there are more than slight discrepancies. I admit the Neutrality Treaty is less offensive to the United States than the Panama Canal Treaty, which is offensive to those who have done the extensive translations into English and which may mean completely different things in some very key areas. I am basically limiting my remarks to the Neutrality Treaty at this time, though I intend to touch upon the Canal Treaty also.

I thank the distinguished Senator from Idaho (Mr. McCLURE) for bringing out some very interesting points.

Mr. McCLURE. Will the Senator yield further?

Mr. HATCH. I yield.

Mr. McCLURE. I recognize the comments of the Senator are addressed primarily to the Neutrality Treaty, and that we may indeed later, when the Panama Canal Treaty is pending, talk about the ambiguities and differences in language. But it seems to me that in this body we ought to at least have a clear understanding of what they mean. If we do not adopt the amendment offered by the Senator from Utah, which says the English language version is the one we ought to follow, we ought to not permit the proponents of the treaties to mislead us by talking about what the English language version says and refusing to discuss what the Spanish language version says. If we are to be told that we can depend upon one, that ought to be explicit. If we cannot depend upon it, we ought to discuss the provisions as stated in the Spanish language version, rather than that which we will not be permitted to rely upon.

Mr. GOLDWATER. Will the Senator yield?

Mr. HATCH. I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I rise to refer to the language difficulty possibilities. I have read the treaties in Spanish and in English. Naturally, there are differences between the meanings of the words. I recall most of the differences are colloquial. We would say it one way, and they would use another word. The meaning would be pretty much the same.

The difference so far which has caused the most trouble is the word "intervention." In our language that is not a very strong word. I am intervening right now in the colloquy between two Senators. The Senators are intervening with my being in a committee meeting. It is not a bad word.

In Spanish "intervencion" is a word that is very strong. It means if I were going to intervene in your life, I would do it with power, with police, with guns; I can break up your unions; I can break up any association you belong to.

That was my first complaint about this whole treaty, the fact that we did not have the power to intervene, something we accept. So the treaty that we now look on as the leadership treaty, as I read it, tried to narrow that zone of intervention to the zone and to the canal. Whether or not that will require another plebiscite in Panama I cannot say, but I think it would be wise to follow the suggestion of the Senator from Utah, even so far as to have an expert on Spanish come before us. I know we are not supposed to speak foreign language in this body, but it would not take more than a day to go through the treaty, both in English and in Spanish, explaining the differences. I think it all depends on where you come from, if from Spanish-speaking countries.

For instance, I am thinking of one thing that means different things in different places. El viejo verde. To me it means all green. To some Spanish-speaking people it means dirty old man.

In any event, it seems it would be better to have someone in here to read a few sentences and explain it in English, so we really know what we are having to consider.

I am not going to take any more time except to suggest that there is one great area in this whole debate which I believe has been almost totally ignored from the days of the hearings in the Foreign Relations Committee. I think it was first brought out in the Armed Services Committee when we asked the question about enabling legislation.

I mention this now because a treaty will not accommodate anything that Panama wants without this legislation. The State Department either cannot or has absolutely refused to supply it. Until that legislation is supplied, I intend to make a rather extended point of order that the treaty, even though we pass it, will be inoperative. I mention that. Hopefully, we can have more on our side daily aware in the Foreign Relations Committee and in the State Department to see if they can come together on some lan-

guage that will give us the right to give away the Panama Canal.

I thank both Senators for bringing up this Spanish matter, and I hope we can pursue it, maybe, as I say, with the suggestion that we apply the hours necessary to listen to both sides.

Mr. HATCH. One of the difficulties, in answer to the comments of the distinguished Senator from Arizona, is the use of the term "enmienda" in Panama versus the term "reforma." Enmienda basically means a small change and that is what they have been using to determine any amendments to these treaties. Reforma means amendment and it is a much stronger word. I am hardly a Spanish expert but this is my understanding of the matter.

I might also call to the attention of my colleagues that even today the Inter-American Development Bank uses English only for contracts because it does not wish to get involved in that can of worms of having a Spanish translation and an English translation and having both of them equal.

They realize the difficulties just in contrast. But here, we have two important treaties, perhaps the most important in this country's history, with all kinds of ramifications, with better than 320 disparities between the two, according to language experts.

Mr. GOLDWATER. May I suggest that one of us or three of us or more of us ask the Library of Congress how many treaties we have entered into that are bilingual and how many are confined to the English language. I think we would be amazed. I think it would be to the interest of our colleagues.

Mr. HATCH. I think it might be.

I yield to my colleague from Idaho.

Mr. McCLURE. I thank my colleague from Utah for yielding. I thank my colleague from Arizona for his contribution, because he points not only to the ambiguity of the language, but the further ambiguity of refusing to tell Congress what is in those other legislative proposals that will implement the treaties on the outside.

Language is intended to convey thoughts. The treaty ought to be in a language which conveys precisely the same understanding of the agreement. It seems to me that what we see is a very artfully ambiguous exercise in which, instead of trying to eliminate the differences, the language is employed in a way to cover up the differences, to avoid the confrontation on serious issues which might make it impossible to reach the "agreement." In that event, the agreement is no agreement at all: it is simply two pieces of paper which have been signed, which purport to be an agreement where there is no agreement.

Mr. HATCH. And which mean different things to different countries.

Mr. McCLURE. That is simply a way of saying there was no agreement. We could not arrive at an agreement on these issues, so, rather than admit that we could not arrive at an agreement, we shall use a term that could be interpreted differently on both sides. It is a very artful use of language to avoid confronting the really serious differences that continue to exist.

Mr. HATCH. My colleague has really put his finger on some very important aspects of these treaties, because we have almost acted in a courtly way on some of these matters of word differences in order to soften the impact in Panama and thus give them a different impression of what these treaties stand for, as Americans understand them.

I might add, I think that my colleague has done the Senate a great service in calling attention to the fact that the English translation is bad enough. In other words, even my amendment making the English translation predominate does not clear up the ambiguities in the English translation.

Let me list a few more right now. The canal treaty does not even provide for the defense of the canal in the next 20 years. Unless we amend the treaty with these two Byrd-Baker amendments, which in themselves are very inartfully drafted, very imprecise, again an attempt at accommodation of the Panamanians, these treaties have not even provided that we have a unilateral right to intervene to assure the neutrality of the canal.

Mr. McCLURE. As a matter of fact, General Torrijos says it does not, that that memorandum of understanding does not give us the right, and I use the term "to intervene," although Senator GOLDWATER is correct when he says that is an inflammatory term looked at from their standpoint. Let me use a different term. It does not, in their understanding of it, give us the right to make the determination when we have the right, to determine when and under what circumstances. They say, in continuing to explain this to their own people, that even the memorandum of understanding only gives them the right to invite us to come. If they do not invite us, we have not the right to come. That is under the so-called memoranda that are supposed to remove the ambiguity about our right to defend.

Mr. HATCH. If Panama itself violates the neutrality of the canal, we may be up a deep creek without a paddle, because we may not be able to do anything to insure the neutrality if they say they are not violating the neutrality. The imprecise language in the Byrd-Baker amendment produces this result.

Mr. McCLURE. I agree with my friend that, even with the adoption of the amendment which is intended to make the English language text the official treaty in case of dispute between the two, that does not resolve all of the questions of ambiguity. It does not remove our concern about whether or not there is an understanding between our Government and the Government of the people of Panama.

I commend the Senator, both for the amendment and the underlying point that he has made about ambiguity, which must be removed. Certainly, the Senate must insist on that preciseness of understanding as well as preciseness of language before we exercise our constitutional responsibility of either confirming or refusing to confirm these treaties.

I remember, not very long ago, when this Government entered into treaties in regard to strategic arms limitations with the Soviet Union, in which, for hours on end, the distinguished Senator from Washington was asking what was meant by language, what was the effect of the language in that treaty. He was answered equally by the hour about what was meant by the treaties. There were long exchanges of correspondence, long colloquies entered into the RECORD about our understanding of the provisions of that treaty. Later, we see what appear to be violations of that treaty by the Soviet Union, and not only does the Soviet Union say, "Oh, no, we didn't violate the treaty; we never understood it to mean what was said to the United States Senate when we ratified," but our own Government is saying, "After all, this is not a violation, they are not bound by it because we were just expressing our understanding."

Mr. HATCH. And in the end, America has suffered as a result of these very problems.

Mr. McCLURE. That is right. It seems to me to be ridiculous to have people here in the Senate, having once gone through that, who would then be willing to accept a treaty in which the ambiguities are spelled out in advance and to accept assurances on the part of our State Department that, oh well, this is the way we understand it; therefore, they will understand it the same way.

There can be no assurance that they understand it the same way unless they accept the clarifying language. And instead of accepting the clarifying language, they have specifically refused to state their understanding in the same terms that we have. They have denied that our understanding is their understanding. It seems to me to be the height of folly to go into the ratification of a treaty under those circumstances.

Mr. HATCH. Especially for those of us who are sworn to protect the United States as U.S. Senators.

What bothers me is that it seems that the major consideration on this floor ought to be, first, what is best for our country and, second, what is best for both countries.

I think Americans, U.S. citizens, our representatives, have always tried to be fair in diplomatic relations. Of course, we have had arguments that we were unfair in executing the 1903 treaty. But that treaty has been amended twice, in 1936 and in 1955. If there were unfair provisions in those treaties, those were taken out during those amendments. So we could debate that all day long and all night long. The fact of the matter is that Panama has been better off for our presence. They had time to reject the 1903 treaty; they did not. Later, they reaffirmed it in the treaty of 1936 and in the treaty of 1955.

Mr. McCLURE. I agree with my friend from Utah, but it seems to me the proponents of the treaty seem to be telling us and the country that the interests of the United States are best served by ratifying the treaties because it will reduce the points of friction and dispute between our countries and theirs. Yet the very ambiguities to which we address ourselves are the very points on which dispute and friction will arise.

Mr. HATCH. Have already arisen.

Mr. McCLURE. Have already arisen. They will continue to be those points of

friction. They will continue to be the point of abrasion and the points around which radicals in either country can then foment all kinds of unrest because we did not take the time to do the job which the people of both countries have the right to expect us to do before ratifying treaties.

I thank the Senator from Utah.

(Mr. HODGES assumed the chair.)

Mr. HATCH. I thank my distinguished colleague and friend from Idaho.

I would just like to add that I think the point he raised about the ambiguities in the English translation is a good point. I brought up two of them in the fact the treaty does not provide for defense of the canal during the life of the treaty.

The neutrality does not grant us the unilateral right to interfere. We will have to depend on this imprecise language, which does not solve the problem if Panama itself violates the neutrality.

The canal treaty forbids the United States even to negotiate with another nation for construction of a canal without the express consent of Panama.

The canal treaty provides for expeditious transit of American military vessels. Does that provision mean our military vessels will receive priority, go to the head of the line?

Well, our colleagues who are sponsoring the two amendments say those will clear up the ambiguities. But the amendments are imprecise. They do not define who is going to make the decision of what an emergency is or what the provision really does mean.

Who pays the $2.6 billion debt which Nicholas Barletta, the Minister of Planning and Economic Affairs, told me about when I was in Panama? Are the American people being asked to back up these payments without a constitutionally mandated bill, which has to originate in the House of Representatives in advance.

Again, we are ignoring our colleagues in the House? You bet we are.

What if it becomes too costly to operate or, for any reason, they want to shut it down? Do the treaties allow us to go back in, take over and run it and make it operable?

There is no provision in the treaties about that.

What protections do we have to prevent nationalization of the canal once we give up sovereignty, or the aspects of sovereignty granted in the 1903 treaty?

There is nothing in the treaty prohibiting the Soviets from using the ports, bases, and facilities.

Why should we have to reduce our bases from 17 down to 4, if in fact we are to protect, assure, and guarantee the neutrality of the canal?

The treaty does not provide that in times of war we can prevent enemy ships using the canal.

There are a lot of arguments how we can do that, by sinking them outside the canal, but there will be times when we will be unable to check them.

Nothing gives protection against the leftist radicals that we see down there.

My amendment, recognizes the fact that if there are disparities and divergencies between the translations, then the English one should prevail and that we, as Senators, want to be voting for our country; and that is a fair amendment, especially since the Panamanian leadership said it agrees with our translation.

It seems to me we would be taking them off the hook, to a degree, if we have the English translation become the predominant translation, as is the case in the Inter-American Development Bank, which, as I mentioned, uses English only for contracts from the Bank, because we do not want to get into the hornets' nest of interpreting between Spanish and English translations.

I might add that the closing statement of the Panama Canal Treaty, which labels both texts, Spanish and English, equally authentic, presupposes that both texts say the same thing.

A recent analysis of both English and Spanish versions of the treaty, however, by linguists at the Translation Sciences Institute of the Brigham Young University in Utah, has cast serious doubts on the accuracy of the Spanish translation.

I might add that the Translation Sciences Institute at Brigham Young University is one of the finest linguistic services in the world today. It is computerized, the most up to date, and offers a modern approach to language used anywhere in the world today, primarily because at the Brigham Young University approximately 20,000 Mormon missionaries are trained in the use of languages as they go out into the mission field. They are trained there by some of the best experts in the world with the greatest tools and greatest equipment.

The Translation Sciences Institute has one of the world's most advanced computer language processing systems and is directed by Dr. Eldon G. Lytle, a well-known theoretical linguist and the originator of Junction Grammar. The analysis of the treaties was supervised by Roydon Olson, phase I director and former staff linguist of one of the largest language training schools in the Nation and director of the Internation Linguistic Foundation.

Professional linguists and translators as well as graduate students and native speakers of Spanish and English compared both texts of the treaties and found two main classes of discrepancies: First, introduction of minor changes in meaning and ambiguities which in the context of the whole treaty would probably not have a significant effect on the interpretation, and second, variations from the English which could lead to significant differences in interpretation.

Overall, actually, they found somewhere in the neighborhood of 320 plus, total changes in meaning of both classes, and have documented them.

I should like to analyze some of the variations between the treaties to demonstrate the problems involved in recognizing the two texts as authentic.

I shall read the original English of selected passages, then the back translation from the Spanish, and then comment on the implications of the differences.

I have to confess I have never had Spanish, although it is a defect I certainly would like to remedy because of my regard for the Spanish-speaking people in this country and outside of this country.

If Senators will bear with me, then, I shall do the best I can.

In title I, or in the title, the English says, "Treaty concerning the permanent neutrality and operation of the Panama Canal."

The Spanish version says, "Tratado Concerniente a la Neutralidad Permanente del Canal y al Funcionamiento del Canal de Panamá."

The back translation or version is, "Treaty concerning the permanent neutrality of the canal and the functioning of the Panama Canal."

Now, the differences are, of course, the English version allows the interpretation that both the neutrality and the operation of the canal are to be permanent. The Spanish version only states that neutrality is to be permanent and not the operation.

The Spanish version of the title is inconsistent with a reference made elsewhere to what we suppose is the same document. In article II, paragraph 1 of the Panama Canal Treaty, reference is made to a "Tratado Concerniente a la Neutralidad Permanente y al Funcionamiente del Canal de Panamá" (Treaty Concerning the Permanent Neutrality and the Functioning of the Panama Canal).

Where in English it says, Treaty concerning the permanent neutrality and operation, not functioning, but operation of the Panama Canal.

Article I, the English translation: The canal, as an international transit waterway, shall be permanently neutral.

The Spanish translation says, "el Canal en cuanto via acuática de tránsito internacional será permanentemente neural. * * *"

The fact is that the back translation is this:

Although the English translation says the canal as an international transit waterway, shall be permanently neutral, the back translation of Spanish says the canal, as a waterway of international transit, shall be permanently neutral.

Let me comment on that. "International transit waterway" is ambiguous as to whether the waterway or the transit is to be considered international. Spanish resolves the ambiguity and states that the transit and not the waterway is international.

The English, and perhaps more so the Spanish, by saying "the canal as an international transit waterway shall be neutral," invites the question as to whether the canal would be permanently neutral should it ever be deemed or considered something other than an international transit waterway.

These differences are significant.

ARTICLE III, (E) ARTICLE VI, 1

The English and Spanish versions are essentially the same, but it should be pointed out that it is unclear how article IIIe "vessels * * * of all nations * * * shall be entitled to transit the canal * * * without being subjected * * * to inspection, search or surveillance" (an expeditious form of transit) differs from Article VI, 1, "such vessels (of the U.S.)

* * * will be entitled to transit the canal expeditiously." Also, note that since "canal" is the object of the verb "transit," the expeditious movement of ships could be taken to mean only while they are in the canal proper, rather than even including the approaches outside the canal, which could cause us considerable difficulties in getting Panama or anybody else who may or may not be friendly at the time to live up to the terms of what the English version says they are supposed to live up to.

ARTICLE VI, 2

The English and Spanish say essentially the same thing, but Panama's right to provide Colombia and Costa Rica "with the right to toll-free transit" is not restricted in any way as it is under U.S. operation of the canal. This could be a contradiction of article II of this same treaty.

Let us go to the text of the Carter-Torrijos statement of understanding.

The English version says:

"Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal."

The Spanish says: "Tratado Concerniente a la Neutralidad Permanente y al Funcionamiento del Canal de Panamá."

The back translation says:

"Treaty Concerning the Permanent Neutrality and the Functioning of the Panama Canal," again, rather than concerning the permanent neutrality and operation of the canal.

The English may be interpreted to mean that both the neutrality and operation are to be permanent, whereas the Spanish states explicitly that only the neutrality is to be permanent.

In other words, the United States is much better off with the English translation than it is with the Spanish translation. As I say, if Senators think that is a problem, here in the Neutrality Treaty, wait until we get into the Panama Canal Treaty.

The next illustration in the English version says, "consequently shall have the right to act against any aggression or threat," speaking about our right to intervene.

The Spanish translation says: "por consiguiente tendrá derecho a actuar en caso de una agresión o amenaza * * *"

The back translation is: "Consequently shall have the right to act in case of an aggression or threat."

The differences are these: The English says we shall have the right to act against any aggression or threat. The back translation in the Spanish says "consequently shall have the right to act in case of an aggression or threat." That too is significant, and it marks another ambiguity in the treaty.

The Spanish does not specify that the action to be taken may be against the aggression or threat. The English uses the words "expedited treatment," which I referred to before with regard to the matter of expeditious transit.

The English says "expedited treatment." The Spanish says "tramitacion simplificada."

The back translation: Instead of saying what the English translation says, which is "expedited treatment," it says "simplified procedure," which means and connotes paperwork.

In other words, they are going to make it easier for us to fill out the forms and file the papers in Panama; whereas, ours says we are actually going to have the right to go to the head of the line, which is what both Mr. Torrijos and Mr. Carter have said we have.

Professor Royden makes a point of, and calls attention to, article IX, section 5 of the canal treaty which states, "shall be offered a first option." He feels this is ambiguous and significantly so and should state "the first option," with regard to this very important aspect of the treaty.

I think that what it boils down to is this: Irrespective of my mispronunciations, I think that my amendment should not be offensive to the Panamanians, although I am sure that will be the argument against it.

On the other hand, who are we going to offend here? Are we going to offend the American people or the Panamanians, or are we going to be able to have a treaty that we understand, even though it is filled with ambiguities in the English version?

I think it is wrong for us, as U.S. Senators, not to protect this country when we know that these problems exist, when we know that there are serious problems existing which are going to cause difficulties all over this hemisphere later, and certainly between Panama and this country. Is it not better to face the problem now and bite the bullet and get these problems resolved?

I suspect that my colleagues are not going to be willing to do that, so I want to do the easy thing for them. As has been done in the past, even in the case of Panama, let us provide that the English translation shall prevail, so that there will not be any questions; or at least so that in international law we have some justification to assert that the things that should have been told the American people by this administration, by the ambassadors, by the State Department, and by others, really are right. The fact is that they are not right. The fact is that they are not taking care of our country. They are not protecting us as they should.

If we have to have these awful treaties, which some people say is already a foregone conclusion, but I do not believe it—I think that my amendment is worthy of consideration, and I respectfully urge each of my colleagues to support it.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. HATCH. For a question, without losing my right to the floor.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. SARBANES. I will withhold for a moment. I want to address the substance of the Senator's argument with respect to his amendment, because I think it is an amendment that is contrary to all diplomatic practice. I believe it carries with it connotations so far as the other parties are concerned. Suppose the other party came to us and said that the Spanish language text shall be binding on the two parties. What would the Senator's reaction be to that?

Mr. HATCH. They have a right to do that.

Mr. SARBANES. The Senator would not accede to that, would he?

Mr. HATCH. No.

Mr. SARBANES. I would hope not.

Mr. HATCH. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. Let me just answer that.

I probably would not agree with that unless I knew that the American people were protected so that the Spanish translation meant exactly what we say to the American people the English translation means, which is exactly not the case here. I do not think anybody can argue that it is exactly not the case here.

Therefore, I am suggesting that we should do the right thing. Let us protect our country. Let us take care of the American people first, if we have to have these treaties. If we do that, then it means to me we are going to have to resolve these difficulties, which should have been resolved before it came to the floor of the U.S. Senate. That is my precise point, and I think it is pretty important.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. HATCH. I recognize the Senator from Iowa (Mr. CULVER), and then I will recognize the distinguished Senator from Maryland again.

Mr. CULVER. I thank the Senator for yielding.

In listening to this general discussion, I could not help but be reminded of the experience that we had in this Nation about 20 years ago or so when we enacted the National Defense Education Act, and made available funds to strengthen language training programs. I recall rather distinctly there was a small community—and I have learned not to mention any States in this country—that had a very vigorous debate in their local school board, in their local school system, about whether or not they would institute language training courses in their school systems because the notion was so foreign to this particular community as a desirable educational objective.

I recall that the mayor of that community observed at the height of this dispute—and he was in opposition to putting these language courses into the system—he observed "If the English language was good enough for Jesus it is good senough for us." [Laughter.]

I could not help but——

Mr. HATCH. I am sure Jesus understands the English language.

Mr. CULVER. In listening to the tenor of this debate I could not help but call forth that recollection.

It seems to me that the key thing to keep in mind here is that we supposedly profess to be treating Panama as an equal. If one does not accept that basic operating premise, then it goes without saying that a lot of other things do not follow.

But if we do, and I gather most people at least would pay lip service to the suggestion and the notion that we do, then we must realize that we no longer live

in a world where we can be heavy-handed, selfishly, chauvinistically possessed and occupied with our own unilateral advantages.

We are talking about trying to work out ways to effect a mutually acceptable agreement. It would be wonderful, no matter what negotiation one is talking about, if we could always have a lopsided advantage and the other people would sign it and adhere to it. But by definition in the real world that is not negotiation, that is not diplomacy, that is not reciprocity, that is not mutuality of respect.

Mr. HATCH. It is just smart, that is all; it is very smart, intelligent and in the interests of the American people.

Mr. CULVER. Well, is it now? I would like to challenge that.

Mr. HATCH. Let me challenge the statement the Senator made.

Mr. CULVER. Is it now? The Senator suggested that, so let us explore that together for a moment. Let us assume we worked out a deal with the Soviet Union in the context of the Strategic Arms Limitation Talks where we had, for example, a very lopsided advantage and agreement in terms of the superiority——

Mr. HATCH. In favor of the Soviets as usually has been the case?

Mr. CULVER. What was that?

Mr. HATCH. In favor of the Soviets as usually has been the case.

Mr. CULVER. No.

Mr. HATCH. Then we are getting into fairy tales.

Mr. CULVER. We have had enough fairy tales for 1 day. Let us get to some hard facts.

My point here is that any time you have a matter in dispute and controversy between two independent sovereign nation states, and it is worthy of the exercise of a mutual effort at peaceful resolution of that conflict to avoid war, to avoid unrest, to avoid other sets of circumstances from arising in the absence of a mutually acceptable agreement that would be adverse to our interests, then you negotiate.

Now, frankly, I think we are talking about negotiating an agreement that is going to have some life expectancy of a substantial duration, we hope, and it is going to try to set a course that because of the mutuality of interests implicit in the agreement, there will be pressure on both sides in their own self-interests to honor the accord, to respect the terms, to operate under those agreements.

Now, clearly if you have, even if you momentarily achieve it in the short run due arguably to the skill on one side and the incompetency on the other, putting aside any other consideration, how long could that imperfect instrument at the time of its creation be expected to endure when it is subjected to intensive political debate, critical examination, and the harsh light of publicity?

I think the concern here, frankly, is who could conceivably accept the arrogance, if one is supposedly talking about two equal sovereign nation states entering into a good-faith negotiation, who could ever accept for a moment in the real world, not the fairy-tale world, the suggestion that "in spite of the fact we are supposedly equal, we want to tip our hat, we want to pull our forelock, we want to kowtow, we want to concede to the superiority of your language as opposed to ours?" How could anyone ever negotiate such an arrangement as that and go back home as a politician—not to mention as a statesman, or a diplomat—how could he ever conceivably go back home and not properly be subjected to vilification, to scorn and contempt, having gone into the negotiating room under the flag and the national pride of his sovereign, and compromised away that fundamental and significant aspect of the whole matter?

Now, that will not wash, and even if it did wash in the short run, even if under some conceivable scenario it was tentatively acceptable to somebody, someplace, temporarily, clearly such a fundamental flaw as that would represent would serve as an abrasive irritant, would constitute the sowing of the seeds that would inevitably result in the bringing about of a repudiation and a rejection of that treaty in some other way, some other form, to the distinct disadvantage of the United States security interests, properly understood.

Mr. HATCH. May I answer the Senator and then I think Senator CHURCH would like to ask a question.

I would just say this: You know, you are making my case better than I make it, and that is that really it is not so much to ask that we clear up the ambiguities in the treaties. I have not seen a propensity on the part of my colleagues in the Senate to do that.

If we cleared up every ambiguity in the treaties I would not be proposing this amendment. But since we have not done so, and since there is no propensity to do so to protect the American people, and since there are precedents in the past for what I am sponsoring as an amendment here——

Mr. SARBANES. What precedent is the Senator referring to?

Mr. HATCH. I cited it earlier in my discussion, and that is the precedent in the 1903 treaty which made it subject to the English text; the precedent in the matter of a number of inter-American contracts which we have negotiated that made the precedent that only the English texts shall be used; and I am sure there are many other precedents.

Mr. SARBANES. Did the Senator cite the 1955 and 1967 treaties, as well?

Mr. HATCH. I did not. If I can be permitted to finish—the point I am making is since we have no propensity to clear up these ambiguities and difficulties, let us protect the American people by having the English version prevail. Maybe that will fail, maybe the Panamanians will—they will then go and ask the appropriate Panamanian body to make Spanish the prevailing language.

If that is so, then we are going to have to renegotiate these treaties to extirpate these 320 ambiguities and differences that will otherwise cause us inestimable difficulty in the future. I do not think that is too much for us as U.S. Senators to ask. In fact, I might add, who is making these treaties, Mr. Torrijos or the American people?

Mr. CULVER. Well, if the Senator will yield——

Mr. HATCH. I will in just a second, if you will permit me the chance to make another observation.

I think we do regard the Panamanian people as equals; I certainly do, and I do not think anyone would accuse me otherwise. It is only Torrijos, who rules them with an iron hand, whom we do not trust, as well as some 20 other governmental officials around him.

The fact of the matter is that I do not trust Mr. Torrijos, and I do not trust the present leadership of Panama, which has not shown a propensity to be favorable to the United States of America, and in fact has shown a heavy propensity to be against this country all over the Third World, in comments made all over the Third World, which I am sure the distinguished Senator from Iowa will not fail to acknowledge.

The Senator made the humorous point, used the humorous story about the minister who said that the English language has to be good, because it was the language of Jesus. Well, I can say this: That was humorous and I enjoyed it. But I am sure Jesus understands both the English and Spanish languages, if you want my opinion.

Mr. CULVER. I think the point was that both versions of Jesus' words are translations.

Mr. HATCH. Let me say this: He understands both—if I may finish, now, and then I will recognize the Senator from Iowa in an appropriate manner. I think He and a number of others understand both the Spanish and English languages a lot better than our negotiators and ambassadors and other State Department employees who drafted these ambiguous treaties.

I am sure that the Senator from Iowa, if he knew the facts—maybe he does or maybe he does not—would agree with me that if there are distinct difficulties, distinct ambiguities, and differences of interpretation, he would want to clarify those and provide some protection for the American people.

That is all I am asking. If we are not willing to go through and rewrite these treaties so there are no disparities, we ought to make them subject to a basis according to the English translation. That is what I am asking, and I would think any other Senator would agree with me.

Now I am pleased to yield to the distinguished Senator from Iowa, if I do not lose my right to the floor, and also the distinguished Senator from Idaho (Mr. CHURCH), who asked a question of the Senator from Iowa, as long as I do not lose my right to the floor.

Mr. CULVER. Mr. President, as the Senator from Utah is aware, these treaties have been drafted and worked on for 14 years, and that has been done in accordance with the normal diplomatic procedures and practices.

It is standard practice, as I understand it, in international law—and I assume, again accepting this premise, that

we are treating them equally in this negotiation and for the purposes of this agreement—it is standard practice in international law that the parties provide, in bilateral treaties involving different languages, that both texts will be considered to be equally authentic.

The United States and Panama, it is my understanding, have agreed on this provision in both of the treaties, and there is no reason, certainly that one can see, to justify deviation from this common practice in this particular instance.

Furthermore, I know how fashionable and trendy and easy it is to criticize diplomats, and to make uncharitable references to their lack of toughmindedness in the national interest. I have served 10 years on the House Foreign Affairs Committee before coming to the Senate, and I must say that occasionally you saw one or two that, by some objective standard, left a little to be desired; but I think as a group we are talking about our fellow Americans who have professionally dedicated their lives, that the rigor of their examinations and of their own professional experience is really rarely equaled, and frankly, I do not see how one can fairly chastise or criticize or imply that, as a category and as a group, somehow, in a unique way, this particular group of public servants are something less than ones we can confidentially place a considerable trust and unrestrained admiration in.

Mr. HATCH. Let me——

Mr. CULVER. I can go further. Let me just say——

Mr. HATCH. I hope the Senator is not suggesting that is what I just said.

Mr. CULVER. I know, but we talk about these diplomats involved in negotiation——

Mr. HATCH. I have not mentioned the word "diplomats." I said our ambassadors and people involved in the negotiation. I just want to say they have not done a good job on these treaties.

Mr. CULVER. Frankly, I do not see the difference.

Mr. HATCH. I say that differs considerably from what the Senator implied.

Mr. CHURCH. Mr. President, will the Senator allow me to say a few words at this point?

Mr. CULVER. I yield.

Mr. CHURCH. I thank the Senator from Iowa and the Senator from Utah. I have listened very carefully to the argument of the distinguished Senator from Utah in support of these amendments. What he seems to be saying is this: That the English text before us is full of ambiguities, and therefore unsatisfactory; that the Senate will not clear up these ambiguities; and that therefore we must make the English text controlling. This seems a strange argument.

Mr. HATCH. Will the distinguished Senator allow me——

Mr. CHURCH. If, as the Senator claims, the English text is filled with ambiguities, and if the Senate refuses to clear them up, then I do not see what national advantage is to be gained by making the English text controlling. Does the Senator from Iowa?

Mr. CULVER. I certainly agree with that observation, and I also agree with the Senator from Idaho that it is important that the RECORD show here that these treaties were negotiated with people who did have a highly sophisticated language ability, and that they in fact systematically have gone through the treaties with this particular purpose in mind, which was to determine and ascertain those aspects of the agreement that gave rise to ambiguity, confusion, or misinterpretation.

I have been advised that very conscientious efforts were made to isolate those instances, and when they did represent a substantive matter, there were efforts to mutually bring it into conformity, either through utilization of English or Spanish, whichever seemed to be the most artful word choice to give it the precise meaning the two parties were seeking to accomplish.

Mr. HATCH. If I may interject, I certainly agree with the minister and his story about Jesus, because I think He might well have done a better job than some of the men who worked on these treaties.

I would like to suggest that my points are these: That we have a Spanish treaty which does not mean what the Americans are led to believe it does, and is very unprotective of the rights this administration has informed us we will have, that we have an English translation which is fraught with ambiguities.

But of the two versions, since it appears we are not willing to go back and renegotiate and get these treaties so they mean the same to both countries, then, of the two, since the word "intervention" is in ours, and since a number of other strong statements are in ours, which at least mean something to us, we ought to make the English prevail, because that is what has been represented to us by the administration, and by those who are so vociferously behind these treaties.

Mr. CHURCH. Will the Senator yield?

Mr. HATCH. If I could finish in a second, then I would be delighted to yield.

What I am trying to point out is this: I do not think good linguists will differ that there are a lot of differences between these two translations. I have quoted some of the greatest linguists in the world today who have had extensive experience in this area. I intend to quote a lot more when we get to the Panama Canal Treaty because that is just filled with even worse problems than the Neutrality Treaty. I have pointed out some very serious problems in the Neutrality Treaty where there are differences in meanings and interpretations which necessarily will occur.

I understand it is difficult to resolve all the little technical points, and I do not even mean to say that we have to resolve all of those. But when it comes down to meaning, to differing meanings between substantive provisions and words in these two treaties, then we ought to resolve them. That ought to be one of the obligations that we take upon ourselves as Senators so that in the future we do not have problems that we ordinarily would not have to put up with.

We are going to have enough problems with these treaties irrespective of the fact that we have all of these language difficulties and problems.

I think I am pointing out to the Senate, to our country as a whole, that it is not so much to ask. If they want to pass through the appropriate legal procedures down there that Spanish prevails, then I suppose we have to get together and resolve these problems. I would be more than willing to try to do that which I think should have been done before these treaties were presented to us on the floor of the U.S. Senate. It should have been done and it has to be done.

I am glad to yield to my friend, the senior Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. I thank the Senator. If he has recognized me for a question——

Mr. HATCH. For a question.

Mr. CHURCH. If he will recognize me for a short rebuttal without his losing the floor, I would like to proceed.

Mr. HATCH. I will be delighted to do that.

Mr. CHURCH. Mr. President, the treaties before us have this paragraph as the closing in the two texts.

Done at Washington this seventh day of September, 1977, in duplicate in the English and Spanish languages, both texts being equally authentic.

Mr. President, I have served in the Senate for more than 20 years. During that time, scores of treaties have been brought before the Senate for its consent.

Mr. HATCH. Will the distinguished Senator from Idaho yield for one moment?

Mr. CHURCH. Well, actually, the Senator has the floor and I understand he wishes to ask for the yeas and nays on his amendment. I, of course, want to accommodate him.

Mr. HATCH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. I thank the Senator from Idaho.

Mr. CHURCH. As I was saying, Mr. President, during the 21 years I have served in the Senate, scores of treaties have come before us. All bilateral treaties contain the provision which I just read into the RECORD, that the text will be in the language of each country and that either text has equal status with the other.

As a matter of fact, I have a list of bilateral treaties which the United States has currently in effect. I have not totaled the number of countries, but I estimate there are some 125 foreign governments involved. In each of these treaties, this provision was used as a matter of courtesy.

This is the first time in all my years here that I have ever heard such an argument made; the first time that any Member of the Senate has ever said that so customary an arrangement, which is one of comity between sovereign states, is somehow deficient.

Let me tell you the mischief we will cause, Mr. President, if we start insisting that English should have priority over Spanish; that the English text should be controlling.

First of all, I see no reason for it. After all, we are not so dispossessed of talented linguists that we cannot enter into the RECORD a translation of the Spanish text for purposes of comparison.

We have a Library of Congress with some of the finest Spanish linguists in the world, who certainly will translate the Spanish text into English which we can then put in the RECORD. That, in itself, should put an end to this argument.

But quite apart from our ability to know what is in the Spanish text, there is mischief in the Senator's amendment. Once we begin to set aside the normal practice of comity and insist that the English text have precedence over the Spanish text, or the Norwegian text, or the Greek text, or the Turkish text, or the Japanese text, we are courting problems with every country in the world, for this is a calculated form of insult. We must get over the notion that we can treat other countries, even though they be small and relatively defenseless countries like Panama, in an arrogant manner which bespeaks of a different period, a colonial age when a few Western European governments subjugated much of the world. Perhaps at the height of the British empire it was possible to say, "You do business in English with the Government of Great Britain or you do no business at all."

That day has long since gone.

I say to the Senator, with all respect, the Panamanian people, and, indeed, Spanish-speaking people everywhere, would regard as insulting his amendment suggesting that Spanish should have a subordinate position to English. The amendment departs from the established form we have customarily observed in our bilateral agreements with more than 125 foreign governments.

Mr. President, just to underscore that point, I ask unanimous consent that a list of those governments be printed in the RECORD at this point.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

Afghanistan, Agency for the Safety of Air Navigation in Africa and Madagascar (ASECNA), Albania, Algeria, Argentina, Asian Development Bank, Australia, Austria, Bahamas, The, Bahrain, Bangladesh, Barbados, Belgium, Netherlands, Luxembourg (BENELUX).

Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burma, Burundi, Cambodia (See Khmer Republic), Cameroon, Canada, Central African Republic, Ceylon (See Sri Lanka), Chad.

Chile, China, Colombia, Congo (Brazzaville), Congo (Kinshasa) (See Zaire).

Costa Rica, Cuba, Cyprus, Czechoslovakia, Dahomey, Denmark, Dominican Republic, East African Common Services Organization, Educador.

Egypt, El Salvador, Estonia, Ethiopia, European Atomic Energy Community (EURATOM), European Coal and Steel Community, European Economic Community, European Space Research Organization, Fiji, Finland, Food and Agriculture Organization, France, Gabon, Gambia, The, German Democratic Republic, Germany, Federal Republic of.

Ghana, Greece, Grenada, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Inter-American Development Bank, International Atomic Energy Agency, International Labor Organization.

Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Khmer Republic, Korea, Kuwait, Laos, Latvia, Lebanon.

Lesotho, Liberia, Libya, Liechtenstein, Lithuania, Luxembourg, Malagasy Republic (Madagascar), Malawi, Malaysia, Mali, Malta, Mauritania, Mauritius, Mexico.

Monaco, Morocco, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, North Atlantic Treaty Organization, NATO Maintenance Supply Services System, Norway, Oman, Organization of American States, Pakistan.

Panama, Pan American Union (See Organization of American States), Paraguay, Peru, Philippines, Poland, Portugal, Romania, Rwanda, Ryukyu Islands, San Marino, Saudi Arabia, Senegal, Sierra Leone, Singapore.

Somali Republic, South Africa, Southeast Asia Treaty Organization, Southern Yemen (See Yemen (Aden)), Spain, Sri Lanka, Sudan Swaziland, Sweden, Switzerland, Syrian Arab Republic, Tanzania, Thailand, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey.

Uganda, Union of Soviet Socialist Republics, United Arab Republic (See Egypt), United Kingdom, United Nations, United Nations Relief and Works Agency, Upper Volta, Uruguay, Vatican, Venezuela, Democratic Republic of Viet-Nam, Republic of Viet-Nam, Western Samoa, Yemen (Aden), Yemen (San'a'), Yugoslavia, Zaire, Zambia.

Mr. CHURCH. My second objection departs from the universal and focuses on the particular. This amendment would be an egregious insult to Panamanians, even more than to others.

Why do I say that, Mr. President? Because we have entered into three treaties with Panama. Two of those treaties were entered into at arm's length, when we actually negotiated with the Panamanians and came to terms. They were not entered into under circumstances of duress, as in 1903, when the Panamanians either had to accept our terms or face a Colombian firing squad. Only under the umbrella of our own military protection was the independence of the isthmus kept, and the junta protected against reprisal by Colombia. The two latter treaties, however, were arm's length transactions, entered into in 1936 and again in 1955. In these treaties, adjustments were made to the Treaty of 1903. Both treaties conclude with identical language which I believe is relevant to this debate.

In the case of the 1936 treaty, the final sentence reads as follows:

In witness whereof the plenipotentiaries have signed this treaty in duplicate in the English and Spanish languages, both texts being authentic, and have hereunto affixed their seals.

In 1955, the treaty was concluded in the following language:

In witness whereof the plenipotentiaries have signed this treaty in duplicate in the English and Spanish languages, both texts being authentic, and have hereunto affixed their seals.

So, you see, every time we dealt with Panama as an equal, separate, sovereign state; every time we accorded Panama the same courtesies we accord other governments, we used the same language with which we conclude the two current treaties now before us.

It was only in 1903 that we ever insisted upon an English treaty. When a Frenchman wrote the terms of the Bunau-Varilla Treaty in this city, and signed it prior to the arrival of the Panamanians, he knew full well that the Panamanians would have no choice but to sign, because they knew that to refuse meant jeopardizing their very lives. Indeed, the English text they signed, they actually could not read.

Passage of this amendment would constitute an egregious insult to Panamanians. It would revive all the memories of the indignity, of the circumstances of coercion under which the treaty of 1903 was consummated. The amendment would stir up humiliating memories of an episode better left alone.

I cannot think of anything we could do which would be quite so insulting to the Panamanians, quite so symbolically revealing, as to adopt the amendment proposed by the distinguished Senator from Utah. It not only stirs old ashes, Mr. President, but it stirs the ashes of a fire which still smolders in Panama, a fire that, indeed, formed the underlying reason why it was necessary to negotiate the two new treaties now before this body.

So, I oppose this amendment. It does violence to the comity we normally accord every other government, and it would do particular violence in this case.

Mr. HATCH. Mr. President, I have enjoyed the stirring comments of the distinguished Senator from Idaho, but nowhere in those comments, and it is amazing to me that this is so, is there any argument that the treaties are not filled and fraught with ambiguities, difficulties in translation, differences in translation that are deleterious to the United States of America.

It is nice to talk about how wonderful the Panamanians are, and I think they are, too. In fact, I have said I love the Panamanian people, which I do. It is wonderful to talk about how insulted they are going to be. I think the distinguished Senator has stated that this is an egregious insult to the Panamanians. All I can say is that these treaties are an egregious insult to every U.S. citizen and certainly, the majority of all U.S. citizens.

The real question has not been answered. That is, who is going to clear up these abominable messes? If they were cleared, I would not be up here making this amendment. I would be happy to have both translations be equal. The fact of the matter is that those are not solved or taken care of.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HATCH. Mr. President, I have agreed to give some time to the distinguished Senator from Alabama, but I understand the distinguished Senator from Texas wanted to make a point on this precise point? Is that so?

Mr. TOWER. If I may have just a minute.

Mr. HATCH. Then I shall yield to the distinguished Senator from Aliabama, and I apologize to him for even having to wait a second.

Mr. TOWER. Mr. President, I thank

my distinguished colleague for yielding. I get a little tired of our wallowing in a sense of guilt and self-recrimination. When you consider the fact that, 50 years prior to the consummation of the Bunau-Varilla treaty and the separation of Panama from Colombia, the Isthmus of Panama had been in a virtually constant state of insurrection against the oppressive government in Colombia, it occurs to me that we did the Panamanians a favor by assisting them in gaining their independence from Colombia. Therefore, I tend to reject the notions that we should be guilty about what happened in 1903.

I thank my friend from Utah.

Mr. HATCH. I think the distinguished Senator from Texas.

Without losing my right to the floor, I yield to the distinguished Senator from Alabama, to make a very important statement.

Mr. SPARKMAN. I thank the Senator.

Mr. President, I ask unanimous consent that what I shall say and what my colleague from Alabama will say not break into this debate in progress now.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Proceedings at this point relating to the late Gen. Daniel "Chappie" James, Jr. are printed later in today's RECORD.)

Mr. HATCH. Mr. President, the distinguished Senator from Idaho indicated that these treaties will be gone over by the expert linguist at the Library of Congress. If that has not already been done, I am, indeed, chagrined that we would present these treaties to the Senate without the appropriate translation work being done so the Senate can benefit from the differences between these treaties.

I say to the distinguished Senator from Idaho that I would be happy to withhold a vote on this particular amendment until we do have a report back from the Library of Congress as to the ambiguities and the differences and difficulties of translation and divergencies between these treaties because I think the American people need to know it, and I think they will find that what we have represented here today is correct.

But I would certainly welcome that, otherwise I think we should go to a vote on this today and see where everybody stands on this issue.

Mr. CHURCH. Will the Senator yield?

Mr. HATCH. I am happy to yield to the distinguished Senator from Idaho.

Mr. CHURCH. I am most happy to vote now on this amendment.

There are, of course, translations of the Spanish text available, if the Senate wishes to obtain a particular translation from the Library of Congress, which we know to be a completely neutral source and an arm of the Congress besides, we can easily get such a translation.

Mr. HATCH. If the Senator will yield for one question, which is a very simple one, has the Senate Foreign Relations Committee requested the Library of Congress to do the two translations so that we have the benefit of those here on the floor?

Mr. CHURCH. The answer to that question is that the Committee on Foreign Relations saw no need to request a translation from the Library of Congress because we had no way to anticipate that so extraordinary an amendment would be offered on the floor.

There are no secrets contained in the Spanish translation of this treaty, no problems caused by the Spanish translation, and, for that reason, the committee saw no reason to request that the Library of Congress furnish us with its own translation.

But if it would allay any suspicion that the Spanish text does not track the English text, then I am certain we can put that fear to rest by having printed in the RECORD a translation furnished us, upon request, by the Library of Congress.

Mr. HATCH. If the Senator will yield again, has the prestigious Committee on Foreign Relations asked the Library of Congress, or anybody else, for that matter, to make a comparative set of translations? Would the Senator not expect that to be a normal request to make sure that the United States is not suffering as a result of the differences between translation before we consider such weighty matters as these on the floor of the U.S. Senate?

Mr. CHURCH. I say to the Senator that we have enough hurdles to surmount to accomplish our business, without creating more.

The State Department exists to represent the United States in the conduct of our foreign relations and to negotiate treaties between this Government and foreign governments. The Department of State has rules relating to the texts of treaties in languages other than our own. I would like to read into the RECORD the governing rule, one which is applicable to these treaties and to all bilateral treaties that are written up in the language of the two countries.

The rule reads as follows:

> Before any treaty or other agreement containing a foreign language text is laid before the Secretary or any person authorized by the Secretary for signature, either in the department or at a post, a signed memorandum must be obtained from a responsible language officer of the department certifying that the foreign language text and the English language text are in conformity with each other and that both texts have the same meaning in all substantive respects.

We can assume that the rules of the State Department relating to this question have been complied with long before the treaty is sent to the Senate to obtain our consent. There is nothing in this case to suggest, and no evidence of any kind has been presented, from which to infer this rule has not been complied with fully.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. CHURCH. I yield.

Mr. SARBANES. Not only can one presume, but in this instance a check in fact was made with responsible officials of the State Department, that, in fact, the regulation which the Senator from Idaho just read was followed in this case and that qualified language experts of the department reviewed the text, prepared detailed memoranda with respect to them, and that the two texts were brought into harmony with one another.

So that the process which has been outlined is not only a process in theory; it was a process in fact in this instance, and that process has been pursued and that certification has been made.

Mr. CHURCH. I thank the Senator for refreshing my recollection. We did take the unusual precaution, as the Senator has explained, of making perfectly certain that this provision of the State Department rules of procedure had been fully met and that the two texts were identical.

I merely want to reiterate that we normally can assume this to be the case, even though, in view of the importance of the two pending treaties, we took the added precaution of determining that as a matter of record.

Mr. HATCH. Will the Senator yield?

Mr. CHAFEE. Mr. President, will the Senator yield for a question?

Mr. CHURCH. I yield to the Senator from Utah.

Mr. HATCH. That may be, and I certainly accept the statement of the distinguished Senator from Idaho, our floor leader on the majority side. But now that we have brought up some substantive and important translation difficulties and disparities—and I intend to bring up a great deal more when we get to the Panama Canal Treaty—which are so serious that they presage all kinds of difficulties, is it not important, in the eyes of the distinguished Senator from Idaho and others who are for these treaties, that we now resolves these difficulties; that we now look into them; and that we protect this great country from future discord, difficulties, disagreements, and problems, by clarifying and straightening out these ambiguities now, rather than later?

I will provide the second translation. But since the distinguished Senator is pleased with the Library of Congress, I would be happy to join him in suggesting that the Library of Congress, which has these expert linguists who do a great job in translating this for us, furnish a translation, to see if what I consider to be a loophole—this rule—has really been complied with for the benefit of the United States of America. I would think that would be the minimum we would do under this state of affairs in order to resolve the difficulties and ambiguities that have been raised.

Mr. CHURCH. Mr. President, I begin to feel like the Dormouse at the Mad Hatter's tea party.

In the first place, whatever possible problem may exist now or in the future relating to the interpretation of any provision of either the Neutrality Treaty or the Panama Canal Treaty, that question will not rest upon the language selected but, rather, upon the interpretation given the language.

I hardly need to remind my colleagues that we just have one treaty before the Senate the Neutrality Treaty, written in English, which the Senate can consent to or reject. This is the only treaty presently before us.

Why all this talk about the Spanish translation? We have problems enough, as the distinguished Senator from Utah has admitted, in determining the nu-

ances, and specialized meanings of the English words. I am sure that Senators will soon ask that one English word be substituted for another English word because of their dissatisfaction with the English word chosen.

However, the only treaty we have before the Senate is the treaty written in the English language. That is the treaty to which we are being asked to give our consent. This whole debate about the Spanish text is preposterous. The only treaty before us is the Neutrality Treaty, written in the English language.

When we finally vote, we shall vote yes or no on that treaty, written in English. Regardless of the linguistic talents at the Library of Congress, no one would presume, either in this country or in Panama, that the U.S. Senate was competent to give its consent to the Spanish text. Therefore, we are not asked to do so.

The amendment is an irrelevancy, and it is not seriously intended, I am sure, because it is at variance with the practice at least 125 other sovereign governments. Its enactment could have only one effect, and that would be a calculated insult to the Panamanian people by suggesting that the Senate of the United States insists upon giving English precedence over Spanish. This would be an act of arrogance that could not possibly benefit the United States, but could contribute to a serious deterioration in the good feeling toward this country that now exists in Panama.

I hope the Senate will reject this amendment by an overwhelming vote, and I want the Chair to know that it is my intention to move to table the amendment. I withhold that motion, because the distinguished Senator from New Jersey, the ranking Republican member of the Foreign Relations Committee, has just risen, and I yield to him.

Mr. CASE. Mr. President, I thank our colleague from Idaho. I shall not delay the Senate long on this point.

If there are differences in meaning between these two documents, one in the Spanish and one in the English language, then we had better correct that; but certainly we should not attempt to do it in the way suggested by the Senator from Utah. I think there is no argument for doing it that way.

You cannot have dealings between sovereign countries in which one insists on its language as the language of agreements between them. It has never been and should not be, and I would hope that the Senator would, fairly soon, make the motion that he is contemplating.

Mr. HATCH. Mr. President, I would like to ask the distinguished floor manager, the Senator from Idaho (Mr. CHURCH), is there any place in these treaties which provides for resolving any conflicts in ambiguous language or divergence in translation, or difference in interpretation?

Mr. CHURCH. May we just check the provisions?

Mr. HATCH. I would be delighted that you do, because I do not see any.

Mr. CHURCH. I want the answer I give the Senator to be one he can rely upon.

Mr. HATCH. Be delighted to have you do that.

The PRESIDING OFFICER. The Chair is recognizing the Senator from Idaho (Mr. CHURCH), who now has the floor.

Mr. CHURCH. I call the Senator's attention to article XIII of the Panama Canal Treaty, which contains——

Mr. HATCH. My question was——

Mr. CHURCH. Provisions relating to the arbitration of disputes between the parties.

Mr. HATCH. With regard to the Panama Canal Treaty?

Mr. CHURCH. Yes.

Mr. HATCH. I am talking about the Neutrality Treaty.

Mr. CHURCH. No, there is no comparable provision in the Neutrality Treaty.

Mr. SARBANES. Will the Senator yield on that point?

Mr. HATCH. I yield.

Mr. SARBANES. Because I am concerned to protect American interests, which the Senator has raised throughout the day, and I only submit that if he will stop for a moment and think about it——

The PRESIDING OFFICER. The Senator from Idaho (Mr. CHURCH) has the floor.

Mr. CHURCH. I yield to our colleague from Maryland, without relinquishing my right to the floor.

Mr. SARBANES. That an ambiguous provision in a treaty in terms of its interpretation and its enforcement obviously serves the interests of the more powerful of the two parties to the treaty arrangement, and therefore, to the extent that such ambiguities exist—and I do not agree with the Senator that that is the case—but to the extent that they do, the United States, of course, is in the position to apply its interpretation, and therefore that is an important aspect of this matter to consider when one is thinking about the American position and the protection of American interests.

Mr. CHURCH. I might say also, Mr. President, that in connection with article XIV of the Panama Canal Treaty, I read:

> In the event that any question should arise between the Parties concerning the interpretation of this Treaty or related agreements, they shall make every effort to resolve the matter through consultation in the appropriate committees established pursuant to this Treaty and related agreements, or, if appropriate, through diplomatic channels. In the event the Parties are unable to resolve a particular matter through such means, they may, in appropriate cases, agree to submit the matter to conciliation, mediation, arbitration, or such other procedure for the peaceful settlement of the dispute as they may mutually deem appropriate.

I suggest, Mr. President, that since these two treaties are intimately related, the term "related agreement" should certainly cover the Neutrality Treaty, for it is a kind of twin to the Panama Canal Treaty. In fact, one cannot take effect without the other, so it is hard to conceive how anyone could claim that the Neutrality Treaty is not a related agreement.

On that basis, I believe the arbitration provisions contained in the Canal Treaty would be applicable to the Neutrality Treaty.

Mr. President, I have given my arguments against this amendment. I hope that the Senate will reject it by a decisive vote. I move that the amendment be laid on the table.

Mr. HATCH. Mr. President, could I make one more point, and then you can move to table?

Mr. CHURCH. I withdraw my motion, and yield to the request of the distinguished Senator from Utah, without losing my right to the floor.

Mr. HATCH. I understand.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. I thank our distinguished colleague for his kindness in doing that.

One of the most distinguished international lawyers, John Norton Moore, testified recently before the Senate Foreign Relations Committee, and he said:

> As a final international-legal point, I regret that the treaties do not have a mechanism for compulsory third party adjudication of differences concerning non-defense issues. Nations are understandably reluctant to submit military or defense issues to third party settlement. Sometimes this reluctance prevents agreement on any compulsory dispute settlement mechanism. To avoid this pitfall, in the law of the sea negotiation it has been generally accepted that "disputes concerning military activities" will not be subject to the dispute settlement mechanism otherwise embodied in the treaty draft (the Informal Composite Negotiating Text) if a party opts to except such activities when accepting the treaty. Had this realistic approach to the art of the possible been followed in the Panama Treaty negotiations it may well have been possible to obtain agreement on submission of disputes concerning transit of commercial vessels to compulsory arbitration or to the International Court of Justice.

I think he did us a great favor in pointing that out, and I think, if I say so myself, it is important to point out right now to the Senate and to the country as a whole that these treaties do not protect the United States the way they should.

I am grateful to the distinguished Senator from Idaho for allowing me to say this.

Mr. CHURCH. Mr. President, I am grateful to the Senator for having quoted a man who is an undoubted authority in his field. In fact, the very same man assured us that it was not necessary to secure the consent of the House of Representatives in order to transfer title to property. This noted authority made it clear that such a transfer could be accomplished under the Constitution by a treaty.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. No, I just wanted to make an observation that the authority the Senator from Utah has chosen is very eminent in his field, and has assured us that there is no need to submit the property transfer provisions of this treaty to the House of Representatives.

Mr. HATCH. Will the Senator yield for one small observation along the same line?

Mr. CHURCH. Very well.

Mr. HATCH. I would agree that he is an international law expert, and I have quoted him as such and commend him for his expertise. But that is a far cry from being a constitutional expert, as are Dr. Raoul Berger and others who have backed our position that we should not deprive 219 Members of the House of Representatives who have demanded the right to a voice in the disposition of property under the provisions of article IV, section 3, clause 2 of the Constitution of the United States of America.

Mr. CHURCH. Well, the Senator from Utah brought up the name of the gentleman, John Norton Moore, and relied upon his expertise on arbitration, even though he rejects his expertise on property transfers.

Mr. HATCH. That is true.

Mr. CHURCH. I am about to move that the amendment be laid on the table. I only wish to make one comment on the argument that has been presented by the distinguished Senator from Utah. It is an interesting argument and it is a good argument, but I am astonished to hear it from his lips.

What Mr. Moore was arguing for is compulsory arbitration, in which a dispute concerning the interpretation of a given provision in the treaty would be taken out of the hands of the United States and placed in the hands of a third party. The decision of the third party would then be binding. Perhaps the Senator from Utah believes such a provision should be included in the treaty. But that really is an unusual argument to hear from a man of his philosophy.

Mr. HATCH. Will the Senator yield for a brief comment about that? I do not state my particular philosophy with regard to that, or refer to the arbitration.

Mr. CHURCH. What is the Senator's position? Does the Senator believe that a third party should have the right to interpret the provisions of this treaty?

Mr. HATCH. I would like to decide it on a case-by-case basis, but I would say this with regard to these treaties: I would almost go for anything that would protect the American people more than these awful treaties, and I think that even compulsory third-party arbitration would be more protective than what we have in these awful treaties right now.

Mr. SARBANES. Would the Senator yield? I do feel like I am at the Mad Hatter's party.

Mr. HATCH. If the Senator feels that way, he can imagine how others feel.

Mr. SARBANES. How the Senator can make that assertion is beyond me. In these treaties we have the power to use our authority to protect our interests, and the Senator now is telling me that he wants to give that up and place it in a third party to make the judgments as to what we are entitled to do. How the Senator finds greater protection for American interests in that approach is impossible for me to understand.

Mr. HATCH. Let me just answer the distinguished Senator from Maryland. Mr. CHURCH, the distinguished Senator from Idaho, has already stated that there is nothing, absolutely nothing, in the Neutrality Treaty which provides for the resolution of conflicts of interpretation. I, through this amendment of mine, provide a guide for that resolution, inasmuch as we have raised all kinds of conflicts and problems even in the Neutrality Treaty. The question is: What are conflicts and who is going to resolve them? There are no provisions for conflict resolution.

Mr. CHURCH. Mr. President, I have already answered the question. Perhaps the distinguished Senator from Utah was distracted. I read into the RECORD the final article of the Panama Canal Treaty, which refers to questions arising concerning the interpretation of not only the Panama Canal Treaty but also of "related agreements." If the Neutrality Treaty is not a related agreement, then those words have no meaning because the two treaties are so intimately connected that one rests on the other. They are Siamese twins. The longer I listen to the arguments of the distinguished Senator from Utah the more difficulty I have comprehending them. I move that this amendment be tabled, Mr. President.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROOKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

Mr. CHURCH. Mr. President, before that suggestion, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHURCH. The motion to table having been made, does the Senate not now proceed to a rollcall vote on that?

The PRESIDING OFFICER. That is the pending question.

Mr. HATCH. I suggest we pursue it.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Kentucky (Mr. FORD), the Senator from Montana (Mr. HATFIELD), the Senator from South Dakota (Mr. MCGOVERN), the Senator from North Carolina (Mr. MORGAN), the Senator from Georgia (Mr. TALMADGE), the Senator from Wisconsin (Mr. NELSON), are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS), is absent on official business.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from South Carolina, (Mr. THURMOND). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from South Carolina would vote "nay."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), the Senator from South Carolina (Mr. THURMOND), the Senator from Connecticut (Mr. WEICKER), the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from South Carolina would vote "nay."

The result was announced—yeas 58, nays 26, as follows:

[Rollcall Vote No. 35 Ex.]

YEAS—58

Abourezk	Haskell	Melcher
Anderson	Hatfield,	Metzenbaum
Baker	Mark O.	Moynihan
Bayh	Hathaway	Muskie
Bentsen	Hayakawa	Nunn
Biden	Heinz	Pell
Byrd, Robert C.	Hodges	Percy
Case	Hollings	Proxmire
Chafee	Huddleston	Ribicoff
Church	Humphrey	Riegle
Clark	Inouye	Roth
Culver	Jackson	Sarbanes
Danforth	Javits	Sasser
DeConcini	Johnston	Schmitt
Domenici	Kennedy	Sparkman
Durkin	Leahy	Stafford
Eagleton	Long	Stevenson
Glenn	Magnuson	Wallop
Gravel	Matsunaga	Zorinsky
Hart	McIntyre	

NAYS—26

Allen	Curtis	Lugar
Bartlett	Dole	McClure
Bellmon	Eastland	Randolph
Brooke	Garn	Schweiker
Burdick	Griffin	Scott
Byrd,	Hansen	Stennis
Harry F., Jr.	Hatch	Stevens
Cannon	Helms	Stone
Chiles	Laxalt	Tower

NOT VOTING—16

Bumpers	Mathias	Talmadge
Cranston	McGovern	Thurmond
Ford	Morgan	Weicker
Goldwater	Nelson	Williams
Hatfield,	Packwood	Young
Paul G.	Pearson	

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 22

Mr. SCOTT. Mr. President, I call up my amendment No. 22 and ask that it be made the pending business before the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Virginia (Mr. SCOTT) proposes an amendment numbered 22.

The PRESIDING OFFICER. The Senate will be in order. The chairman is hardly able to hear the clerk. Senators will cease conversation. The Senate will be in order.

The clerk will proceed.

The second assistant legislative clerk read as follows:

At the end of Article I strike out the period and add the following: ": *Provided, however,* That this Treaty shall be void and of no effect unless and until the Panama Canal Treaty also executed by the parties hereto on September 7, 1977, shall be ratified on behalf of and in accordance with the laws of both the United States of America and the Republic of Panama.".

Mr. SCOTT. Mr. President, I am not prepared to argue this amendment at this time, but I will do so tomorrow morning. I have talked with the distinguished majority leader, and I understand that we can agree that there will be no vote before 2 o'clock on the amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SCOTT. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Virginia (Mr. SCOTT) has called up his amendment tonight by request, with this understanding: In view of the fact that he is a member of the Judiciary Committee and is attending the hearings on the confirmation of the nomination of Mr. Civiletti, I ask unanimous consent that no vote occur in relation to the amendment by Mr. SCOTT prior to 2 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield further?

Mr. SCOTT. I yield.

ORDER FOR CONSIDERATION TOMORROW OF THE PANAMA CANAL TREATY AND FOR RECOGNITION OF MR. MUSKIE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately following the prayer tomorrow morning, the Senate resume consideration of the treaty and that Mr. MUSKIE be recognized at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding.

Mr. SCOTT. Mr. President, I would like to have the opportunity tomorrow, after the Judiciary Committee concludes its hearing—it is my understanding that we can stay in session for 2 hours after the convening of the Senate, without violating the agreement—to present my argument. I would be glad to have any Senator—if it does not conflict with the unanimous-consent request that the majority leader mentioned—speak on any phase of the treaty he might wish.

Mr. ROBERT C. BYRD. The Senator would have no objection, would he, to laying the amendment aside temporarily tomorrow until he can get here, in the event another Senator wishes to call up another amendment?

Mr. SCOTT. That is perfectly all right.

Mr. ROBERT C. BYRD. Mr. President, I should like to make clear that the previous order consenting to my request that no rollcall vote occur in relation to the amendment by Mr. SCOTT prior to 2 p.m. tomorrow does not, ipso facto, mean that other rollcall votes may not occur prior to 2 p.m.

Mr. BROOKE. Mr. President, as indicated by my negative votes on the moves to table the Allen and Hatch amendments, I do not intend to support the apparent effort to forestall any votes on substantive issues, other than the leadership's own amendments, by use of the tabling mechanism. It is a sad commentary on the state of the Senate when we appear unwilling to make the tough choices on the substance of the issues before us. I will not contribute to what I perceive to be a neglect of our duty.

The PRESIDING OFFICER. The Senator from Massachusetts will suspend. The Senate is not in order. The Senate will please come to order. The Senator from Massachusetts is entitled to be heard. The Senate will be in order. Senators will cease conversation in the Chamber.

Mr. BROOKE. Mr. President, having stated my intent to oppose "tabling tactics," I also want to emphasize that my votes against tabling motions would not automatically indicate that I favor an amendment. For instance, even though I voted against tabling the Allen and Hatch amendments, had votes taken place on them I would have voted in the negative. My decisions on other amendments will also be on their substance.

The American people have the right to expect that their representatives will not hide behind procedural tactics as they make their decisions regarding the treaties. To date we have not fulfilled their expectations. It is time to change the approach and allow votes on substance to be made by the Senate.

Mr. GRIFFIN. Mr. President, I rise to commend the Senator from Massachusetts and associate myself with his remarks. I made a similar expression immediately before the vote on the Allen amendment. On its merits, I opposed the Allen amendment, but I voted against the motion to lay on the table.

I think a procedural motion to lay on the table, which cuts off debate under circumstances where no filibuster is in progress and in effect avoids a vote up or down on the merits, is unfortunate in this situation. I know of no particular reason why it should be the case, and like the Senator from Massachusetts, I voted against the motion to table, but I also want to make it clear on the record that had we been allowed to vote on the merits, as I wish we had been, I would have voted against the amendment itself.

Mr. BROOKE. Mr. President, I thank the distinguished Senator from Michigan. I certainly agree. I know of no reason, either, why this procedure is being adopted. While I for one cannot say that I have never voted for a motion to lay on the table, as has the Senator from Michigan, we have before us two treaties of great importance to this country, and I think we ought to vote up or down on the merits of the substance of the amendments proposed to these treaties, rather than hide behind motions to lay on the table. As the Senator from Michigan, I do not know how I would vote on all the amendments. I agree with him and would not have voted for these; but I could not vote to table them, and I will not vote, during the duration of our debate and voting on these important treaties, to table an amendment. I thank my distinguished colleague.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. BROOKE. I yield to the Senator from Alabama.

Mr. ALLEN. I commend the distinguished Senator from Massachusetts (Mr. BROOKE) and the distinguished Senator from Michigan (Mr. GRIFFIN) on the attitude they have expressed with regard to a motion to lay on the table the substance of amendments. Whereas had the issue been on an up or down basis those of us who oppose the treaties would have received two fewer votes, nevertheless I feel that amendments offered in good faith, that are substantive amendments, should be considered on their merits and not on the parliamentary device of moving to lay on the table, as though they were not worthy of considering and voting on up or down.

So I commend the distinguished Senators for their attitude in this matter. I think it is absolutely the correct attitude, and I feel that these amendments ought to be voted upon on their merits. There seems to be no reason to be alarmed and therefore to use a tabling motion as a device to preserve the rights of the opponents of the amendment to debate in the event the tabling motion did not carry, and it would seem that we ought to decide these issues on their merits rather than on technical parliamentary motions.

I thank both Senators for their attitude.

Mr. BROOKE. Mr. President, I wholeheartedly agree with our distinguished colleague from Alabama.

Mr. ROBERT C. BYRD. Mr. President, I will state that there will be no more rollcall votes tonight.

ADDITIONAL STATEMENTS SUBMITTED

Mr. BAYH. Mr. President, last Friday I entered into a colloquy with my distinguished colleague from Utah (Senator GARN) concerning the potential costs or lack thereof to American taxpayers of turning over the Panama Canal to Panama. I asked for and received consent to include pertinent portions of the hearing before the Transportation Subcommittee of the Appropriations Committee by Maj. Gen. Harold Parfitt, the Gov-

ernor of the Canal Zone. As subcommittee chairman, I had the opportunity to question the Governor last Thursday concerning his fiscal year 1979 budget. The transcript was returned to us on Saturday and although we have not yet received the Governor's corrections to it, any changes would be grammatical in nature rather than substantive. I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator BAYH. General, can I interrupt you?

Governor PARFITT. Yes, sir.

Senator BAYH. Just for continuity of the record, if it is disconcerting to say so, we can wait until the end. In your estimate of what the revenues would be this year did you estimate a complete full operation of the pipeline? Or did you estimate that the Pumping Station No. 8 would be out of kilter?

Governor PARFITT. My estimate did not contemplate the pipeline being out of kilter. But it was a very conservative estimate of flows of North Slope oil.

Senator BAYH. I think it is wise to make conservative estimates when anticipating revenues and perhaps a little more liberal estimates when anticipating expenditures. That leaves a better chance of coming out with a surplus instead of a deficit.

However even though it was a conservative estimate what you are telling us is that despite the fact that one of the main pumping stations of the pipeline was not functioning, thus you had a significantly smaller flow of oil than you had anticipated through the canal.

Despite that fact revenues of the canal are still more than you had anticipated.

Governor PARFITT. Even with the pump station, yes, sir, we are experiencing more flow through the canal than we had originally anticipated when we submitted the budgets.

Senator BAYH. Thank you.

I assume that if there is additional discovery of oil that those projections could be equally convervative to the ones you just presented, which underestimated the traffic.

Governor PARFITT. I was speaking more in relation to the total movement of cargo through the canal rather than the specific commodity of oil. Our consultant indicates a significant flow of oil through the canal throughout the period up to the year 2000.

We know there are certain circumstances that could develop which would cut off that flow substantially, such as pipelines. There are much more economical alternatives to going through the Panama Canal. As operators we are very conservative in our view of when that might happen. We just flag that situation potentially after 1981. We could find ourselves with a diminished flow of North Slope oil. That is quite apart from the other commodities, which are also growing at a very low rate.

Senator BAYH. General, I have to say you are looking at one of those fellows who would like to have a pipeline go through the west coast to Shirkeyville, Indiana. But I think it is an extreme exaggeration to suggest that there is any chance of having that on-line by 1981. I have looked at that. I would push it. I am on one side on the canal and you are on the other side. Whether or not we get a pipeline will be decided in the future. But I think looking at time frames there is no way really of suggesting that that is going to have an impact on the canal revenues by '81.

Governor PARFITT. I was speaking more of pipeline that exists from Long Beach, California to Texas. That one substantially exists and could be used now. We know that given environmental clearance it could come onstream in 14 months, 14 to 18 months.

Senator BAYH. You put a significant caveat into the initial stages.

Governor PARFITT. That is correct, sir. There are serious environmental problems that may hold it up for a substantially longer period of time.

Senator BAYH. Let me ask you to return for my mind's standpoint to where we are now. I don't want to paraphrase unnecessarily but from the standpoint of brevity I think what you have told us is that it is impossible to make projections about the financial capacity of the canal, whether it is a surplus or a deficit or self-sufficient beyond the next five years, that during that period of time you can foresee the possibility of the canal paying for itself. Is that an accurate reflection of what you said?

Governor PARFITT. Our study does reflect that during the period we are studying, which is up through 1984, that all projections would indicate that it can be financially self-sustaining.

Senator BAYH. Inasmuch as we are red-flagging potential problems, did the study take into consideration what might be the expenses, costs, conditions and thus the financial condition of the canal operation in the next five or six years if there is no treaty, given certain possibilities there that might exist in Panama which would significantly increase the 7.8 percent, I assume that "business as usual" does not consider increased costs as a result of sabotage to the locks?

Governor PARFITT. It does not, sir.

Senator BAYH. Or increased costs to the government and to the country as a result of insurrection or rebellion or other kinds of things that are possibilities. I say "possibilities," not "probabilities"; is that accurate?

Governor PARFITT. There is no costing for those circumstances, sir.

Senator BAYH. Here again we are not talking about an exact science. But I think you are exactly right to point out that on the one hand we don't know what the traffic is going to be so we don't know what the economic picture is going to be beyond 1984.

But I think given the real world in which we live we can say it is true, whether we have a treaty or we don't have a treaty, that it is entirely possible to suggest that there may be additional costs out there as a result of our inability to cope with the political problems that exist in and around the Canal Zone.

Is that a fair assessment?

Governor PARFITT. That is right. We have attempted to analyze with treaty and without treaty on a comparable basis. We have done so. We think there will be a need for increases in tolls, without a treaty. They will be more often and the canal operation, which is what most Americans think of, I think, and the second component is a governmental operation that provides governmental services.

Senator BAYH. When the treaty goes into effect am I accurate in suggesting that the canal Company will be replaced by a Commission which will continue to perform the functions of running the canal but the governmental functions, most of them, would no longer continue to exist or would be transferred to Panama?

Governor PARFITT. That is correct, sir, with one further addition, that the Panama Company operates many supporting activities. Many of those supporting activities, particularly those in the commercial arena, would also disappear and be taken away from the Commission. The Commission will be doing a smaller portion of the current canal Company operation.

Senator BAYH. What are the economics of those functions? There are governmental functions. We want to divide them. Not governmental but economic functions, what are the economics of those? Do we make more money than we give in? Or do they cost us more than we make out of them?

Governor PARFITT. On the governmental side it is basically a cost because the net cost of the Canal Zone Government, which is a liability of the Company, and has been running at 22 million dollars, that is a cost that has to be transferred to the Company and in effect paid up in substantial manner by the tolls.

So on the government side it is basically a cost drag.

On the Company side there are plusses and minuses if we look at each particular activity.

Senator BAYH. How does that net out? I don't want to get you involved in a bunch of details. Can you give me a general summary there?

Governor PARFITT. Generally speaking the loss of commercial activities in the Company would be a loss of revenue to us.

Senator BAYH. Of what proportion?

Governor PARFITT. Very small proportion. I would venture to say it is almost even. But very small credit that we would lose.

On the government side the loss there is substantial benefit to the Company because we are at a loss situation on the governmental side.

Senator BAYH. As far as that part, the government, even the economic, just about balances out. I think that is what we heard from the staff level. The economic enterprise is a small income, not very much. But the governmental services is about a 20 or 22-million-dollar drain. So under the treaty you don't have to lose that money. It will be turned over to the Panamanians.

Governor PARFITT. Except that part of that is offset because of the mandated payment to Panama of 10 million dollars for public services, which is largely in the governmental area, at least fire protection and housing.

Senator BAYH. So about half of that?

Governor PARFITT. That is correct, sir.

Senator BAYH. I certainly share that concern.

In other words, as you anticipate the situation that exists in the reasonably predictable but not foreseeable future, you anticipate that tolls will have to be increased under any circumstances. If the treaty passes it will require a larger toll base increase. But it is possible to increase that toll sufficiently so that the income from the canal will offset the cost and the treaty will permit the canal to be operated in a self-sufficient manner.

Governor PARFITT. That is correct, sir. Let me stress that that presumes that we will not pay interest to the United States Government. It presumes we will not include in the toll rate base a 10-million-dollar contingency payment to Panama.

Senator BAYH. Let me ask you to speculate a bit here, General. As you pointed out in your statement, your estimates of income have been conservative and the picture is rosier than you had anticipated.

Governor PARFITT. Right at this time it is, sir, right at this moment. That has not historically been the case however.

Senator BAYH. I am very much aware of that. I am just wondering if that might suggest that it might be possible to consider a smaller increase in tolls than you had projected was necessary to meet the self-sustaining financial basis.

Governor PARFITT. Our toll increases pre-

sume that these 36 million, which occasions a 19-and-a-half percent tolls increase.

Senator BAYH. I have been talking about and tossing around various economic estimates which we have been talking about here. Although we understand that beyond 1984 it is difficult to predict what these figures will be, what we are talking about here are specific figures.

Has there been any estimate made or any effort to assess what the true economic value to the economy of our country is, the security of our country, if indeed it were a difference between closing down the canal and keeping it open?

If we are looking at all of these possible eventualities I suppose closing that canal would have a serious impact on the economy of the country that would be pretty hard to estimate as far as the value is concerned.

Governor PARFITT. There have been some general estimates which presume a closure of the canal and that attempt to determine what additional transportation costs would be incurred. I don't have it on the tip of my tongue. But also when they do that they ascribe about one-third of that cost to impact on the United States Government.

Senator BAYH. Are we talking about one dollar or one billion dollars?

Governor PARFITT. It seems to me the figure ascribed as a loss to the government, the U.S. government, is in the magnitude of 100 million dollars, I think.

Senator Case. Now there are about 13,000—

Governor PARFITT. Right now there are about 13,000 transits of all types, commercial transits.

Senator BAYH. President Kennedy being able to ship troops and naval vessels to the Caribbean at the time of the Cuban missile crisis, I don't know how you would put an economic value on that.

Governor PARFITT. The only figures I would have, sir, would be various estimates concerning what the economic impact would be of a closure on an annualized basis. There have been some studies on that basis.

Senator BAYH. Understanding the fact that you are going to give us the real figures of the study, which by definition is not specific as we hope we never have to figure it, but is it fair to say that the figures you have, if we are unable to resolve the political differences that now exist and as a result thereof something happens to close the canal, that this would result in a loss of about 100 million dollars to the economy of the country?

Governor PARFITT. That is what I am saying. I am not sure on that actual figure.

There were several studies made, not by our organization. Some of those studies attempt to determine what the cost of moving goods from point of origin to point of destination would be using the canal and then closing the canal and taking the same vessel and moving it by the next best alternative sea route to its point of destination. You come up with an answer that is a rather substantial big value, an additional cost, by that technique.

Others have taken a more realistic technique. Instead of doing that you introduce other alternatives. It isn't just an alternative of taking that commodity by that ship from point of origin to point of destination. It may be by different means of transportation. It may be by different routes, maybe by larger ships.

Using that more sophisticated analysis, people have come up with a figure which is much more credible a smaller figure. Then they have attempted to take from that figure how much relates to the United States economy. I think the figure is 30 to 35 percent of that would fall as a cost to the United States and its people.

Senator Case. You mean the rest would fall on the rest of the world?

Governor PARFITT. That is correct, sir.

Senator Case. As the chairman indicated before, that is not intended to take into account its defense value.

Governor PARFITT. No, sir.

Senator Case. Either in dollars or in fact.

Governor PARFITT. That is correct, sir.

Senator BAYH. Let me read this paragraph to you, General, which I have just seen. "Another means of putting in perspective the costs attendant upon ratification of the treaties is to take a look at the economic impact that a closedown of the canal, however unlikely that might be, would have on United States trade. According to a report prepared by CACI, Incorporated, the additional cost of goods resulting from such closedown in 1974 would have been approximately 200 million and 400 million dollars and by the year 2000 the cost would range up to 600 million dollars."

Are you familiar with that?

Governor PARFITT. I have seen it. I have not studied it in detail. There are other similar reports. I think they come up with smaller numbers.

There is also another report which comes up with a much higher number.

Senator BAYH. Inexact as what we are talking about may be, we ought to do everything we can to keep the canal open because if it is closed it is going to cost a devil of a lot of money and perhaps jeopardize our ability to respond militarily in that part of the world.

Mr. HATCH. Mr. President, during the past several months numerous public opinion polls have been taken across the country assessing sentiment on the proposed Panama Canal treaties. While the feelings of the people have been tested with many different questions, some of which have been tailored to elicit certain predetermined conclusions, national opposition remains overwhelmingly against the treaties. Such is the case in the State of Utah. In a Salt Lake Tribune public opinion poll conducted by Bardsley, Haslacher, Inc., of Portland, Oreg., opposition to treaties remains nearly 4 to 1 against the relinquishment of control of the Panama Canal.

As Senator elected by the people of Utah I have the fortunate privilege of echoing their overwhelming opposition to the treaties in these great debates. I agree with many of my colleagues that total reflection of popular sentiment is not always in the best interest of the Nation. On this issue, however, there is no question, the people are right and I feel great sympathy for my colleagues who cannot hear the electorate winds blowing from every corner of this great land. I think it is clear that they do not want to lose control of the Panama Canal.

Mr. President, in conclusion, I ask unanimous consent that the article containing the Salt Lake Tribune poll be reproduced in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UTAHANS OPPOSE RELINQUISHING PANAMA CANAL

(By J. Roy Bardsley)

The Panama Canal treaties may be churning up a controversy in Congress, but Utahans could resolve the issue quickly and decisively.

They would simply say "No, don't give Panama control over the canal."

This deduction was drawn from an up-to-the-minute statewide poll sponsored by The Salt Lake Tribune and conducted by Bardsley and Haslacher Inc., of Portland, Ore.

As a matter of fact, the Utah voters' verdict was better than 4-to-1 against turning the canal over to the Panamanians in the year 2000.

To illustrate:

	Percent
Favor giving up canal	10
Against giving up canal	72
Undecided	12
Total	100

Although President Carter is solidly behind the canal treaties, even Democrats agreed with Republicans that the proposals should be rejected.

For example. Democrats "voted" 69–19 percent against giving up control of the canal as opposed to a 76–13 percent count among the Republicans, and 69–18 percent for Independents.

Not only did political parties agree the move would be imprudent, both from a military and economic standpoint, but so did all other population types, regardless of age, sex, income, education, or county of residence.

This Tribune reader interest feature is based on 592 face-to-face interviews with adult Utahans, constituting a cross section of the state's population.

The question was phrased as follows: "As you know, Congress is considering turning the Panama Canal over to Panama in the year 2000. How do you feel about this—do you favor or oppose giving Panama control of the canal?

(The following proceedings occurred earlier in the day and are printed at this point in the RECORD by unanimous consent.)

THE DEATH OF "CHAPPIE" JAMES

Mr. SPARKMAN. Mr. President, I rise for the purpose of announcing to the Senate the death on Saturday of an outstanding and distinguished American. I refer to four-star Gen. "Chappie" James, a black, the only black ever to be promoted to four-star rank.

I have known "Chappie" James; he spent a lot of time down in my area, particularly at the Air Force base at Tuskegee. He was a fighter pilot throughout the years. Recently, a five-member group of high-ranking officers discussed him and his exploits and they gave him the highest praise, saying he was a fighting man's pilot. He was in Colorado, out there for the purpose, if I am not mistaken, of a physical examination for retirement when, Saturday, he was stricken with a heart attack and died.

He was a great man, a man to whom this country was justifiedly paying the highest honors. I deplore his going.

Mr. ALLEN. Will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. ALLEN. I thank my distinguished senior colleague (Mr. SPARKMAN) for yielding to me. I, too, wish to pay tribute to Gen. "Chappie" James, a four-star general in the Air Force, and to say that I feel that he has been a great credit to

the Air Force and to the United States and to the people of the United States.

My distinguished senior colleague and I do claim that General James, who was very popular in Alabama, as he was throughout the entire country, had an Alabama connection through many years of visiting Alabama and the fact that he was a graduate of Tuskegee Institute, a great educational institution in our State founded by Booker T. Washington, which has had a very strong line of presidents and administration and faculty and is doing a great service to our State and to the Nation.

But Gen. "Chappie" James was an outstanding Air Force pilot. He went up through the ranks to four-star general status by his own ability, by his own merit, and in doing so he left a great career behind him, a career that could well be emulated by all of those who serve their country in the military service of our Nation.

I thank my distinguished senior colleague for yielding to me.

Mr. TOWER. Will the Senator yield to me?

Mr. HATCH. I yield for this purpose to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, I would like to associate myself with the remarks made by the two distinguished Senators from Alabama on "Chappie" James, a man we all admired so much, who did so much to break down the barriers of racial segregation in our armed services and to allow men to be considered on their own merit regardless of their ethnic background, their color, or their creed, a man who, when publicly criticized by many, stood fast by his principles in advocating a strong national defense for the United States and who, under circumstances very difficult, continually exemplified his love for his country and his patriotism.

THE NATION'S LOSS—AND LEGACY—AIR FORCE GEN. DANIEL "CHAPPIE" JAMES, JR.

Mr. DOLE. Mr. President, the Nation lost a great American last Saturday—Air Force Gen. Daniel "Chappie" James, Jr. General James, the first black four-star general in military history died just 1 month after retiring from a long and distinguished military career. He was commander of the North American Air Defense Command—NORAD—from August 1975, until his recent retirement. Before going to that Denver post General James served as Deputy Secretary of Defense under the last Republican administration.

Born the youngest of 17 children in Pensacola, Fla., on February 11, 1920, young James attended Tuskegee Institute in Alabama. While there he pursued a developing interest—flying lessons, and became a licensed pilot and flight instructor of the Army Air Corps. He was commissioned a second lieutenant in 1943.

"Chappie" holds a long record of distinguished military performance. During the Korean war he was assigned a flight leader and flew 101 combat missions in F–51 and F–80 aircraft, and became known as the "Black Panther." Following this assignment he served as an all-weather jet pilot at Otis Air Force Base in Massachusetts and in July 1957, became an air staff officer in the U.S. Air Force's air defense division. After duties in England and Arizona, James became deputy commander for operators of the 8th Tactical Fighter Wing stationed in Thailand, before promotion to commander of the 7272d Flying Training Wing at Wheelus Air Force Base in Libya. He led a total of 78 missions over North Vietnam.

On December 29, 1969, the Air Force nominated Colonel James brigadier general, to become the fourth black general in U.S. history. (The other three being Brig. Gen. Frederic Ellis Davison, an Army general; Lt. Gen. Benjamin O. Davis, Jr., former Air Force general; and Davis' father, Brig. Gen. Benjamin O. Davis, Sr., the first black general in U.S. military history.) He became a lieutenant general in 1973, and a four-star general in 1975.

General "Chappie" James received numerous civilian awards and military decorations. Among them the George Washington Freedom Foundation Medal, the Legion of Merit, Distinguished Flying Cross, Air Medal (with 10 clusters), Distinguished Unit Citation, Presidential Unit Citation, and Air Force Outstanding Unit Award.

General James will be remembered as a tireless warrior in battles for the Nation's strength as well as the Nation's continuing thrust for human justice and equality. He spoke out fervently and frequently about Americanism, patriotism, and justice. One citation he received reads in part: "* * * fighter pilot with a magnificent record * * * eloquent spokesman for the American Dream we so rarely achieve."

Mr. President, Gen. Daniel "Chappie" James, Jr., leaves this legacy—to his family, many friends, and the Nation.

HONORING THE MEMORY OF GEN. DANIEL "CHAPPIE" JAMES, JR.

Mr. TOWER. At this point, Mr. President, I send to the desk a resolution, as in legislative session, and ask unanimous consent that we proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so offered. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 406) honoring the memory of General Daniel "Chappie" James, Jr.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. TOWER. Mr. President, I ask unanimous consent that the resolution be held at the desk for the remainder of the day for additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The cosponsors of the resolution are as follows:

Mr. TOWER, Mr. SPARKMAN, Mr. ALLEN, Mr. HATCH, Mr. HART, Mr. HODGES, Mr. BAKER, Mr. GOLDWATER, Mr. STEVENS, Mr. GRIFFIN, Mr. BROOKE, Mr. GARN, Mr. CANNON, Mr. CHAFEE, Mr. ROBERT C. BYRD, and Mr. DOLE.

Mr. HATCH. Mr. President, I also would like to associate myself with the great remarks of the two Senators from Alabama and the Senator from Texas, as well, in commending the life of Gen. Chappie James and the great example he set for this country, as Senator TOWER so ably put it, in his stressing and standing firm upon the principle of keeping this country strong, with a strong and secure defense.

He was a great man. I think he added a great deal to the military.

I, for one, am very grieved by his passing. In fact, I was grieved when he had to retire, because I thought he did a great deal of good for this country.

I would like to associate myself with the resolution and also with the remarks of my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 406) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 406

Whereas, the Senate has learned of the untimely death of General Daniel "Chappie" James, Jr.; and

Whereas, General James demonstrated throughout his life those characteristics essential to outstanding leadership, determination, dignity, perseverance, and ability; and

Whereas, he waged a continuing and effective effort to bring about an end to practices of racial discrimination in the armed services; and

Whereas, by virtue of his distinguished service in the United States Air Force, General James became the first officer of the black race to attain the grade of four star general; and

Whereas, throughout his career General James exemplified a selfless patriotism, love of country, and service to country under the most difficult circumstances.

Now, therefore be it

Resolved, That the Senate has learned with profound sorrow and deep regret of the death of General Daniel "Chappie" James, Jr., United States Air Force (Retired), most recently Commander, North American Air Defense Command, and hereby conveys its sincere condolences to the family of General James.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the family of General Daniel James, Jr.

(This concludes proceedings which occurred earlier today.)

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 15 minutes each, and with the period not to exceed 1 hour.

The PRESIDING OFFICER. As in leg-

islative session, without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting the nomination of James C. Cissell, of Ohio, to be U.S. attorney for the southern district of Ohio, which was referred to the Committee on the Judiciary.

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT—PM-150

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which, without being read, was referred to the Committee on Banking, Housing, and Urban Affairs, and ordered to be printed:

To the Congress of the United States:

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the twelfth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council's activities during the third quarter of 1977 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies.

In August 1977 I asked the Council to undertake an in-depth study of the Nation's steel industry. The study was released in October and served as an important information base in the Administration's development of its reference price system for imports of foreign steel.

Also in the third quarter, at the request of Secretary of HUD Patricia Roberts Harris, the Council accelerated its study of lumber prices and the lumber products industry.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

JIMMY CARTER.

THE WHITE HOUSE, *February 27, 1978.*

MESSAGES FROM THE HOUSE

At 3:41 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (H.R. 9757) entitled "Grazing Fee Moratorium of 1978," in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (S. 773) authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes, with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 4979) to direct the Secretary of the Interior to convey certain public and acquired lands in the State of Nevada to the county of Mineral, Nev., with an amendment, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 10368. An act to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

The enrolled bill was subsequently signed by the President pro tempore.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 9757. An act entitled "Grazing Fee Moratorium of 1978"; to the Committee on Energy and Natural Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HASKELL (for himself, Mr. ANDERSON, and Mr. ABOUREZK):

S. 2591. A bill to provide parity prices to producers for their agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ABOUREZK:

S. 2592. A bill to change the boundaries of Wind Cave National Park, South Dakota, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HELMS (for himself, Mr. HANSEN, Mr. LAXALT, Mr. THURMOND, and Mr. SCOTT):

S. 2593. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for journalists; to the Committee on Human Resources.

By Mr. GARN (for himself and Mr. HATCH):

S. 2594. A bill to authorize the Secretary of the Interior to convey to each of the several States all right, title, and interest of the United States in and to all public lands located within such State, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PROXMIRE (for himself, Mr. LUGAR, Mr. MCINTYRE, and Mr. RIEGLE):

S. 2595. A bill to amend the Federal Reserve Act to provide for the pricing of Federal Reserve System services; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. NELSON:

S. 2596. A bill to amend title 44, United States Code, to establish a system for the management and disposal of the official records of the President; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN:

S. 2597. A bill to amend title 28, United States Code, to move the place for holding court for the district court of the eastern district of New York to Brooklyn and Hempstead, and for other purposes; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. MAGNUSON, Mr. WILLIAMS, Mr. BAYH, Mr. KENNEDY, Mr. ABOUREZK, Mr. BROOKE, Mr. PERCY, Mr. METZENBAUM, Mrs. HUMPHREY, Mr. CRANSTON, Mr. CLARK, Mr. ANDERSON, Mr. STEVENS, Mr. PELL, Mr. RIEGLE, and Mr. HATHAWAY):

S. 2598. A bill to amend title XI of the Public Health Service Act; to the Committee on Human Resources.

By Mr. NELSON:

S.J. Res. 114. A joint resolution to authorize and request the President to issue a proclamation designating the week beginning April 30, 1978, as "National Small Business Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HASKELL (for himself, Mr. ANDERSON, and Mr. ABOUREZK):

S. 2591. A bill to provide parity prices to producers for their agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. HASKELL when he introduced the bill appear earlier in today's proceedings.)

By Mr. HELMS (for himself, Mr. HANSEN, Mr. LAXALT, Mr. THURMOND, and Mr. SCOTT):

S. 2593. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for journalists; to the Committee on Human Resources.

JOURNALISTS' FREEDOM OF CHOICE ACT

Mr. HELMS. Mr. President, I am pleased to introduce today on behalf of myself and Senators HANSEN, LAXALT, THURMOND, and SCOTT, the Journalists' Freedom of Choice Act. This bill would amend the National Labor Relations Act to provide for members of the print and electronic news media a genuine freedom of choice in collective bargaining and other labor relations matters.

PURPOSE OF THE BILL

The purpose of this legislation is to strengthen first amendment guarantees for persons employed by newspapers, periodicals, radio, and television as columnists, broadcast journalists, commentators, or critics on public issues. This bill provides an exemption for such employees from the exclusive representation provisions of the National Labor Relations Act, which reads in part as follows:

Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bar-

gaining in respect of pay, wages, hours of employment, or other conditions of employment . . . 29 U.S.C. 159(a).

The legislation I am proposing exempts columnists, broadcast journalists, commentators, or critics on public issues from the "exclusivity" requirement of section 9(a) of the act.

Under present law, every employee in an "appropriate bargaining unit" must accept the union selected by the majority of employees as his exclusive representative for the purpose of negotiating an employment agreement. In addition, every employee in such unit must process whatever grievances he may have with his employer through that union. Furthermore, if the union and the employer agree to a so-called "union security" arrangement, every employee must make financial contributions to the union to defray its expenses as exclusive representative. Such clauses can be found in the collective bargaining contracts of the Newspaper Guild and the American Federation of Television and Radio Artists, AFL–CIO with newspapers and radio and TV stations throughout the United States.

The Journalists' Freedom of Choice Act will allow journalists to negotiate their own wages, hours, working conditions, and adjust their own grievances with their employers, without intervention or control of any union, if they so desire. To the extent such individuals choose to negotiate on their own behalf, they would be exempted from any union security clause in a collective arrangement covering their bargaining unit. Under the proposed legislation the journalist would have the option either to accept representation by the union chosen by the majority of employees in his bargaining unit, and to support that union by paying dues if a union security clause is in effect, or to represent himself, at his own expense. Under this legislation, journalists would retain all the protections afforded under other provisions of the National Labor Relations Act, but would be granted the freedom to choose to bargain either through the majority's selected union or individually.

JOURNALISTS' EMPLOYMENT AGREEMENTS

A public affairs commentator, analyst or columnist is commonly employed by a publishing or broadcasting company under a collective bargaining agreement which the company has made with a union, the bargaining agent for the collective bargaining unit of which the journalist is a member. Normally journalists are covered by union contracts between the employer and the Newspaper Guild or the American Federation of Television and Radio Artists (AFTRA). These employment agreements are uniform throughout the country and throughout much of the publishing and broadcasting industries. In broadcasting, for instance, AFTRA utilizes a "Code of Fair Practice," one for radio and another for television, which stipulates that the broadcasting company may employ only such persons, including "commentators and analysts in the field of news," who are members in good standing. "Membership in good standing" means not only the payment of dues, but also compliance with union orders. The union may at various times order a strike, observance of picket lines, refusal to do business with certain employers, and so forth.

Over the years, at the insistence of union negotiators, employers have inserted in their collective bargaining agreements clauses requiring all employees to join the union within 30 days from the date of employment and to remain in good standing or be automatically terminated from their jobs.

Mr. President, it should be emphasized that in the news media, it is customary for columnists, editorial writers, commentators, and other journalists to negotiate directly with the publisher or broadcasting company that hires them. Thus, their "pay, wages, hours of employment" are governed by individual contracts made with their employers, despite the existence of collective bargaining agreements. The union does not really function as "exclusive representative" according to the meaning of present law. Furthermore, individual bargaining efforts bring such journalists far higher compensation than the wage levels negotiated by the unions.

CONSTITUTIONAL ISSUES

Mr. President, section 9(a) of the National Labor Relations Act does not affect merely a few individuals who happen to be employed in the news media as columnists, broadcast journalists, commentators, or critics on public issues. The exclusivity requirement poses a potential threat to individual liberties and fundamental freedoms enjoyed by all Americans. Unless amended, this provision of Federal labor law threatens to destroy the "free speech" and "free press" guarantees of the Constitution where journalists are concerned.

The first amendment of the Constitution provides that—

Congress shall make no law . . . abridging the freedom of speech or of the press . . .

Most courts recognize this constitutional protection extends to all media of expression, including the printed and electronic news media.

Accordingly a journalist employed by a newspaper, magazine, or other publication, or by a radio or television station as a commentator, critic or analyst of current events, politics, and social, economic or other public issues is guaranteed first amendment rights which cannot be abridged by Federal or State law. Commentary on public affairs is entitled to full constitutional protection.

Our country has long been committed to the principle of robust and wide-open debate on public issues as the essence of self-government. The courts consistently rule that prior restraints of speech by Government cannot be sustained in the absence of compeling necessity. Without such a "clear and present danger" to the public interest prior restraint is unconstitutional. Yet, the union membership requirements under Federal labor law have a chilling effect upon journalists' first amendment rights and freedom of expression.

PROBLEMS CREATED BY FEDERAL LABOR LAW

Because of collective bargaining agreements, journalists must join a union in order to be employed or to retain their jobs as commentators. The requirement of union membership in order to express one's own opinions and to present commentary on the news is an unreasonable restriction on a journalist's first amendment rights.

Furthermore, the fact that journalists must pay union dues and subject themselves to union discipline, compounds this chilling effect on an individual's freedom of expression.

While a union may have no hiring hall or seniority list and its membership may be open to all who gain employment, a journalist who joins the union knows that he must accept substantial and sometimes severe union discipline. Yet he has no choice, and so the chilling effect is very real. If a strike is called and union members must refrain from crossing the picket line or are otherwise prevented from working or speaking on pain of forfeiture, a journalist cannot exercise his right to voice his opinions, present his analysis, or express his views on matters of public importance and interest occurring in the world.

The only national strike by AFTRA against the broadcast networks occurred in 1967. During that strike, picket lines were established, and union members were directed not to report for work. Chet Huntley, then a commentator for NBC television, expressed his opinions in news broadcasts which he continued to make for the network during the strike. In one broadcast he commented that it was against the public interest for persons such as himself to be involved in a union. He questioned the validity of the strike, objected to the arbitrary manner in which AFTRA had gained jurisdiction over his work, and said that union wage demands made by news personnel to local radio and television stations were unreasonable and could price local news out of the market. After the strike, AFTRA's national president stated that the union had made a mistake by failing to discipline Huntley for not honoring the picket lines. It was also revealed that AFTRA had levied fines of $48,000 against five members for refusal to abide by union discipline.

I cannot help wondering what results my proposed legislation would have had, were it in effect, during the strike in late 1975 and early 1976 at the Washington Post. Although the members of the Post unit of the newspaper guild voted not to honor the picket lines of striking mechanical employees and to continue working, the officials of the parent labor organization threatened punishment for those who continued to show up at work and help publish the newspaper. Guild official Brian Flores' pronouncement to discipline or expel guild members who took a legal vote among themselves may have shown an arrogant disregard for free speech. However, along with the re-

ported incidents of violence and injury inflicted upon nonstriking members, his threat may well have kept journalists from exercising their first amendment rights.

Unions readily punish members who fail to comply with union orders affecting other unions. On one occasion, 19 employees were fined over $129,000 by AFTRA for failing to support the strike of a sister union of technicians. Sympathy walkouts by union workers who have no quarrel with their employers, but who are required to observe another labor group's pickets have caused considerable harm not only to the Nation's economy, but to the welfare of the workers' families. Journalists, who are forced to keep silent as a result of strikes which do not directly affect them, are injured in an even more fundamental way.

The chilling effect on journalists' speech is substantial. By congressional enactment of the Federal labor law, journalists have been and are being subjected to union discipline and forced to agree in advance to a limitation on their conduct in a time of crisis. Such restrictions imposed by the Congress are inconsistent with the first amendment and should be corrected by the Congress.

There are other harmful consequences for journalists flowing from present law. Many union officials require their membership organizations to take political positions with respect to national and State issues, including endorsement of specific candidates. Labor organizations are authorized by Federal law to solicit and distribute money in connection with Federal elections.

A journalist may not agree with the partisan positions and endorsements of his union. It also becomes difficult for the journalist to hold himself out as a commentator of sincere, independent, personal views when those opinions are nullified by the adverse actions of his union.

For example, in 1972 the American Newspaper Guild voted to endorse a national political candidate for the Presidency. As the New York Times editorialized on July 22, 1972:

> . . . the decision of the American Newspapers Guild's Executive Board to endorse the candidacy of . . . is wrong in principle and mistaken in tactics. The Guild clearly includes members of diverse political viewpoints. The union leadership cannot and should not try to speak for them as if they were a political bloc. Moreover, impartiality and fairness in reporting and editing the news are the central ideals of the news profession, never perfectly attained, but strived for every day. While it is true that the large part of the Guild's membership has nothing to do with preparing, reporting or editing, the union contains enough strictly professional journalists to warrant its avoidance of taking positions on public issues or political personalities. To do otherwise is to cast a shadow of doubt upon the profession's commitment to its own ideals.

THE PURPOSE OF THE FEDERAL LABOR ACT

Mr. President, the Congress surely did not intend that the labor statutes would be used to stifle freedom of speech or of the press. The purpose behind the National Labor Relations Act was to protect workers, particularly unskilled labor, and to enable them to bargain collectively for higher wages, shorter hours, and improved working conditions. Under some circumstances a union shop might be necessary to achieve that end, although Congress permitted the States to forbid both the union shop and the agency shop under section 14(b) of the act. Yet for journalists the issue is more than union membership or protection of the weak and unskilled against management: It is the denial of freedom of expression upon which their livelihood depends.

"FREE RIDER" ARGUMENT

Some unions fear that its role will be undermined if certain professional members of the work force are permitted to opt out of their union obligations on a claim of violation of first amendment rights. These unions argue that those who do not want to join or pay union dues are "free riders" who enjoy the benefits of membership and the union's efforts as collective bargaining agent. Such employees, they say, should at least pay an amount equivalent to the dues in return for the benefits.

Most of the journalists affected by my legislation bargain individually for compensation which usually exceeds the union scale or minimum. They do not receive substantial "free rider" benefits for which dues should be forthcoming. If anything, it is the union which profits from the forced collection of dues from members who receive little or nothing in return.

THE BUCKLEY CASE

Mr. President, I am sure that my colleagues have some familiarity with the case brought by Mr. William F. Buckley, Mr. M. Stanton Evans, and National Review, Inc., against the American Federation of Television and Radio Artists, AFL–CIO. The suit was filed in the U.S. District Court, southern district of New York, in January 1971 by William F. Buckley, the syndicated columnist, television commentator, and host of the interview-discussion program "Firing Line," and by the National Review. In March of that year, M. Stanton Evans, then senior editor of the Indianapolis News and a regular contributor to CBS Radio's "Spectrum" commentary series, and Nat Hentoff, columnist and civil libertarian activist, joined the Buckley lawsuit. They were later joined by the American Civil Liberties Union as amicus curiae. The case was supported by the National Right to Work Legal Defense Foundation. The plaintiffs challenged the constitutionality of the requirement that they join and pay dues to the union and maintain membership in good standing or be denied their right to comment on public affairs.

Upon filing the suit, Mr. Buckley spelled out the issues clearly:

> The requirement that an individual pay dues to a private organization in order to work is a modern writ of indenture. The requirement that he do the same in order to express an opinion over the public airways involves an act of coercion by a private organization operating under government sanction.

He added that the requirement to pay union dues against his will placed an unreasonable restraint upon his right of free speech, deprived him of property without due process of law, and breached his rights under the Constitution which "guarantee the individual citizen freedom of association, thought, speech, and political action, freedom to pursue the occupation of his choice, freedom from unwarranted invasion of privacy, and other fundamental personal and private rights."

In January 1973, the district court agreed with Mr. Buckley, finding that when union membership is forced upon journalists who offer the public their own views on public affairs, it does have a "chilling effect" on their constitutionally protected rights of free speech and expression. The district court decision, though narrow in scope and applying only to broadcast news commentators and analysts, was viewed optimistically by many journalists as a first step toward a much broader interpretation that would eventually apply equally to all working newsmen.

However, the U.S. Court of Appeals for the Second Circuit did not see it that way and reversed the district court decision. Many journalists took exception to the court of appeals' action.

Ben Bradlee, executive editor of the Washington Post:

> I have long been troubled by forced union membership, particularly in the newspaper business, where independence is so important.

Nicholas von Hoffman, syndicated columnist:

> I do not appreciate being a member of a union against my will and live in fear and trepidation of a licensed press.

James J. Kilpatrick, syndicated columnist:

> These issues seem to me especially important when it comes to the news—when it comes to the expression of ideas. If the device of a union shop can be used to throttle the voicing on TV and radio of a particular point of view, the First Amendment, to that extent, is a dead letter.

Wes Gallagher, general manager of the Associated Press:

> If the AP is to maintain its standards of objectivity, it cannot force the news employees into any organization, including a union. Inherent in the First Amendment is the assumption that the press is going to be the independent watchdog over public affairs and government and be divorced from any particular partisan group.

Editor and Publisher, the newspaper editor's "bible," stated editorially:

> Putting aside all the complicated legalities, it seems only plain common sense that any requirement to pay a fee, or dues, or tribute, to anyone or any organization for the right to speak on the air or to express oneself in print should not be permitted in this country.

The Wall Street Journal editorialized that the question involved in the Buckley lawsuit "is simply whether it is good public policy, in a social and economic

sense, to permit private contracts that make membership in a union, or any organization, a condition of employment. Does not the basic right to freedom of association imply a basic right not to be penalized through being denied a job, for exercising that right? Some labor leaders contend that this question has been settled but it seems to us that such questions are never settled in any society that aspires to maximum individual freedom from economic coercion. Whether an individual owes a financial obligation that represents his interests is another question."

Mr. President, in the court of public union, the evidence seems overwhelming. The Nation's press is strongly opposed to compulsory union membership requirements for journalists and newsmen. As the Chattanooga, Tenn. News-Free Press stated:

No one should be prevented to, in effect, "license" newsmen, with a denial of license silencing them. It is a denial of the right of free speech and the right of free press to insist on membership in any organization as a condition of employment. . . . This fight must be renewed and continued.

Mr. President, I agree. If the Supreme Court will not decide the matter, then Congress must.

I find myself in agreement with Chief Justice Warren Burger and Associate Justice William Douglas who, in their dissent to the Supreme Court's decision not to review the appeals court decision, wrote:

These cases, as I view them, present the issue of whether a person suffers an infringement of his First Amendment rights when he is compelled to pay union dues (or their equivalent) as a precondition to expressing his ideas through a public broadcasting medium.

When Congress authorizes an employer and union to enter into union shop agreements binding and enforceable over the dissents of minority of employees or union members, it has cast the weight of the Federal Government behind the agreements just as surely as if it had imposed them by statute.

There is substantial question whether the union dues requirement imposed . . . should be characterized as a prior restraint or inhibition upon . . . free speech rights. In some respects, the requirement to pay dues under compulsion can be viewed as the functional equivalent of a "license" to speak . . . Our cases dealing with flat license fees or registration requirements . . . tend to suggest that even a minimal payment designed solely to cover administrative costs may be impermissible in a First Amendment context.

Mr. President, on January 16 of this year, the parties to the Buckley-Evans-AFTRA case reached an out-of-court settlement in which AFTRA agreed to send out to employers a notice asserting that under prevailing law, their employees are not obligated to accept membership in AFTRA. AFTRA agreed with the finding of the National Labor Relations Board and agreed that—

There is no dispute, and the law is absolutely clear, that a union, pursuant to a union-security clause validly authorized, can only require the payment of periodic dues and initiation fees . . . and cannot, under any circumstances, require full-fledged membership or any other type of membership . . . a refusal to employ an individual who refused to become a "member" of any . . . union would also be a violation of the law.

Although this action by AFTRA constitutes a major admission regarding the impact of compulsory union membership upon first amendment rights, it affects only the action of one union, one segment of the journalism industry, and does not affect the financial drain of mandatory union dues.

Mr. President, the Congress has a constitutional duty to fashion a "least restrictive" alternative to the current provisions of law which infringe upon first amendment freedoms. At the same time, we must not weaken the purpose and effect of Federal labor law. The legislation I propose will reinforce the National Labor Relations Act by bringing it into strict compliance with established constitutional doctrine. It will fulfill a long-overdue need and settle serious constitutional issues which the courts have so far failed to decide.

Mr. President, I ask unanimous consent that the Journalists' Freedom of Choice Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2593

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Journalists' Freedom of Choice Act".

SEC. 2. (a) Section 9(a) of the National Labor Relations Act (29 U.S.C. 159(a)) is amended by—

(1) inserting "(1)" immediately after the subsection designation (a); and

(2) by adding after such subsection the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) any individual employed as a columnist, broadcast journalist, commentator or critic on public issues shall have the right at any time to—

"(A) bargain with his employer with respect to terms and conditions of employment,

"(B) present and adjust grievances with his employer, and

"(C) enter into individual employment contracts with his employer, without the participation or intervention of the bargaining representatives."

(b)(1) Except as otherwise provided in this subsection the amendments made by this Act shall take effect on the date of enactment.

(2) In the case of a collective bargaining contract or agreement between an employee organization and one or more employers in effect on the date of enactment of this Act the amendments made by this Act shall take effect the earlier of—

(A) the date on which the last of such agreements terminates (determined without regard to any extension thereof agreed to after the date of enactment of this Act), or

(B) December 31, 1982.

By Mr. GARN (for himself and Mr. HATCH):

S. 2594. A bill to authorize the Secretary of the Interior to convey to each of the several States all right, title, and interest of the United States in and to all public lands located within such State, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. GARN. Mr. President, a little more than 2 years ago, two analysts for the Department of the Interior, Gary Bennethum and Courtland Lee, published, in a special edition of the American Mining Congress Journal, an article entitled, "Is Our Account Overdrawn." In that article, they discussed the extent of public land withdrawal from essential mineral and energy development in the United States. Their conclusions were disquieting, to say the very least: 500 acres of land completely withdrawn; another enormous acreage severely restricted from development because of its location. Bennethum and Lee seriously questioned the ability of this country to meet its resource needs because of Federal land management policies.

And of course, that analysis and report was made under the last administration, a supposedly "pro-business" administration. The current administration, by contrast, is much more heavily staffed with those who lean in the direction of preservation. and we can certainly expect the impact of Federal withdrawals to increase, and not diminish.

What is happening in the State of Alaska shows that our expectations are correct. There are over 365 million acres of land in Alaska, and the administration is supporting legislation which would withdraw about 100 million of those acres from development. That is almost a third. Mr. President, the environmentalists do not like to have it said that this land would be "locked up," but I just do not know any other word for it.

Consider what is happening in my own State of Utah. The land area of the State of Utah is almost 53 million acres, of which almost 35 million belong to the Federal Government. That is over 66 percent. Now the fact that the Federal Government owns that land is more or less a historical accident. The land that is now Utah was ceded to the United States by Mexico in 1848, just after the Mormon pioneers got to the Salt Lake Valley. There is no reason to think that Washington was going to hold onto that land forever, but shortly after the frontier was declared closed, and the Feds never let go. If Utah had been fortunate enough to have been acquired by the United States in 1803, as Nebraska was, as a part of the Louisiana Purchase, things might have been much different.

Mr. President, the Federal Government owns only 1.4 percent of the State of Nebraska. That is all. And yet Nebraska became part of the United States in much the same way that Utah did. Of course, Alaska was not bought from the Russians until 1867, so the Alaskans had no chance. More than 96 percent of Alaska belongs to Washington.

Now that land ownership would not in itself be unbearable, though it is bad enough, if it were not for the way the management of the land ties up mineral and energy resources. But the fact is

that increasingly, Federal management means abandonment of the multiple-use concept that has governed the Federal lands until the fairly recent past. Since 1964, the wilderness designation has been the primary means of restricting Federal lands to single purpose use, and its threat hangs over the State of Utah right now.

As I mentioned, Utah has about 53 million acres of land area. Right now the National Park Service is recommending 1.3 million acres for wilderness; the Forest Service has just completed a preliminary inventory of its "roadless" areas, and identified 2.9 million acres as "potential wilderness." Most serious is the Bureau of Land Management's potential impact. BLM is not nearly as far along in its "roadless review" as the Forest Service is, but some knowledgeable observers predict that BLM may identify as much as 11.5 million acres as potential wilderness. That is a total of almost 16 million acres, or just about 30 percent of the State. And of course, access to non-Federal land is very often affected by the Federal land managers.

Now I am not suggesting that all of this potential wilderness will in fact become wilderness. A great deal of it will not; much of it will be cleared for non-wilderness uses. The process may take some time, and meantime, it will all be treated as de facto wilderness, to the detriment of production and development of areas all over the State.

The definition of potential wilderness depends on the definition of a "road," and there is a significant tale hanging there. Congress did ask the Federal land managers to inventory "roadless" areas, but I think Congress had in mind areas that are truly roadless. What has happened is that some Federal land managers have adopted a definition of a road that is very restricted. In some of the drier areas of the country, little or no maintenance is required on some roads, and quite acceptable seasonal roads do not qualify.

Senator HOWARD CANNON of Nevada saw what the BLM was doing with its definition of a roadless area, and pointed out to the Department of the Interior that virtually the entire State of Nevada would be roadless. He noted, and I agree with him, that that was not Congress intention. I ask unanimous consent that Senator Cannon's letter of August 15 be printed at this point in the RECORD, together with a BLM's response of December 16.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 15, 1977.

Hon. CECIL B. ANDRUS,
Secretary, Department of the Interior,
Interior Building,
Washington, D.C.

DEAR MR. SECRETARY: The Department's effort to inventory roadless areas is a commendable effort under mandate from the Congress. However, the Department's preliminary description of a road for purposes of identifying such areas is too narrowly drawn and will create considerable difficulty and conflict in the future.

The present definition of a road, as I understand it, is one which is maintained by mechanical means. This definition will force inclusion of almost all of Nevada as a roadless area. I can assure you that this is most assuredly not the case. There are many areas with well established, highly traveled roads with histories of use stretching back many years which have never been maintained by mechanical means because such maintenance is not necessary. To consider such areas as roadless areas is arbitrary, contrary to the facts, and needlessly contentious.

I do hope you will review this situation carefully because I am convinced you will agree that the present definition is unsound for best complying with the intention of the Congress.

Sincerely,

HOWARD W. CANNON.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., December 16, 1977.

Hon. HOWARD W. CANNON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CANNON: Thank you for your letter of August 15, 1977, concerning the Department of the Interior road definition used for identifying wilderness study areas. We apologize for the extraordinary delay in responding.

The Bureau of Land Management (BLM) is currently drafting a wilderness process to review lands under its jurisdiction, recognizing the same problem that you mentioned in your letter. The road definition is a major cornerstone in the wilderness review process. Full staff and legal review was needed before we arrived at a road definition. Many of the staff specialists in BLM, who are working on the wilderness program, have spent most of their careers in the Western States before coming to the Washington Office. Based on this field experience and the definition in H.R. Report No. 94–1163, which reads:

"The word 'roadless' refers to the absence of roads which have been improved and maintained by mechanical means to insure relatively regular and continuous use. A way maintained solely by the passage of vehicles does not constitute a road."

The following road definition is being considered:

Road: An access route which has been improved and maintained by using hand or power machinery or tools to insure relatively regular and continuous use. A way maintained solely by the passage of vehicles does not constitute a road.

Words and phrases used in the above definition of road are defined as follows:

Improved and maintained: Where actions have been and will continue to be directed to physically keep the road open to traffic.

Relatively regular and continuous use: Use by vehicles having four or more wheels which has occurred and will continue to occur on a recurring basis, for a predetermined, planned, or intended purpose. An example would be access for equipment to maintain a stock water tank. Casual or random use by off-road vehicles or recreationists does not qualify.

To fulfill the requirement for a road, each road must be shown on the District's Transportation Plan or have an individual case folder documented, with the District Manager's approval, as to how the road meets the definition.

Private county and State roads are not necessarily included in the Transportation Plan; however, these roads are to be considered when identifying roads if they meet the definition of a road. A private road will be shown if it meets the relatively regular use definition. Railroads will be considered a road if they are operational.

This definition does not allow all access routes to be recognized as roads, but does allow an access route that was simply bladed in without drainage and that receives enough maintenance to keep it open to be classified as a road. The main issue in determining a road is that it serves the access needs or commerce for a predetermined or planned purpose, be it public or private. The biggest controversy will be centered on the issue of the off-road vehicle routes of travel that are only there because of the use.

The BLM will be holding State meetings to involve the public in the development of a workable wilderness review process. A draft wilderness review process will be sent to concerned people, organizations, and corporations with an invitation to participate and submit suggestions. An advanced notice will be sent to Senators and Representatives from States affected by the wilderness study requirements of the Federal Land Policy and Management Act of 1976 (FLPMA). We have directed the BLM to send you an information packet on the draft wilderness review process when it is available.

We are looking forward to working with you and the people in Nevada as the public lands are reviewed for wilderness preservation potential. From the direction given in section 603 of the FLPMA, Nevada is one of the heaviest impacted States. We share your concerns that the BLM's eventual wilderness program represents the desires of the public and works well. A workable program will be one that designates wilderenss study areas that truly meet the criteria set forth in wilderness legislation and congressional intent.

Sincerely,

GUY R. MARTIN,
Assistant Secretary.

Mr. GARN. In self-defense, Utah has just adopted, in this last session of the legislature, its own definition of a road. In essence, the State has established a class D road system, and asked the counties to inventory this system. These class D roads are public roads, roads that are used on a regular basis, even if only seasonally, but roads which it would be crippling to lose through closure of an area as "roadless." A few of the counties have completed their inventory, and I have seen some of the Forest Service's "roadless areas" compared with the class D road system. Believe me, some of these areas are far from roadless.

The State's action in adopting its own definition will be very beneficial, I think. It may come too late to have much effect on the Forest Service's inventory, but it will be useful in helping the Service make decisions clearing some of those areas. The State's action should also help the Bureau of Land Management keep its own inventory of roadless areas down to a realistic size. We will have enough trouble working with the Federal agencies on areas that really do have wilderness characteristics, without having to fight over 30 percent of the State.

As I said earlier, the magnitude of Federal land ownership in the West is a historical accident. Unfortunately, it is a historical accident we are unlikely to be able to correct, but I am going to try. The bill I am today introducing would divest the Federal Government of the majority of its public land holdings in the West, and cede ownership and control over that Federal land to the States.

That is entirely consistent with my political philosophy that land management can be best exercised by the agency of government closest to the people themselves. The bill would affect primarily the vast BLM and Forest Service holdings. It would not affect any established national parks or wilderness areas, nor any land acquired by the Federal Government which is necessary to the actual operation of Federal agencies or departments.

Such legislation will not be popular, of course, and it runs directly counter to the trend in Washington in recent years, but I believe it is perfectly consistent with the traditions of this Nation, and with the understanding we westerners had when we joined the Union.

Everyone agrees that we need wilderness, and virtually everyone agrees that we need development. The problem is in getting the balance that everyone also agrees we need. It appears to me that we will stand a much better chance of getting the needed balance if we keep control over resources close to home. It is fascinating to me that virtually every time a wilderness is created under the 1964 Wilderness Act, the Senators and Congressmen who represent the area in question ask for some exceptions from all the requirements of the act. That was true even of the late Senator Humphrey, the author of the 1964 act, and the Boundary Waters Canoe Area. When that wilderness was created, Senator Humphrey asked that power boats be permitted, even though the act specifically prohibits them. His exception was written in, though now attempts are being made to take it out.

What this example shows me is that when it comes to their own State, most politicians think the land management can be done best locally. We are all ready to manage somebody else's State, but we do not want them messing with ours. In the West, there is an increasing feeling of alienation from the Federal Government. Federal land managers are looked upon as colonists, not contributing to the productivity of the land, but eager and quick to lay down rules and regulations about how others can use it. By removing Federal land managers from the largest part of the Western land holdings, the friction that now exists would be abated, and the proper balancing that is needed could go on.

I think it is time for someone to challenge the idea that land management can be done best from Washington. It cannot. My legislation challenges that idea directly, and I hope it will be adopted by the Congress.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) on or before the expiration of the twelve-month period following the date of the enactment of this Act, the Secretary of any Federal department, or administrator of any Federal agency, upon receipt by him of an application from any State, shall, subject to all valid existing rights, convey by quitclaim deed or other appropriate instrument, without consideration, to such State, all right, title, and interest of the United States in and to all public lands located within the exterior boundaries of such State.

(b) As used in this section, the term "public lands" means—

(1) any land and interest therein, together with improvements thereon, and minerals therein, owned by the United States within the several States and administered by any Federal agency or department, without regard to how the United States acquired ownership, except—

(A) lands located on the Outer Continental Shelf; and

(B) lands held in trust for the benefit of Indians, Aleuts, and Eskimos;

(C) National Parks and Wilderness areas so designated by the Congress of the United States;

(D) land necessary to the operation of any Federal Agency or Department.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. HATCH. Mr. President, I am happy to be able to join with my colleague and good friend, Senator GARN, in sponsoring legislation designed to return control over the land areas of the Western States to local officials and individuals. This legislation is long overdue.

It will be argued, of course, that this legislation flies in the face of the recent trend of legislation in the United States. In fact, it was only a year and a half ago, in the closing moments of the 94th Congress, that the Federal Lands Management Policy Act, the so-called BLM Organic Act passed the Congress, and was signed into law. That law definitely reversed the previous policy of the United States. In the past, the Federal Government was seen as the temporary custodian of the Federal lands, until they could be fairly disposed of. Over the years, the way of thinking about the lands changed, and the policy along with it. It became the policy for the Federal Government to hold the land more or less in perpetuity, and the BLM Organic Act is a reflection of that change in policy.

But whether the bill we are introducing today is in conflict with recent trends or not, it is highly necessary. The BLM Organic Act is already under court challenge, not so much over its terms as over the manner of its administration. Within weeks of its enactment, the Bureau of Land Management issued proposed regulations which, in the minds of some, established a Federal property law. These rules on recordation of claims have been challenged in the courts, and in my mind the challenge has an excellent chance of succeeding.

In addition to this specific challenge, we in the West see increasingly how Federal land management policies can affect our lives and well-being. President Carter has proposed massive land set-asides. His aides discuss the need to move population from areas they consider too fragile ecologically to support more people. We are threatened with Federal condemnation of agricultural holdings above a certain size; hundreds of bureaucrats with less real experience on the land among them than on the smallest Western ranch are considering a reorganization of Federal natural resource functions that would affect the very lives of our people; Federal ownership of land and resources transfer power to professional bureaucrats whose lives and jobs are secure no matter what the impact of their rulings on invisible millions who have scratched their living from the soil for more than a hundred years.

With it all, we see the Nation faced with a massive shortfall of energy and minerals. We know that we have the resources to meet the shortfall, if we are free to take the needed action. We are not unmindful of the spiritual needs of man, and the strength he draws from the native soil. Indeed, we have lived closer to the soil than most. Actually lived on the soil, not just visited it from time to time. We recognize the need to preserve the beauty of the West, and are confident of our ability to do it.

I see his legislation as a signal to the rest of America that the trend can and should be reversed. The transfer of power and control away from those who live on and work the land has gone too far, and must be stopped. This bill will make a good start.

By Mr. PROXMIRE (for himself, Mr. LUGAR, Mr. MCINTYRE, and Mr. RIEGLE):

S. 2595. A bill to amend the Federal Reserve Act to provide for the pricing of Federal Reserve System services; to the Committee on Banking, Housing, and Urban Affairs.

THE PRICING OF FEDERAL RESERVE SYSTEM'S SERVICES

Mr. PROXMIRE. Mr. President, I am introducing today, on behalf of myself and my colleagues, Mr. LUGAR, Mr. MCINTYRE, and Mr. RIEGLE, a bill to amend the Federal Reserve Act to provide for the pricing of Federal Reserve System's services.

Each year the major part of the operating budgets of the 12 Federal Reserve banks is allocated to the provision of services to banks, other financial institutions, and the public. The 1978 budget for the Federal Reserve System includes $546.7 million, or approximately 75 percent of the total budget, for the provision of services to financial institutions and the public.

These services include a wide variety of things: the provision of currency and coin, the electronic transfer of funds by wire and through automated clearinghouses, the processing of commercial and government checks, the purchase, sale and safekeeping of securities, the settlement of funds transferred by private sector arrangements that are finalized through reserve account adjustments, and the examination of banks and bank holding companies.

Under current arrangements the Federal Reserve does not charge for these services. Member banks have unlimited access to the Federal Reserve services, while other banks and depository institutions wishing to use the services of the Federal Reserve banks must do so

through an arrangement with a member bank. These arrangements are predicated upon the facts that member banks must hold noninterest earning reserves with the Reserve banks and that the interest that is earned by the investment of those reserves in a sense serves to compensate the Federal Reserve for the services it provides.

There are major difficulties with these arrangements. First, without the discipline imposed by a system of explicit prices that can serve to equilibrate supply and demand the Federal Reserve is faced with a situation that encourages inefficiencies and overdemand. When goods and services are available in unlimited quantities without a cost to the users they tend to be wasted.

Second, the current system of zero pricing tends to preclude competition from the private sector. The establishment of prices for Federal Reserve services based on full economic costs, would tend to promote a more efficient allocation of resources by encouraging private sector alternatives. In particular, it is likely that pricing will encourage the development of more efficient methods of transferring funds by both the Federal Reserve and private corporations.

Mr. President, the Senate Banking Committee recently held hearings on the Federal Reserve's role in the payments mechanism. During those hearings, it was vividly clear that there are many private corporations that are willing to offer services similar to those provided by the Federal Reserve. Admittedly, it is not entirely certain that the private sector is currently more efficient in providing payments services than is the Federal Reserve, but that may be a result of the monopoly position now held by the Federal Reserve. This has not been proven, but private corporations are ready to meet the competitive challenge of the Federal Reserve if they are given a chance. We see no compelling reason why such an opportunity should not be provided. Explicit pricing by the Federal Reserve would do just that.

Third, the reserves required of member banks serve more than one function. In addition to being compensating balances for services rendered they also serve as clearing accounts that are used to effectuate the transfer of funds from one member bank to another. Required reserves are also the fulcrum of monetary policy for they limit the amount of funds that member banks can lend from each dollar of deposits they receive. The distinction among the purposes served by required reserves are impossible to make as things stand now. This legislation would have the Federal Reserve "unbundle" member bank required reserves by substituting explicit fees for a portion of those reserves.

A basic feature of this bill is that the Federal Reserve would also "unbundle" its services and charge for each of them separately on an explicit, rational, and competitive basis. In addition to promoting private sector alternatives, this will also tend to encourage financial institutions to unbundle the services they provide to their customers so that they too will be better able to select those services that are wanted rather than paying for a bundle of services some of which are never used. The Senate Banking Committee has heard a great deal about "unbundling" of services during the past year: First, with regard to services offered by depository institutions in the debate on NOW accounts, and second, with regard to correspondent banking arrangements and the use of correspondent balances in connection with some irregular banking practices involving bank stock loans. In both of these cases and with regard to Federal Reserve services the public would be better served if services were unbundled and explicit itemized prices were established.

Mr. President, the Federal Reserve has been studying the issues pertinent to its pricing of services for some time. In November 1976 Governor Coldwell told an American Bankers Association Conference that the Board was moving ahead with its pricing plans and that they wanted to structure prices to encourage more efficient transfers of funds and that "some means of an offset in terms of reserve requirement burdens among member banks" would probably be included. Last June during an exchange between Senator RIEGLE and Chairman Burns before the Senate Banking Committee, Chairman Burns stated the Board is considering alternative systems for collection of charges for services from all depository institutions. More recently, the Board has said that it is not inclined to change its present access and pricing policy until the burden of Federal Reserve membership is recognized and offset.

The Federal Reserve has experienced declining membership for a variety of reasons. Lack of explicit pricing may be one of those reasons and, therefore, if pricing awaits a solution to the problem of Federal Reserve declining membership pricing may never be implemented and the Federal Reserve's membership problem may never be solved.

This bill recognizes the burden of required reserves for member banks by allowing the Federal Reserve to reduce member bank reserves sufficiently to implement pricing of its services while taking into account the additional revenues that will arise out of fees imposed by a pricing schedule. It also recognizes that the current minimum legal reserve requirements required by the Federal Reserve Act may not permit the Board sufficient flexibility to both change reserve requirements for monetary policy purposes and reduce them in order to implement pricing. Therefore, the bill would lower those minimum allowable reserve requirements against net demand deposits of country banks from 7 to 4 percent and for time and savings deposits of all member banks from 3 to 2 percent.

Recognizing that nonbank depository institutions have introduced new payments services in the past few years and that they might benefit from direct access to Federal Reserve services, the bill provides that Federal Reserve services would be offered to any depository institution willing to pay the fees established by the Federal Reserve and willing to hold a clearing balance through which funds transfers can be accomplished.

The bill establishes a date, July 1, 1979, by which the Federal Reserve must prepare and publish a schedule of prices and a set of pricing principles. It also requires that the Federal Reserve implement the pricing of its services no later than July 1, 1980.

Mr. President, the pricing of Federal Reserve services raises important issues for both the Federal Reserve and the banking industry. The bill being introduced today lays down a solid foundation for dealing with those issues. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Reserve System Services Act".

SEC. 2. (a) The Federal Reserve Act is amended by inserting after section 11 thereof the following new section:

"Sec. 11A. (a) Not later than July 1, 1979, the Board of Governors shall have prepared and shall publish for public comment a set of pricing principles in accordance with this section and a proposed schedule of fees for Federal Reserve System services, and not later than July 1, 1980, the Board shall put into effect a schedule of fees for such services which is based on those principles.

"(b) The Federal Reserve System services which shall be covered by the schedule of fees under subsection (a) are—

"(1) currency and coin services;
"(2) check collection services;
"(3) wire transfer services;
"(4) automated clearing house services;
"(5) net settlement services;
"(6) securities safekeeping services;
"(7) bank examinations; and
"(8) any new services which the Federal Reserve System provides, including but not limited to services that effectuate the electronic transfer of funds.

"(c) The pricing principles referred to in subsection (a) and the schedule of fees prescribed pursuant to this section shall be based on the following general principles:

"(1) All services shall be priced explicitly.

"(2) Prices shall be established on the basis of all direct and indirect costs actually incurred including overhead, and imputed costs, taking into account the taxes that would have been paid and the return on capital that would have been provided had the services been furnished by a private business firm.

"(3) Payment services shall be made available to any depository institution at the same fee schedule applicable to member banks.

"(4) A clearing balance shall be required of any depository institution availing itself of any Federal Reserve System service for which a fee is charged pursuant to this section at least sufficient to cover daily clearances with penalties for insufficient balances, except that any member bank may use its

reserve balance required under section 19 of this Act to meet all or any portion of its clearing balance required under this section.

"(d) In addition to the authority of the Board of Governors to determine the appropriate ratio of reserves to deposits, from time to time, pursuant to section 19 of this Act, the Board of Governors may reduce the amount of reserves required under section 19 of this Act in order to implement this section, but any such reduction in reserve requirements shall not result in a net reduction in payments to the United States Treasury from the Federal Reserve System, after taking into account the additional revenues to the Federal Reserve Banks arising from the fees imposed under this section and the reduction in earnings arising from the lowering of reserve requirements authorized under this subsection.".

(b) Section 19(b) of such Act is amended—

(1) by striking out "7 per centum" in paragraph (2) and inserting in lieu thereof "4 per centum"; and

(2) by striking out "3 per centum" in paragraph (3) and inserting in lieu thereof "2 per centum".

SEC. 3. (a) The first section of the Federal Reserve Act is amended by adding at the end thereof the following new paragraph:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act;

"(6) any insured institution as defined in section 401 of the National Housing Act; and

"(7) any association or entity which is wholly owned by or which consists only of institutions referred to in clauses (1) through (6).".

(b) The first paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 342) is amended—

(1) by inserting "or other depository institutions" after "member banks";

(2) by inserting "or other depository institution" after "nonmember bank or trust company" each place it appears;

(3) by inserting "and other factors as the Board may deem appropriate" after the words "held for its account by the Federal Reserve Bank"; and

(4) by inserting "or other depository institution" after "nonmember bank" in the second proviso.

(c) The thirteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 360) is amended as follows:

(1) by striking out the words "member banks" wherever they appear and inserting in lieu thereof "depository institutions"; and

(2) by striking out the words "member bank" wherever they appear and inserting in lieu thereof "depository institution".

(d) The fourteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 248 (o)) is amended by striking out "its member banks" and inserting in lieu thereof "depository institutions".

Mr. LUGAR. Mr. President, I am pleased to join my three distinguished colleagues, Senators PROXMIRE, MCINTYRE and RIEGLE, in introducing S. 2595, the Federal Reserve System Services Act.

This legislation will initiate what I expect will be a lengthy and sophisticated debate on the need to bring explicit pricing to the services provided by the Federal Reserve. I emphasize the budget figures discussed by Senator PROXMIRE in his introductory statement. The Federal Reserve's 1978 budget includes $546.7 million, approximately 75 percent of its total budget, for the provision of services. This figure clearly indicates the magnitude of this issue.

The Federal Reserve offers a variety of bank services in a highly professional manner. Nevertheless, I believe that resources are inefficiently allocated unless they are subject to the market pricing mechanism. It is clear that the present system of providing services to member banks in exchange for holding noninterest earning reserves encourages inefficiency and overdemand.

I am concerned further that the current system has stifled competition from the private sector in the offering of bank services. Private sector witnesses testified last year before the Senate Banking, Housing, and Urban Affairs Committee that the present system has prevented any real competition from developing in the several types of services listed in section 2 of this bill. There is no compelling reason the Federal Reserve should monopolize the bank services business. This is an area in which a variety of entities could compete if services were separately priced.

This legislation addresses the increasing problem of membership loss in the Federal Reserve System by authorizing the Fed to reduce requirements in order to offset the increased costs to member banks of the explicit pricing of services. I believe that this provision, while not a full answer to the Federal Reserve membership problem, will have a positive effect.

I look forward to the hearings on this legislation so that the Congress might begin to address this important issue.

By Mr. NELSON:

S. 2596. A bill to amend title 44, United States Code, to establish a system for the management and disposal of the official records of the President; to the Committee on Governmental Affairs.

PRESIDENTIAL RECORDS ACT OF 1978

Mr. NELSON. Mr. President, I am today introducing the Presidential Records Act of 1978. This legislation asserts public ownership of documentary materials created or received by future Presidents and their staffs and establishes procedures governing retention of those documents and access to them. If enacted, the legislation, would take effect on January 20, 1981. This legislation has been a cooperative effort with Representatives BRADEMAS and ERTEL who introduced identical legislation in the House last week.

The need for legislation like this has been evident to the public since the Nixon-Sampson agreement, in 1974, in which the Ford administration acknowledged Mr. Nixon to be the owner of the tapes and papers of his administration and gave him great license concerning the control and disposition of 42 million pages of documents and 880 tape recordings created during his White House years.

Under the agreement, Mr. Nixon could have ordered the destruction of these vital historical materials. Our knowledge and understanding of an extraordinary historical period could have been irreparably harmed. Evidence vital to ongoing ciminal investigations could have been permanently lost. For those reasons. Congress moved rapidly to pass the Materials Preservation Act, overriding the Nixon-Sampson agreement. The act directed the Administrator of General Services to take custody of Mr. Nixon's presidential tapes and papers, and to promulgate regulations providing for the orderly archival processing of the materials for the purpose of returning to Mr. Nixon those items which were personal in nature, and determining the conditions upon which the public might eventually obtain access to those remaining in the Government's possession.

In passing the Materials Preservation Act, Congress recognized that Mr. Nixon's agreement with the Ford administration posed basic questions about the ownership and disposition of vital historical materials which had remained unresolved far too long. The Nixon-Sampson agreement became possible because of the longstanding tradition that the papers created by the President and his advisers are the property of the President. Historians and archivists had long decried the loss of valuable historical materials resulting from the tradition of private ownership, but it took the Nixon-Sampson agreement to bring home dramatically the absurdity and danger of the practice.

For this reason, in title II of the Materials Preservation Act, Congress established the National Study Commission on Records and Documents of Federal Officials, also known as the Public Documents Commission to study the problems involved in the ownership and disposition of records and documents of all Federal officials and recommend appropriate legislation and rules.

The 17 member Commission included representatives of Congress; the White House; the Federal Judiciary; the Departments of State, Defense, and Justice; professional archivists and historians; and the Librarian of Congress and the Archivist of the United States. It was chaired by former Attorney General Herbert Brownell. Senator WEICKER and I represented the Senate. The Commission reported to Congress and the President last April, and this legislation draws heavily on its recommendation respecting Presidential papers.

If enacted, this legislation would terminate the tradition of private ownership and assure that the documentary materials of future Presidencies would be safely preserved and would find their way into the public domain under the rule of law. The legislation divides the universe of papers created or received by the President and those working in the Executive Office of the President into three categories. "Personal papers," as

defined in the legislation, would remain the property of those creating them. Documentary materials in the Executive Office of the President prepared in the course of transacting Government business would be the property of the United States and divided into two groups. One group would include materials created or received by units of the Executive Office of the Presidency which do not have as their sole function advising or assisting the President. These materials are analogous to the records of other executive agencies; they would be treated as "Federal records" and subject to the requirements of the Freedom of Information Act and the Privacy Act.

The other category would include those materials actually created or received by the President, or members of the White House staff, or those units of the Executive Office of the President which exist solely to advise or assist the President. It is these "Presidential records"—as they are called in the legislation—which assume the greatest interest to historians and include the essential body of confidential communications to and from the President about policy matters.

The legislation states unequivocally that the "Presidential records" are the property of the United States. At the end of the President's administration, the Archivist of the United States would assume custody over these Presidential records and place them in a Presidential library or another archival depository under the control of the United States. Although the legislation declares that the Presidential records of an administration should be opened as fully and quickly as possible, it gives the President the right to impose restrictions on access to the Presidential records of his administration which the President deems necessary and appropriate. No restriction imposed by a President could stay in effect more than 15 years from the time that the President's term of office ended. At that time any material still restricted would become generally available to the public, with the exception of material which the Archivist found to represent an unwarranted invasion of privacy, or which the incumbent President instructed the Archivist to keep closed on the basis of national security considerations. However, after the 15-year period, any person who was denied access to materials on these privacy or national security grounds could challenge that denial in an appeal procedure modeled after the Freedom of Information Act.

Moreover, the President's right to impose restrictions on the materials of his administration is subject at all times to two important reservations: materials to which access could otherwise be restricted can be obtained: First, pursuant to a valid subpena or other lawful process or second, by the incumbent President, who certifies that the materials are necessary for the conduct of continuing Government business. Additionally, materials must be opened, or restricted, to all researchers alike.

I. OWNERSHIP OF PRESIDENTIAL PAPERS

The question of who owns Presidential papers has never been resolved by the Supreme Court. I have no doubts, however, about the constitutionality of the legislation I am today proposing. The legal staff of the Public Documents Commission, headed by the distinguished former Solicitor General of the United States, J. Lee Rankin, conducted painstaking legal research into the issue and concluded that if Congress declared that Presidential records were publicly owned, the Supreme Court would uphold that conclusion. There are compelling reasons for the Congress to act, and the same compelling reasons for the Court to uphold this action.

In my view, there was never any basis for the view that Presidents, and other public servants, performing public service and paid salaries by the Government, should be the owners of the materials they produced. As Senator Ervin stated during the debate on the Materials Preservations Act:

> I have a conviction that in equity and in good conscience all the official records made by an elected Federal official, at the expense of the taxpayers . . . ought to be regarded as public property.

Nonetheless, the tradition of private ownership has taken root. However, the tradition grew up in an earlier era when the Presidency was a much more personal office. At one time, our Presidents performed their tasks with a small coterie of aides and generated comparatively few documents. As late as the Grant administration, for example, the President's staff numbered six people—supported at a cost of $13,800. The Presidential papers of William McKinley consisted of approximately 100,000 pages. Earlier Presidents could personally prepare or review a much higher percentage of the documents of their administration; the stamp of the President was placed more clearly on the papers of his administration.

With the evolution of the modern Presidency, any logic behind regarding Presidential papers as the property of the President went out the window. In 1939, President Roosevelt created the Executive Office of the President, enabling him to have executive assistants to aid him in dealing with the various agencies and departments of the Government. Initially, the EOB staff consisted of about 800 people. However, since that time, the size of the staff has enlarged continually. Under President Eisenhower, the staff had grown to 1,400 people. By 1962 under President Kennedy, the staff numbered over 2,000; by 1971, under President Nixon, it was well in excess of 5,000 persons.

The growth in size of collections of Presidential materials has been astronomical. Where the Presidential papers of Calvin Coolidge totaled approximately 200,000 for his 7 years in the White House, the Johnson administration produced 18.5 million pages in 5 years; the Nixon administration totaled 42 million, and the Ford Presidency amassed over 15 million pages in about 2½ years.

As Historian Clinton Rossiter has written:

> The President is still one man, but he is also, like any man with a thousand helpers, an institution.

The dramatic change in the nature of the Presidency undercuts any basis for claiming that the papers of a President's administration should be privately owned.

The tradition that the President "owns" the papers of his administration has always been a legal anomaly. In *Nixon* v. *Sampson* 389 F. Supp. 107 (D.D.C. 1975), the former President challenged the constitutionality of the Materials Preservation Act. Judge Richey concluded that title to Presidential papers lies with the United States. Ultimately, judgment was not entered on Judge Richey's opinion, because the Materials Preservation Act entitled Mr. Nixon to a three-judge court for a ruling on the constitutionality of the statute, and the issue did not require resolution of the ownership question. Nevertheless, Judge Richey had carefully reviewed the legal precedents and concluded:

> It is a general principle of law that that which is generated, created, produced or kept by a public official in the administration and performance of the powers and duties of a public office belongs to the government and may not be considered the private property of the individual. 389 F. Supp. at 133.

See, for example, *United States* v. *First Trust Co.* of St. Paul, 251 F. 2d 686 (8th Cir. 1948); *United States* v. *Chadwick*, 76 F. Supp. 919 (N.D. Ala. 1948); *Coleman* v. *Commonwealth*, 66 Va. 865 (1874); *People* v. *Peck*, 138 N.Y. 386 (1893); *Public Affairs Associates Inc.* v. *Rickover*, 284 F. 2d 262 (D.C. Cir. 1960); reviewed and remanded, 369 U.S. 111 (1962). The same principles guided the recent decision that the transcripts of Secretary Kissinger's phone conversation were Federal records of the State Department, rather than his property. *Reporters Committee for Freedom of the Press* v. *Vance*, C.A. 77-220 (D.D.C. Dec. 8, 1977).

Philosophically, there is something extremely distasteful about the current practice. For a President to claim the ownership of an irreplacable part of our history, even if he deems it appropriate to grant the public access to the papers, is simply a perversion of democratic theory. There are important constitutional and policy reasons for giving the President the discretion to place restrictions on access to papers made or created during his Presidency, but the right to do so should be spelled out in law. The current practice looks too much like an "inherent" power of the Presidency—which we have discovered to be dangerous business—and smacks too much of the prerequisities of sovereignty. On this point, Judge Richey wrote eloquently:

> The Article II (powers of the President) compel only one conclusion: the powers and duties of the executive inure to the office and not to any individual officeholder; for the President, although elected to the highest office in the Nation, is but a transient holder of the public trust . . . "He does not

embody the Nation's sovereignty. He is not above the law's commands; sovereignty remains at all time with the people." 389 F. Supp. at 136

The tradition of private ownership has also resulted in the loss—or much-delayed discovery—of important historical materials. For many years, there were no papers documenting the Presidential years of Ulysses Grant. Chester Arthur, prompted by an inordinate fear of journalists, destroyed many of the papers from his earlier career and instructed his son to destroy his Presidential papers. The papers of Presidents Taylor, Tyler, and Harrison were destroyed in fires, presumably accidentally. Additionally, the danger exists that the Presidential materials necessary to the smooth functioning of the Government will be unavailable at a crucial moment. Historian H. G. Jones has written that to accept the claim of private ownership—

Would be to vest in the highest office of the land, or in his heirs or descendants the right to sell, to destroy, to disclose, to refuse to disclose, or otherwise to dispose of documents of the highest official nature involving information that, if improperly, prematurely, or irresponsibly revealed, could not only wreck private lives, but also endanger the security of the nation.—H. G. Jones, *The Records of A Nation*, 161–162.

For these reasons, in upholding the constitutionality of the Materials Preservation Act, taking custody of the papers of the Nixon administration, the Supreme Court wrote:

An incumbent President should not be dependent on happenstance or the whim of a prior President when he seeks access to records of past decisions that define or channel current governmental obligations. Nor should the American people's ability to reconstruct and come to terms with their history be truncated . . . Congress can legitimately act to rectify the hit-or-miss approach that has characterized past attempts to protect these substantial interests . . . *Nixon v. Administrator of General Services*, 97 S. Ct. at 2795.

Until the Nixon experience, the tradition of private ownership had generated comparatively little concern in recent years. All Presidents since Hoover have made careful arrangements for the preservation of their papers, donating the papers to the United States under a deed of gift including restrictions on access to parts of the collection. The passage of the Presidential Libraries Act in 1955 took advantage of the best elements of the tradition of private ownership and gave the Presidents a vested interest in preserving their papers. Measured in terms of eventual access to the whole Presidential collection, the results of the Presidential Library era have been generally encouraging. In the Hoover Library, there are no restrictions on Presidential papers, although some remain for personal or private material. In the Roosevelt Library, less than one-half percent of the material is restricted. In the Johnson Library, virtually all the nonclassified material has been reviewed and more than 99 percent is unrestricted.

President Ford has followed the forthcoming pattern of his recent predecessors. On December 19, 1976, he donated all the papers and related archival materials for his years in Government to the Federal Government for preservation in Michigan. In the deed of gift, President Ford established some categories of materials to which access would be restricted but provided that restrictions would not last more than 13 years, except on those papers protected by the law or Executive order.

Nevertheless, I believe it is essential to declare that Presidential records are publicly owned. The Nixon case was an aberration, but an aberration of which certain elements could occur. We recognize that Presidents are jealous of their place in history and the historians' judgment will depend, in the final analysis, in large measure on the documentary materials of their administration. The tendency to release certain papers, presenting the President in a positive light, rather than others which cast doubt on the President's performance, cannot be discounted. The deletion of even a handful of important papers can distort the historical record beyond recognition. And the possibility of a future President, either by calculation or whim, destroying or asserting custody over far more than a handful of papers continues to exist.

Even during the recent era, the tradition of private ownership has produced some troubling results. The statistics showing large amounts of materials being opened are somewhat deceptive; the small percentage of documents which are closed reflect thousands of pages of confidential communications of the greatest interest to the public and historians. For example, President Truman retained control of part of the White House central file and the President's White House secretary file, long after the rest of the materials of his administration went to the Truman Library in 1957. These files included some material which was undoubtedly classified; however they also included priceless files concerning the Truman administration's handling of the civil rights issue, the seizure of the steel mills and the President's leadership of the Democratic Party. President Truman was quoted several times as saying that he was not going to make these files available during his lifetime, and the Truman Library did not obtain them until 1974.

Subsequently, during the Kennedy administration, a high-ranking official needed a memorandum written by Douglas Dillon as Ambassador to France to President Eisenhower. John Eisenhower advised the official that the document would be turned over only with the consent of President Eisenhower. The Kennedy administration withdrew the request, in order to keep their requests to Eisenhower to a minimum.

Presidents should not have the power to delay access of historians and the public to important historical materials indefinitely. Moreover, the right of the incumbent President to obtain important materials from the prior administration should be clearly spelled out. With these cases in mind, and for the reasons set forth above, legislation asserting public ownership of Presidential papers will strike the American people as a long overdue dose of commonsense.

II. ACCESS TO PRESIDENTIAL RECORDS

Of course, after the ownership question is resolved, the difficult issue of regulating access remains. Even if it is constitutional for Congress to assert that the documentary materials of future Presidents belong to the United States, we cannot grant access to everything in such a way that the operations of the executive branch are disrupted. Additionally, we cannot do so in a way that runs roughshod over the constitutional rights of speech, association, and privacy of future Presidents and their advisers.

The legislation which I introduce today makes careful provision for the privacy rights of the individuals involved and the unimpaired functioning of the executive branch. The provisions are structured far differently than the Materials Preservation Act, dealing with the Nixon tapes and papers, but in that case Congress faced a clear emergency situation: an untrustworthy guardian, and the clear possibility that vital historical materials and relevant evidence would be destroyed. Legislation governing the handling of future Presidential papers should reflect the fact that the Nixon experience was unique; in this century, according to the best estimates of archivists and historians, Presidents have been reliable custodians of their papers, conscious of the public trust they have held.

The legislation would permit the President and his staff to separate "personal papers," which can be retained by them, from those which must remain in Federal custody. In the Nixon case, the Materials Preservation Act mandated that archivists would screen all the papers, and segregate those which were "private" from those dealing with Government business. But that was an emergency case, as well as a situation where the papers had been commingled because of the expectation that Mr. Nixon would have custody over the papers and control access in the future. In drafting legislation of general applicability, we can anticipate the commingling problem by requiring that personal materials be segregated from Government-related materials from the outset.

The definition of "personal papers" in the legislation is worth noting. It is possible to frame such a definition very narrowly; for instance, the Archivist has issued a bulletin to the heads of all Federal agencies defining personal papers as "material pertaining solely to an individual's private affairs." Under such a definition, the President's personal communications to his family or friends about personal matters would clearly be private, but a letter to a relative which reflects the Presidents' thinking about a current issue might not be.

In my view, such an approach in the Presidential sphere would be counterproductive, resulting in the loss of valuable historical materials. A President's private letters to friends or relatives who do not occupy positions in the Government should fall into his collection of personal

papers; similarly, if a President keeps a diary or some functional equivalent of a diary, that material should also be exempt. The determining factor should not be whether the subject matter touches on affairs of state, as opposed to private concerns; what matters should be whether the paper was prepared, circulated, or communicated as part of the policymaking process. Clearly the litmus test cannot be whether the material is of interest to historians. Everything a President does or says is of interest to historians, but sharply restricting the President's right to keep personal papers may deprive the historians of more than it produces. The definition of "personal papers" in this legislation is designed to insure that even the most public of officials, the President, retains a sphere of personal privacy around his thoughts. Hopefully, of course, these valuable papers will find their way into future Presidential libraries, as they have in the past.

Once "personal papers" are adequately safeguarded and segregated, the difficult problem of formulating procedures governing access to Presidential records remain. The basic issue is how to strike a balance which will permit public access to documentary materials at the earliest possible time, without creating a "chilling effect" on Presidents and Presidential advisers which would deter them from exchanging full, candid, written advice. Obviously, this "chilling effect" is intangible and incalculable. At the same time, taking account of it is essential; legislation which did have a significant "chilling effect" could diminish both the historical record and the quality of advice which a President requires.

Additionally, legislation which did not recognize and respect the right of the confidential communications between the President and his advisers would be constitutionally infirm. In *United States* v. *Nixon*, 418 U.S. 683, 705 (1974), Chief Justice Burger spoke for a unanimous court of the "valid need for protection of communications between high Government officials and those who advise and assist them in the performance of their manifold duties; the importance of this confidentiality is too plain to require further discussion." He continued:

> Human experience teaches that those who expect public dissemination of their remarks may well temper candor with a concern for appearance and for their own interest to the detriment of the decision making process . . .
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> The expectation of a President to the confidentiality of his conversations and correspondence, like the claim of confidentiality of judicial deliberations, for example, has all the values to which we accord deference of the privacy of all citizens, and added to those values, the need for candid, objective, and even blunt or harsh opinions in presidential decision making. A president and those who assist him must be free to explore alternatives in the process of shaping policies and making decisions and to do so in a way many would be unwilling to express except privately.

The court concluded:

> "Executive privilege" is fundamental to the operation of government and inextricably rooted in the separation of powers under the Constitution.

Of course, the privilege is a qualified one. In United States against Nixon, even while establishing that executive privilege is constitutionally based, the Court rejected the President's "broad undifferentiated claim of public interest in the confidentiality of such communications" and held that it could not prevail over the need for in camera inspection by the District Court of the Nixon tapes pursuant to a subpena issued by the Special Prosecutor. The claim was outweighed "by the impediment that an absolute, unqualified privilege would place in the way of the primary constitutional duty of the judicial branch." Similarly, in Nixon against Administrator of General Services, the Court held that a statutory scheme which mandated screening by archivists of the Presidential papers of the Nixon years would not by itself represent an impermissible intrusion into the communications of the executive branch.

Nevertheless, a general rule mandating immediate public access to the papers or confidential communications of an administration would clearly be unconstitutional. Similarly, since it is clear that a former President does not lose the right to assert Executive privilege simply by virtue of the end of his administration, it would not be acceptable to mandate immediate access to the confidential papers of an administration just completed. If the privilege exists while an administration is in office, it surely does not vanish a week or a month after the administration leaves office. As the Supreme Court has held:

> The confidentiality necessary to this exchange cannot be measured by the few months or years between the submission of the information and the end of the President's tenure; the privilege is not for the benefit of the President as an individual but for the benefit of the Republic.—*Nixon* v. *Administrator of General Services*, 97 S. Ct. at 2793.

In framing legislation, then, the right to access must be balanced with the necessity of preserving the confidentiality of executive branch communications. The legislation can reflect the fact that—

> The expectation of the confidentiality of Executive communications . . . has always been limited and subject to erosion over time after an Administration leaves office.—*Nixon* v. *Administrator of General Services*, 97 S. Ct. at 2794.

This balancing act can be handled in one of two ways. The first approach would permit the President to place access restrictions on papers of his administration, but pursuant to a congressional judgment setting a maximum period during which restrictions could apply. The second approach would be modeled after the Freedom of Information Act and would entail opening up access to presidential records immediately after the end of the President's administration but with certain statutory exemptions intended to provide the confidentiality necessary to respect the President's autonomy.

This legislation takes the first approach, which was endorsed by 15 of 17 members on the Public Documents Commission. I was impressed by the viewpoints of archivists, historians and some of those who have served on the White House staff that the chances of creating and preserving a full written historical record would be enhanced if those working for the President knew that the President would be able to place restrictions on the time that the certain confidential communications would become public.

If this legislation were enacted, I envision that the vast bulk of the Presidential materials of an outgoing administration would be opened almost as quickly as they could be processed. This has been the experience with the modern Presidents. Materials could be closed for up to 15 years, although the Archivist would be empowered to make recommendations to the former President when he finds situations where he believes the restrictions are inappropriate. However, no materials could be closed on the basis of confidentiality for more than 15 years. Some period of closure—and I am certainly not wedded to the 15-year period—would be a small price to pay in return for the creation and retention of a full historical record.

I believe that extending the Freedom of Information Act to Presidential papers would extend to the public a false promise: the illusion of immediate, general access to Presidential papers. But the reality would be quite different. As presently written, FOIA contains an exemption for confidential interagency memoranda reflecting the deliberative and policy making process. This exemption is the statutory equivalent of executive privilege discussed in United States against Nixon. See, also, *EPA* v. *Mink*, 410 U.S. 73 (1973); *NLRB* v. *Sears, Roebuck Co.*, 421 U.S. 132 (1975).

The Freedom of Information Act approach would demand a continuing exemption of this type, and the vast majority of the material which a journalist, public interest group or historian would seek fall into that exempted category. But, as noted above, the claim of "executive privilege" does not lose all its force when a President leaves office; it retains some power for sometime afterward. If it is true that candid advice to a President would be chilled by awareness that it would become immediately available, the effect will carry over if it is known the communications will become available 1 week, 6 months, or a year after the President leaves office.

What would result from the FOIA approach, I am afraid, is a general exemption for privileged communications between Presidents and their advisers, with the courts being left to work out the scope of the privilege painstakingly, on a case-by-case basis, through litigation, with the officials or the archivist asserting the privilege as defendants. The result could well be the worst of all worlds. The threat of early disclosure and general access may create a chilling effect, but the promise would not be realized, and litigation would proliferate.

How to handle the access problem divided the members of the Public Documents Commission, and the problem will undoubtedly provoke similar debate among Members of Congress. Representative PREYER has introduced legislation,

H.R. 9130, embodying the Freedom of Information Act approach. While Representatives BRADEMAS and ERTEL and I prefer our approach, we share with Representative PREYER the belief that Congress should be addressing the issue. President Carter is strongly on record as believing that the papers of his administration belong to the people. It is in the public interest that we legislate now, for future Presidencies, rather than wait for the next crisis.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Presidential Records Act of 1978."

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) in a democratic system of government, it is essential for the people to obtain the maximum information possible about the decision-making process of their government consistent with smooth operation of the government;

(2) given the central role in our government occupied by the President, the internal workings of the governmental decision-making process are often best illuminated by written memoranda or other documentary materials made or received by the President and his staff contemporaneously with events or decisions in question, making it necessary to encourage the creation and preservation of such materials to the greatest extent possible;

(3) traditionally, documentary materials made or received by the President, and his staff, in the course of government service, relating to that service, have been regarded as the property of the President in whose administration they were made or received;

(4) this tradition has resulted in an inconsistent and haphazard handling of papers made or received by the President and his staff, leading to the destruction or loss or the threat of destruction or loss, of valuable historical materials;

(5) the continued and continuous retention of papers created by one administration for the reference and use of future administrations, sometimes essential to the smooth functioning of the government and the security of the Nation, has also been jeopardized by the tradition of private ownership;

(6) although the tradition of private ownership is longstanding, it has never been logical to conclude that a President creating or receiving papers in the course of public service, being paid a salary by the government, could regard those papers as his private property and remove them from government custody when he completes his service as President;

(7) the papers made or created by the President and his staff in the course of their public service as part of that service should be regarded as the property of the United States; and

(8) the Congress has the constitutional authority to dispose of and to make rules respecting the property of the United States.

(b) It shall be the policy of the United States that after a President leaves office, the records of his administration shall become generally accessible as fully and quickly as possible, subject only to the need to protect against unwarranted invasions of personal privacy, protect against disclosure of information which it is necessary to keep secret in the interest of national defense or foreign policy, and to insure future Presidents and their advisers that the confidentiality of their communications will be respected.

RECORDS MANAGEMENT AND DISPOSAL

SEC. 3. (a) Title 44, United States Code, is amended by redesignating chapter 35 and chapter 37 as chapter 37 and chapter 39, respectively; by redesignating section 3501 through section 3512 as section 3701 through section 3712, respectively; by redesignating section 3701 through section 3703 as section 3901 through section 3903, respectively; and by inserting after chapter 33 the following new chapter:

"Chapter 35.—PRESIDENTIAL RECORDS

"Sec.
"3501. Definitions.
"3502. Ownership of Presidential records.
"3503. Management and custody of Presidential records.
"3504. Exceptions to restrictions on access.
"3505. Implementing regulations.

"§ 3501. Definitions.

"As used in this title—

"(1) 'Presidential records' means all papers, photographs, recordings or other documentary materials made or received by the President, his immediate staff, or any unit of the Executive Office of the President the sole function of which is to advise and assist the President, which are retained or appropriate for retention, except for personal papers;

"(2) 'personal papers' means—

"(A) all materials of a purely private or nonpublic character which are received or created by any individual referred to in paragraph (1) which do not relate to the official duties, services, and activities of the President;

"(B) diaries, journals or other personal notes of any individual referred to in paragraph (1) which are not circulated or communicated in the course of transacting government business; or

"(C) all materials relating to the private political association or activities or individuals referred to in paragraph (1) which have no effect upon, do not relate to, and do not derive from the exercise of the official duties, services, and activities of the President or his services and activities as the leader of his political party;

"(3) 'Federal records' means 'records' as defined in section 3301;

"(4) 'Presidential Archival Depository' means 'Presidential Archival Depository' as defined in section 2101;

"(5) 'Archivist' means the Archivist of the United States; and

"(6) 'depository' means any institution where archives, records, or manuscripts are preserved, processed and made available for research.

"§ 3502. Ownership of Presidential records.

"The United States shall reserve and retain complete ownership, possession, and control of Presidential records, which shall be administered in accordance with provisions of this chapter.

"§ 3503. Management and custody of Presidential records.

"(a) Through the implementation of records management controls and other necessary actions, the President shall take all such steps as may be necessary to assure that the activities, deliberations, decisions, and policies that reflect the performance of his constitutional, statutory, or other official or ceremonial duties are adequately recorded and that such recordations are appropriately maintained pursuant to the requirements of this chapter and other provisions of law. These actions shall include, but not be limited to, steps taken to insure that personal papers be so categorized and appropriately marked at the time of their creation, and filed separately from Federal records or Presidential records.

"(b) During a President's incumbency the Presidential records of his administration shall be in his custody and he may dispose of those records which he determines, after consultation with the Archivist, to be of insufficient administrative, historical, or informational value to warrant their continued preservation.

"(c) During any period when an Acting President serves pursuant to section 3 or 4 of article XXV of the Constitution, the Acting President shall have custody of the official records made or received during such period, in the same manner as if they were made or received by or for the President along with custody of the Presidential records of the President then in office until the latter resumes the powers and duties of his office, whereupon the President shall take or resume the custody of all such records, except that, if the President then in office shall not resume his duties and is succeeded to office by the previously Acting President, the successor in office shall retain custody of only those records as have been made or received while he was Acting President, which shall thereafter be treated as the part of the Presidential records of his presidency.

"(d) At the conclusion of a President's term of office, the Archivist of the United States shall assume responsibility for the custody, control, and preservation of, and access to, the Presidential records of that administration, subject to restrictions on access provided in subsections (f), (g), and (h). The Archivist shall have authority to dispose of Presidential records which he has appraised and determined to have insufficient administrative, historical, informational, or evidentiary value to warrant their continued preservation, except that notice of such disposal shall be published in the Federal Register at least 60 days before such disposal is carried out.

"(e) Before the end of his term of office, the President may place such restrictions as he considers necessary or appropriate on access to, and use of, Presidential records of his administration for which the Archivist is to assume custody and control in accordance with subsection (c). Such restrictions shall remain in effect for not more than 15 years from the end of the President's term in office.

"(f) The President, during his term of office or following it, may expressly authorize that, should he die during the term of any restrictions placed upon his Presidential papers, the Archivist shall at a designated time review the material so restricted and determine if such restrictions continue to be warranted. On the basis of this review, the Archivist shall remove restrictions as he deems appropriate.

"(g) In the event that the President dies in office, or leaves office, without prescribing restrictions on access permitted under this section and without stating that no restrictions on access may be imposed, the Archivist may establish restrictions on access to, and use of, Presidential records of the administration. Restrictions established by the Archivist shall remain in effect for not more than 15 years from the end of the President's term of office. The Archivist shall periodically review such restrictions and remove restrictions as he deems appropriate.

"(h) In addition to any restrictions established by the President under subsection (e) or the Archivist under subsection (g), the Archivist may restrict access to—

"(1) any Presidential records specifically authorized by statute or under criteria established by an Executive order to be kept

secret in the interest of national defense or foreign policy; or

"(2) any Presidential records the disclosure of which would result in a clearly unwarranted invasion of the privacy of an individual.

Any restrictions established under this subsection shall remain in effect for such period as the Archivist considers necessary or appropriate. Any person who is denied access to Presidential records on the basis of restrictions imposed pursuant to this subsection shall be entitled to judicial review of such denial in accordance with the procedures established under section 552(a)(4)(B) of title 5. For the purposes of such judicial review the records to which access was denied shall be considered the records of the National Archives and Records Service. At the expiration of all such restrictions the Archivist shall take all steps necessary to insure that previously restricted Presidential records shall be readily accessible.

"§ 3504. Exceptions to restrictions on access.

"Notwithstanding any restrictions on access imposed in accordance with section 3503 (e), (g), or (h)—

"(1) the Archivist and persons employed by the Archivist engaged in the performance of normal archival work shall be permitted access to Presidential records in the custody of the Archivist;

"(2) subject only to any rights, defenses, or privileges which the United States or any other organization or person may invoke, Presidential records shall be subject to subpena or other lawful process;

"(3) subject to complying with reasonable procedural steps, an incumbent President shall be allowed access to such records if the information therein is not otherwise available to him, solely for the purpose and to the extent that they are needed by such President for the current official business of his office; and

"(4) processed materials when readied for research use if not otherwise subject to restrictions shall be available to researchers on nondiscriminatory terms of access except that the former President shall have the right of access to the Presidential records of his administration, whether or not processed and whether or not restricted.

"§ 3505. Implementing regulations.

"(a) The Archivist shall promulgate and have published regulations, necessary to implement the mandate of this chapter, in accordance with subsection (b). Such regulations shall include, but not be limited to—

"(1) provisions for advance public notice and description of any Presidential records scheduled for disposal in accordance with section 3502(c); and

"(2) provisions for providing notice to the former President, the Federal Government, and, to the extent practicable, other organizations or persons affected when materials to which access would otherwise be restricted are made subject to subpena or other lawful process in accordance with section 3504(2).

"(b)(1) Before promulgating any regulations under this section, the Archivist shall transmit a statement with respect to such regulations to the Senate and the House of Representatives. Such statement shall set forth the proposed regulations and shall contain a detailed explanation and justification of such regulations.

"(2) If either House of the Congress does not disapprove the Archivist's proposed regulations within 30 legislative days after the date of its receipt, the Archivist may promulgate such regulations.

"(3) For purposes of this subsection, the term 'legislative days' includes any calendar day in which both Houses of the Congress are in session.".

(b)(1) The table of chapters for title 44, United States Code, is amended by striking out the items, relating to chapter 35 and chapter 37 and by inserting in lieu thereof the following new items:

"35. Presidential Records 3501
"37. Coordination of Federal Reporting Services 3701
"39. Advertisements by Government Agencies ..... 3901".

(2) The table of chapters for chapter 37 of title 44, United States Code, as so redesignated in subsection (a), is amended to read as follows:

"Chapter 37.—COORDINATION OF FEDERAL REPORTING SERVICES

Sec.
"3701. Information for Federal agencies.
"3702. Definitions.
"3703. Duties of Director of the Bureau of the Budget.
"3704. Designation of central collection agency.
"3705. Independent collection by an agency prohibited.
"3706. Determination of necessity for information; hearing.
"3707. Cooperation of agencies in making information available.
"3708. Unlawful disclosure of information; penalties; release of information to other agencies.
"3709. Plans or forms for collecting information; submission to Director; approval.
"3710. Rules and regulations.
"3711. Penalty for failure to furnish information.
"3712. Information for independent regulatory agencies.".

(3) The table of sections for chapter 39 of title 44, United States Code, as so redesignated in subsection (a), is amended to read as follows:

"Chapter 39.—ADVERTISEMENTS BY GOVERNMENT AGENCIES

"Sec.
"3901. Advertisements for contracts in District of Columbia.
"3902. Advertisements not to be published without written authority.
"3903. Rate of payment for advertisements, notices, and proposals.".

EFFECTIVE DATE

SEC. 4. This Act shall become effective on January 20, 1981.

By Mr. MOYNIHAN:

S. 2597. A bill to amend title 28, United States Code, to move the place for holding court for the district court of the Eastern district of New York to Brooklyn and Hempstead, and for other purposes; to the Committee on the Judiciary.

Mr. MOYNIHAN. Mr. President, I am introducing today a bill to amend title 28 of the United States Code to allow that the U.S. District Court of the Eastern District of New York be held at Brooklyn and Hempstead rather than Brooklyn and Mineola (Westbury). I do so at the request of Chief Judge Jacob Mishler and his associate Judge George C. Pratt. In his February 9 letter to me, Judge Pratt carefully explained the reasons for such a change. The facilities at Mineola are terribly inadequate to serve the legal community and the people of Long Island. It is his professional opinion, and I share it, that Long Island desperately needs larger and more dignified quarters. This substitution of court sites will be of little expense and is supported by the board of judges of the eastern district, the judicial council for the second circuit, and the executive boards of the Nassau and Suffolk Bar Associations.

I ask unanimous consent that the bill and Judge Pratt's letter be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph of section 112(c) of title 28, United States Code, is amended to read as follows:

"Court for the Eastern District shall be held at Brooklyn and Hempstead (including the village of Uniondale).".

SEC. 2. The United States District Court for the Eastern District of New York, by order made anywhere within its district, may pretermit the regular session of court at Hempstead until Federal quarters and accommodations are available and ready for occupancy, except that for the entire period of such pretermission, a special session of the court shall be held at Westbury. Pretermission may be ordered without regard to the provisions of section 140(a) of title 28, United States Code.

SEC. 3. Notwithstanding the provisions of section 142 of title 28, United States Code, the Administrator of General Services, at the request of the Director of the Administrative Office of the United States Courts, shall continue to provide existing quarters and accommodations at Westbury for the duration of the special session held pursuant to section 2 of this Act. Appropriations to the judicial branch of Government shall be available to the Director to make necessary disbursements for such quarters and accommodations, and to pay user charges as required by section 210 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490), at rates otherwise authorized by law.

SEC. 4. Notwithstanding the provisions of section 456 of title 28, United States Code, any judge, and any officer or employee of the judicial branch, whose official station is, on the day before the date of enactment of this Act, Westbury, may maintain that official station for the duration of the special session held pursuant to section 2 of this Act.

SEC. 5. The Director of the Administrative Office of the United States Courts may pay travel and transportation expenses in accordance with subchapter II, chapter 57 of title 5, United States Code, to any officer or employee of the judicial branch whose official station changes as a consequence of this Act and who relocates his residence incident to such change of official station.

U.S. DISTRICT COURT,
EASTERN DISTRICT OF NEW YORK,
Westbury, N.Y., February 9, 1978.

Re New Location for Long Island Courthouse.

Senator DANIEL P. MOYNIHAN,
Dirksen Building,
Washington, D.C.

DEAR SENATOR MOYNIHAN: I would like to summarize for you the reasons why the Long Island Courthouse of the Eastern District should be moved from its present location in Westbury to the building at Uniondale now under lease by the federal government from Hofstra University.

1. The primary need for the change is that the present facilities at Westbury are inadequate for the Eastern District judges to provide the federal court and related facilities which are needed by Nassau and Suffolk counties, and the building at Union-

dale could provide adequate facilities at a reasonable cost.

2. The federal court workload generated in Nassau and Suffolk counties requires larger facilities. The following statistics compare the entire district with Nassau and Suffolk counties on the basis of population, numbers of judges and caseload.

	Entire Eastern District	Nassau and Suffolk Counties	Percentage
Population	7,390,497	2,555,868	34.6
Active judges	9	1	11.0
Senior judges	3	0	
Civil caseload (1977)	2,561	634	24.7
Criminal caseload (1977) (excluding magistrates)	564	38	6.7
Total caseload (1977)	3,125	672	21.5

These numbers show that with 35 percent of the population, Long Island produces 22 percent of the Eastern District's caseload, and therefore needs 22 percent of the "judge-power"—i.e., two active judges, or one more than we now have space for. The Uniondale building would provide the necessary additional space.

3. The general trend of the workload since statistics have been kept in October 1976 is that the proportion of Long Island cases is increasing.

4. The travel burden on attorneys, parties, witnesses, and jurors from Nassau and Suffolk counties into Brooklyn is unreasonable and unnecessary. Travelling during rush hours requires a round trip time of 2½ to 3 hours from central Nassau, 4 hours from western Suffolk, and 5 hours from eastern Suffolk. To the present Westbury location in central Nassau, the round trip travel time for approximately 75 percent of the population of the two counties is reduced to less than 1½ hours.

5. From a geographic point of view, Uniondale and Westbury are equally available to Nassau and Suffolk county residents. Both are convenient to the Meadowbrook Parkway and other major highways. They are located only 7 minutes apart.

6. The court's facilities at Westbury under the present utilization permits only one district judge to sit, and even for him they are inadequate.

(a) The courtroom is sufficient for up to 3 parties in a case. If there are more than 3 parties, it is too small for effective operation. There are only 40 spectator seats, so that if a matter is well publicized, seating is a problem.

(b) There is no jury assembly area.

(c) The jury room is not soundproof and, therefore, cannot be used for deliberations.

(d) Library space is too small for the available books and for use as a study.

7. The facilities for related functions are insufficient.

(a) The Clerk's office is much too small, measuring only approximately 350 square feet.

(b) The facilities for the Probation Department are barely adequate, but the foreseeable need is increasing.

(c) There are no office facilities for the U.S. Marshal, and only two small holding pens are available.

(d) The office space for the U.S. Attorney is inadequate, and there is no proper area for his research, interview of witnesses, or grand jury operations.

8. The Uniondale building has sufficient space to provide all the necessary facilities to accommodate two full time district judges in addition to providing space for the three bankruptcy judges and their related clerks' operations, enlargement of the probation offices, adequate space for the U.S. Attorney, and a grand jury, space for the U.S. Marshal and the Court Clerk, as well as the attendant facilities for jury deliberations, deposition rooms, and conference rooms.

9. The particular advantages of the building at Uniondale are that:

(a) It is readily adaptable to courthouse use at a reasonable cost.

(b) It possesses its own off-street parking facilities.

(c) It provides added dignity to the court operations.

(d) It is close to the Hofstra law library which is the best one in Nassau and Suffolk counties.

(e) It provides much improved facilities for handling prisoners.

(f) It has adequate space for the reasonably foreseeable needs of the Long Island court for five to ten years into the future.

10. The proposal to move the Long Island Courthouse from Westbury to Uniondale has been approved by Chief Judge Mishler, The Board of Judges of the Eastern District, and the Judicial Council for the Second Circuit. In addition, Judge Mishler and I have reviewed the proposal carefully with both the Administrative Office for the United States Courts and the General Services Administration, and both agencies have told us that they approve of the matter in principle, but can go no further until Congress authorizes the change in location for the court.

Finally, I must repeat the need for urgent action by Congress, since the present extension of the option which GSA has with Hofstra University will expire on March 31, 1978.

I greatly appreciate your efforts in obtaining the legislative authorization for this much needed upgrading of the federal court facilities serving Long Island's 2½ million residents.

Sincerely yours,

GEORGE C. PRATT,
U.S. District Judge.

By Mr. JAVITS (for himself, Mr. MAGNUSON, Mr. WILLIAMS, Mr. BAYH, Mr. KENNEDY, Mr. ABOUREZK, Mr. BROOKE, Mr. PERCY, Mr. METZENBAUM, Mrs. HUMPHREY, Mr. CRANSTON, Mr. CLARK, Mr. ANDERSON, Mr. STEVENS, Mr. PELL, Mr. RIEGLE, and Mr. HATHAWAY):

S. 2598. A bill to amend title XI of the Public Health Service Act; to the Committee on Human Resources.

GENETIC DISEASE AMENDMENTS OF 1978

Mr. JAVITS. Mr. President, I introduce today, along with my colleagues, Senators MAGNUSON, WILLIAMS, BAYH, KENNEDY, ABOUREZK, BROOKE, PERCY, METZENBAUM, HUMPHREY, CRANSTON, CLARK, ANDERSON, STEVENS, PELL, RIEGLE, and Mr. HATHAWAY, the National Genetic Diseases Act Amendments of 1978. I was the author of the original legislation, the National Genetic Diseases Act, incorporated as title IV of Public Law 94–278 in 1976, to establish a national program to provide screening, testing, counseling, and information and education services with respect to genetic diseases.

In April 1976, legislation was enacted as title IV of Public Law 94–278—the National Sickle Cell Anemia, Tay-Sachs, and Genetic Diseases Act. This legislation provides for the national program of basic and applied research, health services, such as testing and counseling for the diagnosis, control, and treatment of genetic diseases; and information and education programs with respect to such diseases. The program was funded for the first time in fiscal year 1978 at $4 million, thanks in large part to the efforts and support of my colleagues, Senator MAGNUSON and Senator BAYH, chairman and member of the Senate Appropriations Committee.

The bill which we introduce today would reauthorize the Genetic Diseases Act for 3 more years at the same authorization level of $30 million. In addition, the bill expands, strengthens, and improves the existing legislation insuring that it carries out the original legislative intent. The care with which the National Genetic Diseases Act is implemented is of utmost importance, with a crucial need for thoughtful planning and evaluation of new and existing programs. This bill provides for planning based on local need for specific genetic services as well as program evaluation through appropriate peer review.

Although nine diseases are specifically mentioned in the act, the law requires new, noncategorical initiatives in genetics research and services for all genetic diseases. For the first time, hundreds of separate categorical interests can be brought together under one act. Rational and cost-effective programs can be developed based on meeting common needs rather than satisfying separate specialized concerns, in the disease-of-the-month syndrome. The bill reemphasizes the generic intent of the legislation to include all genetic diseases. As new knowledge is obtained about genetic diseases, an existing system of genetic services should be in place so that new services can be easily integrated.

Much of the activity specified in the act will involve the State and local health departments, but allocation of Federal funds to these organizations should be only one mechanism by which programs are implemented. The bill provides flexibility of funding to allow mechanisms for funding local programs as well as demonstration and pilot programs of merit.

The Secretary is required to develop a procedure whereby consumer and professional genetic disease experts are authorized to make program recommendations, and to advise on a wide range of interdisciplinary issues involving research, detection, prevention, and treatment of genetic diseases.

A study is authorized to be conducted by the President's Commission for the Protection of Human Subjects on the ethical and legal implications of genetic screening, counseling, and education services. In the next decade there will be a burgeoning of knowledge about inherited diseases. Techniques will be developed to screen for a host of crippling, debilitating, and lethal diseases. Treatment methods must keep pace with innovations in detection and prevention. These discoveries will create problems as well as solutions. There will be agony for individuals who learn they are destined to develop a disease for which there is no treatment. New strains will be placed on the confidentiality of the doctor-patient relationship. Problems and complex issues will be raised in employment, in obtaining medical and life insurance coverage, and in qualifying for profes-

sional training programs. Enough information is now available to anticipate these problems and plan wisely. It would be irresponsible to do nothing but wait until technology overtakes society.

Mr. President, I would like to begin by recounting a quote from a new book entitled "The Genetic Connection," by David Hendin and Joan Marks. The father of a child with a genetic disease said:

> The implication of genetic disease involves a powerful effect on the human psyche. It gets to the core of our being. It really hits us where it hurts, and we're not prepared for the attack.

Everyone has a notion of an ailment or medical condition that "runs in the family." In some families there is the tendency for certain diseases to strike more often, such as diabetes, cancer, heart disease, or schizophrenia. For other families, such as those with Huntington's disease or cerebellar ataxia, a lethal gene seems to stalk its victims relentlessly.

Each one of us carries from five to eight defective genes with a potential for serious or lethal illness to our offspring. Some of us, and some of our children, have been lucky. But for an estimated 15 million Americans, these genes produce serious genetic disease. Genetic diseases are the most widespread and probably the most burdensome of all human afflictions.

More than 2,300 genetic diseases have been described to date—and the list is growing rapidly. About 30 percent of hospitalized children have diseases of genetic origin, 40 percent of all infant mortality results from genetic factors, and 80 percent of all mental retardation in this country is genetically related. Many forms of blindness, deafness, and crippling disorders are passed through the genes from generation to generation. Furthermore, genetic components are strongly implicated in some of man's most common afflictions, such as diabetes, high blood pressure, schizophrenia, heart disease, and some forms of cancer.

There is one signal fact I want to stress: Inherited diseases are, above all, family diseases. As the report of the Commission for the Control of Huntington's Disease points out, "genetic diseases have an overwhelming impact on the public health and the well-being and integrity of the family."

Not only does a genetic illness affect the individual afflicted, but diseases which are passed from parent to child and which may strike multiple members of a family simultaneously inflict a unique and terrible burden. Marital tensions resulting from the discovery of a genetic defect are often so severe that a high percentage of couples separate or divorce following such an experience. In fact, evidence shows that this group has a divorce rate that is four times higher than among the general public.

Health professionals are becoming increasingly aware of the extreme psychological stress imposed on the individual and on the family as a result of these illnesses. For this reason, access to psychological and psychiatric counseling and support is invaluable in helping to cope with the psychological stress of acute physical illness—a stress which in itself could be life-threatening.

Another important facet that cannot be stressed too strongly is that genetic diseases are chronic diseases: many of these conditions manifest themselves at birth, and most last through life, often requiring extensive institutional care, placing patients and their families under financial strains that never diminish. This is especially acute in some families where as many as half of the members may suffer genetic disease. The cost of maintaining multiple individuals afflicted with illness can grind these families to poverty.

Frequently relief of the financial strain of chronic care falls—partly or totally—upon Government, which is thus extensively involved in the economics of genetic disease. Health economists have estimated that fully 20 percent of the total cost of health care in the United States is accounted for by genetic disease. Dr. J. E. Seegmiller of the University of California explains how this occurs:

> The fact that many victims of hereditary disease are completely unable to care for themselves and require full-time care by their relatives or become lifetime wards of the state in mental institutions or nursing homes, makes the total cost to the nation far greater than that of the diseases that kill (more or less) outright, such as cancer, stroke, or heart diseases which usually affect individuals who have already lived out the major portions of their lives as contributing members of society.

Tay Sachs disease is a genetic disorder which mainly affects Jews of Eastern Europe descent. Children with Tay Sachs generaly live 3 to 5 years, yet care for these children can cost as much as $50,000 for each year of their short lives.

The cost of providing a lifetime of maintenance-level care in an institution to a profoundly defective individual has been estimated at approximately $365,000. About 3,000 to 5,000 babies are born each year in the United States with Down syndrome (mongoloidism). Thus, for just this single disease, maintaining these profoundly retarded human beings in institutions requires more than $1 billion each year.

Furthermore, it should be noted that as efforts are being made to provide care for the mildly and moderately retarded within the community rather than in a residential setting, it is the severely retarded, the genetically damaged, who will increasingly comprise the bulk of the institutionalized population.

But hereditary disorders have a unique feature in that often they are susceptible to early detection and treatment. Today 60 genetic disorders can be directed before birth; more than 60 metabolic diseases are amenable to treatment; carrier tests are available for 60 diseases which can identify the healthy individual who may be carrying a defective gene that could produce disease in future offspring.

Contrast the economics when preventive genetic medicine is involved: A more common genetic disease, which occurs about once in every 14,000 births, is called PKU (phenylketonuria). This disorder, if undetected, produces severe mental retardation caused by an error in the childs metabolism. It costs $1.25 to screen a newborn baby for PKU. If the disorder is diagnosed through these screening tests at birth and treated immediately with a special dietary regimen, these children will grow up to lead normal lives. If undetected and untreated, a PKU victim would most likely spend a lieftime in an institution.

Yet even such cogent arguments pale when we consider the lifetime of sorrow and burden these families are spared. The scope of the problem is broad, and the economic burden hereditary disease places upon families and on Government is enormous. It is not possible to measure the emotional trauma and tragic uncertainty facing families with hereditary disease.

The stigma and guilt associated with these afflictions further complicate efforts to survey genetic problems as our culture unfortunately measures the quality of life in terms of physical perfection and mental well-being. When we possess the tools and the medical knowledge to prevent and treat diseases which are so devastating, how can we continue to tolerate such pain and cost and human suffering?

It is therefore imperative that all people in need have access to genetic services. These services should be integrated into primary health care.

Mr. President, before closing, I would like to make what I feel is a very important comment. This bill establishes a voluntary program for screening, testing, counseling, and information. I am firm in my belief that each of us has the right to as much information as medicine can provide—information concerning disease, the pattern of transmission of hereditary disease, of the risks of recurrence, and the consequences of the disease in practical terms for everyday living, including financial burdens. There is a great deal of mystery still associated with medicine, but there is also a great deal of knowledge available. With this information, "informed choice" is possible: that is, each person may make a value decision confident of the fact that he or she has all the information possible. To withhold medical knowledge which could prevent crippling and death is unfair and unjust. To withdraw from seeking that information is to proceed in a vacuum, without the benefit and the right to our own value decisions.

As infectious diseases are brought increasingly under control, genetic disorders are becoming a leading contributor to the Nation's morbidity rates. The provisions of this bill will strengthen and improve the national program of genetic disease services provided in the National Genetic Diseases Act.

Again, I would like to thank Senator MAGNUSON, the distinguished chairman of the Appropriations Committee for his support of this measure as well as Dr. Nancy Wexler, executive director of the Commission for the Control of Huntington's Disease for her invaluable assistance. Thanks also to my former staff member, Jay Cutler, whose continued interest in this area has been most helpful.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Genetic Disease Amendments of 1978".

(b) Whenever in this Act (unless indicated otherwise) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—REVISION AND EXTENSION OF GENETIC DISEASES

SEC. 101. Section 402 of the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Disease Act, is amended by striking out all following "diseases," and substituting "and genetic conditions. Such program includes but is not limited to either individually or collectively such genetic diseases as Sickle Cell anemia, Cooley's anemia, Tay-Sachs disease, cystic fibrosis, dysautonomia, hemophilia, retinitis pigmentosa, Huntington's chorea, muscular dystrophy, and genetic conditions leading to mental retardation or mental illness, and conditions requiring genetic services.".

SEC. 102. Section 1101 (a)(1) is amended by insertining "plan," after "respect to".

SEC. 103. Section 1101(b) is amended by inserting before the period ", and for each of the next three succeeding fiscal years".

SEC. 104. Section 1104 (a) is amended by inserting the following before the period at the end of the first sentence: ", including assurances for an evaluation whether performed by the applicant or by the Secretary. Such grant or contract may be made available on less than a state-wide or regional basis".

"SEC. 105. (a) Section 1104 (a)(4) is amended by inserting the following immediately before the semicolon at the end thereof ", and (C) appropriate arrangements will be made for referral for treatment of genetic conditions identified;".

(b) Section 1104 is amended by adding at the end thereof the following new subsection:

"(d) In making any grant or entering into any contract under section 1101 the Secretary shall have developed a procedure under which persons from among members of the general public and from among leading medical or scientific authorities (acting as an advisory group, task force, or other entities appointed by the Secretary) knowledgeable and experienced in genetic diseases or conditions will have the opportunity on a regular basis to make recommendations to the Assistant Secretary for Health.".

TITLE II—NATIONAL COMMISSION AMENDMENT

SEC. 201. The National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (established by section 201 of the National Research Act (Public Law 94-348), shall conduct an investigation and study, and make recommendations to Congress, respecting the ethical, social, and legal implication of voluntary testing, counseling, and information and education programs with respect to genetic diseases and genetic conditions.

Mr. WILLIAMS. Mr. President, I am pleased to join with Senators MAGNUSON, JAVITS, and others in introducing the Genetic Disease Amendments of 1978.

Genetic diseases afflict more than 13 million Americans.

Some of the better known of these diseases are Sickle Cell anemia, Colley's anemia, Tay-Sachs disease, hemophilia, mongolism, cystic fibrosis, muscular dystrophy, and Huntington's chorea. And there are many, many more—some still undetected.

Until recently, Congress addressed the host of known genetic conditions on a disease-by-disease basis.

In 1976 the Congress enacted the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs and Genetic Diseases Act. The purpose of this legislation was to provide a comprehensive national effort for the prevention, diagnosis, and treatment of all genetic disorders.

The legislation we are introducing today reemphasizes the need to comprehensively approach genetic disorders. Specifically, the bill extends the present authorization for 3 years; clarifies and expands many of the provisions of the existing law; and mandates that a study be conducted, by the Commission for Protection of Human Subjects, on the ethical and legal implications of genetic screening, counseling, and education services.

I believe these and other important elements of the bill will result in a united national approach to assure compassionate care, treatment, and cure for all genetic diseases.

ADDITIONAL COSPONSORS

S. 1423

At the request of Mr. NUNN, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1423, the Judicial Tenure Act.

S. 2128

At the request of Mr. INOUYE, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 2128, a bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes.

S. 2142

At the request of Mr. BENTSEN, his name was removed as a cosponsor of S. 2142, a bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable.

S. 2354

At the request of Mr. NELSON, the Senator from New York (Mr. MOYNIHAN) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2354, the Equal Access to Courts Act.

S. 2395

At the request of Mr. BAKER, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2395, a bill to place the foreign sovereign governments and the United States of America on the same level—a level of actual damages when either is injured in its business or property.

S. 2462

At the request of Mr. DOLE, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 2462, a bill to amend the Internal Revenue Code of 1954 to permit a limited individual retirement deduction to individuals who are participants in retirement plans.

S. 2487

At the request of Mr. CLARK, the Senator from New Hampshire (Mr. DURKIN) and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 2487, a bill to amend the Public Health Service Act to provide greater emphasis on rural health care needs in health planning.

S. 2534

At the request of Mr. SCHWEIKER, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 2534, the Health Maintenance Organization Act Amendments of 1978.

S. 2557

At the request of Mr. HUDDLESTON, the Senator from Mississippi (Mr. EASTLAND), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Tennessee (Mr. SASSER), and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 2557, the Emergency Transportation Act of 1978.

SENATE RESOLUTION 405—SUBMISSION OF A RESOLUTION TO MAKE THE SELECT COMMITTEE ON INDIAN AFFAIRS A PERMANENT COMMITTEE

Mr. ABOUREZK (for himself, Mr. ANDERSON, Mr. BARTLETT, Mr. BELLMON, Mr. BURDICK, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. HART, Mr. INOUYE, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MCGOVERN, and Mr. METZENBAUM) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 405

Resolved, That section 105 of Senate Resolution 4, 95th Congress, agreed to February 4 (legislative day, February 1), 1977, is amended—

(1) by striking out "temporary" in subsection (a)(1); and

(2) by striking out subsection (d).

Mr. ABOUREZK. Mr. President, I am today submitting a resolution to make the Select Committee on Indian Affairs a permanent committee of the Senate by appropriate amendment of Senate Resolution 4. As you will recall, at the beginning of the 95th Congress the Senate established a temporary select committee with full jurisdiction over all proposed legislation and other matters relating to Indian affairs.

The select committee, which I have had the privilege to chair, has served the Congress, the country, and the Indian people with great efficiency for the past year. During this time, it has become increasingly evident that if the Congress is to continue to meet its constitutional, legal, and historical responsibilities in the area of Indian affairs, a permanent legislative committee with adequate ex-

pertise and resources should be established in the Senate. In testimony presented before the Senate Rules Committee during last January's hearings on Senate Resolution 4, the need for a separate committee on Indian affairs was underscored. Witnesses representing the Indian tribes as well as several of our colleagues in the Senate pointed out the compelling logic to consolidating rather than fragmenting committee jurisdiction over Indian affairs as had been proposed by the Select Committee on Committees.

Under the Legislative Reorganization Act of 1946, the House and Senate Committees on Indian Affairs which had been in existence since the early 1800's were abolished. Legislative and oversight jurisdiction over Indian matters were at that time vested in Subcommittees of the Committees on Public Lands in the House and Senate. Although several important pieces of legislation affecting Indians were enacted during the next 30 years, this subcommittee arrangement failed to produce a truly adequate forum of legislating appropriate solutions to problems affecting Indian people. Indian legislation could no longer be reported to the floor of the Senate directly from a full Indian Affairs Committee, and legislative jurisdiction over Indian affairs was fragmented in a number of committees. In the Congress, there were more than 10 committees in all responsible for Indian affairs, a situation which resulted in a disjointed and haphazard treatment of Indian affairs.

These arguments which were presented to the Rules Committee pointing out the totally unique nature of the Federal Government's responsibility in Indian affairs, in my view, possess even greater validity and merit today. Those matters which are brought before the Indian Affairs Committee and the Congress involve a very wide range of concerns, including: Natural resource development on Indian lands, health, education, housing, and welfare services, complex legal questions of Federal, State, and tribal jurisdiction, and the Federal Government's trust responsibility to represent Indian water, land, a hunting and fishing rights. In addition, over the past year the committee has concentrated on oversight of the Bureau of Indian Affairs and other agencies such as HUD and HEW in order to examine the manner in which these agencies have been administering human services and economic assistance programs on the more than 300 Indian reservations in the country.

Mr. President, although Indian people comprise only a very small segment of the total U.S. population, this country's responsibilities in the field of Indian affairs is not a small responsibility. However, for too many years, this Government's Indian policy has been one of neglect resulting in an incoherent, often confusing and haphazard patchwork of outdated laws, inefficient and stifling bureaucracies and conflicting administrative policies. In addition, serious conflicts have arisen in many parts of the country following the assertion of legal rights by the Indian tribes and often these conflicts can only be resolved by the Congress. After all, Congress has not only ultimate responsibility for Federal Indian policy, but also under the law and the Constitution, Congress has plenary authority in this area.

This state of affairs was the primary reason why the 93d Congress authorized the establishment of the American Indian Policy Review Commission. The Commission, which I chaired, was given the task of examining the historical development of Federal Indian policy, identifying the mistakes of the past and the present and setting forth a comprehensive plan upon which a responsible, fair, and balanced Indian policy could be formulated for the future. Witnesses before the Rules Committee pointed out that the report of the American Indian Policy Review Commission would be presented to the Congress early in 1977 and, under the Commission's enabling statute (Public Law 93-580), Congress is obliged to consider the Commission's legislative recommendations within 2 years following submission of the report. This committee has taken that responsibility to heart and we have been engaged in a multifaceted legislative program designed to consider areas of priority within the Policy Review Commission's recommendations. While we anticipate committee action on significant legislative proposals growing out of the Commission report, it is far from clear to what extent the committee will be able to adequately address all recommendations in the time remaining for the 95th Congress. I am confident that we will have achieved a legislative record in which the committee can justly take pride in and which will far surpass the record of previous Congresses. However, much work will be left undone simply because of the constraints of time under which we have worked.

Mr. President, I hope I have succeeded in pointing out the nature of Congress responsibilities in Indian affairs which I feel speaks for itself in terms of justification for continuing the Select Committee on Indian Affairs as a separate legislative committee in the Senate. Not only do the range and complexity of issues before the committee argue for the continuation of a separate committee, but these considerations with equal force lead to the conclusion that no one of the standing committees in the Senate can be expected to devote the specialized expertise and interest to this field. The experience of the past 10 Congresses has amply demonstrated that even as a subcommittee within a standing committee assigned total Indian affairs jurisdiction, Indian matters will be at a real disadvantage competing for the full committee's attention, time, and resources with many other pressing national issues. On the other hand, the select committee, comprised of a relatively small number of members with a sincere interest in addressing these matters seems to me to be an ideal solution. This committee has attracted a very qualified staff and has been able to devote sufficient time to fully consider its legislative responsibilities and to deal adequately and fairly with these matters.

SENATE CONCURRENT RESOLUTION 67—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO MOVEMENT OF HOUSEHOLD GOODS OF MILITARY AND CIVILIAN PERSONNEL

Mr. INOUYE (for himself, Mr. MAGNUSON, Mr. JACKSON, Mr. GRAVEL, Mr. STEVENS, and Mr. MATSUNAGA) submitted the following concurrent resolution, which was referred to the Committee on Armed Services:

S. CON. RES. 67

Whereas the regulation by the Interstate Commerce Commission of the interstate carriage of household goods presently applies to the movement of the household goods of Department of Defense personnel (both military and civilian) who are transferring between duty stations in the Continental United States and duty stations in Alaska or Hawaii;

Whereas the Department of Defense is proposing to apply with respect to such transfers its existing system (known as the Competitive Rate Program) under which services are procured for the movement of the household goods of Department of Defense personnel being reassigned between the United States and West Germany or Okinawa;

Whereas, based upon the effects which the implementation of the Competitive Rate Program has had so far (such as the provision of moving services at noncompensatory rates and unpredictable and wide fluctuations in shipping volume), the Congress finds that the inclusion of Alaska and Hawaii within such program would destroy a considerable portion of the household goods moving and storage industry in such States;

Whereas, such adverse effect on the household goods moving and storage industry in Alaska and Hawaii will also result in serious consequences to the economies of these States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress strongly urges the Secretary of Defense not to include within the Competitive Rate Program the movement of household goods of Department of Defense personnel being transferred between the Continental United States and Alaska or Hawaii.

Mr. INOUYE. Mr. President, today I am joined by my colleagues WARREN G. MAGNUSON, HENRY M. JACKSON, MIKE GRAVEL, TED STEVENS, and SPARK M. MATSUNAGA in submitting a resolution designed to protect Hawaii and Alaska from a potentially disastrous, discriminatory Federal Government program.

The Department of Defense is proposing to expand its competitive rate program (CRP) for the movement of DOD personnel's household goods to these two States. The basic premise behind our objection to this action is that the CRP will be implemented only in foreign countries, Guam, Hawaii, and Alaska—it will not be used in the other 48 States where the carrier evaluation reporting system (CERS) is utilized.

Hawaii and Alaska are States of the Union. My colleagues and I find this proposal a grievous, arrogant, and injurious affront, because there is no conceivable justification for applying one set of standards to Hawaii and Alaska in this case and another one to the rest of the United States.

Alaska has been a State for 20 years and Hawaii has nearly reached the 19-

year mark of its statehood. We are under the regulation of the Interstate Commerce Commission. Additionally, movement of household goods is further regulated by the Alaska Transportation Committee and the Hawaii Public Utilities Commission. The ICC sets what it considers to be adequate compensatory rates. Companies conducting business with DOD cannot charge rates higher than those permitted by the ICC. In fact, they rarely charge rates that are even equal.

The Department of Defense first initiated the CRP with the commendable goal of achieving cost savings. However, there are several points to consider:

First for the May–October 1978 CRP bidding cycle, 937 out of 1,275 area-to-area traffic channels (73.5 percent) will award the low-bidding household goods forwarder 100 percent of all military business. In effect by awarding so much of the traffic to the single low-bidding forwarder, and thereby limiting the participation of forwarders, the CRP system creates an atmosphere of competition that is so intense that forwarders will be forced to bid rates so low that there is no longer a margin of profit in order to secure the award. The impact of this downward squeeze on the rates will be particularly devastating for the agents in Hawaii performing the local packing, trucking, and storage services under contract from forwarders, because their margin of profit barely exceeds their costs according to the records of the Hawaii Public Utilities Commission.

Second, agents—those companies that actually perform the local moving and storage services under contract from forwarders—would go through 6-month stretches without participation in DOD movement if the forwarder they work for were not the low bidder. (In Hawaii, agents count on the military for an average of 80 percent of their business.)

Third, the Defense Department does not seem to have faced up to the fact that where they have implemented the CRP, it has resulted in the demise of the great majority of the companies which perform the underlying moving services for the forwarders—their agents. In Okinawa, before the CRP was implemented, there were 12 agents providing services to DOD. Currently, only three participate in the CRP. In Germany, there were approximately 150 agents at the start of the CRP on November 1, 1976, and the number of agents there has been reduced to approximately 40. If the CRP is expanded to include the movement of household goods between the continental 48 States and Alaska and Hawaii, it will have a similar and disastrous impact on companies acting as agents in these 2 States.

Fourth, DOD made no effort to consult with the moving and storage industry in either Hawaii or Alaska. Meetings with industry representatives were in the form of briefings, merely explaining the mechanics of the CRP, as if it were a fait accompli.

Fifth, the Hawaii congressional delegation requested that an independent economic impact study be conducted in order to determine how the CRP would affect business in the State. The reply from DOD was:

> Since the amelioration of economic conditions is not a specific goal of our household goods shipment programs, there is no basis for the inclusion of such factors in our calculations.

Members of the Alaska and Hawaii congressional delegations, as well as the official representatives of the Governors of these States, have testified that the military population is disproportionately large as compared to the other States, that their economies are most fragile, and that the application of the CRP to their States would result in widespread bankruptcies and unemployment.

What we are asking for is not preferential treatment but equal treatment. The carrier evaluation reporting system (CERS), designed to stimulate competition and reward efficient service, has been successfully instituted by the DOD in the continental 48 States. The CERS method of service procurement grants an initially larger percentage of contract awards to the lowest bidder, with the remainder of the business being equally divided among those willing to match the low rate. Consideration is also given for quality of service.

The Defense Department has stated that the CERS program is working well in the continental 48 States and that it could be expanded to Hawaii and Alaska with savings resulting. Both Hawaii and Alaska have stated that they are willing to participate in the CERS program. How can this readiness to cooperate be so totally ignored and arbitrary and inequitable action be taken with respect to 2 out of 50 States?

We are for competition, for better service and tax savings; but we are also for equitable treatment for Hawaii and Alaska. We ask that our colleagues support and cosponsor this legislation so that it may be the express sense of the Congress that Hawaii and Alaska are not second-rate entities of these United States.

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENT NO. 1708

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

PANAMA CANAL TREATIES—EX. N, 95–1

AMENDMENT NO. 44

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI (for himself and Mr. Ford) submitted an amendment intended to be proposed by them, jointly, to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

Mr. DECONCINI. Mr. President, the issue of our right to defend the Panama Canal from internal and external threats after the year 2000 has been one of the most difficult questions to resolve in the whole treaty debate. The leadership amendments are, of course, addressed to this problem; and, because I feel that they clarify some of the ambiguities in the language of articles 4 and 6 of the Neutrality Treaty, I joined in cosponsoring them. Nevertheless, even if our right to defend the canal is more clearly specified, the closely related problem of our ability to do so is left unresolved. Indeed, in my view, our military capabilities are severely diminished by the provisions of the Panama Canal Treaty.

As of the year 2000, the U.S. military presence in Panama will be totally eliminated. The gradual disappearance of our military forces over the next 22 years will, in effect, leave the Panamanian Guardia Nacional as the closest front-line defense for the canal. They will be the only troops immediately available, should a sudden threat to the canal arise. Yet, according to Gen. D. P. McAuliffe, commander in chief, U.S. Southern Command, the Guardia Nacional currently has 8,000 men, only 2,000 of whom could be considered to have conventional military capabilities.

In contrast, we currently have some 9,500 U.S. troops directly involved in the defense of the canal, and it has been estimated that 40,000 to 50,000 troops would be necessary to protect the waterway from even an internal threat. While I hope that the Panamanian defense forces will be expanded, a country such as Panama, with many legitimate social and economic demands on its budget, might be inclined to skimp on the vital military expenditures necessary for the maintenance and security of the canal. Furthermore, General McAuliffe testified that in November of 1976 elements of the Guardia Nacional actually participated in bombing incidents in the Canal Zone. For these reasons, I find myself deeply troubled by the fact that our total military presence will be eliminated after the year 2000.

The testimony of Adm. James Holloway, Chief of Naval Operations, before the Armed Services Committee is particularly disturbing. Under questioning by Senators of that committee, he stated that a U.S. military presence after the year 2000 was a negotiating option until early 1977; that the Joint Chiefs of Staff discussed this possibility in great detail; and then, suddenly, it was dropped. He also admitted that he would have preferred to maintain military bases in Panama at the termination of the Panama Canal Treaty. But he concluded that the Panamanians would not accept this, and so he apparently did not pursue the issue. While I certainly have a great deal of respect for Admiral Holloway, it appears to me that his decision on this issue was more a reflection of his political rather than his military judgment. Indeed, he concluded that—

Without bases, the introduction of U.S. forces would take longer and be more costly.

Again, Gen. Louis Wilson, Commandant of the Marine Corps, while arguing that the corps could respond "within hours" to needs related to the security of the canal, also says that it would be easier and less costly to meet threats after 2000 if the United States were to maintain forces in Panama. It does not appear to me that the expert military judgment of these men was given the consideration it ought to have been given.

The amendment I am submitting provides that at least three American defense sites shall be maintained in Panama until December 31, 2004. What distinguishes this proposal from others is that it calls for a leasing agreement for a fixed period with rent to be paid to Panama. Thus, it avoids the sensitive "sovereignty" question by acknowledging that we are on Panamanian soil at the Panamanian's invitation.

Without the amendment—without the right to maintain bases after the year 2000—we are in the position of having the responsibility to defend the canal. But we also will have divested ourselves of the tools necessary to carry out our responsibility—the onsite presence of American military forces. Indeed, these installations would be most important in dealing with the kind of potential threat we are told is most likely, an attack on the canal by terrorists or one growing out of organized guerrilla activity.

I am not insensitive to the nationalistic aspirations of the Panamanians; and I realize fully, particularly in the light of my travels in that country, that the American military presence generates ill feelings. Much of this stems from the fact that our presence is imposed. The Panama Canal Treaty, however, explicitly recognizes Panamanian sovereignty over the zone. Thus, these negative feelings should substantially diminish if the United States and Panama negotiate a base agreement as equal sovereigns, for such an agreement is surely in the interests of both countries.

It is in this spirit that Senator FORD and I submit this amendment and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 44

Strike out the period at the end of article V and insert in lieu thereof a comma and the following: "except that the United States of America shall have the right, until December 31, 2004, to continue to occupy at least three of the defense sites or military installations made available to the United States of America by the Republic of Panama under the Panama Canal Treaty, such sites or installations having been selected by the President of the United States of America not later than six months after the date of entry into force of this Treaty. For such right of occupancy of any such site or installation selected pursuant to the preceding sentence, the United States of America and the Republic of Panama shall enter into a mutually agreed upon leasing arrangement. After notifying the Republic of Panama, the United States of America may expand, by not more than 20 per centum, the territory covered by any such selected site or installation."

UNDERSTANDINGS SUBMITTED FOR PRINTING

PANAMA CANAL TREATIES—EX. N, 95–1

UNDERSTANDING NO. 4

(Ordered to be printed and to lie on the table.)

Mr. HAYAKAWA submitted understandings intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

UNDERSTANDING NO. 5

(Ordered to be printed and to lie on the table.)

Mr. DURKIN submitted an understanding intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

Mr. DURKIN. Mr. President, today I am submitting an understanding, to be inserted in the resolution of ratification of the proposed Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, to make it clear that nothing in the treaty prevents the President of the United States from negotiating an agreement with the Republic of Panama to permit the operation of American military installations or defense sites on a lease or contract basis in Panama after the year 2000, the date of expiration of the proposed Panama Canal Treaty.

I am submitting this understanding because I want to insure that there is no doubt that the proposed treaties do not prevent or prohibit the President from negotiating with the Republic of Panama such an agreement if he determines it is in the national interest in order to maintain the regime of neutrality established under the Treaty of Neutrality and to defend countries of the Western Hemipshere against any aggression.

Mr. President, I am concerned that the Senate in its resolution of ratification should spell out in clean and unequivocal terms that nothing in the treaties limits the flexibility of this President, or future Presidents, to negotiate lease rights to military bases in Panama after the year 2000, subject to the concurrence of the Republic of Panama, similar to arrangements we have with Spain, the Philippines, and numerous other nations throughout the world. It must be understood that these treaties do not limit the discretion of the President to act in this regard when he determines it is in the national interest.

Because of the importance of this understanding, I urge its adoption by my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the understanding was ordered to be printed in the RECORD, as follows:

UNDERSTANDING NO. 5

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the understanding, which is to be made a part of the instrument of ratification, that nothing in the Treaty prevents the President from negotiating with the Government of the Republic of Panama, if he determines such negotiations to be in the national interest of the United States, an agreement to permit the occupation on a lease or contract basis by the United States of a defense site or military installation in the Republic of Panama after the date of the termination of the Panama Canal Treaty if such site or installation would assist the United States in maintaining the regime of neutrality established under the Treaty and in defending countries of the Western Hemisphere against any aggression."

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Senate Select Committee on Small Business will hold 2 days of hearings on minority contracting legislation. The hearings will be held on Thursday, March 16 and Monday, March 20 at 10 a.m. in room 424 of the Russell Senate Office Building. The Senator from Georgia (Mr. NUNN) will chair both days.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will hold hearings on Thursday, March 2 on the annual budget and comprehensive statement of the U.S. Postal Service. The hearings will be held in room 3302 of the Dirksen Senate Office Building at 10 a.m.

ANTITRUST HEARINGS ON FREIGHT RATE COMPETITION IN THE MOTOR CARRIER INDUSTRY

Mr. KENNEDY. Mr. President, I recently announced that the Subcommittee on Antitrust and Monopoly would be continuing its hearings on price competition in the freight motor carrier industry beginning March 10, and that further hearings would be conducted on other dates in March and early April.

The complete schedule of hearings is as follows:

First, Friday, March 10, 1978 at 9:30 a.m. in room 2228 of the Dirksen Building;

Second, Monday, March 13, 1978 at 9:30 a.m. in room 1224 of the Dirksen Building;

Third, Thursday, March 23, 1978 at 9:30 a.m. in the Ceremonial Courtroom of the U.S. Courthouse, Chicago, Ill.;

Fourth, Friday, March 24, 1978, at 9:30 a.m. in the Postal Building Auditorium, room 269, Denver, Colo.; and

Fifth, Tuesday, April 4, 1978, at 9:30 a.m. in room 2228 of the Dirksen Building.

Witness lists for the March 10 and 13 hearings in Washington will be available on March 6.

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

Mr. GLENN. Mr. President, the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs will hold a hearing at 8:30 a.m. Thursday, March 2, 1978, on the bills S. 201 and H.R. 7132. This hearing on legislation to establish an arbitration system for Postal super-

visors was scheduled originally for February 23, but was necessarily postponed. The hearing will be held in room 3302 of the Dirksen Senate Office Building.

SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES

Mr. SASSER. Mr. President, I wish to announce that the Subcommittee on Civil Service and General Services will hold a hearing regarding certain Federal employee pay matters including pay for Federal physicians specifically considering S. 990 on March 10 at 9 a.m., in room 357, Russell Senate Office Building.

SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES

Mr. President, I wish to announce that the Subcommittee on Civil Service and General Services will hold a hearing regarding credit for military service after 1956 for civil service retirement purposes including specifically S. 245 and to extend certain benefits for certain former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act specifically including S. 408 on March 17 at 9 a.m., in room 357, Russell Senate Office Building.

ADDITIONAL STATEMENTS

FARM PARITY—WHAT WILL IT COST IF WE FAIL TO ACT?

Mr. ABOUREZK. Mr. President. one of the most pressing issues that faces us this session is the resolution of the economic dilemma facing the family farmer. Recently, it has been our privilege to witness one of the most massive, spontaneous, grassroots lobbying campaigns ever to descend on the Nation's Capital. One of the many positive contributions made by the American Agriculture Movement has been the awakening of the Nation's consciousness to the very real crisis threatening the family farm system of agriculture in this country. It would be redundant to cite the statistics that have been set forth in these and other pages so often in recent weeks. However, I do think that it is time for us to now begin sifting through all of these facts and come to some conclusions as to what the logical outcome of a failure to act would be. A recent editorial in the Huron Daily Plainsman, a newspaper in my home State of South Dakota, did an excellent job of identifying some of the ramifications of inaction. The thrust of this editorial is that the farmer, the taxpayer, and the consumer are all equally threatened by the farm price squeeze, for a multitude of reasons. It is a fact that none of us should lose sight of.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FARM DEBT

Last year the Farmers Home Administration in South Dakota authorized more farm loans in terms of dollars and quantity than in any year in the history of the agency.

The total loans to individual farmers in South Dakota exceeded $450 million, a figure that also exceeded the total in any of the other 49 states last year.

When one considers the fact that FmHA loans are made only after a borrower has been turned down by commercial lenders, the seriousness of the problem illustrated by these figures begins to emerge.

Said Maurice McLinn, chief of the FmHA program here: "A prime reason for the record number of farm loans was the cost-price squeeze . . . which was the most difficult and discouraging factor for the farmer."

With more than one out of three (15,000 out of 42,000) farm operators in the state borrowing from FmHA, there is little question that South Dakota farmers are in deep financial trouble and getting in deeper every year.

Consumers may sympathize with farm producers, but that is not enough. Maybe the American Agriculture movement leaders should start pointing out a fairly reasonable assumption: If farmers cannot get prices that guarantee them their production costs plus a reasonable profit, then those same consumers who are also taxpayers, stand a very good chance of picking up the tab for a lot of uncollectible loans made by the United States government. Loans that private lenders had already refused.

And there is one other less obvious assumption that consumers and taxpayers (who are the same people) should keep in mind: Some very good and efficient farm producers are simply going to give up, sell out and seek another livelihood. The problem with this process, which has been going on for years, is that it forces agriculture into the hands of fewer and fewer people. Eventually this process would create production monopolies that would enable a few to dictate food prices.

In these contexts, the farm price squeeze is just as threatening to the taxpayer and the consumer as it is to the farmer. The difference is the order in which they will be affected. The farmer is taking his lumps right now. The next to pick up the tab will be the taxpayer. And finally, when the family farmer becomes defunct, the consumer will pay and pay and pay.

We have the cheapest food in the world in the United States for two reasons. Many years ago our society established the extension service to help small farmers become more efficient. It has done an excellent job. The second reason is that our family farmers have become the most efficient in the world.

If our society is to continue to enjoy this relatively cheap food advantage, it must do one more thing. It must provide a policy that will assure those family farmers all over the country a price structure that will not only guarantee production costs, but one that also will provide an incentive to keep good young people on the farms.

IT IS THE BIG LABOR UNION BOSSES—NOT THE WORKING PEOPLE—WHO DEMAND S. 2467

Mr. HELMS. Mr. President, it has been alleged—quite accurately in my opinion—that the main supporters of the so-called labor reform bill (S. 2467) are not the union rank and file, but rather the big labor bosses. At first glance, this might seem strange; one would presume that the welfare of the workers would be the first and foremost concern of union leaders.

It appears, however, that this may not always—in fact, may seldom—be the case. It appears that the main concern of many union leaders may be lining their own pocketbooks with the hard-earned money of the average worker. Many of the rank and file are not totally oblivious to this ripoff, which is one of the reasons that union membership has begun declining in absolute numbers for the first time in several decades. This, in turn, explains why the labor bosses are in such a frenzy to pass the so-called labor reform bill: Unless they can quickly organize the emerging Sun Belt, their power base, and the perquisites that go with it, will continue to erode.

In the February 20, 1978, edition of U.S. News & World Report there is an excellent article setting out the degree of salary abuse at all levels of the union establishment. It would make good reading for anvone presently disposed to favor S. 2467, and the nationwide extension of forced unionization.

Mr. President, I ask unanimous consent that an article published in the February 20, 1978, edition of the U.S. News & World Report entitled, "In Unions, Big Pay Isn't Only at the Top," including the accompanying table outlining "double dipping" in one major union, be printed in the RECORD.

There being no objection. the material was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, Feb. 20, 1978]

IN UNIONS, BIG PAY ISN'T ONLY AT THE TOP

The highest-paid trade unionist in America isn't a nationally known figure such as Teamsters President Frank Fitzsimmons or even AFL–CIO President George Meany.

The top earner's name, at least for 1976, is Harold Friedman. Virtually unknown, even in his hometown of Cleveland, Friedman heads a small local of the Bakery and Confectionery Workers Union. He also runs a local of the Teamsters Union.

But Friedman makes money from the labor movement in an amount undreamed of by most Americans—$337,182 in salaries just from those two locals in 1976, the latest year for which official figures are available. When expenses are included, plus a nominal sum earned as a member of the national executive board of the bakery union, his income from trade-union jobs that year totaled $352,330.

Friedman is just one of dozens of local-union officers around the U.S. who earn more than $100,000 annually. And like many others, he does so by "double dipping"—the term that trade unionists use to describe officers who receive separate paychecks for each union office that is held.

Where it thrives. The notion of huge salaries and plush expense accounts is repugnant to most trade unionists. Tens of thousands of local-union officers work long hours on union business for little or no pay. But double dipping is common in a dozen or more unions, and nowhere else does it flourish on as grand a scale as in the 2.2-million-member Teamsters Union.

At least 21 Teamster officials reported earnings in 1976 of more than $100,000, and only two of them did so from a single job. The others were paid for holding a number of offices simultaneously—in their local unions and such other posts as a citywide "joint council," a statewide council, a regional Teamster conference or perhaps even the Teamsters nationally. Examples of how Teamster officials increased their earnings in this manner can be found in the box on the following page.

Robert Windrem, research director of Prod, Inc., an organization of reform-minded Teamsters, calls double dipping

"legal embezzlement." But there is no law against the practice. And presumably, the salaries are properly authorized, although in most instances they are voted by the union's executive board rather than by the membership directly.

As America's best-paid union leader, Friedman maintains a low profile. He shuns publicity. In 1950, when he was already financial secretary of Bakery Workers Local 19, he was sentenced to prison for his role in an eight-state auto-theft ring. Now 54 years old and known as a hard worker, he assumed leadership of Bakery Workers Local 19 from his father Harvey, who had been its principal officer since the 1930s.

The 3,700-member local paid Friedman a $227,182 salary as its president in 1976, which was more than a third of the $719,434 it received in income from dues. In addition, the local's financial report for 1976 to the Labor Department listed among its liabilities $92,262, due to its present officers as "severance pay."

Among the officers of Local 19 was Jackie Presser, who was possibly the nation's second-best-paid trade unionist in 1976. That year, from seven separate jobs he held for three national unions, Presser earned $235,097. This included expenses. He relinquished his non-Teamster jobs late in 1976 when he became a member of the national executive board of the Teamsters.

The Friedman-Presser arrangement in Cleveland is unusual—perhaps unique. Each man is an elected officer of Teamsters Local 507. Until Presser's resignation, each was also an elected officer of Bakery Workers Local 19. Both locals, though chartered by separate national unions, are run from a common suite of offices in a building that is located amidst Cleveland's warehouses.

More double dipping. Another trade unionist who double dips from more than one national union is Arthur Rutledge. In Honolulu, he is president of Teamsters Local 996 and is president of Local 5 of the Hotel and Restaurant Employes and Bartenders International Union. From those two jobs and from his salary and expenses as a national vice president and organizer of Hotel and Restaurant Employes, Rutledge received $100,001 in 1976.

In recent years, several Teamster locals have set up "severance funds" for their elected officials. Should an officer be thrown out by the local's members, the local could find itself liable to pay the defeated incumben tens or hundreds of thousands of dollars for years to come.

Trusts used, too. One of the largest severance funds is that amassed by James Eco Coli, secretary-treasurer of Teamsters Local 727, which represents some 2,100 ambulance and hearse drivers in Chicago. In 1973, Coli was paid $91,526 in salary, $50,000 in allowance and $904 in expenses by the small local.

The next year, his salary dropped to $50,000, in addition to the $50,000 allowance. But the local union established the "James E. Coli Restricted Trust" and placed $70,000 into it as deferred compensation for him. That same year, for the first time, the local union's financial report listed as income $72,200 in "administrative reimbursement" from its health, welfare and pension funds.

In 1976, Coli was receiving from Local 727 a salary of $88,833, an allowance of $4,700 and expenses of $4,576, plus $13,800 as administrator of the union's health and pension fund in the year ending March 31, 1976—or $111,909 in all. On top of that, the local put another $60,000 into his deferred compensation account, bringing that fund's size to $164,162. Again, the local's health, welfare and pension funds reimbursed it for slightly more than the amount of Coli's deferred compensation for 1976.

The Justice Department's Organized Crime Strike Force is known to be investigating Coli and Local 727 as a result of his financial dealings.

In Miami.—Officers of other national unions also double dip. In the Laborers International Union, Bernard Rubin in 1973 collected $193,746 as an officer of two Miami-area locals, as an officer for the Southeast Florida Laborers District Council and as a representative of the national union. He was later convicted of embezzlement. Alfred Chittenden in 1975 earned $101,933 in salaries and expenses as a vice president of the International Longshoremen's Association, as an officer of two ILA locals in Louisiana and as an executive-board member of that union's Gulf district.

Some unions, particularly those associated with the former Congress of Industrial Organizations (CIO), take pains to see that their local officers earn modest salaries. The United Steelworkers, for example, decrees that officers of each of its 5,500 locals may not be paid more than the highest-rated job in the plant for which it bargains.

"We don't know of a single salary in excess of that," says a union spokesman. "And no officer may receive more than one paycheck from this union."

How It Works in the Teamsters Union

At least 21 officials of the Teamsters Union earned more than $100,000 in salaries, expenses and allowances from trade-union jobs in 1976. But only two of them, including Teamsters President Frank E. Fitzsimmons, did so by holding only one job. The others hold multiple offices within the Teamsters or other unions—and collected multiple paychecks. Here, from official government records, are details of how the best-paid Teamsters were compensated. Unless noted, all jobs were within the Teamsters Union.

	Salary	Expense allowance	Total
Harold Friedman (Cleveland):			
President, Local 507	$110,000	$11,006	$121,006
President, Bakery & Confectionery Workers Local 19	227,182	2,560	229,742
B&CW executive board	1,000	582	1,582
Total	338,182	14,148	352,330
Jackie Presser (Cleveland):			
Secretary-treasurer, Local 507	124,000	8,318	132,318
Vice president, Teamsters Union	34,488	9,134	43,622
Vice president, Joint Council 41	14,120	834	14,954
Recording secretary, Ohio Conference	.....	1,136	1,136
Financial secretary, Bakery & Confectionery Workers Local 19	9,692	.....	9,692
President, Hotel & Restaurant Employes and Bartenders, International Union, Local 10	15,000	.....	15,000
International organizer, H. & R.E. and BIU	12,000	6,375	18,375
Total	209,300	25,797	235,097
Donald Peters (Chicago):			
President, Local 743	149,538	11,574	161,112
General organizer, Teamsters	29,601	8,154	37,755
Total	179,139	19,728	198,867
M. E. Anderson (Los Angeles):			
Vice president, Teamsters	63,351	14,247	77,598
Director, Western Conference	53,365	31,795	85,160
President, Local 986	27,525	31	27,556
Secretary-treasurer Joint Council 42	5,970	21	5,991
Total	150,211	46,094	196,305
William D. Joyce (Chicago):			
Secretary-treasurer, Local 710	129,681	5,259	134,890
Organizer, Central Conference	22,000	.....	22,000
Trustee, Joint Council 25	15,500	.....	15,500
Committee, 1976 convention	.....	1,824	1,824
Total	167,181	7,083	174,214
Roy Williams (Kansas City):			
Vice president, Teamsters	61,604	18,056	79,660
President, Local 41	36,150	.....	36,150
Secretary-treasurer, Central Conference	27,387	10,278	37,665
President, Joint Council 56	15,000	204	15,204
President, Kansas-Missouri Conference	.....	121	121
Total	140,141	28,659	168,800
Frank E. Fitzsimmons (Washington, D.C.): President, Teamsters	140,625	14,677	155,302
Louis Peick (Chicago):			
Secretary-treasurer, Local 735	79,695	2,631	82,326
Vice president, Teamsters	30,247	4,789	35,036
President, Joint Council 25	28,500	2,388	30,888
Total	138,442	9,808	148,250
William Presser (Cleveland):			
President, Joint Council 41	67,231	7,131	74,362
Vice president, Teamsters	26,570	7,401	33,971
President, Ohio Conference	17,500	7,002	24,502
President, Local 555	9,000	.....	9,000
Vice president, Local 507	3,200	.....	3,200
Policy committee, Central Conference	.....	507	507
Total	123,501	22,041	145,542

EXIMBANK CREDIT TO PEMEX

Mr. PROXMIRE. Mr. President, the Export-Import Bank has announced changes in the terms of a credit of $250 million previously authorized to Petroleos Mexicanos, the oil and gas corporation owned by the Federal Government of Mexico. I ask unanimous consent that the letter from the President of the Eximbank be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., February 13, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Capitol,
Washington, D.C.

DEAR MR. PRESIDENT: On September 9, 1977, the Bank informed Congress it was prepared to authorize a $250 million line of credit in favor of Petroleos Mexicanos at an interest rate of 8½ percent per annum, repayable in eight semiannual installments, beginning on March 31, 1984. The Bank has authorized the credit at an interest rate of 8¼ percent because we reduced our standard interest rate schedule between the date of our notice to Congress and the date of final authorization of the credit; the appropriate rate for the term of this line of credit is 8¼ percent.

Also, because of the delay in giving final approval to the line of credit, the availability date has been extended from September 30, 1979 to March 15, 1980, and the first repayment date of the commercial bank credit portion of the line of credit will be on March 31, 1980, instead of September 1, 1979.

Sincerely,

JOHN L. MOORE, Jr.

GEN. DANIEL (CHAPPIE) JAMES

Mr. GOLDWATER. Mr. President, a wonderful man, a superb officer, and a close friend of mine passed away over the past weekend. My reference is to Gen. Daniel (Chappie) James. It was my privilege to observe this fine officer for almost his entire career in the U.S. Air Force. His hallmark was courage and I

speak not only of a pilot who excelled in this trait in the cockpit of his plane while engaging the enemy but also of a man who showed uncommon courage in all his endeavors. His was a strong voice which, with others, helped to bring about the complete integration of the Air Force and the military. And his was a voice always heard when those above him spoke of matters which he deemed detrimental to the total operation of our forces against any enemy—potential or actual. He was held in the highest respect by those who served with him. He was possessed of a loyalty to our country which will stand forever as an example for others to follow.

Mr. President, Chappie James was a man in every sense of the word—a dedicated family man and a deeply religious man. To me, his friendship will forever be a treasured part of my memories. My heartfelt sympathy goes out to his family and to Chappie I say: "Some day I will fly your wing and Heaven will be a more pleasant experience."

EMERGENCY ACTION TO BOLSTER THE FARM ECONOMY—SENATE RESOLUTION 393

Mr. HART. Mr. President, Senate Resolution 393 as presented by the distinguished Senator from Georgia (Mr. TALMADGE), with the unanimous support of the members of the Senate Agriculture, Nutrition, and Forestry Committee, represents the first opportunity this body has had to express support for action to provide additional assistance to our Nation's financially beleaguered farmers. Immediate action must be taken to provide financial assistance to producers, and this resolution presents ideas on a number of fronts to encourage the President and the Secretary of Agriculture to take emergency action within the broad authority granted them under existing statutes.

The actions proposed in this resolution are very necessary if a closer balance between the supply and demand for agricultural commodities is to be achieved. The land diversion proposal represents a method of encouraging more producers to participate in the currently proposed set-aside program. According to initial surveys of producer planting intentions, very few plan to participate in the 1978 setaside plan unless additional inducement is offered. Another benefit of the diversion proposal is that the payments would at least help defray some of the fixed costs that producers incur whether or not their land has a crop.

Due to the low grain prices and rising costs, many of the farmers in Colorado are caught in a vicious credit crunch. A rise in the commodity loan rate would help these farmers obtain the financing needed for the current operating season. A move of this type is of particular importance to young farmers. They generally operate on a very tight cash flow budget and any increase in price will definitely make their creditors look more favorably upon a loan request.

Mr. President, emergency action is imperative. Although we will still not have taken action to provide a long-term answer to the problems of American agriculture, we must moderate the current crisis until additional consideration can be given to possible solutions. The administration has the authority to take these actions; the need is readily apparent; hopefully the passage of this resolution by the Senate will provide the impetus for action.

RURAL AMERICA SPEAKS OUT ON ENERGY

Mr. ABOUREZK. Mr. President, anyone who reflects back on the activities of the 95th Congress will almost certainly be struck by the salience of two themes—energy and agriculture. Both are inextricably linked, but the extent of that linkage was not as widely perceived until recently, when developments on the supply side of the energy equation put an abrupt end to expectations of stable and secure supplies of relatively cheap fossil fuels. Since that time, debate has intensified over what is the true extent of the so-called "energy shortage" and what are the most optimum strategies for managing the crisis. We all know that there is as yet the furthest thing from a consensus on both questions.

It is more certain that, of all the sectors of our economy, the farm sector has been one of the most directly affected by skyrocketing energy costs and the spectre of supply interruptions. Agriculture as we know it today is a highly energy intensive industry. Thanks to the work of the American agriculture movevent, we have all been made keenly aware of the cost/price squeeze that is threatening the American family farmer with economic extinction.

In the last several years, farm production costs have risen at an average annual rate of 11.8 percent. These cost increases have been spearheaded by a 100-percent increase in the cost of propane, 250 percent increase in nitrogen fertilizer (which uses natural gas as a feedstock), and a 67-percent hike in petroleum-based pesticides. It is clear that these costs will continue to climb in the future. Unfortunately for the farmer, his ability to pass these increased costs along in the form of higher prices for his products is severely limited. Consequently, he is being forced out of business.

A recent article in the Midland Cooperator entitled "Energy Concerns Greater on Farms Than in Cities" had some interesting observations on the rural perception of the energy problem. There was a marked difference in the way rural residents regarded the seriousness of the energy problem, with 83 percent of the farmers polled in a recent survey expressing the belief that the energy crisis was real. This is in contrast to the far more skeptical general public's reaction of around 50 percent. The telephone poll also underlined the overwhelming support in rural America for alternative energy development from renewable resources. Eighty-nine percent was gasahol as a viable energy form while 79 percent regarded biomass conversion—including alcohol fuels—as being worthy of development. It is clear, Mr. President, that farmers and ranchers in this country are acutely aware of how vital it is for the United States to begin adopting some alternative energy strategies with some teeth in them. One thing is certain—more than just the economic viability of agriculture will be at stake if we do not.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENERGY CONCERN GREATER ON FARMS THAN IN CITIES

"Farmers, more than any other group of Americans, are more aware of our energy problem and in fact are doing something about it." That's the message from "Farm Line Survey," taken on a telephone poll Nov. 16.

The "Farm Line" is a project of the Agriculture Council of America, formed in 1973 and made up of individual farmers and ranchers nationwide, farm and commodity groups, and companies that supply the farm.

Eighty-three percent of the farmers responding to the telephone poll agreed the energy crisis was real. By comparison, recent polls indicate only about 50 percent of the general public believe there is a very serious energy shortage.

Some 35 energy experts, representing Congress, the administration and industry, participated in the Farm Line program, sponsored jointly by the Agriculture Council of America and the Alliance to Save Energy. Panelists included Sens. Birch Bayh, D-Ind.; John Heinz, R-Penn. and Richard Lugar, R-Ind.; Rep. George Brown, D-Calif., and top level spokesmen for the new Department of Energy and the U.S. Department of Agriculture.

Interest in the Farm Line ran extremely high with over 350 calls completed from 25 states during the five-hour program.

Each caller was asked to respond to an energy questionnaire, specifically designed to collect information on the effects of the energy shortage.

Ninety percent of those surveyed reported an increase in energy costs over 1976, while only 10 percent felt the cost would decrease or remain the same this year. Forty-two percent of the callers said energy expenditures would account for 20 to 40 percent of their 1977 total operating expenses, while 13 percent indicated energy costs would account for 40 percent or more of their total outlays.

Most of the callers agreed there was a genuine opportunity to conserve energy in a number of farm areas. In fact, 59 percent of the farmers questioned said they planned to change their tillage practices or fertilizer application process to minimize equipment movement over their fields. Twenty-four percent indicated plans to shift land from tillage to forage.

Farmers also expressed a keen interest in exploring and utilizing alternate sources of energy. Solar energy drew a favorable response from 96 percent of the callers. Eighty-nine percent agreed that wind or gasahol could be effectively developed sources of energy, while 79 percent expressed an interest in using crops and wastes in biomass conversion. This was followed by methane—77 percent, nuclear—61 percent, steam—49 percent and coal—49 percent.

The panel of energy experts heard numerous suggestions on ways to conserve energy

on the farm, such as using more acreage for cattle and less for tillage, using less fertilizer, planting crops that require less nitrogen and water and carpooling into town.

AMERICA'S ENERGY CRISIS CONTINUES

Mr. STONE. Mr. President, it has been almost a year since President Carter urged the American people and the Congress to come to terms with the serious energy crisis facing our country. Unfortunately, the Congress has not as yet resolved the complicated and controversial issues associated with adoption of a national energy policy. And, perhaps even more unfortunately, the American people seem to have lost their interest in and concern about this critical national issue. Nevertheless, America's energy crisis persists. The current, temporary world oil surplus masks a continuing problem of enormous consequences to our well-being and our national security.

In this context of Government paralysis and public apathy, it is particularly important that a group called Americans for Energy Independence continue to speak out as to the critical importance of an energy policy for the United States. A nonprofit, public-interest coalition, headed by business, labor, academic, consumer, conservation, and community leaders, this group continues to mobilize public support for an effective national energy policy. While there is difference of opinion within the group as to the best policy approach to each of the many energy issues, the group is united in urging our country to adopt a national energy policy.

As part of its continuing public education campaign, Americans for Energy Independence have published an excellent and comprehensive series of articles in Reader's Digest detailing the urgency of adopting a national energy policy for America. The fact that our oil imports have increased again this year, now representing about 50 percent of our domestic oil consumption, underlines the urgency of this matter.

Mr. President, I ask unanimous consent that these excellent articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

IMAGINE AMERICA AS A POOR COUNTRY?

For three generations or more, most Americans have enjoyed a feeling of living in the richest country on earth.

We don't ask if someone has a car, we ask, "What kind of car do you drive?" Even when unemployment is high, most of us still automatically asks, "Where do you work?"

In fact, most of us take for granted a way of life almost unknown to the average person anywhere else in the world. But all this could change—and fast—unless we solve a hard and complex problem facing us.

The problem is chronic and increasing shortages of energy! Because all our good living comes from using enormous quantities of it.

Each American uses 8.5 times the energy used by the average citizen of other countries. This heavy use of energy is a basis for our wealth. It allows us to multiply with machinery the work of human hands. For example, while in much of the world one farm worker must toil in fields to feed only two or three people, one American farmer, with his tractors and other energy-using equipment, feeds 57 people.

So when we're in trouble with energy, the whole economy is in trouble. And we are in trouble.

CHEAP OIL

We got into trouble because oil (and natural gas, too) were once plentiful and cheap. As recently as 1947, America produced more than we used. We even sold oil to other countries. Then we began importing because we could buy foreign oil cheaper than we could drill our own. Now we find ourselves depending for 75 percent of our energy on oil and gas no longer cheap or plentiful.

We didn't anticipate the trap. All we saw were cheap, easy-to-use fuels that helped make life better and better. When we started using oil faster than we could find new resources, we simply imported more each year. And kept the illusion of an America with oil aplenty.

Then we got the first jolt. The oil embargo of 1973 showed us (most of us for the very first time) an America short of oil. Now, a recent MIT study predicts a world shortage as early as the 1980's.

Even if the earth—and the American continent—actually contains more oil than we expect, it will cost continually more. Which means it will continually breed that cancer of any economy: inflation.

CUT IN PAY

When the 1973 embargo-shocked us, we were importing 35 percent of our oil. Today, we're importing 50 percent, half of the oil we use. And imports keep rising. Prices for this oil, largely controlled by OPEC (Organization of Petroleum Exporting Countries), also keep going up. You've seen it at the gas pumps—from around an average of 30 cents a gallon in 1973 to more than 60 cents a gallon in 1977. You've seen it in home fuel—up from 19.7 cents a gallon in the Washington, D.C., area in April 1972, to 49.1 cents a gallon in April 1977.

There are also places you don't see it: You don't see it in the humble potato; yet energy accounts for over 20 percent of the cost of every potato you eat. You don't see it in the rising cost of college; yet in one large university, the annual energy bill has gone up $5 million in four years.

Thus, rising energy costs feed inflation. The quadrupling of oil prices after the embargo was the single most important factor causing the "double digit" inflation that followed when the inflation rate jumped from 6.2 percent in 1973 to 11 percent in 1974.

Somehow, inflation doesn't seem to frighten us as much as it should. We wouldn't stand for an 11 percent pay cut one year, then another 11 percent and so on. No doubt, escalator clauses tranquilize many of us. But it's really like trying to climb a down escalator. You go nowhere! And inflation can hurt business to the point of reducing jobs (including the "escalators").

SELLING AMERICA

Because of the energy crisis, we have another form of economic cancer—what economists call a deficit in trade balance. Another dry term that frightens very few of us. But think of your family spending much more than it earns, year after year, ending each year deeper into a black hole of debt. And, piece by piece, even having to sell your furniture and car!

This year, America will sink into a deeper hole than ever before in our history—at least a $25 billion trade deficit. We will import $25 billion more than we export. Largely because we will import more oil than ever before at a higher cost: a total of $43 billion!

Since we no longer can pay for it in ordinary trade—say, so much wheat for so much oil—we've got to make up the deficit in other ways. How do you like the idea of sending arms to oil-rich countries? We're paying for oil that way.

How about paying with good American dollars? We do that, too. And how do the oil exporting countries use many of these dollars? To buy America. Since 1972, their investments in the United States rose from $1 billion to $32.5 billion.

A lot of this oil money goes into stocks in American companies, into U.S. bank accounts, into land and buildings. It's a free country. Anybody, citizen or not, can buy anything. But if we go on trading greenbacks for black gold, our children and their children won't own much of their country!

DRIFT INTO WAR?

Former Interior Secretary Thomas Kleppe said, ". . . We are threatened with political and economic bondage not unlike that which touched off the American Revolution some two centuries ago."

If that seems extreme, read these facts: Four years ago, when we got only 16 percent of our oil from the Arabs, the embargo caused major inconvenience. Today, we get 45 percent from these countries. Now consider the estimate that a 10-percent shortage of energy in America would mean a rapid loss of 4½ million jobs; and then, like a chain reaction, would put millions more Americans out of work. When you add this to millions unemployed from other causes, that's devastating depression. And that's what an embargo can do to us today!

As imports rise, so does the threat. Only two years from now, a top economist predicts, an embargo literally could put our backs to the wall. So desperate, we might have to fight for survival. So might other industrialized nations in a fierce competition for dwindling supplies of oil. A major war, with unthinkable weapons!

Is that dreadful risk the price we're willing to pay for doing nothing now? We don't think so. That's why we have urged again and again these sensible, practical steps to handle the energy crisis:

Conserve oil and natural gas—and not just "inconvenience conserving" but rather "crisis conserving." We need at least 20 more years of energy from these fuels. Yet, the predicted world shortage of oil—at the rate we use (and waste much of) it now—is only six or seven years away. Not only that. We can't afford to burn all the oil as fuel. We need it as the raw material to make hundreds of products, including antibiotics and many plastics.

Mine and use far more coal right away. America—within its own borders—has enough to last some 500 years. With new technology, we can make mining and burning coal safer and less harmful to the environment than it was a generation ago. But coal can't do it all.

We must also continue—or, more accurately, resume—development of nuclear power. We keep stalling on this potentially limitless source of energy with doubts as to its safety. Let experts call it the "benign technology," because the actual record of nuclear power in the last 20 years shows far less harm to man and to nature than from any other form of energy production.

Go all out on the most promising of other energy sources. Solar power, for example, has so far brought both promise and disappointment. But we must keep pressing for practical ways to make it do more and "heavier" work.

What none of us can do is sit idle and assume that someone else will solve the problem. We all must act. And if you want more facts upon which to base your own actions, send in the coupon.

OUR MOST IMPORTANT JOB IN A THOUSAND YEARS

Early in 1974, Americans were stunned by a shortage of a fuel we had always taken for granted. For a while, we responded dutifully to the watchwords of "Don't be fuelish. Save energy." But today, with short memory, most of us have returned to our old wasteful ways, on the road and at home.

Only when reminded, do we recall the question that infuriated us then: Why didn't anyone warn us?

Actually, we were warned, but we didn't listen. It took the OPEC (Organization of Petroleum Exporting Countries) embargo to make us feel, for the first time, some hard facts long familiar to energy specialists:

If we keep using oil as we do, we will, for all practical purposes, run out of it while most of us are still alive. Us, not some future generation.

American oil reserves drop lower and lower even as we pump less and less (10.4 million barrels a day in 1973 down to 9.3 million barrels last year). Geologists expects to find more, but not enough.

What about those other countries "floating on oil"? The "high tide" of their oil may start receding in only about 25 years. In fact, some of them have started to build nuclear plants for their own energy.

What about natural gas? A year ago, supply fell 17 percent short of demand; the latest estimate puts the shortage at 22 percent. It varies by region, but a once bright hope for cheap, clean fuel now fades with the gloomy word "curtailment."

Well, surely, if we can put men on the moon, we can develop some other kind of energy in time! Can't solar energy take over? Unfortunately, no. As a major energy source—to light towns and turn wheels that provide jobs and transportation for millions—it's not around the corner, nor much before the turn of the century. The other possible sources—geothermal, tides, wind—don't offer any blanket solutions, either.

We can't escape it. We have a crisis! Not just a nuisance of gasoline lines or just 68 degrees home temperatures. During the fall and winter of 1973 in the Pacific Northwest, a mere 74 percent decrease in electricity caused aluminum plants to furlough 1,000. Railroads, quarries, pulp and paper plants let people go. This crisis threatens loss of livelihood, our standard of living . . . even lives.

ALARM—NOT PANIC

In view of all this, the OPEC oil embargo may well rank in history along with a British tax on tea as a blessing in disguise. It taught Americans that foreign decisions can hurt them. And it finally got attention for the energy experts' warnings.

These experts, however, give not only warnings that can (and should) alarm us, but also a perspective that should (and must) keep us from panic. They point out that the use of fossil fuels (oil, natural gas and coal) comprises only a brief, transitory period of man. On a scale of human history represented by a 12-inch ruler, the entire fossil fuel epoch would cover just 1/9000 of an inch.

America will not go out of business when we drain our last barrel of oil. Not if, during the time it takes to switch to other sources of energy, we: (1) make our oil and natural gas last as long as possible: (2) don't make it impossible to increase our use of coal, or (3) of nuclear energy.

We have enough coal under U.S. soil for at least 250 to 300 years. Nuclear power now supplies 9 percent of our electricity. Uranium, used in nuclear fission, could amount to two thousand times our present fossil fuel base. In the future, another form of nuclear power—fusion—will use deuterium, which can last over 500 billion years! Eventually, we will know how to use this and other bountiful energy. But first, we have to get through an in-between period.

ANOTHER TRANSITION

Those long gas station lines in 1974 signaled another historic transition in man's use of energy. About 100,000 years ago, he learned to burn wood. Around 5000 B.C., he added animal power to his own muscle. By 1400 A.D., he was burning some coal and turning water wheels and windmills. But it was only yesterday in history—1698—that the first working steam engine harnessed fire to wheel, bringing on the Industrial Revolution. From then on, the need for energy climbed like a rocket, and we shifted rapidly to a coal age and then to oil and natural gas. Now, though few realize it, we have already started another transition. And relatively soon, we will be in a new energy era.

The move from one fuel epoch to the next has always brought better living for more people. When people had to chop and split logs every day, had to squint through smoke to stir pots over open fires and roasted their fronts while they froze behind, no one wrote songs about smiling faces and fireplaces. We should welcome change, not worry about it. But this time, we must worry about dilly-dallying, for the current transition is critically different from all the others: Always before, man has moved from one fuel to another almost casually, not because he had depleted the old, but because he had found something better. This time, we must change, and without delay!

THE TRANSITION PLAN

So what do we do now? Here are steps that can see us through:

Conserve. Examples where conservation can bring the most significant results—with relative ease—are transportation and heating and cooling. If all vehicles drove no faster than 55 mph, that would save 200,000 barrels of oil daily. Adding six inches of insulation in the attic of most homes would help keep 25 percent of the heat from escaping. Two hot-water shaves use as much energy as an electric shaver does in a year. Multiply such actions by millions of people. Add more efficient operation by industry, which uses 40 percent of all energy. Now "conservation" changes from just a word to a program.

Keep options open. Literally, without energy we cannot live, which means we cannot bar any way toward self-sufficiency by scare tactics, hasty leigslation, boycotts or other rash means. If recovering and burning coal threatens the landscape and the air, we must pay what it costs to dissolve such threats. If nuclear power frightens some people, we must make known what doesn't get reported: a 30-year truly remarkable record of health and safety, which we can sustain. And while we should not ignore concerns and dire predictions, we should remember that they have always come with progress. For example, did you know that Thomas Edison met violent opposition to his inventions?

Don't waste time on wishful thinking. For years to come, our only real hope for sufficient energy lies in responsible use of our coal and continued development of nuclear power. We cannot afford wishful thinking about turning rapidly and anytime we want to such things as geothermal, tidal, wind or solar power. Would that we could count on the "lazy old sun" to do more work for us, and soon. But most experts expect no more than 2 percent of our energy from it by the year 2000, and even the most optimistic won't predict more than 5 to 6 percent.

GREATER ENERGY INDEPENDENCE

In addition to the world's other industrialized countries, the developing nations seek more and more energy. For they see it as the way out of darkness into light. This means fierce competition for dwindling petroleum supplies. Moreover, simply by tightening the taps on oil, the exporting countries can throw us back into the recession that shook so many American families not only materially, but also in morale. What's more, they can bring a large part of America's vital defense machine to a standstill. Such dangerous vulnerability has caused aroused citizens to seek greater energy independence for the U.S.

In moving into a new energy era, we must stop letting emotion and selfish interest separate us into opposing camps. Collectively and calmly, we must use our heads. Seemingly reasonable demands that we "put a hold on things until we have every answer" can induce a form of paralysis. And doing nothing assures far greater danger than any possible risks involved in doing what we must. Thinking rationally, we will see that we may have to sacrifice, but we must conserve. Also, that with care for safety and ecological protection, we must proceed with our proved coal and nuclear power programs. Meanwhile, we must press the development of other energy sources. As the executive director of Arizona's Solar Research Commission put it: "For the near-term future, the next 20 to 25 years, our primary reliance for electrical generation has to be on coal and nuclear and, of course, a vigorous conservation program." These three things will buy the time we need to shift our energy gears. Which may be man's most important job in a thousand years.

NO, THE ENERGY CRISIS HAS NOT GONE AWAY

Happier days seem on the way as more Americans head back to work. But the sky is not yet bright; and storm clouds threaten on the horizon. For actually, a recovery has only started. And the storm clouds threaten because just a touch of better times brings a dangerous increase in our demand for energy (along with more careless use of it).

An ominous news item early this year reported that, for the first time in history, the U.S. imported more than half its oil during one week. The import watchers rated that an exceptional week. But it happened again a few weeks later. And they expect oil imports in 1976 to average as high as 42 percent.

Why import so much? Because we don't have nearly enough of our own, and we're using that up fast. Alaskan and more continental offshore oil can only make the gauge drop less rapidly. Even at the current rate of use (and the rate accelerates as the economy grows) our oil could cease to be a major source of energy in just 25 years.

Oil's companion fuel, natural gas, which now provides 30 percent of our energy, can't keep carrying such a load even that long.

HOPE WITH PROBLEMS

Our hope lies with other fuels which we have in spectacular abundance: Coal reserves of some one trillion tons! That equals the energy potential of the whole world's oil reserves. Uranium reserves for nuclear power may equal the energy potential of ten trillion tons of coal. We know how to use these fuels—coal and uranium. But bringing them up to take over from oil and natural gas will require solving some very serious problems.

Consider just one problem with significantly increasing our use of coal: the problem of transporting it from coal fields to power plants. That takes railroads. But we must greatly expand our rail capabilities to handle the enormous job. For example, electric utility companies are now building coal plants in Texas, Arkansas and Louisiana. To fuel only these plants after they fire up in the mid 1980's, coal trains one mile long will have to leave western coal fields every hour, around the clock, every day of the year.

Nuclear power? Ah, the problem there tries the consciences of some laymen—and the patience of many technologists. "Should we slow down for more study of its safety?" agonize the laymen. "How safe is safe enough?" ask the experts. If you add up all the years that 60 large U.S. nuclear power plants have operated so far, you get over 250 reactor years without a major accident

or a single death from nuclear causes. We don't even operate bakeries that safely. Yet the debate goes on, and stalls our progress.

WHAT WE MUST DO

Since we may need as long as 20 years to get the bulk of our energy from coal and nuclear, we must: 1) Take meticulous inventory of what oil and natural gas remain available to us. 2) Conserve, and squeeze all we can out of what we have, while exploring for additional supplies to keep them major energy sources as long as possible. 3) Get busy right now on doing what we must to use our coal. 4) Keep moving on nuclear power, acting on facts not fear. 5) Keep searching for practical ways to get all the energy we can from such future sources as the sun, the wind, the tides, the heat of the earth and from a future form of nuclear power, fusion.

These pages mainly present our oil and natural gas situation. (Later in this series, we will look deeper into conservation, into the use of coal and nuclear power and into the potential of those other future sources.)

Oil: Other than in shale, oil accounts for about 5 percent of our fossil fuel reserves (coal, oil and natural gas). Yet we call on it to provide 48 percent of our energy. With production declining from ten million barrels a day in 1973 to nine million barrels last year, no wonder we must import. And, if you consider reliance on imports dangerous to our independence, these figures will shock you: Between 1961 and 1968, imports held almost perfectly steady at 20 percent. Then, in 1969 and 1970, they edged up to 22 percent. In the six years since then, they have shot up like this: 25, 29, 35, 36, 37, 42 percent. A doubling in less than a decade!

This importing makes us vulnerable to foreign pressures. Also, buying (thus having) what we need keeps us from seeing the seriousness of the problem worldwide. The world's capability to produce oil is expected to "peak" within a generation. Which means that thereafter the world will produce less and less of what it needs.

Another critical aspect of the oil problem gets little public attention. We think of oil only for cars, power plants and the like. But it provides also the ingredients for thousands of products—medicines, fertilizers, plastics. For these products, petroleum is a precious raw material. Too precious to burn as a fuel. (Like burning expensive building lumber in the fireplace.) When we, in effect, "run out of oil," we will still have some for a long time. But we must save it for these other purposes.

The facts make it clear that we must turn to other sources of fuel to replace oil. Meanwhile, we must bring in not only the oil that flows naturally from wells, but also work hard at what is called secondary and tertiary recovery. (This means using complicated and costly techniques to get the oil we didn't bother to recover in the past.) We must search for new oil field everywhere, including offshore and in Alaska. We must do everything we can to conserve oil. And all this just to hold the line a little while longer.

Natural Gas: It now provides nearly a third of our energy, but amounts to only about 5 percent of our fossil fuel reserves.

Unlike oil, natural gas is not easy to import. So 95 percent of the gas we use comes out of American ground. The result: Our natural gas "peaked" as long ago as 1967. Since then, the discovery of new reserves no longer matched the demand, so that we now draw from an ever-drying well.

Those dependent on natural gas have two potential supplemental sources: 1) The manufacture of synthetic natural gas from coal. 2) The importing of liquefied natural gas. (Through a complex process, the gas is converted to a liquid, transported, then converted back to gas.) But these are only temporary and terribly expensive crutches. And, of course, importing liquefied gas makes us dependent upon foreign sources just as importing oil does.

The facts about natural gas point the same way as do the fact about oil: Before it's too late, we must make those alternative energy sources (coal and nuclear) fully operational. In the meantime, we Americans must conserve our precious and totally limited resources of oil and natural gas—to get us as far as possible across the chasm of the energy crisis. And then restrict their uses to those which only they can serve.

Conserve! We must admit that we have made the word incompatible with what we call the American way of life. For oil and natural gas, and other sources as well, we must decide that we will make conservation an integral part of American life. So far, despite our posters and slogans, we have not. To date, we have done far too little conserving. We must change!

NO MIRACLES COMING

Anyone who has all the facts and the expertise to study them pragmatically expects no miracles of quick relief. No such miracles from harnessing the sun, the wind, the tides, the geothermal pools or from fusion. The most optimistic projections for solar and other such forms of energy are that, by the year 2000, all of them together can provide only 15 percent of the U.S. energy requirements.

Clearly, coal and nuclear power offer the only practical sources to handle the growth in America's energy needs at least to the turn of the century. A generation ago, coal supplied 48 percent of our energy; today it's down to 20 percent. Yet coal comprises 81 percent of our domestic fuel resources.

In just 20 years since the first nuclear plant went "on line," this power source has grown to provide 9 percent of the nation's electricity. It can and must provide more and more.

ONLY WHEN

Only when we fully realize the potential of coal and nuclear power will America make real progress toward energy independence. Only when we work vigorously toward that goal, while conserving every form of energy, and particularly oil and natural gas, can we hope to bridge the energy crisis safely. Only when we keep our imaginations (and our purses) open to the most promising of other and new sources of energy, can we hope for more alternatives in the next century. Only when we keep all our options open, can we dare to hope that the energy crisis will at last, someday, go away.

ON THE TITANIC, THEY DIDN'T SEE THE ICEBERG UNTIL TOO LATE

Like passengers on the Titanic, we Americans are dancing while we head for what could be a disaster in energy. True, we saw small "ice floes" in the long gas lines and heating fuel shortages a few years ago. But most of us didn't—and don't yet— realize that the "floes" meant deadly "icebergs" ahead. We don't understand how much time it will take to put our country on a safe energy course. We could, like the men on the bridge of the Titanic, end up spinning the wheel too late.

Aboard the Titanic, they didn't see the iceberg. In energy, a coincidental combination of factors—the recession, favorable weather and increasing oil imports—has blinded us to our danger. The recession reduced our energy usage. So have a succession of warm winters. But, more than anything else, the ever-faster flow of oil from abroad has lulled us into a false feeling of abundance.

The U.S. relies on oil (and natural gas) for some 75 percent of its energy. With the economy improving, we have imported oil to the point of near flood. Foreign oil now supplies almost half our demand. Within two years, it may hit two thirds.

Any day—tomorrow—the organized oil exporting countries of the Mideast could stop most of the flow, as they did in 1973, and cripple us in a matter of days. We live extremely vulnerable, but very few Americans know it.

But even if the exporting countries don't block the flow, eventually—and relatively soon—it will stop anyway. For the world simply will not have enough oil to keep burning it as a fuel. Though we don't see it, we already have a crisis situation. It will get worse every year. And from two directions: As oil and natural gas reserves dwindle, we and the rest of the world keep using more and more, faster and faster.

OXEN FOR TRACTORS

In the next 25 years, the U.S. will consume about as much energy as in all of its history. Today, the average American uses the power of 110 horses (compared to less than one in 1890). And we will need more, because some Americans still don't have their fair share of energy.

Neither do hundreds of millions of people in other parts of the world, many of whom are just now trading oxen for tractors and claiming other machine-made comforts of modern living. On earth today, we count four billion energy consuming people. By the year 2000, we will have six billion.

What happens if the world can't meet the energy needs of all these people? A precipitious drop in standards of living everywhere, and the higher the standard, the greater the drop. In countries like ours—so dependent upon energy—even a small shortage can bring great suffering. As Congressman Mike McCormack of Washington has said, by 1985, being short a million barrels of oil a day—only about 2 percent—will mean a loss of some 900,000 American jobs.

HOW MUCH TIME?

Do we have enough time left to salvage the situation? Barely, when we consider what engineers call "lead time"—the time between deciding what to do and actually getting it done. We have precious little lead time left to do what we must in energy. What's more, delay in using our lead time can bring much worse than delay in achieving objectives. What we can do, say, in 10 years if we start now, might take 12 years if we start next year. Or, if we wait too long, we may find it too impractical to do at all!

Dividing the future into three periods, we must use our remaining lead time to achieve these objectives in each period:

The Immediate Future, 1976–1985: Call this a breath-holding period. Because we must still rely mostly on oil and natural gas. Will the oil exporting countries let us buy what we need from them? Will we pump enough of our own—and conserve enough of all we have, both imported and domestic—to make it?

This is also the lead time period in which we must move vigorously toward higher coal production and also more nuclear power.

Though coal represents America's most abundant fossil fuel, we need a long lead time to get at it the right way. We can't just go back to old-time coal mining. Deep mines must be increasingly mechanized and made safer. We must "scrape" much of our coal from near the ground surface, and reabeautify the land afterward. We must burn the coal according to new technologies that reduce sulphur emissions to harmless levels. We'll need new and expensive manufacturing plants to convert coal into synthetic gas and oil to extend our use of these fuels.

We must do all this while trying to greatly

increase our coal production, and we are lagging in that. A year and a half ago, President Ford set a goal of 1.2 billion tons for 1985, which seemed reasonable. But since we've done nothing significant yet—in fact, 30 percent of the planned coal plants have been canceled, not one demonstration plant for coal conversion has been built—plain arithmetic shoves the date ahead to 1987, and the 1985 goal has been lowered.

At the same time, rising prices have made the construction of new installations more costly, thus slower to attract investment capital. Labor with skills to mine coal and build railroads to transport it has drifted to other trades. So a job we once estimated at 10 years may take 12, if we start now and push hard.

The Intermediate Future, 1985–2000: Coal and nuclear power will supply most of our energy, but only if we have already done the big job on coal and only if we make full use of our nuclear option. We'll still be burning some oil and natural gas. And a small percentage of our energy will start to come from such sources as the sun.

In this period, nuclear power will have to carry a continually larger burden of generating electricity. It can do so, but only if we once again remain conscious of lead time. Today, some 20 years after the first commercial nuclear plant at Shippingport, Pa., 59 plants provide nine percent of our electricity. It takes about 10 years to build a nuclear plant, and, according to a Bureau of Mines study, we'll need 900 of them to carry the load by 2000.

But, as with coal, we're standing still on nuclear power—drifting backward, in fact. While we have debated over it, half the proposed new plants have been canceled or delayed.

The Future Beyond 2000: Assuming we've taken the right course, we could be in safe waters. Our coal resources could last several centuries at least. New nuclear reactors called "breeders" actually make more fuel than they burn. And, in 25 to 50 years, some of those promising energy sources of the future—solar, wind, tides, geothermal, biomass, fusion—should be working to make electricity on a large scale.

At the moment, solar energy seems most promising for direct heating of rooms and water. Using it to generate electricity is another matter. As yet, we don't have the technology to build a practical demonstration plant. Which means we really have no hard facts on what to expect from solar or other future sources in the next century—only high hopes, if we use our lead time for all the research and development still to be done.

Which brings us back to the only sure course for us right now: Mine all the coal we can. Have the determination to go ahead with nuclear power. Try harder to open up the resources of the future. Meanwhile, since we're already behind, we must stretch our lead time by conserving energy, especially oil and natural gas. That's where everyone can help right now! But conservation includes more than driving slower and turning down the thermostat. AEI has prepared a program for conservation by individuals and homeowners. We'll send you a copy free. Just send us the coupon.

DO NOT WAIT UNTIL A WINTER FREEZE SUDDENLY PUTS YOU OUT OF WORK, TOO

During the week of February 6, 1977, deep in one of the coldest winters on record, 1,001,000 people in the United States made a personal and painful discovery: This problem called the energy crisis can put you out of work. Last winter, a cold-weather surge in demand for natural gas, already in short supply, drained pipelines and forced factories and businesses to shut down. And that "shut down" over a million jobs.

But, like the gasoline shortage of 1973, this unusual weather may have been another blessing in disguise. It gave us another chilling peek into the dark of a world without sufficient energy. It showed—with brutal clarity to job losers—that the energy crisis is no myth, and that no energy means no work, no fooling.

What happened so suddenly before threatens to happen again and again, and at any time. We remain at the mercy of freak weather and foreign political action—or anything else that stops or even slows the flow of natural gas and oil which supply 75 percent of our energy. We remain vulnerable to unemployment, to rapidly increasing unemployment and, consider this: permanent unemployment.

So far, we have felt two shock waves, revealing our vulnerability: Maybe your memory of 1973 is only the irritation of waiting in gas lines. But we have since learned the cost in jobs of that shortage, according to Dr. Pamela Haddy Kacser of the Federal Energy Administration:

"Approximately half a million people in total were unemployed due to the energy crisis . . . and that dampened the viability of growth in the American economy; and so, the subsequent recession was made worse . . . the longest and most severe recession since the 1930's."

BREAD LINES AGAIN?

Last winter, a shock wave hit harder: According to the Bureau of Labor Statistics, the natural gas shortage threw over a million people out of work. The ripple effect or adding them to already high unemployment lost billions in production and stalled recovery.

Next time, it could hit still harder. More and more of America's oil supply comes from abroad—imports now provide almost half our demand. Very shortly, it could push two-thirds! That's dangerous—dangerously expensive and dangerously precarious. Another embargo could cost us millions of jobs.

Unless we do what we must about energy, people standing in unemployment lines will become as familiar in the next decade as apple sellers and bread lines in the 30's.

What must we do? A lot of things—some of them completely unfamiliar to Americans, all of them demanding and some painful:

We must accept—truly accept as fact—what Americans have never had to face: Natural resources have limits. And we are fast reaching the limits of oil and natural gas.

We have not yet—repeat, have not yet—really started to build the facilities to fully use our domestic sources of energy. In fact, we keep putting obstacles in our own way!

We must do the unfamiliar to Americans: Conserve. But not just a "little cutting down" or an occasional "doing without" that makes us feel we're doing our part. Rather, we must accept a new way of life that actually does the job. No more shrugging at drivers going over 55. No more turning down the thermostat until "it gets a little chilly" then turning it back up. No more blasting the air conditioning to cool off fast. In buying appliances, we must learn a new term: Energy Efficiency Rating, and pay more attention to it than to price. We simply can no longer abide one car taking one person to work . . . or to a shopping center.

And we must put into "the American Way" a new concept that works in tandem with conservation to get still a few more years out of our oil and natural gas: the concept of producing more with less energy.

STILL NOT ENOUGH

But conservation has its limits. It will not assure enough energy for more jobs for more Americans. We can't afford to listen to extremists who say America should settle for a policy of "no growth." We should listen, instead, to our responsible leadership—and to our common sense—both saying we can and must grow. As Congressman Mike McCormack, of the House Committee on Science and Technology, has said:

[The] "interrelationship between energy consumption and employment levels. . . should sound a warning against . . . the idea simply by cutting back. . ."

WHOSE JOBS?

When we talk of losing jobs, whose jobs do we mean? Well, what kind of jobs, including yours, can be done without electricity, heat or some form of power? Thus, energy shortages threaten us all. But the first to get hurt are always those who can least afford it—the elderly, the youth and minorities.

Says Dr. Bayard Rustin, president of A. Philip Randolph Institute: "Sustained, high economic growth is a precondition for the creation of a more equal society. . . To those who inisist we can no longer tolerate economic growth, my response is simply that we cannot afford to do without it."

The disadvantaged, especially, cannot, but neither can any of us. The late Nathaniel Goldfinger, director of research for the AFL–CIO, put it on the line: "You can't even think of the economy of this country without considering the simply basic fact of energy . . . energy and the basic sources of energy . . . are the underpinning in many ways of the . . . operation of the economic systems. . ."

ACTIONS NEEDED NOW

How much energy do we we need to be sure of enough jobs? A lot. Even if, by the most disciplined conserving, we hold the growth in energy demand to 2 percent a year, instead of a normal 3.6 percent. America would double its energy use in 35 years. And use of electrical power will grow at over twice that rate!

Where will we get all this energy? Not from oil Not from natural gas. At present levels of use—let alone higher ones—world reserves of these two fuels are likely to be exhausted early next century. Not soon from the sun, nor the wind, nor the tides, either. Even with all-out development, none of these will in this century run factories or mills or plants to provide jobs.

Though, for major energy use, we see the end of oil and natural gas, we must continue to seek and bring in all we can, and we must change our habits to extend supplies as long as possible. We must buy time.

Though, for many years ahead, we can now see only relatively limited help from such new sources as the sun, we must research and work vigorously for development of the most promising. We will need whatever they can provide.

But right now we also must take these actions:

We must mine and use far more of our abundant domestic coal. We can and must do this while simultaneously maintaining environmental quality and safety standards. But we must remember that we do not have the luxury of considering aesthetics alone; we must consider, too, the absolutely essential necessity to keep this country working.

We must proceed with our development of nuclear generated power, assuring the health and safety of workers and the public. We have done so now for some 20 years, ever since the first commercial nuclear plant and with 63 operating now.

It takes many years to build the plants and equipment to use these sources of energy. We must have them to take over from oil and natural gas. We already lag dangerously behind in what we must do. We must move decisively and fast.

What is the alternative? Ask the 1,001,000 Americans who suddenly found themselves out of work last winter.

CLOSEUP—A COUNTY OUT OF GAS

When its natural gas account was overdrawn last winter as a result of the cold, Allegheny County, Pa., the site of industrial Pittsburgh, paid dearly. Toting up the costs recently, its citizens found that:

Industries cut back 60 percent.

Barge traffic was off 66 percent on the Allegheny River and 30 percent on the Monongahela.

Retail sales hit the lowest level since 1972.

Buses ran with a million and a half empty seats.

Every school closed.

Seventeen thousand people were temporarily out of work.

The total loss from the sudden energy shortage was $48,000,000 for Allegheny County. But, says I. W. Abel, president of the United Steelworkers, "No one felt the crunch of last winter's energy crisis more than the laborer." Energy does indeed mean employment.

THE ENERGY SHORTAGE COULD BRING STARVATION—HAVE YOU EVER THOUGHT OF THAT?

You've read of a silent Spring a deathly season when nothing will grow. Well, imagine Springtimes with fertile soil, rain, sunshine and clean air, but still nothing growing. Because, without fuel, the sound of farm tractors is not heard in the land!

Impossible? Not if we keep wasting oil and natural gas, as we so shamefully do. Not if we keep delaying the development of other forms of energy, as we so irresponsibly and naively do. For, in America, it takes more energy to get food from farm to table than it does in any other nation in the world. That makes our farms the most vulnerable in the world to energy shortages.

The bulk of our energy for the farm currently comes from oil and natural gas, both running out frighteningly faster than most Americans think. (The fact that we import so much oil keeps us from seeing how fast the whole world is being drained.)

But a new study by a Massachusetts Institute of Technology group predicts severe oil shortages in the early 1980's, and warns, "The free world must drastically curtail the growth of energy use and move massively out of oil into other fuels with wartime urgency."

When it comes to relating such urgency to food, Americans have yet to feel it.

We now can feel it when we think of cars and home heating, because the 1973 oil embargo hit and hurt us "overnight." We can feel urgency when we think of jobs because, during last winter's natural gas shortage, over a million of us woke up unemployed.

But, with food, the danger is insidious because it will come gradually. Here, we don't face a sudden doomsday, but rather an almost invisibly approaching disaster. And the first signs of it would be the kind about which many of us have become almost callous: higher and higher food prices.

As Bill Brier, Director of Energy Resources of the National Council of Farmer Cooperatives, recently noted, "Researchers at Iowa State University concluded that a 5 percent energy reduction in agricultural production would result in a 13 percent food cost increase.

An ironic fact is that, while some Americans cannot pay today's food prices, many families can take such increases without too much hardship. Thus, many Americans would not see right away that once energy shortages started to hit our farms, food prices would climb continually and catastrophically.

Also, if and when energy shortages caused American farms to produce less, the first tables from which food would start to disappear would not be in America, but rather in other countries that now live on our surpluses.

Thus, the majority of Americans would not see the first terrible suffering and the first actual starvation. But, as with a malignant growth that gives no early signs, therein lies the greatest danger.

FACE THE PROBLEM NOW

We must look hard and now at energy and food—and what we must do about them.

Producing food takes some 17 percent of the nation's total energy. Of that, 75 percent is supplied by those vanishing fuels, oil and natural gas.

By extensive use of these two fuels, American agriculture has wrought a true miracle in the last generation. We feel not only America, but a good part of the rest of the world as well.

But the miracle can't go on without energy, especially oil and natural gas, for which there are as yet no readily available substitutes to use in producing food. Take just two examples:

The tractor. This machine became the "horse" of the American farm because it not only does more work, but also takes less to "feed." In 1940, some 43 million acres were used to feed 14.5 million horses and mules. By 1973, we needed less than one million acres to feed farm work animals. The tractor freed millions of acres for growing more productive crops, and made it possible for one man to work far more land in far less time.

Because it has proved so useful, the tractor grew bigger and bigger. A modern four-wheel-drive tractor can range up to 300 horsepower. Such monsters take a lot of fuel, but make up for it in saving time and labor costs.

Pesticides and fertilizers. Some 300 pesticides are made from petroleum, and from petroleum comes the basic ingredient, the solvent, in all pesticides. Ammonia, the source of 95 percent of all nitrogen fertilizers is produced from natural gas.

Some people—the organically minded—lump all agricultural chemicals together, and feel we would be better off without them. Realistically, without these petroleum and natural gas based chemicals, we simply could not grow enough food.

WHAT WE MUST DO

We simply must conserve oil and natural gas now—today and every day. Not only for our farms, but for our entire food system.

Out on the farm itself, we use 18% of the energy consumed by our food system. The rest goes into transporting food (3%), processing food (33%) selling food (16%), and—note this—storing and preparing food at home (30%). This last fact proves that conservation can, indeed, begin at home. For we control nearly a third of all energy used for food right there.

From now on, the most important label on an appliance will be the Energy Efficiency Rating, not the price tag. And it will matter how we use them: Baking two potatoes in a big oven is a terrible waste of energy. So is a habit of opening the refrigerator door frequently. We all can help conserve simply by cooking in the smallest pot on the smallest burner.

Conservation must also be applied by industry in the processing, storing and selling of food. But in these areas, the best hope lies in switching completely away from energy generated by oil and natural gas to other energy sources.

Specifically, and most immediately, this means mining and using our abundant coal, and proceeding with our development of nuclear-generated power. We can mine coal in ways that will spur coal companies to do it, and satisfy any reasonable conservationist. We can burn coal in ways that make it practical for utilities to do so, and satisfy any reasonable environmentalist. We can generate electricity in nuclear power plants in ways that should satisfy any reasonable human being.

Simultaneously, though for many years ahead we can see only relatively limited help from such new power sources as the sun, we must research and work vigorously for development of the most promising. And solar energy holds the most promise for use on farms.

NO SILENT SPRING

We need energy not only for today's food, but also (and a lot more) for tomorrow's. It's been estimated that we must produce 30% more food by 1990 just to keep up with a growing population and world demand. According to some experts, the United States, Canada and Australia may be the only nations growing more grain than they consume by the year 2000—and grain, directly and indirectly, accounts for 70 percent of what the world eats.

History proves that nations without sufficient food will attempt to seize it from the "haves." What does that tell you about the possibility of war and chaos in a world short on energy for food?

So energy for food may be our most important priority. Fortunately, we can have enough energy for food, as well as for our other needs, if we act now to do these things:

Conserve all the oil and natural gas we can.

Seek out new reserves of oil and natural gas, and pump existing sources more efficiently.

Mine and use all the coal we can.

Go forward with nuclear power.

Try harder to open up resources of the future, such as solar power.

It won't be easy. It won't be cheap. But it can be done. It must be done. There must never be a silent Spring.

ATROCITIES PROVE IMPORTANCE OF GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, this country has long prided itself on the respect which it has for human rights. The Carter administration has chosen to make the advancement of human rights throughout the world one of its main goals. It is a goal which I applaud, and I would like to point out that the Senate can play a very affirmative role in helping the President achieve his goal. There is before this body a treaty which has Mr. Carter's strong support, a treaty consistent with this country's commitment to the importance of human rights. I am referring to the Genocide Convention, a treaty which would make the commission of genocide an international crime.

The horror of genocide may well be difficult for most Americans to imagine. To the people of Kuo Klong village in Cambodia, though, the horror is all too real. An article in the January 23 issue of Newsweek relates the atrocities which were dealt to the inhabitants of this village by the repressive Khmer Rouge government in Cambodia. Before fleeing to Thailand, the people of Kuo Klong lived in constant fear. When they sought to be free, and escape from the Khmer Rouge, 218 people out of population of 268 were executed. Mass killings are all too real a crime.

I call upon the Senate to ratify the Genocide Convention as soon as pos-

sible. I ask unanimous consent that the Newsweek article to which I referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"WE FEARED DEATH"

The peasants of Kou Klong village were mystified when the Khmer Rouge told them they had been "liberated." As far as they could see, all that the Communist soldiers had done was liberate them from their rice, their water buffalo and a few of their womenfolk. The villagers had never heard of Pol Pot, the Communist leader in Phnom Penh, and they didn't like having armed strangers run around their placid village shouting orders. But a few summary executions soon convinced them that they had better buckle down as members of Cambodia's "key peasant force"—or they too would wind up in the bushes with their skulls beaten in. They returned to their fields, harvested crops they were never allowed to keep, slowly starved on the meager rations and attended political lectures they did not understand. At night, they turned off their lights when told to do so. For two and a half years, they suffered in stoic silence. Then, the villagers of Kou Klong got up and walked away.

PANIC

There was no leader who prodded the peasants to try to escape. No single atrocity triggered the decision. Those who made it to the Thai border said they had simply had enough. "We fled because we feared death," said Lamout Chhuon, "death for the slightest infraction of Khmer Rouge rules, death from forced labor, starvation and disease. We just couldn't go on living there any more."

On the night of Oct. 10 last year, after the villagers had eaten their second meal of the day (a bowl of watery rice porridge), word was quietly passed that all those who wanted to leave should assemble outside the village as soon as the 9 p.m. "lights out" order had been given. Only five of the 54 peasant families chose to remain behind. There was some discussion whether the cooperative's three Khmer Rouge leaders should be killed, but the group decided an attack on the three was too risky; if it failed, the villagers reasoned, that might jeopardize the escape. So, at the appointed hour, 268 men, women and children set off on the long and dangerous trek through the Dong Rak mountains to Thailand.

But the villagers had only walked a few yards on their 50-mile journey to Thailand when machine guns opened up on them from the darkened hamlet. Apparently, one of the villagers who had remained behind had betrayed them. The Khmer Rouge made no attempt to capture the fleeing peasants or give them a chance to surrender before the firing began. Those who were not shot fled in all directions. No one knows how many were killed or wounded, but one survivor, Lan Kong, recalled that the shooting continued for half an hour and "the night was filled with screams." Lan Kong and his pregnant wife, his mother, father, five brothers and four sisters linked hands to stay together as they ran in panic across the rice fields.

By morning, the survivors had regrouped to continue their northward journey to the Dong Rak mountain range that separates Cambodia from Thailand. They formed two separate columns, with fewer than 100 villagers in each, and traveled on parallel courses a few miles apart. Less than twelve hours later, one group was attacked again when it stopped to scavange for food. Exhausted by the pace and famished, Lamout Chhuon's 15-year-old daughter had climbed a tree to pluck some hanging fruit. As she reached for it, a Khmer Rouge sniper's bullet cut her down, and a hail of automatic rifle fire and M-79 grenades tore into those who gathered around her fallen body. Chhuon's wife—who had already lost four of their eight children on the night of the escape from the village—refused to leave before she had laid out the girl's corpse, straightened her arms and tidied her soiled black sarong.

CHASE

A few miles away, the other refugee column heard the shooting and split into smaller groups. Some lost their way and never reached the Thai border; others stepped on land mines, or were killed in Khmer Rouge ambushes. Still others died from wounds they had suffered in the first attack. After walking for four uneventful days, Kong's group ran into three Khmer Rouge soldiers on a jungle trail. "They chased us for an hour, shooting all the time," he said. "Many more people were killed."

But Kong's family survived once again. On the eighth, and last day of the trek to freedom, Kong was helping his pregnant wife up a mountain slope only a few hundred yards from the Thai border. Suddenly, a hidden machine gun opened up on them. The bullets stitched a neat row of holes across her stomach. Crying "Help me, help me," she died in his arms. Kong's brothers grabbed him and raced across the border where they eventually joined the other survivors in a special refugee camp for Cambodians at Surin in southern Thailand. But it was a grim reunion. Of the 268 peasants who had set out from Kou Klong village, only 50 survived the attempt to escape from Communist Cambodia.

CONFESSIONS OF A JEWISH DISSIDENT

Mr. ABOUREZK. Mr. President, I. F. Stone has recently written in the New York Review of Books a sensitive article entitled Confessions of a Jewish Dissident. It details his own experiences of being a Jewish pacifist who has struggled over the years to be heard when he speaks of the Middle East. As I. F. Stone himself asks, how can there ever be a fair and just settlement to the Middle East conflict when dissident voices like his own cannot be heard? Mr. Stone has reminded us that there are plenty of people who should be heard. I hope we can take his advice and listen carefully. I ask unanimous consent that his article, Confessions of a Jewish Dissident, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Review of Books, March 8, 1978]

CONFESSIONS OF A JEWISH DISSIDENT

(By I. F. Stone)

WASHINGTON.—Abstractly speaking, I should be quite a popular person in the American-Jewish community. I am a dissident. I am also, at a time when the search is on for moderate voices on the Palestine question, a moderate. And I proved my devotion to displaced persons in and out of the Middle East years ago. I have a medal to prove it, from the Haganah—the illegal Jewish army that fought what Prime Minister Begin calls the Jewish war of liberation and established the state of Israel in 1948.

Yes despite all these credentials I find myself—like many fellow American intellectuals, Jewish and non-Jewish, ostracized whenever I try to speak up on the Middle East. It demonstrate what slight changes in time and space can do to familiar categories. Dissidents, Jewish and non-Jewish, in the Soviet Union are—deservedly—heroes. They may be forced to circulate their views in *samizdat*, they may be dependent for circulation in their homeland on the typewriter and carbon paper. But at least they make the front pages of the American and world press, and the correspondents in Moscow hang on their words. Here at least their books are bestsellers.

But it is only rarely that we dissidents on the Middle East can enjoy a fleeting voice in the American press. Finding an American publishing house willing to publish a book which departs from the standard Israeli line is about as easy as selling a thoughtful exposition of atheism to the Osservator Romano in Vatican City.

In this respect, our lot is worse than that of the Arabs. Even before Sadat's visit to Jerusalem made it fashionable, there were synagogues willing to invite Egyptian and even Palestinian Arabs, and occasionally an American of Arab origin to explain his viewpoint. Only a few days ago Mohammed Hakki, an able and eloquent Egyptian newspaperman who now works for his country's embassy here in Washington, was given a Sabbath forum and heard with courtesy at Adas Israel, one of the capital's most prestigious congregations.

But I have yet to hear of an American journalist of dissident views, Jewish or gentile, accorded similar treatment. I will not name them but there are top figures in the profession, with long records of championing Israel and the Jewish people, who complain bitterly in private that if they dare express one word of sympathy for Palestinian Arab refugees, they are flooded with Jewish hate-mail, accusing them of anti-semitism.

As for Jewish dissidents in America, we get the standard treatment. We are labeled "self-hating Jews." American Jewish intellectuals are lectured on what is stigmatized as their weakness for "universalism." One distinguished academic was summoned to an Israeli consulate for a scolding and put into deep-freeze by colleagues for advocating a generous peace policy toward the Palestinian Arabs. We are asked why we cannot be narrow ethnics, suspicious of any breed but our own. Isaiah is out of fashion.

Gentile dissidents are generally treated simply as anti-Semites, no matter how often they have demonstrated friendship for Israel and the Jew in the past. A pro-Israel Republican senator, many of whose closest aides are Jewish, suddenly found himself treated as an enemy by the organized Jewish community in his state because on a trip to the Middle East he had ventured some expression of sympathy for the Arabs, too.

Even the Quakers are on the blacklist; they have demonstrated that the peacemakers may be blessed in heaven but they have a hard time on earth. At their Mideast peace conference in Washington last summer they were picketed by Jewish organizations. The State Department cooperated by denying a visa to a Palestinian moderate scheduled to speak there. (The Jewish dissidents of Breira, meeting at the same 4-H Club headquarters in Chevy Chase a week later, got worse treatment: the Jewish Defense League invaded the meeting, breaking up furniture and tearing up membership lists.)

On the Middle East, freedom of debate is not encouraged. Much ill-will has been piled up, though not publicly expressed, in Congress, the government, and the press by the steamroller tactics of the hard-liners.

My trouble originally began with my weakness for refugees. In the spring of 1946 I was the first reporter to travel with "displaced persons" (as they were then called) out of

the Nazi camps from Poland to Palestine through the British blockade. After making that trip, I found myself a hero in the American Jewish community, a speaker at more than one national convention of Hadassah. I can even remember being trotted out by the Zionists to persuade the (then) Uncle Toms of the American Jewish Committee to overcome their fears of identifying with the Zionist cause. Now their publication, *Commentary*, has become the principal pillory for Americans who dissent from the Israeli hard line. In the past twenty-five years I have been asked to speak in a synagogue only once, and I won't name it lest I again embarrass its rabbi, for then I made the mistake of asking sympathy for Arab refugees as well. I remember, as if it were yesterday, the horror of statelessness in the Thirties for those who fled fascist and Nazi oppression. I feel for the scattered Palestinians who would like a state and a passport too.

My first taste of being a dissident came quite early. When I got back from my illegal trip, my series "Underground to Palestine," in the New York newspaper PM, with an instant success. It pushed circulation to a high point which, if maintained, might have saved Ralph Ingersoll's unique experiment in publishing a newspaper without advertising. I traveled with some of the most wonderful people I have ever met, both passengers and crew—including survivors of the death camps and the handful of American-Jewish sailors who volunteered to man the ships taking them to Palestine.

The story of their lives and adventures stirred sympathy for the Zionist cause among Jews and non-Jews alike. Then when publication in book form was planned, I was taken to lunch by friends in the Zionist movement, including a partner in one of the topmost advertising firms in America. They outlined a $25,000 advertising campaign to put the book across. But then came the awkward moment.

There was one sentence, I was told, just a sentence or so, that had to come out. I asked what that was. It was the sentence in which I suggested a binational solution, a state whose constitution would recognize, irrespective of shifting majorities, the presence of two peoples, two nations, Arab and Jewish, within Palestine, with two official languages, Arabic and Hebrew, which are now indeed the two official languages in the state of Israel.

That position may sound like dreadful hearsay today. It was not that far-out in 1946, a year before the United Nations decided to partition the country between two states, Arab and Jewish, with economic and other links between them. At that time the Hashomer Hatzair, the Left Zionists, an important sector of the Zionist movement then as now, had long advocated a binational solution. In addition I then suggested that the binational state be established in the whole of Palestine, as it was before 1922. It was then that the British carved out a new kingdom across the Jordan for the Hashemite dynasty after the Saudi family drove them out of Mecca and established their fierce fundamentalist Wahabi state where barbarous penalties straight out of the Bible are still imposed for adultery and theft. This was the consolation prize for Britain's friend, King Abdullah.

I refused to take this passage out. "My boss, Ralph Ingersoll," I said, "allowed me to made the three-month trip at considerable sacrifice for the paper. He did not tell me what to write. It was printed that way in *PM*. He would have a low opinion of me, quite rightly, if I submitted to such censorship for the sake of an advertising campaign." That ended the luncheon, and in a way, the book. It was in effect proscribed.

But two years later the book was translated into Hebrew with the offending passage intact, though the translator was a leading member of the Mapai, the dominant party in Zionism and as deeply opposed as my interlocutors in America to a binational solution. And as the 1948 war approached, copies of the book were given out to Sabras, i.e., native-born Palestinian Jews, in the armed forces to help them understand how Jews had suffered and some survived the Holocaust.

As so often since, dissent frowned upon in the United States was allowed in Israel, so long as it was published in Hebrew. To this day few American Jews realize how much free debate goes on in the Hebrew press and in Hebrew book publishing there. The language barrier makes possible a most useful little Iron Curtain behind which American Jews can be herded into supporting the hard official line.

Arabs who read Hebrew, and many do, have free access to this debate, but we do not. Very little of Israeli debate, either in the press or the Knesset, filters through to the American public. Few American correspondents know Hebrew, and only the official statements are easily available in English. Consequently the coverage of the last Knesset session, after Sadat's walk-out from the peace talks, might just as well have been coverage of a rubber-stamp parliament in any Third World dictatorship. None of the dissenting voices was reported. All we got was what Begin said.

This failure to report Israeli debate is a great obstacle to wise decision making here. Many in Israel, too, feel that it is not anti-Semitic to believe that a generous attitude toward the Palestinian Arabs may be a better safeguard of Israel's future than the niggardly something-for-nothing response of the hardliners.

Moderates in Israel look to the leaders of the American-Jewish community for leverage against the hard-liners, and the timid doves of the Jewish establishment here look to opinion in Israel for support; but communication between them is blocked off, and the result is a rigid monolithic policy totally unsuited to the great opportunities opened up by Sadat's courageous initiative.

Many here in the United States must have felt appalled at Sadat's reception in Jerusalem. I knew Chaim Weizmann, and he was not only a masterly diplomat but could bring something of the poet to political difficulties. Had he been still alive and the president of Israel, he would have risen to the occasion with a magnanimous gesture and a healing phrase. But all Sadat got from Begin was a warmed-over UJA speech. Begin's response made me blush.

Quite a few people in Israel shared that same feeling of disappointment over Begin's response to the Sadat visit, but you would hardly guess it from press coverage here. Ma'ariv, the biggest newspaper in Israel, ran a long interview covering more than one full page with the deputy prime minister, Yigal Yadin, taking issue with Begin after the Sadat meeting and calling for a more flexible policy. To have the deputy prime minister disagree publicly with the prime minister was a major political story, but so far as I know the only paper in this country that printed the deputy prime minister's statement was the Washington Star (December 4). I didn't see it even mentioned elsewhere. The headline in Ma'ariv indicated the divergence between Begin and his deputy prime minister: "The Moment of Truth Comes and Israel Will Have to State Its Willingness for Territorial Concessions in Judea and Samaria (the West Bank) Or Else There Will Be No Peace."

One of the many other unreported voices of dissent was that of G. Schocken, editor of Israel's most respected paper, Ha'aretz, who expressed his disagreement with Begin in an unusual signed editorial. The Knesset debate then too was meagerly reported. When I tried to get the Israeli "Congressional Record" (Divrei Ha Knesset) from the Israeli desk of the State Department I was told after the usual bureaucratic indifference that the latest copies the State Department had were a few issues from the year 1965!

Yet it would help the administration resist the monolithic hard-liners if the American Congress and public were made more aware of dissent in Israel. The most striking recent example was the editorial in the Jerusalem Post (international edition of January 24) on Sadat's action in breaking off the peace talks. While expressing regret over the "tougher line" taken by Sadat in his speech recalling his negotiators from Jerusalem, the Post said:

"His criticism about Israel's handling of the talks and some of the public statements made here should however also lead to some self-review in Jerusalem. For certainly Sadat seemed to have every right to wonder about Israel's intentions when bulldozers in Sinai, replete with fanfare, suddenly materialized while he was supposedly gaining agreement about Israeli withdrawal, and when Israeli rhetoric countered a commitment to desist from polemics.

The Jerusalem *Post* has long been the distinguished English voice of the Israeli community. Its scarcely veiled rebuke to Begin is quite different from the unrestrained condemnation in this country of Sadat by such figures as Rabbi Alexander M. Schindler, chairman of the Conference of Presidents of Major Jewish Organizations. He said Sadat's "impatience conveys the impression that you disdain the negotiating process in its entirety" (*The New York Times*, January 30).

I was brought up to believe that a fundamental pillar of any stable political situation is—in that historic American phrase—"the consent of the governed." How can there be a stable, secure relationship between Israel and the Palestinian Arabs, both those on the West Bank and those stateless in the Palestinian Diaspora, without their consultation and consent?

To impose the kind of "self-rule" Begin envisages on the Palestinians is to push Israel into an endless sea of trouble. How do you make sure the people they elect to office are not secretly sympathizers with the PLO, or not "moderate' 'enough to suit Israel, Hussein, or Carter?

Do you cross-examine candidates in advance to make sure they're satisfactory? Do you open their mail, bug their phones, and police their social contacts to make sure they stay that way? And how much respect will Palestinians have for this variety of "self-rulers"?

The frown of the occupying power or of foreign statesmen may defeat itself by conferring legitimacy. When Carter on the eve of his recent trip abroad "ruled out" the PLO in advance, he invited embarrassing questions. If negotiations are to be limited to "moderates," does that rule out Begin and the Likud too? If the Palestinians are to have self-rule, what gives Carter the right to cast the first ballot?

All else becomes negotiable if the principle of self-determination is recognized. A transition period in which old fears are allayed and both sides can settle down comfortably into coexistence has much to be said for it. But not if "self-rule" is a counterfeit and "transition" invites Gush Emunim to expand its settlements and erode a future Palestinian state even before it is born.

The latest warning signal was the news that a new West Bank settlement is being established in Shiloh, despite Begin's promise to Carter, on the novel plea that this is only

an "archeological" settlement. If archaeology can excuse new settlements, and Gush Emunim disguise itself as a mere band of eager beaver Schliemanns, no place is safe. There is no spot in the Holy Land where some antiquity cannot be dug up. But his administration is so timorous that Carter's note of protest to Begin, instead of being given full publicity, was leaked to James Reston's column in *The New York Times*, Sunday, January 29, as if the White House were afraid to raise its voice.

Washington has not even reacted to Dayan's remark in a recent Knesset debate that under "self-rule" the Israeli army would have the right not only to protect Jewish settlements on the West Bank but to enforce further land acquisition by Jews. Such threats hardly serve the cause of security and stability for Israel and the Middle East.

History over and over again has proven magnanimity a better safeguard than myopic military thinking. Those who wish to see the case for alternative policies in the precarious Middle East negotiations should read the thoughtful analyses by two Israeli doves in recent interviews here which deserve far wider attention than they have received. One was the interview with Mattiyahu Peled in the February 23 issue of *The New York Review of Books* and the other with Arie Eliav in the December 24 *Nation* and (a longer version) in the January-February issue of *Worldview* magazine. Both these Israelis are seasoned by experience. Peled was a major general in the Israeli armed forces and Eliav was secretary general in 1970–1972 of Israel's then ruling Labor Party. But both, despite their past eminence, now that they are dissidents are in danger of being reduced to non-persons. They get little attention in the press and television.

How can wise solutions be reached, and the opportunity for peace rescued, when such dissident voices are hardly heard here above a whisper in what passes for debate on the Middle East? How can we talk of human rights and ignore them for the Palestinian Arabs? How can Israel talk of the Jewish right to a homeland and deny one to the Palestinians? How can there be peace without some measure of justice?

THE INDIAN LAND CLAIM IN MAINE

Mr. HATHAWAY. Mr. President, the claim of the Passamaquoddy and Penobscot Indian Tribes to 12.5 million acres in northern and eastern Maine is under intense debate in my State following the release of a memorandum of understanding between the tribes and a three-member White House task force on the problem. These claims are based on alleged violation of the 1790 Non-Intercourse Act which requires congressional approval of land transfers from Indian tribes.

The task force proposal has two parts. The first part is a basic agreement between the tribes and the administration to extinguish the tribal claims against the vast majority of landowners in the claims area—homeowners, small businessmen, communities, and industries. Of the area left in dispute, the proposal would exempt the first 50,000 acres of everyone's land from the threat of suit. In return for extinguishment, the Federal Government would pay $25 million to be held in trust by Interior for the tribes.

Under this basic agreement approximately 9.2 million acres would be cleared from the threat of suit. The administration is preparing legislation to implement this part of the proposal.

The second part of the task force proposal transmits the terms of two offers from the tribes to settle the remainder of the claims against the State and against those landowners in the modified claims area who hold more than 50,000 acres. These are offers to settle which the State and private landowners may accept, reject, or discuss further. They do not represent an attempt to impose an unwanted settlement on the parties.

Under the basic agreement and the settlement offers, the land and money would be put in trust to be used for the benefit of the two tribes by the Department of Interior. The outlines of this trusteeship could be included in any implementing legislation. This trustee relationship, however, would insure that the resources provided the tribes would be used in such a way as to benefit both the tribes. The land and money could not be wasted or divided up between individual members of the tribes. It would be used to build tribal self-sufficiency and economic development. Such development is bound to have incremental effect for others in the State as well. This aspect of the proposal is one which has not received much attention. There should be no misconception that these amounts of dollars and land would simply be divided between a few thousand people, to be disposed of at will. That is not what the basic agreement for the Federal payment or the settlement offers provide.

The task force has presented a proposal which can reconcile the need to protect the people of Maine from the potential adverse economic consequences of the suit, while permitting the option of litigation of the issues should the State and the 14 private landowners decide that is in their best interest. Congressional committees last fall grappled with the adverse economic consequences of a similar but far smaller suit in Mashpee, Mass. The potential for such future economic stagnation still is present in the State of Maine. The task force proposal represents major progress in removing this threat.

These offers for a full settlement in addition to the basic agreement deserve serious and full consideration.

When the proposals were first made, however, there was widespread misunderstanding of the task force proposal, mistrust of the Federal Government, and the erroneous impression that the second part of the proposal—the offers to settle—were actually settlements which were to be imposed upon the State and its landowners. Such is not the case.

Our colleague, Ed MUSKIE, spoke to the Maine Legislature last Thursday in an attempt to quiet the misunderstanding being voiced in Maine. He provided an excellent short analysis of a very complex and difficult problem.

The debate will soon move to this Chamber. In anticipation of that debate, I would like to share Senator MUSKIE's comments with my colleagues.

Mr. President, I ask unanimous consent that the remarks of Senator MUSKIE to the Maine House of Representatives on Thursday, February 16, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR EDMUND S. MUSKIE

The SPEAKER. The Chair is pleased to recognize in the back of the hall of the House the Senior Senator from the State of Maine, Senator Muskie. Could he please be escorted by the Sergeant-at-Arms to the rostrum?

Thereupon, Senator Edmund S. Muskie was escorted to the rostrum amid prolonged applause, the members rising.

The SPEAKER. The Chair has asked the Senator if he would, even though we know he is on vacation, provide us with a few words, perhaps, as our representative in Washington, and he has very willingly and graciously agreed to do so. So it is my pleasure to present to you Senator Muskie.

Senator MUSKIE. Mr. Speaker and Members of the House: It is always a pleasure to come back to this chamber and a special pleasure to come back home after months of absence from Maine. My absence wasn't voluntary, it was involuntary, and I come back in better health than I have known for years. So if any of you face a weight problem or a back problem or an age problem, I suggest that one way of improving on all three is to have your back operated on. It is painful for a few weeks, but then the improvement makes it all seem well worthwhile.

I couldn't help but think of the first time I came into this chamber. Of course, it was much different in ways that now you take for granted. There used to be an aisle roughly half way up the right side and another on the left side. I had Seat No. 150 or 151 which was then on the aisle. The Indian Representative sat beside me, which is rather a coincidence. Of course, they did not have the vote and they never attended sessions in those days, much as we would have welcomed them.

I asked Ed Kelleher if there were any members of the House who were members when I was. The only ones that we could identify were Louis Jalbert, Albert Cote, Jim Dudley and Bill Jacques, which only proves, I guess, that you have been more successful than I, more consistent; you have stayed in one place and I have been wandering.

I brought this notebook so you might know what a Senator does when he comes home. John referred to this as a vacation. This is some of the homework that I bring with me in anticipation of questions I might be asked on problems that we are dealing with for constituents or legislation in which we are involved. There are three of pressing importance that I would enjoy discussing with you this morning, but I am not going to discuss all three. Any one of them could take more time that I should take with you—the Indian problem, the Panama Canal Treaty problem, Dickey-Lincoln School. But I would like to talk to you this morning, if I may and if you are willing to give me the time—not too much time, I hope—about the Indian land claim controversy.

I would like to do it in person, because try as one may, these points don't always come through clearly in the press. I am not now making an accusation directed against the press. By and large, I think they do as well as they can and most of the time that is pretty good. But you can't control the headline writers—that I gave up on long ago. And when I find this morning that my discussion of the Indian problem yesterday is interpreted by Maine headline writers as "Muskie Supports Indian Plan," it simply isn't an accurate description of what I said yesterday. So I would like to explain it myself and then

at least you people in this room will understand what it is that I have on my mind.

First of all, I think it is important that the people of Maine understand clearly what is at stake and what the options are. For too long, it seems to me, the rank and file citizen has tended to think of this Indian claim as such an unthinkable thing, of such magnitude, that it is beyond comprehension to them, it couldn't possibly be true and it would somehow go away if we pay no attention to it. The only people who have been discussing it seriously are the Governor, the Attorney General, their assistants, people they consult, the congressional delegation because we had been asked by the Governor and the Attorney General to be helpful, other state officials who are directly involved in the talks that have been going on. All these discussions and all that has gone on before have come to a head and some decisions have to be made. I think the people of this state, the legislature of this state, have a right to influence those decisions when they are made.

I am not here to sell a particular point of view this morning. Obviously, since I have been thinking about these things for a number of years, I have developed some points of view, but I am not here to sell my point of view on any particular proposal. I am here to try to explain as best I can, and I may not be the most effective spokesman to do it, exactly what is at stake and what the choices are.

I think beginning with a little history is a useful point of departure. The immediate history involved is the Indian Nonintercourse Act of 1790. Now, what was that? That was the response of the first Congress of the United States to a situation involving Indian rights to land which had been exploited cruelly and unmercifully almost from the time that the first white man came to this continent.

Ownership of land to the Indians was an entirely different thing than ownership of land to those of us who were descended from Europe. The Indians viewed land as a place or an area in which to roam, to get their living, to live their lifestyle. There was no such thing as private land ownership, and their occupation of the land of eastern Maine was typical of the way Indians occupied land all across this country, and it was a virtually empty continent when the white man first came. They covered one area in the summertime when they had recourse to the streams or to the sea for their food and for some agriculture on the side. When the cold weather came, they moved to another area for game, for hunting and for winter quarters. So they were constantly on the move over the land areas which they occupied in that sense. They didn't own land by metes and bounds in the sense that we do, they simply occupied it for the purpose of using it.

The whites, of course, who moved in thought of ownership as we do. They were interested in acquiring the title to land, a notion that was unfamiliar to Indians. They found ways to influence Indian decisions about where they would move in ways that often dispossessed the Indians of these tribal lands for little or no compensation. Because the first Congress of the United States understood this, the Nonintercourse Act was passed to try to protect the Indians from this kind of exploitation. Its provision was very simple—very simple. The transfers of title to Indian land were not valid unless approved by the Congress of the United States. One of the movers of the Nonintercourse Act was a very famous citizen of Maine, Henry Knox, who was in George Washington's first Cabinet, so it was a very significant piece of legislation at the time.

For some reason, everyone involved acted as though the Nonintercourse Act did not apply to the original 13 Colonies or the original 13 States, as they became, the assumption being that because these 13 States were already established and already had a relationship of their own with the Indian tribes within their borders, the Nonintercourse Act didn't apply, that it applied only to the western lands which, at this point, were unorganized, which were territories.

So subsequent to 1790, Massachusetts, which then, of course, owned Maine—we were part of Massachusetts at the time—negotiated treaties with the Passamaquoddy and the Penobscots involving the transfer of huge blocks of Indian land in this State, and those treaties were never submitted for approval to the Congress.

It apparently didn't occur to anybody, Indians or whites at that time, to do so. There were subsequent transfers following that. This is a very concise and brief description of that history, and I don't want to spend too much time on it, but that is where the whole problem originated. Then Maine became a state, assumed all of the obligations of the treaties that Massachusetts had entered into with the Indian tribes, and it was assumed that those obligations were the obligations of payment to the Indians of one kind or another, or services to the Indians of one kind or another that were provided in the treaties.

We came down to the present time. In 1972, the tribes brought suit and as a result of that suit, in 1975, the District Court of the United States in Portland, in an opinion written by Judge Gignoux, who is known to all of you by reputation as an outstanding judge and lawyer, made three important decisions in that case—one, that the Nonintercourse Act did apply to the 13 original states; two, that the federal government—which for 200 years had refused to recognize the so-called state Indian tribes as federal obligations for the purposes of services and programs that are provided for the western Indians, for example—that the federal government had a similar obligation with respect to these tribes in Maine and the other original Colonies; thirdly, that the federal government had a responsibility as trustee of the Indians to represent the Indians in their claim under the Nonintercourse Act. That was regarded all across the the country as a model decision in the field of Indian rights, and I repeat that it was made by Judge Gignoux in January of 1975.

The implications of that decision were so enormous that very few people focused on them or understood them, let alone accepted them. The case was appealed and went to the First Circuit Court of Appeals in Boston. The Circuit Court affirmed Judge Gignoux's finding.

Those cases did not take the next step, which is to determine to what extent, if any, the Nonintercourse Act was violated by the treaties that were negotiated by Massachusetts and subsequently. That issue was left to be decided and the Justice Department of the United States was under orders from the Court to proceed to represent the Indians adequately in pressing whatever those claims were, and that is where we are today. So since the decision in 1975, the Court has been pressing the Justice Department to announce its intentions with respect to the Indian claims.

As a member of the Maine delegation in Congress, our first official involvement in this whole matter began in the fall of 1976. At that time, the pendency of these claims and the orders of the Court to the Justice Department began to influence a lot of decision makers in the private sector, people who owned property in the claims area involving twelve and a half million acres of land, people who held mortgages on property in the claims area, people who loaned money on property in the claims area, lawyers who were asked to certify titles in the claims area, all of these people and others began to alert to the fact a claim of this magnitude and significance was hanging over that area and involving them directly. In other words, the question of titles and the validity of titles in that area is impacted by the pendency of this litigation. So, the Governor foresaw, as he should have, he was wise to do so, the possibility of economic stagnation in that area wholly attributable to the fact that this litigation is pending. And whatever its outcome ultimately—and a case of this magnitude could take years to decide in the judicial process—the mere fact that it is hanging, even if it ultimately rejects the Indian claims, has an impact. This is what troubled the Governor. The state's own credit was put in jeopardy. He came to us the last day or two of that Congress and asked us if there was some way that we could get emergency legislation enacted in order to avoid that result. Well, of course, there wasn't in the last day or two of Congress, any way to deal with a question of this magnitude, let alone finding the solution to it.

The delegation did introduce legislation simply to indicate our concern with the possibility of economic instability and the filing of the legislation, I think, had some calming effect.

In the meantime, a new administration was elected in Washington—hadn't yet taken office, wouldn't take office until January 20, and the Justice Department was under orders to report its intentions to the District Court prior to the end of January. So we could see the whole thing erupting again. I undertook to get in touch with the new administration. I talked to the President's General Counsel Designate, and he contacted the Attorney General Designate.

They shared our concern and offered to help or to try to help. The best they could do at that point, the President not yet having taken office, was to indicate to the Judge that the President would take the problem under advisement, and the Justice Department as well, and try to develop a policy by the first of March, I think it was. The President did. The action he took was to appoint a special representative, Judge Gunter, who had recently retired from the Supreme Court of Georgia, to develop recommendations to the President. The Court accepted that as a basis for continuing the case several months, I think until mid year, so Judge Gunter would have adequate time to dig into the problem, and he did. The fact that the President took this action had a further calming effect on the economy of the area. People assumed that if the President of the United States was willing to take on the problem, that somehow, in some way, eventually a solution would be produced. So people could be less uneasy about the impact of this decision on their own economic prospects. So the President's action did serve a useful purpose.

Judge Gunter presented his recommendations to the President in June and neither the tribes nor the state were willing to support his recommendations—his recommendations were rejected. I am not going to go into detail with respect to them unless I am asked to, and I would be perfectly willing to do it then. But those recommendations are behind us, they have no standing or validity at this point because, without support by the parties to the litigation, there is no way for them to fly. Congress wouldn't pay any attention to them if the parties don't support them, and the President wasn't satisfied to try to support them if the parties didn't support them, and at that point, neither side seemed to want negotiations. The state clearly did not. The Indians were talking privately about their willingness to negotiate, but given the state's view on it, the Indian tribes were not particularly articulate about going to negotiations themselves.

The tribes wanted a way to present their view of a settlement.

Remember, at that time they were talking about twelve and a half million acres of land which would involve, including trespass damages, $25 billion. The Indians wanted to present their view of what a reasonable settlement would be in an official way, and they asked the President if he wouldn't appoint a task force or a group to which they could submit their proposal.

That is what has happened. Those are the proposals that have been worked out. They are not binding on anybody except the Administration and the Indian tribes. They will not be implemented except with respect to the first one—and I will get to that in a moment—they will not be implemented in any way unless the state and the large landowners are willing partners to the implementation.

What does the proposal present? First of all, and this I had something to do with, you will note that it is called a "Memorandum of Understanding" not a Memorandum of Agreement. There is only one definite commitment in it.

The President is prepared to recommend to the Congress that the Congress appropriate $25 million to be given to the Department of the Interior in trust for the Indians. In return for that, the Indians have agreed, and they are bound by this, they can't escalate their claim, they are bound by this, they have agreed to the $25 million. If the Congress is willing to provide it, they will clear the title to 9.2 million acres of land. That includes all the land owned by small homeowners, small businessmen, municipalities, counties and private holdings up to a maximum of 50,000 acres for any given property owner. That means that the large landowners, the paper companies and so on, would be exempted for a total of 700,000 acres. All of that would be cleared for $25 million paid by the federal government. The state wouldn't contribute a nickel to that settlement, the large landowners wouldn't contribute a nickel or a square inch of land to that settlement, and if that is all that is done, the rest of the Indian claims—and these would be claims against the state's public lands, the large landowners, the holdings above 50,000 acres—would be settled in the courts. That is where the state has said it would prefer to have the matter settled, that is where I think the major newspapers of this state have editorialized the matter ought to be settled, and that seems to be the prevailing mood among average citizens.

The White House felt that the President, having taken on the responsibility at the request of the state, ought to try at least to trigger or set in motion a settlement process that would clear the whole business.

The White House work group was under some limitation in trying to do this because it was dealing with only one side, the Indian tribes, the state not being interested in negotiating. So what the White House did was try to get the Indians to the most reasonable settlement that they could persuade them to take unilaterally.

What does that amount to with respect to the state? Remember that the Gunter proposals would have put the burden on the state to put together—and those are the exact words that were used—put together 100,000 acres of land as the state's contribution to a settlement. Everyone jumped to the conclusion that that meant 100,000 acres of public land and, of course, there was wide indignation about that because Maine doesn't really have all that much land and most of that which we hold has a special value for us—Baxter State Park, the Allagash Waterway, Bigelow Mountain, and you can add others, the public lots. But actually, what Judge Gunter had in mind was that that 100,000 acres probably ought to be made up of contributions not only by the state but by private landowners, but he left that to the state.

Now, what this proposal to the state is, is this—it would drop any claim against the state for land of any kind. It would instead request that the state continue its present level of payments to the tribes—which are now made in order to provide services—which would be made under this agreement, if it were reached, as the state's contribution to the settlement. At the present time, that payment amounts, I understand, to $1.7 million, and the Indian proposal is that that level of $1.7 be continued for 15 years, at which time it would end. It would be made to the Department of the Interior to go into the Indians' trust fund and the state would have no further responsibility nor would it face any further request for Indian services or for any further payment to the settlement.

The federal government, on the other hand, under the court case and under this agreement, would pick up the Indian services and would continue them indefinitely into the future. It is interesting to make the point that if that case which created so many problems for us in the state had never been filed and never settled, the state would face the burden of Indian services into indefinite future. And given inflation as we can project it, in 15 years, that could amount to $3 million.

This is the new proposal to the state. It involves no land, it involves no lump sum. It involves the continuance of Indian payments at the present level for that amount of time. It would amount to $25 million over that amount of time. That is the new proposal to the state. I emphasize that it is a proposal for the state to evaluate. I am not going to make a judgment at this point as to whether I think it is more reasonable than the first proposal. Whether it is as reasonable as it ought to be is something for all of us to consider together. I am not selling that, I am trying to explain what this new proposal for the state is.

Now, with respect to the large landowners. There are 14 of them, and they hold a total of 3,655,000 acres of land—14 owners. Under the agreement, 700,000 of that would be exempt altogether without any payment by the large landowners. Of the three million that would be left, the Indians propose that 10 percent or 300,000 acres be contributed to its settlement upon payment which the landowners, of course, would describe as token, of a million and a half dollars, or five dollars an acre.

In addition, the tribes asked that they have options on another 200,000 acres which they would pay for at the fair market value when the options were exercised—no contribution here, just a fair market value price.

In addition to these numbers, there is also a commitment on the part of the White House Task Group to try to get some easements and some rights to perform religious ceremonies that are described in the agreement, which I won't undertake to describe here.

The proposal to the land holders is a proposal. The White House, according to a statement by Mr. Cutler, who is a part of the White House Task Group, transmits without an endorsement by the Administration the terms on which the tribes have promised that they will drop their claim. So these proposals are being transmitted to the state and landowners respectively for consideration and each, of course, has the option of accepting, rejecting or making a counter proposal.

Finally, may I say with respect to the large land holders, I don't think the history of their activities in this state suggests that they are not skilled in the art of hard bargaining. The fact that 14 of them own 3.6 million acres of land in this state speaks for itself. But in any case, what the White House is trying to do by transmitting these proposals is to trigger a process of negotiation if that is the desire of the state, the desire of the large landowners, after they have evaluated their own interest.

I had a meeting with the representatives of one of the largest landowners and they were very upset about this whole business. They wanted to know what my view was and I said, "Gentlemen, I don't know what your company's view of what its interests require may be. I haven't had access to your corporate books or to your balance sheets or to the extent to which your operations depend upon 10 percent of your land holdings for the viability of your company. You see, I am willing to be educated. It seems to me it is your option to go back to your company and to evaluate its interest, whether or not it would benefit from a settlement rather than long, drawn out litigation and tell us, the people of Maine, whether or not this is a reasonable offer that the Indians have made or an unreasonable one, and I certainly will study whatever you have to say as carefully as I have tried to study this proposal." The same is true of the Indian tribes.

I met with the Governor and the Attorney General yesterday afternoon and I said the same thing to them as I have said to them for the last year and a half. I think only the Governor is in the position to speak for the state, with, I am sure, the advice of the legislature and other appropriate state officials. It is not for me. But if my advice is sought as we move toward a decision, I will try to contribute that advice as frankly and as candidly as I can.

I primarily want to emphasize that we still face the two problems that triggered the Governor's first visit to Washington: First, whether there is a chance of losing this case in the court. We lost two cases we didn't expect to lose. I used to be a lawyer. I never had a case that I thought was 100 percent proof against losing. I was lucky if I had a 3 to 1 chance of winning. I thought that was pretty good. So I never had a case that I wasn't willing to settle at some point. Whether or not this is the kind of case which we ought to settle, I don't know. The Attorney General says he thinks the Indian case has no merit, and he has raised, among others, two principal arguments: that the Indian tribes had already given away this land or lost it by conquest before 1790; and if that wasn't the case, that when Maine was admitted into the Union, the federal government, in effect, by adding us in 1820, ratified those treaties that were negotiated prior to that time. The Attorney General has presented those arguments to the Department of Justice and has said that he would like to present them to an appropriate court, and that is a perfectly responsible kind of judgment to make. Whether it is the final decision we ought to make as a state is still an open question.

Whatever the defense is, I submit, given the decisions that have already been made, there is some risk that we will have to evaluate, each for ourselves, that we might lose the suit. The large landowners, instead of giving up 10 percent of their land, may have to give up a larger proportion of it. The small property owners, homeowners and so on, may see themselves saddled with a burden of some magnitude on their property. So there is the risk of losing any court case, it would seem to me; but, again, evaluate that after you have heard the Attorney General and consider the matter.

The other problem is still the economic one. Up until now, the economic waters have been quieted by the President's action thus far. If those actions produce nothing, the matter is thrown back into the courts. I wouldn't want to be responsible for a guarantee that there wouldn't be some economic

disruption in the area. There may be those who think that everything is calm now and it will stay that way. Maybe it will, but it didn't before, and that is a risk that we have to evaluate.

No matter what you think about the merits of the case, there still may be some advantage to settling on some terms, and it is those decisions that I am glad to see are now wholly out into the open where the people of Maine can share them, influence them; where the legislature can discuss them and influence them; and out of it, I hope, produce a settlement or at least a solution. I will support whatever solution you wish to pursue. If you want to go to court and all you ask of us in the delegation is to get the support of the Congress for the $25 million, we will do our best to get it. $25 million is a lot here; it isn't all that much in Washington, as you all know, but we will do our best to be helpful, whatever our views about the settlement.

I regard myself, on matters of this kind, the instrument of the people of this state, and I am not going to try to force my views on them. I think they ought to share our views, and we have, under the agreement, 60 days from the time that this memorandum was presented to make our decisions. If no decision for settlement is made on the state lands or the big landowners' lands, then the President will submit just the first proposal to the Congress and assume that the matter will go to the courts. This agreement would not be binding on the Indians after 60 days. So, we have a 60 day period of decision-making facing us.

I have talked quite a long time—longer than I would prefer, unless I am in the Senate itself where our time is there to be killed—but I hope it has been useful. I hope that you at least understand exactly what I am trying to do. There are other subjects I would like to discuss while I am up here, but I think this is so critical, so important. It may well be the biggest single event in Maine public life impacting on the welfare of our people since I entered politics in 1946 and I would like to see it turn out right. It is for that reason I came.

Thank you for welcoming me and making me feel at home.

THEY SHALL HAVE MUSIC

Mr. KENNEDY. Mr. President, it is a tragic fact today that economic problems facing our schools frequently force cutbacks in their cultural curriculums, causing the elimination of music and art instruction. The resulting loss of emotional enrichment and individual development to America's youth is immeasurable.

Thanks to a group called Young Audiences, Inc., however, our schoolchildren are not entirely deprived of that part of their coursework which aims to raise their esthetic awareness. For 25 years, Young Audiences, Inc. has provided free concerts in the Nation's schools. Recognizing that the appreciation and enjoyment of music is one of life's richest experiencse, the organization's local chapters enable young people from Boston to Los Angeles to participate in musical demonstrations and increase their knowledge of music while making contact with real performing artists.

The Massachusetts chapter in particular sponsors over 500 performances a year and has reached about 80,000 children all over the State. A recent article in Parade magazine by Herbert Kupferberg describes two recent performances in the Boston area, at the Woodrow Wilson Middle School in Dorchester and at the Nathan Hale School in Roxbury. Not only do the children have an opportunity to hear and observe the musicians as they perform, but they also have opportunities to question the performers and are invited to try playing the various instruments.

As a member of the Senate Subcommittee on Education, Arts, and Humanities, I have a special interest in the significance of the arts for American education. It is my hope, therefore, that all who appreciate and support the arts, and particularly those with an interest in arts education, will read Mr. Kupferberg's article.

Mr. President, I ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

THEY SHALL HAVE MUSIC

(By Herbert Kupferberg)

BOSTON, MASS.—"When you put good music and schoolkids in the same room, something happens," says Gerry Martin.

Martin should know. For eight years he was executive director of Young Audiences, Inc., a national organization celebrating 25 years of providing free concerts and musical demonstrations in schools across America.

Young Audiences, which operates through local chapters, feels its work has become especially important today, when many schools are being forced by economic pressures to cut back music and art instruction. As schools lose their music and art teachers, Young Audiences often is about all that's left in the way of a cultural curriculum.

INFORMAL SESSIONS

But its programs are far different from regular classes or ordinary concerts. Young Audiences performers are picked not only for their musical skills but for their ability to communicate with kids. At their informal sessions they play both classical and pop music, chat with the young listeners, answer questions, and even invite them to try playing their instruments. Pupils leave a Young Audiences session not only with an enhanced knowledge of music but the conviction that they've had a good time.

"Most of these kids have never heard live music before," says Linda Lewis, chairman of the Massachusetts chapter of Young Audiences. "Music is all around them—television, radio, records, tapes—but they don't get to hear it live. That's where we come in.

The Massachusetts chapter sponsors over 500 performances a year, reaching about 80,000 children throughout the state. Two recent school performances in the Boston area provided lively examples of how the program works.

At the Woodrow Wilson Middle School in Dorchester, five stalwart young men called the Cantabrigia Brass, all wearing turtleneck sweaters, station themselves around an auditorium full of seventh-graders, playing flourishes and fanfares from all sides on two trumpets, a French horn, a trombone and a tuba. Trumpeter Bob Pettipaw, the leader of the quintet, explains to the youngsters the difference in instrumental sounds, shows how the players work together in various combinations, and finally winds up by leading the group in a rousing rendition of Scott Joplin's rag "The Entertainer." He also introduces the audience plainlessly to such musical concepts as melody, rhythm and meter.

"I've played hundreds of school concerts, and kids get into this kind of give-and-take much better than adults," says Pettipaw. "The important thing is not to make a big deal out of names and dates. It weighs them down."

At the Nathan Hale School in nearby Roxbury, a smaller group of third- and fourth-graders clusters wide-eyed around the members of the Delalande Trio—Randy Bowman, flute; Carol Kulzer, harp; Jimmy Bergin, viola—a group whose repertoire ranges from classics by Rameau and Debussy to "Raindrops Keep Fallin' on My Head" and the theme from *Star Wars*.

"Each audience is different," says Carol. "It's what makes it exciting."

Very quickly Carol and her two colleagues have their classroom audience beating time either with their hands or their feet. Between numbers the questions fly thick and fast, and soon the kids have learned a lot of things they never knew before—that a flute has 15 holes and can play 37 notes, that a harp has 47 strings and can play 141 notes, and that the strings of a violin or viola bow are made from a horse's tail (a student calls out "yich!" at this).

MAKING MUSIC

The climax comes when Carol invites a pupil to play her harp and 7-year-old Paula Wool is selected to try. Under Carol's guidance, the solemn-faced Paula is soon plucking the strings in a cascade of glissandos while Randy and Jimmy begin to weave in their own melodies on the flute and viola. Paula can't quite believe it, but she is making music. When the "performance" ends to enthusiastic applause, another pupil calls out: "How long does it take to really play the harp?" Carol tells him: "You can start to play within a month. But, like everything else, you have to practice to become really good. Let's say it'll take a few years. . . ."

However, the basic intent of Young Audiences is not to create expert musicians but appreciative listeners.

"Results aren't easy to measure," acknowledges Brad Lewis, community development director, who works directly with the 38 local chapters in 34 states. "We're dealing with things you can't really test. We're trying to teach esthetic awareness, not how to read music or play an instrument. We also want to give the students actual contact with performing artists, so they can see that they're real people."

THEY WRITE LETTERS

Evidence that Young Audiences is getting through to its listeners arrives almost daily at the organization's New York headquarters in the form of letters from across the country. A girl in The Bronx, N.Y., writes to a harpsichordist: "The music made be very happy—I wish you could come every day." A principal in Salina, Kan., reports that enrollment in the school orchestra shot up after a visit from a string quartet. Testimony from administrators in several districts says pupil absentee rates drop when Young Audiences is scheduled.

Musicians employed in the program are all professionals, and they're paid the prevailing union rate. Although some funding comes from federal, state, foundation and other outside sources, most of it is local, usually provided by school boards or parents' associations.

Says Gerry Martin: "When a community comes to us and asks help in setting up a chapter, we tell them they need four things: a board of directors, artists of good caliber, sources of funding, and the cooperation of local schools. The local chapters are incorporated separately, and they raise 75 percent of the artists' fees themselves."

In recent years Young Audiences, which

originated in Baltimore, Md., has been broadening not only its geographic reach but its artistic activities, for it is branching out into the fields of theater and dance. It's also beginning a project of "intensity" programs in certain schools, expanding its usual 45-minute sessions into a sequence of interrelated concerts, workshops and classes. But despite its achievements so far, Young Audiences feels it is not yet at full pitch.

"Every year we reach 3 million schoolchildren in the United States," says Martin. "But there are 60 million, so we're actually getting to only 5 percent. We still have a lot left to do."

YOU CAN START A CHAPTER

Young Audiences currently has the following city and regional chapters: Baltimore, Beaumont, Billings, Central Arizona, Central New Jersey, Chicago, Cleveland, Corpus Christi, Denver, Detroit, Houston, Indiana, Kansas City, Kern County [Bakersfield, Cal.], Las Vegas, Los Angeles, Massachusetts, Napa Valley [Cal.], New Orleans, New York City, Northern Nevada, Oregon, Philadelphia, Pittsburgh, Rochester, St. Louis, Salt Lake City, San Diego, San Francisco, San Jose, Southern Arizona, Twin Cities, Utah Valley, Vancouver, Virginia, Western Montana, Western New York, Wisconsin.

If you are interested in starting a chapter in your community, contact Young Audiences, Inc., 115 E. 92nd St., New York, N.Y. 10028.

SOME OBSERVATIONS ON THE NEED FOR A REVISED MEAT IMPORT LAW

Mr. ABOUREZK. Mr. President, the complexity of the problems facing the agricultural sector in this country is further compounded by the industry's diversity and the need to balance the needs of its different components. One example of the potential contradictions inherent in this diversity is the juxtaposition of the grain producers' goal of expanded trade outlets for their products with the cattleman's struggle to control the price depressing imports of beef.

On the surface, at least, the two philosophies appear to be irreconcilable; would not the erection of trade barriers to incoming foreign beef constitute "protectionism" and invite a backlash against other American agricultural products overseas? At first glance, the reply would seem to be "yes," that the two groups have a common bond. It is obvious that both segments of the farm economy are receiving returns below their cost of production; there is little in the way of supportable logic to call for an expansion of grain trade if each bushel is sold well below what it costs the producer to grow it.

Likewise, the cattleman in this country is being slapped on both cheeks: First, by a double standard international free-trade policy that opens American borders to an ever-swelling wave of meat imports while closing off foreign markets to U.S. meat exports; and second, by an outdated meat import law that does not even require competitive labeling and inspection practices on the part of importers. It is clear that few benefit from the present arrangement—certainly not the cattle producer, who the ITC found would have had increased income of up to $1.8 billion if meat imports had not been allowed to double from 1964 to 1976, nor the ultimate consumer, who is not even able to determine whether the meat product he is purchasing contains imported beef or not.

Mr. President, the legislature in my home State of South Dakota recently passed a concurrent resolution that sets forth the issues surrounding meat imports quite well. I ask unanimous consent to have the resolution printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION No. 1011

Whereas, beef producers have been experiencing severe economic hardship; and

Whereas, beef imports have a very serious negative economic impact on livestock producers; and

Whereas, the quality of foreign beef is traditionally often less desirable than that of domestically produced meat; and

Whereas, it is currently often difficult for the consumer to determine whether beef is foreign or domestic; and

Whereas, the United States International Trade Commission (ITC) held hearings in mid-1977 on the impact of foreign beef on domestic beef prices; and

Whereas, objective International Trade Commission studies indicate that had imports not been allowed to double from 1964 to 1976, beef producers would have received from $1.5 to $1.8 billion more for their cattle in 1976; and

Whereas, the hearings demonstrated a need to amend the Meat Import Act of 1964 in the interests of American beef producers and to assure the consumer a quality product:

Now, therefore, be it resolved, by the House of Representatives of the Fifty-third Legislature of the state of South Dakota, the Senate concurring therein, that the state of South Dakota supports amending the Meat Import Act of 1964 as follows:

1. To incorporate a counter-cyclical quota formula;

2. To extend coverage to all beef and veal products;

3. To reduce the trigger level from 110 to 100 percent of the quota level; and

4. To prohibit the President from suspending quotas at the expense of American producers; and

Be it further resolved, that the Congress of the United States be requested to pass legislation to improve the inspection and labeling of imported beef and veal as follows:

1. By requiring that foreign beef and veal be labeled as such;

2. By increasing the percentage of meat randomly sampled;

3. By increasing the frequency of inspection of foreign plants; and

4. By requiring foreign meat to have the same restrictions as to feed additives, pesticides, etc. as domestic beef; and

Be it further resolved, that copies of this Resolution be sent to President Carter, Secretary of Agriculture Bob Bergland, the Chief Clerks of the United States House of Representatives and Senate and the South Dakota Congressional Delegation.

A PRUDENT DEFENSE BUDGET

Mr. CULVER. Mr. President, this morning's New York Times carries an excellent editorial, summarizing and analyzing the newly proposed defense budget. The Times applauds Secretary Brown's shift in emphasis toward conventional force improvements in NATO and calls his overall approach to our defense needs "refreshing and reassuring."

In response to calls from some quarters to add another $2 to $3 billion to this record military budget, the Times concludes that—

The Carter budget seems properly balanced against the nation's other needs. Those who would spend more on other forces should be required to propose other cutbacks.

Mr. President, I ask unanimous consent that this timely contribution to our defense debate be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A PRUDENT DEFENSE BUDGET

After a year of elaborate study, managed by Defense Secretary Harold Brown, the Carter Administration has projected its view of the nation's future defense needs. In two lengthy public documents—and two secret ones, leaked by critics—it proposes fundamental changes that are stirring heated controversy. We find the proposals, and Mr. Brown's approach, refreshing and reassuring.

The Administration acknowledges a 3 to 4 percent annual increase in Moscow's defense spending since the 1962 Cuban missile crisis, but avoids the annual budget scare about the Soviet menace. "While there is work ahead of us," Mr. Brown says, "there are no grounds for panic or crash efforts." He seeks a 2 to 3 percent annual increase in American defense spending over the next five years. Of the three major areas of Soviet exertion—in strategic, naval and European forces—only the growing threat to Western Europe's NATO forces is seen as requiring a substantial new American response—not because anyone expects an attack, but because a military balance is essential to deter one, to forestall Soviet adventurism and to protect Western Europe from political blackmail.

To focus on the Soviet Army challenge in Europe, a President who graduated from Annapolis and served on nuclear submarines is proposing to downgrade the Navy, to slow down the American buildup of strategic nuclear arms and to shift forces from the Pacific to the Atlantic. A further transfer of resources from less vital military programs is to be sought by reinstituting some of the civilian controls and "cost effectiveness" standards applied by former Defense Secretary McNamara. (The Nixon Administration saw a return to military log-rolling and unanimous decisions by the Joint Chiefs of Staff that protected vested service interests.)

All of this naturally evokes cries of pain from those who are to be pinched. But what is the alternative? The dimension of the NATO effort requires either constraint in other areas or much larger defense budgets than now proposed—$126 billion in fiscal 1979 and increases to $140 billion in 1983, in constant dollars. Secretary Brown argues that his program is sufficient. He makes a persuasive case.

The Defense Secretary sees the Soviet Union coming from behind and "acquiring military power comparable to that of the United States," rather than approaching a decisive superiority, as feared by the Ford Administration last year. His prescription for the United States, equally cool, is to maintain "an overall military balance with the Soviet Union no less favorable than the one that now exists." In that balance, Moscow's military edge on the ground in Europe and its approaching parity in strategic arms are to be offset in part by an American edge in naval capabilities and tactical air power. He is reckoning also with Western economic superiority, the Chinese threat at Moscow's back, undependable Soviet satellites in East-

ern Europe and dependable American allies in Western Europe.

In the strategic nuclear balance, the Defense Secretary sees a "standoff or stalemate" for the next decade, making a Soviet nuclear attack "the least likely military contingency we face." Neither in a major nuclear exchange, nor in a limited nuclear attack, could either side gain a decisive advantage by striking first, Mr. Brown maintains. The vulnerability of the American Minuteman missile will require it eventually to be replaced or supplemented, whether or not a SALT II treaty is concluded. But, pending further study of design and of less expensive and less destabilizing alternatives, development of the big, mobile, $35-billion MX missile system will not be speeded up.

In Central Europe, however, the Warsaw Pact's 2-to-1 advantage in forces poses risks to the West, Mr. Brown asserts. With 15 to 30 days of warning, duly reinforced NATO forces would have a good chance of stopping the Russians and holding them for several weeks, although farther west in Germany than might be hoped. But this capability would decline sharply with less warning time. The Soviet Union's ability to launch a short, intense, armored war with little warning has increased substantially in recent years. And in the early days after such an attack, its rates of mobilization and reinforcement from the homeland would be faster than NATO's.

At present, the American five and two-thirds divisions and 28 tactical air squadrons in Europe could be augmented by only one division and 40 squadrons in 10 days. By prepositioning equipment in Europe, the Carter Administration aims by 1983 to be able to fly five divisions to Europe in 10 days and 60 air squadrons in seven days. That is to be the centerpiece of the Administration's defense policy, along with measures to step up the readiness of all NATO forward forces, to improve their initial combat capability and to build up war reserve stocks for high-intensity combat. The other NATO countries have agreed to seek a 3 percent annual increase in military spending to match the American effort and to improve defenses against a surprise assault. Once that is achieved, Mr. Brown would turn to measures that would enable NATO to fight conventional battles for at least as long as the Warsaw Pact bloc.

The Navy's main role in this strategy would be not to project air power against the Soviet heartland but to keep open the sea lanes to Europe and to prepare for brush-fire wars elsewhere. The Navy is divided over this concept; its carrier admirals are up in arms because it could mean smaller and perhaps fewer aircraft carriers, conventionally rather than nuclear powered and carrying less spohisticated aircraft. But the shift in the Navy's mission is overdue.

A Republican critique proposes to avoid these hard choices by spending an additional $2 to $3 billion for more naval and strategic forces. But the Carter budget seems properly balanced against the nation's other needs. Those who would spend more on other forces should be required to propose other cutbacks. Billions are needed for security, but the country cannot afford even one cent for tribute to interservice barter.

FIRST RURAL AMERICAN WOMEN LEADERSHIP CONFERENCE

Mrs. HUMPHREY. Mr. President, last Tuesday, February 21 I spoke to an outstanding group about issues that affect the health, education, income, mobility, general well-being, and happiness of one-third of our Nation—the men, women, and children who live and work on the farms and in the small communities that make up rural America.

It was appropriate and gratifying to make my first formal remarks, as a U.S. Senator, to the first national leadership conference sponsored by Rural American Women, Inc., which was held from February 21 through February 25.

As keynote speaker, I was welcomed by an enthusiastic audience of leaders from all over America, representing the most varied talents and experience. I spoke to them of the concerns and goals that unite us, as well as the values and experience that are our common heritage.

Many of those concerns are shared by all rural dwellers; others bear directly on the status and opportunities of women. This conference has helped to sharpen the focus and articulate the needs of rural American women, and to encourage their active and vigorous leadership in improving rural conditions.

The first national Rural American Women Leadership Conference drew many able and knowledgeable speakers, and I was honored to participate. The women who took part in this stimulating and informative meeting will be inspired to return and assume an active role in their communities.

I am confident that the voices of rural women will be heard more frequently, and more effectively, in the future, and that public policy will benefit from their contribution.

Because the ideas I expressed in my remarks reflect principles and convictions that will guide my decisions as a public official, and because I believe they are important considerations, Mr. President, I ask unanimous consent that the text be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR MURIEL HUMPHREY

Thank you for this opportunity to deliver my first formal remarks since accepting the challenge of public office. I consider this ar important and appropriate forum.

One of the reasons that I agreed to accept my husband's seat in the United States Senate, was because I am convinced that women should be willing to accept an equa. responsibility to patricipate in public policy-making that directly affects the conditions of their lives.

As a publicly conscious woman, I am sensitive to the issues that concern many women. I feel obliged and privileged to use the opportunity for direct public service that has been granted me to help, wherever I can, to voice the concerns I share with other women and to advance our common goals for ourselves, our families, and our country.

This forum is especially exciting and educational for me. Each of you has learned the value of direct participation, and the need to define and express the interests and concerns of rural women that for many years have been seriously underrepresented and frequently ignored.

I know that the documents which result from this conference will give Americans in general, and national, state, and local policy-makers in particular, a more precise knowledge of where public policy and private custom have neglected or even worked to the detriment of rural women. I am confident it will produce an invaluable agenda for action.

I accepted your invitation in the belief that this conference needs both those who have an expert grasp of facts, and those like myself who can help to translate these facts in terms of individual lives and careers.

Essentially, I am here because I am one with you. I spent my youth in a small rural town, and I still call a small town my home.

I share with many rural women a strong feeling for family ties, for continuity, tradition, and independence; and a deep respect for the bounty and beauty of our land.

Yet the voices of rural women have been too scattered to create a clear and urgent image of who they are and what they want. If those concerns can be well and forcefully articulated, the disadvantages of rural life can be corrected, without abandoning its unique values, satisfactions, and contributions.

One-third of all Americans live in rural areas, and that number includes 34 million women. In addition to the women who live and work on farms rural women live in towns and villages and even suburbs of the great cities. They work not only in farm-related enterprises, but also in business and industry. Some work as migrant and household laborers. But we are represented in virtually every occupation.

In the past, concern with rural development policy has been inclined to assume that there were no problems, needs, and conditions unique to rural women. But effective spokeswomen, and a growing body of evidence, have challenged that assumption.

Certainly, many concerns are shared by all rural dwellers, regardless of age, sex, race, occupation, and income.

My husband worked very hard for rural development. He wanted to preserve and protect a way of life that makes an enormous contribution not only to this nation's prosperity, but also to its spirit. He believed the rural resident should have an opportunity to earn a decent living, and to enjoy a fair share of the transportation communication, education, health, and cultural advantages accessible to urban populations.

Because rural areas have faced special barriers to prompt and high quality health care, he worked to increase the personnel and facilities serving the countryside, and to support innovations in the delivery of services to remote areas. He was, for example, the author of the WIC program to protect the health of women, infants and children through sound nutrition.

A great many very useful programs have been developed by the federal government to improve the quality of rural life, and I want to carry on Hubert's strong support for this effort. But I believe I also can make a personal contribution if I can help to highlight the specific needs, and the historic and potential contribution, of rural women.

The well-being of rural women is clearly dependent on a rural economy healthy enough to provide security and opportunity for families and individuals. That means a decent return on investment and labor. It means available credit. It means social, political and economic opportunity. It means modern and responsive public health programs and facilities—and much more.

Despite the achievement of a major landmark in public policy, with the enactment by Congress of the Rural Development Act of 1972, the fact remains that the full benefits of this legislation have not been felt by rural Americans. For several years, there was a basic philosophical difference between the executive branch and Congress as to how rural development should be accomplished. And, despite the mandate of this law to achieve a coordinated, comprehensive approach to rural development, too many federal programs remain scattered and isolated, sometimes even working at cross purposes.

But beyond this conceptual and organizational barrier to be overcome, there are urgent, specific problems of rural America that demand action now.

Rural unemployment is extensive. But even more important, it reflects a high degree of hopelessness. Far more than in urban areas, rural unemployed persons have simply stopped looking for a job. They are frustrated by the combined disincentives of limited job opportunities and low wages.

What clearly is needed is a major national effort to stimulate the economy of rural America. We must establish a new method of financing this effort—providing additional lines of credit to small banks, and helping rural communities finance the construction of necessary public facilities to attract business and industry.

By attacking this central problem of economic stagnation in rural America, we can provide a broader range of job opportunities offering higher wages.

Second, the condition of too much of our housing in rural areas remains the shame of the Nation. It is clear that there must be a reorientation of priorities in federal programs intended to address this problem—such as the programs administered by the Farmers Home Administration. For too long, the needs of the poorest rural Americans have been ignored. At the same time, a new approach must be taken to provide rural families access to low-cost financing for home repairs and improvements, as well as for the purchase of critically needed new housing.

Another key requirement for bringing a sense of hope and promise to rural America is to substantially improve the quality of educational opportunities for its children and youth. We know that, overall, expenditures per pupil in rural areas fall seriously short of the investment per school child in metropolitan America.

We know that there is much more that can and must be done if families in the farms and communities of the countryside are to share in the promise and opportunity of America.

Rural transportation networks must be substantially upgraded.

Rural health care services must be made far more accessible, and at the lowest possible cost, to isolated individuals and families.

Water and waste treatment facilities, fire prevention, law enforcement—all the services which urban America expects to receive, too often are seriously inadequate or simply non-existent in our rural areas.

And it is precisely for all these reasons that rural American women should be presenting an agenda for action to their elected officials at all levels of government. For they have a vital stake in seeing to it that the commitment made by Congress in 1970 to a sound balance between rural and urban America, is at long last carried through.

The farm woman traditionally has been a vigorous and essential partner in the planning, hard work and business skills that sustain the independent family farm. She has shared the loneliness of snowed-in winters in the North, the sun-scorched field work in the South, the heartbreaking reverses of drought, freeze, or flood. Historically, she has pitched in with both light and heavy tasks as they needed doing.

It is ironic and unfortunate that she should be shortchanged in the policies aimed at improving rural life.

From my own experience, and from the data I've seen, I am aware that discrimination in our policies and programs—whether that discrimination is intended or simply, and clearly, an end result—does limit educational and income opportunities for women.

We know that the poverty too prevalent in rural America weighs most unfairly on households supported by women. Forty percent of rural families dependent on a female breadwinner are poor, and that percentage rises to a shocking 68 percent where the head of household is a black female.

We need to eliminate the discrimination that has locked rural women in low wage, low skill, low status jobs, whether it stems from lack of opportunity or from outdated social attitudes that throw up additional barriers to the aspirations and achievement of rural women.

The problem goes beyond the failure to enforce the laws that require fair treatment. Many of the laws themselves do not adequately recognize the rights of women, including homemakers. Homemaking wives who become disabled are not entitled to social security benefits. The inheritance tax structure imposes special burdens on a surviving female spouse. Implicit in many laws is a devaluation of the economic contribution of the homemaker.

But I have not come here simply to recite a litany of the burdens imposed on rural women by discrimination.

Most important, I want to emphasize the tremendous potential of rural women.

Many of you know from your experience that you can change your schools, your neighborhoods, and your communities, because you already have done this.

I have always felt a responsibility to be involved in public activities. I have seen the profound difference that local leadership can make in the moral quality, the physical circumstances, the educational, cultural and job opportunities in communities with otherwise similar resources.

I remember with satisfaction one small incident when I joined forces with our local postmaster to organize a mobile library at my hometown of Waverly, Minnesota. Local officials insisted there was no demand for that service. But we persisted, and I am proud to say that the mobile library we put into service cannot keep up with the demand today. It is a small but important accomplishment for a community that is removed from many of the cultural and educations amenities of urban life.

I use that illustration only to demonstrate what you all know—that each of us can make a difference right where we live.

Women constitute a huge, unused reservoir of talented leadership. Too many underestimate the skills they have developed in managing a home, and in church and voluntary activities. This experience can be applied to broader public issues and in the proceedings of county and school boards, village councils and other public bodies.

It's time to petition and to participate in order to know the resources available, how they are used, and to help decide how they should be used. In Minnesota, a generally enlightened state, fewer than 10 percent of public officials at all levels are women.

Until women voice their concerns, until they take leadership responsibility, until they share in policymaking, programs will not adequately respond to their needs and values.

I am proud and privileged to join in this assembly of women determined to mobilize grassroots leadership. I urge you to draw attention to the problems of isolation, poverty and unemployment that fall with special injustice on rural women. And, I challenge you to act to correct them.

ISLAM IN IOWA

Mr. CLARK. Mr. President, my State of Iowa has always prided itself on the rich diversity of its people. The people who settled in our State during its early years include many Germans, Dutch, Norwegians, Swedes, Czechs, and others. Many communities throughout the State still preserve much of the cultural heritage of the countries from which their founders came.

Quite unique in this regard is our Arab community, located in Cedar Rapids. This community has a long tradition. It was settled as early as 1885, a year before the current State capitol building was completed in Des Moines. It built the first mosque to be located in the United States.

Mr. President, the history of this community is outlined in an article in a recent edition of Aramco World magazine. Since this community has played such a special role in our State's history, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ISLAM IN IOWA

Cornfields dominate. Verdant and lush, their precise rows march on and on to the horizon. On the west is the wide Missouri and on the east the great Mississippi, two of North America's most majestic rivers. This is Iowa, early home of the Sioux, the Algonquin and the Iroquois, but whose rolling plains more often are described now as "the heartland of the United States" or "America's breadbasket." Iowa, 33 million acres of farmland. Producer in 1975 of a billion bushels of corn, of almost $7 billion worth of agricultural products. A landscape dotted with small towns, tree-lined streets and the white spires of churches. Where the American work ethic is alive and well. Where practically everybody, man, woman or child, sports what is known abroad as the "All-American look."

And where, five times a day, a tightly knit group of American Muslims faces Mecca for the prayers of Islam.

Anomalous? Of course. But consider that a few Muslims had found their way into the Cedar Rapids area as early as 1885, a year before the golden-domed Iowa capital building was completed in Des Moines. Note that the first building on the North American continent to be designed and used exclusively as a mosque was constructed in Cedar Rapids. Note that there is in Cedar Rapids, too, the Muslim National Cemetery, with all graves facing Mecca, believed to be the only burial ground in the United States given over completely to those of the Islamic faith. And consider that at last count 13 Arab-Americans, among the 40 or 50 Arab-American families in Cedar Rapids, held the title of Hajji, meaning that they have made the Pilgrimage to Mecca, Islam's holiest city.

Cedar Rapids is the home of Lebanese-American Abdallah Igram, the World War II Army veteran who in 1953 went to President Dwight D. Eisenhower with questions nobody had previously asked: Why don't the military services recognize the religion of American Muslims just as they recognize that of Protestants, Catholics and Jews? Why is there no symbol for the Islamic faith on a Muslim serviceman's identification tags so that he might be given fitting burial rites if he's killed in action? Good questions, answered the former supreme commander of Allied forces in Europe, and at the Iowan's urging he pushed successfully to have the symbol "I"—for Islamic—stamped on the dog tags of American Muslim soldiers.

Cedar Rapids is also the home of the Mid-America Arabian Corporation, a young export company trying at the moment to adapt some Iowa dairy-farming methods to the needs of Saudi Arabia. "We've taken so much from the Middle East—our heritage, our reli-

gion," says the company's president William Yahya Aossey, Jr., whose father was born in Lebanon. "We'd like now to go full cycle, to take something of great value from America back to the Middle East." Aossey is working toward a clear definition of that cycle. As this is written, he and a Lebanese-American associate, Hassane Aly Ghais, are setting up near Jiddah, Saudi Arabia, a pilot project to force-grow forage grasses in a controlled environment (See box). At the same time, a 16-year-old Saudi Arabian, Kassem Salah Abdul Azim, on his fourth visit from his native Jiddah, is improving his English as a guest in Aossey's Cedar Rapids home.

Christian Arabs came first. That was the pattern of Arab emigration in the 19th century, of course; Christians, often already exposed to Western ideas and finding their religion shared well beyond their homeland boundaries, were at first more ready than Muslims to seek acceptance abroad. Precisely who was the first to come to Iowa or why he happened to choose the American Midwest, nobody alive today is quite sure. It might have been Tom Bashara, a Syrian from the Damascus area. Or it might have been Lebanese brothers Charles and Sam Kacere. It is known that all arrived in Cedar Rapids in the 1880–1890 era, all did some peddling—tramping the countryside with dry goods and notions for farmwives, and all later established Cedar Rapids shops from which they supplied the Arab peddlers who came after them.

As to why they chose Cedar Rapids, it might have been simply their seeking of a new frontier. The first bridge to span the Mississippi River had been completed at Davenport and the first train from the East had moved into Iowa in 1856. Just beyond lay Cedar Rapids, site of abundant waterpower, a thriving milling center for both grain and lumber, fast becoming a trading center because of its proximity to riverport and railroad facilities—and a good jumping off place for the open lands of Minnesota and the Dakotas to the north and northwest.

By 1905, at any rate, Bashara and the Kaceres had made their presence in Cedar Rapids well enough known that Abdul Aossey heard about them while on a ship outbound from Brazil. Young Abdul had set out from his home in Nabatiya, Lebanon, for New York initially, but misadventures, spawned by his inability to read, write or speak any language but Arabic, led him to South America. Continuing on toward New York after a sojourn in Brazil, he was befriended by an American who commented that he'd run across few Arabs in his extensive travels; he had, however, met some brothers named Kacere in, of all places, Cedar Rapids, Iowa. As Abdul Aossey told the story much later to his sons Anace and David, who with their mother still live in Cedar Rapids, he took a train for Iowa as soon as his ship reached New York. There he found not two but eight Kaceres, the early arrivals having sent money back to Lebanon to finance voyages for their brothers. Using their Cedar Rapids general merchandise shop as a supply base, the Kaceres peddled throughout the area, often ranging well into Minnesota. Christians all, they'd had little difficulty in finding acceptance with their largely Protestant customers.

They welcomed their fellow countryman and staked the Muslim Abdul to his first peddler's pack.

As did most immigrant peddlers, Abdul Aossey started with cases of needles, thread, lace and other small notions, walking nine or ten miles a day, spending nights in barns, churches, schools, occasionally being invited to sleep in a farmer's home. He soon graduated from needles and lace to more profitable yard goods, linens and prints. As had the Kaceres, he sent for one of his brothers, Sam. Within three years they'd brought over three more Aossey brothers, Yahya (who became William Yahya Aossey, Sr.), Daoud (David) and Muhammad. And the roots of a Muslim community were embedded.

By the time he reached Cedar Rapids in 1914, says Hassan Igram, now 78 and a retired grocer, there were perhaps 45 Muslims in the area. They were for the most part single men who hoped to earn enough to return to the Middle East to find wives. There were only two families—those of Sam Allick and James DeHook. But the pace of emigration from the Middle East—particularly from the militarist Ottoman Empire that Turkey had forged—was picking up. And it was not long before there was a full-fledged Muslim community giving prominence to the family names of Sheronick, Kallel, Habhab, Bedra, Hamed and Omar among others. Most of the newcomers began the same way, as pack peddlers. As they earned, they became more the traveling salesman, adding horses and buggies to their capital holdings and greater variety to their product lines.

By 1914 a few had acquired small trucks; given this greater mobility some began buying from, as well as selling to, Iowa's scattered farmers, and they became important providers of fresh eggs and butter to the city folk. Typically, the peddler evolved eventually into the small shop owner. By the mid-1920's Arab grocers and shopkeepers could be found in Fort Dodge and Gilbertsville; in Sioux Falls, South Dakota; Michigan City, Fort Wayne and Terre Haute, Indiana; and scattered through Minnesota and Nebraska. Cedar Rapids alone could claim more than 50 shops and grocery stores owned and operated by Arabs. And it was Cedar Rapids that attracted the greatest Muslim contingent.

Few Iowans drew a distinction between the Muslims and the far greater number of Christians, especially in the early days. Non-Arabs tended to lump them together as "the Syrian peddlers," most of them having come from Lebanon before that country was partitioned from Syria. After 1914, however, religion was accorded greater emphasis. One reason is that the Arab Christians in 1914 completed their own Cedar Rapids church, St. George Syrian Orthodox—now St. George Antiochian Orthodox Church. Another is that the Turkish Ottoman Empire had aligned itself with the Axis powers in World War I, the Turks were synonymous in the minds of Americans with Muslims, and, well, there were some of those right there in River City. Not surprisingly, more than a few peddlers were sent packing by outraged farmwives crying "Turk!" And present-day Aosseys recall that one of their forebears was chased away at gunpoint when he innocently revealed his religion to a Turk-hating farmer whose dinner he'd been sharing.

"We had no organized worship then," says H. K. Igram, now 82, who reached Cedar Rapids in 1919 by way of Nebraska. "Even then there were only 10 or 15 actual Muslim families here—most of us were still single men; but we met in homes for Friday prayers."

By 1920 the little band of Muslims had converted a rented hall into a mosque. By 1925 they'd formed the Rose of Fraternity Lodge to promote the social and cultural, as well as religious, aspects of their heritage. An Islamic pride was developing, and in 1929 plans for a true Cedar Rapids mosque were set into motion—just as the United States was entering the Great Depression.

Depression hardships at the same time heightened the Muslims' desire for their own house of worship and frustrated their efforts to complete it. Construction moved along, the men doing much of the work themselves, but it was not until 1934 that the mosque could be called completed. True to the anomaly of its location, the mosque bore little resemblance to any the immigrants might have known in the Middle East. It might have been a prairie-country schoolhouse, what with its stark lines and clapboard exterior, or a country church—except for one thing: sitting regally atop a protruding entrance foyer was a dome and from it extended a crescent-topped spire. Signs in both English and Arabic proclaimed this a Muslim place of workship.

"It was a true mosque, the first building ever constructed on this continent specifically for use as a mosque" says 52-year-old Abdallah Igram, Hassan's son. Abdallah and Hussein Sheronick in 1936 became the first Cedar Rapids-born Muslim boys to master the Koran in Arabic. "The building was a combination mosque and social hall," Igram says. "But the first floor was designed purely for prayers and that's all it was used for." William Yahya Aossey, Jr., who had a leading role in building the mosque's replacement almost 40 years later, calls the original hall "the mother mosque of North America," a name that has carried over to the present Cedar Rapids mosque.

Cedar Rapids Muslims had hired an imam—Imam Karoub—even before the mosque was built. Karoub, who arrived in 1929, served as the community's religious leader until 1932, when he was succeeded by Kamil al-Hind of Damascus. Imamal-Hind pushed for completion of the mosque and boasted in an interview given a Cedar Rapids Gazette reporter early in 1936 that the number of Muslims using it already exceeded 150.

Then came Imam Khalil al-Rauef. Urbane, charismatic, with connections to the Saudi royal family, al-Rauef reputedly came to the United States (carrying visa No. 1 from whatever diplomatic station he'd applied to) at the request of America's first lady, Mrs. Franklin D. Roosevelt, Al-Rauef, Iowans remember, was an authority on Arabian horses and Eleanor Roosevelt at the time was in charge of a horse show that featured Arabians. Nobody remaining in the Cedar Rapids Muslim community remembers just why al-Rauef settled there. It's assumed that an educated and devout Muslim trying to find a niche for himself in a new country would gravitate toward the best organized Islamic community—and in the United States that was Cedar Rapids.

Nobody was sorry that he came. He stayed only through 1938, but he still was working in the community's behalf 30 years later, when plans to build a new mosque and Islamic center were set in motion. "He was back in Jiddah when I made my Hajj," H. K. Igram says. "I found him there and he arranged for me to have dinner with the late King Faisal." He grinned. "I told them we needed a little financial help over here to build a nice new mosque."

A few other Cedar Rapids Muslims passed that word, too, not only in Saudi Arabia, but to any Islamic nation that might listen. Though no financial aid was immediately forthcoming, they were undaunted. Community leaders obtained bank loans for the $120,000 structure and went right ahead with their mosque-building program.

The new Islamic Center, on Cedar Rapids' First Avenue, S.W., was completed early in 1972. Two years later, King Faisal forwarded a check for $45,000, a gift, he said, from the Saudi Arabian people. Soon thereafter the Government of Kuwait contributed $6,000 and Libya provided a supply of Korans. "They found that we were serious," says William Yahya Aossey, Jr. "We were the first group to have approached these governments for grants, be turned down and go ahead with our building anyway."

The little dome and crescent are gone from the original mosque now, and the building is known as the Robert Detzauer Community Center. At the same time, religious activities have gained momentum at the new Islamic Center, and Muslim students attending nearby colleges have injected new blood into the

community. "It certainly isn't Islam as we knew it at home," said a young Pakistani student. "The religion has adapted to American culture. But that is good. Islam is a religion that can adapt, despite its many ancient traditions."

Friday is the Islamic Sabbath in Cedar Rapids, as elsewhere. But because the American work week is geared to a Monday-through-Friday schedule, most working Muslims there observe the Sabbath on Sunday. Lay leaders are all-important to the Friday and Sunday prayer services, the mosque having no imam at the moment, and to the Arabic-school and Sunday-school programs. Women, too, have taken on active roles in mosque programs, and they attend prayers, kneeling along with the men on the mosque's bright blue carpeting, but at the rear of the room.

The community was not always so willing to bend. "I went to Arabic school for 13 years," says Abdallah Igram. "I'd come home from public school, then turn around and go to Arabic-language classes. We'd be at the mosque every weekday from 5 to 7 p.m. and on Saturdays from 9 a.m. to 3 p.m. with an hour out for lunch. For 13 years. And I worked nights in my father's grocery store, too, all that time." The regimen seems to have made Igram a stronger Cedar Rapidian as well as a stronger Muslim. He's credited by friends as having done as much as any man to gain acceptance for Islam in America. He and Cedar Rapids contemporaries in the early 1950's organized the Federation of Islamic Associations in the United States and Canada (F.I.A.) with the idea of creating greater Islamic cohesiveness in North America.

At the same time that Igram was promoting Islamic unity he was just as busily heading a drive to build a Young Men's Christian Association branch in Cedar Rapids. "I was president of the Islamic Federation and the Y.M.C.A. at the same time," he says. But since coexistence and tolerance are strong traditions within the histories of both Islam and America, perhaps that should not be so surprising coming from a Muslim from Iowa.

LIBRARY OF CONGRESS STUDY ON THE JOB IMPACT OF REDUCING THE TAX DEDUCTION FOR BUSINESS MEALS

Mr. KENNEDY. Mr. President, the Library of Congress has recently completed a study on President Carter's pending tax reform proposal to restrict the tax deduction for business meals. According to the study, the proposal will not have a harmful effect on jobs in the restaurant industry.

The study, which was prepared at my request by Jane Gravelle of the Economics Division of the Library of Congress, indicates that any adverse impact of the tax reform would be relatively small, and would be offset by the stimulus for the restaurant industry contained in the general tax reductions in the Carter proposals.

In addition, the study notes that the restaurant industry has been growing significantly faster than other areas of the economy in recent years. The study found this faster growth would continue even under the tax reform proposals, although the rest of the economy would not be lagging as far behind.

Under the Carter proposal, the tax deduction for business meals would be limited to one-half of the expenses incurred. Under present law, such expenses may be deducted in full and have been a longstanding target of tax reformers. Under related aspects of the Carter proposals, tax deductions would be denied entirely for other forms of business entertainment, such as yachts, hunting lodges, country clubs, and sports and theater tickets. Other proposals would restrict tax deductions for foreign conventions and deny such deductions for first-class air travel.

The Library of Congress study is especially timely because of the current public debate over the impact of the proposals on jobs in the restaurant industry. This impartial and objective analysis by the Library of Congress provides welcome support for the Carter proposals and will help refute those who claim that this tax reform will cause serious layoffs among restaurant workers.

According to the study, tax deductible expenditures for business meals are estimated at $3.2 billion in 1976, or 5.8 percent of total food and business expenditures of $55.3 billion that year. The tax deduction is estimated to save taxpayers who use it $1.2 billion in 1976. Thus, the real cost of the meals for firms and others claiming the deduction in 1976 was only $2 billion, since the Treasury defrayed $1.2 billion of the cost through the tax deduction.

Using standard economic techniques, the study estimated that, if the Carter reform is enacted, expenditures for meals would decline by only 1 percent, or about $550 million.

At the same time, the general economic stimulus in the Carter program of tax cuts for individuals and corporations would produce increased spending on restaurant meals of 1 percent. Thus, the effect of the tax cut would tend to wash out the effect of the loss of the tax deduction on the restaurant industry as a whole. Although not all restaurants would be affected equally, the study found that the overall effect on jobs in the industry would be zero.

In addition, employment figures for food service workers for the years 1973–1976 show an average rate of growth of 5 percent in jobs, with a low of 2.9 percent in the recession year of 1975 and a high of 7.7 percent in the recovery year of 1976. By contrast, total employment growth in the Nation averaged only 1.2 percent during this period, with an actual drop of 1.3 percent in 1975 and a gain of only 3.2 percent in 1976. The study concluded that:

> The restaurant industry has experienced a much faster growth rate than the aggregate economy in the past few years, reflecting in part increased tastes for dining out.

The study concludes that if President Carter's tax proposals had been in effect in 1976, jobs in the economy as a whole would have grown at a rate of 4 percent that year, or somewhat higher than before, because of the tax reduction measures in the Carter program. At most, therefore, the effect of the tax reform in the area of business meals would have been to narrow by about 1 percent the gap in growth rates between the fast-growing restaurant industry and the slower-growing economy as a whole.

Mr. President, I ask unanimous consent to have the study printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE PROPOSED CURTAILMENT OF THE DEDUCTION FOR BUSINESS EXPENSES: GENERAL ISSUES AND THE EMPLOYMENT IMPACT IN THE RESTAURANT INDUSTRY

(By Jane Gravelle Specialist in Taxation and Fiscal Policy Economics Division, Congressional Research Service Library of Congress, February 23, 1978)

SUMMARY

A major structural tax change included in the Administration's tax proposal is the restriction on business entertainment deductions. This report explains the present treatment of these expenses, discusses the general issues and problems with the provision, including the potential abuse of the deductions, and summarizes the 1962 proposals to substantially revise the entertainment expenses deduction.

The second half of the paper is devoted to a quantitative estimate of the impact of the proposed change on employment in the restaurant industry. This question has been of significant interest in the public debate over the proposed tax revision.

THE PROPOSED CURTAILMENT OF THE DEDUCTION FOR BUSINESS EXPENSES: GENERAL ISSUES AND THE EMPLOYMENT IMPACT IN THE RESTAURANT INDUSTRY

Introduction

A significant business tax change in the Administration's tax reform proposal is the restriction on deduction of entertainment expenses. Under the proposal, most deductions for such entertainment expenses are disallowed entirely. However, deductions for meals will be allowed for one half of expenses incurred. Therefore, under the proposal, businesses will no longer be able to deduct expenditures for entertaining business associates in the form of yachts, hunting lodges, country club dues, theatre and sports tickets, and one half of the costs of business meals will be disallowed. The revenue gain estimated from this proposal is $1,195 million in 1979.

Present treatment of entertainment expenses

Although deductions for entertainment expenses are limited in the law to those which are "ordinary and necessary" and not "lavish and extravagant", in practice such expenses are very liberally allowed. This liberal allowance stems in part from the fact that determining whether amounts are actually ordinary and necessary and reasonable in amount is largely a matter of subjective rather than objective judgment.

Some specific objective standards are contained in the tax law, but these, in practice, allow wide latitude as well. First, expenditures must meet either the "directly related" or "associated with" tests. The "directly related" test is supposed to indicate an expectation that business will be discussed. In effect, it simply allows deductions for meetings where the atmosphere is "conducive" to business discussions. Most business meals (as long as they are in a quite surrounding, e.g. not at a night club) and drinks at a "quiet" bar would qualify under these rules.

However, even if an entertainment is not directly related, it is deductible under the "associated with" test if the entertainment has proximity to a business discussion. Thus, tickets to the theatre or sporting events, nightclubs (for clients and their spouses) and similar entertainments may be deducted under these rules.

Expenses of entertainment facilities

(yachts, club dues) are deductible based on the ratio of use which is directly related (not associated with) if the facility is used for business more than 50 percent of the time (regardless of type of business use). An example provided in an article cited in the Treasury Papers [1] illustrates these rules very Well. If a businessman uses a country club to play golf one day a week strictly for good will (not "associated with"), for business meals two days a week and for personal use two days a week, the taxpayer will meet the 50 percent test (because three days were business related). The meals will also be deductible, but the golf fees will be deductible only if they meet the "associated with" test.

In addition to these general rules, the taxpayer must keep records to substantiate expenditures.

Problems with current treatment

Two types of problems with the current deduction for entertainment expenses can be identified. The first is simply that such expenditures contain a substantial element of personal consumption regardless of the degree to which they serve a legitimate business purpose. This consumption element accrues both to the individual employee and to the customer being entertained. This element is difficult to measure but clearly exists in some amount. The value of that consumption, because it is deductible to the firm and not includable in income to the employee, is never subject to taxation.

Consider an employee who entertains a client at lunch. The employee is actually receiving two types of remuneration—the salary the firm pays him for entertaining and selling to customers and the value of the lunch. Similarly, the client being entertained receives two types of remuneration—his salary and the value of the lunch (which in the long run his firm tends to pay for in higher prices for products).

The entertainment element of the remuneration is never subject to tax. Of course, the value to the individuals receiving it may not be equal to its market value, which would make measurement more difficult. An employee who takes a client who likes baseball to such a game who himself dislikes baseball may get no utility from the entertainment; if he likes baseball it may be worth the full value of the ticket. Meals, of course, would be assumed to have some element of benefit.

This problem of a business expense containing consumption items is present in many types of business expenses. Some kinds of firms, selling very expensive products to a small group of clients, may use the entertainment approach such as baseball tickets as a method of sales promotion. A firm which sells, for example, razor blades, may use as a method of sales promotion sponsoring the showing of baseball games on television. This also provides some element of consumption which is not taxed to the viewers of the televised games. However, perhaps the feature that distinguishes these two types of untaxed consumption is that the taxpayers who are ultimately paying for the tax subsidy in the case of mass advertising tend to be the same group as the recipients of the benefits. However, for expense accounts, only a small portion of the taxpayers benefit from these,[2] while the cost of the taxes foregone is borne by all taxpayers.

A second problem is the potential for abuse of the provision by certain taxpayers, particularly closely held corporations, partnerships and self-employed individuals. A large company is more likely to scrutinize expense account entertaining to insure that it has a business purpose. A self-employed individual, where the dividing line between personal consumption and business income tends to be vague in any case, can easily convert much of his personal entertainment and living expenses into deductible items. A similar problem may exist with top executives of firms and closely held corporations. Examples of this type of abuse have been widely documented.

For example, Philip Stern, in his book *The Great Treasury Raid*,[3] described a New York executive who boasted that he had not paid for his lunch in thirty-one years. This feat was accomplished because he belonged to a group of business luncheon companions who took turns charging the lunch to their firms. The Treasury in its papers [4] cited a case where a taxpayer deducted every meal for two years with the exception of one day.

There is no way to determine how typical such occurrences are. However, they do illustrate the problem of abuse of this provision. To the extent that this abuse occurs, individuals are avoiding taxes on significant portions of their income. (In the latter case cited the taxpayer took deductions of $31,000 in one year and $32,000 in the next.) This result is inequitable to the majority of taxpayers who cannot take advantage of expense accounts.

The existence of business deductions for what are in part, and in some cases in large part, personal consumption expenses, tends to encourage more expenditures of these types, either as a form of compensation to employees or as a means of competing with other businesses. For those cases where the entertainment expenses deduction is clearly a conversion of personal to business expenses, it makes the consumption entertainment expenses cheaper and thereby encourages such consumption.

Disallowance, or partial disallowance of these expenditures would eliminate or reduce these effects. One question which has been raised about the effect of the proposed changes is what effect will the change have on the competitive position of firms? This question, one would argue, should be easily dismissed. Entertainment may be customary in a business, and more so because it is tax deductible. However, the tax provision will not prevent firms from making these expenditures, but rather will raise the price of them and thereby lead to some curtailment in the expenditures. This increased price, however, will apply to all firms; therefore, there cannot be a competitive problem.

PREVIOUS ATTEMPTS TO DEAL WITH THE PROBLEM

One author [5] notes that the growth of expense accounts began with the high excess profits taxes of the post war period. These expenses continued to grow and achieved a certain amount of notoriety in the 1950's, when few rules or limitations on the deductions existed.

A major proposal for revision in this area was made by the Kennedy Administration in the 1961 tax recommendations. However, the subject was not new to Congress. A series of studies on broadening the tax base published in 1959 by the Committee on Ways and Means contained several articles on travel and entertainment. One author [6] noted that a bill introduced in the Senate would have disallowed all deductions for nightclubs, theatres, sports events and other places of public amusement. It would also have disallowed business gifts, expenses of maintaining yachts and other entertainment facilities.

In 1961, the Administration tax proposals included a proposal for a significant change in the entertainment expense deduction.[7] Under this proposal:

(1) Deductions for nightclubs, theatres, prize fights, hunting and fishing trips and similar entertainments would be disallowed;

(2) Expenditures on entertainment facilities (yachts, hunting lodges, resort properties, etc.) would be disallowed;

(3) Club dues would be disallowed;

(4) Food and beverages furnished which bear a direct relationship to business would be allowed but only up to dollar limits (proposed at $4 to $7 at that time).

These proposals are very similar to the current proposals, with the substitution of a fifty percent limit rather than a dollar limit on meals.

The Congress stopped far short of these proposals. It made a number of changes which tighten the deductions somewhat, but continued to allow them in general. These changes included adoption of the "directly related" and "associated with" tests (the latter added by the Senate), the partitioning of facility deductions into business and personal use and strict record-keeping requirements. However, the rules continued to allow most of the entertainment expense deduction which had previously occurred.

Employment impact in the restaurant industry

A major issue which is under public discussion is the impact of this tax bill on employment in the restaurant industry. The primary focus of this section is to examine what that impact will likely be and whether the magnitude will be relatively large or relatively small.

A bill which includes a general tax cut and a restriction on the entertainment expense deduction for meals has two types of effects on employment in the restaurant industry. The first effect, which may be termed the relative price effect, is that which tends to reduce demand for restaurant services, and therefore employment in that industry, because expenditures on business meals have become relatively more expensive than other types of expenditures.

The second type of effect may be termed the income effect. The tax cut itself will increase total income and therefore total aggregate demand in the economy. This increase in aggregate demand, of course, affects restaurant meals just as it does other goods.

Even to the extent a net impact on employment is observed from either or both of these effects, it must be recalled that these effects are occurring in a changing economy, and generally a growing one. Because of this, it might tend to require a relatively large negative job impact to actually induce layoffs where the employees would have difficulty finding new jobs, since a reduction or increase in jobs would more likely show up as a slowing down or speeding up of growth rather than an absolute positive or negative impact.

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[1] U.S. Department of the Treasury, The President's 1978 Tax Program, Detailed Descriptions and Supporting Analyses of the Proposals, Washington, D.C.

[2] The efficiency problems also tend to be not so serious as well, since television and other media are public goods which tend to be underproduced in the market place, and therefore public subsidies are appropriate to achieve an efficient mix of output.

[3] Philip M. Stern, *The Great Treasury Raid* New York: Random House, 1964.

[4] U.S. Department of the Treasury, The President's 1978 Tax Program, Detailed Descriptions and Supporting Analyses of the Proposals, Washington, D.C.

[5] Steven Knowles, "The Tax Treatment of Entertainment Expenses Under Section 274: Results Reviewed and Revisions Recommended", Harvard Journal of Legislation, June, 1976.

[6] V. Henry Rothschild II, Business Expense Deductions; Travel and Entertainment Tax Revisions Compendium, Volume 2, Committee on Ways and Means, November 16, 1959.

[7] U.S. Congress, House, Committee on Ways and Means, Legislative History of H.R. 10650, The Revenue Act of 1962, Part I, 1967.

(1) Measurement of the Relative Price Effect

The first step in attempting to estimate the impact of the limitation on deductions of meals is to determine what the total value of these entertainment expenses for meals is. According to the Treasury Department, 51.6 percent of the total revenue gain from entertainment expenses (including the disallowance of the deduction for the portion of air fare reflecting first class) reflects meals. Taking the 1976 level estimate of this total of $1,125 million, in order to determine the effect for a year in which aggregate data are available, the revenue loss attributable to meals would be $580 million. The relative effect for 1976 may be assumed similar to the relative effect in 1979; 1976 is the last year that appropriately disaggregated industry data are available.

The Treasury has also indicated use of a 36% marginal tax rate to compute the revenue loss. Disallowance of one half the deduction means the gain is figured at a tax rate of 18%. Therefore the revenue estimate indicates a gross outlay of $3.2 billion for these expenditures on food (based on the fact that 18% of $3.2 billion is $580 million). In 1976, according to the national income accounts, a total of $55,292 million was spent on food and beverage consumed on the premises. Thus total entertainment-related food expenditures account for about 5.8% of total expenditures.

However, one would not expect that the disallowance of one-half the deduction would induce the businesses involved to totally forego such expenditures, but rather to reduce them somewhat. The estimation of the amount of this reduction is difficult, and, of course, somewhat arbitrary.

One approach to estimating this import is using a price elasticity. A price elasticity of 1 will be used. This elasticity can be viewed in two ways. First, it might be considered an elasticity of substitution for a factor of production, where it is assumed that entertainment expenses are a productive factor and changes in the price of that factor will induce reductions in the factor. Elasticities of substitution between more normally thought of factors—labor and capital—are often considered relatively high at 1.

Second, the elasticity might be viewed as a demand elasticity for a consumption good, in which case an elasticity of one is a typical elasticity.

In order to determine the impact of the change in the tax law on quantity, it is first necessary to determine the impact of the change on price. With a 36 percent marginal tax rate, $100 worth of entertainment expenditures actually carried a cost of $64. The "price" of this good to the taxpayer will be increased by the additional taxes paid—$18. Therefore the percentage increase in price would be 28 percent.

By a standard application of an elasticity of 1, a percentage increase in price of 28 percent would imply a 28 percent decrease in quantity demanded. This measure implies that the total reduction in entertainment expenditures for meals would be $896 million (.28 x $3.2 billion). This estimate would imply a reduction of 1.6 percent in total quantity demanded.

One problem with this type of application, however, is that elasticities are generally applicable to very small changes in price, whereas a 28 percent increase in price would not qualify as a very small change. For example, using a price elasticity of 1 for very large changes would imply that a 100 percent increase in price would lead to no demand at all, which hardly seems plausible.

One way to deal with this type of problem is to postulate a curved demand function. Such a function can be specified which will have elasticity of 1 at every point (i.e. an elasticity of 1 could be applied to very small changes at any point) but the demand function is a curve. This type of demand function is described by the equation $PQ=c$, where c is a constant, P is price and Q is physical quantity. In the case of business meals, such a function would be $PQ=\$3.2$ billion, (the estimated total expenditure), or alternatively that $Q=\$3.2 \text{ billion}/P$. If we set P arbitrarily equal to 1 (a procedure used for computation which does not affect the outcome) then the effect on quantity of a price increase of 28 percent would be to reduce it to $2.5 billion. The reduction in quantity then would be $700 million ($3.2 billion—$2.5 billion).

With the linear demand function, yielding a reduction of $896 million, the effect on demand will be 1.6 percent of total aggregate expenditures in the economy. With the curved demand function, yielding a reduction of $700 million, the effect will be about 1.3 percent of demand.

This latter type of curved demand function also has a practical appeal as well since it describes the firm which reacts to such a price change by keeping net outlay constant. This might be one type of rule of thumb response to such a tax change. It can easily be shown that keeping net outlay constant yields the same result as the curved demand function—a $700 million reduction. The net outlay for the firm was $2.05 billion ($.64 \times \$3.2$ billion). If the firm reduced gross outlays to $2.5 billion, its after tax outlay would remain constant. $[(1-.18)(2.5)=2.05]$.

This 1.3% effect would tend to be a maximum effect if the demand function is assumed to be correct because it implicitly assumes no supply side effects (i.e. assumes a horizontal supply curve). To the extent that the supply curve is actually upward sloping there will be some price response on the supply side which will reduce the output—and therefore the employment—effects of the relative price change.

The magnitude of these effects depends on the elasticity of the supply curve. For example, with a supply elasticity of 1 assuming a linear supply function the final percentage change in quantity will be approximately .7 percent, while with an elasticity of 5 the final percentage reduction in quantity would be approximately 1.1 percent.[8] On the whole one would expect supply curves of this type industry to be relatively elastic, therefore suggesting a relatively small impact on the total quantity reduction due to supply side factors. An effect in the neighborhood of 1 percent seems reasonable to conclude the estimate of the relative price effects. However, it must be recalled that all of these estimates are rough ones which are based on specific assumptions about supply and demand curves.

(2) Aggregate Income Effect

An increase in income increases demand in general for all goods in the economy. Some goods tend to increase by a larger percentage than income increases. These goods are termed goods which are income elastic, and are generally thought of as luxury goods. Other goods tend to be income inelastic—their consumption increases by a smaller percentage than income. These goods are generally thought of as necessities. Food is, of course, a necessity, while meals away from home have some elements of luxury. It seems somewhat reasonable, therefore, to assume that restaurant meals would increase in line with the average increase in consumption. The Data Resources Inc. Review of the Economy for January 1978 published the results of a simulation of the impact of the Administration Tax proposals. Their simulation indicated that real consumption would increase by 1 percent above the control solution in 1979 and 1.5 percent in 1980.

If increased demand for restaurant meals followed this average pattern of increase, then restaurant meals would increaese by 1 percent. Therefore, the income effect of the tax cut would tend to "wash out" the relative price effect of the restriction on the entertainment deduction for the restaurant industry as a whole. Of course, not every restaurant would be equally affected by these changes but the aggregate effects on employment would tend to sum to zero under these assumptions.

(3) Normal Growth Rate in the Restaurant Industry

These effects on the industry must also be considered in the context of the normal growth in the economy and in the restaurant industry, which is particularly relevant for questions of layoffs.

The Employment and Training Report of the President for 1977 provided employment data for detailed occupations. Included in this data is a breakdown of the employment of food service workers. The employment levels for the years 1973–1976 and the percentage increase are shown below:

Year	Employment (Thousands)	Percentage Increase
1973	3,402	--
1974	3,538	4.0
1975	3,640	2.9
1976	3,919	7.7

The average rate of growth over the three year period was approximately 5 percent. In the recovery year of 1976 the growth rate was 7.7 percent while in the recession year of 1975 the growth rate was 2.9 percent.

These growth rates can be contrasted with total employment growth rates in the economy over the same period:

Year	Employment (Thousands)	Percentage Increase
1973	84,409	--
1974	85,935	1.8
1975	84,783	—1.3
1976	87.485	3.2

The average growth rate in the three year period was 1.2 percent with an absolute decline in employment in the recession year of 1975 and a 3.2 percent growth in the recovery year of 1976.

As these figures indicate, the restaurant industry has experienced a much faster growth rate than the aggregate economy in the past few years, reflecting in part increasing tastes for dining out.

(4) Combined Effects on Employment

The combination of the relative price effects, the aggregate income effects and the normal growth rate can be examined to determine what would have been expected if the bill had been enacted in 1976 and therefore to extrapolate as to what might happen in 1979 and 1980.

Basically, the relative price effect would have tended to decrease employment in the restaurant industry by approximately 1 percent, or around 40,000 jobs in 1976. The aggregate income effect would have tended to increase employment by the same amount and thus offset this reduction, leaving jobs in the restaurant industry growing at the same rate as actually occurred—7.7 percent or 280,000 jobs. Since other parts of the economy would have been stimulated in general

[8] The final percentage change in prices and quantities is derived by solving the following equation system for P^* (final price) and Q^* (final quantity), where original price is set equal to 1:

$$(1)\ P^*Q^* = \$2.5 \text{ billion}$$

$$(2)\ E(P^*-1+(.21875/E)) = Q^*/\$2.5 \text{ billion} - 1$$

$$1-(.21875/E)$$

Where E=elasticity of supply and .21875= $700 million/$3,200 million.

and jobs increased without the negative impact of the relative price effects, the growth rate in the economy in general would have been faster than the rate which actually occurred. Therefore, the restaurant industry would have grown faster than the economy in general, but the gap between its rate of growth and general growth in the economy would have been smaller. In other words, one might have expected total jobs to grow by slightly over 4 percent leaving the restaurant industry with a growth rate gap of about 2.5 percent rather than 3.5 percent.

Of course, there are many uncertainties in these calculations and extrapolating between different years is always subject to error. However, this analysis does point out some aggregate effects which might be expected:

(1) The relative price impact would be expected to be relatively small and offset more or less by the general stimulus of the industry in the tax proposal.

(2) Since the restaurant industry has been growing faster than other segments of the economy, jobs in that industry might still be expected to grow faster than in the average of the rest of the economy but the differential will be smaller.

HEALTH CARE IN OUR NATION'S GHETTOS

Mr. ABOUREZK. Mr. President, on Monday, February 6, the New York Times ran an article written by Dr. Fitzhugh Mullan, director of the National Health Service Corps, about the deplorable health care situation found in our Nation's ghettos.

I want to commend Dr. Mullan for this excellent article and for the leadership he is demonstrating in attempting to humanize this country's health care system.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PATIENT WHEEZING—ADMIT

(By Fitzhugh Mullan)

ROCKVILLE, MD.—When I worked as a resident physician in the emergency room at Lincoln Hospital in the Bronx, patients often arrived carrying scribbled notes from local doctors. These community physicians bore no relationship to the hospital, were largely unknown to us, frequently transient, and always gone from the community by 5 P.M. and on weekends. Their notes, scrawled on prescription blanks or the backs of Medicaid forms, usually read "Patient wheezing—admit" or "Jaundice, treat."

Once a woman arrived in a taxi with a baby wrapped in a blanket. Her note said: "Lincoln. Admit please. Presumptive pneumonia." When we unfolded the blanket the baby was dead.

Now, the National Health Service Corps is going to address the problem of sporadic care in areas where there is a near absence of health professionals. The corps, a program that delivers health manpower to underserved areas, can hire and send physicians, nurse practitioners and physician's assistants to New York's inner city communities. The few physicians we will be able to assign to New York will not cure all of its ills. They will begin to meet the health needs of some under-served areas. They also will begin to attack the causes of inadequate episodic health care.

As residents—physicians in the final stages of training—we never really worked in the communities we served. We huddled in our medical centers and waited until patients brought their problems, both innocuous and catastrophic, to us. We made no home visits, we never worked in the city's well-baby clinics, we ran our street clinics, and we never rotated through the offices of local physicians. We read our journals and labored long hours covering the intensive-care unit and the emergency room. But we hardly got to know our patients.

When our residencies were completed, most of us left the neighborhoods and often the city in which we had learned to be doctors. Some of us wanted a better life for our families. Others sought an academic environment, more money, more prestige, better facilities, security, trees, good schools, and so on. The result was yet another generation of bright young Americans educated to be physicians with the very considerable help of New York's poor, gone back home, and no new doctors for the South Bronx, Harlem, or Bedford-Stuyvesant.

In the neighborhoods outside of Lincoln and Metropolitan and Kings County hospitals, medical life remained unchanged. Medicaid offices and storefront clinics were open from 9 to 5, practicing high-turnover medicine, with physicians of variable credentials, devoid of peer review or community accountability and lacking hospital back-up. They continued to dispense diagnoses and prescriptions at a prodigious and apparently lucrative rate. In some communities there were no physicians at all.

The two systems of city medicine continue to coexist, largely isolated from one another, each seemingly self-sustaining and self-perpetuating, cross fertilized only by an occasional note, "Vomiting—please evaluate." The two systems together add up to a far less effective and relevant medical system than could or should exist. Put simply, people suffer and die because we have failed to link our urban hospitals and their considerable technological resources to a network of well staffed, community based, culturally relevant neighborhood health centers.

Why has this happened? It is by no means a simple question of finance because the Medicaid practices have shown clearly that fortunes can be made in the slums. I think there are two major reasons why we have arrived at this troubled point in city medicine. The first is an inordinate belief on the part of the public and the medical profession in technology.

The prestige walks of medical life today are research and the subspecialties. The names generally revered by the public and by first-year medical students are Salk, De Bakey and Sabin. To the extent that there are Schweitzers in medicine today, no one knows them. No one gets a Nobel Prize for ghetto medicine.

Second, medicine today suffers from social complacency—a profession grown soft with the expectation of high incomes, professional mobility, social respect, fine office buildings, patient adulation and stock options. It seems farfetched to many physicians that they should be expected to work in the South Bronx where medical life is frequently tedious and frustrating and occasionally dangerous.

With the exception of doctors in training and some dedicated academicians who staff city hospitals, mainline American-trained physicians have largely avoided the tough neighborhoods of our cities.

If medicine is to be effective, much of it has to be practiced in the neighborhoods. We will never improve the infant-mortality rates or the longevity statistics of the inner city by hunkering down among the radioisotope scanners and incubators of the large hospitals. To change things we must begin to link those competent physicians now pracing in the inner city to hospitals and start directing increasing numbers of our newly trained doctors—many of whom possess considerable idealism—into the tough neighborhoods of our cities. New York needs to link its teaching hospitals to the doctors practicing in the communities surrounding them and convert city hospitals—isolated "teaching centers"—into academically sound community hospitals.

The answer to the grim statistics of ghetto health care is not in more massive battleships—Lincolns, Bellevues, Jacobis—but in dozens of "PT boats" and even "sampans"—small, accountable, well-staffed practices linked to the major medical centers by patterns of referral; consultation and patient admission. To be effective these clinics will have to be staffed by practitioners for whom medicine is something more than a meal ticket or an exercise in technobiology.

The real pay for these physicians will have to come from watching their clinics take root and grow, from seeing neighborhoods made a little more humane by their labors, from riding the ambulance to Lincoln with a critically ill infant with pneumonia—and seeing it live.

ARMS SALES TO MOROCCO

Mr. CLARK. Mr. President, on February 8, 1978, I wrote to the President regarding the sale of 24 OV–10 counter-insurgency aircraft and 24 antipersonnel Cobra helicopters to Morocco. My objections to this proposed sale are set forth in the letter which I would like to be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., February 8, 1978.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Morocco has recently made a request to the United States to permit the sale of 24 OV–10 counter-insurgency aircraft and 24 anti-personnel Cobra helicopters, at an estimated value of over $100 million, for use against the Polisario Front which is fighting for the independence of the disputed territory of the Western Sahara, a patch of land bordering Morocco, Mauritania and Algeria. After careful consideration of all the factors involved in this issue, I feel that it would not be in the interest of the U.S. to accede to this request.

I recognize that the arguments in favor of responding favorably to Morocco's request are compelling. A moderate state with close ties to the U.S., Morocco supports the current peace initiative launched by President Sadat. Like Egypt, and other moderate states in Africa and the Middle East, Morocco is concerned about the growing influence of more radical states in these regions. As a traditional Western ally, Morocco has depended upon France and the United States for its arms supplies and is, once more, turning to Washington to provide assistance in the desert war which, in the last year and a half, has escalated rapidly. Those who favor granting Morocco its arms request contend that this would provide Washington with a relatively safe means of signaling to the moderate states in the Middle East and Africa that, contrary to popular perceptions, the United States is willing and able to respond to their legitimate fears of growing Soviet penetration. In addition, these proponents maintain, it would also represent a way of expressing U.S. gratitude to Morocco for its role in Zaire last spring in defense of Western interests.

These arguments represent fairly traditional lines of thinking used to justify U.S. involvement in Third World conflicts—that we cannot let down our friends, that we must make a gesture in favor of pro-Western lead-

ers to retain their confidence in the U.S., and that if we fail to act the pro-Soviet forces will prevail. Unquestionably, some of these considerations are important. However, the decision to sell Morocco arms for use in an ongoing war must take into account broader considerations, including the nature of the conflict, the purposes for which Rabat would use our weapons, the consequences which involvement in those hostilities may hold for United States interests, and the implications which the arms sale would have for other policy concerns of this Administration.

The war in the Western Sahara is one of the least publicized conflicts in the Third World, but it raises many of the toughest issues of political conflict in Africa today. It is a war that grew out of Spain's hasty decolonization in 1975, at which time Spain transferred administrative control of the colony to Morocco and Mauritania without consulting its inhabitants. The ensuing hostilities which emerged from this clumsy withdrawal could be interpreted in many lights. First, the conflict could be seen as a civil war, since the Polisario Front consists largely of people of Mauritanian origin, and the inhabitants of the territory are nomads who freely travel back and forth across international boundaries. Second, the conflict could be interpreted as a war of territorial aggrandisement, since Moroccan and Mauritanian claims of sovereignty in the Western Sahara have not been internationally recognized, either by the United Nations, Africa, or the major powers. A third related view holds that this is a colonial war, with Morocco inheriting Spain's role in repressing the struggle for independence by the Polisario Front which thus far has gained diplomatic recognition from 11 African countries. A fourth interpretation is the one forwarded by Morocco, that this is but one battle in a protracted ideological contest between progressive, pro-Soviet states against moderate, pro-Western nations.

All of these interpretations have some foundation. United States involvement in the conflict therefore would not be universally regarded simply as a gesture toward supporting the moderates in the ideological competition in the Maghreb. It would also appear to many countries to be an expanding conflict in which the U.S. is attempting to interfere either in an African civil war, a conflict for territorial gain, or an effort by Morocco to suppress what many African states perceive to be a war for self-determination. In my judgment, the U.S. cannot afford to get involved in any of these types of situations and should remain neutral, at least until the OAU or the U.N. establishes the legitimacy of the contending claims to the territory and the principles governing recognition.

There is an additional legal problem to consider. In order to grant Morocco her request, the United States would have to amend the secret bilateral agreement with Morocco concluded in 1960 which strictly limits both the area in which U.S. arms may be used and the purpose for which they may be employed. Contrary to this agreement, the United States would be openly providing Morocco arms for use beyond her recognized international boundaries for combat against a liberation movement recognized by nearly a fourth of the members of the Organization of African Unity. Even if we amend the agreement, there is no way we can provide arms to Morocco for use against the Polisario without implicitly recognizing her claims to the Western Sahara, in contradiction to U.N. resolutions supported by the U.S. that endorse self-determination.

It is difficult in light of the complexities of the war, the type of arms being sought, and the explicit purpose designated for these weapons, to argue credibly that these arms are for Morocco's self defense. Despite Rabat's perceptions about Algeria's intentions, the fact of the matter is that, at present, Morocco itself is not under attack. Her claims to the territory of the Western Sahara are.

Contributing to Morocco's armaments for pursuit of a conflict of questionable legitimacy carries the risk of escalating the war far beyond the local conflict it is at the moment, possibly triggering a greater Soviet response in support of Algeria. This, in turn, could enflame the two other conflicts stretching across the broad belt of Africa, in Chad and The Horn. All three represent different versions of Arab/African hostility and ideological competition having implications for Africa, the Middle East, and Soviet-American relations.

To respond favorably to the Moroccan request on the grounds of countering the Soviet penetration would also be in contradiction of the Africa policy propounded by this Administration. Last July, Secretary of State Vance said "the most effective policies toward Africa are affirmative policies . . . . A negative, reactive American policy that seeks only to oppose Soviet or Cuban involvement in Africa would be both dangerous and futile. Our best course is to help resolve the problems which create opportunities for external intervention." Agreeing to Morocco's request would also raise further inconsistencies relating to our stated intention to reduce arms supplies to foreign countries.

I would like to urge this Administration to act with the same degree of restraint in the Western Sahara as it has thus far exhibited in The Horn. A prudent policy would be to continue to sell Morocco sufficient arms for its legitimate defensive needs as has been done in the past under the terms of the bilateral agreement presently in effect. Last year, Morocco received $45 million in FMS credits. An equal amount is being proposed for FY 79.

However, I am opposed to introducing new counter-insurgency weapons to Morocco for use beyond her borders. In my opinion, increasing the level of arms supplies to Morocco might draw the Soviets in more deeply, portray the U.S. as partisan power interfering in a hotly disputed controversy, undermine U.S. credibility in Africa at a time when our principles are being put to the test in many areas, and pre-empt the attempt to negotiate a settlement of the conflict at the OUA summit meeting due to be held in Libreville next month. The U.S. must avoid the dangers of getting involved militarily in a local African conflict. Instead, the U.S. should promote African attempts to resolve the dispute through diplomatic negotiations before outside involvement escalates.

Best wishes.

Sincerely,

DICK CLARK.

SENATOR KENNEDY ON SALT

Mr. CULVER. Mr. President, although no final agreement has yet been reached on a new strategic arms limitation treaty, public debate on SALT is already extensive and vigorous.

In an address to the Commonwealth Club of California in San Francisco on February 24, the distinguished Senator from Massachusetts (Mr. KENNEDY) carefully details the importance of reaching a new agreement and the tragic consequences of failure. He also refutes some prevalent themes which are being used to discredit the search for a multually limiting but also mutually beneficial treaty.

Senator KENNEDY also cautions against delay in acting on the agreement, once the negotiations have been successfully concluded.

Mr. President, I ask unanimous consent that the full text of Senator KENNEDY's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SENATOR EDWARD M. KENNEDY SPEAKS ON SALT AND NUCLEAR ARMS CONTROL

It is a great pleasure to be back with old friends at the Commonwealth Club, in its 75th anniversary year. This club has long been a strong, positive force in policy discussions—not only on the West Coast, but in the nation as a whole. I was delighted to join two weeks ago with the Senators of California in sponsoring a Senate resolution which recognized and saluted this fact.

It is only characteristic of this forum to focus on the fundamental issues on our national agenda, both in the near and in the longer term.

Our foreign policy agenda is clear. In the near term, the most pressing issues are surely the Panama Canal Treaties and peace negotiations in the Middle East and southern Africa.

I come from the floor of the United States Senate where the Panama Canal Treaties are now under intense debate. These treaties are important for our relations with Latin America and for our ability to move ahead on other vital foreign policy fronts in the months ahead. They remove at long last the big brother, semi-colonial taint from our relations with Latin America—at the same time as they assure full, fair and permanent access of our ships to the Canal. Ratification of the Treaties can and should give us all the momentum we need to resolve the central foreign policy issues ahead of us. I welcome the signs of increasing public understanding and support, and I am optimistic that the Senate will ratify these historic Treaties.

In both the near term and the longer term, the overriding priority of the United States must be the prevention of nuclear war and therefore the establishment of cooperative relations among the nuclear powers. Only by avoiding unparalleled destruction can we turn with confidence and hope to the great tasks of construction and social equity ahead of us.

For the United States, this should mean a strong SALT II treaty with the Soviet Union and full diplomatic relations with the People's Republic of China as soon as they can be successfully negotiated. These are the two most concrete steps our nation can take, away from confrontation and toward cooperation, with the two nuclear powers not allied with us.

My trip last month to China and Japan convinced me of the need for these steps. In Peking, I confirmed that the current generation of Chinese leaders remains strongly interested in establishing, as soon as possible, normal and enduring relations with the United States. I was more convinced than ever of the importance of ending the central anomaly of our foreign policy: our failure to establish diplomatic relations with Peking, despite the fact that it has governed 900 million people on the Chinese mainland for almost three decades.

I know that this audience, in this state which looks across the Pacific, understands the importance of a strong Asian policy for the United States. For over a century, China has played a central role in our relations with the Far East. Today, it is increasingly a power of global proportions, whose nuclear missiles will be able to reach both Moscow and San Francisco in the 1980's. So no one should underestimate the importance of the

shift from our confrontation and mutual isolation in the 1950's, to our limited cooperation today. Our aim should be to strengthen this cooperation, for the sake of future peace in Asia and throughout the world.

My family and I traveled from China to Japan, and to the city of Hiroshima. All lawmakers should be required to visit that city. We were reminded there of the terrible effects of nuclear devastation, and of the overriding need never again to allow that devastation to be inflicted on the human race. Hiroshima is a living testament to the necessity for progress toward nuclear disarmament—for preventing the spread of nuclear weapons and for progressively reducing their numbers in the few countries that have them today.

AN END TO NUCLEAR EXPLOSIONS

While in Hiroshima, I spoke about the need to ensure that nuclear energy will be used for peaceful, not for explosive purposes. I cited the Indian nuclear test in 1974 as an example of the misuses of peaceful nuclear assistance. I welcomed the fact that neither India nor any new country has exploded a nuclear device since then. This and the progress of the US, UK and USSR toward a comprehensive nuclear test ban are encouraging developments—although the other two nuclear powers, China and France, have yet to associate themselves with these efforts.

In the progress that we have made, great credit is due to President Carter and to President Brezhnev. Our President put the elimination of nuclear testing high on our national agenda—for the first time since President Kennedy, The Soviet President accepted coverage, for at least a limited period, of so-called peaceful nuclear explosions (or PNE's). We should do all we can to transform this limited period into a permanent one. As this audience knows, PNE's are indistinguishable from nuclear bombs. The PNE Treaty signed by President Ford would have permitted them; the Comprehensive Test Ban would not. No PNE Treaty is justified when we can do better wih a CTB Treaty.

At its outset, a comprhensive test ban is unlikely to attract the support of all the nuclear weapons states. Even so, it will be an important step forward, one which we should ask all states to take as soon as possible. For those who do not accept the comprehensive test ban immediately, I hope that they will adhere to the Limited Test Ban Treaty, or at least decide unilaterally to abandon all nuclear explosions in the atmosphere.

Both France and China have experience with underground nuclear tests. They are at least in a position to minimize the radioactive fallout of any further tests they undertake. The world community will notice and welcome restraint in atmospheric testing. It will also notice and rightly criticize the absence of even this minimum restraint.

A comprehensive test ban will make an impotrant contribution to nuclear arms control, in both its horizontal and vertical dimensions. Horizonally, a CTB will create a clear-cut barrier against all nuclear explosions, applicable to nuclear haves and nuclear have-nots alike; it will strengthen support for non-proliferation among the non-nuclear weapon states. Vertically, a CTB will significantly inhibit the development of new warheads and indeed new weapons systems; it will help bring under control the increasingly troubelsome qualitative aspects of the nuclear arms race.

There is thus new hope for preventing the spread of nuclear explosives. There is new hope for preventing the explosion of those already in existence. We may at long last reap the benefits of the process begun with the limited test ban more than 14 years ago.

But all this is only a first step. There must now be a concerted effort to control and progressively reduce the nuclear arms presently stockpiled in the world. This is where the SALT negotiations play a central role.

The second phase of the strategic arms limitations talks—SALT II—is nearly completed. If the final treaty contains the provisions we have come to expect—then we will all be the better for having it.

I am not here to tell you that we can expect an ideal agreement. But I believe this will be a good agreement, one which deserves our full support, and its accomplishments will be regarded as substantial by any objective measure.

If you also share this judgement, then I think our obligation is clear. It is to do all we can to ensure passage of this treaty, for its sake and to open up the prospects of further reductions in SALT III. There is no need to rely on emotional arguments which play into the hands of the self-styled national security advocates in this country. National security is the home turf of the arms controller, not of the opponents of arm control.

RESULTS AND BENEFITS OF SALT II

What, then can we expect from SALT II and what will be its real benefits for our nation?

In contrast to the 1972 interim agreement, a treaty extending to 1985 will provide for equal limitations over Soviet and American strategic forces, including for the first time heavy bombers. The lesser numbers of US forces will not be reduced. But the Russians will be required to dismantle more than 300 of their missiles and heavy bombers. There will be lower ceilings on bombers equipped with long-range cruise missiles and on ballistic missiles equipped with multiple, independently targetable re-entry vehicles (or MIRV's). There will be still lower ceilings on the number of land-based ICBM's equipped with MIRV's.

Next, a protocol to the treaty is expected to limit, for a shorter duration, the operational range of cruise missiles to 2500 kilometers from the air and to 600 kilometers from the ground and the sea. It is expected to prevent the deployment of a Soviet mobile missile and to delay the development of a new generation of Soviet MIRV'd ICBM's. It will not inhibit, however, any US strategic program planned for this period of time.

Finally, and very important the agreement will contain a statement of US-Soviet principles for SALT III, which will hopefully involve a pledge of significant reductions and qualitative constraints over strategic arms.

The emerging results of SALT II are important for many reasons.

First, they establish equal limitations, even though the threat is in many ways unequal. The Russians must plan against four national strategic forces: the American, the British, the French and the Chinese. We must plan against essentially one. Their vulnerability is acute: approximately 70% of their strategic force is land-based, almost 90% of their submarine forces is at port at any given time, and American cruise missiles will complicate their air defense problem against a second strike. Our vulnerability is limited: less than 30% of our strategic force is land-based, approximately 60% of our submarine force is at sea at any given time, and our deterrent is assured by our proportionally larger strategic submarine and bomber forces.

Second, SALT II inhibits potentially threatening Soviet strategic systems while leaving ours unimpaired, pending further negotiations. I do not dispute that large numbers of Soviet heavy missiles will remain, with or without SALT. But I point out that we now have an opportunity to delay the deployment of new Soviet missiles. And I welcome President Carter's wise budget decision to slow down the development of our own, deeply destabilizing M–X mobile missile, which I hope SALT III can bury once and for all along with its threatening cousins from the Soviet side.

Third, SALT II builds a vital political bridge from SALT I, with its many critics, to SALT III, hopefully with many supporters. Strategically, we will have eased the task of defense planning and maintained the stability of deterrence; our governments can and should now turn to the vital task of progressively reducing our strategic armaments. Politically, we have a right to expect that progress in SALT will help increase cooperation between our two countries on other fronts, particularly the control of conventional arms and the reactivation of MBFR negotiations in Europe. A critical field for future negotiation will be the theater nuclear systems which have not been limited by either SALT or MBFR.

So SALT is more important than ever, both in terms of its tangible results and in terms of the prospects it represents for arms control and reductions over the longer term.

But we must not delude ourselves that SALT ratification will be an easy achievement. There has been an active lobby working against this agreement. It has out-spent and often out-organized and out-talked those working for the agreement. And it capitalizes upon three somewhat emotional themes which will take persistent efforts to overcome.

First, there is the technocratic theme: anything the Russians can do, we can do better—why, the opponents say, should we agree to constraints when we're better than the Russians are at technological innovation?

Second, there is the gamesmanship theme: we are involved in a game with the Russians in which one side must inevitably lose if the other side gains. Why, the opponents say should we take a chance on being the losers and the Russians the gainers when the stakes are so high?

Third, there is the theme of paranoia: we can't trust the Russians. They will try to evade the terms wherever they can. Why, the opponents say, should we enter such a major agreement when we have so little confidence in the good faith of the other side?

Each of these three themes are calculated to appeal to the emotions of many. But they are easily exposed as false arguments based on false prejudices that have no place in credible efforts to achieve arms control.

THE TECHNOCRATIC

We rightly take pride in our technological achievements. Perhaps no other nation has made such strides in so many areas as we have. But our technological superiority only means that, if we wish, we can always be the side that lifts the arms race to still higher and more dangerous levels. Our technical expertise may give us lead time over the Soviet Union. But the Soviets follow along inexorably, that lead is lost, and we both reach an even more dangerous peak. This history of the past 30 years is replete with examples of this deadly cycle, from the atomic bomb to multiple warheads. So if we do not want to see a weapons system deployed against us, the answer is to ban it on both sides, not to deploy it ourselves. This is a lesson we should apply to the mobile, M–X system, with all its silo-busting, destabilizing potential. By the same token, the Soviets should be expected to display corresponding restraint if stability is to be enhanced.

Our technological pride should not blind us to the simple truth that stability and security cannot be found through quick technical fixes or technical magic. We should not allow technology to drive us to higher levels of spending with less security to show for it.

THE GAMEMANSHIP THEME

Opponents of arms control have managed to twist the notion of a bargain into the notion of what strategists call a zero-sum

game—in which one side's gains must be the other side's loss. This is a fundamental error. In negotiations between powerful sovereign states, unequal settlements cannot be expected to last. We would expect the Russians to take steps to overcome the inequality, and the Russians would expect us to do the same. Those who try to achieve strategic superiority in the name of "keeping up" with the Russians should reflect on this basic fact.

Rather, the bargain to be struck is one that maintains strategic equivalence and moves toward strategic reductions, as much in our security interest as in that of the Russians and of the world. And it is one based on overall strategic capabilities, not on one dimension or another chosen in a self-serving manner.

I find it frankly ludicrous that some critics would portray a Soviet missile threat to less than 30% of our forces—our land-based forces—as a threat to our national survival. These critics fail to point out that just one of our invulnerable Poseidon submarines has enough warheads to destroy 160 Soviet targets. We have 10 Polaris and 31 Poseidon submarines, with 15 Trident submarines projected to come on line in the 1980's. These, together with our bombers, our cruise missiles and our remaining ICBM's, will continue to threaten unacceptable damage to any Soviet leader contemplating nuclear attack.

THE THEME OF PARANOIA

We can also expect our opponents to play on distrust of the Russians and create fears that they will violate the accords.

The answer, quite simply, is that a good arms control agreement is not based on trust. It is based on a hard-nosed assessment of our ability to detect any significant violation that occurs. The limitations negotiated under SALT II will fully meet this test, under criteria that even the firm critics of SALT have accepted. The effectiveness of verification has increased significantly over the years, making it possible for us to negotiate the current limitations with full confidence in their effective enforcement.

So SALT does not depend on Soviet good faith. It depends on effective unilateral verification, the ability to detect any potential violator, and the fundamental, national interest of both sides in full compliance. We should also remember that important military projects do not long remain secret. In the whole history of nuclear competition, there has been only one big surprise—when we first developed the nuclear bomb over 30 years ago.

SOVIET RESPONSIBILITY FOR ARMS CONTROL

But the responsibility to convince the American people is not all ours. A responsibility also rests on Soviet supporters of arms control: to demonstrate their control of forces within their country which may seek to renew the arms race.

We cannot forget that, at most opportunities, the Soviet Union has strengthened its land-based missile forces since SALT–I, with the in stabilities this implies. On the other hand, the United States has used its opportunities to strengthen a triad of strategic forces and to develop the highly stabilizing Trident submarine force. We must hope that in the future the Soviets will also move toward less vulnerable and less threatening forces deployed at sea, and thus to a more stable strategic mix.

We cannot forget that the Soviet Union has also engaged in a perplexing civil defense effort, which we have wisely decided not to match in the United States. Part of this is easily explained: as a country which has suffered the ravages of war on its own soil, the Soviet Union is more sensitive to its potential vulnerability. And part of this is strategically relevant to a Chinese threat, not to our weaponry. Part of this may be more the result of bureaucratic inertia than the result of strategic planning.

But whatever the reasons, civil defense efforts can lead people to believe that a first strike can be carried out with retaliation limited to acceptable levels. This is an illusion. A nuclear war would result in massive devastation to both of our societies. We must avoid that devastation by maintaining effective deterrence, halting destabilizing deployments, and cutting down the number of weapons we have aimed at each other. We cannot do it by becoming burrowing creatures.

Finally, we cannot forget that, in the past, the Soviet Union has not been forthcoming about its own military situation. In the course of negotiations, the Russians have not specified their weapons strength, while the United States has done so. The Russians have simply negotiated on the basis of our numbers. There are now encouraging signs that this situation will improve in the future. We cannot continue to deal in shadows. In the arms control arena, it is unfortunately too often the case that uncertainty means not only keeping arms, but developing more.

So arms control advocates within the Soviet Union also have an obligation. It is an obligation which must begin now and must continue into the next set of negotiations.

THE CONSEQUENCES OF FAILURE

We have one more obligation: to examine the consequences of failure to ratify the SALT II accord. Unfortunately, this question is far from academic. Some in Washington are already talking about delaying action on this accord until 1979, even if negotiations are successfully completed this spring.

Such a delay would be a mistake for our nation, for our relations with the Soviet Union, and for early progress in nuclear arms control.

The opponents of SALT could use this delay to build opposition to the accord and to call for further increases in military spending.

The Soviets could increasingly question American good faith, as they did in a major statement just two weeks ago, if we fail to follow through in 1978 the understandings reached at Vladivostock nearly four years ago.

Negotiation of strategic reductions under SALT III would be made even more difficult, and the effectiveness of previously negotiated constraints would be undercut, by a one-year delay in SALT II and by further weapons build-ups by both sides.

All this argues strongly for signing a SALT II agreement as soon as it is negotiated. We and the Soviets can and should abide by the terms of an effective agreement, pending its ratification. I believe the United States Senate should move promptly to ratify the accord. But the possibility of delay on our part should not be allowed to become a barrier to negotiation and provisional adherence on the Administration's part.

Should delay develop into failure to ratify SALT II, I am convinced that the consequences would be even more serious. I see three major consequences.

1. Failure to ratify would call into basic question our political commitment to SALT. We concluded the Vladivostok limits in 1974. We sought to drastically revise these limits in 1977. We will now have a compromise, negotiated in good faith and to our mutual benefit. Rejection of SALT II could put into question the SALT proces itself, jeopardizing the underlying strategic dialogue as well as prospects for nuclear arms reductions contemplated under SALT III.

2. Failure to ratify could spark a new round of the nuclear arms race. All bets would be off on the constraints we are seeking on Soviet ICBM's not to mention the quantitative reductions we would achieve on Soviet missile forces. We could escalate into deeply destabilizing and extremely expensive weapons systems, with corresponding increases in the danger of nuclear war. Other nations might respond with moves of their own toward nuclear weapons capabilities, and the United States and Soviet Union could lose the opportunity for effective leadership against nuclear proliferation.

3. Failure to ratify would cast a new chill over U.S.-Soviet relations and East-West detente. SALT looms so large in our relationship that it would be virtually impossible to avoid a downturn in our overall political and economic relations, even to threaten a return to the cold war. The reaction to the SALT impasse of last spring would seem like a tea party in comparison. The casualties could be arms control prospects in other areas, notably the comprehensive test ban, and existing restraint in areas of conflict or instability.

4. Finally, failure to ratify could cut off the option of cooperation and reinforce the option of confrontation at the most delicate stage of political transition in the Soviet Union itself. It would be a serious mistake to take this step as a new, unfamiliar leadership moves into power in the USSR.

President Kennedy said of the early disarmament negotiations under his Administration:

"Verifiable disarmanent arrangements are not a fair weather phenomenon. A sea wall is not needed when the seas are calm. Sound disarmament agreements, deeply rooted in mankind's mutual interest in survival, must serve as a bulwark against the tidal waves of war and its destructiveness. Let no one, then, say that we cannot arrive at such agreements in troubled times, for it is then that their need is greatest."

So our own responsibility is to work together to convince the nation of the necessity of SALT. We can do so by driving home the benefits of positive action, and the costs of opposition.

Nations throughout the world are watching closely as the two nuclear superpowers maneuver warily toward each other in this arms control arena. It is not too much to say that the hopes of civilization rest on the outcome of the negotiations and the debate that will follow. There is no more important issue in our time. I am confident that, with the support and understanding and encouragement of the American people, our nation will be equal to the challenge.

PHASE TWO ENERGY PLAN FACT SHEET

Mr. HART. Mr. President, the Department of Energy is embarking upon a second phase of national energy planning. This second plan will contain more specific programs to accelerate the supply of new energy resources.

While the plan is not yet complete, some elements have been made public. The Environmental Study Conference, of which I am a cochairman, has published a fact sheet on the phase two energy plan.

From this fact sheet, it appears that the plan will focus a great deal on the development of new fossil fuels. I hope that the ultimate plan focuses equal attention to the development of renewable resources, which may be more economical and less environmentally hazardous in the long run.

Mr. President, I ask unanimous consent that the fact sheet be printed in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET: PHASE TWO ENERGY PLAN—A SUPPLY STRATEGY

(By Sarah Glazer)

The policy office of the Department of Energy is in a frezy of activity reminiscent of the days when President Carter's national energy plan was being pieced together. This time the work is on a sequel: a supply strategy. In its present very preliminary form, the strategy emphasizes federal subsidies for development of synthetic oil and natural gas from coal and oil shale.

The department originally had planned to introduce its so-called National Energy Supply Strategy (NESS) in the spring of 1979, with a detailed study preceding it this fall. The strategy will meet the legal requirement the administration has to update the national energy plan. It also will provide a comprehensive look at the nation's future needs for energy suplies and make proposals for government action.

But by a fluke of history—and congressional pressure—Energy Secretary James Schlesinger has pledged publicly to give Congress a first look at the supply strategy by May 1.

The department had just started to organize into supply task forces when Schlesinger was questioned Jan. 25 by members of the House Science Committee on his department's plans for assuring the country sufficient supplies of energy. Schlesinger replied that his department would have something up to the committee within 90 days.

The secretary instructed his staff to prepare a list of supply initiatives to be sent to the Science Committee in the form of a 25-page memorandum. Assistant Secretary Al Alm's Policy and Evaluation office is organizing the effort, which includes staff contributions from all quarters of the department.

In a meeting with Schlesinger shortly after his promise to the Science Committee, Alm's staff drew up a "wish list" of supply initiatives. The list is heavily weighted toward various forms of federal subsidies for developing synthetic oil and gas from coal and synthetic crude from oil shale.

However, so-called "soft" technologies, a term for renewable resources with decentralized application such as solar and wind energy, are on the list.

Energy conservation, which played no part in the early department discussions of the supply strategy, has since been added to the wish list. A task force has been assigned to concentrate on conservation initiatives that could contribute to increased supplies.

How Congress will react to the upcoming proposal is uncertain. For one thing, it will be somewhat limited in scope, containing only those ideas already studied by the Energy Department. Yet, some of these ideas will constitute major new, and potentially explosive, initiatives for Congress. For another thing, the proposal will not be very specific and will not be in legislative form.

Still, members may seize on the proposal to boost certain programs. And the administration itself apparently is considering certain budget amendments, such as boosting fossil energy R&D, to meet some of the initiatives in the upcoming proposal. Budget reprogramming proposals for fiscal 1978 and 1979 also may come out of the administration.

However, in view of the already heavy legislative workload and this fall's elections, Congress appears unlikely to start moving any major new legislation this session.

Besides the Science Committee, DOE probably will send its proposal to other House energy committees and the Senate Energy Committee.

Another aspect of the department's work on this spring's proposal is a study of how much energy will be needed in different sectors of the economy between now and 1990. The department's computer is running through both original and secondary data to look at the problem.

The goal of the supply strategy is to eliminate domestic dependence on oil imports. The national energy plan called for a reduction in oil imports to seven million barrels per day by 1985. The supply strategy supposedly would reduce imports to close to zero.

The department sees the scarcity of liquid and gaseous fuels as the crucial problem arising in 1985 to 1990 and thus proposes programs to develop domestic oil and gas sources by that period.

The department's main premise is that oil prices will probably double by 1985—up to about $25 per barrel. This figure was originally postulated by Deputy Energy Secretary John O'Leary. If this price is reached, DOE assumes that synthetic fuels, which are now uneconomical, could be competitive by 1985.

If would oil reaches $25 by 1985, a January DOE memo noted, "we should be willing to guarantee up to 25 dollars/barrel" for synthetic liquid fuels or $4.50 per thousand cubic feet for gas from unconventional sources.

PROJECTS UNDER CONSIDERATION

The department has divided work on the supply initiatives into about a dozen task forces. In addition to conservation, task forces are studying at least another eight technology areas. In addition, the department is looking at areas that cut across technology lines, such as impacts on the environment and economy.

The tentative proposals being considered are outlined below. The information comes from a DOE memo summarizing a January 27 meeting with Schlesinger on the supply initiatives memo.

Many proposals may be dropped or added before this spring. At press time, however, knowledgeable department sources said it still represents the rough outlines of current thinking.

Solvent Refined Coal

DOE would build one demonstration plant by 1982–1983 in the so-called SRC method, which produces a low-sulfur solid or liquid material from coal. The plant would produce about 20,000 barrels per day.

Under consideration for a possible demonstration plant is a proposal by Gulf Oil Corp. to use the SRC method. However, Gulf's product may be too expensive, perhaps more than $30 per barrel.

Synthetic Fuels

According to the memo, regulatory measures could be used to require 5 or 10 percent of all petroleum products sold to be from unconventional sources, such as synthetic fuels and alcohol, by some target date in the future. This method could save up to 600,000 to 700,000 barrels of imported oil per day by 1990, administration staff estimate.

Issues raised by this option would be how to handle imported products, how to guarantee some form of equity among producers and the time for phasing in the regulations.

One thought is to institute an entitlements program along the lines of the current program that distributes nationwide the high cost of foreign oil among domestic refiners. For refiners dependent on expensive foreign oil, the current program gives a credit for the price difference between lower priced domestic oil and foreign oil. Those areas that use mostly domestic oil must pay the difference between the domestic and world oil price. High-level officials are considering plugging in high-cost synthetics into the equation. The effect would be to average high cost sythetic liquids into the cost of all oil.

Oil Shale

The government would guarantee prices to oil shale companies. Competitive bids could ensure that the guaranteed price would be as low as possible.

Oil shale might also be included in the proposed 5 to 10 percent requirement for unconventional liquids in the petroleum supply.

Oil shale, a combination of "marlstone" rock and an organic material called kerogen, produces a crude oil product when heated to very high temperatures. The richest reserves are located in Colorado's Piceance Creek Basin, below the western slope of the Rocky Mountains.

Synthetic Gas

One proposal envisions federal guarantees of loans for five large plants totaling 250,000 barrels per day in capacity.

Issues include whether to go with loan or price guarantees, the policy for liquefied natural gas, and what regulatory authority the administration has to take action in this area.

Unconventional Gas Sources

This would include expensive, exotic sources of natural gas such as geopressurized methane. Possible proposals include price guarantees of up to $4.50 per million Btu (British thermal units) by competitive bid for a set capacity and a government drilling demonstration program. Unconventional gas could be included in a program like that suggested for synthetic fuels, where a percentage of pipeline gas would have to be unconventional.

Soft Technologies

Proposals under consideration would include accelerated R&D programs and building demonstration plants to turn waste—such as wood chips—into energy and community-scale heating plants.

Among the options under most active consideration are alcohol from biomass (i.e. waste products like grain), direct burning of garbage for electricity, small-scale hydroelectric plants and wind energy.

Special concern is focused on which of these options would substitute most effectively for scarce oil and gas.

Industrial Coal Program

A number of incentives are under consideration to promote three technologies to cut down air pollution from coal burning. Included is atmospheric fluidized bed combustion, a process which eliminates through a chemical process most of the sulfur from coal as it burns in a limestone bed. Another candidate is scrubbers, the prime technology now used to cut emissions in the stack. The third is coal-based gas with a low heat content, also known as low-Btu gas. Low-Btu gas is an industrial fuel. It is not practical for use in pipelines because of its low heat content, but is useful for generating electricity.

Incentives under consideration for these technologies include:

A tax credit or fast write-off

A regulatory program requiring either direct burning of coal or a choice of the above technologies

A federal purchase subsidizing one third or one half the cost of installing the above technologies.

An important issue is how such a program would relate to the national energy plan—particularly the portions requiring industry to convert to coal and encouraging conversion through taxes. The regulatory conversion portion has been approved tentatively in conference. Additional legislation may be needed.

MEDIUM-BTU GAS

Also under consideration for federal subsidies is synthetic gas from coal with intermediate heat content (between the heat

content of natural gas and low-Btu gas). Medium-Btu gas is considered unsuitable for pipeline transportation, but can be useful for heating and for industry near the site of production.

The proposal would pay 25 to 50 percent of the cost of the first few years of projects for use in industrial complexes or in heating plants on a community scale. Administration staff note that subsidies may be tricky for this proposal because community programs are complicated.

THE CONGRESSIONAL OUTLOOK

Perhaps the most frequently heard congressional criticism of President Carter's national energy plan was that it focused on energy conservation, without enough emphasis on increasing new sources of supply. The administration defended its approach by saying conservation is a cheaper source of supply than actual production, but opponents never bought the argument.

Demands for supply initiatives, in fact, may spell death of the pending energy package, which has languished since Christmas. Sen. Long (D-La.), chairman of the Senate Finance Committee, proposed to turn the revenues from the administration-proposed crude oil tax into a trust fund for producer incentives. Carter originally proposed to rebate those revenues to consumers. A vigorous floor fight is expected if this issue ever reaches the floor again.

Long is a key factor in the conference on the tax portion of the national energy plan. The conference is not expected to reconvene until conferees on the natural gas portion of the plan have reached agreement. Even if agreement is reached on natural gas, however, long's staff is proclaiming the plan politically dead. Congress is not likely to vote for Carter's tax increases by the time they reach the floor—close to campaign time.

There is some speculation that the administration sees supply strategy as a lever to get the Congress moving again on the energy package. But the ploy probably will not work unless the administration shows a willingness to be more flexible than it was the last time around. The administration has continued to insist that all five bills in its energy package be passed together—or not at all—even though three of the five bills are close to congressional approval.

THE REAL PHASE TWO

The Energy Department is still planning to go ahead with its plans for developing a comprehensive supply strategy, although the sudden gearing up for the "eight-week wonder" could throw off its original schedule. The policy office is shooting for the end of March to send a draft to Schlesinger.

As part of this long-term process, the department plans to rectify some of the mistakes of the past. In particular, it plans to reach out to Congress and outside groups. By May 1, administration staff promise, they will have started a process for bringing in outsiders for suggestions.

The promise has not proved reassuring to the environmental community which is already up in arms over the way phase two is being handled.

The Natural Resources Defense Council, an environmental law firm, has written to Schlesinger urging him to establish briefings and meetings for public involvement immediately. NRDC also is urging that the department prepare a draft environmental impact statement to accompany phase two through the decision-making process.

"One of the great failures of NEP (national energy plan) has been its hasty and basically internal development, resulting in no discernible constituency which is prepared to work for its passage" NRDC declared in its Feb. 17 letter. "It would be the height of folly to repeat those mistakes in developing phase two."

Even as members of Congress are urging quick results on an energy supply strategy, NRDC, the Sierra Club and other environmental groups also are pushing a go-slow approach. They would prefer that the department study long-term needs and initiatives in an orderly fashion.

A more deliberate pace would probably help the role of "soft technologies" such as solar energy. A high-placed DOE official working on this section of the supply strategy noted that there is less information right now on the contribution that renewable technologies can make to the nation's supply than there is on other energy sources. As a result it is hard to justify proposals for federal help in these areas with only eight weeks of preparation.

Environmental groups have expressed great concern over the short shrift that the supply strategy seems to be giving to renewable technologies. Some have termed the new proposal former Vice President Rockefeller's "Energy Independence Authority warmed over."

In the past, environmental groups have fought federal subsidies for synthetic fuel development. They have argued that federal loan guarantees, for example, will divert investment in a capital-short market from more environmentally desirable energy sources.

Proponents of loan guarantees have argued that federal backing is necessary to answer investors' doubts about the viability of coal gasification and oil shale development. Environmentalists answer that if the projects are so risky, the government should not subsidize them.

There are numerous environmental problems associated with oil shale and coal gasification, both of which are expected to lead to extensive strip mining in the West. In addition, the processes require vast amounts of water in areas where water is already scarce for agricultural and other uses.

At least some segments of the department are pushing oil shale as the most economical contender to replace oil imports. The government controls 80 percent of the shale-bearing lands in the nation, and some governments estimates say oil shale can be produced at $10–17 per barrel.

One DOE memo calls oil shale's environmental problems "difficult" but "not insurmountable if the western region has the political will to develop" the resource.

Environmental groups would disagree with this assessment. Oil shale ranks as the least favored synthetic fuel of the Environmental Policy Center, the environmental group that has been most active in the synthetic fuels debate.

The richest oil shale lands are concentrated in Colorado in what some consider the most magnificant natural part of the state. Since it takes a lot of shale to produce a barrel of oil, the technology would produce vast amounts of unused waste rock, which would have to be disposed of in canyons or valleys.

Contacts

DOE contact: Fred Hitz, 395–6197. NRDC contact: Tony Roisman, 737–5000. House Science Committee contact: Rob Ketcham, x59117.

THE FARE DEAL ENERGY SAVING PROGRAM

Mr. PERCY. Mr. President, through the years Federal, State, and local governments have invested in the development of public mass transportation systems. The benefits that can be derived from these systems in the areas of energy conservation and reduced traffic congestion are enormous. However, we have not begun to reap the full potential of these systems. In essence, we have not collected all the possible returns from our investment.

It has come to my attention that a new concept to encourage mass transit ridership has been developed in Chicago by one of our cities most creative merchadisers, Sol Polk. The Chicago Regional Transportation Authority and Polk Bros. appliance stores have embarked on a program in which the Polk Bros.' stores will refund the full cost of round trip public transportation fares to their stores for their customers. This program has not only encouraged mass transit ridership, but it has led to increased sales at Polk Bros., stores. With this initial success, RTA welcomes the participation of other area merchants in this innovation program.

This is an excellent example of a partnership between private enterprise and local government from which all can benefit. It is this type of integration between public resources and private sector innovation that has produced innumerable benefits for the Nation as a whole. For years businesses have been subsidizing the use of the personal automobile through "park and shop" plans. This new concept of "ride and shop" is a timely alternative.

Mr. President, I ask unanimous consent that the Washington Post editorial of February 15, "Ride and Shop: A Bright Idea," and "RTA and Polk Bros. Set 'Fare Deal,'" from the RTA Transfer of December 1977, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 15, 1978]

RIDE AND SHOP: A BRIGHT IDEA

A Chicago retailer has an idea that Washington businesses might well adopt. The retailer, Sol Polk of Polk Bros. appliance stores, is offering Chicagoans free mass-transit rides to his stores. Under the system, which he calls a FARE Plan, the stores refund the equivalent of a round-trip transit fare to everyone who brings in a transfer no more than a few hours old. Riders don't have to buy a thing to get the refund. "As long as they come in and see what we've got, we're happy," says Mr. Polk.

Mr. Polk obviously wants to sell more appliances—but he's trying to sell mass transit, too. He thinks the nation can't afford to burn more and more gasoline in private cars and let its vast investment in mass transit go to waste. Buses and subways should be marketed like any other product, he believes. So his company has invested $200,000 in rebates and promotion for a 90-day test of the FARE Plan The results so far are good. Despite very bad weather last month, Mr. Polk reports, his stores' sales surpassed last January's 12 percent. The plan has brought in "a lot of nice people," he says, including many "who haven't been on public transportation for years."

It's a splendid idea. Retailers routinely subsidize people who park and shop; why not encourage folks to ride and shop instead? Fare refunds should also draw potential customers such as elderly people who don't drive. And everybody benefits when public transit is used more, especially in off-peak hours. Washington retailers should try something like this; the ideal time might be when Metro starts running on Saturdays. It

strikes us as the kind of private initiative that can produce profits for everyone.

[From the RTA Transfer, December 1977]

RTA AND POLK BROS. SET "FARE DEAL"

A new program designed to save money for shoppers and encourage energy conservation was announced December 29, 1977, by the Regional Transportation Authority.

Under the program, customers who shop at any of the Polk Brothers' stores in the Chicago Transit Authority service areas (Chicago and adjacent suburbs) will receive a refund of the cost of round trip transportation when they present an RTA/CTA transfer at the store. No purchase is necessary and the $1.20 refund will be given to each family member presenting a transfer beginning January 3, 1978.

"This new program is aimed at increasing the use of public transportation, particularly by shoppers, and thereby contributing to the conservation of energy," said Milton Pikarsky, RTA Board Chairman, at a joint press conference with Sol Polk, president of Polk Brothers; RTA Directors, and other transit officials in RTA's Marina City headquarters.

"Polk Brothers is the first merchant to participate in this RTA program," Pikarsky continued. "RTA welcomes the participation of other retailers throughout the six-county region. With the participation of other retailers, this program can make a major contribution to the conservation of energy in Northeastern Illinois."

To qualify for a refund, shoppers will have to present a valid RTA/CTA transfer to an appropriate store employee within 1 hour, 15 minutes of the transfer's time limit and turn in the transfer. Each person surrendering a transfer, including children, senior citizens, and handicapped persons will receive $1.20 in cash regardless of whether they were eligible for a reduced fare. For children to receive a refund, however, they must be accompanied by an adult.

The refund program initially will apply only to Polk Brothers' stores in the CTA service area. If the program meets with public acceptance, Polk Brothers has indicated the program will be extended to all its stores in the RTA region.

RAILROAD SAFETY SYSTEMS

Mr. SASSER. Mr. President, reports are that at least 20 people died, over 200 people were seriously injured, and thousands of people had their lives disrupted. This is the result of three train derailments which took place in the southeastern portion of our Nation during the weekend.

Two of these derailments occured in my home, Tennessee, and the other in northwest Florida. The location of these tragedies is relatively unimportant. The same thing could happen in any State, in any city. The alarm must be heard throughout the Nation; this is a matter of extraordinary concern.

In Waverly, Tenn., the scene of the first and most damaging explosion, I witnessed sights and heard stories that can only be compared to the results of war. Sixty percent of Waverly's downtown area has been blown away. Witnesses tell of bodies being hurled in the air and victims desperately trying to flee the blast with their clothes and bodies ablaze. The police chief and the fire chief of Waverly were among the victims. The personal tragedy is unaccountable.

The first impulse is for us to wonder, to ask why three serious accidents would happen in such a short period of time. However, further investigation leads us to wonder why what happened in Waverly, Tenn., Cades, Tenn., and Youngstown, Fla., does not happen more often. We become thankful that what happened did not happen in a major population center, as could have been the case.

It is hard to call the events of this weekend mere accidents. It seems to me, as it seems to many others, that people have died because of neglect.

Each day hundreds of thousands of gallons of extremely dangerous substances travel our Nation's railroads. They travel on railroad beds that, in some cases, are over a 100 years old, but the greatest concern is that they travel on railroads that are poorly inspected.

It is too early to say exactly why these three incidents happened within such a short period of time. No one can tell for sure just what caused them. However, I am startled by the information I have received since the derailment in Waverly.

The Tennessee Public Service Commission has told me that since the Federal Government took over inspection authority of the railways in 1974 there have been over 1,500 derailments in Tennessee. In 1976, the number reached a record high of 601 derailments. The sad fact is that in the 4 years since the Federal Government took over inspection authority the number of derailments doubled the previous 4-year period.

After seeing such figures, it is hard not to believe that something is wrong with the Federal inspection system. The Tennessee Public Service Commission tells me that the Federal Railroad Administration has assigned to Tennessee only two equipment inspectors and only two roadbed inspectors. Prior to the Federal assumption of inspection duty, the State of Tennessee had 12 people assigned to the task.

Mr. President, earlier today I met with Secretary of Transportation Brock Adams. I have urged the Secretary to commence a study of the safety of our railroads, and the practices of the Federal Railroad Administration.

In addition, it is incumbent upon Congress to take action to see that future possibly more tragic incidents like those in Tennessee and Florida do not happen.

At this time, I do not know what action is appropriate, but I do have several suggestions. They are suggestions that need to be explored. They are suggestions I intend to explore.

First, we need to investigate the Federal Railroad Administration. Perhaps they simply need more inspectors. If so, we will have to appropriate more funds. We have to have enough inspectors to insure adequately the safety of railroad service.

In light of the dramatic increase iin derailments since the implementation of the Federal Railroad Safety Act, it may be that we need to rethink the concept of Federal regulation of railroad safety. Perhaps authority of railroad inspection is best handled by the individual States.

It is also worthy of investigation to see if there can be a link between job programs and the needs of the railroads. Some of the unemployed of our country might be given the job of assisting in the maintenance of railroad beds.

It is also essential that we evaluate the national policy relating to the transport of hazardous materials. The danger that comes so close to each of us everyday has been demonstrated all too vividly in my home State of Tennessee.

It is most unfortunate that it takes tragedy to spark our concern. Until now we have not understood the immediacy of the problem, but there is no excuse for continued neglect. We owe to those people who died this weekend a complete evaluation of the problems of our Nation's railroad safety system. We owe it to them, and we owe it to each American.

RULES—SELECT COMMITTEE ON ETHICS

Mr. STEVENSON. Mr. President, the Committee on Ethics on February 23, 1978, adopted rules of procedure. The supplementary procedural rules adopted by the committee April 5, 1977, have no further force or effect.

I ask unanimous consent that the new rules of the Select Committee be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE SELECT COMMITTEE ON ETHICS

(Adopted February 23, 1978)

PART I:—ORGANIC AUTHORITY OF THE SELECT COMMITTEE ON ETHICS

Subpart A—S. Res. 338 as amended

Resolved, That (a) there is hereby established a permanent select committee of the Senate to be known as the Select Committee on Ethics* (referred to hereinafter as the "Select Committee") consisting of six Members of the Senate, of whom three shall be selected from members of the majority party and three shall be selected from members of the minority party. Members thereof shall be appointed by the Senate in accordance with the provisions of Paragraph I of Rule XXIV of the standing rules of the Senate at the beginning of each Congress.* For purposes of paragraph 6 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member or chairman of the Select Committee shall not be taken into account.

(b) Vacancies in the membership of the Select Committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

(c) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business, except that the Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony. The Select Committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

** "(d)(1) No Member may serve on the Select Committee for more than six years of continuous service, exclusive of service prior to the effective date of title I of the Committee System Reorganization Amendments of 1977. One Member who is a member

*Changed by Section 102 of S. Res. 4 (February 4, 1977).

** Added by section 102 of S.R. 4 (February 4, 1977).

of the majority party and one Member who is a member of the minority party and who are appointed to the Select Committee at the beginning of the Ninety-sixth Congress and each succeeding Congress shall be Members who did not serve on the Select Committee during the preceding Congress.

"(2) Of the members of the Select Committee—

"(A) one from the majority party and one from the minority party shall be Members who, at the time of initial appointment to the Select Committee, have served in the Senate for less than six years;

"(B) one from the majority party and one from the minority party shall be Members who, at the time of initial appointment to the Select Committee, have served in the Senate for less than twelve but more than six years; and

"(C) one from the majority party and one from the minority party shall be Members who, at the time of initial appointment to the Select Committee, have served in the Senate for twelve or more years.".

*"(e)(1) A member of the Select Committee shall be ineligible to participate in any initial review or investigation relating to his own conduct, the conduct of any officer or employee he supervises, or the conduct of any employee of any officer he supervises, or relating to any complaint filed by him, and the determinations and recommendations of the Select Committee with respect thereto. For purposes of this subparagraph, a Member of the Select Committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XLV of the Standing Rules of the Senate.

"(2) A member of the Select Committee may, at his discretion, disqualify himself from participating in any initial review or investigation pending before the Select Committee and the determinations and recommendations of the Select Committee with respect thereto. Notice of such disqualification shall be given in writing to the President of the Senate.

"(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any initial review or investigation or disqualifies himself under paragraph (2) from participating in any initial review or investigation, another Member of the Senate shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposs of such initial review or investigation and the determinations and recommendations of the Select Committee with respect thereto. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself.".

SEC. 22. (a) It shall be the duty of the Select Committee to—

(1) receive complaints and investigate allegations of improper conduct which may reflect upon the Senate, violations of law, violations of the Senate Code of Official Conduct** and violations of rules and regulations of the Senate, relating to the conduct of individuals in the performance of their duties as Members of the Senate, or as officers or employees of the Senate, and to make appropriate findings of fact and conclusions with respect thereto;

(2) recommend to the Senate by report or resolution by a majority vote of the full committee disciplinary action (including, but not limited to, in the case of a Member: censure, expulsion, or recommendation to the appropriate party conference regarding such Member's seniority of positions of responsibility; and, in the case of an officer or employee: suspension or dismissal)".*

to be taken with respect to such violations which the Select Committee shall determine, after according to the individuals concerned due notice and opportunity for hearing, to have occurred;

(3) recommend to the Senate, by report or resolution, such additional rules or regulations as the Select Committee shall determine to be necessary or desirable to insure proper standards of conduct by Members of the Senate, and by officers or employees of the Senate, in the performance of their duties and the discharge of their responsibilities; and

(4) report violations by a majority vote of the full committee of any law to the proper Federal and State authorities.

*"(b)(1) Each sworn complaint filed with the Select Committee shall be in writing, shall be in such form as the Select Committee may prescribe by regulation, and shall be under oath.

"(2) For purposes of this section, 'sworn complaint' means a statement of facts within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate.

"(3) Any person who knowingly and willfully swears falsely to a sworn complaint does so under penalty of perjury, and the Select Committee may refer any such case to the Attorney General for prosecution.

"(4) For the purposes of this section, 'investigation' is a proceeding undertaken by the Select Committee after a finding, on the basis of an initial review, that there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

*"(c)(1) No investigation of conduct of a Member or officer of the Senate, and no report, resolution, or recommendation relating thereto, may be made unless approved by the affirmative recorded vote of not less than four members of the Select Committee.

"(2) No other resolution, report, recommendation, interpretative ruling, or advisory opinion may be made without an affirmative vote of a majority of the members of the Select Committee voting.

*"(d)(1) When the Select Committee receives a sworn complaint against a Member or officer of the Senate, it shall promptly conduct an initial review of that complaint. The initial review shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

"(2) If as a result of an initial review under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Select Committee shall report such determination to the complainant and to the party charged, together with an explanation of the basis of such determination.

"(3) If as a result of an initial review under paragraph (1), the Select Committee determines that a violation is inadvertent, technical, or otherwise of a de minimus nature, the Select Committee may attempt to correct or prevent such a violation by informal methods.

"(4) If as a result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence but that the violation, if proven, is neither of a de minimus nature nor sufficiently serious to justify any of the penalties expressly referred to in subsection (a)(2), the Select Committee may propose a remedy it deems appropriate. If the matter is thereby resolved, a summary of the Select Committee's conclusions and the remedy proposed shall be filed as a public record with the Secretary of the Senate and a notice of such filing shall be printed in the Congressional Record.

"(5) If as the result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence, the Select Committee shall promptly conduct an investigation if (A) the violation, if proven, would be sufficiently serious, in the judgment of the Select Committee, to warrant imposition of one or more of the penalties expressly referred to in subsection (a)(2), or (B) the violation, if proven, is less serious, but was not resolved pursuant to paragraph (4) above. Upon the conclusion of such investigation, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

"(6) Upon the conclusion of any other investigation respecting the conduct of a Member or officer undertaken by the Select Committee, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

*"(e) When the Select Committee receives a sworn complaint against an employee of the Senate, it shall consider the complaint according to procedures it deems appropriate. If the Select Committee determines that the complaint is without substantial merit, it shall notify the complainant and the accused of its determination, together with an explanation of the basis of such determination.

*"(f) The Select Committee may, in its discretion, employ hearing examiners to hear testimony and make findings of fact and/or recommendations to the Select Committee concerning the disposition of complaints.

*"(g) Notwithstanding any other provision of this section, no initial review or investigation shall be made of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may conduct an initial review or investigation of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred which such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.

*"(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting investigations of complaints.".

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*Added by S. Res. 110 (April 2, 1977).

**Added by Section 201 of S. Res. 110 (April 2, 1977).

*Added by Section 205 of S. Res. 110 (April 2, 1977).

*Added by Section 205 of S. Res. 110 (April 2, 1977).

*Added by Section 202 of S. Res. 110 (April 2, 1977).

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*(1) The Select Committee from time to time shall transmit to the Senate its recommendation as to any legislative measures which it may consider to be necessary for the effective discharge of its duties.

SEC. 3. (a) The Select Committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; (7) employ and fix the compensation of *a staff director, a counsel, an assistant counsel, one or more investigators, one or more hearing examiners,*** and such technical, clerical, and other assistants and consultants as it deems advisable; and (8) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, by contract as independent contractors or, in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest rate of compensation which may be paid to a regular employee of the Select Committee.*

**(b)(1) The Select Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the executive branch of the Government) whenever the Select Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, which, in the determination of the Select Committee is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee.

"(c) With the prior consent of the department or agency concerned, the Select Committee may (1) utilize the services, information and facilities of any such deportment or agency in the executive branch* of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommitte thereof, the Select Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the Select Committee determines that such action is necessary and appropriate.

"(d) Subpoenas may be issued (1) by the Select Committee or (2) by the chairman and vice chairman, acting jointly. Any such subpoena shall be signed by the chairman or the vice chairman and may be served by any person designated by such chairman or vice chairman. The chairman of the Select Committee or any member thereof may administer oaths to witnesses.".*

**(e)(1) The Select Committee shall prescribe and publish such regulations as it feels are necessary to implement the Senate Code of Official Conduct.

"(2) The Select Committee is authorized to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction.

"(3) The Select Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(4) The Select Committee may in its discretion render an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(5) Notwithstanding any provision of the Senate Code of Official Conduct or any rule or regulation of the Senate, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraphs (3) and (4) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

"(6) Any advisory opinion rendered by the Select Committee under paragraphs (3) and (4) may be relied upon by (A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered: *Provided, however,* That the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and (B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(7) Any advisory opinion issued in response to a request under paragraph (3) or (4) shall be printed in the Congressional Record with appropriate deletions to assure the privacy of the individual concerned. The Select Committee shall, to the extent practicable, before rendering an advisory opinion, provide any interested party with an opportunity to transmit written comments to the Select Committee with respect to the request for such advisory opinion. The advisory opinions issued by the Select Committee shall be compiled, indexed, reproduced, and made available on a periodic basis.

"(8) A brief description of a waiver granted under paragraph 2(c) of rule XLII or paragraph 1 of rule XLIII of the Standing Rules of the Senate shall be made available upon request in the Select Committee office with appropriate deletions to assure the privacy of the individual concerned.".

SEC. 4. The expenses of the Select Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Select Committee.

SEC. 5. As used in this resolution, the term "officer or employee of the Senate" means—

(1) an elected officer of the Senate who is not a Member of the Senate;

(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) the Legislative Counsel of the Senate or any employee of his office;

(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) a member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.

Subpart B—Public Law 93-191—Franked mail, provisions relating to the Select Committee

SEC. 6. (a) The Select Committee on Standards and Conduct of the Senate shall provide guidance, assistance, advice and counsel, through advisory opinions or consultations, in connection with the mailing or contemplated mailing of franked mail under section 3210, 3211, 3212, 3218(2) or 3218, and in connection with the operation of section 3215, of title 39, United States Code, upon the request of any Member of the Senate or Member-elect, surviving spouse of any of the foregoing, or other Senate official, entitled to send mail as franked mail under any of those sections. The select committee shall prescribe regulations governing the proper use of the franking privilege under those sections by such persons.

(b) Any complaint filed by any person with the select committee that a violation of any section of title 39, United States Code, referred to in subsection (a) of this section is about to occur or has occurred within the immediately preceding period of one year, by any person referred to in such subsection (a), shall contain pertinent factual material and shall conform to regulations prescribed by the select committee. The select committee, if it determines there is reasonable justification for the complaint, shall conduct an investigation of the matter, including an investigation of reports and statements filed by that complainant with respect to the matter which is the subject of the complaint. The committee shall afford to the person who is the subject of the complaint due notice and, if it determines that there is substantial reason to believe that such violation has occurred or is about to occur, opportunity for all parties to participate in a hearing before the select committee. The select committee shall issue a written decision on each complaint under this subsection not later than thirty days after such a complaint has been filed or, if a hearing is held, not later than thirty days after the conclusion of such hearing. Such decision shall be based on written findings of fact in the case by the select committee. If the select committee finds, in its written decision, that a violation has occurred or is about to occur, the committee may take such action and enforcement as it considers appropriate in accordance with applicable rules, precedents, and standing orders of the Senate, and such other standards as may be prescribed by such committee.

(c) Notwithstanding any other provision of law, no court or administrative body in the United States or in any territory thereof shall have jurisdiction to entertain any civil action of any character concerning or related to a violation of the franking laws or an abuse of the franking privilege by any person listed under subsection (a) of this section as entitled to send mail as franked mail, until a complaint has been filed with the select committee and the committee has rendered a decision under subsection (b) of this section.

(d) The select committee shall prescribe regulations for the holding of investigations and hearings, the conduct of proceedings, and the rendering of decisions under this subsection providing for equitable procedures and the protection of individual, public, and Government interests. The regulations shall, insofar as practicable, contain the sub-

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*Changed by Section 202 of S. Res. 110 (April 2, 1977).

**Added by Section 204 of S. Res. 110 (April 2, 1977).

*Added by S. Res. 230 (July 25, 1977).

**Added by Section 204 of S. Res. 110 (April 2, 1977).

* Changed by Section 204 of S. Res. 110 (April 2, 1977).

* Section added by S. Res. 312 (Nov. 1, 1977).

** Section added by Section 206 of S. Res. 110 (April 2, 1977).

stance of the administrative procedure provisions of sections 551–559 and 701–706, of title 5, United States Code. These regulations shall govern matters under this subsection subject to judicial review thereof.

(e) The select committee shall keep a complete record of all its actions, including a record of the votes on any question on which a record vote is demanded. All records, data, and files of the select committee shall be the property of the Senate and shall be kept in the offices of the select committee or such other places as the committee may direct.

Subpart C—Standing Orders of the Senate Regarding Unauthorized Disclosure of Intelligence Information, S. Res. 400, 94th Congress, Provisions Relating to the Select Committee

SEC. 8. * * *

(c)(1) No information in the possession of the select committee relating to the lawful intelligence activities of any department or agency of the United States which has been classified under established security procedures and which the select committee, pursuant to subsection (a) or (b) of this section, has determined should not be disclosed, shall be made available to any person by a Member, officer, or employee of the Senate except in a closed session of the Senate or as provided in paragraph (2).

(2) The select committee may, under such regulations as the committee shall prescribe to protect the confidentiality of such information, make any information described in paragraph (1) available to any other committee or any other Member of the Senate. Whenever the select committee makes such information available, the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of the Senate received such information. No Member of the Senate who, and no committee which, receives any information under this subsection, shall disclose such information except in a closed session of the Senate.

(d) It shall be the duty of the Select Committee on Standards and Conduct to investigate any unauthorized disclosure of intelligence information by a Member, officer or employee of the Senate in violation of subsection (c) and to report to the Senate concerning any allegation which it finds to be substantiated.

(e) Upon request of any person who is subject to any such investigation, the Select Committee on Standards and Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation together with its findings. If, at the conclusion of its investigation, the Select Committee on Standards and Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the Senate, it shall report its findings to the Senate and recommend appropriate action such as censure, removal from committee membership, or expulsion from the Senate, in the case of Member, or removal from office or employment or punishment for contempt, in the case of an officer or employee.

Subpart D—Public Law 95–105, Section 515, Relating to Receipt and Disposition of Foreign Gifts and Decorations Received by Members, Officers and Employees of the Senate or their Spouses or Dependents, Provisions Relating to the Select Committee on Ethics

SEC. 515. (a)(1) Section 7342 of title 5, United States Code, is amended to read as follows:

"§ 7342. Receipt and disposition of foreign gifts and decorations.

"(a) For the purpose of this section—

"(6) 'employing agency' means—

"(A) the Committee on standards of Official Conduct of the House of Representatives, for Members and employees of the House of Representatives, except that those responsibilities specified in subsections (c)(2)(A), (e), and (g)(2)(B) shall be carried out by the Clerk of the House;

"(B) the Select Committee on Ethics of the Senate, for Senators and employees of the Senate;

"(C) the Administrative Office of the United States Courts, for judges and judicial branch employees; and

"(D) the department, agency, office, or other entity in which an employee is employed, for other legislative branch employees and for all executive branch employees.

"(b) An employee may not—

"(1) request or otherwise encourage the tender of a gift or decoration; or

"(2) accept a gift or decoration, other than in accordance with the provisions of subsections (c) and (d).

"(c)(1) The Congress consents to—

"(A) the accepting and retaining by an employee of a gift of minimal value tendered and received as a sonvenir or mark of courtesy; and

"(B) the accepting by an employee of a gift of more than minimal value when such gift is in the nature of an educational scholarship or medical treatment or when it appears that to refuse the gift would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, except that—

"(i) a tangible gift of more than minimal value is deemed to have been accepted on behalf of the United States and, upon acceptance, shall become the property of the United States; and

"(ii) an employee may accept gifts of travel or expenses for travel taking place entirely outside the United States (such as transportation, food, and lodging) of more than minimal value if such acceptance is appropriate, consistent with the interests of the United States, and permitted by the employing agency and any regulations which may be prescribed by the employing agency.

"(2) Within 60 days after accepting a tangible gift of more than minimal value (other than a gift described in paragraph (1)(B)(ii)), an employee shall—

"(A) deposit the gift for disposal with his or her employing agency; or

"(B) subject to the approval of the employing agency, deposit the gift with that agency for official use.

Within 30 days after terminating the official use of a gift under subparagraph (B), the employing agency shall forward the gift to the Administrator of General Services in accordance with subsection (e).

"(8) When an employee deposits a gift of more than minimal value for disposal or for official use pursuant to paragraph (2), or within 30 days after accepting travel or travel expenses as provided in paragraph (1)(B)(ii) unless such travel or travel expenses are accepted in accordance with specific instructions of his or her employing agency, the employee shall file a statement with his or her employing agency or its delegate containing the information prescribed in subsection (f) for that gift.

"(d) The Congress consents to the accepting, retaining, and wearing by an employee of a decoration tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance, subject to the approval of the employing agency of such employee. Without this approval, the decoration is deemed to have been accepted on behalf of the United States, shall become the property of the United States, and shall be deposited by the employee, within sixty days of acceptance, with the employing agency for official use or forwarding to the Administrator of General Services for disposal in accordance with subsection (e).

"(e) Gifts and decorations that have been deposited with an employing agency for disposal shall be (1) returned to the donor, or (2) forwarded to the Administrator of General Services for transfer, donation, or other disposal in accordance with the provisions of the Federal Property and Administrative Services Act of 1949. However, no gift or decoration that has been deposited for disposal may be sold without the approval of the Secretary of State, upon a determination that the sale will not adversely affect the foreign relations of the United States. Gifts and decorations may be sold by negotiated sale.

"(f)(1). Not later than January 31 of each year, each employing agency or its delegate shall compile a listing of all statements filed during the preceding year by the employees of that agency pursuant to subsection (c)(3) and shall transmit such listing to the Secretary of State who shall publish a comprehensive listing of all such statements in the Federal Register.

"(2) Such listings shall include for each tangible gift reported—

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance;

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift;

"(D) the date of acceptance of the gift;

"(E) the estimated value in the United States of the gift at the time of acceptance; and

"(F) disposition or current location of the gift.

'(3) Such listings shall include for each gift of travel or travel expenses—

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance; and

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift.

"(4) In transmitting such listings for the Central Intelligence Agency, the Director of Central Intelligence may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the Director certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence scurces.

"(g)(1) Each employing agency shall prescribe such regulations as may be necessary to carry out the purpose of this section. For all employing agencies in the executive branch, such regulations shall be prescribed pursuant to guidance provided by the Secretary of State. These regulations shall be implemented by each employing agency for its employees.

"(2) Each employing agency shall—

"(A) report to the Attorney General cases in which there is reason to believe that an employee has violated this section;

"(B) establish a procedure for obtaining an appraisal, when necessary, of the value of gifts; and

"(C) take any other actions necessary to carry out the purpose of this section.

"(h) The Attorney General may bring a civil action in any district court of the United States against any employee who knowingly solicits or accepts a gift from a foreign government not consented to by this section or who fails to deposit or report such gift as required by this section. The court in which such action is brought may assess a penalty against such employee in any amount not to exceed the retail value of the gift improperly solicited or received plus $5,000.

"(i) The President shall direct all Chiefs of a United States Diplomatic Mission to inform their host governments that it is a general policy of the United States Govern-

ment to prohibit United States Government employees from receiving gifts or decorations of more than minimal value.

"(j) Nothing in this section shall be construed to derogate any regulation prescribed by any employing agency which provides for more stringent limitations on the receipt of gifts and decorations by its employees.

"(k) The provisions of this section do not apply to grants and other forms of assistance to which section 108A of the Mutual Educational and Cultural Exchange Act of 1961 applies."

(2) The amendment made by paragraph (1) of this subsection shall take effect on January 1, 1978.

PART II. SUPPLEMENTARY PROCEDURAL RULES OF THE SELECT COMMITTEE ON ETHICS

Rule 1. General procedures

(a) *Officers:* The Committee shall select a Chairman and a Vice Chairman from among its members. In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) *Procedural Rules:* The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, as amended, as well as other resolutions and laws set forth in Part I. Supplementary procedural rules are stated herein. These rules shall be published in the CONGRESSIONAL RECORD not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) *Meetings:*

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman, provided at least 48 hours notice is furnished to all members; if all members agree, a special meeting may be held on less than 48 hours notice.

(3) If any member of the Committee desires that a special meeting of the Committee be called, he may file in the office of the Committee his written request to the Chairman or Vice Chairman for that special meeting.

Immediately upon the filing of the request, the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held a a specified date and hour; such special meeting may not occur until 48 hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) *Quorum:*

(1) A majority of the members of the Committee shall constitute a quorum thereof for the transaction of business; however no investigation of conduct of a member or officer of the Senate and no report, resolution, or recommendation relating thereto may be made unless approved by the affirmative recorded vote of not less than four members of the Committee.

(2) Notwithstanding the provisions of section (1) above, one member of the Committee may constitute a quorum for receiving sworn testimony, and the Committee may authorize the receiving of such testimony by a hearing examiner in accordance with its regulations and procedural rules.

(e) *Order of Business:* Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject always to reversal by a vote by a majority of the Committee.

(f) *Hearings Announcements:* The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the *Congressional Record;* however, if the Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) *Open and Closed Committee Meetings:* Meetings of the Committee shall be open to the public, or closed to the public (executive session), as determined under the provisions of paragraphs 7(b) to (d) of Rule XXV of the Standing Rules of the Senate (see Appendix A to these Rules). Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specified period or purpose.

(h) *Record of Testimony and Committee Action:* An accurate stenographic or transcribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session, shall be made available to any witness if he so requests. (*See* Rule 6 below on Procedures for Conducting Hearings.)

(i) *Secrecy of Executive Testimony and Action and of Complaint Proceedings:*

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a sworn complaint shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under S. Res. 338, as amended, or unless otherwise permitted under these Rules. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) *Release of Reports to Public:* No information pertaining to or copies of any Committee report, study, or other document which purports to express the views, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group, whether governmental or private, without the authorization of the Committee; however, whenever the Chairman or Vice Chairman is authorized to make any determination, then it may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (*See* Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) *Ineligibility or Disqualification of Members and Staff:*

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) The member's own conduct;

(B) The conduct of any employee or officer that the member supervises, as defined in paragraph 12 of Rule XLV of the Standing Rules of the Senate (see Appendix B to these Rules);

(C) The conduct of any employee of any officer that the member supervises; or

(D) A Complaint, sworn or unsworn, that was filed by a member, or by any employee or officer that the member supervises.

(2) If any Committee proceeding appears to relate to a member of the Committee in a manner described in subsection (1) of this Rule, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman conclude from this report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman; if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continue to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session; any contested questions concerning a member's eligibility shall be decided by majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member may also disqualify himself in his discretion from participating in a Committee proceeding in other circumstances not listed in (1) above.

(4) The President of the Senate shall be given written notice of the ineligibility or disqualification of any member from any initial review, investigation, or other proceeding requiring the appointment of another Member in accordance with section (5), below.

(5) Whenever a member of the Committee is ineligible to participate in or disqualifies himself from participating in any initial review, investigation, or other substantial Committee proceeding, another Member of the Senate who is of the same party and in the same category in terms of years of service in the Senate (see Section 2, S. Res. 338, as amended) shall be appointed by the Senate in accordance with the provisions of paragraph 1 of Rule XXIV of the Standing Rules of the Senate, to serve as a member of the Committee solely for the purposes of that proceeding.

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that, in the judgment of the staff director or outside counsel, relates specifically to any of the following:

(a) the staff member's own conduct;

(b) the conduct of any employee that the staff member supervises;

(c) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(d) a complaint, sworn or unsworn, that was filed by the staff member.

At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) *Recorded Votes:* Any member may require a recorded vote on any matter.

(m) *Proxies; Recording Votes of Absent Members:*

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of an initial review or an investigation, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In such cases an absent member's vote may be announced solely for the purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than those listed in (1) above, the Committee may order that the record be held open for the vote of absentees or record proxy votes if the absent Committee member has been informed of the matter on which the vote occurs and has affirmatively requested of the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice Chairman to be recorded.

(4) Proxies shall not be considered for the purpose of establishing a quorum.

(n) *Approval of Blind Trusts and Foreign Travel Requests Between Sessions and During Extended Recesses:*

"During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond 14 days, the Chairman and Vice Chairman, or their designees, acting jointly, are authorized to approve or disapprove blind trusts under the provision of Rule 42, and to approve or disapprove foreign travel requests which require immediate resolution." (Congressional Record, October 17, 1977, p. 33877)

(o) *Committee Use of Services or Employees of Other Agencies and Departments:*

With the prior consent of the department or agency involved, the Committee may (a) utilize the services, information, or facilities of any such department or agency of the Government, and (b) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

Rule 2: Procedures for sworn complaints

(a) *Sworn Complaints:* Any person may file a sworn complaint with the Committee, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate, or has engaged in improper conduct which may reflect upon the Senate.

(b) *Form and Content of Complaints:* A complaint filed under Rule 2(a) shall be in writing and under oath, and shall set forth in simple, concise and direct statements:

(1) The name and legal address of the party filing the complaint (hereinafter, the complainant);

(2) The name and positions or title of the Member(s), officer(s), or employee(s) of the Senate who is (are) specifically alleged to have engaged in the improper conduct or committed the violation (hereinafter, the respondent);

(3) The nature of the alleged improper conduct or violation, including if possible, the specific provision of the Senate Code of Official Conduct or other law, rule or regulation alleged to have been violated;

(4) A statement of the facts within the personal knowledge of the complainant that are alleged to constitute the improper conduct or violation.

(A) The term "personal knowledge" is not intended to and does not limit the complainant's statement to situations that he or she personally witnessed or to activities in which the complainant was a participant.

(B) Where allegations in the sworn complaint are made upon the information and belief of the complainant, the complaint shall so state, and shall set forth the basis for such information and belief.

(5) The complainant must swear that all of the information contained in the complaint either (a) is true, or (b) was obtained under circumstances such that the complainant has sufficient personal knowledge of the source of the information reasonably to believe that it is true. The complainant may so swear either by oath or by solemn affirmation before a notary public or other authorized official.

(6) All documents in the possession of the complainant relevant to or in support of his or her allegations may be appended to the complaint.

(c) *Processing of Sworn Complaints:*

(1) When the Committee receives a sworn complaint against a Member, officer or employee of the Senate, it shall determine by majority vote whether the complaint is in substantial compliance with subsection (b) above.

(2) If it is determined by the Committee that a sworn complaint does not substantially comply with these requirements, the complaint shall be returned promptly to the complainant, with a statement explaining how the complaint fails to comply and a copy of the rules for filing sworn complaints. The complainant may re-submit the complaint in the proper form. If the complaint is not revised so that it substantially complies with the stated requirements, the Committee may in its discretion process the complaint in accordance with Rule 3 below.

(3) Sworn complaints against Members, officers, or employees of the Senate that are determined by the Committee to be in substantial compliance shall be transmitted to the respondent within 5 days of that determination. The transmittal notice shall include the date upon which the complaint was received, a statement that the compliant conforms to the applicable rules, a statement that the Committee will immediately begin an initial review of the complaint, and a statement inviting the respondent to provide any information relevant to the complaint to the Committee. A copy of the rules of the Committee shall be supplied with the notice.

Rule 3: Procedures on receipt of allegations other than a sworn complaint; preliminary inquiry

(a) *Unsworn Allegation or Information:* Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, any credible information available to him or her that indicates that any named or unnamed Member, officer or employee of the Senate may have:

(1) Violated the Senate Code of Official Conduct,

(2) Violated a law,

(3) Violated any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate, or

(4) Engaged in improper conduct which may reflect upon the Senate.

Such allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) *Sources of Unsworn Allegations or Information:* The information to be reported to the Committee under Rule 3(a), above, may be obtained from a variety of sources, including but not limited to the following:

(1) Sworn complaints that do not satisfy all of the requirements of Rule 2, above.

(2) Anonymous or informal complaints, whether or not satisfying the requirements of Rule 2 above.

(3) Information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings.

(4) Information reported by the news media.

(5) Information obtained from any individual, agency or department of the Executive branch of the Federal Government.

(c) *Preliminary Inquiry*: When information is presented to the Committee pursuant to Rule 3(a) above, it shall immediately be transmitted to the Chairman and the Vice-Chairman, for one of the following actions:

(i) The Chairman and Vice Chairman, acting jointly, may conduct, or may direct the Committee staff to conduct, a preliminary inquiry;

(ii) The Chairman and Vice Chairman, acting jointly, may present the allegations or information received directly to the Committee for it to determine whether an initial review should be undertaken. (*See* Rule 3(d), below.)

(1) A preliminary inquiry may include any inquiries or interviews that the Chairman and the Vice Chairman deem necessary or apropriate. In particular, the preliminary inquiry may, in the discretion of the Chairman and Vice-Chairman, seek independent credible evidence that tends to corroborate the information received; it may also, in the discretion of the Chairman and Vice Chairman, include discussions or correspondence with the complainant, if any, and the respondent, if any.

(2) At the conclusion of a preliminary inquiry, the Chairman and Vice Chairman shall receive a full report of its findings. The Chairman and Vice Chairman, acting jointly, shall then determine what further action, if any, is appropriate in the particular case, including any of the following:

(A) No further action is appropriate, because the alleged improper conduct or violation is clearly not within the jurisdiction of the Committee;

(B) No further action is appropriate, because there is no reason to believe that the alleged improper conduct or violation may have occurred; or

(C) The unsworn allegations or information, and a report on the preliminary inquiry, should be referred to the Committee, to determine whether an initial review should be undertaken. (*See* section (d), below.)

(3) If the Chairman and the Vice Chairman are unable to agree on a determination at the conclusion of a preliminary inquiry, then they shall refer the allegations or information to the Committee, with a report on the preliminary inquiry, for the Committee to determine whether an initial review should be undertaken. (*See* section (d), below.)

(4) A preliminary inquiry shall be completed within sixty days after the unsworn allegations or information were received by the Chairman and Vice Chairman; however, this time may be extended for a specified period by the Chairman and Vice Chairman, acting jointly. A preliminary inquiry is completed when the Chairman and the Vice Chairman, have made the determination required by Rule 3(c)(2,3), above.

(D) *Determination Whether to Conduct an Initial Review:* When information or allegations are presented to the Committee by the Chairman and the Vice Chairman, the Committee shall determine whether an initial review should be undertaken.

(3) The Committee may determine that an initial review is not warranted, either

(i) because there is no reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred, or (ii) because the improper conduct or violation, even if proven, is not within the jurisdiction of the Committee.

(A) If the Committee determines that an initial review is not warranted, it shall promptly notify the complainant, if any, and any known respondent.

(B) If there is a complainant, he or she may also be invited to submit additional information, and notified of the procedures for filing a sworn complaint. If the complainant later provides additional information, not in the form of a sworn complaint, it shall be handled as a new allegation in accordance with the procedures of Rule 3; if he or she submits a sworn complaint, it shall be handled in accordance with Rule 2.

(4) The Committee may determine that there is reason to believe on the basis of the information before it that the improper conduct or violation may have occurred and may be within the jurisdiction of the Committee, and that an initial review must therefore be conducted.

(A) If the Committee determines that an initial review will be conducted, it shall promptly notify the complainant, if any, and the respondent, if any.

(B) This notice shall include a general statement of the information or allegations before the Committee, and a statement that the Committee will immediately begin an initial review of the complaint. A copy of the rules of the Committee shall be supplied with the notice.

(5) If a member of the Committee believes that the preliminary inquiry has provided sufficient information for the Committee to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, he may move that the Committee dispense with the initial review and move directly to the determinations described in Rule 4(f) below. The Committee may adopt such a motion by majority vote of the full Committee.

Rule 4: Procedures for conducting an initial review

(a) *Basis for Initial Review:* The Committee shall promptly commence an initial review whenever it has received either (1) a sworn complaint that the Committee has determined is in substantial compliance with the requirements of Rule 2, above, or (2) unsworn allegations or information that have caused the Committee to determine in accordance with Rule 3 that an initial review must be conducted.

(b) *Scope of Initial Review:*

(1) The initial review shall be of such duration and scope as may be necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(2) The initial review may include any inquiries or interviews that the Committee deems appropriate to obtain the evidence upon which to make this determination, including the taking of sworn statements and the use of subpoenas.

(c) Opportunity for Response: An initial review may, in the discretion of the Committee, include an opportunity for any known respondent or his designated representative, to present either a written or oral statement, or to respond orally to questions from the Committee, provided that such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(d) *Status Reports:* The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee; the reports shall be confidential.

(e) *Final Report:* When the initial review is completed, the staff or outside counsel shall make a confidential report to the Committee of findings and recommendations.

(f) *Committee Action:* As soon as practicable following submission of the report on the initial review, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is not such substantial credible evidence. In this case, the Committee shall report its determination to the complainant, if any, and to the respondent, together with an explanation of the basis for the determination. This explanation may be as detailed as the Committee desires, but it is not required to include a complete discussion of the evidence collected in the initial review.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical, or otherwise of a *de minimis* nature. In this case, the Committee may attempt to correct or to prevent such violation by informal methods. The Committee's final determination in this matter shall be reported to the complainant, if any, and to the respondent, if any.

(3) The Committee may determine that there is such substantial credible evidence, but that the alleged violation, if proven, although not of a *de minimis* nature, would not be sufficiently serious to justify the severe disciplinary actions specified in Senate Resolution 338, as amended (i.e., for a Member, censure, expulsion, or recommendation to the appropriate party conference regarding the Member's seniority or positions of responsibility; or for an officer or employee, suspension or dismissal). In this case, the Committee, by the recorded affirmative vote of at least four members, may propose a remedy that it deems appropriate. If the respondent agrees to the proposed remedy, a summary of the Committee's conclusions and the remedy proposed and agreed to shall be filed as a public record with the Secretary of the Senate and a notice of the filing shall be printed in the *Congressional Record*.

(4) The Committee may determine, by recorded affirmative vote of at least four members, that there is such substantial credible evidence, and also either

(A) That the violation, if proved, would be sufficiently serious to warrant imposition of one of the above-listed severe disciplinary actions; or

(B) That the violation, if proven, is less serious, but was not resolved pursuant to the procedure in subsection (3) above.

In either case, the Committee shall order that an investigation promptly be conducted in accordance with Rule 5, below.

Rule 5: Procedures for conducting an investigation

(a) *Definition of Investigation:* An "investigation" is a proceeding undertaken by the Committee, by recorded affirmative vote of at least four Members, after a finding on the basis of an initial review that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within its jurisdiction has occurred.

(b) *Scope of Investigation:* When the Committee decides to conduct an investigation, it shall be of such duration and scope as is necessary for the Committee to determine whether a violation within its jurisdiction has occurred. In the course of the investigaton, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct inquiries or interviews, take sworn statements, use compulsory process as described in Rule 7 below, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make this determination.

(c) *Notice to Respondent:* The Committee shall give written notice to any known respondent who is the subject of an investigation; the notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an investigation. This notice shall include a statement of the nature of the possible violation, and a description of the evidence indicating that a possible violation occurred. The Committee shall offer the respondent an opportunity to present a statement or to respond to questions from Members of the Committee, the Committee staff, or outside counsel.

(d) *Right to a Hearing:* The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 6 below)

(e) *Progress Reports to Committee:* The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the investigation. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) *Report of Investigation:*

(1) Upon completion of an investigation, including and hearings held pursuant to Rule 6 below, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the investigation and which may recommend disciplinary action, if appropriate. Findings of fact of the investigation shall be detailed in this report whether or not disciplinary action is recommended.

(2) The Committee shall consider the report of the staff or outside counsel promptly following its submission. The Committee shall prepare and submit a report to the Senate, including a recommendation to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. It shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. However, no recommendation or resolution of the Committee concerning the investigating of a Member, officer or employee of the Senate may be approved except by the affirmative recorded vote of not less than four Members of the Committee.

(3) Promptly after the conclusion of the investigation, the Committee's report and recommendation shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation shall be printed and made public, unless the Committee determines by majority vote that it should remain confidential.

Rule 6: Procedures for hearings

(a) *Right to a Hearing:*

The Committee may hold a public or executive hearing in any inquiry, initial review, investigation, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 5(e) above.)

(b) *Non-public Hearings:*
The Committee may at any time during a hearing determine in accordance with paragraph 7(b) of Rule XXV of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. (See appendix A to these Rules). If a witness desires to express a preference for testifying in public or in executive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) *Adjudicatory Hearings:*
The Committee may, by majority vote, designate any public or executive hearing as an adjudicatory hearing; and, any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in Rule 6(j) below shall apply.

(d) *Subpoena Power:*
The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 7 below.)

(e) *Notice of Hearings:*
The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f) above.

(f) *Presiding Officer:* The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) *Witnesses:*
(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may by majority vote rule that no Member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness' scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least 2 working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so

(h) *Right to Testify:* Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff member or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may:

(1) Request to appear personally before the Committee to testify in his or her own behalf; or,

(2) File a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained.

Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) *Conduct of Witnesses and Other Attendees:* The presiding officer may punish any breaches of order and decorum by censure and exclusion from the hearings, and the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) *Adjudicatory Hearing Procedures:*
(1) *Notice of Hearings:* A copy of the public announcement of an adjudicatory hearing, required by Rule 6(e) above, shall be furnished to all witnesses at the time that they are subpoenaed or otherwise summoned to testify, together with a copy of these rules.

(2) *Preparation for Adjudicatory Hearings:*
(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any. At the discretion of the Committee, the information and documents to be exchanged under subsections (A) and (B) shall be subject to an appropriate agreement limiting access and disclosure.

(i) A list of proposed witnesses to be called at the hearing.

(ii) Copies of all documents expected to be introduced as exhibits at the hearing.

(iii) A brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in subsections (i), (ii) and (iii) above to the Committee.

(C) If a respondent refuses to provide the information and documents described above to the Committee (see Rule 6(j)(2)(A) (B) above), or if a respondent or other individual violates an agreement limiting access and disclosure (see Rule 6(j)(2)(A) above), the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(3) *Swearing of Witnesses:* All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) *Right to Counsel:* Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) *Right to Cross-Examine and Call Witnesses:*
(A) In adjudicatory hearings, any respondent who is the subject of an investigation, and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his or her own behalf. Such application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least 1 working day before a witness' scheduled appearance, a witness or a witness' counsel may submit to the Committee written questions proposed to be propounded to that witness. Such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness' counsel may also submit additional sworn testimony for the record within 24 hours after the last day that the witness has testified. The insertion of such testimony in that day's record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) *Admissibility of Evidence:*
(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of Evidence shall not be applied strictly, but the presiding officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The presiding officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a majority vote of the Committee before the recess of that day's hearings.

(7) *Supplementary Hearing Procedures:* The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public. (For rules relating to broadcasting and news coverage of committee proceedings, see Rule 10, below.)

(k) *Transcripts:*
(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. A Member of the Committee, a Committee staff member, or outside counsel, or a witness may examine a copy of the transcript of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the Member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman, acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five (5) working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony was given in executive session, the member or witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly

(2) Except for the record of a hearing which is closed to the public, transcripts shall be printed as soon as is practicable after receipt of the corrected versions. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The Committee shall furnish each witness, at no cost, one transcript copy of that witness' testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

Rule 7: Subpoenas

(a) *Procedure:* Subpoenas may be issued either:

(1) By majority vote of the Committee. or

(2) By the Chairman and Vice Chairman,

acting jointly. All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of these Rules of the Committee and a brief statement of the purpose of the initial review, investigation, or other proceeding.

(b) *Subpoena Power:* Pursuant to federal law, 2 U.S.C. 190(b), the Committee is authorized to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate as it deems advisable. The Committee is similarly authorized to require by subpoena or otherwise the attendance of such witnesses or the production of such correspondence, books, papers, documents, or other articles as it deems advisable.

(c) *Withdrawal of Subpoena:* The Committee may, by majority vote, withdraw any subpoena issued by it or issued by the Chairman and Vice Chairman acting jointly. The Chairman and Vice Chairman, acting jointly, may withdraw any subpoena issued by them.

Rule 8: Violations of law; perjury; legislative recommendations; and applicable rules and standards of conduct

(a) *Violations of Law:* When the Committee reasonably believes that a violation of law may have occurred, it shall by majority vote of the full Committee, report such violation to the proper state and federal authorities.

(b) *Perjury:* Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty of perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) *Legislative Recommendations:* The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers or employees of the Senate. The Committee may conduct such inquiries as it deems necessary to prepare such a report or resolution, including, but not limited to the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may in its discretion make legislative recommendations as a result of its findings in an initial review, an investigation, or other proceeding.

(d) *Applicable Rules and Standards of Conduct:*

(1) No initial review or investigation shall be made of an alleged violation of any law, rule, regulation, or provision of the Senate Code of Official Conduct which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may conduct an initial review or investigation of an alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Committee.

Rule 9: Procedures for handling committee sensitive and classified materials

(a) *Procedures for Handling Committee Sensitive Materials:*

(1) Committee Sensitive information or material is that information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or accusation of such conduct; to any resulting preliminary inquiry, initial review, or investigation by the Select Committee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to other information or material designated by the staff director, or outside counsel designated by the chairman and vice-chairman.

(2) The Chairman and Vice Chairman of the Committee, shall establish such procedures as in their judgment may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be set down in writing and shall be given to each Committee staff member.

(b) *Procedures for Handling Classified Materials:*

(1) Classified information or material is that information or material which is specifically designated as such under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as in their judgment may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedures for handling such information shall be set down in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each Member of the Committee shall have access to classified material in the Committee's possession. Only those Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman acting jointly, shall have access to classified information in the Committee's possession.

(c) *Procedures for Handling Committee Sensitive and Classified Documents:*

(1) Committee Sensitive and classified documents and materials shall be segregated in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for use in, or preparation for, interviews or Committee meetings; including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each Member of the Committee shall have access to all materials in the Committee's possession; however, the staffs of Members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be taken by a member of the Committee staff to the office of a Member for his or her examination, but the Committee staff member shall remain with the Committee sensitive or classified documents or materials at all times except as specifically authorized by the Chairman or Vice Chairman.

(3) Any Member of the Senate who is not a Member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials, other than those which are matter of public record, shall request access in writing. The Committee shall decide by majority vote whether to make the documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(4) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a Member of the Committee, or to a staff person of a Committee Member in response to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) *Non-disclosure policy and agreement:*

(1) No Member of the Select Committee on Ethics, its staff, or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in Executive Session (including the name of any witness who appeared or was called to appear in Executive Session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics, to any person not a member of the Select Committee on Ethics or its staff, except an official of the Executive Branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, except as authorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by its successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perfrom services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the non-disclosure policy. The agreement shall become effective when signed by the Chairman and Vice-Chairman on behalf of the Committee.

Rule 10: Broadcasting and news coverage of committee proceedings

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, still photography, or by any other methods of coverage, unless the Committee decides by majority vote that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpoena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio television, still photography or other methods is occurring. At the request of any such witness who does not wish to be subjected to radio, television, still photograph, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements: (1) Photographers and reporters using mechanical recording, filming, or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee Members and staff , or with the orderly process of the meeting or hearing.

(d) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(e) Personnel providing coverage by the television and radio media shall be currently

accredited to the Radio and Television Correspondents' Galleries.

(f) Personnel providing coverage by still photography shall be currently accerdited to the Press Photographers' Gallery Committee of Press Photographers.

(g) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobstrusive manner.

Rule 11: Procedures for advisory opinions

(a) *When Advisory Opinions are Rendered:*

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) The Committee may in its discretion render an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(b) *Form of Request:* A request for an advisory opinion shall be directed in writing to the Chairman of the Committee and shall include a complete and accurate statement of the specific factual situation with respect to which the request is made as well as the specific question or questions which the requestor wishes the Committee to address.

(c) *Opportunity for Comment:*

(1) The Committee will provide an opportunity for any interested party to comment on a request for an advisory opinion:

(A) Which requires an interpretation on a significant question of first impression that will impact more than a few individuals; or

(B) When the Committee, in its discretion, determines that comments from interested parties would be of assistance.

(2) Notice of any such request for an advisory opinion shall be published in the *Congressional Record*, with appropriate deletions to insure confidentiality, and interested parties will be asked to submit their comments in writing to the Committee within 10 days.

(3) All relevant comments received on a timely basis will be considered.

(d) *Issuance of an Advisory Opinion:*

(1) The Committee staff shall prepare a proposed advisory opinion in draft form which will first be reviewed and approved by the Chairman and Vice Chairman, acting jointly, and will be presented to the Committee for final action. However, if (a) the Chairman and Vice Chairman cannot agree, or (b) either the Chairman or Vice Chairman requests that it be taken directly to the Committee, then the proposed advisory opinion shall be referred to the Committee for its decision.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the *Congressional Record* after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw or elaborate on any advisory opinion.

(e) *Reliance on Advisory Opinions:*

(1) Any advisory opinion rendered by the Committee under S. Res. 338, as amended, and these Rules may be relied upon by:

(A) Any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered: *Provided*, however, that the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) Any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of S. Res. 338, as amended, and of these Rules, and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

Rule 12: Procedures for interpretative rulings

(a) *Basis for Interpretative Rulings:* S. Res. 338, as amended, authorizes the Committee in its discretion to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official conduct, or any rule or regulation of the Senate within its jurisdiction. The Committee also may issue such rulings clarifying or explaining any rule or regulations of the Select Committee on Ethics.

(b) *Request for Ruling:* A request for such a ruling must be directed in writing to the Chairman or the Vice Chairman of the Committee.

(c) *Adoption of Ruling:*

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretative ruling in response to any such request, unless

(A) They cannot agree, or

(B) It requires an interpretation of a significant question of first impression, or

(C) Either requests that it be taken to the Committee,

in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) above shall be adopted by a majority of the Members voting and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) *Publication of Rulings:* The Committee will publish in the *Congressional Record*, after making appropriate deletions to ensure confidentiality, any interpretive rulings issued under this Rule which, in the Committe's discretion, may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw or elaborate on interpretative rulings.

(e) *Reliance on Rulings:* Where an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretive ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) *Rulings by Committee Staff:* The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

Rule 13: Procedures for complaints involving improper use of the mailing frank

(a) *Authority to Receive Complaints:* The Committee is directed by Section 6(b) of Public Law 93-191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in Rule 13(b) below.

(b) *Disposition of Complaints:*

(1) The Committee may in its discretion dispose of any such complaint by requiring restitution of the cost of the mailing if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an initial review or investigation, must be summarized, together with the disposition, in a notice promptly transmitted for publication in the *Congressional Record*.

(3) If a complaint is disposed of by restitution the complainant, if any, shall be notified of the disposition in writing.

(c) *Advisory Opinions and Interpretative Rulings:* Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 11 and 12.

Rule 14: Procedures for waivers

(a) *Authority for Waivers:* The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Paragraph 2(c) of Rule XLII relating to annual reporting of gifts received aggregating $100 or more;

(2) Paragraph 1 of Rule XLIII relating to acceptance of gifts; or

(3) Paragraph 5 of Rule XLIX relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) *Requests for Waivers:* A request for a waiver under paragraph (a) above must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 12 of Rule 45 of the Standing Rules of the Senate) should be included with the waiver request.

(c) *Ruling:* The Committee shall rule on a waiver request by recorded vote, with a majority of those voting affirming the decision.

(d) *Availability of Waiver Determinations:* A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the Committee office.

Rule 15: Definition of "Officer or Employee"

(a) As used in the applicable resolutions and in these rules and procedures, the term "officer or employee of the Senate" means:

(1) an elected officer of the Senate who is not a Member of the Senate;

(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) the Legislative Counsel of the Senate or any employee of his office;

(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) a member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate;

(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) an officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or Committee of the Senate in accordance with Rule XLIX(3) of the Standing Rules of the Senate; and

(9) any other individual whose full-time services are utilized for more than ninety days in a calendar year by a Member, officer, employee, or Committee of the Senate in

the conduct of official duties in accordance with Rule XLIX(4) of the Standing Rules of the Senate.

Rule 16: Committee staff

(a) *Committee Policy:*

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(2) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public without Committee approval any Committee Sensitive or Classified information, documents or other material obtained during the course of his or her employment with the Committee.

(b) *Appointment of Staff:*

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including a staff recommended by a special counsel, for the purpose of a particular initial review, investigation or other proceeding; such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the executive branch of the Government) whenever the Committee determines that the retention of outside counsel is necessary or appropirate for any action regarding any complaint or allegation, initial review, investigation or other proceeding which, in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any investigation undertaken after an initial review of a sworn complaint, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) *Dismissal of Staff:* A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) *Staff Works for Committee as a Whole:* All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) *Notice of Summons to Testify:* Each member of the Committee staff shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

Rule 17: Changes in Supplementary Procedural Rules

(a) *Adoption of Changes in Supplementary Rules:* The Rules of the Committee, other than those established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended or suspended at any time; *Provided, however,* that not less than a majority of the entire membership so determine at a meeting called with due notice, and that prior written notice of the proposed change has been provided each member of the Committee.

(b) *Publication:* Any amendments adopted to the Rules of the Committee shall be published in the *Congressional Record* not later than thirty days after adoption.

Part III—Subject Matter Jurisdiction of the Select Committee on Ethics

Following are sources of the subject matter jurisdiction of the Select Committee:

(a) The Senate Code of Official Conduct approved by the Senate in Title I of S. Res. 110, 95th Congress, April 1, 1977, and stated in Rules 42 through 50 of the Standing Rules of the Senate;

(b) Senate Resolution 338, 88th Congress, as amended, which states, among others, the duties to receive complaints and investigate allegations of improper conduct which may reflect on the Senate, violations of law, violations of the Senate Code of Official Conduct, and violations of rules and regulations of the Senate; recommend disciplinary action; and recommend additional Senate Rules or regulations to insure proper standards of conduct;

(c) Residual portions of Standing Rules 41, 42, 43 and 44 of the Senate as they existed on the day prior to the amendments made by Title I of S. Res. 110;

(d) Public Law 93–191 relating to the use of the mail franking privilege by Senators, officers of the Senate; and surviving spouses of Senators;

(e) Senate Resolution 400, 94th Congress, Section 8, relating to unauthorized disclosure of classified intelligence information in the possession of the Select Committee on Intelligence.

(f) Public Law 95–105, Section 515, relating to the receipt and disposition of foreign gifts and decorations received by Senate members, officers and employees and their spouses or dependents;

(g) Preamble to Senate Resolution 266, 90th Congress, 2d Session, March 22, 1968; and

(h) The Code of Ethics for Government Service, H. Con. Res. 175, 85th Congress, 2d Session, July 11, 1958 (72 Stat. B12).

Excent that S. Res. 338, as amended by Section 202 of S. Res. 110 (April 2, 1977), provides:

"(g) Notwithstanding any other provision of this section, no initial review or investigation shall be made of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may conduct an initial review or investigation of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.

APPENDIX A—OPEN AND CLOSED MEETINGS

Paragraphs 7(b) to (d) of Rule XXV of the Standing Rules of the Senate read as follows:

(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by a committee or a subcommittee thereof on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

(c) Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.

(d) Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order.

APPENDIX B—"SUPERVISORS" DEFINED

Paragraph 12 of Rule XLV of the Standing Rules of the Senate reads as follows:

12. For purposes of this rule—

(a) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of

the ranking minority Senator on the subcommittee;

(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, the Legislative Counsel, and the employees of the Office of the Legislative Counsel;

(e) the Secretary of the Senate is the supervisor of the employees of his office;

(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

(h) the Majority Leader is the supervisor of the Secretary for the Majority and the Secretary for the Majority is the supervisor of the employees of his office; and

(i) the Minority Leader is the supervisor of the Secretary for the Minority and the Secretary for the Minority is the supervisor of the employees of his office.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on February 24, 1978.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

I ask unanimous consent that notifications be printed in the RECORD.

There being no objection, the notifications ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., February 24, 1978.

In reply refer to: I–416/78ct

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., February 24, 1978.

In reply refer to: I–182/78

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country for major defense equipment estimated to cost in excess of $7 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

James V. Serio, Jr., of Louisiana, to be U.S. marshal for the eastern district of Louisiana for the term of 4 years, vice Ollie Lee Canion, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, March 6, 1978, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

TECHNICAL CORRECTIONS IN H.R. 8638

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 486, with the understanding that the time thereon not exceed 5 minutes.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 486) directing the clerk of the House of Representatives to make certain technical corrections in the enrollment of H.R. 8638.

The PRESIDING OFFICER. Without objection, the concurrent resolution is considered and agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NUCLEAR NONPROLIFERATION ACT OF 1978

Mr. McCLURE. Mr. President, House Concurrent Resolution 486 directs the Clerk of the House of Representatives to make certain technical corrections in the enrollment of H.R. 8638, the Nuclear Nonproliferation Act of 1978. I have reviewed the corrections which are contained in this resolution, and found them to be acceptable. Consequently, I will not object to the consideration nor the adoption of this resolution. I, however, do have some comments to make with regards to the preparation of the resolution, and also some related matters dealing with H.R. 8638.

Mr. President, the other body passed H.R. 8638 at the end of the last session of this Congress. The Senate considered the companion legislation, S. 897, earlier this month and passed it on February 7, after numerous floor amendments as a Senate amendment to the House passed version of H.R. 8638. The other body then passed the Senate amendment to H.R. 8638 on February 9, 1978. Adoption of the Senate amendment by the other body, thereby, avoided the necessity for a conference between the two Houses and sent the Senate amendment to the President.

I understand that, in part, the other body's action in adopting the Senate amendment was motivated by a desire to avoid any further delay in the passage of nuclear nonproliferation legislation in this Congress. The floor debate also indicated that the leadership of the other body felt that the differences substantively between the two versions were minor, and that in the more critical aspects of the bill there was no substantive difference. Importantly, however, I also understand that there was a significant desire on the part of the sponsors of this legislation in both bodies to avoid further consideration by a conference committee of the many issues raised by my amendments, and those of other Senators, adopted by the Senate. It certainly is possible that any such further consideration of those issues by a conference committee would have resulted in many additional changes, both substantive and procedural, in the provisions of this bill. I, of course, should not and will not condemn or criticize the actions of the other body in accepting the Senate amendment. In fact, I am pleased somewhat that the other body found our many Senate amendments to be acceptable. I, however, am convinced that a conference committee could have written a far more acceptable version of the nuclear nonproliferation bill, but this Senator and other Senators with floor amendments certainly did all that was possible under the circumstances to fashion a good bill. The decision of the other body to accept the Senate amendment represents their judgment of the best course of action under those circumstances.

Mr. President, there is another aspect of this concurrent resolution and H.R. 8638, the Nuclear Nonproliferation Act of 1978, which deserves comment at this time. When the Senate passed the com-

panion legislation to H.R. 8638 (S. 897) with more than 50 floor amendments, this Senator, and I believe many others, voted for the bill with the full expectation that the vote for final passage was sending the Senate amendment to a Senate-House conference on this legislation. In fact, it was clear to us at the time that upon passage of the amended S. 897, that the floor managers would move to place the text of the Senate passed bill on the then pending H.R. 8638, ask for a conference, and appoint conferees. The floor managers did exactly that after passage of S. 897. Many of us in effect, were voting to send the Senate amendment to conference with the House. It was our expectation that the conference committee would seriously consider the numerous issues raised by the more than 50 amendments adopted on the Senate floor, and our sincere hope that the conference committee, in doing so, would adopt a final version of the bill which far more adequately and responsibly addressed those issues.

It certainly is fair to state that a large number of the amendments offered and adopted to S. 897 on the Senate floor did not achieve a finally acceptable result. As a sponsor or cosponsor of almost 40 of the adopted floor amendments, I will appreciate that the adopted formulation of many, in fact most, of those amendments did not place the amended provisions in a finally acceptable form. In most cases, the amendments identified and raised issues for later consideration in the conference committee, and created a sufficient difference between the House and Senate bills to provide for such consideration within the scope of the difference committed to conference consideration. This approach to the floor amendments was mandated by the reality of probable defeat for any stronger amendment, in the face of opposition by the floor managers. Consequently, many of the amendments in their current and now final form do not resolve the problems, which they were intended to raise for subsequent conference consideration. This fact was well known to many of my colleagues as a result of my correspondence to them in the form of several "Dear Colleagues," and my discussions with many colleagues during the consideration of the bill on the floor. As a result, I am convinced that many Senators who voted for final passage of S. 897 did so on the basis of the impending conference. Further, I am convinced that many of those same Senators similarly would have opposed final passage of S. 897 at passage, if it was generally known that the bill was to be sent to the President in that form.

Candidly, I believe that it is a great misfortune that the Senate amendment is being sent to the President without the opportunity for a conference committee to perfect the bill. While I am pleased that the Senate amendment incorporates the nearly 40 amendments I offered on the floor, and the several amendments offered by other Senators, I am convinced that the final product simply does not constitute the best bill which could have been sent to the President. I greatly fear that the bill may not even meet the minimum standards to satisfy the objectives and purposes which it sets forth. Both procedurally and substantively, I am afraid that the bill is seriously, if not fatally, flawed. I hope, in the final analysis, that the bill is not fatally flawed and, further, that any serious flaws can be remedied by administrative action under the regulations pursuant to this bill or through subsequent amendment before serious damage is done to this country's or the world's efforts to advance nuclear nonproliferation objectives. I will not at this time detail the exact flaws which I am convinced exist in the bill sent to the President, because I do not wish to further complicate, nor exacerbate our relationships with our nuclear trading partners. I also would hope that many of these flaws will be remedied in the administrative regulations under this bill. But, suffice it to say that I am convinced that H.R. 8638 is not the best nuclear nonproliferation legislation which this Congress could write. It is a shame that this Congress has not written that best nuclear nonproliferation legislation, as it should have. The American people, and indeed the rest of the world, have every right to expect that this Congress would enact the best possible legislation on such a complex and serious issue for the current and future generations of our world. It is extremely unfortunate, therefore, for this Congress to have done anything less than our best effort.

Mr. President, the related legislation history of H.R. 8638 also serves as background for the following comments on the pending House concurrent resolution to correct the enrollment of the bill. Since passage of H.R. 8638 on February 9, there has been continuing pressure on the Senate Energy and Natural Resources Committee, which was deeply involved in fashioning this legislation, to agree to a concurrent resolution correcting the enrollment. Recognizing that the more than 50 amendments adopted on the Senate floor could have resulted in a Senate-passed bill with some technical errors, I have supported the general objective of making necessary corrections in a concurrent resolution.

An initial draft of the proposed concurrent resolution was approximately 2½ pages long, and strictly addressed technical errors which required correction in the enrolled bill. Subsequent revisions of the original draft greatly exceeded the technical correction category. For example, a February 22, 1978, draft included 23 pages of changes to the Senate-passed amendment. The February 22 draft would have accomplished a major revision of the Senate amendment, including significant resectioning and even retitling of the bill, significant stylistic changes in the legislative drafting, and many changes which arguably were or bordered on substantive revision of the bill. I objected strenuously to the approach being suggested in the draft House concurrent resolution, because I became convinced that the resolution was doing far more than merely correcting technical errors in the Senate amendment. Fortunately, with the help of other relevant circumstances, I was successful in causing a return toward the limited nature of House concurrent resolution 486 before us today.

My strenuous objections to the act being taken in the February 22 draft was based on a serious concern that adoption of such a resolution would set a very unfortunate precedent for this body. In effect, the other body under this procedure would be able to accept a Senate amendment to a House-passed bill, and thereby avoid a conference on any controversial issues or differences, be they technical, procedural, or substantive, and at some later date by a concurrent resolution similar to the February 22 draft resolution make a series of changes to the Senate amendment. This procedure, of course, would require the participation of the companion Senate committee leadership, but certainly there have been and will continue to be many pieces of legislation, where the respective Senate and House committee leaderships may wish to avoid a controversial conference, because of the floor actions of the respective bodies. Such a procedure, also, could pose a very serious and significant threat to the legislative process where political or philosophical considerations make it advantageous and preferable to a full conference reconsideration of the issues.

Consequently, I am convinced that such a procedure is to be strongly opposed by this body on this bill and in any future legislation. I also strongly urge the Senate majority and minority leaderships, the parliamentarian, and the respective policy committees of this body to closely monitor the flow of any such concurrent resolutions correcting enrollment in the future to insure that we are not subjected to such a procedure. Our message to the other body should be quite simple and direct, to the effect that adoption of the Senate amendment to a bill should not be made with the expectation that any nontechnical correction-type revisions can be made by a concurrent resolution correcting the enrollment of the bill in the future. The Senate will not accept such a procedure.

None of the preceding discussion is intended to suggest that the committee leadership of the other body accepted the Senate amendment to H.R. 8638 with the prior intention of using this concurrent resolution for such a procedure, nor to suggest that once the Senate amendment was adopted that there was a conscious decision by the members to use this concurrent resolution for that purpose. Those members may not have known even about the February 22 draft, or its potential consequences. Also the February 22 draft may have been a well intentioned effort by members or staff or both to improve technically the drafting of the much amended Senate amendment. But, whether well intentioned or otherwise, the precedent which would have been established by the February 22 draft simply is unacceptable to this Senator. I hope that other Senators will join with me in exercising great vigilance to insure that this procedure is not used in the future to undercut the legislative prerogatives of the Senate.

Mr. President, as discussed above, the Senate passed H.R. 8638 on February 7, 1978, with a Senate amendment to the House-passed bill. On February 9, 1978, the House of Representatives passed the Senate amendment to H.R. 8638. The Senate bill, S. 897, which is the companion to H.R. 8638, was considered on the floor on February 2, 6, and 7, 1978. During the debate on S. 897, I offered a series of amendments to the Senate bill. Nineteen printed amendments were adopted on February 2, 1978, while an additional 19 printed and unprinted amendments, some as further amended by the floor managers, were adopted on February 6 and 7, 1978. The 19 printed amendments adopted on February 2 were adopted without any explanation with regards to this Senator's intent in offering the amendments. In order to provide such an explanation for purposes of the legislative history of these amendments, I would like to take this opportunity to briefly discuss those amendments.

The 19 amendments were adopted en bloc during the February 2 debate. They February 2, 1977. The amendment numbers which will be referred to throughout this discussion are references to the printed amendment numbers which were included in the CONGRESSIONAL RECORD for November 2, 1977, at page 36524. The same numbers were used in the administration comments on the amendments contained in the January 26, 1978, Department of State letter to Senator CHURCH.

AMENDMENT NO. 1582

Amendment No. 1582 changes the definition of "physical security measures" in subsection 4(a)(5). The original subsection defined physical security measures as measures "to prevent the theft or sabotage or unauthorized use of source or special nuclear material." The definition is important, because one of the export criteria governing nuclear exports and contained in title III of the bill, in section 309, is the maintenance of adequate or acceptable "physical security measures." Consequently, pursuant to section 304 of the bill, the NRC must affirmatively find that the criterion will be met for any nuclear export required to be licensed. Also, concern has been expressed regarding the susceptible nature of the affirmative finding based on this definition to intervenor challenge and judicial review. The original definition of the physical security measures compounds this problem, because it materially expands the evolving international concept of "physical protection" to include the notion of prevention of unauthorized use. This notion of unauthorized use also creates a great deal of confusion, because of the coexisting notion of "safeguards," which deal with national-level unauthorized uses. Amendment 1582 is intended to deal with these several problems.

The definition is reformulated to incorporate the concept of reasonably insuring that source or special nuclear material will only be used for authorized purposes. This change is intended to reflect the potential wide variety of unauthorized uses that might occur within the confines of a nuclear facility. The "reasonably insure" phrase is in recognition of the difficulty to lay down guidelines which could strictly "prevent" all forms of unauthorized use of these materials.

It is important to note that this formulation of the definition is intended to be strictly limited to cover unauthorized uses by subnational groups, employees or officials at a facility which are not, repeat not, authorized by the National Government, and which are not in accordanec with the directives of the National Government for authorized use of the materials. This distinction is important because a nationally sanctioned or authorized use of the materials which is contrary to the nonproliferation restrictions contained in the bill, or specified in any export license, subsequent arrangement, or agreement for cooperation, would constitute a safeguard problem, rather than a physical security problem. The safeguards requirements are the subject of a separate set of guidelines and requirements in the bill and in other international review activities.

It also is important to note that in strict legal terminology, the term "theft" probably would cover most, if not all, the activities which would also be encompassed by the concept of unauthorized use. That occurs, because any unauthorized use must, in one form or another, incorporate the legal concept of converting the nuclear materials for the unauthorized use by taking unauthorized possession and/or control of the materials for that usage. However, because of the complex technological and legal concepts which may be involved in any given situation, the combination of preventing theft and sabotage and reasonably insuring against unauthorized subnational use is intended to cover the various subnational threats to the protection of such materials.

This new formulation of the definition of physical security measures is intended to parallel the international concept of "physical protection." The "physical protection" concept is contained in paragraph 3 of the nuclear suppliers group guidelines for nuclear transfers, and the attachment to the guidelines entitled "criteria for levels of physical protection." The criteria contained in the attachment incorporate by reference IAEA document INFCIRC/225 and set forth the various levels of "physical protection" for various categories of nuclear materials. Paragraph 3 of the nuclear suppliers group guidelines does incorporate expressly the notion of unauthorized use and handling. Also, the IAEA document INFCIRC/225 includes recommendations to protect against unauthorized removal of nuclear materials and sabotage.

The term "prevent" has been retained in the amendment for "theft and sabotage." This formulation of the definition parallels the recommendations in the IAEA document INFCIRC/225 and also the international notion of "physical protection." Use of the term "prevent" is intended to conform the definition to these parallel concepts and notions, but certainly is not intended to establish an independent and absolute U.S. standard of prevention against theft and sabotage. The modification for unauthorized use to include the "reasonably insure" formulation was simply a recognition of the difficulty in completely protecting against any unauthorized use within a facility. This reflects the importance of facility personnel clearance procedures and appropriate monitoring of activities by the internal security authorities in a foreign nation.

Amendment No. 1582, then, is intended to insure that there is no confusion regarding the intended distinction between physical security measures dealing with subnational threats and safeguards dealing with national diversions of material. Consistent with that distinction, amendment No. 1582 provides a more reasonable definition for the measures associated with subnational unauthorized use of nuclear materials. Consequently, the amendment parallels the definition of physical security measures for domestic regulation in this bill with the international concept of physical protection as embodied in the nuclear suppliers group guidelines for nuclear transfers and in the relevant IAEA document, INFCIRC/225.

The formulation of the definition in the amendment, thereby, establishes a definitional standard which is completely consistent with the ongoing efforts of the United States to internationally develop the "physical protection" concept and encourage its application to all nuclear transfers. By making this definition consistent with the international efforts of the United States, it will be possible to coordinate the domestic regulation by the NRC under this bill with the internationally advancing concepts in this critical area. When read together with the changes in the statutory criterion for physical security measures for exports made by amendment No. 1603, this definition should provide the basis for a thoroughly adequate and completely predictable physical security or physical protection standard for future nuclear exports. Such a result will avoid the unnecessary susceptibility of this particular regulatory requirement of the bill to intervenor challenge and judicial review, and also will provide a necessary basis for the international agreements and contracts associated with our future nuclear exports.

AMENDMENT NO. 1584

Amendment No. 1584 modifies section 201 to add a statement that the United States is "committed to continued strong support for the principles of the treaty on the nonproliferation of nuclear weapons." This amendment is a response to the concern that there is a consistent overtone throughout the bill of an evolving, U.S. unilateral withdrawal of confidence in and support for the IAEA structure and the nuclear nonproliferation treaty structure, which are vitally important parts of the overall international nonproliferation effort. The Energy Committee amendments to title I attempted to ameliorate this unfortunate overtone by including expressly IAEA participation in the section 104 (a) international discussions and by reducing the unilaterialism of the re-

quirements for section 104(d) fuel assurances. This amendment will add to that effort by affirmatively restating the U.S. acknowledgment of the importance of the IAEA and the NPT structures in our evolving nonproliferation policy, and reflect continued U.S. confidence and support for those international structures. While the remainder of the bill still retains the overtone of concern, amendment 1584 will provide an express statement, hopefully, balancing the reflected U.S. policy.

AMENDMENT NO. 1585

Amendment No. 1585 strikes section 203 from the foreign relations substitute. Section 203 would statutorily establish an interagency effort dealing with the development of various safeguards-related technology. These same activities are the subject of the annual department of energy authorization and related legislative considerations of these ongoing efforts. Consequently, incorporation of a statutory mandate with a specific inner-agency approach is considered to be unnecessary in this bill. The House of Representatives for the same reason removed section 203 from the companion House legislation.

AMENDMENT NO. 1586

Amendment No. 1586 strikes the leading "Technology Transfer" which precedes section 302 of the bill. Section 302 amends section 57(b) of the Atomic Energy Act. Section 57(b) previously has been the authority for nuclear components exports, as well as technology transfers in the form of drawings and instruction manuals, and so forth, because of confusion between the prior interpretation of section 57(b) and the new formulation of regulations in this bill, with section 302 covering the technology-type exports, such as drawings, instruction manuals, and so forth, and section 309 covering components, it is important to avoid any confusion regarding what statutory provisions are intended to regulate what export activities. Striking the heading "Technology Transfer" removes part of the potential ambiguity associated with the various regulatory provisions in title III.

AMENDMENT NO. 1588

Amendment No. 1588 is intended to clarify further the potential ambiguities associated with the various regulatory provisions in title III. The insertion of the term "including a specific authorization in a subsequent arrangement under section 303" is intended to indicate that any activities which have been authorized under the provisions of the section 303 regulation of so-called "subsequent arrangements" shall be considered authorized for purposes of the section 302 regulation. This amendment will make clear the fact that any transfer authorized by a subsequent arrangement that has been approved under section 303 need not also be approved under section 302. Since both sections 302 and 303 become effective as amendment to the Atomic Energy Act, it should be understood that the relationship of the two sections is intended to be in the form of the amended sections in the Atomic Energy Act. The intended result of this amendment is to further insure that the various regulatory requirements included in the different sections of title III are mutually exclusive, so that any single export activity will be subject to only one of the regulatory sections.

AMENDMENT NO. 1590

Amendment No. 1590 is another amendment intended to clarify the mutually exclusive nature of the various regulatory requirements included in title III. This amendment deals with the distinction between transfers under section 302 and transfers which may be made under the component regulation established by section 309 (which amends section 109 of the Atomic Energy Act) and under the facility regulation included in section 304 of the bill (which adds a new section 126 to the Atomic Energy Act). The amendment adds a proviso that the export of component parts shall be governed by the referenced sections of the act, rather than by section 302. This makes clear that the only regulation of component parts will come in the form of a facility license pursuant to section 126 of the Atomic Energy Act which includes component parts for maintenance and repair, or in the form of separate export actions which are covered by the amended section 109 of the Atomic Energy Act. As a result, the amended regulations under section 302 should only deal with the transfer of technology in the form of drawings, manuals, et cetera, but not including componentry which is subject to the other sections of this act.

AMENDMENT NO. 1591

Amendment No. 1591 is intended to clarify the exact coverage of section 303 and its regulation of so-called Subsequent Arrangements. This is accomplished through several changes to section 303 in the foreign relations substitute. First, section 303 is added to the Atomic Energy Act as a new section 131. This will insure that all aspects of nuclear exports which are regulated under this bill will be contained within the Atomic Energy Act, as amended. Hopefully, most of the confusion resulting from the overlapping regulation between this bill and the Atomic Energy Act will be eliminated by incorporating all of these regulatory provisions into the act, as well as making the individual regulatory provisions mutually exclusive, and providing better definitions.

The amendment also changes the definition to subsequent arrangements to clarify exactly what is intended to be covered and, at the same time, distinguish what is not intended to be covered under this new regulation. It is important to note that section 303 (new section 131 of the Atomic Energy Act) will extend a degree of regulation to a series of U.S. activities which heretofore have not been subjected to the specific nonproliferation-based regulatory requirements. It is also important to note that many of these activities are the subject of other statutory requirements associated with the immediate functions related to the activities, whereas section 303 will add to those requirements the nonproliferation-related regulation. Also, the term "Subsequent Arrangement" heretofore has not been a statutory term of art in the regulation of nuclear export activities.

The definitional change made by amendment No. 1591 is intended to clearly indicate that these so-called "subsequent arrangements" are limited to activities of the U.S. Government which are directly related to cooperation with foreign nations or groups of nations. The term "subsequent" is a direct reference to the fact that these U.S. Government activities will occur "subsequent" to an agreement for cooperation between the United States and a foreign nation or group of nations, and generally will be carried pursuant to such agreement. The new definition in amendment No. 1591 makes clear that there are several important elements to the activities encompassed within the term "subsequent arrangement." The first element is that an arrangement to be covered by this section must involve as one party an agency or department of the U.S. Government. The second element is that the arrangement, or agreement or contract or other type of arrangement, must deal with an activity which is directly related to cooperation in the atomic energy field between the United States and another nation or a group of nations. Cooperation in this sense is a direct reference to the agreements for cooperation pursuant to which the Atomic Energy Act authorizes these activities and, which are the subject of the new requirements in title IV of this act. It is important to note the parenthetical disclaimer that such arrangements shall not include "purely private or domestic arrangements." Consequently, any of the activities listed in subsection 303(a)(2) (A) through (G) which are of a purely private or a purely domestic nature, or which do not involve an agency or department of the U.S. Government in activities under an agreement for cooperation shall not be subject to the regulation contained in section 303. What is intended to be covered by the subsequent arrangement regulation in section 303 are those U.S. Government, so-called "arrangements" which are used to further establish the specific types of activities which will proceed under an agreement for cooperation. It is important to note that if a U.S. Government agency or department is engaged in any of the listed activities in a domestic activity, such activity would not be subject to this section. Similarly, a completely private contract between a U.S. industrial contractor and a foreign entity for such activity also would not be covered by section 303.

Amendment No. 1591 also changes section 303 to clarify that this regulation will be contained in the Atomic Energy Act, so that where other sections of the Atomic Energy Act impose requirements on these same section 303 activities, or impose specific approval procedures, they must also be satisfied before the activity proceeds or an approval is effective. The final change in amendment No. 1591 amends section 603(b) to expressly indicate that subsequent arrangements which are pursuant to the military agreements for cooperations listed in section 603(b) are not in any way to be regulated by section 303. Only agreements for cooperation in peaceful

nuclear energy and subsequent arrangements pursuant to those agreements are intended to be covered by section 303.

AMENDMENT NO. 1592

Amendment No. 1592 makes an additional change to section 303 to clarify the relative responsibilities of the various agencies involved in coordinating on this new regulation of subsequent arrangements. The foreign relations substitute would place the NRC in a final consultative role after an executive branch position is developed. It is clear this placement of the NRC in the procedure for developing regulatory approvals could result in a bureaucratic nightmare at that point in the process and almost on a case-by-case basis. Amendment No. 1592 clarifies the respective role of the NRC by requiring that the Secretary of Energy consult with the Commission at the same time consultation is made with the Arms Control and Disarmament Agency and the Department of Defense. Obtaining the NRC's views in the formulation of the Secretary of Energy and Secretary of State-concurred position on any subsequent arrangement appears to be a far more meaningful consultation and a far less convoluted process.

AMENDMENT NO. 1593

Amendment No. 1593 adds to section 303 the requirement that any other statutory requirements under the Atomic Energy Act for the approval or conduct of any of the subsequent arrangements subject to section 303 continue to apply, and such requirements must be satisfied before the arrangement is allowed to take effect. This amendment is a recognition that many of the subsequent arrangements included in section 303 are also subject to other requirements and regulations imposed by the Atomic Energy Act, and makes clear that the other requirements of the Atomic Energy Act continue to be effective. Consequently, the language in section 303 indicating that a subsequent arrangement can become effective upon simply satisfying the 303 requirements will now indicate that the subsequent arrangement can take effect in terms of nonproliferation requirements upon satisfaction of the 303 regulation, but still must be subjected to any other existing regulatory requirements in the Atomic Energy Act. It is the intent of this amendment that all requirements under the Atomic Energy Act, including both those of 303 and those of any other sections of the act will be satisfied before notice is made in the Federal Register under section 303(a)(1) or any arrangement is forwarded to Congress under section 303(b)(1). It is recognized that where there are multiple requirements flowing from other sections of the Atomic Energy Act, as well as section 303, that it may be difficult to ultimately reduce the arrangement to an ongoing activity, because of the interative nature of the nonproliferation requirements versus the activities implementation requirements of the rest of the act. The Secretary of Energy should quickly establish procedures for each of the individual categories of subsequent arrangements to be subjected to section 303 requirements to insure that the requirements can be satisfied in a manner which allows the activity to proceed in the most effective and least time-consuming manner.

AMENDMENT NO. 1596

Amendment No. 1596 has the effect of removing from the section 304 export licensing procedures the requirements for NRC regulation of so-called "exempted" Department of Energy transfers. This amendment conforms section 304 to other amendments which have been made to section 301 to remove the requirement for NRC regulation of these exempted transfers. However, the nonexempted transfers by the Department of Energy shall remain subject to the section 304 requirements.

AMENDMENT NO. 1598

Amendment No. 1598 amends the export licensing procedures in section 304 (new section 126 of the Atomic Energy Act) to make it clear that this bill will not require the NRC to conduct adjudicatory proceedings for export licenses. The foreign relations-reported substitute required the NRC to make a series of findings "based on a reasonable judgement of the assurance provided and the evidence" with regard to the export criteria. The direct reference to "evidence" could be considered to be indicative, unfortunately, of an intention on behalf of the drafters of this section to require the formalized taking of evidence for each export license application. Clearly, that is not the intention of the sponsors of this legislation, and amendment No. 1598 clarifies the intention.

Amendment No. 1598 strikes the term "evidence" and replaces it with "other information available to the Federal Government including the Commission." The substitution of the new phrase for the term "evidence" is intended to make clear that this bill does not require any adjudicatory proceedings for an export license. Section 304(b) is intended to be the sole basis for the establishment of proceedings by the Commission for export licenses. This amendment should clarify that the 304(b) provisions shall govern solely the nature of the Commission's export licensing proceedings. Certainly, the legislative type hearings which the Commission has used in the past and which are the subject of the new part 110, "export and import of nuclear facilities and materials," final rule of the Commission are appropriate for export licensing proceedings under this bill. Nothing contained in the language "finds, based on a reasonable judgement of the assurances provided and other information available to the Federal Government, including the Commission," is intended to suggest in any way the need or requirement for a change in the legislative type hearings.

The term "assurances provided" clearly was intended by the sponsors to encompass the assurances which typically have been received from foreign countries with regards to the intended uses for exported materials and the nature of the physical security arrangements and safeguards, among other items, that would be applicable for the exported material.

The new term added by amendment No. 1598, "other information available to the Federal Government including the Commission" is intended to cover the range of additional information which may be relevant to the Commission's consideration of an export license: which is made available in the executive branch judgment; which may be provided by the executive branch in response to the Commission's additional questions; which is otherwise available to the Commission as a result of its continued review of the reporting and analysis in other departments and agencies; which may be developed by the Commission in the legislative-type hearings (which might be conducted for any particular application), which may be developed by the Commission staff in the conduct of related international activities; and as a result of the interagency coordination on nonproliferation matters.

It is important to note that the new part 110 procedures, adopted by the NRC make provision for the availability and consideration of both nonclassified and classified information which would be included within the category of "other information available to the Federal Government, including the Commission." Part 110 makes clear that there are special procedures to be used in the availability and consideration on highly sensitive and other classified information and correctly reflects the interagency coordination and cooperation necessary for the Commission's consideration of such information. The term "other information available to the Federal Government" is not, repeat not, intended to suggest that the Commission must make an independent determination that it has reviewed all possible information within the possession of any executive branch agency and that in any way could relate to a particular nuclear export, nor is it intended to require that the Commission must demand that the subpena power or intelligence-gathering capabilities of the Federal Government be used to obtain new information which could be considered to be "available" by the uses of such methods, but is not presently in the possession of the Government. Also, this formulation of the "other information available to the Federal Government" is not intended to force the NRC to compel the formal transmittal of all such information from any other Federal agency.

The phrase is clearly intended to be representative to the interagency coordination and information exchange which now is commonplace in the nonproliferation activities of the Government. In fact, to date, the interagency cooperation available to the NRC has been exemplary and there is no reason to suggest that it needs to be changed in the future. Such interagency cooperation, particularly, will be enhanced under the procedures of part 110 of the NRC regulations, which should be considered as conceptually satisfying the concept of "other information available to the Federal Government."

It is important to recognize that the availability and consideration of this other information by the NRC also clearly falls within the area of the con-

duct of foreign policy by the United States. Again, the NRC's new part 110 correctly reflects the nature of this "other information" as being necessarily subject to the foreign policy considerations which have been reflected in the procedures of part 110.

The term "Federal Government" is intended to simply reflect the cooperation of other executive branch agencies through the mechanism of interagency coordination and cooperation in the consideration of export licenses. There is no intent to suggest any massive bureaucratic maze involving formalized collection of information from all Government agencies nor to suggest the need for collection of information from the legislative branch or the judicial branches which may bear arguably on a particular application.

The ultimate importance of the substitution of the new terminology for the term "evidence" is to avoid any implication that the intention of the sponsors is for adjudicatory hearings. Beyond that ultimate purpose, there is no intention to suggest anything more complex or rigorous than the type of interagency and independent information reporting and review which already has been established under the existing export licensing and is the subject of the recently promulgated new part 110 by the Commission. Consequently, neither the NRC nor any reviewing court should construe this phrase "other information available to the Federal Government, including the Commission" as the basis for requiring the commission to adopt new general procedures or, for a given application, a specific approach that would incorporate any of the unintended types of requirements mentioned above.

AMENDMENT NO. 1599

Amendment No. 1599 grants express authority to the NRC to make a single finding for more than one application and also to use an alternative procedure for licenses, based on a finding of "no material changed circumstances." This amendment is in response to the concern that the new procedures under section 304 of the bill would become excessively time consuming and unnecessarily cumbersome, because of the frequency of applications which must be processed under the greatly expanded export licensing procedures specifically, a review of export licenses in 1977 found that as many as 15 to 20 licenses for one country occurred in the first 6 months of the year. Obviously, if the Commission has to go through a full blown section 304-licensing on every single application that will be a needless waste of applicant and staff time and effort.

Subpart (1) of the amendment expressly authorizes the Commission to make a single finding under section 304 for several applications, where the applications "involve exports to the same country, in the same general time frame, of similar significance for nuclear explosive purposes and under reasonably similar circumstances." It is the intention of this amendment that there would no longer be the requirement for the complete, full-blown licensing of section 304 for each individual application if a series of applications qualify under subpart (1). Clearly, subpart (1) requires that the exports be for the same country. The exports also must be "in the same general time frame," which is intended to authorize the Commission to make a single finding for all the pending applications for a 6-month or 1-year period, or longer, as appropriate to avoid the needless reconsideration of the same issues and requirements on a frequently recurring basis.

The applications also must be "of similar significance for nuclear explosive purpose," which is intended to indicate that the exports grouped into the single finding would all be involved in the same general types of activity in the recipient country and, therefore, would encompass the same general considerations associated with the nonproliferation considerations pursuant to section 304. Additionally, the exports must be "under reasonably similar circumstances" which is intended to indicate that circumstances other than the nonproliferation/nuclear explosive aspects of the use of the export in the recipient country are generally comparable.

This subpart (1) has the effect of placing in the statute a concept which has been the subject of substantial NRC and interagency discussion in recent months. The authority granted by this subpart to the Commission will provide the opportunity to avoid many of the past difficulties associated with individual consideration of single applications, and also will avoid the exacerbation of that problem with the substantially expanded statutory requirements contained in section 304. While purely discretionary, it is the intent of this amendment that the Commission whenever possible will make the single finding for several such applications in order to reduce the amount of unnecessary time and effort and to avoid unnecessary time delays in the processing of such applications. Certainly, this authority should be used as much as possible to achieve an increased measure of reliability of supply by the United States under this bill.

Subpart (2) of amendment No. 1599 places in section 304 a new authority for the use of a "material changed circumstance" procedure as an alternative to the full blown licensing required by section 304. It is important to note that the availability of this new authority is intended to be completely discretionary on the part of the NRC. To that end, the last sentence of the subpart states that the failure of the Commission to use this authority shall not be subject to judicial review. While this express grant of authority is intended to be discretionary on the part of the NRC, the "material changed circumstance" procedure does offer a significant opportunity for improvement of the export licensing procedures available to the Commission. It, therefore, is the intent of the amendment that the Commission would use this procedure whenever it would be applicable to a given series of related export licenses, in order to avoid the needless reconsideration of the same issues and requirements under this section, and a resulting wasted applicant and staff effort and time. Also, this procedure offers an excellent opportunity for the NRC to enhance the position of the United States as a reliable and predictable supplier of nuclear fuels, material, and technology. Since one of the overriding policies and purposes of this bill is to insure that the United States is such a predictable and reliable supplier, it is clear that the Commission's discretionary use of this express authority will greatly further those objectives, policies, and purposes. The NRC under the full application of this bill, therefore, should place significant emphasis on the use of this alternative finding approach, even though it has not been imposed as a mandatory requirement of the Commission.

Subpart (2) of amendment No. 1599 authorizes the NRC to make a finding of no material change circumstances for a new application from a prior application that fully utilized the section 304 procedures. The alternative "no material changed circumstance" findings is then deemed to satisfy all of the requirements for findings by the Commission under this section, and the application then can be approved. It is important to note that this "no material changed circumstance" finding is, in fact, a complete alternative for the full blown section 304 findings of the NRC that the export criteria and any other statutory requirements are met. As such, the single finding allows the NRC to directly approve the application without reconsidering all of the otherwise relevant criteria and statutory requirements which were previously considered in the full blown consideration of the prior approved application.

The subpart makes clear that this alternative finding and approval procedure are only available after a license application for an export to a country has been fully considered by the section 304 procedures, with all of the relevant findings by the NRC regarding the exporting criteria and other applicable statutory requirements. Once the NRC has fully considered an export license for a country using the full blown procedures of section 304 and making all of the findings on export criteria and other applicable statutory requirements, all subsequent license for exports to that country can be approved by the NRC upon the alternative finding of "no material change circumstances."

The statutory standard for the alternative finding, therefore, is based on the concept of "no material change circumstances." It is the intention of this amendment that the Secretary of State in submitting the executive branch judgment required by section 304 for a license application will expressly comment upon the existence of any "material changed circumstances" from the circumstances of a prior application approved using the complete section 304 procedures. Similarly, the NRC in its parallel consideration (mandated by section 304) of an application during the time frame while the executive branch is formulating the executive branch judgment, should give full consideration to whether or not a "material change circumstance" exists since the prior approved application. While the decision to ultimately use the alternative "no material changed circumstance" finding is

fully within the discretion of the Commission, both the executive branch and the NRC staff should fully consider and report on the "material changed circumstance" issue in the review of the export application. Such procedures will insure that the alternative finding can be considered by the Commission staff or the Commission, as appropriate, at the appropriate time in the application review procedure for making a decision on which of the two alternative finding approaches will be utilized in finally considering the application.

The concept of "no material changed circumstances" is central to the application of this alternative procedure. The amendment intends that the "circumstances" in question are those which whould be significant for purposes of the criteria established by section 305 and 306 for nuclear exports or the other statutory requirements. Since, under established NRC and interagency practice, both the NRC and the executive branch agencies involved in nuclear nonproliferation matters already are monitoring these circumstances on a continuing basis, continued review of the circumstances of significance for the section 305 and 306 criteria and other statutory requirements should present no procedural or substantive problem.

Once the NRC has once made the required findings under a full blown application of the 304 procedure, there will be a "bench mark" or "base line" establishing the significant circumstances in that country related to the individual criterion contained in section 305 and 306. Thereafter, the involved, executive branch agencies and departments and the Commission will be in a position to follow and monitor, as appropriate, those circumstances over time. As noted, that is the current NRC and interagency procedure for tracking the nuclear nonproliferation-related activities of foreign nations. In fact, the interagency nonproliferation activities, which include the NRC, have specifically provided for this type of continued review of relevant foreign, nonproliferation-related activities. This interagency nuclear nonproliferation program has worked successfully in the past in providing information which could be relevant to considering the changed circumstance issue, and upgrading of the program to incorporate more advanced data processing and analysis capabilities has already been authorized and funded. Also, the ongoing effort to upgrade overall international safeguards, including the action plan for upgrading the IAEA safeguards program, will provide the informational, and technological capabilities over time in the future to further enhance the basis for executive branch and NRC consideration of these possible changes in circumstances significant for the export criteria. In any event, the "no material changed circumstance" procedure can go into effect immediately using the current interagency nonproliferation information program, once the NRC has made the required findings under the full blown procedures of section 304, to determine whether or not there have been any changes in the significant circumstances associated with those findings under the criteria of sections 305 and 306.

The subpart (2) formulation of this alternative finding adopts the requirement for "no material" changed circumstances as the statutory standard for the finding. It is the intent of this amendment to apply the legal definition of materiality in determining whether or not the finding is available. Certainly, there are a broad spectrum of changes in the circumstances of significance under the criteria of section 305 and 306. The legal concept of materiality applied by subpart (2) will allow the NRC to make this alternative finding and thereby approve the application, as long as such changes in circumstances are not material. Materiality is to be judged on the basis of how the individual circumstance changed from what it was at the time of the prior approved application, using the full blown section 304 procedures, to the new "changed circumstance" existing at the time of this application. The changed circumstance would be material if the change in circumstance would require a reconsideration of the Commission's conclusions in its previous findings with regards to one or more of the criterion under section 305 and 306, or the meeting of any other applicable statutory requirements. If a change in circumstances from the circumstances existing at the time of the prior findings is not sufficient to warrant reconsideration of that prior finding, it should not be considered as material for purposes of the test in this subpart.

In other words, the full blown procedure and required findings under section 304 for the prior application will establish a set of circumstances of significance for those findings, to be used as a "base line" or "bench mark" for the consideration of future circumstances related to future applications. When the future applications are being considered, the executive branch and the NRC, under this procedure, shall review the circumstances existing at the time of the new application and compare them to those existing at the time of the prior approved application. If any of the circumstances which are of significance to the prior conclusions, findings and related criteria have changed, the executive branch and the NRC then will consider whether or not that change in circumstances is sufficient to require a reconsideration of the prior findings with regards to the appropriate criteria. If the change in such circumstances is not sufficient to require a full reconsideration of the relevant finding, then the changed circumstance is not material for purposes of the alternative finding of subpart (2). If, however, the changed circumstance is sufficient to require a full reconsideration of the finding or findings, then the changed circumstance is material and this alternative finding, therefore, would not be available for purposes of approving the new application. In that case, the only approval procedure available for the new application would be the full blown section 304 procedure with the requirement for new NRC findings.

Conversely, it is not a material change circumstance merely if there is a change in the type of export or in the type of technology being utilized. Changes in the type of export or in the type of technology being utilized would only be considered material if they met the aforementioned test for materiality, and necessarily, in and of themselves, would require the reanalysis and reconsideration of the conclusion supporting the prior NRC conclusions and findings for the prior-approved applications. It also should be clear that while this authority for the NRC is discretionary, the NRC should not attempt to use it in making policy distinctions between recipient countries. The nuclear nonproliferation bill has established a scheme which expressly provides those U.S. Government actions which are intended to provide the necessary incentives and/or restrictions to encourage other nations to adhere to U.S. nonproliferation policies. Even though the NRC's discretion with this authority is not subject to judicial review, it would be a serious misuse of the authority for the NRC to attempt, on its own initiative, to use it for nonproliferation policy purposes. Even though not mandatory, the authority has been provided to the NRC for use in an even-handed and nonpolitical manner to expedite the consideration of export license applications, once the full blown procedures of section 304 have been applied to the nuclear exports for a particular country.

As noted, to the extent that such application will minimize unnecessary time delays and wasted regulatory efforts, as well as significantly enhance the capability of the United States to be a predictable and reliable nuclear fuels and technology supplier, the NRC and the executive branch should quickly put the alternative finding procedure into place and use it whenever possible on a nondiscriminatory basis. The nondiscriminatory use of the alternative finding, as often as it can be available, will be the most responsible implementation of the nonproliferation policies of this bill. Other nations of the world will well appreciate that this discretionary authority is available to the NRC. Failure to use it when it is available, or its use in a discriminatory manner outside the policy mandates expressly included in the bill, will do little if anything to enhance the U.S. position in international nuclear commerce. A close review of the recently released nuclear suppliers group guidelines for nuclear transfers and its implementation by other nuclear suppliers will quickly lead to the conclusion that the United States will seriously be disadvantaged, procedurally and substantively, in making timely judgments on nuclear exports if this authority is not used as often as possible, and used in a nondiscriminatory manner. Suffice it to say that the NRC and executive branch use of this alternative findings will be the subject of the closest scrutiny by the Congress and the General Accounting Office over the next several years.

AMENDMENT NO. 1600

Amendment No. 1600 further modifies section 304 by striking a separate requirement "that the application or request therefore is acceptable." The statutory scheme of section 304 is to establish

a series of criteria and requirements on which the NRC must make affirmative findings in order to approve an export license. The material stricken by amendment No. 1600 could be construed to establish an additional requirement or standard for approval, that being "acceptable." Striking this potentially additional requirement insures that the regulatory processing of the license application will lead directly to approval or disapproval premised solely on the statutory criteria and requirements contained in section 304, and no other, unrelated requirement associated with the notion of acceptability of the application, apart from those criteria and requirements. This amendment also makes clear that the timely consideration required of the NRC for export license applications is intended to be based solely on the required findings, and not on any other unrelated or administratively established requirement. Once the statutory findings have been made, the license application shall be immediately approved.

AMENDMENT NO. 1602

Amendemnt No. 1602 modifies section 304 to include a proviso indicating that the Commission is authorized to continue processing license application under temporary procedures while awaiting the final formalization of licensing proceeding under subsection (b) of section 304. This amendment will insure that the Commission can continue processing applications during the consideration of the formal proceeding procedures. This proviso is particularly important since the NRC's new part 110 procedure do provide a generally consistent basis for considering applications during this interim period. It is anticipated that the Commission would use the part 100 procedures during this interim time frame, and ultimately could make the change to the new formalized procedures under subsection (b) at the time the rest of the bill is implemented. Such temporary procedures using part 110 would be based on substantive criteria contained in this bill.

AMENDMENT NO. 1605

Amendment No. 1605 modifies section 309 and its regulation of components, items, and other substances by adding a proviso exempting such exports from section 309 if they are covered by a facility license issued under section 304 (section 126 of the Atomic Energy Act). This is another amendment in the series of amendments intended to establish the mutually exclusive nature of the various regulatory requirements established by this bill. The proviso will have the effect of exempting any component, item, or substance export, which already is covered by a facility license, from the additional requirements of a license under section 309. This exemption will have several desirable results. If a facility license is formulated in a way to include the components, items, or substances which are needed not only for initial construction, but also for operation and maintenance of that facility over its lifetime, those components, items, or substances need not be subjected to the subsequent licensing of section 309. This will insure that any recipient nation will have the confidence that all of the required componentry for a facility and its operation will be made available under the original facility license, and will not be subject to the vagaries of a subsequent component license under section 309.

This will enhance the U.S. opportunity to demonstrate again its capability as a reliable and predictable supplier of nuclear facilities and fuels. In the future, it would be anticipated that a facility license would expressly cover these categories of components, items, or substances to insure that they are not subsequently subjected to the regulation of section 309. From a nonproliferation policy point of view, this exemption insures that the facility license review will encompass all of the required support over the life of this facility, to maintain and operate it, in the various considerations of nonproliferation-related criteria. Once having done so, however, there would be no subsequent requirement for any additional licensing to support that facility and its continued operation. This result will avoid any unnecessary and potentially burdensome regulation for the recipient nation, while at the same time preserving the nonproliferation protections intended by the regulation of this bill.

AMENDMENT NO. 1606

Amendment No. 1606 further amends section 309 of the bill by adding a new subsection (d). Subsection (d) provides for an orderly transition from the existing regulation of components in the Atomic Energy Act, to the amended section included in section 309 of this act. The amendment accomplishes the orderly transition by providing for an exemption, in effect a "grandfather" clause, for exports which meet two tests. The first test is that the contract for the export must have been made prior to November 1, 1977. The second test is that any export for which there was a contract prior to November 1, 1977, must actually be exported within 1 year after enactment of section 309. In other words, any export which is the subject of a contract after November 1, 1977, or any export for which there was a contract prior to November 1, 1977, but will not actually be transferred out of the country until after 1 year from the date of enactment of section 309, will not be grandfathered by subsection (d). Those exports which do qualify, because of a contract prior to November 1, 1977, and actual export before 1 year after the date of enactment, shall be subject only to the procedures which existed before the amendments contained in section 309 became effective. Any components which are the subject of later contracts or which will be delivered beyond the 1-year period would be fully subject to the amended procedures of section 309. This exemption will insure that the normal flow of commercial activity to be regulated by the new section 309 provisions will be able to transition into the new regulatory regime without an immediate interruption of the supply of such components.

AMENDMENT NO. 1608

Amendment No. 1608 adds a new subsection (b) to section 403. Section 403 specifies a series of steps which the President is directed to take to seek agreement with all nations and groups of nations with respect to adherence to specific policies related to nuclear nonproliferation. Many of the specific initiatives to be included in such agreements are very generally worded, and could be construed to include military facilities and activities of the United States. Neither domestic military activities and facilities nor agreements for cooperation for military purposes are intended to be impacted in any way by the provisions of this bill. It, therefore, is imperative that nothing in section 403 be interpreted to require the President to take any action or to seek any agreement which would involve our military activities or facilities. New subsection (d) added by amendment 1608 includes an express disclaimer that "nothing in this section shall be interpreted to require international control or supervision of any U.S. military activities."

The potential importance of subsection (d) has been heightened by the recent submission by the President of the United States—IAEA treaty for the application of international safeguards to domestic U.S. activities. Nothing in the legislative history of this bill is intended to result in the application of international safeguards or any other, similar type of foreign inspections or international auspices to military activities and facilities. This amendment will insure that there can be no misinterpretation of our intent to totally exempt military activities and facilities, and preclude any pressures on the President to seek such a result.

AMENDMENT NO. 1610

Amendment No. 1610 adds a new subsection to section 603. New subsection (c) adds a general provision that the provisions of this act shall take effect immediately upon enactment regardless of any requirement for the promulgation of regulations to implement such provisions. There has been serious concern that some of the regulatory requirements under this bill will require contested promulgation of a whole series of new regulations and rules to implement the bill. This new subsection will insure that unless a provision provides an express requirement for the delay in its implementation pending the promulgation of new regulations for its implementation, that continued regulatory activity is authorized. Amendment No. 1602 added a similar proviso to section 304 and further expressly authorized the use of temporary procedures under that section, where there is an express requirement for a formal rulemaking. While this new subsection to section 603 does not expressly contain a similar authorization for temporary procedures, the intent of the amendment is for the NRC and the various, appropriate executive branch agencies to continue regulation using existing procedures or temporary new procedures to carry out the requirement of this act, pending the eventual formal promulgation of new regulations under the individual sections of the bill. As a result, there should be no statutory basis for any moratorium on regulatory ac-

tions because of the need for new regulations.

As noted previously, the new part 110 promulgated by NRC should provide the procedures for continued export regulation activity pending any new procedures. Other executive branch agencies should quickly adopt existing or new temporary procedures pending the formal promulgation of new regulations for the regulation of components, technology transfer, government-to-government transfers, subsequent arrangements, agreements for cooperation, and so forth. Also, there should be no legal basis for any administrative action by the NRC, and other agency or department to suspend regulatory activity in the event of a contested regulation pending adoption under this bill. Similarly, there should be no legal basis for any court of jurisdiction to enjoin continued regulatory operations pending a final review of the regulations to be promulgated under this bill. The intent of Congress that regulatory activities governing nuclear exports are to continue during the interim period should be made clear by this amendment.

AMENDMENT NO. 1611

Amendment No. 1611 is a further modification of section 303. The amendment is technical in nature and is intended to insure that the provisions of 303(a)(3) are completely clear with regards to the conditions under which the United States will give "timely considerations" and "expedited consideration" to requests for approvals of reprocessing and other activities. The effect of the amendment is to make clear that the United States will give timely consideration to all such requests for prior approval. The amendment also clarifies that the United States will, to the maximum extent feasible, attempt to expedite such considerations where the terms and conditions for the referenced activities are included in an agreement for cooperation or other international agreement executed by the United States and subject to similar congressional review procedures as an agreement for cooperation. This provision could become very important in the future, because it is likely that new or renegotiated agreements for cooperation and potentially other international agreements which may evolve from the international nuclear fuel cycle evaluation effort may contain express terms and conditions dealing with reprocessing approvals alternatives for dealing with nuclear spent fuel, et cetera. Clearly, if the President and the Congress have agreed to such terms and conditions in the process of reviewing the newer renegotiated agreements for cooperation and any other related international agreement subject to such review, there should be no reason why the procedures of section 303 cannot, in fact, be expedited. In fact, ultimately the preferred approach to dealing with the requirements of section 303, particularly subjection (b) dealing with reprocessing and subsection (c) dealing with international spent fuel disposition, may be through the form of new or renegotiated international agreements. Consequently, expedited consideration of approvals under such agreements could serve as an important incentive for obtaining the agreement of other countries. It, of course, is important to note that, in any event, the amendment makes clear that all requests will be given timely consideration by the United States.

THE SALE OF F–15 AIRPLANES TO SAUDI ARABIA

Mr. STONE. Mr. President, the informal notification of sale of arms to Egypt, Saudi Arabia, and Israel has been sent by the Carter administration to the Senate Foreign Relations Committee, and it is expected that full committee hearings will be held on this issue.

It is therefore timely to consider some of the questions raised by this arms sale. President Carter has told us that it is safe to supply F–15 airplanes to Saudi Arabia, as called for in this deal, because Saudi Arabia has never fought against Israel. Saudi Arabia, the President tells us, wants weapons to defend itself from more radical foes nearby, and to protect its oil fields. I sympathize with these defensive Saudi needs, and believe that meeting them is in the national interest of the United States.

The problem is, this explanation from the President does not seem to square with the facts we are getting from other sources. In light of this and in light of our past policy of arms sales to the Middle East, this proposed sale seems illogical.

For example: Has President Carter been told by the Pentagon or his advisers that the Saudis are building an airbase near Israel, with U.S. help and U.S. workers? According to reports from Foreign Relations Committee staff members, this air base at Tabuk, Saudi Arabia, is becoming more offensive in nature than defensive. It is less than 100 miles from Elat, Israel's chief port. Yet it is more than 800 miles from Saudi Arabia's closest oil fields. In turn, those principal oil fields are far out of the effective range of Israeli weapons.

What are the facts about this Saudi military installation? What has the Congress been told? What has the President been told? How does this installation affect the arms sales proposals now pending before us?

As I understand it, U.S. policy toward selling arms to Arab States in the Middle East has long dictated that such arms be positioned and used only defensively, not offensively. When U.S. Hawk missiles were sold to Jordan in 1975, this requirement was spelled out explicitly. But when Hawk missiles were supplied to Saudi Arabia, the Pentagon told us they were to be used defensively, to protect Saudi Arabia's valuable oilfields. So no one thought to impose these obligations on Saudi Arabia. Now we have learned from good sources that, in fact, Hawk missiles are positioned at Tabuk right next to Israel. What are they doing there and not around the oilfields?

It also has long been U.S. policy not to sell weapons to states that might use them to threaten Israel. But, the Hawks poised in Tabuk may cover Israeli airspace. Have our military experts advised the President of this?

This information, assuming it is accurate, raises troubling questions. Why is Saudi Arabia building, with U.S. assistance, a major airbase at Tabuk, far from its main oilfields? Why is the United States supplying Hawk antiaircraft missiles for Tabuk? What is the defensive need for Tabuk and on the other hand what are its offensive capabilities?

Does this situation at Tabuk increase the offensive risk of selling F–15 aircraft to Saudi Arabia?

The United States has never supplied offensive airplanes or missiles to confront Israel. But, we appear to be doing that just now, right when we have the first opportunity in decades for peace. What is going on here? Why this illogical step, which seems to be more an inducement to the threat of war than to a chance for peace?

In my view, the President is being misadvised, and the information being given to those of us in the Congress does not jibe with the information coming from some "experts" in the administration. At a time when all moderate parties are reaching toward peace, it is paradoxical that either through insufficient information or faulty briefings, the President and the Congress might be led to make an ill-advised decision about these arms sales.

The issue of the Hawk missiles stationed at Tabuk is not, unfortunately, the only example of conflicting information on these issues. President Carter was led to state in Bangor, Maine, on February 18 that Saudi Armed Forces have never participated actively in fighting against Israel. That, he implied, proved there is little risk in selling her modern aircraft.

But this does not quite add up. There were widely circulated and undenied press reports that, in fact, Saudi Arabia did send a brigade of soldiers to the Golan Heights to fight Israel in the 1973 war and they remained until 1976. However, the more important question is: Why should the United States assist, or possibly induce, Saudi Arabia to mount an offensive risk to Israel now, through the Hawk missiles stationed at Tabuk and the F–15's. If Saudi Arabia has not in the past been deemed a substantial offensive threat to Israel, why should the United States upset that concept now?

There is another unsettling illustration that leads me to question whether we in the Congress are getting the facts we need to make these important decisions. And, I must ask whether President Carter is getting all the facts he should have had in making such requests of Congress.

This third situation concerns the sale of F–5 airplanes to Saudi Arabia. As a result of a Department of Defense study in 1974, an agreement was reached to provide Saudi Arabia with F–5 fighter aircraft. This agreement was made prior to enactment of the Nelson amendment (section 36b) to the Arms Export Control Act, which provides for congressional disapproval of arms sales over $25 million in value.

The F–5 generally is used as an excellent defensive aircraft. However, the Pentagon sold Saudi Arabia F–5's that were modified to be capable of carrying sophisticated offensive weapons.

Congress was not informed by the Pentagon about the modifications to the F–5's until Saudi Arabia tried—with only partial success—to purchase Maverick guided missile bombs and precision laser bombs to be placed on the modified F–5's—in 1976—after the Nelson amendment had been enacted. Did the Pentagon tell the President the planes would be modified, not standard, F–5's?

That, though, is not the end of the story of the F–5's. One of the most important modifications that the Pentagon permitted allows the F–5 to be refueled in midair. The ability to refuel in midair gives these F–5's a much greater range than the nonmodified F–5's and only the Saudi F–5's have this capability. What is more, the United States already has sold Saudi Arabia flying tankers to do the refueling for F–5's and F–15's.

This is all rather perplexing, considering the State Department's arguments in support of the current proposal to sell F–15's to Saudi Arabia. One of its arguments states that Saudi Arabia needs the F–15's because the existing F–5's lack endurance and range.

Does this mean that the Pentagon did not tell the State Department the truth about the modified F–5's? Does it mean we do not have good information about the true offensive capabilities of the modified F–5's, refueled in midair and equipped with laser and Maverick bombs?

These examples all bear directly on the decision at hand—whether or not to approve the "all or none package" of arms for Egypt, Saudi Arabia, and Israel. Again, I have to ask: What is going on here? How can we make a sound decision when we cannot even be told all the facts? Is the President getting the same information that the Congress has? How can we take the chance of being misadvised when peace is at stake?

I am certain that these issues and many more will be aired thoroughly at the Foreign Relations Committee hearings, but I appreciate the opportunity to raise some of these concerns now so that we can obtain answers to these questions in time for the hearings.

The PRESIDING OFFICER. Who seeks recognition?

Mr. STONE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LOW-LEVEL RADIATION AT NUCLEAR SHIPYARDS

Mr. DURKIN. Mr. President, I wish to call my colleagues' attention to the alarming possibility that thousands of nuclear shipyard workers in a number of States are being exposed to cancer-causing dosages of low-level radiation, and I wish to point to the need for an independent investigation in light of doubts surrounding the Department of Energy's handling of studies showing the dangers of prolonged exposure to low-level radiation.

A recent study of the Portsmouth Naval Shipyard by the Boston Globe's Pulitzer prize-winning Spotlight Team found that employees exposed to radiation have a cancer death rate more than twice the rate for shipyard employees doing no nuclear work.

Specifically, the study of 1,722 deceased shipyard workers found that the cancer death rate for shipyard workers exposed to radiation is 38.4 percent, contrasted with the national average of 18- and 21.7-percent for shipyard workers not exposed to radiation. The study also found that the leukemia death rate for employees exposed to radiation is 450-percent higher than the national average. Deaths caused by cancer of the lymph glands were 125-percent higher than the national average for Portsmouth workers exposed to radiation and 60-percent higher than for shipyard employees not exposed to radiation.

More startling, the study found that nearly 60 percent of exposed workers between the ages of 60 to 69 died of cancer, which medical researchers suggest may be the result of the long gestation period between exposure to radiation and development of cancer a decade later.

Independent experts who reviewed the Globe's findings indicate that the chances are only 1 in 100,000 that the correlations could be caused by chance.

These figures are disheartening because an estimated 3,000 to 5,000 workers have been exposed to radiation since nuclear work began at Portsmouth in 1959 and because Portsmouth is just one of nine shipyards where nuclear work is done. In addition to Portsmouth, there are naval nuclear shipyards at Norfolk, Va.; Puget Sound, Wash.; Charleston, S.C.; Mare Island, Calif.; and Pearl Harbor, Hawaii; and private shipyards at Groton, Conn.; Newport News, Va.; and Pascagoula, Miss. I know this issue is of concern to the Senators from those States.

Mr. President, because of these findings I have written President Carter asking for a thorough and independent investigation of the dangers of low-level radiation, which may well be much greater than the Department of the Navy has for years contended. I stressed the need for an independent investigation in my letter to President Carter because the Department of Energy's handling of past studies on the dangers of low-level radiation is open to question.

For example, one study by Dr. Thomas Mancuso of the University of Pittsburgh, was conducted since 1964 with financial support from the Atomic Energy Commission and the Energy Research and Development Administration. Dr. Mancuso found an unexpected increase in the number of cancer cases among workers which indicated that low-level radiation may be cancer causing. Yet, the Department of Energy cut off his funds, giving conflicting explanations. At one point, the decision was attributed to his "imminent retirement," although neither Dr. Mancuso nor the University of Pittsburgh knew of any retirement plans.

In another study, Dr. Rosalie Bertell, used data from the Tri-State leukemia survey to conclude that exposure to low-level radiation appears to increase the incidence of leukemia. Yet, Dr. Bertell's finding was also recently terminated by the National Cancer Institute after unsigned critiques of her work were circulated, apparently by Dr. James Liverman, a DOE official who also relied on the retirement plans of Dr. Mancuso to terminate his funding. These two incidents at the Department of Energy call into sharp question the objectivity of the Department of Energy on this important issue, and it raises the possibility of suppression of studies indicating the dangers of low-level radiation.

For these reasons I was pleased when the Center for Disease Control initiated its own investigation of the effect of low-level radiation at Portsmouth, and I want to commend our distinguished colleague, Senator TOM MCINTYRE, for his tireless efforts in securing the study by the CDC. Both he and the distinguished Senator from Maine, BILL HATHAWAY, have done an excellent job of responding to the concerns raised over this issue. It is my hope that the CDC is able to get all the records and information it needs from the Department of the Navy in order to conduct a thorough and comprehensive investigation.

However, it now appears that the CDC investigation may be conducted in conjunction with a study by an independent group to be named by officials at the Department of Energy. Because of the Department of Energy's questionable record in this area, and because of my reservations about the objectivity of certain DOE officials on the hazards of low-level radiation, I specifically requested that President Carter personally select independent experts to evaluate the risks at Portsmouth and that the DOE not be allowed to appoint these experts.

The panel should include such independent scientific and medical experts as Dr. Karl Z. Morgan, the Neely professor at the School of Nuclear Engineering at the Georgia Institute of Technology and a pioneer in health physics; Dr. Irwin Bross of the Roswell Park Memorial Institute in Buffalo, N.Y., who has analyzed similar data in the past; and Dr. Thomas Mancuso, a research professor at the Graduate School of Public Health at the University of Pittsburgh who has worked extensively on radiation effects on Government employees.

I believe the President should be the one to appoint a group of independent scientific and medical experts to monitor, coordinate, and review the work by the Center for Disease Control and to insure that all questions are thoroughly reviewed and adequately answered.

Additionally, although I am tremendously concerned about the risks at Portsmouth, I believe that any investigation must necessarily also encompass a thorough study of low-level radiation at the eight other nuclear shipyards as well. The danger signals are too clear, and the stakes are too high not to make a detailed study of all these shipyards. There can be no question that facilities to outfit and repair nuclear ships are necessary for our national defense, but

neither can there be any question that the workers have a right to know the risks involved and to be protected to the maximum extent possible.

Mr. President, I ask unanimous consent that the study by the Boston Globe of the Portsmouth Shipyard be printed in the RECORD for review by my colleagues, and that my letters to President Carter and Secretary Schlesinger also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Feb. 19, 1978]

THE DANGER OF RADIATION AT THE PORTSMOUTH SHIPYARD

The Portsmouth Naval Shipyard, which has brought pride and a measure of prosperity to northern New England since 1800, now may be harboring a nuclear-age health hazard.

A study by The Globe Spotlight Team, conducted with medical experts, has found an alarming rate of cancer deaths among shipyard workers whose jobs brought them into the radiation field of nuclear submarine reactors.

The Globe survey—the first of its kind done on the Navy's civilian nuclear workers—found that employees exposed to radiation have a cancer death rate of more than twice the national average and nearly 80 percent higher than the rate for other shipyard workers who did no nuclear work.

About one out of every four of the yard's 20,000 civilian workers has been involved in the overhaul and repair of nuclear submarines since that kind of work first began at the yard in 1959.

While the shipyard is a showcase for the Navy's submarine fleet and a vital cog in the region's economy, it also is becoming a focal point in a rapidly expanding national debate over the danger to industrial workers from exposure to radiation.

At the yard, nuclear workers do tasks, from welding to painting, that expose them to limited, regular amounts of radiation and radioactive material in the air that is stirred up while they work around uranium-powered submarine reactors.

The radiation health issue is being aired currently in Congress before a House subcommittee examining the adequacy of existing safety procedures for protecting public and private employees who work with radioactive materials.

The Navy, which has turned down Globe requests for information about radiation effects on its employees, contends that its exposure limits are safe and that no employee has ever died or had health problems due to low-level doses of radiation.

Despite The Globe findings and some recent scientific studies, the Navy insists the danger to nuclear workers is so slight that it is less than the risk "regularly accepted in normal industrial work."

Although the Navy stressed it uses radiation standards deemed safe by the federal government, it affirmed it never studied the disputed issue of the long range effects of constant, low-level exposure on the health of its workers.

Last Friday the Navy suddenly announced it has asked the US Dept. of Energy to oversee a study of possible links between radiation and cancer among shipyard workers. Shipyard officials were unable to provide a reason for the abrupt decision by the Navy to initiate such a review, and were unable to say what role, if any, The Globe's investigation played in the decision.

The two-month Globe study, conducted in cooperation with Dr. Thomas Najarian of Belmont and based on hundreds of interviews with the families of deceased men who worked at the yard, revealed:

The cancer death rate for shipyard workers found exposed to radiation is 38.4 percent while the rate among nonexposed employees is 21.7 percent. Nationally, the cancer death rate for the general population is about 18 percent.

The leukemia death rate for shipyard employees who worked in exposed areas is 450 percent higher than the rate for the general population. While less than 1 percent of deaths nationally are caused by leukemia, 4 percent of the employees found exposed to radiation at the yard have died from the blood disease.

Death by cancers of the lymph glands, another major cancer category, also were more prevalent among the radiation workers—125 percent higher than the national rate and 60 percent above the rate for nonexposed shipyard employees.

The high cancer death rate for shipyard radiation workers has remained relatively steady since nuclear submarine repair work began—despite assurances by government and naval officials that safety precautions have been regularly improved since 1959. The cancer death rate for radiation workers has ranged from 43 percent in the early years to 37 percent for 1976–77.

The most startling statistic emerged when the deceased nuclear and deceased nonnuclear shipyard workers were each segregated into age groups. Between the ages of 60–69, nearly 60 percent of those workers whose jobs involved exposure to radiation died of cancer; for nonnuclear workers in the same age range, the cancer death rate was 26.1 percent.

The reason, according to medical researchers, may be the long germination period—anywhere from 8 to 10 years—between the exposure to radiation of middle-aged workers in the early 1960s and the outbreak of latent cancer cells in the 1970s.

The possibility that the results of The Globe's study are erroneous is slight, according to statistical experts, who have reviewed them. The scientists who have examined the data say the odds are only one in 100,000 that the finding are attributable to chance—a standard that is better than what is generally acceptable in scientific research.

The study's data was analyzed by Dr. Najarian, a hematology fellow with the Veterans' Administration Hospital in Boston, who was first alerted to the potential problem of cancer among nuclear workers last October.

At that time, Dr. Najarian examined a retired welder who had worked with radiation at the shipyard and who mentioned that some of his co-workers had died at young ages. The retiree was later diagnosed as having a form of leukemia.

The underpinning of The Globe's research was the examination of 100,000 death certificates in Maine, New Hampshire and Massachusetts. The names of 1,722 deceased shipyard workers and the various causes of their deaths were taken from records dating back to 1959.

Globe reporters were then able to interview the next of kin of 592 workers to determine if the men had been exposed to radiation at the yard, which is located in Kittery, Maine, near the New Hampshire and Massachusetts borders.

The net result was that the cancer death rate for employees identified by kin as nuclear workers was found to be 38.4 percent, or 56 of 146 deaths. The figures for nonnuclear workers were 97 cancer deaths out of 446, or 21.7 percent.

Dr. Najarian, a graduate of MIT and Harvard Medical School, and Prof. Theodore Colton of Dartmouth Medical School, are preparing an in-depth, technical analysis on the Portsmouth shipyard work force for publication in a scientific journal.

Dr. Najarian says the data indicates that the cancer incidents are "way out of proportion" with medically sound projection rates for any healthy working group.

He said the research raises the possibility that the nuclear workers "radiation badges," which measure exposure to invisible rays, are deficient in that they offer no protection against the radioactive "dust" that can enter the body by inhalation or cuts and bruises in the skin.

Dr. Najarian said that the lodging of undetected "internal emitters" in the body, which continue to discharge radiation, could be one of the reasons for the increased incidence of cancer among the exposed shipyard workers—in the same way it appears to be a factor among victims of atomic fall-out who are showered miles away from the bomb's blast.

After being briefed on the study's findings and methodology, two federal researchers studying radiation effects on humans said the cancer death rate among shipyard workers should be "exhaustively researched" by scientists and government officials.

"The work appears to be an excellent pilot study with clear, suggestive evidence that there is definitely a problem here," said one of the researchers, a medical doctor with the US Food and Drug Administration.

In contrast, the Navy, after being informed of The Globe's findings as part of a written interview with shipyard commander W. D. McDonough, would not commit itself to studying the problem on its own, using definitive employee records regarding radiation exposure.

Capt. McDonough, who refused to give a face-to-face interview, then distributed The Globe's data to 12 New England congressmen—an unauthorized release of tentative findings that has been protested by The Globe to Secretary of the Navy W. Graham Claytor Jr. and Secretary of Defense Harold S. Brown.

Previously, the Department of the Navy rejected The Globe's Freedom of Information request to provide the names of these shipyard workers who have been exposed to radiation since the nuclear submarine repair work started in 1959. The information has been compiled annually in so-called "personnel exposure" reports.

The information was withheld on the grounds that it would invade the privacy of the civilian workers according to Richard C. Bassett, head of the office of Congressional and Public Affairs for the Navy Department.

"We considered the misunderstanding among the public as to the effects of radiation," Bassett said, "and we didn't want to expose any of these workers to that misunderstanding.

"Why some people even feel that being exposed to a small amount of radiation would cause a person to glow in the dark," Bassett said, "Now that may be an exaggeration but some people do feel there is a health risk in being exposed to radiation."

In late January, the Navy denied a further request from The Globe that the Navy identify which of the 1722 workers whose names were taken from death certificates by reporters were exposed to radiation—information readily available in Navy files. This would have allowed The Globe a means to double check the memories of next of kin.

Both denials will be appealed by The Globe to the Navy's Judge Advocate office.

Radiation work began at the Navy's yard in 1959 with the initial overhauling of the nation's first nuclear submarine, the USS Nautilus. Since then, an estimated 3000 to 5000 of its civilian workers have been exposed to radiation and Portsmouth shipyard has become one of nine facilities used by the Navy across the country to tend to its fleet of 150 nuclear submarines.

According to Navy officials, the workers—for the most part welders, machinists, electricians, pipe and shipfitters—are given no incentives, such as increased pay, to work on

the nuclear submarines because the radiation amounts received are below safety limits set by the government.

Over the years, the Navy—while insisting that the health risks are negligible—has moved to reduce the effects of radiation on nuclear workers.

In 1966, seven years after the nuclear repair work began, the Navy, following the recommendation of the International Commission on Radiological Protection, cut by more than half the annual radiation dose to which each worker could be exposed.

Also, during the past 15 years, the number of radiation workers has been gradually reduced from about 2500 to 1400. The Navy says the decrease is attributable to a concerted effort to keep exposure levels down, along with better trained and supervised workers.

Although union officials interviewed said that safety precautions have been increased since the early days, they said there is growing apprehension among workers about the long-range health effects of radiation exposure.

"These men don't know too much about the scientific ins-and-outs of the thing (radiation)," said Raymond Hall of the pipefitters union. "But whenever they hear somebody died of cancer, the first thing they want to know is 'Did he work nuclear?' It spooks a lot of guys."

The Navy, as well as other federal agencies, bases its radiation safety policy on past studies which minimize the health risks from low-level radiation exposure.

The studies contend that to double the chance of contracting leukemia, a nuclear worker would have to be exposed to at least 15 times more radiation over 20 years than a member of the general public would receive during the same period from environmental radiation sources, such as cosmic rays and certain minerals.

To double the incidence of other forms of cancer among nuclear workers, the studies state, the exposure level must shoot up dramatically to a rate of at least 90 times more than that experienced by the general public.

Just why radiation exposure can lead to cancer is not precisely known. Many scientists believe that radiation affects living cells, which constantly grow, reproduce and die. Cells that are affected by radiation often die or lose their reproductive capacity, they say.

In the last year, two studies have emerged which are challenging the long-standing adherence to the maxim of minimal risk associated with small amounts of radiation exposure.

The first, commissioned by the federal government in 1964, researched the causes of death of 3520 workers exposed to radiation since World War II at an atomic plant in Hanford, Wash.

In a report released last October, the researchers found that to double his possibility of dying of cancer, a worker at the Hanford plant would have had to have been exposed to only 30 REMS of radiation—an amount that is ten times less than previously accepted reports by the government had indicated.

A REM is the standard used to measure the amount of radiation absorbed by the body. A standard chest X-ray exposes a person to half a REM.

Following accepted government standards, the Navy limits the amount of radiation to which its employees can be exposed to five REMS for each year he works at the shipyard. There are no other cumulative limits, but the Navy says no Portsmouth shipyard worker has ever been exposed to more than 40 REMS during his employment there. The amounts each nuclear worker is exposed to are measured by radiation-sensitive badges worn by the men.

But an investigation that is still being conducted by the U.S. Center for Disease Control in Atlanta, Ga., could place the health danger at even lower amounts of radiation exposure—perhaps as low as one or two REMS.

The preliminary findings of the center's investigation show a 25 times greater leukemia rate among a group of soldiers who were ordered in 1957 to witness an atomic bomb explosion for a U.S. Army experiment at Yucca Flat, Nev. In the experiment, which was code-named "Smoky," the soldiers were exposed to an average of only 1.25 REMS of radiation, according to the U.S. Defense Department.

The House subcommittee on health and environment has been holding hearings in Washington for the last two months in an attempt to resolve the dispute as to whether government-accepted radiation limits heighten a worker's chance of contracting cancer or leukemia.

One theory, presently being examined by the "Smoky" researchers, is that the increased number of cancers is not attributable to the relatively low levels of radiation measured by the nuclear worker's film badge.

Instead, the researchers believe, the danger may come from the undetected radioactive contaminants, such as dust and debris, found in atomic bomb fallout and generated by repair work on nuclear submarine reactors.

The prevailing view has held that since such contaminants do not permeate the skin, they are relatively harmless to the worker.

However, as Dr. Gerry Stein of the Center for Disease Control notes, these contaminants can enter a worker's body either by being inhaled or through an abrasion in his skin. "Having penetrated the skin, these rays stay inside the body and continue to emit radiation for years. That's what makes them so dangerous," Dr. Stein said.

Because of new information, scientific and public attention to the possible hazards of low-level radiation is increasing, a prospect that heartens researchers at the Atlanta center.

"Right now, we don't know what the long-term effect of low-level radiation is," said Dr. Stein. Although it was once thought otherwise, he said, "it may be that no matter what amount of radiation you are exposed to your health will be adversely affected."

COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, D.C., February 25, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Thousands of workers repair and overhaul nuclear boats at nine facilities around the country. This work must be carried out because the nuclear Navy is a vital part of our national defense, one that will become even more important in light of SALT II.

For several years there have been disquieting allegations that the workers at those facilities were exposed to an increased cancer risk, despite official assurances that the workers' exposure to radiation was well within safe limits.

This has become a major concern to workers at the Portsmouth Naval Shipyard following publication of a report in the Boston Sunday Globe by the newspaper's Pulitzer prize-winning Spotlight Team. A copy of the Globe article is enclosed.

The Globe, operating with admittedly incomplete records, concluded that exposure to low-level radiation, even in small amounts, leads to an alarmingly high incidence of cancer and leukemia. It found that while only 18 percent of the general population dies of cancer, 38.4 percent of the Portsmouth workers who work on nuclear boats die of the disease.

This has been a concern of mine for some time. Last month I wrote to Secretary Schlesinger expressing my strong concern that the Department of Energy appeared to have played an inappropriate role in stifling two research projects, perhaps because the researchers thought the evidence indicated a positive relationship between exposure to low-level radiation and cancer.

I am enclosing a copy of that letter for your perusal. Secretary Schlesinger has not yet responded to it.

A complete independent study of the hazards of working at the facilities where nuclear boats are repaired is clearly required. This is a national problem, and that is why I am seeking your personal involvement.

Such a study should carefully examine the health records of those who have worked at nuclear shipyards, not just at Portsmouth but at the other eight yards—the Naval yards at Norfolk, Puget Sound, Charleston, Mare Island and Pearl Harbor, and the private shipyards at Groton, Conn., Newport News, Va. and Pascagoula, Miss. The study should attempt to learn whether there is a higher incidence of cancer among such workers and, if so, what action is needed to correct the situation.

There can be no question that facilities to outfit and repair nuclear boats are necessary for our national defense, but neither can there be any question that the workers have a right to know the risks involved and to be protected to the maximum extent possible.

Senator Hathaway and I met with representatives of many of the workers and the shipyard commander at the Portsmouth Naval Shipyard Friday.

The workers asked that a blue ribbon panel of independent scientific and medical experts be appointed to assure the integrity of such a study. I agree a totally independent study is necessary. The previous actions of the Department of Energy, which are certainly open to question, indicate it should not be involved in the selection of the experts.

I therefore urge you to personally appoint a group of independent scientific and medical experts to monitor, coordinate and review the work of the Center for Disease Control, which has already begun a preliminary investigation. The panel of experts should see that all questions are thoroughly reviewed and adequately answered.

There are several experts whose work I have favorably noted a sa member of the Energy Committee, and I commend for your consideration.

These include Dr. Karl Z. Morgan, the Neely Professor at the School of Nuclear Engineering at the Georgia Institute of Technology and a pioneer in health physics; Dr. Irwin Bross of the Roswell Park Memorial Institute in Buffalo, N.Y., who has analyzed similar data in the past; and Dr. Thomas Mancuso, a research professor at the Graduate School of Public Health at the University of Pittsburgh who has worked extensively on radiation effects on government employees.

I respectfully urge you to appoint as soon as possible such a panel of independent scientific and medical experts, so the study can be conducted as expeditiously as possible, and direct the Department of Defense and the Department of the Navy to cooperate fully with the CDC and the panel of experts.

Sincerely,

JOHN A. DURKIN.

COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, D.C., January 27, 1978.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Energy, the White House, Washington, D.C.

DEAR MR. SECRETARY: I am deeply concerned that actions by your department appear to have had the effect of discouraging research into the health effects of low-level radiation. I hope you will commence a prompt investigation into the role of your department in apparent efforts to terminate funding for scientists whose work has indi-

cated such radiation should be a cause of cancer.

The Tri-State Leukemia survey, which covered persons in New York, Minnesota and Maryland, and research conducted by Dr. Thomas Mancuso at the University of Pittsburgh, have indicated that cancer may be caused by exposure to low-level radiation.

This research is of major importance to the country, because many workers, both in New Hampshire and in other parts of the country, are exposed to such radiation at their jobs. I am sure you will agree that this vital research must be promoted and encouraged.

Yet your department has taken actions which suggest a desire to suppress this research because it raises serious questions about government standards for exposure to low-level radiation.

Dr. Mancuso's work, "A Study of the Lifetime Health and Mortality Experience of ERDA Contractors," has been conducted since 1964 with financial support from the Atomic Energy Commission and the Energy Research and Development Administration. This is an important project because the large data base, 140,000 workers, and the time span of more than 30 years allows the discovery of cancers which take many years to develop.

He has found an unexpected increase in the number of cancer cases among workers, indicating low-level radiation can cause cancer.

Yet, DOE has cut off his funds, giving conflicting reasons for doing so. At one point the decision was attributed to his "imminent retirement," although neither he nor the University of Pittsburgh knew of any retirement plans.

The experience of Sister Rosalie Bertell, Ph.D., adds to my dismay by suggesting a pattern of DOE interference with these essential independent studies. Dr. Bertell, using data from the Tri-State Survey, concluded in published professional papers that exposure to low-level radiation appears to increase the incidence of leukemia.

Dr. Bertell's funding was recently cut off by the National Cancer Institute after unsigned critiques of her work were circulated apparently by Dr. James Liverman, the acting assistant secretary for environment at DOE. Dr. Liverman did not see fit to send copies of the critiques to Dr. Bertell, although they challenge her professional competence.

Dr. Liverman was also the official who relied on the phantom retirement plans of Dr. Mancuso to stop his research, a fact which raises questions about his commitment to learning the true dangers of low-level radiation.

I urge you to immediately begin an investigation of the role of DOE officials, both in efforts to discredit Dr. Bertell and in canceling the funding for Dr. Mancuso's research.

I believe the DOE and other government agencies should be stepping up their funding of this important research into a problem that may affect millions of Americans, not trying to block inquiries into this important area about which we know far too little.

The basic need to ensure complete scientific freedom, as well as the requirement that workers know of the dangers they face in dealing with low-level radiation, require nothing less than your prompt attention to this matter.

Sincerely,

JOHN A. DURKIN.

Mr. DURKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING COMMITTEE REPORT ON S. 1566

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. BAYH and the Select Committee on Intelligence, I ask unanimous consent for an extension of 10 legislative days for reporting S. 1566, the Foreign Intelligence Surveillance Act.

The committee had previously been ordered to report S. 1566 by February 28, 1978. The committee voted to report S. 1566 on Monday, February 27, 1978; however, the additional 10 days are required to complete the preparation of the committee's report.

The PRESIDING OFFICER. Wihout objection, it is so ordered.

AMENDMENT OF THE INDIAN CLAIMS COMMISSION ACT

Mr. ROBERT C. BYRD. Mr. President, as in legislative session and on behalf of Mr. ABOUREZK, I ask that the Chair lay before the Senate a message from the House on S. 838, a bill to amend the Indian Claims Commission Act of August 13, 1946.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 838) entitled "An Act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert: That section 20(b) of the Act of August 13, 1946 (c. 959, 60 Stat. 1054), as amended, is hereby further amended by adding a new sentence at the end thereof, as follows: "Notwithstanding any other provision of law, upon application by the claimants within thirty days from the date of the enactment of this sentence, the Court of Claims shall review on the merits, without regard to the defense of res judicata or collateral estoppel, that portion of the determination of the Indian Claims Commission entered February 15, 1974, adjudging that the Act of February 28, 1877 (19 Stat. 254), effected a taking of the Black Hills portion of the Great Sioux Reservation in violation of the fifth amendment, and shall enter judgment accordingly. In conducting such review, the Court shall receive and consider any additional evidence, including oral testimony, that either party may wish to provide on the issue of a fifth amendment taking and shall determine that issue de novo.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Mr. ABOUREZK be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. ABOUREZK

I have been informed by representatives of the Sioux Nation that the House amendment is entirely acceptable to them. The House version provides for a de novo review of the case by the U.S. Court of Claims while retaining the basic purpose of my bill which was to authorize the Court of Claims to take up this matter notwithstanding the questionable and technical defense of res judicata which had been asserted. The bill represents an opportunity to correct a great injustice which has been done to the Sioux Nation and simply to have their case considered on the merits.

Mr. ROBERT C. BYRD. Mr. President, this has been cleared on both sides. On behalf of Mr. ABOUREZK, I move that the Senate concur in the House amendment.

The motion was agreed to.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. MATSUNAGA). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MOYNIHAN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow morning, after the prayer, Mr. MOYNIHAN be recognized, as in legislative session, for not to exceed 5 minutes, following which the Senate then resume consideration of the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR PUBLICATION OF TRANSCRIPT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the date for the publication of the transcript of the secret session be extended from 4 o'clock p.m. tomorrow to 4 o'clock p.m. on Friday of this week.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MOYNIHAN ON WEDNESDAY, MARCH 1, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the prayer, Mr. MOYNIHAN be recognized for not to exceed 15 minutes as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, in executive session, stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:31 p.m., the Senate, in executive session recessed until Tuesday, February 28, 1978, at 10 a.m.

NOMINATION

Executive nomination received by the Senate February 27, 1978:

DEPARTMENT OF JUSTICE

James C. Cissell, of Ohio, to be U.S. attorney for the southern district of Ohio for the term of 4 years, vice William W. Milligan, resigned.

EXTENSIONS OF REMARKS

LITHUANIAN INDEPENDENCE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. PATTEN. Mr. Speaker, yesterday, Lithuanian Americans in my congressional district gathered in Linden, N.J., to commemorate the restoration of Lithuania's independence. This event happened 60 years ago this month, yet that independence which is celebrated was short lived.

I have made statements, year after year, in commemoration of this anniversary, and in support of the people and the spirit of Lithuanian Americans who are constant in their attempts to regain that cherished freedom. I pray that soon, we will speak in present terms of freedom in Lithuania instead of speaking about a brief period of freedom which ended almost 40 years ago.

I call my colleague's attention to a resolution which was presented to me by the Lithuanian American Council—Linden Branch. Their goals are important to Lithuanians and to all of us who count ourselves in their corner:

RESOLUTION

We, the Lithuanian Americans of Linden and vicinity, assembled this 26th day of February, 1978, at Lithuanian Liberty Hall to commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1978, marks the 60th anniversary of the restoration of independance to the more than 700 year old Lithuanian State;

That the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law;

That so many countries under foreign colonial domination have been given the opportunity to establish their own independent states; while Lithuania is still exposed to the most brutal Russian oppression and is nothing but a colony of the Soviet empire;

That the Soviet invaders still are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their right to self-determination.

Now, therefore, be it resolved

That we demand that the Soviet Union withdraw its military forces, administrative apparatus and the imported Russian colonists from Lithuania and allow the Lithuanian people to govern themselves freely;

That we demand immediate release of all Lithuanians who are imprisoned for political and religious reasons and who for years are lingering in various Soviet jails and concentration camps or kept in psychiatric wards;

That we are deeply grateful to Ambassador Arthur J. Goldberg and Senator Robert Dole for drawing the attention of the participating States at the Belgrade Conference to the denial of the principle of self-determination to the peoples of Lithuania, Latvia and Estonia.

That in expressing our gratitude to the United States Administration and Congress for their firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity also in the United Nations and at other international forums the denial of freedom and national independence to Lithuania and the other Baltic States.

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the United States Senators and Congressmen from our State, and to the news media.

VICTOR SESTOKAS,
President.
EDWARD PODLECKIS,
Secretary.

"CHAPPIE" JAMES—UNCOMMON AMERICAN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. DORNAN. Mr. Speaker, a man named Satchel Paige once said:

There ain't no man can avoid being born average. But there ain't no man got to be common.

Daniel James, Jr., began his public service as an "average" black student pilot in the South. But he had, in his mother's words, packed his bags of knowledge, honor, and patriotism, and this youngest of 17 children earned his four stars as a most uncommon officer, gentleman, warrior, and patriot.

I had the privilege of working with Chappie during the early seventies when he returned from his third war to serve as Deputy Assistant Secretary of Defense. He worked especially hard in behalf of our prisoners and missing in action in Southeast Asia, and to support their families.

We last spoke when he called me at home one night a few weeks ago to tell me of his early retirement. The 6 feet four inches fighter pilot made it plain he was not retiring from that active concern for the survival of Western civilization, his country and his fellow Americans which made him such a special friend. Chappie was preparing a speech in keeping with this lifelong mission when he suffered his fatal heart attack Saturday. In this era, when the battle for national survival is waged in the public and political arena, I believe it is fair to say General James died in action, still fighting hard for his country.

His early experiences as a black man in a segregated Air Force prepared him in a unique way for his last years as Commander in Chief, North American Air Defense Command/Aerospace Defense Command. Frequently he found himself fighting the establishment again, but he never ceased to speak out. He challenged official or popular ideas about the Panama Canal treaties ("we must not hand over keys, plates, and title to something so vital to American security"); the B–1 cancellation ("we need that bomber"); and unilateral disarmament (which he said would enable the enemy to say "Stick 'em up, you dummies").

Chappie also challenged those who derided his patriotism, overlooking his contributions to what he called that race for equality. His answer provides, I think, a fitting epitaph:

I don't make a profession of being black. I'm here because I'm damn good. I've filled the squares. I've flown the friendly skies of Vietnam and Thailand. I am a leader, and I have done the things one must do to become a general. Generals are not born—they are made.

Daniel James, Jr., son of a Pensacola, Fla., lamplighter-coalcart pusher and a mother who founded her own school to provide adequate education for her children, will be buried this week in Arlington National Cemetery. He will be honored then, as now, as a most uncommon American.

ACHIEVEMENTS BY YOUTH

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. RODINO. Mr. Speaker, I would like to take this opportunity to call my colleagues' attention to a civic event taking place in my district this week. On Friday, March 3 at Barringer High School, 37 outstanding young athletes will be honored by the football coaches from the eight high schools in the Newark City League. The coaches have planned a banquet to pay tribute to those young men who have demonstrated outstanding athletic achievements in playing high school football and those who have had exceptional academic records while participating in the football program.

The commitment to athletic and academic excellence exhibited by these young men serves as an example to other youngsters coming up in school, and I am happy to join in this tribute.

The all-academic, all-city football team for Newark, 1977 includes: Russell Moses, Michael Ciccicola, Vincent Pace, Kevin West, Isiah Jackson, Francisco Gautreaux, Joseph DiCicco, Daniel Tortorello, Eric Mobley, Steve Waters, George Colman, Joseph Bennett and Dan Hodges.

The all-city offensive football team for Newark, 1977 includes: Anthony Howard, end; Bryan McMillan, end; Andre Tippett, tackle; Israel Richardsons, tackle; Angelo Matos, guard; Lance Byrd, guard; Daniel Tortoriello, center; Keith Hunter, quarterback; Richard Alston, back; Reggie Davis, back; Ronnie Felton, back; and Elton Williams, back.

The all-city defensive football team for Newark, 1977 includes: Walter Dawkins, end; Jerome Stewart, end; James Bryson, tackle; Robert Quinn, tackle; Renard Mosley, linebacker; Elton Williams, linebacker; Bryon McMillan, cornerback; Steve Waters, cornerback; Emmauel Cater, safety; and Francisco Gautreaux, safety.

MAKING THE MERIT SYSTEM WORK: THE MERIT EMPLOYMENT ACT OF 1978

HON. HERBERT E. HARRIS II
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. HARRIS. Mr. Speaker, today I am introducing a comprehensive bill that goes to the heart of our Government by reforming and reinforcing the basic principles of our Federal merit system. The bill is entitled the "Merit Employment Act of 1978" and has four major provisions:

First. It requires that all personnel actions be made on the basis of merit without any special consideration.

Second. It prohibits political and other nonmerit recommendations for Federal jobs.

Third. It would put in law for the first time specific criteria for placing positions outside the career, competitive service.

Fourth. It places squarely with every agency head the responsibility for insuring merit employment within each agency and requires that all personnel director positions be in the career, competitive service.

GETTING POLITICS OUT OF THE MERIT SYSTEM

The first part of my bill reaffirms the merit principle of Federal employment and states that all personnel actions shall be taken on the basis of the character, abilities, knowledge, and skills of the individual and without regard to the person's political affiliation. All personnel actions are included in the bill such as hiring, promotions, transfers, removal, and performance evaluations. These provisions apply to all career positions in the Federal Government, the competitive service, the excepted service, and nonappropriated fund positions. These requirements would not interfere with current laws providing certain employment treatment to, for example, veterans, minorities, and women.

The next section of the bill prohibits the consideration of unsolicited recommendations for career positions from "political" individuals—executive level Presidential appointees, "Schedule C" political appointees, Members of and candidates for Congress and congressional employees. These individuals, if requested, would still be able to make a job recommendation for persons on the individual's work performance, ability, aptitude, character and general qualifications. But unsolicited, political recommendations for a career slot would be clearly barred.

SETTING STANDARDS FOR CONVERTING CAREER JOBS

The third section of my bill represents new law and creates specific standards for converting positions from the career competitive service to the accepted service. Currently, the law only provides that the President may take positions out of the competitive service and put them in the excepted service if "conditions of good administration warrant" such action, a standard which I believe is too vague. My bill would specify in law criteria, allowing the Civil Service Commission to exempt from the competitive service generally two types of positions: (1) positions that are political (for example, requiring advocacy of a Presidential Administration program or serving as a confidential assistant to a Presidential appointee, now known as "Schedule C's"); and (2) positions for which it would be impractical to use competitive hiring procedures because of national security, work location, or the unusual duties of a position.

The Commission would be required every 2 years to review all excepted positions and revoke the exceptions if circumstances have changed. For those positions that Congress has excepted from the career service by law, the Commission would have to periodically review those as well and make recommendations to Congress.

CLARIFYING THE RESPONSIBILITY FOR PERSONNEL RULES

Finally, the bill places the responsibility for personnel matters firmly with the head of the agency. It is the intent of this section that while an agency head may delegate various authorities vested in him or her for personnel management, the ultimate responsibility for compliance with and enforcement of civil service and personnel laws remains with that agency head. This section also requires the agency head to establish a personnel office and requires that the chief personnel officer position in almost all cases be in the competitive service. In addition, the bill clarifies the responsibility of the chief personnel officer and guarantees that the head of personnel, in addition to being an official channel of communication with the agency head, shall be responsible with, and enforcement of, civil service laws.

CARRYING OUT COMMITTEE'S RECOMMENDATIONS

I believe that this bill, with its four-pronged approach, will restore merit to our merit system. Politics has no place in an impartial merit system. I believe that my bill will carry out that principle.

The need for strengthening our law is clear. The House Post Office and Civil Service Committee, on which I serve, conducted a 3-year investigation of violations of the merit system and uncovered in a 1,500-page report endless examples of preferential, nonmerit treatment of applicants and employees during the early 1970's. Manipulations and abuse of the merit system took many forms. There were "special referral units" which operated in the agencies completely outside normal personnel channels. There were "pink tags" which were used to expedite rating and certification requests for preferred candidates. Career jobs were converted to noncareer to accommodate certain individuals. These abuses reached their zenith with the now infamous "Malek manual," a document prepared by a White House appointee as a guide to agencies on how to give preferential treatment to individuals throughout the Government. The committee's report summarizes this operation as follows: "The White House personnel operation, beginning in late 1969, exercised central control over the agency special referral units with the intent of placing politically favored candidates in career civil service positions in addition to its legitimate function of placing candidates in political noncareer positions."

My intent is not to dredge up the errors of the past. My intent is to make sure they never happen again. My bill carries out the recommendations of that report which in part were:

Establish criteria for identifying and excepting positions, particularly noncareer "political" positions, from competitive service requirements;

Require that Federal career appointments be based on the character, abilities, knowledge, and skills of the individual involved without regard to special consideration;

Place responsibility and accountability on the head of an agency for the proper operation of personnel management in the agency;

Prohibit political referrals in connection with career appointments.

As the administration prepares its package of revisions of civil service laws, I look forward to working with them on these reforms. Congress can no longer sit idle and let the machinery of government grind on without asking whether the basic structure can be improved. It is time to get serious about our merit system and reinvigorate the very processes of government.

A section-by-section analysis of the "Merit Employment Act of 1978" follows:

THE MERIT EMPLOYMENT ACT OF 1978

EMPLOYMENT BASED ON MERIT

Section 3001 prohibits an officer or employee (including any member of the uniformed services) from taking or otherwise affecting any personnel action on a basis other than the merit of the individual involved. The section specifically prohibits—

(1) consideration of an individual's political affiliation, association or activity, and

(2) the granting of special consideration in any form "except to the extent as may be required or permitted by law".

This provision will provide a basis for initiating disciplinary action where individuals circumvent or otherwise abuse the merit employment procedures. At the same time the provision reflects the recognition that under existing law preference is accorded in some instances to certain classes of individuals with regard to Federal employment. The provision is not intended to affect in any manner the Congressional policies which are expressed by current statutory provisions. Examples of such provisions include laws providing employment preference for veterans and Indians. Similarly, where a provision of law contemplates that special efforts should be extended to insure equal employment opportunity, such as under section 717 of the Civil Rights Act of 1964, the prohibition on preferential treatment is not intended to change the impact or interpretations of such laws in any manner.

To insure, however, that these provisions relating to employment based on merit are not construed to be a basis for diminishing an agency's commitment to existing equal employment opportunity programs, section 3001(c) specifically provides that the provisions of section 3001 shall not be construed to: (1) relieve any officer or employee of his responsibility to assure nondiscrimination in employment, or (2) to extinguish, modify, or diminish any right or remedy enjoyed by any officer or employee, under the Constitution or any law, regulation, or executive order relating to equal employment opportunity in the Federal Government.

PERSONAL RECOMMENDATIONS; PROHIBITION

Section 3002 prohibits the acceptance or consideration of certain recommendations with respect to personnel actions involving competitive (career) service employees and excepted service employees other than "Schedule C" political types. The types of recommendations prohibited are essentially those which are unsolicited, and the prohibition applies only with resepct to such unsolicited recommendations which come from individuals in essentially political positions, e.g., presidential appointees, "Schedule C" (political) appointees, Members and candidates for Congress, Congressional employees, and White House staff.

Recommendations from these individuals may be considered with respect to "Schedule C" positions since these positions are by their very nature political. Recommendations which are requested by an authorized representative of the U.S. for making loyalty and suitability determination are permitted. Also recommendations which are requested by an individual responsible for taking a personnel action and which pertain solely to an individual's work performance, ability, aptitude, character, or general qualifications are permissible.

Specific language is provided to insure that an inquiry as to the status of any personnel action or as to an explanation of the basis for a completed personnel action may be accepted, considered, and responded to.

POSITIONS EXCEPTED FROM THE COMPETITIVE SERVICE

Section 3003 provides statutory standards pursuant to which certain positions may be excepted from the competitive civil service. Existing statutory law provides only that the President may prescribe rules which shall provide "as nearly as conditions of good administration warrant, for—(1) necessary exceptions of positions from the competitive service". (5 U.S.C. 3302). Acting pursuant to this authority, the President has issued Civil Service Rule VI pertaining to exceptions from the competitive service (5 CFR Part 6). Section 6.2 of Rule VI currently provides three separate criteria for excepting positions from the competitive service, requires the Civil Service Commission to except positions in excepted positions in one of three separate schedules—Schedule A, Schedule B, or Schedule C. The criteria for excepting posi-Schedule C. The criteria for excepting positions, as set forth in the Rule, are as follows:

Schedule A. Positions other than those of a confidential or policy-determining character for which it is not practicable to examine shall be listed in Schedule A.

Schedule B. Positions other than those of a confidential or policy-determining character for which it is not practicable to hold a competitive examination shall be listed in Schedule B. Appointments to these positions shall be subject to such noncompetitive examination as may be prescribed by the Commission.

Schedule C. Positions of a confidential or policy-determing character shall be listed in Schedule C.

The specific positions which have been excepted from the competitive service pursuant to Rule VI are listed in Part 213 of title 5, Code of Federal Regulations. Under existing law, the President has from time to time, either by rule or by executive order, changed the criteria for excepting positions from the competitive service. The most recent such executive order was Executive Order No. 11839 of February 15, 1975, which modified certain criteria for Schedule C positions

Subsection (a) of section 3003 sets forth criteria under which the Commission may, by regulation, except positions. Paragraph (1) of section 3003(a) sets forth criteria for excepting positions which, under existing rules, would be deemed Schedule C positions. The Commission may except such positions from the competitive service if it determines that the duties of the positions: (A) require significant involvement in the advocacy of Presidential Administration programs and support of their controversial aspects, (B) require significant participation in the determination of major policies of such Administration, or (C) principally involve serving as a personal assistant to or advisor of a Presidential appointee, or serving in a confidential relationship directly under such a personal assistant or advisor.

Paragraph (2) of section 3003(a) sets forth the criteria for excepting from the competitive service positions which under current rules, would be under Schedule A or B. Paragraph (2) provides that the Commission may except a position if it determines that it would be impractical to apply competitive examination procedures because of: (A) national security; (B) statutory or other significant requirements establishing special employment conditions (for example, the statutory provision which prohibits the expenditure of funds to examine attorneys); (C) the unusual nature of the duties of a position (for example, positions of chaplains, or chaplains assistants); (D) duration and frequency of service (for example, individuals hired on a seasonal basis such as summer employees with the National Park Service); (E) work location (for example, where a locality is isolated thereby resulting in a shortage of available candidates); or (F) inadequate number of applicants.

Section 3003(b) requires the Commission to periodically review (but not less often than every 2 years) the exceptions made by it, and to revoke an exception if it determines that, because of changed circumstances, the exception is no longer appropriate under the provisions of section 3003(a).

Similarly, section 3003(c) requires the Commission to periodically review exceptions from the competitive service in the Executive agencies made by or under statute, and to prepare and transmit a report on each review to the President and to each House of Congress containing such legislative and administrative changes as it considers appropriate. There are numerous positions (and entire agencies) which have, by statute, been excepted from the competitive civil service. For example, section 3 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831b) authorizes the Board of Directors of TVA to provide for a personnel system "without regard to the provisions of Civil Service laws applicable to officers and employees of the United States." The results of the last comprehensive review of such exceptions are found in the Senate Committee Print entitled "Statutory Exceptions for the Competitive Service; A Report to the Committee on Post Office and Civil Service of the United States Senate by the U.S. Civil Service Commission, July, 1973", 93d Cong., 1st Sess. (1973).

Subsection (d) of section 3003 provides that the authority of the Commission to except positions from the competitive service shall be subject to such rules as the President may prescribe which are in accordance with the provisions of section 3003. This subsection is generally consistent with personnel laws which permit or require the Commission to prescribe regulations for the administration of appropriate statutory provisions, but retain in the President the authority, if he so chooses, to prescribe appropriate rules.

PERSONNEL MANAGEMENT RESPONSIBILITY

The provisions of section 3004 relate to the general responsibility for personnel management in Executive agencies and military departments, and the responsibility for compliance and enforcement of applicable provisions of civil service laws.

Paragraph (1) of section 3004(a) specifically places with the head of each Executive agency and military department the responsibility for personnel management, and for the compliance with and enforcement of applicable provisions of civil service laws, rules, and regulations, within the agency or department. It is the intent of this provision to make clear that while an agency head may, and most often should, delegate various authorities vested in him with respect to personnel management, the responsibility for compliance with and enforcement of applicable provisions of law remains with that agency head.

Paragraphs (2) and (3) of section 3004(a) require the agency head to establish a personnel office, and to appoint an individual to be the head of that office. The last two sentences of section 3004(a) require that the position occupied by the head of the personnel office be within the competitive service, unless a majority of the civil service positions within the agency are excepted from the competitive service by or under any statute other than title 5, United States Code. Thus, positions "administratively" excepted under section 3003(a) of title 5, as added by the bill, may not be counted for determining the necessary status of the personnel officer position required by section 3004(a). It is important that the individual charged with day-to-day duties with respect to personnel management in an agency should be a career employee who is familiar with the application and requirements of applicable civil service laws, rules, and regulations. The last sentence of section 3004(a), therefore, prohibits placing the head of the personnel office in a position excepted under section 3003 (a)(1), as added by the bill, which is the exception for essentially political appointees (presently referred to as "Schedule C" employees). At the same time, the provision recognizes that for certain agencies, such as those where all or a majority of the agency positions are excepted from the competitive service by statute, e.g., the Tennessee Valley Authority or the Department of State, it is not feasible to require the head of the personnel office to hold a competitive service position. Accordingly, a limited exception for such agencies is provided.

Section 3004(b) sets forth the duties and responsibilities of the head of the personnel office established under section 3004(a). The head of the office is required to: (1) represent the head of such agency or department in personnel matters the authority for which has been delegated to such officer or employee; (2) ensure that all personnel actions, programs, and policies of the agency or department are carried out in accordance with applicable civil service laws, rules, and regulations; and (3) provide advice to, and be directly responsible to, the head of such agency or department with respect to personnel matters.

The provisions of section 3004(b) are not intended to dictate the organizational location of the personnel officer within an agency, or to preclude the delegation of personnel management duties and responsibilities to additional agency officials. It is intended, however, that there shall be a position within each Executive agency or military department, the incumbent of which has the authority to represent the agency head in personnel management matters; the responsibility (together with the agency head) for ensuring compliance with applicable civil service laws, rules, and regulations; and, a channel of communication to the agency head to ensure that such head, who under section 3004(a) has the ultimate responsibility for ensuring compliance with appropriate laws, is apprised of instances where such laws, rules, and regulations are being violated or improperly applied, in order that appropriate disciplinary or corrective action may be instituted.

Subsection (c) of section 3004 provides that any individual to whom any authority for personnel management within the agency has been delegated, shall, in addition to the agency head and the personnel officer, be responsible for compliance with and enforcement of civil service laws, rules, and regulations. While it is intended that the personnel officer, who is appointed (with limited exceptions) to a position in the competitive service, shall together with the agency head be responsible for the faithful execution of such laws, rules, and regulations, it is also recognized, that as a practical matter, certain personnel management authorities may be delegated to other agency officials. Section 3004(c) is intended to ensure that the proper responsibility will follow the delegation of such authority.

AuCOIN INTRODUCES FISHING INDUSTRY FINANCIAL ASSISTANCE BILLS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. AuCOIN. Mr. Speaker, when the landmark 200-mile fishing jurisdiction law was enacted 2 years ago, Congress and representatives of the U.S. fishing industry hailed it as the end to a long struggle.

In truth, it was only the beginning.

The 200-mile law set forth a promise: A promise of more abundant fish stocks, a promise that American fishermen would no longer fight foreign fishermen for the right to harvest resources off their own coasts, a promise that all Americans would reap the benefits of the living resources within the 200-mile zone.

But that is all the 200-mile law did. Much work remains to be done if the promise of the 200-mile law is to be realized.

Today I am introducing three bills which I believe will take us another step down that road:

The first would establish a fund to provide direct low interest loans to encourage U.S. fishermen and U.S. processors to develop fish species previously taken by foreign nations. It would also modify, and expand to include owners of fisheries facilities, a loan guarantee program currently benefiting U.S. fishermen. Finally, it would provide low interest loans to help the fishing industry overcome economic hardships caused by natural disaster or certain Federal actions.

The second would extend the provisions of the Capitol Construction Fund to U.S. fish processors and owners of other fisheries facilities.

The third would amend the Farm Credit Act of 1971 to extend repayment periods for loans available through local Production Credit Associations to 15 years from the present 7 years.

All three bills focus on one crucial need of the U.S. fishing industry in the wake of the extended jurisdiction law: the need for money to modernize, to expand, to experiment in order to take full advantage of the 200-mile law.

In my visits with fishermen and processors over the past year certain problems relating to loans and financing seemed to surface time and time again. Among these: hefty downpayments required, under current Government loan programs, the absence of long-term financing; the absence of special financing for fisheries facilities altogether; the lack of incentives to begin taking hake and other species previously given over to foreign countries; and the problems created by natural disasters and Government decisions over which fishermen have no control but which, nonetheless, affect them greatly.

These bills will help remove these obstacles by:

Providing low interest direct loans to fishermen and processors willing to pioneer in the taking and processing of underutilized species;

Extending loans periods to 15 years in the case of fishing vessels and 25 years in the case of fisheries facilities;

Making special financing available to fisheries facilities where it has not been available to them before;

Providing low interest loans to help offset economic problems resulting from natural disaster, Federal law or regulations, or Federal court decisions.

These bills are no panacea. Accomplishing the goals of the 200-mile law will still require all of the imagination, perseverance, and just plain hard work for which the American fishing industry is so well known.

These bills will, however, help give our industry the tools it will need to meet this challenge. I urge my colleagues to join me in support of these measures.

H.R. —

A bill to amend the Merchant Marine Act, 1936, to provide for the establishment of capital construction funds for fisheries facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 607 of the Merchant Marine Act, 1936 (46 U.S.C. 1177), is amended to read as follows:

"SEC. 607. (a) Agreement Rules. Any citizen of the United States owning or leasing one or more eligible vessels (as defined in subsection (k)(1)), or one or more fisheries facilities (as defined in subsection (k)(9)), may enter into an agreement with the Secretary of Commerce under, and as provided in, this section to establish a capital construction fund (hereinafter in this section referred to as the 'fund') with respect to any or all of such vessels or facilities. Any agreement entered into under this section shall be for the purpose of providing—

(1) replacement vessels, additional vessels, or reconstructed vessels, built in the United States and documented under the laws of the United States for operation in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States, or

(2) replacement, additional, or reconstructed fisheries facilities in the United States, and shall provide for the deposit in the fund of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f). The deposits in the fund, and all withdrawals from the fund, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary of Commerce may by regulations prescribe or are set forth in such agreement; except that the Secretary of Commerce may not require any person to deposit in the fund for any taxable year more than 50 percent of that portion of such person's taxable income for such year (computed in the manner provided in subsection (b)(1)(A) which is attributable to the operation of the agreement vessels or facilities or from the sale or marketing of fish or fish products.

Sec. 2 Subsection (b) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or which is attributable to the operation of the agreement facilities, or from the sale or marketing of fish or fish products" at the end thereof;

(2) in subparagraph (B) of paragraph (1) by inserting "or facilities" after "vessels"; and

(3) in subparagraph (C) of paragraph (1) and in paragraph (2) by inserting "or facility" after "vessel" each place it appears.

Sec. 3. Subsection (f) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or a fisheries facility," after "vessel", and

(2) in subparagraph (C) by inserting ", a fisheries facility," after "reconstruction of a qualified vessel".

Sec. 4. Subsection (g) of section 607 of such Act is amended—

(1) in paragraphs (2) and (3) by inserting "facility," after "vessel," each place it appears; and

(2) in paragraph (4) by inserting "facilities," after "vessels,".

Sec. 5. Subsection (k) of section 607 of such Act is amended by adding at the end thereof the following new paragraphs:

"(9) The term 'fisheries facility' or 'facility' means a new or used facility in the United States, including but not limited to, docks, equipment and buildings, for the receiving, preparing, processing, refrigerating, storaging, and distributing of fish or fish products.

"(10) The term 'agreement facility' means any fisheries facility which is subject to an agreement entered into under this section.".

(11) The term "fish" means fin fish, mollusks, crustaceans, and all other forms of marine animal and plant life (other than marine mammals and birds) which have been harvested by a commercial fishing vessel of the United States.

(12) The term "fish products" means any article which is produced from or composed of (in whole or in part) any fish.

H.R. —

A bill to amend the Farm Credit Act of 1971 to provide that certain loans to farmers, ranchers, and producers or harvesters of aquatic products may be made for a period of 15 years

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2.15(b) of the Farm Credit Act of 1971 (12 U.S.C. 2096(b)) is amended by adding at the end thereof the following new sentence: "Loans authorized in subsection (a)(1) may be made for a period not to exceed fifteen years."

SEC. 2. The first sentence of section 2.4 of the Farm Credit Act of 1971 (12 U.S.C. 2075) is amended by striking out "seven years" and inserting in lieu thereof "fifteen years".

H.R. —

A bill to provide incentive loans to the commercial fisheries industry for the development of underutilized fisheries and to authorize the Secretary of Commerce to guarantee certain other loans made by banks to the commercial fisheries industry

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act be cited as the "Commercial Fisheries Financial Assistance Act of 1978".

SEC. 2. The purposes of this Act are—

(1) to increase the potential of the commercial fisheries industry to harvest, process, and market a greater percentage of the fish, shellfish, and other marine resources sold in this country;

(2) to strengthen the competitive position of the commercial fisheries industry with respect to foreign harvesters and processors, thereby resulting in increased economic stability in the domestic industry and full utilization of the resources within the extended fisheries zone by the domestic fisheries industry;

(3) to make available low-interest loans which are a necessary incentive for developing underutilized fisheries;

(4) to provide increased commercial fisheries opportunities for access to developmental capital; and

(5) to provide financial assistance to the commercial fisheries industry.

SEC. 3. As used in this Act, the term—

(1) "commercial fisheries industry" means all segments of such industry in the United States from harvesting to processing to distribution;

(2) "fishery" means a species or group of species forming a segment of the harvesting sector of the fisheries industry;

(3) "underutilized fishery" means such a species or group of species which are not harvested to their full optimum sustainable yield by the domestic commercial fisheries industry;

(4) "fisheries shoreside facilities" includes but is not limited to, such new or used facilities as docks, receiving facilities, processing facilities, processing plants, and storage and distribution facilities, together with all necessary equipment;

(5) "processing facilities" means production equipment and facilities (including land) needed to receive the catch of fishing vessels, and prepare, hold, or distribute such catch for market;

(6) "citizen or national of the United States" means any individual who is a citizen or national of the United States or any corporation, partnership, or other entity organized under the laws of any State of the United States or the District of Columbia; however, no such corporation, partnership, or other entity shall be deemed to be a citizen of the United States unless it is a citizen within the meaning of section 2 of the Shipping Act, 1916 (46 U.S.C. 802);

(7) "Government's cost of money" means, as determined by the Secretary of the Treasury, the average market yield on outstanding Treasury obligations of comparable maturity;

(8) "short-term" means a period not exceeding thirty-six months;

(9) "economic distress" means short-term economic or resource dislocations caused by natural disaster, Federal law or regulation, Federal court decision, and such other dislocation as determined by the Secretary of Commerce. Such dislocation shall affect a substantial portion of the harvesting or processing sector, or both, of the commercial fisheries industry in any fishery, or affect a substantial portion of such industry within a State or region of a State, as determined by the Secretary of Commerce, in consultation with State and local representatives;

(10) "fishing vessel" means any new or other type of craft, regardless of size together with all necessary gear and equipment, which is used for, equipped to be used for, or of a type which is normally used for—

(A) commercial fishing; or

(B) aiding or assisting in the performance of any activity relating to commercial fishing, including, but not limited to, preparation, supply, storage refrigeration, transportation or processing of fish; and

(1) "Secretary" means the Secretary of Commerce.

SEC. 3. The Secretary shall promulgate rules and regulations to carry out this Act.

TITLE I—DIRECT INCENTIVE LOANS

SEC. 101. (a) The Secretary shall make long-term, low-interest, incentive loans—

(1) for the construction, rehabilitation, purchase, or operation of new or used fisheries shoreside facilities for underutilized fisheries, and

(2) for the construction, rehabilitation, purchase, or operation of new or used fishing vessels for under-utilized fisheries.

(b) Any such loan shall be provided at an interest rate, to be determined by the Secretary in accordance with the purposes of this section, at a minimum of 3 per centum per annum and a maximum of the Government's cost of money, and with a maturity not exceeding fifteen years for fishing vessels and twenty-five years for fisheries shoreside facilities.

SEC. 102. The Secretary is authorized to make loans at an interest rate which shall be at a minimum of 3 per centum per annum and a maximum of the Government cost of money for the purpose of providing financial assistance needed to offset economic distress in the commercial fisheries industry. Eligibility for such loans shall be restricted to applicants who can demonstrate profitable operations for a substantial period of time prior to the onset of the conditions. Such loans shall be made on the basis of regulations promulgated by the Secretary which will assure rapid and timely assistance where needed in such industry.

SEC. 103. (a) Before approving any loan under section 101, the Secretary shall determine that the applicant will possess, or for loans to be made under section 102, does possess the ability, experience, resources, and other qualifications necessary to reasonably assure repayment of the loan.

(b) Before approving any loan under section 101 or 102 for the purchase of a new or used fishing vessel which will not replace an existing fishing vessel, the Secretary shall determine that the applicant's contemplated operation of such vessel in a fishery is permitted by fisheries management plans implemented under the Fishery Conservation and Management Act of 1976.

(c) The Secretary shall endeavor to promptly process all applications for loans under sections 101 and 102, and in no event shall the Secretary fail to approve or deny an application within ninety days after receipt of the application.

(d) Loans may be made under this title only to citizens of the United States.

SEC. 104. (a) There shall be established in the Treasury a Commercial Fisheries Financing Fund which shall be used by the Secretary as a fund from which to make loans under this title. Any funds received by the Secretary on or before May 30, 1990, in payment of principal or interest on any loans so made shall be deposited in such Fund and be available for making additional loans under this title. Any funds received in such Fund after May 31, 1990 (at which time such Fund shall cease to exist), shall be paid into the Treasury as miscellaneous receipts.

(b) There is authorized to be appropriated to the Commercial Fisheries Financing Fund, without fiscal year limitation, the sum of $250,000,000 to provide capital for all loans under this Act, and to provide for the expense of administering them.

SEC. 105. (a) Section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c) is repealed.

(b) Any outstanding loans made under such section 4 shall be handled in accordance with this title and the rules and regulations promulgated by the Secretary under this Act insofar as this title or those rules and regulations are not inconsistent with any loan contract entered into pursuant to such section 4. The fisheries loan fund created by such section shall hereby cease to exist. All assets and liabilities of such fund shall be transferred to and become a part of the Commercial Fisheries Financing Fund established by this title.

TITLE II—LOAN GUARANTEES

SEC. 201. (a) The Secretary is authorized to guarantee and to enter into commitments to guarantee the payment of the interest on, and the unpaid balance of the principal of, any loan made by a bank or other lending institution for—

(1) the construction, expansion, or rehabilitation, including the purchase of used facilities which are to be rehabilitated, of fisheries shoreside facilities; or

(2) the purchase, construction, or rehabilitation of fishing vessels.

(b) Any loan guaranteed under this section—

(1) shall have the borrower approved by the Secretary as responsible and possessing the ability, experience, resources, and other qualification necessary for the adequate operation and maintenance of the fishing vessel or fisheries shoreside facility which serve as security for the guarantee of the Secretary;

(2) shall be in an aggregate principal amount which does not exceed 90 per centum of the actual cost or depreciated actual cost, as determined by the Secretary, of the vessel or facility which is used as security for the guarantee of the Secretary;

(3) shall have a maturity date satisfactory to the Secretary but not to exceed twenty-five years in the case of a loan referred to in subsection (a)(1) or fifteen years in the case of a loan referred to in subsection (a)(2);

(4) shall provide for payments by the borrower satisfactory to the Secretary;

(5) shall bear interest at a rate not to exceed such per centum per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary;

(6) may only be made to a borrower who is a citizen or national of the United States; and

(7) shall be approved by the Secretary only upon the furnishing of such security or other reasonable assurance of repayment as the Secretary shall require considering the objectives of this Act; and the proposed collateral for any such loan shall be of such a nature that, when considered with the integrity, ability, and prospective earnings of the borrower, repayment of the loan will be reasonably assured.

SEC. 202. There is hereby created a Commercial Fisheries Loan Guarantee Fund (hereinafter referred to in this title as the "Fund") which shall be used by the Secretary as a revolving fund for the purpose of carrying out this title. There is authorized to be appropriated to the Fund $1,000,000. Moneys in the Fund shall be deposited in the Treasury of the United States to the credit of the Fund or invested in bonds or other obligations of, or guaranteed as to principal and interest by, the United States.

SEC. 203. (a) In the case of any loan guaranteed by the Secretary under section 201, the Secretary shall not guarantee the principal of such loan in an amount in excess of 90 per centum of the face amount of the loan.

(b) The full faith and credit of the United States is pledged to the payment of all guarantees made under section 201 with respect to both principal and interest, including interest, as may be provided for in the guar-

antee, accruing between the date of default under a guaranteed loan and the payment in full of the guarantee.

(c) Any guarantee, or commitment to guarantee, made by the Secretary under section 201 shall be conclusive evidence of the eligibility of the loans for such guarantee, and the validity of any guarantee, or commitment to guarantee, so made shall be incontestable.

(d) The aggregate unpaid principal amount of the loans guaranteed under section 201 and outstanding at any one time shall not exceed $250,000,000.

(e) The Secretary shall endeavor to promptly process all loan guarantee applications, and in no event shall the Secretary fail to approve or deny an application within ninety days after the date of receipt of the application.

(f) The Secretary shall charge and collect from the borrower such amounts as he may deem reasonable for the investigation of applications for a guarantee, for the appraisal of properties offered as security for a guarantee, for the issuance of commitments, and for the inspection of such properties during construction, expansion, or rehabilitation; *Provided*, That such charges shall not aggregate more than one-half of 1 per centum of the original principal amount of the loan to be guaranteed.

(g) All moneys received by the Secretary under this title shall be deposited in the Fund.

SEC. 204. Loans guaranteed under this title and agreements relating thereto shall contain such other provisions with respect to the protection of the security interests of the United States (including acceleration and subrogation provisions and the issuance of notes by the obligor to the Secretary), liens and releases of liens, payments of taxes, and such other matters as the Secretary may prescribe.

SEC. 205. (a) In the event of a default which has continued for thirty days in any payment by the borrower of principal or interest due under a loan guaranteed under this title, the lender or his agent shall have the right to demand, at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than ninety days from the date of such default, payment by the Secretary of the unpaid principal amount of the loan and of the unpaid interest thereon to the date of payment. Within such period as may be specified in the guarantee or related agreements, but not later than thirty days from the date of such demand, the Secretary shall promptly pay to the lender or his agent the unpaid principal amount of the obligation and unpaid interest thereon to the date of payment: *Provided*, That the Secretary shall not be required to make such payment if prior to the expiration of said period he shall find that there was no default by the borrower in the payment of principal or interest or that such default has been remedied prior to any such demand.

(b) In the event of any payment by the Secretary under subsection (a), the Secretary shall have all rights in any security held by him relating to his guarantee of such loans as are conferred upon him under any security agreement with the borrower. Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Secretary shall have the right, in his discretion, to complete, recondition, reconstruct, renovate, repair, maintain, operate, charter or sell any property acquired by him pursuant to a security agreement with the obligor or may place a vessel in the national defense reserve.

(c) Any amount required to be paid by the Secretary pursuant to subsection (a) shall be paid in cash. If at any time the moneys in the Fund are not sufficient to pay any amount the Secretary is required to pay, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations to be issued hereunder and for such purpose he is authorized to use as a public debt transaction the preceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury at any time may sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations debt transactions of the United States. Funds borrowed under this section shall be deposited in the Fund and redemptions of such notes and obligations shall be made by the Secretary from such Fund.

(d) In the event of a default under any guaranteed loan or any related agreement, the Secretary shall take such action against the borrower or any other parties liable thereunder that, in his discretion, may be required to protect the interests of the United States. Any suit may be brought in the name of the United States or in the name of the lender and the lender shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary shall have the right, in his discretion, to accept a conveyance of title to and possession of property from the borrower or other parties liable to the Secretary, and may purchase the property for an amount not greater than the unpaid principal amount of such obligation and interest thereon. In the event the Secretary shall receive through the sale of property an amount of cash in excess of any payment made to a lender under subsection (a) and the expenses of collection of such amounts, he shall pay such excess to the borrower.

LITHUANIAN INDEPENDENCE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. ZABLOCKI. Mr. Speaker, I would like to join my colleagues and my friends in the Lithuanian-American community in commemorating the 60th anniversary of Lithuanian independence.

The dedication of the Lithuanians to human freedom and dignity ought to provide an example to all people struggling to retain their unique identity and God-given rights. It was just 60 years ago that the country of Lithuania declared its independence from the historical domination of Russia and Germany. That action marked the beginning of a long fight for self-determination.

The small country developed its economic and social sectors keeping the basic respect for man in the forefront. While Lithuania established its own government adhering to the principles of individual freedom, unfortunately, its autonomy was short-lived. In 1940 the Stalinist Soviets again took over the small state.

Mr. Speaker, the Lithuanians are not asking for anything unusual or uncalled for. Rather, they are seeking the right to express their opinions, to practice their own religions, to experience their own culture and literature, and to determine their own future.

I offer my personal and sincere commendation on their years of struggling for self-determination and sovereignty. We pray that the day will soon arrive when human rights and independence will be restored to the Lithuanians and we will again see an oppression-free and sovereign nation.

THE UDALL RECORD—II

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. UDALL. Mr. Speaker, I am continuing today with a listing of my votes for the 1st session of the 95th Congress.

The list is arranged as follows: The votes are listed by rollcall number, and a short description of the measure under consideration is given; my vote is indicated (Y-yes; N-no; NV-not voting); the vote of the Arizona delegation is given (in the order; Yeas—nays—not voting, or present); an indication of whether the measure passed or failed; and the total vote.

In addition, in order to point out the more important votes out of the more than 700 cast, I have marked with an asterisk (*) those votes which were chosen as a "key vote" by one or more of the following organizations: American Conservative Union, Americans for Democratic Action, National Federation of Independent Businessmen, AFL–CIO, Taxation with Representation, Women's Lobby, and the Congressional Quarterly.

The description of each measure is admittedly very basic, and I am sure that many of my constituents will have additional questions on some of these votes. So I would invite them to visit my district office, at 301 West Congress, in Tucson, where we have the CONGRESSIONAL RECORD for 1977, and back issues of Congressional Quarterly, both of which are very informative.

The list follows:

VOTING RECORD—II

(154) Budget Resolution: To reduce targets for budget authority and outlays by $7 million by assuming deletion of funds for recent pay raise for Members of Congress. (Cancel cost-of-living raise). Y (4–0–0) Passed, 236–179.

(155) To resolve into committee of the whole House to consider First Budget Resolution. Y (2–2–0) Passed, 409–0.

(156) Budget Resolution: To transfer $7.95 billion from defense spending to reduce the national debt. N (3–1–0) Failed, 64–344.

*(157) Budget Resolution: To increase target for budget authority for defense by $4.15 billion and target for defense outlays by $2.3 billion. Y (1–3–0) Passed, 225–184.

(158) Budget Resolution: To affirm previous vote to increase defense targets. Passed, 218–185.

*(159) Budget Resolution: To transfer $6.5 billion from military spending into spending for domestic programs. Y (2–2–0) Failed, 102–306.

(160) Budget Resolution: To increase budget authority by $249 million for Law Enforcement Assistance Administration. Y (4–0–0) Passed, 224–179.

(161) Budget Resolution: To increase budget authority and outlays by $500 million in veterans' benefits and services. N (2–1–1) Passed, 329–73.

(162) Budget Resolution: to reduce authority and outlays in natural resources by $100 with the intention of striking funds for water projects. Y (4–0–0) Failed 143–252.

(163) Budget Resolution: Amendment to reduce outlays by $23 billion; deficit by $18 billion; assume permanent 10% across-the-board tax cut for individuals. Y (2–2–0) Failed, 150–250.

(164) Budget Resolution: to reduce outlays target by $55 billion; increase revenue targets by $11 billion; install 10% tax cut. Y (1–3–0) Failed, 131–271.

(165) Budget Resolution: Final passage, to set new budget at $505.7 billion; outlays at $466.7 billion; revenues at $398.1 billion; deficit at $69.6 billion. N (3–1–0) Failed, 84–320.

(166) To approve journal of April 27, proceedings. Y(4–0–0) Passed, 329–13.

(167) To approve conference report, $318 supplemental appropriation for Section 8 housing. Y(3–1–0) Passed, 355–47.

(168) Funding ($2.5 million) for Assassinations Committee. Y(1–2–1) Passed, 213–192

(169) To consider (adopt rule) on strip mining bill. Y(3–1–0) Passed, 340–58.

(170) To resolve into committee of the whole. Y(4–0–0) Passed, 309–1.

(171) To ban strip mining in Western alluvial valleys. Y(1–3–0) Passed, 170–149.

(172) To require $300 million from Outer Continental Shelf oil leasing be diverted to pay for abandoned strip mine reclamation. N(1–3–C) Failed, 86–226.

*(173) Motion to recommit Surface Mining Control and Reclamation Act. N(3–1–0) Failed, 83–228.

(174) Passage of strip mining bill. Y(1–3–0) Passed, 241–64.

(175) Appropriations for U.S. territories. Y(4–0–0) Passed, 379–3.

(176) To authorize $31.1 million for San Luis reclamation project. Y(4–0–0) Passed, 377–14.

(177) To authorize $1.6 billion for Energy Research and Development Administration. Y(4–0–0) Passed, 360–30.

(178) Veterans Administration Medical Facilities Acquisition Act, requiring tighter congressional oversight. Y(4–0–0) Passed, 373–19.

(179) To permit state legislators to deduct away-from-home expenses in connection with legislative duties in 1976–77. Y(–4–0–0) Passed, 372–6.

(180) To extend Defense Production Act for two years. Y(4–0–0) Passed, 385–8.

(181) To provide $440,000 for expenses of Select Committee on Congressional Operations. Y(1–3–0) Passed, 262–131.

(182) To extend Export-Import Bank authority to coincide with new fiscal year; require consideration of human rights in authorizing loans; congressional review of nuclear-related loans (introduced by Neal). Y(3–0–1) Passed, 281–126.

(183) To strike language from Public Works Employment Act which would require spending money previously allocated for water resources projects. N(0–4–0) Failed, 108–302.

(184) Final passage, Public Works Employment Act (jobs bill). Y(4–0–0) Passed, 335–77.

(185) To consider (adopt rule) on U.S. Railway Association Authorization for FY 1978. Y(4–0–0) Passed, 409–0.

(186) To require feasibility reports on verifying arms control agreements. N(3–1–0) Passed, 259–148.

(187) To authorize $14.6 million for Arms Control and Disarmament Agency. Y(2–0–0) Passed, 395–15.

(188) To authorize $13 million for administrative expenses of U.S. Railway Assn. Y(4–0–0) Passed, 358–50.

(189) To adopt rule-Foreign Relations Auth. Y(4–0–0) Passed 391–23.

(190) To provide $20.1 billion budget authority for economic stimulus package. Y(2–2–0) Passed, 326–87.

(191) To reduce authorization for U.N. Ambassador's office. N (2–2–0) Failed, 91–318.

(192) To reduce U.S. contribution to United Nations. N (2–2–0) Failed, 149–257.

(193) To change language of Foreign Relations Authorization to require that any new Panama Canal treaty must "protect the vital interests of the United States," instead of prohibiting use of funds for "negotiations to surrender or relinquish the Panama Canal." Y (2–2–0) Passed, 220–182.

(194) To prohibit use of foreign relations funds to negotiate any aid for Vietnam. N (2–2–0) Passed, 266–131.

(195) $1.68 billion for foreign relations operation. State Department, etc. Y (2–2–0) Passed, 285–111.

(197) Budget Resolution: To increase defense spending targets by $8 billion in authorizations, $2 billion in outlays. NV (3–0–1) Failed, 176–233.

(198) Budget Resolution: To increase defense authorizations by $2 billion, outlays by $1 billion. N (3–1–0) Failed, 184–223.

(199) Budget Resolution: To increase defense authorizations by $1 billion, outlays by $1 billion. N (3–1–0) Failed, 190–214.

(200) Budget Resolution: To reduce defense authorizations $1.15 billion and outlays target by $300 million. Y (1–3–0) Failed, 88–315.

(201) Budget Resolution: To increase authority and outlays for veterans' benefits by $175 million, with intention to provide new pension for World War I veterans. N (3–1–0) Passed, 282–100.

(202) Budget Resolution: To increase defense spending targets $3 billion and outlays $2 billion; decrease budget authority and outlays targets for interest on national debt by $2.1 billion; and increase revenue target $3.3 billion. N (3–1–0) Failed, 85–306.

(203) Budget Resolution: To reduce outlays by $24 billion and the deficit by $21 billion and give across-the-board 10% tax reduction for individuals. N(3–1–0) Failed, 150–240.

(204) Budget Resolution: Final passage, setting spending limit at $464.5 billion. Y(2–1–1) Passed, 213–179.

(205) To consider (adopt rule) on Housing and Community Development Act Amendments NV(0–0–4) Passed, 280–4.

(206) To establish Eleanor Roosevelt National Historical Site at Hyde Park, N.Y. Y(2–2–0) Passed, 337–43.

(207) To authorize $1.1 billion through 1982 for programs under Education of the Handicapped Act. Y(4–0–0) Passed, 376–2.

(208) To extend deadline for Civil Rights Commission report on age discrimination Y(4–0–0) Passed, 379–0.

(209) Higher Education Technical Amendments. Y(4–0–0) Passed, 382–1.

(210) To authorize funds and continue appointment of counsel to represent the House and its Commerce Committee in court case, U.S. versus AT&T. Y(1–3–0) Passed, 246–143.

(211) To recommit resolution dismissing the election of Rep. Gammage. N(2–1–1) Failed, 126–260.

(212) To dismiss the election contest against Rep. Mikva. Y(1–2–1) Passed, 272–107.

(213) To dismiss the election contest against Rep. Pursell (4–0–0) Passed, 371–8.

(214) To approval journal of May 9. Y(4–0–0) Passed, 381–12.

(215) To prohibit Alaskan pipeline oil from being exported for two years. N(1–3–0) Passed, 240–166.

(216) To increase authorization and extend Tinicum National Environmental Center. Y(3–1–0) Passed, 374–32.

(217) To authorize U.S. contribution to International Commission for Conservation of Atlantic Tunas. Y(4–0–0) Passed.

*(219) To strike dual formula for allocating Community Development Block Grants. N(1–3–0) Failed, 149–261.

(220) To approve journal of May 10. Y(3–0–1) Passed, 386–12.

(221) To require 25% of Urban Development Grant funds go to communities under 50,000 population. Y(3–0–1) Passed, 279–129.

(222) To delete sanctions against communities which refuse to participate in flood insurance programs (Housing and Community Development Act). N(2–1–1) Passed, 220–169.

(223) Final passage, reauthorizing for three years the Housing and Community Development block grants. Y(2–1–1) Passed, 369–20.

(224) To adopt rule (consider) International Development and Food Assistance Act. NV(3–0–1) Passed, 380–14.

(225) To reduce U.S. funds by $25.8 million to international development agencies. N(3–1–0) Passed, 233–171.

(226) To remove tobacco as an agricultural commodity eligible for export financing under program. Y(4–0–0) Passed, 229–178.

(227) To prohibit aid to Vietnam and Cuba under program. N(3–1–0) Passed, 288–119.

(228) To authorize $1.68 billion for international development and international disaster assistance. Y(1–3–0) Passed, 252–158.

(229) To consider (adopt rule) on Intergovernmental Anti-recession Assistance Act. Y(4–0–0) Passed, 390–3.

(230) To resolve into Committee of the Whole. NV(103) Passed.

*(231) To base countercyclical fund on state and local effort instead of unemployment rates. NV(0–2–2) Failed, 127–216.

(232) To extend countercyclical aid program and revise formula. NV (0–2–2) Passed, 243–94.

(233) To authorize $560,000 for National Committee on Atmosphere and Oceans. NV (3–04–1) Passed, 387–6.

(234) To extend funding authority for Seal Beach National Wildlife Refuge. NV(2–1–1) Passed, 384–4.

(235) To increase authorization for Canal Zone Biological Area. NV(1–2–1) Passed, 245–141.

(236) To extend voluntary insurance program of Fisherman's Protective Act. NV (1–2–1) Passed, 239–151.

(237) To adopt conference report, Tax Reduction and Simplification Act, providing tax cuts in FY 1977, 1978 and 1979. NV(3–0–1) Passed, 383–2.

(238) To add Intergovernmental Antirecession Assistance Act to the tax bill. NV (0–3–1) Passed, 252–134.

(240) Final passage, to create a Young Adult Conservation Corps and other youth employment measures. NV(0-2-2) Passed, 334-61.

(241) To extend and fund Drug Enforcement Administration. NV(3-0-1) Passed, 393-1.

(242) To authorize $67 million for Securities and Exchange Commission. NV(3-0-1) Passed 375-22.

(243) To authorize $10 million for water resources planning and management. NV (3-0-1) Passed, 397-2.

(244) To authorize $5.9 million for U.S. Water Resources Council. NV(3-0-1) Passed, 390-6.

(245) To authorize continued funding for 18 river basin projects. NV(3-0-1) Passed, 310-89.

(246) To authorize survey of Medicine Bow National Forest. NV(3-0-1) Passed, 371-26.

(247) To allow Secretary of Transportation aviation insurance to cover losses from riots, civil disorders, hijackings and similar acts. NV(3-0-1) Passed, 388-8.

(248) To authorize "such sums as necessary" for the administration of federal disaster programs in FY 1978. NV(3-0-1) Passed, 393-5.

(249) To authorize $2.5 million a year for administration of Deepwater Port Act. NV (3-0-1) Passed, 387-6.

(250) To authorize feasibility study of installing solar energy equipment in House of Representatives buildings. NV(3-0-1) Passed, 368-29.

(251) To authorize $225 million for FY 1977 and "such sums as necessary" in 1978 to make loans and grants to drought-affected areas. NV(3-0-1) Passed, 395-2.

(252) To adopt conference report, First FY 1978 Budget Resolution, including an outlays target of $460.95 billion. NV(1-2-1) Passed, 221-177.

(254) To consider (adopt rule) on National School Lunch and Child Nutrition Amendments. Y(4-0-0) Passed, 388-10.

(255) To limit number of children in each state who could participate in summer feeding program to 200% of children ages 5-17 in families with poverty-level incomes. N (3-1-0) Failed, 180-218.

(256) To limit number in local summer feeding program to local number eligible to reduced-price meals in regular school programs. N(3-1-0) Failed, 192-216.

(257) To give local school districts choice of cash or commodities for school lunch programs. N(2-2-0) Failed, 138-272.

(258) Final passage, to extend the summer feeding program of School Lunch Act, revising provisions to control fraud and abuse. Y(4-0-0) Passed, 393-19.

(259) To consider (adopt rule) on International Security Assistance for FY 1978. Y(2-2-0) Passed, 359-48.

(260) To consider (adopt rule) on Federal Employees Political Activities Act. Y(2-2-0) Passed, 348-60.

(261) To assert federal employee's right to refrain from forming, joining, or participating in any organization or group which encourages political activity. N(3-1-0) Passed, 259-144.

(262) To prohibit job referrals by Members of Congress, etc., for job applicants seeking employment with Civil Service. NV(1-2-1) Failed, 153-248.

(263) To limit debate on Federal Employees Political Activities Act. N(0-4-0) Failed, 169-237.

(264) To prohibit federal employees from running for federal or full-time state or local offices. N(1-3-0) Failed, 143-266.

(265) To prohibit intimidation or coercion of federal employees by an employee organization in regard to political activity. N(3-1-0) Passed, 229-168.

(266) To delete language from Political Activities bill relating to criminal penalties for extortion. Y(1-3-*), Failed, 73-319.

(267) To rise from consideration of Political Activities Act. Y(4-0-0) Passed—.

(268) To extend Juvenile Justice and Delinquency Prevention Act for three years. Y(4-0-0) Passed, 389-5.

(270) To extend for three months the Privacy Protection Study Commission. Y(4-0-0) Passed, 387-3.

(271) To increase by 6 percent the disability compensation to veterans and for dependency and indemnity compensation to their survivors. Y(4-0-0) Passed, 393-0.

(272) To increase disability compensation for some veterans who have suffered loss of paired extremities. Y(4-0-0) Passed, 385-7.

(273) To extend automobile assistance allowance to disabled veterans of World War I. Y(4-0-0) Passed, 386-11

(274) To authorize $10.4 million for U.S. Commission on Civil Rights for FY 1978. Y(2-2-0) Passed, 365-34.

(275) To allow closed conference meetings on Military Procurement Authorizations for FY 1978. Y(2-2-0) Passed, 273-114.

(276) To delete $700,000 for military education and training programs in Argentina and prohibit arms sales to that country. Y(1-3-0) Failed, 187-200.

(277) To resolve into Committee of the Whole to consider International Security Assistance. Passed, 400-0.

(278) To delete $100 million for southern Africa Special Requirements Fund (International Security) N(3-1-0) Failed, 204-208.

(279) To delete requirement of "majority-ruled" for receiving funds from Southern Africa Special Requirements Fund. Y(1-3-0) Passed, 238-173.

*(280) To reduce authorized ceiling for FY 1978 military sales by $102.8 million N(1-3-0). Failed, 139-260.

(281) To recommit International Security Assistance bill with instructions to permit the President to lift arms embargo against Turkey. N(3-1-0) Failed, 150-256.

(282) International Security: to authorize $3.2 billion in U.S. grant military assistance, foreign military credit sales and guarantees, and security supporting assistance. Y(2-2-0) Passed, 242-163.

(283) To consider (adopt rule) on Clean Air Act Amendments. Y(4-0-0) Passed, 383-1.

(284) To resolve into Committee of the Whole to consider Clean Air Act Amendments. NV(2-0-2) Passed, 369-1.

(285) To permit governors to grant variances in clean air standards for stationary sources such as power plants. Y(1-3-0) Failed, 170-237.

(286) To permit governors, after public hearings, to grant variances so new or modified sources (industries and power plants) could exceed allowable limits for sulfur oxide and particles for 5% of days of the year. NV(3-0-1 Passed, 237-172.

(287) To postpone new compliance provisions for areas that have not attained health standards for clean air, until 60 days after EPA's required one-year study of non-attainment policy. N(3-1-0) Failed, 162-242.

(288) To resolve into Committee of the Whole to consider Clean Air Act Amendments. Y(4-0-0) Passed, 380-1.

(289) To modify auto emissions standards. Y(1-3-0) Failed, 190-202.

*(290) To put off standards for auto hydrocarbon emissions until 1980 and allow higher emissions of carbon monoxide and nitrogen oxides. N(3-1-0) Passed, 255-139.

(291) Final passage, Clean Air Act amendments. Y(3-1-0) Passed, 255-139.

(292) Peace Corps Authorization (rule) Y(4-0-0) Passed, 333-2.

(293) Marine Mammal Protection, porpoise quota amendment. NC(0-3-1) Passed 244-109.

(294) Marine Mammal Protection, porpoise kill penalties. Y(1-3-0) Failed, 158-194.

(295) Marine Mammal Protection, final passage. Y(3-1-0) Passed, 334-20.

(296) Peace Corps Authorization, final passage. Y(2-2-0) Passed, 305-43.

(297) Rule on Department of Energy Act. Y(4-0-0) Passed, 345-2.

(298) To establish National Energy Board. N(2-2-0) Failed, 83-277.

(299) To strike authority to regulate wellhead price of natural gas. N(3-1-0) Passed, 236-119.

(300) To remove DOE oversight of individual leases. Y(4-0-0) Failed, 170-180.

*(301) To allow Congressional veto of DOE regulations. N(3-1-0) Passed, 200-125.

(302) Resolve into Committee of the Whole. Y(3-0-1) Passed, 313-0.

(303) Prohibit DOE employees from taking jobs in private regulated industry. Y (1-2-1) Failed 146-184.

(304) "Sunset" date of 1982 for DOE. N (2-1-1) Passed. 202-126.

(305) Final passage, Department of Energy. Y (1-2-1) Passed, 310-20.

(306) To increase Federal Crop Insurance Corp. stock limit from $100 million to $150 million. Y(4-0-0) Passed, 377-5.

(307) To appraise soil and water conservation resources and develop long-range policy for orderly development. Y(4-0-0) Passed, 365-16.

(308) To extend Federal Energy Agency through FY 1978 and give FEA authority to require power plants to convert to coal. Y(2-2-0) Passed, 272-111.

(309) To exempt Members of Congress from the taxes of states and localities other than those from which they were elected. Y(3-1-0) Passed, 294-83.

(311) To repeal language in Military Construction bill relating to Davis-Bacon Act on projects to which it would not otherwise apply. N (2-2-0) Failed, 76-298.

(312) To authorize $3.5 billion for FY 1978 for military construction and family housing. Y(4-0-0) Passed, 351-24.

(313) To resolve into Committee of the Whole to consider Federal Employees Political Activities Act. Y(3-1-0) Passed, 371-26.

(314) To bar use of organization funds for politcal purposes, etc. N(2-2-0) Failed, 131-277.

*(315) To clarify language pertaining to use of dues. Y(1-3-0) Passed, 266-139.

(316) To eliminate all exceptions under which persons in restricted categories may participate in political campaigns. N(1-3-0) Failed, 56-344.

(317) To define extortion as including coercion through use of authority and the use of fear or violence. N(3-1-0) Failed, 190-219.

(318) To prohibit federal employees from soliciting campaign funds from fellow employees. N(3-1-0) Failed, 156-251.

WASHINGTON WORKSHOP

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. BRECKINRIDGE. Mr. Speaker, I would like to take this opportunity to recognize two young women from the Sixth District of Kentucky who have been selected as participants in the 1978 "Washington Workshop." They are Anita Das and Ann Evans, both students at Tates Creek Senior High School in Lexington, Ky.

I am proud that these two high school juniors have been chosen for their leadership and scholastic excellence to take part in this most worthwhile program. I commend these two young Americans on their interest in and dedication to America's future.

NO INDEPENDENT STATE FOR PLO MURDERERS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. LEHMAN. Mr. Speaker, a key point of discussion and current disagreement in the Mideast peace talks is the question of an independent Palestinian State in the West Bank and Gaza.

We should believe the statements of the West Bank Arab mayors, democratically elected for the first time under Israeli rule, who say that an independent Palestinian State means a PLO state.

The main goal of the PLO is the elimination of Israel. They are actively pursuing this goal today through a calculated policy of terrorist bombings directed against Israeli civilians and of the murder of Arabs who are willing to accept peace with Israel.

The PLO issued a statement in Beirut earlier this month claiming responsibility for a blast "in a military vehicle of the Egged company." Katriel Blumenfeld was sitting near the back of the crowded No. 35 bus of the Egged Bus Co. in Jerusalem when a bomb exploded, ripping out the back of the vehicle. Blumenfeld, age 42, leaves a wife and seven children. Yosef Zisman, 25, a yeshiva student, was also killed and 44 other persons were injured in the bombing, 6 seriously.

There have been attempted bombings by the PLO in Israel nearly every week since last November, when the peace process started. The targets of these acts tell us much about the nature of the PLO.

At the Israel Goldstein Youth Village in Jerusalem, a pupil recently discovered a powdered milk tin in a washroom. Thinking the tin belonged to a roommate, the pupil opened it and saw wires. The bomb exploded before police arrived. Fortunately, no one was injured and damage was slight.

In another case, the PLO claimed responsibility for a bomb blast, which they said killed an undetermined number in the main square of the Hebrew University. In fact, the young man who was killed and the young woman who was seriously injured in the bombing were residents of the West Bank who had brought the explosives to the campus.

Through its choice of targets, the PLO has murdered civilians on public buses and students at youth villages and universities.

Equally disturbing is the PLO claim of responsibility for the killing of West Bank Arab notable Abdul-Nur Khalil Janhu as an agent collaborating with the Zionist authorities. Janhu was the fourth West Bank Arab moderate murdered this year and the PLO is reported to have listed more than 30 other West Bank Arabs for execution.

An independent Palestinian state dominated by the PLO would become a strong base for further acts of murder against both Jews and Arabs. Such a state, located at the doorstep of Jerusalem and 9 miles from Tel Aviv, would present a direct threat to the security of the State of Israel.

FEDERAL TUITION AID WOULD NOT SWAMP PUBLIC SCHOOLS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. CONABLE. Mr. Speaker, Congress will soon decide whether or not to implement some form of tax assistance for tuition expenses at elementary and secondary schools.

It has been charged that such Federal tuition assistance would skew Federal education benefits disproportionately toward private schools and threaten incalculable damage to public schools. I have not made up my mind as to what is the best Federal policy in this area, but I think it is important to know with as much accuracy as possible what the current situation is and what the impact of proposed changes would be on the public-private balance at the elementary and secondary levels.

Unfortunately, the debate has thus far employed various statistics somewhat selectively, in a way that fails to present a total view of the impact of proposed changes.

For the record, I would like to set forth a few of the most pertinent numbers:

Existing Federal assistance to private elementary and secondary school students: The administration estimates that private school students receive between $55 and $75 a piece under existing outlay programs and through income tax deductions for church collections devoted to parochial schools.

Proposed tuition tax credits: The bill approved by the Senate Finance Committee last week would, when fully effective, cost $5.3 billion a year. The Joint Committee on Taxation estimates that about one-quarter of this will be for elementary and secondary school tuition, or $1.33 billion. Dividing this among the 5.3 million private school students yields a per pupil figure of $251.

Total existing and proposed Federal assistance for private school students: $306 to $326 per pupil.

Now let's look at the public school side of the equation.

Existing Federal assistance to public school pupils through outlay programs: $128 per pupil per year, a total of $5.9 billion.

Existing Federal aid for public school students through Federal income tax deductions: $110 a piece. This figure is derived by taking the $13 billion tax revenue reduction from deductions for State and local taxes, multiplying it by the 36 percent devoted to operating public schools, and dividing that result by the 42.9 million public school students.

Total existing Federal aid to public school students through outlays and tax expenditures: $238 per pupil.

So we see that through Federal outlays and tax expenditures, including the proposed tuition assistance for elementary and secondary school costs, we would have a little over $300 for private school pupils and $238 for public school students.

Mr. Speaker, regardless of the advisability of providing private school tuition assistance, I submit that this approximately $70 differential is not going to swamp the public schools. In some areas, public schools are spending as much as $3,000 a year in total public funds, raised by taxes at all levels of government on each pupil, a figure seldom matched by the private schools from whom competition is so feared.

As I said at the outset, Congress must decide what is the wisest thing to do with regard to elementary and secondary school tuition aid. I have presented these figures in the hope that when this issue is decided, it is on the basis of fact, and not on hyperbole, scare headlines or simple error.

QUESTIONING FEDERAL STUDENT LOAN PROGRAMS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. CORCORAN of Illinois. Mr. Speaker, while back in my district this past weekend, I had the opportunity to read an interesting and timely editorial concerning the default problems with the present student loan programs administered by the U.S. Department of Health, Education, and Welfare. In view of the current debate pitting the Roth-Corcoran college tax credit approach against the Carter-Califano plan to expand existing HEW programs to help middle-income families with the cost of financing a college education for their children, I think my colleagues will find the following February 26, 1978, editorial of the Champaign News-Gazette most interesting. The editorial raises questions which should be answered before we make our final decisions on this "very hot issue," as HEW Secretary Califano described it in his celebrated memorandum to President Carter.

Mr. Speaker, at this point I call your attention and that of all Members of this House to the aforesaid editorial:

[From the Champaign (Ill.) News-Gazette, Feb. 26, 1978]

TIME TO RE-EXAMINE LOANS TO STUDENTS

President Carter wants to provide $1.2 billion in new aid to college students. Part of the money would be in the form of loans, and this would be done by raising the family income limit, by which a student is judged eligible for a loan, from $25,000 to $45,000. This particular part of the President's proposal no doubt would aid the middle class, but it might also exacerbate a problem that's been building recently. That is the problem of student-loan defaults.

Most Americans who borrow federal money to go to college eventually pay it back. In the past few years, however, the percentage of those defaulting on their student loans has increased dramatically and now stands at 12.2 percent, with the total default nearing $1 billion.

The reason for this increase in bad accounts is that many people have lost the intention to repay. The new type of defaulter typically declares bankruptcy or changes his address or changes his name—anything, it seems, to avoid filling out a check payable to Uncle Sam.

Over the years the government hasn't bothered much with defaults on student loans, figuring them a cost of doing a public service. In the past year, however, the rising percentage of defaulters has prodded the government to act. Delinquent accounts now are with private loan collectors. It's now illegal to enter bankruptcy proceedings within five years of graduation. And, too, the government now requires colleges to give students information about attrition rates and cost of attendance—a sort of consumer report on the college so that the student, if he's going to borrow federal money, can "know what he's buying into, as one official in the HEW Office of Education put it.

All these changes are fine, and perhaps they will bring down the percentage of defaulters or at least cut into the rate at which they are increasing. Yet it probably would prove more useful, in the long run, if the government now would pause to consider its whole experience as banker to higher education.

Through the loans, the government has enabled more Americans than ever before to go to college, and through grants and other assistance, it has enabled colleges to offer more courses than ever, many of these of the "nontraditional" or "basket-weaving" variety. Through it all, however, there's been no government concern for the capability of the student nor the quality of the course. And so it happens that nearly 20 years after the government went into the educational banking business, many of the students defaulting on their loans have lost entirely the will to repay—lost it because, as some of them have told the Office of Education, they didn't get anything out of their education.

Could the reason be that some of those now defaulting enrolled in marginal courses, ironically financed by government? Or is it that some of the defaulters weren't educable in the first place? Or that the government has oversold the value of going to college? Or, which is probable, does the reason include all of the above?

Perhaps Mr. Carter's proposal to loan more money to college students will provide an opportunity for such questions to be asked in Congress. Certainly they should be asked. For otherwise there will be no fundamental changes in the government's involvement with higher education, and so the problem of student-loan defaults likely will persist.

ESTONIAN INDEPENDENCE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. COUGHLIN. Mr. Speaker, the United States recently celebrated the 200th anniversary of the signing of the Declaration of Independence. February 24, 1978 marked the 60th anniversary of the Proclamation of the Independence of the Republic of Estonia. Unlike the joyful American celebration, however, this occasion is a sad one, for Estonia does not enjoy the fruits of independence with which we are blessed.

The Estonian people have always had a strong sense of national unity and pride in their heritage which enabled them to establish their independence 60 years ago by driving the Soviet army from Estonian soil. Although the peace treaty signed at the time renounced all Soviet claims to Estonia, the tiny Baltic State found itself less than 20 years later on the turbulent battlefield of World War II. Estonia soon fell victim to the might of its powerful neighbor to the West and was annexed by the Union of Soviet Socialist Republics.

The struggle to regain national independence and freedom continued despite the deportation and brutal execution of Estonian freedom fighters and the abolition of all constitutional freedoms by the Soviets. An estimated 75,000 Estonians have fled their homeland and continue to work courageously to keep alive the memory of Estonia's tragic history in the 20th century and hope for a return to independence.

As a people who have embraced the principles of self-determination and freedom from tyranny, we are surely one with the aspirations of the Estonian people. The ideals upon which our own Nation is founded make it imperative that we not forget the plight of the Estonian people and that we lend our moral support to their cause.

AMERICAN TAXPAYERS EXTEND 50-YEAR, NO-INTEREST CREDIT TO COMMUNIST FARMERS

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. MATHIS. Mr. Speaker, the World Bank, which owes its existence to U.S. taxpayers, has announced a $5.2 million loan to the People's Democratic Republic of Yemen for agricultural development. Comparing the size of the two economies, the loan to Yemen would be equal to a $60 billion farm loan in the United States. The credit terms are generous: 50 years, 10 years of grace, interest free. The terms, however, are largely academic because no one seriously believes Yemen will still be repaying its American creditors a half century from now.

There is little doubt that Communist Yemen is an economic basket case badly in need of credit. Under the direction of a series of increasingly radical Communist regimes since 1967, the economy has declined markedly and now has an annual per capita growth rate of zero percent.

Communist Yemen depends exclusively on Russia, East Germany, and Cuba for armaments, and the World Bank has offered no rationale for supporting Yemen's farmers with U.S. tax dollars. The State Department says "the regime appears to be fully committed to communism as an internal political ideology" and has a policy of "undermining conservative Arab regimes of the Persian Gulf and the Arabian Peninsula," including Saudi Arabia and other oil producing allies of the United States. The State Department also maintains that Communist Yemen is closely aligned with the Popular Front for the Liberation of Palestine and other radicals on the question of the Arab-Israeli struggle. Because of America's close ties with Saudi Arabia and Israel, Communist Yemen in 1969 formally broke diplomatic relations with the United States and expelled the diplomatic mission. There are, of course, no individual human rights recognized or honored by Yemen's Communist government.

Mr. Speaker, the World Bank has been a drain on the American taxpayer since 1945 when Congress approved the Bretton Woods Act. The U.S. Government has never seriously questioned whether our continued participation in the Bank was in the national interest of the United States. The agricultural development loan to Communist Yemen, financed by U.S. tax dollars, is the latest in a series of actions by the World Bank that calls for a comprehensive congressional review of the Bretton Woods Act. After 33 years, I do not think such a review would be premature.

FEDERAL HOUSING ABUSE

HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. RUNNELS. Mr. Speaker, last October Mrs. Barbara Gutierrez of Socorro, N. Mex., wrote me voicing objections to the fact that Federal funds were being used to provide low-rent housing to a foreign student who was attending one of our universities in New Mexico. Mrs. Gutierrez advised me that the student was being provided tuition, fees, and books, in addition to supplemental cash benefits by his own government, while living in a federally subsidized public housing project and receiving low-income rent and utilities supplements.

Mr. Speaker, I truthfully doubted the accuracy of this report from my constituent and immediately directed an inquiry to the Department of Housing and Urban Development, noting that my constituent felt that eligibility for such Federal housing assistance should be limited to U.S. citizens and permanent residents.

Imagine my surprise when I received a response from the Office of the Assistant Secretary for Legislation and Intergovernmental Relations to the effect that the Department did not have authority to restrict alien participation and would prefer not to have such authority.

I was further advised that the U.S. Housing Act of 1937 and the National Housing Act which comprise the basic legislation governing HUD assisted housing programs do not, in fact, limit access to these programs to citizens or documented aliens.

As a result, HUD has not attempted to create regulations that would limit the eligibility of individuals desiring to obtain Federal support to meet their housing needs. I was told that "so far as HUD requirements are concerned, public housing agencies and private owners responsible for tenant selection under HUD assisted housing programs have no basis for inquiring as to the citizenship of

alien status of applicants." In other words, the Government officials and private citizens involved in operating such federally funded programs on a local level need not question the use of taxpayer funds for an individual who is not a legal resident of this Nation and probably never will be a taxpayer.

In other words, HUD is saying that there is nothing wrong with providing subsidsized housing to a foreign student attending school in our State at the expense of his own Government, while we have on a waiting list legal residents and citizens of our State unable to obtain such benefits.

I certainly do not feel that it was the intent of Congress, in approving Federal funds to assist low-income individuals in obtaining adequate housing, to provide such benefits to a foreign college student who is here attending one of our schools of higher education under what could be described as a full scholarship. In turn he is receiving benefits from a Federal program for which he has never contributed a single tax dollar, and it is doubtful that he will ever do so in the future since he will return to his home land upon completion of his education.

Mr. Speaker, an individual entering this country under student visa, signs a document indicating that he or she has sufficient funds to provide for themselves during their stay in this country. I do not think it is proper that they then turn around and place themselves in a position to obtain subsidized housing at the expense of the American taxpayer.

Therefore, I am introducing today a piece of legislation to provide that only citizens and aliens lawfully admitted into the country for permanent residence may be tenants in federally assisted housing or may receive other housing related benefits from the Federal Government. Since the Department of Housing and Urban Development apparently does not see the need to protect the American taxpayer from such abuses, I feel that Congress should provide direction to the agency that we certainly intend to insure that such abuses will not be allowed.

Mr. Speaker, for the record, I would like to enclose for printing in the RECORD copies of Mrs. Gutierrez' letter and the response I received from HUD.

SOCORRO, N.M., *October 7, 1977.*

Hon. HAROLD RUNNELS,
House of Representatives,
Longworth Building,
Washington, D.C.

DEAR REPRESENTATIVE RUNNELS: I have been told that this letter would be a fruitless attempt. Let's hope that my faith in the American government is not shattered at this time.

As an American I have paid taxes for a good better part of 20 years and have never complained, but I can no longer remain silent. There is a program for low-income housing/rent and utilities supplement which is good, only if it reaches the right people. But when a foreign student from Colombia, S.A., whose government pays his tuition, fees and books and gives them a monthly supplement, receives these benefits, I've had it. This student will complete his education here in the U.S. and return to his country never having paid taxes, but receiving all benefits which should be available for the needy persons from here.

You will find the regulations governing this program in the Federal Register dated May 13, 1976. All that it says is that a low-income family is eligible regardless of the fact that citizenship is not mentioned the guidlines are very vague.

I strongly urge you to see that at least a reference is made that recipients be U.S. citizens or permanent residents. I want my tax dollar to benefit those who need it.

Respectfully yours,

MRS. BARBARA GUTIERREZ.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., Dec. 1, 1977.

Hon. HAROLD RUNNELS,
House of Representatives,
Washington, D.C.

DEAR MR. RUNNELS: This is in response to your letter on behalf of Mrs. Barbara Gutierrez of Socorro, New Mexico, who urges that eligibility for Federal housing programs be limited to U.S. citizens and permanent residents.

The United States Housing Act of 1937 and the National Housing Act which comprise the basic legislation governing HUD assisted housing programs do not limit access to these programs to citizens or documented aliens. HUD, consequently, has not attempted to promulgate regulations that would limit eligibility on that basis. So far as HUD requirements are concerned, public housing agencies (PHAs) and private owners responible for tenant selection under HUD assisted housing programs have no basis for inquiring as to the citizenship or alien status of applicants.

Even if HUD had the authority under the law to specifically proscribe occupancy of assisted housing by undocumented aliens, the Department would prefer not to take that step. To do so would require all PHAs and private owners participating in HUD programs to require all applicants to declare and document their status as citizens or aliens; an onerous addition, to the already etxensive process of applying for housing assistance.

Recently, however, the Department has advised some PHAs that if confronted by an applicant or tenant who is an undocumented alien, it should be prudent to consult with the Immigration and Naturalization Service to avoid any possibility of illegally harboring such person or persons.

If I can be of further assistance do not hesitate to contact me.

Sincerely,

CAROL B. THOMPSON,
Assistant for Legislative Affairs.

HOWARD ROWLAND CITED FOR PUBLIC SERVICE

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. HOWARD. Mr. Speaker, the finest gift that can be given to one's fellow man is one's time, energy, and thought. Combine these noble qualities with a deep concern for the health and well-being of others and one has described a truly outstanding citizen of Asbury Park, N.J., Howard Rowland.

For over five decades, Howard Rowland has been the hero of the northern Jersey shore. He has saved the lives of more than 10,000 people, either directly or through those whom he has instructed in fire and water rescue programs.

His unrivaled dedication for the preservation of life began at the age of 12 when Mr. Rowland saved the life of a young girl who was drowning. Through the course of his life, Mr. Rowland has often entered treacherous seas to rescue swimmers.

He has set a precedent for all lifeguards in his attempt to provide the public with the best safety measures possible.

I ask the Members to join me in extending sincere congratulations and good wishes to Howard Rowland on his 50th anniversary celebration to be held March 1, 1978, in Monmouth County, N.J.

ANDRUS OUTLINES DEPARTMENT OF THE INTERIOR'S AGENDA

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. UDALL. Mr. Speaker, Secretary of the Interior, Cecil D. Andrus, recently addressed the Third International Waterfowl Symposium in New Orleans. In his speech Mr. Andrus outlined the Carter administration's upcoming agenda for the Interior Department. For all of those interested in the programs of the Department, the following makes good reading:

REMARKS OF SECRETARY OF THE INTERIOR CECIL D. ANDRUS BEFORE THE THIRD INTERNATIONAL WATERFOWL SYMPOSIUM, NEW ORLEANS, LA., JANUARY 27, 1978

It's a pleasure to be with you for this Third International Waterfowl Symposium.

Perhaps I should start by giving a roadmap of where I'm heading, because I want to cover a great deal in a very short time.

We'll start in Alaska talking about our No. 1 legislative priority for this year . . . then move down to the Lower 48 to consider loss of habitat and the need for a better approach to handling mitigation for wildlife in water project construction . . . and then get into our important international programs. Somewhere along the way . . . when some of you seem to be napping . . . I'll drop in a few words about steel shot just to liven things up.

Last week the 95th Congress began one of the most important legislative sessions in history as far as the future of waterfowl and wildlife is concerned.

Before this year is out, the Congress is to make the crucial decisions concerning how much of Alaska is to be designated as national parks, wildlife refuges, wild, and scenic rivers, and national forests.

If we have the vision and courage to protect the vital ecosystems of Alaska, we will be maintaining a life-giving reservoir to support a rich array of wildlife for decades and centuries to come.

We will enhance the likelihood that our children and their children will have the opportunity to experience the joy associated with ducks and other waterfowl which migrate southward each fall. We will enrich life for everyone.

But if the decision is that the wildlife and scenic treasures of Alaska are of secondary importance—that energy, mineral and other resources must be extracted regardless of cost—then the future is bleak. It would be a loss for sportsmen, for all people who enjoy nature, for the quality of life in much of the world.

Enactment of a carefully-balanced Alaska "d-2" program is the No. 1 legislative priority for the Department of the Interior this year. It should be the No. 1 priority for all of the sportsman, outdoorsman, conservation, garden, environmental, and like organizations in America.

This is our chance to see that the mistakes made in the Lower 48 States are not repeated in Alaska. We can preserve what I call the crown jewels—the wildlife and scenic treasures of Alaska—for ourselves and posterity.

It is our chance to be a part of something which will mean as much if not more to the future as the original movements to found our national park, wildlife refuge and forest preserve systems.

Last September I proposed to Congress that some 92 million acres of Alaska's 375 million acres be designated as part of the so-called "Four Systems." That would add:

More than 45 million acres of National Wildlife Refuges,

About 42 million acres in National Parks,

Thirty-three rivers and river segments, about 2 and one-half million acres, as National Wild and Scenic Rivers,

And more than 2 and one-half million acres in National Forests.

Several points should be emphasized:

1. As a group, these are probably the best researched recommendations for protected areas that any Secretary of the Interior has ever sent to Congress. In 1974 the Department produced a 28-volume environmental impact statement that covered the areas we have recommended. Since that time research has continued with scientists and planners in the field every year. Alaska's scenery and wildlife resources, on the average, are spectacular. So picking the right areas was not so much a matter of finding the best as of deleting everything but the best.

2. Our proposal is not an inflated estimate of what is essential. Our proposal for Alaska is a bottom-line request. Any significant deletions from it will take us below that level of protection essential to conserving the scenic wildlife and ecologically vital assets of Alaska.

3. There are abundant areas left open in Alaska under our proposal for energy and mineral development. The Administration's proposal will insure the sound economic development of Alaska rather than hinder it.

Let's take a look at what Alaska's waterfowl resources mean to the sportsman here in the Lower 48.

About 13 million waterfowl depart Alaska's tundras, lakes and marshes each fall. This is 10 to 15 percent of the total continental waterfowl flight entering the Lower 48 annually.

Banding records indicate about half of these—some six million ducks, geese and swans—follow the Pacific Flyway.

Near 35 percent of the Alaskan reared waterfowl use the Central and Mississippi Flyways. Another 10 percent are in the Atlantic Flyway.

Some of these waterfowl also winter in Central and South America, Asia and the Pacific Islands.

Our proposal calls for putting many of the critical nesting and migration areas in Alaska under management of the Fish and Wildlife Service as National Wildlife Refuges.

Two of these—the Tetlin and Yukon Flats Refuges—are particularly significant to your group. Not only do they contain some of the most productive canvasback breeding habitation on the continent in normal years, they also serve as backup nesting areas in years like 1977 when prairie pothole nesting grounds suffer drought.

Our decision to recommend significant additions to previous refuge proposals came after extensive reviews this past year of the key wildlife habitats in Alaska.

These include:

The addition to Tetlin,

Doubling of the proposed Yukon Flats,

Inclusion of key waterfowl in the Kanuti, Nowitna, and Kaiyuh Basins,

And expansion of the Yukon Delta, Koyukuk, Innoko and Selawik refuge proposals.

These are designed to give a major portion of Alaska's waterfowl habitats an increased wildlife oriented protection and management.

We have made an effort also to protect major staging and feeding areas for waterfowl and other migratory birds during their spring and fall movements. Some of the areas I have mentioned, and others such as the proposed Togiak National Fish and Wildlife Refuge, are critical to providing a balanced waterfowl management program in Alaska.

The Department is studying the significant wetlands habitats in the National Petroleum Reserve and along the Alaska Peninsula to determine how best to assure the continued wildlife productivity of these major waterfowl habitats.

One of the most controversial recommendations in our plan involves the proposed Arctic National Wildlife Refuge. I have recommended that this be designated as wilderness to further protect and recognize its splendid wildlife and wildland resources.

This is the greatest of America's untrammeled wilderness. It is renowned for its scenic values, its caribou and other mammal populations, and for its waterfowl values. Each year some 200,000 to 400,000 snow geese, 500,000 old squaw, one million eiders, and numerous other species of ducks and geese rest and feed here in their migrations between Russia, Canada and our western, southwestern and Gulf Coast States.

We know there will be a major battle—perhaps the biggest battle—over our proposal for the Arctic Range. The argument will be that our country's need for petroleum is so great that this overrides all other considerations.

In most of Alaska we sought to exclude potential energy and mineral resource areas from our four systems proposals, or make special provisions for development within the systems.

But energy and mineral potential does not automatically mean that an area must be turned over to the drillers and diggers. Some areas have other values which are such that energy and mineral development are secondary, or should be excluded entirely as is the case in the Arctic Range.

The point we make in Alaska is that if we choose not to develop certain of the potential energy and mineral resources today, these resources will be there for tomorrow should we become desperate for them. The resources remain on deposit—an ace-in-the-hole. Nothing is lost.

But if we allow unwise—and, in my estimation, unneeded—exploration and development in some of these areas, the scenic and wildlife resources will be lost forever.

Are we that desperate?

If the Congress will enact President Carter's energy plan, then we begin to put an end to our wasteful energy consumption. We can begin making the transition to that day when our reliance on fossil fuels will diminish. We will relieve the pressure in some quarters to dig and drill regardless of consequences.

Preserving habitat in Alaska will do us little good unless we are successful in resolving the problems of habitat loss in the Lower 48 as well.

For too long there has been an assumption that there will always be "somewhere else" for birds to go if we drain that swamp or pothole, channelize this river, or fill that salt marsh.

Waterfowl habitat losses on this continent may be approaching half a million acres every year. And we don't have any idea to what extent habitat may be decreasing in South America where many North American birds spend the winter.

It is imperative that we have an international drive to preserve remaining wetlands and restore those which can still be restored.

As part of our effort in this direction, the U.S. Fish and Wildlife Service will complete a new national wetland inventory in 1980.

During the past two decades the United States has made a great deal of progress toward protecting wetlands and other habitats important to waterfowl.

—Tough requirements have been imposed on Federal agencies to consider possible damage to the environment, including wetlands and other waterfowl habitat, before carrying out their projects.

—An accelerated wetland acquisition program started in 1961 has preserved several million acres of prime waterfowl habitat, especially in key breeding areas. Another 2 million acres in both breeding and wintering grounds should be acquired under our program during the next decade.

The Fish and Wildlife Service is carrying out a stepped up program of restoring, developing and improving much of the waterfowl habitat on the National Wildlife Refuge system.

Since 1972 the Federal role in protecting wetlands from destructive dredging and filling has increased steadily. Ecological values of the wetlands must be given full consideration in the Corps of Engineers' dredge and fill permit review program under Section 404 of the Federal Water Pollution *Control Act*. It remains to be seen just how recent amendments to that Act will affect the dredge and fill regulations.

In his Environmental Message last Spring, President Carter called the Nation's attention to the need to protect our wetland resources. The President stressed his support for an expanded program to regulate dredging and filling activities that affect wetlands. He issued an executive order that directed Federal agencies to preserve and enhance wetlands in the conduct of their activities. And he ordered a comprehensive review of our national water resources policy which has water conservation as its cornerstone.

Last year we waded into a major controversy by challenging the wisdom of some water projects. One of the objectives of our review of the projects has been to identify and rectify situations where insufficient attention has been given to the effects of the projects on waterfowl and other wildlife.

The Garrison Diversion Unit in North Dakota is a prime example of a Reclamation project which was planned and authorized without sufficient consideration for the effect on wildlife.

As a result of a court case brought by the Audubon Society, we have prepared:

A supplementary environmental statement,

A new legislative proposal for the Garrison Diversion project,

And a new fish and wildlife mitigation plan.

For the first time, the wildlife values are being adequately considered in the planning process. The proposal I will be recommending to Congress will provide irrigation, will make economic sense, and will reduce the impacts on the National Wildlife Refuges and other damage to the environment.

Although it's a totally different ballgame, the situation with the Corps of Engineers' Cache River project in Arkansas is another example of inadequate planning for wildlife mitigation.

This is an extremely important wintering area for a great number of mallards and other ducks.

We are working with a group of agencies to draw up proposals for alternatives which

will reduce the Cache River project impact on waterfowl and other wildlife.

We will be taking these proposals to the Congress in the near future.

Our desire is not to eliminate these two projects, but to modify them so that they are more compatible with wildlife values and other environmental concerns.

These are two examples of needed salvage operations which could have easily been avoided if we had only given proper consideration to environmental quality in the planning and in the authorization for these projects.

In the past, mitigation for loss of habitat has been an afterthought. It is something that frequently has been promised at the time a project is authorized and constructed, but is carried out belatedly, inadequately or not at all.

It is my strong feeling that provisions for mitigation should be included in authorizing legislation, and that the mitigation should be accomplished simultaneously with the construction of a project.

There is no new hit list aimed at halting water projects which survived last year's battle, and there will be no other projects targeted for deletions. Nonetheless, we will be working to assure that projects under construction are environmentaly sound, that wildlife mitigation actions are being taken.

I am going to use every ounce of authority that I have to see that development does not ride roughshod over the wildlife values which are so vital to our quality of life today and our survival as human beings in the future.

A meataxe was required last year to chop off some of the worst of the water projects, but now we will start using the scalpel. And where we can, we are going to practice preventive medicine to see that proposed projects are cured of defects early in the planning processes.

Having established requirements that farmers, builders and industries act responsibly to conserve waterfowl and other wildlife those of us who call ourselves sportsmen should do no less.

It makes little sense to spend the kind of money we are allocating to preserve wetlands, and at the same time degrade these wetlands with a toxic material such as lead shot.

The requirement that steel shot for waterfowl hunting be used in certain areas is a very reasonable one. We are progressing cautiously in the implementation of steel shot. It will take another five years to make significant reductions in the amount of lead shot being eaten by waterfowl.

In the meanwhile, I suggest that we direct our energies toward things more constructive than an endless debate over the ballistics of lead and steel. The two metals have not differed that much in field performance. Since I was practically raised with a shotgun in one hand, I know that marksmanship has a lot more to do with where you point your gun than the type of pellets you shoot.

Having moved from a rather large issue—Alaska—to a rather small issue—steelshot—let me once again expand our horizons.

We are nearing completion of a new draft of the National Waterfowl Management Plan. It will present goals, objectives, policies and strategies for managing waterfowls in the United States over the next decade and perhaps beyond. I hope this version will be the stepping stone toward development of an International Waterfowl Management Plan to which we, Canada and Mexico can all subscribe.

We all know that migratory waterfowl management is an international undertaking. We are dealing with a renewable natural resource that crosses State, international and sometimes hemispheric boundaries during its annual travels.

We have long-standing bilateral treaties with Canada and Mexico. In 1972 we entered a similar treaty with Japan, but with additional provisions to preserve the environment of migratory birds common to the two nations.

This year we expect the Senate to ratify the treaty signed with Russia in 1976. This treaty includes a strong mandate for the protection of habitats important to species common to our nations, including nearly all waterfowls.

The Department has been involved in a wide variety of cooperative wildlife projects with the Soviet Union. One study involves the banding and marking of snow geese nesting on Wrangel Island off the Siberian coast to trace their movement from breeding to wintering areas. Most of these geese winter in the Central Valley of California and the Puget Sound in Washington.

We are active in the International Waterfowl Research Bureau of Europe and Asia, and we are working with Mexico in the Joint Committee on Wildlife Conservation. Our activities extend even further south into Brazil where we are helping establish a bird banding program.

We maintain close liaison with the Canadian Wildlife Service.

I cannot overstate the importance of these efforts. We expect to expand our role in international activities over the next few years.

Let me wrap up my remarks by coming full circle—back to the grandeur of Alaska.

The greatest act of international cooperation and goodwill the United States could take this year would be for the Congress to enact the Alaskan land provisions as proposed by the Administration. Waterfowl and other wildlife in Alaska migrate to every continent and virtually every corner of the world.

Our proposal would maintain the habitat—entire ecosystems—which are essential to the rich wildlife in Alaska.

We have a moral obligation, to future generations and to the rest of the world, to see that the irreplaceable renewable natural resources of Alaska are not squandered and are not destroyed.

IN BEHALF OF BOB BERGLAND

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. FINDLEY. Mr. Speaker, Allan Seiler, editor of the Pike Press, Pittsfield, Ill., gave a nice and well-deserved pat on the back the other day to Agriculture Secretary Bob Bergland.

The praise is especially timely in view of Secretary Bergland's dignified response to outrageous treatment a few days ago by farmers in Texas.

The text of Editor Seiler's comment as it appeared in the February 8 issue:

IN BEHALF OF BOB BERGLAND

Maybe it's time somebody said a kind word for U.S. Secretary of Agriculture Bob Bergland.

He's had a rough winter, holding down the most thankless job in American government, bar none, facing calls for his resignation, and a steady barrage of pleas to "do something" about the state of American Agriculture, coming from the dissident group of farmers that has adopted that same name in its quest for 100 percent parity and other reforms in agriculture.

An ex-Illinois Secretary of Agriculture recently pounced on Bergland and last week Illinois Gov. Thompson pushed Bergman to faster action.

Bergland has stayed cool—maybe thanks again to the icy winter—and disputed the economic, administrative, and political reality of some of the disgruntled farmers' proposed solutions. Effective answers to points of skepticism raised by Bergland and others have not been exactly apparent.

Who, for instance, has satisfactorily answered Bergland's assertion that full parity "by government fiat would mean a government-established marketing system that would be an administrative and bureaucratic monstrosity"?

TEN YEARS AFTER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. RANGEL. Mr. Speaker, you will recall that in response to the civil disorders of the 1960's, President Lyndon Johnson appointed a blue ribbon panel to investigate and report back to him on the causes of the urban unrest. Ten years ago this week the Kerner Commission reached the conclusion that in America there are two separate and unequal societies.

A series of articles on the progress of blacks in America since 1968 was commenced on Sunday in the New York Times. Two noted urban activists, Dr. George D. Wendel, the director of the Center for Urban Programs at St. Louis University, and M. Carl Holman, president of the National Urban Coalition, recently shared their thoughts on events taking place today in urban America.

It is essential that we in Congress pay heed to the remarks made by these two gentlemen. The President will shortly be announcing his urban policy. I believe that both the President and the Congress must study closely the extensive work done by Wendel, Holman, and others in order to fashion a policy that will not only provide hope but help as well.

The article follows:

[From the New York Times, Jan. 26, 1978]

ST. LOUIS AS AN EXAMPLE

St. Louis is not a typical city but, like a Eugene O'Neill play, it shows a general condition in stark and dramatic form. The city itself, whose boundaries were established in 1876, now makes up only a small part of the metropolitan area. Its population is half a million, down 42 percent from 1950.

George D. Wendel, professor of political science and director of the Center for Urban Programs at St. Louis University, recently described the current state of affairs to a Brookings Institution conference in Washington:

"While we have lost 42 percent of the residents, we have also lost about the same percent of our residential housing. Great sections of St. Louis are simply abandoned. They are essentially flattened. One-sixth of the residents are welfare. The city is 41 percent black, but we are losing 5,000 to 7,000 blacks a year.

"The black politicians are showing the same concern about the loss of constituents and doing the same things their white predecessors did to try to hold on to their folks.

"We are turning to tourism, like everybody else," he continued. "Wendel's rule is that 10 percent of the nation must be on convention at all times to fill all those convention centers that are happening everywhere. Downtown seems to be booming. A lot of it is illusion, but the doughnut hole gets large around downtown. It's more and more just emptying out."

Most of the emptying out, he said occurred during the great growth of Federal aid.

"Correlation, not cause and effect," he added. "We are obviously not going to turn down Federal money because of this correlation. We are hooked, 55 percent. We know that we're addicted and will go on."

St. Louis has a strategy for abandonment, Dr. Wendel continued. It is "board and secure." Because abandoned units are so quickly vandalized, the city must move fast to protect them.

But in many cities, boards are no longer sufficient, metal paneling is required. "So strategy for neighborhoods may be no more than starting with boarding and securing and then going on to other kinds of more fundamental strategies," Dr. Wendel said.

A DISTINCT TRIANGLE

In his office here, he pointed to a map to show where the blacks are moving—to the edge of St. Louis and outward to its suburbs, so that the black area now makes a distinct triangle in the metropolitan area.

With the blacks leaving, is not St. Louis becoming proportionately whiter and richer? No, Dr. Wendel said, it is becoming a city of the poor and the old, and they are dying.

While the ghettos have remained, the public discussion of the difficulty, which has begun again after several years of silence, is in a different context. Even the language of the Kerner commission's report seems dated. Problems are no longer discussed in terms of race, but of the urban poor.

Rather than a laundry list of recommendations, a consensus has developed among blacks and whites, and liberals and conservatives, that offering a long list of recommendations is not the answer. The first step toward solving the problems, they say, is better employment opportunities.

"CANNOT AFFORD" TO HIRE BLACKS

M. Carl Holman, president of the National Urban Coalition, said in an interview: "I work with businessmen and when I ask them to find jobs for young blacks, they say, 'No, we cannot afford to as long as there is a pool of better qualified whites to draw from,' And I say, 'Well, what are we to do?' And they say, 'Nationalize welfare.' "

That, of course, while considered desirable in many ways, would perpetuate the underclass if used as a substitute for jobs, so Mr. Holman takes a look at the array of Federal programs on the books.

"I find that it costs more to finance all those programs than it would to provide jobs," he said. "What we are spending we are spending negatively. It seems to me that here in America we are running out of the creativity we used to have.

In the black community, so many tactics have been tried and have failed—demonstrations, Federal aid black separatism, black capitalism, coalitions with business interests. The National Urban League recently sent questionnaires to its affiliates, asking whether they thought "a permanent class of people is being created who will never be productive members of society." Seventy-eight percent of the replies were affirmative.

POSITIVE ATTITUDE DEVELOPING

Although there is deep skepticism that the Carter Administration's proposed job programs or the emerging new urban policy, to be announced by President Carter next month, will have much effect, people like Carl Holman believe a positive attitude toward the troubled ghettos is developing in the Administration, and some help may come of this.

Reynolds Farley of the Population Studies Center at the University of Michigan recently wrote a paper on Detroit entitled "Chocolate City, Vanilla Suburbs." Using sophisticated polling techniques, he determined that "residential segregation results largely from the preference of whites for segregated neighborhoods."

Dr. Sternlieb of Rutgers suggested a reason that goes beyond racism. When a number of blacks move into open suburbs, such as Plainfield, N.J. and New Rochelle, and buy homes, the real estate values go down because of the concentration of blacks.

"It's called greenlining," he said, "and the blacks are deprived of the forced savings that whites enjoy—the appreciation of real estate values."

"The ultimate answer is the metropolitan-wide acceptance of black communities," Dr. Sternlieb said.

It is one of the Kerner commission's recommendations, and it has not been achieved anywhere.

WHAT THE FARMERS REALLY NEED

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. MOORE. Mr. Speaker, one of this country's great Secretaries of Agriculture was Earl L. Butz of Indiana. He developed policies which produced record production on American farms, record farm income for the American farmer, and record exports of U.S. farm products. Dr. Butz served as Secretary from 1972–76.

In the March issue of "Congress Today" Earl Butz talks about the problems now facing the farmer and suggests certain remedies to which I am sure most Members of this body could subscribe. I ask unanimous consent to insert Dr. Butz's article from "Congress Today" in the RECORD.

The article follows:

WHAT THE FARMERS REALLY NEED IS REPUBLICANS MAKING FARM POLICY

(By Earl L. Butz)

When we talk about American agriculture, we're talking about this nation's biggest and most important industry. We're talking about an employer of some 4.3 million people and about another 12 million who work in industries that provide support for agriculture.

Not only does agriculture employ more people than any other industry, it is more efficient. Productivity on the farm is three times higher than it was 20 years ago. In manufacturing, productivity is only 1.7 percent higher than 20 years ago.

Farming and the industries which support it account for about one-quarter of this nation's gross national product. Farmers annually spend about $80 billion to produce the crops and livestock which they market—for equipment, seed, feed, fertilizer, taxes and the pay for their hired hands—all of which generates economic activity across America. Sales of these crops and livestock pump an additional $95 billion into the economy each year.

On top of all this America's exports of farm products provide the weight which has kept this nation's trade balance in the black for the past few years before 1977 when the Carter trade balance was over $25 billion in the red. They provide the wherewithal for Americans to buy foreign oil, foreign cars, and foreign TV sets.

What happens to agriculture affects all of America—not just farmers but all Americans. If farmers are in trouble so is the Nation. For agriculture supplies the one ingredient people cannot live without: food.

Today farmers are in trouble. They're caught in an economic vise in which their costs are up and the prices they receive from that which they produce are down.

How is the Carter Administration reacting to this problem?

At first the Administration sat quietly by hoping it would go away. But it didn't. Then a new tack was tried: Blame it on the Republicans.

Just the other day Agriculture Secretary Bob Bergland said about the problem: "It was there on my doorstep when I walked into the Department of Agriculture."

Let's take a look at exactly what was on this Administration's agricultural doorstep when it came into office:

First there was net farm income averaging nearly $26 billion a year from 1973 through 1976. Last year the new Administration's first year in office farm income dropped to just over $20 billion—which after adjustments for inflation notes U.S. News and World Report, equals what farmers earned 38 years ago—in 1940! Projections for 1978 are for an even further drop in farm income.

Farmers' per capita disposable income averaging each of the 1973–76 years about 93 percent of that for nonfarm workers. Last year, farmers' disposable income had dropped to 83 percent of non-farm workers' income and the outlook for 1978 is worse.

U.S. agricultural exports, setting successively higher records each of the 1973–76 years, topped $24 billion in 1976. This trend has now ended, with farm exports last year flattening out at the 1976 level amid indications of possible declines in 1978.

Under the Congressional Budget Act accounting system, federal outlays for farm programs had dropped to $2.3 billion annually by the time Secretary Bergland came into office—and they're now climbing at nearly four times that level—to an annual rate of $8.6 billion in fiscal year 1978.

Some 60 million acres of previously idle land, released for farming in the 1973–76 period, is now being taken out of production again by the Carter-Bergland policies—amid indications that the Administration has no other program to meet overproduction problems. The United States is the only nation in the world asking its farmers to cut back production, and this in the nation with the world's most productive farmers.

Centralized government ownership of commodity surpluses, eliminated by the previous administration, has been superseded by a system of individual possession of such reserves, with government control over their disposition. In the meantime, expensive storage charges are mounting up (they once averaged over $1 million a day).

In short, what Secretary Bergland found on his doorstep was a viable agricultural economy. What the Carter Administration has done with it is another thing.

Take farm exports, as an example. Contrary to claims by the Administration that the chief cause of the farmer's problem is overabundance, the real cause is the Administration's export policies—or lack of them—which have failed to move U.S. farm products aggressively into overseas markets. For instance:

At a time of declining farm exports, the Administration called for cutbacks in the number of U.S. agricultural attaches over-

seas whose jobs are to develop markets abroad for American farm products. At the same time, it urged a reduction in U.S. participation in overseas agricultural trade shows designed to promote U.S. exports.

At a time when it was important for U.S. farm products to remain competitive in world markets, the Administration stood idly by as striking longshoremen tied up American ports, boosting handling costs for U.S. exports and contributing to higher prices for U.S. products.

At a time when farmers faced eroding prices for their crops, the Administration proposed establishing a grain reserve from which government-owned supplies could be released onto the market when commodity prices threatened to rise!

At a time when the establishment of new markets was vital to farmers' survival, the Administration failed to support Congressional efforts to establish new loan financing policies which would allow nations such as the People's Republic of China to buy U.S. farm products and food processing equipment.

At a time when people were starving in developing countries and food piled up in the United States, this Administration tied up in red tape most shipments of PL 480 food until it determined whether or not hungry recipient-nations were exercising proper human rights.

What can—and should—be done to revive America s sagging farm exports?

For one thing, we must emphasize to the world the advantages of the United States as the biggest and most reliable supplier of farm products ever.

We must beef up—not cut back—the number of agricultural attaches and the number of trade fairs to promote U.S. products abroad.

We must provide short-term government credit to countries like the Peoples Republic of China to purchase farm products and farm equipment.

We must improve access to already-established markets in Western Europe and the Far East for our farm products.

We must adjust domestic farm policies to make U.S. products as competitive as possible in world markets.

Why do I place so much emphasis on export markets for U.S. grain and other products?

The American Farm Bureau summed up the impact of farm exports on our general economy in a recent report which stated:

"In 1976, overseas markets took more than one-fourth of all commodities produced by U.S. farmers. About $1 in every $5 of gross farm income comes from these exports. Also, for every dollar that is earned by the farmer for exports another $1.33 is generated in the rest of the economy by such services as transportation, financing, warehousing, and supplying farmers with machinery, fertilizers and other goods. These farm exports of $22 billion generate approximately $50 billion worth of total business activity in the United States."

That sums it up pretty well. The alternative to a vigorous farm export policy is a return to strict controls by the federal government over farm production and farm prices. Frankly, I haven't found much support for this idea in my travels across the farmland of this vast nation. American farmers prefer the freedom of the marketplace helped by friendly government action to make sure American farm products stay competitive at home and abroad.

The problem of the farmer is compounded by the fact that many of the government's agricultural decisions are made in the White House these days instead of the Department of Agriculture. The farmer lacks a vigorous spokesman willing to stand up for him in the highest councils of government.

As a result, the consumer activists, the environmentalists and the hunger lobbyists have taken over American farm policy. We now have Assistant Secretaries for consumers . . . for the environment . . . and for women. Wouldn't it be nice if we had an Assistant Secretary of Agriculture for Farmers?

If we must have an Assistant Secretary of Agriculture for Consumers, then we should have an Assistant Secretary of Labor for Farmers. The Department of Labor has OSHA which increasingly harasses farmers. We should have an Assistant Secretary of HEW for Farmers as the Food and Drug Administration increasingly makes it difficult for our food producers. It makes just as much sense as an Assistant Secretary of Agriculture for Consumers.

Just the other day, addressing the House Agriculture Committee, Congressman William Wampler of Virginia, ranking Republican member of the committee, put his finger on the concerns of Republicans in the Congress over what's happening at U.S.D.A. Wampler told Secretary Bergland:

"We're concerned about an obvious shift in your Department's traditional mission—as evidenced by President Carter's budget—from that oriented towards the production and marketing of agricultural products and assistance for the farmer and those industries concerned with agriculture to a department more concerned with consumerism, conservationists, and environmentalists. We're concerned about an over-balance and an increase in the income transfer programs as opposed to support for agricultural programs; a continuation of the dominance by the State Department over farm export policies; the Carter Administration's sugar policy; the grain sales policy; the failure of the department to support worthwhile energy programs, such as gasahol and solar; an overzealousness toward banning protective food additives without properly considering the impact on farm income and availability of meat and poultry products.

"We're concerned about Executive branch curbs on agricultural science and education against congressional mandates to expand these fields of endeavor; cuts in the forestry programs; a failure to express the agricultural community's needs for adequate pest management in the councils of government; a reduction in proper support for soil and water conservation programs; and, finally we're concerned about strongly rumored plans to reorganize the Department of Agriculture and the impact such an undertaking would have on agricultural production and distribution, the farm family and rural communities."

Wampler summed up Republican uneasiness in a recent speech when he said:

"The Administration's planners have set in place the policy markers which they want American agriculture to follow in the years ahead—with cheap food, government-controlled grain reserves and fewer exports as starters. Before they tinker more, let me remind them that the road to farm prosperity is not mapped by heavy-handed bureaucrats or environmentalists or consumer advocates or the hunger lobby. It is charted by the hard work of the American farmer combined with a market place which assures him a fair return on his efforts."

In Congressman Wampler's view—and I quote him again—"There's no question the problems facing the farmer must be eased and his situation improved. The responsibility to do that rests both with the Carter Administration, which can use existing laws to help, and with the Democratic-controlled Congress, which can—and should—repair the obvious deficiencies in the 1977 farm bill."

To me, there's one thing that's certain: We cannot allow a major segment of America's biggest and most important industry to falter and fail at this crucial time. We cannot allow a good part of our farm population to undergo bankruptcy.

One of the most bankrupt parts of the whole Carter crusade is the Carter farm program.

It's driving farmers up the wall.

"SUPERSTORE FOR BEDFORD-STUYVESANT'

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. RICHMOND. Mr. Speaker, the snowstorm of past weeks put a temporary halt to the building of a Pathmark Supermarket in my district. More important, the snow slowed down the growth of a community.

The construction of this new store's foundation is in the heart of Bedford-Stuyvesant, where community residents are forced to settle for food stores that are no larger than superettes.

Mr. Speaker, I would like to share with my colleagues an article that recently appeared in the New York Times which tells a story not only about the development of a superstore, but of evidence of economic revitalization in a currently depressed community:

[From the New York Times, Feb. 15, 1978]

BAD WEATHER STALLS BROOKLYN SUPERMARKET

(By Alan S. Oser)

The snows have fallen inopportunely for the Bedford-Stuyvesant Restoration people. Foundation walls and columns for a new Pathmark supermarket jut forlornly from the broken ground at Fulton Street and Brooklyn Avenue. Work has stopped.

What is needed now, says James Shipp, the 36-year-old vice president for physical development, is four straight weeks of fair weather. With that the foundation could be finished, the steelwork installed, the building enclosed and the interior work started.

But the target is still an October opening for the 30,000-square-foot store, the largest new market to be built in the heart of a black community in the city in anyone's recollection. From time to time smaller stores have been built as service facilities at publicly assited housing developments. But the Pathmark store is part of a larger economic development program that has already brought the Brooklyn community 175,000 square feet of office space and 125,000 square feet of retail space at the restoration center's home base. The center occupies three-and-a-half acres bounded by Fulton Street, New York Avenue, Herkimer Street and Brooklyn Avenue.

As early as 1966 the late Senator Robert F. Kennedy, who inspired the creation of the Bedford-Stuyvesant Restoration Corporation, said a new supermarket would be one of the goals of the development program. It would build up the shopping traffic to support the sales of other retailers, and be an important employment generator.

It has taken five years of searching. "We tried 'em all," said Mr. Shipp. Finally, last year, the Pathmark division of the Supermarkets General Corporation agreed to a deal in which it will operate the store and own a third of the operating company, Restoration Supermarket Inc. Two-thirds of the company is owned by the restoration corporation through a real-estate subsidiary. The operating company will lease the store from the restoration's development corpora-

tion. Pathmark has a five year management agreement with Restoration Supermarket.

Bedford-Stuyvesant is a community of 400,000 people—as large as Cincinnati or Indianapolis—with an area of five and a half square miles and 653 city blocks. Yet its food stores are no larger than superettes. To buy one or two weeks of groceries in one shopping trip, residents must drive to Flatbush, Coney Island or Bushwick.

At 30,000 gross square feet the new Pathmark will exceed the size that grocery men normally ascribe to a "supermarket"—10,000 to 25,000 square feet—and reach into the "superstore" category of 25,000 square feet and up. It will employ 150 to 160 people, a Pathmark official said.

Yet much of the business is expected to be walk-in. The present plans call for only 65 spaces of underground parking, though the restoration officials are hoping the city Department of Transportation will agree to establish surface parking for 185 more cars on vacant land that the restoration owns a half block away.

Some Pathmark superstores run to 40,000 or 50,000 square feet, with parking for four or five times the number of cars than the Bedford-Stuyvesant store is to have. But the Bedford-Stuyvesant population sensity is great enough to put greater reliance on walk-in trade.

The central issue, a Pathmark official said, will be whether the operation will be subject to a high level of theft or property destruction. "We are impressed by the quality of the Bedford-Stuyvesant Restoration organization and we believe that the organizational format, with the community owning two-thirds of the store, does create a situation in which some of the traditional difficulties will be diminished," he said.

The restoration center is a striking $12 million assemblage of new and rehabilitated structures, with shopping and offices surrounding a handsome inner plaza. The pedestrian entrance to the Pathmark store will face a courtyard on the east side of the plaza.

Most of the office space is in a converted Sheffield dairy building and its neighbor of old, once a Horton's ice cream plant. The corporation itself occupies 70,000 square feet of the office space, which includes a theater and two meeting rooms available to the community.

In addition, 35 tenants occupy 90,000 square feet of office space—a bank, an Amsterdam News editorial office, governmental agencies, a few contractors, a couple of dentists, an accountant, a private health center, an insurance company. The gross rents are $7.50 a square foot.

The corporation moved in seven years ago and started to establish its commercial center with help from the Ford Foundation. It brought a Lane-Bryant Smart-Size shop into 4,500 square feet, a two-level Lerner store in 11,480 square feet, a Coward shoe store, a Nathan's and more.

On Fulton Street itself the corporation has assembled small residential and commercial properties and rehabilitated them. There is Fulton North, with 14 modern stores under 40 apartments. Across the street is Fulton South, with 13 stores and 71 apartments.

All in all the corporation owns and manages 783 units of housing, and it hopes to start 453 more this year. It is a tough-minded manager. "If you start that social arm-holding stuff you're out of the housing business before you know it," said Mr. Shipp.

With an annual allocation from the United States Community Services Administration of about $5 million, the nonprofit restoration corporation is among the nation's largest community-based urban development organizations.

REAPING THE RESULTS OF FARM PROBLEMS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. JONES of Tennessee. Mr. Speaker, on Sunday, February 12, 1978, the Memphis Commercial Appeal published a feature article entitled "Reaping the Results of Farm Problems," written by its outstanding food and farm columnist, E. W. Kieckhefer.

Mr. Kieckhefer is the 1977 recipient of the J. S. Russell Award from the Newspaper Farm Editors of America for his four decades of excellent writing of farm news and agricultural commentary. This article explains in layman's language the nature of the problems facing our Nation's farmers better than anything I have seen on the subject. I commend it to everyone who is interested in a better understanding of farm problems.

The article follows:

REAPING THE RESULTS OF FARM PROBLEMS

What is this "farm problem" we are hearing so much about again these days?

And what are all these terms like "parity" and "cost of production" and "target prices" and "loan levels" and "set-aside" that farmers, government officials and members of Congress bandy about so freely when they talk about "the farm problem"?

We have been hearing about the "farm problem" ever since the days just after World War I. But there is not just "a farm problem." There are many farm problems. That is because there are many kinds of farmers producing different things in different parts of the nation. As a result, one farmer's "problem" can be another farmer's blessing. Low corn prices, for example, are a "problem" to the Iowa or Illinois farmer who grows corn to sell as grain. But they are welcomed by the cattle-feedlot operator who must buy corn, or by the New England dairy farmer who can't grow enough feed for his cows.

Most of the time when farmers complain about the "farm problem," they mean they are not getting enough money for what they grow.

When you ask some farmers how much they should be getting for their crops or livestock, they probably will tell you they want "parity."

Parity is a term that came into vogue in farm circles and in Washington between 1920 and 1930. Many people now have different ideas of what parity means, but the book definition is "a balance concept—like an apothecary's scales." That is, what farmers get for what they produce should be great enough so that farm living will be in balance with city living.

Put another way, it means that if at some time in the past when it is agreed farmers were doing as well as city people (like in the period between 1910 and 1914) a farmer could sell three bushels of corn he had grown and get enough money to go to the store and buy a pair of overalls, then he ought to get enough for three bushels of corn nowadays to buy a comparable pair of overalls.

Of course, the U.S. Department of Agriculture doesn't try to keep tab on every farmer or on the price of overalls. But for many years under law, it has kept tab on the prices farmers in general get for various commodities, and on the prices they must pay for the things they must buy. The department runs up these figures regularly, much as the Labor Department runs up the cost-of-living figure for all of us.

The USDA then comes up with a number for prices farmers received and another number for prices they paid. If the second divides into the first exactly, then the farmers are getting 100 per cent of parity.

Are farmers getting parity now? No. They are getting about 60 per cent of parity.

Is that so bad? Well, some farmers who are having trouble paying off their mortgages or the bank loans on their machinery or other obligations think it is. But other farmers who have few debts don't think it is so bad.

How come some can get by on that? Well, for one thing, farming has changed a lot since 1910–14. A farmer who could get his land to produce only perhaps 50 bushels of corn in that earlier period now is able to get the same acre to produce 100 bushels. That's because scientists have developed hybrid corn and other scientists have developed weed-killers and better fertilizers and the USDA's specialists, like the county agents and the Soil Conservation Service, have shown the farmers how to get better yields. The same thing is true of a lot of other farm production.

Did anyone ever guarantee farmers they would get 100 per cent of parity? No. Congress has produced almost as many farm programs in the last 50 years as the Kremlin has produced 5-year plans for the Russians. But none of those programs ever has guaranteed farmers 100 per cent of parity.

Have farmers ever received 100 per cent of parity? Yes, some have at times, on certain farm products. During World War II some farmer organizations were demanding 110 per cent of parity because they thought city folks were getting rich off the war or because they thought they deserved a bonus for producing the stuff that the federal government then kept saying "would win the war and write the peace."

If the federal government doesn't guarantee farmers 100 per cent of parity, what does it do for them? What are these costly farm programs all about?

In general, what the federal farm programs do to help farmers get better prices is to provide "price supports."

It does this in several ways.

To help dairy farmers, for example, the government stands ready to buy certain items when there is a surplus of milk. Because it is almost impossible to buy and store milk itself, the government buys such things as cheese, dried milk and butter which can be stored for a time at least.

Sometimes the government also buys such dairy products for use in school-lunch programs or other group-feeding projects or for free shipment overseas under the Food for Peace program. But the idea always is the same—to try to clear the market of the surplus so that the supply comes near to matching the demand of those people who can afford to buy the products. Sometimes it doesn't work out too well and the government gets stuck with caves full of dried milk or warehouses full of butter and cheese for a while. But in general it has worked fairly well over the long run.

For other commodities—like wheat and corn—which can be stored for a long time, the government now does two things to provide "price supports."

Congress has said that if farmers have produced more of such crops than the market needs, the government will let the farmers put their surplus in storage somewhere and the government will give them a "loan" on that crop. The "loan level" is set by Congress at what it thinks is something less than the eventual value of that crop. A wheat-grower, for example, could "borrow"

$2.25 for every bushel of his 1977 crop that he put under government loan.

What the farmer is doing when he accepts the government loan is gambling that in a year or two wheat prices will be high enough on the open market that he can sell that wheat for enough to repay the loan, cover the cost of storage and show a little profit.

It is a pretty safe gamble for him because these are what are known as "norecourse" loans. That is, if after a specified time the farmer sees the price of wheat on the open market is not going high enough to satisfy him, he can simply let the government take possession of the wheat on which he got the loan. The farmer keeps the loan money and the wheat becomes Uncle Sam's problem.

If the farmer doesn't have bins to hold his grain or doesn't want to pay storage costs to someone else, he can just sell his wheat for whatever the market will offer. Let's say he sold his 1977 wheat for $2.50 a bushel. That's only about half the "parity" price. So under the latest farm program he can tell the government what he got for his wheat and the government will subtract that price from what Congress calls the "target" price for such grain.

The "target" is just about what the word sounds like. It is a price Congress thinks farmers ought to "shoot" for. It is what sometimes used to be called the "minimum" support price.

Farmers long ago sold Congress on the idea of the government guaranteeing them "minimum" (or now "target") prices on certain crops—usually what Congress calls the "basic" crops, such as wheat, corn, cotton, tobacco, rice and peanuts, on the grounds that farmers deserve the same sort of protection on such prices that city workers got through the minimum-wage legislation.

The target price for wheat this season has been $2.90 a bushel. So the farmer who sold for $2.50 gets a check from the government for the difference between $2.50 and $2.90 for every bushel he sold. No wheat farmer can collect more than $40,000 under such programs, but that is twice what he had been able to get maximum before this year.

The checks the government sends the farmers for such differences are called "supplemental payments." This winter the federal government has mailed wheat farmers checks totalling more than $1 billion in such "supplemental" payments.

Under the latest farm act, the "target" price is going up in the future to equal this year's price, adjusted to reflect certain changes in the "costs of production." Those costs of production are to include the costs of machinery, overhead, variables "and other costs, but not including the cost of land."

The target prices are used unless production drops below certain levels over the whole nation—in the case of wheat, that is 1.8 billion bushes. If the crop is smaller than that, the target price goes up a few cents.

Does the farmer have to do anything besides tell the government what he got for his wheat, in order to get the check for "supplemental" payments? Yes, indeed. He must not plant more of his land to wheat than the federal government has allotted to his farm. All farmers get an "acreage allotment" for crops which get such price supports. It is based on the recent history of that farm as a producer of that crop.

The farmer may be told to "set aside" some of his farm acreage. That is, he cannot plant those "set-aside" acres in crops which are in surplus. Instead, he can plant them in grass or some crop that will keep the land from eroding and build up its natural fertility and moisture, or in specified crops which are in short supply.

The program varies from crop to crop, with payments for cotton obviously being different than those for wheat, and all being set in some relationship to the overall farm markets.

Congress has given the secretary of Agriculture some discretion in the "loan level." But he cannot set it at more than 100 percent of parity.

Even with "set-aside" acreage, some farm experts say the "target" price system with its supplemental payments may cost taxpayers $3.6 billion this coming year, because more crops will be covered.

With all that help from the government, why are farmers talking about a "strike"—meaning they won't plant or buy things?

Some complain the "middlemen" are taking too much, leaving farmers too little. They say that of every dollar the consumer spends, farmers get 31 cents, labor gets 33 cents and transportation and merchandising takes 36 cents. The USDA pretty well agrees with those figures.

How much of the consumer's dollar the farmer gets depends in part on what the farmer is selling. It depends in large part upon how much processing, transportation and packaging the item requires to make it available in the supermarkets. There have been many studies over the years showing that some farm products are handled far too much between the farm and the consumer, but little has been done about this "spread."

Sometimes consumers try to reduce this "spread" by buying in quantities and having some neighborhood volunteers break it down to individual orders, but consumer cooperatives have not been very popular in the United States.

Another way to reduce the "spread" is what is known as "vertical integration." The poultry industry uses this concept.

This is a sort of "House That Jack Built" system of production in which one company controls the product all the way from the farm to the supermarket. In the broiler-chicken business, the controlling company can be a mill which produces the chicken feed. It will own the laying flocks that produce the eggs that then are hatched to produce the chicks that go into broiler-growing houses to be fed the mill's feed and then taken to a processing plant to be prepared for shipment under ice to the supermarket.

Broiler chickens have been a bargain for consumers under this system because, in the pyramid operation, the company which controls the whole thing can make just a small profit on each step and still do well overall.

But farmers are wary of such systems because, they point out, it removes from the farmer the power of decisions. The farmer becomes just a sort of day-laborer under a contract with the controlling company. So we see a conflict here between the desire of the farmers to remain "independent" and at the same time have the "spread" between farm prices and consumer prices reduced.

But the "spread" between the farm and consumer prices is not the only complaint farmers have. Some also say they can't afford to pay for their land or their expensive equipment at present farm prices.

When this point is explored, one sometimes finds that the complaining farmers got into trouble by buying land at every high prices or by buying more equipment than they really needed.

Some of that came about a few years ago when the Soviet Union, China, India and some other countries had very short crops. They came to the United States offering to buy our 'surpluses" at bargain prices, and the United States was happy to sell to relieve the taxpayers of that burden. When the surpluses were suddenly gone, the demand for new crops and the possibility of severe drought caused farm prices to shoot up.

Earl Butz,, who was secretary of Agriculture then, went around the country bragging he had gotten the government out of farming any saying farmers were going to be rolling in cash from then on with a free market. So some farmers bought land for as much as $4,000 an acre, thinking $5-a-bushel wheat and $11-a-bushel soybeans were here forevermore.

But, after a couple of years, world weather conditions had improved again and foreign countries were less interested in buying U.S. commodities, so prices here subsided. Thus farmers who bought land on the basis of $11 soybeans are stuck trying to pay for it with today's $5 to $6 soybeans. And because Butz had taken off all the restrictions on the planting of such crops as wheat, farmers were planting from fence-row to fence-row, creating new surpluses that were pushing down prices even more.

Now Butz and some of the other farm leaders say the best answer to the farm problem is to increase exports of U.S. farm products. The present administration has moved in that direction during its first year. Secretary Bob Bergland months ago arranged to double the credits available to foreign countries to buy our farm products. Under the administration of President Ford, following the fiasco of Russian grain purchases and the embargo of soybean shipments to Japan, the government arranged contracts with Russia and Japan under which they buy regular amounts each year. Sen. Herman Talmadge (D-Ga.) chairman of the Senate Agriculture Committee, is urging that foreign credits be increased still more.

But weather is considered the most important factor in determining foreign demand. The United States is the "supplier of last resort"—which means other countries look to us for farm products when their weather fails, but not otherwise.

This has led to talk about creating a "reserve" of farm products, a system of holding "surpluses" in storage against the days when shortages will develop again—the "ever-normal granary" concept of the Bible. A beginning has been made on this.

Under the new farm law passed last year, Congress required the secretary of Agriculture to establish a producer-held wheat storage program by extending the normal price-support loans for three to five years, with payments to include the cost of storing wheat. Feed grains—such as corn, oats, sorghum grain and barley—can be acquired for such a reserve, too, at the discretion of the secretary.

But that reserve of wheat is limited to between 300 million and 700 million bushels. And the government is prohibited by law from selling such stored wheat for less than 150 per cent of parity except under some special circumstances. Farmers can redeem such wheat if the market price reaches between 140 and 160 per cent of the existing price-support level and must redeem it when the market price goes to 175 per cent of the loan rate.

Congress also has urged the administration to enter into some sort of international food-reserve program under which grain would be bought by foreign governments but would be stored in the United States until they need it. Nothing much has come of that as yet, but the talk continues.

Farmers are wary of grain reserves, too.

They figure that so long as there are "reserves" in storage, the market price for the stored commodities will be depressed, And, as Rep. James Abdnor (R-S.D. puts it, "If the government acquires grain stocks while prices are low and sells them when prices are high, the profit will be at the farmers' expense. Quite simply, the dollars taken out of farmers' pockets when prices are high will exceed those paid them through government acquisitions when prices are low."

Some of the strike-movement farmers say the secretary of Agriculture could raise the loan rate and make bigger payments to farm-

ers who cut back their plantings. Is this true? Yes, such things could be done by executive order.

But the question is how all that would be paid for.

President Carter's budget for the fiscal year that starts next October, when this year's crops will be harvested includes no new money for farm aid. Rather the President is hoping farm prices will have improved so much by then that his administration will have to spend less for farm subsidies. And Rep. Thomas S. Foley (D-Wash.), chairman of the House Agriculture Committee, says "the budget problem is always a real one, and it wouldn't be easy to push through any increases for farm aid at this time."

There are some fears that if the price-cost situation forces a lot of farmers to sell out, there won't be enough farmers out there to produce the abundance that will be needed the next time Russia, China, India and some other countries have crop failures. And a lot of farmers leaving the farm to go to the cities could worsen the unemployment problem, too.

One can argue that the farmers got themselves into this mess. Some did. They swallowed whole the talk about "a free market for agriculture" from now on and bought that land and equipment at those prices that only $6 wheat and $11-a-bushel soybeans could pay for.

The distressed farmers sometimes admit they were foolish, but they point out it was the federal government as much as anyone that fooled them. So they think the government owes them something to get them out of their troubles. They think they are just as deserving as were Lockheed Aircraft, the railroads and some other businesses which have been bailed out by the government.

But nobody in Washington or in the nation's big farmer organizations has a "solution" for the farm problems.

So will the protesting farmers go through with their threat to stop planting this spring? Some may. But early indications are they will be few. The Agriculture Department samples farmers early in each year, asking what they intend to plant. The January returns from the sample farmers this year indicated spring plantings of wheat would be down only about 12 percent from last year, cotton plantings down 7 per cent, corn plantings down 2.1 per cent. And the reporting farmers said they intended to increase soybean plantings 8 per cent over 1977.

That could still change, of course. The USDA will take another reading on planting intentions in about three months.

Meanwhile Congress will be dealing with the matter in its usual ponderous manner and probably will come up with some patches on the existing farm program. Mostly it will be hoping that there will be some crop failures around the world again before too long, so that our surpluses will be wiped out quickly—and we can begin a new round of accumulation.

Consumers do not seem to be at all concerned about the situation. After all, food prices in the United States—while higher than they used to be and still rising a little—are a pretty good bargain. Americans spend far less of their pay checks for food than do people in Europe or Asia or other places.

Actually, of course, that is due in part to the fact that over the years the farm program has "subsidized" the consumers as well as the farmers. And farm subsidies have been a good "insurance policy" for consumers, assuring all of us abundant food supplies most of the time. Some city members of Congress are beginning to understand that now, and that is why they are likely to go along with some more farm-program patching.

Rep. Fred Richmond is a Brooklyn Democrat and the only urban member on the Agriculture Committee. He says he will do all he can to help the farmers. "But," he adds, "in return, urban-area congressmen are going to expect help from the farm states on housing, jobs and other big-city problems."

PARTICIPANTS IN PRESIDENTIAL CLASSROOM FOR YOUNG AMERICANS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize three outstanding young people from the Fifth Congressional District of Mississippi, Helen Ball and Sherry Winterstein of Biloxi, and Grogery B. Holifield of Laurel, who are here in Washington this week to participate in the 1978 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 28, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 1

9:00 a.m.

Agriculture, Nutrition, and Forestry

To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.

322 Russell Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 2527, FY 79 authorization for NASA.

Governmental Affairs

Intergovernmental Relations Subcommittee

To continue hearings to reexamine Federal urban policy.

5110 Dirksen Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To resume hearings on S. 2570, proposed extension of programs under the Comprehensive Employment nad Training Act (P.L. 93-567).

Until 12:30 p.m. 6226 Dirksen Building

9:30 a.m.

Armed Services

To resume hearings on proposed FY 79 authorizations for military procurement. 224 Russell Building

*Banking, Housing and Urban Affairs

To hold hearings on S. 2441, proposed Federal Public Transportation Act.

5302 Dirksen Building

*Budget

To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget. 6202 Dirksen Building

Environmental and Public Works

Regional and Community Development Subcommittee

To hold hearings on S. 1816, to provide funds for the development of the rubber guayule industry.

4200 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To hold hearings on the proposed extension of expiring health services programs.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on budget estimates for FY 79 for the Bureau of Outdoor Recreation, and Land and Water Conservation Fund.

1114 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on budget estimates for FY 79 for elementary and secondary education programs, Department of HEW.

S-128, Capitol

Energy and Natural Resources

To hold hearings to receive testimony from Energy Secretary Schlesinger on FY 79 authorizations for the Department of Energy.

3110 Dirksen Building

Finance

Taxation and Debt Management Subcommittee

To hold hearings on S. 2554, to provide an increased zero bracket amount and personal exemption deduction amount for individuals residing in Alaska and Hawaii.

2221 Dirksen Building

Foreign Relations

To resume closed hearings on the current status of the SALT II negotiations.

S-116, Capitol

Joint Economic

To resume hearings on the President's economic report.

1202 Dirksen Building

Select Intelligence

Secrecy and Disclosure Subcommittee

To continue hearings on the use of classified information in criminal and other trials.

457 Russell Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on budget estimates for FY 79 for school assistance in federally affected areas, and emergency school aid programs, Department of HEW.

S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

3:00 p.m.
Select Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed FY 79 authorizations for government intelligence activities.
S-407, Capitol

7:00 p.m.
Human Resources
Child and Human Development Subcommittee.
To hold hearings on S. 2523, proposed extension of authorizations for research and study of sudden infant death syndrome (P.L. 93-270).
Until 10:30 p.m. 4232 Dirksen Building

MARCH 2

8:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on S. 201 and H.R. 7132, to establish an arbitration board to settle disputes between organizations of supervisors and the U.S. Postal Service.
3302 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 2234, authorizing funds through FY 1982 for the Bureau of Land Management, Department of the Interior.
3110 Dirksen Building
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 2570 reauthorization of the Comprehensive Employment and Training Act (P.L. 93-567).
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Criminal Laws and Procedures
To resume hearings to examine erosion of law enforcement intelligence gathering capabilities.
6226 Dirksen Building

9:30 a.m.
Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
4200 Dirksen Building
Select Indian Affairs
To hold hearings on S. 2000 and S. 2188 to provide for the use and distribution of an award granted by the Indian Claims Commission to the Seminole Indian Nation of Florida and Oklahoma.
357 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Consumer Product Safety Commission.
1318 Dirksen Building
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Park Service.
1114 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Education Department of HEW.
S-128, Capitol
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Washington Metropolitan Area Transit Authority and the Civil Aeronautics Board.
S-126, Capitol
Banking, Housing, and Urban Affairs
To continue hearings on S. 2441, proposed Federal Public Transportation Act.
5302 Dirksen Building
Budget
To receive testimony from Defense Secretary Brown in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Foreign Relations
To hold hearings on S. 2420, proposed International Development Cooperation Act, and FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building
Governmental Affairs
To hold oversight hearings cn the operation of the postal service.
3302 Dirksen Building
Select Ethics
Closed business meeting.
S-210, Capitol
Select Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed FY 79 authorizations for government intelligence activities.
S-407, Capitol
Select Intelligence
Secrecy and Disclosure Subcommittee
To continue hearings on the use of classified information in criminal and other trials.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on budget estimates for FY 79 for the Office of Education, Department of HEW.
S-128, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building
Select Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed FY authorizations for government intelligence activities.
S-407, Capitol
Conferees
On H.R. 5383, to increase from 65 to 70 years of age the limit for retirement under the Age Discrimination in Employment Act.
H-328, Capitol

MARCH 3

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the fianancial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building
Environment and Public Works
Resources Protection Subcommittee
To resume hearings jointly with the Energy and Natural Resources Subcommittee on Public Lands and Resources on S. 1820, to preserve examples of America's diverse natural ecological resources for classification, identification, and protection.
4200 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2534, authorizing funds for the Health Maintenance Organization through 1983.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings to receive testimony from Secretary of the Interior Cecil Andrus, on budget estimates for FY 79 for the Department of Interior.
1114 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To hold hearings on spending practices of individual departments (Mission Budgeting) at HEW, and on budget estimates for FY 79 for the Health Care Financing Administration, Department of HEW.
S-128, Capitol
Banking, Housing, and Urban Affairs
To continue hearings on S. 2441, proposed Federal Public Transportation Act.
5302 Dirksen Building
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on FY 79 authorizations for the Department of Energy.
6226 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on S. 2420, proposed International Development Cooperation Act, and on FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Consumer Product Safety Commission, Office of Consumer Affairs, and Consumer Information Center.
1318 Dirksen Building

1:00 p.m.
Appropriations
Legislative Subcommittee
To hold hearings on budget estimates for FY 79 for the Legislative Branch.
S-128, Capitol

MARCH 6

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on FY 79 authorizations for HUD.
5302 Dirksen Building

*Energy and Natural Resources
To hold oversight hearings on status of U.S. coal supplies.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act.
4221 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 2300, to extend for 5 years the U.S Commission on Civil Rights.
2228 Dirksen Building

Joint Economic
Fiscal and Intergovernmental Policy Subcommittee
To hold hearings on central city business problems.
6226 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To resume hearings on budget estimates for fiscal year 1979 for the Office of Education, Department of HEW.
S-128, Capitol

6:00 p.m.
Veterans' Affairs
To resume hearings on a National Academy of Science study of health care for American veterans.
Until 10:30 p.m. 6226 Dirksen Building

MARCH 7

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial conditions of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, fiscal year 1979 authorizations for NASA.
235 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 50, the Full Employment and Balanced Growth Act.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold oversight hearings on the Disaster Relief Act.
4200 Dirksen Building

*Human Resources
Health and Scientific Research Subcommittee
To resume hearings in connection with the protection of human subjects used in experimental research.
Until 12:30 p.m. 1224 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Surface Mining.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Human Development and special institutions, Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs, and funds for NATO.
S-146, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by bank holding companies and other banks.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
Room to be announced

*Government Affairs
Federal Spending Practices and Open Government Subcommittee
Oversight hearings on the SBA minority business program.
1318 Dirksen Building

Joint Economic
Fiscal and Intergovernmental Policy Subcommittee
To continue hearings on central city business problems.
6226 Dirksen Building

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from officials of the VFW.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on budget estimates for FY 79 for the Office of Human Development and special institutions, Department of HEW.
S-126, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 8

8:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 1728, proposed Domestic Violence Prevention and Treatment Act, and related bills.
Until 11:30 a.m. 457 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 50, the Full Employment and Balanced Growth Act.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To consider pending legislation.
4200 Dirksen Building

Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Arts.
1114 Dirksen Building

Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S-146, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by bank holding companies and other banks.
5302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act.
4221 Dirksen Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings on S. 1753, to extend and amend the Elementary and Secondary Education Act.
1318 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Coast Guard and St. Lawrence Seaway Development Corporation.
1318 Dirksen Building

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

9:30 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the FY 79 authorizations for the Office of Rail Public Counsel.
235 Russell Building
Environment and Public Works
To consider pending legislation.
4200 Dirksen Building
10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Environmental Protection Agency.
1318 Dirksen Building
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Fish and Wildlife Service.
1114 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of HEW.
S-128, Capitol
Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on FY 79 authorizations for rural housing programs.
5302 Dirksen Building
Budget
To receive testimony from HEW Secretary Califano and Labor Secretary Marshall in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Energy and Natural Resources
To consider these matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
3110 Dirksen Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on the Administration's request for the economic support fund.
4221 Dirksen Building
2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the U.S. Tax Court and certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 10

8:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 437, to prohibit rate discrimination among customers of the Southwest Power Administration.
3110 Dirksen Building
9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building
Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2478, FY 79 authorizations for the National Rail Passenger Corporation (Amtrak).
318 Russell Building
*Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building
9:30 a.m.
Human Resources
Handicapped Subcommittee
To hold hearings on vocational rehabilitation and developmental disabilities.
Until noon 4332 Dirksen Building
10:00 a.m.
Appropriations
HUD-independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Environmental Protection Agency and Council on Evironmental Quality.
1318 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To continue hearings on FY 79 authorizations for rural housing programs.
5302 Dirksen Building
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2553, FY 79 authorizations for the Maritime Administration.
235 Russell Building
Energy and Natural Resources
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
3110 Dirksen Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on contributions to U.S. international organizations.
4221 Dirksen Building
Select Indian Affairs
To resume hearings on S. 2502, to authorize the States and the Indian tribes to enter into mutual agreements respecting jurisdiction and governmental operations in Indian country.
457 Russell Building
2:00 p.m.
Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S-128, Capitol

MARCH 13

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2354, to provide for equal access to courts.
2228 Dirksen Building
9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of James B. King, to be Chairman, and Elwood T. Driver, to be a member, both of the National Transportation Safety Board.
235 Russell Building
10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on FY 79 authorizations for HUD.
5110 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building
Foreign Relations
To hold hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building
10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 2478, FY 79 authorizations for the National Railroad Passenger Corporation (AMTRAK).
1202 Dirksen Building

MARCH 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
6226 Dirksen Building
9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1794, authorizing funds for FY 79 for the U.S. Fire Administration.
235 Russell Building
Environment and Public Works
Transportation Subcommittee
To hold hearings on proposed funding for roads on Indian lands.
4200 Dirksen Building
Human Resources
Handicapped Subcommittee
To resume hearings on vocational rehabilitation and developmental disabilities.
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
5110 Dirksen Building
10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Forest Service, Department of Agriculture.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on FY 79 authorizations for HUD.
424 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Foreign Relations
To continue hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building

Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
357 Russell Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To hold hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Postal Service, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Judiciary
Citizens Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2390, the Citizens' Access to the Courts Act.
6226 Dirksen Building

Banking, Housing, and Urban Affairs
To mark up S. 2065, 2470, and 2546, to protect consumer rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building

Budget
To receive testimony from Federal Reserve Board Chairman-designate Miller in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2552, FY 79 authorizations for the U.S. Travel Service.
235 Russell Building

Foreign Relations
To continue hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building

Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 16

8:00 a.m.
Veterans' Affairs
To resume hearings on H.R. 5029, authorizing funds for hospital care and medical services for certain Filipino combat veterans of W.W. II, and S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government.
Until 11:00 a.m. 357 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
6226 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Smithsonian Institution.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold oversight hearings on FDIC report on preferential bank lending policies.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
Room to be announced

10:30 a.m.
*Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for National Highway Traffic Safety Administration.
1223 Dirksen Building

Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for certain functions of the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 17

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5302 Dirksen Building

10:00 a.m.
Budget
To receive testimony from Secretary of HUD Harris in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2444 and S. 2437, relating to a national program of dam inspection.
4200 Dirksen Building

MARCH 20

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on FY 79 authorizations for the National Transportation Safety Board.
235 Russell Building

Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on the implementation of the Solid Waste Disposal Act.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, the Conprehensive Drug Amendments Act.
Until 12:30 p.m. 4332 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Mines.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Budget
To receive testimony from Representative Bolling in preparation for report-

ing the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

6:30 p.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 258, the Children and Youth Camp Safety Act.
Until 10:00 p.m. 4232 Dirksen Building

MARCH 21

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act
4200 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Finance
Health Subcommittee
To hold hearings on proposed legislation concerning confidentiality of medical records relating to the Medicare and Medicaid programs.
2221 Dirksen Building

Veterans' Affairs
To mark up S. 364, to provide for judicial review of administrative decisions promulgated by the VA, and to allow veterans full access to legal counsel in proceedings before the VA, and S. 2384, the Veterans and Survivors Income Security Act.
412 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-128, Capitol

Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the National Science Foundation.
118 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Land Management.
1114 Dirksen Building

*Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act, and FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2552, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the Defense Civil Preparedness Agency, CSC, Federal Labor Relations Council, and the FEC, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 22

9:00 a.m.
Human Resources
To hold hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

MARCH 23

9:00 a.m
Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed construction of a Federal Interstate Highway near Memphis, Tennessee.
Room to be announced

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on the fiscal year 1979 authorizations for EPA research and development.
4200 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for fiscal year 1979 for foreign aid programs.
S-126, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 1010 and H.R. 2777, to establish a National Consumer Cooperative Bank.
5302 Dirksen Building

Foreign Relations
To hold hearings to receive testimony from Secretary of State Vance on the Administration's proposed arms transfer policy.
4221 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee.
To hold hearings on budget estimates for fiscal year 1979 for certain Independent Agencies, and on supplemental appropriations for fiscal year 1978.
1224 Dirksen Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for fiscal year 1979 for the National Endowment for the Humanities.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on fiscal year 1979 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

APRIL 5

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on proposed legislation to provide Federal insurance for state regulated money order companies.
5302 Dirksen Building

Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
318 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AM-VETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6226 Dirksen Building

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building

Banking Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building

APRIL 7

10:00 a.m.
Judiciary
Juvenile Delinquency Subcommittee
To hold hearings on S. 797, to provide that the first court to issue a child custody decree shall be binding on other courts in other States.
2228 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

APRIL 10

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on authorizations for FY 79 for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judiciary Machinery Subcommittee
To hold hearings on S. 2253, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed comprehensive Drug Amendments Act
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed federal aid highway legislation.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building

Select Indian Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 14

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 17

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume mark up of proposed Federal aid highway legislation.
4200 Dirksen Building

APRIL 18

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced

Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgement of a Federal relationship.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgement of a Federal relationship.
318 Russell Building

APRIL 21

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

APRIL 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 National Transportation Safety Board and the ICC.
1224 Dirksen Building

MAY 1

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up proposed legislation authorizing funds for those programs which

fall within the committee's jurisdiction.

5302 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.

1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue mark up of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.

5302 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.

5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.

5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.

5302 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.

5302 Dirksen Building

SENATE—*Tuesday, February 28, 1978*

(Legislative day of Monday, February 6, 1978)

NOTICE

Effective Wednesday, March 1, 1978, the Laws and Rules for Publication of the **Congressional Record** will be amended to identify statements or insertions in the **Record** where **no part of them was spoken.** Unspoken material will be preceded and followed by a "bullet" symbol, i.e., •.

Since procedures in the House and Senate differ, variations of the Laws and Rules for Publication for each body are as follows:

1. **HOUSE AND SENATE FLOOR PROCEEDINGS**

(a) When, upon unanimous consent or by motion, a prepared statement is ordered to be printed in the **Record** and **no part** of it is spoken, the entire statement will be "bulleted."

(b) If a Member verbally delivers the **first portion** of the statement (such as the first sentence or paragraph), then the entire statement will appear **without** the "bullet" symbol.

(c) Extemporaneous speeches supplemented by prepared statements **will not** be "bulleted."

2. **SENATE ONLY**

(a) **Additional Statements.** All **unspoken** prepared statements submitted for printing in the **Record will be** "bulleted"; and

(b) If the statement is **not germane** to the pending or unfinished business before the Senate, it will be printed in the **Record** under the heading of "Additional Statements";

(c) If, however, the unspoken prepared statement **is germane** to the pending or unfinished business, it will be printed in the **Record** as part of the debate on the matter being considered.

(d) **Routine Morning Business. Unspoken** prepared statements submitted with the introduction of legislation, notices of hearings, or any other "first person" statement **not spoken** will be printed in the **Record** with the "bullet" symbol and will appear in the **Record** at the appropriate place during Routine Morning Business.

3. **HOUSE ONLY**

(a) **One-Minute Speeches and Special Orders.** If **no portion** of such statements is spoken by the Member, the entire statement **will be** "bulleted."

(b) **Extensions of Remarks.** All statements **not spoken** by the Member will be "bulleted." If, however, a portion of a statement **is delivered verbally** by the Member, revised, but **not** received by GPO in time to appear in the **Record** for that day, it will be printed **without** the "bullet" symbol in a subsequent issue of the **Record** under "Extensions of Remarks."

By order of the Joint Committee on Printing.

FRANK THOMPSON, JR., Acting Chairman.

The Senate met at 10 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God our Father, before the duties of the day descend upon us, we ask Thee to direct, to control, and to guide us all through its hours. May we never forget Thy presence, always remember Thy love, be constantly aware of Thy judgment. Grant that we may take no step or make any decision without seeking to know Thy will. Be in our minds, that no soiled or ugly thoughts may there be entertained. Be in our hearts, that they may be warm with love for Thee, and for our fellow men. What we pray for ourselves in this place we pray for all who bear the burdens of government. At eventide give us the peace of Thy presence, and the certainty that in light or dark Thou wilt never forsake us, and that Thou wilt always hold us in Thy love; through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 28, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. MOYNIHAN) is recognized, as in legislative session, for not to exceed 5 minutes.

TRIBUTE TO SENATOR HAYAKAWA

Mr. MOYNIHAN. Mr. President, I thank the Chair for this opportunity to rise to pay a friendly and I hope colleaguely tribute to one of the most de-

lightful, inspiriting blithe spirits who has come to this Chamber in so many years. I refer to my friend and fellow academic, Senator HAYAKAWA, of California.

It was once remarked by President Kennedy on an occasion when he gave a dinner at the White House to the American Nobel laureates that it was the most distinguished assemblage to dine at the White House since the last time Thomas Jefferson had dinner alone.

It seems to me that our U.S. Senate probably could be described as the most learned body of these United States on those rare occasions that Senator HAYAKAWA rises in the Chamber and speaks to that very special world of his competency, the world of language, the meaning of words, the care and treatment of the most precious of all our political heritages, which is the solid construct of the English sentence.

Few men have taught this more effectively over two generations and few have understood it better, as can be learned from the masterful thesaurus which Senator HAYAKAWA has just published.

From the time of George Orwell, there is no one thing this political generation has learned more than the fundamental importance of language and, indeed, that liberty resides in the interstices of a grammar which can define right and wrong and state plain facts plainly.

Mr. President, the Wall Street Journal recently had an article on its editorial page by Mr. James P. Gannon which nicely evoked the spirit of our colleague, Senator HAYAKAWA, entitled "Washington's 'Republican Unpredictable.'"

It was a well-deserved tribute, although perhaps not intended as such, but merely as a report on what is going on. But as a report, it nicely captures the great contribution that Mr. HAYAKAWA continues to make to letters in this perhaps improbable setting of the U.S. Senate.

Mr. President, I ask unanimous consent that Mr. Gannon's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Wall Street Journal, Feb. 23, 1978]

WASHINGTON'S "REPUBLICAN UNPREDICTABLE"

(By James P. Gannon)

WASHINGTON.—His Senate office is crowded with primitive African art, Oriental artifacts, books with titles such as "Sensual Drugs" and "The Myth of Psychotherapy."

It is a most unsenatorial office—more like an artist's or an academic's den—but then Samuel Ichiye Hayakawa is a different kind of Senator. At 71, the Japanese-American semanticist from California is Washington's oldest freshman, a self-styled "Republican unpredictable" who throws off unorthodox ideas, profane comments and delicious humor like sparks from a grinding wheel.

In just over one year's service in the U.S. Senate, the little man with the pencil mustache and the trademark tam-o'-shanter has established a reputation as a sort of philosopher-clown. Both images seem apt. He is a serious thinker, an educator, a renowned writer with a list of book titles, advanced degrees and honors befitting a former college president.

But he is also irreverent and funny—sometimes laughed with, sometimes laughed at. Stories of his political naivete, or of his falling asleep at committee meetings, are common around the Senate. But Mr. Hayakawa isn't bothered by such gallery gossip, and in fact seems to relish his role as a maverick, not to say madcap, member of an all-too-stuffy institution.

Example: When California newspapers reported a faux pas by the new Senator's staff—addressing a letter to veteran California Congressman John Moss as "State Senator John Moss—Mr. Hayakawa fired off a marvelous "apology." Writing that everyone knows a member of the House should be addressed as "your royal highness," Mr. Hayakawa blamed the mistake on "the ignorant and ill-bred serfs and peasants who work in my offices." He concluded: "Please accept this head, and the accompanying silver platter (no deposit, no return), with the apologies of your humble and obedient servant."

That sort of thing has established the clown part of Sen. Hayakawa's image, while the philosopher part is emerging gradually in the conservative ideas the Californian is pushing in the Senate—none too successfully. He seems to have accepted the role of professor of unpopular philosophy, patiently trying to educate a skeptical class.

His ideas, which he often states in blunt terms, haven't been politically saleable. What Washington politician would argue against preserving more of California's majestic redwood trees, against providing food stamps to needy college students, against affirmative-action programs for minorities, for a lower minimum wage, for compulsory retirement of 65-year-olds? Sen. Hayakawa would and does, while much of the Senate goes the other way.

There's more than knee-jerk conservatism to these unpopular positions. There's a fundamentally simple philosophy: that there should be equality of opportunity, but not equality of reward; and there should be some direct link between effort and reward. Sen. Hayakawa thinks American society is losing sight of these fundamentals, causing untold problems.

"For most of humanity, there is a connection between working and eating, a connection between effort and reward," Sen. Hayakawa tells a visitor. "Now we are bringing up a whole generation of Americans for whom that connection doesn't exist," he contends. These range from second-generation welfare families to 16-year-old kids who get sports cars for their birthdays without ever thinking "that somebody was working his ——— off to get the sports car."

Take food stamps. "Is it right to make hungry college students do without food stamps? You bet it is." That was the provocative opener to one of the Senator's 1977 columns supplied to California newspapers. He argued that it is "offensive to every working American," especially to college-age workers, to pay taxes for food stamps for youths enjoying the privilege of going to college. Sen. Hayakawa offered an amendment to the food stamp bill to bar the practice and end "collegiate oppression of the workers." His column concluded: "I lost, 63 to 26."

The Senator argues that black teenagers, immigrants and other job-hunters are being denied entry-level jobs by the steady escalation of the federal minimum wage. "There are no bottom rungs to the ladder any more," he says. He argued for establishing a new bottom rung—a youth minimum wage set at no less than 70% of the adult minimum—to open up entry-level jobs, but the Senate rejected that idea, too.

"Having somewhere to start and then work your way up has been the American dream," he declares. "We are destroying all of that." He's outraged that union rules, government regulations and anticompetitive practices foreclose other opportunities, noting that it costs more to buy a city-issued permit to operate a taxi in New York City than it costs to get a seat on the New York Stock Exchange. A poor man with a used car ought to be allowed to make a living by offering a jitney cab service, says the Senator (who once drove a taxi himself) but his proposal to bar federal mass-transit funds to cities which don't permit such jitney cabs was rejected.

Displaying a sort of Oriental stoicism, he's undaunted by these rebuffs. "Oh well, it's only the first year, for God's sake," he remarks. Always the teacher, he believes it takes time to educate, and he is a patient man.

The unpopular philosopher also believes that there are "waves of fashion in ideas, especially political ideas." He knows his ideas are hopelessly old-fashioned. Or maybe, just maybe, he is a little bit ahead of the next wave.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, as in legislative session, not to extend beyond 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The Senate resumed the consideration of the Neutrality Treaty.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Maine is to be recognized and the clerk will state the pending question.

The legislative clerk read as follows:

The Senator from Virginia (Mr. SCOTT) proposed an amendment numbered 22:

At the end of Article I strike out the period and add the following: ": *Provided, however,* That this Treaty shall be void and of no effect unless and until the Panama Canal Treaty also executed by the parties hereto on September 7, 1977, shall be ratified on behalf of and in accordance with the laws of both the United States of America and the Republic of Panama.".

Mr. MUSKIE addressed the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following

Budget Committee staff members and one from my personal staff have the privilege of the floor during the consideration of the Panama Canal treaties: Thomas Dine, Charles Flicker, Jacques Cook, and Madeline Albright.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, the Constitution gives the Senate the power to "advise and consent" to treaties with foreign nations.

Sometimes this process is an easy task. In 1903, the Senate brushed aside the objections of a few and consented to the plunder of a new nation's most valuable resource. We have enjoyed the benefits from that great takeaway for 75 years now.

The Panama Canal helped our Nation grow. It helped American business prosper. It helped us to defend our shores. It saved us billions of dollars and uncounted lives in two World Wars and two Asian conflicts.

It helped us fulfill our manifest destiny.

It helped us become a nation rich and powerful enough to understand and teach the world the need to end colonialism, economic imperialism, and military dominance.

Sometimes, Mr. President, giving our consent is not such a pleasant task. Today we are being asked to consent to a treaty which commits us to the high-sounding promise of self-determination for all nations. We are being asked to begin to pay more fairly for a resource we have used for 75 years at the expense of the country which owns it.

We are being asked to replace a monopoly over the Panama Canal with a new agreement which merely assures us unfettered use and preferential treatment.

We are being asked to stop dominating a people and begin working with them in partnership.

We are being asked to treat another nation as an equal.

We are being asked to stop claiming that another country's sacrifice is somehow a symbol of America's greatness. We are being asked to commit ourselves to a new role in Panama.

We are finding that our consent is sometimes not as easy to give as it was in 1903.

HISTORICAL FACTORS

U.S. relations with Panama got off on the wrong foot from the beginning—at least as far as the Panamanians were concerned.

Ever since the signing of the Hay-Bunau-Varilla Treaty, our negotiations with the Panamanians can only be characterized as "unfair." It is only very recently that we have even had "arm's length" negotiations.

Consider the fact that the sole negotiator for the Panamanians in 1903 was a self-appointed spokesman, French entrepreneur Philippe Bunau-Varilla. He and the New York lawyer, William Nelson Cromwell, lobbied Congress so hard and effectively that Congress reversed itself to build a passageway not in Nicaragua but in Panama. Bunau-Varilla owned stock in the New Panama Canal Company whose rights across the isthmus were about to expire in 1904. And we paid the French $40 million for those rights.

The Panamanians themselves were never consulted—and indeed were blocked from any participation in the negotiations process.

Consider the fact that the fledgling Panamanian Government ratified the treaty within 20 hours of receiving it. The terms of the agreement were much less generous than those which the Colombian Senate had earlier turned down. The new nation of Panama was fearful that the United States would withdraw its military and political support.

Consider that even statesmen of that day admitted that the United States had not exactly made a fair trade. As Secretary of State John Hay wrote at the time to a Member of this body, Senator John C. Spooner:

> The 1903 Treaty is . . . "vastly advantageous to the United States, and we must confess, with what face we can muster, not so advantageous to Panama . . . You and I know too well how many points there are to which a Panamanian patriot could object."

What exactly was the agreement which so embarrassed Secretary Hay? We have all heard that in exchange for $10 million and a payment of $250,000 a year, we received "in perpetuity, the use, occupation, and control of a zone of land" for the canal. It is instructive to quote the treaty at greater length.

First. We were granted "A zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of said canal." The zone would be 10 miles wide. It would begin 3 miles out to sea in the Carribbean and end 3 miles out to sea in the Pacific. It would include all islands in the zone, and a group of islands in the Bay of Panama lying outside the zone.

Second. Article 2 of the treaty goes on to grant us "in perpetuity the use, occupation, and control of any other lands and waters outside of the above-described zone which may be necessary and convenient" for building the canal or "any other canals or works" we saw fit to build. And who was to decide what was necessary and convenient? The United States, of course, by its own unilateral decision.

Third. Article 3 granted us access to "all rivers, streams, lakes, and bodies of water" if we deemed it "necessary and convenient" to use them for our water supply, for hydroelectric development, for navigation, or for any other purpose we wished.

Fourth. Article 5 of the 1903 treaty granted us a "monopoly" on "any system of communication by means of canal or railroad across Panama's territory," and not just within the Canal Zone.

Fifth. Article 6 granted us the right to purchase at favorable rates any private holdings we wished.

Sixth. Article 7 gave us the right of eminent domain outside the zone within Panama's two large cities over "any land, buildings, water rights, or other properties," specifically including any sanitation facilities. Again, we could exercise this right whenever we found it "necessary or convenient."

Seventh. We were granted the right to maintain public order not in the Canal Zone alone but in Panama and Colon and the harbors, if in our judgment the Panamanian Government could not.

Eighth. Articles 9 and 10 prevented Panama from levying charges, tariffs, or taxes on canal traffic or land, people, and buildings in the Canal Zone.

Ninth. Article 12 required Panama to allow immigration of any workers the United States saw fit to hire. This right was used to bring in cheaper West Indian labor, undercutting opportunities for Panamanians to seek such employment.

Tenth. Article 13 set up a tariff system whereby the United States was exempt from paying customs duties for all articles imported into the zone for the use of the employees and their families, while those same articles were subjected to a duty when imported into other parts of Panama.

Eleventh. In article 12, Panama renounced its valuable reversionary rights from its French relationship. The United States paid the French $40 million for those rights, which were to expire a year later. The 1903 treaty forced Panama to yield its reversionary rights in those French rights, for which we paid Panama $10 million.

In short, Mr. President, we were granted the right to do whatever we wanted in the Canal Zone or in the countryside, to the exclusion of the sovereign rights of Panama.

Let us look again at what we took—what we coerced from the insecure new government of a brandnew country.

We took their right to tax us.

We took their right to tax the goods coming into parts of their country.

We took their right to profit from their most valuable resource.

We limited their police powers. We took first choice of their waterborne and rail transportation system.

We limited immigration power.

We took the right to develop their water power resources.

We took everything we felt was "necessary and convenient."

Convenient. The new Republic of Panama was little more than a convenience to us.

I have recited this history not to make a moral judgment but to remind all of us, the American people, of what the people of Panama in the 1903 treaty granted to us.

When the proposed new treaties are described as a "give-away," it is important to put into context what Panama gave to us in 1903. Let us say that we took what we believed was necessary to undertake the construction of a canal. But the question I raise is not whether or not that was a wrong judgment but whether or not we paid the Republic of Panama fair value for what the Republic of Panama gave to us.

I have recited those grants of power at length so that those who may be listening throughout the country may understand exactly what that new nation

granted to us by way of land; by way of their water resources; by way of their sovereign powers to tax and impose tariffs and customs duties; by way of their right to impose harbor fees, dockage fees, and all the other sovereign rights that the United States would never yield to another country.

The Panamanian people granted us part of their sovereign rights as well as part of their sovereign territory. For that we paid them $10 million plus $250,000 a year, payments which were to begin 9 years after the 1903 treaty was signed.

Today we claim we must hold on to the canal because the canal has benefited us to the extent of billions of dollars since 1903, and yet I hear few voices raised to suggest that for those multibillion-dollar benefits to the United States we did not pay Panama fairly.

On the contrary, I have heard——

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MUSKIE. If I may finish my thought.

Mr. ALLEN. Yes.

Mr. MUSKIE. On the contrary, I hear that the proposal in the new treaties to raise our annuity to Panama is somehow unreasonable, particularly in light of the pessimism as to whether or not toll revenues can support those annuities. There is no thought given to the contribution that Panama has made over these years to our commercial prosperity, to our economic life, to our military security.

I yield to my good friend.

Mr. ALLEN. I thank the distinguished Senator from Maine for yielding to me.

The Senator has spoken of the United States having gained billions of dollars from the Panama Canal. I am sure the distinguished Senator understands and realizes that the canal has been operated on a nonprofit basis from the very start, and that the United States pays the very same amount in tolls for its ships, even our warships, as other nations pay.

We derive no benefit that is not available to all the nations of the world that have shipping. I am sure he realizes further that the canal has not even been paid for; that approximately $319 million is still owed to the Treasury on our original investment.

So I am just wondering how the Senator takes a dim view of the fact that the canal has been of benefit to the entire world, and why he refuses to say it is well that the United States has gained benefit from it. What is wrong with gaining this benefit?

Mr. MUSKIE. I have not suggested there was anything wrong, may I say to the Senator.

Mr. ALLEN. Yes.

Mr. MUSKIE. I pointed to the fact—and the Senator now has underscored my point—that there were these benefits.

I simply raised the question as to whether we made fair payment to Panama for these extensive benefits.

We operated the canal at the tolls calculated to cover nothing more than operating expenses. We could have recovered the original investment long ago. An increase of 3 percent a year or less in toll revenues could have retired our investment. As a matter of fact, may I remind the Senator that we did not even begin charging interest on the investment until the 1950s, almost 50 years after this treaty was negotiated in 1903.

Mr. ALLEN. Yes, I realize that.

Mr. MUSKIE. We did not intend to charge interest.

The reason I understand we began to charge interest in the 1950's was to begin to siphon off profits that were generated by the increase in traffic during the Korean war.

But when we began to siphon off those profits by way of interest, we did not offer to share——

Mr. ALLEN. Is there anything wrong——

Mr. MUSKIE. May I finish? It is my floor.

Mr. ALLEN. Yes, sir.

Mr. MUSKIE. We did not even offer to share those profits with the Republic of Panama. On the contrary, a few years later in 1955 we increased the payment to Panama to $1.9 million, and that was less in real dollars than the $250,000 that we agreed to pay them as an annuity in 1903.

The only question I raise, may I say to the Senator, is not even whether or not we needed the extensive grants of land, water and sovereign rights that were granted us in 1903, but whether or not we made fair compensation. My point is that we did not. My second point is that we could have retired our investment long ago if we had wished, thus eliminating today the issue of interest payments.

But we chose not to do it. And why? Because we wanted to see the benefits of the canal distributed in terms of increased commercial traffic. We wanted to see the world's consumers benefit. We wanted to see those benefits materialize in terms of our military security. And those are laudable, understandable national objectives. But if that is the way we chose to reap the benefits, we ought not to refuse to count those benefits as part of the value we receive from the canal, and for which the people of Panama had the right to expect just compensation.

So now, finally, in the late 1970's, we are moving toward fairer compensation. But there are those in the Senate who say that that is too much. I say that compared with what Panama has given us—and the Senator agrees with me that those benefits were extensive—we have not made fair compensation over the years.

There is no way that we can fully restore the balance of equities. Nor am I suggesting that. But when we say what these treaties are likely to cost, and talk about the reasonableness of the payments to Panama, we ought to take into account Panama's contribution since 1903 to this vastly successful enterprise. I find it difficult to grasp the notion that $250,000 or $430,000 or $1.9 million or even $2.3 million a year for 65 years is adequate compensation. For what? For the benefits that the Senator and I have both referred to.

Mr. ALLEN. Mr. President, will the Senator yield further? I find myself at a distinct disadvantage in asking the question, and the Senator, of course, has a right, having the floor, to make a detailed answer.

Mr. MUSKIE. May I make a suggestion?

Mr. ALLEN. I would like to put one additional question, if I might.

Mr. MUSKIE. I will take the question, but may I make a further suggestion? I would be glad to be interrupted at an appropriate point; if I can finish my statement, I am willing to stay on the floor the rest of the day to engage in colloquy.

Mr. ALLEN. It is right at the point the Senator is making about fair compensation. I would like to ask one question.

Mr. MUSKIE. All right.

Mr. ALLEN. If the Senator thinks fair compensation would embrace giving the canal, this great investment, this great public service that the United States has given to the world, if he feels that making adequate compensation to Panama would embrace the entire canal to Panama, and then, according to Minister Baretta of Panama, giving them, over the next 22 years, the $2.62 billion he talked about, would that not be a little unfair to the United States, if we are worrying about fair compensation? I merely ask that question.

Mr. MUSKIE. I will get into an analysis of those claims, which I consider outrageous, later. For one thing the figure Baretta used includes revenues from all national users.

But let me point out in immediate response that in the 1903 treaty, Panama granted "in perpetuity" what I have described here at some length. The question that occurred to me was this: Did the United States, in return guarantee to operate a canal in perpetuity? Not at all. As a matter of fact, it is argued on this floor that we have the right to build another canal anywhere we choose, unless we ratify both treaties.

So Senators are today insisting that we have a right to convert the Panama Canal to a piece of junk by building another canal elsewhere, and leaving Panama with nothing but the deteriorating hardware—much of it has been in place since 1914—and that we can leave them there that way, with their major river system harnessed to a canal which by that time will have no economic utility.

The Panama Canal is not a commodity that you can pick off a grocery shelf, put in place, and then sell to somebody else when you are through with it. What is useful in the canal is its use; not the right to sell it to somebody else, not the right to store it as a monument; but the right to use it. What we are talking about here is not who ought to have the right to sell the canal, but who ought to have the right to use it.

In these treaties we are assured the right to use it. Whether or not that right is better protected under the treaties than without them is the subject of legitimate controversy in the Senate. To argue that a relevant point is whether or not

somebody is giving away a piece of tangible property to somebody else, one should keep in mind that Panama gave us 647 square miles of land and water, which apparently the Senator does not regard as important, and in perpetuity.

So we built a canal, but we did not guarantee to operate it in perpetuity. The Panamanians might well have guessed over the past several decades, when we talked about a sea-level canal, that we might leave them with the canal as a worthless piece of outdated technology. They had no assurance from us that that would not be the case, and there are Senators here today who do not want to give them that assurance even now.

Mr. ALLEN. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. ALLEN. I wonder why the Senator feels that building another canal would render the Panama Canal just a piece of junk. At the same time, I wonder if he does not realize that if the United States builds another canal in Panama, the same thing is going to happen to that canal that is happening to the present Panama Canal: Panama would insist on that, so that they would end up with two canals, under that set of facts.

Mr. MUSKIE. The Senator chooses to focus on one option. Another option that the United States has considered for a hundred years is the option of building another canal in Nicaragua. As a matter of fact, at the time the Panama Canal was negotiated, Congress had expressed a preference for a canal across Nicaragua. It was only because Mr. Bunau-Varilla and Mr. Cromwell got together and negotiated the agreement that we shifted to Panama. I realize, however, there has been talk about a Nicaragua Canal in this country in recent decades.

My point is not to prophesy where another canal would be built, but that we reserved our rights to build another canal outside of Panama if we wished, and Panama would have to take the consequences, if those consequences happened to include the obsolescence of the Panama Canal as against a more up-to-date and modern competitor.

I have not heard anybody argue yet that two canals could operate profitably across the isthmus. Indeed, I have heard a lot of argument that the one canal is going to face increasingly stiff competition, and that the Panama Canal Commission will be unable to afford the payments to the Republic of Panama delineated in article XIII of the Panama Canal Treaty because the traffic might not bear the burden.

Now the Senator is asking what is to say that two canals could not operate profitably. Either they could or they could not. What I am saying, however, is that in exchange for rights Panama granted us in perpetuity, we did not assure Panama that we would operate that canal, or a replacement of that canal, or a third line of locks, in perpetuity. Not at all. We reserved the right to walk out on the deal any time our economic interests dictated. That fact is very clear from the language and thrust of the 1903 treaty.

We were able to hold Panama to its bargain. But Panama, if we chose to walk out, had no recourse.

Mr. ALLEN. I am pleased that the distinguished Senator from Maine emphasizes the perpetuity that characterizes the Panama Canal Treaty. Most of the proponents of the treaties are rejecting the word "perpetuity."

Mr. MUSKIE. I have not heard that. Proponents rejected the word "sovereignty," which is another proposition entirely, Senator. I reject the word "sovereignty."

Mr. ALLEN. Very well. If the Panama Canal Treaty is supposed to be in perpetuity, which means forever, why, then, are we seeking to change the terms of the treaty? That is not much perpetuity, if it has just lasted for some 75 years. That is hardly perpetuity.

Mr. MUSKIE. The distinguished Senator, of course, chooses to focus on points other than the central issue. The central issue here is that we were granted these rights in perpetuity for the purposes of building and operating a canal.

Mr. ALLEN. But that——

Mr. MUSKIE. Let me finish.

The purpose of it was for the purpose of operating a canal. Panama could not terminate that, but we could. We could hold them to the terms of the treaty in perpetuity for that purpose. But if we chose to walk away from the canal, to build one elsewhere, or because this one became uneconomic, we reserved the right to do so and Panama had no recourse. That is the simple point of it.

Mr. ALLEN. If the Senator feels so strongly that the United States should not abandon the Panama Canal, I am wondering why he does not offer an amendment to the treaty saying that we shall not abandon the canal. Also, for the Senator who has taken such a dim view of the circumstances under which we started building the canal and how we had the canal treaty signed by a Frenchman, Bunau-Varilla, who was commissioned to sign it by the Panamanian junta there, I am wondering why he would feel that it would be so bad if we were to abandon the canal and get out of there since our presence there is charged with being colonialism.

It looks like that would be setting aright the circumstances under which we went into possession of the Canal Zone, of which the Senator is so critical.

Mr. MUSKIE. I will say to the Senator if his question is a summary of his understanding of what I have been saying, then either I am remarkably inarticulate or the Senator chooses not to meet the points I have made.

In terms of the points I have been making, there is no question that they are the clearest nonsequitur. I have not taken a dim view of anything. I have tried to recite the facts with respect to the treaty, and I have read from the 1903 treaty. If the Senator believes I have misread it, he should say so and point out my errors. But to take my reading of the 1903 treaty and characterize it as my dim view of what happened, I may have a dim view of what happened, but my purpose was not to express a dim view or a bright view, but simply to recite the facts so that the American people can understand the Republic of Panama gave us substantial grants of land, water rights and powers as if we were sovereign. And that they had a right to be compensated for what they gave up. And we ought to take that into account. My purpose is not to rewrite the 1903 treaty but to put the present treaties in perspective. That is my only purpose.

The Senator chooses to say that somehow if I have this dim view I ought to correct what happened by an amendment to these treaties. I do not know of anyway to do that.

With respect to the canal, the Senator will learn, if he listens to the rest of my speech, that I have a very high valuation of the value of the present canal. I can see problems, as everyone else can, coming down the road. But those problems will come whether or not the pending treaties are ratified or not. I can see those problems. But I still regard the Panama Canal as a valuable national resource, so valuable that we ought to be willing to take into account Panama's right to fair compensation.

I do not regard that as a dim view at all, may I say to the Senator. I regard that as a very positive view.

I would like to go on and finish what I have to say and then engage in questions.

Mr. ALLEN. The Senator very courteously allowed me to break in. I hope he will allow me to answer what he has said.

Mr. MUSKIE. Cf course.

Mr. ALLEN. The Senator first says that in this agreement with Panama they gave us so much and we gave them so little. Now he says that since we have not agreed to keep the canal there, we could come out any time we want to, and, therefore, that is not a proper set of affairs.

It seems to me if Panama was short changed so in the original treaty, it would be doing a service to them for us to pull out and leave the canal to them in that eventuality.

That is not going to happen. That is merely a hypothetical thought on the part of the distinguished Senator.

If this is colonialism, as some proponents of the treaties charge, would we be setting the stage aright then by abandoning this colonial aspect of our presence there in Panama by pulling out? Why would that be so bad?

Mr. MUSKIE. May I say to the Senator if the Senator is persuaded to that conclusion, then he ought to offer that kind of an amendment. That is not my conclusion.

Mr. ALLEN. The Senator did offer one amendment but it was not thought well of.

Mr. MUSKIE. I do not like to repeat statements that are already clearly part of the RECORD, but I say that we cannot rewrite the 1903 treaty today. All we can try to do today is to take into consideration the situation in which we find ourselves. We have been influenced greatly by the 1903 treaty. We should try to work out an equitable arrangement now. I do

not think we can rewrite the history of the last 75 years. I would not be foolish enough to offer an amendment designed to accomplish such an impossibility. I can take into account the history of these last 75 years. I think we can work equity and I think that, for all practical purposes, is what we have in the pending treaties. I will go into that at greater length.

Mr. ALLEN. I thank the Senator for his courtesy, and I promise I shall not interrupt him any further.

Mr. MUSKIE. I want to assure the Senator I always enjoy participating in a dialog with him. He does have a knack for raising sharp questions and engaging in useful debate. He puts his points in perspective. I believe the American people need that. I do not object at all.

Mr. ALLEN. I thank the distinguished Senator.

Mr. MUSKIE. Prior to the colloquy I just engaged in with the distinguished Senator from Alabama, I had concluded a review of the grants which the Republic of Panama had made to us in the 1903 treaty.

These included, among other things, significant portions of their sovereign right to impose taxes and customs duties. It included the first choice of their waterborne and rail transportation system. It included an important part of their waterpower resource.

I would like to remind Senators that students of American history will note that our new Government's power to levy tariffs was the key to financing our new Nation in 1789. There was no income tax. There were no sales taxes. But the right to impose tariffs was the source of national revenues. We took those rights from the Republic of Panama in 1903.

Students of American history will also know that the modernization of transportation moved our country from an agrarian to a commercial economy. In Panama, we asserted our claim, in perpetuity, to take that country's transportation options.

Students of American history will also remember that our national and physical resources brought foreign investment to and trade with the United States.

The Republic of Panama granted to us important resources, important sovereign rights, that have a lot to do with a country's ability to build its infrastructure, to tap its resources for the benefit of its people.

These were significant grants; they were not casual grants. They were at the heart of the country's future prospects. In effect, we denied them—if we did not give them fair compensation for what they granted us—important tools for nationhood. In return, we paid them $10 million, plus $250,000 a year. In contrast, we paid $40 million to a private French company for the rights to the canal, rights that were going to expire in 1904, records Cornell University historian Walter LeFeber in his study on the canal.

In 1921, we paid Colombia $25 million in "guilt money", for backing the Panamanian revolution. All we did not get in 1903 were the deeds to the land, agreeing, instead, to a yearly rental of $250,000.

The treaties now before the Senate, Mr. President, have been called a "giveaway." In fact, the great giveaway was the treaty of 1903. The Panamanians were the ones who gave.

The intervening years have only made matters worse.

The United States imported laborers from Asia and the West Indies to the zone, undermining Panamanian wage rates and denying employment to the Panamanians. We established separate wage scales for Americans and non-U.S. citizens, reserving the best-paying jobs for our countrymen.

In the 1936 treaty, we pledged to work toward greater employment equality for Panamanians, yet legislation was passed reserving all high-paying canal jobs for U.S. citizens.

Following World War II, the War Department's two-tier hiring practice became official U.S. policy. Thus, we established and maintained a system which was both separate and unequal.

In the 1955 treaty, we agreed to increase the number of Panamanians permitted to help operate the canal and to raise our annual payment to Panama to $1.9 million. If that sounds like generosity on our part, in real dollars, the new payment amounted to no more than the $250,000 payment adjusted for inflation. This "largesse," incidentally, occurred only a year before the United States prevented England from intervening to protect what it felt were its rights to the Suez Canal.

Over the past 75 years, Mr. President, we have paid Panama about $70 million or, on the average, less than $1 million per year for the use of these resources. During this time, our relations with Panama have been a festering sore. Never have we treated this nation as a sovereign entity, as an equal partner in a cooperative enterprise.

We often intervened in internal Panamanian affairs, shaping policies and even fomenting changes in government.

In short, Mr. President, we acted as if we owned the place.

That attitude is what has most rankled the Panamanians.

The record shows that the people of Panama remain second-class citizens in their own country—a country where virtually every important political and economic development for most of this century has been influenced by someone else, usually the United States.

Clearly, in fairness to the people of Panama, a new arrangement is long overdue.

But Mr. President, what about fairness to ourselves?

I have always believed that Americans are fundamentally fair minded. We want our foreign policy to reflect our beliefs and our ideals as well as our interests.

But, the current arrangements not only pose a direct challenge to our ideals, they are inconsistent with our long-range political, economic, and military needs.

The Republic of Panama is engaged in a struggle to respond to the legitimate needs and concerns of its people. The question the Panamanians are asking us is, will we continue to stand in their way?

They and other nations of the Third World are waiting to see if we will be responsive to their aspirations—or if our promises are good only when we need their help.

Perceptions of acceptable behavior by and among nations have changed dramatically since the beginning of the century.

In 1903, the industrialized world was very much caught up in a colonialist fever. If such attitudes did not entirely justify our cavalier treatment of Panama, they certainly made it more acceptable in the eyes of the major powers.

Anticolonialism is now the order of the day. Over the past 30 years, we have encouraged many major allies to respond to the growing voices of nationalism within their empires. Ironically, we are now being asked to respond to a similar voice ourselves. And the entire world is watching to see what we decide.

Among those paying closest attention are our good neighbors to the south who see the canal issue as symbolic of U.S. intentions toward Latin America as a whole.

These, then, are the factors which must be weighed while considering the treaties before us.

How do they fit in with what must clearly be the central question for all legislators: "Is it in our national interest?"

In this situation, our dilemma is defining our national interest. I agree with those who have said that as far as the Panama Canal is concerned, our national interest is to be able to have certain and safe use of that historic waterway.

MILITARY BENEFITS

The interest of the U.S. military is to continue to use the canal.

During World War II, there were 6,400 transits of the canal by United States and allied combat vessels and some 10,300 by other military vessels. The Governor of the Canal Zone reported to Congress afterward that such unfettered transiting saved the United States an estimated $1.5 billion, not to mention countless American and allied lives.

In the peak Vietnam war period, 49 percent of all cargo heading for Southeast Asia transited the canal. In any NATO scenario, according to the Defense Department, use of the canal would improve the availability of warships and logistical support by 15 to 21 days.

Aside from our 13 giant aircraft carriers, our surface Navy can and does travel easily through the canal. The Secretary of Defense and the Joint Chiefs of Staff recognize that the United States maintains a two-ocean Navy with separate fleets as well as adequate contingency forces. Therefore, they have testified to various congressional committees that in the future, the canal would be very important in moving most of our combat, support, and cargo ships in the event of an outbreak of hostilities in Asia or in Europe.

They also have argued that in the best of all possible worlds, U.S. security interests would be ideally served by our retaining control of the canal.

But, they acknowledge, we do not live in such a world. Admiral Holloway, Chief of Naval Operations, testified that "the Panamanians don't want us there."

The Chiefs have pointed out that the canal is impossible to defend against any nuclear attack, missile attacks, and acts of terrorism.

In a hostile political environment, even under the current treaty arrangement, the Joint Chiefs of Staff state that they are unable to guarantee the canal's continuous operation. They believe U.S. security interests will be best served by a new treaty, one in which Panama is a willing partner, not an unwilling foe.

"It is easy," Secretary Brown told the Senate Foreign Relations Committee, "to damage a lock so that the canal's operation is shut down for a brief period. It is easy to do that over and over again."

(Mr. ANDERSON assumed the chair.)

Mr. MUSKIE. What do we want? Do we want a situation where we may have to use force over and over again in order to preserve the operability of the canal, or do we want a situation where the people of Panama see themselves correctly as having an important stake in keeping the canal operating? Well, clearly, the latter is the preferable situation.

It is unrealistic, Mr. President, to expect to operate the canal when the local people are opposed to our role. To do so requires a large military force which would be an affront not only to Panama, but to all our Latin American friends. Admiral Zumwalt, the former Chief of Naval Operations, summed up the situation:

> It would not be feasible to defend the Canal if the Government of Panama did not cooperate.

Beyond the canal's immediate military value, the United States has utilized the zone for the operations of the U.S. Southern Command which is headquartered there.

ECONOMIC AND COMMERCIAL BENEFITS

Mr. President, there is no question that the Panama Canal has served American economic and commercial interests well. The availability of the canal improved communications and transportation between our developed east coast and the developing West. The canal certainly hastened the development of our Nation.

One reason was simple—the distance from East to West by sea had been cut by weeks. Also, the terms of the 1903 treaty allowed us to determine what to charge for an essentially Panamanian resource. Thus we could, and did, determine what rates would best suit American policy. We could, and did, subsidize the canal, and we also, in effect, worked out an arrangement whereby Panama subsidized the canal, as well.

While our expansionary goals were well served by the canal, so were our commercial interests. There is no way to accurately put a dollar figure on even the direct benefits of the canal to American business. Certainly, it is in the billions of dollars. Especially if we add the benefits to the world's shipping fleets, some 70 countries in all, and the world's consumers have benefited from the cheaper rates.

In 1973, the United Nations was able to quantify the dollar cost of closing the Suez Canal from 1967 to 1975. The U.N. put the yearly cost at $1.7 billion. Surely, that is an order of magnitude that gives us some clue as to the value of benefits generated by the Panama Canal.

Another way to assess the value of the canal is to estimate its commercial value. Last January 20, United Brands Co., in testimony before the Committee on Foreign Relations, supported the treaties. The company official estimated that United Brands paid $15 million last year to the Panamanian Government for the use of 47 square miles of land. We paid $2.3 million last year for the use of 647 square miles, including offshore areas. If we paid the same per acre cost as United Brands, our yearly payment would be not $2.3 million, but $207 million.

It becomes apparent, Mr. President, that our use of Panama's geographical resource was obtained at rock-bottom price.

Let me underscore that point. In 1903, we bought a resource. Just as in my home State the rivers and coastline were for centuries Maine's most valuable resources, Panama's geographical location was and remains its most important asset.

The United States bought rights to it, just as private timber companies buy rights from the U.S. Government to cut timber on Federal land. We pay a royalty to Panama. But we pay far less to the Panamanians than we charge American companies for the privilege of enjoying our Federal timber resource. We pay less than oil companies pay for exploration rights. Less than coal companies pay for mining rights. In fact, the U.S. Government collected $4 billion last year in royalties for just two resources, oil and uranium. Yet, we pay Panama only $2.3 million.

It should be recognized that the canal itself is not now as critical to U.S. economic interests as it once was. The largest supertankers and our 13 aircraft carriers cannot use the canal. There are many transportation options which are economically competitive. But no one denies that the canal is still valuable.

That is why I am fascinated by the supposed logic of those who argue that on the one hand the canal remains vital to U.S. commercial interests, but on the other hand, are unwilling to pay the Panamanians what the canal is worth.

This line of reasoning is based perhaps on a desire to continue the policy of economic bargain-hunting we foisted on Panama in 1903, or on a fear that if rates are raised, the canal will lose its value to American commerce.

Unfortunately, rates will not remain frozen no matter who operates the canal. American rate-setting for the canal still amounts to a commercial subsidy. The State Department estimates that in 1937 dollars, the per ton fee for use of the canal has declined from $1.31 in 1914 to 29 cents in 1976.

The report of the Committee on Foreign Relations compares Panama Canal rates with Suez Canal rates:

> Current toll rates in Panama are $1.29 per PCT (Panama Canal Ton) for laden ships, and $1.03 per PCT for ships transiting in ballast. In contrast, the Suez Canal toll rates are $1.61 Special Drawing Rights (SDRs)—($1.98) per Suez Canal ton (generally equivalent to one PCT) for bulk cargo and tankers, and $1.77 SDR ($2.17) per ton for general cargo.

Canal Company profits have been declining for most of the past decade, and the Company is in the black now only because of the North Slope oil bonanza. Rates will go up.

BUDGETARY AND FINANCIAL IMPLICATIONS

In my role as chairman of the Senate Budget Committee, I have studied closely the budgetary and financial implications of the Treaties.

My committee experience has taught me that economic projections are at best estimates which are based on certain assumptions about the future. I am unable, as is each Member here, to predict the world economy 5 or 20 years from now or the way in which Panama will manage its affairs.

I do know for sure that costs are escalating for operating the canal and alternate routes are more and more attractive. Tolls will have to be increased, with or without the treaties.

The budgetary implications of the treaties reflecting the change in the U.S. role in Panama fall into several categories. Let me summarize.

First. There are two kinds of retirement payments to be made. Workers in the Canal Zone can ask the United States to turn over retirement payments we have been holding in trust in the civil service retirement fund. A smaller payment would be made on behalf of Panamanians being employed by the military in the Zone. Payments would be made to a Panamanian social security fund in both cases.

The second retirement payment would be a direct offer of early retirement for American employees of the canal enterprise. The Government of Panama gains nothing from any of these payments.

Second. There are budgetary implications associated with our continued military presence. One such is the consolidation of defense facilities. Another would allow the DOD to assume operation of schools and hospitals. A small expenditure to develop new recreational and other base support facilities would be a further cost.

The Panamanian Government gains nothing from these payments.

Third. Relocating the remains of Americans who are buried in the zone may also require new outlays.

Fourth. Then there are contingent liabilities to the U.S. Government. At the present time, the Panama Canal Company has a line of credit with the U.S. Treasury of $40 million. If the canal showed a temporary operating loss, the company under the present arrangements could borrow to continue operations until tolls could be raised and repay the loan from canal revenues.

Under the new treaty, the Panama Canal Commission, a U.S. Government agency, is expected to require similar borrowing authority as a matter of prudent management.

We also promise, Mr. President, to turn the canal over "free of liens and debts." Opponents who argue that this

is a blank check for the Panamanians use a fascinating bit of logic, as I understand their arguments. This provision of the treaty represents our promise to turn over a canal in operating order and not a worthless piece of junk. It is also our promise that the new Panama Canal Commission, as an agency of the Federal Government, will be a competent, efficient group of men and women who will run the canal as wisely as they can.

In both cases, to promise otherwise is not to promise at all. And those who complain about this section, it seems to me, would have us apply a different set of principles than those all Americans use in their daily commerce.

Fifth. Obligation to continue the current level of assistance to Panama is nothing more than our promise to continue our current policy toward Panama, a policy developed in light of American security and economic interests and approved separately by this Congress.

Mr. President, the distribution of revenues from the canal is another question. Opponents have tried to claim these as costs of the treaties. They are nothing of the sort. They are simply agreements on how to distribute revenues. There might be a net revenue loss to the Treasury as a result of canceling "interest payments" which the United States unilaterally began to charge in the 1950's to siphon off profits from the canal. The Government of Panama would, of course, benefit from these distributions of revenues, and it should. It certainly has not until now.

While projections are difficult, my best estimate is that over the next 21 years the reduction of the U.S. role in Panama will cost us $34 million a year more than under existing arrangements.

Of course, if the United States were a private company like United Brand, we would already be paying upwards of $200 million a year more than we now pay for using the zone. But we are a government, so we are getting a bargain.

This $34 million is less than we now pay more fortunate allies for similar considerations. For instance, the Spanish base treaty alone costs the United States $35 million per year in direct payments. The still incomplete base arrangement with Turkey, if approved by Congress, will cost $50 million annually. The package of credits and loan guarantees to be made available for Spain and Turkey, in concert with these base arrangements, will amount to $120 million and $200 million per year, respectively.

In my discussion of the costs of the treaties, Mr. President, I did not attempt to place a value on the canal and related facilities as assets of the Government.

This was not an oversight on my part. Our Federal budget lists no capital assets. We use a unique accounting system which routinely puts no dollar value on our public buildings, aircraft, ships, tanks, typewriters, or paper clips. We do not hold depreciable assets as a government.

One reason for this decision might well be the very difficulty proponents and opponents are having in estimating the value of the canal. I have seen estimates ranging from $230 million to $10 billion. In fact, my staff has made estimates in that range, and the numbers depend on the accounting system which is chosen.

Those numbers are no more relevant than would be the sum total of assets abandoned in Europe after World War II, or assets abandoned whenever the military decides to close an airbase or Army fort. I am fighting a decision to cut back an airbase in Maine, and I would very much appreciate having that kind of accounting weapon at my command, for I could then argue that the Air Force must write the capital loss off on its balance sheet.

When military bases are closed at various times and places in our country, no one would call the price paid by DOD for leaving the local community "a good deal" to the people now left with a piece of barren real estate and vacant old buildings. The Panama Canal's value is in its use, not in its standing as a monument. The Panamanians cannot sell it, and we are not going to allow it to be placed on the international auction block.

The fact is that decisions to abandon governmental capital assets are made regularly. The canal is not being abandoned, in fact, but will continue to be just as much of an asset to American commerce as it has been for the past 75 years.

These treaties are no giveaway. They are a change of command. Panama will not want to sell its chief asset for scrap metal.

There is another part to the cost equation. I began my statement by discussing whether we have been fair to the Panamanians over these past 75 years. I think it is appropriate to bring the subject up again at this point.

The United States has not been the sole contributor to the building and operation of the canal. The Panamanians have shared the burden. Their contribution has been less tangible than ours, but just because we cannot attach a dollar value to it, it is no less real.

To begin with the most obvious—Panama has contributed its unique geography and its valuable real estate so that nations of the world could improve their commercial positions. Granted that the location of the isthmus in Panama is a geographical accident. But so is the location of a large share of the world's oil in the Middle East an accident. Our friends in the Middle East expect to get properly reimbursed for their prime national resource. So do the Panamanians.

As Dr. Milton Eisenhower reported to President Eisenhower in 1958 on what a Panamanian patriot had told him during a factfinding trip:

> You in the United States inherited vast mineral wealth—Africa was given gold and diamonds. The Middle East is rich in oil. God gave Panama nothing but a waterway. We must make a living from our resources, as others have from theirs.

One can make all kinds of guesses about what might or might not have happened in Panama if the United States had not built the canal. I suppose it is conceivable that Panama would have remained undeveloped; however, I doubt it, and the plain fact is that the Panamanians gave up to international usage 647 square miles of property—about 60 percent the size of Rhode Island—right through the middle of their country which could have been used for domestic purposes. Indeed, to this day most of the Canal Zone remains undeveloped jungle.

Incidentally, there is only one means for Panamanians to travel from one part of the country to the other, a single bridge at one end of the canal. That is the economic tie that binds the two halves of Panama together. Panamanians traveling from one part of their country to another pass through a foreign zone subject to foreign laws.

The Panamanians have also contributed their major river system and its fresh water to the operation of the canal. Every year there are about 13,000 transits. Six hundred billion gallons of fresh water are needed to send all those ships through the canal. That's a tremendous amount of fresh water—two to three times the amount of water in Lake Ontario. Our colleagues from the parched Western States must appreciate how large a contribution that represents.

The canal has provided the people of the 70 or more nations which use the shortcut annually more than six decades of commercial benefits. Once ships were saved the expensive and arduous route around Cape Horn, transportation costs for raw materials and manufactured products were cut dramatically. It would be difficult to put a price tag on what an increase in tolls could cost the consumer, much less put a price tag on the billions of dollars the world consumers have saved since 1914 and are still saving.

As I stated when I began my discussion about the budgetary and financial implications of the treaties, I felt it my responsibility to address the question of what the new arrangements would cost the taxpayer. Having analyzed the direct, one-time, and recurring costs, plus the contingent liabilities, I added the direct costs and found that the difference between the current arrangements and those proposed in the treaties averages about $34 million a year. The Congressional Budget Office and the administration corroborate these calculations.

The Panama Canal treaties are not cost free. They do not, however, have a significant budget impact in a $500 billion budget. And in no way are we issuing the Panamanians a blank check.

We all have to make up our own minds as to whether we think we can afford to pay $34 million a year—an amount equal to 1 week's farm income support payments or the annual grant to supply the Nation's Capital with a mass transit system—to continue to have safe and certain use of the Panama Canal.

Though $34 million is a good deal of money to my constituents and yours, I, myself, believe we can afford that cost a lot better than we could to spend untold millions to repair the damage caused by sabotage to any of the locks or to Lake Gatun. Or a lot better than we could afford the millions of dollars it would take to support the 100,000 troops General McAuliffe testified would be needed to

protect the canal against a 10,000-person guerrilla force.

I am aware from having listened to the debate over the last few weeks that some of my colleagues have cited a variety of problems they have with the treaties. I hope I have clarified some of the points, and I urge my colleagues not to turn these treaties down for financial reasons.

Frankly, the figures I have discussed lead me to conclude that the cost argument is a red herring.

As chairman of the Budget Committee you do not often hear me saying this—but I think $34 million per year is a fair price to pay for what we would gain from these treaties: assured, continued use of an essential waterway.

In the context of the historical evolution of our relations with Panama, our commercial and military interests in the canal, and our international position, it is clear to me that the advantages of these treaties to both the United States and Panama far outweigh the costs involved.

In consenting to the ratification of these treaties, we will not lose the canal. On the contrary, we are taking the steps necessary to gain and maintain safe and certain access to this international passageway.

Americans have always taken great pride in the building and operation of the Panama Canal—and rightfully so. It was a brilliant technological and medical feat.

Today, we are being called upon to redefine the status of this important waterway, a symbol of economic and political independence for a friendly neighbor to the South.

These treaties are an opportunity to reaffirm our strength while standing by our ideals and our interests, because in this case, they coincide.

Mr. President, I ask unanimous consent to have printed in the RECORD the Budget Committee staff's cost table, plus the views of the Congressional Budget Office and the administration about this table, so that Members of the Senate may have access to the details underlying the budgetary conclusions which I have stated in my prepared remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Total payments to Panama for property rights land use, and water rights under the treaty of 1903

Title and treaty rights:	*Millions*
Payment to Republic of Panama	$10.0
Payment to individual property owners	4.0
Madden Dam area land rights, 1924–32	0.4
Payment to Panama for annuity:	
1913–20 (capitalized as construction costs)	2.0
1921–51 (dollar value in gold changed, 1933)	11.0
1952–77 (dollar value in gold changed, 1973 and 1974)	45.9
Total payment to Panama for property and water rights	73.3

BUDGET IMPACT OF CHANGE IN U.S. ROLE IN PANAMA*

[In millions of dollars]

	Fine	Before treaty	After treaty	Difference
1.	Expected budget impact:			
2.	Annual requirements:[a]			
3.	Net payment to Republic of Panama[b]	1.8		−1.8
4.	Panama Canal Company (commission)[c]	1.6	1.6	
5.	Canal Zone Government[d]	3.0		−3.0
6.	Payment of interest on U.S. net investment[e]	−20.1		20.1
7.	Civil Service Commission early retirement program[f]		9.2	9.2
8.	Incremental requirements for DOD Schools/hospitals[g]		3.2	3.2
9.	Assumption of base support function by DOD[h]		NA	NA
10.	Total estimated annual requirements	−13.7	14.0	27.7
11.	1-time requirements:			
12.	Relocation of defense installations[i]		42.9	42.9
13.	Transfer of health facilities and function to DOD[j]		21.-10.5	2.1-10.5
14.	Transfer to Panama social security system of civil service contributions of employees of the Canal enterprises[k]		(6-35.0)	(6-35.0)
15.	Purchase of retirement benefits for Panamanian employees of DOD nonappropriated fund activities[l]		3.0	3.0
16.	Preliminary estimates of 1-time requirements		48.0-56.4	48.0-56.4
17.	Contingent liabilities:			
18.	1-time items:			
19.	Panama Canal Commission, new borrowing authority[m]		40.0	40.0
20.	Total 1-time contingent liabilities		40.0	40.0
21.	Estimated 1979–99 requirements[n]		$629,700,000 to $638,100,000	
21a.	Estimated total requirements[o]		$712,500,000 to $720,900,000	
22.	1979–99 contingent liabilities resulting from treaties[p]		$40,000,000	

FOOTNOTES

* It should be noted that this chart was updated on February 26th by the Senate budget committee staff. New material is based on CBO and administration estimates.

[a] Expected impact taken from FY 1979 President's budget, unless otherwise noted. This table explicitly assumes that the Treaty payments to the Republic of Panama are paid out of Canal Commission revenues and the Commission is self-sustaining. No adjustment is made for inflation in the future.

[b] Net of $0.5 million reimbursed to the Treasury by Panama Canal Company.

[c] This cost represents changes in the company's fund balance with the Treasury which fluctuate from year to year. In recent years the fund balance has been increasing not decreasing. Should the Commission take a corporate form these fluctuations would likely continue with little net effect over the Treaty period.

[d] Canal Zone Government costs represent changes in fund balances and unrecovered capital appropriations. Capital appropriations are repaid over the useful life of the asset required. Cost savings in this line are partially offset by increased capital costs in line 8 and 12 for equipment purchases and repairs to schools and hospitals absorbed by DoD.

[e] Assumes requirement for this interest payment will be deleted by implementing legislation, as proposed by the Administration. In recent years, annual interest payments have averaged between $18 and $20 million.

[f] Civil Service Commission estimates the unfunded liability created by an early retirement plan would be $148 million. $9.2 million represents the annual payment necessary to amortize the unfunded liability over thirty years.

[g] The $3.2 million estimate includes $1.5 million for DoD contribution for employee health benefits, $1.4 million recurring capital investment in buildings and equipment, and $0.3 million net cost of educating dependents of Canal enterprise employees transferred to DoD. This does not include any additional hospital costs DoD may absorb after the third year as the population being served is halved and the reimbursable population is reduced even more. The magnitude of any additional costs depends on the extent DoD is able to reduce fixed costs in relation to the reduced population.

[h] NA—Not available at this time. Administration estimates are underway.

[i] Preliminary estimates used by Lt. Gen. McAuliffe, in testimony before Senate Armed Services Committee, Jan. 24, 1978.

[j] This estimate assumes that the medical evacuation helicopters and the dental clinics being considered by DoD are one-time costs attributable to the assumption of hospitals and schools by the DoD. The other construction and equipment costs appear to be routine replacement and repair items which will recur through the Treaty period. An allowance for these costs is included in line 8 with no assumption on the timing purchases being made.

[k] The preliminary DoD estimate of $3–$17.5 million for this line includes only the U.S. matching contribution. The withdrawal of both the employee contribution and the matching U.S. contribution are outlays in the year when withdrawn. Costs, therefore, are double the DoD estimate. Only the payment of the U.S. will require enabling legislation and appropriations. All withdrawals represent payments made in previous years to the Civil Service Retirement Fund and eliminate future liabilities to employees withdrawing their funds. Conceptually, this payment will substitute for future payments and should not be added to the twenty year total, line 21.

[l] Preliminary DoD estimate. These employees are not covered by the U.S. Civil Service Retirement System. Some are enrolled in commercial retirement plans.

[m] Assumes new borrowing authority will be included in implementing legislation. Canal Company has $40 million borrowing authority under current law, which Administration proposes to continue under Canal Commission. Under the assumption of a self-sustaining Commission, the borrowing authority would not be drawn upon.

[n] Based on 21-year cost difference of annual items plus known one-time costs. No adjustment for inflation in annual costs were made. Only lines 5, 8, and 8a are affected by inflation.

[o] Same as line 21 with the additional nine

years payments to the Civil Service Retirement Fund.

" Assumes that the contingent liabilities proposed in the $345 million foreign aid package do not represent an increase over current overall levels for these programs.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., February 25, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request of February 23, 1978, CBO has reviewed the estimate of costs associated with the Panama Canal Treaty as prepared by the staff of the Senate Budget Committee. To expedite a response, the attached table retains the format and methodology developed by the staff of the Budget Committee with suggested adjustments in estimates and footnotes.

The concept of cost used is similar to the estimated costs used in CBO Section 403 cost estimates. It is not an estimate of required appropriations. No attempt was made to spread costs by fiscal year or to inflate costs using current economic assumptions.

The estimate assumes the Treaty payments to the Republic of Panama will be paid out of canal revenues and the Canal Commission will be self-sustaining. The Canal Company has authority to seek appropriations to cover operating losses, and similar authority may be sought for the new Commission. We are continuing to review Administration studies concerning the financial viability of the canal.

The attachment contains some changes from our letter to the Foreign Relations Committee. It contains our best estimate of the cost items and their magnitude available at this time, subject to the above limitations and assumptions in the footnotes. Should you so desire, we would be pleased to provide further assistance.

Sincerely,

ALICE M. RIVLIN,
Director.

DEPARTMENT OF STATE,
Washington, D.C., February 25, 1978.

DEAR MR. CHAIRMAN: Thank you for your letter of February 23 on the economic aspects of the Panama Canal Treaties. We find the staff's estimate to be within the general range of cost estimates noted in the letter from Secretaries Vance, Brown and Alexander of February 10 to you and other Senators. The staff's summary has been discussed with the Department of Defense, and they have made certain specific observations which are contained in the enclosed memorandum.

We would like to offer the following comments on the summary:

Listed among the "one-time" costs is the transfer to the Panama Social Security System of Civil Service Contributions of Employees of the Canal Enterprise, a figure of $3–17.5 million. This amount represents the Panama Canal Company/Canal Zone Government contribution to the U.S. Civil Service Retirement fund that will have been deposited on behalf of employees during their employment with the Canal enterprise. The funds therefore represent a refund of deposits already made by the Canal enterprise for employee retirement rather than fresh expenditure. These funds have come from Canal-generated revenues.

Also, the withdrawal of these retirement funds from the Civil Service System may result in diminishing liability for payment of future benefits.

Another "one-time cost" in the summary is the $40 million net borrowing authority which the Administration will propose for the Panama Canal Commission. This figure, of course, does not represent a new cost to the Government but rather a replacement for the $40 million net borrowing authority of the present Canal Company. We therefore suggest that item 19 not be labelled "new" borrowing authority. Item 19 might be deleted and footnote "1" refer to item 22. I should also note that if the borrowing authority were used, we would expect that the Commission would be required to repay the loan, with interest, from future revenues.

Discontinuing the interest payment or net investment to the U.S. Treasury is listed as a "recurring cost" which would amount to approximately $433 million over the lifetime of the Treaty. It will be the Administration's recommendation in implementing legislation to discontinue this payment in order to provide maximum benefit to world shipping. Interest payments were not made prior to 1951. Nevertheless, the Treaty does not specifically prohibit the payment of interest, and the Congress could require interest payments to be continued. It might therefore be appropriate to break down item 21 into an estimate of appropriated funds and an estimate of the forbearance of the annual interest payment to the Treasury, since each is a different category of cost.

We believe that the Budget Committee staff cost estimates, taking into account our observations and those of the Department of Defense, represent the best available information on the budgetary impact of the implementation of the new treaties. However, the exact budgetary impact cannot be measured by the Administration until the legislation implementing the new treaties has been passed by Congress.

Should you require any further information regarding this matter, please do not hesitate to let me know.

With best regards.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

Mr. PERCY. Mr. President, will the Senator yield for a few questions and comments I would like to make?

Mr. MUSKIE. Yes, I yield to the Senator from Illinois.

Mr. PERCY. First, I think the penetrating analysis that the distinguished chairman of the Budget Committee has given once again proves the value of the work the Senator from Maine and I did years ago, several years ago, working on a budget committee, that we ought to have such a process in the Senate, that we ought to have our own body of experts, so that whenever a matter involving budgetary considerations comes up we would have available expert staff and the Senators who have been disciplined and trained in that particular area.

I think the value of this has now certainly been proven in any number of cases that have come before us, but here dramatically in an area involving our relationships with an ally abroad.

As I listened to my distinguished colleague I could not help but think of the number of times in some 30 years' business experience I have seen, been witness to, the fact that two business organizations that had a contract that had been outmoded by time have had to come together to redo that agreement to make it something that both could live with.

I think one principle any businessman would soon discover is that you cannot really, in a sense, hold someone to a contract that has proven totally disadvantageous to one of the parties, and so grossly unfair that all the advantage ran to the other party. Individuals know that in employment contracts. Companies know that, and so, too, even in a labor negotiation with management, we learn that contracts constantly have to be redone, renegotiated, and certainly the problem we are having now in the coal mining industry indicates that until both parties are reasonably satisfied, or at least equally happy or unhappy, we are not going to have a settlement.

So, too, when people ask, why should we do this, I would only refer them back to many of the eloquent statements made by our distinguished colleague as to the gross unfairness, in the year 1978, of this particular treaty of 1903. And really, of the 75 witnesses the Senate Foreign Relations Committee had before it, I never heard a witness say we could cling to that 1903 treaty. They all admitted that, in some form or other, it had to be changed and modified. So the question is as to the degree of change. I commend our distinguished colleague from Maine on his analysis of what changes were necessary, and why.

If we agree in principle that certain changes are necessary, I would like to concentrate for a few moments on several aspects of references made by our distinguished colleague from Maine.

First, the security interests. Would our colleague indicate his judgment as to whether the security interests of the United States are now protected by the new treaties, at least to the year 2000, and that the military security of the Panama Canal Zone for at least the next 2 years is insured, and in a sense guaranteed, to the extent that we can do so, by the new treaties before the Senate?

Mr. MUSKIE. I have been persuaded that that is the judgment of the current Joint Chiefs of Staff. I am aware, of course, that there is some disagreement on the part of former generals and admirals. From public and private testimony, it is that the current military leadership of the country is delighted with getting us the kind of assurance provided by the treaties before us.

Mr. PERCY. The Senator from Illinois had concluded that our security interests were protected, but came back from the Panama Canal Zone with the conclusion that an understanding or reservation would be needed with respect to our unilateral right to intervene, and that I would vote against the treaties as signed by the President and General Torrijos unless there was an actual amendment to the language of the treaties themselves, to make it absolutely clear that we had that unilateral right to intervene militarily at any time we felt the security was endangered after the year 2000; and that obviously the right to go to the head of the line whenever it is in our national security interest should be protected by actual amendment to the language of the treaties themselves. Is that the same position that the distinguished Senator from Maine has taken?

Mr. MUSKIE. I applaud the addition of that language to the treaties for the same reasons stated by the distinguished Senator from Illinois. I think that both of us were cosponsors of that language.

It clarifies the point that the United States, without consulting anybody, can take the steps necessary in its judgment to protect the canal. I think that clarification is very useful.

Mr. LAXALT. Mr. President, will the Senator yield? Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Maine has the floor.

Mr. MUSKIE. I will be happy to yield.

Mr. PERCY. I would like to come back to my colloquy.

Mr. LAXALT. Certainly. I commend the Senator from Maine for what I consider to be his very fair statement on the subject we have been discussing. I must say that the Senator from Maine comes out somewhat differently than the Senator from Nevada on the matter of costs, but that can be straightened out.

With respect to the point the Senator from Illinois raises, the treaties also provide, do they not, that in this process this country will be precluded from intervening in the internal affairs of Panama? Does that present, in the mind of the Senator from Maine, a conflict, as it does in the mind of the Senator from Nevada?

Mr. MUSKIE. Not at all. I ask unanimous consent that pages 6, 7, and 8 of the committee report be printed in the RECORD.

There being no objection, the excerpt from the report (Ex. No. 95–12) was ordered to be printed in the RECORD, as follows:

STATEMENT OF INTENT

The Committee's intent in recommending the adoption of these two amendments to the Neutrality Treaty is that the Carter-Torrijos Joint Statement of October 14, 1977, be made an integral part of the treaty with the same force and effect as those treaty provisions submitted to the Senate initially for its advice and consent.

The Committee had originally voted to include the Joint Statement in a single amendment which would have added as a new article IX to the treaty. Upon being advised by the State Department—contrary to previous advise—that this placement could require a new Panamanian plebiscite, the Committee voted to reconsider the proposed article IX and voted instead to recommend the addition of that same material, in two parts, to articles IV and VI. This did not represent a "flip-flop"; in each instance the substantive wording was identical to that of the Joint Statements, and each provision—whether placed in one article or in two—would have had precisely the same legal effect, being equally binding internationally. The difference is purely one of cosmetics. If a negligible change in form, with no change whatsoever in substance, could obviate the need for a new plebiscite—an eventuality which could complicate vastly the ratification process—then the Committee concluded that it would happily oblige.

The meaning of these amendments, which together constitute the entire Joint Statement, is plain. The first amendment relates to the right of the United States to defend the Canal. (It creates no automatic obligation to do so. See p. 74 of this report.) It allows the United States to introduce its armed forces into Panama whenever and however the Canal is threatened. Whether such a threat exists is for the United States to determine on its own in accordance with its constitutional processes. What steps are necessary to defend the Canal is for the United States to determine on its own in accordance with its constitutional processes. When such steps shall be taken is for the United States to determine on its own in accordance with its constitutional processes. The United States has the right to act if it deems proper against *any* threat to the Canal, inernal or external, domestic or foreign, military or non-military. Those rights enter into force on the effective date of the treaty. They do not terminate.

The above-described rights are not affected by the second paragraph of the amendment, which provides that the United States has no "right of intervention . . . in the internal affairs of Panama," and which prohibits the United States from acting "against the territorial integrity or political independence of Panama." The Committee notes, first, that these provisions prohibit the United States from doing nothing that it is not already prohibited from doing under the United Nations Charter, which proscribes "the threat or use of force against the territorial integrity or political independence of any state" (article 2(4)). The Committee never supposed that the United States, in entering into the Neutrality Treaty, intended to obtain powers that it had previously renounced. The Committee thus does not believe that the provision in question substantively alters Panama.

Second, the prohibitions set forth in the second paragraph do not derogate from the rights conferred in the first. The Joint Statement recognizes that the use of Panamanian territory might be required to defend the Canal. But that use would be for the sole purpose of defending the Canal—it would be purely incidental to the Canal's defense; it would be strictly a means to that end, rather than an end in itself; and it would not be carried out for the purpose of taking Panamanian territory. The concepts of the territorial integrity and political independence of Panama are, in short, an integral part of the treaty, so that action directed at preserving the regime of neutrality set forth in the treaty would never be directed against Panama's territorial integrity or political independence.

For these reasons, use of Panamanian territory to defend the Canal would clearly be permissible under the portion of the Joint Statement incorporated in Article IV. This is made clear in an opinion presented to the Committee by the Department of Justice (hearings, part 1, p. 332):

"A legitimate exercise of rights under the Neutrality Treaty by the United States would not, either in intent or in fact, be directed against the territorial integrity or political independence of Panama. No question of detaching territory from the sovereignty or jurisdiction of Panama would arise. Nor would the political independence of Panama be violated by measures calculated to uphold a commitment to the maintenance of the Canal's neutrality which Panama has freely assumed. A use of force in these circumstances would not be directed against the form or character or composition of the Government of Panama or any other aspect of its political independence; it would be solely directed and proportionately crafted to maintain the neutrality of the Canal."

Finally, even if a conflict were somehow to arise between the two paragraphs, because the United States has the right to act against "*any* . . . threat directed against the Canal", there is no question that the first would prevail. The rights conferred therein are stated in absolute terms and must therefore be construed as controlling.

The meaning of the recommended amendment to article VI is equally clear. This provision—extracted verbatim from the Joint Statement—confers upon United States warships and auxiliary vessels the right to go "to the head of the line" in an "emergency". What constitutes an emergency, and when one exists, is for the United States and the United States alone to determine. The provision could hardly be more explicit.

Like the recommended amendment to article IV, this amendment, if adopted by the Senate, will become an integral part of the treaty, of the same force and effect as all other provisions. The Committee is informed by the Department of State that the Government of the Republic of Panama has concluded that no new plebiscite will be required for the approval of the two amendments. Together, they comprise the verbatim text of the Joint Statement, which was read by General Torrijos to the people of Panama live on national television three days before the October 23 plebiscite. (See p. 478 of part 1 of the hearings for a list of Panamanian newspapers in which the Joint Statement appeared prior to the holding of the plebiscite.) It thus is clear that the Panamanian people were fully apprised of the Joint Statement prior to the plebiscite, and were accorded a full opportunity to consider its provisions before approving the treaties.

Mr. MUSKIE. I think it is very clear. Let me read this much from it:

What steps are necessary to defend the Canal is for the United States to determine on its own in accordance with its constitutional processes. When such steps shall be taken is for the United States to determine on its own in accordance with its constitutional processes. The United States has the right to act if it deems proper against *any* threat to the Canal, internal or external, domestic or foreign, military or non-military. Those rights enter into force on the effective date of the treaty. They do not terminate.

With respect to the point the Senator raises, the committee report, on page 7, says this:

. . . use of Panamanian territory to defend the Canal would clearly be permissible under the portion of the Joint Statement incorporated in Article IV.

Then the treaty makes clear, in the other language to which the Senator refers, that use of the territory of the Republic of Panama for the purpose of defending the canal cannot be converted into intervention in the internal affairs of Panama.

In other words, it is quite conceivable, as in Europe in World War II, for one nation to use the territory of another nation in order to combine in defending the common interests, without, in the process, threatening or jeopardizing the sovereignty of the nation whose territory they used. We used the territories of France and Britain in World War II to defend the West. It was always clear, of course, that we did not do so with the view of challenging the sovereignty of those nations, and the same kind of arrangement would hold in the case of Panama.

If we had to use the territory of Panama, this treaty makes it clear that we would have no standing under the treaty or in the court of world opinion to convert that use into an actual challenge to the sovereignty of the Republic of Panama.

So I view the second paragraph, not as denying the use of the territory of the Republic of Panama for the purpose of defending it, but as denying a right to the use of the territory of the Republic of Panama to interfere in its internal affairs.

However, according to the Foreign Relations Committee report the prohibitions set forth in the second paragraph of the amendments I have cosponsored do not derogate from the rights conferred in the first.

The language is on page 7. I read this language from the committee report:

> Finally, even if a conflict were somehow to arise between the two paragraphs, because the United States has the right to act against "*any* . . . threat directed against the Canal", there is no question that the first would prevail. The rights conferred therein are stated in absolute terms and must therefore be construed as controlling.

Mr. LAXALT. Let me, if the Senator from Illinois will indulge me, review this arrangement, which I have substantial concern about.

During the initial period of some 23 years, I think probably our interests are fairly well protected, due to the fact that we have a military presence there, even though somewhat reduced.

But in the year 2000 we abandon our military presence entirely. What is the situation at that time, if we really do not have harmonious relations with the people of Panama, if we have difficulty with them? How can we then enforce realistically the points that are being asserted?

Mr. MUSKIE. The point to bear in mind is that the United States, with this language that is being added, reserves the right to make its judgments unilaterally.

Mr. LAXALT. I understand that.

Mr. MUSKIE. If in 1999 circumstances developed which to the United States would at least be interpreted as a threat to neutrality, I assume that the Government of the United States at that time would take into account the rights reserved to us under this treaty and exercise whatever judgment those situations required. If I could assume a scenario which would trigger the operation of this language of the treaty, the reserved right is there.

May I say in further response to the Senator, that the right to intervene is limited to the defense of the canal against threats against its neutrality. The treaty itself is consistent with United Nations and OAS charters which would preclude intervention in domestic Panamanian affairs.

Mr. LAXALT. But on this point, let us assume a scenario, because we have probable or possible results downstream when we evaluate these treaties. Let us assume that in the year 2000 we are out of Panama, there is no military presence, and we have difficulty with the Panamanians. How do we realistically safeguard and enforce our rights to protect American interests and at the same time stay out of the internal affairs of Panama?

Mr. MUSKIE. Here is a question which would be reserved for those who are on top of the situation to answer. Their right to make those decisions is what we establish in these treaties. I am simply not farsighted enough to make judgments on a hypothetical threat at that time. If it exists in 1998 or 1999, or 6 months in the last year of the century, then I would expect whatever means necessary would be taken.

Mr. LAXALT. The only point I want to make is that it is clear to me that, in the course of these debates, the conflict that we have now which I mentioned is almost irreconcilable. It seems to me that if we have difficulty with Panama we might as well understand it now. If we have to enforce and safeguard the rights which are being protected under the terms of the so-called leadership amendment, we are necessarily going to have to intrude upon the internal affairs of Panama.

Mr. MUSKIE. The only point I would make is that we and the Panamanians were both engaged in the conflict of World War II and are both aware of the capability which developed during the war and since to protect our interests overseas in hostile territories, at great distances. General Wilson testified before the Armed Services Committee that Marines can be landed by amphibious assault in 10 minutes. By the year 2000 I take it, if present planning evolves our Navy will have smaller aircraft carriers which V/STOL aircraft and helicopters would use. I do not conceive of our being unable to apply whatever military pressure may be required. We cannot prevent acts of terrorism and sabotage, but we would be in a hard position to do that under the present treaty.

With respect to moving an effective military force into Panama I have no doubt, on the basis of our Nation's experience in the last 50 years, of our ability to apply the requisite military force to the Republic of Panama without having troops in force.

Other illustrations of that point could be made.

Mr. PERCY. Will the Senator permit me to ask a question?

Mr. LAXALT. I will in just a moment.

It is the judgment of the Senator from Nevada that the matter of a continuing military presence in Panama is absolutely essential for the protection of the canal, not only from the standpoint of the interests of the Panamanians but our interests as well. We have debated this from the standpoint of the Allen amendment. It is my continuing concern that if we abandon a military presence within the canal itself in time we will live to regret it as a country. I think, too, that the Panamanians should understand that they may well live to regret it also.

It has been postured here, I think entirely too often, that the interests of Panama and ourselves in relation to the defense of the canal are somehow opposite interests. I do not share that view. It seems to me we have had common interests for the last 75 years. If somehow we can safeguard the interests through these treaties with a continuing military presence, it will be to the best interest of all concerned. That is all I wanted to say.

I thank the Senator.

Mr. MUSKIE. If I may make one further point, in the 20 years I have been in the Senate we have been constantly changing our defense posture around the world. We have changed the size of our military forces in hundreds if not thousands of spots. We have reduced our overall troop numbers from 3.5 million to less than 2.1 million. We have closed bases in this country and elsewhere. We have changed the nature and character of our forces in being.

If we were to take the position that once in place our troops should never be moved without risking our national interest, we would have to increase our troop strength substantially above what it presently is. There is more than one way to protect our national interest.

In World War II, of course, our presence around the world reached a peak. No one argued we should not maintain that presence. There have been arguments in this body about whether or not we ought to draw down our strength in Europe for one reason or another. We have drawn it down at times and built it back up at times. It is constantly changing.

I dispute whether the situation in Panama is so critically different from other places where we have changed our defense posture to require that forever after, from now on, we must have "x" number of bases in Panama, occupied by "x" number of troops. I just do not think that our military capability is that inflexible.

Mr. LAXALT. I did not mean to indicate that at all. I know that our military policy must necessarily be flexible for the reasons the Senator mentioned. But the Senator in a clear statement indicated that there is a conflict of opinion among respected military authorities in this country concerning the strategic and security importance of this canal. That being the case, I think to that extent it is unique. It is unlike the closing of a base here in this country and perhaps some adjustments in our NATO position.

Mr. MUSKIE. I think it would be more unique to find a situation where there was not disagreement.

Mr. LAXALT. I think that is possibly correct.

Mr. MUSKIE. We can look at Korea, situations in Panama, and Europe. There is disagreement among the military minds in every one of those areas. Does that mean we are never to make the change because we cannot obtain unanimity from all those involved in the Armed Forces who are holding office today or are retired? Somehow or other we have to make a judgment.

Mr. LAXALT. Precisely. My only concern is this: If we have a conflict of opinion here concerning the strategic importance of this canal, and if our continued military presence would be beneficial to hemispheric security and our own, we should far better be on the side of caution in this whole situation. I personally am of the belief that this is a vital, strategic waterway and asset. I base that not on my own opinion, being wholly inexpert, but from listening to people who are expert, I firmly believe that the Panama Canal is a vital, strategic asset. We should control it and operate it, and after the year 2000 we should have a continuing military presence there. That is the only point I make.

Mr. MUSKIE. Let me make one further point. Admiral Holloway, who is the present Chief of Naval Operations and whose military judgment I would guess is valuable whether or not one agrees with him, had this to say in testimony before the Senate Armed Services Committee:

> If I can give my view which I think is representative of the Chiefs, we had two choices: One essentially was no new treaties, which could cause us to withdraw from the canal in the next 5 years under adverse conditions, or we could, with new treaties, provide for the future security of the canal. Mr. Chairman, I would like to make one point; I think that there was no member of the Joint Chiefs of Staff with a stronger conviction than myself of the national need for the use of the canal or our defense purposes in the future, and I was seeking the best solution to give us the highest assurance that we would be able to use the canal in the future.

It is for those reasons that Admiral Holloway supports these treaties, because he thinks they are consistent with the security interests of our country.

The Joint Chiefs of Staff, in an unclassified statement on the Panama Canal have stated:

> In a hostile environment, even under the current treaties, continuous operation of the canal cannot be guaranteed.

I understand the Senator is stating his opinion and the opinion of those experts in whom, presumably, he has greater confidence than he has in the present Joint Chiefs, which includes Admiral Holloway. Well, we cannot choose between black and white. We concede that all the Chiefs are qualified, all of them have a legitimate point of view. But those who now bear the responsibility in office, I submit, have to face the consequences of a wrong judgment more clearly than those whose responsibilities have been left behind. It is one thing to have a judgment on a matter this serious when one has the responsibility of decision; it is another if one develops an opinion on the sidelines. However valid and outstanding the experience, the immediacy of the decisionmaking responsibility is what I look to.

I might have preferred to have a General Pershing make this judgment, but he is not in office now. I might have preferred to have a General Eisenhower's opinion, but he is not in office now, or a General Marshall's, but he is not in office now. The people in office now are the Joint Chiefs of Staff, of whom Admiral Holloway is one, and they are in agreement that these treaties serve the defense interest of our country.

I yield to my good friend from Illinois.

Mr. PERCY. I would like to thank our distinguished colleague from Nevada for raising an extraordinarily important point, one that bothers a great many people; there is no question about that. It behooves us to try to answer those and look ahead.

The Senator from Illinois feels that there are economic, political, and military reasons for the use of the canal, and that is what we are really concerned about. We are not interested in just a piece of jungle property. We are interested in continued use of that canal, which is in the national security interests of the United States. How can we best insure that?

It would seem to the Senator from Illinois that, first of all, from an economic standpoint, we have to create a climate through new treaties that will give an economic advantage to Panama to want to continue to put whatever its presence can put behind the continued use of the canal behind that effort. Economically, these treaties, without any question, are now favorable enough to Panama to create a true partnership. They feel that economically, though they would like to have had even more revenue from it—and I think they are concerned about whether or not, by the year 2000, it is going to be a really viable, paying operation. We warned General Torrijos many times when there that the cost of maintaining it is going to go up every single year to keep it absolutely in top-flight shape and they should not overestimate the potential revenue they expect to get from it.

Certainly, their economic interests will be way ahead under these treaties as against the old treaties, when they have no real economic stake whatsoever. For the rights we enjoy there, $2.3 million is almost laughable. No one could defend that today in the light of the circumstances as we see them.

I would think, also, from a military standpoint, we are in a much better position if they have an economic interest and from a political standpoint, we are stronger if they have an economic interest, because politically, a government would be stronger if it protects that source of revenue coming to it, which would be an important source of revenue.

Therefore, politically, they would want to be with us. But there is nothing, as I see it, under the new treaties that would prevent Panama, when the year 2000 comes, and if they have been overly ambitious in feeling that they could be prepared at that stage to protect the canal militarily and unilaterally, from saying to the United States, "We would like you to continue your presence here."

The difference would be that we would continue at the invitation of the Government, as we are in some places around the world, rather than by a treaty that they feel is grossly unfair and which they did not even sign in 1903. But there is nothing that would prevent their looking at their obligations after the year 2000 and saying to the United States, "Our partnership is a viable and a good one. You have fulfilled your end of the bargain, we have fulfilled our end of the bargain. We think it is better for you to stay at our invitation, if you would be willing to do so, and keep your presence here."

Maybe we would not build anything on those bases, or, if we did leave them, we could make it very easily possible for us to go back if it were in our joint partnership interest for us to do so. That is what we are trying to do, establish a relationship with Panama that is honorable, that is decent, and that is viable and advantageous for both parties. That is why, in the private sector, hundreds of thousands, millions of transactions are entered into, generally speaking, and held to because they are viable and fair and justifiable for both parties. Today, so many of us in the United States, and virtually everyone in the world, admits the 1903 treaty is not fair, viable, or just to the Panamanians as it now stands, and it has to be changed.

Finally, I think we can go to the military authority, and I would say that Gen. Louis Wilson, Commandant of the Marine Corps, when he testified, was saying what he earnestly and honestly believes is militarily viable. He said:

> I do not believe, however, that successful defense of the canal is dependent upon continued United States military presence in Panama. With the capability of the Navy and the Marine Corps to provide an amphibious task force to steam within a few miles of either end of the canal, a meaningful United States presence, for all practical purposes, is assured.

I shall be very happy to yield to my distinguished colleague from Nevada, who raised this very good issue. I think it has been satisfactorily answered by our political judgment as well as our economic and military judgment.

Mr. LAXALT. Unfortunately, not to the satisfaction of the Senator from Nevada. The whole argument that has been posed here and, I think, the essence of the remarks by the general would indicate that this presupposes a continuing harmonious relationship with the country of Panama. Obviously, if we have no difficulties with Panama in the ensuing years and the year 2000, in all probability, they would and should, at least, invite us to be there to help protect the canal. That is not the source of concern of the Senator from Nevada and many of my colleagues on this side of the aisle. My problem stems from the fact that it may well be that we do not get along all that well with our respective partners. Partnerships have been known not to flourish in all circumstances between individuals as well as between nations.

It has been explained by Senator STENNIS here that on economic arrangements alone, Armed Services has defined, and Senator MUSKIE would know this as chairman of the Budget Committee, within the financial areas alone, there are about seven major areas that are sources of future discontent and serious disagreement with Panama, separate and aside from all the other political considerations.

Where are we in the year 2000, without any military presence, in the event we have difficulty with the Panamanians? That is the source of concern. Where is our protection? I cannot help but believe that our interests and the interests of this country and the interests of the hemisphere would be better protected if we had a continuing military presence within the zone itself, without having to rely upon amphibious help from the outside.

That is the source of concern that I have, I say to Senator PERCY.

Mr. PERCY. This is simply a value judgment that we all have to come to. I think certainly the Senator from Illinois has concluded this: If we reject, out of hand, these treaties or impose conditions upon Panamanians that they themselves reject and find unacceptable, we are guaranteeing an atmosphere of hos-

tility and bitterness and nothing but trouble ahead.

Furthermore, the moral force of literally the entire world would be with Panama. We would be isolated.

We would be isolated. It is the United States against the whole world.

Now, maybe we feel we can slug it out with the rest of the world. Maybe we can defy the rest of the world. Maybe we can continue to look like hypocrites in the colonization of this particular area and our refusal to move along in accordance with what so many of us feel is uncharacteristic of America's greatness and lacking confidence in our ability to work out a relationship with a small country that is honorable, decent, and just.

I think, therefore, we move into a known area of hostility, into an area where, I would admit to my distinguished colleague from Nevada, we have no guarantees, any more than we can guarantee that the contract estimates that will be signed between the miners and the operators in the coal situation will guarantee harmony and peace in years ahead.

But what we can do is try to create conditions which will appear to make both parties probably satisfied and insure that we have established a new basis for moving ahead, rather than knowing we are creating a condition of hostility that could lead to nothing but trouble in the future and would jeopardize the use of the canal by the 70 nations, including the United States, that now enjoy the use of it and want to continue enjoying the use of it in the future.

Mr. MUSKIE. I might say in response to my good friend from Nevada, whom I know is motivated entirely in the debate by his real concerns, so I would like to engage in the discussion; that if what one looks for at the point of deciding whether or not to enter into a treaty arrangement with another country is: the absence of ambiguity, the assurance of future friendship and not hostility, the stable relationship from now on into the inevitable future, we are not ever going to enter into a treaty arrangement.

For instance, our enemies of World War II—Japan, Germany, and Italy—are our staunchest allies of today. If we were contemplating treaties with Japan, Italy, and Germany and we are moved by the fear that they might become hostile again in the way they were in World War II, I suppose we would not enter into any agreements with them.

As for ambiguities in written documents, whether they are constitutions, or treaties, or legislation, or private contracts between parties, ambiguities are almost unavoidable.

Mr. LAXALT. The Senator must be——

Mr. MUSKIE. If the treaties become a rationale for a confrontation and hostility, there is not much we can do about it. But if we enter into the treaty hoping to establish an amicable relationship, a healthy relationship, then presumably we have set the basis for an amicable resolution of ambiguities.

It is impossible to anticipate everything that may arise. In the budget process, I find it almost impossible to anticipate what will happen next year in the terms of programs, demands on the Federal Treasury, and so on. It is a very difficult thing to do.

So we try to anticipate and resolve, or provide a means for resolving, as many ambiguities as we can, knowing full well, human beings being what they are, there will be differences of opinion, unanticipated problems that will have to be dealt with. If by that time our relations have deteriorated to the point where they produce confrontation, we will have to live with that as it comes.

But I share Senator PERCY's view that if we do what I think these treaties do, meet the Panamanians halfway, attempt to establish a new relationship, a healthy relationship, a cooperative relationship, a relationship in which their needs are considered as well as our own, we have laid the basis for a better relationship. And some of these problems can be resolved in that context.

But not all will be resolved today. The Treaty of 1936 did not resolve all of the problems that arose under the 1903 treaty. The 1955 treaty did not resolve all the problems that were known at the time of the 1936 treaty.

So there is no way, I believe, of putting together treaties, or a treaty, that will demonstrably anticipate every conceivable problem that might arise.

Mr. PERCY. If my colleague will permit to observe one thing, the question raised by the Senator from Nevada is how do we know what the situation is going to be 22 years from now? We can sometimes gage the future by the past.

All we do know, if we look back 75 years, despite the fact that since the day the treaty was signed by a Frenchman and the Secretary of State, patriots, by our own testimony here, our own Secretary of State, would find many provisions in that treaty objectionable.

They have objected for 75 years. Only once—only once—did violence break out—in 1964, quickly settled, with the cooperation and support of the Panamanian Government, at which time they sat down to negotiate a new set of treaties that would remove all of those grievances they felt for so many years.

But have those grievances caused Panama to not be a good partner, a fine ally, and good friend of the United States in the meantime? No.

They point with great pride that at times of crisis they always stood with us.

The most critical period in our history, probably, Pearl Harbor, when we were struck on December 7, 1941, they point with pride to the fact that the United States waited from Sunday to Monday to declare war on Japan. Panama called its Parliament together Sunday afternoon and unilaterally declared war on Japan.

Have they proven their friendship through the years? Yes.

Have they failed to uphold their end of the bargain, even though grossly unfair as negotiated against them? They have lived up to their end of it.

Why then, when we now have a set of treaties that are looked upon generally as fair, are ratified by a plebiscite by 63 percent of their population, why then would we have reason to question whether they would abide by those treaties and the spirit and terms of them and form a fine partnership with us when they have maintained their end of a very bad bargain for 75 years, and done so with tremendous patience, and then negotiated for 14 years to find a new basis for a treaty?

I think we have to judge the future by the past. That is why history is so helpful as we try to forecast the future.

Let us look back and see if it does not give us what we ask.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. PERCY. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that debate on the amendment by Mr. SCOTT be limited to 30 minutes beginning at 2 o'clock p.m. today, 30 minutes to be equally divided in accordance with the usual form, and that a vote, up or down, occur at the expiration of the 30 minutes on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. LAXALT. May I make this point to the Senator from Illinois? I do not want to interrupt the colloquy he is attempting to have with the Senator from Maine, but what he has said, the observations each Senator makes, underscore my concern, because we have had a situation with the Panamanians, regardless of our differences on the historical origins.

I happen to feel the interests of the Panamanians were well served. We emancipated them from the Colombians, which they had attempted to do for 50 years. We gave them magnificent facilities, a fine source of income, and all the rest of it.

But, be that as it may, what we are being asked to do is, and I mean by "we" the American people are being asked, to give away a facility of great value, indefinite, as the Senators indicated, for the reasons mentioned, and trading what has been a stable, predictable situation, serving everybody well, for one that has every indication of being unstable and unpredictable. I am not willing to make that exchange.

That does not mean, I say to Senator MUSKIE and Senator PERCY, that neither I nor the other Senators here who are opposing these treaties are insensitive to the needs of the Panamanians. Not at all. I have a suspicion that the $2.3 million presently paid is woefully inadequate. It probably is. That does not mean at all that we cannot sit down and negotiate some new and more equitable economic terms.

But the tradeoff that the Senator from Nevada is not willing to make is to trade off a vital, strategic utility and asset to a regime that may not be stable.

We have had evidence on this floor—and it has been deemed irrelevant—that the present Government of Panama may be engaged in drug trafficking, may be corrupt, may be unstable. I do not know

what the answer is to that. I just am not willing to get into these unknown areas.

(Mr. NELSON assumed the chair.)

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LAXALT. I yield.

Mr. MUSKIE. Drug trafficking, if there has been drug trafficking, has taken place under the 1903 treaty. It has not taken place under the new treaties. So if the old treaty has produced this drug trafficking, perhaps that is added reason to support the new treaties, not oppose them. I find it very difficult to understand the argument.

Mr. LAXALT. Let me try to explain it.

Mr. MUSKIE. Second, I say——

Mr. LAXALT. May I explain my concern?

Mr. MUSKIE. Just let me finish.

Mr. LAXALT. This is my view: I have been somewhat disappointed to hear a number of my colleagues tell me that a prospective partner which may be engaged in drug trafficking, which may be corrupt, is irrelevant. To me, it is highly relevant, because the fact is that we are being asked, under the terms of these treaties, to enter into what is tantamount to a partnership situation. Is that correct?

Mr. PERCY. That is correct.

Mr. LAXALT. It seems to me that the stability of our prospective partner is highly relevant. I hope the Senator from Illinois does not share the views of many colleagues I have heard here, to the effect that drug trafficking and perhaps corruption are irrelevant, in terms of a prospective partner. He does not share that view, does he?

Mr. PERCY. The Senator from Illinois does not share that view at all.

Mr. MUSKIE. Drug trafficking takes place in this country. Does that mean that other countries should not enter into treaty arrangements with us because we have drug traffickers? I suspect we have more of it than almost any other country on Earth. Is that a reason to suspend civilized arrangements and negotiations with other countries and not intended to be a moral judgment of those who run that country?

Mr. LAXALT. Precisely. It is a little country of 1.3 million people.

Mr. MUSKIE. If I may finish——

Mr. LAXALT. All right.

Mr. MUSKIE. What about the 1903 treaty? If ever a negotiator of a treaty was in a conflict of interest situation, it was Philippe Bunau-Varilla. If the "unclean hands" doctrine which the Senator is espousing here is a reason for the United States not to enter into a treaty with the Republic of Panama until somebody else heads that country. then is it not reason to abrogate the 1903 treaty? We benefited from the fact that Panama's representative in 1903—who was a Frenchman—was demonstrably serving his own financial interests.

Mr. LAXALT. And I think at the same time was serving the interests of the brand-new, little country of Panama.

Mr. MUSKIE. Mr. President, who has the floor? I should like to finish my reply.

Mr. LAXALT. I do not mean to interrupt. Go ahead.

Mr. MUSKIE. The Senator says that because the head of the Government of Panama may be involved in drug trafficking, we should not enter into a treaty—not with him, but with the Republic of Panama. If we apply that standard, then, on the basis of Philippe Bunau-Varilla's connection with the 1903 treaty, we should unilaterally abrogate that treaty. Is it a different standard in 1978 than it was in 1903?

Mr. LAXALT. I think history will reveal, whatever version one wants to accept, that the negotiator for the then spawning country of Panama was authorized to negotiate for that country. When that treaty eventually was negotiated successfully, it was met with great acclaim and acceptance within the country of Panama. In addition, the terms of the treaty were ratified by not only the Federal but also the local governments in Panama.

So I do not think that the situations truly are comparable.

My only concern is this, without beating the point to death: It seems to me that whether or not a small country which is ruled by an admitted dictator may be engaged in drug trafficking—I think Senator BAYH, to his great credit, conceded that, and conceded the fact that members of Torrijos' family and close associates are engaged in that trafficking; conceded, further, that the general himself is aware of it and has not done much about it—is of great relevance in determining whether or not we should enter into this treaty.

To me, it is just basic, in an effort to try to determine if you enter into a partnership concerning a valued facility, the Panama Canal, as to whether that government is stable. To me, it is just basic.

Mr. MUSKIE. The Senator says that the treaty was hailed in Panama. I do not think the basic facts and the history of that negotiation are in dispute, notwithstanding what the Senator has said.

Bunau-Varilla was serving his own interests and the interests of the French-owned New Panama Canal Company, which at that time held the French rights, long since abandoned, as a practical matter—they had given up the challenge of building a canal—and he was a stockholder in it. He was not a Panamanian.

Second, while the Panamanian delegates were en route from New York to Washington on the train, to participate in this negotiation, Bunau-Varilla, fearful that they might tie his hands in ways he did not want them tied, and Secretary of State Hay hastily signed one of Bunau-Varilla's two treaty versions.

Here is a description of that treaty, written by Dennison Kitchell, the author of the book "The Truth About the Panama Canal." He is opposed to these treaties. The book has forewords by Senator GOLDWATER and Representative JOHN RHODES. This is how he described that treaty:

> There never was such a onesided treaty. If it had been written at the conclusion of a war between the United States and Panama and the money payments had run the other way, it would have served as a document of unconditional surrender.

That is on page 57 of Mr. Kitchell's book. That is the description of an opponent of the present treaties. That is his description of the 1903 treaty.

For the Senator to suggest to me that that kind of onesided deal was hailed in Panama at that time, I find that an incredible observation.

Mr. LAXALT. I will provide for the Senator historical references establishing that very fact.

Mr. MUSKIE. I would be glad to read them. I would be glad to know if Bunau-Varilla wrote them.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. LAXALT. I yield.

Mr. PERCY. The Senator from Illinois began a colloquy to question the distinguished chairman of the Budget Committee about the economic impact of the treaty, about an hour or more ago. I have yet to put that question. As the time goes on, I would like to know whether the Senator would permit the Senator from Illinois to respond to two points made by the distinguished Senator from Nevada and then, finally and immediately thereafter, put to my distinguished colleague, the chairman of the Budget Committee, the one question I have on the economic impact of the canal treaties.

Mr. MUSKIE. If I may first, because of the Senator's promise to include some historical references, add a couple of my own, just to make sure that this is documented.

This is from David McCullough's book, "The Path Between the Seas," which was written before these treaties were signed. It makes no reference to the current treaties, but it has been hailed across the country as an outstanding history of the Panama Canal.

First, this description of Philippe Bunau-Varilla on page 387 of the book:

> The newly designated "confidential agent" of the Republic of Panama—a citizen of France who had not laid eyes on Panama for eighteen years—had waited out the birth of the nation in the privacy of his room at the Walforf-Astoria Hotel. On first word of success from Dr. Amador—a leader of the Panamanian revolution—he had cabled an emotional reply hailing the infant republic * * * and like proud fathers he and the banker Lindo had celebrated with a bottle of champagne in the Waldorf dining room.

Now, with respect to the two Panamanian delegates who were en route to Washington to participate in the negotiation of the treaty, this is what the book says on page 395:

> The treaty had only to be ratified by the United States Senate and by the Government of Panama, and Bunau-Varilla was determined to obtain immediate ratification from Panama, before the treaty went to the Senate, a move the three Panamanians absolutely refused to be party to.

Now, those two Panamanians were the official delegates, and if the rest of their countrymen hailed this treaty, these delegates from Panama surely did not.

Now, I yield to my good friend from Illinois.

Mr. PERCY. Before I put the question I originally intended to sometime ago, I would first like to say again that the Senator from Nevada is performing an invaluable service to this country and to

this deliberative body. I think the questions he has continuously raised are the very questions in the minds of our constituents that for 10 days I listened to from one end of Illinois to the other, and if he had not performed the great service of asking those questions here and requiring those who have somewhat different views to answer them and respond, we would not have had a proper deliberation on this matter and it would have been, I think, an unsatisfactory exercise.

From the standpoint of, if I could just comment quickly, on the way the treaties came into being, because we spent a great deal of time on that in the Committee on Foreign Relations looking at the history and studying that and, second, on the drug aspect of it, a brief comment, the Foreign Relations Committee report clearly indicates the history of what really happened, part of which is repetitious, but I think it is worth repeating.

The treaty, which still governs the U.S. control over the Panama Canal, was negotiated for Panama by a French citizen who had not been in Panama for 18 years. The treaty was signed in the evening of November 18, 1903, only 15 days after the uprising, before any native Panamanian had a chance to read it; in fact, the Panamanian negotiating team was on its way to Washington when the treaty was signed. They arrived two hours after Hay and Bunau-Varilla had officially signed the pact. Shortly afterward, Bunau-Varilla resigned his Panamanian diplomatic post and returned to his native France.

If I recall correctly, when he returned to Paris he proudly proclaimed, "I have served France well." He did not say anything about Panama at all. He had $40 million, they had $10 million. He obviously had served Panama well.

Mr. MUSKIE. France well.

Mr. PERCY. France well.

A Panamanian documentary concerning these events, filed in the 1970s was succinctly entitled, "The Treaty That No Panamanian Signed."

When Panama considered rejecting this treaty, they were informed that if they did, the U.S. would withdraw its naval support and allow the Colombians to suppress the new revolutionary government. In addition, the U.S. always retained the implicit option of the Nicaraguan route. Under these conditions, Panama's provisional government junta ratified the treaty on December 2, 1903.

Now, certainly from the standpoint of drugs, I am extremely sympathetic with the concerns of our distinguished colleague from Nevada, as is my distinguished colleague from Maine.

For how long did we work together in the Governmental Affairs Committee to finally reorganize the Federal Government in such a way as to raise the drug abuse problem to the highest possible level? In the Governmental Affairs Committee we created, put in legislation to create, a Drug Abuse Office in the White House itself with the Director reporting directly to the President of the United States.

We created DEA, Drug Enforcement Administration, in the Department of Justice, now headed by Director Peter Bensinger, with 5,000 employees to go to work with the Department of Justice, and using all of their facilities, the FBI access and availability, Customs and everything else, to really make a massive effort.

Now, the testimony we have from that Department is that they have had good relationships in recent years with Panama despite the tremendous hostility and the atmosphere of unhappiness in Panama about their economic relationship with us and the political relationship on the Panama Canal itself.

Despite that hostility and unhappiness they have been cooperative. They have made arrests. We have worked jointly together with them, and we have had essentially cooperation, with the one instance that could be pointed out of the call that was made by the American Ambassador to General Torrijos, which is subject to a good deal of interpretation and question as to what the intention and purpose of that call was and what action flowed as a result of it. But that is one single instance.

Our present concern is simply that we create an atmosphere of cordiality, a partnership and, from the drug abuse standpoint, I should think if we approve treaties that will be satisfactory to both countries in the drug area our relationships should be even closer than they have been in recent years. There would be every incentive; whereas, if we reject out of hand and cast aside 14 years' work, and send our negotiators back to the bargaining table—and I doubt that they would ever get around a table again, the feeling of hostility would be so great—I cannot imagine that our drug abuse program would be enhanced by that.

We have had trouble in the past with other countries. We had trouble with France, a longtime ally of this country. The "French connection" was the route through which drugs poured into this country, and it was our American Ambassador who spent most of his time on this problem, Ambassador Arthur Watson, who finally convinced the French to really crack down and work on this, and in tandem and in partnership we resolved it.

We have problems in Mexico. We have tried to work those out with the Mexican Government, but we have not refused to do business with them, to enter into treaties. We just ratified a treaty with them on prisoner exchange, and we have done so even though our relationship in drugs is subject to improvement.

I think there could be nothing but improvement in the area of working with Panama if we work out a satisfactory arrangement that will guarantee a satisfactory, mutually advantageous partnership for the future.

If I may just put the one question the Senator from Illinois was concerned about to our chairman of the Budget Committee: The Senator from Illinois is concerned about the cost element. The Senator from Illinois is concerned about it because it appears as though the impression was left when this matter first became an area for public debate that there would be no cost to the taxpayer as a result of these new treaties.

Yet now our distinguished colleague has put together the best figures he could in the Budget Committee of the Senate, with the assistance and support and help of other agencies of the executive branch of Government, and as the Senator from Illinois understands it, although the estimates are subject to refinement as time goes on, the cost is roughly $700 million.

Now, what is not clear is that the original assertions made by the administration are still correct, that nothing is to be paid out of the U.S. Treasury and out of taxpayers' money as payments to the Government of Panama. These are costs involved in the whole process, over the life of the Canal Treaty, of implementing the two treaties that are before this body for ratification. About $700 million, as I understand it, is about the best estimate that the chairman of the Budget Committee can come up with at this time; is that correct?

Mr. MUSKIE. That is correct. Let me make it clear that this estimate reflects the budget impact of the changing U.S. role in Panama. I put a table in the RECORD detailing the budget impact.

Mr. PERCY. Right.

Mr. MUSKIE. Payments to Panama are not truly a cost; it is a redistribution of the revenues of the canal. I think it is that to which the President made reference in his statement. He definitely had the payments to Panama in mind when the statement was made on February 1.

The rest of the payments, which have budgetary impact, concern the changing role of the United States with relation to Panama, the reduction of the military role and eventually the pulling out of our defense installations in Panama, the retirement benefits for employees as they shift from Panama Canal Company employment to Panamanian employment, early retirement for those who wish early retirement, and the assumption of certain obligations for schools and hospitals. It is that sort of thing, related to the changing role of the United States, rather than any benefits that go to the Republic of Panama, that are reflected in the rest of these costs.

This budget impact, the total to which the Senator refers, includes two types of requirements. There are the annual requirements. That is the big chunk, looked at cumulatively over the next 21 years.

The smaller, one-time requirements include relocation of defense installations, transfer of health facilities and functions to DOD, transfer to the Panamanian social security system of retirement benefits of Panama Canal employees. Those are one-time costs added to the annual requirements.

Now, the contingent liabilities that are not included are the $40 million drawing rights and the continuance of the privilege given to the present Panama Canal Company. Those figures do not include any value set on the property.

Mr. PERCY. If the distinguished Senator, on the cost figures, would permit me to ask a few questions that I think can legitimately be raised now——

Mr. LAXALT. Mr. President, will the Senator yield for one question? Senator MUSKIE, in reconciling these figures, what liaison was there with the Armed Services Committee and their figures, given on this floor the other day by Senator STENNIS? As I recall, he came up with a

gross figure of $2 billion, and this would be substantially less.

Mr. MUSKIE. First of all, we, of course, have had access to and have studied the figures of the Armed Services Committee. They have had ready access to ours. The two professional staffs have a very good working relationship on this and other national security issues. I have watched the relationship grow over the last 2½ years.

First, the difference between the Armed Services' $1,023 million and our "about $700 million" results from Armed Services assuming a 22-year factor for the fiscal years 1979–99 life of the Panama Canal Treaty. We assume 21 years.

Second, the contingent payment to Panama, this $10 million a year, was considered by the Armed Services Committee as a commitment which we would have to pay until the year 2000. We did not treat it as such.

That is the biggest item that separates the two figures. There are other minor ones that I would be glad to identify, but that is the biggest one.

Mr. PERCY. As I understand the analysis made by the Budget Committee professional staff, I think it was a very good thing that they did go ahead and do this, because during the Lincoln Day recess, I found a great deal of confusion on the part of many of my constituents, and I sympathize with their confusion, because the administration has said that payments to Panama would come from tolls alone, and therefore many people concluded that the entire turnover of the canal would be cost-free. Charges were made that the administration, in a sense, was trying to pull the wool over someone's eyes.

Mr. LAXALT. Will the Senator yield?

Mr. PERCY. There was a feeling that there was deliberate underplaying of the costs involved. I am sure that has not been the intention of the administration, but there has been some misunderstanding. I think we are now in general concurrence with the administration on what these costs would be, and I would like to recapitulate what some of those costs are.

Mr. LAXALT. Mr. President, will the Senator yield?

Mr. PERCY. Yes.

Mr. LAXALT. Was there not misunderstanding throughout the country about there being no taxpayer expenditures involved, created by the statement of the President himself in his fireside chat that there would be no taxpayer costs involved in the implementation of these treaties?

Mr. PERCY. After going over that speech, I would have felt it would have been better if the costs had been laid out at that time, clearly indicating what still is true, that not a penny goes from the U.S. Treasury to Panama. They only get money paid out of toll revenues.

Mr. LAXALT. I understand that, but——

Mr. PERCY. But it would have been better at that time to have clearly indicated that there are certain costs involved, the details of which I will summarize to be certain that we are working from the same base; but in my judgment it would have been better at the time to have enunciated that, rather than have people discover later that additional costs will have to come from the Treasury.

It is the purpose of the Senator from Illinois to point out that he, for one, accepted the fact that those have to be charges to the Treasury. I do not want to see the American taxpayer pay those costs, and I would like to now see if we cannot think through the operation of the canal as a business for the next 22 years, considering these as liquidation costs, and see how close we can come to covering all the costs, so that the implications given to the American people that it will not cost a penny out of the Treasury can be somehow fulfilled; and I would like to try to work that out with the chairman of the Budget Committee.

Mr. LAXALT. That impression was created by the President in his fireside chat. I do not think it was intentional, but the impression was created by the President, through that fireside chat, that there will be no costs from taxpayer funds. I know, from the text of the President's fireside chat, that he was talking about payments going to Panama directly; I am aware of that.

Mr. MUSKIE. All of us as politicians have had the experience of having a statement we made misinterpreted, and then the misinterpretation given credence, whether from good motives or bad, to the point that we do not recognize our own statements.

Getting back to what the President said in his speech, what did he say in two one-sentence paragraphs? He told the American people on February 1:

Are we paying Panama to take the canal? We are not.

Under the new treaty, any payments to Panama will come from tolls paid by ships which use the canal.

Both of those paragraphs are absolutely accurate. He did not say anything which implied to anybody who reads the statement that the change in the role of the United States would involve no costs to the taxpayer. He made no such statement. He did not raise the subject.

Mr. PERCY. Will the Senator yield?

Mr. MUSKIE. To conclude what I have been saying—

Mr. PERCY. He raised the subject, though.

Mr. MUSKIE. No, he did not.

Mr. PERCY. Would it not have been somewhat better——

Mr. MUSKIE. He did not; I beg your pardon, Senator. I will reread the language.

He was responding here to a criticism that had already originated from the opponents. He put the question:

Are we paying Panama to take the canal?

His answer:

We are not.

Second, there is the following implied question:

Who is paying Panama?

In response to that implied question, the President said:

Under the new treaty, any payments to Panama will come from tolls from ships which use the canal.

Those are two accurate statements. My colleagues say he should have asked another question and answered it, that he should have asked the question:

Will implementation of the treaty in terms of the change of United States' role involve a cost?

Well, he did not ask that question and he did not answer it. But to conclude from the fact that he did not ask or answer it that he deliberately misled the country into believing there were no such costs, in view of the fact that everybody in this Congress who has had the experience of a base closing in a State knows that there are costs involved, raises the question, Why would the President try to deliberately mislead the country on that point?

And I would like to add this: Anybody who reads that 1903 treaty and the rights that were granted to the United State knows that the United States was given the authority to shape its own role in Panama.

It decided how big a military establishment to have in the Canal Zone. It decided how many military bases to build. It decided how many troops to station there. It decided how many Americans to hire rather than Panamanians. Those decisions the United States made.

When these treaties require that the United States change the magnitude and the nature of its role in Panama, there are costs. But who triggered the costs? We did. Are they to be, therefore, imposed as a responsibility upon the Republic of Panama morally, ethically, or in anyway whatsoever? I do not believe so.

The President wanted to make clear with that speech that we were not paying the Republic of Panama to take over the canal. He was not saying that there would be no costs associated with pulling back our troop commitment, pulling back our military equipment changing management of the canal. He did not say that.

In the absence of a discussion of that subject it may to some, imply that he was. But it does not to me. That is all I can say.

Mr. PERCY. Would the Senator agree that now that we have determined there is cost involved, that we certainly have determined that one large component of the cost is $275 million for the civil service retirement system for early retirement of the canal employees, which would be $90.2 million per year, and $100 million per year in annual interest cost to the U.S. Treasury? The administration at least presently intends to recommend that this annual interest payment not be continued. I therefore feel that a loss of revenue is a cost. If we total all this up, it is about $700 million. It is a cost over some 21 years.

Would it be desirable for us to try now to work together to find a way to minimize that cost, reduce it, and, if possible, even have no cost to the U.S. Treasury and the U.S. taxpayer, if it is at all feasible or at all possible under the terms of these treaties?

Mr. MUSKIE. May I point out to the Senator, as I said earlier in my remarks,

that the United States did not charge the Panama Canal Company any interest on its investment until the 1950's, and it did not do so because it had made the policy decision to subsidize the tolls paid by not charging interest. As a matter of fact, a minor increase on the order of 3 percent in toll revenues would long ago have retired that investment so there would be no interest charged today.

Why did the Government decide to charge interest in the 1950's? Because the Korean war had so increased traffic in the canal that it was beginning to produce a profit, and it had been U.S. policy not to run the canal for profit. But as long as profit was being made, we decided to tap it in the form of a $20 million annual interest payment. That is the reason interest was charged, and that is why now there are some who think that as revenues foregone in the next 21 years they represent a cost to us. But we did not charge it for 40 years. We charged it only as a way to trade off profits. Now they want to take it out of Panama's hide, I take it, by listing it as a cost for which they are responsible.

I find it very hard to buy that argument, frankly. What I really am persuaded by most of all is we could have very easily, in 1914, decided to charge tolls that would recover for us our investment and we did not do so. The traffic would have borne it. The debt would have been retired. We would not have had to charge anybody any interest on it. But we did not do it because it was our poli:y, and it has been our policy ever since, to run the canal on a nonprofit basis so that our benefits from it would come to us in terms of commercial benefits, business benefits, trade benetfis, military benefits. So we, as a government, decided to forgo recovery of the investment and recovery of interest on the investment. Now we begin, for our own reasons, to demand an accounting.

Mr. PERCY. If the Senator from Maine will yield——

Mr. MUSKIE. I know what the Senator is getting at. I wanted to complete my answer.

Mr. PERCY. The Senator from Maine has put his finger on the very point the Senator from Illinois wishes to raise. That is, I propose here and now we begin the process of changing our policy. Our policy was adopted back in the fifties to start charging interest. But still we, in a sense, subsidized every shipment that went through.

If we look at the inflationary increases in cost in every other segment of the world economy from 1914, when we began the first passage through the canal, and now, probably the biggest bargain the world has ever seen was transit through the Panama Canal. We have continued to subsidize every single shipment that went through there.

Now it is different. Now we know if the treaties are ratified and we move into this new partnership we not only have increased revenues expected by Panama that hopefully can be earned to keep a good partnership, but also we have liquidation costs of our own that we never had before.

The Senator from Illinois, now putting on a business hat, which is a hat he has had on most of his life, now says with notification to the world that it is time we look realistically at this and start to recover some of those costs we are going to bear. They are either going to come out of the taxpayer and out of the U.S. Treasury, $700 million in the next 22 years, or they are going to be paid for by the shippers.

The feeling of the Senator from Illinois is that Panama, when it takes over the canal in the year 2000, will maximize revenue. They want that revenue. They desperately need that revenue. They will go the route of maximizing revenue.

As we warned General Torrijos, there is a ceiling. We know there is a ceiling that they cannot go above, because they start to lose that revenue as they start to lose tonnage. Certainly, we are not at that tonnage yet. We are not in the business of finding a way to recover through the Treasury Department and the taxpayers of this country the reasonable costs.

I would simply refer to these studies that we made in the Foreign Relations Committee on Panama Canal rates opposed to Suez Canal rates. These are well-known to the distinguished chairman of the Budget Committee. I know he must have in mind that we ought to take a look at those and see what the traffic will bear, what is a fair and reasonable charge in view of all of these new costs that have now been heaped upon the U.S. Government for the next 22 years.

Current toll rates for Panama are $1.29 per Panama Canal ton for laden ships; $1.03 for ships transited in ballast. In contrast, the Suez Canal toll rates are $1.61 for vessel drawing rights and $1.98 for a Suez Canal ton generally equivalent to 1 bct for bulk cargo and tankers, $1.77 for sdr, the equivalent of $2.17 per ton for general cargo.

Now, what a bargain the Panama Canal is as against what comparable waterways are charging. In fact, it is the lowest cost available. We know ourselves that in the inland waterway system, we are working toward a user's fee and we cannot go sky high, because you start limiting. There are alternate sources that you can use and alternate routes you can use.

Mr. LAXALT. Will the Senator yield?

Mr. PERCY. The Senator from Illinois is proposing now that we take a very careful look at it and have the chairman of the Budget Committee put on his Budget Committee hat, looking for revenue and trying to find new sources of revenue, looking toward what I hope are new sources of revenue, so we can have a balanced budget. Here is a source of revenue we have now to look at to at least make certain we cover costs. We are not talking about making a profit. We are not going to make a profit, ever, on the Panama Canal, but we can try to cover logically the costs that we have outlined.

Mr. LAXALT. Will the Senator yield?

Mr. PERCY. There are options open to Congress as to how we handle these costs.

I am happy to yield to my distinguished colleague from Nevada.

Mr. LAXALT. On this point, is it not true that Ambassador Linowitz has made representations to the effect that substantial increases in tolls are already being anticipated, up to a $2 level? Or is that purely unauthoritative?

Mr. SARBANES. Will the Senator yield to me to answer that?

Mr. PERCY. Yes.

Mr. SARBANES. I say with respect to the figure the Senator from Nevada quoted, that he is correct when he characterizes it as unauthoritative. The figure used in the Linowitz testimony was a 25 to 35 percent range. There have since been studies done and testimony given, in part by Governor Parfitt, the Governor of the Canal Zone Government and the head of the Panama Canal Co. Governor Parfitt says that, without the treaties, by the year 2000, the tolls will increase a total of 95 percent. That is recognizing inflation, increased costs, and so forth, and is the expected increase in tolls without the treaties.

With the treaties, the tolls, by the year 2000, Governor Parfitt estimated will increase by 115 percent. So the increase required by the treaties in order to produce the revenues for the payments to Panama provided for by the treaties is an additional 20 percent—20 percent in the tolls. That is the difference, according to that testimony, in order to carry out the treaties as contracted with the situation without the treaties.

Of course, what the treaties do is give Panama very deep and abiding interest in making this canal work and work efficiently and effectively as an open international waterway because they get a real stake in the operations of the Panama Canal. Now, that 20-percent figure for full increase, is an eminently reasonable figure. It does assume that this interest payment that the Senator from Maine is referring to will not be required out of full revenues. If you add in that interest payment, then you have to change your percentage figures as to projected toll increase. But I think it is reasonable that the interest payment ought not to be a charge on toll revenues. ought not to be built into the toll base. because you have to balance a toll structure that produces the revenues needed to make the payment required by the treaty and a toll structure that accommodates our commercial interests, including the interests of the shipping community.

We had testimony before the Foreign Relations Committee from representatives of the American merchant shipping industry in support of the treaties, but experiencing some concern about the toll structure. They, in particular, were concerned that this interest payment—which, as the Senator from Maine has pointed out, was never required until the early 1950's—that this interest payment not be built in as part of the toll structure. The straight forward way to set this up is for the toll structure to cover the costs of operating and maintaining the canal and meeting the payments to Panama under the treaty which of course give the Panamanians a strong interest in the effective working of the canal. We ought not to be, at the same time, trying to extract out of the operations of the canal additional revenue

that would flow northward into the United States.

I might point out to the Senator from Illinois, and it is a point that he has been very sensitive about, there is a continuing need to maintain the Panama Canal operation at the highest level possible. Those funds would have to be engendered through the toll structure. Therefore, we ought to have a toll structure that covers the items that really should be covered.

As to the other points made by the Senator from Maine, I particularly welcomed the point he made with respect to the accuracy of the statement made by the President to the Nation. It is a point I had previously made in this debate, that is, the President's statement was accurate with respect to the matters that he covered. He did not cover all matters, but it was not misleading, it was not a deception, as has been charged by some. As the Senator from Maine has pointed out, what has happened is that the President's statement has been mislabeled and misinterpreted to the American people; then that myth feeds upon itself and it becomes part of the folklore of this debate. It ought to be laid to rest.

What the President said was that the payments to Panama which the treaty called for could be met out of the toll structure. That is an eminently correct statement. Under any reasonable analysis of what can be done with the toll structure and the revenues produced, it is eminently correct to say that the payments to Panama can be met out of the toll structure.

The President did not discuss some costs which the Defense Department will incur to relocate some of its facilities. I might point out that we will have facilities that fully meet every need that we can anticipate over the next 22 years. In fact, the Defense Department will concede that some of the consolidation which will take place because of these treaties is consolidation which they regard as desirable in any event as effectively strengthening their ability to carry out their defense mission. Nor did the President discuss the costs associated with early retirement for Americans who have been working in the Canal Zone.

Now, the cost of that package will eventually be determined by the Congress in the course of developing implementing legislation. I frankly, would hope that Congress, in considering that matter, would recognize its responsibility to the people who have committed their lives to developing a career with the Panama Canal Co.

The statement which the Senator from Maine has made today, has made an enormous contribution to this debate, because he has analyzed carefully and thoughtfully and with precision what the economic aspects of these treaties are.

If there is any area in which there has been a smokescreen that has wafted through the land with respect to the provisions of these treaties, it is with respect to the economic provisions. I thank the Senator for laying it out very carefully in terms of what the treaties require, how those costs are to be met. We ought to address that issue in this debate in the careful and rational terms with which he has presented it to the Senate today.

Mr. MUSKIE. I thank my friend from Maryland and appreciate his contribution to an understanding of the toll structure as we envision it. I think that has helped clarify things.

Senator PERCY and I have been involved in trying to get to the Senator's bottom line for quite some time. I shall be delighted to yield to him.

Mr. PERCY. The time has come for me to give a report to the Republican Policy Committee, so I shall have to leave the floor now. But I should like to comment on the point of my distinguished colleague from Maryland on whether or not the President did, by his statement, in any way deceive the American public.

I have heard such statements and I denounce such statements, because I do not think there is any evidence of that whatsoever. My only comment today was that, looking back on this whole matter, it probably would have been just as well if the question had been raised in the President's speech that there would be other costs and our best estimate of the cost would be, if the figure is $700 million, say $700 million, and here is how we intend to meet that.

That is really the whole point of this colloquy, which I should like to continue, possibly, tomorrow and shall advise my distinguished colleague from Maine as to when the Senator from Illinois will take the floor to discuss that very crucial question: How do we intend to meet those costs? I, for one, at this stage, am totally unwilling, despite the State Department position to the contrary, to have the American taxpayer pay those costs. We have 22 years to see that those are recovered in a reasonable way, to the greatest degree we can recover them, from those who use the canal.

(Mr METZENBAUM assumed the chair.)

Mr. PERCY. The Senator from Illinois has a somewhat different constituency interest from that of my distinguished colleague from Maryland.

There are obviously shippers and products coming from Illinois that do use and transit the canal. But we do not have as many ships as would come out of Maryland using the canal and I know the shipping interests there are very keen to have the lowest possible cost.

We are together in not wanting the cost so high that they will go some other route and not wanting them so high we are noncompetitive in world markets.

So it is a question, as to the shipping, of reasonable cost.

The Senator from Illinois has done a good deal of thinking about this, talking with various agencies and departments of Government. When he takes the floor tomorrow, or some subsequent time, he would like to lay out what might be a reasonable program for the future.

But at this stage, I have come to the conclusion we should not accept $700 million as the cost, that we just reach into our pocket, nor do I accept the fact that the foregoing of $20 million of interest income is not a cost now that we know it no longer is coming.

If any individual family enters into, or a worker enters into an agreement to terminate his employment from which he has been getting $10,000 a year, the cost of termination is the loss of that $10,000.

The cost of doing these treaties is $20 million a year because no one ever conceived we would not continue to charge sufficient tolls to cover that $20 million cost which was deposited in the U.S. Treasury each and every year since 1950.

So to the Senator from Illinois, that is a cost out of the pockets of the taxpayers of this country and a cost that we will have to make up somehow by increased revenue that we would put into the budget, chaired by our distinguished Senator from Maine.

When the Senator from Illinois takes the floor tomorrow, I should like to explore further how we can recover those costs so we will minimize the cost to the Treasury and to the taxpayer, and I think also lessen the hostility with the two- to three-vote margin, whatever it is on the floor today. I think it is that close.

The economic issue and the feeling it is going to cost us $700 million might change one or two of our colleagues' minds on this matter. It could be that close.

I want to remove that possibility by trying to think through how we can recover that cost through a very careful, judicious process of pricing the services that we offer, which are invaluable services, but which can be replaced by an alternate routing, if we get too high.

We should have a reasonable cost and a reasonable toll, but one that will maximize our income, and no longer have it the policy of this Government that we shall be making a gift to every shipper that goes through a part of the costs because we do not attempt to recover the costs.

With the new treaties, I think it is only right and wise to try to recover those, and really a favor to Panama, who I think if we did continue to subsidize it would precipitately raise those rates in the year 2000.

I think we can avoid that problem imposed upon them by testing the market, and testing the water in the meantime, to determine what is the right level of increase, gradually facing up to a rate at the year 2000 that could be sustained by Panama when it takes over the canal.

I wish to thank my distinguished colleague from Maine very much, indeed, for the invaluable contribution he has made to the dialog on the Panama Canal Treaty.

Mr. MUSKIE. Mr. President, I thank my friend from Illinois. I will do my best to try to be on the floor when he resumes his discussion.

Mr. SPARKMAN. Will the Senator yield?

Mr. MUSKIE. Yes, to my good friend from Alabama.

Mr. SPARKMAN. Let me say, there appeared in the press sometime ago the statement showing that, as I recall, it would cost us $700 million.

When I saw that, I hoped that that would not be right. I asked Secretary Vance. I gave him the story just as it

appeared in the press, and asked him to comment on it. His comment, in fact, is a letter from him, the Secretary of Defense and the Secretary of the Army. I think every Senator has been supplied with a copy of this.

Mr. President, I ask unanimous consent that a copy of that correspondence may be printed in the RECORD at this time.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., Feb. 10, 1978.

Mr. SPARKMAN,
U.S. Senator.

DEAR SENATOR: As debate begins on the Canal Treaties, questions have arisen about the financial viability of the Canal under the new arrangements and also about financial obligations the United States will incur as a result of the new Treaties. Enclosed are answers to some of the principal questions which have been raised.

In the last analysis, the U.S. security and commercial interests these new Treaties are designed to serve cannot be measured in dollars. Under the past arrangements, the benefits that we have received from the Canal have far outweighed the costs of construction, security and the nominal annuity paid to Panama. We feel the costs associated with U.S. operation of the Canal between now and the year 2000 will be more than offset by the benefits derived from our continued use of the Canal during an orderly and efficient transition to Panamanian management, and from the continued maintenance of U.S. troops and facilities in Panama for the next 22 years.

With best wishes.

Sincerely,

CYRUS VANCE,
Secretary of State.
HAROLD BROWN,
Secretary of Defense.
CLIFFORD L. ALEXANDER, Jr.,
Secretary of the Army.

ATTACHMENT

Question. *Can the Canal really meet its costs on the basis of tolls alone?*

Answer. All the studies relating to the costs of operating the Panama Canal, and to the possibility of increasing Canal tolls, indicate that revenues will meet expenditures, including the payments to be made to Panama under the new Treaties.

Since 1915 toll revenues have risen from $4 million to $165 million in FY 1977. Traffic is projected to increase at an average annual rate of 2.2 percent until the end of the century. The best available studies project revenues as follows:

Canal revenue
[Dollars in millions]

Toll increase [1]	1980	1983
0	$197	$205
25	243	248
30	250	254

[1] In percent.

Various estimates have been made of the Panama Canal Commission's operating costs. An exhaustive study on Panama Canal Commission cost projections has just been prepared by Arthur Anderson and Company for the 1979–1983 period. These projections conclude that Canal costs, including payments to Panama and taking into account inflation, will range between $238 million to $247 million in 1980 and between $237 million and $262 million in 1983.

Our negotiators made their calculations on the basis of a toll increase of 30 percent. Our studies indicate that even larger toll increases could be applied if necessary, to produce additional revenues. While the range of uncertainty increases for the later years of the Treaty period, we believe it is reasonable to expect that the Canal enterprise can meet all its operating costs, including payments to Panama required by the Treaty.

Q. *Won't toll increases mean less traffic and less income?*

A. A study of Canal traffic and revenue forecasts recently completed by International Research Associates concludes that substantial increases in tolls will produce a substantial increase in total income despite some drop-off in traffic. A 30 percent toll increase would generate 27 percent additional revenue in the first year, dropping to a stable 22 percent increase after seven years. A toll increase of 75 percent would increase revenues 58 percent in the first year, dropping to a maximum attainable stable increase of 40 percent after 7 years.

Q. *What about the hidden costs of higher tolls to the American consumers?*

A. A toll increase of 20 to 30 percent over existing levels will have a minimum, if not negligible, impact on our trade and economy. A toll increase of about 30 percent will involve a total transportation cost increase for Canal shipments of less than 1 percent. Users of the Canal would pay only about $50 million more in tolls per year on cargoes that have a value of roughly $50 billion, or one-tenth of 1 percent. Of the $50 million, U.S. business and consumers will be the ultimate payers of only about $15 million. The overall impact will therefore be negligible both in terms of American businesses and the purchasing power of the consumer.

Q. *How can we be sure the Panamanians will maintain the Canal so it can, in fact, stay open?*

A. Under the new Treaties, Panama's self-interest will give that country every incentive to maintain the Canal and operate it as efficiently as possible. Furthermore, over the next 22 years, the United States will be working with Panama toward this end. Pursuant to Treaty provisions, we will establish training programs and provide on-the-job experience at all levels. Under our guidance, Panamanians will increasingly participate in management. Approximately 80 percent of the current work force is Panamanian, and there is every reason to believe that by the year 2000 Panama will be fully capable of operating the Panama Canal.

Q. *Will the Treaties require any appropriated funds?*

A. Payments *to Panama* under the Panama Canal Treaties will be made from Canal revenues, *not tax dollars*. Moreover, all operating expenses of the new entity will be paid from Canal revenues.

Administration spokesmen have testified on several occasions before Congressional Committees that the transition from our present role to our proposed role under the new Treaties would entail some costs in the U.S. budget. One major cost would be relocation of Defense installations, estimated at $43 million for the first three years. Another would be an early retirement program for Canal enterprise and certain other employees. The Canal Treaty provides for an optional early retirement program as an employee security assurance for these employees. The design of the program, however, will be at U.S. discretion. The programs which have been discussed within the Administration range in cost up to $150 million. There will be additional DoD costs resulting from a merger of the Canal Company and DoD activities, and assumption of any non-reimburseable costs for health, education and other support functions. The total appropriation impact over 21 years based on present information is unlikely to be much more than $350 million. None of the appropriated funds for these costs would go to Panama.

Q. *Are there other budgetary implications?*

A. Although not required by the Treaty, the Administration will recommend that the Treasury cease collecting annual interests payments from the Canal Company which have been paid since 1951 and which are currently averaging $18–$20 million. It will be up to Congress to decide whether to accept the Administration's recommendation. The Administration's recommendation is based on the fact that we have always treated the Canal as a public utility, the use of which benefits the country as a whole in peace and war.

A separate economic and military cooperation package of $345 million over five years—all in repayable loans, credits or guarantees—is planned. This package depends on development of programs to meet existing Congressional established criteria. Only about $5 million in appropriated funds would be required to support the repayment guarantees for the military credit program as a reserve fund; none would be paid to Panama.

Q. *What about the contingent $10 million payment? Will we be obigated to pay off on that in the year 2000? Will it be part of the toll base?*

A. The contingent $10 million annuity is payable only if operating revenues produce a surplus over expenditures, which include among others the variable annuity due Panama of $.30 per Canal ton and the fixed annuity of $10 million. The contingent annuity will not be figured in the calculation of the toll base.

If the surplus is insufficient to cover the entire payment of the contingent annuity, the shortfall is carried over to succeeding years. Since payment is contingent on available surpluses, the United States is not obligated to pay off on any accumulated unpaid balance in the year 2000. Panama's negotiators have acknowledged this fact.

Q. *What is the value of property to be transferred to Panama under the terms of the Panama Canal Treaties?*

A. Canal Company and Canal Zone Government property which will be transferred to Panama during the life of the Treaty had a net book value in 1977 of $96 million. The Canal, its related installations and other facilities which will be transferred upon termination of the basic Treaty are expected to have a net book value in the year 2000 of $98 million. Thus the monetary grand total of existing Canal Company and Canal Zone Government property to be transferred to Panama by the terms of the Canal Treaty is $194 million. Panama would also receive capital improvements to the Canal and its facilities made during the Treaty's lifetime which the Canal Company, based on planned capital improvements, currently estimates at $454 million. The true value of the Canal and its related assets, however, cannot be measured in terms of cash investments. The true value to the United States is measured in terms of our ability to continue to use the waterway.

The approximate acquisition and improvement costs as of FY 1978 of military facilities to be turned over to Panama:

	Million
Treaty starting day	$ 27.5
Other facilities to be turned over sometime during the Treaty term	33.5
On termination of the Treaty	291.9
Total cost of military facilities	352.9

Q. *What will be the military relocation costs to meet the requirements of the Treaties? Why should we bear any costs?*

A. Lieutenant General McAuliffe, Commander-in-Chief, United States Southern Command, has made an initial estimate of the costs required for the first three years:

	Million
Relocation of Albrook (east of the runway) AFB facilities	$19.9
Relocations from Ft. Amador	17.4
Relocation of Curundu Antenna Field	5.3
Rehabilitation of postal facilities	.3
Total	$42.9

These are preliminary figures which have not yet been subjected to any budget review process. Some costs are still under study and not available; e.g., those involving the exchange service warehousing complex, costs associated with surveying boundaries, installation of fencing. lights, etc.

The Treaty provides that we will maintain a military force in Panama until the end of the century. With or without the Treaty some relocation would be recommended in the interest of efficiency.

Mr. MUSKIE. Mr. President, let me return to the history of United States-Panamanian relations for it is that history which is at the core of the need for changes today.

With reference to the role of Philippe Bunau-Varilla and the reaction of the Panamanians to the 1903 treaty, I would like to include some observations from another book on the Panama Canal, entitled "The Panama Canal: The Crisis in Historical Perspective," by Prof. Walter LeFeber.

Bunau-Varilla was able to persuade the new Panamanian Government to appoint him as one of their negotiators with the United States in connection with the treaty. However, there were two others appointed at the same time—Dr. Manuel Guerrero Amador and Mr. Federico Boyd—and they were to work together in negotiating a treaty. The new Government of Panama—and I am now reading from Mr. LeFeber's book:

The new Government meanwhile instructed the Frenchman that the negotiations were to be guided by three principles. First, no deals could be made that affected "the sovereignty of Panama, which was free, independent, and sovereign." Second, the United States should pledge to uphold the new nation's "sovereignty, territorial integrity, and public order." That clause would place North American troops, if necessary, between Panama and a vengeful Colombia.

Third, a canal treaty would be drafted, but only after consultation with Amador and Boyd. "You will proceed in everything strictly in agreement with them," the French man was told.

Now, Mr. Bunau-Varilla proceeded to negotiate and concluded the treaty before those instructions arrived and before Amador and Boyd arrived.

How did he do it? Well, he emphasized—and again I am reading:

That time was all-important. If the treaty was not rushed to completion, he argued, a number of events would occur, all of them bad: a restless United States Senate, under Morgan's lashing, might turn back to Nicaragua; Colombia might seduce Panama back into the fold; and isthmian policies might turn chaotic, forcing delays in the talks. Implicitly, but obviously, Bunau-Varilla also wanted to pocket the $40 million for his new Panama Canal Company as quickly as possible. And so he did rush to complete the treaty and to get it signed before Amador and Boyd as co-negotiators arrived.

This is something additional from the book, and I quote:

At 6:40 p.m. on November 18, the treaty was signed by the two men. Amador and Boyd arrived in Washington three hours later. Bunau-Varilla met them at Union Station, showed them the pact, and Amador nearly fainted on the train platform.

If that history suggests to anyone in this Chamber that Bunau-Varilla had full authority, that he was representing Panama and not his own interests and those of the new Panama Canal Treaty, and that he had the approval and support of his co-negotiators from Panama, they simply are not reading the history of that period and of this event.

I read this history so that it may be of use to others.

Incidentally, in Bunau-Varilla's memoirs, published in 1914 by McBride Nast and Company, this is what he said about the dispatch with which he concluded the treaty before Mr. Amador and Mr. Boyd arrived:

As I crossed the threshold a dispatch was handed me from New York. It announced the arrival of the delegates at Washington—

That is, the Panamanian delegates in Washington—

the same evening. They could come, now that everything was accomplished!

Mr. President, I ask unanimous consent that this document be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

PANAMA: THE CREATION, DESTRUCTION, AND RESURRECTION

(By Philippe Bunau-Varilla)

THE HAY-BUNAU-VARILLA TREATY

On the 13th November, 1903, before noon, the Republic of Panama had attained legal status. It could enter freely into a contract.

IMMEDIATE NEGOTIATION OF THE CANAL TREATY

The first intrigue hatched at Panama over the question of the Treaty was partially checked. However, not one minute was to be lost. The coat had been cut. It must be instantly sewn together.

The goal would be reached only when the Canal Treaty was signed. Then I should have to defend it solely against the intrigues of its enemies, I should have no longer to thing of the intrigues of its friends.

The delegation was about to arrive. Its members, in spite of their good-will, were totally ignorant of the difficult conditions of politics at Washington. Its presence could not but be a cause of trouble, and facilitate the cultivation of personal ambitions, of hostile political interests. No possible good could come of it, while many unfavourable chances might result from its presence.

When I left the White House, with Mr. Hay, I communicated to him my ideas of proceding with redoubled activity. Two clouds were rising above the horizon: the Amador mission on its way from Panama, and the Reyes mission in its way from Bogota. To prevent any injurious action on the part of either, it was imperative to make no halt on the road, but to act so that both would be presented, on their respective arrivals, not with arrangements in course of elaboration, which they might defeat, but with definitive and accomplished facts.

Success was more than ever the price of rapidity of movement.

MR. HAY'S PROJECT—I PREPARE ANOTHER IN FOURTEEN HOURS

Two days later, that is, on Sunday, November 15, I reecived from Mr. Hay a note thus worded:

"Most confidential.

"1800 SIXTEENTH STREET,
"Lafayette Square,
"November 15, 1903.

"DEAR MR. MINISTER, I enclose a project of a Treaty. Please return it to me with your suggestions at your earliest convenience.

"JOHN HAY."

It was the Hay-Herran Treaty with significant modifications. The figure, however, of the amount of the indemnity, which was $10,000,000 in the Treaty with Colombia, was left blank.

After devoting my day and my evening thinking of how to focus this diplomatic instrument, I took, from midnight until two o'clock in the morning, a necessary rest.

I then woke completely refreshed and began to examine the numerous shortcomings of the Treaty, and their consequences.

One consideration appeared to me as of paramount importance. If the opposition in the Senate discovered the slightest fissure in the Treaty, it was certain to seize that pretext for refusing the ratification. On the eve of the presidential elections any means would appear justifiable to destroy the work of the Republican Government.

The Republican Party, even supposing it should form an homogeneous block, and not be reduced by the devotion of several Republican Senators to Nicaragua, could dispose of only fifty-seven votes. It was necessary to have sixty, that is, two-thirds of the ninety senatorial votes, in order to secure the majority required by the Constitution for ratifying a treaty presented by the President.

I was thus led to the conclusion that the indispensable condition of success was to draft a new treaty, so well adapted to American exigencies, that it could challenge any criticism in the Senate.

The only things that I resolved to defend were: first, the principle of neutrality of the interoceanic passage; secondly, the rigorous equality and perfect justice in the treatment of all flags, whether American or non-American, from the point of view of the charges and conditions of transit; thirdly, the attribution to Panama of an indemnity equal to that agreed on with Colombia; fourthly, the protection of Panama.

By way of compensation I had decided to extend widely the share of sovereignty attributed to the United States in the Canal Zone by the Hay-Herran Treaty.

After mature thought, I recognized that if I enumerated in succession the various attributes of sovereignty granted, I ran the risk of seeing, in the Senate, some other attributes asked for.

To cut short any possible debate I decided to grant a concession of sovereignty en bloc.

The formula which seemed to me the best one was to grant to the United States in the Canal zone "all the rights, power, and authority which the United States would possess and exercise if it were the Sovereign of the territory; to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, and authority."

When I rose at six o'clock in the morning of Monday, I had in my mind the entire substance of the new treaty. I had requested by wire, my lawyer and friend, the Hon. Frank D. Pavey, to join me on Monday morning at Washington.

A dactylographer was installed in a room near by. I wrote in English successively all the articles of the treaty according to my own conception. Frank Pavey corrected the literary imperfections, polished the formulas, and gave them an irreproachable academic form.

At ten o'clock in the evening I had two finished copies of the new treaty under its final form.

During the day I had quitted by office for a

moment to see the Secretary of State and to inform him of the conception I was working out.

I desired, at the same time, to combat any idea he might have of reducing the amount of the indemnity before agreed upon with Colombia. This intention seemed to result from the fact that the figure had been left in blank on the draft submitted to me.

Mr. Hay said to me that he had no intention of obtaining a reduction of the amount to be paid by the United States.

"Influential Senators had suggested," he added, "that this indemnity should be shared between Panama and Colombia, and I wanted to have your opinion on the subject."

I made strong objections against this proposition. I left Mr. Hay after promising to send him back, the same evening, his draft with my observations, as well as the one I was making on a completely new basis, while declaring myself ready to accept either of them.

In the evening I went to the house of Mr. Hay with the new draft of the treaty.

It was accompanied by the following letter:

"WASHINGTON,
"November 16, 1903.

"DEAR MR. SECRETARY,

"I have been a little too ambitious. I have not yet finished the suggestions, which I propose to submit to you if the frame of the old Hay-Herran Treaty is maintained. I think I shall be able to send them to you at the State Department tomorrow at about 10:30 a.m. I have finished the new draft of a treaty based on the principles which spring out of the situation. You will find it annexed to this letter.

"I take the liberty of repeating that this new form is simply a suggestion to enable you to decide. Your decision will be my pleasure.

"Most respectfully yours,
"P. BUNAU-VARILLA."

When I arrived before the house of the Secretary of State everything was in darkness.

I returned home not wishing to disturb his rest, and the message was delivered early in the morning of the next day (Tuesday, 17th November).

After correcting the suggestions I thought worth while to make to Mr. Hay, if his draft of the treaty was finally adopted, I sent him these documents with the following letter at 10 a.m. the same day (Tuesday):

"DEAR MR. SECRETARY,

"Following my letter of yesterday, which could be delivered to you only this morning, I beg to hand you the enclosed suggestions which I take the liberty of making to you, in case you decide to maintain the frame of the Hay-Herran Treaty.

"If you find justified the spirit which inspired these suggestions I am ready to sign the Treaty either under the form presented to you this morning or under the old form. The old form has the advantage of rendering easier the comparison between the Treaty with Colombia and the Treaty with Panama, and to show the progress made from one to the other. But it has the great disadvantage of bearing the trace of the long diplomatic fight with M. Concha, who never wished to accede anything to one article without withdrawing it in the next one.

"The new form has the advantage of conferring upon the United States in broad and general terms the rights she is entitled to have; rendering it thus unnecessary to enumerate in an infinity of cas particuliers, what right Colombia was generous enough to grant.

"The architecture of the new form bears the trace of the spirit which inspires the convention to-day. It is symmetrical, divided into three logical groups of provisions, and offers infinitely less probability of eventual discussions between the two countries than the old form, which, giving the necessary rights by way of successive enumerations, will always be incomplete.

"I take, Mr. Secretary, the liberty of explaining at length my conception of the subject, but, as I said yesterday, your decision will be my pleasure.

"I am, dear Mr. Secretary, most respectfully yours,

"P. BUNAU-VARILLA."

THE PANAMA DELEGATION REMAINS IN NEW YORK: WHY?

The delegation which had been sent from Panama under the pretence of furnishing me with advice, if I desired it, but in reality to make the treaty themselves, arrived in New York at the very same time that the Department of State received the two final drafts of this diplomatic instrument. It consisted of MM. Amador and Boyd.

With them also was M. Carlos Arosemena, who was coming to occupy the post of Secretary of the Panama Legation at Washington.

He had been one of the first to organise the plot against Colombian tyranny. He was a young man, active and loyal, who became my collaborator and remained my friend.

I sent the delegation a telegram of welcome, apologising for not being able to go and meet them in New York owing to affairs of essential importance for the new Republic.

Its members were probably offended by my absence—though it was my obvious duty to think of the safety of the Republic before everything—and in the afternoon I received this short dispatch:

"M. BUNAU-VARILLA,
"Minister of the Panama Republic,
"Washington.

"We salute you very cordially.

"AMADOR, BOYD."

The delegates did not think it opportune to tell me either their address or the programme of their movements.

The evening papers brought news as to the arrival of the mission. They announced that Mr. Farnham, an employee of Mr. Cromwell, the Company's lawyer, had gone to meet them in the Bay of New York. He had announced to them the arrival of his chief towards midday, by the German steamer coming from France, and had invited them to stay until that moment to confer with him. This obviously was what kept the delegates in New York.

The suspicions which the departure of this mission had generated in my mind were thus being confirmed. Amador was remaining in New York to confer with Mr. Cromwell, instead of coming direct to me to thank me for the enormous services I had rendered him. Less than two months before, he had presented himself to me begging for help, abandoned and in despair, charging Mr. Cromwell with responsibility for the danger in which he and his friends found themselves—danger of discovery and trial for high treason.

This strange fact, if taken in conjunction with the contradictory news as to the object of Amador's mission, enhanced the fears which its arrival inspired in me at the dangerous moment in which we then were.

Later on, however, M. Carlos Arosemena related to me a fact which constituted a partial excuse for Amador.

"It was I," he said, "who advised Amador to answer the pressing request of Cromwell brought by Farnham. I told him that nobody ought to be condemned without a hearing. I added that he should not make an enemy of Cromwell in the delicate situation in which we were placed."

These reasons were certainly just.

But if the thought had not come to Amador that he might find in Cromwell a support for his secret ambitions he would not have listened to them. He would have thought it monstrous, whatever courtesy he might think prudent to show to Cromwell, to reserve his first visit for him and not for me.

On one side was the man who, he had said, had reduced him to such despair that he had announced his resolution of sacrificing his life to avenge his friends upon him.

On the other, was the man who had saved him and his friends, who had wrested his country from tyranny, who had obtained for it the protection of the United States, and who was preparing for it a fabulous prosperity.

The first official act of Amador was to go not to the latter, but to the former.

It is very clear that he never would have resolved to do so had he not had a powerful motive. This motive was evidently to get support, in order himself to negotiate and sign a treaty which would hand his name down to history. For this childish ambition he did not hesitate to jeopardize all the delicate fabric of my work. He did not hesitate for personal satisfaction to endanger the precious mechanism which had already produced such extraordinary results.

This indeed demonstrated that the passions and interests which at Bogota had nearly destroyed the life of the Canal enterprise, existed in the same degree, but under a different form, at Panama.

It was necessary to act rapidly. I had to shield, from the nefarious influence of these passions and of these interests, the realisation of the supreme event, which I had prepared on the previous day.

THE SIGNATURE OF THE HAY-BUNAU-VARILLA TREATY, NOVEMBER 18, 1903

It was with anxiety that I awaited a summons from the Department of State during the day of November 17. It did not come. Mr. Hay made me no sign. Perhaps he was not disposed to conclude the Treaty so rapidly under either the old or the new form. In the evening I decided to act. I wrote to him:

"WASHINGTON,
"November 17, 1903, 10 h. p.m.

"DEAR MR. SECRETARY,

"I have not heard from you to-day, and did not dare to appear to be urging you.

"I cannot refrain from respectfully submitting to you that I would like very much to terminate the negotiation and to sign the Treaty to-morrow.

"I feel the presence of a good deal of intrigues round the coming Commission and people hustling towards them who will find great profit in delaying and palavering and none in going straight to the end.

"I beg, therefore, dear Mr. Secretary, that we should fulfill our plan, as originally laid, to end the negotiations now.

"I am writing to the Commission to stay in New York to-morrow and not to leave before evening. In any case I would be thankful to you to call me to-morrow or to-night if this should be convenient to you.

"Very respectfully yours,
"P. BUNAU-VARILLA."

I immediately received Mr. Hay's answer:

"DEAR MR. MINISTER,

"Please come to-night if you prefer.

"Yours faithfully,
"JOHN HAY.

"Or to-morrow at nine here, if you like it better."

I hastened to go immediately to see Mr. Hay, and we had a long conference together.

The question of the indemnity was anything but settled. The theory of its division with Colombia was strongly supported by certain eminent Senators. Mr. Hay gave me to understand that my views on the subject were not at all certain of success. He congratulated me on the clearness of the formula which I had adopted, but he gave me no hint either as to the moment when the agreement would be reached, or as to the project that

would be chosen, or as to the final question of the indemnity.

We agreed on the question of ensuring the neutrality of the Canal and the perfect equality of tolls for all nations including America, as well as the justice and equity in the fixation of tolls and conditions of transit, without any privilege for the American flag or any other.[1] These principles had been those adopted in the Treaty with Great Britain, the Hay-Pauncefote Treaty of 1901, which referred exclusively on this point to the Convention of Constantinople of 1888 concerning the Suez Canal.

Mr. Hay, as well as myself, desired that that Convention should become, in a permanent way, the directing principle of the operation of the Panama Canal. The simplest formula, the one which we adopted, was to embody the very stipulations of the Hay-Pauncefote Treaty in the Treaty granting the concession of the Canal rights to the United States and thus to make the observation of these stipulations one of the conditions of this grant. This was equivalent to incorporating the Convention of Constantinople into the very title of the Concession of the Panama Canal to the United States, since the Hay-Pauncefote Treaty thus formed merely a bridge between these two International Treaties.

I condensed my impressions as to the necessity of acting rapidly in the following words:

"So long as the delegation has not arrived in Washington, I shall be free to deal with you alone, provided with complete and absolute powers. When they arrive, I shall no longer be alone. In fact, I may perhaps soon no longer be here at all."

On the following morning, I deemed it necessary to restate to Mr. Hay in writing what I had said on the question of an eventual partition of the indemnity between Panama and Colombia.

I was aware that his elevated and straightforward mind could not accept without repugnance a mercantile conception of this order. I was likewise aware that certain leading Senators were energetically in favour of this absurdity.

My desire was to put into Mr. Hay's hands a document which would allow him to say to his contradictors what they ought to hear without his having to take the responsibility for it. I addressed to him the following letter, early on the morrow:

"WEDNESDAY MORNING,
"*November 18, 1903.*

"DEAR MR. SECRETARY,

"Will you allow me to condense the somewhat loosely expressed ideas I submitted to you yesterday on the question of reserving for Colombia against a quit claim a part of the $10,000,000 which are to be paid to the Republic of Panama by the United States?

"This, in my opinion, would create two independent impressions.

"First: Impression on the world in general.

"Any man who pays something that he does not owe is immediately thought to be paying under the pressure of blackmail.

"Any man who pays under the pressure of blackmail is immediately thought to be paying on account of a concealed crime.

"This would be the immediate opinion of the world if the United States is beheld to be declaring at the same time that she had no hand in the Isthmian Revolution, and is therefore under no liability to Colombia for damages, and simultaneously to be paying a heavy sum to get rid of the claim of Colombia.

"The only possible interpretation would be: a public confession of breach of international faith.

"L'Enfer est pavé de bonnes intentions; he who imagined good-heartedly this fine solution is a master in paving the lower regions.

"Second: Impression on Spanish Americans.

"To the demonstration which would result thus from such an action, namely, the admission of the United States to having played a Machiavellian trick upon Colombia, would be added in Spanish American hearts the incurable and bitter resentment of the insulting offer of a little money compensation for a patriotic wrong.

"In a case like this, the rules applicable to treaties of peace after a war would not be justified. In a treaty of peace money questions come in natural order with other conditions. But in this case, when the United States maintains, with perfect justice and absolute propriety, that she has not done anything else but what was her rigorous obligation according to her treaty duties and to the rules of international law; and when immediately afterwards she appears to confess in fact what she denies in theory and offers a lump sum of money to heal the wound and to redress the wrong; she would be adopting an attitude which would be a direct offense to the sentiment of dignity and to the natural pride of all Spanish Americans. It would amount to a slight which would be felt from the frontier of Arizona to the Straits of Magellan.

"No! Really I cannot imagine any move more dangerous and more impolitic than such a one.

"Pallas Athené would be replaced by a female broker of suspicious dealings.

"On reading over the text of the new draft of that treaty I propose two additions in Article VII. . . .

"With these additions the new draft, if you think it satisfactory, should be adopted so as to begin the construction of the Canal with a homogeneous instrument not recalling the 'Erreurs' of Concha.

"Most respectfully yours,

"P. BUNAU-VARILLA."

This letter probably had the desired effect at the luncheon to which on the same day Mr. Hay invited the most influential Republican Senators and at which the question was thoroughly examined.

In the afternoon of the same day, I received from Mr. Hay the following note:

"DEAR MR. MINISTER,

"Will you kindly call at my house at six o'clock to-day?

"Yours sincerely,

"JOHN HAY."

By a singular slip of the pen this letter was dated November 19, instead of November 18.

I arrived at the hour stated at the private residence of Mr. Hay.

Two reporters of great newspapers were mounting guard at the door.

They hurried to me as soon as I left my carriage.

"You are going to sign the Canal Treaty, Mr. Minister," they said.

"You seem to be much better informed than I am," I answered. "Why do you suppose that?"

"Well," said they, laughingly, "if you must know all, Mr. Minister, scarcely five minutes ago the head of the Treaties Bureau at the Department of State entered Mr. Hay's house. Now you arrive. This shows you are to sign the Treaty."

Mr. Hay received me with an unwonted solemnity. He employed repeatedly the word "Excellency" in speaking to me; this he had never done before.

"I have requested you," he said, "to be so good as to keep this appointment in order to sign, if it is agreeable to Your Excellency, the Treaty which will permit the construction of the Interoceanic Canal."

I answered in the same tone:

"I am at the orders of Your Excellency to sign either of the two projects which, in Your Excellency's judgment, appears best adapted to the realisation of that grand work."

"The one that appears best adapted to that end," replied Mr. Hay, "not only to myself, but also to the Senators, who will have to defend it in the Senate, is the one Your Excellency has prepared.

"In its text we have not found it necessary to make the slightest modification, save for an insignificant question of terminology on one single point.

"At Article II instead of the words 'leases in perpetuity' we have preferred to say: 'grants to the United States in perpetuity the use, occupation and control.'

"You see," said Mr. Hay, "that from a practical standpoint it is absolutely synonymous.

"No other change has been suggested. As to the question of the equality of all the flags, the American flag being naturally included among them, the simplest thing, as we have agreed, is to state that the Canal will be operated in accordance with stipulations of the Hay-Pauncefote Treaty, which means that it will be governed by the principles of the Convention of Constantinople.

"If Your Excellency agrees to it the Treaty will now be read and we will then sign it."

I had the reading abridged as far as possible as it was a mere formality.

Did you bring your seal, to put it upon the document?" asked Mr. Hay.

"I did not expect this event," I answered, smiling. "I am taken by surprise."

"Well, this is very curious," replied Mr. Hay. "It is exactly what happened to Lord Pauncefote two years ago; as it is exactly two years to-day that we signed the Hay-Pauncefote Treaty—on November 18, 1901.

"I then proposed to him to use as a seal the signet ring which Lord Byron wore when he died at Missolonghi, the ring I am now wearing. That is what he did. I now offer you either the same signet ring or another with my family arms. Which do you prefer?"

The choice was a difficult one. I had not a long time to think it over.

"The share which Your Excellency has in the accomplishment of this great act determines my choice. I shall be happy that the Treaty, due to your generous policy, should bear at the same time your personal seal and that of your family."

At 6.40 we apposed our signatures, and the Treaty which had been drawn up in fourteen hours two days previously: the Treaty which was to ensure the junction of the oceans, without receiving the slightest modification, and which was to remain intact in spite of the desperate efforts of political parties to tear it to pieces, had become an accomplished fact.

Mr. Hay then took the pen which in a few seconds had fixed the destiny, so long in the balance, of the great French conception, and offered it to me:

"It is just that Your Excellency should keep, in memory of this Treaty which you have devised, the pen which we have used in signing it."

We separated not without emotion, and I hastened back to my hotel to wire the news of this all-important event to my Government.

As I crossed the threshold a despatch was handed me from New York. It announced the arrival of the delegates at Washington the same evening. They could come, now that everything was accomplished!

At 7.15 I gave in at the telegraph office the following despatch:

"DE LA ESPRIELLA,

"*Minister Exterior Relations,*

"*Pamana.*

"To-day Wednesday at 6.40 p.m. I signed with Secretary of State Hay, the Panama Canal Treaty with same political and finan-

[1] The article referring to that particular question was the only one I had not entirely completed in my project, as I did not desire to make a reference to the Hay-Pauncefote Treaty without Mr. Hay's concurrence.

cial conditions as in the Hay-Herran Treaty, with necessary simplifications referring to jurisdictions and analogous stipulations.

"Amador, Boyd, Arosemena left New York for Washington at 4.50. They will arrive in about two hours.

"I congratulate Your Excellency, the Government, and the people on the happy termination of this difficult but great event.

"BUNAU-VARILLA."

THE PANAMA MISSION ARRIVES AFTER THE SIGNING OF THE TREATY

On the arrival of the train I greeted the travellers with the happy news!

"The Republic of Panama is henceforth under the protection of the United States. I have just signed the Canal Treaty."

Amador was positively overcome by the ordeal. He nearly swooned on the platform of the station.

His consternation, as well as that of Mr. Boyd, when confronting a happy event which ought to have filled their hearts with joy, was clear evidence of the nature of the sentiments in which they had arrived. It was certainly high time to conclude the agreement with the United States when the Treaty was signed. A delay of several hours would have sufficed to involve the difficult enterprise in the danger zone of personal ambitions and intrigues.

On the following day, when I received the documents they had brought me, I was able to read the parts I have quoted above, and which established the certainty of the little plot to which I was to fall a victim. It gave me some amusement to embarrass Amador and Boyd by showing them the difference between what had been cabled to me by the Government after their departure about the purely passive part they had to play, and the unacceptable subordination which the written instructions they brought entailed upon me.

But fortunately that was all ancient history. The Treaty was made.

Mr. Boyd then pretended that fresh negotiations on certain points would have to be opened with the Department of State. They were of the nature and of the importance of the following: "Will the lands of the Manzanillo Island on which the town of Colon is built continue to belong to the Panama railroad?"

"Cherish no illusion, Mr. Boyd," said I, "the negotiations are closed. It belongs now exclusively to the Senate of the United States, and to the Government of Panama, either to accept or to reject this Treaty. Besides, the point you raise is a question of secondary importance and does not belong to a treaty. Such matters must be settled by the courts, as an international treaty has nothing to do with them.

"Moreover, all that has been done by me was in strict accord with the powers given to me by telegraphic correspondence. According to this correspondence you have come to hold yourself at my disposal if I meet with any difficulty which I should be unwilling to settle alone.

"Having encountered no such difficulties, I had no need to consult with you, and therefore I had not to wait for you.

"The written instructions which you bring, and which tell me to do nothing without your consent about the Treaty, are now null and void, as everything is finished.

"Even if everything were not finished, the written instructions which you have brought should be considered as cancelled by the subsequent decisions of the Government as expressed in their repeated cablegrams to me.

"You have, therefore, neither in law nor in fact any reason for intervening, so long as I do not ask for your advice."

Amador was the first to accept the inevitable. After Mr. Pavey, whom I had appointed Counsel of the Legation of Panama, had read the Treaty, Amador exclaimed:

"At last there will be no more yellow fever on the Isthmus."

The conscience of the old physician had surmounted the ambitions of the politician.

In the evening of November 19 at 10:55 I received a telegram from M. de la Espriella saying:

"Your Excellency is requested to inform us of the cause which led you to sign the Treaty before conferring with the delegates Amador and Boyd. Communicate to us the modifications introduced."

I postponed my answer until the following morning. I wanted to have the matter thoroughly thrashed out with Amador and Boyd before sending it.

I had no need to do so, as at 9.4 the next morning I received the following telegram:

"Explanation received from Amador-Boyd on the powerful reason which made you sign the Treaty annuls anterior cable sent to-day on this subject to Your Excellency.—ESPRIELLA."

This showed that the delegates had resigned themselves to their disappointment. They had justified my resolution before the Government of Panama.

THE PANAMA MISSION REFUSES IMMEDIATE RATIFICATION

The essential point, namely, the signature of the Treaty, was attained. The first danger, that of the Amador mission, had been obviated by the completion of the agreement with the United States. There remained the danger of the Reyes mission.

To paralyse the action of General Reyes it was necessary before his arrival in Washington to make a fresh step forward. It was necessary to place before him not only a signed Treaty, but a Treaty ratified by Panama.

My first thought was that the authority which the Amador mission derived from its title as an official delegation of the Government could be utilised for the ratification. Probably the same thought came also to Mr. Hay, as on the day that I went to introduce Amador and Boyd to him he asked them the same question.

They answered with indifference that they had no authority, and that it was necessary to send the Treaty to Panama.

I detected a slight tension on the expressive face of Mr. Hay.

Evidently he was hurt by the lack of promptitude on the part of the delegates to meet him half-way on so important a subject.

This attitude displeased me also very much, and I wondered at that moment if the era of difficulties was really ended, as I had thought.

After leaving the Department of State I made it clear to the delegates that their lack of good grace had left a decidedly bad impression.

I requested them, as they approved, of the Treaty, to ask for special powers for its immediate ratification, without leaving it to the Government to approve and disapprove it later on. They formally refused.

My suspicions increased. I resolved to obtain the ratification from the Government itself, before the arrival of the Treaty at Panama, in spite of the delegates' bad grace.

As the delegates had nothing more to do in Washington, we separated on the evening of Friday, November 20.

I went to New York, whence I sent a long dispatch to the Panama Government on Saturday, November 21.

"DE LA ESPRIELLA.

"Minister of Foreign Relations,

"Panama.

"I am at the Waldorf Astoria until Tuesday. I left the Commission at Washington, where they stay to-day spending Sunday Baltimore, and arriving Fifth Avenue Hotel, Monday.

"The reception of the Commission by Secretary of State Hay, and after by the President of the Republic, was extremely cordial.

"Everything would be for the best if it were not for the ratification of the Treaty, which I thought would be within the province of the Commission and could be done immediately.

"As it is not within the power of the Commission, and as this one, being moved by respectable considerations of delicate susceptibility, has declined to ask the Government for such powers, we have notified Secretary Hay that the Treaty would be sent by the mail steamer of next Tuesday, arriving at Colon on December 1; and that the Commission would recommend with all its might the immediate ratification by the Government and the immediate expedition of telegraphic instructions, so that I may notify ratification to Government here.

"This system, though inspired by the best intentions, caused a bad impression because the Government of Washington is accused by its own enemies and those of the Canal to have acted with an undignified haste in its recognition of the Panama Republic. These enemies make much of the fact that the newborn Republic displays less haste and wants to accomplish detailed formalities.

"The slight moral wound which results therefrom is demonstrated by the decision, which was just taken, not to send the Treaty to the Senate before its ratification by the Panama Government.

"Outside of preceding considerations, as the telegraphic news of the ratification cannot arrive before the 2nd or 3rd of December, if the arrival of the original copy of the Treaty by the mail steamer is expected, the Presidential message to Congress, which must be terminated and forwarded on the 1st of December, will not touch upon the Panama question. This is to be deplored, as it puts the Government here in a rather false position before the public, for having stepped forward with great haste and for not meeting the same attitude on the other side.

"For all these capital reasons, and without consulting the Commission, I take the liberty of proposing to your Excellency that the Government should send by cable ample powers to the Commission, so that on their behalf and with their authority they could ratify the Treaty immediately.

"I add that if the Government adopts this solution it will be convenient that your Excellency should notify it to the American Consul, a thing which, though in contradiction to diplomatic uses, would be appreciated as a manifestation of courtesy. It will be also convenient that your Excellency should telegraph direct to Secretary of State Hay, and should express to him that our Government desires immediate ratification. The Government can justify such a direct telegram by the necessity of transmitting immediately the desire of the Panama Government, without the delay necessitated by passing through the legation.

"In order to facilitate the Government's taking an immediate decision on this essential question I give here a summing up of the absolutely exact spirit of the various articles of the Treaty under my personal guarantee.

"Article I. The United States guarantees and will maintain the independence of the Republic of Panama.

"Article II. The Republic of Panama grants to the United States, etc."

[The analysis of all the articles of the Treaty followed.]

The cablegram ended by a request to send me the answer to the Waldorf Astoria.

The evening passed without any answer. On the day following (Sunday, November 22) nothing came. All day Monday I waited without any tidings.

At last in the evening of Monday at 9:48 arrived the reply of M. de la Espriella. It was negative.

The conflict had begun. This Treaty, which was indispensable in the form which I had given to it; this Treaty, which, from a practical point of view, was identical for Panama with the Hay-Herran Treaty, and which imposed upon the United States the obligation of waging war against Colombia for the protection of the authority of the new Republic on territories far away from the Canal, and therefore independent of the work to be accomplished; this Treaty was met with a cold reception at Panama.

The following day the country would be declared in danger; two days later the Government would commit suicide under the pressure of tropical oratory!

The sequence was logical and inevitable. In what measure had the Amador-Boyd delegation intervened to open the dangerous way to such eventualities? I never knew exactly; but the long and unprecedented delay that had elapsed between the request to Panama and its answer, indicated, apart from other considerations, that the delegation had been consulted, and that they had answered in such a way as to encourage the negative reply to my request.

The moment was critical. A strong measure was necessary to prop up the building which was beginning to crack and was likely to collapse.

On the one hand was the dissatisfaction of Mr. Hay, confronted by the ungrateful and suspicious policy now being manifested at Panama as it had been manifested at Bogota.

On the other hand were the intrigues and the personal ambitions of various individuals at New York and Panama. Certain of them cherished the hope of making a new treaty and of attaching their names to it in one quality or in another. All that was certainly bound to widen the fissures. The intrigues of Colombia, coupled with those of the enemies of any canal whatever and of the friends of Nicaragua, were going to open new ones, and the total collapse would become inevitable.

The fear of responsibilities can be cured by homeopathic treatment: the fear of still greater responsibilities. I resolved to apply the remedy. But it was already Monday night. It was necessary to prepare to send off the Treaty on the following morning by the mail steamer and to return to Washington afterwards. I therefore postponed until Wednesday the necessary decision, in order to deal with the more urgent business.

During the day I had bought a safe to hold the precious decument, and I had provided myself with the flag of the Republic of Panama.

The delegation was showing no cordiality whatever, and its courtesy was now the barest politeness.

Amador and Boyd had arrived at New York on Monday. They had not informed me of their return. I vainly tried to find them during the whole day, for I desired to settle for the following day the ceremony of the dispatch of the Treaty. I finally wrote to them that I would call upon them before dinner—about six o'clock.

I arrived just after six o'clock; they had both gone out without leaving the slightest apology.

I acted as though I had not noticed their strange behaviour, and I wrote to them to be kind enough to meet me on the following day (Tuesday, November 24) at nine o'clock in room No. 1162 of the Waldorf Astoria.

It was there that my first conversation with Amador had taken place on the 24th of September. It was from there that on the 24th day of November, just two months later, the "Charter of the Straits of Panama" was solemnly forwarded towards that Isthmus, the liberation of which had been prepared between the modest four walls of this hotel room.

I almost expected that the appointment would not be kept.

That was not the case, however. Amador and Boyd were punctual. They were, with my young son Etienne and myself, the only witnesses of the ceremony. The Treaty was placed in an envelope, which I sealed with the family crest of John Bigelow, as I wished thus to associate this great mind and this faithful and constant supporter of the Panama idea with the dispatch of the final instrument of its realisation.

The flag of Panama was wrapped around the envelope and the whole was placed in the safe, which was then filled up with cotton wool.

The safe, after being in its turn sealed, was transported by the delegates and myself on board the steamer *City of Washington*, which raised anchor at 1:30 p.m. for Colon.

With the Treaty, I dispatched by the same steamer a letter to M. de la Espriella, in which I said that I thought I had accomplished the principal part of the duties I had assumed.

I added that I would have sent in my resignation by wire at the same time as the treaty had I thought there were no more dangers ahead.

I further stated in this letter of November 24 that my decision was to remain at my post until the exchange of the ratification of the Treaty, but no longer.

FORMAL DEMAND: YOU RATIFY OR I RESIGN!

These measures taken, I returned to Washington, decided to shake off the web which I felt was being woven about me. Evidently the Government at Panama was doing nothing without the delegation, which in its turn, having arrived with the intention of conspiring against me, was not continuing its work.

Not having been able to prevent the signature of the Treaty it was around the ratification by Panama that its enemies were preparing their snares. Reyes was soon to arrive and his agents were preparing his work by obstructing mine. The delegation was probably the unconscious instrument of the most dangerous plot against the new Republic.

I therefore resolved to show the Government of Panama whither it was being led, and to demand from it a loyal attitude and an immediate ratification.

I sent, on the evening of Wednesday, November 25, the blunt cablegram which follows:

"DE LA ESPRIELLA,
"Minister of Exterior Relations,
"Panama.

"Discipline makes me submit to decision of Government referring to immediate ratification requested by my long telegram of Saturday. However, my very high sense of need for vigilance obliges me to inform Your Excellency about peril every day increasing which results from coldness shown by Government of Panama at the signature of a Treaty which makes a reality of the three essential aims of the Revolution:

"First, the protection of the Republic by the United States.

"Second, the construction of the Panama Canal.

"Third, the grant of the financial advantages formerly awarded to Colombia.

"This coldness on the part of Panama after the signature of a Treaty which the United States justly considered as generous for Panama has caused surprise in the high spheres which, as hours are passing, degenerates into indignation.

"I know the extremely difficult ground of Washington. The peril may not be apparent for others, but I affirm it to be very great and that at any moment a brillant victory may be transformed into a crushing defeat.

"I reiterate my cablegram of Saturday.

"If the Government maintains its decision I pressingly beg Your Excellency, in the name of the most essential, and of the most vital, interests of the Republic, that the Government should at least cable me immediately, in the same form in which my powers were conferred upon me, the substance of what follows:

"Whereas the Treaty is accepted by Amador and Boyd, whereas the extract given by my telegram is eminently satisfactory for the vital interests of the Republic, the Government authorises me officially to notify to the Government of the United States that the Treaty will be signed and finally ratified by the Government of the Republic at Panama on the arrival of the document at Colon.

"If the Government does not think possible to take this minimum but sufficient step, I do not wish to appear responsible for the calamities which certainly will result from this situation; the most probable being the immediate suspension of the protection and the signature of a final treaty with Bogota in accord with the constitutional laws of Colombia in case of war.[1]

"In such case I beg Your Excellency to present my resignation to the Government.

"BUNAU-VARILLA."

This time I hit the mark. The Government of Panama was at last liberated from the morbid influence of its delegation.

Most probably at the wise suggestion of Arango, its President, the following day, Thursday November 26, I received the cablegram I had demanded:

"BUNAU-VARILLA,
"Minister Plenipotentiary of the Republic of Panama, Washington.

"In view of the approval given by the delegates Amador Boyd to the Canal Treaty, Your Excellency is authorized to notify offically to the Government of the United States that said Treaty will be ratified and signed as soon as it is received by the Provisional Government of the Republic.

"J. A. ARANGO,
"TOMAS ARIAS,
"MANUEL ESPINOZA.

"ESPRIELLA,
"Minister of Exterior Relations."

The Government of Panama was henceforth positively bound.

I replied on the same day at five o'clock to M. de la Espriella:

"The energetic provident decision of the Government saves an imperilled situation and assures triumph.

"I beg Your Excellency to transmit my respectful congratulations to the Government.—BUNAU VARILLA."

On the following day, November 27, I received this cablegram, which showed a complete change in the disposition of the Government.

"BUNAU- VARILLA,
"Minister Plenipotentiary, Republic, Panama, Washington.

"The situation is saved, the triumph is assured according to your cablegram of 26th.

"Please communicate whatever other question of affairs presents interest for Republic, so that we may help you to solve them by our co-operation and instructions.

"ESPRIELLA."

The intrigues of which the delegation had been the centre, and the ill-will they had been led to show me, were not to trouble me any longer. Its negative action was broken.

The Panama Government turned henceforth towards me, as towards its natural guide, I had no longer any reason to doubt its loyalty.

NOTIFICATION OF PROMISE OF RATIFICATION: REYES ARRIVES JUST TOO LATE

On the same day, November 27, I officially notified to the American Government the cablegram received on the preceding day,

[1] The plan which Reyes was bringing to Washington.

containing the formal and explicit pledge of the Panama Government given in the form of a decree to ratify the Treaty as soon as it should arrive. I added that I assumed this obligation on behalf of the Panama Government towards the United States Government.

The Treaty was, therefore, ratified before its arrival on the Isthmus on December 1, and the United States had been duly notified as early as November 27.

On the 28th of November, that is to say, the following day, General Reyes arrived in Washington.

The rapidity with which President Roosevelt and Secretary Hay had acted had allowed me to place before the Panama delegation on its arrival a definite and already signed Treaty.

The very same result was obtained for the delegation of Colombia. Before its arrival a solemn pledge of ratification was in the hands of the American Government.

The work was accomplished before the enemy's arrival on the battle-field. The fortifications were erected and the lines of defence were placed in perfect conditions of resistance.

It was indeed certain that furious assaults would be made, but I was in a condition to resist them victoriously.

Mr. MUSKIE. Mr. President, I yield the floor, and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I wish to underscore some of the points made by the distinguished Senator from Maine (Mr. MUSKIE) during his very careful and thoughtful analysis of the economic consequences that would flow from approval of these treaties.

It is particularly important in doing that to separate out the payments to Panama which the treaty calls for, and which are clearly to be made from toll revenues derived from the toll structure. I believe that every reasonable analysis has shown that the toll structure can be set at a level which will produce those revenues and yet not have a harmful impact upon the movement of trade. Indeed, Panama itself will have the most vested interest in nothing happening which would have a harmful impact on the movement of trade, since the revenues which it will derive are closely tied to the movement of trade through the Panama Canal. Those revenues are geared in large part to the number of tons which will move through the Panama Canal. Therefore, it will be very much to the interests of the Republic of Panama to maximize the use of the Panama Canal.

So it is important to separate out the various aspects of the economic consequences of the treaty and in that regard to underscore again the accuracy of the statement made by the President in his fireside chat to the Nation, in which he said:

Under the new treaty, any payments to Panama will come from tolls paid by ships which use the canal.

On the other hand, as the Senator from Maine has pointed out, there are some costs which will be incurred by the U.S. Government, most of them in the nature of one-time costs, which involve our own activities and our own services. Those are Department of Defense costs associated with relocating some of their facilities. Those are the costs connected with the early retirement provisions which we will seek to implement for American employees of the Canal Company; and those are the foregone revenues because of the elimination of interest payments which the administration has suggested. But those costs are separate and distinct from what is involved in terms of payments to Panama under the treaty provisions, and it is clear that the payments to Panama will come from the toll revenues. Of the toll revenues, of course, more than half are produced by shippers and consumers of other nations, nations other than the United States which is, of course, something we ought never to lose sight of. To the extent that a cost is paid out of toll revenues it is, in fact, being paid by the worldwide shipping community and not merely by the American shipping community, a point which, I think, has generally been overlooked in the course of this debate.

So I want to emphasize again the important contribution which the Senator from Maine has made to this debate in providing a framework for looking at the economic consequences of these treaties, and for dispelling a lot of the misconceptions, misinformation, and, I am very frank to say, myths which have grown up about this aspect of the treaties.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, the question of approving or disapproving the proposed new Panama Canal treaties is a controversial subject that has evoked great emotion and opposition. In this connection, I am reminded of a cartoon that I recently saw in a magazine that showed two men leaning over their drinks at a bar. One of them said to the other:

For thirty years I never thought about the Panama Canal; now, I can't live without it.

I would like to make clear that in my view it would be to our advantage if the present Canal Zone arrangements could be maintained in a manner agreeable to the United States on the one hand and Panama and Latin America on the other. But that is clearly not the case—we have now negotiated new treaty arrangements, which are the result of the efforts of two Democratic and two Republican Presidents and which have all along had the support of the Joint Chiefs of Staff. We can either ratify the new treaties or reject them—but there is no way they can be made quietly to disappear. Personally, I might have been inclined to have postponed getting started with these negotiations, but that is now water over the dam and, in any case, we had little real choice.

My own mail has been running heavily against the treaties, but I am convinced that much of this opposition stems from a number of false impressions about the basis of our current presence in the Canal Zone, about what America's interests in the canal are, how those interests are protected in the proposed new treaties, and what our realistic choices are in considering these treaties.

Before discussing these issues, I would like to make it clear that Americans ought to be proud of having built the Panama Canal and operated it so well for more than 60 years. The building of the canal was America's Moon shot of early 20th century. I also want to make it clear that in my view the United States has a vital interest in the free, neutral, and efficient operation of the canal. This interest cannot be compromised, as I do not foresee the day when the canal will not be important to us. The question is, however, how can we best protect that vital interest—by sticking to the status quo as embodied in the 1903 treaty that gave us the right to build and control the canal, or by approving new treaties?

In considering this question, it is useful to look briefly at the history of our acquisition of the canal. In January 1903, we signed a treaty with Colombia, of which Panama was then a province, giving us the right to build, operate, and control a canal in Panama for 100 years, with an option to renew the treaty for successive 100-year periods. The U.S. Senate voted to ratify the treaty, but the Colombian senate rejected the treaty unanimously, in large part because of the perpetual nature of the renewable lease. Three months later, a revolt occurred in Panama led by an army of 500. U.S. naval vessels prevented Colombian troops from landing to put down the revolt, and a new nation was born. Two weeks after the revolt, the United States signed an agreement with an unelected Panamanian Government granting the United States the exclusive right in perpetuity to build and operate a canal and granting the use of a 10-mile wide strip of Panamanian territory as if the United States were the sovereign. This treaty was signed by a French agent of the new Panamanian Government who had a financial interest in selling the French Canal Company's properties in Panama to the United States. No Panamanian official ever saw the treaty before the French agent signed it. The fledgling Panamanian Government was, of course, in no position to repudiate the treaty.

When Secretary of State Hay submitted the treaty to the Senate for its advice and consent, he said:

We shall have a treaty very satisfactory, vastly advantageous to the United States and, we must confess, not so advantageous to Panama.

The Panamanians have resented this treaty ever since it was signed; and, although changes have been made over the years to deal with Panamania objections, they have never been happy with the treaty.

This is an interesting and revealing bit of history, as it serves to put Panamanian views in perspective. I see no point, however, in adopting a guilt complex over what our grandfathers did in another era, when it was accepted prac-

tice that large nations could run roughshod over small ones. Nevertheless, we should not be under any illusion that the events of 1903 could stand the test of modern treatymaking or that Panamanians could be convinced that they ought to like the 1903 treaty. In fact, it is in a way surprising that Panama has not threatened to invoke the well established doctrine in international law of "fundamental changes of circumstances" and repudiate the 1903 treaty.

I share the view of our Government's highest civil and military authorities that America's national interest lies in the assured access to a safe and efficiently run canal, not in a continuation of a special position in the Canal Zone that is not necessary in today's world for our guaranteed use of the canal. I believe that our interest in the canal also includes a responsibility to the maritime nations of the world and to certain nations of our own hemisphere for whom the canal is a lifeline. But surely we should attempt to secure these interests by agreement and should seek to engage the friendship and cooperation of the Panamanian Government and people in keeping the canal open.

Since there has been a lot of confusion on just what the proposed new canal treaties would and would not do, I should now like to review their major provisions and then comment on the criticisms I have heard most often about them. First of all, there are two treaties. The first is known as the Panama Canal Treaty and covers the revised terms for U.S. operation of the canal until December 31, 1999, when it would be turned over to Panama. Under this treaty, the United States retains control of canal operations and defense until the end of this century.

Although the United States will control the canal until the end of the century, the Canal Zone will cease to exist as soon as the treaty enters into force. The United States, however, will retain the right to use all land and water areas and installations necessary for the operation, maintenance, and defense of the canal until the end of the century. This means that the United States will retain its military bases to provide full security for the canal until then, but Panama will be able to use the sizable and valuable areas of the Zone that the United States is not now using. In returning jurisdiction over the Canal Zone to Panama, the United States would not be giving away any territory that belongs to us. Legally, the United States never obtained sovereignty over the Canal Zone in 1903, only rights in it. In this regard, the Canal Zone differs from the Louisiana Purchase and Alaska in that we clearly obtained sovereignty over those areas. In addition, few people realize that in a 1936 Treaty with Panama, which modified the original 1903 Treaty, we formally recognized that the zone is "territory of the Republic of Panama under the jurisdiction of the United States."

The treaty provides for increased payments to Panama of from $50 to $60 million annually depending upon canal revenues. Absolutely none of these payments would come from the U.S. taxpayers' pockets. They would come strictly from canal revenues, and any shortfall in revenues would result in a corresponding decrease in payments to Panama. Although the projected payments to Panama represent a significant increase from the $2.3 million now being paid, it should be borne in mind that in the 75 years since the 1903 Treaty was signed, Panama has received a total of only $70.5 million in payments from the United States for the use of some very valuable real estate. It is not surprising, therefore, that the Panamanians believe that a raise is long overdue. Moreover, the payments to Panama are not out of line with the $35 million that we pay annually to Spain and the $50 million proposed annual payment to Turkey for base rights alone. In those cases, unlike the Panama Canal, the U.S. taxpayer foots the bill; yet we get less for our money than we do in Panama where we get not only the use of bases but use of a valuable canal.

The United States will also extend loans to Panama totaling $295 million over the next 5 years to promote Panama's economic development. These loans must be repaid at market rates of interest. Because of "Buy American" provisions, this loan package will bring substantial benefits to American business and labor. In addition, the United States will extend loans totaling $50 million over a 10-year period to help Panama develop a capability for canal defense. Except for $5 million of the military credits, no appropriated funds are involved. This economic package is not a treaty obligation; therefore, approval of the treaties will not require approval of these loans and credits. They will be considered on their merits by the Congress under the normal authorization and appropriation process.

The treaty has extensive provisions to protect American employees of the canal. Although U.S. criminal jurisdiction in the zone will be phased out over 3 years, U.S. citizen employees charged with crimes will have various guarantees, and in all likelihood will be able to serve any sentences in the United States.

Finally, the treaty gives the United States the exclusive right to build a sea-level canal in Panama if both the United States and Panama agree that such a canal is desirable. In exchange for this, the United States agreed not to negotiate with any other country for such a canal. Since all of the desirable sea-level routes are in Panama, this is not a significant concession.

The second treaty that has been negotiated is known as the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. Unlike the treaty which I have just described that runs until 1999, the Neutrality Treaty has no expiration date. It is this treaty that has caused so much controversy regarding America's right to use military force to keep the canal open and to receive priority treatment for our naval vessels. This treaty gives the United States and Panama the responsibility, either acting jointly or separately, to take whatever measures are necessary to defend the canal and keep it open against any threat. The treaty also provides for expeditious passage by U.S. naval vessels through the canal. The treaty language on these points, by the way, was written and negotiated by the military members of the U.S. delegation.

In view of the fact that one of the Panamanian negotiators made statements in Panama that seemed to contradict what U.S. spokesmen were telling the Senate about what our rights are on these points under this treaty, I and several of my colleagues asked that this matter be clarified. Accordingly, on October 14, President Carter and General Torrijos issued a statement of understanding making it clear that the United States "shall have the right to act against any aggression or threat directed against the Canal * * *" and that U.S. Navy vessels will receive "expedited treatment, and in the case of need or emergency, to go to the head of the line * * *."

In my view, this statement of understanding clears up the matter and fully protects our rights. I believe, however, that this statement must be incorporated into the treaty before it is ratified. I, for one, am strongly inclined not to vote for the treaty unless it is. I raised this matter with General Torrijos personally, when I visited Panama last month. General Torrijos said he would have no objection if the Senate amended the Neutrality Treaty to include the contents of the statement he and President Carter issued on October 14. The Senate leadership has introduced amendments, which I have cosponsored, to accomplish this purpose; and, if they are adopted, I shall support the treaties.

One final comment on a feature of the Neutrality Treaty that is not widely known. The treaty obligates Panama not to permit the stationing of any foreign military personnel anywhere in Panama after 1999. Panama is under no such obligation under the 1903 treaty and could invite the Soviets or Cubans to establish a base right next to the Canal Zone if it wanted to. I do not know of any other country that has made such a treaty commitment to another nation.

The Panama Canal treaties are not a "give away" as some people claim. We are not giving up our essential rights to use and defend the canal. What we are doing is protecting these rights in the best way possible under modern circumstances far different from those in 1903. We must recognize that, however, we in the United States may view the 1903 treaty, the rest of the world and especially the nations of Latin America, do not regard it as an equitable and freely negotiated agreement. To insist on keeping the 1903 treaty would mean that over time we would be compelled to fall back on the use of force as the ultimate basis for our presence in Panama. We should be prepared to do that if our vital interests can be defended in no other way, but that is not the case with the Panama Canal, because the treaties give us a clear and better alternative. Those who advocate the rejection of these treaties should be prepared to pay the heavy political, economic, and military costs involved in maintaining our

pesence in Panama against the will of the Panamanian people.

Looking at the military situation alone, our military commander in the Canal Zone recently stated that if the rejection of the new treaties leads to widespread civil disturbances and insurgency actions, he would need reinforcements upward of 40,000 troops. Moreover, he said that if there were an externally supported guerrilla action involving 10,000 troops, he would need a force of 100,000 to combat it. By comparison, our current troop strength in the Canal Zone is about 9,300.

Before closing, I would like to address some of the specific criticisms that many Rhode Islanders have expressed in their letters to me or which came up in recent testimony before the Senate Armed Services Committee. Much of the criticism of the treaties is based on insufficient or incorrect information, and I believe it would be useful to set the record straight.

Criticism No. 1. We are turning the canal over to a dictator who violates human rights.

Response. There is no doubt that General Torrijos is a dictator and that serious human rights violations have occurred under his rule. I would have preferred to see the treaties negotiated with a democratically elected government, but if we only concluded treaties with free countries we would have precious few treaties. Freedom of the press and other civil liberties have been curtailed in Panama, but torture and other severe totalitarian actions common elsewhere in the world have not been the practice in Panama. In this connection, I am pleased that in December General Torrijos agreed to repeal decrees prohibiting public meetings, promised to permit all political exiles to return to Panama after ratification of the treaties, and stated that he would ease or eliminate restrictions on the press. Earlier, Torrijos promised that free elections would be held in 1978.

In judging the human rights performance of Panama, it is important to realize that Panamanians of all political persuasions, except the extreme left want new treaties. The only concern has been whether Torrijos negotiated a good enough deal. On October 23, in a plebiscite monitored by the United Nations and the Organization of American States, the people of Panama approved the treaties by a 2-to-1 majority. Thus, in a sense, we are entering into a contract with the people of Panama and not Torrijos. Moreover, it seems unlikely that Torrijos will still be in power when the canal is turned over to Panama in 1999.

Criticism No. 2. Panama is a Marxist-dominated country.

Response. Nonsense. Torrijos is certainly a dictator, but Panama is not controlled by Marxists. Panama has no relations with either the Soviet Union or Red China; and, although Torrijos is supposed to be a friend of Castro, he has made it clear that Castro's way is not the way for Panama. The fact that Torrijos is succeeding in making Panama an international banking center rivaling Switzerland attests to the pro-free enterprise attitude of the government. In my view the surest way to help the weak Communists in Panama would be to give them an issue around which to rally support by rejecting the canal treaties.

Criticism No. 3. The Panamanians cannot be trusted to run the canal efficiently and will raise tolls to outrageous levels.

Response. At the present time, over 70 percent of the canal employees are Panamanians. Although not enough Panamanians are in the top management positions to insure the proper functioning of the canal at this time, the canal authorities will have 22 years to develop the necessary Panamanian expertise. Panama will have a strong incentive to maintain high standards of canal operations and to keep tolls at reasonable levels in order not to drive business away to other modes of transportation.

Criticism No. 4. Panama cannot be trusted to keep its promises in the new treaties.

Response. I find it hard to believe that Panama, having honored the 1903 Treaty which it entered into under dubious circumstances and which its people despise, would violate treaties it freely entered into and which has the support of its people. We will have 22 years to test Panama's trustworthiness and, if the new treaties are not faithfully observed, we would be under no obligation to relinquish the canal in 1999. If, after 1999, Panama violates the Neutrality Treaty, we will have a legal right endorsed by all of Latin America and most of the rest of the world to enforce the treaty's provisions.

Criticism No. 5. The treaties are a bailout for U.S. banks who are owed $2.7 billion by Panama.

Response. No U.S. banks have approached our negotiators to further their interests. Most of the so-called Panamanian debt actually represents deposits made by American banks in their Panamanian subsidiaries for lending outside Panama. They are not, therefore, really Panamanian debts. The actual amount owed by Panama to American banks is $355 million, and payments on these loans are current.

Mr. GOLDWATER. Will the Senator yield for a question?

Mr. PELL. I would like to finish my statement, if I may.

Criticism No. 6. We can defend the canal better if we own it than if Panama owns it.

Response. Both the Joint Chiefs of Staff and the U.S. military commander in the Canal Zone have stated that it is easier to defend the canal in a friendly environment with Panama's cooperation rather than in a hostile environment with no cooperation. Rejection of the treaties would virtually guarantee a hostile environment and make defense of the canal more difficult. General Brown has stated that although it would be more convenient to have bases in the Canal Zone to receive any forces that may be necessary to defend the canal after 1999, the United States has the capability to reintroduce forces into such a small and militarily weak country as Panama.

Criticism No. 7. Panama is blackmailing us by threatening guerrilla warfare and riots.

Response. The Panamanians have made no such threats. It is a fact, however, that failure by the United States to ratify the treaties would incur the hostility of Panama and remove any incentive on the part of its government to cooperate with the United States in insuring the security of the canal which is very vulnerable to sabotage.

Criticism No. 8. We are giving away a valuable asset and getting nothing in return.

Response. The canal cost $387 million to build, and $690 million has been paid back to the U.S. Treasury from canal revenues. While there are various unrecovered costs that have accrued since the canal opened in 1914, our full investment could have been paid off years ago if we had wanted to charge market-related tolls instead of subsidizing world shipping. Since the United States has not operated the canal for a profit, we would not be giving up an income-producing asset. In fact, the canal has lost almost $29 million in the past 4 years, and business is declining. What is important, in the future as in the past, is not who owns the canal, but how best to insure that it operates efficiently, facilitates commerce, and remains open for our naval forces. By engaging Panama's cooperation, the treaties promote these objectives.

Criticism No. 9. The canal operation may not be self-sustaining under the treaties after 1984 because of various uncertainties, including the need to raise tolls to cover increased payments to Panama. As a result, it is probable that the U.S. Government will have to appropriate funds or extend loans to cover canal deficits.

Response. Recent studies indicate that the increased payments to Panama are supportable through cost savings and a modest toll increase. These studies also indicate that canal revenues will cover all costs over the next several years. No one can predict accurately what economic conditions or the need for further toll increases will be after 1984, but it should not be assumed that only events detrimental to the canal's operations will occur after that date. Of course, there is uncertainty about the canal's financial future, but that uncertainty will exist whether or not the new treaties are ratified. If consideration has to be given to appropriations or loans to cover canal deficits up to 1999, such consideration would be necessary under the current treaty arrangement as well as under the new one. At any rate, there is no reliable evidence to suggest that traffic and revenues will not support a deficit-free canal. The fact that the canal will continue under U.S. control until 1999 should insure that the canal's financial position is sound. The only sure way to avoid any responsibility for canal deficits would be to turn the canal over to Panama immediately, but I do not believe that anyone wants to do that.

Criticism No. 10. In addition to the $10 million fixed annual payment to Panama and the estimated $40 million that Panama will receive annually from a payment tied to canal traffic, the treaty provides for a $10 million annual payment if revenues permit. Any unpaid balances on this item carry over to succeeding years, and some Panamanian officials believe that the United States has an obligation to pay off the accumulated unpaid balance on this payment, which could be as much as $220 million, when the canal is turned over to Panama in 1999.

Response. According to the administration, the Panamanians understand that the United States is under no obligation to pay off any unpaid balance on this item in 1999. The charge that the Panamanians think otherwise seems to arise from a misunderstanding of optimistic statements of Panamanian officials who believe that the canal will be so profitable that there will be sufficient revenues to allow for this contingency payment.

In conclusion, the proposed treaties present us with an opportunity to revitalize an outmoded relationship with Panama that is a relic of colonialism, to solve and international problem before it becomes a crisis, to win the respect of all of Latin America by treating a small country fairly, and, most important, to further the protection of our truly vital interests in the canal.

Mr. GOLDWATER. Mr. President, the Senator used several figures that I find myself in disagreement with. I shall not get into the details of them now, because I intend to speak to them later. There are about $800-odd million that are owed to American banks; not $360. This was testified to before several committees of Congress. The total debt of Panama is about $2.1 billion. The country is bankrupt, and they are not paying their debts back, although we find many other countries that have invested in, in that condition. Most of the money is owed to the International Bank.

The value of the canal is $9.8 billion, not just $365-odd million.

A question was raised before the Armed Services Committee, and I think it is a very valid question and has not been answered honestly by the State Department yet, and it will not be answered until they send down the legislation that has to accompany this treaty—we cannot pass this treaty, in fact, without this implementing legislation from the Department of State. This should carry as correct an estimated cost as any we will receive.

The major general testifying before the Committee on Armed Services used the year 1984 because that was as far as he could see with any degree of economic accuracy from the amount of dollars that are coming in now. He realizes, and said so, that regardless of whether we are operating the canal or Panama is operating the canal at the year 2000, the tolls will have increased 100 to 105 percent. He said he did not have the ability to estimate what it would cost the American taxpayer between 1984 and the year 2000, but there were indications that that amount could range from $300

Mr. CHURCH. Mr. President, will the waiting yet for the State Department to send us the legislation which they have been promising us since October that will outline what the American taxpayer can expect to pay each year.

I should not be surprised to see it much in excess of what we have been told. I just wanted to mention that. I have spoken twice on that subject and my material is gotten from testimony before various committees of Congress and not from the Department of State.

That is all I have.

Mr. PELL. I thank the Senator from Arizona for his comments. I want to read into the RECORD, if I may, a paragraph from the testimony of the Under Secretary of the Treasury, Mr. Solomon. This is a letter he wrote to Senator PERCY on October 18, 1977. It appears in our hearing on page 383 and it says:

> To put the $2.9 billion claims in perspective, it should be noted that the Federal Reserve also reports that liabilities of the domestic and foreign offices of U.S. banks towards creditors in Panama amounted to $2.3 billion. Net claims on borrowers in Panama thus amounted to $0.6 billion. It is also important to recall that Panama is a large offshore banking center. Consequently, a large portion of the $2.9 billion of U.S. bank claims represents sums which have been deposited temporarily in banks in Panama, so that they can be on-lent to borrowers in other countries.

Mr. GOLDWATER. That is true. However, the country of Panama owes banks in this country—we cannot find out the names, naturally, and I do not think we should—about $800 million. This is testified to in Senate reports. I do not have a copy of the Senate document with me here. I shall be very glad to supply it. As I say, the banks are not identified. But these moneys, about $2.1 billion, are owed to banks in Europe, in Switzerland, in Lebanon, and the U.S. banks are owed the least of all the money. They are not receiving payment on these. As I have said, it is not unusual, because America seems to have a penchant for loaning money where there is no money returned.

Panama did have a little bit of future as, you might call it, a Central American Switzerland at one time. But that was soon gone and it is one source of their troubles now that they are bankrupt and no new investments are coming in.

I do not believe for 1 minute that the operation of the canal, if it is as profitable as many people estimate, will ever begin to pay the money that Panama owes so that she can get on with an economic system that will begin to pay off to her people. The canal cannot possibly—no matter what the tolls go to, that money has to be spent to keep the canal up. Last year, the entire amount of money, and this has been true ever since we have owned the canal, had gone back into keeping the canal open.

I might say this is one of my major fears. I do not question that the Panamanians should operate the canal. Seventy percent of the workers are Panamanians now. However, of the 200 pilots, there are only two Panamanians and it takes a man with a master's ticket and 8 years of apprenticeship on the canal before he can become a canal pilot. That seems to me to be a rather difficult task to overcome, but I think they can do it.

My big worry is what is going to happen when these very unstable governments—whether it is Torrijos, Noriega, or somebody we have never heard of—begin to sit at the desk of the Panama Canal Company and watch these large sums of money coming across the desk that are supposed to be transferred into the upkeep account immediately. My fear is that they are going to go into other places. My prophecy is that, 5 years after we turn the canal over to them, in order to keep it open, we will be running it again.

Mr. PELL. I share the Senator's concern with regard to the training of the pilots. I raised this question personally with General Torrijos. As the Senator points out, the predominantly large number of pilots presently are American.

One thought here for this transition period, which I suggested, is that in view of the fact that we made such a great deal of use of the Panamanian merchant marine because of their flags of convenience, there be a requirement on the part of Panama that any group that flies the Panamanian flag on its halyard have at least one Panamanian aboard as an officer. That would create a pool from which they can draw future pilots.

General Torrijos recognizes this as a problem. It is one that I think will be solved, just as in the Suez Canal, when that was taken over by the Egyptians, immediately, or within 48 hours of the withdrawal of the total British group of pilots, they had the thing operating again. I think that when one has to do someting, one usually responds pretty well.

Mr. GOLDWATER. Well, the Suez Canal is an entirely different body of water to negotiate than the Panama Canal, with all of its crookedness, even if they straighten it out. The Panamanians can change these rules. Maybe the countries of the world will not like risking their ships to untrained pilots. But getting a master's ticket, itself, is not something you do over night. Then requiring 8 years of training—and we feel that is a minimum.

It has always been amazing to me that we did not get more Panamanian pilots. I am told that they are not exactly a seafaring nation. That was a surprise to me. They are fishermen, but they do not wander far from the shores.

I do not look on this as an insurmountable problem. I just mention it as one of the problems that face the country of Panama when they start to operate this canal. I am sure they can solve it. But I do not think the instability they have faced down there for 70 years, with 35 governments—seeing the amount of money that comes over the desk, if they use it for other things instead of taking it and putting it back into the upkeep account for the canal, it will not be a benefit.

AMENDMENT NO. 22

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, pursuant to the previous order, there will now be 30 minutes of debate on the amendment of

the Senator from Virginia (Mr. SCOTT), equally divided and controlled by Mr. SCOTT and the manager of the treaty or his designee, with a vote to occur up or down at the conclusion of 30 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. LAXALT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. LAXALT. Not charged.

Mr. ALLEN. Will the Senator withhold his request?

Mr. LAXALT. Surely.

Mr. ALLEN. Mr. President, I yield myself, on behalf of Mr. SCOTT, 1 minute.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. On my own behalf and on behalf of Mr. THURMOND, Mr. LAXALT, and Mr. HELMS, I send to the desk a series of 10 amendments to article I of the Neutrality Treaty and I ask they be printed and lie on the table to be called up at a later date.

The PRESIDING OFFICER. They will be received and printed and, without objection, will lie on the table.

Who yields time?

Mr. ROBERT C. BYRD addressed the Chair.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LAXALT. Mr. President, we request that the time being charged be charged equally to both sides.

I see Senator SCOTT is entering the Chamber, so the problem has taken care of itself.

The PRESIDING OFFICER. Who yields time?

Mr. SCOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia (Mr. SCOTT) is recognized.

Mr. SCOTT. Mr. President, it is my understanding that my amendment No. 22 is the pending amendment before the Senate. Is this correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. SCOTT. Let me just read, Mr. President, for the benefit of the Senate, to refresh recollections just what this amendment provides:

> At the end of Article I strike out the period and add the following: ": *Provided, however,* That this Treaty shall be void and of no effect unless and until the Panama Canal Treaty also executed by the parties hereto on September 7, 1977, shall be ratified on behalf of and in accordance with the laws of both the United States of America and the Republic of Panama.".

The amendment intends to bind the two treaties together, and tying the Panama Canal Treaty to the pending Neutrality Treaty, it seems to me, it is a logical and a desirable result to be obtained.

Under the amendment, Senate approval of the canal treaty will be necessary to give final effect to the Neutrality Treaty. This is also to say that until the Canal Treaty is fully ratified, any approval of the Neutrality Treaty is to be considered only conditional approval and contingent upon the Canal Treaty's ratification.

My amendment welds the two together and they stand or fall together. Actually, the Neutrality Treaty is illogical without the Canal Treaty.

Mr. President, on its face, the Neutrality Treaty makes reference to the Panama Canal Treaty. Article V of the Neutrality Treaty says that after the termination of the Panama Canal Treaty only, the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

Now, certainly, if we are talking about the ratification of the Neutrality Treaty, without ratification of the Canal Treaty, the United States owns and operates the Canal Zone. It would not seem reasonable to have only military forces of Panama there. Frankly, I think it is unreasonable to have only Panamanian forces there, in any event.

But then we read in article II, the Republic of Panama declares the neutrality of the canal.

We have that in the 1903 treaty without any change in the law whatsoever if neither treaty is ratified.

Then at the beginning of the neutrality treaty, the Republic of Panama declares the canal as an international transit waterway shall be permanently neutral.

Well, that is already in the existing law if neither of the treaties are ratified.

We look at the end of the treaty and it says:

> This treaty shall enter into force simultaneously with the Panama Canal Treaty, 6 calendar months from the date of the exchange of instruments of ratification.

Now, is this clear enough that without ratification of both treaties neither shall be considered as ratified by the Senate?

I would submit that there is an element of doubt on this.

It should be noted, Mr. President, that the amendment is in the nature of a procedural change, so while it intends to bind together the two proposed treaties with the Republic of Panama, or the Government of Panama, it is known as the Republic and yet it actually is not, it does so without altering the substantive contents of either treaty. It takes into account that both treaties are interrelated and even interdependent.

Mr. President, I do not believe that it is enough to cite article VIII as evidence that amendment No. 22 is insufficient or unnecessary. It should be reemphasized that the provisions of article V and article VIII refer back to other portions of the Neutrality Treaty, refer back to the Panama Canal Treaty as if it were a foregone conclusion that the latter treaty were adopted and in being.

While article VIII implies that both treaties will enter into force jointly and simultaneously, it seems to me unanswered, the question as to what is to become of one treaty should the other treaty be rejected by the Senate.

It seems simple logic that we clarify this important aspect of the voting procedure so that the terms of the Neutrality Treaty cannot be severed and separated by separate ratifications in the Senate.

I have listened to debate each day to the extent that it has been practical to do so and realize that various Senators expressed a view that they might not be able to vote for one treaty without knowing whether the other would be ratified.

I know that our distinguished leaders on both sides of the aisle, the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from Tennessee (Mr. BAKER) both, as I recall, indicated that they could not support the Canal Treaty without the Neutrality Treaty.

On the other hand, there are undoubtedly various Senators who hold strong reservations about the Panama Canal Treaty, or about both treaties.

So it seems desirable that, in order to reduce some of the uncertainty brought about by proceeding into the articles of the Neutrality Treaty before we have resolved the basic issues concerning giving up our title, our sovereignty, our control of the Panama Canal properties, amendment 22 be incorporated, so that these treaties will stand together or, without enough support for the Panama Canal Treaty, that they will fall together.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, the amendment offered by the able Senator from Virginia brings new meaning to the word "redundant." The amendment stipulates that ratification of the Neutrality Treaty will be null and void unless its companion agreement, the Panama Canal Treaty, is also ratified. In other words, the author of the amendment has stated negatively what both treaties state positively.

For example, article VIII of the Neutrality Treaty reads:

> The instruments of ratification of this treaty shall be exchanged at Panama at the same time as the instruments of ratification of the Panama Canal Treaty signed this date are exchanged. This treaty shall enter into force simultaneously with the Panama Canal Treaty six calendar months from the date of the exchange of the instruments of ratification.

In like fashion, article II of the Panama Canal Treaty states:

> The instruments of ratification of this treaty shall be exchanged at Panama at the same time as the instruments of ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal signed this date are exchanged. This treaty shall enter into force simultaneously with the treaty concerning the permanent neutrality and operation of the Panama Canal six calendar months from the date of the exchange of the instruments of ratification.

This language, Mr. President, contained in both treaties, makes it abundantly clear, first, that each treaty must be ratified before the other can take effect; second, that the ratification of either, without the ratification of the other, renders the two treaties null and void; and, third, that these treaty arrangements are inseparable, that they go hand in glove, that neither is independent of the other.

For these reasons, it is difficult to conceive of the need for an amendment of this kind. Substantively, it adds nothing. Procedurally, however, if the amendment were to be adopted and the texts of the two treaties were to be changed, it could create problems under the constitution of Panama. The adoption of this amendment might possibly force another plebiscite on the issue of the treaties.

Mr. President, it might be asked, what do we care? I, myself, have said that this is a question for the Panamanians to decide, and we should not be governed solely by the argument that no changes should be made in these treaties simply because such changes might require another plebiscite in Panama.

But here we have an amendment that is totally superfluous, totally redundant, totally unnecessary, which cannot possibly add anything substantive to the treaties, anything that would be helpful to the United States, because the treaties provide positively for what this amendment seeks to do negatively.

In such a situation, clearly, we do not want to create a situation which benefits us in no way at all, which adds nothing more than a superfluous amendment to the treaties, but which, because it changes the text of the treaties, might require another plebiscite in Panama.

I say this, Mr. President, because there is evidence of a growing resistance to these treaties in Panama. The resistance is based upon a belief in Panama, shared by many of the citizens of that country, that the United States got the best of this deal. There is a strong and growing sentiment, for example, that the Panamanians should not be required to wait 22 years before the canal is turned over to them. There is also the feeling that, during this 22-year period, the commission operating the canal should not be dominated by the United States.

There are many other arguments being presented in Panama today which could possibly result in a rejection of these treaties. Then what do we face, Mr. President? Then we would face not only the likelihood of rising resentment toward the United States, accentuated with each passing month, exacerbated by the arguments that would surround a second plebiscite, but we might also face a new period of negotiation which could hardly result in treaties more favorable to the United States than the ones now before us.

In other words, we have everything to gain and nothing to lose by avoiding another plebiscite in Panama. It would be pointless—indeed, it would be foolish—to assume the risk of another plebiscite by adopting an amendment that adds nothing of any possible benefit to the United States.

For these reasons, Mr. President, I express the strong hope that the Senate will reject decisively the amendment offered by the able Senator from Virginia.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. ABOUREZK). The Senator from Virginia has 5 minutes remaining.

Mr. SCOTT. I thank the Chair.

Mr. President, the distinguished Senator from Idaho says there is nothing for the United States to gain by the adoption by my proposed amendment. In my judgment, there is nothing for the United States to gain by the ratification of these treaties. We have a Canal Zone down there that has a value of $9.8 billion, and we would give it away by these treaties. There is nothing in this for the United States. The treaty was prepared for the benefit of Panama. I do not have any reservation about that. We are much better off by owning and controlling the Canal Zone. The world community is better off.

I get a little tired of hearing about Panama being impatient. How about the people of the United States? They are impatient, too.

It seems to me that any lawyer preparing a contract would want that contract to be as clear as possible. In my amendment, I use the word "void"—the treaty shall be void—and then say "and of no effect." Well, that is redundant. I could only say "void," and the word "void" means of no effect. But it is language that you fall into in preparing contracts.

I submit that any lawyer representing a client in the private practice of law would want such a contract. In a sense, that is what this treaty is—it is an agreement, a contract, between two nations; and we should make that contract just as clear as we possibly can.

Possibly, the distinguished Senator from Idaho is correct: perhaps this is not necessary.

But, perhaps, there will be greater understanding and that will remove any doubt. I certainy cannot see that it will hurt anything by putting this in.

I would submit, Mr. President, if this amendment is not adopted, it being opposed by the ranking member of the committee on the other side of the aisle, if he opposes, as he has, this amendment, he will oppose every amendment offered by every Senator except those that have been previously approved by the Committee on Foreign Relations.

This is such an innocuous amendment that I think it might be a test as to what the future holds for us during the remainder of the discussion of this treaty and, Mr. President, I reserve whatever time I have remaining.

Mr. CHURCH. How much time remains on this side, Mr. President?

The PRESIDING OFFICER. The Senator from Idaho has 8 minutes remaining; the Senator from Virginia has 1 minute remaining.

Mr. CHURCH. Mr. President, I think the Senator from Virginia has made it clear what his purpose is. He said it at the outset. He is against these treaties. He wants to kill these treaties, and he hopes to do it through the adoption of what he himself has described as an innocuous amendment. That is his purpose. I think the Senate understands the purpose.

Of course, he and I disagree as to whether or not these treaties serve the best interests of the United States. I daresay no argument of mine would dissuade the Senator from Virginia from opposing the treaties, but I do think it is relevant that the Chief of Naval Operations, the highest ranking officer of the U.S. Navy, when testifying before the Armed Services Committee on the treaties, had this to say as to why he, commanding the Navy, so strongly endorses these treaties as in the national interest of the United States.

This is what Admiral Holloway had to say:

> If I can give my view which I think is representative of the Chiefs, we had two choices: one essentially was no new treaties, which could cause us to withdraw from the canal in the next 5 years under adverse conditions, or we could, with new treaties, provide for the future security of the canal. Mr. Chairman, I would like to make one point; I think that there was no member of the JCS with a stronger conviction than myself of the national need for the use of the canal for our defense purposes in the future, and I was seeking the best solution to give us the highest assurance that we would be able to use the canal in the future.

Yes, I am happy to yield to the distinguished Senator from Maryland.

Mr. SARBANES. It is important to point out with respect to this amendment, and what is taking place with the offering of this amendment, that it has been proposed to article I of the Neutrality Treaty. when the author of the amendment himself concedes that it is article VIII of the treaty which covers the very subject to which his amendment applies. Furthermore, article VIII, which has been quoted by the distinguished Senator from Idaho, fully covers this matter and makes it very clear that the instruments of ratification of the Neutrality Treaty shall be exchanged at the same time as the instruments of ratification of the Panama Canal Treaty, and that the two treaties shall enter into force simultaneously.

So I think it is very clear, first, that the subject matter has been covered; two, it is covered in article VIII of this treaty, and this amendment is now being offered to article I, a totally inappropriate place for the amendment, even if the amendment were substantively required, which it clearly is not.

Mr. CHURCH. The Senator is correct. There is only one purpose for offering this amendment. It has nothing to do with the substance of the treaty because both treaties already cover the very point addressed by the amendment. The only purpose is to present an innocuous amendment, to present it on the grounds of "Well, what problem will it cause? Why not adopt it? Why not say twice what is already said once? Why not say negatively what is already said positively in the treaties? It will do no harm."

But, of course, Mr. President, nothing could be further from the truth. Once we begin to enact amendments changing the text of these treaties, we put the treaties in jeopardy. We force, in all likelihood, another plebiscite in Panama. If that is the objective of the treaty opponents, let us know it now, because various contrivances will be used to try to persuade the Senate to adopt a sweetly reasonable amendment which will have the effect of forcing a new plebiscite in Panama that could very well defeat these treaties and return us again to the negotiating table where the prospects for

obtaining an improved treaty are virtually nonexistent, since the pressures then will be for more concessions to the Panamanians.

On that basis, Mr. President, I urge the Senate to reject this and all similar amendments.

Mr. SCOTT. Mr. President, I want to thank my distinguished friend from Idaho for his kind remarks. He could not have said anything nicer about me than that I want to kill these treaties. It is the nicest thing that he could have said and, perhaps, the most pleasing thing he could have said for my constituents to hear and for the people of the country to hear, that the Senator from Virginia—and I will not yield until my minute is up—totally opposes both of these treaties.

But that is not the purpose of the amendment. It is to clarify, to make this treaty, this contract, just as clear as possible, because, as the distinguished Senator knows, any contract fails for vagueness, and this is vague, and this is attempting to clarify and to eliminate the vagueness and make certain the provision of a treaty.

But again I thank the distinguished Senator from Idaho. He was most kind in his gracious remarks.

Mr. CHURCH. I am glad to oblige the Senator.

ADDITIONAL STATEMENT SUBMITTED

Mr. DOLE. Mr. President, I support the amendment offered by the Senator from Virginia to article I of the Neutrality Treaty. I agree with the Senator that the Neutrality Treaty should be void unless and until the basic Panama Canal Treaty is ratified.

In fact, it seems to this Senator, as it does to other Senators, that we have taken these two canal treaties up in the wrong order. I supported an amendment offered by the able Senator from Alabama last week in an effort to allow the Senate to consider the basic Panama Canal Treaty first, and then to turn to consideration of the Neutrality Treaty. Of course, that effort failed, and so we are now proceeding with discussion of long-range defense and operation provisions before we have considered the immediate mechanics of the transfer.

The basic Panama Canal Treaty addresses itself to the primary elements of the entire treaty. It insures that the United States is guaranteed "primary responsibility to protect and defend the canal" from the date of treaty ratification until the year 2000. It insures that the United States maintains a key role in operating the canal during the next 22 years, while a gradual transfer of property and responsibility is accomplished. And the basic treaty outlines the numerous other details associated with turning the canal and the Canal Zone back over to Panama.

It makes little sense, then, to belabor the long-term defense and operation provisions before we have even discussed the preliminary mechanics of the accord. And it makes even less sense to leave open the possibility that the Neutrality Treaty could be ratified and operational without simultaneous ratification of the basic Canal Treaty. For that reason, I believe it would be wise for the Senate to adopt this amendment and insure that we end up with either the entire package, or no package at all. Neither treaty should become operational, in my opinion, unless the other is also approved and made operational.

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time.

Mr. SCOTT. I yield back whatever time I have remaining.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Virginia.

Mr. SCOTT. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from South Dakota (Mr. MCGOVERN), the Senator from North Carolina (Mr. MORGAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

On this vote, the Senator from South Carolina (Mr. THURMOND) is paired with the Senator from North Carolina (Mr. MORGAN). If present and voting, the Senator from South Carolina would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. STEVENS. I announce that the Senator from South Carolina (Mr. THURMOND) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

I further announce that the Senator from Wyoming (Mr. HANSEN) is absent on official business.

On this vote, the Senator from South Carolina (Mr. THURMOND) is paired with the Senator from North Carolina (Mr. MORGAN). If present and voting, the Senator from South Carolina would vote "yea" and the Senator from North Carolina would vote "nay."

(Mr. ABOUREZK assumed the chair.)

The result was announced—yeas 24, nays 69, as follows:

[Rollcall Vote No. 36 Ex.]

YEAS—24

Allen	Garn	Schmitt
Bartlett	Goldwater	Schweiker
Bellmon	Griffin	Scott
Byrd, Harry F., Jr.	Hatch	Stevens
Curtis	Helms	Tower
Dole	Laxalt	Wallop
Domenici	Lugar	Young
Eastland	McClure	
	Roth	

NAYS—69

Abourezk	Chiles	Hart
Anderson	Church	Haskell
Baker	Clark	Hatfield, Mark O.
Bayh	Cranston	Hatfield, Paul G.
Bentsen	Culver	Hathaway
Biden	Danforth	Hayakawa
Brooke	DeConcini	Heinz
Burdick	Durkin	Hodges
Byrd, Robert C.	Eagleton	Hollings
Cannon	Ford	Huddleston
Case	Glenn	Humphrey
Chafee	Gravel	Inouye
Jackson	Metzenbaum	Riegle
Javits	Moynihan	Sarbanes
Johnston	Muskie	Sasser
Kennedy	Nelson	Sparkman
Leahy	Nunn	Stafford
Long	Packwood	Stevenson
Magnuson	Pearson	Stone
Matsunaga	Pell	Talmadge
McIntyre	Percy	Weicker
Melcher	Proxmire	Williams
	Randolph	Zorinsky
	Ribicoff	

NOT VOTING—7

Bumpers	McGovern	Thurmond
Hansen	Morgan	
Mathias	Stennis	

So Mr. SCOTT's amendment was rejected.

Mr. CHURCH. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. GRAVEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. BARTLETT. Will the Senator yield for a unanimous-consent request?

Mr. GRIFFIN. I yield.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Ron Lehman, of my staff, be granted the privileges of the floor during the debate and consideration of these treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, just to keep my own record straight, I have indicated that I would not support substantive changes, amendments which would substantively change the treaty. I did not regard this last amendment as a substantive change but merely a procedural change. I therefore voted as I did.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, Senator MUSKIE this morning presented a detailed account——

The PRESIDING OFFICER. Will the Senator from California please use his microphone? There is too much noise.

Mr. CRANSTON. Will the Chair please obtain order?

The PRESIDING OFFICER. The Chair will try to do that.

The Senator will suspend until there is order in the Chamber.

Mr. CRANSTON. Mr. President, Senator MUSKIE this morning presented a detailed account of the actual cost to the United States associated with the new treaties.

That total cost from 1979–99 is $581.7 million, or an annual cost of $27.7 million. In addition, there are "one-time" costs of $48 to $56.4 million represented by relocation of certain Department of Defense facilities.

It is important to note that of this $27.7 million annual "cost," $20.1 million represents payment of interest by the Canal Company on the net investment

of the United States in the canal. This is not a "cost" in terms of payment by the United States, but an economic "cost" of annual interest income foregone because the canal is being transferred to Panama.

The remaining annual costs of $7.6 million are associated with early retirement under civil service to phase out American workers fairly and incremental costs to maintain American schools and hospitals during the transition period.

These associated annual costs of the treaties are thus for the direct benefit of American personnel and dependents during the transition period.

I do not think anyone begrudges these costs for the benefit of Americans in the Canal Zone who admittedly will have their lives affected by the transfer of the canal to Panama.

But even these economic "costs"—which I submit we should willingly assume for the benefit of our countrymen—are not substantial compared to the real economic benefit we receive from the treaties: the continued guaranteed use of the canal.

As the distinguished ranking minority member of the Foreign Relations Committee—Senator CASE—pointed out during the first week of debate on the treaties, the United States built the Panama Canal and has operated and maintained it for over 60 years because it was interested in the use of the canal. The United States needed a swift and reliable means for our merchant and naval vessels to move between the Pacific and Atlantic Oceans. That is the major economic benefit we have derived from the canal. That is the benefit we will continue to draw from the canal under the treaties. And that is the benefit that will be in jeopardy if we do not ratify the treaties.

The United States has never considered the canal to be a moneymaker. We have operated the canal as an international public service. Tolls have been set at rates just sufficient to cover costs. They have remained remarkably low over the years.

Thus, the economic benefits of the use of the canal have accrued not to the U.S. Government as the owner of the canal enterprise but to the vessels (and their owners) that have passed through the canal.

There have been a number of efforts to measure the value of the economic benefit from use of the canal under current conditions. The basic method employed by all of these studies is to calculate the difference between what shippers pay in tolls for using the canal and what they would have to pay if tolls were set at market rates. The difference is what is called the "users' surplus."

The current Governor of the Canal Zone, Gen. Harold Parfitt, in testimony before the House Panama Canal Subcommittee on July 25, 1977, concluded that the most accurate available estimate of users' surplus was one that put the figure at an annual average of $117 million for the years 1975–85. Governor Parfitt further estimated that perhaps one-third of the value of the users' surplus—or approximately $40 million per year—accrues to the United States.

Thus, from the outset of the treaties, the economic "benefit" to the United States is at least $40 million per year compared to an annual economic "cost" of $27.7 million per year.

The benefits of use of the canal will continue to be of enormous value to the United States. They will certainly be worth many hundreds of millions of dollars just in the next few years. And over the continued life of the canal, the value would mount further. The new treaties are of benefit to us precisely because they establish conditions which give us the assurance of being able to enjoy these economic benefits for the indefinite future.

Mr. CURTIS. Mr. President, I was interested in what the distinguished Senator from California was saying about the economics of these proposed treaties with the Republic of Panama. It is rather singular that I expected to speak on that subject myself today.

One of the outstanding jobs of research on the question of payments to Panama, costs to the United States, transfers of property, and pledges of payments that has been done has been done by the Heritage Foundation. They have issued a paper, on February 22, 1978, entitled "The Economic Implications of the Panama Canal Treaties."

In the course of my remarks, I shall be quoting repeatedly from this paper. I mention that because I do not want to speak without giving credit where credit is due.

Just what will happen financially, economically, if these two treaties are ratified and become effective? Here are a few facts that we should look into:

Under the terms of the proposed treaties, the Panama Canal Company would be dissolved and replaced by the Panama Canal Commission as the administering agent overseeing Canal operations. The assets of the Canal would eventually all be transferred to the Panamanian Government by the year 2000. As of June 30, 1977, the net book value of the property, plant, and equipment of the Panama Canal Company stood at $567 million. However, Governor Parfitt of the Panama Canal Zone estimates that the replacement value of these facilities amounts to about $4.6 billion. This includes only civilian installations related to the Canal and Canal Zone government.

On the date the proposed treaties would take effect, an estimated $92 million of the $567 million in assets will be transferred to Panama and another $30 million to other U.S. government agencies. In the early years of the first treaty, Panama would receive another $4 million in assets and at the conclusion of the treaty in 2000, Panama would receive all remaining assets and additional facilities and improvements made during the 22 year life of the main treaty. The Panama Canal Company estimates that the net book value of properties transferred at the termination date would amount to $522 million. This would make a total transfer of assets valued at $618 million to Panama, not including improvements. This figure represents the net book value which, as indicated above, is about one-eighth of the replacement value.

Beyond these assets, Panama will receive over the 22 year life of the first treaty all of the military facilities of the United States, including the 14 military bases now in operation. The replacement value of these bases has been estimated at about $1.2 billion. The value of Canal Zone Government facilities are estimated at $4 billion and thus the total replacement value of all American assets totals about $9.8 billion.

The new treaties include four different modes of providing compensation to Panama over the next 22 years. These include the following:

1. $.30 for each Panama Canal net ton of shipping transiting the Canal which "will be adjusted to reflect the changes in the United States wholesale price index for total manufactured goods" each two years after an initial five-year period, or potentially a total of nine readjustments.

2. A fixed annuity of $10 million replacing the present figure of $2.3 million, which consists of continuing compensation for the Panama Railroad and not rent for the use of land.

3. $10 million per year to Panama for providing "police, fire protection, street maintenance, street light, street cleaning, traffic management and garbage collection." This will also be periodically readjusted to reflect inflation and other factors. The real cost to Panama of providing these services, however, has been estimated at only $4.4 million per year.

But we pay them $10 million.

4. "An annual amount of up to $10 million per year" out of operating expenses of the Canal if any surplus exists. If no surplus in revenue exists in any given year then "the unpaid balance shall be paid from operating surpluses in future years."

In his testimony before the Senate Foreign Relations Committee Secretary of State Vance estimated that "Panama would initially receive about $60 million per year under this formula, which would apply until the year 2000." He emphasized that "All of these payments are made from Canal revenues." Similarily, in an address to the nation on February 1, 1978, President Carter asked, "Are we paying Panama to take the Canal?" He responded as follows: "We are not. Under the new treaties payments to Panama will come from tolls paid by ships which use the Canal."

(Mr. FORD assumed the chair.)

Mr. CURTIS. In hearings before Senate committees in late January and early February, statistical evidence apparently contradicted the assertions of the Carter administration.

Mr. SARBANES. Will the Senator yield on that point?

Mr. CURTIS. I am happy to.

Mr. SARBANES. That point was gone into very carefully this morning by Senator MUSKIE, the chairman of the Senate Budget Committee, because this misinformation is being spread about the countryside. He showed, I think clearly, that the President's statement that any payments to Panama under the new treaty will come from tolls is, indeed, an accurate statement, and any reasonable analysis that has taken place with respect to that statement has shown it to be accurate.

There are some other costs the United States will incur with respect to its defense position and with respect to early retirement for American employees in the zone. But that is unrelated to this statement. The statement by the President is accurate and correct and it is a disservice to rational discussion of this issue and to rational debate to continue to spread the misstatement that it, in fact, is not accurate.

Mr. CURTIS. Well, now, Mr. President, I refuse to yield further and I resent the charge that I am spreading misinformation.

I have a right to interpret my facts as do the proponents have a right to place their interpretation on them.

These facts are correct and I suggest that the distinguished Senator follow them.

Mr. SARBANES. Will the Senator yield?

Mr. CURTIS. No, I refuse to yield further.

Mr. SARBANES. A rational and reasonable interpretation of facts.

Mr. CURTIS. All right. I concede that the distinguished Senator has a monopoly on that which is rational and reasonable and anyone that expresses a conflicting opinion is unreasonable and irrational.

Now, we will concede that. Please let me go on.

Mr. SARBANES. I thank the Senator for his concession.

Mr. CURTIS. Oh, yes. I recognize his monopoly, but I do not believe it.

Mr. MATSUNAGA. Will the Senator from Nebraska yield?

Mr. CURTIS. I am happy to yield to my distinguished friend from Hawaii.

Mr. MATSUNAGA. As I understand it, in 1976, the total revenues from tolls charged ships using the canal amounted to about $135 million. Is that correct from what figures the Senator has?

Mr. CURTIS. I am inclined to think so. Yes.

Mr. MATSUNAGA. And in 1977, it is my understanding also that the gross revenues from tolls reached a figure of about $165 million, showing an increase over the previous year of about $30 million. Is that correct from the figures that the distinguished Senator from Nebraska has?

Mr. CURTIS. I am not in a position to dispute that. I do not have that right here.

Mr. MATSUNAGA. The information I have from the canal company is that that is so.

And if the trend continues, it is my contention, and the contention of those who are very optimistic about the growth of traffic for the canal, that this figure might even go as high as $200 million within the next 2 years.

Now, if the Senator will yield further, as the Senator himself has stated, the total payment to Panama under the new treaty will amount to about $60 million, which means that if we were——

Mr. CURTIS. May I correct the distinguished Senator? That was not my statement.

Mr. MATSUNAGA. Oh, the Senator was quoting.

Mr. CURTIS. I quoted Secretary Vance.

Mr. MATSUNAGA. Yes. The Senator was quoting Secretary Vance, as I recall it now.

But assuming that to be correct and, according to the figures that I have been able to arrive at, that is the right figure initially, to begin with, so that if we were to assume that the revenues will continue at the current rate of $165 million, and possibly more, it means that we will still have $105 million or so to pay for other expenses involved, and according to the figures, again, which I have been able to obtain, this will be sufficient.

So that, actually, the statement made by the President that payments for the operation of the canal will come out of tolls, now we have not as yet figured the increase in tolls, and if we were to increase the tolls and, as the distinguished Senator knows, the toll has been a reasonable one. Over in the other canal, the Suez, the toll runs up to about double what we are now charging per ton at the Panama Canal.

So that I am inclined to be rather optimistic that the statement made by the President is accurate and that it will continue to be accurate projecting into the future.

I thank the Senator.

Mr. CURTIS. I thank my distinguished friend on his childlike faith in the party line. I also commend him in the spirit of optimism. But I would like to call his attention to a few other factors:

In any given year in which toll collections and other sources of revenue do not equal ordinary operating expenses of the canal plus the payments to Panama, the funds would have to be appropriated by the U.S. Congress. Ordinarily, a deficit could be carried over into the next year and be recovered by later surpluses. Up to $10 million must go to Panama. Consequently, no surplus funds would ever be available to liquidate previous debts, of a surplus exceeding the total of accumulated surplus, and any annual deficit would have to come out of congressionally appropriated funds.

In the hearings, administration witnesses indicated that the $10 million surplus funds payment to Panama would not be figured into the calculations dealing with increases in tolls.

In contrast, the Panamanians have maintained that the $10 million per year figure should be included in the toll structure; thus, a source of potential conflict has already arisen even prior to ratification of the treaties. The Panamanians also insist that if surpluses do not occur during the 22-year life of the treaty, that is, amounting to $220 million, 22 times $10 million, then the United States has an obligation to pay Panama the difference between $220 million and any surplus revenues that go to Panama before the transfer of complete operation takes place.

If the United States has a sharp dispute with Panama at that time over contested payments under the treaty, it would certainly disrupt U.S.-Panamanian relations at precisely the time when Panama will take full control of the canal and when harmony would be essential to guaranteeing United States rights.

Friction could be created in the 22 years preceding a possible termination date controversy. If the United States refuses to calculate in the $10 million in figuring toll increases, then Panama would have an incentive to oppose any toll increases.

Once denied any incentive for creating a surplus in revenues, it would be in Panama's financial and political interest to maintain tolls at the lowest level possible.

Despite the fact that the new tolls would be necessary to generously compensate Panama under the treaty, the Panamanians could blame the United States for raising the tolls over the next 22 years and Washington would have to weather the criticism of all other Latin American nations objecting to such increases. Even in anticipation of the new treaties, the Latin American nations have overwhelmingly gone on record against any significant increase in the tolls charged. At the annual meeting of the Organization of American States last summer, they passed a resolution reaffirming "the principle that the Panama Canal tolls should exclusively reflect the actual operating costs." On this 17–0 vote both the United States and Panama conspicuously abstained. Consequently, the whole toll situation potentially could drive a costly financial wedge between the United States and the Latin nations, including Panama, rather than the new harmony which the proposed treaties were ostensibly designed to create.

The United States Treasury will also apparently suffer an annual loss of $20 million under the proposed treaties. At present, as part of the operating expense of the Panama Canal Company, they allocate about $20 million a year in order to pay interest on the U.S. government investment in the Canal. This year the payment, at 5.66% interest, amounted to about $18 million and was expected to rise to $20 million in 1979. Thus over the 22 year life of the first treaty this would mean a total of $440 million in lost revenue to the U.S. Treasury.

As the size of the American work force in Panama decreases, this will mean many fewer jobs held by Americans and the loss of income tax payments they would ordinarily pay. In fiscal year 1976, U.S. civilian citizens working in the Panama Canal Zone were paid $76,498,316. If they only paid 20% of their income on taxes, this would amount to $15.3 million in 1976.

In order to help induce just such retirements, the treaties include incentives for Americans to leave their jobs in Panama early. The estimated cost of this program, $7.5 million per year, will be charged against the U.S. Civil Service Commission budget.

Also, the United States Government must reach some resolution of the disposition of the current debt of Panama for past services provided by the Panama Canal Company. This bill, now totalling over $8.4 million, includes utility and other charges Panama has refused to pay, some of them dating back as far as 1955.

Similarly, the Defense Department budget will have to absorb additional costs estimated at $42.9 million for the relocation of facilities and new construction as American military forces consolidate bases remaining in Panama until 2000. No one has estimated any additional defense spending that may be required after the year 2000 in order to project American strength into Panama at a time of crisis. Presumably, the nearest remaining military bases in Guantanamo Bay, Cuba, on the Atlantic side, or California on the Pacific side, will have to be reinforced and additional air lift capacity be maintained.

In order to prevent direct appropriation of funds by the Congress to Panama, the treaty negotiators decided to attempt to include any payments to Panama in general toll increases. As indicated above, the tolls will not meet all of the anticipated expenditures. The following data, most of it supplied by studies commissioned by the Panama Canal Company or the General Accounting Office, provide a detailed breakdown of the nature of the problem.

In assessing the magnitude of toll increases necessary to offset anticipated expenses, the Panama Canal Company made the following assumptions in their calculations:

Five percent inflation rate is applicable beyond fiscal year 1979.

Commission of about $20 million not required to pay interest on U.S. investment.

Activity cost reductions can meet treaty date schedules.

$10 million contingent payment not considered a cost for inclusion in tolls base; payment dependent upon generation of revenues in excess of requirements.

$10 million public service payment to remain fixed.

Toll base can include costs to cover capital requirements beyond depreciation.

This series of assumptions constitutes a very optimistic assessment of the situation. During the past five years the rate of inflation has been 6.5% and costs in the operation of the Panama Canal actually rose by 7.5%. These assumptions also include substantial use of the Panama Canal in the transport of Alaskan crude oil to Gulf Coast refineries, with expected toll revenues from this source alone amounting $25 to $30 million in 1980. Also, they do not calculate in the equation the $10 million surplus revenue figure that Panama insists should be included. Finally, as Elmer Staats, Comptroller General of the United States, pointed out in his testimony, the Panama Canal Company's estimate of maintaining investment to cover capital requirements is very conservative.

Nonetheless, using these figures the Panama Canal Company has constructed the following chart of expected deficiencies and how they could be met in the years immediately ahead through an immediate toll increase of 19.5% and another 7.9% increase in 1983.

Mr. President, I shall not ask that those charts be placed in the RECORD at this time, because there are several, and I want to proceed to another feature:

With the new treaties. payments to Panama would amount to approximately $67.5 million and with projected rises in inflation and traffic the amount will eventually rise to over $173 million by the year 2000, $2.262 billion over the next 22 years, or an average of $102 million per year. With other port and shipping facilities being transferred over to Panama, approximately another $140 million per year will accrue to the Panamanian Government.

Some current costs of government and other functions now assumed by the Panama Canal Company will be terminated or transferred to the Panamanian Government and consequently some difficulties arise in comparing economic arrangements under the old and new treaties. The deficiency in existing rates of $36.7 million for FY 79 on page 8 assumes that a projected surplus of $9.3 million would be available to help reduce added expenses of $46 million. Others who question the role of this surplus and other potential obligations under the treaties estimate deficiencies ranging up to $96 million. The variations arise from whether one includes or excludes the following items: $20 million interest on the capital investment; $23 million to depreciate the value of investment over 22 years; and $10 million "surplus" revenues pledged to Panama under Article XIII.

Estimates of the necessary toll increases naturally vary according to the amount of revenue sought. The 19.5% used in the table on page 8 is the lowest estimate.

Ambassador Linowitz cited a prospective rise of 25% to 30% upon ratification of the treaties. The Transportation Association of America has forecast an increase of 30%. In the entire 64-year history of the Canal, only two actual increases have taken place, both in recent years, with a 19.7% rise in 1974 and another 19.5% increase in 1976. Technically, rates began at $1.20 per Panama Canal ton (a measure of volume rather than weight), but through re-computation fell to $.80 for laden ships and less for those in balast. In 1976 the tolls rose to the present figure of $1.29 per ton. Thus, prospective increases would be based upon this amount.

IMPACT OF TOLL INCREASES ON THE UNITED STATES

In assuming that most of the payments made to Panama under the proposed treaties come from Canal tolls, the Carter Administration has contended that the United States will not have to bear the costs involved. Secretary of State Vance categorically assured the Foreign Relation Committee that "the treaties require no new appropriations, nor do they add to the burdens of the American taxpayers." As indicated above, numerous appropriations will nave to be made to deal with various aspects of the Canal treaties. Moreover, the American taxpayers are also the consumers or producers of goods flowing through the Panama Canal whose prices will escalate upward by increases in the toll schedules.

As the principal user of the Panama Canal, Americans will sustain the largest share of the costs of the new toll increases. This will increasingly be the case in the next few years with the anticipated huge influx of Alaskan oil.

Thus, one of the most dramatic impacts of the new tolls will be the additional burden placed upon the cost of America's domestically produced oil. At present, it costs slightly more than 17¢ per barrel in tolls to transit the Panama Canal. With ar expected flow of 200,000 barrels per day through the Canal this year the total tolls collected on the oil would amount to $34,000 per day or $12.4 million for the year. By 1979 this volume will at least double to 400,000 amounting to $25 million. But with a toll increase of 30% this figure would rise by $7.5 million. Thus, one can roughly calculate that initially the payments to Panama under the proposed treaty will raise energy costs in the United States $7.5 million per year. Higher tolls in the future will increase this yearly amount and if the volume of oil transported peaks at 700,000, the figure would rise by another $5.7 million per year.

Along with the impact of tolls upon Alaskan oil supplies, American agricultural exports could be substantially effected by any significant change in the toll structure. According to figures from the Department of Agriculture, $8.5 billion of total agricultural exports of $23 billion go to Asian markets. Of these exports, 70% pass through the Panama Canal. The price of these products in markets in the Orient depend upon both reliable service through the Canal and low tolls, so that shippers down the Mississippi River can compete with Canadian exports out of their Pacific Coast port of Vancouver and Australian foodstuffs sent north over open seas.

In a study produced by the Economic Research Service of the U.S. Department of Agriculture, Floyd D. Gaibler states quite bluntly that "Provisions in the new proposed Panama Canal treaty have caused concern over probable impacts they will have on agricultural commodities transported from U.S. Atlantic and gulfports through the Canal to Asian markets." He calculates that the new payments to Panama will immediately "add approximately 2% to the freight rate for transporting heavy grains from the U.S. and gulfports to Japan." Naturally, any increases in transporting goods reduce their competitive position and lower still further the very narrow profit margin on foodstuffs. Gaibler further notes that with the inflationary escalator clauses in the treaties, tolls could rise up to eight additional times in the next 22 years and after 1999 Panama will have complete discretion over what they desire to charge customers.

In order to assess the American share of the impact of toll increases designed to offset payments to the Panamanian Government under the treaty, various formulations can be made. Since such projections rely upon assumptions about increases in the amount of freight using the Canal, rates of inflation, various interpretations of obligations under the treaties and other imponderables, the estimates must be quite tentative and wide ranging.

Using the most optimistic assumptions outlined in the Panama Canal Company figures presented in the previous tables, the estimated toll impact could be derived from apportioning the projected payments to Panama on the basis of $.30 per ton, plus inflation, plus the annual annuity payment of $10 million, plus the $10 million payment for services. This would ignore other Panamanian benefits deriving from Canal operating expenses, such as wages paid, which would also be of both direct and indirect benefit to the Panamanian Government. Nonetheless, by projecting volume increases and multiplying them by the increased tolls, one could estimate that by 1999 Panama would be receiving an annual payment of about $173 million, in contrast to the 1979 figure of about $68 million.

The actual rate of inflation in recent years has averaged about 6.5 percent instead of the 5 percent level used in the calculations given above. If a steady rate of 6.5 percent were used in calculating the 8 increases in the 30 cents per ton payment to Panama, the amount would rise to 94 cents per ton in 1999. The average payment to Panama, using the same projected tonnage increases, would rise to $124 million per year with an American share of $53.3 million for a 22 year total of $1,172.6 million.

The total cost would rise further if the $10 million surplus revenue payment to Panama became a part of the calculation of the toll base. This would add $220 million over the life of the treaty and raise the U.S. portion of the additional tolls by $94.6 million. Finally, the payments for services provided by Panama in Article III will undoubtedly also rise over the life of the treaty, although at present the services anticipated will initially cost Panama only $4.4 million per year to perform. That is the item for which we pay $10 million.

If the traffic and hence revenues do go up, so do payments to Panama; therefore, the U.S. share of transport costs will always rise. If traffic levels off or falls, then revenues will diminish but payments mandated to Panama will not diminish by a proportional amount because of the fixed nature of the annuity and service payments and because both the 30 cents per ton and service payments rise with inflation. If, for example, North Slope oil should be diverted to pipeline transportation, or some major bulk products either move to other modes of transport due to toll sensitivity, or are no longer competitive in some markets with producers who do not use the Canal, then serious problems arise as to whether the Canal can be a self-sustaining enterprise.

If deficits occur in the next 22 years, as the evidence presented in this study strongly suggests, then quite clearly the United States, as operator of the Canal, will have to appropriate such funds as may be necessary to balance expenses with revenues. Moreover, the real possibility exists that after the year 2000, particularly if the U.S. begins subsidizing the Canal itself before that date, then the Canal will no longer be operated with either the efficiency or regularity as at present. Panama could not bear such costs herself. Thus, the U.S. may find it necessary to continue to subsidize Canal operations after 2000 for her commercial and military interests.

Mr. President, I am sure that after we are shouted down and called irresponsi-

ble because we interpret these provisions differently than do others, when all the facts are in, they will find that in this projection, as in all Government projections, the cost estimates are not high, but rather low. We are going to pay and pay and pay on this matter, because we are the guarantors of the final transaction.

We are the chief users of the Panama Canal. Who pays for any inefficiency that it acquires? Who pays if there are not enough tolls? Are we going to abandon the use of it, or pay?

Well, we will pay as long as we can. We know doubt will pay as long as there is any hope that economically it is feasible to pay more rather than abandon that type of shipping.

Mr. President, I am advising the proponents of this measure once again to examine these various provisions and ascertain for themselves what the risk is about payments being made by the United States. Definitely, if these treaties go through, we will be parting with a very valuable asset.

In that connection, there has been talk on this floor about colonialism. Colonialism involves people. We are talking about an asset that was created, by whom? By the United States. It is a physical asset down there. To hang on to it has nothing to do with colonialism. Incidentally, I expect to speak on the question of the payments the United States made to the individual citizens down in the zone—not because these economic questions should be the overriding thing. The overriding issue is, of course, what is best for the United States and what is best for the whole world.

Mr. President, on that, no one has found fault with the United States operating of the Panama Canal. It has been operated at cost, or nearly so. We have been fair to all nations of the world. The other day I asked the distinguished Senator from New York if we had committed any acts against Panamanians in the Canal Zone, and he replied, "No." I asked, "Have we committed any acts against Panamanians in the Republic of Panama?" He again replied, "No."

The record of the United States in operating this canal has been good. It has been efficient. It has been for the benefit of the commerce of the whole world.

Now it is said, "Well, this is colonialism; we must give it back." The United States has never had a colony. The United States has never had a colony, Mr. President. A colony exists when you have people in subjection. This is an asset created by this country; the mechanical apparatus of that canal is an asset created by us, not something taken away from other people, not something involving other people. We paid for it; and I will have something to say about that at another time, maybe today.

But here is the conclusion of this paper from which I have been reading:

> This study has only dealt with the treaties for the next 22 years when the U.S. will continue to have primary jurisdiction over the administration of the Panama Canal, although the growing domination of Panamanian workers in the operation of the Canal may make the jurisdiction more de jure rather than de facto. Nonetheless, most economic projections indicated that the costs and consequences of the economic sections of the treaties are far more profound and controversial than generally assumed.
>
> The absence of precise data or even clear understanding of the nature of the terms of the treaties has made comprehensive analysis impossible. Unfortunately, even as the Senate has already begun their debate, many questions concerning the economic arrangements still remain to be worked out in the implementing legislation.

Mr. President, where is the implementing legislation? Where is it? I know of no one who concedes that the Senate would be fulfilling its duty in passing on these treaties until we have looked at the implementing legislation. But where is it?

I continue to quote:

> But the evidence available, especially that brought forth in the Senate hearings, indicates that major new economic burdens will be imposed, both directly and indirectly, on the United States through higher tolls on products transiting the Canal and the necessary Congressional appropriations to carry out the implementing legislation.
>
> Finally, the vagueness of many economic terms and conflicting interpretations of them quite possibly will lead to substantial friction between the United States and Panama if the treaties are ratified in their present form. More broadly, the new toll increases, falling heavily upon Latin nations, for which the Canal is a commercial lifeline, may cause Latin Americans to be further antagonized, rather than gratified by the new arrangements.

Mr. President, I pointed out a bit ago that the United States has never had a colony. No people have ever lived in a place where they could say, "We are a colony of the United States." This talk that "you must ratify these treaties in order to turn your backs on colonialism" just does not apply.

In that connection, I want to stress the fact that back in 1903 provision was made for the individual property owners in the Canal Zone. Quoting from the hearings, General Parfitt inserted a table which lists the payments to individual property owners to depopulate the Canal Zone. That amounted to $3,965,254. But, Mr. President, that was in the dollars back then. General Parfitt, who is often quoted by the proponents of ratification, points out that in 1977 dollars this amounted to $34,184,454.73.

This is not just an abstract figure. This represents payments made to individuals who owned property there. Mr. President, have you ever heard of a colonial power doing such things? I never did.

I hold in my hand the final report of the joint commission appointed by the President of the United States of America and the President of the Republic of Panama. It is dated 1920. It goes back and covers all of these transactions beginning with the ratification of the treaty in 1904.

I am not going to burden the RECORD with a full report of this, but just to let the record show that we dealt with individuals down there as individuals, this report shows, for instance, that on February 21, 1905, Domingo Diaz was allowed $41,790 for the property of Santa Rosa and Juan Vasquez; that Mrs. M. A. E. Delhonde, for her property, received an amount fixed at $3,050.

On May 26, 1905, an award was made in two claims, one for $9,000 in favor of Abundio Caselli and Francisco Alfredo Pellas for the property "El Tivoli," and the other for $1,768 in favor of the municipality of Panama, and so on.

An award of $45,000 was made by the umpire to Francis Schuber for the estate of Juan Diez Caballero, and for $15,000 to Maria Concepcion Sosa for the property of Gavilan and Gavilancito, and so on.

I could read a great many of these. It is a recitation of how we treated individuals.

How did we do this? Did we require them to go to the expensive burden of bringing suit in court? Not at all. This joint commission consisted of equal numbers of commissioners from Panama and from the United States. If they were in disagreement, they agreed on an umpire. Based upon the names appearing here, it is quite evident that many of these settlements were made by the umpire—and he bears a name that would suggest that he was a Panamanian—although I found in the report no tabulation of that amount.

Mr. President, I am sure there are some people—and I do not impugn their honesty, good intentions, or their motives whatever—who thoroughly believe this is not going to cost the United States. If that be true, it will be a change from what we usually experience.

We have used for all of these calculations very optimistic assumptions. The assumption on inflation is only one of them, but that alone, over a period of years, makes a big difference on what the economic impact of these treaties will be upon the United States.

I do not expect to convince those who contend that the king can do no worng, or that anyone who disagrees has prejudiced information. I am willing to submit this case to history. I am willing to let the readers of history look back at the record of these proceedings and decide whose guess was the best, the nearest to being accurate, on a very vague, hastily written and poorly drawn treaty.

Mr. GRIFFIN. Will the Senator yield?

Mr. CURTIS. I yield.

Mr. GRIFFIN. I rise to commend the Senator from Nebraska for a very fine presentation. I regret I was not in the Chamber throughout his statement, so I may have missed a point or two. I wonder if the Senator from Nebraska would agree with me that it is especially important, if we are to have any accurate means of measuring or assessing the economic impact of these treaties before we vote, that the implementing legislation, which is necessary, should be before the Senate, before we get to a procedural vote. Did the Senator address himself to that point?

Mr. CURTIS. I mentioned it, but I think it is worthy of being stressed again. To have the implementing legislation come here in the closing hours of debate or the last few days of debate, when all opinions have been crystalized, is not the answer. We should know now what the administration proposes in the way of

legislation to implement this treaty. It has been promised. I ask the question, where is it? Why is it not here?

Mr. GRIFFIN. When this is finished if the floor manager of the bill for the majority has any advice as to where it is, I think it certainly will be of interest to Members of the Senate.

There are a number of reasons why the implementing legislation is important. I would like to take a moment just to focus on one.

I might say by preface, or by a preliminary statement, that the argument about the possible necessity for involving the House has generally focused on whether or not the House is required to pass legislation in order to transfer property. That certainly is a very valid question and one which we will continue to debate.

Regardless of the answer to that question, there is no doubt that these treaties are not self-executing.

Mr. CURTIS. That is correct.

Mr. GRIFFIN. They are not self-executing. They require legislation to be passed by both Houses of Congress in order to be implemented. Not only will it be necessary for the House to pass appropriations if the tolls are not adequate, but let me point to article III of the canal treaty, which says:

3. Pursuant to the foregoing grant of rights, the United States of America shall, in accordance with the terms of this Treaty and the provisions of United States law, carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission, which shall be constituted by and in conformity with the laws of the United States of America.

If we ratify these treaties, one of the first things that has to happen is that we have to pass a bill to establish something which is not now in existence called the Panama Canal Commission, which will consist of five U.S. nationals and four Panamanians. That Commission will then have the authority to set tolls. The level of tolls that that Commission sets will not only have a lot to do with how much traffic goes through the canal, but obviously will have a lot to do with whether or not the revenues are adequate to cover expenses.

And if their tolls are not set at the right figure, we will, of course, have to appropriate money to make up the difference.

One question that occurs to me is, Will the members of this Commission be appointed by the President with the advice and consent of the Senate, for example? At this point, I do not know what the legislation is going to say in that respect.

As I understand it, the present members of the Board of Directors of the Panama Canal Corporation, as it is established by law, do not have to be confirmed by the Senate. I, for one, as a Member of the Senate, would want to be sure that the five members of the United States who serve on that new Panama Canal Commission that will be setting the tolls would be appointed with the consent of the Senate, that we would have the opportunity. But, you see, the legislation is not here. We are asked to buy a pig in a poke and to ratify the treaty without even knowing what the administration is going to propose in that simple respect, to say nothing of many other aspects.

I yield to the Senator from Arizona.

Mr. GOLDWATER. On that point, I am going to speak on this, probably, tomorrow, but I think this is a good point to bring out additional information.

The report of the Foreign Relations Committee contains nine treaties with foreign countries, but this list has been so carelessly tossed together that three of the nine treaties with foreign countries included in the list contain specific language requiring implementing authority from Congress before any transfer of land will occur. These are the three Mexican boundary treaties cited in the State Department list.

In addition, a fourth treaty in the list, the 1955 treaty with Panama, was recognized by the State Department itself as requiring authorization legislation by Congress before it becomes effective.

Far from being self-executing treaties, as we are told in the committee report, at least four of the nine supposed precedents require enabling legislation by both Houses of Congress before being carried out.

I am going to carry these remarks further tomorrow, but I think it is about time that the State Department realizes—or they should realize; it would not surpise me if they did not, let us put it that way. But they should realize that even if we pass the treaties in this body, it means nothing until we get implementing legislation, because this is going to cost the American taxpayers.

I do not care what the President says, I do not care what the committee says. This is going to cost the American people money. We cannot spend that money merely by treaty. If we could do that, we could raise taxes or lower taxes or dispose of Michigan, let us say, merely by treaty that contains the language. No, we have to have this specific legislation.

I begged my friends on the Foreign Relations Committee to produce it before the Armed Services Committee. We were told by a gentleman from the State Department that he first promised it in October. Well, now, it is March. And he told us that within a few days, we would have this implementing legislation.

I think I know why we have not gotten it, because it is going to mention money, and all the way through this, from the President on down, we have been told that this treaty is not going to cost the American taxpayer a nickel. I want to see what the State Department has to say on it. They have been dodging this.

The plain truth is they have been lying to us. Again, either they do not understand how treaties act or they do not understand the procedures, or they are trying to withhold something because they know it is going to have a helpful effect on the passage of this treaty.

I thank my friend for yielding to me.

Mr. CURTIS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. I thank the Chair.

Mr. President, I also might say this: Regardless of what individuals contend about these provisions that are vague and subject to various interpretations, let us just look at the situation practically. If the canal operation needs more money, and they follow the course of raising tolls, who is the biggest user of the canal? Whose exports can be damaged greatly by their product being less competitive?

If they neglect to collect from tolls all the money they need, regardless of any treaty, who stands in the place that they cannot let the canal go down? The United States.

Again, I express my resentment of the charge made here on the floor that those of us who raise a question about the cost to the taxpayers are spreading misinformation. If that be true, let the administration bring in their suggested implementing legislation and see what it provides.

There are many questions we could raise here. The distinguished Senator from Michigan raised one about the Senate ratification of the members of this Commission. Also, I should like to know how they select a chairman. Do they stay in session all the time? If not, how much authority can they delegate to the chairman? Do they have rotating chairmen?

There are a lot of questions that can bear upon the success of this venture that has been successful in its operation for Uncle Sam. And no one has been able to establish a bill of particulars of dishonest or inefficient operation by the United States of that canal or operation that was unfair to any people in the whole world. Yet we want to relinquish it.

Mr. President, the building of that canal has been the best thing that ever happened to Panama. If it has all been a mistake and we have been cruel and unjust, then I wonder how it has happened that someone has not suggested—I do not suggest it—that we turn the territory back just as we took it: Fill up the ditch, bring back the mosquitoes, and the malaria and the yellow fever. They require our mining companies to do that. If they go on land for an exploitation, they are required to return it just as they got it.

I do not suggest such a thing. I believe that we must continue to deal fairly with all people, Panamanians and others, and that we have an obligation to the commerce of the whole world, as well as our own. On that, I am not going to add fuel to the fires that sweep over so many places, downgrading the United States, belittling our accomplishments in the past, and saying, "Oh, yes, we must turn this over to untried hands, or somebody is going to say, 'Boo, you are engaging in colonialism.' "

There has never been a U.S. colony. I predict there never will be. The Panama Canal is not people, it is a creation of the United States, a creation that has been operated for the benefit of the commerce of the world.

It was my privilege to see part of the building of the oil pipeline in Alaska. Up there, I mentioned that this is a great engineering and mechanical achievement. But one of the leading engineers said, "It is not the greatest."

He said, "The greatest one was the building of the Panama Canal."

Those who have visited down there will find that, in the main, the canal operates now just like it was built, a tremendous achievement, a gift to mankind in the use of the canal. Yet there are those who would have us believe that the Panama Canal means people that are in a colony of the United States.

Mr. President, I happen to respect the history of my country. Of course, we have made a lot of mistakes.

We always will. But there is no country in the world that has had such a generous and fair attitude toward all other people, no country in the world ever fought the wars we have fought and never to gain one acre of territory. Yet, individuals who have received all the blessings of this country accuse us of colonialism.

Mr. President, I have a higher regard for my country, for those men and women who occupied it in the past, who have given us all of these things and all of these blessings.

After all, this generation did not bring into being the Panama Canal. Will it be this generation who gives it away?

Not with my vote.

Mr. GRIFFIN. Will the Senator yield for another observation?

Mr. CURTIS. Yes.

The PRESIDING OFFICER (Mr. SASSER). The Senator from Michigan.

Mr. GRIFFIN. The Senator from Nebraska at one point focused attention upon the fact that a lot of the cargo going through the canal is either coming from or going to ports of the United States and that this is very important to the United States, and that is certainly true.

One point, it seems to me, that ought to be focused on as we look at this so-called Neutrality Treaty which will take effect in the year 2000 when the canal is turned over to the Panamanians is this: Nowhere in that treaty does the Republic of Panama undertake any commitment or obligation to us or to anybody else that after the year 2000 they will operate and maintain the canal.

Now, the assumption is that they would because it is in their interests, and maybe that would be the case.

I might call attention to the fact that in the course of the negotiations the U.S. negotiators sought to include in the treaty a specific wording that would impose upon the Republic of Panama an obligation to operate and maintain the canal after the year 2000. They refused to do that.

The chief Panamanian negotiator, Mr. Escobar, categorically stated that Panama could not be tied down to keeping open a canal which might not be earning revenues.

Of course, some of those Senators who have gone down to Panama and have visited the scene have come back with a new realization of the tremendous cost of maintaining that complex system known as the Panama Canal. Many, with, I think, some justification, are concerned about whether or not a Panamanian Government after the year 2000 will allocate sufficiently from the revenues they take in to maintain the canal or whether they might take the revenues and use them for what the political leaders of that time might consider to be more important, such as, perhaps, social programs.

It is altogether possible that a different government, whatever the government might be in the year following 2000, could find to allocate the revenues for purposes other than operating and maintaining the canal, they could be in a position where they could not keep it open.

Well, in my minority views, I think I am not unrealistic when I call attention to the fact that what we really do in that situation is set the stage for Panama, after the year 2000, to demand that the United States continue to subsidize the operation and maintenance of the canal.

In other words, they will come to us and say, "We want you to pay money for us to keep the canal open," and the great United States will be in a position where, I suppose, we will probably do it.

The way this treaty was written, I think we are a setup for that.

I only want to make that point.

Mr. CURTIS. I thank the distinguished Senator for his contribution. He has given great study to these two treaties, and in light of his distinguished service in the Committee on Foreign Relations, his opinion is very valuable.

I would like to ask the Senator this, has he found anything in the treaties that deal with this potential happening?

Suppose, after these treaties are ratified, 3 years later there is a rather catastrophic damage done to the canal, maybe by earthquake or otherwise, calling for a very sizable amount of capital outlay to restore it for the commerce of the world. What happens?

Mr. GRIFFIN. If the Republic of Panama has not nationalized or expropriated the canal by that time—the Senator said 3 years after ratification?

Mr. CURTIS. Yes.

Mr. GRIFFIN. Maybe he meant 3 years after the year 2000?

Mr. CURTIS. No, I meant 3 years after ratification.

Mr. GRIFFIN. Well, if the Republic of Panama has not exercised the power to expropriate or nationalize the canal and have taken it over, which is a very real, at least, possibility, once we ratify the treaties, then I suppose it would be, of course, up to the United States, because the United States would then be obligated under the treaties to operate and maintain the canal between now and the year 2000 and to turn it over to the Panamanians at that time debt-free, without liens.

So we would, of course, bear the expense of repairing whatever damage is done by the catastrophe.

Mr. CURTIS. Suppose this catastrophe I have described occurs in 1998. What then is the obligation of the United States?

Mr. GRIFFIN. Well, under the treaty, we would be obligated to repair and put out whatever expense would be necessary to have the canal in operating and good order and to deliver it to the Republic of Panama on the last day of the year 1999 free of debt and in good working condition.

Mr. CURTIS. And what do the treaties give us in the way of guaranteed use and benefit of the canal after the year 2000?

Mr. GRIFFIN. The only thing that this treaty says is that, in effect, the Republic of Panama declares that the canal will be neutral and we have certain provisions, somewhat improved by the Carter-Torrijos understanding, but still far short of clarity, providing for some military action, perhaps, in the event the neutrality is violated.

But as I indicated earlier, there is no commitment or obligation anywhere in these treaties, to the United States, or the rest of Latin America, or to anybody else, that the Republic of Panama will continue after the year 2000 to operate and maintain the canal.

There is some reference to fair tolls. But whatever fair is will be determined by Panama. So we have no idea what the tolls would be.

Every indication from past history, the negotiations and everything else, would indicate that instead of having the attitude that the United States has had that the canal should be nonprofit and that tolls should always be as low as possible merely to cover the operating costs, there is every reason to believe that the attitude of Panama will be otherwise, that they will seek to get all the revenue that the traffic will bear. What their tolls would be, no one could do anything but speculate.

Mr. CURTIS. I thank my distinguished colleague.

Mr. President, before I yield the floor, I wish to praise the leadership for providing that these debates are broadcast over radio. I think this is a good thing. I believe those who have had an opportunity to listen to the debates have appreciated that opportunity. I think the people of the United States should know what goes on in the legislative halls. There is not any other media that provides them with that information. There is no publication I know of that carries a recitation of what takes place on the floor of the House of Representatives or the Senate every day.

Certain issues are written about; certain topics are developed. But in our system there is no avenue by which the people can find out what happens in Congress. There are a few who can take the CONGRESSIONAL RECORD.

So I have nothing but praise for the decision to make this broadcast available. I hope it continues after the Panama Canal matter is disposed of and that they continue to broadcast all the deliberations of this body by radio.

However, I do suggest that it be by both AM and FM, so that all people across the land, if they so choose, can tune in and listen to what is stated here. If they prefer to hear better speeches, I want to give them that opportunity; but they should have the opportunity to listen to what is going on here, if they wish.

I think it is a happy medium between

the suggestion that we broadcast by television, which admittedly carries a lot of problems, and that we do nothing. I believe that these debates and all debates from now on should be available for radio broadcast, both AM and FM. While every station should have a right to broadcast anything they please about the debates, it would be a good monitoring effect and a good policing effect if one system, the public system, were required to carry the full debates, just so that there would be a yardstick for all readers and listeners to see whether or not there has been a biased selection of remarks.

After all, there is something valuable about making available the whole story, the whole proceeding, not what some wise guy thinks is worthy to support and broadcast. He might be wise and his judgment might be good, but what right has he to choose what the rest of us shall hear or what things we want to consider are important in our Government?

Mr. President, I do hope that steps will be taken to make this broadcast available on both AM and FM and that it will be done now; that this experiment, which is working so well and pleasing millions of people, be continued in reference to all the deliberations of this body.

Mr. President, I yield the floor.

Mr. GRIFFIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, when the distinguished Senator from Nebraska asked me a question about what would happen if there were some kind of catastrophe affecting the canal 3 or 4 years after ratification, this Senator responded, "Well, if the Republic of Panama had not nationalized or expropriated the canal by that time," such-and-such; and I heard a snicker here and there, and I want to discuss this just a little.

While I am not going to stand on the floor and predict, of course, that the Republic of Panama is going to do that, I would like to focus for a moment upon the legal situation and what will happen.

We hear a lot of argument about whether the United States has sovereignty in the Panama Canal Zone. This Senator does not argue that the United States is sovereign, although some of my colleagues do. The fact is that the 1903 treaty gives the United States all rights, power, and authority as if it were sovereign in the territory, to the exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.

The point that I want to nail down and make is that because we have all the powers of sovereignty and they have none of them at the present time, they do not have the right of eminent domain. The Republic of Panama now cannot expropriate or nationalize the canal. But once we ratify these treaties, the 1903 treaty is abrogated, wiped out, and gone; and the rights of sovereignty, if they were already there, are vested in the Republic of Panama. After these treaties become effective, the Republic of Panama, with respect to the Panama Canal, does have the power of eminent domain and could, as Egypt did, nationalize the Panama Canal.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. CHURCH. I respectfully disagree with the Senator's analysis.

Mr. GRIFFIN. In what respect?

Mr. CHURCH. In this respect: The Suez Company was a private company. The Canal Commission would be an instrumentality of the Government of the United States. No sovereign power can exercise the right of expropriation against another sovereign government. The relationship between Panama and the United States with respect to the canal, for the life of the treaty, will be governed by the terms of the treaty.

Mr. GRIFFIN. I sincerely hope that the Senator from Idaho is correct. Nevertheless, I point out that the legal situation, of course, is drastically different; that upon ratification of these treaties, all the rights, powers, and authority of sovereignty vests in the Republic of Panama.

We might have an interesting lawsuit in the Court of International Law, or we might have, in other respects, an international complaint to file; but there is at least that possibility to contemplate.

I repeat that I do not predict it; I do not say it would happen. I only point out that, as a matter of the legality of the situation, what the legal rights and powers of the respective countries will be is entirely different from the situation that prevails under the 1903 treaty.

Mr. CHURCH. Mr. President, it seems to me that we have reached the stage where arguments are being manufactured out of thin air.

The existing treaty, originally entered into in 1903, presently governs the relationship between the United States and Panama with respect to the Canal Zone and the canal.

Of course, it could be argued hypothetically that Panama might step in and nationalize both the zone and the canal in the name of exercising its sovereign right—although the treaty of 1903 did not transfer ownership of either from Panama to the United States. But if it had done so, Panama would be abrogating the existing treaty.

Now that situation is not any different from what would occur if the Senate were to replace the old treaty by giving its consent to the new Panama Treaty. Article III of the new treaty provides for canal operation and management as follows:

> 1. The Republic of Panama, as territorial sovereign, grants to the United States of America the rights to manage, operate, and maintain the Panama Canal, its complementary works, installations and equipment and to provide for the orderly transit of vessels through the Panama Canal. The United States of America accepts the grant of such rights and undertakes to exercise them in accordance with this Treaty and related agreements.

Now, this provision of the new treaty would govern the relationship between the two countries, and create a situation no different from what exists under the present treaty. If Panama ever attempted to seize the canal or to deprive an instrumentality of the U.S. Government of its right to manage and operate the canal, it could not possibly do so without abrogating this treaty, with all the consequences which would flow from that action.

So I respectfully suggest to the Senator from Michigan that the argument he makes is totally without foundation, not supported either by the present treaty or by the treaty proposed to replace it.

Mr. GRIFFIN. Mr. President, I want to say to the distinguished Senator from Idaho that, as is true with so many issues and so many debates, there are two sides to the argument, and I respect his point of view and recognize that there are good arguments to be made on the other side of this question.

I would call attention, however, again to what happened with respect to the Suez Canal, and point out that in that situation while the United States did not condone the action of Egypt, indeed condemned it, despite the fact that the United States would not support the use of military force to maintain the neutrality of the Suez Canal at the time, Secretary of State Dulles at that time made an observation which included this, and I quote:

> The Suez Canal by the Treaty of 1888 is internationalized. The Panama Canal is a waterway in a zone where by treaty the United States has all the rights which it would possess if it were the sovereign.

The Secretary of State at that point was drawing the sharp distinction that whereas the Suez Canal could be subject to nationalization or expropriation under the circumstances that prevailed then, the Panama Canal by contrast could not because, as Secretary Dulles said, "The United States has all the rights which it would possess as if it were sovereign," and, therefore, the Republic of Panama had no authority to expropriate or to nationalize the Panama Canal.

When we ratify these treaties that language of the 1903 treaty, which vested all right, authority or power as if we were a sovereign to the United States to the entire exclusion of the Republic of Panama, is gone, is wiped out, and the Republic of Panama then does have the rights, power, and authority of sovereign, including the power of eminent domain, which would enable them—I do not say they will, I do not predict it, I only say they could—then perhaps to nationalize or expropriate the Panama Canal, and we would have a claim against them for so many dollars.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, many things about these debates have been dismaying to many Americans, none more so than various implications impugning the conduct of President Theodore Roosevelt in connection with the acquisition of the land and the construction of the Panama Canal.

I do not know how the distinguished occupant of the chair feels about Teddy Roosevelt, but speaking for this Senator from North Carolina, I wish we had a Teddy Roosevelt today.

This was brought to mind, Mr. President, by a lady in Kinston, N.C., who sent me a copy of President Teddy Roosevelt's book entitled "Fear God And Take Your Own Part."

This is a book, Mr. President, that had been in the library of this lady's family, for a long time. It was published in 1914 and, momentarily, I am going to read from that book.

But first let me discuss the lady, Mrs. Shirley Ann Rich. Mrs. Rich is a Navy widow, a beloved schoolteacher. She was recently honored by her community on a day set aside for the purpose of paying tribute to her. She was presented a special award of honor by the citizens of Kinston.

Mrs. Rich has contributed a great deal to her community. She established Friendship Garden, a show place demonstrating her love for beauty. She does volunteer work in nursing homes to show her love and compassion for the elderly and the sick; she drives the less-fortunate citizens of Kinston to shopping centers to show her love for her neighbors. She has involved herself in politics to show her love for her country.

Mr. President, Teddy Roosevelt's book, entitled "Fear God And Take Your Own Part," has a particularly interesting chapter beginning on page 305. It is chapter 11, entitled "The Panama Blackmail Treaty." That, it occurred to me when I saw that title, Mr. President, has an obvious message to those of us participating in the debate in the Senate of the United States today. Because many times I have had the feeling that some Senators would unwittingly have this country yield to blackmail in the year 1978.

In the concluding chapter of Teddy Roosevelt's book, he says:

Fear God and take your own part.

Of course, that is where the origin of the title of the book originated. Then Teddy Roosevelt went on to say:

This is another way of saying that a nation must have power and will for self-sacrifice, and also power and will for self-perfection.

When you stop to think about it, Mr. President, that is an ironically prophetic statement; it may be that Teddy Roosevelt is speaking to us today down through the decades, and saying to us in the Senate, "You had better look after the United States. You had better look after the free world."

Then, in this chapter, Teddy Roosevelt goes on to say:

There must be both watchfulness and self-expression, each to supplement the other, neither wholly good without the other. The Nation must be willing to stand disinterestedly for a lofty ideal, and yet it must also be able to insist that its own rights be heeded by others.

Mr. President, in the course of the debate on these treaties, the Senator from North Carolina has listened with great interest as various Senators have attempted to rewrite history. It has been said over and over again that Teddy Roosevelt took advantage of the Panamanians—a statement which is simply not so. It has been suggested over and over again that Teddy Roosevelt, and indeed the Government of the United States, acted improperly—which again is simply not so.

Teddy Roosevelt, in his book "Fear God And Take Your Own Part," speaks for himself rather eloquently about what really happened when the Government of Panama was established, when the Panama Canal was built.

Mr. President, I have listened with astonishment to many of the statements by distinguished Senators whom I respect and for whom I have great affection. Repeatedly we have heard the suggestion that if we do not give away the Panama Canal to the dictator Torrijos, we will be unloved throughout South America.

I submit, Mr. President, that this, too, is simply not so. The Senator from North Carolina, at no expense to the taxpayers of the United States, has traveled in recent years to nations in South America representing three-fourths of the population, gross national product, and land area. The Senator from North Carolina in each case met with the head of state, and in each case the head of state himself brought up the subject of the Panama Canal. And without exception, Mr. President, the heads of state of these countries said in effect, "Don't let Torrijos have that canal."

In the first place, they know his connection with Fidel Castro, even though there has been, strangely, an effort on this floor the past couple of weeks to pooh-pooh that. They know that Fidel Castro is exporting violent revolution into their countries. They know that Mr. Castro is a puppet of the Soviet Union. And they know that when Mr. Torrijos finished his little ceremony with the United States some months ago, he flew home and directed his pilot to fly over Cuba; and when his plane was over Cuba, Mr. Torrijos radioed his genuine felicitations and affection to Castro.

So if Members of this Senate do not understand what is involved here, certainly the heads of state in other Latin American countries do. And fortunately, Mr. President, so do the vast majority of the American people. Otherwise, there would not be such an outpouring of opposition to these treaties. It is a bit sad that even though some Senators acknowledge that their mail is running 1,000 to 1 against the treaties, nevertheless they say they are going to support the treaties.

The fact remains that a vast majority of the American people are opposed to this treaty.

Yesterday in my office the distinguished retired admiral, Thomas Moorer, paid me a visit. We discussed various aspects of these treaties, particularly the defense implications.

Admiral Moorer raised the same question which has come to my own mind: Why is there so little coverage in the major news media of the points made by the opponents to these treaties? Various editors and columnists have even gone so far as to ridicule the suggestion that the United States ought to be careful about the Torrijos regime and its involvement in drug trafficking into the United States. Indeed, there has been some suggestions that the Torrijos family and the Torrijos regime are as pure as the driven snow.

Mr. President, anybody who believes that would believe anything. The evidence is very clear.

We are not talking about evidence needed to convict in court; we are talking about whether the Senate of the United States is willing to have the Government of the United States go into partnership with this kind of people. That is the question. It is a moral question, in addition to being a question that may strike at the very survival of this country.

Now, back to Teddy Roosevelt, Mr. President, in his book "Fear God and Take Your Own Part," I read from page 305, chapter 11, entitled "The Panama Blackmail Treaty."

Let us see what Teddy Roosevelt said:

In 1903 a shameless and sordid attempt was made by the then dictator of Colombia and his subordinate fellow-politicians at Bogota to force the United States by scandalously improper tactics to pay a vastly larger sum for the privilege of building the Panama Canal than had been agreed upon in a solemn treaty.

Teddy Roosevelt went on to say:

As President of the United States I resisted this attempt, and prevented the United States from being blackmailed. Had I not successfully resisted the attempt, the Panama Canal would not now be built, and would probably never have been built. The attempt was blackmail then; and to yield to it now is to yield to blackmail.

Mr SARBANES. Will the Senator yield?

Mr. HELMS. Yes, for a question, and on the condition I do not lose my right to the floor. I am happy to yield to my friend from Maryland.

Mr. SARBANES. I have been following the Senator's discourse about Theodore Roosevelt with some interest. There is no question but that Roosevelt in his time moved to build the Panama Canal and took great pride in that achievement.

In the course of our hearings in the Foreign Relations Committee we had a panel of historians who came before us, including Professor Morison, a distinguished historian, an expert on Theodore Roosevelt.

As he pointed out, the important question, if you study Roosevelt, is what might he do today, or what attitude might he take. I would like to quote him. He, of course, noted Roosevelt's action then and his strong statements, some of which the Senator has just quoted. I think it is safe to say that none of us could, with accuracy, predict what Theodore Roosevelt would do today if he were here, so everyone's opinion on that is his own judgment.

Mr. HELMS. The Senator from North Carolina has not tried to predict anything. The Senator from North Carolina is merely letting Theodore Roosevelt speak for himself. I would say it is about time that he was allowed to do that, inasmuch as there has been so much implicit criticism of him.

Mr. SARBANES. Let me quote Professor Morison. Professor Morison said, in the course of his statement:

Today we are all groping for more constructive ways to lead from strength. These treaties are an enlightened and enlightening example. I hope you will approve them and will leave with you one more word from Theodore, the educator, who I think would have thought well of what we are trying to do.

He then quotes Theodore Roosevelt who said the following:

The important thing is the next step. It often happens that the good conditions of the past can be regained not by going back, but by going forward. We cannot recreate what is dead; we cannot stop the march of events; but we can direct this march and out of the conditions develop something better than the past knew.

Mr. HELMS. With all deference to my friend from Maryland, I do not know what that proves. It is just professorial rhetoric. I do not predict what Teddy Roosevelt would do, and I will not attempt to make that judgment.

The final paragraph of the chapter from which I am reading sums up with reference to the acquisition of land and the building of the Panama Canal. This is Teddy Roosevelt in his own book.

He said:

No action ever taken by the government, in dealing with any foreign powers since the days of the Revolution, was more vital and necessary to the well-being of our people, and no action we ever took was taken with a higher regard for the standards of honor, of courage, and of efficiency which should distinguish the attitude of the United States in all its dealings with the rest of the world.

I am not interpreting Teddy Roosevelt, Mr. President, I am simply quoting him. I intend to quote him further. He deserves the right to speak for himself. He has been all but maligned on the floor of the U.S. Senate in recent days—by implication, to be sure, but the implied allegations have been clear that somehow Teddy Roosevelt was a political scoundrel, that he went down and took advantage of those poor little Panamanians, not to mention those poor little Colombians, when, as a matter of plain fact, Mr. President, it simply is not so.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. HELMS. I am delighted to yield to my friend from Nebraska.

Mr. CURTIS. Anyone who has studied the life of Theodore Roosevelt knows that there is no man in history who was more of a stickler for honesty and ethics and just plain upright living than Theodore Roosevelt. During the years that he had his venture in ranching, a story is told, and I am sure it is backed by truth, that one of his cowboy hands reported to Theodore Roosevelt that he had found a stray calf and he put the brand of the Roosevelt ranch on the calf and herded it in with the rest of Roosevelt cattle. The reaction of the man who was later to become President was typical of his attitude toward right and wrong. He fired the man on the spot, and he said this:

One who would steal for me would steal from me.

And he dismissed the man, and he was humiliated.

I can think of another instance, and there are many of them. In those days, the candidates for President compaigned on a train. Roosevelt's special train reached the wide open spaces of Kansas and Sunday arrived. On the orders of Theodore Roosevelt, the train stopped on a siding and stayed there for 24 hours. It was his principle not to campaign on Sunday.

Times may change, but there never was a stickler for honesty and ethics and high standards like Theodore Roosevelt. These implications that, somehow, he threatened an invasion and established a colony and all this, down there, not only unjustly reflected upon a great and good man, but they reveal the total lack of knowledge of history on the part of his accusers.

Mr. HELMS. I thank the Senator. If Teddy Roosevelt were here, I'm sure he would thank the Senator, too.

I think it is high time that more Senators stood up in defense of this great American in terms of his character and courage, and his work on behalf of the best interest of this Nation.

Mr. President, I am not going to prolong the proceedings of the Senate this afternoon, but I do think that this one chapter from Teddy Roosevelt's book should be made available to Senators, whether they read it or not, so that Teddy Roosevelt himself can have his say about what really went on at the time of the creation of the Republic of Panama and the construction of the Panama Canal.

I ask unanimous consent that pages 305 through 342 of the book, "Fear God And Take Your Own Part," by Theodore Roosevelt, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. I thank the Chair.

EXHIBIT 1

CHAPTER XI—THE PANAMA BLACKMAIL TREATY

In 1903 a shameless and sordid attempt was made by the then dictator of Colombia and his subordinate fellow-politicians at Bogotá to force the United States by scandalously improper tactics to pay a vastly larger sum for the privilege of building the Panama Canal than had been agreed upon in a solemn treaty. As President of the United States I resisted this attempt, and prevented the United States from being blackmailed. Had I not successfully resisted the attempt, the Panama Canal would not now be built, and would probably never have been built. The attempt was blackmail then; and to yield to it now is to yield to blackmail.

Yet the present Administration now proposes to pay Colombia twenty-five million dollars, and to make what is practically an apology for our conduct in acquiring the right to build the canal. Apparently this is done on the theory of soothing the would-be blackmailers and making them forget the mortification caused them by the failure of their initial attempt to hold up the United States.

In brief, the facts in the case were as follows:

A private French company had attempted to build a canal across the Isthmus of Panama, and had failed after making only a beginning of the work. Various propositions for a trans-Isthmian canal to be undertaken by the United States Government had been made. One of these was to cross the Isthmus at Darien. Another was a proposition to go through Nicaragua. Different companies had been organized in the United States to back these different propositions. One of these companies had ex-Senator Warner Miller at its head. The then Senator Platt of New York was much interested in another company. Congress only considered seriously, however, the Panama and Nicaragua routes, and was in much doubt between them. A commission of experts appointed by the President for that purpose had reported that if we could buy the rights of the French canal company for $40,000,000 we ought to take the Panama route, but that otherwise we should take the Nicaragua route. It was at that time well and widely known that the sum of $10,000,000 (aside from a small yearly payment to be made on different grounds) was all that we would pay or would be asked to pay Colombia, and Colombia herself had advertised this fact. The recommendation, therefore, was in effect that we should go by Panama if we could acquire our rights by paying $40,000,000 to the French and $10,000,000 to the Colombians.

The French had real rights. They had spent hundreds of millions of dollars, and although much of this had been wasted, yet we received at least $40,000,000 worth of property and of accomplished work for the $40,000,000 we agreed to pay them. Colombia had no rights that were not of the most shadowy and unsubstantial kind; and even these shadowy rights existed only because of the actions of the United States. She had done nothing whatever except to misgovern the Isthmus for fifty years. During these fifty years her possession of the Isthmus as against foreign powers had been maintained solely by the guarantee and the potential strength of the United States. The only effective policing of the Isthmus during those fifty years had been done by the United States on the frequent occasions when it was forced to land marines and sailors for that purpose. Ten million dollars represented the very outside limit which generosity could fix as a payment to Colombia for rights which she was impotent to maintain save by our assistance and protection, and for an opportunity which she was utterly unable herself to develop. Nobody of any consequence in the United States, within or without Congress, would at that time for one moment have considered agreeing to pay $25,000,000 or any sum remotely approaching it.

If Colombia had at that time announced any such demand, unquestionably the Congress of the United States would have directed the Executive to take the Nicaragua route. The exact language of Congress in its Act providing for the construction of the canal, approved June 28, 1902, was that if "the President be unable to obtain for the United States a satisfactory title to the property of the New Panama Canal Company and the control of the necessary territory of the Republic of Colombia within a reasonable time and upon reasonable terms, then the President" should endeavor to provide for a canal by the Nicaragua route.

This language defined with exactness and precision what was to be done, and what as a matter of fact I actually did. I was directed to take the Nicaragua route, but only if within a reasonable time I could not obtain control of the necessary territory of the Republic of Colombia upon reasonable terms; the direction being explicit that if I could not thus get the control within a reasonable time and upon reasonable terms I must go to Nicaragua. Colombia showed by its actions that it was thoroughly acquainted with this fact, and eagerly demanded and entered into

a treaty with the United States, the Hay-Herran treaty, under which $10,000,000 was the price stipulated to be paid in exchange for our acquiring the right to the zone on which to build the canal.

Let it be remembered that this $10,000,000 was the price stipulated by Colombia herself as payment to those in possession of the Isthmus, and it was the price we actually did pay to those who actually were in possession of the Isthmus. The only difference was that, thanks to the most just and proper revolution which freed Panama from the intolerable oppression and wrongdoing of Colombia, we were able to give this $10,000,000 to the men who themselves dwelt on the Isthmus, instead of to alien taskmasters and oppressors of theirs.

The proposal now is that after having paid $10,000,000 to the rightful owners of the Isthmus we shall in addition pay $25,000,000 to their former taskmasters and oppressors; a sum two and a half times what these tricky oppressors originally asked, a sum which is to be paid to them merely because they failed in carrying to successful completion what must truthfully be characterized as a bit of international villainy as wicked as it was preposterous. In point of good sense and sound morality, the proposal is exactly on a par with paying a discomfited budger a heavy sum for the damage done his feelings by detecting him and expelling him from the house.

Our people should also remember that what we were paying for was the right to expend our own money and our own labor to do a piece of work which if left undone would render the Isthmus of Panama utterly valueless. If we had gone to Nicaragua, or had undertaken to build a canal anywhere else across the Isthmus, then the right which Colombia was so eager to sell for $10,000,000 would not have been worth ten cents. The whole value was created by our prospective action; and this action was to be taken wholly at our own expense and without making Colombia or any one else pay a dollar, and this although no power would benefit more by the canal than Colombia, as it would give her waterway communication by a short and almost direct route between her Caribbean and Pacific ports.

The people of the United States should remember that the United States paid $50,000,000 to Panama and the French company for every real right of every sort or description which existed on the Isthmus. There would have been no value even to these rights unless for the action that the United States then intended to take, and has since actually taken. The property of the French company would not have been worth any more than any other scrap heap save for our subsequent action, and the right to cross the Isthmus of Panama would have been valueless to Colombia or to any other nation or body of men if we had failed to build a canal across it and had built one somewhere else. The whole value then and now of any right upon that Isthmus depended upon the fact that we then intended to spend and now have spent in building the canal some $375,000,000.

The proposal of Mr. Wilson's Administration is that, having given to the Isthmus of Panama its whole present value by the expenditure of $375,000,000, we shall now pay $25,000,000 additional to the power that did its best to prevent the Isthmus from having any value by treacherously depriving us of the right to build the canal at all, or to spend a dollar on the Isthmus. If Colombia's action had been successful, the Isthmus would now be worthless; and yet the present Administration actually proposes to pay her $25,000,000 so as to atone to her for our not having permitted her to follow a course of conduct which would have prevented the Isthmus from being worth twenty-five cents.

Most people, when we began the building of the canal, believed that we would fail. There were plenty of such skeptics in this country, and a much larger number abroad. If the American engineers had not been successful, if the American people had not backed them with money, and if the Government had not started the work on a basis of absolutely non-partisan efficiency, there would exist nothing for which to pay any sum at the present moment. This proposed treaty is a proposal to pay blackmail to that Government which sought in vain to forbid us to use our national efficiency in the interest of the world at large.

I cannot too strongly emphasize that fact that Panama represented to Colombia an asset of no value whatsoever save such as might accrue from the action which we were ready to undertake at great expense. She enjoyed this asset at all only because of our guaranteeing her against having it taken away from her by any foreign power. We had never guaranteed her against a movement for independence on the Isthmus, or against action on our own part if she misbehaved herself. Presidents and secretaries of state had repeatedly given the true interpretation of the obligations to New Granada (the South American republic which then included the present Republic of Colombia) by the treaty of 1846. In 1856 Secretary Cass officially stated the position of the Government as follows:

"Sovereignty has its duties as well as its rights, and none of these local governments (on the Isthmus) would be permitted in a spirit of Eastern isolation to close the gates of intercourse on the great highways of the world, and justify the act by the pretension that these avenues of trade and travel belong to them and that they choose to shut them, or what is almost equivalent, to encumber them with such unjust relations as would prevent their general use."

Seven years later Secretary Seward in different communications explicitly stated that the United States had not undertaken any duty in connection with "any question of internal revolution in the state of Panama" but merely "to protect the transit trade across the Isthmus against invasion of either domestic or foreign disturbers;" and that the United States had not "become bound to take sides in the domestic broils of New Granada" but merely to protect New Granda "as against other and foreign governments." In the final portion of my message to Congress of December 7, 1903, and in my special message to Congress of January 4, 1904, I enumerated a partial list of revolutions, insurrections, disturbances and other outbreaks that had occurred on the Isthmus of Panama during the fifty-three years preceding the negotiation of our treaty with the Republic of Panama itself. These revolutions, unsuccessful rebellions and other outbreaks numbered just fifty-three during these fifty-three years.

In detail they are as follows:

May 22, 1850.—Outbreak; two Americans killed. War vessel demanded to quell outbreak.

October, 1850.—Revolutionary plot to bring about independence of the Isthmus.

July 22, 1851.—Revolution in four southern provinces.

November 14, 1851.—Outbreak at Charges. Man-of-war requested for Charges.

June 27, 1853.—Insurrection at Bogotá and consequent disturbance on Isthmus. War vessel demanded.

May 23, 1854.—Political disturbances. War vessel requested.

June 28, 1854.—Attempted revolution.

October 24, 1854.—Independence of Isthmus demanded by provincial legislature.

April, 1856.—Riot and massacre of Americans.

May 4, 1856.—Riot.

May 18, 1856.—Riot.

June 3, 1856.—Riot.

October 2, 1856.—Conflict between two native parties. United States forces landed.

December 18, 1858.—Attempted secession of Panama.

April, 1859.—Riots.

September, 1860.—Outbreaks.

October 4, 1860.—Landing of United States forces in consequence.

May 23, 1861.—Intervention of the United States forces required by intendente.

October 2, 1861.—Insurrection and civil war.

April 4, 1862.—Measures to prevent rebels crossing Isthmus.

June 13, 1862.—Mosquera's troops refused admittance to Panama.

March, 1865.—Revolution, and United States troops landed.

August, 1865.—Riots; unsuccessful attempt to invade Panama.

March, 1866.—Unsuccessful revolution.

April, 1867.—Attempt to overthrow Government.

August, 1867.—Attempt at revolution.

July 5, 1868.—Revolution; provisional government inaugurated.

August 29, 1868.—Revolution; provisional government overthrown.

April, 1871.—Revolution; followed apparently by counter revolution.

April, 1873.—Revolution and civil war which lasted to October, 1875.

August, 1876.—Civil war which lasted until April, 1877.

July, 1878.—Rebellion.

December, 1878.—Revolt.

April, 1879.—Revolution.

June, 1879.—Revolution.

March, 1883.—Riot.

May, 1883.—Riot.

June, 1884.—Revolutionary attempt.

December, 1884.—Revolutionary attempt.

January, 1885.—Revolutionary disturbances.

March, 1885.—Revolution.

April, 1887.—Disturbance on Panama Railroad.

November, 1887.—Disturbance on line of canal.

January, 1889.—Riot.

January, 1895.—Revolution which lasted until April.

March, 1895.—Incendiary attempt.

October, 1899.—Revolution.

February, 1900, to July, 1900.—Revolution.

January, 1901.—Revolution.

July, 1901.—Revolutionary disturbances.

September, 1901.—City of Colon taken by rebels.

March, 1902.—Revolutionary disturbances.

July, 1902.—Revolution.

Colombia had shown herself utterly incapable of keeping order on the Isthmus. Only the active interference of the United States had enabled her to preserve so much as a semblance of sovereignty. In 1856, in 1860, and in 1873, in 1885, in 1901, and in 1902, sailors and marines from United States warships were forced to land in order to protect life and property and to see that the transit across the Isthmus was kept open. In 1861, in 1862, in 1885, and in 1900, the Colombia Government asked for the landing of troops by the United States Government to protect its interests and to maintain order on the Isthmus. Immediately after the revolution by which Panama obtained its independence in 1903, the Colombian Government made another request to land troops to preserve Colombian sovereignty.

This request was made through General Reyes, afterward President of the republic. President Marroquin in making the request offered if we would grant it, to "approve by decree" the ratification of the Hay-Herran canal treaty as signed, acting thus "by virtue of vested constitutional authority," or if the Government of the United States preferred, to call an extra session of Congress

"with new and friendly members" to approve the treaty.

This dispatch has an especial interest. In the first place, it requested the United States to restore order and secure Colombia supremacy on the very Isthmus from which the Colombian Government had just decided to bar us by preventing the construction of the canal. In the second place, by the offer made it showed that the constitutional objections which had been urged against ratifying the treaty were obviously not made in good faith, and that the Government which made the treaty really had absolute control over its ratification, but chose to exercise that control adversely to us. As a matter of fact, whatever duty we had in the peninsula was to the Panamanians and not to the Colombians at all. As John Hay put it, "the covenant ran with the land." Our original treaty was with the United States of New Granada. This body suffered various changes, various portions splitting off and sometimes rejoining, and finally the Republic of Colombia succeeded to most of it. We, however, recognized whatever power was in lawful possession of the Isthmus, as the successor of the one with which we had made the treaty.

In the constitutions of 1858 and 1861, Panama explicitly reserved the right to secede from the confederation and to nullify any act inconsistent with its own "autonomy." Colombia later published a new constitution by Executive Decree, reducing Panama to the condition of a crown colony; but Panama never accepted this action as proper, and when in 1903 it set up an independent government by unanimous action of her citizens, they were merely reasserting the constitutional and legal rights which they had never relinquished.

As Secretary Root wrote the Colombian Minister in 1906, our action in recognizing the independence of Panama was merely "a recognition of the just rights of the people of Panama." On technical ground Panama's case was clear, Colombia had no case whatever, and the United States was bound to act as she did act. Morally, of course, there is no question whatever that Panama's action was imperatively demanded and that the United States would have been guilty of culpable misconduct toward an oppressed people if she had failed to support Panama.

I wish to emphasize the nature of the Colombian Government at the time when Panama declared her independence. It was a pure dictatorship. This was no concern of ours; for I hold it is not our affair to say to another nation what kind of government it shall have save in so far as the rights of our own citizens or of our own Government are concerned. The then President, Mr. Marroquin, had been elected as vice-president. Soon after his inauguration by a *coup d'état* he unseated the President and put him in prison. He then announced that under the Constitution, in the absence of the President, the vice-president wielded all the executive powers. Accordingly he exercised them.

In a few months the absence of the President became permanent, for he opportunely died in prison, and Mr. Marroquin continued to act as President. He declined to call Congress together for a period in the neighborhood of five years, and announced that under the Constitution in the absence of Congress he possessed all the legislative functions. Accordingly he exercised these also. He was careful to explain that his course was entirely "constitutional" and that it was in accordance with the mandate of the Constitution that he who had been elected vice-president exercised all the functions both of President and of Congress. As a matter of fact, while he did not permit any elections to take place for a number of years, yet his power was so absolute that he elected whomever he wished as soon as the election did take place; as already related, he notified me, when it became to his interest to do so, that he would elect a Congress with a guarantee that it would perform what he desired in case I would be satisfied therewith.

Having this absolute power not only to initiate but to ratify and carry out any treaty, he, through Mr. Herran, negotiated with Mr. Hay a treaty with the United States Government which conceded us the right to take the Panama Canal zone and build the canal for the sum of $10,000,000. (I disregard the minor details of the treaty.) He was exceedingly anxious to negotiate this treaty because it was a matter vital to Panama, and therefore of concern to the absentee owners of Panama; for if the treaty were not negotiated it was certain that the United States would go to Nicaragua. Having this treaty, and having received from the French company the assurance that they would sell us that property for $40,000,000, we selected the Panama route. As soon as we had done this Mr. Marroquin and his associates concluded that we were hopelessly committed, and that it was safe for him to repudiate his promise and try to extort more money. Under its original contract the time during which the French company had to complete the canal lapsed the following year. Colombia had granted an extension of some years; but Mr. Marroquin and his associates now announced that this extension of time, which they had themselves given, was unconstitutional.

Again I wish to call attention to the solemn farce, the contemptible farce, of these men appealing to the Constitution as a make-believe fetish, when the entire governmental power of the nation was vested at the moment in an irresponsible dictator who had never been elected to the office of President at all, who refused to summon Congress, and who yet exercised all its powers in the absence of Congress. It was dishonest on their part thus to talk of the Constitution, and it is an act of unspeakable silliness for any of our people to take that talk seriously.

Accordingly Marroquin summoned a Congress, the only one that had been held under his Administration. It was an absolutely obsequious body. It did not attempt to pass a law, or do anything but repudiate the proposed treaty. Its committee, in the report which the Congress adopted, announced the real object of their action when it said that the following year the rights of the French company would lapse and Colombia would take possession of the French company's belongings, and then would be in a "more advantageous" position to negotiate with the United States. In other words, they expected to combine piracy with blackmail, and to take possession of the French company's belongings and get from us the $40,000,000 we were to pay the French. Our course France would never have allowed this, and if I had acted with the pliant submission to Colombia's demand which the present Administration is at this moment showing, we would have had on the Isthmus France instead of Colombia, and the difficulty and danger of the whole problem would have been infinitely increased.

The Congress as well as the Dictator had ample warning of all the dangers they by their action were inviting. Representatives from Panama warned the Colombian Administration that Panama would revolt if the treaty was rejected; and our Department of State in the gravest manner called their attention to the serious situation their conduct would create.

Our Minister, Mr. Beaupré, an admirable public servant, who—unlike his successor who negotiated the preposterous treaty now before the Senate—conceived himself under obligation faithfully to represent the interests of the American people, encountered great difficulties while endeavoring to perform his duties at this time. The State Department's messages to him were intercepted, and in several cases not delivered, as shown in his cable to Hay of August 6, 1903; and he was directed by the Department of State to protest against such interference with his official communications. Mr. Beaupré showed conclusively in his correspondence that the delay in dealing with the Panama Canal treaty by Colombia was for the purpose of wringing money from either the French company or the United States, or both.

For example, in his message of June 10, 1903, he stated that the local agent of the Panama Canal Company had informed him that he had received an official note from the Colombian Government stating that the treaty would be rejected unless the French company paid Colombia $10,000,000. This shows that the Colombian Government then expected only twenty millions all told—ten legitimately from us and ten as an extorted bribe from the unfortunate French company. President Wilson now proposes to give five millions extra, apparently to soothe the feelings of those who failed to extort a smaller sum by scandalously improper methods.

In his message of July 21, Minister Beaupré reported that the Colombian Government had sounded both Germany and England to see if they could not be persuaded to construct, or aid in the construction of, the canal in place of the United States. The Government of Colombia, therefore, not only sought to blackmail us and to blackmail the French company, but endeavored to put one of the great Old World powers on the Isthmus in possession of the canal. And because the then Administration refused to submit to such infamy on the part of Colombia, the present Administration actually proposes to pay the wrongdoer $25,000,000 of blackmail.

There are in every great country a few men whose mental or moral make-up is such that they always try to smirch their own people, and sometimes go to the length of moral treason in the effort to discredit their own national government. A campaign of mendacity was started against this treaty from the outset by certain public men and certain newspapers. One of the favorite assertions of these men and newspapers was that the United States Government had in some way or other instigated, and through its agents been privy to, the revolutionary movement on the Isthmus. The statement is a deliberate falsehood, and every man who makes it knows that it is a falsehood. Mr. H. A. Gudger, late Chief Judge of the Department of Panama, was consul in Panama at the time, and had been consul for six years previously. It was impossible for any such encouragement or aid by the United States Government of the revolutionary movement to have occurred without his knowledge, and he has explicitly stated that he did not know of any such encouragement.

Mr. Hay, on behalf of the State Department, made an exactly similar statement to me at the same time. I repeated the statement in my message to Congress. The simple truth, as everybody with any knowledge knew at the time, was that the Isthmus was seething with revolution, and that a revolution was certain to occur if the treaty were rejected. Minister Beaupré notified us that the Panama delegates in the Congress during the debates about the treaty, had informed the Congress explicitly that such would be the case. The newspapers of the United States repeatedly published news from Panama stating that such revolutions were impending. Quotations from the daily papers could be multiplied to prove this. It is only necessary to refer to the Washington *Post* of August 31 and of September 1, the New York *Herald* of September 10, the New York *Times* of September 13, the New York *Herald* of October 26, the Washington *Post* of October 29, the New York *Herald* of Octo-

ber 30 and of November 2; all of the year 1903.

In my special message to Congress of January 4, 1904, I described the report made to me at the request of Lieutenant-General Young by Captain Humphrey and Lieutenant Murphy of the Army, who in the course of a visit which on their own initiative (and without my knowledge) they had made to Panama, had discovered that various revolutionary movements were being inaugurated, and that a revolution would certainly occur, possibly immediately after the closing of the Colombian Congress at the end of October, but probably not before early November. This definitely localized the probability of the revolution taking place somewhere during the last ten days of October, cr the first week in November. This was known on the Isthmus. It was known to the American newspapers. It was also known at Bogotá, where measures were taken to meet the situation. If it had not been known to the President and to the Secretary of State, they would have shown themselves culpably unfit for their positions.

After my interview with the army officers named, on October 16 I directed the Navy Department to issue instructions to send ships to the Isthmus so as to protect American interests and the lives of American citizens if a revolutionary outbreak should occur. Most fortunately the United States steamer *Nashville*, under Commander Hubbard, in consequence of these orders, reached the Isthmus just in time to prevent a bloody massacre of American men, women and children. Troops from Bogotá had already been landed in Colon on November 3, when the revolution broke out on the same day. On November 4, as Commander Hubbard officially reported, his marines were landed, in view of the fact that the American Consul had been notified by the officer commanding the Colombia troops that he intended to open fire on the town of Colon at 2 p.m. and kill every United States citizen in the place. Accordingly various men, women and children took refuge first in the shed of the Panama Railway Company, and then on a German steamer and Panama Railway steamer which were at the dock. Commander Hubbard showed himself loyal to the best traditions of the American Navy. He brought the *Nashville* close up to the water-front, landed some of his men to garrison the shed of the Panama Railway Company, and although the Colombians outnumbered him ten to one, succeeded in protecting the lives of the American citizens who were menaced. Thanks to the firmness of himself and his men, he so impressed the Colombian commander that next day the latter reëmbarked and withdrew with his troops to Colombia.

So far from there having been too much foresight about the revolution on the part of the American Government, this plain official account by a naval officer of what occurred on November 4 showed that the American Government had, if anything, delayed too long its orders for the movement of American warships to Panama, and that it was only the coolness and gallantry of forty-two marines and sailors in the face of ten times their number of armed foes that prevented the carrying out of the atrocious threat of the Colombian commander. In accordance with our settled principles of conduct we refused to allow the transportation of troops across the Isthmus by either the Colombians or the Panamanians, so as to prevent bloodshed and interference with traffic.

No one connected with this Government had any part in preparing, inciting or encouraging the revolution on the Isthmus of Panama. Save from the reports of our military and naval officers given in full in the message of the President of the Senate, and from the official reports in the Department of State, no one connected with the Government had any previous knowledge of the revolution except such as was accessible to any person of ordinary intelligence who read the newspapers and kept up a current acquaintance with public affairs.

Secretary of State John Hay stated officially at the time:

"The action of the President in the Panama matter is not only in the strictest accordance with the best precedents of our public policy, but it was the only course he could have taken in compliance with our treaty rights and obligations."

I saw at the time very many men, Americans, natives of Panama, and Europeans, all of whom told me that they believed a revolution was impending, and most of whom asked me to take sides one way or the other. The most noted of these men whom I now recollect seeing was Mr. Bunau-Varilla. He, however, did not ask me to take sides one way or the other. To no one of these men did I give any private assurance of any kind one way or the other, referring them simply to my published declaration and acts.

For some reason certain newspapers have repeatedly stated that Mr. Nelson Cromwell was responsible for the revolution. I do not remember whether Mr. Nelson Cromwell was or was not among my callers during the months immediately preceding the revolution. But if he was I certainly did not discuss with him anything connected with the revolution. I do not remember his ever speaking to me about the revolution until after it occurred, and my understanding was, and is, that he had nothing whatever to do with the revolutionary movement which actually took place.

There were, as I have said, various revolutionary movements on foot in the Isthmus, and it was my understanding that there was considerable jealousy among the instigators of these movements as to which one would come off first and would be effective. On information received after the event, I believed then, and believe now, that the revolutionary movement which actually succeeded was the one with which Mr. Bunau-Varilla was connected. He was sent by the Government of Panama as Minister to this country as soon as Panama became an independent state, and he then made no secret of the fact that he had been one of those who had organized the successful revolution; precisely as was the case with the President and other officials of the new republic. Neither did Mr. Bunau-Varilla make any secret of the fact that in acting as he did he was influenced both by his indignation as a resident of Panama at the Colombian treatment of Panama, and also by his indignation as a Frenchman at the Colombian proposal to blackmail the company, and if it would not submit to blackmail, then to confiscate its possessions.

In view of this double attitude of the Colombian Government, an attitude of tyranny toward Panama and of robbery toward the French company, Mr. Bunau-Varilla conceived it to be his duty to do all he could to aid the natives of Panama in throwing off the yoke of Colombia. I believe his attitude was entirely proper, alike from the standpoint of his duty as a resident of Panama, from the standpoint of his duty as a Frenchman to the investors and property holders of the French company, and from the standpoint of his duty as a citizen of the world. But until after the event I had no knowledge of his activities save the knowledge possessed by all intelligent men who had studied the affairs of the Isthmus. I gave him no aid or encouragement. My attitude was open to the knowledge of all; it was set forth with minute accuracy in my message to Congress.

No one connected with the American Government instigated the revolution. I thought that a revolution might very probably occur, but so far from fomenting it I was at the time, as has repeatedly been made public since, preparing my message on the basis that it would be necessary for us openly to take possession of the Isthmus in view of the scandalous conduct of Colombia. However, the fact that the revolution occurred and that the independent republic of Panama was actually seated on the Isthmus, rendered it unnecessary for me to send in this original draft of my message.

Even had I desired to foment a revolution—which I did not—it would have been wholly unnecessary for me to do so. The Isthmus was seething with revolution. Any interference from me would have had to take the shape of preventing a revolution, not of creating one. All the people residing on the Isthmus ardently desired the revolution. The citizens of Panama desired it. Every municipal council, every governmental body the citizens themselves could elect or control, demanded and supported it. When the revolution had occurred, and was successful, and Panama was an independent republic, I certainly did prevent Colombia from carrying on a bloody war on the Isthmus in the effort to overthrow the revolutionists. I certainly did refuse to do what Colombia requested, that is, to use the Army and Navy of the United States against our friends in the interests of the foes who had just been trying to blackmail us. We were solemnly pledged to keep transit across the Isthmus open. Again and again we had landed forces in time of revolutionary disturbance to secure this object. If Colombia had attempted the reconquest of the Isthmus, there would have been a far more bloody contest than ever before on the Isthmus, and the only way by which that contest could have been carried on would have been by using the railroad line and interrupting transit across the Isthmus.

It is therefore perfectly true that I prevented any attempt by Colombia to land troops on the Isthmus and plunge the Isthmus into a long drawn-out and bloody war. What I did then was as plainly my duty as it would be the duty of the President to act in a similar manner now. Panama was an independent republic *de facto* then just as she is now. Colombia had not a particle more right to land troops and conquer her then than she has now. If I was wrong in preventing Colombia from making an effort by a long drawn-out and bloody war to reconquer the Isthmus in 1903, then it would be a wrong to prevent her from making a similar effort at reconquest now.

If Mr. Wilson is sincere in his criticism of me for preventing such a war of reconquest in 1903, it is his duty to permit Colombia unhampered to make the reconquest at this moment; and to advocate one course of action is not one whit more immoral than to advocate the other. This Administration pretends to be for "peace." My course has brought twelve years of absolute peace to the Isthmus, for the first time in its history, and any other course would have plunged it into bloodshed. The Administration stands for a make-believe peace of cowardice. I stand for what I then secured: the real and lasting peace of honor and justice.

Among the provisions in the present proposed treaty with Colombia is the following phrase:

"The Republic of Colombia shall be at liberty at all times to transport through the interoceanic canal its troops, materials of war, and ships of war, even in case of war between Colombia and another country, without paying any charges to the United States."

To grant such a right to both Colombia and Panama was permissible so long as we also insisted on exercising it ourselves, on the grounds set forth by the then Secretary of State, Mr. Root, in his note to the British Government of January 16, 1909. In this note

Secretary Root took the ground that the United States had the right to except from "coming within any schedule of tolls which might therafter be established" the ships of the powers entering into the agreement necessary in order to give title to the land through which the canal was to be built, and to authorize its construction and the necessary jurisdiction or control over it when built. These nations were Panama, Colombia and the United States. Since then the present Administration has surrendered the right so far as the United States is concerned; and yet it proposes to give to the most envenomed opponent of the building of the canal rights to its use which are denied to the power giving the rights. In other words, the Administration says that our people, who built the canal, can give to others rights which they dare not themselves exercise. Such a position is a wicked absurdity.

Moreover, the proposed treaty may be construed under certain conditions to give Colombia the right to use the canal in a war against Panama, and we could only prevent such an outrage by breaking faith. We have already guaranteed the independence of Panama against Colombia by a solemn treaty. The Administration now proposes to guarantee to Colombia the right to use the canal against Panama. The two conflicting guarantees could not both be observed. Doubtless in the event of such conflict the United States would refuse to allow Colombia the rights which the proposed treaty would grant her; and in that case another and far greater grievance would be committed against Colombia; and then some future Administration, if it possesed the present Administration's nervous amiability toward all nations hostile to America, might agree to pay a hundred millions, with a suitable apology, as atonement for the conduct of its predecessor.

It may seem as if I am discussing the future possible actions of American Administrations ironically. I am really discussing them quite seriously. If the proposed treaty is ratified, it will render it quite impossible to consider any treaty as beyond the realm of probability. It had never entered my head that President Wilson could do what he proposes to do in connection with the proposed treaty with Colombia. If we pay $25,000,000 to Colombia now, then there is no reason why we should not at some future time pay her another $100,000,000; or pay Mexico ten times that sum for having taken Texas and California, Arizona and New Mexico; or pay a hundred times that sum to Great Britain because our ancestors deprived her of the thirteen colonies.

The Administration has succeeded in getting Congress to take the position that the United States has no special right in its own canal. It now proposes by treaty to get Congress to give to the one nation which conspicuously wronged us in connection with that canal special rights which it would deny to ourselves and to all other countries. President Wilson denies that we have the right to exempt our own vessels engaged in peaceful coast commerce from tolls, and yet he now proposes to exempt from tolls the war vessels and transports of Colombia. Three years ago I should have deemed it impossible that two such propositions could have been entertained by the same Administration. Furthermore, the President, through the Secretary of State, has recently stated that "if cordial relations are to be restored to Colombia, they must be restored on a basis that is satisfactory to Colombia." On the contrary, I take the position that the basis should be one of justice and right, and therefore one satisfactory to the honor and dignity of the United States Government and of the American people. The Administration's attitude is precisely as if when a householder has a disagreement with a burglar the effort should be to restore "peace" upon a basis satisfactory to the burglar instead of to the householder. Any burglar will welcome the "peace" which comes if the householder tenders him a large sum of money to atone for the heartlessness of a former occupant of the house in preventing him from getting away with the loose silver.

Mr. Bryan has also stated that Colombia suffered a loss financially, which we ought to make up, when she lost Panama. This represents the doctrine that when one country holds another in subjection and by misgovernment drives it to revolt, the moral and equitable rights are on the side of the tyrant country and not on the country that has declared its independence. If Mr. Bryan is right in his theory, France owes Great Britain an enormous sum of money for its misconduct in assisting the revolted colonies to become the United States of America. Yet the misgovernment of the colonies by Great Britain against which the colonies revolted did not even remotely approach the misgovernment against which Panama revolted; and it would not be more absurd for President Wilson to take the position that France owes Great Britain an enormous sum of money for her conduct in the Revolutionary War than to take the position which is now taken in reference to the payment of this $25,000,000 of sheer blackmail to Colombia.

We have at different times paid sums of money to various nations for the acquisition of territory from them. We have paid money to Russia and to France. We have paid money to Spain. But we have never paid to any nation, not to the most powerful European nation, nor to any American nation, a sum of money equal to the sum which it is now proposed to pay to Colombia in tendering her an apology for having refused to permit her to reconquer a little people whom she had shamelessly oppressed, and for having acquired the right which she sought to deny us, the right to spend hundreds of millions of our own money in constructing a canal in our own interest, in her interest, and in the interest of all the civilized powers of the world.

As Mr. Bonaparte, late Attorney-General, has said:

"By the treaty we promise to pay Colombia, as a compensation for an alleged injury, a much larger sum of money than we paid France for Louisiana, or Mexico for California, or Spain for the Philippines, or Panama for the Canal Zone, or than Great Britain paid us in settlement of the Alabama claims; if we acknowledge that we have so wronged her as to make it proper for us to buy her forgiveness, it is consistent and appropriate to add to this acknowledgment of wrong an apology, or, in other words, an expression of sorrow; if we have nothing to apologize for, because we have done her no wrong, then it is utterly unworthy of a great nation and a forfeiture of our right to self-respect for us to pay her a red cent."

The proposed treaty is a crime against the United States. It is an attack upon the honor of the United States which if justified would convict the United States of infamy. It is a menace to the future well-being of our people. Either there is or there is not warrant for paying this enormous sum and for making the apology. If there is no warrant for it—and of course not the slightest vestige of warrant exists—then the payment is simply the payment of belated blackmail. If there is warrant for it, then we have no business to be on the Isthmus at all. The payment can only be justified upon the ground that this nation has played the part of a thief, or of a receiver of stolen goods. In such a case it would be a crime to remain on the Isthmus, and it is much worse than an absurdity for the President, who wishes to pay the $25,000,000, to take part in opening the canal; for if the President and the Secretary of State are justified in paying the $25,000,000, it is proof positive that in opening the canal they are in their own opinion engagegd in the dedication of stolen goods.

To recapitulate:

1. The land could not have been acquired and the canal could not have been built save by taking precisely and exactly the action which was taken. Unless the nation is prepared heartily to endorse and stand by this action, it has no right to take any pride in anything that has been done on the Isthmus and it has no right to remain on the Isthmus. If there is a moral justification for paying Colombia $25,000,000, then there is no moral jutsflication for our staying on the Isthmus at all and we should promptly get off. If President Wilson is right in his position, then he has no business to take part in any ceremony connected with opening the canal; on his theory he would be engaged in the dedication of stolen goods.

2. In the words of John Hay, "the covenant ran with the land." Our agreement was with the power which owned the Isthmus of Panama, whether this was New Granada or Colombia or Panama itself. This agreement guaranteed the state that was in control of the Isthmus against interference by foreign powers, but it imposed no responsibility upon us as regards internecine troubles. This was explicitly set forth in statements by Secretaries Cass and Seward, one a Democrat and one a Republican.

As a matter of fact, every action we took was not only open and straightforward, but was rendered absolutely necessary by the misconduct of Colombia. Every action we took was in accordance with the highest principles of national, international, and private morality. The honor of the United States, and the interest not only of the United States but of the world, demanded the building of the canal. The canal could not have been built, it would not now have been begun, had our Government not acted precisely as it did act in 1903. No action ever taken by the Government, in dealing with any foreign power since the days of the Revolution, was more vitally necessary to the well-being of our people, and no action we ever took was taken with a higher regard for the standards of honor, of courage, and of efficiency which should distinguish the attitude of the United States in all its dealings with the rest of the world.

Mr. HELMS. Mr. President, I yield the floor, and I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his suggestion?

Mr. HELMS. I am delighted to withhold it, of course.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

AMENDMENT NO. 45

Mr. ALLEN. Mr. President, I call up amendment No. 45, which I have introduced on my own behalf and on behalf of Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, and Mr. GARN, and ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) for himself and other senators, proposes amendment numbered 45:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama:

Provided, That the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, if the United States on December 31, 1999, is in a state of war with any nation which might seek to have its warships or submarines transit the Canal under this neutrality treaty during such state of war; such military presence, however, not to extend beyond sixty days following the termination of such state of war.

Mr. ALLEN. Mr. President, this amendment is a sincere effort to extend the provisions of the so-called leadership amendment in that it will give added rights to the United States as to continuing to maintain its troops in the Panama Canal Zone as it existed on September 7, 1977, the date that the treaties were signed by President Carter and dictator Torrijos.

As was pointed out in connection with the amendment which was defeated or tabled on yesterday, the leadership amendment overlooks the fact, as it anticipates rights of defense starting with the year 2000, that all of our troops by that time, under the Panama Canal Treaty, will have been withdrawn. And while the leadership amendment is supposed to give us the right to defend the canal and to maintain its neutrality, it deprives us of the means.

Also, Mr. President, I am prepared, during my remarks, whether completed tonight or tomorrow, to show that the provisions of the proposed treaties provide a different situation as to enemy belligerent vessels ir. their right to transit the canal from the situation that exists under the present treaties.

I call the attention of Senators to the provisions of article III, section 1, paragraph (e) of the Neutrality Treaty. This is the rule that would apply as to all shipping seeking to transit the canal:

Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected, as a condition of transit, to inspection, search or surveillance.

How much more leeway can we give to enemy war vessels, enemy submarines? "Vessels of war and auxiliary vessels of all nations—whether enemy or ally—"shall at all times"—during war or during peace—"be entitled to transit the canal, irrespective of their internal operation, means of propulsion, origin, destination, or armament, without being subjected, as a condition of transit, to inspection, search or surveillance."

They just close their eyes and let enemy warships go through.

I am pleased to yield to the distinguished majority leader, who has a request to make of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alabama for his courtesy.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR EAGLETON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. MOYNIHAN is recognized under the order previously entered, Mr. EAGLETON be recognized tomorrow morning, as in legislative session, for not to exceed 15 minutes, after which the Senate resume consideration of the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I again thank the Senator for yielding.

Mr. ALLEN. I thank the distinguished majority leader. I am delighted to yield to him.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the treaty.

Mr. ALLEN. Now, this amendment, which is pending before the Senate and which I feel will be voted on tomorrow, takes article I as it exists in the Neutrality Treaty and adds a proviso:

Provided that the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, if the United States on December 31, 1999 is in a state of war with any nation which might seek to have its warships or submarines transit the canal under this Neutrality Treaty during such state of war. Such military presence, however, not to extend beyond 60 days following the termination of such state of war.

In other words, Mr. President, on December 31, 1999, when we are supposed to turn the canal over to Panama and to withdraw all of our troops, would it not be a very foolish thing and would it not deprive us of some of our rights of defense of the canal if the United States while in a state of war and while the enemy nation might wish to have its warships and submarines transit the canal, as they are entitled to do under the treaty from the language I have just read, were to withdraw all of our troops from the Panama Canal Zone in the face of that serious threat?

This does not confer any rights on the United States that they do not now have. That is, to put in motion measures to defend the canal and to prevent the transit by warships of the canal, and it covers just this one particular situation.

It is not a case of whether the President deems that the continued presence of American troops, a continued military presence of the United States, is needed in the Panama Canal Zone to defend the canal, and to maintain its neutrality. It is not that provision. It is not a question of the President deeming anything.

It is a question of whether there is, in fact, a state of war existing between the United States and another nation and for that other nation to want to claim the rights given to it expressly and in explicit language right here in article III of the Neutrality Treaty.

If we are in a state of war, why should we, who built the Panama Canal, who are charged with maintaining its defense and maintaining its neutrality, permit enemy warships to go through the canal?

That is all this amendment does, Mr. President. Just to say if we are in a state of war we can prevent enemy warships, enemy vessels, enemy submarines, from going through the canal, and that is certainly a reasonable stipulation, as the Senator from Alabama sees it.

Mr. CURTIS. Will the Senator yield for a question?

Mr. ALLEN. Yes, I am delighted to.

Mr. CURTIS. Which period is the Senator speaking of, before or after the year 2000, or both?

Mr. ALLEN. I am sorry, I did not understand the distinguished Senator.

Mr. CURTIS. Which period is the Senator speaking of?

Mr. ALLEN. We are speaking of the period starting with the 31st of December 1999. If we are at war at that time, this amendment would allow our military presence in the Panama Canal Zone to continue until the end of that state of war and a period of 60 days thereafter.

In other words, as long as a war is going on, we could keep that military presence there to guard the canal. But when the state of war has ended, and allow a period of 60 days to get our troops out, then we would no longer have that right.

Mr. CURTIS. If we have no right of a military presence in the Canal Zone, where is our nearest base on the Atlantic side?

Mr. ALLEN. Where is what?

Mr. CURTIS. Where is our nearest base on the Atlantic side if we are to no longer have any military base in the Canal Zone?

Mr. ALLEN. I imagine it would be Guantanamo in Cuba. That would be my guess.

Mr. CURTIS. I have a fear that some voices, not all of them, who are urging our relinquishing of the Panama Canal, will some day have a similar argument with reference to Guantanamo Bay.

Mr. ALLEN. I think Guantanamo Bay is next on the list to be surrendered.

Mr. CURTIS. Concerning the Pacific side, our closest bases are in California?

Mr. ALLEN. I would judge that is correct, though, as I say, I am not fully advised as to where our bases are.

Mr. CURTIS. And without the canal, it is a long way around to go down below South America, is it not?

Mr. ALLEN. Yes, it certainly is.

Mr. CURTIS. Now, another alternative provision actually exists, those things have happened, which would be to by force establish a foothold some place where the interests of the United States could be protected, and that would be very undesirable.

Mr. ALLEN. It certainly would. Indeed, it would have to be an amphibious landing or landing paratroopers in the Canal Zone.

Mr. CURTIS. Has anyone ever suggested that the continuation of a defense base in the Canal Zone was a threat to

the liberty or well-being of the Panamanian people?

Mr. ALLEN. I have never heard that suggested.

Also, it occurs to me, since we are going to have a joint defense of the canal, supposedly, after the year 2000, it looks like the Panamanians would be just as interested in our furnishing them a free security force there in the nature of our military presence.

So it would seem to be it would be of great benefit to Panama not to have to provide the entire defense itself.

But certainly in a time of war we ought not to have to withdraw our troops from the Canal Zone and allow enemy vessels, enemy submarines, to have free transit through the canal.

By free, I do not mean without charge, but uninterrupted and undisturbed transit.

Mr. CURTIS. Is the distinguished Senator's amendment based upon a situation that if a war was in progress at the time of turning the canal over absolutely to Panama, his amendment would then take effect for the duration of the war plus 60 days?

Mr. ALLEN. That is exactly right.

Mr. CURTIS. I thank the distinguished Senator.

Mr. ALLEN. I thank the distinguished Senator from Nebraska (Mr. CURTIS) for his questions, which are very timely and which have served to better explain the amendment offered by the Senator from Alabama.

Mr. President, when more Senators are present, I expect to continue my discussion of the provisions of the amendment. I wish to talk somewhat in general about what I see shaping up as the strategy of the proponents of the treaties.

I am reminded somewhat of reading in the Book of Daniel, where it is stated that Daniel had been set as the chief of three presidents over the land of the Medes and Persians. Others were jealous of him, and they could find no fault in him, except that, in his home, he would pray to God three times each day. Those who were jealous of him saw that the only way they were going to be able to attack him, do him harm, get rid of him, was to get rid of him because of his faithfulness to God. So, in flattering King Darius and making him feel that he was a god, or nearly that, they got him to issue a decree that no one in the entire kingdom should pray to any person or any god except King Darius himself.

So King Darius signed the decree, not realizing the significance of it. Daniel knew of the decree; nevertheless, he continued praying to God three times a day. He was reported and arrested and brought to the king for punishment, the punishment to be death.

King Darius liked Daniel, admired him, and wanted to change this decree in order to save Daniel's life; but his counselors informed him that any decree of the king or any statute under the law of the Medes and Persians could not be altered.

I do not know of any country that operates under a system of laws—and apparently they did back then—that has a provision that a statute, once enacted, or a decree, once made, cannot be changed.

When they reminded the king of that, he had to accept it, because that was the law of the land.

Senators recall the rest of the story, that he had Daniel thrown into the lions den; but Daniel, through the Lord's help, survived.

Then it was Darius had all those counselors who had resisted any change in that decree thrown into the lions' den.

That is the punishment that resisters of amendments got back in that day. I do not suggest any such violent treatment of those who resist amendments here in the Senate. Nevertheless, those resisters of amendments of the decrees were thrown into the lions' den, and they were caught up by the lions and eaten alive, without ever hitting the ground, the Bible tells us.

I do not suggest any such cruel treatment of those who have resisted amendments on the floor of the Senate. But I do wish to point out, Mr. President, that as the issue is shaping up in the Senate, the proponents of the treaties are telling us that these treaties must be given the same reverence, the same glorification, the same exemption from amendment that applied to the laws of the Medes and Persians, which could not be altered, once set in motion. I do not know how good the creation statutes of the Medes and Persians were. Whether good or bad, they could not be changed. But I do not believe that we should use that ancient approach to these treaties. I believe they are susceptible of constructive amendment.

The distinguished Senator from Virginia (Mr. SCOTT) offered an amendment, and it was stated that it was redundant or was covered. Yet, they would not even agree to that. They said that amendment might result in another plebeiscite down there. I do not quite see the logic of that sort of cantention.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ALLEN. I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I think the Senator from Alabama has hit the nail on the head. There was a time when many of the proponents who would accept no amendment are now in the process of offering and will offer a couple of their own amendments. So it indicates that amendments sometimes do have merit.

I hope we can find merit in some of the amendments proposed by the distinguished Senator from Alabama, perhaps even one proposed by the Senator from Kansas.

If we are going to just say that we cannot adopt anything because it might upset Torrijos or result in another plebiscite, I think there is very little use to ated, in effect, in the treaties?

I hope that in the next week or two or three or four, there might be more enthusiasm for some of the meritorious amendments offered by Members of this body.

I thank the Senator.

Mr. ALLEN. Mr. President, I certainly agree with the distginuished Senator from Kansas (Mr. DOLE) in the hope that somewhere along the line the leadership will turn Senators loose and allow them to vote on these issues up and down and without any compulsion to vote against the amendments.

Also, Mr. President, I believe we are operating under a false premise here when we say that any little old amendment, such as the amendment of the Senator from Virginia (Mr. SCOTT), which merely said that this treaty would not go into effect unless the other treaty was approved—how innocuous can you get, especially since it is already stipulated, in effect, in the treaties?

Oh, no, we cannot agree to that. It might cause another plebiscite down there. Torrijos is getting unpopular down there, and they do not like these treaties, and maybe the plebiscite would not carry.

Well, who says there is going to be another plebiscite? We have got a one-man government down here. First, he said he would not accept amendments putting into effect the memorandum between Carter and Torrijos. Then he relented on that and said:

> Well, yes, maybe since that memorandum was in effect maybe that won't result, won't cause, or make mandatory, another plebiscite. Oh, yes, I will accept those amendments, providing you don't make any articles out of them. If you make amendments to articles and not new articles.

So if he can accept those amendments he can accept anything, and who in the Senate can say that any amendment, no matter how drastic it is, will result in a new plebiscite down there? No one can say; and if Torrijos says, "This amendment, this treaty or these treaties are close enough to what we agreed on, then I am satisfied, that the people are satisfied," are we going to insist that we have a new plebiscite? I do not believe we are. Torrijos determines whether there is a new plebiscite.

I am of the opinion that no matter how many drastic changes are made to this treaty, Torrijos would not submit it to another plebiscite, and no one in here can say that he would, no one with any degree of certainty or accuracy.

So. Mr. President, I do not believe the U.S. Senate should stonewall on amendments. What contribution, Mr. President, is the U.S. Senate, this august body, going to make to these treaties in shaping the treaties? Not one single contribution; let me repeat, not one single contribution, if we proceed as we are proceeding now in stonewalling against every amendment.

Well, you say it is leadership amendments. The leadership amendments are based entirely on the memorandum that was agreed to by the President and Dictator Torrijos.

Oh, yes, the Committee on Foreign Relations and the distinguished Senator from Kansas (Mr. DOLE), and the distinguished Senator from Idaho (Mr. CHURCH) and, I believe, Mr. DOLE first suggested it here on the floor, said that we ought to make an amendment of the memorandum, and the distinguished Senator from Idaho (Mr. CHURCH) contributed the same thought and, possibly, that resulted in the memorandum. But the memorandum was issued. Nothing

was done in the committee, in the Committee on Foreign Relations, not one single committee amendment emerged from the Committee on Foreign Relations, which studied the matter for weeks, heard from dozens of witnesses, studied the treaties.

How many amendments did they come up with? Not a single one, not a single amendment. Oh, they recommend the leadership amendments. Why did they not make that the committee amendments? Well, the answer is simple. They wanted to let that be circulated among Senators. Senators were invited to cosponsor it.

Well, the Senator from Alabama, this Senator from Alabama, both Senators from Alabama, for that matter, are cosponsors of the leadership amendments, not because they think they solve the deficiencies, the shortcomings, of the treaties, but because there might be some little improvement over the existing treaties. And, more important than that, as a cosponsor of the amendment, that would give the junior Senator from Alabama an opportunity to point out the shortcomings in the amendment, and there are many as I have mentioned here on the floor, and I am not going to burden the Senators by requiring that they listen to me again on these amendments. But from time to time, as the leadership amendments come forward, amendments will be offered to make the leadership amendments say something, make them say something that means something for the protection of the U.S. interest in the defense of the canal.

So, the Senate will have a right to choose.

What does dismay me is what is happening in the U.S. Senate, which is charged with the constitutional duty of not only consenting to a treaty but advising, advising the President of the United States on the treaty itself, and that advice, as I would see it, would be to point out defects, shortcomings in the treaties, and seek to amend them.

I believe this matter was submitted to us in the Senate way back in the middle of last year, around July, and we will probably finish it here in the Senate before July—I certainly hope that we will—but in all of that time the U.S. Senate, supposedly the greatest deliberative body in the world, so-called at any rate, will not have had one bit of influence, one bit of influence, in shaping this treaty other than the initiative supplied by the distinguished Senator from Kansas (Mr. DOLE) and the distinguished Senator from Idaho (Mr. CHURCH), who did suggest the amendments that resulted in the memorandum, which then resulted in the leadership amendments.

So the Senate itself, as a body, has made no contribution in this area, and apparently it is the intention of the leadership to see that it does not make any, it does not make any contribution to this treaty, to the shaping of the treaty, because we can see what is coming.

If we turn down such a simple amendment as the amendment of the Senator from Virginia (Mr. SCOTT) and say that might cause a new plebiscite, what hope is there of an amendment such as the one pending before the Senate now?

So, Mr. President, I feel we would come to a conclusion on the treaties much earlier if Senators were released, released and allowed to vote on amendments on their merits and not on the basis of whether a new plebiscite may have to be called, because I say it is not something that we would concede that any number of amendments would result in a new plebiscite. Let us just say every amendment at the desk is agreed to. Why do you think Torrijos could not say that is satisfactory? Would we question that?

What right do we have to turn the treaty down? The President would send a resolution of ratification and exchange notes, and then we would have a treaty, possibly an effective treaty, but who would say that Torrijos had to call a plebiscite?

We get our information from what people say Torrijos might require. Who knows what he would require?

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I yield to the Senator from Kansas.

Mr. DOLE. Should we assume that if Torrijos would approve our amendments, we could get our colleagues to approve them? I sent a number of amendments to General Torrijos, because I was not having much success here.

Mr. ALLEN. Has he approved any of them?

Mr. DOLE. I have not had any response from him. I sent them down because I knew he had a veto power in this body.

Mr. ALLEN. Well, he OK'd the——

Mr. DOLE. The initial amendment.

Mr. ALLEN. The leadership amendment; he OK'd that. But I would say that his endorsement would increase the chances of passage of an amendment about 100 percent.

Mr. DOLE. Does the Senator think that if he would write a letter saying, "Senator DOLE, you can tell the leadership I support your amendments," I could get a few of them passed?

Mr. ALLEN. I stated it would increase the chances 100 percent. I do not know whether that is quite accurate or not, beause we have a zero chance right now of passing the Senator's amendment, and 100 percent over zero might not leave much chance even then. But it would translate a sure loser into a sure winner, let us put it that way, if it were endorsed by Dictator Torrijos.

There is a word I object to, Mr. President: "Stonewalling." That is an expression that has come into the English language, I guess, in recent years. I do not like the connotation, because "stonewall," of course, generally applies to Stonewall Jackson, who was certainly a great military leader, and who did gain his first fame by standing like a stone wall at the first battle of Bull Run, I believe. But now the expression is used where you just stand pat and withstand any assaults that are made against you.

That seems to be what is going to be the rule in the Senate. We are not going to be a great deliberative body and shape these treaties. We are not going to be given that opportunity. Even though I dare say scores of amendments will be offered, unless the leadership changes its attitude and what I believe is its present strategy, none of those amendments, if at all constructive or substantive, will be agreed to here in the Senate.

I think that is really a sad situation. Be committed, if you must, on the treaties. That does not commit your vote on every single issue to come before the Senate, I would not think. I would hope that Senators would use some independence as they study these issues. Do not be hindered from voting for a good amendment. Whether mine is a good amendment or not I do not state at this time. I think it is, but I am not making that point at this time.

If good amendments, constructive amendments, helpful amendments come before the Senate, let us vote on them on the basis of their merits. If that causes some change in the treaty, well, what of it, if it is a better treaty?

I am predicting whatever the Senate passes Mr. Torrijos is going to accept. That is my judgment in the matter. If he can accept the leadership amendment based on the President's memorandum, I believe he can accept any other amendment that we might offer.

I am hopeful that somewhere along we are going to make a breakthrough and get some amendments adopted that will better the position of the United States under these treaties. I know, and I will state categorically, that every Senator, as he votes, feels that he is voting for what is the best interests of this country, that his is a patriotic vote.

I am just asking Senators to study these amendments. Do not adopt the position that no amendments must be passed, that we have got to turn down every single amendment or run the risk of another plebiscite, because I do not put a great deal of stock in that statement that a new plebiscite is going to have to be taken. And, if it is, as I say, what of it? Mr. Torrijos jumped the gun in calling for the plebiscite, because he knew full well that the U.S. Senate had a constitutional right and a constitutional duty to pass on these treaties and to make amendments as the Senate sees fit.

I do not believe the Senate ought to abdicate its role of passing these treaties according to what is best for the people of the United States. I believe that if these treaties, which were thrown together more or less at the last minute, thrown together there between July and September, with very important amendments made in that time, needed amendments then, why would it not be reasonable to feel that they could stand some amendments now?

On tomorrow when more Senators are present I will continue my discussion of my amendment that is at the desk. I am hopeful that an up-or-down vote will be permitted on the amendment. I do not believe the leadership is risking anything there. A majority will vote against the amendment; I do not have any illusions that it is going to pass. I believe, actually, we would get more votes for our position if a tabling motion is made,

because at least two Senators have stated that even though they might disagree with an amendment, they are going to vote against motions to lay on the table as a matter of principle, that they believe amendments coming before the Senate are estitled to be considered and voted on on their merits.

So I hope this amendment will be given the courtesy of being voted up or down, even though I am stating here with certainty that the amendment will not pass. I feel that as each amendment is acted on and is turned down here in the Senate, it proves my thesis that no amendment is going to be accepted and we might as well face up to that. But every time a constructive amendment is turned down here on the Senate floor, we have further and further proof that no substantive amendment will be accepted by the overwhelming majority of Senators, which is very nearly two-thirds of the Members of the Senate, but I am hopeful that that number is going to go down as we discuss these treaties in the coming weeks and months.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senator did not mean to put too much emphasis on the word "months."

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. CASE. Mr. President, if we are going to discuss this tomorrow when there are more Senators on the floor, I expect we might not engage in a very extended discussion at this point, but I would like to say that I think the main reasons for opposing this amendment are two.

First, I do not think it is necessary. I think it is quite clear that our military people have a strong view, and we will quote chapter and verse from their testimony in the RECORD tomorrow when we have collected it, which our staff will be busily engaged in doing tonight, to the effect that the way we prevent hostile ships going through the canal in time of war is to prevent them from gaining access to it while they are still in the open sea, where we have complete freedom to deal with them; and of course we will have, as we now have, adequate military power to take care of that job.

That being so, this amendment falls in the area of things that maybe it would be nice to have for a person who had everything, to give them this, too, that sort of thing.

We could go on with that kind of process indefinitely and we would never have a treaty.

It seems to me that the arguments against the amendment, therefore, are just those. It is not necessary. It is not something we do now under any rights we have. It is just something that would make it impossible for this country to engage in negotiations for, and conclusions of treaties with, any other country.

The Senate cannot write the treaty. The Senate can review a treaty which has been given tentative agreement by our Government and the other contracting party or parties. If there are matters of great importance or consequence which are dealt with, as we see it, either improperly or in a negligent way, American interests, then we can and should either amend the treaties, if the fault can be corrected by an amendment, or reject the treaty. But we cannot dot every "I" and cross every "T" as if we were writing the treaty ourselves.

We are not the lawyers for the State Department. We are not even the lawyers in review of actions of the Department. We are here as a body to deal with large and serious questions of policy. For that reason, it seems to me clear that no amendment should be adopted by the Senate which would be regarded as merely stating something our way when it is perfectly adequately covered in the treaty as presented to us, just for the sake of having our language and our gloss applied to it.

All serious matters ought to be considered seriously. This does not represent a serious fault or indeed a fault at all. It is merely a matter of choice of how to express an agreement with another country.

I believe when we present to the Senate tomorrow substantive evidence given by our military people, which I am sure will confirm what I have said in general terms, the Senate will agree that this amendment ought not to be adopted. I will be quite prepared to yield the floor tonight at this point.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I must pay my respects to the able Senator from Alabama. He is presenting us with an amendment that is exceedingly difficult to reject. It reminds me of that passage from the Godfather, "I'll make him an offer he can't refuse."

Despite the clever phrasing of the amendment, I think we should pause long enough to remind ourselves that the new treaty continues the basic principle of neutrality concerning the operation of the canal, originally agreed to in the Hay-Pauncefote Treaty of 1901.

We reincorporated that provision in the Bunau-Varilla Treaty of 1903, and again reaffirmed it in the treaty pending before us, making expressly applicable, both in time of peace and in time of war, our commitment of 1901 "that the canal remain open to the vessels of commerce and war of all nations on terms of entire equality."

Mr. President, this reflects the American view. During wartime our national security interests can be protected and our use of the canal insured by relying on our military capability to prevent enemy shipping from reaching the canal, rather than by giving the canal operator authority to attempt to exclude such shipping through regulatory action.

That practice has served us exceedingly well in the wars of this century. We never permitted an enemy vessel to approach the Miraflores locks and then told the captain we would not open the locks. If we had done that, the Miraflores locks probably would have been bombarded by the enemy vessels.

If, indeed, we ever reach the point that our naval power is unable to prevent an enemy from approaching either the Atlantic or the Pacific entrances to the canal, then we cannot secure the canal anyway. Contrariwise, if we fail to assert our naval power and permit enemy vessels to come within firing distance of the canal, then we have already placed it in jeopardy.

The truth of the matter, Mr. President, is that we do not retain troops in the Canal Zone for the purpose of preventing an enemy from destroying the canal. Our policy in two wars has been to depend upon our control of the high seas for this purpose.

So even though the amendment of the distinguished Senator from Alabama sounds exceedingly attractive, it would be a grave disservice for us to adopt one not called for by the testimony of either our Secretary of Defense or our Joint Chiefs of Staff, who appeared in support of these treaties.

None of them said, "We are for the treaty only if amended to provide that if the United States is at war on January 1, 2000 A.D., then we will not have to abide by our commitment to remove American forces from the Panama Canal Zone."

No, indeed. What they said was quite different. The matter was raised before the Senate Committee on Foreign Relations in testimony given by Secretary of Defense Brown. The question put to the Secretary was as follows:

> Would all ships, then, if the canal is truly neutral, be permitted to move through the canal in the event of war by the terms of this treaty?

Secretary Brown responded:

> The answer is yes, Senator Percy. The present canal arrangements include a treaty between the United States and Britain, the Hay-Pauncefote treaty, in which we undertake a regime of neutrality—but, in fact, now and under the future canal treaty—under these canal treaties, belligerents are permitted to send their ships through the canal. I found out yesterday for the first time that there is an arrangement by which they are not allowed through simultaneously in opposite or the same direction, but it is a fact, I think, that the United States attempt to prevent ships of a nation belligerent to us, at war with us, from transiting the canal would be made outside the canal. We would depend upon our military power in the approaches to the canal and further out to do what we had to do.

Secretary Brown continues:

> The last place we want to sink a ship—ours or anyone elses—is in the canal, and we will therefore depend upon our military power outside of the canal to serve our interests. The new treaties do guarantee passage through the canal. They don't guarantee passage to the canal, to us or to anyone else.

That is the bottom line, Mr. President. That is the way we have defended the canal in the past. That is the way we will continue to do so in the future.

But it is not simply the Secretary of Defense who has so testified. On the 10th of October, Gen. Maxwell D. Taylor, former Chairman of our Joint Chiefs of Staff, also testified on behalf of the treaty. Addressing himself to this question, he, too, said:

> This Hemisphere and its approaches constitute our home base. If we can't control

all military aircraft and vessels approaching our vital areas, there is something wrong with our Armed Forces.

There ends the quote.

Since I do not want to be partial to the Army, let me quote the Navy as well. Adm. James L. Holloway, the Chief of Naval Operations, at hearings on 24 January of this year before the Committee on Armed Services, said, in response to a question from Senator NUNN:

As I said, my initial position is, I would like to see the United States stay in Panama in perpetuity, both to defend and operate the canal and having the Panamanians want us there. That is not the real life situation that prevails. The Panamanians don't want us there.

I believe that the best we can do is to have the Panama Canal Treaty and Neutrality Treaty which provide us with a presence to the year 2000, and subsequent to that time to have the right of taking whatever action necessary to permit our use of the canal. The price we pay for that, I believe, is to give up our bases.

There is the key. Admiral Holloway puts his finger on it. It is our right, inperpetuity at our discretion to walk back in to maintain the canal as an open, neutral waterway and preserve our ability to use it that justifies the price we pay; namely, to leave Panama at the end of this century.

It is not such a big price to pay, Mr. President. Although I doubt it very much, who can predict that the United States will be at war on January 1, 2000 A.D.? I doubt anyone can forecast the future. But if we are at war on that date, then I judge we can best envision the future actions of Panama by taking a careful look at the past.

Patrick Henry once said:

I have but one light by which my feet are guided and that is the light of experience. I know of no way to judge the future but by the past.

There have been times in the past when the United States has been in a state of war and it behooves us to look at what the Government of Panama did during those periods. Look at the events of December 7, 1941. If memory serves me right, the Republic of Panama declared war on Japan and Germany before we did, once the attack took place at Pearl Harbor.

The Republic of Panama has been a good and faithful friend and ally of the United States in periods of dire emergency in the past. That is their track record. Now they call upon us, in these treaties, to recognize that the age of colonialism is dead, that the empires are gone, that it is no longer right for us to play by one set of rules while the world plays by another, and that the United States must no longer insist upon retaining a presence in Panama which the Panamanian people oppose.

So we have a choice. The treaties give us everything we need to protect the vital interests of our country in the future. There is no need to perpetuate a military presence in the Canal Zone beyond the end of this century. Our military leaders tell us that was not the way we protected the canal in the past, and that is not the way we will have to protect the canal in the future. The amendment offered by the distinguished Senator from Alabama is totally unnecessary.

As difficult as it may be for our constituents to understand why the Senate should reject an amendment written in this beguiling way, adopting it would reject the one thing the Panamanians ask. How often I have heard it said on this floor that we Americans have our pride? Indeed, we do. But we must recognize, if we are to be a just people, that the Panamanians have their pride, too. They cannot force us out of Panama. They could subject us to an indefinite harassment, which would make it difficult, if not impossible, to preserve the canal as a peaceful waterway, open to the use of the commerce of all nations. They could render the canal largely inoperative if we were faced with a kind of guerrilla warfare on the isthmus.

(Mr. PAUL G. HATFIELD assumed the chair.)

Mr. CHURCH. But they cannot drive us out. They do not have the power. They are one of the smallest and weakest nations in the world.

Nevertheless, just as we would not tolerate foreign jurisdiction over a strip of land within our own country, occupied by foreign troops, so they insist that their own dignity and pride, their own sovereignty and independence, be recognized even by a country as powerful as the United States. And because, Mr. President, we still believe that might does not make right, we are prepared to acknowledge their legitimate aspirations.

The price we pay is to commit ourselves to withdraw our military forces from Panama, from the Canal Zone, at the end of this century. We do so reserving the right in perpetuity to come back in the event the canal is ever threatened so that our vital interests may be preserved.

When we consider the alternatives Mr. President, it is not a bad bargain at all. Instead of constantly chiding our negitiators for failing to draft two treaties that meet our needs, I think we ought to congratulate them.

It was the Senator from New York, I believe, who observed the other day that these negotiators have given us treaties which permit us not only to walk away from the isthmus with dignity, but also will bring credit to us. They conform to our traditional principles, and will improve our moral position, not only in this hemisphere but throughout the world. They have written treaties which, when amended as the leadership proposes, will clearly permit us to walk back in whenever the vital interests of this country make that necessary. Whenever we determine the canal is threatened and its neutrality placed in jeopardy, we will have the right to return to Panama to eliminate that threat.

Once again, it might be useful, Mr. President, to read the committee's own interpretation, which forms part of the legislative history of this debate, of the two amendments recommended by the committee. I offered them initially. They will be offered on this floor by the combined leadership.

The committee in its report states:

The meaning of these amendments, which together consttiute the entire Joint Statement, is plain. The first amendment relates to the right of the United States to defend the Canal. (It creates no automatic obligation to do so.) It allows the United States to introduce its armed forces into Panama whenever and however the Canal is threatened. Whether such a threat exists is for the United States to determine on its own in accordance with its constitutional processes. What steps are necessary to defend the Canal is for the United States to determine on its own in accordance with its constitutional processes. When such steps shall be taken is for the United States to determine on its own in accordance with its constitutional processes. The United States has the right to act if it deems proper against any threat to the Canal, internal or external, domestic or foreign, military or non-military. Those rights enter into force on the effective date of the treaty. They do not terminate.

A pretty good bargain, Mr. President, for one nation to obtain from another in treaties that will govern our relationship from now until the end of the century, and thereafter, in perpetuity.

Perhaps it is about time to congratulate both those who negotiated with the Panamanians for these treaties and the Foreign Relations Committee which recommended the two amendments necessary to insure that there will be no misunderstandings between Panama and the United States in the future.

These amendments are enough to do the job. These amendments take a form that will be acceptable to both governments. These amendments will not place the treaties in jeopardy.

The course of wisdom, then, is to adopt the amendments proposed by the joint leadership and to reject the amendment being offered by the able Senator from Alabama.

I do hope the Senate will see fit to take that course.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I know that Senators wish to recess and go home and I am not going to delay the Senate. I am not going to answer the remarks of the distinguished Senator from Idaho (Mr. CHURCH). I will on tomorrow seek to answer some of the points he made.

I do want to point out that back in the days before the 17th amendment, State legislatures would pass resolutions more or less of instructions to their Senators. And well they might, because they chose the Senators. Senators back in those days paid a great deal of attention to resolutions of their State legislative bodies. That practice has fallen somewhat into neglect, but on occasion we do hear from our State legislatures urging on us a course of action with respect to issues coming before the Senate.

I set great store by advice—not advice and consent, but advice—from my State

legislature. But today I did receive from State legislature, the legislature of the State of Alabama, a resolution. I am not going to read it all, but the gist of it is, and the title is, "Urging Alabama's U.S. Senators to Oppose the Panama Canal Treaties."

In a moment, I am going to ask unanimous consent that the text of this resolution be printed in the RECORD. I will be able to write my State legislature, communicate with them, and tell them that my views coincide with the collective wisdom of the members of the Alabama State legislature; that I do appreciate the moral support that they are giving me as we seek to subject the treaties to close scrutiny and as we seek to offer and obtain adoption of amendments that would improve the treaties.

My position on this issue is not a position I have taken just recently. I find that in one of my monthly newsletters, one I wrote back in October of 1971, I took a strong stand against the treaties that appeared to be emerging back in the Nixon administration.

Mr. President, I ask unanimous consent to have printed in the RECORD the resolution from the Alabama State Legislature, by Mr. Callahan of Mobile, originating in the House of Representatives, House Joint Resolution 85, urging Alabama's U.S. Senators to oppose the Panama Canal treaties.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, on September 7, 1977, President Jimmy Carter of the United States of America and Brigadier General Omar Torrijos Herrera of the Republic of Panama signed two treaties relating to the Panama Canal Zone; and

Whereas, these treaties provide for the complete relinquishment of American control of the Panama Canal by the Year 2000; and

Whereas, these treaties will place the Canal Zone under general Panamanian jurisdiction six months after the instruments of ratification are exchanged; and

Whereas, the Hay-Bunau-Varilla Treaty in 1903 provided that the United States would have perpetual possession, use and control of the Canal just as if "it were the sovereign of the territory"; and

Whereas, as one of the most strategic manmade waterways in the world, the Panama Canal is a vital link in the defense of the United States and the Western Hemisphere; and

Whereas, $387,000,000 was spent and American lives were lost in constructing the Canal; and

Whereas, the United States' net investment in the Panama Canal operation is over $5,000,000,000; and

Whereas, the free flow of the commerce of the United States and other nations depends on the Panama Canal being open and properly operated; and

Whereas, 14 United States military bases are located within the Canal Zone; and

Whereas, the continued, rightful control by the United States over the Panama Canal is needed to maintain the peace and security of the Canal Zone, which is located in a politically unstable part of the world; and

Whereas, two-thirds of the members of the United States Senate must consent to these treaties before they can be effective; now therefore

Be it resolved by the legislature of Alabama, both Houses thereof concurring, That we do hereby urge our Democratic Senators to provide their leadership in opposition to the Panama Canal treaties.

Be it further resolved, That copies of this resolution be forwarded to the United States Senators from Alabama, the Honorable John Sparkman and the Honorable Jim Allen, and to the Secretary of the United States Senate.

ADDITIONAL STATEMENTS SUBMITTED

Mr. SPARKMAN. Mr. President, the Panama Canal treaties are the most important foreign policy issue to come before the Senate for decision in many decades. In order that members of the Committee on Foreign Relations may participate to the maximum extent possible in the debate on the treaties, and in keeping with the expressed wishes of the joint leadership, the Committee on Foreign Relations this morning decided that, after this week, all scheduled committee hearings will be cancelled at least through the month of March. If the leadership chooses to have the Senate meet at a later hour on occasion in order to allow committees to conduct necessary business, the Foreign Relations Committee will take advantage of those opportunities to consider priority matters.

The committee had a very heavy schedule of business for the month of March, including both legislative and educational-type hearings. As a result of the need to devote primary attention to the Senate's consideration of the Panama Canal Treaties, the committee will have great difficulty in meeting the May 15 deadline for reporting authorization bills. I fully expect that the committee will find it necessary to have to request a waiver of the Budget Act's reporting requirements on some of its authorization bills.

The committee had been scheduled to receive testimony from many distinguished witnesses during the month of March, some of whom went to great trouble to rearrange their heavy schedules to meet the committee's schedule. I regret the inconvenience that the committee's decision to cancel the hearings may have caused them. However, in view of the national interest involved in these treaties, I am confident that each will understand the necessity for the committee's action.

Mr. WALLOP. Mr. President, the issue before the Senate simply stated is: Will the Senate consent to ratification of the Panama Canal treaties as submitted by the President?" My answer to that question is, "No," for reasons I shall explain later. Furthermore, the degree to which these treaties need to be modified and clarified stretches the constitutional role of the Senate to the limit. I do not quarrel with our "right" to amend them. We certainly should clarify some provisions. But the Senate should not introduce new terms into the treaties; rather, we should reject them outright and call upon the executive branch to renegotiate them. Ours is a higher calling than to rescue miscues of the executive branch.

Article II, section 2, clause 2 of the U.S. Constitution gives the President the power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur. The President makes the treaties, the Senate consents to them. In the case of the United States against Curtis-Wright Corp., the Supreme Court ruled:

The President alone has the power to speak or listen as a representative of the nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it.

This decision has stood since 1936. What we can do is to maintain the option of the executive branch to negotiate. I will oppose provisions in the treaty which preclude the ability to negotiate, particularly in relation to military security or fixed costs.

Several international law scholars concur that an amended treaty, without consent of the other party, is a rejected treaty. Senator GRIFFIN cites two such scholars in his minority views on the treaty: The late L. Oppenheim, international law professor of Cambridge University stated:

The proposal of an amendment to a treaty on the part of the Senate amounts to a proposal of a new treaty.

According to Prof. Elmer Plischke, of the University of Maryland:

Amendments constitute actual textual changes, and, as such, even if acceptable to the President, require renewed negotiations to induce other signatories to accept them.

It is clear that an amended treaty involves renewed negotiations, and that the degree to which these treaties need amending probably goes beyond the constitutional role of the Senate. Our role should be limited to clarifying certain provisions and exercising our advice. I would propose that our advice regarding changes to the treaties be communicated to the President but that we withhold our consent until our advice has been heeded.

Mr. President, before I get into some of the problems I see with the treaties, I want to say that I strongly believe that the need for a new relationship with Panama is necessary. It is arrogant to think that we have a perfect relationship which could not benefit from some modifications of present U.S. behavior.

I do not intend to dwell in the realm of the historical. I feel no guilt in saying that the United States singlehandedly carved one of the greatest manmade accomplishments of all times—connecting the Atlantic and Pacific Oceans. As a result of this U.S. accomplishment, the world benefits, and, it should be mentioned, the standard of living in Panama is one of the highest in Latin America. I do not need to continue to list all the gains, past and present, accrued from U.S. construction of the canal.

Nonetheless, certain aspects of our dealings with the Panamanians have not been based on mutual consent and respect as they might have been. In the interests of justice and in the interests of the dignity of both countries, we should air them and reexamine them. No doubt we should have given the Panamanians more responsibility for the daily operation of the canal and begun training Panamanians for this responsibility earlier. Perhaps we should have ceded

jurisdiction for certain lands unnecessary to the actual functioning and administration of the canal. But I am not going to dwell in the realm of the hypothetical either. It is safe to say that several aspects of our relationship with Panama merit reexamination, but that is not the issue before us. The issue is the treaties as drafted.

The treaties are, as some of my colleagues have suggested, fatally flawed in a number of respects. Regardless of what they are trying to accomplish, the treaties are written ambiguously, imprecisely, and allow a myriad of interpretations. Because of this, I think they will cast our two countries into a posture of more, and not less conflict. What is a treaty but a contract between countries? Does it make a whit of difference what President Carter and President Torrijos say it says? Absolutely not. Only what the treaties actually say within their four walls will guide our countries and the world. Given the obvious, they demand clarification.

The treaties need clarification on several points. Most of the major arguments revolve around continued use of the canal. The permanent neutrality of the canal and the procedure under which that neutrality will be guaranteed must be clearly spelled out. Not to do so, is an invitation to mischief.

As written the Neutrality Treaty prohibits the United States from negotiating leases of base rights after 2000. This treaty should permit the option of negotiating leases without having to be broken if we eventually decide to have bases in Panama after the year 2000. I will support amendments designed to achieve that genuine end. I will not support amendments which merely extend the time of U.S. presence in the Canal Zone but do nothing about maintaining options to negotiate.

There is a genuine national security interest, and it has nothing to do with rights of passage or two ocean navies, or anything else. Looking at a map, the Panama Canal is our southernmost military posture in the world until reaching the Indian Ocean and Australia. It is not an active military posture, but rather a passive military posture, and its role has been ignored in these treaties. At some point in time, we must either give up our presence, write a new treaty, or negotiate with some other country, such as Colombia, to maintain the strategic capabilities we now have in Panama, all expensive, all unnecessary.

The administration has grossly misrepresented the cost of the treaties. There is conservatively estimated to be a net of about $2 billion which this country will owe to Panama over the course of the life of the treaty. For example, there are many functions now funded through Panama Canal tolls, not the least of which are the schooling and hospital care services of the people who work for the canal—Panamanian or American. These expenses will become appropriations in the Department of Defense budget or the civil service budget.

Also, there is the question of outright turnover of U.S. property, purchased lands within the zone as well as buildings and housing which have cost millions to build. These, and other costs must be spelled out and clarified. The administration does no one a service by camouflaging these costs to the American taxpayer.

The continued operation and maintenance of the canal could be a serious problem. There is no provision in the treaty dealing with it and spelling out obligations to keep the canal running after the year 2000. Panama sees the canal as a panacea to her domestic economic ills, and over a period of time, there is no guarantee that revenues from the canal will be put back into maintenance of the canal, rather than spending them on other "competing priorities" within Panama. The domestic pressure will be great to spend on housing, hospitals, or tax relief, rather than continued canal maintenance. This factor has not been adequately examined.

Up to now, the Canal Zone has been policed by a civilian police force hired by a Panama Canal Company. The fact is that the American public will grieve for a wounded or dead policeman. They will say that it was horrible and that it was a tragedy, but that he was doing his job. The new police mechanism in the Panama Canal is under joint Panamanian-American control composed of American and Panamanian soldiers. If somebody starts trouble and an American soldier is killed, you have not killed a policeman, you have killed an American boy. And that will create tremendous friction between our two countries. I think we must anticipate the time when an American soldier in a noncombat situation has been wounded or killed and the outcry of the American people will be real.

One problem that concerns me greatly is the question of what happens if Panama unilaterally abrogates either the Panama Canal Treaty or the Neutrality Treaty. At that point we have no legal basis to take action; we have no relationship. Legally, they can demand that U.S. forces leave their country. I think we must have strong enough language in the treaty to preclude this possibility. At an appropriate time, I plan to offer an amendment which would reinstate the 1903 treaty if either of the present treaties are abrogated. This would provide us a firm legal basis for our remaining in or returning to our military positions in the present zone in the event Panama breaks the treaties.

However, the only question before the Senate is, "Will the Senate consent to ratification of the Panama Canal treaties?" My answer is, "No." Send the treaties back to the President with the Senate's advice and guidelines for denegotiation, but not with its consent. Let the Senate speak its collective wisdom. These treaties require too much amendment to be in the security interest and the financial interest of the United States. Let the Senate assure the Nation and the world that it believes in a new relationship between the two countries. But let us not build that new relationship on a faulty and unclear document.

It is the executive branch's obligation to negotiate treaties. And I would say one other thing, that it is not the Senate's obligation to ratify those treaties to salvage the President's reputation if we sacrifice our country at the same time. Each branch of our Government is designed to operate separately if in confluence. Basically each branch remains responsible for its own actions.

The Senate must clarify certain provisions of the treaties, but not clutter it up with nice sounding amendments which achieve no real objective. Ideally the President would renegotiate these treaties. It would be in the interest of both countries to have a clear document which both countries understand so that we mortals who live now and achieve these agreements can pass them on to those who follow and must operate under the terms of the agreement.

AUTHORIZATION WITH RESPECT TO FILING ANNUAL REPORT OF SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, on a different matter, I ask unanimous consent that the Special Committee on Aging be given until March 31 to file the committee's annual report, which will allow additional time to complete the analysis of legislation in late 1977 and early 1978, and which will provide sufficient time for review of committee manuscripts.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSITION TO MAJORITY RULE IN RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President, recent weeks have given me great encouragement that a peaceful solution may soon be found to the difficult problem of transition to majority rule in Rhodesia.

Agreement has now been reached between the Smith government and moderate black Rhodesian leaders on a rapid transition to majority rule within a democratic constitutional framework.

Some details remain to be settled but there is every likelihood that a final agreement will be signed in the near future.

This present course deserves encouragement.

By indicating its readiness to recognize promptly a new government of Rhodesia the United States could provide a great incentive for blacks and whites to settle their remaining differences quickly.

There is another significant step which the United States could take to give the constitutional settlement a chance to work, and that is, the early removal of economic sanctions against Rhodesia.

Writing for the Hearst newspapers for publication today, Kingsbury Smith, national editor of the Hearst newspapers, points out that Rhodesian Prime Minister Smith will officially call on the United States and Britain to lift economic sanctions as soon as the final settlement is signed in Rhodesia.

According to the article based on an exclusive interview with Prime Minister Smith, Mr. Smith received a guarantee from the United States and British Governments in 1976 that if the white Rhodesian Government agreed to a transition to majority rule, economic sanctions would be lifted.

Prime Minister Smith said that he believed that the United States and Britain are duty bound to respect their pledges as soon as the Rhodesian agreement is signed.

I ask unanimous consent that the text of Kingsbury Smith's excellent article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By Kingsbury Smith)

SALISBURY, RHODESIA.—Prime Minister Ian Smith will officially call on the United States and Great Britain to move immediately to lift economic sanctions against Rhodesia as soon as he signs, possibly within the next week or two, an agreement with the three chief black leaders in Rhodesia providing for the establishment of black majority political control of that embattled country after 80 years of white rule.

The patiently perservering Rhodesian leader made this disclosure in an exclusive interview with William Randolph Hearst, Jr., editor-in-chief of the Hearst newspapers, and the writer.

Prime Minister Smith revealed that he received a "guarantee" from the Ford Administration and formal assurances from the present British government that if the white Rhodesian government agreed to transfer political power to the black majority, economic sanctions would be lifted and both the United States and Britain would strive to bring about a cessation of guerrilla warfare against Rhodesia.

The American "guarantee," the Prime Minister said, was given by then Secretary of State Henry Kissinger, the British commitment, he added, was given by the late Anthony Crosland, who was Foreign Secretary of the British Government that was then and still is led by Prime Minister James Callaghan

Prime Minister Smith feels that despite the change of administration in Washington, the United States has a moral obligation to fulfill the-commitment-made to him on behalf of the American government since Mr. Callaghan is still Prime Minister of the British government that made the commitment to him, Ian Smith considers that government duty-round to respect its pledge.

As soon as the agreement for black majority rule in Rhodesia is signed, the Prime Minister considers the American and British governments obligated to introduce immediately in the U.N. Security Council a resolution calling for the lifting of the economic trade embargo the United Nations imposed on Rhodesia in 1968, 2½ years after Rhodesia declared its independence from Britain. If the Soviet Union vetoes that resolution, as it undoubtedly would, Mr. Smith, expects the United States and Britain to lift their own restrictions on trade with Rhodesia.

While the American and British governments have described as a "significant" step forward, the agreement Smith has already reached with the moderate black leaders on the basis for majority rule. Both governments continue to insist the two leaders of the so-called patriotic front, Joshua Nkomo and Robert Mugabi, who are waging guerrilla warfare against both blacks and whites in Rhodesia from neighboring Zambia and Tanzania, must be brought into the settlement.

Ian Smith told Mr. Hearst that both patriotic front leaders have been invited to participate in the settlement negotiations providing they renounce terrorism, accept free elections and agree to abide by the final agreement reached with the black leaders. Nkomo and Mugabi have refused to do so. They want power transferred to a black government in which they would play dominant roles before elections for a new constitution are held. They also want their own guerrilla forces to assume responsibility for security and supervision of elections in Rhodesia. The Prime Minister said this would result in the establishment of a Marxist dictatorship in Rhodesia.

The position of the American and British governments is that there will be all-out civil war in Rhodesia unless Nkomo and Mugabi are brought into the settlement.

"We have heard this one before, but it does not hold water," the Prime Minister said. "The patriotic front has very little local support. It used to be about 15 percent. We and the black leaders with whom we are negotiating believe it is down now to around 10 percent. That is why Nkomo and Mugabi don't want free elections."

In emphasizing what he considers to be the obligation of the American and British governments to put an end to economic sanctions against Rhodesia when the final majority rule agreement is signed with the three major black leaders in the country, Prime Minister Smith said:

"I take you back to the agreement which Dr. Kissinger sold to us in 1976 on behalf of the British Government. It wasn't his plan, it was a British plan, which the American Government agreed to support. (The plan called for black majority rule within 2 years.) Dr. Kissinger persuaded us to accept it. He made clear that if we didn't do so then even our friends in this world could no longer support us. We reluctantly came to the conclusion that under those circumstances our hopes for survival were nil. We therefore made the dramatic, traumatic decision to accept majority rule.

"Under the proposal Dr. Kissinger submitted to us we were assured that if we accepted, sanctions would be removed and terrorism would be curbed if not completely stopped.

"Dr. Kissinger was sufficiently honest and practical to say to me: 'The first, removal of sanctions, we can guarantee. The second, cessation of terrorism, we cannot guarantee, but we will use our good offices and the tremendous influence of ourselves and our friends in the free world to bring it to an end, and we believe we will go a long way to achieving it, if not immediately, in the long run.'

"Now in the agreement which we have already reached with the black leaders, we have gone even further than in the terms we accepted from Dr. Kissinger. Under those terms, while accepting the principle of majority rule, we had not at that stage actually agreed to one man one vote, nor did we agree to reduce the voting age from 28 to 18. We have done both now.

"So we have done what the American and British governments originally asked us to do, and what the free world wanted us to do. Now we are in the final stages of negotiations on the interim government and conditions that will prevail during the transition period. When these negotiations have been completed, which could be within a week or two, we will sign the agreement of basic principles committing us to majority rule.

"When we have reached that stage then in view of their past undertakings, and if they are straightforward and honest, the American and British governments are under obligation to remove their sanctions and to call on other nations to do likewise, and to join in using their influence to bring an end to the terrorism and to give us—the overwhelming majority of the blacks and the whites in Rhodesia—the chance to establish a new multi-racial society in southern Africa."

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

The Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED PROGRAMS TO STRENGTHEN ELEMENTARY AND SECONDARY EDUCATION PROGRAMS—MESSAGE FROM THE PRESIDENT—PM 151

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which, without being read, was referred to the Committee on Human Resources, and ordered to be printed:

To the Congress of the United States:

I am submitting today my proposals to strengthen our major elementary and secondary education programs. These are one part of a concerted effort to reestablish education in the forefront of our domestic priorities. The other parts are major increases in the Federal education budget, establishment of a Cabinet-level Department of Education, and our proposal for a significant expansion of eligibility for college student assistance.

The proposals which I am now submitting for elementary and secondary education seek to enhance the primary role of the states and local communities in educating our Nation's children and reaffirm the need for a strong and supportive Federal commitment to education. They will:

—strengthen our commitment to basic skills education in Title I of the Elementary and Secondary Education Act—the compensatory education program; and add a new provision to concentrate a major share of increased Title I funding on those school systems most in need;

—create a new program to encourage state implementation of their own compensatory education programs;

—provide additional flexibility in the Emergency School Aid Act, designed to assist in desegregation, so that funds can be retargeted from areas where they are no longer needed to areas of greater need;

—create a new research and demonstration effort in the area of basic skills, and enhance our efforts to link schools with employers and other community resources;

—implement a phased, gradual but substantial reform of the Impact Aid Program;

—strengthen the bilingual education program with emphasis on teaching English as a primary and overriding goal but permitting flexibility in use of first language and culturally sensitive approaches to help achieve this goal;

—strengthen participation of private schools in existing grant programs.

We can be justly proud of the accomplishments of our system of education. Education has promoted understanding among a diverse people; it has been the springboard to advancement for generations of our citizens; and it has produced the skills and knowledge required for this country to have the most advanced economy in the world.

Yet our schools face many important challenges. We must do a better job of teaching the basic skills of reading, writing and mathematics. We must remain committed to full and equal educational opportunity for all children. We must help students achieve educational excellence. We must responsibly reduce the financial barriers that limit access to higher education. And we must give education a more prominent and visible role in the Federal government.

We will face these challenges and overcome them. No asset is of greater value to our Nation and no commitment is so characteristic of the American people as our strong commitment to educate all our children.

EDUCATION BUDGET

The Administration's budget proposals for the coming year show the priority we give to education. Our FY 1979 budget contains $12.9 billion in appropriations for the Education Division of the Department of Health, Education, and Welfare. That represents an increase of 24 percent above the FY 1978 level and a total increase of 46 percent and $4 billion in the last two fiscal years.

I have requested appropriations of $6.9 billion for elementary and secondary education, an increase of fifteen percent over FY 1978. This increase is the largest since the creation of the program and exceeds the FY 1977 budget by $1.7 billion. Along with these increases goes a forty percent increase in student assistance programs for higher education and a new effort to expand the reach of these programs to moderate income families hard-pressed by escalating tuition costs. Funding for these student assistance programs will rise from $3.8 billion in FY 1978 to $5.2 billion in FY 1979.

This budget reflects the judgment, widely shared by the Congress, that improving the education of our children is a wise investment in our future.

DEPARTMENT OF EDUCATION

I have instructed the Office of Management and Budget and the Department of Health, Education and Welfare to work with Congress on legislation needed to establish a Department of Education which will:

—let us focus on Federal educational policy, at the highest levels of our government;

—permit closer coordination of Federal education programs and other related activities;

—reduce Federal regulations and reporting requirements and cut duplication;

—assist school districts, teachers, and parents to make better use of local resources and ingenuity.

A separate Cabinet-level department will enable the Federal government to be a true partner with State, local, and private education institutions in sustaining and improving the quality of our education system.

COLLEGE STUDENT ASSISTANCE

I recently proposed a major expansion of the programs providing financial assistance to students in higher education. Average college costs have increased by seventy-seven percent in the last ten years. At average costs of $4,500 per year in private higher education and $2,500 in public universities low and middle income families are finding it difficult to send their children to college. No able student should be denied a college education because his or her family cannot afford tuition, room and board.

My proposals will increase the number of students receiving assistance from three million to more than five million at a cost of $1.46 billion. The proposals would:

—expand the Basic Educational Opportunity Grants program to serve students from families with incomes up to $25,000 and increase the maximum grant to $1,800;

—make interest-subsidized Guaranteed Student Loans available to families with incomes up to $45,000;

—provide part-time jobs to college students through an expanded College Work-Study Program.

This coordinated program is the best way to meet the needs of our students and their families. I strongly oppose the enactment of a tuition tax credit.

A college tuition tax credit would cost too much, would provide benefits to those without need, would provide less benefit to genuinely hard-pressed families than the proposals we have advanced, and would fragment educational policy within the executive and legislative branches of the Federal government.

A choice must be made. We cannot afford—and I will not accept—both a tuition tax credit and the increased student aid I have proposed. I strongly urge the Congress to act responsibly on the Administration's proposals.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1978

The legislation I am submitting today involves the major elementary and secondary education programs. Since the Administration of Lyndon Johnson the primary role of these Federal programs has been to support improvements in educational quality for all children and improve the educational opportunities and achievements of the disadvantaged, the handicapped, those with limited English language skills, Native Americans and other minorities. I propose to continue and strengthen the use of Federal resources to meet special needs, and Federal leadership in research and innovation.

These programs must focus on the mastery of the basic skills necessary to function in our highly complex society. Every child should obtain the basic skills of reading, writing and mathematics early in his or her educational career. This should be the fundamental goal for our entire education system, and I hope that Federal leadership will help us meet that goal at every level of our school system.

SPECIAL PROGRAMS FOR DISADVANTAGED CHILDREN

I propose to improve Title I of the Elementary and Secondary Education Act which provides supplemental educational services to economically disadvantaged children.

1. CONCENTRATION OF RESOURCES

Recent evaluations show that Title I is beginning to raise the achievement levels of low-income students. I propose to build upon this success by incorporating in the reauthorization of the Act a separate authority to increase help for school districts with high concentrations of poor children. The amendments I propose will target additional Title I funds to school districts with large numbers of poor children (5,000 or more) or large proportions of poor children (20 percent or more), for use in programs with a strong emphasis on basic skills. I have requested $400 million in the 1979 budget for this proposal, which would aid 3,500 school districts and could increase the number of Title I eligible children served to 6.5 million.

This targeting of additional funds on areas of greatest need will be of special benefit to urban school systems with concentrations of low-income children. It is an important part of our efforts to help meet the needs of our cities. Yet the problems of educational disadvantage are not unique to cities; therefore, while 67 percent of the funds will flow to center-city school systems, 33 percent will flow to rural and suburban school systems which have similar needs.

2. STATE PROGRAMS FOR DISADVANTAGED CHILDREN

Strong State efforts are clearly necessary to fully meet the needs of disadvantaged children. Currently, however, fewer than twenty States have special programs to aid disadvantaged students. To encourage the creation of compensatory education programs at the State level, I recommend that a share of future increases in the Title I program be allocated, on the basis of one Federal dollar for every two State dollars, to States with qualified compensatory education programs of their own. In fiscal year 1980 twenty percent of any increases would be devoted to this matching program. In future years an increasing percentage would be made available. I hope this Federal incentive program will encourage a response at the State level which will give greater opportunities to millions of children.

EMERGENCY SCHOOL AID ACT

We must move aggressively to end the last vestiges of racial and ethnic mistrust and disharmony in our schools and in our society as a whole. Great progress toward that goal has been made, particularly in the South, but much remains to be done.

The Emergency School Aid Act has helped numerous local school districts respond to the problems of racial isolation and improve education for all their

children. I recommend amendments to that legislation which would:

—encourage voluntary local initiatives to overcome the adverse effects of minority group isolation;

—offer flexibility to meet the needs of desegregating districts;

—and encourage multi-year planning and implementation of desegregation.

To give us more flexibility in meeting changing needs, I propose to increase the share of discretionary funds from 22 percent to 42 percent. This will permit allocation of resources to areas of greatest need. At the same time I am recommending a new system of multi-year grants which will sharply reduce paperwork and will help local school systems plan for the future.

BASIC SKILLS

The Federal government can play an important role in funding research and demonstration projects which will show us how to improve the quality and effectiveness of our educational system. Student achievement can be improved through innovation, and a concentration on basic skills. I propose several improvements in this area:

—the creation of a new Basic Skills and Educational Quality title in the Elementary and Secondary Education Act which would encourage state and local demonstration efforts to improve basic skills in reading, writing and mathematics. including increased use of achievement testing and the participation by parents in teaching their children;

—the creation of a new Special Projects title in the Elementary and Secondary Education Act to consolidate educational quality developmental programs and provide greater flexibility; and strengthen our efforts, through the Community Schools program, to link the school with employers and other resources in the surrounding community;

—changes in the Adult Education Act to put more emphasis on competency in basic skills and on obtaining high school credentials, and to increase sponsorship of adult education programs by business, labor and other community organizations.

IMPACT AID

Reform of Impact Aid is a challenge which must be faced. The purpose of the program is to compensate school districts for the cost of educating children when local revenues are reduced by tax-exempt federally-owned land and when local school enrollments are increased by children whose parents live and/or work on that land. Yet Impact Aid, as currently structured, has strayed far from that purpose.

The legislation I propose makes realistic and responsible reforms:

—elimination of payments for children whose parents work on Federal property outside the country in which the school district is located;

—a two-year cap on payments which are based on public housing at the 1978 level followed by a phase out of the payments;

—an "absorption" provision which will reduce funding for lightly impacted districts by eliminating payments for children of Federal employees below three percent of non-federal enrollment.

To ease the adjustment to these changes I recommend a gradually declining "hold-harmless" provision under which no district will receive less than seventy-five percent of its previous year's payments over the next three years. I also propose that advance funding be made so that districts can be notified early of their allocations.

These proposals will save $76 million in FY 1979 and $336 million in FY 1982. I believe they are a realistic way to start bringing the Impact Aid program into line with the actual Federal burden on local school districts.

BILINGUAL EDUCATION

Three million children today lack equal access to education in our schools because of their limited English-speaking ability. The Bilingual Education Act is designed to help local school systems develop and implement programs to help these children. The proposals I am submitting today will improve the bilingual education program by:

—emphasizing the overriding goal of achieving proficiency in English;

—permitting the flexible use of instructional materials and teaching techniques appropriate and sensitive to the language, background and needs of the child;

—making parents more involved;

—requiring that individual programs be of sufficient scope and duration to have a substantial educational impact;

—allowing English speaking children to take part in bilingual education programs;

—providing more money for teacher training and emphasizing the use of bilingual teachers; and

—increasing research in new teaching techniques.

Because the Bilingual Education Program is a demonstration program, every effort must be made to ensure that funds are used to help local school districts to establish and maintain programs of their own. To ensure that Federal demonstration funds benefit as many children as possible, I am proposing that program grants ordinarily be limited to 5 years. Districts will be required to show how they will ensure that educational progress is maintained following the phase-out of grant monies.

In addition, I am proposing that the Office of Bilingual Education be made responsible for coordinating bilingual education aspects of other programs administered by the Office of Education.

PRIVATE SCHOOLS

Private schools—particularly parochial schools—are an important part of our diverse educational system. Federal education programs have long required benefits to go to eligible students in both public and private schools. But this requirement has not been effective in practice. I am committed to doing all that the Constitution allows to ensure students in private schools benefit from Federal programs.

I propose the following changes to improve services to private school students:

—States will be required to develop plans for ensuring the equitable participation of private school students in all Federal educational programs.

—The Title I program will be changed to require that economically disadvantaged children in private schools receive comparable funds to those received by public school students, with similar needs.

—Where a school district fails to provide appropriate Federal educational benefits under any program to eligible private school children, authority will be used to by-pass the district and use another agency to provide constitutionally permissible services.

Private school children must receive fair treatment under Federal education programs. However I cannot support a tax credit for private elementary and secondary school tuition. First, there is grave doubt that such a tax credit program can meet Constitutional requirements concerning separation of church and State. Second, the Federal government provides funding primarily to help meet the needs of public school children who are disadvantaged, or handicapped, or bilingual, or who have some other form of special need. We do not provide general support for public schools and it would be unfair to extend such support, through a general tax credit, to private schools.

I will continue to do all I can, within Constitutional limits, to provide for full and equitable participation of private schools and their students in Federal education efforts.

WOMEN'S EDUCATIONAL EQUITY ACT

In order to assist in the elimination of sexual discrimination in education I propose to make the Women's Educational Equity Act an independent authority and expand its role in assisting local school districts.

CONCLUSION

The proposals I have outlined today—to strengthen our basic education laws, substantially increase the education budget and undertake major organizational reform aimed at creating a Cabinet-level Department of Education—set forth a far-reaching agenda for education. These proposals are important not only for what they offer our children today, but for what they offer to all of us in the future: a country that is stronger, more united and better equipped to meet the challenges that lie before us.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1978.*

REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT—PM 152

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which, without being read, was referred to the Committee on Environment and Public Works, and ordered to be printed:

To the Congress of the United States:

In 1977, we took together a number of important measures to protect and im-

prove our environment. Most notable were the "mid-course correction" amendments that strengthened the basic goals of our air and water pollution control laws; a strong stripmining bill; and our selection, with Canada, of the least damaging route for a natural gas pipeline from Alaska to the lower 48 states.

The Administration began reviews of traditional policies on our use and development of natural resources, especially water and non-fuel minerals; put into effect new policies to reduce oil spills and regulate development of oil and gas on the Outer Continental Shelf; proposed expansions of wilderness and park areas; started work on a coherent Federal strategy for the control of toxic substances; and advocated measures to curb nuclear proliferation. On some of these matters we submitted legislative proposals to Congress.

We share a record of solid accomplishment in the environmental area, and we have set out worthwhile plans for the future.

In June, 1977, the Council on Environmental Quality convened a series of meetings at my direction. The purpose was to develop recommendations for improving National Environmental Policy Act procedures, including the familiar "environmental impact statement." CEQ solicited testimony from corporations, state governments, labor unions, environmental groups, other Federal agencies, and the public.

Virtually every witness criticized some aspect of the Government's procedures for translating environmental policy into practical action. But, remarkably, *not a single witness* called for the repeal or serious weakening of the National Environmental Policy Act. On the contrary, all agreed that the goals of NEPA were sound, and that its procedures—while needing improvement—should be retained.

Such unanimity on the value of NEPA indicates to me how far we have come in those few years since we first began to see the damage we were doing to our surroundings. Not long ago, environmental awareness was frequently seen as an emotional excess and an economic disaster. But now, concern for the integrity of our natural systems has become an accepted criterion for judging our actions.

We have not yet learned, of course, to balance all our environmental objectives against the other social goals that must concern us. But it is now clear that the American people believe our needs for food, for shelter, and for the necessities as well as the amenities of civilization, can be met without continuing the degradation of our planet. It is clear that they wish, as Congress stated in the National Environmental Policy Act, "to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans."

In less than a year, this Administration and this Congress have substantially advanced the American search for "productive harmony" with our earth. I pledge to continue this search with you.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1978.*

AGREEMENT BETWEEN THE UNITED STATES AND THE ITALIAN REPUBLIC ON THE MATTER OF SOCIAL SECURITY—MESSAGE FROM THE PRESIDENT—PM 153

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which, without being read, was referred to the Committee on Foreign Relations and the Committee on Finance, jointly, by unanimous consent, and ordered to be printed:

To the Congress of the United States:

In accordance with section 233(e)(1) of the Social Security Act as amended by the Social Security Amendments of 1977 (P.L. 95-216; 42 U.S.C. 1305 note), I transmit herewith the Agreement between the United States of America and the Italian Republic on the Matter of Social Security, signed May 23, 1973, the Administrative Protocol for the Agreement, signed November 22, 1977 (together with a procés-verbal setting forth certain interpretative understandings) and an exchange of notes of January 17–20, 1978 clarifying the interpretation of Article 1, paragraph K, of the Agreement.

The Agreement fulfills a long-standing commitment made by the two Governments in the 1951 Supplementary Agreement to their 1948 Treaty of Friendship, Commerce, and Navigation. This totalization agreement would be the first such agreement undertaken by the United States, but is in the tradition of a number of earlier treaties between the United States and Italy. The first United States treaty to deal with any aspect of social security was concluded with Italy in 1913, and the 1948 treaty of Friendship, Commerce and Navigation with Italy was the first of the post World War II era to contain broad social security provisions. This totalization agreement can be expected to be even more advantageous to Americans who have worked in Italy, either as U.S. citizens or before their immigration to this country, than any of the earlier treaties or agreements.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health, Education, and Welfare which explains the provisions of the Agreement and provides the actuarial data on the number of persons affected by the agreements and the effect on social security financing as required by the same provision of the Social Security Amendments of 1977.

The Department of State and the Department of Health, Education, and Welfare join in commending this Agreement, Protocol and Exchange of Notes.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1978.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President of the United States transmitting an agreement between the United States and Italy on social security be referred jointly to the Committee on Foreign Relations and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENTIAL APPROVAL

A message from the President of the United States stated that on February 25, 1978, he had approved and signed the following act:

S. 1340. An act to authorize appropriations to the Department of Energy, for energy research, development, and demonstration, and related programs in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

MESSAGES FROM THE HOUSE

At 12:45 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 464. A concurrent resolution approving an amendment to the District of Columbia Charter relating to initiative and referendum; and

H. Con. Res. 471. A concurrent resolution approving an amendment to the District of Columbia Charter relating to recall of elected officials.

ENROLLED BILLS SIGNED

At 4:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the Speaker has signed the following enrolled bills:

S. 838. An act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes; and

H.R. 8638. An act to provide for more efficient and effective control over the proliferation of nuclear explosive capability.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. SARBANES).

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were read by title and referred as indicated:

H. Con. Res. 464. A concurrent resolution approving an amendment to the District of Columbia Charter relating to initiative and referendum; to the Committee on Governmental Affairs.

H. Con. Res. 471. A concurrent resolution approving an amendment to the District of Columbia Charter relating to recall of elected officials; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 407. An original resolution relating

to the importance of a strong and independent Department of Agricultue (Rept. No. 95–641).

By Mr. MOYNIHAN, from the Committee on Finance, with an amendment and an amendment to the title:

H.R. 3946. A bill to suspend for a temporary period the rate of duty on wool not finer than 46s (Rept. No. 95–642).

By Mr. PELL, from the Committee on Human Resources, with amendments:

S. 2539. A bill to amend the Higher Education Act of 1965 to improve the basic educational opportunity grants program, and for other purposes (together with additional views) (Rept. No. 95–643).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Edith Barksdale Sloan, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.

Susan Bennett King, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.

(The nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Galen L. Stone, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Cyprus.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Galen L. Stone.

Post: Ambassador to Cyprus.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and Spouses: Miss Diana B. Stone, Mr. & Mrs. Scott T. Smith, Mr. & Mrs. Charles C. Cutrell, III, Mr. Galen L. Stone, III, Mr. Brewer Stone, none.

4. Parents: Mr. & Mrs. Robert G. Stone, see attached.

5. Grandparents: Does not apply.

6. Brothers and Spouses: Mr. & Mrs. Robert G. Stone, Jr., Mr. David B. Stone, Mrs. Sara C. Stone, Mr. & Mrs. Henry A. Stone, see attached.

7. Sisters and Spouses: Mr. & Mrs. Walter H. Trumbull, Jr., see attached.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Amount, date, and donee:

Parents

Mr. Robert G. Stone: $100.00, May 14, 1973, The Weeks Committee; $1,000.00, October 7, 1974, Thorsness, S.D.; $1,000.00, March 13, 1974, The Weeks Committee; $50.00, April 22, 1976, Heckler Congressional Committee; $100.00, September 24, 1976, Robertson for Senate Committee; $100.00, October 4, 1976, Nat'l Republican Senatorial Comm.; $50.00, October 4, 1976, Glen Jones Committee; $100.00. October 4, 1976, U.S. Sen. Jesse Helms; $100.00, October 4, 1976, Hayakawa for U.S. Sen.; $250.00, October 4, 1976, Robertson for Sen. Committee; $50.00, October 4, 1976, Burger for Sen. Committee; $100.00, February 15, 1977, Helms for Sen. Committee; $100.00, March 16, 1977, Republican National Committee; $1,000.00. September 9, 1977, The Brooke Committee; $200.00, September 19, 1977, Brooke Apprec. Dinner Committee.

Mrs. Robert G. Stone: $25.00, August 27, 1974, Gerry Studds; $50.00, February 16, 1976, Edward H. Larkin; $25.00, September 6, 1976, Gerry Studds.

Brothers & Spouses

Mr. & Mrs. Robert G. Stone, Jr.: $250.00, 1974, Sen. Lowell Weicker.

Mr. David B. Stone: $2,250.00, January 17, 1973, Weeks Committee (1972 Campaign); $1,000.00 March 4, 1974, Weeks Committee; $25.00, October 22, 1974, Greater Boston Young Republican Club; $250.00, April 16, 1975, The Spaulding Committee; $300.00, October 28, 1975, The Ford Evening Committee; $250.00, March 15, 1976, President Ford Committee; $1,000.00, January 17, 1977, The Spaulding Committee; $1,000.00, May 26, 1977, Brooke Appreciation Dinner.

Mrs. Sara C. Stone: $1,000.00, March 11. 1974, Weeks Committee.

Mr. & Mrs. Henry A. Stone: None.

Sister & Spouse

Mr. & Mrs. Walter H. Trumbull, Jr.: $150.00, January 29, 1974, 60th AD Republican Central Committee.

David T. Schneider, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States to the People's Republic of Bangladesh.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: David T. Schneider.

Contributions, amount, date, and donee.—

1. Self, none.

2. Spouse, none

3. Children and Spouses: Jean Schneider, none; James and Andrea McKinna, none; David M. Schneider, none.

4. Parents: My parents are ill and unable to communicate. To the best of my knowledge they have made no contributions.

6. Brothers and Spouses: Ben and McKay Schneider, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

DAVID T. SCHNEIDER.

The following-named persons to be members of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency:

Harold Melvin Agnew, of New Mexico;

McGeorge Bundy, of New York;

Bert Thomas Combs, of Kentucky;

Paul Mead Doty, of Massachusetts;

Douglas A. Fraser, of Michigan;

Harry Arthur Huge, of Virginia;

Joseph Lane Kirkland, of the District of Columbia;

Arthur B. Krim, of New York;

Wolfgang Kurt Hermann Panofsky, of California;

Brent Scowcroft, of the District of Columbia;

Margaret Bush Wilson; and

Lawrence Owen Cooper, Sr., of Mississippi.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Rita E. Hauser, of New York, to be a member of the Board for International Broadcasting; and

Frank Markoe, Jr., of New Jersey, to be a member of the Board for International Broadcasting.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Robert Marion Sayre, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States to Brazil.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Robert Marion Sayre.

Post: Brasilia.

Contributions, amount, date, and donee.—

1. Self, none.

2. Spouse, none.

3. Children and Spouses: Marian, Robert Jr., and Daniel, none.

4. Parents, deceased.

5. Grandparents, deceased.

6. Brothers and Spouses, none. (See attached list.)

7. Sisters and Spouses, none. (See attached list.)

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ROBERT M. SAYRE.

LIST

6. Brothers and Spouses.—

Mr. and Mrs. Arthur Sayre, Newark, Ohio.

Mr. and Mrs. William A. Sayre, Enumclaw, Washington.

*Mr. Francis Sayre, Merced, California.

Mr. and Mrs. Mark Sayre, McMinnville, Oregon.

Mr. and Mrs. Donald Sayre, Coalinga, California.

Mr. and Mrs. Richard M. Sayre, Beltsville, Maryland.

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*I have been unable to contact my brother, Francis. He has not to my knowledge ever engaged in political activity and I feel confident he has made no political contributions.

7. Sisters and Spouses.—
Mrs. Pete (Edna) Foekl, Portland, Oregon (husband deceased).
Mr. and Mrs. John Mackie, Portland, Oregon (Dorthy).
Mr. and Mrs. Gilbert Marston, Gresham, Oregon (Emily).

Thomas J. Corcoran, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Burundi.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Thomas J. Corcoran.
Post: Burundi.
Contributions, amount, date, and donee.—
1. Self, none.
2. Spouse, not married.
3. Children and Spouses, not married, no children.
4. Parents, deceased 22 and 9 years ago, respectively.
5. Grandparents, deceased over 40 years ago.
6. Brothers and Spouses, Martin J. Corcoran, none, not married; John R. Corcoran, none, not married.
7. Sisters and Spouses, no sisters.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

THOMAS J. CORCORAN.

Robert J. McCloskey, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States to Greece.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Robert J. McCloskey.
Post: Athens.
Contributions, amount, date, and donee.—
1. Self, none.
2. Spouse, none.
3. Children, Lisa and André, none.
4. Parents, deceased.
5. Grandparents, deceased.
7. Sister, Doris A. Dougherty, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ROBERT J. MCCLOSKEY.

John P. Cendon, of Oklahoma, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Dominion of Fiji.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Mr. John P. Condon.
Post: Ambassador to Fiji.
Contributions, amount, date, and donee.—
1. Self, none.
2. Spouse, Nancy Condon, none.
3. Children and Spouses, Leba, Jen, Kent, Bruno, Alejandro, none.
4. Parents, Helen Sanellaris, none.
5. Grandparents, deceased.
6. Brothers and spouses, George P. Condon, none.
7. Sisters and spouses, None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

JOHN P. CONDON.

Arthur T. Tienken, of Virginia, now Ambassador Extraordinary and Plenipotentiary of the United States to the Gabonese Republic, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to the Democratic Republic of Sao Tome and Principe.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Arthur T. Tienken.
Contributions, amount, date, and donee.—
1. Self, none.
2. Spouse, none.
3. Children and Spouses, Mrs. Judy T. Nelson (daughter), none; Lawrence Nelson, none; Mrs. Nancy T. Milburn (daughter), none; David Milburn, none; Carol Jean Tienken (daughter), none.
4. Parents, Mr. Arthur Tienken (father), none.
5. Grandparents, not applicable.
6. Brothers and Spouses, Mr. Robert L. Tienken (brother), none; Mrs. Janet S. Tienken, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ARTHUR T. TIENKEN.

Herman J. Cohen, of New York, now Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Senegal, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to The Gambia.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Herman J. Cohen.
Post: Senegal and The Gambia.
Contributions, amount, date, and donee.—
1. Self, Herman J. Cohen, none.
2. Spouse, Suzanne Cohen, none.
3. Children and Spouses, Marc Cohn, Alain Cohen, both minors, none.
4. Parents, mother, Fannie Cohen; Morris Cohen, father deceased, none.
5. Grandparents, all deceased more than 20 years ago.
6. Brothers and Spouses, Mr. and Mrs. Theodore Cohen, none.
7. Sisters and Spouses, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

HERMAN J. COHEN.

W. Howard Wriggins, of New York, now Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Sri Lanka, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Maldives.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Professor W. Howard Wriggins.
Post: Ambassador to Sri Lanka and Republic of Maldives.
Contributions, amount, date, and donee:
1. Self, none.
2. Spouse, none.
3. Children and spouses names: Diana Cundy, none. Christopher, none.
4. Parents Names: deceased, none.
5. Grandparents Names, deceased, none.
6. Brothers and Spouses Names, no brother.
7. Sisters and Spouses Names: Helen V. Fleer, none. Edith W. Atmore, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

W. HOWARD WRIGGINS.

Alan Carter, of the District of Columbia, a Foreign Service information officer of class 1, for promotion to the class of career minister for information.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. SPARKMAN. Mr. President, I also report favorably sundry nominations in the Foreign Service which have previously appeared in the RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of February 6, 1978, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CRANSTON (by request):

S. 2599. A bill to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training programs by veterans, spouses, and surviving spouses, and for other

purposes; to the Committee on Veterans' Affairs.

By Mr. RANDOLPH (for himself, Mr. STAFFORD, Mr. PELL, and Mr. HATHAWAY):

S. 2600. A bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such act, to establish a comprehensive services program for the severely handicapped, and for other purposes; to the Committee on Human Resources.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 2601. A bill to allow stock alienation under the Alaska Native Claims Settlement Act under certain conditions; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON:

S. 2602. A bill to prohibit the concurrent exercise of functions, powers, and duties which are exercised by an officer appointed by the President by and with the advice and consent of the Senate, by an officer who has not received such advice and consent; to the Committee on Governmental Affairs.

By Mr. BAYH:

S. 2603. A bill to remove the limitation of payments for consultant services in the Community Relations Service; to the Committee on the Judiciary.

By Mr. CANNON (by request):

S. 2604. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal year 1979 and 1980; to the Committee on Commerce, Science, and Transporttaion.

By Mrs. HUMPHREY (for herself and Mr. ANDERSON):

S. 2605. A bill to provide for a national program of screening of newborn infants for metabolic disorders that could retard brain development; to the Committee on Human Resources.

By Mr. CHURCH (for himself, Mr. MARK O. HATFIELD, Mr. CURTIS, Mr. LAXALT, Mr. WALLOP, and Mr. MELCHER):

S. 2606. A bill to amend and to supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HASKELL:

S. 2607. A bill to amend the Internal Revenue Code of 1954 to provide a refund or credit of 10 percent of the employer and self-employed social security taxes paid by a taxpayer; to the Committee on Finance.

By Mr. BENTSEN (for himself and Mr. HANSEN):

S. 2608. A bill to amend the Internal Revenue Code of 1954 to provide a graduated exclusion from gross income for long-term capital gains and a graduated nonrecognition of long-term capital losses for individuals; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. PERCY, Mr. BROOKE, Mr. DOLE, and SCHMITT):

S. 2609. A bill to amend the Older Americans Act of 1965 to provide for an extension of programs under that act, and improved administration of programs under that act, and for other purposes; to the Committee on Human Resources.

By Mr. SASSER:

S. 2610. A bill to extend the period of eligibility for a Vietnam era veterans' readjustment appointment within the Federal Government; to the Committee on Veterans' Affairs.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (by request):

S. 2599. A bill to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training programs by veterans, spouses, and surviving spouses, and for other purposes; to the Committee on Veterans' Affairs.

TERMINATION OF FLIGHT AND CORRESPONDENCE TRAINING

Mr. CRANSTON. Mr. President, I am today introducing, at the request of the administration, S. 2599, a bill to amend title 38 of the the United States Code to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training programs by veterans, spouses, and surviving spouses, and for other purposes.

Mr. President, I ask unanimous consent that the letter of transmittal, a letter from the Veterans' Administration to the President of the Senate dated January 19, 1977, and the text and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2599

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 32 of title 38, United States Code, is amended as follows:

(1) by striking out section 1631(c);

(2) by redesignating section 1631(d) as section 1631(c); and

(3) by amending section 1641 to read as follows: "The provisions of sections 1670, 1671, 1673, 1674, 1676, 1683, 1696, and 1698 of this title and the provisions of chapter 36 of this title, with the exception of sections 1777, 1780(b), and 1787, shall be applicable to the program.".

SEC. 2. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1652(c) "correspondence school,";

(2) by striking out in section 1662(c) "or flight training within the provisions of section 1677 of this chapter,";

(3) by striking out in section 1673(b) "Except as provided in section 1677 of this title, the" and inserting in lieu thereof "The";

(4) by repealing section 1677 in its entirety;

(5) by striking out in section 1681(b) ", other than a program exclusively by correspondence or a program of flight training,";

(6) by repealing section 1681(c);

(7) by striking out the center heading which immediately precedes section 1681(c);

(8) by striking out in section 1682(a)(1) "1677 or";

(9) by amending section 1684 to read as follows:

"§ 1684. Apprenticeship or other on-job training

"Any eligible veteran may pursue a program of apprenticeship or other on-job training and be paid a training assistance allowance as provided in section 1787 of this title."; and

(10) by striking out in section 1696(a) "(other than by correspondence)".

SEC. 3. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1701(a)(6) "correspondence school,";

(2) by striking out in section 1723(c) "(except as provided in section 1786 of this title)";

(3) by striking out in section 1734 "(a)";

(4) by repealing section 1734(b); and

(5) by amending the catch line at the beginning of section 1734 to read as follows:

"1734. Apprenticeship or other on-job training".

SEC. 4. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1780(a) ", other than a program by correspondence or a program of flight training,", by striking out at the end of clause (4) "; or" and inserting in lieu thereof a period, and by striking out clause (5);

(2) by repealing section 1780(b);

(3) by striking out the center heading which immediately precedes section 1780(b);

(4) by redesignating sections 1780(c), (d), (e), (f) and (g) as sections 1780(b), (c), (d), (e) and (f) respectively;

5) by striking out in section 1780(d) (as redesignated by clause (4) of this section) "(d)" and inserting in lieu thereof "(c)";

(6) by striking out in section 1780(e) (as redesignated by clause (4) of this section) "(d)" and inserting in lieu thereof "(c)";

(7) by striking out in section 1784(a) "or, in the case of correspondence training, the last date a lesson was serviced by the school";

(8) by striking out in section 1784(b) "(d)" and inserting in lieu thereof "(c)";

(9) by repealing section 1786 in its entirety; and

(10) by striking out in section 1798(c) "correspondence, flight,".

SEC. 5. (a) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended as follows:

(1) by striking out

"1677. Flight training."

and

"1684. Apprenticeship or other on-job training, correspondence courses.";

and

(2) by inserting in lieu thereof

"1684. Apprenticeship or other on-job training.".

(b) The table of sections at the beginning of chapter 35 of title 38, United States Code, is amended as follows:

(1) by striking out

"1734. Apprenticeship or other on-job training; correspondence courses.";

and

(2) by inserting in lieu thereof

"1734. Apprenticeship or other on-job training."

(c) The table of sections at the beginning of chapter 36 of title 38, United States Code, is amended by striking out

"1786. Correspondence courses.".

SEC. 6. Section 604(a) of the Act of October 24, 1972, entitled the "Vietnam Era Veterans' Readjustment Assistance Act of 1972" (86 Stat. 1099) as amended by section 3 of the Act of July 10, 1974, an act entitled "An Act to amend title 38, United States Code, to provide a ten-year delimiting period for the pursuit of educational programs by veterans, wives, and widows" (88 Stat. 292), is amended by deleting the following: "(1) eligible to pursue a program of education exclusively by correspondence by virtue of the provisions of section 1786 of such title (as added by section 316 of this Act) or (2)".

SEC. 7. This Act shall take effect on October 1, 1978.

WASHINGTON, D.C.,
February 6, 1978.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On January 19, 1977, the Veterans Administration addressed letters to the President of the Senate (see Committee Print No. 8, enclosed) and to the Speaker of the House submitting proposed draft legislation designed to terminate the authority for pursuit of flight training programs by veterans and the pursuit of correspondence training programs by veterans, spouses, and surviving spouses. Introduction of the proposal and its favorable consideration by the Congress was urged.

It was our view, as pointed out in this letter, that neither of these two programs has fulfilled its intended purpose—helping

the beneficiary adjust to his or her changed circumstances by providing the training needed for basic employment. This remains our position and for that reason we are again urging introduction and consideration of legislation which would terminate these two programs.

It is estimated that enactment of such a proposal would result in savings of $100 million in Fiscal Year 1979 and in savings of $356 million over the first 5 fiscal years.

For the convenience of the Committee, we are enclosing a new draft measure which has been revised in three respects. An updated effective date from that proposed last year has been inserted, a new section designed to repeal an additional provision of law we believe should be terminated has been added, and the savings provision contained in the earlier draft has been deleted.

Sincerely,

MAX CLELAND,
Administrator.

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION, OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., January 19, 1977.

Hon. NELSON ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training programs by veterans, spouses, and surviving spouses, and for other purposes."

The draft bill would set October 1, 1977, as the termination date for new enrollments of veterans in programs of flight training under the provisions of chapters 32 and 34 of title 38, United States Code, and for new enrollments of veterans, spouses, and surviving spouses, in correspondence training programs under the provisions of chapters 32 and 36 of title 38. The bill, however, would permit individuals enrolled in such programs as of September 30, 1977, to continue their programs until they attain the objectives for which they enrolled, provided they maintain continuous enrollment.

The primary purpose of GI Bill education benefits is to assist veterans in adjusting from military to civilian life by helping them get the education they would have received had they not served their country in a national emergency. Under VA regulations, those training programs which do not lead to a high school diploma, college degree, or postdoctoral certificate must lead to professional or vocational objectives—that is, they must lead to employment in the occupation for which the programs provide training.

Our years of experience in administering education programs for veterans and their survivors convince us that flight and correspondence courses have not fulfilled their intended purpose—helping the beneficiary adjust to his or her changed circumstances by providing the training required for basic employment.

In both cases there is ample evidence that the training does not lead to jobs for the majority of trainees and that the courses tend to serve a vocational, recreational, and/or personal enrichment, rather than basic employment objectives.

Census Bureau figures for 1975 (latest available) indicate that, nationwide, an average of 60,000 persons earn their living in occupations to which flight training programs are relevant. Since 1967, more than double that number of flight program trainees—over 136,000—have received current GI Bill benefits, indicating that many who trained under the GI Bill are not employed in occupations related to their flight training.

Of the 60,000 persons working in aviation occupations, approximately one-half are as pilots or copilots for certified route air carriers, a figure which has remained fairly constant since 1969. Currently, there are several thousand furloughed pilots who will be given preference in any hiring by the airlines. Thus, opportunities for employment in commercial aviation for flight school graduates are limited. General aviation opportunities, such as those for flight instructors, tend to be part time. The majority of flight training hours are incurred on weekends, suggesting the veteran is regularaly employed during the week.

Flight courses are expensive, typically averaging $3,010 to $6,070 and they rapidly use up the veteran's educational entitlement. In addition, the most recent statistics show that only 60 percent of flight students training under the GI Bill complete their courses and, according to a recent VA study, only about 76 percent of persons who received flight training are using the skill acquired. Only training by correspondence has a lower use percentage. Of those who are using their flight training skills, a little more than one-half are employed in flight occupations while the remainder are making use of their training in other occupations.

Completion rates for correspondence courses are even lower than those for flight training, with only 41 percent of those enrolled completing their programs. The 41 percent rate for correspondence training is an average, and includes courses with completion rates of less than 10 percent as well as courses with completion rates over 70 percent. Completion rates for training taken by correspondence also vary greatly by school, ranging from under 10 percent in some schools to over 80 percent in a very small number of schools. Correspondence courses generally are taken by persons who are employed full time, indicating that correspondence training is being used for purposes other than gaining the education required for basic employment.

The direct benefits savings which would result from terminating new enrollments in flight and correspondence training effective October 1, 1977, would be approximately $15.1 million in fiscal year 1978, and $154.3 million for the 5-year period through fiscal year 1982.

The Veterans' Administration believes that Federal assistance under the GI Bill program should be directed toward institutional training and job training. Accordingly, we request that this bill be introduced and recommend its favorable consideration.

On January 14, 1977, the Office of Management and Budget advised that there was no objection to the submission of this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

ODELL W. VAUGHN,
Acting Administrator.
RICHARD L. ROUDEBUSH,
Administrator.

A bill to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training programs by veterans, spouses, and surviving spouses, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 32 of title 38, United States Code, is amended as follows:

(1) by striking out section 1631(c);

(2) by redesignating section 1631(d) as section 1631(c); and

(3) by amending section 1641 to read as follows: "The provisions of sections 1670, 1671, 1673, 1674, 1676, 1683, 1696, and 1698 of this title and the provisions of chapter 36 of this title, with the exception of sections 1777, 1780(b), and 1787, shall be applicable to the program.".

SEC. 2. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1652(c) "correspondence school,";

(2) by striking out in section 1662(c) "or flight training within the provisions of section 1677 of this chapter,";

(3) by striking out in section 1673(b) "Except as provided in section 1677 of this title, the" and inserting in lieu thereof "The";

(4) by repealing section 1677 in its entirety;

(5) by striking out in section 1681(b) ", "other than a program exclusively by correspondence or a program of flight training,";

(6) by repealing section 1681(c);

(7) by striking out the center heading which immediately precedes section 1681(c);

(8) by striking out in section 1682(a)(1) "1677 or";

(9) by amending section 1684 to read as follows:

"§ 1684. Apprenticeship or other on-job training

"Any eligible veteran may pursue a program of apprenticeship or other on-job training and be paid a training assistance allowance as provided in section 1787 of this title."; and

(10) by striking out in section 1696(a) "(other than by correspondence)".

SEC. 3. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1701(a)(6) "correspondence school,";

(2) by striking out in section 1723(c) "(except as provided in section 1786 of this title)";

(3) by striking out in section 1734 "(a)";

(4) by repealing section 1734(b); and

(5) by amending the catch line at the beginning of section 1734 to read as follows:

"1734. Apprenticeship or other on-job training".

SEC. 4. Chapter 36 of title 38 United States Code, is amended as follows:

(1) by striking out in section 1780(a) ", other than a program by correspondence or a program of flight training,", by striking out at the end of clause (4) "; or" and inserting in lieu thereof a period, and by striking out clause (5);

(2) by repealing section 1780(b);

(3) by striking out the center heading which immediately precedes section 1780(b);

(4) by redesignating sections 1780 (c), (d), (e), (f) and (g) as sections 1780 (b) (c), (d), (e) and (f) respectively;

(5) by striking out in section 1780(d) (as redesignated by clause (4) of this section) "(d)" and inserting in lieu thereof "(c)";

(6) by striking out in section 1780(e) (as redesignated by clause (4) of this section) "(d)" and inserting in lieu thereof "(c)";

(7) by striking out in section 1784(a) "or, in the case of correspondence training, the last date a lesson was serviced by the school";

(8) by striking out in section 1784(b) "(d)" and inserting in lieu thereof "(c)";

(9) by repealing section 1786 in its entirety; and

(10) by striking out in section 1798(c) "correspondence, flight.".

SEC. 5. (a) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended as follows:

(1) by striking out

"1677. Flight training."

and

"1684. Apprenticeship or other on-job training; correspondence courses.";

and

(2) by inserting in lieu thereof

"1684. Apprenticeship or other on-job training.".

(b) The table of sections at the beginning

of chapter 35 of title 38, United States Code, is amended as follows:

(1) by striking out

"1734. Apprenticeship or other on-job training; correspondence courses.";

and

(2) by inserting in lieu thereof

"1734. Apprenticeship or other on-job training.".

(c) The table of sections at the beginning of chapter 36 of title 38, United States Code, is amended by striking out

"1786. Correspondence courses.".

SEC. 6. Notwithstanding the provisions of sections 2 and 3 of this Act, any eligible veteran pursuing a program of flight training under the authority of section 1677 of chapter 34 of title 38, United States Code, or any eligible veteran, spouse, or surviving spouse pursuing a program of correspondence training under the authority of section 1786 of chapter 36 of title 38, United States Code, on the day before the effective date of this Act, shall be permitted to continue to pursue such program through completion of the authorized objective if continuously enrolled.

SEC. 7. This Act shall take effect on October 1, 1977.

SECTION-BY-SECTION ANALYSIS OF PROPOSED LEGISLATION TO TERMINATE FLIGHT AND CORRESPONDENCE TRAINING

SECTION 1

Clause (1) deletes the provisions in section 1631, chapter 32, title 38, U.S.C., which prescribe the entitlement to be charged for flight and correspondence training. Clause (2) redesignates the remaining subparagraph of 38 U.S.C. 1631 to accommodate the deleted material. Clause (3) amends section 1641, title 38, U.S.C., to remove the cross reference from chapter 34 to chapter 32 that permits flight training under chapter 32.

SECTION 2

Clause (1) deletes correspondence schools from the definition of "educational institution" contained in 38 U.S.C. 1652(c). Clause (2) strikes flight training from the provisions of 38 U.S.C. 1662(c). This has the effect of removing the extended delimiting period provided for flight training. (That date was originally enacted to insure flight trainees also had 10 years to train when flight training was first enacted.) Clause (3) amends 38 U.S.C. 1673(b) to provide that flight training may only be approved when offered by an institution of higher learning for credit toward a standard college degree. Clause (4) repeals 38 U.S.C. 1677, the provision of the law which heretofore has authorized the Administrator to approve flight training under the circumstances provided by that section. In conjunction with the other changes of this bill, the effect is to terminate flight training (except as part of a standard college degree course as indicated above). Clause (5) removes the reference to flight training in 38 U.S.C 1681(b). Clause (6) deletes 38 U.S.C. 1681(c) which provides for certification procedures for flight training. Clause (7) deletes the heading to 38 U.S.C. 1681(c). Clause (8) deletes the cross reference to flight training found in 38 U.S.C. 1682(a)(1). Clause (9) amends 38 U.S.C. 1684 to remove authority for payment of educational assistance for correspondence training. Clause (10) deletes the reference to the exclusion of correspondence training from the general payment of educational assistance provisions found in 38 U.S.C. 1696(a).

SECTION 3

Clause (1) deletes correspondence schools from the definition of "educational institution" used under chapter 35, 38 U.S.C. 1701(a)(6). Clause (2) amends 38 U.S.C. 1723(c) to bar any payment of educational assistance benefits for correspondence training for eligible persons under chapter 35, title 38, U.S.C. The existing provision contains a cross reference allowing payment in accordance with the provisions of 38 U.S.C. 1786 which the bill also deletes. Clause (4) deletes 38 U.S.C. 1734(b), thus rescinding authority to pay educational benefits to spouses and surviving spouses for correspondence training under chapter 35, title 38, U.S.C. Clause (3) strikes out the subparagraph "(a)" designation for the remaining provisions of 38 U.S.C. 1734 which becomes redundant. Clause (5) deletes from the heading for 38 U.S.C. 1734 the reference to correspondence training.

SECTION 4

Clause (1) deletes the exclusion of flight and correspondence training from 38 U.S.C. 1780(a). The exclusion is not required since no flight or correspondence training would be allowed in any event under this bill. Clause (1) also deletes from 38 U.S.C. 1780(a) the requirement that correspondence courses for which payment is made under chapter 35, title 38, U.S.C., must be 6 months or more in length. Clause (2) rescinds 38 U.S.C. 1780(b) to remove the provisions specifying how correspondence courses are certified. Clause (3) strikes the heading for 38 U.S.C. 1790(b). As a result of the deletion of 38 U.S.C. 1790(b), Clause (4) redesignates the remaining subparagraphs within 38 U.S.C. 1790(b). Clause (5), Clause (6), and Clause (8) correct cross references as a result of the deletion of 38 U.S.C. 1780(b). Clause (7) deletes correspondence training from the provision regarding the determination of the date of termination or interruption. Clause (9) deletes the major provisions in the law governing correspondence training found in 38 U.S.C. 1786. Clause (10) deletes, as redundant, the proscription against loans for persons training under flight and correspondence.

SECTION 5

This section amends the table of cases at the beginning of chapter 34, title 38, U.S.C., to delete all references to flight and correspondence training.

SECTION 6

This section amends uncodified portions of Public Law 92-540 and Public Law 93-337 regarding extended delimiting provisions for eligible persons to delete the reference to correspondence training.

SECTION 7

This section provides that the provisions of the bill shall become effective October 1, 1978.

By Mr. RANDOLPH (for himself, Mr. STAFFORD, Mr. PELL, and Mr. HATHAWAY):

S. 2600. A bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such act, to establish a comprehensive services program for the severely handicapped, and for other purposes; to the Committee on Human Resources.

REHABILITATION AMENDMENTS OF 1978

Mr. RANDOLPH. Mr. President, I am introducing today with my colleagues, Senators STAFFORD of Vermont, PELL of Rhode Island, HATHAWAY of Maine, the Rehabilitation Amendments of 1978.

As my colleagues will note, there are three titles to this bill. Title I extends and amends the Rehabilitation Act of 1973; title II establishes a new act authorizing programs to provide comprehensive services to the severely handicapped; and title III establishes a Federal Council on Handicapped Individuals.

AMENDMENTS TO REHABILITATION ACT OF 1973

Title I extends the Rehabilitation Act for 5 years and provides for increases in the authorization levels for these vitally important programs. There are a number of amendments which have as a purpose addressing a need or sharpening the focus of a program. For example the subcommittee has attempted to alleviate the problems experienced by the minimum allotment States by increasing their proportion of the funds to one-third of 1 percent or $3 million, whichever may be greater. Another amendment removes the limitation on the number of client assistance projects. Other amendments propose refinements to the research and training programs in title II of the Rehabilitation Act of 1973. There are also changes which will strengthen the role of the Architectural and Transportation Barriers Compliance Board.

During the oversight hearings on the Rehabilitation Act and other programs, it was brought to the subcommittee's attention that reservation based Indian tribes may experience unique problems which result from geographic location and isolation, cultural differences, and dependence on a service system which does not serve their needs. Many Federal laws allow for direct funding from the Federal Government to Indian tribes either through a set-aside or by treating an Indian tribe as a unit of local government. The existing Rehabilitation Act allows Indian tribes to contract with the State to provide vocational rehabilitation services; however, this existing mechanism is an inadequate means of addressing the vocational rehabilitation needs of Indian tribes. Section 102 of title I would establish a separate authorization for initiating and developing vocational rehabilitation programs on Indian reservations. Such a program will not only build local expertise and resources and bring the services closer to the handicapped individuals themselves, but it will also ameliorate the program coordination problems experienced by those tribes located on reservations spanning more than one State.

COMPREHENSIVE SERVICES TO SEVERELY HANDICAPPED

Title II of the bill etablishes a new program which has as its thrust the delivery of comprehensive services to the severely handicapped individuals of this Nation. It is my hope that title II will help resolve the multiple problems experienced by disabled Americans as they seek services so necessary to their health and well being. The intent of this legislation is to build upon the existing State services and service systems that have been stimulated by the Developmental Disabilities Assistance and Bill of Rights Act; to increase the number of and improve the quality of services to the severely handicapped; and to encourage the States to work toward the goal of providing comprehensive services to all severely handicapped persons. The activities that have been carried out under the Developmental Disabilities Assistance and Bill of Rights Act have laid the foundation for the wider scope of activities that are required under this new legislation.

As chairman of the subcommittee, I have had major concerns about the needs

of the severely handicapped and about how best to approach meeting the multitude of needs that these persons may have. As this legislation was developed, it became clear that if this Nation was to make a commitment to provide comprehensive services to severely disabled persons, this commitment should be made to all severely handicapped persons, not just to persons with a specified disability.

For this reason, the subcommittee has adopted a functional definition. At the outset, it must be clear that this bill is targeted on those very severely handicapped persons who need multiple, continuing, and probably lifelong services and treatment and who may have little or no vocational potential. It is well to note, however, that there are severely handicapped persons who have much to contribute—if they have access to necessary support services.

Part A of the bill is entitled "Rights of Severely Handicapped Individuals" and extends those rights established in the Developmental Disabilities and Bill of Rights Act for the developmentally disabled to all severely handicapped persons. The bill also requires that all severely handicapped persons receiving services through a State program have an individualized plan. The protection and advocacy systems initiated under the Developmental Disabilities Assistance and Bill of Rights Act will be responsible for protecting the rights of severely handicapped persons; the authorization level of this program has been increased to $12 million to accommodate the expanded population and to increase the level of protective services.

Part B of this legislation concerns the State grant program; it is intended that both the increase in authorizations and the additional service requirements stimulate the States to immediately provide more services as well as work toward a goal of comprehensive services to all severely handicapped persons. Each State must have as a goal the provision of comprehensive services to all severely handicapped persons residing within their State. Each State, however, does have the flexibility to decide its own time lines and develop a long-range plan attuned to its needs in order to meet the goal of full service. Authorization for the State grant program under the proposed legislation has been increased from the fiscal year 1978 level of $60 million for the developmental disabilities program to $110 million in fiscal year 1979 for the comprehensive services program. It is my very strong feeling that these additional dollars will be needed if the comprehensive services program is to accomplish its purpose.

It is intended that States participating in the comprehensive services program continue the planning activities initiated under the developmental disabilities program; however, States will now be required to develop a detailed long-range plan with the goal of comprehensive services to all severely handicapped persons. States will be required to spend a specified amount of their State allotment for this purpose and will further be required to annually reassess the planning activities and update the long-range plan. These planning activities are to be done in consultation with severely handicapped persons, organizations representing such persons, and service providers.

In developing new programs and activities, States will be required to consider needs in at least four areas: community living assistance, infant and preschool services, nonvocational social developmental assistance, and individualized case management. The subcommittee has been made aware that services in these particular areas are all too often nonexistent.

Part C of this new legislation is entitled "Centers and Services to Meet Special Needs of the Severely Handicapped." The discretionary programs to be authorized by part C would assist not only in providing models of exemplary services but also by providing services to severely handicapped persons.

The area centers for the handicapped would create and use the best methods of appraising and developing the employment potential of severely handicapped persons. In addition to providing model training programs for the severely handicapped, the centers would also serve as training programs for rehabilitation workshop and other employment personnel. The model training programs for the severely handicapped would not just be limited to those persons who would be placed in sheltered workshops; training programs would also be developed for persons who have the potential for placement in competitive employment. Another equally important objective of the program would be to develop new approaches and techniques for the placement and follow-up of severely handicapped individuals in competitive employment.

Of equal importance is the independent living program. This program would emphasize the development and demonstration of a continuum of alternative living arrangements for severely handicapped individuals including the establishment of group homes and other community living arrangements or facilities. During the hearings in the first session of this Congress, many witnesses noted the need for independent living programs. Presently, severely handicapped adults have few choices in living arrangements. They may live at home with a relative; they may be relegated to a nursing home or an institution; and perhaps, if they are very fortunate, and in rare instances, they may reside in a community based living situation. This program is a vital part of this new legislative thrust.

The Models for Services for Preschool Severely Handicapped Children will develop and demonstrate services in the areas of early intervention, parent counseling, infant stimulation, early identification, diagnosis and evaluation. The value of these services has been well demonstrated in other programs.

The University Affiliated Facilities have as a purpose: First, the training of interdisciplinary personnel who are involved in providing services to the severely handicapped and who are concerned with the prevention of severely handicapping conditions, and second, provision of exemplary service programs which are concerned with prevention of severely handicapping conditions or which demonstrate innovative service approaches. Only those institutions of higher education which have a wide range of university based clinical and professional support are eligible as recipients.

The Community Service Center program is intended to stimulate community based activities to meet the social, psychosocial, recreational, and informational needs of severely handicapped individuals and their families.

The regional special service needs program would stimulate activities in a number of necessary areas: parent counseling and training—including psychotherapeutic intervention—seizure control systems, public awareness and public education programs to assist in the elimination of social, attitudinal, communication, and environmental barriers, and technical assistance. Twenty-five percent of the sums appropriated would be made available for projects of National significance.

Part D of the bill is entitled "Research, Training and Evaluation." The research program would assist in the development of improved service and treatment programs and other acivities. The training program would emphasize the training of both professional and paraprofessional personnel who would serve the severely handicapped in a wide variety of ways.

The Secretary would also be required to do an independent study of the implications of deinstitutionalization, evaluate the impact of all programs and activities on the severely handicapped, evaluate the activities under the title, and report his findings to the Congress.

FEDERAL COUNCIL ON THE HANDICAPPED

Title III of this bill establishes a Federal Council on the Handicapped which is to provide advice and assistance to the President on the problems and needs of handicapped and severely handicapped individuals. This council will serve as the focal point for coordinating programs and efforts on behalf of handicapped individuals. The chairperson is expected to function at the executive level in the policy and decisionmaking process. The Federal Council is to constantly review and evaluate all policies, programs, and activities affecting handicapped and severely handicapped persons, is to serve as an ombudsman on behalf of the handicapped and severely handicapped, is to inform the public about the problems and needs of these persons, and provide public forums for discussing the problems and needs of handicapped and severely handicapped persons.

Mr. President, I feel that this legislation is vitally important to the handicapped individuals of America. Title II of this bill can have a significant impact on the severely handicapped individuals of this country. I ask my colleagues to join with me as we seek to provide comprehensive services to all severely handicapped Americans.

Mr. STAFFORD. Mr. President, it is my pleasure to join the distinguished chairman of the Handicapped Subcommittee, Mr. RANDOLPH, in introducing the "Rehabilitation Amendments of 1978."

This legislation will provide a needed extension of the Rehabilitation Act for another 5 years; will create a new program for severely handicapped individuals, and will extend the Developmental Disabilities Act. This legislation will serve as the focal point of the legislative efforts of the Handicapped Subcommittee for the second session of the 95th Congress.

As introduced, this bill is the base point from which we will start, and I expect that we will make many changes as a result of the insight gained from the hearings to be held early in March. I have some reservations as we introduce this bill and I expect to offer some amendments before the bill is reported to the Senate. In particular, I am concerned about the elimination of Federal funding for State developmental disability councils which have not had enough time to implement the recent changes enacted by the Developmental Disabilities Act. Also, in view of changing policy on the part of Congress in regard to State minimum allocations, I shall examine the proposed changes to ascertain whether they are adequate to meet the needs of handicapped individuals in rural areas.

Mr. President, despite my reservations, I think this is a good effort toward fashioning a new program for our severely disabled citizens. We have tried before to enact a program for severely handicapped individuals, but without success. It is my hope that we will succeed this time. The psychological benefit that a program such as this could produce, far outweighs any bureaucratic cost-benefit ratio. There should be no cost limits on helping handicapped individuals to live free in a democratic society.

Mr. President, I eagerly await the assistance from those parties who share our concern for developing a good law to serve disabled Americans.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 2601. A bill to allow stock alienation under the Alaska Native Claims Settlement Act under certain conditions; to the Committee on Energy and Natural Resources.

Mr. STEVENS. Mr. President, today we are introducing an amendment to the Alaska Native Claims Settlement Act to allow the alienation of stock in Native corporations created under that act under certain conditions. The original provisions of the legislation provided that Native stockholders of corporations created under the act would not be allowed to alienate their stock for a 20-year period. Congress provided for this moratorium on alienation to insure that the corporations would have time to organize and get their feet on the ground prior to any trading of the stock.

Generally, this has proven to be a wise policy which we have always supported. However, in certain instances, stockholders are penalized and prevented from fully practicing their professions because of this requirement that stock not be alienated. More specifically, some stockholders who are members of a specific profession, such as certified public accountants, are prevented from fully practicing their profession because of that profession's code of ethics. In the case of certified public accountants, their code of ethics prohibits a certified public accountant or the company for which he works from being retained by the corporation or any other corporation which is involved as a partner in business with the corporation in which that certified public accountant holds stock.

Individual stockholders have contacted me requesting assistance. They would rather alienate their stock and be able to practice their profession fully. Our amendment would allow such alienation under controlled circumstances. The stockholder would have to be a member of a professional organization, association, or board which limits his ability to practice his profession because he is a stockholder. If so, he could alienate his stock.

Mr. President, I believe this will be a noncontroversial amendment involving only a handful of stockholders, but these members of professional organizations should not be penalized because they are Alaska Natives. The Alaska Native Claims Settlement Act was enacted in order to allow Alaska's Natives the right to determine their own future. This amendment is offered in that same spirit, and we are hopeful the Senate will act quickly to approve it.

By Mr. EAGLETON:

S. 2602. A bill to prohibit the concurrent exercise of functions, powers, and duties which are exercised by an officer appointed by the President by and with the advice and consent of the Senate, by an officer who has not received such advice and consent; to the Committee on Governmental Affairs.

CONCURRENT AUTHORITY EXERCISE PROHIBITION ACT

Mr. EAGLETON. Mr. President, in the wake of the controversy over former Budget Director Bert Lance, there is growing concern about the adequacy of the Senate confirmation process. Senators might differ on whether there are too many or too few positions subject to the advice and consent of the Senate, but I think we would all agree that the process is an essential safeguard against incompetency or conflicts of interest in high office. I think we can all agree also that the process is in need of improvement.

It was with great concern, therefore, that I recently learned of a practice within the Department of HUD which, in my opinion, vitiates the entire confirmation process. That practice involves the assignment of concurrent authority to a non-Presidential appointee at the same time the authority is vested in a Presidential appointee who must be confirmed by the Senate.

Such assignments are made by internal HUD regulations and typically take the form of authorizing a deputy to the confirmable official to exercise concurrently all of the powers and authorities of the principal when both are on duty.

Excluding the Secretary, there are 11 HUD officials whose appointments are subject to Senate confirmation. In eight of those positions, the powers of the principal have been delegated to a deputy who is authorized to exercise them concurrently. I ask that a list of those positions be printed at the end of my remarks.

Mr. President, this doctrine of concurrent authority—which the department's General Counsel has determined is unique to HUD—makes an empty ritual of Senate confirmation proceedings. What point is there to a Senate inquiry into the fitness of a nominee to hold a position and into his potential conflicts of interest if the authority of that nominee is shared concurrently by another individual about whom Congress and the public know nothing. It makes a mockery of that constitutional proceeding.

I have received a legal opinion from the Congressional Research Service concluding that the courts are likely to hold that HUD may not administratively create an office which would concurrently exercise functions with a statutorily created office which must be filled by a Presidential nominee with the advice and consent of the Senate. The opinion points out that when the Senate scrutinizes the qualifications of a nominee, it is making a judgment about that person for a particular office that will exercise particular functions. This constitutionally mandated process is easily circumvented by the administrative creation of offices that perform the same tasks and the administrative appointment of persons to fill those offices. This is exactly what HUD has done. I will ask that that opinion be printed at the conclusion of my remarks after the printing of the bill.

Mr. President, perhaps it is a sign of the laxness of our confirmation process that this HUD practice has gone unchallenged at least since 1971. And, every Secretary of HUD since that time has seen fit to expand on the list of positions covered.

I can understand a situation where a deputy exercises powers of an office in the absence of the incumbent. I have no problem either with a deputy carrying out certain functions at the pleasure of his boss. Those are normal, every day administrative arrangements.

Concurrent authority is quite a different matter. That doctrine confers independent legal authority on a deputy's actions and in so doing confounds the assignment of responsibility and accountability for acts taken in the public's name. It creates a shadow government, over which Congress has little control.

In view of the serious constitutional issue involved here and the uncertainty that other agencies may not follow in HUD's footsteps, I am today introducing a bill to prohibit assignment of concurrent authority in any position subject to Senate confirmation. I ask unanimous consent that the text of the bill be printed in the RECORD, together with the other material.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Concurrent Authority Exercise Prohibition Act".

SEC. 2. (a) Chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3350. Prohibition of concurrent exercise of authority

"Notwithstanding any other provision of law, except as otherwise may be authorized by the provisions of this subchapter, no officer of the United States may concurrently exercise the same authorities, functions, or duties of an officer whose appointment is by law required to receive the advice and consent of the Senate.".

(b) The table of sections of chapter 33 of title 5, United States Code, is amended in subchapter III thereof by inserting at the end of such subchapter the following:

"3350. Prohibition of concurrent exercise of authority.".

To Honorable Thomas F. Eagleton. Attn: Marcia Conlin.

From American Law Division.

Subject: Can HUD Administratively Create an Office with Duties Concurrent to That of a Statutory Office Requiring Senate Confirmation?

This is in response to your inquiry whether any constitutional questions may be raised by the assignment of concurrent authority to a non-presidential appointee when such authority is also vested in a presidential appointee who must be confirmed by the Senate. The factual context in which this situation arises is as follows.

The National Flood Insurance Program was established under the authority of the National Flood Insurance Act of 1968, Pub. L. 90–448, 42 U.S.C. 4001 et seq. (1970). The Act was amended by the Flood Disaster Protection Act of 1973, Pub. L. 93–234. Authority under the Act is vested solely in the Secretary of Housing and Urban Development. The Secretary is given authority to promulgate such regulations as she deems necessary to carry out the purposes of the Act. 42 U.S.C. 4128 (Supp. V., 1975). The Act does establish the position of Federal Insurance Administrator but does not indicate either what its functions and duties are to be or how it is to be filled. 42 U.S.C. 3533a (1970). Under 42 U.S.C. 3535(d) the Secretary has the discretionary authority to delegate any function statutorily vested in her.

On December 9, 1976 the Comptroller General of the United States issued an opinion in which he concluded that the position of Federal Insurance Administrator requires presidential nomination and Senate confirmation under Article II, section 2, cl. 2 of the Constitution (the Appointments Clause). Comp. Gen. Dec. No. B–183012, 56 Comp. Gen. 137. He reasoned that the Constitution presumes all officers of the United States must be appointed with the advice and consent of the Senate except when Congress affirmatively delegates appointment authority elsewhere. This reasoning was supported by citation to two court decisions: *Scully* v. *United States,* 193 F. 185 (C.C. Nev. 1910) and *Williams* v. *Phillips,* 360 F.Supp. 1363 (D.D.C. 1973).

Subsequent to that decision the President submitted the name of the incumbent Acting Insurance Administrator to the Senate for confirmation but withdrew it on February 21, 1977. The incumbent was appointed Deputy Administrator on May 23, 1977, a position to which he was certified by the Civil Service Commission. The duties and responsibilities of the position include assisting the Administrator in the performance of all of his duties and responsibilities and to act for him concurrently and in his absence. On June 29, 1977 the Comptroller General issued an opinion in which he found that upon the withdrawal of the nomination on February 21, the vacancy in the position could be temporarily filled for only 30 days, citing the Vacancies Act, 5 U.S.C. 3345–3349 (1970). As a result, there was no legal authority for the incumbent or anyone else to serve as Acting Insurance Administrator after March 23, 1977. 56 Comp. Gen. (1977). Since July 7, 1977 the Secretary has resumed authority with regard to decision-making and the promulgation of regulations related to the program.

The question now raised is whether, in the event a nominee for Administrator is sent forth and confirmed, the existence of "concurrent" functional authority in a non-confirmed official in any way conflicts with the Senate's constitutional prerogative of confirmation. The functions of the Administrator and the deputy in question as delegated by the Secretary are set forth in the description of the Federal Insurance Administration's organization which was issued by HUD in January 1977:

"b. *Functions.* The Federal Insurance Administrator:

"(1) Serves as the principal adviser to the Secretary on matters relating to the National Insurance Development Program (including the Federal Crime Insurance Program), the National Flood Insurance Program, and the Departmentwide program insurance and bonding function.

"(2) Represents the Department on matter relating to the functions in the above subparagraph (1) with other governmental agencies and outside groups and maintains liaison and working relationships with elements of the Department and others having related interest and activities in Federal insurance programs and functions. Also consults with Federal, State, and local agencies and the private sector on matters affecting: the private insurance and reinsurance industries; property insurance generally; and insurance emergencies of national importance.

"(3) Represents the Secretary on matters requiring consultation with and advice from the National Insurance Development Program Advisory Board.

"(4) Enters into appropriate agreements necessary to carry out Federal insurance programs in accordance with delegations from the Secretary.

"(5) Supervises and directs the principal staff, organizational units, and functions set forth in this handbook.

2. *DEPUTY FEDERAL INSURANCE ADMINISTRATOR.* The Deputy Federal Insurance Administrator assists the Federal Insurance Administrator in the performance of duties and responsibilities assigned to that office; coordinates activities and relationships with the NFIA; *exercises concurrently all the power and authority of the Administrator when both are on duty and* serves as Acting Administrator in the absence of the Administrator." (Emphasis supplied)

There would seem little doubt that the Secretary has the statutory authority to vest as little or as much authority in the office of Administrator as she desires; it is hers to delegate. Once that delegation is made, however, a serious question may be raised whether, in this situation, where we are dealing with an appointee subject to Senate confirmation, the same functions, powers and duties can be concurrently exercised by a person not appointed in that manner.

The starting point of analysis would appear to be the Supreme Court's recent decision in *Buckley* v. *Valeo,* 424 U.S. 1 (1976), in which it confirmed the substantive importance of the Appointments Clause. There the Court ruled that the manner of appointment (designation by congressional officers and approval by both Houses) of the voting members of the Federal Election Commission, in whom primary and substantial responsibility had been vested for administration and enforcement of the Federal Election Campaign Act of 1971, as amended, was unconstitutional. During the course of its decision the Court wholly redefined the constitutional concept of federal officer and for the first time supplied substantive meaning to the constitutional terminology. The significance of the case for present purposes is that the Court has made it clear that no deviation will be allowed from the alternative modes of appointment set forth in the clause. 424 U.S. at 125–126. Therefore, any valid method of appointment selected by Congress must be adhered to strictly. The *Buckley* decision thus confirms the analysis of the district court in *Williams* v. *Phillips,* 360 F.Supp. 1362 (D.D.C. 1973). That case was an action brought to remove Howard J. Phillips from his position as acting Director of the Office of Economic Opportunity because he had not been appointed by the President, and confirmed by the Senate, as was required by 42 U.S.C. 2941(a). The O.E.O. Act contained no provision concerning a vacancy in the office of the Director. Although the court found the Vacancies Act inapplicable to O.E.O., it went on to hold that the constitutional process of nomination and confirmation of the O.E.O. director must be followed and that the appointment of Phillips by the President as an acting director, without Senate confirmation, was invalid. The rationale of the district court's opinion, together with that of the Court of Appeals for the District of Columbia, is relevant to the circumstances under consideration. The district court noted that the Appointments Clause of the Constitution[1] clearly vests all appointments of officers of the United States in the President subject to the advice and consent of the Senate, unless the Congress vests that power elsewhere by law. Since, the court found, no provision is made anywhere in the O.E.O. Act for the *appointment* of an acting director, "the failure of Congress to provide legislation for an acting director must be regarded as intentional. The court holds that in the absence of such legislation or legislation vesting a temporary power of appointment in the President, the constitutional process of nomination and confirmation must be followed." 360 F.Supp. at 1371. The court also remarked, "Moreover a Presidential power to appoint officers temporarily in the face of statutes requiring their appointment to be confirmed by the Senate, such as is required for the O.E.O. director by 42 U.S.C. 2941(a), would avoid the nomination and confirmation process of officers in its entirety. Constitutional provisions cannot be given such an interpretation." 360 F.Supp., at 1369.

On appeal, the Court of Appeals substantially confirmed the lower court's reasoning. *Williams* v. *Phillips,* 482 F.2d 669 (D.C. Cir., 1973). It went a step further, however, by indicating that even if there was some implied power in the President, by virtue of his constitutional obligation to "take care that the laws be faithfully executed" and his statutory obligation to appoint a director

[1] Article II, section 2, cl. 2, provides that the President: shall nominate, and by and with the Advice and Consent of the Senate, shall appoint . . . all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

with the advice and consent of the Senate, that power was one of appointment for a limited duration. In the court's mind the outer limits of that time period was that contained in the Vacancies Act: 30 days. The court stated in that regard (482 F.2d at 670–671):

"It could be argued that the intersection of the President's constitutional obligation to "take care that the laws be faithfully executed" and his obligation to appoint the director of OEO "with the Advice and Consent of the Senate" provides the President an implied power, in the absence of limiting legislation, upon the resignation of an incumbent OEO director, to appoint an acting director for a reasonable period of time before submitting the nomination of a new director to the Senate. Even if the court should sustain such a view, in its disposition on the merits, that would not establish that the President was entitled, for a period of four and a half months from the date the President obtained the resignation of the incumbent director, to continue the designation of Phillips as acting director without any nomination submitted for Senate consideration. The Government concedes that the President cannot designate an acting officer indefinitely without any presentation to the Senate for confirmation. An indication of the reasonable time required by the President to select persons for nomination appears in the 30-day period provided in the Vacancies Act for temporary appointments of Executive Department officers pending nomination to the Senate, *see* 5 U.S.C. § 3348(1970)). Appellant has not met his burden of demonstrating that the court, on the merits, is likely to hold that the President was entitled to hold Mr. Phillips in office for a four-and-a-half-month period without any nomination. Assuming, without deciding, that the court on the merits might disagree with the District Court's approach and might conclude that Phillips' appointment was not invalid *ab initio*, this would not undercut the determination as to the prospective invalidity of his holding office."

The *Buckley* and *Williams* decisions appear pertinent to the instant situation. They demonstrate that the Senate's prerogative of advice and consent has substantive import. It may not constitutionally be delegated away or undermined either directly or indirectly. When the Senate scrutinizes the qualifications of a nominee, it is making a judgment about that person for a particular office that will exercise particular functions. It may be argued that it would be all too easy a circumvention of that constitutionally mandated process to administratively create offices that perform the same tasks and appoint persons to fill them. To the contrary it may be asserted that the failure of Congress to invest the office with specfic functions, duties and powers indicates its indifference as to how they might be shared in the agency. Further, any abuse can be cured by legislative oversight or amendment of the Act. The short answer to these contentions would seem to be that the constitutional direction of the Appointments Clause is a superior force in its own right which admits of no deviation where it would subvert the constitutional purpose. In this case since there can be perceived a possible interference with the senatorial confirmation prerogative, the constitutional doubt must be resolved against the present scheme of concurrently held authority.

It is concluded, then, that, although the matter is not free from doubt, the courts are likely to hold that HUD may not administratively create an office which would concurrently exercise functions with a statutorily created office which must be filled by a presidential nominee with the advice and consent of the Senate.

MORTON ROSENBERG,
Legislative Attorney.

CONCURRENT AUTHORITY OF HUD OFFICIALS WHO ARE SUBJECT TO SENATE CONFIRMATION

Listed below are the eleven HUD officials whose appointments are subject to Senate confirmation, with a statement of the extent to which authority delegated to them is delegated concurrently to some other official.

GENERAL COUNSEL

The General Counsel and Deputy General Counsel have identical concurrent authority by delegation from the Secretary. 36 F.R. 11052 (1971) (Tab A).

ASSISTANT SECRETARY FOR ADMINISTRATION

All delegations of authority, designations of functions, or responsibilities conferred upon the Assistant Secretary for Administration are conferred equally upon the Deputy Assistant Secretary for Administration. 39 F.R. 38273 (1974) (Tab B).

ASSISTANT SECRETARY FOR HOUSING-FEDERAL HOUSING COMMISSIONER

The Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner is authorized to exercise the authority of the Assistant Secretary for Housing-Federal Housing Commissioner. 41 F.R. 32635 (1976) (Tab C).

ASSISTANT SECRETARY FOR NEIGHBORHOODS, VOLUNTARY ASSOCIATIONS AND CONSUMER PROTECTION

There is a single delegation of authority to the Assistant Secretary for NVACP (formerly Consumer Affairs and Regulatory Functions, but redesignated effective July 15, 1977, 42 F.R. 37547 (1977)). That delegation has been amended to include the Deputy Assistant Secretary for Regulatory Functions, 42 F.R. 7178 (1977) (Tab D).

ASSISTANT SECRETARY FOR COMMUNITY PLANNING & DEVELOPMENT

The Deputy Assistant Secretary for Community Planning and Development "[e]xercises concurrently all of the powers and authorities of the Assistant Secretary when both are on duty . . ." HUD Handbook 1140 (Tab E) (we understand that a revised CPD Handbook, currently in clearance, does not include concurrent authority.)

ASSISTANT SECRETARY FOR FAIR HOUSING AND EQUAL OPPORTUNITY

The Deputy Assistant Secretary for Fair Housing and Equal Opportunity ". . . will have the powers and authority of the Assistant Secretary. . . ." HUD Handbook 1160.1 rev. (Tab F).

ASSISTANT SECRETARY FOR LEGISLATIVE AFFAIRS

No concurrent authority.

ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH

No concurrent authority.

PRESIDENT, GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

No concurrent authority.

GENERAL MANAGER, NEW COMMUNITY DEVELOPMENT CORPORATION

Some concurrent authority in Administrator, New Communities Administration. 40 F.R. 27286 (1975) (Tab G).

ADMINISTRATOR, FEDERAL INSURANCE ADMINISTRATION

The Deputy Administrator, of FIA has concurrent authority (with the exception of authority to issue regulations) to administer the Flood Insurance Program and some other programs. 34 F.R. 2680 (1969) (Tab H). In some other areas the Deputy Administrator does not have concurrent authority (Tab I).

[Department of Housing and Urban Development (Docket No. D–71–102)]

GENERAL COUNSEL AND DEPUTY GENERAL COUNSEL

DELEGATION OF AUTHORITY

SECTION A. *Authority delegated.* The General Counsel and the Deputy General Counsel each is authorized to exercise the following power and authority of the Secretary of Housing and Urban Development (Secretary):

1. To interpret the authority of the Secretary and to determine whether the issuance of any rule, regulation, statement of policy, or standard promulgated by the Department is consistent with that power and authority. However, nothing contained in this subsection shall affect the validity of any rule, regulation, statement of policy or standard once it has been promulgated by the Department.

2. To direct all litigation affecting the Department and to sign, acknowledge and verify on behalf of and in the name of the Secretary all declarations, bills, petitions, pleas, complaints, answers, and other pleadings in any court proceeding brought in the name of or against the Secretary or in which he is named as a party.

3. To direct the referral of cases and other matters to the Attorney General for appropriate legal action and to transmit information and material pertaining to the violation of law or Department rules and regulations. There are excepted from this authority, however, those referrals and transmittals which the Inspector General is authorized to make under the delegation of authority to him published concurrently herewith.

4. To accept on behalf of the Secretary service of all summons subpenas, and other judicial, administrative, or legislative processes directed to the Secretary or to an employee of the Department in an official capacity.

5. To approve the legality of the issuance of subpenas or interrogatories, the compelling of attendance by witnesses, and the granting of petitions to revoke or modify subpenas or interrogatories, pertaining to investigations or other proceedings for which responsibility is vested in the Secretary.

6. To consider, ascertain, adjust, determine, compromise, and settle claims pursuant to the Federal Tort Claims Act, 23 U.S.C. 2071, and the testimony contained in 28 CFR Part 14 and 24 CFR Part 17.

7. To act upon the appeals and issue final determinations on appeals of denial of access or record correction under the Privacy Act of 1974 (Pub. L. 93–579), 5 U.S.C. 552(c).

SEC. B. *Authority to redelegate.* The General Counsel is authorized to redelegate to employees of the Department any of the power and authority delegated under section A of this document.

SEC. C. *Additional authority delegated.* In addition to the authority delegated in section A:

1. The General Counsel, the Deputy General Counsel, and the Deputy General Counsel for Legal Affairs each is authorized to exercise the power and authority of the Secretary of Housing and Urban Development to approve the production or disclosure of HUD materials or information by HUD employees, or former employees in response to subpenas or demands of courts or other authorities, pursuant to regulations of the Department set forth in 24 CFR Part 15, Subpart H.

2. Within the respective territorial jurisdiction of the region to which he is assigned,

each regional counsel is also authorized to exercise the power and authority described in paragraph 1 of this section.

3. This section supersedes the Delegation of Authority effective August 27, 1970 (35 F.R. 13756, Aug. 28, 1970).

SEC. D. *Authority to designate.* The General Counsel is authorized to:

1. Designate one or more employees to serve as Acting General Counsel during the absence of the General Counsel.

2. Designate one or more employees to serve in an acting capacity during the absence of an appointee to a position in the Office of General Counsel or during a vacancy in such position. (Sec. 7(d), Department of Housing and Urban Development Act, 42 U.S.C. 3535(d).)

Effective date. This delegation of authority shall be effective as of June 8, 1971.

GEORGE ROMNEY,
Secretary of Housing and Urban Development.

[FR Doc. 71-7943 Filed 6-7-71; 8:47 am]

[Department of Housing and Urban Development, Office of the Secretary (Docket No. D-74-202)]

DEPUTY ASSISTANT SECRETARY FOR ADMINISTRATION

DELEGATION OF AUTHORITY

Most but not all delegations of authority to the Assistant Secretary for Administration confer upon the Deputy Assistant Secretary for Administration concurrent authority to act when both are on duty. The Department's organization as expressed in the Assistant Secretary for Administration's Organization Handbook 1150.1A states that the Deputy Assistant Secretary for Administration does exercise such concurrent power and authority (p. 1, para. 2). However, certain delegations, particularly older documents, have omitted reference to the Deputy Assistant Secretary for Administration. In order to clarify possible confusion regarding authority of the Deputy Assistant Secretary when the Assistant Secretary is also available to act, the Department is expressly including the Deputy Assistant Secretary as to such delegations.

Accordingly, all delegations of authority, designations of functions, or responsibilities conferred by other directives upon the Assistant Secretary for Administration are amended where applicable to include the Deputy Assistant Secretary for Administration.

(Sec. 7(d) of the Dept. of HUD Act, 42 U.S.C. 3525(d)).

Effective date: This delegation is effective October 30, 1974.

JAMES T. LYNN,
Secretary of Housing and Urban Development.

[FR Doc.74-25226 Filed 10-29-74,8:45 am]

[Department of Housing and Urban Development, Office of the Secretary (Docket No. D-70-452)]

DEPUTY ASSISTANT SECRETARY FOR HOUSING—DEPUTY FEDERAL HOUSING COMMISSIONER

DELEGATION OF AUTHORITY

By delegation of June 18, 1976, all of the authority and functions formerly exercised by the Assistant Secretary for Housing Production and Mortgage Credit-Federal Housing Commissioner and the Assistant Secretary for Housing Management, with respect to programs and other matters, were delegated and assigned to the Assistant Secretary for Housing-Federal Housing Commissioner, (41 FR 24755).

Section B of that delegation order continued in effect certain delegations and redelegations. The new Office of Housing, referred to in that delegation, is being reorganized and the positions of the Deputy Assistant Secretaries named in Section B of the June 18, 1976 delegation and their functions are being substantially modified. A new position of Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner has been created. Thus, it is necessary to modify the authority reserved to the Deputy Assistant Secretaries referred to in Section B and effect a redelegation of certain authority to the Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner.

Accordingly, the Secretary of Housing and Urban Development takes action as follows:

SECTION A. *Authority delegated.* The Deputy Assistant Secretary for Housing-Deputy Federal Housing Commissioner is authorized to exercise the power and authority of the Assistant Secretary for Housing-Federal Housing Commissioner, including the authority to issue rules and regulations.

SEC. B. *Supersedure.* The authority of the Deputy Assistant Secretary for Housing Production and Mortgage Credit-Deputy Federal Housing Commissioner and the Deputy Assistant Secretary for Housing Management to issue rules and regulations, which was continued in effect pursuant to Section B of the delegation order of June 18, 1976 (41 F.R. 24755), is terminated.

(Sec. 7(d). Department of HUD Act, (42 U.S.C. 3535(d)).)

Effective date: This delegation shall be effective July 30, 1976.

CARLA A. HILLS,
Secretary of Housing and Urban Development.

[FR Doc.70-22663 Filed 8-3-76;8:45 am]

[Department of Housing and Urban Development, Office of the Secretary (Docket No. D-77-475)]

DEPUTY ASSISTANT SECRETARY

DELEGATION OF AUTHORITY

The delegation of authority to the Assistant Secretary for Consumer Affairs and Regulatory Functions published at 41 FR 19365, May 12, 1976, did not confer concurrent authority upon a Deputy Assistant Secretary.

Accordingly, the delegation of authority to the Assistant Secretary for Consumer Affairs and Regulatory Functions published at 41 FR 19365, May 12, 1976, is amended to include the Deputy Assistant Secretary for Regulatory Functions. (Sec. 7(d) of the Dept. of HUD Act, 42 U.S.C. 3535(d)).

Effective date: This delegation is effective January 27, 1977.

PATRICIA ROBERTS HARRIS,
Secretary of Housing and Urban Development.

[FR Doc.77-3820 Filed 2-4-77;8:45 am]

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f. Serves as the focal point for the Department in implementing the National Environmental Policy Act of 1969, the Housing and Community Development Act of 1974 and related statutes and executive orders and the National Historic Preservation Act of 1966. Develops and coordinates the Department environmental activities with other Departments and agencies, and with the Council on Environmental Quality.

g. Develops and promulgates policies, standards, procedures, and advisory materials for the program activities under his direction, executes such policies and directives at headquarters, and directs their execution in the HUD field offices.

h. Maintains liaison with the Assistant Secretary for Housing Management with respect to the latter's Department-wide responsibility for the sale of notes and bonds in the private market and the development of Department-wide policies and procedures for local agency budgeting and administrative practices for application by Assistant Secretaries in their respective programs.

i. Maintains a continuing overall evaluation of the programs and activities under his direction. Develops and maintains systems for monitoring the impact of CPD and related Federal programs and activities.

2. DEPUTY ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT. Assists the Assistant Secretary in the performance of his duties and responsibilities and acts for him. Exercises concurrently all of the powers and authorities of the Assistant Secretary when both are on duty and serves as Acting Assistant Secretary in the absence of the Assistant Secretary.

1160.1 REV.

(6) Exercises functional supervision over the equal opportunity staffs in the regional offices.

(7) Serves as the Director of Equal Employment Opportunity with responsibility for establishing, maintaining, and monitoring the implementation of an affirmative equal employment opportunity program for all Department employees and applicants for employment.

(8) Serves as the Contract Compliance Officer for the Department, with responsibility for obtaining compliance with the rules, regulations, and order of the Secretary of Labor and the Department with respect to their Agency contracts.

(9) Responsible for administration and enforcement of Title VI of the Civil Rights Act of 1964 and implementing its regulations.

(10) Responsible for administrative enforcement of the equal opportunity contract clauses in all contracts with the Department.

(11) Supervises and directs the organizational elements listed below.

2. Deputy Assistant Secretary for Fair Housing and Equal Opportunity. The Deputy Assistant Secretary shall assist the Assistant Secretary in the performance of duties and responsibilities related to all aspects of the Fair Housing and Equal Opportunity Programs, including matters such as development of program policy and the interface of Fair Housing and Equal Opportunity Programs with other HUD programs. The Deputy will have the powers and authority of the Assistant Secretary and may serve as Acting Assistant Secretary in the absence of the Assistant Secretary.

3. Assistant for Operations. The Assistant for Operations shall assist the Assistant Secretary in the performance of duties and responsibilities related to the day-to-day management and operation of Fair Housing and Equal Opportunity Programs, including oversight and coordination of special purpose programs (Women's Program, Spanish Speaking Program, and Indian Program), and administrative matters. The Assistant for Operations will serve as Director of the Office of Management and Field Coordination.

[Department of Housing and Urban Development, Office of the Secretary (Docket No. D-75-339)]

GENERAL MANAGER, NEW COMMUNITY DEVELOPMENT CORPORATION; ADMINISTRATOR, NEW COMMUNITIES ADMINISTRATION; AND ASSISTANT SECRETARY AND DEPUTY ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT

DELEGATION OF AUTHORITY

Title I of the Housing and Community Development Act of 1974 establishes the Community Development Block Grant Program. Section 107(a) of the Act provides that funds shall be reserved and set aside in a special discretionary fund for use by the Secretary in making grants for the purposes set forth in the subsection. The power and authority of the Secretary with respect to discretionary grants under section 107(a)(1) in behalf of

new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968 is being delegated to the General Manager of the New Community Development Corporation and the Administrator of the New Communities Administration.

Section A. *Authority Delegated.* The General Manager of the New Community Development Corporation and the Administrator of the New Communities Administration are authorized to exercise the power and authority of the Secretary of Housing and Urban Development as set forth in section 107(a)(1) of the Housing and Community Development Act of 1974, in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968 with the concurrence of the Assistant Secretary or Deputy Assistant Secretary for Community Planning and Development in final approval action.

Section B. *Authority Excepted.* There is excepted from the authority delegated under Section A:

1. The power to issue obligations for purchase by the Secretary of the Treasury under Section 108(d) of the Housing and Community Development Act of 1974 (42 USC 5308).

2. The power to sue and be sued.

3. The power and authority of the Secretary with respect to nondiscrimination under Section 109 of the Housing and Community Development Act of 1974 (42 USC 5309), with respect to the powers to make audits and reviews under Section 104(d) (42 USC 5304), with respect to remedies for noncompliance under Section 111 (42 USC 5311), except that initial proposed and final regulations with respect to Sections 104(d) with respect to the power to make audits and 111 with respect to remedies for noncompliance shall be issued by the Assistant Secretary or Deputy Assistant Secretary for Community Planning and Development, however, to revision at such time as the power and authority under these Sections may be delegated by the Secretary.

Section C. *Authority to Redelegate.* The General Manager of the New Community Development Corporation, the Administrator of the New Communities Administration and the Assistant Secretary or the Deputy Assistant Secretary for Community Planning and Development are authorized to redelegate to the employees of the Department any of the authority delegated under Section A, and not excepted under Section B.

(Sec. 7(d), Department of Housing and Urban Development Act, 42 U.S.C. 3535(d)).

Effective Date. This delegation of authority is effective June 27, 1975.

CARLA A. HILLS,
Secretary of Housing and Urban Development.

[FR Doc. 75-16775 Filed 6-26-75; 8:45 am]

[Department of Housing and Urban Development, Office of the Secretary]

FEDERAL INSURANCE ADMINISTRATOR AND DEPUTY FEDERAL INSURANCE ADMINISTRATOR

DELEGATIONS OF AUTHORITY

SECTION A. *Authority delegated with respect to the national insurance development program.* The Federal Insurance Administrator and the Deputy Federal Insurance Administrator each is hereby authorized to exercise the power and authority of the Secretary of Housing and Urban Development with respect to the national insurance development program under title XII of the National Housing Act (as added by the Urban Property Protection and Reinsurance Act of 1968, 12 U.S.C. 1749bbb—1749bbb-21) except the authority to:

1. Appoint members of the Advisory Board and take other action under section 1202(a) of the National Housing Act (12 U.S.C. 1740bbb-1).

2. Establish and administer the National Insurance Development Fund under section 1233 (12 U.S.C. 1749bbb-13).

3. Audit and examine the records of insurers or others under section 1234(d) (12 U.S.C. 1749bbb-14).

4. Submit the results of the study of reinsurance and other programs, together with recommendations, under section 1235(b) (12 U.S.C. 1749bbb-15(b)).

5. Exercise the powers under section 402(a) of the Housing Act of 1950 (12 U.S.C. 1749a(a)), applicable under section 1237 of the National Housing Act (12 U.S.C. 1749bbb-17).

6. Sue and be sued under section 402(c)(3) of the Housing Act of 1950 (12 U.S.C. 1740a(c)(3)), applicable under section 1237 of the National Housing Act (12 U.S.C. 1740bbb-17).

7. Borrow from the Treasury funds for losses under title XII, under section 520(b)(2) of the National Housing Act (12 U.S.C. 1735d(b)(2)).

8. In the case of the Deputy Federal Insurance Administrator, issue rules and regulations under section 402(c)(1) of the Housing Act of 1950 (12 U.S.C. 1749a(c)(1)), applicable under section 1237 of the National Housing Act (12 U.S.C. 1749bbb-17).

SEC. B. *Authority delegated with respect to the national flood insurance program.* The Federal Insurance Administrator and the Deputy Federal Insurance Administrator each is further authorized to exercise the power and authority of the Secretary of Housing and Urban Development with respect to the naitonal flood insurance program under the National Flood Insurance Act of 1968 (42 U.S.C. 4001-4127) except the authority to:

1. Borrow funds from the Treasury under the Federal Flood Insurance Act of 1956, as amended by section 1303 of the National Flood Insurance Act, and under section 1309 of the National Flood Insurance Act (42 U.S.C. 2414(e) and 4016).

2. Establish and administer the National Flood Insurance Fund under section 1310 (42 U.S.C. 4017).

3. Appoint, and fix the rate of compensation of members of, a flood insurance advisory committee under section 1318 (42 U.S.C. 4025).

4. Report on program operations, in the annual report to the President, under section 1320 (42 U.S.C. 4027).

5. Make the determination concerning Federal operation of the program and the report to Congress under section 1340 (42 U.S.C. 4071).

6. Be sued under section 1341 (42 U.S.C. 4072).

7. Audit and examine the records of flood insurance pools and insurance companies or other private organizations under section 1348(b) (42 U.S.C. 4084(b)).

8. In the case of the Deputy Federal Insurance Administrator, issue rules and regulations.

SEC. C. *Authority delegated with respect to the Southeast Hurricane Disaster Relief Act.* The Federal Insurance Administrator and the Deputy Federal Insurance Administrator each is authorized to exercise the authority of the Secretary of Housing and Urban Development with respect to the study of alternative programs to provide financial assistance to those suffering property losses in natural disasters, under section 5 of the Southeast Hurricane Disaster Relief Act of 1965 (79 Stat. 1301).

SEC. D. *Authority to redelegate.* The Federal Insurance Administrator and the Deputy Federal Insurance Administrator each is authorized to redelegate to subordinate employees any of the power and authority delegated under sections A, B, and C, except in the case of the Federal Insurance Administrator, the authority to issue rules and regulations.

SEC. E. *Authority to designate Acting Federal Insurance Administrator and acting subordinate officials.* The Federal Insurance Administrator is further authorized to:

1. Designate one or more subordinate employees to serve as Acting Federal Insurance Administrator during the absence of the Administrator.

2. Designate one or more subordinate employees to serve as acting head of an organizational unit under the Administrator during the absence of the head of a unit or during a vacancy in the position.

SEC. F. *Supersedure.* The delegations of authority under sections A, D, and E supersede the delegations effective August 1, 1968 (33 F.R. 11794, Aug. 20, 1968).

(Sec. 7(d), Department of HUD Act (1965, 42 U.S.C. 3535(d))

Effective date. This document will be effective as of February 27, 1969.

GEORGE ROMNEY,
Secretary of Housing and Urban Development.

[Department of Housing and Urban Development (Docket No. D-75-393)]

FEDERAL INSURANCE ADMINISTRATOR

DELEGATION OF AUTHORITY

Section 7(1)(6) of the Department of Housing and Urban Development Act, Pub. L. 89-174. 42 U.S.C. 3531 et seq., authorizes the Secretary of the Department of Housing and Urban Development to "include in any contract or instrument such other covenants, conditions, or provisions as he may deem necessary." Pursuant to this authority, a provision requiring safeguarding of program assets by program participants through insurance or bonding has been included in contracts used in several of the programs of this Department. In order to assure that this safeguarding is adequately carried out at a minimal cost to the program participant, and therefore the Department, the Department provides professional and technical advice and guidance on insurance and bonding matters to program participants. Related to the contract requirements, the Department also provides approval of non-Federal insurance contracts as meeting the contract requirement and endorsement of insurance checks, including loss claim checks, on which the United States of America, the Department, or any predecessor of the Department is a joint payee. These functions until recently had been carried out by headquarters and field personnel of the Assistant Secretary for Housing Management. With the development of insurance expertise in the Federal Insurance Administration, the Secretary determined that these functions should be carried out by that office. Accordingly, the delegation of these functions to the Assistant Secretary for Housing Management was revoked, and the authority for carrying out all aspects of the Department-wide program insurance and bonding function was delegated to the Federal Insurance Administrator in a Delegation of Authority published at 40 FR 37075, August 25, 1975. That delegation omitted a necessary reference to the Urban Growth and New Community Development Act of 1970 (40 U.S.C. 4501 et seq.). That delegation is now being superseded by this one in which the omission is corrected.

SECTION A. *Authority Delegated.* The Federal Insurance Administrator is, except as provided in section B, delegated the authority and responsibility of the Secretary for all aspects of the Department-wide program insurance and bonding function with respect to the following programs:

(1) Slum Clearance and Urban Renewal Program under Title I of the Housing Act of 1949 (42 U.S.C. 1450-1468), and section 312

of the Housing Act of 1954 (42 U.S.C. 1450 Note).

(2) Program of Loans for Housing of the Elderly or Handicapped under Section 202 of the Housing Act of 1959 (12 U.S.C. 1701q).

(3) College Housing under Title IV of the Housing Act of 1950 (12 U.S.C. 1749–1749c).

(4) Low-Rent Public Housing Program under the United States Housing Act of 1937 (42 U.S.C. 1401 et seq. and 42 U.S.C. 1430 et seq.).

(5) New Communities Program under the Housing Act of 1968 (42 U.S.C. 3901 et seq.) and the Urban Growth and New Community Development Act of 1970 (42 U.S.C. 4501 et seq.).

(6) Comprehensive Planning, 701b Program under the Housing Act of 1954 (40 U.S.C. 461).

This authority and responsibility shall include the following:

1. The authority and responsibility for rendering professional and technical advice and guidance on insurance and bonding matters, including the development and selection of all procedures and training materials.

2. The authority and responsibility for the making of policy with respect to the insurance and bonding matters involved in this delegation.

3. The authority and responsibility for review and evaluation of field office performance of the insurance and bonding function, as well as for recommendations for appropriate corrective actions where needed.

4. With respect to master contracts for insurance and bonding, the authority and responsibility for appropriate bid requests, openings and recordings, analysis, awarding of contracts, ongoing administrative functions (including servicing) with respect to the contracts, and liaison between Area and Insuring Offices, local HUD program participants, and private insurers who issue policies under the contracts.

5. The authority and responsibility to approve or disapprove non-Federal insurance contracts and to execute endorsements on insurance checks, including loss claim checks, on behalf of the Department of Housing and Urban Development on which the United States of America, the Department of Housing and Urban Development, or any predecessor agency of the Department of Housing and Urban Development is a payee (joint or otherwise).

SEC. B. *Authority excepted.* There is excepted from the authority delegated under section A the power to sue and be sued.

SEC. C. *Authority to redelegate.* The Federal Insurance Administrator is authorized to redelegate to the employees of the Department any of the authority delegated under section A.

SEC. D. *Delegations revoked and superseded.* This delegation revokes paragraph 18 of Section A of the delegation of authority to the Assistant Secretary and Deputy Assistant Secretary for Housing Management with respect to the approval of non-Federal insurance contracts and the endorsements on behalf of the Department of insurance checks, published at 36 FR 5006, March 16, 1971. It also supersedes the delegation of authority to the Federal Insurance Administration with respect to the insurance and bonding function, published at 40 FR 37075, August 25, 1975.

(Sec. 7(d), Department of HUD Act, (42 U.S.C. 3535(d)).)

Effective date. This delegation of authority is effective as of August 19, 1975.

CARLA A. HILLS,
Secretary,
Housing and Urban Development.

[FR Doc.75–32653 Filed 12–3–75;8:45 am]

By Mr. BAYH:

S. 2603. A bill to remove the limitation of payments for consultant services in the Community Relations Service; to the Committee on the Judiciary.

COMMUNITY RELATIONS SERVICE CONSULTANT ACT OF 1978

Mr. BAYH. Mr. President, in 1964, the Civil Rights Act established the Community Relations Service. Under title X of the act, the agency was set up to provide assistance to communities in resolving disputes, disagreements, or difficulties relating to racial discrimination.

The bill which I am introducing today would remove the limitation on payments for consultant services in the CRS by deleting the last sentence of section 2000g of the Civil Rights Act of 1964 which limits the rates for these consultants at $75 per diem. This, in turn, would authorize the CRS to pay per diem rates not in excess of the maximum authorized by section 3109 of title 5, United States Code, the rate paid by other Government agencies.

When the Civil Rights Act was passed by Congress, most executive agencies were limited to $74.11 per diem for the consultant services. Since 1964 however, the payment rate limitation has increased to $182.72. Because of the limitation provision of the act, the CRS has been forced to keep the payments at the 1964 rate of $75. Therefore, the Agency is at a competitive disadvantage when seeking the assistance of highly qualified consultants. This was not the intent of Congress since the limitation was originally set at rates comparable to other Government agencies. I believe that the time to enact this small but important legislation is long past due.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Community Relations Service Consultant Act of 1978".

SEC. 2. The last sentence of section 1001(a) of the Civil Rights Act of 1964, 78 Stat. 267, 42 U.S.C. 2000g, is repealed.

By Mr. CANNON (by request):

S. 2604. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

NATIONAL TRAFFIC AND MOTOR VEHICLE INFORMATION AND COST SAVINGS AUTHORIZATIONS OF 1979 AND 1980

Mr. CANNON. Mr. President, today I am introducing, at the request of the Department of Transportation, legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966, and the Motor Vehicle Information and Cost Savings Act in order to authorize these programs for fiscal years 1979 and 1980. This legislation is a revision of the authorizations proposed in S. 1740, which was introduced on June 22, 1977. The committee intends to carry out careful oversight hearings in regard to these matters in the near future.

Pursuant to the Motor Vehicle Information and Cost Savings Act, the Department of Transportation has developed Federal bumper standards, investigated programs to improve consumer information in regard to damageability, crashworthiness, and repairability of automobiles, carried out a demonstration program to evaluate automotive diagnostic procedures, and instituted enforcement mechanisms to eliminate tampering with automotive odometers. Each of these programs is important and the committee will attempt to assess their present effectiveness.

The National Traffic and Motor Vehicle Safety Act provides the National Highway Traffic Safety Administration within the Department of Transportation with the authority to set safety standards for automobiles, trucks, and buses. The committee is extremely interested in determining how successful these safety programs have been in reducing the terrible toll of deaths and injuries in our Nation's highways.

Mr. President, I ask unanimous consent that the Department of Transportation's transmittal letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., February 14, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Transportation is submitting for your consideration and appropriate reference a draft bill: To amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1979 and 1980.

This bill is being submitted in accordance with the schedule in the Congressional Budget Act of 1974 for the submission of authorization requests for fiscal year 1980. It also represents a resubmittal and revision of previously proposed authorization requests for fiscal year 1979, which were introduced as S. 1740 on June 22, 1977, by Senator Magnuson and referred to the Senate Committee on Commerce, Science, and Transportation.

To provide funds for implementing the National Traffic and Motor Vehicle Safety Act of 1966, Title I of this bill would authorize the appropriation of $60,000,000 for fiscal year 1979 and $60,000,000 for fiscal year 1980.

To meet the expenses necessary for the continued effective implementation of the Motor Vehicle Information and Cost Savings Act, Title II of this bill would authorize the appropriation of $400,000 to implement title I of the Cost Savings Act for fiscal year 1979 and $400,000 to implement the title in fiscal year 1980; $1,800,000 for fiscal year 1979 and $1,800,000 for fiscal year 1980 for title II of the Cost Savings Act; $100,000 for fiscal year 1979 and $100,000 for fiscal year 1980 for title III of the Cost Savings Act; and $300,000 for fiscal year 1979 and $300,000 for fiscal year 1980 for title IV of the Cost Savings Act. No authorization is being sought for title V of the Cost Savings Act, the Automotive Fuel Economy Program, consistent with the previous handling of this title by the authorization committees of the Congress.

It is the judgment of this Department, based on available information, that no significant environmental impact would result from the implementation of this legislation.

The Office of Management and Budget advises that this proposed bill is in accord with the Administration's objectives.

Sincerely,

BROCK ADAMS.

By Mrs. HUMPHREY (for herself and Mr. ANDERSON):

S. 2605. A bill to provide for a national program of screening of newborn infants for metabolic disorders that could retard brain development; to the Committee on Human Resources.

INFANT SCREENING FOR METABOLIC DISORDERS

Mrs. HUMPHREY. Mr. President, in the last Congress Senator Hubert Humphrey introduced legislation to require federally assisted hospitals to routinely perform certain tests on newborn infants in order to detect metabolic disorders that can retard brain development.

This legislation was not enacted. It was suggested that such a Federal requirement would in some cases conflict with laws already adopted which vary widely from State to State.

Moreover, a voluntary Federal blueprint for genetic disease programs, the comprehensive National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Diseases Act, was passed in 1976.

It was my husband's hope that this legislation, although belatedly and minimally funded, would be the vehicle for a rapid expansion of State and regional screening programs.

This hope has not materialized.

In an October 3, 1977 report to Congress, the GAO confirmed that this legislation contains the authority to evaluate, assist, encourage, and support expanded metabolic screening. However, newborn screening is not a specified mandate of the law, and there are no funds earmarked for that purpose.

Progress has been made under title V of the Social Security Act. For instance, centers currently supported by the maternal and child health program could be expanded and developed into Regional Genetic Service Centers, and contract to serve adjacent areas.

Therefore, while Federal maternal and child health funds do assist State programs for newborn screening, the basic responsibility lies with States and there are wide disparities in the nature and coverage of their programs.

It is unconscionable that geographic location may deprive a youngster of the early diagnosis and treatment that could mean the difference between a severely impaired and a normal life.

The GAO findings support more aggressive Federal leadership to provide the stimulus necessary to create cost-effective regional metabolic screening.

The report recommends that the National Genetic Diseases Act be considered as the vehicle for improving national newborn genetic screening. My bill would implement that recommendation.

PROVISIONS OF THE BILL

The National Infant Screening Act of 1978 has two major thrusts.

It would require States to develop, coordinate, and submit a plan for cost-effective medical screening for infants in order to detect metabolic disorders that could retard brain development. I would envision such a plan as part of, or closely coordinated with, plans already required by section 505 of the Social Security Act. In fact, title XI of the Public Health Service Act provides that genetic testing and counseling programs operate in conjunction with existing health programs, including those assisted under title V of the Social Security Act.

The second purpose of the bill is to provide appropriate financial assistance for implementing the multiple screening program, through acquisition of necessary equipment, training of personnel, and some part of initial operating costs.

The amounts have not been specified in the bill because it is difficult to judge how quickly eligible regional programs can be implemented, and the precise amounts required for startup costs.

However, we know that the basic equipment can be acquired for about $75,000. The estimated cost for multiple testing, when applied on a large enough population, is $2.50 per infant. It is assumed that reimbursement for such costs, whatever the combination of private, public, local, State, or Federal Government sources, will quickly make regional laboratories self-supporting.

The required plan would not contravene existing State law and policy but would require inclusion of universally accepted tests for phenylketonuria, hypothyroidism, and galactosemia. Some States will have more stringent requirements. The existence of a fully equipped laboratory, and a followup system for treatment and management of identified disorders, will make it possible to add other proven tests at marginal or no additional cost.

A STEP TOWARD REDUCING MENTAL RETARDATION

The estimated population of 6 million retarded Americans is increased by 100,000 new cases each year. Retardation costs the Nation between $6.5 and $9 billion anually in care, treatment, and lost production. The toll in mental anguish, suffering and wasted human potential is incalculable.

It has been estimated that the application of known preventive and treatment techniques could cut the incidence of mental retardation in half. Specifically, mental retardation caused by inherited metabolic disorders can often be prevented if the condition is identified and treated shortly after birth.

Although metabolic disorders are not common, the cost of screening and treating all newborn infants is demonstrably less than the economic and social costs of caring for the retarded.

Throughout the United States the collection of filter paper blood specimens from infants is now routine, although improvements are needed in current programs in order to reach all newborn infants. Approximately 80 percent of these specimens are used for PKU testing only, often by a small laboratory, at a cost which varies sharply. However, it is now demonstrated that a centralized laboratory using automated equipment processing from 50,000 to 150,000 specimens a year can perform additional tests at marginal additional cost.

Certain regional cooperative programs are already underway. Six States with small populations send their newborn infant specimens to Oregon and Massachusetts where regional screening laboratories already exist. Three other States with larger populations and regional centers have set up their own test system.

However, at least 65 to 70 percent of infants are not being tested for hypothyroidism. Without regional planning, many small and costly screening programs will evolve and many cases will not be detected in time.

FEDERAL ROLE

In short, programs for phenylketonuria testing do not reach all infants, and only a limited number of States test for six other treatable metabolic disorders that can be identified from the same blood sample.

Japan, with a much later start, is already ahead of the United States because of its support for a national program for testing. Many other countries, around the world, have made infant screening a national priority for the past decade. It is unacceptable that our children continue to suffer unnecessarily from these correctible conditions.

The bill that I introduce today with Senator ANDERSON would not preempt State action. But it would provide the leadership, priority, and assistance to stimulate interstate cooperation and national coordination in creating cost-effective regional programs equipped to perform multiple screening.

With planning and physical capacity for multiple screening in place, additions to mandatory screening designated by the State alone, or in cooperation with the Secretary of Health, Education, and Welfare, can be readily adopted.

In the past, mass screening programs have lacked widespread support by the medical profession. However, the chairman of the National Academy of Sciences Committee for the Study of Inborn Errors of Metabolism has attributed this hesitation to a lack of knowledge of the nature and incidence of genetic disease and the possibilities for treatment.

Questions concerning cost effectiveness relate largely to screening programs within State boundaries where populations may be too small to be cost-effective. Regionalization can reduce the number of laboratories performing tests, facilitate quality control, and reduce costs. A majority of State laboratories surveyed were willing to cooperate in regional programs such as those operating in Oregon and Massachusetts.

Other doubts apparently relate to the treatment and management of diagnosed conditions. It should be noted that, in existing State-organized newborn screening programs, genetic centers have been designated by the State health departments to confirm diagnoses and provide treatment, management, and counseling services.

The Bureau of Community Health Services, the Food and Drug Administration, and the American Academy of Pediatrics, are working with genetic centers to create a system that will provide on request treatment formulas not commercially available.

Mr. President, this bill is a simple, cost-effective way to correct deficiencies that have been amply documented by the Department of Health, Education, and Welfare and the GAO. It is an overdue application of existing knowledge to prevent the cost and suffering of unnecessary mental retardation.

We know the problem. We know what to do. We have the resources to act, but we need the authority and the commitment.

Mr. President, I ask unanimous consent that there be printed in the RECORD the text of the National Infant Screening Act of 1978, an article by Dr. Robert Guthrie on "Regionalization and Expansion of a Metabolic Screening Program for Newborns," chapter 3, "Expanding Newborn Screening for Metabolic Disorders," from the October 3, 1977, GAO report to the Congress: "Preventing Mental Retardation—More Can Be Done," and an article by Jean Caldwell from the January edition of "American Baby," which puts the challenge in graphic terms readily understandable by laymen.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Infant Screening Act of 1978".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) various metabolic disorders which affect a significant number of children are treatable if identified promptly.

(2) a program of timely, universal testing, diagnosis and management can spare children and parents costly, lifelong impairment and possible institutionalization, and

(3) comprehensive testing should be available to all newborn infants.

(b) It is the purpose of this Act to require States to develop, coordinate and submit a plan for cost-effective medical screening for infants in order to detect metabolic disorders that could retard brain development, and to provide appropriate financial assistance in implementing such plans.

SEC. 3. Title XI of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART D—INFANT SCREENING PROGRAMS FOR METABOLIC DISORDERS

"SEC. 1141. (a) The Secretary shall make grants and contracts to public and private entities to acquire the automated equipment, supplies and personnel required to conduct multiple screening of blood specimens routinely collected from newborn infants for metabolic disorders.

"(b) No entity shall be eligible for a grant under subsection (a) unless such entity has complied with the approved State plan submitted in accordance with subsection (c).

"(c) Each State shall, through a designated health agency (hereinafter referred to as the 'State Agency') submit a plan for screening, diagnosis and management of all newborn infants for metabolic disorders within 120 days after the date of enactment of this section to the Secretary for approval. No plan shall be approved by the Secretary unless such plan—

"(1) is for a multiple screening program,

"(2) includes follow-up and management of detected cases of treatable metabolic disorders,

"(3) provides for screening for phenylketonuria, hypothyroidism, galactosemia and such other conditions as may be required by the Secretary.

"(4) demonstrates the capability of providing such services on a cost-effective basis to a State or regional population consistent with overall national planning requirements.

"(d) In considering applications for grants and contracts under this section for multiple screening programs the Secretary shall—

"(1) take into account the extent to which rapid and effective use will be made of funds under such grants and contracts; and

"(2) give priority to projects for centers which will operate in areas which the Secretary determines have the greatest number of persons in need of the services provided by such centers.

"(e) For the purpose of making payments and contracts under this section there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

REGIONALIZATION AND EXPANSION OF A METABOLIC SCREENING PROGRAM FOR NEWBORNS

Phenylketonuria (PKU) was discovered by Fohling in Norway in 1935, as an abnormally high concentration of urine phenylpyrulvic acid, or phenylketone, inherited from both parents by Mendelian inheritance with a ¼ chance of occurrence in each offspring. Soon afterward, Jervis showed that the abnormality was lack of a single enzyme that converted the essential amino acid, phenylalanine, by a simple hydroxylation step, into the amino acid, tyrosine. In 1939, Block described a simple method for removing phenylalanine from a protein digest and suggested this as a basis for a low phenylalanine diet treatment. In 1953, Bickel demonstrated that such a diet produced a dramatic normalization of behavior in a hyperactive young child with PKU. During the next 15 years, this dietary method was applied to many young PKU children to prevent further damage to brain development. Successful effects, however, were only obtained in very young infants discovered by a blood phenylalanine test, performed because an older sibling, already severely retarded, had previously been diagnosed as having PKU.

In the mid 1950's, Dr. Willard Centerwall pushed for urine screening of infants' wet diapers with the $FeCl_3$[1] test for PKU. Large programs were organized in various countries; but results were very disappointing, although some infants were discovered and treatment started within the first year of life.

Obviously, what was needed was a reliable but economical test for blood phenylalanine. We were fortunate enough to develop such a test, using dried blood spots on filter paper, in 1961. By coincidence, that year the National Association for Retarded Children—as it was named then—used as its "poster child" two children—sisters with PKU—showing prevention of retardation in the younger sister due to diet treatment, to emphasize that retardation could sometimes be prevented, and also the need for more research into causes and prevention. I was an NARC research grantee, at that time, and willingly cooperated in the NARC's use of my work, and the PKU test, in their publicity. the NARC, through its many State chapters, was successful in getting State laws passed requiring PKU testing, so that by 1967 nearly 40 States had such laws. With the notable exception of Massachusetts, these laws were passed in spite of lack of support, and often active opposition, of the State's medical societies. As a result, by 1970, the U.S. Maternal and Child Health Service found that 90 percent of infants in the United States were being tested for PKU. In a few States without these laws, only approximately 50 percent of the infants are screened, even at present.

With the dried blood spot specimen and the principle of the bacterial inhibition assay, we developed four more tests by 1967, which were immediately put to trial by four collaborating laboratories, as an organized effort supported initially by the U.S. children's bureau and the maternal and child health service within the H.E.W. These laboratories covered Massachusetts, Oregon, portions of Los Angeles, and western New York.[2] Their use of this battery of tests was facilitated by a "punch-index" machine which automated use of the dried blood spots. However, in the U.S., the PKU specimen was not used for other tests outside of these four laboratories. In other countries with national health care systems, results were much more encouraging. The PKU test was adopted rather quickly in most of these countries, with no need for laws. In many countries, our other tests were added to the PKU test during the late 1960's, with active assistance from us in training laboratory personnel and supplying some starting materials.

In 1968–69, during a sabbatical year in New Zealand, a Pacific multiple test program was established for ten Pacific island groups who sent their infant dried blood specimen by air mail to the New Zealand laboratory.

In 1971, we began a series of three small annual conferences in Buffalo to interest other states and Canadian provinces in the addition of other tests to their PKU programs. At these conferences, the directors of our collaborating laboratories testified that use of the punch-index machine had allowed them to add tests for galactosemia, homocystinuria, maple syrup urine disease, tyrosinemia and histidinemia with only marginal increases in costs, since no additional laboratory staff was required. As a result, Maryland and Ohio added other tests. New York State applied the western New York program to the rest of the State. However, for most states, the legacy of the 1960's controversy concerning PKU remained in the 1970's in the form of three problems:

(1) Lack of liaison between the medical centers and the screening programs: even well organized regional screening programs located in State Health Departments often had little or no contact with medical centers with resulting problems in medical follow-up. This is in complete contrast to all other countries where the screening laboratory, often for an entire country (as in Austria or the Republic of Ireland, for example) is usually located in the Pediatric Department of a University Medical School.

(2) Many States with laws requiring PKU testing, simply do not have sufficient population to make multiple testing of new-born infants practical.

(3) Many States with large populations allow private laboratories to each perform a small number of PKU tests for a profit, thus causing the same problem that exists in the small States.

In 1972, we published a paper on this subject, calling on the existing State PKU programs to reorganize into cost-effective regions, suggesting that low-populated States could cooperate with each other. We discussed this possibility with the Maternal and Child Health Service, with our collaborating laboratories and with appropriate persons in

[1] $FeCl_3$=Ferric Chloride.

[2] The directors of these laboratories were Dr. R. A. MacCready, Mr. G. Brandon, Dr. R. Straus and Dr. J. Puleo.

a number of other States, where we showed a film prepared for this purpose. Meanwhile, a very significant development was occurring in the Quebec Province that proved of great assistance to this effort.

The Quebec genetic network has the features of the European countries in that the screening center is located in a university medical center, with the program directed by the four universities and funding supplied by the Ministry of Health. A unique feature is that the government supplies an extra 50 percent of funding for research and development of new genetic services. This made possible during 1971–75 a successful field trial of Dr. Jean Dussault's new radio-immunoassay for hypothyroidism on the dried blood specimens collected for PKU testing. Since every physician knows of the treatment of hypothyroidism bythyroxine to prevent cretinism and mental retardation, the success of the Quebec program aroused intense interest elsewhere.

In 1975, Dr. William Murphey first introduced the thyroxine test into the U.S. in the Oregon Health Department, using a minor modification of the punch-index machine to integrate this test into the Oregon State Program. As a result, the States of Montana, Alaska, Idaho and Nevada made arrangements to send their specimens to Oregon. In 1976, the New England region was established after Drs. Levy and Mitchell added the thyroxine test to the Massachusetts program, with Maine, Rhode Island, Connecticut and New Hampshire sending their specimens to the Boston laboratory.

Maryland, Ohio and New York States have also added thyroxine testing, but for most other States, the fragmented nature of PKU screening has prevented addition of this test because of the high cost.

Results of screening so far have demonstrated that the frequency of hypothyroidism is approximately 1/5,000 or more than double that of PKU, and that none of these infants would have been detected during the first three months of life without the screening test, even when born in the most sophisticated academic medical center. Thyroxine treatment is much simpler than treatment for PKU, and screening for hypothyroidism is even more cost-effective. The GAO report states that each dollar invested in screening with a battery of seven tests saves more than $20,000 spent for care programs. We agree with the GAO.

We also agree with GAO's recommendation that the Department of H.E.W. assist the States in organizing cost-effective screening regions. Thirty-two regional laboratories in the U.S. could be equipped for $75,000 each, for a total of $2.4 million. Each laboratory could screen 100,000 infants, for a total of 3.2 million infants annually. The cost would be $2.50 per infant for a total of $8 million.

The center for disease control could give valuable assistance in providing training programs and quality control, as it has so effectively in the past for other laboratory health programs.

In Canada, the Provinces outside of Quebec also need to act. For example, the four Western Provinces could logically form a single screening region. The CAMR, joining forces with the five medical schools involved, could aid materially in persuading the separate provincial health departments to work together.

Four important aspects, other than screening, must be emphasized:

(1) Clinical follow-up treatment has to be planned simultaneously with the screening program. This requires involvement of the pediatric centers from the beginning.

(2) The community to be screened must be fully informed and the professional community educated.

(3) An advisory committee for the regional program should be created to represent the public and professional community.

(4) As in Quebec, Massachusetts, Oregon and elsewhere, the screening program should be used as a resource for developing new screening services through research and trial of new methods. This purpose will also require close relations with academic medical centers.

Finally, in urging organization of national newborn screening programs for the U.S. and Canada, let me refer to the present situation in Japan—a country of 110 million people, half the size of the U.S. here, the Japanese Government three years ago agreed to support a national program as a result of a campaign carried out by a coalition of Japanese pediatricians and parents' associations for the mentally retarded. The Kitasato Institute in Tokyo provided a training program for 80 technicians from all over Japan, in which I participated one year ago, and also assists with quality control. As in certain other endeavors, Japan started years later than the U.S., but appears to be already ahead of us. May I close with the plea that, in newborn screening (if not in cameras and television sets) we can catch up with Japan!

(Excerpt from General Accounting Office Report)

PREVENTING MENTAL RETARDATION—MORE CAN BE DONE

Mental retardation caused by inherited metabolic disorders [1] can often be prevented if the afflicted infant is treated shortly after birth.

As of 1975 almost all States had programs for testing a sample of blood of newborn infants to detect phenylketonuria, one of the most widely known metabolic disorders. However, improvements are needed in many of these programs to effectively reach all infants. Also, only a limited number of States were testing for other treatable metabolic disorders which can be identified from the same blood sample.

Metabolic disorders are not common; however, our analysis of the estimated costs and benefits of PKU screening showed that the monetary savings that result from avoided costs of caring for retarded individuals significantly exceed the cost of screening all newborn infants and treating the affected individuals. Also, by using automated laboratory methods, tests for other disorders can be made on the blood sample drawn for PKU testing at little or no additional cost (when done on a large number of blood samples), thereby preventing even more cases of mental retardation and realizing greater savings.

Federal maternal and child health funds support newborn screening programs in many States. However, although HEW has encouraged the States to improve their screening programs, the basic responsibility lies with the States. Therefore, some programs are more comprehensive and effective than others.

BACKGROUND

About 200 metabolic disorders have been discovered although not all result in mental retardation. Many are treatable by special diet or dietary supplements, but for treatment to be successful in preventing mental and physical damage, it must be started soon after birth.

One of the most widely known metabolic disorders associated with mental retardation is PKU. The child with PKU cannot produce the enzyme which metabolizes a particular protein in food. The child appears healthy during the first few months of life and will show signs of the disease only in blood and urine. If the disease is not discovered and dietary treatment begun shortly after birth (within 4 to 6 weeks according to one expert), the child will likely be retarded; the longer treatment is delayed, the more severe the retardation.

Other treatable metabolic disorders which can cause retardation include homocystinuria, galactosemia, maple syrup urine disease, tyrosinosis, histidinemia, and hypothyroidism.[2] Homocystinuria, like PKU, should be identified and treatment started within 4 to 6 weeks after birth. Similarly, if treatment for hypothyroidism is to be most effective, it should start within 3 months after birth. Galactosemia, maple syrup urine disease, and tyrosinosis are more acute and treatment should be started as soon as possible after birth; a delay of a week can be devastating. For histidinemia, the exact link to retardation and the recommended course of treatment are not as clearly known as they are for the others.

Using available reported data and estimates by genetic service providers, we estimated that about 1,100 babies are born each year afflicted with one of the seven disorders named above.

AVAILABLE SCREENING PROGRAMS

Screening for early detection of metabolic disorders has been conducted for only about 15 years and has been confined, until recently, largely to PKU.

As of 1975, 48 States had PKU screening programs. In almost every State testing was mandatory under State law and was regulated by the State's department of health. Most State laws require that all newborn infants be tested unless the parents object on religious grounds; some do not require the test if there is general parental objection. Even in those few States and jurisdictions that do not have mandatory screening programs, most infants are tested.

In general, most States place the responsibility for insuring that tests are performed on the delivering physician, the administrative head of the hospital, or, if the newborn was not delivered by a physician, the mother, nurse, midwife, or other person assisting in the delivery. Most samples are analyzed as a public service by State health department laboratories.

The most widely used PKU screening test is the Guthrie Bacterial Inhibition Assay. Maternal and child health funds were used to carry out field trials in 32 States to establish the accuracy and efficiency of this procedure. The Guthrie test entails collecting a few drops of blood on a filter paper which is sent to a laboratory for analysis. Babies who appear to have a disorder based on the Guthrie test are followed up with confirmatory diagnostic procedures.

The Guthrie inhibition assays can also be used to screen for maple syrup urine disease, tyrosinosis, homocystinuria, and histidinemia. According to the developer of the test, with automation all these tests can be done simultaneously at no more cost than PKU alone unautomated. Also, with automation, the same single blood sample can be used to test for galactosemia and hypothyroidism at little additional cost. However, as discussed on page 26, only a limited number of States are testing for these other disorders.

COVERAGE FOR PKU APPEARS INCOMPLETE

The National Academy of Sciences has reported that about 90 percent of the babies born in the United States are tested for PKU.

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[1] We recognize that metabolic disorders and chromosome abnormalities, which are discussed in chapter 5, and their preventive techniques are not mutually exclusive. However, we separated them because the diagnostic techniques and nature of the diseases are generally quite distinct.

[2] Hypothyroidism is technically an endocrine disorder but we have included it among metabolic disorders because of similarity in detection and treatment.

However, coverage in some areas appears less than optimal.[3] We could not, however, precisely determine whether the problem in a specific State was inadequate coverage or incomplete reporting.

In 1975 a member of the Prevention and Public Health Committee of the National Association for Retarded Citizens sent a questionnaire to health officials in each State. Only 15 States have statistics showing that their screening programs were reaching 90 percent or more of the babies born; 5 States were reaching 80 to 90 percent, 2 were reaching 70 to 80 percent, and 4 were reaching only 60 to 70 percent.

In five other States, reported data showed coverages ranging from 53 to 85 percent. However, officials in these States indicated that the records were incomplete and estimated that from 87 to 100 percent of the babies born were screened. Similarly, in two other States, statistics showed screenings of 59 and 87 percent of the babies born. Officials in these States indicated these numbers were incomplete but did not know the actual coverage.

In seven other States, no records were available on the extent of screening, but State officials estimated that 95 to 100 percent of the babies born were screened; in another seven States, no estimate of screening coverage was made. Two States had no program and one State did not respond.

Of the States we reviewed, California reported that 99 percent of all newborns were screened for PKU, but coverage in the other States was lower. In Georgia, for example, about 67,900 newborns were reported as having been screened for PKU in fiscal year 1974; this was only about 79 percent of the approximately 86,000 babies born in that period. About 42,000 PKU newborn screenings were reported by Missouri in 1974, or about 60 percent of the babies born that year. The Director of the Missouri Bureau of Maternal and Child Health estimated that 85 percent of the infants born in the State were being screened for PKU but, in his opinion, many of the screenings are not reported. However, the Director of the Division of Medical Genetics at Washington University School of Medicine estimated that as many as 30 percent of the newborns in Missouri are not being screened.

No documentation was available in the States we reviewed on the incidence of PKU in infants missed during the screening process. However, experts told us that—

Even with coverage as low as 70 to 80 percent in Missouri and Georgia, few, if any, cases of PKU would be missed each year;

It would be very hard to locate such cases among the numerous facilities providing care for the retarded;

It is likely that cases in remote rural or mountainous areas, those most likely to be missed by newborn screening, will not be identified as PKU;

Cases missed by screening often will not be recognized by physicians because PKU will not show up in routine blood or urine testing and must be specifically tested for; and

Even those placed in institutions for the retarded would probably not be diagnosed as having PKU because of the absence of routine testing for PKU by such facilities and the inability of the staff to recognize its symptoms.

Officials at one mental retardation clinic in Missouri said they were aware of only one case that had slipped through the screening program. They said cases were probably being missed, but were not showing up at the clinic.

STATES GENERALLY DON'T SCREEN FOR OTHER DISORDERS

Although almost all States have newborn screening programs for PKU, at the time of our review, screening for other metabolic disorders was done routinely by only eight States.

Disorder:	Number of States screening [a]
Galactosemia	8
Homocystinuria	7
Maple syrup urine disease	6
Tyrosinosis	4
Hypothyroidism	4
Histidinemia	3

[a] Three of these States (Oregon, Montana, and Alaska) participate in a single regionalized screening program.

Of the States we reviewed, Georgia and Missouri had mandatory PKU screening programs, but did not routinely screen for other metabolic disorders. In Georgia other screening has been done on a limited basis. For example, in 1975 as a special project of Emory University, 650 infants were screened for maple syrup urine disease, galactosemia, and homocystinuria.

California passed an expanded newborn screening law in 1975 which allows the department of health to require that tests be done for other metabolic disorders in addition to PKU. The law was to become effective July 1, 1976, but controversy over which diseases should be tested and whether private or State laboratories should do the testing has delayed implementation. State health officials expect the program to start about July 1977.

One California health official commented that he was not convinced that testing for some of the disorders had been proven beneficial enough to warrant investing State resources. Similar arguments have been expressed by other physicians and this hesitation appears to be one reason why screening has not been more widespread.

Mass screening programs have not been enthusiastically supported by the medical profession. In a 1974 National Academy of Sciences survey of physicians, nearly three-fourths of the respondents believed that screening for particular disorders should be encouraged, but over half were opposed to mandatory screening. Only about one-fourth of the 1,000 doctors questioned believed that the benefits of PKU screening outweighed the costs; about 25 percent believed that screening was not warranted; and 50 percent had no opinion.

The Chairman of the Academy's Committee for the Study of Inborn Errors of Metabolism attributed this hesitation to a lack of knowledge. Most of the physicians questioned had no genetics course in medical school. In general, they intended to underestimate the incidence of genetic diseases, the importance of identifying them, and the possibilities for treatment. Few acknowledged seeing such problems and few read about them. Most physicians believed that there should be more emphasis on genetics in primary medical education, as well as continuing education at higher levels.

Dr. Robert Guthrie, the developer of the most widely used screening test, reports that another reason why testing has not been expanded in more States to include other metabolic disorders is that screening programs have primarily been restricted to within State boundaries and many State populations are too small to justify testing for the rarer disorders. He has reported that to get full value from automated screening it must be done on a large scale—a minimum of 25,000 births a year. Therefore, he argues that consolidation of screening is needed (1) within large States where screening is fragmented into many programs, each too small to make multiple testing practical, and (2) between or among States where populations are too small to warrant multiple screening within each State. Bureau of Community Health Services officials agree that consolidation or regionalization of screening programs is needed.

The National Academy of Sciences reported in 1975 that regionalization has been the object of considerable interest as a means of reducing the number of laboratories carrying out tests, facilitating quality control, and reducing costs. In a 1975 survey of State laboratories conducted by the National Association for Retarded Citizens, 36 of the 42 respondents who answered the question, including the 3 States in our review, indicated that they are considering or would consider cooperating with neighboring States in a regional screening program. Oregon already operates a regional newborn metabolic screening program which serves Oregon, Montana, and Alaska. Idaho is also contemplating joining the program. Bureau of Community Health Services officials told us that Massachusetts started providing screening services to other New England States subsequent to our fieldwork.

SCREENING AND TREATMENT CAN BE COST EFFECTIVE

Using information and opinions obtained from several experts in the fields of metabolic disorders and newborn screening, including Dr. Guthrie, we estimate that PKU screening, under a well-organized automated system, and lifetime treatment of afflicted individuals would cost about $3.3 million a year. However, such screening could prevent about 270 cases of mental retardation and avoid $189 million a year in costs of providing care and services for individuals who, without screening and treatment, would be mentally retarded.[4] Discounted to present value, using a 10-percent interest rate, these figures would be $2.9 million and $35.9 million, respectively. We also estimate that adding screening and treatment of the other six disorders would raise costs to about $18.5 million ($9 million discounted to present value) a year, but could prevent as many as 305 cases of mental retardation each year and increase the savings of lifetime care costs to about $137 million ($78.5 million discounted to present value).

Although the concept of relating benefits to costs is simple, its actual application is complex and difficult. The major benefit usually cited in preventing retardation is the avoided costs of caring for the retarded individual. Another factor that should be considered, however, is the benefit to society of having an individual who is *not* retarded but would have been without the program. These benefits accrue continuously over his or her lifetime, taking different forms and affecting different sectors of society such as: reduced unemployment, reduced welfare payments, increased job productivity, and increased tax revenue. We did not analyze the latter benefits because of the inherent difficulties in measuring their monetary value. For the same reason, we did not consider the savings in human suffering associated with avoiding retardation. We recognize, therefore, that the benefits of screening are understated in our analysis.

The details of the analysis are shown on the following page.

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[3] The Director of the Metabolic Disorders Section, Genetics Division, Children's Hospital, Los Angeles, advised us that ideally all infants should be screened for PKU and that 90 percent would be the minimally acceptable level of coverage.

[4] As noted above, newborn screening programs for PKU are already in operation in most States. Therefore, much of the costs and savings shown are already being realized.

Disorder	Projected annual occurrence [1]	Estimated cost of screening and treatment: Screening [2]	Lifetime treatment cost: Undiscounted estimate	Lifetime treatment cost: Present value [3]	Estimated savings of lifetime care costs: Estimated percentage retarded in absence of screening	Number retarded [4]	Projected lifetime cost of care: Undiscounted estimate	Projected lifetime cost of care: Present value
Phenylketonuria	273	$2,363,000	$983,000	$749,000	99	270	$189,254,000	$35,939,000
Maple syrup urine disease	15	473,000	3,750,000	781,000	5	1	618,000	320,000
Homocystinuria	14	473,000	1,092,000	176,000	75	11	4,177,000	1,378,000
Galactosemia	42	473,000	[5]	[5]	34	14	6,134,000	2,486,000
Tyrosinosis	10	473,000	1,500,000	495,000	5	1	528,000	249,000
Histidinemia	131	473,000	[5]	[5]	10	13	10,695,000	1,724,000
Hypothyroidism	630	1,575,000	4,914,000	792,000	42	265	225,779,000	36,398,000
Total cost for screening		6,303,000	6,303,000	6,016,000				
Total cost of screening and treatment			18,542,000	9,009,000				
Total lifetime care cost							437,185,000	78,494,000

[1] Computed by dividing 1974 births (rounded to 3,150,000) by incidence estimates obtained from the National Academy of Sciences and professionals in the field of metabolic disorders.
[2] Based on estimated costs of screening using centralized automated laboratories. Allowance for sample collection is included in cost of PKU screening. All others represent only incremental cost to add them to PKU screening.
[3] Costs were discounted at an annual rate of 10 percent.
[4] Col. 2 times col. 6.
[5] Treatment is not considered to incur significant costs above and beyond routine health care.

Several things must be pointed out regarding our analysis. First, the table is only a gross estimate because costs of treatment, length and course of treatment, anticipated outcome, or costs of care could vary significantly in each case. Therefore, the information is presented primarily to show the general advantages of prevention, not as a definitive analysis of costs and savings.

In computing the projected cost of lifetime care we used unit costs for services reported in a 1974–75 study of the cost of long term developmental disabilities care prepared by an HEW contractor. These figures ranged from $11,562 to $14,014 a year [5] depending upon the severity of retardation and reflect a principal conclusion of that report that, given the same level of service, the costs of care are similar whether an individual resides in a community or in an institutional setting.[6]

Also, it should be noted that, although the cost of screening and treatment for tyrosinosis and maple syrup urine disease seems to be much higher than the lifetime cost of care if the diseases are not treated, this is because about 95 percent of the children born with these diseases will die within 3 years after birth if not treated. Similarly, it is estimated that 66 percent of those with galactosemia would die by age 3 without treatment. Based on these percentages an estimated 51 children would die annually from these conditions. We have not attempted to place a value on the loss of human life.

ABSENCE OF HEW DIRECTION

Although HEW has been supportive of State efforts to improve genetic screening programs, it has not evaluated the States' screening programs to determine which State programs appear to be the most comprehensive and effective or to identify where improvements could be made. Also, HEW has not aggressively encouraged States to adopt automated screening techniques, to expand screening to include metabolic disorders in addition to PKU, or to participate with other States in establishing regionalized screening programs.

HEW has funded studies of various screening techniques, and HEW funds support newborn screening programs in many States. For example, in California the newborn screening program is administered by the State Bureau of Maternal and Child Health which receives Federal monies for its administrative operations in the form of formula grants under title V of the Social Security Act. Similarly, the Missouri Bureau of Maternal and Child Health, which receives title V funds, oversees the screening in that State. The Missouri Bureau of Laboratory Services, which does most of the State's PKU tests, also receives Federal financial support.

An HEW official stated that in the absence of Federal law the Federal Government cannot tell States how their screening programs should be organized or what diseases should be screened. He pointed out that this is a matter of State discretion and is usually covered by State law.

However, the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Diseases Act (42 U.S.C. 300b) enacted April 22, 1976, could be used to establish or encourage screening for other disorders. The purpose of this act is to establish a national program to provide for basic and applied research, research training, testing, counseling, and information and education programs with respect to genetic diseases, including sickle cell anemia, Cooley's anemia, Tay-Sachs disease, cystic fibrosis, dysautonomia, hemophilia, retinitis pigmentosa, Huntington's chorea, and muscular dystrophy. The metabolic disorders discussed in this chapter are not required to be included in the program developed under this legislation. However, the legislation does permit inclusion of genetic disorders in addition to those specified.

As discussed on pages 24 to 26 many State screening programs appear to be less than effective in screening all newborns. To the extent that children are born with these diseases and are not identified and treated—Federal, State, and local governments must provide treatment and care for those who became retarded. In addition, there is the unnecessary waste of lives and human suffering. Federal programs, such as Supplemental Security Income, Medicaid, and other programs of the Social and Rehabilitation Service are especially affected; they must provide lifetime support or rehabilitation to individuals whose retardation might have been prevented.

CONCLUSIONS

Newborn screening for metabolic disorders and treatment of the cases identified can help prevent mental retardation, reduce human suffering, save lives, and avoid substantial costs of lifetime care for retarded persons. More can be done to improve and expand newborn screening programs. There has been an absence of aggressive Federal direction in the design, organization, or operation of newborn screening programs. The Federal Government stands to benefit directly from aggressive, comprehensive efforts by avoiding costs to various HEW programs for the care, treatment, and rehabilitation of persons who, without screening and treatment, would become retarded. Since HEW is currently developing regulations and guidelines for implementing the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Diseases Act, we believe that consideration should be given to using that legislation as a vehicle to implement the following recommendations.

RECOMMENDATIONS

We recommend that the Secretary of HEW help improve newborn screening by:

Evaluating State screening programs to identify those which are not effective and provide them with necessary assistance.

Encouraging and supporting expansion of newborn screening to include treatable metabolic disorders in addition to PKU.

Encouraging and assisting States to cooperate to establish cost-effective regionalized metabolic screening programs.

AGENCY COMMENTS AND OUR EVALUATION

HEW agreed with our recommendations and pointed out several actions it was taking to implement the recommendations including addressing the need for newborn screening in its implementation plan for the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Diseases Act.

We believe the HEW actions are responsive to our recommendations and should result in considerable improvement in the coverage and cost effectiveness of infant screening programs for metabolic disorders.

NEW TEST CAN SAVE 600 BABIES FROM MENTAL RETARDATION: IS YOUR STATE USING IT?

(By Jean Caldwell)

Friends call Rebecca Weatherbee "a miracle baby."

At three she is a bright, healthy little girl—able to speak in both Spanish and English, ride a two-wheeler (with training wheels), and keep her mother, Carol, father, Roy, and big brother, Jeff, on their toes by getting into everything.

If she had been born a few years earlier, she would have been severely retarded.

Carol Weatherbee remembers how she felt when she got the phone call that changed Becky's life.

"I panicked—absolutely panicked."

The call came from Magee Women's Hospital in Pittsburgh where Becky had been born ten days earlier. Someone was explaining that Dr. Thomas Foley was running a pilot

[5] The costs cited were costs in California. According to a 1974 study by the National Association of Superintendents of Public Residential Facilities for the Mentally Retarded, the median of the annual per-resident costs reported by 176 public residential facilities throughout the country was about $9,500.

[6] We have reviewed other studies which indicate that community care costs might be lower than institutional care costs. We recognize that the question is subject to much debate. We are using this study because it provided current actual costs developed by tracing and recording services received by retarded individuals in community care facilities compared to institutional costs.

program testing for hypothyroidism. Becky's thyroid level was "very, very low. We don't know if its cretinism, but it could be. Your pediatrician will call you."

Carol Weatherbee had a vision of "something grotesque—something that you didn't want for anyone."

Cretinism, which results from hydothyroidism or low thyroid level in infants, is a tragic condition in which severe mental retardation accompanies stunted growth and coarse features.

Although few parents have ever heard of hypothyroidism, it affects an average of one baby in 5,000—making it two or three times more prevalent than phenylketonuria (PKU), a metabolic disorder which also causes mental retardation and for which 40 states have enacted mandatory screening laws.

A baby may appear normal at birth despite being born with a deficient thyroid gland. By the time the signs of hypothyroidism can be seen on clinical examination, irreversible brain damage will have occurred.

Rebecca Weatherbee is a bright, normal little girl today because of a technological breakthrough that made a screening test possible. By identifying her condition soon after she was born, doctors were able to begin treatment with the vital thyroid hormone when she was only two weeks old.

What would have happened if she had not received treatment?

Consider the case of a Canadian family. They live in the province of Quebec, which started the world's first mass screening program of newborns for hypothyroidism. They are a well-educated, high-income family. They received the message: bring your baby in for further examination, tests and treatment.

Their reply in effect: nonsense! Our baby is perfectly well, and we are not going to be bothered with a lot of tests.

About a year later word came through to the screening room that a doctor in a university clinic specializing in child development had found a year-old child who was a true cretin: severely retarded, dwarfed, large and protruding tongue, arms and legs too short for the size of the trunk, coarse features in an unusual looking face, and suffering from digestive problems and apathy.

Had the province-wide screening test failed to spot this unfortunate child? A check of files revealed the story: clipped to the card indicating that the test had indeed identified this infant as hypothyroid was the letter from the parents saying they could see no reason for testing a perfectly well baby.

Physicians have been trained to spot abnormalities in newborns, and they have a great deal of experience in examining babies. How easy is it for a doctor to tell if a child is hypothyroid without a test?

Ann Bennett, regional coordinator for the New England Hypothyroid Screening Program located in the State Institute of Laboratories in Boston, relates this story:

Two babies with the same last name were born on the same day in the same hospital and cared for by the same doctor. Both were routinely screened for hypothyrodism. One test was positive.

Following her usual procedure, Bennett phoned the baby's doctor and said that the baby (whom we will call Baby Robinson) was hypothyroid.

"I'm not surprised," the physician replied. "That little girl has several problems." And he reeled them off.

"No, no!" exclaimed Bennett. "I'm not talking about a girl. I'm talking about Baby Boy Robinson."

"The boy?" echoed the startled doctor. "The boy is perfect. There's nothing wrong with the boy. The blood samples must have gotten mixed up."

A hasty recheck of both babies confirmed the original findings. The girl, for all her other problems, had no trouble with her thyroid function. The "perfect" boy, on the other hand, could easily have become retarded if his condition had not been caught through a bit of dried blood on a piece of filter paper one-eighth inch in diameter.

Dr. Reed Larsen, head of the thyroid unit at Peter Bent Brigham Hospital in Boston, who does the confirmatory testing for the screening program, emphasizes the importance of screening by noting that of the first 23 Massachusetts babies found to be hypothyroid, only three had any symptoms to alert their doctors.

The new test to screen infants for hypothyroidism has the potential of saving over 600 babies a year in the United States from mental retardation.

* * * * *

Some states and some Canadian provinces are hampered in starting the tests because the blood samples for PKU do not go to one central laboratory but rather to a number of private laboratories. California, for example, has had 140 labs screen for PKU.

Other states have budget difficulties, Dr. Edwin Naylor, research assistant professor in the Department of Pediatrics of the State University of New York at Buffalo Medical School, warns that unless legislatures appropriate funds when they mandate screening programs. "It could drag on for years and never be done."

Dr. Naylor speculates that the day may come when officials in a state which does not do hypothyroid screening could be hauled into court by the parents of a hypothyroid child who will charge: "You knew about screening years ago but you did nothing. Now our child is retarded and we want you to pay."

Already mothers are comparing notes. In Boston Dr. Marvin Mitchell, who heads the New England Regional Screening Program, tells this story: two mothers sat in a physician's waiting room. One held a baby three weeks old.

"I'm scared," she confided. "The doctor told me to bring my baby right in because he is hypothyroid. I don't know what that means."

The second woman looked up at the tiny baby and said, "It means you're lucky. My son is hypothyroid, too, but they didn't find out in time and now he is retarded."

By Mr. CHURCH (for himself, Mr. MARK O. HATFIELD, Mr. CURTIS, Mr. LAXALT, Mr. WALLOP, and Mr. MELCHER):

S. 2606. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION REFORM ACT OF 1978

Mr. CHURCH. Mr. President, Senators HATFIELD of Oregon, MELCHER, CURTIS, LAXALT, and WALLOP are joining me today in introducing the Reclamation Reform Act of 1978.

This bill is the product of a bipartisan effort to address the problems which have developed in our Federal reclamation laws—problems which Congress has the responsibility to correct.

The subject of controversy is the Reclamation Act of 1902 which established two basic requirements for an individual to get water delivered to his land on a Federal reclamation project. First, he had to live on or near the land. (This requirement was later interpreted to require residency within 50 miles of the land.) Second, he could not receive water on more than 160 acres held in fee. (No mention was made of any limitation on leased land.)

These requirements were sound in 1902: 160 acres was plenty of land at that time—about all a family could handle efficiently with a mule and plow. The residency requirement was effective in excluding land speculators and in populating the farmlands of the West.

But 76 years have elapsed since the adoption of the Reclamation Act of 1902. Tremendous changes in the economics of agriculture have taken place. Since circumstances have changed, the law must be changed to conform with present-day realities.

The problems in the existing law are numerous:

Ambiguities in the 1902 Act have permitted benefits of the program to go to speculators and profiteers instead of farmers.

The residency requirements of the law have not been enforced and many farmers now live well over 50 miles from their farms. Some farmers have retired and live hundreds of miles from their farms while others have conveyed title to the land to their children living in other parts of the country.

Existing law does not deal directly with leasing on reclamation projects although the Secretary of the Interior has proposed certain restrictions.

160 acres is no longer an economic farm unit for most farmers. As a result, they have been forced to acquire title to additional land in the name of their spouses or children or they have leased additional acreage in order to operate an economic farm unit.

Individuals receiving even minimal amounts of supplemental Federal water deliveries may be subjected to the acreage limitations and requirements of Federal reclamation law.

Other ambiguities abound. As a result of the current state of the law and recent court decisions which led the Secretary of the Interior to promulgate proposed regulations to force the sale of "excess" lands, farmers on reclamation projects are confused and dismayed. No one knows what to expect. Many farmers find they are unable to secure financing for the coming year's crops due to the uncertainty.

An updating of the law is essential if farmers are to return to the business of farming with assurance that their water will not be shut off.

ACREAGE LIMITATIONS

An acreage limitation should be established for farm operations which will replace the current outmoded 160-acre restriction on individual ownership. Such a limitation would insure that the benefits of the reclamation program will be spread among as many farmers as feasible, while permitting them to operate a viable farm unit without having to play a shell game with title to the land. Moreover, an absolute limit on size, whether the land is leased or owned, will be much easier to understand and enforce than present law.

Accordingly, my bill would replace the existing acreage restriction of 160 acres per individual with an absolute maximum farm size of 1,280 acres, owned or leased in any combination.

Under existing law, as interpreted by the Secretary of the Interior, it should be observed that a family of four could control 1,280 acres, by leasing 640 and holding an additional 640 in fee. Today, in other words, the size of the family determines the size of the farm.

QUALIFIED RECIPIENTS

In order to allow for family partnerships and family corporations, without opening the door to large corporate businesses, my bill would restrict such combinations to no more than 25 persons.

If the operators desired to set up a family corporation, as many farmers do, they would not face the disadvantage present law inflicts on them. Under the Secretary's proposed regulations, a corporation could only own 160 acres, while a family of four could own 640. Thus, by incorporating, the family would have to divest 480 acres or be in violation of the law. This is manifestly unfair.

In addition, my bill would not require individual members of a farm family to own portions of the farm. To illustrate: A farm family (father, mother and dependents) would be treated as an individual for purposes of the acreage limitations. Thus, the family could obtain federally delivered water on a reclamation project for up to a maximum of 1,280 acres, no matter who in the family actually held title to the land.

Moreover, whatever legal entity is formed to hold the land, its benefits may not flow to more than 25 persons, nor could that entity obtain project water for a farm of more than 1,280 acres. The holdings of the entity would be deemed those of each beneficiary for purposes of determining compliance with the acreage limitations. For example, if a corporation had 10 shareholders and controlled 1,280 acres, each shareholder would be deemed the holder of 1,280 acres for purposes of the acreage limitations.

In addition, the Secretary would be given authority to limit the number of landholdings that any person, firm, or business could manage for the benefit of another on reclamation projects. This will further limit access by large corporations, and help preserve a pattern of family-operated farms.

RESIDENCY

The residency requirement of existing law does little to assure that the benefits of the project will go to those who intend to actually farm the land; it merely requires that an owner live within a certain distance from the owned reclamation lands. As a result, a person living within 50 miles of reclamation land may purchase that land without ever intending to farm it. This permits speculators to invest in Federal reclamation projects and reap windfall profits from land benefited by project water without ever intending to farm the land. This is contrary to the goals of the program.

The legislation I am introducing today would abolish the residency requirement, since it is no longer effective in assuring that the benefits of the program go to people involved in agricultural production. Those who acquire land on reclamation projects in the future would be required to derive income from the agricultural production of their land rather than from renting it out at a fixed fee. This proprietorship test would apply for a period of 10 years, after which an operator could sell or lease the land to another qualified recipient, if he so desired.

This proprietorship test will discourage speculators seeking quick profits from the appreciation of reclamation land while insuring that those who actually depend upon farming for their livelihood will enjoy the benefits of the program.

EQUIVALENCY

Not all land on Federal reclamation projects is of equivalent productive capacity. As a result, some allowance should be made for lands of lesser productive capacity in applying the acreage limitations.

It would be wrong to treat all reclamation land alike. In fact, as reclamation projects have been built in the past, land tracts have been classified according to various criteria, such as the fertility of the soil, elevation, slope, growing season, and other physical characteristics. This was done to determine the ability of farmers on less productive land to meet repayment charges.

My bill would direct the Secretary to make appropriate increases in the acreage limitation, beyond 1,280 acres, for lands of lesser productivity than Class 1 land, by utilizing these same criteria.

REPAYMENT OF CONSTRUCTION CHARGES

This bill also provides that, upon the scheduled repayment of the irrigators' portion of a project's construction charges, the acreage limitation will no longer apply. The provision reaches two contractual situations.

The first consists of those contracts with the Government which contain a clause detailing the manner in which the irrigators, by speeding up payment of construction charges or by some other means, may exempt themselves from the acreage limitations. A number of these contracts have been approved by Congress and thus have the force of law. However, a number of others have not been so approved, and, as a result, may be ineffectual in exempting districts which have paid out in advance. My bill would give these districts the benefit of their bargain, and put them on an equal basis with those that have already secured the approval of Congress.

The second category of contracts covered by this provision contains no language terminating acreage limitations upon payout. Under my bill, once the irrigators have repaid their debt to the Government, the acreage limitations would no longer apply.

Another feature of the bill is its requirement that, upon payout, the Secretary is to issue a recordable document to be placed in the records of the county in which the land is located stating that the acreage limitations no longer are applicable to that land. This will remove the cloud from the title to lands in projects where the irrigators' obligation to the Federal Government has been fully repaid.

COMMINGLING

One problem not addressed by this legislation is commingling, where federally delivered water is mixed with water from non-Federal sources. I believe this problem should be dealt with, and intend to work with concerned irrigators in an effort to devise a workable solution. I will be looking to them for guidance as hearings progress.

FRAMEWORK UPON WHICH TO BUILD

I realize that this legislation does not contain all the answers to the complicated problems inherent in an outdated reclamation program, which has been unevenly administered through the years. I view this bill as a framework upon which to build, as Congress strives to resolve some very complicated issues.

Mr. President, I ask unanimous consent that a summary and the text of the bill be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be a supplement to the Act of June 7, 1902 and acts supplementary thereof and amendatory thereto (43 U.S.C. 371), hereinafter referred to as the Federal reclamation laws, and this Act may be cited as the "Reclamation Reform Act of 1978".

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Secretary" means the Secretary of the Interior.

(b) The term "qualified recipient" means an individual, including his or her spouse, or dependents thereof, within the meaning of the Internal Revenue Code (26 U.S.C. 152), or any legal entity directly benefitting 25 persons or less, that is a citizen of the United States and that owns or leases a landholding.

(c) The term "individual" means any person, including his or her spouse, or dependents thereof within the meaning of the Internal Revenue Code (26 U.S.C. 152).

(d) The term "landholding" means one or more tracts of land owned or leased by any person which are served wtih a water supply pursuant to a contract with the Secretary.

ACREAGE LIMITATION

SEC. 3. (a) Any provision of the Federal reclamation laws which establishes a limitation on acreage to be served with a water supply to the contrary notwithstanding, a landholding of any qualified recipient which consists of twelve hundred and eighty (1,280) acres or less shall be considered to be within the acreage limitation of the Federal reclamation laws .

(b) No individual shall benefit directly from the delivery of water to landholdings in excess of the acreage limitations of the Federal reclamation laws.

(c) Each individual who would benefit directly from the delivery of water to a landholding of a legal entity must qualify as a qualified recipient in order for such lands to be eligible to be served with a water supply.

(d) The Secretary may, in his discretion, by rule, impose a limitation on the number of landholdings that may be managed on behalf of a qualified recipient by another person.

(e) Except to the extent that they are inconsistent with the provisions of this Act, the other Federal reclamation laws, including those provisions relating to the imple-

mentation of the acreage limitations, shall remain in full force and effect.

(f) Nothing in this Act shall repeal or amend other statutory exemptions from any acreage limitations of the Federal reclamation laws.

EQUIVALENCY

SEC. 4. Whenever an acreage limitation is imposed by Federal reclamation law, the Secretary shall (upon request of a qualified recipient or other contracting entity representing one or more qualified recipients) designate by rule the acreage of a landholding which may receive water at twelve hundred and eighty (1,280) acres of class 1 land or the equivalent thereof in other lands of lesser productive potential. Standards and criteria for determination of land classes pursuant to this authority shall take into account all factors which significantly affect the economic feasibility of irrigated agriculture, including but not limited to, soil characteristics, crop adaptability, costs of crop production, and length of growing season: *Provided*, That this section shall not apply to any project, unit or division of a project, or repayment contracting entity if the average frost-free growing season, as conclusively determined from published Department of Commerce records, exceeds one hundred and eighty (180) days and that a landholding on such project, unit or division of a project may not exceed twelve hundred and eighty (1,280) acres.

RESIDENCY NOT REQUIRED

SEC. 5. Notwithstanding any other provision of law, a qualified recipient shall not be required to be a resident on or near a landholding in order for such landholding to be eligible to receive water pursuant to a contract with the Secretary.

REPAYMENT OF CONSTRUCTION CHARGES

SEC. 6. (a) The acreage limitation provisions of the Federal reclamation laws shall cease to apply to any landholding upon completion of the repayment required by the terms of any contracts with the Secretary relating to the delivery of water supplies to such landholding for agricultural use.

(b) The Secretary shall provide, upon request of any owner of a landholding for which repayment has occurred, a certificate acknowledging that the landholding is free of the acreage limitations of the Federal reclamation laws. Such certificate shall be in a form suitable for entry in the land records of the county in which such landholding is located.

LEASING RESTRICTIONS

SEC. 7. (a) Lands which are leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary shall be considered to be part of such party's ownership or landholding for purposes of applying the acreage limitation of the Federal reclamation laws:

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived income as a qualified recipient from such landholding for agricultural production rather than a fixed rental for a period of not less than 10 years: *Provided*, however, that the Secretary may permit such leasing after a shorter period of time upon application of a lessor if the Secretary determines that hardship or other mitigating circumstances warrant such permission.

(c) Lands which were leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary on January 1, 1978, in excess of the acreage limitation of the Federal reclamation laws may continue to receive a water supply until the expiration of the lease or 10 years, whichever is shorter.

DELIVERIES OF WATER

SEC. 8. (a) One year after the enactment of this Act, no lands may receive water pursuant to a contract with the Secretary, except as otherwise provided in the Federal reclamation laws, unless such lands comprise a landholding which is within the acreage limitation of the Federal reclamation laws.

(b) Lands held by a charitable or religious not-for-profit organization and receiving water supplies pursuant to a contract with the Secretary as of January 1, 1978, may continue to receive such water supplies.

ADMINISTRATIVE PROVISIONS

SEC. 9. (a) The Secretary is hereby authorized and directed to amend any provision of any contract between the Secretary and another party existing upon the date of enactment of this Act which is inconsistent with the provisions of this Act, upon the request of said other party.

(b) Determinations made by the Secretary pursuant to the authority granted in this Act shall be in accordance with the provisions of the Administrative Procedure Act, chapter 5 of Title 5, United States Code.

SUMMARY OF THE RECLAMATION REFORM ACT OF 1978

Section 2—Only "qualified recipients" would be eligible to receive water supplies from the Secretary unless specifically exempted by Federal reclamation law. A qualified recipient is an individual, a family, or a legal entity directly benefitting 25 persons or less (corporation, partnership, trust, joint tenancy, etc.)

Section 3—This section establishes an absolute farm limit of 1280 acres owned or leased in any combination. No individual, farm family, or legal entity could operate a farm larger than 1280 acres.

Moreover, in the case of a legal entity, the holdings of the entity are applied in full against each individual directly benefitting from the entity (i.e. shareholders, partners, trust beneficiaries, etc.). For example, if a corporation held 1280 acres and had ten shareholders, each shareholder would be treated as if he held 1280 acres to determine his eligibility to hold additional land.

The Secretary is given the authority to establish a limitation on the number of landholdings that may be managed for the benefit of a qualified recipient by another person.

Section 4—This section is identical in purpose with my bill, S. 242, and would establish a Class 1 equivalency for lands of lesser productive potential.

Section 5—Abolishes residency as a requirement of Federal reclamation law. Section 7 provides a mechanism to ensure that project benefits go to those who will actually operate a farm or ranch.

Section 6—Once payment occurs in accordance with contracted provisions relative to repayment of the irrigators' share of project construction charges, the acreage limitations would no longer apply.

A recordable certificate would be issued by the Secretary of the Interior to indicate that pay-out has occurred and the acreage limitations are no longer applicable.

Section 7—Leaseholds are to be considered part of a landholding and subject to the acreage limitations. Existing leaseholds would have no longer than 10 years to come into compliance with the limitation.

Those who may acquire a landholding in the future must derive income from the operation of the landholding as a farm or ranch, as opposed to leasing it out at a fixed rental, for a period of 10 years before they may lease it out. This is essentially a proprietorship test and is designed to discourage speculation and to ensure that project benefits go to people who will actually use the landholding for agricultural purposes.

Section 8—One year after the date of enactment, no excess lands may receive water unless specifically exempted by Federal reclamation law. (Existing leaseholds would have a longer period, for example.)

Lands held by a charitable or religious not-for-profit organization and receiving water supplies pursuant to a contract with the Secretary as of January 1, 1978 may continue to receive such water supplies.

Section 9—The Secretary is authorized and directed to amend any existing contract upon the request of another party to the contract to make it consistent with this Act.

Determinations made by the Secretary pursuant to the authority granted under the Act are to be by rule.

By Mr. HASKELL:

S. 2607. A bill to amend the Internal Revenue Code of 1954 to provide a refund or credit of 10 percent of the employer and self-employed social security taxes paid by a taxpayer; to the Committee on Finance.

Mr. HASKELL. Mr. President, I am introducing a bill which I propose as a substitute for the Carter administration's proposal to reduce corporate tax rates from 48 to 44 percent at the top of the scale, from 22 to 20 percent between $25.000 and $50,000 taxable income, and from 20 to 18 percent between 0 to $25,000.

My bill grants a refundable income tax credit equal to 10 percent of the OASDHI (social security) taxes paid by employers and the self-employed. The bill has the identical revenue impact as the suggested corporate rate reductions. However, unlike the President's proposal it goes equally to small and large business, incorporated and unincorporated business, profitable and unprofitable business. This credit will be available to exempt organizations and State and local governments as well.

Mr. President, it does not take much analysis to conclude that the administration's package was no designed to have much of an impact on the small business sector's ability to retain earnings. A study conducted by this committee finds that 60 percent of the revenue expended in the business section of the President's proposal will go to companies with taxable income in excess of $100 million. Conversely, only 4 percent will go to smaller corporations with taxable income of less than $50,000.

More poignantly, other than negligible impact of the reduction of the unemployment compensation rate from 0.7 to 0.5 percent, unincorporated and unprofitable or marginally profitable business is totally ignored under the President's proposal.

We are not talking about small sums of money. The proposed corporate rate reductions will cost $6 billion in 1979 and $8.5 billion in 1980, an approximate reduction in revenues from corporate taxes of 10 percent.

Now I have been out talking to the business people of Colorado both in informal discussions and formal hearings. By and large they are unimpressed with what the administration's proposal will do for them. The reason is simple.

They pay more in payroll taxes than they do in corporate taxes—and, of course, many of them are not incorporated and, therefore, pay no corporate taxes at all. Revenue raised by payroll taxes paid by employers now exceeds revenue raised by the corporate tax. Is there any wonder why there is a revolution brewing as a result of recently enacted increases in the social security rate and applicable wage base? It is one of the reasons I voted against the recent increases.

The President's proposal reduces the corporate rate—which is progressive, and leaves the regressive payroll tax structure intact. It is an ill-conceived and inequitable approach.

The Small Business Committee has held three hearings on the President's tax proposals, two of which I chaired. Small business' reaction to the plan has been universally unenthusiastic.

In October of 1977, 27 small business organizations representing about 750,000 small and independent enterprises agreed on a proposal that small businesses—as defined by the Small Business Administration—should be entitled to one-half of the proposed reductions on the ground that, under SBA definitions, these firms accounted for 97 percent of the 14 million U.S. enterprises and collectively they provide 55 percent of the country's private jobs, 48 percent of the business output, and 43 percent of the Gross National Product.

It is clear that the administration proposal has fallen far short of what the small business community considers to be an equitable allocation of tax reduction benefits.

I started formally circulating this proposal at the beginning of February. It has generated a great deal of interest among small business groups.

It does not seem to matter whether we have a Democratic or Republican administration, small business invariably gets the short end of the stick.

This morning Mr. John Lewis, president of the National Small Business Association provided excellent testimony before the Small Business Committee. Let me end by including a quote from his testimony which really sums up the situation:

> If there is any doubt that the Administration's proposals are a Big Business package, let me quote from Treasury Secretary Blumenthal's address to the South Bend, Indiana, Chamber of Commerce on February 15:
>
> "I should add that this package of investment incentives and other tax cuts is very similar to the tax proposal last year of Business Roundtable. In fact, officers of the Business Roundtable recently announced their general endorsement of the overall program."

By Mr. BENTSEN (for himself and Mr. HANSEN):

S. 2608. A bill to amend the Internal Revenue Code of 1954 to provide a graduated exclusion from gross income for long-term capital gains and a graduated nonrecognition of long-term capital losses for individuals; to the Committee on Finance.

SLIDING SCALE CAPITAL GAINS TAX

Mr. BENTSEN. Mr. President, I am today introducing a bill with Senator HANSEN to provide a sliding scale capital gains tax for individuals. This bill is identical to the one that I introduced in the 94th Congress.

Under present law, the maximum capital gains rate is 49.125 percent, because the gain on the sale of a capital asset can actually be taxed three times. It is taxed once through the computation of regular taxes. It is taxed a second time because the gain reduces the amount of salary eligible for treatment as earned income. It is taxed a third time through the so-called minimum tax. Three separate taxes can be imposed on the sale of a capital asset and yet much of the gain subject to tax is often nothing more than an illusory gain. The merely represents inflation which at times has reached a double-digit annual level.

Mr. President, there is no justification for the Federal Government to impose three separate taxes on an illusory gain or an illusory profit.

Under the legislation we are introducing, the present maximum capital gains rate of 49.125 percent would decrease annually during the holding of an asset until the maximum rate is approximately 39 percent for assets held a minimum of 15 years.

There are several major reasons for enactment of this proposal.

The sliding scale capital gains provision will encourage greater savings and investment which is desperately needed to promote economic growth. In 1977, Americans saved only 5.2 percent of their disposable personal income. This rate is lower than that achieved by virtually every other major industrialized country. Meanwhile, the Nation has vast unmet investment needs. The Nation needs capital for expansion in industries where there have been shortages, such as the steel, paper, and chemical industries; for additional housing; for pollution control; and for greater self-sufficiency in energy. Unless the Federal Government can run budget surpluses, which is unlikely in view of the fact that there have been budget deficits in 15 of the past 16 years, these investment needs can be met only by increased private savings.

A graduated capital gains tax will encourage individuals to save by purchasing assets on which they expect to receive capital gains, including common stocks. Additional equity investment is needed in the United States to finance new businesses, which traidtionally rely on equity financing, and to enable existing corporations to reduce their debt-to-equity ratios, which have become dangerously high in recent years.

Treasury Department statistics indicate that gross private investment in plant and equipment as a percent of GNP has been about 10 percent in the United States compared to 17 percent in West Germany, and 19 percent in Japan. According to Commerce Department statistics, we save as a proportion of after-tax income at a rate lower than Britain's, at two-thirds of the rate in France, at just over half in Germany, and only 40 percent of the rate in Japan.

This proposal would also reduce the so-called lock-in of assets held for a long period of time and provide for a more efficient allocation of capital resources. Under our present law, individuals are discouraged from selling securities that have been held for some time but if "locked-in" assets were sold, a great deal of additional tax revenue could be collected that otherwise might not be raised.

A 1966 Treasury Department study estimated that there were $233 billion of unrealized capital gains in equities and that 90 percent of these assets had been held for more than 7 years. Unlocking one-half of the assets noted in that study and taxing them, at say, a 30-percent rate could produce as much as $30 billion in revenue.

Economic growth in our Nation depends upon the availability of a sufficient supply of equity capital for the risk-takers and entrepreneurs who have the initiative to start new businesses and to develop imaginative new ideas. This proposal would encourage this risk-taking spirit in America. This would offer potential investors the incentive to take the risks inherent in equity investing which is so important in expanding job opportunities and providing a larger tax base for our Government. Venture capital must be available so that today's new and promising company can—10, 20, or 30 years from now—become the "new IBM."

The sliding scale is particularly important for the small business which is owned and run by a few individuals who established the firm many years ago and continually plowed back profits into the company.

A sliding scale would also help adjust for inflation: $100 invested in 1947 has a real value of less than $40 today and $100 invested in 1967 is worth less than $60 today. A high capital gains tax when coupled with high rates of inflation clearly results in a confiscatory tax on assets sold after a long time period and inflation continues year after year.

In addition, millions of homeowners, many of whom are lower- and middle-income Americans, would benefit from this proposal which reduces the tax on inflationary gains.

Mr. President, for these reasons I urge Congress to enact a sliding scale capital gains tax this year as a part of the tax cut and tax reform legislation.

By Mr. DOMENICI (for himself, Mr. PERCY, Mr. BROOKE, Mr. DOLE, and Mr. SCHMITT):

S. 2609. A bill to amend the Older Americans Act of 1965 to provide for an extension of programs under that act, and improved administration of programs under that act, and for other purposes; to the Committee on Human Resources.

OLDER AMERICANS AMENDMENTS OF 1978

Mr. DOMENICI. Mr. President, I am sending to the desk a bill which would extend and expand the Older Americans Act of 1965 for 3 additional years. This bill has, to date, received the ac-

tive cosponsorship of Senators PERCY, BROOKE, DOLE, and SCHMITT and we expect it will receive additional support in the coming weeks. I would especially like to thank Senator PERCY for his special interest and contribution in developing this legislation. I would also be remiss, Mr. President, if I did not mention and thank Legislative Counsel Blair Crownover for his valuable assistance in the preparation of this legislation. Mr. Crownover is a skilled and patient legislative draftsman whose expertise was indispensible.

Mr. President, when I first came to the Senate in 1973, I asked to be assigned to the Special Committee on Aging because I wanted to be in a position to help shape legislation, appropriations and public policies affecting older Americans. As a local office holder in Albuquerque, N. Mex., I gained first hand insight into the needs of older persons, and I began to seek workable solutions for meeting those needs. New Mexico has a small population but the number of families who retire to the Southwest is having a profound impact on the States in that region. As a city official I soon discovered that the needs were great, the resources limited, and the governmental authority to meet these needs was vague and defused among numerous agencies. One of my goals, on coming to the Senate, was to restructure the various aging programs so as to create a comprehensive—coordinated service delivery system which would meet the needs of older persons. For too long we have made people fit programs instead of shaping flexible programs to meet the needs of our people.

As the Ranking Minority Member on the Special Committee on Aging, I am seeking ways to improve the quality of life for all older Americans and I have sought to further that objective in S. 2609.

Mr. President, I would like to outline briefly some of the major provisions which are contained in this legislative proposal:

INSTITUTIONAL INTEGRITY OF THE ADMINISTRATION ON AGING

Over the years it has been the goal of Congress to strengthen the Administration on Aging, increase its visibility, and protect its institutional integrity in the face of constant departmental reorganizations. This legislation will move the Administration on Aging out of the Office of Human Development Services (OHDS) and make the Commissioner on Aging directly responsible to the Secretary of Health, Education, and Welfare. This action is designed to strengthen the Administration on Aging and undo some of the damage that has been done to it by the recent restructuring of OHDS.

NATIONAL CLEARING HOUSE ON AGING

In the 1973 amendments to the Older Americans Act, Congress created the National Information and Resource Clearing House for the Aging. The Clearing House, under section 204(A), was given a mandate to collect and disseminate various types of information which would be of interest and assistance to the elderly. In addition, the clearing house was directed to provide technical and other forms of assistance to State and local information and referral networks. Congress, in enacting this provision, expected the National Clearing House to make information readily available to older Americans on various consumer concerns. I believe the National Clearing House has failed to adequately and vigorously carry out its congressional mandate. Most older persons can solve many of their own problems if they have accurate information in a timely fashion and I have concluded that AOA and the National Clearing House have simply failed to carry out their responsibility in a vigorous and effective manner. S. 2609 will seek to strengthen the clearing house and let our 25 million senior citizens know that they can contact a single point and receive valuable consumer information material on various Government programs.

FEDERAL COUNCIL ON AGING

During his recent state of the Union address, President Carter announced that he had already proposed the abolition of approximately 500 advisory councils in his ongoing effort to streamline and reorganize the Federal bureaucracy. I share the President's desire to increase the efficiency and effectiveness of our Federal Government, and I share his belief that many of the advisory councils we have created over the years can be eliminated without any detrimental impact on the programs they oversee. In 1973, Congress established a 15-member Federal Council on Aging and granted it a broad jurisdiction as is commonplace with advisory councils. In addition, the statute required the Federal Council to undertake a number of specific studies, such as a review of the title III funding formula, the impact of all taxes on the elderly, and a study of the interrelationships of various Federal, State, and local benefit programs for the elderly. These studies have now been completed, along with several others which were undertaken at the Council's own initiative.

I believe that the council has served well and has helped guide us through the transition to the more comprehensive concept of service delivery first enacted in 1973. The council has served well and effectively, but the time has come for us to transfer the one-half million dollars per year we are currently budgeting for the Federal Council on Aging to the direct delivery of services; $500,000 added to the elderly nutrition program could provide approximately 800 additional meals per day for needy older persons. On a yearly basis, that translates into 200,000 additional meals served. If that money were devoted to the RSVP program, which will be cut by the President's budget, it could restore approximately 5,000 of the estimated 42,000 senior volunteer positions. The staff of the Federal Council could easily be absorbed into other functions at AOA, which is desperately short of staff.

Since the 1973 amendments were enacted, we have developed a nationwide network of aging organizations extending from the Administration on Aging, to the State offices on aging, the area agencies on aging, local aging commissions, and the community-based senior centers. The various national organizations such as the American Association of Retired Persons/National Retired Teachers Association, National Council on Aging, National Council of Senior Citizens, National Association for Human Development, National Association of Retired Federal Employees, and so forth have become effective advocates of the interests of senior citizens. The periodic White House Conferences on Aging focus national attention on the evolving concerns and problems of our older population. In addition, the Commissioner on Aging has become an effective spokesman for older Americans within the Federal Government. We now have a director of the National Institute on Aging and a White House Counselor on Aging who complement and supplement the efforts of the commissioner, the aging network and the national organizations. I would also like to note that the majority of the present council members are serving beyond the expiration of their terms and no nominations are pending before the Senate. This is an appropriate time to dissolve the council—effective September 30, 1978—without causing disappointment or embarrassment to its members.

Mr. President, I believe that we can now phase out the Federal Council and transfer its funds to the delivery of services without harming, in the slightest way, the interests of older Americans.

PAPERWORK BURDEN/WHITE HOUSE CONFERENCE

S. 2609 contains a provision designed to ease the general paperwork burden on State and area agencies on aging by establishing a review process within AOA which will continually re-examine the nature and frequency of all agency requests for information. The bill also directs AOA to begin planning for the next White House Conference on Aging which will be held in 1981.

CONSOLIDATION OF TITLES III AND V

With regard to the major grant programs to the States, my bill would consolidate title III (social services) and title V (senior centers) into a single title.

S. 2609 provides that the two components would never receive less than the amount they received in fiscal year 1978. Funds above the fiscal year 1978 level will be available to meet locally determined priorities.

My proposal also stipulates that the State plan and the area agency plan will cover a 3-year period instead of the current 1-year planning cycle and that a single comprehensive plan will cover all of the activities authorized under the Older Americans Act. I hope that such a reform will streamline the planning procedures, lessen the paperwork burden at all levels of Government, and improve the coordination of services to our senior citizens.

EXPANSION OF SOCIAL SERVICES

The definition of social services will be expanded to include pre-retirement and second career counseling, and health screening. By the latter change, we are seeking to involve the aging network in a

nationwide effort to prevent, detect, and/or treat those illnesses—such as high blood pressure, diabetes, and glaucoma—which needlessly disable or kill tens of thousands of older persons each year. The local aging units could coordinate this undertaking with a number of existing community-based organizations—the Red Cross, Heart Association, etc.—at relatively little cost. Not only would such a program improve the health of a large number of senior citizens—but it would also produce significant savings in the medicare, medicaid, and title XX programs.

STATE AND AREA AGENCY ON AGING (AAA) DISTRIBUTION FORMULA

S. 2609 will require the States to publicize the formula by which they distribute Older Americans Funds to their AAA's and other subdivisions. A similar provision will be made regarding the way area agencies distribute their funds to the general purpose local governments within their planning and service areas. I would stress, Mr. President, that we are not attempting to dictate what formulas should or should not be used—only that the vehicle for distributing those funds be part of the public record.

ROLE OF SENIOR CENTERS

Excluding title V, which was only recently funded, the 1973 and 1975 Amendments to the Older Americans Act did not clearly state the role of senior centers in the overall aging network. My bill proposes to correct this omission by incorporating senior centers into the service delivery mechanism at the community level.

The declining birthrate has had a significant impact on school enrollment. In most parts of the country many schools—especially elementary schools—are being closed while others have surplus capacity. Underutilized schools could become potential sites for senior centers. I believe that a maximum effort should be made to convert excess classroom capacity into community centers that will help to meet the needs of the elderly and other segments of our society.

STRENGTHENING OUTREACH

I believe very strongly that one of the most important functions of the local aging offices is to canvass their areas—street by street, and house by house—to locate the neediest and most isolated elderly. Once they have located and assessed the needs of all the elderly inhabitants of their jurisdiction, they can work to develop the resources to meet their needs. Too many area agencies have not been carrying out this type of total effort to locate and serve the neediest old people within their planning and service areas. My bill would make the AAA's responsible for conducting just such an intensified outreach effort.

ROLE OF LARGER MUNICIPALITIES

Questions have continued to arise regarding the role of cities in the overall aging network. S. 2609 will allow municipalities with a population of 250,000 or more the option of being designated as a separate planning and service area.

LONG-TERM CARE MODEL PROJECT

This legislation will grant AOA the authority to create a number of model long-term care centers. These centers will be located within selected AAA's that can demonstrate that they have the ability to assume these additional functions: Assess an individual's need; develop a plan of care; arrange for the necessary and appropriate services; monitor, evaluate, and reassess the situation as circumstances change; maintain records; and assist in Outreach. The model project approach should enable us to determine, over the next few years, the validity and viability of the long-term care center concept.

TRAINING AND RESEARCH

In the area of training, S. 2609 seeks to place greater emphasis on short-term, in-service training so as to strengthen the aging network and improve the delivery of services. I was also disturbed by the recent decision of the Assistant Secretary of Human Development Services to withhold 15 percent of AOA's research funds for use at the departmental level. I believe that we must preserve the commissioner's control over all AOA research funds and prohibit such skimming off by higher officials in the department.

MULTIPURPOSE SENIOR CENTERS—TITLE V

As I indicated earlier, most of title V will be made a part of the new consolidated title III under our bill. The grants for acquisition, alteration, renovation and initial staffing will be distributed to the States under a formula. Limited construction authority will be granted for centers in rural areas where no suitable structure is available.

From time to time the Special Committee on Aging has received testimony indicating that the 10-year leasing requirement for senior centers is creating serious obstacles for many communities. S. 2609 allows the commissioner to waive this requirement in extreme or unusual circumstances.

The mortgage insurance and interest subsidy provisions which have never been funded, will be retained at the national level and incorporated into title IV.

OLDER AMERICANS VOLUNTEER PROGRAM

When it was originally established, pursuant to the enactment of the Older Americans Act in 1965, the Administration on Aging was expected to serve as the focal point of most Federal aging programs. If it is to fulfill its mandate, we must, from time to time, transfer programs from other agencies to AOA. S. 2609 will repeal title II of the Domestic Volunteer Service Act of 1973, reenact it as part of the Older Americans Act, and transfer those programs to the Administration on Aging.

The lack of commitment to the Older American Volunteer Programs on the part of the Action Agency, as reflected in the President's budget, has given a new sense of urgency to this transfer. Returning these programs to AOA will also improve coordination between the senior volunteer programs and the other programs authorized by the Older Americans Act.

NUTRITION PROGRAM

S. 2609 will expand the nutrition program by adding an enlarged home-delivered meals component. In the past, HEW has—by guideline—discouraged the use of title VII funds for home-delivered meals. I believe that the determining factor should be the needs of the individual, not an arbitrary regulation. My bill will require that an assessment of need be made for anyone seeking a home-delivered meal. If the person is, in fact, homebound, then he or she would be eligible to receive home-delivered meals. The nutrition projects would be authorized to contract this function to existing "Meals-On-Wheels" organizations, if that proved to be the best way to administer the program.

We will also propose that the title VII home-delivered meal program be opened to handicapped Americans. Several similar proposals, which have been introduced to date, stipulate a maximum percentage of meals which may be set aside for the handicapped. We would recommend instead that the assessment of need principle also be applied in this instance. If the handicapped person truly needs this service—he or she should be allowed to participate.

The authorization level will be increased by $100 million in fiscal year 1979 in order to provide funding for the home-delivered meal component as well as an expansion of congregate meals, where needed.

In order to improve coordination between title III and title VII, we are recommending that the planning process be strengthened so that the social service and nutrition programs will plan their activities together and that these joint services will be contained in the comprehensive state and AAA plans. We believe that closer coordination between all the older American programs will reduce duplication and improve the quality and quantity of services delivered to older Americans.

TITLE VIII—GRANTS FOR INDIAN TRIBES

As a Senator from New Mexico, I represent a State that contains the second largest Indian population of any State in the country. The need for an expanded program of supportive services for older Indians is irrefutable. In addition, Mr. President, there are almost 300 federally and State recognized tribes. These tribes have a special sovereign relationship with the Federal Government and I have worked to develop a direct funding mechanism that would give the tribal governments the wherewithall to deliver the social and nutritional services mandated in the Older Americans Act.

S. 2609 will provide direct funding to the tribal organizations amounting to at least $5 million per year. If less than $5 million is appropriated in title VIII, the direct funding concept will not come into effect and the tribes will continue to receive services as they do now.

The new title VIII also contains a program for converting surplus Indian

educational facilities into senior centers, nutrition sites, extended care facilities, and so forth. This approach will allow us to significantly expand Indian services while taking full advantage of existing surplus facilities.

TITLE IX—COMMUNITY SERVICE EMPLOYMENT

S. 2609 will expand the scope of the Community Service Employment Program for Older Americans by enlarging and redefining the role of the National Contractors. Expanded emphasis will be placed on job development and the National Contractors will be asked to explore innovative approaches to job creation and second career training—including work sharing—within the private sector. They will work closely with labor unions, the National Alliance of Businessmen, and industrial leaders in an ongoing effort to expand job opportunities for older workers.

The state aging and employment and training offices will work together to expand training and public service employment opportunities under both title IX and the Comprehensive Employment and Training Act.

I will also be introducing, in the not-too-distant future, legislation to establish a program within CETA that will address the problems of older workers. The new provision will attack structural unemployment through a comprehensive program of training, job development, supportive services, and part-time public service employment. Such an approach will, I believe, involve the prime sponsors in the search for ways to keep the older worker actively and productively involved in the economic life of his community.

In closing, Mr. President, let me say just a few words of tribute to Dr. Arthur S. Flemming who has just completed his tenure as U.S. Commissioner on Aging. We all owe a deep debt of gratitude to Dr. Flemming for his tireless work on behalf of Older Americans over the past decade. As Chairman of the White House Conference on Aging, consultant to the president on Aging, and, for the last 5 years, as Commissioner on Aging—Dr. Flemming has been a vigorous advocate for and an effective administrator of numerous Federal programs designed to improve the quality of life for our senior citizens. We wish him well as he completes his tenure at AOA and we hope that he will remain actively involved in efforts to make life better for our Nation's elderly.

We have made progress in recent years in our efforts to provide social and nutritional services to older Americans. We still have a long way to go if we are to fully meet the needs of this steadily increasing segment of our population.

The Human Resources Committee's Subcommittee on Aging has already held several hearings on the Older Americans Act this year. The new Aging Commissioner, Robert Benedict, has now taken office and we should soon receive the administration's views and proposals on the Older Americans Act.

I know that the Subcommittee on Aging will act expeditiously on this vital legislation and I hope that the subcommittee will give favorable consideration to S. 2609 and the innovations it contains.

Mr. President, I ask unanimous consent that the text of S. 2609 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Older Americans Amendments of 1978".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Older Americans Act of 1965.

ADMINISTRATION

SEC. 2. (a)(1) The second sentence of section 201(a) is amended by striking out "Except for title VI and" and inserting in lieu thereof "Except".

(2) The third sentence of such section 201(a) is amended to read as follows: "In the performance of his functions under this Act, the Commissioner shall be directly responsible to the Secretary and shall report directly to the Secretary, not to or through any other official of the Department of Health, Education, and Welfare.".

(b) Section 203 is amended by inserting "(a)" immediately after the section designation and by adding at the end thereof the following new subsection:

"(b) in addition to the responsibility described in subsection (a) of this section the head of each Federal agency shall, prior to the establishment of a new program or a substantial revision of an existing program substantially related to the purposes of this Act, submit to the Commissioner a description of the program or revision for comment.".

(c)(1) Section 204 is amended by redesignating subsection (b) and subsection (c) as subsections (c) and (d), respectively, and by inserting immediately after subsection (a) the following new subsection:

"(b) The Commissioner is authorized to enter into contracts with a public agency or private nonprofit organization to operate the clearinghouse established under this section.".

(2) Section 204(d) as redesignated by paragraph (1) of this subsection is amended to read as follows:

"(d) There are authorized to be appropriated for the fiscal year 1978, and for each of the four succeeding fiscal years thereafter such sums as may be necessary to carry out the provisions of this section.".

(d) Effective September 30, 1978, section 205 is repealed.

(e) Section 211 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b) No part of the costs of any project under any title, except title IX, of this Act may be treated as income or benefits to any eligible individual for the purpose of any other program or provision of State or Federal law.".

(f) Title II is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"SEC. 212. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Commissioner shall, in consultation with State agencies designated under section 304(a)(2)(A), and other appropriate agencies and organizations, continually review and evaluate all requests for information under this Act and take such action as may be necessary to reduce the paperwork required under this Act.".

STATE AND COMMUNITY PROGRAM ON AGING

SEC. 3. (a) The matter preceding clause (1) in section 301 is amended by inserting immediately after "social services" the second time it appears a comma and the following: "and multipurpose senior centers to serve as a focal point for the delivery of services,".

(b)(1) Section 302(1)(H) is amended to read as follows:

"(H) services designed to provide health screening to detect or prevent illnesses, or both, that occur most frequently in older persons;

"(I) services designed to provide pre-retirement and second career counseling for older persons; and

"(J) any other services.".

(2) Section 302 is further amended by redesignating paragraphs (2) and (3), and all references thereto, as paragraphs (3) and (4), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

"(2) The term 'multipurpose senior center' means a community facility for the organization and provision of a broad spectrum of social services (including provision of health, social and educational services and provision of facilities for recreational activities) and nutritional services for older persons.".

(c)(1) Section 303(a) is amended by striking out "and" after "1977," and inserting in lieu thereof after "1978," the following: "$300,000,000 for the fiscal year ending September 30, 1979, $350,000,000 for the fiscal year ending September 30, 1980, and $400,000,000 for the fiscal year ending September 30, 1981".

(2) Section 303(a)(2) is amended by inserting before the semicolon at the end thereof a comma and the following: "and the development of designated focal points for the delivery of services, such as senior centers for social services or nutritional services, or both".

(3)(A) Section 303(b)(2) is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraphs (3) and (5)".

(B) Section 303(b)(2) is further amended by striking out "fiscal years" and inserting in lieu thereof "fiscal year" and by striking out "and 1978", and inserting in lieu thereof "for each of the four succeeding fiscal years".

(C) Section 303(b)(3)(A) is amended by inserting after "title" the following: "and title VIII".

(4) Section 303(b) is amended by adding at the end thereof the following new paragraph:

"(5) No State shall be allotted an amount under the provisions of this subsection attributable to the cost of acquiring, altering, or renovating existing facilities to serve as multipurpose senior centers (including the initial equipment of such facilities) for any fiscal year ending after September 30, 1978 which is less than the amount that State received under title V for the cost of acquiring, altering, or renovating such centers under part A of title V for the fiscal year ending September 30, 1978.".

(d)(1) Section 304 (a)(1) is amended—

(A) by striking out the colon and all that follows down through "title" the second time it appears in such section and inserting in lieu thereof a semicolon, and

(B) by adding at the end thereof the following: "In carrying out the requirement of clause (1) of this subsection, the State shall designate as a planning and service area—

"(1) any unit of general purpose local government which has a population aged sixty or over of 50,000 individuals or more or which

contains 15 per centum or more of the State's population aged sixty or over, and

"(ii) any unit of general purpose local government which is a municipality and which has a population of 250,000 or more and which contains at least 25,000 individuals aged sixty or over.

A State may designate as a planning and service area pursuant to clause (1) of this subsection, any region within the State recognized for purposes of area-wide planning which includes one or more such units of general purpose local government when the State determines that the designation of such a regional planning and service area is necessary for, and will enhance the effective administration of the programs authorized by this title. The State may include in any planning and service area designated pursuant to clause (1) of this subsection such additional areas adjacent to the unit of general purpose local government or regions so designated as the State determines to be necessary for, and will enhance the effective administration of the programs authorized by this title. The State is encouraged in carrying out the requirement of clause (1) of this subsection to include all portions of an Indian reservation within a single planning and service area if feasible.".

(2) Section 304(a)(2) is amended by striking out "and" at the end of subclause (A), by redesignating subclause (B) as subclause (C), and by inserting after subclause (A) the following new subclause:

"(B) prepare and publish the criteria by which the State agency will distribute grants made under this title within the State; and".

(3) The matter preceding clause (1) of section 304(c) is amended to read as follows:

"(c) In order to be approved by the State agency an area plan for a planning and service area shall be developed by the area agency on aging designated with respect to such area under subsection (a) for a three-year period with such annual adjustments as are necessary. Each such plan shall—".

(4) Section 304(c)(1) is amended—

(A) by inserting after the word "services" the first time it appears in such section a comma and the following: "and the acquiring, altering, or renovating of existing facilities to serve as multipurpose senior centers", and

(B) by striking out "including determining the need for social services in such area" and inserting in lieu thereof "including determining the need of all older persons in such area for social services and for multipurpose senior centers".

(5) Section 304(c)(4)(E) is amended by inserting at the end thereof a comma and the following: "and keep the advisory council continuously informed of the activities of the area agency".

(6) Section 304(c)(4) is amended by striking out "and" at the end of subclause (D), by striking out the period at the end of subclause (E) and inserting in lieu thereof a semicolon and the word "and" and by adding at the end thereof the following new subclauses:

"(F) designate, where feasible, a focal point for the delivery of social services and nutritional services, with special attention to designating a multipurpose senior center as that focal point, in order to encourage the maximum coordination and availability of services for older persons; and

"(G) consult, in formulating the plan, with appropriate local public officials.".

(e)(1) The matter preceding clause (1) in section 305(a) is amended to read as follows:

"SEC. 305. (a) In order for a State to be eligible for grants for a fiscal year from its allotments under section 303 and section 306, except as provided in section 307(a), the State shall submit to the Commissioner a State plan for a three-year period with such annual revisions as may be necessary, which meets such criteria as the Commissioner may be regulation prescribe, and which—".

(2) Section 305(a)(1) is amended by inserting after "services" a comma and the following: "for multipurpose senior centers".

(3) Section 305(a)(6) is amended by inserting before the semicolon at the end thereof a comma and the following: "and provides assurances that in developing the State plan the State agency will consider the area plans submitted pursuant to this paragraph.".

(4) Section 305(a)(8) is amended by inserting before "except" the following: "and that any social service directly provided by the State agency or by an area agency on aging will be transferred to other agencies as soon as such transfer is feasible,".

(5) Section 305(a)(10) is amended to read as follows:

"(10) provides assurances in such form as the Commissioner shall prescribe that of the funds allotted to the State under section 303(b) in any fiscal year to carry out the State plan, special emphasis will be given to the purposes set forth in section 305(b).".

(6) Section 305(a) is amended by striking out "and" at the end of paragraph (9), by striking cut the period at the end of paragraph (10) (as amended by paragraph (5) of this subsection) and by inserting in lieu thereof a semicolon and the word "and" and by adding at the end thereof the following:

"(11) provides with respect to the acquiring, altering, or renovation of existing facilities (or the construction of new facilities in a rural area in which there are no structures available for the purpose of a senior center) to serve as multipurpose senior centers that—

"(A) the plan contains or is supported by reasonable assurances that (i) for not less than 10 years after purchase, the facility will be used for the purpose for which it is to be purchased, unless for unusual circumstances the Commissioner waives the requirement of this subclause, (ii) sufficient funds will be available to meet the non-Federal share of the cost of purchase of the facility, (iii) sufficient funds will be available, when purchase is completed, for effective use of the facility for the purpose for which it is being purchased, and (iv) the facility will not be used and is not intended to be used for sectarian instruction or as a place for religious worship;

"(B) the plan contains or is supported by reasonable assurances that there are no existing facilities in the community suitable for leasing as a multipurpose senior center;

"(C) the plans and specifications for the facility are in accordance with regulations relating to minimum standards of construction, promulgated with particular emphasis on securing compliance with the requirements of the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968; and

"(D) the plan contains or is supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractors in the performance of work on the facility will be paid wages at rates not less than those prevailing for similar work in their locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a–276a(5); commonly known as the Davis-Bacon Act), and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in reorganization plan number 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276(c)); and

"(E) the plan contains assurances that the State agency will consult with the Secretary of Housing and Urban Development with respect to the technical adequacy of any proposed alteration or renovation.".

(f) Section 306(b)(1) of such Act is amended by striking out "$200,000" and inserting in lieu thereof "$225,000" and by striking out "$62,500" and inserting in lieu thereof "$72,500".

(g) Section 307 is amended by adding at the end thereof the following new subsection:

(d) Whenever the Commissioner approves a State plan containing provisions for acquiring, altering, or renovating existing facilities to serve as multipurpose senior centers, the Commissioner may reserve amounts necessary to carry out that provision of the State plan. The Commissioner is authorized with respect to the reservation of any such amount to change the reservation so made based upon any amendment made to the State plan.

(h) Section 308(b) is amended by striking out "and the fiscal years ending September 30, 1977, and 1978" and inserting in lieu thereof "and for the fiscal year 1977 and for each of the four succeeding fiscal years".

(i) Title III is amended by adding at the end thereof the following new section:

"COMMUNITY LONG-TERM CARE MODEL PROJECT

"SEC. 310. (a) The Commissioner is authorized to make grants to selected State agencies designated under section 304(a)(1), or selected area agencies on aging designated pursuant to section 304(a)(2)(A), or both, for model projects designed to insure—

"(1) that long-term care needs of individual elderly persons are identified,

"(2) that such persons are referred to appropriate community-based and institutional services for such care, and

"(3) that the continued appropriateness of such services be tested through follow-up services and evaluation.

"(b) Preference shall be given to State or area agencies which demonstrate that—

"(1) the agency possesses the capability to establish community-based long-term care centers,

"(2) a need exists for the establishment of such centers in the area to be served, and

"(3) in the case of a State, the State agency has a plan for Statewide or designated regions of the State containing provisions designed to maximize access to elderly persons for long-term care services.

"(c) Any community-based long-term care center assisted under the provisions of this section shall be located within the jurisdiction of an existing area agency on aging which has demonstrated the capacity to provide—

"(1) assessment of need;

"(2) development of a plan of care;

"(3) arrangement for provision of services in the most appropriate setting consistent with considerations of cost, quality, and individual preference, for which payment is available to the individual from any public or private source;

"(4) monitoring and evaluating the adequacy of care on a continuing basis, drawing upon services of patient ombudsmen;

"(5) reassessment of needs and, where appropriate, assistance in selection of or arrangement for new or different services;

"(6) maintenance of appropriate records of all individuals receiving services; and

"(7) participation in outreach activity.

"(d) The appropriate area agency on aging advisory council established pursuant to section 304(c)(4)(E) shall serve as an advisory council to any long-term care center assisted under this section.

"(e) There are authorized to be appropriated $5,000,000 for the fiscal year 1979, $10,000,000 for the fiscal year 1980, and $15,000,000 for the fiscal year 1981 to carry out the provisions of this section.".

(j) Title III is further amended by adding at the end thereof after section 310 (as added by subsection (i) of this section) the following new section:

"MULTIPURPOSE SENIOR CENTERS: RECAPTURE OF PAYMENTS

"SEC. 311. If within ten years after purchase of any facility for which funds have been paid under this title—

"(1) the owner of the facility ceases to be a public or nonprofit private agency or organization, or

"(2) the facility ceases to be used for the purposes for which it was purchased (unless the Commissioner determines, in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so),

the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.".

TRAINING RESEARCH AND SECRETARIAL PROGRAMS

SEC. 4. (a) Section 404 is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by adding after subsection (a) the following new subsection:

"(b) The Commissioner shall give preference to grants which will be used for the purposes described in clause (1) of subsection (a) of this section.".

(b) Section 411 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of law, no funds available for research activities under this part may be reserved for any specific use unless the Commissioner agrees to such a reservation.".

(c)(1) Title IV is amended by redesignating part D as part E and by adding immediately after part C the following new part:

"PART D—MORTGAGE INSURANCE AND INTEREST GRANTS FOR MULTIPURPOSE SENIOR CENTERS

"MORTGAGE INSURANCE AUTHORIZED

"SEC. 426. (a) It is the purpose of this section to assist and encourage the provision of urgently needed facilities for programs for the elderly.

"(b) For the purpose of this part the terms 'mortgage', 'mortgagor', 'mortgagee', 'maturity date', and 'State' shall have the meanings respectively set forth in section 207 of the National Housing Act.

"(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during acquisition, alteration, or renovation) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Secretary is authorized to insure any mortgage which covers a new multipurpose senior center, including equipment to be used in its operation, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor, approved by the Secretary, who demonstrates ability successfully to operate one or more programs for the elderly. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary may make such contracts with and acquire for not to exceed $100 such stock interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Multipurpose Senior Center Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the multipurpose senior center, when the proposed improvements are completed and the equipment is installed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and

"(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market.

"(4) The Secretary shall not insure any mortgage under this section unless he has determined that the center to be covered by the mortgage will be in compliance with minimum standards to be prescribed by the Secretary.

"(5) In the plans for such Multipurpose Senior Center, due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(e) The Secretary shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Multipurpose Senior Center Insurance Fund (established by subsection (h)) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Secretary is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during acquisition, alteration, or renovation; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

"(f) The Secretary may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(g) (1) The Secretary shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act.

"(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Multipurpose Senior Center Insurance Fund, and all references in such provisions to 'Secretary' shall be deemed to refer to the Secretary of Health, Education, and Welfare.

"(h) (1) There is hereby created a Multipurpose Senior Center Insurance Fund which shall be used by the Secretary as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Multipurpose Senior Center Insurance Fund.

"(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Multipurpose Senior Center Insurance Fund.

"(3) Moneys in the Multipurpose Senior Center Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Multipurpose Senior Center Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims debts, contracts, property, and security assigned to the Secretary in connection therewith, and all earnings as the assets of the fund, shall be credited to the Multipurpose Senior Center Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

"(5) There are authorized to be appropriated to provide initial capital for the Multipurpose Senior Center Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary.

"ANNUAL INTEREST GRANTS

"SEC. 427. (a) To assist nonprofit private agencies to reduce the cost of borrowing from other sources for the acquisition, alteration or renovation of facilities for multipurpose senior centers, the Secretary may make annual interest grants to such agencies.

"(b) Annual interest grants under this section with respect to any facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the acquisition, alteration or renovation of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were 3 per centum per annum: *Provided*, That the amount on which such grant is based shall be approved by the Secretary.

"(c)(1) There are hereby authorized to be appropriated to the Secretary such sums as

may be necessary for payment of annual interest grants in accordance with this section.

"(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts.

"(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used within any one State.".

(2) The heading of title IV is amended to read as follows:

"TITLE IV—TRAINING, RESEARCH, AND SECRETARIAL PROGRAMS.".

(d) Section 431 is amended by striking out "and" after "1976,", by striking out "fiscal years" and inserting in lieu thereof "fiscal year" and by striking out "and 1978" and inserting in lieu thereof "and for each of the four succeeding fiscal years".

NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

SEC. 5. The Older Americans Act is amended by inserting after title V the following new title:

"TITLE VI—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

"PART A—RETIRED SENIOR VOLUNTEER PROGRAM

"GRANTS AND CONTRACTS FOR VOLUNTEER SERVICE PROJECTS

"SEC. 601. (a) In order to help retired persons to avail themselves of opportunities for volunteer service in their community, the Commissioner is authorized to make grants to State agencies (established or designated pursuant to section 304(a)(1) of this Act) or grants to or contracts with other public and nonprofit private agencies and organizations to pay part or all of the costs for the development or operation, or both, of volunteer service programs under this section, if he determines, in accordance with regulations he shall prescribe, that—

"(1) volunteers will not be reimbursed for other than transportation, meals, and other out-of-pocket expenses incident to the provision of services under this part;

"(2) only individuals aged sixty or over will be enrolled as volunteers to provide services under this part (except for administrative purposes), and such services will be performed in the community where such individuals reside or in nearby communities either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

"(3) the program includes such short-term training as may be necessary to make the most effective use of the skills and talents of participating volunteers and individuals, and provide for the payment of the reasonable expenses of such volunteers while undergoing such training; and

"(4) the program is being established and will be carried out with the advice of persons competent in the field of service involved, and of persons with interest in and knowledge of the needs of older persons.

"(b) In no event shall the required proportion of the local contribution (including in-kind contributions) for a grant or contract made under this section be more than 10 per centum in the first year of assistance under this section, or under section 201(b) of the Domestic Volunteer Service Act of 1973, 20 per centum in the second such year, 30 per centum in the third such year, 40 per centum in the fourth such year, and 50 per centum in any subsequent such years. The Commissioner may make exceptions in cases of demonstrated need, determined (in accordance with regulations which the Commissioner shall prescribe) on the basis of the financial capability of a particular recipient of assistance under this section, to permit a lesser local contribution proportion than any required contribution proportion established by the Commissioner in generally applicable regulations.

"(c) The Commissioner shall not award any grant or contract under this part for a project in any State to any agency or organization unless, if such State has a State agency established or designated pursuant to section 304(a)(1), of this Act such agency itself is the recipient of the award or such agency has been afforded at least sixty days in which to review the project application and make recommendations thereon.

"PART B—FOSTER GRANDPARENT PROGRAM AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS

"GRANTS AND CONTRACTS FOR VOLUNTARY SERVICE PROJECTS

"SEC. 611. (a) The Commissioner is authorized to make grants to or contracts with public and nonprofit private agencies and organizations to pay part or all of the cost of development and operation of projects (including direct payments to individuals serving under this part) designed for the purpose of providing opportunities for low-income persons aged sixty or over to provide supportive person-to-person services in health, education, welfare, and related settings to children having exceptional needs, including services by individuals serving as 'foster grandparents' to children receiving care in hospitals, homes for dependent and neglected children, or other establishments providing care for children with special needs. The Commissioner may approve assistance in excess of 90 per centum of the costs of the development and operation of such projects only if he determines, in accordance with regulations he shall prescribe establishing objective criteria, that such action is required in furtherance of the purpose of this section. Provision for such assistance shall be effective as of September 19, 1972. In the case of any project with respect to which, prior to such date, a grant or contract has been made under section 611(a) of the Older Americans Act of 1965, as amended (42 U.S.C. 3044b) or with respect to any project under the Foster Grandparent program in effect prior to September 17, 1969, contributions in cash or in kind from the Bureau of Indian Affairs, Department of the Interior, toward the cost of the project may be counted as part of the cost thereof which is met from non-Federal sources.

"(b) The Commissioner is also authorized to make grants or contracts to carry out the purpose described in subsection (a) of this section in the case of persons (other than children) having exceptional needs, including services by individuals serving as 'senior health aides' to work with persons receiving home health care, nursing care, or meals on wheels or other nutritional services, and as 'senior companions' to persons having developmental disabilities or other special needs for companionship.

"CONDITIONS OF GRANTS AND CONTRACTS

"SEC. 612. (a)(1) In carrying out this part, the Commissioner shall insure that individuals receiving assistance in any project are older persons of low income who are no longer in the regular work force.

"(2) The Commissioner shall not award a grant or contract under this part which involves a project proposed to be carried out throughout the State or over an area more comprehensive than one community unless—

"(A) the State agency established or designated under section 304(a)(1) of this Act is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project; and

"(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted, in consultation with, or with the participation of, such agency.

"(3) The Commissioner shall not award a grant or contract under this part which involves a project proposed to be undertaken entirely in a community served by a community action agency unless—

"(A) such agency is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project;

"(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted in consultation with, or with the participation of, such agency; and

"(C) if such State has a State agency established or designated pursuant to section 304(a)(1) of this Act, such agency has been afforded at least forty-five days in which to review the project application and make recommendations thereon.

"(b) The term 'community action agency' as used in this section means a community action agency as defined in title II of the Economic Opportunity Act of 1964 (42 U.S.C. 2781–2837).

"PART C—GENERAL PROVISIONS

"COORDINATION WITH OTHER FEDERAL PROGRAMS

"SEC. 621. In carrying out this title, the Commissioner shall consult with the Director of the Community Service Administration, the Secretary of Labor and the Secretary of Health, Education, and Welfare, and the head of any other Federal agencies administering relevant programs with a view to achieving optimal coordination with such other programs, and shall promote the coordination of projects under this title with other public or private programs or projects carried out at State and local levels. Such Federal agencies shall cooperate with the Commissioner in disseminating information about the availability of assistance under this title and in promoting the identification and interest of low-income and other older persons whose services may be utilized in projects under this title.

"PAYMENTS

"SEC. 622. Payments under this title pursuant to a grant or contract may be made (after necessary adjustments, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions, as the Commissioner may determine.

"MINORITY GROUP PARTICIPATION

"SEC. 623. The Commissioner shall take appropriate steps to insure that special efforts are made to recruit, select, and assign qualified individuals sixty years and older from minority groups to serve as volunteers under this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 624. (a) There are authorized to be appropriated $26,000,000 for the fiscal year 1979, $30,000,000 for the fiscal year 1980, and $34,000,000 for the fiscal year 1981 to carry out the provisions of part A of this title.

"(b) There are authorized to be appropriated $50,000,000 for the fiscal year 1979, $57,500,000 for the fiscal year 1980, and $65,000,000 for the fiscal year 1981 to carry out the provisions of part B of this title.".

NUTRITION PROGRAM

SEC. 6. (a)(1) Section 705(a)(1) is amended by striking out ", unless the Governor of such State shall, with the approval of the Commissioner, designate another agency".

(2) The matter preceding subclause (i) in section 705(a)(2)(B) is amended to read as follows:

"(B) to provide for the proper and efficient administration of the State plan at the least possible administrative cost from funds allotted to a State for State planning and administration pursuant to section 306 of this Act, and in administering the State plan, the State agency shall—".

(b) Section 705(a)(5) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and that, whenever the area agency is dissatisfied that no agreement can be reached under the provisions of this paragraph, the area agency may obtain a review by the State agency designated pursuant to section 305(a)(1) of the arrangements made in lieu of the agreement and an opportunity to comment on that arrangement;".

(c) Section 706(a)(1) is amended by striking out "hot or cold" and inserting in lieu thereof "hot, cold, frozen, dried, canned, or supplemental foods (with a satisfactory storage life)".

(d) Section 707(d)(1) is amended by adding at the end thereof the following new sentence: "Nothing in this paragraph shall be construed to authorize the Secretary of Agriculture to require any State to elect to receive cash payments under this paragraph.".

(e) The first sentence of section 708 is amended by striking out "and" immediately after "1977," and by inserting before the period at the end thereof a comma and the following: "$375,000,000 for the fiscal year ending September 30, 1979, $425,000,000 for the fiscal year ending September 30, 1980, and $475,000,000 for the fiscal year ending September 30, 1981".

GRANTS FOR INDIAN TRIBES

SEC. 7. The Older Americans Act of 1965 is amended by adding after title VII the following new title:

"TITLE VIII—GRANTS FOR INDIAN TRIBES

"STATEMENT OF PURPOSE

"SEC. 801. It is the purpose of this title to promote the delivery of social and nutritional services for Indians that are comparable to services provided under title III and title VII of this Act.

"ELIGIBILITY

"SEC. 802. (a) A tribal organization of an Indian Tribe is eligible for assistance under this title only if—

"(1) the tribal organization represents at least 75 individuals who have attained 60 years of age or older;

"(2) the tribal organization demonstrates the ability to deliver social services, or nutritional services, or both; and

"(3) individuals to be served by the tribal organization will not receive for the year for which application under this title is made services under title III or title VII, or both, as the case may be.

(b) A "tribal organization" for the purposes of this Title is defined as in Sec. 4 of PL 93-638.

"GRANTS AUTHORIZED

"SEC. 803. The Commissioner is authorized to make grants to eligible tribal organizations to pay all of the costs for the delivery of social services and nutritional services for Indians who are age 60 and over.

"APPLICATIONS

"SEC. 804. (a) No grant may be made under this title unless the eligible tribal organization submits an application to the Commissioner which meets such criteria as the Commissioner may by regulation prescribe. Each such application shall—

"(1) provide that the eligible tribal organization will evaluate the need for social and nutritional services among older Indians to be represented by the tribal organization;

"(2) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the program to be assisted;

"(3) provide that the tribal organization will make such reports in such form and containing such information, as the Commissioner may reasonably require, and comply with such requirements as the Commissioner may impose to assure the correctness of such reports;

"(4) provide that the tribal organization or some other nonprofit private organization selected by such tribal organization will conduct periodic evaluation of activities and projects carried out under the application;

"(5) establish objectives consistent with the purposes of this title toward which activities under the application will be directed, identify obstacles to the attainment of such objectives, and indicate how the tribal organization proposes to overcome such obstacles;

"(6) provide for establishing and maintaining information and referral sources to assure that older Indians to be served by the assistance made available under this title will have reasonably convenient access to such sources;

"(7) provide a preference for Indians aged 60 and over for full or parttime staff positions wherever feasible;

"(8) contain assurances that the provisions of sections 305(a)(11)(A)(i) and (iii), 305(a)(11)(B), and 305(a)(11)(C) will be complied with whenever the application contains provisions for the acquisition, alteration, or renovation of facilities to serve as multipurpose senior centers;

"(9) provide assurances that either directly or by way of grant or contract with appropriate entities nutritional services will be delivered to individuals aged 60 or over represented by the tribal organization substantially in compliance with the provisions of section 706; and

"(10) provide satisfactory assurance that fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this title to the tribal organization, including any funds paid by the tribal organization to a recipient of a grant or contract.

"(b) The Commissioner shall approve any application which complies with the provisions or subsection (a) of this section.

"(c) Whenever the Commissioner determines not to approve an application submitted under subsection (a) of this section he shall (1) state his objections in writing to the tribal organization within 60 days after such decision, (2) provide to the extent practicable technical assistance to the tribal organization to overcome his stated objections, and (3) provide the tribal organization with a hearing, under such rules and regulations as he may prescribe.

"ADMINISTRATION

"Sec. 805. (a) The Commissioner is authorized to delegate to the Secretary of the Interior or to the head of the Bureau of Indian Affairs any of his functions under this title.

"(b)(1) In establishing regulations for the purpose of this title the Commissioner shall consult with the Secretary of the Interior.

"(2) The Commissioner shall prepare final regulations for the administration of this title not later than 90 days after the date of enactment of the Older Americans Amendments of 1978.

"SURPLUS EDUCATIONAL FACILITIES

"SEC. 806. (a) Notwithstanding any other provision of law the Secretary of the Interior through the Bureau of Indian Affairs is authorized and directed to make available surplus Indian educational facilities to tribal organizations, and non-profit organizations with tribal approval, for use as multipurpose senior centers. Such centers may be altered so as to provide extended care facilities, community center facilities, nutritional services, child care services, and other social services.

"(b) Each eligible tribal organization desiring to take advantage of such surplus facilities shall apply to the Secretary of the Interior at such time and in such manner and containing or accompanied by such information as the Secretary of the Interior determines to be necessary to carry out the provisions of this section.

"PAYMENTS

"Sec. 807. Payments may be made under this title (after necessary adjustments, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions, as the Commissioner may determine.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 808. (a) Except as provided in subsection (c), there are authorized to be appropriated $5,000,000 for the fiscal year 1979, $6,000,000 for the fiscal year 1980, and $7,000,000 for the fiscal year 1981 to carry out the provisions of this title.

"(b) For any fiscal year in which less than $5,000,000 is appropriated pursuant to subsection (a) of this section tribal organizations are authorized to receive assistance pursuant to the provisions of section 303(b)(3).

"(c) There are authorized to be appropriated $3,000,000 for the fiscal year 1979 and for each of the two succeeding fiscal years to carry out the provisions of section 806."

COMMUNITY SERVICE EMPLOYMENT PROGRAMS

SEC. 8. (a)(1) Section 902(a) is amended by striking out "unemployed low-income persons who are fifty-five years old and who have poor employment prospects" and inserting in lieu thereof "eligible unemployed low-income elderly persons".

(2) Section 902(a) is further amended by inserting "(1)" after "(a)" and by adding at the end thereof the following new paragraph:

"(2) For the purpose of this title an 'eligible unemployed low-income elderly person' means any individual who has attained fifty-five years of age, is unemployed and is a member of a household which has a family income which does not exceed the lower living standard budget, or if the individual is not residing with a family, has an income less than the lower living standard budget, adjusted pursuant to regulations of the Secretary.".

(b)(1) Section 902(b)(1)(J) is amended by inserting "or" before clause (ii) and by striking out the comma and "or" at the end of clause (ii) and by striking out clause (iii) and inserting in lieu thereof a semicolon.

(2) Section 902(b)(1) is amended by striking out "and" at the end of subparagraph (M), by striking out the period at the end of subparagraph (N) and inserting in lieu thereof a comma and "and", and by adding at the end thereof the following new subparagraph:

"(O) will assure that to the extent feasible such project will be subject to a coordination plan developed and administered by the appropriate State agency on aging designated pursuant to section 304(a)(1)."

(c) Section 902 is amended by adding at the end thereof the following new subsection:

"(d) Any agency or organization assisted under this title shall experiment with innovative work modes suited to older workers. The Secretary is authorized and directed to develop alternatives for innovative work modes and to provide technical assistance in creating job opportunities through work sharing and other experimental methods to prime sponsors, labor organizations, groups representing business and industry and workers as well as to individual employers, where appropriate.".

(d) Section 903(b) is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2) The Secretary shall coordinate the program assisted under this title with the program authorized for older workers under part C of title II of the Comprehensive Employment and Training Act of 1973 as amended by the Comprehensive Employment and Training Amendments of 1978.".

(e) Section 908 is amended by striking out "and" after "1977," and by inserting before the period a comma and the following: "$230,000,000 for the fiscal year ending September 30, 1979, $280,000,000 for the fiscal year ending September 30, 1980, and $330,000,000 for the fiscal year ending September 30, 1981".

WHITE HOUSE CONFERENCE ON AGING

SEC. 9. (a) In order to prepare for a White House Conference on Aging, the Commissioner on Aging is authorized and directed to plan and conduct activities in preparation for such a conference in cooperation with the National Planning and Advisory Council established pursuant to subsection (b) of this section, and the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary").

(b)(1) There is established a National Planning and Advisory Council (hereinafter referred to as the "Council") appointed by the Secretary composed of 9 members of whom not less than 5 shall be individuals who have attained 65 years of age.

(2) The Council shall provide guidance and planning for the proposed White House Conference on Aging.

(3) Any member of the Council who is otherwise employed by the Federal government shall serve without compensation in addition to that received in his regular employment.

(4) Members of the Council other than members referred to in paragraph (3), shall receive compensation at a rate not to exceed the daily rate prescribed by GS-18 under section 5332, title 5, United States Code, for each day they are engaged in the performance of their duties (including traveltime); and while so serving away from their homes or regular places of business, they shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703, title 5, United States Code, for persons in the government service employed intermittently.

(5) Each department and agency of the Federal government shall provide such cooperation and assistance to the Council, including the assignment of personnel, as may reasonably be required.

(6) The Council shall cease to exist 120 days after the submission of the final report of the proposed White House Conference on Aging.

(c) In carrying out his responsibilities under this section, the Commissioner shall utilize skill, experience, and energies of individuals who have attained age 60 as well as representatives of Federal, State, and local governments, professional experts and members of the general public recognized by individuals who have attained age 60 as being knowledgeable about the problems of aging.

REPEALERS; SAVINGS PROVISIONS

SEC. 10. (a)(1) Effective September 30, 1978 title II of the Domestic Volunteer Service Act of 1973 is repealed.

(2) No suit, action, or other proceeding lawfully commenced by or against any officer, agency, or bureau or any office of the United States acting in its official capacity, shall abate by reason of the repeal provided for under paragraph (1).

(b) All personnel, property, records, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, which the Director of the Office of Management and Budget determines are used primarily in the administration of title II of the Domestic Volunteer Service Act of 1973 are transferred to the Department of Health, Education, and Welfare for use by the Administration on Aging on September 30, 1978.

(c) Effective September 30, 1978, title v is repealed, except that the Commissioner may complete any project unfinished on that date with funds obligated but unexpended on that date.

Mr. PERCY. Mr. President, I am very pleased to be joining Senators DOMENICI and BROOKE in introducing the Older Americans Amendments Act of 1978. I would particularly like to commend Senator DOMENICI who, as ranking minority member of the Senate Special Committee on Aging, has been in the forefront of our efforts to provide needed services to the elderly.

This bill represents the practical application of knowledge we have gained from numerous hearings conducted by the Aging Committee both in Washington and throughout the country. We found that coordination of the various programs needed to be improved; that paperwork needed to be reduced; that the nutrition programs needed to be expanded, particularly the home-delivered meals program; and that outreach efforts and social services must be improved.

The Older Americans Amendments Act of 1978 addresses all of these needs. It would improve coordination at the State and local levels by consolidating title III (social services) and title V (multipurpose senior centers), and by providing for greater coordination between those two titles and title VII (nutrition programs). It would improve coordination at the Federal level by upgrading the Administration on Aging (AOA), removing it from the jurisdiction of the Office of Human Development Services in the Department of Health, Education, and Welfare (HEW) and making the Commissioner on Aging directly responsible to the Secretary of HEW.

This bill contains two provisions aimed at reducing paperwork. First, it would provide that the State submit a single comprehensive plan to AOA to cover all activities authorized under this act. Presently, States must submit separate plans for the various programs, such as one plan for the nutrition programs and another plan for the senior centers. Furthermore, it would provide for a 3-year funding cycle rather than the present 1-year planning cycle. This would not only reduce paperwork, but also make for more efficient planning at the State and local levels. Second, the bill would establish a review process within AOA which would continually reexamine the nature and frequency of its requests for information from the State and local levels. This should greatly help to reduce the incidence of unnecessary regulations and procedures.

The nutrition programs contained in title VII currently provide nutritious meals in a communal setting to many of our elderly. I was an early proponent of this program and, as a member of the Senate Select Committee on Nutrition and Human Needs, was active in the establishment of this title in 1972. I recognize the positive role that title VII plays in providing meals in a communal setting to the elderly, but there are also more than 3 million elderly persons who are homebound, unable to attend a nutrition center or prepare their own meals. Of these 3 million homebound senior citizens, less than 60,000 presently receive home-delivered meals. The need, therefore, is great to expand this aspect of the nutrition programs. This bill would add an enlarged home-delivered meals program which would provide the meals on a need basis rather than the present system, which allows the States to only use a percentage of their nutrition program funds for home-delivered meals, regardless of the need for this service. The bill also provides that home-delivered meals be made available to handicapped persons and requests additional funds for the home-delivered meals program.

In order to better assist elderly persons in need of services, this bill directs the area agencies on aging to conduct intensive outreach activities aimed at making elderly persons more aware of the services available to them. In addition, the definition of social services would be expanded to include preretirement and second career counseling and health screening. It would also authorize the AOA to create a number of model long-term care centers. These model projects would be charged with assessing an individual's needs; developing a plan of care; arranging for the necessary and appropriate services; maintaining records on the individual; and constantly monitoring and reevaluating each persons individual needs. These model projects should enable us to determine the viability of various long-term care concepts.

Among other things, this bill would expand the community service employment program for older Americans, enabling it to assist more persons. It would also remove the retired senior volunteer program (RSVP) from ACTION and place it in the Administration on Aging, where it could be better coordinated with other senior citizen programs.

Mr. President, I know that our colleagues are greatly concerned with the needs of our senior citizens. I firmly believe that the Older Americans Amendments Act of 1978 represents substantial progress in providing needed services to the elderly in an efficient manner.

OLDER AMERICANS ACT

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to cosponsor the legislation introduced today to extend programs under the Older Americans Act (OAA). First created in 1965, the OAA now plays a major role in the lives of millions of our senior citizens. Through its network of social, nutritional, and employment programs, this legislation has proven to be a primary deliverer of services to this target population group.

ADMINISTRATIONAL CHANGES

Our bill makes several changes to the existing OAA which I think will result in improved services to older Americans. For instance, the bill makes certain changes to tighten up the administration of the programs. The Administration on Aging is taken from the Office of Human Development Services and placed directly under the Secretary of Health, Education, and Welfare.

The National Clearinghouse on Aging will be strengthened to make information more readily accessible to the older consumer. Elimination of the Federal Council on Aging is in line with the President's attempt to dissolve many of the Government's advisory committees. In its years of service, the Federal Council has been a reliable voice advocating the needs of older Americans. I think it is necessary to recognize that since the Council was created, senior citizen lobbying groups have become increasingly sophisticated. They now constitute one of the strongest, best organized, and most effective advocate groups. I think their influence is clearly reflected in the annual budget, where nearly one-third of it is directed toward services for the aged. In view of the strength of their representation, I think the money previously going to the Federal Council can be better used for increased nutrition services.

SOCIAL SERVICES

I am convinced that this bill will strengthen social services to the elderly. Health screening and preretirement and second career counseling are included as new social services, in addition to the establishment of a community long-term care model project. This project would cooperate with existing community health services to provide better health screening and referral services to senior citizens. Because of area agencies on aging being given more outreach responsibilities, there should be even more persons participating in these programs.

VOLUNTEER PROGRAMS

Another important aspect of the bill is that it moves the older Americans volunteer programs from ACTION to the Administration on Aging. Because the bulk of senior citizen programs are contained in the OAA, it seems appropriate to include also these other volunteer programs—specifically the retired seniors volunteer program (RSVP), and the Foster Grandparent and senior companion programs. These programs previously were included in the OAA before being transferred to ACTION, and inclusion as part of the OAA should result in consistent, coordinated services.

NUTRITION PROGRAMS

One of the proposals I feel most strongly about is the title VII nutrition programs. The congregate meal programs have demonstrated the nutritional and social values of providing hot, nutritious meals to senior citizens. For many persons, title VII group meals have become the focal point of their day. As ranking Republican on the Nutrition Subcommittee, I am aware of the tremendous physical benefits that result from a balanced, healthy diet. Maintaining a good diet is in effect practicing preventive medicine, and I wholeheartedly support these nutrition services.

MEALS ON WHEELS

I am also pleased that nutritional services will be extended to homebound elderly and disabled persons. Home-delivered meals would be a positive addition to the OAA. Oftentimes, it is just the assistance needed to keep elderly individuals from entering a nursing or rest home—this simple service promotes independence among the elderly, but it also helps maintain a better health standard, as proper nutrition is a good defense against illness.

I am also pleased that homebound disabled persons will be eligible to participate in the home-delivered meals program. Extension of coverage to this group of persons seems a reasonable provision, for nonelderly and elderly homebound disabled individuals have similar needs, regardless of their age. As legislators, our responsibility is to see that the citizens in our country are offered equitable services based on their needs. By allowing handicapped persons to participate, we are doing just that. I hope that home delivered meals will constitute a large portion of the nutritional assistance provided for under title VII.

INDIANS

Recognition of Indian tribes as a unit eligible for direct funding should broaden services to this target population. By allowing Indian tribes to contract with the Administration on Aging, we are taking an important step to make the OAA more accessible to native Americans. I am pleased this bill addresses this need.

CONCLUSION

In summary, I want to urge my colleagues to give careful consideration to this bill, for it recognizes and resolves many of the weaknesses of the OAA. Older Americans are an important part of our population, and deserve the best services we have to offer. I believe this bill would serve them well.

By Mr. SASSER:

S. 2610. A bill to extend the period of eligibility for a Vietnam-era veterans' readjustment appointment within the Federal Government; to the Committee on Veterans' Affairs.

VIETNAM ERA VETERANS

Mr. SASSER. Mr. President, today, I am introducing a bill to extend the period of eligibility for a Vietnam era veterans' readjustment appointment within the Federal Government. This bill was introduced, at the request of the Chairman of the U.S. Civil Service Commission, by my colleague Senator CRANSTON, the distinguished chairman of the Veterans' Affairs Committee.

I believe S. 2398 addresses a very serious problem in our Nation. It is a problem which is familiar to each and every one of my colleagues for it has plagued so many of our constituents. The problem is unemployment among our Nation's citizens.

My interest in this legislation is twofold. Primarily, as are all of my colleagues, I am interested in reducing unemployment. Secondarily, as the chairman of the Governmental Affairs Subcommittee on Civil Service and General Services, I believe that providing increased employment opportunities should be a main priority of the Federal Government and the Civil Service Commission. Since this legislation answers both of these concerns, I wholeheartedly endorse it.

In fact, it is especially disturbing to me that Vietnam veterans continue to bear a disproportionate share of the unemployment that exists in our Nation. At last estimate more than 558,000 Vietnam-era veterans were currently unemployed, despite the recent efforts of the Federal Government. Prevalent among this group are the young between the ages of 20 and 24, particularly those who are disabled or black.

This legislation will help to reduce this number by amending section 2014(b) of title 38, United States Code, to increase employment opportunities for Vietnam-era veterans by extending the period of eligibility for a veterans' readjustment appointment (VRA) within the Federal Government. The veterans' readjustment appointment program was first instituted as Executive Order No. 11521, which became effective on April 9, 1970. The program was designed to assist educationally disadvantaged Vietnam veterans in finding employment with the Federal Government by permitting qualified candidates to enter civil service noncompetitively at positions up to GS–5. After 2 years of successful performance in such a position, the employee is eligible to convert to career or career-conditional status.

The trial program was widely supported by Congress and it led to the passage of Public Law 93–508, the Veterans' Readjustment Appointment Act of 1974. Since it's enactment on December 3, 1974, executive agencies have placed over 100,000 veterans, averaging 3.5 percent of all new hires in the Federal Government. In fact, in fiscal year 1976, the Federal Government supplied approximately 88,000 Vietnam era and disabled veterans.

Despite the success rate, the number of appointments has recently fallen off because the eligibility period for appointments has been limited to the first year following military separation (or release from hospitalization immediately following military separation). The 1-year eligibility period was adopted mainly because it was felt that the vast majority of the veterans would have achieved re-

adjustment through employment within that period.

We now realize that 1 year was not long enough for many veterans, particulary due to the tight employment situation in the country when they were discharged. Since many of the otherwise eligible veterans have been separated from the military for more than 1 year, it has become increasingly difficult for Federal agencies to grant veterans' readjustment appointments. However, according to Veterans' Administration and Department of Defense statistics, more than 75 percent of the enlisted men separated during the last 6 fiscal years meet the two basic requirements for VRA appointments. In addition to the 1-year eligibility requirement, the veteran must have no more than 14 years of education.

The basic effect of the legislation is to extend the period of eligibility to September 30, 1980, in order to permit all veterans who served during the Vietnam era who were eligible on April 9, 1970, (the effective date of Executive Order No. 11521), or who were discharged on, or since, that date and meet the basic requirement, to have their eligibility restored.

In my opinion, this legislation will give many Vietnam veterans a badly needed and deserving second chance to find employment. We in the Senate and in the Nation must renew our commitments to those individuals who have made sacrifices for our country. Speedy enactment of this legislation will only achieve a small step toward elimination of our unemployment problems, but I believe that both the veterans who are hired and the government agency which hires them will benefit from this legislation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2014(b) of title 38, United States Code, is amended by striking out the language after "Executive Order Numbered 11521" and inserting in place thereof the following:

"(March 26, 1970). Notwithstanding any limitations with respect to the period of eligibility as prescribed in Executive Order Numbered 11521, a veteran of the Vietnam era who was eligible for appointment under that Executive Order on its effective date, April 9, 1970, or a veteran of the Vietnam era who was separated on or after that date, may be appointed at any time. No veterans readjustment appointment may be made under authority of this subsection after September 30, 1980."

ADDITIONAL COSPONSORS

S. 1967

At the request of Mr. ROBERT C. BYRD, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1967, a bill to amend the Social Security Act to require that States having agreements entered into under section 218 will continue to make social security payments and reports on a calendar-quarter basis.

S. 2142

At the request of Mr. PACKWOOD, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 2142, the Tuition Credit Act.

S. 2287

At the request of Mr. BURDICK, the Senator from New York (Mr. JAVITS) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 2287, a bill to provide Federal assistance to medical schools to assist them in the establishment and operation of educational programs in geriatrics.

S. 2391

At the request of Mr. HUDDLESTON, the Senator from Kentucky (Mr. FORD) and the Senator from Minnesota (Mrs. HUMPHREY) were added as cosponsors of S. 2391, a bill to extend the Commodity Exchange Act.

S. 2426

At the request of Mr. BURDICK, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 2426, a bill to provide price and income protection to farmers.

S. 2462

At the request of Mr. DOLE, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 2462, a bill to amend the Internal Revenue Code of 1954, to permit a limited individual retirement deduction to individuals who are participants in retirement plans.

SENATE JOINT RESOLUTION 49

At the request of Mr. ROTH, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 49, proposing an amendment to the Constitution.

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. GLENN, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of Senate Concurrent Resolution 66, a resolution relating to disapproval of import relief to domestic producers of nuts, bolts, and large screws.

SENATE RESOLUTION 407—ORIGINAL RESOLUTION REPORTED RELATING TO A STRONG AND INDEPENDENT DEPARTMENT OF AGRICULTURE

Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution, which was placed on the calendar:

S. RES. 407

Whereas a strong and vigorous agriculture is essential to the welfare of the Nation and the production by farmers of an abundance of food and fiber at reasonable prices;

Whereas the Nation's farmers are experiencing an economic crisis of unprecedented magnitude—they are being crushed by overwhelming debt, the cost of producing food and fiber is outstripping the prices many farmers receive for their products, and they have been devastated by drought, floods, and other natural disasters;

Whereas the protection and conservation of the Nation's soil and water is essential to the production of food and fiber;

Whereas the Department of Agriculture performs a number of vital functions and services for the Nation's farmers and consumers, including programs that provide price and income protection for farmers, conserve and enhance the renewable resources on National Forest and private lands, protect the safety and wholesomeness of the Nation's food supply, and enhance the nutritional well-being of all Americans through research, education, and food distribution; and

Whereas farmers and consumers rely upon a strong and independent Department of Agriculture: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate that in any governmental reorganization, the Department of Agriculture should not be changed in any way that would diminish its ability to perform any of its vital functions.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and the Secretary of Agriculture.

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENT NO. 1709

(Ordered to be printed and to lie on the table.)

Mr. DURKIN submitted an amendment intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

Mr. DURKIN. Mr. President, today I am submitting an amendment to the Labor Law Reform Act of 1978, which will benefit small businesses in New Hampshire and across the Nation by exempting many small businesses from the National Labor Relations Act (NLRA). In addition, my amendment will require the Department of Labor to develop a much less drastic formula for determining backpay awards by employers of fewer than 1,000 employees when they are found to be in violation of the NLRA.

Over the years thousands of small businesses throughout the Nation have been exempted from the National Labor Relations Act by decisions of the Board, which has discretion under the NLRA to decline jurisdiction over businesses it determines do not have a substantial impact on interstate commerce. For example, a retail enterprise with a total annual business of $500,000 is exempt from the act. Two-thirds of existing retail firms fall under this exemption.

These decisions have been made by the Board over the past 42 years on a case-by-case basis, and today it is time to codify these decisions.

Because the Board rules have been determined on a case-by-case basis, many are subject to change in the same manner, and these changes would not even be printed in the Federal Register. Thus, even if a businessman was fortunate enough to know his exact status under the NLRA, he could not be certain, without time-consuming monitoring on his part or costly advice on the part of counsel, that these rules, and thus his status, had not changed.

My amendment will bring certainty to this chaotic system and it will insure that small businesses in New Hampshire

and elsewhere have an easy and inexpensive way of determining whether or not they are covered by the National Labor Relations Act. It will clearly exempt many small businesses from the act in New Hampshire and the United States.

This is particularly important because most small businesses do not even know whether or not they are exempted from the NLRA because they can ill afford to hire an attorney to research the Board's case law to learn the appropriate dollar volumes which determine exemptions for their type of business. Thus, if they are faced with an organizing effort, they do not know where to begin, and in many cases are hard pressed to find a lawyer schooled in the intricacies and nuances of NLRB case law to advise them.

My amendment will insure that small businesses in New Hampshire and across the country which do not substantially affect interstate commerce and which do not have the resources to cope with the Federal bureaucracy will not only be exempt from the act, but will not be forced to hire counsel to extensively research 42 years of individual case decisions.

Mr. President, I also want to note some additional important points about my amendment. My amendment would not prevent the Board from determining that other businesses with higher dollar volumes do not substantially affect interstate commerce and thus are also exempt from the National Labor Relations Act. My amendment provides limits beyond which the NLRB could not reach businesses, but it does not limit the Board from exempting additional small businesses from the NLRA.

Also, my amendment allows individual States, and not the Federal Government, to determine what rules, if any, should affect labor disputes involving small businesses, that are exempted from the NLRA by this amendment. The State is the level of government which should determine rules for business which do not have a substantial impact on interstate commerce. This is an area where there is no Federal reason to intervene. This is an area where the individual States, which are closest to the problems and concerns of labor disputes not affecting interstate commerce, are best equipped to make whatever decisions are necessary.

The second provision of my amendment makes the proposed labor reform bill fair to small businesses by changing the formula under which employers are required to compensate employees with the back pay awards, when the employer refuses to enter into the first contract. The formula in the proposed legislation is based on a Bureau of Labor Statistics wage survey of bargaining settlements of employees units of 5,000 or more. This formula is unfair for small business, because wages are often lower in small business than in larger corporations. My amendment will require the Department of Labor to develop a new formula for employers with 1,000 or fewer employees, in order to bring the make-whole formula into line with wages paid in small businesses. This mechanism will prevent small businesses from being subjected to penalties which are too harsh and unfair for businesses of their size.

Mr. President, this amendment is consistent with the purposes of the labor law reform bill and it is fair to all concerned. It clarifies who is covered by the act, it simplifies the law, and it makes it easier and less costly for businessmen and businesswomen to determine their responsibilities under the law. My amendment provides much-needed relief to our Nation's small businesses without sacrificing any other interests involved. For these reasons, I urge its adoption by my colleagues.

I ask unanimous consent that the amendment and the section-by-section analysis of my amendment be printed in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1709

On page 16, line 14 insert before the period a colon and the following: *"Provided, however,* That the Bureau of Labor Statistics average wage and benefits settlements, quarterly report of major collective-bargaining settlements shall not be used to determine the changes in wage and other benefits for employees of those employers with fewer than one thousand employees. The Secretary of Labor is hereby directed to institute regular issuance of a statistical compilation of bargaining settlements of employers with fewer than one thousand employees which shall be used in place of the report in subsection (3)(A)(1)(i) in determining awards for such employees.".

The Labor Law Reform Act of 1978 is further amended by adding the following new sections:

"SEC. 15. Section 14(c)(1) of the National Labor Relations Act is amended by inserting before the period a colon and the following:

"Provided further, That the Board shall not assert jurisdiction over any labor dispute involving—

"'(A) a nonretail enterprise unless the enterprise has direct or indirect outflow or inflow of at least $50,000 a year;

"'(B) a retail enterprise unless the enterprise has a total annual volume of business of at least $500,000;

"'(C) a public utility unless the utility has a total annual volume of business of at least $250,000, or direct or indirect outflow or inflow of at least $50,000;

"'(D) a newspaper unless the newspaper has a total annual volume of business of at least $200,000;

"'(E) a radio, telegraph, television, or telephone enterprise unless the enterprise has a total annual volume of business of at least $100,000;

"'(F) a hotel, motel, or residential apartment house unless the hotel, motel, or apartment house has a total annual volume of business of at least $500,000;

"'(G) a nursing home or visiting nurses association unless the nursing home or visiting nurses association has a total annual volume of business of at least $100,000, or any other health care institution unless the health care institution has a total annual volume of business of at least $250,000;

"'(H) a private university or college unless the university or college has gross annual revenues from all sources (excluding contributions not available for operating expenses because of limitations imposed by the grantor) of at least $1,000,000;

"'(I) a symphony orchestra unless the orchestra has gross annual revenues from all sources (excluding contributions not available for operating expenses because of limitations imposed by the grantor) of at least $1,000,000;

"'(J) a transit system unless the transit system has a total annual volume of business of at least $250,000;

"'(K) a taxicab company unless the taxicab company has a total annual volume of at least $500,000;

"'(L) any other transportation enterprises, links, or channels of interstate commerce unless the enterprise:

"'(i) furnishes interstate passenger and freight transportation services resulting in a total annual income of at least $50,000, and

"'(ii) provides services valued at $50,000 or more to businesses which meet the standards in section (c)(1) (except that nonretail businesses with indirect inflows and outflows of less than $50,000 which meet the other requirements of (c)(1)(A) will be considered to have met the requirements of (c)(1)(A) for the purposes of this subsection); and,

"'(M) an office building or shopping center unless the building or shopping center has a total annual revenue of $100,000 of which $25,000 is derived from organizations which do not meet the requirements of section (c)(1) (except that nonretail businesses with indirect inflows and outflows of less than $50,000 which meet the other requirements of (c)(1)(A) will be considered to have met the requirements of (c)(1)(A) for the purposes of this subsection); and'.

"Section 14(c) is further amended by inserting after section (c)(1) the following new sections (2) and (3) and by renumbering the following sections accordingly:

"'(2) The annual volume of business of all association members is totalled to determine the total annual volume of business of an association for purposes of section (c)(1).

"'(3) Notwithstanding section (c)(1), the Board may assert jurisdiction over enterprises affecting commerce when their operations have a substantial impact on national defense.

"'(4) Notwithstanding section (c)(1), the Board shall assert jurisdiction over all businesses in the District of Columbia.'

"SEC. 16. Section 2 of the National Labor Relations Act is amended by inserting after section (14) the following new subsections:

" '(15) The term "inflow" means direct purchases of goods from suppliers in other States, or indirect purchases through others.

"'(16) The term "outflow" means direct sales of goods to consumers in other States, or indirect sales through others.

" '(17) The term "enterprises" means the related activities performed (either through unified operation or common control) by any person or persons for a common business purpose, and includes all such activities whether performed in one or more establishments or performed by one or more corporate or other organizational units including departments of an establishment operated through leasing arrangements, but shall not include the related activities performed for such an enterprse by an indepedent contractor.' ".

SECTION-BY-SECTION ANALYSIS

MAKE WHOLE REMEDIES

In cases where the employer unlawfully refuses to bargain and enter into the first contract after a union election is held, the bill requires the employer to compensate the employees. The measure of the damages to be paid to employees is determined by the BLS survey of collective-bargaining settlements with 5,000 or more employees. This amendment will require the Secretary of Labor to use a different factor to determine the difference in wages and benefits earned and lost because of the employers' refusal to bargain for firms which employ fewer than 1,000 employees.

SMALL BUSINESS EXEMPTIONS

1. Nonretail Businesses—The Board may not assert jurisdiction over any labor dispute involving nonretail enterprises which have an outflow or inflow across State lines of less than $50,000, whether the outflow or inflow is direct or indirect. Direct outflow refers to goods shipped or services furnished by the employer outside the State. Indirect outflow refers to sales of goods or services to users meeting any of the jurisdictional exemption standards in this section except the indirect outflow or indirect inflow standard. Direct inflow refers to goods or services furnished directly to the employer from outside the State in which the employer is located. Indirect inflow refers to the purchases of goods or services which originated outside the employer's State but which he purchased from a seller, within the State, who received such goods or services from outside the State.

2. Retail Enterprises—The board may not assert jurisdiction over any retail business which has total annual revenues of under $500,000. The Standard will apply to the total operations of an enterprise whether it consists of one or more establishments or locations, and whether it operates in one or more states.

3. Public Utilities—The Board may not assert jurisdiction over any public utility which has gross annual revenues of under $250,000, or which has an outflow or inflow of goods, materials or services, whether directly or indirectly across state lines, of $50,000 per year. This standard will also apply to privately owned public utilities whose business activities are carried on wholly within a single state.

4. Newspapers—The Board will not assert jurisdiction over labor disputes involving newspaper companies which hold membership in or subscribe to interstate news services, or publish nationally syndicated features, or advertise nationally sold products, if the gross annual revenues of the particular enterprise involved amounts to less than $200,000.

5. Radio, Telegraph, Television or Telephone Enterprises—The Board may not assert jurisdiction over any labor dispute involving enterprises engaged in the operation of radio or television broadcasting stations or telephone or telegraph systems which have gross revenues of less than $100,000 per year. In determining revenues such transactions as the sale of time for commercial advertising, the sale of talent, and the furnishing of material or services to advertisers shall be considered.

6. Hotel, Motel and Residential Apartment Enterprises—The Board may not assert jurisdiction over hotel, motel and apartment house enterprises unless the business receives gross revenues of at least $500,000 per year.

7. Nursing Homes or Visiting Nurses Associations—The Board may not assert jurisdiction over any hospital, convalescent hospital, health maintenance organization, or health clinic unless the hospital or other health care institution has total annual revenues of at least $250,000. The Board may also not assert jurisdiction over labor disputes involving nursing homes or visiting nurses associations unless the home or association has annual gross revenues of at least $100,000.

8. Private Universities and Colleges and Symphony Orchestras.—The Board will not assert jurisdiction over labor disputes involving private universities, colleges or symphony orchestras unless the school or orchestra has at least $1 million in gross annual revenues from all sources (excluding contributions not available for operation expenses because of limitations imposed by the grantor).

9. Transit System—The Board will not assert jurisdiction over any transit systems which receive less than $250,000 per year in gross revenues. This applies regardless of whether the transit system only operates intrastate.

10. Taxicab Companies—The Board may not assert jurisdiction over labor disputes involving taxicab companies which receive gross revenues of less than $500,000 per year.

11. Other Transportation Enterprises, Links or Channels of Interstate Commerce—The Board may not assert jurisdiction over any passenger or freight transportation enterprises engaged in the furnishing of interstate transportation, or over any other enterprises which function as essential links in the transportation of passengers or commodities in interstate commerce (such as a local freight hauler), which derive less than $50,000 in gross revenues per year from such operation, or which perform services valued at less than $50,000 per year for enterprises over which the Board would assert jurisdiction under any of the jurisdictional standards listed in this amendment.

12. Office Buildings and Shopping Centers—The Board may only assert jurisdiction over labor disputes involving enterprises engaged in the management and operation, (whether as owners, lessors, or contract managers) or office buildings or shopping centers, if the gross revenues derived from the building or center amounts to $100,000 of which $25,000 is derived from organizations whose operations meet any of the other jurisdictional standards stated in this amendment exclusive of the indirect outflow and inflow standards established for nonretail enterprises.

EXCEPTIONS TO THE JURISDICTIONAL STANDARDS

1. Associations are regarded as a single employer for purposes of determining annual gross revenues in that the annual business of all association members is totaled to determine whether any of the standards apply.

2. The Board may assert jurisdiction over all enterprises affecting commerce when their operations have a substantial impact on national defense, regardless of whether or not the enterprises satisfy any other standard.

3. The Board shall assert jurisdiction over all businesses in the District of Columbia.

PANAMA CANAL TREATIES—EX. N, 95–1

AMENDMENT NO. 45

(Ordered to be printed.)

Mr. ALLEN (for himself, Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, and Mr. GARN) proposed an amendment to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENTS NOS. 46 THROUGH 54

(Ordered to be printed and to lie on the table.)

(Mr. ALLEN (for himself, Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, and Mr. GARN) submitted nine amendments intended to be proposed by them, jointly, to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 55

(Ordered to be printed and to lie on the table.

Mr. CANNON submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

UNDERSTANDING SUBMITTED FOR PRINTING

UNDERSTANDING NO. 6

(Ordered to be printed and to lie on the table.)

Mr. HEINZ (for himself, Mr. BELLMON, Mr. HAYAKAWA, Mr. DANFORTH, Mr. SCHWEIKER, and Mr. PERCY) submitted an understanding intended to be proposed by them, jointly, to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

NOTICES OF HEARINGS

PRIVATE PENSION SUBCOMMITTEE

Mr. BENTSEN. Mr. President, the Private Pension Subcommittee of the Senate Finance Committee will hold hearings on March 7 and March 8 on the investments of the New York City pension funds. I ask unanimous consent to insert in the RECORD the Finance Committee press release announcing these hearings.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

FINANCE SUBCOMMITTEE ON PRIVATE PENSION PLANS AND EMPLOYEE FRINGE BENEFITS SETS OVERSIGHT HEARINGS ON INVESTMENT OF THE NEW YORK CITY PENSION FUNDS

Senator Lloyd Bentsen (D.-Tex.), Chairman of the Subcommittee on Private Pension Plans and Employee Fringe Benefits of the Senate Committee on Finance, announced today that the Subcommittee will hold oversight hearings on March 7 and 8, 1978 on the investment of the New York City pension funds.

The hearings will be held in Room 2221 Dirksen Senate Office Building and will begin at 10:00 A.M. on both days.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Office Building, Washington, D.C. 20510 by no later than the close of business on March 1, 1978.

Legislative Reorganization Act.—Senator Bentsen stated that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Witnesses scheduled to testify should comply with the following rules:

(1) A copy of the statement must be filed by noon the day before the day the witness is scheduled to testify.

(2) All witnesses must include with their written statement a summary of the principal points included in the statement.

(3) The written statements must be typed on letter-size paper (not legal size) and at least 75 copies must be submitted by the close of business the day before the witness is scheduled to testify.

(4) Witnesses are not to read their written statements to the Committee, but are to confine their fifteen minute oral presentations to a summary of the points included in the statement.

(5) Not more than 15 minutes will be allowed for oral presentation.

Written Testimony. — Senator Bentsen stated that the Subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies by March 31, 1978, to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

U.S. SPACE POLICY

Mr. FORD. Mr. President, the January 1978 issue of Aeronautics and Astronautics, a journal of the American Institute of Aeronautics and Astronautics, carries an article by the Senator from Illinois, ADLAI E. STEVENSON, chairman of the Subcommittee on Science, Technology, and Space of the Senate Committee on Commerce, Science and Transportation. In his usually perceptive way, the Senator from Illinois has indicated the direction U.S. space policy should take for the next decade. He says:

The use of the environment of space in sensible and productive ways will be the principal policy issue facing NASA and the Congress in the third decade of the space era.

I could not agree more.

He encourages the private sector—business, universities, research institutions, and individuals—to be aggressive and ingenious in pursuing the opportunities of the space environment. He expects a continuing increase in international cooperative projects on a quid pro quo basis. He points out that there has been a firm foundation for future space activities; that human beings have a role to play in space, both to search for new knowledge and to exploit the benefits of space for the benefit of mankind, noting that though the outcome cannot be predicted with certainty, history is on our side.

The Senator from Illinois does not propose any new grandiose projects but encourages the step-by-step development of our space capability such as adding power and habitability modules to the shuttle. That I believe is a solid direction to take and a step in the direction of learning about building large structures in space and men living and working there.

Mr. President, so that all Senators will have the opportunity to read this important article by Senator STEVENSON, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FUTURE DIRECTIONS IN SPACE

(By ADLAI E. STEVENSON)

The launch of Sputnik I by the Soviet Union on October 4, 1957, introduced the world to space. This first satellite was followed by Sputnik I on November 3, 1957, demonstrating that a conscious effort was underway to understand, explore, and exploit the space environment. While the United States was not the first nation in space, its first successful satellite, Explorer I, launched on January 31, 1958, was responsible for the first satellite scientific discovery—the Van Allen radiation belt.

These events led to enactment of the National Aeronautics and Space Act of 1958. It established purposes and policies for a national space program and created the National Aeronautics and Space Administration (NASA) as the implementing agency. It is useful to reflect on the major objectives set forth in the Act in terms of our accomplishments over the past two decades and our directions for the future. These objectives include expanding our knowledge of atmosphere and space; development and operation of vehicles able to carry instruments, equipment, supplies and living organisms through space; keeping the United States a leader in aeronautical and space science and technology, and in their peaceful application within and outside the atmosphere; and cooperation by the United States and other nations and groups of nations in space.

The record of the past two decades reflects the development and demonstration of ability to live and work in space through the Mercury, Gemini, Apollo and Skylab programs; expansion of scientific knowledge through the space-science programs in physics, astronomy, and planetary exploration; development of weather, communications, and Earth-resource satellites demonstrating the usefulness of space technology; establishment of a broad program of international cooperation in space activities, through agreements with some 60 nations; and preserving U.S. leadership in space activities.

Achievements such as the Apollo and Viking landings, an operational weather-satellite system, and the favorable competitive position enjoyed by our launch systems and spacecraft technology in the world marketplace give striking evidence that NASA and the nation have done a commendable job in carrying out the space policy established by the Congress in 1958.

The expression "environment of space" characterizes a new dimension that will soon be within reach of many people through the capabilities of the Space Shuttle. It is a gravity-free dimension that presents productive initiatives without the constraints of the Earth-bound environment. We have sound evidence of the possibilities in communications, weather, and Earth-resource satellites; results from Apollo, Skylab, and other space experiments indicate only some of the future potential. However, the full use of this space environment will require greater understanding of its characteristics and its impact on our planet. This implies continuing scientific exploration to expand our knowledge and apply it to space-based activities and to phenomena such as climate that affect the viability of life on Earth.

More specifically, in contemplating future directions of the national space program, we must recognize that the development of the Space Shuttle, at great cost, carries with it an obligation to achieve the greatest possible return on this investment. The Shuttle will give the United States, foreign governments and commercial users economical and flexible space transportation in comparison to the current family of expendable launch vehicles. When it becomes operational in the early 1980s, the Shuttle will make launching satellites and spacecraft even more routine than now. It will make retrieval and repair of satellites in orbit practical. Through Spacelab—under development by the European Space Agency (ESA)—it will introduce a new approach to space experimentation and operations. It will surprise us; important uses of the Shuttle probably have not yet been conceived.

The use of the environment of space in sensible and productive ways will be the principal policy issue facing NASA and the Congress in the third decade of the space era.

Such factors underlie the decision of the Congress this year to support the acquisition of a national fleet of five Shuttle Orbiters. This commitment places a high priority on sound planning and direction for Shuttle applications. Our immediate objective has to be getting the Shuttle operational; then our full development powers can be turned on using its capabilities fully. This does not mean developing payloads simply to fill the Shuttle's payload bay. It does mean planning carefully how we can most productively expand and exploit the substantive base in space science and applications that has been developed in the last two decades. In addition, the United States should be prepared to exploit fully the commercial and industrial potential of space, which has only been superficially tested in Skylab experiments. While I believe it is proper and necessary for NASA to continue to direct the Shuttle utilization effort, I would expect the private sector—the business community, universities, research institutions, and even individuals—to be aggressive and ingenious in pursuing opportunities in the space environment.

In similar fashion, we must take full advantage of the Shuttle's ability to move to and from orbit routinely and rapidly, as well as its new on-orbit capabilities. No longer will we have to spend years to develop, launch and test a new instrument. The engineer and scientist can take experimental equipment on the Shuttle, conduct an experiment, make adjustments as necessary, and greatly reduce the time and expense involved in the establishment of an operational system. This presents a challenge to our technical people to proceed expeditiously to convert from expendable-launch-vehicle design and engineering concepts to those that fully use the Shuttle's capabilities in the space environment. It also should make space utilization more attractive to the commercial/industrial community.

We should also continue to pursue space-science initiatives. It may be vitally important in the years ahead for us to understand fully the space environment of Earth, not only from the standpoint of exterior impacts on our own planet but also for the effect of our own activities on that environment. This is the principal goal of our physics, astronomy, lunar, and planetary projects. Testimony before the Senate has repeatedly stressed the unique opportunities for using the planets as laboratories to acquire knowledge which then can be applied to Earth. Because of the somewhat esoteric nature of these activities and their application to the general welfare, I believe we will see space-science initiatives remain essentially a governmental activity. Further, as the benefits of international cooperation become more complex and more system-oriented, I expect a continuing increase in multinational projects.

In particular, I anticipate great interest in expanding cooperative programs with other nations in the communications, weather, Earth-resource, basic-research and Spacelab areas. Although we may encounter occasional difficulties due to national interests, the record to date shows that significant contributions to world peace and economic development have been and are continuing to be made through international space activities. The fundamentals of science and technology are identical to all nations and all peoples. This fact provides a common base for progress. In pursuing international space objectives, I expect NASA to continue its policy of conducting these activities on a reimbursable or a quid-pro-quo basis.

Our total efforts to date have produced sizeable accomplishments, contributed significantly to our national research and technology base, and created a firm foundation for future space activities. These activities will continue because human beings have a role to play in space—to search for new knowledge, and to exploit the benefits of

space for the protection and improvement of the human condition. While no one can predict with certainty what this knowledge or these benefits will be, or when they will be derived, our history strongly suggests their likelihood. I accept this view and look forward to the developments of the next several decades.

This approach eschews grandiose projects, such as Apollo, with rigid deadlines and large-scale funding. Instead, it calls for imaginative and step-by-step application of the knowledge acquired through all phases of Shuttle operations. For example, adding power-assist and habitability modules to the Shuttle is a logical step toward longer missions and the exciting prospect of space industrialization. A capability for manned travel beyond low Earth orbit through some form of space tug represents a reasonable goal for the later years of the next decade.

In other words, we cannot stand still in developing our ability to use the space environment, but we must proceed in a realistic way which takes into account the full range of demands on a limited Federal budget. In this regard, our future success will depend, in part, on the level of commercial/industrial and foreign investment. We should actively seek new partnerships in space which involve the private sector and the international community. The results of this pragmatic evolutionary strategy should be as rewarding as our Apollo effort.

SENATOR HUMPHREY SPEAKS TO RURAL AMERICAN WOMEN

Mr. ANDERSON. Mr. President, last week my Minnesota colleague and dear friend, MURIEL HUMPHREY, delivered her first formal remarks as U.S. Senator to the National Rural American Women Leadership Conference. These excellent comments reflect the sensitivity and responsiveness which have always characterized her public life, and I ask unanimous consent that her remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR MURIEL HUMPHREY

Thank you for this opportunity to deliver my first formal remarks since accepting the challenge of public office. I consider this an important and appropriate forum.

One of the reasons that I agreed to accept my husband's seat in the United States Senate was because I am convinced that women should be willing to accept an equal responsibility to participate in public policy-making that directly affects the conditions of their lives.

As a publicly conscious woman, I am sensitive to the issues that concern many women. I feel obliged and privileged to use the opportunity for direct public service that has been granted me to help, wherever I can, to voice the concerns I share with other women and to advance our common goals for ourselves, our families, and our country.

This forum is especially exciting and educational for me. Each of you has learned the value of direct participation, and the need to define and express the interests and concerns of rural women that for many years have been seriously under-represented and frequently ignored.

I know that the documents which result from this conference will give Americans in general, and national, state, and local policy-makers in particular, a more precise knowledge of where public policy and private custom have neglected or even worked to the detriment of rural women. I am confident it will produce an invaluable agenda for action.

I accepted your invitation in the belief that this conference needs both those who have an expert grasp of facts, and those like myself who can help to translate these facts in terms of individual lives and careers.

Essentially, I am here because I am one with you. I spent my youth in a small rural town, and I still call a small town my home.

I share with many rural women a strong feeling for family ties, for continuity, tradition, and independence; and a deep respect for the bounty and beauty of our land.

Yet the voices of rural women have been too scattered to create a clear and urgnt image of who they are and what they want. If those concerns can be well and forcefully articulated, the disadvantages of rural life can be corrected, without abandoning its unique values, satisfactions, and contributions.

One-third of all Americans live in rural areas, and that number includes 34 million women. In addition to the women who live and work on farms, rural women live in towns and villages and even suburbs of the great cities. They work not only in farm-related enterprises, but also in business and industry. Some work as migrant and household laborers. But we are represented in virtually every occupation.

In the past, concern with rural development policy has been inclined to assume that there were no problems, needs, and conditions unique to rural women. But effective spokeswomen, and a growing body of evidence, have challanged that assumption.

Certainly, many concerns are shared by all rural dwellers, regardless of age, sex, race, occupation, and income.

My husband worked very hard for rural development. He wanted to preserve and protect a way of life that makes an enormous contribution not only to this nation's prosperity, but also to its spirit. He believed the rural resident should have an opportunity to earn a decent living, and to enjoy a fair share of the transportation, communication, educational, health, and cultural advantages accessible to urban populations.

Because rural areas have faced special barriers to prompt and high quality health care, he worked to increase the personnel and facilities serving the countryside, and to support innovations in the delivery of services to remote areas. He was, for example, the author of the WIC program to protect the health of women, infants and children through sound nutrition.

A great many very useful programs have been developed by the federal government to improve the quality of rural life, and I want to carry on Hubert's strong support for this effort. But I believe I also can make a personal contribution if I can help to highlight the specific needs, and the historic and potential contribution, of rural women.

The wellbeing of rural women is clearly dependent on a rural economy healthy enough to provide security and opportunity for families and individuals. That means a decent return on investment and labor. It means available credit. It means social, political and economic opportunity. It means modern and responsive public health programs and facilities—and much more.

Despite the achievement of a major landmark in public policy, with the enactment by Congress of the Rural Development Act of 1972, the fact remains that the full benefits of this legislation have not been felt by rural Americans. For several years, there was a basic philosophical difference between the executive branch and Congress as to how rural development should be accomplished. And, despite the mandate of this law to achieve a coordinated, comprehensive approach to rural development, too many federal programs remain scattered and isolated, sometimes even working at cross purposes.

But beyond this conceptual and organizational barrier to be overcome, there are urgent, specific problems of rural America that demand action now.

Rural unemployment is extensive. But even more important, it reflects a high degree of hopelessness. Far more than in urban areas, rural unemployed persons have simply stopped looking for a job. They are frustrated by the combined disincentives of limited job opportunities and low wages.

What clearly is needed is a major national effort to stimulate the economy of rural America. We must establish a new method of financing this effort—providing additional lines of credit to small banks, and helping rural communities finance the construction of necessary public facilities to attract business and industry.

By attacking this central problem of economic stagnation in rural America, we can provide a broader range of job opportunities offering higher wages.

Second, the condition of too much of our housing in rural areas remains the shame of the Nation. It is clear that there must be a reorientation of priorities in federal programs intended to address this problem—such as the programs administered by the Farmers Home Administration. For too long, the needs of the poorest rural Americans have been ignored. At the same time, a new approach must be taken to provide rural families access to low-cost financing for home repairs and improvements, as well as for the purchase of critically needed new housing.

Another key requirement for bringing a sense of hope and promise to rural America is to substantially improve the quality of educational opportunities for its children and youth. The sad fact is that only four years ago, eight percent of rural adults were functionally illiterate, having less than five years of schooling. And we know that, overall, expenditures per pupil in rural areas fall seriously short of the investment per school child in metropolitan America.

We know that there is much more that can and must be done if families in the farms and communities of the countryside are to share in the promise and opportunity of America.

Rural transportation networks must be substantially upgraded.

Rural health care services must be made far more accessible, and at the lowest possible cost, to isolated individuals and families.

Water and waste treatment facilities, fire prevention, law enforcement—all the services which urban America expects to receive, too often are seriously inadequate or simply non-existent in our rural areas.

And it is precisely for all these reasons that rural American women should be presenting an agenda for action to their elected officials at all levels of government. For they have a vital stake in seeing to it that the commitment made by Congress in 1970 to a sound balance between rural and urban America, is at long last carried through.

The farm woman traditionally has been a vigorous and essential partner in the planning, hard work and business skills that sustain the independent family farm. She has shared the loneliness of snowed-in winters in the North, the sun-scorched field work in the South, the heartbreaking reverses of drought, freeze, or flood. Historically, she has

pitched in with both light and heavy tasks, as they needed doing.

It is ironic and unfortunate that she should be shortchanged in the policies aimed at improving rural life.

From my own experience, and from the data I've seen, I am aware that discrimination in our policies and programs—whether that discrimination is intended or simply, and clearly, an end result—does limit educational and income opportunities for women.

We know that the poverty too prevalent in rural America weighs most unfairly on households supported by women. Forty percent of rural families dependent on a female breadwinner are poor, and that percentage rises to a shocking 68 percent where the head of household is a black female.

We need to eliminate the discrimination that has locked rural women in low wage, low skill, low status jobs, whether it stems from lack of opportunity or from outdated social attitudes that throw up additional barriers to the aspirations and achievement of rural women.

The problem goes beyond the failure to enforce the laws that require fair treatment. Many of the laws themselves do not adequately recognize the rights of women, including homemakers. Homemaking wives who become disabled are not entitled to social security benefits. The inheritance tax structure imposes special burdens on a surviving female spouse. Implicit in many laws is a devaluation of the economic contribution of the homemaker.

But I have not come here simply to recite a litany of the burdens imposed on rural women by discrimination.

More important, I want to emphasize the tremendous potential of rural women.

Many of you know from your own experience that you can change your schools, your neighborhoods, and your communities, because you already have done this.

I have always felt a responsibility to be involved in public activities. I have seen the profound difference that local leadership can make in the moral quality, the physical circumstances, the educational, cultural and job opportunities in communities with otherwise similar resources.

I remember with satisfaction one small incident when I joined forces with our local postmaster to organize a mobile library at my hometown of Waverly, Minnesota. Local officials insisted there was no demand for that service. But we persisted, and I am proud to say that the mobile library we put into service cannot keep up with the demand today. It is a small but important accomplishment for a community that is removed from many of the cultural and educational amenities of urban life.

I use that illustration only to demonstrate what you all know—that each of us can make a difference right where we live.

Women constitute a huge, unused reservoir of talented leadership. Too many underestimate the skills they have developed in managing a home, and in church and voluntary activities. This experience can be applied to broader public issues and in the proceedings of county and school boards, village councils and other public bodies.

It's time to petition and to participate in order to know the resources available, how they are used, and to help decide how they should be used. In Minnesota, a generally enlightened state, fewer than 10 percent of public officials at all levels are women.

Until women voice their concerns, until they take leaderhsip responsibility, until they share in policymaking, programs will not adequately respond to their needs and values.

I am proud and privileged to join in this assembly of women determined to mobilize grassroots leadership. I urge you to draw attention to the problems of isolation, poverty and unemployment that fall with special injustice on rural women. And, I challenge you to act to correct them.

GEN. CHAPPIE JAMES—OUR NATION'S LOSS

Mr. CHILES. Mr. President, it was always with a feeling of great pride that I pointed out that Gen. Daniel (Chappie) James was a Floridian, born in Pensacola.

Now, on the sad occasion of his death, I must for the moment put aside that parochial pride and pay tribute to the way he grew from his Florida beginning into a figure of national and international stature. By his performance and accomplishments he made contributions of historical significance to our Nation.

He was black. He was the youngest of 17 children. He was poor. And he proceeded to become this country's first black general and to this day the only black four-star general. But he does not get all the credit, for much must go to his schoolteacher mother and hard-working father who gave him the base on which General James built.

Growing up in Pensacola in the 1920's, Chappie went to segregated schools on segregated buses. His mother who founded the Lillie A. James School because she felt the school for the "colored" was unacceptable, admonished him to set his sights and never give up his dreams. The way the general described it:

> My mother used to say, "Don't stand there banging on the door of opportunity; then, when someone opens it, say wait a minute, I got to get my bags. You be prepared with your bags of knowledge, your patriotism, your honor, and when somebody opens that door, you charge in."

Early on, his mother told him: "For you, my son, there is an 11th commandment. Thou shalt not quit." Among other commandments she laid down: "Prove to the world that you can compete on an equal basis." Taking this kind of guidance to heart, his personal success was assured; and that success served to the benefit of our Nation in many ways.

Daniel James was born February 11, 1920, in Pensacola, where he was graduated from Washington High School in 1937. He went to Tuskegee Institute in Alabama, receiving a B.S. degree and completing civilian pilot training under the Government-sponsored civilian pilot training program. He then went from civilian instructor pilot in the Army Air Corps, to cadet, to combat-trained fighter pilot and ultimately to flight leader in the Philippines. In 1950 he was assigned to Korea, where he flew 101 combat missions. Later, he flew 78 combat missions into North Vietnam, many in the Hanoi/Haiphong area, and led a flight into the Bolo Mig sweep in which seven Communist Mig-21's were destroyed, the highest total kill of any mission during the Vietnam war.

General James has been referred to as a "fighter pilot's pilot" but he was more than a proven military performer. He was a fighter for equal rights for blacks at a time when it was not popular to do so, and it slowed advancement in his career. He was an example for minority youngsters who needed to be sparked to achievement, and he will continue to be so. And his record shows that wherever he was assigned, he advanced the cause of good community relations. He became involved.

As a result, when he was vice commander of the 33d Tactical Fighter Wing at Eglin Air Force Base in Florida in 1969, he was named Florida's Outstanding American of the Year by the State Jaycees. Others among a long list of civilian awards: George Washington Freedom Foundation Medal (1967 and 1968); American Legion National Commander's Public Relations Award (1971); VFW Commander in Chief's Gold Medal Award and Citation (1971); Capital Press Club (Washington, D.C.) Salute to Black Pioneers Award (1975); United Negro College Fund's Distinguished Service Award, Horatio Alger Award, VFW Americanism Award (1976).

The general's military decorations include: The Defense Department's Distinguished Service Medal; the Air Force Distinguished Service Medal with Oak Leaf Cluster; the Legion of Merit with Oak Leaf Cluster; the Distinguished Flying Cross with two Oak Leak Clusters; and the Air Medal with 13 Oak Leaf Clusters.

Hanging at the Pentagon is a portrait of Gen. Chappie James, on which he personally inscribed—

> I fought in three wars and three more wouldn't be too many to defend my country. I love America and as she has weaknesses or ills, I'll hold her hand.

That tells a lot about his heart and his spirit and why his death at age 58 is such a great loss to us.

We share that loss with his widow, Dorothy Watkins James; his daughter, Mrs. Frank W. Berry; his sons, Claude and Daniel III; and the rest of his family.

HAL BORLAND

Mr. RIBICOFF. Mr. President, for more than three decades, the New York Times would publish from time to time an editorial that dealt not with matters of war and peace, taxation, or government programs or any other weighty topic—but, instead, an editorial that simply said, in a variety of ways, how great it is to be alive and walk among God's creatures and creations.

The editorials, which numbered more than 1,700, were unsigned. The person who wrote them was Hal Borland, who lived on a farm beside the Housatonic River in my State of Connecticut. I was saddened to learn that Hal Borland had died at the age of 77 on February 22, 1978, in Sharon, Conn.

Hal Borland was one of the Nation's most widely read conservationists, a man who loved the outdoors with a quiet passion. He had an extraordinary ability to write about nature in such a vivid, refreshing way that readers could see and feel the natural wonders so close to Hal Borland's heart.

In the space often reserved for Hal Borland's editorials, the New York Times commented yesterday that, "For 35 years, Hal Borland was our correspondent in the universe." The Times also explained why the columns appeared on the editorial page, saying that Hal Borland "colored every fact with hope."

Mr. President, I ask unanimous consent that the editorial from the New York Times of February 26, 1978, and an article about Hal Borland by Colman McCarthy in the February 26, 1978, Washington Post be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 26, 1978]

WRITER-NATURALIST HAL BORLAND, 77, DIES

(By Colman McCarthy)

Hal Borland, 77, editorial writer, essayist, conservationist, befriender of animals and one of America's most widely read naturalists, died Wednesday in Sharon, Conn. He had suffered from emphysema.

With a mind and imagination as fertile as the land of his farm beside the Housatonic River in Connecticut's lower Berkshires, Mr. Borland wrote 30 books on the natural world and its endless enchantments. This thinking flowed in the tradition of the 19th century naturalists—Thoreau, Buir, Burroughs—except that Mr. Borland in the 20th century strove to be a peacemaker in the wars by human nature against mother nature.

At the core of his writing was a philosophy of place that insisted man would get along a lot better on his planet if he had the humility to realize that he is not quite the big shot, or even the middle shot, he thinks he is. "In a sense," Mr. Borland once wrote, "I and all my own kind are strangers here, newcomers trying to fit ourselves into this environment, learning to live with our own kind and all the other forms of life around us. Slowly learning, very slowly."

As a teacher of these slow learners, Mr. Borland went where many of them could learn: in the newspapers. He enjoyed his largest audience from the nature editorials that have appeared in The New York Times since 1943. The unsigned pieces—more than 1,700 of them—usually appeared at the bottom of the column, and readers knew who wrote them.

Characteristically, it was an invitation to pause and reflect: "Even if February should end in a snowstorm and March come in like a lion and roar, for a while there are already signs that winter is running out of breath."

Like a wise farmer who knows when to rotate the crops, Mr. Borland put his editorials into two books: "Sundial of the Seasons" (1964) and "An American Year" (1973).

In hundreds of articles and columns for such magazines as The Progressive and Audubon, he had the journalist's instinct for relating the timeless news from the world of nature with the daily events in the world of men.

Mr. Borland began his writing career as a boy in Flagler, Colo. His father owned a newspaper in the town and young Hal was called upon to help in setting type and oiling the jaws of the presses. His account of those years on his father's weekly is in "The Country Editor's Boy," one of Mr. Borland's most moving books.

Mr. Borland wrote: "The skill of setting type by hand is now a lost art except for a few special purposes. But I learned it, and in the learning I also learned about grammar, punctuation and spelling, probably more than I ever learned in school. . . . It was a long summer, the way I remember it, 10 hours a day, six days a week, the same hours that Father worked."

Mr. Borland studied at the University of Colorado and then came east to Columbia University. He joined The Times Sunday section in 1937, after working at other papers in the West and South.

In 1943, Mr. Borland decided that the delights of a steady job were not worth the torments of the city. He left The Times to freelance and settled on a farm in northwestern Connecticut. In 1945, he married Barbara Ross Dodge, a New Englander and a writer. She is the person to whom many of the Borland books were dedicated.

Although he came to New England "as an outlander," Mr. Borland wrote feelingly of the region. In one of his last books, "A Place To Begin: The New England Experience" (with photographs by B. A. King), he noted that the people of the region were essentially "searchers."

"We came here searching and we found that most of those already here, even the ones with long lines of Yankee forebears were searching. And most of those who come here today are searching. Not all for the same thing, of course. But hoping to find some degree of peace with themselves and the world, if nothing else."

In the conservationist community, Mr. Borland was a revered figure. Visitors to his Connecticut farm included Justice William O. Douglas. Loren Eiseley hailed Mr. Borland as "a beloved spokesman for all of us who love the earth and who find sustenance in nature." In 1968 he was awarded the nation's premier award for nature writing, the John Burroughs Medal.

If Mr. Borland's philosophy was summed up in one place, it came in the foreword to his "Book of Days" (1976): "I find no alternative to belief in life. Man is unique form of that life, but certainly not unrelated to other forms . . . The Earth is a lonely place. Mars, our celestial neighbor just down the road, is 50-odd million miles away . . . But man lives right here, on Earth, not in the dark recesses of space. Man must find his answers here, if he is ever to find them. And I must find them in my own valley."

In addition to his wife, Mr. Borland is survived by a son, Donal Borland, of Detroit, and a stepdaughter, Diana Thomson, of Cambridge, Mass.

[From the New York Times, Feb. 26, 1978]

HAL BORLAND (1900–78)

For 35 years, Hal Borland was our correspondent in the universe. There were snowflakes on his beat, and spring rain, a wood thrush singing in the dusk, an apple tree in bloom. He found them all on his Connecticut farm beside the Housatonic River in the lower Berkshires, but it wasn't just nature he was covering. Of everything in sight, as he once put it, he asked three questions: Who am I? Where am I? What time is it?

"In a sense," he found, "I and all my own kind are strangers here, newcomers trying to fit ourselves into this environment, learning to live with our own kind and all the other forms of life around us. Slowly learning, very slowly."

With the eye of the perpetual stranger, he discovered all of life in his own valley, certainly more than he ever expected to comprehend. There was no time even for lunch in the city to meet with fellow seekers. If he left his post, he reckoned, he might have missed the unique visit of that hyla frog who came to rest for an hour in the center of his windowpane, as sure-footed as a fly. If he were out, how could he then have thanked that frog for the hand-me-down of lungs, vocal cords, legs and fingers?

Hal Borland packed his dispatches with knowledge, wrapped in the wisdom of time.

"Man cannot know the year complete unless he knows winter," he wrote us three years ago. "First principles are involved, to be ignored at one's peril. He who would be warm and fed in winter must know summer's sweat and muscle ache. The truth of cause and effect is written across every winter day and every winter hilltop We are of the earth and of the universe, but we cannot know the full Buck Moon of July without first knowing the full Wolf Moon of January."

Only a week ago he reported: "And it is the sun itself that marks the time unmistakably. It now is approaching the rim of the winter quadrant, rising more nearly due east day by day. Its shadows now definitely point toward spring. The sunlight itself has a different quality. You can feel it even when the wind forgets the date. The trees and even their buried roots know the deliberate tides of spring are beginning to lap at the latitudes."

As we reread him at his death last week, we understood better than ever why Hal Borland's reporting belonged on the editorial page. Although he never used the word, the man colored every fact with hope.

GENOCIDE CONVENTION: MENTAL HARM

Mr. PROXMIRE. Mr. President, a great deal of rhetoric has been used by opponents of the Genocide Treaty. In the process, it has become increasingly difficult to maintain a precise understanding of the treaty's effects. Therefore, I would like to clarify one important area of dispute, the determination of which types of acts qualify as genocide under the clause of "inflicting mental harm."

Opponents of the treaty have erroneously construed this phrase to include such acts as propaganda campaigns, brainwashing, and harassment of minority groups. Mental harm, they have argued, is such a vague concept that spurious charges can be fabricated and used to prosecute innocent Americans.

Such opponents overlook two significant points. First, the convention specifies that "intent to destroy" a group is a necessary condition for the commission of the crime of genocide. Framers of the treaty emphasized that intent must be proven. Thus, the possibility of abuse—using sanctions for a political purpose—is greatly diminished.

Moreover, the term "mental harm" does have a precise meaning. The Senate Foreign Relations Committee adopted an understanding in 1971 to the effect that—

> The United States government understands and construes the words "mental harm"... to mean permanent impairment of mental faculties.

This objective standard of proof counters the charge that the term "mental harm" is vague and dangerous.

I have taken this opportunity to speak out because I am convinced that the necessity of our ratifying the treaty is self-evident. I therefore urge a more careful look at the provisions of this treaty and a favorable vote on its passage.

UKRAINIAN INDEPENDENCE

Mr. RIBICOFF. Mr. President, this year marks the 60th anniversary of the Ukrainian Declaration of Independence, and humanitarians the world over should raise their voices in recognition of this occasion. This independence is hailed by Americans of Ukrainian descent who know the heroic efforts of their ancestors who struggled for centuries to preserve the Ukrainian culture against rulers bent on crushing this spirit. Despite knowing freedom for only 2 years, Ukrainian patriots deserve our tribute because their fight against oppression provides inspiration to all freedom-loving people.

By observing Ukrainian independence, we reaffirm this Nation's commitment to the ideals of self-determination and justice long sought by the Ukrainians.

This anniversary also provides a meaningful occasion to turn our thoughts to the plight of those Ukrainian dissidents who suffer under Soviet domination. Those basic human rights recognized by the signers of the Helsinki accords have yet to be extended to the Ukrainian people. It becomes increasingly clear that despite détente, our efforts to advance human rights must continue until they are universally shared.

Americans of Ukrainian heritage who show their solidarity with these courageous people by supporting their cause deserve praise. They have preserved the vitality of this just and worthy cause. The perseverance of the Ukrainian people is due in large measure to their knowledge that they will never be without the commitment of their American brethren.

Let us commemorate the establishment of the Ukrainian state with renewed dedication. Through our efforts in the coming year may we celebrate next year's anniversary with increased hope that religious, cultural, and political rights will soon be enjoyed throughout the Ukraine.

TRIBUTE TO THE LATE DR. HENRY H. KESSLER

Mr. WILLIAMS. Mr. President, New Jersey and the Nation marked with great sadness recently the passing of Dr. Henry H. Kessler, a genius in the field of rehabilitation and founder of the internationally renowned Kessler Institute for Rehabilitation in West Orange, N.J.

Dr. Kessler's many pioneering efforts in orthopedic surgery and treatment of the handicapped brought him worldwide acclaim. But his simple human compassion and the enormous amount of time he devoted to the personal aspects of illness made him a very special human being.

Mr. President, the Star-Ledger of Newark, N.J., carried a particularly perceptive article on Dr. Kessler's life, authored by one of the paper's distinguished columnists, Robert Kalter.

If there is no objection, I should like this article and Dr. Kessler's obituary printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Newark (N.J.) Star Ledger, Jan. 20, 1978]

DR. KESSLER DREW STRENGTH FROM BRAVE PATIENTS

(By Robert P. Kalter)

Dr. Henry H. Kessler spent a lifetime working with the disabled and the physically handicapped—the victims of the impersonal savagery of our industrial technology, modern warfare, disease or inexplicable fate.

Along the way, he paused often to wonder at the remarkable resilience of these victims, their gritty determination to live, to function and to secure a productive place in society.

And this indomitable will was unquestionably responsible for the continuing renewal of the orthopedic surgeon's own supercharged inspiration, enthusiasm and dedication as a pioneer in the uncrowded field of rehabilitation medicine.

He was concerned with the whole person, and in making every person whole. His surgical techniques gave arms to the armless and legs to the legless, and kept hope alive in the breasts of all who sought his treatment.

In private talks and in public writings, Dr. Kessler (M.D. and Ph.D.) referred frequently to the admiration he felt for the unconquerable victims who came to him for help.

In his autobiography, "The Knife Is Not Enough," published in 1968, the Newark-born Dr. Kessler expressed it beautifully and movingly:

"Sometimes when I look at a child born without arms or legs, or both, or an elderly person who has had to suffer an amputation or a paraplegic husband who would give anything in the world to take his wife in love, I suddenly feel pessimism and uncertainty.

"How can these people accept such extensive defects and find a place in society? Is it not asking too much of man's resilience to expect him to face a society so grimly competitive, so full of prejudice and rejection? Is it not asking too much of a society which still links the physically handicapped with sin and evil spirits, despite centuries of enlightenment?

"Then I think of my patients, and in the presence of their achievements my doubts and fears melt away. In the past fifty years, I have stood by thousands of bedsides. I have seen men who should welcome death battling against it. I have watched women without hope become filled with confidence again. I have observed children who seem to have nothing to live for finding something to live for. My patients have made liars of their doctors and the textbooks by defeating death and despair in personal combat.

"I thought the human body fragile until I served as a Navy surgeon in the Pacific and discovered that man is incredibly tough. At times he seems indestructible . . .

"Psychiatrists may preach man's powerful death wish, but I am not convinced, for I have discovered that man's most powerful instinct is his determination to live. This instinct for survival is so strong that it defies all logic and, in a sense, defies even the probing of science."

Before his death Jan. 18 at 81, Dr. Kessler saw more of his dreams come true than most ordinary people dream in a lifetime.

He forged the opening of the Kessler Institute for Rehabilitation at West Orange, became its founding medical director, sparked its growth and lived to see it recognized as one of the great facilities of its kind in the world.

Throughout his career, he was a nonbeliever in bureaucracy and came down hard on state and federal bureaucrats. "Private enterprise," he once said, "is the only route to travel if you want to get things done."

He had for a time been medical director of the New Jersey Workmen's Compensation Bureau as well as the New Jersey Rehabilitation Commission, and he was particularly enraged that his state, which had been the first in the nation to establish a rehab commission, had allowed the program to wither to the point of total ineffectiveness.

Writing about the founding of Kessler Institute, he said, "I had long nourished the idea of starting my own rehabilitation center, removed from the red tape and other problems invariably associated with government control of such establishments."

Characteristically, however, he devoted a good deal of time in his final years to nonpaying government service, the objective of which was the improvement of workmen's compensation laws and programs for the nation and for New Jersey.

He was one of 15 public members appointed by the President to the National Commission on State Workmen's Compensation Laws under the Occupational Safety and Health Act of 1970.

The Commission conducted 20 meetings and hearings in Washington and throughout the country, and Dr. Kessler's imprint was unmistakably etched into the conclusions and recommendations of the final report, issued July 31, 1972.

The report found that "workmen's compensation coverage is inadequate" in almost every state, that the delivery system in some states (including New Jersey) is flawed by excessive litigation which "results in unnecessary delay, expense, and interference with rehabilitation."

The Commission also urged a separate federal study of "permanent partial benefits," which vary widely from state to state. The purpose: To find out how well schedules predict actual wage loss "and why is an apparently disproportionate amount of resources devoted to those benefits in some states?" A series of articles in The Star-Ledger showed New Jersey belongs to this group of offenders, to the detriment, of seriously injured workers who are undercompensated.

The Commission implied that unless states voluntarily adopted the recommended changes, legislation would be enacted to place inadequate state programs under national jurisdiction.

On Dec. 20, 1972, Dr. Kessler was one of seven persons named by the Governor to the New Jersey Workmen's Compensation Study Commission. It held 21 sessions and issued a comprehensive 100-page report Sept. 30, 1973, which found:

"New Jersey's workmen's compensation system has many desirable features, particularly in the area of substantive law governing the scope and coverage of workmen's compensation. On the other hand, the evidence before the Commission establishes that New Jersey's workmen's compensation system has serious substantive and administrative deficiencies which prevent it from responding adequately to the needs of injured workmen."

The Commission then listed 14 separate major deficiencies, and said few could be

solved in isolation. It offered a package of recommended changes and warned against adopting less than the total pack, citing a possibility of "detrimental consequences." The changes, including important ones for rehabilitation, added up to a completely new, streamlined compensation program.

Gov. Brendan Byrne made workmen's compensation a key promise of his 1973 campaign. After his election he assigned top Department of Labor and Industry officials to rewrite the existing statute. That task was finished in September, 1976, and the draft sent to the Governor's office. It has not been discussed in public since—fresh fuel for Dr. Kessler's lack of confidence in bureaucracy . . . but not enough to destroy his fabled reservoir of hope and optimism.

[From the Newark (N.J.) Star Ledger, Jan. 19. 1978]

DR. KESSLER DIES AT 81; REHABILITATION PIONEER

Dr. Henry H. Kessler of South Orange, internationally recognized orthopedist and founder of the world renowned Kessler Institute for Rehabilitation in West Orange, died yesterday in Beth Israel Medical Center, Newark. He was 81.

The Newark native was internationally acclaimed when he founded the institute in 1949, treating four patients. It now provides health care services to over 200 patients suffering from the effects of stroke, spinal cord injuries, and amputations.

Dr. Kessler received his medical degree from Cornell University Medical School in New York City in 1919. He also received his master's and doctoral certificates from New York's Columbia University.

Following his graduation from Cornell, he established his private practice in orthopedic surgery in Newark and became an attending orthopedic physician at Newark City Hospital, Newark Beth Israel Hospital and the Hospital for Crippled Children in Newark.

Dr. Kessler joined the staff of the New Jersey State Rehabilitation Commission, the first in the nation, in 1919, becoming both a commissioner and its medical director.

Dr. Kessler has been a major force in international rehabilitation activities, traveling around the globe to impart his knowledge of orthopedic surgery.

In February of 1935, Dr. Kessler received wide publicity when he successfully connected and coordinated the forearm muscles of a 5-year-old Connecticut boy to an artificial hand at Newington State Hospital in Hartford.

In discussing the philosophy at the Kessler Institute, Dr. Kessler said the facility is relatively small when compared to a metropolitan area general hospital. He explained:

"When treating a handicapped person, there is more than just the physical problem. There are psychological, family and community problems too, because when a person loses a limb he feels he loses a certain worth.

"We must treat the whole person and help bring out his talent. That's why it is necessary to keep the size down to a certain level."

Dr. Kessler traveled extensively in his quest to help the handicapped. For example, in 1962 the physician traveled to Honduras to oversee the establishment of a new hospital to aid the crippled in that country's capital, Tegucigalpa.

His consultative activities on behalf of the United Nations, the World Veterans Federation, the World Health Organization and the United States government took him to than 30 countries.

William K. Page of Livingston, executive director of the Kessler Institute since its inception 29 years ago, called Dr. Kessler "one of the most remarkable human beings this state has ever produced—one of the founding fathers for rehabilitation for disabled people.

"He was loved by the disabled all over the world. He was a genius in terms of what he did for disabled people."

Dr. Kessler is survived by his wife, Estelle; a son, Jerome S. Kessler of Cranford; a daughter, Joan K. Faber of Springfield; a sister, Mrs. George Reuben of Houston; two stepdaughters, Mrs. Richard Weinstein and Mrs. Herbert Halberg of New York; seven grandchildren, one great-grandchild and five step-grandchildren.

THE SALT I ABM TREATY AND INTERIM AGREEMENT

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations has received a report from Secretary of State Vance assessing Soviet compliance with the provisions of the SALT I ABM Treaty and Interim Agreement limiting strategic offensive arms. The report was prepared at the request of the Committee on Foreign Relations.

The report addresses eight issues which the United States has raised in regard to Soviet compliance with SALT I, and five issues which the Soviet side has raised. In addition, the report discusses six issues which were examined by the United States, but not raised with the Soviet Union. According to the report—

In those cases, analysis of the available intelligence information showed that they did not warrant discussion or categorization as inconsistent with the agreement.

Mr. President, the Committee on Foreign Relations has spent a great deal of time over the years investigating the charges which have been made in regard to Soviet compliance with SALT. The committee has questioned former Secretary of State Kissinger; the present Secretary of State, Mr. Vance; Directors of the Arms Control and Disarmament Agency, and numerous representatives of the intelligence community. The committee has never found reason to accuse the Soviet Union of violating the provisions of SALT I.

Three successive Presidents of the United States have been appraised in detail as to Soviet compliance with SALT I, and, significantly, none has seen cause in a single instance to charge the Soviet Union with violating the terms of the SALT I agreement.

Unfortunately, charges of cheating have persisted. One of the main reasons these allegations have not been dealt with before is the high classification which has surrounded these issues. Now, at the urging of the Committee on Foreign Relations, the executive branch has seen fit to release this detailed and unclassified report.

Mr. President, I believe that this report should help resolve the many ill-founded charges of Soviet cheating—which were undermining the search for a good SALT II agreement that would enhance our national security.

It is clear from the report that the dealings between the two sides have not been easy and that there have been disturbing practices. But it is also clear that matters of concern have been resolved. The record simply does not support any argument that the Soviet Union has acted in bad faith with regard to the SALT I Treaty and Agreement.

Mr. President, I ask unanimous consent that the full text of this report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF STATE,
Washington.

Hon. JOHN SPARKMAN, *Chairman, Committee on Foreign Relations, U.S. Senate.*

DEAR MR. CHAIRMAN:

As you know there has been a great deal of interest in recent months over the question of the Soviet record of compliance with the provisions of the SALT I agreements. I understand that members of your Committee have expressed concern, most recently in the course of hearings to approve the Ambassadorial nomination of Robert Buchheim, the US Commissioner to the Standing Consultantive Commission in Geneva.

The issue of Soviet compliance, although important in its own right, takes on an increased urgency at a time when we are nearing completion of a new SALT II agreement.

I am enclosing a copy of a statement prepared by the Administration which deals with the broad range of issues raised by both sides regarding compliance with the first SALT agreements. In addition the statement addresses a number of charges which have been raised in the press but which in fact were not the subject of discussion between the two sides.

I hope that this statement will lay to rest many of the concerns of members of your Committee and will serve to answer the questions raised by members of the Committee.

With warmest regards.

Sincerely,

CYRUS VANCE.

FEBRUARY 21, 1978.

COMPLIANCE WITH THE SALT I AGREEMENTS

I. INTRODUCTION

The purpose of this paper is to provide a brief account of the background, discussion, and status of those questions related to compliance with the SALT agreements of 1972—the ABM Treaty and the Interim Agreement on Strategic Offensive Arms—which have been raised by the US and the USSR. It also provides a brief discussion of matters which have been mentioned in the press but which have not been raised with the USSR.

II. GENERAL

Even before the talks with the USSR on the subject of strategic arms limitation began, the U.S. established, in the framework of the National Security Council system, an interagency group known as the Verification Panel to study questions concerning SALT, with special attention to matters of verification of compliance with the provisions of possible agreements. During the preliminary talks in November and December of 1969, the US proposed, and the USSR agreed, to create a special standing body to deal with questions of implementation of agreements which might be concluded, including questions which might arise concerning compliance. This reflected early recognition and agreement that such matters would require

special attention in connection with any agreement as complex as one limiting the strategic weapons of the US and the USSR.

Article XIII of the ABM Treaty of May 26, 1972 provides for a Standing Consultative Commission (SCC) to, among other things, "consider questions concerning compliance with the obligations assumed and related situations which may be considered ambiguous." Article VI of the Interim Agreement provides that the Parties use the SCC in a similar manner in connection with that Agreement. In December 1972, during the first session of SALT II, the SCC was formally established.

Since the conclusion of the 1972 SALT agreements, procedures have been established within the US government for monitoring Soviet performance and for dealing with matters related to compliance. All intelligence information is carefully analyzed in the context of the provisions of those agreements, and recommendations on questions which arise are developed by interagency intelligence and policy-advisory groups within the NSC system. Currently, these are an Intelligence Community Steering Group on Monitoring Strategic Arms Limitations and the Standing Consultative Commission Working Group of the NSC Special Coordination Committee. Should analysis of intelligence information indicate that there could be a question concerning compliance, this latter group reviews and analyzes the available information and provides recommendations. The President decides whether a particular question or issue is to be raised with the USSR based on the study and recommendations of the Working Group and, if necessary, the department and agency principals who comprise the Special Coordination Committee or the NSC itself. After discussion of any question is opened with the USSR in the Standing Consultative Commission, the positions and actions taken by the US representatives are also guided in the same manner.

III. QUESTIONS RAISED BY THE U.S.

A. Launch control facilities (special-purpose silos)

Article I of the Interim Agreement states: "The parties undertake not to start construction of additional fixed land-based intercontinental ballistic missile (ICBM) launchers after July 1, 1972."

In 1973, the US determined that additional silos of a different design were under construction at a number of launch sites. If these had been intended to contain ICBM launchers, they would have constituted a violation of Article I of the Interim Agreement. When the US raised its concern over this construction with the Soviet side, the USSR responded that the silos were, in fact, hardened facilities built for launch control purposes. As discussions proceeded and additional intelligence became available, the US concluded that the silos were built to serve a launch control function.

In early 1977, following further discussions during 1975 and 1976 and a review of our intelligence on this subject, the US decided to close discussion of this matter on the basis that the silos in question are currently used as launch control facilities. We will, of course, continue to watch for any activity which might warrant reopening of this matter.

B. Concealment measures

Article V of the Interim Agreement and Article XII of the ABM Treaty provide that each Party shall not "* * * interfere with the national technical means of verification of the other Party * * *" nor "* * * use deliberate concealment measures which impede verification by national technical means of compliance with the provisions * * *" of the Agreement or the Treaty. Both articles provided that the latter obligation "* * * shall not require changes in current construction, assembly, conversion, or overhaul practices."

The US has closely monitored Soviet concealment practices both before and after conclusion of the 1972 SALT agreements. During 1974, the extent of those concealment activities associated with strategic weapons programs increased substantially. None of them prevented US verification of compliance with the provisions of the ABM Treaty or the Interim Agreement, but there was concern that they could impede verification in the future if the pattern of concealment measures were permitted to continue to expand.

The US stated this concern and discussed it with the Soviet side. In early 1975, careful analysis of intelligence information on activities in the USSR led the US to conclude that there no longer appeared to be an expanding pattern of concealment activities associated with strategic weapons programs. We continue to monitor Soviet activity in this area closely.

C. Modern large ballistic missiles (SS–19 issue)

Article II of the Interim Agreement states: "The Parties undertake not to convert land-based launchers for light ICBMs, or for ICBMs of older types deployed prior to 1964, into land-based launchers for heavy ICBMs of types deployed after that time." This provision was sought by the US as part of an effort to place limits on Soviet heavy ICBMs (SS–9 and follow-ons). We did not, however, obtain agreement on a quantitative definition of a heavy ICBM which would constrain increases in the size of Soviet light ICBMs (SS–11 and follow-ons). Thus, the US side stated on the final day of SALT I negotiations:

"The US Delegation regrets that the Soviet Delegation has not been willing to agree on a common definition of a heavy missile. Under these circumstances, the U.S. Delegation believes it necessary to state the following: The United States would consider any ICBM having a volume significantly greater than that of the largest light ICBM now operational on either side to be a heavy ICBM. The U.S. proceeds on the premise that the Soviet side will give due account to this consideration."

The USSR Delegation maintained the position throughout SALT I that an agreed definition of heavy ICBMs was not essential to the understanding reached by the sides in the Interim Agreement on the subject of heavy ICBMs and made clear that they did not agree with the US statement quoted above. When deployment of the SS–19 missile began, its size, though not a violation of the Interim Agreement provisions noted above, caused the US to raise the issue with Soviets in early 1975. Our purpose was to emphasize the importance the US attached to the distinction made in the Interim Agreement between "light" and "heavy" ICBMs, as well as the continuing importance of that distinction in the context of the SALT II agreement under negotiation at the time. Following some discussion in the SCC, further discussions of this question in that forum were deferred because it was under active consideration in the SALT II negotiations.

Since that time, the US and USSR Delegations have agreed in the draft text of the SALT II agreement on a clear demarcation, in terms of missile launch-weight and throw-weight, between light and heavy ICBMs.

D. Possible testing of an air defense system (SA–5) radar in an ABM mode

Article VI of the ABM Treaty states: "To enhance assurance of the effectiveness of the limitations on ABM systems and their components provided by this Treaty, each Party undertakes: (a) not to give missiles, launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode."

On April 7, 1972, the U.S. made a statement to clarify our interpretation of "tested in an ABM mode." We noted, with respect to radars, that we would consider a radar to be so tested if, for example, it makes measurements on a cooperative target vehicle during the reentry portion of its trajectory or makes measurements in conjunction with the test of an ABM interceptor missile or an ABM radar at the same test range. We added that radars used for purposes such as range safety or instrumentation would be exempt from application of these criteria.

During 1973 and 1974, U.S. observation of Soviet tests of ballistic missiles led us to believe that a radar associated with the SA–5 surface-to-air missile system had been used to track strategic ballistic missiles during flight.

A question of importance in relation to this activity was whether it represented an effort to upgrade the SA–5 system for an ABM role. The Soviets could have been using the radar in a range instrumentation role to obtain precision tracking; on the other hand, the activity could have been part of an effort to upgrade the SA–5 system for an ABM role, or to collect data for use in developing ABM systems or a new dual SAM/ABM system. Although much more testing and testing significantly different in form, would be needed before the Soviets could achieve an ABM capability for the SA–5, the observed activity was, nevertheless, ambiguous with respect to the constraints of Article VI of the ABM Treaty and the related U.S.-stated interpretation of "testing in an ABM model." If the activity was designed to upgrade the SA–5 system, it would have been only the first step in such an effort. Extensive and observable modifications to other components of the system would have been necessary, but these have not occurred.

The U.S. raised this issue based on the indications that an SA–5 radar may have been tracking ballistic missiles during the reentry portion of their flight trajectory into an ABM test range.

The Soviets maintained that no Soviet air defense radar had been tested in an ABM mode. They also noted that the use of non-ABM radars for range safety or instrumentation was not limited by the ABM Treaty.

A short time later, we observed that the radar activity of concern during Soviet ballistic missile tests had ceased.

The US has continued to monitor Soviet activities carefully for any indications that such possible testing activity might be resumed.

E. Soviet reporting of dismantling of excess ABM test launchers

Each side is limited under the ABM Treaty to no more than 15 ABM launchers at test ranges. During 1972, soon after the ABM Treaty was signed, the Soviets dismantled several excess launchers at the Soviet ABM test range.

On July 3, 1974, the agreed procedures, worked out in the SCC, for dismantling excess ABM test launchers entered into force. After the detailed procedures entered into effect, the USSR provided notification in the SCC that the excess ABM launchers at the Soviet test range had been dismantled in accordance with the provisions of the agreed procedures. Our own information was that several of the launchers had not, in fact, been dismantled in complete accordance with those detailed procedures.

Even though the lanuchers were deactivated prior to entry into force of the pro-

cedures, and their reactivation would be of no strategic significance, the US raised the matter as a case of inaccurate notification or reporting to make known our expectation that in the future care would be taken to ensure that notification, as well as dismantling or destruction, was in strict accordance with the agreed procedures.

F. Soviet ABM radar on Kamchatka Peninsula

Article IV of the ABM Treaty states: "The limitations provided for in Article III [on deployment] shall not apply to ABM systems or their components used for development or testing, and located within current or additionally agreed test ranges. . . ." In October, 1975, a new radar was installed at the Kamchatka impact area of the Soviet ICBM test range. Since Article IV exempts from the limitations of Article III only those ABM components used for development or testing at current or additionally agreed ranges, location of this radar, which the US identified as an ABM radar, on the Kamchatka peninsula could have constituted establishment of a new Soviet ABM test range.

This situation, however, was made ambiguous by two facts: (1) just prior to the conclusion of the SALT negotiations in 1972, the US provided to the Soviet Delegation a list of US and Soviet ABM test ranges which did not include the Kamchatka impact area. The Soviet side neither confirmed nor denied the accuracy or completeness of the US listing, and indicated that use of national technical means assured against misunderstanding of Article IV; and (2) the presence of an older type ABM radar could be viewed as having established the Kamchatka impact area as an ABM test range at the time the ABM Treaty was signed.

Though the location of a new ABM radar on Kamchatka was not strategically significant, it was decided that this matter should be raised with the Soviet side in order to set the record straight.

We brought the situation to the attention of the Soviet side. The USSR indicated that a range with a radar instrumentation complex existed on the Kamchatka Peninsula on the date of signature of the ABM Treaty and that they would be prepared to consider the Kamchatka range a current test range within the meaning of Article IV of the ABM Treaty. The U.S. continued the exchange to establish that Kamchatka is an ABM test range, that Sary Shagan and Kamchatka are the only ABM test ranges in the USSR, and that Article IV of the ABM Treaty requires agreement concerning the establishment of additional test ranges.

The Soviet side has acknowledged that Kamchatka is an ABM test range and that it and Sary Shagan are the only ABM test ranges in the USSR. On the third point, discussions are continuing on how properly to satisfy the need for discussing and agreeing upon the establishment of an ABM test range. Agreement appears near on this matter.

G. Soviet dismantling or destruction of replaced ICBM launchers

Under the Interim Agreement and the Protocol thereto of May 26, 1972, the USSR was permitted to have no more than 950 SLBM launchers and 62 modern, nuclear-powered ballistic missile submarines. In addition, it was provided that Soviet SLBM launchers in excess of 740 might become operational only as replacements for older ICBM and SLBM launchers, which would be dismantled or destroyed under agreed procedures. Such procedures were developed in the SCC, and became effective on July 3, 1974. The procedures include detailed requirements for the dismantling or destruction actions to be accomplished, their timing, and notification about them to the other Party.

By early 1976, the Soviets had developed a requirement to dismantle 51 replaced launchers. It soon became apparent to the U.S. that the Soviets would probably not complete all the required dismantling actions on all of the launchers on time. Therefore, the U.S. decided to raise this question with the Soviets, but before we could do so, the notification concerning dismantling or destruction provided by the Soviet side in the SCC acknowledged that the dismantling of 41 older ICBM launchers had not been completed in the required time period. The Soviet side explained the situation and predicted that all the dismantling actions would be completed by June 1, 1976, and agreed to the U.S. demand that no more submarines with replacement SLBM launchers begin sea trials before such completion. Both conditions were met. Since that time, although we have observed some minor procedural discrepancies at a number of those deactivated launch sites and at others as the replacement process continued, all the launchers have been in a condition that satisfied the essential substantive requirements, which are that they cannot be used to launch missiles, and cannot be reactivated in a short time. As necessary, we have pursued the question of complete and precise accomplishment of the detailed requirements of the agreed procedures.

H. Concealment at test range

Provisions of the Interim Agreement pertinent to this discussion are:

Article V.3: "Each Party undertakes not to use deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Interim Agrement. . . ."

Agreed Statement concerning launcher dimensions: ". . . in the process of modernization and replacement, the dimensions of land-based ICBM silo launchers will not be significantly increased."

Agreed Statement concerning test and training launchers: ". . . there shall be no significant increase in the number of ICBM and SLBM test and training launchers or in the number of such launchers for modern land-based heavy ICBM's . . . construction or conversion of ICBM launchers at test ranges shall be undertaken only for purposes of testing and training."

In early 1977, we observed the use of a large net covering over an ICBM test launcher undergoing conversion at a test range in the USSR.

There was agreement in the US that this subject could be appropriate for discussion in SALT in the context of the ongoing discussions on the subject of deliberate concealment measures in connection with a SALT TWO agreement. The subject was initially raised in this context.

In addition, we also expressed our view that the use of a covering over an ICBM silo launcher concealed activities from national technical means of verification and could impede verification of compliance with provisions of the Interim Agreement, specifically, the provision which dealt with increases in dimensions of ICBM silo launchers as recorded in the Agreed Statement quoted above. The US took the position that a covering which conceals activities at an ICBM silo from national technical means of verification could reduce the confidence and trust which are important to mutual efforts to establish and maintain strategic arms limitations.

It has been the Soviet position that the provisions of the Interim Agreement were not applicable to the activity in question. Nevertheless, they subsequently removed the net covering.

IV. QUESTIONS RAISED BY THE USSR

A. Shelters over Minuteman silos

Paragraph 3 of Article V of the Interim Agreement states: "Each Party undertakes not to use deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Interim Agreement. This obligation shall not require changes in current construction, assembly, conversion, or overhaul practices."

The US used shelters which were either 300 or 700 square feet in size over Minuteman ICBM silos to provide environmental protection during initial construction as well as modernization, from 1962 through 1972. Beginning in 1973, in connection with modernization and silo-hardening work, prefabricated shelters of about 2700 square feet were used. From four to twelve of these shelters were in place over silos at any given time, for from 10 days to four weeks depending upon the severity of the weather.

The Soviets raised this subject, taking the position that the activity was inconsistent with Article V of the Interim Agreement since it could be classified as deliberate concealment, and that, therefore, it should cease. The US, based on the nature of the shelters and their use strictly for environmental purposes, not for concealment, believed that their use was consistent with Article V.

In early 1977, the US decided to modify the use of environmental shelters over Minuteman ICBM silos based on explicit confirmation of the common view shared by us and the Soviets that neither side should use shelters over ICBM silos that impede verification by national technical means of compliance with the provisions of the Interim Agreement. Our use of shelters has recently been modified by reducing their size almost 50 percent in recognition of that understanding.

B. Atlas and Titan–I launchers

The Protocol on Procedures Governing Replacement, Dismantling or Destruction, and Notification Thereof, for Strategic Offensive Arms, as noted above, provides detailed procedures for dismantling ICBM launchers and associated facilities, one principle of which is that reactivation of dismantled launchers should take substantially more time than construction of a new one.

There are 177 former launchers for the obsolete Atlas and Titan–I ICBM systems at various locations across the continental United States. All these launchers were deactivated by the end of 1966.

The Soviet side apparently perceived an ambiguity with respect to the status and condition of these launchers, based on the amount of dismantling which had been done and its effect on their possible reactivation time. They raised this issue in early 1975.

The US view was that these launchers were obsolete and deactivated prior to the Interim Agreement and were not subject to that Agreement or to the accompanying procedures for dismantling or destruction. However, we did provide some information on their condition illustrating that they could not be reactivated easily or quickly. The discussion on this question ceased in mid-1975.

C. Radar on Shemya Island

Article III of the ABM Treaty states: "Each Party undertakes not to deploy ABM systems or their components except . . . within one ABM deployment area . . . centered on the Party's national capital . . . and within one deployment area . . . containing ICBM silo launchers.

In 1973, the United States began construction of a new phased-array radar on Shemya Island, Alaska, at the western end of the Aleutian Island chain. This radar is to be used for national technical means of verification, space track, and early warning.

The Soviets raised a question in 1975, suggesting that the radar was an ABM radar,

which would not be permitted at this location.

The U.S. side discussed this matter with the Soviets and as a result, we believe, eliminated any concern about possible inconsistency with the provisions of the ABM Treaty. The radar became operational in early 1977.

D. Privacy of SCC proceedings

Paragraph 8 of the Regulations of the SCC states: "The proceedings of the Standing Consultative Commission shall be conducted in private. The Standing Consultative Commission may not make its proceedings public except with the express consent of both Commissioners."

Prior to the special SCC session held in early 1975 to discuss certain questions related to compliance, several articles appeared in various U.S. publications with wide circulation. These articles speculated about the possibility of certain Soviet "violations" of the SALT agreements which would be discussed, and tended to draw the conclusion that there were violations, based on what was purported to be accurate intelligence information.

The Soviets have expressed to us their concern about the importance of confidentiality in the work of the SCC, and about the publication of such items. They were apparently particularly concerned about press items that may appear to have official U.S. government sanction.

We have discussed with the Soviets the usefulness of maintaining the privacy of our negotiations and discussions and limiting speculation in the public media on SCC proceedings, as well as the need to keep the public adequately informed.

E. Dismantling or destruction of the ABM radar under construction at Malmstrom AFB

When the ABM Treaty was signed on May 26, 1972, the U.S. had ABM defenses under construction in two deployment areas for the defense of ICBMs. Since the ABM Treaty permitted each Party only one such ABM system deployment area, the U.S. immediately halted the construction, which was in the early stages, at Malmstrom AFB, Montana. Specific procedures for the dismantling or destruction of the ABM facilities under construction at Malmstrom were negotiated as part of the Protocol on Procedures for ABM Systems and Their Components, signed on July 3, 1974.

Dismantling of the ABM facilities under construction at Malmstrom was completed by May 1, 1974.

In late 1974, we notified the USSR in the SCC that dismantling activities at the Malmstrom site had been completed. Somewhat later, the Soviet side raised a question about one detailed aspect of the dismantling which they apparently felt had not been carried out in full accord with the agreed procedures.

We reviewed with the Soviet side the actions taken by the US to dismantle the Malmstrom site, and also showed them some photographs of the before and after conditions there. The question was apparently resolved on the basis of that discussion.

V. OTHER QUESTIONS AND CHARGES

The process of monitoring Soviet activity and analyzing the information obtained in order to decide whether any particular matter needs to be raised with the Soviet side has been described above. Activities not raised with the USSR as ambiguous or of possible concern have also been examined by the US. In those cases, analysis of the available intelligence information showed that they did not warrant discussion or categorization as inconsistent with the agreements. Generally, it has been the practice to avoid public discussions of these matters.

From time to time, articles have appeared in US periodicals and news papers, alleging Soviet violations of the provisions of the SALT ONE agreements. As indicated earlier, these reports or commentaries have been generally speculative, and have concluded or implied that violations or "cheating" by the Soviets had taken place.

Among the subjects most recently or frequently mentioned are those listed below.

A. "Blinding" of U.S. satellites

Soviet use of something like laser energy to "blind" certain U.S. satellites could be an activity inconsistent with the obligations in Article XII of the ABM Treaty and Article V of the Interim Agreement "not to interfere with" or "use deliberate concealment measures" which impede verification, by national technical means, of compliance with the provisions of those agreements. In 1975, information relevant to possible incidents of that nature was thoroughly analyzed, and it was determined that no questionable Soviet activity was involved and that our monitoring capabilities had not been affected by these events. The analysis indicated that the events had resulted from several large fires caused by breaks along natural gas pipelines in the USSR. Later, following several reports in the US press alleging Soviet violations, and in response to questions about those reports, the US press was informed of those facts by several US officials.

B. Mobile ABM

From time to time, it has been stated that the USSR, in contravention of Article V of the ABM Treaty, has developed, tested, or deployed a mobile ABM system, or a mobile ABM radar, one of the three components of a mobile ABM system.

The USSR does not have a mobile ABM system or components for such a system. Since 1971, the Soviets have installed at ABM test ranges several radars associated with an ABM system currently in development. One of the types of radars associated with this system can be erected in a matter of months, rather than requiring years to build as has been the case for ABM radars both sides have deployed in the past. Another type could be emplaced on prepared concrete foundations. This new system and its components can be installed more rapidly than previous ABM systems, but they are clearly not mobile in the sense of being able to be moved about readily or hidden. A single complete operational site would take about half a year to construct. A nationwide ABM system based on this new system under development would take a matter of years to build.

C. ABM Testing of Air Defense Missiles

Article VI of the Treaty specifically prohibits the testing in an ABM mode of missiles which are not ABM interceptor missiles, or giving them ABM capabilities (see Section III.D above). Our close monitoring of activities in this field have not indicated that ABM tests or any tests against strategic ballistic missiles have been conducted with an air defense missile; specifically, we have not observed any such tests of the SA–5 air defense system missile, the one occasionally mentioned in this connection in the open press.

D. Mobile ICBM's

The development and testing of a mobile ICBM is not prohibited by the Interim Agreement, but the US stated SALT ONE that we would consider deployment of such systems to be inconsistent with the objectives of the agreement. We do not believe the Soviets have deployed an ICBM in a mobile mode.

The possibility that the Soviet SS–20, which is a mobile intermediate-range ballistic missile system, has been given or could be given ICBM range capabilities has been discussed in the press. The SS–20 is being deployed to replace older medium and intermediate-range missiles. It is judged to be capable of reaching the Aleutian Islands and western Alaska from its present and likely deployment areas in the eastern USSR; however, it cannot reach the contiguous 48 states from any of its likely deployment areas in the Soviet Union. While the range capability of any missile system, including the SS–20, can be extended by reducing the total weight of its payload or adding another propulsion stage, there is no evidence that the Soviets have made any such modifications to the SS–20. We have confidence that we would detect the necessary intercontinental-range testing of such a modified system.

E. Denial of test information

It has been reported in some articles on SALT that the Soviets have violated the Interim Agreement by encoding missile-test telemetry, and that such activity is contrary to the provisions of Article V of the Interim Agreement which were noted in Section V.A above. Such activity would be inconsistent with those provisions of the Interim Agreement if it imposed verification of compliance with agreement provisions; it has not been considered to have done so. In the SALT TWO negotiations, we have treated this subject in considerable detail, since such activity could affect verification of compliance with certain provisions of the agreement.

F. ASAT

It has been alleged that Soviet development of an anti-satellite system is a violation of the obligation not to interfere with national technical means of verification of compliance with SALT provisions. Since development of such systems is not prohibited, this program does not call into question Soviet compliance with existing agreements. The actual use of an ASAT system against US national technical means is prohibited but this has not occurred.

AN ANALYSIS OF THE 1979 DEFENSE BUDGET

Mr. GOLDWATER. Mr. President, when the defense budget for fiscal 1979 was presented, we heard from Defense Secretary Harold Brown that it was austere but adequate and that it would maintain and improve a strong national security posture. However, a careful examination of the budget has raised some doubts in the minds of those intimately knowledgeable about service programs. In a very complete analysis presented by the Association of the U.S. Army, it is concluded that the budget "fails to address the problems of providing forces and equipment adequate to defend our national interests."

Mr. President, because of its great importance to this body and to the American people, I ask unanimous consent that the report by the Association of the U.S. Army be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE FISCAL YEAR 1979 DEFENSE BUDGET

AN ANALYSIS

The Fiscal 1979 budget is an austere but adequate defense budget, which maintains and improves a strong national security posture. It's been formulated in consideration of the demands of domestic programs on the government's revenue, and in consideration of a national commitment to the security of our country, on which everything

else depends.—Secretary of Defense Harold Brown, January 21, 1978.

In his briefing for the Pentagon press corps on the budget submitted by President Carter for Fiscal Year 1979, Secretary Brown listed three major areas on which the defense portion of the budget is focused:

Preserving the strength of our strategic forces.

Enhancing the combat capability of our forces committed to NATO.

Improving the readiness of our combat forces worldwide.

Brown also told the assembled media representatives, ". . . I hope that you will remember, as we in the Defense Department do, that none of these systems or programs will work without our people. The men and women of the Defense Department, military and civilian, are the foundation of our strength, a foundation that we must keep firm."

Despite these protestations, however, the budget calls for a drop of 20,000 in active military strength, a net reduction of 14,000 military reservists and a decrease in Department of Defense civilian employment, direct and indirect, of 13,000. The active duty strength cut may actually be much more than the Carter Administration claims. In the case of the Army, the Administration alleges a cut of 2,000 but its goal for the end of Fiscal Year 1979 is 772,000 which is 15,000 short of the FY '78 strength authorized by Congress. The Department of Defense, in the meantime, had superimposed an FY '78 end strength ceiling on the Army of 774,000 which it claims takes into account Army difficulty in recruiting and other interim decisions to pare down the service's strength. The accumulation of all these actions continues a downward trend in Army strength that the Association of the United States Army considers unwise and has strongly opposed.

But, strength cuts notwithstanding, the basic force structure of the U.S. Armed Forces appears to remain the same. The Army will retain its 24-division structure (16 active and 8 National Guard) and will continue to convert two infantry divisions to mechanized configuration. The Navy, although it loses an apparent 10,000 in active strength, will continue with a force of 13 attack aircraft carriers, and will get a few surface vessels and submarines. The Air Force loses a reported 6,000 active personnel but will retain 26 tactical fighter wings, and will build up the strength of some wings that have been short-handed. The Marines are programmed to lose just 1,000 active people and will continue with three active and one reserve division.

Budget terminology—What it really means.

Outlays: Payment actually made.

Budget Authority (BA): Authority provided by law to enter into obligations, resulting in outlays.

Total Obligational Authority (TOA): Current budget authority enacted annually by Congress plus unspent funding authority approved in previous years that has been transferred forward for use until spent.

The Defense portion of the overall Federal Budget will be slightly higher in Fiscal Year 1979, rising from 22.8 percent in 1978 to 23.0 percent in 1979. The defense share of the Gross National Product will decline slightly, however, from 5.2 percent in both 1977 and 1978 to 5.1 percent in 1979 (the defense share of the Soviet gross national product is now estimated to be well over 16 percent). As has been the case for several years, the fastest growing segment of the Federal Budget encompasses the social programs, with direct federal payments to individuals comprising 37 percent of the total budget.

The budget takes into account the changing composition of the All-Volunteer Force. With about 40 percent of all junior enlisted personnel married, the services have long seen the need to provide the same support for these families as they do for those of more senior members. The Defense Department has asked for $88 million to begin paying for overseas travel of junior enlisted families, with the bulk of the money going to the Army where the problem is most acute.

Claiming that the continued presence of all military retirement costs as an item in the defense budget has been a source of misunderstanding and accounting difficulty the department has requested permission to establish what it calls an "accrual system" of accounting. Each year the department would pay into a trust fund the amount equal to the value of future retirement benefits for military personnel still on active duty. In Fiscal Year 1979, for example, this payment is estimated to be about $7 billion of the total retirement cost of $10.2 billion. If the accrual plan is approved by Congress the $7 billion would be budgeted for by trust fund while the balance of $3.2 billion needed to pay those already retired would be an item in the "income security" section of the overall federal budget—along with Social Security, Railroad Retirement and others. This recommendation addresses a problem that AUSA has been pointing out for the past several years.

The legislative program for the Department of Defense in Fiscal Year 1979 contains three major personnel-related items:

It will continue pressure for passage of the Defense Officer Personnel Management Act. The bill passed the House during the final session of the 94th Congress but never reached the floor of the Senate. It was scheduled to go back to the House as this paper was being prepared for printing.

It will renew the initiative of the Ford Administration (and supported by the Carter Administration last year) to eliminate what they consider "dual compensation" by Federal civil servants who are also military reservists. The legislation would forbid their drawing both civil service pay and military pay while on active duty for training. They would be permitted to receive an amount not to exceed their civil service pay. A substantial portion of the total reserve force is employed by either federal, state or local governments. While the federal change would not directly affect the non-federal civil servants the other governments would probably follow the federal practice. AUSA and other organizations have worked together to defeat this proposal each time it has come up in the past and will oppose it again.

It will try once again to get legislation approved that will bring DoD "blue collar" pay adjustments more in line with local civilian rates and practices. Similar legislation was not acted upon last year. The Department estimates a saving of $133 million in the FY '79 budget on the assumption of congressional approval and a five-year cumulative saving of $2 billion.

While defending his proposed budget before the Pentagon press corps, Secretary Brown acknowledged that his planning was based on the assumption of being able to conduct one and a half wars simultaneously—most likely a full-scale war in Europe plus a war of lesser scope somewhere else. Hard on the heels of this statement the media revealed the existence of a classified memorandum from Brown to the military services which described the most likely "half war" as one in the Persian Gulf area. To fight that war Brown ordered the formation of a special force consisting of two reinforced Army divisions plus a Marine division and its air wing.

The "leaked" memorandum directed the Army to deploy improved nuclear weapons (presumably of the neutron or enhanced radiation type) to Europe and to pursue development of a longer range Pershing missile. The Air Force was told to improve the newest models of its aging B–52 fleet so they would have the dual capability to act as penetration bombers or as launching platforms for cruise missiles. The Navy was instructed to continue production (three every two years) of the new and larger TRIDENT missile carrying submarines and to prepare to phase out the older POLARIS boats.

Perhaps the most startling aspect of the memorandum was its instruction to the services to assure enough back-up forces to sustain a brief 30-day war in Europe while the Persian Gulf—or similar "half war" effort—would have to be sustained indefinitely. This was the most dramatic evidence to date of a Carter Administration conviction that a war in Europe would necessarily be a short one. Whether that conviction is truly based on confidence that NATO forces could turn back a Warsaw Pact invasion in that scant time or on an arbitrary plan to keep U.S. force structure—and the military budget—on a downward glide path is not known.

DEPARTMENT OF DEFENSE BUDGET—FINANCIAL SUMMARY BY MAJOR PROGRAM, CONSTANT PRICES

[In billions of dollars; fiscal years]

Military program	Constant 1979 dollars total obligational authority		
	1977	1978	1979
Strategic forces	10.6	9.8	9.8
General purpose forces	43.1	45.1	46.9
Intelligence and communications	8.4	8.3	8.3
Airlift and sealift	1.7	1.7	1.8
Guard and Reserve forces	6.7	7.0	6.7
Research and development	11.2	10.9	11.0
Central supply and maintenance	12.6	12.7	12.8
Training, medical, other general personnel activities	25.7	25.5	26.0
Administrative and associated activities	2.3	2.4	2.4
Support of other nations (excludes MAP)	.2	.3	.3
Total	122.6	123.7	126.0

THE BUDGET IN GENERAL

Strategic Forces. The level of strategic forces remains unchanged but the following programs will be supported:

The development and procurement of cruise missiles for deployment on B–52 bombers and the examination of other aircraft as possible launch platforms.

Continued development of the M–X mobile strategic missile with the goals of improved accuracy, larger payload and a less vulnerable deployment mode.

Continued development of the B–1 bomber—but no production—while at the same time continuing to examine the future of strategic bomber requirements.

Continued research and development on ballistic missile defense systems as a hedge against possible abrogation of existing anti-ABM treaties.

Procurement of the eighth TRIDENT ballistic missile submarine.

Improvement of strategic command, control and communications systems.

Research and development to improve satellite surveillance, reduce satellite vulnerability and to develop an anti-satellite capability.

General Purpose Forces. There will be no increase in the size of the General Purpose Force but the following actions were proposed to improve their capabilities:

Initial procurement of the Army's XM–1 tank.

Purchase of improved fire control equipment and anti-armor munitions.

Initial procurement of tooling for the PATRIOT air defense system and increased

procurement of the ROLAND air defense system developed jointly with the French and Germans.

Increasing ammunition stocks for forces deployed in Europe and gradually increasing prepositioned equipment stocks there to support the deployment of five divisions by 1983 (present stocks are now barely adequate to equip two divisions).

Deployment to Europe of the F–15 air superiority fighter, the A–10 close support aircraft and the F–16 multi-purpose, high performance fighter.

Initiation of procurement for 14 naval vessels with general purpose missions.

Modernization of the Navy and Marine Corps tactical aviation forces by initial procurement of the F–18 fighter and continued procurement of the A–4M light attack aircraft.

Airlift and Sealift Forces. No additional capability is planned for the sealift forces. Airlift forces will be improved as noted below but there is no planned augmentation.

Funds will be provided to extend the service life of the C–5 transport aircraft.

The long-haul capability of the C–141 transport aircraft will be improved.

Funds will be provided for continued modification of the Civil Reserve Air Fleet to improve conversion from passenger to cargo configuration.

Initial procurement of an advanced tanker-cargo aircraft for the support of deployed forces will be undertaken.

Guard and Reserve Forces. The budget claims to support improvements in the capabilities of the National Guard and Reserve forces and the closer integration of those forces with their active counterparts. Nevertheless the Administration is once again attempting a sizable reduction (35,000) in the strength of the Naval Reserve. Plans to increase the Army reserve component strength by 21,000 will bring about a net reserve reduction of 14,000. It is difficult to understand how this increase in Army Reserve components can be accomplished in view of current recruiting and retention difficulties and the absence of an effective incentive program.

Selective Service. Since the draft ended in 1973 the Selective Service System has shrunk from a working force of 8,000 to a very slender skeleton of just 100 employees. It is in "deep standby." During the intervening years the Individual Ready Reserve, without input from former selectees with a residual service obligation, has dropped to a point over 400,000 short of meeting mobilization requirements for unit fillers and combat replacements. The Selective Service machinery is incapable of providing trained replacements for about seven months after a mobilization order, leaving both active Army and Reserve component units with no source of trained manpower during the early, violent stages of combat. We cannot now meet any realistic mobilization goals.

The Fiscal Year 1978 budget for the Selective Service System (not included in the DoD budget) was $6.7 million, less than one tenth of its 1973 budget of about $90 million. The Fiscal Year 1979 Selective Service Budget proposed by the Carter Administration allows for a slight increase to $9.5 million, all of which will be used to hire more personnel. This budget will not permit pre-registration of 18-year olds (in fact, the acting director of the system told the AUSA staff that the notion of pre-registration is abhorrent to the Carter Administration and that no registration would be done in advance of M-Day). The director claims the added money will permit delivery of the first selectees to training stations within 30 days of the mobilization order, the requirement imposed by defense planners. Considering the fact that the previous director of the stand-by system admitted that M+110 was a realistic planning date for the arrival of the first selectees. It is difficult to see how this miniscule increase in the Selective Service Budget will decrease the response time by almost three-fourths. Nothing short of pre-registration and classification of all 18-year olds, both male and female, can realistically be expected to bring about the timely induction of sufficient numbers of trainees. The existence of a workable Selective Service mechanism is, in the final analysis, a major contributor to deterrence.

FISCAL YEAR 1979 DEPARTMENT OF DEFENSE BUDGET—MAJOR PROCUREMENT ITEM QUANTITIES

	Fiscal year programs—		
	1977	1978	1979
Aircraft:			
Army	117	161	223
Navy and Marine Corps	214	160	120
Air Force	219	356	390
Total, aircraft	550	677	733
Helicopters	(138)	(147)	(237)
Fixed wing aircraft	(412)	(530)	(496)
Missiles:			
Army	18,102	14,668	10,260
Navy and Marine Corps	15,714	22,382	3,864
Air Force	3,195	4,624	4,736
Total, missiles	37,011	41,674	18,860
Ships:			
New construction	15	18	15
Conversion	1		
Total, ships	16	18	15
Tracked combat vehicles:			
Army	2,501	2,752	1,907
Marine Corps	45	113	28
Total, tracked combat vehicles	2,546	2,865	1,935
Torpedoes: Navy	994	1,422	1,882
Other weapons:			
Army	7,299	7,462	7,500
Navy and Marine Corps	2,897	69	852
Air Force	1,725		1,055
Total, other weapons	11,921	7,531	9,407

THE BUDGET AND THE INDIVIDUAL MILITARY SERVICES

The Navy and Marine Corps. While both President Carter and Secretary Brown defended the 1978 budget in terms of its support for conventional forces and the nation's ability to react to emergency situations, the program for the next fiscal year does very little to improve the Navy's capability to perform one of its basic missions—the projection of power into overseas areas. In terms of Secretary Brown's "one and a half wars" the Navy has a marginal capability to project Army and Marine combat power ashore anywhere and an even more doubtful capability to support those forces once they are ashore.

During 1976 (calendar year) the annual REFORGER exercise moved a single Army airmobile division to Europe at the expense of tying up a major portion of the Military Sealift Command's scant assets (a total of 37 ships). Air movement of troops for that division required a maximum effort for the Military Airlift Command. Neither the ongoing Fiscal Year 1978 or the proposed 1979 budget include any substantial improvement in those capabilities. Secretary Brown's reported instruction to prepare for a reinforced three-division effort in the Persian Gulf while still providing support for a full-fledged NATO war greatly overstates our lift and support capabilities.

For Fiscal Year 1979 the Navy requested authority to begin construction of 30 new ships, including a new attack aircraft carrier. This would have kept the Navy on its path toward return to a 600-ship fleet from its present size of just over 400. The net addition to the fleet, by the time all these ships were built, however, would have been something less than 30, since several older ships would have been retired in the interim.

The new aircraft carrier fell by the wayside early in the decision-making process, a victim of a decision to study the future of aircraft carriers before proceeding with a new one. Also, when the carrier was put in limbo, several ships that would have been part of its support force were also suspended. In the final budget the Navy got 15 of its requested 30 ships, an attack submarine, eight frigates, three submarine-detecting sonar ships and two fleet auxilliary ships, plus the TRIDENT submarine mentioned earlier. The first twelve ships contribute to clearing the sea lanes for cargo and troop ships but add nothing to the sealift capability in terms of troops or cargo.

The 1979 budget effectively kills a Navy project that might have had important benefits in both sea-clearing and troop support—the surface effects ship. In his Pentagon press briefing Secretary Brown referred to it as "a very interesting idea . . . (that) may have at some time some useful and important applications." About $300 million has been spent on S.E.E. development so far but the item was "zeroed out" of the new budget with no plan to revive it in the foreseeable future.

One of the most vexing aspects of the Carter Administration plans for the Navy in Fiscal Year 1979 is its announced intention to cut 35,000 paid drill spaces from the Naval Reserve. The plan was announced in the face of repeated Congressional refusal to approve similar cuts in recent years. It is too early to tell if this most recent proposal will fare any better than the earlier ones but if it is approved the Naval Reserve will shrink to a strength of 51,500 in paid drill status and the 35,000 spaces cut will be converted to the category which draws pay only for annual two-week training. Navy personnel managers expect a mass exodus from the ranks of those reservists transferred out of paid spaces if the reduction is ultimately approved by Congress.

The Marine Corps, of all the military services, is probably least affected by the proposed budget. While any strength cut hurts somewhere, the scant reduction of 1,000 Marines should be readily absorbable. If the Corps suffered any significant blow in the budget cycle it would probably be the decision to stop procurement, at least for the next year, of the HARRIER VSTOL aircraft. Marine enthusiasm for the British-designed aircraft remains high, despite its alarming accident rate. In the meantime research and development on VSTOL concepts with the goal of developing a tactical fighter for the 1990's and later is funded by $52.5 million in Fiscal Year 1979.

The Air Force. Fiscal Year 1979 budget proposals place the Air Force personnel managers in much the same situation found in the Army in recent years—a mission to improve the capabilities of combat units while, at the same time, absorbing a personnel strength cut. The Air Force must find ways to round out its 26 tactical fighter wings with 6,000 fewer people than it now has and, unlike the reduction assessed on the Army, the Air Force cut is more specific, imposed on numbers of people actually on board rather than on a target strength.

For the devotees of the manned penetrating bomber the B–1 is still wiggling a little, even if only in the R&D arena. Despite President Carter's decision against production, there is still strong sentiment in Congress for a new generation of manned bombers.

The budget does fund a second production increment of cruise missiles to be launched from B–52's. According to the Department of Defense the cruise missile ". . . . expands the lethal footprint of penetrating bomber forces by prividing additional targeting coverage and flexibility by stressing enemy defenses and reducing bomber exposure to defenses." It is a winged, subsonic, turbo-

fan powered missile with a highly sophisticated guidance system capable of following the earth's contours.

Funding is recommended for continued production of the F–15 EAGLE air superiority fighter and for the F–16 light multipurpose fighter. The F–15 will eventually replace the interceptor version of the F–4 while the F–16 will replace several aircraft, including the tactical fighter version of the F–4.

The A–10 close support aircraft will continue in production. The budget also provides for a first buy of the advanced tanker/cargo aircraft, a military conversion of "off the shelf" DC–10 wide-bodied transports.

The Army Budget for Fiscal Year 1979. The United States Army in 1978 is probably the best peacetime ground combat force the nation has every had. It is well trained, well led, adequately equipped and well motivated. It is a professional army of the highest caliber.

That is not to say that the Army does not have any problems. It is too small, to begin with. There are problems in the availability of equipment suitable to the high intensity battlefield that would be expected in a future war. There are problems related to stockpiles of ammunition sufficient to sustain the Army on that battlefield. And there are problems that impact heavily on the Army's dearest, most vital and most expensive commodity—people.

The Army's share of the 1979 Defense Budget is $31.3 billion in total obligational authority and $29.0 billion in outlays. These amounts continue financial support for the Army on a very gradually rising path with the biggest increase found in the procurement account. Personnel costs, while rising in the total amount of dollars involved, actually dropped from 62 percent of the Army budget to 59 percent—a function of declining Army personnel end strength.

The issue of personnel strength is a perplexing one. The Army can take considerable pride in its efforts to squeeze more combat units out of ever-declining numbers of people but there have been some trade-offs that are worrisome indeed and may seriously influence the Army's combat staying power.

These trades—shifting major responsibilities for both combat and support to the reserve components and putting the Selective Service machinery in "deep standby"—are looking bad in hindsight but not for the same reasons. The politically-motivated Selective Service decision (above and beyond the shift to an All-Volunteer concept) was bad because it was ill-advised to begin with and subsequent events have proven the point.

The shift of greater early mobilization responsibility to the Army National Guard and the Army Reserve was not a bad decision and, had it been properly supported over the intervening years, should have developed the Total Army into a highly-capable fighting force at a cost far less than maintaining an active Army with parallel capabilities. But sometimes it is necessary to spend money in order to save more later, and the Total Force concept never got that kind of support.

Much of the improvement in the combat-to-support ratio in the Active Army has been made possible by assigning mobilization support responsibilities to reserve units. The Active Army does not have enough residual support capability to tide it over the post-mobilization period required to get the reserves deployed. Reserve Component strength has been declining and Army pleas to institute a new series of enlistment and reenlistment incentives for reserves have brought nothing greater than a paltry ($5 million) test of reenlistment bonuses in a few units. The test is still in progress and there is no money in the Fiscal Year 1979 budget to either broaden it or extend its life. The charts showing a hoped-for increase in reserve strength unfortunately reflect Pollyanna-like overconfidence based on recent experience and budgetary support.

The lack of draft pressure contributes to the difficulty being experienced by the reserve components in enlisting enough people. The inability of the remaining Selective Service machinery to produce draftees (noted earlier in this paper) exacerbates the problem presented by the declining strength of the Individual Ready Reserve. This valuable pool of trained manpower is the only source of individual fillers for Active Army units being committed to combat and for reserve units being mobilized. Short of stripping units, the IRR is also the only immediate source of replacements for early combat losses. As was said earlier, the miniscule increase in the Selective Service budget for Fiscal Year 1970 cannot alleviate the problem of producing trained manpower in timely fashion. There is no further margin for delay. The civilian managers in the Defense Department must press the White House for immediate action to raise Selective Service capabilities and to bite the political bullet by authorizing pre-registration and classification.

The 1979 Budget holds more promise for the members of the Active Army, particularly for the junior enlisted personnel. Funds are being requested to permit movement of the dependents of junior enlisted people to authorized overseas stations. The Army has estimated that it costs the average young family about $1,375 to move to Germany, pay deposits on an apartment on the local economy and make it livable. The family immediately finds itself in a financial bind with nothing to look forward to for the next three years but hardship. It appears there is enough sentiment in Congress—even Representative Les Aspin supports it—to sell this program. It will be a boon to morale and retention.

The Army is requesting funds to support child care centers operated by Army Community Services—a benefit to parents working to supplement the family income. There will also be a large increase in the number of new family housing units requested—852 compared to just 100 in FY '78—and in improvements to existing quarters—1624 compared to 975. The number of housing units to be leased would increase from 12,096 to 12,978. The new quarters would be built at Forts Polk (160), Ord (560) and Stewart (132).

New hospitals are being requested at Forts Stewart and Hood and new dental clinics at several locations but the basic shortcomings of the medical service will probably continue unabated. The shortage of military physicians will get worse before it gets better and more military families, both active and retired, will find themselves using CHAMPUS and paying a share of the cost that many of them cannot afford.

During Fiscal Year 1979 the Army plans to complete the mechanization of the 24th Infantry Division and make the following additional force improvements:

Activate these units—

Two tank battalions.

One attack helicopter battalion.

One HAWK air defense missile battalion.

One tube field artillery battalion.

Increase the manning of the 5th and 24th Divisions to 100 percent.

Increase the manning of divisions with equipment pre-deployed in Europe to 105 percent.

Increase the manning of units deployed in Europe.

Begin to expand the amount of equipment deployed in Europe for reinforcing divisions.

Increase electronic warfare, communications and chemical warfare defense capabilities in Europe.

In spite of recent difficulties in reserve recruiting and inability to meet manpower goals, the Army has requested and the Defense Department has approved a modest increase in the authorized strength of the Army National Guard and the Army Reserve. The increases, if achieved, will bring the combined paid drill strength of the Army's reserve elements to 569,000 which is still 20 percent short of the wartime requirement and 94,000 short of the peacetime requirement. Early deploying units (130 reserve units are scheduled to be deployed between M Day and M+30) will get additional technician help and full time readiness NCO's to improve unit and individual training.

In order to cut down on the number of soldiers tied down in training, about three percent of advanced individual training will be shifted to units in the form of on-the-job training, with an accompanying loss of unit readiness. The number of officers engaged in long-term schooling will be reduced by shrinking the size of classes at the Command and General Staff College and the Army War College by 15 percent, an undesirable sacrifice in professionalism. Most of the personnel assets needed to fill out units and accomplish other improvements will come from the training bases and from base support operations.

For the Army's hardware account Fiscal Year 1979 has some good news, some bad news and some uncertainties. Perhaps the best news is approval by DoD to request the first production increment of the XM–1 tank—110 for the year. As this paper was being prepared Secretary of the Army Clifford Alexander announced that agreement had been reached with the Federal Republic of Germany to standardize on a German-designed 120mm gun for both the XM–1 and the German Leopard II. Early models of the XM–1 will be armed with the U.S. 105mm gun while Army inhouse ordnance facilities are tooling-up to produce the German gun under license.

The XM–1 is generally considered the best tank in the world and should remain a superior weapons system for years. The Army hopes to buy more than 7,000 between now and the late 1980's. While XM–1 production is building up the Army will continue to buy M60A3 tanks, now the standard and a solid match for the Soviet Army's latest tank, the T–72. Four hundred eighty M60A3's are programed for procurement in FY '79.

PROCUREMENT HIGHLIGHTS—QUANTITY

	Fiscal year—			
	1977	1978	1979	1980
Black Hawk helicopter	15	56	129	168
AH–1S (Cobra/TOW) helicopter	82	83	78	15
Improved Hawk missiles	526	509	608	500
Stinger missiles	0	258	2,250	2,400
Dragon	9,496	6,965	0	0
U.S. Roland	0	0	314	500
Lance	360	360	199	0
Armored personnel carrier, M113A1	1,200	960	910	357
Howitzer, SP, 155 mm, M109 series	103	250	136	91
Tank, M60 series	886	739	480	377
Tank, XM–1	0	0	110	569
Howitzer, towed, 155 mm, M198	51	0	107	208

Perhaps the worst piece of news for an Army seeking to increase its mobility and staying power on a high intensity battlefield is the return of the infantry combat vehicle to R&D status with no production money for the MICV, at one time considered to be ready for production. The Army had programmed MICV production for FY 1978 but it slipped last year and now has been dropped while a search for a successor begins. Current critics of the MIVC claimed its silhouette is too high and that it cannot make overland speeds sufficient to keep up with the XM–1. There were also problems with a decision on the right weapons for the vehicle. Procurement of M113A1 carriers continues.

The Army's advanced attack helicopter continues in the R&D stage for another year while procurement continues on the modernized interim Cobra/TOW version of the AH–1 helicopter. The Blackhawk utility helicopter is recommended for much greater production during the next fiscal year—jumping from 56 aircraft in FY '78 to 129.

A serious deficiency in forward area air defense is recognized in the decision to begin production on the U.S./French/German ROLAND mobile missile system and by R&D funding for the DIVADS gun system. At the same time there will be some initial production of tooling for the PATRIOT air defense missile system which ultimately will replace both the HAWK and HERCULES systems.

R.D.T.E. FISCAL YEAR 1979 FUNDING OF MAJOR TACTICAL SYSTEMS

[Fiscal years]

System	Millions	1st year procurement
XM–1 tank	$78	1979
Advanced attack helicopter	178	1981
Hellfire	65	1981
Rocket system (GSRS)	71	1983
Forward area air defense (LOFAADS)	76	1983
Patriot	237	1980
Standoff target acquisition	37	1981
Tritac communications	55	1981

The Army estimates that the procurement planned for Fiscal Year 1979 would bring the tank fleet to 81 percent of its desired level of modern tanks. The attack helicopters programmed for the year (interim Cobras) would bring the inventory to 87 percent of the needed level and the self-propelled artillery pieces to be built during FY '79 will bring that stock to 92 percent of its goal. Once full production of the XM–1 is underway the Army would like to build 120 per month until its long-range goal of 7,000+ is reached.

The procurement of ammunition to build up stocks in Europe has been a problem ever since those stocks were drawn-down to support Israel during the Yom Kippur War in 1973. During Fiscal Year 1979 there will be 200,000 short tons of ammunition delivered to European depots but, even at that rate, the Army does not expect to reach its stockage goals until the Fiscal Year 1983 program is completed.

WHAT DOES IT ALL MEAN?

While the United States Army will never diminish its concern for the people who make it work there are some signs that, for the first time, the Army is becoming *hardware intensive* instead of *people intensive*. If there is a shift in the Army's focus it has been forced by the realities of the world we live in, not by any scheme to slight the human side of the equation.

People cost more money than hardware. The group of young people from which the Army must draw its fighting force is shrinking and the very best members of the group are being sought after by industry, by the colleges and by all the armed services. As long as our national commitment to the volunteer concept survives the military will have to compete on a "dollars and cents" basis for this increasingly scarce commodity.

So the Army's manpower strength goes down along with that of the Navy, the Air Force and the Marine Corps. We have good reason to be concerned but our worry should be concentrated not on the loss of numbers alone but on the answer to the question, "How have our capabilities survived the drop in manpower?"

For the time being, at least, it appears that our strategic weapons and retaliatory capabilities are adequate, despite grave concern on the part of the Air Force that its bomber fleet will disappear, taking with it the comfort of having human hands in final control of weapons.

Oddly, it may be the Navy's capabilities, or lack of them, that have the greatest impact on the Army's ability to do its job. Can the Navy keep the sea lanes of supply and reinforcement open during an all-out European war? Can it carry, land and support that reinforced Army/Marine team that the Secretary of Defense says should be ready to fight in the Persian Gulf area? And, even if you assume sea control, are there enough ships available, both naval and civilian, to carry military cargoes and land them over the rubble of destroyed ports in Germany, France, Belgium and the Netherlands?

The Army in Europe, together with its NATO comrades, is greatly outnumbered, both in people and in weaponry. It does not begin to match the opposing forces of the Warsaw Pact in numbers of tanks and in artillery weapons. But it certainly must have the best in anti-tank missiles and in efficient fire support to counterbalance numerical disadvantages. It must be able to rely on NATO air forces to gain and maintain air superiority over the battlefield and the airfields where reinforcements and emergency supplies should be landed. It must know that the reserve units called from their homes to serve are manned, trained and equipped to do the job and can get to Europe in time to help.

The Army and, we hope, the Defense Department and the Commander-in-Chief, know what must be done but when the Chief of Staff of the Army is forced to strip manpower and equipment from stateside units, active and reserve, to build combat power in a forward area, the game of "priorities" has gotten out of hand.

This budget, as have those in the recent past, fails to address the problem of providing forces and equipment adequate to defend our national interests. Rather than budget for what we really need, the Administration lowers our national expectations and substitutes lesser goals for those which undergird our true interests.

We believe that the American people want this process reversed and are willing to support national defense expenditures that will maintain our way of life and our major role in world leadership.

PROLIFERATION PROOF NUCLEAR REPROCESSING DEVELOPED

Mr. CHURCH. Mr. President, nearly a year ago the administration embarked on a new policy of renouncing development of breeder reactors and spent nuclear fuel reprocessing. This approach was based on the fear that breeder reactors and reprocessing would lead to a proliferation of plutonium and thus a spread of nuclear weapons. This policy reflected the hope that our own self-denial would convince other nations to forgo the plutonium fuel cycle.

As I predicted at the time, that policy has failed. We are well aware of the fact that no nation has followed our example. In contrast, plans for adopting the plutonium cycle are proceeding all around the globe. In the process, the United States has lost the lead in assuring the safe and secure use of nuclear energy.

Due to the dedicated work of American and British scientists, however, the opportunity is now at hand for the United States to once again capture the lead in creating safe, proliferation proof use of the plutonium fuel cycle. Dr. Chauncey Starr, president of the Electric Power Research Institute, announced yesterday the development of a spent fuel reprocessing technique which eliminates the production of plutonium in a form usable for weapons production. Joseph Kraft, in a column in today's Washington Post, has noted well the significance of this development and the opportunity for leadership which it presents.

This remarkable discovery may well deliver into President Carter's hands the admirable prize he has sought. His leadership is now needed to capitalize on this proliferation proof process. Action now by the United States could induce those nations committed to the plutonium fuel cycle to adopt this new reprocessing technique under international auspices. The United States may not again have the opportunity to recapture our former role as leader in the effort to achieve the safe, proliferation-proof use of nuclear energy on a global scale.

Mr. President, I ask unanimous consent that the speech by Dr. Starr and the column by Joseph Kraft be printed in the RECORD.

There being no objection, the speech and column were ordered to be printed in the RECORD as follows:

THE SEPARATION OF NUCLEAR POWER FROM NUCLEAR PROLIFERATION

There exists world wide a strong common desire to limit nuclear weapons proliferation so as to inhibit or remove the threat of nuclear warfare. While this is a primary international political objective, there has also developed a secondary objective to limit any potential contribution to such nuclear weapons proliferation which might arise by the diversion of weapons material from the civilian nuclear power fuel cycle. This secondary objective is the basis of the present U.S. government policy to defer the reprocessing of nuclear fuels anywhere. This policy has been generally recognized as a temporary expedient to provide time for international reexamination of the problems of weapons proliferation associated with nuclear power.

We know from past experience that in areas as complex as these, technical and political considerations cannot be separated. There is certainly no magical technical fix which can remove the political issues, although the diplomatic and economic accommodations depend heavily on available technical alternatives. It is with this perspective that this paper presents one of the interesting technical alternatives which might provide a new option to assist the political resolution of the paramount issues.

In considering the world wide spread of nuclear weapons capability it is necessary to be concerned with all the fissionable materials and their production technologies. It is foolish to attempt to limit access to plutonium and not to limit the spread of other fissionable materials (U235, U233) produced by easy enrichment techniques for uranium isotopes or thorium conversion. Although this paper concentrates solely upon the question of limiting access to plutonium, this is chosen not because of its relative proliferation hazard but rather because of its relevance to current civilian nuclear power planning.

The basis for the present U.S. policy of storing spent fuel indefinitely arises from the assumption that the plutonium separation from spent nuclear fuel from reactors would be conducted in chemical plants whose output would provide a stream of pure plutonium (presumably for recycling in reactors as fuel) and a stream of pure uranium to be returned to the enrichment process.

This conventional chemical process is epitomized by the so called "Purex" type of process which is now functioning in six countries with probably fifteen more having the technical capability to build such plants. Because at the end of this process there is a quantity of pure plutonium, it has been assumed by some that even with stringent physical safeguards, a hypothetical situation could arise by which terrorists or a subnational group might successfully steal weapons usable material. Under these circumstances one could also hypothesize that the diversion from Purex plants might be accomplished much more quickly than any national or international preventive response to a warning of such diversion.

It is important to recognize that such small-scale diversion is only a minor component of the multi-national nuclear proliferation problem, as many other ways exist for obtaining weapons usable materials, and additionally, weapons manufacture and delivery involve complex military systems. The popular notion that a workable weapon can be easily made by a few intelligent amateurs has as much practical validity as the notion that a usable space rocket could be easily made and launched by the same amateurs because all the principles are described in the technical press. Diversion, even if it were to occur, is thus only one of the many difficult steps to a nuclear weapon. Nevertheless, the public image of the threat of diversion by terrorists or subnational groups has been so highly developed that the subject must be seriously addressed. Of more practical significance internationally is the possibility that a nation may suddenly decide to shift the output of a Purex type plant from civilian reactor fuel to military weapons. National safeguards clearly would not prevent this, and international response may be slow or ineffective. This is the more important issue.

As an ancillary consequence of the U.S. policy of internationally deferring fuel reprocessing there flows a policy of also restricting the development of fast breeder reactors, as a fast breeder reactor requires reprocessing because of technical limitations and the economics of its operating cycle. With regard to thermal reactors, such as the LWR, without reprocessing one can conceive of a situation where for an interim number of decades (depending on uranium ore availability) it might be possible to supply LWR reactors with partially enriched uranium fuel, and to indefinitely store the spent elements, with their plutonium content inherently safeguarded by the radioactivity of the contained elements and build a special reprocessing plant. Because of the fission product radioactivity, it is not feasible for a subversive group or even a nation to divert plutonium from the reactor itself or from the fresh spent fuel immediately after removal from the reactor. But after that fuel has been stored for a decade or so, the radioactivity associated with it will have decayed substantially so that it constitutes a less serious obstacle to a large subversive group or a nation to chemically process and extract plutonium for weapons purposes. Thus, the plutonium, while inaccessible when first put in storage in the form of fuel elements, becomes relatively more accessible in about a decade.

This characteristic decay of fission products in spent fuel permits us to define the term "diversion proof". Given enough time and skill, any nation can build a dedicated military facility for the purpose of chemically separating plutonium from long-stored spent fuel in order to provide nuclear weapons material. Thus, long time storage of spent fuel involves a risk increasing with time of providing a source of weapons usable plutonium (i.e. less contaminated with fission products) and it is roughly possible to estimate both the time and manpower resources required to separate the plutonium This level of effort conceptually separates sudden "diversion" from a deliberately planned "military" weapons program. Using this as a standard, we can meaningfully define as "diversion proof" any system where the difficulty of extracting weapons material is roughly equal to or greater than that of doing so by independently processing long-stored spent fuel.

It is important to recognize that the diversion issue does not arise from the plutonium in reactor cores but rather depends on the hypothetical accessibility to a subversive group of weapons material at some key points of the fuel cycle external to the reactor. Thus, practical attention should not focus on the total plutonium in the system nor even the amount external to the reactor core, but actually only on the amount in the part of the fuel cycle which is both accessible and contains within it weapons usable plutonium.

It is politically important to recognize that a desirable characteristic of any fuel recycling system is its inherent ability to give an external indication to a resident inspector of any major attempt at diversion, so that international mechanisms for countering such moves can be undertaken. While this criterion of maximum timely warning has been discussed as a politically desirable objective, it must also be recognized that as yet there appear to be no agreed upon political or quasi-military response mechanisms to such warnings. This is an area of international agreement, basic to proliferation, which has yet to be developed, and in its absence an especially important premium is placed on going as far in "diversion proofing" as the technology will permit.

We must recognize that many countries of the world have very limited domestic energy resources and therefore they plan substantial development of nuclear energy. And many of these countries also have limited supplies of natural uranium to fuel light water reactors. Further, most do not have the enrichment plants for providing the partial enrichment of natural uranium ores. For these countries the breeder reactor offers the principal technically realizable hope for securing energy supplies and mid- and long-term energy independence.

Even for countries which at present have access to both uranium resources and enrichment facilities, the very large uncertainties as to the quantity of economically available uranium, and the rate at which it can be discovered and produced makes the development of the breeder reactor option vital. Thus the need to develop the breeder fuel cycle and the processing associated with the breeder system makes any world wide attempt to stop chemical processing development inevitably unsuccessful.

Further, opposition to the present U.S. international policy of inhibiting reprocessing arises from other, very fundamental, legitimate nationalistic causes. The continued and apparently indefinite dependence of fuel buying nations on the supplier nations tends to stimulate the buyers to develop their own supply. In addition to seeking their own enrichment facilities, the existence of a potentially large amount of plutonium in stored spent fuel from LWRs is an enticing source of fuel. The plutonium in the stored fuel is equivalent in energy value to about one third of the fuel already consumed in the machines from which the fuel came. And this is a substantial energy resource that will certainly be attractive to exploit. Finally, the experienced teams in the nuclear power field recognize that a 15- to 20-year lead time is required for developing and establishing functional commercial fuel cycles and breeder facilities, and that this period is about as far as one can foresee with any confidence the fuel supply for light water reactor systems.

In addition to all these pragmatic planning issues, there is the political inequity which exists between the "have" and "have-not" nations in nuclear technologies and capabilities. While the "have" nations are free to choose their own nuclear future, as evidenced by the programs in France and the USSR, the "have-not" nations are being asked to forgo nuclear power or accept international intervention in their energy economies. It is therefore of some urgency to many of these nations to plan now the future acquisition of breeders and their fuel cycle systems. Thus, for these many reasons it is important that a technical endeavor be undertaken to find breeder nuclear fuel cycles which are sufficiently diversion proof.

Let us summarize the principal technical features of the nuclear fuel cycle pertinent to the diversion issue. First, all nuclear fission power reactors suitable for commercial purposes, based on either uranium or thorium, or on combined denatured cycles, produce weapons usable fissionable materials in their spent fuel which can be extracted in pure form in appropriate chemical processing plants. The technical question, therefore, is whether a chemical fuel recycle process can be developed which does not seriously damage the economic requirements for commercial fuel and which minimizes or removes the technical risk of diversion. It is the design implications of these two objectives which we will be discussing in this presentation.

The public debate on the issues of the fast breeder versus the light water reactor in relation to proliferation has unfortunately been distorted by a generally held misconception on breeder plutonium production. The relevant issue here is the amount of accessible plutonium available in the out-of-core portion of the fuel cycle, such as may be obtained from storage or shipment, and which therefore might become a target for diversion. Let us consider what happens to an initial 100 atoms of fissile fuel in a reactor. In a light water reactor, as these 100 U235 atoms are fissioned to produce energy, about 60 plutonium atoms are created by internal conversion of U238, of which about 30 are also fissioned during reactor operation, and about 30 are discharged in the spent fuel and are externally available for other purposes. In a fast breeder, of the initial 100 fissile atoms (U235, U233, or Pu) present in the fresh fuel, under the highest conversion conditions about 140 plutonium atoms are created, about 15 are fissioned during the reactor operation, 100 are recycled to replenish the core, and thus 25 are externally available for other purposes such as inventory for another reactor. The fast reactor conversion ratio can, of course, be reduced if desired, and is likely to be less than the above for engineering reasons in commercial plants.

Thus, the best fast breeder cycles discharge to other reactor systems generally less plutonium from their operation than is now discharged to storage by light water reactors of the same power level. The key difference in the performance of these two nuclear power systems is that the light water reactor through its use of low-enriched fresh fuel (about 3–4%) permits the storage of its spent fuel without any substantial economic penalty—as long as uranium ore is available at low cost and in large supply so that the economic value of the contained partially enriched uranium is not large. In contrast, the fast reactor utilizes a relatively highly enriched fuel (about 15–25%) whose value does not permit spent fuel storage economically, and therefore requires recycling of the plutonium produced. As mentioned above, storage of spent LWR fuel delays, but does not indefinitely remove, the issue of accessibility.

There is, however, a fundamental difference in the operation of the light water reactor and the fast reactor which opens up a

major opportunity for differing chemical processes for closing the fuel cycle. The LWR performance is relatively more sensitive to fission product impurities in its fuel. Therefore, if the plutonium in the spent fuel from LWRs is to be recycled back to LWRs, the fission products which most seriously reduce LWR performance should be separated by reprocessing, preferably going through a process which separates reasonably pure plutonium from the spent fuel. The fast reactor performance, on the other hand, is relatively insensitive to all fission product in its fuel, and therefore, does not require partially purified plutonium in the fuel supplied to it. The LWR spent fuel also still contains uranium which is partially enriched (about 1.3 times natural uranium), and this needs to be highly purified from fission products so that it can be returned to the enrichment plant.

It is thus possible to conceive of a hypothetical idealized breeder fuel cycle which at all points has a plutonium-uranium mixture that does not exceed the 15–20% Pu necessary for fresh fuel, that is only partially decontaminated from fission products and is therefore highly inaccessible. Such a system must not only be technically feasible, but economically acceptable. And this would mean that the system should achieve the technical targets which were set decades ago for economically optimal breeder cycles, namely, the ability of the fuel cycle process to handle very high power density short-cooled discharged fuel, and to provide a rapid reprocessing into usable fuel elements, both intended to reduce the external fuel inventory. If one combines this economic objective with that of maintaining limited accessibility by radioactivity from partially decontaminated fuel, this obviously leads to remote fuel refabrication (rather than the use of hand operated glove boxes) and probably co-precipitation of the fuel material. Neither step is now part of the Purex fuel cycle system which codecontaminates fuel and is proposed for light water reactor recycle.

If the chemical process used for closing the fast reactor cycle meets these conditions, it would in addition be desirable if the physical plant could also meet other design conditions that would inherently increase its diversion resistance. For example, the activity levels throughout the plant from the input of spent fuel elements to the output of fresh fuel elements should be so high that physical accessibility to the component parts of the system becomes impractical. Second, it should be extremely difficult to make simple adjustments of the process system to provide a pure plutonium stream, rather than one which contains fission products and uranium. Third, sequential recycling of the mixture from plant output to input should not permit the production of weapons usable pure plutonium. The system should also provide real time flow accountability and unambiguous signals of attempts to alter the design performance, so as to permit continuous inspection, if that is deemed desirable. Any physical alteration of the plant to change the process cycle by the addition of process units intended to separate pure plutonium should be roughly equivalent in magnitude of difficulty to building a dedicated military purification facility for stored LWR spent fuel. Presumably, both physical guarding and resident inspectors would also be routinely present, but this level of protection is in addition to the inherent technical objectives listed. The CIVEX process which will be described later in this session, attempts to achieve these objectives. The term CIVEX has been chosen to designate the generic group of processes designed solely for a civilian fuel cycle which approach the above objectives.

It is useful to recall that the experimental breeder reactor-2 (EBR-2, 16 MWe) pyrochemical process which operated for five years (1963–1968) as a closed fast reactor system did, in fact, have all these characteristics. The issue is therefore not whether such a system is technically feasible, but whether an economically desirable commercial large-scale system can be developed to meet these performance objectives, taking into account the growing inventory of Pu in spent fuel from light water reactors as a fuel resource.

Assuming that subsequent full-scale development of the CIVEX cycle for fast reactors achieves the objectives described here for diversion proofing, we could then continue the worldwide nuclear power system trend, with light water reactors producing the plutonium inventory to start the fast reactor systems, and eventual transition to principally a fast reactor system. The CIVEX cycle would have as an input the stored spent fuel from light water reactors or the current fuel from fast reactors, and the output of the processing plant would be radioactively hot refabricated fuel ready for insertion into fast reactors. This fresh fuel would contain a faction of the fission products, a mixture of uranium and plutonium and be remotely fabricated as the final stage of the CIVEX plant. The process would nowhere have a plutonium concentration greater than about 25 percent and nowhere would the plutonium be separated from the fission products. And the process would be so configured that only a massive plant reconstruction or addition would permit changing these conditions. Further, any attempt to alter the plant's operation in any significant fashion would presumably provide a timely signal for either a local or international response to such an intervention in its normal operations.

The net results of such a combined nuclear power system would be the creation of a diversion proof nuclear power capability. And this would effectively remove such nuclear power systems as a potential resource for nuclear weapons proliferation. Although we know from the history of fast reactor cycle development, as evidenced by the EBR–2 cycle, that such systems are technically possible on a small scale, the development and testing of a commercial and economically desirable cycle remains to be done. Fortunately, if such a development is initiated now, the time scale for the successful achievement of a CIVEX process could be consistent with a parallel development of the breeder option, on a schedule which meets the fuel needs of light water reactors and nuclear power worldwide.

The feasibility and acceptance of such a program would make the operation of light water reactors and their spent fuel storage an interim program. During this interim period they would require physical safeguarding in manners that have already been discussed and studied. But this storage phase would be for a limited time only. This interim period requires the continuation of temporary arrangements between the providers of nuclear fuel and their users. More specifically, it would be consistent with the presently proposed international arrangements in which the sellers of nuclear fuel take back the spent fuel from their buyers for either storage or for processing, with the intention of using any extracted plutonium as the initial inventories for future fast reactors. At such time as the CIVEX process is fully developed it would then become the fuel cycle complement to the fast reactors.

A successful CIVEX process would also permit, in principle, a more diversion proof recycle of Pu in light water reactors. There may be performance penalties arising from both the fission product content of the refabricated fuel and the possible density differences from the remote fuel fabrication process. These differences may discourage such LWR recycle, especially for an interim period, unless the costs of enriched fuel and an excessive availability of stored fuel create strong pressures. Of course, the development of CIVEX and testing of its fuel product would still be required. It should be noted, however, that plutonium recycle in LWRs is the fastest way to remove the tempting and growing world wide availability of plutonium in stored spent fuel.

It must be recognized that a potential technical fix to commercial nuclear power such as the CIVEX cycle does not solve the weapons proliferation and nuclear war issues. They remain a profoundly important international political matter of great significance to all nations. However, it must also be recognized that a technical system such as the CIVEX cycle removes many of the pressing questions of sudden and unsignaled diversion, thus simplifying the political problems which must be addressed in the broad domain of nuclear weapons proliferation. This CIVEX concept (or similar approaches for Th-U233 cycles) probably represent the best that technology can do on this issue.

The whole concept of the effect of the CIVEX process on the international political problem is illustrated in the accompanying Figure 2, which plots the strength of a subnational force undertaking a diversionary activity versus the time required for a successful diversion of a target quantity of weapons material. Assuming that a local security response might require several hours, and an international response several days, a sufficiently skilled and large diversionary force could, hypothetically, divert some weapons material from a Purex process before adequate response could be taken to prevent the diversion. Clearly, with physical safeguarding the Purex system can be hardened substantially. We are here addressing only the inherent plant characteristics under normal industrial conditions. In contrast, the CIVEX process would make a diversion so physically difficult that it would approach the effort required to construct a dedicated spent fuel processing facility for weapons purposes. In this respect it is proper to consider the CIVEX concept as providing a "diversion proof" fuel cycle for the fast reactor.

[Figure 2 not reproduced in Record.]

In summary, a successful development of the proposed combination of the Fast Breeder Reactor and the CIVEX fuel reprocessing facility would provide an economical nuclear power source for many centuries which inherently separates nuclear power from the issue of weapons material diversion and proliferation. Further, by so doing, it permits great flexibility in international and national planning for nuclear power, as the issues of fuel dependence and terrorist and subnational diversions disappear. In addition, the expansion of the FBR/CIVEX system would eat into the LWR spent fuel stockpile, diminishing steadily this relatively accessible plutonium source. And finally, a rapid development of the FBR/CIVEX for the above reasons would substantially reduce the worldwide concern as to the adequacy of uranium ore supply. From a historical view, it would restore fast reactor development to the path originally foreseen in the programs of worldwide nuclear energy authorities, including the Atomic Energy Commission during its first two decades of existence.

Subsequent papers will describe in some detail the history of past developments of the key portions of a CIVEX system, and a specific flow sheet which meets the objectives of the CIVEX concept. It should be understood that these are proposed as a starting point for the development of commercially viable processes and do not represent the final details of a CIVEX facility.

The CIVEX concept associated with the Fast Breeder Reactor is directly responsive to President Carter's urgent concern that

worldwide nuclear power expansion might increase the potential that additional nations would acquire nuclear weapons. General acceptance of the CIVEX/FBR cycle concept and an international program to speed its accomplishment would close the door to such a proliferation potential, prevent diversion of civilian plutonium, and, at the same time, open the door to nuclear power as a beneficial energy source. President Carter should be commended for raising this issue and for thus stimulating this technical solution to a problem of international concern.

[From the Washington Post, Feb. 28, 1978]

TILTING TOWARD THE NUCLEAR OPTION

(By Joseph Kraft)

Coal is almost dead. Long live nuclear—and safely. That is the underlying meaning of the marathon coal strike for the country's energy problems. So it is good news that there is being announced this week a new technique that divorces all-out nuclear production from proliferation of nuclear weapons.

For several years now coal has been at the center of the country's energy strategy. Thurston Morton, the top energy man in the last administration, called it "America's ace in the hole." President Carter's National Energy Plan prescribes a substantial increase in coal production by 1985.

But the strike demonstrates that the extensive practice of underground coal mining is not truly consistent with the sensibilities of an advanced industrial—or, as Daniel Bell puts it, a "post-industrial"—society. The work is dangerous, dirty and hard. Those who undertake it demand privileges that go beyond the usual reward of high wages.

The coal miners seek old-fashioned, individual freedom. They don't want to be pushed around by management or labor or government. That is why there is an anarchic union forced by its members to demand the right to have wildcat strikes without any serious penalty against wages, employment or health and pension benefits.

The post-industrial society affords tolerance, if not universal support, for these demands. So the Taft-Hartley law couldn't be made to work, and a seizure of the mines would have encountered—and still might encounter—strong congressional opposition. The president in these circumstances has had as his chief weapon patience, and a prayer that after the operators gave way, the miners would accept their surrender.

Theoretically the problems of eastern coal could have been solved by western coal. For the seams in the Rocky Mountains lie close to the surface and do not require underground mining.

But a feature of the post-industrial society is sensitivity to environmental problems. Another feature is high concern about unemployment.

These two concerns have combined to shape the latest clean-air regulation. The new rules require that 90 percent of the sulfur content be removed from coal before the waste is emitted. That discriminates against western coal, which is so low in sulfur content that it would not ordinarily need any special treatment. As a result western coal will not be competitive east of the Mississippi. There will be no western coal rush.

Nuclear power, by contrast, is free from all these social constraints. It is cleaner, cheaper, safer and more reliable than coal. The most progressive power producers in the country have long since gone over to nuclear reactors. A notable example is the TVA, which—having led in hydroelectric power during the 1930s and coal-fired plants in the 1950s—is now going nuclear in a big way.

Association with nuclear weapons, to be sure, has generated a good deal of public apprehension about nuclear power. Though polls and referendums show an overwhelming part of the population favorable to nuclear power, many citizens and political leaders of unquestionably high motivation oppose—and successfully oppose—locating nuclear power plants in major population centers.

But that problem can be met by placing the plants on government reservations or in nuclear parks. Thus the Hanford Nuclear Reservation in central Washington is being used for building three reactors that will provide power to the populous areas around Seattle and Portland. California could also have a piece of that action if Gov. Jerry Brown would be sensible about his state's overwhelming energy difficulties.

A second worry is disposal of nuclear wastes. There has been unquestionable sloppiness in disposing of the nuclear wastes from military programs. Though no damage has been done, some of the radioactive material has leaked from containers stored at Hanford. But that can easily be remedied—and indeed is being remedied—in a crash program for stashing the stuff in new containers.

The problem becomes much smaller if this country begins moving toward reprocessing plants and breeder reactors that use spent fuel to generate more nuclear fuel. President Carter had turned away from that path because reprocessing generates weapons-grade material and thus might promote proliferation of nuclear bombs. His hope was that if the United States went slow, France, Britain, Germany and Japan would follow suit.

They have not—but the delay has yielded a dividend. Scientists in Britain and this country have developed, and are announcing this week, means for going through the whole reprocessing cycle without producing weapons-grade material.

That development is a special boon for President Carter, whose past emphasis on nonproliferation was going nowhere. The president would be well advised now to seize the opportunity for proclaiming this country's full entry into the nuclear age.

LOUIS HARRIS DAY

Mr. NUNN. Mr. President, I am pleased to join my colleagues, Senators TALMADGE, HOLLINGS, and THURMOND, in placing in the RECORD a resolution recently adopted by the Georgia General Assembly designating Friday, March 3, 1978, as Louis Harris Day in Augusta, Ga.

As editor of the Chronicle and executive editor of the Herald, Louis Harris has been a motivating force behind the progress of Augusta. Utilizing a devastating combination of extraordinary wit, keen intellect, and faultless logic, he has fought many battles for the advancement of his community. Louis Harris is an Augusta institution who enjoys the respect and admiration of all who are privileged to know him.

Lou and I have been good friends since the Senate campaign of 1972. As an advocate of a strong national defense, Lou has always kept abreast of highly complex defense issues and his enlightened commentaries on a wide range of defense matters has been extremely beneficial to me and to his readers.

Lou is currently engaged in the toughest fight of his life—against cancer. At Christmas, his doctors released him from the hospital with a less than optimistic prognosis. With that indomitable spirit that is characteristic of Lou, he defied the doctors' prognosis and continues to live each day to the fullest. He has never given up. Instead of indulging in self-pity, he spends his days turning out more of those erudite editorials that are his trademark.

On March 3, Louis Harris Day in Augusta, I will be pleased to join his many friends throughout the State in paying tribute to this eminent journalist of rare talent.

I ask unanimous consent that the resolution adopted by the Georgia General Assembly be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

H.R. No. 706

A resolution expressing appreciation to and commending Louis Carl Harris; and for other purposes

Whereas, Louis Carl Harris was born February 20, 1912, in Montgomery, Alabama, and has served the newspaper profession in various capacities in an exemplary manner for more than thirty years; and

Whereas, Louis Harris served as Public Relations Officer of the 12th Air Service Command during World War II, and served as Assistant Public Relations Officer of the United States forces in Austria, and served on the staff of General Mark Clark in Vienna and Salzburg, and was twice decorated during the invasions of North Africa, Sicily, and Salerno; and

Whereas, Louis Harris has served as a director and Vice President of the Augusta Chamber of Commerce, and also served as Tenth District Chairman for the State Chamber of Commerce "STAY AND SEE GEORGIA", being named "Chairman of the Year" in 1967; and

Whereas, Louis Harris was President of the Georgia Press Association (1967–1968), and served as a director of Junior Achievement of Augusta, Inc.; Augusta Chapter of the American Red Cross; and served as Director, Campaign Chairman, and President of the United Way of Augusta-North Augusta, Richmond and Columbia counties; and

Whereas, Louis Harris is a former deacon of the Covenant Presbyterian Church; and

Whereas, Louis Harris has served as a member of the Augusta Aviation Commission since 1968; and

Whereas, Louis Harris is a member of the Augusta Kiwanis Club, having served as a director, vice president, and president, having been named "Citizen of the Year" by that body in 1967; and

Whereas, Louis Harris is a member of Sigma Delta Chi, an honorary journalism fraternity; the American Society of Newspaper Editors; Who's Who in America; and Who's Who in the South; and

Whereas, Louis Harris is Vice President of Southeastern Newspapers Corporation, which operates daily papers in Augusta, Savannah, and Athens, Georgia, and Juneau, Alaska; and

Whereas, Louis Harris, as editor of The Augusta Chronicle and executive editor of The Augusta Herald, has distinguished himself as a journalist winning top honors from both the Associated Press and Georgia Press Association, including the General Excellence Award of the GPA and the most coveted Community Service Award; and

Whereas, Louis Harris has been recognized internationally for his articles on the Republic of South Africa, and Rhodesia; Thailand and South Vietnam; Israel; Brazil, and other countries; and

Whereas, Louis Harris is married to the former Ann Richards of Atlanta.

Now, therefore, be it resolved by the House of Representatives that the members of this body hereby express their appreciation to and commend Louis Carl Harris for his outstanding journalistic accomplishments and

singular contribution and service to his community.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and directed to transmit an appropriate copy of this resolution to Louis Carl Harris.

Mr. TALMADGE. Mr. President, the Senate and the House of Representatives of the Georgia General Assembly have adopted resolutions designating Friday, March 3, 1978, as Louis Harris Day in Augusta, Ga.

Lou Harris is a distinguished journalist and editor who is widely loved and respected throughout Georgia and in many parts of the Nation. He is a great Georgian and citizen whose leadership and service have contributed beyond measure to the growth and progress of Augusta and the entire State. He has been my friend of some 30 years, and this action by the general assembly of Georgia could not be more well deserved.

Lou Harris is valiantly resisting an onslaught of cancer. It is a battle he knows he will lose. But this has not deterred Lou from the day-to-day conduct of his duties. It has not weakened his tenacious hold on the responsibilities of life. That would not be the kind of man I and thousands of Georgians have come to know over the years.

Lou is editor of the Augusta Chronicle and executive editor of the Augusta Herald. He is a splendid writer and perceptive editor whose keen editorial judgment and thoughtful commentaries have guided the Augusta Chronicle and Herald to a position of responsibility and respect.

Lou Harris, who has traveled broadly throughout the United States and the world, is equally at home with foreign ministers or the man on the street. In writing about or commenting on matters of State, national, or international importance, he envisions things as his neighbors do and views national issues and world problems through the eyes of the common man. He has never faltered in his dedication to the enlightenment of his fellow man or the advancement of the world around him. Knowing Lou Harris as I have for many, many years, I am confident that he will continue to meet the high standards of good citizenship and community leadership as long as he is able to do so.

I and my colleague, Senator NUNN, bring these actions of the Georgia General Assembly to the attention of the Senate, and I join the city of Augusta and the State of Georgia in commending my good friend Lou Harris for a job well done.

Mr. HOLLINGS. Mr. President, I join my colleagues from the State of Georgia, Senator NUNN and Senator TALMADGE, in paying tribute today to Lou Harris of the Augusta Chronicle and Herald.

Though born in Alabama, a long and distinguished career and a total commitment to the improvement of his community and State have qualified Lou Harris for consideration as a native son of Georgia. Let me say, however, that his neighbors to the north consider him to be, at least, an adoptive son of South Carolina.

Both of the Augusta newspapers are widely circulated just across the Savannah River in my State, especially in the lower Aiken County area, and Lou Harris is certainly no stranger to generations of readers there who have enjoyed his commentary on a variety of subjects of interest to South Carolinians.

My association with and high regard for Lou Harris go back to my service as Governor of South Carolina, and my esteem has grown through 12 years' service in the U.S. Senate. Lou has brought commonsense, a keen sense of humor, and a telling instinct for the well-turned phrase to bear on innumerable public issues, and the public has been the better for it.

If the mark of a good journalist is his ability to educate his readers and spur them to a heightened interest in public affairs, then Lou Harris—as editor of the Augusta Chronicle and executive editor of the Augusta Herald—belongs in the front rank of his profession. He has been a leader, not only in the pages of his newspapers but in the affairs of Augusta and the larger Georgia and South Carolina community around him.

All public-spirited citizens owe Lou Harris a debt of gratitude for the example he has set for his fellow man and woman, and I am sure many of them will turn out on March 3 in Augusta to help this distinguished American celebrate Louis Harris Day.

Mr. THURMOND. Mr. President, I commend Senators TALMADGE, NUNN, and HOLLINGS for their eloquent remarks about Louis Harris, a tribute in which, on behalf of myself and my State, I enthusiastically join. We South Carolinians have reaped the benefits of his distinguished career no less than our cousins across the Savannah River, and we yield to no one in our respect and affection for him.

There is so much to admire about Louis Harris that it is hard to know what to put first. He is a graceful writer and a skillful editor. He is an astute businessman. He is a civil leader of vision and dedication. He is a decorated veteran with a deep, unwavering faith in his country. He is a good Christian. Most importantly, though, he is an honorable and courageous man, a man of high reputation and higher character, a constant source of inspiration, pride, and pleasure to his family and friends.

I have had the privilege of knowing Louis Harris for many years. His is one of the editorial voices which I value the most. He has a deep uderstanding of public affairs, particularly of foreign policy and defense matters. I cannot adequately express my thanks to him for the illuminating counsel and generous support he has given me, in print and in person. He has enriched my life and helped me to do a better job for the people of my State.

I know that many others entertain similar feelings of gratitude to Lou Harris. He has reached many thousands through his newspaper writing, and thousands more through public and community service. In his current battle against disease, Lou Harris is armed not just with his own toughness and determination, which are formidable weapons by themselves, but with the prayers and good wishes of the whole Upper Savannah area.

I wholeheartedly approve the action of the Georgia State Legislature in declaring March 3 to be Louis Harris Day. The greatness of the honor accords well with the greatness of the journalist and the man.

DEPARTMENT OF EDUCATION

Mr. SASSER. Mr. President, I believe that the establishment of a separate Department of Education in the Cabinet is one of Congress most important priorities this year. As a long-time supporter of a Department of Education and a cosponsor of S. 991, I was pleased that President Carter, in his state of the Union address, endorsed this overdue legislation.

The chairman of the Senate Committee on Governmental Affairs, Senator RIBICOFF, is the prime sponsor of S. 991 and has been tireless in his efforts to see education afforded its proper place in the Federal Government. He is a former Secretary of Health, Education and Welfare and he has seen firsthand how education can be left behind when it is part of the massive HEW bureaucracy. I am proud, as a member of the Governmental Affairs Committee, to support his efforts and to help move the bill to final passage.

In hearings last year which I attended, the Governmental Affairs Committee was given testimony which showed over and over again how education gets lost in the HEW shuffle. One witness, Rufus E. Miles, Jr., conducted an extensive study of the effect on education of being a part of HEW. He concluded:

The allocation of resources that occurs within a Department where uncontrollable increases amount to $15 to $20 billion annually is unfavorable to a fair consideration of the education budget, most of which is controllable and therefore bears the brunt of downward budgetary pressures. The 1977 budget for HEW is $145 billion, of which $7.5 billion is for education. The programs of Social Security, Medicare, Medicaid, and Public Assistance are expected to spend $132 billion, or 91 per cent of the total. These are the principal uncontrollable elements of the HEW budget. From 1970 to 1977, these programs grew by an average of approximately 15 per cent per year, rising from $45 billion to $132 billion during this period. Meanwhile, the budget for the programs of the Education Division of HEW grew from $4.1 billion to $7.5 billion, an average annual increase of 8.3 per cent. There is, of course, no self-evident reason why the rates of increase should be comparable, but what seems highly probable is that when HEW programs must compete for budgetary increases within a department that has "uncontrollable" increases each year that exceed the total budget for education, there cannot help but be a negative impact on the budgetary allocations for education.

Dr. Miles' study showed that it is not just political rhetoric to say that the education of our children is getting the short end of the Federal dollar. Whenever the HEW budget comes before the Office of Management and Budget, the Office has to accept the increases in the social security, medicare, medicaid, and

public assistance programs—when the demand for these services increases, their budgets automatically increase. Needed education programs, then are always the last to be funded.

Under previous administrations, Congress, despite the threat and the reality of Presidential vetos, increased education appropriations year after year. I believe that if we had had a Department of Education then, we would not have seen the administration budget cutters take the knife to education first. I hope that when Congress passes the Department of Education bill, we will stop playing politics with our children's futures and begin debating the real needs and priorities of their education.

Mr. President, I believe that a new Department of Education would not lead to a mass of federally imposed rules and regulations for the education of our children; these decisions properly have been made, and should continue to be made, at the local level. And I do not endorse tying down our education system in a maze of Federal paperwork to drive its costs up even further.

What we need is a coordinated policy to help the State and local school boards help themselves. Where research can be done without duplication, let us do it at the Federal level and save money. Where Federal education authority can be consolidated to make it easier for State and local schools to keep up with Federal programs, let that authority be consolidated within one department.

Mr. President, in my State of Tennessee, we are faced every year with a lack of funds to provide quality education for every child. This is not because of greedy teachers or poor management. In fact, the teachers in my State have always been underpaid for the outstanding work they do. The problem, simply, is that most States no longer can raise the money they need.

This is a problem that clearly calls for a Federal solution—more money, better planning, and better coordination. These immediate needs can only be met by assigning education a top priority in the Federal Government.

The current Federal approach is fragmented and only adds to the problem instead of the solution. I therefore urge immediate passage of S. 991 and prompt approval by President Carter.

I ask unanimous consent that the text and the cosponsors of S. 991, and a letter I received earlier this year from the president of the Tennessee Education Association, Mr. George Kersey, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 991

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Act of 1977".

FINDINGS AND PURPOSES

SEC. 2. The Congress finds that—

(1) education is of fundamental importance to the Nation and it is appropriate to reassess the condition of education in our Nation to insure that all Americans have an equal opportunity for quality education;

(2) existing Federal programs in support of education are fragmented and often duplicative and should be better coordinated in order to promote quality education;

(3) the role and importance of education increases as our society becomes more complex and new technologies and advancements are developed to meet changing needs;

(4) public policy toward education is vital to the present and long-range interests of the United States;

(5) education must be broadly conceived in terms of all those forces, institutions, and agencies which function as educating influences in the United States; goals and institutions should be enhanced; and

(6) it is essential therefore to establish a Department of Education to provide Federal leadership, to insure effective enforcement of equal opportunity legislation in education, to weigh and consider major educational policy issues confronting the Nation, and to facilitate a continuing renewal of the educating institutions and policies of the United States.

DEPARTMENT OF EDUCATION ESTABLISHED

SEC. 3. There is established an executive department which shall be known as the Department of Education (hereinafter referred to as the "Department").

OFFICERS

SEC. 4. (a) The Department shall be administered by a Secretary of Education (hereinafter referred to as the "Secretary"), who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for level I of the Federal Executive Salary Schedule under section 5312 of title 5, United States Code. The Department shall be administered under the supervision and direction of the Secretary.

(b) There shall be in the Department an Under Secretary of Education who shall be appointed by the President by and with the advice and consent of the Senate. The Under Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Under Secretary shall act as Secretary. The Under Secretary shall receive compensation at the rate prescribed for level III of the Federal Executive Salary Schedule established under section 5314 of title 5, United States Code.

(c) There shall be in the Department a General Counsel and four Assistant Secretaries of Education as follows:

(1) Assistant Secretary of Education for Legislative and Public Affairs;

(2) Assistant Secretary of Education for Administrative and Management Policy;

(3) Assistant Secretary of Education for Evaluation and Planning; and

(4) Assistant Secretary of Education for Intergovernmental Relations.

Each of such Assistant Secretaries shall be appointed by the President, by and with the advice and consent of the Senate. Each such Assistant Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability, or in the event of a vacancy in the office of the Secretary or of the Under Secretary, an Assistant Secretary determined according to such order as the Secretary shall prescribe shall act as Secretary. Each Assistant Secretary and the General Counsel shall receive compensation at the rate prescribed for level IV under section 5315 of title 5, United States Code.

POWERS AND DUTIES OF THE SECRETARY

SEC. 5. (a) The Secretary shall be responsible for the exercise of all functions of the Department, and shall have authority to direct and supervise all personnel and activities thereof.

(b) (1) The Secretary is authorized to appoint and fix the compensation of such officers and employees, and prescribe their functions, as may be necessary to carry out the purposes and functions of this Act.

(2) The Secretary may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(c) The Secretary may promulgate such rules and regulations as may be necessary to carry out the functions vested in the Secretary or in the Department, and may delegate authority for the performance of any such function to any officer or employee under the Secretary's direction and supervision.

(d) The Secretary shall cause a seal of office to be made for the Department, of such design as the President shall approve, and judicial notice shall be taken thereof.

FUNCTIONS OF THE DEPARTMENT

SEC. 6. (a) It is the principal function of the Department to promote the cause and advancement of education throughout the United States.

(b) In addition to any other function of the Secretary under the provisions of this Act, the Secretary is authorized to—

(1) advise the President with respect to the progress of education, including the recommendation of long-range goals and priorities;

(2) develop and recommend to the President appropriate policies and programs to foster the orderly growth and development of the educational facilities and resources of the United States especially in the light of long-range requirements;

(3) exercise leadership at the direction of the President in coordinating Federal activities affecting education;

(4) conduct continuing comprehensive surveys, and to collect, analyze, and disseminate relevant information, data, and statistics, concerning education in the United States;

(5) provide information and such other assistance as may be authorized by the Congress to aid in the maintenance of efficient school, college, and university or other education systems;

(6) encourage comprehensive planning by State and local governments, especially with respect to coordinating Federal, State, and community educational activities at the local level; and

(7) provide leadership by conducting studies, making recommendations, and administering discretionary programs to facilitate the continuing development of the American educational system.

TRANSFER OF FUNCTIONS AND AGENCIES

SEC. 7. (a) There are transferred to the Secretary, all functions of the Secretary of Health, Education, and Welfare or the Commissioner of Education, as the case may be—

(1) with respect to and being administered by the Secretary through the Education Division of the Department of Health, Education, and Welfare;

(2) with respect to and being administered by the Secretary through the Office of Child Development of the Department of Health, Education, and Welfare regarding Headstart;

(3) any advisory committee in the Department of Health, Education, and Welfare giving advice to and making recommendations which concern education primarily;

(4) under section 394 of the Communications Act of 1934; relating to Federal grants for the construction of television and radio broadcasting facilities to be used for educational purposes;

(5) with respect to and being administered by the Secretary through the Office of Civil Rights for the enforcement of those provisions of law and education orders which apply to educational institutions, including title VI (insofar as it relates to educational

financial assistance) and titles VII and IX of the Education Amendments of 1972 and Executive Order 11246 (insofar as it pertains to employer's holding Federal contracts in education);

(6) with respect to all functions of the National Foundation on the Arts and the Humanities including all functions of the National Endowment for the Arts and all functions of the National Endowment for the Humanities;

(7) with respect to all Federal laws concerning the relationship between Gallaudet College, Howard University, and American Printing House for the Blind, and the Department of Health, Education, and Welfare;

(8) with respect to the operation of schools for dependents of members of the Armed Forces by the Secretary of Defense;

(9) with respect to the operation of schools for Indian children being administered by the Secretary of the Interior through the Bureau of Indian Affairs;

(10) with respect to the National School Lunch Act, and the operation of the Graduate School, being administered by the Secretary of Agriculture;

(11) with respect to title IV of the Housing Act of 1950 relating to college housing, being administered by the Secretary of Housing and Urban Development; and

(12) with respect to and being administered by the Director of the National Science Foundation, the Education Directorate.

(b) In any case where all of the functions of any agency or office are transferred pursuant to this Act, except any committee transferred under subsection (a) (3) of this section, such agency or office shall lapse.

(c) All offices, employees, assets, liabilities, contracts, records, property, leases, obligations, and commitments and unexpended balances of appropriations, allocations, and other funds which the Director of the Office of Management and Budget determines are to be employed, held, or used primarily in connection with any office, agency, bureau, foundation, or function transferred under the provisions of this Act, are hereby transferred to the Department.

ADDITIONAL TRANSFERS

SEC. 8. The President is authorized to transfer to the Department of Education any other agency or instrumentality of the Federal Government which the President determines has functions relating to education and should be transferred to the Department of Education to promote efficiency in Government and to carry out the purposes of this Act. Such transfers shall incorporate, to the extent deemed desirable, the recommendations of the Federal Interagency Committee on Education as provided by section 12(c) and shall be completed within one hundred and eighty days after the date of enactment of this Act. A report describing such transfers shall be submitted to the Congress not later than thirty days thereafter.

TRANSFERRED PERSONNEL

SEC. 9. Each officer or employee of the United States or any department or agency thereof who is transferred at any time to the Department of Education shall be deemed, effective as of the date of such transfer, to be an officer or employee of the Department. No reappointment of any such officer or employee shall be required because of his transfer to that Department. Except as otherwise specifically provided by this section, no such officer or employee shall be reduced in rank, grade, seniority, or rate of compensation because of any such transfer.

PROVISIONS OF LAW APPLICABLE TO THE DEPARTMENT

SEC. 10. Except to the extent inconsistent with this Act, all provisions of law applicable to the executive departments generally shall apply to the Department.

REDESIGNATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 11. (a) The Department of Health, Education, and Welfare is hereby redesignated the Department of Health and Welfare, and the Secretary of Health, Education, and Welfare is hereby redesignated the Secretary of Health and Welfare.

(b) Any reference to the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare in any other law, rule, regulation, certificate, directive, instruction, license, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Welfare and the Secretary of Health and Welfare, respectively.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

SEC. 12. (a) There is hereby established a Federal Interagency Committee on Education (hereinafter referred to in this Act as the "Committee").

(b) The Committee shall study and make such recommendations as may be necessary to assure effective coordination of Federal programs affecting education, including—

(1) development of Federal programs in accordance with the educational goals and policies of the Nation;

(2) consistent administration of policies and practices among Federal agencies in the conduct of similar programs;

(3) full and effective communication among Federal agencies to avoid unnecessary duplication of activities with respect to education;

(4) adequate procedures for the availability of information on educational matters requested by the Secretary;

(5) recommendations for the improvement of Federal programs for the purpose of aiding students in their transition from school to work; and

(6) full and effective cooperation with the Secretary on such studies and analyses as are necessary to carry out the purposes of this Act.

(c) The Committee shall, within 90 days of the enactment of this Act or the appointment and qualification of all Committee members, whichever is earlier, recommend to the President the transfer of such additional responsibilities as may be appropriate.

(d) The Committee shall be composed of the Secretary, who shall be the Chairperson, and one appropriate representative of each of the following agencies: The Department of State, the Department of Defense, the Department of Agriculture, the Department of Commerce, the Department of Labor, the Department of Health and Welfare (as redesignated by section 11 of this Act), the Department of Housing and Urban Development, the National Science Foundation, the National Aeronautics and Space Administration. The Committee shall also include the Chairpersons of the National Endowment for the Arts, and the National Endowment for the Humanities of the Department.

(e) The Chairperson may invite Federal agencies, in addition to the agencies which are represented on the Committee under the provisions of subsection (d) of this section, to designate representatives to participate in meetings of the Committee on matters of substantial interest to such agencies which are to be considered by the Committee.

(f) The Director of the Office of Management and Budget, the Chairperson of the Council of Economic Advisers, and the Executive Director of the Domestic Council may each designate a staff member to attend meetings of the Committee as observers.

(g) The Committee shall meet at least six times in each year and shall prepare an annual report to the Secretary concerning its recommendations.

(h) Each Federal agency which is represented on the Committee under the provisions of subsection (d) of this section shall furnish necessary assistance to the Committee in accordance with section 214 of the Act of May 3, 1945 (31 U.S.C. 691).

NATIONAL ADVISORY COMMISSION ON EDUCATION

SEC. 13. (a) There is established a National Advisory Commission on Education (hereinafter referred to as the "National Commission") composed of fifteen members appointed by the President, by and with the advice and consent of the Senate, from among individuals—

(1) who have a demonstrated commitment, in public or private industries or organizations, for the enhancement and development of the educational needs and goals of the Nation;

(2) who have competence in assessing the progress of educational agencies, institutions, and organizations in meeting those needs and achieving those goals; and

(3) who are experienced with the policies or administration of State and local educational agencies and of institutions of higher education.

Members shall be appointed for terms of three years, except that (A) in the case of initially appointed members, as designated by the President, five members shall be appointed for terms of one year, five members shall be appointed for terms of two years, and five members shall be appointed for terms of three years, and (B) any member appointed to fill a vacancy shall serve the remainder of the term for which the member's predecessor was appointed.

(b) The National Commission shall—

(1) assist the Secretary in the formulation of Federal policy with respect to the appropriate role of the Federal Government in each action;

(2) review the administration of, general regulations for, and operation of Federal education programs;

(3) advise the Secretary and other Federal officials with respect to the educational needs and goals of the Nation and assess the progress of the renewal of appropriate agencies, institutions, and organizations of the Nation in order to meet those needs and achieve those goals;

(4) conduct objective evaluations of specific education programs and projects in order to ascertain the effectiveness of such programs and projects in achieving the purpose for which they are intended;

(5) make recommendations (including recommendations for changes in legislation) for the improvement of the administration and operation of Federal education programs;

(6) consult with Federal, State, and local and other education agencies, institutions, and organizations with respect to assessing education in the United States and the improvement of the quality of education, including—

(A) areas of unmet needs in education, national goals, and changing education priorities, and the means by which those areas may be met, developed, and achieved;

(B) specific means of improving the quality and effectiveness of teaching, curriculums, and educational media and of raising standards of scholarship and levels of achievement;

(7) conduct national conferences on the assessment, improvement, and renewal of education, in which national and regional education associations and organizations, State and local education officers and administrators, and other education-related organizations, institutions, and persons (including parents of children participating in

Federal educational assistance programs) may exchange and disseminate information on the improvement of education;

(8) conduct, and report on, comparative studies and evaluations of education systems in foreign countries; and

(9) advise and assist in the coordination of all Federal educational advisory committees, councils or commissions.

(c) The National Commission shall make an annual report, and such other reports as it deems appropriate, to the President and to the Congress, concerning its findings, recommendations, and activities.

(d) In carrying out its responsibilities under this section, the National Commission shall take, together with the Secretary, whatever action is necessary to carry out section 448 of the General Education Provisions Act, to devise a manageable and effective advisory structure for the Department. The National Commission shall advise the Secretary on the number of advisory bodies that are necessary and the manner in which such bodies relate to one another. The National Commission shall consult with the National Advisory Council on the Education of Disadvantaged Children, the National Advisory Council on Education Professions Development, the National Council on Educational Research, and such other advisory councils and committees as may be appropriate to carry out its functions under this subsection. All Federal agencies are directed to cooperate with the National Commission in carrying out its functions under this subsection.

(e) The National Commission is authorized to procure such technical assistance as may be required to carry out its functions and the Secretary shall, in addition, make available to the National Commission such secretarial, clerical, and other assistance and such pertinent data prepared by the Department as the National Commission may require to carry out its functions.

(f) Members of the National Commission who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the National Commission or while otherwise engaged in the business of the National Commission, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS–18 under section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the National Commission away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(g) The President shall nominate members to the National Commission not later than thirty days after the date of enactment of this Act.

OFFICE OF THE INSPECTOR GENERAL

SEC. 14. (a) As used in this section—

(1) the term "Inspector General" means the Inspector General of the Department;

(2) the term "Deputy" means the Deputy Inspector General of the Department; and

(3) the term "Federal agency" means an agency as defined in section 552(e) of title 5, United States Code, but shall not be construed to include the General Accounting Office.

(b) There is hereby established in the Department an Office of Inspector General.

(c) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, solely on the basis of integrity and demonstrated ability and without regard to political affiliation. The Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Under Secretary, but shall not be under the control of, or subject to supervision by, any other officer of the Department.

(d) There shall also be in the Office a Deputy Inspector General appointed by the President, by and with the advice and consent of the Senate, solely on the basis of integrity and demonstrated ability and without regard to political affiliation. The Deputy shall assist the Inspector General in the administration of the Office and shall, during the absence or temporary incapacity of the Inspector General, or during a vacancy in that office, act as Inspector General.

(e) The Inspector General or the Deputy may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

(f) The Inspector General and the Deputy shall each be subject to the provisions of subchapter III of chaper 73, title 5, United States Code, notwithstanding any exemption from such provisions which might otherwise apply.

(g) It shall be the duty and responsibility of the Inspector General—

(1) to supervise, coordinate, and provide policy direction for auditing and investigative activities relating to programs and operations of the Department;

(2) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its program and operations;

(3) to recommend policies for, and to conduct, supervise, or coordinate relationships between, the Department and other Federal agencies, State and local governmental agencies, and nongovernmental entities with respect to (A) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (B) the identification and prosecution of participants in such fraud or abuse; and

(4) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (i) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

(h) In carrying out the responsibilities specified in subsection (g)(1), the Inspector General shall have authority to approve or disapprove the use of outside auditors or to take other appropriate steps to insure the competence and independence of such auditors.

(i) In carrying out the duties and responsibilities provided by this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view to avoiding duplication and insuring effective coordination and cooperation.

(j) The Inspector General shall, not later than March 31 of each year, submit a report to the Secretary and to the Congress summarizing the activities of the Office during the preceding calendar year. Such report shall include, but need not be limited to—

(1) an identification and description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities;

(2) a description of recommendations for corrective action made by the Office with respect to significant problems, abuses, or deficiencies identified and described under paragraph (1);

(3) an evaluation of progress made in implementing recommendations described in the report or, where appropriate, in previous reports; and

(4) a summary of matters referred to prosecutive authorities and the extent to which prosecutions and convictions have resulted.

(k) The Inspector General shall make reports on a quarterly basis to the Secretary and to the appropriate committees or subcommittees of the Congress identifying any significant problems, abuses, or deficiencies concerning which the Office has made a recommendation for corrective action and on which, in the judgment of the Inspector General, adequate progress is not being made.

(l) The Inspector General shall report immediately to the Secretary and to the appropriate committees or subcommittees of the Congress whenever the Office becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Deputy and Assistant Inspectors General shall have particular responsibility for informing the Inspector General of such problems, abuses, or deficiencies.

(m) The Inspector General (A) may make such additional investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable, and (B) shall provide such additional information or documents as may be requested by either House of Congress or, with respect to matters within their jurisdiction, by any committee or subcommittee thereof.

(n) Notwithstanding any other provision of law, the reports, information, or documents required by or under this section shall be transmitted to the Secretary and the Congress, or committees or subcommittees thereof, by the Inspector General without further clearance or approval. The Inspector General shall, insofar as feasible, provide copies of the reports required under subsections (j) and (k) to the Secretary sufficiently in advance of the due date for their submission to Congress to provide a reasonable opportunity for comments of the Secretary to be appended to the reports when submitted to Congress.

(o) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

(1) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs and operations with respect to which the Inspector General has responsibilities under this section;

(2) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

(3) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court;

(4) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

(5) in the event that a budget request for the Office of Inspector General is reduced, before submission to Congress, to an extent which the Inspector General deems seriously

detrimental to the adequate performance of the functions mandated by this section, the Inspector General shall so inform the Congress without delay;

(6) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(7) to obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS–18 of the General Schedule by section 5332 of title 5, United States Code;

(8) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

(p)(1) Upon request of the Inspector General for information or assistance under subsection (o)(2), the head of any Federal agency involved shall, insofar as is practicable, and not in contravention of any existing statutory restriction, or regulation of the Federal agency from which the information is requested, furnish to the Inspector General, or to an authorized designee, such information or assistance.

(2) Whenever information or assistance requested under subsection (o)(1) or (o)(2) is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary and to the appropriate committees or subcommittees of the Congress without delay.

(3) In the event any record or other information requested by the Inspector General under subsection (o)(1) or (o)(2) is not considered to be available under the provisions of section 552a(b) (1), (3), or (7) of title 5, United States Code, such record or information shall be available to the Inspector General in the same manner and to the same extent it would be available to the Comptroller General.

(q) The Secretary shall provide the Inspector General and his staff with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

(r)(1) The Inspector General shall receive compensation at the rate provided for level IV of the Executive Schedule by section 5315 of title 5, United States Code.

(2) The Deputy shall receive compensation at the rate provided for level V of the Executive Schedule by section 5316 of title 5, United States Code.

(s) There are hereby transferred to the Office of Inspector General the functions, powers, and duties of the Office of Inspector General in the Department of Health, Education, and Welfare established under title II of the Act entitled "An Act to authorize conveyance of the interests of the United States in certain lands in Salt Lake County, Utah, to Shriners' Hospitals for Crippled Children, a Colorado corporation," approved October 15, 1976 (90 Stat. 2429) which the Director of the Office of Management and Budget determines to be principally involved in education.

(t) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under subsection (s) are hereby transferred to the Office of Inspector General.

(u) Personnel transferred pursuant to subsection (t) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that classification and compensation of such personnel shall not be reduced for one year after such transfer.

(v) In any case where all functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the Executive Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

SAVINGS PROVISIONS

SEC. 15. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this Act, by (A) any agency or office or part thereof, any functions of which are transferred by this Act, or (B) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Education by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department of Education. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Education, by a court of competent jurisdiction, or by operation of law.

(c)(1) Except as provided in paragraph (2)—

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in the officer's official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this Act, or by or against any officer thereof in the officer's official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department of Education as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If, before the date on which this Act takes effect, any agency or office, or officer thereof in the officer's official capacity, is a party to a suit, and under this Act—

(A) such agency or office, or any part thereof, is transferred to the Secretary of Education,

(B) any function of such agency, office, or part thereof; or officer is transferred to the Secretary of Education,

then such suit shall be continued by the Secretary of Education (except in the case of a suit not involving functions transferred to the Secretary of Education in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this Act).

(d) With respect to any function transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the department or officer in which such function is vested pursuant to this Act.

(e) Orders and actions of the Secretary of Education in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer, action upon the record.

* * * * *

ments relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

(f) In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and the Secretary's actions in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

(g) The Secretary, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred in this Act to the Secretary may delegate any of such functions to such officers and employees of the Department, as the Secretary may designate, may authorize such successive redelegations of such functions as the Secretary may deem appropriate and may make such rules and regulations as may be necessary to carry out functions of the Secretary.

ADMINISTRATIVE PROVISIONS

SEC. 16. (a) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interest of economy and efficiency in the Department including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central li-

brary service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such fund shall be reimbursed in advance from available funds of agencies and offices in the Department or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses) considered above the amounts transferred or appropriated to establish and maintain such fund.

(b) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary as necessary, and when not otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) motion picture equipment and film for recreation and training; and

(4) living and working quarters and facilities.

The furnishing of medical treatment under paragraph (1) and the furnishing of services and supplies under paragraphs (2) and (3) of this subsection shall be at prices reflecting reasonable value as determined by the Secretary and the proceeds therefrom shall be credited to the appropriation from which the expenditure was made.

(c)(1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary.

(2) Upon the request of the Secretary the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in paragraph (1). Income accruing from such securities, and from any other property held by the Secretary pursuant to paragraph (1) shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

(d) Nothing contained in this section is intended to amend, modify, or repeal any provisions of law administered by the Department of Health, Education, and Welfare which authorize the making of contracts for research.

ANNUAL REPORT

SEC. 17. The Secretary shall, as soon as practicable after the end of each fiscal year, prepare a report to the President for submission to the Congress on the activities of the Department during the preceding fiscal year. Each such report shall also contain objective data regarding changing trends in education, including enrollments, expenditures, numbers of teachers and other categories of professional and related personnel; special needs of critical concern such as the disadvantaged, rural, and urban education, and progress made toward the continuing renewal of education; the results and outcomes of education and schooling, including the overall results on generally recognized standard examinations for entrance to undergraduate and graduate institutions; budget projections for five years based on actual or anticipated appropriations for the fiscal year in which the annual report is issued; recommendations as to the improvement of programs for the handicapped, recommendations with respect to the advisory structure of the Department, including the names and composition of advisory committees and councils and the relationships the committees and councils bear to one another and recommendations as to the elimination of overlapping advisory committees and similar data.

CONFORMING AMENDMENTS

SEC. 18. (a) Section 19(d)(1) of title 3, United States Code, is amended—

(1) by striking out "Secretary of Health, Education, and Welfare"; and

(2) by inserting before the period at the end thereof a comma and the following: "Secretary of Health and Welfare, Secretary of Education".

(b) Section 101 of title 5, United States Code, is amended—

(1) by striking out "Health, Education, and Welfare." and inserting "Health and Welfare."; and

(2) by adding at the end thereof: "The Department of Education.".

(c) Section 5312 of title 5, United States Code, is amended—

(1) by striking out

"(10) Secretary of Health, Education, and Welfare."

and inserting in lieu thereof

"(10) Secretary of Health and Welfare.";

(2) by striking out "(13)" and inserting in lieu thereof "(14)"; and

(3) by inserting immediately after

"(12) Secretary of Transportation."

the following:

"(13) Secretary of Education.".

(d) Section 5314 of title 5, United States Code, is amended—

(1) by striking out

"(6) Under Secretary of Health, Education, and Welfare."

and inserting in lieu thereof:

"(6) Under Secretary of Health and Welfare."; and

(2) by adding at the end thereof the following:

"(62) Under Secretary of Education.".

(e) Section 5315 of title 5, United States Code, is amended—

(1) by striking out "Assistant Secretaries of Health, Education, and Welfare (5)" and inserting in lieu thereof the following: "Assistant Secretaries of Health and Welfare (4)";

(2) by striking out "General Counsel of the Department of Health, Education, and Welfare." and inserting in lieu thereof the following: "General Counsel of the Department of Health and Welfare."; and

(3) by adding at the end thereof the following:

"(114) Assistant Secretary of Education for Legislative and Public Affairs.

"(115) Assistant Secretary of Education for Administrative and Management Policy.

"(116) Assistant Secretary of Education for Evaluation and Planning.

"(117) Assistant Secretary of Education for Intergovernmental Relations.

"(118) General Counsel, Department of Education.

"(119) Inspector General, Department of Education.".

EXPENDITURES AUTHORIZED

SEC. 19. The Secretary is authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks, books of reference and periodicals, and for printing and binding) as may be necessary to carry out the provisions of this Act, and as may be provided for by the Congress from time to time.

APPROPRIATIONS AUTHORIZED

SEC. 20. There are authorized to be appropriated such sums as may be necessary to enable the Department to carry out the provisions of this Act and to perform any other duties which may be imposed upon it by law.

EFFECTIVE DATE

SEC. 21. The provisions of this Act shall be effective on its date of enactment.

COSPONSORS FOR S. 991, THE DEPARTMENT OF EDUCATION ACT OF 1977

Ribicoff, Magnuson, Pell, Nunn, Abourezk, Allen, Anderson, Bartlett, Bayh, Bellmon, Brooke, Burdick, Case, Chafee, Chiles, Church, Clark, Cranston.

Culver, DeConcini, Domenici, Eagleton, Ford, Gravel, Hart, Haskell, Hatch, Heinz, Hollings, Huddleston, Humphrey (Hubert), Inouye, Jackson, Johnston, Kennedy, Leahy, Lugar, Matsunaga.

McGovern, McIntyre, Melcher, Metzenbaum, Muskie, Packwood, Pearson, Randolph, Riegle, Sarbanes, Sasser, Sparkman, Stafford, Stone, Thurmond, Wallop, Weicker, Williams, Humphrey, Mrs., Metcalf.

TENNESSEE EDUCATION ASSOCIATION,
Nashville, Tenn., January 25, 1978.

Hon. JIM SASSER,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR SASSER: The Tennessee Education Association, composed of more than 44,000 Tennessee educators, is ecstatic with the recommendation from President Jimmy Carter in his State of the Union address for a separate cabinet level Department of Education.

As you very well know, this recommendation moves us a step closer to realizing a long-sought goal of the Tennessee Education Association and our national parent association, the NEA.

We hope that you will join with President Carter and with Tennessee teachers in moving the recommendation forward with all deliberate speed. We sincerely believe that the separate cabinet level position will diminish the bureaucratic red tape that so often burdens federal education legislation. Again, we are delighted with remarks from the President, and we feel confident that you will join in this bipartisan effort to put in place a Department of Education.

Most sincerely yours,

GEORGE KERSEY, Jr.,
President.

SUN DAY AND HUBERT HUMPHREY

Mr. PERCY. Mr. President, the organizers of Sun Day, the nationwide celebration of solar energy which will occur on May 3, have issued their first newsletter. It is called, appropriately enough, the Sun Day Times. It features articles and information about the effort to make May 3 a day of national awakening to solar energy's potential to meet this country's energy needs.

One of those articles—a short statement by the late Senator Humphrey—should particularly interest my colleagues. Senator Humphrey maintained that "By focusing public attention on solar energy, its technology and economics, Sun Day can do more than any bill

or law to stimulate the greater use of solar energy." I am grateful that so many of my colleagues have recognized how important Sun Day is; there are now 57 cosponsors to Senate Joint Resolution 110, establishing May 3 as Sun Day.

Mr. Humphrey was committed to both solar energy and its close ally, conservation. He was a member of the Sun Day Board of Directors and cofounder of the Alliance to Save Energy. His was a strong voice in both organizations' efforts to promote clean and inexpensive alternatives to imported oil.

Mr. President, I ask unanimous consent that Mr. Humphrey's article in the February edition of the Sun Day Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY ON SUN DAY: DECEMBER 30, 1977

Solar energy is the most attractive solution to the looming worldwide energy crisis. But it faces some tough hurdles before we can count on it to meet a large share of our energy demand. The hurdles are not technical—solar technology is mature and here right now. The major hurdle is simply that consumers are not aware that solar energy makes sense economically. The industry and the technology have grown so rapidly, and costs have fallen so quickly, that consumers haven't kept pace.

Every new home, for example, can cut energy costs if built with solar hot water systems. In most regions, solar space heating makes sense, as well. And, distributed solar electric systems are not far behind.

Sun Day is designed to focus specifically on this solar information gap. It is going right to the heart of the solar situation. By focusing public attention on solar energy, its technology and economics, Sun Day can do more than any bill or law to stimulate the greater use of solar energy. In fact, the success of all our efforts this year to stimulate the use of solar energy will hinge to a large degree on the success of Sun Day.

SIXTH ANNIVERSARY OF THE SHANGHAI COMMUNIQUE

Mr. CRANSTON. Mr. President, 6 years ago today on February 28, 1972, the Shanghai communique was signed by the United States and the People's Republic of China. This communique was a declaration of the desire and necessity to end more than two decades of "abnormal" relations between the two countries. It was also a commitment to move toward normalization of relations between the United States and the People's Republic of China—that is, the establishment of full diplomatic relations.

It was a promising beginning, but beginnings are not enough. In these last 6 years, little movement has been made to complete the process of normalization.

Today, some 113 countries recognize the People's Republic of China. We, as a nation, can no longer ignore the reality of approximately one-fourth of the human race. The participation and cooperation of the People's Republic of China is crucial if we hope to find realistic, viable, and lasting solutions to such global problems as population, energy, food, arms control, and disarmament.

It is in the national interest of the United States to recognize swiftly the People's Republic of China. Although our values and systems are different, we also share common interests.

Substantial political, strategic, economic, scientific, educational, and cultural benefits can and will be gained by both countries.

I strongly reiterate my commitment to the early establishment of full diplomatic relations between the United States and the PRC. It is my sincere hope that by the next anniversary of the Shanghai communique, we can commemorate a new, viable and lasting relationship between the United States and the People's Republic of China.

Mr. President, I think it appropriate that the text of the Shanghai Communique be reprinted to remind us all of the intent and pledge to normalize relations between the United States and the People's Republic of China. I ask unanimous consent that this important document be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

JOINT UNITED STATES–PRC COMMUNIQUE

(Issued at Shanghai, February 28, 1972)

President Richard Nixon of the United States of America visited the People's Republic of China at the invitation of Premier Chou En-lai of the People's Republic of China from February 21 to February 28, 1972. Accompanying the President were Mrs. Nixon, U.S. Secretary of State William Rogers, Assistant to the President Dr. Henry Kissinger, and other American officials.

President Nixon met with Chairman Mao Tsetung of the Communist Party of China on February 21. The two leaders had a serious and frank exchange of views on Sino-U.S. relations and world affairs.

During the visit, extensive, earnest and frank discussions were held between President Nixon and Premier Chou En-lai on the normalization of relations between the United States of America and the People's Republic of China, as well as on other matters of interest to both sides. In addition, Secretary of State William Rogers and Foreign Minister Chi Pengfei held talks in the same spirit.

President Nixon and his party visited Peking and viewed cultural, industrial, and agricultural sites, and they also toured Hangchow and Shanghai where, continuing discussions with Chinese leaders, they viewed similar places of interest.

The leaders of the People's Republic of China and the United States of America found it beneficial to have this opportunity, after so many years without contact, to present candidly to one another their views on a variety of issues. They reviewed the international situation in which important changes and great upheavals are taking place and expounded their respective positions and attitudes.

The Chinese side stated: Wherever there is oppression, there is resistance. Countries want independence, nations want liberation and the people want revolution—this has become the irresistible trend of history. All nations, big or small, should be equal; big nations should not bully the small and strong nations should not bully the weak. China will never be a superpower and it opposes hegemony and power politics of any kind. The Chinese side stated that it firmly supports the struggles of all the oppressed people and nations for freedom and liberation and that the people of all countries have the right to choose their social systems according to their own wishes and the right to safeguard independence, sovereignty and territorial integrity of their own countries and oppose foreign aggression, interference, control and subversion. All foreign troops should be withdrawn to their own countries. The Chinese side expressed its firm support to the peoples of Viet Nam, Laos and Cambodia in their efforts for the attainment of their goal and its firm support to the seven-point proposal of the Provisional Revolutionary Government of the Republic of South Vietnam and the elaboration of February this year on the two key problems in the proposal, and to the Joint Declaration of the Summit Conference of the Indochinese Peoples. It firmly supports the eight-point program for the peaceful unification of Korea put forward by the Government of the Democratic People's Republic of Korea on April 12, 1971, and the stand for the abolition of the "U.N. Commission for the Unification and Rehabilitation of Korea". It firmly opposes the revival and outward expansion of Japanese militarism and firmly supports the Japanese people's desire to build an independent, democratic, peaceful and neutral Japan. It firmly maintains that India and Pakistan should, in accordance with the United Nations resolutions on the India-Pakistan question, immediately withdraw all their forces to their respective territories and to their own sides of the ceasefire line in Jammu and Kashmir and firmly supports the Pakistan Government and people in their struggle to preserve their independence and sovereignty and the people of Jammu and Kashmir in their struggle for the right of self-determination.

The U.S. side stated: Peace in Asia and peace in the world requires efforts both to reduce immediate tensions and to eliminate the basic causes of conflict. The United States will work for a just and secure peace: just, because it fulfills the aspirations of peoples and nations for freedom and progress; secure, because it removes the danger of foreign aggression. The United States supports individual freedom and social progress for all the peoples of the world, free of outside pressure or intervention. The United States believes that the effort to reduce tensions is served by improving communication between countries that have different ideologies so as to lessen the risks of confrontation through accident, miscalculation or misunderstanding. Countries should treat each other with mutual respect and be willing to compete peacefully, letting performance be the ultimate judge. No country should claim infallibility and each country should be prepared to reexamine its own attitudes for the common good. The United States stressed that the peoples of Indochina should be allowed to determine their destiny without outside intervention; its constant primary objective has been a negotiated solution; the eight-point proposal put forward by the Republic of Viet Nam and the United States on January 27, 1972 represents a basis for the attainment of that objective; in the absence of a negotiated settlement the United States envisages the ultimate withdrawal of all U.S. forces from the region consistent with the aim of self-determination for each country of Indochina. The United States will maintain its close ties with and support for the Republic of Korea; the United States will support efforts of the Republic of Korea to seek a relaxation of tension and increased communication in the Korean peninsula. The United States places the highest value on its friendly relations with Japan; it will continue to develop the existing close bonds. Consistent with the United Nations Security Council Resolution of December 21, 1971, the

United States favors the continuation of the ceasefire between India and Pakistan and the withdrawal of all military forces to within their own territories and to their own sides of the ceasefire line in Jammu and Kashmir; the United States supports the right of the peoples of South Asia to shape their own future in peace, free of military threat, and without having the area become the subject of great power rivalry.

There are essential differences between China and the United States in their social systems and foreign policies. However, the two sides agreed that countries, regardless of their social systems, should conduct their relations on the principles of respect for the sovereignty and territorial integrity of all states, non-aggression against other states, non-interference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence. International disputes should be settled on this basis, without resorting to the use or threat of force. The United States and the People's Republic of China are prepared to apply these principles to their mutual relations.

With these principles of international relations in mind the two sides stated that:

"Progress toward the normalization of relations between China and the United States is in the interests of all countries;

"Both wish to reduce the danger of international military conflict;

"Neither should seek hegemony in the Asia-Pacific region and each is opposed to efforts by any other country or group of countries to establish such hegemony; and

"Neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states."

Both sides are of the view that it would be against the interests of the peoples of the world for any major country to collude with another against other countries, or for major countries to divide up the world into spheres of interest.

The two sides reviewed the long-standing serious disputes between China and the United States. The Chinese side reaffirmed its position: The Taiwan question is the crucial question obstructing the normalization of relations between China and the United States; the Government of the People's Republic of China is the sole legal government of China; Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and all U.S. forces and military installations must be withdrawn from Taiwan. The Chinese Government firmly opposes any activities which aim at the creation of "one China, one Taiwan", "one China, two governments," "two Chinas", an "independent Taiwan" or advocate that "the status of Taiwan remains to be determined."

The U.S. side declared: The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes.

The two sides agreed that it is desirable to broaden the understanding between the two peoples. To this end, they discussed specific areas in such fields as science, technology, culture, sports and journalism, in which people-to-people contacts and exchanges would be mutually beneficial. Each side undertakes to facilitate the further development of such contacts and exchanges.

Both sides view bilateral trade as another area from which mutual benefit can be derived, and agreed that economic relations based on equality and mutual benefit are in the interest of the peoples of the two countries. They agree to facilitate the progressive development of trade between their two countries.

The two sides agreed that they will stay in contact through various channels, including the sending of a senior U.S. representative to Peking from time to time for concrete consultations to further the normalization of relations between the two countries and continue to exchange views on issues of common interest.

The two sides expressed the hope that the gains achieved during this visit would open up new prospects for the relations between the two countries. They believe that the normalization of relations between the two countries is not only in the interest of the Chinese and American peoples but also contributes to the relaxation of tension in Asia and the world.

President Nixon, Mrs. Nixon and the American party expressed their appreciation for the gracious hospitality shown them by the Government and people of the People's Republic of China.

ENERGY ASSISTANCE TO LESS-DEVELOPED COUNTRIES

Mr. PERCY. Mr. President, I would like to bring to the attention of my colleagues a letter which I recently sent to former Congressman Gilbert Gude, Director of the Congressional Research Service. The letter contains two specific requests: First, that CRS examine the current work of Federal agencies and departments involved in the transfer of sustainable energy technologies to less-developed countries. Second, that a study be done of alternative means of assisting U.S. business and industry to export sustainable energy technologies to these nations.

The energy problems of the less developed countries are becoming increasingly grave. Without an assured supply of reasonably priced energy, many of these nations will have to abandon any hope of reaching a reasonable level of social and economic development.

It is my hope that the CRS studies done as a result of this letter will contribute significantly to the development of U.S. energy policy toward the Third World.

Mr. President, I ask unanimous consent that my letter to Gilbert Gude be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 17, 1978.

Hon. GILBERT GUDE,
Director, Congressional Research Service, Library of Congress, Washington, D.C.

DEAR GIL: Recently members of my staff met with a group of CRS Senior Specialists and staff to discuss United States energy policy and the less-developed countries, especially ways in which the United States can promote the use of sustainable energy resources.

Less-developed countries, particularly those that are energy deficient, have been harshly affected by the current international energy crisis. Their economic and social development programs depend significantly upon the availability of moderately priced and secure energy supplies. Many of these programs have been derailed since the precipitous rise in oil prices in 1973. Most Third World nations cannot afford to purchase fossil fuels as they once did, or they do so and incur crippling international debts.

They are therefore confronted with a grim choice: continued underdevelopment or virtual bankruptcy. Many countries are seeking to escape this dilemma by turning to rapid expansion of nuclear power. But I am concerned lest the spread of the technology for the generation of power from nuclear reactors result in a dangerous increase in the proliferation of plutonium and an increased prospect of its use in atomic weapons.

It is my belief that the recent Third World interest in nuclear power could be diminished if the superiority of non-nuclear options were demonstrated in an unbiased way. The United States can help provide these nations with information to make the right choices among alternative energy systems. It is also possible that some of the less affluent developing nations may actually favor smaller scale and less concentrated energy sources. To be economical, nuclear power systems are inherently large-scale. Their introduction into small rural countries presents many difficulties—as to the construction of transmission grids, transformer yards, and local distribution systems. All these are capital intensive and tend to overburden rural economies. To a lesser extent, coal-fired power systems suffer the same disadvantages, although, of course, they do not involve the threat of nuclear proliferation

The United States could derive many concrete benefits from aiding the less-developed countries to develop sustainable energy systems. Political realism dictates an American commitment to encouraging the Third World to move away from nuclear power. Future world tensions arising out of competition for scarce supplies of fossil fuels can be reduced if other countries obtain their energy from renewable sources. A strong American leadership role in encouraging the widespread use of solar energy could reduce the perception of American insensitivity to Third World needs held by many of the developing nations. Moreover, renewable energy technologies will gain added importance and visibility in this country when brought into widespread use abroad, thereby enhancing their commercial viability.

I believe the United States should play an important role in meeting the energy needs of less-developed countries through sustainable energy resources. In determining the best way to achieve this goal, the Congressional Research Service can play a vital part by providing basic data and by suggesting policy alternatives.

Below are two major study projects, each of which would provide valuable information and new policy direction:

1. An examination of the current work of agencies and departments involved in the transfer of sustainable energy technology to less-developed countries.

2. A study of possible alternatives, including federal assistance, needed by U.S. business and industry, to facilitate the export of sustainable energy technologies.

It is my hope that CRS will recommend new policy and legislative initiatives.

A more detailed description of these studies is attached. I hope CRS will undertake these studies on my behalf. I believe that they can make an important contribution to the development of United States energy policy with respect to the Third World.

Thank you very much for your assistance and cooperation.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

DETAILED DESCRIPTION OF CRS STUDY PROJECTS

1. An examination of the current work of agencies and departments involved in the transfer of sustainable energy technology to less-developed countries.

This study would include an examination of the LDC Energy Program in the Department of Energy, State Department Programs and AID Programs. It should build on the recent study completed by the National Academy of Public Administration entitled Energy Organization Options with Respect to Section 119 of the 1977 International Development and Assistance Act.

It is unclear whether, at this time, there is any coordination of foreign, energy, and nuclear non-proliferation policy with respect to the less-developed countries in the various relevant agencies and departments of the federal government. Undoubtedly more effective Federal action is needed. We need to generate fresh thought and improve interagency coordination. This study should survey and analyze the present responsibilities, authorities, organization, programs and funding with attention to policies and programs that may be at cross purposes, duplicative, inefficient, redundant or underfunded. Various options for new congressional policy initiatives should be explored.

This study should also include a survey of any innovative technology transfer programs used by other industrialized countries, international organizations or regional organizations, which the U.S. might usefully emulate or supplement in its efforts to promote sustainable energy options. In addition, a broad-brush analysis should be conducted of the feasibility of expanding the role of the International Atomic Energy Agency to include technical assistance and transfer for renewable energy technologies.

2. A study of possible alternatives, including federal assistance, needed by U.S. business and industry, to facilitate the export of sustainable energy technologies.

Clearly most of the technologies and equipment for renewable energy sources will have to come from the private sector. There does not appear, at this time, to be any concerted governmental effort to provide economic incentives for private industry to export sustainable energy technologies. This study should explore ways in which U.S. business and industry can be encouraged to initiate or expand their efforts to sell U.S. renewable energy technologies and equipment to developing countries.

More specifically the study should include the following:

(a) The response of business and industry to past and present government efforts to promote the transfer of renewable energy technologies to developing countries; and an analysis of barriers encountered by business and industry, including taxes, patents, export controls and financing.

(b) An analysis of the nature and extent of present cooperation between business and government in promotion of renewable energy technology transfer.

(c) An evaluation of the impact on GATT and our trading partners of any U.S. government incentives to business to export renewable energy technologies abroad.

(d) An analysis of the probable response of less-developed countries to stepped-up transfer of U.S. renewable energy technologies by U.S. business and industry.

A MATTER OF RIGHT

Mr. PELL. Mr. President, I have long believed that education serves two important purposes. First, education must develop to the fullest extent possible an individual's earning power and lifestyle. The second purpose is to improve and enhance an individual's power of enjoyment.

In these days of a tight job market and a very competitive economy, young people often become unduly frustrated with education because it does not automatically lead them to the job they seek. They tend to think that their education might have been in vain. But, what they forget is the other goal of education—that of helping an individual enjoy life to its fullest to really make the most of his or her leisure time. Plato said that "the soul takes nothing with her to the other world but her education and culture." Plato understood the factors in life that make us a civilized nation. They cannot be emphasized too strongly, for they point out the dual responsibility of education to develop a sensitive as well as a productive citizenry.

All too often, too, we forget is that the ability of an educated person to enjoy life is far greater and more valid than is the ability of an uneducated person.

In this regard, I commend my colleagues for the excellent article by an old friend who is interested in both education and the arts and ask unanimous consent that Sherwin J. Kapstein's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE HUNDRED AND THIRTY-THREE YEARS OF SERVICE TO RHODE ISLANDERS

(By Sherwin J. Kapstein, Executive Director, National Education Association, Rhode Island)

". . . As a matter of right, not of sufferance . . ."

While Congress was rightfully pumping additional millions into the budgets of the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH), in Rhode Island a Board of Regents ad hoc Arts in Education Task Force was laboring to produce a report that would give the creative arts a solid role in the education of our students as a matter of right, not of sufferance.

Although the objectives of the Task Force are well-intentioned, without the clout of being able to mandate the arts as an integral part of the curricula, the fruits of its labor are apt to be bitter.

The meaningful integration of the creative arts within the curricula is the responsibility and obligation of the school administration, supported by an understanding school committee and Board of Regents. Of course, it is equally essential that they be supported by a wise electorate who provides adequate funding for well-balanced educational programs.

Given this understanding and support. Rhode Island educators can transform essentials into vibrant, exciting experiences for our students.

Too many persons look upon education as a preparation for earning a particular livelihood rather than as a preparation for a life. Before a person is a plumber, doctor, secretary, teacher—you name it—he or she is a person—a human being. Interestingly enough, the wisdom of our forefathers, indicated in the Declaration of Independence, said, among other things, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain, inalienable rights, that among these are life, liberty, and the pursuit of happiness."

There is not one word in the Declaration of Independence, the Constitution of the United States, or the Constitution of Rhode Island about government's specific responsibility for *preparing one for a job or career!* On the other hand, Article XII of the Rhode Island Constitution specifically says that "It shall be the duty of the General Assembly to promote public schools, and to adopt all means which they may deem necessary and proper to secure to the people *the advantages and opportunities* of education." (Our underline)

We acknowledge the right of school committee to sponsor courses of study that relate to "earning a livelihood." But at the same time, we deplore shortsighted and insensitive school committees that, in the name of economy, eliminate or curtail programs that deny our students the beauty and warmth found in the creative arts, and/or their integration with other subject matter.

Any educational program worthy of its name *must* include *all* those activities that will help make students more sensitive, as well as productive, human beings. These activities include the creative arts!

THE NEW SLAVERY

Mr. HATCH. Mr. President, it seems that for every step forward toward their freedom and dignity, American blacks get pushed one step backward. First blacks had to acquire freedom from slavery. Then they found that they could not get into the mainstream of American economic life, because of barriers to their full exercise of their civil rights. Now that they have acquired their civil rights they find that they still cannot get into the mainstream of American economic life, because of unions, because of the advocates in the universities and in the Carter administration of no economic growth, and, above all, because of the welfare dependencies created by self-serving politicians.

Unions, through their representatives in the Congress, legislate minimum wage rates that force black youths out of the labor force. The minimum wage and employment taxes raise the cost of hiring an unskilled untrained youth above the value of his work to an employer. It is just as if we passed a law that said: "It is illegal to employ black youths." Of course, the unions claim a moral jusification, which is that it is immoral to pay anyone below a living wage. But the effect of the minimum wage law is not moral. When people are legislated out of gainful employment, they cannot acquire that first job that lets them develop habits and skills that will raise their earning potential. The minimum wage does not provide black youths with good jobs. It prevents them from being able to get even a bad job. By championing their own interest and legislating black youths out of the job market, unions keep the job market tighter and in that way keep their own wage rates higher.

The chic "no-growth" attitude of white liberal elites has the effect of freezing people to whatever rung of the economic ladder they happen to be on. As an article, "Environmentalism and the Leisure Class," in the December 1977 issue of Harper's pointed out, this attitude serves the interest of those who have it made, but, as we all know, few blacks are in this group. By legislating and regulat-

ing no-growth under various guises, this elite class reduces the number of job opportunities, while maximizing their own enjoyment of their leisure time.

The legislative activities of both unions and the leisured elite help politicians keep the blacks in a state of welfare dependency in which handouts are exchanged for votes. This is the broad self-serving arrangement between three power blocks of society—the unions, the articulate elite, and the politicians—that keeps the blacks out of the mainstream of American economic life. This is a new slavery worse than the old. I cannot imagine a worse humiliation than to be freed, given civil rights, and then told: "Don't worry, the Government will look after you."

Leaders in the black community have realized that blacks have been placed in a new position of dependency. The black community gets income transfers, but not opportunities for blacks to earn their own way and to be economically and politically independent. It is not easy to get out of this position. Black leaders who attempt to lead their people out of the new slavery soon find that the power elite begins referring to them as "Uncle Toms." The NAACP's recent effort to oppose the Carter energy program illustrates the problem that they face. Black leaders realized that the Carter program's emphasis on regulation and holding down energy supplies would mean less economic growth potential for the economy and, therefore, less opportunities for blacks to enter the mainstream of American economic life. Black leaders understood that in addition to closing off growth opportunities, the Carter program simultaneously raises prices as a result of all the energy taxes, thus worsening the welfare-dependent position into which the blacks have been legislated.

The NAACP leaders rightfully spoke out against the Carter energy program. And what happened? There were accusations that they had sold out to "the interests." The New Republic and the Washington Post took pains to emphasize that the NAACP's task force on energy consisted of people who worked for the big oil companies. The connection was not emphasized in order to point out that these would be people with professional knowledge on the subject but, instead, to suggest the presence of an illicit element in the NAACP's stand on the Carter energy program. The Village Voice declared that the NAACP had placed blacks "beneath the boot of the most merciless defenders of corporate privilege." Soon the politicians were busy protecting their investment in their largest welfare dependency by alleging that the NAACP's stand would mean higher profits for big oil at the expense of poor blacks. And, of course, the White House twisted all the black arms it could grab. The courageous, intelligent black leaders who attempt to lead their people out of the new slavery soon found themselves on the defensive. Serious attempts are being made to force a reconsideration and reversal of the NAACP's position on the Carter energy program.

People cannot continue to enter the mainstream of American economic life unless they have opportunities for gainful employment in the private sector of the economy. Wage subsidies to private employers to employ and train the unskilled unemployed nay be required to overcome the poltically errected barriers to employment. That the power elite chose to subsidize unemployment instead of employment suggests to me that it will not be easy to legislate effective wage subsidies. Blacks may find it more difficult to get out of the new slavery than they did the old. Perhaps the party of Lincoln will find the energy to lead the fight in this moral equivalent of the Civil War. Whoever leads it, we all have a stake in overthrowing the new slavery.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Energy, Jobs and Black America," from the report of the NAACP's National Energy Conference, an article entitled "The NAACP—Free at Last" by Judge Wanniski, published in the February 7, 1978 edition of the Wall Street Journal, and an article entitled "A Marketplace Approach for Blacks," from a statement by the American Association of Blacks in Energy.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ENERGY, JOBS AND BLACK AMERICA

The following is excerpted from the report of the National Association for the Advancement of Colored People's National Energy Conference:

The National Association for the Advancement of Colored People has for many years been dedicated to the task of defending the economic, social and political rights and interests of black Americans. The growing national debate about energy has led us to examine this question to ascertain the implications for black Americans.

We are convinced that the nation faces a serious energy problem. The evidence is overwhelming that the primary fuels that supply our homes, factories, farms, transportation systems and commercial establishments are rising in cost at an alarming rate. It is also clear that our ability to supply the demand for oil and natural gas from domestic sources is diminishing while the level of imports of these fuels continues to grow. At the same time there appears to be a myriad of governmental constraints on the production and use of coal, our most abundant domestic fuel resource, and nuclear power. Efforts to develop alternative sources of energy are confronted with severe problems of raising the necessary capital in light of the many uncertainties regarding governmental policies.

MORE REMAINS TO BE DONE

Since the early 1960s gains have been made toward bringing the nation's black citizens into the mainstream of American economic life. This has occurred largely during a period of expansion in the economy which created new opportunities for jobs. However, a great deal more remains to be done. We still have tremendous unmet social and economic needs. The unemployment rate in the black community is still twice the national rate. Perhaps more importantly, unemployment among black teenagers ranges up to 50%. Over the next 15 years we must undertake to rebuild and revitalize our cities and urban areas where a very high percentage of black people live.

We note the historic direct correlation between the level of economic activity and energy availability and consumption. Energy supply development throughout our nation's history has been critically important to economic growth. We find it very disturbing to contemplate a future in which energy supply would become a constraint upon our ability to solve these critically important social and economic problems which confront black citizens.

We have examined the administration's National Energy Plan in the light of the agenda for economic growth and development for America's black people. What we see in the plan is an emphasis on conservation, and a reduction in the growth of total energy demand and consumption. The plan basically takes a pessimistic attitude toward energy supplies for the future. It seems to make the basic assumptions that (1) we will run out of all primary fuels, except coal, relatively soon, and (2) essentially nothing can be done to substantially increase or even to maintain existing production rates for oil and natural gas. This emphasis cannot satisfy the fundamental requirements of a society of expanding economic opportunities.

We think there must be a more vigorous approach to supply expansion and to the development of new supply technologies so that energy itself will not become a long-term constraint, but instead can continue to expedite economic growth and development in the future. All alternative energy sources should be developed and utilized. Nuclear power, including the breeder, must be vigorously pursued because it will be an essential part of the total fuel mix necessary to sustain an expanding economy. Other alternative sources, such as solar, geothermal, biomass, tidal, oil shale and synthetic fuels from coal must also be developed and made commercially available at the earliest possible time. A more positive attitude by the administration toward supply development is extremely important because future developments will be largely determined by the policy choices being made now by the administration and the Congress.

While we endorse the plan's objectives of eliminating energy waste and improving utilization efficiency, we cannot accept the notion that our people are best served by a policy based upon the inevitability of energy shortage and the need for government to allocate an ever-diminishing supply among competing interests. Those aspects of the plan which would perpetuate price controls on newly discovered oil and natural gas and extend those controls to new areas appear to us to be incompatible with the need for new supply development. We also believe that many of the prohibitions proposed with respect to the industrial use of oil and natural gas will force the closing of many job-producing industries in urban areas and cause a massive shift of industries away from areas where most black people live and work.

We recognize there is disagreement as to whether the plan does in fact offer more incentives for new supply development. However, we are impressed with the conclusion reached by the Comptroller General of the United States in his evaluation of the NEP:

". . .(T)he plan's incentives are not greater than those which would be available if existing policy were continued through 1985. . . .

"Also, the plan will reduce revenues to producers for most oil already discovered and may adversely affect oil companies' financial ability to support additional exploration. By not increasing the financial incentives for additional exploration and by reducing companies' financial strength, the plan fails to come to grips with the problem of increasing domestic crude oil production."

For many years we have been encouraged

to believe that a significant percentage of our total energy requirements of the future would be supplied from nuclear power. The National Energy Plan, however, seems to call for a retreat from nuclear energy on the basis that the environmental and safety costs may be too high. The NAACP too is concerned about environmental and safety matters. But as long as 14% of our people are unemployed, as long as the earnings gap between black and white Americans continues to widen and as long as a majority of black Americans continue to face a constant struggle to attain even the basic necessities of life, our first priority must be the attainment of economic parity for black Americans.

We are fearful that an energy policy with an overriding concern for the protection of the environment may cause governmental policymakers in this area to lose sight of other more compelling economic and social objectives that are more important to black Americans. The basic approach of the plan as relates to energy supply reflects the absence of a black perspective in its development.

We recognize that nuclear power does present certain problems. But we think these problems can be solved through dedicated efforts by government, the scientific community and industry working cooperatively together. Notwithstanding the claims of opponents of this source of energy, the fact is that nuclear power will be required to meet our future needs for electricity. If we do not move ahead now with nuclear, the next generation is likely to be sitting around in the dark blaming the utilities for not doing something this generation's officials would not let them do.

The National Energy Plan proposes sharp increases in the cost of oil, natural gas and gasoline through a complex system of new taxes. Domestically produced crude oil would be taxed an amount equal to the difference (in 1980) between the federally controlled price and the world oil price. In addition a tax on the industrial use of oil and natural gas would be imposed that could reach $3 per barrel by 1985.

Over the next five years these taxes have been estimated to produce new government revenues of over $50 billion, which makes the "energy plan" one of the largest tax increase bills in history. A major portion of these new taxes would be passed on to consumers in the form of higher prices not only for energy products but also for other goods and services. To mitigate the adverse effects on the economy, the plan does provide for tax rebates to the public and other tax credits. It is estimated that the per capita tax rebates flowing from the crude oil equalization tax in 1978 would range somewhere between $15 and $22.

THE NEW TAXES

As we understand it the new energy taxes are proposed for the purposes of (1) encouraging energy conservation by making energy more expensive, (2) creating incentives for industry to shift from so-called scarce fuels to coal, and (3) making oil and natural gas prices roughly equal to their current value in world markets.

For the great majority of people the NAACP represents, the cost of energy today is sufficiently high to discourage any unnecessary use. They have borne the brunt of the four-fold increase in the price of natural gas and skyrocketing increases in electric utility bills since 1973. Even without new energy taxes, we have every reason to believe energy prices will continue to rise at a faster rate than prices for other goods and services for the foreseeable future. This will certainly come about as the percentage of total energy supplies from newer, more expensive sources increases.

If energy prices are to be raised artificially through the mechanism of taxes, a major portion of the new revenues should be used to develop new energy supply, particularly from nonconventional sources such as coal gasification and liquefaction, oil shale, solar, etc. Putting the funds to such uses appears to us to be much more desirable in terms of the objective of reducing dependence on imported energy than distributing token payments to the general public.

The NAACP, therefore, concludes that there are serious deficiencies in the National Energy Plan as proposed. We recognize that the Congress is now in the process of making certain changes and that the final energy policy that evolves must reflect an accommodation of differing views. This statement of our views will be communicated to the members of Congress and others who may have an impact on the final outcome of this extremely important policy issue.

THE NAACP—FREE AT LAST

(By Jude Wanniski)

There is no question about it. The National Association for the Advancement of Colored People has torn free of the liberal-labor coalition that it joined in the early New Deal days. Is it too strong to suggest "Free at Last" as the NAACP's statement of liberation from the rigid dogma of the liberal coalition?

"Use it," said Benjamin Hooks, the NAACP's executive director, when I suggested it as the title of this piece when we discussed it over lunch in Manhattan a few days ago. "It's perfect."

"Yes, yes, it fits," said Margaret Bush Wilson, chairman of the NAACP's board, when I visited her in St. Louis last week. "That's how we feel."

The divorce has been brewing for quite a while, but the formal break came a month ago when the 69-year-old organization withdrew support from President Carter's energy policy on the grounds that it emphasized conservation instead of energy growth. Confusion followed amid conflicting reports on whether or not there was an explicit endorsement of oil and gas price deregulation (there was no specific stance either way).

What is clearly of paramount importance, though, is the fact that its dissent is part of a broader policy shift. The NAACP has thrown itself open to alternative ideas in a conscious reassessment of philosophy. No longer will it unquestioningly accept as its own the public policy gospel as developed by the labor liberals. The most sacred policies will be reexamined, including the minimum wage, for an appraisal of their bearing on black welfare and economic growth.

Which is not to say either Mr. Hooks or Ms. Wilson expects a wholesale reversal of policies or a new coalition with "conservatives." Rather, the NAACP has simply decided it's going to make up its own mind on a range of public questions previously assumed to be beyond its purview as a civil-rights organization. "It isn't where we came out on the energy deregulation issue that's important," says Mr. Hooks, "but the dialog itself. This is what's caused these terrible shock waves—the horrible thought that the NAACP is actually confronting alternatives."

SHOCKED AND DISAPPOINTED

It probably should not have surprised the NAACP that in suing for divorce from the coalition it would provoke a range of angry wrath and sullen dismay among its old allies. But both Mr. Hooks and Ms. Wilson were disappointed, at times shocked, by the reaction.

The New York Times began by announcing on its business page that the NAACP had "allied itself with the oil industry." When the Washington Post caught up with the story it concentrated on the fact that several blacks on the NAACP's energy committee work for energy companies. ("Why is it," asks Ms. Wilson, "that we can have a legal committee composed entirely of lawyers, a health committee composed entirely of doctors, but we are not supposed to have any energy people on our energy committee?")

The New Republic was mildly scandalized: "What's good for Mobil and Exxon is good for the NAACP?" it wondered, ultimately propounding that: "In its new, proindustry policy swerve, the country's largest civil rights organization has badly misplaced its confidence." The Village Voice was wonderfully apoplectic, raging that the NAACP had sold out to the oil tycoons, although "the price was not announced."

The Times then weighed in with a lead editorial that actually debated the propriety of the NAACP's decision to think for itself ("Does Civil Rights Include Energy?"). The Times finally allowed that such action is okay, but warned that in doing so the NAACP leaves itself open to "exploitation and manipulation." Its energy position, alas, was "inadequately prepared, poorly reasoned and, finally, wrong for all Americans."

Then there was The St. Louis Post-Dispatch, outraged because Ms. Wilson is on the board of Monsanto Chemical (the editorial seemed unconcerned that Monsanto is a net buyer, not seller, of energy.)

The NAACP staff can't remember such hostility from the national press. A network television reporter called demanding to see the list of the NAACP's contributions from big oil. (Of $5 million in annual contributions, less than $500,000 is from companies of all kinds, less than $50,000 is from companies big and small that could be considered "energy" firms.)

The experience has been educational and, if anything, has put a frost on any chance of reconciliation for the moment. Ms. Wilson is more or less amused at the implications that she's been bought, but she admits to irritation at the other reactions, which she found condescending. It is Ben Hooks, though, who really gets steamed up.

"There is a white elitist assumption that we don't have sense enough to know about things like energy and shouldn't say anything about them. But President Carter says energy is our No. 1 problem. Which tells us we have to look at it. Yet when we do we have these people telling us, 'You're out of place, George, get back in line.' Well, we may be wrong, but we have as much right to be wrong as anybody else."

Nor does he think the NAACP can be blamed for his bill of divorcement. He told William Raspberry of The Washington Post that "the Jews left us on Bakke. Labor left us on seniority. The liberals left us on the environment. But when we say at least look at deregulation, they say we must have been bought by somebody."

Both are obviously enjoying this new freedom to wing it alone, able to speak out and energize what seemed to have become an almost moribund organization. Gloster Currant, who was Roy Wilkins' right-hand man during the turbulent 1960s and early 1970s, is nearing retirement and talks about the ideas of Mr. Hooks and Ms. Wilson as "the wave of the future," and says he doesn't quite understand it. But the staff at NAACP headquarters at 57th and Broadway seems bustling, full of new plans, delighted with all the attention it is suddenly getting. "We're having fun with all this," says Mr. Currant.

"It all comes down to economics," says Ms. Wilson, who was the prime mover in this renaissance. "We don't know much about it yet, but we're going to find out."

It was Ms. Wilson who decided last April to begin an energy project, when President Carter announced energy was the most pressing problem facing the nation. "At first all I got from the staff was blank stares. Like,

what does energy have to do with civil rights? But I'd ask, what does survival have to do with civil rights?"

Mr. Hooks, who came to the NAACP five months ago from the Federal Communications Commission, is now earnestly planning to gather the internal resources to systematically confront economic issues. A high priority is an "economic advisory council" that would examine such issues as the minimum wage.

A broad range of views will be represented, says Mr. Hooks. He has asked Andrew Brimmer, the black economist who until recently was a member of the Federal Reserve, to sit on the council. Mr. Brimmer is a leading critic of the minimum wage as a contributing cause to black teenage unemployment. He has also asked Wendell W. Gunn, a Chase Manhattan vice president, who is also coincidentally on the economic advisory council of the Republican National Committee.

A PARTING OF THE WAYS?

All this suggests a parting of the ways with the National Urban League and its leader, Vernon Jordan Jr. The Urban League stresses expansion of the public sector to enhance black economic welfare. "Except in the very short run," says Mr. Hooks, "only the private sector can provide the kinds of jobs we must have," and that's where the NAACP's emphasis will be.

The strain showed when the NAACP joined the New Detroit Coalition and Detroit Urban League in opposing the federal government's new fuel standards for light trucks and vans, on the grounds that this kind of government intervention will hurt black employment and won't save energy, immediately forcing the closing of a Detroit inner-city assembly plant that employs 3,000 blacks.

Vernon Jordan not only did not join in the opposition, although requested to do so by Francis Kornegay, president of his Detroit affiliate. He also called this newspaper and demanded a correction when it mistakenly reported that the Urban League as a whole was part of the Detroit coalition.

On this issue, too, the press reports tended to headline that the NAACP had allied itself with the auto industry, not—as the NAACP sees its position—as having broken with the government position.

Things will never be the same for the NAACP. But that doesn't necessarily mean they'll get better. Ms. Wilson says she feels the euphoria of free flight, having taken her organization out of its cozy nest. She does admit to an anxiety, though, sensing the ground may be coming up at her faster than she thought it would. She's worried about the NAACP's prestige and finances, and so must resist being drawn into reliance on business giving and hope the individuals who have been the mainstay of NAACP support will stay.

"It had to be done. We had to lift the level of discussion to a new level, to make a significant effort to discuss not simply what's right or what's wrong, but what is in our best interests. The public discussion generated by this has not been had by black people in years. It is healthy, essential and urgent."

A MARKETPLACE APPROACH FOR BLACKS

The American Association of Blacks in Energy was formed in June 1977 by about 100 black professionals and executives in the energy industry. Its trustees include employees of Westinghouse, Mobil Oil, Phillips Petroleum, Public Service Co. of Colorado and Southern California Edison. Some of them are also members of the committee that drafted the recent energy report by the National Association for the Advancement of Colored People.

Clark R. Watson, chairman of the group, is president of Westland Cos., a Denver-based coal leasing and energy consulting concern. He says the group was formed following unsuccessful attempts by a number of its members to present their views on energy to the congressional black caucus, and that it is financed by member contributions and accepts no funds from energy companies. AABE recently issued the following statement:

A recently released NAACP report called for economic mechanisms within energy policy that will stimulate jobs. The NAACP statement has been variously described as pro-industry, or pro-business. Such labelling does a disservice to the NAACP and misguides public perception of the intent of their energy message. Their message was quite simple—blacks need jobs and the NAACP supports policies that encourage that process.

Unfortunately, that fine organization has now come under attack, particularly those individuals who contributed to the formulation of the NAACP policy statement, including members of AABE. As chairman of AABE I would like to share with the public certain facts.

To begin, federal schemes to assist minorities such as the War on Poverty, Model Cities and the like failed dismally. They failed because they perceived minorities as necessarily and perpetually poor. Secondly, they failed because beyond lip-service the government has not really been dedicated to eradicating poverty.

Mr. Carter's energy policy inferentially advances the notion of perpetual poverty for blacks and the employment record at senior levels of the Department of Energy certainly institutionalizes the administration's insensitivity to high unemployment insofar as DOE's unwillingness to hire minorities has not been curtailed by the White House. Yet, in the private energy sector there are several examples of blacks holding senior-level positions of great authority.

AABE does not look to platitudes, promises and traditional ties. Rather, the organization looks solely at the bottom line, at the marketplace and what it has done and can do for black folks. Neither Republicans nor Democats buy groceries; only dollars do. If it so happens that the private sector operating in a free market (which in this case accurately implies deregulation) offers greater visible, measurable salvation for blacks than we have experienced and are experiencing with government, that is what we support.

How can we intelligently persist in supporting economic policies which discourages domestic production and place us at the mercy of foreign markets over which blacks have virtually no control? If domestic production does not increase, jobs will not increase.

The nation is using up its proved petroleum reserves faster than new supplies are being found. Existing domestic oil and gas fields are being depleted. And many promising sources of oil and gas cannot be economically developed under current controlled price structures.

This trend of declining domestic reserves is nothing new. Since 1970, U.S. proved reserves of crude oil have fallen off at the rate of more than 1 billion barrels per year. For every 10 barrels produced, fewer than 6 barrels of proved reserves have been added from new discoveries, extensions and revisions. U.S. oil consumption has increased 19% while production has decreased 16% in the years 1970–76. Even including the huge Prudhoe Bay discovery on Alaska's North Slope, total U.S. proved oil reserves are below where they were 10 years ago.

Domestic production today is meeting only 53% of the nation's oil product requirements. This country can dramatically increase that percentage through tertiary recovery techniques but that is not possible under current regulations and philosophies embodied in Carter's energy plan. As a result investments (hence production) is off and blacks aren't working. Instead, dollars and jobs continue to be exported to the Middle East, enabling Arabs to buy homes in Marin County, while blacks still can't afford rent in the ghetto.

It is appropriate to assume that dollars spent domestically form the basis for an expanded economy. Implicit in such expansion is increased business and employment opportunities for blacks. The fact that certain national organizations purporting to represent blacks in service or elected capacities cannot appreciate these rather simple dynamics and continue to rely on advice from outside the black community is tragic. Advice, I might add, which usually comes from persons whose careers are dependent on welfare/socialism types of programs and who feel threatened at what they see as an eroding source of power—their "poor minorities."

AABE has one fundamental goal, economic parity for black Americans. That can only be accomplished with the existence of a healthy, vibrant free marketplace uninhibited by artificially low and unrealistic pricing schemes which only prolong the day of reckoning. These are facts. We have laws to guard against employment and business discrimination. Perhaps they are not adequate but they are there.

But what good are the laws if the economy is too unstable to provide the opportunities the laws were designed to take advantage of?

There are two paths for blacks to follow; to the breadline or the bank. These days the bank appears to offer a little more sustenance and stability of opportunity.

SALT I AGREEMENTS COMPLIANCE

Mr. PELL. Mr. President, I hope every Member of the Senate will have an opportunity to read carefully a report on Soviet compliance with the SALT I agreements just submitted by the executive branch. The report was prepared at the request of the committee and inserted earlier today in the RECORD by the chairman, Senator SPARKMAN.

As a member of the Committee on Foreign Relations, and chairman of the Subcommittee on Arms Control, Oceans and International Environment, I have had the opportunity to review the facts in detail in regard to charges of Soviet violations. All of the evidence—both classified and now unclassified—supports the conclusion that the Soviet Union has acted in good faith in its adherence to the SALT I Anti-Ballistic Missile Treaty and Interim Agreement.

I am glad that much of the information which was previously classified about SALT is now available on the record for other Members of the Senate and the public to judge for themselves the validity of these charges of Soviet violations.

I believe a review of this report will reassure many who have been deeply concerned over continued allegations of Soviet violations of SALT I. Certainly, if these allegations had been true, one could seriously question the wisdom of proceeding with the SALT process. Now that we can understand that the dealings between the two sides—although difficult and sometimes disturbing—have been conducted in good faith, we can proceed in greater confidence in the search for a good and comprehensive SALT II agreement.

MRS. FLOYD D. SPENCE

Mr. THURMOND. Mr. President, on Monday, February 13, my friend and colleague in the South Carolina congressional delegation, Representative FLOYD SPENCE, suffered one of the worst tragedies that can befall a man—one which I know only too well—the untimely death of a beloved wife. Though Mrs. Lula Spence had been seriously ill for some time, that does not soften the blow. Her family and her many friends in South Carolina and Washington can only grieve profoundly over the loss, at the age of 46, of such a good and charming woman.

Lula Spence was the model of a Southern lady. Educated at Bennettsville High School, Winthrop College, and the University of South Carolina, she married Representative SPENCE and bore him four fine sons. Her homemaking and child-rearing duties were heavy, and she performed them with devotion, but somehow she also found time for a wide range of civic, charitable, and church activities. Organizers for a worthy cause could always count upon Mrs. Spence for generous assistance.

Selfless as she was, she preferred that her good works remain unpublicized, but she was particularly interested in health problems. She had served with the Muscular Dystrophy Foundation, the Mid-Carolina Mental Health Association, and the South Carolina Lung Association, and was the honorary chairman of the South Carolina Kidney Foundation.

Lula Spence was not just an outstanding wife and mother, but an outstanding congressional wife and mother. Members of this body are fully aware how disruptive of domestic life politics can be. Mrs. Spence was one of those gifted women who, while helping their congressional husbands to meet the demands of their jobs, keep the disruption to a minimum.

I am confident that Representative SPENCE would be the first to give his wife much of the credit for his professional and political success. He has to be even more grateful, however, for the happy, stable and secure home life which she constantly provided.

Mr. President, I offer my sincere condolences to Representative SPENCE and to the Spence boys, David, Zack, Benjamin, and Caldwell. It is some consolation, at least, that these four fine young men will keep alive their mother's fine qualities and will in time pass them along to their own children. The unfinished business of Lula Spence's life can still be completed, by her own flesh and blood, in accordance with the inspiring example which she gave.

I also extend my deep sympathies to all of her friends. As one who enjoyed the privilege of belonging to this group, I know the sorrow that they are feeling.

Mr. President, a number of articles about Mrs. Spence appeared in South Carolina newspapers at the time of her death. In order that those who did not know her may learn more about her life and character, I ask unanimous consent that representative articles on Mrs. Spence be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Columbia Record, Feb. 13, 1978]

LULA SPENCE DIES IN NURSING HOME

Lula Hancock Spence, 46, wife of 2nd District Congressman Floyd D. Spence, died today at a local nursing home.

Mrs. Spence of Rt. 7, Lexington, had been in a coma since last May when she suffered a cerebral hemorrhage and was hospitalized.

Although they were unable to confirm the exact cause of her hemorrhage, hospital officials and Spence at the time speculated that Mrs. Spence may have been suffering from a ruptured aneurysm, a dilated blood vessel in the head that burst.

In 1969, Mrs. Spence recovered from a similar illness after weeks of unconsciousness.

Funeral services will be held at 4 p.m. tomorrow in St. Peter's Lutheran Church. Burial will be in the church cemetery.

Mrs. Spence, the former Lula Hancock Drake, was born in Drake, a daughter of the late Zack A. Drake and Carrie Dudley Drake. She was a graduate of Bennettsville High School and attended Winthrop College and the University of South Carolina, where she was a member of Chi Omega Sorority, Euphrosynian Literary Society and Sigma Alpha Sigma.

She was honorary chairman of the South Carolina Kidney Foundation and served with the Muscular Dystrophy Foundation, the South Carolina Heart Association, and was a member of Beta Rho Sorority.

She was a member of First Tuesday Club, Dutch Fork Republican Club, the Mid-Carolina Mental Health Association and the state board of the South Carolina Lung Association.

Mrs. Spence was an honorary member of Beta Sigma Phi and was a member of Lake Murray Community Club and St. Peter's Lutheran Church.

Surviving are her husband, Congressman Floyd D. Spence; four sons, David Spence, Zack Spence, Benjamin Spence and Caldwell Spence, all of the home.

Memorials may be made to the charity of one's choice.

Friends may call at the residence and at Caughman-Harman Funeral Home.

[From the Charleston (S.C.) News and Courier, Feb. 14, 1978]

REP. SPENCE'S WIFE DIES AT AGE 46

LEXINGTON.—Lu Drake Spence, the wife of U.S. Rep. Floyd Spence of South Carolina, died Monday following an extended illness. She was 46.

The funeral will be 4 p.m. Tuesday in St. Peter's Lutheran Church. Burial will be in the church cemetery.

Mrs. Spence, a native of Bennettsville, had been hospitalized for several months suffering from a cerebral hemorrhage.

She was the former Lula Hancock Drake, a daughter of the late Zack A. Drake and Carrie Dudley Drake. Mrs. Spence attended Winthrop College and the University of South Carolina where she was a member of Chi Omega sorority.

She was an honorary chairman of the South Carolina Kidney Foundation and served with state branches of Muscular Dystrophy and the Heart Association.

Surviving, in addition to her husband, are: four sons, David Spence, Zack Spence, Benjamin Spence and Caldwell Spence.

[From the Orangeburg (S.C.) Times and Democrat, Feb. 14, 1978]

CONGRESSMAN SPENCE'S WIFE IS DEAD AT 46

LEXINGTON, S.C.—Lu Drake Spence, the wife of U.S. Rep. Floyd Spence of South Carolina, died Monday following an extended illness. She was 46.

Mrs. Spence, a native of Bennettsville, had been hospitalized for several months suffering from a cerebral hemorrhage.

She was the former Lula Hancock Drake, a daughter of the late Zack A. Drake and Carrie Dudley Drake. Mrs. Spence attended Winthrop College and the University of South Carolina where she was a member of Chi Omega sorority.

She was an honorary chairman of the South Carolina Kidney Foundation and served with state branches of Muscular Dystrophy and the Heart Association.

Survivors are her husband; four sons, David Spence, Zack Spence, Benjamin Spence, and Caldwell Spence.

The funeral was scheduled for 4 p.m. Tuesday in St. Peter's Lutheran Church, with burial in the church cemetery.

[From the Lexington (S.C.) Dispatch News, Feb. 16, 1978]

MRS. SPENCE DIES MONDAY AFTER ILLNESS

Lula Hancock Spence, 46, wife of Rep. Floyd D. Spence, R.-S.C., died Monday at a local nursing home.

Mrs. Spence, of Rt. 7, Lexington, had been comatose since May of 1977 when she was hospitalized after suffering a cerebral hemorrhage. Speculation at the time was that Mrs. Spence may have been suffering from a ruptured aneurysm, a dilated blood vessel that burst in the head.

In 1969, Mrs. Spence recovered from a similar illness after weeks of unconsciousness.

Mrs. Spence was born in Drake, a daughter of the late Zack A. and Carrie Dudley Drake. She was a graduate of Benettsville High School and attended Winthrop College and the University of South Carolina where she was a member of Chi Omega Sorority. Euphrosymian Literary Society and Sigma Alpha Sigma.

Mrs. Spence was honorary chairman of the S. C. Kidney Foundation, had served with the Muscular Dystrophy Foundation and the S. C. Heart Association. She was a member of Beta Rho Sorority.

She was a member of the First Tuesday Club, the Dutch Fork Republican Club, the Mid-Carolina Mental Health Association and the state board of the S. C. Lung Association.

Mrs. Spence was an honorary member of Beta Sigma Phi and was a member of the Lake Murray Community Club and St. Peter's Lutheran Church.

Surviving are her husband; and four sons, David, Zack, Benjamin and Caldwell Spence of the home.

Services were at 4 p.m. Tuesday at St. Peter's Lutheran Church, conducted by the Rev. Charles Dawkins and the Rev. Dr. H. Edwin Young.

Pallbearers were Lee and Julian Drake, Michael, Jimmy and Allen Spence, Jr., Bill Jennings, Raymond Caughman, Addison "Joe" Wilson and Drake Perrow.

Caughman-Harman Funeral Home was in charge.

NO MORE TAX DECEPTIONS

Mr. HATCH. Mr. President, Dr. Craig Roberts, a distinguished economist and my valued aide, has prepared a study of tax reform, which was published in the March 1978 issue of Harper's magazine, that I want to call to the attention of my colleagues in the Senate. Dr. Roberts points out that tax reforms, like the income tax system itself, have been justified through the years on the basis of making the rich pay more. However, the results have been not just to make the tax burden greater on the upper brackets but to raise it also on the middle and lower brackets. Obviously, it is much

easier to tax low levels of personal income at 14 percent when the top bracket is 50 or 70 percent than it would be if the top bracket were taxed at, say, 30 percent. The heavier the rich are taxed, the heavier the middle and lower brackets will be taxed. The size of the top tax bracket determines the size of the middle and lower bracket. If the top rate is 30 percent, then the middle rate becomes 15 percent and the bottom rate becomes only 1 percent. The slogan of "equity" has served as a moral mask, a guise, so to speak, behind which the self-interest of government has hidden. For, as Dr. Roberts' article documents, the outcome of all of the reforms over the years has been a growing tax burden on all income earners.

The tax rates have reached such high levels that they are no longer productive in terms of the revenues that they raise. Cutting tax rates would not just increase the tax base by increasing the incentives to work, to hire, and to invest, it would also increase the tax base by pulling the so-called rich out of tax shelters. These shelters are profitable only because of the high marginal rates of taxation. High tax rates make it pay to find ways to avoid them. As a result, part of the tax base is "sheltered." On February 21, 1978, at the American Enterprise Institute here in Washington, Milton Friedman, a Nobel economist, said that the Government would collect more tax revenues if the highest personal income tax rate were 25 percent. If the top rate were 25 percent, tax shelters would not pay. Also, there would be greater incentive to hold down costs and various "perks" and fringe benefits.

Dr. Roberts points out that—

The greatest loophole of all in our income tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of the loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

Mr. President, I am certain that Dr. Roberts' article will contribute to the Senate's evaluation of tax reform proposals, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DISGUISING THE TAX BURDEN

(By Paul Craig Roberts)

(NOTE.—On January 21, 1978, President Carter proposed $9 billion in revenue-raising tax reforms (along with tax cuts, for lower- and middle-income earners, that increase the progressivity of the income tax). Under the President's proposals, $6 billion in tax revenues would be raised from the taxation of unemployment benefits and the elimination of deductions for sales, gasoline, and personal-property taxes and medical expenses. The elimination of these deductions will reduce the tax advantage of itemized deductions for homeowners. The President also proposed replacing the $750 personal exemption with a $240 tax credit. This change would temporarily benefit lower-income earners until inflation pushed their nominal incomes into the 33 percent bracket. All of these changes work to reinforce the adverse affect that inflation has on the taxpayer.)

Even when they appear singly, major tax increases have a way of slowing down the legislative process. It has to be worked out how to disguise the tax so everyone thinks it is falling on someone else. Then the Congress and the Administration have to work out among themselves who gets to hand out how much to which spending constituency. This is what is known as politics, and ordinarily the politicians can think of enough new rhetoric to explain the levying of new taxes. But by the end of the first year in office President Carter had proposed so many tax increases (the energy tax, the Social Security tax, and the tax-reform tax) that the system temporarily collapsed.

It was more new taxes than could be negotiated, and the major tax-reform proposals of last September have been withdrawn but not discarded.

From the standpoint of the government's interest, tax reform is a necessity. The rich are a depleted resource, and so it is inevitable that the government will come up with a new source of revenue in tax reform. As is customary in these matters, tax reform will be justified on the grounds of "equity," that is, closing loopholes and helping the poor. Tax reform to help the poor is easy, because the poor don't pay any taxes. Therefore, it doesn't cost the government anything. Look at the table prepared by the Tax Foundation from data published by the Internal Revenue Service in *Statistics of Income*, and be amazed at the distribution of the tax burden.

Half of the taxpayers, those whose adjusted gross incomes place them in the bottom 50 percent, account for only 7 percent of the total personal-income-tax collections. Taxpayers in the lowest 25 percent account for less than half of 1 percent of the personal income tax collected by the government. That's why the government likes to cut taxes for lower-income groups. It doesn't cost much to buy half the votes, and what guilt-ridden upper-income taxpayer would complain about compassionate government?

Besides, "everyone knows" that the bulk of the taxes is paid by lower-income earners, while the rich largely escape taxation. Public citizens' tax-reform organizations, peoples' tax lobbies, and other sheltered spokesmen for organized welfare groups have no difficulty getting out their well-packaged, public-spirited message. Meanwhile, the true facts pass unnoticed in the IRS's *Statistics of Income*.

The table shows that taxpayers with incomes in the top 5 percent—those with adjusted gross incomes of $29,272 or more—paid over one-third of the total personal income taxes collected by the federal government in 1975. The top 10 percent of taxpayers—those earning $23,420 or more—paid nearly half the total tax bill. In contrast, the lowest 10 percent of taxpayers paid only one-tenth of 1 percent of the total tax bill. Taxpayers earning $15,898 or more—those in the top 25 percent—paid 72 percent of total personal income taxes. Taxpayers whose incomes placed them in the top 1 percent paid more than two and a half times the total taxes collected from the bottom 50 percent.

An income of $59,338 may qualify for the top 1 percent, but what about the really rich? The latest *Statistics of Income* shows that the 1,149 taxpayers earning $1 million or more in 1975 paid an average tax of $1,011,317. The total tax paid by these few high-income taxpayers added up to $1.15 billion. All of us might pause to ask what public services a taxpayer receives for a million dollars in income taxes.

PERCENT OF TOTAL TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS, 1970 AND 1975

Adjusted gross income class	Income level		Percent of tax paid	
	1970	1975	1970	1975
Highest 1 percent	[1] $43,149	[1] $59,338	17.6	18.7
Highest 5 percent	[1] 20,867	[1] 29,272	34.1	36.6
Highest 10 percent	[1] 16,965	[1] 23,420	45.0	48.7
Highest 25 percent	[1] 11,467	[1] 15,898	68.3	72.0
Highest 50 percent	[1] 6,919	[1] 8,931	89.7	92.9
Low st 50 percent	[2] 6,918	[2] 8,930	10.3	7.1
Lowest 25 percent	[2] 3,157	[2] 4,044	.9	.4
Lowest 10 percent	[2] 1,259	[2] 1,527	.1	.1

[1] Or more.
[2] Or less.

Source: Tax Foundation computations are based on Internal Revenue Service, Statistics of Income.

The table reveals another interesting fact. Since 1970 the tax burden has shifted further away from the lower brackets. In 1970 the bottom 50 percent paid 10.3 percent of total income taxes, and the top 50 percent paid 89.7 percent. By 1975 the bottom's share had declined to 7.1 percent, while the burden carried by the top had risen to 92.9 percent. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–75." Many of the untaxed received transfers in kind, such as food stamps and housing subsidies, together with earned-income credits (negative income tax) and welfare checks, so that their real income exceeds that of many taxpayers.

Most people think that tax reform means making the rich pay taxes. They do not realize that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. The government is refashioning its tax net to catch those it pretends to protect. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions. The government, of course, will give reassurances that it is only after the rich, just as it did when it brought in the income tax in 1914. Initially the personal-income-tax burden rested on only 357,515 people—less than one-half of 1 percent of the population. Only people with incomes much greater than average were subject to the tax. The rates ranged from 1 percent to 7 percent. Only income in excess of $117,000 in today's dollars encountered the first surtax bracket of 2 percent. The top tax bracket of 7 percent was encountered only by income in excess of $2.9 million in today's dollars. The personal income tax soon found its way into the lower brackets. The income thresholds were lowered and the tax rates raised. The bottom bracket today, an income level not subject to taxation in 1914, is taxed at 14 percent—twice 1914's top rate. The tax rate today on the first $500 of taxable income is twice as great as the tax rate on a multimillionaire's income in 1914. This does not mean that things got better for the millionaire. The rate in his bracket today is ten times greater, and his average tax rate is 11.4 times greater. In 1914 the total tax on a million-dollar income was $60,000. Today it is $685,000. Since, as a result of inflation, the value of money today is only about one-sixth of what it was in 1914, today's millionaire's after-tax income of $315,000 is equivalent to a 1914 purchasing power of $53,800. He has only

one-seventeenth of the purchasing power of his 1914 counterpart. During a period that has seen a rise in the average standard of living, the millionaire's has declined drastically.

It is an interesting story to trace the growth of the personal income tax, but it can be summarized in the following way: Between 1914 and 1975 the population grew 120 percent, but the number of individual-income-tax returns grew by 23,800 percent.

Hailed everywhere as loopholes for the rich, deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket. For example, in the under-$10,000 adjusted-gross-income class, deductions come to 48.9 percent of adjusted gross income. In the $10,000-to-$24,999 class, deductions are 31.1 percent of adjusted gross income, and in the over-$25,000 class they are only 22.8 percent. The higher the income, the less it is sheltered by deductions.

According to the latest Treasury figures, the upper-income groups benefited from about $16 billion in deductions, exclusions, and other privileges, about half of which resulted from recognizing the difference between capital gains and ordinary income. Lower- and middle-income groups benefited from about $50 billion in deductions and exclusions, such as the exclusion of unemployment benefits, Social Security payments, workers' compensation benefits, pension contributions and earnings, employer-paid medical insurance premiums and medical care, the deduction of interest on consumer credit and home mortgages, property taxes, medical expenses, and state and local taxes, and the deferral of capital gains on the sale of a home plus credit for the purchase of a new home. For every dollar of upper-bracket tax savings, $3 went to the lower and middle brackets.

Dr. Roger Freeman, former White House aide and Hoover Institution Fellow at Stanford University, summed up his book on tax loopholes (*Tax Loopholes: The Legend and the Reality*) as follows:

"The literature of the tax reform drive usually asserts that most of the loopholes were designed for and work for the benefit of the rich, that poor and middle income taxpayers are taxed on all of their income, with no escape possibilities, and that most of the income that avoids taxation is to be found in the very high income brackets. The facts, however, suggest the opposite: much or most of the untaxed income is in the low and medium brackets."

That neatly sums up why the government's tax reformers are interested in reducing deductions. You can't raise revenues for the government unless you go where the untaxed income is.

Untaxed income also means fringe benefits. The President says that taxing fringe benefits means "the three-martini lunch." But the unions are concerned rather than fooled. They know where the untaxed benefits are that would yield substantial tax revenue. Sen. Orrin G. Hatch (Rep.-Utah), a member of the Joint Economic Committee, has calculated that taxing fringe benefits as personal income "would mean an increase in taxes of $240 on the average taxpayers." With the 76 million tax returns filed in 1975 that reported wage and salary income, that would come to $18.24 billion, a tidy sum for government. That's why the unions are supporting the resolution introduced by Senator Hatch and Rep. Jack Kemp (Rep.-N.Y.) against the taxation of fringe benefits. They know that taxing fringes is the same as raising tax rates on existing wage and salary levels. You can't pay the IRS with part of your parking place, employer-subsidized meal, employee discount, or employer-paid health insurance and pension premiums.

The third plank of the tax reform redefines assets as income, and in addition to taxing the income from the asset confiscates part of the asset. Suppose you invest $10,000 in an income-producing asset, and inflation drives the price of that asset to $15,000. Suppose that family educational or medical expenses force you to sell the asset. Even though its replacement cost is $15,000—the $15,000 you receive will not buy any more than the $10,000 you paid—the government will claim that you have a $5,000 capital gain and tax it. Suppose you are in the 25 percent bracket. That means $1,250 of your assets will be confiscated by the government. The greater the inflation, the longer you hold the asset, and the higher your tax bracket, the more will be confiscated. The reformers are even talking about taxing the "capital gain" on an accrual basis whether or not you sell the asset.

The tax reformers showed how far they want to go by proposing to tax homeowners on the rental value of their homes. It's called taxing imputed rent. The reasoning is that owning a home provides income in kind (shelter). The value of that income is the rental value, so up goes your taxable income by the rental value of your home—even though it is not rented and you are living in it. This reform is especially valuable to the government as it pushes homeowners into higher tax brackets, which means they pay higher tax rates on the same money incomes. It is valuable also because it establishes a new principle of taxation that can be applied to home vegetable gardens and to the services of housewives. Cooking services, sexual services, cleaning services, child-rearing services, and laundry services are also income in kind. The imputed value of a housewife who is good at all of these tasks would exceed the salaries and wages of many husbands. The government could then take your house and make you hire out your wife to cover the unpaid taxes you couldn't pay.

So many major tax-increase proposals indicate runaway greed in Washington. It's not as if the government hasn't had a raise. The government gets an automatic increase in tax revenues every year as a result of inflation. Look at what happens to the real tax burden on a person whose income rises with the rate of inflation over the course of his working life. To show that it is not just the upper-income taxpayers who are harmed, let's take for an example someone who is today earning only $6,240 a year. In 1976 he would have paid no taxes. Instead, he would have received a check from the Treasury for $155 as a result of the earned-income credit. But after 45 years of 5 percent inflation he would be earning $56,077 a year, on which he would have to pay $17,019 in taxes (at present rates). His after-tax money income would have risen from $6,395 in 1976 to $38,058 in 2021, or by substantially less than the rate of inflation. His after-tax income in 2021 would have a purchasing power equal to only $4,345 in 1976 dollars. In spite of this much larger money income, this person would have experienced a decline in his living standards of nearly one-third. This is the result of progressive income taxation plus inflation, which together cause taxes on the same amount of purchasing power—$6,240 in 1976 dollars—to rise from a refund of 2.5 percent in 1976 to a tax of 30 percent in 2021. The higher the inflation, the worse it would be for him, because the faster he would reach the higher brackets.

Indexing the tax structure (adjusting it to offset inflation) would prevent this deterioration in the living standards of all Americans. One might think that this would make indexing an important issue of tax reform. Yet, it is not part of the tax reformers' proposals. The reformers argue that inflation causes government's costs to rise, so it also needs more revenues. However, the way it is now, the government's revenues don't simply rise by the amount of the inflation, they rise by 1.65 times the rate of inflation. A 10 percent rate of inflation means a 16.5 percent increase in government revenues. That is why governments prefer to fight unemployment.

The claim that inflation hurts the lower income brackets more than the upper income brackets is deceitful. What inflation really does is to push everyone into higher tax brackets. As average income rise, more and more people will experience the woes of being nominally rich. One of the woes is that the higher your nominal or money income, the harder it is to stay even with inflation. As the tax bill gets bigger on every raise, your income has to increase progressively faster than the rate of inflation in order to stay even. This is another reason government prefers to reduce the tax rates in the lower brackets. Inflation soon moves the people out of them and into the higher brackets that were not cut.

Dale W. Sommer in the September 26, 1977, issue of *Industry Week* presents some interesting statistics from the U.S. Department of Commerce's National Income and Products Accounts that illustrate the extent to which American incomes have been undone by taxflation. Over the past ten years the average wage has risen 77.3 percent, whereas the consumer price index has risen 75.4 percent. So the average worker has kept up with inflation. But the tax burden has risen 144 percent during the same period. On a per capita basis, Americans paid $2.261 in taxes in 1976 compared with $1,014 in 1966. The 144 percent growth in the tax bite exceeded the 126.6 percent growth in total production of goods and services (GNP) and the 119.2 percent growth in total national income.

Last year Americans paid $16.7 billion more in taxes than they spent on the three basic necessities of food, clothing, and housing. The total tax bill came to $486.4 billion, whereas the total spent on food, clothing, and housing came to $469.7 billion. Compared with the $2,261 per capita expenditure on taxes, $1,048 was spent on food, $354 on clothing, and $780 on shelter. Added together the three necessities are still $79 less than per capita taxes paid.

Taxes far outpace the growth in real income. In 1976 federal taxes grew 20.8 percent. The entire economy grew 11.6 percent, and 5.3 percent of that growth was the result of inflation rather than an actual increase in the production of goods and services.

The greatest loophole of all in our income-tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

We have come a long way from the time three decades ago when F. A. Hayek said something about the road to serfdom. A serf was a person who did not own his own labor. Although he was not himself owned by another—that is, he could not be bought and sold like a slave—the feudal nobility, the state of that time, had rights over the serf's labor. When we say that a peasant was en-

serfed, we mean that he owed a certain amount of his working time to the state. Over time and regions this obligation averaged about one-third of a serf's working life.

The serf's position provides a perspective that lets us sum up the success of reactionary forces in this century in simple economic terms. In 1929 government in the U.S. had a claim to only 12 percent of the national income. By 1960 government had a claim to 33 percent of the national income. By 1976 government had extended its share to 42 percent. In relative terms our position today is worse than that of a medieval serf who owed the state one-third of his working time.

Many may reject this parallel. They may say that we have a democratic government controlled by the people, and that high taxes and big government merely reflect the voters' demands for public goods in the public interest. Such an argument is reassuring but problematical. The income tax was voted in under one guise and retained under another. Furthermore, it was the action of a past generation. For us it is an inherited obligation, as were feudal dues, and it is seen that way by the Internal Revenue Service. All of us have been born to the statist gospel that government is the instrument of social progress. Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government. As we hear the talk about tax reform and "equity," we might pause to consider, if our cultivated progressive image will allow, that "equity" means more taxes on the productive to provide the revenues that build the spending constituencies of Congress and the federal bureaucracy. What is operating is not equity, but the government's self-interest.

The advent of several major tax increases in tandem will destabilize the economy, but from the government's perspective that is desirable. There will have to be more government programs to deal with the consequences of instability. Every sophisticated person is aware of how special interests use the legislative process for their own benefit, but the same sophisticate is badly schooled in how the legislative process furthers the special interests of those in government. Inflation leads to the imposition of wage and price controls and credit allocation, all of which increase the spoils, money, and influence divvied up in Washington. Unemployment means more CETA jobs and public works, and what member of the government class is hurt by that? Put simply, instability increases the demand for the services of bureaucrats and for pork-barrel legislation that builds the spending constituencies of both Congress and the Executive branch. It advances the careers of academics and technocrats who move back and forth from their think tanks and universities and in and out of government.

Perhaps all of this won't come to pass all at once. Government might so engorge itself with Social Security and energy taxes that it can't reach the tax-reform dish. Or perhaps in a last-gasp effort the vested interests of old will flex their flabby biceps and hammer through a tax cut that will stave off enserfment and economic stagnation for a while longer.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. Without objection, as in legislative session, the Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, appoints the Senator from Kansas (Mr. PEARSON) to membership on the Senate Ethics Committee, in lieu of the Senator from Texas (Mr. TOWER), resigned.

CONSUMER PRODUCT SAFETY COMMISSION

Mr. ROBERT C. BYRD. Mr. President, two nominations have been reported today from the Committee on Commerce, Science, and Transportation. They are the following: Edith Barksdale Sloan, of the District of Columbia, to be a Commissioner, for a term of 7 years from October 27, 1976, and Susan Bennett King, of the District of Columbia, to be a Commissioner, for a term of 7 years from October 27, 1977. I understand that both nominations have been cleared with the minority.

At the request of Mr. ABOUREZK, I ask unanimous consent that the Senator proceed for not to exceed 1 minute to the consideration of these nominations.

Mr. STEVENS. Mr. President, reserving the right to object—and I shall not object—the majority leader is correct in stating that the nominations have been cleared with the minority. We are pleased to support the nominations.

Mr. ROBERT C. BYRD. I thank the distinguished assistant Republican leader.

The PRESIDING OFFICER. The nominations will be stated.

The second assistant legislative clerk read as follows:

Edith Barksdale Sloan, of the District of Columbia, to be Commissioner, for a term of 7 years from October 27, 1976.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the next nomination.

The second assistant legislative clerk read as follows:

Susan Bennett King, of the District of Columbia, to be a Commissioner for a term of 7 years from October 27, 1977.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

GRAND CANYON NATIONAL PARK FRANCHISE FEES

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2076, and that there be a limitation of 1 minute.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2076) entitled "An Act to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Grand Canyon National Park, Arizona, to the Grand Canyon Unified School District, Arizona, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert: That (a) the Secretary of the Interior (hereafter referred to as the "Secretary") is authorized for the two-year period commencing October 1, 1978, and ending September 30, 1980, to make payments to reimburse the appropriate school district or districts (hereafter referred to as the "districts") for educational facilities and services (including, where appropriate, transportation to and from school) incurred by said districts in providing educational benefits to pupils living at or near the Grand Canyon National Park upon real property owned by the United States which is not subject to taxation by State or local agencies: *Provided*, That the payments for any school year to said districts shall not exceed that part of the cost of operating and maintaining such facilities and providing such services which the number of pupils as defined above bears to the whole number of pupils in average daily attendance within said districts for that year.

(b) If in the opinion of the Secretary of the Interior, the aforesaid educational facilities and services cannot be provided adequately and payment made therefor on a pro rata basis, as prescribed in subsection (a), the Secretary of the Interior may enter into cooperative agreements with State or local agencies for (1) the operation of school facilities, (2) for the construction and expansion of educational facilities at Federal expense, and (3) for contribution by the Federal Government, on an equitable basis satisfactory to the Secretary, to cover the increased cost to local agencies for providing the educational services required for the purposes of this section: *Provided*, That authority to make payments under this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

(c) The Secretary shall submit an annual estimate of the anticipated payments which may be made in accordance with the provisions of this Act to the Committees on Appropriations of the United States Senate and House of Representatives. There are authorized to be appropriated an amount not to exceed $1,500,000 for fiscal year 1979 and an amount not to exceed $1,500,000 for fiscal year 1980 to carry out the provisions of this Act: *Provided*, That any appropriations made pursuant to this Act shall be reduced by the amount of any payments made to said districts pursuant to the Acts of September 23, 1950 (64 Stat. 906), as amended (20 U.S.C. 631 et seq.), and September 30, 1950 (64 Stat. 1100), as amended (20 U.S.C. 236 et seq.). Any amount appropriated pursuant to this Act for any fiscal year shall remain available until expended.

Amend the title so as to read: "An Act to authorize the Secretary of the Interior to make payments to appropriate school districts to assist in providing educational facilities and services for persons living within or near the Grand Canyon National Park on nontaxable Federal lands, and for other purposes.".

Mr. GOLDWATER. Mr. President, the bill now before us, S. 2076, the Grand

Canyon National Park School Aid Act, will provide vitally needed funds for the education of children of Federal employees located in an area where no feasible alternative facilities are available.

This legislation was presented to the 94th Congress by Senator Paul Fannin and approved by the Senate. It died at the end of that Congress when the House adjourned before the measure could be considered in conference. It was reintroduced at the beginning of this Congress by Senator DECONCINI and me as S. 788. Technical objections have been resolved and the bill once more comes before the Senate and I ask for the support of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate accept the House amendments.

The PRESIDING OFFICER. Without objection, as in legislative session, the motion is agreed to.

REDWOOD NATIONAL PARK

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask, on behalf of Mr. JACKSON, that the Chair lay before the Senate a message from the House on H.R. 3813.

The Presiding Officer laid before the Senate a message from the House of Representatives on H.R. 3813, to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered, as in legislative session.

Mr. ROBERT C. BYRD. Mr. President, on January 29, the Senate considered and passed S. 1976, legislation also designed to amend the Redwood National Park Act. On February 9, the House considered similar legislation, H.R. 3813, the measure before the Senate. In order that the two bodies may resolve the differences between the two measures, on behalf of Mr. JACKSON, I ask unanimous consent that all after the enacting clause of H.R. 3813 be deleted and that the text of S. 1976, as it passed the Senate, be inserted in lieu thereof, and that H.R. 3813, as thus amendment, be considered as having been read the third time, and be passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. JACKSON, I ask unanimous consent that the Senate insist on its amendment to H.R. 3813, request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. ABOUREZK, Mr. MATSUNAGA, Mr. HANSEN, and Mr. MARK O. HATFIELD conferees on the part of the Senate.

REVERSAL OF ORDERS FOR RECOGNITION OF SENATOR MOYNIHAN AND SENATOR EAGLETON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Mr. MOYNIHAN and then Mr. EAGLETON on tomorrow be reversed.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 o'clock tomorrow morning.

After the prayer, Mr. EAGLETON and Mr. MOYNIHAN will be recognized, each for not to exceed 15 minutes and in that order.

Upon the completion of the two orders, the Senate will resume consideration of the Treaty of Neutrality, at which time the pending question will be on the adoption of the amendment offered by Mr. ALLEN. Under the agreement between Mr. ALLEN and the leadership, no vote will occur on that amendment prior to 11:30 a.m. tomorrow.

This does not mean that other rollcall votes might not occur. It is possible that other rollcall votes could occur. But in any event it is anticipated that there will be rollcall votes tomorrow, and it is hoped that the Senate can take action on various amendments.

It is also hoped that Senators will be prepared to call up their amendments, and that the Senate may act thereon.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Inasmuch as we are coming in at 9, and have two 15-minute orders, would the distinguished majority leader mind stipulating that the treaty will not be laid before the Senate before 9:30?

Mr. ROBERT C. BYRD. The order provides for resumption of the debate on the treaties, with the question being on agreeing to the Senator's amendment, at the conclusion of the two orders, which would be at around 9:30.

Mr. ALLEN. Yes, but I am just wondering if we could not stipulate, inasmuch as I have a conflict, that if I knew the exact time we were going to lay it down, I could be here. Otherwise one of the Senators might not be here, or one might be delayed 5 minutes. I would hate not to be present, but if we could stipulate that the treaty not be laid before the Senate before 9:30, I would appreciate it.

MODIFICATION OF ORDER FOR RESUMPTION OF THE UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of the treaties on tomorrow at the conclusion of the orders for the recognition of the two Senators or at 9:30 a.m., whichever is the later.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I thank the distinguished majority leader.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, in executive session, stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 6:21 p.m., the Senate, in executive session, took a recess until tomorrow, Wednesday, March 1, 1978, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate February 28, 1978:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066 in grade as follows:

To be lieutenant general

Maj. Gen. Thomas Patten Stafford, [redacted], U.S. Air Force.

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general under the provisions of title 10, U.S. Code, section 5902:

William C. Groeniger III
Joseph L. Tiago, Jr.

IN THE ARMY

The following-named officers for reappointment in the active list of the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be colonel, Regular Army and colonel, Army of the United States

Horn, Charles S., [redacted].
Linn, William E., [redacted].

To be lieutenant colonel, Regular Army and colonel, Army of the United States

Sikes, Arthur E., [redacted].

The following-named person for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be first lieutenant, Regular Army and captain, Army of the United States

Haynes, Gladys R., [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be major

Cohen, James M., [redacted].
Difiore, Peter M., [redacted].
Yearwood, Lionel L., [redacted].
York, Edwin R., [redacted].

To be captain

Craig, James A., [redacted].
Dotson, Philip E., [redacted].
Fluharty, Michael L., [redacted].
Guiry, Clinton C., [redacted].

Haught, Stephen R., XXX-XX-XXXX.
Holland, Barbara T., XXX-XX-XXXX.
Hufhan, William L., XXX-XX-XXXX.
Infantino, Lillian M., XXX-XX-XXXX.
Lambert, Mary H., XXX-XX-XXXX.
Lawson, Thomas R., XXX-XX-XXXX.
Parker, William J., XXX-XX-XXXX.
Pollock, Glen B., XXX-XX-XXXX.
Prucha, Dan M., XXX-XX-XXXX.
Sakata, Marlin K., XXX-XX-XXXX.
Shields, Walter D., Jr., XXX-XX-XXXX.
Tancredi, Sue L., XXX-XX-XXXX.
Weber, Roy F., XXX-XX-XXXX.
White, Gary L., XXX-XX-XXXX.

To be first lieutenant

Bennett, Deborah J., XXX-XX-XXXX.
Bernstein, David A., XXX-XX-XXXX.
Bradigan, Terry W., XXX-XX-XXXX.
Calderwood, Philip A., XXX-XX-XXXX.
Craghead, Robert M., XXX-XX-XXXX.
Czusak, Charlene A., XXX-XX-XXXX.
Evans, John R., XXX-XX-XXXX.
Fitzgerald, William J., XXX-XX-XXXX.
Harig, Paul T., XXX-XX-XXXX.
Harris, Billy J., XXX-XX-XXXX.
Katz, Jerald O., XXX-XX-XXXX.
Kruger, Sally M., XXX-XX-XXXX.
Maloney, Patsy L., XXX-XX-XXXX.
Martinez, Jose A., XXX-XX-XXXX.
Maxson, Jean D., XXX-XX-XXXX.
Meyer, Edward R., XXX-XX-XXXX.
Pehrson, Kyle L., XXX-XX-XXXX.
Pierce, William D., XXX-XX-XXXX.
Plewes, John M., II, XXX-XX-XXXX.
Porter, William A., XXX-XX-XXXX.
Richter, Paul V., XXX-XX-XXXX.
Roach, Terry R., XXX-XX-XXXX.
Rompre, Robin M., XXX-XX-XXXX.
Skinner, Richard L., Jr., XXX-XX-XXXX.
Skutt, Terry C., XXX-XX-XXXX.
Unterzuber, Susan E., XXX-XX-XXXX.
Waddell, Henry T., Jr., XXX-XX-XXXX.
Webster, Horace F., III, XXX-XX-XXXX.
Wenk, John D., XXX-XX-XXXX.
Yaws, Jane Y., XXX-XX-XXXX.
Young, Christopher L., XXX-XX-XXXX.

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Mark A. Battle	Peter J. Meshkoff, Jr.
Rosario J. Consiclio	George W. Powers, Jr.
David J. Dorsett	Peter Quick
Robert N. Gest, Jr.	Kristen N. Rahmes
Michael A. Kennedy	Randall R. Roberts
David L. Lambert	James D. Selle
*David L. McKinney	James W. Zeszutek

The following-named (U.S. Navy officers) to be appointed permanent lieutenants in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Gregory H. Adkisson	*Frank J. Kuczler, Jr.
*Michael J. Bosse	*Jon D. Mason
*James J. Burns	*George G. Patterson
*Richard K. Burwell	*Rodney W. Savage
*Mark S. Duke	*William D. Shippen
*Donald W. Jensen	

The following-named (Naval Reserve officers) to be appointed permanent lieutenants in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lcdr John A. Burkhart, MC, USNR.
Lcdr Robert E. Hunt, MC, USNR.

The following-named (U.S. Navy officer (Ret.)) to be reappointed from the temporary disability retired list as a permanent lieutenant in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Lcdr William M. Calhoun, USN (Ret.).

*Appointment sent out Ad Interim (During the recess of the Senate). Senate recessed on 15 December–19 January 1978.

The following-named (Naval Reserve officers) to be appointed temporary lieutenant commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lcdr John A. Burkhart, MC, USNR.
Lcdr Robert E. Hunt, MC, USNR.

The following-named temporary chief warrant officers to be appointed lieutenants (junior grade) in the U.S. Navy, for limited duty, for temporary service, in the classification indicated, subject to the qualifications therefor as provided by law:

James M. Grissom, Aviation Deck.
Earther L. Hudgen, Engineering/Repair-Surface.

The following-named Navy enlisted candidate to be appointed a temporary ensign in the U.S. Navy, for limited duty, for temporary service in the classification indicated, subject to the qualifications therefor as provided by law:

Delton E. Tillery, Engineering/Repair-Surface.

The following-named Navy enlisted candidates to be appointed temporary chief warrant officers, W–2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Jerry M. Aguinaldo	John J. Kelly
Charles A. Cortese	John T. Maley
John W. Erker	Robert A. Marple
George F. Higley, Jr.	Donald H. Pursley
Larry G. Hipskind	John D. Quirin

The following-named (U.S. Navy officer (Ret.)) to be reappointed from the temporary disability retired list as a temporary lieutenant commander in the U.S. Navy, subject to the qualifications therefor as provided by law:

*LCDR William M. Calhoun, USN (Ret.).

IN THE MARINE CORPS

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 2107, subject to the qualifications therefor as provided by law:

Andrews, Gregory E.	Digeser, Henry A.
Antal, James G.	Dohanyos, Steven D.
Anthony, Rhett W.	Eagan, John J.
Arbogast, Steven M.	Edwards, William T.
Armentront, Randall L.	Evans, Leroy S.
	Filiault, Karen A.
Atkins, Roger D.	Forbes, Daryl J.
Austin, Morris	Foster, Stephen W.
Bader, Robert J.	Francis, David C.
Baggett, Robert L.	Freitas, Michael
Bailey, Thomas B. III	Gidari, Albert Jr.
Balogh, Richard L.	Gilroy, Thomas J.
Bendokas, William A.	Gizara, Raymond J.
Bermel, Michael E.	Godwin, John M.
Bolles, Elliot F.	Gordon, Michael S.
Bond, Robert G. Jr.	Grace, Rex A.
Bourne, James T.	Granger, Dennis E.
Bracey, Eddie L.	Gregory, Thomas E.
Brewer, Orlie T. Jr.	Gutierrez, Francis M.
Britt, Joseph A.	Haliscak, George W.
Bryant, Mark S.	Hanks, Thomas L.
Bryant, William M. III	Henley, John D.
Burke, Donald E. Jr.	Hertberg, Edward C.
Burns, Joseph C.	Hilderbrand, Donald H. Jr.
Caslin, Patrick D.	
Casteel, Kirk D.	Hoffman, Francis G.
Ciesla, Peter F.	Homire, Dale A.
Clemente, William L.	Hrozencik, Peter A.
Corbett, Arthur J.	Huebener, James H.
Cornish, Mark G.	Huss, Leon J.
Coss, Raymond L.	Inhoff, Kenneth G.
Crockett, McKinley	Johnson, Preston B.
Daniel, Garry W.	Jonson, Thomas A.
Davenport, William M.	Kelley, Michael A.
Deotte, James E.	Keith, Ian H.
Koenig, Christopher W.	Perry, Marshall D.
	Pomeroy, Stephen M.
Koran, Andrea E.	Powell, Alan G.
Krull, Richard E.	Powell, Richard M., Jr.
Lambert, Timothy V.	Pratt, Charles H. III
Leblanc, Georges E. III	Ptak, Chester A.
	Reeder, Thomas A.
Longino, Robert G.	Renken, Thomas H.
Longwell, Robert M.	Robbins, Gerald K.
Marig'liano, Daniel M.	Robinson, John P.
McBride, Michael E.	Sawyers, William A.
McGinnis, Donald B. Jr.	Scharfen, Jonathan R.
	Schwartz, Seth H.
McGrath, Kevin G.	Shaw, Robert W. II
McKee, Kevin L.	Shimanek, Lesley V.
McLaren, Alfred S. Jr.	Siders, Randy S.
McNaughton, Joseph E.	Smith, Blake H.
	Smith, David M. III
Miles, Charles D.	Smith, Paul G.
Milton, Frederick R. Jr.	Stamps, Haskell S.
	Stokes, William A.
Molidor, Michael J.	Sullivan, Scott F.
Moriarty, Timothy J. Jr.	Van Nordheim, Michael L.
Morris, Charles J. Jr.	Vorgang, Blaine D.
Morrison, Timothy L.	Wallace, John T.
Mosley, Curtis C.	Wallen, Craig L.
Murdock, Roger P.	Wentz, Gary R.
Nelson, Laurence H.	White, Dennis R.
Newcomb, Gary C.	Williams, James R.
Newland, Kevin J.	Williams, John D.
Norwood, Robert N.	Willingham, Sedgwick A.
Obbink, Gary C.	
O'Neil, Michael E.	Wilson, Charles B.
Pais, Anthony B.	Winters, Frederick
Palena, Richard A.	Wolfe, Garry R.
Peper, Stephen D.	Wolfe, John R.
Perla, Alan L.	Wood, Thomas S.
Pernal, David J.	Wunder, David M.

The following-named (Navy enlisted scientific education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 5583, subject to the qualifications therefor as provided by law:

Adams, Kenneth D.	Jenning, Robert K.
Averill, Warren P.	Marbach, Martin J.
Begley, Donald D.	Nimeth, Edward J.
Breden, Roberta E.	Sarmiento, Daniel
Breden, William O.	Whitehead
Crockford, Kevin F.	Chistopher C.
Gordon, Michael J.	

The following-named (Marine Corps enlisted commissioning education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 5583, subject to the qualifications therefor as provided by law:

Drury, Joel A.	Paquette, David P.
Dugdale, Joseph	Pelo, Andrew S.
Finnie, Michael E.	Richer, Robert G.
Musil, Douglas A.	Watson, George W., Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 28, 1978:

CONSUMER PRODUCT SAFETY COMMISSION

The following-named persons to be Commissioners of the Consumer Product Safety Commission for the terms indicated:

Edith Barksdale Sloan, of the District of Columbia, for a term of 7 years from October 27, 1976.

Susan Bennett King, of the District of Columbia, for a term of 7 years from October 27, 1977.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, February 28, 1978*

The House met at 12 o'clock noon.

Father Dominic A. Sclafani, Our Lady of Grace Church, Brooklyn, N.Y., offered the following prayer:

O Lord let the light of Thy countenance shine upon us.—Psalms 4: 6.

We are here before You, O Holy Spirit, conscious that all things subject to Thy divine providence are ruled and measured by Thy eternal law. It is evident that all things partake of the eternal law which reflects Thy divine glory: for the end of the divine law is Almighty God Himself. We, as duly elected legislators are united in a special way to Your Holy Spirit. Deign to enlighten our minds and inspire us to frame the laws of our noble country for the common good. Be the guide of our actions, indicate the path we should take and show us what we must do, uniting together in prayer. May today and always our enactments be holy for universal happiness. In us and in all men may Thy name be glorified. Amen.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, under rule I, clause 1 of the rules of the House, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 89]

Ambro	Ertel	Pritchard
Andrews, N. Dak.	Frey	Pursell
Archer	Gibbons	Railsback
Armstrong	Harkin	Roberts
Bingham	Harrington	Roe
Bonker	Harsha	Roncalio
Bowen	Heckler	Rousselot
Brinkley	Holland	Rudd
Burke, Fla.	Jones, Okla.	Ruppe
Burton, John	Krueger	Santini
Butler	Le Fante	Sarasin
Cederberg	Leggett	Scheuer
Chappell	McDonald	Skubitz
Clay	McFall	Smith, Iowa
Collins, Ill.	Markey	Stockman
Conyers	Meeds	Symms
Cornwell	Meyner	Teague
Crane	Mollohan	Thornton
Dellums	Montgomery	Tucker
Dent	Murphy, Ill.	Udall
Diggs	Nolan	Ullman
Edwards, Okla.	Patterson	Yates
Erlenborn	Pattison	Young, Tex.
	Pepper	

The SPEAKER pro tempore (Mr. WRIGHT). On this rollcall 364 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 486. Concurrent resolution directing the Clerk of the House of Representatives to make certain technical corrections in the enrollment of H.R. 8638.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 838. An act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes.

FATHER DOMINIC A. SCLAFANI

(Mr. SOLARZ asked and was given permission to address the House for 1 minute.)

Mr. SOLARZ. Mr. Speaker, it is indeed a privilege and a pleasure to have here in the Congress today, Father Dominic Sclafani, pastor of Our Lady of Grace Church in Brooklyn, N.Y.

From the time Father Sclafani was first ordained a priest for the Roman Catholic Diocese of Brooklyn in 1941, he has served in several parishes throughout the borough and, in time of war, as the U.S. Army chaplain at Camp Upton, Westhampton Air Force Base, and Mason General Hospital. He has also served as chaplain at Brooklyn Hospital, Cumberland Hospital, and at the old Raymond Street Jail, during his tenure at St. Michael/St. Edward parish. For 20 years, he was assigned to St. John the Evangelist parish in south Brooklyn, leaving there as pastor to take up his new post as pastor of Our Lady of Grace, where he ministers to the needs of the Gravesend community.

At present, Father Sclafani is Kings County chaplain of the American Legion, national chaplain of the Italian-American Historical Society, and a member of the Kiwanis International. He has actively served on several community boards and has successfully moderated, among other things, an active and lively senior citizens group in the Gravesend area of Brooklyn.

Father Dominic Sclafani has always been available to try to help anyone who might need assistance and his kindness and understanding has set an example few can equal.

In addition to his role as a religious leader, Father Sclafani has placed great emphasis on involvement in civic affairs. He recognized that he could not divorce himself from the daily life of the community, and he has spent countless hours in trying to keep New York City a desirable place in which to live. His perception of problems and his ability to develop solutions has made him one of the persons to whom the community turns during times of crisis. He can truly be described as one of the most outstanding leaders in the Catholic community, not only of our city, but of the country.

I have known Father Sclafani for several years now and I have come to have the greatest respect for his knowledge, judgment, perception, and inspiring leadership. A good and gentle man, wise in the ways of the world, Father Sclafani has been an inspiration to the people of the church and community which he so ably serves.

I know that my colleagues join me in saluting this outstanding religious and civic leader on this milestone in his life. I am enormously proud to count Father Sclafani as both a constituent and a friend.

A TRIBUTE TO FRANCIS P. (FRANK) HOYE

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, today is the last day of work for one of the most loyal, competent, dedicated, sincere, and reliable employees who has ever worked for this House. Frank Hoye is about to retire after 30 years of service as the chief Journal clerk.

During World War II Frank served in the Navy. After seeing action in the Pacific, he was discharged and subsequently appointed assistant Journal clerk of the Congress by Congressman Thomas Lane of Massachusetts.

Since 1961, Frank has been the chief Journal clerk, an office of demanding and varied responsibilities, and whose duties are derived from the Constitution itself.

Those of us who have served in Congress during the past 30 years have come to know Frank and to appreciate his genuine devotion to duty. Throughout his career in the House, Frank has performed each succeeding task in an efficient and conscientious manner. Attentive to details Frank has consistently put the little extra effort into his work that has made the difference.

We have come to appreciate Frank as a friend. Those of us who have worked with him realize only too well that Frank Hoye is irreplaceable among House employees. We will miss him dearly.

I offer to Frank, his wife Kathryn, and their children, Patrick, Ellen, and John, my personal, heartfelt wishes for happiness in the years to come.

We are all gratefully indebted to you, Frank Hoye.

Thank you, for a job well done.

Mr. TSONGAS. Mr. Speaker, will the distinguished Speaker yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Speaker, I wish to thank the Speaker for taking this time to recognize Mr. Hoye's contribution and also to commend him on his service.

One of the things the Speaker forgot to mention, however, is that one of Frank Hoye's great attributes is that he comes from Lawrence, Mass., and we are proud of him.

Mr. RHODES. Mr. Speaker, will the distinguished gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Arizona (Mr. RHODES), the minority leader.

Mr. RHODES. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks of our distinguished Speaker. Frank Hoye is a good friend of all of us. He is a man who has served us well. I particularly join with the Speaker in wishing him and his wife the best of everything in the years to come and during the years in which he can be absolutely certain of the fact that we have not forgotten his many years of service. We will be grateful forever.

Mr. Speaker, in 1949 a young Navy veteran from Lawrence, Mass., came to work in the House as an assistant Journal clerk. He was warned that the job probably would not last more than 2 years. But he took it anyway, and performed so well that in 1961 he was named Journal clerk. Today, we are marking the retirement of Francis P. Hoye as Journal clerk, a responsibility he has discharged for 17 years with unflagging good humor and keen attention to accuracy that is the hallmark of this vital history of the House.

Frank Hoye would be the first to agree that his is not a household name. In fact, I would not be surprised if half the staffs of the House, and maybe even a few Members, could not tell you who he is, or what he does. Yet, Frank Hoye and his small staff have been responsible for maintaining a complete and accurate account of the official proceedings of this body. Many people may believe that the RECORD is the official record of the House. That is not so. The official minutes of this body are contained in the Journal, as mandated by the Constitution. The yeas and nays of every rollcall vote taken through 95 Congresses are there. Every bill and resolution ever introduced, every Presidential message, from George Washington to Jimmy Carter, as well as all other official communications are recorded in the Journal. For all its legalistic style, the Journal is a treasure trove of our national history, and its faithful keeper these past 17 years has been Frank Hoye. He can lay his pen down now, satisfied that he has performed his duties in the rich tradition of his predecessors who have maintained this record dating back even to the Continental Congress. I know that I speak for all of my colleagues when I say that we will miss Frank's cheery disposition and helping hand, and we extend our warmest wishes for his good health and happiness in whatever he now chooses to do.

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I thank the gentleman for yielding and I wish to associate myself with the remarks of the distinguished Speaker of the House. I want to tell my good friend, the gentleman from Massachusetts (Mr. TSONGAS), one of the reasons Frank has been so successful is because he used great wisdom and judgment many years ago when he found his young bride, Kathryn, in Randolph, Mass. I have always given Frank credit for having a great personality and being a great guy, it is also appropriate at this time to remember Kathryn's contribution as well.

Frank's sagacious 30 years with this House have been above reproach and marked by excellence. His memorable service has meant the smooth running of a complex operation.

I extend my best to these cherished friends, Frank and Kathryn, and wish them health and happiness in their retirement years.

Mr. ROSTENKOWSKI. Mr. Speaker, I want to join with you in marking the the retirement of our good friend and loyal employee, Frank Hoye, who is retiring today after 30 years of Government service. I doubt that many of our colleagues are fully aware of the multiple duties and the far-reaching responsibilities that Frank has as the House Journal clerk. For instance, it is Frank who has been responsible for maintaining a minute book at the Clerk's desk in the House Chamber for the purpose of covering the proceedings of each session. These notes are used to portray in the Journal the daily activities of the House. The Journal is reviewed by the Speaker the following day prior to presentation to the House for reading and approval.

Frank must also distribute personally or direct the distribution of communications, messages, referral of Senate bills, Senate joint and concurrent resolutions, and vetoes to the calendar, bill clerk, committees, and CONGRESSIONAL RECORD for printing. He endorses all papers, including conference reports at the Clerk's desk. He has custody of all papers presented to the House. He keeps a current record of and makes available to the House Members all discharge petitions. Keeps track of signatures, strikes out duplicate signatures and, after the petition has the required number of signatures, furnishes a correct list of House Members signing for inclusion in the CONGRESSIONAL RECORD.

He has dispensed all these responsibilities with the same degree of high dedication that has been the hallmark of his long congressional career. Frank, I just hope that you do not plan on moving too far away from us because we will continue to need not only your expertise but, more important, your good humor.

Mr. Speaker, do you not think that it is rather odd that Frank has chosen the month of March to retire. I strongly suspect that he plans to use the first 16 days of March as an uninterrupted warmup period. I shudder to think what March 17 will be like, especially when Frank knows that he does not have to go to work next week.

Mr. MICHEL. Mr. Speaker, in Frank Hoye we are losing one of the finest public servants it has been my privilege to know. After serving 17 years as our House Journal Clerk and almost 30 years in the Journal Clerk's office he has surely earned retirement.

The work of the Congress has grown in volume and complexity since the end of World War II. This House cannot function without a staff of highly capable and highly motivated men and women to keep the increasingly complicated machinery of the House functioning smoothly. Frank Hoye has been one of these. He has served as a keeper of the institutional memory of this body performing his task with dedication and a deep sense of loyalty to this great institution.

Frank can look back to his long years of service knowing that he was at the heart of the action during one of the most exciting and dynamic periods of our Nation's history. His only show of partisanship was to our Nation. We will miss him. My very best wishes to Frank, his wife, and children for a most deserving and enjoyable retirement.

GENERAL LEAVE

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character and public service of Francis P. Hoye.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 746, SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF ENERGY, SOUTHWESTERN POWER ADMINISTRATION

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on House Joint Resolution 746, making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration, for fiscal year ending September 30, 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER ON FRIDAY, MARCH 3, 1978, CONSIDERATION IN THE HOUSE AS IN THE COMMITTEE OF THE WHOLE OF HOUSE JOINT RESOLUTION 746, URGENT POWER SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1978

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order on Friday, March 3, 1978, or any day thereafter, to consider in the House as in the Committee of the Whole, House Joint Resolution 746, making urgent

power supplemental appropriations for fiscal year 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LETTER TO THE PRESIDENT CONCERNING THE CRITICAL SHORTAGE OF FUEL

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALLEN. Mr. Speaker, on yesterday, I sent to the President the following letter regarding the coal miners' strike and the critical shortage of fuel to which this Nation has been reduced:

FEBRUARY 27, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: While joining with you in the hope that the United Mine Workers will vote to approve and ratify the agreement negotiated between their leaders and the coal mine operators, there is a very serious question in my mind that the miners will do so.

While hoping and praying for the best, therefore, I think we should be prepared for the worst. Prudence dictates in this national emergency that you and your Administration, in consultation and cooperation with the leaders of Congress, prepare and agree in advance on contingency plans to move immediately, and to take such action as may be necessary, and without delay, in the event the rank and file members of the United Mine Workers reject the agreement and refuse to go back to work.

This Nation cannot stand idly by and permit political differences, innerunion rivalries, and personal differences and jealousies between the leaders of the United Mine Workers to force the economy of this Nation to its knees, with all of the attendant human suffering and losses which this would mean. We have suffered this strike to continue too long already, and we must be parepared to act effectively, and without a day's delay, in the event those involved, on both sides, undertake to prolong this shutdown of the mines one minute beyond the time and date set for their reopening, under the tentative agreement finally negotiated, under the effective prodding of you and the Secretary of Labor.

With very best wishes, as ever, believe me to be,

Sincerely yours,

CLIFFORD ALLEN,
Member of Congress.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

ABOLITION OF DIVERSITY OF CITIZENSHIP JURISDICTION IN FEDERAL COURTS

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9622) to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, to abolish the amount in controversy requirement in Federal question cases, and for other purposes, as amended.

The Clerk read as follows:

H.R. 9622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (a) and (b) of section 1332 of title 28, United States Code, are amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) Section 1332(a) of title 28, United States Code, is amended by striking out paragraph (1) and by redesignating paragraphs (2) through (4), and all references thereto, as paragraphs (1) through (3), respectively.

(c)(1) The section heading for section 1332 of title 28, United States Code, is amended by striking out "Diversity of citizenship" and inserting in lieu thereof "Alienage".

(2) The item relating to section 1332 in the table of sections for chapter 85 of title 28, United States Code, is amended by striking out "Diversity of citizenship" and inserting in lieu thereof "Alienage".

SEC. 2. (a) Section 1331 of title 28, United States Code, is amended to read as follows:

"§ 1331. Federal question

"The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy arises under the Constitution, laws, or treaties of the United States.".

(b) The item relating to section 1331 in the table of sections for chapter 85 of title 28, United States Code, is amended by striking out "; amount in controversy; costs".

SEC. 3. (a)(1) Section 1332(c) of title 28, United States Code, is amended by striking out "section 1441" and inserting in lieu thereof "section 1335".

(2) Section 1332(d) of title 28, United States Code, is amended by inserting immediately after "section" the following: "and section 1335 of this title".

(b)(1) Section 1335(a)(1) of title 28, United States Code, is amended by striking out ", of diverse citizenship as defined in section 1332 of this title," and inserting in lieu thereof "of diverse citizenship".

(2) Section 1335 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) For purposes of this section, the term 'claimants of diverse citizenship' means claimants who are—

"(1) citizens of different States;

"(2) citizens of a State and citizens or subjects of a foreign state;

"(3) citizens of different States and in which citizens or subjects of a foreign state are additional parties; or

"(4) a foreign state, as defined in section 1603(a) of this title, and citizens of a State or of different States.".

(c) Section 1342(1) of title 28, United States Code, is amended by striking out "diversity of citizenship" and inserting in lieu thereof "alienage".

(d)(1) Section 1391(a) of title 28, United States Code is amended—

(A) by striking out "wherein jurisdiction is founded only on diversity of citizenship"; and

(B) By striking out "in which the claim arose" and inserting in lieu thereof "in any judicial district in which a substantial part of the events or omissions giving rise to the claim occurred, or a substantial part of property that is the subject of the action is situated."

(2) Subsection (b) of section 1391 of title 28, United States Code, is repealed, and subsections (c) through (f) of such section, and all references thereto, are redesignated as subsections (b) through (e), respectively.

(e) Subsection (b) of section 1441 of title 28, United States Code, is repealed, and subsections (c) and (d) of such section, and all references thereto, are redesignated as subsections (b) and (c), respectively.

(f)(1) Section 23(a) of the Consumer Product Safety Act (15 U.S.C. 2072(a)) is amended—

(A) by striking out "subject to the provisions of section 1331 of title 28, United States Code as to the amount in controversy,"; and

(B) by striking out the period at the end thereof and by inserting in lieu thereof ": *Provided*, That the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, except that no such sum or value shall be required in any such action brought against the United States, any agency thereof, or any officer or employee thereof in his official capacity.".

(2) Section 23 of the Consumer Product Safety Act (15 U.S.C. 2072) is amended by redesignating subsection (b) as subsection (c) and by inserting immediately after subsection (a) the following new subsection:

"(b) Except when express provision therefor is otherwise made in a statute of the United States, where the plaintiff is finally adjudged to be entitled to recover less than the sum or value of $10,000, computed without regard to any setoff or counterclaim to which the defendant may be adjudged to be entitled, and exclusive of interests and costs, the district court may deny costs to the plaintiff and, in addition, may impose costs on the plaintiff.".

SEC. 4. The amendments made by this Act shall apply to any civil action commenced on or after the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. RAILSBACK. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The Chair will recognize the gentleman from Wisconsin (Mr. KASTENMEIER) for 20 minutes, and the gentleman from Illinois (Mr. RAILSBACK) for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, at the outset I would like to yield so much time as he may consume to the distinguished chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I would like to offer a few words in support of H.R. 9622, an important piece of legislation processed by the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice.

This bill, reported by the full Judiciary Committee by a nearly unanimous 28 to 2 vote, is good legislation.

The abolition of diversity of citizenship legislation, and further, the abolition of the amount requirement in Federal question cases, will result in a proper and principled jurisdictional balance between the Federal and State courts. When Federal law questions are in dispute, the Federal forum will be used. When State law questions are involved, the State courts will be the dispute settler.

As a consequence of this reform, the Federal system will turn back nearly

30,000 cases to the State courts. This will have a substantial impact on saving the Federal courts from insidious court congestion and will allow them to do what they do best—resolving disputes in traditional subject matter areas and protecting basic civil and constitutional rights. The State courts are capable of providing a fair and impartial forum in these cases. In the words of the Conference of State Chief Justices:

> Our State court systems are able and willing to provide needed relief to the Federal court system in such areas as . . . the assumption of all or part of the diversity jurisdiction presently exercised by the Federal courts.

Mr. Speaker, the original reasons for diversity of citizenship jurisdiction have long since disappeared.

Let me add that the Honorable Robert J. Sheran, Chief Justice of the Supreme Court of the State of Minnesota and chairman of the State Conference of State Justices, indicated very clearly to a Conference on the Administration of Justice held at Williamsburg on Saturday, January 28, 1978, that the State courts welcomed legislation abolishing diversity jurisdiction.

He stated that the present system was a continuing disparagement of all State court systems.

The Federal judiciary favors abolition of diversity jurisdiction.

The Attorney General favors abolition of diversity jurisdiction.

The State Conference of State Justices favors abolition of diversity jurisdiction.

It was clear Chief Justice Sheran said that State courts were quite able to handle the additional business in terms of their competence and in terms of workload. There are some 6,000 State court judges in the United States and presently only 399 Federal judges at the trial level. It stands to reason that the additional business will be diffused over a far greater work force.

More than 20 years ago Mr. Justice Frankfurter referred to "the mounting mischief inflicted on the Federal judicial system by the injustifiable continuance of diversity jurisdiction." Today, the time has arrived to rid ourselves of the mischief of diversity. I join in firmly supporting H.R. 9622 and urge its passage.

Mr. KASTENMEIER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am happy to bring before the committee a piece of legislation which has received broad-based support from individuals and organizations interested in improving the administration of justice in both the Federal and State judicial systems. To be specific, H.R. 9622 is enthusiastically supported by the Conference of State Chief Justices, the Judiical Conference of the United States, the National Senior Citizens Law Center, the NAACP Legal Defense and Educational Fund, the American Civil Liberties Union, the Department of Justice Committee on Revision of the Federal Judicial System, the Legal Services Corporation, the American Bar Association Committee on Coordination of Federal Judicial Improvements, and the Council on Public Interest Law. The list of individuals who have expressed support for this legislation reads like an index to "Who's Who in American Law": that is, Robert Bork, Charles Alan Wright, Erwin Griswold, Warren Burger, Griffin Bell, Shirley Hufstedler. I could go on, but I would rather turn to an explanation of the purpose and need for the legislation, before saying a few words about how the subcommittee reached its decision on H.R. 9622.

Briefly, the purpose of H.R. 9622 is to abolish diversity of citizenship jurisdiction and further to abolish the amount in controversy requirement in Federal question cases. The bill retains alienage jurisdiction and statutory interpleader.

Mr. Speaker, it is essential that we achieve a proper jurisdictional balance between the Federal and State court systems, in the light of the basic principles of federalism. H.R. 9622 does this. As a general proposition, Federal law questions are to be adjudicated in the Federal courts, regardless of the amount in controversy. Diversity cases, which involve questions of State law, are to be resolved in the State courts.

Thus, H.R. 9622 abolishes the analogous situation created for plaintiffs who, although injured in violation of Federal law, are barred from a Federal forum because they were not injured enough. The bill also eliminates the luxurious and basically illogical mechanism of providing the choice of a Federal or State forum for diversity of citizenship cases due to the possibility of prejudice against those from out of State.

Mr. Speaker, there are several significant reasons for the proposed legislation. The abolition of diversity jurisdiction is an important step in reducing endemic court congestion and its insidious effects on litigants. It provides needed relief for both the district courts and the courts of appeals. Despite the growth of no-fault insurance, the number of diversity cases filed in district court and the number of appeals in such cases continue to increase each year. In short, the inexorably expanding workload of the Federal courts and the resultant congestion and delay make it clear that some reduction in intake is imperative. Abolition of diversity also represents an alternative to constantly adding judges to the Federal system.

The abolition of the amount-in-controversy requirement in Federal question cases will not have an appreciable effect on Federal caseloads. In 1976 the 94th Congress took a major step in legislating this needed reform by amending 28 United States Code, section 1331 to provide that no amount in controversy is required in any Federal question case brought against the United States, any agency thereof, or any officer or employee thereof in his official capacity. In spite of the fact that the 1976 reform did away with the $10,000 requirement in the most significant category of cases in which it has previously applied, there are still a small number of cases in which the amount-in-controversy requirement still applies: For example, civil rights suits against municipalities, suits arising under Federal common, law, and suits challenging certain aspects of State law. Thus, an unfortunate gap, small as it may be, still exists in the statutory jurisdiction of the Federal courts. H.R. 9622 merely carries the principle of the 1976 amendment to its proper conclusion.

Today, it is ludicrous to tell certain citizens, often the poor and oppressed, that although they have had their Federal rights infringed, their resultant damages are too insignificant to merit the attention of a Federal judge. In addition to creating visions of discrimination and unequal treatment, it reduces confidence in the rule of the law.

The diverting of diversity cases from the Federal courts to the State courts will not impose too great a burden on the latter. Essentially, 32,000 cases pending before 400 Federal district judges will cause few problems when allocated among 6,000 State judges of general jurisdiction. It should be noted, in this regard, that the Conference of State Chief Justices recently observed that the State courts were "able and willing" to assume all or part of the Federal diversity jurisdiction. The State court judges are qualified to make this decision and I defer to their expertise.

Mr. Speaker, the hearings held by the Subcommittee on Courts, Civil Liberties and the Administration of Justice produced little evidence that the State courts are less capable or, due to latent prejudice against out-of-staters, unable to render fair and impartial justice in these cases.

Admittedly, there is still far too much prejudice in the United States—especially on grounds of race, religion, sex, nationality and age; however, it is doubtful that bias against out-of-staters is any longer a significant factor in today's society.

In any event, if pockets of prejudice exist, the solution to this problem is not to allow all diversity cases to be filed in the Federal courts, but rather to commit time and resources to improving the quality of the State courts. A secondary effect of H.R. 9622, and this should be emphasized, is that it will stimulate interest on the part of litigants, academics, the business community and the practicing bar to improve state judicial machinery.

Under the Supreme Court's landmark decision in Erie against Tompkins, the Federal courts are required to apply State law in resolving diversity cases. However, the Federal courts are not allowed to authoritatively determine State law. Thus, diversity jurisdiction requires the Federal courts to allocate their scarce resources to the arduous and ultimately wasteful task of guessing what State law is on issues upon which only the State court can authoritatively act. It also sometimes delays the precedential development of State law.

In conclusion, H.R. 9622 recognizes that the Federal courts are a scarce resource and should be treated as such. The flood of case filings can only be checked by controlling the flow of lawsuits. Just as with the energy crisis, priorities and rules of consumption must be set. First, as observed by Shirley Hufstedler, there should only be one court per

customer. The choice of forum is a luxury that our judicial system can no longer afford. In this context, I recognize that the practicing lawyer is not excited about the reform. What plaintiff's attorney worth his salt is not interested in choosing the forum with the possibility of a larger verdict? And what defendant's attorney is not interested in removing to a forum with a reputation for long delay?

Second, the Federal courts must be free to do the job they do best—one, adjudicating disputes in traditional Federal subject-matter areas such as copyright, patents, trademarks, commerce, bankruptcy, antitrust, and admiralty; two, providing fair, impartial and speedy criminal justice; three, protecting the basic civil and constitutional liberties of all citizens; and four, resolving vital and often recently identified rights which relate to welfare, occupational safety, the environment, consumerism, and privacy.

Even if diversity had been abolished years ago, there would still have been almost 100,000 civil cases filed in Federal court during the judicial year 1977: an increase of 134 percent since the 1960 judicial year. With caseloads rising as they are, elimination of diversity will only serve as a temporary breather for the next couple years. As observed by Prof. Charles Alan Wright in his testimony before the Subcommittee on Courts, Civil Liberties and the Administration of Justice, complete abolition "will not turn district judges into gentlemen of leisure but will only make their burden somewhat less severe for a few years until the continued growth of Federal question and government litigation takes up the slack."

I will conclude by saying a few words about the genesis of H.R. 9622.

Several months after the start of the 95th Congress, my subcommitttee, the Subcommittee on Courts, Civil Liberties and the Administration of Justice, decided to hold general oversight hearings on the State of the Judiciary and Access to Justice. We invited a diverse group of very well known legal scholars who represented a wide variety of interested organizations. The hearings produced excellent testimony; all in all, statements were received from representatives of the three branches of government, the State courts, the practicing bar, the public interest law community, and academia.

One of my subcommittee's first surprises was the unanimity with which the witnesses suggested that diversity jurisdiction be abolished or curtailed. Not a single witness challenged the proposition that nothing should be done to diversity.

On the basis of this solid evidence, the subcommittee decided that legislative hearings on diversity jurisdiction should be conducted. Four days of hearings were held during which such respected legal scholars as Prof. Charles Alan Wright; Hon. Henry J. Friendly; John P. Frank, Esq.; Robert Begam, Esq.; Thomas Ehrlich, Esq.; Hon. Edward T. Gignoux; Hon. Daniel Meador; and Pamela Horowitz, Esq. testified. In addition, the subcommittee received written statements from a wide array of individuals and organizations. Once again, the vast majority of participants supported abolition of diversity jurisdiction. The exceptions were the Department of Justice, Public Citizen, and the American College of Trial Lawyers, which continued to support partial elimination.

At the hearings the only opposition came from the trial bar. Two trial attorneys testified, however, that if change is necessary, abolition would be the preferred course. It should be noted that the trial lawyers are by no means in total agreement on what should be done as to diversity. The subcommittee has received letters of support from several trial lawyers and the well-known and respected American College of Trial Lawyers officially supports curtailment.

Shortly after the hearings the Subcommittee on Courts, Civil Liberties and the Administration of Justice drafted its own bill. Moreover, the subcommittee determined that 1 additional day of hearings should be held on the Federal question issue, which had not been adequately dealt with during the first 4 days of hearings. This was done and shortly thereafter, after 1 day of markup, the subcommittee unanimously recommended the bill to the full committee.

H.R. 9622 is a serious piece of legislation, designed to meet the needs of the Federal and State courts and the people who use those courts. As observed by the late Justice Jackson shortly before his death in 1955:

> In my judgment the greatest contribution that Congress could make to the orderly administration of justice in the United States would be to abolish the jurisdiction of the federal courts which is based solely on the ground that the litigants are citizens of different states.

H.R. 9622 is a good bill and I urge your support for it.

Mr. RAILSBACK. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I rise in strong support of this legislation, and in that connection, I would like, first of all, to commend the chairman of the subcommittee the gentleman from Wisconsin (Mr. KASTENMEIER), as well as the chairman of the full committee, the gentleman from New Jersey (Mr. RODINO), for their leadership in connection with this much needed legislation, as well as my colleague, the gentleman from Illinois (Mr. RAILSBACK), for the very effective work that he has done in helping to bring this legislation to the floor of the House today.

Mr. Speaker, this legislation is long overdue. For at least the last 50 years the desirability of diversity jurisdiction has stirred continuing debate in law reviews and in the Congress. Until today, neither house of Congress has acted on the matter, even though a number of studies have called for change in this area of Federal jurisdiction.

Modern benefits of diversity jurisdiction are hard to discern. The historic argument in favor of the use of diversity, that is, the potential for bias in State courts and State legislatures was derived from a time in our history when regional feelings were far stronger.

I believe that this legislation strikes a proper jurisdictional balance between the Federal and State court systems. Diversity cases which always involve questions of State law will be resolved in State courts and Federal law questions will be adjudicated in Federal courts regardless of the amount in controversy.

The additional burden on the State courts would be small since the cases would be distributed among the 50 State systems. Chief Justice Warren Burger, a strong advocate for the elimination of diversity jurisdiction stated in August 1976, before the American Bar Convention in Atlanta:

> . . . diversity cases have no more place in Federal courts in the second half of the 20th century . . . than overtime parking tickets or speeding on the highways simply because the street or highway is federally financed. This is important because diversity cases represent ¼ of the civil cases in district courts each year To shift these cases from 400 federal district judges to more than 6,000 judges in state courts of general jurisdiction will impose no undue burden on the States. In any event, non-federal cases must be decided under State law and can best be handled by State judges.

Mr. Speaker, I urge my colleagues to support the passage of this legislation.

Mr. RAILSBACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to begin by complimenting the chairman of the full committee, the gentleman from New Jersey (Mr. RODINO) as well as the chairman of the subcommittee, the gentleman from Wisconsin (Mr. KASTENMEIER) in addition to the other members of the Committee on the Judiciary, for supporting what I believe is very important legislation relating to judicial access; and additionally I wish to commend the gentleman from Illinois (Mr. McCLORY), the gentleman from California (Mr. WIGGINS) and the gentleman from Virginia (Mr. BUTLER) on the fine work they have done on this legislation.

Mr. Speaker, I rise in support of H.R. 9622, a bill to abolish, in most instances, the use of diversity of citizenship jurisdiction in Federal courts. A hundred and eighty-nine years ago, when the First Judiciary Act gave life to our present concept of diversity jurisdiction, there was justification for the concern that there existed prejudice within each State against outsiders from other States, or at least sufficient likelihood of such prejudice. This was thought to justify a Federal incursion on the States authority to settle their own disputes. In addition, in 1789 we had a Federal judiciary with a very light caseload. We also had, at that time, a weak central government and Federal court involvement in local matters at the very least, enhanced local awareness of the existence of a central government.

Whatever the reason for the enactment of the use of diversity of citizenship jurisdiction, there does not seem

to be sufficient justification today to override the burden it has placed on our Federal courts. The very use of diversity today relates little to its original justification. For example, most diversity cases are filed in Federal courts by in-State plaintiffs who have no reason to fear local prejudice in their home State. The decision to use a Federal court in a diversity case is made by the lawyer and is based on his preference. I am not being critical of the lawyer. All lawyers have had to make the same decisions. But, why should that litigant, by mere accident of diversity of citizenship, have an advantage, if there is one, over a neighbor with an otherwise identical case? The Federal Government can no longer afford to give these special litigants the luxury of a choice of forum. Our State courts are ready, willing, and very able to handle these cases.

During the hearing process on this issue we heard testimony from a representative of the Association of Trial Lawyers of America. The subcommittee, at that time, was looking closely at H.R. 5546, a bill introduced by the gentleman from California (Mr. WIGGINS) which would have only partially cut back on the use of diversity jurisdiction. The witness for the Association of Trial Lawyers made the point that a partial abolition may be worse than a total abolition because:

> . . . in-state plaintiffs would be hurt in those cases in which they would prefer to stay in the state courts, but are removed under the diversity rule by the insurance company or the large corporate defendant, who takes the case over to the Federal side in order to delay judgment there.

This made sense to the subcommittee and seemed to be the fairest way to approach the problem.

Finally, Mr. Chairman, H.R. 9622 would abolish the $10,000 amount requirement in Federal Question cases. This would not create much of an additional burden on our Federal courts, but, more importantly, Federal courts should decide Federal Question? If the Federal Government believes it necessary to create rights, then the Federal Government should bear the burden of providing a forum to parties who wish to be heard on those rights. The Congress could probably require the States to hear all Federal Question cases but to exercise that power in such a fashion as to force small claims into State courts, smacks too much, in my opinion, as regarding the State courts as secondary or in some way lesser tribunals and this is unacceptable in 1978.

Mr. Speaker, this legislation enjoys widespread support and I urge my colleagues to support its passage.

Mr. KASTENMEIER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I simply wish to associate myself fully with the remarks of my chairman, the gentleman from New Jersey (Mr. RODINO), my subcommittee chairman, the gentleman from Wisconsin (Mr. KASTENMEIER), and all those who have preceded me. This is very worthwhile legislation, and I hope that it will enjoy the support of everybody in the House of Representatives.

Mr. KASTENMEIER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. BENNETT) who introduced the first bill that approximates the one before us today.

Mr. BENNETT. Mr. Speaker, I rise in strong support of H.R. 9622, a bill which would abolish diversity of citizenship as a basis of jurisdiction in Federal courts.

This bill, which I am cosponsoring, closely resembles H.R. 761 which I introduced on the first day of the 95th Congress. I originally introduced legislation on Federal court diversity cases during the 94th Congress (H.R. 13219), and it is my understanding that I was the first Member of Congress to introduce legislation abolishing diversity jurisdiction in U.S. courts.

I introduced my bill as the result of Chief Justice Warren E. Burger's strong recommendation that a law be enacted to remove all diversity cases from Federal courts. In his 1975 year-end report on the state of the judiciary, Chief Justice Burger made the following recommendation:

> Availability of Federal courts simply because the opposing litigants happen to be residents of different states is no longer founded on a realistic basis of need and 'diversity cases' (representing nearly a fifth now of the 160,602 district court cases) belong in the state courts. Congress should act to amend the statutes relating to diversity jurisdiction of Federal courts. Congress should promptly transfer all diversity citizenship cases, representing 20 percent of the caseload on 403 Federal trial judges, to the state courts where they would be divided among more than 5,000 trial judges. Obviously, this would add no undue burden on the latter.

Recent statistics underline the growing burden of diversity cases on the Federal courts. More than 31,000 diversity cases were filed in Federal district courts during the 1977 judicial year, and these cases accounted for almost one-quarter of the civil caseload at the trial court level. Clearly, the onus of diversity cases must be removed from our Federal courts.

Although jurisdiction over diversity cases may have been practical and desirable in the early years of the Republic, it no longer makes sense to bog down the Federal courts with thousands of cases in which the sole excuse for Federal court action is the diversity of citizenship, rather than questions of Federal law. State courts today are not biased against an individual simply because he resides in another State. And the problems of transportation are no longer significant in today's mobile society. There is no requirement in the Constitution for such cases to be handled in Federal courts and the time has come to let State courts handle such State law matters.

H.R. 9622 while abolishing diversity of citizenship as a basis of jurisdiction in the Federal courts, also abolishes the last vestiges of the amount-in-controversy requirement in Federal question cases. This is a logical improvement on present law. The legislation retains alienage jurisdiction and statutory interpleader, for technical reasons discussed in the report on the bill.

H.R. 9622 is a great step forward in meeting Chief Justice Burger's call to achieve "a proper jurisdictional balance between the Federal and State court systems." I strongly urge my colleagues to support this needed legislation.

Mr. RAILSBACK. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I have the greatest respect for the chairman of the committee (Mr. RODINO), and the chairman of the subcommittee (Mr. KASTENMEIER), and the work of the committee as a whole on the basic thrust of this legislation. Indeed, I believe the basic thrust of the legislation may be meritorious. But I do not think there is any question but what we are dealing with a significant piece of legislation that is going to eliminate one entire area of Federal court jurisdiction.

I think to raise that kind of legislation on suspension does not do credit to the work of the committee or to the House. We are talking about an historic area of Federal court jurisdiction; about 32,000 cases that are now in existence under diversity. We are talking about transferring these cases to State courts and the impact that will have on our judicial system.

I think this is a significant piece of legislation that demands open debate. It demands the possibility of amendment. It demands that we have a discussion of the complete issue. Not to do that is not to have enough respect for the significance of what we are doing here today. I will vote no on the suspension for that reason.

Mr. KASTENMEIER. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I thank the chairman of the subcommittee for yielding to me.

Mr. Speaker, I have only been in this body about a year and I find that it is absolutely incredible that a bill of this magnitude making a change in the diversity of citizenship for the purpose of filing suit in the Federal court is being abolished under a suspension of the rules. Sometimes I think we in this House have our priorities mixed up. We spend hours on various noncontroversial pieces of legislation in the full House and then we get a bill like this that has a monumental impact on our judicial system and we have 40 total minutes time to debate it. We cannot even amend the bill on the floor and we are asked to make this kind of review. I think that speaks poorly for the process. I hope for that reason alone the suspension is beaten, so the bill can come back to the House with full discussion and with a variety of amendments.

Today the House is scheduled to consider, under suspension, a bill which would abolish diversity of citizenship as a basis for jurisdiction of the Federal courts. It concerns us greatly that the House is planning to consider this legislation—which directly relates to provisions of the Constitution—under suspension. Diversity has served as a basis for Federal court jurisdiction for nearly 200 years; we certainly do not think we should decide to do away with it without the benefit of full floor debate and amendment. We urge you to join us in opposing the bill.

Beyond the question that we have about the manner in which this issue is coming up, we have several substantive reservations about H.R. 9622:

First. In some instances, particularly in our larger urban areas, the backlogs of cases pending before the State courts are greater than those before the appropriate Federal courts. Therefore, this bill would add to the delays involved in seeking justice in a considerable number of cases.

Second. The Judiciary Committee argues that this legislation will reduce the congestion in the Federal judicial system. In reality what is proposed in H.R. 9622 is shifting that congestion to the State courts without any kind of analysis. They are, in many instances, equally as crowded.

Third. The House has just approved legislation to add over 140 judges to the Federal court system. That bill calls for increasing the number of Federal judges by one-fourth to meet current needs. Now the committee has sent us a bill designed to reduce the caseload by one-fourth. That just does not follow, particularly when we consider the fact that H.R. 8200, the recently approved bankruptcy legislation, also relieves the Federal courts of their bankruptcy caseloads.

Fourth. State courts, unlike the Federal courts, generally cannot enforce their decisions beyond their jurisdictional boundaries.

Fifth. In a recent report, the Judiciary Committee stressed its unequivocal concern about the quality of our system of justice. However, in reviewing the report on H.R. 9622, we find no indication that factors other than efficiency were analyzed in any detail. Those qualitative factors need attention.

Sixth. The elimination of the diversity basis can pose serious jurisdictional problems with reference to venue statutes and create unnecessary inconvenience in others.

Once again, let me urge you to oppose this legislation today so we will have the opportunity to fully consider it under normal House procedures. We should not tamper with the constitutional right to speedy and fair hearings in such an "off the cuff" manner.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, I might say to the gentleman that no amendments were offered to the Committee on the Judiciary when we were there and there were 34 some Members. The bill was discussed in its entirety, before the full committee and passed by a nearly unanimous 28-to-2 vote. Nor to this very moment has any amendment been offered, at least to me or anyone else on the committee.

Mr. GLICKMAN. Mr. Speaker, I would like to offer an amendment increasing the jurisdictional amount for diversity units. I believe that is a bona fide amendment. It is one that a great number of people in my district are interested in.

The incredible thing is that you talk to lawyers throughout the country, as my colleagues from Missouri have talked, and they know nothing about this bill. They were shocked to find out this was happening on the floor and none of them knew we were thinking about it; the point being this particular piece of legislation shifts the bulk load of legislation to the State courts. The fact is that there has been no testimony, nothing in the committee reports, that deals with the issue of quality of justice in the transfer of this great bulk load of cases to the State courts. Efficient? Maybe so. After all, we created an additional 140 judges and if we take 40 percent of their caseload away, we will have a more efficient system just in terms of the type of decision made by the State judges. Quality of justice? I am not so sure if this bill is passed.

Mr. Speaker, I would like to see this debated on the floor. This is something the Constitution itself raises and just to debate it under a suspension of the rules without the possibility of amendment I think is, to use the phrase, a travesty of justice.

Mr. RAILSBACK. Mr. Speaker, I yield 1 additional minute to the gentleman in the well, the gentleman from Kansas (Mr. GLICKMAN).

Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Speaker, may I just say to my friend, the gentleman from Kansas (Mr. GLICKMAN), that had there been any substantial opposition within the full Committee on the Judiciary, which comprises 34 members, then I think the gentleman would be right in saying we should not be trying to pass this bill under suspension, as we are.

My feeling is that the members of the committee, after hearing the evidence, after going through the hearings, and then after having debated the issue, offered no opposition. Although the debate in the committee was very limited, it was completely fair and open, and there simply was no opposition.

Mr. GLICKMAN. Mr. Speaker, I would like to reply to that.

That may be the fact. That may be what happened in the Committee on the Judiciary, but the fact of the matter is that there is a substantial number of people involved in the legal profession who do object to this bill. There is a substantial amount of differences of opinion on the subject.

I am not a member of the Committee on the Judiciary, and I believe I deserve the chance to come to the floor of the House and point out a few things.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. RYAN. Mr. Speaker, I would like to know if those Members who brought this bill on the floor are willing to see it withdrawn from the suspension calendar and have it put on the regular calendar for House action.

I do not know anything about the issue. I only know that the purpose of the suspension calendar is for getting rid of noncontroversial issues, and this is not one of those noncontroversial issues.

Mr. RAILSBACK. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, I rise in strong support of H.R. 9622.

I wish to address just a few comments to those Members who are apparently in opposition to the bill. I offered a bill early in this session which did not abolish diversity of citizenship jurisdiction but, rather, curtailed it. I did so because it was my opinion then that total abolition was politically impossible, although that was my preferred objective.

The hearings, however, tended to reveal a much broader support for total abolition than I perceived when I introduced my original bill.

I do not wish to suggest that the proposal before us this afternoon is without controversy. Obviously, it is not. However, it has won such an overwhelming support of the bar, of judicial administrators, and others that it is an appropriate piece of legislation to be considered by the House under suspension.

Mr. Speaker, I rise in strong support for H.R. 9622. Although the bill is not in the form that I originally introduced it, I fully support the committee's action in a total abolition of diversity of jurisdiction. I think it is not an overstatement to say that this bill probably will have more to do with the administration of justice in the Federal courts than any single bill that I have seen before this House in my now close to 12 years as a Member.

It is an important major step to reduce the number of cases coming before the U.S. district courts, and one that ought to be fully and enthusiastically supported by Members of the House.

At the present time, there are distortions in the Federal law which burden the Federal courts with litigation which properly should be in the State courts. In most of these cases, there is no Federal basis justifying litigation in the Federal courts.

For example, under the present law, an in-State plaintiff, having no reason to fear local prejudice, may nevertheless invoke diversity jurisdiction and sue the out-of-State defendant in Federal court.

Yet an in-State defendant, when sued by an out-of-State plaintiff, cannot remove the case to the Federal court. The latter situation is as it should be, but the inconsistent treatment of the in-State plantiff and the in-State defendant has no rational basis. And the Federal court, being a court of limited jurisdiction under the Constitution, should not be required to provide a forum for local plaintiffs who, for purely tactical reasons, file in Federal rather than in State court.

Another anomaly under the present law of diversity jurisdiction is that a corporation can invoke Federal jurisdiction originally or on removal in any diversity case if its principal place of business is not in the State of litigation. But why should any corporation need the protection of the Federal court if it is so well established in the local area that a juror in a State court would not be inclined to harbor any prejudice against it?

Another irregularity in the present law of diversity allows an out-of-State commuter to invoke diversity jurisdiction in any action arising in the State where he works. However, if the commuter is a regular worker in the State of litigation, he should fare no worse in the local court than the in-State litigant. Both litigants are an integral part of the same working community and the fact that one elects to live in a suburb just across the State line, does not sufficiently differentiate him from his coworker to justify giving him the right to litigate in Federal court.

Opposition to these proposals generally comes from lawyers who desire to retain the option to file such cases in Federal courts which they believe have better judges and a better system of justice, including better rules and procedures—at least for the purposes of their particular case. It is also argued that State court dockets are as overcrowded as those of the Federal courts, and that a caseload shift would therefore be unjust. But both arguments must fail. First, most States are adopting procedural rules which conform to Federal court rules, and, furthermore, State courts are generally in a better position than Federal courts to interpret and apply State substantive laws which must be applied in diversity cases according to the Erie doctrine. Second, it has been calculated that the proposed changes would result in an increase of only 1 percent in State court caseloads.

Mr. Speaker, I believe that this legislation will have a significant impact in reducing the rising caseload in our Federal courts and I urge the Members to support its enactment.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from California.

Mr. RYAN. Mr. Speaker, I appreciate the gentleman's yielding.

The only point I want to make is that knowing what the rules of the House provide and knowing how the rules are supposed to be used, I am surprised to see this bill brought under suspension. I am also amazed to find now that the American Bar Association is opposed to the legislation.

I intend to vote against this bill—and I get 2 votes instead of 1 on the basis of our procedure—and my vote against the bill will be solely on the basis that this is a matter of controversy. I would like to be able to hear a pretty good debate before I decide which way I want to vote.

The gentleman from California (Mr. WIGGINS) may be right, but I am very concerned about the suspension procedure as a matter of principle. I feel that the suspension procedure should not be used for matters of controversy; otherwise the suspension procedure loses its meaning.

Mr. WIGGINS. Mr. Speaker, we do have a procedure for the consideration for those matters that are free of controversy. We can bring matters up under unanimous consent if they are devoid of controversy.

The suspension procedure recognizes that controversy may exist. It involves a judgment made by the managers of the bill and the House leadership that the controversy is minimal and that the bill could pass without amendment by a two-thirds vote of the House.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I do not mean to impugn the leadership. I think it is a bona fide issue.

We have been talking about the American Bar Association. I have been informed that the House of Delegates of the American Bar Association has voted not to support its committee on judicial reform, and it is opposed to the legislation. My staff told me that this morning.

To the gentleman's knowledge, is that a true statement? Does the gentleman know the accuracy of that statement?

Mr. WIGGINS. Mr. Speaker, rather than my speculating on the current position of the American Bar Association, I would rather yield to the chairman of the subcommittee or to the ranking minority member, who can speak directly to the position of the American Bar Association.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, it is true that the American Bar Association's Subcommittee on Coordination of Federal Judicial Improvements did recommend our bill to the ABA, and the ABA elected, I understand—but I do not know by what formal means—not to endorse that particular recommendation.

Mr. WIGGINS. Mr. Speaker, in summary, I do urge support of the bill, and I believe it to be a very significant step in improvement of judicial administration within the federal system.

Mr. KASTENMEIER. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, the only possible objection to this bill would come from a tiny handful of personal injury lawyers or insurance company lawyers, saying that the sum in question should go from $10,000 to $25,000 or $50,000. The fact of the matter is, however, that such an increase would not cure the abuses; the minimum figure was raised from $3,000 to $10,000 in 1958, and despite that, diversity filings doubled during the period from 1958 to the present.

This bill will not cause a burden on the State courts. If 32,000 diversity cases are in fact transferred, there would be 6,000 State judges to handle them. And the fact of the matter is that 32,000 will never get to trial. Less than 20 percent of all diversity cases ever get to trial, showing once again the abuses in this area with the insurance companies or personal injury attorneys, or both, who almost conspire to obtain a forum that would be advantageous to themselves.

Mr. Speaker, I commend to my colleagues note 12 in the report of the committee on this bill, where there is reference to a very comprehensive study made by Senator BURDICK, indicating that any burden on the State courts would in fact be minuscule.

Way back in 1955, Justice Jackson called for the abolition of diversity; and all of the best-informed voices in the legal world since that time have followed what Justice Jackson has recommended. The chief justices of State courts resent the present situation where there is an assumption that they are biased toward nonresidents. The conference, therefore, of State chief justices supports this. I hope that the committee and the House will overwhelmingly approve it.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from California.

Mr. RYAN. I thank the gentleman for yielding.

Mr. Speaker, this is the point I want to make and that I am trying to make. I am not an attorney. I did not understand what the gentleman from Massachusetts said. With great respect for the gentleman as a Member and with respect for the gentleman's training and background in the law, I did not understand what the gentleman was talking about. We are being asked to vote on what I heard some Members say is an extremely important matter of human rights. Perhaps I would be with the gentleman if we had regular debate and we understood what the situation was. At the present time neither I nor other Members understand what the nitty-gritty and nuts and bolts is. I cannot make a judgment in favor of something if I do not understand it.

Mr. DRINAN. Mr. Speaker, I think it is a relatively simple thing. In essence, the committee report and the Democratic study group fact sheet simply put forth the basic fact that diversity is no longer required, if it ever was required. Its whole history is very murky.

Mr. RYAN. Mr. Speaker, I do not know what "diversity" means. That is my problem.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

Mr. Speaker, Federal courts have had diversity jurisdiction since 1789. They were given this jurisdiction because our country is based on a federal system composed of different States and the Federal Government. In 1789 it was recognized that there was prejudice in States against out-of-Staters and that that prejudice was reflected in the quality of justice in State courts. For that reason, a Federal forum was provided. And that perception—that prejudice may exist against litigants from out of State—is still valid. It is still a justification for diversity jurisdiction in Federal courts when the plaintiff or defendant is from out of State.

Will the gentleman tell me whether the subcommittee held any hearings on the question of whether we have abolished prejudice in our States with respect to out-of-Staters?

Mr. DRINAN. Yes, we did. And if I may say, I filed a bill originally, along with the gentleman from California (Mr. WIGGINS) that would raise the $10,000 to $25,000, recognizing exactly what the gentlewoman says, that this is something traditional in our law. But no justification emerged in our hearings for the assumption of that bias.

Ms. HOLTZMAN. If the gentleman will yield further, the gentleman said there was nothing to show the existence of the bias against persons from other States. Did the subcommittee hold any hearings on whether or not the bias existed at all? Has anybody testified about that?

I draw the gentleman's attention to a recent article which appeared in the Harvard Law Review, which did in fact suggest there was prejudice against out-of-State litigants in State courts.

I am certainly not convinced that sectional prejudices have been eradicated. And I am unwilling to act on the assumption, that they have been eradicated and abolish a 189-year-old tradition without evidence to support it.

Mr. DRINAN. Mr. Speaker, the article to which the gentlewoman from New York (Ms. HOLTZMAN) refers, by Prof. David Shapiro, was given the fullest consideration by us.

He suggested that by local option diversity could, in fact, be abolished; and he suggested the possibility of this bias. We looked everywhere for evidence of such bias. We consulted the civil rights groups, the civil liberties groups, and the attorneys' groups. We asked them if they could demonstrate that there was any bias. We cannot assume that there is bias unless there is some evidence to that effect, and even the original assumption is in doubt because the historians are not entirely clear as to why diversity was ever authorized.

The article in the Harvard Law Review was a very thoughtful one on the question of bias, but the author does not say that any prejudice actually exists.

Mr. Speaker, during the writing of the Constitution, the drafters extended Federal judicial power to include cases involving citizens of different States. Although scholars disagree as to the precise reason for including such authority, it is generally believed that fear of discrimination by State courts against out-of-State residents principally motivated the drafters.

Of course, it was clearly understood that the power would be a discretionary one, committed to the sole authority of Congress to determine whether it should be exercised. None of the judicial power which is defined in article III of the Constitution is self-executing. Each head of jurisdiction, conferred by the Constitution, must be examined by Congress and assigned, in whatever manner it deems appropriate, to the Federal courts.

In the exercise of its power, Congress, from the beginning, gave to the Federal courts the authority to adjudicate cases or controversies between citizens of different States. Needless to say, the authority was fraught with ambiguities and led to a great deal of litigation over the scope of the jurisdictional assignment. For example, it was uncertain whether the Federal courts should apply Federal or State law in determining which rules of decision should govern the disposition of the case. That issue alone occupied a great deal of time in diversity litigation and produced conflicting decisions among the Federal courts.

Thus the diversity jurisdiction has created a number of serious and important legal questions which implicate fundamental issues of federalism and the proper allocation of responsibilities between State and Federal courts. When it is considered that annually between 20 and 25 percent of all civil cases in Federal court are diversity cases, the scope of the problem is placed in proper perspective.

Apart from the burden which diversity cases put on the Federal courts, we must ask the more fundamental question: Is this jurisdiction really needed? Do State courts discriminate against out-of-State residents? If we assume that such bias is at the heart of the diversity jurisdiction, then we must examine whatever evidence there is to support the assertion. I have searched the hearing record and can say with certainty that the subcommittee received no information that such discrimination exists anywhere in the country. Opponents of H.R. 9622 were invited to substantiate charges of bias against out-of-State residents, but no such evidence was produced.

In the absence of any evidence that State courts discriminate against nonresidents and in light of the enormous burdens which diversity places on Federal courts, the efficacy of H.R. 9622 clearly emerges. The bill is designed to restore to the Federal system the proper jurisdictional balance between State and Federal courts. Turning diversity cases over to the State tribunals will not impair their efficiency as these cases will be distributed among thousands of State courts. The Association of State Chief Justices, for example, is a strong advocate of this bill and it perceives no impairment in the operation of State forums.

I should add that H.R. 9622 would also remove the $10,000 limitation in Federal question jurisdiction. At the present time, a plaintiff is denied access to the Federal courts if his or her claim does not exceed the statutory minimum—assuming no other jurisdictional basis, which does not require a dollar amount, is available. Considering that some of the great constitutional questions of our time cannot properly be evaluated in dollar terms and therefore might escape Federal court jurisdiction is reason enough to repeal this archaic limitation.

For many years, the American Law Institute, a leader in bringing rationality to the judicial systems of the United States, has supported removing the dollar limitation in Federal question jurisdiction and narrowing the scope of diversity. The great prestige of the ALI should alone be dispositive of the wisdom of this bill.

In short, Mr. Speaker, H.R. 9622 is calculated to more properly allocate jurisdiction between Federal and State courts, thus helping to restore an appropriate balance between them. By eliminating diversity jurisdiction and by removing the dollar limitation on Federal question jurisdiction, this Congress would take a major step forward to advance the principles of federalism which undergird our Republic. I urge my colleagues to vote in favor of this important measure.

Mr. RAILSBACK. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, I rise in opposition to H.R. 9622. I do so with a full appreciation of the excellent and commendable work of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice and the full Committee on the Judiciary on this legislation. I realize that opposition to this legislation runs contrary to the thoughts of many noted legal authorities and scholars, including the Chief Justice of the Supreme Court, who testified before the subcommittee for the bill. I also realize that this legislation is the product of a long movement within the Federal judiciary to rid itself of a jurisdiction which many authorities sincerely believe is an anachronism. However, I feel compelled to present a view, based on 11 years of law practice before our Federal courts, which may not have been heard by the subcommittee and which may dictate a different conclusion.

I believe abolishing diversity jurisdiction in our Federal court system is a step of extreme significance and importance that deserves our full and complete consideration. The traditional argument for this jurisdiction, which was established by opinion in our Constitution and which has been with us in its present

form since 1911, was that the Federal courts should be available to citizens of diverse citizenship because of the possible prejudice against noncitizens which might exist in State courts.

Certainly our mobile modern society is different than the one viewed by our forefathers in 1789 and I would agree that the possibility of prejudice in State courts against nonresidents is much less of a factor than it formerly was. But the question now is—does a change in this one circumstance justify a change in this rule and have new conditions developed that are relevant to this decision? In other words, do we have to dispose of more than the original reasons for diversity jurisdiction before we abolish it?

I would submit that we are failing to fully appreciate and analyze our total American judicial system as it relates to this isolated change. I would submit that this change will have far-reaching effects on our judicial systems which we have not adequately analyzed or discussed. In St. Louis, Mo., where my congressional district is located, the average wait on a State civil docket is 2 years at a minimum. In St. Louis Federal diversity jurisdiction in many cases spells justice achieved in a reasonable time rather than an unreasonably long time. The abolition of diversity jurisdiction in St. Louis means an even longer wait on State civil and criminal dockets for justice that is now far too slow. The same can be said of many State court systems across our country. In Chicago the wait on State dockets is routinely 4 to 5 years.

Over the past few years, St. Louis has received and spent thousands of Federal dollars to relieve its congested State criminal dockets but the wait there is still far too long. Have we adequately considered the impact of this bill on the efficiency and viability of the part of our judicial system that Americans most often use and see—I am afraid we have not. In reviewing the report of the committee on this subject I only find the conclusion of the Conference on State Chief Justices quoted to the effect "that the State courts were 'able and willing' to assume all or part of the Federal diversity jurisdiction."

This is hardly the type of analysis I am looking for. I would hope we could analyze this impact through attempting to determine how this change will actually play out in State court systems across our country. A straight analysis of the volume of cases would not be sufficient. Attention must also be paid to the fact that many diversity cases now taken to Federal court may be more complex and time consuming than the average State court case. I understand and sympathize with the desire to make our Federal courts more efficient, but I am not sure I want to do so at the expense of our State courts without some idea of how the impact can and will be ameliorated.

One last note. I have some additional question about this legislation coming on the heels of H.R. 7843, which we passed on February 7, 1978. That bill increased the number of Federal judges by 25 percent, yet this bill decreases the Federal caseload by 25 percent. I have reread the report accompanying H.R. 7843 and I find no anticipation of the legislation before us today. I think that it is essential that the relationship between these two pieces of legislation be recognized, understood, and nationally explained.

As one who has spent a major portion of my adult life working in our court system, I am keenly aware of its problems and its need for improvement. The efficiency of our court system is the key to maintenance of the rule of law in our country. The American people expect and deserve a court system that keeps its promise to adjudicate disputes in a fair and timely manner. However, I am not convinced that this legislation serves that end without a closer look at what we are actually doing and how we intend to respond, if at all, to the side effects we may be creating. I question what we accomplish today if we create a Federal judicial system that dispenses timely justice, but causes many of our State courts to be even more accurate examples of the familiar maxim that "justice delayed is justice denied."

Mr. RAILSBACK. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Speaker, for someone who has practiced full time for 30 years, and largely in courts, Federal and State, I have some observations on the questions of prejudice which, of course, underlay the initial adoption of the diversity test.

When a litigant from one State comes into the Federal court in another State, he is trying his case in a Federal court with a jury selected from the identical voter rolls from which the State juries are selected. He is trying his case before a judge who was a practicing lawyer in the bar of that State.

So that, other than the setting, one being a Federal court, the other a State court, the personalities, the jurors and the judge, that would give rise to prejudice are no different. Now, diversity jurisdiction is used for forum shopping, and this can be motivated by several purposes. One is if there is an antiquated State decision that would be very likely to be changed or revised by the current State appellate court. If one goes into the Federal court, one has the advantage of perpetuating that earlier decision because under Erie against Tompkins, the Federal court has no ability at any level to reverse any prior holding or interpretation of State law by a State court of final decision.

Also, there is forum shopping based on the size of a potential verdict, which is always imagined to be potentially larger in Federal court where Federal jury panels are told that $10,000 is the threshold amount for a case to be brought in Federal court thereby lifting the sight of the jury.

With respect to the possibility of raising the jurisdictional amount, this is a farce, and would accomplish absolutely nothing, since in almost all cases this is governed by the ad damnum clause that the lawyer decides to put at the bottom line of his complaint.

Who can say that because only $100 was spent to cure an injury that the resultant damage or injury is not $50,000 if the lawyer elects to say so. That cannot be objectively tested unless and until a verdict is read at which point the forum shopping technique has, with finality accomplished its purpose.

Mr. RAILSBACK. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I, with great trepidation, would like to disagree with my distinguished friend from Michigan. The difference between a Federal judge and a State judge is profound. A Federal judge is on Mount Olympus; he is appointed for life. A State judge is elected, and he is in the political swamps and gets those phone calls from political people. So, there is a vast difference in the atmosphere of the two courts.

Second, we should not kid ourselves, there is some prejudice still present in State and in Federal courts, but one does not have to be an out-of-State litigant to feel that. One can just be a Chicago lawyer going to downstate Illinois, or a downstate lawyer practicing in Chicago. There is bias all over, and to characterize this search for an unbiased forum, as a conspiracy, strikes me as a little unusual.

But, let me just say this: I am delighted to hear that there is great concern on the part of this committee for the crushing litigation load of judges, because it seems to me that we are multiplying that with so many pieces of legislation, by environmental suits, by civil rights suits, and by class action suits.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. RAILSBACK. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. Speaker, will the gentleman yield?

Mr. HYDE. Certainly, I am glad to yield.

Mr. RAILSBACK. I just wanted to say that I know of the gentleman's unfortunate experience with that traffic ticket down-state.

Mr. HYDE. It was unfortunate only because the gentleman was my character witness.

I would like to finish my statement.

I was saying that we are multiplying and pyramiding the litigation we are saddling the Federal courts with, with all types of class actions. Citizens are dashing into the court with administrative review actions and much more, and so it seems to me that perhaps this bill is a little glimmer, a little ray of sunlight, where we are showing our concern with the burden we are putting on the Federal courts.

Mr. RAILSBACK. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Speaker, diversity of jurisdiction of citizenship procedure represents an extreme abuse of the procedure.

"Diversity of citizenship" has been a primary basis of Federal jurisdiction since the founding of our Republic and is specifically referred to in the Constitution. To do away with it under the same procedure used to adjust Indian claims and consolidate ocean pollution programs is extremely questionable, regardless of what one thinks of the merits of eliminating diversity jurisdiction.

It is also highly ironic that this bill, which will reduce the Federal judicial caseload by 25 percent, follows so closely on the heels of legislation increasing the number of Federal judges by 25 percent, and legislation which relieves Federal courts of bankruptcy jurisdiction. H.R. 9622 does not eliminate any litigation; it simply shifts it from the Federal courts to the State courts which will now have to increase the number of their judges. The result is that the Federal courts will be far freer to involve themselves in the glamorous "judicial lawmaking" that is currently obstructed somewhat by the amount of time they must spend on more mundane litigation.

Mr. SEBELIUS. Mr. Speaker, after listening to the arguments for H.R. 9622 its primary purpose appears to be that of relieving the Federal district courts of an increasingly heavy caseload. Such an intent would be most admirable were it not in doing so we seriously jeopardize the best interest of the public in depriving them of the opportunity to resolve disputes in the Federal courts.

All sorts of statistics are available showing the increases in the business of the Federal courts. However, they fail to show the large amount of Federal diversity jurisdiction cases involving the consumer-public and other categories of litigation which can only be conveniently expedited through the Federal courts due to the machinery of our State court system which is simply not adequate in reaching across State lines to influence procedures in the increasingly complex litigation regarding interstate operations. One example cited to me which I would like to pass along is of a procedure in the Federal courts not available to litigants in the State courts. In complex multidistrict litigation in which a large number of similar cases or one complicated case involving litigants from many States can be handled by one team of lawyers and supervised by one court in the important pretrial stages of the case, it is at this point that most cases are settled. Again, this procedure is unavailable through the State court system.

A second point I would make in opposing the abolishment of Federal diversity jurisdiction is in the need to maintain the present structure in dealing with civil litigation involving the activities of national corporations whose business activities touch so many private citizens. In exercising their right these litigants are hampered by State court processes in ordering discovery, compelling appearances, effectively citing witnesses and parties for depositions, and so forth. State courts, unlike the Federal courts, cannot enforce their process beyond their jurisdictional boundaries unless, for the most part, some cumbersome form of ancillary proceedings are initiated which due to the time factor involved even then does not adequately protect the rights of the citizen.

Thus, I urge my colleagues to weigh these limitations to this bill carefully before voting to solve the judges' problems while increasing those of the public who use our Federal judicial system.

Ms. HOLTZMAN. Mr. Speaker, I support the provision of H.R. 9622 that abolishes the $10,000 amount in controversy requirement in Federal question cases. It would permit litigants with serious questions arising under the Constitution and laws of this country to have a Federal court hear and decide their claims regardless of the amount of money involved.

But I very strongly object to the fact that this bill has been brought up under suspension of the rules. I have grave doubts about its almost total elimination of diversity jurisdiction. This jurisdiction, part of the legal tradition of the country since 1798, was premised on the fact that citizens of one State were biased against those of another. No evidence has been put forward that suggests that this premise is no longer valid. The subcommittee apparently did not attempt to develop such evidence during its consideration.

I agree that some modification and narrowing of diversity jurisdiction is desirable. But such modification of something provided for in our Constitution and part of our tradition for 189 years should occur only after complete consideration—not under suspension of the rules, when amendments are not allowed and debate is restricted.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the bill H.R. 9622, as amended.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration.

The SPEAKER pro tempore (Mr. NEDZI). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

OCEAN POLLUTION RESEARCH PROGRAM ACT

Mr. BROWN of California. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1617) to establish a program of ocean pollution research and monitoring, and for other purposes, as amended.

The Clerk read as follows:

S. 1617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Ocean Pollution Research and Development and Monitoring Planning Act of 1978".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares the following:

(1) Man's activities in the marine environment can have a profound short-term and long-term impact on such environment and greatly affect ocean and coastal resources herein.

(2) There is a need to establish a comprehensive Federal plan for ocean pollution research and development and monitoring, with particular attention being given to the inputs, fates, and effects of pollutants in the marine environment.

(3) Man will increasingly be forced to rely on ocean and coastal resources as other resources are depleted. Our ability to protect, preserve, develop, and utilize these ocean and coastal resources is directly related to our understanding of the effects which ocean pollution has upon such resources.

(4) Numerous departments, agencies, and instrumentalities of the Federal Government sponsor, support, or fund activities relating to ocean pollution research and development and monitoring. However, such activities are often uncoordinated and can result in unnecessary duplication.

(5) Better planning and more effective use of available funds, personnel, vessels, facilities, and equipment is the key to effective Federal action regarding ocean pollution research and development and monitoring.

(b) PURPOSES.—It is therefore the purpose of the Congress in this Act—

(1) to establish a comprehensive 5-year plan for Federal ocean pollution research and development and monitoring programs in order to provide planning for, coordination of, and dissemination of information with respect to such programs within the Federal Government;

(2) to develop the necessary base of information to support, and to provide for, the rational, efficient, and equitable utilization, conservation, and development of ocean and coastal resources; and

(3) to designate the National Oceanic and Atmospheric Administration as the lead Federal agency for preparing the plan referred to in paragraph (1) and to require the Administration to carry out a comprehensive program of ocean pollution research and development and monitoring under the plan.

SEC. 3. DEFINITIONS.

As used in this Act, unless the context otherwise requires—

(1) The term "Administration" means the National Oceanic and Atmospheric Administration.

(2) The term "Administrator" means the Administrator of the Administration.

(3) The term "Director" means the Director of the Office of Science and Technology Policy in the Executive Office of the President.

(4) The term "marine environment" means the coastal zone (as defined in section 304(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(1))); the seabed, subsoil, and waters of the territorial sea of the United States; the waters of any zone over which the United States asserts exclusive fishery management authority; the waters of the high seas; and the seabed and subsoil of and beyond the Outer Continental Shelf.

(5) The term "ocean and coastal resource" has the same meaning as is given such term in section 203(7) of the National Sea Grant Program Act (33 U.S.C. 1122(7)).

(6) The term "ocean pollution" means any short-term or long-term change in the marine environment.

SEC. 4. COMPREHENSIVE FEDERAL PLAN RELATING TO OCEAN POLLUTION.

(a) LEAD AGENCY FOR PLAN.—The Administrator, in consultation with the Director and other appropriate Federal officials having authority over ocean pollution research and development and monitoring programs, shall prepare, in accordance with this section, a comprehensive 5-year plan (hereinafter in this Act referred to as the "Plan") for the overall Federal effort in ocean pollution research and development and monitoring. The Plan shall be prepared and submitted to Congress and the President on or before February 15, 1979, and revision of the Plan shall be prepared and so submitted by February 15 of each odd-numbered year occurring after 1979.

(b) CONTENT OF PLAN.—The Plan shall contain, but need not be limited to, the following elements:

(1) ASSESSMENT AND ORDERING OF NATIONAL NEEDS AND PROBLEMS.—The Plan shall—

(A) identify those national needs and problems, which relate to specific aspects of ocean pollution (including, but not limited to, the effects of ocean pollution on the economic, social, and environmental values of ocean and coastal resources), which exist and will arise during the Plan period;

(B) establish the priority, based upon the value and cost of information which can be obtained from specific ocean pollution research and development and monitoring programs and projects, in which such needs should be met, and such problems should be solved, during the Plan period; and

(C) contain, if pursuant to the preparation of any revision of the Plan required under subsection (a) it is determined that any national need or problem or priority set forth in the preceding version of the Plan should be charged, a detailed explanation of the reasons for the change.

(2) EXISTING FEDERAL CAPABILITY.—The Plan shall contain—

(A) a detailed listing of all existing Federal programs relating to ocean pollution research and development and monitoring (including, but not limited to, general research on marine ecosystems), which listing shall include, with respect to each such program—

(i) a catalogue of the Federal personnel, facilities, vessels, and other equipment currently assigned to, or used for, the program, and

(ii) a detailed description of the existing goals and costs of the program, including, but not limited to, a categorical breakdown of the funds currently being expended, and planned to be expended, to conduct the program; and

(B) an analysis of the extent to which each such program, if continued on the basis and at the funding level described pursuant to subparagraph (A)(ii), will assist in meeting the priorities set forth pursuant to paragraph (1)(B) during the Plan period.

(3) POLICY RECOMMENDATIONS.—If it is determined, as a result of the analysis required to be made under paragraph (2)(E), that the priorities set forth pursuant to paragraph (1)(B) will not be adequately met during the Plan period using the existing Federal capability described pursuant to paragraph (2)(A), the Plan shall contain those recommendations for changes in the overall Federal effort in ocean pollution research and development and monitoring which would ensure that those priorities are adequately met during the Plan period. Such recommendations may include, but need not be limited to—

(A) changes in the goals to be achieved under various existing Federal ocean pollution research and development and monitoring programs;

(B) suggested increases and decreases in the funding for any such existing program consistent with the extent to which such program contributes to the meeting of such priorities;

(C) specific proposals for interagency cooperation in cases in which the pooling of the resources of two or more Federal departments, agencies, or instrumentalities under existing programs could further efforts to meet such priorities or would eliminate duplication of effort; and

(D) suggested legislation to establish new Federal programs considered to be necessary if such priorities are to be met.

(4) BUDGET REVIEW.—The Plan shall contain a description of actions taken by the Administrator and the Director to coordinate the budget review process for the purpose of ensuring interagency coordination and cooperation in (A) the carrying out of Federal ocean pollution research and development and monitoring programs; and (B) eliminating unnecessary duplication of effort among such programs.

(c) For purposes of this section, the term "Plan period" means—

(1) with respect to the Plan as required to be submitted on February 15, 1979, the period of 5 fiscal years beginning on October 15, 1979, the period of 5 fiscal years beginning on October 1, 1978; and

(2) with respect to each revision of the Plan, the period of 5 fiscal years beginning on October 1 of the year before the year in which the revision is required to be prepared under subsection (a).

SEC. 5. COMPREHENSIVE OCEAN POLLUTION PROGRAM IN THE ADMINISTRATION.

(a) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish within the Administration a comprehensive, coordinated, and effective ocean pollution research and development and monitoring program. The Administrator shall carry out all projects and activities under the program in a manner consistent with the Plan.

(b) CONTENT OF THE PROGRAM.—The program required to be established under subsection (a) shall include, but not be limited to—

(1) all projects and activities relating to ocean pollution research and development and monitoring for which the Administrator has responsibility under provisions of law (including, but not limited to, title II of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1441–1444)) other than paragraph (2);

(2) such projects and activities addressed to the priorities set forth in the Plan pursuant to section 4(b)(1)(B) that can be appropriately conducted within the Administration; and

(3) the provision of financial assistance under section 6.

SEC. 6. FINANCIAL ASSISTANCE.

(a) GRANTS AND CONTRACTS.—The Administrator may provide financial assistance in the form of grants or contracts for research and development and monitoring projects or activities which are needed to meet priorities set forth in the Plan pursuant to section 4(b)(1)(B), if such priorities are not being adequately addressed by any Federal department, agency, or instrumentality.

(b) APPLICATIONS FOR ASSISTANCE.—Any person, including institutions of higher education and departments, agencies, and instrumentalities of the Federal Government or of any State or political subdivision thereof, may apply for financial assistance under this section for the conduct of projects and activities described in subsection (a), and, in addition, specific proposals may be invited. Each application for financial assistance shall be made in writing in such form and manner, and contain such information, as the Administrator may require. The Administrator may enter into contracts under this section without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5).

(c) EXISTING PROGRAMS.—The projects and activities supported by grants or contracts made or entered into under this section shall, to the maximum extent practicable, be administered through existing Federal programs (including, but not limited to, the National Sea Grant Program) concerned with ocean pollution research and development monitoring.

(d) ACTION BY ADMINISTRATOR.—The Administrator shall act upon each application for a grant or contract under this section within six months after the date on which all required information is received by the Administrator from the applicant. Each grant made or contract entered into under this section shall be subject to such terms and conditions as the Secretary deems necessary in order to protect the interests of the United States. The total amount paid pursuant to any such grant or contract may, in the discretion of the Administrator, be up to 100 percent of the total cost of the project or activity involved.

(e) RECORDS.—Each recipient of financial assistance under this section shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or activity in connection with which such assistance was given or used, the amount of that portion of the cost of the project or activity which was supplied by other sources, and such other records as will facilitate an effective audit. Such records shall be maintained for three years after the completion of such project or activity. The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of receipts which, in the opinion of the Administrator or of the Comptroller General, may be related or pertinent to such financial assistance.

SEC. 7. INTERAGENCY COOPERATION.

The head of each department, agency, or other instrumentality of the Federal Government which is engaged in or concerned with, or which has authority over, programs relating to ocean pollution research and development and monitoring—

(1) shall cooperate with the Administrator in carrying out the purposes of this Act;

(2) may, upon written request from the Administrator or Director, make available to the Administrator or Director, on a reimbursable basis or otherwise, such personnel (with their consent and without prejudice to their position and rating), services, or facilities as may be necessary to assist the Administrator or the Director to achieve the purposes of this Act; and

(3) shall, upon a written request from the Administrator or Director, furnish such data or other information as the Administrator or Director deems necessary to fulfill the purposes of this Act.

SEC. 8. DISSEMINATION OF INFORMATION.

The Administrator shall insure that the results, findings, and information regarding ocean pollution research and development and monitoring programs conducted or

sponsored by the Federal Government be disseminated in a timely manner, and in useful forms, to relevant departments, agencies, and instrumentalities of the Federal Government, and to other persons having an interest in ocean pollution research and development and monitoring.

SEC. 9. EFFECT ON OTHER LAWS.

Nothing in this Act shall be construed to amend, restrict, or otherwise alter the authority of any Federal department, agency, or instrumentality, under any law, to undertake research and development and monitoring relating to ocean pollution.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Administration for the purposes of carrying out this Act not to exceed $5,000,000 for the fiscal year ending September 30, 1979.

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. BROWN) and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in full support of S. 1617 as amended. This bill represents the best possible compromise between the committee of the gentleman from New York (Mr. MURPHY), and particularly the subcommittee of the gentleman from Louisiana (Mr. BREAUX) and our committee. The need for this bill was made quite evident to the members of our committee during the course of our hearings on this legislation. We found overwhelming evidence that there is little long-term planning and even less long-term research and development in the area of ocean pollution. What little monitoring is being accomplished today is neither comprehensive nor does it fit in any organized scheme.

Man is becoming increasingly dependent on the sea, and it has been said that the oceans represent man's last great common heritage. We were both shocked and surprised to learn that the vast majority of research and development being done in the marine environment is done only in response to environmental outrages and various crises.

Historically, man has always had a close relationship with the seas, and he has depended on the oceans for food, for transport, and for recreation. In fact, many of the world's great economies have been based on man's ability to use the seas effectively.

However, since the dawn of the industrial age, man has used, misused, and abused the oceans of the world. Problems of water quality are not limited to waters and rivers and streams traversing the Earth. Virtually all pollution which enters the marine environment originates with man's activities ashore. Like an ostrich with its head in the sand, we have allowed annual dumpings of billions of tons of chemical compounds, industrial wastes, contaminated fill material and untold billions of gallons of sewage—raw, partially treated, and sludge—to enter the marine environment year in and year out.

There is an obvious need for this legislation. Far too little is known about either the long- or short-term effects of pollution. Some scientists fear that many of the effects of pollutants being dumped into the world's seas are cumulative. Others say there just is not sufficient data available to understand the long-term fates and effects. One thing is clear. Man's dependence on the seas will increase, not decrease. If the future holds a far greater dependence, then it must also lead to a far greater understanding.

Current Federal efforts at ocean pollution-related research, development, and monitoring are highly fragmented. At this time, 54 separate Federal entities are involved, including 8 departments, 37 agencies, and 9 independent agencies of Government, all of which have ocean pollution R. & D. or monitoring programs of one kind or another.

What this legislation will accomplish can be summarized quite simply. It would designate the National Oceanic and Atmospheric Administration as the lead agency for developing a plan for all Federal ocean pollution research, development, and monitoring efforts. The Administrator of NOAA, in consultation with appropriate Federal officials—such as the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality, and the Secretary of the Interior—shall draft and submit a comprehensive 5-year plan that will assure some long-range planning and effect interagency coordination and cooperation to a much higher degree than currently exists. Since the plan must be revised biennially, it will also force the Administrator and other Federal officials to keep abreast of developing technology in the fields of ocean pollution and marine resource utilization.

We have provided for the establishment of a listing of priorities for all Federal research, development, and monitoring, and directed that the dissemination of information to all potential users in useful forms be a high priority and an immediate goal of this program. The bill provides for a $5 million authorization for fiscal year 1979. Much of this money will be used for grants, to be made to appropriate universities, colleges, and other centers of academic excellence already having substantial experience and expertise in marine environmental matters.

The bill further calls for all activities to be carried out under the legislation to be accomplished through existing Federal programs and agencies, wherever possible. Our committees have added this provision in the hope of reducing unnecessary duplication and stemming the growth of bureaucracy wherever possible.

Finally, the bill calls for a biennial report to the Congress on the status of efforts undertaken under the legislation. We consider this to be an essential part of congressional exercise of our oversight responsibilities.

Mr. Speaker, I believe that this is a particularly good bill. It is an excellent melding of the interests of the Committee on Science and Technology and the Committee on Merchant Marine and Fisheries. I wish to take this opportunity to commend the gentleman from Louisiana, who ably chairs the Subcommittee on Oceanography for his excellent work and understanding cooperation during our consideration of this legislation. The bill is deeply needed, and I believe that we have taken the basic proposal and substantially strengthened it.

I particularly want to commend members of my committee, whose work on this bill was crucial to our success.

Mr. Speaker, I urge the adoption of the committee substitute.

I yield to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have had the pleasure of serving on both of the committees which considered this legislation in the House, and I rise today in full support of the amendment offered by the gentleman from California (Mr. BROWN). This amendment represents a strong and fully supportable compromise between the interests of the two committees.

More than 5 years ago, the Congress recognized the environmental problems associated with the marine and environment and passed the Marine Protection Research and Sanctuaries Act of 1972. Among the activities authorized by that act were comprehensive and continuing programs of monitoring and research on the short-term effects of ocean dumping and research on the possible long-range effects that pollution, overfishing, offshore development, and other activities have on ocean ecosystems. Unfortunately, that research had neither been coordinated nor focused on the most important problems which occur in the marine environment.

For example, over the past few years there has been a massive research program going on in the New York bight. The area of water between the coasts of New Jersey and Long Island is one of the most heavily used and misused areas of water in the world. Nearly 20 years ago, in June 1976, there were two episodes which received wide attention at the time. The first was the washup of numerous pollutants on the beaches of Long Island which caused them to be closed for public health reasons. The residue which reached the beaches included oil, sewage, plastics; all of which apparently came from untreated, or not fully treated, sewage. At the time, there was great speculation as to whether the source of these pollutants was an explosion in a sewage treatment facility on Long Island which released millions of

gallons of water and untreated sewage, or whether the source had been the ocean dumped sludge which comes from the city of New York and surrounding areas. Further research carried on by NOAA and the EPA region II office indicated that the probable sources of most of these pollutants were the Raritan and Hudson Rivers.

Only a short time later there was a major fish kill off of the coast of New Jersey. Research by NOAA and EPA determined that the fish kill was caused primarily by natural factors—an algae bloom—which then died and, in decomposing, depleted the oxygen in the water below the thermocline. There is little doubt that at least part of the problem was caused or exacerbated by pollutants introduced by man into the New York bight. But the total impact of that input has yet to be fully established.

There are still numerous questions which remain unanswered about the fates and effects of pollutants in the marine environment. Federal research and development efforts and monitoring programs are currently being carried out in 37 separate Federal agencies, under 8 Cabinet-level departments of Government, and also in 9 of the independent agencies. It is obvious that with that many different programs there must be unnecessary duplication, unless there is some means of coordinating all of them. The taxpayer's dollar will be wasted, and most importantly, there will be no guarantee that those areas which should have the highest priority for research will be properly addressed. This bill is a substantial step forward, because its first and most important function is to designate the National Oceanic and Atmospheric Administration as the lead Federal Agency for all ocean pollution research and development monitoring.

Second, it calls for the establishment of a comprehensive 5-year Federal plan, which we hope will encourage planners from all 37 agencies and the 9 independent agencies to take a closer look at what they are accomplishing, what their goals should be, and then to establish a basic list of priorities for marine R. & D. and monitoring. If we can accomplish this we will be assured that in the competition for scarce Federal R. & D. dollars, those available will be targeted on projects addressing the highest national priority.

One of the provisions in this bill which I believe will have the greatest long-term effect is section 6. It allows the Administrator to provide financial assistance in the form of grants or contracts for research and development and monitoring projects or activities which are needed to meet priorities set forth in the plan. It has been my experience and the experience of many other Members representing coastal areas that frequently there are academic centers of excellence or Federal agencies other than NOAA which are better equipped to address particular problems. For example, much of the research carried out in the New York bight project has been accomplished through the EPA Region II Office, and most of us who have worked closely on this problem believe that they have done a superior job. Section 6 will allow the Administrator of NOAA to pass through funding to either private institutions or other Federal agencies to accomplish the goals of the program. We have also provided language to insure that, whenever possible, activities under this act should be administered through existing Federal programs.

A final provision, which I think merits at least some attention while this bill receives consideration, is section 8, in which we have directed the Administrator to insure that the results, findings, and information developed under this act be made available in a timely manner and in useful form, not only to Government agencies but to other persons or individuals having an interest in ocean pollution R. & D. For many coastal communities, section 8 will be a bonanza, because it will bring to them the results of research and development or monitoring projects which have direct relevance to those areas and make that information available at the lowest possible cost.

Finally, let me point out to my colleagues that in this bill we have authorized $5 million for the fiscal year ending September 30, 1979. We do not believe that this is an overly generous authorization; in fact, considering the scope of the problem that still confronts us, it may be too little. But we want to proceed in a cautious manner, and we believe that during the first year of operation under this act it would be better not to throw money into a program that has not had a chance to prove itself. Next year, if the Administrator has been able to accomplish the goals which we have set for him, and if the program seems to be moving along on an even keel we will be better able to gage exactly how much is needed to do a comprehensive job.

Mr. Speaker, I urge adoption of the amendment offered by the gentleman from California.

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Speaker, S. 1617, the National Ocean Pollution Research and Development and Monitoring Planning Act is a very timely and important piece of comprehensive ocean pollution legislation which could well provide the key to more effective management of ocean and coastal resources.

There is a great deal which we do not yet understand about the effects of pollutants in the marine environment. Many toxic and persistent chemicals can have a long-lasting impact on the entire food chain, especially on those species in the higher trophic levels, such as edible finfish, which tend to concentrate these harmful materials. Therefore, it is essential that we begin to target our marine research efforts so that we can understand more precisely which harmful materials are being disposed of in the oceans, in what quantities, and with what impact on the particular marine ecosystem involved. With improved understanding, better decisions can be made regarding the use of the ocean as an assimilator of waste products.

Also, we need to be able to differentiate between harmful and nonharmful pollutants in order to assure the efficient allocation of resources available to our municipalities and industries for pollution abatement. An important factor which enters into the determination of harm from many nontoxic waste products is the particular oceanographic features of the disposal areas. Many areas possess such topographical or meteorological features which affect ocean mixing rates and, thus, prevent dangerously high levels of concentration which can severely impact the ocean ecosystem.

Consequently, it may be both logical and an efficient use of our Nation's natural resources to choose to continue to dispose of certain types of harmless wastes in the marine environment. We at least need to have a better understanding of what is being disposed, where, and with what impacts in order to be able to make these kinds of decisions.

This bill, S. 1617, would enable us to achieve such a capability. It would establish a 5-year plan for Federal ocean pollution research and development and monitoring programs which would be administered by NOAA. This plan, among other things, would require a prioritizing of ocean pollution research projects which would be based upon, first, the value and cost of information which can be obtained from such projects, and two, a determination of important national needs which can better be met by the conduct of such projects.

The plan would also require a continual listing and description of all existing ocean pollution research programs and a cataloging of the goals and costs of such programs.

In addition, this national ocean pollution research program would require coordination with the Office of Science and Technology Policy in the Executive Office of the President, in order to assure the important input of the ocean science community in the overall science R. & D. budgetary process.

Mr. Speaker, this is a bill which is urgently needed if we are to begin to move ahead in an orderly and coordinated manner with the ocean pollution research tasks which must be undertaken.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

Mr. Speaker, since I represent a coastal area, I am probably more aware than most Members of this House for the need of a far greater effort, far greater coordination and cooperation, and far better targeting of efforts relating to research, development, and monitoring of pollutants in the ocean environment.

For example, the New York bight is an area off the coast of New York and New Jersey where ocean dumping has

been routinely occurring for many years. For awhile, we did not completely understand the overwhelming impact that this dumping was having on the marine environment. But now we know the scope of the catastrophe that we have caused. We have destroyed the natural marine habitat. We have caused the death of virtually all marine life in an extended area. And we have created economic and social disaster on the beaches bordering this area when wind and tidal conditions carries these poisons ashore. No one can say whether 2 or 10 generations will be necessary for the bight area to recover.

I would like to take this opportunity to commend the gentleman from Louisiana for his persistent efforts to end all ocean dumping. Time has long since passed when this method could possibly be environmentally acceptable.

We now must move forward and determine what the long term fates and effects will be of numerous pollutants already in the marine environment and those that may enter the world's seas by accident in the future.

This compromise bill does much to rectify the problems of the past. First and most importantly, it answers the usual problem of lack of coordination and cooperation among competing Federal agencies by establishing one lead Federal agency to coordinate programs already being conducted by 37 agencies in 8 separate Cabinet-level departments and 9 additional independent agencies.

Second, it calls for the establishment of a comprehensive 5-year plan, which will force Federal planners to look to the future and to do long-range research development and monitoring instead of always playing catchup ball as each environmental crisis occurs.

The bill also calls for the establishment of a consolidated list of priorities. A provision which I heartily endorse. Far too often in the past, research has been done, because of parochial interests which dominated the research establishment. Or because a particular scientist was a master of grantsmanship. Under a system of established priorities, we know that each research dollar will go to those projects which show the greatest merit scientifically, or which will benefit the greatest number of our population.

The bill also requires the submission of a biennial report to the Congress on the status of efforts undertaken under the legislation. Again, too many times in the past Congress has established programs or offices in the bureaucracy and then forgotten them, leaving them to run on for years without direction or oversight. The biennial report will require the bureaucrats to make real accomplishments. And it will also give the Congress the opportunity to exercise our constitutional power of oversight.

One provision I am particularly glad to see in this legislation is the requirement that the Administrator assures that all results, findings, and information developed be made available in a timely manner and in a useful format to persons having an interest in ocean pollution research, development, and monitoring. I can assure the Members of this House that along the southern coast of Long Island, there are a great number of communities which are vitally interested in the data that will be developed under this legislation, and they will be most anxious to receive the results as they become available.

I have spent considerable effort over the past 2 years in catalyzing Federal agency cooperation in developing a comprehensive monitoring plan for dumping in the bight. The data provided by EPA as a result of this bill should be fed into the interagency system which we have set up to assure real-time monitoring of migration of pollutants in the bight. Progress has not been dramatic, but I am satisfied that we are making significant strides in attacking this problem.

Mr. Speaker, for the purpose of making legislative history, I should like to address a couple of questions to the chairman of the committee. If I might ask the gentleman from California (Mr. BROWN) a question, I notice that the bill does not mention the Environmental Protection Agency specifically. Does the gentleman contemplate that EPA would be involved in either the planning effort and the establishment of the comprehensive 5-year plan or in the establishment of the list of Federal priorities?

Mr. BROWN of California. Mr. Speaker, if the gentleman would yield. While the bill does not mention EPA specifically, the committee is of unanimous agreement that the EPA will be an indispensable party to both drafting of the plan and establishment of the priorities.

We expect the Administrator of NOAA to consult with and work closely with the Administrator of EPA in both of these matters.

Mr. WYDLER. Mr. Speaker, as the gentleman knows, the Region II Office of the Environmental Protection Agency has been particularly effective in research in the New York bight area. Could the gentleman tell me if they will continue in that capacity?

Mr. BROWN of California. If the gentleman will yield, absolutely. First, the Environmental Protection Agency is required by statute to be responsible for ocean dumping alternative research; and, second, this legislation calls for activities to be carried out under the legislation to be done to the maximum extent possible under existing Federal programs. I would assure the gentleman from New York that the Environmental Protection Agency will continue to be a key player in these activities.

Mr. WYDLER. Mr. Speaker, I thank the gentleman from California for his assurances on these matters. We in New York are particularly pleased with the efforts which the EPA Region II Office has put forth in the past and we certainly want to see them continue to be involved in this area in the future.

Mr. Speaker, I fully support the legislation and I urge its passage.

The SPEAKER pro tempore. Does the gentleman from New Jersey desire to yield further time?

Mr. FORSYTHE. Not at this time, Mr. Speaker; I reserve the balance of my time.

Mr. BROWN of California. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I rise in support of S. 1617, as amended by the committee's amendment offered today.

The committee on Merchant Marine and Fisheries has traditionally been involved with public policy formulations related to the development, utilization, and conservation of ocean and coastal resources. Major pieces of legislation initiated by our committee—including the Coastal Zone Management Act of 1972; the Marine Protection, Research, and Sanctuaries Act of 1972 (ocean dumping); the Endangered Species Act of 1973; and the Fishery Conservation and Management Act of 1976—have grappled with the difficult problem of balancing the often conflicting uses of our ocean and coastal resources. Our committee, particularly in the last 5 years, has become acutely aware of the complexity involved in attempting to strike a balance between not just conservation and development, but between forms of economic development that mutually conflict.

Because of our deep concern about the effects of ocean pollution of the Nation's valuable living marine resources, the members of the Merchant Marine and Fisheries Committee have followed the problem on a continuing basis for years. Much time and effort has been expended by our committee in oversight of the interim ocean dumping permit program administered by the Environmental Protection Agency (EPA) under title I of the Ocean Dumping Act, and in prodding EPA to find acceptable land-based alternatives to ocean dumping for municipalities.

Throughout all of its activities pertaining to ocean pollution, however, our committee has been hampered in its decisionmaking processes by one major factor: The fact that the complex interactions occurring in the ocean environment are poorly understood. Because of uncertainty about the long-term effects of pollution on the ocean environment, our committee has advocated a policy of putting an end to all ocean pollution as soon as possible. The ocean is so important to life on Earth that we simply cannot afford to risk its permanent degradation.

Unfortunately, the only viable alternative to many forms of ocean disposal so far have been methods of land-based disposal that are themselves environmentally questionable and more costly. Given the sad financial state of many of the municipalities who are being asked to bear the additional expense of land-based waste disposal methods, I have often wondered if we are solving our waste disposal problems in an optimal manner.

Mr. Speaker, the simple truth is that we desperately need more information about the effects of mankind's activities on the ocean environment. We attempted to move the National Oceanic and Atmospheric (NOAA) into the process of accumulating information on these effects through title II of the Ocean Dumping Act back in 1972. Lack of funding, lack of interest, and the fact that ocean programs are presently being administered by 8 Federal departments, 9 independent agencies, and 37 subagencies, has hindered this process. By bringing all of these programs under NOAA's purview, I fully believe that we can get the information gathering process moving again.

Finally, an aspect of this bill which should be particularly highlighted is the provision for the identification and ordering of national needs and problems relating to specific aspects of ocean pollution. This ordering is to be based on the value and cost of information regarding the effects of ocean pollution on ocean and coastal resources. Setting priorities will be important if we are to reap the maximum possible benefits from this research effort. We all recognize that we have limited funds for expenditure on research. But we should not think of research, in this case, as an extravagance undertaken purely for its own sake. Its budget should not, automatically, be the first cut.

Ocean pollution is not an isolated or purely esthetic concern. It is a very real human concern affecting the livelihood of many people. We need to know much more about it if we are to be able to address the serious problems which such pollution raises. I believe S. 1617 will help us accomplish this goal.

Mr. BROWN of California. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries, the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I am in support of S. 1617 as amended by the committee's amendment offered today. The Subcommittee on Oceanography, of which I chair, received the bill S. 1617 by sequential referral from the Committee on Science and Technology. Our subcommittee held a day of hearings on this bill on October 3 of last year, and the Science and Technology reported language was altered in a markup session before the full Committee on Merchant Marine and Fisheries on October 12.

The Committee on Merchant Marine and Fisheries and, in particular, the Subcommittee on Oceanography has had a long standing interest and authority over ocean pollution programs within the Federal Government. It was our subcommittee which originally enacted the Ocean Dumping Act of 1972 to begin the phaseout of the disposal of harmful materials into the marine environment. We have held extensive legislative and oversight hearings on ocean pollution problems during the past decade and our subcommittee last session adopted a 1981 phaseout date, which was signed into law, prohibiting the ocean dumping of sewage sludge which is harmful to the marine environment.

The purpose of the legislation before you today, Mr. Speaker, is to achieve a more coordinated effort within the Federal Government to address the serious problems which ocean pollution causes to the marine environment. While through the years separate statutes have been adopted to address specific ocean pollution problems, no comprehensive effort has been undertaken by the Government to address the overall ocean pollution problem. I feel that the Federal Government has lacked a coherent approach in determining priorities which should be tackled by NOAA, EPA, and other Federal agencies. It seems that public and governmental attention is only focused on specific problems after crises arise or mishaps occur, such as the *Argo Merchant* oil spill or the sewage washup on Long Island beaches in 1976. Only after these accidents occur does the Government begin to focus on ways to prevent them from occurring in the future. I personally believe that there should be an ongoing effort by the Federal Government to address the many forms of pollution which have an effect on our very valuable and fragile marine and coastal systems.

The bill before us today would require the National Oceanic and Atmospheric Administration to formulate and publish a Federal ocean pollution research plan. This plan, at a minimum, would contain a detailed inventory of programs and resources of the Federal Government relating to ocean pollution research and development and monitoring. In addition, this plan would contain a description of the goals and costs of Federal programs relating to a strategy for the implementation of ocean pollution research and monitoring objectives. The Administrator of NOAA is directed to establish priorities for ocean pollution research and include a description of the actions taken by him and the Director of the Office of Science and Technology Policy to coordinate the budget review process for such programs.

Ocean programs are presently being administered by 8 departments, 9 independent agencies, and 37 subagencies. This wide dispersion of ocean programs is an inherent factor contributing to the fragmented and uncoordinated Federal effort relating to ocean pollution research and monitoring. Our subcommittee has found that the best way to accomplish a congressional mandate is to designate a leadership agency to coordinate other agency efforts. I believe that this bill will go a long way toward accomplishing this objective by giving NOAA the authority to gather the necessary information to assess and offer recommendations relating to the improvement of the Federal ocean pollution research and monitoring effort.

An additional important aspect of this bill is that it will require the continued coordination of the Administrator of NOAA and the Director of OSTP, the principal science advisory office to the President. The intended result of this arrangement is that the consideration of priorities for all Federal programs within the Office for Management and Budget will be more properly coordinated with NOAA's formulation of an overall ocean pollution plan.

The committee amendment being offered today is a result of a cooperative effort between our committee and the Committee on Science and Technology. Our committees had differing versions of a bill to accomplish the same basic objectives, and we have taken the best provisions of both bills to be offered as the committee amendment today. I believe that the language under consideration is an improvement over the original bill which was adopted by the Senate.

Our committee attempted to stimulate NOAA's long-range ocean pollution planning process when it passed the Ocean Dumping Act of 1972. Unfortunately, NOAA has not seen fit to implement these suggestions and the bill today will correct that deficiency.

Mr. Speaker, I would like to elaborate on what I feel is the true value of S. 1617 to this country. We should be aware that as land-based resources become depleted, mankind will become increasingly dependent on the oceans for food, minerals, and energy. The bill before us today, S. 1617, will provide major impetus to our national effort to reap the greatest benefits from the ocean's tremendous store of wealth.

Today the development and utilization of marine resources already contributes significantly to our national income. The value of the 1973 fish and shellfish catch was $937 million, which after processing and sale, contributed an estimated $6.7 billion to the net national product. Demonstrated reserves of oil and gas in the Continental Shelf of the United States amount to approximately $90 billion in value. Of all domestic oil and gas produced, 17 percent now comes from the Continental Shelf—about 18 percent of our oil and 15 percent of our natural gas. Within 10 years, nickel, cobalt, copper, and manganese, minerals of vital importance to our economy, may be processed from the estimated $3 trillion worth of manganese nodules distributed throughout the world on the ocean's floor.

Other ocean activities which are difficult to measure in terms of their value to our economy but are, nonetheless, essential to the welfare of our Nation, are recreation and ocean transportation. Once its ecology is understood, the ocean could become an acceptable receptacle for properly managed waste disposal. The ocean's surface represents the world's largest solar collector, and could become the Earth's major source of solar energy through the development of ocean gradient thermal powerplants. Methane, derived from cultivated kelp, could, by the end of this century, help to relieve an impending national crisis stemming from our country's growing demand for natural gas and dwindling domestic reserves.

In terms of its importance to the future welfare of the world, the ocean

holds promise that boggles the mind. I do not think that we have been begun to imagine the economic benefits that could accrue to mankind from effective research, development, and management of our ocean resources.

However, as the level of activity in the ocean increases, we will be confronted with growing conflicts between beneficial, but mutually incompatible, ocean exploits. Even today, conflicts are beginning to arise in areas off our coast. The New York Bight represents an obvious example.

We must be prepared to face the challenge of balancing our often conflicting uses of the ocean in an economically and environmentally sound and equitable manner. This was a key conclusion of the Stratton Commission back in 1969 and today stands as a primary reason why S. 1617 is needed.

S. 1617 will accomplish three essential objectives:

First. To centralize authority to gather necessary information to access and offer recommendations relating to the improvement of the Federal ocean pollution research and development and monitoring effort;

Second. To insure that the Federal ocean pollution research and development and monitoring effort is coordinated, that the results of federal sponsored ocean pollution research is fully utilized, and that duplication of effort among Federal programs is minimized; and

Third. To provide guidance to the Federal ocean pollution effort through the evaluation and ordering of national ocean pollution research priorities and needs. Such guidance will insure that essential research needs will not be overlooked and that the greatest possible return will come from each Federal dollar spent on studying the effects of pollution on the marine environment.

The responsibilities given to the administrator of NOAA and to the director of the Office of Science and Technology Policy under S. 1617 are formidable. They will need the full cooperation of the heads of all the agencies and departments of the Federal Government engaged in ocean pollution research and monitoring if the intent of this bill is ever to be realized. I would hope that other Federal interagency and advisory groups, especially NACOA, will assist the Director and Administrator in preparing the 5-year research plan required under S. 1617.

The fundamental intent of S. 1617 is to provide the type of information, through research, needed to rationally manage the utilization, development, and conservation of our precious marine resources. I am afraid, if we do not begin now to increase our understanding about the effects man's activities have on the value of marine resources that, down the road, when other ocean areas within our national jurisdiction become highly utilized, like the New York bight is now, it will be too late or too difficult to change. As we extend our activities out into the ocean we must be sure that we know what we are doing; that we know what the costs are; and that we know how to resolve conflicts in a manner which will maximize the value of the limited resources of the ocean to this and future generations. I urge your support for S. 1617.

Mr. BROWN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not want to belabor the point as to the importance of this bill, but I would like to call attention to the fact that it represents an effort on the part of both the Committee on Science and Technology and the Committee on Merchant Marine and Fisheries to deal with the kind of a problem that is becoming all too typical in the Federal Government, and that is a problem which cuts across several jurisdictions, generally including several committees of the Congress.

Sometimes the solution to a problem of this kind is to enact legislation which sets up a new program. What we have attempted to do here is to say to all the different agencies that are involved with the problem of ocean pollution: "We want you to get your act together. We want you to develop a common plan, a common set of priorities, and we want you to attack this general problem with your respective resources in accordance with a common set of parameters which will solve the problem with a minimum cost to the taxpayer and in a fashion that will be the most effective."

Ocean pollution is not the only such problem. There are many others. And I expect that our committees will be bringing in additional legislation that attempts to deal with these crosscutting problems in a similar manner.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1617.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROWN of California. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. BROWN) that the House suspend the rules and pass the Senate bill S. 1617, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title was amended so as to read: "An act to establish a program of ocean pollution research, development, and monitoring, and for other purposes."

A motion to reconsider was laid on the table.

REDUCTION IN RATE OF EXCISE TAX ON INVESTMENT INCOME OF PRIVATE FOUNDATIONS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 112) to amend section 4940 of the Internal Revenue Code of 1954 with respect to private operating foundations the principal activity of which is the operation of long-term care facilities, as amended.

The Clerk read as follows:

H.R. 112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 4940 of the Internal Revenue Code of 1954 (relating to excise tax based on investment income) is amended by striking out "4 percent" and inserting in lieu thereof "2 percent".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after September 30, 1977.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 112 reduces from 4 to 2 percent the rate of excise tax imposed annually on the net investment income of domestic private foundations, under section 4940 of the Internal Revenue Code.

The Tax Reform Act of 1969 enacted a 4-percent excise tax to be imposed on the net investment income of all private foundations. In each of the last 6 years, this tax had produced more than twice the revenue needed to finance the operations of the Internal Revenue Service with respect to all types of tax-exempt organizations, including private foundations. Thus even after the tax is reduced from 4 to 2 percent, it will produce more revenue than the estimated cost of Internal Revenue Service operations with respect to all exempt organizations.

Under the charitable payout rules made applicable to private foundations by the 1969 act, the amount of this tax is subtracted from the minimum amount that such foundations must spend or grant for charitable purposes. Thus in many cases, the tax actually has reduced charitable expenditures. In these cases, the reduction in the tax made by this bill will result in a corresponding increase in charitable expenditures or grants.

This experience with the tax since 1969 and its adverse impact on charitable expenditures has led the Ways and Means Committee to conclude that it is appropriate to cut the tax rate in half for taxable years beginning after September 30, 1977.

Mr. Speaker, I urge that H.R. 112 be adopted.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of H.R. 112, which reduces the 4-percent tax imposed

on the net investment income of a private foundation.

Mr. Speaker, to understand this measure, I think it is necessary to go back in history to 1969 when the Tax Reform Act of 1969 imposed several new obligations on foundations, including a payout rule and a tax on net investment income.

The tax was set at 4 percent. It was not tied in law to the new expense of auditing foundations, but the assumption of the committee at the time the tax was imposed was that this would raise roughly the equivalent of the auditing costs.

In fact, as experience has indicated since that time, we are raising roughly twice as much money as the cost to audit private foundations. For that reason, it seems entirely appropriate to cut the tax in half.

Mr. Speaker, unless we do that, I think the Congress is very likely to be tempted to divert this money into some other purpose. It was suggested, for instance, at the time ERISA was passed that some of the money raised from the foundation tax could be used to cover the cost of auditing pension funds. That would be a subversion of the intention of the committee; but as long as we have more money coming in than we need for auditing purposes, it is clear that there is going to be this kind of move made from time to time.

Mr. Speaker, this money comes entirely out of the charities that benefit from foundation grants. Foundations have had bad names in times past, probably because of the experimental nature of their operations. However, following the 1969 act, foundations became much more conservative than they had been previously, channeling most of their funds through traditional charities. Thus, every cent of tax that is raised out of net investment income comes out of the charities themselves. No one loses but the beneficiaries of the charities.

Mr. Speaker, if others believe, as I do, in a plural system of problem-solving, I think they will see no purpose being served by diverting this foundation money into the Government Treasury rather than having it used for the charitable purposes for which the foundations were created.

It seems to me that at this point a very sensible step to take would be to cut the tax in half. The charitable purposes of the foundation movement would benefit, and it will do no harm to anyone, nor would it involve substantial loss of revenue.

The estimates indicate that there would be a $2 million loss for fiscal year 1978 to the Treasury, and a $27 million loss thereafter. This indicates that the tax currently raises something in excess of $50 million. It is not a large item, but one which I think is important in terms of the philanthropic movement itself.

Mr. CORMAN. Mr. Speaker, the tax on private foundation investment income should be lowered from 4 to 2 percent.

In 1969, Congress required the Internal Revenue Service to audit every private foundation in the United States to test compliance with the new restrictions on foundations. The results of this 5-year audit program indicate that compliance with the 1969 rules is virtually universal.

The foundation tax now raises more than twice as much money as is needed to cover IRS administrative activities for all exempt organizations, not just foundations. For fiscal year 1976, the tax produced about $60 million and the cost of IRS activities was about $20 million. At a 2-percent rate, the tax would yield $30 million or three times the cost of foundation audits which cost about $10 million a year.

Since the payout rules of the 1969 act require foundations to distribute to their charitable grantees all funds that would result from a reduction of the 4-percent tax, enactment of this legislation would produce a direct, immediate increase in foundation support of active charitable projects.

The Treasury supports the reduction in the tax, and 26 members of the Ways and Means Committee have sponsored this bill. Now is the time to reduce the foundation excise tax to 2 percent and distribute an additional $30 million at least to scholarship recipients, medical research projects, operating charities, and other charitable programs.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding.

I would like to endorse the remarks of the distinguished gentleman from New York (Mr. CONABLE) and of the distinguished committee chairman, the gentleman from Oregon (Mr. ULLMAN).

The original bill, the Tax Reform Act of 1969, levied an excessive income tax on foundations. We, and the rest of the world, recognized right away that it was too high. We should have taken steps much sooner to reduce it.

Mr. Speaker, in my judgment we would be far better advised to eliminate the 4-percent tax than to cut it in half. But, in going halfway, this bill will make an enormous improvement.

The existing law not only denies recognized charities this money which goes, instead, to the Federal Treasury, but also we have been giving foundations an incentive to earn less with their investment portfolios.

When measured in terms of how far it should go, this bill goes just halfway, but it is a huge improvement. It will allow foundations to spend about $25 million more for educational and charitable purposes.

Therefore, Mr. Speaker, I hope it will be passed.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. BURKE), a member of the committee.

Mr. BURKE of Massachusetts. Mr. Speaker, I take this opportunity to ask the chairman if he can assure this House that this will be the last reduction we make in this area, and also whether or not there are sufficient funds to insure that a very careful audit is made of these foundations. I refer to those which were brought to our attention in 1969 that were engaged in the most scandalous conditions in the Nation, using foundations as a tax haven, not doing anything for charities, exploiting the foundation's name, and using tax-exempt funds for political purposes.

These are the things we have to be guaranteed, that this 2 percent they are going to levy now, which is very small, is sufficient to see that an audit will be conducted, the type of audit we need particularly in those areas where the hanky-panky was being conducted.

Mr. ULLMAN. If the gentleman will yield, let me say to my friend from Massachusetts that this will in no way reduce the audit funds that are being used for this purpose of auditing foundations. So, it will in no way reduce that effort.

I fully concur with the gentleman that we have to avoid abuses in the foundation area that in some cases were prevalent, but this bill will have absolutely no adverse effect in that effort to audit the foundations.

Mr. BURKE of Massachusetts. I want to thank the chairman. I will go along with the reduction very reluctantly. I think the 4 percent is well justified, but I will go along with it very reluctantly.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield.

Mr. FRENZEL. Is there any other segment of our society that has to buy its audits from the IRS?

Mr. BURKE of Massachusetts. When we consider that 85 percent of the stock of the Ford Motor Co. is in the Ford Foundation, and when we consider that some of the Irving Foundation we heard about out there in Orange County, and a few of the other little tidbits that were dropped before that committee, we realize and recognize that an audit has to take place here. Nobody is trying to injure those foundations that are doing decent, charitable work.

I am interested in those groups that are not doing this, who are not disposing of their assets, who are not putting their money into charitable works. I am interested in that group that is merely set up as a tax haven to deprive this Government of the money that is due it.

Mr. FRENZEL. I thank the gentleman. If he will yield further, I do not want to belabor this point, but I do want to make the point that no other group or individual I know of in our society is put to this burden, so I do not think it is proper in this case.

Mr. CONABLE. Mr. Speaker, will the chairman yield?

Mr. ULLMAN. I yield.

Mr. CONABLE. Let me say that the individual citizens of this country are in the same category.

Mr. BURKE of Massachusetts. These people enjoy a tax privilege no other people have, and all they have to do is get $50,000 together and they can exempt themselves from all kinds of taxes.

So, as I say, I am interested in those groups that were engaged in the hanky-panky down through the years, and indeed did some of the most outrageous things to our tax system under the excuse that they were helping charities out. Those are the groups I am interested in getting, and I want to be sure that this audit takes place where it has to take place, particularly in those foundations which are open and subject to real question.

Mr. CONABLE. If I may say to the gentleman from Massachusetts, I concur exactly in what the gentleman says and in what the chairman has said, that the amount of money raised through this tax in no way impinges on the vigilance of the audit. I quite agree that our charitable sector does need some oversight, but nobody has suggested that since 1969 there has not been adequate regulation of the area. In fact, the tax is raising considerable more money than is needed to complete the audit of the private foundations.

Mr. BURKE of Massachusetts. I am glad that the gentleman joins me in my views, and I know that he does not want dishonesty to take place any more than I do. What we are after is the corrupt people, those who would corrupt the foundations and use them for their own financial desires. We are not out trying to injure charitable organizations, but we have to get after the corrupt people who take advantage of a tax under the guise that they are helping charity out.

Mr. CONABLE. Mr. Speaker, I join the gentleman from Massachusetts (Mr. BURKE) in my opposition to corruption in any form and in any field.

Mr. ULLMAN, Mr. Speaker, I yield 3 minutes to one of the authors of the bill, the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, it is not often that the House of Representatives gets an opportunity to lower taxes and make an indirect contribution to charitable causes at the same time. That, however, will be the pleasant effect of passing this bill which Mr. BURLESON of Texas, Mr. ARMSTRONG, and I originally introduced.

The Tax Reform Act of 1969 first imposed a 4-percent excise tax on the investment income of private foundations. Congress intended that this tax would pay for the costs of IRS audits of these foundations. Until 1969, these tax-exempt organizations had escaped the scrutiny of both the IRS and the Congress.

Over the years, we have found that this 4-percent tax has brought in more money than was necessary to accomplish the IRS audits. For example, in 1974, the tax brought $70 million into the Treasury, yet the cost of auditing private foundations was only $13 million.

I sincerely believe it is time to reduce the tax on private foundations. A reduction from 4 to 2 percent will bring the tax collected more in line with the amount needed to accomplish the audits. Moreover, such a reduction will return needed funds to the charitable private foundations that do so much good in our communities and States.

The reduction in revenues will be modest—$2 million in 1978, and $27 million a year thereafter. Nonetheless, this money will be well spent by the private foundations. Their work in my district alone aids countless people, and I am sure that other examples come to your minds of the fine work foundations have done in your district. I urge your support of this worthwhile bill.

Mr. ULLMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Speaker, I rise to support H.R. 112 to reduce the excise tax rate on private foundations.

As has been pointed out, it really does not make any sense at all to grant a tax exemption to an organization and then to tax it. If the organization does not deserve a tax exemption, so be it and it should be removed from the list. But a 4 percent or a 2 percent tax on its income from investments is not going to discourage an organization interested in hanky-panky.

I have had many years of experience myself with this part of our national economy and our national life and do believe that the modest tax geared to cover the costs of administering the tax and the necessary audits, and the like, is as far as we should go. There is, of course, a small loss to the Treasury but it goes to worthy purposes—charities, philanthropies, research, education, hospitals, and the like. This loss to the Treasury, which is modest, in no way would go to line the pockets of individuals, so that it does seem to me that the case for this reduction in the excise tax on private foundations is in order and comports well with the preference in this country to do things privately when we can.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I rise in support of this legislation.

Mr. CONABLE. Mr. Speaker, I have no further requests for time.

Mr. ULLMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon, (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 112, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1954 to reduce the excise tax on the investment income of private foundations from 4 percent to 2 percent."

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion on which further proceedings were postponed.

A vote will be taken on H.R. 9622.

ABOLITION OF DIVERSITY OF CITIZENSHIP JURISDICTION IN FEDERAL COURTS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 9622, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the bill H.R. 9622, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 266, nays 133, not voting 35, as follows:

[Roll No. 90]

YEAS—266

Abdnor	Corman	Hannaford
Addabbo	Cornell	Harkin
Ambro	Cotter	Harrington
Anderson, Calif.	Coughlin	Harris
	Daniel, Dan	Hawkins
Anderson, Ill.	Daniel, R. W.	Heckler
Andrews, N.C.	Danielson	Hefner
Annunzio	Davis	Hillis
Archer	Delaney	Holland
Ashley	Derrick	Hollenbeck
Aspin	Derwinski	Horton
Badham	Diggs	Howard
Bafalis	Dodd	Hubbard
Baldus	Dornan	Hughes
Barnard	Downey	Hyde
Beard, R.I.	Drinan	Ichord
Beard, Tenn.	Duncan, Oreg.	Ireland
Bellenson	Duncan, Tenn.	Jacobs
Bennett	Early	Jenkins
Bevill	Eckhardt	Johnson, Calif.
Biaggi	Edgar	Johnson, Colo.
Bingham	Edwards, Ala.	Jones, N.C.
Blanchard	Edwards, Calif.	Jordan
Boland	Eilberg	Kasten
Bonior	Emery	Kastenmeier
Bonker	English	Kemp
Brademas	Ertel	Ketchum
Brodhead	Evans, Colo.	Keys
Brooks	Evans, Del.	Kildee
Broomfield	Fary	Kindness
Brown, Calif.	Fascell	Kostmayer
Brown, Mich.	Fisher	LaFalce
Brown, Ohio	Flippo	Lagomarsino
Broyhill	Flood	Leach
Buchanan	Florio	Lederer
Burgener	Flowers	Leggett
Burke, Calif.	Foley	Lloyd, Calif.
Burke, Mass.	Ford, Mich.	Long, Md.
Burleson, Tex.	Ford, Tenn.	Lott
Burlison, Mo.	Forsythe	Lujan
Burton, John	Fountain	McClory
Burton, Phillip	Fowler	McCloskey
Butler	Fraser	McCormack
Carter	Frenzel	McDade
Cederberg	Fuqua	McEwen
Chisholm	Garcia	McHugh
Clausen, Don H.	Gaydos	McKay
	Gilman	McKinney
Clay	Ginn	Madigan
Cochran	Goldwater	Maguire
Cohen	Gradison	Mann
Collins, Ill.	Grassley	Marriott
Collins, Tex.	Green	Mazzoli
Conable	Gudger	Meeds
Conyers	Hamilton	Metcalfe
Corcoran	Hanley	Michel

Miller, Calif.	Quillen	Steed
Mineta	Rahall	Steers
Minish	Railsback	Steiger
Mitchell, Md.	Rangel	Stokes
Mitchell, N.Y.	Reuss	Stratton
Moakley	Rhodes	Studds
Moore	Richmond	Stump
Moorhead, Calif.	Rinaldo	Taylor
Moorhead, Pa.	Robinson	Thompson
Murphy, N.Y.	Rodino	Thone
Murtha	Roncalio	Traxler
Myers, John	Rooney	Treen
Myers, Michael	Rosenthal	Trible
Nedzi	Rostenkowski	Tsongas
Nichols	Roybal	Udall
Nix	Russo	Van Deerlin
Nolan	Santini	Vander Jagt
Nowak	Sawyer	Walsh
Oakar	Scheuer	Wampler
Oberstar	Schulze	Waxman
Obey	Seiberling	Weaver
Ottinger	Shipley	Whalen
Patten	Shuster	Whitehurst
Patterson	Sikes	Wiggins
Pattison	Sisk	Wilson, Bob
Perkins	Skubitz	Wolff
Pettis	Smith, Iowa	Wright
Pressler	Smith, Nebr.	Yatron
Preyer	Solarz	Young, Alaska
Price	Spellman	Young, Fla.
Pritchard	Spence	Young, Tex.
Pursell	Staggers	Zablocki
Quie	Stangeland	Zeferetti
	Stanton	

NAYS—133

Akaka	Hagedorn	Neal
Alexander	Hall	O'Brien
Allen	Hammer-schmidt	Panetta
Ammerman	Hansen	Pease
Applegate	Harsha	Pickle
Ashbrook	Heftel	Pike
AuCoin	Hightower	Poage
Baucus	Holt	Quayle
Bauman	Holtzman	Regula
Bedell	Huckaby	Risenhoover
Benjamin	Jeffords	Rogers
Blouin	Jenrette	Runnels
Boggs	Jones, Okla.	Ryan
Breaux	Jones, Tenn.	Satterfield
Breckinridge	Kazen	Schroeder
Byron	Kelly	Sebelius
Caputo	Krebs	Sharp
Carney	Latta	Simon
Carr	Lehman	Skelton
Cavanaugh	Lent	Slack
Clawson, Del	Levitas	Snyder
Cleveland	Livingston	St Germain
Coleman	Lloyd, Tenn.	Stark
Conte	Long, La.	Thornton
Cunningham	Luken	Ullman
D'Amours	Lundine	Vanik
de la Garza	McFall	Vento
Devine	Mahon	Volkmer
Dickinson	Markey	Waggonner
Dicks	Marks	Walgren
Dingell	Marlenee	Walker
Evans, Ga.	Martin	Watkins
Evans, Ind.	Mathis	Weiss
Fenwick	Mikulski	White
Fithian	Mikva	Whitley
Flynt	Milford	Whitten
Gammage	Miller, Ohio	Wilson, C. H.
Gephardt	Moffett	Wilson, Tex.
Giaimo	Moss	Winn
Gibbons	Mottl	Wirth
Glickman	Murphy, Ill.	Wydler
Gonzalez	Murphy, Pa.	Wylie
Goodling	Myers, Gary	Yates
Gore	Natcher	Young, Mo.
Guyer		

NOT VOTING—35

Andrews, N. Dak.	Edwards, Okla.	Pepper
Armstrong	Erlenborn	Roberts
Bolling	Findley	Roe
Bowen	Fish	Rose
Brinkley	Frey	Rousselot
Burke, Fla.	Krueger	Rudd
Chappell	Le Fante	Ruppe
Cornwell	McDonald	Sarasin
Crane	Mattox	Stockman
Dellums	Meyner	Symms
Dent	Mollohan	Teague
	Montgomery	Tucker

The Clerk announced the following pairs:

Mr. Teague with Mr. Krueger.
Mr. Chappell with Mr. Pepper.
Mr. Dent with Mr. Mollohan.
Mr. Le Fante with Mrs. Meyner.
Mr. Montgomery with Mr. Brinkley.
Mr. Bowen with Mr. Rose.
Mr. Tucker with Mr. Cornwell.
Mr. Mattox with Mr. Dellums.
Mr. Roberts with Mr. McDonald.
Mr. Roe with Mr. Andrews of North Dakota.
Mr. Burke of Florida with Mr. Crane.
Mr. Edwards of Oklahoma with Mr. Fish.
Mr. Rousselot with Mr. Erlenborn.
Mr. Symms with Mr. Rudd.
Mr. Ruppe with Mr. Findley.
Mr. Frey with Mr. Sarasin.

Messrs. CONTE, APPLEGATE, BAUCUS, and AKAKA changed their vote from "yea" to "nay."

Messrs. THOMPSON, OTTINGER, HAWKINS, BROYHILL, DAN DANIEL, Mrs. HECKLER, Messrs. STEIGER, ZEFERETTI, RUSSO, SKUBITZ, HYDE, and EVANS of Delaware changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3816, FEDERAL TRADE COMMISSION AMENDMENTS OF 1978

Mr. ECKHARDT. Mr. Speaker, I call up the conference report on the bill (H.R. 3816) to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease and desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes.

The Clerk read the title of the bill.

POINT OF ORDER

Mr. DERWINSKI. Mr. Speaker, I raise a point of order against the conference report.

The SPEAKER. The gentleman will state it.

Mr. DERWINSKI. Mr. Speaker, I raise a point of order against the conference report on H.R. 3816 on the ground that the conferees exceeded the bounds of conference in violation of House Rule XXVIII, clause 3.

Mr. Speaker, the Senate-approved bill, in section 107, contained language authorizing the appointment of 25 supergrade (GS–16, –17 and –18) positions for attorneys, economists, special experts, and outside counsels. Further, in that same section, the Senate bill provided that "Any appointment or removal of an employee of the Commission to or from any position in the categories GS–16, –17, and –18 may be made by the Commission without regard to any provision of title 5, United States Code, other than section 3324 thereof where applicable, governing appointments to, and removals from, positions in the competitive service * * *"

Section 3324 of title 5, United States Code, requires that an appointment to a position in GS–16, –17, or –18, may be made only on approval of the qualifications of the proposed appointee by the Civil Service Commission. There are only four exceptions to that requirement in section 3324 of title 5, none of which apply to the positions described in section 107 of H.R. 3816.

The House bill, being silent on the appointment of additional supergrade positions, contained no exception to section 3324 of supergrade positions in the FTC, and therefore continued the application of this section.

Mr. Speaker, therefore both the House and Senate bills would apply section 3324 of title 5, United States Code, to the 25 newly created supergrade positions.

The conference report, in section 2(b), authorizes the appointment of 25 supergrade positions without regard to the provisions of title 5, United States Code, thereby exempting these positions from the provisions of section 3324 of title 5.

Mr. Speaker, my point is that the Senate bill explicitly and the House bill implicitly provided for the application of section 3324 of title 5, United States Code, to supergrade positions in the FTC. Therefore, an exemption from the application of this provision of law was not in conference, and by providing an exemption, the conferees exceeded the scope of conference.

Mr. Speaker, as precedent, I cite Deschler's Procedure, chapter 33, section 15.4:

> Where one House strikes out of a bill of the other House all after the enacting clause and inserts a new text, House conferees, under clause 3 of Rule XXVIII, may not include in their report a modification of a proposition which is beyond the scope of that proposition as committed to conference. 117 Cong. Rec. 46596–602, 46779, 92d Cong. 1st Sess., Dec. 13, 14, 1971 [conference report on S. 2891], holding that where a Senate bill included a provision authorizing a 5.5% pay comparability adjustment for federal employees compensated under "statutory" pay systems, and the House amendment contained no comparable provision, House conferees exceeded their authority by including in their report language which broadened the scope of the Senate provision, by deleting the term "statutory", so as to include federal employees covered under other pay systems.

Therefore, Mr. Speaker, having cited this precedent, I make my point of order.

Mr. Speaker, I insist upon my point of order.

The SPEAKER. Does the gentleman from Texas (Mr. ECKHARDT) desire to be heard upon the point of order?

Mr. ECKHARDT. I do, Mr. Speaker.

The SPEAKER. The gentleman from Texas is recognized.

Mr. ECKHARDT. Mr. Speaker, it seems to me that the gentleman is reading from a document referring to H.R. 3816 and an amendment of the Senate of the United States, on page 16, where there is indeed reference to section 3324. We did not take that section. The section that was taken by the House and became a part of the conference is found on page 16, and it is under (c) and contains no reference to that title. The persons involved are not supergrades. They are not GS–16's but they were called upon to

be paid at that rate. Therefore there is nothing that was done in the conference that was not within the scope of the provisions of the Senate originally. Essentially we did what is always done in a conference, we arrived at a compromise agreement between the positions of the Senate and the House within the scope of the two bills.

The SPEAKER. Does the chair understand that these 25 employees in the conference report and in the Senate amendment are not civil service classified employees?

Mr. ECKHARDT. That is right.

Mr. DERWINSKI. Mr. Speaker, may I be heard further?

The SPEAKER. The gentleman from Illinois is recognized.

Mr. DERWINSKI. Mr. Speaker, with reference to the provision of the original Senate bill that the gentleman from Texas (Mr. ECKHARDT) has just referred to, I call the attention of the Chair to paragraph (c) which authorizes the Commission to assign the duties and to fix the compensation for not more than 25 attorneys. But then I call the attention of the Speaker to the following paragraph, paragraph (d), in which it states that:

> Any appointment or removal of an employee of the Commission to or from any position . . . may be made by the Commission without regard to any provision of title 5, United States Code. . . .

Paragraph (d) as I read it supersedes the language of the Senate in paragraph (c), and therefore the conferees went beyond the scope of the conference.

Mr. ECKHARDT. Mr. Speaker, may I be heard further?

The SPEAKER. The gentleman from Texas is recognized.

Mr. ECKHARDT. Mr. Speaker, I would add that paragraph (d) does not relate to the same employees as paragraph (c) does.

(c) refers to persons who are not supergrades and who are not GS–16's.

(d) says:

> Any appointment or removal of an employee of the Commission to or from any position in categories GS–16, GS–17, and GS–18, may be made by the Commission without regard to any provision of title 5, * * *

But these persons are not from any positions in categories GS–16, GS–17, and GS–18. The persons covered by paragraph (c) are no more than 25 attorneys, economists, or specialists, who are treated at a rate at the level of GS–16 but they are not and never have been GS–16's nor are they supergrades.

The SPEAKER. The Chair is ready to rule.

The question is whether the 25 professionals referred to in the Senate amendment are considered FTC employees in the positions of categories GS–16, –17, or –18, or whether they are merely paid at those rates without being in these positions. In other words, whether the employees referred to (c) on page 16 and (d) on page 16 of the Senate amendment are the same employees or are different employees.

In the opinion of the Chair the conferees have stayed within the scope of the differences committed to conference with respect to the 25 professionals dealt with in section 2(b) of the conference report.

The Senate amendment and the conference report treat those 25 professionals in an identical way as employees of the FTC who are paid at rates of pay not in excess of rates applicable to GS–18, but who are not FTC employees in any classified position in categories GS–16, –17, or –18, to whom section 3324 of title V would certainly apply under both House and Senate versions.

In the opinion of the Chair, the point of order is not well taken.

Does the gentleman from Texas ask unanimous consent that the statement be read in lieu of the report?

Mr. ECKHARDT. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of February 22, 1978.)

Mr. ECKHARDT (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. ECKHARDT) and the gentleman from North Carolina (Mr. BROYHILL) will be recognized for 30 minutes each.

The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, first I am pleased to report that the conferees sustained the House position on most of the major issues. The Senate receded to the House position on seven issues. The House receded on one provision, one that was not in the House bill, and there were three compromises. While numbers alone do not tell a complete story, I think these figures accurately reflect the fact that the House more than held its own in this conference.

I would like to discuss in some detail how the most important issues were resolved. First, the conferees sustained the House position that the section increasing the penalties for failure to comply with Federal Trade Commission subpenas and orders should apply only prospectively. The Senate amendment would have permitted a court to assess the new level of penalties against companies that continued to resist subpenas and orders issued prior to the date of enactment of this legislation. In addition, the conferees accepted Mr. BROYHILL's provision that requires a court in determining the amount of any civil penalty a person must pay for failure to comply with a subpena or order to take into account the reasonableness and good faith of any action or inaction of such person.

Second, the conferees agreed to the House provision exempting savings and loan institutions from FTC jurisdiction to the same extent as commercial banks. The Senate provision was ambiguous and might have subjected savings and loan institutions to duplicatory regulation.

Now I would like to discuss the two most important compromises. The first deals with the FTC's ability to seek equitable relief to prevent a company from wasting its assets to avoid redressing consumers for violations of the Federal Trade Commission Act. The Senate bill contained a broadly drafted provision along these lines, while a similar House provision was struck on the House floor by a division vote of 48 to 12. We took a vote on this, and the House voted to sustain its position, as did the Senate. Ultimately, however, the House agreed to a Senate compromise. I believe it is fair and answers all of the arguments raised in opposition to the original House provision.

The conferees redrafted the provision in a way that responds to the concerns expressed on the House floor. Unlike the original House section, which permitted the FTC to seek such relief when it had reason to believe that a person was about to violate the Federal Trade Commission Act, the conference substitute requires the Commission first to issue a formal complaint alleging that a person has engaged in or is engaging in unfair or deceptive acts or practices under section 5 of the Federal Trade Commission Act.

The conferees also responded to the concern that the original House provision did not contain specific standards to guide the court in determining when to grant such relief. The substitute spells out strict standards of proof that the Commission must meet in court. It must demonstrate a likelihood of ultimate success on its complaint and a likelihood of ultimate success in a subsequent redress action of proving that the violation was one which a reasonable man would have known was dishonest or fraudulent. The Commission must also show that, weighing the equities, the granting of such relief is in the public interest.

Finally, the substitute requires the Commission to satisfy the court that the person has transferred or is about to transfer assets without fair consideration or otherwise has wasted or is about to waste assets so that equitable relief is necessary to preserve assets or subsequent consumer redress action.

The substitute also addresses the question of the appropriate form of equitable relief. It states that the court shall grant the relief that imposes no greater burden on the defendant than is necessary to accomplish the preservation of the defendant's assets. This provision means that the court would look first to such remedies as accountings of how the company is spending its funds or escrow accounts to set aside the sums needed to pay redress.

Lastly, the concern was expressed that the FTC staff might threaten to seek equitable relief as a bargaining ploy to force small businesses to sign routine consent orders—even if the businesses were innocent. While the standards

enunciated in the substitute are clear and tight so this problem should not arise, the conferees stated in the statement of the managers—and I want to reemphasize here—that we expect the FTC to use restraint and that we expect the staff not to resort to equitable relief except where it is warranted by the facts. I know I speak for all the members of the committee when I say that we intend to carefully scrutinize the Commission's use of this authority in future oversight hearings to make sure that it is used only to stop the wasting of assets by dishonest or fraudulent businessmen.

I think the essential fairness of this provision is reflected in the fact that it is satisfactory to both the FTC and to the Chamber of Commerce, which withdrew its opposition to the legislation after the adoption of this compromise and said that it is "confident that the language of the section coupled with the manager's statement offer fair protection against the kind of abuse we were afraid of."

The last matter I would like to discuss is the matter of Congress' ability to oversee the rulemaking of the Commission and to overturn those rules with which it disagrees. The debate on this issue was extremely long and hard-fought on both sides. I think that my colleagues on the conference committee must recognize that although I had opposed the provision in the House, I strenuously supported it in conference. I do not mean by that support that I talked for it and got the staff or somebody to get it through to the Senate staff and say to disagree with it. I argued strongly for it and hoped it would pass.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I would like to say at this point that I was permitted through the indulgence of members of the conference to participate in the conference.

I can state that the gentleman from Texas (Mr. ECKHARDT) strenuously made the case and advocated the House position in support of the congressional veto. He effectively explained why this veto provision was most appropriate in the case of the Federal Trade Commission, as apart from any other situation.

I must say, as one who is a supporter of this position and feels that we should defeat the conference report—and I will address myself to this point later—that the chairman of the subcommittee and the manager on the part of the House certainly put forth vigorously and conscientiously the House position on this matter, and I commend him for it.

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman.

I may say that I believe the gentleman from Georgia (Mr. LEVITAS) and myself may really have convinced Senator FORD, but he was holding a number of proxies and he did not choose to vote that way.

Mr. Speaker, I urge that the House adopt the conference report.

Mr. ALLEN. Mr. Speaker, will the gentleman yield for a question for the purpose of clarification?

Mr. ECKHARDT. I will be glad to yield to the gentleman from Tennessee for a question.

Mr. ALLEN. Mr. Speaker, at the outset let me say that I voted for these amendments when the original bill was last up before the House.

I am today in receipt of a letter from Mr. George W. Koch, who is president and chief executive officer of the Grocery Manufacturers of America, Inc. The second point Mr. Koch makes—and I want to see if this is what the gentleman from Texas (Mr. ECKHARDT) addressed himself to previously—is this, and I quote:

> A section of the bill which had been deleted by the House last October by a 4–1 margin was restored by the Conference Committee after minor cosmetic changes. This unfair section allows the FTC to have a trustee appointed to run a business the Commission merely suspects of violating the law.

Is that the section to which the gentleman addressed himself?

Mr. ECKHARDT. Mr. Speaker, I do not really recognize the section by that description, but I think it is the one referred to.

Mr. ALLEN. Mr. Speaker, does the conference report contain any provision that would permit the FTC to have a trustee appointed to run a business the Commission merely suspects of violating the law?

Mr. ECKHARDT. No, it does not. Actually it would have to have reasonable likelihood of success in the first place, and and it must convince the court of that fact.

Mr. ALLEN. So the gentleman's answer is no?

Mr. ECKHARDT. The gentleman is correct.

Mr. ALLEN. Mr. Speaker, I thank the gentleman.

Mr. ECKHARDT. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma (Mr. RISENHOOVER).

Mr. RISENHOOVER. Mr. Speaker, I rise in opposition to the conference report on the FTC amendments, H.R. 3816.

As I travel across my district in Oklahoma, the cry most commonly heard is for Congress to bridle the bureaucracy.

Our most effective control would be to have review and veto over the rules and regulations which are imposed daily upon the people of this representative democracy by a bunch of faceless, nameless bureaucrats. And of all the agencies which are running amok, the Federal Trade Commission is the absolute worst example.

The latest example is a 346-page report by the staff of the FTC concerning television advertising of certain products containing sugar. Surely, this report will be followed by proposed regulations which—wisely or unwisely—will place great restraints on private enterprise. Not only will our cereal and candy companies be affected, this rule will additionally regulate and restrain the television broadcasting industry. TV already has enough troubles with the FCC—but now it is facing a new intrusion by these bureaucratic dictators.

I believe the elected Representatives of the people should review these rules and that, as Representatives, we should be able to say "no."

The people in my district and the business people of this country deserve that additional chance to talk back to the bureaucrats.

During my term in Congress, I have protested numerous rules and regulations. I do not believe the regulators listen to—or care—what any Congressman says. They follow the advice of an untouchable, insensitive staff—and the regulated have no recourse.

I strongly urge this House to reject this conference report and send it back with instructions to restore the right of congressional review and veto of FTC rules—which we approved 272 to 139 last October.

Last October, the House voted 4 to 1 to delete a part of this bill which would allow the FTC to have a trustee appointed to run a business which the Commission suspects of violating the law. That should be eliminated from this bill.

Mr. Speaker, I think that the people of this country are ready for the bridle we placed on the FTC—and which the conference committee has now removed.

I urge my colleagues to stand up strongly and state our feelings—and the views of the vast majority of Americans—on this key issue affecting one of the most dangerous agencies in Government.

Mr. ECKHARDT. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I rise in saddened opposition to this conference report and I strongly urge its defeat. I urge its defeat because the other body has once again bowled the House over.

This House overwhelmingly, by almost a 2-to-1 majority, adopted a provision which allows the elected Members of Congress—those people who suffer the inconvenience to seek election by the people—to have some say-so about the rules and regulations established by the Federal Trade Commission, to say that when the Federal Trade Commission legislates—and that is just what they do with their rules and regulations—that someone elected by somebody at some point has an opportunity to say whether it is good or bad legislative policy.

The President does not control the Federal Trade Commission. It is not an Executive agency. The commissioners are not elected by anybody. If it is anything, it is an arm of the Congress. But it seems to me that at some place in this vast rulemaking endeavor someone elected by the people ought to be able to say whether there is an appropriate or inappropriate exercise of this authority. Taking this provision out, which this House put in overwhelmingly, takes away not only from the Congress but also from the American people this opportunity of government by consent of the governed.

Let me tell the Members where the rulemaking authority of the Federal Trade Commission comes from. It comes from one section in the Federal Trade Commission Act which says that the FTC has the power to adopt rules to eliminate

unfair and deceptive trade practices. That is all it says. "Unfair and deceptive trade practices." And from that point forward, these unelected bureaucrats make law; not just little bitty rules and regulations on an issue or record before it, but it actually makes law.

The Federal Trade Commission passed a rule which said that a holder in due course of a commercial paper engages in unfair and deceptive practices.

It may be good policy to eliminate holder-in-due-course commercial paper, but the fact of the matter is that it is a legislative decision. And why should legislative decisions be turned over entirely to unelected people?

The gentleman who preceded me in the well just pointed out there is a new regulation coming forward which will prohibit advertising on television for certain foods, candy and sugar-coated cereals on programs displayed for children. That may be a totally wise decision or it may be unwise. But it is a legislative policy devision, and why should not elected officials make that type of legislative decision?

I do not think it could be stated much better by me than the words of the distinguished gentleman from Texas, in advocating the House position, as manager on the part of the House, when the gentleman from Texas (Mr. ECKHARDT) said in the conference that the Federal Trade Commission "in making the rule is making what is essentially a statute."

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Speaker, on that point I must say that I was speaking there as the lawyer for the House and not necessarily in my own capacity.

Mr. LEVITAS. The gentleman from Texas spoke so convincingly and with such fervor from his heart that I knew he was speaking not only for the House but, with the eloquence which he possesses, for himself.

In any event, as advocate or as member, the point is that the Commission is making what is essentially a statute. Under our Constitution, who should pass statutes? Elected officials.

Is it too much to ask, is it too much to do to assume the responsibility of making these ultimate legislative decisions?

Some people say that Congress does not have the time to deal with it, that we have too much work. The fact of the matter is that the Federal Trade Commission has only made rules of this sort in a very few instances, and it is not likely to come out with the outpouring that some of the agencies do; but when they come out with a rule, it covers an entire industry; it covers an entire segment of the American public.

Why should we deny the American people, who elect us to this body, the opportunity to have some say about their lives?

Mr. BROYHILL. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, I rise in opposition to the conference report on H.R. 3816 and urge the Members of the House to vote against it. There are a number of reasons why this conference report should not be approved.

H.R. 3816, as it passed the House, contained a provision which provided for congressional review and possible veto of FTC trade regulation rules. This provision passed the House by a vote of 272 to 139. In spite of this overwhelming vote on the House floor, the congressional veto provision was dropped in conference in favor of a provision which would merely require the FTC to forward to Congress a copy of any final rule, along with certain explanatory materials when that rule is published in the Federal Register. The effective date of the rule would then be delayed 30 days, presumably so that interested members could read the rule and accompanying materials.

Frankly, I do not believe that the conference substitute addresses the concerns of the Members of the House who voted in favor of a congressional veto provision. The FTC has very broad authorities to prohibit conduct which is "unfair or deceptive." Under this broad language, the FTC can regulate virtually every aspect of America's commercial life. Indeed, even today the Commission is meeting to determine whether it will propose a trade regulation rule banning certain kinds of advertising aimed at children. Regardless of where you come out on the question of children's advertising, you have to agree that the issue raises important policy questions—indeed even the question of free speech—which Congress should address. The FTC's rules are not merely narrow interpretations of a tightly drawn statute; instead, they are broad policy pronouncements which Congress has an obligation to study and review. The congressional veto provision would have provided us with a mechanism to use to more closely scrutinize the rulemaking authorities exercised by the Federal Trade Commission. Time after time the House has voted on this provision, only to have it knocked out in conference. Frankly, Mr. Speaker, I believe that it is time that we quit caving in to the Senate on this provision. A congressional veto provision to the Federal Trade Commission Act is both desirable and appropriate.

By a 4-to-1 margin, the House also approved an amendment offered by my colleague from Virginia (Mr. BUTLER) deleting a provision authorizing the FTC to go to court to seek equitable relief whenever the FTC felt that a company was violating the FTC Act. A somewhat similar provision was included in the conference substitute. This provision is aimed at preventing a company from dissipating its assets in order to guarantee that the company has assets available to provide consumer redress at the end of a proceeding.

However, the FTC would be able to get the court to impose this relief before there had even been a finding that a violation had indeed taken place. It should be remembered that the FTC does have the authority right now to stop the practice, so to that extent consumers would be protected. However, this additional authority—that is, the authority to go to court to tie up the assets of a company—is clearly without precedent and, consequently, the majority of the House rejected it. Unfortunately, the provision has somehow found its way back into the final conference report.

Finally, the conferees agreed to a Senate provision giving the FTC 25 additional positions at the GS–16 to GS–18 level. These positions are to be used to employ attorneys, economists, special experts, and outside counsel and are to be made without regard to the provisions of the United States Code dealing with the competitive service and the Civil Service Commission requirements. At the present time, the FTC has 42 supergrades of which 13 are administrative law judges.

Consequently, it has 29 supergrade positions which are used for supervisory duties. The provision in the conference report giving the Commission 25 additional supergrades represents an almost 100 percent increase over the number that the Commission now has. I understand that the President will soon be sending to Congress a plan to completely revise Civil Service Commission employee and personnel practices. It seems to me that the FTC could wait until the appropriate legislative committee has a chance to consider this reform legislation rather than proceeding in a piecemeal, ad hoc basis, such as we have here in the conference report on H.R. 3816.

These are some of the problems in the conference report on the bill. Frankly, there is very little in the bill which merits enactment. You have heard the subcommittee chairman (Mr. ECKHARDT) describe what is contained in the legislation. Simply stated, the bill would substantially enhance the Commission's information gathering abilities by cutting down on the opportunities for a person to challenge an FTC subpena. Further, it would give the FTC more freedom in determining where it will bring its suits to enforce its subpenas and orders. Indeed, it would allow the Commission to engage in a degree of forum shopping, while cutting down on the numbers of forums available to a company respondent. In my view, little will be lost if these provisions are not enacted into law.

Finally, the bill does contain the agency's authorizations for not only fiscal years 1977 and 1978, but also for fiscal years 1979 and 1980. Since these authorizations must be reported from committee by May 15, there is plenty of time if you vote down this conference report for us to reauthorize the agency and get that authorization out of committee within the statutory deadline.

Consequently, I urge all my colleagues to vote against the conference report on H.R. 3816.

Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, I rise in opposition to the conference report. I

was kind of a bobtailed conferee in that I was appointed as a conferee for consideration of one section only. That was the section in the Senate bill, the deletion of which I had supported on the floor of the House, so I was there to represent the House position. Quite frankly, I came back a total loser, and I am really disappointed, because I think this is pretty basic to what we are about here in this legislation.

I do not think that the conference report reflects the House view at all, and therefore I think it should be rejected. I am referring to the equitable relief provision. Last October, by a vote of 4 to 1, the House adopted an amendment to the bill deleting the equitable relief section from the House bill. Now, the conference report has stuck it back in notwithstanding the fact that we thought there was a compromise. The new equitable relief section is really no compromise at all.

Regardless of how the FTC goes about getting a receiver appointed over a business, that business is irreparably harmed. That is what we are talking about. We are giving the power to libel and slander a small business to the FTC. That is exactly what happens. Their reputation is irreparably harmed, and their ability to carry on business is curtailed.

The thing that concerns me as to what happens under this legislation is that when the Commission issues a complaint alleging that a person or business does engage in deceptive acts, the Commission can by majority vote state its reason to believe that such person is about to waste the assets of that business, and that consumers are going to suffer.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I yield.

Mr. ECKHARDT. Is the gentleman not reading the original language wherein we did say, "about to engage"? I do not believe the words "about to engage" ever came out in the final language.

Mr. BUTLER. The gentleman is correct. I meant to say, "is engaged" or "is engaged in unfair or deceptive acts." If I stated that, that would be inaccurate. But, I think the principle is the same, that the receiver can be appointed for a business on the belief of the Federal Trade Commission that it is about to transfer or waste its assets.

Mr. ECKHARDT. Will the gentleman yield again?

Mr. BUTLER. Certainly.

Mr. ECKHARDT. Actually, though, that only triggers the action in court. The court must find that that is true, must it not?

Mr. BUTLER. The gentleman is exactly correct, but that is the point I wish to make. The petition for the appointment of a receiver is the triggering device which slanders the small businessman, who is going to be the victim of the Federal Trade Commission's zeal, and that is the point which concerns me. It is the potential for the use of this power by the Federal Trade Commission against the small businessman which is frightening for me and frightens the conferees.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I will yield to the gentleman from Texas (Mr. ECKHARDT) if I have the time to do so later. But now I wish to quote from the gentleman from Texas (Mr. ECKHARDT) about what the gentleman said concerning this:

> The conferees believe that the substitute provides a balanced approach, but the conferees want to give further peace of mind to the genuinely concerned small business people. Their fear is not only that equitable relief might be gained improvidently, but also that hints of equitable relief might be used as a bargaining ploy in negotiating routine consent orders. Small business people have expressed the fear that they might be confronted with a Hobson's choice of either signing a consent order or defending an equitable relief case in court. They fear—

And I am quoting from the conference report:

> They fear that in such a situation, those with limited resources would have no choice but to sign the consent order—even when they were innocent.

What comfort—and I repeat—what comfort do we get from the conference report? Here, let me read it for you:

> The conferees certainly do not intend for such situations to arise.

That is comfortable.

> The conferees certainly do not intend for such situations to arise. The substitute is not designed to give the Commission an unfair tactical advantage in consent negotiations.

This is from the majority on the conference.

> Nevertheless, the possibility exists that some few overzealous staff people may be tempted to suggest equitable relief as a negotiating device, even when they know it would not be proper.

That is what the conferees admit, an overzealous staff, a few overzealous staff people.

Are there a "few overzealous staff people" in the Federal Trade Commission? I am surprised at that, because there are millions of them, millions of them.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BROYHILL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Virginia.

Mr. BUTLER. Mr. Speaker, I thank the gentleman for yielding me this additional time, because I have just gotten to the clincher here.

Let me continue, Mr. Speaker:

> The conferees intend to carefully scrutinize—

Here is the comfort for the small businessman. Do not worry about "overzealous staff" because—

> The conferees intend to carefully scrutinize the Commission's use of this power in future oversight hearings to make sure that it is used only to stop the wasting of assets by dishonest or fraudulent businessmen—

The oversight power of people who handled this bill are going to be there to protect the small businessman from the "few overzealous staff."

Let me tell you about "overzealous staffs," because I read in the Washington Post about this.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. No, I decline to yield to the gentleman at this time.

Let me tell you about the "overzealous staff," because in the Washington Post of Sunday, February 19, we had a beautiful profile of this new Chairman of the Federal Trade Commission. Here is what our new chairman said when he was appointed:

> He promised to bring test cases to push to the "outer limits" the ability of current laws to stop the increasing concentration of economic power.

That is, the Federal Trade Commission is going to go out and push to the outer limits the legislation. And yet we in this conference report give them an opportunity for a "few overzealous staff" to get carried away in destroying small businessmen by the FTC by the appointment of a receiver, then we are going too far.

Mr. Speaker, I urge us to reject the conference report.

Mr. BROYHILL. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, I never expect a conference report to reflect fully my personal point of view because it is a time for compromise, but I will tell the Members that this compromise, struck by our conferees, is so repugnant to me that I must urge all of my colleagues to vote against it.

Let me refresh the memory of my colleagues about the controversy we had in this Chamber several months ago when the issue was before us. You will recall that the big issue then was on sections 6 and 7 and primarily on section 7, because it authorized the appointment of a receiver. Do you remember that? After hearing extensive debate as to the points of view of the various Members, this body elected to strike that entire section. Well, we find it back in the conference report, albeit in a modified form.

The Members should understand that the power to appoint a receiver is in the bill. The conferees finessed the issue somewhat by not using the word "receiver," but instead used the words "equitable relief," which, of course, includes the appointment of a receiver.

Admittedly the power to appoint a receiver or to grant other equitable relief is somewhat narrower in the bill, requiring a certain showing to be made but, nevertheless, that power remains.

Mr. Speaker, the process which this bill contemplates is not good policy and should be rejected out of hand. Let me describe the process very briefly within the time allotted. This process begins, Mr. Speaker, by the FTC's filing a complaint—not with the court but filing a complaint before itself—alleging that a certain business entity has committed an unfair practice, a deceptive practice. Quite understandably that is going to be controverted by the business entity. It

is not an established fact merely by reason of the FTC's having alleged it to be so. It is anticipated that hearings would normally follow and perhaps last for as long as 2 years while the facts are being developed as to whether or not that deceptive practice in fact occurred. This bill authorizes the FTC one moment after filing the complaint before itself to go into court seeking equitable relief if it is able to demonstrate to the court that the assets of the target company are apt to be wasted. The issue of whether or not the company has done anything wrong is not before the court. That is going to be litigated before the FTC and may take an awfully long time to resolve. If the court is persuaded that its equitable powers should be invoked, the company about which no misconduct has yet been proven is subject to supervision by the court to prevent the disposition of its assets until such time as the FTC proceeding is brought to a conclusion, perhaps as long as 2 years, as the report indicates.

Mr. Speaker, that process is unfair. I recognize that certain ancillary relief as a part of an ongoing lawsuit invoking the equity powers of the court is not unheard of, but it is granted in extraordinary cases, and the court is quite careful to see that the defendant is protected by requiring in many cases the posting of a bond so as not to work an injustice against the defendant. Those kinds of limitations are not in the bill. This is a surrender, in my view, of the House position on section 7, the most hotly controverted section of the entire bill, and should be rejected.

Let me speak now just briefly, and then I shall yield, about the kind of limitations which the conferees agreed to. The first limitation was that the FTC could not go into court in advance of its own complaint—and I concede that that is a narrowing of the original bill but it is more symbolic than real. The FTC can go in one moment after filing of its complaint, and I suspect that it will, because it maximizes its leverage against the company to do that.

The second limitation is that it must make a certain showing of probable success. If that is going to be meaningful, Mr. Speaker, then the court is going to have to litigate the merits of the lawsuit in connection with the equitable proceeding. How else could probable success be determined without going through a full development of the facts?

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. Or course, I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Is it not true that in every extension of equitable relief the court must consider initially whether there is a likelihood of success? And why does the gentleman feel that the court would grant the relief when the agency has the procedure within its own hands improperly, when he does not feel that the court would extend the relief improperly if the matter were before the court?

Mr. WIGGINS. When the issue is before the court, we have an ongoing piece of litigation that is going to come to trial before that court. The issues are resolved by the court. Here the court merely looks at another proceeding before the FTC, makes a decision, turns it over to the FTC then to litigate for I do not know how long. It does not continue before the court and under its supervision, and that is an important distinction.

Mr. BROYHILL. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I thank the gentleman from North Carolina for yielding.

First of all, I would like to recall that I voted for final passage on this bill which passed the House several months ago. I supported many of its provisions, so it is not a matter of just obstinacy; rather, it is a matter of great and deep conviction that the actions taken in conference have grievously wronged the positions taken by the House and has resulted in legislation which is not in the best interests of the American people.

It is also a matter of history when there was a request made to appoint conferees, a movement was underfoot for the House to instruct the conferees to insist upon the House position on the matter of congressional or legislative veto. That motion was not pressed, even though the House had by a 2 to 1 majority adopted the provision on the assurance that those people speaking on behalf of the House would vigorously put forth the House position. I can state that in the conference the House position was stated vigorously but the only problem was when it came to a vote the House position was not adopted.

Now, what did transpire? Instead of giving the Members of the U.S. Congress, elected by the people, an opportunity to say "no" to rules and laws passed by unelected bureaucrats, a provision was put in that says that these rules will lie before the Congress for 30 days and reports will be submitted to the jurisdictional committees.

Then what happens? What happens is absolutely nothing. It is like posting someone on a guardpost and not giving him any bullets for his gun. That is not going to give us very much security. All you can do is wave at the burglars as they rob your house. That is precisely what this provision has done. It has taken the teeth out of something that is absolutely essential.

Mr. Speaker, I regret that my colleague, the gentleman from Texas (Mr. KRUEGER) is not here today, because I understand the gentleman was most anxious to speak in opposition to this report.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I am aware of the position of the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, the gentleman remembers that we postponed the conference so the gentleman from Texas (Mr. KRUEGER) could get back.

Mr. LEVITAS. I am aware of the postponement agreement. I am also aware that in recent weeks bills have been postponed for other Members when for unavoidable reasons they could not be here; but I do not think that gets to the heart of what is concerned.

This is an opportunity and this is the only opportunity in which the House will have a chance to say to the other body that we are speaking for the American people. They are sick and tired of having unelected bureaucrats make laws for them.

I think there is no agency in the entire Government which is more needing and more deserving of having a congressional veto than the Federal Trade Commission, because with the broad mandate it has and the broad rulemaking power, the broad legislative power it has exercised to this date, we as Congressmen, as elected officials, have abrogated our responsibility.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Speaker, would the gentleman agree that this will be the only chance to add an amendment like this to the Federal Trade Act, because we are authorizing appropriations up through 1981.

Mr. LEVITAS. Mr. Speaker, the gentleman is absolutely correct.

Mr. BROYHILL. Mr. Speaker, if the gentleman will yield further, in other words, there is not going to be any chance of having a review of what the agency is doing for several years.

Mr. LEVITAS. Mr. Speaker, the gentleman is absolutely correct, and the time is here.

I believe the gentleman from Texas is correct in saying that he came very close to persuading the conferees on the part of the Senate of the appropriateness of my position. I am absolutely convinced that if we reject this conference report today and it goes back to conference, the House will prevail and the American people will be well served.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I understand that the gentleman has before the caucus a recommendation that would call for reporting legislation that would apply this veto process both to the Federal Trade Commission and other agencies. So certainly this could conceivably be done, whether this conference report is agreed to or not.

Mr. LEVITAS. Mr. Speaker, I can only speak for the gentleman from Georgia in that regard. I will say that regardless of what happens with other legislation, there is no more appropriate agency exercising legislative policy than the Federal Trade Commission, and I think the conference report should be defeated.

Mr. Speaker, I urge its defeat.

Mr. BROYHILL. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, section 7 of this legislation was much improved by the House when the bill was before us in October of last year. Unfortunately, section 7 was revised in conference with the Senate to include provisions with which the business community has strenuous objections.

The current language in the conference report proposes to place a respondent company (accused of violating section 5 of the Federal Trade Commission Act) in a bankrupt situation based upon mere suspicion by the FTC and certainly without a full exploration of the facts. The filing alone of an equity action in court against a small business will result in several consequences adverse to that business which I do not believe any of us want to contemplate. For example, such filing will substantially harm the reputation of the target business, it probably will foreclose the active carrying on of the business on a day-to-day basis, and private property effectively will be taken before a full investigation of the allegations and before due process is allowed to work to protect the parties involved.

All of these consequences will tip the scales of justice in favor of the FTC. A small businessman faced with the power of the Federal Government and the threat of receivership will be a push-over for a consent agreement with the FTC. What individual would not collapse under the weight of such pressure in order to preserve his business?

Mr. Speaker, I urge that we proceed to recommit H.R. 3816 to the conference committee with instructions to modify section 7 in line with the language adopted by the House when the bill was first introduced.

Mr. BROYHILL. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Speaker, I have listened with great interest to the discussion that has taken place thus far, and I must say that despite some of the deficiencies in this legislation, I shall vote for the conference report.

I admit there are deficiencies, there are flaws, and there are problems with the bill. I voted, for example, as a conferee for the amendment providing for a congressional procedural review and a veto of FTC rules. However, the proponent of that amendment admitted during the conference that he did not know exactly whether or not the veto procedure would be workable.

I also have to confess that I was very much opposed to the legislation when it was first drafted, particularly the part on consumer class-action suits. However, that provision has been deleted, and other objectionable provisions have in my view been sufficiently modified to be acceptable.

While I believe the final version has some flaws and is less than perfect, I know as a conferee that it is the result of reasonable compromise, and I believe it is deserving of our support.

I have the greatest respect for my colleague, the gentleman from North Carolina (Mr. BROYHILL), and for the gentleman from California (Mr. WIGGINS), but we have to recognize that even the section on equitable relief, which I opposed, now contains in the substitute clear standards—standards that make it plain just what conduct can be reached under this provision.

Of the 11 major issues that we considered in the conference, the Senate receded on 7 and the House on 1, and there were 3 compromises. So, while the bill itself has some deficiencies, overall it is far different and far more acceptable to business than the original bill.

We hear all this great concern today about the small businessman. I am concerned about the small businessman as any other Member in this Chamber, but, quite frankly, as the Representative of a district with a multitude of small businessmen, I have not received one letter, one communication, one notification, or one phone call from any small businessman opposing this legislation. The fact of the matter is that the only call that I received was from the U.S. Chamber of Commerce, and they told me that they did not oppose the bill.

Mr. Speaker, while I certainly cannot say that I agree with everything in this conference report and although it is not the House bill as we passed it, I think we came out of that conference with a good bill, an acceptable compromise, and it is one that I intend to support.

Mr. ECKHARDT. Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, I thank the chairman of the subcommittee, the gentleman from Texas (Mr. ECKHARDT), for yielding this time to me.

I will be very brief. I was not able to attend the conference meetings; due to other obligations, not the least of which was chairing the conference committee on the energy bill. I had hoped to so attend, but the gentleman from Texas (Mr. ECKHARDT) handled the conference in my absence, and I am sure that he did the very best he could to uphold the position of the House. The gentleman from Georgia (Mr. LEVITAS) said he was there, and he acknowledges that the gentleman from Texas (Mr. ECKHARDT) did his very best. I am sure that he did, because he had given us his promise that he would.

I do not often disagree with my colleague, the gentleman from Georgia (Mr. LEVITAS). I can say that he and I see together on most issues that affect the Nation and the people of this country. I would say, too, that I respect the views of the gentleman from California (Mr. WIGGINS) and certainly those of the gentleman from North Carolina (Mr. BROYHILL), with whom I serve on the Committee on Interstate and Foreign Commerce. I also want to acknowledge the work of the gentleman from Virginia (Mr. BUTLER) concerning his amendment to the bill which we passed when it came before the House. He was present in the conference to defend his position.

We saw to it that the gentleman would be eligible to be there, and also that the gentleman from Texas (Mr. KRUEGER) would be eligible to attend the conference and take part in the discussion on the issues for which he had responsibility.

I would just like to say that when it came out of the subcommittee it came out by a voice vote, and when it came out of the full committee it came out by a voice vote. It passed this House 279 to 131. I might say that it passed the Senate 90 to 0. The conference report has passed in the Senate on a voice vote, this very conference report we are taking up now.

The conference report states that the FTC must give the Congress 30 days' notice on any trial rule before they put it into operation, must send that rule to the Congress, to let us know what the import is, and have us review it and make our judgment on it. They usually do not send final rules up for 60 or 90 days or sometimes 6 months afterward, if at all. But the Commission is compelled under this conference report to send it up within 30 days, to give 30 days before it is put into operation, so that the Congress can have a look at it and, if it wants, it can voice its opposition or even pass a resolution against it or pass a law against it. I think this can be done very easily.

Mr. Speaker, I would just say this: The U.S. Chamber of Commerce, as I understand it, has withdrawn its objection to the bill. All the consumer organizations in this land—that represents you and I and every American—are for this bill. That reaches into every region of this country and into every Member's congressional district.

There are some who are against this conference report, I know. I have received some letters against it, too. But I wonder sometimes why. The FTC has been set up by the Congress, to represent the Congress of the United States as an independent regulatory agency in seeing that fair play is done in the marketplace for the people of this Nation, the consumers. And for so long it did not actively do its job; and I think that since it has begun to be active today in trying to do a better job, opposition has been generated.

In the fact of bringing a case, it is said the staff is overzealous. I wish to remind my colleagues that decisions have to go to the Commission, and the Commission by a majority vote, has to say that something is wrong, and it deserves some more attention. And then it has to go to the court has to say to them that they can go ahead and proceed. So there is protection. The opposition to this conference report would lead you to believe that all you have to do is to have some staff member say something, and that is it. That is not true. If the Members read the report, the staff members have to bring it to the Commission.

Will the gentleman from North Carolina agree with me on that?

Mr. BROYHILL. If the gentleman will yield, the problem is—and it has been called to my attention in an article in today's paper—where an overzealous Shade Commission attempted to try to prove a point and a fine company has been forced to pay $2 million of stockholders' money to defend themselves, and

then they dropped the case and said there was nothing wrong.

Mr. STAGGERS. I say to the gentleman that the gentleman did not quote the news where they are trying to get away with funds, transferring assets from one organization to another, so that the consumer does not have any recourse to recover his losses by stopping that. The ordinary person needs somebody like you and I—that is what we were sent here for—to protect the people of this Nation. And we do have an oversight over the Federal Trade Commission.

I believe it is a good bill. I know it has some imperfections in it. It is not a perfect bill. We have not written a perfect bill yet here in Congress. But we do have oversight and we do have the authority to review actions under his bill. I hope the House will pass the conference report and give it a chance to work. We do have a review of this rule, as I said. We do have the last say here, and we will have a chance to rectify anything that might be wrong.

Mr. ALLEN. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Tennessee.

Mr. ALLEN. Mr. Speaker, I understand that the way the bill now comes out of conference, the United States Chamber of Commerce is for the bill or, at least, is not opposed to it; is that correct?

Mr. STAGGERS. That is my understanding. I believe that the gentleman from New Jersey has said that they have withdrawn their opposition, and I have it here that they have withdrawn their opposition. I do not say that they support it; I say that they have withdrawn their opposition. Furthermore, every consumer group I know of in America is for the bill.

Mr. ALLEN. Mr. Speaker, I thank the gentleman.

Mr. STAGGERS. Yes, indeed.

Mr. BROYHILL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the statement has been made that the Chamber of Commerce may support this bill. I have no knowledge that they are supporting this bill. It has not been brought to my attention; and many, many business and commercial groups are very concerned about the bill.

They are also concerned that we have dropped this congressional veto amendment which was supported by many, many people.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, on the last point, I agree with the gentleman that the provision should have been kept, if at all possible. In conference I fought as hard as I could to keep the provision in the bill.

However, one goes to conference to get the best that could be done in that forum. understand that even the gentleman from Georgia admitted that that was the best that could be done in that forum.

On the other point with respect to the Chamber of Commerce, I only understood that the statement was that they had withdrawn their opposition. I did not say that they were supporting the bill in any way.

Mr. BROYHILL. I am not really sure what their position is.

The bottom line is that those of us who have been supporting this amendment so long would like to see the Congress retain some control to review and to direct the activities of these agencies downtown.

We are tired of passing these amendments here and sending them over to the other body and having them strip the amendments, after which the bill comes back with nothing.

Mr. Speaker, I think it is high time that we stand up and send this bill back and tell them where we stand on this important issue.

Mr. ECKHARDT. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the gentleman one question. One point still remains unclear in my mind with respect to this legislation.

Does the section providing for venue, for the enforcement of subpenas and orders, change existing law with respect to that venue?

Mr. ECKHARDT. No. The section simply brings enforcement of orders, other than cease-and-desist orders, in line with existing law for the enforcement of subpenas

Mr. RINALDO. Mr. Speaker, I thank the gentleman.

Mr. ECKHARDT. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, we had to strike a balance with respect to the question that was brought up concerning equitable relief.

We drew that balance, taking into account the Glenn Turner case. It is certainly true that small defendants should not be sued needlessly, but we must also consider the kind of case that the Glenn Turner case was. It took 3½ years for the FTC to handle the case administratively. During that time assets in several foreign companies were sold for a fraction of their value; and a subsidiary of Turner owned by his wife was paid $60,000 a week in consulting fees and then the subsidiary was sold for very little to Turner's brother.

Needless to say, by the time the administrative procedure was over, Turner had dissipated or hidden all his assets; and there was nothing left to recover.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield? I will be glad to yield part of my time to him if he will yield to me at this point.

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Speaker, would the gentleman not agree that at the time of which he speaks, the Federal Trade Commission had no injunctive relief authority, and that that authority was given to them in the Alaska Pipeline Act and that they have the power to go into court and seek injunctive relief at this time?

Mr. ECKHART. They do not have an opportunity to go into court and protect the assets at this time before the matter is before the court.

Mr. Speaker, the other case was the recent case of Lloyd Carr & Co. While it did not involve the FTC, it provides another example of the need to get to court quickly. In the Carr case it was alleged that the fictitious Mr. Carr diverted some $3 million of company funds to personal accounts in Canada and the Bahamas.

Fortunately, the Commodities Futures Trading Commission was able to get into a district court and get a temporary receiver appointed to look into those allegations.

Now, we are being attacked for having come to a conclusion, a compromise conclusion, that caused the U.S. Chamber of Commerce to change its position from opposition to the whole bill to a neutral position. Clearly, we must have satisfied them with respect to the considerations there involved. But, we are attacked here for having put in the report that we expect the Commission to use its power sparingly.

Now, with respect to the question of legislative veto: Sure, I defended that position strongly, as the gentleman from Georgia said. I almost convinced myself, while acting somewhat as the attorney for the House on the conference committee, and in the specific circumstances a good case could be made for that amendment. I do not want to see the whole Federal Trade Commission bill come down over that one issue, and we Members should not take the position here that if we do not get our pet provisions passed on every bill, that the bill must then be defeated.

The distinguished gentleman from Georgia was most persuasive on the conference committee. Although he was not actually a member, but was permitted to debate the issue just as if he were a member of the conference. He is going to have the opportunity to try to convince the Democrats in this body in their caucus at their next meeting that this procedure should apply to all legislation. Perhaps that is the best way to get at it, or perhaps it is best to do it on specific legislation. We tried. We were unsuccessful. Had we been successful, according to the Senate, the President would have vetoed the bill. Now, I am not a person who easily bows to the threat of Presidential veto, and therefore I sought to get that amendment on the bill anyway.

But I do not think we should take such a stubborn position in this body as to say that the conference report goes down and must go back to conference unless the Senate agrees. At that point, we invite a veto, and we invite a rigid position on the part of the Senate.

Mr. METCALFE. Mr. Speaker, I rise in support of the conference report on H.R. 3816, the Federal Trade Commission Amendments of 1977.

As a member of the Consumer Protection and Finance Subcommittee which reported out the original bill and as a member of the House conference committee, I believe that this conference report strikes a fair balance between the

original House position and the position of the Senate.

I think that the conference report furthers the general legislative objectives of the Federal Trade Commission. I am certain that the Consumer Protection Subcommittee will continue to discharge its oversight responsibilities to make certain that the Commission adheres to the statutory intent as expressed in the conference report.

Mr. Speaker, I urge adoption of the conference report by the House.

Mr. DERWINSKI. Mr. Speaker, there are enough objectionable features in this conference report to keep us debating for the entire day, so I will target my remarks to just one provision which is especially onerous to me.

I refer to that section of the conference report which authorizes the appointment of 25 additional supergrade attorneys, experts, and counsels without regard to any provisions of civil service law regarding appointments in the competitive service, or without regard to civil service laws governing classification or rates of pay. The only restriction the conference report places on these jobs, if it can be called a restriction, is that the appointees may not be paid more than a GS–18, which is $47,500, but that they cannot be paid less than a GS–16, which is $42,423.

Mr. Speaker, as the ranking Republican on the Committee on Post Office and Civil Service, I must protest this incursion into the jurisdiction of our committee, which has responsibility for the executive manpower requirements of the Federal service as well as jurisdiction over pay and classification of jobs.

Special allocation of supergrade positions to special agencies is disruptive to the entire Federal service and places an intolerable burden on our committee and a temptation for other legislative committees to dispense special favors to governmental departments.

The basic civil service law provides a pool of supergrade positions, currently numbering 2,754, under the control of the Civil Service Commission for allocation to those agencies with a proven need for these top-level jobs. The Commission has the responsibility to judge the qualification of prospective appointees and to classify each supergrade position in its proper level. This is the practical and responsible way to manage the executive manpower in the Federal service.

This conference report disregards entirely this standard procedure and carves out a special and select category of jobs for the Federal Trade Commission.

It is wrong and it is unjustified. The unrestrained appointment authority for these 25 supergrade positions in the FTC invites favoritism and abuse. And it further fosters discontent from other agencies which do not get a slice of this juicy supergrade pie.

Mr. Speaker, I bring this matter to the attention of the House as just one facet of this conference report that deserves rejection.

Mr. FRENZEL. Mr. Speaker, when H.R. 3816, The Federal Trade Commission Amendments of 1978, passed the House, I voted against it.

Since it has come back from the Senate with the Levitas amendment removed, it has become much worse. That amendment passed the House 2 to 1 and provided for a congressional veto of FTC regulations. Our conferees yielded to the Senate on this.

The Butler amendment passed the House by an even greater margin. It deleted a feature which allows the FTC to appoint a trustee to run a business which FTC merely "suspects" in violating the Federal Trade Act. The House conferees also surrendered this amendment to the Senate.

Finally, our conferees yielded to a Senate amendment for 25 more supergrade positions, more lawyers and accountants and economists who can be appointed outside the merit restrictions of the Civil Service statutes.

A bad bill has been made worse. I urge that it be defeated.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ECKHARDT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 146, nays 255, not voting 33, as follows:

[Roll No. 91]

YEAS—146

Addabbo	Evans, Colo.	Mitchell, Md.
Akaka	Fary	Moakley
Allen	Fascell	Moffett
Ammerman	Fisher	Moorhead, Pa.
Annunzio	Flood	Moss
Ashley	Foley	Mottl
Aspin	Ford, Mich.	Murphy, Ill.
Baldus	Ford, Tenn.	Murphy, N.Y.
Beard, R.I.	Fraser	Myers, Gary
Bedell	Garcia	Nix
Beilenson	Gibbons	Nolan
Bingham	Gonzalez	Nowak
Blouin	Gore	Oakar
Bolling	Green	Obey
Bonior	Harrington	Ottinger
Brademas	Harris	Panetta
Brodhead	Hawkins	Patten
Brooks	Holtzman	Pattison
Brown, Calif.	Howard	Pease
Burke, Calif.	Johnson, Calif.	Perkins
Burlison, Mo.	Jordan	Pike
Burton, John	Kastenmeier	Price
Burton, Phillip	Kildee	Rangel
Carney	Kostmayer	Reuss
Carr	LaFalce	Richmond
Chisholm	Lederer	Rinaldo
Clay	Leggett	Rodino
Collins, Ill.	Lehman	Rogers
Conyers	Lloyd, Calif.	Roncalio
Corman	Long, Md.	Rooney
Cornell	Luken	Rosenthal
Cotter	Lundine	Rostenkowski
Danielson	McFall	Roybal
Delaney	McHugh	Scheuer
Dicks	Maguire	Seiberling
Diggs	Markey	Sharp
Dingell	Meeds	Shipley
Downey	Metcalfe	Simon
Drinan	Meyner	Slack
Eckhardt	Mikulski	Smith, Iowa
Edgar	Mikva	Solarz
Edwards, Calif.	Miller, Calif.	St Germain
Eilberg	Minish	Staggers
Stark	Udall	Weiss
Stokes	Van Deerlin	Wirth
Studds	Vanik	Wright
Thompson	Vento	Yates
Traxler	Waxman	Zablocki
Tsongas	Weaver	

NAYS—255

Abdnor	Gammage	Murtha
Alexander	Gaydos	Myers, John
Ambro	Gephardt	Myers, Michael
Anderson, Calif.	Giaimo	Natcher
	Gilman	Neal
Anderson, Ill.	Ginn	Nedzi
Andrews, N.C.	Glickman	Nichols
Applegate	Goodling	O'Brien
Archer	Gradison	Oberstar
Ashbrook	Grassley	Patterson
AuCoin	Gudger	Pettis
Badham	Guyer	Pickle
Bafalis	Hall	Poage
Barnard	Hamilton	Pressler
Baucus	Hammer-schmidt	Preyer
Bauman		Pritchard
Beard, Tenn.	Hanley	Pursell
Benjamin	Hannaford	Quayle
Bennett	Hansen	Quie
Bevill	Harkin	Quillen
Biaggi	Harsha	Rahall
Blanchard	Heckler	Railsback
Boggs	Hefner	Regula
Boland	Heftel	Rhodes
Bonker	Hightower	Risenhoover
Breaux	Hillis	Robinson
Breckinridge	Holland	Runnels
Broomfield	Hollenbeck	Ruppe
Brown, Mich.	Holt	Russo
Brown, Ohio	Horton	Ryan
Broyhill	Hubbard	Santini
Buchanan	Huckaby	Satterfield
Burgener	Hughes	Sawyer
Burke, Mass.	Hyde	Schroeder
Burleson, Tex.	Ichord	Schulze
Butler	Ireland	Sebelius
Byron	Jacobs	Shuster
Caputo	Jeffords	Sikes
Carter	Jenkins	Sisk
Cavanaugh	Jenrette	Skelton
Cederberg	Johnson, Colo.	Skubitz
Clausen, Don H.	Jones, N.C.	Smith, Nebr.
	Jones, Okla.	Snyder
Clawson, Del	Jones, Tenn.	Spellman
Cleveland	Kasten	Spence
Cochran	Kazen	Stangeland
Cohen	Kelly	Stanton
Coleman	Kemp	Steed
Collins, Tex.	Ketchum	Steers
Conable	Keys	Steiger
Conte	Kindness	Stockman
Corcoran	Krebs	Stratton
Coughlin	Lagomarsino	Stump
Cunningham	Latta	Taylor
D'Amours	Leach	Thone
Daniel, Dan	Lent	Treen
Daniel, R. W.	Levitas	Trible
Davis	Livingston	Ullman
de la Garza	Lloyd, Tenn.	Vander Jagt
Derrick	Long, La.	Volkmer
Derwinski	Lott	Waggonner
Devine	Lujan	Walgren
Dickinson	McClory	Walker
Dodd	McCloskey	Walsh
Dornan	McCormack	Wampler
Duncan, Oreg.	McDade	Watkins
Duncan, Tenn.	McEwen	Whalen
Early	McKay	White
Edwards, Ala.	McKinney	Whitehurst
Emery	Madigan	Whitley
English	Mahon	Whitten
Ertel	Mann	Wiggins
Evans, Del.	Marks	Wilson, Bob
Evans, Ga.	Marlenee	Wilson, C. H.
Evans, Ind.	Marriott	Wilson, Tex.
Fenwick	Martin	Winn
Findley	Mattox	Wolff
Fithian	Mazzoli	Wydler
Flippo	Michel	Wylie
Florio	Milford	Yatron
Flowers	Miller, Ohio	Young, Alaska
Flynt	Mineta	Young, Fla.
Forsythe	Mitchell, N.Y.	Young, Mo.
Fountain	Moore	Young, Tex.
Fowler	Moorhead, Calif.	Zeferetti
Frenzel		
Fuqua	Murphy, Pa.	

NOT VOTING—33

Andrews, N. Dak.	Chappell	Erlenborn
	Cornwell	Fish
Armstrong	Crane	Frey
Bowen	Dellums	Goldwater
Brinkley	Dent	Hagedorn
Burke, Fla.	Edwards, Okla.	Krueger

Le Fante	Roberts	Symms
McDonald	Roe	Teague
Mathis	Rose	Thornton
Mollohan	Rousselot	Tucker
Montgomery	Rudd	
Pepper	Sarasin	

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mr. Krueger against.

Mr. Dellums for, with Mr. McDonald against.

Mr. Cornwell for, with Mr. Chappell against.

Until further notice:

Mr. Roberts with Mr. Teague.
Mr. Bowen with Mr. Montgomery.
Mr. Mollohan with Mr. Dent.
Mr. Le Fante with Mr. Roe.
Mr. Rose with Mr. Thornton.
Mr. Tucker with Mr. Brinkley.
Mr. Mathis with Mr. Burke of Florida.
Mr. Edwards of Oklahoma with Mr. Sarasin.
Mr. Rousselot with Mr. Symms.
Mr. Frey with Mr. Hagedorn.
Mr. Crane with Mr. Erlenborn.
Mr. Andrews of North Dakota with Mr. Fish.
Mr. Goldwater with Mr. Rudd.

Messrs. BONKER, APPLEGATE, Mrs. FENWICK, Messrs. GLICKMAN, HANNAFORD, D'AMOURS, and BIAGGI changed their vote from "yea" to "nay."

Mr. GONZALEZ and Mr. MITCHELL of Maryland changed their vote from "nay" to "yea."

So the conference report was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ECKHARDT moves that the House insist on its disagreement to the Senate amendment to the bill H.R. 3816 and request a further conference with the Senate thereon.

PARLIAMENTARY INQUIRIES

Mr. BROYHILL. Mr. Speaker, I have a parliamentary inquiry.

I am not sure I heard the gentleman from Texas (Mr. ECKHARDT) distinctly. Is my understanding correct that the gentleman asked unanimous consent?

The SPEAKER pro tempore (Mr. KAZEN). No. The gentleman from Texas offered a motion.

Mr. BROYHILL. Mr. Speaker, my further parliamentary inquiry is this:

Inasmuch as the other body has passed the legislation and the conference committee has been discharged, is it the intent of the Chair at this time to reappoint conferees?

The SPEAKER pro tempore. The Chair will state that the gentleman has offered a motion to send the matter to a new conference and to appoint new conferees. Therefore, if the motion is agreed to, the Chair will appoint new conferees.

Mr. BROYHILL. I thank the Chair.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ECKHARDT).

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. STAGGERS, ECKHARDT, METCALFE, KRUEGER, CARNEY, SCHEUER, LUKEN, DEVINE, BROYHILL, RINALDO, and BUTLER for the consideration of section 112 of the Senate amendment and modifications committed to conference.

There was no objection.

GENERAL LEAVE

Mr. ECKHARDT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMERICAN FOLKLIFE PRESERVATION ACT AMENDMENTS

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1014 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1014

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 3 and clause 7 of rule XIII to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5981) to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such Act. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for the consideration of the bill (H.R. 5981) to amend the American Folklife Preservation Act to extend authorizations of appropriations.

It is a 1 hour open rule which contains two waivers of a purely technical nature.

The rule waives points-of-order under clause 3, rule XIII—the Ramseyer rule—which requires a comparative print of changes in existing law to appear in the report. The report (H. Rept. 95–865) contains such a print but there is an error in the typeface used which makes the waiver necessary.

The rule also waives points-of-order under clause 7 of that rule which requires reports to contain a committee cost estimate. This rule is virtually obsolete since enactment of the Congressional Budget Act of 1974 which requires a Congressional Budget Office estimate to appear in the report. The requirement for a committee estimate is normally met by inserting a single sentence stating that the committee accepts the CBO estimate. Although this line does not appear in the report, the Committee on House Administration does accept the estimate of CBO and that estimate does appear in the report.

The Committee on Rules considered both waivers technical. There was no controversy and the resolution was reported by voice vote.

Because of his long involvement in this program and his strong leadership on the issue, the gentleman from Florida was asked to manage this matter for the committee. The gentleman is necessarily absent at the moment and has asked me to handle the resolution. But I wish to insert his prepared remarks at this point in the RECORD:

STATEMENT OF THE HONORABLE CLAUDE PEPPER AS MANAGER FOR THE COMMITTEE ON RULES ON HOUSE RESOLUTION 1014

Mr. Speaker, House Resolution 1014 provides for the consideration of H.R. 5981, a bill to extend the authorization of the American Folklife Preservation Act. The rule allows for 1 hour of general debate to be divided and controlled in the customary manner by the Committee on House Administration, and points of order against the legislation are waived for failure to comply with clause 3 and clause 7 of rule XIII.

Clause 3 is the Ramseyer rule whereby a committee report must print the existing statute in comparison with the changes proposed by the legislation. This requirement was actually met by the committee report, although the proposed new material was printed in bold type rather than in italics as mentioned in clause 3 of rule XIII.

The second waiver is also required for a technical reason. The rules of the House state that a cost estimate is to be made by the committee and included in the committee report. The Committee on House Administration, however, relied on the estimate required by the Budget Act and made by the Congressional Budget Office, but the committee did not formally adopt this estimate.

Mr. Speaker, as a cosponsor of this legislation I recognize that the 3 additional years of authorized spending levels under the American Folklife Preservation Act will provide the Congress enough time to adequately judge the effectiveness of the American Folklife Center that was created in 1976. The Center serves to preserve and present American cultural traditions through research, exhibition, training, and publication of folklife activities. The bill authorizes $685,000 in fiscal year 1979, $1,065,000 in 1980, and $1,355,000 for 1981, representing an increase and then hopefully a stabilization of the budget would occur.

The legislation also provides that persons serving on the Board of Trustees of the Center shall serve their term only so long as they remain in the Federal service and work within a department or agency which deals with folklife concerns. This clarifies the in-

tent of Congress as to the makeup of the Board of Trustees by stating the Federal affiliation requirement.

Mr. Speaker, I urge the adoption of House Resolution 1014 so that we may proceed to consideration of the bill.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statement just made by the gentleman from Massachusetts (Mr. MOAKLEY). I may say, however, that I have a couple of questions about this bill, since I am concerned about our national debt and our constantly escalating budget.

The first question is whether or not we need this legislation at all. The second question is about the rapid increase in the funding level.

Let me just say that the authorization before us for fiscal year 1979 is for $685,000, the authorization for fiscal year 1980 is for $1,065,000, and the authorization for fiscal year 1981 is for $1,355,000.

What was it prior to this?

In fiscal year 1978, it was only $349,000. In fiscal year 1977, it was only $295,000. In fiscal year 1976, it was only $133,000. So from fiscal year 1976, at a $133,000 level, we go to 1981, at $1,355,000.

Mr. Speaker, this is a case in point as to why we constantly have an increasing national debt. I read just recently in the Wall Street Journal that the President is about to submit to this Congress a request to increase the national debt again. According to the article, the administration wants to raise the temporary debt limit to $781 billion next September 30 and to $871 billion a year later to finance operations. Eight hundred seventy-one billion dollars. If we are ever going to do anything about that national debt, if we are going to do anything about the constantly increasing size of the budget, now is the time to start. I think here is a good example of where we can start, by reducing the amount requested in this legislation.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. NEDZI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5981) to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such act.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5981, with Mr. FOWLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan (Mr. NEDZI) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in 1975 the House passed the American Folklife Preservation Act by an overwhelming—vote of 272 to 117—majority. Over 200 of my colleagues joined in cosponsoring this important legislation dedicated to the preservation of folk culture in America.

Now, only a year and a half after the American Folklife Center at the Library of Congress began its work, and a scant year after full staff capacity was reached, it is necessary to extend the authorization of appropriations for an additional 3-year period.

Any one of the Center's projects would serve as an excellent example of the kind of information and help from the Center to local groups and communities which has occurred. A highlight of the Center's success in fulfilling its statutory mandate to "preserve and present" American folklife is its "Sketches of South Georgia Folklife" project, which is currently on display at the Library of Congress.

During the summer of 1977, the Center was invited by local folklife groups to visit an eight county section of south Georgia. During the 6 weeks the Center field team, assisted by folklorists from major universities, spent in south Georgia, it recorded folk tales and gospel concerts, captured the charm and function of the local architecture in pictures and drawings and documented patterns of work and recreation.

But the Center's involvement did not stop with documentation. In October, the Center sponsored workshops explaining the project to the local citizens and assisted them in planning further preservation activities. A book of photographs was published and analytical essays by the university field workers on architecture, story-telling and song are planned. A lively display entitled "Sketches of South Georgia Folklife" is currently on display at the Library of Congress.

The south Georgia project is only one of the Center's accomplishments. The Center's Ethnic Arts project, undertaken at the request of the Illinois Arts Council, surveyed contemporary ethnic activities in the city of Chicago and made recommendations to the State agency for programs of support and preservation. In addition, the Center has held three major conferences designed to disseminate information and increase cooperation between local groups. This past summer you may have attended one of a series of concerts featuring blues, Cajun, bluegrass and other traditional forms sponsored by the Center on the steps of the Library of Congress. The Center publishes a quarterly newsletter distributed to almost 2,000 individuals and groups; and has initiated a loan program which provides sound and other technical equipment to local groups.

H.R. 5981 extends the authorization of appropriations for the Center for 3 additional years. Authorization levels are $685,000 for fiscal year 1979, $1,065,000 for fiscal year 1980, and $1,355,000 for fiscal year 1981.

I want to point out to my colleagues that there is a $336,000 jump in the 1979 authorization level over the 1978 level. Fully two-thirds of this increment—that is, $233,040—will be dedicated for model projects like the south Georgia and Chicago studies, for conferences and research services for groups and individuals in the field. Similarly, the 1980 and 1981 authorization levels reflect similar priorities.

The Folklife Center has been true to its promise that it will not become another bloated bureaucracy. At present, the Center has a core group of professionals consisting of the Director, Deputy Director, and three folklife specialists, with a small support staff. The increased authorizations would allow limited additions in staff, permitting the Center to respond to the numerous requests for assistance from across the Nation.

In addition, the committee amended the bill to clarify the intent of the Congress with respect to the tenure of Presidential appointees from Federal departments or agencies concerned with folklife traditions and arts. The new language specifies that such an appointee serves only during such time as he or she is an official with a department or agency dealing with folklife concerns. Transfer to a nonfolklife department or resignation from the Federal service terminates the appointment.

I urge my colleagues to support the 3-year extension of authorizations of appropriations for the Center.

Mr. Chairman, I have no further requests for time. I reserve the balance of my time.

Mr. FRENZEL. Mr. Chairman. I yield myself 5 minutes.

Mr. Chairman, this bill, H.R. 5981, represents what many of us would consider to be a modest expenditure from the public purse.

Nevertheless, if we trace the history of spending of this particular agency or subdivision, I think we will see the alarming trend which causes me to oppose the bill.

In the first place, Mr. Chairman, I think it is fair to say that the material on page 2 of the bill, the new appointment specifications, is a good amendment. However, my objection to the bill lies mainly in its cost.

Mr. Chairman, I have served on the Subcommittee on Libraries and Memorials for as long as this matter has been up for discussion and since this particular division has been created and funded.

I have never yet been able to fully comprehend exactly what is comprised by "folklife." I imagine that it means everything in the world that we do in the United States; that is folklife.

If that is true, certainly there is an infinite amount of money that can be

spent at some time in the future to preserve and encourage folklife.

I would invite the attention of the committee to the fact that the first year's funding for this division was $133,000; and by 1981, some 5 years later, the authorization has been increased to $1.3 million. That is a nice, little tenfold increase.

If we assume that there were some start-up costs, maybe we should compare the third year. Then we will find that it looks as though the authorization for the third year has quadrupled by the fifth year. If we want simply to take 1980 to 1981, we find a doubling of the expense of this bill.

Mr. Chairman, this amount of money is very minor. We spill more than this before 7 a.m. every day around here on a regular basis.

Nevertheless, for those Members who have some consideration of the taxpayers, I think there is a particularly appealing chance to vote down a bill which is not necessary and which in the future, like some of the other programs that have started modestly, is going to come back to haunt us from a tax and cost standpoint.

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, the gentleman from Ohio (Mr. LATTA) made the point very well, and I think it is one we should dwell upon, that this pending legislation is a classic example of the profligate habits of the Congress of the United States in spending taxpayers' money that could be just as well saved. The gentleman cited the rise from the first fiscal year in which this was authorized, in 1976, from $133 million to the proposed $1.3 million spending for fiscal year 1981. I think most of you have forgotten that when this bill was first introduced and brought before the House in 1974, and was defeated under suspension, the original request was for $5 million. So, I think you are edging up toward the original intentions of those who supported this.

I think it is all well and good that we preserve folklife, but we do have other agencies, including the National Endowment for Humanities and various other Federal agencies, dealing with this same issue. Each year the Smithsonian has a full week devoted to these kinds of activities. The question is, Do we need another agency and at ever-increasing cost, to carry this out?

Earlier in the debate we had in 1975, I questioned the gentleman from Michigan (Mr. NEDZI) as to precisely why we needed to preserve, through this particular agency, some of the various folklore and folk practices. He said the reason was that many of these events and practices and habits and ways of speech were disappearing rapidly. If we did not preserve them, they would be lost forever. I understand in the interim that this folklife center, has held a number of very interesting and entertaining events, including a Georgia exhibit or Georgia Day, in which the First Lady of the United States participated.

I am concerned that this might be a vanishing breed too, these Georgia cultural activities, at least after 1980, and I wonder whether or not any of the center's preservation has been directed toward the watering holes of Georgetown, in the after hours. Some of the more interesting activities that have been occurring recently, as evidenced in the press, seem to be a new and unusual folklife developing here in Washington. It certainly enlivens an otherwise dull administration. If indeed that is the purpose of spending these moneys, it might be a strong case in favor of the bill.

I do think that if folklife is to be preserved, we could hire someone to clip from the newspaper current events here in Washington and let it go at that. I do not really think we need the Federal Government to tell us what folklife is or should be. We have more than one agency doing this already. I would hope that the House would reject the multimillion dollar authorization before us.

I commend my moderate friend from Minnesota (Mr. FRENZEL) for his position on this legislation. He has been our leader on many issues, and I think he is headed in the right direction on this one.

Mr. NEDZI. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. THOMPSON).

BULLETING OF RECORD MATERIAL BEGINS TOMORROW

Mr. THOMPSON. Mr. Chairman, I might point out that this is not relevant to the matter before us now, but for a number of days there has been printed on the front page of the RECORD a notice that beginning tomorrow we will begin to do what is called bulleting the RECORD.

I respectfully request my colleagues to note the rather modest rules which are involved in that notice. In a word, unless all or a part of that which is put into the RECORD by our colleagues, unless those words are actually spoken, there will be a little indicator that they were not in fact spoken.

I respectfully call that to the attention of my colleagues.

Mr. Chairman, now to the issue at hand, I would like to express my gratitude to my very great friend and subcommittee chairman, the gentleman from Michigan (Mr. NEDZI).

The origins of the Folklife Foundation bill go back many years. I believe it is factual to state that the former Senator from Oklahoma, Fred Harris, and I were the original sponsors. As time went on at least 200 Members of this body recognized that there has been in recent years—and I must confess to be the author of the legislation that brought it about, that which established the National Foundation on the Arts and the Humanities—a concentration on what are commonly called the higher arts: the symphony, the ballet, and the play.

But we are a nation, Mr. Chairman, made up of a beautiful tapestry of ethnic background and folklore and folklife, a lot of which has left us.

I see sitting back on my right on the aisle the gentleman from Arizona (Mr. UDALL), whose State includes Indian tribes which have been neglected, cultures which have been neglected and which possibly can be lost. I see throughout this room, this Chamber, innumerable Members coming from States and districts where for 200 years or more there has been a peculiar pattern of folklife and of folklore. I see in front of me the beloved colleague of all of us, the gentlewoman from Louisiana (Mrs. BOGGS). Her State of Louisiana, in a sense, is a multilingual State—French, English—with a great tradition, the genesis, of course, of American popular music, jazz—and thank goodness it has been preserved.

Each and every one of us, if we look around our districts, whether they be urban or rural or suburban or a mix, has a generous and full variety of folklife and of folk songs. I see on my immediate left the gentleman from Missouri (Mr. TAYLOR), of the Ozarks. What would we do without preserving the culture of the Ozarks, and in particular that of Mr. TAYLOR of Missouri, who can sell wet matches—and probably does.

It is not derogatory to say that hillbilly music is beautiful because America loves it better than anything else, and Mr. TAYLOR knows it probably as well as anyone else.

The requests in this bill, my distinguished friend, the gentleman from Minnesota (Mr. FRENZEL), to the contrary notwithstanding, are justifiable and reasonable and are in my judgment completely necessary.

May I emphasize the overwhelming support for this legislation. No one could have been more surprised than the gentleman from Michigan (Mr. NEDZI) and I when the distinguished chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON) appeared in strong support and lent his name to this bill.

It is not a partisan bill. It is a bill to preserve the likes of my friend from the Ozarks, Mr. TAYLOR, and my friend—and I hope not to preserve him too long, but at least to record him—my friend the gentleman from Michigan (Mr. NEDZI) and my friend the gentleman from Florida (Mr. LEHMAN) and those Seminoles that he has in Miami.

So please vote for this bill. It is perfectly justifiable. It is needed. It is wanted. It affects each and every one of us in our everyday lives.

Mr. FRENZEL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, referring to the distinguished gentleman from New Jersey (Mr. THOMPSON) in his opening speech, I would like to commend him for his leadership in the movement to reform the CONGRESSIONAL RECORD, which will begin tomorrow. It is a small dose of truth, but it is a giant step forward for the House of Representatives.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I have taken this time primarily to ask a question or two of my friend and colleague, the gentleman from Minnesota (Mr. FRENZEL).

According to this report here, on page 2, it says:

> The American Folklife Center was created to preserve and present, American folklife through programs of research, documentation, archival preservation, live presentation, exhibition, publication, training,

Et cetera, et cetera.

What I would like to ask the gentleman is this: Early in the history of the motion picture industry there was a film that appeared that was called "The Birth of a Nation," and it portrayed what I suppose could be considered as the folklife of people in some parts of the United States; namely, a story about the Ku Klux Klan. Now I am wondering whether if, since this is folklife, I suppose, in some people's minds, could not they apply for some funds under this to have a presentation somewhere?

Mr. FRENZEL. I am sure that any group in this country that has some aspects of folklore that it wants to preserve may apply to the board, and the director, for some kind of a grant, or to have the agency itself do some particular work.

Mr. KETCHUM. Will the gentleman yield still further?

Mr. FRENZEL. I yield further to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I noticed in the newspaper the other day that the very distinguished American Civil Liberties Union went to court to fight for another folklife institution that was strong in this country at one time called the American Nazi Party. I am just wondering if perhaps they might, if they made the proper application, have their parade funded in Skokie, Ill.

Mr. FRENZEL. I think it is very unlikely that the situations the gentleman from California (Mr. KETCHUM) suggests are likely to be considered as folklife. Therefore, I do not imagine they would be given funds.

Mr. KETCHUM. I thank the gentleman. I would certainly hope the gentleman is correct. I would just call to the attention of the body that anything is possible the way this Government is being run.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, we have been through a number of periods in the American political history of which the most abhorrent reality in my mind was the so-called McCarthy period when anyone who could read without moving his lips was suspect.

I might suggest to the gentleman that the Nazi Party has never been a part of the American folklife, although he may be more familiar with it than I am.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield further?

Mr. FRENZEL. I yield further to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, I take this time in order to say that I take exception to the gentleman's words. I will put my record as an American against his any day that he wishes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENZEL. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, I think that both gentleman are recognized as great patriotic Americans.

Mr. KETCHUM. I thank the gentleman very much.

Mr. THOMPSON. If the gentleman will yield further, I would like to suggest regarding the Americanism of my friend, the gentleman from California (Mr. KETCHUM), that I do not have to defend mine nor do I have to protest it.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding. I am not sure I heard all of the exchange, but I think any one of us who has known the gentleman from California (Mr. KETCHUM) as I have, having served with him here and in the State legislature, and having known him over the years, knows there is no finer Member, more concerned person serving in this House than the gentleman from California (Mr. KETCHUM). All of us who have watched his record respect it. Sometimes we are a little disconcerted by his at times perhaps tooconservative position, from my point of view, on world events. But there is no one whom I have ever served with who I think is more committed to democracy with a small "d" and justice with a capital "J" than my good friend and dear colleague from California (Mr. KETCHUM).

Mr. FRENZEL. I thank the gentleman for his contribution.

Mr. Chairman, I reserve the remainder of my time.

Mr. NEDZI. Mr. Chairman, I yield myself such time as I may consume.

This has been the most interesting colloquy that we have just listened to, but I think it is imperative that I, as chairman of the subcommittee, point out that it was certainly no intention on my part when I cosponsored this legislation, nor was there at any time ever any testimony in the record, to support the idea that the Ku Klux Klan or the Nazi Party are in any way a part of American folklife.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. NEDZI. Certainly I will yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

When we discussed this on the floor—the gentleman from Michigan and I—a few years ago, I mentioned perhaps postponing this bill until the Federal budget was balanced. Would it be appropriate perhaps for the gentleman to suggest to the Library Folklife Center that a balanced budget now be entered into the records as a part of our folklife and past lore? Does the gentleman think that might be something that might be in order? I hear no response.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. NEDZI. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

Is it conceivable from years gone by that the Republican Party and some of their folklore would also be eligible in this bill?

Mr. NEDZI. It certainly would not be equated with the others mentioned.

Mr. FRENZEL. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. NEDZI. I yield to the gentleman from South Carolina.

Mr. DAVIS. I thank the gentleman for yielding.

I rise in strong support of this bill. We maybe in our part of the country do have some folklife cultures that are fast vanishing that ought to be preserved. This Commission has done a good job in its beginning, and I think they should be allowed to continue it. I can assure this body that if any Members have any question that the gentleman from Michigan (Mr. NEDZI) is the kind of man to keep a close watch on it, when they come back, they will be reviewed.

Mr. NEDZI. I thank the gentleman for his comments.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5981

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the American Folklife Preservation Act (20 U.S.C. 2107) is amended by striking out "and" immediately after "1977," and inserting immediately before the period at the end thereof the following: "$685,000 for the fiscal year ending September 30, 1979, $1,065,000 for the fiscal year ending September 30, 1980, and $1,355,000 for the fiscal year ending September 30, 1981".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 1, after line 9, insert the following:

SEC. 2. Section 4(c) of such Act (20 USC 2103)(c)) is amended by adding at the end thereof the following new sentence: "Members appointed by the President under clause (1) of subsection (b) shall serve only during the time they are officials of Federal departments and agencies concerned with some aspect of American folklife traditions and arts."

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FOWLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5981) to amend the American Folklife Preservation Act to extend the

authorizations of appropriations contained in such act, pursuant to House Resolution 1014, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 306, nays 80, not voting 48, as follows:

[Roll No. 92]

YEAS—306

Addabbo	Corcoran	Guyer
Akaka	Corman	Hamilton
Alexander	Cornell	Hammer-schmidt
Allen	Cotter	Hanley
Ambro	D'Amours	Hannaford
Ammerman	Danielson	Harkin
Anderson, Calif.	Davis	Harris
	de la Garza	Hawkins
Anderson, Ill.	Delaney	Heckler
Andrews, N.C.	Derrick	Hefner
Annunzio	Derwinski	Heftel
Applegate	Dickinson	Hightower
Ashley	Dicks	Holland
Aspin	Dingell	Hollenbeck
Baldus	Dornan	Holtzman
Barnard	Downey	Horton
Baucus	Drinan	Howard
Beard, R.I.	Early	Hubbard
Bedell	Eckhardt	Huckaby
Beilenson	Edgar	Hughes
Benjamin	Edwards, Ala.	Jeffords
Bevill	Edwards, Calif.	Jenkins
Biaggi	Eilberg	Jenrette
Bingham	Emery	Johnson, Calif.
Blanchard	English	Johnson, Colo.
Blouin	Ertel	Jones, N.C.
Boggs	Evans, Colo.	Jones, Tenn.
Boland	Evans, Del.	Jordan
Bolling	Evans, Ga.	Kasten
Bonior	Fary	Kastenmeier
Bonker	Fascell	Kazen
Brademas	Fenwick	Kemp
Breckinridge	Findley	Kildee
Brodhead	Fisher	Kostmayer
Brooks	Fithian	Krebs
Brown, Calif.	Flood	LaFalce
Brown, Ohio	Florio	Leach
Broyhill	Flowers	Lederer
Buchanan	Foley	Lehman
Burgener	Ford, Mich.	Lent
Burke, Calif.	Ford, Tenn.	Levitas
Burke, Mass.	Forsythe	Lloyd, Calif.
Burlison, Mo.	Fountain	Lloyd, Tenn.
Burton, John	Fowler	Long, La.
Burton, Phillip	Fraser	Long, Md.
Butler	Fuqua	Lott
Byron	Gammage	Lujan
Carney	Garcia	Lundine
Carr	Gaydos	McClory
Carter	Gephardt	McCloskey
Cederberg	Giaimo	McCormack
Chisholm	Gibbons	McEwen
Clausen, Don H.	Gilman	McFall
	Ginn	McHugh
Clay	Glickman	McKinney
Cleveland	Gonzalez	Madigan
Cochran	Gore	Maguire
Cohen	Gradison	Mahon
Collins, Ill.	Grassley	Mann
Conte	Green	Markey
Conyers	Gudger	Marks
Marlenee	Pattison	Spellman
Martin	Pease	Spence
Mathis	Perkins	St Germain
Mattox	Pettis	Staggers
Mazzoli	Pickle	Stanton
Meeds	Pike	Stark
Metcalfe	Pressler	Steers
Meyner	Preyer	Steiger
Mikulski	Price	Stockman
Mikva	Pritchard	Stokes
Milford	Pursell	Stratton
Miller, Calif.	Quayle	Studds
Mineta	Rahall	Thompson
Minish	Railsback	Traxler
Mitchell, Md.	Rangel	Tsongas
Mitchell, N.Y.	Regula	Udall
Moakley	Reuss	Ullman
Moffett	Rhodes	Van Deerlin
Moore	Richmond	Vander Jagt
Moorhead, Pa.	Rinaldo	Vanik
Moss	Rodino	Vento
Mottl	Roncalio	Waggonner
Murphy, Ill.	Rooney	Waigren
Murphy, N.Y.	Rosenthal	Walsh
Murphy, Pa.	Rostenkowski	Wampler
Murtha	Roybal	Waxman
Myers, Michael	Russo	Weaver
Natcher	Ryan	Weiss
Neal	Santini	Whalen
Nedzi	Sawyer	White
Nichols	Scheuer	Whitley
Nix	Schroeder	Wilson, Bob
Nolan	Seiberling	Wilson, C. H.
Nowak	Sharp	Winn
Oakar	Sikes	Wirth
Oberstar	Simon	Wolff
Obey	Sisk	Wright
Ottinger	Skelton	Yatron
Panetta	Skubitz	Young, Mo.
Patten	Slack	Young, Tex.
Patterson	Smith, Iowa	Zablocki
	Solarz	Zeferetti

NAYS—80

Abdnor	Frenzel	Myers, John
Archer	Goodling	O'Brien
AuCoin	Hall	Poage
Badham	Hansen	Quillen
Bafalis	Harsha	Risenhoover
Bauman	Hillis	Robinson
Beard, Tenn.	Holt	Runnels
Bennett	Hyde	Ruppe
Breaux	Ichord	Satterfield
Brown, Mich.	Ireland	Schulze
Burleson, Tex.	Jacobs	Sebelius
Caputo	Jones, Okla.	Shuster
Cavanaugh	Kelly	Smith, Nebr.
Clawson, Del	Ketchum	Snyder
Coleman	Keys	Stangeland
Collins, Tex.	Kindness	Steed
Conable	Lagomarsino	Stump
Coughlin	Latta	Taylor
Cunningham	Livingston	Thone
Daniel, Dan	Luken	Treen
Daniel, R. W.	McKay	Trible
Devine	Marriott	Volkmer
Duncan, Oreg.	Michel	Walker
Duncan, Tenn.	Miller, Ohio	Watkins
Evans, Ind.	Moorhead, Calif.	Wydler
Flippo		Wylie
Flynt	Myers, Gary	Young, Fla.

NOT VOTING—48

Andrews, N. Dak.	Fish	Rose
	Frey	Rousselot
Armstrong	Goldwater	Rudd
Ashbrook	Hagedorn	Sarasin
Bowen	Harrington	Shipley
Brinkley	Krueger	Symms
Broomfield	Le Fante	Teague
Burke, Fla.	Leggett	Thornton
Chappell	McDade	Tucker
Cornwell	McDonald	Whitehurst
Crane	Mollohan	Whitten
Dellums	Montgomery	Wiggins
Dent	Pepper	Wilson, Tex.
Diggs	Quie	Yates
Dodd	Roberts	Young, Alaska
Edwards, Okla.	Roe	
Erlenborn	Rogers	

The Clerk announced the following pairs:

Mr. Krueger with Mr. Roberts.
Mr. Dent with Mr. Leggett.
Mr. Shipley with Mr. Harrington.
Mr. Le Fante with Mr. Roe.
Mr. Pepper with Mr. Chappell.
Mr. Whitten with Mr. Montgomery.
Mr. Rose with Mr. Brinkley.
Mr. Cornwell with Mr. Bowen.
Mr. Mollohan with Mr. Teague.
Mr. Thornton with Mr. Yates.
Mr. Tucker with Mr. Rogers.
Mr. Dellums with Mr. Dodd.
Mr. McDonald with Mr. Diggs.
Mr. McDade with Mr. Hagedorn.
Mr. Fish with Mr. Rousselot.
Mr. Sarasin with Mr. Whitehurst.
Mr. Wiggins with Mr. Young of Alaska.
Mr. Rudd with Mr. Charles Wilson of Texas.
Mr. Frey with Mr. Goldwater.
Mr. Quie with Mr. Broomfield.
Mr. Burke of Florida with Mr. Ashbrook.
Mr. Andrews of North Dakota with Mr. Crane.
Mr. Edwards of Oklahoma with Mr. Erlenborn.

Mr. WAGGONNER changed his vote from "nay" to "yea."

Mr. ABDNOR changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RE-REFERRING HOUSE JOINT RESOLUTIONS 615 AND 690 TO COMMITTEE ON INTERNATIONAL RELATIONS AND COMMITTEE ON AGRICULTURE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Joint Resolutions 615 and 690, ordering the President of the United States, the Secretary of Agriculture, and other officials to develop and implement a comprehensive program for foreign sales of American agricultural commodities, in order to protect the welfare of American farmers, and for other purposes, which were solely referred to the committee on international relations, be jointly referred to the Committee on Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman tell us the authors of those resolutions?

Mr. FOLEY. Yes. House Joint Resolution 615 has been introduced by Mr. BAUMAN of Maryland, and many other Members of Congress.

Mr. BAUMAN. I thought that had a familiar ring.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROGRESS REPORT ON MEASURES TO IMPROVE ENVIRONMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President

of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

In 1977, we took together a number of important measures to protect and improve our environment. Most notable were the "mid-course correction" amendments that strengthened the basic goals of our air and water pollution control laws; a strong stripmining bill; and our selection, with Canada, of the least damaging route for a natural gas pipeline from Alaska to the lower 48 states.

The Administration began reviews of traditional policies on our use and development of natural resources, especially water and non-fuel minerals; put into effect new policies to reduce oil spills and regulate development of oil and gas on the Outer Continental Shelf; proposed expansions of wilderness and park areas; started work on a coherent Federal strategy for the control of toxic substances; and advocated measures to curb nuclear proliferation. On some of these matters we submitted legislative proposals to Congress.

We share a record of solid accomplishment in the environmental area, and we have set out worthwhile plans for the future.

In June, 1977, the Council on Environmental Quality convened a series of meetings at my direction. The purpose was to develop recommendations for improving National Environmental Policy Act procedures, including the familiar "environmental impact statement". CEQ solicited testimony from corporations, state governments, labor unions, environmental groups, other Federal agencies, and the public.

Virtually every witness criticized some aspect of the Government's procedures for translating environmental policy into practical action. But, remarkably, *not a single witness* called for the repeal or serious weakening of the National Environmental Policy Act. On the contrary, all agreed that the goals of NEPA were sound. and that its procedures—while needing improvement—should be retained.

Such unanimity on the value of NEPA indicates to me how far we have come in those few years since we first began to see the damage we were doing to our surroundings. Not long ago, environmental awareness was frequently seen as an emotional excess and an economic disaster. But now, concern for the integrity of our natural systems has become an accepted criterion for judging our actions.

We have not yet learned, of course, to balance all our environmental objectives against the other social goals that must concern us. But it is now clear that the American people believe our needs for food, for shelter, and for the necessities as well as the amenities of civilization, can be met without continuing the degradation of our planet. It is clear that they wish, as Congress stated in the National Environmental Policy Act, "to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans."

In less than a year, this Administration and this Congress have substantially advanced the American search for "productive harmony" with our earth. I pledge to continue this search with you.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1978.*

PROPOSALS TO STRENGTHEN MAJOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–296)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

I am submitting today my proposals to strengthen our major elementary and secondary education programs. These are one part of a concerted effort to reestablish education in the forefront of our domestic priorities. The other parts are major increases in the Federal education budget, establishment of a Cabinet-level Department of Education, and our proposal for a significant expansion of eligibility for college student assistance.

The proposals which I am now submitting for elementary and secondary education seek to enhance the primary role of the states and local communities in educating our Nation's children and reaffirm the need for a strong and supportive Federal commitment to education. They will:

—strengthen our commitment to basic skills education in Title I of the Elementary and Secondary Education Act—the compensatory education program; and add a new provision to concentrate a major share of increased Title I funding on those school systems most in need;

—create a new program to encourage state implementation of their own compensatory education programs;

—provide additional flexibility in the Emergency School Aid Act, designed to assist in desegregation, so that funds can be retargeted from areas where they are no longer needed to areas of greater need;

—create a new research and demonstration effort in the area of basic skills, and enhance our efforts to link schools with employers and other community resources;

—implement a phased, gradual but substantial reform of the Impact Aid Program;

—strengthen the bilingual education program with emphasis on teaching English as a primary and overriding goal but permitting flexibility in use of first language and culturally sensitive approaches to help achieve this goal;

—strengthen participation of private schools in existing grant programs.

We can be justly proud of the accomplishments of our system of education. Education has promoted understanding among a diverse people; it has been the springboard to advancement for generations of our citizens; and it has produced the skills and knowledge required for this country to have the most advanced economy in the world.

Yet our schools face many important challenges. We must do a better job of teaching the basic skills of reading, writing and mathematics. We must remain committed to full and equal educational opportunity for all children. We must help students achieve educational excellence. We must responsibly reduce the financial barriers that limit access to higher education. And we must give education a more prominent and visible role in the Federal government.

We will face these challenges and overcome them. No asset is of greater value to our Nation and no commitment is so characteristic of the American people as our strong commitment to educate all our children.

EDUCATION BUDGET

The Administration's budget proposals for the coming year show the priority we give to education. Our FY 1979 budget contains $12.9 billion in appropriations for the Education Division of the Department of Health, Education and Welfare. That represents an increase of 24 percent above the FY 1978 level and a total increase of 46 percent and $4 billion in the last two fiscal years.

I have requested appropriations of $6.9 billion for elementary and secondary education, an increase of fifteen percent over FY 1978. This increase is the largest since the creation of the program and exceeds the FY 1977 budget by $1.7 billion. Along with these increases goes a forty percent increase in student assistance programs for higher education and a new effort to expand the reach of these programs to moderate income families hard-pressed by escalating tuition costs. Funding for these student assistance programs will rise from $3.8 billion in FY 1978 to $5.2 billion in FY 1979.

This budget reflects the judgment, widely shared by the Congress, that improving the education of our children is a wise investment in our future.

DEPARTMENT OF EDUCATION

I have instructed the Office of Management and Budget and the Department of Health, Education, and Welfare to work with Congress on legislation needed to establish a Department of Education which will:

—let us focus on Federal educational policy, at the highest levels of our government;

—permit closer coordination of Federal education programs and other related activities;

—reduce Federal regulations and reporting requirements and cut duplication;

—assist school districts, teachers, and parents to make better use of local resources and ingenuity.

A separate Cabinet-level department will enable the Federal government to be

a true partner with State, local, and private education institutions in sustaining and improving the quality of our education system.

COLLEGE STUDENT ASSISTANCE

I recently proposed a major expansion of the programs providing financial assistance to students in higher education. Average college costs have increased by 77 percent in the last 10 years. At average costs of $4,500 per year in private higher education and $2,500 in public universities low and middle income families are finding it difficult to send their children to college. No able student should be denied a college education because his or her family cannot afford tuition, room and board.

My proposals will increase the number of students receiving assistance from 3 million to more than 5 million at a cost of $1.46 billion. The proposals would:

—expand the Basic Educational Opportunity Grants program to serve students from families with incomes up to $25,000 and increase the maximum grant to $1,800;
—make interest-subsidized Guaranteed Student Loans available to families with incomes up to $45,000;
—provide part-time jobs to college students through an expanded College Work-Study Program.

This coordinated program is the best way to meet the needs of our students and their families. I strongly oppose the enactment of a tuition tax credit.

A college tuition tax credit would cost too much, would provide benefits to those without need, would provide less benefit to genuinely hard-pressed families than the proposals we have advanced, and would fragment educational policy within the executive and legislative branches of the Federal government.

A choice must be made. We cannot afford—and I will not accept—both a tuition tax credit and the increased student aid I have proposed. I strongly urge the Congress to act responsibly on the Administration's proposals.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1978

The legislation I am submitting today involves the major elementary and secondary education programs. Since the Administration of Lyndon Johnson the primary role of these Federal programs has been to support improvements in educational quality for all children and improve the educational opportunities and achievements of the disadvantaged, the handicapped, those with limited English language skills, Native Americans and other minorities. I propose to continue and strengthen the use of Federal resources to meet special needs, and Federal leadership in research and innovation.

These programs must focus on the mastery of the basic skills necessary to function in our highly complex society. Every child should obtain the basic skills of reading, writing and mathematics early in his or her educational career. This should be the fundamental goal for our entire education system, and I hope that Federal leadership will help us meet that goal at every level of our school system.

SPECIAL PROGRAMS FOR DISADVANTAGED CHILDREN

I propose to improve Title I of the Elementary and Secondary Education Act which provides supplemental educational services to economically disadvantaged children.

1. *Concentration of Resources*

Recent evaluations show that Title I is beginning to raise the achievement levels of low-income students. I propose to build upon this success by incorporating in the reauthorization of the Act a separate authority to increase help for school districts with high concentrations of poor children. The amendments I propose will target additional Title I funds to school districts with large numbers of poor children (5,000 or more) or large proportions of poor children (20 percent or more), for use in programs with a strong emphasis on basic skills. I have requested $400 million in the 1979 budget for this proposal, which would aid 3,500 school districts and could increase the number of Title I eligible children served to 6.5 million.

This targeting of additional funds on areas of greatest need will be of special benefit to urban school systems with concentrations of low-income children. It is an important part of our efforts to help meet the needs of our cities. Yet the problems of educational disadvantage are not unique to cities; therefore, while 67% of the funds will flow to center-city school systems, 33% will flow to rural and suburban school systems which have similar needs.

2. *State Programs for Disadvantaged Children*

Strong State efforts are clearly necessary to fully meet the needs of disadvantaged children. Currently, however, fewer than twenty States have special programs to aid disadvantaged students. To encourage the creation of compensatory education programs at the State level, I recommend that a share of future increases in the Title I program be allocated, on the basis of one Federal dollar for every two State dollars, to States with qualified compensatory education programs of their own. In fiscal years 1980 twenty percent of any increases would be devoted to this matching program. In future years an increasing percentage would be made available.

I hope this Federal incentive program will encourage a response at the State level which will give greater opportunities to millions of children.

EMERGENCY SCHOOL AID ACT

We must move aggressively to end the last vestiges of racial and ethnic mistrust and disharmony in our schools and in our society as a whole. Great progress toward that goal has been made, particularly in the South, but much remains to be done.

The Emergency School Aid Act has helped numerous local school districts respond to the problems of racial isolation and improve education for all their children. I recommend amendments to that legislation which would:

—encourage voluntary local initiatives to overcome the adverse effects of minority group isolation;
—offer flexibility to meet the needs of desegregating districts;
—and encourage multi-year planning and implementation of desegregation.

To give us more flexibility in meeting changing needs, I propose to increase the share of discretionary funds from 22 percent to 42 percent. This will permit allocation of resources to areas of greatest need. At the same time I am recommending a new system of multi-year grants which will sharply reduce paperwork and will help local school systems plan for the future.

BASIC SKILLS

The Federal government can play an important role in funding research and demonstration projects which will show us how to improve the quality and effectiveness of our educational system. Student achievement can be improved through innovation, and a concentration on basic skills. I propose several improvements in this area:

—the creation of a new Basic Skills and Educational Quality title in the Elementary and Secondary Education Act which would encourage state and local demonstration efforts to improve basic skills in reading, writing and mathematics, including increased use of achievement testing and the participation by parents in teaching their children;
—the creation of a new Special Projects title in the Elementary and Secondary Education Act to consolidate educational quality developmental programs and provide greater flexibility; and strengthen our efforts, through the Community Schools program, to link the school with employers and other resources in the surrounding community;
—change in the Adult Education Act to put more emphasis on competency in basic skills and on obtaining high school credentials, and to increase sponsorship of adult education programs by business, labor and other community organizations.

IMPACT AID

Reform of Impact Aid is a challenge which must be faced. The purpose of the program is to compensate school districts for the cost of educating children when local revenues are reduced by tax-exempt federally-owned land and when local school enrollments are increased by children whose parents live and/or work on that land. Yet Impact Aid, as currently structured, has strayed far from that purpose.

The legislation I propose makes realistic and responsible reforms:

—elimination of payments for children whose parents work on Federal property outside the country in which the school district is located;
—a two-year cap on payments which are based on public housing at the 1978 level followed by a phase out of the payments;
—an "absorption" provision which

will reduce funding for lightly impacted districts by eliminating payments for children of Federal employees below three percent of nonfederal enrollment.

To ease the adjustment to these changes I recommend a gradually declining "hold-harmless" provision under which no district will receive less than seventy-five percent of its previous year's payments over the next three years. I also propose that advance funding be made so that districts can be notified early of their allocations.

These proposals will save $76 million in FY 1979 and $336 million in FY 1982. I believe they are a realistic way to start bringing the Impact Aid program into line with the actual Federal burden on local school districts.

BILINGUAL EDUCATION

Three million children today lack equal access to education in our schools because of their limited English-speaking ability. The Bilingual Education Act is designed to help local school systems develop and implement programs to help these children. The proposals I am submitting today will improve the bilingual education program by:

—emphasizing the overriding goal of achieving proficiency in English;
—permitting the flexible use of instructional materials and teaching techniques appropriate and sensitive to the language, background and needs of the child;
—making parents more involved;
—requiring that individual programs be of sufficient scope and duration to have a substantial educational impact;
—allowing English speaking children to take part in bilingual education programs;
—providing more money for teacher training and emphasizing the use of bilingual teachers; and
—increasing research in new teaching techniques.

Because the Bilingual Education Program is a demonstration program, every effort must be made to ensure that funds are used to help local school districts to establish and maintain programs of their own. To ensure that Federal demonstration funds benefit as many children as possible, I am proposing that program grants ordinarily be limited to five years. Districts will be required to show how they will ensure that educational progress is maintained following the phase-out of grant monies.

In addition, I am proposing that the Office of Bilingual Education be made responsible for coordinating bilingual education aspects of other programs administered by the Office of Education.

PRIVATE SCHOOLS

Private schools—particularly parochial schools—are an important part of our diverse educational system. Federal education programs have long required benefits to go to eligible students in both public and private schools. But this requirement has not been effective in practice. I am committed to doing all that the Constitution allows to ensure students in private schools benefit from Federal programs.

I propose the following changes to improve services to private school students:

—States will be required to develop plans for ensuring the equitable participation of private school students in all Federal educational programs.
—The Title I program will be changed to require that economically disadvantaged children in private schools receive comparable funds to those received by public school students, with similar needs.
—Where a school district fails to provide appropriate Federal educational benefits under any program to eligible private school children, authority will be used to by-pass the district and use another agency to provide constitutionally permissible services.

Private school children must receive fair treatment under Federal education programs. However I cannot support a tax credit for private elementary and secondary school tuition. First, there is grave doubt that such a tax credit program can meet Constitutional requirements concerning separation of church and State. Second, the Federal government provides funding primarily to help meet the needs of public school children who are disadvantaged, or handicapped, or bilingual, or who have some other form of special need. We do not provide general support for public schools and it would be unfair to extend such support, through a general tax credit, to private schools.

I will continue to do all I can, within Constitutional limits, to provide for full and equitable participation of private schools and their students in Federal education efforts.

WOMEN'S EDUCATIONAL EQUITY ACT

In order to assist in the elimination of sexual discrimination in education I propose to make the Women's Educational Equity Act an independent authority and expand its role in assisting local school districts.

CONCLUSION

The proposals I have outlined today—to strengthen our basic education laws, substantially increase the education budget and undertake major organizational reform aimed at creating a Cabinet-level Department of Education—set forth a far-reaching agenda for education. These proposals are important not only for what they offer our children today, but for what they offer to all of us in the future: a country that is stronger, more united and better equipped to meet the challenges that lie before us.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1978.*

ACTUARIAL DATA PROVIDED IN ACCORDANCE WITH SOCIAL SECURITY ACT ON AGREEMENT BETWEEN UNITED STATES AND ITALIAN REPUBLIC—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–297)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

In accordance with section 233(e)(1) of the Social Security Act as amended by the Social Security Amendments of 1977 (P.L. 95–216; 42 U.S.C. 1305 note), I transmit herewith the Agreement between the United States of America and the Italian Republic on the Matter of Social Security, signed May 23, 1973, the Administrative Protocol for the Agreement, signed November 22, 1977 (together with a procés-verbal setting forth certain interpretative understandings) and an exchange of notes of January 17–20, 1978 clarifying the interpretation of Article 1, paragraph K, of the Agreement.

The Agreement fulfills a long-standing commitment made by the two Governments in the 1951 Supplementary Agreement to their 1948 Treaty of Friendship, Commerce, and Navigation. This totalization agreement would be the first such agreement undertaken by the United States, but it is in the tradition of a number of earlier treaties between the United States and Italy. The first United States treaty to deal with any aspect of social security was concluded with Italy in 1913, and the 1948 treaty of Friendship, Commerce and Navigation with Italy was the first of the post World War II era to contain broad social security provisions. This totalization agreement can be expected to be even more advantageous to Americans who have worked in Italy, either as U.S. citizens or before their immigration to this country, than any of the earlier treaties or agreements.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health, Education, and Welfare which explains the provisions of the Agreement and provides the actuarial data on the number of persons affected by the agreements and the effect on social security financing as required by the same provision of the Social Security Amendments of 1977.

The Department of State and the Department of Health, Education, and Welfare join in commending this Agreement, Protocol and Exchange of Notes.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1978.*

THE CONCORDE

(Mr. MILFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILFORD. Mr. Speaker, on several occasions in the past, I have risen to address this body in defense of a foreign-made aircraft called the Concorde.

As you know, this is a commercial air transport aircraft that has been built by the British and the French. Many of my colleagues and hundreds of thousands of our citizens strongly objected to this aircraft being flown in this country.

I defended the right of the British and the French to fly their transport into this Nation. The airplane had been designed and built in full compliance with our laws. Even though we later changed our noise laws, we allowed exceptions to some of our own commercial aircraft and I felt that to do less for our British and French friends, would be discriminatory.

Well, Mr. Speaker, it would appear that our friends in Great Britain do not have the same concern for us. When it comes to establishing air fares, the United Kingdom blatantly discriminates against all U.S. citizens residing in the central portions of the United States. This discrimination strikes not only at our citizens, but also against our free enterprise system.

Great Britain will allow low cost or discount fares only between New York and London, where her own government-owned carriers are operating. Britain prohibits such low cost fares from interior gateway cities such as Dallas-Fort Worth and Houston.

Recently, a new bilateral agreement was reached between the United States and Great Britain. As part of that agreement, Dallas-Fort Worth and Houston were established as new gateway cities, Braniff Airways is to provide service from Dallas-Fort Worth to London and British Caledonia Airways, a free enterprise carrier, will provide service between London and Houston.

Braniff Airways proposed to fly passengers at a discount rate equivalent to the rate now in effect between New York and London. This would offer passengers in the central portions of the United States the same opportunity as those residing in the East. Great Britain denied these fares and insisted that the regular fare rate be used.

Quite obviously this two-fare schedule is discriminatory to Americans living in the interior sections of the United States. In order to take advantage of the discount fares, Texans and others living in the Central and Southwestern States must fly to New York then change planes, and in some cases airports, before being able to fly to England.

The disapproval of Braniff International's proposed discount fares also constitutes discrimination against our free enterprise system.

New York is serviced by a British-owned air carrier company and by Pan American Airways. By prohibiting low-cost fares from interior gateway cities, Great Britain can force interior passengers through New York and onto her own airline. The absence of low-cost fares, from interior gateway cities, also stymies the efforts of air carriers as they try to develop new traffic over their route. Making low-cost fares available only at the east coast distorts interior air traffic patterns.

As a Representative from an interior district in the United States, I strongly resent this discrimination against my constituents. I call upon the Government of Great Britain to correct this injustice promptly by making available the same low fare rates from interior gateway cities as those from the east coast.

Discrimination hurts just as much when one is denied the right to fly a Boeing 747 from Texas to England as when flying a Concorde from England into New York. If Great Britain is going to insist upon discriminatory fare schedules, it might be time for us to take another look at the Concorde.

OPERATION OF SOUTHERN CRESCENT BY AMTRAK

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, yesterday, with three of my colleagues, I introduced House Concurrent Resolution 494. The purpose of this resolution is to record the sense of Congress to the effect that all of the routes presently being operated as parts of the National Rail Passenger System ought to be retained until such time as there has been a complete route reexamination study conducted by the Department of Transportation. Such a study is now in progress. It was initiated as a result of the recently enacted supplementary appropriation bill. It was originally hoped that the results of this study would be available March 1, but I now understand that the results may be delayed for as much as 6 months.

Southern Railway is not a member of Amtrak. This railroad intends to file a notice with the Interstate Commerce Commission on March 3 of its intention to discontinue its remaining passenger service. This service, the Southern Crescent, operates between Washington, D.C., and New Orleans via Atlanta. I believe it should be retained until the DOT study is completed, just as we have required Amtrak routes to be retained until the study is completed. Amtrak has the right to operate the Southern Crescent route if it is abandoned by the Southern Railway, and I believe it would be in the public interest for it to do so. However, because the national route structure is presently being studied by DOT, Congress should make it clear that the present system should be kept running until the study is completed and a decision is made as to whether any changes are desirable.

This route has always been considered essential to the national route system even though it was not operated by Amtrak. It is the only route from the east coast to New Orleans, where a connection can be made to the west coast. The train has had better ridership than many Amtrak trains but has incurred unreasonable losses in large part because it was the only passenger train operated by Southern Railway. Amtrak informed me that it believes it can operate this service at a lower loss because of its economy of scale.

Amtrak is prepared, if this resolution is adopted, to contract with Southern Railway to retain this service. The railroad has offered Amtrak all its equipment necessary to operate the service. This includes 81 cars and 17 locomotives, estimated to be worth about $4 million. In addition, the railroad has offered Amtrak $2.7 million in cash which should be sufficient to operate the service for the balance of this fiscal year.

Of particular importance is the fact that Southern Railway has assured me that all employees will be protected, either by retaining their present jobs with the railroad or with Amtrak.

TAX CREDITS FOR RESIDENTIAL ENERGY CONSERVATION DEVICES

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUKEN. Mr. Speaker, this year's Federal income tax form instructs taxpayers to watch for changes in the tax law. Right on the front page of the 1040 instruction book the IRS states that if the Congress acts, the taxpayer may be eligible for tax credits for residential energy saving expenses. If the Congress does not act, they will not get these credits.

Tax credits for energy saving expense is a subject which was addressed and acted on by both the House and the Senate in the National Energy Act. These provisions are now being held up in the energy conference committee. There are differences in the Senate and House provisions, but they are not that far apart as to warrant delaying its passage.

The fact is that tax credits for residential energy saving expenses is contained in the section of the National Energy Act which addresses more controversial energy-tax related matters. Unless agreement is reached on this entire tax section, there cannot be any movement in reference to residential tax credits.

Mr. Speaker, we can and we should move out this section of the energy bill. Today I am introducing a bill which combines provisions of both the House and Senate version of the issue. My bill calls for the refundability aspects of the Senate version as well as some Senate terminology. The rest of the legislation are the provisions passed by the House.

This issue has already gone through committee and floor procedures once. The subject has been debated, the pros and cons have been heard. By separating this issue from the energy-tax matters, it would be possible to enact energy conservation tax credits prior to this year's tax deadline. What reason could there be for not doing so?

I urge my colleagues to consider this subject carefully. As a separate bill, we can easily pass a compromise version and allow taxpayers the credits for residential energy conservation which was promised by the President and the Congress. If we do not act, we will be living up to a reputation of delay and nonaction.

TODAY MARKS THE START OF OUR SECOND ROUND OF CONSIDERATION OF ALASKA LANDS LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Alaska (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, today marks the start of our second round of consideration of Alaska lands legislation and I am hopeful that the real interests of Alaska and the Nation will be given favorable consideration by this full committee. Although the current version of H.R. 39 is being called a compromise, it hardly qualifies as such. It must undergo some important corrections before it earns that title. The bill still affects some 131 million acres: 101 million acres of new land added to parks, refuges, wild and scenic rivers, forest additions, and 30 million acres of existing parks, refuges, and forest lands redesignated wilderness. Furthermore, over half of the new acreage is also classified as wilderness. Let me note, that dealing with acreage in Alaska is like dealing with $500 billion budgets—it's almost impossible to visualize things so large. So for a little perspective let me point out that the total area affected by H.R. 39 is larger than the entire Northeast United States; the wilderness acreage alone is over three times the size of Ohio.

Nevertheless, I am the first to acknowledge that this bill was improved considerably in subcommittee. Important administrative provisions such as access, wilderness exceptions, land conveyance and subsistence have been improved. However, let me remind the Members of how bad the original H.R. 39 was. Its "better" provisions revoked State and Native land selections, effectively voided existing mining claims, banned hunting on 58 million acres of land, stopped trapping on 140 million acres, blocked access into or across the areas, overrode the State's fish and game management authority, and so on. Frankly, the original bill was so offensive, the subcommittee had little choice but to amend it: What we did was rid the bill of a lot of junk.

The subcommittee action has prepared us to address the basic issues of boundaries, land management, and resource policy. Regarding these matters, let me point out that there have been almost no real external boundary changes. Although the original H.R. 39 had 115 million acres of new areas and print No. 3 has 101 million acres, over 12 million acres of the lands taken out were State and Native land selections that the original bill tried to revoke. These are lands we do not have the right to touch or take away. Therefore, 80 percent of the so-called acreage reduction is nothing more than a deletion of lands which never should have been included in the first place. So much for compromise on boundaries.

The subcommittee also made few, if any, significant changes on the land management front. Over 98 million acres of the new areas are put into single use management units despite the fact that over 15 million of these acres are suited for multiple use management. Multiple use is a sound management concept supported throughout Alaska and the United States and this bill virtually ignores it.

Of course, wilderness—the ultimate single use management classification—has gone on a rampage in this bill. The subcommittee saw fit to go ahead and leave over 80 million acres in wilderness although we hardly know the tradeoffs involved with these designations. Unfortunately, we do know that it will put several hundred Alaskans out of work.

Lastly, prudent resource policy has not been served by this bill. Certain high value oil and gas and mineral areas have been included in the boundaries but we have been given a cumbersome process for getting them out. We are told that this really amounts to putting our resources in a bank while awaiting a rainy day or a national crisis. I have to observe that when an energy crisis or a mineral crisis strikes, it is already too late to act. Remember that we opened up Alaska's naval petroleum reserve 3 years ago when we were feeling the lingering pain of the Arab oil embargo. We still have not seen a drop of oil from the reserve and the Secretary of the Interior now informs us he is stopping the drilling program. Since it takes 5 or 10 or 15 years to bring in a mine, gas field, or oil strike, we cannot wait until the crisis is upon us to open resource rich lands—that only gets us the critical resource long after the emergency has become a bitter memory.

These are some of the problems with the bill. Now let me briefly review the five significant corrections I think it needs. First, the State must be permitted to complete its land selections. Very simply, Alaska has never been able to finish picking its 104 million acre statehood land entitlement. A combination of land freezes, withdrawals, new laws, et cetera have blocked the selection process. Recently, however, the State finished identifying the lands from which it would like to choose the final 30 million acres of its entitlement. Unfortunately, 10 million acres of these high-value lands will be put permanently off limits to the State by this bill. I am persuaded that simple fairness demands that we alter the boundaries to permit the State to choose its lands.

Now the subcommittee chairman I am sure is going to protest that the State cannot select D–2 lands. I will only point out that section 17(d)(2)(E) provides that the State can identify selection interests on D–2 lands and the language is clear that Congress is supposed to consider the State's interest in its eventual D–2 decision. If we agree with the subcommittee chairman, then we have locked the administrative D–2 withdrawals in concrete and we may just as well rubber stamp those administratively determined boundaries. I know that this was not the intent of 17(d)(2) and I trust the committee agrees with me.

Second, wilderness should be limited to areas where wilderness studies have been finished like McKinley and Glacier Bay Park or certain core areas like portions of the Wrangells, Gates of the Arctic, Lake Clark, et cetera. Wilderness classification should not occur in people use areas like the Yukon Flats, Yukon-Charley, Katmai, et cetera. Above all, there should be no instant wilderness in southeast Alaska. Objective evaluation of Forest Service data shows that the Tongass Forest Wilderness designations in H.R. 39 will reduce allowable timber cut and put over 800 people out of work. The same wilderness areas overlap the three finest mineral prospects in southeast Alaska which can provide important local and national economic benefits. Lastly, the Forest Service will finish its public planning process for the Tongass later this year—why jump the gun and throw more than 2 years of work and public input out the window?

Third, some interior forests should be created. These are conservation system units specifically mentioned in section 17(d)(2). Moreover, there are areas suited to forest management and recent independent studies have concluded that interior timber potential has been "largely underestimated." Lastly, we can insure multiple-use management for multiple values areas through forest designation.

Fourth, the minerals process of title 9 needs to be improved. Very simply, we must have a method whereby areas can be opened up without jumping over a whole course of bureaucratic obstacles and before a resource crisis is upon us.

Fifth, preserve areas—open to sport hunting and other recreation interests—need to be expanded. Although the subcommittee did expand preserves, five important areas are still included in parks where hunting is banned. Frankly, regulated sport hunting does no damage to the environment, it provides high-quality recreation, and is an important tourist factor in the State. If Alaska is unique to the backpacker, it is also unique to the sport hunter.

Before finishing, let me review what kind of bill this committee would report if it were to adopt my amendments. It would still add over 90 million acres to the four systems. The State would have its 104 million acres for economic purposes and many of the economic development arguments against the bill would be swept away. Essential resource exploration and development could proceed without waiting for a national crisis. Sport hunting could continue in important areas. Lastly, there would be millions of acres of new wilderness without adversely affecting the Alaskan life style and the Alaskan economy.

I can assure you that is what the vast majority of my constituents are prepared and willing to accept. These amendments are reasonable and take care of our legitimate concerns; they also take care of any nonenvironmental national concerns. If these legitimate concerns are addressed in this bill, I will be able to earnestly support it here and on the floor.

I want to finish with what is candidly a special plea. Alaska is coveted by many interests and it is often frightening to watch one's State, district, and home become the focus of a national struggle. I realize that because most of Alaska is federally owned, many outside Alaska consider it theirs too. But although Arizona is 43 percent Federal, we usually defer to the chairman when a matter affects only his State. I hope I can have

similar attention from the committee on this bill.

Finally, I ask that the members attend these markup sessions as frequently and as often as possible. My State's future is at stake and I have many important amendments which I consider completely reasonable. I need your attendance so you can hear my case—and reach your own conclusions—proxies do not have ears.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. STEERS) is recognized for 5 minutes.

Mr. STEERS. Mr. Speaker, yesterday, the House voted, in rollcall No. 87, to approve House Concurrent Resolution 464, approving an amendment to the District of Columbia charter relating to initiative and referendum. I supported this measure in our committee deliberations. I was unavoidably detained yesterday, and consequently missed the rollcall vote. Had I been present, I would have voted in favor of this important piece of legislation.

THE NATIONAL MATERIALS TECHNOLOGY RESEARCH AND POLICY PLANNING ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLLENBECK) is recognized for 10 minutes.

Mr. HOLLENBECK. Mr. Speaker, last week I joined my colleague, Mr. THORNTON, as the coauthor in introducing H.R. 10859, a bill to establish a materials policy for the United States and to promote more effective materials research and development.

Today, I introduce a follow-on bill designated to place the research and development promoted by H.R. 10859 within the context of long-range planning and policymaking for the production, distribution, and consumption of materials, including fuels. Concepts in the new bill could prove a useful extension of H.R. 10859.

As I noted last week, the United States is now heavily dependent upon foreign sources for its supplies of basic materials. Of 38 basic minerals comprising virtually all the metals used by the United States, we imported 58 percent of our needs in 1976. Last week, I also noted that this situation is unlikely to improve unless we take strong corrective action. H.R. 10859 is an important element of the effort required to anticipate the oncoming general shortage of resources. Research and development on all phases of materials use are urgently needed, but research will not of itself carry out the necessary policies.

The bill I introduce today proposes a specific framework for anticipating potential resource shortages. The concept is relatively simple—but fundamentally different from the usual attempt to base planning on arbitrary 5- and 10-year periods. The underlying idea behind this legislation is that planning and policymaking should be organized around the technological evolution of our materials system and around the gradual long-term replacement of the Nation's capital assets. To do so, requires that we make different types of planning decisions—each timed to coincide with changes in the technological and economic structure of the production, distribution, and consumption of materials.

Let me give an example. It takes between 3 and 7 years to bring a new coal or iron mine into production. If we wish to expand the production of coal or iron, the effect of this decision will not begin to be felt until approximately 5 years from now. During the interim, plans must be made to counter unexpected shortages which might arise from the refusal from exporting countries to sell fuels or materials, from labor disputes, from multiple equipment failures, from transportation difficulties, or other unforeseeable contingencies.

Next consider that the life of an average coal mine or the life of a utility plant, a smelting or a blast furnace may be on the order of 20 to 50 years, respectively. This implies that materials facilities now in existence will require between 20 to 50 years to replace. In any case, depending upon the facility considered, or the end use being considered, one must have a long term plan for the allocation of capital and labor to replace existing facilities as well as to bring into operation new facilities required to meet expanding or changing demands for materials. Thus, a capital allocation plan should look 20 to 30 years into the future, at which time the replacement of existing facilities, by new technology currently coming off the drawing boards, would occur most rapidly.

Third, and finally, looking from 30 to 70 years into the future one can conceive a time beyond the lifetime of almost all the existing materials facilities. Over this time period, constraints on materials use, such as the long term depletion of mineral reserves, may arise which affect the general role of materials within overall economic and social development. Thus, over the very long term, it is necessary to have a plan for the goals, purposes, and direction of economic development, as well as the place of material production, distribution, and consumption within these general aspirations. Working backward, one can then fit the 25 year capital plan mentioned above into these long range social and economic goals. Finally, for the near term, one should plan for unforeseen contingencies which arise more rapidly than capital and human resources and be shifted to meet these changing or unforeseen demands.

In practice, the situation is much more complex. Basic research enters the picture. Peoples' conceptions of their aspirations and the ends of economic development change as technology evolves and makes its presence felt throughout the economy. But the essential idea contained in this simple model is the relationship of planning and policy making to the evolution and diffusion of technology. Further research will, of course, improve our understanding of the process of technological change.

The bill contains three titles. The first lays out findings and purposes. Specifically, it finds that materials planning and policy do not now anticipate the evolution of materials technology. The second title would require that the President submit to the Congress a materials policy plan every 4 years beginning on June 1, 1981. The plan should contain objectives, and strategies for achieving the objectives for each of the three planning periods described here. The third title requires the President to report to the Congress before July 1, 1979, with recommendations for the establishment of appropriate institutions as well as funding required to prepare and implement the mandated National Materials Policy Plan.

Mr. Speaker, in a recent article in Science magazine Dr. Charles Berg, former Chief Engineer for the Federal Power Commission analyzes the historical process by which coal replaced wood as the primary fuel of the Nation during the last century. He suggests that fuel price alone does not account for this conversion. Rather, it was the possibility of designing new industrial processes, of making new products which were not possible with then existing wood technology. These possibilities excited the imaginations of the most talented scientists, engineers, inventors, and entrepreneurs to explore the use of coal as a fuel and as a chemical feed stock.

Dr. Berg concludes:

> There are a number of things about energy research today which one may think represent misplaced emphasis. It seems to be of highly questionable value to attempt to decide which form of energy to develop from the resources to be available in the future without giving significant attention to the processes by which these forms of energy might be used. . . What we should expect is that the problems of energy should motivate the search for opportunities to make conceptual advances in industrial processes. Such advances could range well beyond direct consumer benefits with energy. Thus, the emergence of conceptually advanced processes will probably set the future trends of energy use.

Mr. Speaker, I find this suggestion a fascinating thesis. For it implies that we are designing energy programs for the future too often as a projection of the life we know today. I believe this situation also pertains to planning, investment, and policymaking in all areas of materials production, distribution, and consumption, not just to energy. The bill I introduce today could help reverse this process by requiring that materials policy look far into the future to the time when the slate is clean. Then we should decide what economic and social aspirations and ideals we would like most of all to achieve. Working backward, we should consider what new technologies must be developed. Some of these may not even be conceived of today. Finally, we must always have ready plans to deal with unforeseen circumstances and events, not the least of which is the unexpected discovery of totally new methods and industrial processes through research.

Can our democratic system of government devise and then carry out a method

of long range planning which subordinates technology to the individual and national aspirations?

Our answer to this question will tell whether we have a determination to anticipate the resource shortages which this Nation and other nations will surely face if we continue as at present. As I stated last week, a national commitment to anticipate materials shortages, rather than merely react to them would demonstrate the long term health of democratic societies in a world which increasingly chooses authoritarian solutions to social problems.

Do we have the sense of purpose required to anticipate these shortages by choosing our future? I believe so, but we must act now. At the present time, the growth of domestic and international materials demand is on a collision course with resources and environmental constraints. But changing the patterns of demand for materials takes time—a long time. Once an iceberg is within the turning radius of an ocean liner, collision is inevitable. Mr. Speaker, with respect to materials, shortages are dangerously close to the technological turning radius, yet the Nation does not even possess a shaft from the helm to the rudder. That is the purpose of this bill: to provide the link between materials policy and technology.

IN SUPPORT OF H.R. 112

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, in 1969, this Congress passed the Tax Reform Act of 1969 which among other things imposed a 4-percent tax on the net investment income of all private foundations. This excise tax had a stated purpose of providing revenues for the IRS to step up a program of audits of private foundations in order to avoid blatant tax evasion abuses. In addition to the excise tax, a number of other provisions were enacted to regulate the operation of the foundations to eliminate certain questionable practices.

In the first full year, the Department of the Treasury reported that the 4-percent tax produced $33.9 million, while related IRS expenses totaled only $19.3 million. Since these figures did not include the amount of penalties assessed, or additional income produced by the audits, it seemed reasonable to me that legislation to reduce the tax should be adopted in order to firmly establish the principle that the levy intended only to cover the cost of audits and not to produce revenue. Consequently, on June 20, 1972, I introduced legislation to reduce the 4-percent excise tax to 1½ percent to cover the actual cost of auditing.

Today, approximately 6 years later, we have before us a bill reported out of the Ways and Means Committee to reduce the tax to 2 percent. The committee report states clearly that the reasons for the change include the fact that the tax has produced more than twice the revenue needed to finance the operations of the Internal Revenue Service with respect to tax-exempt organizations. In addition, the committee finds that the tax has actually reduced charitable expenditures because the operation of the private foundations charitable distribution causes the tax to reduce the minimum amount that private foundations are required to spend or grant for charitable purposes.

When introducing my bill in 1972, I made the observation that it might appear to some to be a "tax loophole." Although I would be among the last to suggest that our system of tax exemptions, exclusions, deductions and credits should not be subject to intense scrutiny and reexamination, I believed then and still do that there is a sound purpose to tax-free status for private foundations.

Private foundations play a significant role in providing an essential diversity in our society. Just as our Federal system of government should be providing diversity by encouraging the States and local governments to develop creative solutions to the problems facing us, so can a policy of encouraging private charitable activity foster innovation and creativity.

Moreover, as I also pointed out in 1972, these private institutions also fill needs of our society much more cheaply than government could ever do. And, in the process, they do it in a self-reliant, compassionate way that government too seldomly evidences.

So for those of us who have experienced the frustration of waiting for an appropriate legislative response to a clearly defined problem, there is hope. We sometimes have proof that persistent efforts can accomplish meaningful results. As one of the earliest proponents of the change in tax policy which H.R. 112 will bring about, I am delighted to add my support for this measure.

"PITCH IN FOR CHICAGO" ESSAY CONTEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, yesterday I announced the winners in the essay contest sponsored by Mayor Bilandic's Committee for Neighborhood Pride and Beautification, myself, and Illinois State Representative William J. Laurino.

I wish to include in the RECORD copies of the essays by the runners-up, all of which were written by pupils in schools located in the 39th ward area of the 11th Congressional District of Illinois, which I am honored to represent.

The essays follow:

"PITCH IN FOR CHICAGO" ESSAY CONTEST RUNNERS-UP

SHERYL MATEJA

Keeping Chicago clean isn't difficult if cooperation is at hand. Chicago may have pollution, but it isn't impossible to stop pollution. Civilization made pollution. We don't have to stop civilization—we just have to stop the side effect—pollution. For example, garbage. It has been a hazard for years of civilization. If we could do something with unrecyclable things, we will be taking a big step for us. We need an invention that will filter every house, home, car or factory, or any pollution-maker of that sort. This might take some-time, so in the mean-time we can get started on other things.

For example, garbage, we could add more garbage cans to our community. When you litter, it is like breaking a law in the law of nature. The earth's atmosphere is a mixture of oxygen and pollution. If pollution overrules the oxygen someday, we will be headed for trouble. The earth and our lives are depending on every human-being's cooperation.

In other words we're depending on *you*! We are the ones at fault. The future generations of yours and mine depend on *us*! Animals can be hurt by pollution.

We need to teach the world's people to understand their behavior. I'm sure they don't realize what they are doing to our lives and our planet.

Cooperation is our only hope to tomorrow's air to be clean. Right now we are all guilty and have to pick up *now*! So for our lives, don't pollute!

Give a hoot!

TERE HEINICHEN

Keeping Chicago beautiful is an excellent idea and essential for a cleaner life in our great city. Pollution is only one form of the many unwelcome visitors that threaten to ruin our reputation as a clean city. In the past, a few have tried to help solve our problems, however, in a city our size a few is not enough.

Wastebaskets are for trash not the lake, the sidewalks, and the street. Buildings and homes should be kept in good repair. Walls in public places and in schools should not be written upon. Windows should not be broken. Other people's property should be respected not abused.

When we are away, the yen for home may soon disappear, for who would wish to return to a city badly in need of care? If Chicago is important enough to all of us, everyone should try to do something before Chicago is no longer a city we can be proud of.

DENISE SCHELL

The doggee-doo doo is getting worse,
For every step I scream a curse.

Litter is the ruler of this place,
The wind blows candy wrappers in my face.

"She loves this one, he loves that,"
Write busy little pens by busy little brats.

You say you need solutions? Here are some.

1. Doggee stations (1 to every 3 or 4 block) with a pick up man once I week.

2. Garbage cans on every block (chained down) and a CLEAN-UP CHICAGO DAY ONCE A MONTH.

3. Each family pay a vandal fine to the school and anyone caught must (if possible) pay for damages. Parents MUST teach children vandalism costs, it doesn't pay.

GALE SUAREZ

How can I keep my neighborhood and Chicago clean and beautiful? Many things can be done, but it all boils down to one thing . . . hard work.

If you really would like to have the city clean and beautiful (like myself). You must do things right which takes hard work. Going around picking up garbage is nice, but you must go deeper, by getting other people involved to help you, which might take a bit of convincing which of course is . . . hard work.

To help keep everything clean and beautiful you can make things you do interesting (like picking up aluminum cans to be recycled. Paper also can be recycled.) This way you're doing things right with the help of others, but taking the garbage to where it belongs, also takes . . . hard work.

Picking up and getting others to help may not sound like hard work but it is and that's what it takes and that's what's important.

BOB VANECKO

The problem of keeping our neighborhood and city clean is getting worse. Many old, crumbling buildings are left to destroy the appearance of the community. This fills it with litter, dust and unclean homes and yards. Many people don't care about their yards and gardens. However, the worst part of this problem is that not enough people care, not many people are in touch with the problem and not enough are willing to do something about them.

These problems are very real but not so severe in our neighborhood. Yet we still could stand improvement. I can really help with this problem in my small way. Small aids could be important. I can show how younger people can help with a problem mainly concerning adults. We can set a good example for others by giving them a good cause to work for.

For example, we can suggest turning down thermostats and riding our bikes instead of asking our parents to chauffeur us. This would also cut down on air pollution.

We can help rehabilitate the needy areas of the neighborhood by recycling old things for further use. We can make efforts to pick up all the litter in the area and organize group efforts to accomplish this. We can warn people we see littering and get them involved with solving this problem. These efforts could bring about large and organized efforts on the part of adults.

KIM ROSENTHAL

Papers or candy wrappers thrown into the street, driving a car when it is just as easy to walk, writing on fences or walls, using aerosol spray cans. What do these have in common? They are all forms of polluting.

What can I do to help clean up the environment? I'm only a thirteen year old girl. Pitch in! Pick up those papers or candy wrappers and pitch them into garbage cans. Inform our parents for the benefit of our health to do more walking and less driving. Helping to clean the vandalism done to fences and walls, and use hair sprays that don't put gases into the air.

If we don't clean up and pitch in now, we will feel the results in the later years. Taxes will be higher to allow our city to have more people to clean our city. Cars will cost more and most of the increase will pay for the cleaning up of the carbon monoxide caused by cars.

What I'm saying is that we have a choice now, and that is to Pitch In or Shell Out. Pitch our garbage into the proper containers or shell out our parents hard earned money for others to clean up our neighborhoods and our air when it can be prevented.

So we should remember our choice. Pitch in now or shell out later.

GINA MARTYKA

To start my story I'd like to say pollution is ugly. I think if we could have a cleaner city people wouldn't always be rushing and having their heads hanging down low. Instead, they would stroll along with their heads high saying "This is our city and we're proud!"

Just think of all the excitement we would have in our lives walking down those wide clear city streets, and not having to look back and see what tripped us. Maybe even the sun would shine brighter if all the garbage was cleaned away, and my ideas of helping it vanish just might help.

First, more garbage cans should be distributed around the neighborhoods, then the people living within a certain area could have a race to see who can keep their own the cleanest.

Maybe then, Mayor Bilandic, could come out and award a ribbon showing appreciation for their good deed. Even the buildings that have writing all over them have hope. You see, they could be turned into outstanding murals that say something about keeping the cities clean. The murals could be drawn by students coming out and showing they care enough to participate in cleaning the buildings.

Now these ideas could go on and on and all those posters saying Pitch In For America could be pinned up but, is it really worthwhile to keep on dreaming? I say Yes! It is worthwhile and we really should start tackling this problem before pollution makes a bigger scar on us.

I'm sure Mayor Bilandic would be proud to say these are my people and they care.

Look how the parks shine, and hear those birds sing of this miraculous deed, as people go walking off hand in hand enjoying the scenery in Mayor Bilandic's city!

HELEN SKOULIS

Chicago is a very beautiful city. Many tourists come to see its beautiful museums of art and science, its parks and its lakefront.

As a sixth grader I have many responsibilities. Here are some of the most important ones that concern me, my house, my block, my neighborhood and the city of Chicago.

1. Do not litter.

2. Show a good example for smaller children to follow when it concerns picking up and throwing away garbage.

3. Remind people not to do it.

These above statements I think we should all follow. If we do, our city will get prettier and prettier each day. There would not be as much pollution on our sidewalks, and streets—in our parks and on our lawns.

So if all of us *do* follow these small rules we will have the cleanest and prettiest neighborhoods and the most attractive city in the United States.

I promise to pitch in for Chicago. How about you?

ALEJANDRINA SEGOVIA

I would like to tell you some of my ideas on how to keep Chicago clean and beautiful. What we must do first is try not to throw garbage on the sidewalks. We should look for a garbage can where we can throw garbage in. If there is none, you can simply wait until you see one. If a person owns a store, factory or any other kind of business, he should have someone that could clean his property's sidewalk.

Another way to keep Chicago beautiful is that if a person owns a building and this building is not in good condition, the owner should get it fixed up or he could knock it down and rebuild another one. These are the ideas that I think would help keep Chicago a beautiful city.

LISA STEINER

My opinion on Beautifying Chicago is not just to keep it clean during clean up week but all year round.

I'd help shovel and plow streets and sidewalks in winter, in summer I'd help keep garbage can lids closed so the bad odor don't escape. In spring have more garbage pick ups especially during clean up week so hazardous papers aren't laying around ruining the beauty of our wonderful city. In fall I'd work the hardest to help people rake up old leaves so they don't start on fire and burn down any beautiful landmarks.

But most of all I'd try to fight pollution and vandalism so our city is more beautiful for the people who live here and visit.

I can't do it by myself. I need the help of the stores the schools the businesses but especially the people.

REFUGEE ADMISSIONS—A GLARING DEFICIENCY IN OUR IMMIGRATION LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, an active concern for human rights throughout the world has become a central part of our foreign policy. We have made clear our indignation over the disregard for the rights of countless persons abducted from their homes, held without charge, and tortured. In reducing aid to such regimes we have said we will not be partners in this brutality. Yet what we say about our concern over human rights violations in other nations is brought to a test in how we provide for the admission of refugees under our immigration laws. More than our credibility is at stake. Many victims of human rights violations on whose behalf we speak, are denied an opportunity to become resettled in the United States because our immigration law recognizes as refugees only those fleeing persecution from a Communist-dominated country. When confronted with the individual situation of aliens fleeing persecution from Latin America and other non-Communist countries, often our concern for their human rights is devoid of an accompanying offer of refuge.

THE UNITED NATIONS DEFINITION OF REFUGEE

The Subcommittee on Immigration of the House Judiciary Committee is to be commended for attending to this problem early in the 95th Congress. Both H.R. 7175, which was developed by the subcommittee, and H.R. 7802, legislation I introduced last year, remove the geographical and ideological limitations in our definition of a refugee. This narrow and outmoded provision is replaced with the United Nations designation of a refugee as one who is outside the country of his or her nationality and is unable to return to that country because of persecution or a well-founded fear of persecution based on race, religion, nationality, or political opinion.

PROVIDING A FAIR REFUGEE QUOTA FOR THE UNITED STATES

Existing immigration law authorizes the admission of 17,400 refugees from Communist countries annually as conditional entrants. The conditional entry provision is the seventh preference category of the visa distribution system established under our immigration laws. This system was created in 1965 to govern Eastern Hemisphere immigration and was extended to the Western Hemisphere in 1976. In four of the preference categories quota numbers are set aside for family reunification; in two others quota numbers are set aside for workers needed in the United States. In the seventh preference, 6 percent of the hemispheric ceiling of 170,000 for the Eastern Hemisphere and 120,000 for the Western Hemisphere are set aside for refugees.

The subcommittee proposal provides a worldwide quota for the conditional

entry of refugees of 20,000 yearly. My proposal calls for the annual admission of 35,000 refugees and their families as permanent residents.

The refugee caseload under the existing limitation in our refugee admission policy has been increasing in recent years. As a result the State Department has, when possible, processed the family members of refugees as nonpreferenced immigrants so as to make a maximum accommodation of refugees under the limited seventh preference. Under existing law, immigrant visas not used in each of the preference categories are made available on a nonpreference basis. Through this practice family members of a refugee are not counted for one of the refugee quota numbers.

Under the subcommittee proposal it would appear that this practice would be prohibited under a requirement that each family member be admitted under the same category as the refugee. The result could be that fewer refugee admissions would be possible than presently exist.

My proposal treats the refugee and his or her immediate family as a unit with the assignment of only one of the 35,000 quota numbers for their admission to the United States.

In 1976 it was my privilege to serve with the Amnesty International Mission to Argentina. The United Nations High Commission on Refugees estimates that at this time there are 7,500 registered refugees in that country alone. Of that group 3,000 are in urgent need of resettlement. Our obligation to provide for resettlement of refugees is a vital component of our subscription to and participation in the United Nations Protocol Relating to the Status of Refugees, the Helsinki Agreement and other international commitments. It would be an empty gesture to respond to the need for a change in the definition of refugee under our law without responding with a realistic quota for such admissions. We have been appropriately emphatic in our condemnation of human rights violations in Latin America, yet refugees from Latin America are not recognized under present law. We cannot in good conscience pretend to provide for their admission through a change in our definition of refugee, when at the same time we place severe limits on the numbers we will accept.

DOING AWAY WITH CONDITIONAL ADMISSION OF REFUGEES

Under my proposal refugees will be admitted as permanent residents instead of conditional entrants for a 2-year period, as is presently required and is repeated in the subcommittee bill. The Justice Department, through the Immigration and Naturalization Service, has seldom, if ever, denied adjustment of status to permanent resident for a refugee following his 2 years of conditional status. The Migration and Refugee Service of the U.S. Catholic Conference and a number of other independent agencies involved in the resettlement of refugees have urged a change in this procedure.

In testimony before the Subcommittee on Immigration last year about legislation to adjust the status of the 150,000 Indochina refugees who were paroled into the United States, Commissioner Leonel Castillo of INS reported it would cost his agency $2,364,000 to carry out this adjustment. There seems to be little reason to continue this practice when readjustment is a matter of course, virtually without exception.

PROVIDING FOR REFUGEE GROUP ADMISSIONS IN EMERGENCY SITUATIONS

Our response to the need for resettlement of a large group of refugees has been undertaken under the parole authority of the Attorney General. In the past 5 years this authority has been used to admit stateless Ugandan Asians who were ordered to leave Uganda, Chilean refugees following the overthrow of the Allende government, Indochina refugees and refugees from the Soviet Union, who were primarily Soviet Jews. In some of these instances parole was used because the numbers of refugees needing resettlement could not be accommodated under the limited seventh preference, such as with the Indochina and Soviet refugees, and in others, such as the Chileans and Ugandan Asians, because these refugees did not come under the refugee definition of our law. These ad hoc short-term solutions to emergency situations point to the need for a permanent policy on the admission of groups of refugees. When enacted in 1952, Congress intended the parole authority to be used for the admission of individuals in emergency situations.

Both the subcommittee bill and my proposal confer upon the President clear authority to admit groups of refugees in either of two situations: upon the issuance of an appeal for resettlement assistance from an international refugee organization and upon a determination by the President that an emergent refugee situation exists which is of special interest to the United States.

The subcommittee proposal places a ceiling of 5,000 or 15 percent on the number of admissions the United States can accept under an international appeal for resettlement assistance ond further requires the President determine what a "fair share" of admissions for the United States would be in relation to what other nations are doing. Resettlement of refugees is unquestionably an international concern and all nations should be encouraged to respond to a plea for assistance. However, it would not seem wise to require a determination of what other nations are doing as a prerequisite for our own actions. The State Department, in testimony before the subcommittee, noted this concern:

We fully agree that the resettlement of refugees is a matter of international concern and that we must vigorously encourage international participation in refugee problems. To hold back until this participation is assured, however, would deny our role as a leader in the field of humanitarian concerns in the international community. In addition, the United States should not turn its back on refugees simply because other nations may do so.

Humanitarian concerns present in an emergency refugee situation should not be made subject to a numerical limitation inflexibly set by statute. My proposal places no statutory limit on our response to a plea for resettlement and allows us to respond independently of what other nations do.

CONGRESSIONAL INVOLVEMENT

Both the subcommittee proposal and mine provide for congressional involvement in the decision to admit a group of refugees whether it be based on a call for our assistance or because the President has determined a refugee situation to be of special interest to the United States. Both measures require consultation with the Judiciary Committees of the House and Senate. The subcommittee bill allows for a one-House veto on the admission of a group of refugees, while my proposal requires both Houses to enact a resolution of disapproval before a group could be denied admission to the United States.

CONCLUSION

This Nation is for the most part composed of the descendants of refugees from political, religious, and economic oppression. Our outspoken defense of human rights throughout the world will be subject to justifiable criticism as long as we deny entry to precisely those victims of political repression on whose behalf we speak. Our not providing a fair and orderly procedure for the admission of refugees is a glaring deficiency in our immigration laws—a deficiency incongruous with our international commitments and our national heritage.

Of fundamental importance is the recognition within our laws of the United Nations definition and the establishment of a process for admission which gives substance and meaning to our concerns. We cannot pretend to hold out a genuine offer of refuge if at the same time we so limit access as to deny a realistic opportunity for admission.

It is my hope that Congress will act in a fair and comprehensive fashion to reform our immigration law.

INSURANCE COMMITMENTS OF UNITED STATES INCREASE $159 BILLION IN 1 YEAR: NEED FOR COORDINATED CONTROL OVER GROWTH OF U.S. CONTINGENT LIABILITY WHICH NOW TOTALS $1.18 TRILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, each January, the Department of the Treasury issues a report on the size of the public debt as well as other, contingent liabilities of the Federal Government, including the various Federal insurance programs.

Many of these insurance programs of the Federal Government will never need to be paid off—they are contingent liabilities in the event of disasters, wars.

widespread mortgage defaults, and so forth. As the Treasury report notes:

The "Contingencies" . . . represent commitments which have the basic characteristic or uncertainty (1) as to whether the conditions or events implicit as a matter of conjecture will ever occur to cause any liability to be incurred or (2) if they do occur, as to when with what frequency, and to what degree.

In many of these cases—

The possible future liability is highly speculative and may never arise, and the amounts, if they can be projected at all, are stated for the most part in terms of maximum theoretical risk exposure . . . without regard to probability of occurrence and without deduction for existing and contingent assets which would be available to offset potential losses.

Despite these warnings on the cover of the Treasury report, the fact is that the Federal Government acts like a drunken sailor when it comes to writing "insurance policies" and committing itself to covering future emergency costs.

A comparison of the Treasury report for the fiscal year ending September 30, 1976, and for the year ending 12 months later, September 30, 1977, shows that the contingent liability of the Government increased $159.9 billion in 1 year—that is an increase of liability of $18.2 million per hour. If even 5 percent of these contingent liabilities come due—if homeowners default, if overseas assets are seized, if the student loan program continues to be in trouble—then the taxpayer will be asked to come up with $89.5 billion to make good on the Federal Government's promises and guarantees. I believe that a 5-percent default rate is likely, and I find it dangerous that the level of taxpayer liability is increasing so rapidly.

Now, most of these insurance and guarantee programs are highly worthwhile and would be well supported by the taxpayer. The problem is, there is no one in the administration or the Congress who has a rein or control over the growth of these liabilities from year to year. These liability programs are growing like topsy. Many program administrators and Members of Congress like to use these guarantee and insurance programs because they are "cheaper" than passing appropriations. They end-run the budget process—and thus are easier to enact into law and to expand—but they also escape the discipline of the budget process and the scrutiny of the appropriations process.

On February 27, the Ways and Means Committee held hearings to consider legislation which will help bring some control over the system of guaranteed loans. But I believe that we must also look at the complete lack of controls over the Federal Government's writing of insurance policies. At the rate we are going, one could wonder who is insuring the insuror?

Following is a table from the Treasury study for the year ending September 30, 1977, with figures added to show the growth between fiscal year 1976 and fiscal year 1977:

SCHEDULE 9

INSURANCE COMMITMENTS, AS OF SEPT. 30, 1977

[In millions]

Agency and program	Net amount of contingency, Sept. 30, 1976	Net amount of contingency	Explanatory notes
Funds appropriated to the President: Overseas Private Investment Corporation.	$6,078	$5,768	This corporation insures U.S. investors against political risks of expropriation, inconvertibility of local currency holdings, and damage from war, revolution, or insurrection.
Department of Agriculture: Federal Crop Insurance Corporation.	1,571	1,984	Represents the gross or maximum amount of 1977 crop insurance coverage provided. For fiscal 1978 it is estimated that premiums of $91,600,000 will exceed indemnities of $82,400,000 by $9,200,000.
Department of Commerce: Maritime Administration: War-risk insurance revolving fund.	.....	10,000	Represents the estimated insurance exposure under binder contracts.
Department of Health, Education, and Welfare: Student loan insurance fund.	3,624	2,535	Represents Federal insurance program. Loss on insurance in force is estimated to be $271,000,000. Funds are requested and appropriated by Congress for losses recognized during year in which claims are received.
Department of Housing and Urban Development:			
Federal Insurance Administration:			
Crime insurance	213	424	This insurance program enables businessmen and residents of homes and apartments to get crime insurance in States where crime insurance is difficult to get or excessively costly. Citizens of States designated to need the Federal program may purchase the Federal policies through any licensed insurance agent or broker.
Flood insurance	24,549	35,194	This insurance program enables persons to purchase insurance against losses resulting from physica damage to or loss of real or personal property due to floods or mudslides. After communities are designated eligible, Federal insurance policies may be purchased from any licensed insurance agent or broker. The amount of insurance in force not insured by the Government is $22,000,000.
Riot reinsurance	496,000	509,000	This reinsurance program helps property owners in urban areas get insurance protection on property in areas subject to riots or civil disorders. Federal reinsurance is available for companies participating in fair access to insurance requirements (FAIR) plans under supervision of the State insurance authority. These companies agree to provide coverage on insurable property. Owners who cannot get insurance in the private market are referred to FAIR plan headquarters, the property is inspected, the rate determined, and the policy is issued if requirements are met. The amount of insurance in force not insured by the Government is $11,000,000,000.
Department of Transportation: Aviation war risk insurance revolving fund.	55,946	55,946	Legislation authorizing insurance programs expired on May 7, 1977. On Nov. 9, 1977, legislation was passed authorizing continuance of the programs. There was no contingent liability for insurance as of Sept. 30, 1977. **But as of Nov. 9, when the program resumed, nearly $56,000,000,000 in liabilities came back into force; therefore, this amount has been added back into total (Vanik).
Veterans' Administration:			
From appropriations	25	24	
U.S. Government life insurance fund	561	519	This fund holds $526,000,000 of public debt securities.
National service life insurance fund	26,410	25,920	This fund holds $7,250,000,000 of public debt securities and agency securities of $235,000,000.
Service-disabled life insurance fund	1,527	1,587	
Veterans special life insurance fund	5,104	5,061	This fund holds $528,000,000 of public debt securities.
Veterans reopened insurance fund	1,249	1,230	This fund holds $382,000,000 of public debt securities.
Independent agencies:			
Export-Import Bank of the United States	4,044	3,180	Represents short- and medium-term insurance and war risk consignment insurance.
Federal Deposit Insurance Corporation	587,765	655,807	Represents estimated insurance coverage of total deposits in insured banks as of Sept. 30, 1977. This corporation holds $7,462,000,000 of public debt securities.
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation.	316,178	369,275	Represents estimated potential insurance liability of the corporation. This corporation holds $4,536,000,000 of public debt securities and agency securities of $132,000,000.
National Credit Union Administration: National credit union share insurance fund.	36,700	35,400	Represents estimated insurance liability of insured credit unions. The fund holds $89,000,000 of public debt securities. Estimated loss to the fund in fiscal 1978 is $2,000,000.
Nuclear Regulatory Commission	60,500	69,440	This Commission has 124 indemnity agreements in effect. Maximum liability coverage provided each agreement is $560,000,000 for a nuclear incident.
Small Business Administration:			
Lease guarantees revolving fund	425	381	The nonguaranteed portion is $35,000,000.
Surety bond guarantees revolving fund	650	377	Represents indemnity agreements.
Total	1,629,119	1,733,106 +55,946	For aviation insurance.
Total	.....	1,789,052	

UNION STATION AND THE NATIONAL VISITOR CENTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MINETA) is recognized for 5 minutes.

Mr. MINETA. Mr. Speaker, Chairman JOHNSON and I are today introducing, by request, a bill to change the jurisdiction and design at Union Station and the National Visitor Center and to complete construction at that project. This bill was transmitted from the administration to the Public Works and Transportation Committee on February 24, 1978.

This legislation would transfer the Secretary of the Interior's lease at Union

Station to the Secretary of Transportation: it would authorize the Secretary of Transportation to sublease to the Secretary of the Interior approximately one-third of the present Visitor Center to function as a visitor center; and it would authorize $52.3 million to complete the parking facility and certain ramps to it, to change two-thirds of the present Visitor Center back into a rail station, to make further repairs in Union Station, and to remove the present replacement rail station. It is the administration's position that $22.8 million of the full amount would come from the Department of Transportation's existing authority under the Northeast Corridor improvement project. The administration is seeking the balance in new authority and is seeking approval for its entire plan at Union Station.

The Public Buildings and Grounds Subcommittee, which I chair, is now in the midst of hearings on Union Station. We intend to report legislation by May 15. Any legislation regarding Union Station and the National Visitor Center must meet the following objectives:

To get the taxpayer a return on the previous Federal investment in this project at the least possible additional cost;

To make sure that all required capital improvements are identified and included in the legislation, so that all costs can be known and evaluated against the benefits;

To correct, before further Federal expenditure, the legal, financial, and managerial problems which have plagued the project and prevented its completion; and to provide for a final design which can accommodate both the growth in rail passenger traffic and the legitimate needs of visitors to the Nation's Capital.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, on Monday, February 27, 1978, I was absent. Had I been present I would have voted "yea" on both rollcall No. 87 and rollcall No. 88.

CHICAGO'S MAYOR BILANDIC AND HEATHER BILANDIC STRONGLY SUPPORT LEGISLATION CALLING FOR WHITE HOUSE CONFERENCE ON ARTS AND HUMANITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, last month JOHN BRADEMAS, the distinguished majority whip and chairman of the Subcommittee on Select Education, was in Chicago to conduct hearings on his legislation calling for White House Conferences on the Arts and on the Humanities. As you know, this legislation, House Joint Resolution 649, was passed by the House on February 21 by an overwhelming margin.

At a morning session at the Art Institute, Heather Bilandic, wife of Chicago's Mayor Michael A. Bilandic, spoke strongly in support of the legislation calling for a White House Conference on the Arts. Mrs. Bilandic was first appointed in 1976 by the late Mayor Richard J. Daley as the first executive director of the Chicago Council of the Arts. Her term in office was marked by several innovative developments which resulted in bringing the arts closer to all of Chicago's citizens. I know that JOHN BRADEMAS agrees with me when I say that Heather did a particularly good job in stressing the importance of the arts to America's cities. Her testimony played an important role in the formulation and enactment of this important legislation.

At this point I would like to submit for the RECORD a copy of Mrs. Bilandic's testimony as well as Mayor Bilandic's opening statement:

STATEMENT BY THE HONORABLE MICHAEL A. BILANDIC, MAYOR OF CHICAGO

Thank you very much, Representative Brademas.

I think the best thing I can do is to present my cultural consultant and call it a day but I think I should add a few words of my own.

I am very pleased to welcome you to Chicago today for this hearing on a subject that is of interest and important to everyone. We in Chicago have always been particularly concerned with the cultural enrichment in our lives. As you can see by our many museums, theaters and park facilities, in addition we have been fortunate that many of America's most famous and talented artists were either born here or made their homes here—Ernest Hemingway, Frank Lloyd Wright, David Mamet, Maria Tallchief, George Solti and many of whom you will be hearing personally here today.

Of course the list could go on indefinitely. Each of these people has left an indelible mark on Chicago. However, we are also aware that many of our citizens have never had a chance to enjoy a painting or a traveling theatrical production and that many painters and actors as well as other artists are unable to make a living using their special talents.

It is important that we look harder for solutions to such problems. The increased amounts of leisure time we now have for more cultural experiences by almost everyone, and in a large diverse city like Chicago, shared appreciation of a positive activity can be of great help in furthering understanding between people.

What's more, we are only beginning to understand our roles in providing aid and assistance to the arts programs for minorities, elderly, handicapped and school children.

For these reasons we welcome you, Representative Brademas, to Chicago. Your experience and Congressional record show you to be an active and vigilant participant in the movement to increase our support of the arts.

We are also proud of our own Congressmen, Dan Rostenkowski and Sid Yates, whom you have mentioned, who have given much time, thought and enthusiasm to this issue as well as making great progress in bringing cultural enrichment to their constituents. Representative Rostenkowski was an original sponsor with you of the Museum Services Act enacted last year and, of course, Representative Sid Yates has acquired a fine reputation as an advocate of the arts and artists in Chicago and throughout the United States.

I hope that in bringing together ideas from all over America you are able to gain some new insights into these questions. I also hope that the distinguished participants in these hearings will help plead the case for this very valuable conference in Washington and I extend my best wishes to all of you for success.

Thank you for allowing me to participate.

Mr. BRADEMAS. Thank you very much, Mayor.

We now look forward to hearing from Mrs. Bilandic of whose interest in the arts we have heard all the way in Washington, D.C.

TESTIMONY OF MRS. MICHAEL A. BILANDIC AT THE HOUSE SUBCOMMITTEE ON SELECT EDUCATION

It is a pleasure for me to be here today to lend my support to the proposed White House Conference on the Arts.

Whether we speak of theater, painting, literature, or dance, art has played an essential part in the lives of people since the earliest times. History shows that the arts have always flourished in urban areas, benefiting from the larger and more diverse audiences, better publicity and transportation, and the stimulus of working near other artists and sharing their ideas. However, the concentrated nature of the urban environment creates special problems for the cities as well as special advantages. My experiences with the Chicago Council on the Arts have made me particularly aware of the cities' relationship with the arts, and it is to that situation that I would like to address myself.

The arts are a critical element in the survival of cities. If we are to achieve an improved quality of life in the Nation's urban population, and retain the segment of residents who traditionally look to the city for cultural stimulation, all levels of government must recognize the arts as an essential service. All men, women, and children should have the opportunity to experience the arts in their daily lives. Within the urban environment every citizen should have accessible avenues for cultural development, expression, and involvement.

In many ways, Chicago is more fortunate than some other American cities. Cultural expression has a strong place in our lives here. In 1976, attendance at the city's seven largest museums was double that at all professional sporting events in the city that year. Annual attendance at one museum alone—the Museum of Science and Industry—exceeds four million persons a year. The diversity of cultural opportunities is reflected by the fact that last year Chicagoans saw some 200 theater productions, an average of 17 new productions including three original plays each month.

Still, this creative input produces hopeful artists and performers every year who, from time to time, look to the resources of Chicago and various State and Federal agencies for employment and aid. Our city, I am proud to say, leads the Nation in providing federally-funded employment for its artists. Last year, the city allocated $2.4 million in CETA title IV funds for the arts in local non-proft organizations. In addition, we instituted our city's first artist-in-residence program, a $1.2 million project designed to provide jobs for 100 unemployed artists and to give them an opportunity to perform innovative public-service tasks as an integral part of city government.

However, indicative of the urgent need for more such jobs is the fact that 1,200 people applied for the 100 jobs made available through the CETA program. Due to a lack of public understanding of the economic needs of arts organizations and artists, those who derive their livelihoods from the arts and related industries have one of the highest rates of unemployment and underem-

ployment in our society. It is important, therefore, that the committee recognize this situation here in Chicago and across the country, and that it strive to increase employment possibilities and to institute more flexible guidelines for artists under CETA provisions and other Department of Labor programs. The city's recent difficulty in obtaining approval for its innovative artists-in-residence program made this need even more apparent.

In order to enable the arts to contribute effectively to the survival of the cities, specific policies should be considered. The needs of the arts should be considered in planning for human resource development. While a high standard of excellence must remain a prerequisite for Federal arts funding, the Government should seek to remove unreasonable barriers to the full development, expression, and involvement of artists and arts groups. This is of particular importance in the instance of minority arts groups and artists. The issue of support of minority art groups is a growing one, as the number of minority groups applying for aid increases steadily and more rapidly than does its response or the amount of available funds. Last year the National Endowment for the Arts made $2 million in direct grants to arts organizations in Chicago. This included grants to one Lithuanian, one Slavic, three black, and no Latino groups. While this is obviously not proportionate to the distribution of talent in our city, at a time when the desire for ethnic identity and uniqueness is particularly high, it was reflective of the NEA's own budget restraints.

Here in Chicago we have attempted to focus on other kinds of minorities as well. Last fall, Chicago became the first major city in the Nation to examine the need for a closer relationship between the arts and the handicapped through a day-long conference attended by experts in both fields; the NEA was extremely supportive of this effort.

In the coming year, our city also schedduled plans for a conference on arts and the elderly. With an increased life span and a dramatic rise in leisure time, there is a real need to expand urban cultural services, making them available and accessible to many different groups of people not previously considered.

In addition, cities should encourage the use of the arts in social services and education. The arts have an especially significant role to play in prison, probation, mental health, public assistance, drug addiction and treatment and special education programs.

Art is an integral part of our perceptions and our lives. We must recognize its influence as a basic and valuable element in each of us, and begin early to make this appreciation felt by everyone. In government, greater emphasis should be placed on the integration of arts policy and planning with other Federal departments and agencies. Individual city agencies should also consider ways in which the arts can help implement their goals. The Federal Department of Transportation has taken innovative steps in this area; however, many other Federal bodies have yet to address themelves to this subject in a significant manner.

In education, new priority should be given to the arts, both in terms of curriculum and environment, in every possible way. We are all aware that education and its funding is another area facing difficulties, but the elimination of what is too often viewed as "non-essential" subjects like music and art is not a satisfactory way to bring school budgets into line. Depriving children of an art background is a way of lessening their perceptive training, and it could hinder them throughout life. What is more, such policy would deny many talented youngsters a chance to display their abilities or to derive personal satisfaction from the educational process. We need to encourage our young people to stay in school, and their feelings of achievement in creative endeavor are an effective means to that end for many.

If the arts in this country are not going to be fully supported by the Federal Government, such as in many European countries, then greater emphasis must be placed on developing increased financial support from the private sector and on more public participation in arts events and activities. Fortunately, the corporate business community has proven responsive to the needs of the arts, but the extent could be much greater.

In a soon to be released report on the major corporations in the metropolitan Chicago area, the Chicago Council on Fine Arts will show that about one fourth of the 103 survey respondents "do not substantially support arts and cultural activities." A recent national survey showed that the 758 largest companies in the U.S., those with sales in excess of $500 million, provide 49 per cent of the total business support for the arts. Thus, I would like to recommend discussion of a national business committee for the arts, whose members would be appointed by the President, to consider ways in which the entire corporate community could be made more fully aware of its essential role in the future of the arts and how companies could encourage greater involvement on the part of their employees.

Such a committee could direct its funding in the manner most beneficial to the future of art, and could have its own advisors to protect both the investments of the business community and the integrity of the arts experience.

The arts can and should be used as a stimulus to economic development. They can help build the economy through tourism and spin-off industries. They can attract and keep businesses in the city, and can strengthen and stabilize real-estate development. These reasons, with many others, prompted the addition of the many famous sculptures to Chicago's downtown plazas, where they have attracted many visitors and generally improved the quality of life for the thousands of people who enjoy them every day.

Finally, while we in Chicago are fortunate to have congressional Representatives who are well informed about Federal programs affecting the arts, I would like to recommend that legislators on all levels of government make a greater personal commitment to becoming more knowledgable about the arts and arts policy. These people are in a position to be most helpful in elevating the conditions of arts legislation, and they are in a position to keep their constituents well informed of developments in this area.

I believe that more Government agencies, not just the National Endowment for the Arts and Humanities, should place greater emphasis on filtering relevant information on programs and funds to congressional Representatives, State and municipal arts agencies, as well as the media.

I hope that these suggestions will be of some assistance to you in planning the proposed conference. It will be an invaluable tool in expressing national support for this country's many accomplishments in arts and scholarship, as well as in encouraging a balanced development in the future.

Thank you for the opportunity to present my views to you today.

STATEMENT OF CHAIRMAN AL ULLMAN WITH RESPECT TO THE RULE TO BE REQUESED ON H.R. 11180, RELATING TO THE PUBLIC DEBT LIMITATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

Mr. ULLMAN. Mr. Speaker, on February 28, 1978, the Committee on Ways and Means ordered favorably reported to the House H.R. 11180, a bill relating to the public debt limitation. Title I of the bill would provide that the public debt limit shall be $824 billion through March 1, 1979. In addition, title I would allow the Treasury Department to remove the ceiling on savings bonds interest rates with the approval of the President. Title I would also increase by $6 billion the amount of long-term bonds which may be issued above the statutory ceiling on interest rates of 4¼ percent. Title II of the bill would provide that after March 1, 1979, the public debt limit shall be the limit established in concurrent budget resolutions handled by the Committee on the Budget.

I take this occasion to advise my Democratic colleagues in the House as to the nature of the rule that I will request for consideration of H.R. 11180 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule for consideration of this bill, with one motion to strike title II, waiving all necessary points of order, providing 2 hours of general debate to be equally divided, and one motion to recommit with or without instructions. We intend to file the committee report on Friday, March 3, 1978, and will request to be heard before the Committee on Rules as expeditiously as possible.

SELECT COMMITTEE ON ASSASSINATIONS CONTEMPT CITATION CONSIDERED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 15 minutes.

Mr. STOKES. Mr. Speaker, as chairman of the Select Committee on Assassinations, I believe that it is appropriate to bring to the attention of the House a matter that has arisen in the course of the investigation into the death of Dr. Martin Luther King, Jr.

Some time ago, members of the committee's staff began looking into an alleged offer to kill Dr. King. Their investigation is continuing at this moment, but the events that gave rise to this report began with an incident in 1967.

Leon Owen Powell—known as "Shotgun Powell"—alleges that in the fall of 1967 in Atlanta, Ga., he and his brother, Claude, were offered a contract to kill Dr. King. Although the incident allegedly occurred in 1967, Leon Powell did not take his story to the Federal Bureau of Investigation, in Atlanta until January 1976. At that time, in addition to providing them with the names of the individuals involved and the places where meetings took place, he assisted the Bureau in constructing a composite drawing of the man who allegedly made the offer. In addition, Claude Powell, when contacted by the FBI in Texas, corroborated Leon's story. Leon's former wife, Annie, when questioned, also verified that he had told her about the offer after the tragic events in Memphis, but before he brought the matter to the attention of Federal authorities.

The FBI spent a considerable amount of investigative time in 1976 running out the Powell story. Leon Powell was given four polygraph examinations with, unfortunately, inconclusive results. Claude Powell, too, was tested once, but he showed indications of "truthtelling" when answering questions about being offered money to kill Dr. King.

Nonetheless, after a full field investigation of the Powell allegation, the FBI was unable to discredit the story or connect it to the assassination and the matter was turned over to the Department of Justice for possible submission to a Federal grand jury. No action was taken by the Department.

On February 6, 1978, the select committee began to hold a series of hearings on the Powell matter—particularly since it came so close to the actual assassination. To date, the committee has taken testimony from Leon Powell, his ex-wife, Annie Campos, and the man alleged by the Powell's to have put them in touch with the person who supposedly made the actual offer.

While subpenaed by the committee, Claude Powell has refused to appear. His stated reason for refusing to honor the subpena is a fear for his life.

Were his testimony tangential to the subject of our inquiry—or the information he possesses available elsewhere—his refusal to appear might be of little substantive significance. This is not, however, the case. The committee is, therefore, now considering what action to take in reference to Mr. Powell.

Mr. Speaker, the committee has acted with forbearance in this matter. Claude Powell was first contacted by the committee on January 18, 1978. During the initial meeting with staff, he refused to discuss the matter. On January 20, 1978, he was personally served with a subpena to appear February 6, 1978. Between January 20, 1978 and February 6, 1978, Powell was contacted on three separate occasions by the committee's staff. He was afforded every opportunity to discuss his testimony and special travel arrangements that were prepared on his behalf. He was informed of the possible penalties for refusing to appear and urged to testify. Subsequent to his refusal to appear on February 6, 1978, he was also recontacted by the staff and given another opportunity to comply with the subpena. To date, this effort has been to no avail.

Mr. Speaker, the select committee neither seeks to sensationalize this matter nor to see Mr. Powell incarcerated for contempt of Congress. On the contrary, the committee is seeking to explore every possible way of obtaining Mr. Powell's testimony, short of moving for a contempt citation. The committee is hopeful, too, that the contempt alternative will not have to be taken.

Nevertheless, the committee has few options. The committee could, of course, decide that even though it would be desirable to have Powell testify, this aspect of the matter should be dropped. On the other hand, the committee must be mindful of the integrity of congressional process. If Powell persists in his defiance and recalcitrance, there will be no alternative but to bring this matter to the floor of the House for appropriate action.

Mr. Speaker, in the near future I expect to report to this body our committee's recommendations as to a proper course of action. Hopefully, I will report that Claude Powell like his brother Leon, has cooperated fully.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. STOKES. Certainly I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I find the gentleman's statement somewhat curious in that as one who opposed the extension of the committee's existence when that question was before the House, I have watched in vain during the last many months for any indication of exactly what the committee is doing. I think that there was certainly justification for holding the gentleman's meetings in secret since the nature of the evidence that the gentleman was taking was such that it could be sensationalized or distorted. But I have read the very brief four-page report that the House Committee on Administration has reported in support of its request for further funding. I find absolutely nothing in there about the investigations except the number of times meetings have been held and the number of trips that have been taken by staff, but nothing of substance. The gentleman does come to the floor today and announce for the first time, at least to my notice, something of substance that the committee is doing. Before we decide on Friday to vote yes or no on continued funding, I wonder if the gentleman would present, in addition to what he has said today, a fuller explanation of the activities of the committee so that we could judge whether or not it should be continued.

Mr. STOKES. I say to the gentleman that in today's Record we have also inserted the report which was submitted to the House Committee on Administration. When we came to the floor the last time we asked for immunity powers which were given us by this Congress. We indicated at that time that we were going to try to conduct the kind of investigation that would be a credit to this body and not in any way reflect adversely upon this Congress, and we have tried to do that. We have tried to conduct our business in a way that an investigation of this type ought to be conducted, and that is not through the newspapers but through the committee process of the Congress. We have conducted the investigation in executive session. We have not demeaned anyone. We have not degraded anyone. We have not released any information prematurely, and we have tried to protect the rights of those individuals who are being investigated in all respects.

We have not gotten into any hassles with the agencies. We have not done anything to reflect adversely upon this Congress.

I say to the gentleman that in the midst of an investigation of this enormity, particularly when we are investigating two assassinations, obviously we cannot at this stage of the investigation when it is half done reveal prematurely the substantive matters that we have come about because we would be in the position of having evidence destroyed and things of that nature. We would have other persons who perhaps would become unavailable and not amenable to the subpena process, and it is for that reason that we have tried in that report to outline to the Congress the nature of the kinds of projects we are engaged in, to give the Members some idea of the amount of traveltime that has been expended and the number of witnesses. In fact, I think we indicate in that report that we have now interviewed and taken statements from over 1,100 people.

Those are the kinds of things that we would hope this body would accept and understand that we are doing the type of job that I think will be a credit to the gentleman from Maryland and to every Member of Congress.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, I think the gentleman can understand my concern that I expressed in my earlier question, but I do not believe the gentleman has answered it directly, and that is, will the committee provide us with some justification for the continued funding of the committee?

I agree with the gentleman that the committee may have conducted itself in a manner as the gentleman has described. I cannot judge that, because the committee has done its work in secret; but it is curious that the gentleman today for the first time in months would reveal a development of the committee just before the funding question comes up. All I am asking is that if it should be done in secret session, as the rules provide, maybe we should have some direction and information on the cost of the question of the assassination investigation.

Mr. STOKES. Mr. Speaker, I say to the gentleman with reference to the original question, the mandate given to our select committee by the Congress was to investigate all the facts and circumstances surrounding the assassination of the late John F. Kennedy and the late Dr. Martin Luther King, Jr. In terms of saying to the Congress what we have done substantively, we can say we are still pursuing that mandate given us by the Congress.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, on Friday, February 24 I participated in a 2-day meeting conducted by the Canadian Parliamentary Centre in Ottawa, Canada, along with several fellow Members. For this reason I was unable to be present for the several votes that day. Had I been present I would have voted as follows. I would have voted "yea" on rollcalls No. 81 and No. 82, the rules under which H.R. 9757, the Grazing Fee Moratorium Act of 1977, and H.R. 3377, the Wichita Indian Land Claims Act, were considered. I would have voted "yea" on

rollcall No. 83, the passage of the Grazing Moratorium Act. And, I would have voted "yea" on rollcalls No. 84 and No. 85, to amend and to pass the Wichita Indian Claims Act.

IN SUPPORT OF H.R. 112, REDUCING EXCISE TAX ON INVESTMENT INCOME OF PRIVATE FOUNDATIONS

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I rise in support of H.R. 112, a bill to reduce the rate of excise tax on the investment income of private foundations.

The private foundation is perhaps the most important source today for institutional donations. At a time when more and more Americans from across the entire spectrum of society are critical of Federal Government regulation and tired of Federal Government intrusions, the private foundation is increasingly looked to as a dispenser of assistance and concern.

This bill before us today, Mr. Speaker, will help to assure that private foundations remain an integral part of American society. Most foundations retain their financial health through investment income. Without that income, foundations would be forced to use principal to fund their activities until the principal disappeared. Until 1969, foundation investment income was not taxed so that more money would be available for charitable purposes.

In 1969, however, the Congress imposed a 4-percent excise tax on foundation investment income primarily to pay for IRS operations with respect to tax-exempt organizations. In the 8 years since enactment, the 4-percent tax has more than served its purpose producing twice the revenue needed by IRS. And, of course, each dollar of excise tax paid to IRS is one less dollar which can be used for charitable purposes.

Mr. Speaker, H.R. 112 rectifies that situation without costing the IRS funds it needs to administer charitable foundations as the 1969 law authorized. This bill reduces the tax from 4 to 2 percent. This will leave enough revenues to cover IRS administrative costs without depriving any foundation of funds it could be using for worthwhile purposes. I urge my colleagues to support this bill.

BILL TO CUT U.S. FUNDS FOR U.N. SPECIAL UNIT ON PALESTINE

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today I am introducing a bill to stop U.S. participation in the recent decision by the U.N. General Assembly to establish a special unit to spread information about Palestinian rights. The bill is a companion to a similar measure offered in the Senate by Senator HARRISON WILLIAMS.

The alleged purpose of the United Nations' unit would be to observe the International Day of Solidarity with the Palestinian People. In reality, however, the organization would disseminate messages of hatred against the State of Israel and its inhabitants. Such propaganda can only complicate and possibly jeopardize the sensitive peace negotiations now being conducted in the Middle East.

The newly formed group may be viewed as an extension of the U.N. Committee on the Exercise of the Inalienable Rights of the Palestinian People. This committee is composed of 23 member states, 19 of which have no diplomatic relations with Israel. Clearly, both the old committee and the new unit will result only in a further erosion of the respect for the impartiality of the United Nations.

The membership of the new special unit will reflect the views of the Palestinian Liberation Organization, as did its predecessor, the Palestine Committee. And, the Palestinian Liberation Organization remains a terrorist organization committed to the destruction of the State of Israel by any means available to its members. Acts of bombings, assassinations and hijackings continue to be perpetrated by the Palestinian Liberation Organization and its splinter groups on Israelis, Egyptians and other innocent civilians. We must not provide U.N. funds to help them put such conduct in a more favorable light.

The Palestine Committee and the Palestinian Liberation Organization are dedicated to undermining both the State of Israel and the peace negotiations. I would prefer to see the United Nations eliminate both the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights and return to its traditional impartial stance. But I do not think the United States can wait for that action to occur. Therefore, in order to insure that the efforts by Egypt and Israel toward peace will not be further hindered, I am introducing this bill to eliminate that portion of the U.S. contribution to the United Nations which is allocated to both the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights. I think passage of this bill will make sure that at least one member of the U.N. is attempting to act responsibility to achieve peace in the Middle East.

MINNESOTA SUPPORT FOR ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, today the Committee on Interior and Insular Affairs commenced its markup of the revised version of H.R. 39, the Alaska National Interest Lands Conservation Act, reported by the Subcommittee on General Oversight and Alaska Lands. I believe the revised bill is a well-balanced one which, while still possible to improve, protects both the Nation's Alaskan heritage and the basic interests of the residents of Alaska.

In considering this bill, the subcommittee benefited greatly from the diligence and the high quality of thought and preparation put forward by our colleague from Minnesota, BRUCE VENTO, among others. So it is especially gratifying to offer for inclusion in the RECORD an excellent editorial from the Minneapolis Tribune supporting this major legislation. The text of the editorial follows these remarks:

A YEAR OF DECISION ON ALASKAN LANDS

On a map of Alaska you could probably point right now to Prudhoe Bay and the North Slope. By year-end you may be familiar also with names like Tongass Forest, the Kuskokwim Mountains and the Noatak River.

That is because 1978 is a year far-reaching decision on federally owned lands in the 49th state. How much of Alaska—and what specific areas—should be specially protected in national parks, national forests, wildlife refuges and wild or scenic river areas? How much should be open to commercial development? Under a 1971 act Congress must answer those questions this year.

A lot has been done already. The pace quickens this month with committee work to complete a bill for House action. Under consideration is a broadly sponsored measure by Rep. Morris Udall, which would seek long-range conservation of entire watersheds and ecosystems. In present form the bill would strongly protect 102 million acres. That is a total area larger than Minnesota and Wisconsin, mostly to be reserved in the "wilderness" category. On more millions of acres outside these boundaries—and under certain circumstances within them—there would be clear opportunity for careful development . . .

Federal lands in Alaska include large resources of timber, minerals, coal and oil. With new technology and high prices, they are an inviting "last frontier" for prospecting and development. They are also a spectacular and varied treasure of wildlife and wilderness: from rain forest in the southeast to Mt. McKinley in the interior, to the Brooks range and fragile tundra in the north. Both forms of wealth are vital to the nation. The question is how—if possible—to conserve the one without foregoing the other.

We think the Udall bill, taken together with administration proposals for amending it, gives the right answer. It is to keep development orderly and within limited areas that may only be expanded when the need is compelling. That protects against environmental waste that the nation would later regret—as has so often happened in the "lower 48." It also conserves not only scenery but a storehouse of economic resources which Americans may need much more in the future than they do now. In the perspective of decades or a century setting aside 100 million acres is only prudent. That is the long-range public interest which this year's legislation should reflect.

REPORT OF THE SELECT COMMITTEE ON ASSASSINATIONS

(Mr. STOKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STOKES. Mr. Speaker, I think it appropriate that the House—and through the CONGRESSIONAL RECORD in-

terested citizens—be brought up to date on the general posture of the Select Committee on Assassinations and its structure in conducting its investigations into the deaths of President John F. Kennedy and Dr. Martin Luther King, Jr. For this purpose, I would like to insert into the RECORD an edited version of the report the Select Committee recently submitted to the Committee on House Administration when we proposed our budget for this year. The only material deleted from the report is statistical graphs that cannot be reproduced in the RECORD. Copies of the entire report may be obtained directly from the Select Committee's offices.

Reading the report, I think each Member of the House can be proud of the professional manner in which the Select Committee has conducted its business over the last several months. Indeed, Mr. Speaker, as personally important as I consider the investigation into the assassinations of President Kennedy and Dr. King, I believe the performance of the Select Committee represents an even larger issue to the House of Representatives. Ultimately, this committee will demonstrate that the House itself has the ability to conduct quietly a professionally sophisticated investigation. The ability of Congress to conduct such an investigation is of paramount importance to both the power and integrity of the House. As Harry S. Truman said in 1944 when he resigned as chairman of one of the exemplary investigating committees in the Senate:

In my opinion, the power of investigation is one of the most important powers of Congress. The manner in which the power is exercised will largely determine the position and prestige of the Congress in the future.

The Select Committee is conducting a responsible and professional investigation that will be a credit to the House and insure that the constitutional power of the House of Representatives to investigate is properly exercised.

[Committee Print]

REPORT OF THE SELECT COMMITTEE ON ASSASSINATIONS, U.S. HOUSE OF REPRESENTATIVES, NINETY-FIFTH CONGRESS, SECOND SESSION, TO ACCOMPANY SUBMISSION OF THE SELECT COMMITTEE'S PROPOSED 1978 BUDGET TO THE COMMITTEE ON HOUSE ADMINISTRATION

I. LEGISLATIVE HISTORY AND MANDATE

The Select Committee on Assassinations (the committee) was first established in the second session of the 94th Congress by House Resolution 1540, 122 Cong. Rec. 141 at H10356 (September 17, 1976). The 95th Congress reconstituted the committee by House Resolution 222, 123 Cong. Rec. 19 at H800 (February 2, 1977) and extended its duration for the length of the 95th Congress by House Resolution 433, 123 Cong. Rec. 56 at H2739 (March 30, 1977). House Resolution 760, 123 Cong. Rec. 153 at H10254 (September 28, 1977) granted the committee authority to make applications to courts for grants of immunity and other limited purposes, and to bring and defend lawsuits in particular types of cases in order to obtain information relevant to the committee's inquiry.

The legislative mandate of the select committee is primarily defined in House Resolution 222. The select committee has identified four main issues to be analyzed to fulfill its legislative mandate. First, who was or were the assassin(s) of President John F. Kennedy and Dr. Martin Luther King, Jr.? Second, did the assassin(s) have any aid or assistance either before or after the assassination? Third, did the agencies and departments of the United States Government adequately perform their duties and functions in (a) collecting and sharing information prior to the assassinations, (b) protecting John F. Kennedy and Martin Luther King, Jr. and (c) conducting investigations into each assassination and coordinating the results of those investigations. Fourth, given the evidence the select committee has uncovered, is the amendment of existing legislation or the enactment of new legislation appropriate?

II. ORGANIZATION OF THE STAFF

The size of the committee staff has reached the level of 115 contemplated by the 1977 budget. It is envisioned that the number of personnel will remain at approximately 115 for most of 1978.

The organization of the staff is designed to facilitate the implementation of the investigative plans that have been formulated for each case. The chief counsel, who was appointed on July 1, 1977, heads the entire staff. The substantive investigation is divided into two task forces, one to investigate the death of President Kennedy and another to investigate the death of Dr. King. Each task force is headed by a deputy chief counsel and then further subdivided to focus on particular issues that have been identified. The 5 individual teams on each task force are composed of a combination of attorneys, investigators and researchers that work together on particular areas or issues.

III. CONDUCT OF COMMITTEE BUSINESS

A. Relationships with executive agencies and departments

The committee has obtained access to sizable amounts of materials from the files of executive agencies, including the FBI, CIA, Drug Enforcement Administration, the Immigration and Naturalization Service, the Treasury, Secret Service, the Bureau of Alcohol, Tobacco and Firearms, the Internal Revenue Service, the Department of Defense and the State Department.[1] Much of this material has been sought not only to pursue investigative leads in the files of the Government but also to form a basis for evaluation of the performance of particular agencies both before and after the assassinations.

The committee has been in the process of reviewing the staggering number of agency files and documents available. For example, the National Archives, where most agencies that had generated information in 1963 concerning the Kennedy assassination deposited their files, currently possesses 357 cubic feet of files on that assassination. The FBI has made available to the committee files totaling 998 volumes and 47,304 serials. The CIA has given the committee access to approximately 2,800 files and 1,400 draft memoranda. In addition, the Secret Service, which conducted approximately 1,462 interviews, and generated 4,386 pages of reports and correspondence in its investigation of the Kennedy assassination, has granted the committee full access to all of the materials in its possession.

In general the select committee has received cooperation from the agencies to whom it has directed requests for information. The Drug Enforcement Administration, the Immigration and Naturalization Service, and the Internal Revenue Service have fully and expeditiously complied with committee requests for information. The Justice Department has been particularly cooperative in facilitating the processing of committee requests in Federal court for grants of immunity for committee witnesses and in making available employees or former employees for interviews with the committee's staff.

In the case of the CIA, the FBI, and the Secret Service and Defense Department, which have larger amounts of material bearing on the committee's inquiry as well as peculiar institutional concerns, agency cooperation has been adequate but occasionally beset with bureaucratic or technical delays. The committee is currently discussing with each of these agencies ways in which access to information may be expedited and is encouraged by the progress made in those discussions.

B. Travel and interviews by the staff

Since the witnesses and potential witnesses concerning each assassination are numerous and located throughout the country, the staff of the committee has had to travel extensively to pursue its investigative theories and leads. As of December 31, 1977, the staff had conducted over 1,400 interviews.

The staff's travel schedule significantly increased as the committee became fully staffed and developed its particular investigative plans and theories.

C. Hearing and meeting schedules

As of December 31, 1977, the select committee had held 42 days of hearings and meetings, and had issued 103 subpoenas. It is anticipated that the committee will hold hearings in executive session approximately three times a week until summer. In the late summer or fall, the committee will hold public hearings on its investigation into each assassination. It is estimated there will be up to 20 days of public hearings held on each assassination. At the conclusion of the public hearings, and prior to the expiration of the current Congress, the select committee will file its final report with the House of Representatives.

D. Security considerations

The security of information obtained during the investigation has been of paramount concern to the select committee. It is important that information be kept secure for at least four reasons. First, a breach in security could jeopardize leads the committee is pursuing by giving subjects of the investigation premature notice of the focus of the committee's inquiry and an opportunity to tailor testimony or destroy evidence. Second, the committee has a responsibility to isolate testimony obtained under a grant of immunity. The immunity grant prevents only the use of a witness' immunized testimony and leads derived from that testimony from being used against that witness in a subsequent prosecution. A subsequent prosecution may still be brought against a witness provided the prosecutor does not present the immunized testimony or evidence derived from the immunized testimony of the witness before the committee. Complete isolation of immunized testimony is vital to enable the Government to meet its burden of demonstrating that evidence presented in a criminal case is not derived from immunized testimony. Guaranteeing the security of witness' testimony therefore preserves the Justice Department's option to prosecute committee witnesses upon whom the committee has conferred immunity. Third, security breaches could undermine the committee's ongoing relationship with executive agencies which furnish information to the committee only upon the condition that information be kept secure. Fourth, any leak of information not yet corroborated could unfairly defame or degrade innocent persons.

[1] The committee has also received access to a large number of files from local agencies, particularly the Memphis and Dallas Police Departments.

As a result, the committee has adopted stringent security procedures. All staff members on the committee have received or are in the process of receiving a "top secret" security clearance. The Federal Bureau of Investigation, as an accommodation to the committee, conducts the background investigations for these security clearances. The Central Intelligence Agency then reviews the background investigations done by the FBI. After consultation with the FBI and CIA, the full committee makes the determination regarding an individual's security clearance.

The committee's offices have a police officer on duty 24 hours a day. All material is stored in secure safes or containers. Appropriate security protection devices surround the committee's offices.

E. Special projects

In addition to reviewing documents, interviewing witnesses, and taking testimony at hearings, the committee has commenced a number of special projects to assist it in its analysis of several crucial issues in each investigation. Some of these projects have never before been undertaken to evaluate available evidence concerning the assassinations. In other cases, advances in scientific technology will allow issues to be analyzed in significantly greater depth and detail than was possible at the time of the assassinations.

The committee has employed many consultants to assist on these projects, particularly in those projects which apply scientific techniques. The following statistics reflect the expansion in the committee's use of expert consultants as the investigations have proceeded.

Total consultants under contract, 1977

January to June	0
July	4
August	13
September	22
October	23
November	28
December	28

The following pages briefly describe some of the projects the committee currently has in progress.

1. Medical Evidence

The committee is analyzing the medical evidence in each assassination to assist it both in resolving basic issues concerning the assassination and in evaluating the conduct of various individuals and institutions subsequent to the assassination.

In the Kennedy investigation, the committee has retained as consultants nine leading forensic pathologists to determine the nature and causes of the wounds inflicted upon President Kennedy and Governor Connally. The pathologists met in panels to review the available medical evidence, which includes autopsy photos, X-rays, clothing and bullet fragments. The pathologists also viewed relevant photographs of the assassination. In the course of their analyses, the pathologists recommended the following projects, which the select committee is currently undertaking: (1) soft X-ray and EDX testing to determine if the clothing Governor Connally and President Kennedy wore at the time of the assassination contains any metal tracings and if so, what type of metal; (2) enhancement of the most important JFK and Connally X-rays to afford a more detailed examination of the X-rays; (3) the retention of a radiologist to provide expert analysis of the X-rays; (4) consultation with an expert in anatomy and physical anthropology to study the origin of the particular bone fragments; and (5) interviews with the doctors who treated Governor Connally and performed the autopsy on President Kennedy.

In conjunction with the forensic pathologists' work, the committee will also examine the evidence and perform tests to insure that the photographs and X-rays being examined are authentic.

The committee is also completing an inventory of all items of physical evidence pertaining to the autopsy and medical evidence which existed in 1963. The committee will attempt to locate any materials which are not currently accounted for, in order to insure that the forensic pathologists have the maximum available evidentiary basis on which to rest their conclusions.

The investigation into the assassination of Dr. King will also employ pathologists to analyze issues that may be resolved by an examination of the medical evidence. Special projects similar to those recommended by the pathologists and undertaken by the committee in conjunction with the Kennedy investigation will be performed, where appropriate, to assist the pathologists in their examination of the medical evidence relevant to Dr. King.

2. Ballistics

In both the Kennedy and King investigations, a careful analysis of all the ballistic evidence available is being conducted both to evaluate the investigations that were performed regarding each assassination, as well as enable the committee to reach an independent conclusion concerning the identity of the assassin(s). Ballistics tests serve to identify the rifles that fired bullets found at the scene of a shooting. The committee has assembled a panel of ballistics and firearms experts to perform such an analysis. Exhaustive microscopic, visual, chemical analyses, and test firings, where appropriate, have been or will be performed on each item of ballistic evidence. The firearms and ballistics panels will submit reports to the committee describing their findings and responding to a series of questions that the committee has propounded.

3. Wound Ballistics

The field of wound ballistics coordinates an analysis of the effect of impact upon a bullet and its target. The committee is considering assembling a panel of consultants in this area to assist it in resolving questions concerning the number, direction and type of bullets which were involved in the assassination of President Kennedy. The committee also is considering securing expert evaluation of the wound ballistics testing conducted by the Warren Commission.

4. Photographs and Computers

The analysis work which is being done by the committee on available photographic evidence relates primarily to the Kennedy investigation. Over 1,000 photographs have been collected by the staff. Of this amount, the committee will select appropriate photographs for extensive analysis. The analysis will consist of four basic categories. The first category is authentication of photographs. The second category will involve the enhancement of particular pictures taken in Dealey Plaza on November 22, 1963. The third category of analysis employs specialized techniques to identify individuals not readily recognizable in a photograph. Finally, the fourth category of analysis will be a trajectory study, which will attempt to trace outward from the President the trajectory of the bullets which struck him. This approach to determine the trajectory of the bullets has not been attempted previously. Prior trajectory studies commenced with tracing from the assumed location of the assassin as opposed to tracing from the location of the President's wounds.

Several of the categories of photographic analysis involve the use of computers to assist in the analysis. All of the photographic analysis will be done under the direction and supervision of a panel of expert consultants with backgrounds in photo enhancement, photo interpretation, computers, and photographic measurements. The panel will meet with the organizations responsible for doing the actual enhancement work, and will establish the guidelines and procedures under which this work will be done. Once the work has been completed, the panel of experts will be responsible for evaluating the results, making any necessary interpretations of the evidence, and submitting a report to the committee.

5. Acoustics

The acoustical project is designed to utilize sound recordings made contemporaneously with the assassination of President Kennedy in Dealey Plaza on November 22, 1963. From original sound recordings, it is now possible to illustrate the audible sounds by means of a computer printout of decible frequencies. An expert analysis of these decibel frequencies may enable the committee to determine the number, direction and timing sequence of the shots fired in Dealey Plaza.

An acoustical analysis of the Kennedy assassination has not been conducted by an official investigating body. The quality of the analysis is limited by the quality and quantity of the original or primary sound recordings. The committee is seeking to trace the location of all known original recordings. Suitable original recordings, if located, will significantly assist the committee in resolving issues concerning the events in Dealey Plaza.

6. Handwriting

There are several issues in both the Kennedy and King investigations which may be resolved by the use of handwriting analysis. As an example, the authenticity of numerous documents may be checked to determine if they were written or signed by particular individuals. The committee will assemble a group of experts in handwriting analysis to perform the necessary examination and prepare a report for the committee.

IV. COMPARISON OF 1977 BUDGET WITH ESTIMATED EXPENDITURES FOR 1977

On April 28, 1977, the House passed House Resolution 465 which funded the committee for 1977 in the amount of $2,514,400. Due to the delay in staffing, it is anticipated that the committee will return approximately $425,000 to the House contingency fund. The following is a comparison of the 1977 budget with estimated expenditures:

	1977 approved budget	1977 estimated expenditures
I. Salaries	$1,837,700	$1,700,000
II. Travel	400,000	175,000
III. Consultants	96,600	96,600
IV. Witnesses	40,000	15,000
V. Stationery and supplies	36,500	30,000
VI. Telephone and telegraph	50,000	30,000
VII. Equipment—(purchase)	5,600	0
VIII. Equipment—(lease)	25,000	20,000
IX. Reproductions, printing, and graphics	16,000	20,000
X. Books and periodicals	2,000	2,800
XI. Miscellaneous	5,000	0
Total	2,514,400	2,089,400

V. CONCLUSION

The committee is in the process of gathering evidence by field investigation and interviews, and the taking of testimony in executive session. Each investigation is following a carefully formulated and detailed plan designed to resolve significant issues concerning that assassination and to fulfill the committee's legislative mandate.

As the investigation proceeds, the committee is evaluating the credibility of witnesses who have appeared before it in executive session, and corroborating or disproving numerous allegations that have arisen concerning each assassination. Until such a process of evaluation and corroboration is com-

plete, any conclusions on particular theories or investigative leads would be premature and inappropriate. The committee's proposed budget will enable the committee to implement its investigative plans, and ultimately to fulfill its legislative mandate.

CONGRESSMAN JAMES A. BURKE HONORED BY TEACHERS AND SENIOR CITIZENS

(Mr. ANNUNZIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, it is a genuine pleasure for me to congratulate our distinguished colleague from Massachusetts, Hon. JAMES A. BURKE, who is chairman of the Social Security Subcommittee of the Ways and Means Committee, who is being honored for the outstanding leadership he has provided in efforts to improve the social security system.

Congressman BURKE long has favored a reduction in social security taxes, an increase in the wage base, and the use of general revenues to boost the financially plagued system.

In order to mark Mr. BURKE's special contributions in the social security field over the years, the Massachusetts' Council of Social Studies Teachers and the Golden Ring Council of Senior Citizens will honor him at a luncheon on Friday, March 3, at the Sheraton Boston Hotel.

At the luncheon, prizes will be awarded to 130 Massachusetts' students for writing winning essays on the topic, "How Does Social Security Fulfill the American Way of Life?" Congressman BURKE is honorary chairman of the social security essay contest for high school students which is sponsored by the Golden Ring Council, the U.S. Department of Health, Education, and Welfare, and the Commonwealth Department of Education. Participation is limited to junior and senior Massachusetts' high school students who have spent about 4 months doing research before writing their essays. Prizes for the winning essays range from $25 to $300.

Assisting in the award presentations will be Congressman BURKE, Gov. Michael Dukakis, State Commissioner of Education Gregory Anrig, Acting Social Security Commissioner Don I. Wortman, former Secretary of Health, Education, and Welfare Wilbur Cohen, former Commissioner of Social Security Robert M. Ball, president of the International Ladies' Garment Workers' Union Sol Chaiken, and others.

Mr. BURKE has served as chairman of the Subcommittee on Social Security ever since the various subcommittees were established for the Ways and Means Committee. He is respected and highly regarded for the expertise he has developed in this field, and he is truly deserving of the recognition which will be extended to him at the luncheon on Friday.

Once again, I extend to him my sincerest congratulations on this recognition and my best wishes for continued productive service in behalf of his constituents from the 11th District of Massachusetts as well as in behalf of all Americans.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, due to several previously scheduled meetings in my district with constituents, I unavoidably missed the legislative session of Friday, February 24, 1978. Had I been present, I would have voted in the following manner: H.R. 9757, grazing fee moratorium of 1977, rollcall No. 83, "yes"; H.R. 3377, Wichita Indian Tribe lands claim, rollcall No. 85, "yes."

Due to my attending a hearing held in New York State by the Employee Ethics and Utilization Subcommittee of the House Committee on Post Office and Civil Service, of which I am a member, I missed a recorded quorum call and part of other legislative business scheduled for Monday, February 27, 1978. Had I been present, I would have voted as follows: House Concurrent Resolution 464, home rule charter amendment for initiative and referendum (District of Columbia) rollcall No. 87, "yes."

On Friday, January 20, 1978, I was out of the country on official business with Committee on International Relations, of which I am a member, and missed that day's legislative session. Had I been present, I would have voted in the following fashion: H.R. 2329, Fish and Wildlife Improvement Act of 1977, rollcall No. 3, "yes."

FULL RECOGNITION OF RED CHINA IS NOT ADVANTAGEOUS TO UNITED STATES

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the drive to have the United States give full recognition to Red China and abandon our strong and productive ties with Taiwan seems to have abated. Normalization of relations with China is not of particular importance to the United States. Our commerce with that country is limited. There is little to indicate any significant growth in trade between us.

Apart from trade, the moral principle involved if the United States were to abandon an old and friendly ally simply to win the favor of one Communist regime is unthinkable. Normal relations with China should depend entirely on the benefits, if any, to be gained directly from our association with Red China and upon application of Mr. Carter's vaunted human rights program.

With U.S. ties, friendship and support, Japan, Taiwan, and Korea stand as significant bastions of the free enterprise system. Each of them has standards of living far higher than any Asian Communist country. The rights of the people in each of the three, despite critical comment from the American left, are clearly more real than any rights claimed for the nations under Communist control.

An article in the New York Times, February 14, entitled "Now, 'Boat People' From Taiwan?" by Peter Berger deals in a very impresive way with the moral as well as the practical story of Taiwan and our relations with the entire area. I submit it for reprinting in the RECORD:

[From the New York Times, Feb. 14, 1978]

NOW, "BOAT PEOPLE" FROM TAIWAN?

(By Peter Berger)

Week after week, the small boats come out of southern Vietnam. Their cargo of desperation is a cross-section of the people. Half are children. The adults are young and old, professionals and peasants, former supporters of the regime of President Nguyen Van Thieu and individuals whose politics are limited to the desire to escape from the steel blanket of totalitarianism spread over their country since "liberation." One supposes that they must know the risks. They keep on coming still, in the thousands.

Nobody wants them. On the high seas, ships pass them by (in flagrant violation of international law). There is no telling how many have already perished at sea—by drowning, by hunger and thirst, or by illness.

If they reach the coasts of one of the neighboring countries, they risk being pushed out to sea again at gun-point. Or they may be thrown into dismal camps, often after being robbed, beaten or raped. Only then do they have a chance—a very slim chance—of being selected for immigration to one of the Western countries.

The United States has continued to take some of them, albeit grudgingly; hardly anyone else has. Of all the horror stories in today's world, the story of the Vietnamese "boat people" is probably the most horrible.

These boats bear a message. It is a simple and ugly message: *Here is what happens to those who put their trust in the United States of America*

Let there be no misunderstanding on this. This message does not necessarily lead to the judgment that the American war in Indochina was a just war after all; I, for one, believe now as I believed then that it was not just. But that is quite beside the point. Rather, the point is we extricated ourselves from that war as callously as we waged it. This more recent callousness must weight more on the conscious of those who opposed the war than of those who supported it.

All of this is terrible enough in itself. But it now appears that the abandonment of those who trust us is becoming a habit. *We are getting ready to do it again—this time in Taiwan.*

The logic of the abandonment of Taiwan is, once again, the logic of *Realpolitik*. The practitioners of this logic are the same types (and sometimes, indeed, the very same individuals) who got us into Indochina and out again.

Poring over the ivory chessboard of geopolitics, they have now concluded that Taiwan is expendable in some grand strategy of triangulation, in which they play off Peking against Moscow.

Is this strategy plausible? Perhaps it is, or perhaps it is yet another delusion; by its very nature, this kind of logic is a game of chance. In any case, it has nothing to do with morality.

If there is one universal, indeed primeval, principle or morality, it is that one must not deliver one's friends to their enemies. And if there is one maxim in which morality coincides with politics, it is that a nation that breaks its solemn word twice will never be trusted again. But there are more specific moral considerations in the case of Taiwan.

It is an authoritarian regime to be sure. Compared to mainland China, it is a Switzerland of civil liberties. Compared to other authoritarian regimes in non-Communist Asia, its record on human rights in recent

years is not bad. Taiwan's record is even better in the area of social and economic rights that concerns those on the left. Its prosperity has not been limited to a small upper crust, but has been distributed in what, for a third-world country, is a remarkably egalitarian manner. In abandoning South Vietnam we had the excuse of its fairly odious regime. There is no such excuse in Taiwan.

Those who would not abandon Taiwan range across the American political spectrum. There is, of course, the Carter Administration; with its splendid rhetoric on human rights (there has not been one word about China from the pulpit in the White House). There are the liberals, in Congress and elsewhere, whose passion for moral denunciations concentrates on the most easily accessible targets—which are authoritarian allies rather than authoritarian adversaries. As for the conservatives, their righteous fervor at the moment is directed at Panama, that most terrifying challenge to American machismo.

Nor should it be forgotten that it was not Jimmy Carter who toasted Mao Tse-tung in the Great Hall of the People and who issued the Shanghai Communiqué in 1972.

Then there are the leftist intellectuals, those who still deny that there are concentration camps in Vietnam today and those who admire the great humanistic experiment of Maoist China. And, finally, worthy of special mention, are the China experts who keep telling us that the patience of the Peking leadership is about to run out over Taiwan.

As has been clear time and again, these are people who don't even know who is in charge in Peking right now, let along who will be in charge tomorrow, and whose authoritative pronouncements on Chinese events can be shown up by any reporter who hangs out in the right bars in Hong Kong.

The small boats are coming out of southern Vietnam today. Tomorrow they may come out of Taiwan. They will haunt the American conscience. They carry the shame of our betrayals. They may turn out to be the signals of our destruction.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DELLUMS (at the request of Mr. MINETA), for today on account of illness.

Mr. RUDD, for today, on account of public engagements in the national interest.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BAUMAN) to revise and extend their remarks and include extraneous material:)

Mr. MOORE, for 60 minutes, March 7, 1978.

The following Members (at the request of Mr. DORNAN) to revise and extend their remarks and include extraneous material:)

Mr. YOUNG of Alaska, for 10 minutes, today.

Mr. STEIGER, for 30 minutes, March 1, 1978.

Mr. STEERS, for 5 minutes, today.

Mr. HOLLENBECK, for 10 minutes, today.

Mr. FISH, for 60 minutes, March 7, 1978.

Mr. CLEVELAND, for 5 minutes, today.

(The following Members (at the request of Mr. FLORIO) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ASHLEY, for 5 minutes, today.
Mr. DRINAN, for 10 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. MINETA, for 5 minutes, today.
Mr. STOKES, for 15 minutes, today.
Mrs. SCHROEDER, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, totoday.
Mr. ULLMAN, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Ms. HOLTZMAN, and to revise and extend her remarks on H.R. 9622.

Mr. BROWN of California, on S. 1617, today.

Mr. CORMAN, to revise and extend his remarks on H.R. 112 immediately following the remarks of Mr. CONABLE in the House today.

(The following Members (at the request of Mr. DORNAN) and to include extraneous material:)

Mr. ROUSSELOT in four instances.
Mr. FORSYTHE.
Mr. BOB WILSON in two instances.
Mr. RHODES.
Mr. TAYLOR.
Mr. KETCHUM.
Mr. ARMSTRONG.
Mr. MARTIN.
Mr. HYDE.
Mr. COLLINS of Texas in three instances.
Mr. STEERS.
Mr. PURSELL.
Mr. WHALEN.
Mr. YOUNG of Florida.
Mr. KELLY.
Mr. DORNAN.
Mr. PRITCHARD.

(The following Members (at the request of Mr. FLORIO) and to include extraneous material:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BINGHAM in 10 instances.
Mr. HAMILTON.
Mr. RANGEL in five instances.
Mr. FARY in two instances.
Mr. KILDEE in two instances.
Mr. CAVANAUGH.
Mr. LUNDINE.
Mr. CHARLES H. WILSON of California.
Mr. FITHIAN.
Mr. WAXMAN.
Mr. MINETA in two instances.
Mr. JACOBS.
Mr. OTTINGER in two instances.
Mr. WALGREN.
Mr. EILBERG.
Mr. DRINAN in two instances.
Mr. ADDABBO.
Mr. DODD.
Mr. UDALL.
Mr. ROSENTHAL.
Mr. BYRON.
Mr. FISHER in 10 instances.
Mr. ASHLEY.
Mr. BONKER in two instances.
Mr. JONES of Tennessee.
Mr. WOLFF.
Mr. GEPHARDT.
Mr. BREAUX.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 838. An act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8638. An act to provide for more efficient and effective control over the proliferation of nuclear explosive capability.

ADJOURNMENT

Mr. STOKES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p.m.), the House adjourned until Wednesday, March 1, 1978, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3378. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period October 1 through Decmber 31, 1977, pursuant to section 105(a) of Public Law 88–454, as amended (H. Doc. No. 95–298); to the Committee on House Administration and ordered to be printed.

3379. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Commodity Credit Corporation Charter Act to increase the borrowing authority; to the Committee on Agriculture.

3380. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1977, pursuant to section 6(f) of Public Law 90–83; to the Committee on Armed Services.

3381. A letter from the Assistant Attorney General (Antitrust Division), transmitting his annual report for calendar year 1977 on the administration of the Truth in Lending Act, pursuant to section 114 of the Consumer Credit Protection Act of 1968; to the Committee on Banking, Finance and Urban Affairs.

3382. A letter from the Chairperson, Advisory Committee on Accreditation and Institutional Eligibility, transmitting the committee's 1976 annual report; to the Committee on Education and Labor.

3383. A letter from the Chairman, National Advisory Council on Adult Education, transmitting the Council's annual report for 1977, pursuant to section 311(d) of the Adult Education Act, as amended; to the Committee on Education and Labor.

3384. A letter from the Chairperson, National Advisory Council on Bilingual Education, transmitting the Council's second annual report, pursuant to section 732(c) of the Elementary and Secondary Education Act, as amended (88 Stat. 511; 90 Stat. 237); to the Committee on Education and Labor.

3385. A letter from the Chairman, Advisory Council on Developing Institutions, transmitting the Council's annual report for calendar year 1976; to the Committee on Education and Labor.

3386. A letter from the Chairman, National Advisory Council on Equality of Educational Opportunity, transmitting the Council's annual report for calendar year 1976; to the Committee on Education and Labor.

3387. A letter from the Chairman, Advisory Council on Environmental Education, transmitting the Council's annual report for calendar year 1976; to the Committee on Education and Labor.

3388. A letter from the Chairman, National Advisory Council on Ethnic Heritage Studies, transmitting the Council's 1976–77 annual report; to the Committee on Education and Labor.

3389. A letter from the Chairman, National Advisory Council on Extension and Continuing Education, transmitting the Council's 11th annual report, pursuant to section 112 (c) of Public Law 89–329; to the Committee on Education and Labor.

3390. A letter from the Chairperson, National Advisory Committee on the Handicapped, transmitting the committee's annual report for 1977, pursuant to section 604(b) of Public Law 91–230; to the Committee on Education and Labor.

3391. A letter from the Chairperson, National Advisory Council on Indian Education, transmitting the Council's fourth annual report, pursuant to section 442(b)(6) of Public Law 92–318; to the Committee on Education and Labor.

3392. A letter from the Executive Director, National Advisory Council on Vocational Education, transmitting the Council's 1976 annual report, pursuant to section 443(a)(2) of the General Education Provisions Act, as amended (84 Stat. 171); to the Committee on Education and Labor.

3393. A letter from the Chair, National Advisory Council on Women's Educational Programs, transmitting the Council's second annual report, pursuant to section 408(f)(3)(E) of the Education Amendments of 1974, as amended (90 Stat. 2220); to the Committee on Education and Labor.

3394. A letter from the Assistant Attorney General (Antitrust Division), transmitting a report covering calendar year 1976 on identical bidding in advertised public procurement, pursuant to section 7 of Executive Order 10936; to the Committee on Government Operations.

3395. A letter from the Chairman, Civil Service Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3396. A letter from the Governor, Farm Credit Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3397. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during the period October 1 through December 31, 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3398. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3399. A letter from the Chairman, National Endowment for the Humanities, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3400. A letter from the Chairman, Indian Claims Commission, transmitting the Commission's final determination in docket No. 18–S, *the Minnesota Chippewa Tribe, et al., Plaintiffs* v. *the United States of America, Defendant*, pursuant to section 21 of the Indian Claims Commission Act; to the Committee on Interior and Insular Affairs.

3401. A letter from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting a report and recommendations concerning research involving children, pursuant to sections 202(c) and 204(d) of Public Law 93–348; to the Committee on Interstate and Foreign Commerce.

3402. A letter from the Acting Director, U.S. Arms Control and Disarmament Agency, transmitting the annual report for calendar year 1977, on the scientific and professional positions authorized for establishment in the Agency, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

3403. A letter from the Comptroller General of the United States, transmitting a report on problems affecting the prosecutive activities of U.S. attorneys (GGD–77–86, February 27, 1978); jointly, to the Committees on Government Operations, and the Judiciary.

3404. A letter from the Secretary of Agriculture, transmitting a report on the effects of changes in the ozone in the stratosphere upon animals, crops, and other plant life, pursuant to section 154(d) of Public Law 95–95; jointly, to the Committees on Interstate and Foreign Commerce, and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 10899. A bill to provide for Federal regulation of participation by foreign banks in domestic financial markets; with amendment (Rept. No. 95–910). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 3161. A bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes; with amendment (Rept. No. 95–911). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 7814. A bill to authorize Federal agencies to experiment with flexible and compressed employee work schedules; with amendment (Rept. No. 95–912). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SPELLMAN: Committee on Post Office and Civil Service. H.R. 4320. A bill to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes; with amendment (Rept. No. 95–913). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 746. Joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978. (Rept. No. 95–914). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GIBBONS:

H.R. 11177. A bill to provide that operations of the Federal Financing Bank will be included in the Federal budget, and for other purposes; to the Committee on Ways and Means.

By Mr. ABDNOR:

H.R. 11178. A bill to authorize construction of the Gregory pumped-storage hydroelectric dam and reservoir; to the Committee on Public Works and Transportation.

By Mr. BALDUS (for himself, Mr. YOUNG of Florida, Mr. MITCHELL of New York, Mr. ROYBAL, Mr. ROE, Mr. MURPHY of Pennsylvania, Mr. CARR, Mr. HUGHES, Mr. ADDABBO, Mr. NEAL, Mr. KILDEE, Mr. WAXMAN, Mr. RICHMOND, Mr. BAUCUS, Mr. CORNWELL, Mr. RYAN, Mr. MAZZOLI, Mr. HARRINGTON, Mr. BROWN of Ohio, Mr. PEPPER, Mr. ROSE, and Mr. GILMAN):

H.R. 11179. A bill to amend title 38 of the United States Code to increase from $250 to $400 the maximum allowance provided for the burial and funeral expenses of certain veterans and of patients in Veterans' Administration facilities; to the Committee on Veterans' Affairs.

By Mr. ULLMAN:

H.R. 11180. A bill to increase the public debt limit through March 1, 1979, to provide that thereafter the public debt limit shall be established pursuant to the congressional budget procedures and to improve debt management; jointly, to the Committees on Ways and Means, and Rules.

By Mr. JOHN L. BURTON:

H.R. 11181. A bill to amend the Congressional Budget Act of 1974 to prevent the shifting of fiscal burdens to State and local government; to the Committee on Rules.

By Mr. CONABLE:

H.R. 11182. A bill to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of Revenue Ruling 77–85; to the Committee on Ways and Means.

By Mr. FISHER (for himself and Mr. CONABLE):

H.R. 11183. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 11184. A bill to amend the Fishermen's Protective Act of 1967 to establish a program for compensating U.S. fishermen for damage to, or destruction of, fishing vessels and fishing gear; to the Committee on Merchant Marine and Fisheries.

By Mr. FRENZEL (for himself, Mr. CORCORAN of Illinois, Mr. RUPPE, Ms. MIKULSKI, Mr. SNYDER, Ms. COLLINS of Illinois, Mr. MADIGAN, and Mr. EDWARDS of Oklahoma):

H.R. 11185. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his

spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mrs. HECKLER:

H.R. 11186. A bill to amend title 38, United States Code, to establish within the Department of Medicine and Surgery of the Veterans' Administration a Geriatric and Gerontology Service, to establish demonstration centers of geriatric and gerontological research, education and clinical operations within the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. JENRETTE:

H.R. 11187. A bill to repeal the Tobacco Seed and Plant Exploration Act of 1940; jointly, to the Committees on Agriculture and International Relations.

By Mr. KEMP:

H.R. 11188. A bill to amend title 38, United States Code, so as to provide mustering-out payments for certain members discharged from active duty in the Armed Forces during the Vietnam era; to the Committee on Veterans' Affairs.

By Mr. LLOYD of California:

H.R. 11189. A bill to establish a system of protection against catastrophic health care costs; to the Committee on Ways and Means.

By Mr. MIKVA:

H.R. 11190. A bill to amend the Foreign Assistance Act of 1961 to provide for a reduction of the U.S. contribution to the United Nations; to the Committee on International Relations.

By Mr. PURSELL (for himself and Mr. JEFFORDS):

H.R. 11191. A bill to establish a Department of Education; to the Committee on Government Operations.

By Mr. STAGGERS (for himself and Mr. ROGERS):

H.R. 11192. A bill to extend for 2 years the scope of the containment requirements and the requirements of the experimental guidelines of the National Institutes of Health respecting recombinant DNA research to include all public and private recombinant DNA activities and to provide for a study respecting research and technology involving genetic manipulation; to the Committee on Interstate and Foreign Commerce.

By Mr. STEERS:

H.R. 11193. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pension, or other retirement benefits; to the Committee on Ways and Means.

By Mr. STEERS (for himself, Mr. MOFFETT, Mr. MOAKLEY, Mr. GOLDWATER, Mrs. HOLT, Mr. LAGOMARSINO, Mr. EILBERG, Mr. HARRINGTON, Mr. HUGHES, Mrs. SPELLMAN, Mr. VENTO, Mr. DOWNEY, Mr. LENT, Mr. STOCKMAN, Mr. MARKS, Ms. MIKULSKI, Mr. LONG of Maryland, Mr. BYRON, Mr. WHITEHURST, Mr. OTTINGER, Mr. WEISS, Mr. PATTERSON of California, and Mr. BEDELL):

H.R. 11194. A bill to amend the Consumer Product Safety Act to provide that electrical wiring systems shall be considered to be consumer products for purposes of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF:

H.R. 11195. A bill to amend title 28 of the United States Code to provide for holding district court for the Eastern District of New York at Uniondale, N.Y.; to the Committee on the Judiciary.

By Mr. WYDLER:

H.R. 11196. A bill to amend title 28, United States Code, to move the place for holding court for the district court of the Eastern District of New York to Brooklyn and Hempstead, and for other purposes; to the Committee on the Judiciary.

By Mr. ALEXANDER:

H.R. 11197. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

H.R. 11198. A bill to amend the Consolidated Farm and Rural Development Act to create an agricultural loan refinancing program; to the Committee on Agriculture.

By Mr. BROWN of California (for himself, Mr. WIRTH, Mr. WALKER, Mr. AMBRO, Mr. WINN, Mr. WALGREN, Mr. FORSYTHE, and Mr. BEILENSON):

H.R. 11199. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes; to the Committee on Science and Technology.

By Mr. FORD of Michigan (for himself, Mr. FRASER, Ms. KEYS, Mr. LLOYD of California, Mr. MATHIS, Mr. MOORHEAD of Pennsylvania, Mr. NEAL, Mr. ROE, Mr. RUSSO, Mrs. SPELLMAN, and Mr. VENTO):

H.R. 11200. A bill to amend the Higher Education Act of 1965 to increase the eligibility of middle-income students for the various forms of student assistance available under such act, and for other purposes; to the Committee on Education and Labor.

By Mr. HANSEN (for himself, Mr. PRICE, Mr. BOB WILSON, Mr. BENNETT, Mr. DICKINSON, Mr. STRATTON, Mr. WHITEHURST, Mr. ICHORD, Mr. TREEN, Mr. LEGGETT, Mr. MITCHELL of New York, Mr. WHITE, Mrs. HOLT, Mr. NICHOLS, Mr. DAN DANIEL, Mr. MCDONALD, Mr. HILLIS, Mr. WHITLEY, Mr. BADHAM, Mr. BYRON, Mr. TRIBLE, Mr. ROBERT W. DANIEL, Jr., Mr. STUMP, Mr. MONTGOMERY, and Mr. BEARD of Tennessee):

H.R. 11201. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

By Mr. HANSEN (for himself, Mr. MOLLOHAN, Mr. SPENCE, Mr. RUNNELS, Mr. EMERY, Mr. DAVIS, Mr. WON PAT, Mr. SLACK, Mr. SYMMS, Mr. CRANE, Mr. RUDD, Mr. FRENZEL, and Mr. DORNAN):

H.R. 11202. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

By Mr. HOLLENBECK (for himself and Mr. BROWN of California):

H.R. 11203. A bill to establish a materials policy for the United States, to promote a more effective materials research and development capability, to assure that materials research, technological evolution, and materials planning are coordinated with each other, and to provide for appropriate organizations within the Federal Government; to the Committee on Science and Technology.

By Mr. KELLY:

H.R. 11204. A bill to amend the Internal Revenue Code of 1954 to provide that greenhouses are eligible for the investment tax credit; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 11205. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for insulation and other energy-saving property installed on an individual's principal residence; to the Committee on Ways and Means.

By Mr. MATHIS (for himself, Mr. POAGE, Mr. WAMPLER, Mr. HUCKABY, and Mr. RAILSBACK):

H.R. 11206. A bill to strengthen the economy of the United States through increased sales abroad of American farm products; jointly, to the Committees on Agriculture, and International Relations.

By Mr. MINETA (for himself and Mr. JOHNSON of California) (by request):

H.R. 11207. A bill to facilitate the implementation of section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976, to provide for the conversion of a part of the National Visitor Center to railroad passenger service, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Interstate and Foreign Commerce.

By Mr. QUIE:

H.R. 11208. A bill to reduce minority youth unemployment and youth unemployment in general; to the Committee on Education and Labor.

By Mr. STAGGERS (for himself, Mr. VAN DEERLIN, Mr. MURPHY of New York, Mr. BIAGGI, Mr. DEVINE, and Mr. FREY):

H.R. 11209. A bill to provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunications services; jointly, to the Committees on Interstate and Foreign Commerce, and Merchant Marine and Fisheries.

By Mr. WALSH:

H.R. 11210. A bill to require that Indian claims be disregarded when determining the adequacy and value of the security required for real estate mortgage loans made by Federal land banks under Farm Credit Act of 1971; to the Committee on Agriculture.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. BARNARD, Mr. BEARD of Rhode Island, Mr. BEARD of Tennessee, Mr. BENJAMIN, Mr. BENNETT, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLOUIN, Mrs. BOGGS, Mr. BOLAND, Mr. BRADEMAS, Mr. BRINKLEY, Mr. BROOKS, Mr. BURKE of Massachusetts, Mr. BURLESON of Texas, Mr. CAVANAUGH, Mr. CHAPPELL, Mr. CLAY, Mr. COHEN, Mr. CONABLE, Mr. CORMAN, Mr. CORNWELL, and Mr. COTTER):

H.J. Res. 754. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. DAN DANIEL, Mr. DANIELSON, Mr. DICKS, Mr. EARLY, Mr. FARY, Mr. FLORIO, Mr. FOLEY, Mr. FOUNTAIN, Mr. FRASER, Mr. GAMMAGE, Mr. GILMAN, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GUYER, Mr. HALL, Mr. HAMILTON, Mr. HANNAFORD, Mr. HANLEY, Mr. HEFTEL, Mr. GARCIA, Mr. HEFNER, Mr. HIGHTOWER, and Mrs. HOLT):

H.J. Res. 755. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16 through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUCKABY, Mr. ICHORD, Mr. JENKINS, Mr. JENRETTE, Mr. JOHNSON of California, Mr. JONES of Oklahoma, Miss JORDAN, Mr. KASTENMEIER, Mr. KRUEGER, Mr. LEHMAN, Mr. LEVITAS, Mr. LONG of Louisiana, Mr. LIVINGSTON, Mr. LUJAN, Mr. LUKEN, Mr. MCFALL, Mr. MATTOX, Mr. MEEDS, Mr. MONTGOMERY, Mr. MOORE, and Mr. MURPHY of Pennsylvania):

H.J. Res. 756. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. MURPHY of Illinois, Mr. MURTHA, Mr. NEDZI, Mr. NICHOLS, Mr. NIX, Mr. PANETTA, Mr. PEASE, Mr. PEPPER, Mr. PRICE, Mr. RISENHOOVER, Mr. ROBERTS, Mr. ROBINSON, Mr. ROSE, Mr. ROSENTHAL, Mr. RUSSO, Mr. SHARP, Mr. SIKES, Mr. STARK, Mr. STEERS, Mr. STOKES, Mr. STRATTON, Mr. STUMP, and Mr. TEAGUE):

H.J. Res. 757. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. THOMPSON, Mr. TSONGAS, Mr. UDALL, Mr. WAGGONNER, Mr. WALGREN, Mr. WHALEN, Mr. WHITLEY, Mr. WIGGINS, Mr. BOB WILSON, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WIRTH, Mr. WOLFF, Mr. WON PAT, Mr. WRIGHT, Mr. WYDLER, Mr. YOUNG of Missouri, Mr. DOWNEY, Mr. HARKIN, Mr. MOFFETT, Mr. SCHEUER, and Mr. SMITH of Iowa):

H.J. Res. 758. Joint resolution to authorize the President to issue a proclamation designating the week beginning April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. ZEFERETTI, Mr. OBERSTAR, Mr. HUGHES, Ms. MIKULSKI, Mr. BONIOR, Mr. AKAKA, Mr. MCCLOSKEY, Mr. SNYDER, Mr. TREEN, Mr. YOUNG of Alaska, Mr. BAUMAN, Mr. LENT, Mr. EMERY, Mr. DORNAN, Mr. EVANS of Delaware, Mr. TRIBLE, Mr. LEDERER, Mr. MOAKLEY, Mr. ADDABBO, Mr. MCCORMACK, Mr. SIMON, Mr. FISHER, and Mr. SANTINI):

H.J. Res. 759. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. BROWN of California, Mr. FISH, Mr. FLOOD, Mr. CARNEY, Mr. PICKLE, Mr. GORE, Mr. WINN, Mr. PEPPER, Mr. CORRADA, Mr. LOTT, Mr. LAGOMARSINO, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. CUNNINGHAM, Mr. PRICE, Mr. BEVILL, Mr. PHILLIP BURTON, Mr. YOUNG of Missouri, Mr. MCHUGH, Mr. LE FANTE, Mr. KETCHUM, and Mr. KAZEN):

H.J. Res. 760. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16 through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. RUPPE, Mr. PRITCHARD, Mr. LEGGETT, Mr. FORSYTHE, Mr. BIAGGI, Mr. METCALFE, Mr. STUDDS, Mr. ASHLEY, Mr. DINGELL, Mr. ROGERS, Mr. JONES of North Carolina, Mr. ANDERSON of California, Mr. DE LA GARZA, Mr. ROONEY, Mr. GINN, Mr. BOWEN, Mr. EILBERG, Mr. DE LUGO, Mr. HUBBARD, Mr. BONKER, Mr. AUCOIN, Mr. D'AMOURS, and Mr. PATTERSON of California):

H.J. Res. 761. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. BEDELL, Mr. RODINO, Mr. ALEXANDER, Mr. ALLEN, Mr. DAVIS, Mr. EDWARDS of Alabama, Mr. DICKINSON, Mr. DON H. CLAUSEN, Mr. JOHN L. BURTON, Mr. BADHAM, Mr. ROYBAL, Mr. RICHMOND, Mr. CRANE, Mr. EVANS of Georgia, Mr. RYAN, Mr. DODD, Mr. AMBRO, Mr. ANDREWS of North Carolina, Mr. ANNUNZIO, Mr. ARCHER, and Mr. BAFALIS):

H.J. Res. 762. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. MATHIS, Ms. CHISHOLM, Mr. ST GERMAIN, Mr. JEFFORDS, Mr. FUQUA, Mr. FREY, Mr. CARR, Mr. CARTER, Mr. ANDREWS of North Dakota, Mr. BROWN of Ohio, and Mr. DEL CLAWSON):

H.J. Res. 763. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16, through April 22, 1978, National Oceans Week; to the Committee on Post Office and Civil Service.

By Mr. ASHLEY:

H. Res. 1051. Resolution providing funds for the ad hoc Committee on Energy; to the Committee on House Administration.

By Mr. LEVITAS:

H. Res. 1052. Resolution commending the veterans of the Armed Forces of the United States who enlisted prior to Armistice Day, November 11, 1918, but began their service after that date; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. MIKVA introduced a bill (H.R. 11211) for the relief of Soon Hee Han, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

ENGLISH COMPOSITION SKILLS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. JACOBS. Mr. Speaker, in this day of questionable English composition skills on the part of students, I insert the following with pride:

DEAR DAD: I just watched the funeral of Hubert Humphrey and hope you might have seen it, too. He came back to Washington the last time to say goodbye to forty years of friends and foes as he was dying and he made that journey with the greatest of grace. To me, it was a performance rarely seen.

Humphrey was, to my mind, that curious cast of American who really combined the old American Virtue with forward-looking idealism. He knew, long ago, that unless there could truly be equality among us, the nation was doomed to destruction from within. I think his human rights legislation, whether one concurred with it or not, evolved without cynicism, although he was certainly a moving force in the cynical world of national politics. I also believe that, had he not hewed so faithfully and carefully to what he sincerely believed, that he might have been elected instead of John Kennedy or Lyndon Johnson. Ironically, he bucked both of them in his own way but his party loyalty and his commitment to his own ideals helped keep him from what he wanted most of all: the presidency. When he did run for that office, he lost by only half a million votes, which shows how close he came to his goal and how convincing he was to the people.

I'm convinced that Humphrey really believed in giving the poor and the "outsiders" a chance. Of course, he came from Minnesota, for generations a bastion of avant garde social legislation. Indeed, Minneapolis has a history of socialist mayors, where he began his career. Perhaps, among the Northern Europeans—the Swedes, Danes, Norwegians, Germans, Finns and others—who settled the area as refugees from repressive politics in the Old Country—he was inspired by religious views and work ethics not so prevalent in other parts of the nation. However, he was totally in the mold of those politicians from that part of the country who foretold a new era in the course of our national events that would include all citizens, which is, I believe, what the Founding Fathers had in mind when they hammered together the Constitution. At the bottom, he was a true Constitutionalist. I think that there can be no higher accolade to any politician than that.

Obviously, Humphrey was a practical politician—a pragmatist, a "dealer", a shrewd bargainer, a man of immense personal ambition and, most of all, a compromiser of the first water. But then, the definition of a politician is that person who lives by compromise; that is also the definition of politics. He did it brilliantly. What is impressive is that, among his peers, he carried such weight, such respect and such affection in a game noted for viciousness, enmity and underhandedness. No president could have had a send-off marked by such regard and admiration among the politicians of his time.

Earlier, I used the word "grace" in referring to Hubert Humphrey. Grace, I think, has been described as admirable conduct under severe pressure. That he had, as did his wife, Muriel. They won gracefully; they went down to defeat gracefully—no bitterness, recrimination, blame to others, no hatreds. It comprised some sort of inner strength I find tremendously satisfying in people I know. I wish I, and everyone I know, had more of it.

Humphrey, it appears, arranged his funeral arrangements, himself. He said he wanted his departure to be a celebration rather than a time of grief. And so, I'm sure, he had his funeral ended with the singing of "America, the Beautiful" because that song, in itself, is a celebration—not of what the nation actually is, but what it should be. It seems to me that H.H.H. always worked on that principle: what the nation should be, at its best. If that was foolish idealism, let us all be more foolish. And the tears I shed while all those powerful people sang the chorus the second time, together, were not for the loss of the man, personally, but for the passing of a verve, an energy, a hope and a human sort of patriotism that, alone, can save us when the best of what we think and do and strive to accomplish is threatened from whatever quarter, from within the nation and from without.

Love,

———.

PROPOSED SALE OF AIRCRAFT TO EGYPT AND SAUDI ARABIA THREATENS PROSPECTS FOR PEACE IN THE MIDDLE EAST

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. DRINAN. Mr. Speaker, the administration's proposal to sell 60 F–15 fighter-bombers to Saudi Arabia and 50 F–5E fighter-bombers to Egypt represents a serious departure from existing U.S. policy regarding arms transfers to the Middle East. This proposal in my judgment jeopardizes both the security of Israel and the prospects for a peace agreement. The present delicate state of peace negotiations between Israel and Egypt renders this proposed arms transfer particularly unwise.

The F–15 is the most sophisticated military aircraft in the world. Saudi Arabia, which faces no credible external threat, has absolutely no need for this plane, the most deadly fighter-bomber in the world. Reports indicate that the Saudis wanted this remarkably large number of F–15's as a symbol of U.S.-Saudi friendship and of their own status as a budding world power. Veiled threats of an increase in the price of oil in the event the sale was not consummated have also been widely reported. No wonder an Israeli official, upon learning of the President's decision, noted: "Now the United States has joined Western Europe in basing its Middle East policy on oil."

The principal danger inherent in this unprecedented sale of highly sophisticated offensive weaponry to Saudi Arabia is its potential deployment against Israel should hostilities resume. The F–15's could be used against Israel either by the Saudis themselves or by their allies, via loan.

Neither direct nor indircet Saudi military participation in wars against Israel is unprecedented. In fact, the Saudi Government has taken an active role in every confrontation in the Middle East—and, of course, in the past the Saudis did not possess even a fraction of their present, growing arsenal of weapons. In 1948, Saudi Arabia provided a battalion of troops, under Egyptian command, to participate in the invasion of Israel. In the Six Day War of 1967, Saudi troops entered Jordan. During the 1973 war, 3,000 Saudi soldiers fought in Syria, several being taken prisoner by the Israeli Army. Saudi Arabia also sent eight helicopters and pilots to assist Egypt.

Nor is this military assistance limited to wartime. In November of 1975, five F–5E's which we had loaned to Saudi Arabia flew out of a Jordanian air base to participate in joint Syrian/Jordanian/Saudi training maneuvers. Top Saudi military officials continue to consult on a regular basis with their counterparts in Egypt, Syria, and Jordan and frequently visit those nations.

Saudi Arabian participation in the continuing effort against Israel should surprise no one. King Khalid told the New York Times in May 1976:

> When we build up our military strength we have no aims against anyone except those who took by force our land and our shrines in Jerusalem—and we know who that is. We also believe that the strength of Saudi Arabia is a strength for the whole Arab and Islamic world. We always intended to make use of all military equipment that might help build up our military strength.

Crown Prince Fahd told the New York Times in April of 1976:

> All of our nation's armed forces are a force in the defense of the Arab nations and the Arab cause.

The Christian Science Monitor quoted Defense Minister Sultan as follows:

> All our weapons are at the disposal of the Arab nations and will be used in the battle against the common enemy.

Finally, Foreign Minister Saud, in a recent Newsweek interview, said:

> In times of war when the interests of our brother Arab countries are involved, nothing is too expensive to use. . . . We will use whatever resources we have to hurt our enemy.

These statements by four of the highest officials of the Saudi Government, including King Khalid, refute the administration's contention that Saudi Arabia will honor those terms of the sales contract which prohibit transfer of the weapons purchased, and also the contention that the weapons are for defense against "threats" from Iraq, Iran, or the Soviet Union.

Saudi acquisition of the F–15's would be particularly disturbing in light of the ongoing expansion of their air bases, especially their principal air base at Tabuk, which is only 200 miles from Israel. Moreover, possible purchase of the F–15 must be viewed as part of a continuing, massive Saudi military buildup across the board. This ominous expansion is indicated by the Saudi Government's defense expenditures since 1972 (all figures in millions):

1972–73	$1,002
1973–74	1,528
1974–75	2,490
1975–76	6,419
1976–77	9,012

Saudi defense expenditures currently equal those of Great Britain, France, and Germany combined, and are more than double those of Israel. Providing a nation which, alone among all the Arab States which are hostile to Israel, spends more than twice as much as the Israelis on weapons with 60 of the most sophisticated and deadly fighter-bombers in the world is an example of "even-handedness" run rampant. There is simply no justification for the sale of F–15's to Saudi Arabia. The United States cannot trade away the security of Israel in an effort to hold down the price of petroleum.

This proposed sale can only retard, not advance, the search for peace. Should Saudi Arabia, with its history of involvement in hostilities against Israel, acquire these aircraft, then Israeli leaders will surely reevaluate their security needs. This reevaluation could make negotiations more difficult, in that the Israelis might rightfully be reluctant to make certain concessions based upon the dangerous introduction of F–15's into the Arab arsenal. Neither is the sale in the interests of the Saudis. Large numbers of F–15's at an air base near Israel's border might be a presence unacceptably dangerous to Israel should war break out. Thus, Saudi Arabia might be dragged into another Middle East war even if it does not want to. Not only the legitimate security interests of Israel, but also the interests of Saudi Arabia itself and the search for peace will be damaged by the proposed sale of 60 F–15's to Saudi Arabia. It is the clear responsibility of Congress to exercise its legal mandate to disapprove this ill timed and unwise arms transfer.

Congress should also reject the administration's proposal to sell 50 F–5E's to Egypt. This provision of a very effective offensive military weapon to Israel's principal military adversary is unprecedented. Contrary to some reports, the F–5E is neither wholly defensive in character nor outmoded in design and performance. Air Force tests have recently confirmed the continuing effectiveness of the F–5E, finding that in some contexts it out performs the newer F–16 and can even hold its own with the F–15. The introduction of 50 of these aircraft into the Egyptian arsenal constitutes a serious threat to Israel.

Egypt does not need these aircraft. Their defense expenditures continue to exceed those of Israel by a wide margin. While the Israelis can purchase arms only from the United States, Egypt has the whole world in which to shop. While Mr. Sadat has made many noble and courageous gestures and some significant concessions, we must remember that more concessions must be forthcoming. To reward Mr. Sadat with this unprecedented provision of offensive weapons which can realistically be intended for use only against Israel is counterproductive. One does not reward one's new friends at the expense of one's old friends and also at the expense of the peace negotiations.

Whatever the motivation of the President was, the results of his decision are entirely negative. That is why the Congress must take the required speedy action to reverse that decision and avoid its dangerous consequences.

JUDGE MARSHALL S. HALL

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. MINETA. Mr. Speaker, it gives me great pleasure today to honor one of Santa Clara County's outstanding jurists, Judge Marshall S. Hall who retired from the Santa Clara County Superior Court on February 8, 1978.

Judge Hall has been a lifelong resident of the Santa Clara Valley. He re-

ceived his law degree from Stanford in 1933 and was admitted to the California Bar in the same year.

He was appointed to the Superior Court of Santa Clara County in 1957 and was subsequently elected to the judgeship in 1958 and reelected in 1964, 1970, and 1976. He was the presiding judge of the superior court in 1958, 1964, and 1972.

In addition to serving as a judge in Santa Clara County, Judge Hall is a past president of the Santa Clara County Bar Association, a past president of the Santa Clara County Council of the Boy Scouts of America, and has also been a member of the regional executive committe and national council of the Boy Scouts for over 40 years. He is the former director of the San Jose Chamber of Commerce and chairman of the port and air pollution committee.

Judge Hall has also been involved in improving the social aspects of our community through his activities in the local chapter of the Navy League of the United States, in which he served as president, the Red Cross, Community Chest, Community Welfare Council, Sainte Claire Club, YMCA, California Pioneers Society, and the California Historical Society

Throughout his entire career, Judge Hall has worked hard to make our community a better place in which to live.

Mr. Speaker, I ask you and my colleagues to join me in honoring Judge Hall and to say thank you for his many years of dedication and community service.

NORTHWEST ENTERS NEW ERA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. BONKER. Mr. Speaker, the Northwest has been in fact and fiction a land of tall trees, cascading rivers and a people equal to Paul Bunyan in spirit if not in size in meeting the challenges and reaping the bounty of so rich a land. (The most recent demonstration of vitality being, of course, the Rose Bowl victory of the Washington Huskies over the Michigan Wolverines.)

The publisher of several newspapers in my district recently penned some trenchent thoughts about the transition of the Northwest from a rough and ready frontier to a newer, but equally challenging, era. He notes that the new challenge facing northwesterners is refinement and protection of what we gained from the era of unrestrained growth.

I commend his thoughts to all my colleagues, and ask that his essay be reprinted in the RECORD at this point:

[From the Longview Daily News]

WITH GROWTH SLOWING, WILL RESTLESSNESS FOLLOW

(By J. M. McClelland, Jr.)

In the beginning the Pacific Northwest was an untouched corner of the continent, rich in water, timber and fertile soil. That was only 128 years ago, when American settlers, lured by the prospect of a better life, came west and began to take over from the British who were here first, and from the Indians.

Now, at the start of our 129th year of occupancy in this favored land, there is considerable satisfaction to be taken in what has been accomplished.

In the beginning life in the Northwest consisted mainly of the hard work required to attain the basics—towns and farms, a few sawmills and steamboats. The towns were on the rivers and the Sound, for there were no roads. The farms and mills were nearby. By the middle year—1914, the year World War I began—sizable cities had become well-established and the age of the automobile had created a new need—hard surfaced streets and roads connecting the towns. Nine years later—the year when a second wave of pioneers came west and established the city of Longview—a winding ribbon of paving was completed all the way from Bellingham to Vancouver. That was the Pacific Highway—Old 99.

The Northern Pacific had connected the Northwest with the East by 1880. Telephone and telegraph wires were strung over plains and mountains. Farmers bought machinery. Loggers used fewer bulls and more steam donkeys. Progress was rapid in the Pacific Northwest because its settlement and development coincided with the industrial revolution—the age of mechanization and technical innovation that began in the 1880s still goes on.

During most of this time life in the Northwest was directed and largely dominated by the overriding need to build and improve. The waters, the timber and the soil were there to be used. Nature had provided them. The use of them provided opportunities for attaining desirable things, including wealth. No one lacked a purpose in life. Purpose was apparent enough. So much needed to be done. Everyone was expected to get out and do his share.

Earning and working weren't all. Basic cultural necessities also had to be met. Schools, churches and Grange and lodge halls were built. In time a little leisure began to creep into people's lives. The timber industry conceded the eight-hour day in 1917, although the work week remained six days. But there was too little leisure time for anyone to be much concerned about ways to use it.

The process of developing and growing continued through the last half of the 19th century and through most of the first three-quarters of the 20th century. Then a surprising realization occurred. At last there was enough of many things. Some tasks were finished. No need for more transportation facilities. The power dams had been completed. The railroads and the superhighways had long since been finished. Even the backroads were paved.

Air terminals had been expanded to meet needs. So many schools had been built that many districts had a surplus of classrooms. So many hospitals had been built that unused bed capacity created economical problems. So much farm land had been developed that crop surpluses were common. So much timber has been cut that old mills were closed and new ones able to handle only small logs were built.

The realization that in some areas at least, enough was enough, brought on the need for a changing sense of purpose in the Northwest. If we were through or nearly through growing, expanding and developing, what was left to do?

The answer was not long in coming. It was refinement. The growth era was rough. Not much time for polishing and refining.

Now that there were enough miles of roads, make them wider and safer. Now that schools and hospitals were numerically sufficient, make them better able to perform their essential tasks. Now that people generally were affluent and not preoccupied with survival, let them pay taxes and prices that would enable the environment to be cleaned up—the air and water that had been polluted by hasty progress, the roadsides, and even the streets where garish signs could be banned. Now that people worked 40 hours a week or less, with numerous holidays and long vacations, let more attention be given to ways of making leisure time enjoyable for all, not a privileged few.

What we are wondering, however, is whether the processes of refinement provide a lifestyle purpose for the Pacific Northwest that is an ample substitute for the old main purpose—the hard but enjoyable work of building and developing. And what if it does not? Are we beginning now a period of drifting and contentment that will eventually become boring?

Not that all our problems are solved. Our state of well-being is kept far short of paradise by criminal activities, lack of employment for all who are willing to earn their way, and the burdens of transferring income to those who can't or won't earn their way. Sickness and misery are not conquered.

But the Pacific Northwest is no longer on its way up from primitive beginnings. The dreams of the original settlers have been largely realized. It is mature. But it does not feel like resting.

In 1978 and beyond we can continue refining what has been done. But it is a process that will leave many restless. Is it not more fun to hunt than to find? More satisfying to build than to reach completion? Better to do than to have done?

Restless years lie ahead, we believe, and they hold forth a hazard, Restless people became overly eager and are inclined to push what remains to be done—refinement—too far and too fast. If we were guilty of excesses in the rush to develop the Northwest, let us not be guilty of more excesses as we pause to take stock and put our house in order.

A GRAVE DISSERVICE TO THE UNITED FARM WORKERS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. KETCHUM. Mr. Speaker, one of the evils that necessarily follows the burgeoning growth of the Federal bureaucracy is the susceptibility to become impersonal and unaccountable. Carefully coordinated scrutiny is more easily thrown to the winds, and the people whom that bureaucracy should be serving are caused a grave disservice.

No example more clearly illustrates this trend than a $500,000 grant allocated by the Department of Labor in December to the United Farm Workers. The ostensible purpose of awarding this grant primarily was to teach English as a second language to migrant and seasonal farmworkers. Despite my persistent efforts to determine the facts surrounding the grant from the Department of Labor and despite the Department's failure to date to comply with my request, I have attempted since the convening of the second session to get to the bottom of this discretionary award. It is now my intention in the coming days

to share with my colleagues my findings into this entire matter.

My first knowledge of the grant came on January 12 when I learned about the $500,000 grant through a news account in the Bakersfield Californian. At no time did I learn from the Labor Department directly that the award had been made in my district to teach the English language to seasonal and migrant farmworkers.

Consequently, I wrote to Secretary Ray Marshall to determine the facts surrounding the grant. Quite frankly, I was concerned then as I am concerned now, that the Department of Labor has duplicated services currently available in the State of California to teach adult classes in the English language. The Kern High School district last year, for example, taught some 685 adults in primary and advanced English training at a cost of $90,570. In addition seasonal and migrant farmworkers were afforded the opportunity to learn specialized skills in such areas as pruning, pesticide control, and safety. No one was turned down in any of the six locations, and with continued Federal assistance the district's schoolteachers are again providing this same professional assistance to anyone who applies.

My concern has also been compounded by the fact that the United Farm Workers is receiving a half million dollar grant to teach English in its role as a labor organization. This is the first such grant which establishes the UFW as an educational entity. Why attempt to duplicate resources when the Federal Government in conjunction with the educational system of the State of California is already offering an outstanding English program? Furthermore, those wishing to learn the English language would be paid to do so.

Having too many questions on my mind which needed immediate answers, I instructed my legislative assistant to contact the Department of Labor. His first encounter was with Director of the Office of Seasonal and Migrant Farmworkers, Paul Mayrand. Mr. Mayrand explained that the grant was allocated from Secretary Marshall's discretionary powers under title I of the Comprehensive Employment and Training Act. He then explained that the Department had decided after the grant was awarded to transfer jurisdiction of the grant to the Office of English as a second language. My assistant immediately contacted the office's Director, Harold Rieze, and learned that title III of CETA was now applicable.

After receiving an account of the telephone conversations, I had my assistant call the individual directly in charge of handling the grant, director of national programs, Lamond Godwin. Mr. Godwin quickly disclosed several gross discrepancies from the information that had been gathered from his subordinates. Title I, he said, had never been applicable; title III from the outset had been the sole basis for the award. When Mr. Godwin was asked about program monitoring, he responded by saying that grants worth millions of dollars passed his desk with only a staff of some 26 to determine how well CETA's money is being spent. How then, he reasoned, can his office truly be a watchdog?

On February 4 I received a response from the Secretary telling me that he had referred my letter to Mr. Lamond Godwin, the very man who could not answer my questions in the first place. I immediately wrote to both Secretary Marshall and President Carter to refrain from charging their assistants to directly respond to my questions.

After continued calls to find out from the Secretary the status of the matter, my assistant was contacted by Mr. Godwin on February 14. Not surprisingly it was my aide who told Mr. Godwin that the Secretary had referred my four-page letter to him for a response over 10 days ago.

Since that last call I have attempted to contact Mr. Godwin; my calls are simply never returned. The National Programs Office is undoubtedly tired of telling me and my staff that it will respond to my questions "when they get around to it." This affront to a Member of Congress in whose district a half million dollar grant was awarded 2 months ago is inexcusable and an outright disgrace. More importantly, concerned citizens throughout California and the country are crying for answers to an unresponsive and offensive bureaucracy.

FISHING GEAR DAMAGE COMPENSATION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. FORSYTHE. Mr. Speaker, prior to the enactment of the Fishery Conservation and Management Act (FCMA), a U.S. fisherman who sought compensation for damages caused to his vessel or gear by foreign fishing activities was limited to the vagaries of proceeding in court or to the ponderous procedures of the Russian or Polish Claims Boards. But with the passage of the FCMA, U.S. fishermen were given renewed hope that a procedure for the rapid and fair disposition of their gear damage claims would be established. It was expected that the old procedures would be replaced by a new administrative procedure which would provide for the prompt disposition of damage claims.

One year after the effective date of the FCMA all we have is more claims boards and regulations establishing arbitration procedures for gear damage claims totaling less than $25,000. While these regulations appear to offer some improvement to the dilemma confronted by U.S. fishermen, closer analysis reveals several serious questions. For example, if the foreign vessel which is accused of causing the damage is no longer operating in the U.S. fishery conservation zone, how will the request for arbitration be served? Will the agent appointed to receive process while the vessel had a U.S. permit still be considered as the agent of the accused vessel owner? If an arbitration award is secured against a foreign vessel which is no longer operating in the U.S. zone and the vessel owner refuses to pay the award, what action will be taken to insure payment?

In addition to these issues, there are several other matters which are of deep concern to me. The regulations require that arbitration proceedings be conducted in accordance with the rules of the American Arbitration Association. Pursuant to section 15 of the Commercial Arbitration rules, if the parties to the proceeding are not citizens of the same nation, either party may demand that the arbitrator be from a third country. Thus, it is entirely likely that in each U.S. claim the arbitrator will be a citizen of a third nation and not a U.S. national. Further, the U.S. fisherman, if he requests a stenographer or an interpreter, will be required to pay the costs associated with those services. Finally, the U.S. fisherman will be forced to pay an arbitration fee which may substantially reduce the amount of the final award.

Mr. Speaker, it was not the intent of the Congress that U.S. fishermen be forced to submit to arbitration by third party nationals and have to pay the costs of such proceedings. It was intended that the U.S. Government would provide an administrative mechanism which would be available to U.S. fishermen. In view of the fact that the Fisherv Conservation and Management Act has not been implemented in the manner in which it was intended by the Congress, I believe it is necessary to enact new legislation to provide for the compensation of U.S. fishermen whose vessels and gear have been damaged by foreign fishermen.

In developing a gear compensation system, however, it is time that we recognize that any such system will fail to provide the full measure of relief unless we effectively deal with the situation of the lobsterman who leaves his fixed gear in place and returns to find it destroyed without having any idea of the cause of the destruction.

In the absence of concrete proof as to the cause of the damages, the U.S. fisherman has no recourse. To remedy this heavy burden of proof, my legislation provides that any U.S. fisherman whose vessel or gear is damaged because of an act of God or because of the actions of a United States or foreign vessel is eligible for compensation. All the U.S. fisherman must prove is that the damage was not caused by his negligence. If, in fact, the damage was caused to some degree by the fisherman's negligence, the amount of his compensation will be reduced proportionately. To remove the incentive for false claims, my legislation provides that fishermen will be compensated only for the depreciated value of the vessel or gear involved.

The system I am proposing will provide a comprehensive gear damage compensation program and will effectuate the purposes of our 200 Mile Act. It will insure that U.S. fishermen are not forced to submit to arbitration which may cost

more than the gear involved and it will eliminate the unacceptable time delays associated with the existing claims boards.

NEW POLITICAL REALITIES IN THE MIDDLE EAST

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. ZABLOCKI. Mr. Speaker, the announcement by the President 2 weeks ago in proposing the package sale of various types of fighter jet aircraft to Israel, Egypt, and Saudi Arabia has already generated considerable discussion, at times emotional and heated.

Subsequently, a considerable number of stories and editorial comments have appeared in the public media. For instance, on the CBS radio network on February 16, Walter Cronkite reported on the President's proposed sale of fighter aircraft to the Middle East, followed by a commentary.

Mr. Speaker, because Mr. Cronkite is considered by many as an objective observer of international affairs, it is of particular interest to note his views on the proposed sale. Basically, Mr. Cronkite argues that the proposed sale is a "recognition of new political realities in the Middle East." To enable all our colleagues to consider Mr. Cronkite's views I request that the complete unedited text of his February 16 radio commentary follow my remarks.

I also would like to take this opportunity, Mr. Speaker, to assure all our colleagues that this proposed package sale will receive full and careful consideration by the Committee on International Relations. In this respect, as chairman of the committee I have already requested that all pertinent information be made available to the committee. The committee plans to carefully and fully consider all of the factors and pertinent issues involved in this proposed sale before making a final recommendation to Congress. Such an extensive review I am sure will enhance the prospects of Congress making a decision which is consistent with U.S. national security interests.

The information follows:

WALTER CRONKITE REPORTING

WALTER CRONKITE. This is Walter Cronkite reporting with news and commentary on the CBS Radio Network.

The Carter Administration's decision to sell advanced warplanes to Egypt and Saudi Arabia, as well as to Israel, has been denounced by the Israelis as an obstacle to peace talks. The Israelis fear the sales to the Arabs will alter the military balance in the Middle East which, until now, has been heavily weighted in Israel's favor. They also say the decision is evidence of a major policy shift toward Egypt. To some extent the Israelis may be right, but that doesn't necessarily make the Administration wrong. A look at the issue after this message. [Announcement]

CRONKITE. The Administration proposes to sell 50 F–5E to Egypt, 60 F–15's to Saudi Arabia, and 15 F–15's, plus 75 F–16's to Israel. The numbers represent about half the Israeli request for warplanes, and only about 40 percent of the Egyptian request. Moreover, the Egyptians are getting a far less formidable weapon. In terms of speed, range and payload, the F–5E simply is no match for the other aircraft. Israel's particularly upset about the F–15's going to Saudi Arabia. The F–15 is the most advanced plane in the American arsenal. It should be noted, however, that while Israel would get only 15 of the planes under this program, it already has bought 25 F–15's, and would have a total of 40. In addition, both the F–5E and the F–15 are classified as fighters and considered defensive weapons. Israel's getting the only clearly offensive weapon in the deal, with its 75 F–16's, which are fighter bombers.

The sale to Egypt, in Israeli eyes, also has a symbolic importance—it breaks a precedent. Until now, Israel had been the sole recipient in the Middle East of advanced American weapons. As for the Egyptians, they appreciated the symbolism of the sale, but found the substance rather paltry. Israel's worried about the effect of the sales on the military balance of the region because, while the United States is proposing new weapons for Egypt and Saudi Arabia, the Soviet Union has been sending new arm shipments to the radical Arab states: Syria, Iraq, and Libya. But here the Israelis seem to miss, or ignore, a crucial point. In talking about the total Arab-Israeli military balance their analysis has lumped all the Arab states together, making no distinction between extremists and moderates. The implication is that when it comes to military hardware, all Arabs should be treated alike. Many observers fear this attitude may be the rock on which the peace talks founder. The Carter Administration apparently has begun to share that fear, and has begun to make the distinction in concrete terms. From this point of view, the issue's not what the arms sales do to the aggregate Arab arsenal, but whether the moderates are to be encouraged in their search for peace, or punished.

The Soviets are trying to see to it that they are punished. Egypt's air force today is composed exclusively of old Soviet-made planes, for which, of course, the Russians, now since Sadat kicked them out of Egypt, are sending neither replacements nor spare parts. This fact, coupled with Soviet shipments to the radicals, threatens to shift another military balance, that between the Arab moderates and the so-called rejectionist front.

Not even Solomon could help Washington resolve its present dilemma. Sadat clearly deserves its support, not solely as a reward for his political courage in the search for peace, but also as a guarantee that his moderate regime survives. And how, at the same time, can Washington convince Israel and its politically potent friends that its own interest demand the recognition of new political realities in the Middle East. [Announcements]

CRONKITE. This is Walter Cronkite reporting for CBS News.

GEN. DANIEL "CHAPPIE" JAMES, JR.

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

Mr. ARMSTRONG. Mr. Speaker, America has lost a strong leader, and I have lost a good friend. The sudden death of Gen. Daniel "Chappie" James, Jr. is a blow to us all. He was a great man. It was my privilege to have known one of the most courageous soldiers who ever served in the U.S. Armed Forces.

Chappie was articulate, patriotic, and compassionate. He was a genuine American hero. During his 34-year military record, Chappie:

Rose to the rank of a four star general in the U.S. Air Force.

Was Commander in Chief of the North American Air Defense Command in Colorado Springs.

Flew more than 200 combat missions in Vietnam, Korea, and WWII.

Received five honorary doctorate degrees from five universities.

Earned numerous military decorations, including the Department of Defense Distinguished Service Medal (the highest noncombat award which can be presented to a member of the Armed Forces), the Air Force Distinguished Service Medal with one oak leaf cluster, Legion of Merit with one oak leaf cluster, Distinguished Flying Cross with two oak leaf clusters, Presidential Unit Citation Emblem with three oak leaf clusters, Air Force Outstanding Unit Award with three oak leaf clusters, and the Republic of Korea Presidential Unit Citation Ribbon.

While Chappie was known worldwide for his military heroism, Colorado Springs residents, whom I represent, loved and admired him for his work with local Boy Scouts, troubled youths, and with Goodwill Industries. Though he was Commander-in-Chief at NORAD—an enormous responsibility—Chappie always took time to talk to hundreds of church and civil groups about his favorite topics: Patriotism, "thou shalt never quit," and the importance and power of excellence.

Chappie was a great man. His greatness will live on after him as an inspiration to us all. I offer my deepest sympathies to his wife, Dottie, and to his children, Claude, Denise, and Daniel.

JOHN R. MORENO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. MINETA. Mr. Speaker, it is with great pleasure that I rise today to honor one of Santa Clara's outstanding public officials, Mr. John Moreno, who is retiring after 33 years of public service to the city of Morgan Hill.

On Friday, February 24, 1978, the Morgan Hill Chamber of Commerce sponsored a dinner in his honor.

John came to the Santa Clara Valley 33 years ago from San Francisco. In 1945, he became a Morgan Hill police officer, rising to chief of police in 1950. In 1973, Moreno was appointed to the city of Morgan Hill's highest administrative office, that of city administrator. That title was later changed to city manager.

John has attended the FBI Academy in Washington, D.C., and has taken

many administrative courses from the University of Santa Clara. He also has a lifetime vocational teaching credential.

The city of Morgan Hill will miss John Moreno's leadership. He has seen the town grow from a sleepy agricultural town to a large residential community. Although John will be retiring as a public official, he will still be employed by the city as a consultant. His new job will be to continue to attract new industry and commerce to Morgan Hill.

In addition to his civic work, Moreno has been active in service groups and organizations. In 1959, he was chosen "Citizen of the Year" by the Morgan Hill Chamber of Commerce.

Mr. Speaker, with this in mind, I ask you and all other colleagues in the House of Representatives to join me in honoring John R. Moreno and say thank you for all his years of dedication and community service.

SAFE BRIDGE ACT OF 1978

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. WALGREN. Mr. Speaker, yesterday, I introduced the Safe Bridge Act of 1978, H.R. 11176. This bill addresses the national bridge problem in a way that recognizes the unconsionable condition of our Nation's bridges.

It is undeniable that for progress to be made on this national disgrace, the special bridge replacement program must be substantially altered. The Safe Bridge Act contains four major changes in this program.

First, the Safe Bridge Act provides for an annual authorization of $2 billion. This figure has been recommended in testimony before the Public Works Subcommittee on Surface Transportation and widely accepted as a reasonable level of funding by persons knowledgeable about the national bridge crisis. At the current level of funding, it will be over 100 years before the 105,000 currently deficient bridges are repaired. This almost unbelievable estimate does not include inflation or future deficiencies.

Second, the Safe Bridge Act changes the State-Federal matching ratio for the special bridge program from the current 25/75 percent to 10/90 percent. The cost of adequately addressing our bridge problem is beyond the resources of our States with their limited sources of revenues. The States' net indebtedness from highway bonding increased by 21.4 percent between 1970 and 1975. This is an average of $1.2 billion annually. Any further indebtedness on the part of the States would be fiscally irresponsible.

Third, the Federal bridge program must be expanded to include bridge repair as well as replacement. Proper repair and rehabilitation will significantly extend the life of our bridges. Authorizing increased funds for bridge repair will ultimately reduce costs, since bridges which are properly maintained need to be replaced less frequently. The Safe Bridge Act expands the bridge replacement program to include bridge repair and rehabilitation to take into account these realities and save the taxpayer future expenditures.

The Safe Bridge Act finally provides that up to 30 percent of the funds authorized for bridge repair and replacement can be obligated for the repair and replacement of bridges which are off the Federal aid system. An inventory of off-system bridges is also mandated so that priorities may be assigned to these bridges.

Since a maximum of only 30 percent of the authorization can be spent for off-system bridges, the States will continue to bear the primary responsibility for the upkeep of these bridges which historically they have had.

Mr. Speaker, by increasing the funding and the Federal matching ratio as well as expanding the special bridge replacement program to include bridge repair and including off-system bridges, the Nation will address its bridge problems in the timely manner required by the immediacy and severity of the problem. Under the provisions of the Safe Bridge Act of 1978, the Nation's unsafe bridges can be made safe within a decade. Without these changes, more lives will be endangered daily and more time, money, and energy will be wasted as our citizens are forced to travel miles out of their way to cross a safe and open bridge.

I urge my colleagues to support the Safe Bridge Act.

LEGISLATION TO CREATE A DEPARTMENT OF EDUCATION

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. PURSELL. Mr. Speaker, I have today introduced legislation to create a new Department of Education in the executive branch of the Federal Government. I am very encouraged by the fact that during the Presidential campaign and again recently President Carter indicated his support for a similar proposal. I believe, however, that the legislation which I have introduced is superior to many proposals which have been made to create a separate Department of Education. I hope the President would incorporate some of its major features in any proposal he may make.

The legislation I propose is comprehensive and would effectively end the fragmentation of responsibility for Federal education and manpower training programs which has unnecessarily hampered their effectiveness and imposed administrative burdens at the State and local level.

Local control and academic freedom are the historic cornerstones of American education. My bill mandates that strengthening local control and academic freedom will be top priority for the Department of Education. This concept is carefully woven into the preamble of the bill, so there can be no mistake about the primacy of these missions. I would not be proposing this separate department without such guarantees.

Another primary example of the emphasis this bill puts on maintaining and strengthening local control of education is the section creating a Commission on School Finance. This commission would have broad representation, emphasizing local parents, teachers, administrators, and school boards, as well as experts in taxation and finance. The commission would completely review the Federal role in helping finance local education, and how that can best be strengthened without Federal intrusion into local control of educational decision making.

My proposal would include within a single department all of those functions now located in the Education Division of the Department of Health, Education, and Welfare. Those units include the U.S. Office of Education, the National Institute of Education, the National Center for Educational Statistics, and the Fund for the Improvement of Postsecondary Education. Virtually all proposals to create a new Department of Education include at least these functions. However, the legislation I propose goes far beyond that and includes a number of functions and programs located in other agencies and departments which I believe are essential to creating a unified Federal department to deal with the entire array of issues involved in the education of the people of this Nation. For example, my bill creates no organizational separation between education conducted in the schools and career and vocational training conducted outside the schools. All of these functions are related to one's productive existence and all are placed within this new department. This includes, for example, the Comprehensive Employment and Training Act programs administered by the Department of Labor.

Included in the transfer of job training and related programs from the Department of Labor is the transfer of the Public Service Employment program under title II of CETA.

The CETA program has had a beneficial impact in many areas, but I believe it has strayed somewhat from its original design as a "transition" jobs program primarily for those individuals who successfully completed their CETA training.

Much of this is understandable, given the very difficult economic problems of this country. But what is needed now is a renewed emphasis on making individuals permanently employable in the private sector—not dependent on a perpetual tax-funded public service job, which often is a dead end. This transfer would be an important step in the direction of making CETA a true combination of education and job-skill training.

In addition to these Labor Department functions, I am proposing that the new department also include the activities of the Office of Child Development located in HEW, including the Head Start program, the graduate school program of

the Department of Agriculture, the college housing program located in the Department of Housing and Urban Development, Indian education programs administered by the Bureau of Indian Affairs in the Department of the Interior, the National Science Foundation, the National Foundation for the Arts, the National Foundation for the Humanities, the Harry S Truman Memorial Scholarship Foundation, and those programs of the State Department (principally academic exchanges with other nations) operated by the Bureau of Educational and Cultural Affairs.

To provide for smooth and orderly transition, the legislation establishes an Assistant Secretary position for the programs formerly administered in NSF, another Assistant Secretaryship for the programs transferred from the Department of Labor, and a third Assistant Secretary slot with responsibility for those programs formerly located in the Department of State.

I believe the legislation which I propose contains many provisions which President Carter may wish to examine further in his review of the reorganization of the Federal Government. I particularly commend to his attention the notion of encompassing within a single department those training and career development programs now located in the Labor Department as well as the other activities I have mentioned, including those in the Department of State.

I would strongly recommend that the President adopt the concept of a commission, representing local parents and school people, to focus on improved help for local taxpayers without infringing on local control of education.

Finally, and most important, I think it is vital that the President include strong guarantees that any new Department of Education will address primary importance to strengthening local control of education and academic freedom.

I am hopeful that the Committee on Government Operations will move expeditiously to the consideration of this bill, and I invite my colleagues to join me as cosponsors of this measure.

LITHUANIAN INDEPENDENCE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. HYDE. Mr. Speaker, at a recent meeting commemorating the 60th anniversary of restoration of Lithuania's independence, the Lithuanian American Council in Cicero, Ill., passed the following resolution. On behalf of my Lithuanian-American constituents, I take pride in sharing the text of this resolution with my colleagues in Congress:

RESOLUTION

We, the Lithuanian Americans, assembled this 12th day of February, 1978, at Cicero, Illinois, to commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1978, marks the 60th anniversary of the restoration of independence to the more than 700 year old Lithuanian State;

That the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law;

Now, therefore, be it resolved:

That we are deeply grateful to Ambassador Arthur J. Goldberg and Senator Robert Dole for drawing the attention of the participating States at the Belgrade Conference to the denial of the principle of self-determination to the peoples of Lithuania, Latvia and Estonia;

That in expressing our gratitude to the United States President and Congress for their firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity, also in the United Nations and other international forums, the denial of freedom and national independence to Lithuania and other captive nations;

That we request to exercise pressure according to the Human Rights principles for the release of all political and religious prisoners from Soviet Russian jails, concentration camps and psychiatric wards;

That in searching for security we maintain that restoring of the sovereignty of Baltic States is an important part of healing of the wounds of World War II and can not be excluded from progress in humanitarian matters and Human Rights;

That for all captive people, we uphold the Human Rights principle of pursuing real individual happiness—to lead a peaceful and prosperous life in their own, independent, selfgoverned State;

That copies of this Resolution be forwarded to the President of the United States of America Jimmy Carter, to the Secretary of State Cyrus Vance, to Ambassador Arthur J. Goldberg and Senator Robert Dole, to Senators from Illinois Charles H. Percy and Adlai E. Stevenson, to Congressman from district 6 Henry J. Hyde and to the news media.

VICTOR MOTUSIS,
Secretary of the meeting.
DR. PETER ATKOCIUNAS,
Chairman of the meeting.

T. DON RONEY—50 YEARS AN EAGLE SCOUT

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. TAYLOR. Mr. Speaker, on Monday evening, February 27, 1978, T. Don Roney, a resident of Carl Junction, Mo., was honored by his friends celebrating Don's 50th anniversary as an Eagle Scout.

We are all aware of the character building qualities of Scouting and I am happy to attest that Don Roney is a living example of the public spirited attitude that is instilled in those who have had the dedication and fortitude to attain such a high honor.

I am glad to join in extending my best wishes to Don and I would like to place in the RECORD at this time a summary of his service to Scouting and the community.

Summary follows:

T. DON RONEY—CARL JUNCTION, MISSOURI—BORN OCTOBER 17, 1913

On November 30, 1978 Don Roney marks 50 years as an Eagle Scout and is one of the Senior, if not the Senior, Eagle Scout in the Mo-Kan Area Council.

Mr. Roney became a Tenderfoot Scout on March 26, 1926 and rose to the rank of Eagle by November 30, 1928. He was awarded the Bronze Palm on October 18, 1929.

At the age of 25, in 1938, Don Roney became Scoutmaster of Troop 23, sponsored by the Carl Junction Community Club serving in that capacity until October 1940 when he became Troop Committee Chairman and held that position until October 1944.

In March of 1956 he became the Neighborhood Commissioner, serving Carl Junction in that capacity until December of 1959. He was a member of the Troop 70 Committee from October 1959 to October 1960. He was District Chairman of the Mo-Kan Area Council Boy Scouts of America Central District from December 1959 to December 1960.

From October 1960 until February 1962 he served as Post Advisor of Explorer Post 70. He was a member of the Mo-Kan Area Council Boy Scouts of America Executive Board and the District Committeeman from December 1960 to December 1965.

In December 1960, Don Roney received the Mo-Kan Area Council Boy Scouts of America second highest award, The Golden Sun. His entire adult life has and still is dedicated to community service. He has been an active member of the Methodist Church in Carl Junction, he has been very active in all civic organizations of Carl Junction.

He was instrumental in securing the location of a branch of Elder Manufacturing Company in Carl Junction some 30 years ago.

He was instrumental in starting the Lions Club of Carl Junction; was a Charter Member and has been President several different times and has held every office in the Carl Junction Lions Club at least once.

He is an active member and was instrumental in the organization of Briarbrook Country Club. He is active in the Masons and Eastern Star Chapter 334, Masonic Lodge 549. He has served as Worshipful Master and Worthy Patron.

He has served on the Cemetery Board for many years. He has served as local Chairman and has worked in the County capacity of American Cancer Society Chairman. He has actively served the Red Cross in the past.

Throughout his Scouting career, Don Roney has always presented an exemplified Boy Scout by Duty to God, Duty to Country, Duty to Others and Duty to Self.

ON BLACKS AND ENERGY

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. STEERS. Mr. Speaker, in the February 11, 1978, edition of Environmental Action magazine there is an article by Vernon Jordan, president of the National Urban League, on blacks and energy. I am inserting this article today into the CONGRESSIONAL RECORD.

Much of this article discusses the recent NAACP report that called for the deregulation of natural gas. As my colleagues know, I have opposed the deregulation of natural gas as an unnecessary burden on the consumer. It is my

opinion that the increase to $1.75 per thousand cubic feet will serve as an adequate incentive to continue exploration for natural gas at greater depths. While deregulation will pose an added burden to the consumer, it will cripple attempts by our poorer citizens to fight inflation.

As you may recall the NAACP report felt that deregulation of natural gas would help bring the economy out of is current doldrums and would increase employment opportunities for black people, particularly black youths that are faced with a 40-percent unemployment rate. I think it is important to keep in mind that even during recent years of economic well being, black unemployment was unnecessarily high, sometimes as much as four times the national average. In order to cure this unacceptable situation, we must dedicate ourselves to increased job training and education that will deal with the root causes of unemployment. I do not believe the deregulation of natural gas will help in this very difficult problem area.

The article follows:

ON BLACKS AND ENERGY

(By Vernon Jordan)

Rarely, if ever, has our nation been confronted with a major policy issue so little understood by so many people. Americans have been exhorted to respond to an energy crisis which many doubt exists, and which few pretend to comprehend. Many sectors of our society have advanced proposals, produced massive tomes of documents, and argued fiercely. But even after years of this, the public still has the feeling of giants groping in the dark.

And amid this confusion, black people and poor people have seen their fuel costs rise, their jobs endangered, and their interests ignored. It is only within the past few weeks that the media have paid any attention to the black stake in the energy debate, and public policy-makers have never shown even passing interest in the black role in energy policies.

The energy crisis consist of the damaging effects caused by rising energy prices and of the long-term depletion of non-renewable energy sources such as oil. The era of industrial development powered by cheap fuel is over. There is no free market for oil—the market is effectively controlled by the OPEC monopoly. Cheaper domestic resources are rising to meet artificially high world prices. At the same time, more intensive use accelerates their depletion. World energy resources are still enormous. No one knows for sure how much oil there is, but it is reasonable to assume that present reserves are vastly understated, and that new fields are certain to be discovered. Since the inception of the energy crisis in late 1973, massive fields have been developed in Alaska, Mexico and the North Sea. As one expert has said, "The crunch . . . is like the horizon—it recedes as you approach it."

But oil *is* a finite resource. Sooner or later it will be depleted. Sooner, if demand increases at the rate it has been—this nation uses twice as much oil today as it did in 1963. Clearly that cannot continue.

We all understand the higher prices we are paying for current supplies. But the glib expectations that drilling more oil fields, digging more mines, or building more reactors will mitigate this inflationary impact are false. The capital requirements needed for energy development are tremendous, both in physical costs and in the costs of the skills, labor, materials and other aspects of development.

Whether financed by private industry or by the government, traditional energy sources will impose unbearable financial burdens on our economy. They would create sharp inflationary pressures and would drain from other sectors of the economy the dollars and skills they need.

So deregulation does not seem to me to be the route to go. Deregulation and allowing domestic prices to rise to the OPEC monopoly levels would indeed provide more income—much more income—to oil and gas producers, but at an intolerable cost to the rest of us. And there is a healthy suspicion that present price levels offer enough incentives to industry.

The Administration has attempted to meet national energy needs with a program that would encourage conservation, continue to regulate prices while imposing massive tax increases that would bring consumer prices to world levels, and then rebate those taxes to cushion their inflationary impact.

This plan is flawed in that the specifics of its proposals on conservation and price are matched by the vagueness about the rebates—who would get them and how they would work. Nor has Congress adequately dealt with the issue. If we can be sure about anything in this unpredictable world, it is that the poor will suffer from whatever energy plan emerges from Washington in 1978.

Black people have a stake in national economic growth. Our piece of the pie has always depended to an unjust extent on the growth of the national economic pie. A shrinking economy inevitably means compounded black disadvantage.

But economic growth and sound energy policy are not incompatible. Economic growth and conservation are not incompatible. Economic growth and the development of renewable energy resources are not incompatible. Economic growth and measures to shield poor people from the negative effects of an energy policy are not incompatible.

The first pillar of a sound energy policy should be conservation. We are familiar with exhortations to save energy but often refuse to bite the bullet and implement programs that will lead to energy conservation. Distasteful as it may be to many of us, our cars and trucks will have to be made more fuel-efficient, our homes insulated, our transit systems improved, and our materials recycled. The sooner administrators and industries come to grips with this, the better it will be for all.

Conservation does not mean slower economic growth. Conservation means rational use of limited resources. It means using different forms of energy for uses to which they are best suited. It means eliminating waste. Per capita energy usage in the United States is typically several times that of other highly industrialized nations with high living standards. We as a nation must not fall into the trap of assuming that slower growth of energy usage means slower economic growth or no growth at all.

The second pillar of a sound energy policy should be massive development of renewable resources and non-conventional technologies.

There is plenty of gas, oil and coal in the ground and under the sea. But whatever the price and whoever develops them, they are finite and ultimately will be used up. The closer we get to exploiting the marginal wells and mines, the higher the cost. Present energy resources have to be seen as aids in the transition to renewable energy resources, and not as limitless ends in themselves.

Nuclear development has often been cited as eventually supplanting the more traditional energy sources. Ever since the first atomic bomb went off, mankind has been hypnotized by the possibilities of peaceful development of the atom, and nuclear breeder reactors have been looked upon as the long-awaited technical fix that will free us from dependence on finite gas, oil and coal.

But there are serious objections to nuclear energy that should lead us to stress other energy sources. One of these is cost. Reactors are the most expensive way to meet energy needs. There are also serious safety considerations: there is no known way in which radioactive nuclear wastes can be safely disposed. This is not an idle consideration; the health not safety of the nation are involved. Other objections to expansion of nuclear energy include international proliferation, terrorist attacks, health and safety risks, and the irreversibility of nuclear dependence once it is developed on a wide scale.

Black people have a major stake in the development of renewable energy sources, first because they would likely mean far lower fuel and heating costs, and second, because of their economic potential.

Development of renewable energy sources amounts to creation of a new sector of the energy industry, an industry in which black participation has been minimal. Adaptation of new energy technologies typically requires less capital, fewer skills, and are more labor intensive. Neighborhood-based heating installations, rooftop solar devices and community-based energy technologies are suited to small scale business development and to the training and employment of poor people and minorities. So too, are programs of insulation and of modifying existing structures to make them more energy-efficient.

Here again, it is clear that economic growth and sound energy policy are not mutually exclusive but mutually reinforcing.

The third pillar of sound national energy strategy has to be assistance to poor people. This means not only maintenance of economic growth and preservation of jobs, but assurance that energy considerations will not jeopardize jobs in industries with concentrations of minority workers. It also means that effective measures must be taken to shield the poor from the effects of high energy prices and shortages.

This relates directly to utility pricing practices. Various demonstration projects are now under way to determine the modification of rate designs to encourage conservation, shift usage patterns for more efficient use of power capacity, and ameliorate the effect of utility prices on consumers. Such measures should move beyond the demonstration stage with all possible speed.

The poor spend a disproportionate percentage of their meager incomes on heating their homes. Typically, residential users pay more per unit of energy used than do large-scale users. Poor households paid an average of over 7 percent more per unit for their oil and natural gas than did more affluent households, because rates decline as usage increases. Price structures operate to create hardships on those least able to afford them. In effect, poor people are penalized for using less energy.

Energy is an enormously complicated issue touching on every aspect of our national existence. Decisions made now will affect us for generations to come. The central thrust of energy policy should be to foster economic growth. Continued reliance on non-renewable energy sources inevitably means high inflation and fewer job opportunities. A sound program of conservation, development of non-conventional technologies and renewable resources, and massive assistance to cushion low-income families and neighborhoods from negative effects of energy policies are essential elements of a sound energy program.

We should be pragmatic, and flexible. We should preserve the environment. Black people, the most urbanized group in the nation, have a stake in clean air and water too. We need jobs, but we also need to be healthy enough to hold those jobs, and that means

adopting energy sources that will minimize pollution. And we need jobs, not only in the plants and factories of America, but at policy-making levels at the Department of Energy and environmental offices, where policies affecting our lives are set.

Above all, we must remember that a national energy policy cannot be framed in a vacuum.

So far, black people and low-income families have been allowed to participate by bearing the burdens of energy prices. It is time now for those groups to participate in framing the policies as well, so that their interests, their concerns, and their needs may be honored.

TUITION TAX CREDIT AND THE PUBLIC SCHOOL SYSTEM

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. WHALEN. Mr. Speaker, the lead editorial in yesterday's Washington Post discusses the implications of proposals to grant tax credits for elementary, secondary, and higher education tuitions.

As I noted earlier this month in testimony before the House Ways and Means Committee, I do not believe the tuition tax credit proposals represent a fair or effective way to provide financial assistance to middle and lower income families which are burdened with heavy educational expenses.

An increase in Federal support to private educational institutions of the magnitude being discussed will surely have the effects of encouraging a shift to private schools and of weakening the public school system.

I believe the Post editorial will be of interest to my colleagues:

A THREAT TO THE PUBLIC SCHOOLS

The tuition tax-credit bill, reported last week by the Senate Finance Committee, threatens to do incalculable damage to this country's public schools. It would provide huge tax subsidies to private and religious elementary and secondary schools, without restriction. It promises a multibillion-dollar bonanza to schools serving every kind of ethnic and social separatism—by race, by class, by national background. These credits would, for the first time in the nation's history, swing enough tax money into the private schools to change fundamentally the balance between them and the public schools. Heedlessly and irresponsibly, the Finance Committee has voted out a bill that would erode one of the central institutions of American life.

Who's responsible? It started with Sen. William V. Roth (R- Del.) and his bill to give a $250 tax credit for college tuition. The idea had a lot of appeal in Congress. The lawmakers have belatedly begun to sense the wave of resentment from their middle-income constituents, on whom they have loaded a disproportionate share of the current increases in the Social Security tax. The tuition credit seemed like a nice way to tell the middle classes that their friends in Congress haven't altogether forgotten them.

It was a bum bill, but it didn't touch any basic principles. The American tradition in college education has been pluralistic from the beginning. Federal aid goes, in great quantities, to public and private colleges alike. By the time students reach college age, they are inevitably going in many diverse directions, and there is a public interest in helping them along. The question is how to do it, and the Roth bill was objectionable merely because it would have wasted a lot of money.

But the Finance Committee's tax credit is altogether another matter. Sen. Daniel Patrick Moynihan (D-N.Y.), with the assistance of Sen. Bob Packwood (R-Ore.), devised language extending the credit by 1980 to the elementary and secondary schools—and doubling it. On Thursday the expanded version whipped through the committee, 14 votes to 1, under the always efficient chairmanship of Sen. Russell Long (D-La.). It was a piously bipartisan assault.

American law and usage have always treated schools differently from colleges. Most Americans understand that it takes a strong sense of national community to hold this huge and heterogeneous country together. That sense of community arises, above all, from the public schools—the experience that a child shares with others of widely differing backgrounds and conditions for 12 years or so while growing up. Subsidies that encourage parents to take their children out of public schools will inevitably diminish this strength.

We shall doubtless hear from people who argue that it is unfair to make them pay through taxes for public schools and then pay again through tuition for a private one. We disagree. If parents use a private school, that is a voluntary choice. But if they get tax subsidies for it, then it is other taxpayers who have to pay twice. They have to pay once for the public schools and again through the subsidy for the private one—and that is involuntary. If you don't like swimming in the neighborhood pool, that's up to you. But don't ask the federal government to help pay for the private pool that you want to build in your back yard.

The Finance Committee would give parents a tax credit of half the tuition they pay, up to $1,000. That's $500, and a tax credit is the same thing as a cash grant. The subsidy is big enough to start a rapid growth of every kind of private school. The Carter administration points out that by contrast, federal aid to public schools comes only to $128 per pupil. The administration adamantly opposes the whole idea of this credit, and so will anyone else who values the public schools.

SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT HEARINGS

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. ASHLEY. Mr. Speaker, the Subcommittee on Housing and Community Development of the House Committee on Banking, Finance, and Urban Affairs will be holding its hearings on the 1978 housing authorization bill beginning March 8 through March 10, and March 20 through March 23. Our first witness on March 8 will be the Secretary of the Department of Housing and Urban Development, Patricia Roberts Harris, accompanied by departmental officials.

For further information concerning these hearings, I would urge all interested people to contact the subcommittee staff at 225–7054.

THIRTIETH ANNIVERSARY OF THE COMMUNIST COUP IN CZECHOSLOVAKIA

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. FARY. Mr. Speaker, I would like to take this opportunity to inform my colleagues that February 23 was the 30th anniversary of the 1948 Communist coup in Czechoslovakia, indeed a dark day in that nation's history.

Following the Munich Conference that had annexed the Sudetenland to Nazi Germany and the ensuing world war that followed, the Czechoslovakian people looked forward to the promise of freedom and independence that peace would bring. Elections were to be held to determine who would lead Czechoslovakia through postwar reconstruction. The Communist Party of Czechoslovakia and its Soviet allies knew that democratic elections would spell their defeat, so to prevent this from happening, the Communist Party seized absolute power through violent means, causing untold losses in terms of lives, property, and human suffering.

The people of Czechoslovakia saw their dreams of freedom and independence crumbling before their eyes as the Communists began consolidating their power and eliminating their opposition. The Soviet Union, meanwhile, looked on with delight as yet another nation was made subserviant to its wishes.

However, the spirit to be free of foreign domination had not died, and in 1968, the progressive government of Alexander Dubcek decided to assert its sovereignty and leave the Soviet orbit and be responsible for its own affairs. The response from the Soviet Union and its Warsaw Pact allies was predictable. Citing the Brezhnev doctrine as grounds for intervention, the Soviet leadership ordered its troops into Czechoslovakia and once again the lights of freedom went out as the free world looked on.

Today, the voices of dissent are again being heard, demanding the restoration of their civil and political rights. These demands come mainly in the form of two important documents. The first is charter 77, which is the Human Rights Manifesto that was signed by over 900 Czechoslovakians demanding their basic human rights be observed and not encroached upon. Following a government crackdown on the charter's signatories, a second document appeared, petition 78, which was developed for the purpose of supporting the signers of charter 77.

Even though Czechoslovakia and the Soviet Union signed the Helsinki agreement that guarantees its citizens their human rights, they systematically repress all forms of dissent, the result of which is political and cultural stagnation.

My fellow colleagues, we must join together in encouraging the brave men and women of Czechoslovakia, who seek to rid themselves of all foreign domina-

tion and to return that country to its former status as an independent and compassionate nation.

A CRUEL SEPARATION FOR VIKTORS KALNINS AND HIS WIFE

HON. JOSHUA EILBERG
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. EILBERG. Mr. Speaker, just recently Radio Liberty carried a full account on the struggle of Viktors Kalnins, a man trapped by the cruel and arbitrary emigration policy of the Soviet Union.

Kalnins, of Riga, was working as a journalist in the U.S.S.R. when he firs was arrested in 1962. He was charged with participating in an informal discussion group on the idea of a Baltic federation, and was sentenced to 10 year in prison.

Although he spent most of his sentence under strict regime, Kalnins manage to participate through his writings in th activist movement in the Soviet Union. He took part in hunger strikes, wrote poetry and statements, and developed reputation as a leader among freedom-lovers in the U.S.S.R.

Released in 1972, Kalnins returned to Riga, where he was not permitted to work as a journalist. He earned a living as a factory worker, resumed his activities in the dissident movement, and made his first efforts to secure permission to emigrate.

His attempts were unsuccessful, until last October, when he was promised that he and his wife would be allowed to leave. Then, suddenly, the KGB suggested just last month that Kalnins testify against other activists. His wife was allowed to leave, while he was forced to stay behind.

Right now, Viktors Kalnins is separated from his wife. He was forced to give up his job, his documents, and his home when he thought he was going to be allowed to leave, and he is totally alone.

I believe, Mr. Speaker, that the Congress and people of the United States desire all possible cooperation with the Soviet Union. But at the same time, cases such as this one involving Viktors Kalnins are extremely disturbing, because we cannot ignore the humanitarian issues raised when families are separated in this manner, and when the Soviet Union has not carried out the terms of international treaties such as the Helsinki accord.

I commend to my colleagues' attention the following Radio Liberty report of February 7, 1978, on Viktors Kalnins:

LATVIAN DISSIDENT HARASSED

(By Aina Zarins)

Summary: On February 6, 1978, Helena Celmina, the wife of Latvian dissident Viktors Kalnins, arrived in Vienna, Austria, from Riga, Latvia. Celmina arrived alone because shortly before the scheduled departure of her and her husband from the Soviet Union, Kalnins was told that he would have to serve as a witness at upcoming trials of dissidents. The circumstances leading up to Celmina's arrival in Vienna are described here. Biographic details on Kalnins that have been gleaned from *samizdat* sources are also examined in an effort to determine what factors may have influenced the decision not to allow Kalnins to emigrate at this time.

If everything had happened as planned and hoped for, Viktors Kalnins and his wife Helena Celmina would both be in the West today. But, as is often the case with dissidents trying to emigrate from the Soviet Union, the way out is full of unexpected halts, turns, and detours. On February 6, 1978, Helena Celmina arrived in Vienna, Austria, from the Latvian capital of Riga. Her husband was not allowed to accompany her because he had been told by representatives of the security organs that his presence would be necessary on the witness stand at upcoming trials of Soviet dissidents. Though it was not made clear who would be tried or when, Kalnins feels that he will have to testify at the trial of Aleksandr Ginzburg, with whom he became acquainted while serving his sentence at the Mordovian strict-regime camps.[1] Because his friends Mart Niklus[2] from Estonia and Viktoras Petkus[3] from Lithuania have also been interrogated, Kalnins is not sure if preparations are not also being made for a trial of Baltic dissidents, including himself.

It would seem as if Kalnins, who was born on January 17, 1938, was—by Soviet standards—an above-average youth. He became a member of the Komsomol, and in 1960 he graduated from the Moscow Pedagogical Institute. Though qualified to teach literature and history, he apparently chose to work as a journalist in Latvia. Then on April 18, 1962, the young Latvian was arrested. Kalnins was charged with having participated in an informal discussion group on the idea of a Baltic federation. Altogether eight young Latvians were brought to court sometime in 1962 to answer similar charges; most of them were accused of violating Articles 59 (treason), 65 (anti-Soviet agitation and propaganda), and 67 (organizational activity directed at the commission of especially dangerous crimes against the state and also participation in anti-Soviet organizations) of the Criminal Code of the Latvian SSR. No proof of guilt could be established; the eight received sentences ranging from six to fifteen years. Kalnins was given ten years and spent most of this time in strict-regime camps in the Mordovian ASSR.[4]

While interned, Kalnins seems to have been a recognized activist. The Latvian dissident is mentioned in reports on camp activities in the very first issue of the *Kronika tekushchikh sobytii* (dated April 30, 1968), as well as the first letter (dated May 20, 1969) of the Action Group for Human Rights in the USSR (AS 126). In February, 1968, there was a ten-day hunger strike at *lagpunkt* 17a near Potma, Mordovian ASSR; those taking part—Yulii Daniels, Viktors Kalnins, Sergei Moshkov, Valerii Ronkin, Yurii Shukhevych, and Boris Zdorovets—were protesting against the disregard for the status and rights of political prisoners.[5] In March, 1969, Kalnins along with five other prisoners (Daniel, Yurii Galanskov, Ginzburg, Moshkov, and Ronkin) addressed an open letter to the deputies of the Supreme Soviet. The writers complain about "the situation in the strict-regime camps, where the main body of political prisoners . . . is being held."[6] They point out:

"Our situation is regulated now (formally) by one legislative act—the penal code (Article 20. 'The Aims of Punishment'), one supplementary statute ('The Rights and Duties of Prisoners'), and many secret (so they tell us) directives. Incidentally, the directives do not agree with the rules, and both contradict the direct provisions of the law. . . . We cannot tell whether they [the directives] are really what they are claimed to be, or whether they are an invention to justify the arbitrariness of the camp administration."[7]

Then the six political prisoners cite many examples of how they are punished by means of restricted rations, exposure to the cold, and humiliating treatment.

In May, 1969, Kalnins and an even larger group of political prisoners (Daniel, Galanskov, Moshkov, Ronkin, plus Leonid Borodin, Vyacheslav Platonov, Balys Gajauskas, Mikhailo Soroka, and Dmitro Verkholyak) found it necessary to lodge another complaint. This time the reason was the mistreatment of Ginzburg, who had started a hunger strike in protest against the camp administration's refusal to permit his wife to pay him a regular visit. On May 19, 23, and 26 Ginzburg's fellow prisoners sent a petition to the USSR Procurator General, and on June 2 they addressed an appeal to the Presidium of the USSR Supreme Soviet.[8]

Sometime during the second half of 1969 Kalnins wrote a letter to the poet Rasul Gamzatov. Six other political prisoners—Borodin, Galanskov, Ginzburg, Yurii Ivanov, Platonov, and Mikhail Sado—wrote similar letters to other prominent representatives of Soviet culture. Quoting from official guidelines on forced labor camps and the treatment of prisoners, the authors conclude that the existing system of camps and the manner of treating political prisoners still follow the patterns established during the Stalin era, in spite of the authorities' claims to the contrary. The seven writers maintain that most of the political prisoners are detained for having committed especially dangerous crimes against the state or war crimes, as some would have it believed, but for holding opinions different from the accepted notions on the nationalities question, self-determination of nations, religion, politics, etc. The letter written by Kalnins on these topics was confiscated on December 10, 1969.[9]

In November and December, 1969, there was a wave of hunger strikes at Dubrovlag. One of these—held in mid-November—was triggered off by the camp administration's refusal to allow Kalnins to receive a package from his relatives. During the first week in December another hunger strike was organized by prisoners of *lagpunkt* 17a for the purpose of commemorating International Human Rights Day (December 10) and protesting against the transfer of Daniel and Ronkin to the Vladimir prison. The strikers were Kalnins, Ginzburg, Platonov, and Borodin.[10]

Unlike in 1969, the name of Viktors Kalnins comes up only once in 1970 in the available *samizdat* materials. In July, 1970, eight political prisoners from the Mordovian camps sent a message to Bernadette Devlin. The writers express the hope that her struggle for national, religious, political, and social justice in Northern Ireland will be crowned with success. The authors are four Armenians (Paruir Hairikyan, Shahen Harutyuyan, Hovik Vasilyan, and Stepan Zatikyan); three Latvians (Gunars Astra, Biruta Geidane, and Viktors Kalnins); and one Lithuanian (Balys Gajuskas).[11]

Very little information about Kalnins can be gleaned from *samizdat* sources during the years from 1971 to 1975. Kalnins was released in 1972 and at some time made his way back to Riga, where he was not permitted to work as a teacher or journalist. Therefore, he has made a living as a factory worker.

Kalnins' name comes up again in the realm of dissident documents in the spring of 1976. He was one of 145 Soviet citizens who signed a petition to have the case of Andrei Tverdokhlebov reconsidered.[12] The fact that Kalnins signed this appeal may have been indirectly responsible for the in-

Footnotes at end of article.

terrogations of the Latvian dissident and his wife in the period from June 28 to July 15, 1976. In addition, their home was searched and some *samizdat* publications were confiscated. Kalnins and Celmina were questioned, along with other former Latvian political prisoners and their wives, about unofficial publications and evening gatherings for the purpose of listening to readings of prose and poetry. When asked about how he had obtained the *samizdat* materials and who his friends were, Kalnins replied that he knew the difference between a witness and an informer.[13]

From June 6 to 9, 1977, Kalnins was questioned again about his friends and acquaintances. The four-day interrogation took place in Kaluga. The choice of location may have been influenced by the fact that Ginzburg is being detained in a Kaluga prison. From the *samizdat* reports, it seems that the interrogators were trying to discover what Kalnins knew about other Soviet dissidents and to ascertain Kalnins' role in certain dissident activities.[14]

Since his release from camp, Kalnins has tried to emigrate to the West. So far these efforts have been unsuccessful. He was not even permitted to visit relatives in Sweden.[15] Last fall it did appear that Kalnins would be able to join a relative in the United States, but all the preparations fell through in October, when Kalnins was seized by the KGB in Moscow and held for an entire day. At that time the KGB suggested that Kalnins testify against Ginzburg and Petkus; the Latvian dissident turned down the proposal and had to return home in the company of a KGB major from Riga. Soon after this incident, Kalnins and his wife received an invitation to come to Israel, and they once more started the procedures for emigration. In preparation for the scheduled departure on January 28, 1978, the Latvian couple submitted their documents, including internal passports; paid the necessary fees; and signed papers releasing them of their Soviet citizenship on January 16. Then on January 20 Kalnins was informed at the OVIR office in Riga that his wife would be allowed to emigrate but that, at the request of the KGB, he would have to remain in the Soviet Union for another two or three months. Thus, Viktors Kalnins finds himself in a very unenviable situation: he has had to give up his job, his documents, and his home, and his future is highly uncertain.[16]

At present it is hard to tell whether Kalnins is being harassed by the Soviet authorities simply because of his desire to emigrate or whether his current difficulties may portend plans to take more stringent steps against him and other dissidents in the Soviet Union. Because of Kalnins' own dissident activities, the repressions against the Lithuanian Public Group, and the surveillance of and the punitive measures taken against Mart Niklus, Aleksandr Ginzburg, and others, the second explanation cannot be ruled out entirely.

FOOTNOTES

[1] The Russian poet and publicist Aleksandr Ginzburg was first convicted in 1960 for editing an unofficial literary journal, *Sintaksis*, and was sentenced to two years of hard labor. Early in 1967 Ginzburg was arrested again for having written a book, *Belaya kniga*, about the trial of Andrei Sinyavasky and Yulii Daniel in 1966; this time the sentence was five years, a substantial part of which were spent in Mordovian strict-regime camps, where he met Kalnins. After his release in 1972 Ginzburg continued his human rights activities and became a founding member of the Moscow-based Public Group for Furthering the Implementation of the Helsinki Agreements in the USSR. The Russian dissident was arrested once more on February 3, 1977, and is presently detained at the Kaluga prison. Ginzburg's wife Irina has been told that her husband's period of detention for investigation has been formally extended to May 3 (*Reuter*, Moscow, February 7, 1978); this information suggests that Ginzburg's trial might be scheduled in May or even later.

[2] Mart Niklus, an Estonian ornithologist, was arrested on August 21, 1958; tried in January, 1959, by the Estonian Supreme Court; and convicted of collaborating with the international bourgeoisie. He was sentenced to ten years plus three years in exile. The Estonian spent most of his period of internment in prisons and camps in the Mordovian ASSR. It is, therefore, possible that Niklus became acquainted with or heard of Kalnins during this time. Since his release from the Vladimir prison on July 29, 1966, Niklus has continued to stand up for his beliefs; consequently, he has been harassed and even imprisoned. His plight is described in the third document, dated December 23, 1976, of the Lithuanian Public Group (AS 3026). On February 14, 1977, Niklus wrote a protest about the repressions against Aleksandr Ginzburg and Yurii Orlov, and addressed it to the USSR Procurator General.

[3] Viktoras Petkus, a former political prisoner, is a civil and religious rights activist. He is one of the founding members and a spokesman of the Lithuanian Public Group for Furthering the Implementation of the Helsinki Agreements in the USSR. Petkus was arrested on August 24, 1977, and is currently awaiting trial.

[4] AS 564 and *Khronika tekushchikh sobytii* (henceforth referred to as Kh) No. 11. The names of the eight persons tried and the sentences they received are as follows: Gunars Rode—fifteen years, released in 1977; Dailis Rijnieks—fifteen years, pardoned in 1971; Janis Rijnieks—seven years, pardoned in 1967; Aina Zibaki—twelve years, pardoned in 1966; Viktors Kalnins—ten years, released in 1972; Uldis Ofkints—ten years, year of release or pardon not known; Ziedonis Rozenbergs—six years, pardoned in 1965; and Knuts Skujenieks—seven years, released in 1969. Though it is not certain, it appears that Kalnins was tried under Articles 59 and 67 of the Latvian SSR Criminal Code. Unofficial reports have it that objections to the stiff sentence given to Kalnins were lodged both by the Procurator of the Latvian SSR and the Procurator General of the USSR; nevertheless, the ten-year sentence was upheld (Kh 11).

[5] Kh 1 and AS 88.

[6] AS 128 and Kh 8.

[7] *Ibid.*

[8] Kh 8. In addition, on June 2 Daniel sent a statement to the Procurator General, the Minister of Health, and the Red Cross about the callousness of the camp doctor towards Ginzburg. As a sign of solidarity with Ginzburg, his fellow political prisoners Ronkin, Galanskov, Borodin, and Platonov also went on a hunger strike, which all of them, including Ginzburg, ended on June 10.

[9] AS 380 and Kh 12.

[10] Kh 11 and AS 385.

[11] AS 412.

[12] AS 2633.

[13] Kh 41, Kh 42, and AS 2653, which is a press release issued by the Moscow-based Public Group on or around August 1, 1976.

[14] Kh 46.

[15] *Briviba*, No. 1, 1976, and No. 7, 1977.

[16] *UBA Information Service Press Release*, No. 320, November 11, 1977, and No. 321, February 1, 1978; *Laiks*, January 10, 1978, and January 25, 1978; *Latvija*, October 22, 1977, January 21, 1978, and January 28, 1978.

BARBARA FRANKLIN ON A COORDINATED CANCER POLICY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. MARTIN. Mr. Speaker, about a week ago I presented for the RECORD, making available for our colleagues the remarks made last December in Los Angeles by Barbara Hackman Franklin, the vice chairman of the Consumer Product Safety Commission.

To further provide our colleagues with background on the subject of our Government's approach to a policy on carcinogens, I herewith submit for the RECORD the text of an address by Vice Chairman Franklin, delivered last month in New York City to the Association of Research Directors.

Vice Chairman Franklin deals in this address again with the problems involved in seeking the impossible of absolute safety and the unhealthy impact such seeking has on the totality of public health, safety, and well-being. The address follows:

REMARKS OF THE HONORABLE BARBARA HACKMAN FRANKLIN

I've often heard it said that going to hear a dinner speaker was the greatest excuse for mass idleness—until the invention of television.

A report just issued by the U.S. Department of Commerce, in fact, indicates TV watching is by far the most favorite leisure-time activity of Americans today.

Looking across the crowd here tonight, it makes me wonder how this can be true—and even more, if I should short-circuit my remarks so that we all can get home in time for the late movie.

I will promise you one thing. I will not speak ad infinitum. However, it is not because of any threat from TV. Rather, my hope is that a lively discussion will follow my remarks—a discussion which can form the foundation for greater communication between research directors and at least this regulator on one very hot topic: cancer, its causes, cures and controls.

Let there be no mistake: there is no coordinated national effort to prevent and eliminate this most dreaded of diseases.

Cancer is the second leading cause of death in the U.S.

One million Americans are under treatment for it, and about 900,000 new cases will be diagnosed this year.

One out of every four of us will develop some form of cancer—and most of those who do will die.

If you think I'm leaning on the panic button, you're absolutely correct. The reason is simple. Cancer is the major health and safety issue of the decade.

It is ironic that a nation capable of exploring planets light years away watched helplessly late last week as one of its most respected leaders, Hubert Humphrey, fell victim to this indiscriminate killer. The families and friends of thousands of cancer victims experience the same kind of helplessness and frustration every day.

When the disease strikes, the costs are staggering.

We spend some $2 billion each year to hospitalize cancer patients and many billions more for other kinds of treatments.

Annually, we lose enough work years to cancer to cost the national economy and family pocketbooks some $12 billion.

But the greatest toll, I repeat, is the pain and anxiety suffered by cancer victims and their families—all of which defies quantification.

Research into cures for cancer continues, and important progress has been made in recent years—such as that for victims of Hodgkin's disease and childhood leukemia.

More and more, however, the spotlight is shifting to the causes of cancer. And the evidence that is accumulating more rapidly every day indicates that some 60 to 90 percent of cancer is environmental in origin.

What are environmental factors? They include smoking, alcohol consumption, diet, exposure to radiation—and a broad range of chemicals and other substances. More and more, the focus is on chemicals.

For those of you in this room, the implications of this are far-reaching. In fact, as I see it, those of you in industrial research and development—as well as your counterparts in government and the academic community—are squarely in the "hot seat."

It is you who will determine whether we can lock the genie of cancer back in the bottle. Your research helped us recognize that there can be long-term dangers from some substance, and Americans everywhere are looking to you now to tell us what the dangers are, where they are and how we can control them.

The stakes are high for the companies you represent. Everyday, they face critical decisions about the manufacture and marketability of chemicals and chemical compounds in a variety of forms.

It is estimated that there are more than 10,000 chemical manufacturing and processing firms whose annual sales total $100 billion and whose workforce numbers over one million persons. Some 70,000 chemicals now are in commercial production—with many benefits to consumers which are indisputable. Chemical products, it is said, represent some 7.5 percent of total manufacturing output.

Then there is the Federal government.

Its concern with chemicals and cancer has mushroomed in recent years to the tune of about $1 billion, according to my own rough estimates. Even a glimpse at events in just the past two weeks testifies to its role on a number of fronts.

Two groups—one, the Toxic Substances Strategy Committee, convened at the request of President Carter and involving over 30 agencies—met several times to consider Federal approaches and how they might be improved.

HEW Secretary Califano launched a $23 million campaign to undescore the dangers associated with cigarette smoking, calling them much more serious than in 1964 when the Surgeon General sounded the first public warning.

In this same two-week period, the Environmental Protection Agency adopted regulations to establish an inventory of manufacturing data on all chemicals—to be published later this year.

The Food and Drug Administration proposed warning labels for an ingredient used in some hair dyes and held public hearings on a proposal to require the posting of notices in retail stores on food containing saccharin.

Finally, on the heels of a similar move by OSHA last fall, we at the Consumer Product Safety Commission just yesterday began considering policy guidelines on how we will go about screening, classifying, evaluating and regulating cancer-causing chemicals. We also focused on the people and dollar resources our agency will need to deal not only with carcinogens but the full range of chronic hazards to consumers.

Where do we go from here?

I cannot speak for other agencies or the Commission as a whole. I can tell you, however, what I think we should be doing. I speak as one who is particularly concerned about the direction of the government in this area.

First, all of us who are regulators would do well to constantly remind ourselves of one fundamental truth—there is no absolute safety. In many quarters, this is not the prevailing opinion nor is it popular. However, I feel strongly that it is true and that past criticism concerning some regulatory excesses and abuses stems from the likelihood that key decisionmakers lost sight of the fact that there are degrees of risk and, therefore, degrees of safety.

What it is we must deal with—and deal with aggressively and appropriately—are the unreasonable risks posed to human health and the environment.

Second, optimal protection of the public implies rigorous assessment and attention to safety and health concerns long before products reach the retailer's shelves or the hands of consumers.

This philosophy must be the cornerstone of the government's approach to chemicals and cancer. This, I think, was the heart of the message from Congress when CPSC was created four years ago and even more recently, when the Toxic Substances Control Act was passed.

Clearly, it is in the public interest and industry's own economic interest to consider and take any precautionary steps which may be needed before products are marketed, not afterwards.

Third, adequate and reliable information is an essential prerequisite of sound public policy. It is here that we look to your work in research to provide the basis for everything we do.

But the stark reality is that an ironclad data base does not exist in the view of everyone concerned.

For regulators, this is one of the most challenging, even agonizing dilemmas we face.

What it is we must do is exhaust available research and data resources. Then we must subject the information to rigorous scrutiny by sources inside and outside the government and then act on the basis of as much certainty as possible.

Fourth, I strongly believe the costs and benefits of all government action in this area must be an integral part of the decisionmaking.

I am the first to admit that rigid cost/benefit. Analysis is difficult to apply in many areas of health, safety and environmental regulation. But I would certainly not advocate scrapping it, as a result.

On the contrary, I believe cost/benefit thinking requires the asking of some hard questions, forming a useful framework in which to look at the real-life considerations, constraints and the regulatory tradeoffs involved.

The government, in other words, has a clear obligation to take a comprehensive look at what it is we are proposing and provide assurance that it does not violate the delicate borders beyond which regulation—or reluctance to act—may be self-defeating.

Fifth, a national policy on cancer with the weight of the White House behind it is urgently needed.

Government, as I wrote President Carter last spring, must take the lead responsibility but the policy must be developed in concert with the public. It should articulate—so that everybody will know—the posture and program of the Federal government and the guiding principles behind it.

The policy must recognize the need for flexibility so that developing scientific knowledge can be applied and so that the individual agencies can perform the jobs that the President and Congress expect. Perhaps most of all, such a policy must spell out the magnitude of the problem, the need for adequate consumer protection and for timely, intelligent and informed action to achieve it.

Sixth—a point I will dwell on at some length in a moment, the public interest is best served when the regulatory process is open and accessible to public participation to the fullest extent practicable.

It is absolutely essential that issues which impact the public should have the full benefits of their comments and involvement throughout the process. Full and fair consideration of all views must be accorded, and due process must be assured.

I believe in these goals and believe they provide the basis for responsible and effective action with respect to chemicals and cancer.

But, frankly, as one regulator at one agency in the huge Federal establishment, I can do little more than to articulate them, as I am doing this evening.

This falls sadly short of what is needed—and what is needed now.

In my judgment, we all must recognize that the heady problems with chemicals and cancer are urgent and are truly shared—and that it serves the broad public interest to recognize them as such now.

So it goes with the solutions, if they are to be sound, equitable and lasting.

This is why I have repeatedly urged President Carter to provide the leadership for a strong, sustained and coordinated national commitment to bring the hazards down to size and to escalate this country's drive against cancer.

The initiative the President took in convening the Toxic Substances Strategy Committee to focus on some of the problems is laudable. It is a sincere and well-intended effort aimed at unravelling the uncertainty and confusion and ending with major recommendations to the President.

The unique cooperative efforts of the four regulatory agencies—EPA, OSHA, FDA and my own agency—to work together on all aspects of the chronic hazards problem are equally laudable. Their work is progressing well. For example, there are plans to publish guidelines for test methods and risk assessment in the *Federal Register* in the coming months.

But there is one critical shortcoming in both these efforts.

Both are underway without any firm plans for early and extensive involvement of the public. What we have, in other words, is government representatives talking to other government representatives.

There is no doubt that serious discussions involving all appropriate agencies is entirely warranted. But there is doubt in my mind that discussions isolated in offices in Washington are going to give birth to new ideas and the kinds of solutions that are needed.

What is urgently needed is wide, open and frank discussion of the causes and control of cancer with all affected segments of the public involved.

As a regulator, too often I see major government initiatives undertaken which do not have full benefit of the views of those who must eventually live by and pay for them—until the eleventh hour. Too often, the net result is that bad decisions are made because the full range of consequences and alternatives were not considered at the outset. As a result, unnecessary adversarial relationships between government and business spring up with the public caught somewhere in the middle.

The point was underscored for me again just last week when I met with representatives of two diverse groups—Common Cause and the Society of the Plastics Industry. Wouldn't it make more sense, they asked, for the public to be involved in governmental activities at the ground level as much as possible? This would allow for a variety of views to be voiced early in the process and for alternative courses of action to be considered.

This strikes at the heart of what I'm proposing with respect to cancer.

Let's get everybody who's got a stake in this issue involved now.

Let's hear the concerns and the information from the scientists, businesspeople, the academic community, voluntary organizations, medical doctors, consumers, government and others.

Let's pool our resources, both private and public, to wage a truly effective war against cancer which is in everybody's interest.

To my knowledge, there is no forum which encourages this kind of frank, open discussion.

Today, I sent a letter to President Carter urging White House sponsorship of a series of regional open forums designed to explore all factors involved in causes, cures and control of cancer. I proposed that individual sessions of these meetings be chaired by groups from the private sector, government, the academic and scientific communities, to name but a few. I also suggested that these groups be considered on equal footing with governmental representatives and that anyone wishing to participate or submit their views in writing have that opportunity.

Finally, I recommended that a national meeting follow the regional forums. The report which emerges should become a part of the deliberations of the Interagency Regulatory Liaison Group and the Toxic Substances Strategy Committee and be reflected in that Committee's final recommendations to the President.

Not all the scientific evidence to confirm or refute our worst fears is in. But it seems to me that we know enough to know the odds are against complacency or reluctance to work together.

Can we reduce the uncertainty and broad array of issues to a common denominator from which total unanimity will emerge? Maybe not.

But the risks are such that we must try.

ESTONIAN INDEPENDENCE

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

Mr. DODD. Mr. Speaker, 60 years ago today, the people of Estonia realized the fulfillment of a dream passed on through generations and shared by freedom loving people everywhere: independence. The Republic of Estonia was established on February 24, 1918, providing a sovereign state for a proud people whose strong sense of national unity and cultural distinction contributed to an Estonian national consciousness which survived through untold years of foreign oppression and exploitation.

Estonian independence was short lived. Despite a 1920 treaty in which the Soviet Union renounced forever any claims to the territory of Estonia, in 1939 the Soviet Union annexed Estonia. In an attempt to legitimize this horrendous action, the Soviet Union corrupted the Estonian election process and established a puppet legislature which "requested" the Kremlin to incorporate Estonia as part of the Soviet Union.

The Soviet leaders were not satisfied with the destruction of Estonian independence. Since World War II, the Estonian people have been subjected to deportation from their homeland, cultural genocide, and unprecedented political repression. An intensive Russianization program has deprived the Estonian people of the human rights to which both the United States and the Soviet Union are mutually committed by the Helsinki accords.

The Estonian people have not accepted Soviet oppression passively. The Estonian national will of resistance is strong and demands our admiration and support. The Estonians who fight for independence and justice are the heirs of that noble tradition of freedom for which our forefathers fought in 1776.

On the 60th anniversary of Estonian independence we salute the Estonian people and hope that their noble struggle for freedom may soon be rewarded.

SOCIAL SECURITY—A SYSTEM OF DAZZLING PROMISES

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. ROUSSELOT. Mr. Speaker, a number of us in the House of Representatives know that the social security system is shamefully defective. The full impact of this sits like a time bomb waiting to explode. Over the years Congress has increased benefits far beyond revenues—real or anticipated. It has been commonly agreed that the system has been operating with unfunded liabilities and that sooner or later it would go bankrupt unless the Congress raised taxes or lowered benefits—or both. Last December the Congress passed the "Social Security Amendments of 1977" supposedly to reform and restore the financial soundness of the social security program—this to be accomplished by raising $227 billion in new taxes over the next 10 years. I am proud to state for the public record that I did not vote for the 1977 social security bill because it did not make the necessary corrections to provide an economically sound and efficient system. This recently passed legislation is a deceit. It is in fact the largest peacetime tax increase in our Nation's history.

The public is now protesting because they realize the present impact of these new taxes and they also realize that which will be felt as a result of taxes escalating over the next 10 years. Proposals are now before Congress to finance social security by general revenues; that is, income tax. The Wall Street Journal, on February 22, 1978, had a good analysis of this plan that is being put forward by the Democrat majority for a less visible form of taxation and I hope my colleagues will take a few moments to read the editorial which follows entitled, "Social Security Flim-Flam":

SOCIAL SECURITY FLIM-FLAM

We try our best to keep up with Congress's schemes to spend money that isn't there, but even we often underestimate its ingenuity at finding new shell games. It is starting to look as if congressional spenders slipped another one by us on Social Security, and now it is probably too late to save the taxpayer from the consequences.

This time, the amount of money under the fast-moving shell is $227 billion. Last year, remember, President Carter and his Democratic team in Congress faced the inescapable fact that the Social Security trust funds were fast being drained and had to be replenished. Finally, it seemed, spending excesses were catching up with the liberals; now they'd have to pay the price.

To our amazement, the liberals "solved" the problem in a wholly uncharacteristic way. They voted to raise taxes by $227 billion over the next 10 years, by raising the taxable wage base in steps to $42,600 in 1987 from the current $16,500. Under the Social Security rules, of course, an increase in the wage base also means an increase in eventual pension benefits. But instead of the usual trick of raising benefits and pushing the costs into the future, here was Congress taxing now and boosting benefits later.

It seemed both economically and politically stupid. Here were the liberals solemnly talking about having made "hard, tough" decisions and "biting the bullet." Congressional Republicans were dumbfounded at having been handed a ready-made surefire, political issue for the 1978 elections.

It was merely the first move in the shell game, and we didn't see what was going on.

We are now watching move two. The new taxes conveniently don't go into effect until 1979, and it now looks like that won't happen. Congress has discovered that the voters don't like new taxes. "A blast of mail," says The Washington Post's Hobart Rowen, "has now pricked the congressional conscience," adding "happily, there is a solution." In short, the spenders are using the uproar against the taxes as an excuse for doing what they wanted to do all along.

The happy solution, it turns out, is to reopen the Social Security issue, leave the wage base high, cut the tax rate from 6% to 4%, and remove Medicare and disability insurance from payroll-tax financing. Rep. Abner Mikva, Illinois Democrat, and Sen. Gaylord Nelson, Wisconsin Democrat, have a hot little bill drawn up to that effect. Two other Democrats, Moorhead of Pennsylvania and Burke of Massachusetts, propose using the "next" Carter tax cut to help finance all this, i.e., cut payroll tax instead of personal and corporate rates.

The most impressive magic in this sleight-of-hand is that when the smoke clears the liberals can announce that they have raised Social Security benefits for the beleaguered middle class; if you retire in 1987 you still get the much fatter pension from a $42,600 wage base. And you don't even have to pay for it in the meantime. The voters will love it!

There is, though, the remaining small matter of $227 billion, which made the voters so mad that their letters pricked the congressional conscience. The $227 billion was being squeezed out of taxpayer hides in order to pay out $227 billion in benefits. This happy solution still has $227 billion extra paid out in benefits, which can only mean that it is coming out of some other box in your payroll check.

Not to worry. "Inflation," Mr. Rowen reports, "gins up the capacity of the federal tax-collection mill." As inflation proceeds, it pushes everyone into higher income-tax brackets, even if real incomes do not rise. The government automatically gets a larger share of the nation's resources to redistribute to the deserving voter. Nobody even has to vote for higher taxes to cover the $227 billion. To solve the Social Security crisis, the liberals will increase Social Security benefits and pay for it through the proceeds of inflation.

There is, of course, the alternative solution, the GOP plan designed by Rep. Barber Conable that the liberals rejected. Go back to the old wage base and raise the rate a bit, slowly

phase in a higher retirement age and fund Medicare separately. But congressional consciences have not been stricken so forefully that they'd be willing to repeal their benefit boost. No, the shell game goes on. We apologize to our readers. We've been had again.

SHELTON'S CHRISTMAS GIFT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. BONKER. Mr. Speaker, for most people, Christmas trees are forgotten with the new year. In parts of the Third District of Washington, however, they receive careful attention all year long. While my home district is known as one of the most beautiful areas in the country, it also has the distinction of including Shelton, Wash.—the "Christmas Tree Capital of the World." Some of the 2 million Christmas trees harvested this year in Mason County, located on the west slope of the Cascades, were even distributed to points on the east coast. In fact, one area resident, located at 1600 Pennsylvania Avenue, received a 21-foot noble fir from Mason County. The White House Christmas tree was donated by the J. Hofert Co. of Shelton.

The following article from Argus by Bruce Brown details the progress that has been made in the fine art of Christmas tree growing:

ANOTHER GREEN CHRISTMAS FOR SHELTON'S TREE FARMS

(By Bruce Brown)

SHELTON.—Except for a few formalities like hanging up stockings and exchanging presents, Christmas ended here in "Christmas town, U.S.A." late last week.

After six weeks of intense, backbreaking work in the rain and snow, the Mason County Christmas tree industry gave its final, hurried instructions to the long-haul truckers, and dispatched the last of an estimated 2 million trees to waiting markets around the country and the world.

This is generally a happy time for the $5 million Christmas tree industry and its 6,000 workers, but this year as supervisors and loading crews sat down for the last mess hall meal of the season there was an especially jovial note in the air, for 1977 was one of the best years in the history of an area that likes to bill itself as the "Christmas tree capital of the world."

Although reluctant to call it the best ever, spokesmen for the various major growers in the area are quite happy to describe what made this year as successful as it was, and why the prospects for the future may be even better. "Of course you start with the land here," says Dennis Tompkins of the Kirk Co. "It's marginal land that won't grow a lot, which is perfect for Christmas trees, because if you get a lot of growth every year you get a tree that has too much space between the branches."

In recent years, however, this natural advantage has been accentuated and augmented by a variety of new growing techniques that have substantially increased the quality of the trees, as well as the yield per acre. Where the growers were previously happy to let their Christmas trees grow wild, without seeding or the benefit of much human attention, there is now a strong trend toward producing the "plantation tree," which is the result of nearly constant human cultivation.

Superior in quality, and able to command a superior price, these plantation trees are often reared from transplanted seedlings (especially on the valley floors). Brush and other competing vegetation is annually cleared from around them with long, wicked-looking knives, and they are usually fertilized several times during the course of their growth. More than any other factor though, what sets these trees apart from their wild brothers is the "shearing" and "scarring" they receive. Bob Lenning of the J. Hofert Co. explains shearing: "We try to contour the tree at about a 45 degree angle, and each year we cut off a certain percentage of the upward growth factor to help the tree attain greater fullness." Scarring involves cutting a long slash in the trunk of the young tree, and has a similar effect of retarding growth and promoting fullness.

All of this attention is expensive (Hofert estimates that it spends $63,000 annually on shearing just one parcel of its 5,000 acres of Christmas tree lands in Mason County), but there seems to be a growing market preference for this type of tree, and the productivity of the land is multiplied significantly where the techniques are applied. Under the old methods, for instance, 10 to 14 years were required to produce a mature, seven foot tall tree. Now this has been cut nearly in half, to six to seven years. The yield per acre under the plantation approach has also improved dramatically, with an acre of land now producing an average of 220 trees where no more than 60 trees could have been produced under the old methods.

Technological innovations, such as the more and more common use of helicopters to lift the trees out of the forests, have also helped avoid expensive delays resulting from buried equipment and other chronic headaches of the business, but the new methods have introduced their own problems as well. Increased dependence on manual labor has swelled the industry's seasonal employment, and this has led to problems for the communities in the area. Shelton Undersheriff Jack Hauge recently told the Shelton Mason County Journal that "we've come to more or less anticipate the problem with them (the mostly Mexican migrant laborers) yearly." Hauge also noted that during "the last several years the immigration authorities have taken quite an interest (in the matter)," and in fact, earlier this winter over 30 aliens were deported after an armed robbery at Lake Cushman in which several allegedly participated.

Another problem that has become an increasingly serious concern as the new production methods are adopted is the appearance of the pests and diseases that seem to plague every monoculture environment that American agribusiness has attempted. In the Douglas fir Christmas tree plantations of Mason County, the most severe threat has come from a variety of needle cast diseases (which cause the tree to lose needles, and hence its full, attractive appearance), and such insects as the twig weevil, woolly aphid and spruce gall coolie aphid. Production experts for the big growers claim with pride that their efforts to eradicate such diseases and pests go beyond anything attempted by the timber industry (which is unconcerned about the appearance of the trees), but ironically it is just this sort of monoculture crop problem that is helping to expand the market for Shelton trees.

This year an outbreak of a disease that preys on the foremost species of Christmas tree in the Eastern United States, the Scotch pine, resulted in the quarantine of all Scotch pine grown in New York and Pennsylvania. This development, combined with the recently expanding markets for imported Christmas trees in southern states like Texas, Mississippi and Alabama, has begun to open doors for Shelton trees in areas that were formerly inaccessible. Given the superior "stamina" (or shipping tolerance) of Shelton trees, there has been some excited speculation about the future growth of the market for the area's trees in the years to come, but because most of the county's big growers—Kirk, Hofert, Reed—own considerable amounts of land in the Midwest, East and Canada which can more economically serve distant markets, it is likely that Shelton will see a steady but not overly dramatic growth in its Christmas tree industry, mostly tied to the growth of its principal market, California, which currently consumes almost 75 percent of the trees grown in the county.

For Shelton, "Christmas town, U.S.A.," this is no doubt healthy. Like the Simpson Co.'s 100 year sustained yield program with the federal government, a stable and steadily growing Christmas tree industry gives the area a dependable foundation from which planning, both personal and corporate, can proceed with a reasonable amount of certainty. This is all too rare in a one or two industry economy, and it is probably this more than anything else that constitutes the Christmas tree industry's real gift to this city of 6,600.

THE UDALL RECORD—III

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. UDALL. Mr. Speaker, I am continuing here a list of my votes for the 95th Congress, 1st session. If any of my constituents wish further information on these matters, as I am sure they will, I invite them to visit my district office, where I have a more detailed description of each vote, as well as back copies of Congressional Quarterly.

The list is arranged as follows: The votes are listed by rollcall number, and a short description of the measure under consideration is given; my vote is indicated (Y-yes; N-no; NV-not voting); the vote of the Arizona delegation is given (in the order; Yeas—nays—not voting, or present); an indication of whether the measure passed or failed; and the total vote.

In addition, in order to point out the more important votes out of the more than 700 cast, I have marked with an asterisk (*) those votes which were chosen as a "key vote" by one or more of the following organizations: American Conservative Union, Americans for Democratic Action, National Federation of Independent Businessmen, AFL–CIO, Taxation with Representation, Women's Lobby, and the Congressional Quarterly.

The list continues:

VOTING RECORD—III

(319) Final passage, Federal Employees Political Activities Act of 1977. Y(1–3–0) Passed, 244–164.

(320) Conference report authorizing $4.7 million for Kennedy Center Repairs. Y(2–2–0) Passed, 291–90.

(321) To provide $7.52 billion budget authority for Treasury Department, Postal Service, Executive Office of the President, and various independent agencies. Y(4–0–0) Passed, 359–45.

(322) To prohibit SST operations at New York unless SST met FAA noise standards

for subsonic aircraft. Y(1–3–0) Failed, 128–274.

(323) To provide $5.9 billion budget authority for Department of Transportation and related agencies. Y(4–0–0) Passed, 391–11.

(324) To consider (adopt rule) on Victims of Crime Act. Y(3–1–0) Passed, 312–79.

(325) To consider (adopt rule) on Interior Appropriations for FY 1978. Y(3–1–0) Passed, 332–65.

(326) To increase funding for Energy Research and Development Administration. N(1–3–0) Failed, 145–251.

(327) Final passage, to appropriate $9.5 billion for Department of Interior and related agencies. NV(3–0–1) Passed, 395–7.

(328) To consider (adopt rule) on Legal Services Corp. Act Amendments. Y(3–1–0) Passed, 352–52.

*(329) To prohibit legal service attorneys from engaging in political activity or running for public office. N(3–1–0) Failed, 178–198.

(331) Conference report to extend Export Administration Act. Y(3–1–0) Passed, 306–41.

(332) To prohibit use of State Department funds for U.S. diplomatic personnel assigned to Cuba or the Swiss Embassy in Cuba. N(3–1–0) Failed, 139–206.

(333) To resolve into Committee of the Whole to consider State-Justice-Commerce Judiciary appropriations. Y(3–0–1) Passed, 354–2.

(334) To increase LEAA authorization from $600 million to $704.5 million. N(0–3–1) Failed, 172–210.

(335) To appropriate $7.62 billion for State-Justice-Commerce-Judiciary. Y(2–1–1) Passed, 353–42.

(336) To authorize $900,000 for investigation of past and prospective changes in world economy. Y(3–1–0) Passed, 324–79.

*(337) To make changes in Supplemental Security Income benefits, etc. Y(2–2–0) Passed, 335–64.

*(338) Public Works: To delete funding for 16 water projects. N(0–4–0) Failed, 194–218.

(339) Public works: To provide $10.2 billion in budget authority for FY 1978. NV(3–0–1) Passed, 356–54.

(340) To consider (adopt rule) on HUD and related agencies appropriations. Y(4–0–0) Passed, 370–20.

(342) HUD: To require 75% of new low income housing units be for elderly and handicapped. N(3–1–0) Failed, 183–214.

(343) HUD: To strike provision preventing Comprehensive Planning Grant funds from going to cities of over 50,000. Y(2–2–0) Failed, 156–248.

*(344) To prohibit use of VA funds to adjudicate claims or pay benefits to persons whose military discharges have been upgraded under President's Special Discharge Review program. N(3–1–0) Passed, 273–136.

(345) HUD: To reduce total budget authority by 1% for non-entitlement programs. N(3–1–0) Failed, 169–237.

(346) HUD: Final passage, $70.23 billion for HUD, NASA, Veterans Administration. Y(2–2–0) Passed, 374–32.

(347) To resolve into Committee of the Whole to consider Labor-HEW appropriations. Y(4–0–0) Passed, 342–4.

*(348) Labor-HEW: To reduce funding for OSHA. NV(3–0–1) Failed, 162–231.

*(349) Labor-HEW: To reduce total appropriations by $563.5 million, affecting 11 health, education and elderly programs. N(3–1–0) Failed, 72–334.

*(350) Labor-HEW: To prohibit HEW from requiring the busing of students beyond the schools nearest their homes, through merging, clustering, or pairing of schools. N(3–1–0) Passed, 225–157.

(351) To insist on human rights considerations in activities of International Banking Agencies. N(1–2–1) Failed, 161–200.

*(352) Labor-HEW: To prohibit use of federal funds to pay for abortions or promote or encourage abortions. N(3–1–0) Passed, 201–155.

(353) To consider (adopt rule) on Agriculture Appropriations. NV(3–0–1) Passed, 352–5.

(354) Agriculture: To prohibit use of funds for subsidy payments to sugar processors. N(0–4–0) Failed, 119–272.

(355) To direct House conferees to insist on "sunset" clause for Department of Energy. NV(2–1–1) Passed, 228–179.

(356) Agriculture: To reduce appropriation for food stamp program by $673 million. N(3–1–0) Failed, 154–262.

(357) Agriculture: $12.7 billion new budget authority for agricultural, rural development, and domestic and international food programs. Y(4–0–0) Passed, 380–35.

(358) Military Construction: To consider (adopt rule). Y(4–0–0) Passed, 404–0).

(359) Military Construction: To provide new budget authority of $2.8 billion for military construction and family housing. Y(4–0–0) Passed, 391–16.

(360) To consider (adopt rule) on Foreign Assistance Appropriations. Y(4–0–0) Passed, 349–41.

(361) Foreign Assistance: To cut $31 million from the $120 million for the UN Development Program. N(3–1–0) Failed, 182–232.

(362) Foreign Assistance: To delete $50 million for the Sahel N(3–1–0) Failed, 160–255.

(363) Foreign Assistance: To delete $100 million for the Southern African Special Requirements Fund. N(2–2–0) Failed. 199–209.

(364) Foreign Assistance: To prohibit use of $700,000 earmarked for training military forces in Argentina. Y(1–3–0) Passed, 223–180.

(365) Foreign Assistance: To prohibit use of funds from being used directly or through multilateral lending institutions in Uganda, Cambodia, Laos or Vietnam. N(3–1–0) Passed, 295–115.

(366) Foreign Assistance: To prohibit payment of repatriations to Vietnam. Y(4–0–0 Passed, 359–33.

(367) Foreign Assistance: To resolve into Committee of the Whole. Y(4–0–0) Passed, 382–5.

(369) To reduce U.S. contributions to the International Development Association by $477 million to $473 million. N(2–2–0) Failed, 175–233.

(370) Foreign Assistance: Motion to limit debate. Y(1–3–0) Failed, 171–220.

*(371) Foreign Assistance: To reinstate funds for military assistance for Nicaragua. N(3–1–0) Passed, 225–180.

(372) Foreign Assistance: To oppose international loans to expand sugar production, palm oil, or citrus crops. N(3–1–0) Passed, 209–179.

(373) Foreign Assistance: To prohibit use of funds for trade or assistance to Cuba. N(3–1–0) Passed, 274–112.

(374) Foreign Assistance: To reduce funds by 5 percent. N(3–1–0) Passed, 214–168.

(375) Foreign Assistance: Final passage, $7 billion for foreign aid, international lending institutions, and operations of State Department. Y(1–3–0) Passed, 208–174.

(376) Defense Appropriations: To consider (adopt rule). Y(3–0–1) Passed, 337–1.

(378) Defense: To delete $65 million for Lance missile. Y(1–3–0) Failed, 123–226.

(379) To resolve into Committee of Whole to consider Legal Services Corp. Act. Y(3–0–1) Passed, 359–1.

(380) Legal Services: To reduce authorization from $238.7 million to $175 million. N(2–1–1) Failed, 158–221.

(381) Legal Services: To require Office of Management and Budget approve any budget request made by the corporation. N(3–1–0) Failed, 160–223.

—Legal Services: To prohibit corporation-funded lawyers from becoming involved in school desegregation cases. N(2–1–1) Passed, 208–174.

(383) Legal Services: To terminate funding for Legal Services Corp. on Sept. 30, 1979. N(2–1–1) Failed, 166–214.

(384) Legal Services: To prohibit legal services attorneys from providing legal assistance in cases involving homosexual rights. N(2–1–1) Passed, 230–133.

(385) Legal Services: Motion to recommit with instructions. N(2–1–1) Failed, 154–213.

(386) Legal Services Corp.: To authorize $492 million for two years. Y(1–2–1) Passed, 267–103.

(387) To approve journal of June 27. Y (4–0–0) Passed, 377–15.

(388) To deny the Oct. 1, 1977, cost-of-living adjustments to persons, including Members of Congress, who received pay raises on March 1. Y(4–0–0) Passed, 397–20.

*(389) Defense Appropriations: To delete $1.5 billion for the production of five B–1 bombers. Y(1–3–0) Failed, 178–243.

(390) To reduce production of A–10 attack aircraft from 144 to 96 planes. N(0–4–0) Failed, 122–299.

(392) Legislative Appropriations: Adoption of the rule. Y(3–1–0) Passed, 279–139.

(393) Legislative: To rescind March 1 pay raise for Members of Congress, the Vice President, White House staff and other executive branch officials. N(2–2–0) Failed, 181–241.

(394) Legislative: To provide salary expense funds for the Joint Committee on Defense Production. N(0–4–0) Failed, 172–244.

(395) Legislative: To delete $55 million for extension of the west front of the Capitol building. N(0–4–0) Failed, 204–212.

(396) Legislative Appropriations: Final passage, $928.8 million for operation of the legislative branch and related agencies and extension of the Capitol building. Y(2–2–0) Passed, 250–161.

(397) Defense Appropriations: To resolve into Committee of the Whole. Y(4–0–0) Passed, 399–1.

(398) Defense: To delete $26 million for development of a new engine for F–14 fighter. N(0–4–0) Failed, 122–282.

(399) Defense: To delete provision to phase out civilian technicians employed by the National Guard. Y(4–0–0) Passed, 288–119.

(400) Defense: To prohibit use of funds to review the status of MIAs in Southeast Asia. N(2–2–0) Failed, 160–246.

(401) Defense: To strike prohibition against military retirees receiving both retirement pay and salary for a federal job. N(3–1–0) Passed, 219–174.

(402) Defense Appropriations: Final passage, $110.6 billion in new budget authority and transfers from other accounts. Y(4–0–0) Passed, 333–54.

(403) To designate week of Sept. 18 "National Lupus Week." NV(1–0–3) Passed, 297–3.

(404) To authorize memorial to 56 signers of the Declaration of Independence. NV (1–0–3) Passed, 302–3

(405) To consider (adopt rule) Indian Claims Filing Extension. NV (1–0–3) Passed, 299–0.

(406) Veterans: To extend eligibility for specially adapted housing grants to veterans who have lost one upper and one lower extremity. Y(4–0–0) Passed, 403–0.

(407) Veterans: To provide 7 per cent cost-of-living increase in VA benefits and other beneficial adjustments. Y(4–0–0) Passed, 403–0.

(408) To extend for two years the limit under which the Federal Government, as trustee for the Indians, may file suit for monetary damages. Y(3–1–0) Passed, 331–69.

(409) Defense: To adopt conference report, $36.1 billion for Military Procurement and Research and Development. Y(4–0–0) Passed, 350–40.

(410) To prohibit subsidies for shipment of grain to the Soviet Union in U.S. ships. Y(3–1–0) Failed, 143–251.

(411) To authorize $553.6 million for maritime programs, including subsidies for vessel construction and operation. Y(4–0–0) Passed, 355–40.

(412) To consider (adopt rule) National Consumer Cooperative Bank Act. Y(2–2–0) Passed, 339–55.

(413) Consumer Bank: To resolve into Committee of the Whole. Y(4–0–0) Passed, 349–1.

*(414) Consumer Bank: Substitute to establish a two-year pilot. N(2–2–0) Failed, 170–228.

(415) Consumer Bank: To terminate the Act on Dec. 31, 1982, transfering loans and contracts to another agency. Y(4–0–0) Passed, 203–196.

*(416) Consumer Bank: To establish a National Consumer Cooperative Bank to make loans at market interest rates to consumer cooperatives. Y(1–3–0) Passed, 199–198.

(417) To establish a permanent Select Committee on Intelligence. Y(3–1–0) Passed, 227–171.

(418) To consider (adopt rule) Federal Mine Safety and Health Act. Y(4–0–0) Passed, 359–11.

(419) To resolve into Committee of the Whole to consider Mine Safety Act. NV (3–0–1) Passed, 298–3.

(420) Mine Safety: To keep Interior Secretary as administrator of the Act and retain safety enforcement in Interior, instead of Labor, Department. N(3–1–0) Failed, 112–227.

**(421) Mine Safety: Substitute bill, transferring to Labor Department, etc. N(3–1–0) Failed, 151–188.

(422) Mine Safety: To permit states to administer non-coal mine health and safety programs. N(3–1–0) Failed, 165–169.

(423) Mine Safety: Final passage, transferring to Labor Department, combining coal and non-coal standards, setting mandatory dollar penalties for violations. Y(1–3–0) Passed, 244–88.

(424) To authorize $8.1 million for Federal Election Commission. Y(3–1–0) Passed, 383–22.

(425) To proclaim Thanksgiving week "National Family Week." Y(4–0–0) Passed, 400–3.

(426) To direct Department of Commerce to determine the paperwork burden of the 1974 agricultural census and take steps to reduce it by 40 per cent. Y(4–0–0) Passed, 401–9.

(427) To increase salaries of director and deputy director of Office of Management and Budget. Y(2–2–0) Passed, 253–158.

(428) To approve additional supergrade positions for Administrative Office of the U.S. Courts. Y(1–3–0) Failed, 189–224.

(429) To authorize 104 additional hearing examiners (administrative law judges) Y(3–1–0) Passed, 284–131.

(430) To reduce time federal employee must serve to retain life and health insurance benefits during retirement. Y(4–0–0) Passed, 373–37.

(431) To adopt conference report, $6.2 billion in new budget authority for Department of Transportation. Y(4–0–0) Passed, 397–14.

(432) To adopt conference report, $7.7 billion in new budget authority for State-Justice-Commerce-Judiciary. Y(1–3–0) Passed, 326–85.

(433) Conference report, $69.5 billion in new budget authority for Department of Housing and Urban Development and independent agencies, including Veterans' Administration. Y(2–2–0) Passed, 379–30.

(434) To strike from HUD appropriations $20.7 million for Jupiter Orbiter Probe. N(0–4–0) Failed, 131–280.

(435) HUD: To insist on House language prohibiting use of VA funds to adjudicate claims or pay benefits to individuals receiving upgraded discharges under President's program. N(3–1–0) Passed, 251–160.

(436) Conference report authorizing $4 billion for National Aeronautics and Space Administration. Y(4–0–0) Passed, 379–29.

(437) Conference report authorizing $3.7 billion for military construction and family housing. Y(4–0–0) Passed, 370–34.

(438) Conference report establishing a Young Adult Conservation Corps. Y(2–2–0) Passed, 356–58.

(439) To consider (adopt rule) Agricultural Act of 1977. Y(4–0–0) Passed, 367–38.

(440) To approve journal of July 19, 1977. Y(4–0–0) Passed, 386–12.

(441) Conference report to authorize funds ($61.9 million) for water resources research and saline water conversion. Y(3–0–1) Passed, 401–1.

(442) Conference report, extending and authorizing $3.4 billion for federal health services, biomedical research, and health planning and resources development programs. Y(3–0–1) Passed, 401–6.

(444) To set the payment limitation for wheat, feed grains, rice and cotton at $20,000. N(0–4–0) Failed, 183–230.

(445) To prohibit non-farm corporations from receiving payments on farm production. Y(1–3–0) Failed, 199–207.

(446) Defense: To allow closed meetings on Defense Appropriations when classified information is under consideration. Y(4–0–0) Passed, 376–0.

(447) Conference report authorizing $1.65 billion for international development and food assistance. Y(2–2–0) Passed, 254–158.

(448) Conference report, authorizing $3.2 billion for international security assistance and foreign military sales. Y(2–2–0) Passed, 262–147.

(449) To limit to $50,000 the annual payment sugar producers could receive under any farm program. N(0–4–0) Failed, 167–241.

(450) To establish a federal-state program to regulate coal surface mining and require the reclamation of mined lands. Y(1–3–0) Passed, 325–68.

(451) To resolve into Committee of the Whole to consider Agricultural Act. Y(4–0–0) Passed, 352–4.

(452) To establish standards for milk content of ice cream. NV(2–0–2) Passed, 363–11.

(453) To establish a mandatory grain reserve of up to 35 million tons. (1–0–3) Failed, 141–223.

(454) Conference report, $10.3 billion in public works and energy research appropriations. Y(3–0–1) Passed, 318–61.

(455) To consider (adopt rule) Black Lung Benefits Reform Act. Y(2–1–1) Passed, 306–83.

(456) Conference report, $990 million for activities of the Legislative Branch and related agencies. Y(2–2–0) Passed, 252–152.

(457) Conference report, to recede from disagreement with Senate amendment providing $225,000 for Joint Committee on Defense Production. Y(1–3–0) Failed, 160–250.

(458) To reduce peanut price supports from Agricultural Act level of $420 per ton N(2–2–0) Failed, 207–210.

(459) To provide that Title I of the P.L. 480 program give priority to financing food and fiber commodities, restoring tobacco to the program. Y(3–1–0) Passed, 260–151.

(460) Conference report appropriating $12.7 billion for agricultural, rural development, food stamp, domestic and international food programs. Y(4–0–0) Passed, 377–33.

(461) To resolve into Committee of the Whole to resume consideration of Agricultural Act. Y(4–0–0) Passed, 410–4.

(462) To bar use of food stamps to buy foods designated by Secretary of Agriculture as having negligible nutritional value, such as chewing gum, ice cubes, carbonated beverages, etc. Y(3–1–0) Failed, 185–227.

(463) To limit food stamp expenditures in 1978 to $5 6 billion. Y(3–1–0) Failed, 168–248.

(464) To set limit of food stamp program expenditures at $5.85 billion for FY 1978; $6.16 billion for FY 1979; $6.19 billion for FY 1980; and $6.24 billion for FY 1981. Y(4–0–0) Passed, 242–173.

(465) To exempt strikers from Kelly amendment (barring food stamps for strikers) if they had households with children under age 16. N(0–4–0) Failed, 152–266.

(466) To exclude strikers' households from Kelly Amendment if they contained children under 16 or disabled or elderly dependents. N(2–2–0) Failed, 190–227.

*(467) To bar strikers from food stamp program unless the household was eligible before strike. N(3–1–0) Failed, 170–249.

(468) To restore to the bill the purchase requirements provisions of the current food stamp program. N(3–1–0) Failed, 102–317.

(469) To provide for government recovery of excess allocation of food stamps. N(3–1–0) Failed, 149–262.

(470) To resolve into Committee of the Whole to consider Agricultural Act. NV (3–0–1) Passed, 386–4.

*(472) To require USDA to implement any additional work/workfare projects which state agencies request. N(3–1–0) Failed, 159–255.

(473) To eliminate purchase requirement and tighten eligibility standards for food stamps. Y(1–3–0) Passed, 320–91.

(474) To delete establishment of a wheat and wheat foods research and nutrition education program Y(4–0–0) Passed, 300–109.

(475) To add sugar beets and sugarcane to list of commodities eligible for government price supports. NV(3–0–1) Passed, 246–165.

(476) To provide price supports of up to 13.5 cents a pound for sugar beets and sugarcane for 1977. NV(2–1–1) Failed, 173–238.

(477) Motion to recommit Agricultural Act with instructions to set payment limitation of $30,000 for wheat, feed grains, rice and sugar. NV(0–3–1) Failed, 201–210.

(478) Final passage, Agricultural Act extending major commodity programs for four years, etc. NV(0–3–1) Passed, 294–114.

(479) To approve journal of July 28. NV(3–1–0) Passed, 342–18.

(480) To adjourn from Aug. 5 to Sept. 7. NV(3–0–1) Passed, 320–54.

(481) To establish two positions on Capitol Police Force. Y(4–0–0) Passed, 383–2.

(482) To extend several programs of HUD, including Farmers Home Administration rural housing program. Y(4–0–0) Passed, 383–2.

(483) To bar amendments and close debate on the rule on National Energy Act. Y(2–2–0) Passed, 231–156.

(484) To consider (adopt rule) National Energy Act, permitting one day of debate. Y(2–2–0) Passed, 238–148.

(485) To affirm vote on the rule, National Energy Act. Y(3–1–0) Passed, 254–120.

(486) To consider (adopt rule) Fair Labor Standards Amendments. Y(2–2–0) Passed, 331–44.

*(487) To resolve into Committee of the Whole to consider National Energy Act. NV(3–0–1) Passed, 365–12.

(488) To adopt rule on conference report, Department of Energy Organization Act. NV(0–3–1) Passed, 294–115.

(489) Energy: Motion to recommit conference report. N(2–2–0) Failed, 157–257.

(490) Energy: Conference report, to establish a cabinet-level Department of Energy. Y(1–2–1) Passed, 353–57.

(491) Energy: To reconcile differing versions of the utility weatherization program

reported by the Commerce and Banking committees. Y(1–3–0) Passed, 217–205.

(492) Energy: To direct Department of Transportation to study the fuel savings potential of off-highway recreational vehicles and recommend efficiency standards. Y(1–3–0) Passed, 212–210.

(493) Energy: To direct DOT to study energy saving potential of increased bicycle use. Y(1–3–0) Passed, 252–166.

*(494) Energy: To extend Davis-Bacon Act to construction work funded by grants for energy conservation in municipal buildings. Y(1–3–0) Passed, 265–161.

(495) Energy: To authorize $65 million in grants to state and local governments for implementing energy-saving maintenance. Y(2–2–0) Passed, 317–105.

(496) Labor, HEW: Conference report, to appropriate $60.2 billion for Labor-HEW-Related Agencies Y(1–2–1) Passed, 337–82.

(497) Labor-HEW: Amendment to conference report stating that none of the bill's funds shall be used to perform abortions except where the life of the mother would be endangered, etc. N(2–1–1) Passed, 238–182.

(498) Energy: To resolve into Committee of the Whole. Y(4–0–0) Passed, 404–5.

*(499) Energy: To remove price controls from new on-shore natural gas as of April 30, 1978. N(3–1–0) Failed, 199–227.

(500) Energy: To delete provision extending federal antitrust jurisdiction to the siting of fossil fuel electric generating plants. N(3–1–0) Passed, 257–160.

(501) Energy: To delete the vanpooling program for federal employees. N(3–1–0) Passed, 232–184.

(502) Energy: To resolve into Committee of the Whole. Y(4–0–0) Passed, 378–3.

(503) Energy: To impose additional 5-cent-a-gallon gasoline tax—half going for mass transportation, half for improving bridges, roads and highways. Y(1–3–0) Failed, 82–339.

*(504) Energy: To increase gasoline tax by four cents a gallon in two stages. Y(1–3–0) Failed, 52–370.

*(505) Energy: To permit oil and gas producers to recover part of their oil equalization taxes if they invested more than 25% of gross production in exploration and production. N(3–1–0) Failed, 198–223.

(506) Energy: To transfer all revenue from crude oil equalization tax in 1978 to Social Security Trust Fund. N(2–2–0) Failed, 190–226.

(507) To provide $302.499 for investigations and studies by the permanent Select Committee on Intelligence. Y(3–0–1) Passed, 342–10.

(508) Energy: To increase the earned income credit instead of providing rebates and tax credits for the crude oil equalization tax. N(3–1–0) Failed, 175–232.

(509) Energy: To delete exemptions from the oil and gas users tax that were provided for new plants which are exempt from the coal conversion program. Y(1–2–1) Passed, 221–198.

(510) Energy: Anderson substitute for National Energy Act N(3–1–0) Failed, 147–273.

(511) Amendment to strike the federal van-pooling program. NV(2–0–2) Passed, 239–180.

*(512) Energy: To recommit National Energy Act with instructions to delete crude oil equalization tax. N(3–1–0) Failed, 203–219.

(513) Energy: Final passage, National Energy Act, providing tax credits for converting boilers to coal and weatherizing homes. It also increased the price of natural gas, set a national policy for regulating electric utilities, required efficiency labeling of appliances and cars, and set a program for fuel conservation in federal facilities. Y(1–2–1) Passed, 244–177.

(516) To adopt conference report on defense appropriations ($109 billion in new budget authority). Y(4–0–0) Passed, 361–36.

*(518) Amendment to conference report to delete $1.4 billion to build five B–1 bombers. Y(1–3–0) Passed, 202–199.

(520) Budget Resolution: To reduce outlays ceiling by $52 billion and increase revenue floor by $8 billion to achieve a balanced budget. Y(4–0–0) Failed, 169–230.

(522) Budget: To reduce revenue floor by $175 million to provide tax credit for tuition of full-time college and vocational school students. Y(3–1–0) Passed, 311–76.

(523) Budget: To reduce budget authority ceiling by $109 million and outlays ceiling by $108 million to reduce U.S. food commodity support programs for South Korea. Y(2–2–0) Failed, 181–205.

(524) Budget: To reduce budget ceiling $144 million and outlays ceiling $110 million in order to reduce U.S. military and economic aid to South Korea. Y(1–3–0) Failed, 120–268.

(525) Budget: Adoption of the Second FY 1978 Budget Resolution setting outlay ceiling at $459.5 billion and a projected deficit of $61.6 billion. Y(1–3–0) Passed, 199–188.

(526) To consider (adopt rule) ERDA National Security Authorization for FY 1978. Y(4–0–0) Passed, 348–0.

(527) To consider (adopt rule) ERDA Civilian R&D Authorization for FY 1978. Y(4–0–0) Passed, 338–14.

(528) To consider (adopt rule) Federal Banking Agency Audit Act. Y(3–1–0) Passed, 312–47.

(529) To consider (adopt rule) Age discrimination in Employment Act Amendments. Y(4–0–0) Passed, 362–0.

(530) To consider (adopt rule) Earthquake Hazards Reduction Act. Y(4–0–0) Passed, 350–3.

(531) To consider (adopt rule) National Climate Program Act. Y(3–1–0) Passed, 348–2.

(532) To authorize $210 million for national earthquake hazards reduction program. Y(2–1–1) Passed, 229–125.

(533) To establish a federal National Climate Program Office to develop a climate prediction program. Y(3–1–0) Passed, 282–60.

(535) To authorize $302 million for salaries and expenses of Nuclear Regulatory Commission. Y(4–0–0) Passed, 396–2.

(536) To designate 16 areas containing 1.2 million acres in western U.S. for inclusion in the National Wilderness Preservation System. Y(2–2–0) Passed.

(537) To require VA to review any discharge upgraded under President's Special Discharge Review Program before extending benefits to the veteran. Y(4–0–0) Passed, 321–75.

(538) To increase educational assistance allowances for all veterans' educational programs by 6.6 percent. Y(4–0–0) Passed, 397–0.

(539) To authorize special incentive pay for VA physicians and dentists. Y(4–0–0) Passed, 397–1.

(540) To repeal requirement that VA make random inspections of mobile homes purchased with VA loans. Y(4–0–0) Passed, 394–1.

(541) To increase liability of persons who cause oil spills and establish $200 million fund to pay for clean-up and damages caused by oil pollution. Y(3–1–0) Passed, 332–59.

(542) To authorize cost-of-living increases under the Retired Servicemen's Family Protection Plan. Y(4–0–0) Passed, 391–0.

(545) To adopt conference report on Second FY 1978 Budget Resolution setting an outlay ceiling of $458.3 billion and projecting a deficit of $61.3 billion. Y(1–3–0) Passed, 215–187.

*(546) Minimum Wage: To delete indexing minimum wage to the average production worker's wage. N(3–1–0) Passed, 223–193.

(547) Minimum Wage: To establish Minimum Wage Study Commission to study the effects of increases in minimum wage, the indexing procedure, youth subminimum wage, etc. Y(1–3–0) Passed, 301–118.

(548) Minimum Wage: To reinsert into bill the indexing provision. Y(1–3–0) Failed, 189–227.

*(549) Minimum Wage: To retain 50% tip credit. Y(4–0–0) Passed, 264–161.

(550) Minimum Wage: To continue exemption for seasonal, recreational and theme parks. Y(4–0–0) Passed, 241–183.

*(551) Minimum Wage: To allow employers to pay 85% of minimum wage to youths under 19 for first six months. N(3–1–0) Failed, 210–211.

(552) Minimum Wage: To allow Secretary of Labor to waive minimum wage between June 1 and October 15 for children under age 12 in hand harvested agriculture, under certain protective conditions. Y(4–0–0) Passed, 282–132.

(553) Minimum Wage: To increase enterprise threshold and expand definition of small businesses to include all businesses. N(2–1–1) Failed, 118–289.

*(554) Minimum Wage: To increase enterprise coverage threshold to $500,000, but retain existing definition of small business. N(2–1–1) Passed, 221–183.

(555) Minimum Wage: Final passage, increasing minimum wage to $2.65 in 1978; $2.85 in 1979, and $3.05 in 1980. Y(1–3–0) Passed, 309–96.

(557) To adopt conference report on Food and Agriculture Act, extending food stamp and Food for Peace Programs for four years, new payment limits for commodities, new target prices and loan levels, revising allotment, set-aside and disaster payments. Y (1–3–0) Passed, 283–107.

(558) Conference report, to increase U.S. participation in International Banking Agencies. Y(2–2–0) Failed, 153–230.

(559) To provide $323.5 million in federal payments and $1.4 billion from D.C. treasury for the District of Columbia government for FY 1978. N(2–2–0) Passed, 298–64.

(561) To permit filing for black lung benefits with Labor Department for only one year after the bill took effect. N(2–2–0) Failed, 108–268.

(562) To prohibit miners from collecting compensation on other disabilities while they are receiving total disability payments for black lung disease. (2–2–0) Failed, 106–268.

(563) To permit mine operations to question a black lung claim based solely on x-rays by the claimant's physician. N(3–1–0) Failed, 136–242.

(564) Final passage, to establish an industry-financed Black Lung Disability Insurance Fund to pay all claims filed after June 30, 1973. Y(1–3–0) Passed, 283–100.

(565) To consider (adopt rule) Increasing the Temporary Debt Limit. Y(2–2–0) Passed, 284–96.

(566) To increase the debt limit to $775 billion from $700 billion. Y(2–2–0) Failed, 180–201.

(567) To approve journal of Sept. 19 proceedings. Y(4–0–0) Passed, 383–17.

(568) To increase district office space allowance from 1,500 to 2,500 square feet. Y(1–3–0) Passed, 215–193.

*(569) To cut ERDA funds for Clinch River Project from $150 million to $17 million to close out the project. Y(1–3–0) Failed, 162–246.

(570) To cut ERDA funds for Clinch River Project to $17 million and delay project for one year. N(0–4–0) Failed, 129–277.

(571) To consider (adopt rule) Medicare-Medicaid Antifraud and Abuse Amendments. Y(4–0–0) Passed, 374–6.

(572) To consider (adopt rule) Nuclear Antiproliferation Act. Y(4–0–0) Passed, 388–0.

(573) To consider (adopt rule) Federal Insecticide, Fungicide and Rodenticide Act. Y(4–0–0) Passed, 383–10.

(574) To resolve into Committee of the Whole House. Y(4–0–0) Passed, 390–1.

(575) To require private industry to pay part of construction costs of Clinch River Breeder Reactor demonstration project. Y(1–3–0) Failed, 196–206.

(576) To earmark $28 million to purchase four megawatts of solar photovoltaic equipment for the federal government and to provide $10 million to develop mass production techniques for photovoltaic equipment. Y(2–2–0) Passed, 227–179.

(577) To approve journal of Sept. 21 proceedings. Y(4–0–0) Passed, 283–6.

(579) To approve journal of Sept. 22 proceedings. Y(3–0–1) Passed, 332–14.

(580) To authorize $6.6 billion for ERDA civilian research and development programs, including $150 million for Clinch River project. Y(3–0–1) Passed, 317–47.

(581) To amend Medicare and Medicaid to establish stricter penalties for fraud and abuse, etc. Y(3–0–1) Passed, 362–5.

(582) To raise the mandatory retirement age for private workers to 70. Y(3–0–1) Passed, 359–4.

(583) To establish separate retirement funds for D.C. police, firefighters, teachers and judges, etc. Y(3–1–0) Passed, 348–21.

(584) To restate the charter of George Washington University. Y(4–0–0) Passed, 363–4.

(585) To appropriate funds for sewer service in D.C. NV(3–0–1) Passed, 375–1.

(586) To prohibit use of any loans in D.C. Borrowing Authority for acquisition of land or beginning construction of a convention center without prior congressional approval. N(2–2–0) Failed, 187–196.

(587) To extend until October, 1979, the D.C. interim authority to borrow funds from the U.S. Treasury to finance capital improvements. Y(2–2–0) Passed, 266–119.

(588) D.C. Pretrial Detention Amendments: To include armed robbery as a crime for which defendants could be denied bail and be detained pending trial Y(4–0–0) Passed, 346–43.

(589) To extend Child Abuse Prevention and Treatment Act and strengthen protective and treatment services. Y(3–1–0) Passed, 375–12.

(590) To express the sense of Congress that the Postal Service should not reduce the frequency of mail delivery service. Y(4–0–0) Passed, 377–9.

(592) Second on a motion to pass Black Hills Claim. Y(4–0–0) Passed, 376–19.

(594) To reject Senate language on abortion (exemptions to the ban on federal funding of abortions in cases of rape, incest, where mother's life is endangered, and certified as "medically necessary"). Y(1–3–0) Failed, 164–252.

(595) To consider (adopt rule) Status of Indochina refugees. Y(2–2–0) Passed, 390–22.

(596) To increase the authorization for staff allowances of former presidents from $96,000 to $150,000 per year for 30 months following termination of funds under Presidential Transition Act. (2/3 required). Y(3–1–0) Failed, 211–203.

(597) To allow Court of Claims to determine the merits of the Sioux claim that the U.S. took the Black Hills in violation of the Fifth amendment. Y(2–2–0) Failed, 173–239.

(598) To direct a five-year study of nine areas in Montana for possible inclusion in the National Wilderness Preservation System. (2/3 required). Y(1–3–0) Failed. 256–155.

(599) To direct GAO audits of Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms. Y(4–0–0) Passed, 402–5.

(601) To establish a 16-member Select Committee on Population to study causes and effects of changes in world population of U.S. options on global population policies. Y(2–2–0) Passed, 259–147.

(602) To give Select Committee on Assassinations power to defend lawsuits and make certain applications to courts. Y(1–3–0) Passed, 290–112.

(603) To consider (adopt rule) on Increasing Temporary Debt Limit. Y(2–2–0) Passed, 312–96.

(604) To increase the temporary debt limit to $700 billion. Y(2–2–0) Passed, 213–202.

(605) To establish safeguards against U.S. nuclear fuel exports being diverted and used in nuclear weapons or explosive device. Y(4–0–0) Passed, 411–0.

(607) To resolve into Committee of the Whole to consider H.R. 6566. Y (4–0–0) Passed, 361–7.

*(608) To prohibit use of any funds in Energy Research and Development Administration National Security Authorizations for production or deployment of neutron weapons. Y (1–3–0) Failed, 109–297.

(609) To authorize $2.67 billion for ERDA's national security nuclear energy programs. Y (4–0–0) Passed, 330–78.

(610) To approve rescissions of $21.09 million in appropriations for foreign military credit sales and $75 million for Federal Buildings Fund. Y (4–0–0) Passed, 403–1.

(611) To resolve into Committee of the Whole to consider H.R. 7010, Victims of Crime Act. Y (3–1–0) Passed, 377–17.

(612) To compensate only victims of crime older than age 62. N (3–1–0) Failed, 133–253.

(613) To approve journal of Sept. 29 proceedings. Y (4–0–0) Passed, 317–11.

(614) To reduce to 25% from 50% the amount the Federal Government would contribute to State programs for victims of crime. Y(4–0–0) Passed, 216–144.

(615) To require eligible states to insure that proceeds from articles, interviews or statements by an individual formally accused or convicted of a crime be put into an escrow fund for benefit of the victim or survivors if the accused is found guilty. Y (4–0–0) Passed, 245–113.

(616) Final passage, to provide Federal assistance to State victim compensation programs and Federal compensation to victims of violent crimes in Federal enclaves to cover medical bills and lost wages. Y (1–3–0) Passed, 192–173.

(617) To increase staff allowance for former presidents from $96,000 a year to $150,000. Y (3–1–0) Passed, 262–95.

(619) To require President to present a plan for transferring the functions of Council on Wage and Price Stability to other federal agencies. N(2–2–3) Failed, 178–215.

(620) To extend Council on Wage and Price Stability for two years. Y(2–2–0) Passed, 251–145.

(622) To adopt amended Senate bill increasing the temporary debt limit to $752 billion. Y(1–3–0) Passed, 223–194.

*(623) To close debate and bar amendments to National Labor Reform Act. Y(1–3–0) Passed, 267–152.

(624) To consider (adopt rule) H.R. 8410, National Labor Reform Act. Y(1–3–0) Passed, 291–128.

(625) Conference report, reauthorizing Community Block Grants, etc. Y(1–3–0) Passed, 384–26.

(626) To resolve into Committee of the Whole to consider Labor Reform Act. Y(3–0–1) Passed, 384–5.

* (627) Labor Reform: To delete provision which directed NLRB to promulgate regulations to insure that employees have equal opportunity to obtain information pertaining to unionization from organizers and employers. N(3–1–0) Failed, 168–247.

(628) Labor Reform: To insure employers the right to present their side of a unionization argument whenever and wherever union representatives present their views. Y(4–0–0) Passed, 408–8.

(629) Labor Reform: To permit judicial review of NLRB's failure to implement or promulgate regulations within a reasonable period of time. N(3–1–0) Passed, 246–174

(630) Labor Reform: To increase time limit for holding representational elections from 15 days to 28 days. Y(1–3–0) Failed, 185–229.

(631) Labor Reform: To increase, under certain conditions, the time limit for representational elections from 15 days to 25 days. Y(4–0–0) Passed, 418–0.

(632) Labor Reform: To strike provision permitting the Labor Secretary to prohibit government contracts for three years with companies or unions that willfully violate NLRB orders. N(3–1–0) Failed, 111–301.

(633) Labor Reform: To grant Labor Secretary authority to remove or reduce the period of time a company or union is barred from receiving federal contracts because of violations or NLRB orders. Y(3–1–0) Passed, 394–8.

(634) To approve journal of Oct. 5 proceedings. N(3–0–1) Passed, 364–16.

(635) To consider (adopt rule) Marine Protection, Research and Sanctuaries Authorization. Y(4–0–0) Passed, 388–2.

(636) To close debate, bar amendments to the rule on Navigation Development Act. N(1–3–0) Passed, 241–169.

*(637) Labor Reform: To delete provision which would authorize NLRB to award employees compensation for lost pay due to an employer's refusal to bargain on the first contract. N(3–1–0) Failed, 162–250.

(638) Labor Reform: To recommit Labor Reform Act with instructions to change election set-aside provisions. N(3–1–0) Failed, 139–279.

*(639) Labor Reform: Final passage, National Labor Reform Act, setting limits within which elections must be held, strengthening penalties for ignoring NLRB orders or violating labor laws, and authorizing NLRB to summarily affirm Administrative Law Judge decisions in unfair labor practice cases. Y(1–3–0) Passed, 257–163.

*(641) To recommit conference report appropriating $6.8 billion for foreign economic and military assistance programs. Y(2–2–0) Passed, 273–126.

(642) To table request for a conference on Fair Labor Standards Act amendments. N(3–1–0) Failed, 138–266.

*(643) To consider (adopt rule) House Administrative Reorganization. Y(1–3–0) Failed, 160–252.

(644) To recede from the abortion langauge House had adopted in the conference report on Labor-HEW Appropriations. Y(1–3–0) Passed, 209–206.

(645) To add to Hyde amendment abortion language, which prohibited federal funding for abortions except when mother's life was endangered, a second exception for medical procedures necessary for prompt treatment of forced rape or incest. N(3–1–0) Passed, 263–142.

(646) To authorize $561 million for research and development of cruise missile program and $151.6 million for F–14A aircraft and parts. Y(4–0–0) Passed, 347–37.

(648) To adopt conference report establishing stricter penalties for Medicare and Medicaid fraud. Y(4–0–0) Passed, 402–5.

*(649) Amendment to strike from Federal Trade Commission Amendments the section authorizing class action suits. NV(3–0–1) Passed. 281–125.

*(650) Motion to recommit FTC Amendments with instructions to provide for congressional review and veto of FTC regulations. NV(3–0–1) Passed. 272–139.

(651) To authorize $133 million for FTC and make certain changes in its enforcement of rules and orders. Y(1–3–0) Passed, 279–131.

(652) To authorize replacement of locks and dam 26 on Mississippi River. Y(4–0–0) Passed, 331–70.

(653) To approve Senate compromise abortion language which dropped the "medically necessary" exception. Instead, would have prohibited federal funding of abortions except in cases where the mother's life is endangered, in cases of rape or incest, and in cases where "the mother or fetus would suffer serious health damage." Y(1–3–0) Failed, 163–234.

(654) To adopt conference report on Export-Import Bank Amendments (Neal bill). Y(3–0–1) Passed, 281–62.

(655) Resolution to disapprove President Carter's proposal for reorganization of the Executive Office of the President. N(0–4–0) Failed, 20–350.

(656) To authorize General Accounting Office to audit the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corp., and non-monetary policy functions of the Federal Reserve System Y(4–0–0) Passed, 336–24.

(657) To authorize $11.8 milion for marine protection programs. Y(4–0–0) Passed, 359–1.

(659) To prohibit HEW from implementing for 18 months, the FDA's proposed ban on saccharin. Y(3–0–1), Passed, 375–23.

(660) To revise law governing customs procedures and penalties for customs violations. Y(3–0–1), Passed, 386–11.

*(661) To make numerous clarifying, conforming, clerical and technical changes to provisions of the Tax Reform Act of 1976. Y(3–0–1), Passed, 268–128.

(662) To exempt disaster payments for the 1977 wheat, feed grains, upland cotton and rice crops from the 1977 payment limitation ($20,000 per crop, $55,000 for rice). Y(3–0–1), Passed, 265–127.

(664) To provide for a five-year Agriculture Department study of nine areas in Montana for possible inclusion in the National Wilderness Preservation System. Y(1–3–0), Passed, 315–103.

(665) To appropriate $6.8 billion for foreign aid programs, international financial institutions, and State Department operations (conference report). Y(1–3–0), Passed, 229–195.

(666) To allow the president to waive the prohibition of direct aid to Mozambique and Angola under certain conditions. Y(1–2–1) Failed, 188–219.

(667) To strike from a House-passed bill restriction reducing aid to the Philippines. N(2–1–1) Failed, 160–254.

(669) To consider (adopt rule) Energy Transportation Security Act. N(0–4–0) Passed, 249–167.

(670) To define as "fair and reasonable rates" in Cargo Preference Bill as those no more than 50% higher than world market rates for carrying oil. Y(4–0–0) Passed, 253–167.

*(671) Final passage, Cargo Preference Bill, which would require that U.S.-flag ships carry 9.5% of imported oil by 1982. N(0–4–0) Failed, 165–257.

(672) To provide $9.1 million to build model intercultural centers at Georgetown and Tufts universities. Y(1–3–0) Passed, 215–202.

*(673) To delete language which would prohibit spending appropriated funds for the Clinch River Breeder Reactor project unless authorization bill was enacted. N(3–1–0) Passed, 252–165.

(674) To instruct conferees on Legal Services Corp. Act amendments to insist on prohibiting LSC-paid lawyers from handling cases on the desegregation of any elementary or secondary school or school system. N(3–1–0) Passed, 230–186.

*(676) Minimum Wage: To adopt conference report to increase minimum wage in steps to $3.35 by 1981. Y(1–3–0) Passed, 236–187.

(677) To authorize $6.2 billion for civilian energy research and development programs. Y(4–0–0) Passed, 366–52.

(678) To increase supplemental appropriations for Small Business Administration disaster loans by $675 million. (3–1–0) Passed, 318–102.

(679) To end debate on adding $1.4 billion for B–1 bomber in Supplemental Appropriations bill. Y(4–0–0) Passed, 212–187.

(680) Motion that the Committee rise from consideration of Supplemental Appropriations. Y(1–3–0) Failed, 190–215.

(681) To add $1.4 billion to supplemental appropriations for production of five B–1 bombers. N(3–1–0) Failed, 194–204.

(682) Motion that the Committee rise from consideration of Supplemental Appropriations bill. N(3–0–1) Failed, 69–205.

(684) To order a second to a motion to suspend the rules and pass H.R. 7442, Utility Pole Attachments. Y(4–0–0) Passed, 389–7.

(685) To permit expenditure of up to $30 million per year for three years to acquire more land for the Appalachian Trail. Y(2–2–0) Passed, 409–12.

(686) To make it a federal offense to use children under age 16 in the production of pornographic materials, with penalties up to 10 years in prison, a $10,000 fine, or both. Y(4–0–0) Passed, 420–0.

(687) To permit accredited law school libraries to serve as depositories of government publications. Y(2–2–0) Passed, 397–20.

*(688) To extend the effective date of several provisions of the Tax Reform Act of 1976. Y(4–0–0) Passed, 411–5.

(689) To authorize acquiring suitable U.S. built mariner-class vessels in exchange for vessels in the National Defense Reserve Fleet that are scheduled for scrapping. Y(4–0–0) Passed, 412–3.

(690) To increase from 50% to 80% the federal contribution for operating expenses of commuter rail services that have been adversely affected by the Regional Rail Reorganization Act. Y(2–2–0) Passed, 308–106.

(691) To implement treaties with Mexico and Canada to permit transfer of convicted prisoners. Y(4–0–0) Passed, 400–15.

(692) To instruct House conferees to agree with Senate provisions that imposed criminal penalties for the transportation, sale, or distribution of pornographic material depicting children. Y(4–0–0) Passed, 358–54.

(693) To provide $7.2 billion supplemental budget authority for various departments and programs, including $4.5 billion for EPA construction grants, $1.4 billion for SBA disaster loans, and $80 million for Clinch River Breeder Reactor. Y(3–1–0) Passed, 313–98.

(694) To authorize $253.6 million for Environmental Protection Agency research and development programs. Y(2–2–0) Passed, 343–19.

(696) To consider (adopt rule) Social Security Financing Amendments. Y(2–2–0) Passed, 265–153.

*(697) Social Security: To delete provision requiring mandatory social security coverage of federal, state, and local government employees, etc. and instead require a feasibility study of universal coverage. Y(3–1–0) Passed, 386–38.

(698) Social Security: To affirm the action taken on the previous vote. Y(3–1–0) Passed, 380–39.

*(699) Social Security: To raise social security payroll tax rates faster than the bill required in order to permit more gradual increases in the taxable wage base. N(1–3–0) Failed, 136–281.

*(700) Social Security: To delete provision granting the Social Security System standby authority to borrow from the federal general revenues whenever trust fund reserves drop below 25% of annual outgo. N(3–1–0) Failed, 196–221.

(701) Social Security: To eliminate the minimum benefit from the social security program. N(3–1–0) Failed, 131–271.

(703) Social Security: To resolve into Committee of the Whole House for consideration of H.R. 9346. Y(4–0–0) Passed, 405–3.

*(704) Social Security: To phase out outside earnings ceiling (the maximum annual wage that a beneficiary age 65 to 72 may earn without losing any benefits) by 1982. N(3–1–0) Passed, 268–149.

*(705) Social Security: Motion to recommit with instructions to mandate social security coverage for federal employees. N(3–1–0) Failed, 57–363.

*(706) Social Security: Final passage, to raise social security payroll taxes by increasing the taxable wage base for employers and employees, beginning in 1978, and increasing employer and employee tax rates, beginning in 1981. Y(1–3–0) Passed, 275–146.

(707) To adopt conference report to transfer administration of coal and non-coal mining health and safety programs from Interior Department to the Labor Department. Y(1–3–0) Passed, 376–35.

(708) To adopt conference report, extending the Summer Food Program through FY 1982 and revising it in order to control fraud and abuse. Y(4–0–0) Passed, 386–17.

(709) To authorize the Speaker of the House to devise and implement a system for closed circuit broadcasting of House floor proceedings to offices and committees. Y(3–1–0) Passed, 342–44.

(710) To consider (adopt rule) Bankruptcy Law Revision. (4–0–0) Passed, 358–11.

(711) To resolve into Committee of the Whole House to consider Bankruptcy Law Revision. (4–0–0) Passed, 329–2.

(712) To delete provisions of Bankruptcy Law Revision which would establish an independent bankruptcy court system. Y(2–2–0) Passed, 183–158.

(713) Motion that the committee rise from consideration of Bankruptcy Law Revision. Y(3–0–1) Passed, 268–62

(716) To make domestic raisins subject to the federal marketing order. Y(4–0–0) Passed, 396–7.

(717) To extend Regulation Q through Dec. 15, 1978, set guidelines of the Federal Reserve Board to follow in determining monetary policy, and so forth. Y(4–0–0) Passed, 395–3.

(718) To extend until April 30, 1978, Federal Reserve Bank authority to purchase U.S. obligations of up to $5 billion directly from the Treasury. Y(4–0–0) Passed, 388–14.

(719) To extend the Select Committee on Ethics until the end of the 95th Congress, or completion of its official business. Y(4–0–0) Passed, 385–22.

(720) To express the sense of the House that the Government of Korea should extend full and unlimited cooperation to the House investigation of whether Members of the House accepted anything of value from the Korean Government or its agents. Y(4–0–0) Passed, 407–0.

(721) To denounce acts by the Government of South Africa which suppress expression and violate individual human rights. Y(2–2–0) Passed, 347–54.

(722) To recommit conference report on Maritime Authorization with instructions to insist that anti-rebate provisions take effect immediately instead of eight months after enactment. N(2–2–0) Failed, 166–231.

(723) To expedite EPA's registration and reregistration of pesticides. Y(4–0–0) Passed, 368–21.

(725) To second motion to suspend rules and pass Congressional Salary Deferral. Y(1–3–0) Failed, 167–233.

(726) To uphold religious right to refrain from joining unions. Y(4–0–0) Passed, 400–7.

(727) To increase the interest rates charged by Small Business Administration (SBA) from 3% to 5% on disaster loans between $40,000 and $250,000. (Two-thirds required). Y(3–0–1) Failed, 234–170.

(728) To make employees of House Beauty Shop eligible for employee benefits. Y(1–2–1) Passed, 273–131.

(729) To express the sense of the House that the president should appoint a 15-member Commission on World Hunger. Y(1–2–1) Passed, 364–38.

(731) To permit the District of Columbia government to disburse the proceeds of revenue bonds to private colleges and universities in D.C. Y(4–0–0) Passed, 403–0.

(732) To adopt conference report authorizing $2.6 billion for ERDA's nuclear weapons programs. Y(4–0–0) Passed, 336–69.

(734) To prohibit Overseas Private Investment Corp. from making any loans or guaranteeing or insuring any borrowings of the National Finance Corp. of Panama without prior congressional approval. N(3–1–0) Failed, 188–215.

(736) To require that at least 50% of all Overseas Private Investment Corp. insurance, reinsurance, guarantees and financing activities go to U.S. small business. Passed, 285–111.

(738) To adopt rule on Labor-HEW Appropriations. Y(3–1–0) Passed, 361–9.

(739) To concur in Senate compromise abortion language. Y(1–2–1) Failed, 172–193.

(740) To consider (adopt rule) Continuing Appropriations for FY 1978. NV(2–0–2) Passed, 344–5.

(742) To approve journal of Nov. 3 proceedings. NV(2–0–2) Passed, 284–14.

(747) To authorize $325 million (5 years) to help state and local educational agencies provide career education programs in elementary and secondary schools. Y(4–0–0) Passed, 372–20.

(748) To resolve into Committee of the Whole House to consider H. Res. 827, Disapproving Reorganization Plan No. 2. Y(4–0–0) Passed, 387–2.

(749) To disapprove plan to consolidate U.S. Information Agency and Bureau of Educational and Cultural Affairs into a new International Communications Agency. N(0–4–0) Failed, 34–357.

*(751) To concur in Senate compromise abortion language. Y(1–3–0) Failed, 183–205.

(753) To close debate and prohibit amendments on a motion to recommit Supplemental Appropriations bill to conference. NV (3–0–1) Failed, 125–270.

(754) To recommit Supplemental Appropriations to conference with instructions to increase funding for Amtrak to $18 million. Y(1–3–0) Passed, 256–141.

(755) To affirm the vote on Amtrak appropriations. Y(1–3–0) Passed, 258–138.

(756) To order the previous question, thereby closing debate and barring amendments to a motion to instruct conferees on Social Security Financing Amendments. Y(2–2–0) Passed, 214–181.

(757) To instruct conferees to insist on phasing out the outside earning provisions of Social Security Financing Amendments by 1982. N(2–2–0) Failed, 183–209.

(759) To provide an additional $10,000 in FY 1977 for foreign travel on official business relating to the investigation of Korean-American relations. NV(3–0–1) Passed, 366–2.

(761) To express sense of Congress that any national health planning guidelines should recognize and take into account the special problems of rural health care, to assure quality health care for rural residents. Y(4–0–0) Passed, 357–77.

(762) To consider (adopt rule) Continuing Appropriations for FY 1978. Passed, 331–21.

(763) To further limit abortion language already voted on by limiting federal funds for abortions to only "forced rapes," and to incest and rape which has been "promptly reported." Y(1–3–0) Failed, 170–200.

(764) To concur to a Senate amendment to conference report, Supplemental Appropriations, to provide $200 million for the Services Administration's Crisis Intervention Program. Y(1–3–0) Passed, 182–181.

(765) To concur in a Senate amendment to rescind $462 million for production of two B–1 bombers. Y(1–3–0) Failed, 166–191.

(767) To adopt conference report on H.R. 9418, which repealed an existing requirement that medical schools had to reserve positions in their third year classes for ratios of Americans study in medical schools abroad. Y(4–0–0) Passed, 344–0.

(768) To extend Legal Services Corporation for three years Y(2–2–0) Passed, 236–110.

(769) To consider (adopt rule) Continuing Appropriations for FY 1978 Y(3–1–0) Passed, 251–86.

(770) To concur in Senate compromise language on abortion requiring that rape and incest be "reported promptly" to qualify as exception to prohibition of federal funds for abortion. Y(1–3–0) Failed, 171–178.

(771) To consider (adopt rule) ERDA Civilian Authorization for FY 1978. Y(4–0–0) Passed, 329–18.

(772) To adopt conference report, authorizing $64 million for operations of the Securities and Exchange Commission. Y(4–0–0) Passed, 348–2.

(773) To adopt conference report making it illegal for a SEC-registered corporation or other domestic concern to bribe a foreign official, etc. Y(4–0–0) Passed, 349–0.

(774) To consider (adopt rule) Continuing Appropriations for FY 1978 Y(2–2–0) Passed, 240–109.

(775) To amend compromise abortion language so the final version stipulated that exceptions permitted federally funded abortions only for cases where childbirth would cause a woman "severe and long-lasting" health damage "when so determined by two physicians," and for "medical procedures necessary for the victims of rape and incest, when such rape and incest have been reported promptly to a law enforcement agency or public health service." Y(1–3–0) Passed, 181–167.

(776) To approve the journal of Dec. 7 proceedings. NV(3–0–1) Passed, 284–14.

(777) To adopt rule conference report on Clean Water Act. Y(4–0–0) Passed, 326–6.

(778) To adopt conference report on Clean Water Act, authorizing $25.7 billion, including $24.5 billion for sewage treatment construction grants for FY 1978 through 1982. NV(3–0–1) Passed, 346–2.

(780) To adopt rule on conference report, Social Security Financing Amendments. NV(0–3–1) Passed, 178–175.

(782) To adopt conference report, Social Security Financing Amendments. The bill raised social security payroll taxes by increasing the rates and taxable wage base for both employers and employees, beginning in 1979. It also stabilized the system's benefits structure, provided equal treatment for women, and increased the outside earnings ceiling in steps to $6,000 by 1982. NV(0–3–1) Passed, 189–163.

F–15 FIGHTER PLANES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. WOLFF. Mr. Speaker, as many Members of the House are aware, I intend to offer a resolution of disapproval to the proposed sale of the 60 F–15 fighter planes to Saudi Arabia. I believe that our Nation has a primary interest in preserving the peace in the Middle East, and I have grave doubts that this sale would either promote that interest or is necessary for the security of Saudi Arabia.

I would like today to insert into the RECORD for the benefit of my colleagues correspondence which I recently received from the AFL–CIO Executive Council. I believe that this statement concisely sets forth the legitimate concerns about the warplane sale to Saudi Arabia and am hopeful that the Members of the House will carefully consider it as they review the request for the F–15 sale:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON ISRAEL AND THE MIDDLE EAST

The AFL–CIO welcomes the recent peace initiatives in the Middle East precisely because they open the door to direct negotiations between Israel and the Arab states without absolute preconditions. Only such face-to-face negotiations offer the prospect of real and lasting peace in the region.

In our view, the proper role of the United States is to facilitate and encourage these direct exchanges, not to formulate the negotiating positions of either side or to take a stand on the substance of the issues to be negotiated. It is as a mediator, not as a disputant, that the United States has been accepted by the concerned parties and can be most effective.

It is not the proper role of the United States to pressure Israel, our long-time ally and still the only democratic state in the Middle East. Unreciprocated bargaining concessions may jeopardize its national security. Decisions affecting the very existence of the Israeli state can be made only by Israelis. And we do well to remember that Israel is the only state in the Middle East whose national existence has been threatened.

The AFL–CIO calls upon the Administration to reconsider the projected sale of sixty F–15 fighters to Saudi Arabia and of fifty-nine F–5E fighters to Egypt. We understand the arguments of those who hope that such sales will increase our government's influence on the Arabs and, hence, our ability to help sustain the present peace momentum. But we are not persuaded that in the long run the cause of peace will be advanced by supplying sophisticated arms to nations that have more than once launched attacks on Israel, seeking its destruction, except in the context of a settlement which effectively secures the peace. Neither are we persuaded that there is anything "even-handed" about withholding arms from Israel in an effort to force it into concessions.

Of course, good faith negotiations will require mutual accommodations and concessions to secure an enduring peace. But the history of past attacks and threats against the survival of Israel argue strongly against concessions that place Israel's security in jeopardy. This is, after all, the heart of the problem in the Middle East, and it ought not be approached by coercive pressure on Israel through manipulative arms deals.

TIM CLEARY AND THE DRIVE FOR WORKER SAFETY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. DRINAN. Mr. Speaker, President Carter has made it abundantly clear that his administration is committed to pro-

viding on-the-job safety for American working men and women. One example of that commitment was the President's appointment last August of Tim Cleary as Chairman of the Occupational Safety and Health Review Commission. I would like to share with my colleagues an article from the January 1978 issue of Job Safety and Health Magazine in which Mr. Cleary explains how he views his new role and why we need vigorous worker safety enforcement efforts. The article follows:

[From Job Safety & Health Magazine, January 1978]

CHARTING NEW COURSES AT THE REVIEW COMMISSION

(By Don Barnes)

Nobody can call Tim Cleary the new kid on the block. The newly-appointed chairman of the Occupational Safety and Health Review Commission has seniority on just about everyone who's professionally associated with the agency that to date has ruled on more than 22,000 contested citations—many of them precedent setting, almost all of them leaving someone unhappy.

The Commission, with its stormy history of finding some of the stickiest issues to pop up under the OSHACT, is familiar turf to Cleary. He was its first chief counsel, and in 1973 he was appointed for a 6-year term to the 3-member, adjudicatory body. He was named chairman in August, 1977, by President Carter.

If anybody has explored all the little nooks and crannies of the commission's first 7 years, Cleary has. He knows, as they say, where all the landmines are planted. But he hasn't been averse to setting off a bomb or two of his own. As a commissioner he established a reputation of independence and tough-mindedness at a time when the Commission was trying to weather considerable outside criticism and more than a few internal storms of dissent, including a lawsuit filed by one commissioner against the other two members.

Cleary is also personally acquainted with the on-the-job perils of several hazardous occupations. The son of Irish parents, he studied for the priesthood before deciding to become a lawyer, working his way through college as a construction laborer, railroad brakeman, and as a policeman. He received his B.S. and law degrees from Fordham University.

The new commission chairman has strong views about the legislation that occupies most of his time. He considers the OSHAct "the most advanced piece of remedial legislation ever enacted on behalf of the working men and women of this country, because it literally deals with life and death issues."

"It is remedial," he explains, "in the sense that it represents an attempt to remedy a social ill." Some of the critics of the Act don't seem to understand this, Cleary says, and as a result "spend too much time complaining about regulations relating to split toilet seats and jiffy johns in the field."

"I'd like to see more concern from these critics," Cleary says, "about the cases that come across my desk involving workers who were crushed to death in trench cave-ins or who were killed or maimed as the result of falls from unguarded perimeters."

As to charges that he is "labor's man" on the Commission, Cleary says he pleads guilty to a sensitivity to the plight of men and women who work in hazardous occupations, but that he's his own man, nobody else's.

He remembers that when he was a boy the state in which he lived hired a man in a boat to sit under bridge construction sites to fish workers out of the river when they fell in. "Most of the time he was fishing out bodies," Cleary recalls. "Not many of the workers survived such a fall."

These memories, plus his own work experience in hazardous jobs, make him "pro-safety and health," he admits. But he eschews labels such as "radical, liberal, and conservative" as being, essentially, the easy way out—a sort of civilized form of name calling. "Over the years I've learned that nothing's clearly black or white," he says.

Cleary considers himself first and foremost an objective jurist with a profound interest in achieving a fair and just settlement of contested citations that come before the Commission. Secondly, he considers himself a strong advocate of upholding the spirit and letter of the OSHACT, which he describes as a "revolutionary piece of legislation that was long overdue to protect the American worker."

If he brings a bias to his job it is a "legal bias," not a personal one, he explains. While he believes that the law should be interpreted as broadly as possible so as to offer the greatest protection to imperiled workers, he also is mindful of employers' rights under the law, he assures.

Critics of Cleary's record as a commissioner say he sided too often with employees, that he didn't consider as he should the economic ramifications of his decisions.

He answers that accusation this way: "I've always tried to rule on the basis of the facts before me, and that includes giving some weight to the economic impact any decisions might have. But economic considerations were not—and should not be—guiding principles of law in deciding contested citations."

"After all, the law is designed to protect workers from hazards on the job," he says. "It is not designed to save employers money—although, as I have said, this is a secondary objective in our deliberations on the Commission."

On the broader issue of the country's current economic status, Cleary says "the worst thing that has happened to the OSHACT is the economic condition of the country." But, he stresses, "the Commission cannot overlook the purposes of the Act, no matter the economic conditions of the country."

Nonetheless, he believes there should be some type of tax incentive for employers who put out large amounts of money in an effort to make their workplaces safe and healthful.

These are the larger, philosophical issues that have to be resolved outside the Commission. Cleary has some problems nearer at hand that he wants to make a dent in.

PROCEDURES

Chief among these is the problem of how to find a quicker and more efficient procedure for hearing and deciding contested citations. Cleary has a plan in mind by which he hopes to streamline the procedures for processing and adjudication.

Briefly, here's a description of the Commission and how a contested citation reaches its members for full deliberation.

The Commission is a quasi-judicial agency, entirely separate from the Occupational Safety and Health Administration, which rules on those cases where employees decide to contest an OSHA citation. One of the Commission's 45 administrative law judges (ALJ) initially hears the case and makes a ruling.

Then, any of the three commissioners, or any of the parties involved, may call the ALJ's decision for review by the full Commission. The Commission's decision can be appealed to one of the 10 U.S. Circuit Courts of Appeals, and if the case is important enough it even could go to the Supreme Court.

How long does a case normally take? That depends on a number of factors. A case usually takes about 285 days from start to finish if it is resolved at the administrative law judge's level, which is where the majority of the cases are settled.

If, however, the case comes before the Commission for a full hearing, it usually takes more than 600 days from beginning to end. Cleary notes that fewer than 18 percent of all cases ever reach the Commission.

A great number of cases—maybe as many as 50 percent—do not require a decision by the ALJ because they are settled at the initial hearing stage. This usually takes about 130 days.

It is therefore advantageous, Cleary points out, for settlement at this stage if at all possible. But for those cases where it is not, these are some of the things the new chairman would like to do, in his own words, to provide speedier and fair proceedings:

"Formal procedures should not be followed in every case contested before the Commission. By formal I mean the potpourri that we now have combining the formal adjudication requirements of the Administrative Procedure Act, the Federal Rules of Civil Procedure, and the Federal Rules of Evidence.

"The Commission has for years now toyed with various means and pressures to reduce the elapsed time in processing cases. These have been laudable, but really do not go to the nub of the problem. Due process does not have to be excessively rigid. It is not a form of legal rigor mortis. There should have been a quicker resolution of the easy issues, and more time could have been given to the hard issues.

"I believe that at least two procedures are needed. First, a procedure for the hard cases, requiring time for full discovery, extensive testimony of competing experts, and perhaps copious documentary evidence. These may be cases involving noise control, carcinogenic agents or safety cases having complicated fact situations.

"The second, or simplified, informal procedure is needed for simple cases in which the issues are clearly defined and the operative facts are uncomplicated. These are sometimes called the 'nickel and dime' cases even in the age of inflation.

". . . In order to appreciate the new rules that I intend to propose for informal proceedings, let me summarize our current rules I would propose be continued for fully formal proceedings.

"The commission's jurisdiction in a safety case is invoked when an employer contests an OSHA citation alleging violation of a statutory duty, usually a breach of a specific regulation. All cases are handled by the rules published in Part 2200 of Title 29 CFR. These are formal adjudicative provisions of the Administrative Procedure Act (5 U.S.C. sections 556 and 557) with some additional trappings, such as most of the Federal Rules of Civil Procedure.

Upon receipt of an employer's notice of contest, the Secretary of Labor immediately advises the Commission, which dockets the case and notifies all parties. Within 20 days of receiving the notice, the Secretary must file the complaint containing his allegations. The employer then has 15 days to answer. Any allegations not denied are deemed admitted.

"After the Commission dockets a case, the parties will be notified of the time and place of a hearing before a Commission ALJ. A prehearing conference may or may not be held. There are usually some settlement efforts, and there is a growing use of discovery, which may in part be attributable to some divided Commission decisions placing heavy burdens of proof on the Secretary of Labor.

"As for discovery, requests for admissions can be filed as a matter of right. However, discovery depositions and interrogatories are not allowed except by an order of the ALJ or Commission, but such an order is commonly issued.

"The subpoenas may also be obtained subject to a motion to quash. After the filing of pleadings, the pre-hearing conferences, and completion of discovery procedures, the ALJ assigned to hear the case issues a notice of hearing.

"Any hearing is held as close as practical to the scene of the alleged violation. There is a plain sense of venue.

"Because of the trappings that I have mentioned, the hearings resemble routine trials in the Federal District Courts. In fact, our hearings are as close as you can get to a civil trial in a Federal District Court.

"Upon conclusion of the hearings, the parties may, of course, submit proposed findings of fact and conclusions of law and supporting briefs.

"The judge then issues his decision, consisting of his findings of fact, conclusions of law, and his order affirming, modifying or vacating the citation or proposed civil penalty or directing other appropriate relief. The judge's decision must include the reasons or bases for his disposition and subsidiary findings of fact must be made if they are crucial to the resolution of broader factual issues.

"ADJUDICATION

"The procedures no doubt provide for a fair and impartial hearing. But there is no balance between the need for procedural due process and the need for the swift adjudication that Congress plainly contemplated. Too often the work being done and alleged to be hazardous is completed, or almost completed, before the adjudication is completed.

"Safety compliance must be timely. Safety adjudication should be timely to be most effective. We are not just paper-shuffling. We are deciding cases involving allegations in which human beings just like us, maybe with families, may be electrocuted, crushed, burned, or diseased in some way, in the course of the job.

"Simple cases, involving uncomplicated facts such as in a question of penalty assessment, should be handled more swiftly. I intend to revive a proposal for informal adjudication that I initiated which has lain dormant for some 3-to-4 years. Section 10(c) of the Act provides, '. . . the Commission shall afford an opportunity for a hearing (in accordance with Section 554 of Title 5, United States Code . . .' Whether or not a contesting party desires a formal proceeding pursuant to the Administrative Procedure Act is discretionary. Under my proposal, the parties would be encouraged to waive rights to a full formal hearing. Under the proposal, the informal procedure would differ from existing procedure in the following ways:

All pleadings would be oral rather than written and would be stated at the beginning of conference-hearing.

The use of a verbatim transcript would be optional. A summary of evidence, made by the judge, could be used in lieu of a transcript.

The judge's decision would be issued promptly after the end of the proceedings.

The filing of proposed findings of fact and conclusions of law would be waived.

"I stress that informal hearing procedures would apply only when all parties had waived their rights to a hearing under Part 2200 29 CFR of the Commission's Rules of Procedure. The contesting party would waive the right to a formal hearing either in the notice of contest or by later filing a notice of waiver directly with the Commission's Executive Secretary.

"If a party files a waiver notice, any other party would be deemed to have waived the right to a formal hearing unless the party files a written intention not to waive this right.

"Parenthetically, I note that the cost of litigating would be reduced in many cases by having no transcript. Legal fees are something else. The litigant may want legal counsel in deciding whether to go the formal or informal route.

"Relevant evidence would be offered, and the parties could submit to a disposition based upon an agreed statement of facts or could agree to admit as evidence any information regardless of its form or the manner in which it is submitted.

"I envision that parties would cross-examine and be given a reasonable opportunity to present oral arguments, unless the right were waived. Upon agreement, the parties could accept a summary of the oral testimony that would be made by the ALJ.

"I believe that these changes in the adjudicative procedures under the Act can hasten decisions that are crucial to the goal of occupational safety and health. Adjudication would also be less costly and therefore attractive to small employers and employees alike. I do not want OSHA adjudication to plod along in the same old way, tied to procedures that can take over a year to resolve even a simple trench shoring violation. As one Court of Appeals suggested, the Government should also straighten its own trenches. The need for swifter rulings is too pressing to be ignored any longer. 'Justice delayed is justice denied' is the appropriate aphorism."

The proposals described by Cleary do not reflect his thinking alone. They are the product of a team effort, he explained. Several years ago an internal committee was formed to study ways of speeding up the Commission's procedures. According to Cleary, the recommendations he is making reflect the conclusions of a great number of people, as well as his own. The committee was comprised of an administrative law judge, the executive secretary of the Commission, and an attorney from each commissioner's office. Much time and effort went into development of these proposals, Cleary adds.

Proposed rule-making for the recommendations for expedited procedure in certain cases will follow normal channels, explains Cleary. The first step will be an advance notice of proposed rule-making, which he hopes to make as quickly as possible.

But Cleary doesn't want to act on an issue as important as expedited procedure until a third member is named to the Commission. The Commission has been operating with only two commissioners since April 28, 1977, when the term of Robert Moran expired.

Contrary to some popular impressions, Cleary says, "this two-member commission is not always Janus-faced, with one face in front and the other at back."

Cleary says he and Commissioner Frank Barnako "usually look in the same direction," estimating that they vote together "at least two-thirds of the time."

"It is for this reason," Cleary says, "that the appointment of any third member would not result in anything like a Jacobin Tribunal ruling on K Street. Predominant voting patterns will probably continue."

Cleary explains that there are "significant gray areas" where he and Barnako have been divided, however. "These are the areas where the voting of a third member obviously would have the greatest impact." Chief among such areas, Cleary says, are these:

Whether the Labor Secretary must shoulder the burden of proving knowledge in both "nonserious" cases and "serious" cases.

How much latitude should be allowed the Secretary in the amendment of citations through pleadings or motions filed subsequent to the pleadings—citing with "particularly?"

What does the term "repeatedly" mean in connection with "repeated" violations?

Can unions as a matter of right participate fully in OSHA cases on all issues, including settlements?

What is "adequate notice" on a corporate employer?

What does the term "feasible" mean in the noise standard and other standards that similarly require "feasible" engineering controls?

What are the powers, if any, of the Commission to review the validity of standards, the adoption procedure, or constitutional vagueness?

On what grounds should there be reversal of an administrative law judge's credibility findings?

Nobody can foresee how these issues finally will be resolved, Cleary admits, adding that he sees "little to be gained in speculation on the outcome."

Cleary believes that the Commission has progressed from "adolescence to a state of maturity." He certainly intends to make some changes, as might be expected from any new appointee to a regulatory agency, but he assures that such changes will be accompanied by "an adherence to concepts of fundamental fairness for the litigants, combined with a good faith effort to carry out the congressional purposes of the Occupational Safety and Health Act."

The growth of the Commission is testimony to the important role it plays in resolving complicated issues posed by contested citations. In its brief, lively history, the Commission staff has grown in proportion to its caseload, which in 1976 numbered more than 5,000.

Now, more than 170 employees are assigned to the Commission, which by November, 1977, already had docketed almost 4,000 cases.

Cleary remembers when the Commission existed largely on paper, when he and the other early employees sat in unfurnished offices waiting for the carpenters to put up room dividers.

Now, he waits for the next hot potato to be dropped in the Commission's lap. But he wouldn't have it any other way. Cleary is a man who obviously relishes being where the action is.

EULOGY OF DENTON FLY

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. JONES of Tennessee. Mr. Speaker, I recently attended a sad occasion in my district. It was the funeral of a very close friend and dedicated human being. He was Mr. Denton Fly, a farmer and civil leader in Gibson County, Tenn., which is my home county. I cannot begin to do justice to all of the accomplishments he achieved in his lifetime, because those achievements were dedicated not to himself, but to others that he came into contact with. However, the best eulogy I have read or heard concerning this man was written in his hometown newspaper, the Milan Mirror. I want to take this opportunity to share with my colleagues the kind and beautiful words written by the paper's editor, Bob Parkins:

EULOGY OF DENTON FLY

Once there was a man who stood as a "Cedar of Lebanon" and whose life branched out to touch thousands of others. A tower of strength, he enjoyed a vacation every day with his work. Seemingly hard as an oak on the outside, he was as tender as a lamb on the inside. Difficult to understand at times, he was a man of vision and inspiration. He was a builder, who toiled endlessly not to reap benefits for himself, but for others.

There were times when you wanted to get angry with him but more times when you appreciated him for what he was and stood for. We could doubt some of his decisions, but we could never deny his good deeds nor his outstanding work.

Denton Fly was a credit to God and humanity. We never told him that and for our shortcomings, we are sorry. We never told him because he was the kind of man that would hardly give you the opportunity to heap praises upon him. He kept the door ajar just enough to command love and respect. That's as close as we could ever get.

But without his deep understanding, patience, tolerance, and foresight, there never would have been a Milan Mirror. He allowed us to pursue it while continuing our duties at the dairy. At times, we suggested giving it up, but he always said, "No, you have those children coming on, I wouldn't do that . . ."

He always instilled in us the importance of a man's shadow being worth the next best thing to a man's presence. He was a driver, but he didn't drive men. He led them.

During his lifetime, he employed thousands of people and the majority were influenced by his lifestyle, his character, and his success, both materially and spiritually.

A tree, a Cedar, has truly fallen, but its "shadow" will continue to cast encouragement and hope for generations to come. And because of his foundation which he built by digging it out of the dirt with his own hands, we and others will press on, even harder.

A man's body dies, but his spirit lives on.

INVESTMENT TAX CREDIT SHOULD BE APPLIED FAIRLY

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. KELLY. Mr. Speaker, the Internal Revenue Service has ruled recently that the investment tax credit is not available for the construction of greenhouses for commercial plant propagation. Everyone is committed to the principle that the tax codes should be applied in a fair and reasonable way. But greenhouse operators do not get the same tax treatment as other types of farm investments.

Today I am introducing legislation to correct this obvious inequity. Investment tax credits are available on the purchase of equipment that is part of the production process but not for structures that merely house the means of production. Greenhouses constitute an essential and integral part of the production process. This view was upheld by the U.S. Circuit Court of Appeals for the Ninth Circuit in 1974.

The IRS has ruled that similar facilities for raising chickens and hogs, and for aging liquor, qualify for the credit. There is no rational basis for distinction between these types of facilities and greenhouses.

The purpose of the investment tax credit is to increase the national productive capacity and to create jobs. Greenhouses meet both these requirements. Congress should not delay in enacting this legislation.

ADDITIONAL REMARKS IN SUPPORT OF THE CAVANAUGH AMENDMENT TO H.R. 9214—IMF SUPPLEMENTAL FINANCING FACILITY

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. CAVANAUGH. Mr. Speaker, last Thursday the House accepted by voice vote an amendment to H.R. 9214 which seeks to assure an equitable treatment to all creditors by those using the supplemental funds of the IMF. Today I would like to add the case of Pakistan to the supportive material which explains the need for this amendment.

The Pakistan case is a telling illustration of the need for this amendment. Because Pakistan is not regarded as one of the more credit-worthy borrowers, banks are reluctant to extend long-term credits to the country and prefer, as in many similar cases, to exend credits through the local banks. The notion that short-term credits are safer for the lending banks is false when, as in the case of Pakistan, they create an insupportable debt burden for the borrowing country in the near-term.

Of course, the banks assume that, given the small size of their public debt in relation to that of higher income developing countries, the poorer countries can and will be taken care of by their public creditors. Thus, with respect to the poorer countries, rescheduling by public creditors is unquestionably a bailout. Moreover, if such a country is permitted to reschedule its debts only with public creditors, it is likely to pay off the private credits due this year, roll them over to the next year and, as they fall due again, seek to repeat the process.

This pattern has already been established. Of the 21 banks which the Federal Reserve Board surveyed for the Senate Subcommittee on Multinational Corporations and the House Banking Committee, only the top six banks had outstanding loans to Pakistan. Between December 1975 and September 1976 their loans dropped from $54 million to $6 million. Undoubtedly these were short-term loans repaid in 1976 and reextended, with additional credits in 1977. It is probable that the $60 million of credits outstanding in June 1977 were loaned to Pakistan by these same six banks—Bank of America, Citibank, Chase Manhattan, Manufacturers Hanover Trust, Morgan Guaranty and Chemical Bank—and that they made the bulk of reported commitments to lend $44 million to the Government of Pakistan and $158 million to banks and other private borrowers in that country. It is also probable that Pakistan is now unable to meet its short-term obligations to these banks and, rather than ask the banks to reschedule their loans by lengthening their maturity, has decided to ask for a rescheduling by its public creditors rather than risk the possibility that the $200 million of bank commitments would be jeopardized.

Since it is the short-term private bank credits which appear to have created the debt-service problem for Pakistan, the banks should be required to undertake their share in a rescheduling of Pakistan's debt. If they are not, the problem will not be resolved—only postponed for a year. If only Pakistan's public loans are rescheduled and its short-term bank debts paid off, it will borrow more short-term funds from private banks which will need to be repaid the following year. When these new bank loans come due, in 1979, Pakistan's public creditors will be asked to extend new loans to pay off the banks since rescheduling will no longer be an option. The only option will be a default.

As the Pakistan case demonstrates, this amendment will, if adopted, make a major contribution to efforts to deal with the debt problems created by the sizable balance of payments deficits of the last several years. Since these deficits are likely to continue, any program designed to ease adjustment should take into consideration all relevant factors. The requirement to repay short-term commercial bank loans is such a factor. Extending the maturity of these short-term credits will benefit the country involved reduce pressure on its public creditors and lessen its need for new loans merely to stay in place. It will also benefit the private bank creditors since a rescheduling of their loans at the beginning of an adjustment effort is preferable to an increasing likelihood of default if loans continue to be rolled over on a short-term basis.

CONGRESSIONAL MINORITY IN PARAGUAY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. COLLINS of Texas. Mr. Speaker, Paraguay again provides a good example for the Americans in their system of representation of the minority in Congress. In the election that was completed this month, the minority party received only 14 percent of the total vote. Yet, in Paraguay their constitution provides that the minority be given 33 percent of their congressional seats. Only 14 percent of the people vote for the minority party. Yet, the Colorado party, which received the great majority of 86 percent, gives 33 percent of the congressional seats to representatives of the minorities. Compare what we do in the United States. The Republicans get 44 percent of the popular vote but they only get 34 percent of the seats in Congress.

On my committee that has a staff of 32, the Democrats have 30 members of the staff and the Republicans are given two members of the staff.

In our great desire to develop human rights for the representation for the minorities, we would do well to look to the example of Paraguay. They go the extra mile in seeing that the minorities have fair and judicious representation in Paraguay's Halls of Congress.

LANCE RETAINS PRIVILEGES

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. BOB WILSON. Mr. Speaker, I herewith insert an article in the RECORD which was printed in the San Diego Union February 24, 1978:

OUSTED LANCE MORE "IN" THAN EVER

(By William Safire)

On the inside front cover of every black diplomatic passport is this bold statement: "The bearer is abroad on a diplomatic assignment for the government of the United States of America."

Of the 24,000 diplomatic passports issued since the beginning of the Carter administration, only 151 are made out to Americans who are private citizens. The State Department—untruthfully in my opinion—claims that no list of these 151 non-government "diplomats" exists. Therefore, the public has no way of finding out which friends of President Carter and Secretary of State Cyrus Vance get waved past the normal barriers and never have to suffer the indignity of having their baggage searched.

The holder of special-privilege passport X-000065 (in passperks as in license plates, low numbers are coveted) is the President's best friend, Bert Lance. He also has been issued a regular passport, which he may use, but the one that impresses his overseas contacts in the Arab world is X-000065, a status symbol that beats any private aircraft or limousine perks.

In our last installment on the adventures of the President's Best Friend, Bert was busily telephoning bankers to give them advance information about the President's choice for chairman of the Federal Reserve. The message was loud and clear: Bert was still "in," and the bank vice presidents testifying before a grand jury about unlawful loans had better remember it. (J. William Miller's nomination is now in doubt because his testimony on overseas payoffs is being contradicted. Bert may have another chance to call with a new name.)

In today's installment, the man with two passports is more "in" than ever. He has returned from London, Pakistan and the Middle East with the go-ahead from Agha Hasan Abedi, whose Bank of Credit and Commerce manages billions in Arab funds, to take control of Financial General Bankshares, which owns a dozen banks in the Washington, D.C., area.

This is a much bigger deal than selling a Georgia bank to the Arabs. Financial General is a $2.2 billion company, with banks in a market that serves congressmen, government officials, the top military and naval personnel—a bonanza for those who might want to influence our nation's opinion leaders and lawmakers. If I were a sheik, the advantages of knowing the intimate financial details of U.S. leaders' lives—and the ability to make loans or deny them—would impel me towards moving in on the Washington banks.

Old Bert—you have to give him credit, as Henry likes to say—takes care of his old friends. The local Washington agent Bert used to buy the stock (and who denied it all last week), is Eugene Metzger, once a lawyer for the comptroller of the currency. Judith Miller of the New York Times reported last week that Metzger had recently offered a job to Robert Bloom, the job-seeking Atlanta comptroller who suddenly removed embarrassing restraints from Bert Lance just before Mr. Carter appointed him. Bloom, who could be a witness against Lance, may soon owe his livelihood to him.

But what of the SEC, and its fearsome enforcement chief, Stanley Spokin—weren't its investigators swarming all over the Lance affairs? Well, you see, Bert is represented by Clark Clifford's law firm, which knows the power levers; next month, Lance will consent to a cease-and-desist order, which amounts to a light tap on the wrist. Like Victor Posner and David Begelman, he will have to pay back what he took in tax-free perks. Bert will agree only to refrain from taking a title, but he will not be denied the fun and profit of taking control of banks for his clients in the Mideast.

And that grand jury in Atlanta causes no fluttering at Butterfly Manna. The three Justice officials in charge of Lance case—Cono Namarotto, John Kenny, and Richard Beckler—have nobody to report to, and have let key statutes of limitations run out. They cannot but be influenced by pictures of the President with his best friend at an Atlanta Democratic fundraiser. They have mouths to feed, and getting tough on Bert is no way to get ahead at Justice.

That's why Jack Stephens, Mr. Carter's biggest fundraiser and the near-billionaire behind the attempt to take over the Washington banks for the Arab investors, has never been called to testify; nor have the banktician Butcher brothers of Tennessee. The bank that financed the Carter campaign, Atlanta's C and S, has skipped its dividend (as predicted here in November); its officers are counting on Bert's influence in Washington and Araby to bail them out of trouble.

Bert might just bring it off. Hail to thee X-000065—Piker thou never wert! Hang on to that diplomatic passport, take care of those prospective witnesses, use the President to impress the grand jurors and intimidate the prosecutor, tip off your banking cronies and dollar speculators with the inside poop from the Oval office—as the bumper stickers in Georgia say, "Nobody Drowned At the Calhoun Bank."

MILTON BERLE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. WAXMAN. Mr. Speaker, we often have occasion to record the accomplishments of public-spirited citizens who have benefited their communities with a wide variety of contributions. Now it is my privilege to ask the Members to join me in honoring a true citizen of the world—Milton Berle. Mr. Berle has shared with us great gifts of entertainment and laughter. His talents transcend the boundaries of language and country; he has bestowed upon us surcease from our worries. There is not a person anywhere who has had access to a theater, a radio, or a television set who has not been able to listen to or watch Milton Berle in at least one of the many facets of his genius, whether it be drama, comedy or his incomparable clowning.

It takes long experience for an actor to polish his abilities. Milton Berle started his career at the age of 5, making his screen debut as the child that Marie Dressler clutched to her heart in "Tillie's Punctured Romance." He appeared in more than 50 films during that silent picture era. By 1920 Milton had discovered his comedic ability and made his debut on the Broadway stage in a revival of "Floradora," as a member of the baby sextette. Since then his romance with every branch of show business has never flagged. His appearance in vaudeville at the famous Palace Theater in New York in 1931 broke all records. He went on to Earl Carroll's Vanities and the Ziegfeld Follies, which, as some of us are old enough to recall, represented the ne plus ultra for comedy performers.

With the coming of commercial radio, however, audience perimeters expanded to encompass the whole world. His debut with Rudy Vallee on "The Fleischmann Hour" in 1928 and his subsequent appearances on other national programs led to his own "Milton Berle Show."

It was Milton Berle who was the first to accept the challenge of television. He became that medium's first giant when on June 8, 1948, he launched the "Texaco Star Theatre," became "Uncle Miltie" and made the Tuesday night show a national institution.

It is impossible to list Mr. Berle's many programs, guest appearances, and films which have followed, but we must record the Emmy nomination for his fine dramatic performance in "Doyle Against the House," and his lifetime NBC contract, a most signal honor, presented to him for "putting television on the map." Milton is a songwriter, too, and a highly rated member of ASCAP, having had more than 400 songs published. His autobiography, published last year, has received excellent reviews. Shall we call him "Mr. Television?" "Mr. Entertainment?" "Mr. Showbusiness?" It does not matter. Milton Berle has carved niches for himself everywhere in the entertainment world, and we are all the happier for it.

Mr. Berle, his wife, Ruth, and son, Billy, are now residents of Beverly Hills. His daughter, Vicki, has twice made him a grandfatner. They will be joining us and the rest of Milton Berle's millions of admirers on Sunday, March 26, 1978, when the NBC television network will present "A Tribute to Mr. Television." Many happy returns, Uncle Miltie.

SUNDESERT POWERPLANT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. BOB WILSON. Mr. Speaker, I wish to insert in the RECORD at this point an editorial published February 20, 1978, in the San Diego Evening Tribune:

SUNDESERT AND BROWN

In 1976, less than two years ago, the people of California voted by a 67 percent majority to defeat an initiative they believed would have shut down the nuclear power industry in this state.

The majority against the measure (Proposition 15) was heavier in Southern California—75 percent in San Diego County, 78 percent in Orange County, 71 percent in Los Angeles County.

Yet Gov. Brown is acting as if the nuclear shut-down measure carried.

He is conducting an all-out campaign against the proposed Sundesert nuclear power plant, using arguments that could apply to any new nuclear power plant proposed anywhere in the state.

In fact, Sundesert is a special case.

The project was already well into the planning stage in 1976 when the Legislature passed a package of three bills designed to head off approval of Proposition 15 at the polls. These bills limited nuclear power development without imposing a total ban on new nuclear power plants.

Sundesert was entirely exempted from one of them—a requirement that nuclear power plants be built underground. The Legislature wrote that exemption into law.

The second of the three bills was worded in such a way that it does not apply to Sundesert.

The third bill is the roadblock. It requires that the state Energy Commission and the Legislature find that a nuclear waste management method has been demonstrated and approved by the federal government. Such a method has not been demonstrated and is not likely to be until 1985.

It is still possible for the Legislature and the governor to exempt Sundesert from the requirement of that 1976 bill.

The state Senate has already voted to do so. But the governor is doing everything he can to prevent the Assembly from following suit.

The Assembly should consider the exemption bill on its merits and should not be swayed by partisan politics.

If the governor feels so strongly against nuclear power, he should be given a chance to veto a Sundesert exemption bill. The issue could then be fully debated in this year's election campaign in which the governor is expected to be a candidate for re-election.

GRAND BLANC AREA SAILOR WINS FREEDOMS FOUNDATION AWARD

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. KILDEE. Mr. Speaker, I was very happy to learn that CTR3 Bradley S. Forsyth, U.S. Navy of Grand Blanc, Mich., has been named the recipient of a $50 U.S. savings bond and the George Washington Honor Medal for Armed Forces Letter by writing "My Responsibilities in Keeping My Country Free." This award is presented annually by the Freedoms Foundation at Valley Forge, Pa.

I want to take this opportunity to share with my colleagues the very fine letter written on September 26, 1977, by Bradley Forsyth:

MY RESPONSIBILITIES IN KEEPING MY COUNTRY FREE

(By Bradley Forsyth)

The founding fore-fathers of this country passed on something so great it is almost beyond words. That is freedom. Where would we be today, if anywhere at all, had they not lived? It is now our turn to reasonably assure a life of freedom to all future Americans, and possibly all earthlings as well. We alone are responsible for passing on the tradition.

I, as a father, must raise my children with a love for their country and fellow countrymen, and with an appreciation for freedom. I must show them how lucky they are to be Americans, and how not so fortunate others in this world are. I must show them how this great life of freedom was given to them, how they must continue to deserve and preserve it, and how they must pass it on to their children. I must teach them to be hard workers, that nothing good comes easy. They must be honest, not deceiving, compassionate but not foolhardy, courageous not cowardly. They must know that all men on this earth are equal. Only when I have raised pillars of strength that will do right by freedom is my job as a father finished.

As a Navy man it is my job to honorably fulfill my obligated service for my country. I must produce the best possible output in support of our mission. I must respectfully carry out the orders of my superiors and I must train my subordinates to do at least as well a job as I, if not better. I must constantly strive to do my best. I must be willing to lay my life on the line for my country and loved ones back home. To do anything less would be to disgrace the uniform I wear. A Navy that is not made up of good sailors is weak and powerless. And a nation that has no control of the high seas also has little control over its destiny.

As a citizen of the United States it is my duty to remain knowledgeable. I must keep abreast of world affairs, as well as national and local, so that I may vote in a government that will keep this country free. Ignorance may be bliss, but it is a detriment to a nation made great by its educated people. I must live by the golden rule and fight hatred and discrimination of all kinds. I must join the vigil against subversion. And I must help the old, sick and poor who cannot help themselves because they too are Americans and deserve the right to enjoy freedom.

Freedom is a right that carries with it many responsibilities. Any American who refuses to fulfill his responsibilities to freedom has no right calling himself an American.

PROTEST TURKEY'S RESTRICTIONS ON CHRISTMAS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. HARRINGTON. Mr. Speaker, I recommend the article reprinted below, which appeared in the Washington Post on February 17, to the attention of my colleagues, as it highlights the issues involved in the current controversy regarding the violation of religious and basic human rights in Constantinople—the spiritual center of Eastern Christianity.

If our human rights policy is to be both credible and effective, it must be applied consistently. As a prerequisite to such an equitable application, general awareness of, and concern for, the protection of basic rights throughout the world must be fostered. This article is submitted in an attempt to further raise and broaden that consciousness:

[From the Washington Post, Feb. 17, 1978]

CATHOLIC, ORTHODOX LEADERS PROTEST TURKEY'S RESTRICTIONS ON CHRISTMAS

For 16 centuries, Istanbul (formerly Constantinople) has been a major center of Christianity, at times rivaling Rome, and it remains the principal see of worldwide Eastern Orthodoxy. But now, trouble is reported.

By a quirk of history, both Roman Catholic and Orthodox leaders—once opponents on the question—recently raised their voices in behalf of the historic religious center, appealing to President Carter for help.

They charged that restrictions by Turkish authorities against the Greek Orthodox community, now a small minority in the modern, predominanty Muslim city, threatens the "very existence" of the spiritual hub of Orthodoxy.

"We express our shock and outrage at these actions," said the joint statement by the Roman Catholic-Eastern Orthodox leaders who are pledging common efforts against the restrictions.

Although Rome and Constantinople were bitter antagonists for centuries, particularly after the break between eastern and western branches of Christianity in 1054 A.D., the present era has brought a new sense of mutuality.

The renewed bond was reflected in the joint protest, citing the "historic significance" of the Orthodox see and its Ecumenical Patriarchate in manifesting the continuity of Christianity.

The "oppression of the Greek Orthodox in Turkey and the threat to the very existence of the ecumenical patriarch are all the more serious in this period" of increasing religious unity, the churchmen said.

The present ecumenical patriarch, Demetrios I, is spiritual leader of the world's 250 million Eastern Orthodox Christians. He has offices in the aged center, part of a shrinking Orthodox community amid a new largely Muslim population.

Although recurrent Turkish pressures on the Orthodox enclave have been reported in recent years, including closing of the Orthodox Theological School of Halki, the statement charges further "injurious actions" in recent months.

Among the new "discriminatory measures" charged were Turkish imposition of "millions of liras in taxes" on Orthodox schools and churches and refusal of the Turkish government to issue travel permits for Orthodox churchmen and citizens.

Archbishop Iakovos, head of the 2-million-member Greek Orthodox Church in the Americas, charged earlier that the Turkish government is trying to force ouster of the ancient Patriarchate.

The city has been the main Orthodox center since 325 A.D. when Emperor Constantine I transferred his capital there, calling it the "new Rome." Through it came ancient creeds common to all Christians.

Recent Turkish actions have violated both religious rights and basic human rights and "have seriously interferred with the exercise of the world-wide religious responsibilities of the Ecumenical Patriarchate," the joint statement said.

The statement was drafted mainly by Roman Catholics in the talks with Eastern Orthodox representatives and were transmitted to President Carter by William Cardinal Baum, Catholic archbishop of Washington, D.C.

The statement cited new fraternal ties between all Christians fostered by eastern and western churches. These included the historic meeting in Jerusalem in 1964 between Pope Paul VI, and the late ecumenical patriarch, Athenagoras I.

NO GAS LINES IN PLAINS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. YOUNG of Florida. Mr. Speaker, while Americans all over the Nation were lined up for miles at the pumps during the gasoline crisis, Billy Carter was reaping windfall profits with energy allocations provided by his brother's political appointee. This amazing story was revealed by my hometown paper, the St. Petersburg Times, in a copyrighted story on Sunday. The story tells a sordid tale of cronyism, favoritism, price gouging, profiteering, and coverups which will take a lot more than 33 pages of White House deposition to explain away.

As interesting as the story itself is Mr. Carter's attitude about the legality of the whole affair. With typical Carter candor and confidence he says:

Hell, if I've done anything illegal, I wouldn't try to hide it, I'd brag about it.

This story will undoubtedly bring back the memories of the pleading and begging that most of us had to go through for a few extra gallons of gasoline for our districts. In my own case, it took a call to the President of the United States and a meeting with the Vice President and Secretary of the Treasury to wring a few extra gallons for my district, and I know of many similar cases among my colleagues. The complete text of the Times article follows, for the benefit of those who have not seen it or who have only seen the condensed version in yesterday's Star.

[From the St. Petersburg Times, Feb. 26, 1978]

EMERGENCY GAS BOOSTED BILLY CARTER'S BUSINESS

(By Patrick Tyler and Charles C. Thompson II)

ATLANTA.—While his brother stumped political paths from the Georgia governor's mansion to the White House, Billy Carter kept a two-pump gas station "alive"—and very profitable—with the help of up to 25,000 gallons of emergency state gasoline a month, oil company and Georgia Energy Office records show.

The 40-year-old brother of the President paid for the emergency gasoline shipments, but the guaranteed volume allowed Carter to turn his station—known as a "country dog" to Georgia fuel dealers—into a farm-belt gold mine whose earnings skyrocketed from a reported $100,000 a year after Carter-mania tourist traffic provided it with a six-fold increase in business.

"This would be the only (rural) station in the world that could make that kind of money," said Roy L. Cross, president of the Georgia Independent Oilmen's Association (GIOA) and one-time energy adviser to then-Gov. Jimmy Carter.

The federal energy regulations that created the emergency gasoline supplies in all 50 states strictly forbade treating the "hardship" fuel as a windfall stockpile for commercial service stations.

Moreover, a U.S. Energy Department official in Atlanta said that retail service stations did not qualify for emergency gasoline, but the official, Otis D. Phillips, acknowledged that the federal guidelines were widely ignored in Georgia and elsewhere.

Federal regulations said the fuel was to be "set aside" by major refiners for distribution by the states to fuel-starved farmers, emergency transportation services and individual consumers who could demonstrate a genuine hardship.

The crisis-originated emergency program in Georgia continued distributing "hardship" gasoline and other fuels long past the restoration of plentiful supplies. In 1976, Georgia officials allocated more than 20-million gallons from the emergency reserve and almost 3½-million gallons in the first six months of 1977.

In the face of a renewed federal investigation, Georgia energy officials ended the hardship distribution completely in June 1977.

But control over the emergency gasoline still exists in Georgia, though currently, it is not being exercised. The current energy director, Omi Walden, says the state will not relinquish control until there are assurances that the federal government will be more responsive to hardship cases.

The ever-affable Billy Carter, who says everything about his two-pump enterprise was "above board," also acknowledges some puzzlement about the good fortune with which he operated his station during crisis years when thousands of other "country dogs" were going out of business for lack of gas to sell.

But Carter added in an interview from his home 20 miles outside of Plains, "Hell, if I've done anything illegal, I wouldn't try to hide it, I'd brag about it."

An American Oil Co. spokesman acknowledged last week that AMOCO, American's marketing division, was ordered by Georgia energy officials to supply a total of 84,000 gallons of gasoline to Billy Carter between Jan. 7 and May 8, 1974. In both April and May, the allocation was 25,000 gallons.

State officials in Atlanta could produce records to verify only one of AMOCO's shipments to Plains, but state gallonage figures differed from those American Oil provided by 8,000 gallons.

The absence of the required documentation for each shipment, along with an explanation of the emergency or hardship for the Plains station could not be explained. Billy Carter says he recalls "filling out the forms."

Moreover, even American Oil's records were challenged by an AMOCO fuel dealer who made deliveries to Carter. J. A. Wilson of Preston, Ga., said he supplied Billy Carter with 17,000 gallons a month of emergency gasoline from late 1973 to March 1976.

Further, Billy Carter said he later obtained the state-controlled gasoline and diesel fuel through a Shell dealer until the summer of 1977.

The Georgia Energy Office administered the emergency program. The office is now the object of a renewed federal investigation—touched off initially in 1975 by oil-company complaints over alleged irregularities and favoritism in the state allocation of gas supplies.

There is no evidence that Billy Carter is under investigation, though the chief enforcement officer for the U.S. Energy Department's southeastern region says, "We're taking a look at every recipient" of state gasoline.

The man whom Billy Carter credits for his steady stream of gasoline supplies is Lewis C. Spruill, who was appointed to the top post in the state energy office by then-Gov. Carter. Billy Carter says Spruill "kept me alive" during the gasoline shortage that swept the country in the wake of the October 1973 oil embargo.

However, Wilson, the 55-year-old AMOCO jobber who made deliveries to the Plains station, says the emergency gasoline continued to flow long past the crisis—until March 1976—the month Spruill lost his job as energy director.

But by the end of the year, after his brother's presidential victory, Billy Carter was again receiving state controlled gasoline and diesel fuel—perhaps in more discreet amounts—from a Shell dealer in nearby Americus.

Sketchy records in the Georgia Energy Office, which was reorganized as the Georgia Office of Energy Resources, confirmed only two emergency deliveries to the Plains station—one in December 1976 and another in April 1977—from the Shell wholesaler.

However, Billy Carter recalls receiving the emergency fuels until "sometime last summer (1977)." Added Carter, "I was running part of that gas through the station" for use in the family peanut business.

Billy Carter publicly affirmed his debt to Spruill at a November 1976 convention of the GIOA. Said Cross, president of the oilmen's association: "Billy told 60 to 70 of us, 'If it hadn't been for Lew Spruill, I'd be a gone duck.' "

One oil jobber said Billy Carter was lured to Atlanta as the convention's guest speaker with the promise of tickets for him and his wife Sybil to the last tour concert of the late Elvis Presley.

During that same month, the oilman who supplied the tickets, William E. Corey of Conyers, Ga., was the target of an aborted 1976 criminal prosecution by the Energy Department. Corey, who is still under federal investigation, has been accused of setting up a love-nest apartment and making it available—along with free meals and gifts—to state and federal energy officials in Atlanta.

Confidential Energy Department records show Corey received more than 1-million gallons of Georgia's emergency gasoline during Spruill's term as energy director.

The Justice Department blocked the Corey prosecution and told Energy Department officials that the investigation would not be complete until it included a thorough review of Spruill's relationship with Georgia oilmen, especially Corey.

Despite the investigation, Billy Carter makes no attempt to hide his friendship with both men. "The only reason they're after Billy (Corey) is because of me," said Carter.

Billy Carter's friendship with Spruill was sealed shortly after the Plains station began receiving its steady supply of state gasoline. "I met Lew for the first time when he was looking for some creosote posts. I had some, so he came down and got them," Carter said.

Wilson, the AMOCO jobber who delivered to Carter, resisted questions about the sudden end to American Oil's commitment to the Plains station. "AMOCO is a company that doesn't like publicity," said Wilson. Asked if the March 1976 cutoff had anything to do with Spruill's departure from the state office and the beginning of the federal investigation, Wilson said, "You said it, I didn't. I ain't going to tell you why (the gasoline) stopped."

American Oil Co. officials in Atlanta dispute Wilson's claim that he continued to deliver state gasoline to Carter during 1975 and 1976.

Fred Whitt, AMOCO's chief fuels agent in Atlanta, said company records confirm only that Carter received a total of 84,000 gallons during the five-month period in 1974.

But both Carter and Wilson say the AMOCO deliveries spanned 2½ years. Indeed, Wilson said he and Carter once quarreled about one shipment of state gasoline—which both men claimed. "Me and Billy had a heap of yaw yawing about that," said Wilson.

The arrangement through which Carter's station was supplied appears to be a rare one. Robert Harvey, a longtime case officer in the state program, was asked if a station could be supplied month after month without being required to demonstrate the "hardship" as required by federal regulations.

"It could happen," said Harvey. Asked if he knew of such instances in the state program, Harvey added, "Yeah, there were a couple—the ones DOE (Energy Department) is looking into."

Mrs. Walden, 31, the current director of the Georgia Office of Energy Resources, has been nominated by President Carter to take a $50,000 a year post overseeing solar energy research and development for the government.

But unanswered questions about the operation of the Georgia program under Spruill and during Mrs. Walden's first eight months of stewardship, already have delayed confirmation hearings by a month.

Mrs. Walden said the arrangement of the sort under which Billy Carter was supplied with state-controlled gasoline was "not right" and "inappropriate." She said, "It was not the policy of this office . . . to do that."

In questions posed about the practice, Mrs. Walden was not told that the circumstances applied to Billy Carter. But in punctuating her responses, the $25,000 a year energy director said, "I prefer not to know . . . That's incredible . . . It's probably illegal . . . I don't want to hear the name . . . Is it still going on?"

Billy Carter said in a telephone interview that he was forced to take his supply problem to state officials in late 1973 or early 1974 after Federal Energy Administration (FEA) employees in Atlanta refused to upgrade his entitlement under the gasoline allocation program.

As late as April 1977, confidential federal energy files show in a handwritten note from Donald E. Allen, federal energy administrator for the Southeast, to Gorman Smith, former deputy FEA administrator in Washington, that ". . . Billy Carter has applied for an adjustment of his base period volume. The application does not fit under (FEA regulations) and we plan to deny the request in the near future."

Service stations whose business grew during the 1973–74 national oil crisis were often unable to increase their normal federal allotment of gas, because the allotment was based on sales during 1972, which was used as the base period.

"Why would we supply new stations when stations everywhere were closing for lack of product?" asked Phillips, the Energy Department's fuels director for the Southeast.

Said AMOCO's Wilson: "Billy would go to the state and the state would go to AMOCO (in Atlanta). I sent the (emergency) gas to Billy by transport from Macon, but he got (permission) from the state. AMOCO didn't have" surpluses in its nonemergency gasoline from which to supply the Plains station.

Phillips, the federal fuels officer, said that the widespread practice in Georgia to allocate state gasoline to stations under heavy demands from tourist traffic was contrary to federal rules.

"Tourists don't have a right to an allocation level," Phillips said.

However, in responding to a questionnaire from the state of Virginia in April 1975, Georgia energy officials said one criterion for dispersing emergency gas supplies was established in Georgia for "those stations whose allocation is insufficient when there is a special event, i.e. Masters Golf Tournament."

Mrs. Walden, who inherited the state program, staunchly defends her record. But she acknowledges that it took eight months following her August 1976 state appointment to curtail the wholesale release of millions of gallons emergency fuel to retail stations.

Robinson returned to Washington with the incoming Carter Administration and holds a similar high-level post in the Energy Department. Robinson was not disciplined, despite the inspector general's conclusion.

Senate confirmation hearings on Mrs. Walden's pending federal appointment are likely to rekindle congressional questions on whether President Carter is relying too heavily on Georgians to fill senior Administration posts at the expense of more qualified candidates from other regions.

Senate staffers are reportedly looking into Mrs. Walden's professional background, which includes no formal training in science and energy technology, but does include four years of energy advisory work for Georgia governors.

Among the lingering questions about the operation of the Georgia Energy Office is this: Why has the state's record keeping system failed to provide an accurate accounting of the flow of publicly controlled gasoline to a business that bears the name of a prominent Georgia family?

More complete records made available by American Oil Co. after a mostly unsuccessful search of thousands of state documents give a conflicting account.

The only state document found that appeared to corroborate the American Oil figures was an April 1974 state energy office order that AMOCO supply 17,000 gallons to "Jennings s/s, P.O. Box 278, Plains, Ga."

Two state energy case workers said they were not aware that Jennings was the name of the Plains widow who sold the ramshackle station to Billy Carter six years ago. Carter said he operated the station under that business name for several years.

But the 17,000 gallons designated on the state document nonetheless clashes with American Oil's 25,000 gallon figure for April 1974.

In the filing system of the state energy office, the names of gasoline recipients was a source of confusion on more than one occasion. Case workers last week could not immediately locate the allocation files on Carter's AMOCO supplier, Wilson, because from 1973 through 1975 Wilson's records were filed under "J" for "J. A. Wilson," but in subsequent years they were filed under "W."

Billy Carter's source of gasoline supplies might not be the only mystery confronting state and federal regulatory officials. Carter's friends in the Georgia oil business say he has an unusual pricing structure at his Plains station—one price for tourists and a discount price for locals.

The irrepressible Brother Billy denies the two-tier pricing system, though he acknowledged he gives end-of-the-month discounts to "bulk" customers.

"It's the biggest rip-off for a station in the country," said Cross of the oilmen's association. "He (Billy) laughs about it. He hates tourists and has an automatic discount for local people. He should be audited more than once; One time for his set-aside (state gasoline) and once for his ceiling price."

But if there are questions about the compliance of Billy Carter's Plains station with federal regulations, no one has asked him. And, no one has audited AMOCO's Wilson, who led Carter's "country dog" to the trough.

"There are two reasons Billy Carter wasn't audited," said Cross. "First, he was the governor's brother; second, he wrote down his charges on match book covers and there is no way you could audit that station—and third, he wouldn't let them in there anyway . . . they're afraid of him."

THE 1977 FOOD AND AGRICULTURE ACT

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. FITHIAN. Mr. Speaker, the Food and Agriculture Act of 1977 is probably the most comprehensive piece of agricultural legislation ever signed into law. It continues a market-oriented farm policy, and it contains authorities which will help improve farm incomes. We need to do more, and I hope we will. But in the interim farmers can help.

The Department of Agriculture should have relayed the specifics of the new act to producers in a more expeditious manner, but I would like now to commend the Secretary of Agriculture for recently writing over 300,000 grain producers and personally appealing for their participation in the farmer-held reserve and set-aside pograms. Secretary Bergland's letter follows:

FEBRUARY 10, 1978.

DEAR GRAIN PRODUCER: The meetings that I've held with farmers the past few weeks lead me to believe that we in the Department of Agriculture have not done our job in explaining the programs in the Food and Agriculture Act of 1977. They can help you get better prices and you should know more about them. Three very important programs can help increase your farm prices substantially and ease your cash-flow problem.

The problems in agriculture today can not be "instantly" solved, but there are solutions. We are doing something about these problems, both legislatively and by administrative action.

We're getting on top of the cash-flow situation in several ways. You have made record use of price support loans, which has strengthened farm prices. More than $1 billion in wheat deficiency payments have been distributed. Increases in grain sorghum and barley target prices were announced three weeks ago. Barley growers will receive just over $200 million and grain sorghum producers more than $300 million this spring. This will mean that almost $1.7 billion will be paid to producers by late April 1978.

In addition to deficiency payments and the loan program, there are two other vital tools for your use in 1978—set-asides and grain reserves.

They work hand-in-hand to relieve the heavy pressure on prices caused by burdensome supplies; they will bring about increased prices. But they will only be effective if enough farmers decide to use them.

To increase market prices the farmer-held, farmer-controlled reserve should take 330 million bushels of wheat and 670 million bushels of feed grains (corn equivalent) off the market. This is a very substantial part of the expected carryover this year.

We've already seen that record loan volume has strengthened commodity prices. But, a large quantity of 1976-crop wheat loans are maturing this month and will be eligible to come back into the marketplace.

The question that the grain trader is asking is: "Will this grain be sold or will it go into the reserve?" I wish I could say that it will go into the reserve—that it won't be sold—but I don't know. So far about 140 million bushels of wheat are in the reserves. This is just about one-fourth of what is needed if there's going to be market impact.

As I see it, the only possible way for prices to improve in the coming months—without insulated reserve stocks—will be if there are poor growing conditions or crop failures in the United States or other parts of the world.

Since there is no way to predict the weather, I do not hesitate to recommend that you make full use of the loan program, participate in the set-aside program to cut back production and lower input costs, and put as much 1976 and 1977 grain into the reserve as you can to isolate it from the marketplace.

There have been some questions about the need for a domestic grain reserve program. I can understand this concern, because I too

remember the government-owned and stored grain stocks of the past and the way those stocks were released. The program that I started last April, that was reaffirmed in the new farm law, is substantially different.

First of all, the *Government can not release the stocks.* Since they're farmer-owned and farmer-controlled, it's the *individual* farmer's decision to sell or not to sell after the initial release level is reached. On wheat the current release level is $3.15 per bushel; on corn it's now $2.50 per bushel.

As Secretary, the only time that I can tell you, as a producer, to repay your reserve loan is after three years or when the current market price reaches $3.94 per bushel for wheat or $2.80 per bushel of corn.

We will not allow government-owned grain to be sold, unless prices exceed the recall levels.

But even though the loan will come due, you don't have to sell. So these upper levels *will not* put a ceiling over farm prices, because the decision to sell is still yours.

This reserve will do four things:

It will take away much of the pressure of current excess stocks on the market and strengthen prices.

It will provide you with 25 cents per bushel per year, to help pay storage costs while the grain is in reserve.

It will give you a new marketing tool so that you will still own the crops you raised when prices improve, instead of the government or the grain trade owning them.

It will insure world customers that the U.S. will be a reliable supplier of grains, regardless of the weather. We will have a hedge against embargoes, because of crop shortfalls such as those of recent years.

Last week, I announced two changes in the reserve program to make this program more attractive. Beginning March 1, the 1977 crops of barley, oats and wheat may go directly into the reserve without waiting for the loan to mature. In the near future, we will announce that 1977 corn and grain sorghum will also be eligible for early entry into the reserve. I also announced an increase in the capacity limit on the farm storage facility loan program. Any existing storage capacity, used for reserve storage, will not count against the existing two-year production limit.

I think you'll agree with me that Washington can't solve all your problems. But we can provide you with programs that you can use to insure that you get a better price for your commodities. These programs now exist.

Almost as important as the reserve, as a tool that only you can use to improve grain prices, are the set-aside programs for wheat and feed grains. Of course, these are *voluntary* programs; no one can force you to participate. But you must understand clearly that, if you decide not to participate, *you will not be eligible* for price support loans, *you will not be eligible* for deficiency payments if any are made, and *you will not be eligible* for low-yield disaster protection. You have every right to gamble, but I have an obligation to make it clear to you how big this gamble is.

Farmer participation in these programs will be, in effect, a "yes" or "no" referendum. If farmers *do* participate you will be saying "Yes, I do want better grain prices and I do want to use our present marketing system with a minimum of regulation." If you *do not* participate, then, in effect, you will be saying "No, I am satisfied with the current system of wheat and feed grain pricing."

These are the simple economic facts. They are also the plain facts of life when it comes to the Congress, which will most certainly construe your decision as a referendum. Your decision will have a direct bearing on what the USDA and the Congress can and will be able to do for farmers in the future.

It is for this reason that I have written to you and set out the details and the options in these programs, to help you make your decision.

With best regards,

Sincerely,

BOB BERGLAND,
Secretary.

A CONSTRUCTIVE CRITICISM OF THE NATIONAL ENERGY PROGRAM

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. RHODES. Mr. Speaker, recently, a constituent of mine, Mr. James O. Martin, wrote a very thought-provoking article on the electric automobile. Because of the national concern over our energy crisis, I wanted to share Mr. Martin's remarks with the House:

AN OPEN LETTER TO OUR PRESIDENT AND MEMBERS OF CONGRESS FROM THEIR ELDER CONSTITUENTS—THE RETIREES

Although we have little to bring to your attention that you do not already know, we do believe that we should do what we can to help in putting it all together. When a few of us are relaxing at pinochle, bingo or golf, we are apt to discuss some startling concepts of what we would do if we were in Washington. This is your chance to listen in.

No, we do not expect Uncle, through you, to do it all, just provide the atmosphere, the incentives and the guiding power to make positive action attractive to those who must act if our children and their progeny are to enjoy life in the style which they deserve. We will do our best to delete all but what we consider to be constructive criticism.

The recent announcement that American auto manufacturers expect to spend some $45 billion over the next ten years in rebuilding and modernizing plants has prompted us to document this discussion. As many among us have a few shares of General Motors and other motor stocks, we don't want them to waste their capital on changes which have less than an optimum objective—not, at least, while there are such glamorous alternatives.

The reasons given for this ambitious program: You, in government are asking that autos have better mileage and safer emissions—both very commendable. Another is that foreign competition in automobiles is forcing more economical manufacturing methods. Anyhow, we feel that they may be applying this "too little too late" medicine to a very old and sick horse while the pasture is brimming with young mustangs who just need training and understanding. After all, 10 years from now, who wants the country filling with cars with excellent mileage potential but no fuel to make it mean anything! Cleaner exhausts, but still "exhausts" which can only add to the problem of an already cruelly debilitating environment! While you are at it why not consider eliminating the problem entirely? No exhausts! You could hardly do better than that! No longer a question of the miles per gallon (of petroleum) by eliminating the "gallon" and any dependence on petroleum! "OK", you say. "Since you seem so full of suggestions, what is your answer?"

Let's just examine one alternative—electrically propelled vehicles—glorified golf carts, if you will. These have been around, more or less, for the full life span of the auto and proved themselves competitive even when gas sold for 25¢ per gallon, so the concept itself is not revolutionary. We just need to explore some of its present-day potential. Just this past year, you put a law on the books providing for development of electric and hybrid vehicles but we hear disquieting rumors that appropriations to implement the law are drying up. Perhaps you are concerned that there will not be enough electricity to go around. Maybe so, but, if there is one source of under-utilized energy still remaining to us, it is the electric power potential at off-peak periods, and that is where we propose to start. Sure, our utilities are often hard put to it to take care of customer demand during periods of peak use but we are constantly being reminded that there is abundant power available to the one who will use it at off-peak periods. They'll offer bargain rates, too. Let's see how we can best use that in this instance and maybe pick up a bargain along the way!

Present-day electric cars, trucks and vans, for the most part, recharge their batteries by parking the vehicle and connecting up for a few hours at standard commercial or residential outlets. Depending on the time of day and speed of recharging, this can cause considerable upsetting of the load curve. A few thousand plugged in at the wrong time could cause brownouts and worse. Now, supposing you help the utilities by giving them control over periods for recharging? Think about it!

Electric cars would observe the 55-mile speed limit. They have to! That's usually their top speed.

Electric cars do not spew contaminants into the air breathed by all of us (the driving public most of all). Next to drunk driving and high speed, probably the greatest cause of highway fatalities is the drowsiness of drivers, brought on for the most part by pollution from exhausts.

Then, of course, there is the din of auto traffic. Electric vehicles would be a welcome relief to battered ear-drums. Once the decision is made to go ahead full steam with production of electric vehicles to significantly penetrate the auto market, use of off-peak power (or any power declared by the utilities to be in surplus at the time) will buy a little time in which new, better, non-polluting power plants can be built—solar, nuclear, hydro, geo-thermal, wind, ocean thermal gradients, the whole bit.

And now, how can we store this "off-peak" power for such opportune and beneficial use? Not so simple, but, with your help, entirely feasible: Instead of the use of several standard-size batteries tucked into out-of-the-way places around the car's frame as at present, batteries would be larger, fewer in number and grouped together in a separate chamber where they are easily removable and where temperature control and maintenance are simplified. While batteries are being serviced (recharged), the vehicle is free to move; out-of-service batteries can be recharged at E.V. recharging stations at times acceptable to the power supplier.

Look around! Retired people in New York (Roosevelt Island) and California (Long Beach) observe electric vans of this type quietly making pickups and deliveries at all hours of the day and night with no noticeable effect on the electric power availability for other customers.

It seems that the 55-mile speed limit is increasingly being disregarded and once again highway fatalities are soaring. This and the staggering burden of a balance-of-payments deficit which we have been suckered into prompt us to paraphrase an old poem—

How many more must die on the highway?
How many be battered and maimed?
The carnage goes, we look the other way
And no-one seems even ashamed!
It's so easy to say—"It's those other guys!
"They're the ones who should be blamed"
How much longer must we pay tribute?
How much deeper must we wallow in shame?
The remedy is near! "We'd say that it's here!
Let's move now! We can win this game!!

FAMILY FARM DEVELOPMENT ACT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. BROWN of California. Mr. Speaker, on February 2, 1978, Congressman NOLAN and I introduced the Family Farm Development Act, H.R. 10716. The act is a comprehensive package of reforms aimed at supporting a small- and moderate-sized family farm system of efficient food production. This legislative effort arose out of a concern which many have for the continuing decline in the number of farms, with a concomitant increase in farm size, the decline in the quality of rural life, the high cost in both capital and resources of present agriculture methods and degradation in the quality of our agricultural land and our environment.

The future of farming in America lies in the hands of our farmers; therefore, they need our support. But, the Nation's future, our future, also is dependent on how they maintain the soil. Our family farmers have the potential to be the maintainers and developers of good, fertile soil capable of supplying our food needs in both good and poor productive years. In an effort to assist our farmers in this goal, and, therefore, all of us, title 1 of the bill includes a 90 percent of parity commodity loan program which is tied to the application of soil conservation practices. Under this new system the farmer would work with the Soil Conservation Service in developing a best management conservation plan on his/her farm. Upon satisfactory beginning application (with total application after 5 years) the farmer would be given a certificate by SCS which indicates he/she has applied a best management plan on the farm. This certificate qualifies the farmer for the 90-percent commodity loan levels. We feel linking conservation practices with pricing is the simplest way to assist farmers in protecting our soil.

Past history shows us very clearly the effects of poor management practices on soil. However, as Erik Eckholm in Losing Ground points out:

> In their relations with nature . . . human beings appear to be poor students of history. Despite the all too visible diorama of ruined landscapes and abandoned civilizations, mistakes of the past seem time and again to serve as models instead of usable lessons.

In the family farm bill, we are attentive to past history and include conservation in title 1 as well as in the research, development, and education titles.

I am including the following excerpts from an article entitled, "Land Degradation: Effects on Food and Energy Resources," for consideration by my colleagues. It appeared in Science, October 8, 1976, and addresses the issue of environmental degradation, particularly soil degradation and its effects on our capability to produce needed food and fiber. I hope my colleagues find this article of interest and will address this issue of the degradation of the vital resource by supporting the Family Farm Development Act:

LAND DEGRADATION: EFFECTS ON FOOD AND ENERGY RESOURCES

Because land is absolutely essential to agriculture, the relationship of cropland degradation to food production and energy conservation deserves appraisal. Agricultural production in the United States is vital to a rapidly growing world population as well as to the domestic economy. The world's population is now 4 billion and is projected to reach 6 billion to 7 billion in the next 25 years. An estimated one-half billion humans are already malnourished. At least a two-fold increase in food will be needed to feed this rapidly expanding world population by the year 2000. Increases of this magnitude have, in the past, required major technical innovations in agriculture, such as the development of hybrid corn and the new wheat and rice varieties of the "Green Revolution."

Food is one of America's major exports. In 1974–75 the United States not only supplied its own needs but also exported about $21.7 billion worth of grains and other agricultural products; U.S. agriculture in 1975 had a positive trade balance of about $12.7 billion, according to current estimates. Thus, the fertile cropland of the United States is a major factor in helping the United States maintain a healthy overall trade balance.

U.S. agriculture has a significant impact on world trade policy. Increased world demand for food has contributed in part to increasing food prices in the United States and the world. Higher prices paid for energy have also contributed to increasing food prices. With both food and energy being important resources that are in short supply relative to growing world populations, we can expect the prices of both to escalate.

About three-quarters of all human food comes from the world's cropland. Only 11 percent of the land surface is arable and naturally suitable for crop production. Compared with the world, which has an average of 11 percent, the United States has a high proportion (25 percent) of arable land—about 470 million acres. About 81 percent (380 million acres) of the U.S. arable land is under cultivation. In addition, approximately 740 million acres are in pasture and rangeland, and about 470 million acres are in forest. An estimated 75 million acres are potentially arable, but to develop this land would require swamps to be drained, deserts irrigated, and land graded. These major reclamation schemes, however, would be expensive in energy and dollars; thus, food production cannot be increased significantly by mobilizing vast tracts of new arable land in the United States.

The hypotheses proposed for study in this analysis were as follows: (i) The best arable land in the United States is already in agricultural production; (ii) substantial cropland is lost annually to highway construction and urbanization; (iii) the productivity potential of U.S. cropland is being reduced by soil erosion; (iv) the degradation of land requires increased energy inputs (such as, fertilizers) to offset lost soil productivity potential; and (v) retaining cropland and conserving soil is essential for a productive agriculture and a strong U.S. economy.

Our approach in this study was to analyze (i) patterns of arable land loss in the United States; (ii) environmental consequences of cropland degradation; (iii) alternatives for the conservation and protection of arable lands; and (iv) economic effects of erosion and conservation. Based on these analyses, projections are made for land, water, and energy needs to feed a growing U.S. population and to contribute to world food production. We recognize that many sectors of the U.S. besides agriculture have land needs. Because food is a necessity, however, our analysis focuses on the need of conserving cropland for food production.

SOIL EROSION AND LOST LAND

During the last 200 years, at least a third of the topsoil on the U.S. croplands has been lost. On the basis of erosion surveys and various soil surveys, it was estimated in 1935 that erosion had already ruined approximately 100 million acres for practical cultivation. On nearly 100 million additional acres, "from one-half to all the topsoil" had been lost. Thus, about 200 million acres in the United States were ruined or seriously impoverished for crop cultivation by soil erosion before 1940; some of this land has since been put into forests. The nation's land, however, continues to be eroded.

Soil is lost to erosion each year, but it is also continuously being formed. The rate of soil formation is difficult to measure and depends on many factors such as climate, vegetation, soil disturbances, and the nature of the subsoil. Under ideal soil management conditions soil may be formed at a rate of 1 inch (2.54 cm) in about 30 years and under natural conditions at a rate of 1 inch in 300 to 1000 years. McCracken estimated that under normal agricultural conditions soil is formed at a rate of 1 inch in 100 years. This is about 1.5 tons of topsoil formed per acre per year. The average annual loss of topsoil from agricultural land is estimated at 12 tons per acre (1 acre = 0.4 hectare).

Sediments carried by water runoff clearly represent the "dominant form of soil loss in the United States, delivering approximately 4 billion tons/year of sediment to waterways in the 48 contiguous states." Three-quarters of the sediments come from agricultural lands.

Soil erosion has a detrimental effect on reservoirs, rivers, and lakes. About 1 billion of the 4 billion tons of waterborne sediments end up in the ocean, and the remaining 3 billion tons settle in reservoirs, rivers, and lakes. One-quarter of the total sediments comes from sources other than agriculture, such as construction and logging. About 450 million cubic yards (344 million cubic meters) of sediment are dredged from U.S. rivers and harbors annually at a cost of about $250 million. Sedimentation also materially reduces the useful life of reservoirs, and this is estimated to cost the nation about $50 million annually. These and other sediment damages are estimated to cost the United States $500 million annually.

Soil sediments, the associated nutrients (for example, nitrogen, phosphorus, and potassium), and pesticides have an ecological impact upon stream fauna and flora. The added nutrients may increase aquatic productivity, resulting in eutrophication; in contrast, when suspended sediments are present they reduce light penetration, which reduces the productivity of aquatic ecosystems. Fish food may then be less abundant. Sediments, in addition, may interfere with salmon and trout spawning and reduce survival of their eggs. Fish fry are harmed, although indirectly, by sediments; predation on young fish is much greater when sedi-

ments cover substrate interstices, eliminating hiding places.

Wind erosion of soil is generally considered to be less severe than water erosion, but may be severe in specific regions of the United States. Free estimated that 850 million tons of soil per year were moved by the wind in the western region of the United States alone. "In one semi-arid portion of the Great Plains, an average of 9 inches [1350 tons per acre] of topsoil was removed from fields that were cultivated for about 20 years". Woodruff reported that during one growing season about 130 tons of topsoil per acre were carried from experimental corn land in northwestern Ohio. Wind erosion during the 1975–76 growing season poses a severe threat to croplands in the Great Plains and California that have been subject to the current drought.

For the United States as a whole, it has been estimated that about one-quarter of the total erosion that occurs is due to the wind. We estimated conservatively that wind accounts for about 1 billion tons of soil eroded each year. When this estimate is added to the 4 billion tons of soil washed annually from the land, gross soil erosion in the United States is about 5 billion tons annually. The annual gross transfer of 5 billion tons of soil to streams and elsewhere is the equivalent of about 7 inches of soil from about 5 million acres.

Estimates of the average annual loss of from 6 tons per acre to 12 tons and 14 tons topsoil from agricultural cropland range per acre. On the basis of our estimate of an annual gross loss of more than 5 billion tons of topsoil, Hargrove's and Wadleigh's estimates of about 12 tons per acre appear to be reasonable.

CONSERVATION TECHNOLOGY

The severity of soil erosion depends on many factors such as soil type. soil depth, slope of the land, length of the slope, amount of organic matter present, cultivation practices, crops grown, rotation schedule, and duration and intensity of wind or rainfall. Row crops such as corn and cotton are particularly susceptible to soil erosion. Continuous corn or cotton culture results in annual soil erosion of about 20 tons per acre. Soil erosion in wheat ranges between 5 and 10 tons per acre annually. Annual soil loss is only 0.03 ton per acre for grasses and 0.01 to 0.002 ton for forests.

In certain regions, such as the Southern Piedmont, soil erosion has been significantly reduced by changing farming practices and by abandoning some land to forests. Although such changes in agriculture as contour planting, reduced tillage, strip cropping, and terracing have reduced soil erosion, soil conservation remains inadequate. For example, soil conservation practices have been adopted on only a little more than 1.3 million acres in Minnesota, whereas an estimated 9 million acres of Minnesota cropland have a water erosion problem. According to the U.S. Department of Agriculture, 179 million acres of cropland suffer from severe water erosion; an additional 55 million acres suffer from wind erosion. About 64 percent of the nation's cropland needs treatment for soil erosion problems.

Various methods are used for soil conservation. Contour planting is probably the most common and can be extremely effective. For example, potatoes planted in "up-and-down-hill" rows near Ithaca, New York, had a soil erosion rate of 14.4 tons per acre, whereas potato rows arranged on the contour lost only 0.1 ton per acre. Contour planting, however, results in a 5 to 7 percent increase in both farming time and fuel use.

Crop rotations also help conserve soil. Cotton in Georgia planted continuously on a 7 percent slope averaged an annual loss of 20.7 tons of soil per acre, whereas cotton grown in rotation averaged 6.0 tons per acre. In Missouri annual soil erosion rates averaged 19.7 tons per acre on land in continuous corn on a 3.68 percent slope, whereas the erosion rate on this land with a rotation of corn, wheat, and clover averaged only 2.7 tons per acre.

A combination of contour planting and crop rotation provides more soil erosion protection than either alone. For instance, planting cotton rows "up-and-down-hill" resulted in an annual soil loss of 89.1 tons per acre. Cotton planted on the contour had a soil erosion rate of 39.0 tons per acre. Land planted on the contour in 24-foot-wide (7.2 meters) strips of cotton and grass in rotation had a soil erosion rate of only 3.4 tons per acre.

The application of livestock manure can substantially reduce soil erosion. For example, when 16 tons of manure per acre were applied to corn land in Iowa with a slope of 9 percent, annual soil erosion averaged only 4.7 tons per acre, whereas with no manure, erosion averaged 22.1 tons per acre. Other organic matter would have a similar effect in reducing soil erosion.

"No-tillage" and "minimum-tillage" crop production technology are extremely effective in controlling soil erosion. In a study in Nebraska, soil erosion averaged only 3.4 tons per acre for "till-planting" compared with a soil loss of 10.7 tons per acre for "plow-disk-harrow planting system." In experiments in Ohio, soil erosion rates for "no-tillage" corn averaged less than 1/100 that of conventional corn. No-till corn has the advantage of requiring less labor, and it conserves soil moisture, but increases pest problems.

Another means of reducing soil erosion is to plant cover crops during the 8 to 9 months when the crop is not on the field. Grasses such as annual rye, and legumes such as winter (hairy) vetch or clover protect the soil within a couple of weeks of seeding. These "green manure" crops also add organic matter to the soil and reduce nutrient loss. The major disadvantage to the farming schedule with cover crops is that land cannot be worked in the fall in preparation for early spring planting.

Interseeding a legume such as winter vetch with corn in late summer serves not only to protect the soil from both wind and water erosion, but to add approximately 133 pounds (1 pound=0.45 kilogram) per acre of nitrogen to the soil when the vetch is plowed under in late April. This amount of nitrogen is worth about $13.

Although some changes in agriculture that have been instituted have reduced soil erosion, other changes have tended to increase erosion. The decline of crop rotation and increase of crops grown in continuous culture [such as corn], for example, have increased soil erosion. Current all-out efforts to increase production in the Great Plains region appear to have increased soil erosion levels significantly over levels of the past two decades. Annual sediment loss via surface runoff from agricultural lands has increased from about 3 billion tons in the 1930's to an estimated 4 billion tons more recently. Soil erosion loss in western Iowa is up 22 percent because of current U.S. farm policy to increase food production.

Limited success has been achieved in reducing the severity of soil erosion in certain regions of the United States. In western Iowa the estimated average annual soil loss for one study area decreased from 21.1 tons per acre in 1949 to 14.1 tons in 1957. Several obstacles were given as reasons that the "5-ton per acre goal" was never achieved. These included (i) farmers' "need for immediate income"; (ii) farmers' failure to appreciate the need for recommended practices because of "custom and inertia"; (iii) farmers' desired layout of the farm including fields and roads; and (iv) larger number of corporate and rented farms whose operators have little incentive to maintain long-term soil quality.

ECONOMIC EFFECTS OF EROSION AND CONSERVATION

Soil erosion adversely affects agricultural crop productivity because of (i) selective removal of plant nutrients and organic matter by wind and water; (ii) removal of finer soil particles by wind and water, leading to compaction of the soil and poor tilth; (iii) gross removal of topsoil by erosion; and (iv) increased water runoff associated with erosion, reducing water availability to crops and causing flood damage to other crops. Calculations based on soil erosion data suggest that more than 50 million tons of plant nutrients (nitrogen, phosphorus, potassium) are lost annually from cropland soils. The cost of "replacing the nitrogen, phosphorus, and one-fourth of the potassium" in agricultural soils was estimated at $7.75 billion, and a more recent estimate is $6.8 billion.

Soil erosion has an important impact on crop production, but the effects are difficult to generalize because of the influence of such factors as crop variety, soil nutrients, soil structure, topsoil depth, drainage, temperature, moisture, and pests. Although the influences of these factors must be taken into account, the evidence suggests that corn yields are reduced annually by an average of about 4 bushels per acre for each inch of topsoil lost from a basis of 12 inches of topsoil or less (Table 2); oat yields are reduced an average of about 2.4 bushels per acre; wheat yields are reduced by an average of 1.6 bushels per acre and soybean yields are reduced by 2.6 bushels per acre. The primary reasons for the reduced yields on eroded soils are low nitrogen content, impaired soil structure, deficient organic matter, and reduced availability of moisture.

That the economic effects of soil erosion can be relatively minor for a single year is illustrated with corn. Assuming that there is a reduction of 4 bushels per acre in yield per inch of topsoil lost, and that about 20 tons of topsoil per acre are lost annually in continuous corn production, then the annual per-acre reduction in yield (from land with an initial topsoil depth of 12 inches or less) would be about ½ bushel of corn (worth about $1.50). When per-acre costs of corn production are estimated at $190, the $1.50 represents an annual loss of less than 1 percent, a negligible amount for a single year.

The total and cumulative effects of soil erosion on crop productivity are, however, considerable. An estimated annual loss in crop productivity of $800 million (2 percent of farm products in 1964) results from "erosion by wind or water or both." In spite of the reduced potential productivity of the land, crop yields from 1910 to 1974 have increased because of several changes in crop production methodology: (i) abandoning land that was no longer productive; (ii) planting highly productive crop varieties; and (iii) increasing production inputs by as much as 16-fold in some cases (for example, nitrogen fertilizer).

Agricultural practices for conserving the nation's soils are well known. Conservation practices often provide an immediate monetary return, but in some cases the short term costs are greater than the short-term return. For example, an analysis was made of soil conservation practices for corn culture in northeastern Illinois on land with a 4 percent slope. Planting corn on the contour and employing a rotation of corn-corn-oats-meadow-meadow reduced soil erosion to about 2.2 tons per acre. compared with about 18.8 tons per acre for conventional, continuous corn. On the basis of a 5 percent discount rate the conservation practice over a

20-year period cost $39 per acre. Hence, in this investigation, corn growers in northeastern Illinois "would sacrifice income by keeping soil losses at or below the recommended level" of 3 tons per acre.

The National Commission on Water Quality estimated that conservation treatment for irrigated cropland would cost $3.10 per acre per year. Also, in a simulation analysis of a typical western Iowa farm, "maximum net farm revenue obtainable" was $4278 when "average annual soil loss" was held to 6 tons per acre, but increased to $4573 when soil loss per acre was 22 tons. Reducing erosion to less than 6 tons per acre considerably reduced net farm revenues. Using a management model that measured the impact of soil conservation (reducing soil erosion to 3 to 5 tons per acre) on agricultural productivity, Nicol *et al.* reported that cotton and soybean production costs would increase, whereas costs of corn, hay, beef, pork, and milk production would be little affected.

Nevertheless, most investigators report that conservation results in net revenue increase. In certain situations contour planting may increase crop yields by conserving soil, moisture, and nutrients. In Texas, yields of cotton grown on contour were 25 percent greater than cotton grown with the slope. Yield increases from contouring also have been reported for corn (12 percent) in soybeans (13 percent), and wheat (17 percent) in Illinois experiments. On land with a 7 percent slope, yields of cotton grown in rotation were increased 30 percent, while soil erosion was reduced from 23 to 14 tons per acre. Hartwig reported that "soil loss costs most farmers more every year ($50/A) than losses due to weeds ($40/A)."

Erosion and sediment control legislation has been enacted in ten states. Several other states are considering model legislation developed by the National Association of Conservation Districts. Care must be taken not to penalize farmers in some regions unfairly, as costs of control practices are higher in areas with high erosion rates.

TABLE 2.—*Relation between topsoil depth and yield of corn drawn from selected studies—Compared with standard plots of 12-inch topsoil depth, corn yields were decreased by the amounts shown when corn was grown in soils of the depth indicated*

Topsoil depth (inches)	Yield (bushel/acre)		
	Range	Average	Decrease
0–2	25–56	36.2	10.8
2–4	28–69	47.0	9.3
4–6	39–83	56.3	8.4
6–8	49–97	64.7	4.3
8–10	50–102	69.0	5.3
10–12	50–125	74.3	----

ENERGY RESOURCES AND EROSION

Although agricultural technical changes have more than offset the potential productivity loss due to soil erosion, the costs in terms of reduced potential food productivity and increased use of energy have been high. Not only has the potential for producing food been lost on about 200 million acres, but erosion has also removed at least one-third of the topsoil on cropland remaining in use reducing its productivity.

The increased quantities of fossil energy in the form of fertilizers and other inputs that have had to be applied to the land to offset the decline in productivity potential can be estimated. Based on the fact that at least a third of the topsoil on the cropland has been lost, and that for each inch of topsoil loss there has been a corresponding decrease in productivity, we estimate that the production potential of U.S. cropland has been reduced 10 to 15 percent. It is noteworthy that our estimate is less than half Bennett's minimum estimate of 35 percent.

The input of fossil energy for crop production is about 3 million kilocalories per acre. About half of the inputs are utilized to increase crop productivity, whereas the other half are used to reduce labor. Thus, the estimated per-acre input required to offset past soil losses is about 200,000 kilocalories, or 10 to 15 percent of ½ (3×10^6 kilocalories).

An estimated 5-gallon equivalents of fuel per acre is thus being used to offset the soil erosion loss on cropland. On the estimated 400 million acres in production, then, a total of 2.1 billion gallons of fuel equivalents annually has to be used to offset past soil erosion losses in the United States. This amount of fuel is equivalent to 50 million barrels of oil annually, or about 4 percent of the nation's total oil imports during 1970 [1.3 billion barrels annually].

CONCLUSION

The best arable land in the United States is already in production. An estimated 1.25 acres of land per capita is utilized to feed the U.S. population a high calorie-high protein diet. To feed a growing U.S. population or increase the world per capita diet (or both), the amount of cropland under cultivation can be increased or the productivity of the land already cultivated can be increased. Either course would require enormous amounts of energy and could not be continued indefinitely. Major reclamation projects would be required to drain, grade, and irrigate the estimated 75 million acres in the United States that are potentially arable.

Since about 1900 an estimated 125 million acres of cropland were added by bringing into production some unused arable land and developing new cropland, primarily through irrigation and drainage. In addition, another 90 million acres of land currently in pasture could be used for crops. More than 72 million acres, about half of which had been cropland, have been lost to highways and urbanization. An estimated 200 million acres have been either totally ruined for crop production by soil erosion or have been so severely eroded that the land is only marginally suitable for production (some of this land should never have been put to the plow, and thus this estimate may be too high). During the past 200 years, then, about 236 million acres in the United States have been lost from crop production, more than half as much as the United States is now cultivating. Highway construction and urbanization on vital cropland continues, and erosion on cropland continues to remove soil much faster than it is formed.

The dedication and hard work of the U.S. Soil Conservation Service has contributed to reducing soil erosion by encouraging conservation practices that have been especially effective in certain regions. Economic pressures, however, are leading to such changes in agricultural practices as more continuous crop culture, more land in crops, and intensive efforts for all-out agricultural production—all tending to increase soil erosion. It appears that soil erosion in U.S. agriculture overall continues at seriously high levels.

The U.S. population increased about 500 percent from 1870 to 1970. It is projected that during the next 25 years the U.S. population will increase about 24 percent, despite relatively low birth rates. Assuming no increase in agricultural production, this 24 percent increase in population would result in the United States consuming all foods produced at home, practically eliminating current agricultural exports of $21.7 billion. Actual demand for food, especially grains, has been increasing faster than has population. Most of this increased demand has been for feed grains in meat production. The annual use of grain per capita in the United States is about 2200 pounds, of which only an estimated 130 pounds is consumed directly; the remainder is fed primarily to livestock. Current per capita meat consumption in the United States is about 250 pounds per year. To maintain a positive trade balance while supplying this high meat diet, along with providing other foods, cropland resources are vital to the future of the United States.

The arable land per person available throughout the world is estimated at 0.9 acre. Increasing the world population to a projected high of 12 to 16 billion by about the year 2100 would reduce the arable land per capita to only 0.25 to 0.30 acre. This assumes that no more agricultural land is lost because of soil erosion or because of population pressure for housing and highways. Based on the rate of land degradation in the United States, a more realistic estimate would be 0.15 to 0.20 acre per capita for the year 2100.

A fundamental interdependence exists between energy resources and land resources in the world and United States. Clearly, the United States cannot afford to degrade and eliminate from production another several million acres of cropland as it did in the past. The analysis presented here is but a preliminary assessment of a significant environmental problem that deserves greater study and improved management before further cropland is lost. Our vital land resources and environment must be protected for ourselves and future generations.

HOW TO PAY FOR COLLEGE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. ROSENTHAL. Mr. Speaker, there is a growing if somewhat belated realization in Washington that the plight of middle-class families struggling with the high cost of college can no longer be ignored.

Earlier administrations have put off action on this problem for years, citing dubious statistics and hiding behind piles of budget data, suggesting instead that the problem was simply an illusion that would sooner or later evaporate. But this argument simply defies reality. All of us know what our constituents are saying about the problems caused by soaring tuition costs coupled with the crippling effects of constant inflation on precious savings. We can no longer pretend that the high cost of college is only a problem for the disadvantaged.

Therefore it is satisfying to see that the problem of meeting college costs is at least being taken seriously by both the Congress and the administration.

But now that we are moving beyond the initial, easy question of whether something needs to be done, we must face the more difficult issue of designing the right solution.

This is not the kind of question that lends itself to snap answers. Both the tuition tax credit proposals that have recently been put forward and the administration's countersuggestions suffer from serious drawbacks.

The basic advantage of the tax credit notion is its simplicity. The most recent Senate Finance Committee proposal, for instance, would give the parents of full-time undergraduates a tax credit of $250 a student, beginning next fall. These credits would gradually be increased until the parents of all graduate and undergraduate students would be eligible for a $500 per student credit in 1981. Independent students who pay their own taxes would get the same benefits. Compared with other proposals, this plan would be relatively easy to administer and understand. Its universality is also appealing.

But simplicity has its costs. Under the tax credit approach everybody would get something, but nobody would get very much. A credit of $250 or even $500 would not go very far in meeting the inflated costs of college.

Any student who is going away to school, even to a public college such as the State University of New York, can expect to pay over $3,000 a year for tuition, room, board, books, and other costs. By the time the $500 credit goes into effect in 1981 the total is likely to approach $4,000 a year. Private colleges cost far more, averaging over $5,000 now for the less expensive schools and going up to $7,500 for the Ivy League colleges. These figures are also likely to go up by 1981.

Those who need more will not be able to get more, since the credit is a ceiling as well as a floor. Meanwhile, the high price tag for this plan (up to $4.5 billion a year) will inevitably drain money away from other education proposals and programs in the future.

There are other problems that also bother me about the tax credit. For instance, if everybody gets a credit, what is to stop colleges and universities from simply raising their tuitions by the same amount and capturing all the money? If this happens, we will have spent a lot of money—money that could help education in other ways—and have left most people no better off than they now are.

The administration's alternative avoids these problems—but it grafts more money and responsibility on top of an already sluggish bureaucracy. The President has proposed legislation that builds on the existing student-aid programs. His proposal has several parts:

First, every dependent student whose family has income of $25,000 or less would be guaranteed a "basic grant" of at least $250 a year, beginning in 1979. Lower income families would get more—up to $1,800 a year per student. The "basic grants" allocations for self-supporting students would also be liberalized.

Second, the family income cutoff for subsidized guaranteed student loans would be raised so that students with families earning $45,000 or less would have the interest charges on their loans paid while they were still in school.

Third, the total appropriation for work study jobs for college students would be increased by $165 million a year, creating more of these federally assisted jobs that are so important in helping students find the extra work to stay in school.

The administration plan has its virtues—it focuses its money on those who need it and builds on existing programs already in place. But it will create even more redtape and bureaucracy than we now have.

More seriously, both the tax credit and the administration's proposal are in the nature of quick fixes, band-aid solutions for a long-term illness. There is no reason to expect the inflation that has driven tuitions toward the roof to ease off soon. What is badly needed is a long-range strategy for controlling the rise in college costs and helping the middle class help itself to meet these costs. Most Americans agree it is right for the family to bear the major burden of sending its children to college. What we should do is supplement and encourage these efforts.

Both the tax credit proposal and administration's bill are now in committee. I urge my colleagues to bear in mind that the single most important prescription for easing the educational squeeze on middle-income taxpayers is not to give money to the most people, but to give enough help to those who need it the most.

PROPOSED BUDGET CUT IN RETIRED SENIOR VOLUNTEER PROGRAM

HON. STANLEY LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. LUNDINE. Mr. Speaker, an appalling irony mars the proposed 1979 budget for the ACTION agency. That budget request singles out ACTION's largest, fastest-growing, and least-costly program—not for the cost-of-living increase its phenomenal success demands, but for a perverse cutback of more than 23 percent. I am speaking of the retired senior volunteer program, known as RSVP.

Since the first RSVP projects received funding in 1971, the program has mushroomed into a network of nearly 240,000 volunteers, aged 60 and over, in 700 communities, most of them county-wide. Although these senior citizens constitute 93 percent of ACTION's volunteer force, they account for a paltry 10 percent of ACTION's 1978 spending. The Federal payment for each volunteer hour in 1977—going for food, transportation, and local administration—was only about 40 cents.

Impressive as these figures are, they do not show the renewed feeling of usefulness that RSVP brings to senior citizens. Nor do they convey the unique experience and compassion that these volunteers donate to their communities. Cities, towns, and rural areas throughout the United States are heralding the accomplishments of RSVP volunteers in providing a wide range of community services.

Nevertheless, ACTION placed a low priority on funding for RSVP in fiscal 1979, and the Office of Management and Budget responded by slicing $4.7 million from the 1978 appropriation level of $20.1 million. Such a reduction would oust 30,000 senior citizens from RSVP through the elimination of 138 programs, according to the estimate of Sam Brown, ACTION's Director.

We continue to hear justifications for the proposed budget cutback which suggest that the retired senior volunteer program has no focus. Yet the program guidelines clearly express the focus of this program:

> To make life in retirement more meaningful for a substantial number of persons age 60 and beyond by making it possible for them to apply their knowledge, skills and abilities to the solution of Community problems.

In fact, the evidence clearly demonstrates that RSVP volunteers throughout the country have effectively surpassed the expectations set out in these guidelines.

In my own district, in the Southern Tier of New York, the success of the RSVP program can be measured through its valuable service to elderly persons, handicapped individuals, children, minorities, and poverty-level persons of all ages. RSVP volunteers also contribute their energies to a multitude of tasks which are designated by the local communities themselves. Not only do they effectively serve human need and provide enrichment in the lives of others, but they also provide a fundamental link to the overall strengthening of the communities in which they live and serve.

Despite the compelling success of this unique program, ACTION would have us decimate RSVP and, instead, fund new, untested programs which propose to serve ACTION's own definition of "basic human needs." Such foolishness ignores the dignity of the volunteers for whom the program was created, as well as the needs of the public service agencies and individuals who depend on the help of RSVP volunteers.

I urge my colleagues to repudiate this insult to a humane and effective volunteer corps. We must restore RSVP's appropriation to a level that will preserve its valuable services.

MAYOR KEN MILLER: LOCAL GOVERNMENT AT ITS BEST

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is an honor for me to bring to the attention of my colleagues in the Congress a local official who not only preaches the policies of good government—but practices them.

Ken Miller has been the mayor of the city of Torrance for the past 8 years and there are few who would dispute that the city has grown and prospered during his tenure. On March 14, he will be leaving city government and officially turning over his duties to the new mayor leaving behind his record of outstanding community service.

A native of Torrance for the past 55 years, Ken is well acquainted with the problems involved in running the third largest municipality in Los Angeles County. Prior to becoming mayor, he served 8 years on the city council and before that, was a member of the Torrance Planning Council. Judging from his experience, Ken Miller is not an uninvolved Torrance resident. He has been and will hopefully always continue to be a motivating force that has made Torrance one of the headquarters for business, industry, and finance in Los Angeles County as well as a nice place to live.

As a local official, Ken Miller has worked hard to improve the quality of life in his community. Anyone who is acquainted with the Los Angeles area knows one of its biggest problems is space—or the lack of it. As the owner of a realty firm, as a planning commissioner, as councilman, and as mayor, he has led Torrance and the South Bay area in establishing more effective land use controls including the development of lower unit-per-acre density for multiple residential areas. For myself, I had the opportunity to work with Mayor Miller and the rest of the Torrance City Council on the development of the Charles H. Wilson Park. The idea for this park was brought about by officials who felt in the years to come people would need recreational areas in their own communities for recreational and cultural purposes. Ken Miller was extremely instrumental in getting the plans for the park off the ground. It is a people's park and is the gathering spot in the community for programed as well as spontaneous events.

Since taking office as mayor, Ken Miller has spearheaded the drive to establish the city's highest capital improvement priority—more open space (including a feasibility plan to finance such a program), and helped refine regulations for hillside development on the Palos Verdes Peninsula. All of this has been in conjunction with his move to create the Torrance Beautiful Commission and his work as chairman of the Industrial Environmental Quality Committee.

Establishing and maintaining the needs of the community has only been a part of Mayor Miller's job. He worked to expand the joint city-county concept for beaches through a cooperative program for the Torrance beach area and was locally active in supporting the creation of the consolidated County Department of Harbor and Beaches.

When it seems government is being criticized for its lack of effective public service, it is encouraging to see a local official like Ken Miller. A Torrance resident all of his life, he has been a vital part of the growth of his community. He has worked and been involved in most all of the community service organizations such as the Elks, Kiwanis, and American Legion and has served on the board of directors for the Torrance Memorial Hospital.

Knowing Ken Miller as I do, I am sure his leaving office is not an end to his involvement in Torrance affairs. He will probably be working just as hard behind the scenes.

In conclusion, it has been a pleasure and an honor for me to work with Mayor Miller. His work and his concern for the residents of Torrance is a worthy example for all of us.

DR. AND MRS. J. MERRILL SPENCER OF FLINT, MICH., ARE BEING HONORED

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. KILDEE. Mr. Speaker, I want to draw to the attention of my colleagues in the House of Representatives the commendation being given this week to two of my constituents and friends, Dr. and Mrs. J. Merrill Spencer, of Flint, Mich. My relationship with both of these fine people goes back many years, and I have always been impressed by the leadership and courage both have displayed throughout the time I have known them. When the city of Flint was debating an open occupancy ordinance, Dr. Spencer and I were among those who campaigned successfully for the ordinance's passage. Dr. Spencer also was named Alpha Man of the Year in 1967 for his work in maintaining peace during potential civil disturbances that summer. Together, he and his wife, Edith, endured 8 years of litigation after purchasing lots in a cemetery in the Flint area before winning for themselves and their race the right to interment there. Mrs. Spencer was the first black librarian in Flint, and has continued to exercise a leadership role in that field. These are only a few examples of the many ways in which they have been leaders in the civil rights movement in Flint. They also have been leaders in the business community through their ownership of the House of Spencer Mortuary.

Mrs. Spencer has been active with library groups as founding secretary of the American Library Association Black Caucus; three terms as president of the Flint Public Library Association, and president-elect of the Flint Area Library Association. She has held administrative positions at the Flint Public Library both before and after completing training in mortuary science at Wayne State University. She served as chairperson of the golden anniversary of Mount Olive Baptist Church, on whose trustee board her husband served for many years. She has been named in "Who's Who of American Women" in recognition for her many civic and business activities.

Dr. Spencer's leadership in obtaining equal housing rights for blacks in Flint, Mich., included his work in seeking an injunction against the vote for an open occupancy referendum on the grounds that the right to buy a house was the right of citizenship and not a matter for legislative action. He established the House of Spencer Mortuary in 1955, and has continued to this day as an active and respected member of the business community as well as of the community at large. In addition to the many other instances of recognition accorded him over the years for his leadership, he was named in "Who's Who in American Politics." He is a member of the Flint board of education.

Together they have participated in numerous local, State, and national professional associations, community and civic organizations, and other groups. Their activities include life memberships in the NAACP, Mount Olive Baptist Church, and the Urban League. Other organizations that one or the other, or often both, have been active in include: Democratic Party, Community Civic League, Alpha Phi Alpha Fraternity, Central Optimist Club, Eureka Lodge 16, Saginaw Valley Consistory, Oman Temple 72, Royal Star Chapter 27, Oman Court 132, Alpha Kappa Alpha Sorority, National Sorority of Phi Delta Kappa, the Altrusa Club, Licensed Women Funeral Directors of Michigan, Easter Seal canvassing, YWCA, and the League of Women Voters.

Both will be honored for their extensive community involvement in an awards ceremony Saturday, March 4, in Flint by Zeta Beta Omega Chapter of Alpha Kappa Alpha Sorority.

It is with pleasure and pride that I bring this brief sketch of the leadership of Dr. and Mrs. J. Merrill Spencer to the attention of my colleagues, and I respectfully request that it be printed in the CONGRESSIONAL RECORD. I am looking forward to joining many other members of the Flint community in honoring Dr. and Mrs. Spencer on March 4.

HISTORIC PRESERVATION: "A BETTER WAY TO SAVE OUR CITIES"

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. GEPHARDT. Mr. Speaker, in an article in today's Washington Post, Washington Secretary of State Bruce K. Chapman points out a route toward urban revitalization that is too often overlooked—historic preservation.

Our Nation's cities have a wealth of man-made resources worth saving. The many houses, churches, office buildings, and so forth, in our older urban areas not only have considerable architectural value, they can provide housing, jobs, or entertainment that is economical and fuel efficient.

As Mr. Chapman writes, historic preservation "is the way to save cities, save money, and also save the Nation's urban and small-town heritage."

I encourage my colleagues to read the article and ask that it be inserted in the RECORD at this point:

[From the Washington Post, Feb. 28, 1978]

A BETTER WAY TO SAVE OUR CITIES

(By Bruce K. Chapman)

The Carter administration, which is still trying to devise an urban policy, appears to be ignoring the advantages of centering such a policy on the techniques pioneered by historic preservation. In fact, just when preservation has moved effectively into the cities,

the administration has decided to reorganize the program into the countryside.

Perhaps the White House, like many Americans, is not fully aware of how historic preservation has recently shifted its emphasis from restoring old mansions, museums and isolated landmarks to conserving inner cities and small towns. It has been taken up by community groups across the country with the encouragement of the National Trust for Historic Preservation and a new lobbying group, Preservation Action.

Part of their effort has been to save inner-city areas without uprooting residents. In Savannah, Pittsburgh and Cincinnati, for example, preservationists have assembled funds from a multitude of sources to recycle the houses of the poor—for the poor and with the poor—rather than resorting to the wasteful, destructive tactics left over from urban renewal.

In Seattle, a city-run project in the Pike Place Market Historic District has shown that federal rent-subsidy programs, historic preservation funds and private investment can be combined to provide safe, clean housing for skid row indigents, and that skillful planning can attract moderate and high-income people whose rents help support the project as a whole.

Compared with most urban-improvement schemes, preservation has advantages that should appeal to a president who is long on promises to city-dwellers and short on cash. Preservation is as much as 30 percent cheaper than new construction. It takes less time. It saves energy and natural resources. It retards urban sprawl. It also generates more jobs; according to statistics from the Department of Commerce, $1 million spent on preservation creates an average of 109 jobs, compared with an average of 69 jobs for new construction.

Moreover, preservation, as an urban strategy, does not require elaborate new programs, but often means only reorienting current ones. Last year, for example, the Advisory Council on Historic Preservation was able to persuade the Economic Development Administration to assist preservation projects in qualifying for public-works monies. This action increased the number of EDA-funded preservation activities from 5 to 300.

Most important, people themselves usually prefer to see their cities rehabilitated rather than "renewed."

Congress seemed to recognize all this in 1976 when it increased authorizations for the program dramatically, reaffirmed its support of the National Register of Historic Places and gave independent status to the Advisory Council on Historic Preservation, which monitors federal agencies' compliance with the preservation laws.

President Carter, however, has ignored the increased authorization and has frozen funding for preservation grants at the present level.

Organizationally, the White House has approved an Interior Department plan to combine historic preservation and natural-area conservation in a "National Heritage Program." Under the plan, preservation activities would be transferred from the National Park Service to a reconstituted Bureau of Outdoor Recreation, to be called a "Heritage Conservation and Recreation Service."

This will create an organizational mishmash, reminiscent of comedian Shelley Berman's old skit about the "Grace L. Ferguson Non-Scheduled Airline and Storm Door Company."

Worse, it suggests little comprehension of the new concept of preservation as an urban activity.

While disappointing historic preservationists, the new plan is not likely to satisfy those who are primarily concerned with saving endangered natural areas. They, too, expected more innovation from the five-month-long policy review that followed the president's environmental message of last May.

I think President Carter is missing a major opportunity. Instead of consigning historic preservation to an inappropriate niche, he should make it the core of his forthcoming urban policy. That is the way to save cities, save money, and also save the nation's urban and small-town heritage.

THE HONORABLE JOE D. WAGGONNER'S FAREWELL TO CONGRESS

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. BREAUX. Mr. Speaker, Hon. JOE D. WAGGONNER, JR., of Louisiana has announced his intention not to seek re-election to another term in Congress. Though the State of Louisiana will be reclaiming one of its finest citizens, this body will suffer in the absence of his leadership, eloquence, and patriotism. His statement, which follows, is a demonstration in itself of the qualities we are losing by his retirement from the House of Representatives:

After the most arduous and searching examination of my life and affairs and after the most prayerful consultation with my family, I have concluded to retire from public life. I will not be a candidate for re-election to the office I now hold.

Of the thirty-five years of my married life, almost thirty have been spent in service to my country in public office and in the armed forces. My desire to be with my family and to share with them for a while God's abundance of life has been ever pressing through all these years. It is an urge I can no longer resist. I must yield to the clear logic of the Son of David in the Third Chapter of Ecclesiastes: "For everything there is a season and a time for every matter under heaven." It is time for me to leave public life.

I harbor no regret for having chosen public service as my life's work though there is, perhaps, no more demanding a life than in the political arena nor a more brutal one. It can also be the most disappointing if one were to let it be, but I have not.

I have tried to make it the noble and honorable profession it can be. I have spent seventeen years trying to represent the people of the Fourth Congressional District in the Congress, to act for them singly as they would act for themselves if they were collectively. I have fought to preserve the greatest concept of government man has yet devised, and I have sought to preserve the free enterprise system that has given this Nation its freedom and its dignity. I have struggled to limit the increasing domination of the lives of our people by the government and those who look to the government for solution to our every problem—both real and imaginary. I have long believed that too many Americans expect too much from the government without a contribution on their part. I am completely convinced that we have long since exceeded our ability to pay for the cost of government at every level in this country.

I entered public life without any obligation save to my Maker and without any yoke around my neck. I leave it in the same manner. I recognize that some of those who would enjoy dictating my every action resent this independence.

It is not for me to judge to what degree I succeeded in my life's work. History will write it clearly. I believe that history will reflect that I understood representative government and practiced what I preached. I have not been a political expedient. I know my people.

The burden and responsibility of equitable and impartial representation in government is awesome. A clear conscience would not allow me to be the spokesman and unbending advocate of management alone, or labor alone, or government alone, though on occasion this would have been the easier course. On more occasions than were known, my alternative choices of action were both bad and I conscientiously sought the lesser of the two evils. Sometimes these dilemmas were misunderstood, and I did not and do not expect everyone to agree with my every choice. With a constituency of almost half-a-million, it was and is manifestly impossible. I ask only the understanding that I did, in every case, what I thought was best for us all.

In public office, men often do one of two things: they swell or they grow. I hope that, in the judgment of my constituents, I have grown. I did not seek after personal power, vain publicity, or monetary gain. I sought only two things: the trust and respect of those who elected me and the same trust and respect of my colleagues. "Plain Dealing" has been my watchword. I have attempted to run an office with an open door and accessibility. I have tried hard to serve all our people and in an effort to do so have turned no one away who came to me with a problem seeking help. Literally thousands have come. On occasion, we succeeded in helping; on others, we failed but we always tried. I have treated everyone as good as they would let me.

Though I now retire from public life, I intend to associate actively with the private sector. And though I do not anticipate ever again being a candidate for office, my interest in public affairs has not and will not diminish. I consider that I have a vested interest in what happens to my state and my nation.

I make this announcement five months before any qualifying deadline to insure that the machinery of elections has full time to function and to allow the voters full time to decide upon my successor. Too few understand the magnitude and totally demanding nature of this job. None who seek it should take lightly its effect on their personal and family lives. Every American should face reality and know that if some existing attitudes continue to prevail that the day will soon come when a draft will be required to get desirable candidates to seek public office.

I am painfuly conscious of my indebtedness to so many people; a debt I will never be able to satisfy. To, first of all, my family whose patience and understanding were my principal succor and support. There is no means, monetary or otherwise, of compensating for their sacrifices. To past and present members of my staff who unselfishly gave of their own lives to share with me the burdens and sacrifices of public office. To the voters who, by their votes, paid me their highest compliment.

The rewards have been more than I am worthy of having. I was given the opportunity to gain a perspective of government and the world. I was privileged to walk with Presidents, Kings, Potentates, and Princes. I have been more privileged to walk with the people of the Fourth District of Louisiana, my fellow men.

To the question, can I come back home now and be content in a simpler life after such an exhilarating experience, my answer is: I never left.

I sought your approval, and you gave it to me. My accomplishments may have been meager, but I discharged your trust to the best of my ability. If I could have done more, I call all Heaven to be my witness, I would

have done it. I lay claim to nothing but an honest effort.

Again, for my family and myself, from the depths of my heart, I thank you for your patience, your understanding, your friendship, your support, and your prayers.

SAVING OUR CITIES

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. PRITCHARD. Mr. Speaker, the Washington Post of February 28, 1978, published an article written by Mr. Bruce K. Chapman, the secretary of state for Washington State, entitled "A Better Way to Save Our Cities."

Mr. Chapman, who has been a longstanding advocate of historic preservation, is a member of the President's Advisory Council on Historic Preservation and a trustee of the National Trust for Historic Preservation.

Mr. Chapman advocates alternatives to the present administration's historic preservation policies. His proposals would encourage the survival of the economically and socially diverse neighborhoods, and would make the maintenance and rehabilitation of existing housing structures in our cities far more economically and socially suitable policies than those of the past and present which so often lead to demolition and redevelopment.

As a member of the congressionally mandated National Commission on Neighborhoods, I find that Bruce Chapman is advocating policies that lead to the preservation of our neighborhoods and the viability of our cities. Therefore, Mr. Speaker, I commend this article to the attention of my colleagues:

[From the Washington Post, Feb. 28, 1978]

A BETTER WAY TO SAVE OUR CITIES

(By Bruce K. Chapman)

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Perhaps the White House, like many Americans is not fully aware of how historic preservation has recently shifted its emphasis from restoring old mansions, museums and isolated landmarks to conserving inner cities and small towns. It has been taken up by community groups across the country with the encouragement of the National Trust for Historic Preservation and a new lobbying group, Preservation Action.

Part of their effort has been to save inner-city areas without uprooting residents. In Savannah, Pittsburgh and Cincinnati, for example, preservationists have assembled funds from a multitude of sources to recycle houses of the poor—for the poor and with the poor—rather than resorting to the wasteful, destructive tactics left over from urban renewal.

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Compared with most urban-improvement schemes, preservation has advantages that should appeal to a president who is long on promises to city-dwellers and short on cash. Preservation is as much as 30 percent cheaper than new construction. It takes less time. It saves energy and natural resources. It retards urban sprawl. It also generates more jobs; according to statistics from the Department of Commerce, $1 million spent on preservation creates an average of 109 jobs, compared with an average of 69 jobs for new construction.

Moreover, preservation, as an urban strategy, does not require elaborate new programs, but often means only reorienting current ones. Last year, for example, the Advisory Council on Historic Preservation was able to persuade the Economic Development Administration to assist preservation projects in qualifying for public-works monies. This action increased the number of EDA-funded preservation activities from 5 to 300.

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Congress seemed to recognize all this in 1976 when it increased authorizations for the program dramatically, reaffirmed its support of the National Register of Historic Places and gave independent status to the Advisory Council on Historic Preservation, which monitors federal agencies' compliance with the preservation laws.

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Organizationally, the White House has approved an Interior Department plan to combine historic preservation and natural-area conservation in a "National Heritage Program." Under the plan, preservation activities would be transferred from the National Park Service to a reconstituted Bureau of Outdoor Recreation, to be called a "Heritage Conservation and Recreation Service."

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While disappointing historic preservationists, the new plan is not likely to satisfy those who are primarily concerned with saving endangered natural areas. They, too, expected more innovation from the five-month-long policy review that followed the president's environmental message of last May.

I think President Carter is missing a major opportunity. Instead of consigning historic preservation to an inappropriate niche, he should make it the core of his forthcoming urban policy. That is the way to save cities, save money, and also save the nation's urban and small-town heritage.

SISTER MARY MADELEVA, C.S.C., SAINT MARY'S GRANDE DAME

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. BRADEMAS. Mr. Speaker, Sister Mary Madeleva, of the Congregation of the Holy Cross, a poet, philosopher, religious leader and college administrator, was an unusually gifted and dedicated woman.

As president for nearly three decades of St. Mary's College, Notre Dame, Ind., in the district I have the honor to represent, Sister Madeleva contributed greatly to the cause of higher education.

Her keen intelligence combined with her lively wit and a deep religious faith to help make St. Mary's College one of the oldest, largest, and finest Catholic women's colleges in the United States.

As a former member of the faculty and of the board of regents of St. Mary's College, I knew Sister Madeleva for several years and I shall always be grateful that I did.

Mr. Speaker, the winter 1977 issue of the Old Courthouse News, published by the Northern Indiana Historical Society, contains an article on Sister Madeleva by Jennifer Helmen entitled, "Saint Mary's Grande Dame," which I insert at this point in the RECORD:

SISTER MARY MADELEVA, C.S.C., SAINT MARY'S GRANDE DAME

(By Jennifer Helmen)

Sister Mary Madeleva, C.S.C., was a truly remarkable woman. She was a great lady, a gentlewoman who stood for what has become so rare in society, i.e., the traditional feminine virtues. Don't let those last three words fool you, she was a forerunner of the Women's Liberation Movement!) She was a religious, poet, educator, philosopher, and critic, and in those roles a worldwide symbol of the dedicated Christian woman. As she lived she was surrounded by a legendary aura, and after her death she was and still is considered to be one of the distinguished women of the twentieth century.

Sister Madeleva was president of St. Mary's College for nearly 30 years, and during those decades influenced and inspired several generations of St. Mary's girls. Her presidential term has been called the Golden Age of St. Mary's, for it represented a flowering of physical, cultural, and academic endeavor. She was instrumental in making St. Mary's what it is today, the oldest, largest, and perhaps the finest Catholic college for women in the United States.

The story of her life is as interesting as the list of her accomplishments is long and impressive. She was a woman who felt at ease whether riding camels in Egypt ("the most comfortable form of locomotion I have known") or working in her garden in South Bend, Indiana. When a former student was asked to describe Sister Madeleva she replied, "Small, serene, and extremely human . . . we all felt as if we knew her." She was an enthusiastic mediaevalist and nature-lover. This love of the outdoors included birds, wild flowers, and of all sports for a tiny nun—mountain climbing!

Sister Madeleva was born Mary Evaline Wolff on May 24, 1887, in Cumberland, the island city in northwestern Wisconsin. Both her parents, Lucy and August, were children of German pioneers in the Midwest. Lucy had been a teacher before she married, and August, a man who had been self-supporting since 11 years of age, was a harness maker. He retired from his trade at age 90, saying that harness making had been killed by gasoline! As a young girl, Eva's (so she was called) parents had no inkling their only daughter was destined for the life of a nun. The only sign of asceticism the Wolffs ever saw in Eva was on the eve of her first Holy Communion when she declined her nightly glass of beer!

In 1905 Eva left the milltown of Cumberland to attend the University of Wisconsin, where she led life of the typical co-ed of the time. When she returned home in the summer of 1906, she stumbled across an advertisement in McClures magazine that was to change the course of her life. The ad read "St. Mary's College, Notre Dame, Indiana—A Liberal Arts College for Women—For information address the secretary." Upon seeing this ad she wrote the secretary a "ridiculous" letter warning that she was used to having her own way and a fair amount of social life, but nonetheless wanted to come to St. Mary's College. August Wolff was proud of Eva's decision and Lucy was absolutely delighted that her slightly "reckless" daughter had chosen a convent school. That is how Eva found St. Mary's and St. Mary's found its future president.

AN "INVOLUNTARY NONCONFORMIST"

At St. Mary's, Eva found herself a "confused and involuntary nonconformist," as she was used to a great deal of independence. She believed that hours of truancy spent outdoors were far more enlightening than those spent confined within the walls of a dull classroom.

She put this belief into practice and wound up more than once in the office of the prefect. When questioned as to why she had difficulty obeying the established rules she replied, "Sister, some of the rules, I think, are rather foolish."

Her first two years at St. Mary's were spent getting in trouble for minor infractions of the rules and soul-searching the question "Why did God make me?" She was emotionally torn; she knew that nothing would make her happier than entering the Order of the Sisters of the Holy Cross, but didn't feel that someone who was so trouble-prone was meant to be a nun. She thought that "God did not make sisters out of girls like me." Eva's soul-searching ended when she did indeed enter the Order and took the name Sister Mary Madeleva.

She began teaching English at St. Mary's in 1910, and by 1918 Sister Madeleva had received her M.A. degree from the University of Notre Dame. Her first teaching assignment away from St. Mary's was in Ogden, Utah at the Sacred Heart Academy. One of her first pupils there, Phyllis McGinly, was to become a Pulitzer Prize winning poet. Sister Madeleva left Utah to go to the University of California at Berkeley to do graduate work in English. She had the distinction of being the first nun to receive a Ph.D. from that University.

In 1926, Sister became dean of St. Mary-of-the-Wasatch in Utah, where she was to spend the next seven years. She called those years seven of the best of her life, despite the fact that they had often been cold, and sometimes hungry. Further, she had suffered through water shortages, had been snowed in each winter, and had had coyotes crying under her window at night.

From St. Mary-of-the-Wasatch, Sister Madeleva went on to do more graduate work at Oxford University in England. While there, she became friends with such people as Edith Wharton, Charles DuBos, Alice Meynell and Seamus McMannus, all of whom later came to St. Mary's to visit her. (Christopher Dawson, Barbara Ward, Jacques Maritain, Clare Booth Luce, Irene Dunne, Helen Hayes, and Tom Dooley all came to S.M.C. to teach or lecture because they so greatly admired and liked Sister Madeleva.)

PRESIDENT OF ST. MARY'S

In 1934 Sister returned from Oxford to become president of St. Mary's College. She said that upon becoming president her best qualifications were her ability to dream and her capacity to work. As a college administrator she directed educational policies and practices so as best to develop "good, sensible women from a group of thoroughly fine college girls." She believed that women should be educated as women, "with an existential major and minor in womanhood." Sister Madeleva believed that the Catholic college for women should educate on two levels, the natural and the supernatural. It should educate for "morality and immortality, for time and eternity."

She spent her adult life as a teacher and believed, as did St. Thomas Aquinas, that teaching was the noblest function a creature can share in divine government. She was respectfully listened to in national educational circles and was continually sought for her counsel. Sister Madeleva delivered hundreds of addresses on Catholic education, education for women, and problems in the field of education, speaking all across the country at colleges, universities, educational conferences, and on radio and television.

Perhaps her greatest accomplishment was the founding of the first Graduate School of Theology for women in the United States in 1943 at St. Mary's. Although she was told she hadn't the curriculum, the graduate library, or the faculty, she was convinced that the science of God should be the integrating subject at any college. She put her convictions to work, and the result was a famous educational institution that became the working model for the planning of Regina Mundi, Rome's graduate school of Theology for Sisters.

St. Mary's fine arts center, Moreau Hall, was built during Sister Madeleva's administration and as a result of her capabilities. Its wonderful auditorium has, in many ways, brought the S.M.C. and South Bend communities into closer contact. But the new buildings and tripled enrollment at St. Mary's can in no way measure the enormity of Sister Madeleva's accomplishments for S.M.C., the cause of Catholic education, and education in general.

FOUGHT FOR MANY CAUSES

Sister Madeleva fought for many causes, both the popular and the not so popular. She opened the doors of St. Mary's to qualified black students despite the protests of Southern students, parents and alumnae. Sister also initiated a program of scholarships for foreign students, making it possible for girls from six continents to attend St. Mary's. In 1958 she received a Brotherhood Award from the Roundtable of Christians and Jews "in grateful tribute to Sister Madeleva's dedicated work in the intellectual, spiritual, and cultural development of women of all faiths."

She could never have been called Victorian. She abolished the smoking ban at St. Mary's, believing that permitting smoking was nothing more than accepting a widely popular custom, having nothing to do with the question of morality. She did, however, remain firm in her prohibition of student drinking.

Although more than 14 collections of her poetry have been published and widely anthologized, she never thought of herself as being a poet, and was surprised when considered one. She said that her poems were merely her way of saying what she thought. In 1938 she received a gold medal from the National Poetry Center of the New York World's Fair for the best poem submitted by an Indiana poet. It was entitled "Snowstorm," a subject many Hoosiers are all too familiar with!

Sister Madeleva was greatly influenced by Notre Dame's poet, Father Charles O'Donnell, who gave her much encouragement. Her works began to be published early in her religious life. She was determined to write well enough to be accepted by the secular press or not write at all. Her first magazine acceptance was, fittingly enough, in the Ave Maria; later her works appeared in more than 20 magazines, among them the New York Times, Saturday Review of Literature, Poetry Review of London, and American Mercury. Her writings were by no means confined to poetry; she wrote extensively on educational theory and practice.

A WOMAN TO BE ADMIRED

Sister Madeleva was indeed a woman to be admired. When she died in 1964 her death was mourned by people in every corner of the globe. She had done much in her 77 years. She held degrees from St. Mary's, Notre Dame, Berkeley, and Oxford; she had many books published and publications appearing in more than 20 magazines. It has been said that Sister Madeleva put St. Mary's on the map. She was liked, respected, and admired by thousands of people the world over, which is perhaps the greatest award of all of those she received during the course of her life. Madeleva Hall, dedicated in 1968, the main educational building on the campus today, keeps the name of Sister Madeleva alive among the present generation of St. Mary's girls.

FACTS BENEATH THE RHETORIC OF TAX REFORM

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. ROUSSELOT. Mr. Speaker, the February 22 issue of the Wall Street Journal quotes Dr. Michael Evans, president of Chase Econometrics Associates, as saying that Federal taxes on personal income will increase $5.9 billion even if Congress passes President Carter's so-called tax cut. Next year, Federal taxes will rise by $15.2 billion due to social security tax increases, and inflation by pushing incomes into higher tax brackets adds another $9 billion. That comes to $24.2 billion, which is $5.9 billion greater than the President's $18.3 billion tax cut. The Journal quotes Prof. Gerard Brannon of Georgetown University as saying:

> We've had phony tax cuts for the last 15 years. We ought to stop letting the politicians get away with the cheap talk.

In an extraordinary article in the March 1978 issue of Harper's magazine, Dr. Paul Craig Roberts, a distinguished economist, documents how taxes have been raised over the years on all Americans. Reforms have been advocated on the grounds that they will make the rich pay their fair share, but invariably the result is to make everyone pay more in order to fund the spending constituencies of the Government. As. Dr. Roberts puts it:

> From the standpoint of the government's interest, tax reform is a necessity. The rich are a depleted resource, and so it is inevitable that the government will come up with a new source of revenue in tax reform.

Dr. Roberts points out that the purpose of reform is to enlarge the tax base in order to raise taxes on the middle and lower income brackets. "The Government is refashioning its tax net to catch those it pretends to protect." Dr. Roberts describes how this occurred in the past and, also how it will occur in the future. As one who has strongly opposed the Government's growth, higher levels of taxation, and spending deficits, I am delighted that some professional economists are blowing the whistle on these phony tax cuts.

Moreover, in the article by Dr. Roberts, entitled "Disguising the Tax Burden," he develops the point that we have come a long way from the time three

decades ago when F. A. Hayek said something about the road to serfdom, but there is a parallel. In feudal times, a serf, while not a slave, owed a certain amount of his working time to the feudal nobility—the state of that time—and Dr. Roberts shows how the serf's position provides a perspective whereby he can sum up the success of reactionary forces in this century in these simple economic terms:

"In 1929 government in the U.S. had a claim to only 12 percent of the national income. By 1960 government had a claim to 33 percent of the national income. By 1976 government had extended its share to 42 percent. In relative terms our position today is worse than that of a medieval serf who owed the state one-third of his working time."

Mr. Speaker, in view of the fact that my colleagues in the House of Representatives will soon be voting on tax measures, and because I am confident that they will earnestly seek genuine reforms to provide actual relief for the working taxpayers and that they will not just engage in a display of razzle dazzle to mislead the American people and give them false hope that they will be able to keep the major portion of their hard-earned dollars. I commend the article by Dr. Paul Craig Roberts to their thoughtful review:

[From Harper's magazine, March 1978]

DISGUISING THE TAX BURDEN

(By Paul Craig Roberts)

(NOTE: On January 21, 1978, President Carter proposed $9 billion in revenue-raising tax reforms (along with tax cuts, for lower- and middle-income earners, that increase the progressivity of the income tax). Under the President's proposals, $6 billion in tax revenues would be raised from the taxation of unemployment benefits and the elimination of deductions for sales, gasoline, and personal-property taxes and medical expenses. The elimination of these deductions will reduce the tax advantage of itemized deductions for homeowners. The President also proposed replacing the $750 personal exemption with a $240 tax credit. This change would temporarily benefit lower-income earners until inflation pushed their nominal incomes into the 33 percent bracket. All of these changes work to reinforce the adverse affect that inflation has on the taxpayer.)

Even when they appear singly, major tax increases have a way of slowing down the legislative process. It has to be worked out how to disguise the tax so everyone thinks it is falling on someone else. Then the Congress and the Administration have to work out among themselves who gets to hand out how much to which spending constituency. This is what is known as politics, and ordinarily the politicians can think of enough new rhetoric to explain the levying of new taxes. But by the end of his first year in office President Carter had proposed so many tax increases (the energy tax, the Social Security tax, and the tax-reform tax) that the system temporarily collapsed.

It was more new taxes than could be negotiated, and the major tax-reform proposals of last September have been withdrawn but not discarded.

From the standpoint of the government's interest, tax reform is a necessity. The rich are a depleted resource, and so it is inevitable that the government will come up with a new source of revenue in tax reform. As is customary in these matters, tax reform will be justified on the grounds of "equity," that is, closing loopholes and helping the poor. Tax reform to help the poor is easy, because the poor don't pay any taxes. Therefore, it doesn't cost the government anything. Look at the table prepared by the Tax Foundation from data published by the Internal Revenue Service in *Statistics of Income*, and be amazed at the distribution of the tax burden.

Half of the taxpayers, those whose adjusted gross incomes place them in the bottom 50 percent, account for only 7 percent of the total personal-income-tax collections. Taxpayers in the lowest 25 percent account for less than half of 1 percent of the personal income tax collected by the government. That's why the government likes to cut taxes for lower-income groups. It doesn't cost much to buy half the votes, and what guilt-ridden upper-income taxpayer would complain about compassionate government?

Besides, "everyone knows" that the bulk of the taxes is paid by lower-income earners, while the rich largely escape taxation. Public citizens' tax-reform organizations, peoples' tax lobbies, and other sheltered spokesmen for organized welfare groups have no difficulty getting out their well-packaged, public-spirited message. Meanwhile, the true facts pass unnoticed in the IRS's *Statistics of Income*.

The table shows that taxpayers with incomes in the top 5 percent—those with adjusted gross incomes of $29,272 or more—paid over one-third of the total personal income taxes collected by the federal government in 1975. The top 10 percent of taxpayers—those earning $23,420 or more—paid nearly half the total tax bill. In contrast, the lowest 10 percent of taxpayers paid only one-tenth of 1 percent of the total tax bill. Taxpayers earning $15,898 or more—those in the top 25 percent—paid 72 percent of total personal income taxes. Taxpayers whose incomes placed them in the top 1 percent paid more than two and a half times the total taxes collected from the bottom 50 percent.

An income of $59,338 may qualify for the top 1 percent, but what about the really rich? The latest *Statistics of Income* shows the 1,149 taxpayers earning $1 million or more in 1975 paid an average tax of $1,011,317. The total tax paid by these few high-income taxpayers added up to $1.15 billion. All of us might pause to ask what public services a taxpayer receives for a million dollars in income taxes.

PERCENT OF TOTAL TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS, 1970 AND 1975

Adjusted gross income class	Income level		Percent of tax paid	
	1970	1975	1970	1975
Highest 1 percent	[1] $43,249	[1] $59,338	17.6	18.7
Highest 5 percent	[1] 20,867	[1] 29,272	34.1	36.6
Highest 10 percent	[1] 16,965	[1] 23,420	45.0	48.7
Highest 25 percent	[1] 11,467	[1] 15,898	68.3	72.0
Highest 50 percent	[1] 6,919	[1] 8,931	89.7	92.9
Lowest 50 percent	[2] 6,918	[2] 8,930	10.3	7.1
Lowest 25 percent	[2] 3,857	[2] 4,044	.9	.4
Lowest 10 percent	[2] 1,259	[2] 1,527	.1	.1

[1] Or more.
[2] Or less.

Source: Tax Foundation computations are based on Internal Revenue Service, Statistics of Income.

The table reveals another interesting fact. Since 1970 the tax burden has shifted further away from the lower brackets. In 1970 the bottom 50 percent paid 10.3 percent of total income taxes, and the top 50 percent paid 89.7 percent. By 1975 the bottom's share had declined to 7.1 percent, while the burden carried by the top had risen to 92.9 percent. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–75." Many of the untaxed receive transfers in kind, such as food stamps and housing subsidies, together with earned-income credits (negative income tax) and welfare checks, so that their real income exceeds that of many taxpayers.

Most people think that tax reform means making the rich pay taxes. They do not realize that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. The government is refashioning its tax net to catch those it pretends to protect. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions. The government, of course, will give reassurances that it is only after the rich, just as it did when it brought in the income tax in 1914. Initially the personal-income-tax burden rested on only 357,515 people—less than one-half of 1 percent of the population. Only people with incomes much greater than average were subject to the tax. The rates ranged from 1 percent to 7 percent. Only income in excess of $117,000 in today's dollars encountered the first surtax bracket of 2 percent. The top tax bracket of 7 percent was encountered only by income in excess of $2.9 million in today's dollars. The personal income tax soon found its way into the lower brackets. The income thresholds were lowered and the tax rates raised. The bottom bracket today, an income level not subject to taxation in 1914, is taxed at 14 percent—twice 1914's top rate. The tax rate today on the first $500 of taxable income is twice as great as the tax rate on a multimillionaire's income in 1914. This does not mean that things got better for the millionaire. The rate in his bracket today is ten times greater, and his average tax rate is 11.4 times greater. In 1914 the total tax on a million-dollar income was $60,000. Today it is $685,000. Since, as a result of inflation, the value of money today is only about one-sixth of what it was in 1914, today's millionaire's after-tax income of $315,000 is equivalent to a 1914 purchasing power of $53,800. He has only one-seventeenth of the purchasing power of his 1914 counterpart. During a period that has seen a rise in the average standard of living, the millionaire's has declined drastically.

It is an interesting story to trace the growth of the personal income tax, but it can be summarized in the following way: Between 1914 and 1975 the population grew 120 percent, but the number of individual-income-tax returns grew by 23,800 percent.

Hailed everywhere as loopholes for the rich, deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket. For example, in the under-$10,000 adjusted-gross-income class, deductions come to 48.9 percent of adjusted gross income. In the $10,000-to-$24,999 class, deductions are 31.1 percent of adjusted gross income, and in the over-$25,000 class they are only 22.8 percent. The higher the income, the less it is sheltered by deductions.

According to the latest Treasury figures, the upper-income groups benefited from about $16 billion in deductions, exclusions, and other privileges, about half of which resulted from recognizing the difference between capital gains and ordinary income. Lower and middle-income groups benefited from about $50 billion in deductions and exclusions, such as the exclusion of unemployment benefits, Social Security payments, workers' compensation benefits, pension contributions and earnings, employer-paid medical insurance premiums and medical care, the deduction of interest on consumer credit and home mortgages, property taxes, medical expenses, and state and local taxes, and the deferral of capital gains on the sale of a home plus credit for the purchase of a new home. For every dollar of upper-bracket tax savings, $3 went to the lower and middle brackets.

Dr. Roger Freeman, former White House aide and Hoover Institution Fellow at Stanford University, summed up his book on tax loopholes (Tax Loopholes: The Legend and the Reality) as follows:

"The literature of the tax reform drive usually asserts that most of the loopholes were designed for and work for the benefit of the rich, that poor and middle income taxpayers are taxed on all of their income, with no escape possibilities, and that most of the income that avoids taxation is to be found in the very high income brackets. The facts, however, suggest the opposite: much or most of the untaxed income is in the low and medium brackets."

That neatly sums up why the government's tax reformers are interested in reducing deductions. You can't raise revenues for the government unless you go where the untaxed income is.

Untaxed income also means fringe benefits. The President says that taxing fringe benefits means "the three-martini lunch." But the unions are concerned rather than fooled. They know where the untaxed benefits are that would yield substantial tax revenue. Sen. Orrin G. Hatch (Rep.-Utah), a member of the Joint Economic Committee, has calculated that taxing fringe benefits as personal income "would mean an increase in taxes of $240 on the average taxpayer." With the 76 million tax returns filed in 1975 that reported wage and salary income, that would come to $18.24 billion, a tidy sum for government. That's why the unions are supporting the resolution introduced by Senator Hatch and Rep. Jack Kemp (Rep.-N.Y.) against the taxation of fringe benefits. They know that taxing fringes is the same as raising tax rates on exitsing wage and salary levels. You can't pay the IRS with part of your parking place, employer-subsidized meal, employee discount, or employer-paid health insurance and pension premiums.

The third plank of the tax reform redefines assets as income, and in addition to taxing the income from the asset confiscates part of the asset. Suppose you invest $10,000 in an income-producing asset, and inflation drives the price of that asset to $15,000. Suppose that family educational or medical expenses force you to sell the asset. Even though its replacement cost is $15,000—the $15,000 you receive will not buy any more than the $10,000 you paid—the government will claim that you have a $5,000 capital gain and tax it. Suppose you are in the 25 percent bracket. That means $1,250 of your assets will be confiscated by the government. The greater the inflation, the longer you hold the asset, and the higher your tax bracket, the more will be confiscated. The reformers are even talking about taxing the "capital gain" on an accrual basis whether or not you sell the asset.

The tax reformers showed how far they want to go by proposing to tax homeowners on the rental value of their homes. It's called taxing imputed rent. The reasoning is that owning a home provides income in kind (shelter). The value of that income is the rental value, so up goes your taxable income by the rental value of your home—even though it is not rented and you are living in it. This reform is especially valuable to the government as it pushes homeowners into higher tax brackets, which means they pay higher tax rates on the same money incomes. It is valuable also because it establishes a new principle of taxation that can be applied to home vegetable gardens and to the services of housewives. Cooking services, sexual services, cleaning services, child-rearing services, and laundry services are also income in kind. The imputed value of a housewife who is good at all of these tasks would exceed the salaries and wages of many husbands. The government could then take your house and make you hire out your wife to cover the unpaid taxes you couldn't pay.

So many major tax-increase proposals indicate runaway greed in Washington. It's not as if the government hasn't had a raise. The government gets an automatic increase in tax revenues every year as a result of inflation. Look at what happens to the real tax burden on a person whose income rises with the rate of inflation over the course of his working life. To show that it is not just the upper-income taxpayers who are harmed, let's take for an example someone who is today earning only $6,240 a year. In 1976 he would have paid no taxes. Instead, he would have received a check from the Treasury for $155 as a result of the earned-income credit. But after 45 years of 5 percent inflation he would be earning $56,077 a year, on which he would have to pay $17,019 in taxes (at present rates). His after-tax money income would have risen from $6,395 in 1976 to $38,058 in 2021, or by substantially less than the rate of inflation. His after-tax income in 2021 would have a purchasing power equal to only $4,345 in 1976 dollars. In spite of his much larger money income, this person would have experienced a decline in his living standard of nearly one-third. This is the result of progressive income taxation plus inflation, which together cause taxes on the same amount of purchasing power—$6,240 in 1976 dollars—to rise from a refund of 2.5 percent in 1976 to a tax of 30 percent in 2021. The higher the inflation, the worse it would be for him, because the faster he would reach the higher brackets.

Indexing the tax structure (adjusting it to offset inflation) would prevent this deterioration in the living standards of all Americans. One might think that this would make indexing an important issue of tax reform. Yet, it is not part of the tax reformers' proposals. The reformers argue that inflation causes government's costs to rise, so it also needs more revenues. However, the way it is now, the government's revenues don't simply rise by the amount of the inflation, they rise by 1.65 times the rate of inflation. A 10 percent rate of inflation means a 16.5 percent increase in government revenues. That is why governments prefer to fight unemployment.

The claim that inflation hurts the lower income brackets more than the upper income brackets is deceitful. What inflation really does is to push everyone into higher tax brackets. As average incomes rise, more and more people will experience the woes of being nominally rich. One of the woes is that the higher your nominal or money income, the harder it is to stay even with inflation. As the tax bill gets bigger on every raise, your income has to increase progressively faster than the rate of inflation in order to stay even. This is another reason government prefers to reduce the tax rates in the lower brackets. Inflation soon moves the people out of them and into the higher brackets that were not cut.

Dale W. Sommer in the September 26, 1977, issue of Industry Week presents some interesting statistics from the U.S. Department of Commerce's National Income and Products Accounts that illustrate the extent to which American incomes have been undone by tax-flation. Over the past ten years the average wage has risen 77.3 percent, whereas the consumer price index has risen 75.4 percent. So the average worker has kept up with inflation. But the tax burden has risen 144 percent during the same period. On a per capita basis, Americans paid $2,261 in taxes in 1976 compared with $1,014 in 1966. The 144 percent growth in the tax bite exceeded the 126.6 percent-growth in total production of goods and services (GNP) and the 119.2 percent growth in total national income.

Last year Americans paid $16.7 billion more in taxes than they spent on the three basic necessities of food, clothing, and housing. The total tax bill came to $486.4 billion, whereas the total spent on food, clothing, and housing came to $469.7 billion. Compared with the $2,261 per capita expenditure on taxes, $1,048 was spent on food, $354 on clothing, and $780 on shelter. Added together the three necessities are still $79 less than per capita taxes paid.

Taxes far outpace the growth in real income. In 1976 federal taxes grew 20.8 percent. The entire economy grew 11.6 percent, and 5.3 percent of that growth was the result of inflation rather than an actual increase in the production of goods and services.

The greatest loophole of all in our income-tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

We have come a long way from the time three decades ago when F. A. Hayek said something about the road to serfdom. A serf was a person who did not own his own labor. Although he was not himself owned by another—that is, he could not be bought and sold like a slave—the feudal nobility, the state of that time, had rights over the serf's labor. When we say that a peasant was enserfed, we mean that he owed a certain amount of his working time to the state. Over time and regions this obligation averaged about one-third of a serf's working life.

The serf's position provides a perspective that lets us sum up the success of reactionary forces in this century in simple economic terms. In 1929 government in the U.S. had a claim to only 12 percent of the national income. By 1960 government had a claim to 33 percent of the national income. By 1976 government had extended its share to 42 percent. In relative terms our position today is worse than that of a medieval serf who owed the state one-third of his working time.

Many may reject this parallel. They may say that we have a democratic government controlled by the people, and that high taxes and big government merely reflect the voters' demands for public goods in the public interest. Such an argument is reassuring but problematical. The income tax was voted in under one guise and retained under another. Furthermore, it was the action of a past generation. For us it is an inherited obligation, as were feudal dues, and it is seen that way by the Internal Revenue Service. All of us have been born to the statist gospel that government is the instrument of social progress. Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government. As we hear the talk about tax reform and "equity," we might pause to consider, if our cultivated progressive image will allow, that "equity" means more taxes on the productive to provide the revenues that build the spending constituencies of Congress and the federal bureaucracy. What is operating is not equity, but the government's self-interest.

The advent of several major tax increases in tandem will destabilize the economy, but from the government's perspective that is desirable. There will have to be more government programs to deal with the consequences of instability. Every sophisticated person is aware of how special interests use the legislative process for their own benefit, but the same sophisticate is badly schooled in how the legislative process furthers the special interests of those in government. Inflation leads to the imposition of wage and price controls and credit allocation,

all of which increase the spoils, money, and influence divvied up in Washington. Unemployment means more CETA jobs and public works, and what member of the government class is hurt by that? Put simply, instability increases the demand for the services of bureaucrats and for pork-barrel legislation that builds the spending constituencies of both Congress and the Executive branch. It advances the careers of academics and technocrats who move back and forth from their think tanks and universities and in and out of government.

Perhaps all of this won't come to pass all at once. Government might so engorge itself with Social Security and energy taxes that it can't reach the tax-reform dish. Or perhaps in a last-gasp effort the vested interests of old will flex their flabby biceps and hammer through a tax cut that will stave off enserfment and economic stagnation for a while longer.

NATIONAL ENERGY PLAN—II: BEWARE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. OTTINGER. Mr. Speaker, there have been many rumors recently about what the Department of Energy is planning as the next phase in national energy strategy. For many of us the rumors have been most disturbing, indeed. To move forward on a production effort, even before the National Energy Act is completed—especially if that effort is emphasizing capital-intensive, energy-intensive and environmentally destructive technologies which the Congress has rejected in the past—would be a grave disservice to the Nation.

The Environmental Study Conference, through its staff writer Sarah Glazer, has prepared an excellent fact sheet on the elements of Secretary Schlesinger's moves toward phase II of the National Energy Plan. I did not like what I learned, but did find the fact sheet enormously informative. I commend it to the attention of my colleagues.

FACT SHEET—PHASE TWO ENERGY PLAN—A SUPPLY STRATEGY

(By Sarah Glazer)

The policy office of the Department of Energy is in a frenzy of activity reminiscent of the days when President Carter's national energy plan was being pieced together. This time the work is on a sequel: a supply strategy. In its present very preliminary form, the strategy emphasizes federal subsidies for development of synthetic oil and natural gas from coal and oil shale.

The department originally had planned to introduce its so-called National Energy Supply Strategy (NESS) in the spring of 1979, with a detailed study preceding it this fall. The strategy will meet the legal requirement the administration has to update the national energy plan. It also will provide a comprehensive look at the nation's future needs for energy supplies and make proposals for government action.

But by a fluke of history—and congressional pressure—Energy Secretary James Schlesinger has pledged publicly to give Congress a first look at the supply strategy by May 1.

The department had just started to organize into supply task forces when Schlesinger was questioned Jan. 25 by members of the House Science Committee on his department's plans for assuring the country sufficient supplies of energy. Schlesinger replied that his department would have something up to the committee within 90 days.

The secretary instructed his staff to prepare a list of supply initiatives to be sent to the Science Committee in the form of a 25-page memorandum. Assistant Secretary Al Alm's Policy and Evaluation office is organizing the effort, which includes staff contributions from all quarters of the department.

In a meeting with Schlesinger shortly after his promise to the Science Committee, Alm's staff drew up a "wish list" of supply initiatives. The list is heavily weighted toward various forms of federal subsidies for developing synthetic oil and gas from coal and synthetic crude from oil shale.

However, so-called "soft" technologies, a term for renewable resources with decentralized application such as solar and wind energy, are on the list.

Energy conservation, which played no part in the early department discussions of the supply strategy, has since been added to the wish list. A task force has been assigned to concentrate on conservation initiatives that could contribute to increased supplies.

How Congress will react to the upcoming proposal is uncertain. For one thing, it will be somewhat limited in scope, containing only those ideas already studied by the Energy Department. Yet, some of these ideas will constitute major new, and potentially explosive, initiatives for Congress. For another thing, the proposal will not be very specific and will not be in legislative form.

Still, members may seize on the proposal to boost certain programs. And the administration itself apparently is considering certain budget amendments, such as boosting fossil energy R&D, to meet some of the initiatives in the upcoming proposal. Budget reprogramming proposals for fiscal 1978 and 1979 also may come out of the administration.

However, in view of the already heavy legislative workload and this fall's elections, Congress appears unlikely to start moving any major new legislation this session.

Besides the Science Committee, DOE probably will send its proposal to other House energy committees and the Senate Energy Committee.

Another aspect of the department's work on this spring's proposal is a study of how much energy will be needed in different sectors of the economy between now and 1990. The department's computer is running through both original and secondary data to look at the problem.

The goal of the supply strategy is to eliminate domestic dependence on oil imports. The national energy plan called for a reduction in oil imports to seven million barrels per day by 1985. The supply strategy supposedly would reduce imports to close to zero.

The department sees the scarcity of liquid and gaseous fuels as the crucial problem arising in 1985 to 1990 and thus proposes programs to develop domestic oil and gas sources by that period.

The department's main premise is that oil prices will probably double by 1985—up to about $25 per barrel. This figure was originally postulated by Deputy Energy Secretary John O'Leary. If this price is reached, DOE asumes that synthetic fuels, which are now uneconomical, could be competitive by 1985.

If world oil reaches $25 by 1985, a January DOE memo noted, "we should be willing to guarantee up to 25 dollars/barrel" for synthetic liquid fuels or $4.50 per thousand cubic feet for gas from unconventional sources.

PROJECTS UNDER CONSIDERATION

The department has divided work on the supply initiatives into about a dozen task forces. In addition to conservation, task forces are studying at least another eight technology areas. In addition, the department is looking at areas that cut across technology lines, such as impacts on the environment and economy.

The tentative proposals being considered are outlined below. The information comes from a DOE memo summarizing a January 27 meeting with Schlesinger on the supply initiatives memo

Many proposals may be dropped or added before this spring. At press time, however, knowledgeable department sources said it still represents the rough outlines of current thinking.

Solvent Refined Coal

DOE would build one demonstration plant by 1982–1983 in the so-called SRC method, which produces a low sulfur solid or liquid material from coal. The plant would produce about 20,000 barrels per day.

Under consideration for a possible demonstration plant is a proposal by Gulf Oil Corp. to use the SRC method. However, Gulf's product may be too expensive, perhaps more than $30 per barrel.

Synthetic Fuels

According to the memo, regulatory measures could be used to require 5 to 10 percent of all petroleum products sold to be from unconventional sources, such as synthetic fuels and alcohol, by some target date in the future. This method could save up to 600.000 to 700,000 barrels of imported oil per day by 1999, administration staff estimate

Issues raised by this cption would be how to handle imported products, how to guarantee some form of equity among producers and the time for phasing in the regulations.

One thought is to institute an entitlements program along the lines of the current program that distributes nationwide the high cost of foreign oil among domestic refiners. For refiners dependent on expensive foreign oil, the current program gives a credit for the price difference between lower priced domestic oil and foreign oil. Those areas that use mostly domestic oil must pay the difference between the domestic and world oil price. High-level officials are considering plugging in high-cost synthetics into the equation. The effect would be to average high cost synthetic liquids into the cost of all oil.

Oil Shale

The government would guarantee prices to oil shale companies. Competitive bids could ensure that the guaranteed price would be as low as possible.

Oil shale might also be included in the proposed 5 to 10 percent requirement for unconventional liquids in the petroleum supply.

Oil shale, a combination of "marlstone" rock and an organic material called kerogen, produces a crude oil product when heated to very high temperatures. The richest reserves are located in Colorado's Piceance Creek Basin, below the western slope of the Rocky Mountains.

Synthetic Gas

One proposal envisions federal guarantees of loans for five large plants totaling 250,000 barrels per day in capacity.

Issues include whether to go with loan or price guarantees, the policy for liquefied natural gas, and what regulatory authority the administration has to take action in this area.

Unconventional Gas Sources

This would include expensive, exotic sources of natural gas such as geopressurized methane. Possible proposals include price guarantees of up to $4.50 per million Btu (British thermal units) by competitive bid for a set capacity and a government drilling demonstration program. Unconventional gas could be included in a program like that

suggested for synthetic fuels, where a percentage of pipeline gas would have to be unconventional.

Soft Technologies

Proposals under consideration would include accelerated R & D programs and building demonstration plants to turn waste—such as wood chips—into energy and community-scale heating plants.

Among the options under most active consideration are alcohol from biomass (i.e. waste products like grain), direct burning of garbage for electricity, small-scale hydroelectric plants and wind energy.

Special concern is focused on which of these options would substitute most effectively for scarce oil and gas.

Industrial Coal Program

A number of incentives are under consideration to promote three technologies to cut down air pollution from coal burning. Included is atmospheric fluidized bed combustion, a process which eliminates through a chemical process most of the sulfur from coal as it burns in a limestone bed. Another candidate is scrubbers, the prime technology now used to cut emissions in the stack. The third is coal-based gas with a low heat content, also known as low-Btu gas. Low-Btu gas is an industrial fuel. It is not practical for use in pipelines because of its low heat content, but is useful for generating electricity.

Incentives under consideration for these technologies include:

A tax credit or fast write-off

A regulatory program requiring either direct burning of coal or a choice of the above technologies

A Federal purchase subsidizing one third or one half the cost of installing the above technologies.

An important issue is how such a program would relate to the national energy plan—particularly the portions requiring industry to convert to coal and encouraging conversion through taxes. The regulatory conversion portion has been approved tentatively in conference. Additional legislation may be needed.

Medium-Btu Gas

Also under consideration for federal subsidies is synthetic gas from coal with intermediate heat content (between the heat content of natural gas and low-Btu gas). Medium-Btu gas is considered unsuitable for pipeline transportation, but can be useful for heating and for industry near the site of production.

The proposal would pay 25 to 50 percent of the cost of the first few years of projects for use in industrial complexes or in heating plants on a community scale. Administration staff note that subsidies may be tricky for this proposal because community programs are complicated.

THE CONGRESSIONAL OUTLOOK

Perhaps the most frequently heard congressional criticism of President Carter's national energy plan was that it focused on energy conservation, without enough emphasis on increasing new sources of supply. The administration defended its approach by saying conservation is a cheaper source of supply than actual production, but opponents never bought the argument.

Demands for supply initiatives, in fact, may spell the death of the pending energy package, which has languished since Christmas. Sen. Long (D-La.), chairman of the Senate Finance Committee, proposed to turn the revenues from the administration-proposed crude oil tax into a trust fund for producer incentives. Carter originally proposed to rebate those revenues to consumers. A vigorous floor fight is expected if this issue ever reaches the floor again.

Long is a key actor in the conference on the tax portion of the national energy plan. The conference is not expected to reconvene until conferees on the natural gas portion of the plan have reached agreement. Even if agreement is reached on natural gas, however, Long's staff is proclaiming the plan politically dead. Congress is not likely to vote for Carter's tax increases by the time they reach the floor—close to campaign time.

There is some speculation that the administration sees supply strategy as a lever to get the Congress moving again on the energy package. But the ploy probably will not work unless the administration shows a willingness to be more flexible than it was the last time around. The administration has continued to insist that all five bills in its energy package be passed together—or not at all—even though three of the five bills are close to congressional approval.

THE REAL PHASE TWO

The Energy Department is still planning to go ahead with its plans for developing a comprehensive supply strategy, although the sudden gearing up for the "eight-week wonder" could throw off its original schedule. The policy office is shooting for the end of March to send a draft to Schlesinger.

As part of this long-term process, the department plans to rectify some of the mistakes of the past. In particular, it plans to reach out to Congress and outside groups. By May 1, administration staff promise, they will have started a process for bringing in outsiders for suggestions.

The promise has not proved reassuring to the environmental community which is already up in arms over the way phase two is being handled.

The Natural Resources Defense Council, an environmental law firm, has written to Schlesinger urging him to establish briefings and meetings for public involvement immediately. NRDC also is urging that the department prepare a draft environmental impact statement to accompany phase two through the decision-making process.

"One of the great failures of NEP (national energy plan) has been its hasty and basically internal development, resulting in no discernible constituency which is prepared to work for its passage" NRDC declared in its Feb. 17 letter. "It would be the height of folly to repeat those mistakes in developing phase two."

Even as members of Congress are urging quick results on an energy supply strategy, NRDC, the Sierra Club and other environmental groups also are pushing a go-slow approach. They would prefer that the department study long-term needs and intiatives in an orderly fashion.

A more deliberate pace would probably help the role of "soft technologies" such as solar energy. A high-placed DOE official working on this section of the supply strategy noted that there is less information right now on the contribution that renewable technologies can make to the nation's supply than there is on other energy sources. As a result it is hard to justify proposals for federal help in these areas with only eight weeks of preparation.

Environmental groups have expressed great concern over the short shrift that the supply strategy seems to be giving to renewable technologies. Some have termed the new proposal former Vice President Rockefeller's "Energy Independence Authority warmed over."

In the past, environmental groups have fought federal subsidies for synthetic fuel development. They have argued that federal loan guarantees, for example, will divert investment in a capital-short market from more environmentally desirable energy sources.

Proponents of loan guarantees have argued that federal backing is necessary to answer investors' doubts about the viability of coal gasification and oil shale development. Environmentalists answer that if the projects are so risky, the government should not subsidize them.

There are numerous environmental problems associated with oil shale and coal gasification, both of which are expected to lead to extensive strip mining in the West. In addition, the processes require vast amounts of water in areas where water is already scarce for agricultural and other uses.

At least some segments of the department are pushing oil shale as the most economical contender to replace oil imports. The government controls 80 percent of the shale-bearing lands in the nation, and some government estimates say oil shale can be produced at $10–17 per barrel.

One DOE memo calls oil shale's environmental problems "difficult" but "not insurmountable if the western region has the political will to develop" the resource.

Environmental groups would disagree with this assessment. Oil shale ranks as the least favored synthetic fuel of the Environmental Policy Center, the environmental group that has been most active in the synthetic fuels debate.

The richest oil shale lands are concentrated in Colorado in what some consider the most magnificent natural part of the state. Since it takes a lot of shale to produce a barrel of oil, the technology would produce vast amounts of unused waste rock, which would have to be disposed of in canyons or valleys.

Contacts

DOE contact: Fred Hitz, 395–6197. NRDC contact: Tony Roisman, 737–5000. House Science Committee contact: Rob Ketcham, x59117.

WE CAN USE SOLAR ENERGY NOW

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. OTTINGER. Mr. Speaker, in the Washington Post's "Outlook" section yesterday there appeared an excellent article on the very real potential for using solar energy now. Denis Hayes, the author of the article, has put together some extremely interesting materials on current uses of solar energy in all parts of the country. I would like to commend to the attention of my colleagues Denis Hayes' article. The piece will be useful to all of us who will be working with Mr. Hayes and others on Sun Day, the national celebration of solar energy scheduled for May 3.

The article follows:

[From the Washington Post, Feb. 26, 1978]

WE CAN USE SOLAR ENERGY NOW

(By Denis Hayes)

We all live in solar homes. We think we heat our houses with oil, natural gas or electricity, but 95 per cent of their warmth comes from sunbeams. In a sunless world, our dwellings would be 400 degrees Fahrenheit below zero when we turned on our furnaces. The houses of solar pioneers simply squeeze a few more degrees from the sun than do the conventional homes of their neighbors.

Twenty years ago, virtually all Americans hung up their weekly wash on "solar clothes driers." Today, few do. If I hang my wash on a line and you put yours into an electric drier, the solar energy I use will be ignored by statisticians while the electricity you use will be tabulated in next year's almanacs.

We ignore the sun for the same reasons that fish ignore water: It is abundant, free and dependable.

The solar influx is so large that it defies easy comprehension by students of conventional energy sources. Every day, the world receives 10,000 times more energy from the sun than humankind derives from all conventional fuels combined. But the official 825-page United Nations Survey of World Energy Supplies does not even mention the sun.

We know how to harness this solar influx directly as sunlight and indirectly through wind, green plants and running streams. Every essential technological ingredient for a commercial solar energy system has existed for more than a decade, although most of these devices have not yet benefited mass production. The issue today is whether we will make the necessary policy decisions to develop these resources, or whether vested interests will coerce our continued reliance on sources that are dangerous, vulnerable to disruption and ultimately unsustainable.

Unlike fossil and fissile fuels, sunlight is a flow and not a stock. Once a gallon of oil is burned, it is gone forever; but the sun will cast its rays earthward billions of years from now, whether sunshine is harnessed for human needs or not. Technical improvements in the use of sunlight could lower prices permanently; similar improvements in the extraction of finite fuels could hasten their exhaustion.

SOLAR HEATING AND COOLING

Heating water with sunlight is simple. The collector is, in essence, a box with a black bottom and a glass top. Glass is transparent to sunlight but not to the radiation of longer wavelengths given off by the hot collector itself. Hence, heat is trapped inside. When water is pumped through the hot collector, its temperature rises. The hot water is then piped to a very well insulated storage tank where it is kept until needed.

Other countries are outpacing the United States in this field. About 30,000 American homes heat their water with sunlight. In tiny Israel, 200,000 homes have solar water heaters, and in Japan the figure is over 2 million. In remote northern Australia, where fuels are expensive, the law requires solar water heaters on all new buildings.

There is some controversy over how rapidly we will catch up. The original goal of the Carter administration's energy plan was 2.5 million solar heaters by 1985. In subsequent congressional testimony, Energy Secretary James Schlesinger trimmed this target to 1.3 million.

Wilson Clark, energy adviser to Gov. Jerry Brown of California, finds the federal figures amusing. "We will, beyond a doubt, have more solar collectors installed in California by 1985 than those guys are forecasting for the whole country," says Clark. The Solar Energy Industries Association, which represents most major solar manufacturers, considers 11 million installations a reasonable 1985 goal.

Sunshine can also be used to heat buildings. "Passive systems store energy right where sunlight strikes the building's walls and floor. Such systems are designed to shield the structure from unwanted summer heat while capturing and retaining the sun's warmth during the colder months. Passive solar architecture is, beyond doubt, the most efficient and cost-effective way to heat and cool new buildings. Modest investments will often provide 80 to 100 per cent of a building's space conditioning requirements. But passive features cannot easily be added to existing structures.

"Active" solar heating systems are more expensive, but they can be bolted on to the roofs or southern walls of existing buildings as a substitute for—or supplement to—conventional furnaces. In active systems, fans or pumps move supplement to—conventional furnaces. In active systems, fans or pumps move solar-heated air or liquid from collectors to storage areas, from which heat is withdrawn as needed. Solar self-sufficiency will usually dictate a combination of active and passive features in all but the southern rim of the United States.

Buildings can be cooled as well as heated by sunlight. Again, passive solar design is the most important first step, but active solar air conditioners are also now being marketed. Absorption solar air conditioners, which operate on the same principle as gas refrigerators, reach peak cooling capacity when the sun burns brightest, which is when they are most needed. They therefore could reduce peak demands on many electrical power grids. As solar air conditioners penetrate the housing market, the overall economics of active solar heating systems will improve, because solar collectors will begin providing a year-round benefit.

Solar technologies have industrial applications as well. A study of the Australian food processing industry, for example, found that heat comprised 90 per cent of the industry's energy needs. Almost all this heat was at under 150 degrees Centigrade and 80 per cent was below the boiling point of water. Such low-temperature heat can be easily produced and stored using simple solar devices. In the United States, solar heating is now being applied to a soup-canning plant in California, a fabric-drying facility in Alabama and a concrete block factory in Pennsylvania. Solar-powered laundries and car washes are now operating in California, and a St. Louis brewery has turned to solar pasteurization.

SOLAR CELLS

The most exciting solar electric prospect is the photovoltaic cell—now the principal power source of space satellites and the main element in photographic light meters. Such cells generate electricity directly when sunlight falls on them. They have no moving parts, consume no fuel, produce no pollution, operate at environmental temperatures, have long lifetimes, require little maintenance and can be fashioned from silicon, the second most abundant element in the earth's crust.

Photovoltaic cells are modular by nature, and little is to be gained by grouping large masses of cells at a single collection site. On the contrary, the technology is most sensibly applied in a decentralized fashion—perhaps incorporated in the roofs of buildings—to minimize transmission and storage problems. With decentralized use, solar cells can be combined with compatible technologies to use waste heat for space heating and cooling, water heating, and refrigeration at a thousand gallons per minute.

The manufacture of photovoltaic cells is currently a low-volume business—only 750 kilowatts of photovoltaic capacity were produced in 1977—and the products are consequently rather expensive. But a recent U.N. report concluded that solar cells would become cheaper than nuclear power if they received a total investment of $1 billion—less than the cost of just one large nuclear power plant.

STORING SUNLIGHT

Solar energy is too diffuse, intermittent and seasonally variable to harness directly to serve some human needs. Interruptions plague all energy systems, however. Electrical power lines snap, gas and oil pipelines crack, dams run low during droughts and nuclear power plants frequently need repairs, refueling and maintenance.

Sometimes the intermittent nature of an energy source causes no problems. For example, solar electric facilities with no storage capacity can be used to meet peak demands, since virtually all areas have their highest electrical demands during daylight hours.

Low-temperature heat can be temporarily stored in such substances as water or gravel; in fact, substantial short-term heat storage capacity can be economically designed into the structural mass of new buildings. The larger the storage container, the less surface area (through which heat can leak) it has per unit of volume. Large storage tanks serving clusters of houses can be designed to have such low leakage rates that seasonal storage becomes economically possible. Princeton physicist Theodore Taylor advocates solar "ponds" serving as many as 100 houses—collecting heat in July for use in February, and producing ice in February for air conditioning in July.

Eutectic salts, which melt at about 90 degrees Fahrenheit, provide a much more compact storage medium than water. These cheap, plentiful salts can hold prodigious amounts of heat. In the past, salt caked on the interior walls of the storage container, interfering with efficient heat transfer. General Electric has overcome this problem by rotating the storage cylinder at 3 revolutions per minute.

Electricity can be stored directly in batteries. Existing batteries are expensive, but new types may soon enter the market. For example, the "iron redox" batteries that will store 2,200 kilowatt hours of photovoltaic-generated electricity for an Arkansas community college are expected to cost less than one-fifth as much as standard lead-acid batteries when mass produced.

But nuclear reactors and large coal plants also require energy storage. These facilities cannot be geared up and down to follow the peaks and valleys of electrical demand; they produce power at a steady rate, and surplus power from non-peak hours must be stored for the periods of heaviest demand. Because more energy is used during the day than at night, the overall storage requirements for a society based on renewable energy sources may prove no greater than those of an all-nuclear society.

SOLAR COSTS

Conventional wisdom holds that while solar energy has many attractive characteristics, it is too expensive today to see widespread application. As is so often the case with conventional wisdom, yesterday's truth has become today's misapprehension.

Five years ago, solar energy could not compete economically with low-priced fuels. Most solar homes used materials that were handcrafted in small workshops. But since 1973, the cost of solar equipment has dropped steadily while the costs of all competing energy sources have skyrocketed. Today, with factory production, a typical solar collector costs about $25 a square foot; by 1981, mass production could bring average costs under $10. Solar technologies already can provide energy for many purposes at no higher cost than conventional energy sources.

Take, for example, solar heating. Throughout the lower 48 United States, solar house heating now makes economic sense at the margin. That is to say, if the energy is to come from a new solar unit or a new nuclear power plant, the solar investment will be cheapest. The homeowner, of course will not be buying electricity just from the expensive new power plant; the utility will average the expensive new energy in with cheap energy from existing sources, so that the true cost of new power is hidden from the individual consumer (and borne, through rising utility bills, by all consumers). But for society as a whole, the new energy could be most cheaply harnessed with solar equipment.

Even where the homeowner must compare the marginal costs of new solar equipment with the average cost of competing energy sources, solar investments will generally make sense over the lifetime of the building. The most important first step is to incorporate passive solar design into the buildings' blueprints. Often this costs little or nothing. For example, it costs no more to place most windows in the southern wall than to place them facing north, but southern windows capture the sun's warmth while

northern windows merely leak the building's internal heat. Roof overhangs, masonry floors and working shutters are not expensive. Yet, combined with tight construction and good insulation, they can lower the heating load of the building by 75 percent and more. In Arkansas 200 well-designed houses constructed under a grant from HUD cost no more than neighboring houses built using conventional construction standards, but their fuel bills are only one-fourth as high.

More elaborate designs can lead to greater savings. In the relatively mild climate of Atascadero, Calif., Harold Hay's passive solar house was constructed with bags of water incorporated in its roof. These act like "thermal flywheels," capturing energy on winter days and storing it to meet nighttime heating requirements. In the summer, the system collects heat from the interior during the day and radiates it outward at night. The cost of the solar features was about $5,000. The solar system has provided 100 per cent of the home's heating and cooling needs for several years.

In climates where passive solar design will not provide 100 per cent of heating requirements, back-up fuels or active solar systems are needed. In Princeton, N.J., architect Douglas Kelbaugh's passive solar home captures energy through a huge southern window wall during the day and stores it in a concrete interior wall to meet nighttime heating requirements. Like other passive solar homes, the Kelbaugh residence employs no pumps or fans—just careful design. The solar features cost around $9,000, and they provide virtually all of the home's requirements. In the unusually cold winter of 1976–77, the year's heating bill was just $75. Financed with a conventional home mortgage, Kelbaugh's solar energy system would require $1,800 cash at construction with monthly payments of $60—far less than his neighbors' fuel bills.

Many different solar collectors, pumps, fans and storage systems are now on the market. Prices frequently fluctuate severalfold. For example, solar collectors can be built and installed for a materials cost of about $2 per square foot. Prices of professionally installed solar collectors can range from under $10 per square foot to more than $70. The prices of thermal storage containers range from about $10 per cubic meter for hand-built systems to as much as $35 per cubic meter for commercial products. Hand-built solar systems can hold marked advantages over all competing energy sources. At the lower end of the price range, commercial solar systems also make economic sense.

Skeptics often point to the high-cost solar equipment used in some federal solar demonstration projects and claim that the buildings could have been heated with oil for a fraction of the cost. But such buildings incorporate no cheap passive solar features and they generally employ the most expensive solar hardware on the market. Moreover, the price of oil is an average price—not the price of new oil—and even this average price is kept artificially low through oil depletion allowances, intangible drilling cost write-offs, foreign tax credits, unsafe tankers built for accelerated depreciation, polluting refineries in the Caribbean and direct governmental price controls. Even in this loaded contest, solar energy compares fairly well.

THE COST OF SOLAR CELLS

Even photovoltaic cells—the most expensive technology now being used to harness solar energy—are much less expensive than is commonly believed. For example, a panel of distinguished scientists assembled by the Ford Foundation incorrectly reported in 1977 that "current [photovoltaic] collector costs are about $200,000 per kilowatt of peak electrical capacity."

The most charitable thing to be said for this figure is that it is 20 years out of date. Solar cells did cost about $200,000 a peak kilowattt in the late 1950s, but by early 1975, the costs had dropped to $31,000. By September, 1976—eight months before the Ford report was issued—the costs had dropped to $15,500.

Within months of the Ford report's release, the cost of solar cells fell to $11,750 a peak watt. And last December, the Department of Energy awarded a grant for a solar cell array that "tracks" the sun across the sky and concentrates its rays into comparatively small photovoltaic cells. This system, which will be installed at the Arkansas community college, will generate 362 kilowatts at a total installed cost of $6,000 per peak kilowatt.

Making allowances for the average availability of sunshine versus the average capacity factors of large nuclear power plants and considering demand patterns, transmission and storage, solar cells are now probably about 10 times as expensive as nuclear power in the most favorable regions of the United States. Solar cells now cost about one-tenth what they cost 5 years ago; nuclear power now costs about twice as much as it cost 5 years ago.

The United States now has about 48,000 megawatts of nuclear capacity and less than 1 megawatt of terrestial photovoltaic capacity. With mass production, solar cell costs are expected to continue falling dramatically. A 1977 report by the Federal Energy Administration contends that a $240 million purchase of 150 megawatts of solar cells, staggered over three years, would lead to a cost of just $500 per kilowatt for the 70 megawatts produced the third year.

Both solar-electric and wind-electric devices produce direct current—not the alternating current we are used to. Hence, one occasionally hears the comment that the cost of a solar society should include the cost of replacing all our appliances with devices that run on direct current (as do appliances in many motor homes today). Ignoring the possible merits of converting to direct current, the issue is trifling. Many things—from incandescent light bulbs to stoves—can perform well on direct current. Devices to convert direct current into alternating current are on the market for $180 per kilowatt for home-size units. For large orders, the price can fall to $50 per kilowatt.

WHAT NEXT?

After four years of fumbling, the federal government appears to be on the verge of passing a National Energy Act. This legislative "cornerstone" of the Carter administration is—in essence—an attempt to squeak through 1985 without having to grant Saudi Arabia the mineral rights to Ft. Knox. What it lacks is what America most desperately wants: a vision of where we are going.

The transition to a sustainable, post-petroleum world will require some decades to complete. The National Energy Act—almost totally dependent on the expansion of conventional, centralized energy sources—is not even a step in the right direction. If solar energy is to play an important role in the future, several actions must be taken immediately.

First, there is no substitute for money. While competing energy sources have financially benefited from the diligent efforts of scores of high-paid lobbyists, solar energy has not. Since 1952, when the Paley Commission recommended to President Truman that solar energy be aggressively developed, solar technology has received less than 1 five-hundredth of federal energy funding. Although solar funding increased rapidly after the Arab oil embargo of 1973, it has now remained stalled for two years with less than 4 percent of the federal energy budget.

For solar enthusiasts, the new Carter budget is a great disappointment. Solar, wind and biological energy sources combined will receive less than one-fifth as much as is directly spent on nuclear fission. Renewable energy resources will receive $200 million less than breeder reactors alone. In fact, after adjusting for inflation, the federal solar budget is $40 million lower this year than it was last year.

The current state of solar technology would justify a budget in the $1 billion range. There would be little public opposition to this $5 per capita investment in our most promising energy source. If our current energy crisis requires "the moral equivalent of war," surely the solar, wind and biological answers to that crisis deserve at least the financial equivalent of one small weapons system.

Of course, no one wants to see tax dollars shoveled out stupidly. A good solar program will require clear-eyed managers and sufficient staff to handle the load. The current solar effort is deficient in both respects. Consequently, research has emphasized small numbers of huge projects. It is far easier for an understaffed office to manage a few big projects than many small ones.

In addition to performing research and development, the federal government should actively encourage the commercialization of solar technologies. Such proposals always stick in the craw of people who would prefer to see commercialization handled in the free marketplace. Alas, the free marketplace for energy disappeared long ago, when mineral depletion allowances, investment tax credits, accelerated depreciation schedules, federal assumption of nuclear liability, federal ownership and subsidization of uranium enrichment facilities, federal underwriting of synthetic fuel development, oil and gas price controls, the rural electrification program, and dozens of other financial and regulatory actions were instituted. Without exception, these discriminated against decentralized technologies. Today's need is for policies that will put solar energy on an even footing with its competitors.

HELPING THE BUYER

Because the initial investment is the principal cost for solar technology, prospective consumers must have access to up-front money. Different residential solar tax credits have now passed both houses of Congress; the likeliest compromise will provide a credit of 30 percent on the first $2,500 investment and 20 percent on the next $7,500. Businesses that install solar equipment will receive a 10 percent credit above the existing investment tax credit.

Unfortunately, this will not begin to counterbalance the higher tax credit allowed for investments in nuclear and synthetic fuels facilities in the Senate version of the National Energy Act. Moreover, tax credits are of limited usefulness for millions on fixed incomes who are being ravaged by rising fuel prices. Poor people will require something like a Treasury rebate as a down payment before they will be able to afford solar investments.

A financing authority should be established to give the homeowner and small businessman access to investment capital on terms at least as attractive as those available to utilities to invest in centralized energy sources. This might take the form of the national Solar Development Bank proposed by Rep. Stephen Neal (D–N.C.), making 30-year loans at very low rates of interest. States could supplement such a federal effort with state institutions funded with revenues from tax-free bonds; several such proposals are now before the California legislature.

Many homeowners are reluctant to purchase solar equipment because such merchandise often carries an inadequate warranty. Warranties are considered important because the initial cost of solar technologies is generally high. Solar investments make economic sense only because they have no fuel costs and low maintenance costs in future years. But if the performance of the

equipment is not guaranteed for several years, the economics of solar technologies become more questionable.

However, a warranty system can discriminate against small manufacturers. In an ascent industry, warranties are meaningful only if they are backed by performance bonds. Otherwise, businesses can simply disappear, leaving the consumer holding the bag. But setting aside scarce capital to guarantee the performance of equipment for a decade can pose an unbearable burden on small entrepreneurs.

California Energy Commissioner Ronald Doctor has suggested a solar warranty fund, analogous to the oil spill liability fund. All solar manufacturers meeting certain standards would be allowed to contribute to the fund; if anyone's equipment proved faulty, the fund would guarantee remuneration. The state would be the warrantor of last resort.

The construction of a house or other building involves a 30- to 50-year commitment to energy usage levels. By 1981, it would be reasonable to require at least passive solar design features in all new buildings. At the very least, new buildings should be required to meet vigorous regional weatherization standards, and to be built and oriented in ways that facilitate eventual retrofitting with solar equipment.

A more direct role can be played by the federal government—the largest single purchaser of almost everything in the American economy—through its procurement policies. If, for example, the Defense Department were to make a concerted effort to provide solar heat where possible to its existing residences, a market in excess of 50 million square feet would open up. The total U.S. market for solar collectors in 1977 was about 5 million square feet.

If Defense were to purchase 150 megawatts of photovoltaic capacity for $450 million (including storage batteries and power conditioning equipment), it would save $1.5 billion net over the next 25 years in fuel and maintenance costs for displaced gasoline generators. A 1977 FEA report found that such a Pentagon purchase would reduce the cost of commercial photovoltaics to $500 a kilowatt—a price that is competitive for many purposes with conventionally generated electricity.

HELPING THE THIRD WORLD

One of the most dramatic solar efforts the federal government could undertake would be in the realm of foreign assistance. Solar energy makes even more sense today in the Third World than it does domestically. Developing countries tend to be richly endowed with sunlight. Their population patterns lend themselves to decentralized energy sources: half the people in Latin America, 70 percent in South Asia and 85 percent in Africa still live in rural areas. And in remote Third World villages, the current high cost of conventional energy, especially electricity, makes virtually all solar options economically competitive today.

Last May, President Carter eloquently proclaimed our national interest in improving the prospects of the world's poor. Energy is vital to economic development. Since Carter is understandably cautious about the proliferation of nuclear power around the world, solar energy poses an obvious answer.

What would it cost to provide a minimum decent supply of energy to each of the world's 1 million rural villages before the end of the century? Quite a bit. If the United States were to shoulder the entire burden, it might amount to one-half of 1 per cent of our gross national product annually.

That would be a very substantial pledge, but it must be placed in perspective. American aid to Europe under the post-World War II Marshall Plan amounted to 2.8 per cent of GNP. By comparison, 0.5 per cent for solar assistance is a pittance. Next year, it would amount to over $5 billion—a large figure, but not too intimidating when compared to annual Third World arms receipts of nearly $28 billion.

Much of this foreign assistance would be spent here at home. As American manufacturers begin to mass produce photovoltaic arrays, small wind turbines, etc., the domestic prices of these items should plummet. This would be a boon to U.S. consumers, and it would help American solar companies in the world solar market. As a way to incorporate his concern for poverty, human rights and nuclear proliferation in one package, a "Carter Plan" to bring solar technology to the poor villages of the world may represent the President's most attractive opportunity.

A final area where federal assistance should aggressively harness renewable energy sources is on the farm. U.S. farmers are upset with the low prices their crops are now bringing. U.S. consumers are unwilling to see their food bills rise. One answer would be a major national effort to make America's firms independent of high-priced fuels—thus separating food prices from fuel-induced inflation. Solar, wind and biological sources can be easily tapped to meet the energy demands of American agriculture. A solar equivalent of President Roosevelt's rural electrification program, which provided subsidized loans at 2 per cent interest to extend the nation's electrical lines to the farm, could lead to energy self-sufficiency for the nation's farms by 1990.

THE SOLAR SOCIETY

Energy transitions always bring fundamental social change. In the 18th century, the substitution of coal for wood and for draft animals made possible the Industrial Revolution. The later shift to petroleum made possible the jet plane and the automobile, shrinking the world and reshaping its cities. The coming energy transition, whatever direction we take, will bring similarly far-reaching changes.

Tapping some energy sources demands ever-increasing centralization; solar resources are best used at dispersed locations. Some dangerous sources can be permitted widespread growth only under authoritarian regimes; solar energy can lead to nothing more dangerous than a leaky roof. Some energy sources invite profiteering cartels; solar sources would tend to narrow the gap between rich and poor—both within and among countries. Some energy sources will tend to reduce the size of the workforce; solar sources promise large numbers of new jobs. Some energy sources involve technologies that baffle all but a few specialists; solar energy can be harnessed by individual homeowners with simple devices built of local materials.

Of the possible futures we might choose, a solar-powered one appears most inviting. But the transition will not be smooth and painless. Competing energy sources will be vigorously championed by powerful vested interests. Bureaucratic inertia, political timidity, conflicting corporate designs and the simple, understandable reluctance of people to face up to far-reaching change will all discourage a solar transition from occurring spontaneously.

If the solar transition is to be speedily undertaken, the federal government will have to play a strongly promotional role. But thus far the influence of national policy makers has probably been negative. For two years they have caused homeowners to delay solar purchases by promising eventual tax credits—and then failed to pass the necessary legislation. They have invested the lion's share of federal solar research in elephantine technologies to the detriment of the small-scale decentralized options best suited to solar equipment. They have spared no pains to involve electric and gas utilities in solar applications, ignoring the fact that solar energy is a textbook case of an anti-monopolistic resource.

While still hoping for leadership from Washington, many Americans are no longer waiting for it. With the sure instincts displayed by innumerable inventors, tinkerers and entrepreneurs throughout our history, these citizens are in the vanguard of a nation that, in the years ahead, must increasingly turn toward the sun.

LITHUANIA

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

Mr. ADDABBO. Mr. Speaker, the State Legislature of New York has taken steps to honor the men and women of Soviet-occupied Lithuania who celebrated the occasion of the 60th anniversary of the founding of that nation last February 19.

As we in the Congress have paid honor to the fight for freedom throughout 700 years in that tiny nation, so did the members of the New York State Legislature pay homage to those who fought and died in a vain attempt to preserve freedom in that pillaged land. I wish to share with my colleagues the feelings expressed by the State legislators in seeking that February 19 be declared a day of honor to the Lithuanian people in New York. I submit the resolution passed by the legislature to be included in the RECORD:

Whereas, Lithuania, which had been a sovereign state since the year twelve hundred fifty-one, had her independence reestablished on February sixteenth, nineteen hundren eighteen, subsequently becoming the modern Republic of Lithuania in nineteen hundred twenty, only to again lose its identity as such a republic by the invasion of the Soviet hordes in nineteen hundred forty; and

Whereas, The Soviet Union, despite the fact that it is a signatory to the Final Act of the Conference on Security and Cooperation in Europe, continues to suppress the aforesaid basic human rights in Lithuania by its relentless conduct of a vast program of Sovietization and russification; and

Whereas, many Lithuanian patriots have risked and sacrificed and are continuing to risk and sacrifice their lives in a continuing effort to regain their religious and political freedoms and the rebirth of the sovereignty of the Republic of Lithuania; and

Whereas, unlike Colonial America, Soviet-occupied Lithuania does not possess the power and force of arms to throw off the yoke of Soviet oppression and occupation; and

Whereas, The United States does have the diplomatic and economic stature and resources in this current era of detente with the Soviet Union to introduce into its dialogue with the representatives of the Soviet Union a discussion of the ultimate disposition of the Lithuanian situation with a view to the restoration of the integrity and independence of the Republic of Lithuania; and

Whereas, The Congress of the United States should urge the President of the United States to enjoin the Secretary of State and the United States Ambassador to the United Nations to raise the question of the plight of the Lithuanian people in the United Nations and in the agenda of such other international forums as they may be advised; and

Whereas, The Congress of the United States should enact legislation that would establish a special commission to monitor and inform

world opinion and bring it to bear upon the Soviet Union to cease and desist its noncompliance with the principles of the aforesaid Final Act; now, therefore, be it

Resolved, That the Governor of the State of New York be and hereby is respectfully requested to issue a proclamation designating February ninteenth, nineteen hundred seventy-eight as Lithuanian Independence Day, in commemoration of the sixtieth anniversary of the Establishment of the Republic of Lithuania; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be forthwith transmitted to each member of the Congress of the United States from the State of New York.

THE AMERICAN FAMILY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. HAMILTON. Mr. Speaker, I recently addressed members of the Trinity Methodist Church of New Albany, Ind., on the subject of the American family. The text of my remarks is inserted into the CONGRESSIONAL RECORD for the benefit and use of my colleagues.

THE AMERICAN FAMILY

I am very pleased to be here with you this evening. It gives me great pleasure to address your College of Life on a matter of fundamental importance to us all: the American family.

In my work as a public official I find that my constituents and my colleagues in the Congress are deeply concerned about the moral climate and the weakening of values in America today. There are many reasons for the disquieting trends, but the reason cited most often is the change that is apparently taking place in the traditional family. Scarcely a day passes without my receiving a letter or having a conversation on this problem or an issue related to it.

WHAT THE EXPERTS ARE SAYING

If you turn to the experts, you will see that their perceptions of the problem of the American family divide fairly clearly into two categories. They all agree that the family is being challenged as never before—both from within and without—but they tend to disagree about the social implications of the challenge. Some are deeply disturbed and argue that the family is rushing headlong into extinction. They foresee dire consequences for all of us and for society at large. Others take a more upbeat view and claim that the family is merely adapting to a changing world. They believe not only that the family will survive, but that it will be a much more vibrant institution in the future.

So the family is in transition. The question before us is this: Transition to what? To extinction—or to better days ahead? Before we decide which group of experts we should believe, let us take a look at the dimensions of the challenge facing today's family.

Divorce

In just a decade or so, the frightening phenomenon of divorce has burst onto the American scene. A brief glance at the statistics is enough to convince anyone that divorce has reached epidemic proportions among us:

The divorce rate has doubled in the past ten years and trebled in the past 20 years; and

40 percent of American marriages (over one million in 1976) now end in dissolution.

It is hard for me to believe that there is anything more threatening to the family than the shattering of marriages. Aside from the feelings of deep personal failure and the obvious financial disruption that a divorce is bound to generate, there are other—perhaps more serious—consequences. We see a generation of "weekend parents" whose meager visitation time does not permit them to guide their children properly. We see a generation of bewildered children whose loyalties and affections are divided between parents, and, in cases of remarriage, between more than one family unit. If you add to these consequences the protracted court battles over alimony and child custody and the hatred and resentment that often linger on long after the divorce has been finalized and legal arrangements have been made, you have a situation that cannot fail to have adverse impact on everyone concerned.

Sociologists and others have written volumes on the reasons for increasing divorce rates. Many of the reasons are well understood while others are not. When we are confronted with the need for an explanation, we should consider:

That marriage age has fallen sharply since the post-war "baby boom," thereby increasing the risk of divorce;

That changing attitudes have resulted in more liberal divorce statutes, including the so-called "no-fault" divorce (now available in all but three states) as well as the "do-it-yourself" divorce; and

That, according to the noted anthropologist Margaret Mead, "we are a terribly overmarried society" in which too many people who should not be married are opting for matrimony nonetheless.

THE SINGLE-PARENT FAMILY

Divorce must take a prominent place in any discussion of the beleaguered American family, but the experts caution us not to neglect the phenomenon of the single-parent family. By most estimates:

There are approximately five million such families, with 11 million children all told;

The vast majority are headed by women, but some (about 500,000) are headed by men;

The number of households headed by women has risen 30 percent in a decade and 50 percent in a generation;

Two out of every five children born in the last ten years will spend part of their youth with one parent; and

About one of every three schoolchildren lives in a single-parent family. These are the disadvantaged families that have been broken up by death, divorce or separation, or families that were never really formed at all. Rising divorce and illegitimacy rates account for most of them, but desertion and informal separation make their contribution too.

The difficulties of the single-parent family are especially acute. Consider:

That over 50 percent of all households headed by women live on poverty-level incomes;

That the likelihood of unemployment or welfare dependence among single-parent families is very high;

That single parents must raise their children without the physical or emotional assistance of a partner; and

That good day care facilities are often unavailable and are in any case inadequate substitutes for parental guidance. As concerns the children of such families, psychologists agree that having one parent is better than having none. However, the ultimate effects on these children—the effects of a childhood that is deprived by any standard—can only be guessed at.

THE TWO-PARENT WORKING FAMILY

Beyond the large number of mothers who must work to sustain their families because of marital disruption, more and more mothers in two-parent families are moving out of the home and into the employment market. As of 1975, almost 40 percent of all married women with children under six years of age, and more than half of all women with children aged six to 17 years, were in the labor force.

The problems faced by these families have become all too familiar to us. We know:

That in recent years there has been an extraordinary growth in the classification that sociologists call "latchkey children," children of otherwise normal families who come home from school to an empty house;

That there is some confusion, alienation and resentment over the parental role, since just a generation ago fewer than one in three married women worked outside the home;

That working mothers must sometimes overtax themselves as they try to manage a home and a career; and

That some husbands do not know how to cope with a wife who is financially independent and has her own social circle.

As is the case with divorce, there are many reasons for the rapid increase in the number of working mothers:

Family finances are usually a consideration, especially in low- and middle-income groups where the husband's wages may be inadequate to meet the basic necessities or to get a few of the "finer things in life" (bear in mind that it takes at least $10,000 per year to support an urban family of four on a "bare bones" budget, according to the Department of Labor);

As more housewives seek outside employment, those who remain in the home feel a tremendous "peer pressure" to do likewise;

Many mothers seek to develop careers before confronting the anguish and pain they believe they will experience when their children grow up and leave the home;

Some women believe that whatever the satisfactions of child bearing, the sacrifices are borne principally by them; they may resent this state of affairs and look for outside work as a remedy;

Some mothers just feel isolated and "out of it" at home; they believe that they will become more interesting people if they work on the outside;

Many women feel cheated by a society that does not place sufficient value on the contributions of the homemaker; to them, outside employment means recognition and status.

There can be no doubt that mothers will continue to enter the labor force in the years ahead. Their presence there represents both an advantage and a disadvantage. The society will benefit considerably from their skills on the job, but the family will suffer acutely their absence from the home.

THE LIFE STYLE OF SELF-FULFILLMENT

There is another phenomenon that has gone unnoticed by many commentators but which nonetheless has serious consequences for family life. For lack of a better descriptive term, we may call the phenomenon "the life style of self-fulfillment." It is no exaggeration to say that we live in an age of self-fulfillment. The best seller lists are loaded down with titles that indicate our thinking:

How to be your own best friend (never mind others);

How to expand your consciousness (never mind at what price);

How to get power and use it (never mind for what). The radio and television bombard us with self-centered propaganda: do yourself a favor; this product costs more, but you are worth it; do your own thing. We see advertisements for singles' communities, singles' vacations and singles' clubs.

In such an atmosphere, the traditional values of charity, self-sacrifice, community and respect for others get played down or suppressed. Of course, the family is one of the first casualties of the trend since it, more than any other institution, demands

that we honor the values of human relationships.

I am certainly no authority on the origin of this common life style. It may stem from the material blessings of our society or from the permissive atmosphere in which we have raised our children. Perhaps our children have not yet learned one of life's lessons: That no man is an island unto himself. The profound effects of this lifestyle, however, are obvious to us all. We see in the eyes of the latchkey child. We see them in a college savings account that was spent on some unnecessary luxury item.

THE GROWING PRESSURES OF LIFE IN AMERICA

Another part of the challenge to the family is as easy to understand as it is difficult to cope with. Everybody here knows that the everyday pressures of modern life—for example, just earning a living—take their toll on the family.

Government service, the corporations and the professions (such as medicine, law and journalism) absorb all the hours the ambitious and dedicated worker is willing to give them. Unfortunately, there is little left over for the family. A recent survey showed that in families with annual incomes over $22,000, fathers are absent from the home as much as the absentee fathers of the innercity.

How is a conscientious person to deal with this basic dilemma? How does one work hard on the job while working hard at being a parent? Is a weak family an inevitable consequence of the work ethic? Part of the problem must be laid at society's door. Work patterns, such as the rigid nine-to-five day five days a week, penalize mothers and fathers who have strong family instincts. Part-time work, work on a flexible schedule or "work sharing" schemes almost always mean less pay, fewer benefits and diminished opportunities for advancement. Constructive attitudes on the part of employers are becoming more common, but so far there has not been enough change. I for one know that work patterns can be altered substantially without ill effect. In my congressional offices we have a limited "flexitime" schedule coupled with liberal leave policies in special circumstances. Work output has increased and my employees and I are very pleased with the results.

THE EXTENDED FAMILY

Some experts believe that the demise of the extended family is a major part of our troubles. We should consider this matter carefully because the extended family is indeed on its "last legs."

According to one study, a full 50 percent of all urban households in Boston at the turn of the century included parents, children and at least one relative. Today, the comparable figure in Boston is four percent. A similar change has doubtless taken place in other cities. The experts agree that the place of the grandparent in the home is now determined by the respect that other family members have for the elderly person. Of course, the grandparent's place used to be automatic—a question of right.

Many are convinced that the extended family is already a relic of earlier times. More and more Americans live far from relatives and do not expend much time or effort to keep in touch. Elderly relatives are increasingly consigned to retirement communities and rest homes. It remains to be seen what will ultimately come of this change. It does seem to be permanent and irreversible.

RESIDENTIAL MOBILITY

In any discussion of the challenge to the family the matter of residential mobility should not be left out.

Given the mobility of modern life, individual spouses often change and develop at different rates, in different directions or to different depths. Wives brought up in small towns end up in sprawling suburbs among virtual strangers whose life styles and values may be far from their own. Husbands brought up in rural Indiana end up in Los Angeles, New York or Washington where life is much more chaotic and disorienting.

It is plain that new climates, new cultures, new standards and new people cannot be easily assimilated by the normal person. Some people require years to put down roots and to gain a feeling of equilibrium. Human beings are not like parts of a machine, to be taken off the shelf and inserted anywhere. The mobility of the family today would surely be enough to shock our ancestors. There can be no doubt of its destabilizing influence.

UNEMPLOYMENT

No sensitive observer of the contemporary scene can be blind to the devastating impact of unemployment on the family. If too much work is a bane to family life, no work at all is more cruel still.

When the head of a household is out of work, the entire family suffers—not just in an economic sense. There is a loss of dignity, pride and self-respect. Unemployment can bring on a personal and family tragedy of unprecedented proportions. This point was brought home to me a while ago—with a vengeance. At a recent congressional hearing a labor leader testified that when the unemployment rate reached 20 percent in Flint, Michigan, the city also attained the highest incidence of alcoholism in America. To make things worse, its drug abuse problem doubled and cases of family violence soared. We can add to this graphic example our general knowledge that wife beating and child abuse run high in the jobless inner city. The very fiber of the American family was strained to the breaking point in the last recession. In pockets of high unemployment, it continues to be strained.

In recent months the nation's jobless rate has declined steadily from seven percent in August to 6.4 percent in December, the lowest monthly rate in three years. The December unemployment figure is heartening, but it nevertheless tells only one part of the unemployment story. Extreme joblessness is still the scourge of many a region. Black unemployment, especially among young adults, is very high. We cannot claim to cherish the American family and its values if we do not do our best to bring joblessness under control.

THE INTRUDERS FROM OUTSIDE

No discussion of the challenge to the family would be complete without mention of what might be picturesquely called the "intruders from the outside." These intruders—in one way or another, directly or indirectly, noisily or silently—undercut the authority and prerogatives of parents. There are many of them, but I shall bring up just two; television and schools.

American children today grow up on television. Although the estimates vary, I have seen reports that children spend as much as one-fifth of their young lives viewing it. So much have children become "television-dependent" that some observers have dubbed television the "surrogate parent." And why not? It teaches, scolds, rewards, tempts, frightens and influences youngsters just as their parents do. There is one problem, though. It may not be the kind of parent that we would want our children to have.

A number of criticisms can be made of American television:

It shows people who are happy, beautiful, wealthy and successful almost without exception, giving the child no inkling that life also harbors the unhappy, the homely, the poor and the unsuccessful;

Its so-called "action adventures" (the big drawing cards) are filled with instance after instance of violence, immoral conduct or foul language;

It suggests to children, especially through unscrupulous advertising aimed directly at them, that any problem or difficulty can be overcome and that every desire or whim should be satisfied immediately;

It inhibits natural inquisitiveness and independent thought in children by feeding them a steady stream of images and stimuli that they need not exert themselves to receive and

It interrupts conversation, meals and other kinds of family interaction at the flip of a switch.

Do not get me wrong on this score. Television is not all bad. Some of its programming—I am reminded of the new generation of children's shows—must marvel and delight a young mind. However, television viewing is not a matter which should be left to the discretion of children. I know many parents who carefully monitor their children's viewing choices. For these parents, television is a valued helper. Others would like to do this for their children, but regrettably it takes time.

In many cases where today's parents have retreated, the public schools have advanced. Whether in the area of discipline and punishment for wrongdoing, family and sex education or supervision of free time, schools have been appropriating to themselves—sometimes actively but sometimes by default—the authority and prerogatives of parents.

Where the actions of school officials supplement or support those of the parents, there can be good results. But where the actions of school officials supersede or replace those of the parents, something is wrong. We should bear very much in mind what the basic mission of the public school system is. It is:

First, to teach children through formal instruction to read, write and think; and

Second, to teach children through example what good citizenship and decent social relations are. When the school is made to replace the parent in any significant area of the child's life, we cannot count on unmitigated success. What can be said of schools can also be said of many public agencies, especially those designed to provide social services of one kind or another.

JUVENILE TURMOIL

My final observation on the challenge to the family is one that is most unpleasant. To put it bluntly, our children have more problems—serious problems—than the children of any previous generation have had. Drug abuse, alcoholism, violent crime, suicide and teenage pregnancy are some of the most perplexing. The tendency toward premarital cohabitation—"living together"—is also disturbing to some in our generation. Let me touch on each of these things briefly.

Teenage drug abuse and alcoholism have become very real concerns of many parents today.

According to FBI statistics, drug-related arrests in the 14- to 24-year age group have skyrocketed over 4,400 percent in the past 15 years. Headlines tell a grim story of a drug problem that has "graduated in reverse" in the past few years, seeping down from the college campus to the high school to the elementary school. Unfortunately, we have witnessed a growth in the number of drugs subject to abuse. Marijuana has given way to more pernicious substances: hallucinogens, sleeping pills, pep pills, cocaine and even heroin. Recent studies have also revealed an alarming rise in alcohol consumption among youth, particularly among adolescents. By one estimate, one teenager in every 20 has a serious drinking problem. We should not be so surprised when we read or hear about the prevalence of alcoholism among adults: today's youthful drinkers are tomorrow's adult alcoholics.

Violent crime has literally exploded among our youth.

About 45 percent of the arrests for serious crimes are of young people under 18 years of age, and thousands of children sent to correctional institutions last year were found guilty of offenses which cannot just be shrugged off. According to FBI data, arrests

of young people for serious crimes—murder, assault, rape and robbery—have jumped over 200 percent in the last 15 years, as have arrests for the less serious crime of larceny, burglary, auto theft and forgery. This growth in youthful violence has not confined itself to actions against other persons and property. In the last 20 years the suicide rate among persons aged 15 to 19 years has more than doubled, and recent surveys suggest that suicide among young children is spreading. Currently, suicide is the second leading cause of death of persons in the 15- to 24-year age group.

Despite relatively easy access to contraception and the legalization of abortion, births outside wedlock are growing, particularly among teenagers. Recent statistics indicate that one in every eight births now takes place outside of wedlock, as opposed to one in every 20 in 1960. Aside from the financial burdens of starting a family in this way, teenagers are more likely to have health complications related to pregnancy and children born to teenage mothers face substantial health risks. Sometimes a premature marriage is not a good way to resolve the problem of a teenage pregnancy. Such marriages are very prone to divorce, wife beating and child abuse.

While there are probably scores of unclear reasons for it, one fact is very clear: Younger people are shying away from early marriage and are often choosing to live together unmarried.

Since 1960, the rate of premarital co-habitation has nearly doubled to an estimated total of 960,000 couples. These statistics may be surprising to the more traditional among us. Equally surprising may be the fact that acceptance of this social phenomenon has risen dramatically among all age groups in the nation, even among those aged 65 years or more.

SOME GENERAL OBSERVATIONS ON THE FAMILY

We have taken a fairly comprehensive look at the dimensions of the challenge to American families today. Is this enough on which to base a judgment about the accuracy of the conflicting scenarios of the family's future? I think not. In addition to the challenge, we need to understand what the family has been, what it has become and what its role should be. Let us turn to these matters now, beginning with the history of the family.

THE HISTORY OF THE FAMILY

In the early years of our history, the family was the sole provider of production, employment, protection and education. Its importance could really not be overestimated. If a family failed in its responsibility, it endangered not only itself but also an entire settlement. Such failure obviously could not be tolerated.

Prior to the Industrial Revolution, this country could not have survived economically without the family. Children were not only heirs of the future: they were an economic necessity for the creation of the future. Education was geared toward the development of skills essential for survival in a hostile environment. Families banded together to protect themselves against the dangers common to early colonial settlers. Crop production meant the difference between living and dying, and services such as blacksmithing and home construction were handled entirely within the family unit.

As time went on and the population grew, the early settlers were able to take advantage of specialization. Trade grew as families with a special talent for producing certain items exchanged their goods for the specially produced goods of other people. This meant more goods of better quality. It also freed our early families to pursue interests beyond those necessary to stay alive. Despite specialization, however, the family continued to be the primary unit of employment and training. Farming and other trades continued to draw upon the family for labor. The blacksmith's son was trained to be a blacksmith, as was the farmer's son to be a farmer. Contrary to what might have been expected, specialization added to family strength: father and son—mother and daughter—shared an interest.

It was another factor that began to transform the family unit. The breakup of the extended family and the development of the nuclear family had its antecedents in the early American families who left their homes in the East and set out to conquer the West. The elderly often remained behind, or else perished in the arduous passage to the frontier.

Many historians believe that the Industrial Revolution created the first great hazard for the American family. It is certainly true that it had just as great an impact on the family as did the Westward Migration. New towns sprang up around industrial sites and the populations of those towns grew rapidly. The demand for cheap labor was satisfied by a fresh flow of immigrants from abroad. American families found themselves being forced to accept very low wages in order to compete with the immigrants for jobs. The dangers to the family that grew out of this situation began to disturb many people. "Family activists"—many of whom were women—spoke out in an attempt to set things right. Our fair labor laws are their continuing legacy.

The final major historical shock to the family was the Great Depression. As hundreds of thousands of people lost their homes and livelihoods in the course of a few years and had to fight desperately just to survive, it became apparent that the family was more vulnerable than had previously been thought. The Great Depression eventually brought about what is regarded by most as the principal piece of social legislation passed by the Congress: the Social Security Act. The act was intended to protect a family unit that was no longer self-sustaining.

THE ROLE AND COMPOSITION OF THE FAMILY

There is no question but that the family has been overshadowed by outside agencies in the performance of some earlier functions. No longer must individual families provide their own production, employment, protection and education. We now have police forces whose responsibility it is to protect us, schools to provide our young with the knowledge and skills they will need in the future and an integrated economic system which is not dependent upon the family for its labor.

WHAT, THEN, REMAINS FOR THE FAMILY TO DO?

Most sociologists agree that despite apparent change in function, the American family remains essentially the same, at least as concerns its role as the primary custodian of the character of future generations. While it is true that the family's responsibilities have been lessened in some areas, it is still the family which provides the young with the basic skills required to benefit from a formal education, the ability to socialize and the capacity to distinguish between right and wrong. And it is still the family which bears the full responsibility to provide the young with the love and emotional security necessary to life.

As the responsibilities of families have changed, so too has their composition. In 1975 there were 55.7 million families with an average of 3.4 persons per family living in the United States. However, families are being started later than in past years, and the number of children in families is going down. Many young people are choosing not to marry at the traditional age. Between 1960 and 1975 the proportion of young women who remained single until their early twenties increased by one-third. Other important trends have been noticed, but they are well-known and need not be mentioned here.

WHAT THE FAMILY SHOULD BE

We know what the family has been and what it has become, but what should it be? This is a difficult question to answer, but let me make a tentative effort.

1. The family should be the primary "agency" for the socialization of children. No other institution ever envisioned by man can teach human beings to be intelligent, honest, generous and moral as efficiently and with as much resourcefulness as the family. Not even the most competent social worker believes that child care professionals could ever be paid enough to make them equal to mothers and fathers as parents. Certainly no one believes that the state, the public school system or the television are reliable in the rearing of children.

2. The family should be knowledgeable in the things that will help it to succeed. In the old days, parents hardly knew all the responsibilities they bore. In simple terms, they fed, clothed and instructed their children. They hardly worried about the impact that a mother or father might have on a child's unconscious. They did not know about vitamins, balanced diets and the intricate relations between nutrition and development. They did not know that they could affect the child's intelligence. They did not know exactly how parental examples affected affect the child's intelligence. They did not have the time, the knowledge or the inclination to treat each son or daughter as sensitively as many modern parents do. Today's family can—and should—know a little bit about each of these things. Such knowledge is a tool that can be used to make family life richer and more complete.

3. The family should realize just how important it is to its individual members. As parents have fewer children, they tend to have greater attachment to each. Their hopes and expectations have narrower channels. They treat each child as a unique individual. Never before has the individual child represented so great an emotional commitment. Of course, it goes without saying that the parent is extremely important to the child. It has always been so, and so it will continue to be.

Finally, a word for the parents. Parents should be aware that matrimony and the raising of children are not the easiest of tasks. They are trying tasks and we must be disciplined if we are to carry them through. How can it be surprising that so many families break up in divorce, when divorce is often the path of least resistance? Far more surprising is the fact that more than the majority of marriages continue throughout life.

FEDERAL POLICY AND THE FAMILY

We know that actions taken by the government affect the people being governed. What is difficult to measure is the actual impact that government actions has on the various segments of the population. Legislation to promote the welfare of one group will affect not only the segment of the population to which it is directed, but will also create a "chain reaction" of consequences for all segments of society.

Gauging the impact of federal policy on the family is an enormous undertaking because it involves every member of society and the various subgroups to which a federal initiative is normally directed. In addition, what benefits there are for one group may be offset by harm done to another group. Also, a program developed to meet a certain need at a certain time may outlive its usefulness and cause problems once the initial need has been addressed.

In spite of the difficulty of assessing effects, we can readily discern a number of areas in which federal policy has hit the family hard. Consider just a few.

As I noted before, the Social Security Act was probably the most important piece of social legislation ever passed by the Congress. However, it has not been an unqualified success from the point of view of the family. Its income guarantees have brought with them a reduced interaction between elderly parents and children which may have contributed to the lessening concern of the younger generation for the elderly. In addition, the Medicare system has encouraged the young to place their aged parents in institutions. Also, heavy payroll taxes to support the growing population of social security pensioners have led to some resentment on the part of younger workers who are fighting to keep ahead of inflation.

The Internal Revenue Code is riddled with anti-family provisions. Almost everyone will agree that high personal income taxes are making life exceedingly difficult for families in low- and middle-income brackets. There is also the matter of the "marriage tax." You are probably aware that married couples who work often pay far higher taxes than they would were they merely living together. Some couples have even obtained pro forma divorces to avoid the added tax. Finally, consider the deductions for interest paid on a mortgage loan. Although this deduction is widely regarded as a tax break for families, many experts believe that it is a principal cause of soaring interest rates on home loans. Families may have gone along with high interest rates simply because of the deduction. Of course, it is no secret that younger families—even those with good incomes—have been priced out of the housing market in many cities.

As President Carter has pointed out, the present welfare system works openly against the family. Welfare policies in more than half the states deny payments under Aid to Families with Dependent Children unless and until the father abandons the home. By the same inverted logic, unmarried fathers are discouraged from facing the responsibility of creating a home for their offspring. Marriage will reduce or eliminate the AFDC benefits that the unmarried mother receives.

Federal assistance for the foster care of children has been linked to the breakup of families. Critics argue that the federal assistance is not accompanied by efforts to obviate the need for foster care, to rehabilitate families from which children are removed or to facilitate the adoption of children when return to the natural home is not possible. Over the years foster care has provided an adequate means to care for abused, neglected and abandoned children, but studies indicate that countless children have remained in permanent foster care without ever returning to their families or being made available for adoption. In addition, it has been shown that foster care has failed to establish anything permanent for other children, causing them to be shuffled from one foster home to another as many as ten times. Contact with natural families and services to help such families are often pitifully inadequate.

We have urban renewal programs that shatter homes, families and entire neighborhoods. You rarely see an interstate highway go through a golf course, but it is not uncommon to see one directed right through an old neighborhood where people have lived for generations. By some strange paradox, many of our most heavily funded efforts to revitalize distressed cities are dealing death blows to those cities.

Finally, we have assignment and transfer policies in our armed services that do not take account of the families of servicemen. Some servicemen are reassigned and transferred every few years. One need not be an expert to guess the results that such constant relocation may have. The increased rates of alcoholism, drug abuse and divorce among service families may be due in no small part to such policies.

WHAT SHOULD FEDERAL FAMILY POLICY BE?

It is apparent that most federal policy specifically directed toward the family has been intended to help families which have not been able to meet their own needs. The welfare program has been designed to provide a minimum level of economic assistance to families unable to provide for themselves. Related services to these families have been designed with the same end in mind. Housing policies have been designed to put a roof over families that cannot afford adequate shelter. Education policies have been designed to ensure decent educational opportunities for all children. Alternative care systems, such as foster care, have been designed to provide viable options for families unable to care for their own members.

There is a major school of thought, however, which maintains that families will assume less responsibility for themselves as the government assumes more responsibility for them. There may be something to this line of reasoning. President Carter himself has said that if we want less government (and we do), then we should have stronger families, for the government steps in by necessity when families have failed.

In determining what federal family policy should be, I think that we should keep in mind the following principles:

First, we should see that there is an element in the family that is almost always missing in the government. That element is personal caring, and it is absolutely essential to human happiness.

Second, we should realize that Washington is not at the root of all the family's problems, and Washington cannot be expected to solve all of them. We should ask ourselves, for example, whether government policy can redirect the father who spends a 60-hour week at his business but only minutes a week with his children, or whether government policy can educate the middle-income parent who risks his children's health by allowing them to eat disproportionate amounts of sweets and "junk foods."

Third, in areas where government action will have an obvious influence on the family, we should take care to examine all legislation and every proposed program so that we may better understand whether we are fortifying or destroying the milieu in which the family must exist. Many public officials have championed the concept of the "family impact statement." They believe that we could use it to protect the family much as we use the environmental impact statement to protect the environment. This idea is worth looking at.

Fourth, we should strive to achieve the ideal situation in which both the government and the family contribute to family success. In this ideal situation, the role of the government might best be a passive one. This means:

That, on the one hand, the government would help the family to help itself; and

That, on the other hand, the government would refrain from passing laws or reauthorizing programs that are injurious to the family.

Fifth—and finally—those of us in public life must be made to see that family life:

Is the best way for men and women to be all that they are capable of being;

Provides the best atmosphere in which to raise children; and

Is the only solid foundation on which to build a strong and free nation. If we have hurt the family through our public action, perhaps we can help the family through our private example.

WHAT THE FUTURE HOLDS

So we return full circle to the question I posed at the beginning of my talk: Where is the American family headed—to extinction, or to better days ahead? The time has come for me to hazard an answer. For my part, I believe that the family is a tough, tenacious and adaptable institution, and that it can—and will—survive. With a bit of luck, it may even prosper.

My faith in the family is not blind. I have reasons for believing as I do. Let me sketch those reasons for you.

HISTORY IS FAVORABLE

The family has withstood the challengers of a changing environment since the Westward Migration and the Industrial Revolution first broke up the extended family and took people away from the splendid, self-sufficient isolation of the farm. It will no doubt survive again, and indeed some scholars believe that it has already begun to revive. The divorce rate, after spiraling upward, is levelling off. Young women seem to be having more doubts about the wisdom of further delay in their family plans.

ATTITUDES ARE FAVORABLE

Some recent studies on family life in America have shown that the family is getting "rave reviews" lately. One study noted that some 95 percent of all Americans will marry some day, and of those who divorce about 80 percent will rewed. Another study indicated that:

Three-quarters of all the parents surveyed believe that a good job is being done by the average family in the raising of its children;

Younger "new breed" parents, who as students and teenagers might have been challenging every tenet of the customary code of ethics, are making certain that their children are aware of traditional views;

There has been a marked decrease in the number of women who say that they will never have children; and

The frenetic search for self-fulfillment is cooling down, with growing numbers of Americans saying that the family should be the focus of life.

EDUCATION IS FAVORABLE

A recent survey showed a strong connection between college education and positive views about the family. There is apparently a new factor here for the equation of those who decry the value of college. The survey revealed that college-educated people:

Tend to have smaller, stronger families;

Maintain a strong interest in religion;

Have strongly positive attitudes about their own parents and are not so disturbed by the "generation gap;" and

Delay the age of marriage and invest much more time and higher percentage of income in their children.

Because the college-educated segment of our population has been expanding, this survey is very good news for those of us who worry about the future of the family.

TIME IS FAVORABLE

Many experts believe that a generally unnoticed trend—the gradual aging of our population—may work to make family life more stable. Because people will live longer and will be in better health, more children may know their grandparents more intimately. In addition, more people in their middle years, the 40s and 50s, will have parents or grandparents to turn to in times of trouble.

CHILDREN ARE FAVORABLE

No matter how much we fear the consequences of today's family strife, our own children hold out to us the best hope for the future. Surprisingly enough, researchers

have found that contemporary American children are traditionalists at heart. When asked questions about family life, they consistently gave researchers pro-family answers. For instance, they said that parents should not leave children behind at vacation time and should not separate even if they are not getting along. I find these results the most uplifting of any I have seen.

CONCLUSION

I am optimistic about the future of the family, but at the same time I do not wait for any miracles or "quick-fix" solutions. The family problems I detailed at the beginning of my talk will not disappear overnight. Since they have been with us for some time now, it is not realistic to expect that they would. However, if each one of us gives our own family our very best and does what he or she can to help other families, I am convinced that—sometime in the not-too-distant future—the American family will see the dawning of a brighter day.

COMMONSENSE AND THE PANAMA CANAL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1978

Mr. DORNAN. Mr. Speaker, the Senate is now engaged in a historical debate to decide the fate of the Panama Canal. The debate is momentous. In the balance lies nothing less than the future of our hemispheric security.

Even the Carter administration regards the ratification struggle as its most important legislative battle—but for a far different reason. In the administration's eye, it is not our hemispheric security which raises this debate to olympian heights, but the political repercussions if the administration fails to force its foreign policy objectives on the American people. It has said as much to its friends in the Senate: "If we don't succeed in this, our political power will crumble." And it is probably right. The American people will simply not let them have a second chance to give away their canal. Those who support the treaties and fail, can be pretty darned sure of being turned out of office.

For this reason, the lobbying in the Senate for ratification is second in intensity only to that the administration is conducting across the United States. The administration's plan is to "educate" the poor, ignorant American voter who wants to keep what is his. He must be taught that he is wrong and the administration is right.

In keeping with the political priority the administration has placed on ratification, the extent of the "education" campaign is something to behold. The White House has been so busy at "educating" that it hardly knew that there was a coal strike until last week. The State Department has sent hoards of its employees all over the country, like battalions of religious zealots, to proselytize at gatherings and convert local opinion leaders. (One wonders how our relations with other nations are faring when one sees the monopoly which Panama holds on the State Department these days.)

That the American people have not been persuaded after being bombarded with this high-level barrage of misinformation, speaks volumes for their basic good sense and the weakness of the administration's arguments. But it is also a good reflection of the quality of the antiratification arguments and of the private American citizens who are presenting them in forums across the country.

One such presentation was made to the Young Men's Business Club of New Orleans and Greater Louisiana by Mr. Ron Docksai, chairman of the Council for Inter-American Security, in February 1978. I ask that it be included today as part of my remarks and I urge my colleagues in both Houses to read it carefully. It exposes the paucity of the administration's arguments clearly and thoroughly and shows the wisdom of the American people who, by an overwhelming majority, agree with its conclusion:

"COMMON SENSE AND THE PANAMA CANAL"

The late Edward R. Murrow described the discussion of any great and controversial issue by likening it to a spider's web. It is an emotional web, he said. It is one in which any reasonable person soon becomes entangled. The two sides of such an entangling issue become reduced to simple articles of faith by a group of 'Nays' against an equally passionate group of 'Yeas.' Reason is the victim.

The debate over whether or not to accept the Carter-Torrijos proposal for a new Panama Canal agreement is such a question. It is one being passionately debated on the Floor of the U.S. Senate as we meet here this evening. Final Senate action is expected by the end of this month if not in early March. President Carter addressed the nation in a fireside chat and press conference while a group of senators and congressmen opposing the treaties have held their own press conferences and all of this has been done in the name of Teddy Roosevelt. Certainly, the debate will intensify on this highly charged issue. Too many have already become entangled in the temper's red flare.

We see one group opposing the ratification of the new treaty, because it constitutes a give-away. "We bought it, we paid for it," etc., is all true. Yet this question is not the central focus of the Senate debate, and it is not now the crucial question to be decided. At the same time, another group made up mostly of President Carter's supporters predict guerilla warfare and possibly even a Latin American version of Vietnam unless we ratify the new treaty and do so quickly. The press release writers in our State Department are especially guilty of this, portraying to us a scare scenario of Caribbean war and diplomatic holocaust unless we sign on the dotted line.

But in fact, those who assert that guerrilla warfare will break out in Panama if we do not ratify the pending treaties are wrong. Panama is not Vietnam, neither in size nor resources. Panama has no big spending, industrial neighbor ready and willing to finance a war or insurgency against a superpower, especially the United States. Panama, which is 65% dependent on the revenues generated by the Canal's operation, would have little interest in blowing up that which economically sustains her. And assuming that Panama *could* do it—a proposition which nearly every leading active military authority refutes—blowing up the Canal or hindering its operation by Panama is against its own region's interests.

In short, the debate over whether or not our country should relinquish our control of the Panama Canal has become entangling from the start. The questions concerning the symbolic importance of the Canal to Panama or to us; its place in American history; how we first bought it; and whether or not Panama is capable and willing to war against us are important questions. But they have been debated to death, and they are unlikely to be resolved in time to have any genuine value in the current Senate debate.

Yet there is a far more immediate question. It is one which is instinctively asked by every American listening to either side of the debate. It is a question I have asked myself before making my own decision. And it is simply, What's in it for us?

What's in it for us individually as Americans? If we leave things as they are or if we allow these treaties to be adopted, what effects if any will they have on our economy? On our security? How do we gain or lose by them? How do they concretely affect our lives?

I thought about these common sense questions a lot during my time as a senior staff aid to Congresman Robert Bauman of Maryland who served on the Panama Canal Subcommittee which first reviewed these treaties. I have read them. Digested them. I have culled through the supporting documents and heard testimony given by Ambassadors Bunker and Linowitz in favor of ratification.

After all of this, I cannot help but conclude that the treaties are a mistake. And if the U.S. Senate ratifies them in the form President Carter envisions, they will be our mistake. The Panama Canal is vital to American defense and commercial requirements. If we lose control of it, we lose the security in the assurance that the Canal will be kept open The initial impact of a canal closing would mean that a 20 knot ship instead of sailing from New York to San Diego through the Canal and making the passage of 4,800 miles in 10 days, would instead be forced to cruise around the South American Cape Horn on a voyage of 12,600 miles and in 24 days at a substantial sacrifice in time and in money to the shippers.

Our nation's merchant marine fleet cannot afford this, explaining why American merchant marine associations and labor unions have led the attack against the Carter-Torrijos treaties. The American fleet is in fact fighting for its survival, a fight the desperation of which was recently revealed in the Cargo-Preference debate on Capitol Hill.

This is one of several economic facts to be kept in mind in the context of the present debate, because the economic facts are too often ignored or misunderstood. Ambassador Sol Linowitz testified before the Senate Foreign Relations Committee last Fall, saying that the Canal "has become economically obsolescent." Other Carter White House spokesmen also contend that the Canal is no longer important, that it is no longer of significant economic value to the nation.

One might just as well similarly describe New York, New Orleans or the Port of Baltimore. In 1975, 14,000 ships transited the Canal. Of these, almost half originated in the United States while another 23% were bound for our shores. The growing economic importance of the Canal to our nation's economy becomes more dramatically illustrated when considering the impact the Alaskan oil pipeline will have on it when it reaches full capacity. The offshore and undersea deposits of gas and oil have become our era's speculative commodity, something more precious than gold. These liquid resources require security for their development, and one of the plans for transporting the oil of Alaska's North Slope to the hungry markets of the "lower forty-eight" would ship gas and oil by tanker through the Panama Canal to Gulf and East Coast ports.

At full capacity, the oil pipeline will yield 1.2 million barrels of oil daily. Our west

coast oil transport facilities are only capable of handling 700,000 barrels of that. Using simple math, it becomes clear that over one-half million barrels of oil daily will have to be shipped to the Eastern and Gulf coasts of the U.S.—most of it through the Panama Canal.

Those who would have us believe that the Canal is no longer economically important do not have the statistics to support them. Today, in 1978, the Panama Canal is capable of handling 97% of the 63,000 commercially registered vessels, and the few ships which cannot transit her were designed for specific purposes that do not include need for passage through the Panama or Suez canals. In fact, these special vessels cannot even enter much less port in U.S. port facilities anywhere in the Atlantic, Pacific or Gulf waters since true physical deep water port facilities do not exist anywhere in the coastal zone of the United States.

Certainly, shifting trade patterns and the movement of supply sources alter the Canal's traffic volume from one year to the next. Yet the most recent economic indicators reveal the Canal's continuing importance.

Total oceangoing transit during Fiscal Year 1977 is estimated at 12,200, an average of 34 daily transits, generating revenues of $167 million. By the year 2000, it is estimated that yearly transits will reach 17,000 vessels, a daily average of 47, with revenues of $300 million based on present toll rates. When the final Fiscal Year 1978 figures are published, they will show that 16% of the total U.S. exports and imports by tonnage, and 18% by value will pass through the Canal.

American farmers need the Canal. I work in a city which several weeks ago was besieged by farmers who are justly frustrated over their low profit margins for high yield crops largely due to the fleeting exports of perishable commodities. No other single group is more dependent on foreign markets and seagoing shipping than the farmers. Generally, U.S. exports provide markets for 60% of the U.S. annual wheat crops; 55% of the rice; half the soybeans and one-third of our American grown cotton and tobacco. More than a quarter of each category shipped finds its way through the Panama Canal. If the Carter-Torrijos treaties are adopted, the tolls for these items will rise to a reported 30 per cent increase. If you think this will have a crippling effect on the American farmer, imagine what it will be like for all of us as consumers. Prices on domestic goods will necessarily increase. Our consumer's dollar will lose some of its buying power, and many consumers will in turn lose their jobs. As explained by my former boss, Congressman Bauman of Maryland who testified on the economic impact of the treaties before the Senate Foreign Relations Committee earlier this year after returning from Panama:

". . . Governor Parfitt of the Panama Canal Zone assured me during my visit that the tolls would have to increase at least 40 percent. When the tolls increase, shippers will start looking for alternatives to Canal transit, such as the railroads. It has been estimated that these increases would result in a loss of 3 to 20 percent in shipping for all East Coast ports. A 5 percent decrease in shipping totals at the Port of Baltimore would cause a loss of $5,073,671 to Maryland's economy. A 10 percent decrease would result in a loss of $10,147,342. Maryland's economy already has an unemployment rate of over 8 percent, and I think it is unlikely that we can absorb a loss on the order of $10 million in shipping revenues without putting people out of work and causing additional problems for (my) state."

As noted, and despite the changing forms of transportation, over the past twenty years the tonnage going through the Canal has doubled. We were shipping 30.4 million tons in 1956, and we shipped close to four times that amount of 120 million tons in 1976. More, not less commerce is being conducted via the Canal. More and not fewer goods we purchase as consumers are linked in some way to the Canal. We cannot afford to have this vital economic site twisted by those who fail to understand the Canal's importance to all of us as consumers.

It has been revealed that should America relinquish our ownership of the Canal and its operation, marine insurance rates on the Canal's commercial tonnage will increase from 10 to 50 percent. In some cases, the goods we buy will cost a lot more when we go to buy them. In other cases, they will disappear. They will disappear, because some of the smaller businessmen will not be able to afford the radical increase in the insurance rates of commercial tonnage for retail shipping.

President Carter is sometimes fond of saying that, "life is unfair." Regardless, it remains a fact of international commerce that investors and marine insurance agents trust the United States, but they do not trust Panama. They do not trust the unstable, marxist regime of General Torrijos. They are unhappy about the prospect of one of the most unstable marxist governments in the Western hemisphere acceding to the ownership and control of a waterway which directly effects the economy and well being of every nation within our continental land mass. Panama has a government which was this year rated by Amnesty International as the greatest violator of human rights in the Western world, compiling even a worse record than Cuba.

Some within our own government's circles overlook this in favor of a position that Panama is at least economically stable enough to take over control of the Canal. Neighboring Latin American governments however, remain reticent to share this optimism. They know better. They know that in the nine years under Panama's military junta has been turning the knobs, Panama's national debt has grown from $184 million to more than $2 billion. Panama now has the highest debt per capita of any nation in the world. 39.9 percent of the Panamanian government's revenues go to service its national debt as compared to 8 percent of the revenues of the U.S. Government. No, Panama is not exactly a blue chip commodity for investment. Certainly, David Rockefeller lived to find this out.

Perhaps we need a new treaty. Perhaps America should take the lead in seeking a broader partnership in the operation of the Canal. But we cannot afford to turn over the keys, plates and title of something which so directly affects our national well being. We cannot afford to turn it over to a country which has gone through 57 chiefs of state in less than 50 years, virtually using them like Kleenex. We cannot afford this. We cannot afford to give up the Panama Canal.

We cannot afford it for the sake of our nation's security. Every ship in our Navy can travel through the Canal except for 13, the huge carriers or floating hotels which we no longer design or build. Without the easy passage through the Canal; without the assurance of peaceful transit by our Navy's ships, we are going to have to increase the number of these ships. We are going to have to pay for the increased defense budgets necessary to make the U.S. a two ocean Navy. Presently, we are what one can describe as a one and a half ocean Navy. I heard Admiral Moorer, former chairman of the Joint Chiefs of Staff, testify before the House Merchant Marine Committee last August. He said that the proposed treaties are a mistake. And he said that if we fail to recognize it and pretend that a viable and mobile naval force is insignificant, we will all be forced to pay for this mistake. And we will be forced to pay for it in more than our tax dollars. If ever Americans needed a demonstration of this, if ever we needed a reminder of the Panama Canal's strategic importance in terms of naval operational flexibility, the Cuban Missile Crisis supplied it.

Perhaps this is not something which most of us will see right away. But there is one group which will be hurt right away, one group which will feel the effects of losing that which we will have willingly given up by ceding total ownership of the Canal to Panama. This group is the 34,000 American citizens living in the U.S. Canal Zone in Panama. These are not class B citizens or in any other legal, social or historical way "different" from us. Only geography separates them from us. Most of them own small houses or condominiums in the Canal Zone. Most of them have been there for many generations, being the children, grand children and in some cases great grand children of the original Canal workers. Many have married Panamanians, and others who have themselves become naturalized U.S. citizens. For these people, the Canal Zone is not just a duty assignment. For these Americans, the Canal is their home. It is an American home, one they have each worked to build over generations. It is one which they have always believed would remain a part of the United States. There are many who talk about the pride of Panamanians in the Canal controversy, but what of the pride of these people! Do they not also have claim in this dispute which threatens their homes and jeopardizes their way of life!

Now our State Department would tell them to go away. They would have us forget about them, saying that these Canal Zone American citizens can either pack up and leave or they can all be Panamanians now.

But these Americans will not accept that. They know their rights as American citizens, and they demand that these rights be observed and protected. They remember the riots of 1964 when American cars were being blown up and people being molested or murdered on the streets of downtown Panama City. They remember their experiences with the Panamanian police unwilling to help or even recognize some of the Americans caught up in these intermittent, violent outbursts which occur among Panamanians. They remember that only within the Canal Zone were Americans and Panamanians alike guaranteed protection from the surrounding violence and chaos.

To remove this protective shield, to deny these Americans their rights of citizenship is what the pending Carter-Torrijos treaties have the effect of doing. To deny these Americans their rights is against the letter of our Constitution, the spirit of our laws, and it is wrong.

We can and we must improve the friendship between the nations within our Hemisphere. We can do this through dynamic regional cooperation at many levels, economically and politically. But we can do this without having to jeopardize our own strategic security. We can do this without having to jeopardize the future of the canal we built in Panama.

The Council for Inter-American Security which I am privileged to chair is working with U.S. Senate and Senate committee staffs to come up with common sense alternatives to the pending Carter-Torrijos treaties. There is a middle ground in this dispute, and we must all work to convince the U.S. Senate to seize it.

As I have tried to show, the Panama Canal is important to us. Economically. Militarily. To give it up as the White House proposes to do violates common sense. To give it up jeopardizes the human rights and well being of our own people, particularly the 34,000 American citizens who are too often ignored in this dispute.

Our national government has made so many mistakes in recent years. I solicit your help in convincing it to resist the temptation to make another one; to resist the temptation to give up our American canal in Panama.

HOUSE OF REPRESENTATIVES—*Wednesday, March 1, 1978*

NOTICE

Effective Wednesday, March 1, 1978, the Laws and Rules for Publication of the **Congressional Record** will be amended to identify statements or insertions in the **Record** where **no part of them was spoken.** Unspoken material will be preceded and followed by a "bullet" symbol, i.e., •.

Since procedures in the House and Senate differ, variations of the Laws and Rules for Publication for each body are as follows:

1. **HOUSE AND SENATE FLOOR PROCEEDINGS**

(a) When, upon unanimous consent or by motion, a prepared statement is ordered to be printed in the **Record** and **no part** of it is spoken, the entire statement will be "bulleted."

(b) If a Member verbally delivers the **first portion** of the statement (such as the first sentence or paragraph), then the entire statement will appear **without** the "bullet" symbol.

(c) Extemporaneous speeches supplemented by prepared statements **will not** be "bulleted."

2. **SENATE ONLY**

(a) **Additional Statements.** All **unspoken** prepared statements submitted for printing in the **Record will be** "bulleted"; and

(b) If the statement is **not germane** to the pending or unfinished business before the Senate, it will be printed in the **Record** under the heading of "Additional Statements";

(c) If, however, the unspoken prepared statement **is germane** to the pending or unfinished business, it will be printed in the **Record** as part of the debate on the matter being considered.

(d) **Routine Morning Business. Unspoken** prepared statements submitted with the introduction of legislation, notices of hearings, or any other "first person" statement **not spoken** will be printed in the **Record** with the "bullet" symbol and will appear in the **Record** at the appropriate place during Routine Morning Business.

3. **HOUSE ONLY**

(a) **One-Minute Speeches and Special Orders.** If **no portion** of such statements is spoken by the Member, the entire statement **will** be "bulleted."

(b) **Extensions of Remarks.** All statements **not spoken** by the Member will be "bulleted." If, however, a portion of a statement **is delivered verbally** by the Member, revised, but **not** received by GPO in time to appear in the **Record** for that day, it will be printed **without** the "bullet" symbol in a subsequent issue of the **Record** under "Extensions of Remarks."

By order of the Joint Committee on Printing.

FRANK THOMPSON, JR., Acting Chairman.

The House met at 3 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Whosoever will save his life shall lose it: and whosoever will lose his life for my sake shall find it.—Matthew 16: 25.

Our heavenly Father, who has come into the world of darkness to bring light, into the world of worry to bring peace, and into the world of fear to bring faith, may Thy rich blessing be upon us and upon our homes this Lenten season. Do Thou sustain us as we seek earnestly to be worthy followers of Thy wholesome way.

As we walk along the road of self-discipline may we make room for Thee in our hearts that we may live in peace with one another and in good will with all Thy children. Glory be to Thee now and forevermore. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

CALL OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 93]

Alexander	Buchanan	Chappell
Anderson, Ill.	Burke, Calif.	Clay
Archer	Burke, Fla.	Collins, Ill.
Brinkley	Burton, John	D'Amours
Dellums	Jones, N.C.	Rose
Dent	Kemp	Ruppe
Dingell	McCloskey	Sarasin
Early	McCormack	Scheuer
Flood	McDade	Simon
Fowler	Meyner	Teague
Frey	Moffett	Thornton
Hammer-schmidt	Neal	Tsongas
Jenrette	Risenhoover	Wiggins
	Roberts	Wilson, Tex.

The SPEAKER. On this rollcall 393 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2076. An act to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Grand Canyon National Park, Ariz., to the Grand Canyon Unified School District, Ariz., and for other purposes.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3813. An act to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3813) entitled "An act to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes," requests a conference with the House on the disagreeing votes on the two Houses thereon, and appoints Mr. ABOUREZK, Mr. JACKSON, Mr. MATSUNAGA, Mr. HANSEN, and Mr. MARK O. HATFIELD to be the conferees on the part of the Senate.

OFFICIAL PHOTOGRAPH OF THE U.S. HOUSE OF REPRESENTATIVES, 95TH CONGRESS

The SPEAKER. Pursuant to the provisions of House Resolution 1036, the Chair announces that he has designated this time for the taking of the official photograph of the House in session.

The Chair has been advised that the entire process will take about 7 minutes. The Chair would request that Members remain in the Chamber and remain in their positions during this period of time. Members, however, may converse during this time.

The Chair has been informed by the Parliamentarian that this is actually the third time that an official photograph of the House has ever been taken. The practice of having an official photograph of the House came to being by virtue of the fact that our friend and former colleague, Mr. Fred Schwengel, has been instrumental in fostering the U.S. Capi-

tol Historical Society, which produces a book on the Congress in which this photograph appears.

THE LATE DANIEL "CHAPPIE" JAMES, JR.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 1053 expressing the profound sorrow and deep regret of the House of Representatives on the death of Gen. Daniel James, Jr.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 1053

Whereas the House of Representatives has learned of the untimely death of General Daniel "Chappie" James, Jr., and

Whereas General James demonstrated throughout his life those characteristics essential to outstanding leadership, determination, dignity, perseverence, and ability, and

Whereas throughout his career General James exemplified a selfless patriotism, love of country, and service to country; Now therefore be it

Resolved, That the House of Representatives has learned with profound sorrow and deep regret of the death of General Daniel James, Jr., United States Air Force, Retired, most recently Commander of the North American Defense Command, and hereby conveys its sincere condolences to the family of General James.

● Mr. RHODES. Mr. Speaker, today we note with sorrow the passing of a truly great American, Gen. Daniel "Chappie" James. As a member of the Defense Appropriations Subcommittee, I came to know Chappie James well, to like him as an outstanding human being, and to respect him as a dedicated soldier and outstanding military leader.

In an age that has become cynical of heroes, Chappie James was a real hero, whether he was flying 178 combat missions in Korea and Vietnam, or entering a "whites only" officers club during World War II to protest the racial segregation of military facilities.

Though born in Pensacola, Fla., where the schools were segregated and blacks rode in the back of the bus, Chappie James was imbued by his parents with a determination to hurdle these barriers. He did, and he lived to see those unworthy barriers dismantled.

Despite his often discouraging battles for racial equality in the military during the war, and though he languished for 6 years as a first lieutenant, Chappie James never permitted his love of this country to be questioned. "I fought in three wars and three more would not be too many to defend my country," he once wrote.

Chappie James was the first black American to win four general's stars, but his true legacy is, as he said upon his promotion in 1975, "the effect it will have on some kid on a hot sidewalk in some ghetto."

Chappie James' life stands as an example, not only to black youngsters, but to all young Americans, of what can be achieved in this country if one has the ability, the courage and the determination to set a goal and pursue it.

I join my colleagues in saluting Gen. Daniel James, Jr., U.S. Air Force, retired.●

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

WILLIAM C. SHATTLES

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, it is with sadness that I speak today in the House of Representatives regarding Kentucky's beloved William C. Shattles.

William C. Shattles, age 72, known throughout Kentucky as an outstanding educator, died February 7 at his hometown of Ashland, where he served as superintendent of schools from 1956 to 1967.

During my sophomore year at Ashland High School, William C. Shattles was assistant principal and dean of boys at the school. That year he chose three students from Ashland High School to attend the prestigious Kentucky Youth Assembly at the State capital in Frankfort. David Ravencraft, David Pollitt and I were honored that Mr. Shattles chose us. I mention this, because this was my first visit to Kentucky's State capital and actually my first opportunity to engage in any type of political activity. It was on this visit to the State capital in 1953 that I first caught the fever of politics, and I must admit I still have it.

In 1967, Mr. Shattles was honored by being named to a new position with the Facilities Study Division of the Kentucky Department of Education and was later named director of equal education for the State.

Lastly, I extend to his wife, Mrs. Dorothy Evans Shattles; his three daughters, Mrs. Pat Pollitt of Pahokee, Fla., Mrs. Billie Sue Jones, Cincinnati, Ohio, and Mrs. Dorothy Ann Jones, Russell, Ky.; and to his son, David Shattles of Ashland, along with other members of the family, my sincere sympathy.

AMENDING THE FEDERAL AVIATION ACT OF 1958 TO IMPROVE CARGO AIR SERVICE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9851) to amend the Federal Aviation Act of 1958 to improve cargo air service, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, lines 1 and 2, strike out "which begins on the date of enactment of this paragraph," and insert "beginning on April 1, 1978,".

Page 2, after line 11, insert:

SEC. 4. The provisions of this Act shall become effective on April 1, 1978.

Mr. ANDERSON of California (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendments be dispensed with and that they be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Is there objection to the initial unanimous consent request of the gentleman from California?

Mr. SNYDER. Mr. Speaker, reserving the right to object, I yield to the gentleman from California to explain the bill and the Senate amendments.

Mr. ANDERSON of California. I thank the gentleman for yielding.

Mr. Speaker, H.R. 9851 was passed by the House on January 31, 1978, by a vote of 403 to 0. The bill allows supplemental air carriers to participate immediately in the cargo deregulation program which we established in legislation enacted last November.

The Senate has made one limited change in H.R. 9851. The Senate amendment requires supplemental air carriers to wait until April 1, 1978, before filing their applications to provide scheduled all-cargo service. The justification for the Senate's amendment is that several scheduled air carriers who are participating in the new cargo deregulation program have had difficulty in obtaining the necessary aircraft. The Senate amendment gives these carriers an added opportunity to obtain the necessary equipment before the supplemental air carriers are allowed to enter the business.

I have no objection to this brief extension of the time granted by the Senate amendment.

Mr. Speaker, I urge my colleagues to support the pending bill.

Mr. SNYDER. Mr. Speaker, I withdraw my reservation of objection.

● Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 9851, as amended by the Senate.

The bill will permit supplemental air carriers, who have been leaders in furnishing low-cost transportation for the traveling and shipping public, to begin providing scheduled all-cargo service.

The supplementals need an equal opportunity to compete with the new all-cargo service being offered by the scheduled airlines.

The Senate amendment, which delays the supplementals' participation by a few weeks, is acceptable to me.

Mr. Speaker, I urge my colleagues to support this needed legislation.●

The SPEAKER. Is there objection to the initial unanimous consent request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT AS MEMBER OF AMERICAN FOLKLIFE CENTER IN LIBRARY OF CONGRESS

The SPEAKER. Pursuant to the provisions of section 4(b), Public Law 94–201, the Chair appoints as a member of the American Folklife Center in the Library of Congress, effective March 4, 1978:

Mrs. Raye Virginia Allen, Temple, Texas, for a term of six years.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT PAST 11 A.M. TOMORROW, MARCH 2, 1978

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs may be permitted to sit past 11 a.m. tomorrow, March 2, 1978, in order to conduct a hearing on New York City's fiscal and financial situation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SUBCOMMITTEE ON CENSUS AND POPULATION TO RESUME HEARINGS MARCH 3, 1978

(Mr. LEHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN. Mr. Speaker, this Friday, March 3, the Subcommittee on Census and Population which I chair is scheduled to resume it hearings on the paperwork burden generated by the Federal statistical system and its impact on local government agencies and private business.

The hearings will convene in Miami, Fla. at the Dade County School Board auditorium. During this meeting the subcommittee plans to hear from representatives from the county government, State and local education agencies, Chamber of Commerce and private businessmen.

These hearings were arranged well in advance of the leadership's announcement to begin Friday sessions and are consequently impossible to cancel at this late date. I am therefore taking this opportunity to inform the House that I will not be present during Friday's session. Mr. ROUSSELOT, who is the ranking minority member of the subcommittee, and Mr. HANLEY, who is a member of the Post Office and Civil Service Committee, will be participating in these hearings and will likewise be absent from this Friday's session of the House.

TELEVISING THE HOUSE

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, it has been called to my attention that we all may be in for a large volume of mail relative to the subject of televising the proceedings of the House. In the March 4–10 weekly issue of TV Guide magazine, there is an article in the "As We See It" program section encouraging readers to write their Congressman if they believe the House television system should be run by professional broadcasters.

Obviously, this issue will not go away by trying to ignore it, Mr. Speaker. I hope you will keep the promise you made recently on two different occasions on national television and allow the House an up or down vote as to the type of system we want employed to cover our Chamber.

THE ATTORNEY GENERAL'S ARROGANCE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I wrote to Attorney General Griffin Bell last July 13, 1977, raising some serious concerns over his questionable prosecution of former FBI special agent John Kearney and the intelligence-gathering policies of the Department of Justice with respect to combatting crime and terrorism.

Despite repeated attempts to obtain a response, the Attorney General has refused to answer my concerns.

The only response to my office was a tortured and much belated rebuff from Mr. Bell's assistant, to my assistant, last December 14, saying that neither the Attorney General nor anyone associated with the Department of Justice will discuss any aspect of inquiries into past activities of the Federal Bureau of Investigation.

In other words, so long as Mr. Bell and his associates are making inquiries, or investigating, they plan to be accountable to no one—particularly to elected representatives.

What is our Government coming to, Mr. Speaker, when an appointed servant of the public can be so arrogant and unresponsive?

REQUEST FOR CONSIDERATION OF S. 1771, OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1977

Mr. BINGHAM. Mr. Speaker, I call up from the Speaker's table the Senate bill (S. 1771) to amend certain provisions of the Foreign Assistance Act of 1961 relating to the Overseas Private Investment Corporation, and ask unanimous consent for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

DISTRICT OF COLUMBIA REPRESENTATION IN CONGRESS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1048 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1048

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 554) to amend the Constitution to provide for representation of the District of Columbia in the Congress. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this is a normal open rule, with 2 hours of general debate. While opposition to the matter it makes in order appeared before the Committee on Rules, I know of no opposition to the rule.

I therefore reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a routine 2-hour open rule. However, the joint resolution made in order by this rule is not routine and should be defeated.

The report of the Committee on the Judiciary describes this proposed constitutional amendment as follows, and I quote:

This proposed new article would not make the District a State nor invest it with the sovereign powers of a State. Furthermore, it would not constitute a foundation for statehood nor would it change the constitutional powers and responsibility of the Congress to legislate with respect to the District of Columbia.

Mr. Speaker, I think most Members of the House are asking themselves why the proponents are attempting this approach to gain two U.S. Senators and probably two Members of the House. I hope to give the Members a little more

information than was provided in this committee report as to why this approach is being taken.

For some time now, Mr. Speaker, residents of the District of Columbia have been able to vote for President and Vice President. They elect their own city government; and they elect their own school board. They also elect a nonvoting Member of this House.

Now, one would think they would be here seeking to make the District of Columbia a State, and then they would want to accept all of the responsibilities of a State. But, no, they are not asking this. They want all the benefits of a State, but they do not want to accept all the responsibilities of statehood.

The question is why? Why are they taking this precedent-setting approach? To go this new constitutional route, it will take a two-thirds vote in the House and then ratification by three-fourths of the States. To go the statehood route, it would take only a majority vote.

Well, proponents want to eat their cake and have it too. They want to keep all these Federal funds they presently receive as our Capital City, while enjoying all the benefits of statehood. This is what it is all about.

Does your State receive a Federal payment? It does not. What does the District of Columbia receive, and how much does the District of Columbia want to keep by going this unique constitutional route?

Mr. Speaker, the following figures were provided by the staff of the Appropriations Subcommittee on the District of Columbia and I find they are very enlightening.

For fiscal year 1977, the last year for which complete figures are available, the Federal payment to the District of Columbia was $276,000,000. In addition, in Federal grants the District of Columbia received $340,208,600. From revenue sharing the District of Columbia received $32,240,000. That all comes to a subtotal of $648,448,600.

In Federal loans for fiscal year 1977, the District of Columbia received $101,292,000. After the addition of that figure, the District of Columbia received a total in Federal funds for fiscal year 1977 of $749,740,600. The goodies did not end here.

How many cities in this country are getting a $6,000,000,000 subway system built primarily through the use of U.S. taxpayers' funds? Mr. Speaker, bonds for the subway are so backed in the District of Columbia.

Mr. Speaker, let us not talk about taxation without representation when we have figures like these staring us in the face. As we listen to the discussion here this afternoon and we hear all about taxation without representation, let us keep in mind this question: Why are the proponents of this legislation not going the State route rather than this hybrid route?

I have given the Members the answer to this question. The answer is dollars, dollars that would not otherwise go into the District of Columbia. They do not want to give them up by accepting statehood. Could it be that the proponents value dollars more than statehood? I would hope not.

Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 21, not voting 27, as follows:

[Roll No. 94]

YEAS—386

Abdnor	Conable	Ginn
Addabbo	Conte	Glickman
Akaka	Conyers	Goldwater
Alexander	Corcoran	Gonzalez
Allen	Corman	Goodling
Ambro	Cornell	Gore
Ammerman	Cornwell	Gradison
Anderson, Calif.	Cotter	Grassley
	Coughlin	Green
Andrews, N.C.	Cunningham	Gudger
Andrews, N. Dak.	Daniel, Dan	Guyer
	Daniel, R. W.	Hagedorn
Annunzio	Danielson	Hall
Applegate	Davis	Hamilton
Ashley	de la Garza	Hanley
Aspin	Delaney	Hannaford
AuCoin	Derrick	Harkin
Bafalis	Derwinski	Harrington
Baldus	Devine	Harris
Barnard	Dickinson	Harsha
Baucus	Dicks	Hawkins
Beard, R.I.	Diggs	Heckler
Beard, Tenn.	Dodd	Hefner
Bedell	Dornan	Heftel
Bellenson	Downey	Hightower
Benjamin	Drinan	Hillis
Bennett	Duncan, Oreg.	Holland
Bevill	Duncan, Tenn.	Hollenbeck
Biaggi	Early	Holt
Bingham	Eckhardt	Holtzman
Blanchard	Edgar	Horton
Blouin	Edwards, Ala.	Howard
Boggs	Edwards, Calif.	Hubbard
Boland	Edwards, Okla.	Huckaby
Bolling	Eilberg	Hughes
Bonker	Emery	Hyde
Bowen	English	Ichord
Brademas	Erlenborn	Ireland
Breaux	Ertel	Jacobs
Breckinridge	Evans, Colo.	Jeffords
Brodhead	Evans, Del.	Jenkins
Brooks	Evans, Ga.	Jenrette
Broomfield	Evans, Ind.	Johnson, Calif.
Brown, Calif.	Fary	Johnson, Colo.
Brown, Mich.	Fascell	Jones, Okla.
Broyhill	Fenwick	Jones, Tenn.
Buchanan	Findley	Jordan
Burgener	Fish	Kasten
Burke, Calif.	Fisher	Kastenmeier
Burke, Mass.	Fithian	Kazen
Burlison, Mo.	Flippo	Kelly
Burton, Phillip	Flood	Kemp
Butler	Florio	Ketchum
Byron	Flowers	Keys
Caputo	Flynt	Kildee
Carney	Foley	Kindness
Carr	Ford, Mich.	Kostmayer
Carter	Ford, Tenn.	Krebs
Cavanaugh	Forsythe	Krueger
Cederberg	Fountain	LaFalce
Chisholm	Fraser	Lagomarsino
Clausen, Don H.	Frenzel	Le Fante
	Fuqua	Leach
Clay	Gammage	Lederer
Cleveland	Garcia	Leggett
Cochran	Gaydos	Lehman
Cohen	Gephardt	Lent
Coleman	Giaimo	Levitas
Collins, Ill.	Gilman	Livingston
Lloyd, Calif.	Oberstar	Spellman
Lloyd, Tenn.	Obey	Spence
Long, La.	Ottinger	St Germain
Long, Md.	Panetta	Staggers
Lujan	Patten	Stangeland
Luken	Patterson	Stanton
McClory	Pattison	Stark
McCloskey	Pease	Steers
McCormack	Pepper	Steiger
McEwen	Perkins	Stockman
McFall	Pettis	Stokes
McHugh	Pickle	Stratton
McKay	Pike	Studds
McKinney	Pressler	Stump
Madigan	Preyer	Taylor
Maguire	Price	Thompson
Mahon	Pritchard	Thone
Mann	Pursell	Thornton
Markey	Quayle	Traxler
Marks	Quie	Treen
Marlenee	Rahall	Trible
Marriott	Railsback	Tsongas
Martin	Rangel	Tucker
Mathis	Regula	Udall
Mattox	Reuss	Ullman
Mazzoli	Rhodes	Van Deerlin
Meeds	Richmond	Vander Jagt
Metcalfe	Rinaldo	Vanik
Michel	Robinson	Vento
Mikulski	Rodino	Volkmer
Mikva	Roe	Waggonner
Milford	Rogers	Walgren
Miller, Calif.	Rooney	Walker
Miller, Ohio	Rose	Walsh
Mineta	Rosenthal	Wampler
Minish	Rostenkowski	Watkins
Mitchell, Md.	Roybal	Waxman
Mitchell, N.Y.	Runnels	Weaver
Moakley	Russo	Weiss
Moffett	Ryan	Whalen
Mollohan	Santini	White
Montgomery	Satterfield	Whitehurst
Moore	Sawyer	Whitley
Moorhead, Pa.	Scheuer	Whitten
Moss	Schroeder	Wiggins
Mottl	Schulze	Wilson, Bob
Murphy, Ill.	Sebelius	Wilson, Tex.
Murphy, N.Y.	Seiberling	Winn
Murphy, Pa.	Sharp	Wirth
Murtha	Shipley	Wolff
Myers, Gary	Shuster	Wright
Myers, John	Sikes	Wydler
Myers, Michael	Simon	Wylie
Natcher	Sisk	Yates
Nedzi	Skelton	Yatron
Nichols	Skubitz	Young, Alaska
Nix	Slack	Young, Fla.
Nolan	Smith, Iowa	Young, Tex.
Nowak	Smith, Nebr.	Zablocki
O'Brien	Snyder	Zeferetti
Oakar	Solarz	

NAYS—21

Archer	Dingell	Quillen
Armstrong	Gibbons	Rousselot
Ashbrook	Hansen	Rudd
Badham	Latta	Symms
Bauman	Lott	
Burleson, Tex.	McDonald	
Clawson, Del	Moorhead, Calif.	
Collins, Tex.		
Crane	Poage	

NOT VOTING—27

Anderson, Ill.	Fowler	Roberts
Bonior	Frey	Roncalio
Brinkley	Hammer-schmidt	Ruppe
Brown, Ohio		Sarasin
Burke, Fla.	Jones, N.C.	Steed
Burton, John	Lundine	Teague
Chappell	McDade	Wilson, C. H.
D'Amours	Meyner	Young, Mo.
Dellums	Neal	
Dent	Risenhoover	

The Clerk announced the following pairs:

Mr. Dent with Mr. Teague.

Mr. Roberts with Mr. Steed.

Mr. Jones of North Carolina with Mr. Risenhoover.

Mr. Brinkley with Mr. Neal.

Mr. Fowler with Mr. Bonior.

Mr. Chappell with Mr. Charles H. Wilson of California.

Mr. Young of Missouri with Mr. D'Amours.

Mr. John L. Burton with Mr. Dellums.

Mrs. Meyner with Mr. Lundine.

Mr. Roncalio with Mr. McDade.

Mr. Brown of Ohio with Mr. Hammerschmidt.

Mr. Frey with Mr. Ruppe.
Mr. Sarasin with Mr. Burke of Florida.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. EDWARDS of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 554) to amend the Constitution to provide for representation of the District of Columbia in the Congress.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DORNAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 15, not voting 50, as follows:

[Roll No. 95]

YEAS—369

Abdnor	Carney	Fithian
Addabbo	Carr	Flippo
Akaka	Carter	Flood
Alexander	Cavanaugh	Florio
Allen	Chisholm	Flowers
Ambro	Clausen, Don H.	Flynt
Ammerman	Cleveland	Foley
Anderson, Calif.	Cochran	Ford, Mich.
Andrews, N.C.	Cohen	Ford, Tenn.
Andrews, N. Dak.	Coleman	Forsythe
Annunzio	Collins, Ill.	Fountain
Applegate	Conable	Fraser
Archer	Conte	Frenzel
Armstrong	Conyers	Fuqua
Ashbrook	Corcoran	Gammage
Ashley	Corman	Gaydos
Aspin	Cornell	Gephardt
AuCoin	Cornwell	Giaimo
Badham	Cotter	Gibbons
Bafalis	Coughlin	Gilman
Baldus	Crane	Ginn
Barnard	Cunningham	Glickman
Baucus	Daniel, Dan	Goldwater
Beard, R.I.	Daniel, R. W.	Gonzalez
Beard, Tenn.	Danielson	Gore
Bedell	Davis	Gradison
Bellenson	de la Garza	Grassley
Benjamin	Delaney	Green
Bennett	Derrick	Gudger
Bevill	Derwinski	Guyer
Biaggi	Devine	Hagedorn
Bingham	Dickinson	Hall
Blanchard	Diggs	Hamilton
Blouin	Dodd	Hanley
Boggs	Downey	Hannaford
Boland	Drinan	Harkin
Bolling	Duncan, Oreg.	Harrington
Bonior	Duncan, Tenn.	Harris
Bonker	Early	Hawkins
Brademas	Eckhardt	Heckler
Breaux	Edgar	Hefner
Breckinridge	Edwards, Ala.	Heftel
Brodhead	Edwards, Calif.	Hightower
Brooks	Edwards, Okla.	Hillis
Brown, Calif.	Eilberg	Holland
Brown, Mich.	Emery	Hollenbeck
Broyhill	English	Holt
Buchanan	Erlenborn	Holtzman
Burgener	Ertel	Howard
Burke, Calif.	Evans, Colo.	Huckaby
Burke, Mass.	Evans, Del.	Hughes
Burleson, Tex.	Evans, Ind.	Hyde
Burlison, Mo.	Fary	Ichord
Burton, Phillip	Fascell	Ireland
Butler	Fenwick	Jacobs
Byron	Findley	Jeffords
Caputo	Fish	Jenkins
	Fisher	Jenrette
		Johnson, Calif.
		Johnson, Colo.
		Jones, Tenn.
		Jordan
		Kasten
		Kastenmeier
		Kazen
		Kelly
		Kemp
		Ketchum
		Keys
		Kildee
		Kindness
		Kostmayer
		Krebs
		LaFalce
		Lagomarsino
		Latta
		Le Fante
		Leach
		Lederer
		Lehman
		Lent
		Levitas
		Livingston
		Lloyd, Calif.
		Lloyd, Tenn.
		Long, La.
		Long, Md.
		Lott
		Lujan
		Luken
		Lundine
		McClory
		McCloskey
		McCormack
		McEwen
		McFall
		McHugh
		McKay
		McKinney
		Mahon
		Mann
		Markey
		Marks
		Marlenee
		Marriott
		Martin
		Mattox
		Mazzoli
		Meeds
		Metcalfe
		Michel
		Mikulski
		Mikva
		Milford
		Miller, Calif.
		Miller, Ohio
		Mineta
		Minish
		Mitchell, Md.
		Mitchell, N.Y.
		Moakley
		Moffett
		Mollohan
		Montgomery
		Moore
		Moorhead, Pa.
		Moss
		Mottl
		Murphy, Ill.
		Murphy, N.Y.
		Murphy, Pa.
		Murtha
		Myers, Gary
		Myers, John
		Natcher
		Nedzi
		Nolan
		Nowak
		O'Brien
		Oakar
		Oberstar
		Obey
		Ottinger
		Panetta
		Patten
		Patterson
		Pattison
		Pease
		Pepper
		Perkins
		Pettis
		Pickle
		Pike
		Pressler
		Preyer
		Price
		Pritchard
		Pursell
		Quayle
		Quie
		Quillen
		Rahall
		Rangel
		Regula
		Reuss
		Rhodes
		Richmond
		Rinaldo
		Robinson
		Rodino
		Roe
		Rogers
		Rooney
		Rose
		Rosenthal
		Rostenkowski
		Rousselot
		Roybal
		Ryan
		Santini
		Sawyer
		Scheuer
		Schroeder
		Sebelius
		Seiberling
		Shipley
		Sikes
		Simon
		Sisk
		Skelton
		Skubitz
		Slack
		Smith, Iowa
		Smith, Nebr.
		Snyder
		Solarz
		Spellman
		Spence
		St Germain
		Staggers
		Stangeland
		Stanton
		Stark
		Steers
		Stockman
		Stokes
		Stratton
		Studds
		Stump
		Taylor
		Thompson
		Thone
		Traxler
		Treen
		Trible
		Tsongas
		Tucker
		Udall
		Ullman
		Van Deerlin
		Vander Jagt
		Vanik
		Vento
		Volkmer
		Waggonner
		Walgren
		Walker
		Walsh
		Wampler
		Watkins
		Waxman
		Weaver
		Weiss
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, Tex.
		Winn
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NAYS—15

Bauman	Goodling	Rudd
Clawson, Del	Hansen	Satterfield
Collins, Tex.	McDonald	Symms
Dingell	Moorhead, Calif.	Wilson, Bob
Dornan	Poage	
Evans, Ga.		

NOT VOTING—50

Anderson, Ill.	Hammer-schmidt	Nix
Bowen	Harsha	Railsback
Brinkley	Horton	Risenhoover
Broomfield	Hubbard	Roberts
Brown, Ohio	Jones, N.C.	Roncalio
Burke, Fla.	Jones, Okla.	Runnels
Burton, John	Krueger	Ruppe
Cederberg	Leggett	Russo
Chappell	McDade	Sarasin
Clay	Madigan	Schulze
D'Amours	Maguire	Sharp
Dellums	Mathis	Shuster
Dent	Meyner	Steed
Dicks	Myers, Michael	Steiger
Fowler	Neal	Teague
Frey	Nichols	Thornton
Garcia		Wilson, C. H.

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 554), with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. EDWARDS) will be recognized for 1 hour, and the gentleman from Virginia (Mr. BUTLER) will be recognized for 1 hour.

The Chair recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I yield 6 minutes to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I am pleased to come before you today to speak in support of House Joint Resolution 554. This is a proposed amendment to the Constitution which would grant to the District of Columbia voting representation in both Chambers of Congress, and at long last, grant to the residents of the Nation's Capital a full voice on all issues of national concern.

It is important to note that of the 19 Federal districts in the world community, only 2, other than Washington, D.C., are not represented in their national legislatures. Recently, the Senator representing the Federal District of Australia met with some Members of Congress. He noted that Australia looked to our Constitution as a model when formulating its own and he was surprised to learn that the District of Columbia continues to be unrepresented in the House and Senate by voting Members.

A review of the circumstances surrounding the creation of the District suggests its subsequent disenfranchisement was more a result of circumstance than design. Members of the Constitutional Convention, while meeting in Philadelphia, were subjected to threats by mutinous soldiers and were forced to flee for safety to Princeton, N.J., after requests for protection from the State of Pennsylvania were denied. The subsequent debate on the creation of the District focused not on voting rights but on Federal police authority at the Capital, and freedom from dependence on the States.

The issue of congressional representation for the District is not new, particularly to those of you who debated and voted on House Joint Resolution 280 in the 94th Congress. Over 150 resolutions, providing for some degree of representation, have been introduced in Congress since the District was established early in our history. In the 1960's and 1970's the Congress and the Nation began to focus more on the issue of universal suffrage and the issue of increasing enfranchisement of American citizens residing in the District.

On June 16, 1960, the Congress submitted to the States a proposed constitutional amendment which enabled the District to vote for the office of President and Vice President. This proposed article was ratified by the States, as the 23d amendment, in Less than 10 months. In 1970, Congress, believing the District was entitled to some immediate

representation in the National Legislature, passed the District of Columbia Delegate Act. Our distinguished colleague, WALTER E. FAUNTROY, has, since April 1971, admirably represented his constituency vigorously as a nonvoting delegate, but his limited status denies to the District what is at the very foundation of this Nation—full participation in the democratic process.

In retrospect, it seemed that the 94th Congress provided the greatest beacon of hope for District residents in their struggle for representation. The Nation was moving toward its Bicentennial celebration and the rallying cry of our founders, "no taxation without representation," seemed an appropriate theme for District representation. It was in the 94th Congress that the issue, for the first time, came to the House floor for a vote. The vote, 229 yeas to 181 nays, was a sizable majority but missed the two-thirds vote necessary for a constitutional amendment.

Today, the hope for full voting representation remains strong. As we raise the issue of human rights abroad, we must, as a Nation governed by the one-person-one-vote rule, be prepared to answer why the right to vote in our national legislature is denied to over 700,000 American citizens.

Without question, District residents assume all of the burdens of American citizenship. Residents of the District pay over a billion dollars annually in taxes to the Federal Treasury. Their per capita tax payment is $77 above the national average—this payment is exceeded by only seven other States. District of Columbia residents have fought and died in every war since the war for independence: Indeed, during the Vietnam war, the District ranked fourth in the Nation in casualties. To continue to withold voting representation to the District is a denial of equal citizenship.

I believe the time to correct this denial of equal citizenship has come and that the Congress must vote to submit this issue to the States. I am sure you each will agree that the issue of voting rights transcends party lines. But let me remind you that full voting representation for the District was part of both Democratic and Republican platforms of 1976. Furthermore, for the first time in this Nation's history a President has, after review, publicly endorsed full voting representation and is vigorously encouraging its support.

In the 94th Congress, the House Judiciary Subcommittee on Civil and Constitutional Rights, chaired by our distinguished colleague of California, DON EDWARDS, considered the issue of full representation as set forth in House Joint Resolution 280. Beginning in August of 1977, the subcommittee again reviewed the issue by holding 5 days of extensive hearings on the joint resolution now before us. The conclusion has been the same each time the issue is considered: Granting the District full voting representation in the House and Senate is morally right and constitutionally sound.

Granting the District voting representation in the Congress does not dilute the voting rights of citizens residing in the States. Quite the contrary, granting limited representation or no representation to the District undermines the precepts fundamental to our Constitution and threatens the right basic to all other Americans: Participation in the democratic process.

I strongly believe the beacon of hope for equal representation for American citizens living in the District of Columbia continue to shine brightly in the 95th Congress.

When the Committee on the Judiciary considered House Joint Resolution 554, the vote, 27 yeas to 6 nays, exceeded the requisite simple majority: indeed, it exceeded the extraordinary two-thirds vote. As chairman of the Committee on the Judiciary and a longtime supporter for voting rights, I believe that committee vote is significant. It is a vote which signals the kind of support we can anticipate when we vote on this joint resolution. Among the Judiciary Committee supporters of House Joint Resolution 554 are members serving in Congress for the first time and members who formerly opposed full voting representation.

I am confident that you, as representatives of the people will conclude, and rightly so, that there is no constitutional bar to full voting representation for the District and that fundamental fairness demands such representation be granted. I am hopeful we will obtain the necessary two-thirds vote in the House to bring this issue to our colleagues in the Senate and that they, too, will vote to submit House Joint Resolution 554 to the States for ratification.

Let me add a final note. We all owe so much to the architects of our Constitution who built into that great document the machinery to amend it to meet unforeseen circumstances. The existence of a large, permanent, hard-working population supporting the necessary branches of our Government and residing in the Federal District was just not anticipated in the 18th century. To believe that the framers would have decided that such citizens should not have equal participation in the process of the Federal Legislature does not accurately reflect the simple concepts of fairness and representative government that are the cornerstones of our Constitution.

I urge your support of House Joint Resolution 554, as reported.

Mr. BUTLER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois, the ranking Republican member of the committee (Mr. MCCLORY).

Mr. MCCLORY. Mr. Chairman, I thank the gentleman for yielding to me. In rising in support of this proposed constitutional amendment, I want to express, first of all, my pride in being a sponsor of the measure which is now before us. At the same time, I want to commend the chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO); the chairman of the subcommittee, the gentleman from California (Mr. EDWARDS), as well as my colleague, the ranking minority member on the subcommittee, Mr. M. CALDWELL BUTLER, for their interest and their support of a constitutional amendment to provide representation for the District of Columbia in the Congress of the United States.

I am reminded, as I rise in support of this measure, that the Republican platform of 1976 provided specifically support for representation in the House and in the Senate for the people of the District of Columbia.

Mr. Chairman, just a little less than 2 years ago, the House considered a resolution to provide the residents of the District of Columbia full voting representation in the House and the Senate. I pointed out then, and I reiterate now, that voting for this constitutional amendment will correct an historical oversight or defect which is regarded today as a gross injustice.

When our Nation was founded, citizenship alone did not render a person qualified to vote. Only citizens who met specific criteria were accorded this privilege. In order to vote, a citizen had to be white, male, and, property holder over the age of 21. Slowly, but with determination over many years, we have wisely widened the franchise by adding amendments to our Constitution making it clear that blacks, other minority citizens, women, and, in fact, all citizens over the age of 18 have the right to vote. Even Americans residing overseas have recently joined their fellow U.S. citizens and enjoy expanded voting rights.

Moreover, by statute, Congress has gone beyond the constitutional guarantees which make the right to vote available to all citizens. With the historic legislation, the Voting Rights Act of 1965 and its subsequent amendments, Congress has put teeth into these guarantees by eliminating clever and unfair encumbrances, which were placed upon certain groups of citizens who tried to exercise their right to vote.

Yet, one group of U.S. citizens still do not possess all the voting rights enjoyed by their fellow citizens residing in the United States. The residents of the District of Columbia still do not have voting representatives in the Congress.

We all know of the desire on the part of the framers of the Constitution to have the seat of the National Government housed in an area under direct Federal control and free from State influences and prejudices. At that time, the fledgling National Government had to have certain latitude in order to control the territory which would house the important departments of the Federal Government. The scheme which created this Federal enclave left the District residents without any voting representation in the National Legislature. It is clear to me that the framers certainly did not contemplate that one day the Federal city would be home for over 700,000 U.S. citizens.

In 1961, Congress took a giant step forward toward recapturing for District residents some of their lost voting rights. The 23d amendment, which was ratified by three-fourths of the State legislatures in just over 9 months after its submission from Congress, authorized the District residents to vote for President and Vice President and accorded the District representation in the Electoral College, as long as the number of electors did not exceed those of the least populous State.

No matter how large its population, the Distict selects three electors to vote in the Electoral College. This historic step still treats the District unfairly. Population figures from the 1970 census indicate that if the District were in fact a State, it would be entitled to four electors. If the District had the voting rights to which it is entitled, its population would merit one-or two Representatives, and, of course, two Senators.

House Joint Resolution 554 provides for three basic changes to the status quo. First, it permits the District to elect voting representatives in both the House and the Senate. Second, it would allow the District to participate in the ratification process of constitutional amendments. Third, it would repeal the 23rd amendment and permit the District to participate in the Electoral College just as if it were a State. By voting for this proposed constitutional amendment, we can elevate the only group of "second-class" citizens residing in America to a status which would guarantee them their equal constitutional rights.

I know that there are those Members who do not think that the Senate or three-fourths of the State legislatures will concur with this approach. I say to those Members that it is not our function to continue to impugn the rights of the residents of the District of Columbia simply because we do not believe that others will support the corrective action we favor.

I urge that we support that an overwhelming vote this proposed constitutional amendment. This will let our colleagues in the Senate and the members of the State legislatures know that the time has come for District residents to enjoy the opportunity to have their voting representative speak and vote on the floors of both the House and Senate of the United States. Finally, it will reassure the people of the nation that we advocate equal voting rights for all Americans.

Mr. EDWARDS of California. Mr. Chairman, with great pleasure I yield 10 minutes to the distinguished Delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, I thank the gentleman from California.

Mr. Chairman and fellow Members of the House of Representatives, I rise first, to thank the distinguished gentleman from New Jersey (Mr. RODINO), chairman of the House Judiciary Committee and the distinguished gentleman from California (Mr. EDWARDS), chairman of the Subcommittee on Civil and Constitutional Rights, for the magnificent leadership they have given the House in bringing to the floor one of the most glaring items of unfinished business in the perfecting of our democratic form of government.

The basic issue at point in House Joint Resolution 554 which we shall debate this afternoon is best illustrated by the fact that I have lived in the District of Columbia all of my life. My mother died last year having been born and lived here all of her life. And never once did she have, nor have I, nor have hundreds of thousands of our fellow residents had the opportunity to do what every citizen of our great democracy is privileged to do, and that is to vote for people to represent us in the U.S. House and Senate. The question is why? Why have nearly three-quarters of a million citizens like myself who reside in our Nation's Capital been denied what we proclaim as the most precious right of citizens in the nations of the free world?

It is not because we fail to assume all of the responsibilities of American citizenship. Like all other Americans, District residents pay their fair share of taxes. We pay $1 billion a year in Federal taxes; a per capita tax payment that is $77 above the national average. Like all other American citizens, District residents, have answered the call to fight and die in every American war and conflict. And yet, we alone among American citizens in these United States are denied voting representation in both Houses of our National Legislature.

Why? Simply because we happen to live in our Nation's Federal district. Now, Federal districts are nothing new in our world today. There are 17 nations of the world that have Federal districts like ours, most of them free world nations. Only the United States and two military dictatorships continue to deny the residents of their Federal districts voting representation in their national legislatures.

The citizens of London are represented in both Houses of the English Parliament. The citizens of Paris are represented in both houses of the National Assembly. The citizens of Bonn are represented in the House and Senate of West Germany's legislative branch of government. Australia, which like West Germany, has modeled its government after ours, provides the residents of its capital city, Canberra, voting representation in the House and Senate. Federal districts are nothing new in our world today.

During the course of the debte on this measure, you will hear some Members offer arguments for continuing to deny the residents of our Nation's Federal district what they demand for the residents of their own districts and States: A voice and a vote in both Houses of our national legislature. Our House Judiciary Committee, like our President, has heard all of these arguments and against the background of extensive hearings and expert testimony from leading constitutional scholars, the Committee voted by an overwheleming 4-to-1 margin to support the extension of this basic right to the residents of the District of Columbia. Congressman DON EDWARDS and others will give detailed responses to questions raised by those who oppose this measure.

But, I, Mr. Chairman, should just like to focus upon the moral dimensions of this issue. I hope that every Member here will examine his conscience on this matter. This Nation was founded on the principle that governments derive their just powers by the consent of the governed. Today, we are committed to a worldwide crusade for human rights. We preach voting rights around the world, and we mean it, and we cherish our voting rights here at home. But are we to say to the world. and much more importantly to each other, that ours is a representative democracy for all Americans, except for the citizens of our Nation's Capital; that we have no second class citizens, except those who reside in the capital of our Nation; that we have established the principle of one man—one vote for all Americans, except the citizens of the capital of the free world?

Are we to continue to say to District of Columbia Americans, like we said in the Dred Scott Decision to another group of Americans, that you are less than whole persons in our eyes?

Are we to continue to espouse the virtues of democracy to the world and halt that democracy at the borders of the District of Columbia for three quarters of a million of our citizens?

The answers are obvious and compelling. We are confronted with what is primarily a moral issue. It cannot be dismissed by vague references to the dilution of the representation of other full-fledged American citizens like those of us who live here. It cannot be quieted by half measures that deny us our full citizenship rights. It is time for action in the Congress and among State legislatures of this great Nation of ours.

I ask you to vote tomorrow to give us an opportunity to take this issue to the American people.

I ask you to give us that opportunity, not because I, without a vote, represent more taxpaying Americans than any single member of this House; not because I represent more people than elect 20 Senators to the other body pursuant to the 17th amendment of our Constitution. I ask you to do it because it is just and fair and right.

We ask for no more and no less than that which all other citizens enjoy. Are other American citizens represented in the House and Senate? We, too, want to be represented. Do other Americans have a voice and vote in the ratification of treaties with foreign countries? We, too, want that right, and to have it we must be represented in the Senate.

Do other Americans have a voice and vote in the confirmation of presidential appointments, Supreme Court Justices, and Federal Judges? We want no more and no less than that to which all Americans are entitled, and to have that we must be represented in both the House and the Senate. Nothing more is needed; nothing less will satisfy the dictates of conscience.

I leave with you the words of an English Methodist minister, who on one occasion stated that:

> On some issues—cowardice asks the question, is it safe; and vanity asks the question, is it popular; and expediency asks the question, it is politic; but conscience asks the question, is it right?

I ask you to vote for full voting representation for the District of Columbia, not because it is safe, or politic or popular to do so, but because conscience dictates that it is right.

Mr. BUTLER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Chairman, we are here to consider a proposed amendment to the Constitution of the United States.

No power conferred by the Constitution upon the Members of this body

is more important. None should be exercised with greater care and vision.

Before undertaking a discussion of the wisdom of the specific proposal before us, I should like to suggest certain standards which should guide our deliberations.

First, great deference should be given to the existing structure of our Government. It should not be altered fundamentally, unless a compelling case is made that it is deficient.

Second, recognition of the basic character of our Constitution as a declaration of broad governmental powers and individual rights militates against the amending process being used to provide temporary solutions to temporary problems. If change is required, it should solve the problem to which it is addressed; an interim or partial solution will not do.

And finally, extraordinary care must be exercised in the selection of particular language to accomplish the desired result. A subsequent Congress and a tolerant Supreme Court cannot negate careless draftsmanship in the words of an amendment.

Let me now turn to the amendment before us.

Without question it works a fundamental change in the structure of the legislative branch. As originally conceived, representation in the Congress was confined to States, and the people residing in States. Although the mode of electing Senators has been changed by amendment, there is and can be no doubt that Senators represent States of the Union. Similarly, the language of article I, section 2 leaves no room for doubt that only the people of States are now represented in this body. The amendment creates a new category of persons entitled to representation: The inhabitants of the Federal City, indubitably a non-State and an area lacking the essentials of a State, namely, the independent ability to discharge essential governmental functions.

Our present system is bottomed upon our faith in federalism—independent States joining together as a union. That system, which has served us well, should only be altered for the most persuasive of reasons.

Proponents of the amendment argue that inequality is such a reason. I most certainly agree that the people of the District do not possess those political rights enjoyed by others. But the amendment does not solve the problem of inequality; it perpetuates it in another form.

If the amendment is ratified, millions of citizens, not residents of any State nor of the District of Columbia, will remain unrepresented in this body. Inequality continues as to them. Moreover, a new inequality will be imposed upon the citizens of States. No city of theirs will enjoy the privileged status of two Senators serving their exclusive interests in the Nation's Capital.

If the object of the amendment is political equality, it falls woefully short of the mark.

Mr. Chairman, I am sensitive to the political inequality which exists in the District. I want to solve that problem. I am satisfied that a solution is possible without doing violence to our existing governmental structure.

I prefer retrocession to the State of Maryland of the populated areas of the District which are not essential to the discharge of Federal governmental functions. It would accord to the inhabitants of the District perfect equality with the inhabitants of the States of the Union.

Although such a proposal is, in my view, far superior to the pending amendment, I will not offer such a substitute today. Even if such a substitute were germane, which I doubt, I do not believe constitutional amendments should be written on the floor.

A retrocession proposal would require that the Constitution be amended. The adoption of the 23d article of amendment, relating to Presidential Electors for the District of Columbia, precludes a legislative remedy. I would hope that if the pending amendment is defeated, the House Judiciary Committee would undertake hearings on this constructive alternative promptly.

May I conclude, Mr. Chairman, with this observation: The problems which command our attention today exist because there is a District of Columbia. As we ponder solutions, we should not reject out of hand a reconsideration of the modern necessity for the District at all. Surely the Philadelphia "incident" of 1783 is no longer an adequate justification, especially in light of the political burden imposed upon the inhabitants of the Federal City. We now know that extensive Federal facilities, subject to Federal jurisdiction, can exist within the territory of States. Important Federal activities are routinely conducted within States without disruption different in kind than we experience here in the District of Columbia.

The continued existence of a District of Columbia requires a better justification than national pride in a national capital, especially in view of the unique problems it creates. My pride in our Capital would in no way be diminished if retrocession were to occur. It is not where it is that counts. I am proud of what is done here.

Today we have the opportunity to do something important: Reject an ill-conceived proposal to amend our Constitution.

Mr. EDWARDS of California. Mr. Chairman, I yield 2 minutes to the fine lawyer, the gentleman from the State of Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Chairman, I will not try to match the eloquence of my good friend, the gentleman from the District of Columbia (Mr. FAUNTROY), but it does seem to me that one or two additional points could be made.

It may seem a little strange at first for a Virginia Congressman to speak of representation for the District of Columbia, but I doubt that that should be true. I think I have listened to my heritage in Virginia. I think I have listened to Jefferson, to Washington, to Patrick Henry, and to Marshall, and I think I have listened to them closely. They have spoken of representation. I doubt if they were really in the business of making exceptions as to people, as to where they lived, as to how they lived, or as to what the color of their skin was or what have you. I think they believed in representation, and they gave us that form of government.

It is this representation that they instilled in us that keeps us growing. We should be searching for ways to correct injustices in representation when we are not satisfied.

The Members will remember that we have changed the Constitution before. We changed our ways, even with regard to whether a person of a different sex could vote. We changed our ways with regard to whether different minorities could vote. We changed our ways even with regard to the other body and decided that they represented the people, too, and that the people should vote on the election of Members of the other body. We have constantly searched for ways to improve on that representation, realizing that the heritage we had was a growing principle, not one that is static.

So if a Virginian listens to his or her heritage, he or she will hear a voice saying, "Yes; let us improve that representation."

I have heard many strange arguments. I have heard an argument made that if someone wants to be represented, then he or she should move out of the District of Columbia and go somewhere so he or she can be represented. What strange advice that is to give to someone: "Move out of the Nation's Capital if you need to be represented."

I doubt if anyone would want us to have a nation's capital where only people who could not move out or who did not want to be represented could live.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. HARRIS) has expired.

Mr. EDWARDS of California. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia (Mr. HARRIS).

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I thank the gentleman for his comments. I wish to associate myself with them, particularly with his statement as to the effrontery of suggesting that the people of the District of Columbia should sit by and wait until Virginia and Maryland get ready to accept them. I believe that idea is just preposterous.

I want to commend the beautiful statement that was made by our colleague, the Delegate from the District of Columbia (Mr. FAUNTROY), and I hope this is the last time we have to debate the fate of the "Lost Colony."

Mr. Chairman, the question which is before the House today is one Congress has examined on at least 22 occasions since 1800. It is hoped that, on this the 23d occasion, we will take positive action to rectify the years of injustice when the District of Columbia has had no voting representation in Congress.

In 1967, 1971, and 1975, the Judiciary Committee favorably reported resolutions which would have given voting representation to the District. On the

first two occasions, the Rules Committee failed to report the measure to the full House for its consideration. On the last occasion, almost 2 years ago, a majority, but not the required two-thirds of the Members, approved the resolution.

The arguments for and against this proposed amendment to the Constitution are familiar. The proponents contend simply that all citizens of the United States must have a voice in selecting their representatives to the National Legislature, and those representatives in turn must have a vote to represent such citizens on an equal basis with all other citizens.

One would suppose that such simple logic, based as it is on fundamental principles of our representative democracy, would command the unanimous support of all Members of this body. But somehow the cogency of the argument, to date, has escaped the necessary two-thirds majority of this House. I thus feel compelled to address the assertions of those in opposition to this resolution.

It is argued that District residents do not really need elected representatives because they are already represented adequately by all the members of the House and Senate. Putting aside for a moment the philosophical indefensibility of that contention, it is a well-known and sordid part of our history that the Congress has seriously neglected the needs of the District residents. Only in recent years has the Congress even begun to examine fairly the problems of the District, and many remain unresolved. But the principal response is that the residents of D.C. are entitled as a matter of right, not congressional largesse, to voting representation in the Congress. Vicarious representation has never been a tenet of our form of democracy.

It is argued too that many residents of the District maintain voting residences in other jurisdictions. Whatever accurate data might show (and such data are lacking), this would still not be grounds for disenfranchising all of the residents of the District. That some District residents vote elsewhere, maintain their loyalties to those jurisdictions, and identify with those areas is not an arrangement we should promote. To the contrary, it is politically unhealthy and inconsistent with the view that citizens should participate fully and effectively in the affairs of their local government. I should note too that those who maintain voting privileges outside the District may do so simply because they cannot effectively vote as District residents.

It has also been argued that this resolution would improperly reduce equal representation of the states in the Senate. Article V of the Constitution states "that no State, without its consent, shall be deprived of its equal suffrage in the Senate." This limitation is intended to prevent a conspiracy of three-fourths of the States, using the amendment process, from depriving another State of its equal representation in the Senate.

Properly read, the article V restriction requires only that each State have two Senators unless it consents to a lesser number. The limitation is intended to prevent deprivation, not dilution, of Senate voting strength. If it had been interpreted to preclude dilution, Congress could never have admitted new States to the Union. Because Congress may affect such a dilution of voting strength in the Senate simply by majority vote in admitting a new State, it would seem no ground to object when Congress proposes to do it by a two-thirds vote, as with House Joint Resolution 554, and then to submit the measure to the States for ratification.

Much is heard in this Chamber regarding the alternative of retrocession, a device whereby Virginia or Maryland or both would recapture the land, presently within the District of Columbia, over which those States exercised jurisdiction before the creation of the District. While that suggestion has surface appeal, it will be seen to have little merit upon reflection.

How is such retrocession to be accomplished and when? Do the residents of the District get to vote on any such plan? Would it require the consent of Congress and, if so, by what vote (majority or two-thirds)? How are the truly Federal enclaves to be reserved? Who is to draw the lines? What governmental authority would control the remaining area? Who or what would provide for police and fire protection, as well as other social services? Is it realistic to think that a clear line could be drawn around buildings and facilities which are used by the U.S. Government? How do you handle Federal offices which share space with non-Federal entities? Do we designate certain buildings on certain streets, or specific floors in named buildings, or particular rooms on certain floors as being exclusively within Federal jurisdiction? Merely raising these questions discloses the impossibility of adopting retrocession as a viable alternative to full voting representation in the Congress.

Mr. Chairman, the subcommittee which reported this bill initially, on which I sit, received testimony that Washington, D.C., among the major capitals of the world, is unique in failing to give its residents voting representation in the National Legislature. In Bonn, Paris, Vienna, Rome, London, Ottawa, and, yes, even in Moscow, the residents of those cities are treated more fairly than the citizens of the District. It is time we joined hands with the other great nations around the globe and extend full and meaningful representation to the residents of our Nation's Capital. When the vote on House Joint Resolution 554 finally arrives, I hope that at least two-thirds of this House will approve that measure.

Mr. HARRIS. Mr. Chairman, I certainly agree with the remarks of my colleague, the gentleman from Massachusetts (Mr. DRINAN).

I would like to give an answer to one more argument I have heard. I have heard it said around this Chamber and by some of the Members who represent various States and districts that this somehow dilutes their representation in their States. I have figured out the amount of dilution involved. It comes to two-tenths of 1 percent.

I doubt if anyone would say that our population increase in this country diluted representation. I would think that as we search for broader representation, as we correct injustices, and as we make sure that every American is represented in his or her Government, that is not a matter of dilution. I think it is a matter of strength, a strength that we are building into our Government, when we say that every man and woman should be represented in our Government, even if he or she happens to live in the Nation's Capital.

Mr. BUTLER. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. Mr. Chairman, I find it very difficult to stand down here in a well where I have argued so many cases and argue a case where I see no need for argument.

I admire and deeply respect my friends who are civil libertarians for their work on this bill on both sides. However, I must remind the Members that this bill has been a statement of purpose of the Democratic Party, a statement of purpose of the Republican Party, a statement of the purpose of the President of the United States, and, far more important than that, a statement of purpose in reality of the meaning of the Constitution, which we will hear discussed so many times during this debate.

It is our basic tenant in words that "We hold these truths to be self-evident, that all men are created equal." It is that Constitution that we still try to push to its ultimate meaning and it is by that Constitution that we finally recognized the rights of a woman and the rights of a black person. It is that Constitution which we are still trying to change to make sure that women's rights are readily recognized.

I normally come into this House with sheet after sheet of paper that I read very carefully, trying to prove all the intricate points that make my argument right as opposed to the argument of some other Member that I obviously think is wrong.

But I seriously do not believe that there is any room in conscience or in right or in this country or in our Constitution or in "God We Trust" over our flag here to possibly stand for anything else but what this resolution stands for.

The two most devastating things, I suppose, that any American citizen must do is to pay taxes and, far worse, to die for his or her country. Those are two things that the citizens of this District now somewhat close to 700,000 citizens have gladly and willingly done, just as those Americans in my district or in yours. It is a simple matter of justice, when we are required by the Constitution to tax and, unfortunately at times, to send to their death, the citizens of this country, that we give the people of Washington the same right that every constituent of mine has. I could not possibly represent my constituency without being for the representation in both House of this famous building for the people of the District of Columbia; because by sitting back and allowing the citizens of the District of Columbia to go

without representation I am in my way, in essence, saying it is all right that we forget a certain class of American citizens and take away their representation, because I am allowing full-fledged, taxpaying, heroic citizens of this country to go unrepresented—the very object that this Nation split from the rest of the world for.

Throughout this argument and throughout the debate tomorrow we are going to be covered and buried and deluged in petty arguments. But we are not here to decide whether or not Maryland wants the District, because perhaps the District citizens do not want Maryland; we are not here to decide whether or not Virginia wants the District, because perhaps the District citizens do not want Virginia. And I say that with deep sorrow.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Virginia.

Mr. BUTLER. I thank the gentleman for yielding.

The area included within the District originally from the State of Virginia has been returned to the State of Virginia and accepted. And, of course, if there was any more under consideration, I would be glad to consider it. But I think it is all gone. It is all Maryland. And that is between the gentleman and Maryland. So I would appreciate it if the gentleman would refer to the gentleman from somewhere over there.

Mr. McKINNEY. Since we gave back to Virginians the wealthiest part of Washington we will be glad to tax those commuters one of these days who so depend upon the District for their livelihood.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Mr. Chairman, Maryland will make its case when I have an opportunity to speak on the floor on this issue, and the case will be one of protecting the rights of American citizens to choose to live where they want to live, to vote where they want to vote. And that is the desire of the people of Washington, to vote and live where they want to live.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has expired.

(By unanimous consent, Mr. McKINNEY was allowed to proceed for 2 additional minutes.)

Mr. McKINNEY. Mr. Chairman, the gentleman puts it well. The people of the city of Washington, just as the people of Fairfield, Conn., just as the people of Virginia, just as the people of Maryland, have worked in, fought for, paid for, and built this city. They have in essence built a home. They are part of this country.

People ask me quite often why I stay on the District Committee, why I burn up the hours I burn up over it. I burn up those hours, I say to my colleagues, so that someday there will no longer be a District Committee in the House of Representatives. I burn up those hours because I think the people of this great city have the right to totally govern themselves, without the line item budget, without the interference of this body, without the interference of the body across the Hall.

I simply say this: It is a matter of conscience. It is a matter of right.

It is part of our history that we treat or try to treat all individuals equally. I would suggest, as was suggested so eloquently before, that we cannot preach to the rest of the world the dignity of the human vote, the dignity of human life, the dignity of human decision, and deny it to the people of the District of Columbia.

Mr. EDWARDS of California. Mr. Chairman, I yield 7 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Chairman, I rise today in support of the resolution offered by Mr. DON EDWARDS, House Joint Resolution 554 designed to give the District of Columbia its long overdue voting representation in the House and the Senate of this U.S. Congress.

Since the Honorable Mr. Jimmy Carter has been the President of this Nation, the theme of our foreign policy has centered around the issue of human rights. To the extent that our national leaders are sincere about carrying out the intent of the human rights policy, our first duty to the world is to set an example as to how we would like to see a democracy function in the United States. If we are going to demand, for example, that if other nations are going to receive financial assistance from us they must have free elections for their citizens, then we must also apply that same rule to ourselves. If we look at the District of Columbia, our Nation's Capital, we will see that we have a glaring example of how democracy is not working for all of the people.

When the Founding Fathers drafted our Constitution, "no taxation without representation" was their credo. I am sure that they did not envision the District of Columbia as a bustling growing city of over 700,000 taxpaying residents. Nor did they have any idea that its population would exceed that of 10 States. Yet, in 1970, when the Congress passed the District of Columbia Delegate Act, Public Law 91–405, the legislative history of that law indicated that the bill was only a means of granting the District (and I quote from the Senate Committee Report S. 91–1122) "some form of imediate elected representation on Capitol Hill pending the adoption of a constitutional amendment assuring full congressional representation for the Nation's Capital." It is inevitable, therefore, that we pass legislation to amend the constitution in order to correct a situation which has been allowed to exist for too long. Both the House and the Senate have had ample time to consider the alternatives, but I think that unless a resolution is passed which grants full representation in the House and Senate, then we should not pass a resolution at all.

It seems that many Members in the House would be satisfied with granting the District only partial voting rights, meaning representation in the House only, because they feel that "half a loaf is better than none." I am sure, however, that the proponents of this legislation would rather see the measure defeated than live with a resolution which grants only token representation. The fact of the matter is we have a bicameral, Federal legislature. We have two Houses with separate identities, and with separate functions, but with equal importance in the passage of legislation. If this is the way Congress is structured then why would we enact legislation which would destroy the symmetry of our legislative process?

Furthermore, I think it is very hypocritical that in light of the fact both the Democratic and Republican platform of 1976 endorsed the concept of full voting representation in Congress for the District of Columbia, we now have party leaders crying a different tune. They have abandoned the platform because, for some reason, they think it is not feasible to pass a resolution—granting representation in the Senate as well as the House. One major rationale for House representation only is based on the assumption that the Senate will not accept any more Senators, I contend, however, that if the Senate is at all uncertain on this issue, they will look to the House for leadership. If our leadership is uncertain, then they too will waiver.

When my colleague, the Honorable CALDWELL BUTLER, testified before the Rules Committee last week, he stated:

> In principle, I agree with the idea of having representation in both the House and the Senate for the District of Columbia.

Yet, he does not want to advocate this position because he does not think that the House would agree. To him and many other Members of this House, the idea is not pragmatic. We are not here to decide for the American people what is pragmatic. We are considering an amendment to the Constitution, and when we are dealing with constitutional issues we are also dealing with principles. In doing so, we must call upon the moral leadership of this body. For example, we could not have passed the Voting Rights Act and the Civil Rights Act if we depended on the pragmatists who thought the idea would not fly with the American people. We have to deal with our preconceived notions by calling to the fore our ability to give moral leadership.

Congress can no longer be America's "exclusive club." The time has come for this body to recognize that Congress is intended to give all of our country's citizens representation. I strongly urge my fellow Members to exercise moral and political leadership and pass the legislation to give voting representation to the District of Columbia.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair will admonish visitors in the galleries that the rules prohibit demonstrations of approval or disapproval of what occurs on the floor.

Mr. BUTLER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I note the references in the remarks of the gentlelady from

New York to the Voting Rights Act, and the pragmatic considerations which may have been involved in that, and the pragmatic considerations which may be involved in a constitutional amendment.

Of course, the basic difference is that the Voting Rights Act was in implementation of constitutional rights already existing, and did not have to be ratified by the States. But, we have here the very practical consideration a constitutional amendment which must, in fact, be ratified by three-fourths of the legislatures of the States. This is a consideration which affects the entire process, and what we undertake to do.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I would like to begin by commending the chairman of the full committee, the gentleman from New Jersey (Mr. RODINO); and particularly the subcommittee chairman, Mr. EDWARDS; the ranking minority member, Mr. MCCLORY; and also the gentleman from Virginia (Mr. BUTLER), all of whom I believe have worked very, very hard on this particular resolution.

I particularly want to single out and to commend the delegate from the District of Columbia, without whose sincere efforts this particular resolution would probably not have a chance. Because of his tireless efforts, his spirit, his dedication, and his enthusiasm, I think the resolution does have a chance.

Let me just say, Mr. Chairman, I believe it was in the summer of 1976 that we had what has been referred to as the "king of the Hill competition." This was nothing more than a group of Congressmen making fools of themselves in athletic events at the University of Maryland. I will not forget that when I showed up, for the first event, which was a bicycle race, the Delegate from the District had a banner that said something like "Taxation demands equal representation."

I think he has been most effective in the efforts to date, and I want to commend him sincerely.

The Committee on the Judiciary, on which I serve, overwhelmingly reported, 27 to 6, the legislation before us today, House Joint Resolution 554. Briefly stated, this legislation would extend voting representation to the District of Columbia in both the House of Representatives and the Senate. It would also allow the District to participate fully in the electoral college, and extend the right to participate in the ratification process of proposed constitutional amendments to the people of the District. Since citizens of the District of Columbia have all the obligations of citizenship, it is only fair that they be accorded the privileges as well.

In 1976, similar legislation, House Joint Resolution 280 was debated on the House floor. At that time, I joined two of my colleagues in offering an amendment to limit the District of Columbia representation to membership in the House of Representatives. We felt this approach was necessary in order to muster support in the House and Senate and to be ratified by the requisite number of State legislatures. We were particularly concerned that the Senate might object to an expansion of their numbers by adding two Senators from the District. Neither our amendment nor the resolution itself passed the House in the last Congress.

After spending a great deal of time talking to the very citizens of this country who either stand to benefit or lose from what action we and the other body take and after a great deal of deliberation and thought, I have reached the conclusion, which I believe is fair that there should be full representation in both the House and the Senate. The citizens who will be affected are willing to take the chance.

And why should the House subordinate its judgment to that of the other body? I have come to the conclusion that the House should not. Further, if it makes sense to have representation in the House for the District, it makes just as much sense to have representation in the Senate.

Therefore, I am today urging Members of the House to use their voice—our conscience—for what we believe is fair and equitable, without regard to what the other body may do. For that reason, I support the legislation before us and urge its immediate passage.

Mr. EDWARDS of California. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I do not intend to take the 5 minutes.

Basically I am rising to strongly support the passage of this resolution (H.J. Res. 554) I do not think there is any right more precious to our democracy than the right to vote and the right to elect those that represent us. That is the principal vehicle, this right to vote, the right to representation, that implements our democracy. Without it there really is no Constitution and there really are no freedoms, and there really is no justice.

We often like to point our fingers at countries throughout the world. One of the primary criticisms we often make is that they do not provide their citizens with that simple basic right of being able to vote and elect those to represent them.

The essence of tyranny is the lack of that right. The essence of democracy is the presence of that right and that ability to vote.

We can no longer isolate 700,000 U.S. citizens in the Capital of this country from that right. This is not a possession. This is not a territory. We are talking about U.S. citizens living in the Capital of this country.

The argument will be raised: We have the D.C. committees. Are these not sufficient to protect the rights of the people that live in the District of Columbia? Sure, they can do that. Indeed they have gone out of their way in efforts to protect the rights of these citizens. But we simply do not get representation unless we have the right to vote for those that represent us, and the D.C. committee is not made up of those that represent the citizens of the city.

The argument will be made that our Constitution distinguishes between States and the District of Columbia, but it seems to me the simple question is weighing the sanctity of the Constitution with respect to the District of Columbia versus the right of the people to vote for representation.

I believe when the issue is put in that perspective there is no question but that the right to voting representation should prevail.

Today we have the only Capital of the free world that does not grant its citizens the right of representation. This resolution ends that final embarrassment. It truly and finally ends the status of the District of Columbia as the "last colony" so that it can join the Union, and so that it can enjoy the full expression of the rights that are part of that Union.

I urge the Members to vote in support of this legislation.

Mr. EDWARDS of California. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I have had the pleasure of serving in this House during one of the most dramatic periods in American history. I recall standing in this well alongside of other Members of the House calling for the impeachment of a President. I remember a dramatic moment when we learned that a former Vice President was out in the corridor because he was in difficulty. I remember being on the steps of the Capitol when there were literally hundreds of thousands of people out there protesting the war in Vietnam. And through that remarkable and dramatic period where crisis after crisis confronted this Nation, where from time to time we thought we would be almost pulled apart, the remarkable capacity of the American people and the American system to endure demonstrated itself—above and beyond enduring, the remarkable capacity of this system to adapt itself to change demonstrated itself.

And that is what is at test today whether that system which performed so very nobly in the last 10 years in the face of constant crises can survive and then make a necessary and positive change; whether that system is willing to make the next positive change today. I think we can.

I speak not only for myself but I speak for the 16 men and women who serve in this Congress and who make up the Congressional Black Caucus. We are acutely aware of what it means to have been treated as less than a full citizen.

So, in the name of the caucus we want your support.

It is curious, but every slogan that stands for patriotism, right, and justice, is at test in this vote: Taxation without representation, all of them. They are all being tested under the actions this House will take tomorrow.

Above and beyond that something else is being tested: Whether you like it or not, America has now taken the quantum step of placing itself out in front of the entire world as being a moral leader for the world. Whether you like it or not, it does not matter, it is being done and, having taken that step, the world will watch for internal manifestations of that morality that we demand of others. It will watch. The world will watch the vote on representation for the District of Columbia.

As my colleagues have indicated, there will be all kinds of specious arguments raised, diminution of political power, that has been described. The matter of whether the District of Columbia is a State or a district.

It does not matter whether the District of Columbia is a State or whether it is a district. It does not matter. A State is people. That is all that a State is. If we took all of the people out of the State of Arizona, or the State of Virginia, is it still a State? The artificial boundaries, the natural resources, do not make a State. The people who reside in it make the State. So that is a specious argument in my book, also.

Let me conclude, Mr. Chairman. I have touched on the human rights issue. I have touched on the specious, phony issues that will be raised tomorrow. Let me conclude by commenting to the Members on the one thing that I think this House has an obligation to do—take it to the people. That is all that they have an obligation to do. If they do not trust the American people, then go ahead and vote against this. But we are saying—I am saying—that time after time after time I have seen the American people demonstrate that they have the sagacity and the wisdom and the will to do that which is right. I think they will, if we would have the sagacity, the wisdom, and the will to take it to them and let them demonstrate those abilities.

Passing—passing this becomes the acid test for this House. It becomes an acid test for the will and the decency of the American people, and it becomes an acid test, a crucible, if you will, in which the morality of America will be tested in terms of international relationships.

Mr. Chairman, I yield back the remainder of my time.

Mr. EDWARDS of California. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to take this time, first of all, to thank the members of the subcommittee and the staff for the hard work and the devotion that they have given to this issue. The gentleman from Virginia (Mr. BUTLER), the gentleman from Illinois (Mr. MCCLORY), on the Republican side, and the other four members on the Democratic side have worked together. All having understood the issue involved here, I think there probably is a general agreement that this is the largest civil rights issue of the decade of the seventies, the fact this great group of people in the United States are disenfranchised.

We want to thank the President of the United States and his aide and right-hand man, Vice President MONDALE, for their support and their assistance in bringing this issue along as far as it has come.

Mr. Chairman, I am happy to speak in support of House Joint Resolution 554. This joint resolution, introduced by me on July 25, 1977, now has over 116 cosponsors. It was about this time 2 years ago when I came before you to speak in support of a similar joint resolution, House Joint Resolution 280.

As chairman of the subcommittee which has closely examined this and similar proposed constitutional amendments, I think it is appropriate to review how the subcommittee went about its analysis and to set forth our conclusions.

The Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary held 5 days of hearings on this and identical or similar resolutions and took testimony from 25 witnesses. We scheduled the witnesses and divided the hearings into two areas of focus: political and constitutional. Members of Congress, the Department of Justice, local elected officials, business and labor leaders, and representatives of local and national citizens groups spoke to the need and political climate for passage of this proposed amendment. They also spoke to the desirability and likely success of other alternatives for full voting representation such as statehood and retrocession. These witnesses convincingly argued that continued disenfranchisement of District residents is without justification and that successful State ratification of the proposed amendment is assured. They strongly believe the proposed amendment is the best means of granting full voting representation and that the alternative approaches of statehood and retrocession may contain serious infirmities and destroy the unique character of the District as a Federal city.

Our subcommittee heard 2 days of testimony from panels of constitutional experts. These witnesses were asked to address their comments to the legal and policy issues raised by the resolutions under consideration and to discuss other alternatives for voting representation such as statehood and retrocession. They were also requested to consider the effectiveness of the drafting of these resolutions. The witnesses concluded that there is no legal prohibition to granting the District voting representation in Congress—a grant of such representation is a policy issue. Some of the constitutional experts urged the Congress to support such a policy; others left that determination to the wisdom of the Congress. When asked whether full representation could best be effected by statute or constitutional amendment, the witnesses concluded that since provisions in the Constitution for the election of Senators and Representatives are set forth in terms of the States, the granting of such representation to the District, a non-State, would require a constitutional amendment.

The constitutional experts pointed out that the alternatives of statehood and full or partial retrocession—alternatives whose proponents suggest are more likely to succeed since they require statutory action and not a constitutional amendment—may raise a host of constitutional and practical problems, making such alternatives less desirable than House Joint Resolution 554. When commenting on the language used in House Joint Resolution 554 the constitutional experts suggested the drafting and legislative history of this proposed constitutional amendment were sufficient to answer any issues of interpretation.

House Joint Resolution 554 differs from previously introduced resolutions, most recently House Joint Resolution 280—94th Congress—in that it would permit District residents to participate in the ratification of proposed constitutional amendments, and it would repeal the 23d amendment. Whether the District should participate fully in the amending process of the Constitution or fully participate in the electoral college for purposes of the election of the President and Vice President are policy issues. The committee, by its vote, concludes that support for the concept of full voting representation requires the District's voice be heard on all matters of national concern, including ratification of proposed amendments to the Constitution and plenary representation in the electoral college.

I doubt there is one among us who would argue the District should continue to be denied the right to vote and that District residents be precluded from exercising a right so fundamental to all Americans. What we may not agree upon is the best method for granting such rights. The issues which must be addressed in this analysis are:

First. The District is a non-State entity and those provisions within the Constitution which speak to the elections of Representatives and Senators are set forth in terms of the States.

Second. The unique character of this non-State entity as the Federal District and its local affairs being subject to the exclusive legislative power of the Congress as set forth in article I, section 8, clause 17.

Let me review for you what the resolution does and does not do. As reported:

Section 1 of the proposed new article would treat the District as though it were a State for very specific purposes—representation in the Congress, election of the President and Vice President, and for participation in the constitutional amending process. Thus the District would be entitled to two Senators and the number of Representatives as determined by its population; the District would have full representation in the electoral college rather than limited, as it is now, to no more than the least populous State, and the District would participate fully in the process by which our Constitution is amended.

Section 2 speaks to the implementation of the rights conferred. This section combines but does not conflict with the new rights conferred to the people of the District and the exclusive legislative power of Congress over the District. As the legislative history will show, and when read in conjunction with the other sections of the resolution, the Congress will determine the mechanism by which the people will decide such things as setting District lines, or filling vacancies. This section would not enable the Congress to, for example, ratify constitutional amendments on behalf of the District or choose electors for the office of President and Vice President.

Section 3 as set forth in section 1, the District will have plenary representation in the electoral college for the election of President and Vice President;

therefore, so as not to conflict with the Constitution, the 23d amendment is repealed.

Section 4 states that the period of ratification shall not exceed 7 years. Thus, the proposed amendment, as reported, would not permit subsequent efforts to extend the period of time for ratification.

After careful and extensive consideration, the committee concludes that passage of House Joint Resolution 554, as reported, gives the District the fullest degree of national representation and retains its unique status as a Federal city subject to the exclusive legislation of the Congress as set forth in article 1, section 8, clause 17.

As the author of House Joint Resolution 554 and as a long time supporter of the concept of full voting representation for the District and chairman of the subcommittee which has reviewed this issue extensively, I urge your strong support and vote for House Joint Resolution 554, as reported.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for yielding. I had not had an opportunity to be here for the full extent of the debate, being in another meeting; but let me commend the gentleman in the well and the gentleman from the District of Columbia on the really outstanding work they have done with respect to drafting this bill and on their own time answering the good faith questions that many of our colleagues have.

I would join with the gentleman in predicting that tomorrow we will have the two-thirds vote we need and on that basis to predict it because of the work the gentleman has done, as well as the work of the gentleman from Michigan (Mr. DIGGS) and the Delegate from the District of Columbia (Mr. FAUNTROY).

Mr. Chairman, I take this opportunity to urge my colleagues to support House Joint Resolution 554. This proposed constitutional amendment would grant to the District of Columbia the same voting membership in both the Senate and House that the District would have if it were a State—two Senators and either one or two Representatives, depending on the population count of the District.

For three-quarters of a million Americans who reside at the very seat of our democratic Government—the Nation's Capital, the fundamental and basic right to representation in Congress is denied. This denial of representation has relegated the residents of the District of Columbia, 70 percent of whom are black, to the status of second-class citizens.

According to the 1970 census, the District has a population larger than 10 States and yet has no voting representative in Congress. Citizens of the Nation's Capital are equal to other U.S. citizens for the purpose of taxation—they pay nearly $1 billion in taxes a year—yet they have no elected official who has a voice in determining how their tax dollars are spent. Presently, the District has no representative in the Senate and has a nonvoting Delegate to the House.

It has been pointed out that this lack of representation was the result of historical oversight. Although the reasons for such an oversight are many, the time has come to eliminate this gross injustice.

The approval of full voting representation in Congress for the District of Columbia would only further the very principles of democracy which the Founding Fathers of our Nation envisioned for all citizens.

In an era when our Nation is taking an active leadership role in supporting the basic human rights of peoples around the world, it would be a contradiction of moral and democratic principles to continue to deny the basic right to voting representation to the citizens of our Nation's Capital. I urge my colleagues to overwhelmingly approve this resolution by the necessary two-thirds vote.

Mr. EDWARDS of California. Mr. Chairman, I thank the gentleman from Kentucky.

I want to add, there was no way we could have gone as far as we have, and we have come a long way, without the leadership and advice and counsel of the Delegate from Washington, D.C. (Mr. FAUNTROY), and also the splendid volunteer organizations that have offered their support and given their help. We know they are not going to let down tonight and tomorrow morning.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. EDWARDS of California. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Chairman, I thank the gentleman for yielding.

I merely wanted to state what I failed to state in my statement earlier, that is, my commendation to the chairman of the subcommittee and the ranking member, the gentleman from Virginia (Mr. BUTLER), and to all the members of the subcommittee, and especially for the work that the gentleman did and did with such great love and affection, because the gentleman knows that it is the right and proper thing to do, that is the nonvoting Delegate (Mr. FAUNTROY). I think it is great credit to the people of the District of Columbia that they have a Representative such as the Delegate from the District of Columbia (Mr. FAUNTROY), a nonvoting Delegate; but we hope the time will come when the gentleman's voice will be heard and heard as the full voting Representative of this District of Columbia.

Mr. Chairman, I again commend the chairman of the subcommittee.

Mr. EDWARDS of California. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, I am an alumnus of the D.C. Committee, like many of the Members of this House who have been around for awhile. There was a time when in addition to all the other functions we had, we served as aldermen of the District of Columbia. It was an interesting, but unhappy experience, probably much more unhappy for the people from the District of Columbia than the Members who served.

I finally paid my full dues when a picture of me touring one of the Washington schools appeared in a local Chicago paper. I represent, of course, a Chicago district, and one of my constituents called me up and asked, "How is it you have time to worry about the schools of Washington and not about the schools of Chicago?"

A much more relevant question would be: How could we have dared to suggest that 535 Members of a national legislature, each concerned about individual parishes and the whole country, could possibly find time to try to run the affairs of Washington, D.C.?

After a period of time, we have finally gained some distance. After only 200 years we finally decided it was right for Washington to make its own mistakes rather than for us to make their mistakes for them. We even went to the point of allowing the residents of the city of Washington to elect a nonvoting delegate.

I am very fond of the distinguished gentleman from the District of Columbia (Mr. FAUNTROY). I am so fond of him that I want him to share with us all the burdens we have to assume in the House. Sometimes I deeply resent seeing him walking around blithely, walking to and fro and chatting amiably with all his colleagues, never having to worry about how a vote will sit with his constituents, because he does not have a vote. I want to make sure that he has his full measure of responsibility for democracy that all the rest of us have, including a responsibility for sharing in the legislative judgments of the country.

Mr. Chairman, in all seriousness, whatever else we are in the rest of the country, we are less than a democracy as far as the several hundred thousand people who live in Washington, D.C., are concerned. By definition a democracy starts with the proposition that the people make their own decisions, and that they elect their own representatives.

One of my colleagues said:

> Washington doesn't need 2 Senators and a Representative with voting rights. The people in Washington have all 535 of us.

Whatever else we are good for or not good for as representatives of the people of Washington, the fact is that they did not choose us, and from the beginning of this proposition, it is not democracy for the people who live in Washington.

I have high hopes that as a result of action in the House today and tomorrow, we will finally make good on what is a basic premise of any free society, and that is that all the people who live in a State or district ought to choose their leaders. The people of Washington have a right to choose their representatives in the Senate of the United States and in the House of Representatives.

Mr. BUTLER. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I want to join with the other speakers in commending the chairman of the subcommittee, the gentleman from California (Mr. EDWARDS), and the gentleman from the District of Columbia (Mr. FAUNTROY), for their good work in behalf of this joint resolution. I do think there was a high-level, careful consideration by the subcommittee. There may be deficiencies in the joint resolution, including those that have been mentioned by the gentleman from California (Mr. WIGGINS), but the careful consideration we gave it in the subcommittee indicates that we have good legal talent concerning this matter, and that it fairly presents the question which such a resolution ought to present to us.

It is true that we have come a long way in the last 2 years. The greatest testimony to that is the fact that the last time I stood in this well and spoke on a similar issue, I spoke against granting the residents of the District full voting representation in the Congress. My earlier view has been altered. It is altered by the fact that I have been able to sit here and observe the work of the Members as a Member of this body and the extent to which the Congress of the United States is involved in the day-to-day lives of the residents of the District of Columbia, to a greater degree than any other resident of the United States. That is because of a peculiar provision of our Constitution, as provided by article I, section 8, clause 17.

This makes our Congress the equivalent of State legislatures for the District. It seems to me both fair and appropriate that the District's residents should have more than a voice in the body which so affects their daily lives.

But my new view is tempered by both constitutional dictates and practical political realities which must be weighed carefully when we are considering such a bold restructuring of our constitutional system. It is basic to our Federal system that we treat the residents of States in a manner slightly different from other U.S. citizens.

Mr. Chairman, citizens residing abroad have no voting representative in the Congress, and like many of the residents of the District of Columbia, vote for representatives to be elected from their State of domiciliary. Residents of one of our territories, such as Puerto Rico, Guam, and American Samoa, likewise are not permitted to elect voting representatives to the Congress. Since 1971, citizens of the District of Columbia have been represented in Congress by a nonvoting delegate. This is consistent with the representation accorded to those citizens who reside in territories. Because of Congress authority and responsibility over the day-to-day operations of the District of Columbia, the present situation is not just.

The United States is a union of independent, self-governing States. The system affords States certain benefits as a result of achieving this status. The most important of these benefits is the right to elect representatives to the national legislature based on population and on the acceptance of the responsibilities of statehood. Thus, the bicameral structure, which emerged as the result of the great compromise at the Constitutional Convention, was established to accord each jurisdiction which bore the constitutional burdens of statehood the reward of representation equal to that of other States which were more fortunate in the accumulation of land and/or population. The principle of State sovereignty is fundamental to our Federal system as envisioned and carefully orchestrated by the framers.

Before us today is a proposed constitutional change which will do severe violence to the principles for which our framers labored so diligently. House Joint Resolution 554, as reported, would grant the District virtually all the attributes of statehood. The resolution provides for not only full voting representation in Congress but also the power to ratify constitutional amendments and changes the representation in the Electoral College so that the District will become just as a State.

To award the District virtually all the attributes of statehood without asking it to accept the burdens which accompany that status, strikes me as being unnecessary and unfair. What we must determine is how much of the indicia of State sovereignty should be bestowed upon the District. I believe that voting representation in the House is quite sufficient. Representation in the "people's House" for residents of the District certainly coincides with the time-honored principle of State sovereignty far better than does the resolution before us.

Beyond the obvious constitutional deficiencies, I cannot help but believe that we are wasting the valuable time of this House of Representatives by debating a proposed constitutional amendment which in its present form makes its passage here questionable and virtually impossible in the other body. The award of all of the beneficial attributes of statehood without acceptance of the coincidental burdens will make it difficult indeed for the average State legislator to support this proposal. It seems inconceivable to me that legislatures across the land will support the expansion of the U.S. Senate to include two entirely urban-oriented Members in that body.

Proponents of this resolution want us to ignore the inconsistencies and support a poorly drafted and over-broad proposal. I urge this House to use good judgment and support a modification in the pending resolution. In the long run, the residents of the District will be far better off it we pass something which at least has a chance of becoming a part of our Constitution. So tomorrow the Members will have that opportunity.

Mr. EDWARDS of California. Mr. Chairman, we have no more requests for time on this side.

Mr. BUTLER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Chairman, I rise in opposition to the passage of House Joint Resolution 554, an ill-advised proposal to amend the Constitution and provide voting representation in Congress for the District of Columbia.

Essentially, this amendment would grant the District of Columbia the status of a State in both the Senate and the House of Representatives. Article IV, section 3 of the Constitution clearly sets forth the procedures for the admission of new States. Admission can be effected by a simple majority vote of the Congress through legislation. But this straightforward approach is not utilized here. Instead we are asked to elevate a city to the status of a psuedo-State, in the name of achieving full voting rights for the residents of the District. An admirable aim, perhaps, but this is an ill-advised manner in which to accomplish this aim.

To give the District Senators and Representatives without elevating its status to that of a State is to treat as a State a locality which lacks the essential elements of a sovereign State. The Constitution speaks of Senators "from each State" (17th amendment, article I, section 3) and Representatives chosen by the people of the several "States" (article I, section 2). Inventively, House Joint Resolution 554 introduces a new political entity into our federal system. Not a new "State," but a unique being with all the representative rights and privileges heretofore belonging only to States. This proposal works a change upon our federal system and fashions a "back-door" State. This is not fair to the residents of the District, nor to any citizen of this country.

This proposal also runs fully counter to the perception of the Federal City held by the framers of our Constitution. The District of Columbia was not created to be a State. Rather, it was established as a Federal enclave, fully under the control of the Congress. Article I, section 8, clause 17. The intent was to create a politically neutral Federal city. Washington is that Federal city today and its unique character reflects the special relationship this locality has to the Federal Government. What does House Joint Resolution 554 do to the relationship between the District of Columbia and the Federal Government? That, my friends, no one can answer. If we are to change the basic character of the District of Columbia, a more thoughtful and comprehensive approach should be studied.

Also, what of the impact of House Joint Resolution 554 on the 23d amendment? Under its provisions the District is limited to three electoral votes. Are we, in essence, repealing that amendment if the terms of House Joint Resolution 554 are eventualy adopted?

Finally, a practical comment. We all know that the Members of the other body are unlikely to give this resolution their approval. Even given that remote possibility, it is even more unlikely that the requisite number of States would approve this constitutional amendment in its present form. Why, then, are we required to make a decision on this ill-considered approach to a complicated constitutional question? Is the House of

Representatives being asked to strike a pose simply for the sake of it?

We should reject House Joint Resolution 554 on the grounds of both policy and law.

● Mr. KASTENMEIER. Mr. Chairman, as a cosponsor of the resolution to amend the Constitution to provide for full voting representation in the Congress for the District of Columbia, I strongly support House Joint Resolution 554.

It seems rather incredible to me that we should be here, once again, as we have so many times in the past, arguing the merits of granting the basic rights of citizenship to the 700,000 residents of the District of Columbia.

It is inconceivable to me that this Congress would continue to deny the most basic right of participatory democracy to the residents of the District of Columbia. It is hypocrisy to demand adherence by other countries to the principle of basic rights when we have contravened that principle ourselves in our Nation's Capital.

Yet, once again we will go through the time-worn arguments of conflicts with the Constitution. To those who cite what they believe to be restrictions in the Constitution, I would only say that, although our forefathers operated with what has proven to be amazing prescience, they were only human and could not possibly have foreseen all that would occur decades—indeed, centuries—later. Certainly they did not anticipate a Federal city with a population of three-quarters of a million people denied representation in the Congress.

What our forefathers did provide was a document containing a statement of broad principles which should and could apply for all time. One of the principles inherent in that document is that all citizens of the United States are entitled to equal representation in their Government.

What they did not provide in that document was a statement forbidding an amendment to allow citizens of the District of Columbia congressional representation. The constitutional arguments raised against this proposed amendment are specious, at best.

Mr. Chairman, nonvoting representation in the House is not enough. Voting representation in the House alone is not enough. The effect of such limited representation is to make the residents of the District of Columbia only almost as equal as all other citizens of this country. But almost as equal is not enough.

We obligate the citizens of the District of Columbia to all of the duties of citizenship. Surely we are obligated, in turn, to grant them all of the rights of citizenship.

And that, simply put, is why this resolution must be adopted.

Mr. Chairman, as I have on all of the other occasions in the past, I must commend my good friend and colleague, DON EDWARDS, for his continuing leadership on this issue. His commitment to full voting representation for the District of Columbia has been unyielding over the years. I hope and trust that this time we will see his good efforts through to their only just conclusion—adoption of this resolution.●

● Mr. RANGEL. Mr. Chairman, one can not help but remember that this Nation came into existence because the original colonists felt that their rights and interests were not represented in Parliament. Because of this we fought a bloody war for independence against the most powerful nation in the world at that time. A war which not only won us the right to life, liberty, and the pursuit of happiness, but also which established the right of every citizen to be represented in Congress.

Yet over 200 years later, the people of the District of Columbia are being denied that right. The residents of this city, which has a population greater than that of 10 other States, pay over $1 billion in taxes each year. That is more than the States of Wyoming, Vermont, and South Dakota combined. Those States, however, have a total of six Senators and five Representatives, while the District of Columbia has only one delegate, a post with little if any power. By restricting the District's representation to just one delegate we are denying their voice in Government. These people, as all Americans, deserve to be represented in such matters as the ratification of constitutional amendments, the ratification of treaties with foreign nations, the making of Federal laws, and the allocation of Federal funds.

It is an outrage that this country has for so long denied the 750,000 residents of this city, 750,000 citizens of these United States, this basic right. It seems to me that there is a great deal of irony in the fact that this Nation's Capital is also this Nation's last colony.●

● Mrs. BURKE of California. Mr. Chairman, I rise in support of House Joint Resolution 554 which proposes a constitutional amendment to provide the citizens of the District of Columbia with full voting representation in both Houses of Congress.

At present there are nearly 700,000 residents in the Nation's Capital, a population larger than that of several States. I for one, clearly do not believe that our Founding Fathers ever intended that more than three-quarters of a million American citizens should be denied a representative voice in our National Government.

Furthermore, it is inconceivable that they had even the slightest notion that the territory ceded by Maryland and Virginia at the turn of the 19th century would become the permanent residence of so many Americans. It is my belief that the Founding Fathers sought to expand the right to vote and to have voters represented in the Congress by their elected representatives. To continue to deny citizens of the District of Columbia full voting representation in Congress flies in the face of the intent of the framers and establishes two classes of citizens in the United States; that is, those who live in the respective States with the privilege of a voice in our National Legislature, and those who live in the District who are without anyone to represent them because they somehow chose to establish residence in the world's foremost Capital City.

I am pleased that most Members of this body supported full voting representation for District residents when the matter was considered several years ago.

On January 31 of this year, the Judiciary Committee approved House Joint Resolution 554 by a vote of 27 to 6.

Nevertheless some of my colleagues oppose the resolution because they feel it has no chance of passing the Senate or of being ratified by three-fourths of the States. Therefore, they feel that we should provide for representation in the House only.

They further contend that ratification would require that the District be treated as a State and that such status would distort the federal system on which the Government is founded.

Let me remind my colleagues that ours is the responsibility of attending the legislative business of the House which I believe favors this resolution.

Senate opposition focuses on language in the Constitution which provides that "no State, without its consent, shall be deprived of its equal suffrage in the Senate."

The constitutionality of Senate representation was supported by each of the constitutional authorities who testified during extensive hearings before the Judiciary Subcommittee.

Prof. Charles Alan Wright of the University of Texas predicted during the hearings that a challenge to the amendment on grounds previously stated would surely fail.

Professor Wright states that the clear purpose of the clause in question was to "insure that the great compromise would not be undone and that representation in the Senate would not be put on the basis of population."

The Constitution clearly does not prohibit dilution of Senate representation due to the fact that it allows for the addition of new States, each with two Senators. The Constitution simply provides that a State may not be deprived of Senate representation accorded that of any other States.

The District has a right to full voting representation in Congress. We should not allow that right to continue to be compromised simply on political grounds. The intent of the Founding Fathers is clear and I urge my colleagues in this body to uphold their noble tradition by voting to support the resolution before us today.●

● Mr. DODD. Mr. Chairman, I rise in support of House Joint Resolution 554, which proposes an amendment to the Constitution to provide the District of Columbia with representation in Congress on the same basis as a State.

Mr. Chairman, I must confess that I am hard put to recall a time when this House has considered a piece of legislation whose merits are as self-evident as the merits of the bill before us today. We need only recall our Nation's early beginnings to understand the importance of our approving this measure. The right to vote and to be represented in the Government is the most cherished

of all rights on which our system of government rests. To continue to deny this right to the 700,000 residents of the District would be to deny this basic principle of our democracy.

As a member of the Subcommittee on Civil and Constitutional Rights in the last Congress, I had the privilege to participate in hearings on this issue. Then, as now, very few people are arguing that the residents of the District should not be represented in the Congress. Instead, most opponents of House Joint Resolution 554 are arguing that representation for the District should be limited to the House. These people have argued that giving the District representation in the Senate would contradict the Constitution's guarantee that no State be deprived of its equal suffrage in the Senate without its consent. In addition, opponents of the resolution maintain that for political reasons neither the Senate or the required number of States would ever approve of District representation in the Senate.

In the case of the first argument, the subcommittee has heard testimony from a number of authoritative constitutional experts who have said that giving the District representation in the Senate would in no way threaten the constitutional rights of the States. One of these experts, Prof. Stephen A. Saltzburg of the University of Virginia School of Law, has said:

> To be candid, I find this argument to be nonsense . . . Nothing in the language of the Article states that the Constitution cannot be amended to give entities other than states voting power in the Senate.

However, the second argument—the argument that this proposal is not politically salable—I consider to be the most objectionable. To suggest that the residents of the District should be denied their fundamental rights because of the political problems created by the extension of these rights is contemptible. Our Government has long held that the right to be represented in the Congress is a fundamental right which no one can take away—for political or any other reason.

In addition, the constitutional amendment proposed by the resolution preserves the unique status of the District while giving its citizens one of their basic rights. Historically, the status of the District of Columbia was included in the Constitution in order to provide the Federal Government with a location free from the influence of the States. While in 1800 it may have been reasonable to expect that the District would provide the Federal Government with a kind of buffer zone, in this day of modern technology and instant communications it is simply ludicrous to believe that this is true.

Furthermore, I think it is very important to remember that the framers of the Constitution could never have envisioned the fact that today 700,000 American citizens are living in the District, making it larger than 10 of our States. The constitutional amendment proposed by the resolution preserves the unique status of the District while giving its citizens one of their basic rights.

Mr. Chairman, for all of these reasons I strongly urge my colleagues to support this resolution. Our Nation has made steady progress toward the goal of true universal franchise. Through constitutional amendments and legislation we have removed barriers of race, color, previous condition of servitude, sex, and voting age. We did this not because of any political reward but instead because it was right and the only action we could take if we were to remain consistent with the principles on which our Constitution is based. I am confident that careful and thoughtful consideration of the issue of representation for the District in the Congress will lead my colleagues to an identical conclusion. We must approve this legislation because it is right. Thank you.●

● Mr. WON PAT. Mr. Chairman, I am proud to add my support today to House Joint Resolution 554, which calls for full representation in the Congress for the residents of the District of Columbia.

The estimated 800,000 residents of the D.C. area have long been denied full representation and the time has come for Congress to extend the principles of representative democracy to one of the few groups of American citizens denied this basic right.

My fellow Delegate WALTER FAUNTROY can be extremely proud of the success his efforts to secure full voting powers for his constituents have achieved thus far. I recognize, however, that he faces an uphill battle, particularly in the U.S. Senate. I wish him the best of luck in his goal and I trust that our colleagues here in the House will recognize the disparity which exists between the representational rights accorded the citizens in the 50 States and the severely restricted voice that D.C. residents have in the Nation's legislative body.

From my own experience, I can testify to the need for representation in the U.S. Senate. For years, my own people lacked a voice here in the House and that fact complicated matters beyond belief. If we wanted a bill introduced on our behalf, for instance, it was necessary to ask a friend to do for us what we could not do for ourselves. Now that I have a seat in the House, the task of calling attention to our needs is much easier. Yet, we too lack a voice in the Senate. While this has not created an insurmountable situation, nevertheless, it certainly does not make the job of representing our constituents any easier.

I urge this body to support House Joint Resolution 554 as a long overdue step toward bringing all Americans within the embrace of this Nation's great democratic system of government. To deny the few the rights given so many by our Founding Fathers is inconsistent with what I believe to be the principles which guide our country. I join with Congressman FAUNTROY in calling for the passage of this bill.●

● Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of House Joint Resolution 554 which seeks to amend the Constitution to provide the District of Columbia with representation in the Congress on the same basis as a State.

It is my strong urging that each individual element of the Judiciary Committee's resolution be supported as reported to this House. No dangerous, weakening amendments should be allowed. This is a resolution which I have fully supported and cosponsored on every available opportunity since coming to the Congress. The need for this House to take the first meaningful step toward providing full voting and representation rights to the almost 700,000 citizens of the District of Columbia has always been clear in my mind as, unquestionably, the right thing to do. The issues, sides, and alternatives to providing full voting rights to the District's citizens should, by now, also be abundantly clear in the minds of my colleagues.

The strict, constitutional arguments in support of House Joint Resolution 554 have and will continue to be prevented by other of my colleagues. The purely demographic rationale for passing this bill in an overwhelming fashion is meticulously being laid out, too. I, therefore, Mr. Speaker, would like to use this occasion to amplify what at first glance is a seemingly small point in the convincing arguments of my distinguished colleague WALTER FAUNTROY, but upon careful examination is of tremendous importance—indeed one of worldwide implications.

The President, this Congress, millions upon millions of our citizens lift this Nation, particularly in very recent months, as the beacon light in the area of human rights. We, more than any other Nation in the world, illuminate the path for others truly concerned about human rights, human decency, civil rights, democratic rights and the like. We, more than any other nation in the world, put the spotlight on those other nations believed to be guilty of various rights violations of their respective citizens. We are leader in every facet of the human rights cause, or so it seems. But what does the record reflect?

Congressman FAUNTROY has reported that there are 17 countries in the world community which are "federations," that is, have Federal constitutions, the opportunity, at least, to provide full representative government to the citizens of their respective Capitals.

One, Brazil, which now has a plan in the works to allow full voting representation by the citizens of Brazilia, its capital, by 1982. Two, Nigeria, which as my colleagues know is a military regime. And three, the United States of America.

In this case, our country is tied for last place with a military regime. In this case, I ask which nations are blazing the trail in the area of human rights and democratic freedom and which nations are singeing thousands of their residents in a back-blast of antiquation?

Too many citizens, in all of our districts, already have too many reasons to feel that their government just does not understand or even care. We should admit to ourselves that we have given them some of those reasons, perhaps needlessly, perhaps by not taking full advantage of each and every opportunity to demonstrate that we do, in fact, want every facet of life here in America

to be the best in the world for each and every one of our citizens.

In my district and many of yours, constituents truly believe that "all persons are created equal," it just seems that some are more equal than others. People believe in "equal justice under the law," it seems that some are more equal than others. These beliefs are based, in part, on signals, actions or inactions of the Federal Government.

In 1856, we sent out a signal to another group of Americans which said you are less than equal in every respect; you are not even whole, human persons in the eyes of your government; you are, in fact, property. That is the signal that we sent to Dred Scott and others like him.

I hope that we take the opportunity today by passing House Joint Resolution 554 to send out a different signal to the residents of the District of Columbia, the citizens of the country and the people of the world.

Mr. BUTLER. Mr. Chairman, I have no further requests for time.

Mr. EDWARDS of California. Mr. Chairman, I have no further requests for time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MIKVA) having assumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 554) to amend the Constitution to provide for representation of the District of Columbia in the Congress, had come to no resolution thereon.

GENERAL LEAVE

Mr. BUTLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with reference to the legislation which has just been under consideration, House Joint Resolution 554.

The SPEAKER pro tempore (Mr. MIKVA). Is there objection to the request of the gentleman from Virginia?

There was no objection.

LOOK HOMEWARD, ANGEL

(Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, the February 27 issue of Business Week reports that the big U.S. banks have a problem they never anticipated a year ago. The developing countries are suddenly starting to pay off or refinance the high-interest loans they negotiated a few years ago to help meet their swelling balance-of-payments deficits caused by OPEC's big price hikes.

These loans to the LDC's have been the biggest single source of profits for the large U.S. banks over the last 3 years. Now foreign lending is not likely to be so lucrative. The huge U.S. payments deficits have helped create so much liquidity in international financial markets that interest rates are falling. With loan demand off, rates have dropped more than 1 percentage point below the spreads prevalent in 1975.

Another factor will soon reduce the volume of private bank lending abroad: the expanded capacity of the International Monetary Fund to lend to countries with balance-of-payments problems. The Witteveen Facility, for which the House authorized a contribution on February 23, will help meet some of the financing needs of deficit countries, and more importantly, help them adjust to the economic consequences of the oil price increase in ways which require less borrowing. For the commercial banks, this means less loan demand in international markets.

The banks, as Business Week points out, are caught in a vise. As the developing countries cut back on their borrowing, excess liquidity will persist, together with low interest rates. And foreign corporate borrowers are not likely to take up the slack, considering the slow rates of growth of West Germany, Japan, and other industrial countries.

Where, then, are the big city banks to turn for their lending in 1978? The obvious answer to that question is: Look homeward, angel. There is as much need for capital investment in the United States as in any developing country. Capital is needed for development of solar energy, for mass transit, for rebuilding railroad beds, for rejuvenating the cities.

Such industrial investment is critical for assuring continued growth and lower unemployment. Why not meet U.S. capital needs from the excess liquidity of the Euro-dollar market? If Malaysia can borrow at three-quarters of a percent over the cost of funds, why not make such loans available to U.S. borrowers as well?

It is true, as many economists have noted, that foreign funds are flowing into the United States in unprecedented amounts. These flows are adequate to finance our payments deficits. However, the bulk of the funds are owned by foreign governments, and their money is invested mostly in U.S. Treasury securities. While it has been helpful to have foreigners finance as much as 77 percent of the Federal deficit, as they did in the last quarter of 1977, the benefits to the private sector have been only indirect and marginal.

At the same time, private foreign investment has not been very helpful either. It has gone heavily into corporate takeovers and speculative purchases of farmland. There has been some reflow of funds through the banking system, but it is mostly through the U.S. offices of foreign banks which are financing foreign operations in the United States more than U.S. corporate activities. Very little has been brought home by the larger U.S. banks, which are the key providers of funds to U.S. credit markets.

Meanwhile, borrowing by the U.S. corporate sector continues slack despite the recent upsurge in credit demand from other sources. While the U.S. Government, State and local governments, consumers and homeowners have substantially increased their borrowings over 1974 levels, the borrowing of nonfinancial corporations at year-end 1977 remained slightly below 1974 levels. As yet, businesses have not reached out for funds to expand their operations.

No doubt their inability to sell new stock is one reason. The Fed's recent action in raising interest rates to stabilize the dollar exchange rate only makes matters worse. As interest rates rise, the market sags even further, and foreigners became reluctant to make the kinds of equity investments which would produce real long-term growth for the United States.

Repatriation of Eurodollar balances held by U.S. banks in their London, Nassau, and Hong Kong branches would certainly help capital investment at home, by bringing interest rates down. That would not necessarily mean less profits for the banks, because the cost of their funds would also fall as interest rates they have to pay to attract deposits decline. An expanding, healthy economy bolstered by capital spending should be good for banks as well as the rest of the country.

Bringing some of those Eurodollars home for lending would also help the Fed in its efforts to create less money and stabilize the dollar exchange rate. That would help the whole economy. Although a firm advocate of floating exchange rates, I nevertheless see no benefit to be derived from letting the dollar sink too low.

Efforts to restore confidence in the dollar by bringing more dollars home will require policies to make capital investment in the United States more attractive.

For starters, a decision on energy policy will give a temporary boost to the dollar. But more important, for the dollar and for the longer range vitality of the economy, is what I would call phase 2 of our energy policy. This will involve decisions on how to create incentives for development of such energy producers as solar systems, and such energy savers as better mass transportation projects, which absorb huge amounts of capital. To carry these off may involve more planning by government and a broader range of incentives to encourage allocation of resources into new, productive areas.

The private sector needs the reassurance of long-range Government commitment if it is to commit resources. If the Government develops long-range policies—including ways to deal with structural unemployment, policies to save the cities, and noninflationary farm policies—it will have gone a long way toward making long-term capital investment in the United States attractive once again. There is some $300 billion of Eurodollars out there in international markets, about $200 billion of it controlled by U.S. banks. Let us bring some of those dollars home.

FOREIGN COMPETITION DRIVING AMERICAN WORKERS TO UNEMPLOYMENT OFFICE

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. OAKAR. Mr. Speaker, today I have reintroduced my concurrent resolution to override the President's decision to forego import relief for the domestic producers of metal fasteners. This measure now has nearly 40 cosponsors representing a bipartisan base of support from the States of Alabama, Connecticut, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, North Carolina, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, and Washington. Moreover, the Resident Commissioner from Puerto Rico has joined this important effort.

This congressional ground swell is more than a simple indication that certain Members are discontented with the administration's rejection of the U.S. International Trade Commission recommendation for increased tariffs on certain nuts, bolts, and large screws. It is the demonstration of the Congress that the administration cannot ignore the realities of import competition in the domestic economy. The administration cannot "sit on its hands" while foreign laborers displace the American worker in domestic and world markets.

Too often, we get caught up in the "macro" orientation of economic inquiry and lose sight of the fact that people are suffering in our districts. One plant in the city of Mentor, Ohio, is laying off over 100 workers as a direct result of this administration rejection of the USITC initiative. I am sure that plants throughout the industrial heartland of our Nation are experiencing similar problems. Be it nuts and bolts, leather shoes, electronics or sugar products, the American worker is being driven to the unemployment office by the ever-penetrating foreign competitor. We must stem this dangerous tide.

The distinguished chairman of the Subcommittee on Trade already has held hearings on the matter of a disapproval concurrent resolution. I urge my colleagues to support these efforts. A message must be heard in the White House that the Members of the U.S. Congress are resolved to protect the livelihood of hard-working Americans. The following is the letter from R.B. & W. Co. of Mentor, Ohio.

R. B. & W.,
February 20, 1978.

Hon. MARY ROSE OAKAR,
U.S. House of Representatives,
Washington, D.C.

DEAR MS. OAKAR: I have just performed the unpleasant task of authorizing the layoff of over 100 of our employees, some of whom reside in the district you represent. Our estimates indicate that for every wage earner we must lay off, five others will be affected. Some of these five derive their income in industries which furnish us steel, supplies, and services. Some others are in industries and businesses dependent on our employees for their income.

These layoffs are a direct result of President Carter's decision not to provide tariff relief to our industry. This decision will have disastrous results not only in the Fastener Industry, but in support industries such as steel making, machinery building, and tool making. The contingent effect will also be felt in many consumer industries where domestic income is reduced.

I am requesting your full support to all Congressional actions to override President Carter's decision. Your prompt action is necessary to enable the preservation of a small, but vital, industry.

Very truly yours,

WILLIAM B. CIGLIANO.

GERIATRICS AND GERONTOLOGY

(Mrs. HECKLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. HECKLER. Mr. Speaker, I have just introduced H.R. 11186, a bill to establish a permanent Division of Geriatrics and Gerontology in the Department of Medicine and Surgery within the Veterans' Administration. A copy of the bill and a brief summary is before each of you for your benefit.

H.R. 11186 authorizes 10 demonstration models at veterans' hospitals that are affiliated with medical schools. These demonstration projects will conduct research which will lead to new discoveries. Second, they will educate and train medical personnel in geriatric medicine. And third, they will operate clinics where the new discoveries can be applied by the newly trained physicians.

A very small scale program similar to this concept currently is in operation at the VA. It operates on a shoestring $3 million budget out of the total 20 billion Veterans fiscal 1978 budget The estimated cost of this legislation is $50 million dollars.

We all stand in agreement that the VA hospital system must and shall be preserved. H.R. 11186 makes the Veterans' hospital system the leader in geriatric research, training of physicians and personnel, health care delivery to the aged, and the respository of medical knowledge of the science of gerontology.

In selecting a director for this new division of geriatrics and gerontology, we would seek and obtain a person who is eminently respected for his or her expertise in geriatric medicine.

H.R. 11186 would require the administrator to submit to this and our counterpart committee in the other body an interim report after the first 3 years of the new program's operation. This interim report would assess the first 3 years of operation and make recommendations regarding the final two.

At the end of the 5-year period, the Administrator will issue a final report which will make recommendations regarding how the program can be incorporated throughout the entire Veterans' medical and hospital network.

Mr. Speaker, and members of the subcommittee, there are now 2.3 million veterans over 65 years of age. During the current fiscal year, 100,000 veterans over 65 have approached the Veterans' hospital system for geriatric treatment.

By 1980, just 2 years from today, there will be 2.6 million veterans over 65. By 1990 the figure will nearly triple, to 6 million and 51 percent of the male population over 65.

By the year 2000, there will be 7 million veterans over age 65 and this will constitute 60 percent of the population in that category. And I find it startling that VA figures show that by the year 2010, there will be a million veterans over age 65, as compared to the 130,000 we have today.

If these veterans are to be cared for, the initiative for their care and treatment must come from this subcommittee and our full committee.

The Institute on Aging at the National Institutes of Health is not authorized by statute to undertake this task. It currently operates a low-profile, low-level operation involving small-scale research, on teaching of physicians and minimal clinical operations.

The administration on aging at HEW, while operating worthwhile programs—such as meals on wheels—does not engage in the kind of scope and activity that I outline here. Nowhere in the Federal Government does the capacity and capability to perform this important work exist.

Mr. Speaker and members of this distinguished subcommittee, with the increasing numbers of veterans becoming aged, it falls upon the Congress and the Veterans' Administration to look after its own.

We must initiate here and now this bold new focus on this increasingly important and vital area. Searching out new discoveries and applying them will benefit our veterans immensely. But it also will benefit all Americans for ages to come.

I urge adoption of my bill, H.R. 11186.

INTRODUCTION OF FAMILIES WITH ALCOHOLISM ASSISTANCE ACT

(Mrs. HOLT. asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, an urgent situation exists in our country today. Alcohol abuse in the United States is a disastrous problem and the effects of alcoholism on family members are devastating.

We tend to view alcoholism as the personal problem of the individual who drinks too much. Today we have to recognize it for what it is—a terribly serious family problem, with other victims—the spouses, the children, and sometimes even the parents of the alcoholic. For every alcohol abuser, I am told, there are four to five others who are deeply affected. Most of these victims are family members. It is obvious that many family catastrophes are tied in with alcohol abuse—battered spouses, abused children, juvenile delinquency, birth defects, and the high rate of divorce.

Family members deserve recognition and help in their own right, and with education and counseling they can be active forces in the treatment and rehabilitation of the alcoholic.

Last November, I introduced a bill to amend the Comprehensive Alcohol Abuse

and Alcoholism Prevention, Treatment. and Rehabilitation Act of 1970, to provide emphasis within the National Institute on Alcohol Abuse and Alcoholism for the families who are affected. An identical bill was introduced by Senators HATCH, HATHAWAY, and WILLIAMS. Since then we have received many communications from all over the country, telling us that there is a tremendous need for family-oriented alcoholism education and treatment. The legislation would direct NIAAA to emphasize programs for families of alcoholics, without altering the structure of the Institute. It would direct the Institute to make sure that State programs meet the needs of involved families.

This legislation has attracted a number of cosponsors, representing a variety of political persuasions. I am, therefore, reintroducing it today.

It is my hope that the Families With Alcoholism Assistance Act will pass into law, and that it will create an initiative leading to help for families troubled by alcoholism, and help for the alcoholics themselves.

BULLETING THE CONGRESSIONAL RECORD—AN IMPORTANT FIRST STEP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 30 minutes.

Mr. STEIGER. Mr. Speaker, it is an historic thing we are doing today. The reputation of one of the most dishonest and mistrusted publications in the world may yet be saved. The world may little note nor long remember what we say, but after today, it will have a better idea of what we did not say on the floor of the House and Senate.

I want to extend my thanks, Mr. Speaker, to you and to our distinguished colleague, FRANK THOMPSON, who as acting chairman of the Joint Committee on Printing, helped bring about the bulleting of statements not actually delivered in the House and Senate. The action taken today is unprecedented. It is a major breakthrough, and it should have a profound lasting effect on the CONGRESSIONAL RECORD and all of us who contribute to it.

Use of large black dots to mark the beginning and end of speeches, articles, and other materials Members place into the RECORD without having spoken anything on the floor is an admirable step. An estimated 70 percent of what appears in the daily CONGRESSIONAL RECORD was never actually uttered. Finally, readers of the RECORD will be given a more accurate view of our proceedings and of how the RECORD is used.

My only concern, Mr. Speaker, is that the RECORD will still fall far short of truly reflecting what takes place in our proceedings. A Member still will be able to speak as little as one sentence to avoid the bulleting of remarks, thereby creating the illusion that the remarks were actually said. This fulfills the letter of the law as stated in the new regulations; however, it does not fulfill the spirit of the law.

No good purpose is served by trying to evade the basic thrust of this change. There will, I am sure, be a period of uncertainty in both the House and Senate as Members weigh the impact of having their remarks designated as unspoken. I am confident, though, that the change will prove relatively painless to all of us and will not lengthen our debate, as some have feared.

It is possible some Members will initially choose to read their statements when they otherwise would have inserted them. Others may take advantage of the option of briefly summarizing their remarks or reading a sentence or two before inserting the balance, thereby having them printed as though spoken in whole. My hope is that the majority will be willing to allow the change to work and their undelivered speeches to appear as such.

My strong feeling is that what happens today must be only the first step toward returning the RECORD to its legal definition as "substantially a verbatim report of proceedings" of the House and Senate. I remain firmly convinced that all unspoken remarks should be designated as such. As a matter of fact, I have discussed that goal with our colleague from New Jersey (Mr. THOMPSON) and he is willing to consider further steps.

There is considerable support in the House for this more far-reaching change. More than a third of the House has cosponsored my resolution to bullet all unuttered remarks. This is double the number of cosponsors in the 94th Congress and a marked change from 1970, when my proposed amendment to the Legislative Reorganization Act of 1970 was defeated by voice vote.

My proposal then would have allowed Members to correct only grammatical or typographical errors, but not to change the substance of what they said. This was apparently considered a radical suggestion, though it should not have been. I was only trying to make the RECORD what it is supposed to be under law.

The need for change is much greater today than it was then. A single page of the RECORD, which cost about $100 a little over a decade ago, now costs about $325 to produce. Five years ago, the RECORD contained 38,500 pages and cost $8.8 million; in fiscal year 1976, it had ballooned to 51,000 pages and $14.6 million.

Unlike the British and Canadian Hansards, which are verbatim accounts of parliamentary sessions, the CONGRESSIONAL RECORD is a deliberate distortion of what actually happens in the House and Senate. Because so many unmade speeches dot the RECORD, it is steadily declining in importance as a documentation of legislative history. Officials in Federal agencies look to our debate for guidance in writing regulations for congressionally mandated programs. Prearranged colloquys between Members of the House or Senate are often used expressly for this purpose. When an unstated argument has been printed without rebuttal, legislative intent can be clouded forever.

All of us are aware of the abuses that take place. I have enumerated them before and will not take the space to do so again. Too often they go unnoticed. Members can safely insert their remarks knowing that their constituents back home will have no idea they did not actually participate in debate. This is the kind of deceit I think we need to stop.

I recognize there are problems in making the RECORD more honest. Because of abuses which have occurred over the years, it no longer is anywhere near being "substantially a verbatim report of proceedings." Bad habits are not easily forgotten or yielded. Fears develop over what change will mean.

The impending broadcasts of our sessions provide additional impetus for reform of the RECORD. When there are taped transcripts of our proceedings, no longer will it be easy to misuse the RECORD with impunity. Soon, all our constituents will know what we did in fact say and what we would have them believe we said. The disparity between the RECORD and the tape of the proceedings will be marked. Continuing deception by means of the RECORD will be an embarrassment to the House. Full change at that point will be imperative.

The tie-in between the CONGRESSIONAL RECORD and the televised accounts was made by a Rules subcommittee in its report on broadcast proceedings. The ill repute of the RECORD, unfortunately, caused Washington Star columnists Jack Germond and Jules Witcover to question what will happen if the House controls its own broadcast system. They said, in a February 13 column:

> Gadzooks! As anybody who has ever read that daily package of boredom and knows the liberties of fiction-writing that Members of Congress take in "revising and extending their remarks, the comparison could not have been more damaging.

It should be clear to all of us that we will be closely watched by the public and the press as we implement bulleting of the RECORD. I am certain that those of us who try to read a sentence of a statement, then insert the rest of it unbulleted, will be called to account for such actions by those who follow our proceedings.

This reform can work, if we let it. We need not be ashamed to admit that not everything we "say" in the RECORD was actually delivered. There is sufficient understanding of the workings of Congress that people realize we cannot be on the House floor to contribute to the debate on every issue. It is unrealistic to think otherwise, and it is unrealistic to try to make people believe it is otherwise. An unspoken statement is not in any way diminished because it is surrounded by bullets.

Today's action is one of the most meaningful reforms to be instituted in my time in Congress. Until now, all that appeared in the RECORD was suspect because of those portions that had been inserted or that were subject to significant changes. Today we acknowledge that this was not right and we act to make the RECORD more honest.

If this does in fact presage a new era in the way we let the American people see how we reach our decisions, we all benefit. There is no better way to retain

their confidence than to give them a full and honest view of our proceedings.

There is no question that bulleting of remarks will substantially change the way we are perceived. That is why I will continue to push for bulleting of all unspoken remarks. The experience of these ensuing months, I am sure, will allay any remaining fears and pave the way for this full reform.

To demonstrate the degree to which there is concern about the RECORD, I would like to include with these remarks several editorials indicating the nationwide interest in what we do on this. They are from the Washington Post, Richmond Times-Dispatch, Washington Star, Milwaukee Journal, Houston Post, Los Angeles Times, and Arizona Republic. I am also inserting a superb piece Richard L. Strout wrote for the September 9, 1977, Christian Science Monitor. The editorials follow:

[From the Richmond Times-Dispatch, Feb. 25, 1978]

EXPENSIVE FICTION

A monumental work of fiction is produced in Washington nearly every day. Its title? The CONGRESSIONAL RECORD.

The *Record* purports to be an honest account of what transpires on the floors of the U.S. House and Senate. But about 70 percent of what appears in it is never spoken, according to Rep. William A. Steiger, R-Wis., the leading House proponent of RECORD reform.

That's bad for a couple of reasons. One is the expense. At a cost approaching roughly $350 per page, Congress' official daily diary may easily be the world's most expensive pulp novel. A 70 percent cut in one recent 238-page edition on a day when the Senate was not even in session would save in one day's publishing costs more than a congressman's annual salary of $57,500.

More dangerously, Congress' legislative intent could become clouded by all the rhetorical effluvia. Since federal officials frequently must rely on floor debate for administrative guidance on complex issues, there is a real danger that an agency will depend on debate that never took place.

So beginning March 1, the daily journal will use "bullets" (●) to distinguish unspoken speeches from those actually delivered. But, characteristically for Congress, there is an enormous loophole. Members who want to avoid the bullet without having to deliver the entire speech may simply orate as little as one sentence of the text on the floor. The whole speech then can be inserted in the RECORD as though it were delivered in its entirety.

Maybe the loophole is a good thing. In the 435-member House, for example, if each legislator spoke for one minute on any given bill—assuming that with unparalleled restraint no one spoke more than once—more than seven hours would be consumed in debate.

But in light of Congress' squeamishness about broadcasting of floor debates, it is not surprising that the attempt at honesty is more phony gesture than real reform. Truly, with the CONGRESSIONAL RECORD, the more things change, the more they stay the same.

[From the Washington Post, Feb. 25, 1978]

The ● Truth ● in the Record

The Congressional Record regularly rivals the World Almanac and the Sears, Roebuck catalogue for sheer miscellany. There are reprints of newspaper and magazine articles, poems, long lists of names, summaries of bills and resolutions, texts of various documents, prepared statements and even some speeches. Mixed into this collection in a way that makes its discovery difficult is what purports to be a running account of the happenings each day in the House and Senate. It is never a completely accurate account—members are free to edit and expand their remarks—but it is all we have had. So we are happy to report that starting next Wednesday, finding an account of what actually transpired on the floor of both houses will be a little easier. The new version of the Record is to carry a ● at the beginning and end of material that was not actually spoken.

Our first reaction upon seeing in the Record itself the notice of this momentous change was one of joy. We can know what really happened in Congress, we thought, without having been there. But we discovered upon reading the fine print that, as with many governmental reforms, the appearance of change is greater than the reality. If a member delivers orally one sentence of a prepared statement, the entire statement will appear in the Record as if it had been spoken. Or if a member choses to "supplement" what was actually said with a written statement, the new version will appear without the ●.

Although these and other devices diminish the usefulness of this change, the ● is a step in the right direction. At least it will make clear that most of the material appearing in the Record was never spoken by a member of Congress. And it will begin to bring the Record a little closer to compliance with the law that says it is to be "substantially a verbatim report of proceedings." Ideally, it ought to contain an accurate verbatim report, with all the rest of its miscellany—which makes it a remarkable source of useful information—clearly identified for what it is. We suspect that kind of a truthful Record will begin to appear not long after the tapes of televised sessions make an accurate report available elsewhere. In the meantime, however, those who scan the Record seeking gems of wisdom and then wondering whether anyone ever heard them will at least have a little better guidance, thanks to the ●.

[From the Washington Star, Aug. 31, 1977]

THE DECEPTIVE RECORD

Many things in the Nation's Capital are not always what they seem, but for consistent deception the CONGRESSIONAL RECORD must be near the head of the list.

Not only that, the deception costs money. If the RECORD were "substantially a verbatim report of proceedings"—as the law says it's supposed to be—taxpayers would have saved $10 million in 1976.

According to Rep. William Steiger, R-Wisc., who is trying to have the RECORD made more honest, 70 per cent of the publication consists of remarks never uttered in the House or Senate. In 1976 the RECORD cost $14.6 million to produce, and the bill for 1977 no doubt will be larger. It costs $317 a page this year compared to about $100 a decade ago.

But as Mr. Steiger pointed out, the unnecessary cost is only part of the problem. Officials of federal agencies often must write regulations based on generalized law passed by Congress and they look to debate in the House and Senate for guidance on "congressional intent." The intent might be clouded by arguments printed in the RECORD but never made on the floor, and therefore not rebutted during debate.

It is virtually impossible to tell from reading the RECORD what was said and what was handed in later for insertion. Seldom does a member do as former Rep. Ken Hechler, D-W.Va., did in inserting some views on a 1971 bill to aid coal miners.

"I do not want to kid anyone into thinking that I am now on my feet delivering a stirring oration," said Mr. Hechler. "As a matter of fact, I am back in my office typing this out on my own hot little typewriter, far from the madding crowd and somewhat removed from the House Chamber.

"Such is the pretense of the House that it would have been easy to just quietly include these remarks in the RECORD issue a brave press release, and convince thousands of cheering constituents that I was in there fighting every step of the way, influencing the course of history in the heat of debate."

In addition to deceptive material in the section that passes for verbatim proceedings in the House and Senate, there is a costly and misleading section of the Congressional Record called "Extensions of Remarks", which aren't really extensions because they seldom deal with anything else in the Record. Rep. Marjorie Holt, R-Md., once referred to "Extensions" as "bloated with tributes, memorials and messages on every conceivable subject except the subjects under consideration by Congress on that day. . . . We often spend $15,000 to $20,000 a day on such effluvia."

One day, nine House members paid tribute in "Extensions" to the anniversary of the declaration of independence in Lithuania. All were similar versions of a news release put out by Lithuanian-American Community of the U.S.A. and most made to appear as the congressmen's own remarks.

You might think there would be no Congressional Record when Congress is not in session. But on August 18—during the middle of the summer recess—there was a Record of 132 pages. Although the first page noted that Congress was not in session, the Senate section contained, for example, a portion in which Sen. Hubert Humphrey (who that day was being operated on in a Minnesota hospital) seemed to be addressing the president of the Senate and asking for unanimous consent of the Senate for permission to reprint a "superb article on a fascinating subject—our colleague, Russell Long."

According to the Record, there was no objection and the magazine article was ordered printed. That was immediately followed by Sen. Herman Talmadge, D-Ga., asking for permission to reprint the same "excellent" article. "There being no objection," permission again was granted. The identical reprints, along with effusive praise of Senator Long, took up more than four pages of the Record—at $317 a page, the cost to the taxpayers was around $1,300.

It used to be so easy to get things printed in the Record that three years ago several phony statements were inserted, one allegedly remarks by former Rep. Earl Landgrebe, R-Ind. The bogus Landgrebe material, jokingly referred to as the "Case of the Unextended Remarks," spoke of former President Nixon's "saintly" qualities and suggested that President Ford name Mr. Nixon as his new vice president and then to resign to allow Mr. Nixon to become president again.

Things were tightened up some after that to make it harder to get fictitious items in the Record But it hasn't stopped the flow of deceptive and irrelevant material.

Mr. Steiger has proposed rules that would require undelivered remarks to be so designated. That's good as far as it goes. But why not simply eliminate undelivered insertions and extensions and make the Congressional Record a true record of Senate and House proceedings?

[From the Los Angeles Times, Sept. 25, 1977]

OFF THE RECORD, IT'S BALONEY

The Congressional Record is a fraud.

It is supposed to be a true and faithful account of the proceedings of the Senate and the House of Representatives, but much of its content is fiction.

Little of the debate that roars from its pages ever took place, and most of the speeches that fill column after column of this "official" history of Congress were never spoken.

How is such arrant deception possible? It is possible because the Record makes no distinction between what is actually said on the floor and the written declarations that members send up to the desk for inclusion in the debate.

The authors of this spectral rhetoric may not even be in Washington on the day of a momentous confrontation, but their eloquence appears in the Record in the same context as the remarks of those who were present and who did speak.

Just as mischievously, members—present or absent—can hand in arguments for or against legislation *after* the final vote on it has been taken. This enables them to flimflam their constituents into believing that they were participants in the great decision, although not one peep was heard from them during the actual debate.

The Record even yields the floor to the dead. Two days after Rep. Hale Boggs (D-La.) died in an air crash in Alaska, the publication had him present and speaking in the House chamber. His remarks had been sent to the desk before he left Washington.

What can be done to set the Record straight?

Only the editors and publishers—the members of Congress themselves—can change its policies. Rep. William A. Steiger (R-Wis.) is proposing that remarks not actually made on the floor should appear in brackets, or under an asterisk, or in a distinguishing type face. That would be better than nothing. But we think the Record should refuse to print such fictions. Either that or print them in invisible ink.

There is one part of the Record, however, that should be left alone, although it, too, flies under false colors. The back section has the title, "Extensions of Remarks," but the extensions are of remarks that were never made.

Here one will find the legislators' tributes to blue-ribbon winners at local fairs, poetry from constituents, a laudation of a Little League baseball team that got all the way to the state finals, observations of golden wedding anniversaries and even a commendation to the Girl Scouts for holding the price line in their annual cookie sale.

Members of Congress insert such stuff in the Record to please the folks back home. But no matter. Even if the back part of the Record is full of trivia, it is wonderful trivia that catches the spirit and flavor of America.

And all of it is *true*—which is more than can be said for the front part of the Record.

THE SHIFTY CONGRESSIONAL RECORD

The doctoring of political speeches, after the fact, is an old practice—if not an honored one. Without it, some of the most quotable phrases of the past might never have found their way into print. According to some killjoy historians, even Patrick Henry's heroic backtalk to the British monarchy was sharpened by patriotic editing, ex post facto.

Perhaps. But Patrick's benefactor was a piker at the game. Politicians nowadays unblushingly take credit for entire speeches that they never deliver. They have been doing it for decades—in the Congressional Record, a document that is passed off as the bible of congressional happenings.

Rep. William Steiger of Wisconsin effectively ridiculed the defenseless practice in a recent column in The New York Times. He noted that the unuttered speeches appear in the same typographical format as those that are delivered, and that lawmakers are allowed to edit their delivered remarks after the fact. Consequently, he says, the Record "is steadily declining in importance as a document of legal history."

Sometimes the deception is gross. Lawmakers take credit for delivering courageous speeches on the floor during heated debate, when in reality they have just delivered them to the printers.

Sometimes an absurdity, even tragic in tone, can result from the practice of treating printed and spoken speeches the same. In 1972, the Record credited the late Hale Boggs with giving a speech on the House floor two days after he had disappeared in an Alaskan plane crash.

Fortunately, there seems to be growing support in Congress for some sort of change that would help make the Record an honest document. Key committees have endorsed proposals to set off undelivered remarks by brackets or stars. However, a more conspicuous differentiation between the spoken and the unspoken, the real and the fictitious is needed. Why not clearly label delivered and undelivered remarks? And why not identify the revisions that a congressman makes in a speech between delivery and publication?

Then the Record actually would be a record, not a storybook.

[From the Houston Post, Sept. 23, 1977]

KILL THE BOMBAST

The Congressional Record flows freely across the country day after day, one fat edition after another. The Sept. 8 edition, for instance, was No. 138 of Volume 123. It was half an inch thick. By reading it all the way through, starting with the chaplain's prayer, you could learn a great deal about what was said and done in the Senate and House that day. But you would have no way of knowing how much of what you read actually happened. The Congressional Record is not so much a record of what Congress does as of what Congress would like the constituents to think it does.

Congressmen may insert in the record speeches they have never made as "Extension of Remarks." So that the Feb. 27, 1975, edition reported: "I speak because I cannot remain silent in this matter," as the beginning of an address by Rep. Martha Keys, D-Kans. Actually, Rep. Keys did not speak. She only sent the speech over for printing.

Rep. William A. Steiger, R-Wis., is trying to persuade his fellow congressmen to keep unspoken speeches out of the record. They may never agree. By having the speech printed in the record, they can then have reprints mailed free to their constituents, the better to impress the voters back home. But each page of the record costs the taxpayers $317. The reprints and mailing cost extra.

Because so much of it is so often phony, the Congressional Record does not serve the purpose for which it was founded. It surely is of questionable value to present-day Americans and to future historians. Rep. Steiger's efforts deserve public support.

[From the Arizona Republic, Sept. 12, 1977]

THE "RECORD" THAT ISN'T

Hope springs eternal in the human breast, so every year some optimistic soul in Congress introduces a bill to make the *Congressional Record* more honest.

Not completely honest, mind you. Just more so.

This year, it's Rep. William Steiger's turn.

The Wisconsin Republican's bill is all but certain to meet the same fate as its predecessors—a lonely death and a decent burial in committee.

For the very idea of publishing a true account of House and Senate proceedings appalls the average congressman. He much prefers to publish a work of fiction, which makes him look good.

According to Steiger, 70 per cent of the *Record* consists of speeches that were never made by members who often weren't there, as well as something called "Extension of Remarks." These are extensions of remarks that were never made.

If this garbage were eliminated, the bill for publishing the *Record* could be cut by 70 per cent, and the bill is not insignificant. Last year, it came to $14.6 million, and this year it will be even greater because the cost of printing a page has risen from $278 to $317.

The sheer waste of money is only part of the problem. As Steiger points out, federal agencies must write regulations based on generalized laws enacted by Congress. They read the *Record* to find out what the intent of Congress was. When speeches are inserted that never were delivered, they can be misled.

A case in point is the *Record* of Sept. 16, 1971, which reported that Rep. Edith Green, D-Ore., and several other congressmen had attacked a bill making the Civil Rights Act of 1964 the exclusive remedy for discrimination in employment on the grounds that it would repeal the Equal Pay for Equal Work Act.

Since the *Record* did not quote Rep. John N. Erlenborn, R-Ill., sponsor of the bill, as having answered the critics, the Labor Department decided that, in passing it, Congress had, indeed, intended to repeal the Equal Pay for Equal Work Act.

It was a reasonable conclusion except for one thing: Erlenborn hadn't answered the critics because they'd never made those speeches.

The *Congressional Record* really becomes preposterous at times. *The Record* for Aug. 18, for example, quoted Sen. Hubert Humphrey as asking for unanimous consent to insert a "superb article on a fascinating subject—our colleague, Russell Long."

Not only was Humphrey undergoing an operation for cancer that day, but the whole Senate was on vacation. Yet, the *Record* reported that unanimous consent was granted.

This was followed by a report that Sen. Herman Talmadge, D-Ga., has asked for permission to have the same article reprinted.

All Steiger is asking for in his bill is that remarks that were never made be identified as such. Actually, they shouldn't be printed at all, but only a child would ask Congress to make the *Record* completely honest.

[From the Christian Science Monitor, Sept. 9, 1977]

CONGRESS' MAKE-BELIEVE SPEECHES

(By Richard L. Strout)

WASHINGTON.—It surprised a good many people, that speech in the Congressional Record, Aug. 14, 1974, attributed to "Hon. Earl F. Landgrebe of Indiana" entitled "Rectifying the Untimely Removal of President Nixon."

"As you know," it said at one point, "I was a faithful supporter of our embattled president, stating even that I would be shot with him if necessary." It continued:

"Many wonderful people wrote me recommending that course. . . ."

Surely Mr. Landgrebe didn't mean just this. It was in the "Extension of Remarks" section of the Record. Readers scratched their heads. The whole tone was odd. It was on page E5502 and began authentically enough: "Mr. Landgrebe. Mr. Speaker. . . ." Seemingly a speech on the floor of the House of Representatives. But the sentiments were unusual. The honorable member recommended that the newly elevated President Ford pick the ousted Mr. Nixon as his vice-president and then resign—bringing the latter back into the presidency!

"By this act our 38th President (Ford) will leave office with a spotless record and will courageously take one remarkable action for which he shall never be forgotten."

Mr. Landgrebe's telephone began ringing right away.

Only three pages further along was a speech ostensibly by Hon. John M. Ashbrook of Ohio, labeled "The Chile Fiasco." This was an attack on the "pink fellow travelers" of the press for criticizing the overthrow of the former president of Chile; the generals had "cut short the reign of the dictator Allende and his atheistic henchmen—and henchwomen."

Mr. Ashbrook went on to denounce supporters of ousted Allende, a man who allegedly rebelled against "the laws of nature." The laws? The alleged Ashbrook article explained that "in any free society these laws include the right to exploit the underclass." It argued that the military government should be commended, not condemned, "for their effort to return the resources—and workers—of Chile to their rightful American owners. The benefits for all concerned of this policy are obvious."

It was, of course, a hoax. Readers of the Congressional Record (of which this reporter is one) often run across material not found elsewhere. But this was unique. One day later appeared a prominent box headed Effective Immediately, signed by Wayne L. Hayes, chairman of the Joint Committee on Printing. Henceforth, he announced, all statements for Extension of Remarks "must carry the *actual* signature of the member" and be submitted well in advance. In short, the Landgrebe-Ashbrook speeches had never been made; they had been inserted by rude young summer interns, exploiting the then extraordinarily loose rules of the Congressional Record.

How could printers tell what was genuine congressional and what bogus?

Rep. William A. Steiger (R) of Wisconsin is now once again trying to get Congress to keep undelivered speeches out of the Congressional Record. It seems a reasonable request but almost certainly Congress won't go along. And congressmen can insert make-believe speeches in the appendix, have them reprinted, and send them out free to constituents. The cost for printing in the Record is $317 a page, paid by the public.

"I speak because I cannot remain silent on this matter," cried Rep. Martha Keys (D) of Kansas on Feb. 27, 1975. Only she didn't cry, she just inserted her thoughts. On special occasions like Lithuania's independence day a dozen "speeches" are made, often paraphrased from the same material distributed by a single source.

Last Aug. 18, Congress wasn't in session, but a 131-page Record came out all the same. Sen. Hubert Humphrey (then in the hospital) asked unanimous consent to insert "a superb article" by his colleague Russell Long. Nobody objected; nobody was there. Sen. Herman Talmadge then asked permission to reprint the same article. No objection here either (See Pages 27662–27666.)

Congressman Steiger doesn't really expect to keep make-believe speeches out of the Record but he is working on a new idea—couldn't they be preceded by an asterisk, or something, to show they were inserts? Here's another idea—why not just print the Record and let Congress stay home?

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, in view of the fact that this is the first day that bullets will be used to precede undelivered remarks, against the possibility that a stray "bullet" may land in the remarks made by the gentleman from Wisconsin (Mr. STEIGER) I wish to state that I have known the gentleman from Wisconsin (Mr. STEIGER) for at least 20 years. He is a good-looking young gentleman with blond hair, always well dressed, and I was here on the floor of this Chamber at 5:55 when a gentleman of that description began to speak and he concluded at 6:05. The gentleman reads very rapidly as will be seen from the volume of his remarks that he made, and I state that, to the best of my knowledge and belief he is the gentleman from Wisconsin (Mr. STEIGER) who made these remarks with his own lips.

Mr. STEIGER. Mr. Speaker, I thank my friend the gentleman from Maryland (Mr. BAUMAN) and also for his willingness to be patient. I also thank the pages for their patience while they are awaiting a speech by the gentleman from Kentucky, ROMANO MAZZOLI.

Mr. CLEVELAND. Mr. Speaker, today a change in the procedures for publication of the CONGRESSIONAL RECORD will be implemented as authorized by the Joint Committee on Printing. This change marks the first step toward making the RECORD a more accurate reflection of what really transpires on the floor of the House and Senate. It is a breakthrough that many of us who have cosponsored so-called truth in Congress legislation have been anxiously awaiting.

Under the new procedures unspoken speeches and insertions in the CONGRESSIONAL RECORD will be identified by the use of a "bullet" symbol. This symbol will precede and follow the unspoken material.

The bulleting applies to all prepared statements ordered to be printed in the RECORD as long as no part of the statement is spoken. This will greatly aid in avoiding problems of interpretation of congressional intent and will be less misleading for constituents and readers of the RECORD.

Commendable as the change may be, however, it contains a serious loophole. If a Member verbally delivers any portion of a statement, even as little as one sentence, no portion of his statement will be bulleted. This will still give the appearance of the Member having spoken the entire remarks.

I therefore hope the Joint Committee's action will be followed by additional reforms in the printing of the CONGRESSIONAL RECORD to restore the credibility of the Congress and permit the American people to have exact knowledge of proceedings that transpire on the floor of the House and Senate. The historical integrity of the CONGRESSIONAL RECORD for clarification of legislative intent will also be heightened by further reforms.

Mr STEERS. Mr. Speaker, yet another step has been taken as the Members of Congress move toward a time of complete and unhampered openness before the American people. Beginning this month, unspoken remarks in the CONGRESSIONAL RECORD will be "bulleted," or set off by large black dots. It is a commendable step, for we must insure that the RECORD remains "substantially a verbatim report of the proceedings" of the House and the Senate.

This is a noble—and totally realistic—expectation. But, as my distinguished colleague from Wisconsin, WILLIAM A. STEIGER, has pointed out, some 70 percent of the RECORD now consists of remarks that never reverberated in the Chambers of either the House or the Senate. Daily, the RECORD is dotted with statements never stated and speeches never spoken.

In addition, there is the expense involved in producing a growing publication. It costs between $325 and $350 to produce one page of the RECORD; the figure was about $100 just 10 or so years ago. The RECORD totaled 38,500 pages 5 years ago and cost $8.8 million; in fiscal 1976, it totaled 51,000 pages and cost $14.6 million.

But cost is not the major factor here. Rather, it is the deception of the American people. If a Member wishes to publish a statement in the RECORD, it more often than not merits the widespread attention it can garner there. Many of these unspoken statements are, in fact, germane and valuable. But why should an unspoken statement be misrepresented as a spoken one? This might appear to some to be a cosmetic factor, but I believe it is a serious problem that breeds cynicism on the part of American citizens, who want to know what is going on in their Government.

For this reason, "bulleting" unspoken comments is a crucial move. But it is just a step, for it is still possible for tome-length remarks to be published as spoken if only the first sentence or paragraph is uttered by a Member. And, there are to be other exceptions to the new policy. This betrays the spirit of openness and public accountability which should permeate the Congress.

This policy change is an encouraging breakthrough; just 8 years ago a voice vote in the House defeated efforts to initiate this type of clarification. But we must completely adhere to the letter and spirit of this change, and this means taking the solution even further, to its natural conclusion. For this reason, I "stand" before you this day in these hallowed halls and "face" each of you to "voice" my support of House Resolution 284, the legislation offered by my distinguished colleague from Wisconsin (Mr. STEIGER). His measure would provide for the bulleting of all remarks not actually delivered on the floor of the House or Senate.

The CONGRESSIONAL RECORD, if it is to have validity as a historical and legal document, must clearly distinguish between those remarks actually spoken on the floor and those statements entered for the public and congressional good. It is a very simple matter with a very simple solution. Must we belabor it?

Mr. FRENZEL. Mr. Speaker, although I am not here to deliver my remarks in person, but rather at a meeting in another part of the Capitol, I wish to join Congressman STEIGER in this special order hailing the proposed changes in the CONGRESSIONAL RECORD.

For many years a bipartisan group of Members of Congress, led by Congressman STEIGER, have been trying without success to have the CONGRESSIONAL RECORD reflect an accurate and authentic account of the proceedings of the House and the Senate.

The Joint Committee on Printing has taken an important first step toward an accurate CONGRESSIONAL RECORD and all Members thereof are deserving of congratulations. But, it represents only a small improvement. A special designation (such as the symbol preceding this speech) will be noted for those statements of which no portion is spoken on the floor. However, if only one sentence

is spoken of a statement, the entire speech will still be shown in the RECORD as if it were delivered on the floor.

I applaud the change. It is, in the words of the gentleman from Wisconsin, a "breakthrough." Yet, I believe the change represents insufficient improvement. The RECORD, except for grammatical improvements, ought to represent a true report of the spoken word in both the House and the Senate. All extensions of speeches ought to be designated in the RECORD, and they should appear in another section of the RECORD separate from the actual floor proceedings.

The Congress is paranoid about letting the people see itself as it really is. In its CONGRESSIONAL RECORD and its proposed handling of TV and radio coverage, it is afraid to show the warts and blemishes of reality. The RECORD should show what actually hpapened, not what might have been. But until that happy day when reality prevails, we should all be pleased with improvements, and thankful for the likes of Congressman BILL STEIGER.●

GENERAL LEAVE

Mr. STEIGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks and to include extraneous matter on the matter covered by my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FARMERS' PLIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois, (Mr. RAILSBACK) is recognized for 5 minutes.

● Mr. RAILSBACK. Mr. Speaker, much has been written and said about the plight of the American farmer, but an editorial that appears in the March issue of John Deere's farm magazine, The Furrow, goes to the root of the problem by dispelling the myth that cheap food is always economical. I would like to share this excellent article with my colleagues.

THERE'S NO SUCH THING AS A CHEAP LUNCH

Ranking high among the myths of history is the myth that cheap food is always economical.

Ours is a land of plenty. Some people eat better than others and sometimes distribution is imperfect, but there's usually more than enough food to go around. Thus Americans have not only been blessed by the world's most bountiful supply of food, but they also spend a smaller portion of their income for food than do the people in almost every other nation of the world.

In this climate of plenty, no reasonable person would suggest that food should become expensive, but some very reasonable people have warned that food may in time become too cheap. In many countries of the world, food has been pegged so low in price that those who produce it have lost either the incentive or the resources to continue. There is good reason for believing that perhaps this time is approaching in America.

American agriculture is now showing the strains of a decade during which, many farmers believe, the nation placed the expediency of keeping food prices down ahead of the well-being and even the survival of those who produce that food. It is a clear and sobering fact that farmers are simply fed up with cheap food—and there are many reasons why.

HIGH PRICE

During the late 1960s there was a little-noted recession in American agriculture. Burdened with surpluses, the farm economy declined while the general economy sparkled around it. Food was a bargain. Near the end of that decade, though, the true cost came into focus. It was dear indeed: A great many American farmers had gone out of business.

As the decade ended, however, farm prices were inching upward. The surviving farmers could see better days ahead. Exports soared early in the '70s, eating into the price-depressing commodity surpluses. Supply came came into balance with demand. For the first time in years, commodity buyers had to complete for what was available. Farmers started to share in the national prosperity, and the number of farms stabilized for the first time in more than 40 years.

It seemed almost too good to last, and it was. Food prices at the supermarkets increased substantially because of increases in farm commodity prices, increases in the cost of processing, packaging, and transporting food, and because of the general inflation which increased the price of everything. A nationwide meat boycott was attempted, with organizers lashing out at "high food costs" and demanding a 20 percent reduction. This reaction stunned agriculture. A majority of the American public rejected the boycott, but the scars remained. Somehow the hurt to the American farmer was worse than any drought, pestilence, or hardship of the past.

Farmers were still reeling when the U.S. government startled the world with an export embargo against the farmers' soybean crop, 40 percent of which had been produced for the export market. But it was only the beginning. In 1974, the U.S. government noted rises in the price of wheat and corn, so it put a sales moratorium on those crops, thereby frustrating overseas buyers. Then our government cancelled a series of trade agreements involving farm commodities, and at the same time urged farmers to expand their operations and bring back into production the millions of acres idled during the years of surplus.

For American agriculture, the worst was still to come. To compensate for higher prices, especially higher food prices, consumers demanded higher incomes. Inflation rippled through the national economy, hitting farmers with a wave of rising costs for everything they needed to buy in order to stay in business. Costs of some inputs doubled. Finally, in 1977, with commodity surpluses increasing, the farm prices of major commodities skidded backward toward levels of the '60s.

And so the '70s, a decade that began for the American farmer in the green spring of confidence, with a promise of long-delayed prosperity, had produced instead a harvest of surpluses, depressed farm prices, an inflated economy, and an uncertain future.

TRUE COST

It would seem that any nation as committed to family farms as ours must take note of the plight and morale of its farmers. In particular we must look askance at the expediency of cheap food. If some good farmers go out of business, and if many surviving farmers become discouraged, then food could become expensive indeed, because too few, if any, farmers will have either the resources or the desire to produce it.

Farmers have good reason to be restless and worried. They also have reason for apprehension regarding the commitment of our nation, its consumers, and its leaders to a healthy agriculture. If some farmers seem militant, it's because they want everyone to realize that cheap food is frequently political but it is never economical. Farmers want the people of America never again to forget that there's no such thing as a cheap lunch.●

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KOSTMAYER) is recognized for 5 minutes.

● Mr. KOSTMAYER. Mr. Speaker, today, with Mr. LUNDINE and Mr. MCHUGH I am introducing the Voluntary Job Preservation and Community Stabilization Act. When businesses close their doors or move away, employees lose their jobs, and the economic dislocations can be devastating. Announcements of steel plant cutbacks have sent shock waves through Youngstown, Ohio, an industrial community of about 130,000 people. Last September, the Youngstown Sheet and Tube Co. decided to abandon a prominent mill and lay off up to 5,000 workers. Within a few months, United States Steel followed suit with plans to phase to phase out another 5,000 jobs at two other Youngstown plants.

Smaller towns and rural areas can be similarly affected by such disruptions. Zenith, hurt by competition from imports, decided last summer to phase out 1,000 jobs at its color television plant in Watsontown, Pa.—and produce abroad instead. The move not only wipes out the main source of employment for Watsontown (population 5,000), but for a wide surrounding area as well.

This act is essentially a response to the problems of Youngstowns and Watsontowns across the country. Where plants would otherwise be abandoned, it would help interested groups of employees and community residents purchase the firms and try to run them profitably. Recognizing that such ownership arrangements will not always be feasible, we believe the approach can help blunt the impact of plant shutdowns in many areas.

The bill has four interrelated purposes:

First. To preserve jobs.

Second. To encourage employee and community participation in ownership of firms that would otherwise have closed.

Third. To support and strengthen the local economy that would be seriously damaged by the plant shutdown.

Fourth. To develop and test the value of a new strategy for the preservation of jobs.

The act builds on successful experiences with employee and employee-community ownership concepts. In a number of areas, these arrangements have saved jobs, maintained viable economic enterprises, and strengthened local economic conditions.

The legislation would facilitate this process by making loans to organizations of employees and community residents

that plan to purchase plants in danger of closing down or moving elsewhere. The loans would be used to arrange the purchase, to cover start-up and initial operating costs, and to allow the employees to acquire stock in the new firm.

The act authorizes the expenditure of $100,000,000 in the first year with appropriations rising gradually to $177,000,000 for the seventh year. Toward the end of this period, the Secretary of Commerce is directed to make a study and to report to Congress on the cost effectiveness of this program in comparison with other measures designed to deal with problems of unemployment.

The act establishes no new bureaucracy. Implementation of the program is assigned to the Economic Development Administration, the Federal Agency which has had the greatest experience in preserving jobs through assisting transfers to employee ownership.

This is not a give away program. It authorizes loans of two kinds: to the newly constituted firm and to individual employees for the purpose of enabling them to buy stock in their own enterprise. The company itself would be responsible to the Federal Government for collecting principal and interest payments on the loans granted employees. In order to qualify for such loans, employees are required to agree to payroll deductions under terms and conditions to be established by the Secretary of Commerce.

The Economic Development Administration (EDA) is to be responsible for furnishing technical assistance to the group forming the new company on financial, legal, engineering, and organizational problems. No loans can be authorized unless a feasibility study indicates that there is a reasonable chance that the company become a viable economic enterprise. EDA is also charged with an educational responsibility: to provide information and ideas on past experiences of companies organized under various forms of employee or employee-community ownership. I now yield to my colleague from New York, (Mr. LUNDINE) who has considerable first-hand knowledge about such efforts.●

● Mr. LUNDINE. I thank my colleague for yielding. Mr. Speaker, while this approach may sound novel, it has worked—in a variety of places and circumstances. By enabling employees to participate in the ownership of their enterprises, sick companies have been rescued and abandoned facilities have been returned to profitable uses.

As mayor of Jamestown, N.Y., I saw firsthand how several local firms avoided collapse this way. Employees and community residents purchased the Jamestown Metal Products Co. in 1973, when its former owner—a conglomerate called AVM—was all set to liquidate it. Nearly three quarters of the company's 120 employees participated in the acquisition, and business began to thrive again.

There were difficulties at first, but the investment paid off. Between 1973 and 1977, Jamestown Metal's sales grew by 55 percent, while employment rose by more than 8 percent. Profits increased too, and in 1977 the company made a large payment to its profit-sharing plan on behalf of its employees. Finally, the company's stock has more than tripled in book value since 1973.

Jamestown Metal Products is not an isolated example. Dahlstrom Manufacturing, another metal fabricating firm in Jamestown, was on the verge of liquidation when a group of employees and other investors successfully took it over in 1974. And in Dunkirk, N.Y., a specialty steel plant operated by Allegheny-Ludlum was bought by an employee-community group in 1976, saving over 2,000 jobs. The new company, Al Tech Specialty Steel Corp., obtained a loan from the Commerce Department through a special revolving industrial development fund. Despite the well-known problems of the specialty steel industry, Al Tech made a profit in its first fiscal year of operations.

Nationally, one of the most stunning success stories involved the South Bend Lathe Co., in South Bend, Ind. After 5 years of losing money on the plant, the conglomerate owner—Amsted Industries—was ready to shut it down. Four hundred and twenty workers would have lost their jobs.

Instead, with the help of a low interest loan from the Commerce Department and credit from private lending institutions, a new 100-percent employee-owned corporation took control of South Bend Lathe in 1975. Business rebounded quickly: waste was cut, absenteeism and turnover rates declined, morale was higher than ever. In its first year, the company showed pre-tax profits of 9 percent on sales of $18 to $20 million. And profits have stayed high ever since.

Reviving these enterprises was not easy. In most cases, cooperative efforts by labor and management contributed heavily to success. Most also received considerable help with the complicated financial arrangements from local authorities.

Our experience shows that local people—both workers and managers—often have better ideas than executives from remote conglomerates about how to run their businesses. Conglomerate owners may abandon plans because they see more profitable opportunities elsewhere. Conglomerate owners may react too hurriedly to temporary losses, and pull out before making much effort to turn the business around. But employee and local community owners have too much to lose from such choices, and because of their personal stake in their firms, have every reason to try and make them viable.

Significant obstacles remain, however. Delays can frustrate ownership plans, and financial assistance is frequently hard to come by. At Bath, N.Y., in my district, a manufacturer of mobile homes closed last year, throwing about 100 people out of work. The idea of employee ownership was considered but dropped after several Government agencies were unable to make timely approvals to requests for assistance.

Based on my own experiences, I am convinced employee and community ownership arrangements can be very good investments—both for the participants and for the economic future of the area. In a practical way, this approach can help counter the crushing local effects of plant shutdowns and business migrations to other parts of the country. Our bill would offer much needed assistance, to make these investment opportunities more widely available.

I yield to my colleague from New York (Mr. MCHUGH).●

● Mr. MCHUGH. I thank the gentleman for yielding. Mr. Speaker, as my colleagues have pointed out, employee and employee-community ownership of firms that would otherwise close down is becoming an increasingly common occurrence. It is becoming an attractive alternative for coping with a very real problem that communities face in these times of economic hardship.

If that is the case, however, some may ask why this legislation is necessary. If employee and employee-community ownership has been emerging as a response to corporate divestitures in recent years, why do we need this bill?

The answer is that employee and employee-community groups presently face numerous obstacles when they seek to assume ownership. At the same time, there is no single agency to which they can turn to obtain the help necessary for overcoming those obstacles.

This legislation is designed to provide employees and residents of a community with the assistance they need if they are interested in pursuing such a transfer.

Transfers of ownership to an employee or employee-community group are not easily managed. As we examine those cases where such a transfer has occurred, we find that it took extraordinary efforts and exceptional leadership to keep the plant in operation and save jobs.

Moreover, for every successful case, we have found many others where employees and residents of a community have tried and failed, not because the plant could not be operated profitably but because there was no technical assistance available at the critical time, nor was there sufficient cash on hand for capital investment.

As you know, the Economic Development Administration of the Department of Commerce has done some work in this area. However, even in those cases in which EDA loans were extended to save jobs and keep a plant in operation, this help was provided only as a last resort and not as part of any permanent program.

In short, since there was no other way of stabilizing the community, EDA officials were willing to interpret their mandate broadly enough to provide the necessary support for the transfer of ownership. However, that support was provided in a crisis atmosphere and on an ad hoc basis. It was provided without the benefit of any well developed strategy.

That is likely to remain the case without the enactment of this legislation. Because it has no formal mandate to do so, EDA has no plans to help save jobs and stabilize communities through employee or employee-community owner-

ship except perhaps on an ad hoc basis. This bill would provide that mandate and authorize the funds necessary to carry it out.

Mr. Speaker, this legislation is in the best tradition of American free enterprise. It would not impose decisions from Washington upon local communities. Rather, it is designed to encourage and support voluntary local initiatives.

This bill would not require a local community to pursue this alternative when a plant closes down. It would provide employees and residents with necessary assistance if they would like to pursue this alternative.

This bill would not require employees and residents of the community to adopt a particular form of ownership and control. It would only aid them in making an informed choice among all of the options of ownership and control available under the laws of their State.

Finally, this bill would not require the Secretary of Commerce to provide help in cases where a transfer of ownership is not likely to be successful. It would merely give the Secretary the tools to provide such help in situations with reasonable prospects of success, thus saving jobs and stabilizing the community.

Given the economic impact a plant closing can have on a community and on the lives of the employees directly affected, I hope that this legislation will be promptly considered by the appropriate committees and by the House. At this point, Mr. Speaker, I would like to insert into the RECORD a section-by-section analysis of our bill:

SECTION-BY-SECTION ANALYSIS

Section 1

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

Section 2

Declaration:

(1) Unemployment is a serious problem that causes grave economic loss and social suffering to individuals, their families, communities, and the nation.

(2) Federal initiatives to reduce unemployment should be multi-faceted—not limited to temporary compensation, nor to expensive job training programs.

(3) Experience and research have shown that in some cases the purchase of industrial, manufacturing, business, and agricultural concerns that would otherwise close down by employees, or employees and community residents, can save jobs, maintain viable economic enterprises, and strengthen the local economy.

(4) However, such groups face numerous obstacles in purchasing such concerns at the present time.

Section 3

Purposes:

(1) To save jobs and stabilize communities by facilitating employee or employee-community purchase of concerns that would otherwise close down or outmigrate.

(2) To support the local tax base by maintaining viable concerns through federal loans and technical assistance.

(3) To test an alternative to unemployment insurance (and other methods of dealing with unemployment).

Section 4

Definitions:

(Self-explanatory for the most part)

Section 5

Federal Assistance:

(a) Existing FDA regional offices, working in cooperation with appropriate state and local agencies, will identify firms in danger of closing down.

(b) In those cases where firms may be able to be kept in operation, EDA will furnish information about this program to employees and the local community.

(c) (1) Loans for technical assistance, start-up and operating costs will be provided to employee or employee-community organizations that have had an application for funds approved (as provided for under Section 6).

(c) (2) An organization made up of employees and community residents who wish to apply for a loan to purchase a plant that is about to shut down must meet the following requirements:

(A) Incorporate under the laws of the state in which the plant is located.

(B) Certify that a form of ownership has been adopted by the members of the organization after full consideration of their operations under state law.

(C) Certify that the organization allows for the inclusion of new employees in ownership and participation and provide a method of disposing of stock if there is no longer an association with the concern, guaranteeing the organization the right of first refusal.

(D) Agree to serve as the administrative agent of the federal government for collecting loans and interest payments from employee members of the organization through a system of age deductions, acceptable to the Secretary.

(d) EDA will make loans to the employees of the organization that has application approved so that they can acquire stock in the concern. First, employees must make a good-faith effort to secure the loan from financial institutions in the community and must agree in writing to allow the organization to serve as administrative agent for the federal government for collecting the loans through a system of wage deductions. No loan to an employee shall be for longer than ten years or for more than $15,000, and no loan will be forgiven.

Section 6

Applications:

(1) An employee or employee-community organization that wishes to purchase a concern that would otherwise close down may apply to the Secretary of Commerce for loans and technical assistance provided for under this act.

(2) The Secretary, acting through EDA, will conduct a feasibility study within 60 days after receiving an application to determine whether reasonable grounds exist to expect that the proposed transfer would be successful.

(3) If the feasibility study is positive, the Secretary may make loans for technical assistance, start-up and operating costs to the organization. The rate of interest to be charged on such loans shall be no greater than the prevailing rate within the community, and there shall be no forgiveness on such loans.

(4) Loans to employee members of employee or employee-community organizations to allow them to purchase stock in the new concern (as provided for under Section 5) shall also be made at this time.

Section 7

Waiver of Securities Act of 1933:

This section allows the Secretary of Commerce to exempt employee or employee-community organizations from select provisions of the Securities Act of 1933 to facilitate the purchase of the plant.

Section 8

Cooperation of Federal Programs:

This section provides that the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development shall give priority in making loans to organizations receiving assistance under the Act.

Section 9

Report:

EDA will evaluate the success or failure of the program and report to Congress at the end of three years and again after seven years.

Section 10

Authorization for Appropriations:

Appropriations are authorized for seven years. For the first year the authorization level will be approximately $100 million. Each succeeding year the amount may be increased by ten percent.

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The January 1978 list includes:

NATIONAL DEFENSE

Standardization In NATO: Improving The Effectiveness And Economy Of Mutual Defense Efforts. PSAD–78–2, January 19.

A Critique Of The Performance Of The Defense Systems Acquisition Review Council; Billions In Public Funds Involved. PSAD–78–14, January 30.

Summaries Of Conclusions And Recommendations On Department Of Defense Operations. PSAD–78–46, January 24.

Termination Of Lockheed Government-Guaranteed Loans. PSAD–78–66, January 18.

Uniform Accounting And Workload Measurement Systems Needed For Department Of Defense Medical Facilities. FGMSD–77–8, January 17.

The Defense Integrated Data System—Is It Efficient And Effective? LCD–77–1–17, December 20.

Planned Establishment Of The Naval Aviation Logistics Center At Patuxent River, Maryland. LCD–77–355, January 6.

LETTER REPORTS

The Navy should defer procurement of two auxiliary oilers until deficient plans and specifications are corrected. PSAD–78–64, January 3.

How the Department of Defense and the Air Force have improved Military Airlift Command operations since the 1973 Middle East War. LCD–78–207, January 3.

Defense Department requirements for commercial replacement tires can be met through the General Services Administration's Federal Supply Schedule System and direct local purchase at less cost to the Government and quicker response to customer needs. LCD–77–235, January 4.

Did the Navy's Ships Parts Control Center comply with regulations in awarding a bomb suspension lug contract and did the Government incur additional costs because of late deliveries? PSAD–78–67, January 12.

Unscheduled work and payments for contractor-furnished materials on five aircraft maintenance contracts. PSAD–78–55, January 12.

Military family housing operation and maintenance program. CED–78–26, January 13.

Possible $1.6 million annual savings on logistics support contracts for the Air Force's Boeing 737 and McDonnell Douglas DC–9 aircraft. PSAD–78–68, January 18.

Review of pending contract award for painting at the Marine Corps Air Station at El Toro and Santa Ana, Calif. PSAD–78–73, January 31.

Data on Mission needs for the sea launched and air launched cruise missiles should be developed. PSAD–78–44, December 16.

INTERNATIONAL AFFAIRS

Domestic Policy Issues Stemming From U.S. Direct Investment Abroad. ID–78–2, January 16.

Legislative Changes Urged In Loan Program Of The Agency For International Development. ID–76–80, January 5.

LETTER REPORT

Examination of financial statements of the Overseas Private Investment Corporation, fiscal years 1977 and 1976. ID–78–12, January 16.

GENERAL SCIENCE, SPACE AND TECHNOLOGY

Financing Research In Antarctica: Tighter Control Of Logistic Support Costs Needed. ID–77–59, December 30.

ENERGY

U.S. Energy Conservation Could Benefit From Experiences Of Other Countries. ID–78–4, January 10.

More Attention Should Be Paid To Making The U.S. Less Vulnerable To Foreign Oil Price And Supply Decisions, EMD–78–24, January 3.

Emergency Natural Gas Purchases: Actions Needed To Correct Program Abuses And Consumer Inequities. EMD–78–10, January 6.

Need To Minimize Risks Of Using Salt Caverns For The Strategic Petroleum Reserve. EMD–78–25, January 9.

Problems With Publications Related To The Clinch River Breeder Reactor Project. EMD–77–74, January 6.

Additionally, GAO publishes a series of topical digests. Printed copies are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20242. The first in this series is:

GAO Energy Digest. GPO Stock Number 020–000–00151–8, $4.00.

LETTER REPORTS

Accuracy, reliability and consistency of coal reserve estimates by the Department of the Interior. EMD–78–23, January 11.

Separate research and commercialization roles and responsibilities for the Solar Energy Research Institute and the regional network can lead to fragmentation, lack of coordination and program effectiveness. EMD–78–26, January 24.

Analysis of cost and employment impacts of energy technologies. EMD–77–42, May 23.

NATURAL RESOURCES AND ENVIRONMENT

Special Pesticide Registration By The Environmental Protection Agency Should Be Improved. CED–78–9, January 9.

Timber Harvest Levels For National Forests—How Good Are They? CED–78–15, January 24.

LETTER REPORT

Are Federal agencies duplicating their efforts to measure snowpacks and forecast water supplies? CED–78–43, January 27.

AGRICULTURE

U.S. Participation In International Agricultural Research. ID–77–55, January 27.

TRANSPORTATION

Conrail's Attempts To Improve Its Use Of Freight Cars. CED–78–23, January 24.

LETTER REPORT

The Maritime Administration has not maintained a comprehensive long-range plan for additions and replacements to the U.S.-flag merchant fleet. CED–78–31, January 27.

COMMUNITY AND REGIONAL DEVELOPMENT

Section 236 Rental Housing—An Evaluation With Lessons For The Future. PAD–78–13, January 10.

LETTER REPORTS

How the State of Connecticut used funds from grants made by the New England Regional Commission from funds provided by the Commerce Department. CED–78–20, January 6.

Most public housing authorities can significantly reduce elevator maintenance and/or repair costs by combining requirements and obtaining competition. PSAD–78–10, January 17.

The Department of Housing and Urban Development should not approve additional funds for grantee projects when little or no progress has been made. CED–78–30, January 24.

EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

Review Of Compliance With Labor Standards For Service Contracts By Defense And Labor Departments. HRD–77–136, January 19.

Better Criteria Needed For Awarding Grants For School Desegregation. HRD–78–36, January 20.

LETTER REPORT

Estimated costs incurred by the Government in administering the Environmental Education Act. HRD–78–39, January 9.

HEALTH

Home Health—The Need For A National Policy To Better Provide For The Elderly. HRD–78–19, December 30.

Computed Tomography Scanners: Opportunity For Coordinated Federal Planning Before Substantial Acquisitions. HRD–78–41, January 30.

Medicaid Insurance Contracts—Problems In Procuring, Administering, And Monitoring. HRD–77–106, January 23.

The Environmental Protection Agency Needs Congressional Guidance And Support To Guard The Public In A Period Of Radiation Proliferation. CED–78–27, January 20.

Civil Service Should Audit Kaiser Plans' Premium Rates Under The Federal Employees Health Benefits Program To Protect The Government. HRD–78–42, January 23.

LETTER REPORT

Administration and termination by the National Center for Health Services Research of 5-year grant for Project SEARCH. MWD–76–100, March 9.

INCOME SECURITY

Worker Adjustment Assistance Under The Trade Act of 1974—Problems In Assisting Auto Workers. HRD–77–152, January 11.

Impact Of Illegal Aliens On Public Assistance Programs: Too Little Is Known. GGD–78–20, December 1.

VETERANS BENEFITS AND SERVICES

Veterans Administration Benefits Programs In The Philippines Need Reassessment. HRD–78–26, January 18.

ADMINISTRATION OF JUSTICE

FBI Taking Actions To Comply Fully With The Privacy Act. GGD–77–93, December 26.

Allegations That IRS Harassed Mississippi Civil Rights Activists Unsupported. GGD–78–32, January 27.

Federal Crime Control Assistance: A Discussion Of The Program And Possible Alternatives. GGD–78–28, January 27.

Review Of Selected Narcotics Enforcement Research And Development Projects. GGD–78–9, December 14.

GENERAL GOVERNMENT

Economies Available Through Improved Inventory Management. LCD–78–212, January 18.

Federal Agencies Should Be Given General Multiyear Contracting Authority For Supplies And Services. PSAD–78–54, January 10.

Need For Improvements In The Federal Supply Service's Priority Requisitioning System. PSAD–78–47, January 25.

General Services Administration's Practices In Awarding And Administering Leases Could Be Improved. LCD–77–354, January 24.

More Flexibility Needed By The General Services Administration For Delegating Leasing Authority To Federal Agencies. LCD–78–303, January 9.

The Federal Software Exchange Program—A Small Step In Improving Computer Program Sharing. FGMSD–78–11, January 13.

Financial Status Of Major Federal Acquisitions, September 30, 1977. PSAD–78–60, January 20.

Summaries Of Conclusions And Recommendations On The Operations Of Civil Departments And Agencies. HRD–78–23, January 26.

Federal And District Of Columbia Employees Need To Be In Separate Pay And Benefit Systems. FPCD–77–71, January 12.

The Securities And Exchange Commission's Regulation Of Public Utility Holding Companies: An Evaluation Of Commission Comments On A Critical Report. FGMSD–78–7, January 4.

Audit Of The United States Capitol Historical Society For The Year Ended January 31, 1977. GGD–78–27, January 9.

LETTER REPORTS

Questions about payroll and furniture expenditures by the Commission on Postal Service. GGD–28–11, January 10.

Substantial savings possible by using recapped tires on Government vehicles. LCD–78–210, January 11.

Availability of funds provided for entitlement programs in appropriation acts. PAD–78–46, January 13.

Has the Department of Justice complied with funding restrictions pertaining to the President's pardon proclamation? GGD–78–39, January 13.

The multiple-award Federal Supply Schedule provides opportunities for small and large business suppliers to sell to the Government. PSAD–78–63, January 17.

Review of General Services Administration internal audit report on violations of Federal procurement regulations in contracts awarded by GSA's Boston Region. LCD–78–304, January 17.

Are the General Services Administration's rental rates to the Department of Agriculture reasonable and are the billings accurate? LCD–78–306, January 18.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 4522, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275–6241.

STATEMENT ON THE ANNOUNCED RETIREMENT OF HON. JOHN DENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, it is a touch of irony in contemporary congressional history, that on the very day which I learned of the retirement of my dear friend JOHN DENT, that the President of the United States should sign into law the historic black lung amendments

which are so identified with the career of this great legislator.

It was my privilege and my fortune to work for several years in close cooperation with JOHN DENT as we endeavored to put together what became known as the 1969 Coal Mine Health and Safety Act, which created the "black lung" pension program for the first time. It was a crusade at first that we never dreamed would become a reality, but on this day, when hundreds of thousands of afflicted miners and their families will have a new opportunity to obtain black lung payments, the news of JOHN'S retirement comes as a sad loss to me.

I have known JOHN DENT for over 40 years, and I first met him in Harrisburg when we were both officials of the State government prior to our congressional service. Since that time, I have never known him as anything but a tireless crusader for the causes in which he believed. JOHN DENT and I have fought the cause of our constituents and the problems of the Commonwealth of Pennsylvania and the Nation for decades, and he is a comrade in arms whose battle armor will now be rested.

May the future hold only the best and the brightest for him and his charming wife, Margaret.●

TRIBUTE TO PHIL MULLEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas, (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, in late January it was my privilege to attend and participate in an appreciation dinner for Phil Mullen, editor of the Osceola Times, the weekly newspaper in my hometown.

Phil has been a newspaperman for 45 years, 14 of those years in Osceola. His contributions to the community are numerous. Phil provided great assistance and support for efforts to secure a riverport for Osceola. He was also instrumental in the Riverlawn Country Club project, as well as other recreational facilities in the community.

People like Phil Mullen have made me realize that the "American Dream" is alive and well. I would like to share with my colleagues the Osceola Times January 19 announcement and the February 2 account of this occasion:

[From the Osceola (Ark.) Times, Jan. 19, 1978]

PHIL MULLEN TO BE HONORED WITH APPRECIATION DAY, DINNER, JANUARY 30

An appreciation dinner in recognition of Phil Mullen for his devotion of time and talent to many projects for the betterment of the Osceola community has been slated for Monday night, January 30.

The affair is being sponsored by a "Friends of Phil Mullen Committee" and will begin at 7 p.m., at the Riverlawn Country Club.

The Osceola City Council adopted a Resolution of Appreciation during the regular session on Monday night and which declared January 30 as "Phil Mullen Appreciation Day."

Plans for the dinner include a banquet meal and ceremony of recognition when Mr. Mullen will be presented a plaque of appreciation and a copy of the Resolution to be reproduced on parchment paper and framed.

Mayor R. E. "Dick" Prewitt will emcee the program.

The appreciation dinner will be a stag event and invitations have been sent to a good number of personal friends and associates of Mullen.

However, an invitation is not necessary to attend the dinner and otherwise participate in the appreciation affair. Any man of the community wishing to attend is invited to call 563-5273 to make a reservation with the cost of the dinner affair being $10.00.

In order to allow the proper time for planning the appreciation dinner a shut-off date for accepting reservations has been set for January 25.

Mullen came to Osceola as coeditor-publisher of The Osceola Times in May of 1964, when he and his father, Curtis Mullen, purchased the newspaper.

In November of that year Curtis Mullen decided to retire and sold the newspaper to Phil Mullen, Nell Stevens and Richard Milton.

Phil Mullen assumed the position of editor-publisher of the newspaper and with a strong background in newspaper work, a unique talent for writing and searching out news worthy events he helped to establish The Osceola Times as the top weekly newspaper in the state.

Through editorial writing, through feature articles and photographs he brought about an awareness of need for reform and progress in a number of areas within the community and at various times accompanied city officials to former hometowns to view and inspect projects he felt would be beneficial to this community.

And, as the resolution passed by the Council took note of he brought "proper recognition to the beauty of all women" who he wrote about and photographed.

Perhaps, the most outstanding issue of The Osceola Times edited and published by Mr. Mullen was the Centennial Issue of the founding of the newspaper and which highlighted the proud heritage of the families that settled Osceola into the city it is today.

Also, through feature articles, personality skits he sought out talented people in the community as leaders in many community projects, and this too was a knack for which he was particularly suited and talented.

He remained active in the editing and publishing of The Osceola Times until a little over one year ago when he semi-retired from day to day activity at the newspaper.

[From the Osceola (Ark.) Times, Feb. 2, 1978]

PHIL MULLEN GETS TASTE OF RECIPE HE HAS DISHED OUT FOR 45 YEARS

(By Richard Milton)

It may not have been his finest hour, or as a former associate said a classical case of "every dog having his day" but last Monday night will be one fondly remembered for years to come by the editor of The Osceola Times, Phil Mullen.

He was the guest of honor at an appreciation dinner held at the Riverlawn Country Club and which attracted an overflow crowd of men representing about every phase of life in this community as well as a few visitors who had to travel some miles to take part in the event.

Mr. Mullen has been a newspaperman for the past 45 years and 14 of those years have been devoted to the career right in this community.

In those years he has without a doubt written more nice, complimentary and appreciative articles about people than any of his peers, even those engaged in borning a paper every day as opposed to his career in the weekly newspaper field.

So, on last Monday night it seemed doubly fitting that many of the remarks he has made about people came back home and made him know his efforts have not gone without notice.

Osceola Mayor R. E. "Dick" Prewitt emceed the program following a meal of steak, potato and salad and he started the words rolling by point to the purpose of the appreciation event: "we are here to honor our friend Phil Mullen."

Prewitt expressed the feeling of the men present when he said "this is among the nicest of appreciation events I have witnessed."

Since the speakers were lined up in a fashion somewhat resembling the popular shows staged by Dean Martin and friends, Prewitt assured the honoree this event "is going to be a toast and not a roast."

And, that it was.

Prewitt reviewed a few highlights of the newspaperman's career as he noted it started in the early 30's in Oxford, Mississippi. He touched on Mullen's close association and admiration of former President Harry Truman and Nobel Prize winning author William Faulkner as being the central figures in many of his great memories of an outstanding career.

Prewitt reviewed some of the projects in which the Times editor has lent support over the years such as the building programs of the local schools, Lake Neark, the Riverport Terminal, industrial development, the new hospital, support of the law enforcement agencies and the list went on and on.

Then, to spontaneous applause from the audience, he issued a call for Mullen "to become active in your profession" and he mentioned in specificity the writing of the favorite personal column: "Moonbeams."

Mullen has been semi-retired at the local newspaper for a couple of years but does on occasion get back into the swing and demonstrates his unique talent for putting things into words.

Before turning over the speaker's stand to the men waiting in the corners Prewitt read telegrams and letters from friends and former associates, all filled with words of appreciation and encouragement as well as expressions of regret they could not be present.

The messages came from Nina Goolsby, editor of the Oxford, (Miss.) Eagle, who credits Mullen with getting her started in the career of newspapering; Senator Dale Bumpers of Arkansas; Haskel Smith Oxford; Bill Brandon, Jim Birchett and Bill Cook of Canton, where Mullen was an editor of that Mississippi newspaper prior to the move to Osceola.

CONGRESSMAN ALEXANDER

Next to bring forth words of admiration and appreciation was Congressman Bill Alexander, a native of Osceola, and a young man who received a boost in his political career on the advice and encouragement of Mullen.

Congressman Alexander flew into Memphis from Washington and made the trip to Osceola for the sole purpose of attending the event to honor his "good friend."

He said as he passed by the sign on I–55 "Welcome to Osceola, Riverport City of Northeast Arkansas" it served to remind him why he was making the trip back home on this night.

He pointed to Mullen's help on the Riverport Project and told of the trip he, Mullen and Osceola Alderman Ed Chisenhall made to the Corps of Engineers office in Greenville, Mississippi, in the Riverport project effort.

He said Mullen "was quick to recognize the potential of a riverport for this area and he helped to show the way."

He also gave the Times editor credit for helping in the project to establish the Riverlawn Country Club here as well as other recreationally oriented facilities.

Congressman Alexander said small towns are like large families with each resident

making a contribution to the betterment of the community and he said Mullen "has made a tremendous contribution."

He gave Mullen credit for inspiring in him a sound belief in the "American Dream" of being able to realize ambitions of a lifetime.

JUDGE BANKS

Mississippi County Judge A. A. "Shug" Banks, 18 years in the elective office, reflected back over his years of association with Mullen as he brought some humor to the proceedings by noting how the editor used to get on him a little bit as a public servant.

But, in a serious vein he told Mullen "it is a distinct honor and privilege to be here tonight to join in this program to honor you". He said "you are an excellent newspaper editor and you do know how to get people excited."

Judge Banks also chose the format of the stag get-together to announce "I will not be a candidate for the office of county judge" in the election this year.

He said "I will miss it but it is time for me to get out." More about the Judge's announcement will be found in an article in this week's issue of The Times.

REPRESENTATIVE NICHOLSON

Bill Nicholson, member of the Arkansas Legislature, passed along some appreciative words on behalf of Governor David Pryor as well as a framed Certificate of Merit and a picture of the Governor signing the document of appreciation for outstanding service to the state and the community.

He also said about Mullen "you are a very interesting person and a most worthwhile citizen of this community."

Prewitt then came back into the picture for a presentation ceremony and gave the honoree a framed copy of the City Council passed Resolution designating January 30, as "Phil Mullen Appreciation Day" and a handsome Distinguished Service Award to hang on the wall as a reminder of the fine tribute paid to him by friends of this community.

MR. MULLEN

Mullen was obviously moved by the events of the evening as he was given his chance to talk.

He said "I am overwhelmed and humbly grateful to everyone that is here tonight."

Then he expressed his appreciation to all the people of The Osceola Times staff as he shared a bit of the night with them.

He said when he came to Osceola in May of 1964, "I thought the highlights of my career were over" and then he reviewed some of the personal experiences of a newspaperman in this community and which suggested some of the best happened right here.

He looked out at the faces in the crowd and said: "It has been a lot of fun. I do not see anyone in this room that I have not written something nice about over these 14 years and it has been my pleasure."

And, the overwhelming evidence said on that Monday night it was a pleasure to return some of the fine compliments, words of appreciation that have come in abundance from the typewriter of Phil Mullen in his career as a newspaperman in a small community.●

PERSONAL EXPLANATION

(Mr. KASTEN asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. KASTEN. Mr. Speaker, I was absent from Friday's session of the House and wish to record my position on the votes that occurred at that time:

"Yea" on the rule to consider H.R. 9757, the grazing fee moratorium of 1977;

"Yea" on final passage of H.R. 9757;

"Yea" on the rule to consider H.R. 3377, the Wichita Indian Land Claims Act;

"Yea" on the substitute amendment to H.R. 3377;

"Yea" on final passage of H.R. 3377.●

GENERAL LEAVE

Mr. PATTISON of New York. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Pennsylvania (Mr. KOSTMAYER).

The SPEAKER pro tempore (Mr. MIKVA). Is there objection to the request of the gentleman from New York.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for today, on account of official business.

Mrs. MEYNER (at the request of Mr. WRIGHT), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STEIGER) to revise and extend their remarks and include extraneous material:)

Mr. GILMAN, for 60 minutes, March 7, 1978.

Mr. RAILSBACK, for 5 minutes, today.

(The following Members (at the request of Mr. PATTISON of New York) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. KOSTMAYER, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. STEIGER) and to include extraneous matter:)

Mr. CONABLE.

Mr. YOUNG of Florida in five instances.

Mr. JOHNSON of Colorado.

Mr. HARSHA.

Mr. STOCKMAN in two instances.

Mr. KETCHUM.

Mr. STEERS in three instances.

Mr. HYDE in two instances.

Mr. LAGOMARSINO in two instances.

Mr. MOORHEAD of California.

(The following Members (at the request of Mr. PATTISON of New York) and to include extraneous matter:)

Mr. WALGREN.

Mr. FISHER.

Mr. MAZZOLI in two instances.

Mr. BYRON in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mr. SISK.

Mrs. LLOYD of Tennessee in five instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. HAMILTON in 10 instances.

Mr. RODINO in two instances.

Mr. AUCOIN.

Mr. FARY in two instances.

Mr. FORD of Michigan.

Mr. KILDEE.

Mr. WON PAT.

Mr. EDGAR.

Mr. MCKAY.

Mr. NEAL.

Mr. MURTHA.

Mr. LEVITAS.

Mr. AMBRO.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2076. An act to authorize the Secretary of the Interior to make payments to appropriate school districts to assist in providing educational facilities and services for persons living within or near the Grand Canyon National Park on nontaxable Federal lands, and for other purposes.

ADJOURNMENT

Mr. PATTISON of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Thursday, March 2, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3405. A letter from the Governor, Farm Credit Administration, transmitting the 44th annual report of the Farm Credit Administration and the cooperative Farm Credit System, including a report on the activities of the Federal Farm Credit Board, covering the year ended June 30, 1977, pursuant to section 5.18(3) of the Farm Credit Act of 1971, as amended; to the Committee on Agriculture.

3406. A letter from the Deputy Secretary of Defense, transmitting notice of various transfers from the Secretary of Defense Readiness Fund for operations and maintenance expenses of the military departments, pursuant to title III of Public Law 95–111; to the Committee on Appropriations.

3407. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the Federal Crop Insurance Fund has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

3408. A letter from the Deputy Assistant Secretary of Defense (Installations and

Housing), transmitting the Base Structure Annex to the Defense Manpower Requirements report for fiscal year 1979, pursuant to section 302 of Public Law 94–361; to the Committee on Armed Services.

3409. A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting a report covering the 6 months ended December 31, 1977, on Air Force experimental, developmental and research contracts of $50,000 or more, by company, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

3410. A letter from the Administrator of General Services, transmitting the statistical supplement to the stockpile report for the 6 months ended September 30, 1977, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

3411. A letter from the Acting Director, Selective Service System, transmitting his report for the period January 1 through September 30, 1977, pursuant to section 10 (g) of the Military Selective Service Act; to the Committee on Armed Services.

3412. A letter from the Secretary of Housing and Urban Development, transmitting the fourth annual report on the HUD coinsurance program, pursuant to section 244(f) of the National Housing Act; to the Committee on Banking, Finance and Urban Affairs.

3413. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

3414. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting the Bank's annual report for fiscal year 1977, pursuant to section 9 of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

3415. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and amend the Elementary and Secondary Education Act of 1965 and related programs, to establish programs to promote the improved achievement of children in basic skills and to assist State and local educational agencies to enhance the quality of their education programs, to improve the administration of Federal elementary and secondary education programs, and for other purposes; to the Committee on Education and Labor.

3416. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting the annual report of his office for fiscal year 1976 and the transition quarter, pursuant to section 422(b) of the General Education Provisions Act, together with the annual reports of the statutory advisory committees required by section 443 of the act, and summaries of the reports required by section 12 of Public Law 81–815 and section 301 of Public Law 81–874; to the committee on Education and Labor.

3417. A letter from the National Advisory Council for Career Education, transmitting the Council's annual report for calendar year 1976, pursuant to section 448(a) of the General Education Provision Act, as amended; to the Committee on Education and Labor.

3418. A letter from the Administrator of General Services, transmitting the Defense Department's response to the April 1976 report to the President and Congress of the Defense Manpower Commission, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3419. A letter from the Acting Assistant Director for Information, Office of Governmental and Public Affairs, Department of Agriculture, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 522(d); to the Committee on Government Operations.

3420. A letter from the Secretary, American Battle Monuments Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3421. A letter from the Chair, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3422. A letter from the Chairman, Federal Communications Commission, transmitting a report on the agency's activities under the Freedom of Information Act during the calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3423. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3424. A letter from the executive director, Pension Benefit Guaranty Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3425. A letter from the Director, Bureau of the Census, Department of Commerce, transmitting the second report on the survey of registration and voting conducted after the 1976 general elections, pursuant to section 403 of Public Law 94–73; to the Committee on the Judiciary.

3426. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1979 and 1980 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

3427. A letter from the Assistant Secretary of Agriculture, transmitting the 1977 annual report of the National Advisory Council on Maternal, Infant and Fetal Nutrition, pursuant to section 17(h)(6) of the Child Nutrition Act of 1966, as amended (89 Stat. 518); jointly, to the Committees on Agriculture, and Education and Labor.

3428. A letter from the Secretary of Agriculture, transmitting the annual report of the Forest Service on the renewable resource planning program, pursuant to sections 3(e), 6(c), 8(c) and 8(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

3429. A letter from the Comptroller General of the United States, transmitting a report on the information system used by the FBI to manage its criminal investigative resources and report on their results (GGD–78–1, February 15, 1978); jointly, to the Committees on Government Operations, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 2028. A bill to authorize the home production of beer and wine; with amendment (Rept. No. 95–915). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 5103. A bill to amend the Internal Revenue Code of 1954 to provide for excise tax refunds in the case of certain warranty adjustments on tires, and for other purposes; with amendment (Rept. No. 95–916). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 10551. A bill to extend for 1 year the authority of the Commissioner of Education to waive provisions of title I of the Elementary and Secondary Education Act for certain local educational agencies (Rept. No. 95–917). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Carolina:

H.R. 11212. A bill to amend the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Education and Labor.

By Mr. ASPIN:

H.R. 11213. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. AUCOIN:

H.R. 11214. A bill to amend section 411 of the Higher Education Act of 1965 with regard to determinations of independent student status, and for other purposes; to the Committee on Education and Labor.

By Mr. CONYERS (for himself, Mr. BLANCHARD, Mr. BONIOR, Mr. BRODHEAD, Mr. CARR, Mr. DINGELL, Mr. NEDZI, and Mr. TRAXLER):

H.R. 11215. A bill to translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government; to the Committee on Education and Labor.

By Mr. DELANEY (for himself, Mr. MOSS, Mr. SEIBERLING, Mr. MAGUIRE, Mr. RINALDO, Mr. WAXMAN, Mr. MOFFETT, Mr. GORE, Mr. WALGREN, Ms. HECKLER, Mr. EDGAR, Mr. BINGHAM, Mr. DOWNEY, Mr. VENTO, Mr. AKAKA, Mr. ROSENTHAL, Mr. DRINAN, Mr. CHARLES WILSON of Texas, Mr. BLANCHARD, Mr. RICHMOND, Ms. HOLTZMAN, Mr. LE FANTE, Mr. MOAKLEY, Mr. PANETTA, and Mr. WEISS):

H.R. 11216. A bill to amend the Federal Food, Drug, and Cosmetic Act to repeal the exemption from regulation under that act

for hair dyes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLIPPO (for himself, Mr. AKAKA, Mr. DERWINSKI, Mr. EDWARDS of California, Mr. EILBERG, Mr. FISH, Mr. FITHIAN, Mr. GORE, Mr. GUYER, Mr. HOLLENBECK, Mr. JENRETTE, Mr. KRUEGER, Mr. LAGOMARSINO, Mrs. LLOYD of Tennessee, Mr. LUJAN, Mr. MCHUGH, Mr. MOAKLEY, Mr. PATTISON of New York, Mr. ROE, Mr. RUDD, Mr. STEERS, Mr. STUMP, Mr. TRAXLER, Mr. WALKER, and Mr. WATKINS):

H.R. 11217. A bill to provide for a research, development, and demonstration program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and used to generate electricity for domestic purposes; to the Committee on Science and Technology.

By Mr. GAMMAGE (for himself, Mr. MATHIS, Mr. DUNCAN of Tennessee, Mr. LUJAN, Mr. YOUNG of Alaska, Mr. LE FANTE, and Ms. MIKULSKI):

H.R. 11218. A bill to amend the Internal Revenue Code of 1954, title 26 of the United States Code, to provide that taxpayers who itemize deductions may deduct from taxable income an amount equal to the amount of social security taxes paid during the taxable year, or, in lieu of such deduction, any taxpayer may claim a tax credit in the amount of 15 percent of the amount of such social security taxes paid, whichever results in greater savings; to the Committee on Ways and Means.

By Mr. GLICKMAN (for himself, Mr. NOLAN, Mr. CAVANAUGH, Mr. ERTEL, Mr. EVANS of Georgia, Mr. JENRETTE, Mr. SANTINI, and Mrs. SPELLMAN):

H.R. 11219. A bill to encourage the use of alcohol in motor vehicle fuels by requiring certain retailers to make alcohol-blended fuels available for sale, by allowing the rapid amortization of facilities producing alcohol for use in motor vehicle fuels, and by exempting alcohol-blended fuels from certain requirements of the Clean Air Act; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. HANSEN (for himself, Mr. BRECKINRIDGE, and Mr. CHARLES H. WILSON of California):

H.R. 11220. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

By Mrs. HOLT (for herself, Mr. FREY, Mr. WHITEHURST, Mr. CORNELL, Mr. MARRIOTT, Mr. TREEN, Mrs. SPELLMAN, Mr. MURPHY of Pennsylvania, Mr. MURPHY of Illinois, Mr. CORCORAN of Illinois, Mr. HARRINGTON, Mr. CRANE, Mr. SEIBERLING, Mr. LOTT, Mr. GOODLING, Mr. SIMON, Mr. SPENCE, Mr. SOLARZ, and Mr. QUIE):

H.R. 11221. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to provide emphasis within the National Institute on Alcohol Abuse and Alcoholism for families of alcohol abusers and alcoholics; to the Committee on Interstate and Foreign Commerce.

By Mr. KOSTMAYER (for himself, Mr. LUNDINE, and Mr. MCHUGH):

H.R. 11222. A bill to preserve jobs and stabilize communities by facilitating employee, or employee-community, ownership of concerns that would otherwise close down or move out of the community, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. KREBS:

H.R. 11223. A bill to exempt certain irrigation districts organized for the purpose of delivering water from the Kings River and Tulare Lake Basin project, and lands located within such irrigation districts, from certain restrictions under the Federal reclamation laws, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LAFALCE:

H.R. 11224. A bill to provide for equal access to the courts; to the Committee on the Judiciary.

By Mr. MARLENEE:

H.R. 11225. A bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries; to the Committee on Veterans' Affairs.

By Mr. MEEDS (for himself and Mr. LUJAN):

H.R. 11226. A bill to promote a more adequate and responsive national program of water research and development, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOTTL (for himself, Mr. HYDE, Mr. SIMON, Mr. MATHIS, Mr. ROE, Mr. YOUNG of Missouri, Mr. MAZZOLI, Mr. GEPHARDT, Mr. MARTIN, Mr. GUYER, and Mr. MINETA):

H.R. 11227. A bill to amend title VIII of the Elementary and Secondary Education Act of 1965 to provide grants to public schools to assist the schools in implementing basic standards of educational proficiency, and for other purposes; to the Committee on Education and Labor.

By Mr. MOTTL (for himself, Mr. WEISS, Mr. SEIBERLING, Mr. HARRINGTON, and Ms. MEYNER):

H.R. 11228. A bill to regulate and restrict the use of fuel adjustment clauses by federally regulated, and State regulated, electric and gas utilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RAHALL (for himself, Mr. ABDNOR, Mr. RONCALIO, and Mr. SHUSTER):

H.R. 11229. A bill to correct inequities with respect to subsidy refunds made by certain air carriers for the years 1964 and 1965; to the Committee on Public Works and Transportation.

By Mr. RANGEL:

H.R. 11230. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to employers who hire unemployed youths; to the Committee on Ways and Means.

By Mr. STOCKMAN (for himself, Mr. BROWN of Michigan, Mr. BROWN of Ohio, Mr. BROOMFIELD, Mr. CEDERBERG, Mr. COLLINS of Texas, Mr. DORNAN, Mr. FRENZEL, Mr. HILLIS, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. MADIGAN, Mr. MANN, Mr. MOORE, Mr. QUAYLE, Mr. PURSELL, Mr. ROUSSELOT, Mr. RUPPE, Mr. SARASIN, Mr. SAWYER, Mr. SHUSTER, Mr. VANDER JAGT, and Mr. WINN):

H.R. 11231. A bill to repeal the provisions of the Motor Vehicle Information and Cost Savings Act authorizing the establishment of average fuel economy standards for trucks and other nonpassenger vehicles to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE:

H.R. 11232. A bill to authorize appropriations to carry out the Standard Reference Data Act; to the Committee on Science and Technology.

By Mr. THONE:

H.R. 11233. A bill to amend title 5, United States Code, to provide for the payment of overtime to certain personnel employed in the Department of Agriculture; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 11234. A bill to protect the economy of the United States domestic agriculture, labor, and industry, by the maintenance of farm income and purchasing power; to the Committee on Agriculture.

By Mr. WOLFF (for himself, Mr. DOWNEY, Mr. LENT, and Mr. PIKE):

H.R. 11235. A bill to amend title 28 of the United States Code to provide for holding district court for the Eastern District of New York at Uniondale, N.Y.; to the Committee on the Judiciary.

By Mr. BRODHEAD (for himself, Mr. LEDERER, and Mr. MURPHY of New York):

H.R. 11236. A bill to provide for reimbursement to States experiencing high rates of insured unemployment; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Ms. KEYS, Mr. AKAKA, Mr. ANDERSON of California, Mr. ASPIN, Mr. BALDUS, Mr. BEDELL, Mr. BIAGGI, Mr. BINGHAM, Mr. BLOUIN, Mrs. BOGGS, Mr. BONIOR, Mr. BONKER, Mr. BREAUX, Mr. BRODHEAD, Mr. BURKE of Massachusetts, Mrs. BURKE of California, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. CORRADA, Mr. DIGGS, Mr. DODD, Mr. DOWNEY, and Mr. DRINAN):

H.R. 11237. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Ms. KEYS, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mr. FLOOD, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. GARCIA, Mr. GEPHARDT, Mr. GLICKMAN, Mr. GRASSLEY, Mr. GREEN, Mr. GUDGER, Mr. HANNAFORD, Mr. HARKIN, Mr. HARRINGTON, Mr. HAWKINS, Mr. HEFTEL, Ms. HOLTZMAN, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. LEACH, Mr. LEDERER, and Mrs. LLOYD of Tennessee):

H.R. 11238. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Ms. KEYS, Mr. LONG of Louisiana, Mr. LUNDINE, Mr. MCHUGH, Mr. MCKINNEY, Mr. MEEDS, Mrs. MEYNER, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. MICHAEL O. MYERS, Mr. NEAL, Mr. NEDZI, Mr. NIX, Mr. NOLAN, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PEPPER, Mr. PREYER, Mr. QUIE, and Mr. QUILLEN):

H.R. 11239. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Ms. KEYS, Mr. RAHALL, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. RODINO, Mr. ROSENTHAL, Mr. SMITH of Iowa, Mr. SOLARZ, Mr. STARK, Mr. STUDDS, Mr. TRAXLER, Mr. UDALL, Mr. VENTO, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. ZABLOCKI, and Mr. ZEFERETTI):

H.R. 11240. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling; to the Committee on Ways and Means.

By Mr. LAGOMARSINO:

H.R. 11241. A bill to change the name of the harbor at Ventura Marina, Calif., to, Ventura Harbor; to the Committee on Public Works and Transportation.

By Mr. LATTA:

H.R. 11242. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 11243. A bill to amend the Elementary and Secondary Education Act of 1965 to assist school districts to carry out locally approved school security plans to reduce crime against children, employees, and facilities of their schools to provide for the reporting of crimes committed in schools, and for other purposes; to the Committee on Education and Labor.

By Mr. ALLEN:

H.J. Res. 764. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. BOLAND:

H.J. Res. 765. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. BUCHANAN (for himself, Mr. BEVILL, Mr. DICKINSON, Mr. FLIPPO, and Mr. NICHOLS):

H.J. Res. 766. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. EILBERG (for himself, Mr. ERTEL, Mr. FLOOD, Mr. GAYDOS, Mr. LEDERER, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of Pennsylvania, Mr. MURTHA, Mr. MICHAEL O. MYERS, and Mr. NIX):

H.J. Res. 767. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. GAMMAGE:

H.J. Res. 768. Joint resolution to authorize and request the President to issue a Proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H.J. Res. 769. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL:

H.J. Res. 770. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. VENTO (for himself, Mr. FRENZEL, and Mr. QUIE):

H.J. Res. 771. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. BEARD of Tennessee (for himself, Mr. BEVILL, Mr. GUYER, Mr. HILLIS, Mr. LAGOMARSINO, Mr. KINDNESS, Mr. LLOYD of California, and Mr. STEERS):

H. Con. Res. 495. Concurrent resolution that it is the sense of the Congress that the President and the Secretary of the Treasury be inspired to apply trade laws regarding countervailing duties and special dumping duties to the importation of foreign steel; to the Committee on Ways and Means.

By Mr. HANSEN (for himself, Mr. MURPHY of New York, Mr. ST GERMAIN, Mr. WON PAT, Mr. BRECKINRIDGE, Mr. DINGELL, and Mr. CHARLES H. WILSON of California):

H. Con. Res. 496. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Ms. OAKAR (for herself, Mr. ST GERMAIN, Ms. MIKULSKI, Mr. ERTEL, Mr. MURPHY of Pennsylvania, Mr. CEDERBERG, Mr. YATRON, Mr. FOUNTAIN, Mr. DOWNEY, Mr. BENJAMIN, Mr. FORD of Michigan, Mr. MCCLORY, Mr. VENTO, Mr. TSONGAS, Mr. KOSTMAYER, Mr. GEPHARDT, Mr. CORRADA, Mr. BEVILL, Mr. GARY A. MYERS, Mr. WEISS, and Mr. CARNEY):

H. Con. Res. 497. Concurrent resolution to disapprove the determination of the President denying import relief under the Trade Act of 1974 to the U.S. industry manufacturing metal fasteners; to the Committee on Ways and Means.

By Mr. ROE:

H. Con. Res. 498. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

307. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to forgiveness of the debt arising out of the Guam Rehabilitation Act; to the Committee on Interior and Insular Affairs.

308. Also, memorial of the Legislature of the State of Indiana, relative to fuel standards established by the National Highway Traffic Safety Administration; to the Committee on Interstate and Foreign Commerce.

309. Also, memorial of the House of Representatives of the State of New Mexico, relative to unemployment compensation for domestic employees; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. McFALL introduced a bill (H.R. 11244) for the relief of Ese Hursky, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

405. By the SPEAKER: Petition of the Chinese American Citizens Alliance, San Francisco, Calif., relative to creating a subcabinet position for Asian Affairs; to the Committee on Government Operations.

406. Also, petition of the Greater Dallas Section, National Council of Jewish Women, Dallas, Tex., relative to resolutions adopted by the National Council of Jewish Women; to the Committee on Government Operations.

407. Also, petition of the House of Representatives, Morocco, relative to the territorial integrity of the Moroccan Sahara; to the Committee on International Relations.

408. Also, petition of the Board of Chosen Freeholders, Mount Holly, NJ., relative to the Consumer Communications Reform Act; to the Committee on Interstate and Foreign Commerce.

409. By Mr. WALKER: Petition of the Young Republicans of Lebanon County, Pa., relative to an investigation of the firing of David Marston; jointly, to the Committee on the Judiciary, and Rules.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.J. RES. 554

By Mr. BUTLER:

(Substitute amendment for the amendment offered by Mr. VOLKMER.)

On page 2, line 17, strike out the close quotation mark and the period which follows, and immediately following line 17, add the following new section:

"SEC. 5. No ratification by the legislature of a State shall continue to be effective or counted toward the necessary number of ratifications on and after the date of a rescission of that ratification by the legislature of a State, unless this article of amendment has been adopted prior to the date of that rescission.".

SENATE—*Wednesday, March 1, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 9 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let the words of my mouth, and the meditation of my heart, be acceptable in Thy sight, O Lord, my strength, and my redeemer.—Psalms 19: 14.

O Lord our God, in whom we live and move and have our being, help us to live this day conscious of Thy presence every moment. Grant that every word we speak may be fit for Thee to hear, that every deed we do may be fit for Thee to see; that every thought of our mind and emotion of our heart may be fit for Thy scrutiny. And if we soil our lips or pollute our emotions, God of all grace, cleanse us, forgive us, and start us out again pure and clean in Thy sight. May nothing be left undone which can be done this day and may nothing be badly done. Grant that we may come to our rest with nothing to regret and nothing to make us ashamed.

We pray in the name which is above every name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 1, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I believe the Senator from Missouri is to be recognized first.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I have no requirements for my time under the standing order.

Mr. President, I might inquire of the acting majority leader if he wishes to seek the approval of the Journal of the proceedings of yesterday.

THE JOURNAL

Mr. MOYNIHAN. Mr. President, I request approval of the Journal of proceedings of yesterday, as in legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield back the remainder of my time.

SPECIAL ORDERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized for not to exceed 15 minutes.

THE HORN OF AFRICA

Mr. EAGLETON. Mr. President, in the past few weeks the situation in the Horn of Africa has come under increasing scrutiny here and abroad. As the war between Ethiopia and Somalia escalates, the statistics become more and more staggeringly disparate. Let me list just a few.

The Ethiopian military force consists of 192,000 troops, not including the 12,000 Cuban troops helping out in various ways, such as flying Soviet planes on bombing raids and training Ethiopian troops and pilots. The estimate today is 12,000 Cubans—tomorrow it could be 14,000 or 16,000, it is increasing so rapidly. Apparently, this massive Cuban involvement in Ethiopia has so depleted Cuba's forces that Soviet pilots now are flying air patrol missions over Cuba.

Somalia, by contrast, has a military force of 60,000. Because of casualties suffered to date, which some estimate as high as 40,000, Somalia now is recruiting women and 13- and 14-year-old children to fight.

Ethiopia is the recipient of the largest Soviet airlift in history—more than $1 billion in arms and equipment, which includes approximately 400 tanks and 50 sophisticated Mig–23 fighter planes.

Somalia has received $30 million from Egypt in military assistance, and there are reports that Saudi Arabia and Iran also have given the Somalis financial assistance. But Somalia has received no equipment from any other country, either directly or indirectly, because no one wants to get involved in this so-called "subregional" conflict. So Somalia continues to stagger along on something like 9 operable Mig's out of a 52-plane fleet, and no helicopters.

Considering the advantage the Ethiopians have—a 3-to-1 troop advantage and unquestionable air superiority—the only questions regarding the outcome seem to be questions of time.

Meanwhile, we continue to observe this conflict with detachment, waiting for the next move. I am encouraged by some actions taken by the administration in the past few weeks. First, Secretary Vance has made it clear to the Soviet Union that the United States will not tolerate any Soviet advancement across Somalian borders, and that, should this occur, the United States is prepared to reassess its current policies. Second, the two-man administration team recently sent to Ethiopia in an effort to improve relations with Colonel Mengistu emphasized that the presence of Soviet and Cuban personnel and equipment takes the conflict beyond the regional level. Our representatives were given assurances by Mengistu that Ethiopia's only interest is in protecting her territory, not in invading Somalia. Finally, I understand that the administration has made a decision regarding Ethiopia's spare parts order. We will separate lethal and nonlethal items and allow only nonlethal items to be shipped. This means that Ethiopia will not receive the F–5 spare parts, the swift patrol boats, or the howitzers she ordered some time ago, but will receive about $1 million worth of trucks and truck spare parts.

As I said, this is encouraging, but I wonder if it is enough and whether there is adequate concern at high levels.

It is clear to me that the Soviet Union does not intend to fold its tent and return home once the Ogaden conflict is over. It is clear to me that, at the very least, the Soviet-Cuban combine will be used in countering the insurgent movement in the Eritrea Province once the Ogaden matter is finished.

Where will they turn next? Vulnerable Somalia? Perhaps Rhodesia? Of course, we do not know for sure. One thing we do know: The escalating Soviet-Cuban presence in the Horn of Africa is of such magnitude that it is no longer safe to assume that they are benignly in the Horn simply to protect the territorial integrity of Ethiopia.

I cannot read the future, but I can see other current indications that the Soviet Union is expanding its commitment in the Horn of Africa. The presence in Ethiopia of General Petrov—one of the most senior military officials in Moscow—seriously strains the credibility of the Soviet Union's claim that it is involved only to the extent of helping Ethiopia push the Somalis out of the Ogaden.

Yesterday's Washington Post contained an item reporting the presence of 1,000 Cubans in the Eritrea Province. The State Department does not have an accurate reading on this, but has had reports of anywhere from several hundred to 2,000, and continues to monitor the situation.

It is virtually impossible to assign a precise figure to the Cuban troop level. Arnaud de Borchgrave, the Newsweek correspondent, was told recently by an Ethiopian Government official:

> When Castro was here last March, he boasted, "We made the Americans believe that we only had 20,000 troops in Angola, while we [actually] had 40,000."

There seems to be an air of confidence in the State Department that the Soviet Union will, in essence, heed our warning and restrain the Ethiopians and Cubans from proceeding into Somalia. I hope this confidence is well placed, but I must say I am not as sanguine as the State Department about it. I continue to be troubled by the enormous Soviet buildup in arms and the increasing Cuban presence which is far in excess of the military might required simply to clear the Ogaden region of invading Somali forces.

Mr. President, I spoke on this issue 3 weeks ago, and, at that time, urged President Carter to reassess our current policy which precludes sending arms or assistance to either Somalia or Ethiopia, directly or indirectly. Clearly, the Soviets and the Cubans are in for the duration of the Ogaden conflict and, almost as clearly, for the Eritrean campaign. Beyond that is anybody's best guess.

Again, I urge the administration to either immediately authorize third countries to transfer U.S. weapons to Somalia, and/or to make preparations to send such military equipment as it deems appropriate to interested countries for transfer to Somalia. I am not calling for the deployment of any American military personnel. I am asking the administration to be prepared for appropriate equipment transfers if the administration's estimate of the limits of the Soviet-Cuban intentions proves to be unfounded.

Mr. President, I ask unanimous consent that a series of articles on this subject matter be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Economist, Feb. 25, 1978]

ALONE IN THE HORN

President Carter has not solved his problem in the Horn of Africa by getting the Ethiopians to promise that their army will not invade Somalia. Mr. David Aaron, the White House emissary who won that promise from Colonel Mengistu on February 17th,

was pushing at an open door, and a side door at that. The Russians, who direct the Ethiopian army's campaign, have their own reasons for not wanting it to cross the Somali border, and therefore it probably will not. And the Somali border is not the main issue. The main issue is whether Soviet arms, Soviet advisers and Cuban shock troops are about to make it possible for Colonel Mengistu's regime to reimpose an Ethiopian empire on the people of the Ogaden and Eritrea, who do not want to be ruled from Addis Ababa; whether this will entrench Soviet influence in the Horn; and what the consequences of that might be in the Arab world to the north.

WHERE ACQUIESCENCE LEADS

The Somalia army has no right to be in the Ogaden, Mr. Aaron seems to have told Colonel Mengistu; and Somalia will get no American arms, directly or through third parties, so long as it remains there. The Carter-Aaron position is legally impeccable. Most people's maps shows the Ogaden as part of Ethiopia, and most of the governments of Africa oppose the changing of any African frontier because they fear that theirs could be the next to change. But the political reality behind this comfortable African and American legalism points in a different direction.

The Somali-speaking people of the Ogaden are manifestly different from the people of Ethiopian heartland, and manifestly do not want to be ruled by them. For the Organisation of African Unity, and Mr. Carter, to acquiesce in the reimposition of that rule is to acquiesce in a re-establishment of imperialism. Moreover, the return of Ethiopian rule to the Ogaden at Soviet and Cuban bayonet-point is likely to produce a number of effects which President Carter may regret.

First, it may produce a reversal of policy in Somalia. The Russians will probably tell the Ethiopian army not to push through into Somalia, partly because they want to show their respect for the general African nervousness about frontiers but, more important, because they can very likely achieve what they want to achieve in Somali without letting the Ethiopian army invade it. The Somali army now presumably faces defeat in the Ogaden, outside its own borders. This may lead to the overthrow of President Siad Barre, who sent the army into the Ogaden last year, and then expelled the Russians, and has since been appealing vainly for American help. But even if President Barre survives—and a skillful politician might be able to ride the waves of Somali nationalism created by the war—any Somali government, Barre or non-Barre, is liable to turn the country's present policy upside down.

The Somalis will have lost the bet they made when they switched their money from Russia to America. They will therefore be tempted to see whether they can save something from the wreckage (a measure of autonomy for the Ogadenis, perhaps) by offering to resume their Soviet connection and inviting the Russians back into the base at Berbera. That would put virtually the whole of the Horn into the Russian sphere of influence.

Second, a Somali defeat in the Ogaden will clear the way for Colonel Mengistu to deal with Ethiopia's other major rebellion, in Eritrea. This will be no easy operation. The Eritrean guerrillas are firmly in control of almost the whole territory, and much of it is good country for guerrilla fighting. But Colonel Mengistu says he means to get Eritrea back; the two main guerrilla movements are at loggerheads with each other, which will weaken their resistance; and it is hard to imagine the Russians and Cubans refusing to give the sort of help in Eritrea that they have provided so lavishly in the Ogaden.

The reoccupation of Eritrea will raise an even larger question than the Ogaden war. Eritrea's claim to self-determination is much stronger. It has been a part of the Ethiopian empire only since 1952, and a full part only since 1962; indeed the west, to its discredit, stood by for many years while Haile Selassie did his best to suppress the Eritrean rebels. For all that, their rebellion has reached the brink of success, unlike the Ogaden's, without soldiers from outside to help it. The principle of the unchangeability of Africa's frontiers does not justify what seems to be in store for Eritrea, and its application to Eritrea would make it look even more implausible.

Third, a reconquest of Eritrea after a reconquest of the Ogaden would have consequences in the Arab world on the other side of the Red Sea: not least in Saudi Arabia, the linchpin of American policy in the region. The Saudi government is already disappointed by the Americans' failure to persuade Israel to make a better response to President Sadat's peace initiative. The entrenchment of a Soviet zone of influence in the Horn, without any apparent American attempt to prevent it, would touch Saudi nerve-ends at their other most sensitive point.

The Saudis might react in either of two ways: by huffily putting more distance between themselves and America (which might include using their influence on the oil price to let it rise faster than they would otherwise have allowed); or, conversely, by huddling nervously closer to America against the spread of Soviet influence (which might have the opposite effect of making them abandon the oil weapon altogether, with all that would mean for the Arab-Israeli balance of power). But it seems utterly unlikely that a Soviet success in the Horn, watched with dismay by most Arabs, would have no effect at all on the American-Saudi relationship.

THE FRAIL HOPE

President Carter's present hope of avoiding these difficulties seems to rest on the belief that Ethiopia, having swallowed the Ogaden and Eritrea, will then be ready to wave the Russians goodbye, as Egypt did in 1972 and Somalia in 1977. It is possible, but it is not likely. Egypt and Somalia dropped the Russians and turned to the Americans because they wanted something—help with Israel and Ethiopia respectively—which they thought America could provide. What Colonel Mengistu wants most, the reconstruction of his empire, the Russians would already have provided. What he will need after that, a scaffolding for his rickety "Marxist-Leninist" government in Addis Ababa, the Russians are also best able to furnish.

The Ogaden war, complicated by the entry of the Somali army, has admittedly been a difficult test for the Americans. But as the focus in the Horn shifts from the Ogaden to Eritrea, Mr. Carter should re-examine his policy. He has a range of measures by which he can apply persuasion to the Russians, and he has friends in the region who would be willing to help.

[From the New York Times, Feb. 27, 1978]

SOVIET MASTER PLAN IN EAST AFRICA

(By Tad Szulc)

THE HORN OF OUR DILEMMA

Consider the Horn of Africa, jutting sharply out from the mouth of the Red Sea, a hook of land that breaks across the southernmost tip of the Saudi Arabian landmass as though buffering those desert sands from the troubled waters of the Indian Ocean. East of the Horn in silent procession glide the leviathan ocean tankers, bringing the mineral richness of the Persian Gulf to the ports of Western Europe and the United States.

Understand first the importance of this liquid energy to the Western economy and the threat to the Saudi and Persian monarchs that is posed by a communist stronghold in northeastern Africa. Then you will understand the Soviet compulsion to secure a major African ally here along the Red Sea. Could it be that the Carter administration has failed to see the full meaning of the Cuban intervention on Ethiopia's side in the war against Somalia? It is now clear that the answer is yes, just as the administration has missed the boat on so many major international situations in the last thirteen months.

Only early this year did the White House begin to perceive the full extent of Cuban involvement at the Horn—supported and coordinated by the Soviet Union—let alone its potential for destabilizing northeastern Africa and the Middle East.

Not until February 10 did Secretary of State Cyrus Vance first warn that the United States would supply arms to Somalia if the Cuban-led and Soviet-armed Ethiopians invaded Somali territory. That warning may have come too late; Cuban pilots were already flying MiG–21s and MiG–23s on bombing and rocket runs and Cuban army units were openly engaged in combat. The Cubans and the Russians are clearly playing for bigger stakes than simply aiding Ethiopia in ridding its Ogaden desert of Somali invaders and the Red Sea coast of Eritrean rebels.

As matters stand now, the Soviet Union has promised to keep its Cuban and Ethiopian allies from pushing the southern front through the Ogaden desert into Somalia itself or, in the north, establishing a permanent position on the Red Sea. If that promise is broken, Jimmy Carter may face before long a painful decision on direct American participation in the Horn conflict.

So sensitive has the situation already become that the White House has ordered State Department officials to refrain from private discussions with newsmen concerning the Cuban presence in Africa: Whatever guidance is available must come from the White House, except for formal statements by Vance and his spokesmen. And it no longer follows that Congress would tie Carter's hands in the Horn. Senator Thomas Eagleton of Missouri, a Liberal and certainly not a hawk, said in a Senate speech on February 8 that while he had opposed involvement in Angola, "the situation in the Horn of Africa is different and clearly calls for new and innovative thinking before, rather than after, the fact."

In fact, there were plenty of indications as long as a year ago that the Cubans had made up their minds to go for broke in the Horn, but the information was largely ignored in Washington. Washington's "innovative thinking" should have begun in February 1977, when General of Division (the equivalent of lieutenant general) Arnaldo Ochoa Sanchez, then the commander of the Cuban expeditionary force in Angola, flew to Addis Ababa for secret conferences with Lieutenant Colonel Mengistu Haile Mariam, the head of the Ethiopian leftist military junta. The 40-year-old General Ochoa, who now commands Cuban troops in Ethiopia, is Cuba's highest-rated military leader; only President Fidel Castro and Defense Minister Raul Castro outrank him in the hierarchy of the Revolutionary Armed Forces (FAR) in Havana.

General Ochoa's presence in Addis Ababa was reported by American intelligence, but, curiously, virtually no attention was paid to it in Washington's top policymaking circles. This was at a time when Andrew Young was saying the Cuban mercenaries were "stabilizing" Angola. And it was also at a time when Ethiopia was starting to move from the American to the Soviet orbit, and Somalia, strongly encouraged by Saudi Arabia and the United States, was doing pre-

cisely the opposite. The judgment in Washington was that this change of partners was a positive development because it would deprive the Russians of their air-naval base in Berbera on the Somali coast.

The switch of alignments in the Horn led, however, to hostility between Ethiopia and Somalia, another situation the United States had underestimated. Somali claims on the Ogaden stem from ancient tribal rivalries in the Horn, a history that was not understood by American policymakers, who had no time for such exotic folklore.

In effect, Carter himself encouraged the Somalis to invade the Ogaden. He named Somalia among the countries where, he said on June 17, the United States proposed to challenge the Soviet influence "aggressively" but peacefully. Six weeks later, the administration announced it was willing to sell arms to Somalia, Yemen, and the Sudan. Somalia took it as license to launch the Ogaden campaign.

It was at that point that the Soviets and the Cubans made the basic policy decision to go to Ethiopia's defense. There were already some Cuban military advisers in Ethiopia—the first results of Ochoa's visit—and the State Department protested it mildly during May. But the real "go" decision came in July 1977, when Cuban Deputy Defense Minister General Francisco Cabrera flew to Addis Ababa after a brief visit in Uganda (where Cuba also maintains military advisers). The importance of Cabrera's visit was entirely lost on the administration, which, ironically, announced a month later that it was temporarily withholding arms for Somalia because of the Ogaden invasion.

In November, the Cuban-Soviet operation went into high gear. Ochoa was sent to Addis Ababa to assume the command of the new Cuban expeditionary army (and, for that matter, of the Ethiopian army). A highly sophisticated logistical effort was launched as Soviet aircraft, flying a continuous airlift, delivered arms to the Ethiopians and the arriving Cubans. Soviet and Cuban IL–62 and AN–12 transport planes carried Cuban combat units from Angola and Havana. The aircraft from Cuba refueled in, among other places, Luanda and in Conakry, the capital of Guinea, before landing in Addis Ababa, where the Cubans picked up Soviet weapons—tanks, artillery guns, and SAM–7 antiaircraft missile launchers—that were already awaiting them. It was a refinement of the airlift system the Cubans and the Russians had developed in Angola two years earlier.

A tank school for Ethiopians was set up by Ochoa in Awash, east of Addis Ababa, and some 50 Cuban MiG pilots set up headquarters at Dire Dawa, just west of the Ogaden. There are now an estimated 6,000 members of Cuba's military in Ethiopia (including some 2,000 who landed at the port of Aseb in Eritrea from two Soviet ships earlier in the month), and the flow continues unabated. Cuban advisers had gone into action with Ethiopian units late in November while regular Cuban combat detachments with armor and artillery entered the fighting late in January as Ethiopia launched its offensive to reconquer the Ogaden.

Having underestimated the Soviet-Cuban policy for nearly a year, the Carter administration is now wholly at a loss as to what Moscow and Havana propose to do next. It is a most uncomfortable state of affairs for the United States, but given almost twenty years of Cuban commitment to African causes—the supply of arms to Algeria in the 1963 war with Morocco, the active backing of Angolan and Mozambican nationalists guerrillas since the 1960s, the enthusiastic support of the Congo/Brazaville regime, direct intervention in Angola in 1975, and the training of Rhodesian guerrillas in Mozambique—Washington should have paid more attention when General Ochoa materialized in Addis Ababa a year ago. It should have taken Castro at his word that Cuba is a "Latin-African country"—with all that implies in revolutionary terms. But, again, we missed the boat because of inattention.

[From the New York Times, Feb. 26, 1978]

CARTER AND THE COMMUNISTS

(By James Reston)

WASHINGTON, Feb. 25.—The Carter Administration is going through another of those periodic reappraisals of its policies toward the Communist nations, and several subtle changes are under way.

First, Washington is not going to allow the Soviet military intervention in Ethiopia to dominate the mouth of the Red Sea and threaten the oil supplies and sea routes of Saudi Arabia to Europe and Japan.

Second, the Carter Administration is no longer trying to be neighborly to Fidel Castro in Cuba. He prefers or feels compelled by his million-dollar-a-day subsidy from Moscow to provide Cuban troops in Soviet tanks and planes to lead the Ethiopian forces against the Somali invasion of Ethiopian territory.

It is not quite clear to officials here why the Ethiopians need over a billion dollars' worth of Soviet arms and over 10,000 Cuban troops to handle the military threat. According to United States intelligence reports, Ethiopia has armed forces numbering 192,000 to 60,000 for the Somalis.

The Soviets have poured more arms into this region in the last two years than the United States has provided in the last 25 years. Washington is more concerned about the political consequences. A well-armed modern Cuban attack force can be decisive in the primitive African wars, and can create the political feeling that the way to win is to cooperate with the Soviets and the Cuban mercenaries. Mr. Carter is now consulting with Egypt, Saudi Arabia and Iran on practical ways of denying any more cheap victories by the Communists around this strategic corner of Africa.

Maybe more important, Washington is also trying to analyze why Moscow is playing this game in the first place, just when it is proclaiming a policy of cooperating with Carter on the control of nuclear arms, and arguing for more trade, grain and advanced technology from the West. There are two theories here about this. The first is that the Soviets think they can be pleasant on the big issues of arms control and trade, and still be free to use military force to achieve their political objectives in Africa and elsewhere.

The second theory is that Brezhnev, who has a pacemaker in his heart, is not strong enough physically or politically to impose a coherent world policy on his associates, and therefore, that the Soviet military are doing as they please in Africa while the political arms of the Moscow Government are arguing for compromise agreements with the United States.

In any event, Washington is trying to hold a balance between cooperation and competition with the Soviet Union. It will keep pressing for a strategic arms agreement, but confront the Soviets wherever they use force to establish power centers, and insist on increasing United States influence in the Communist states of Eastern Europe, as Moscow is using its influence on Cuba.

Officials here are also reviewing their attitude toward China. There is a feeling in Washington that relations between Washington and Peking have declined since the deaths of Chou En-lai and Mao Tse-tung mainly because, while the Chinese Communists were sorting out their leadership problems, nobody here knew who was in charge. But this is changing. Leonard Woodcock, Mr. Carter's representative in Peking, has been back here recently, and the decision has been made to try to increase the consultation between the two capitals.

Accordingly, Washington will be talking more to Peking about world problems in the future than it has in recent months. It will be consulting more with the Communist nations of Eastern Europe. Marshal Tito of Yugoslavia will be coming here in a couple of weeks to exchange views on the transformation of world politics: what will happen in the Balkans after he is gone; what he thinks of the Euro-communist movement; and what can be done to avoid war in the Middle East and in Africa.

Mr. Carter is not choosing up sides between these Communist countries, but trying to find some common ground between them and the free nations of the West and Japan, and the developing nations of Africa, Asia and Latin America. It is a serious exercise. The Government here is trying to convince all the principal leaders that they have more to gain from cooperating with one another to create a new world order than by competing with one another for national or ideological advantage.

For the moment all this is very abstract, but this policy review in Washington is significant. It is the United States that is taking the lead and trying to compose the differences in the Middle East, in Rhodesia, in the Horn of Africa, and in South Africa. No other nation has both the will and the power to do so, and officials here wait for the support they need from other nations to make a third beginning, after the League of Nations and the United Nations, toward a better world order.

[From the New York Times, Feb. 26, 1978]

RUSSIA REENTERS AFRICA FROM GROUND UP

(By Craig R. Whitney)

Moscow.—In Ethiopia, as in Angola, the Soviet Union has embarked on a new and important phase of extending its influence and power deep into the African continent. Russian weapons, technical and economic aid, and legions of Cuban soldiers brought Marxist revolutionaries to power in Angola three years ago and are keeping them there despite continued local resistance. In Ethiopia, they are helping a Marxist military regime consolidate its control over rebels in Eritrea and the Ogaden desert and expel a force of invaders from Somalia.

Moscow is drawing on past experience in Africa, and ideological aspiration more than grand strategy seems to be the motivating force. The Soviet Union has clearly decided that it can achieve more lasting influence in Africa by helping revolutionaries fight their way to power and build Socialism the way Moscow suggests than by waiting for African nationalist leaders to emerge and associating itself with them once they are in power. It isn't afraid of the costs, not even to the larger relationship with the United States.

Soviet leaders have apparently decided, rightly or wrongly, that Washington will not or cannot confront them in Africa in a way that hurts. Such a confrontation did not develop over Angola and, so far, the Russians believe the risk is low in Ethiopia, too.

From the viewpoint of most Africans, Moscow's behavior is not objectionable. Almost all African governments agree that the borders inherited from colonial days must remain intact, and that Somalia, driven by fanatical nationalism, flouted the rules. Even the Cuban troops that are pouring in

to help Ethiopia defeat Somali rebels do not seem like a threat. "They haven't come in anywhere they haven't been invited," an African diplomat in Moscow said.

According to American estimates, as many as 10,000 Cuban soldiers and 1,500 Soviet military advisers, along with millions of dollars worth of Soviet aircraft, tanks, and artillery, have been moved into Ethiopia since the Somali-backed invasion of the Ogaden region began last summer. "Principles outweighed strategic considerations here," a Soviet political analyst said. "When Ethiopia was invaded we had no choice but to answer the call for help. And surely Washington finds Cuban troops less offensive than Soviet soldiers in Africa would be," he added—a debatable point in Washington, but not in Moscow.

The Cubans serve Soviet purposes, but they are more than Soviet surrogates. Fidel Castro also wants prestige in Africa. During a tour there last year, he noted that building Socialism is much easier in the inchoate nations of Africa than in Latin America, where the bourgeoisie is entrenched.

The rationale for Cuban and Soviet assistance to Ethiopia, and African sympathy for their intervention, would be lost if Ethiopia invaded Somalia. Denials of such intentions have been so frequent and so categorical in Moscow and Addis Ababa that it would be difficult for them to break their word. Yet when it suits the Russians, history is forgettable. The Somali leader, Mohammed Siad Barre, was able to enter the Ogaden in the first place because the Soviet Union had armed him for a decade. He kicked out the Russians last November after they cut back arms deliveries to try to dissuade him from pressing the Ogaden campaign. Now the Russians say, with great effect elsewhere in Africa, that American and Western weapons supplied to Somalia by Egypt, Saudi Arabia and Iran keep the conflict going.

A popular view in Washington is that Russians are after global strategic advantage in Africa. But the theory is belied by the fact that Moscow lost more than it gained strategically in Ethiopia when Somali expelled it from the deep water port of Berbera on the Gulf of Aden. Ethiopia has no comparable port.

Are prestige and influence the Russians' chief goals in Africa? In part, and measured against what the United States can do, their readiness to provide military assistance to revolutionary movements and regimes has been a powerful advantage on a continent where armed struggle has usually been considered a legitimate means of achieving power. For years, Washington stood by the Portuguese colonialists, while Moscow, beginning in the mid-1960's, provided military and financial aid to guerrillas in Angola and Mozambique. When the Salazar dictatorship crumbled in Portugal, the Ford Administration began secretly to arm one of the Angolan guerrilla factions. But Congress found out about the aid and outlawed it—something the Russians must think of now when the Carter Administration blusters about Ethiopia.

Is Rhodesia the next object of Russian intervention? So far, Soviet policy has been limited to providing weapons and moral encouragement to the Patriotic Front, a loose alliance of two guerrilla factions. Most of the assistance has gone to the faction led by Joshua Nkomo, who also is friendly with the British. Most of the fighting has been done by the other faction, led by Robert Mugabe, who gets some support from China. But the rifles, machine guns, rocket launchers and, reportedly, small antiaircraft missiles provided Mr. Nkomo by Moscow would enable him to field a powerful guerrilla force. And he may if the negotiations Prime Minister Ian D. Smith is holding with three black leaders within Rhodesia lead to a transition government that excludes the guerrilla groups.

If Mr. Nkomo does enter the fight, there is little doubt that the Soviet Union would support him. A purely military conflict would work to Moscow's advantage—the United States and Britain are not in a position to militarily intervene—which is why the Soviet Union attacked Western diplomacy in southern Africa so bitterly in 1976 and last year.

In the end, the best explanation for Soviet policy may come down to ideology and the Russians' vision of themselves. Leonid I. Brezhnev and his colleagues are probably tired of hearing themselves described as stodgy patrons of the status quo. When a young leader who calls himself a Marxist comes to Moscow—as Ethiopia's Lieut. Col. Mengistu Haile Mariam did last May—and asks for help in sweeping out capitalism, purging counterrevolutionaries and driving out an invader, it must take the Kremlin septuagenarians back to their own formative days in the postrevolutionary Russia of the 1920's and 1930's. More importantly, coming to the aid of Ethiopia restored, as the Angolan intervention did, the legitimacy of their claim to lead the Marxist vanguard of the "forces of history." The cost of intervention is considered a sort of ideological dues.

How successful Soviet policy will be in the long run is hard to tell. "We don't have to fear Communism in the area of economic competition," Andrew Young, the United States Ambassador to the United Nations, said last year. "The sooner the fighting stops and the trading starts, the quicker we win." Maybe, but in building a new kind of model for Africa in Ethiopia and Angola, Moscow seems committed to proving Mr. Young wrong.

Mr. MOYNIHAN. Mr. President, I would like to comment, if I might do so briefly, on the incisive and important statement of the Senator from Missouri. In this near empty Chamber and with the near empty galleries, I nonetheless find this a useful moment to draw a moral lesson which has to do with something that the Somali condition at this moment in time demonstrates very well.

It happened that 3 years ago I was the U.S. Permanent Representative to the United Nations. At that time the most dramatic event in the General Assembly, while I was the head of our delegation, was a resolution, an appalling resolution, which declared Zionism to be a form of racism.

At the time, after the vote was taken in the General Assembly on this Orwellian blob, this obscene thing, I stood up and spoke for the United States, and I said something about which I was very serious. I said the small nations of the General Assembly that had participated in debauching the language of human rights and draining its meaning, on that day did not know what they were doing, for they are also debauching the same language which gives rights to small nations. The philosophical origins of that language in the 17th and 18th century in Western Europe are unique. Nothing existed before and nothing exists in the philosophical systems at the present time to recreate it I said.

You destroy that language which gives rights to human beings, and the day will come when you will find you have also destroyed the language which gives you the right to independence, and you will look for it, and you will bleed for it, and you will find it is not there.

There is an interesting thing about that resolution. The resolution declaring Zionism to be a form of racism was introduced into the General Assembly by Somalia—then arrogant and ruthless—then proud to be the whore of Russia, then proud of its associations with Cuba. Somalia was the principal sponsor, Cuba and Libya were next. Anything the Soviet masters asked the Somali ambassador—he is still at the United Nations—he could be depended upon to do—and with a kind of leering appreciation of the depravity of it. In 1975, Gen. Siad Barre back home could not be more contemptuous of our words. "What do words mean," he said, in effect "when we have Soviet arms?" Now that same man begs and bleats and pleads for our help.

I wrote the President about this in December and said that assistance for Somalia was a decision he must make and, I think the case the Senator from Missouri makes is increasingly powerful. If I may paraphrase that letter, I asked whether it would be possible to remind General Barre that we told him 3 years ago that the day would come when he wished he had not introduced that resolution, that he would instead wish the language of the United Nations still means something. Could they not have had their Ambassador stand up in the General Assembly and say words to this effect: "Yes, we did that filthy thing and, yes, we are sorry"? And could we not send our Ambassadors around to the other small countries of the world and remind them that we told them not to do that for the Soviet Union, for the day might come when they would regret it?

The day was not long in coming in the case of Somalia. I just thought the Senator from Missouri would want to hear that.

Mr. EAGLETON. I thank my colleague for that historical insight. I was not aware that Somalia was the principal author of the famous——

Mr. MOYNIHAN. The author, if I may say so, was Moscow. Somalia introduced it.

Mr. EAGLETON. I did not know Somalia was the agent, as it were, or the spokesman on behalf of the Soviet Union for the famous or infamous Zionism resolution that came forth in the U.N.

I am not so sure I would require Somalia to do a public "mea culpa," but I think the Senator's insight into this is useful showing how events can change which in turn can cause policies to change.

I think the situation in the Horn of Africa is ominous. I think it is a situation that requires a very close attention by the administration. I do not think they are treating it haphazardly or lackadaisically, but I am not convinced they are fully aware of the ramifications of the gigantic Russian-Cuban intervention in the Horn of Africa. That is why I have spoken twice on the sub-

ject matter in 3 weeks so as to try to emphasize, from my own perspective, a matter that is a grave one indeed.

Mr. MOYNIHAN. I think the Senator is entirely right to have done it.

I know the Senator is aware that the Soviet General Petrov, who is in Ethiopia, is the commander of their land forces, that he is the chief general of their land forces, that he is not just a spare general they sent off?

Mr. EAGLETON. He is one of their highest ranking, and one of their best.

Mr. MOYNIHAN. The other point I would make is what we stood for in the United Nations was the integrity of language and the role and the rule of law. These things may seem of no consequence to a small country at a particular moment, but it does not take long before it turns out to be a very important thing indeed. It is a lesson that the new nations—and they are very new nations—should learn. And they are new nations. At one point we counted up what was the average length of time among the U.N. membership since the last time a government was overthrown by force. It was 7 years.

Mr. EAGLETON. Seven years?

Mr. MOYNIHAN. Exactly. We have not been in this Chamber for two centuries talking about laws without having learned something about them, I think, is a fair point we might make.

Mr. EAGLETON. I thank my colleague very much, Mr. President. I think his commentary on and his insight into this matter are, as they are in so many areas, exceptional. I thank my colleague.

Mr. MOYNIHAN. I thank my colleague.

Mr. President, I ask unanimous consent to have printed in the RECORD the speech I gave for the U.S. Government on November 10, 1975, following the adoption by the General Assembly of the Somali resolution declaring Zionism to be a form of racism.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS DELIVERED BY AMBASSADOR DANIEL P. MOYNIHAN BEFORE THE GENERAL ASSEMBLY OF THE UNITED NATIONS, ON THE RESOLUTION CONDEMNING ZIONISM AS RACISM, NOVEMBER 10, 1975

The United States rises to declare before the General Assembly of the United Nations, and before the world, that it does not acknowledge, it will not abide by, it will never acquiesce in this infamous act.

Not three weeks ago, the United States Representative in the Social, Humanitarian, and Cultural Committee pleaded in measured and fully considered terms for the United Nations not to do this thing. It was, he said, "obscene." It is something more today, for the furtiveness with which this obscenity first appeared among us has been replaced by a shameless openness.

There will be time enough to contemplate the harm this act will have done the United Nations. Historians will do that for us, and it is sufficient for the moment only to note one foreboding fact. A great evil has been loosed upon the world. The abomination of antisemitism—as this year's Nobel Peace Laureate Andrei Sakharov observed in Moscow just a few days ago—the abomination of antisemitism has been given the appearance of international sanction. The General Assembly today grants symbolic amnesty—and more—to the murderers of the six million European Jews. Evil enough in itself, but more ominous by far is the realization that now presses upon us—the realization that if there were no General Assembly, this could never have happened.

As this day will live in infamy, it behooves those who sought to avert it to declare their thoughts so that historians will know that we fought here, that we were not small in number—not this time—and that while we lost, we fought with full knowledge of what indeed would be lost.

Nor should any historian of the event, nor yet any who have participated in it, suppose that we have fought only as governments, as chancelleries, and on an issue well removed from the concerns of our respective peoples. Others will speak for their nations: I will speak for mine.

In all our postwar history there has not been another issue which has brought forth such unanimity of American opinion. The President of the United States has from the first been explicit: This must not happen. The Congress of the United States, in a measure unanimously adopted in the Senate and sponsored by 436 of 437 Representatives in the House, declared its utter opposition. Following only American Jews themselves, the American trade union movement was first to the fore in denouncing this infamous undertaking. Next, one after another, the great private institutions of American life pronounced anathema on this evil thing—and most particularly, the Christian churches have done so. Reminded that the United Nations was born in the struggle against just such abominations as we are committing today—the wartime alliance of the United Nations dates from 1942—the United Nations Association of the United States has for the first time in its history appealed directly to each of the 141 other delegations in New York not to do this unspeakable thing.

The proposition to be sanctioned by a resolution of the General Assembly of the United Nations is that "Zionism is a form of racism and racial discrimination." Now this is a lie. But as it is a lie which the United Nations has now declared to be a truth, the actual truth must be restated.

The very first point to be made is that the United Nations has declared Zionism to be racism—without ever having defined racism. "Sentence first—verdict afterwards," as the Queen of Hearts said. But this is not wonderland, but a real world, where there are real consequences to folly and to venality. Just on Friday, the President of the General Assembly warned not only of the trouble which would follow from the adoption of this resolution but of its essential irresponsibility—for, he noted, members have wholly different ideas as to what they are condemning. "It seems to me that before a body like this takes a decision they should agree very clearly on what they are approving or condemning, and it takes more time."

Lest I be unclear, the United Nations has in fact on several occasions defined "racial discrimination." The definitions have been loose, but recognizable. It is "racism"—incomparably the more serious charge—which has never been defined. Indeed, the term has only recently appeared in United Nations General Assembly documents. The one occasion on which we know its meaning to have been discussed was the 1644th meeting of the Third Committee on December 16, 1968, in connection with the report of the Secretary-General on the status of the international convention on the elimination of all forms of racial discrimination. On that occasion—to give some feeling for the intellectual precision with which the matter was being treated—the question arose, as to what should be the relative positioning of the terms "racism" and "Nazism" in a number of the "preambular paragraphs." The distinguished delegate from Tunisia argued that "racism" should go first because "Nazism was merely a form of racism. . . ." Not so, said the no less distinguished delegate from the Union of Soviet Socialist Republics. For, he explained, "Nazism contained the main elements of racism within its ambit and should be mentioned first." This is to say that racism was merely a form of Nazism.

The discussion wound to its weary and inconclusive end, and we are left with nothing to guide us, for even this one discussion of "racism" confined itself to word orders in preambular paragraphs, and did not at all touch on the meaning of the words as such. Still, one cannot but ponder the situation we have made for ourselves in the context of the Soviet statement on that not so distant occasion. *If*, as the distinguished delegate declared, racism is a form of Nazism—and *if*, as this resolution declares, Zionism is a form of racism—*then* we have step by step taken ourselves to the point of proclaiming—the United Nations is solemnly proclaiming—that Zionism is a form of Nazism.

What we have here is a lie—a political lie of a variety well known to the twentieth century, and scarcely exceeded in all that annal of untruth and outrage. The lie is that Zionism is a form of racism. The overwhelmingly clear truth is that it is not.

The word "racism" is a creation of the English language, and relatively new to it. It is not, for instance, to be found in the Oxford English dictionary. The term derives from relatively new doctrines—all of them discredited—concerning the human population of the world, to the effect that there are significant biological differences among clearly identifiable groups, and that these differences establish, in effect, different levels of humanity. Racism, as defined by Webster's Third New International Dictionary, is "The assumption that . . . traits and capacities are determined by biological race and that races differ decisively from one another." It further involves "a belief in the inherent superiority of a particular race and its right to domination over others."

This meaning is clear. It is equally clear that this assumption, this belief, has always been altogether alien to the political and religious movement known as Zionism. As a strictly political movement, Zionism was established only 1897, although there is a clearly legitimate sense in which its origins are indeed ancient. For example many branches of Christianity have always held that from the standpoint of the biblical prophets, Israel would be reborn one day. But the modern Zionist movement arose in Europe in the context of a general upsurge of national consciousness and aspiration that overtook most other people of Central and Eastern Europe after 1848, and that in time spread to all of Africa and Asia. It was, to those persons of the Jewish religion, a Jewish form of what today is called a national liberation movement. Probably a majority of those persons who became active Zionists and sought to emigrate to Palestine were born within the confines of Czarist Russia, and it was only natural for Soviet Foreign Minister Andrei Gromyko to deplore, as he did in 1948, in the 299th meeting of the Security Council, the act by Israel's neighbors of "sending their troops into Palestine and carrying out military operations aimed"—in Mr. Gromyko's words—"at the suppression of the National Liberation Movement in Palestine."

Now it was the singular nature—if I am not mistaken, it was the unique nature—of this National Liberation Movement that in contrast with the movements that preceded it, those of that time and those that

have come since, it defined its members in terms not of birth, but of belief. That is to say, it was not a movement of the Irish to free Ireland, or of the Polish to free Poland, not a movement of Algerians to free Algeria, nor of Indians to free India. It was not a movement of persons connected by historic membership in a genetic pool of the kind that enables us to speak loosely but not meaninglessly, say of the Chinese people, nor yet of diverse groups occupying the same territory which enables us to speak of the American people with a greater indignity to truth. To the contrary, Zionists defined themselves merely as Jews, and declared to be Jewish anyone born of a Jewish mother or—and this is the absolutely crucial fact—anyone who converted to Judaism. Which is to say, in the terms of the International Convention on the elimination of all forms of racial discrimination, adopted by the 20th General Assembly, *anyone*—regardless of "race, colour, descent, or national or ethnic origin. . ."

The State of Israel, which in time was the creation of the Zionist Movement, has been extraordinary in nothing so much as the range of "racial stocks" from which it has drawn its citizenry. There are black Jews brown Jews, white Jews, Jews from the Orient and Jews from the West. Most such persons could be said to have been "born" to their faith, but there are many Jews who are converts. With a consistency in the matter which surely attests to the importance of this issue to that religious and political culture, Israeli courts have held that a Jew who converts to another religion is no longer a Jew. In the meantime the population of Israel also includes large numbers of non-Jews, among them Arabs of both the Muslim and Christian religions and Christians of other national origins. Many of these persons are citizens of Israel, and those who are not can become citizens by legal procedures very much like those which obtain in a typical nation of Western Europe.

Now I should wish to be understood that I am here making one point, and one point only, which is that whatever else Zionism may be, it is not and cannot be "a form of racism." In logic, the State of Israel could be, or could become, many things, theoretically including many things undesirable, but it could not be and could not become racist unless it ceased to be Zionist.

Indeed, the idea that Jews are a "race" was invented not by Jews but by those who hated Jews. The idea of Jews as a race was invented by nineteenth century anti-semites such as Houston, Stewart Chamberlain and Edouard Drumont, who saw that in an increasingly secular age, which is to say an age which made for fewer distinctions between people, the old religious grounds for anti-semitism were lowing force. New justifications were needed for excluding and persecuting Jews, and so the new idea of Jews as a race—rather than as a religion—was born. It was a contemptible idea at the beginning, and no civilized person would be associated with it. To think that it is an idea now endorsed by the United Nations is to reflect on what civilization has come to.

It is precisely a concern for civilization, for civilized values that are or should be precious to all mankind, that arouses us at this moment to such special passion. What we have at stake here is not merely the honor and the legitimacy of the State of Israel—although a challenge to the legitimacy of any member nation ought always to arouse the vigilance of all members of the United Nations. For a yet more important matter is at issue, which is the integrity of that whole body of moral and legal precepts which we know as human rights.

The terrible lie that has been told here today will have terrible consequences. Not only will people begin to say, indeed they have already begun to say, that the United Nations is a place where lies are told. Far more serious, grave and perhaps irreparable harm will be done to the cause of human rights. The harm will arise first because it will strip from racism the precise and abhorrent meaning that it still precariously holds today. How will the peoples of the world feel about racism, and about the need to struggle against it, when they are told that it is an idea so broad as to include the Jewish National Liberation Movement?

As this lie spreads, it will do harm in a second way. Many of the members of the United Nations owe their independence in no small part to the notion of human rights, as it has spread from the domestic sphere to the international sphere and exercised its influence over the old colonial powers. We are now coming into a time when that independence is likely to be threatened again. There will be new forces, some of them arising now, new prophets and new despots, who will justify their actions with the help of just such distortions of words as we have sanctioned here today. Today we have drained the word "racism" of its meaning. Tomorrow, terms like "national self-determination" and "national honor" will be perverted in the same way to serve the purposes of conquest and exploitation. And when these claims begin to be made—as they already have begun to be made—it is the small nations of the world whose integrity will suffer. And how will the small nations of the world defend themselves, on what grounds will others be moved to defend and protect them, when the language of human rights, the only language by which the small can be defended, is no longer believed and no longer has a power of its own?

There is this danger, and then a final danger that is the most serious of all. Which is that the damage we now do to the idea of human rights and the language of human rights could well be irreversible. The idea which has always existed in human affairs. It is an idea which appeared at a specific time in the world, and under very special circumstances. It appeared when European philosophers of the seventeenth century began to argue that man was a being whose existence was independent from that of the State, that he need join a political community only if he did not lose by that association more than he gained. From this very specific political philosophy stemmed the idea of political rights, of claims that the individual could justly make against the State; it was because the individual was seen as so separate from the State that he could make legitimate demands upon it.

That was the philosophy from which the idea of domestic and international rights sprang. But most of the world does not hold with that philosophy now. Most of the world believes in newer modes of political thought, in philosophies that do not accept the individual as distinct from and prior to the State, in philosophies that therefore do not provide any justification for the idea of human rights and philosophies that have no words by which to explain their value. If we destroy the words that were given to us by past centuries, we will not have words to replace them, for philosophy today has no such words.

But there are those of us who have not forsaken these older words, still so new to much of the world. Not forsaken them now, not here, not anywhere, not ever.

The United States of America declares that it does not acknowledge, it will not abide by, it will never acquiesce in this infamous act.

S. 2611—UPPER DELAWARE RIVER PROTECTION ACT

Mr. MOYNIHAN. Mr. President, I have the honor this morning to introduce on behalf of myself, the junior Senator from Pennsylvania (Mr. HEINZ), and the junior Senator from New Jersey (Mr. WILLIAMS)—this is a junior Senators' bill, Mr. President—a measure that would include the Upper Delaware River in the National System of Wild and Scenic Rivers.

I happen to be a resident of Delaware County, and I know this part of my State as well as any part, I think, and love it probably perhaps more. We are taking this action in conjunction with an identical bill (H.R. 11131) which has been introduced by Congressman MATTHEW MCHUGH from New York's 27th Congressional District. I congradulate Representative MCHUGH on the leadership that he has provided during the formulation of this legislation.

This particular stretch of the Delaware forms the border between New York and Pennsylvania. It is an extraordinarily beautiful river and a thoroughly appropriate addition to the Wild and Scenic Rivers System.

It meets virtually every test in the Wild and Scenic Rivers Act (Public Law 90–542) which requires that selected rivers "possess outstandingly remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values." I refer to my colleagues to "The Upper Delaware River, A Wild and Scenic River Study," prepared by the Department of the Interior in July 1976. The report details the history of the Delaware from the early time of the Lenape Indians through 1764 when Daniel Skinner rafted the first logs of white pine down the river to Philadelphia, to 1828 when the Delaware and Hudson Canal, and 1 year later the Stourbridge Lion, began to carry coal to Kingston and New York City, and to the present when, fortunately, the Upper Delaware still possesses the same scenic beauty of the surrounding forests of the Catskill Mountains and Pocono uplands that lured the early European settlers. This bill will preserve these marvelous scenic, historical, and cultural values by authorizing the acquisition of lands along the river's banks.

I view this bill as a culmination of administrative and legislative proposals that began in 1968 with the passage of the Wild and Scenic Rivers Act. The Delaware was one of the rivers originally named in the act for potential addition to the National System of Wild and Scenic Rivers. Since 1968, the Upper Delaware River has been the subject of the previously mentioned study by the Department of Interior, State agreements and studies, and several legislative proposals which are now pending in both Houses of Congress. The bill that I introduce today builds on the study and we have, I think, refined the pending legislation by the addition of clarifying and improving language.

There are three major provisions of the bill. First, a 75-mile reach of the Delaware River from the confluence of the east and west branches below Hancock, N.Y., to Sparrow Bush, N.Y., is designated as scenic and recreational. The bill provides only a general mandate to the Secretary of Interior to acquire land. Final action on land acquisition will be deferred for up to 3 years after enactment of the bill. During this time a land and water management plan will be developed by the Secretary of the Interior and State and local representatives.

The second major provision of the bill is, I think, the most significant as it guarantees substantial and meaningful local participation in the development of the land and water management plan. The mechanism for public involvement is an Upper Delaware Citizens Advisory Council whose 17 members include at-large representatives of the States and residents of the riverine counties. The council will report periodically to the Secretary of Interior on the efficacy of the proposals as they progress from creation to implementation.

The preservation of the Upper Delaware must be accomplished with minimum intrusion into the lives of the people who live and work in the river basin. This brings me to the third major provision of the bill: A limit of 450 acres on the amount of land that may be acquired by the Secretary of Interior, with an additional maximum acquisition of 1,000 acres if involved parties, including local interests, find such additions to be desirable and appropriate. These limits are very important to the people in the area, for they afford protection from the sometimes grasping hand of the Federal Government.

Finally, I would like to note that this bill has been supported by the major governmental entities with an interest in the Delaware. The bill has the support of New York's Department of Environmental Conservation and Pennsylvania's Department of Environmental Resources, and all of the member States of the Delaware River Basin Commission gave their approval to an earlier draft of the bill. I also anticipate administration support, to the extent that the bill captures the recommendations of the Department of Interior. This is important legislation that I urge my colleagues to support as well.

THE PRESIDENTIAL MESSAGE ON EDUCATION

Mr. MOYNIHAN. Mr. President, I have one other matter I would like to bring to the attention of the Senate. Yesterday, the President sent a comprehensive message to Congress on a wide range of educational concerns. The press today reports this in the favorable light that, it seems to me, is altogether appropriate, and I have taken the liberty, having been involved with these matters over four administrations, to praise the President for what he has done with respect to—and proposed to do with respect to—the Elementary and Secondary Education Act. But I have also expressed some very real concern at the absence of any substantive measures to fulfill the commitments of the Democratic Party and the President himself, to find ways to provide assistance to the parents of students in the nonpublic, nongovernment elementary and secondary schools of this country.

This matter goes back with me some time. In 1964 I helped negotiate and draft a plank in the Democratic Party platform of that year which stated that—

> New methods of financial aid must be explored, including the channeling of federally collected revenues to all levels of education, and, to the extent permitted by the Constitution, to all schools.

It had been agreed between representatives of the U.S. Catholic Conference and other groups who had opposed a proposal President Kennedy sent for aid to elementary and secondary schools which did not include such a provision that if this language were adopted their opposition would be withdrawn.

The plank was adopted and the following year the bargain was kept. The Elementary and Secondary Education Act of 1965 was adopted.

Mr. President, the Government did not keep its side of that undertaking. Almost no aid of any substance, of any consequence, has gone to the non-Government schools, which are older in point of time and fully as legitimate as those schools which are provided for by tax funds in this country.

In the 1976 Democratic platform the party reversed its commitment to the support of a constitutionally acceptable method of providing tax aid for the education of all pupils in nonsegregated schools. I was again a member of the drafting committee this time.

President Carter, on October 19, 1976, in a letter to the chief administrators of Catholic education could not have been more explicit on this matter. He said:

> I am firmly committed to finding constitutionally acceptable methods of providing aid to parents whose children attend parochial schools.

Mr. President, I ask unanimous consent to have President Carter's statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

On the occasion of the fall meeting of the Chief Administrators of Catholic Education I send sincere good wishes.

Through out our Nation's history, Catholic Educational Institutions have played a significant and positive role in the education of our children. Millions of Americans of every income level, race, background and region have reaped the benefits. Indeed, in many areas of the country parochial schools provide the best education available. Recognization of these facts must be part and parcel of the consciousness of any American President.

Therefore, I am firmly committed to finding constitutionally acceptable methods of providing aid to parents whose children attend parochial schools. I am firmly committed to seeing that children attending parochial schools benefit fully from federal education programs.

During my years as Governor I supported, and the voters authorized, annual grants for students attending non-public colleges. We must develop similar supportive programs at the national level for non-public elementary and secondary schools if we are to maintain a healthy diversity of educational opportunity for all our children.

My personal commitment to education is reflected in my career as a public official. My first public office was the Chairmanship of a local school board. As a State Senator, I successfully sponsored the first overhaul of education financing in Georgia, and during my term as Governor a second, even broader reform in education financing was successfully completed.

As President, I will remain committed to quality education for all our citizens.

As President, I would create a separate department of education, the result of which would be a strong voice for education at the federal level.

As President, I would make sure that the interests and concerns of non-public education are represented in all government education agencies and commissions. Personnel sensitive to the interests and concerns of private and parochial institutions would be appointed to positions within my administration.

The right of millions of Americans to choose a religious education for their children lies at the core of America's diversity and strength. It is a right we dare not lose.

Mr. MOYNIHAN. Of course, it is with this in mind that Senator PACKWOOD and I, in association with Senator ROTH and Senator RIBICOFF and, indeed, with fully half this body, have proposed a system of tuition tax credits that would provide elementary and secondary schools with that form of indirect aid, which is a fully constitutional form.

The President has stated he cannot accept that, which is a perfectly legitimate position if he feels this is not the right way to do what he has committed himself to do and what our party is committed to doing.

That is why it was disappointing to read in the President's message and associated administration materials released yesterday to the Congress a series of statements that suggested that something new was going to happen here. Secretary Califano stated in particular that he was going to create an Office for Nonpublic Schools within the Office of Education.

Mr. President, the disturbing thing in that proposal is that there already is an Office for Nonpublic Schools in the Office of Education and has been for a very long time. It is technically known as the Office of Nonpublic Educational Services.

I can refer Senators to a Government brochure describing its work. It is HEW Publication No. (OE) 77-00005.

Now, who would like to know more about the organization? The Director of the Office, Mr. Dwight R. Crum, has prepared a little outline of his functions and activities and he can be reached at Code 202-245-8054.

Mr. President, what are we to read from the fact that in response to a commitment that was more than an incremental pledge involving the allocation of funds and resources, the question many of us see unanswered is one of fundamental social equity, of justice long delayed and denied to nongovernment schools in this Nation?

A President has committed himself to do something and now his administration presents us with a proposal to create an office which already exists, but the effects of which have been so palpably minimal as to make it seem a good idea to do what already has been done.

Clearly, President Carter does not intend to deceive anyone. Clearly, this was brought to him as a good idea which would fulfill his pledge. But why did the persons who made that proposal to him do so, given the plain fact that the proposition verges on the fraudulent?

Can it be that the Secretary of HEW does not know there is already an Office of Nonpublic Educational Services? Or does he think that no one else knows?

If I were a member of the White House staff at this point I should be concerned that the President has been put in a position of seeming not to know what it is his administration has proposed with respect to a matter to which many persons pay the closest attention and in response to which we have been disappointed and puzzled.

Clearly, this is not the end of the matter. Clearly, this body can go forward with the tuition tax credits that we have proposed on our own, but we have not yet seen from the President any alternative.

If I were he, I should be distressed to be in what seems to be the embarrassing position of having made as a substantive proposal, at most, a symbolic gesture, but a symbolic gesture made two administrations ago.

Finally, Mr. President, I would like to call attention to a story which appeared in yesterday's New York Times by Mr. Paul Lewis describing a meeting of the Secretariat of the Organization for Economic Cooperation and Development, which is normally referred to as OECD. The OECD Economic Policy Committee, meeting was attended by Dr. Charles Schultze, who is chairman of the Council of Economic Advisers and a distinguished American economist. I am happy to say he is an old and good friend.

The OECD, or rather for reasons that will become clear, I should say the Organization for Economic Cooperation and Development, has now come forth with a new approach to the problem of the lagging economic growth in our country, and the new approach is called coordinated preflation action program on—the coordinated reflection action program.

Mr. President, I do hope that the officials involved will resist the temptation, which is otherwise much in evidence, to refer to this program by its initials. It could cause what I believe is known as a loss of investor confidence and it may, indeed, be one of the mysterious forces behind the most recent decline in the dollar, which is reported in the morning press and the lamentable falling off of the Dow-Jones average.

I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The PRESIDING OFFICER. The pending question is the amendment by the Senator from Alabama.

Mr. ALLEN. Mr. President, even though I am the only Senator on the floor, other than the distinguished Presiding Officer, the junior Senator from New York (Mr. MOYNIHAN), I shall not take advantage of the absence of my colleagues by moving to table the treaties. Instead, I will discuss my amendment.

I wish to express my very sincere and deep appreciation to the distinguished majority leader, who has accorded the Senator from Alabama the utmost courtesy and consideration as I have sought to offer amendments that, in my judgment, would improve this treaty.

One amendment to the treaties which I have offered in the Senate is designed to give to the United States added rights of defense that would extend beyond December 31, 1999, if, in the judgment of the President of the United States, it was necessary for the defense of the canal or necessary for the preservation of the neutrality of the canal for us to continue our military presence in the Panama Canal Zone beyond December 31, 1999, but not beyond December 31, 2019, and if the President so certified to the Government of Panama.

We do not know what the conditions are going to be in Panama at the year 2000. The government there might be Communist dominated. It might be under the control of a hostile foreign government. In fact, it might be just a satellite of Cuba, a satellite of Russia. We know that Russia and Cuba are casting covetous eyes at the Panama Canal, and who knows but that they already will have moved in by the year 2000? None of us is a fortune teller or a mind reader. We cannot predict the future. We do not know what the situation will be.

My amendment received a respectable vote. It was tabled by a vote of 55 to 34, and three Senators have assured me that had they been present at the time of the votes, they would have voted in effect for the amendment—that is, against the motion to table. That would add up to 37, which is a respectable vote, especially since the amendment was opposed by the Republican leadership in the Senate, the Democratic leadership in the Senate, and the administration itself. So I feel that some 37 Senators were willing to cast an independent vote, to vote for what they thought was the best interests of our country.

Let me hasten to say, Mr. President, that I do not feel that any Senator—not one—would vote contrary to what he or she thought was in the best interests of our country. Every Senator is patriotic, and certainly the Senator from Alabama does not wish to impugn the sincerity or the patriotism of any Senator. But I believe that we should exercise our independent judgment as these amendments come before us, to determine whether they are in the best interests of our country.

This amendment, giving us the right to maintain a military presence in Panama for an additional 20 years, seems to me to be necessary to fill the hiatus existing in the leadership amendment, because the leadership amendment, which gives us certain defense rights after the year 2000, in perpetuity, overlooks the fact that, under the treaties, all our troops would be withdrawn from the Canal Zone before the leadership amendment would go into effect. So it gives certain rights but denies us the means.

All the amendment that has been defeated would do would be to aid the leadership amendment, complement it, improve it, not take away even one word or one letter from the leadership amendment. It would leave the leadership amendment intact. It would add just a little additional right to our country, the right to defend the canal, the right to keep a military presence there, to aid us in defending the canal. So it seems to me to be a logical amendment. That amendment was stricken down by the motion to table.

An amendment was offered by the distinguished Senator from Virginia (Mr. SCOTT) that would have provided that the Neutrality Treaty, which we are on now, article I, would not go into effect or would be void unless the Panama Canal Treaty also should be approved. That seemed an innocuous but entirely logical amendment, because certainly we do not want to change our right to defense that we now have, unless we are going to give the Panama Canal away. There again, Mr. President, I thought that we got the cart before the horse on considering the neutrality amendment, which has its largely effective coverage starting in the year 2000, even though I realize that the Neutrality Treaty goes

into effect at the same time as the Panama Canal Treaty. But there is no feel for the operation of the Neutrality Treaty until the year 2000, because we already have defense rights under the Panama Canal Treaty.

Now this amendment, that is now pending: Through the courtesy of the distinguished majority leader and, I might say also, the courtesy of the distinguished floor manager of the bill, the Senator from Idaho (Mr. CHURCH), it has been agreed that no vote can be taken on this amendment or on a motion to table prior to 11:30, I believe, which will give ample opportunity for all of us to discuss the amendment.

Mr. President, there is no inclination or desire on my part to delay unduly the full consideration of the Neutrality Treaty and a final vote on the Neutrality Treaty. I did give my assessment when we had up my motion to reverse the order of consideration of these treaties.

I did give as my assessment, however, that I felt that if we did not reverse the order of consideration of the treaties, it necessarily would add a week to the time that would be spent on considering the neutrality amendment.

Why would that be true, Mr. President? It sounds, on the face of it, possibly illogical. But it is not. Nobody objects to a neutrality treaty provided we reach the decision to give the canal away. That should be the first decision: Are we going to give the canal away? I felt we ought to decide that question before we worry about defending it in the year 2000.

Also, Mr. President, as I perceive the strategy of the proponents of the treaties and the proponents of the leadership amendment, they feel that if they got an entering wedge by getting the approval of the Neutrality Treaty first, then, with that momentum and that topheavy vote, they would be able to push the Panama Canal Treaty through in a short while. But I suggest that if we had first considered the Panama Canal Treaty and reached that decision, then it would have taken only a day or two—two at most, in my judgment—to pass the Neutrality Treaty. There would probably have been four, five, six, or seven amendments. Everybody would have wanted to pass the Neutrality Treaty, giving us the most rights, the greatest amount of rights under the Neutrality Treaty for the defense of the canal.

But, now, Mr. President, the situation is that the two treaties must be considered as one package and Senators opposed to the treaties, who might vote for the Neutrality Treaty as the second treaty to be considered, cannot give the proponents of the treaties that added momentum. We regard the two treaties as one package at this time. Consequently, we shall have to vote against it. There will be some who will depart from that theory and I look for the vote on the Neutrality Treaty to be upward of 80 votes. But some Senators are being deprived by this maneuver of the opportunity to vote yes on the Neutrality Treaty. Many would do it if it were the second treaty before the Senate. So we are going to find that many Senators who would like to vote yes on the Neutrality Treaty are prevented from doing so by the order of consideration of these treaties.

It seems to the Senator from Alabama, and I think we can see this strategy shaping up, that no amendments will be allowed to the Neutrality Treaty, and I am reasonably sure that they will prevail in that strategy, because they have close to 67 votes for the treaties. So it would certainly be logical that they would have over 50 that they could get to vote against amendments. So we are going to see the Senate, this great deliberative body, so-called, refusing to shape this treaty by stonewalling all amendments. We are seeing the Senate, as I see it, abdicating its role of advice and consent, its role of advice and nonassent, if that be the collective wisdom of one-third plus one of the Senate.

I think that is a sad situation—this great issue of what to do about the Panama Canal, said to be the most important issue that has come before the Senate in many years. And I believe that it is, because it involves a whole lot more than actual disposition of this important waterway, this property of the United States of America, this property embraced in the Canal Zone. I see it as this effort to give the canal away, this effort to give in to pressure. I see it as symptomatic of a state of mind among many in this country to give our very substance away, to retreat around the world at every bit of pressure put upon us or every measure of resistance that we receive around the world. I see it as a test of our will to survive as a great nation, as a world power. I see it as a test of whether we are going to retreat around the world.

So it is much more important, Mr. President, than the mere issue of giving the canal away. If we are going to give the canal away, we should have the best possible right to defend it and the leadership amendment is wholly inadequate at this point.

Now, the current amendment; it would have been better to approve the other amendment giving the President the option, reserving our options to continue our military presence there if it is necessary. So that would have given wide application of our right to continue to defend the canal, wide application. All that it would have taken would have been the discretion of the President.

The distinguished Senator from New Hampshire (Mr. MCINTYRE) has just asked me if I would yield the floor at 10 o'clock, inasmuch as he has a statement to make, and I will certainly be glad to accommodate the distinguished Senator from New Hampshire.

So we were denied, and I will say the American people were denied, the right to continue our military presence in the Panama Canal Zone if the President deems it necessary for the defense of the canal or the maintenance of its neutrality, such added right to have been limited, however, to 20 years. We were denied that broad area of possible application of betterment.

We were reduced, then, to offering amendments that would protect our right to continue our military presence in Panama beyond December 31, 1999, to a restricted area of application. It would have been much better to have the full area of application, but the Senate said, "You can't do that; that might cause the defeat of the treaties, to secure amendments headed straight to the heart of the issue."

Well, what is wrong with having amendments that go straight to the heart of the issue, as the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) said prior to the vote? If we had offered a minor amendment, it would have been called dilatory; but if we offer an amendment that goes straight to the heart of the issue, how better can we bring the issue before the U.S. Senate?

What is the area of application of the pending amendment? Offered, I might say, by Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. GARN, and myself; and any other Senators who care to cosponsor it certainly are invited to do so.

It merely provides for this contingency, which they said might never happen. Sure, it might never happen, but you need to provide for a contingency, because we do not know what is going to happen down there in the next 22 years, as I have pointed out.

This amendment merely says that if, at the appointed time for pulling our military party out of Panama, that is, on or before December 31, 1999, we find ourselves in a state of war with any other nation that might seek to use the canal under the neutrality provisions of the treaty, which are just about as broad as you can get, because it says that in war or in peace, immediately vessels can transit the canal. In order to protect our right to defend the canal without catching the vessels out at sea, as the distinguished Senator from Idaho (Mr. CHURCH) says is the answer, this amendment says we can continue our military presence there during existence of that state of war and 60 days thereafter, which would give us 60 days to get our troops out after the state of war was over.

Mr. President, I am going to try to find here in just a moment the provision that I have reference to, and I want to comment just briefly on the answer of the distinguished Senator from Idaho (Mr. CHURCH) to this provision.

This is what the treaty says, the Neutrality Treaty we are working on:

> Vessels of war and auxiliary vessels of all nations shall at all times—

This says "all times." I guess that is war and peace both—

> shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination or armament.

Now, listen to this:

> without being subjected, as a condition of transit, to inspection, search or surveillance.

How much broader a provision can you get than allowing enemy warships

and submarines to transit the canal without even inspecting them? They might have all sorts of devices to blow up the canal; but do not even inspect these enemy vessels.

How does the distinguished Senator from Idaho (Mr. CHURCH) say he is going to handle that? By saying that despite this provision in here that gives them just carte blanche to come in without any inspection, without any surveillance, without any search, just lets them come in and go through the canal—how does he say he is going to handle that?

"Oh," he says, "we will meet them out at sea."

You give this wide-open authority to transit the canal; you say that in one place, and you have a protocol with all other seagoing nations of the world, who are invited to join in this neutrality treaty, having the right to transit the canal; and how do the proponents of the treaties say they are going to get around that agreement, made in good faith and I assume in honor, as a treaty among the nations of the world?

"Oh, we will meet them out at sea. Yes; if they can break through they can go through, but we will meet them out at sea and see that they don't get to the canal."

What sort of arrangement is that, when all the other seagoing nations of world are invited to join in this protocol? I am not making that up; every single nation in the world is invited to join in this protocol, guaranteeing this neutrality. Here it is, on page 22 of this State Department selected documents, No. 6(a), "Texts of Treaties Relating to the Panama Canal":

This Protocol shall be open to accession by all states of the world.

That is the protocol saying that enemy vessels can have free access to the canal. And after agreeing with all the nations of the world on that set of facts, the proponents say, "Well, we won't worry about that; we will meet them out at sea, to make sure they do not get to the canal."

I never heard of anything much more cynical than that approach.

The hour of 10 o'clock has arrived. I agreed to yield the floor, and I trust the Chair will recognize the Senator from New Hampshire (Mr. MCINTYRE).

The PRESIDING OFFICER. The Senator from New Hampshire (Mr. MCINTYRE) is recognized.

Mr. MCINTYRE. I thank my able friend from Alabama for yielding to me at this time.

Mr. President, despite the threats of political reprisal from the radical right, I intend to vote to ratify the proposed Panama Canal treaties.

After 6 months of hard study, I have concluded that on balance the new treaties are the surest means of keeping the canal open, neutral, and accessible to our use—and are in keeping with our historical commitment to deal fairly and justly with lesser powers.

But no instrument forged by man is perfect and few issues black and white. So I must respect the judgment of those here and in New Hampshire who have given the treaties the same intense and objective scrutiny I have given them, yet—in equally clear conscience—cannot support ratification.

Today, Mr. President, I want to say a few words about how I reached my decision on the treaties. After that, I intend to deliver a full expression of my views on how this issue has been politicized and exploited.

As to the treaties themselves, I promised the people of New Hampshire early last fall that I would neither rush—nor be stampeded—into superficial judgment.

I have kept my word. I made it a point to study the history of the canal, to study the provisions of the original treaty and of the new documents, to consult with those whose judgment I respect, and to ask the hardest questions I could put to those who witnessed for or against ratification in the hearings conducted by the Committee on Armed Services.

I must say that there was never any real question in my mind about the need to modernize our treaty relationship with Panama, Mr. President. That need is as evident to most of us—including many who oppose the new treaties—as it has been to the last four administrations.

Nor did I agonize over the question of sovereignty. As William Buckley put it:

Even if we had in our hand a record that showed that every Panamanian in 1903 had voted to grant the U.S. in perpetuity the rights we have enjoyed in that area, still there is the shifting perspective between what was permissible and even welcome in 1903, and what is permissible and welcome in 1978.

It was also apparent to me early on that there were considerable risks in rejecting the treaties out of hand because Panama's form of government and negotiating tactics were not precisely to our liking.

It seemed to me that refusing to ratify the treaties for those reasons alone would play into the hands of our adversaries in the Soviet Union and Cuba, would offend most of our neighbors in the Western Hemisphere, might trigger a political upheaval in Panama that would replace the Torrijos regime with one even more fiercely nationalistic and perhaps more repressive, and might cripple our own President's capacity to conduct foreign policy for the remainder of his time in office.

Now I do not like doing business with dictators, either, Mr. President, and particularly with those whose family members may have trafficked in drugs. But, I do not like doing business with dictators of either the left or the right, and I have been struck by the irony that many of those who are in such public high dudgeon over the repression of human rights in Panama ignore or even excuse the same repression of freedom in South Korea, for example, or South Africa.

The hard truth is that there are times when diplomacy, like politics, forces unfastidious bedfellows upon us whether we like it or not. Omar Torrijos is a diplomatic fact of life who at the moment cannot be wished away. But there is consolation in the fact that he will not be around 22 years from now when control of the canal finally would pass into Panamanian hands under the terms of the new treaties.

What I am saying, Mr. President, is that I have never believed that offended sensitivities and ruffled chauvinism were sufficient grounds for summarily rejecting the new treaties. We are too big to be that petty.

Instead, I felt that the provisions of the treaties should be measured on their merits by putting them to the test of three crucial questions:

First. Are the new treaties in our best national security interests? Are they, indeed, the best mutually acceptable instruments for insuring the security and the neutrality of the canal, and our ready access to it?

Second. Are the new treaties consistent with the principles upon which our own Nation was founded? Do they honor our historical commitment to justice and the right of self-determination for all nations?

Third. Are there any omissions or ambiguities in these treaties that could in time surprise and embitter either signatory and break down the friendship and cooperation they were supposed to enhance?

I sought positive answers and firm assurances from both the Pentagon and the State Department, Mr. President, and some, I must say, were distressingly slow in forthcoming. Indeed, I did not get a definitive response from the State Department regarding what the new treaties would cost us—and give Panama—in dollar terms until late last week, and one point requires still further clarification. Specifically, I am not entirely persuaded that the Panamanian Government agrees with our interpretation that any accrued unpaid balance of the annual contingent $10 million payment will not be paid by the United States. So I am reserving my option to support a clarifying amendment or even an understanding on this point, Mr. President.

In general, however, I am satisfied that both the Pentagon and the State Department have made earnest and honest attempts to provide the answers and the assurances I sought, and to support this judgment I ask unanimous consent that the text of letters of response from Adm. J. L. Holloway, Chief of Naval Operations, regarding security questions, and from the State Department, regarding economic questions, appear in the RECORD at the close of my remarks.

THE PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MCINTYRE. Mr. President, my oath of office required me to make as certain as I could that our security interests would not be jeopardized by the new treaties. Admiral Holloway's testimony before the Committee on Armed

Services and his written response to my follow-up questions provided the assurance I sought.

My duty to the taxpayers of this country required me to do all I could to make certain all of the potential dollar costs of the new treaties were fully known and understood. And most of them now are. In some, the American people may have to pay more than they expected, and the Panamanian people may have to settle for less than they anticipated. What is most important, however, is that all of this is known before the final vote on the treaties.

That said, Mr. President, let me now turn to my second purpose here today.

I want to express myself on the way the issue of the canal treaties has been politicized, and I will do so with no little anger and resentment. Perhaps what I am going to say is not precisely germane to the question before us, but I believe with all my heart that it must be said and said now. The campaign waged by certain opponents of ratification—in my State and across the Nation—has impugned the loyalty and the motives of too many honorable Americans to be ignored or suffered in silence a minute longer.

Mr. President, I believe the techniques used to exploit the issue of the canal treaties are the most compelling evidence to date that an ominous change is taking place in the very character and direction of American politics.

In his farewell broadcast several months ago, Eric Severeid warned of the paradoxical rise of "dangerously passionate certainties" in a time of no easy answers.

One could speculate endlessly about the root cause of this development: A generation of disillusion and disenchantment with the lack of integrity and the misuse of power by leaders and institutions; the humbling experience in Vietnam; the unrelenting pressure of unfocused anxieties about national direction and purpose; and the all-too-human inclination to turn in frustration to the slogans and rostrums of a simpler time.

But whatever the cause, Mr. President, I see abundant evidence that these "dangerously passionate certainties" are being cynically fomented, manipulated, and targeted in ways that threaten amity, unity, and the purposely course of government in order to advance a radical ideology that is alien to mainstream political thought.

Already we have seen the vigor of the two-party system sapped by this phenomenon. More and more Americans appear unwilling to abide by the essential ethic of the party system—that willingness to tolerate differing views within the party, and to accept the party platform, however unpalatable some of its provisions, in order to advance a general political philosophy.

As a result, the traditional role of the parties is slowly being usurped by a thousand and one passionately committed special interest, splinter faction, and single issue constituencies.

My colleagues know what I am talking about. They know, as I know, that on any given issue someone somewhere can depress a computer key and within hours or a few days at the most we are inundated by mimeographed post cards and custom-tailored letters and telegrams that vary scarcely a comma in the message they deliver.

Now let me make this clear, Mr. President. I believe in listening to my constituents. I do pay careful heed to all of their cards and letters. But I give special consideration to those that are obviously the individual product of the writer.

And let me say, too, that I believe in firm and outspoken commitment to principles and convictions. I would readily agree, as someone once said, that there are times when compromise offers little more than an "easy refuge for the irresolute spirit."

If the Senator from Utah would allow me the opportunity to deliver this talk I would be happy to yield to his questions at the end and, I think, he may have many more questions at the end than he has now.

Mr. HATCH. I would be delighted to delay my questions.

(Mr. ZORINSKY assumed the chair.)

Mr. McINTYRE. But I would make a distinction between commitment that is rooted in reality—commitment, for example, that recognizes the linkage between problems and the consequences of ignoring that linkage when applying solutions—and commitment that denies reality and is, in truth, but the blind and obsessive pursuit of illusion.

Extremists who deny reality in the pursuit of illusion deny something else, Mr. President, something of fundamental importance in our republic of free men and women. They deny the differences that distinguish one human being from another.

They deny the indisputable fact that each of us is the result of a unique combination of genes and chromosomes, of influences and impressions, of training and of faith, and of the milieu from which we sprang. In short, they deny everything that science and simple observation tell us about human nature and individual capacities and limitations.

By proceeding from the flawed premise that all of us are alike, it is easy for ideologues to conclude that we must see every issue as they see it—unless there is something sinister in our motivation.

And they proceed from that premise, Mr. President, with an arrogance born of the conviction that they and they alone have a corner on patriotism, morality, and God's own truths, that their values and standards and viewpoints are so unassailable they justify any means, however coarse and brutish, of imposing them on others.

Now I want to be fair about this, Mr. President. In the particular instance of the canal treaties, I am talking about the kind of politics practiced by what has come to be known as the New Right. But I want to note that the record of extremists on the ideological left bears a remarkable, and regrettable, similarity.

In his book, "The Education of a Public Man," Hubert Humphrey said some of his fellow liberals "demanded a purity of performance that is virtually beyond human capability"; that they were happy only when they lost and unhappy when they won because their interest lies only in persuading themselves that they are always in the right.

"There are those," he wrote, "who live by the strict rule that whatever they think is right is necessarily right. They will compromise on nothing. They insist that everyone follow their thinking." And, he added, the wrath of the intellectual liberal at those who are willing to compromise to secure some worthwhile gain is something unbounded.

Hubert Humphrey understood, as Voltaire understood, how frequently "The Perfect is the Enemy of the Good."

There have been times when some of us have felt the wrath of the purist left, Mr. President. And now—today—many of us are feeling the wrath of the New Right because we will not bow to their threats and vote against ratification of the canal treaties.

Indeed, Mr. President, one element of the New Right—the Conservative Caucus—did not wait for me to announce how I would vote on the treaties. They launched their attack months ago.

Last summer the national director of the Conservative Caucus, Howard Phillips, said conservatives should make "a political sitting duck" of TOM McINTYRE over the canal treaties and that the Conservative Caucus could, "make it a political impossibility for McINTYRE to vote for that treaty."

On December 4, 1977, the Conservative Caucus of New Hampshire passed a resolution of censure and served it on me like a subpena. I was "censured" for a speech I made last September, a speech in which I took neither side on the treaty issue but merely spelled out the pro and con arguments I would have to consider when I finally made my decision on how to vote.

So that my colleagues can consider the full text and tone of that resolution, I ask unanimous consent to have it appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. McINTYRE. The resolution censured me for allegedly giving aid to a recognized dictator, one Omar Torrijos; for indicating I was willing to violate the Constitution and my oath of office by even considering a vote for treaty ratification; for failing to recognize through my speech and "personal ignorance" that the treaties would provide the Communist regimes with a legal beachhead from which they would eventually overpower all nations of Central and South America; for saying in the speech that however I voted I would vote in "good conscience"; for happening to be chairman of the Subcommittee on Financial Institutions when, the resolution said, "it is

common knowledge that the financial institutions of the United States have more than a vested interest in the canal treaties."

Not only did the resolution censure me, it required me to appear before the Caucus in Wolfeboro, N.H., on February 12 to justify why I should not vote against ratification and/or refute said censure. My nonappearance, the resolution said, would constitute prima facie evidence of my intent to vote for ratification.

Well, I did not go before the caucus, so I have to assume I was tried in absentia and found guilty of a decision I had not yet made at that time.

Now I hope my colleagues are not surprised by the crude message and the abrasive, threatening tone of that resolution of censure. That is the lexicon of the New Right. And it makes a travesty of the movement's efforts to promote itself as respectable and responsible.

Hear, if you will, the revealing words of Howard Phillips on other occasions:

> We organize discontent. We must prove our ability to get revenge on people who go against us. . . . We'll be after them, if they vote the wrong way. We're not going to stop after the vote's past.

And hear the words of another spokesman for the New Right, Paul Weyrich, director of the Committee for the Survival of a Free Congress:

> We are different from previous generations of conservatives. We are no longer working to preserve the status quo. We are radicals, working to overturn the present power structure of this country.

Mr. President, these people are different from traditional conservatives. I know the traditional conservatives of my own State. I have competed with them in the political arena. I have worked with them in behalf of our State. They are people of honor, civility, and decency.

The New Right cannot comprehend how people of opposing viewpoints can find common ground and work together. For them, there is no common ground. And this, in my judgment, is the best indication of what they truly are—radicals whose aim is not to compete with honor and decency, not to compromise when necessary to advance the common good, but to annihilate those they see as enemies.

And if "conservative" in the title "Conservative Caucus" is an ironic misuse of the word, it is doubly ironic that destiny would link the national chairman of the Conservative Caucus—the Governor of New Hampshire—with William Loeb, the publisher of New Hampshire's largest newspaper and the master practitioner of the politics of threat and vengeance.

Within the year, the Governor, the head of the Conservative Caucus, made the following bizarre nouncements:

He said the Carter administration was pursuing "a pro-Communist course." He said Martin Luther King "did great harm to the American way of life through his association with Communist-inspired organizations."

In South Africa a few weeks ago, he called our State Department "un-American" but called John Vorster "one of the great world statesmen of today." He said apartheid is a "local South African problem." As for detention without trial in South Africa, he said:

> You know, even Abraham Lincoln suspended habeas corpus during the Civil War.

Fourteen of New Hampshire's top religious leaders issued a joint statement, read from the pulpits of many churches, taking sharp issue with the Governor's fawning appraisal of South Africa's leadership and policies. "Our Christian consciences," the clergy said, "will not allow (the Governor's) statement to go unanswered."

William Loeb immediately rushed to the Governor's defense, declaring in a signed, front page editorial that the 14 clergymen "have been playing for suckers * * *. Their idealism and their innocence and almost complete ignorance about South Africa has been taken advantage of."

Mr. Loeb went on to give his own appraisal of John Vorster's South African regime. "The South Africans," Leob said, "are doing the best they can to bring these blacks out of the jungle * * *."

Mr. President, I cite the above public utterances by the national chairman of the Conservative Caucus and Mr. Loeb only to ask the obvious. If they hold such benighted opinions on those matters, how much credence can we give their views on the Panama Canal treaties?

But credibility may be too much to ask of men whose stock in trade is flag waving, sabre rattling and the politics of threat and vengeance.

In all of this Nation, Mr. President, there may not be two more recklessly belligerent public figures than Meldrim Thomson and William Loeb. Though neither has ever worn the uniform of his country into battle, they are the first to demand the kind of precipitous action that could plunge young Americans back into combat.

Only a few weeks after the oil embargo of 1973 got under way, Mr. Loeb charged into this most sensitive situation with an editorial titled: "Let's Go After Our Oil." Calling the Arab leaders "heathen swine", he said that if they did not quickly yield to an embargo and blockade we could ask them, and I quote:

> How would you like to have us bomb your holy cities of Mecca and Medina out of existence?

And not many weeks ago, Governor Thomson went to Taiwan as the guest of that nation and promised that the day would come when the United States would support an invasion of mainland China.

Oddly enough, however, Chairman Thomson's high regard for military power and his willingness to use it is offset by his low esteem of the integrity of military leaders. Listen to his insulting appraisal of why the Joint Chiefs of Staff support the new canal treaties:

"Active commissioned officers," he contends, "will either say what the administration desires or remain silent."

Mr. President, what this notorious armchair warrior—and others like him—is telling us, in effect, is that a man like Admiral Holloway, a man who fought for his country at Saipan, the Southern Palau Islands, Tinian, Leyte, the Surigao Straits, Korea, and Vietnam, a man who has earned the Bronze Star, the Navy Commendation Medal, the Distinguished Flying Cross and three Air Medals, the U.S. Legion of Merit, and three Distinguished Service Medals, a man who rose to top command of our Navy by the age of 54, cannot be trusted when he tells us, as he did, that "the new treaties are in the best national security interest of the United States."

Mr. President, this is a prime example of what I meant when I said radical extremists believe that we would see every issue as they see it—if there was not something sinister in our motivation. In this instance, the National Chairman of the Conservative Caucus—Governor Thomson of New Hampshire—would have us believe that military leaders like Admiral Holloway have compromised their integrity and the Nation's security in order to ingratiate themselves with the administration. How insulting. How absurd.

But the beliefs and the tactics of the radical right are nothing new to those of us who call New Hampshire home, Mr. President, so it was no surprise to see Governor Thomson, Mr. Loeb, and the Conservative Caucus team up to threaten vengeance on JOHN DURKIN and TOM MCINTYRE for supporting the canal treaties.

I am certainly not sanguine about such powerful and ruthless opposition, Mr. President, but after 16 years of weathering the sustained attacks of Mr. Loeb and his ilk neither am I anguishing over the outcome.

My political fate is not my concern here today. My concern is the desperate need for people of conscience and good will to stand up and face down the bully boys of the radical New Right before the politics of intimidation does to America what it has tried to do to New Hampshire.

So I say to my colleagues in closing:

If you want to see the reputations of decent people sullied, stand aside and be silent.

If you want to see people of dignity, integrity and self-respect refuse to seek public office for fear of what might be conjured or dredged up to attack them or their families, stand aside and be silent.

If you want to see confidential files rifled, informants solicited, universities harassed, "enemy hit lists" drawn up, stand aside and be silent.

If you want to see dissent crushed and expression stifled, stand aside and be silent.

If you want to see the fevered exploitation of a handful of highly emotional issues distract the Nation from problems of great consequence, stand aside and be silent.

If you want to see your Government deadlocked by rigid intransigence, stand aside and be silent.

If you want this Nation held up to worldwide scorn and ridicule because of the outrageous statements and bizarre beliefs of its leaders, stand aside and be silent and let the Howard Phillips, the

Meldrim Thomsons and the William Loebs speak for all of us.

Mr. President, I cannot believe that the loutish primitivism of Meldrim Thomson and William Loeb is what the American people want in their leaders, no more than I can believe that the American pepole want the divisive politics of the radical New Right to determine the course of the Nation.

On two occasions in the past several years we witnessed dramatic evidence that the American people desperately want to put acrimony and division aside, to heal the wounds, and to come together again as a people.

The first was that brief and shining moment on Independence Day of our Bicentennial celebration, a moment when all at once we were again united in the pride of our heritage, our esteem and affection for one another, our confidence in the future.

The second occurred but a few short weeks ago when the entire Nation paused to pay its final respects to that most beloved of Americans, Hubert Humphrey.

Mr. President, that vast outpouring of admiration and affection for our late colleague was proof enough for me that most Americans want their leaders to be healers—not haters: That most Americans want the politics of mutual respect and good will—not the politics of threat and vengeance; and that most Americans want to be asked for the best that is in them—not the worst.

In the long run, Mr. President, I am confident that the forces of decency and civility will prevail over the politics of intimidation, just as I am confident that reason and commitment rooted in reality will prevail over extremism in the pursuit of illusion.

But if that does not occur in time to save the treaties—or those of us who support them—then I, for one, will go home to Laconia, N.H., sad to leave this office, but content in heart that I voted in what I truly believed were the best interests of my country.

EXHIBIT 1

CHIEF OF NAVAL OPERATIONS,
February 21, 1978.

Hon. THOMAS J. MCINTYRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCINTYRE: Please find enclosed my responses to the questions posed by your letter of 6 February 1978. I hope that they will be of use in your decision on the proposed treaties.

As always, it was a privilege for me to appear recently before you and your distinguished colleagues of the Senate Armed Services Committee.

Sincerely,

J. L. HOLLOWAY III,
Admiral, U.S. Navy.

Enclosures.

Question. In your best professional and personal judgment, are the proposed treaties with Panama in the best national security interests of the United States?

Admiral HOLLOWAY. In my statement before the Senate Armed Services Committee, I concluded that the continued use of the Panama Canal for national security purposes is best assured through the provisions of the new treaties. In my testimony I further stated that the ideal situation was for the United States to retain a presence in Panama permanently and have the Panamanians glad to have us. However, they are adamant that they want the United States to withdraw completely within a finite time. The two treaties, which in essence immediately make the Panamanians our partners in the Canal's operation and commit the two countries to maintaining its future neutrality, represent the best solution. For the next 22 years, the U.S. has primary responsibility for defense of the Canal. We maintain forces there; we are free to reenforce and to maneuver our forces. After the year 2000, although we leave, we are obligated by the Neutrality Treaty to take action if the regime of neutrality is violated. That would mean coming back in if a third country entered Panama, or if we were denied use of the Canal. Taking the whole package and looking at it on balance, it represents to me the best solution to a very complex problem. Therefore, the new treaties are in the best national security interest of United States.

Question. In your best professional and personal judgment, do these proposed treaties, more specifically, the neutrality treaty, make it possible for us to continue our dominant presence in the Caribbean after the year 2000?

Admiral HOLLOWAY. After the year 2000, the Neutrality Treaty will not prevent us from maintaining a dominant presence in the Caribbean. It is my judgment that the United States will, after the year 2000, continue to maintain an overwhelming military advantage in the area. We will continue to have air, naval and ground forces dedicated to preserving the security interests of the United States in the Caribbean including the regime of neutrality of the Panama Canal.

DEPARTMENT OF STATE,
Washington, D.C., February 23, 1978.

Hon. THOMAS J. MCINTYRE,
U.S. Senate.

DEAR SENATOR MCINTYRE:

I appreciate the opportunity to answer the questions you raised yesterday about the Panama Treaties and the present state of the implementing legislation.

First, you asked what would happen if, in any year between now and 2000, while the United States continues to operate the Canal, toll revenues were insufficient to cover costs. We are confident that toll revenues will be sufficient to cover the operating costs of the Canal until the year 2000. Our expectations in this regard are supported by recently-conducted cost and revenue projections. Of course, it is possible, with or without the new Treaty, that unanticipated events of major significance may cause losses which cannot be totally recovered from revenues.

As you know, our negotiators fought hard to assure an extended period during which the United States would continue to operate the Canal. Having assumed responsibility for operating the Canal during this 21-year period, we naturally have an obligation to cover any unforeseen losses as well. If operating losses should occur in a given year, we anticipate that deficits would be financed through use of stand-by borrowing authority. These deficits would be recovered in subsequent years through an adjustment of the tolls base.

With regard to the $8.9 million debt owed by Panama to the present Company, the Treaty in no way extinguishes this obligation. If the debt remains uncollected when the new Treaty becomes effective, it would become an account receivable of the Panama Canal Commission. The amount of the debt is disputed by Panama. We intend, through diplomatic means, to resolve this dispute and to liquidate the debt.

You asked whether the Panama Government agrees with our interpretation that any accrued unpaid balance of the annual contingent $10 million payment would *not* be paid by the United States. We have raised this issue with the Panamanian Government within the last two weeks and have been assured again that their interpretation is the same as ours.

Finally, I am enclosing a summary of the implementing legislation in its present stage of development. This summary identifies the major issues and in some cases indicates how we expect the Administration to decide them. If you have any further questions on the implementing legislation, I would be happy to arrange a detailed briefing.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

EXHIBIT 2

RESOLUTION

In that the Honorable Thomas J. McIntyre, United States Senator from the Sovereign State of New Hampshire did on or about the 16th of September, 1977 in a public address on the Panama Canal before the New Hampshire Council on World Affairs at the Manchester Institute of Arts & Sciences derogatorily criticize the New Hampshire Conservative Caucus nonpartisan to whit:

". . . the Conservative Caucus has seized upon the Panama Canal as the issue to unseat Tom McIntyre". and,

Whereas he does by said speech give aid to a recognized dictatorship under one Omar Torrijos and,

Whereas he does by said speech indicate that he is quite willing to violate the Constitution of the United States of America, specifically Article IV, Section 3, Sub-section 2, and his oath of Office to whit:

". . . I will support and defend the Constitution of the United States of America against all enemies both foreign and domestic, so help me God." and,

Whereas he does by said speech and through personal ignorance fail to recognize that such treaties will provide the communist regimes a legal beachhead from which they will eventually overpower all nations of Central and South America and,

Whereas he does by said speech clearly indicate that he intends to vote his "judgment in good conscience" his contradictions notwithstanding and,

Whereas he does sit as the Chairman of the Subcommittee on Financial Institutions and,

Whereas it is common knowledge that the financial institutions of the United States have more than a vested interest in the Canal Treaties and, on these preceding statements therefore, let it be

Resolved That the Honorable Thomas J. McIntyre, Senator from the Sovereign State of New Hampshire is hereby publically censured and is requested and required to respond publically to the Citizens of the First Congressional District at the first quarterly meeting of the Conservative Caucus in session at Wolfeboro, New Hampshire, Sunday, 12 February, 1978, the time to be 3 pm in the afternoon, to justify why the Senator should not vote against ratification of the Treaties and/or to refute said censure, and that the Senator's nonappearance shall constitute prima facie evidence of his intent.

Mr. McINTYRE. I am happy to yield to the majority leader.

The PRESIDING OFFICER. The Senator from West Virginia (Mr. ROBERT C. BYRD).

Mr. ROBERT C. BYRD. I have been a Member of the Congress, now in my

26th year, 6 years as a Member of the House. I have been a member of the State Legislature of West Virginia, both houses, for 6 years prior to that.

In my 32 years in public office I have not heard many political speeches, many speeches dealing with legislative matters, many speeches dealing with any matters, for that part, that really move me.

Few speeches in this Chamber change votes.

I wish that all the Members of the Senate had the opportunity to be present to hear the speech that has just been delivered by the distinguished senior Senator from New Hampshire (Mr. McINTYRE). I class this speech as being among the two or three speeches I have heard in 32 years in public office that have had a genuine impact on my thinking, on me personally, and I believe on all who have had the privilege to listen to it.

Someone has said:

> Fame is a vapor, popularity an accident. Riches take wings. Those who cheer today may curse tomorrow. Only one thing endures: character.

I have never attempted to analyze the word "character," any more than to say that I believe it consists of courage, of intellectual independence, intellectual integrity, and one's harkening to the voice of his own conscience, after careful and considered evaluation of facts, and then following, by his actions and words, that course of action dictated by that enlightened conscience.

Senator McINTYRE has demonstrated what is, in my judgment, the highest caliber of character in the way that he reached his decision, in the way that he has announced his decision, in the way that he has explained it, and in the face of the kind of opposition, unreasoning opposition, that he has described.

Here is a man who is up for reelection this year. I, fortunately, am not up for reelection this year. So I can demonstrate a bit more independence, perhaps, than can those Senators who are up for reelection this year.

But I am encouraged when I look about me and see, as demonstrated by this Senator from New Hampshire, TOM McINTYRE, a man who puts personal politics aside and who takes a stand for what he believes is right.

Mr. President, these canal treaties have no national constituency. They have no constituency, no national constituency. I believe that, and without in any way implying any reflection upon any Senator who opposes this treaty, because I feel that any Senator who opposes these treaties does so because he thinks they are not in the best interests of the Nation.

For one who has nothing to gain politically—there is no political mileage for any of us in voting for these treaties—for one who stands in the position of Senator McINTYRE, who, after careful evaluation of all the facts—and I have watched him over these years as he has served on the Armed Services Committee—a man who carefully evaluates the facts before reaching his decision, when he reaches that decision, he has the courage of his convictions to announce it. For a man who has done that, I can only say that I salute him.

As long as we have men who will stand above the fog and stand before the demagogs, even at personal cost to themselves and to their careers, then this country, in my judgment, always will be the land of the free and the home of the brave.

Yes, Mr. President, the treaties have no national constituency. I think it is the duty of each of us to evaluate the facts and, in the final analysis, based on a considered judgment of those facts, to take a stand for what we think is right and in the best interests of our country.

I believe that TOM McINTYRE has demonstrated that principle here today. I compliment him and commend him.

Mr. McINTYRE. Mr. President, I thank the majority leader for his very kind words.

I agreed to yield to the Senator from Utah.

Mr. MOYNIHAN. Mr. President, will the Senator from Utah allow me to make one comment before he speaks? I shall be very brief.

Mr. HATCH. Certainly.

Mr. MOYNIHAN. I do thank the Senator.

Mr. President, I rise simply to state for the record what might be useful for those listening, and those who read the RECORD, to take note of at this point.

Note that this is not the first occasion on which THOMAS JAMES McINTYRE has been caught up—to use his memorable phrase from his brilliant speech this morning—in the politics of threat and vengeance. The politics of threat and vengeance bade fair to consume the civilized world at the outset of the 1940's, in the person of Adolf Hitler, and the forces of Nazism and Fascism threatened the life of the civilized world. There were then men who put on their country's uniform and wore it into battle, into the face of death and ruin, and in the end triumphed.

One man in the 376th Infantry of the 94th Division of the 3d Army—an army that fought its way in blood and mud across Europe and crushed Nazism—won four battle stars, a Combat Infantry Badge, a Bronze Star with oak leaf cluster, an oak leaf cluster, Mr. President—the Roman symbol of valor. That man has never called for other people to go to war. He has been to war.

The speech we have just heard could have been made in the Roman Senate in the days of its honor, and it has enhanced this Chamber as no other speech I have heard this year.

I would like to say that the major of infantry who wore those battle stars, who won that Bronze Star and the oak leaf cluster, is THOMAS J. McINTYRE of New Hampshire, and the granite of New Hampshire is in his honor and in his will.

Mr. McINTYRE. I thank my good friend from New York.

Mr. HATCH. Will the Senator yield?

Mr. McINTYRE. I yield.

Mr. HATCH. I am very pleased and privileged that my friend from New Hampshire yields to me.

I, likewise, would like to join in complimenting him for a number of points he made in his speech. I think I can certainly say, with regard to my fellow Senator, that I have enjoyed our relationship. I think a great deal of him. As a matter of fact, I feel he is a very tough adversary in many ways.

On the other hand, I would like to make a few comments about his speech.

Mr. McINTYRE. Will the Senator speak up a little bit?

Mr. HATCH. I should like to make a few comments about the Senator's speech, which I felt was well-written and well-delivered.

I might mention in the beginning that I was pleased that he mentioned the radical left, which he decried just as much as he decried what might be called the radical right.

Mr. McINTYRE. I felt its lash in 1968 like no fury I had ever felt.

Mr. HATCH. We all did, this whole country did. So I want to thank the Senator again for mentioning the radical left, which some of his colleagues fail to do when they make these rather emotional points.

I, like the Senator, am concerned about radicalism in any way, shape, or form. I do not like radical conservatives and I do not like radical leftists. To be frank, we have both of them among us in this country and, in some ways, both of them play major roles.

There are some radicals in the new right, just as there are many radicals in the old left, which has controlled this country through 41 of the last 45 years, through Congress. I might mention that my distinguished friend from New Hampshire, brought out, and I think rightly so, that there has been a lot of mail on this subject, some of it coming from radicals of both sides. He has not mentioned the left side, but he has mentioned mail coming from people he considers radicals on the right, whether they are or are not. I shall have to admit that there are radicals on the right, but I point out to the disinguished Senator and to the people of this country that it seems whenever anybody conservative speaks, he is a radical.

I was particularly impressed and pleased with the comments of Senator BYRD, our distinguished majority leader, in saying he would not impugn the integrity of any Senator sitting here, arguing against these treaties, as I do not think the Senator from New Hampshire would. He would not impugn the integrity of any Senator arguing against these treaties, because he knows that those Senators, including myself, are arguing against them because we think they are detrimental to the welfare of this country; this is not to say that the Senator from his study, from his perspective, is certainly arguing that they are in the best interests of our country.

I want to set the record straight. Not all conservatives who do not sit in the U.S. Senate are radicals. As a matter of fact, very few of them are. Most of them are extremely patriotic and believe in this country. As a matter of fact 65 percent of the people of this country, according to the polls, consider themselves conservatives. So I would not

want any implication that those people are part of any kind of radicalism in our society.

In addition, when it comes to mail, the distinguished Senator from New Hampshire has mentioned the pressure being brought upon him and upon others by those he considers to be radicals, that he is getting an overwhelming amount of mail which is threatening him.

I suppose that is true. I commiserate with the Senator from New Hampshire in his distaste for what is happening, but I should like to set the record straight.

Unlike Senator BYRD, I have not been here 32 years. I have only been here 1 year, and I am a citizen candidate. I never held office in America before. I ran because I feel that this country is in real trouble and that I was going to do everything I could to help it. I decided I was not going to stand on the sidelines, moaning and complaining and groaning and finding fault with everything that goes on. I wanted to give everything that I have here to the U.S. Senate, if I could win election to the Senate. Those were my thoughts back in 1976. And now I am going to give everything I have now that I am here to try to help save this country and try to prevent it from getting into deeper difficulties.

When it comes to threats and when it comes to letters and when it comes to mail, I should like to call to the attention of my dear friend—he knows that is true—and colleague, the Senator from New Hampshire, that what he has received here is hardly anything in comparison to the mail that we have received from Ralph Nader; from Mr. Cohen, who said he was going to burn anybody who voted against taxpayer financing of congressional elections, that one-party rule matter that came up last year; was going to "get 'em," in spite of the fact that even the Washington Post finally came out and said it was a bad bill, after first saying that even though it had defects, it was better than any bill that came down the pike. They were glad that a bipartisan group in the Senate stood up and knocked it down.

But I have heard Ralph Nader say that he is going to get us. I have heard threats and intimidations from people like him until I am sick of it. I want to compliment Mr. Nader, too, because he has done some good things, as have a number of these people with whom I am sure the Senator from New Hampshire disagrees.

I might mention that Mr. Al Barkan, chief lobbyist of the AFL–CIO, said recently that he is going to get those people who do not have a high-percentage labor voting record, and he is going to quit supporting with money those Congressmen who have been feeling their oats and not voting for big labor, as they should, because they are so beholden to big labor. And we all know the vast majority of them are here because of the support, $50 million to $100 million in the last, 1976, election campaign. He says he is going to just tear them down.

As a matter of fact, if you want to talk about oppression, I happen to be involved in fighting against this awful, atrocious bill called labor reform, which is a pushbutton unionism bill, if there ever was one, that is going to force unionism all over America. I have been subjected to more ill will from that bill than I believe the distinguished Senator from New Hampshire has ever had on the Panama Canal.

I should like to suggest that maybe I should call Al Barkan and Ralph Nader, and Mr. Cohen of Common Cause and others with whom I occasionally, if not very often, disagree, radical leftists. But I am not going to do that, because I respect their right to be able to put pressure on me as a U.S. Senator, because in many ways—they believe in what they are doing, just as many of the people about whom the Senator has been so critical believe in what they are doing. But I am not going to call them radical leftists. I will call them old, tired, wornout leftists that have led this country down the primrose path to ruin.

I do not know Mr. William Loeb very well, and the distinguished Senator has been quite critical of Mr. Loeb. Coming from New Hampshire, I suppose he has a right to be so. He would always have the right to be critical within the perspective that he has. I cannot refute the few quotations that he has given. But, in defense of Mr. Loeb—whom I know very little about but whose writings I know a little bit about—Mr. Loeb told the American people that the American dollar was going to be weakened long before it happened.

Today there are four countries that have more foreign exchange reserves and gold reserves than the United States. Those are England, Germany, Japan, and, if I am correct, Saudi Arabia, as mentioned in the February 4 issue of the famed British Economist magazine. He predicted that years ago.

I might also mention that he predicted that we are going to be controlled by big labor in this society and that Congress is controlled by big labor, that big labor gets what it wants, and that the laboring people were not being benefited by it, because a lot of these bills have caused inflation, unemployment, loss of jobs, and the growth of bureaucracy and central government coercive control of our society by the central government.

He said a number of years ago, after the SALT II agreements, if I recall correctly, that the United States, which had an overwhelming superiority as far as we were concerned from a nuclear deterrent standpoint, was going to fall behind Russia, which we are gradually doing and I might add parenthetically that if we pass what I have been told are in the SALT II agreements—I was talking before about SALT I—we are really going to fall behind Russian.

As I recall, William Loeb indicated that the Russians were about to overtake us in air power and were building a stronger navy, missiles with greater throw weight—seven times the throw weight of our Minuteman II missile—that they were developing a great civil defense system, a great antimissile defense system, and many other strategic advantages. He said that years before, or at least months before that came out in the papers, and he was right.

He told us that the social security system was basically bankrupt, because it is not a trust fund. That was months if not years before anybody really even thought that possible. And we have found within the last year it is not only possible, but, by golly, that is exactly where it is.

He said that Carter would never balance the budget, that that was just a campaign promise, and I might mention that since then President Carter has admitted he cannot balance it by 1981, and will need a few more years. I suppose he has to be elected again so he can balance the budget. But how is he going to do that when the economic advisers tell us there will be a $60 billion deficit next year, and some say it will be at least $20 billion more than that, and that the next year a projected $70 billion budget deficit will plague us?

He predicted these things, as I recall, and also said our budget would reach a half trillion dollars a long time before it did, because of what is going on in the old left-controlled Congress of the United States of America.

I might add that he also mentioned that the working people of this society, specifically the members of organized labor, of which I have been one and am very proud of it, are the people who have been cheated, that the great middle class in this society is paying the freight for everybody. One of the reasons is because we are not encouraging incentives in the private sector, where they belong.

These are things I recall Mr. Loeb talking about and writing about, and maybe he has commented about some of the things you have mentioned. I am sure the Senator has quoted them correctly; I have not read them myself.

I am not making apologies for Mr. Loeb. I hope nobody will interpret it that way. He is capable of defending himself. But he indicated we will have 30 million or 40 million people on welfare if we do not watch out, which is exactly where we are heading today.

As a matter of fact, he predicted we are not going to have any solution to our energy problems, because we have old left people here in Washington.

We do have a new right. I might mention Mr. William Safire, a distinguished columnist for whom I have a lot of regard, among others. He was asked at lunch yesterday what he thought about the new right. Mr. Safire then talked about Irving Kristol of the New Commentary magazine. I happen to regard Irving Kristol very highly, because Irving Kristol had the guts to come out, way back in 1976, to say that what we need are tax reductions across the board. If that had happened then, we would not be in the terrible mess we are today, because the stimulation would have gone to the private sector. The private sector would have saved more and created more capital investments, created more jobs, with more people paying into the system, the social security system included, and a lot of the problems we have today would have been solved had the old left listened to him.

Talking about radical people, you know, I do not think that Ralph Nader should

necessarily be characterized as a radical leftist, but I have had more threats from Ralph Nader, as have other Members of the Senate, than anybody else in Washington. I have had threats from Common Cause; I have had threats from the labor movement; in fact we have had threats from the pro-ERA forces in this society, which I do not think anybody would characterize as radical left, but maybe they would; they are fighting for what they believe, albeit some millions of people believe them to be wrong.

I might mention a lot of people think it is pretty radical for the ERA lobby to encourage economic boycotts all over this country, in order to force ratification of the equal rights amendment. Whether you are pro-ERA or anti-ERA, I would hesitate to call Mrs. Smell a radical leftist. I would call her an old leftist, probably. I would call a lot of these people old leftists who, I think, have been hurting this country.

I am sure there are some new rightists, at least within the Senator from New Hampshire's definition, who may be off the right track, too.

I particularly compliment the Senator for at least mentioning the old left as well as the new right. But I would also say that I think that it is a constitutional right for any citizen, for any pressure group in this society, to put pressure on us as U.S. Senators. Much as we do not like it, I think it is their right. I also think that it is unfortunate that I am going to have to face, in 1982, some awful people who are totally opposed to me.

All I can say is this: I do not want every conservative in the country demeaned—and I do not think the Senator has done that—demeaned because so many of us—are against what we consider to be harmful treaties that do not protect this country.

Two days ago I cited—and this, should interest the Senator from New Hampshire, who admits that he is concerned about the errors and ambiguities that may be in these treaties—that there are, according to the top linguists in this country, more than 200 ambiguities in these treaties because of mistranslations and language discrepancies, that will be a potential source of trouble for the United States of America. This seems rather significant to me.

I did not see anything in the old left eastern newspapers about this, but all I am trying to say is that the reason that I filed that amendment, knowing it was going to be knocked down, because I wanted to bring to the American people's attention that there are some egregious errors in these treaties that ought to be corrected before we blindly go bounding after the ratification.

What I am trying to say is this: There are those on both sides of various issues in this country who are right and who are wrong. I happen to believe that these treaties are an abomination.

I happen to know that there are some serious problems in these treaties caused by translation discrepancies, which the State Department has not resolved because it has not done the job. I would suggest to the distinguished Senator from New Hampshire he should not rely totally upon the State Department with regard to the interpretation of the Spanish translation of these treaties because they have lobbied all over America for them. Understandably and predictably, they have taken a very partisan role in this matter.

I suggest it is better to listen to some people who really do not have much in the way of axes to grind. I suggest that we get the Library of Congress to make a comparison between the English and Spanish translations and see if they agree or disagree with some of these errors that we have already pointed out in the Neutrality Treaty.

One thing I do want to say is I do not think anybody who believes strongly about any issue, regardless of whether they are far left or far right, needs to be totally condemned about that as long as they are honest, sincere in what they believe, and law abiding. I have seen a lot more pressure, I have seen a lot more coercion. I have seen a lot more intolerance, I have seen a lot more single-minded rule in this country from the old left, which I think is killing the country, than I have ever seen from the new right.

As a matter of fact, we all know the new right does not control anything around here, whoever they may be. I would not want all good people lumped into the Senator's definition, all conservatives lumped into the Senator's definition, of the radical "right." But, of course, the Senator has not done that.

In closing, I compliment the Senator for sharing his views. I hope the Senator at least understands my viewpoint, and is aware of a rather large group of responsible people in this country who disagree with the Senator about the merits of these treaties.

Mr. ALLEN. Will the Senator yield?

Mr. McINTYRE. I will yield first to the Senator from Oregon.

Mr. MARK O. HATFIELD. I thank the Senator. I would like to add my words of commendation to those which have already been expressed to the Senator from New Hampshire. I have great respect and admiration for him as a person and for his courage in making the statement he did today.

I feel that the Senator from New Hampshire has put his finger on a very important issue. It is not an issue unique to this time, because I am sure the Senator from New Hampshire has heard from some of these same people on other controversial matters.

I know, however, after listening carefully to the Senator from New Hampshire, that he is not painting with a broad brush. He is isolating a small group of people who are making threats and engaging in intimidation.

I did not in any way understand the Senator from New Hampshire to include in this group those enlightened, patriotic, and dedicated conservatives, or those who have genuine concern about these treaties.

I have heard from people in Oregon who are deeply concerned about these treaties. They write in a very forthright manner. They express their deep concerns, and I welcome their views and criticisms.

I want to say to the Senator from New Hampshire that I have been on the other side of issues which have elicited criticisms from the so-called liberal side of the political spectrum. I have taken a position which was very unpopular among many of my liberal brethren, for example, on the abortion question. That is, I do not support abortion on demand.

I took a position against common situs picketing, which brought forth a number of letters and communications from those on the so-called liberal side.

I have taken a position against public financing of senatorial elections.

I want to say that in all of my communications on these and other subjects, from across the political spectrum, I have seldom received letters that spew forth such a venom of hatred as I have received from within this group now called the radical right who so violently oppose the Panama Canal Treaties.

Let me explain further.

I have had communications from the radical left. It is pretty easy to identify these people. They belong to an ideology, be it Socialist, Communist, or Marxist, and they are very clear in their dedication to that belief. But the thing that concerns me about the radical right, and I think distinguishes it not only in the case of Panama but in other instances where this kind of attack has been mounted, is that they usually follow a highly patriotic theme. They want to have the American flag wrapped around their viewpoint.

I have a few letters with me today which are replete with phrases like "A vote for support of the treaty is an act of treason." "You are a traitor for having indicated your support of the treaty. You are not an American."

First, then, those who write these letters have done a very excellent job of wrapping the American flag around their position and accusing anyone who has a contrary position as being un-American. The Senator from New Hampshire has no doubt seen the same remarks from some of the radical right in his State.

The second thing these individuals do is baptize their position with religious nomenclature. I have letters here, "I thought you were a borne again Christian. Now I know you are not because you support the treaty."

They do not bother to ask my view of Jesus Christ in an effort to reach some determination of my salvation: Instead, they chose to make a judgment on my religious salvation on the basis of my position regarding the Panama Canal Treaty.

And I am not talking about one or two letters but many, many communications based on this logic.

There is a third, deeply unsettling character within many of these letters from the radical right this horrible, cancerous disease of anti-Semitism. Here is a letter "Vote against the Panama Canal Treaty. The Jew bankers in New York can go to hell." Then it goes on, "Don't bail out the Rockefellers and Kike bankers. I am tired of the Jew interests."

I find that is increasingly the view

from the radical right. If someone seeks to understand the radical right, these three points help embody my definition of that group. It is true, I have had political threats and suggestions from a number of groups seeking to influence my vote or a given issue this is expected. But this pressure never embodies the same kind of hatred and radicalism that has been employed by the radical right. I want to emphasize that I in noway include in this group those who have a genuine concern for these treaties. Indeed, I welcome their views and criticisms. But this treaty has again given a vehicle for the rise of creatures that usually are found under some damp rock waiting for an issue to come along upon which they can again spew forth this kind of radicalism.

I think that is what the Senator from New Hampshire has been talking about, and I commend him for this very profound and outstanding statement.

Mr. McINTYRE. I thank the Senator. I promised to yield to the distinguished Senator from Alabama. The Senator from Nevada also wants to say a few words. The Senator, at his leisure, will have to let me know when he wants the floor.

Mr. ALLEN. I did not want the floor, but I wanted to comment on the distinguished Senator's speech.

Mr. McINTYRE. Then I will yield to the Senator from Nevada and then the Senator from Alabama.

Mr. LAXALT. Mr. President, I have listened with great interest to the remarks of the Senator from New Hampshire. I must sympathize with him. He is in a tough political scrap up there and I am the last to get involved in that particular political fight, having had some experience on the presidential level in New Hampshire politics. It has a flavor all its own, I must admit.

There are millions of Americans listening to the debate today who may have gathered some misapprehensions concerning some of the characterizations given in the Senator's particular situation. I would like to correct those for a moment or so.

There has been reference here to radicals. It is a term that over the years politically I personally attempted to avoid because I find it harsh, I find it repulsive. Sometimes I think a radical in this business is someone who disagrees with you violently on the other side. For that reason, I have refrained, as I have indicated, from taking that kind of position.

I must admit, as Senator HATFIELD has indicated and Senator HATCH before him, that I, too, have borne the brunt of people who feel strongly about the political issues. I have been prominently displayed on Washington's organized labor hit list for many years. Fortunately, they have been unsuccessful in hitting me. I do not like it, but I think the process necessarily involves precisely that, because getting a politician's head is the ultimate political sanction. That is what this business is all about.

If in this particular case, with all due respect to the Senator from New Hampshire, there are enough people in New Hampshire who feel strongly enough in opposition to the Panama Canal treaties, they may exact that sanction.

If, in the future, when I run, I run into that kind of constituent problem they can exact their sanction upon me.

Mr. McINTYRE. Mr. President, will the Senator allow me to interject a statement?

Mr. LAXALT. Surely.

Mr. McINTYRE. We all acknowledge that those consequences await us at the polls, and accept it. It is only when the fanaticism and extremism go overboard, and there is trial by newspaper, apart from civility, that I become upset about this extremism issue.

Mr. LAXALT. I appreciate that distinction, and I agree with Senator HATFIELD, whom I consider to be one of the most decent men I have ever known. I deplore the kind of mail we have received, as was presented on the floor today. He does not have a monopoly on it. We all get it. There are millions of persons who like to vent their spleen by sending us repulsive mail, and I accept that.

But so far as the radical right and the new right, I would not want the American people or my colleagues here to consider that that is bad. I do not know who the new right is. That is a press characterization. You have mentioned the people specifically who have been involved in pursuing opposition to the Panama Canal treaties. Whatever their means, whatever their methods, and however strongly you may object to that, I must say that whatever they are pursuing they are doing in good faith as they perceive it.

Now, we have all been subjected to letters, lots of letters, thousands of letters, and this apparently is a rather new political development here in Congress which I consider to be beneficial, and which really started with the common situs fight when millions of Americans around this country realized for the first time that they could still effectively display some political muscle in this town which, I think, to them is reassuring, and it certainly is to the Senator from Nevada because there has been a period for too long in this country when they felt that Washington, this place, was no longer responsive to millions of Americans.

Common situs and that grand and glorious victory on that issue, I think, so far as the people are concerned, was a good development.

What we see on the Panama Canal treaties is a development and extension of that technique on an organized basis. I do not consider that to be harmful at all.

Lastly, let me make an observation concerning Mr. Loeb, whom I do not know well, although he is a constituent part-time of the State of Nevada. I followed his positions over the years. Again I would not for a moment begin to question his patriotism, from what I read. He deplores many of the same things that I do, increasing Federal Government, increasing Federal spending, the placing in jeopardy of our national security, and all the rest of it.

As far as Meldrim Thomson is concerned, I know him reasonably well. He is a fellow Republican and, I might say, as far as the rest of the country is concerned, despite the deep political and deep personal differences the Senator has with Governor Thomson, the fact is he has been elected and reelected by substantial majorities by the people of New Hampshire. So it has to indicate that at least the majority of the people in the State of New Hampshire are not so repulsed by his philosophy, personal behavior or his methods and means to reject him out of hand.

So what I am saying, I think Senator BYRD categorized it: We have heard this morning a political speech, an excellent political speech. The McIntyre-for-Senate campaign in New Hampshire has been beautifully launched here on the floor of the U.S. Senate, and I would like the American people to recognize it for what it is.

I commend Senator McINTYRE. You are a good Senator. I have enjoyed listening to you, and I hope the differences we have never get to the point where they are personal.

Mr. McINTYRE. I yield to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from New Hampshire for yielding to me.

I might state that it did not take this courageous speech by the distinguished Senator from New Hampshire (Mr. McINTYRE) to make me know of the great character, high principles and the deep convictions that the distinguished Senator from New Hampshire has because my 9 years in the Senate have given me the opportunity to observe Mr. McINTYRE during all that time, and I believe, Mr. President, that character is not so much demonstrated by one courageous act. People without character can perform one courageous act, but I believe that character comes from our everyday approach to the problems of life, to the issues that we face, and to our actions with regard to them.

(Mrs. HUMPHREY assumed the chair.)

Mr. ALLEN. So, Mr. McINTYRE certainly has character according to that definition of character, and I applaud him for his courageous action here on the floor of the Senate.

I only regret that he, through the exercise of that character, and that high principle and his deep convictions, did not reach the conclusion that it would be to the best interests of our country to oppose these treaties.

But the point I am making, Madam President, and I am sure the distinguished Senator from New Hampshire would be among the first to agree, is that it is not only those who support the treaty who are men and, shall I say, women, in difference to our distinguished Presiding Officer (Mrs. HUMPHREY), it is not only those who reach the conclusion that it is to the best interests of our country that these treaties be approved, because men of equally high character, men of equally deep conviction, men of equally noble purpose have reached an entirely different conclusion.

I commend the distinguished Senator from New Hampshire on his fine and truly courageous speech, but I do insist that it is not only those who reach that conclusion who possess noble characters, high motivation and high principle, but that many who have reached another conclusion have equally high motivations as the distinguished Senator from New Hampshire, and I am sure he would be among the first to agree.

I thank the distinguished Senator.

Mr. McINTYRE. I yield to the Senator from Idaho.

Mr. CHURCH. Madam President, I wish to join in the commendation that has been given the distinguished Senator from New Hampshire for his thoughtful and provocative address. We should more often discuss the problem of fanaticism in American politics.

The Senator has very fairly presented the issue. He has spoken of the fanaticism on the far left as well as the fanaticism on the far right. I think we know he makes no reference to reasonable, thoughtful citizens who deal with political issues with civility, with respect for one another's viewpoints, whether they be of a conservative disposition or a liberal disposition. Fortunately for this country they still remain in the large majority.

Yet, at either end of the political spectrum, both on the left and on the right, we have fanatics who, as the Senator has correctly observed, feel that only their view represents the patriotic view. The letters read into the RECORD by the able Senator from Oregon are representative of mail we have all received from fanatics opposed to this treaty, some of whom call for the impeachment of Senators who differ with them, or who even challenge the Christianity of the Senator, whom all of us know to be as devout a man as any in this Chamber.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. No. I am not going to yield at this point because I am referring to letters that have been read into the RECORD by the senior Senator from Oregon.

Mr. HATCH. Only to those letters, is my question.

Mr. CHURCH. I will yield when I finish.

Fanaticism is a cancer that can eat away the vitals of American democracy. In the long run, it could destroy free government, unless the great majority of our people continue to reject and disregard it.

I think it was Oscar Wilde who defined a fanatic as one who goes through life with his mouth open and his mind closed.

I hope that the Senate will not be influenced by the flood of fanatical mail with which we are being deluged. Well-reasoned mail is quite another matter.

I believe, however, that the distinguished Senator from New Hampshire is the first in this debate to bring up the subject of fanaticism, to underscore it, and he has done so in what I regard as a brilliant and irrefutable manner.

I commend him for his courage, for his insight, and for the service he has rendered to the cause of democracy in the speech he has just delivered.

Mr. McINTYRE. I thank the Senator from Idaho.

I would just like to say to him that the problem seems to be when we give two individuals the same set of facts, and they look hard at them and come up with different conclusions.

I can respect the Senator's difference of opinion and he can mine as reasonable people. But there is this category, which I think Mr. Loeb falls into, where he is right, he is unassailably right, and if you do not agree with him you are immoral. That is the beginning of fanaticism and extremism.

I thank the Senator for his kind remarks.

To the distinguished Senator from Alabama, let me say I agree wholeheartedly that it takes as much courage to look at the facts and come down against ratification as it would be for approval of the treaties.

I clearly stated in my opening remarks that I had worked with conservatives. Yesterday I called my good colleague who used to sit over there for many years and who is now up in Lebanon, N.H., to talk to him about my speech. I refer to Senator Norris Cotton, a good conservative. The Senator from Nebraska knows that. I never had any trouble working with him for the good of New Hampshire.

I have no difficulty with that conservatism. It is just the same in the far West.

When it goes over the brink, and when they say, "Tell McINTYRE how we feel about those treaties and don't be nice about it," what is Mr. Loeb inferring, throw a brick at the guy?

That sort of stuff is pretty tough when neighbors get involved in it.

Mr. CURTIS. Will the Senator yield?

Mr. McINTYRE. I am happy to yield to my good friend from Nebraska.

Mr. CURTIS. I thank my distinguished friend.

Here is a matter that concerns me. Nobody defines a conservative. I do not believe it is the mark of someone who is obnoxious in correspondence or in the writings of their speeches.

I also am aware as to being conservative—being a very popular title—when it really comes down to the bottom line, many people are self-proclaimed conservatives who are not at all. They are interested in getting their hand in the pot any time they can.

I have observed people who have paraded, raised money and say, "I am a conservative," when they have advanced all manner of increased government.

I think it is time we defined our terms.

Now, the writer of an obnoxious letter is a writer of an obnoxious letter. He does not have much influence.

I, as a conservative, seriously object to having all those obnoxious people categorized as conservatives. Maybe some of them are. But I do not think any church has all the sinners. I think they are pretty well divided.

So this idea of bringing in some examples of ungentlemanly or unladylike conduct and attacking somebody else's views is not much of an argument.

I am at a loss to understand what has happened to the strategy of the proponents of ratification. I do not hear any talk about the world would be better served if we work as the dominant force from now on running the canal, that the nations of the world would have a better service for their commerce, or that the welfare of this country would be advanced.

Instead of that, yesterday we had a tirade about misrepresentation of figures. Well, both statements about figures were based on actual provisions in the treaty that, as we read them, look like expenses. One does not have to be a CPA to understand that if things go wrong and more money is needed, it is not going to come from Panama.

Nevertheless, a disagreement on the probable costs of the treaty was branded on this floor as misrepresentation and irresponsibility.

I glanced at the headline of a paper last night and it said that somebody, an opponent of the head of the Panamanian Government, had confessed he started the rumors about the drug traffic. So I happened to talk to individuals in the Drug Enforcement Agency, and I know they are real. I also know that this leader's brother has been indicted. Yet there is the idea of trying to influence public opinion by saying this is an opponent of Torrijos, they started all this.

My question is this. When are the proponents of the treaty going to defend the treaty, instead of branding those who raise questions about it as irresponsible misrepresentation, or some other terms, radical right, or what?

There is only one purpose in that, and I do not know what it is. I do now know whether it is to deflect public opinion away from the treaty or whether, because they are faced with some questions of deficiencies in the treaty, they just better not talk about it.

There may be some other valid reason for it. But usually, in the trial of a lawsuit, if one does not have a defense he tries the prosecutor.

So sometimes in the field of political operations, if we do not have a case we try the people. They may be totally unconnected with the case, but happen to support it.

I suppose I have never been in a political race where there have not been a few kooks for me and probably some who were on the other side. The reason why I do not repudiate them is that the county board counts their votes. But I have come to the conclusion that I am responsible not for the people who agree with me, but for what I agree to.

So a case is not weakened or strengthened by singling out supporters of the opposite view and calling them names. To me, it looks like the old situation in which if you do not have a case, attack the prosecutor. So, if you do not have a treaty that is clear, unambiguous, and really will do something for the commerce of the world that is not being done now, you had better call some names and throw some rocks at the people who are opposing it, so that somehow, out in the public, the judgment might be that it must be awfully good, because only bad people are opposing it.

Madam President, let us get back to talking about this treaty. Let both sides examine the sentences and the paragraphs and see if we can arrive at something in the national interest.

In that connection, I ask this question: How has the canal been operated through the years? Fair to every nation in the world. Operated at cost. No increase in tolls until just a few years ago, when that had to come about. The commerce of this country has been promoted. We have greater access to agricultural markets. We have a less expensive way to bring oil in through the canal to the Gulf States. It has been operated in the national interest.

The United States never has had a colony. We are not debating what is going to happen to a group of people. We are debating what is going to happen to an installation built by us. It is not a question of colonialism.

Madam President, in reference to these various points in the treaty that some of us have had questions about, as to what they mean, whether they are ambiguous—all these questions about interpretations, translations—let us face that. Let us have the proponents and the opponents direct their attention to those matters. Let us call in some outside translators who are not proponents or opponents, and if there is no issue there, that should be dismissed.

But I do not think we should use this radio hookup that we have as a weapon of vilification of anybody in order to build sentiment for the treaties or against the treaties. Our job is to read the treaty, analyze it, support it, raise questions, ask for additional information, and so forth. Madam President, I hope that will be the course we will follow.

Mr. CHURCH. Madam President, I believe that anyone who has listened to the debate since it began more than a week ago, or who has read the newspaper accounts, or the actual text in the CONGRESSIONAL RECORD, will find that the arguments in support of these treaties have been heavily emphasized.

The proponents are not reluctant to speak up for these treaties as being in the best interests of the United States. Indeed, we have presented a case that I think is far stronger than the objections that have been raised thus far by the opponents of these treaties.

The committee's report contains 358 pages, with appendices, filled with arguments favorable to the treaties. The vote taken in the Senate Foreign Relations Committee, after an exhaustive exploration of every issue, after many days of hearings in which nearly 100 witnesses appeared, and after a visitation by the committee to Panama, was 14 to 1 in favor of these treaties.

What mystifies me, Madam President, are the curious arguments raised by some opponents. For example, the question of the Spanish translation and charges that it varies in important ways from the English translation of the treaty. I have not seen these charges supported by an iota of evidence.

The committee took the precaution of not simply relying upon the customary practice of the Department of State, certifying that the Spanish and English translations of the treaties were identical. We asked the State Department to send us the actual certification of the translators, and I should like to enter into the RECORD the two certifications.

The first, relating to the Panama Canal Treaty, initialed by translator Jorge R. Perez, reads as follows:

> The English and Spanish texts of the above-mentioned treaty have been compared by responsible language officers of this division and have been found to agree in all substantive respects.

The second, also initialed by Jorge R. Perez, has to do with the treaty concerning the neutrality and operation of the Panama Canal and the protocol thereto. It reads as follows:

> The English and Spanish texts of the above-mentioned documents have been compared by responsible language officers of this division and have been found to agree in all substantive respects, with the following exceptions.

Now, we have heard about the tremendous variances between the Spanish and the English texts. What disparities were found by the translators charged with the responsibility of certifying both texts to the Senate? The following:

> In Article III of the Protocol, on line 4, the English text reads, "the Secretary General," while the Spanish text reads, "the General Secretariat."

The attorneys for the State Department have said that this variance makes no difference. It is a distinction without a difference.

So where is the evidence for these rash charges of disparity between the two versions? If there is such evidence, then let it be brought to us, or let these charges cease.

Madam President, I think it might be fitting to include in the RECORD the biography of Jorge R. Perez, in order that his credentials as a translator might be established. For that purpose, I ask unanimous consent that the biography be printed here in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

BIOGRAPHY

EDUCATION

Attended private and public schools in Puerto Rico and Caracas, Venezuela. Graduated from the Julio Vizcarrondo Coronado High School, Carolina, Puerto Rico, in June 1945.

Attended the University of Puerto Rico at Rio Piedras 1945–1947. Attended the George Washington University at Washington, D.C., 1947–1949. Bachelor of Science, G.W.U., 1949. Attended graduate school, G.W.U., in 1950. Major field of college studies: natural sciences. Language studies in college included Spanish and English at the University of Puerto Rico and French at the George Washington University.

Attended Officer Candidate School at Newport, Rhode Island, while on active duty with the United States Naval Reserve; was commissioned Ensign, U.S.N.R. in May 1952.

Attended the U.S. Navy Legal School in the summer of 1952 and obtained certificate of satisfactory completion of legal course.

Attended the School of Naval Intelligence, French Language Course, in 1953–1954. Upon completion of French course passed qualifying examinations in French and Spanish and obtained interpreter certificates in those languages.

EXPERIENCE

1951–1958: Served in various capacities aboard ship and at shore stations as a U.S. Naval Officer. From May 1954 to May 1958 served at Liaison Officer, Headquarters U.S. European Command, Paris, France. Position included interpreting and translating duties in French and Spanish. Honorably discharged from the U.S. Navy in May 1958, with the rank of Lieutenant.

1958–1967: Administrative Officer (International Protocol), Secretary of the Joint Staff, U.S. European Command, Paris, France. Duties included supervisory function of Protocol Office staff and interpreting and translating in French and Spanish. Resigned from this position in December 1967 to return to the United States.

1968–Present: Joined the U.S. Department of State Language Services Division staff as Translator, GS–9. Duties included translation of French and Spanish texts into English and English texts into Spanish. As I developed proficiency in my translating duties and was able to handle increasingly complex tasks I received the following promotions: Translator, GS–11, January 26, 1969; Translator/Reviewer, GS–12, March 19, 1972; Supervisory Translator, GS–13, April 27, 1975; Supervisory Translator, GS–14, April 27, 1976.

AMENDMENT NO. 45

Mr. CHURCH. Madam President, let us now turn for a moment to the amendment offered by the distinguished Senator from Alabama. I said last night that the amendment reminded me of the phrase so often used in that best-selling novel, the "Godfather": "I'll make them an offer they can't refuse."

If even an amendment were designed to have great politcal appeal, this one does. I know it will be difficult for Senators to explain why they voted against it. It sounds so eminently reasonable. But the truth is that the amendment is based upon a false premise.

The able Senator from Alabama argues that in order to prevent enemy ships from transiting the canal or from approaching and destroying the canal, we should not remove our forces from the Canal Zone, if the United States is at war on January 1 in the year A.D. 2000, until after the hostilities have ceased.

Why do I say that the amendment rests upon a false premise? Because, Madam President, we have never depended upon our forces in the Canal Zone to protect the canal against an enemy in time of war. Only a month ago, when members of the Committee on Foreign Relations visited Panama, we flew over the Pacific's approaches to the canal on a flight to Contadora Island. We looked down on empty pits located on small islands just off the coast, which once cradled long-range coastal artillery, which the U.S. Army had placed there for purposes of defending the canal.

Madam President, the pits are now empty, the long-range artillery has long since been removed, the little islands have been abandoned, because the artillery was never used. From the beginning, we have protected the canal in time of war against any enemy threat by exerting control over the high seas. We have prevented any enemy force from approaching the canal. If we had waited

for our troops stationed in the Canal Zone to raise their shields, we would have waited until the enemy had come within firing distance of the canal, when the enemy could have, in fact, inflicted serious damage to the locks, or even have destroyed the canal by piercing the gates and allowing the waters of Gatun Lake, on which the operation of the canal depends, to flow out into the ocean on either side.

Madam President, you need not take my word for this. The Chiefs of Staff who appeared before the Committee on Foreign Relations and the Military Affairs Committee, have said this. They have made it clear that the method we have relied upon in past wars, to protect the canal by controlling access to it on the high seas, is the method that would be used in any future war.

So the amendment rests upon a totally false premise. That is the reason it should be rejected, and I hope that the Senate will vote to reject it decisively. For that purpose, and in that hope, Madam President, I now move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on the motion to lay the amendment on the table.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Kentucky (Mr. FORD), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The result was announced—yeas 57, nays 38, as follows:

[Rollcall Vote No. 37 Ex.]

YEAS—57

Abourezk	Hatfield,	Moynihan
Anderson	Mark O.	Muskie
Baker	Hathaway	Nelson
Biden	Hayakawa	Packwood
Bumpers	Heinz	Pearson
Byrd, Robert C.	Hodges	Pell
Case	Hollings	Percy
Chafee	Huddleston	Proxmire
Chiles	Humphrey	Ribicoff
Church	Inouye	Riegle
Clark	Jackson	Sarbanes
Cranston	Javits	Sasser
Culver	Kennedy	Sparkman
Danforth	Leahy	Stafford
Durkin	Magnuson	Stevenson
Eagleton	Mathias	Stone
Glenn	Matsunaga	Weicker
Gravel	McIntyre	Williams
Hart	Metzenbaum	
Haskell	Morgan	

NAYS—38

Allen	DeConcini	Helms
Bartlett	Dole	Johnston
Bellmon	Domenici	Laxalt
Bentsen	Eastland	Long
Brooke	Garn	Lugar
Burdick	Griffin	McClure
Byrd,	Hansen	Melcher
Harry F., Jr.	Hatch	Nunn
Cannon	Hatfield,	Randolph
Curtis	Paul G.	Roth
Schmitt	Talmadge	Young
Schweiker	Thurmond	Zorinsky
Scott	Tower	
Stevens	Wallop	

NOT VOTING—5

Bayh	Goldwater	Stennis
Ford	McGovern	

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAVEL. Mr. President, I would like to——

The PRESIDING OFFICER (Mr. DECONCINI). May we have order in the Chamber, please.

Mr. GRAVEL. Mr. President, I would like to present a new dimension to this whole debate which is taking place on the treaty ratification. I think there is something which has not been touched upon, and I would hope I could have the attention of Senators at this time to discuss it.

The PRESIDING OFFICER. The Senate will please be in order. The Senate is not in order.

The Senator from Alaska is entitled to be heard.

The Senate will please be in order.

The Senator from Alaska.

Mr. GRAVEL. I thank the Presiding Officer.

This will be new information—even new to myself when I started a year ago. I have developed further information only recently. I have testified before various committees on the subject and at various points of time I had various elements of this information. I now have it refined where I think a case can be very well made.

If this case is made and accepted, if the data are accepted, I would hope it would change the focus of many regarding ratification of these treaties.

The premise that we are locked into right now is that the present Panama Canal is an important asset and, therefore, the charge is made that we are giving up something that is important to the United States. We should not be doing that, it is said, and therefore we should not be ratifying these treaties.

On the other side is a body of individuals, among which I count myself, who feel that at the very least the ratification of these treaties represents merely justice, and that we are a great country and, in our greatness, we should find it easy to render this justice.

The new dimension that I bring to the floor at this point is the very simple fact that I think we have misperceived the Panama Canal, and, if that is the case, then the whipping up of national emotion on this subject has been a great disservice to the American people. What we should occupy ourselves with is getting a better focus on the issue involved.

Mr. WALLOP. Will the Senator yield for a unanimous-consent request?

Mr. GRAVEL. I will be happy to yield.

Mr. WALLOP. Mr. President, I ask unanimous consent that Bob Verome of my staff be granted the privileges of the floor during the consideration and votes on the pending treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. If that is so, if we have whipped up emotion on the wrong issue, we have done a great national disservice, and I think the people who have been party to whipping up this false emotion will be called to task.

We may not be able to change a lot of minds today, but I think what I will place into the public record today is something which will be studied and, in time, will not reflect favorably on those who have misled the American people in this regard.

I am trying to speak to the issue of really what is the importance of the present Panama Canal today.

In 1964, Lyndon Johnson appointed a commission to study the possibility of a sea-level canal. That commission spent $22 million of our taxes to develop a lot of data. I would like to make reference to some of that data at this moment.

I ask my staff to pass out copies of these charts so Members can examine them. I think there is a possibility some may want to dispute this, and I hope they will study it, because if I am presenting something which is in error it should be exposed. These data are very, very important to these deliberations.

If these data are wrong I think I should be called on the carpet for that.

The study I mentioned was performed at taxpayers' expense, some $22 million. It included forecasts as to what the numbers of transits through the Panama Canal would be over an extended period of time. There were projections of a low nature, of an average nature, and a high nature. I am just showing here a set of projections of what would be average and, of course, when you are projecting out for a number of years you can expect that the early years of your projection would be more accurate than later years.

So what this study showed was the projected number of transits that would take place. I have lifted out the figures for the first decade of those projections, which would be from 1970, when the study was completed, until 1980.

These projections were for somewhere above 15,000 transits per year in 1970, going on up in 1980 to somewhere in excess of 19,000 transits. In point of fact, between 1970 and 1977 the transits were a good deal less than projected.

That means that the projections that were made were really off the mark. I am not commenting on those who made the projections, except to say that even considering the recession that took place, we were off the mark. In 1974, for instance, somewhere slightly above 15,000 transits were made, whereas the forecast was somewhere around 17,000 transits—a considerable difference.

The next chart I wish to show is the actual tonnage, because if you really want to measure what happens you do not just count the number of vessels that go through the canal, you count the number of tons that went through the canal. When you are talking in terms of revenue, that is what is very significant because you do not charge tolls on the

vessel, you charge tolls on the tonnage of the vessel.

The projections by the Interoceanic Commission appointed by Lyndon Johnson show that in 1970 the amount of tons in millions was somewhere around 115. The projection for 1980 showed a growth up to probably 155 million tons that would be going through the canal. The actual experience superimposed on that line, that straight-line forecast, shows that the tonnage varied from a low in 1972 of about 110 million to a high in 1974 of about 150 million, and then back down in 1976 to 120 million, and then back up again. In other words, if you took the Commission's long-term projection you would see that they were pretty much on target for their tonnage projections.

So what conclusion do we draw from these two charts? The very simple conclusion that they were off on the number of vessels but they were right on tonnage. What does that mean? It means simply the size of the vessels going through the Panma Canal had charged considerably. A change took place from 1970 to 1976 as to what size vessels went through the Panama Canal.

Let us now look at a phenomenon——

Mr. SCOTT. Mr. President, will the Senator yield just briefly?

Mr. GRAVEL. I would be happy to yield.

Mr. SCOTT. I do not dispute the suggestions of the distinguished Senator from Alaska generally, but apparently there are exceptions made at some time with regard to the basis for charges, because I have been told—and the Senator can correct me if he has information to the contrary—that the largest fee ever charged for transiting the canal was someone swim through the canal. Certainly that would not have been——

Mr. GRAVEL. That was the lowest fee. It was Richard Halliburton who swam through the canal.

Mr. SCOTT. That was the high?

Mr. GRAVEL. They measured his weight. What they paid his fee on was his weight, I think.

Mr. SCOTT. I appreciate the remarks of the Senator from Alaska.

Mr. GRAVEL. I think the highest was the Queen Elizabeth, and they paid about $145,000 for transit, and that was definitely based on weight.

The chart I now show will help explain the phenomenon that has taken place with respect to the size of the vessels going through the canal and the tonnage going through the canal.

What I would like to show here is what has taken place from 1961 up to today with respect to the construction of bulk carriers in the world—I am not talking just about the United States but about the entire world. Up until 1961 there were very, very few vessels that were built that were in excess of 60,000 deadweight tons.

Let me just state here parenthetically that the ability to get through the canal is based upon tonnage, and is based upon the beam of your vessel, the restriction on beam being 107 feet. The tonnage that can pass the canal varies, depending upon draft and beam of the vessel, from 60,000 to 80,000 deadweight tons.

So I draw the line at the 60,000 to 80,000 deadweight tons for the purpose of these charts.

This chart shows that from 1950 to 1961 very, very few bulk carriers in excess of 60,000 deadweight tons were constructed.

But from 1961 forward we find a very rapid rise, a very steep incline, in this chart, showing that 19.6 percent of all bulk carriers today in the world are over 60,000 deadweight tons.

Now, 19 percent is not a terribly shocking number with respect to the canal, but when you translate that number of vessels into tonnage you get the somewhat shocking figure that 43.8 percent of the total deadweight tonnage of the world's maritime fleet with respect to bulk carriers cannot go through the Panama Canal. It is pretty surprising when you look at that figure. Bulk carriers are a substantial traffic through the Panama Canal.

The next chart I want to show demonstrates what took place with respect to oil tankers. Here I have a chart that shows a line with a very steep incline. I would like to more precisely explain these figures by saying that in the period from 1956 to 1960 a lot of tankers were built. Only 2.4 percent of the tankers that were built in that period were above 70,000 deadweight tons, meaning they are too large to get through the Panama Canal.

If you take the next period, 1961 to 1965, you find that of the new tankers built in that period 21.4 percent were above 70,000 deadweight tons.

Then when you move to the next period of 1966 to 1970 you find out that 66 percent of all the new tankers built were above 70,000 deadweight tons, and therefore unable to get through the Panama Canal.

When you look at the next period, 1971 to 1975, you see that 66.7 percent of all the new tankers built in the world were above 70,000 deadweight tons. That means old vessels are obviously being obsolesced, and new vessels are being added. Most of these new vessels—according to the last figures we have, 66 percent of these new vessels—will not be able to transit the present Panama Canal.

The next chart I show takes this construction growth and attempts to show what it means. It is a very alarming line, if a person has an interest in the Panama Canal, because it shows that 37 percent of all the tankers cannot go through the Panama Canal.

But that 37 percent represents 76.5 percent of the tonnage of oil carriers in the world.

That means, very clearly and very simply, that 76.5 percent of the world maritime oil tonnage cannot go through the Panama Canal today. That is today. This is not prospective or speculative. That is the situation as it exists today.

We can see that that situation, that revolutionary situation, has taken place essentially since 1961–65. That is when that phenomenon occurred.

We are here debating, and literally ripping our guts out, ripping the national fabric with, I think, our false emotion over something that has changed on us and we are not even aware of the change. I was not aware of the change. Most of these figures were developed in the last 30 days.

I have been moving in this direction, trying to find out what has gone on in the last year, but it has only been in the last 30 days that it has become very clear to me, because of figures I was able to pick up in Norway from a research house that handles brokerage for the world maritime fleet. This firm in question is a charter company out of Oslo, a firm called Fearnley & Egers Chartering Co.

The chart I now hold takes not just the bulk carriers and not just the oil tankers. It deals with the entire world maritime fleet.

It shows that in 1966, 10 percent—10.41 percent—of the vessels in the world's maritime fleet were over 60,000 deadweight tons. That means generally, they were too large to transit the Panama Canal.

This chart also shows that in 1971, 31 percent—this was a growth of three times—31 percent, or 31.77 percent, of the vessels were over 60,000 deadweight tons.

That is from 1966–71. A trebling. A trebling of the percent of vessels in the world maritime fleet that cannot use the canal.

Now, this is the new computation of the world maritime fleet that could get through the Panama Canal.

Now we look at 1977 and we get the cataclysmic figure, in my mind, that shows that 57.8 percent of the world's maritime tonnage is in vessels of 60,000 deadweight tons or above. That means in the last 15 years an unusual phenomenon has occurred which we should be aware of. Otherwise, we will be venting our spleen and our emotions on something that is more than 50 percent obsolete in the world today. I mean, what are we all talking about?

I would hope that these figures would not fall on deaf ears and people would say, "Well, my God, why is it that we are spending millions and millions of dollars sending letters across the country, getting people all excited, when the thing is over 50 percent obsolete?"

What are we giving back? What are we giving away?

The way it has been characterized is that we are giving away the American substance in this treaty.

Well, let us look a little bit at what it may be. I know what we are giving away right now, if we gave it away tomorrow. But nobody is advocating giving it away tomorrow. If we were giving away something tomorrow, it is a canal that is 57 percent obsolete.

Let us now look at the future, the year 2000, and this, in my mind, is the most spectacular chart of all.

I really would encourage the national conservative community that has chosen to make this issue of Panama their cause celebre, and I challenge them, to dispute these figures because the computations are not difficult. This is not a difficult

thing to compute. We count the number of vessels, ask the size of each vessel and do some pretty rudimentary arithmetic that any grade schoolchild can do, and this is what we come up with. Nothing major is required here.

We count the vessels that are on the seas, we measure their weight and just ask ourselves how many of them could go through the Panama Canal.

Then when we get a figure and percentage, we can determine the rate of obsolescence of the canal, and now it is 57-percent obsolete in world maritime terms.

Mr. LAXALT. Will the Senator yield?

Mr. GRAVEL. I am happy to.

Mr. LAXALT. I was reading the Senator's chart here entitled "Declining Percent of World Fleet Able To Use Panama Canal," and, if I read it correctly, the Senator's graphs indicate in the year 2001 only 7.64 percent of the world tonnage will be able to use the canal.

Do I read that correctly?

Mr. GRAVEL. Yes. I will explain that chart right now and the Senator may want to rephrase his question.

Let me explain the chart the Senator is talking about, because I have not presented it. I would love to present this to the Senator.

Mr. LAXALT. All right.

Mr. GRAVEL. I truly would.

What this chart states, and the title was suggested by my colleague from Utah, is that the declining percent of the world fleet able to use the Panama Canal, what we see on those charts over there, is a phenomenon that has taken place in the last 15 years. I do not know if this rate of change is going to continue unabated. I do not know if it is going to continue 2 years from now. I do not know if it is going to continue 5 or 10 years. But I had to try and make a guess as to what the future holds. We all do that.

So since everybody focused on the year 2000 in this treaty, I tried to figure out if what happened in the last 15 years happens in the next 20 years, what would be the outcome.

Those computations were so catastrophic that I could not do that. I just plainly could not come here with a straight face and do that.

So what I did, I did not take 75 percent of what happened in the last 15 years and project that to the next 20 years, because that would have been catastrophic also. I did not take 50 percent, because that would be too catastrophic, it would have gone off the chart.

What I did, I took one-third. I do not know any more than the Senator what will happen in the next 20 years. But like anybody else, I looked in the past and I projected in the future.

So I only drew a projection of one-third of what happened in the last 15 years and projected that out to what would be the situation in the year 2000. That is what this chart shows.

To me, it is almost unbelievable, but once the figures are there, we have to just accept them.

I am prepared to have my computations disputed and argued over and disagreed with. But the figures are very simple.

I took one-third of what had happened, and I am pointing to this line of decline. In 1966, 89.59 percent of the world tonnage was able to use the canal.

In 1977, 42.20 percent of the world tonnage was able to use the canal. In 1986, only projecting one-third of past experience, 29.24 percent of the tonnage will be able to use the canal. In the year 2000, 7.64 percent of the world tonnage will be able to use the canal.

As a lay person—and I am not a great statistician—but, as a lay person, I would say if that projection, very conservatively made, would hold true, that by the time we, as we would say, "Give back the canal to the people of Panama," that we would give them back a sucked dry lemon.

Mr. LAXALT. Does that disturb the Senator from Alaska?

Mr. GRAVEL. Very much.

Mr. LAXALT. We do not want to be in the position here of taking the poor Panamanians twice, do we?

Mr. GRAVEL. I am glad you are admitting that you took them once. [Laughter.]

Mr. LAXALT. This underscores the concern the Senator from Nevada has had with relation to this whole transaction.

In a discussion with General Torrijos concerning this whole transaction, I expressed the concern about that little country undertaking a facility of these gigantic proportions. I suggested at the time that perhaps the Panama Canal, in this small country, would be a white elephant.

The graphs and the figures of the Senator from Alaska suggest that that may be exactly right; that all we are doing is turning over a canal here which in the year 2000, when they take it over on their own, will be worthless—a gigantic white elephant.

Is that going to be the position of the proponents of the treaties—that, knowingly and willingly, 23 years before, we are going to give them a facility that is Panamanians, and in the year 2000 we are going to give them a facility that is going to be costing millions and millions of dollars in terms of maintenance, from which they will not be able to realize any real revenue?

Mr. GRAVEL. I say to my colleague, in response to this, that I certainly do not want to do it, and that is the reason why I worked so hard with the negotiators to see that there was language in the treaty that dealt with the sea-level canal.

If the radical conservatives in this country want to whip up any emotion about something, they should whip up emotion about something that is worthwhile—that is, how do we solve the problem I have just pointed out—the problem of the growing barrier of the Isthmus of Panama? That is really what is happening.

The rate of obsolescence of the present canal is a demonstration that the barrier of the Isthmus is looming larger and larger in maritime interests. That is of interest to us all, because the same motivation that Charles V had in 1516 to breach this barrier has now recurred, and we are back to square one. We are back to Ferdinand deLesseps. How do we breach this barrier permanently and properly, so that not only the United States of America can benefit from this breach, but also so that the whole world can benefit from this breach? I would like now to address myself to that point.

Mr. LAXALT. Will the Senator yield for one more short question?

Mr. GRAVEL. I am happy to yield.

Mr. LAXALT. These figures, as I understand them—and we will examine them and examine the sources and perhaps render our own evaluation as we go on in the debate—I gather that these are really world fleet figures, are they not?

Mr. GRAVEL. Yes.

Mr. LAXALT. Does the Senator have any figures to indicate what the impact would be upon American use of the canal as such? It has been my impression, as I have indicated previously to the Senator from Alaska, on the floor, that jeopardizing the use of the canal would have substantial impact upon our own commercial activity in this country by way of usage for agricultural and mining products and for the future of oil. Does the Senator break out those figures?

Mr. GRAVEL. It has been difficult to get those figures from our organizations here, and that is why I was delighted when I hit the mother lode in Oslo. We did not hit it with our own maritime interests. My staff and I have done this. These are general figures I am presenting here, because we are talking about a variance of between 60,000 and 80,000 deadweight tons. It depends on the vessel. But we are talking about an economic line, a barrier, let us say, 70,000 deadweight tons. If we have a third of the traffic through the canal, then I could say we are impacted in the obsolescence rate by about a third.

Mr. LAXALT. That is what I wanted to get at.

Perhaps just off the top of his head—the Senator has gone into this aspect of the treaty extensively—does the Senator see the rate of decline in the future in the rate of American usage to be the same as he has indicated on these charts?

Mr. GRAVEL. Very much so. I would say that if that third is anywhere close to being right in 2000, our 30-percent rate of usage in relative terms will be down to what that would be, going from 89 percent down to 7 percent.

Mr. LAXALT. In the Senator's inquiry and research, what has he found as an American source, so that we could evaluate and develop these figures independently?

Mr. GRAVEL. The Senator can do as we tried—go spend 6 months.

Mr. LAXALT. The Senator means hit the mother lode?

Mr. GRAVEL. I think it would be cheaper to go to Oslo. We would be happy to make their annual reports available to anyone. The Senator can go to our Maritime Administration. I must say that we did not find the data very satisfactory. I say that most apologetically. These maritime firms that put this out for shipowners—they put out the number of vessels every year, the tonnage,

how many are built, how many are on the seas. This is pretty common data for anyone in the maritime business. It is not unusual. Several companies publish it. But one firm, named Fearnley & Egers, is most responsible, and I felt that their books were very clear. We have Drury in London. I also visited Drury.

As I was progressing into this arera, I recognized that I had something that was a little different here, and I had to test myself every step of the way. So when I picked up the data from Oslo, I sat down in London with the people from Drury and said, "Here are my findings. Do you dispute this?" Every place I tested this out, there was no dispute. They said:

Here is some more data to help you.

Mr. LAXALT. Have these figures been made available to the Panamanians as yet? Are they aware of this?

Mr. GRAVEL. Yes. Not the last chart. The last chart showing the year 2000, is made public for the first time, right here and now, and I will be sending that out to people in Panama and to other people in leadership positions in countries that use the canal, so that they can see what the prospects are for the future.

Mr. LAXALT. Does not the Senator think it is going to be a great source of concern to the Panamanians, if they accept the conclusions in these figures, that in the year 2000 they are going to have an asset that is only going to be 7 percent from the standpoint of utilization and development of revenue?

Mr. GRAVEL. I hope it would be a source of their concern. In fact, at the invitation of Mr. Torrijos, in December I went to Panama. I made myself available, in an auditorium, to essentially the technical intelligencia of the community of Panama, primarily the academic community at the University of Panama, plus the media. For 5 hours, after a presentation I made, I subjected myself to any interrogation and any question they wanted. So they are deeply concerned about this.

Mr. LAXALT. Mr. President, will the Senator yield at that point?

Mr. GRAVEL. I definitely want to make them concerned. I want to make the Americans concerned.

We have just spent 10 days of debate, and we are debating the wrong thing. What we should be debating is how we are going to remove this barrier, this growing barrier, that is growing at that alarming rate, so that we are effecting intelligent policy in the economic interests of our country, first and foremost, and of course in the economic interests of the world.

Mr. LAXALT. If these figures are correct, we are really imposing on the Panamanians, by virtue of the terms of this treaty, a gigantic financial white elephant; and it seems to me that that alone would be grounds for rejecting these treaties, in the interest of equity and justice and compassion for the Panamanians, about which I have heard so much on the floor of the Senate the past several days.

Mr. GRAVEL. Is the Senator from Nevada trying to make the point that if we ratify the treaties, this paints a bad picture financially?

Mr. LAXALT. Precisely.

Mr. GRAVEL. I should like to show the Senator from Nevada another chart, if he will permit.

Taking the work that was done by the commission in 1970, they projected revenues required to finance a sea level canal. I did not take the high levels and I did not take the low levels; I took the average levels. That is what this red line shows. It shows here in millions of dollars, $90 million in 1970, or almost $100 million there, going up into 1980, about $140 million. They projected that that income would be sufficient. The cost of the sea level canal then was projected to be $2.8 billion; and they projected that that average income—mind you, we had a recession in this period—would amortize over 60 years, 6 percent interest bonds, that could be used to build the sea-level canal had we gone forward with it. Now we look at what actually happened to the revenues in question. The blue line here shows what really happened to the revenues. The revenues far outdistanced what, actually, they projected.

Take the situation depicted here and you look at the phenomenon that took place in that period from 1966 to 1977. Even with the climb of the increase in obsolescence, the revenues have been such that they could have even supported a sea-level canal that was projected at that time. The phenomenon is even more than what is shown here, because you have to place yourself introspectively and say there is something going on in the world: for one, vessels are getting larger. There is more tonnage. The tonnage they expected to go through the canal went through.

We had two increases in the tolls, one in July of 1974. But you will notice that we were above the projection prior to the recession. So the increase simply took advantage of existing elasticity, which we have never fully used. Another toll increase of 19 percent took place in 1976.

We can argue over elasticity, and there is probably another 30 percent in there. We can argue whether it would decline.

Mr. LAXALT. Will the Senator yield?

Mr. GRAVEL. Yes.

Mr. LAXALT. I do not begin to pose as an expert in this area at all, but I understand that we have had an era in the last few years of going to the larger ships; that that has plateaued out, and the maritime industry, worldwide, has come to the conclusion that perhaps they should not have that size ship in the future. Is there any merit in that at all?

Mr. GRAVEL. I do not know where my colleague heard that. First of all, these figures that I have belie that statement. You can talk to one shipowner and he can say, "Well, we have plateaued out. We are not going to build big ships." What I am showing here is what happened in the last 15 years.

Mr. LAXALT. I understand that.

Mr. GRAVEL. That is what has happened. I think any other statement is conjecture and not very reliable. I think we have to look at the performance to see what happened.

I think the important thing, if I may focus on this——

Mr. LAXALT. May I ask a tangential question?

Mr. GRAVEL. Please.

Mr. LAXALT. In the trends here, in terms of the size of the ships, which relates directly to the utility of the canal, obviously, has the Senator from Alaska adopted the same trends in relation to size of ships in the next 15 to 20 years as he did in the past 15 years?

Mr. GRAVEL. Yes, that is what that chart is, right there.

Mr. LAXALT. So there is a direct relationship in that chart to the size of the vessels.

Mr. GRAVEL. The blue line in the chart on the farthest right is actually what happened in the 15 years. The red line is only a third of that experience. I had to be more conservative, because if I continued the line, it would be more preposterous than it presently appears.

I use that word "preposterous" advisedly, because I do not mean to say these are impossible figures. This is a phenomenon that has happened. This is why it is important for us, as we debate these figures, to understand. It is so easy to get involved in logic and facts that happened 15 years ago. This is what has been put forth and either I am saying something that is meaningful or I am not. If I am saying something that is meaningful, we have to change our thinking a little bit on what we are talking about. Then the trends take on a little different meaning.

The picture we are trying to paint is, well, we are going to give them a dog. Darned right we are going to give them a dog if we are going to let things go as they are. I hope these figures will enliven the intelligence of people and they will say, "Hey, there is something going on, and we have to solve the problem."

How do we solve the problem? The problem obviously is to ward against the obsolescence. There is only one way to do that: To build a new canal. Whom do we need to build a new canal? The Panamanian people.

We spent 5 or 6 years trying to figure out where to put a potential new canal. Where did we decide to put it? Ten miles to the west of the present canal, right here. That is the most economic site, determined after spending all that money on where to build a new canal. And that is out of the zone.

We could argue here about the zone and socialism and all that, but that is not where the action is. The economic action is outside the zone on Panamanian soil.

So our attitude should be, "My dear Panamanian friends, we want to improve the economy of the United States"——

Mr. CURTIS. Will the Senator yield?

Mr. GRAVEL. If I could finish this one thought; then I shall yield to my colleague from Idaho and then to the Senator from Nebraska. But let me finish this one thought, because this is the guts of what we are talking about.

We should look to the Panamanians and say, "Hey, what is going to make you happy right now, because we want you to be happy? We want to be your friends, because we want to enter into a commercial transaction with you that will permit the building of a sea-level canal so that our citizenry can enjoy the benefits of removing the barrier of the Isthmus of Panama."

The only way we are going to do that in this day and age is not to try to find some Bunau-Varilla who can sign some treaty for them. We are going to have to go to them in a strict commercial relationship and say, "Hey, this is your land; we think your land is valuable. We think a canal should be built across that land. We think that canal should be a sea-level canal. Would you be interested in building one for us and the rest of the world?"

The Panamanians will say, "Well, we know our land is valuable. We would like to build a sea-level canal so you can make some money off it, because we want to make some money off it, too. We have just been through a bad 70-year experience and we do not want to do that again. We will be happy to build at sea-level canal, but the problem is, we don't have the financial capability to do that."

So we come in and say, "Look, we presently use one-third of the canal now. Suppose we guarantee one-third of the cost of building a sea-level canal. Then you go to Japan and go to these other countries and get them each to pony-up what they would use the canal for prospectively."

Then the Panamanians, like anybody else, would get a consortium and they go build the sea-level canal.

They would own it. They would charge tolls. The defense picture would change drastically, because essentially, we now have something that is veritably indestructible. So we have a situation where we have breached the isthmus.

This could all be done, I might say, before the year 1990, and it would make all of what we are saying here in this debate moot—totally moot.

I yield to my colleague (Mr. CHURCH).

Mr. CHURCH. First of all, I want to say to the Senator from Alaska that he has presented some stunning figures. I have not had an opportunity to review them. I am sure that they are going to provoke a good deal of argument. But no one, I think, could argue with the proposition that the figures themselves, if accurate, are stunning.

I had known, of course, that there are thousands of vessels on the high seas too large to use the canal. When one looks at the canal today, one marvels at the foresight of the original engineers for building locks with dimensions that far exceeded the needs of their time. For example, the locks were 1,000 feet long, 110 feet wide, 50 to 60 feet deep—I forget the exact figure, but they were tremendous. As a result, up until 15 years ago, the canal was able to handle all ships, including the larger ships built in the intervening years.

Then, as these charts show, about 15 years ago, the bulk carrier construction commenced in earnest. The same was true of giant tankers.

Now, the impact this has had upon the canal, as shown by these figures, is dramatic; for, as the Senator suggests, while the canal was capable of carrying 90 percent of the world tonnage in 1966—just 12 years ago—today it is capable of carrying only 42.2 percent of the world tonnage, less than half, dropping in 12 short years from 90 percent of the world's tonnage to less than half.

And then the Senator makes a very conservative projection, based upon the experience of the past 12 years. In fact, he bases that projection, as I understand it, on just one-third the rate we experienced during the past 12 years, and such a conservative projection shows that by the year 2000, that is, by the year we turn the canal over to the Panamanians, less than 10 percent, 7.6 percent to be exact, of the world's tonnage would be able to use the canal.

Now, this has led the opponents of the treaty to say something I never expected to hear them say: "Let us not give this white elephant to the Panamanians; it would not be fair. Let us keep it for ourselves."

Mr. GRAVEL. [Laughing.] Maybe we could put it in the Smithsonian.

Mr. CHURCH. I will never cease to be amazed by the arguments being made.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. CHURCH. But the point that the Senator from Alaska underscores is that this canal is rapidly growing obsolete. All you have to do is look at it today, and you will appreciate what a grand old lady it is, over 60 years of age.

The Senator's figures show that by the end of the century less than 10 percent of the ships of the world, represented by tonnage, can use it. So what are we going to do about that?

Provisions in these treaties give us an opportunity to control the arrangements, the terms, and the method of the construction of a sea-level canal, which could be built within the life of the pending canal treaty, that is, between now and the end of the century; the provisions give us the protection of the veto power. In other words, we reserve the right to negotiate for the construction of a sea-level canal. Panama, in turn, promises not to deal with any other country without our consent.

So, looking to the future, these treaties—and I give the Senator from Alaska great credit for this, because he was one who was not looking to the past—a favorite occupation in this Chamber—but rather to the future. Accordingly, the treaty contains a provision which gives us control over how a sea-level canal, built to accommodate the needs of the future, may be constructed in a manner satisfactory to the United States.

As I understand the Senator's argument, this is what we ought to be talking about: How do the treaties protect our future interest, how do they give us control over any future decision respecting the construction of a sea-level canal between now and the end of the century?

I agree with the Senator that this is the issue, unless one wants to concentrate exclusively on white elephants, and confine the debate to the question of whether we should give this particular white elephant to Panama or keep it for ourselves. I commend the Senator; I think he has added something new, fresh, and extremely provocative to the discussion of these treaties.

Mr. GRAVEL. I thank my colleague.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. GRAVEL. Before yielding, I would like to underscore one comment of our colleague. This goes back to the argument we have heard over many days that we should not give it away because it is so valuable. I hope the argument we heard this morning is not now going to be adopted—that we should keep it because it is such a great white elephant.

I yield to the Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator. I take it the Senator predicts the declining utilization of the canal?

Mr. GRAVEL. It is not my prediction. I would say that over the last 12 years there has been a declining utilization of the canal in respect to the total maritime fleet. There is a declining utilization, yes.

Mr. CURTIS. Well, according to the studies you have produced yourself and others that you have availed yourself of, will total utilization of the canal decrease, or just the percentage of the total world's commerce?

Mr. GRAVEL. Today the actual utilization in numbers of vessels has decreased. That is what that first chart shows there. We have projected and missed the mark considerably. But because of the vessels getting larger, the tonnage predictions were quite accurate, and so they prevailed. The phenomena that will occur in the future are really open to speculation. We do know one thing: If the past is any guide, there will be a continued acceleration of obsolescence. If that obsolescence means that there will be a decline in income I do not know, and I do not think anybody can project that at this time.

What does 7 percent of world maritime traffic in the year 2000 represent in income, when the productive capital assets of the world may be doubled or tripled? I mean you are dealing with a larger and larger field, but what is important is that when you have relative obsolescence, that is serious, because as our economy grows, as we double our productive capacity by the year 2000, that means that we are incurring inefficiencies in that economy because of barriers that have increased in the Isthmus of Panama.

Am I being at all lucid to you—I hope?

Mr. CURTIS. I still would like your best estimate as to whether or not you think that the utilization of the canal will decrease over the next 22 years.

Mr. GRAVEL. Well, I would say that any reasonable person, looking at the figures I have on the board, will see the utilization, again in world maritime terms—yes, very much so.

Mr. CURTIS. I am not asking you about the percentage of world commerce.

Mr. GRAVEL. Oh, no.

Mr. CURTIS. The actual utilization of the canal; it is your projection that it will decline?

Mr. GRAVEL. I think the Senator is trying to make the point—if I may carry it one step further—in your argument you say the utilization is not going to decline, therefore we are not bound by certain sums of money. No, you cannot make that argument. I show you by this chart that there has been a very severe decline in 7 years, and even during that 7 years the canal, in actual revenue, made enough money to amortize what was projected to be the cost on amortizing a sea level canal, a brand-new canal. So in relative terms the money is there.

All that suggests is that we should be ashamed for letting this thing become obsolete. You know, we have not done such a great job of stewardship, because right now we do not have a national plan for solving this problem. I am not an economist, and I am not running the canal. I am just a U.S. Senator from Alaska. Why does it take a Senator like myself to discover this unusual phenomenon? Where are all the other experts on American stewardship?

Mr. CURTIS. You know, you have to use talent where you find it.

Mr. GRAVEL. I thank the Senator for that fine compliment.

Mr. CURTIS. But then I gather that your judgment is that the usage of the canal will not diminish, in spite of the fact of the percentage of its relation to world commerce?

Mr. GRAVEL. Let me give you the best example I can think of. If in 1880 you had a bicycle, and you kept that bicycle in good repair, and you asked me, "In 1977, do you think I could use that bicycle to good advantage?" I would say, "Yes, you could, and you would get as much pleasure and go as fast on that bicycle as you did in 1880." The only problem is that the rest of society brought on automobiles. Do you want to keep riding your bicycle, or upgrade your technology to greater efficiency?

Mr. CURTIS. Well, I am not arguing either one.

Mr. GRAVEL. So if you are asking me, In the future will the Panama Canal make money?—yes, it will. It will make money. Probably, I do not know, but it well may make enough money in the year 2000 that the 7-some-odd percent may be equal to the income they are making off of it now.

But how tragic, because I can go to great lengths and show where, with discoveries of oil in Alaska, the income to Panama could be not the paltry $50 million that may at the outside be what they will get under this situation, but it could be 300 or 400 or even $1 billion a year income to the Panamanian people. But whenever they are making that kind of income, just remember that we are receiving economic benefit from that resource.

Mr. CURTIS. One other question. The Senator held up the chart to show that the choicest location for a new canal was in Panama, some 10 miles from the present one.

Mr. GRAVEL. Right.

Mr. CURTIS. Is it the Senator's opinion if these treaties are ratified that the United States will build the canal without an additional and further treaty with Panama?

Mr. GRAVEL. I have had occasion to talk to Panamanians and I would never insult them with a statement that I would build a canal on their land as an American. I would take my hat off and button my suit and go up there and say, "gentlemen, I think we can work out an intelligent economic arrangement which would be to our mutual benefit."

I would begin to treat them as equals, which we have never done.

Mr. CURTIS. That is all right, but what I want to know is what does this treaty provide? Does it open the way for a new canal if we want to build one? My question is rather simple.

Mr. GRAVEL. If the Senator wants to ask it, I would be happy to answer it.

(Mr. CULVER assumed the chair.)

Mr. CURTIS. The question is: If we are to build a new canal 10 miles from the present one at the place the Senator has indicated, does this treaty provide for us to do that, or would it call for another treaty?

Mr. GRAVEL. No. This treaty permits us to be involved in the decisionmaking which will take place with respect to a sea level canal. I would hope that from this day forward we will take a new approach, that it is not us who will build the canal. This is their land and one does not negotiate with people about their land by telling them what you are going to do on their land. You take a different attitude. I do not know how we will educate people around here to that.

If the Senator wants to sell wheat from his State, he does not arrogantly strut around and tell them that they are going to have to buy his wheat. You sort of ask them if they might be interested in buying some of your wheat. Then they might buy some.

I would hope that with respect to Panama, in the colloquys we have on the floor, we would show them respect. When we look at the language in the treaty the language protects our ability to be involved. It does this by saying the Panamanians cannot bring anybody else in to build a Panama Canal without our involvement.

But this does not say that we can unilaterally build our canal, because it is not our land. It is their land.

Mr. CURTIS. Then we can assume, if everybody is going to be fair, the Senator is saying that if we built another canal we would have to have another treaty?

Mr. GRAVEL. This is merely stargazing from my side, but I would say that if we get into a mode to make an affirmative decision in 3 or 4 years on a sea level canal, we will look back on this debate and it will appear to be so utterly ridiculous and we will be so quick to change the treaties. Why would we want to stick with this treaty if in 1990 the present canal is nothing but an artifact, nothing but something which should be in a museum? Obviously, the whole ball game would change immediately. We cannot be in that position for 3 or 4 years.

Mr. CURTIS. I am not arguing with the Senator about the idea that we ought to have a new canal. I do not know. I am trying to find out how we get to it.

Mr. GRAVEL. How we get to it is through an amendment to be offered in the Senate by Senator MAGNUSON, myself, and others, which would permit the authorization of $8 million to update the canal study which was done in terms of economics and engineering, and then do an environmental impact statement.

We could not get involved in guaranteeing anything in the way of financing a sea-level canal without knowing the environmental impact.

Similarly, the Panamanians would not want to do anything. Nobody in the world would want to do anything there until we know what the environmental problem is.

The Panamanians would share in the development of that data, working with us as equals. Once we have that information we can say if it is an obvious decision that the world should try to bring about a sea-level canal. The command decision would be with the Panamanian people and their government. They could be persuaded like anybody else in the world that they have an asset, and they could be persuaded to put it to productive use to give them an economic benefit. They would rush to a decision. So would the rest of us. That is what we need to do.

We need to, one, approve the treaties to secure their good will, and then lock ourselves into a situation where we will be involved in a future canal. Then, two, posthaste approve the moneys to get this study going as soon as possible. As soon as we have the results of the study, we will make our own decision and then make an offer to the Panamanians, make them an offer they cannot refuse, giving them some economic benefit for a change.

Mr. CURTIS. What does this treaty give the United States in the effort or the right to participate in the building of a sea-level canal after the year 2000?

Mr. GRAVEL. After the year 2000 we have no rights at all.

At one point in time there was talk on the Senator's side of the aisle in opposition to the sea-level canal language. I felt people did not understand and did not see the value of this language. I must confess at one time even the negotiators did not see this as very important language.

What happens after the year 2000 would be the same thing that would happen before the year 2000 with respect to a sea level canal in the absence of this language.

The Senator is talking about something that is a very large financial undertaking. I would guess that in the mid-1980's to build a sea level canal would be on the order of $10 to $20 billion, or maybe even more than that.

There is no one who will come forward with that kind of financing without having some unusual guarantees.

Mr. CURTIS. From whom?

Mr. GRAVEL. From somebody who could pay the tab. Quite obviously, the Panamanians cannot pay the tab.

So we would have to have some unusual guarantees. Regardless of what one wants to do, there are economic disciplines on what can be done politically. Politically, we may want to build a sea level canal, but the economic disciplines will determine whether or not it can be built. Those disciplines operate right now.

The bondholders, the people who would put up the money, would ask, "Who is using the canal?"

In this case, one-third of the canal is being used by the United States of America. Obviously, any building of a sea level canal, whether in treaty rights or in an economic de facto situation, is going to have to involve the United States of America. There is just no way to get around that.

DeLesseps built his first canal in Suez as a private venture. If I thought for a minute this could be done as a private venture, I would do what my colleague from Maryland suggested. I would resign from the Senate, go down there, put together a private corporation, and see if it could be done.

They made a lot of money with respect to the Suez as a private venture. That is why it was so easy to sell stock in the private venture of the deLesseps effort, which was the first effort on the Isthmus of Panama. But it got beyond that. It got beyond private capability, which is where it is now. Believe me, private capability in many multinationals is considerably larger than the capability of the nation of Panama.

The budget of the nation of Panama is slightly above $500 million. That is what one small oil company—not a small oil company but one of the major oil companies will spend in its exploration effort this year, and that is the total budget of the nation.

So, quite obviously, they, the Panamanians, cannot be intransigent in this. They would have to act like any other mature, sophisticated person with a commercial enterprise, and that is they have got a valuable piece of resource that can only be utilized with great capital improvement and wealth. That capital improvement and wealth can only be secured through a very responsibly designed program of activity and utilization.

Mr. CURTIS. Is it true then that if a new canal were to be built in Panama in which Panama participated and the United States participated that we would have to have a new agreement defining the rights of the parties, the right to go in and construct, guarantees of a peaceful operation, all that sort of thing, and we would have to have a new agreement in order to build a new canal, whether or not the treaties before us are ratified; is that not true?

Mr. GRAVEL. If the treaties before us are not ratified it is going to be——

Mr. CURTIS. I did not ask the Senator that. Even if they are——

Mr. GRAVEL. I am going to try to answer the Senator's question, and I will reserve my right to use my skill in articulation as to how I answer the Senator's question. OK? I am trying to answer the Senator's question.

Mr. CURTIS. All right.

Mr. GRAVEL. If the treaties are not ratified, I think everybody in this debate is prepared to admit that the people of Panama will be unhappy. I think we can take that as given. How unhappy remains to be seen, but they will be unhappy.

So I come back to my comparison to you. I would not like to see us launch into a posture of negotiation for a sea level canal with people I just made mad at me. I mean, it is stupid, it is downright stupid.

So what I would like to see us do is create a climate of good will.

The Panamanian people love us—sometimes I wonder why, but they do—and I think we can capitalize upon that good will by passing these treaties, and they will be even happier, and from then on, since we have general language, go forth with the study.

There is nothing we can do for 3 years until we study this, and then after we study it we would have to negotiate a new agreement—in answer to the Senator's question—a new agreement with the people of Panama as to how the sea-level venture would go forward.

Mr. CURTIS. I thank my distinguished friend.

Mr. GRAVEL. I would be happy to yield to my colleague.

Mr. SARBANES. Mr. President, I commend the Senator from Alaska for putting the case for these treaties in a positive form; in terms of these treaties being an opportunity for the United States. It is an opportunity in many respects; an opportunity which ought not to be lost. We have talked earlier in this debate about the opportunity the treaties give us to protect our defense and strategic interests. The Panamanians have agreed to an arrangement which will give us the right to take whatever action we deem necessary, without any time limit, to preserve the neutrality of the canal, and that right would apply not only to the existing canal but is a right that will apply to any other canal built through Panama.

So all of the safeguards that are in these treaties with respect to the existing canal would carry over to any new canal. Those protective arrangements for us would not have to be negotiated and reached in an agreement on a new canal, in response to the question that was asked by the Senator from Nebraska. They are already in these treaties, and if we can reach an accommodation with the Panamanians on the opportunity that a sea-level canal may well present to both nations, and if it is in fact constructed, that canal will fall under the provisions of this Neutrality Treaty without any further agreement in that regard being necessary.

So our defense and strategic rights with respect to that new canal are already contained in this treaty.

Mr. GRAVEL. I want to really underscore what my colleague has just said because I think there may have been a misinterpretation. I do not think that you can sell one bond to build a sea-level canal without a Neutrality Treaty. I mean there is nobody who is going to put up a sou, with a possibility of the canal being closed. What an investor would do primarily, investors from the free world, not the Communist world, would be to be concerned if the super power of the world could guarantee that that canal is going to be open so that the money will come in and retire the bonds. So the Neutrality Treaty is the definite quid pro quo for anything going forward.

Secondly, when I am talking about a new agreement I do not envision a new treaty. We may have pangs of conscience later on and we might want to accelerate when we turn over the present canal to them. That is not what I would consider to be a new agreement. But what agreement I envision could be merely a commerical undertaking wherein the financing could be guaranteed by the United States of America, which would not require an extended political renegotiation process.

This whole thing has to be taken out of the area of politics. It has to be looked at in terms of economics, and when we do that we can abate some of the emotion that has beset this whole issue.

Mr. SARBANES. I commend the Senator for speaking with good, hard, tough common sense about what our opportunities are, American opportunities, with respect to the Isthmus of Panama.

A sea level canal may prove to be economically feasible or it may not. That is a difficult question, and we do not now know the answer to that issue.

You have the question of cost, on the one side, and you have the question of projected traffic that would move through the canal and the consequent toll revenues on the other side. You will have to make a careful analysis of the matter.

But I think it is very clear, as the able Senator from Alaska has pointed out, that, unless we move forward on the treaties that are pending now before this body, the opportunity of working in concert with the Panamanians to develop the sea-level canal will be lost to us.

It must be understood by those paying attention to this debate, that, under the present arrangements in Panama, and even more as you look into the future, our interests and the interests of the Panamanian people are interrelated.

The water now that makes it possible to run the Panama Canal comes from the watershed located in the Republic of Panama. At this moment the United States, although the lakes themselves are included within the Canal Zone area, does not control the watershed which feeds those lakes and makes possible the operation of the canal. That watershed is controlled by the Republic of Panama, and they have participated in this arrangement and, therefore, made it possible to operate this canal.

The attitude which is evidenced on the part of some that we can simply banish, as it were, the Panamanians and pay no

attention to them at all, and still continue the present arrangement, is just nonsense on the facts. It is even more so when you think about what might come in the future, something to which the Senator from Alaska has so ably addressed himself. There may well be an opportunity here with respect to the sea-level canal and what it means for the commerce of this country and of the world which ought not to be lost, and these treaties are the best step to move forward to preserve that opportunity. We ought not to lose sight of that.

I commend the Senator from Alaska for taking a positive approach to the chance that these treaties open up for the United States. They give us an opportunity, and the same forward-looking approach which he is taking is the approach that led to the building of the canal at the beginning of the century under a completely different mores prevailing at that time. The Senator's approach is a forward-looking response to the opportunities before the United States.

We must look at this matter in terms of what American interests are. The opponents of these treaties are going to lose for the United States, lose for us, opportunities that are available to realize something that is very important to American interests. We ought not to lose sight of that consideration.

I commend the Senator for focusing our attention on this very important point.

Mr. GRAVEL. I thank my colleague.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. GRAVEL. I would be happy to yield to the Senator from New York.

Mr. JAVITS. The Senator has had many commendations, and he deserves them because the original work here is what we count on among Members, and it is always interesting and exciting through the country that we are not vote comptometers; that many of us do original, productive thinking and productive research.

This is very ably done, and very important. I compliment the Senator on it.

Mr. GRAVEL. I thank the Senator.

Mr. JAVITS. The point I would like to make is built, really, on what he said and what Senator SARBANES said, and for this reason.

To me, the most gifted element in this treaty is the 23 years in which we can learn to live with the treaty and with our situation.

That is the key to why it should be approved, and for this reason. I know something about Latin America. I have worked in it, traveled in it, for over 30 years. In their eyes, and one always has to see what is in the eye of the beholder, this is a colonial position no different from Mozambique or some other part of Africa that was released from French, or British, or Portugese sovereignty.

That is the way they look at it.

Now, to deal with a situation like that, other than in terms which are Old World terms, the British just up and got out. I sat in the House of Commons when Wilson declared they were going to pull out of everything east of Suez. The French, in a sense, after Algeria, both got out and were pushed out. The Portugese were pushed out.

Here is an intelligent, rational approach by people who ought not be very much against each other, and the 1964 events could have left such a terrible heritage of hatred as to make this impossible. Yet, here is a negotiation, extremely gifted, which gives us almost a quarter of a century to adjust our thinking, our purposes, our economic and political activities to this new situation in the world; very gifted, and, to me, the main reason for the value of this treaty. Senator GRAVEL has underlined that by showing what can happen in this time, how completely reoriented life could become, and he is not making any predictions. There may be an invention of some kind which will completely revise all of the figures on the charts he gives us.

Really implicit in what he is pointing out to us is that we have made a treaty which gives both people, the Panamanians and the people of the United States, plenty of time and plenty of room to turn around and deal with an ongoing, developing economic and political situation, in a way to keep the peace and attain the necessary result.

I would like to emphasize that implication as being, to me, one Senator, probably the principal reason why these agreements, these very agreements, ought to be ratified.

I thank the Senator.

Mr. GRAVEL. I thank my colleague for his kind of words. He really has a great deal of experience with Latin America and was active in his work with OPIC and ADELA. He has been very cognizant of the economics.

I had not perceived, and I really enjoy listening to the discussion in terms of how a great nation does change its responsible position and leadership, and we cannot do things abruptly. Maybe sometimes when we see injustice we want a rapid change. But I think the Senator is quite right that the great benefit of these treaties is that there is no great abruptness. It is an evolutionary process. A mutual confidence that will grow.

Of course, with respect to the sea-level canal, it is very clear in the treaties that we will study these together.

It is really so mature, because what we see is a process where we correct a wrong. That is really what the treaties do—correct the wrong and set a tone to evolutionary progress in the future, and set up a structure where we can look at some serious options and then have this great reservoir of good will between our peoples to then make a judgment on those possible options, to go forward on something of great significance to not only the people of Panama, to not only the people of the United States, but the entire world.

What I have tried to point to here is that this is what is happening worldwide. The barrier of the Isthmus of Panama which looms larger every day is a barrier to all human beings on this planet. If there is an economic advantage to bridge that barrier, we ought to be able to make a collective decision with the people who are sovereign over that area, the people of Panama.

Mr. JAVITS. The Senator puts me in mind of one thing, extremely brilliant. The Senator said something about a reservoir of good will. That is a prediction. I agree with it.

But suppose there is not a reservoir of good will. Nonetheless, do we not have a better chance this way than to stand pat and invite the general ill will which we know already exists to grow and grow and fatten on itself until it becomes a revolutionary wave which could easily erupt?

Mr. GRAVEL. Obviously, if this treaty is turned down, what they are going to see happen is a move to reform, not only in Panama, but the entire Central America and South America, and anti-American, anti-United States, anti-Yankee, is going to be so much in vogue that it will be difficult to appreciate how much damage we have done to ourselves.

As people move left, what is going to be the counter?

"Well, we know economics in the sea level canal, and the United States is the big user. Let us talk to the Communists and sucker the Soviet Union into building a sea level canal."

That will go on. It may not work. It may not be reasonable. But what we will do is leave the realm of rational economics and move into the shrill rhetoric of emotional politics, and that will not do anybody any good.

So I want to state one thing clearly, that the data I present, the thesis I make, the only way a rational result can come from it is if we, the Senate of the United States, approve these treaties and move forward.

I yield to my colleague from Maryland.

Mr. SARBANES. I just wanted to add one further comment with respect to the Senator's perceptive analysis.

It may perhaps be because he represents a frontier State, the great State of Alaska, and, therefore, comes to the whole question of economic development with a fresh and positive approach that he has taken such a keen interest in a sea level canal. Clearly the possibility of a sea-level canal and what it may mean to his own State in terms of its economic development is of great importance.

I think his analysis has shown it could be of tremendous economic importance, not only to Alaska and to this country, but to the entire world.

So it may well be that, because of the frontier spirit that comes with representing a State that is concerned about its own economic development and must look at issues such as this one in terms of what it may represent for its own economic development, the distinguished Senator has taken the lead in pointing to the opportunities that are contained in these treaties in terms of developing a sea-level canal through the Isthmus of Panama. He appreciates so keenly the growing barrier which the isthmus represents, as changes in ship construction and shipping patterns take place, a

change shown so clearly in the charts presented by the Senator.

The Senator has underscored what that growing barrier means to his own State and, indeed, means to our entire country. The breaching of the isthmus at the beginning of the century by a bridge of water was enormously important to the commercial development of the United States. I think it may well be because the Senator represents the great State of Alaska and, therefore, perceives the enormous economic implications of being able to cross freely the isthmus that he has taken such an effective lead on this issue of the sea-level canal.

Mr. GRAVEL. I thank the Senator for his kind words.

There is a brief story that I think demonstrates the statement that was just made. It involves two young boys. One young boy walks into a room where his father has given him a lot of toys. As he looks at all these toys, the blinds are drawn in the windows, and the young boy is very depressed and says, "It must be raining outside. I can't take that bicycle outside and go ride the bicycle."

Then there is another young boy who comes in a room, and in this room his father has played a cruel trick on him. The room is full of manure. The young boy jumps into the manure and is pushing it aside. A person asks, "Why is he doing that?"

The young boy answers, "There must be a pony in here somewhere."

You can look at it either optimistically or pessimistically. I think it stands us in good stead to look forward.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. GOLDWATER. I have listened to the Senator talk about the canal and refer to it as a coming antique that should be in the Smithsonian. I would like to bring to my colleague's attention a few things about this canal, even though it is 70 years old. If it were built today, I doubt seriously that it would be built any differently. Many of the gates have never been out of repair in 70 years. They weigh more than 750 tons apiece. Damaging them by explosive would be almost impossible. The gear ratio that operates them is 1,600 to 1. To get at the gear would require easier access than they have today.

Some improvements can be made in the present canal. The distance can be shortened, and they are working on that. Some of the curves, some of the islands, they have to go around could be eliminated. In fact, they all could be eliminated. The ditch could be made 1,000 feet wide and 300 feet deep.

I was very interested in the sea-level canal, and have been for many years, but it presents many more problems than one not acquainted with the general area might assume.

To begin with, on the Atlantic side there is about a 15-foot tide and on the Pacific side there is a 17-foot tide. Contrary to what we have believed all our lives as to water seeking its level, sea level is not the same around the world. There is a 6-inch difference in the two ends of this canal relative to sea level, which means that a sea-level canal, except for ebb tide, would always have a current through it.

The Senator from Alaska is aware of traveling in narrow straits and fjords, and he knows that handling a boat in moving water, in narrow confines, is very, very difficult.

Even though we made the sea-level canal a thousand feet wide and with necessary depths, it would probably have to be about 120 feet to take care of the supertankers. I thought it could be operated like the Suez Canal—free entry and free access. But there would be times of the day when ebb tide did not occur, when ships would have to stop, slow down, or be prevented from having access or egress because of the locks that would be needed to make the flow as low as possible to maintain stability.

Consequently, the studies of the sea-level canal versus the improvement of the present canal—namely, widening the cuts, deepening it somewhat, adding another set of locks—looks to be the better bet right now. A sea-level canal can be built in Panama or it can be built on the border of Colombia in Panama, a less preferable spot, to be sure.

But I just wanted to defend the canal. I do not think it is ready for the Smithsonian. I think this canal will be in operation many, many more years. It will require constant improvement. This is one of the things that has bothered me about this treaty—whether or not, whatever government it is, and it has to be another government, would be willing to spend the money that would be taken in by the tolls to constantly improve and constantly repair the canal, something that has to be done.

I wanted my colleague from Alaska to know that I have been looking into the matter of a sea-level canal versus a lock canal for many years. I have become convinced that, while we can build a sea-level canal, we do not eliminate the problems we now have with locks and gates. The speed of transit would be improved a little, not much, because the sea-level canal would be a little longer, not much.

Frankly, I look upon this as one of the great engineering marvels of the world, whether we enter into the treaty or not.

After many visits down there, looking at the canal system, the lock system, and the engineering of it, I have become convinced that if we were to build the same canal today, we would build it exactly as we built it 70 years ago, although we would have better equipment to engage in dredging, drilling, and excavation. But the canal still is a marvel of engineering.

I might mention something we have not heard too much about and which confronts the Panamanian Government. We have taken out of the Culebra cut enough earth to equal a square hole 1,600 feet on each side, entirely through the earth. That is a lot of dirt, and it has cost a lot of money.

Again, my question is as to the ability and willingness of whatever government the country of Panama may have. I think their history of instability is such that I do not believe they can acquire the resistance to temptation, if that is an easy way to put it, when the money flows over the desk and there are many other things to do.

I heard a little discussion here about trying to make a comparison between Panama and Alaska, and I cannot buy that. Alaska is a going State. It has probably more opportunities ahead of it than any other State in the Union.

It has more resources. It has more of everything to bring in people. The question is, when is it going to happen? I do not think it will be too far off.

However, Panama is a bankrupt country—more than $2.1 billion. When you get down to it, it goes up to more than $7 billion. There is no way in the world that this canal, new or antiquated, ever can provide any stimulus to the economy of Panama.

I thank the Senator. This is something I wish I had said before, during the colloquy, but I would like it a part of the RECORD.

Mr. GRAVEL. Mr. President, I know of my colleague's interest in this matter.

I think a study should be done so that we can find out what the economics are of a sea-level canal, and there should be an update of the prior report. Technical experts today tell us they can build a sea-level canal, my colleagues' views notwithstanding. So it is no big deal to build another ditch. It is not new technology. It is not space-age technology. My colleague has been involved with a lot more sophisticated things than building a sea-level canal would ever be. It is just a question of moving dirt, and there is some thought as to whether or not it could be moved more efficiently than was the case at the turn of the century. I would rather let engineers argue that facet of it.

I merely say that you could deepen the strait now and cut islands all you want. The limitation is 107 feet through the present canal. So, regardless of what you do——unless you want to rebuild the locks, and I do not think that would be the case.

But there is no point in having a deja vu on a colloquy that took place in this Chamber in 1904, because there was a great debate over whether we should go sea level or lock, and it was a preciously close vote, which would have put us in the same position to make the same mistake the French had made. But the only way you could handle it with the technology at the time was to bridge the isthmus, and this is a breach of the isthmus.

We debated that study, and I hope it can go forward. But I would not presume to stand here and say that should be done and that should be done. What I am saying is that what I have discovered is so unusual and revealing that I think we should be in a hurry to study the situation so that we know what is going on and then act accordingly. I think we can act in an intelligent fashion only if we approve these treaties, so that we get the good will of the Pan-

amanian people and place everything in a proper mode for the next step.

Mr. LAXALT. Will the Senator yield for a few questions?

Mr. GRAVEL. I am happy to yield.

Mr. LAXALT. There has been reference made on the floor from time to time to shrill political rhetoric. Maybe some of us are guilty of that from time to time, on both sides of the aisle, though I do not think so. I might say with reference to the economic issues of the canal, I have used as a base document the analysis of the economic aspect that was done recently by the Foreign Policy Institute as an adjunct to the University of Pennsylvania.

Is the Senator familiar with that?

Mr. GRAVEL. No, I am not.

Mr. LAXALT. The analysis was published recently in its outlet, the Orbis magazine. It was once part of the University of Pennsylvania. It is a nonprofit organization.

Mr. GRAVEL. It is or was formerly a part of the University of Pennsylvania?

Mr. LAXALT. It was.

Mr. GRAVEL. It is no longer with the University of Pennsylvania?

Mr. LAXALT. Not presently, no. Now it is a nonprofit research organization. Many of the people formerly associated with it are still associated with it.

Mr. GRAVEL. Does the Senator have the names of those people?

Mr. LAXALT. Yes.

Mr. GRAVEL. Essentially, it is a private organization?

Mr. LAXALT. Essentially, yes. They have done work in a great many areas involving the economic relationship of countries—Latin America, East Asia, and so forth. At any rate, they did what I thought was a very, very impressive analysis of the whole canal question. Particularly I was impressed with their analysis of the economic arguments here on the floor.

Mr. GRAVEL. Yes.

Mr. LAXALT. For a few moments, if I may, rather than simply print it in the RECORD, I would like to discuss it to see what the Senator's responses may be in relation to their findings.

According to the issue:

> Denigrating arguments have also been applied to the canal's economic role. It is alleged that since U.S. intercoastal trade now constitutes only 3 per cent of all cargo shipped through the canal, and since the largest supertankers and bulk carriers are too big for it, its importance has declined to the point that hanging on to it is no longer worth the political price. Moreover, the inevitable escalation of canal operating costs is supposed to exert a chilling effect on future cargo transits; presumably, cargo will be routed round the capes, or shifted to transcontinental rail and truck routes, in arithmetic proportion to each increase in tolls.

That has been discussed from time to time here. We do not know.

Mr. GRAVEL. May I interrupt?

Mr. LAXALT. Surely.

Mr. GRAVEL. The rhetoric of what the Senator is reading as part of the study is a little strong. "Denigrating arguments", "hanging on to." It sounds more like a political tract than what we would call a scientific appraisal.

Mr. LAXALT. I do not think so. I stand on the credibility of the organization.

Mr. GRAVEL. All I can judge from is, just as all any American can judge from in listening to our voices, are the words these people are using. They sound like people who are party to the argument rather than objective scientists rendering a judgment. I have not been argumentative. I have just presented data.

Mr. LAXALT. And essentially that is what this piece does.

Mr. GRAVEL. Do they have data to present to the contrary?

Mr. LAXALT. Extensive data which reaches a totally opposite conclusion from that the Senator from Alaska has.

Mr. GRAVEL. I would like my colleague to go ahead and give us some of that data.

Mr. LAXALT. Reading:

> With regard to vessel sizes, it is true that increasing numbers of supertankers and bulk carriers—perhaps 1,000 by latest estimate—

Is that about the number the Senator has?

Mr. GRAVEL. One thousand.

Mr. LAXALT. Yes.

Mr. GRAVEL. I do not have it here.

Mr. LAXALT. Continuing to read:

> are too wide or of excessive draft to transit the canal. It is also true that in absolute figures the number of commercial transits has begun to level off and at present is in a zero-growth pattern. Commercial transits in peacetime rose from some 4,000 or 6,000 annually in the interwar period to 11,000 in the early 1960s, and they are now stable at about 14,000.

Does that reconcile with the Senator's present figures?

Mr. GRAVEL. I have 1,821 vessels, aggregating to 540,000—I shall have to read them over.

Mr. LAXALT. Let me proceed, if I may:

> They are now stable at around 14,000, having reached the peak of over 15,000 in 1974.

Mr. GRAVEL. Would the Senator repeat what that refers to?

Mr. LAXALT. We are talking about commercial transits.

Mr. GRAVEL. All I have on commercial transits there is the projection that was done——

Mr. LAXALT. I understand.

This is important. This is the point they developed:

> During this period, however, world cargo tonnage has risen dramatically and with it the tonnage transiting the canal—from 114 million long tons in 1940 to over 140 million long tons in 1975, with a sharp drop to 117.4 million in 1976 after the Suez Canal reopened.

Does that roughly tie in?

Mr. GRAVEL. That is essentially what my chart shows.

Mr. LAXALT. Continuing to read:

> Clearly, more cargo is being carried in fewer and more specialized ships, but the notion that this trend is universal or will continue indefinitely, is not borne out by projections.

This is the point I tried to raise in our earlier discussion:

> According to a 1974 Cornell University study, economies resulting from ship scale are striking only in the so-called bulk trades, and these more in oil tankers than in ore carriers.

Mr. GRAVEL. When was the study made by Cornell University?

Mr. LAXALT. 1974:

> Except in the case of supertankers that operate only between the deep-water ports of the Persian Gulf and offshore discharge points in Europe and the United States, ships having a cargo capacity beyond 100,000 deadweight tons—65,000 is "Pan-Max"—

That is the most you can take through:

> Encounter such severe restrictions in port and loading facilities as to make their size uneconomical.

Mr. GRAVEL. Could I interrupt?

Mr. LAXALT. Surely.

Mr. GRAVEL. If the analysis is based on a Cornell study made in 1974, why has there not been a dip in the line since 1974? We have all those figures for 3 years and that line is marching straight ahead, regardless of what some academics may be saying. They are still building them out there.

There is an interesting difference between academics and shipowners. Academics play with figures. The ship owners have to take the money to the bank to pay the bankers. They sort of design things to make them work because if they do not have the money, they cannot pay the bankers. If the people the Senator is quoting are relying on a study done in 1974, we have figures for 1973, 1974, 1975, 1976, and 1977 that show their statement is not very accurate.

Mr. LAXALT. I know, but they are thinking in terms of long-term projections.

Mr. GRAVEL. But when does the prediction begin to take place? Three years, four years, five years?

Very seriously, the Senator is standing up and saying he has a statement of some group he says is pretty reasonable, responsible. I am willing to accept that. He is saying the data is based upon a study. A study is where people make projections, develop scenarios. They may have done that. All I am saying is their scenarios have not been borne out by the facts.

All I am doing is standing here and giving some figures, and what the Senator from Nevada is trying to give me in response is a scenario that never came to pass.

Mr. LAXALT. I submit to the Senator from Alaska that this is a responsible group, they conducted a responsible analysis. I shall touch base with them. I am certain they touched base with maritime operators and other people in the business.

Mr. GRAVEL. Supposing they did not? The Senator is standing here saying they are responsible.

Here is another figure. The Senator said they have given him a figure of 1,000 tankers. There are 1,563 tankers that are above that tonnage. So they are half wrong, just on counting the vessels, never mind any interpolations. Then add to that the rhetoric they were using in their report, and you get something pretty suspicious that the Senator is throwing at me right now.

Mr. LAXALT. Is the Senator characterizing this as being some kind of right-wing rhetoric?

Mr. GRAVEL. Sounds that way. I would even add the word "radical" right-wing rhetoric. It smells that way, it sounds that way, it tastes that way, so there is a reasonable chance it may be that way: radical right-wing rhetoric.

Mr. LAXALT. The Senator from Alaska should remember on this type of characterization not to paint with that brush quite so broadly. I have no problem with right-wing rhetoric or the rest of it.

Mr. GRAVEL. Does the Senator know why I feel a little strongly about it? When I went home, I had an unusual situation.

I went to a TV station, as is common for Members of the Senate, to report to my people. I found out that the owner of the TV station received a communication from somebody outside. I am sure that the radical right-wing community had nothing to do with this; it just happened. This communication was addressed to CBS Network TV Management, Juneau, Alaska. It was from Gabriel V. Dodd, who lives at New Hampshire Lane, Hinsdale, Ill.

It starts out:

NBC plus CBS in Juneau, Alaska, open letter to Senator GRAVEL.

He did not even have the dignity to send it to me. I have not yet found out how many thousands there are, if there are any, in Alaska.

I am merely trying to make the case why I may sometimes get a little tense, a little emotional, about the radical right of this country. Let me give an indication of a communication sent to the TV stations in Alaska:

After hearing your stunning anti-American speech on the Senate floor on February 9 during the Panama Canal Treaty debate, I am simply—

And it has underlined here in caps:

Shocked, with deep resentment. I protest. I am 100 percent sure you did not reflect your constituents' views, but merely presented your personal ideology, feelings, and general anti-U.S. attitude.

I want to tell you I do not have an anti-United States attitude. I love my country as much as anybody else and I resent people telling me that I have an anti-United States attitude or spreading those kinds of lies and garbage in my constituency.

So, I want to put everybody on notice in this debate that I am going to be very intense and this is just the beginning, because I think, as Members, we can stand here and say we are not party to that. Well, when you take their money and board an airplane and go out and do the same thing, you are party to it.

And I do not carry any personal animosity, because I have deep affection for my colleague from Nevada, but the money that went for this is coming from the same coffers that paid for the Truth Squad and paid for a lot of other stuff, and I resent it as an American. I resent it as a person who enlisted in the service. I just plain resent it: I am not anti-American. I hold some strong views and I happen to think it is pro-American to want my country to look good in the world. That is what I want. I want my country to be just and to look like it is just. And I resent people going to my constituency and peppering it with this kind of garbage.

And so I apologize personally to my colleague if there has been any personal offense. I never meant any. I have a lot of personal regard for him and I do not associate him with these kinds of letters, but I think he will understand why I am like the Senator from Alabama, who stood on this floor and was a little hesitant about Members talking so much about Alabama.

And I could understand why he might be a little bit upset about being so intense. Are you being peppered by the proponents of truth in your State with a lot of garbage? I ask you, if you picked up any of this stuff assaulting you?

Mr. LAXALT. I get my share of mail.

Mr. GRAVEL. This is obviously a mimeographed track. This is obviously a put-up job. This obviously has nothing to do with the merits of the issue. You know, if we are going to spend the money, let us spend it on some stuff that is going to be appreciated, not this.

Mr. LAXALT. Can we go back to the merits?

Mr. GRAVEL. I would love to go back to the merits.

Mr. LAXALT. Let me continue with the reading of the article:

General-cargo vessels, now increasingly specialized as a result of the container revolution, are also growing in average size, and in fact the largest vessels to transit the canal to date have been the British-registered container ships Tokyo Bay and Kowloon Bay (950-foot length and 105-foot beam). But at least in the liner trade these vessels may now be reaching their own ultimate size, limited as they are by today's gantry-equipped port facilities and turnaround time, since assemblage of container cargo appropriate for each scheduled voyage becomes progressively more complicated the larger the vessel. The new classes of medium-size container ships, automated bulk carriers and barge-carrying LASH vessels are still comfortably within "Pan-Max," while the few remaining passenger vessels, now exclusively in luxury cruise service, have shrunk dramatically from the record dimensions of the interwar period. As technology, rather than size, becomes the key to shipping modernization for all but the bulk trades, turnaround time will become more crucial than ever. Scale limitations may provide an argument for enlarging and modernizing the canal, but they hardly support doing away with it.

From the standpoint of U.S. trade, closure of the canal could have catastrophic consequences on shipping costs, especially fuel. Seventeen per cent of U.S. ocean-borne commerce passes through the canal, and 70 per cent of all ships transiting the canal have the United States as their destination.

Mr. GRAVEL. What was that last?

Mr. LAXALT. Seventy percent of all ships transiting the canal have the United States as their destination.

Mr. GRAVEL. Thank you.

Mr. LAXALT. All right.

Mr. GRAVEL. In other words, about a third do not.

Mr. LAXALT (continuing to read):

Shipping costs of exports and imports now amount to $3 billion a year. Even if these figures were halved to reflect U.S. exports alone, the effect of a sudden rise in export costs on the U.S. trade balance would be drastic. Additionally, most of the canal's cargo is in bulk commodities: in 1975 coal and coke represented 18 per cent of the tonnage; petroleum products, 17 per cent; grain 13 per cent; and ores, 9.5 percent. Eastern coal and western oil, carried in conventional-size bulk carriers, are now the canal's most important shipments. If, as predicted, North Slope Alaskan oil creates a glut on the West Coast at the same time that fuel shortages worsen on the East Coast, the canal will play a vital equalizing role for domestic energy prices. It has recently been reported that Standard Oil of Ohio and other North Slope producers are already programming medium-sized tankers (maximum of 60,000 deadweight tons).

I am preaching to the choir here in talking to the Senator from Alaska, I know—

To use the Panama Canal, at least until West Coast refineries are converted to process the high-sulfur Alaskan crude, or until new pipelines are built to supply the Middle West and New England.

The canal is even more important to other countries than to the United States—though why this should be an argument against continued U.S. control is not clear. Cargo tonnage is expected to reach 160.3 million in 1980 and 184.9 million in 1985, most of it in commodities.

Now, this presents a substantial disparity from the figures previously submitted by the Senator from Alaska to the Senate.

Mr. GRAVEL. Where is the disparity? Show one statement you have just read there that has a disparity from the charts I have here.

Mr. LAXALT. Unless I misread your statement, Senator GRAVEL, the figures I am looking at seem quite different. Is that what your chart shows?

Mr. GRAVEL. I say that the figures you are quoting are the same figures we have on my chart. What you are reading is exactly what we found when we were looking to try to put this puzzle together. What you just read is a compendium of figures I am sure no one understood.

What I am saying here is that in 1966, 90 percent of the world maritime fleet in tonnage could go through the Panama Canal. In 1977, only 42 percent. And in the year 2000, it will be 7.64 percent. You have not said one single word to dispute or refute what I have laid down. You have just read a bunch of throwaway comments.

Mr. LAXALT. All I am trying to do is take this comment, compare it with your analysis, and see what points of departure we have. I am trying to determine if we are apart in our analysis, or not. All I am trying to do is go through these figures. Believe me, it is as boring to me as to you.

Mr. GRAVEL. I apologize. May I state my question to you? I do not see any of your figures that are at variance with anything that I have presented.

Mr. LAXALT. All right:

Cargo tonnage is expected to reach 160.3 million in 1980.

That ties in with your projections, is that correct?

Mr. GRAVEL. Well, I do not have it extended here, but all right. Is that what

it comes to? The Senator's figures are correct, I am sure.

Mr. SARBANES. Mr. President, if the Senator will yield, he has a chart which shows a 1980 projection of 160.3 million tons, and the Senator from Alaska put it at about 160 million tons of cargo. What was the difference?

Mr. LAXALT. We used a 1980 projection which shows an expected decrease to about 160 million tons in 1980.

Mr. SARBANES. That jibes with the chart of the Senator from Alaska.

Mr. LAXALT. All right. Now, 194.8 million in 1985; does that jibe with your projection?

Mr. GRAVEL. We have not carried it through. It is in the raw data. I will stipulate with the Senator.

Mr. LAXALT (continuing to read):

Latin American commerce is vitally dependent on the canal: 77 per cent of Nicaragua's trade, 50 per cent of Ecuador's, 41 per cent of Peru's.

Mr. GRAVEL. I agree with all that.

Mr. LAXALT [continuing to read]:

and 32.5 per cent of Colombia's passes through it.

Are those percentages essentially correct?

Mr. GRAVEL. I have just accepted them.

Mr. LAXALT. "And petroleum shipments to the U.S. gulf and east coasts from the west coast of South America are a particularly important factor."

Mr. GRAVEL. Say that again.

Mr. LAXALT. "And the petroleum shipments to the U.S. gulf and east coasts from the west coast of South America are a particularly important factor." We have no particular disagreement on that.

Mr. GRAVEL. Yes.

Mr. LAXALT. To continue:

But the canal is also a life line for Japan and of other countries of the Pacific.

Mr. GRAVEL. Correct.

Mr. LAXALT. And then:

Forty-two percent of all westbound canal tonnage is destined for Japan, and twenty-three percent of all eastbound tonnage originates there. Coal and coke shipments dominate cargo movements through the canal, and in 1945 some 92 percent of these shipments were destined for the Japanese steel industry. One can imagine the crippling effect of a sudden closure on the Japanese economy, with its precarious trade balance.

We do not disagree on that.

Mr. GRAVEL. I would disagree, because there have been studies made by the Panama Canal Company, and the studies show that for a 10-year period if you abruptly close the canal, it would probably cost the world economy about $100 million. That would mean our share of that would be about $33 million. In a $2 trillion economy, I do not know anybody who would feel it. So when the study says this is important, they really are very much overexaggerating the importance of the closure of the canal to Japan or the United States.

Mr. LAXALT. Let us complete the few remaining points left:

The toll system relates to this trade picture. In 1913, when the canal opened, tolls were set at a low figure.

You indicated that—

They were recomputed at $0.90 per ton in 1938 and have been raised three times since then—by 19.7 percent in 1974 and by recomputations amounting to increases of 19 percent and 20 percent in May and November 1976, respectively. Whether these increases are too low or too high in light of worldwide inflation and a catastrophic rise in shipping costs has been a matter of lively dispute. A study by the U.S. Maritime Administration dated May 15, 1976, indicates that there are definite limits beyond which tolls cannot be raised without risking serious shrinkage in revenues, especially those coming from the commodity trade.

Mr. GRAVEL. Yes.

Mr. LAXALT. To continue:

Only the remarkable growth in tonnage transiting the canal, coupled with technological improvement, has permitted maintenance of a relatively constant toll rate. Until 5 years ago, the canal broke even as an operating concern and actually showed an annual profit, even after deduction of the rental payment to Panama of $2.3 million a year. But the cost of operating the canal is now about $250 million annually and there was a deficit of $11.8 million in FY 1974 and $8.2 million in FY 1975. Toll revenues and credits only accounted for $143 million in 1975, another $87 million coming from supportive services, and the two most recent increases were deemed necessary to offset an anticipated deficit of $36.5 million from July 1975 to October 1977. Since enactment of the Panama Canal Reorganization Act of 1950, significant elements of the true maintenance costs of both canal and zone had been defrayed by the U.S. Government under other budgetary headings. For 40 years the Panama Canal has been a well-run, low-cost enterprise, responsibly administered and heavily subsidized by the United States on behalf of the world community.

Mr. GRAVEL. I do not buy that. I will be happy to yield the floor whenever the Senator wants recognition, but I do not think he is adding to the colloquy with me on the subject. We do not have to go through this group of Pennsylvanians he has there. The Panama Canal spent good money with a Palo Alto firm to do a lot of these analyses and studies. I think their studies are better than what the Senator has right there. He is free to read that, but I would like to disengage myself.

Mr. LAXALT. That would be satisfactory. I just have one more paragraph.

Mr. GRAVEL. I would be happy to respond to it and I will restate just in closing there is nothing the Senator has read that appears at variance in numbers with what I have presented. I think what the Senator is reading is a lot of editorial comment, but he is privileged to do that.

I have presented to the Senate, in my capacity as a Member of this body, some very unusual figures. Either those figures wash or they do not wash. If they do wash, then I hope the people who are on the other side of the aisle might reexamine their position with respect to these treaties. If there is ever a time to do it, it is now. We are not talking about emotion. We are talking about the future economic well-being of the United States and the peoples of this world. I want to thank my colleague for his patience.

Mr. LAXALT. The only point I want to make in summarizing this discussion is the fact that the one pertinent point I find to be of great value in this analysis, whether or not it is correct, is the projected tonnage in 1985 of 184.9 million tons. That would indicate a trend toward increasing tonnage coming through the canal as opposed, I think, to the thrust of the Senator's discussion here that gradually, almost from this point on, we are going to have a reduced tonnage.

Mr. SARBANES. Will the Senator yield?

Mr. GRAVEL. I yield.

Mr. SARBANES. I listened earlier to the Senator from Alaska and now this statement which has just been read. I see no inconsistency between them. The Senator from Alaska did not say the canal has no utility. He was very careful in response to questions not to say that the number of transits in absolute terms, or the amount of tonnage, would decrease. The number of transits did decrease in recent years but it is now going up a little bit. The amount of tonnage has increased a little bit in recent years. It is fair to assume that this will continue to happen. Therefore, the point is not that the canal is without any utility.

The point which the able Senator from Alaska made, and it is an extremely important point, was that he pointed out in light of recent ship construction that more and more of the world's tonnage will not be able to make use of the Panama Canal. He pointed out in one of his charts that in 1966, 90 percent of the world's tonnage could go through the Panama Canal. Today the figure of the world's tonnage, given ship construction trends which have taken place, which can go through the canal is 42 percent.

The Senator from Nevada cited a 1973 or 1974 study which suggested that this trend in ship construction was turning around. That apparently is right out of the report he is reading.

The Senator from Alaska pointed out that his figures over the 4 years, since 1973, from 1973 to 1977, showed that still to be continuing.

One does not have to argue that the canal is without utility, to appreciate the thrust of the point which the Senator from Alaska has made very ably, which is that in the total picture of the world's shipping community, the isthmus is becoming more and more of a barrier to transit because more and more ships are not able to use the canal. More importantly than the number of ships is what it represents in terms of tonnage.

Mr. LAXALT. Precisely.

Mr. SARBANES. More and more of the world's tonnage is not going to be able to transit the Panama Canal. That is why he attaches such importance to the possibility of constructing a sea-level canal which would then open up the isthmus to this tonnage and restore the position which it occupied earlier as an artery of commerce available to all the ships at sea.

I see no consistency between the statement that the Senator from Alaska has made and the statement which has been read.

Mr. LAXALT. Will the Senator yield?

Mr. SARBANES. Surely.

Mr. LAXALT. The problem is simply one of the premise on which we will en-

ter into these various projections. If you adopt the premise indicated by the Senator from Alaska, as described by the Senator from Maryland, then we have reached the point where we will have larger and larger vessels, and it may well be that Senator GRAVEL's disturbing projections that we will only have 7.4 percent of the world tonnage going through that canal in the year 2001 is accurate.

Mr. SARBANES. You do not have to adopt that projection.

Mr. LAXALT. I am not going to.

Mr. SARBANES. You can reject that projection. What you must adopt are the existing facts which show we have dropped in 10 years, in 11 years, from 1966 to 1977, from 90 percent of the world's tonnage being able to transit the Panama Canal to 42 percent of the world's tonnage.

What the Senator from Alaska then did was to project out until the end of the century that trend at one-third the rate, as I understand it, is that correct, I ask the Senator?

Mr. GRAVEL. That is very correct.

Mr. SARBANES. He projected out that trend, not at the same trend from 1966 to 1977; he did a very conservative thing and projected it out at one-third the trend line, and that is where the end of the century figure comes from.

Now, the Senator from Nevada can—I think it is reasonable to come in and say, "Well, I am not going to accept that projected trend line"—come up with a different figure. But the thing that he cannot refute is the factual statement that in 1966 90 percent of the world's tonnage could transit the Panama Canal, and that in 1977, because of the nature of ship construction, with the large carriers, only 42 percent of the world's tonnage can transit the Panama Canal.

That is not a projection, that is a factual statement. Does the Senator challenge that?

Mr. LAXALT. No, I do not challenge that. That is not my problem. Let me make my situation clear here once again. If we are indulging in an exercise now that is going to result in turning over a facility to that little country with 7 percent business, as has been indicated by these projections, it is going to be a very inequitable result.

I do not agree with the premise because the premise necessarily has to be conditioned upon the trends that have been established in the last 10 years.

The question is whether or not the Cornell survey may be right. Now that survey is bottomed on the fact that the larger vessels for economic and technological reasons are now passe; that we reach a plateau. We are going back to smaller vessels. If that premise is all right, and if that premise is reasonably correct, then we have a totally different picture than that which has been displayed on the charts.

Mr. GRAVEL. My colleague certainly does not want to embarrass Cornell. If they made a study in 1973 that the Senator is now reaching back to rely upon, and 1974, 1975, 1976, and 1977 have not borne out that study—you can use that argumentation—but if I were an alumnus of Cornell I would be embarrassed for you to stand up and do it.

Mr. LAXALT. No, not necessarily at all because, first of all——

Mr. GRAVEL. How can you hang onto a study that has been proven wrong for at least the 5 ensuing years?

Mr. LAXALT. It has not been proven wrong at all because I do not know at this point, and I will check it out, when they were going to maximize out on the top of tonnage that was going to be created during the 10-year period.

Mr. GRAVEL. There is no deviation in the line at all in 1973, 1974, and 1975. It is a pretty straight line.

Mr. LAXALT. I understand that.

Mr. GRAVEL. In fact, on the oil tonnage there has been an increase in that period.

Mr. LAXALT. I raise the report and survey for one purpose and one purpose only, Senator GRAVEL. They may be right, and if they are right you are dead wrong. Only time will tell because the Cornell survey——

Mr. GRAVEL. Before you even allude to my being dead wrong you had better have them trot in here with some figures, because all you have got is a dated study, and I have gone to a lot of effort to do this.

Mr. LAXALT. I understand.

Mr. GRAVEL. I am not going to be put down on some figures in 1973. We have some 1977 data. Do not trot out something like that, but just look at this other chart we have. In the period of 1971 to 1975, that whole period, we went from 66 percent of the new tankers over 70,000 deadweight tons to 66.7 percent. So not only were their projections wrong but they were going in the wrong direction, because there has been a 0.7-percent increase in that same period of time.

I would not even, from your point of view, rely—go do some research overnight and come back. I do not want to really put my data up to a study that we do not know anything about. It is a 1973 study.

Mr. LAXALT. I say to the Senator from Alaska, as I indicated at the beginning of this discussion, I raised these points for one purpose and one purpose only, and that is to define as nearly as we could the points of difference, and we have done that. We have done that in terms of the projections of the use of the tonnages of the canal, and we have done it in terms of the type of vessels that are going to be manufactured. That was the only purpose.

Mr. GRAVEL. I respectfully disagree. My colleague was trying to conclude and rest his case on the fact that there is a Cornell University study out here that says I am wrong.

The study does not say that. I do not think you have read the study, I have not read the study. You are quoting from some people who say they read the study, and now you are trying to make the argumentation that it is a great study.

All I say is I cannot wait until someday; I have looked at the result of the years the Senator is talking about, and the trend has been affirmative, exactly what I am projecting. So you now come back with some other ammunition, but I am not going to buy——

Mr. LAXALT. I will.

Mr. GRAVEL. I am going to state so here, so that the American public knows I am not buying it. It does not even come close in argumentation to what I have presented.

Mr. LAXALT. Senator GRAVEL, I now know what the points of difference are. I will go back to the sources of the people who have been working in this field, and as quickly as they have been developed and brought current, so I will not have to ask them a hundred questions, I can ask them two or three, and we will resume this discussion again on the floor of the Senate when I have more current figures.

Mr. GRAVEL. I thank my colleague, and I think that is the way to approach it because I am sure what I have here is going to be thoroughly examined by a lot of people in this country, and if I am proven wrong that is one thing. But I will not accept a 1-percent, 2-percent difference. I present these figures to the best of our ability, with possibly a 5- to 10-percent latitude. Even if that is the case I think these figures are shocking.

Mr. SARBANES. Mr. President, will the Senator yield just on that point?

Mr. GRAVEL. I would be happy to yield.

Mr. SARBANES. I want to make the observation that it is not necessary to project out to the end of the century a particular trend line for the case which the Senator from Alaska has made based on existing facts being an extremely strong one. The existing fact is that we have gone in 11 years, from 1966 to 1977, from a situation in which 90 percent of the world's tonnage could transit the Panama Canal, to a situation at the end of 1977, only 42 percent of the world's tonnage can transit the Panama Canal.

The Senator made some very conservative projections but it is not necessary to move with the projections. Just take the facts. The facts are that more than half of the world's tonnage cannot now move through the Panama Canal. It is on that basis that the Senator has made his very strong argument for the sea-level canal. That does not minimize the continued utility, in my view at least, of the existing canal with respect to those ships and that tonnage which can transit the Panama Canal. In other words, you have a growth of trade and you continue to have ships that can move through the canal and make use of the canal and, therefore, I think you can project out a use of the canal that is important and will be productive in terms of revenues even within that more limited category.

The only point the Senator from Alaska has been trying to make is that there is an opportunity here with a sea-level canal through the isthmus to open up transit to all of the world's tonnage, whereas at the present time transit through the canal is limited to less than half of the world's tonnage.

Now, the canal is important to that tonnage that can make effective use of the canal, and I do not minimize that aspect of this matter. But I think the

point made by the Senator from Alaska has a great deal of validity and no facts have been brought up which would in any way undercut or refute the analysis the Senator has submitted.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to.

Mr. STEVENS. It seems to me, with due respect to my colleague, that the whole point of this presentation misses the fact that that tonnage was not designed to go through the canal in the beginning. The Senator still is not talking about numbers; he is talking about tonnage.

One of these new vessels is the size of five that are carrying our oil through the canal now. Those vessels still must go through the canal to carry our oil, and you are not going to get anything bigger than 60,000 tons to take through there carrying our oil until you build another canal, which is another subject.

Mr. GRAVEL. I would like to thank my colleague——

Mr. STEVENS. This new tonnage was not designed to go through the canal. It is immaterial to the canal issue totally because it was never intended to go through the canal.

The trouble is, that was not built to go through the canal; it will remain in the fleet for at least another 40 years. I do not see how we can possibly judge the adequacy of the Panama Canal treaties on the basis of tonnage that was not built to use the canal in the first instance.

(Mr. GLENN assumed the chair.)

Mr. GRAVEL. I want to stand here and thank my colleague deeply and sincerely for informing us that the canal architects who designed the supertankers knew that they would not go through the canal. I want to thank my colleague for bringing this information to this body.

Mr. GOLDWATER. Will the Senator from Alaska yield?

Mr. GRAVEL. I am happy to.

Mr. GOLDWATER. I subscribe to what the senior Senator from Alaska said. These large ships, ranging up to 500,000 tons, were never designed to sail the routes taken through the canal.

Mr. GRAVEL. It is quite obvious——

Mr. GOLDWATER. Just a moment, please.

Mr. GRAVEL. That is the way they were designed.

Mr. GOLDWATER. They were designed to use the routes that emanate from the Middle East, and they have passage through the Straits of Malacca and they have a tough time getting through there. Sometimes they round Africa to serve the western coast and were never designed to go through the canal.

I have been sitting here listening to this and I cannot put my finger on any statistics. I have been looking for them in the armed services record. But I remember when I was in Panama visiting with the Governor that he made the statement, I believe, that 94 percent of the ships in the world can use the canal.

I have a telephone call in for him right now and as soon as I find out what his figures are, I want to get them to the floor.

Mr. GRAVEL. If the Senator from Arizona will please excuse me, get that telephone call, I will accept that, and if it is 94 percent of the vessels that can transit the canal, so what?

What really counts is the tonnage that goes through the canal, not if you line up a thousand PT boats and run them through the Panama Canal. That does not mean a thing.

What means something is if we can carry those 1,000 PT boats on the deck of a couple of vessels. That is significant.

The point the Senator makes is that the marine engineers knew they were designing such and such a vessel. What it means is that in an economic society we are designing our trade routes around the barrier. That is what it is all about.

Prior to building the Panama Canal, we did not have it, so we had to go around the cape.

When the Suez Canal closed, they built a lot of supertankers to go around Africa. Now that Suez is open, they are trying to use these supervessels to go through Suez, at a lighter position.

All I am saying is that if we had a sea-level canal, the economics might be such that all these big vessels would be able to use it. It would be economically advantageous to us. I have an Arthur D. Little study to back that up.

Very simply, the cost of moving oil presently from Valdez to Houston is $2.46 a barrel. The cost of moving it through a sea-level canal in a 265,000 deadweight ton tanker is $1.75, and I have doubled the tolls.

Does that not suggest something to the Senator?

Mr. GOLDWATER. I am not arguing what the Senator is saying. I will offer a few facts of life.

Again, these big ships being built in Japan and elsewhere around the world are not, nor ever were, designed for the canal and a sea-level canal would not make any difference because the distance need not mean the use of the canal.

Mr. GRAVEL. That is not so.

Mr. GOLDWATER. Just a moment.

The Senator has been using the figures that I think are wrong.

Mr. GRAVEL. Wait a second. The Senator is well aware Venezuela is a major source of oil to the United States. Well, if we look at the pattern of export of oil from Venezuela, we realize Venezuela cannot capitalize upon the markets of the Orient because they cannot economically get the oil through the present canal.

Only fools like us are going to truck it through the canal at inefficient prices.

But the Venezuelan market is the east coast of the United States and Europe.

They cannot go through the Panama Canal.

Now, if we had a sea-level canal, it would be more revenue for the people of Panama because Venezuela would then be able to sell its oil where two-thirds of the people of the world live, and that is the Pacific rim.

Mr. GOLDWATER. I point out 75 percent of Venezuelan oil that will be, to my knowledge, destined for our country, is landed in ports of the Gulf of Mexico or the eastern shore.

Let me put one more fact in this argument and I think it is a very important fact to the Alaskan people who are now, literally, and I am all for it, glutting our markets with petroleum.

Within a very few years, we will have pipelines across this country carrying the North Slope oil from the Pacific coast ports to the East. And this is one of the salient points they make in the Panama Canal Company: that regardless of what happens, the North Slope oil is already beginning to decrease as it goes through the canal. It is a matter of great interest to them because they realize when we can ship this oil by pipe across the United States, there will be no need for tankers to go through the canal.

I might add that the biggest tanker I know of that was built in this country is 200,000 tons, and it has no trouble getting through the canal. But when we get up to 400,000 and 500,000, we cannot do it, and they are not even designed to or want to go through the canal.

Mr. GRAVEL. The Senator says there is a vessel of 200,000 tons that goes through the canal?

Mr. GOLDWATER. I think I am right on that.

Mr. GRAVEL. I think the Senator is wrong.

Mr. GOLDWATER. Well, it is the length and beam, and that ship, I believe, has a depth of about 80 feet and the canal will handle 83.

Mr. GRAVEL. The canal will handle 117, and 1,000 feet long, and I beg to differ with my colleague that the limitations of the canal are between 60,000 and 80,000 deadweight tons.

Mr. SARBANES. The Senator from Arizona said a ship of 83-foot draft can transit the Panama Canal?

Mr. GOLDWATER. This is what is bothersome, the depth and the draft, 83-foot depth, an 80-foot draft.

Mr. SARBANES. I simply want to submit to the Senator from Arizona that the figure on draft they use is just shy of 40 feet on the draft of a ship moving through the locks of the Panama Canal.

Mr. GOLDWATER. Well, I saw a 53-footer go through 3 weeks ago. Eighty-three feet is the limiting fact. Once it starts to go down below there, then worry about it.

Mr. SARBANES. The draft they can work with is 40 feet. They may take a ship, which fully laden will require a deeper draft than 40 feet, and send it in half-laden or quarter-laden. But the draft it needs must not be above 40 feet; we cannot run a ship through there that needs a draft of more than 40 feet, we just cannot do it.

Mr. GOLDWATER. Well, I have seen it done.

Mr. GRAVEL. I hope my colleague will get a 200,000-ton vessel that can transit the canal and apprise them of it.

When the Senator says that vessels were designed that cannot go through the canal, that is obvious. What is important, though, if we can aid economic utility, increased economic utility to a capital investment, because it now has a

more flexible use, then there is an economic benefit that accrues from that.

Mr. GOLDWATER. I will not argue that. I would like to see it deeper. I would like to see it wider. I think they plan to have the canal right now adequate for the problems it faces. We cannot deepen them. We cannot deepen the locks. It takes time to look at another canal. But we have not reached that point.

Mr. GRAVEL. I think my colleague and I can agree on one thing, and that is that we should study that issue and appropriate some money to get the study going.

Mr. GOLDWATER. It will be studied until hell freezes over.

Mr. GRAVEL. Good. I thank my colleague.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I have a statement that I wish to make; but before I do that, I ask whether or not any Senator wishes to call up an amendment. If so, I will be glad to await the calling up of that amendment before I proceed with my statement.

Mr. ALLEN. Mr. President, I have amendments to offer at the appropriate time, but I have not felt that now was the time to do so and that possibly some further discussion about the article would be in order. I have no objection to calling it up. I would rather we vote on it tomorrow—discuss it some today and some tomorrow. I am perfectly prepared to talk with respect to the article as well as the amendment.

Mr. ROBERT C. BYRD. The Senator is very accommodating and so astute always. He is willing to talk about the article and not offer an amendment, or he is willing to call up an amendment and vote on it tomorrow.

Mr. ALLEN. The Senator states the position of the Senator from Alabama correctly.

Mr. ROBERT C. BYRD. The Senator from Alabama is certainly within his rights.

I hope we can reach a point, though, at which time we could vote on more than one amendment a day and not be held to calling up an amendment a day with the understanding that it would not be voted on until the next day. I do not say this as any criticism of the Senator. He certainly has accommodated me more than once in this regard and in this way. But I would hope there would come a time when we could vote on more than one amendment a day.

Mr. ALLEN. If we possibly could set a time to vote on it—say, 6 o'clock, immediately prior to the recess——

Mr. ROBERT C. BYRD. Six o'clock today?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. That sounds good.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MAGNUSON. I would like to have about 5 minutes to discuss generally the matter of the second sea-level canal. I will not take more than 4 or 5 minutes.

Mr. ROBERT C. BYRD. Would the Senator like to do that now?

Mr. MAGNUSON. I would like to do that now.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be permitted to yield. I have waited for a couple of hours today to make a statement I have prepared. Otherwise, I would not attempt to hold the floor at this time. I ask unanimous consent that I may yield to the distinguished Senator from Washington without losing my right to the floor, after which I would like to yield to the distinguished Senator from Alabama, so that he could offer his amendment, on which he feels we might be able to get a vote by 6 o'clock today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I shall be very brief.

I have a longstanding interest in the proposition of a so-called second canal through the isthmus of Central America, from the Atlantic to the Pacific.

Back in 1939, I believe it was, Lyndon Johnson, who was then a Member of Congress with me—both of us on the former Naval Affairs Committee—and I were sent down to Latin America on behalf of the Defense Department and the Naval Affairs Committee, to take a look at the prospects of a second canal. We did that.

We looked at the present canal in Panama, of course. We discussed the matter in Nicaragua with several of the officials and engineers involved. We even had some talks with the Colombian Government with respect to the prospects there. We looked at the Gulf of Tehuantepec, which I do not think has been mentioned in this debate—but any Navy man will know what I mean—where you could have a second ingress and egress between the Gulf of Mexico and the Pacific Ocean.

We made a very informal report to the Naval Affairs Committee and to the President at that time, Mr. Roosevelt, who was quite intrigued with the idea of a second canal. Maybe the name inspired him a little to have a second canal.

Then, of course, the war came along, and the clouds of war came over the horizon, and the matter was dropped.

When Mr. Johnson became President of the United States, he appointed a commission to look at the idea of a second canal. I think it was headed at that time by Bob Anderson. They spent a lot of time and made a report in which they stated that the most economically feasible place for a canal, a second sea-level canal, would be in the northern part of Panama, not far from the present canal. There the matter lay.

But I have never ceased to believe, basically, that sooner or later—and the sooner the better—we will have to build a second sea-level canal and that it will have to be built in the Isthmus of Panama or any other place that is feasible.

The present Panama Canal—you can take all the figures you want about tonnage and the draft and everything else—is gradually becoming obsolete. As the maritime technology and engineering technology grow in this country, it is going to become more and more obsolete.

I do not have the figures as to our own Navy, but they are substantial as to the ships that cannot go through the canal, and many ships that may be built will not be able to go through the canal. So it is in the interests of defense, where I started in this matter back in the 1930's, that we are talking about as well as about our commercial ships.

There are very few Senators here who will remember this. When I first came to the Senate, we had a committee—I say to the Senator from Maryland—called the Committee on Interoceanic Canals. All it dealt with was the Panama Canal. Even in those days, we were having a hard time taking care of the maintenance of the canal just by the fees alone.

This canal is becoming obsolete, year by year, even for our underwater craft—I do not know whether right now we could take a Trident submarine through the canal or whether it would be advisable. Someone here said that the width of the canal is 107 feet. Is that correct? That is what I heard.

So we are faced with the problem that, sooner or later, no matter what we do with this treaty, we will need a second canal. I agree with the statement that was made here by the senior Senator from Alaska, that a second canal does not have much to do with the treaty under discussion. But if we show an interest and we make some movements toward considering the construction of an alternative canal, I think that alternative probably would soften some of the arguments, or make people feel better—let us put it that way—about the Panama Canal matter.

I found this out when I was home. I talked to many people who were opponents of the present proposition that we have before us on the Panama Canal. But I found that they were just as much interested in the fact that if we have an alternative, a good alternative, which can be used by the free nations of the world, they may take a second look at the question of the present canal—which, no matter what you say about it—is becoming rapidly obsolete every year, year after year after year. I doubt that by the year 2000 it will have very much value at all.

I hope to see some interest in a second canal. That is why I joined the Senator from Alaska and others in talking about it as an alternative.

The cost has gone up. I suppose that back in the 1930's, if we had gone ahead with the canal—if Franklin D. Roosevelt, following Theodore, had gone ahead with the canal—after we had made our trip, we could have built it for perhaps one-fourth of what we are talking about now.

What bothered me about the treaty in the beginning is that there is a clause—I do not know how well it has been interpreted here during this debate—that if we have a second canal, Panama can only deal with us and we can only deal with Panama. That is a two-way street.

I once asked the negotiators about that. I said, "Why did you put that provision in there?"

They said they were under the impression, the definite impression, that after all the studies and all the talk about a second canal, the only feasible, possible place for a second canal was this area north of the present canal in Panama, and that, therefore, it is to our interests to tie up Panama so they could not make a deal with Russia or anyone else.

Some people came back with the argument that if this is an international matter, a consortium of, perhaps, England, Norway, Japan, the United States, might want to get together to finance an international canal, but we would be barred from that. But I understand that the treaty does not bar us from that.

Mr. SARBANES. Will the Senator yield on that point?

Mr. MAGNUSON. Yes.

Mr. SARBANES. Between now and the end of the century, a consortium could undertake to build the canal in Panama if the United States agreed that that should be done. They could not do so if the United States does not agree that it should be done. So until the end of the century, we hold the Panamanians in the position where either we do it or we have to agree that it be done, if it is going to be done, by a group or somebody else.

Mr. MAGNUSON. I am glad to hear that explanation.

Mr. LEAHY. Will the Senator yield?

Mr. MAGNUSON. That is one part of the treaty that has bothered me a great deal.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ROBERT C. BYRD. Mr. President, I yield as much time as the Senator from Washington needs.

Mr. LEAHY. Will the Senator from Washington yield for an observation?

Mr. MAGNUSON. Yes.

Mr. LEAHY. I raised with a number of Pananamians the same point that the Senator has made about the treaty provisions that limit both countries to negotiate with each other for a sea level canal. I also raised it with General Torrijos. His attitude was that if we want to take that part out of the treaty, it would make him a hero, because, as he saw it, the only one who really benefits from that provision in the treaty is the United States. He considers—and he told this Senator and several other Senators—that there is no question in his mind that the only place you could build a sea-level canal would be in Panama.

Mr. MAGNUSON. The only economically feasible place. There are other places.

Mr. LEAHY. Economically feasible, yes. He said if we want to take it out, go right ahead, because it would make him a hero because he would then be free to negotiate with any other country, no matter where, or any consortium of countries, as the Senator from Washington has said. There is no question in my mind, having studied that, that that provision is in the best interests of the United States.

Mr. MAGNUSON. I appreciate that because I do not know, during this debate, how much discussion there has been on this matter, but it has bothered some of us who have a deep conviction, like myself, that sooner or later—and, as I said, earlier rather than later—there has to be a second canal through that area.

Now, there has been talk about enlarging the present canal. I guess that could be done; I do not know. But the cost would be almost prohibitive.

I also understand—and the Senator from Vermont will correct me if this is not true—that some Panamanians would like that provision out.

Is that correct?

Mr. LEAHY. There is no question about that. The Senator from Washington is absolutely correct. Panamanians see that as just one of a number of provisions of the treaty that they think are decidedly one-sided toward the United States. They feel that they would gain considerably to do that, because it puts control in our hands for something that would benefit us more than them.

Mr. MAGNUSON. The explanation of the Senator from Maryland, I think, was something that, if it has not been, I am glad was put in the RECORD. I have some figures. I shall correct them later on if they are not quite correct. I have a figure that there are 2,000 ships right now that cannot go through the canal—2,000. This is overall, free world shipping.

The Department of Transportation made a cursory study and found out that there was a great number of ships on the waves throughout the world—the free world I am talking about—that cannot transit the canal today. And by the year 2000, even from 6 to 16 percent of the bulk carrier ships—these are the dry cargo ships that are usually not as big as the tanker ships—will not be able to transit it. It may be sooner than that as shipbuilding progresses.

So there is a problem there.

I know the treaty says that both the United States and Panama are committed to a study. We have plenty of studies, dating back to the one I talked about in the 1930's, which was not really a study; it was merely an observation. We got a lot of information from everybody. At that time, there was more discussion about having the canal go through Nicaragua than there is now. Times have changed.

I think we have to be careful that we are not tied up or that the whole free world that wants to use the interocean canals is not tied up by something in a treaty that would restrict people from going ahead, at least starting some surveys and finding out costs and the need or the value of a second canal.

Mr. McCLURE. Will the Senator from Washington yield for a question at that point?

Mr. MAGNUSON. Yes.

Mr. McCLURE. As I understand, the provisions of the treaty say we cannot build the canal without the approval of Panama and vice versa; no one else can build a canal in Panama without our assent. If, as a matter of fact, the United States should decide to build another canal or join in building it and it were built in Nicaragua, what would be the value of the Panama Canal to Panama?

Mr. MAGNUSON. The Panama Canal is always going to be of some value, because the ships come from the eastern part of South America—if you take a globe, you will find out the difference.

Mr. McCLURE. If, as a matter of fact, a sea-level canal were built, or a more adequate canal were built in Nicaragua, would not the tendency be for the world's shipping then to use the new facility in Nicaragua and abandon the use of the older facility, the less adequate facility, in Panama?

Mr. MAGNUSON. I think in time, that is going to happen.

Mr. McCLURE. If that is true, Panama has an absolute reason——

Mr. MAGNUSON. In time, it is going to happen. When it happens, I just do not know. In time, the canal is going to become more and more obsolete, but it still is going to be used for a long, long time.

Mr. McCLURE. The proponents of the treaty have just been telling us that the canal is becoming more obsolete and that, by the year 2000, may be absolutely worthless. Certainly, if that is true, it will be absolutely worthless if a second canal is built in Nicaragua, and Panama has every reason in the world to deny us that privilege.

Mr. MAGNUSON. I did not say it should be built in Nicaragua. I said if we happened to have a second canal.

Mr. SARBANES. Will the Senator yield?

Mr. MAGNUSON. Yes, I yield.

Mr. SARBANES. There was a study done by the Interoceanic Commission on whether and where to build another canal or a sea level canal, if it were to be done. It was a very careful study, cost a lot of money, and had very detailed recommendations. A Colonel Sheffey, who was executive director of the study, a retired colonel, appeared before the Foreign Relations Committee. He said the following in the course of his testimony:

> The argument that we need the right to build a canal outside Panama for some unforeseen purpose is an empty one. We cannot build a canal outside Panama.

He then went on to discuss this matter and summarized by saying:

> We also found that these long routes outside Panama just did not lend themselves to practical canals. They are too long, too winding, too difficult to navigate to make a practical canal.

That Commission concluded that, if you are going to build a canal, the place to build it is in Panama.

What we got from the Panamanians is that no one else until the end of the century can build a canal without our approval. After the end of the century, all bets are off. The tying together is until the end of the century.

In effect, what we said is, we will not negotiate to build a canal outside of Panama, which is really giving away nothing. And Panama says, "We will not let anybody else come in and build a canal unless either you do it or you approve it."

Sheffey said that that is giving up nothing. "It is an extremely valuable quid pro quo. We are getting something for nothing."

Mr. McCLURE. Will the Senator yield on that point?

Mr. MAGNUSON. Yes, I yield.

Mr. McCLURE. That seems to me to be one of the most ridiculous of all the arguments that has been made, to decide that if we want to do something there in Panama, we should bind our hands so we can do it nowhere else by giving them the option of vetoing our action, thereby being able to extract from us an even higher price if we should decide to build a sea-level canal within Panama.

We have simply bound ourselves from having any negotiating posture with them other than at their whim and at their mercy.

Mr. SARBANES. That is not true, for two reasons. First of all, we have gotten a very valuable quid pro quo, which is, of course, that there can be no canal built there unless we agree to it; and second, we are always in a position to exercise the pressure of time as we enter into these talks, because at the end of the century, if we wanted to, we could go somewhere else if in fact the negotiations did not lead anywhere. We have really gotten something here for nothing, just as Colonel Sheffey says. We are not going to build a canal elsewhere; it is just not practical or feasible to build it outside the Isthmus of Panama.

Mr. McCLURE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I will yield. I am glad to have the discussion, because this is one point of these treaties that really bothers me, because of my long association with the prospect of a second canal.

Mr. GOLDWATER. Will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GOLDWATER. I apologize for interjecting, but I would like to call to the attention of Senators that I was in error about the draft.

I was confusing it with the 285-foot maximum depth of the lake.

However, on the other point, at the present time there are 27,000 ships in this world of over 1,000 gross tons. Twenty-five thousand of those will go through the canal. So that is a little in excess of 90 percent. I do not have a calculator; I just had to run it out in pencil. It is not the 40 percent the Senator from Alaska was alluding to.

Mr. SARBANES. I appreciate what the Senator from Arizona has just done, because I think it is very important to this debate, to the extent that we can, that we agree on our facts. We may differ on how we interpret them, but at least we should seek to agree on our facts, and I therefore appreciate the Senator's correction with respect to the draft of a vessel that can move through the canal. It is about 40 feet.

What the Senator from Alaska said does not differ with the point you just made. He conceded that 94 percent of the number of ships in the world could transit the canal. You take all the ships in the world, the 27,000 figure; he conceded that most of them could go through the canal.

The 42 percent figure that he used did not deal with the number of ships, because he agrees with you on the number of ships. It dealt with the tonnage, the world's tonnage, the carrying capacity that is contained in all the ships. The point he was making was in terms of the world's tonnage. Whereas 90 percent of that tonnage could go through the canal in 1966, only 42 percent of it can go through today.

In terms of the number of ships, your point is correct, but in terms of tonnage, because of these large ships that now exist and their huge carrying capacity, and because they cannot pass through the canal, in terms of tonnage, that was the point he was trying to make.

So I do not think there is a difference over the facts, if we clearly understand them.

Mr. GOLDWATER. I gathered the impression, if you looked at the chart, that he was referring to that as the actual vessel passage, and when I was in Panama 3 weeks ago, the figure I remembered was 94. I just telephoned the canal management, and it runs something above 90.

So I have done my correcting, and I thank the Senator for yielding.

Mr. MAGNUSON. I think I heard the Senator say that the width of the canal was, at the widest part, 170 feet.

Mr. GOLDWATER. 107.

Mr. MAGNUSON. 170 or 107?

Mr. GOLDWATER. 107. The largest ship we actually have through there is the *Tarawa*, which is our newest mini-aircraft carrier.

Mr. MAGNUSON. I am talking about the beam.

Mr. GOLDWATER. I am talking about the beam. They had to remove protrusions from the side of the ship so that it could go through the locks.

I happen to be in perfect agreement with the Senator on the need for a sea level canal eventually, but I think it will be a very expensive venture.

Mr. MAGNUSON. I know this will take a long time, but I know that the present canal is becoming more and more obsolete each year, and I do know the time is coming when we will have to seriously consider a second canal.

I do think that the people of the United States ought to have some assurance that as this canal becomes obsolete, and as we lose control of it, if we are going to lose partial control, that we are going to have to have some alternative, and we ought to get busy on it. The longer we wait, the more it will cost.

Mr. GRIFFIN. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. As sure as I am standing here, we are going to have to have a second canal.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. MAGNUSON. Yes.

Mr. McCLURE. If we do as a matter of fact need to have a second canal, it would seem to me to be prudent that we reserve to ourselves at least the negotiating option of deciding when it ought to be built, instead of giving away that option in the provisions of this treaty.

The Senator from Maryland has said we did not return their guarantee for them to let anybody else do it. Well, I do not see anybody else standing in line trying to build that canal at the present time.

Mr. SARBANES. Does the Senator from Idaho feel that the right we have to block anyone else from building a canal through Panama from now until the year 2000 is not of value to the United States?

Mr. McCLURE. Not nearly as much value to the United States as the value to be able to negotiate the terms of building such a canal either in Panama or somewhere else, without the restrictions, without the veto being placed in the hands of the Government of Panama over the U.S. action.

Mr. SARBANES. I just cite again Colonel Sheffey's words, who did the study, and who said the only place feasible to build the canal is through Panama, and that for us to get from them the agreement that no one else can do it unless we approve it is extremely valuable. As he says, it is an extremely valuable quid pro quo; we are getting something for nothing.

Mr. McCLURE. As a matter of fact, we are giving something up for nothing in return, because nobody else is trying to do it, and we do not——

Mr. SARBANES. No, let me just address that point.

Mr. McCLURE. Let me——

Mr. SARBANES. That no one else will try to do it.

Mr. McCLURE. Mr. President, will the Senator from Washington yield to me for a moment?

Mr. SARBANES. Because that is a questionable assumption, that no one else will try.

Mr. GRIFFIN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Washington has the floor. Does the Senator from Washington yield to the Senator from Idaho?

Mr. MAGNUSON. Mr. President, I will yield the floor to the Senator from Maryland.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia has a prior right to the floor.

Mr. MAGNUSON. Unless the Senator from Michigan wishes to add something.

Mr. GRIFFIN. I only wanted to compliment the Senator from Washington for being concerned about this Panama matter. He has a lot of experience and history, as he says, in looking at the option of a possible second canal.

I noticed in his remarks he said that between now and the year 2000 we ought to be beginning to think about building a second canal, either in Panama or somewhere else.

I agree with him. It may be it is most economically feasible to build it in

Panama, but it may not be the most politically feasible place to build it.

Mr. MAGNUSON. I think we can add that factor to it.

Mr. GRIFFIN. We do not do that in this treaty. We make it impossible for ourselves to build it anywhere except in Panama. This is one of the provisions of the treaties that makes it most obnoxious, and one of the major reasons why I am opposed to the treaties.

It is one of the major reasons I am opposed to the treaty.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield now to the distinguished Senator from Alabama for the purpose of offering his amendment. I yield for the purpose of his offering an amendment, after which I would like to proceed with my statement.

UP AMENDMENT NO. 2

Mr. ALLEN. Mr. President, I send an amendment to the desk on behalf of myself, Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, Mr. GARN, Mr. SCOTT, Mr. CURTIS, and Mr. DOYLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an unprinted amendment numbered 2.

Strike article I, and insert in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama: *Provided*, That it shall not be a violation of such neutrality for the United States in time of war to intercept any enemy warship sailing for the Panama Canal to prevent it from reaching the Panama Canal where it would enjoy the neutrality and unimpeded transit of the Canal provided by this Treaty.

Mr. ALLEN. Does the majority leader wish to retain the floor to make his speech?

Mr. ROBERT C. BYRD. Mr. President, I would be very happy if the Senator wishes to address himself to his amendment at this point, or I can proceed. I can assure the Senator I will speak no longer than 30 or 35 minutes.

Mr. ALLEN. I appreciate that. But will the distinguished majority leader indulge me to the extent of letting me speak some 3 or 4 minutes on a matter that the distinguished Senator from Washington and the distinguished Senator from Maryland discussed a moment ago?

Mr. ROBERT C. BYRD. Yes, Mr. President, I will be glad to do that. I wonder if I might first, however, ask unanimous consent that a vote in relation to the amendment by Mr. ALLEN occur today at 5:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Will the Senator yield? I want to know whether the unanimous-consent request would prevent a motion to table the amendment.

Mr. ROBERT C. BYRD. No.

Mr. President, I ask unanimous consent that I may yield 5 minutes to the distinguished Senator from Alabama, providing that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. The distinguished Senator from Maryland was talking about the quid pro quo, about the United States giving up the right to negotiate with other countries for another canal in the isthmus in return for Panama giving up the right to negotiate with another country for a canal in Panama.

Well, that is all well and good, but it obviously overlooks the provision in the 1903 treaty which gives the United States—and it is only about three or four lines—a monopoly on building a canal or other isthmus communications in Panama. So under the present law Panama cannot negotiate with another nation for a canal in Panama.

What we are doing, in effect, is giving up the monopoly we have on the building of a canal in Panama by another nation, giving that up entirely, and then, in order to get that right back, we have to agree that we will not negotiate with another nation for a canal through that nation.

Actually, we already have in the treaty—and I will read it—article IV of the 1903 treaty:

The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance, and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean.

So under the present treaty Panama cannot negotiate with another country for a canal in Panama. We have a monopoly.

We now give that up under the treaties before the Senate. Then, in order to get a portion of it back, we have to agree not to negotiate with another nation for a canal. So there is no quid pro quo. We are giving up something and then having to concede something else to get that back. I wanted to straighten out the record on that. Apparently this section was being overlooked in the colloquy.

Mr. GRIFFIN. Will the Senator yield?

Mr. ALLEN. I yield.

(Mr. MUSKIE assumed the chair.)

Mr. GRIFFIN. I agree with what he said. He is absolutely right, except that we do not get it back clearly in the negotiated treaty.

Mr. ALLEN. Of course, not.

Mr. GRIFFIN. The statement is made over and over again that no other nation can build a canal in Panama between now and the year 2000 under the negotiated treaty. The only point I would add to what the Senator from Alabama has said is that the language in here is not all that clear. It is fuzzy language. It is not clear language.

The language which precludes the United States from negotiating with third states about a canal is very clear and unambiguous. But when we try to find out what it is that the proponents rely upon as precluding Panama from collaborating with another nation to build a canal in Panama, we find it is not clear at all.

If Panama jointly studied the question and if they negotiate for terms with the United States, but perhaps they cannot agree, it is my interpretation, and I think it would be clearly available argument, that they have complied with the treaty and could go right ahead with another nation and build a canal in Panama.

Mr. ALLEN. The point I was making regarding the Senator from Maryland was that we have negotiated and made concessions on something that we already have.

Mr. GRIFFIN. The Senator is absolutely correct.

Mr. SARBANES. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. SARBANES. First of all, to address the point of the Senator from Michigan, as we have had this colloquy before——

Mr. ALLEN. I will say, I have yielded on my time.

Mr. SARBANES. I appreciate the Senator's courtesy.

To the Senator from Michigan, I want to say that the language in the treaty that the United States and Panama shall negotiate terms is followed by the language "agreeable to both parties" and therefore, if not agreeable to us, since we are one of the parties, the Panamanians are not free to go ahead. Therefore, that right is protected to the United States, to prevent anyone else from coming into Panama until the year 2000 to build a canal unless we choose to let them do so. Either we can do it or we can approve someone else doing it. Someone said earlier they did not think anyone else might do it. I suggest that is a possibility that we should guard against. That is what these treaties have done.

The Soviet Union is often cited, but I submit people ought to think also of Japan and/or Saudi Arabia as a possibility; some nation using a new canal as part of an economic move into Latin America and into the Western Hemisphere, some of the world's major trading nations deciding to make that investment.

With respect to the point made by the Senator from Alabama, as the Senator from Alaska pointed out, if someone is going to build a sea-level canal they will have to do it with the cooperation of the Panamanians. It cannot be done in any other way. It is their land which would be involved. As he pointed out, the best site is outside of the zone but in the Republic of Panama.

We depend on Panama to provide the water to make the canal work. The canal cannot work without the Panamanian watershed. Therefore, it is necessary to involve them in the process.

The treaties which are before us are a consequence of a negotiating process. This particular provision was sought by our negotiators as a way of protecting our interests. As in any negotiation there has to be a reciprocal arrangement, which is what this does.

There is no serious suggestion by anyone I know of that it is in any way feasible to build a canal outside of Panama. That is the geographic location for another canal, if it is to be built. We should be concerned that others might want to do that. That has been precluded in this treaty. In return, we agree not to negotiate to put it somewhere else, where we would not want to put it in any event. Every study has indicated there is no feasible alternative than the location within the Republic of Panama.

That is what the treaties are protecting for us and, I think, that is an important arrangement.

THE ECONOMIC SENSE OF THE PANAMA CANAL TREATIES

I. THE COMMERCIAL AND ECONOMIC IMPORTANCE OF THE CANAL

Mr. ROBERT C. BYRD. Mr. President, the case for the Panama Canal treaties is not best served by either overestimating or underestimating the commercial importance—nationally and internationally—of the canal itself. Presenting a clear picture of the current and—to the extent possible—expected economic role of the canal should demonstrate the economic sense of the treaties and thereby help to make the best case for their ratification.

At the outset, it should be recognized that, according to experts, the role that the Panama waterway plays in world trade will probably not continue to expand greatly. It is projected that traffic through the canal can be expected to grow at an average annual rate of 2.2 percent between 1976 and the year 2000. Currently, traffic through the canal represents between approximately 3.5 and 4.0 percent of total world seaborne trade.

Several factors suggest why there will be a slow growth future for the Panama Canal. First, trade routes of developing countries often bypass the Panama waterway. Second, a sizable proportion of trade has begun to use vessels which are too large to transit the canal, and one can expect this trend to continue. Third, as prices for raw materials have risen, new supply sources have been developed for those materials which do not require canal transit to reach their markets. Fourth, the reopening of the Suez Canal has brought about a significant drop in Panama Canal traffic on the Europe-Japan trade lane. Finally, we can expect the use of alternate modes of transportation to continue to increase.

All this having been said, the fact remains that, while the value of the Panama Canal to the U.S. economy is sometimes overstated, it nevertheless continues to be considerable. In 1976, the percentage of U.S. world trade by tonnage passing through the canal was about 7 percent.

Our trade with Japan and with the other countries of Asia depends most heavily on the availability of continued passage through the Panama Canal. According to the Panama Canal Company's annual report, the most important trade route in fiscal year 1976 was the route from the east coast of the United States to Asia. Almost 48 million long tons or about two-fifths of total canal cargo volume followed this route.

The American agriculture sector is the sector of our economy that relies most heavily on the canal. It is this essential segment of our economy that would be most severely injured by lack of continued access to the Panama waterway. And it is continued access that the treaties are designed to assure for the United States and all other countries.

During calendar year 1976, for example, about 1 in every 5 tons of exported U.S. farm production passed through the canal.

The Department of Agriculture reports that in the same year about 18 percent of the corn exported by the United States, 26 percent of the soybeans, and 45 percent of the grain sorghum passed through the Panama Canal.

Clearly, ratification of the Panama Canal treaties is in the best interest of the U.S. agricultural sector. Furthermore, I believe that our farmers deserve to receive some assurance—as they will under these treaties—that what they produce will neither pile up in port nor in transit because of problems with free and open access to the canal or because of exorbitantly high tolls. The one is provided for and the other is protected against by the Panama Canal treaties. Under the Neutrality Treaty, any toll rates or transit regulations are to be "just, equitable, and reasonable."

According to Department of Agriculture analyses, if grain shipments that normally transit the canal had to be rerouted around South America, transportation costs would double. Transit time would also rise markedly; for example, the average transit time for grain shipments between New Orleans and Yokohama would rise from 25 to 45 days. The additional costs and transit time would adversely affect and, in some cases, eliminate the competitive edge that American farm exports enjoy in Asian markets.

Let me also point out that the dependable operation of the Panama Canal is equally necessary to U.S. allies whose economies would be hurt if continued access to the canal were endangered. Many Latin American countries, such as Colombia and El Salvador, rely on the canal for shipment of their major agriculture exports. Twenty-six Latin American countries signed the Declaration of Washington in support of ratification of these treaties.

In short, the Panama Canal is of major economic and commercial significance not only for the United States, but also for the other countries of the Americas. The key to that significance lies in what is provided for in these treaties; namely: The continued use and dependable operation of the canal through the end of this century and into the 21st century.

II. FINANCIAL SUMS INVOLVED

Mr. President, one of the questions frequently asked by the American public is, "What are the costs?" That is to say, what financial sums are involved directly or indirectly with ratification of the treaties. To provide a complete answer to the question, several points must be made.

Most importantly, the treaties establish that funds for the operation of the canal will come from revenue generated by the canal itself. U.S. taxpayers will not pay for the operation of the canal; U.S. taxpayers will not subsidize the operation. It is those vessels which transit the canal and benefit from its operation that will support it.

The treaties do not call for payments to be made to Panama using U.S. taxpayers' money. While the treaties do call for some specific payments to Panama, the money for these payments is to come from revenue which will be generated by the canal operation.

What, then, are these payments which Panama will receive under the treaties? First, Panama is to be paid 30 cents per Panama Canal net ton for each vessel transiting the waterway. It is estimated that this will initially yield between $40 and $50 million a year to Panama. It should be remembered that this relatively large sum will come from tolls and other operating revenue. No money from American taxpayers is involved.

(There was a disturbance in the gallery.)

Mr. ROBERT C. BYRD. May we have order in the galleries?

(The disturbance in the gallery continued.)

The PRESIDING OFFICER (Mr. RIEGLE). The Senator will suspend until the Sergeant at Arms has restored order in the galleries.

Order has now been restored in the galleries. With the Senate now being in order, the Senator from West Virginia, Senator ROBERT C. BYRD, is recognized.

Mr. ROBERT C. BYRD. I thank the Chair for acting to restore order in the galleries, and I also thank the Sergeant at Arms for assisting in that regard.

As a fair measure for price change over time, the 30 cents per Panama Canal ton will be adjusted according to the U.S. Wholesale Price Index for manufactured goods after 5 years and every 2 years thereafter.

Second, an annuity of $10 million will be paid to Panama out of canal revenues. This yearly payment is to be a fixed expense and not a function of traffic.

Third, a payment of $10 million a year will be made—again, out of canal revenues—to Panama as reimbursement for the costs of providing public services, such as police and fire protection, street lighting and maintenance, and garbage collection. Since the current cost to the Canal Zone Government for such services is about $18 million, this payment represents a savings. The payment will

be reviewed every 3 years for possible adjustment on the basis of actual cost experience, inflation, and other factors.

Fourth, an additional $10 million in the form of an annuity payment will be made to Panama if—and only if—operating revenues produce a surplus over costs in addition to the 30 cents per Panama Canal ton and the unconditional annuity. If there is no surplus to cover the entire payment, the shortfall would be carried over to succeeding years. However, it is understood by both Panamanians and Americans that any balance remaining due in the year 1999 would not be paid since the United States has only a contingent obligation to make this payment—an obligation based upon the availability of surpluses.

Mr. ALLEN. Will the Senator yield there?

Mr. ROBERT C. BYRD. Not at this point. After I complete my statement, I will be glad to yield to the distinguished Senator.

In addition to these payments to be made to Panama out of canal revenues, it is anticipated that ratification of the treaties will make certain appropriations necessary in order to implement aspects of the new relationship between the United States and Panama. Some of these would be one-time costs to the U.S. Government; others would be recurring costs.

The total one-time cost to the U.S. Government will be between approximately $48 and $56 million (the Congressional Budget Office estimate). This sum will cover the expenditure of about $42.9 million during the first 3 years after ratification for the relocation of defense installations and the expenditure of between $2.1 and $10.5 million for the transfer of health facilities to the Department of Defense.

Mr. President, I will finish this sentence, and then yield.

This one-time cost will also cover expenditures related to employee benefits: About $3 million for the purchase of retirement benefits for Panamanian employees of Department of Defense nonappropriated fund activities who are not covered by the U.S. Civil Service system.

Now, I yield to the distinguished Senator.

Mr. ALLEN. I thank the distinguished majority leader.

My attention was attracted to the remarks of the distinguished majority leader when he spoke of the second $10 million to be paid if, and only if, revenues from the tolls were sufficient to have a surplus sufficient to pay the $10 million, and I did not recall reading in the treaty, "If, and only if."

I was just wondering if that was the construction that the Senator put on the language of the treaty, and also I was wondering if it is, in fact, agreed between Panama and the U.S. Government that this $10 million would come only if the revenues were sufficient.

I was under the impression that was one of the sticking points now in the matter of the treaty, the disagreements under the treaty.

Mr. ROBERT C. BYRD. Mr. President, I read in response to the distinguished Senator's question from page 139 of the document titled, "Panama Canal Treaties, Report of the Committee on Foreign Relations, United States Senate."

Mr. ALLEN. Yes. I have that report.

Mr. ROBERT C. BYRD. I read this paragraph:

The third payment of up to $10 million will only be paid to the extent the Commission's revenues—

Mr. ALLEN. Well, this is not the treaty.

Mr. ROBERT C. BYRD. I understand, but this is a section-by-section analysis of the treaty.

Mr. ALLEN. Well, this is the Foreign Relations Committee's interpretation, rather than the language of the treaties.

Mr. ROBERT C. BYRD. This is the State Department's interpretation.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. And if I may just finish reading the paragraph into the RECORD——

Mr. ALLEN. I thank the majority leader for it.

Mr. ROBERT C. BYRD. It is as follows:

The third payment of up to $10,000,000 will only be paid to the extent that the Commission's revenues exceed its expenditures including the other payments to Panama under the Treaty. Should the Commission not have sufficient revenues available to make the full payment in any one year, the unpaid balance will be carried forward to be paid out of operating surpluses in future years. At the termination of the Treaty, any unpaid balance will be cancelled, since Panama will assume responsibility for the operation of the Canal and thus will receive Canal revenues directly.

I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I thank the distinguished majority leader.

I rise because the Senate Budget Committee staff evaluating the cost of these treaties also had to interpret this language in the treaty.

I think the language of the treaty is even clearer than the language from the committee report which the majority leader has read.

I read this from page 211 of the Foreign Relations Committee report and I read it verbatim:

An annual amount of up to 10 million United States dollars per year, to be paid out of canal operating revenues—

I underline the term "canal operating revenues"—

to the extent that such revenues exceed expenditures of the Panama Canal Commission including amounts paid pursuant to this Treaty. In the event Canal operating revenues in any year do not produce a surplus sufficient to cover this payment, the unpaid balance shall be paid from operating surpluses in future years in a manner to be mutually agreed.

The treaty does not say it shall be paid by the U.S. Treasury or by U.S. taxpayers.

After the year 2000 only Panama will be operating the canal. If Panama wishes at that time to pay itself $10 million out of operating surplus in future years—I take it future years refers, as a matter of fact, to years beyond the year 2000—as in the years preceding the year 2000, they are entitled to do so. I do not think language could be clearer than this.

It is on that basis that the Senate Budget Committee staff did not count the $10 million contingent payment as an obligation of our Government.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I thank the distinguished majority leader.

Apparently, both Senators are not familiar with Mr. Staats' interpretation of this $10 million, he being the Comptroller General.

This is a report, I guess each one of us has his own bible. But the report from the Armed Services Committee on page 18, specific treaty provisions, Mr. Staats stated concerning the surplus payment of $10 million to Panama, and now I quote:

We noted the possible ambiguity concerning the treaty's specified payment to Panama of up to $10 million if operating revenues exceed expenditures. Under our interpretation—

The GAO—

if no payments were made during the lifetime of the treaty, a lump sum payment to Panama of over $200 million could be required at the termination of the treaty.

That is Mr. Staats. That is not the Senators talking.

Mr. ROBERT C. BYRD. What was the date of that statement?

Mr. ALLEN. The date of the report is February 6.

Mr. ROBERT C. BYRD. The date of Mr. Staats' statement.

Mr. ALLEN. They reported almost immediately. I do not have the date of his statement. It is possibly here, but I do not have it at hand. The report was made February 7, 1978.

Mr. ROBERT C. BYRD. Perhaps the distinguished Senator is not aware of the letter sent to Senators, signed by Mr. Harold Brown, Secretary of Defense; Cyrus Vance, Secretary of State; and Clifford Alexander, Jr., Secretary of the Army, dated February 10, in which this question was specifically addressed in the following way——

Mr. ALLEN. None of these was a money man, was he? They were military men and policy men.

Mr. ROBERT C. BYRD. I think their opinions should be placed in the RECORD as well as the opinion of Mr. Staats.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. They said as follows in that letter:

The contingent $10 million annuity is payable only if operating revenues produce a surplus over expenditures, which include among others the variable annuity due Panama of $.30 per Canal ton and the fixed annuity of $10 million. The contingent annuity will not be figured in the calculation of the toll base.

If the surplus is sufficient to cover the entire payment of the contingent annuity, the shortfall is carried over to succeeding years. Since payment is contingent on available surpluses, the United States is not obligated to pay off on any accumulated unpaid balance in the year 2000. Panama's negotiators have acknowledged this fact.

Mr. ALLEN. That seems to be a little different from what Mr. Staats says, because he says, in response to a question whether this was a unilateral understanding on the part of the State Department concerning the $10 million contingent payment:

The Panamanians have a different interpretation with respect to it.

He concluded:

There should be a clear understanding with Panama on the treatment of this obligation.

I say further in answer to the statement of the distinguished Senator from Maine that there is no obligation to pay this deficit at the year 2000, that that is absolutely incorrect. If you bother to read the treaty, it says:

Upon termination of this treaty, the Republic of Panama shall assume total responsibility for the management, operation and maintenance of the Panama Canal, which shall be turned over in operating condition and free of liens and debts except as the two parties may agree.

So if they are going to turn over the canal free of debt, that would be debts of the Panama Canal Commission. If they had this debt accumulating at $10 million a year, that would be a debt that the U.S. Treasury would have to pay, because that would be a lien against the Commission.

Mr. ROBERT C. BYRD. I yield to the Senator from Maryland first and then to the Senator from Maine.

Mr. SARBANES. I want to address this quotation of Mr. Staats that is contained in the report of the Armed Services Committee, which the distinguished Senator from Alabama read, quoting the report of the committee under "our interpretation," and then saying that the "our interpretation" referred to Mr. Staats' interpretation.

Mr. Staats' statement before the committee, his prepared statement, as it appears in the hearing record and his comments—this is at page 372 and again at page 379 of the hearing record of the Armed Services Committee. Comptroller General Staats said "under one interpretation." I know it is printed in the report with the phrase "our interpretation." But in his prepared statement in the hearing record and subsequently in the hearing record, Comptroller General Staats says "under one interpretation" and deals with that interpretation. He does not identify that interpretation which he discusses as his own interpretation.

I want to bring that to the Senator's attention.

Mr. ALLEN. I appreciate that.

Mr. SARBANES. Because I think it is an important fact.

Mr. ALLEN. I am sure that the Senators, then, would have no objection to a small amendment clarifying it.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Maine.

Mr. MUSKIE. I thank the majority leader.

With regard to the response of the distinguished Senator from Alabama to me, he has quoted from language in the treaty imposing an obligation upon the United States to see that the canal is turned over to the Republic of Panama free of debts. I think he said any unpaid $10 million contingency payment would be a debt against the Commission. That is not what the treaty says. The treaty says:

The unpaid balance shall be from operating surpluses in future years.

If there are no operating surpluses, there is no debt. It is the operating surpluses that carry the burden. I do not understand how language could be clearer.

If the Senator from Alabama were being subjected to a claim made under language similar to that being discussed which would be a charge against him personally, I doubt that he would agree with his own interpretation of this language.

This is a charge against operating surpluses; and if there are no operating surpluses, then I pose this situation. Suppose the treaty goes into force tomorrow. There is no operating surplus until the year 2000. Then Panama takes over operation. There is no operating surplus for the next 50 years.

I cannot accept an interpretation that suggests that in a situation which is supposed to be triggered by operating surpluses if there are no operating surpluses for the next 70 years, somehow a debt has been created. I find that incomprehensible.

Mr. ALLEN. That is what the Panamanians insist.

Mr. MUSKIE. I think the language of this treaty speaks for itself on this point. I have read it into the RECORD, so that the RECORD is clear on this point. I have read it so that those listening to this debate throughout the country can know what the treaty says, independent of the interpretations made.

If someone says to me, "The unpaid balance shall be paid from operating surpluses in future years," he does not say operating expenses in future years up to the year 2000. It does not say operating expenses in future years up to the year 1980. It says future years, with no limitation.

As long as there is a future, if there is an unpaid payment under this provision, surpluses in future years would be subject to the debt.

Mr. ALLEN. I say to the distinguished Senator from Maine that if that be his interpretation and if that be my interpretation, that is the way I would interpret it. But I am advised that the Panamanians interpret it differently. Would it not be the better part of wisdom, Mr. President, to work that out now and work out any possible ambiguity by an amendment? Would that not set the matter to rest?

Mr. MUSKIE. The distinguished majority leader has already read from a letter written by the Secretary of State.

Mr. ROBERT C. BYRD. That is right. There is no evidence that they disagree. It is even to the effect that the Panamanian negotiators have acknowledged this.

Mr. ALLEN. I have not seen any acknowledgment of that.

Mr. ROBERT C. BYRD. On top of that, I say to the distinguished Senator, there is nothing clearer than the language of the treaty itself, subparagraph (c) of paragraph 4 of article XIII. The language reads as follows:

An annual amount of up to 10 million United States dollars per year, to be paid out of canal operating revenues, to the extent that such revenues exceed expenditures of the Panama Canal Commission, including amounts paid pursuant to this treaty.

I repeat, to the extent that such revenues exceed expenditures. If the revenues do not exceed expenditures, the paragraph is rendered inoperable. It is just that clear.

Mr. ALLEN. That is when I came into the picture.

Mr. GARN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GARN. I say to the distinguished majority leader that of those Senators debating this point, I suppose I am the only one who is a member of the Armed Services Committee and heard Mr. Staats' testimony.

What I would say about that testimony is that the Senator from Maryland is correct: He did not present that as his position. He presented two or three different positions. His point was that there were different interpretations, and I think that is what the Senator from Alabama is trying to point out.

I think the majority leader is correct. It means out of surplus. But there are people who do not believe that. All we are saying is that it should be made very clear. I do not think we are in disagreement. In that Armed Services Committee testimony are differences of opinion as to whether or not it was clear.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Maine first and then to the Senator from New Hampshire.

May I say that if any clarifying language is felt to be necessary, it can be added to the implementing language. It does not have to be added to the treaty.

Mr. MUSKIE. That suggestion has been made. I do not understand the argument that because differing interpretations are made of language, we must therefore amend the treaty. If we were to use that as a test, given the debate that has taken place on this floor over recent weeks, we never would have a treaty. There are differences of opinion about language that is clear on its face, differences of opinion about language that is asserted to be ambiguous on its face. But the mere assertion that language is ambiguous for the purpose of supporting an attack upon the treaty does not make language ambiguous which is clear on its face. I have heard that technique used over and over again in this debate.

All a Senator has to do is get up and say, "To me, that language is ambiguous." Then, from that premise, he argues that because it is ambiguous, or because somebody else said it was ambiguous, therefore we must have an amendment to the treaty that clarifies the ambiguity.

In this case all we have to do is read the language. I submit that the answer is not always as clear as in this case, but

this language is as clear as the English language can be.

I have practiced law. I have written law in the State legislature. I have written it here in the Senate of the United States. I have been in conference committees arguing with the House over language. I have never seen clearer language than that on this particular point.

Mr. ROBERT C. BYRD. So there is no need to go behind the treaty; we can just look at the treaty itself. Is that not what the Senator from Maine is saying?

Mr. MUSKIE. The majority leader is absolutely correct.

Mr. ROBERT C. BYRD. Where the language is unequivocally clear in the treaty itself, there is no need to go back of it.

Mr. MUSKIE. If it were the intent to say that any unpaid payments under this provision shall be a charge against the Commission, then we might have a different situation. But when they say so clearly a charge against operating surpluses, I do not see any room for doubt as to what it means.

Mr. ROBERT C. BYRD. Precisely. I thank the distinguished Senator from Maine (Mr. MUSKIE).

I yield to the distinguished Senator from New Hampshire (Mr. DURKIN).

Mr. DURKIN. Mr. President, I thank the distinguished majority leader.

I agree with the statement of Senator MUSKIE. The language of the treaty speaks for itself. It is unequivocal. It is as clear as the nose on the face. But even beyond that, we were in Panama with the last delegation that went. This question came up, time and again: Was there a contingent liability that would have to be distinguished in the year 2000? We met with the planning director, Dr. Barletta. He assured us that they have no understanding, that there was absolutely no contingency, that if there were not an operating surplus, there would be no liability.

Mr. Bethancourt, one of the prime negotiators, made the same statement to us, that there was, under no circumstances. In fact, what they did say is they felt because it was only out of surplus, if the surplus exists, they felt that Panama was not going to get enough money out of the operating revenues, the 30 cents a ton and the other $10 million that the treaty provides. So even the Panamanians, aside from the fact that the treaty is as clear as the English language can make it, notwithstanding that, time and time again, assured the questioning Senators that they had no understanding, no idea that there was any sort of encumbrance or lien that would become due if that $10 million had not been met out of operating revenues over the 22 or 23 years.

Mr. ROBERT C. BYRD. I thank the able Senator.

In addition, there will be some recurring costs to the U.S. Government, if I may continue my statement.

On an annual basis, it is estimated by the Congressional Budget Office that these will amount to about $28 million. This sum would be offset by some annual costs which would no longer continue after ratification. The annual costs that would be discontinued are about $3 million for the Canal Zone Government and the $1.8 million net annual payment to the Republic of Panama.

The new annual costs would be $9.2 million for a Canal Service Commission early retirement program for employees and about $3.2 million for the incremental expense for Department of Defense schools and hospitals.

Another annual cost would be $20.1 million if the payment of interest on the U.S. net investment in the canal is discontinued. We have been receiving this interest payment from the Panama Canal Company since 1951, and Congress will have to decide whether it should continue.

These then are the costs which may be necessary in order to implement aspects of the new relationship between the United States and Panama if the treaties are ratified. They represent, as I have pointed out, both recurring and one-time costs. From 1979 through 1999, they would amount to between $600 million and $700 million, again according to the Congressional Budget Office estimate.

I continue to rely upon the Congressional Budget estimates because I believe that that is a very objective entity, and I think that we can rely upon its estimates as being fair and most reasonably accurate.

There are some other financial sums associated with the treaties which would have budgetary implications. First, there is the issue of providing new borrowing authority for the Panama Canal Commission. Under current law, the Panama Canal Company has borrowing authority for the Panama Canal Commission. Under current law, the Panama Canal Company has borrowing authority in the amount of $40 million. Congress will have to decide whether to extend similar authority to the Commission. Second, there is the separate economic and military cooperation package of $345 million which has been discussed with the Panamanians. This package is not part of the treaties and would necessitate the development of programs in order to meet existing congressional criteria. Only about $5 million in appropriated funds would be required to support the repayment guarantees for the military credit program as a reserve fund; none would be paid to Panama.

Mr. President, these are the anticipated financial sums involved in the treaties or which would result from their ratification, and the purposes to which they will be put. I believe that when these sums and their purposes are reviewed by American taxpayers—as they should be by anyone seeking to understand the economic sense of the Panama Canal treaties—it will be recognized that the one-time and recurring costs are relatively modest and sound investments in the continued efficient operation of the waterway; and that the costs which would be paid from tolls are but fair and just recompense to Panama.

Mr. President, there are some who would like to portray the Panama Canal treaties as the perpetration of a great giveaway. Well, this phrase is a very catchy phrase, but it is not an apt one in this situation. Indeed, this concept of the "give-away" must be faulted on two grounds, one political and the other economic.

As I said earlier, we cannot be accused of giving up that which we never had. The United States never had sovereignty over the Canal Zone. Since this is the case, accusations that these treaties will relinquish our sovereignty over the zone are patently absurd.

Applying the phrase "give-away" to the treaties is not based on sound economic analysis. It shortsightedly emphasizes the limited costs we must pay rather than emphasizing our security, and our economic, military, diplomatic, political and commercial interests that are well served by these treaties.

The specific question: "Has the United States recouped its initial investment in the Panama waterway?" must be answered in the affirmative. The original cost of the canal and Canal Zone facilities and real property has been estimated by the Department of State at $993 million. However, for decades we have reaped the commercial and economic benefits of the use of the Panama waterway. Furthermore, we cannot discount the security benefits that the canal has provided us in peace and in war. Such benefits cannot be valued monetarily.

We should also take a moment to consider the manner in which the canal has been operated over the years. We have never run the canal solely for our own benefit. We have operated the canal as an international public utility for the benefit of all nations.

On this point, the excellent study by International Research Associates of Palo Alto, Calif., notes that in setting toll levels the Panama Canal Company has not sought to obtain the maximum possible revenues. Rather, the Company has set tolls at the moderate level necessary to cover annual costs and interest on investment funds provided by the United States. The revenues generated have, as a result, been considerably less than they would have been if the canal were being operated for profit.

Another means of putting in perspective the costs attendant upon ratification of the treaties is to take a look at the economic impact that a closedown of the canal—however unlikely that might be—would have on the U.S. economy. According to a report prepared by C.A.C.I., Inc., the additional cost of goods resulting from such a closedown in 1974 would have been between approximately $200 million and $400 million; and by the year 2000 the cost could reach up to $600 million.

In conclusion, ratification of the Panama Canal treaties would not in any way signify a "give-away". By providing for the continued maintenance of our troops and facilities in Panama for the next 20 years and for our continued use of the canal, these treaties represent a sound investment in America's future.

IV. THE FINANCIAL VIABILITY OF THE PANAMA CANAL

Mr. President, a frequently posed query—which must be answered—concerns whether the canal is now capable

of generating sufficient revenue to cover operating costs. The answer is most emphatically yes. This conclusion has been reached by several research groups that have studied the situation.

The American Management Services study recently prepared for the Senate Armed Services Committee makes the following instructive points:

1. The Commission needs to raise its toll rates about as fast as its costs are rising (by cutting costs or increasing tolls). If it does this, there are ample opportunities for the Commission to remain solvent and to run a small surplus even if very pessimistic traffic projections prove correct . . .

2. If the Committee is permitted to increase toll rates to match inflation (for instance, by indexing toll rates to the U.S. Wholesale Price Index) without reducing projected costs, there will be some deficits for the first few years. These early deficits could be eliminated by an immediate one-time toll increase on the order of 25 percent . . .

3. If the Commission adjusts toll rates to match inflation and reduces costs significantly, it will be self-sustaining even under pessimistic traffic forecasts.

These points are generally consistent with the findings reached in a study prepared by Arthur Andersen & Co. for the State Department. According to that study, a one-time toll increase of 19 percent to 27 percent—effective on or about the date the treaties enter into force—should allow for the financial viability of the canal for the period 1979 through 1983.

Further supporting evidence is provided in a study by International Research Associates prepared for the Department of State and the Panama Canal Company. The IRA study concludes that first, tolls could be increased as much as 75 to 100 percent before revenues would begin to decline; and second, toll increases ranging from 15 percent to 50 percent would result in losses of traffic, on a tonnage basis, ranging only from 2.4 percent for a 15-percent increase to 11.8 percent for a 50-percent increase.

Mr. President, for the estimative future, it appears from these several studies that canal revenue will be sufficient to cover costs as well as payments to Panama. At the same time, it should be pointed out that these studies cannot accurately forecast revenues for the period beginning in the later 1980's. As noted by American Management Systems, the level of Panama Canal traffic and toll revenues in that period would depend on a number of factors, most of which are unpredictable and would be outside the control of the Panama Canal Commission. Among the important factors which can be expected to influence toll revenues in those years are the rates of inflation, currency value changes, world trade growth rates, and specific areas of regional growth. However, these factors will affect all facets of trade and commerce; there is no reason to expect an inordinate influence on the financial stability of the canal.

V. INCREASING PANAMA'S ECONOMIC STAKE IN THE CANAL

Mr. President, insuring the open and efficient operation of the Panama Canal is one of the primary objectives of the Panama Canal treaties. That objective would be served well by increasing Panama's stake in the canal. Accordingly, under the treaties, the major payment to which Panama is entitled is tied to the volume of tonnage transiting the canal.

The more efficient the operation and the greater the tonnage transiting the canal, the greater the size of this "variable payment" to Panama. This payment is designed to insure that the operation of the canal is in Panama's best interests, as it is in our own best interests.

The approximate amount that Panama would initially receive through this variable annuity system—some $40 million to $50 million a year—would significantly contribute to the size of Panama's economic stake in the canal.

The development of canal-related activities is one of the primary economic development goals of Panama, and is one in which Panama would be able to use the funds that it will receive. We can expect many of these activities to proceed following ratification of the pacts. Indeed, it is the consensus of observers that uncertainty over the future of the canal has held up such projects, thus putting a damper on Panama's economic growth.

In addition, the ratification of the new treaties will allow Panama to go forward with its national development plans. An important feature of these plans is the enlargement of Panama's role as a service center for shipping and regional trade. These plans would also increase Panama's interest in the efficient operation of the waterway. In this regard, the treaties do not "bail out" the Panamanian economy, but instead encourage its development along lines which Panama wishes to follow and which are also consistent with our own best national interests.

VI. BUSINESS SUPPORT OF THE TREATIES

In conclusion, Mr. President, I wish to point out that the American corporate community with business interests in Latin America understands the sense of the Panama Canal treaties. In terms of dollars and cents, they recognize that the toll increase will have but a minor impact. It is estimated, for example, that a 30-percent increase in tolls would be reflected in a net increase in transportation costs of less than 1 percent and an even smaller increase in the final sales price of any commodity. Users of the canal would pay only about $50 million in tolls per year on cargoes that have a value in excess of 100 times that amount, in other words $50 billion. In other words, the increased cost would be only one-tenth of 1 percent of total cargo value.

The Association of American Chambers of Commerce of Latin America supports the treaties. The executives of major American corporations with business activity in Latin America—such as Dow Chemical, IBM, du Pont, and United Brands—support the treaties.

And I believe that the American people, as they become conversant with the provisions of the treaties, will recognize—as do these business entities—that the treaties make economic sense for this Nation and for all the nations of the world which want to assure an open and secure waterway through Panama.

(Mr. SASSER assumed the Chair.)

Mr. CURTIS. Mr. President, will the distinguished majority leader yield for some questions?

Mr. ROBERT C. BYRD. Yes, I will.

Mr. CURTIS. Is it true that the United States has paid the same tolls for using the canal as have all other nations in the years gone by?

Mr. ROBERT C. BYRD. That is the case, yes.

And may I say on that point that the tolls today are $1.29 as compared with $1.20 in the year 1914. There was a period during the thirties when the tolls for the Panama Canal went down to something like 90 cents or thereabouts. So this demonstrates that over the years the United States has not attempted to take advantage of the opportunities to make profit, but it has considered the canal a public utility and has acted accordingly.

Mr. CURTIS. I agree with the distinguished majority leader. He is correct in what he says, but I would like to point out that, if nations that had no investment in construction paid no more toll than the United States paid, then our use of the canal should not be considered as reimbursement for having built it.

Is that correct?

Mr. ROBERT C. BYRD. Mr. President, I would say that what the Senator just said emphasizes exactly what we have been doing over the period of the last 64 years. We have indeed been subsidizing the merchant shipping of the world, and at considerable cost to the country of Panama.

Mr. CURTIS. I would like to ask another question. Plant and equipment, according to the testimony of the Governor of the zone, would have a replacement value of $4.6 billion. This includes only civilian installations relating to the canal and the Canal Zone Government. Would the Senator agree that the Government did place such a figure as a replacement value?

Mr. ROBERT C. BYRD. As a replacement value. But what is the present book value, I ask the Senator? It is a little over $500 million. What is it, $563 million?

Mr. CURTIS. $567 million.

Mr. ROBERT C. BYRD. So let us not just talk about the replacement value but let us look at the present book value.

Mr. CURTIS. The United States——

Mr. ROBERT C. BYRD. We are not anticipating replacing that facility.

Mr. CURTIS. But if you give somebody a piece of property, that has replacement value.

Mr. ROBERT C. BYRD. The value is its present book value.

Mr. CURTIS. No.

Mr. ROBERT C. BYRD. Not only that, may I say, but——

Mr. CURTIS. The book value might be zero or $1, having been all depreciated. But it would be very valuable.

Mr. ROBERT C. BYRD. Was the Senator in the Chamber when I made my statement?

Mr. CURTIS. Yes.

Mr. ROBERT C. BYRD. In its entirety?

Mr. CURTIS. I heard part of it in the cloakroom, but I heard it.

Mr. ROBERT C. BYRD. May I yield on this point to Senator MUSKIE?

Mr. MUSKIE. What is involved here in the case of the canal is not the buying and selling or replacement of the canal but its use.

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. Replacement value is a term that is used in connection with the calculation of real tax liabilities. The United States does not have a capital budget nor does it have recurring capital assets. It does not depreciate. It does not have any depreciable assets. It does not pay taxes on its property. Replacement value is a useful concept for purposes of those who own property, through the production of profits, through the production of revenues, subject to taxes by the Internal Revenue Code. That is the replacement value.

If one were to try to determine a capital value for the canal in its present form, probably the nearest valuation that would have any relevance to reality in the use of the canal would be the evaluation in terms of cash flows. That also is a method of valuation which is common in the private sector and can be applied to General Motors or to the Panama Canal, I suppose.

Under this approach, the value of any asset or entity is related to the capacity of that asset to generate cash returns over some future period of time. Under that method of calculation, one would get a much different and lower figure. I think it would come to something like $230 million in value.

Depending, again, upon one's projection of the revenue generating capacity of the canal in the future, there has been a lot of debate on the floor as to whether or not there would be any revenue above operating costs generated by the canal in the future. But the important point is, and this needs to be repeated—as I stated yesterday—that when this canal was built in terms of the 1903 treaty, the Panamanians granted us rights in perpetuity. We did not respond with any guarantee that we would operate a canal in perpetuity. In other words, we did not accept that responsibility.

I have listened all afternoon to Senators asserting that we should not give up the option of walking away from the canal when we, ourselves, found it is not profitable; that it no longer serves our national interests, as we define them, to operate it.

Under those circumstances, what did we build when we built the canal? We built something to be used, by us and by the entire world community—to be used. Apart from its use, the physical property we placed on the surface of the Earth in the canal zone has no value. We cannot move it somewhere else. We cannot sell it to somebody else. It has no value except for its use.

I have been listening all afternoon to opponents of the treaty telling me that the potential profit or revenues above operating costs, especially above operating costs which they choose to say includes the payments to Panama, is very problematical.

If it is a use with declining revenue generating potential in the future, what value does it have? If we wanted to sell it—on what basis could we sell it? We could sell it only to somebody who wanted to use it. We could not move it to the Soviet Union for them to use it there. It would have to be used in place. So it is use that is valuable.

In the Budget Committee analysis we looked at replacement value. We get a sky-high figure that nobody would pay. We would not pay that amount for it ourselves if it were offered. We would build a new canal. And we have been talking about that this afternoon.

We looked at cash flow value, which is probably the most sensible of the various methods that might be used.

We looked at book value. Well, that has some relevance, at least to what we invested in the first place. But beyond that it does not really tell us what value the canal would be as between a willing buyer and a willing seller. A willing buyer and seller are Panama and the United States. What we are trying to do in these treaties is not to sell and buy the canal; we are trying to assure the continued use of the canal.

I think it ought to be pointed out in terms of Panamanian trade the canal does not have much utility. Panama does not have much trade. The United States has trade, and 12 percent of our trade goes through the canal. So it is valuable to us in terms of promoting our trade and commercial interests. But as a tangible asset to be bought and sold I think speculation about its value is almost irrelevant to the debate.

We are talking, frankly and candidly, about turning the operation of the canal over to Panama for political reasons, economic reasons, fairness reasons, security reasons, all the reasons which have been stated, and about which there is controversy. That is what we are talking about, turning over the management. The use will continue, hopefully, as it has continued for 75 years. There is no buying and selling, no giving and taking. There is no way for us to give this canal to anybody. There is no way for Panama to give it to anybody. It is there in place on Earth.

Whether or not it is used is really not going to depend totally upon the United States and Panama. It is going to depend upon other nations. They, more than we, will determine the value of the canal in the future. Will it have sufficient value for 70 countries on the Earth to continue to send their shipping and their commerce through the canal? They will decide what it is worth. They may well decide by the year 2000 that there are alternative methods for moving their goods which are more valuable to them, and, at that point, the canal will not be worth a red cent.

So I think the only purpose that this talk about the value of the canal serves is the rhetoric of those who oppose the treaties. They want to suggest to the taxpayers of this country that we are giving away something—that horrible phrase "We are giving away something."

We also like them to forget—and I hope we can remind them of it—and that is that we took it away from Panama in 1903. We took it away from them, in exchange for their land, in exchange for their resources, in exchange for their major river system, in exchange for their sovereign right to tax, to impose tariffs, in exchange for their right to use the resources of their country to develop an industrial base, an economic base, for their people.

They gave us their major transportation routes, railroad, canal, highway options, and in exchange for that we agreed to pay them $250.000 a year, a munificent sum, and now there are those who are saying, "What is the value of what we are now giving to Panama?"

I ask them what was the value of what we took from Panama. If we are going to set up an accounting sheet, a balance sheet, let us begin at the beginning.

If we are going to try to figure out what the value of this asset is in 1999 or the year 2000, let us figure out what the value of what they gave us in 1903 was, and let us get that put on the sheet first. I have not heard a word from the opponents of the treaty on that. They apparently believe we were utterly fair with them. They do not share the position of Dennison Kitchell, who opposes the treaties, but who wrote in his book "The Truth About the Panama Canal," that there never was such a treaty as this. If we had been on the other end of it we would have described it as unconditional surrender, so let us begin this balance sheet there. What was the value of what we took away from Panama, and then the question of what the resources are worth today or in the year 2000 will be relevant. Until then any speculation by whatever method you use, replacement value, book value, cash return, cash loan value, may have some relevance. You have got to compare it to something, and I guess that is all I can contribute at this point.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. ROBERT C. BYRD. Mr. President, I want to thank the distinguished Senator from Maine, who is the chairman of the Senate Committee on the Budget, for his incisive observations here and his responses to the questions that have been asked by Mr. CURTIS.

I yield now to the Senator from Michigan (Mr. RIEGLE).

Mr. RIEGLE. If I might ask the Senator from Maine (Mr. MUSKIE), who is still here, I think he makes a very powerful point: Is it not true as well that in the intervening 75 years, the fact is that we have held this piece of territory and this facility has been of enormous value to the United States? I have not heard anyone who has spoken against the treaties say one word about trying to assign a value to what the unrestricted use of this land area and facility has meant to our country and, in a sense,

partly at least at the expense of Panama for 75 long years.

I think if one were to try to assign a value to that that would be a sum if not in the hundreds of millions, probably in the billions of dollars in value in terms of our capacity to develop our own country, to use this as a shipping channel to move between our own two coasts, and we have got enormous investments, the United States has, and private investors of the United States do have, all in Latin and South America, and the fact that those investments have been developed and facilitated by the use of the canal has been of enormous benefit and value to the United States.

Now, if anyone were to suggest that we in any way compensated, if you will, Panama for really the right to have access to this facility, which has produced this profound gain for our country, not one word is said about that.

I agree with you if we were to reconstruct a balance sheet here that is accurate and really reflects gains and losses to both parties, I think the Senator from Maine is absolutely right. We have to start with what the grant of these rights was worth to the United States in the beginning, but then we have 75 years' worth of value and worth of use and worth of service that also would have to be calculated and added up to reach the present time, and I think that sum is something that clearly the opponents of the treaties do not speak about.

I thank the Senator for yielding.

Mr. CURTIS addressed the Chair.

Mr. MUSKIE. May I say——

Mr. ROBERT C. BYRD. I yield to the Senator from Maine again.

Mr. MUSKIE. I would suggest to those who want to suggest some order of magnitude of the value of the canal to Panama when Panama takes it over they might take into account the $10 million direct payment to Panama under the treaty, the 30 cents per Panama Canal ton that would be paid, and those two sources would produce, I gather, between $40 million and $50 million a year. If they want to use that as a cash flow projection for the year 2000 they could come up with a cash flow value for the canal. That to me would have whatever relevance such speculation might have, and there are those who might find it useful.

But to talk about replacement, we know, we have got these estimates on what it would cost to build a sea level canal in Panama or in Nicaragua, and those two estimates run as high as $5 billion to $6 billion, and I think those estimates are very conservative. I suspect if we were to begin planning for a sea level canal and make the commitment to do so, and then begin turning the Earth, that by the time it was finished we would be close to the end of this century, and I suspect the costs would be several times $5 billion.

There are Senators in this Chamber who speculated very positively about it, the Senator from Michigan (Mr. GRIFFIN) very positive, who said, "Of course, we will build another canal," and what will it be worth? What will this canal then be worth to Panama if they are right, Senator GRIFFIN and Senator MAGNUSON, if they are right, that it is inevitable that we build a sea level canal somewhere else, and I do not know what their preference is, Panama or Nicaragua. If there is doubt that the present canal will attract traffic sufficient in order to pay the operating costs and to justify the continued operation of the Panama Canal? What will happen to the Panama Canal traffic if such a new canal is built? If such a new canal is opened, what then will the Panama Canal be worth to Panama or to anybody else?

The treaty makes no provision, and the 1903 treaty makes no provision, for protecting Panama against that contingency. If that should happen, the United States should walk away from the Panama Canal, whether or not these treaties are approved, there is no provision in the 1903 treaty, and Panama would be left with the hardware with its major system harnessed to it, and without the resources to operate it.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MUSKIE. Now we speculate about what it is worth. What is it worth? What contingencies are you going to project? Are you going to put the whole burden for uncertainty on Panama? That is what we have been doing for 75 years.

I yield, the Senator from West Virginia willing.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Maine for the purpose of yielding to the Senator from Alabama.

Mr. ALLEN. The Senator points out there is nothing in the 1903 treaty that requires the United States to operate the canal in perpetuity. I would like to ask a question if there is anything in the treaties before us now that requires that Panama operate the canal in perpetuity.

Mr. MUSKIE. No, but neither are we holding their land in perpetuity. In other words, these treaties will right the balance of the 1903 treaty, where we took from them in perpetuity and gave them nothing in perpetuity.

Mr. ALLEN. They could quit operating the canal.

Mr. MUSKIE. With these new treaties, you know, nobody tries to foresee perpetuity.

Mr. ALLEN. But they could quit operating the canal.

Mr. MUSKIE. There is no commitment on our part in these treaties to assure Panama that our commerce will go through the canal.

Mr. ALLEN. There is no commitment on Panama to continue operating the canal, is there, after it is turned over to them in the year 2000?

Mr. MUSKIE. No, sir.

Mr. ALLEN. The same with the 1903 treaty.

Mr. MUSKIE. Since we have tied up their natural resource, I cannot imagine that they would give up whatever economic benefit that resource will bring to them for any arbitrary or irrational reason.

Mr. ALLEN. You are saying it is getting obsolete.

Mr. MUSKIE. It may be getting obsolete, of course.

And then when the Senator says that the United States would not be—if that is the Senator's point?

Mr. ALLEN. Both treaties are silent.

Mr. MUSKIE. Yes. I agree with the Senator on that point.

Mr. ALLEN. Will the Senator yield to me now in my own right?

I would like some time to ask a question as to timing, and the distinguished majority leader recalls that when we agreed on a time certain on the voting on the pending amendment, that was an hour and a half or so ago, and we agreed on a 5:30 time and we have not had one single minute of discussion of the pending amendment.

I wonder if, in light of these circumstances, the distinguished majority leader would think it might be well to extend this order in order that we might set a later time, or else agree we might vote at an early hour tomorrow?

Mr. ROBERT C. BYRD. Mr. President, I am prepared to yield the floor.

I think I should, in deference to the Senator from Alabama, but before I do so I want to yield to the distinguished Senator from Nebraska for not to exceed 3 minutes.

Mr. CURTIS. Mr. President, I thank the distinguished leader and I shall not ask for additional time.

I would like to raise the question to everybody within the sound of my voice, what is replacement value?

If you bought a house 40 years ago and paid a small amount for it, that is what is on the books, and that house was destroyed by fire or taken for a public purpose, is that book value the value, or is it the replacement value, what it would cost to replace it?

Now, the property, military bases, plant and equipment, down in Panama has a replacement value of $9.8 billion. It is ours now. At the end of 22 years it becomes Panama's. It can well be argued that this is justifiable. It can well be argued that this ought to be done. But, by no stretch of the imagination, can it be said we are not giving it to them.

It has a replacement value of $9.8 billion. It is ours now and this treaty causes it to end up in the hands of the Panamanians.

Mr. President, sometimes when we ask a question and get such a long answer it makes us wish we had not asked the question. That is the reason I wanted to call to the attention of the whole country that they know what replacement value is and they know that the Republic of Panama will receive a list of assets that would cost them $9.8 billion to reproduce.

It is ours now. It is going to be theirs then.

I respect the individual who says we ought to do that anyway, who says we ought to take into account some other factors.

The fact remains, if one party has a property and somebody else ends up with it without a purchase, it is a gift in anybody's definition.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor now and I want to thank the distinguished Senator from Alabama for his courtesy in allowing me to proceed with my statement. I hope that he

will now be able to proceed with his arguments in supporting this amendment.

Mr. ALLEN. I thank the distinguished majority leader.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, although there is no division of time between now and the time for the vote on this amendment, I assure Senators that I shall divide the time and will yield the floor at 2 minutes to 5 in order that Mr. CHURCH, the manager of the bill, may speak against the pending amendment offered by the Senator from Alabama and some 10 other Senators.

But before going into the matter of the pending amendment, I should like to digress for a moment as to two matters that have come before the Senate in recent minutes.

My attention was first attracted to the argument of the distinguished majority leader when he was reading that this second $10 million payable to Panama from toll receipts was to be paid if, and only if, the revenue from the tolls produced a sufficient amount of money.

I thought he was reading, supposedly, from the treaty, but it was the Foreign Relations Committee report. I knew the treaty did not have that language in it.

Much has been said about this $10 million, this $10 million to be paid per year from surplus, from toll collections.

Well, we would think, talking about this $10 million, and the $10 million certain, that is all Panama is getting out of it. That is far from correct because, actually, according to Minister of Economics Barletta of Panama, Panama is to get some $2,262 million in the next 22 years out of the operation of the canal, which is approximately $100 million a year.

But the distinguished Senator from Maine (Mr. MUSKIE), the distinguished majority leader (Mr. ROBERT C. BYRD), spoke of this language being absolutely clear, never anything clearer according to the Senator from Maine, and what if there is another interpretation, stick with this language.

Well, we have the parties before us in this treaty. We have Panama and the United States. If Panama has the construction on this $10 million a year, after all, that is $220 million over the 22-year life of the treaty, if Panama has a different construction, why would it not be very simple just to have language here, to use the language the distinguished majority leader used, if, and only if, it can be paid out of toll collections.

The leadership ought to agree to an amendment of that sort when we get to consideration of the Panama Canal treaties.

Earlier today, the distinguished Senator from Idaho (Mr. CHURCH) read from a State Department letter, or statement of some sort, that as to discrepancies and variances of meaning in the English language text of the treaty and the Spanish language text of the treaty, there was only one discrepancy.

He said that one treaty called for a secretary general in one place, and in the other treaty it called for general secretary, and that is all the discrepancy, all the variation, there was.

Mr. President, I have in my hand here a weighty document and I would like to read more from it, and I will before the debate is over. But I do not want a day to pass. I might state that just as soon as the distinguished Senator from Idaho got through making that statement he moved to table the amendment, so there was no opportunity at that time to answer him.

I do have this weighty treatise and analysis of the treaties. I hate to put it into the RECORD, because it would cost a great deal to the taxpayers, but it is available for examination by Senators.

There are 168—count them—discrepancies between the wording of the two treaties—in one treaty, the Panama Canal Treaty. In the Neutrality Treaty there are 16. Most of them are minor. Some of them are important. But every one is as important as the one the State Department said they noted. That was just the difference between "general secretary" and "secretary general." Every one of these is as important as that.

I do have it, and it is available, and I will allow any Senator to look at it. It has been on Mr. CHURCH's desk for at least an hour and a half for perusal before I made these comments.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ALLEN. No, I cannot. I do not yield. The Senator can use such of the remaining time as he wishes. I would appreciate it if he would not bother me on the time I have yielded to myself.

Mr. President, the amendment before us is based upon the contention of the Senator from Idaho (Mr. CHURCH) that under the existing treaty—and I might say that, according to the distinguished Senator from Idaho (Mr. CHURCH), and I agree with him, this comes not from the 1903 treaty but from the Hay-Pauncefote Treaty, the treaty between the United States and the United Kingdom—the canal was to be operated on a strict neutrality basis.

I have direct proof to the effect that that is not correct, that it did allow the United States to prevent the transit of the canal by enemy war vessels. However, the contention of the distinguished Senator from Idaho (Mr. CHURCH) has been that the canal presently is operated on a strict neutrality basis and that the way the United States gets around that neutrality basis is not to deny them transit of the canal but to meet enemy ships out at sea and prevent them from getting to the canal.

On the matter of whether the Hay-Pauncefote Treaty, which was agreed to between the United States and the United Kingdom before the Panama Canal was built—it was a prospective situation—as to whether the United States had the right to deny access to the canal by enemy warships, the matter came up in the Permanent Board of International Justice at The Hague on August 17, 1923, in the case of *SS Wembleton*, which defined neutrality of the Panama Canal as meaning ships of all nations could transit the canal, without discrimination, in time of peace, making specific reference to the Hay-Pauncefote Treaty of November 18, 1901, between Great Britain and the United States, in the following terms. I read from the decision of the Permanent Court of International Justice at The Hague.

While there are various stipulations relating to the neutralization of the canal, there is no clause guaranteeing the free passage of the canal in time of war as in time of peace without distinction of flag and without reference to the possible belligerency of the United States, nor is there any clause forbidding the United States to erect fortifications commanding the canal.

Also, Theodore Roosevelt took this position:

I insist that the canal will be absolutely in our control in a military sense.

England acquiesced in that interpretation of neutrality in 1901, before the canal was built, and again in 1912, when it was near completion.

The government at that time said:

Now that the United States has become the practical sovereign of the canal, His Majesty's government do not question this title to exercise belligerent rights for its protection.

So, under the present situation, we have the right to forbid transit of the canal by enemy warships.

Also, President Wilson took full advantage of that interpretation of neutrality in World War I, not only banning all enemy ships but also even proclaiming on November 16, 1917, that no enemy alien should enter or be found within the Panama Canal Zone.

So much for the contention that, under the present treaty, we cannot prevent enemy warships from going through the canal. But whether we can or not, the distinguished Senator from Idaho said we do not handle that matter in that way. We do not deny them access to the canal, even in the face of the opinion of the International Court at the Hague and the action of Teddy Roosevelt and President Wilson. The way to handle it, our policy, is to meet them out at sea and prevent them from getting to the canal.

Let us see what the treaties before us say on the matter of the use by enemy warships of the Panama Canal. I must say that I have never seen any more generous language to an enemy nation. This is what it says:

Vessels of war and auxiliary vessels of all shall at all times—

I assume "all times" means whether at war or at peace.

vessels of all nations—

Enemy nations, allies, nations with whom we are at peace.

shall at all times be entitled to transit the canal, irrespective of their internal operation, means of propulsion, origin, destination, or armament, without being subjected, as a condition of transit, to inspection, search, or surveillance.

No surveillance, no check, no inspection—just come on through.

However, after that generous language, what do the proponents of the treaties say, what means do they use, to get

around this general language? We meet them out at sea. That is a pretty cynical attitude, it seems to me. We are writing a Neutrality Treaty, and by the language of it, I think it should be amended. But try to get an amendment agreed to.

I think that should be amended, allowing enemy vessels this right of transit of the canal. But we are assured this does not make any difference, sure, if they get there. If they run an American blockade, we have to let them through, but we are going to meet them out at sea. All right.

Assume, then, that that is our national policy when we have a neutral canal. On the one hand, we say, "Come on in, enemy nation. Go through the canal. We won't even check your ships. We won't make any check at all, just let you transit the canal." What if they had explosives on there to blow up the canal after they got in?

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ALLEN. I will have to be consistent, even though the Senator supports my position, because I did not yield to the Senator from Maryland. I will, however, state that I will leave 5 minutes to the Senator from Nebraska, if he would like to use that time, before I yield the floor.

What does this amendment do? It is a substitute for article I. It knocks out article I, and there is a reason for this, and then puts it back in, so that we have a substitute before us rather than a mere amendment. This is in article I now:

> The Republic of Panama declares that the canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama.

Now comes the new part:

> Provided that it shall not be a violation of such neutrality—

That is, the neutrality provided in article I, where we are setting up a neutral waterway.

> Not be a violation of such neutrality for the United States, in time of war, to intercept any enemy warship sailing for the Panama Canal to prevent it from reaching the Panama Canal where it would enjoy the neutrality and unimpeded transit of the canal provided by this treaty.

Well, Mr. President, it seems to me that, under our policy, as described by the distinguished Senator from Idaho (Mr. CHURCH), meeting them outside of the canal waters, meeting the enemy warships as they sail to the canal and preventing them from reaching the secure haven of neutrality, the Canal Zone—if that is our public policy, that we offer, on the one hand, a neutral canal and then cynically refuse them access to the canal by intercepting them at sea—it seems to me we need to find out whether that is a violation of the Neutrality Treaty that we are called upon to act upon.

Is that a violation? Well, I am willing to accept the present course of action, the present policy. That is what my amendment would say.

It says that it will not be a violation of this Neutrality Treaty if we do go outside the canal and intercept vessels as they seek to reach the canal. That is all it says, that we can do that consistent with the neutrality provided by the treaty. Mr. CHURCH says that is what we did in World War I and World War II, when we had a so-called neutral canal. If that be true, let us find out and let us put in this treaty that that is all right; that that does not violate the neutrality of the Panama Canal Treaty. Then, if the amendment is adopted, all we do is accept what action we are talking now and we shall be backing up our military defense of the canal.

Oh, neutrality over here when you get to the canal, but you are going to have to run through a hail of fire to get to the canal: That is a kind of two-faced neutrality, it seems to me. Let us be frank about it and say we are going to allow enemy warships to go through the canal.

What is wrong with that? What is wrong with that? Why do we put two faces on this thing and say, on the one hand, "Yes; the canal is neutral, come on in;" and, on the other hand, say, "You are going to find it mighty hard to get to the canal."

What kind of neutrality is that? That is the great Government of the United States.

What I am trying to do, what Senator CURTIS and what 10 other Senators are trying to do, since our Nation, right or wrong, since that is what they are doing, is let us say here in construing this treaty that that action will not be an infringement of the neutrality provision of the treaty.

All right. Suppose, as I am rather sure will happen, the distinguished majority leader or the distinguished floor manager make a motion to table and Senators come in and say, "Well, what's the leadership position? Well, table." That will be sufficient for Senators as they come in. So the amendment will be tabled.

All right. Let us see what the effect is of tabling the amendment. If it is not a violation of the neutrality provision of the treaty to meet ships out at sea and intercept their course to the canal, if that is not a violation of neutrality, let us put it in here. That is what the amendment does. If we table it, that would be equivalent to saying that it is a violation of neutrality to meet ships headed for the canal out at sea and seek to destroy them.

So a vote for the amendment would say that what we are doing now, what the distinguished Senator from Idaho (Mr. CHURCH) says we are doing now, what we did in World War I, what we did in World War II—if the amendment is adopted, that would say that is not a violation of the neutrality provisions of the treaty. If the amendment is tabled, that would be saying, since they refuse to say it is not a violation, that would be tantamount to saying that it is a violation.

So, what are we going to do? Do we want to say it is not a violation of neutrality or it is a violation of neutrality?

Mr. CHAFEE. I wonder if the Senator will yield for a question?

Mr. ALLEN. No, sir, I shall not. I have only about 5 minutes, I am sorry. There will be about 32 minutes available to proponents of the treaties—that is, opponents of the amendment.

So, Mr. President, it seems to me we have at stake here the defense policy of the United States as regards the Panama Canal and whether, without violating the treaty, we can hold out the offer of safe passage through the canal on the one hand and on the other, a policy of meeting enemy vessels out at sea and seeking to destroy them to prevent them from getting to the canal. We can hold that that is not a violation of neutrality or we can say that it is a violation of neutrality.

As I see the issue—and some Senators may wish to put a different capsule explanation on it—a vote for the amendment is an approval of our defense policies as regards the canal. But we will not get an opportunity to vote up or down, in my judgment. We have been asking for such courtesy, but we have not seen it. The vote, I assume, is going to be on a motion to table. So if we table the motion which says this is not a violation, that, in effect, is saying that it is a violation. I believe that a vote against tabling would be an approval of what is said by the proponents of the treaty that we have been doing all along. All this does is approve the defense policy of the United States. But if you want to table it, that will be saying, in effect, that what we have been doing in the past is wrong, what we had anticipated doing in the future is wrong, and that the neutrality provision has to mean something.

We are not going to deny them access to the canal. But somewhere along the line, I feel sure, whether this amendment is successful or not—and I anticipate it will not be successful—we have to provide in this treaty that enemy warships, enemy submarines cannot have the peaceful transit of the canal that is guaranteed in this treaty.

Do we want a provision of this sort? This provision is going to be all the more onerous, all the more a hindrance to us if this amendment is not agreed to.

Let us read again what it says:

> (e) Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected, as a condition of transit, to inspection, search or surveillance. However, such vessels may be required.

That is mighty strong language, admitting enemy vessels into the canal. If we have ruled, by action on this amendment, that it violates the neutrality provisions of article I to intercept them out at sea and prevent their access to the canal, then we are going to have the worst of both worlds.

We will not be able, as I see it, to intercept ships without violating neutrality and if we cannot intercept them, then we are subject to this provision of the treaty that lets them come in without inspection or surveillance of any sort.

So, Mr. President, I am hopeful that the Senate will accept this amendment. I believe it will strengthen the treaties. It is not a dilatory amendment or a devious amendment. It merely spells out whether or not our action in intercepting ships, enemy ships, before they get to the canal, is a violation of this neutrality treaty which promises free and unimpeded transit by enemy warships and submarines through the canal.

Now, at this time I am going to yield to the distinguished Senator from Nebraska, inasmuch as he asked that I yield to him.

Mr. CURTIS. I thank my distinguished friend. This section of the Neutrality Treaty is quite strong. It says, "vessels of war and auxiliary vessels of all nations" shall be entitled to free passage there without any hindrance.

I would like to ask my distinguished friend from Alabama this question: In the absence of your amendment or one substantially the same, could it not well be argued that the right to use the canal by a vessel of a nation at war includes the right to access to the canal?

Mr. ALLEN. Certainly, that could be contended. I certainly agree with the distinguished Senator.

Mr. CURTIS. So to carry out what the distinguished manager of the bill, Senator CHURCH, says, that our remedy is to intercept these vessels before they reach the canal, then this amendment is necessary.

Now, it seems to me that this should not be offensive to Panama. We are not talking about a war between the United States and Panama. We are talking about world commerce. This will be a protection to Panama.

Mr. ALLEN. It certainly would.

Mr. CURTIS. And it would be my hope that it could be unanimously adopted. There just is not any valid argument against it.

I thank the Senator for yielding.

Mr. ALLEN. I thank the Senator from Nebraska.

I still have some 6 minutes of my allotted time. I will yield to the Senator from Rhode Island.

I promised first to yield to the Senator from Maryland.

Mr. SARBANES. I will withhold.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. This amendment has me a little bit confused. I would like a little clarification, if I might, on it.

Mr. ALLEN. Yes, sir.

Mr. CHAFEE. As we all realize, under the current, existing law, and under the law if the treaties be approved, the United States has a perfect right to intercept any warships as they proceed to the canal up to the 3-mile limit. Is that not agreed upon?

Mr. ALLEN. Well, under my amendment it would not be a violation of the neutrality of the canal.

Mr. CHAFEE. Yes, but there is no suggestion that the neutrality of the canal extends out beyond what is set forth in these treaties with the accompanying maps as the 3-mile limit; is that correct?

Mr. ALLEN. The Senator from Nebraska pointed out that if we have got a neutrality provision, if we have a treaty guaranteeing neutrality, would it not be a mockery to say that we could stop ships from getting to this haven of neutrality, and that the right to transit the canal peaceably and without inspection would involve the right of a ship to reach that haven?

Mr. CHAFEE. Well——

Mr. ALLEN. According to the distinguished Senator from Nebraska it would.

Mr. CHAFEE. The canal has been neutral since it was opened in 1914. Is the Senator from Alabama suggesting that in the middle of World War II, if a warship had set out from Germany and announced its destination to be the Panama Canal, that it would have been a violation of the neutrality of the canal for a United States warship to intercept it?

Mr. ALLEN. No, I am saying this: In World War I, President Wilson issued an order forbidding the use of the canal to any foreigners; and I think that is what we ought to do in this treaty. We do not believe we ought to have another provision here, on the one hand, saying they have free and independent access to the canal without even requiring inspection—that then at the same time it is certainly a mockery to intercept them right outside the canal. That does not seem to me to comport thoroughly with the guarantee of neutrality and access by any vessel to the canal, as provided by the treaty.

Mr. CHAFEE. I do not think in the wildest interpretation of this treaty—and I must say we have had some wild interpretations on the floor of the Senate—anybody would suggest that a vessel would merely have to state that its destination is the canal, and therefore it can proceed unmolested through enemy waters to reach the canal. Is that the distinguished Senator's suggestion?

Mr. ALLEN. No, quite the contrary. If the Senator would bother to read my amendment, he would see I have nailed it down as not being a violation of the neutrality if we do intercept vessels outside of the canal.

For the benefit of the distinguished Senator, it is not a printed amendment. I brought the amendment up at the suggestion of the leadership. He possibly does not have a copy of the amendment. Does the Senator have a copy of the amendment?

Mr. CHAFEE. Yes, I do.

Mr. ALLEN. Perhaps he has not read it very thoroughly. It provides:

> That it shall not be a violation of such neutrality for the United States in times of war to intercept any enemy warship sailing for the Panama Canal to prevent it from reaching the Panama Canal where it would enjoy the neutrality and unimpeded transit of the Canal provided by this Treaty.

Now, if the Senator does not feel that this is something he supports, I would suggest he vote the other way, which, according to his argument, is not the way that he really feels. I would hope that the Senator could be consistent, and vote for the amendment and against any motion to table.

Mr. CHAFEE. Mr. President——

Mr. ALLEN. My time has now expired. I had promised to yield to the Senator from Maryland at 3 minutes to 5.

Mr. SARBANES. I yield to the Senator from Rhode Island.

Mr. CHAFEE. Just one matter which we might clarify. It seems to me that what we are doing is trying to add to this treaty, to which we are trying not to add amendments that are unnecessary, an amendment which is really unnecessary, because it seems clear that U.S. vessels could intercept a ship outside the limits of the canal. In this case, the treaty provides for a 3-mile zone; so this amendment seems unnecessary.

Mr. ALLEN. I thank the Senator. I do not believe he has found any amendment up to now necessary.

Mr. CHAFEE. Well, there may be one come along, but this is not it.

Mr. SARBANES. Mr. President, I would like to pursue for a moment the point that the Senator from Rhode Island made, and take it one step farther.

Not only is this amendment unnecessary, this amendment is harmful, in my judgment, to American interests.

To suggest for one moment that American rights to take whatever military action we deem necessary on the high seas must be defined in any way by provisions in a bilateral agreement, in a treaty with another nation, is a terrible precedent to seek to establish with respect to what the law is and with respect to American freedom of action.

It is now clear that we can take what action we choose to take on the high seas. The Senator from Alabama says he is upset because while we assert the neutrality of the canal we also assert the right to control access to and from the canal on the high seas and that this is hypocritical.

The same approach is the case in respect to neutral nations, I would point out to the Senator from Alabama. They maintain their neutrality, but we maintain our right to use our naval force as we deem necessary with respect to the high seas, and we do it without asking for the setting out of that right in agreements with other countries.

To suggest for a moment that, in order to preserve and maintain that right, we have to put it into an agreement with another nation is to suggest an approach which is detrimental to our national interest. It is a dangerous precedent, to indicate in any way that the terms of a bilateral treaty apply or affect the American right to take action on the high seas.

The framework provided for by these treaties is that the canal itself will be neutral. That is the existing arrangement; it is what was provided for in the 1901 Hay-Pauncefote treaty. It was carried forward in the 1903 treaty. It is what these treaties call for, that the canal itself will be neutral. That is the

best guarantee we have that the canal will remain open for continuous use.

If the canal is neutral and a party at war attacks the canal, they have, in effect, attacked a neutral nation. They will have attacked the Republic of Panama, which is neutral, and they will have attacked the neutrality of the canal, which is recognized by the entire world as important to their commerce. That aggressor country will have attacked the neutrality of the canal and violated that neutrality.

If we control the canal and make it a part of the conflict, then an enemy country can attack the canal and, instead of attacking a neutral facility, be attacking a facility which the United States is seeking to use for its purposes in that conflict. This is just the canal itself.

With the modern techniques of warfare, even now, let alone in the year 2000, an enemy will be able to attack the canal from great distances and wreak great damage upon it.

It is to our advantage that the canal itself be neutral. That means that everybody uses the canal and that in a conflict involving us and some other nation the canal as a neutral international waterway may not be attacked.

If it is not attacked and remains open, what nation is in the best position of all the nations in the world to control the access to and from the canal? The United States. We will be in the position, with the use of our Navy, to control the access to and from the canal. That means we will be able to prevent others from getting to the canal to use it. As long as it is maintained neutral, so someone else does not attack it, and it is kept neutral, so it is not knocked out by some other aggressive power—because it is neutral, it is Panama running it, Panama maintaining its neutrality—we can move our ships through there. Yet we have the power to deny such movement to other countries which might wish to make use of the canal.

So the neutrality arrangement for the canal is the best arrangement for American interests in terms, one, of keeping the canal open; two, of maximizing our own use of the canal; and, three, denying that use to other countries, since we will control, through our naval power, access to and egress from the canal.

To come along with this amendment, which first of all casts some doubt on our right to use our power as we see necessary on the high seas, an issue which has not been raised before and which I suggest carries with it a precedent which is extremely harmful to American interests, is to lose us one of the advantages we are going to gain by these treaties.

For that reason, while I admire the dexterity coupled with the skill of the Senator from Alabama in presenting this amendment, I would suggest to my colleagues that the consequence of this amendment would be very harmful to American interests. We have the power to patrol the high seas. We have the legal right to do so. We ought not in any way cast any doubt on that legal right. That is what this amendment does.

Mr. JAVITS. Will the Senator yield?

Mr. SARBANES. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I adopt the arguments made by my colleagues from Rhode Island and Maryland. I think those arguments very definitely call for the defeat of this amendment. I would like to add yet another dimension to this discussion, which is engendered in my thinking by the previous amendment which was tabled earlier in the day and by this amendment.

Let us remember that these are amendments to the treaty. Obviously, in my judgment—and I am speaking only unilaterally—because they are completely unnecessary and, indeed, would harm rather than help the U.S. national security interests, the question is, Why are they proposed? They belabor the obvious. Why are they proposed?

It seems to me that answer is very clear.

They are proposed first, in my judgment—only in my judgment, and I am not trying to delve into the minds of the proponents—one, to open the door to other amendments by trying to get an amendment which is so obvious that, as it was said here a minute ago, why should not everybody vote for this one? So they break the idea that unnecessary amendments should not be included but they include unnecessary amendments. So they can be legion. I can dream up 50. My colleague from Alabama can probably dream up 150. He is very good. I thoroughly agree with Senator SARBANES that he shows great dexterity.

Second, and very importantly, what this will do is it will make the people of Panama say that we can intercept warships on their way to the canal.

If we include this amendment it will go to another plebiscite in Panama. There is no question about that. I would say that as a lawyer, that it has to go to another plebiscite. So we are asking the people of Panama to specify what we mean when, under the Torrijos-Carter agreement, it is understood we have absolutely unilateral right to do anything to keep that canal neutral—including the territory of the Republic of Panama itself.

That is a big right. Why break it up? Why compartmentalize it?

As I say, I can think of 50 ways, and I am sure others can thing of 250 ways, in which we can break down this unilateral, absolutely complete right to keep this canal neutral.

Of course, if we are at war, it is obvious that the way to keep it neutral is to prevent an enemy warship from going through it, and to get it before it gets to the canal.

So, Mr. President, I think Members of the Senate who feel that they at least want to look with objectivity upon this matter should not be taken in by what is a very obvious, a very appealing obviousness, amendment like this, and the one which preceded it, of which we might have many, but we should also add the dimension of what it means to add this amendment at this stage. It means that we are going to ask the people of Panama to pass on details of our absolutely unilateral right, which is the fundamental right that this treaty calls for and which we have asserted, and which we are going to include as an amendment under the Carter-Torrijos agreement.

For those reasons, Mr. President, I hope this amendment will be defeated and that Members will consider other amendments in exactly the same light. I yield the floor.

(Mr. PELL assumed the chair.)

Mr. CHURCH. Mr. President, before addressing the latest amendment offered by the able Senator from Alabama I would like to turn for a moment to another subject.

Mr. President, in the current debate concerning the Panama Canal treaties, every Member of the Senate has been deluged with mail. Those who oppose the treaties usually ignore the history of our relations with Panama, how the original treaty in 1903 came about, and the depth of Panamanian nationalism.

That is why a recent series of articles in the Idaho Statesman is most welcome. Written by a Boise attorney, Donald W. Lojek—who served with the Army in the Canal Zone and who has an advanced degree in Latin American studies—his articles offer a highly objective analysis of our relations with Panama and the treaties now before us. As such, they add positively to the debate in which we are engaged, and I believe they should be far more widely disseminated.

For that reason, Mr. President, I ask unanimous consent that Mr. Lojek's series, which appeared in the Idaho Statesman on February 13, 14, 15, 16, and 17, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

UNITED STATES LOOKED AT PANAMA AND THOUGHT "CANAL"

(By Donald W. Lojek)

EDITOR'S NOTE.—This is the first of a five-part series on the history of U.S. involvement in the building and operation of the Panama Canal, including consideration of the canal treaties now before the U.S. Senate. The author is a Boise attorney who served with the U.S. Army for three years in the Canal Zone and has an advanced degree in Latin American studies.)

"I am confident that you will find that these treaties are well-designed to achieve our national objectives. They provide a sound basis for the continued operation and defense of the canal. Accordingly, I recommend that you transmit them to the Senate for its advice and consent to ratification."

The above words are those of Secretary of State Cyrus Vance and were contained in his letter of transmittal to President Carter accompanying the two treaties concerning the Panama Canal. The debate that has followed indicates many Americans disagree with Vance. Opposition to the treaties has organized, and a national debate has ensued. Whether the Senate will ratify the treaties still is open to question.

The treaties are troublesome, but the status quo is increasingly uncomfortable. The eyes of the world will be on the U.S. Senate as it debates the issues and votes for or against ratification.

A quick look at a map of Central America makes the strategic importance of the Panamanian isthmus obvious. There, two oceans almost touch. Why not build a canal?

Charles V of Spain must have asked himself that question as early as 1523, as he authorized a study of a canal route across the isthmus. The idea was revived from time to time, but never carried out in the 300 years that Spain ruled its colonies in the New World.

The Republic of New Grenada (now Colombia) was formed in 1831 after a war of independence. Panama was one of its provinces, and a rich province at that, with a great natural resource—a narrow neck of land between the seas. Acutely aware of the possibility of constructing a canal, New Grenada patiently put down several insurrections in Panama in order to protect its interests there. The isthmus already had been a major trade route for Spanish gold, pirate booty and lesser commodities for centuries. No one could doubt its importance would grow.

In 1847, the Panama Railroad Co. was formed by two New York financiers in order to construct a railroad across the isthmus. As luck would have it, gold was soon discovered in California, and thousands of hopeful miners from Maine to Florida were paying $25 for a quick trip between the oceans. The railroad was an astounding success.

Mindful of the strategic importance of the area, the U.S. Senate, in 1848 ratified a treaty with New Grenada providing for a U.S. guarantee of the "perfect neutrality" of the isthmus in return for a right of way to the United States and its citizens. Significantly, the treaty guaranteed to New Grenada its "rights of sovereignty and property" in its province of Panama. Then, as now, "sovereignty" and free access were key issues.

The idea of a canal across Panama was discussed frequently in the United States, but nothing was done. In Paris, the French Panama Canal Co. was formed and acquired rights to a canal route from New Grenada in 1878. The company bought a controlling interest in the Panama Railroad Co. and began surveys and construction in the 1880s.

Ferdinand DeLesseps was in charge. He was then a hero of France, having masterminded the construction of the Suez Canal some years earlier. Suez was a monumental task in that day and age, but DeLesseps apparently wanted another monument. Though he had never been to Panama, he was supremely confident in the ability of French capital and technology. He sold shares in the isthmus venture and tackled the job at once, attempting a sea-level canal. Years dragged by. More money was needed. Suez was a snap by comparison. Young Frenchmen died in droves, succumbing to yellow fever, malaria and an assortment of tropical plagues unknown in Paris. DeLesseps had attempted too much. The French abandoned the attempt, leaving behind a series of political scandals, bribery trials and rusting machinery, which soon was swallowed up by the Panamanian jungle. A colossal failure.

Assets were purchased by a new French company represented by Phillipe Bunau-Varilla, a French engineer who had worked on the project in the 1880s. Bunau-Varilla spent most of his working hours for the next 10 years trying to find a buyer for the assets, which included the work accomplished and the concession from the Colombian government. Bunau-Varilla, more than any single person, was the "Father of Panama," literally responsible for its creation.

Another "Father of Panama" was William Nelson Cromwell, a New York attorney whose firm later attracted such notables as John Foster Dulles. Cromwell was retained by the French Panama Canal Co. to lobby Congress for approval of a canal. The French badly wanted to sell their rights on the isthmus and salvage something. A U.S. commission had studied the matter and recommended that a canal be built in Nicaragua. The debate over the two routes had waged for years. Cromwell's job was to influence public and congressional opinion in favor of a U.S.-built canal. He was successful, and ultimately billed his client more than $1 million. His services were obscured, by design, but his connections in the Senate and White House were well-known.

The Spanish-American War brought home two lessons: The United States was truly a world power, and this world power had better find some way to shuttle its navy between the Atlantic and Pacific. The route, around the tip of South America took too long.

The U.S. Senate responded to the need by passing an amendment to a House bill that favored the Nicaraguan route. The Spooner Amendment, as it was called, authorized the purchase of the French company's rights for $40 million if the United States could secure the concurrence of the Colombians, who still owned the Isthmus. Not surprisingly, the amendment was drafted by Cromwell, Bunau-Varilla, always on the alert, distributed Nicaraguan postage stamps to each U.S. senator depicting volcanos in full eruption. Panama, he implied, did not have such problems.

Because the senators wished to avoid the volcanos if possible, the Spooner amendment was approved giving the French their golden opportunity.

Cromwell then took an active role in negotiating and drafting the Hay-Herran Treaty of 1903, providing a cash payment to Colombia of $10 million and an annual lease payment of $250,000 for a five-mile wide strip of land across Panama. The treaty was signed in January by the U.S. secretary of State, ratified by the Senate in March and rejected by the Colombian Senate in June.

Among other issues, the Colombians were troubled by problems pertaining to their continued sovereignty over the site of the canal. Theodore Roosevelt howled. Cromwell was more realistic. He predicted on June 13 that a revolution would occur in Panama on Nov. 3. That date was chosen because U.S. newspapers the next day would be filled with election returns and it was thought no one would pay much attention to minor revolutions in the tropics. Revolution, it seemed, was the last hope for Cromwell's client, Bunau-Varilla's company, to sell Roosevelt what he wanted.

PANAMANIAN INDEPENDENCE: MADE IN THE U.S.A.

(By Donald W. Lojek)

In June 1903 the Colombian government rejected a proposed treaty that would have allowed the United States to construct a canal across Panama. Teddy Roosevelt, as energetic as always, wanted a canal. He encouraged a political separation of Panama from Colombia, believing he then could negotiate a treaty with the independent Panamanian government. He was right.

Bunau-Varilla, Crowell and a handful of Panamanians began to lay plans for the revolution. There is little doubt that the U.S. State Department, and Roosevelt himself, were heavily involved. A Panamanian doctor, Manuel Amador, and several U.S. citizens who worked for the Panama Railroad met secretly at Cromwell's direction. Amador then sailed to New York to meet with Cromwell late that summer and returned to Panama in October, assured of U.S. intervention when the "revolution" was declared. Bunau-Varilla's wife happily assumed the role of a latter-day Betsy Ross and made a flag for Amador, which he dutifully carried back to Panama on Oct. 27.

Before Amador could meet with his co-conspirators in Panama City, the USS Dixie, the USS Nashville and several other U.S. warships were ordered to steam south, carrying U.S. marines and sealed orders. Bunau-Varilla met with an assistant secretary of State and cabled Amador that help was on the way. The revolutionaries were comforted by the knowledge. Incredibly, only about 50 Panamanians had an idea that independence was so close at hand.

On Nov. 2, Roosevelt gave orders to the commanders of the Dixie and the Nashville to prevent "the landing of any armed forces." U.S. warships in the Pacific were authorized to land and construct artillery emplacements if necessary. Needless to say, the Colombians were not consulted about any of this.

"Independence Day" came off without a hitch. A Colombian gunboat lobbed in five or six artillery shells out of pique. No other shots were fired. A few Colombian soldiers were bribed to behave nicely and go home. They did, and the new flag of Panama was hoisted by Major William Murray Black, U.S.A., on Nov. 7, 1903 to start the formal celebration of Panamanian independence. On the same day, Secretary of State Hay authorized the U.S. vice consul in Panama to enter into relations with the new government. Money changed hands all around and Colombia forever lost its province of Panama.

The Panamanians then made a very unwise decision. They appointed Bunau-Varilla (still a French citizen) to begin to negotiate a treaty with the United States and to scout up money for their new treasury. His title was to be that of "confidential agent." In order to get his company's $40 million, Bunau-Varilla had to get Hay's signature on a treaty. To do that, seemed prudent to give Hay everything he wanted. Consequently, he ignored the Panamanians' instructions. After all, the Panamanians were only paws in the entire scheme of things.

Amador and a group of Panamanians again sailed fo rthe United States with some haste. Understandably, they wanted some say in the new treaty's provisions, but they had not counted on Bunau-Varilla's quick writing ability inspired by self-interest. Cromwell had sailed for France, not wanting to be too obviously involved.

The Panamanian delegation advised Bunau-Varilla that they would arrive in Washington by rail at 9:15 p.m. Nov. 18. Working night and day, Bunau-Varilla and Secretary Hay exchanged drafts of a new treaty. They finally were satisfied and signed the treaty at Hay's home at 6:40 the night before the Panamanians arrived. The signing took place with not a moment to spare with so many million at stake. Panamanian sovereignty, barely two weeks old, was traded off that night in Washington. The seeds of discontent were planted.

The Panamanian delegation arrived by train in Washington a few hours later, thinking they were to negotiate and sign a treaty. According to Bunau-Varilla's memoirs, Amador was so angry at learning of the newly signed treaty that he "nearly swooned on the platform of the station." Roosevelt was left to boast, "I took the canal." That he did.

The particular paragraph that caused so much trouble all these years is found in Article III of the Hay-Bunau-Varilla Treaty of 1903:

"The Republic of Panama grants to the United States all the rights, power and authority . . . which the United States would possess and exercise if it were the sovereign . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

The Colombian Senate earlier had rejected the language of the Hay-Herran Treaty:

"The rights and privileges granted to the United States by the terms of this conven-

tion shall not affect the sovereignty of the Republic of Colombia over the territory . . . The United States freely acknowledges and recognizes this sovereignty and disavows any intention to impair it in any way whatever . . ."

Roosevelt, Cromwell and Bunau-Varilla were elated, but historian Samuel Flagg Memis later commented that the whole affair "is one really black mark in the Latin American policy of the United States, and a great big black mark, too." In 1914—the year the canal opened—the Thompson-Urrutia Treaty was signed by the United States and Colombia. The U.S. Senate apologized and the Colombians were paid $25 million in conscience money. The treaty was ratified by the U.S. Senate three years after Roosevelt's death.

The Hay-Bunau-Varilla Treaty was modified substantially in 1936 and 1955. Each time, the annuity to Panama was increased and other adjustments were made. On the central issue of sovereignty, however, the two nations remained adamant. The Panamanians, now believing they had "won" their independence, insisted they had retained "titular sovereignty" over the Canal Zone. The United States, for its part, continued to maintain that its sovereignty was quite real. As one senator from California recently declared concerning the Canal Zone: "We stole it, fair and square." Perhaps that comment is as fair as any.

In 1978, the Panamanians asserted their nationalistic feelings, no longer content to suffer (from their point of view) foreign ownership of a 10-mile strip of land through the heart of their country. They perhaps have conveniently forgotten that their country indelibly is inscribed, "Made in U.S.A."

On the other hand, the United States finds itself in an awkward position, even absent the pending treaties, in insisting on the terms of the Hay-Bunau-Varilla Treaty of 1903. The history of the birth of the Republic of Panama is an embarrassment and, to many, the hard-line continuance of U.S. rights that were snatched from an infant government in the first days of its life is unseemly.

Principal actors in the emergence of Panamanian independence have passed from the scene. The morality (or lack thereof) evidenced by "gunboat diplomacy" probably was acceptable during that era. We need not beat our breasts about it. But in 1903, women were not allowed to vote, adult male Negroes routinely were called "boy" and the emergence of dozens of new nations from colonial empires was unthinkable.

The international morality of 1903 is long gone. Laws, mores and nations also have changed, like the very chic ladies in the cigarette ads who have come a long way. Yet, the central question remains: Is it in the national interest of the United States to allow Panamanian control of one of the world's most important waterways?

Panama Canal: All But Impossible To Defend

(By Donald W. Lojek)

The Canal Zone is unbelievably humid and hot. When the sun sets there are a few moments of twilight and silence. Then, as if on cue, a night chorus of sound begins in the jungle. Insects and a few mysterious animals begin a clattering, humming din that continues through the night.

There are two seasons: the "dry" season, when it rains only on occasion, and the "wet" season when it really rains and rains. The jungle is thick and lush from soaking up the rain again and again.

The storms come quickly, with infrequent thunder. Sheets of water stream down for hours, blotting out the landscape. Annual rainfall measures as much as 138 inches—that is 11 feet of water in a year. Without shelter, nothing stays dry for long. Once wet, things seldom dry. U.S. visitors often find the climate uncomfortable.

But the abundance of water is what makes the canal work. A sea-level canal was abandoned by the United States engineers when it became apparent that the excavation required to resist mud slides was too enormous a task. The work crews would often return to their jobs early in the morning to find that weeks of hard digging had been buried overnight with mud set in motion by heavy rains.

The French were plagued with this problem and could not solve it. They also found that the heavy rains turned the rivers—particularly the Chagres—into uncontrollable monsters which carried men and machines in their flood. There was nothing in either the French or American experience to compare with the construction of the canal, or to prepare the engineers for the adverse climate, for the health problems and for the sheer scale of the project. (In 1908 alone, for example, 37 million cubic yards of dirt were removed.) The mud slides, then, were a constant psychological as well as physical setback.

Col. George W. Goethals was chief engineer during the latter years of the project. Roosevelt gave the job of completing the canal construction to the United States Army Corps of Engineers so that he would have men who "wouldn't quit." Goethals stayed, brought order out of chaos, and the canal was opened in 1914, just under its budget of $375,000,000, after active construction of 10 years' duration.

The decision was made early to abandon the sea-level concept. The plan was changed to create an artificial lake in the center of the isthmus, 85 feet above sea level, where ships could navigate along a dredged channel. Ships were to be floated up from sea level to the lake and then to descend back to sea level on the other side by means of a series of locks. That plan was a success—but the system is undeniably and unavoidably vulnerable to attack or sabotage as a consequence.

As constructed and presently operated, the canal functions on an old principle: water flows downhill. A giant dam was constructed in order to form the artificial lake (Lake Gatun) between the locks. The Chagres River, which had continually surprised the French by its ability to flood quickly, was finally tamed by a specially constructed giant earth dam that remained the largest in the world for 30 years. The artificial lake it created, with 1,100 miles of shore line, was also unsurpassed in size at the time.

When a ship enters from, say, the Pacific end of the canal, water from Lake Gatun is passed through giant tunnels to the locks. The gates of the locks are closed and the lock chambers then fill rapidly. The ships simply float up with the level of the water. When the water in the lock is level with that in the next portion of the canal, the front gates are opened and the ship passes on. Eighty-five feet up, eighty-five feet down.

There are six sets of locks in the canal, each about three times as long as a football field and about the same width. A ship transiting the canal is lifted up in three stages, proceeds through the excavated portion of the canal, and across Lake Gatun, and is floated down again. Each transit requires some 52 million gallons of fresh water which eventually spill out into the oceans.

For all their size, the gates are delicate mechanisms. Small towing locomotives pull each ship through a lock, keeping a tight leash on its ward. The bigger the vessel, the more locomotives are used to guide the ship and prevent collisions with a gate or the side of a lock chamber.

From deep water in the Pacific to deep water in the Atlantic is approximately 51 miles. A canal pilot boards the ship before it starts its transit and the captain surrenders absolute control of his command in transit. The pilots are completely responsible for the safety of the ship and its crew during transit, which averages nine hours depending on traffic and weather conditions. Tolls in the tens of thousands of dollars are collected from each ship—but some 7,000 ocean miles are saved on voyages which would otherwise proceed around the tip of South America. The savings to shippers (and consumers) are great.

Goethals and his engineers left behind an amazing monument to United States engineering organization and technology. The canal, as built, continues to operate to the present day with no major change. Properly maintained, the canal will last indefinitely. It is an undertaking of which the United States can be justifiably proud.

But the machines, locks, dams, drydocks, navigational systems and people—pilots, lockmasters, engineers, dredgers, maintenance personnel—form a complex chain. If any one link in this chain is broken, the canal becomes inoperable or less efficient.

For example, if a 50,000 ton ship rams a gate in a lock chamber, massive repairs would be necessary to again make the chamber water-tight. If the Gatun Dam were to fail, no water would be available for the canal's operation. If electrical generating systems were to fail, the towing locomotives, lights to aid night transit, and the locks themselves would be unusable. If the giant tunnels that carry water to the locks are breached, the system fails.

The "ifs" are many. If the Panamanian workforce, which now comprises 74 percent of the total, went on strike, operations would be crippled. If a ship in transit were sunk by explosives, narrow channels would be blocked to further shipping. Hundreds of James Bond scenarios could be thought up in which a few commandos, acting quickly. could attack the canal at any number of vital spots and end operations for hours, days or months. To prevent such attacks is close to impossible and totally impractical.

An absolutely "safe" Canal Zone could be attempted only with a massive commitment of U.S. armed forces. The Canal Zone is 550 square miles of rain forest, water and small towns nestled among steep hills. Each square mile of land would have to be heavily and constantly patrolled by armed guards, day and night. Waterways, sea approaches and shorelines including those of islands would need to be kept under surveillance at all times.

In places, the Republic of Panama, which borders the Canal Zone on both sides, lies within a very short distance of the canal itself. It would be impossible to stop determined snipers, small artillery or mortars from firing from within Panama on the zone at will unless the decision were made to invade and conquer Panama itself. The Mayaguez incident would have to be repeated again and again, with constant warfare a possibility. It is not White House pressure but good common sense that has caused the United States military leaders to agree that, in any practical sense, the canal is indefensible in a hostile environment.

"Yanqui Go Home" Softened Canal Position

(By Donald W. Lojek)

Under the Hay-Bunau Treaty of 1903, Panama was to receive an initial payment of $10,000, a future annual payment of $250,000 and a guarantee that the U.S., would insure Panama's future independence.

In turn, the treaty allowed the U.S. "in perpetuity the use, occupation and con-

trol . . . of any other lands and waters outside the zone which may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said enterprise." Not only could the U.S. act as "if it were the sovereign" within the Canal Zone, it could use nearly anything within the republic that it found "necessary and convenient," Secretary of State Hay later remarked, in a rare display of diplomatic candor, something to the effect that Panama got a raw deal.

When Franklin D. Roosevelt became president in 1933, he succeeded a long line of chief executives who felt that armed intervention in the domestic affairs of other nations was appropriate. In the first year of his presidency, Roosevelt announced a contrary policy—the policy of the "Good Neighbor." Nonintervention and an appreciation of other nations' points of view were then fixed as the cornerstones of U.S. foreign relations, particularly with regard to Latin America. With the war clouds gathering in Europe, Roosevelt attempted to achieve a necessary solidarity in this hemisphere.

Panamanian resentment of the U.S. right to "use" their country almost at will was apparent in the early days of the republic. That resentment coupled with the Good Neighbor policy led to the first major revision to the Hay-Bunau-Varilla Treaty in 1936. In some eyes, it has been in retreat ever since.

The 1936 treaty found the U.S. renouncing the perpetual grant made by Panama to use land and water outside of the Canal Zone. Suddenly the U.S. had to bargain with Panama for military bases, airports and defense sites outside the Canal Zone. The Panamanians, it turned out, were to drive some hard bargains as World War II enhanced the value of the canal. It was not until 1942 that the U.S. was able to acquire the leases it desired outside the Canal Zone for the duration.

If there was ever a time to stop the "give-away" of the Panama Canal, it was in 1936 when the guardian became a neighbor. But the recognition of Panama's sovereignty outside of the Canal Zone soon led to recognition of "dual" sovereignty within. The friction of two nations trying to exercise dual sovereignty has since created much heat. It was inevitable.

In 1936, the annuity paid to Panama was increased to $436,000. In 1955, it was increased to $1.9 million as the Hay-Bunau Treaty of 1903—by now somewhat worn and wrinkled—was further amended. A number of further concessions were made to Panama in the 1955 treaty—including the elimination of a wage differential between Panamanians and U.S. nationals working on the canal.

When the Egyptians seized the Suez Canal in 1956, Panamanian nationalism was aroused. After all, they reasoned, the U.S. had sternly told the British and French to stay out of the Suez. How then, could the U.S. hope to maintain its position in Panama? Hoisted on their own petard, the foreign policy makers in Washington had no ready answer nor any ready solution. Riots followed when it appeared that the U.S. was not quite ready to heed the anti-colonial war whoop: "Yanqui go home."

In 1962, President Kennedy attempted to stabilize the situation by appointing, together with the Panamanian president, a commission to study the principal grievances of the Panamanians. One result was an agreement to allow the Panamanian and U.S. flags to fly together in the zone as a symbol of Panama's "titular sovereignty." When the plan was implemented in January of 1964, a group of Canal Zone students refused to allow Panamanian students to fly their flag in front of the Balboa high school.

A spontaneous and violent outpouring of anti-U.S. sentiment was the result. Three days of riots left 24 dead and over 400 wounded. Diplomatic relations between the countries were severed, and Lyndon Johnson, president for scarcely two months, was presented with his first foreign crisis. Faced with a clear threat to the continued operation of the canal, Johnson agreed to review all points of conflict btween the two nations—including the 1903 treaty.

Negotiations of one kind or another continued through 1977. Panamanian and U.S. negotiation teams finally agreed on the terms of two treaties and implementing documents. The treaties were signed by President Carter and Gen. Omar Torrijos, Panamanian chief of state, in September. Twenty-five official representatives of nations of this hemisphere witnessed the signatures and then recorded their "profound satisfaction" in a formal declaration. It would be difficult to find another issue on which all 25 nations agree.

One treaty guarantees the permanent neutrality of the canal. The other concerns itself with operations, control and defense until the end of this century, at which time the Panama Canal will become Panamanian, but open to all nations.

The Neutrality Treaty is deceptively short and applies to the present canal as well as any other canal which may be built in Panama with U.S. participation. The canal, because of its system of locks, is presently unusable by many tankers and U.S. naval vessels, which are simply too large. A new canal will have to be built, perhaps with nuclear explosives, and Panama would obviously like the site to be within its borders. Thus, the pledge of neutrality for any future canal.

The Neutrality Treaty also provides for "expeditious" transit of U.S. warships—a term that has troubled many. Carter and Torrijos have issued a joint statement in which they agree that the U.S. has the permanent right to act against "any aggression or threat directed against the canal." U.S. naval vessels, according to the statement, will be able to use the canal without any delay and will go to "the head of the line" in the case of need or emergency.

The Senate Foreign Relations Committee has recommended inclusion of the Statement of Understanding as a part of the treaties. Sen. Frank Church offered the amendments and apparently feels that the issue is clarified by the inclusion to the point where he can vote for the treaties. Sen. James McClure, somewhat less optimistic, disagrees.

The second treaty reorganizes the control of the canal and provides for the transition period. Since it abrogates all former treaties, it is entitled, simply, the Panama Canal Treaty. It establishes a Panama Canal Commission composed of four Panamanians and five U.S. nationals that will supervise the operation of the canal and supporting services within the present Canal Zone. It is contemplated that Panamanian nationals will be hired and trained on an increasing scale to operate and to manage the canal. Jobs of U.S. citizens now employed in the Zone will be initially protected but gradually phased out.

U.S. courts, laws, police force, postal service and administrative bodies will cease to exist at the end of 30 months. The United States retains primary responsibility for the defense of the canal during the life of the treaty and the U.S. military presence (about 10,000 troops) will be undisturbed until the year 2000. Title to all real property and nonremovable improvements owned by the U.S. will be transferred to Panama without charge.

Panama is to receive up to $30 million per year as an annuity and for services rendered in the maintenance and protection of what is now the Canal Zone. An additional payment will be made to Panama based on the tonnage passing through the canal. These payments will be met for revenues generated by canal tolls and not by the U.S. taxpayer. The Canal Zone will be under the Panamanian flag.

Unless there is a future agreement between the two nations, no new canal can be built nor may the U.S. negotiate with another country for the right to construct an interoceanic canal until the end of the century. During the interim, the feasibility of a sea-level canal in Panama will be studied. The treaty expires at midnight, Dec. 31, 1999.

RATIFY TREATIES—UNITED STATES NEEDS CANAL, NOT COLONY

(By Donald W. Lojek)

Panama is, in many ways, an extension of Miami or New Orleans. American television serials are broadcast constantly; Chase Manhattan, Braniff Airlines, Goodyear tires and other U.S. corporate logos are seen everywhere. Children of the Panamanian elite traditionally are sent to colleges and universities in the United States. The American dollar is the official currency.

When President Kennedy was assassinated in November 1963 all Panama mourned his death. The country shut down and went into three days of respectful silence, all flags flying at half-mast. Panamanians tearfully stopped U.S. soliders on the streets and expressed their shock and dismay.

Six weeks later, many of these same soldiers were shot at, stoned and spat upon by Panamanian mobs. The main avenue between Panama City and the Canal Zone was an open battleground, illuminated with the flames of burning buildings and molotov cocktails. The sides of buildings were emblazoned with signs: "Death to the Yanqui Pigs." Those riots were spontaneous, but deadly—triggered by the refusal of Canal Zone students to allow, even briefly, the flying of the Panamanian flag.

Most Panamanians living near the Canal Zone have American friends or acquaintances. The United States is greatly admired and the style of living earnestly is copied to a great extent. However, the issue of the United States' sovereignty in the Canal Zone engenders an emotional reaction of hate and disgust demonstrated by the 1964 riots.

Across the street from some of Panama's worst slums lies the Canal Zone with its wide streets, evenly spaced palm trees, green lawns and neat bungalows. The per capita income of Panama is less than $2,000 and the proximity of such comparative affluence, in the colonial style of the turn of the century, breeds resentment and frustration. It also fuels nationalistic aspirations, which are commendable in one's own country (George Washington and Nathan Hale), but difficult to understand in other nations.

Panamanians believe their country has been under foreign rule for more than 400 years. First, the Spanish, then the Colombians, then the French and now the United States for some 75 years. Panamanian students are taught about the "winning" of their independence (questionable) and about the treachery of Bunau-Varilla (true enough), who sold their birth right for a mess of pottage. Panamanians appreciate Nasser, Ghandi, Simon Bolivar and others who have raised their countries from colonialism. Omar Torrijos is thought by many to be the Ghandi of Panama—a comparison that Ghandi would probably not appreciate.

Opponents of the treaties point to Torrijos and blanch at the thought of his power over the canal. Torrijos is a dictator with uncertain business ability and a question-

able record on human rights and drug trafficking. These facts, coupled with the inherent instability of Panamanian politics (two dozen political parties before Torrijos, a revolution every two years) has led opponents of the treaties to fear for the worst. This has given rise to the more rabid slogans of "giving away" the canal to the "Communists" and to more thoughtful evaluations as to the long-term security and trade interests of the United States.

The treaties probably could be better drafted from the United States' point of view. However, the term "negotiations" implies concessions by both sides. It is doubtful that either General Motors or the autoworkers ever are thoroughly satisfied with a new union contract.

It is easy to second-guess the U.S. negotiators now that the treaties are in print. Obvious improvements could be made. Yet, the AFL–CIO which represents most of the U.S. and Panamanian employes of the canal, has endorsed the treaties. Similarly, a whole parade of former U.S. presidents, secretaries of State, military leaders, Canal Zone governors and prestigious analysts have recommended ratification.

The value of the Panama Canal to the United States lies, not in its ownership, but in its use. It does not really matter who "controls" the canal, as long as U.S. cargo—civilian as well as military—can move from ocean to ocean without interruption.

If the Panamanians assume control of the canal and then interfere with the use of the waterway by U.S. vessels, some unpleasant things will have to be done. International treaties, unlike domestic contracts or leases, are not subject to a final interpretation by a legal authority, save force. A treaty traditionally does not stand in the way of vital national self-interest, and Hobbes noted correctly that "covenants without the sword are but words." If the canal is threatened in the future and we lack the national fortitude to do something about it, we probably lack the will to defend it now.

With ratification of the treaties, Panama suddenly will acquire a larger stake in the continued uninterrupted operation of the canal. It is in the national interest of Panama to keep the canal open and, in relying on the United States for its defense, to cooperate in time of need. After all is said and done, the canal's use can better be insured in a friendly or at least self-interested environment than in a hostile, uncooperative international setting. If need be, the U.S. Navy can sail through a piece of paper.

Many American countries particularly on the west coast of South America, depend heavily on the use of the canal for their imports and exports. Other nations in this hemisphere as well as the major trading nations of the world need the canal at least as much as the United States. International pressure to keep the canal open would be immense.

Emotional arguments for or against the ratification of the treaties are of no help. The treaties should not be ratified because the United States is "imperialistic" or "a colonial power" in Panama. The treaties should not be rejected because Torrijos is a "dictator" or because we are proud of the fact that U.S. ingenuity and technology were able to surmount enormous difficulties in building the canal.

Rather, the debate on the treaties should recognize that the Panamanians assert legitimate nationalistic aspirations to exercise sovereignty in their own territory. The only question to be asked and answered is whether the United States will be able to use the canal. Neither ratification nor rejection of the treaties ultimately can answer that question.

We can deal only in probabilities when we look 30 years into the future at international relations. The probability is that ratification of the treaties would be interpreted as an act of good will which should not jeopardize national security. Under this analysis, the United States gives up nothing and improves its position in the international community, particularly that of Latin America.

Nostalgia for a passing era is difficult to overcome, but practical considerations will probably compel ratification of the treaties. Our interest is in a canal—not a colony.

Mr. CHURCH. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHURCH. Do I understand correctly that a unanimous-consent agreement has been entered into under the terms of which a yea-and-nay vote will occur on the pending amendment at the hour of 5:30 p.m.?

The PRESIDING OFFICER. The Senator is correct. There is a unanimous-consent agreement that there be a vote at 5:30 either on the amendment, on which the yeas-and-nays have already been ordered, or a motion to table the amendment, if made.

Mr. CHURCH. I do not know how many other Senators wish to speak to this amendment or whether the able and distinguished Senator from Alabama, the sponsor of the amendment, would have any objection to a modification of the unanimous-consent agreement in order that we might come to an earlier vote. For the purpose of ascertaining an answer to that question, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, a number of my colleagues have expressed great concern that the financial implications of the Panama Canal treaties are not clear. I share this concern. I was particularly impressed by the remarks made on this issue by the distinguished chairman of the Armed Services Committee, Senator STENNIS, on February 23. He is quite right in saying that we must fully understand all of the implications of these treaties before we can be asked to ratify them. In the words of my distinguished colleague from Massachusetts, Senator BROOKE, we must not "rush to judgment."

The financial issue has many facets, but one in particular concerns the people of Maryland. Administration spokesmen acknowledge that sizable increases in tolls will be necessary to cover projected payments to Panama until the year 2000. There is considerable apprehension in Maryland that increased tolls will have an adverse impact on traffic through the Port of Baltimore. At present, approximately 20 percent of all cargo handled in the Port of Baltimore transits the Panama Canal. Anything that might adversely affect traffic through the canal could have serious negative economic implications for the people of Maryland, and that eventuality of course causes me a great deal of concern.

I wrote Secretary of State Cyrus Vance requesting the administration's judgment on what impact the treaties might have on traffic to and from Baltimore. In that letter, I enclosed a copy of a letter I had received from James Hobson of the Maryland Port Administration. I received a very detailed response to my inquiry.

I think it important that my colleagues have the benefit of this exchange of correspondence. The concerns of the people of Maryland mirror those of many others around the country. Therefore, I ask unanimous consent that these letters be entered in the RECORD at this point.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. MATHIAS. I will be happy to yield. I would like the Chair to rule on my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HELMS. Reserving the right to object, and I shall not, would the Senator care to summarize the letter he received from the Maryland Port Administration? What was the reaction?

Mr. MATHIAS. It is a letter which reflects—a letter of November 17, 1977, which reflects—a number of statistics and raises certain concerns which could happen under available conditions and it is those variable conditions to which I addressed my inquiry to the Secretary of State, and I think if the distinguished Senator will review both the questions and the response he will find it useful in the consideration of this subject.

Mr. HELMS. I shall certainly look forward to reading it in the RECORD tomorrow. I thank the Senator. I have no objection.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 1, 1978.

Hon. CYRUS R. VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Thank you for your response to my letter of November 3 regarding the Panama Canal Treaties. There is, however, one issue on which I would appreciate greater elaboration.

As you know, 20 percent of all cargo handled in the Port of Baltimore transits the Panama Canal. Anything which might adversely affect traffic through the Canal could have serious negative economic implications for the people of Maryland.

I am enclosing a copy of a letter to my Baltimore office from the Maryland Department of Transportation which outlines the economic impact of traffic through the Panama Canal on Marvland.

I would appreciate it if you could elaborate on your reasons for believing that higher tolls and Panamanian management of the Panama Canal will not adversely affect traffic. This is an issue of enormous concern to the people of my state.

With best wishes,

Sincerely,

CHARLES MCC. MATHIAS, JR.,
U.S. Senator.

MARYLAND DEPARTMENT OF
TRANSPORTATION,
November 17, 1977.

Mr. DAN ZACCAGNINI,
Federal Office Building,
Baltimore, Md.

DEAR DAN: In response to our telephone conversation of Wednesday, November 16 I am submitting additional statistical data which depicts the foreign trade in the Port of Baltimore which transits the Panama Canal. As stated previously approximately 20 percent of all cargo handled in Baltimore is carried through the canal. More significantly, 25 percent of all general cargo (automobiles, iron and steel products, manufactured goods, etc.) including the high value containerized commodities (electronic equipment, parts, etc.) move through the Panama Canal before or after being handled in Baltimore.

In 1976, 1,972,500 short tons of imports and 4,733,917 short tons of exports handled in Baltimore transited the Panama Canal. The sum of these figures, 6,706,417 short tons, represents 19.4 percent of the port's total foreign commerce of 34,595,827 short tons. The figures for the general cargo tonnages are 814,089 short tons import and 422,756 short tons export for a total of 1,236,845 short tons for the port through the canal. This represents 24.7 percent of the ports total general cargo tonnage for 1976 of 5,013,311 short tons.

The University of Maryland developed a report "The Economic Impact of the Port of Baltimore on the Maryland Economy 1973". In this report the port of Baltimore was attributed with generating $2.5 billion of economic impact for the state. Of this amount, $740.2 million is direct economic impact based on shipping activity and $1,797.3 million is indirect impact based on port related industry, etc. Since the Panama Canal represents approximately 20 percent of the port's foreign trade commerce it can be determined that this percent of the port's direct economic benefit, or $148 million is related to the tonnage moving through the canal.

This figure is even higher now because of the inflation experienced over the period 1973 through 1976.

As reflected in the figures above, the Panama Canal affects a significant amount of the tonnage and economic benefit of the foreign trade handled in the port. The trading partnerships in the Far East, Australia and the Pacific coast of North and South America that the port of Baltimore has developed over the years could be adversely affected by a decline in the operation of the Panama Canal.

If additional information or clarification of the above figures is required please give me a call.

Respectfully,

JAMES E. HOBSON,
Marketing and Statistical Manager.

DEPARTMENT OF STATE,
Washington, D.C., February 24, 1978.

Hon. CHARLES MCC. MATHIAS, Jr.,
U.S. Senate.

DEAR SENATOR MATHIAS: The Secretary has asked me to reply to your letter of February 1 requesting information on the effects of the Panama Canal Treaties on the Port of Baltimore. The information follows.

THE GENERAL SITUATION

The new Panama Canal Treaties would eliminate the Canal Zone Government and the Panama Canal Company and substitute for them the Panama Canal Commission. Certain functions and payments will be transferred or eliminated so that the net revenue from Canal operations will increase and will therefore partly cover increased payments to Panama. Nonetheless, we anticipate an increase in tolls will be required to maintain the canal operation on a self-sustaining basis.

Our negotiators made their calculations on the basis of a toll increase of 30 percent. Later studies indicate that this was a reasonable and prudent estimate. For example, American Management Services, Inc., has suggested an initial toll increase of 25 percent would be necessary to meet the financial obligations under the new treaty.

A study by Arthur Andersen and Company of the net cash requirements of the new Panama Canal Commission and the traffic and revenue forecast of International Research Associates indicate that at current toll rates, a toll revenue deficiency in the range of $182.5 million to $265.5 million will be incurred during the first five years of the new Treaty period. A one-time toll rates increase of 19 to 27 percent would be required to offset this deficiency. Without the treaty, the Panama Canal Company would require a 19.1 percent toll increase for roughly the same period. Such levels of toll increase are evaluated by the IRA study as having only a nominal impact on the level of Panama Canal traffic.

A toll increase of about 30 percent will involve a total transportation cost increase for Canal shipments of less than one percent. Users of the Canal would pay only about $50 million more in tolls per year on cargoes that have a value of roughly $50 billion, or one-tenth of one percent. Of the $50 million, American business and consumers will be the ultimate payers of only about $15 million. The overall impact will therefore be negligible both in terms of American business and the purchasing power of the consumer.

THE PORT OF BALTIMORE

The expected toll increase resulting from the Treaties should not affect the volume of traffic to and from the Port of Baltimore. About 20 percent of all cargo handled in Baltimore transits the Canal—24 percent of all general cargo does so. In most cases, the Treaty would not cause diversion of traffic from the Panama Canal to alternative routes or commodities. Where this might result, cargo diverted away from the Canal would continue to be handled at the Port of Baltimore in any event.

The alternative for over 60 percent of the cargo handled at the Port of Baltimore which transits the Canal involves chartering larger vessels and continued use of all-water routes. For example, 55 percent of the total cargo shipped from the Port of Baltimore through the Panama Canal in 1976 was coal. About 25 percent of the coal exports are now being shipped on bulk carriers around the Cape of Good Hope. Any increase in Panama Canal tolls would accelerate this trend. However, by either route, the volume of coal leaving the Port of Baltimore is unaffected. Regardless of the route, the revenue accruing to the Port of Baltimore remains the same.

About 1.1 million tons or 17 percent of the total is container traffic which has already experienced competition from alternatives involving rail transportation known as land-bridge systems. However, tolls are only a very small percentage of the total transportation cost for these commodities, and do not constitute the decisive factor in choice of routes. The total transportation cost for shipping a container from Baltimore to Japan is between $2,130 to $2,280. Canal tolls make up $33. A 40 percent increase would only add $13 to the transportation cost. This means an increase in carrier costs by at most one-half of one percent of the current cost. Such an increase should not, by itself, cause diversion away from Baltimore. With respect to coal, wheat, corn and soybeans, which are all major United States export commodities handled at the Port, the cost would be passed on to the exporting countries.

Land bridge systems have gained a share of this traffic due to the better delivery time—at rough parity for rates. For example, cargo from the Eastern interior currently can be shipped to the Far East at the same rate whether leaving an Eastern or Western Port. By transporting the container traffic by rail to the West Coast, the exporter enjoys a 5–7 day advantage in delivery time, which represents about a 25 percent time savings.

In conclusion, while alternatives to the Panama Canal are becoming more competitive, a modest toll increase will not cause diversion from the Port of Baltimore. In most instances, shippers will continue to use the Panama Canal and will pass the additional transportation cost on to the buyer or consumer. Moreover, for the bulk of cargo leaving the Port of Baltimore and transiting the Panama Canal, the alternatives to the Canal are other maritime routes, such as Cape Horn. Therefore, in either case, the bulk of the cargo will continue to be handled at the Port.

PANAMANIAN MANAGEMENT OF THE CANAL

On this issue, we have no doubt that Panama will be able to operate the Canal efficiently and assure its availability for shipping. Panamanians already comprise about 80 percent of the employees who operate the Canal. During the next 22 years, we will increase our training programs and opportunities for advancement so that by the year 2000 there will be Panamanians qualified in all areas of the Canal operation.

As for the possibility of unstable toll policies under Panamanian management, Panama is obligated under the Neutrality Treaty to maintain tolls that are "just, reasonable, equitable, and consistent with the principles of international law." Apart from these legal safeguards, user demands for the Canal's services limit toll rate increases. As mentioned above, there are alternatives to the Panama Canal in other routes, sources of supply, and markets. Excessive tolls would drive Canal traffic away and would therefore be against Panama's interest in maximum traffic for optimal yield from the annuity provisions of the new treaty.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, the treaty provision which the distinguished Senator from Alabama would amend is article I of the Neutrality Treaty which reads:

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama.

The amendment would add the following proviso:

Provided, That it shall not be a violation of such neutrality for the United States in time of war to intercept any enemy warship sailing for the Panama Canal, to prevent it from reaching the Panama Canal where it would enjoy the neutrality and unimpeded transit of the canal provided by this Treaty.

Mr. President, this is a frivolous amendment like many others we shall have to vote down. It seems to be sweet reasonableness, but the amendment is not only unnecessary, it is unwise.

Our right to intercept enemy vessels on the high seas during times of war is not anchored on this Neutrality Treaty now before us, or any other, nor should it be.

We assert that right as an international practice on the high seas where no nation lays claim to a jurisdiction of its own. The high seas belong to no one. Let us not seem to insure our right to intercept enemy vessels on the high seas by amending a neutrality treaty that relates to the operation of a canal. This has nothing at all to do with the prerogatives of war on international waters.

It would make as much sense, Mr. President, to add still another proviso to the proviso suggested by the able Senator from Alabama. Why not add a second proivso, that nothing in article I shall be construed to interfere with our right to maintain naval vessels at Pearl Harbor. This will not be, under the terms of the treaty, a violation of the regime of neutrality at the canal. Why do we not add still a third proviso, that the regime of neutrality at the canal will not be violated by the overflight of American satellites in outer space?

I suppose every Member of the Senate could think of a proviso to add to article I of this treaty and all of them would be as unwise as the one suggested by the able Senator from Alabama.

So I would hope, Mr. President, that we do not begin to clutter this treaty with frivolous amendments, which not only might do us mischief, but also are clearly intended to force changes in the text that could jeopardize the treaty itself.

This is why the amendment is frivolous. I hope that the Senate will do what it has done previously to amendments of this kind and reject it decisively.

In closing, Mr. President, let me refer the Senate to the report of the Committee on Foreign Relations, page 140, which is part of the section-by-section analysis. At the bottom of that page the committee makes the observation that the regime of neutrality established in article I of this treaty does not extend beyond the canal and the immediate approaches to the canal, which traditionally have been regarded as part of the Canal Zone.

I read the following sentence directly from the committee report.

In the event of war, this provision does no restrict either the United States or Panama from taking legitimate measures against enemy shipping outside the area of the canal waters defined by Annex A, paragraph 1, and Annex B of the treaty. It should be noted that the defined area is approximately the same as that of the present canal zone waters, and is drawn to include, interalia, the anchorage areas for vessels awaiting transit.

Let us leave well enough alone. It is perfectly clear that the regime of neutrality established by article I of the treaty is confined to the canal and its immediate vicinity, a parking area for the vessels awaiting transit. Let us not clutter this treaty with provisions that suggest that the right of the United States to intercept enemy vessels on the high seas is in any way grounded on this or any other treaty.

The hour of 5:30 having arrived, Mr. President, I now move to table the amendment.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Alabama. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CLARK), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

I further announce that if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

The result was announced—yeas 60, nays 34, as follows:

[Rollcall Vote No. 38 Ex.]

YEAS—60

Abourezk	Hatfield,	Morgan
Anderson	Mark O.	Moynihan
Baker	Hatfield,	Muskie
Bayh	Paul G.	Nelson
Bellmon	Hathaway	Packwood
Bentsen	Hayakawa	Pearson
Biden	Heinz	Pell
Bumpers	Hodges	Percy
Byrd, Robert C.	Hollings	Proxmire
Cannon	Huddleston	Randolph
Case	Humphrey	Ribicoff
Chafee	Inouye	Riegle
Chiles	Jackson	Roth
Church	Javits	Sarbanes
Cranston	Kennedy	Sasser
Culver	Leahy	Sparkman
Danforth	Long	Stafford
Durkin	Magnuson	Stevenson
Eagleton	Mathias	Stone
Gravel	Matsunaga	Williams
Haskell	McIntyre	

NAYS—34

Allen	Garn	Schmitt
Bartlett	Goldwater	Schweiker
Brooke	Griffin	Scott
Burdick	Hansen	Stennis
Byrd,	Hatch	Stevens
Harry F., Jr.	Helms	Talmadge
Curtis	Johnston	Thurmond
DeConcini	Laxalt	Tower
Dole	Lugar	Wallop
Domenici	McClure	Young
Eastland	Melcher	Zorinsky
Ford	Nunn	

NOT VOTING—6

Clark	Hart	Metzenbaum
Glenn	McGovern	Weicker

So the motion to table Mr. ALLEN's amendment was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, may I have the attention of the Senate?

Mr. President, I take the floor at this time to inquire as to whether or not any Senators would be willing to call up additional amendments this evening? I address my question to Mr. ALLEN or Mr. LAXALT, Mr. HELMS, or Mr. HATCH, any Senators who have amendments to article I: Will they be willing to lay them down at this time?

Mr. ALLEN. Mr. President, I state to the distinguished majority leader that I do have amendments to article I, but with my track record on the amendments offered and not accepted, I believe I shall wait until another day to offer another amendment and see if I can phrase an amendment that might be more acceptable to the membership. I believe 38 is the highest number of votes we have received, and I feel like we ought to get somewhere in the neighborhood of 51 or something like that.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. Is there another Senator who would be willing to call up an amendment?

At some point I think the Chair will simply have to state that if there are no further amendments to article I, the clerk will be asked to read article II, but I do not suggest that be done this evening.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I believe the distinguished Vice President, in answer to one of my questions, stated that in fact it was not necessary to have an amendment before the Senate; it was sufficient if Senators wished to discuss article I before we went on.

Mr. ROBERT C. BYRD. Oh, yes, if the distinguished Senator wishes to do that.

May I ask the distinguished Senator from North Carolina (Mr. HELMS) if he has an amendment he wishes to call up this evening?

Mr. HELMS. No.

Mr. ROBERT C. BYRD. How about the Senator from Utah (Mr. HATCH)?

Well, I do not think any Senators wish to call up amendments at this time. I will not ask the Chair to press on to article II; perhaps Senator ALLEN and others will want to take the floor and discuss the article a while. But I think there will come a time, Mr. President, when we will have to get on with our business and call up amendments and hopefully have them disposed of.

ORDER FOR RECESS UNTIL 8:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS BARTLETT, CURTIS, BUMPERS, AND GOLDWATER TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow morning, after the prayer, the following Senators be recognized, each for not to exceed 15 minutes: Messrs. BARTLETT, CURTIS, BUMPERS, and GOLDWATER, and that after the completion of those orders the Senate resume its consideration of the treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, will the Sentor from West Virginia yield for a question?

Mr. ROBERT C. BYRD. I beg the Senator's pardon?

Mr. BAYH. Will our majority leader yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. BAYH. I understand the importance of the early session, and that this will probably be followed on successive days. Could we have some leeway on tomorrow relative to the standard procedure, insofar as hearings which may be planned for tomorrow, which at this hour it would be rather difficult to adjust, to accommodate witnesses who may have come into the city from afar?

Mr. ROBERT C. BYRD. Is the Senator suggesting we come in, at this point, at 9 instead of 8:30?

Mr. BAYH. No, I am wondering if it would be possible, instead of having the normal 2-hour rule, seeing that Senate committees have had no notice—I am not being critical at all, but from the standpoint of convenience, it seems to me we might give the committees a right to sit until noon.

Mr. ROBERT C. BYRD. I yield to the minority leader on that point.

Mr. BAKER. Mr. President, I recognize the problem of the Senator from Indiana. As a matter of fact, I have been talking with the distinguished Senator from Nevada, the chairman of the Commerce Committee, who has a similar problem.

But I regret, since there have been so many requests which have been declined for committees to meet beyond the first 2 hours of the session, that it would be necessary for me to object to such a request for tomorrow.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Was the order presented to the Chair in legislative session?

Mr. SPARKMAN. We have scheduled a meeting of the Foreign Relations Committee at 9:30. Secretary Vance is appearing before us, and it is supposed to be a very important appearance. I would hope we could have 2 hours' time in which to have his appearance.

Mr. ROBERT C. BYRD. 9:30 to 11:30?

Mr. SPARKMAN. Yes.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Well, Mr. President, in this instance I will ask unanimous consent that the Senate, when it completes its business today, stand in recess until the hour of 9:30 tomorrow morning. This will give committees until 11:30. But I take occasion to say to my colleagues that the time is coming when we are just going to have to come in earlier and stay later, considering the fact that there are more than 50 amendments remaining at the desk, and a goodly number of reservations and understandings, and the speed at which we are making headway on even the first article to the treaty before us is not——

The PRESIDING OFFICER. The Senate will be in order, so we can hear the majority leader.

Mr. ROBERT C. BYRD. Is not such as to encourage us to believe we are going to dispose of this treaty in the very near future.

The Senate does have a responsibility to deal with this treaty and with amendments, reservations, and understandings thereto, and more and more it is going to pinch all of us.

In this instance I will change the meeting time from 8:30 to 9:30, but I hope that as we go forward, chairman of committees and subcommittees will keep our Senate situation in mind, and perhaps make their plans accordingly.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, it has been brought to my attention that there may have been some indication to the Senator from Arizona (Mr. GOLDWATER) that for his special order he can speak at 9:15 in the morning, in order to accommodate the requirement that he attend the funeral for Gen. "Chappie" James.

Mr. ROBERT C. BYRD. The minority leader is correct. By his having said that, I am reminded that that assurance was given.

Mr. SPARKMAN. Mr. President, will the Senator yield briefly?

Mr. ROBERT C. BYRD. I yield.

Mr. SPARKMAN. The Foreign Relations Committee has canceled all of its meetings for the month of March except in such time as we might be able to meet under the schedule that the Senator proposes.

Mr. ROBERT C. BYRD. Yes. I thank the distinguished chairman of the Foreign Relations Committee; he is doing everything he possibly can to accommodate the committee's work to the work of the Senate.

ORDER OR RECESS UNTIL 9 A.M. TOMORROW

Let me make this effort: In order to at least meet the Senator (Mr. SPARKMAN) half way in his problem, and at the same time accommodate Mr. GOLDWATER on the basis of the assurance given him, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow; that after the prayer, in legislative session, Mr. BUMPERS be recognized first for not to exceed 15 minutes, to be followed by Mr. GOLDWATER for not to exceed 15 minutes, to be then followed by Mr. JAVITS, Mr. BARTLETT, and Mr. CURTIS, at the conclusion of which order the Senate resume its consideration of the treaties.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I commend the distinguished majority leader for lengthening our day.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. I commend the distinguished majority leader for lengthening our workday, and perhaps at a later date we can lengthen our workweek. I would hope the distinguished majority leader would try to do that, to give us added time to consider the various ramifications of the Panama Canal treaties.

Then, having accomplished that, I would hope the distinguished majority leader would do something about encouraging Senators to be present to hear the arguments made on both sides of the issue. I was somewhat distressed at the small attendance here this morning when I opened up my discussion of the amendment that was then pending.

I think if we had had a little better attendance, we would have had a larger vote on that issue. I hope the Senator will seek to encourage Senators to be present to hear these issues discussed.

Mr. ROBERT C. BYRD. Mr. President, I believe Senators will be present if they feel they can have short discussions of amendments and votes rather promptly in respect to those amendments. I daresay that the full attendance to which the distinguished Senator alludes is probably the result of the fact that most of what can be said in respect to the treaties has been said, and a good bit of what is now being said is repetition; and Senators, I assume, feel that they do not need to hear these repetitious arguments. I am confident that they will be present on the floor if we can call up amendments, have a reasonably brief time in which to discuss them, and then dispose of them.

Mr. LEAHY. Will the majority leader yield for an observation?

Mr. ROBERT C. BYRD. Yes.

Mr. LEAHY. A point has been made referring to several hours each day for debate here on the floor. I can only concur with what the majority leader said. I might leave for a committee meeting for a couple of hours. In some ways, it is like a long-running soap opera. You can leave the country for a while, or go wandering off. In television, it would not make any difference. You come back and the soap opera has not changed. It is the only place where a 9-month gestation can take 4½ years.

The gestation period is getting somewhat expanded here. I daresay during the few hours I have been here each day I have heard the same arguments so many times that I can recite them easier than I can my prayers in the evening. I yield back to the majority leader.

Mr. RANDOLPH. Will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RANDOLPH. I am not certain, and it may have been stated before for the RECORD, but do we have tentative

knowledge of the number of amendments yet to be offered?

Mr. ROBERT C. BYRD. As of yesterday, before the distinguished Senator from Alabama introduced 10 new amendments to article I, I think we had about 43 amendments at that time. Now, I daresay we have about 50 or more known amendments.

Mr. RANDOLPH. I thank the able leader.

● Mr. GOLDWATER. Mr. President, yesterday in a very enjoyable discussion with the distinguished Senator from Rhode Island (Mr. PELL) we got into the matter of money which was owed to different banks by the country of Panama. After the discussion I looked up the source of his figures and I find that it is quoted in a memorandum of October 21, 1977, as $355 million owed to U.S. banks. The total claims on Panama by international banks are $7.9 billion of which U.S. banks account for $2.8 million. Rather than recite the paper to which I am referring, I ask unanimous consent that it be printed in the RECORD, along with other tabulations I had previously placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM: BY COMMITTEE STAFF
PANAMA DEBT

Many figures have been cited on Panama's debt during the debate on the Canal. Most are correct, but describe different things. The following series include most of the numbers that have been used at one time or another. Unless noted, all figures are for year end, 1976.

	Millions
Total public sector debt	$1,350
Of which:	
Central Government	855
Decentralized agencies	495
Total external public sector debt	1,091
Of which:	
Owed to all international private banks	650
Owed to U.S. banks	355
Owed to U.S. Government	124
International bank claims on Panama (as reported by the Bank of International Settlements)	7,886
Of which: U.S. banks (foreign branches of U.S. banks $1.9)	2,770

To summarize, the public external debt of Panama is about $1.1 billion, of which $355 million is owed to U.S. banks and another $124 million to the U.S. Government. The total claims on Panama by international banks are $7.9 billion, of which U.S. banks account for $2.8 billion. However, these figures are misleading, as Panama is an international banking center. Most of the foreign claims on Panama are for funds on deposit in branches in Panama, which in turn are lent to other countries. In other words, these are pass through operations, and Panama's private and public debt actually is only a small share of the total foreign claims on Panama.

It is hard to get a fix on debt service and maturity profile. Treasury estimates that the debt service for the central government's public debt in 1976 was $92 million. Central government revenues were $289 million for 1976, so that debt service accounted for 32% of revenues. While Treasury and the IMF have no exact profile for the maturity of that debt, much of it is short and medium term (under 5 years) and requires frequent rolling over. In order for Panama to successfully roll over that debt, it must maintain a reasonable credit rating with the international banking community.

1. LOANS APPROVED FOR THE REPUBLIC OF PANAMA BY THE WORLD BANK, INTERNATIONAL FINANCE CORPORATION, INTER-AMERICAN DEVELOPMENT BANK, EXPORT-IMPORT BANK, AND AID

(a) Total Loans Approved From 1960 to 1968 (9 yr)—U.S. $134,400,000

Year	World Bank	International Finance Corp.	Inter-American Development Bank	Exim Bank	AID	Total
1969	0	0	9.8	0	4.8	14.6
1970	42.0	0	1.7	2.5	12.2	58.4
1971	23.4	1.5	17.4	21.5	11.0	74.8
1972	0	0	15.7	22.5	18.8	57.0
1973	34.7	0	18.0	41.6	0	94.3
1974	0	0	14.5	0	8.1	22.6
1975	24.0	0	42.2	27.7	21.2	115.1
1976	12.0	0	27.0	3.7	9.5	52.2
Total						489.0

Total loans from these agencies:	U.S. dollars
1960–68	134,400
1969–76	489,000,000

2. LOANS APPROVED BY THE INTERNATIONAL MONETARY FUND FOR PANAMA

Total Loans Approved From 1960 to 1968—U.S. $10,000,000

Year	Total
1969	3.2
1970	10.0
1971	15.0
1972	9.8
1973	10.9
1974	31.1
1975	22.5
1976	29.2
Total	131.7

Total loans from this agency:	
1960–68 (U.S. dollars)	10,000,000
1969–76 (U.S. dollars)	131,700,000

3. LOANS APPROVED BY PRIVATE BANKS TO THE REPUBLIC OF PANAMA

Total Loans Approved From 1960 to 1968—$3,700,000

Year	Total
1969	7.5
1970	0
1971	58.2
1972	65.1
1973	205.1
1974	86.9
1975	216.8
1976	247.0
Total	886.6

Total loans from private banks:	
1960–68 (U.S. dollars)	3,700,000
1969–76 (U.S. dollars)	886,600,000

TOTAL LOANS FROM ALL SOURCES

	U.S. dollars
1960–68 (9 yr)	148,100,000
1969–76 (8 yr)	1,507,000,000

REVENUES AND DEFICITS OF THE GOVERNMENT

Year	1968	1969	1970	1971	1972
Revenue	127.0	133.0	160.1	181.2	197.9
Deficit	8.0	62.1	48.5	32.3	105.7

Year	1973	1974	1975	1976	1977
Revenue	226.0	271.4	297.1	281.6	[1]250.5
Deficit	144.7	195.2	148.0	164.2	77.4

[1] 9 mo.

(a) Debt amortization has been excluded from expenditures. Therefore, the deficits are substantially larger than the ones shown above.

(b) Sources: "External Financing of Latin American Countries," October 1977, published by the Division of General Studies, of the Economic and Social Development Department of the Inter-American Development Bank.

(c) "International Financial Statistics," January 1978, published by the International Monetary Fund. ●

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Massachusetts. Before I yield the floor, I want to make certain that the meeting time has been set for 9 a.m. tomorrow morning.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair. Mr. President, I will state at this time there will be no more rollcall votes today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. I ask unanimous consent that there now may be, as in legislative session, a period for the transaction of routine morning business with statements limited therein to 5 minutes, for a period not to extend beyond the hour of 7 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR EDWARD W. BROOKE SALUTES GEN. DANIEL "CHAPPIE" JAMES, JR.

Mr. BROOKE. Mr. President, I was honored to join my esteemed colleague Senator JOHN TOWER in cosponsoring the resolution honoring the memory of my longtime and cherished friend Gen. Daniel "Chappie" James, Jr.

Mr. President, Chappie's untimely death was a personal loss for me for I was fortunate to have served with him in World War II and to have been the beneficiary of his friendship over the years.

But the death of Chappie James is a national loss for by his life he has been a source of pride and inspiration to the Nation he loved so much and served with such loyalty, distinction, and dedication.

His was not an easy road, but he traveled it with courage and perseverence for above all he had full faith and confidence in "his country."

I extend to his devoted wife Dorothy and his three children my deepest sympathy. My prayers and best wishes are with them.

Mr. President, today's editorial in the Washington Post speaks eloquently of the life and service of my friend Chappie James. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DANIEL "CHAPPIE" JAMES, JR.

It was impossible for anyone acquainted with the illustrious career of Gen. Daniel

"Chappie" James Jr., or with the character of the man himself, to conceive of Gen. James's not continuing to involve himself in the welfare of his country. After all, he was America's only black four-star general. He had once written that "I love America and as she has weaknesses or ills, I'll hold her hand." Secretary of Defense Harold Brown had every good reason to say, during Gen. James's retirement ceremonies last month, that the general was merely beginning a "new phase" of his traditional "active behavior." Those new post-retirement duties had taken him to Colorado Springs, Colo., to deliver a speech last Saturday when he was struck down by a heart attack.

Gen. James's history of heart trouble was well known. Still, it is a shock to realize that this robust man is now gone. His death has that some found incongruous in a man who wasn't afraid to speak his mind without worrying about the possible unfavorable consequences to himself and to his future. That principled spirit characterized his career from beginning to end. There was a kind of rock-ribbed Americanism about Gen. James—a patriotism and a sense of gratitude that some found incongruous in a man who in childhood had known poverty and segregation firsthand. But there was really nothing incongruous about it. Chappie James simply possessed two qualities that nurtured his patriotism and powered his truly remarkable advancement to the top of the nation's military structure: An indomitable will to succeed and, with it, a profound sense of appreciation of the special opportunity his country offered him—whatever its flaws. There will be many tributes to Gen. James, but we think none will more eloquently characterize him than the words he once used to describe himself. "I am," he said, "above everything else . . . an American."

GENOCIDE CONVENTION—THE NEED IS REAL

Mr. PROXMIRE. Mr. President, for several years now, daily I have made notice of the importance of the ratification of the Genocide Convention. The Convention, as every Senator knows, would make the destruction, in whole or in part, of a national, racial, religious, or ethnic group a crime under international law. There is a real need for this Convention, and events in Cambodia today are proof of this fact.

Recently, an article in Newsweek reported on the atrocities which are occurring in Cambodia. The pictures which accompanied the article, which were printed in the January 23 issue, are especially horrifying. But genocide in any form is a horrifying crime, and it takes very little imagination to perceive the terror in which much of Cambodia is living today. According to the article, there are claims that as many as 2 million Cambodians have died since the Khmer Rouge took power in 1975, Furthermore, there is no end in sight to the massacre.

Mr. President, for years, and I mean for about 30 years, the Senate has had pending before it the Genocide Treaty. Every President of the United States has urged the Senate to ratify it. Only the Senate can take this kind of an action and only the Senate has to act. The House does not have to act. No other body has to act. It is up to this body to act. Yet we have failed year after year after year to act on this basic fundamental human rights convention. Mr. President, the crime of genocide is all too real. It is happening today. It is not a theory. It is happening today in other parts of the world. The Newsweek article to which I referred gives a very clear account of what is happening in Cambodia. I ask unanimous consent that it be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAND OF WALKING DEAD

(The workday seldom varies. Men, women and children are roused at dawn and sent out into the fields. After a mid-day rest break, they toil on until dark. There are no holidays, no days off. The sick must rely on untrained medics who treat cholera with Pepsi-Cola and typhoid with coconut milk. A meal is a bowl of thin rice gruel and an occasional piece of dried fish. It is forbidden to dance, read books, make love to unmarried girls or take part in any philosophical political or cultural discussion.

(Anyone who breaks the rules faces immediate execution. The transgressor is usually clubbed to death with a pick handle. But in special cases, like those of starving workers who are caught cannibalizing dead bodies, there are special tortures. They are buried in the ground up to their shoulders and beaten to death—or their heads are chopped off and jammed onto pointed stakes.)

That is the portrait of daily life in Communist Cambodia as painted by some of the 25,000 refugees who have escaped from their homeland into neighboring Thailand over the past two and one half years. Squatting outside their ramshackle quarters, these refugees talk of a violent social upheaval that has turned their country into one of the most eerie and most savage nations of modern times. They relate gruesome tales about the Communist Angka Loeu—the Organization on High—that has governed Cambodia since April 1975. They talk of once-flourishing cities that have become ghost towns, of continual purges, of baby-faced Khmer Rouge executioners who seem to take great pleasure in their work. And they claim that as many as 2 million Cambodians have been murdered or have died from disease, forced labor and malnutrition.

The horror in Cambodia is now being compounded by the seemingly suicidal border wars that the regime has launched against its neighbors Thailand and Vietnam. The conflict with the Thais is still a low-intensity battle marked by quick cross-border raids and some sporadic shelling. But Cambodia's war against Vietnam has become a bitter struggle with thousands of casualties on both sides. After pushing deep into southeastern Cambodia, Vietnamese troops appeared to be consolidating their hold on a strategic 12-mile-wide chunk of territory. The Cambodians launched a frenzied counterattack late in the week and pushed the invaders back in places along the front. When a Cambodian unit captured a Vietnamese soldier, the order they often got by radio was: "Shoot him."

Outgunned: Cambodia declared "a great victory" and claimed that the enemy had been turned back "in a most ignominious manner." But the Vietnamese still occupy eight major Khmer Rouge infantry bases and could roll over the outgunned Cambodians at will.

Even Cambodia's defenders in the West are baffled by Phnom Penh's decision to challenge a powerful Communist neighbor at the very time its total resources are required to feed and shelter its own people. A centuries-old animosity between the two nations has contributed to the ferocity of the fighting, but the struggle may partially be a "proxy war" between China and the Soviet Union—as U.S. national security adviser Zbigniew Brzezinski suggested last week. The most widespread explanation for the current war, and Cambodia's internal strife, is that the country's new rulers are xenophobic renegades, men whose beliefs are—in the words of one Western intelligence source—"a grotesque caricature of Marxism mixed with radical French leftist intellectualism and stirred up in the crucible of the jungle."

Some of the horror stories told by refugees about life in Cambodia are undoubtedly exaggerations. But, because the nation's borders have been sealed to all but a handful of foreign envoys, objective reports are hard to come by. Several prominent Indochina experts have recently disputed many of the refugees' charges, contending that a few thousand Cambodians at the most have died at the hands of the Angka Loeu. They also maintain that it was a matter of economic necessity to relocate the population into rural areas because U.S. bombing forced too many people off the land during the Vietnam war. But so similar and so frequent are the refugees' stories of terror and deprivation that many analysts have concluded that Cambodia has become what one refugee called it last week: "a country of walking dead."

Death Sentence: According to the refugees' accounts, wholesale slaughter began immediately after the Khmer Rouge took power. As they tell it: all former soldiers of the Lon Nol regime, even privates frantically conscripted in the last days before the Communist victory, were placed under an automatic sentence of death. So were doctors, teachers, students, engineers and members of any professional group.

Thousands more Cambodians died during the forced evacuation of Phnom Penh's estimated 3 million citizens to the countryside. Refugees who made the march say that the Khmer Rouge maintained a brutal pace; those who lagged behind were clubbed with rifle butts or shot in the head; women, children, the sick and the elderly were weeded out and left behind to die on the jungle trails. "Some of the people were so tired they couldn't even talk to me," says Yeao Sok, 33, a former police lieutenant who escaped to Thailand last year. "There was no food, no water and we had to keep walking—always walking."

Rule by Fear: Virtually all the population has been forced into rural communes devoted to rice farming and water projects, and refugees say that the death toll has continued to mount because of the executions, the overwork—and the hopelessness. Whether by design or simply poor communications with Phnom Penh, local Khmer Rouge commanders seem to enjoy considerable autonomy, and they rule strictly by fear. There is no reward for superior workers, only punishment for poor ones. "For me, a young man, it was difficult," recalls one refugee. "For the women and old people, it was hell."

The rural cooperatives are organized in a quasi-military manner, with company- and battalion-size work groups assigned to dig irrigation ditches, carry manure and plant and harvest crops. Travel between villages is strictly controlled by a pass system, and the only people regularly permitted on the road are truck drivers who transport harvested rice to storage points.

Khmer Rouge officers maintain control of the network of communes through a system of informers known as *chrops* and rarely appear unless someone is going to be executed. "No one knew who the chrops were," says Sok. "But everyone knew that if you broke the rules, a chrop would be watching and he would call the soldiers."

Children are taken away from their parents and sent to work in other provinces; teen-agers in special camps form mobile work forces and learn military duties. Their platoon-size units are called *kong-chhlat* (the intelligent ones) but brief political lectures are the youngster's only education—and their intelligence is graded according to their mastery of Marxist vocabulary.

Money has been abolished in the new Cambodia, along with banks and the postal service. If a telephone system exists, it is for official use only and even government leaders usually communicate with outlying regions by radio or messenger. There are no markets, no medicines, no private motorcycles or cars or spare parts for any mechanical vehicle. Although the country's constitution guarantees freedom of religion, Christianity and Islam have been forbidden as "reactionary" and the practice of Buddhism, Cambodia's traditional religion, is punishable by death. The only private possessions allowed are a sleeping mat and one set of clothes—and those clothes must be black, say the Khmer Rouge, because "it hides the dirt better."

Only a very few Cambodians have been permitted to return to the cities, although the government has carefully preserved them. (One East European diplomat who was in Cambodia recently says that even gas pumps are covered with protective plastic sheets.) The sole residents of once-bustling Phnom Penh are a sprinkling of senior Khmer Rouge cadre, a few thousand Chinese who run the nation's rail, shipping and air operations and the staffs of the eight remaining foreign embassies. Chinese and North Korean diplomats have some freedom of movement, but envoys from Cuba, Albania, Laos, Romania, Yugoslavia and Egypt are confined to their compounds. "Somebody brings them food in a truck, already cooked, and they have to reheat it," says a U.S. diplomat. "If they go to a dinner party at another embassy, they have to bring their rations with them."

Failure: The men responsible for the new Cambodia are a close-knit band, most of whom were educated in Paris but spent years in the jungle fighting successive Phnom Penh regimes. Western intelligence agencies are convinced that Premier Pol Pot, 53, is in fact Saloth Sar—a guerrilla leader who battled Japanese occupation troops in his teens, fought the French in his 20s, joined the Cambodian Communist Party at its birth in 1960 and later helped mount resistance to both Prince Norodom Sihanouk and Premier Lon Nol. Pol Pot's official biography ignores the years 1949–53, when Saloth Sar was studying in Paris. The Angka Loeu could hardly admit that its leader is a French-educated intellectual—and a poor one. Saloth Sar failed his exams three times and left school without a diploma.

Internal or external pressures may reshape the regime in time. But while it lasts, ruthless policies are likely to remain in force. The brutality seems not to be a temporary tactic but rather a routine that Cambodia's leaders believe will build a new, fiercely nationalistic society—one that will be free forever of the "weaknesses" produced by education, urban living and dissent of any kind. "This is what they have in mind," said one U.S. analyst. "This is the future."—(Kenneth Labich with Holger Jensen in Bangkok, Lars-Erik Nelson in Washington and bureau reports.)

Mr. PELL. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PELL. Does it seem odd to the Senator that we as the nation taking the lead in calling for human rights around the world and greater honoring of human rights, that we have greater concern about them, that we are the leading nation that so far has declined to sign and ratify not only the Genocide Convention but several other human rights conventions? It would almost indicate, certainly, an inconsistency. I think the general rule in national dealings is that we should be consistent. How can we take the lead in human rights if we are one of the leading nations who have not ratified the very convention to which the Senator has referred?

Mr. PROXMIRE. The Senator is absolutely correct. When we consider the history of this Genocide Convention, it was the United States which took the initiative in the United Nations for the Genocide Treaty, I think in 1948. President Truman strongly supported this. Secretary of State Dulles, and every Secretary of State and every President, asked us to ratify it. To me, it is difficult to understand when a convention simply outlaws the planned extermination of a race, of an entire race of people—of course, the most vivid example is what was done to the Jews in Hitler's Germany—that we have failed year after year to act on this convention.

Mr. President, I yield the floor.

U.S. COMMERCIAL FISHING INDUSTRY

Mr. STEVENS. Mr. President, today is the first anniversary of the implementation of the United States 200-mile fishery conservation and management zone. The 94th Congress and President Ford made a significant commitment to the revitalization of the American fishing industry when the Magnuson Fishery Management and Conservation Act was enacted. The Magnuson Act had two underlying objectives: First, to protect U.S. fish stocks from the onslaught of foreign fishermen, and second, to help revitalize the American fishing industry.

On the first anniversary of the enactment of our fishery zone, it is a pleasure for me to inform the Senate that we have been successful in our efforts to control foreign fishing activities through a stepped up enforcement program coordinated by NMPS and the Coast Guard and the Regional Fisheries Management Council. Unfortunately, we have not met with such great success in our efforts to revitalize the U.S. fishing industry. Senator KENNEDY and I have introduced S. 187, a bill to revitalize the American fishing industry as a supplement to the Magnuson Fishery Management and Conservation Act.

The Kennedy-Stevens Act is a legislative proposal to revitalize the floundering American commercial fishing industry through the use of regionally controlled financial assistance funded from the import duties on fisheries products. Over the last 20 years, foreign fishing activity off the coast of the United States has decimated our stocks of commercial fish. Some 14 species are listed as depleted and a host of others are fully utilized by foreign fishermen. Destruction of the stocks off the U.S. coast, naturally enough, has led to a decline in the investment climate for commercial fishing operations. In many parts of the country, such as my home State, Alaska, foreign capital has been used to fill the void created by lack of investment from American sources. It is our hope that this legislation will act in part as an investment incentive for major sources of private sector American capital.

In order for American fishermen to become competitive with foreign fishermen, we must learn to fish more efficiently. We must learn to employ new fishing techniques and must develop new types of fishing equipment and mechanized processing plants. At the present time, the private sector is unwilling to make the necessary investments in research and development and capital construction costs to meet this objective.

Last year off my home State the Japanese, Soviets, and Koreans harvested almost 3 billion pounds of pollock, a species of fish not harvested by Americans. The harvest of pollock could be a $100 million a year fishing industry. One of the primary purposes of this legislation is to enable American fishermen to develop the capacity to harvest, process, and market species such as pollock. Increasing the capacity of American fishermen to use the resources off the coast of the United States is the objective of this legislation. No general revenue funds will be used by the Kennedy-Stevens proposal. All of the projects under the bill are funded through the use of import taxes already levied on fisheries products. This legislative proposal would in no way diminish the need for broad national programs such as those carried out by the Fisheries Service and I intend to see that the programs carried out by that agency continue to be fully funded.

Mr. President, we have taken the first step in the passage of the Magnuson Fishery Management and Conservation Act. This past year shows that the 200-mile limit will work to protect our domestic fish stocks. We now should turn our efforts to revitalizing our domestic fishing industry through prompt passage of S. 187.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

We are in morning business at this time.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his Secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 1:50 p.m, a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 1617) to establish a program of ocean pollution research and monitoring, and for other purposes, with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 112. An act to amend the Internal Revenue Code of 1954 to reduce the excise tax on the investment income of private foundations from 4 to 2 percent;

H.R. 5981. An act to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such act; and

H.R. 9622. An act to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, to abolish the amount in controversy requirement in Federal question cases, and for other purposes.

The message further announced that the House insists upon its disagreement to the amendment of the Senate to the bill (H.R. 3816) to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease and desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in litigative, budgetary, and personnel matters; and for other purposes; requests a further conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ECKHARDT, Mr. METCALFE, Mr. KRUEGER, Mr. CARNEY, Mr. SCHEUER, Mr. LUKEN, Mr. DEVINE, Mr. BROYHILL, and Mr. RINALDO were appointed managers of the conference on the part of the House; and as an additional conferee, Mr. BUTLER, solely for consideration of section 112 of the Senate amendment and modification thereof committed to conference.

ENROLLED BILL SIGNED

At 4:10 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the Speaker has signed the following enrolled bill:

S. 2076. An act to authorize the Secretary of the Interior to make payments to appropriate school districts to assist in providing educational facilities and services for persons living within or near the Grand Canyon National Park on nontaxable Federal lands, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 112. An act to amend the Internal Revenue Code of 1954 to reduce the excise tax on the investment income of private foundations from 4 percent to 2 percent; to the Committee on Finance.

H.R. 5981. An act to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such Act; to the Committee on Rules and Administration.

H.R. 9622. An act to abolish diversity of citizenship as a basis of jurisdiction of federal district courts, to abolish the amount in controversy requirement in Federal question cases, and for other purposes; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 1, 1978, he presented to the President of the United States the following enrolled bill:

S. 838. An act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–2909. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Commodity Credit Corporation Charter Act to increase the borrowing authority; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2910. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that appropriations for the Federal Grain Inspection Service and Agriculture Stabilization and Conservation Service for the fiscal year 1978 have been reapportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC–2911. A communication from the Acting Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of an REA insured loan in the amount of $7,051,000 to Matanuska Electric Association, Inc., of Palmer, Alaska; to the Committee on Appropriations.

EC–2912. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, transfers of funds made recently from the appropriation "Secretary of Defense Readiness Fund" in the Department of Defense Appropriations Act, 1978; to the Committee on Appropriations.

EC–2913. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the Federal Crop Insurance Fund has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC–2914. A communication from the Secretary of Labor, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

EC–2915. A communication from the Secretary of Commerce, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

EC–2916. A communication from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on experimental, developmental and research contracts of $50,000 or more, by company, covering the period July 1, 1977 through December 31, 1977; to the Committee on Armed Services.

EC–2917. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, the Base Structure Annex to the Defense Manpower Requirements Report for fiscal year 1979; to the Committee on Armed Services.

EC–2918. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to require the use of the Consumer Price Index for all urban consumers in certain Federal programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–2919. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee, and insurance transactions supported by Eximbank during January 1978 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC–2920. A communication from the Attorney General, transmitting, pursuant to law, a report of the Attorney General on the administration of the Equal Credit Opportunity Act for calendar year 1977; to the Committee on Banking, Housing, and Urban Affairs.

EC–2921. A communication from the Chairman, Federal Home Loan Bank Board, transmitting a draft of proposed legislation to expand and facilitate urban lending investment by Federal savings and loan associations; to the Committee on Banking, Housing, and Urban Affairs.

EC–2922. A communication from the Secretary of Housing, and Urban Development, transmitting, pursuant to law, the Fourth Annual Report on the HUD Coinsurance Program; to the Committee on Banking, Housing, and Urban Affairs.

EC–2923. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1979 and 1980 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–2924. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1979 and 1980 and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–2925. A communication from the Secretary of Transportation, transmitting, pursuant to law, an annual report on progress achieved and work in progress and planned with respect to the completion of the Northeast Corridor Improvement Project; to the Committee on Commerce, Science, and Transportation.

EC–2926. A communication from the Secretary of Transportation, transmitting, pursuant to law, a two-year report on the Northeast Corridor; to the Committee on Commerce, Science, and Transportation.

EC–2927. A communication from the Administration, General Services Administration, transmitting, pursuant to law, an amendment to a previously approved prospectus which proposed the lease of space at Building No. 5, O'Hare Lake Office Plaza, 2300 E. Devon Avenue, Des Plaines, Illinois; to the Committee on Environment and Public Works.

EC–2928. A communication from the Administrator, Agency for International Development, reporting, pursuant to law, a determination that it would further the foreign policy interests of the United States to provide a $30 million commodity import program loan to Zambia from the Southern African Special Requirements Funds and waiver of the prohibition with respect to Zambia; to the Committee on Foreign Relations.

EC–2929. A communication from the Secretary of State, transmitting, pursuant to law, a draft of proposed legislation to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes; to the Committee on Foreign Relations.

EC–2930. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the Light Airborne Multi-Purpose System; to the Committee on Governmental Affairs.

EC–2931. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the Navy's SSN–688 Class Attack Submarine program; to the Committee on Governmental Affairs.

EC–2932. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the AEGIS weapon system; to the Committee on Governmental Affairs.

EC–2933. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "New Interstate Truckers Should be Granted Temporary Operating Authority More Readily," February 24, 1978; to the Committee on Governmental Affairs.

EC–2934. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Can the Army's $2.8 Billion Program to Modernize the CH–47 Helicopter be Improved?", February 24, 1978; to the Committee on Governmental Affairs.

EC–2935. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Attorneys Do Not Prosecute Many Suspected Violators of Federal Laws," February 27, 1978; to the Committee on Governmental Affairs.

EC–2936. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a follow-up report on the recommendations contained in a report of the Defense Manpower Commission to the President in April 1976, entitled "Defense Manpower: The Keystone of National Security"; to the Committee on Governmental Affairs.

EC–2937. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Government's Bill Payment Performance is Good But Should be Better," February 24, 1978; to the Committee on Governmental Affairs.

EC–2938. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The FBI's System for Managing Investigative Resources and Measuring Results—Improvements are Being Made," February 15, 1978; to the Committee on Governmental Affairs.

EC–2939. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and amend the Elementary and Secondary Education Act of 1965 and related programs, to establish programs to promote the improved achievement of children in basic skills and to assist State and local educational agencies to enhance the quality of their educational programs, to improve the administration of Federal elementary and secondary education programs, and for other purposes; to the Committee on Human Resources.

EC–2940. A communication from the Director, National Science Foundation, transmitting, pursuant to law, the statistical portion of the report "Federal Support to Universities, Colleges, and Selected Nonprofit Institutions, fiscal year 1976 and Transition Quarter"; to the Committee on Human Resources.

EC–2941. A communication from the U.S. Commissioner of Education, Office of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, the Commissioner's Annual Report for fiscal year 1976; to the Committee on Human Resources.

EC–2942. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for Part 179, Graduate and Professional Study Fellowships and Institutional Grants; to the Committee on Human Resources.

EC–2943. A communication from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, the Annual Report of the Federal Open Market Committee of the Federal Reserve System covering the implementation of its administrative responsibilities during the calendar year 1977; to the Committee on the Judiciary.

EC–2944. A communication from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, the Annual Report of the Board covering the implementation of its administrative responsibilities under the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–2945. A communication from the Executive Director, Foreign Claims Settlement Commission of the United States, transmitting, pursuant to law, a report on the Freedom of Information activities of the Commission during calendar year 1977; to the Committee on the Judiciary.

EC–2946. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report of its activities during calendar year 1977 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–2947. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the period October 1 through December 31, 1977; to the Committee on the Judiciary.

EC–2948. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period February 1 through February 15, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification; to the Committee on the Judiciary.

EC–2949. A communication from the Chairman, United States Civil Service Commission, transmitting, pursuant to law, a report covering specified aspects of the agency's administration of the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–2950. A communication from the Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, a report covering pertinent activities during calendar year 1977 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–2951. A communication from the Administrator, Veterans Administration, reporting, for the information of the Senate, an error in a report of VA programs and plans for meeting the problems generated by the increasing numbers of aging veterans; to the Committee on Veterans' Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions, which, without being read, were referred as indicated:

POM–489. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION No. 40

"Whereas, The National Highway Traffic Safety Administration (NHTSA) has proposed average fuel economy standards for 1980–81 covering nonpassenger automobiles (NPA) with gross vehicle weight rating (GVWR) less than 8500 pounds; and

"Whereas, In arriving at its proposed standards, NHTSA has failed to take into account the substantial differences between the functions and purposes of NPAs of less than 6000 pounds, GVWR and 4x4 NPAs within the 6000 pounds to 8500 pounds range; and

"Whereas, These differences in function and purpose call for heavier construction of chassis and engines to handle heavy loads in off-highway situations—meaning, in turn, longer warm-up times and higher friction required for the improved durability of engines, transmissions, axles and frames; and

"Whereas, Despite these significant differences, NHTSA determined its fuel economy estimates for these NPAs using an equation derived essentially from passenger car data that grossly oversimplify the fuel economy problem faced by manufacturers of 6000 pounds to 8500 pounds 4x4 NPAs; and

"Whereas, NHTSA also ignored the provisions of the Motor Vehicle Information and Cost Savings Act that require NHTSA to consider other federal regulations in establishing fuel economy standards, particularly those of the Environmental Protection Agency that, for example, either completely negate or call into serious question such NHTSA assertions that 6 percent and 4.5 percent improvements in fuel economy are readily available from the use, respectively, of super or synthetic lubricants and radial-ply tires; and

"Whereas, Proposed NHTSA fuel economy standards are based on erroneous calculations or assumptions about baseline fuel economy of 4x4 NPAs, about the possibility of timely technological improvement and weight reduction and about the detrimental impact of performance reduction; and

"Whereas, All manufacturers of 4x4 NPAs will have completed such extensive design and engineering programs as those involved in improving combustion chamber design, increasing expansion ratio, introducing electronic fuel metering and electronic spark advance, improving carburetion and reducing internal friction—despite the fact that in order to meet 1981 exhaust emissions certification, manufacturers must have all hardware ready for emissions development by November, 1978; and

"Whereas, In addition to imposing such impossible time constraints on manufacturer compliance, the proposed NHTSA fuel economy standards recognize no unusual or unjust competitive disadvantage in compliance by manufacturers who have no lighter NPAs (under 6000 pounds) with which to average fuel economy and do not have a light-duty fleet from which to gain technology and hardware; and

"Whereas, Above and beyond their proven value as commercial work vehicles, 4x4 NPAs in the 6000 to 8500 pounds range have repeatedly demonstrated their value in a wide variety of emergencies, national and local; and

"Whereas, Implementation of the proposed NHTSA fuel economy standards would leave manufacturers with no alternative but to discontinue their production or to pay civil penalties for non-compliance which would inevitably produce the same result by pricing their vehicles out of the market; and

"Whereas, The result of either action would deprive 3000 to 5000 citizens of the State of Indiana of employment and would have a similar deleterious impact in other states where suppliers to and manufacturers of NPAs are located; Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

"Section 1. That NHTSA re-evaluate its proposed average fuel economy standards for 4x4 NPAs in the 6000 pounds to 8500 pounds range with particular consideration for the real differences in purpose and function between such vehicles and lighter NPAs and passenger cars; for other federal regulations which conflict with or tend to negate those standards; for technological and time-frame feasibility of compliance; for the demonstrated value of these vehicles in a wide variety of both economic and humane activities; and above all, for the negative consesequences measured essentially by employment loss for many communities of this nation and many more inhabitants of those communities."

POM–490. A resolution adopted by the Burlington County Board of Chosen Freeholders, Mount Holly, New Jersey, relating to the Consumer Communications Reform Act; to the Committee on Commerce, Science, and Transportation.

POM–491. A resolution adopted by the Legislature of the State of New York; to the Committee on Armed Services:

"LEGISLATIVE RESOLUTION

"Whereas, The people of the State of New York enjoy a rich military heritage in the defense of our Country which dates from May tenth, seventeen hundred seventy-five when the first victory in the American Revolution was won at Fort Ticonderoga, New York, and extends through every major conflict in which this Nation has been involved, and, therefore, would welcome and support a military presence in peacetime as well as in war; and

"Whereas, Presently there are no active Army divisions (or even brigades) north of the Mason-Dixon line and east of the Mississippi, much less in the heavily populated Northeast; and

"Whereas, The President has announced his intention to return the Second Infantry Division from South Korea to the United States, and it will need a home base, and

"Whereas, Fort Drum, Jefferson County, New York, with one hundred seven thousand acres, is the only large-size military installation in the Northeast; and

"Whereas, The assignment of the Second Infantry Division to Fort Drum would offer the following benefits to our Nation:

(1) Provide a rapid reinforcement capability for NATO of an active Army unit which would be trained in terrain, climate and weather comparable to that found at the same time of the year in Northern Europe;

"(2) Provide opportunity for mutual support of the active Army to over one hundred fifty thousand of the seven hundred seventy-seven thousand soldiers in the Army Ready Reserve, many of whom train at Fort Drum;

"(3) Provide opportunity for soldiers recruited by the Army from the Northeast to be assigned near home occasionally;

"(4) Make greater use of the vast acreage of Fort Drum which is dedicated exclusively to military use and is currently being utilized far below its full capacity;

"(5) Provide opportunity for the Division to be assigned to a single installation in the Northeast, where troops can go daily from the billeted area into a large maneuver, range and training area, and which is comparable in size to several other Army division stations; and

"Whereas, The assignment of the Second Infantry Division to Fort Drum would bolster the economy of the entire Northern area of New York State; now, therefore, be it

"Resolved, That this Legislative Body respectfully memorializes the Honorable Jimmy Carter, President of the United States, as Commander in Chief of the Armed Forces of the United States, to order that the Second Infantry Division of the Army of the United States, as it is phased out of South Korea, be billeted and installed at Fort Drum in Jefferson County, New York, which military order would, indeed, be in the best interest of the defense posture of the United States; and be it further

"Resolved, That copies of this resolution, suitably engrossed, be transmitted to the Honorable Jimmy Carter, President of the United States, to the Secretary of Defense of the United States, to the President Pro Tempore of the Senate of the United States, to the Speaker of the House of Representatives of the United States and to each Member of the Congress of the United States from the State of New York."

POM–492. A resolution adopted by the Illinois State Council of Machinists and Aerospace Workers, relating to the Labor Reform Bill; to the Committee on Human Resources.

POM–493. A resolution adopted by the Illinois State Council of Machinists and Aerospace Workers, relating to the Humphrey-Hawkins Bill; to the Committee on Human Resources.

POM–494. A resolution adopted by the Legislature of the State of New York; to the Committee on Foreign Relations:

"LEGISLATIVE RESOLUTION

"Whereas, It is the avowed foreign policy of the United States of America to encourage worldwide respect for the human rights of all citizens of the world; and

"Whereas, The government of the United Kingdom has been found guilty of repeated violations of the human rights of Irish political prisoners in its occupation of northeastern Ireland by the European Commission on Human Rights at Strasbourg; and

"Whereas, The continuing tragic conflict in those six of divided Ulster's nine counties known as "Northern Ireland" poses an undeniable threat to the peace, stability, and security of the North Atlantic community of nations as well as being a continuous source of complaints regarding the violation of basic human rights; and

"Whereas, The Congress and Government of the United States of America, in keeping with the expressed goals of American foreign policy, have a lawful need to be apprised of all facts attendant upon alleged instances of human rights violations; now, therefore, be it

"Resolved, That this Legislative Body does hereby memorialize the Congress of the United States to hold forthwith formal legislative and investigative hearings on the subject of alleged human rights violations in British-occupied northeastern Ireland; and be it further

"Resolved, That copies of this resolution, suitably engrossed, be transmitted to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, the Chairman of the Senate Foreign Relations Committee, the Chairman of the House Committee on International Relations, and to the members of the United States Senate and the House of Representatives from the State of New York."

POM–495. A resolution adopted by the Village Board of Tinley Park, Ill., in memory and honor of the Honorable Senator Humbert Horatio Humphrey; laid on the table.

POM–496. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE JOINT RESOLUTION No. 1005

"Whereas, American family farmers and ranchers have historically been, and are today, the most efficient food and fiber producers in the world; and

"Whereas, For the past several years, government policies and circumstances have continually caused producers to operate at a deficit and to lose substantial equity in their farms and ranches; and

"Whereas, Importation of agricultural commodities has caused a depression of farm income by the creation of surpluses of those commodities; and

"Whereas, The owners of a substantial percent of American farms and ranches will be forced either to liquidate or to refinance in the year 1978; and

"Whereas, During the past several years, most farmers and ranchers have been forced to mortgage their real estate, which has appreciated in value, to pay for operating deficits incurred in the production of food and fiber; and

"Whereas, As American farmers are forced to liquidate, ownership of agricultural land is falling into the hands of big money industries to be used for tax advantages, developers, foreign investors, and the federal government; and

"Whereas, Foreign investors are purchasing large tracts of agricultural land throughout the country at an alarming rate; and

"Whereas, Such acquisitions of agricultural land by foreign investors will substantially reduce agricultural acreage available for the production of food and fiber; and

"Whereas, The American family farm system faces an economic crisis unprecedented in American history; and

"Whereas, The farm economy of the United States determines the economy of the nation; now, therefore,

"Be It Resolved by the House of Representatives of the Fifty-first General Assembly of the State of Colorado, the Senate concurring herein:

"That the General Assembly support the American Agriculture Movement in its goals and objectives.

"Be it further resolved, That copies of this Resolution be transmitted to the President and Vice-President of the United States, the Secretary of the United States Department of Agriculture, each Member of Congress from the State of Colorado, each Member of the United States House and Senate Agriculture Committees, and each presiding officer of the Legislatures of the following States: Alaska, Arizona, California, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming."

POM–497. A resolution adopted by the Legislature of the State of New Mexico; to the Committee on Finance:

HOUSE MEMORIAL 1

"Whereas, the employment security handbook number 834, published in November. 1977, requires the following: "An employer is subject to the provisions requiring wage reports and contribution payments if: A.3—domestic employment—the total payroll for calendar quarter for New Mexico employment is $1,000 or more."; and

"Whereas, this requirement that the employer pay the unemployment compensation insurance for domestic servants is in many cases, realistic and fitting, but it can and does impose almost impossible hardships upon certain employers; and

"Whereas, in cases where a person is not so extremely ill as to require hospitalization or nursing home care, but must have another person, a domestic employee, caring for that person while the spouse is at work, the extra financial burden required by the payment of the unemployment compensation insurance can be of vital concern and induce severe hardship upon the employer; and

"Whereas, for persons of wealth, the payment of such insurance for unemployment compensation would not impose undue hardship; however in cases of illness or other disability where continued care is required when the wage earner must be away from the home, the insurance payments can be a significant factor in the total budget of the family;

"Now, therefore, be it resolved by the House of Representatives of the State of New Mexico that the United States congress is respectfully requested to remedy the situation of the requirement of making unemployment compensation contribution payments to domestic employees who are paid a total of $1,000 for any calendar quarter in New Mexico when such employment is required because of the illness or disability of a member of the employer's family who is confined to the home as a result of such illness or disability; and

"Be it further resolved that copies of this memorial be sent to the president pro tempore of the United States senate, the speaker of the United States house of representatives and to the members of the New Mexico congressional delegation."

POM—498. A resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL No. 11

"Whereas, increases in grazing fees on federal lands administered by the Bureau of Land Management and the Forest Service are now pending and subject to review by the Congress of the United States; and

"Whereas, the proposed fee structure constitutes a twenty-five percent increase over existing fees; and

"Whereas, the livestock industry in the State of Idaho is heavily dependent upon grazing programs on federal lands; and

"Whereas, the livestock industry is facing depressed prices and, consequently, serious financial conditions under existing market conditions and is operating with costs exceeding profits even with the present fee structure; and

"Whereas, it is incumbent upon the Congress to consider not only the direct impact of the proposed rate structure upon the livestock industry, but also the related effects upon all phases of the economy of a state such as Idaho where livestock production is at the foundation of the economic health of the State.

"Now, therefore, be it resolved by the Legislature of the State of Idaho, the House of Representatives and the Senate concurring therein, that we urge the Congress to reject the proposal now pending for increases in the grazing fees as submitted by the Secretary of the Interior and the Secretary of Agriculture, and to extend a moratorium upon increases in the fees until a thorough study has assessed the impact upon the livestock industry and the western economy. Any study should consider the financial conditions now facing the industry and potential consequences of additional agricultural failures on the national economy and our citizens.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the Honorable Cecil D. Andrus, Secretary of the Interior, the Honorable Robert Bergland, Secretary of Agriculture, the President of the Senate and the Speaker of the House of Representatives representing the State of Idaho in the Congress of the United States."

POM-499. A resolution adopted by the Legislature of the State of Idaho; to the Committee on Foreign Relations.

"SENATE JOINT MEMORIAL No. 107

"Whereas, the President of the United States has submitted to the Senate of the United States, treaties relating to the Panama Canal Zone; and

"Whereas, the treaties propose that the United States relinquish their rights to operate and protect the Panama Canal; and

"Whereas, since 1902, the Panama Canal Zone has been held and defended as sovereign American territory; and

"Whereas, the treaties propose abandonment of American rights which will inevitably result in higher product costs to American consumers and may well jeopardize the security of all American citizens; and

"Whereas, it is contrary to the principles of a free society to abandon sovereign territory into the hands of a dictatorial minority; and

"Whereas, the President has taken this precipitous action without regard for overwhelming public opinion in opposition to the give away of the Canal, and without apparent consideration for the consequences to every citizen of every state including Idaho.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the Senate and the House of Representatives concurring, speaking on behalf of the citizens of the State of Idaho, that we oppose ratification of the treaties abandoning American rights in the Panama Canal Zone. We urge the Senate of the United States to reject the treaties now pending before the Senate and that the Senate take such action as may be necessary to reaffirm our commitment to the rights, obligations and prerogatives of the American people in the Panama Canal Zone.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable Jimmy Carter, President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives representing the State of Idaho in the Congress of the United States."

POM-500. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Human Resources:

"HOUSE RESOLUTION

"Whereas, the emergency unemployment compensation known as the Federal supplemental benefits (FSBs) provided 26 weeks of benefits to insured, unemployed persons after the exhaustion of regular unemployment compensation and extended benefits; and

"Whereas, federal supplemental benefits were "triggered" when the insured unemployment rates of states or certain designated areas reached 5 per cent; and

"Whereas, these benefits provided a measure to alleviate potentially disastrous economic conditions because of the infusion of federal monies; and

"Whereas, the program has recently expired; and

"Whereas, in Hawaii, federal supplemental benefits provided much relief to persons who may not have had income opportunities other than public assistance; and

"Whereas, the cost of the program was financed by the federal government through the federal unemployment tax act (FUTA) on all covered employers; and

"Whereas, the reestablishment of a federal supplemental benefits type program would greatly assist those persons who are unintentionally unemployed, contribute to the economy of the State, and would provide a measure which may alleviate intolerable conditions if the unemployment rate became sufficient to trigger the benefits; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, that Congress is requested to reestablish a federal supplemental benefits type program which will provide emergency unemployment compensation benefits, to be financed through the general revenues rather than the federal unemployment tax act (FUTA), to insured unemployed persons under certain circumstances; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President Pro Tempore, Majority and Minority Leaders of the U.S. Senate, the Speaker, Majority and Minority Leaders of the U.S. House of Representatives, and the members of Hawaii's Congressional delegation."

PETITIONS PRESENTED

● Mr. PELL. Mr. President, I present 78HO7432, a memorial adopted by the House of the General Assembly of Rhode Island, and 78SO2292, 78SO2293, and 78SO2328, three memorials adopted by the Senate of the General Assembly of Rhode Island. I ask unanimous consent that they be printed in the RECORD and appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The petitions ordered to be printed in the RECORD are as follows:

POM-501. A resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Human Resources:

"HOUSE RESOLUTION

"Whereas, The state of Rhode Island has taken the initiative in identifying and providing for the need for auxiliary social services such as day care, treatment of alcoholism, education of the deaf, homemaker services, half-way houses for ex-convicts, and prenatal care and education for pregnant teenagers; and

"Whereas, Because other states have not yet expended their allocations, there will be no increase in federal funding for the continuation of these auxiliary social services established in Rhode Island; now, therefore, be it

"Resolved, That this house of representatives of the state of Rhode Island and Providence Plantations hereby respectfully requests the congress of the United States to expedite federal evaluation of auxiliary social services established in Rhode Island with Title XX funds, and to provide for the release of additional funds; and be it further

"Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the Rhode Island delegation in the congress of the United States."

POM-502. A resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Human Resources:

"SENATE RESOLUTION

"Whereas, The rehabilitation cost assistance act of 1978 requires that the federal government supply 80% of funds to support the states in their efforts to make public buildings more accessible to handicapped persons; now therefore, be it

"Resolved, That this senate respectfully requests the congress of the United States to support the passage of United States senate bill 2032 and house bill 10071, entitled the "Rehabilitation Cost Assistance Act of 1978"; and be it further

"Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the members of the congress of the United States from Rhode Island."

POM-503. A resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Human Resources:

"SENATE RESOLUTION

"Whereas, In order to provide education for the handicapped, the education of the

handicapped act of 1975 requries that the federal government provide to the states, for the fiscal year ending September 30, 1978, five (5) per centum of the average per pupil expenditure in public elementary and secondary schools in the United States; for the fiscal year ending September 30, 1979, ten (10) per centum; for the fiscal year ending September 30, 1980; twenty (20) per centum; for the fiscal year ending September 30, 1981 thirty (30) per centum; and for the fiscal year ending September 30, 1982 forty (40) per centum; now therefore be it

"Resolved, That this senate of the state of Rhode Island and Providence Plantations respectfully requests the congress of the United States to support the passage of United States house bill H.R. 9761, which amends the education of the handicapped act of 1975 by striking out the provisions cited above and inserting, in lieu thereof, the following:

" '40 per centum for the fiscal year ending September 30, 1978, and for each fiscal year thereafter, of the average per pupil expenditure in public elementary and secondary schools in the United States'; and be it further

"Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the members of the congress of the United States from Rhode Island."

POM-504. A resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Environment and Public Works:

"SENATE RESOLUTION

"Whereas, The entire state of Rhode Island is most desirous of complying with the standards set by the Federal Water Pollution Control Act; and

"Whereas, The allocation of additional federal funds to municipalities for this purpose is needed to alleviate the tremendous financial burden on these municipalities, which have traditionally been responsible for adequately disposing of wastewater generated within their communities; now, therefore be it

"Resolved, That this senate of the state of Rhode Island hereby respectfully requests the congress of the United States to amend Public Law 92-500 by increasing the federal government's grant-in-aid from seventy-five percent (75%) to eighty-five percent (85%) of the total cost for the construction of municipal sewage treatment facilities throughout the state of Rhode Island, thus lowering the municipal share to no more than 5% of the total cost, the balance of ten percent (10%) being assumed by the state of Rhode Island; and in the case of eligible economically disadvantaged communities, to exempt these communities from all of the costs, and to increase the state's contribution to fifteen percent (15%) of the cost; and be it further

"Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in the Congress of the United States."●

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 384. A resolution authorizing additional expenditures by the Committee on Agriculture, Nutrition, and Forestry, for inquiries and investigations (Rept. No. 95-644).

By Mr. PELL, from the Committee on Rules and Administration, with amendments:

S. Res. 385. A resolution authorizing additional expenditures by the Committee on Armed Services for inquiries and investigations (Rept. No. 95-645).

S. Res. 371. A resolution authorizing additional expenditures by the Committee on Banking, Housing, and Urban Affairs for inquiries and investigations (Rept. No. 95-646).

S. Res. 387. A resolution authorizing additional expenditures by the Committee on the Budget for inquiries and investigations (Rept. No. 95-647).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 374. A resolution authorizing additional expenditures by the Committee on Commerce, Science, and Transportation for inquiries and investigations (Rept. No. 95-648).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 367. A resolution authorizing additional expenditures by the Committee on Energy and Natural Resources for inquiries and investigations (Rept. No. 95-649).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 379. A resolution authorizing additional expenditures by the Committee on Environment and Public Works for inquiries and investigations (Rept. No. 95-650).

S. Res. 392. A resolution authorizing additional expenditures by the Committee on Finance for inquiries and investigations (Rept. No. 95-651).

S. Res. 377. A resolution authorizing additional expenditures by the Committee on Foreign Relations for a study of matters pertaining to the foreign policy of the United States (Rept. No. 95-652).

By Mr. PELL, from the Committee on Rules and Administration, with amendments:

S. Res. 370. A resolution authorizing additional expenditures by the Committee on Governmental Affairs for inquiries and investigations (Rept. No. 95-653).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 361. A resolution authorizing additional expenditures by the Committee on Human Resources for inquiries and investigations (Rept. No. 95-654).

By Mr. PELL, from the Committee on Rules and Administration, with amendments:

S. Res. 398. A resolution authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations (Rept. No. 95-655).

S. Res. 382. A resolution authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations (Rept. No. 95-656).

S. Res. 378. A resolution authorizing additional expenditures by the Select Committee on Small Business for inquiries and investigations (Rept. No. 95-657).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 383. A resolution authorizing expenditures by the Select Committee on Intelligence (Rept. No. 95-658).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 375. A resolution authorizing expenditures by the Special Committee on Aging (Rept. No. 95-659).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 368. A resolution authorizing expenditures by the Select Committee on Indian Affairs (Rept. No. 95-660).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOYNIHAN (for himself, Mr. HEINZ, and Mr. WILLIAMS):

S. 2611. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River between the State of New York and the Commonwealth of Pennsylvania as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. HUMPHREY:

S. 2612. A bill to amend the Elementary and Secondary Education Act of 1965 to establish projects to educate, motivate, and encourage secondary school students from an economically disadvantaged background to pursue training at the undergraduate and graduate levels in the biomedical sciences; to the Committee on Human Resources.

By Mr. CHAFEE:

S. 2613. A bill for the relief of Humberto Coelho de Burgo; to the Committee on the Judiciary.

By Mr. HELMS:

S. 2614. A bill to amend the Public Health Service Act to provide alternatives to abortion; to the Committee on Human Resources.

By Mr. CANNON (for himself and Mr. PEARSON):

S. 2615. A bill to authorize appropriations to carry out the Standard Reference Data Act; to the Committee on Commerce, Science, and Transportation.

By Mr. CANNON (by request):

S. 2616. A bill to amend the Independent Safety Board Act of 1974, as amended, to authorize additional appropriations; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, and Mr. RIEGLE):

S. 2617. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes; to the Committee on Human Resources.

By Mr. SPARKMAN (by request):

S. 2618. A bill to authorize fiscal year 1979 and 1980 appropriations for the International Communications Agency, and for other purposes; to the Committee on Foreign Relations.

S. 2619. A bill to further amend the Peace Corps Act; to the Committee on Foreign Relations.

S. 2620. A bill to authorize additional appropriations for the Board for International Broadcasting for fiscal year 1978; to the Committee on Foreign Relations.

S. 2621. A bill to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1979 and 1980 for carrying out that Act; to the Committee on Foreign Relations.

By Mr. MATHIAS:

S. 2622. A bill to acquire certain lands so as to assure the preservation and protection of the Potomac River shoreline; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 2623. A bill to provide for increased petroleum production in the United States through the use of incentives for tertiary recovery processes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN (for himself, Mr. CURTIS, Mr. ZORINSKY, Mr. CLARK, and Mr. HANSEN):

S. 2624. A bill to impose quotas on the importation of beef and to impose labeling requirements on imported beef in order to assure an adequate supply of quality beef at stable prices for the American consumer; to the Committee on Finance.

By Mr. KENNEDY:

S. 2625. A bill to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOYNIHAN (for himself, Mr. HEINZ, and Mr. WILLIAMS):

S. 2611. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River between the State of New York and the Commonwealth of Pennsylvania as a component of the National Wild and Scenic River System, and for other purposes; to the Committee on Energy and Natural Resources.

(The remarks of Mr. MOYNIHAN when he introduced the bill appear earlier in today's proceedings.)

By Mrs. HUMPHREY:

S. 2612. A bill to amend the Elementary and Secondary Education Act of 1965 to establish projects to educate, motivate, and encourage secondary school students from an economically disadvantaged background to pursue training at the undergraduate and graduate levels in the biomedical sciences; to the Committee on Human Resources.

BIOMEDICAL SCIENCES HIGH SCHOOL ENRICHMENT PROGRAMS ACT

● Mrs. HUMPHREY. Mr. President, I am introducing today a bill to establish college sponsored programs to educate and motivate economically disadvantaged students in their high school years with the objective that they will pursue further training and then careers in the biomedical professions.

The vague suspicions about the critical shortage of doctors and other health professionals serving in poverty-stricken areas of our country's urban centers and rural communities have been confirmed by several recent studies. One report has revealed the appalling statistic that in several districts in New York City, each containing approximately 20,000 residents, there were no private physicians who maintained practices in those communities. Except for the medicaid centers in each community, the people there would have no health services directly available to them. This serious limitation of health care professionals has been correlated with higher infant mortality rates, malnutrition, alcohol addiction, and other grim disease statistics.

It is a fact of life that members of the medical profession tend to concentrate in affluent communities, leaving poor areas without an adequate number of physicians. Society cannot require individual doctors to establish their practices in poor, high crime areas. But we no longer can ignore the critical deficiency in the health care available to certain city dwellers and rural communities.

This bill is not the panacea for this disturbing situation, but it is an important step toward alleviating this crisis. The bill attacks the heart of the problem which is that the people with greatest ties to these communities are without the opportunity and the motivation to enter the biomedical professions.

This bill has as its goal to encourage the children who grow up in poverty stricken areas to contemplate the dream of becoming a doctor, a dentist, a pharmacologist, or other medical professional and in addition to contemplating that dream, to have access to the skills and educational foundations by which they can fulfill that aspiration.

Under this program, graduate schools in the biomedical sciences would be encouraged to establish special after-school and summer study programs in the basic sciences, mathematics, and written comprehension for disadvantaged high school students. These programs, which the university or college is to coordinate with area high schools, will be funded under this bill by $40 million in grants.

Starting in the 9th grade, talented students from economically disadvantaged backgrounds can begin participating in a project which is to encompass at least 100 hours of classroom, laboratory, and fieldwork experience in one or more of the biomedical sciences during the academic year. These students may continue in the program throughout their high school years. They will receive counseling on the range of opportunities available upon completion of high school, college, and professional training. Parents and community organizations are encouraged to become involved in the project.

In the past, one of the solutions offered for the disproportionately low number of minority doctors has been to establish affirmative action programs in medical schools. By expanding the numbers of applicants from minority and economically disadvantaged groups for admission to medical school, the hope has been that we can counter the deplorable statistic that only 2 percent of the physicians in our Nation are black, although the population is at least 12 percent black. Even more disturbing is the ratio of one native American doctor for every 13,888 patients.

These special medical school programs are commendable in making an effort to increase the numbers of minority doctors. Affirmative action programs, however, have been challenged in the courts because they raise the question whether they themselves discriminate against the individual in the majority population—as alleged in the Bakke case.

Even if affirmative action programs were free of possible consitutional challenges, an emerging problem for the minority student is that once in medical school, he or she may have difficulty staying there. Having suffered the disparities in educational opportunities in earlier years, many less privileged students cannot survive the rigors of the intensive medical school training. Such students are to be commended for their courage in attempting to compete in the difficult medical school atmosphere. But motivation does not easily compensate for being poorly prepared as many minority medical students may be. Data derived from the Association of American Medical Colleges, representing some 115 medical schools, indicates that the percentage of blacks applying to medical school has not increased in 5 years. Having entered medical school, the chances of minority students completing medical courses is significantly less than for white students. In 1971, 9.7 percent of all black medical students in their first year had to repeat their course work, and 6.8 percent withdrew for academic or personal reasons, while only 2.6 percent of white students dropped out.

The biomedical studies program to be created under the bill I am introducing today could substantially improve the opportunities of disadvantaged students in their preparation for the medical school experience. It guides these students toward premed studies in college and at the graduate school level. In years to come, when the pool of qualified minority applicants has been expanded as a result of the biomedical enrichment programs, no longer will there be a basis for a Bakke-type suit, and no longer will students from socially and economically deprived backgrounds need to be concerned about their ability to compete in medical school or other health related graduate courses.

I should emphasize that the biomedical program is not just for students who may one day want to serve their community as medical doctors. Although the void of physicians in many communities is the most dramatic statistic, poor neighborhoods need dentists, nurses, para-medical personnel, pharmacologists, and public health generalists. That is the reason this bill encourages students to pursue training in all the biomedical sciences.

Nor does this bill indicate any geographic biases toward the inner city, even though the shortage in our cities receives the most publicity. The Commissioner of Education, in making his selections of those higher education institutions which are to be recipients of the grant funds, is to give priority to programs offered to students in high schools in rural areas as well as in urban health manpower shortage areas.

It is common knowledge that many medical students have been motivated to pursue a medical career as a result of association with a parent or friend who is a doctor or other health care professional. Obviously, if in poor neighborhoods there is only 1 doctor for 10,000 people, then few, if any, children have an opportunity to identify with a person in a medical profession. That is why I am glad that this bill makes a point of insuring that, as part of the program to be established by the participating graduate school, the students are to be exposed to professionals trained in the biomedical sciences.

The laboratory and research facilities at the institution must also be available to the students, thus putting them in

direct contact with an atmosphere that hopefully will stimulate their interests in the science fields fundamental to becoming a medical professional. Therefore, the bill I propose today attempts to furnish for the disadvantaged student the role playing that most middle-class students gain in their family or community setting during their formative teenage years.

I know there may be doubts expressed that once motivated to enter careers in medicine, these students will try to escape the ghetto rather than serve there. We cannot force these students to return to their communities any more than we can require doctors and dentists graduating from graduate and medical schools today to open their practices in poor areas of the city or in rural districts. We have to have some faith and confidence that the ties of the community will draw many of these students back. The biomedical sciences high school enrichment program has as one of its goals that the program offered to the economically disadvantaged student should instill awareness, concern, and information about the health of their families and communities.

Mr. President, I ask unanimous consent that the text of the Biomedical Sciences High School Enrichment Programs Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Elementary and Secondary Education Act of 1965 is amended—

(1) by striking out "and VII" before paragraph (a) in section 801 (20 U.S.C. 881) and inserting in lieu thereof "VII, and X"; and

(2) by adding after section 907 (20 U.S.C. 900a–5) the following new title:

"TITLE X—SPECIAL PROJECTS IN THE BIOMEDICAL SCIENCES FOR SECONDARY SCHOOL STUDENTS FROM AN ECONOMICALLY DISADVANTAGED BACKGROUND

"FINDINGS AND PURPOSE

"SEC. 1001. It is the purpose of this title to—

"(1) introduce secondary students from an economically disadvantaged background to the challenges, opportunities, and needs of serving in communities which have a need for professionals trained in the biomedical sciences and which have an underrepresentation of individuals from such a disadvantaged background serving as medical professionals;

"(2) motivate and educate these students to successfully pursue careers in the biomedical sciences;

"(3) develop academic, cognitive, and communicative skills in these students;

"(4) rectify disadvantages resulting from foreign language barriers; and

"(5) instill awareness and concern in these students for the health of their families and communities;

by offering these students an intensive academic program in mathematics, the sciences, and English, study skill development, experiences in laboratory and health care delivery settings, and frequent exposure to individuals trained, or receiving training, in the biomedical sciences.

"DEFINITIONS

"SEC. 1002. For the purposes of this title:

"(1) The term 'applicant' means an institution which has made application under section 1005 for assistance under this title.

"(2) The term 'biomedical science' means a field relevant to the study of human biology, and includes chemistry, biology, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, and public health.

"(3) The term 'full participant' means, with respect to a project conducted in an academic year, a target student who has participated satisfactorily in the project for not less than one hundred hours in the academic year.

"(4) The term 'project' means a project funded under this title.

"(5) The term 'public secondary school system' includes a secondary school system operated predominantly for Indian children and operated by, or receiving financial assistance from, the Department of the Interior.

"(6) The term 'school of biomedical science' means an institution of higher education which provides training leading to a doctorate or master's degree in a biomedical science.

"(7) The term 'student from an economically disadvantaged background' means an individual (A) who is enrolled in good standing in the ninth, tenth, eleventh, or twelfth grade of a secondary school and (B) the income of whose family provides only for basic necessities, such as food, housing, clothing, and transportation.

"(8) The term 'talented student from an economically disadvantaged background' means a student from an economically disadvantaged background who has demonstrated such proficiency or potential as will enable the student, after satisfactory participation in a project, to undertake successfully a course of study in a biomedical science at an institution of higher education. Such proficiency or potential shall be determined in a manner such that (A) a student from a non-English speaking background is not penalized for the student's lack of proficiency in English, and (B) due notice is taken of cultural and linguistic biases inherent in traditional testing methods.

"(9) The term 'target student' means, with respect to a project offered in an academic year in cooperation with a secondary school system or systems, a talented student from an economically disadvantaged background who is enrolled in the school system or systems in the academic year—

"(A) in the ninth or tenth grade, or

"(B) in the eleventh or twelfth grade and who has participated satisfactorily in a project (or in a program comparable to a project) for not less than one hundred hours during the student's enrollment in the ninth or tenth grade in a school system.

"PROJECTS TO EDUCATE, MOTIVATE, AND ENCOURAGE STUDENTS FROM AN ECONOMICALLY DISADVANTAGED BACKGROUND TO PURSUE TRAINING AT THE UNDERGRADUATE AND GRADUATE LEVELS IN THE BIOMEDICAL SCIENCES

"SEC. 1003. (a) To the extent provided in appropriation Acts, the Commissioner is authorized to make grants to and enter into contracts with institutions of higher education for the purpose of offering projects to educate, motivate, and encourage students from an economically disadvantaged background to pursue training at the undergraduate and graduate levels in the biomedical sciences.

"(b) The Commissioner, in his selection among applications meeting the requirements for approval under section 1005, shall (1) give priority to each such qualified application that proposes the offering of a program not previously offered, (2) give special consideration to each such qualified application that proposes the offering of a project to students enrolled in secondary schools located in a health manpower shortage area (designated under section 332 of the Public Health Service Act) or in a rural area, and (3) take into account the location where the project is proposed to be offered to assure that projects are offered in a diversity of geographic settings.

"(c) The amount of money to be provided, under any grant or contract entered into for a project, for a single fiscal year may not exceed an amount equal to $2,400 for each talented student from an economically disadvantaged background who has participated in the project for not less than one hundred hours during the academic year ending in that fiscal year.

"PROJECT ACTIVITIES

"SEC. 1004. (a) Each project funded under this title shall—

"(1) except as provided in subsection (b), extend over a multiyear grant or contract period of at least five academic years;

"(2) (A) be carried out in cooperation with a public secondary school system, or with a combination of such systems, that is located in the area in which the applicant is located and that has a relatively high proportion, as determined by the Commissioner, of students from an economically disadvantaged background enrolled in the secondary schools in such system, and (B) involve in a formal role in policymaking decisions in the project an individual who is employed at an administrative level, no lower than principal or dean, in a secondary school target students of which are participating in the project;

"(3) be conducted, to the extent feasible, in a manner which does not conflict with a student's participation in extracurricular activities of the school in which he is enrolled;

"(4) provide that not less than one hundred talented students from an economically disadvantaged background, who are enrolled in the ninth grade in such public school system or systems in each academic year in which the project is offered, are full participants in the project in such academic year;

"(5) provide for validation of the participation of a target student in such project by a science teacher or the parent or guardian of such student;

"(6) make arrangements to use in such project—

"(A) the research and other facilities and personnel of schools of biomedical science located in the area in which such project is offered;

"(B) the special knowledge of individuals from economically disadvantaged backgrounds who live in the area in which such project is offered and who are employed in the biomedical sciences;

"(C) the expertise of teachers in secondary schools and institutions of higher education located in the area in which such project is offered; and

"(D) the talents and experience of other groups located in the area in which such project is offered, such as parent-teacher associations, foundations, civic groups, and professional organizations, which would further the goals of such project;

"(7) expose target students to professionals trained in the biomedical sciences and to the resources of the biomedical sciences, including those described in paragraph (6), and such other academic and health-related experiences as are designed to—

"(A) inform and educate such students to the challenges, opportunities, and needs of serving in the biomedical science professions;

"(B) educate and motivate such students to pursue successfully careers in the biomedical sciences;

"(C) cultivate the development of academic, cognitive, and communication skills in such students; and

"(D) instill awareness, concern, and information in such students for the health of their families and communities;

"(8)(A) provide counseling to target students who are participating, and to individuals who were full participants in an academic year, in the project on the range of opportunities available in the biomedical sciences upon completion of high school, college, and professional training, and on the financial and other prerequisites to pursue such opportunities, and (B) inform parents of participating students of the goals and structure of the project and provide opportunities for the involvement of these parents in the project.

"(9) provide for the offering for target students, by a school of biomedical science during each academic year of such project, of a course or courses which—

"(A) are in one or more of the biomedical sciences,

"(B) encompass at least one hundred hours of classroom, laboratory, and fieldwork experience, and

"(C) use the facilities of such school, including laboratories, libraries, classrooms, audiovisual equipment, conference and meeting rooms, and other necessary facilities;

"(10) provide for the offering—

"(A) on the campus of the applicant or of a cooperating undergraduate institution of higher education,

"(B) in the summer following each academic year of the project, and

"(C) for each individual who was a target student and a full participant in the project in the previous academic year,

of a summer program consisting of at least six weeks of intensive academic study taught by college faculty and graduate students in mathematics, the sciences, English, and such related subjects as promotes the purposes of this title; and

"(11)(a) provide for the following (through qualitative assessments by a student's teachers and professors and through documentation of a student's cumulative grade point average in high school, scholastic aptitude test scores, acceptances to colleges and universities, and grade point average and major pursued during attendance at a college or university) of each individual who was a target student and a full participant in the project in an academic year in which the project is offered, to evaluate the impact of the project on the careers pursued by former participants in the project.

"(b) The Commissioner may not provide funds under this title to an institution for a project (other than for the part of the project described in subsection (a)(11)) during an academic year (hereinafter in this subsection referred to as the 'project year') occurring after the second academic year of the project unless—

"(1) the number of target students who were enrolled in the tenth grade and were full participants in the project in the academic year preceding the project year is not less than 50 percent of the number of target students who were enrolled in the ninth grade and were full participants in the project in the second academic year preceding the project year; and

"(2) not less than 50 percent of the particular target students who were enrolled in the tenth or eleventh grade and were full participants in the project in the second academic year preceding the project year also were full participants in the project during the academic year preceding the project year.

"APPLICATIONS

"SEC. 1005. (a) Any institution desiring assistance under this title shall make application therefor in accordance with the provisions of this title and other applicable law and with regulations of the Commissioner promulgated for the purposes of this title. The Commissioner shall approve an application under this title only if he determines that the project for which the application seeks assistance—

"(1) will be operated by the applicant and that the applicant will carry out such project in accordance with this title; and

"(2) will provide for the activities described in section 1004(a).

"(b) In approving an application for assistance under this title, the Commissioner shall insure that there is cooperation and coordination of efforts among the projects, including the exchange of materials and information among such projects.

"USE OF FUNDS

"SEC. 1006. (a) Funds appropriated to carry out projects under this title may be used to cover all or part of the cost of establishing and carrying out projects, including the cost of stipends, allowances, travel, and subsistence expenses (in such amounts as may be determined in accordance with regulations of the Commissioner) to target students during their participation in a summer program offered pursuant to section 1004(a)(10).

"(b) Each target student who is participating on an essentially full-time basis in a project may be paid a stipend in an amount not in excess of $30 per month, except in exceptional cases as determined by the Commissioner.

"(c) No project may be paid, for any one fiscal year, an amount greater than an amount equal to $2,400 for each target student who was a full participant in the project in the academic year ending in that fiscal year.

"APPROPRIATIONS AUTHORIZED

"SEC. 1007. (a) For the purpose of carrying out projects under this title, there are authorized to be appropriated $40,000,000 for the fiscal year ending September 30, 1979.

"(b) Of the funds appropriated pursuant to subsection (a), an amount not to exceed $5,000,000 shall be used for the purpose of conducting evaluations of the projects authorized under this title.

"(c) Sums appropriated pursuant to this section shall remain available for expenditure and obligation on or before September 30, 1983.".●

By Mr. HELMS:

S. 2614. A bill to amend the Public Health Service Act to provide alternatives to abortion; to the Committee on Human Resources.

ALTERNATIVES TO ABORTION ACT OF 1978

● Mr. HELMS. Mr. President, during the continuing Senate debate on abortion, some assume they must decide this issue in favor of one of two opposing interests; to support the rights of women or the rights of unborn children. Unfortunately, this interpretation of the abortion controversy is premised upon profound misunderstandings as to the nature of abortion, the way in which many legal abortions are performed, and the needs of women with problem pregnancies.

Mr. President, today I am introducing the Alternatives to Abortion Act of 1978, to redirect the efforts of the Federal Government and provide counseling and other assistance which is now not widely available. At present, the Federal Government directly promotes abortion among poor women and young women by making abortion its primary response for women facing troubled pregnancies. The Alternatives to Abortion Act would enlarge these women's freedom of choice by offering them viable, realistic alternatives to abortion. In doing so, this bill does not expand the authority of the Federal Government in this area. Presently, title 10 of the Public Health Services Act directs the Federal Government to promote and assist family planning programs. The Alternatives to Abortion Act would redirect these efforts toward the establishment and development of alternatives to abortion programs. Under the act, the Federal Government would augment the activities of many private, nonprofit organizations such as Birthright, Birthchoice, and Alternatives to Abortion International, which even with their limited funds have provided this vital service to hundreds of thousands of women.

Although proabortionists describe abortion as "humane" and as part of a woman's "freedom of choice," the fact is that thousands of women undergo legal abortions under circumstances that are anything but "humane" and which make a sham of "freedom of choice." These women are misled regarding the biological realities of fetal development, the nature of the abortion procedure, and the physical and emotional consequences of the abortion operation. By means of these misrepresentations many women agree to undergo an abortion during a very emotional and vulnerable time in their lives. These misrepresentations go to the very facts upon which the abortion decision is based. Accordingly, such misinformation vitiates the voluntariness of these women's decision.

The Center for Disease Control of the Department of Health, Education, and Welfare recently reported that the majority of women obtaining legal abortions in 1975 (the latest year for which figures are available) were young, white, and unmarried. The Center reported that of all women obtaining legal abortions, 65 percent were under age 25, 68 percent were white, and 74 percent were unmarried. In my own State of North Carolina, the State Department of Human Resources reports that of all women obtaining legal abortions in 1976, 69 percent were under 25 years old; 64 percent were white; and 77 percent were unmarried.

Mr. President, as these figures indicate, the vast majority of women obtaining abortions today are young and unmarried. These women are in need of concerned and personal counseling and are entitled to know all the facts regarding abortion and alternatives to abortion. The mental and physiological trauma, especially among teenagers who have undergone an abortion and later learn the facts of fetal development and long-range consequences of the operation, is often intense. Too often they are victimized by those from whom they seek help—persons who have a substantial economic interest in increasing the num-

ber of abortions. It is hardly realistic to assume that an effective alternative to abortion program will be conducted by those who are simultaneously performing abortions on an assembly line basis.

One organization, which receives millions of taxpayers' dollars, recently estimated that in its opinion 450,000 teenagers "need and want abortion services." Although such organizations often talk about abortion as a "necessary evil" whose number should be reduced, it is obvious that their substantial financial interest in the performance of abortions prevents them from promoting a successful alternative to the abortion program.

Even the expanded family planning services of such organizations are counterproductive, since abortion is thereby promoted as a necessary and legitimate backup to contraceptive failure, that is, as a method of family planning. If anything, these organizations' own projections show that as their family planning activities increase, so do their goals for their performance of abortions. Under one 5-year plan the number of abortions to be performed each year would almost double to reach 85,000 abortions per year by 1980. The United States cannot hope to establish an effective national alternative to the abortion program until it separates such a program from those organizations which possess a substantial financial interest in the performance and promotion of abortion.

Mr. President, although these figures which I have discussed are in themselves dramatic, they represent individual cases of hardship, emotional crisis, and tragedy. Recently, Good Housekeeping magazine printed the experiences of several women who had had abortions. Their experiences, told in their own words, reveal many of the problems these women encounter, including misinformation and lack of information about abortion from those promoting it.

Mr. President, I ask unanimous consent that the personal accounts of these women taken from the Good Housekeeping magazine article entitled: "Are You Sorry You Had An Abortion?" be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CINDY PHILLIPS

I never thought an abortion would be a very big deal, but was I wrong!

I am 20, my boyfriend is 26 and we've been going together for about four years. I became pregnant last summer. My boyfriend strongly urged me to have an abortion. I wanted it even more. I was just starting a modeling career.

My childhood was anything but ideal. After my parents were divorced, my mother brought up four children all by herself. My sister was married for about a year and is now raising a child without a father.

I've seen so many mistakes and unhappiness in my life that I want to be absolutely sure I'm ready for motherhood before I have a baby. So I decided to have an abortion.

When I got to the clinic in Miami, the place was a wild scene, a madhouse with people running around and screaming like scared chickens. I paid $200 for a suction curettage.

After waiting for two hours in a room all by myself—they wouldn't even let my girl friend keep me company—I was finally put on a table and given a shot in the arm. I passed out. I was awakened by pain that was so sharp and intense, I began to cry. A doctor came in, gave me a shot for the pain, and said I could leave anytime.

I had to return to the clinic two days later for an RH shot because of my blood type. That's when they told me I owed them an additional $100. They couldn't use the vacuum method—the fetus was too large—so they did a D & C instead. I had not been told this when I was discharged.

The pain kept persisting so I went to see a highly respected gynecologist. He noticed a string hanging from my uterus but couldn't examine me internally because I was too tender and sore. When I came back some days later he checked me out, then gave me the story.

Apparently I'd been ripped and lacerated during the operation and they had sewn the wound together. The "string" was just left hanging.

I've been going for treatment and it's believed I've been damaged internally so it's unlikely I'll ever become pregnant again. If I do, there's a very good chance I'll have a miscarriage.

Women who think abortion is nothing ought to think twice.

JULIE ENGEL

John and I had been married for about a year. We were attending Ohio State University—I was a sophomore and he was a freshman on the GI Bill after his return from Vietnam.

When I learned I was pregnant we didn't know what to do. We were having a particularly hard time adjusting to married life. We wanted to continue our schooling, money was tight and besides we were just plain scared of having a baby then. So we finally decided that I would have an abortion.

I was in my third month when we visited a referral service in Cleveland. Abortion had just been legalized in New York but was still illegal in Ohio. I asked the counselor, "What does a three-month-old fetus actually look like?"

"Just a clump of cells," she answered matter-of-factly.

Then I asked, "Is abortion a threat to future pregnancies?"

"Women often have D & C's [dilation and curettage] to help them get pregnant," was the perfunctory answer.

"Are there psychological problems?" I continued.

"Hardly ever. Don't worry," I was told.

The counselor wrote down the name of an abortion clinic in New York City.

Still wavering, John and I continued to discuss it at home. We finally decided—why should we dislocate our lives for something that was only a "clump of cells"?

At the abortion clinic in New York they gave us a short lecture on birth control. I was handed a packet of pills and told to take them so I wouldn't have to come back again. After John paid the admitting office $275, I was ushered into a room and examined internally to see whether I needed a D & C or a saline injection. There were no other tests, no blood pressure, respiratory or physical checks of any kind.

Even though I was somewhat advanced for a D & C, they were able to perform one. I'd checked in at 10 a.m. and by 2 o'clock it was all over. I'd had a total anesthetic, so there was no pain or discomfort. After spending the night at the clinic I was discharged the next day.

A year later at a friend's house someone was passing around pictures of fetuses in various stages of development. When I saw that a three-month-old "clump of cells" had fingers and toes and was a tiny, perfectly formed baby, I became really hysterical.

It's three years since I had the abortion and I haven't been able to conceive since. Some doctors tell me it's a hormonal imbalance that should eventually correct itself. But one physician has said my inability to become pregnant is probably abortion-connected.

I'd been lied to and misled and I'm sure thousands of other women are being just as poorly informed and badly served. To prove it, John and I visited almost every clinic in Cleveland. I pretended I was pregnant and asked for guidance.

What we heard was incredible. One counselor told us the fetus did not begin to resemble a human being until seven months; another said five months and so it went.

John has helped me set up Community Women's Services here in Cleveland. Its purpose is to counsel and educate women on the pitfalls of abortion. We're small, nonprofit and an all-volunteer organization that tries to give the pregnant woman helpful and accurate information so she can make an educated decision. Abortion is rarely the best answer.

LINDA VIEWEGH

My gynecologist operated on me when I was about four months pregnant. After I paid him $250, he sent me next door to a friend, a psychiatrist, who tape-recorded our conversation.

At one point the psychiatrist asked me if I'd ever contemplated suicide because of my condition. When I said, "No," he stopped the recorder, rewound it, and told me to say "Yes" when he asked the question again. It was before abortion was legalized and the taping session, the psychiatrist told me, was just a formality so he could write a note authorizing it.

I was living in Colorado Springs at the time with my two children. I'd been divorced two years earlier. I'd been married while a sophomore at the University of Minnesota, majoring in psychology. My husband had also been a student and we'd both quit school and gone to work. We were divorced after four years.

The father of the baby kept insisting I have an abortion and, all in all, it seemed like the logical thing for me to do. When I talked to my gynecologist, he, too, urged me to go ahead. The operation took place in the hospital where I was later to become an admitting clerk. During surgery, I had respiratory arrest which I understand happens sometimes. But there was no pain and I left for home some hours later.

One night, about a month after my operation, I started vomiting blood and wound up back in the hospital with bleeding ulcers. I'd never had any previous symptoms, but one doctor told me these could have been caused by repressed emotional feelings.

Shortly after abortion was legalized I got a job as an admissions' clerk in the hospital and my eyes were really opened. I was able to see new dimensions of suffering and agony, I'd never even imagined. There was no counseling, no birth-control information. It was simply a matter of walking in with the right amount of money and answering, "yes," when a doctor asked, "Do you want an abortion?" Doctors from all the surrounding areas were using the hospital's facilities.

The poor girls came with parents forcing them and with husbands and boy friends insisting this is what they had to do. They came alone not knowing what to do. They came five-, six-, and seven-months pregnant. I soon began having nightmares about my own abortion. I'd be walking through a door in my dreams, feeling great. All of a sudden I felt lost, confused, as if I'd been wandering in a strange place.

I've also had a problem with an infected tube since my abortion. The infection resists antibiotics and though I'm only 28, I've been advised to have a hysterectomy. I've remarried and plan to hold off having the operation as long as I can.

GEORGIA DENK

When Jimmy and Rosalynn Carter say their daughter Amy, coming after three grown sons, is the greatest blessing they ever received, I know exactly what they mean.

We had three sons (our boys are 16, 17 and 18 now) and then I had an abortion. After the operation, I was declared sterile. Today, miracle of miracles, we are blessed with a beautiful, darling six-year-old daughter, the joy of our life.

My husband, Bob, a graduate of the University of Louisville with a degree in sociology, went broke trying to get an espresso coffee house started in Louisville in 1965. We were receiving $140 a month in benefits to support a family of five. I got a job as a cocktail waitress. When my employer found out I was pregnant, I was told I could keep my job if I had an abortion. Bob tried to talk me out of it, but I wouldn't listen. I couldn't see our children suffering even more, which is what would have happened if I lost my job.

I scraped together $200 and one of the girls I worked with took me to the private home of a registered nurse here in Louisville. By the looks of things she was doing pretty well.

Her bedroom was outfitted with a sterilizer and other hospital equipment. I lay on her own bed as she pulled on surgical gloves and inserted two rubber catheters into my womb. She seemed very sure of herself and there was no pain. I was told to go home and get into bed. She also said that within 12 hours I would start feeling some pain. Then I was to sit on the toilet and after the discharge, flush it and go on my way.

Shortly after returning home I lay on the couch in the living room, and that's where my baby was born—alive. It was a perfectly formed little boy about two inches in size. I could see his heart beating.

My husband rushed the children, who had seen it all happen, out of the room. I screamed and shouted hysterically. I thought I was going out of my mind. It seemed like an eternity before the tiny little heart finally stopped.

Oh, my God, I thought, I've just killed a baby and *all it was supposed to be was some bloody tissue.*

I kept hemorrhaging and wound up in the hospital where I almost died. Doctors wanted to operate but couldn't because of my mental and physical condition. Finally, thinking it the only way to stop the hemorrhaging and save my life, they asked my husband for permission to do a hysterectomy.

There was a young doctor at the hospital who kept trying to do everything to save me and avoid the hysterectomy. I was only 27 at the time and it was mainly through his efforts that I recovered without surgery. However, I was told I was sterile.

But six years later we were blessed with a big, beautiful, healthy baby girl. She weighed eight pounds, four ounces when she arrived.

We later realized there were ways we might have been spared the hell we went through. Food stamps, surplus food, public housing—these could have eased our financial plight, but we just didn't know.

As it turned out, I lost my job anyway. My boss said I had taken too much sick leave.

Now at 39, I'm a senior at the University of Louisville, majoring in education. I hope to be able to teach others how to cope with life's crises. As for me, I discovered nothing is worth the hell of abortion. It's an act of love to carry the child to term and give it up, if necessary, for adoption.

Mr. HELMS. Mr. President, as these personal case histories indicate, abortion, even when legal, is hazardous to a woman's physical and mental health. One leading gynecologist states that "there is now ample evidence to show that abortion is neither safe nor simple. The long-term complications alone condemn its use as a contraceptive method." Another study of the long-term effects of abortion, finds that "especially striking is an increased incidence of ectopic pregnancy. Furthermore, as noticed recently, a higher incidence of cervical incompetence results from interruption of pregnancy that raises the number of spontaneous abortions subsequently to 30–40 percent."

A British study of the effects of abortion on subsequent pregnancies recommended that: "Any patient who has a previous history of an abortion should be regarded as a high-risk patient."

The psychological complications resulting from abortion are also significant. The Scientific Study Group of the World Health Organization reports that there is "no doubt that the termination of pregnancy may precipitate a serious psychoneurotic or a psychotic reaction in a susceptible individual." Other studies find that abortion "even if therapeutic, may itself produce a phychosis" and that abortion "frequently carries with it a degree of emotional trauma far exceeding that which would have been sustained by continuation of pregnancy."

Prof. Alfred Kotasek, chief of the Department of Gynecology and Obstetrics at Charles University, Prague, Czechoslovakia, reported to the Fourth International Congress on Perinatal Medicine that the medical complications following first semester abortions were: First, immediate complications: death, excessive blood loss, injuries to the cervix, perforation of the uterus; second, early complications: fever, bleeding, retained products of conception, infection, "the postabortal pain syndrome"; third, late complications: chronic inflammation, menstrual disorders, psychological complications, sterility; and fourth, complications during subsequent pregnancy: extra-uterine pregnancy (for example, ectopic pregnancy), cervical incompetence (spontaneous abortions), perinatal mortality (stillbirth), premature births, hemorrhage during pregnancy, longer average duration of labor. Professor Kotasek also reports that mid-trimester abortion is "three to four times more risky than early abortion."

Mr. President, abortion is often recommended as the solution to a problem pregnancy. However, experienced counselors and social workers recognize that pregnancy itself is not the problem. In these cases, pregnancy is the symptom of a real, more basic problem. The abortion procedure does not alleviate this more basic problem. Almost always it greatly exacerbates the real problem, whether it is family difficulties, insecurity, or identity problems. Often the abortion is followed by feelings of guilt, depression and substantial psychological trauma, which often triggers further complications.

Mr. President, I would like to share with my colleagues the case histories of several young women who have undergone problem pregnancies, some after prior abortions. These cases relate true occurences and were compiled by professional social workers and made available directly to me, although the identities of the women involved have been disguised. Mr. President, I ask unanimous consent that the four case studies be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CASE STUDY

Client: C.M. (Mexican-American)
Age: 18
Status: Pregnant, married

SETTING

C.M. was seen in a public school group counseling setting designed to help young teenage mothers learn how to care for their child.

PROBLEM

C.M. had been learning about and feeling the growth of her new baby within her and after about 6 group sessions she asked to see me individually. In this meeting tearfully she revealed to me that two years ago at the age of 16 she had become pregnant and had an abortion. A year later she married and became pregnant by her husband. Her husband does not know of the abortion, and she fears his reaction if he would find out. I asked her why she had decided not to tell him and how she felt about it. She burst into tears and said that she felt fine about it. It was the best thing to do at the time and she had no guilt or remorse. Her parents and relatives had told her that it was the best thing to do, and she was thoroughly convinced that it was. She could give no reason as to why she was crying; why she couldn't tell her husband; why she hadn't talked about it with anyone else since the abortion and why she did not discuss her present feelings with the few family members who knew about her abortion.

We discussed many things; in the course of this one interview three times spontaneously she brought up the question of the abortion. Each time spontaneously she burst into tears declaring that she had no remorse and no guilt because it was the best thing to do. I realized that to help this young woman examine her feelings would take a very long time.

It should be noted that this young woman would have answered any statistical report saying that she was happy with her abortion, felt good after it and was pleased to have had it. It solved her problem, etc.

SUBSEQUENT EFFECTS

Four years later C.M. had had her baby who was now a beautiful four year old boy. She had tried to put the abortion question behind as one of the events of her youth that no longer needed to be dealt with. She found herself however constantly depressed and anxious about her relationship with her husband. She persistently asked the question, does he love me, would he love me if he knew? Since he didn't know, she was paralyzed in building a positive husband-wife relationship. She also was dissatisfied with her own mothering skills because she was overprotecting her child, hovering over him.

SUBSEQUENT COUNSELING

We discussed it realistically that she could and should feel guilty. That was a normal response. We talked about her real feelings about the abortion and about her family talking her into it. After several interviews she could accept herself enough that she

would tell her husband about it, as she could see how it was affecting her relationship with him. There was truly a stormy time between them, but she tried to help him understand her feelings about what she had done, her love of him and her need for him to accept her fully and completely.

Today, seven years after the abortion, if the statisticians asked this young woman about the effects of abortion on her, she would have a great deal more to say. The abortion had had effects on her that she did not understand or even know about, until she matured a great deal.

CASE ANALYSIS

In reviewing this case, I would like to point out some patterns that reoccur constantly in post-abortion counseling.

(1) The abortion affects the woman's self-concept in a manner which she does not understand fully because she has been told by others that it is the good thing to do and she is a good person to do it.

(2) She spends much time trying to rationalize, repress and suppress the feelings and ideas that cause her distress about the abortion.

(3) The psychological task of suppression, repression and rationalization causes her to overcompensate. This overcompensation often shows up in a tendency to be overly anxious about her subsequent children.

Or it often happens that her self doubt affects her relationship with her husband, friends, etc. A young girl who is busy rationalizing her behaviour to herself has doubts that others can and do love her.

(4) It is only when these feelings are surfaced and dealt with that there can be a healing and psychological growth.

CASE STUDY

Client: A.M. (Black)
Age: 16
Status: Pregnant, unmarried

SETTING

A.M. was first brought to the attention of a maternity home through a friend. There had been long-standing problems between A.M. and her mother, and because of these problems, this friend had offered her home to A.M. and her younger sister. They had been in the care of this friend for approximately one month when she became aware that A.M. was approximately six weeks pregnant. A.M. explained to the friend that the natural father of the baby was a friend of her mother in his 30's. The mother, a three-time divorcee, had a long history of illnesses and surgeries and was not capable of assisting her daughter substantially.

A.M. was placed in a maternity home immediately; prior to this time, at age 12, she had become pregnant and had an abortion.

PROBLEM

For the greater part of placement time A.M. was seen as very depressed and withdrawn. She did a lot of sleeping in order to escape her depression. She was close to only one girl in the home.

Her social worker reported that she had a lot of hostility toward her mother but had difficulty in getting in touch with this feeling. She was tested by the psychologist who reported that "she is afraid and uncertain about life in general and has strong feelings of being useless and unworthy. She is often depressed and guilty. The source of her guilt may be seen in the sexual conflicts that she is currently experiencing. In addition, she has a great amount of hostility toward her mother. These hostile impulses may be another source of guilt." The doctor's diagnosis was that she "seems to be experiencing very typical adolescent adjustment problems in feelings of alienation and sexual conflict."

SUBSEQUENT EVENTS

A.M. was referred to an adoption agency but she wanted to keep her baby. Since she couldn't return home, she and her baby were placed in a group home for young mothers and their babies. At the end of our contact with her, the State Social Worker was seekneeded "a strong parental figure to give her and her baby. It was felt that this girl needed "a strong parental figure to give her help and guidance." It was also felt that she would profit greatly from this strong guidance.

CASE ANALYSIS

This case illustrates:

(1) The uselessness of abortion as a means of solving problems. The pregnancy at 12 years old was a symptom of other problems. She had the abortion which compounded her guilt and feelings of worthlessness. She continued sexual experimentation because no one helped her with her adolescent questions. If she had not had the abortion, it would have put her in the position of being able to have counseling and explore her worries before they became so exacerbated. A plan could have been made for the care of her baby in either adoption or family care. She would have felt better about herself.

(2) It is a common misconception that to give a girl contraceptives and prevent her from having another baby is the best solution. That is no solution as this case illustrates.

(3) It is also a common misconception that these unplanned pregnancies are unwanted. Professionals find a frequent unconscious desire for a child. In this case the girl saw her baby as a means of meeting her love needs and greatly wanted the baby. She now needs help to be a mother who can meet the baby's needs.

CASE STUDY

Client: J.L. (White)
Age: 21
Status: Pregnant, unmarried

SETTING

J.L. is a pretty, intelligent, active young woman who came to the adoption agency at three months of pregnancy. She entered a group counseling setting where she was verbal and well motivated.

PROBLEM

One day after the group had been going about a month, she came in late, sat down and was extremely agitated, tearful and upset. She said that she had just returned from a large metropolitan hospital where she had talked to the social worker. It was standard hospital policy that all unwed mothers visit the social worker for assistance with their problems. She had told them that she was going to have her baby and place her child for adoption. The social worker then proceeded to ask her if she wanted an abortion. She explained, No, that she believed that there was human life present in the womb and wouldn't want to do this. The social worker then asked her where she got that idea. She explained from her parents and from what she had learned from reading, etc. The social worker then tried to "assist her by freeing her from this idea so that she could make a true choice as to whether she wanted to place the child for adoption, keep the baby or abort the baby." The social worker's position was that this girl was not really free to make the decision since she was bound by the moral restrictions laid on her by her parents. She pointed out that many other young girls are free to decide to abort, and if she could simply free herself from these restrictions, it would be better for her. By the time J.L. reached the group, she was upset because she was an unwed mother which was a problem and now she wanted to have her baby which was also a sign that she had a problem.

There were five other young women in the group and as she related the story, they all sat and nodded. In discussing it afterwards, I found that every other girl in the group had had similar experience at some point in their pregnancy. That is, a significant professional such as a doctor, welfare worker, professional counselor, nurse, etc., almost always from a public agency had challenged the young woman about her decision to have her child and had tried to push an abortion on her. Some of the ways and means of this pushing were extremely subtle. They took the form of the welfare worker saying things that made the girl feel that if she took money from the state to have her baby, it was less noble and courageous than if she aborted the baby and it didn't cost the state any money.

SUBSEQUENT COUNSELING

This young woman went on to have her baby, place the child for adoption, continued for two years of counseling after placing it, succeeded in making a good marriage and having children, and now is a contributing active member of her community. She feels good about herself, she feels that she made a responsible decision for her child, and she is a good mother. Prior to her pregnancy, she had many and frequent sexual experiences with various men. When her self esteem increased through responsible handling of the pregnancy and counseling, these frequent liaisons stopped completely, she went off the "Pill" and really straightened out her life.

CASE ANALYSIS

It is through responsible decision making and mature activity that young people grow. If this young woman had had an abortion, first of all, she probably would not have continued in counseling and would not have gotten the help that this provided for her. Second, her interior self image would not have strengthened by the pregnancy. It was only through her sincere feeling that she was doing the right thing and being a mature adult that her self confidence grew, and she was able to straighten out her life.

CASE STUDY

Client: M.P. (White)
Age: 20
Status: Pregnant, unmarried

SETTING

M.P. came to an adoption agency in approximately the 4th month of her pregnancy seeking assistance. She decided to keep her baby but continued in counseling sporadically for the duration of the pregnancy.

PROBLEM

M.P. had had a previous abortion approximately a year before this pregnancy. She said that she went to one of the hospitals that specialized in abortion (basically they are abortion clinics). She had the abortion and experienced cramps and bleeding afterwards. She went back to the doctor who did the abortion and reported that she was having difficulty with cramps and bleeding; he told her that she would be all right and not to worry about it. She continued to feel sick and went back after two weeks or so to the same doctor. She reported her condition again. He did not examine her or give her any medication and told her she would be all right. Her condition persisted and she went back a third time with the same results. Finally, as she got weaker and was out of work, she went to a regular gynecologist who examined her carefully, said that she was extremely ill as there had been continual bleeding with perforation of the uterus, and improper cleaning out of the pregnancy. This had become infected and she was out of work trying to recover for six months. It was practically 8 or 9 months before she felt back to normal again. The gynecologist had told her that he was unsure whether she would ever become pregnant again.

She had become so panicked that she had gotten herself pregnant again in order to test out her fertility.

SUBSEQUENT COUNSELING

This young woman had her baby and kept it. She continued in counseling during the course of the pregnancy and made many gains in understanding herself.

CASE ANALYSIS

Very frequently women who have had abortions become pregnant again. Sometimes this is because of the subconscious or conscious fear of sterility. In this case, the girl was conscious of this fear.

THE ALTERNATIVES TO ABORTION ACT

Mr. HELMS. Mr. President, title 10 of the Public Health Services Act provides for substantial involvement by the Federal Government in population research and family planning programs. Today, title 10 authorizes the Secretary of Health, Education, and Welfare to assist in the establishment and operation of family planning projects and in offering family planning methods. Title 10 also authorizes HEW to assist in training personnel to carry out family planning programs; for research related to family planning and contraceptive development; and in developing educational materials regarding family planning and population growth.

Presently, the appropriation of Federal funds for grants and contracts under title 10 totals $182,500,000. While the legislation I am introducing today does not increase the appropriation of Federal dollars under title 10, it would shift the expenditure of those funds. If enacted, this bill would provide Federal assistance for the establishment and development of alternatives to abortion programs in addition to the family planning programs now funded under title 10.

Essentially, the Alternatives to Abortion Act provides assistance for alternatives to abortion projects which counsel women on the benefits and services available to them in carrying their children to term and in raising and caring for their children after birth. Under the act, such programs show concern for the rights and welfare of both lives involved in the woman's pregnancy.

Additionally, the bill prohibits HEW from refusing to assist an alternatives to abortion program or a family planning program because it does not advise, provide, or refer for abortion, sterilization, abortifacient drugs, devices, or other methods of contraception. It requires those programs which provide contraceptives to a minor to notify the parents or guardians of the child to whom contraceptives are being provided. It further requires that any program receiving assistance under title 10 shall provide each of its patients with the biological and physiological facts at each stage of human development from the moment of fertilization. It also prohibits the use of Federal funds under title 10 to programs or organizations which promote or provide abortion, unless such a procedure is necessary to save the life of the mother.

Finally, the bill requires that any agency or organization which receives assistance under title 10 or title 19 of the Social Security Act shall inform each woman orally and in writing of the medical risks inherent for herself and for future pregnancies as a result of an abortion and shall have the woman sign and date the following informational statement:

I understand that the risks of an abortion are serious and may be life-threatening; that even during early pregnancy an abortion may be accompanied by serious complications, and that this is particularly true for women pregnant for the first time.

I also understand that these complications may include the mother's death, injuries to her cervix or uterus, infection, bleeding, fever and sterility and that abortion may also affect later pregnancy by increasing the risk of ectopic pregnancy, spontaneous abortion, premature birth and stillbirth.

It also provides that the agency or organization may not perform an abortion within 2 days from the date on which the woman signs the statement, unless in a physician's professional opinion an earlier abortion is required to prevent the death of the woman in which case the physician's opinion and the medical indications on which it is based must be in writing and made part of the woman's medical record.

Mr. President, I ask unanimous consent that the Alternatives to Abortion Act of 1978 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alternatives to Abortion Act of 1978".

FINDINGS

SEC. 2. The Congress finds that the practice of abortion constitutes a serious, growing threat to the welfare of the people of the United States in that it adversely affects the respect for human life which is the foundation of a just society. In maintaining this respect for human life it is proper for Congress to encourage childbirth over the practice of abortion.

PROJECT GRANTS AND CONTRACTS FOR FAMILY PLANNING SERVICES

SEC. 3. (a) Section 1001(a) of the Public Health Service Act (42 U.S.C. 300) is amended to read as follows:

"SEC. 1001. (a) The Secretary is authorized to make grants and to enter into contracts with public or nonprofit private entities to assist in the establishment and operation of—

"(1) voluntary family planning projects which shall offer a broad range of acceptable and effective family planning methods, including natural family planning methods (excluding abortion); and

"(2) alternatives to abortion projects to provide counseling to pregnant women on the benefits and services available to them in carrying their children to term and in raising and caring for their children after birth as well as the possibilities offered by adoption services.

Projects described in paragraphs (1) and (2) shall evidence concern and sensitivity for the rights and welfare of both lives involved in the patient's pregnancy.".

(b) Section 1001(b) of the Public Health Service Act (42 U.S.C. 300) is amended to read as follows:

"(b) In making grants and contracts under this section the Secretary—

"(1) shall take into account the number of patients to be served, the extent to which family planning and alternatives to abortion services are needed locally, the relative need of the applicant, and its capacity to make rapid and effective use of such assistance;

"(2) shall give priority to alternatives to abortion projects;

"(3) shall not terminate, withhold, or otherwise encumber such grant, contract, or application thereof on the basis that the public or nonprofit private entity involved does not advise, provide or refer for abortion, sterilization, abortifacient drugs, devices or other methods of contraception;

"(4) shall not require family planning programs to advise, provide or refer patients for abortion, sterilization, abortifacient drugs, devices or other methods of contraception;

"(5) shall require family planning and alternatives to abortion projects to provide each of its patients with the biological and physiological facts of human life at each stage of development from the moment of fertilization;

"(6) shall not approve the application of any public or nonprofit private entity which promotes or provides abortion services unless required to prevent the death of the mother."

FORMULA GRANTS TO STATES FOR FAMILY PLANNING SERVICES

SEC. 4. Section 1002(a) of the Public Health Service Act (42 U.S.C. 300a) is amended by adding at the end thereof the following new sentence: "The Secretary shall not approve any State plan under the preceding sentence that includes abortion counseling unless such counseling is required to prevent the death of the mother."

INFORMATIONAL AND EDUCATIONAL MATERIALS

SEC. 5. Section 1005(a) of the Public Health Service Act (42 U.S.C. 300a–3) is amended to read as follows:

"(a) The Secretary is authorized to make grants to public or nonprofit private entities and to enter into contracts with public or private entities and individuals to assist in developing, and making available, information (including educational materials) on—

"(1) family planning, and

"(2) the reasons for and the benefits and services available to pregnant women in carrying the child to term, and in raising and caring for the child after birth.".

REGULATIONS

SEC. 6. Section 1006 of the Public Health Service Act (42 U.S.C. 300a–4) is amended by adding at the end thereof the following new subsection:

"(d) To be eligible for funds under this title, the governor of each State shall designate a single State agency to administer the funds received under this title and to provide family planning and alternatives to abortion services through public or nonprofit private agencies; or, establish a method of direct payment of funds received under this title to eligible clients or eligible nonprofit private entities based upon a voucher system or other method whereby proof of services actually rendered on behalf of eligible clients is provided to the State.".

APPROPRIATIONS; PARENTAL NOTIFICATION; SANCTIONS

SEC. 7. Title X of the Public Health Service Act is amended by adding at the end thereof the following new sections:

"PARENTAL NOTIFICATION

"SEC. 1010. Any program, project or entity which (1) receives either directly or indirectly any funds under this title and (2) provides contraceptives to an unmarried minor shall notify the parents or guardians of such minor that contraceptives are being provided.

"RESERVATION OF APPROPRIATIONS

"SEC. 1011. Of the amounts appropriated under this title not less than 40 percent shall be expended on alternatives to abortion programs.

"ELIGIBILITY FOR FUNDS

"SEC. 1012. Any recipient of any grant or contract under this title who violates any provision of this title, or any regulation promulgated under this title, shall be liable to the United States for an amount equal to 100 percent of such grant or contract and shall be ineligible to apply for any further grant or contract under this title for a period of 2 years after such violation.

"RISK NOTIFICATION

"SEC. 1013. Any public or nonprofit private entity which directly or indirectly receives funds or other assistance under this title or under title XIX of the Social Security Act, which provides abortion services—

"(1) shall inform each woman orally and in writing of the medical risks inherent for herself and for future pregnancies as a result of an abortion;

"(2) shall, after providing the information required by paragraph (1), require the woman to sign and date the following informational statement: I UNDERSTAND THAT THE RISKS OF AN ABORTION ARE SERIOUS AND MAY BE LIFE-THREATENING; THAT EVEN DURING EARLY PREGNANCY AN ABORTION MAY BE ACCOMPANIED BY SERIOUS COMPLICATIONS, AND THAT THIS IS PARTICULARLY TRUE FOR WOMEN PREGNANT FOR THE FIRST TIME. I ALSO UNDERSTAND THAT THESE COMPLICATIONS MAY INCLUDE THE MOTHER'S DEATH, INJURIES TO HER CERVIX OR UTERUS, INFECTION, BLEEDING, FEVER AND STERILITY AND THAT ABORTION MAY ALSO AFFECT LATER PREGNANCY BY INCREASING THE RISK OF ECTOPIC PREGNANCY, SPONTANEOUS ABORTION, PREMATURE BIRTH AND STILLBIRTH;

"(3) may not perform an abortion within two days from the date on which the woman signs the statement contained in paragraph (2), unless in a physician's professional opinion an earlier abortion is required to prevent the death of the woman in which case the physician's opinion and the medical indications on which it is based shall be reduced to writing and incorporated as part of the woman's medical record.".●

By Mr. CANNON (for himself and Mr. PEARSON):

S. 2615. A bill to authorize appropriations to carry out the Standard Reference Data Act; to the Committee on Commerce, Science, and Transportation.

STANDARD REFERENCE DATA ACT AUTHORIZATION

● Mr. CANNON. Mr. President, I introduce today, at the request of the Department of Commerce, and on behalf of myself and my colleague, Mr. PEARSON, a bill to authorize appropriations to carry out the Standard Reference Data Act.

I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2615

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated to the Department of Commerce not to exceed $3,152,000 for fiscal year 1979 and such sums as may be necessary for each of fiscal years 1980 and 1981 to carry out the purposes of the Standard Reference Data Act (15 U.S.C. 290–290f; 82 Stat. 339).

THE SECRETARY OF COMMERCE,
Washington, D.C., February 9, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "To authorize appropriations to carry out the Standard Reference Data Act," together with a statement of purpose and need in support thereof.

The Department has determined that this proposed legislation does not constitute a major proposal requiring preparation of an Economic Impact Statement under Executive Orders 11821 and 11949, and OMB Circular A–107.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

JUANITA M. KREPS.

STATEMENT OF PURPOSE AND NEED

The Standard Reference Data Act (Pub. L. 90–396, approved July 11, 1968; 15 U.S.C. 290–290f; 82 Stat. 339) declared the policy of the Congress to make critically evaluated reference data readily available to scientists, engineers, and the general public. Under the terms of the Act the Secretary of Commerce is assigned the primary responsibility in the government for providing for the collection, compilation, critical evaluation, publication and dissemination of standard reference data. Section 7 of this statute precludes the enactment of any appropriations for the purposes of the Act after fiscal year 1969 unless previously authorized by legislation. Successive statutes* since the passage of the Standard Reference Data Act have authorized the appropriation of funds to carry out the purposes of this Act for each of the fiscal years subsequent to 1969 through fiscal year 1978, which ends on September 30, 1978. The purpose of this bill, therefore, is to authorize appropriations for fiscal years 1979, 1980, and 1981, so that the Secretary of Commerce may continue during those years to carry out the responsibilities charged to her under the Act.

The objective of the activities conducted under the Standard Reference Data Act is to increase the effectiveness of research, development, and engineering design by providing critically evaluated data on properties of materials needed by scientists and engineers in the United States. The program is designed to retrieve the useful data from the half-million or more scientific papers and reports published annually throughout the world; to evaluate these data and select reliable values; and to make the results available in a convenient reference form. In this way costly design mistakes are prevented, the need for over-design is reduced, and the expensive repetition of measurements is avoided. Thus, the program serves as an interface between laboratory measurements of material properties and the application of the resulting data to the solution of a wide variety of problems.

Since passage of the Standard Reference Data Act, the National Bureau of Standards has established over twenty continuing data centers and supported a number of other data evaluation projects. These are integrated into a system under which data are retrieved, evaluated, and prepared for publication on a regular schedule. The total output of data consists of over 200 data compilations covering about 80 distinct physical properties and over 40,000 different substances. A number of bibliographies, indexes, and directories of data sources have also been published.

The Journal of Physical and Chemical Reference Data, created in 1972 under the authority of the Standard Reference Data Act, is now a well-established source of authoritative data for the U.S. technical community. Most of the major technical libraries in the U.S. subscribe to this basic reference source, and thousands of individual scientists and engineers have purchased data compilations which appear in it.

The Standard Reference Data program is a decentralized one, with the evaluation of data conducted by specialized groups and individual experts throughout the country. The various data centers and other projects are located in universities, industrial laboratories, and research institutes, as well as in the technical divisions of NBS. The program management is provided by the Office of Standard Reference Data at NBS. In addition, this Office coordinates with other Government agencies and private groups engaged in data activities and with other countries and international organizations that have active data programs. An important objective of the Office is to maximize the utility of foreign data programs to U.S. scientists and engineers.

In the past three years, many new needs for evaluated data bases have become evident, especially those growing out of the national concern for problems of energy, environmental quality, and materials shortages. The growing attention to the prediction of long-term effects of new technology has highlighted the importance of standardized, reliable data bases for input to modeling calculations. Using the resources developed over a number of years, the Standard Reference Data program has been able to respond quickly to many of these needs. Programmatic changes have been effected which focus the effort more directly on such national problem areas.

The program must be a dynamic one, since large amounts of new experimental data are generated each year and new needs are constantly emerging. The new measurements must be evaluated and incorporated into the system in order to provide up-to-date reference tables. New needs require repackaging of data in different formats and frequently lead to more strenuous requirements on accuracy. A continuing program of this nature is an essential resource of American science and technology in solving the Nation's technological problems.●

* Public Law 91–131 dated December 1, 1969 (83 Stat. 273), Public Law 92–317 dated June 22, 1972 (86 Stat. 234), and Public Law 94–49 dated July 2, 1975 (89 Stat. 248).

By Mr. CANNON (by request):

S. 2616. A bill to amend the Independent Safety Board Act of 1974, as amended, to authorize additional appropriations; to the Committee on Commerce, Science, and Transportation.

ADDITIONAL AUTHORIZATION FOR INDEPENDENT SAFETY BOARD ACT

● Mr. CANNON. Mr. President, I introduce today, at the request of the National Transportation Safety Board, a bill to amend the Independent Safety Board Act of 1974, as amended, to authorize additional appropriations.

I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Safety Board Act Amendment of 1978".

SEC. 2. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following: "There are authorized to be appropriated for the purposes of this Act not to exceed $15,420,000 for the fiscal year ending September 30, 1979, and $16,350,000 for the fiscal year ending September 30, 1980, such sums to remain available until expended.".

WASHINGTON, D.C.
July 29, 1977.

HON. WALTER F. MONDALE,
President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a legislative proposal to provide an authorization for the programs of the National Transportation Safety Board for fiscal years 1979 and 1980. The enclosed draft Bill, "The Independent Safety Board Act Amendments of 1977," would authorize appropriations for these programs of $15,420,000 in FY 1979 and $16,350,000 in FY 1980.

This request compares favorably with the previously enacted authorization of $15,200,000 for fiscal year 1977 and $16,400,000 for fiscal year 1978. We were able to limit our FY 1979 and FY 1980 requests by conducting a thorough evaluation of the organization of the Safety Board and our available resources to determine the best method of carrying out the responsibilities of the Independent Safety Board Act with the minimum level of resources.

Our evaluation also resulted in a major reorganization of the Safety Board in which we reallocated our resources from an aviation and surface oriented organization to an intermodal transportation agency. Through this reorganization we were able to direct the Safety Board's available resources to accomplish the most important program responsibilities of the Independent Safety Board Act of 1974 without requesting new programs in either FY 1977 or FY 1978. Because of the scope of the reorganization, and the efforts required to implement the new surface programs authorized in the Act, we are continuing this "go-slow" policy in FY 1979, even though we are aware of vital areas involving transportation safety which are not now covered by any government agency, but should be covered by the Safety Board. Accordingly, we are requesting an increase of only $710,000 in FY 1979 over the FY 1978 appropriation request for mandatory salary and benefit changes and the impact of inflation.

However, in FY 1980, we believe we can expand our coverage of the responsibilities in the Act to additional areas without adversely affecting on-going programs. Accordingly, the authorization request for FY 1980, totalling $16,350,000, which is less than the current FY 1978 authorization, includes $200,000 to fund new programs which will have a significant effect on transportation safety. These programs are described on the attached Statement of Justification. The remaining $730,000 of the $930,000 increase over the FY 1979 requested level is for mandatory salary and benefit changes and the impact of inflation.

In developing this authorization request the Safety Board has taken into consideration the President's desire for a balanced budget and has not included all of the programs which we believe would have an impact on improving transportation safety. Our request has been limited to only the most essential programs which require additional emphasis by the Federal government.

The Safety Board has determined that this proposed legislation will have no adverse impact on the environment or any inflationary impact on the economy.

Sincerely,

WEBSTER B. TODD, Jr.,
Chairman.

STATEMENT OF JUSTIFICATION

Section 309. The Independent Safety Board Act of 1974, as amended, provided an appropriation authorization for the Safety Board of $15,200,000 for FY 1977 and $16,400,000 for FY 1978. To adequately accomplish its authorities and responsibilities under the Act of 1974, as amended, provided an appro- in FY 1979 and $16,350,000 in FY 1980.

The requested authorization increase in FY 1979 of $710,000 over the President's FY 1978 Budget of $14,710,000 is needed for salary and benefit increases and to fund the increased cost of goods and services due to inflation.

The requested increase in FY 1980 of $930,000 over the FY 1979 requested authorization is needed for:

1. *Salary and Inflationary Increases in Current Programs.* The Safety Board will require an additional $730,000 in authorization authority in FY 1980 for salary and benefit increases and to fund the increased costs of goods and services due to inflation.

2. *New FY 1980 Programs.* In order to assure effective implementation of the new surface programs authorized in FY 1976 and integrate the program changes resulting from the October 1, 1976 reorganization of the Safety Board, no new programs were requested in FY 1977, FY 1978, or FY 1979. However, by FY 1980 all programs will be assimilated and fully operational to allow the Board to implement other important programs required by the Act that are not now being accomplished by any government agency. Accordingly, an additional $200,000 will be required to fund, for a half-year, proposed programs for: evaluation of field accident investigation reports; reduction of injuries and deaths in accidents; technical support of mass transit and railroad investigations; laboratory support for surface investigations; recommendation follow-up; and surface accident investigation training.●

By Mr. CRANSTON (for himself, Mr. WILLIAMS, and Mr. RIEGLE):

S. 2617. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, and for other purposes, to the Committee on Human Resources.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1978

● Mr. CRANSTON. Mr. President, I am pleased to introduce today S. 2617, a bill to amend the Domestic Volunteer Service Act of 1973 (Public Law 93–113) which is due to expire at the end of the current fiscal year.

I am delighted to be joined in cosponsorship of this bill, the proposed "Domestic Volunteer Service Act Amendments of 1978," by the chairman of the Human Resources Committee, Mr. WILLIAMS, who has been so active over the years in promoting the programs administered by the ACTION Agency, and by the ranking majority member of the Subcommittee on Child and Human Development, Mr. RIEGLE, who is a strong supporter of these programs.

S. 2617 would extend for 3 additional years the authorizations of appropriations in the Domestic Volunteer Service Act of 1973, and make improvements in this legislation which I authored in the Senate and which provides statutory authority for the ACTION Agency and its domestic volunteer programs.

BACKGROUND

CREATION OF THE ACTION AGENCY

Mr. President, the ACTION Agency came into being on July 1, 1971, the result of reorganization plan No. 1 of 1971, which was intended to consolidate into a single agency a number of voluntary action programs operating throughout the executive branch of the Federal Government. Those programs were:

VISTA—Volunteers in Service to America—previously administered by the then Office of Economic Opportunity, a full-time, full-year domestic volunteer program established in 1964 to strengthen and supplement efforts to eliminate poverty;

The Peace Corps, a full-time, 2-year international volunteer program established in 1960 to assist underdeveloped nations through the use of American volunteers;

The national student volunteer program, previously administered by the Office of Economic Opportunity, a domestic program to encourage and assist student volunteer programs dealing with the problems of the poor;

The Foster Grandparent program, initiated in 1965 in OEO, and then transferred to the Administration on Aging in the Department of Health, Education, and Welfare, a domestic program to provide half-time opportunities for low-income older Americans to assist needy children;

The retired senior volunteer program—RSVP—also previously administered by the Administration on Aging, a domestic program to enable retired persons to perform part-time voluntary services in their communities;

The Service Corps of Retired Executives and Active Corps of Executives—SCORE and ACE—previously administered by the Small Business Administration and under the terms of the 1971 reorganization plan, to be jointly administered by the Small Business Administration and the ACTION Agency, a domestic program providing assistance to small business people utilizing the part-time expertise of retired and active individuals with business experience.

Mr. President, by Executive order these last two programs, SCORE and ACE, were transferred back to sole sponsorship of the Small Business Administration in July of 1975.

Mr. President, at this point, I would like to direct the attention of my colleagues to my remarks, volume 119, pages 6945–6951, in the CONGRESSIONAL RECORD of March 8, 1973 where I discussed in some detail the controversy surrounding the plan to create the ACTION Agency, the unsuccessful resolutions of disapproval of the 1971 reorganization plan, and the development of the Agency's authorizing legislation containing provisions for the new Uni-

versity Year for Action program, the Senior Companion program, and the Agency's discretionary special volunteer programs. At that time, I set forth a number of aspects regarding the legislative history of the Agency.

The Domestic Volunteer Service Act of 1973 authorizations of appropriations were extended for the first time in 1975 with the enactment of Public Law 94–135, the Older Americans Act Amendments of 1975, which continued for 3 fiscal years authorization of appropriations for the title II Older American Volunteer Programs, and in 1976 with the enactment of Public Law 94–293, the Domestic Volunteer Service Act Amendments of 1976, which continued for 2 fiscal years the authorizations of appropriations for the remaining titles of the original act. S. 2617, in addition to providing for an additional 3-year extension, proposes several modifications in the statute which are described and explained in the section-by-section analysis which, Mr. President, I shall ask to be printed in the RECORD at the conclusion of my remarks.

Mr. President, on February 9 and February 20, the Human Resources Committee's Subcommittee on Child and Human Development, which I am privileged to chair, held hearings on the ACTION Agency's implementation of the Domestic Volunteer Service Act of 1973, and to ask each of the witnesses—who included representatives from each of the Agency's programs and representatives from private-sector volunteer efforts—as well as the Agency, of course, to comment in writing for the hearing record on the legislation we are introducing today, and to suggest modifications or alternative approaches. Their advice will be invaluable to the subcommittee as we proceed to markup legislation to provide for continuation of the very fine programs under the administration of the ACTION Agency.

Mr. President, at that February 9 hearing we heard much discussion about the administration's budget proposals for fiscal year 1979. They include:

The VISTA request of $38.495 million which represents an $11.745 million increase over last year's expenditures;

The service-learning program request of $605 thousand which represents a $4.895 million reduction from last year's expenditures, and an elimination of the university year for ACTION program;

The older Americans volunteer program request of $57.94 million which represents a $4.06 million reduction from last year's expenditures. This level would permit no new growth in the foster grandparents or senior companions programs—although those programs would receive a slight budget increase. It would result in the elimination of 138 current RSVP projects and a reduction in volunteer strength of 30,000. In budgetary figures, it represents a decrease of $4.7 million for the RSVP program, which was funded at $20.1 million last year.

Mr. President, also discussed at the February 9 hearing was the possibility of Congress returning the older American volunteer programs to the Administration on Aging. At this point, I am not convinced that such a transfer is warranted. For this reason, the bill I am introducing today includes a 3-year extension of the authorization of appropriation for each of the programs now under the ACTION Agency umbrella—including the older American programs—under the present administrative structure.

Mr. President, my own very strong support for the older American volunteer programs is indicated in the increased authorization levels for them included in S. 2617. At our February 9 hearings I pledged to work for an increase in the fiscal year 1979 budget for RSVP, and I will continue to push for an increase in the stipend provided for participants in the foster grandparents and senior companions programs.

Mr. President, I ask unanimous consent that the text of S. 2617 be printed in the RECORD immediately following the section-by-section analysis.

There being no objection, the analysis and bill were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1 establishes the short title of the bill as the "Domestic Volunteer Service Act Amendments of 1978".

Section 2 revises section 103(d) of the Domestic Volunteer Service Act of 1973 (P.L. 93–113), hereinafter referred to as the "Act". This section of the Act prohibits the assignment of volunteers to a State unless the Governor has been given 45 days advance notice of the project, and has not disapproved it. If a Governor requests the Director to terminate the assignment of a volunteer within a State, the Director must do so within 30 days. In neither case is the Governor required to give any reasons for the decision.

The amendment requires a Governor to state, in writing, the reasons for disapproval of a project or the assignment of a volunteer, or of a request for termination of a project or a volunteer. In either case—the initial disapproval or a later request for termination—the Director of the ACTION Agency may disagree, after reviewing the statement of reasons given by the Governor, based on a determination that the project or the assignment of a volunteer is fully consistent with the provisions and in furtherance of the purposes of the VISTA program. Any such determination must be in writing. This authority is derived from that contained in section 242 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. § 2834), with respect to Community Action Programs.

Section 3 amends section 105(a)(2) of the Act, relating to the payment of the volunteers' end-of-service stipend, to make it consistent with a similar provision in the Peace Corps Act. The purpose of the amendment is to authorize advances of the end-of-service stipend under such conditions as the Director of the ACTION Agency shall determine, rather than only in "extraordinary circumstances", as is the case at present. Under the new provision, the Director could, for instance, authorize the advance of part of the end-of-service stipend for purchase of U.S. Savings Bonds, as has been done for Peace Corps volunteers.

Section 4 re ains (moving the provision from subsection (c) to subsection (a) of section 122) and clarifies the authority provided in the 1975 amendments to Part C, title I, of the Act for the Director to recruit, select, and train volunteers for Part C Special Volunteer Programs. It further revises subsection (c) of section 122 to allow the Director, for the first time, to provide, except for stipends (end-of-service allowances), support for short-term, part-time volunteers provided they are enrolled for periods of service of 20 hours or more per week for 26 or more consecutive weeks.

The amendment also requires that full-time volunteers serving in Part C programs take the same oath required for VISTA Volunteers by section 104(c), that the Director ensure that they have sufficient support to carry out their assignments as required by section 105(b), and that the Governor's approval provisions in section 103(b) as revised by section 2 of the bill—would also apply to their service.

The section further provides the Director with discretionary authority to provide stipends, in amounts not to exceed the stipends for VISTA Volunteers, to full-time, full-year volunteers enrolled under Part C programs such as the National Youth Service demonstration programs; and with respect to those full-time, full-year volunteers whose service under Part C is of similar character to VISTA service under Part A, requires application of the provisions of section 103(b) (relating to employment counselling and services to low-income community volunteers), section 204(d) (relating to grievance procedures), and section 105(a) (relating to the payment of stipends) to the extent those provisions are applied to Part A volunteer service.

Section 5 adds a new subsection (d) to section 201 of the Act, which authorizes the Retired Senior Volunteer Program (RSVP). The new subsection makes clear that RSVP volunteers are not employees, either of the ACTION Agency or of local sponsoring agencies, for any purpose which the Director of the ACTION Agency finds not to be fully consistent with the purpose and provisions of the Act. This clarification is necessary because questions are being raised in several States as to whether RSVP volunteers must be covered by workers' compensation. RSVP volunteers do not receive compensation, they must be over sixty years of age, and they serve for relatively short periods of time each week. The ACTION Agency makes available to sponsors a policy of medical insurance to cover costs associated with any injury to the volunteers. Their service has never been considered as employment. Application of a State requirement that they be covered by workers' compensation laws would clearly be inconsistent with the purpose and volunteer nature of the program, and would increase the cost of the program, thereby making it available to fewer older persons than are now participating.

Section 6 amends section 404(g) of the Act by adding a new parargaph (2). The new paragraph resolves an unintended conflict between the Domestic Volunteer Service Act of 1973 and the Work Incentive provisions of Title IV of the Social Security Act, which require that recipients of Aid to Families with Dependent Children (AFDC) register with a sponsor of the Work Incentive (WIN) program for manpower services, training, and employment as a condition of eligibility for AFDC. More recently, eligibility for food stamps has been conditioned on a similar requirement (section 6(d)(1) of the Food Stamp Act of 1977 (P.L. 95–113, section 1301)).

Section 103(b) of the Act contains explicit authority for the Director of the ACTION Agency to enroll low-income individuals as full-time volunteers, and requires that, as part of their service, they receive an individual plan designed to provide an opportunity for job advancement or transition to gainful employment.

Section 104(b) requires that all volunteers in the traditional VISTA program be enrolled for periods of service of at least one year, with limited exceptions. Section 404(g) of the Act provides that payments to

volunteers under the Act shall not reduce or eliminate the level of or eligibility for assistance or services any such volunteers may be receiving under any governmental program.

It was the intention of these provisions that low-income persons should be encouraged to participate in programs of voluntary service, and that the allowances they receive not be counted as income to reduce public assistance benefits for which they or their families were eligible prior to commencing volunteer service. The purpose of this provision was to assure that the families of these volunteers would continue to receive the same level of benefits, for instance medicaid coverage for children, during the volunteer's service as they received prior to the commencement of the service. The WIN requirements would disqualify for AFDC and Food Stamp benefits individuals who are otherwise qualified but who cannot participate in training or register for or seek employment because of their enrollment as volunteers.

Volunteer service provides a positive benefit to the volunteer as well as to the community, and low-income volunteers and their families should continue to receive public assistance benefits to which they were entitled before becoming volunteers throughout their service. If they are required to accept training, or to seek employment, during their service as a condition to receiving benefits, their service will be disrupted, to the detriment of the individual and to the community.

This amendment, then, provides that such volunteers may not be denied public assistance or food stamps during their service because of a refusal to register for, seek, or accept employment or training during the period of their enrollment.

Section 7 requires the Director, in consultation with the Chairman of the Civil Service Commission and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, to take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers to take into account experience in volunteer work in the consideration of applicants for employment, and to make provision for the listing and description of volunteer work on all employment application forms.

The concepts embodied in this section were earlier introduced as part of Senate Concurrent Resolution 21, expressing the sense of the Congress that experience in volunteer work should be taken into account for this purpose. Volunteers acquire valuable skills, which, if remunerated, would no doubt be immediately marketable. But the irony of volunteer work lies in the tendency of employers to measure contributions and skills only by the amount of money expended to secure them. The result is that the value of the contributions made and the skills developed by those dedicated enough to work for little or no pay too often have been underrated.

This section seeks to turn around this situation by making it an affirmative responsibility of the ACTION Agency to encourage employers to take a new look at whether they give sufficient consideration to volunteer experience in the information requested on their standard application forms, and to take positive action to improve the situation. The Civil Service Commission standard form for application for Federal employment (SF–171) already contains an appropriate provision for the listing of volunteer work.

Section 8 amends section 415 of the Act to provide that, in addition to the full-time, full-year volunteers now covered under this section, part-time volunteers enrolled for periods of service of not less than 20 hours per week for at least 26 consecutive weeks are deemed to be federal employees for the purposes of the Hatch Act, the Internal Revenue Code, title II of the Social Security Act, the Federal Tort Claims Act and the Federal Employees Compensation Act.

The previous lack of authority to provide such coverage to less than full-time, full-year volunteers has been an impediment to the enrollment of short-term full-time volunteers.

This section also makes such full and part-time volunteers Federal employees for the purposes of section 5584 of title 5 of the United States Code, which authorizes the waiver of collection of erroneous overpayments of pay to federal employees, up to a limit of $500, where collection would be against good conscience and not to the advantage of the Government. This authority is already available with respect to Peace Corps volunteers, and is necessary because the agency has, in the past, been required to attempt recovery of relatively small overpayments, with consequent damage to volunteer morale and loss of substantial parts of the volunteer's end-of-service allowances. Volunteer in-service allowances are designed to meet only basic needs, and are insufficient to permit repayment of overpayments. In addition, the administrative cost burden to the agency has been substantial in relation to the relatively small amounts recovered.

This section also makes the Federal Tort Claims Act the sole available remedy of an individual making a medical malpractice claim as a result of actions by a volunteer serving in a health-care capacity. At present, the individual can elect to make a claim against the government, or against the individual volunteer. Since volunteers serve for no personal gain and are paid only minimal allowances, not sufficient to pay for expensive medical malpractice insurance, the agency's ability to attract individuals to serve in health-care programs is severely limited by its present inability to give assurance that there is no possibility of a ruinous malpractice claim against the individual volunteer.

This section is similar to the malpractice provisions contained in section 4116 of title 38 of the United States Code which applies to health personnel employed by the Veterans' Administration and similar authority in section 224 of the Public Health Service Act (42 U.S.C. 223) applicable to commissioned officers and employees of the Public Health Service.

Section 9 amends section 417 of the Act to provide that volunteer service in programs authorized by the Act shall be deemed to be participation in a program receiving Federal financial assistance for the purposes of title VI of the Civil Rights Act, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and for purposes of the anti-sex-discrimination provision presently in subsection (a) of section 417. This new provision will assure that minority individuals or those with handicaps, or other conditions which do not interfere with the ability to perform volunteer service, will not be discriminated against by project sponsors if such individuals desire to participate in or secure the benefits of these federally supported volunteer programs.

Section 9 also makes the policies (and remedies thereunder) in section 717 of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e–16), title V of the Rehabilitation Act, and the Age Discrimination Act, applicable to volunteers and applicants for volunteer service under the ACTION Agency (including Peace Corps service). At present, since volunteers under Title I are not deemed employees of the government, they have no formal remedy in cases of racial, religious, age, sex, or handicap discrimination. The section charges the Director of the ACTION Agency to establish (generally within 90 days after enactment) a remedy process for volunteers and applicants for volunteer service, after consulting with the Equal Employment Opportunity Coordinating Council, the Secretary of Health, Education, and Welfare, and the Interagency Committee on Handicapped Employees.

Section 10 provides authorizations of appropriations for the ACTION Agency for the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981, respectively.

It amends section 501 of the Act to provide an authorization of appropriations for programs under title I of the Act, as follows: such sums as are necessary, except that 80% of the funds appropriated pursuant to title I must be spent on programs to eliminate poverty and poverty-related human, social, and environmental problems. The Act now stipulates that not less than $29.6 million shall be used for this purpose. It also amends section 501 by deleting the earmarking for the Part A VISTA program and deleting subsection (b) of the Act which sets forth a formula for distribution of funds for title I appropriated in excess of $37.6 million. These changes are made to provide greater flexibility to the Director in carrying out title I.

This section amends section 502 of the Act to authorize appropriations for Older American volunteer programs (Retired Senior Volunteer Program, Foster Grandparents and Senior Companions) under title II of the Act as follows:

[In millions of dollars]

	Fiscal year		
	1979	1980	1981
RSVP	$25	$30	$35
FGP and SCP	55	62	70

It deletes specific breakdowns of appropriations between the Foster Grandparents and Senior Companions programs in order to provide encouragement for more jointly administered FGP/SCP projects.

It amends section 503 to authorize the appropriation of such sums as may be necessary for each of the fiscal years 1979, 1980, and 1981 for programs utilizing business volunteers under title III of the Act. These programs were transferred to the Small Business Administration by Executive Order in 1975.

Finally, it amends section 504 to authorize the appropriation of such sums as may be necessary for the ACTION Agency to perform the administrative functions set forth in title IV of the Act in fiscal years 1979, 1980, and 1981.

S. 2617

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1978".

SEC. 2. Section 103 of the Domestic Volunteer Service Act of 1973 (Public Law 93–113; 87 Stat. 394 et seq.) (hereinafter referred to as the Act) is amended by amending subsection (d) to read as follows:

"(d) (1) Volunteers under this part shall not be assigned to duties or work in a project or program in any State unless the project or program has been submitted to the Governor or other chief executive officer of the State concerned, and has not been disapproved by him or her within forty-five days of the date of such submission. In the event of a timely disapproval in writing supported by a statement of reasons, by the Governor or other chief executive officer, volunteers may be assigned to duties or work in such project or program if, following disapproval, the Director determined in writing, with a

statement of reasons therefor, that such project or program is fully consistent with the provisions and in furtherance of the purposes of this part.

"(2) Except as provided in the second sentence of this paragraph, when so requested by the Governor or other chief executive officer of the State concerned in writing supported by a statement of reasons, a volunteer project or program or the assignment of a volunteer project or program in such State shall be terminated by the Director not later than thirty days after the date such request is received by the Director, or at such later date as is agreed upon by the Director and such Governor or other chief executive officer. The Director may refuse to terminate such a project or program or the assignment of a volunteer to such a project or program if the Director so determines by notifying the Governor or other chief executive officer in writing, with a statement of reasons therefor, that such program or project or the assignment of such a volunteer to a project or program is fully consistent with the purpose and provisions of this part.".

SEC. 3. Section 105(a)(2) of the Act is amended by amending the first sentence thereof to read as follows:

"Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine pursuant to regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

SEC. 4. Section 122 of the Act is amended by—

(1) amending subsection (a) by inserting at the end thereof the following new sentence:

"In carrying out programs authorized by this part, the Director is authorized to provide for the recruitment, selection, and training of volunteers."; and

(2) amending subsection (c) to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to partime volunteers enrolled for periods of service of 20 hours or more per week for 26 or more consecutive weeks in programs under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 103(d), 104(c), and 105(b) to the service of full-time volunteers enrolled under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to full time volunteers enrolled for periods of service of one year or more under this part,

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purpose of this part, and

"(B) to the extent that the terms and conditions of the service of such volunteers is of similar character to the service of volunteers under part A of this title, shall apply to the service of such volunteers the provisions of sections 103(b) (with respect to low-income community volunteers), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers under such part A.".

SEC. 5. Section 201 of the Act is amended by inserting at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law, volunteer service under this part shall not be deemed employment for any purpose which the Director finds is not fully consistent with the purpose and provisions of this part.".

SEC. 6. Section 404(g) of the Act is amended by—

(1) inserting "(1)" after "(g)"; and

(2) inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, a person serving as a full-time volunteer under title I of this Act, who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.".

SEC. 7. Section 410 of the Act is amended by inserting at the end thereof the following new sentence:

"The Director, in consultation with the Chairman of the Civil Service Commission and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers to take into account experience in volunteer work in the consideration of applicants for employment, and to make provision for the listing and description of volunteer work on all employment application forms.".

SEC. 8. Section 415 is amended by—

(1) amending subsection (b) by—

(A) striking out in the first sentence "under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as full-time volunteers, or as part-time volunteers enrolled for periods of service of not less than 20 hours or more per week for 26 or more consecutive weeks, in programs under title I of this Act";

(B) striking out in clause (3) "and"; and

(C) striking out the period at the end thereof and inserting in lieu thereof a comma and "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes)."; and (2) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

(A) against the United States provided by sections 1346(b) and 2672 of title 28, or (B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under sections 1346(b) or 2672 of title 28, for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a volunteer under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever was designated by the Director to receive such papers, and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

"(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28 and all references thereto. After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, and with the same effect.".

SEC. 9. Section 417 of the Act is amended by—

(1) inserting at the end of subsection (a) the following new sentence:

"For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et. seq.), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(2) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1974 (42 U.S.C. 2000e-16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V) and in the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers and to volunteers serving under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.), and any remedies under such laws shall be available to aggrieved such applicants or volunteers. Not later than 90 days after the date of the enactment of this Act, the Director, after consultation with the Equal Employment Opportunity Coordinating Council (established by section 715 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-14)) with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Secretary of Health, Education, and Welfare and the Interagency Committee on Handicapped Employees (established by section 501(a) of the Rehabilitation Act of 1973 (29 U.S.C. 791(a)) with regard to the application of the policies set forth in title V of such Rehabilitation Act, and not later than 90 days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out such Age Discrimination Act, the Director, after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such poli-

cies so as to promote the enrollment and service of persons as such volunteers without regard to the discriminatory factors proscribed in such laws.".

SEC. 10. Title V of the Act is amended by—

(1) amending section 501 by—

(A) striking out "(a)" and striking out "and" after "September 30, 1977," in such sentence and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978," in such sentence;

(B) striking "$29,600,000" in the second sentence of subsection (a) and inserting in lieu thereof "80 per centum"; and

(C) striking out the last sentence of subsection (a) and all of subsection (b).

(2) amending section 502 by—

(A) striking out in subsection (a) "and" after "September 30, 1976," and inserting "$25,000,000 for the fiscal year ending September 30, 1979, $30,000,000 for fiscal year ending September 30, 1980, and $35,000,000 for the fiscal year ending September 30, 1981," after "September 30, 1978,"; and

(B) inserting at the end of subsection (b) the following new sentence:

"There are further authorized to be appropriated $55,000,000 for the fiscal year ending September 30, 1979, $62,500,000 for the fiscal year ending September 30, 1978, and $70,000,000 for the fiscal year ending September 30, 1981, for the purpose of carrying out programs under part B of such title.";

(3) amending section 503 by striking out "and" after "September 30, 1977," and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978,"; and

(4) amending section 504 by striking out "and" after "September 30, 1977," and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978,".

Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, Senator CRANSTON, the chairman of the Subcommittee on Child and Human Development, in sponsoring this legislation to reauthorize appropriations for the Domestic Volunteer Service Act of 1973. This measure would extend the ACTION Agency's domestic volunteer programs through fiscal year 1981.

As Senator CRANSTON has so ably demonstrated in his section-by-section analysis of the ACTION reauthorization bill, the provisions that would amend the existing statute are, for the most part, intended to strengthen the ACTION programs and improve the operations of this important agency. Some of the provisions that I feel are especially important are:

Reaffirmation of the rights of State Governors in the assignment of VISTA volunteers;

Allowance for stipend advances or alternative payments to family members when appropriate;

Volunteers may not be deprived of public assistance, because they do not register with WIN;

Encouragement for employers to credit volunteers for their voluntary experience;

Procedures for protecting short-term volunteers against malpractice or negligence suits;

Direction to apply the nondiscrimination policies and authorities of the Civil Rights Act of 1974, the Rehabilitation Act of 1973, and the Age Discrimination Act of 1973; and

Increased authorization levels for the older Americans programs to better meet the needs of disadvantaged, lower-income groups, and the elderly.

Under the leadership of Sam Brown, the Director of ACTION, the Agency has carefully scrutinized its goals and mission and concluded that the Agency's basic priorities need to be refined and a clear direction needs to be set if there is to be a cohesive effort by ACTION to attack poverty and its consequences. Recently, Mr. Brown set forward the Agency's goals in the budget justifications that the Agency submitted to the Senate Appropriations Committee in support of its fiscal 1979 budget request. They are:

To assist in meeting basic human needs without adding to the Government bureaucracy;

To use the spirit and creativity of the local citizenry to accomplish these objectives; and

To foster self-reliance and self-sufficiency within communities through involving larger numbers of citizens in active volunteer experience.

I find it particularly encouraging that this Agency has a unified and focused set of goals and has enunciated its intention to channel efforts to serve those whose needs are greatest and most immediate. Reauthorization of the Domestic Volunteer Service Act programs will insure the continuation of an array of needed services to the disadvantaged.

In my own State of New Jersey, the VISTA program has been an invaluable tool for helping those in need. Some of the services being provided include: Legal services to those who otherwise could not afford them, assistance in neighborhood renewal, day care services, youth programs, and urban community assistance. Clearly, these services are at the cutting edge of providing for the basic human needs of the disadvantaged. A cutback or termination of these services could be critical to the served communities.

The importance of ACTION's older American programs—the retired senior volunteer program, foster grandparents program, and the senior companion program—needs to be underscored. These programs draw upon the strengths of citizens 60 years of age and older to contribute their time, energy, and talents to redress the problems of poverty. These programs have been highly valued by many Members of Congress and should be expanded throughout the country. The proposed increase in the authorization levels for the OAVP would allow for this expansion.

My longstanding interest in the needs of the disabled and the elderly move me to strongly endorse the proposed provision in the bill that would require ACTION to apply the nondiscrimination policies and authorities set forth in the Civil Rights Act of 1974, the Rehabilitation Act of 1973, and in the Age Discrimination Act of 1973. I am hopeful that this provision will assist in opening new horizons for both the handicapped and the elderly to better participate in volunteer activities of the Agency, and in insuring that the ACTION Agency delivers services to these constituencies.

I strongly endorse the reauthorization of the Domestic Volunteer Service Act, and I commend these programs that serve those segments of our society that are all too often sadly overlooked—the elderly, the impoverished, and disadvantaged.●

By Mr. SPARKMAN (by request):

S. 2618. A bill to authorize fiscal year 1979 and 1980 appropriations for the International Communications Agency, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL COMMUNICATIONS AGENCY AUTHORIZATION ACT, FISCAL YEARS 1979 AND 1980

● Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to authorize fiscal year 1979 and 1980 appropriations for the International Communications Agency, and for other purposes.

The bill has been requested by the Director of the U.S. Information Agency and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Director of USIA to the President of the Senate dated February 16, 1978, and the section-by-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2618

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "International Communication Agency Authorization Act, Fiscal Years 1979 and 1980."

SEC. 2 (a) There are authorized to be appropriated for the International Communication Agency for fiscal year 1979, to carry out international communication, educational, cultural and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 2 of 1977, and other purpose authorized by law, $413,327,000, and such additional amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

(b) There are authorized to be appropriated for the International Communication Agency for fiscal year 1980, such sums as may be necessary to carry out the authorities and purposes stated in subsection (a).

(c) Amounts appropriated pursuant to this section are authorized to remain available until expended.

UNITED STATES INFORMATION AGENCY,
Washington, D.C., February 16, 1978.

HON. WALTER F. MONDALE,
President of the Senate.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation that would authorize appropriations for the International Communication Agency for the fiscal years 1979 and 1980. The legislation is required by Section 701(a) of the United States Infor-

mation and Educational Exchange Act of 1948, as amended (22 U.S.C. 1476).

The purpose of the bill is to provide for authorization of appropriations to carry out international communication, educational, cultural and exchange programs under the United States Information and Educational Exchange Act of 1948, as amended; the Mutual Educational and Cultural Exchange Act of 1961, as amended; and Reorganization Plan Number 2 of 1977. Thus, the bill will authorize resources for activities carried out by the United States Information Agency and the Department of State's Bureau of Educational and Cultural Affairs prior to the taking effect of Reorganization Plan Number 2 of 1977. An analysis explaining the proposed legislation is enclosed.

The Office of Management and Budget has informed us that there is no objection to the presentation of this proposed legislation and that its enactment would be in accord with the program of the President.

Respectfully,

JOHN E. REINHARDT,
Director.

SECTION BY SECTION ANALYSIS OF PROPOSED BILL

SECTION 1

This section establishes as the purpose of the proposed legislation the authorization of appropriations for fiscal years 1979 and 1980 for the International Communication Agency.

SECTION 2

Subsection (a)—This subsection authorizes fiscal year 1979 appropriations for the International Communication Agency in accordance with the provisions of Section 701 (a) of the United States Information and Educational Exchange Act of 1948, as amended. The proposed authorization will enable the Agency to carry out international communication, educational, cultural and exchange programs under the United States Information and Educational Exchange Act of 1948, as amended; the Mutual Educational and Cultural Exchange Act of 1961, as amended; and Reorganization Plan Number 2 of 1977. Thus, the bill will authorize resources for activities carried out by the United States Information Agency and the Department of State's Bureau of Educational and Cultural Affairs prior to the taking effect of Reorganization Plan Number 2 of 1977.

The authorization request totals $413,327,000. That amount covers the four appropriations now included in the "Budget of the United States Government" for fiscal year 1979 as follows:

Salaries and Expenses, $370,318,000, providing increased resources for activities formerly funded by two United States Information Agency accounts, Salaries and Expenses and Special International Exhibitions, and the dollar portion of the Department of State's Mutual Educational and Cultural Exchange Activities (MECEA) account.

Salaries and Expenses (Special Foreign Currency Program), $9,824,000, providing resources for the activities formerly funded by the United States Information Agency's account of this same title, and the foreign currency portion of the Department's MECEA account.

Center for Cultural and Technical Interchange between East and West, $13,500,000, providing a grant to the East-West Center as previously provided through an appropriation of the Department of State.

Acquisition and Construction of Radio Facilities, $19,685,000, providing resources primarily to complete augmentation of the Voice of America's relay stations in Liberia and the Philippines through an appropriation formerly made to the United States Information Agency.

Subsection (b)—This subsection provides authorization of amounts for fiscal year 1980 necessary to support the activities described in Subsection (a). A request for fiscal year 1980 is in keeping with the provisions of the Congressional Budget and Impoundment Control Act of 1974 requiring advance fiscal year authorization of appropriations (P.L. 93-344). The changing world situation imposes demands for a wide range of communication program responses. The level and mix that will be necessary in fiscal year 1980 cannot be explicitly forecast. Under these circumstances a flexible authorization of appropriation is required.

Subsection (c)—This subsection authorizes funds to remain available beyond the end of the fiscal year, to the extent provided for in appropriation acts. This authority has been provided to the United States Information Agency and the Department of State in the past. It is currently applied to special exhibitions projects, special foreign currency programs and major radio construction and related activities.●

By Mr. SPARKMAN (by request):

S. 2619. A bill to further amend the Peace Corps Act; to the Committee on Foreign Relations.

PEACE CORPS ACT AMENDMENTS OF 1978

● Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to further amend the Peace Corps Act.

The bill has been requested by the Director of ACTION and I am introducing it in order that there may be a specific bill to which members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Director of ACTION to the President of the Senate dated February 10, 1978, and the section-by-section analysis of the legislation.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Peace Corps Act Amendments of 1978".

SEC. 2. Section 3 of the Peace Corps Act (22 U.S.C. § 2502) is amended as follows:

(a) So much of Section 3(b) as precedes the first proviso thereof is amended to read as follows:

There are authorized to be appropriated for the fiscal year ending September 30, 1978, not to exceed $87,613,000, and for the fiscal years ending September 30, 1979 and September 30, 1980 such sums as may be necessary to carry out the purposes of this Act:"

(b) Section 3(c) is amended to read as follows:

"(c) In addition to the amounts authorized for the fiscal years ending September 30, 1979 and September 30, 1980, there are authorized to be appropriated such sums as may be necessary for the fiscal years ending September 30, 1979 and September 30, 1980 for increases in salary, pay, retirement, or other employee benefits authorized by law.".

(c) by adding a new subsection (g), as follows:

"(g) In recognition of the fact that women in developing countries play a significant role in economic production, family support, and the overall development process, the Peace Corps shall be administered so as to give particular attention to those programs, projects and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort."

SEC. 3. Section 5(c) of the Peace Corps Act is amended by striking from the first sentence everything after "President" the first time it appears, except the period.

SEC. 4. Section 5(h) of the Peace Corps Act is amended by adding the following at the end thereof:

"Section 119 of the Foreign Relation Authorization Act, Fiscal Year 1977, relating to malpractice protection, shall apply to volunteers, and the Director of ACTION shall have the powers and authority provided to the Secretary of State by subsection (f) thereof. For the purposes of subsection (g) thereof, a Peace Corps representative shall be deemed a principal representative of the United States."

SEC. 5. Section 8 of the Peace Corps Act is amended by striking subsection (c) thereof.

SEC. 6. Section 10(b) of the Peace Corps Act is amended by striking "$10,000" and by inserting in lieu thereof "$20,000."

SEC. 7. Section 10 of the Peace Corps Act is amended by adding the following new subsection:

"(h) The President is authorized to provide hospitalization and medical treatment to Foreign Service Local employees who are within the United States for training related to their employment, for illnesses, injuries or conditions other than those arising out of and in the course of employment, which, in the judgment of the President, began during such employee's travel related to such training or so near to the beginning of such travel that its onset could not have been known, and for which immediate medical treatment or hospitalization is reasonably required."

ACTION,
Washington, D.C., February 13, 1978

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration is draft legislation which will enable the Peace Corps to continue to work on behalf of world peace and understanding in the fiscal years 1979 and 1980. Also enclosed is a section-by-section analysis of the legislation.

The legislation will authorize the appropriation of such sums as may be necessary for the Peace Corps to carry out its responsibilities in fiscal years 1979 and 1980. It will also authorize the appropriation as such sums may be necessary for increases in salary, pay, retirement and other employee benefits which may be authorized by law during fiscal years 1979 and 1980.

In addition, the bill would increase the authorization of appropriations for Peace Corps for the fiscal year ending September 30, 1978, to $87,613,000. The increase in the authorization for fiscal year 1978 is necessary because Peace Corps has requested supplemental appropriations for Peace Corps program activities and statutory salary increases of $4,713,000 in fiscal year 1978.

The proposed legislation would also add a direction, similar to section 113 of the Foreign Assistance Act of 1961 as amended, directing that Peace Corps programs shall give particular attention to programs, projects and activities which tend to integrate women into the national economies of developing countries, thus improving their

status and assisting the total development effort.

The legislation extends the malpractice protection recently made available to employees of the State Department, AID, and other agencies, by section 119 of the Foreign Relations Authorization Act, Fiscal Year 1977, to Peace Corps volunteers. The new coverage would provide full tort claims coverage to volunteers involved in providing medical treatment to the same extent as is presently available to federal employees.

The bill also strikes out a provision, inserted in the original Peace Corps Act, which requires that Peace Corps training for volunteers include instruction in the philosophy, strategy, tactics and menace of communism. This provision is not necessary, and no longer appropriate to carrying out the mission of Peace Corps.

In addition, the legislation increases the Director's authority to settle tort claims of non-residents abroad from $10,000 to $20,000. This increase, the first since 1961, is consistent with increases granted to other agencies whose personnel serve abroad and is required because the effects of inflation in the last 16 years make it possible that claims in excess of $10,000 will be filed against Peace Corps in the foreseeable future.

The legislation authorizes the Director to provide hospitalization and medical treatment to foreign service local employees of the Peace Corps who are within the United States for training related to their employment. The treatment authorized is limited to illness and injuries other than those arising out of and in the course of their employment since the excluded conditions are already covered by Federal Employees Compensation. This amendment is necessary because foreign service local employees often do not have hospitalization insurance in their own countries, or do not have it in a sufficient amount to cover the cost of an unexpected illness or injury in the United States.

The Office of Management and Budget has advised that there is no objection to submission to this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

SAM BROWN,
Director.

SECTION-BY-SECTION ANALYSIS

Section 1, the enacting clause, contains the short title of the Act, "the Peace Corps Act Amendments of 1978".

Section 2 amends Section 3 of the Peace Corps Act (22 U.S.C. § 2502) to:

(a) Authorize the appropriation of not to exceed $87,613,000 in the fiscal year ending September 30, 1978, and such sums as may be necessary for the fiscal years ending September 30, 1979 and September 30, 1980, to carry out the purposes of the Peace Corps Act. The increase in the authorization for fiscal year 1978 is necessary because ACTION has requested a supplemental appropriation of $3,644,000 for Peace Corps program activities and of $1,069,000 for statutory pay increases in fiscal year 1978.

(b) Authorize the appropriation of such sums as may be necessary for increases in salary, pay, retirement or other employee benefits authorized by law in fiscal years 1979 and 1980.

(c) Add a new subsection (g), similar to Section 113 of the Foreign Assistance Act of 1961 as amended (22 U.S.C. § 2251(k)), directing that Peace Corps programs shall give particular attention to programs, projects and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort.

Section 3 strikes out the provision providing a $125 per month readjustment allowance for one spouse of a volunteer couple with dependent children. Since all volunteers now receive a $125 per month readjustment allowance, this provision is unnecessary and is confusing.

Section 4 extends the malpractice protection recently made available to employees of the State Department and other agencies by section 119 of the Foreign Relations Authorization Act, Fiscal Year 1977 (22 U.S.C. § 817) and extended to Peace Corps employees under authority of Section 7(a)(2) of the Peace Corps Act, to Peace Corps volunteers. At present, Peace Corps volunteers have no comparable protection against malpractice claims. The new coverage would provide full protection against tort claim liability to volunteers involved in providing medical treatment to the same extent as is presently available to employees of the State Department, AID, and the Peace Corps.

Section 5 strikes out subsection 8(c) of the Peace Corps Act, which presently requires that Peace Corps training include instruction in the philosophy, strategy, tactics and menace of communism. This provision, enacted in 1961, is no longer appropriate to the current needs of Peace Corps.

Section 6 amends section 10(b) of the Act to increase the Director's authority to settle tort claims by non-residents abroad from $10,000 to $20,000. This increase, the first since 1961, is required because of the effects of inflation on the dollar in the last 16 years, and will enable the Director to settle claims of over $10,000 which may be made in the future.

Section 7 adds a new subsection 10(h), which authorizes Peace Corps to provide hospitalization and medical treatment to Foreign Service Local employees who are within the United States for training related to their employment. The treatment authorized is limited to illnesses, injuries and conditions other than those arising out of and in the course of their employment, since they would be covered by Federal Employees' Compensation for the excluded conditions. The section also limits the grant of authority to conditions which either began during the employee's training-related travel, or so near to the beginning of it that its onset could have been known. This amendment will provide medical treatment and hospitalization for employees who hospitalization and medical insurance in their home countries, if they have it, would not ordinarily be adequate to cover the cost of an unexpected illness or injury in the United States.

By Mr. SPARKMAN (by request):

S. 2620. A bill to authorize additional appropriations for the Board for International Broadcasting for fiscal year 1978; to the Committee on Foreign Relations.

ADDITIONAL APPROPRIATIONS FOR THE BOARD FOR INTERNATIONAL BROADCASTING

● Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to authorize additional appropriations for the Board for International Broadcasting for fiscal year 1978.

The bill has been requested by the Executive Director for the Board for International Broadcasting and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Executive Director to the President of the Senate dated February 14, 1978, and the section-by-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ADDITIONAL AUTHORIZATION FOR THE CATEGORY GRANTS AND EXPENSES

SECTION 1. Section 301 of the Foreign Relations Authorization Act, Fiscal Year 1978, is amended in paragraph (2) by striking out "$68,980,000", and inserting in lieu thereof "$79,448,000".

BOARD FOR INTERNATIONAL BROADCASTING,
Washington, D. C., February 14, 1978.

HON. WALTER F. MONDALE,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed amendment to existing legislation that authorizes additional appropriations during fiscal year 1978 for the Board for International Broadcasting to carry out authorities, functions, duties and responsibilities in the conduct of its oversight responsibilities of RFE/RL, Inc., as specified in the Board for International Broadcasting Act of 1973, as amended.

The amendment provides for an increase of $10,468,000 in the amount for authorization of appropriations for "Grants and Expenses". An analysis further explaining the proposed legislation is enclosed.

The Board has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,

WALTER R. ROBERTS,
Executive Director.

SECTION-BY-SECTION ANALYSIS

Section 1. The proposed amendment would provide an additional $10,468,000 in authorization. Of this amount, $10,390,000 would be allocated to RFE/RL, Inc. to meet the following expenses: (1) devaluation of the dollar in relation to the West German mark (from budgeted rate of DM 2.44 to DM 2.1075 for one dollar)—$3,509,000; and (2) cost-of-living increases; higher power, pension and administrative costs; and program improvements emphasizing strengthened American supervision—$6,881,000.

Of the $10,468,000 supplemental authorization requested, the remaining $78,000 is to cover the following Board items: (1) salary expenses for permanent positions due to the 7.05% increase in Federal compensation levels which became effective October 1, 1977—$35,000 ($32,000 + $3,000 benefits); (2) $8,000 increases in the General Services Administration support services contract rate; and (3) fees for outside consultants and translators to assist the Board and its staff in evaluation of programs, principally in non-Russian languages of the U.S.S.R.—$35,000 (includes travel expenses).●

By Mr. SPARKMAN (by request):

S. 2621. A bill to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1979 and 1980 for carrying out that Act; to the Committee on Foreign Relations.

● Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend the Board for International Broadcasting Act of 1973, and to authorize appropriations for fiscal years 1979 and 1980 for carrying out that act.

The bill has been requested by the Executive Director for the Board for International Broadcasting and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Executive Director of the Board to the President of the Senate dated February 14, 1978, and the section-by-section analysis of the legislation.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)), as amended, is further amended as follows:

SEC. 1. Section 3(b)(1) is amended—in the last sentence, by striking out "The chief operating executive of RFE/RL, Inc." and inserting in lieu thereof "The chairman of the Board of Directors of RFE/RL, Inc."

SEC. 2. Section 3(b)(4) is amended—by striking out "chief operating executive of RFE/RL, Inc." and inserting in lieu thereof "The chairman of the Board of Directors of RFE/RL, Inc."

SEC. 3. Section 8(a) is amended—

(a) in the text preceding paragraph (1) by striking out "1978" and inserting in lieu thereof "1979";

(b) in paragraph (1) by striking out "$68,980,000" and "$5,000,000" and inserting in lieu thereof "$85,180,000" and "$2,000,000", respectively;

(c) in paragraph (1) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated";

(d) at the end of paragraph (2) by striking out "." and inserting in lieu thereof "; and"; and

(e) after paragraph (2) inserting a new paragraph as follows: "(3) such sums as may be necessary for fiscal year 1980."

BOARD FOR INTERNATIONAL BROADCASTING,
Washington, D.C., February 14, 1978.

Hon. WALTER F. MONDALE,
President, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation to make required amendments to the Baord for International Broadcasting Act of 1973 and to authorize appropriations for the Board to carry out its responsibilities as specified in that Act.

The bill provides for authorization of appropriation for the Board's operations during Fiscal Years 1979 and 1980 and reflects an amendment to clarify Section 8 of the Act due to the consolidation of the operations and management of RFE/RL, Incorporated. It also provides for amending the law to make the Chairman of the Board of Directors of RFE/RL, Inc. the ex officio member of the Board for International Broadcasting, instead of the chief operating executive of the Corporation as provided in the present legislation.

A section-by-section analysis explaining the proposed legislation is enclosed.

The Board has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Respectfully submitted,
WALTER R. ROBERTS,
Executive Director.

SECTION-BY-SECTION ANALYSIS

Section 1 and 2: These sections provide for the chairman of the Board of Directors for RFE/RL, Inc., rather than the chief operating executive of the corporation, to serve as the ex officio member of the Board for International Broadcasting. This change has been recommended both by the Board for International Broadcasting and the Board of Directors of RFE/RL, Inc. in order to provide for closer working relationships between the Boards. (By a decision of the Corporate Board of Directors on October 11, 1977, the corporate by-laws were amended to make the chairman of the Board for International Broadcasting an ex officio member of the Corporate Board and its various committees.)

Section 3: This section authorizes funds for the Board to carry out its functions for fiscal years 1979 and 1980. Also reflected in this section is the name change of Radio Free Europe and Radio Liberty resulting from their corporate consolidation into the entity of RFE/RL, Incorporated—thereby making the name consistent with that cited in the other sections of the Act.●

By Mr. MATHIAS:

S. 2622. A bill to acquire certain lands so as to assure the preservation and protection of the Potomac River shoreline; to the Committee on Energy and Natural Resources.

GEORGETOWN WATERFRONT

● Mr. MATHIAS. Mr. President, in his book "So Human an Animal," Prof. Rene DuBos states that:

Cities, dwellings, and the ways of life in them cannot be designed or imagined merely on the basis of available technology. Each decision concerning them must take into consideration not only human needs in the present but also long-range consequences. A design for living that would provide the opportunity for invigorating walks in a pleasant and unpolluted atmosphere would contribute more to physical and mental health than any concern with availability of elevators, moving platforms, mechanical hearts, and psychiatric care.

Most importantly perhaps, the city should provide a great diversity of environments so as to encourage the expression of desirable human potentialities that might otherwise remain latent.

Increasingly, all of us have come to recognize that the urban experience must encompass more than economic and technical efficiency. High-rise offices and apartment buildings, by themselves, do not provide the scale and diversity needed for the development of the human spirit.

If that diversity is to continue, we must assure that our historic neighborhoods are preserved for both their scale and for the essential links which they provide to our past.

Across America there is increasing recognition of the importance which historic preservation and urban diversity must play in the urban experience. The French Quarter in New Orleans and the historic centers of Annapolis, Md., and Charleston, S.C., represent important conservation efforts which have meaning for us all.

If those areas can be saved, surely no less effort should be expended in our Nation's Capital.

In Public Law 91-650 Congress recognized the Federal interest in preserving the historic character and scale of Georgetown. That measure makes specific reference to the exterior architectural features, height, color, appearance and texture of newly constructed buildings in Georgetown. Yet, despite that measure, the Georgetown waterfront is now threatened with massive high rise development which would impede the vistas to and from the Potomac and would be out of scale with the historic neighborhood.

The Federal interest in the waterfront has been expressed not only in Public Law 91-650. It has also been expressed in the preservation, renovation, and operation of the Chesapeake and Ohio Canal. A Federal interest in parkland on the Potomac has been evidenced by its purchase of the parkland to the east of Georgetown near the Kennedy Center and Theodore Roosevelt Island.

In my judgment the Federal interest—in this case, really an expression of the public interest—takes precedence over any other interest in the National Capital. For that reason I am today introducing legislation to make that portion of Georgetown lying between the Potomac and the Chesapeake and Ohio Canal a national park.

This measure incorporates a legislative taking, which I expect will allow all such property to be taken by eminent domain at the full and fair market value as of the date when the bill is introduced, rather than its value when the bill is finally passed. I am of course aware of the fact that a degree of controversy exists on the question of the constitutionality of such a legislative taking. I am confident, however, that the courts will sustain the provision if it is challenged.

Such legislative takings have been used to protect the redwood forests from speculators who might otherwise purchase lands in the hope of selling them later to our national park system at a higher price.

The principle of a legislative taking has also been used by the Senator from Massachusetts, Mr. KENNEDY, in his commendable effort to preserve Nantucket and Martha's Vineyard.

With the introduction of this bill, developers will proceed at their peril, since property on the Georgetown waterfront can be acquired at its current market value, rather than its value after buildings have been erected.

If historic preservation has any meaning, it should be assisted in our Nation's Capital.

If the C. & O. Canal is to serve its intended purpose, it should not run in a barren canyon between sterile buildings.

If we are to attempt to preserve the character of a large segment of the Potomac River shoreline, we should act at the very least to preserve that portion of it that Congress has designated an historic neighborhood.

Mr. President, the Advisory Neighborhood Commission, which represents all of Georgetown, has unanimously adopted a resolution calling for the introduction of this measure, and I ask unanimous consent that its resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

RESOLUTION

Whereas the Georgetown community has attempted to preserve the historic character and scale of Georgetown, and

Whereas the citizens of Georgetown believe that any redevelopment of the Georgetown waterfront should preserve the vistas to and from the Potomac River, should be harmonious with the Chesapeake and Ohio Canal, and should be in keeping with the scale, texture and historic character of Georgetown, and

Whereas the federal interest in preserving the historic character of Georgetown has been recognized in Public Law 91-650 which makes specific reference to exterior architectural features, height, appearance, color and texture of exterior construction, and

Whereas the federal interest in the Georgetown waterfront is evident in the renovation, preservation and operation of the C&O Canal, and

Whereas the federal government has asserted an interest in preserving the land abutting the North bank of the Potomac River to the East of Georgetown from Rock Creek to the Jefferson Memorial, to the West of Georgetown in the State of Maryland, and on Theodore Roosevelt Island;

Now therefore Advisory Neighborhood Commission 3 A, representing all of Georgetown, does hereby resolve:

To petition Congress to recognize and protect the federal interest in that portion of Georgetown lying between Key Bridge on the West, the C&O Canal on the North, Rock Creek on the East and the Potomac River on the South by introducing and enacting legislation which would take all of said described property, except private houses presently used as such and while continuing to be so used, at the fair market values existing as of the date when said legislation is introduced, for the purpose of expanding the National Park between the Potomac River and the C&O Canal and otherwise protecting said area from development which is inconsistent with the scale, texture and historic nature of the said Canal and of Georgetown.

Mr. President, I hope that this will be only one of many new initiatives which will be taken in Congress to conserve our scenic vistas, preserve the scale, style, and texture of our past, and infuse our cities with the diversity for human development in the future.

In the words of Professor DuBos:

Unfortunately, most apartment and office buildings have nothing to communicate beyond efficiency and conspicuous wealth, hence their architectural triviality. As to our cities, no planning will save them from meaningless disorder leading to biological decay, unless man learns once more to use cities not only for the sake of business, but also for creating and experiencing in them the spirit of civilization.

Mr. President, I also ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) effective on the date of the enactment of this Act, there is hereby vested in the United States all right, title, and interest in, and the right to immediate possession of, all of the following described lands and improvements comprising that area within the District of Columbia which is generally bounded on the north by the C and O Canal, on the east by Rock Creek, on the south by the Potomac River, and on the west by a line 400 feet west of Key Bridge.

(b) Such area shall be administered by the Secretary of the Interior in a manner so as to assure the preservation and protection of the Potomac River shoreline and for recreational and other compatible purposes. The Secretary shall promulgate such regulations as may be necessary to carry out the provisions of this Act.

(c) Any action against the United States for the recovery of just compensation for the lands and improvements herein taken by the United States shall be brought in the United States district court for the district where the land is located without regard to the amount claimed. Just compensation shall be determined as of March 1, 1978. The United States may initiate proceedings at any time seeking a determination of just compensation in the district court in the manner provided by sections 1358 and 1403 of title 28, United States Code, and may deposit in the registry of the court the estimated just compensation, or a part thereof, in accordance with the procedure generally described by section 258a of title 40, United States Code. Interest shall not be allowed on such amounts as shall have been paid into the court. In the event that the Secretary determines that the fee simple title to any property (real or personal) taken under this section is not necessary for the purposes of this Act, he may revest title to such property subject to such reservations, terms, and conditions, if any, as he deems appropriate to carry out the purposes of this Act, and may compensate the former owner for no more than the fair market value of the rights so reserved, except that the Secretary may not revest title to any property for which just compensation has been paid.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. BENTSEN:

S. 2623. A bill to provide for increased petroleum production in the United States through the use of incentives for tertiary recovery processes; to the Committee on Energy and Natural Resources.

TERTIARY RECOVERY INCENTIVES ACT

● Mr. BENTSEN. Mr. President, the east Texas field was at one time the largest oilfield in the world. However, this field, which kept 26,000 wells pumping in 1940, has experienced a 50-percent drop in the number of active wells. The field is entering its middle age.

This development is by no means an isolated phenomenon. Many oil fields throughout the Nation show rapidly declining production; hundreds of wells are plugged each year. The tragedy is that we are plugging wells that could produce more oil if we had the correct Government policy.

We are leaving, according to some estimates, 68 percent of the oil in the ground because the economics of oil production prevent the application of expensive enhanced recovery processes, used after pushing oil to the surface. These expensive processes are given exotic names like microemulsion flooding or immiscible carbon dioxide displacement, but they all fall under the broad heading of tertiary recovery processes.

What is needed, and provided in the bill I am introducing today, is an adequate, certain incentive price for oil produced where high risk tertiary recovery processes are used. Currently there is no special price treatment for production from tertiary recovery projects, although experts in and out of government recognize the need for such an incentive.

In fact, a recent Office of Technology Assessment report agreed that:

Decontrolling the price of oil produced by EOR techniques would reduce risk and increase potential production more than all other tax and price policies.

The Bentsen bill would give us the policy that the OTA judges will provide us with the maximum production of our domestic resource at a time when foreign imports are steadily increasing.

My bill would decontrol oil produced from properties that utilize tertiary recovery processes. The determination of whether a qualifying process is being used would be made by either a State or Federal agency, depending on whether Federal land is involved. There are safeguards built in to insure that the producer operates the property diligently. Also, a determination must be made that the process will increase the production of the property.

According to the OTA, at current world oil prices, tertiary recovery techniques could add 11 to 29 billion barrels of oil to existing domestic reserves. This would nearly double our existing reserves of oil. We would in effect be turning back hundreds of ships loaded with foreign crude, and giving the world another signal that we are serious about solving our energy problems.

Oil has existed on this planet for millions of years, but it did not become a resource until this century, when people learned how to convert it into heat and energy. The east Texas field was not a resource until Doc Lloyd and "Dad" Joiner—against the advice of all the so-called experts—persisted and drilled it.

Somewhere out there is a commodity, a process, that will become a new energy resource. Our challenge is to find it, and quickly.

As we strive to meet the energy challenges of the future, we have every right to demand a comprehensive and sensible policy for the present. We need a policy

that will be fair to producer and consumer. That will restore a sense of confidence and stability to the Nation and to the industry. That will decrease our dangerous dependence on foreign energy and encourage us to examine energy options for tomorrow.

A policy lacking in incentives for increased production is not comprehensive.

A policy that denies a fair market price to new American oil is not sensible.

The Bentsen tertiary recovery bill is one part of a comprehensive and sensible energy policy.●

By Mr. BENTSEN (for himself, Mr. CURTIS, Mr. ZORINSKY, Mr. CLARK, and Mr. HANSEN):

S. 2624. A bill to impose quotas on the importation of beef and to impose labeling requirements on imported beef in order to assure an adequate supply of quality beef at stable prices for the American consumer; to the Committee on Finance.

BEEF IMPORT AND LABELING ACT OF 1978

● Mr. BENTSEN. Mr. President, I am today introducing legislation to provide some protection for the domestic cattle producers from the boom and bust cycle which they have experienced over recent years.

A major cause of this problem is the flood of imported meat. The ability of the American cattleman to continue to provide the necessary meat products for the consumers of our Nation is of great concern to me.

Although at first glance the percentage of beef imports appears to be small in relation to domestic production (currently 7 to 10 percent) it has been my experience that even a 1-percent oversupply will have a drastic effect on the market.

I do not believe anyone can question the fact that the domestic beef industry as a whole has been seriously hurt in the past several years. The fact that imported frozen boneless beef comprises 15 to 20 percent of the total U.S. processing beef supply illustrates the seriousness of the problem. Some segments are doing better than others, that is true. As a whole, however, the industry is in bad shape. In my State, many cattlemen, the backbone of an industry which puts billions of pounds of beef on American tables each year, have been hurt so seriously that they have had to bail out of the industry. Only by selling part of the family farm, having income from farm operations other than cattle, and in some cases by skimping on needed family purchases and going deeply into debt has a terribly painful human and economic problem been prevented from turning into an unmitigated disaster.

The bill I am introducing today has three major provisions. First, it will impose reasonable quotas on beef imports. Second, it will close the loophole which allows live cattle to enter the United States to be slaughtered and counted as domestic production. Third, it will require labeling of all imported beef.

Mr. President, I would now like to briefly describe these provisions.

QUOTAS

The major provision of my bill creates a countercyclical quota which will benefit the domestic producer.

I recognize that beef imports should never be completely shut off and under the provisions of my bill imports will always be allowed in an amount equal to 2 percent of domestic commercial production. In order to protect the already depressed domestic beef industry, imports will be kept at this 2-percent level until the average price for domestic beef rises about 80 percent of parity. When the domestic cattle price rises to 90 percent of parity, an amount equal to 5.33 percent of domestic production may be imported under my bill. At 100 percent of parity imports could reach 8.6 percent.

My bill will reverse the boom and bust cycle in the cattle industry by allowing increased imports during periods of high price and reducing imports during periods of depressed prices. This countercyclical control of imports will add stability to the cattle market and assure the U.S. consumer high quality beef at reasonable prices.

Under my bill, for each 3 percent rise in the average domestic market price, imports will be allowed to increase by 1 percent of domestic commercial production of beef and veal according to the following formula:

Percent of domestic beef that can be imported = Mp − .74 Tp/3.0 Tp.
Mp—Market price.
Tp—Parity price.

USDA would be empowered to allocate the quota among supplying nations and importers.

LIVE CATTLE

My bill will close a loophole in the 1964 Meat Import Act which allows unlimited imports of live cattle into the United States. These cattle are then slaughtered and counted as domestic production. Imports of live cattle have had a detrimental effect on domestic markets in several States while causing statistical inaccuracies in figures compiled by USDA.

Under my bill, imported live cattle will be counted as part of the total amount of beef which may enter the country.

LABELING

I have also been concerned about the quality of beef imported into the United States and I believe the consumer should know whether the meat he or she buys in the supermarket is imported. A provision in my bill would require labeling of all imported meat at every step of the food chain through to the ultimate consumer.

My bill assures that all imported meat, including blended meat, shall be labeled as either imported or imported in part, or alternatively shall be marked as to country of origin. The costs of this labeling will be borne by the exporter through an assessment system.

In conclusion Mr. President, the Beef Import and Labeling Act of 1978 will help alleviate some of the problems which are currently faced by the domestic beef producer. In addition, it will give the American consumer more knowledge of the origin of beef they consume.●

By Mr. KENNEDY:

S. 2625. A bill to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, and for other purposes; to the Committee on the Judiciary.

COMPETITIVE IMPROVEMENTS ACT OF 1978

● Mr. KENNEDY. Mr. President, during my first year as chairman of the Senate Subcommittee on Antitrust and Monopoly, I have had the opportunity to discuss antitrust and competition issues with a number of businessmen across the country. One theme recurs in our discussion; that the Federal Government itself, with its myriad of rules and regulations governing almost every aspect of business decisionmaking, can have an extremely anticompetitive impact on various sectors on our national economy. This viewpoint is one which I share. That does not mean that Government regulation or involvement is unwise or unnecessary in most instances; it does mean that the Government agencies should be more sensitive and attuned to the competitive implications of their activities. That is why I am reintroducing the Competition Improvements Act for consideration in this Congress.

Lack of competition among regulated industries—particularly in those areas where changed economic, social and technological conditions in the last few decades have opened new areas for competition—has bred inefficiency, poor service, antiquated business practices, and high prices for the consumer. The lack of competition in the regulated sector of the economy is probably the single most important factor underlying the demise or poor financial condition of many regulated firms. This in turn has bred more regulations and increased governmental intervention in the affairs of business. The result has been dissatisfaction with Government bureaucrats by businessmen, and distrust and suspicion by consumers of the copy relationship between the regulators and the regulated.

The Competition Improvements Act is designed to discourage unjustified and unnecessary anticompetitive regulation. Enactment of this legislation would complement the various reform efforts related to particular regulated industries, since the analysis required by an agency under this act would identify areas where regulation is no longer appropriate and, additionally, where new legislation might be needed. The Competition Improvements Act recognizes at the same time that there are many areas within the economy that legitimately require regulation. The bill would only require that before an agency takes an action that may substantially affect competition, it must find that:

First, such action is necessary to accomplish an overriding statutory purpose of the Agency;

Second, the anticompetitive effects of such action are clearly outweighed by significant and demonstrable benefits to the general public; and

Third, the objectives of the act and the overriding statutory purpose cannot be accomplished in substantial part by alternative means having lesser anticompetitive effects.

The provisions of this standard are not new. They are derived from several existing statutes—the Atomic Energy Commission Act, the Bank Merger Act—and from judicial construction of the public interest standard found in most other agency statutes. What is new is the formulation of a uniform and precise standard to replace the variety of legislative, administrative, and judicial formulations of standards which contain the same required consideration of competitive principles. This legislation would thus replace the ad hoc, hit-and-miss test presently applied without predictable or uniform results.

The Competition Improvements Act was initially introduced in the 93d Congress and again as S. 2028 in the 94th. The bill was substantially amended and favorably reported by the Committee on the Judiciary in the summer of 1976—too late for floor consideration before the end of the Congress. I believe that it is important to point out, Mr. President, that the bill I am introducing is the version which was reported favorably by the Senate Judiciary Committee in the last Congress. This means that a number of the early objections and suggestions made after introduction of the legislation, which were incorporated into the committee amendment in the nature of a substitute, are carried forward in this bill. At the same time, it does not contain other useful and constructive suggestions which have been made since the committee reported that legislation. The Antitrust Subcommittee will hold hearings on the bill during this session, so that we may begin to build further on our earlier work.

It is clear that many Federal agencies do not consider the competitive consequences of their action in a systematic way and that many times the particular objective of an agency action could be accomplished in a way having far less anticompetitive effects. In fact, competitive forces themselves can be more effectively used as a regulatory tool by the Federal agencies. The result would be less Government regulation and a healthier, more vigorous marketplace which would benefit both business and consumers.

The loss to our economy from unnecessary and anticompetitive regulation is surely staggering, and the Competition Improvements Act provides a flexible and efficient approach toward cutting that loss.

Mr. President, I ask unanimous consent that a summary of the legislation (adapted from the Judiciary Committee report in the last Congress) be printed in the RECORD together with the text of the bill I am introducing today.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Competition Improvements Act of 1978."

DECLARATION OF POLICY

SEC. 2. (a) FINDING.—The Congress finds and declares that—

(1) this Nation is founded upon and committed to a private enterprise system and a free market economy, in the belief that competition protects consumers, promotes efficiency, and spurs innovation;

(2) economic regulation by Federal agencies has at times created unnecessary losses for consumers, fostered inefficiency, and stifled innovation;

(3) Federal agencies have taken actions which are more anticompetitive than necessary to achieve statutory goals;

(4) adherence to a definitive and formal antitrust standard by Federal agencies will reduce losses to consumers, improve efficiency, and remove impediments to innovation.

(b) POLICY.—It is the purpose of this Act to reaffirm that the fundamental national economic policy of the United States is free and open competition by—

(1) minimizing anticompetitive behavior in regulated industries;

(2) establishing procedures that strengthen and facilitate the application of antitrust and procompetitive policies by Federal agencies; and

(3) enabling Federal agencies better to restore, maintain, and protect open and vigorous competition in the marketplace.

ANTITRUST STANDARD FOR FEDERAL AGENCIES

SEC. 3. (a) Notwithstanding any other provision of law, no Federal agency shall take any action, the effect of which may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition, unless it finds that—

(1) such action is necessary to accomplish an overriding statutory purpose of the agency;

(2) the anticompetitive effects of such action are clearly outweighed by significant and demonstrable benefits to the general public; and

(3) the objectives of the action and the overriding statutory purpose cannot be accomplished in substantial part by alternative means having lesser anticompetitive effects.

(b) The findings, if required by section 3 (a), shall be included in any opinion accompanying an agency order and shall be included in the statement of basis and purpose incorporated in any rule or regulation.

(c) The Attorney General and the Federal Trade Commission may render advice to the agency regarding the findings required by section 3(a).

ADDITIONAL ANTITRUST REQUIREMENTS FOR CERTAIN INDEPENDENT AGENCIES

SEC. 4. (a) Each independent regulatory agency as defined in section 8(c) of this Act, after consultation with the Attorney General and within one hundred and twenty days after enactment of this Act, shall establish procedures by which the Attorney General will be notified of important pending agency action subject to section 3(a).

(b) In any administrative or judicial proceeding subject to section 3(a) and involving independent regulatory agencies, as defined in section 8(c), the Attorney General and the Federal Trade Commission may each appear as a party of right.

(c) Each independent regulatory agency as defined in section 8(c) must convene a hearing or other appropriate proceeding if, in the opinion of the Attorney General, the requirements of section 3(a) have not been met and a hearing has not already been held pursuant to section 553 or 556 of title 5, United States Code.

(d) The Attorney General and the Federal Trade Commission may utilize any and all powers conferred upon them by any other provision of law, including the antitrust laws and the Antitrust Civil Process Act (15 U.S.C. 1311), in carrying out their responsibilities under this Act.

JUDICIAL REVIEW

SEC. 5. (a) In any proceeding for judicial review of an agency order involving an action subject to section 3(a), the agency or other proponent of the action has the burden of establishing by substantial evidence based on the record as a whole that the requirements of section 3(a) have been met.

(b) In any action where the court finds an agency in violation of section 3(a), the court may award costs of litigation (including reasonable attorneys' and expert witness fees) to any party if—

(1) in the judgment of the court, the initiation and prosecution of such action served an important public interest; and

(2)(A) the economic interest of the person is small in comparison to the costs of effective participation in the action by that person, except that if the person is a group or organization, the economic interests of a substantial number of members of such group or organization taken individually are small in comparison to the costs of effective participation in such action, or

(B) the person demonstrates to the satisfaction of the court that such person does not have sufficient resources adequately to participate in the action in the absence of an award under this subsection.

REVIEW OF POLICIES AND ANNUAL REPORT

SEC. 6. (a) Each Federal agency shall—

(1) utilize a systematic approach which will insure the integration of antitrust law and policy in planning, in decisionmaking, and in other activities which may have an impact on competition;

(2) identify and develop, in consultation with the Attorney General and the Federal Trade Commission, methods and procedures, which will insure that antitrust laws and policies, and the promotion of competition, will be facilitated and enhanced in planning, in decisionmaking, and in other activities; and

(3) make available to States, political subdivisions of States, institutions, and individuals advice, information, and assistance in restoring, maintaining, and enhancing competition in the marketplace at the local, regional, national, and international levels.

(b) Each Federal agency shall review its present statutory authority for the purpose of determining whether there are any deficiencies or inconsistencies which may prevent full compliance with the purpose of this Act. Each such agency shall recommend to the President and to the Congress, not later than January 1, 1979, such measures as may be necessary or appropriate to maximize the carrying out of the purposes, policies, and provisions of this Act.

(c) Each Federal agency shall review and modify prospectively its rules, regulations, policies, practices, and procedures so as to have them conform to the purposes, policies, and provisions of this Act.

(d) The Federal Trade Commission shall report annually to the President and the

Congress on the degree to which Federal agencies have complied with the purposes of this Act by fostering substantial and effective competition in the economy. Such report may focus on the industries or facets of industries, subject to regulation, that the Commission believes should be accorded priority consideration for the purpose of promoting competition in the economy.

APPLICABILITY

SEC. 7. (a) (1) Nothing in this Act shall be deemed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to affect the applicability of the penal provisions or the civil remedies therein provided.

(2) The provisions of this Act are in addition to and not in lieu of the provisions of the antitrust laws, and no provision of this Act shall be deemed to grant immunity, or to create defenses to actions, under the antitrust laws.

(3) Nothing in this Act shall be deemed to preclude the intervention in any agency proceedings by any party, including the Attorney General and the Federal Trade Commission, and nothing in this Act shall be deemed to preclude the institution or maintenance of any action under the antitrust laws at any time.

(b) Effective on the date of enactment of this Act, the last full paragraph of section 7 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 18), is repealed.

DEFINITIONS

SEC. 8. As used in this Act, the term—

(a) "Agency" means each authority of the Government of the United States as defined in section 551 of title 5, United States Code, except the United States Patent and Trademark Office.

(b) "Action" includes the whole or a part of an agency rule, order, license, sanction, relief, or the equivalent or denial thereof, or failure to act as defined in section 551 of title 5, United States Code.

(c) "Independent regulatory agencies" means the Interstate Commerce Commission, the Federal Power Commission, the Federal Communications Commission, the Securities and Exchange Commission, the Civil Aeronautics Board, the Federal Maritime Commission, and the Nuclear Regulatory Commission.

EFFECTIVE DATE

SEC. 9. This Act shall become effective one hundred and twenty days after the date of enactment, and shall apply to all agency action not final at such time.

SUMMARY OF COMPETITION IMPROVEMENTS ACT OF 1978

SECTION 3—ANTITRUST STANDARD FOR FEDERAL AGENCIES

This section contains a three-part test an agency must apply to an action, the effect of which "may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition." This section also provides that these three findings should be included if there is an opinion accompanying the action and also should be included in the statement of basis and purpose, as in the case of a rule or regulation.

A uniform antitrust standard does not, however, mean that there will be uniform results or that all inconsistent regulatory policies or other statutory goals will be subordinated to antitrust policies. Considerations such as whether a natural monopoly is involved, whether health and safety will be affected, whether there will be any impact on fair and adequate service all play a part in the fashioning of regulatory policies. Similarly, the congressional purpose underlying enactment of a particular agency statute will continue to be of utmost importance. The legislation is designed so that agencies can continue to take all of these considerations into account, while at the same time preventing unnecessary and unjustified anticompetitive activities.

No separate "impact statement" must be filed under this legislation. Application of the antitrust standard contained in section 3 will fit into existing agency procedures.

If a hearing or other proceeding is held on a matter, then the antitrust standard must also be considered in that proceeding. If a hearing or other proceeding is not required to be held under a particular agency statute, one need not be held to consider the antitrust issue with one exception: If the Attorney General has determined that the standards of the bill are not being followed by certain independent regulatory agencies and requests a hearing or other appropriate proceeding, then one must be held.

Similarly, if written findings are made in the agency's opinion or statement of basis and purpose—which are required under the Administrative Procedure Act—those findings must also be addressed to application of the antitrust standard. But if no written findings are otherwise made or required, then none are required under this bill.

Parties adversely affected by agency actions significantly affecting competition can already receive judicial review by virtue of most statutes establishing Federal regulatory agencies, and under section 706 of the APA as well. Section 5 does not enlarge these rights, nor does it extend these rights to additional parties.

No separate appeal to the courts can be taken regarding application of the antitrust standard, and whether or not an appeal can be taken to an agency decision is still governed by the agency's organic statute and the Administrative Procedure Act. There is no new provision for judicial review. There is no fragmentation of review. And there is no new standing granted to seek review. Furthermore, when judicial review occurs, it is under a substantial evidence, not a de novo, test. with the burden on the agency to sustain its application of the antitrust standard. In sum, the antitrust issue is a part of the record of the overall agency decision and is to be reviewed by the court as part of the record of the overall agency decision.

SECTION 4—ADDITIONAL ANTITRUST REQUIREMENTS FOR CERTAIN INDEPENDENT AGENCIES

To facilitate the rendition of timely antitrust advice and to ensure rational intervention policies, the Interstate Commerce Commission, Federal Power Commission, Federal Communications Commission, Securities and Exchange Commission, Civil Aeronautics Board, Federal Maritime Commission, and the Nuclear Regulatory Commission are required to devise procedures whereby the Attorney General will receive timely and adequate notice of important agency actions which may have a significant effect on competition. In order to assure effective and meaningful participation, both the Attorney General and the Federal Trade Commission are given "party of right" status, are not precluded from using their statutory power, and in certain limited situations the Attorney General may require the agency to institute a hearing or other appropriate proceeding if a hearing has not already been held.

SECTION 5—JUDICIAL REVIEW

Whether or not an agency decision can be appealed and who can appeal is determined by the particular agency's statute and the Administrative Procedure Act. This section does not bifurcate the right of appeal nor does it extend this right to additional parties. It does, however, place the burden of proof upon the agency to establish that substantial evidence exists for the findings required by section 3. A limited right for the award of legal fees also is provided.

SECTION 6—REVIEW OF POLICIES AND ANNUAL REPORT

So that procompetitive policies are fully implemented wherever feasible, Federal agencies are directed to integrate antitrust considerations into all phases of the agency's operations and are required to review their statutory authority, rules, and regulations to ascertain whether changes are needed to more effectively achieve the goals of the legislation. An in-depth analysis of the efficacy of these actions will be provided by the Federal Trade Commission.

SECTION 7—APPLICABILITY

This section makes it clear that the provisions of the bill are in addition to and not in lieu of the existing antitrust laws. The last paragraph of Section 7 of the Clayton Act is repealed to make it clear that all agency actions are covered by section 3. The repeal does not add to or subtract from any substantive agency exemptive authority.●

ADDITIONAL COSPONSORS

S. 1860

At the request of Mr. ROTH, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1860, a bill to provide for permanent tax rate reductions for individuals and businesses.

S. 2384

At the request of Mr. CRANSTON, the Senator from Indiana (Mr. BAYH) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 2384, the Veterans' and Survivors' Income Security Act.

S. 2465

At the request of Mr. JACKSON, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 2465, a bill to designate certain lands in the State of Alaska as units of the National Park, National Forest, National Wildlife Refuge, Wild and Scenic Rivers, and National Wilderness Preservation Systems.

S. 2367

At the request of Mr. NELSON, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 2367, the National Small Business Policy Act.

S. 2503

At the request of Mr. NELSON, the Senator from Delaware (Mr. BIDEN) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 2503, the Social Security Refinancing Act.

S. 2528

At the request of Mr. DOLE, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2528, a bill to amend the Internal Revenue Code for issuance of educational assistance bonds.

S. 2557

At the request of Mr. HUDDLESTON, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of

S. 2557, the Emergency Transportation Repair Act of 1978.

SENATE JOINT RESOLUTION 105

At the request of Mr. MATSUNAGA, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of Senate Joint Resolution 105, requesting the President to designate the Sunday following Fire Service Recognition Day as a memorial Sunday for firefighters disabled or killed in the line of duty.

AMENDMENT NO. 1678

At the request of Mr. BAYH, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of amendment No. 1678 intended to be proposed to S. 418, the Displaced Homemakers Act.

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 1710 THROUGH 1712

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted three amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

RECOMBINANT DNA SAFETY REGULATION ACT—S. 1217

AMENDMENT NO. 1713

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 1217) to regulate activities involving recombinant deoxyribonucleic acid.

PANAMA CANAL TREATIES—EX. N, 95–1

AMENDMENT NO. 56

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 57

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95–1.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, pursuant to chapter 9, title 5 of the United States Code, the President submitted on February 23, Reorganization Plan No. 1, relating to Equal Employment Opportunity. The Governmental Affairs Committee will hold hearings on the plan on March 6, March 8, and March 9. On March 6, the committee will take testimony from the administration; and on March 8 and 9, opportunity will be given to interested individuals and organizations to comment on the President's proposal.

The hearings will be held in room 3302, Dirksen Senate Office Building, and will begin at 10 a.m. each day.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will have an open business meeting to consider the following items: Subcommittee assignments; H.R. 2176, the Federal Banking Agency Audit Act; H.R. 6975, increase the number of hearing examiner positions which may be established by the Civil Service Commission at the GS–16 level; S. 1265, proposing regulations relative to the acceptance and use of records transferred to the custody of the Administrator of General Services; S. 1267, to require mandatory application of the general records schedules to all Federal agencies and to provide for the disposal of Federal Register documents; and an original resolution to consider the handling of discrimination complaints in the Senate, pursuant to rule 50 and section 310 of Senate Resolution 110.

The meeting will be held on March 7, 1978, at 11 a.m. in room 3302, Dirksen Senate Office Building.●

HEARINGS ON DEPARTMENT OF EDUCATION RESCHEDULED

● Mr. RIBICOFF. Mr. President, I wish to announce that the hearings on S. 991, and related bills, to establish a Department of Education, and for other purposes, scheduled for March 14, 15, and 16, 1978, by the Committee on Governmental Affairs, have been canceled.

They have been rescheduled for March 20, 21, and 22, 1978, beginning at 10 a.m. in room 3302, Senate Dirksen Office Building.●

SUBCOMMITTEE ON ENERGY PRODUCTION AND SUPPLY

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Energy Production and Supply of the Energy and Natural Resources Committee on S. 437, a bill to clarify and reaffirm the intent of Congress with respect to the transmission and sale of electric power and energy generated or purchased in the southwestern power area.

The hearing will be held on March 10, 1978, at 8 a.m. in room 3110 of the Dirksen Senate Office Building. For further information regarding the hearing, you may wish to contact Thomas L. Laughlin of the subcommittee staff on extension 4–2564.●

COMMITTEE ON RULES AND ADMINISTRATION

● Mr. PELL. Mr. President, the Committee on Rules and Administration has scheduled a hearing on the fiscal 1979 budget authorization request of the Federal Election Commission on March 15, 1978, at 10 a.m., in room 301 of the Russell Senate Office Building.

Senators and others who may wish to be heard on this matter should telephone Miss Peggy L. Parrish, chief clerk of the Rules Committee, at 202–224–0281 no later than Friday, March 10.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution has scheduled an additional day of hearings on S. 2300 for Monday, March 6, 1978, beginning at 9:30 a.m. in room 2228, Dirksen Building.

Any persons wishing to submit written statements for the hearing record should send them to the Subcommittee on the Constitution, suite 102–B, Russell Building, Washington, D.C., 20510.●

ADDITIONAL STATEMENTS

CONGRESSIONAL RECORD REFORM

● Mr. PACKWOOD. Mr. President, today is a good day for Congress and the CONGRESSIONAL RECORD. It is the first day of implementing a proposal by Congressman BILL STEIGER and myself to let the readers of the CONGRESSIONAL RECORD know what is, and is not, spoken on the floor of the two houses of Congress.

Today, and forever after, the reader of the RECORD will know when a Member of Congress was not engaged in live debate because a "bullet" will precede and follow all inserted statements. Because no one can respond to, or correct inserted remarks they should not be considered legitimate legislative history. The reader will now be able to discount bulleted statements.

It gives me a great deal of pleasure to know that this inserted statement will have a bullet appear next to it. Members can save Congress much time by making public pronouncements of their positions without gaining recognition of the Chair and using up valuable deliberative time. So inserted statements can serve a useful purpose in informing the public about issues, representatives' positions, current events, and a range of other things.

We can still compromise the new reform by saying the first word or words in statements and then inserting them for publication in the RECORD as if the complete statement were spoken. I sincerely hope Members will not use this device. I hope they will comply with the intent of the changed rules as well as the technical language.

On this day of celebrating a more accurate RECORD we should all thank those individuals without whom the change would not have occurred. Congressman BILL STEIGER must top the list. He has unfailingly pressed for a verbatim RECORD on the House side for many years.

On the Senate side, I want to personally thank Majority Leader BYRD and Joint Committee on Printing Chairman, HOWARD CANNON. Both Senators have supported the "bullet" approach from the first time we suggested it to them.

Finally, we should thank the final supporters of the change, Congressman FRANK THOMPSON and House Speaker TIP O'NEILL.

I ask unanimous consent that the RECORD show, at the end of my statement, the 2 years of correspondence this effort has required. From the germination of the "bullet" idea to its implementation, it has been a partial solution, one which will only carry out a portion of our goal; a complete, accurate and verbatim RECORD. That fact will not, however, prevent me from celebrating today. It is a good day for the Congress and the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 22, 1977.

Hon. THOMAS P. O'NEILL,
Speaker, U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR TIP: Attached you will find a pile of correspondence between various officials in and out of Congress, representing three years of efforts to achieve a rather modest reform, namely, accurate reporting of House and Senate proceedings by the Congressional Record.

Finally, it is within our grasp. As the most recent letter from Senator Cannon indicates, the Joint Committee on Printing, which he chairs, has voted to proceed with our proposal to distinguish live debate from inserted remarks by a printed designation we call a "bullet".

Senator Cannon suggests that we check with you to obtain final approval since he has already contacted the Senate leadership and obtained their support.

Inclusion of the proposal in the Obey Commission recommendations with your support was sincerely appreciated. Because we assumed the Obey recommendations would be accepted we have not contacted you to request your official approval. The unfortunate defeat of the Obey effort on the floor of the House for reasons unrelated to Congressional Record reform has now necessitated this urgent request.

If we can get your approval prior to January 6, this most beneficial change can occur beginning the first day of the second session of the 95th Congress. An example of how the Record would look if this plan is implemented is attached.

More accurate reporting of the Congressional Record will be appreciated by the public, the press, the legal profession and future generations. We feel we speak for them all in thanking you in advance for your early consideration and approval of this request.

Thank you.

Cordially,

BOB PACKWOOD,
U.S. Senate.
BILL STEIGER,
U.S. House of Representatives.

JOINT COMMITTEE ON PRINTING,
July 26, 1977.

Honorable BOB PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR BOB: This is in response to your joint letter of July 11, requesting implementation of a plan to designate remarks inserted in the Congressional Record.

You are correct in your statement that the proposal has been approved by a majority of the members of the Joint Committee on Printing.

There was agreement at our JCP meeting that the matter would be discussed with both the Senate and House leadership to determine if there might be any objections.

I have been informed this week that the Senate leadership interposes no objection, and I would suggest that you may wish to determine the views of the House leadership, and if there are no objections there is no reason we cannot proceed in expediting this step of using a "bullet" to assist in distinguishing additional statements from those delivered in live debate on the floor of both bodies.

Sincerely,

HOWARD W. CANNON,
Chairman.

COMMITTEE ON FINANCE,
Washington, D.C., July 11, 1977.

Hon. HOWARD W. CANNON,
Chairman, Joint Committee on Printing, Capitol, Washington, D.C.

DEAR HOWARD: On February 9, 1977, you addressed a letter to each member of the Joint Committee on Printing requesting their consideration and approval of a plan to designate remarks inserted into the Congressional Record. The printed designation we proposed could be described as a "bullet" to help distinguish additional statements from those actually spoken in live debate on the floor of either House. We also understand that Senators Allen and Hatfield, and Congressman Hawkins have agreed with you to approve the measure. Congressment Thompson and Dickinson did not respond to your letter.

Since two-thirds of the Committee favor this reform, and so far no one has opposed it, we feel that you have sufficient support to implement the plan without further delay. We realize that during the Committee's organizational meeting on February 24, 1977, you decided to contact the leadership in both the House and Senate before implementing the proposal. As far as we can determine, no member of the leadership has objected, thus removing any lingering doubt that the plan should now take effect, as approved by the Joint Committee.

We don't believe we need to stress again the importance with which we view this matter. Over one-third of the House membership and fifteen members of the Senate have co-sponsored our resolutions to reform the Congressional Record. They share our belief that the Congressional Record should honestly and accurately reflect the actual debate in both the House and Senate Chambers. We are all growing more anxious to see reforms made. For the past three years we have worked with your Committee and staff to develop this proposal. We felt we were nearing our goal. We would like to know, Howard, if there is now any reasonable justification why progress is not forthcoming?

We are prepared as before to be of all help necessary to put the changes into operation. Your prompt consideration and reply will be gratefully received.

Cordially,

BILL STEIGER,
BOB PACKWOOD,
Members of Congress.

JOINT COMMITTEE ON PRINTING,
February 9, 1977.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR MARK: Enclosed for your review is a copy of a self-explanatory letter from Senator Bob Packwood and Congressman Bill Steiger, together with a copy of my letter of September 11, 1975. As you will note, the 1975 alternative suggested by the Joint Committee on Printing has been accepted by Congressman Steiger and Senator Packwood.

Our committee staff has checked this with the Government Printing Office and affirmed that this procedure will incur very little added expense and no delay in the delivery of the Congressional Record.

They recommend approval and I concur. Your consideration and action will be appreciated.

Sincerely,

HOWARD W. CANNON,
Chairman.

U.S. SENATE,
Washington, D.C., February 4, 1977.

Hon. HOWARD W. CANNON,
Chairman, Joint Committee on Printing, Capitol, Washington, D.C.

DEAR HOWARD: The staff of the Joint Committee on Printing has indicated that an official meeting of the Committee will occur in the near future for organizational and other purposes. We would like to present a specific proposal for the purposes of improving the Congressional Record.

As you are well aware, a series of fact gathering meetings and an extensive network of correspondence and other communication has been ongoing over several years now to determine the most efficient means of distinguishing actual debate from remarks not actually delivered on the floor of both Houses of Congress. The Joint Committee staff has been particularly helpful in outlining the issues and coordinating the meetings between our offices, and experts from the Government Printing Office charged with actually printing the Record.

We think we have reached a consensus, and must say that your letter of September 11, 1975 was of considerable weight in our findings. A copy of that letter is enclosed, but in short, you correctly pointed out that placing a symbol such as a bullet both before and after unspoken insertions would neither cost much relative to other methods of achieving the same goals nor place an unreasonable burden on the Official Reporter of Debates. We personally favor using the bullet because it carries with it no other meaning that might be associated with a star or a bracket. Each Record would have, in a prominent place, a short explanation of the bullet and its meaning.

The unusual thing about this whole issue is that the only disagreement revolves around how to best carry out the reforms that seem to be supported by all parties. While many of the Members of Congress, including members of your Committee, have expressed dissatisfaction in that this measure will not accomplish all the reforms necessary to make the Record a verbatim transcript of the proceedings, it is a significant step that we can take now. Many other changes would be more appropriately implemented at the end of a session or the end of a Congress. We are told this change can take place immediately upon authorization by your Committee.

We would like to ask you to present the Joint Committee on Printing with this proposal or if you prefer we would be glad to present it ourselves. If our attendence at the meeting in another capacity will assist in any way please feel free to contact us. Thank you.

Cordially,

BILL STEIGER,
U.S. House of Representatives.
BOB PACKWOOD,
U.S. Senate.

SEPTEMBER 22, 1975.

Hon. HOWARD CANNON,
Chairman, Joint Committee on Printing, Capitol, Washington, D.C.

DEAR HOWARD: Many thanks for your letter. I am most interested in the proposal to employ symbols to set off the speeches inserted

for the CONGRESSIONAL RECORD from those remarks actually delivered. I have received samples of the suggested symbols from Mr. McCormick, the Public Printer, and feel that they effectively provide the distinction we were looking for.

The particular interest you have taken in this matter is appreciated. I believe that the accomplishment of this small, but significant, change will add measurably to the integrity and stature of the document.

However, I would like to take this opportunity to again urge that hearings be held on the whole resolution, currently pending before the Senate Rules Committee, at an early date. The distinction between the written and spoken word is vital, but equally important is the restriction of substantive corrections in the remarks made. Crossing out or writing in what one wishes is misleading to both the public and to the federal agencies and courts which rely on the RECORD to establish Congressional intent.

I am currently checking with the 12 other Senators who sponsored Senate Resolution 215, and I will be back in touch with you when we have reached a consensus on one of the symbols.

Cordially,

BOB PACKWOOD.

JOINT COMMITTEE ON PRINTING,
September 11, 1975.

Hon. ROBERT PACKWOOD,
U.S. Senate, Washington, D.C.

DEAR SENATOR PACKWOOD: As a result of correspondence between you and the Public Printer and between Congressman William A. Steiger and the Public Printer, in which it was suggested that he develop alternate methods for making the "Congressional Record" a more verbatim account of floor proceedings, the Joint Committee on Printing is in receipt of a suggestion that all remarks not actually delivered on the floor be preceded and closed in the Record with an easily identifiable symbol, e.g., a star, bullet, or square.

It is the Public Printer's view that such a format, with a note to be printed at the beginning of the Proceedings to identify and explain the symbol, would add little to the cost of producing the Record and would not significantly delay production, in contrast to an added cost of approximately $200,000 and severe delays which would result from the use of a distinctively different typeface.

The adoption of this procedure probably would require additional work by the Official Reporters of Debates, in identifying and marking the copy to be enclosed by the symbol, which would not appear to be an overriding problem.

It is the view of the Joint Committee that the suggested use of a symbol is a logical alternative and, in the event you concur, would be willing to authorize its adoption. Your views are invited as to whether you would prefer the star, bullet, or square.

Sincerely yours,

HOWARD W. CANNON,
Chairman.

U.S. GOVERNMENT PRINTING OFFICE,
Washington, D.C., September 4, 1975.

Hon. BOB PACKWOOD,
Dirksen Senate Office Building,
U.S. Senate, Washington, D.C.

DEAR SENATOR PACKWOOD: I appreciate your letter of August 29, 1975, informing me of your views on the letters I had written to the Chairman of the Joint Committee on Printing and the Chairman of the House Rules Committee in regard to legislation introduced in the House by Congressman William Steiger and in the Senate by yourself to provide for a more accurate account of the daily proceedings in the Congressional Record.

Please understand that I am not opposed to the intent of these Resolutions and I am fully aware of your goal in attempting to make the Record a substantially verbatim report of proceedings in both legislative Houses.

Our concern, as expressed to Chairman Cannon and Chairman Madden, is the production problems involved in setting remarks, not actually delivered on the floor, in a "distinctively different" typeface. Notwithstanding the original capital investment for a new typeface, any change in our present method of setting the Record which slows down the operators or increases the personnel necessary to set the Record naturally increases the cost. The time factor from receipt of copy to delivery of the Record to the Capitol and the Senate and House Post Offices the following morning is so short that we presently have difficulty on a large Record or when the Congress is in late session.

On the surface, the proposal to set remarks not actually delivered on the floor in a different typeface appears to present no major problem as we are all aware of the mixture of typefaces which we see in our magazines and newspapers.

However, our present method of composition on the Record provides for the utilization of 80 slugcasting machines which are each set up with four magazines or fonts of type: 6½ point Ionic, 7½ point Ionic, 8 point Modern and 10 point Modern. The Ionic faces are used for the Record while the Modern faces are used for nearly all other Congressional work with the exception of Bills which are set in a separate area of the linotype section.

With the exception of roll calls and votes, which are precast in 6 point Ionic, there are only two typefaces used in the body of the Record: 7½ point Ionic with italic and small caps, and 6½ point Ionic with italic and small caps. A linotype typeface consists of 26 capitals, 26 lowercase, 10 numerics, and 28 miscellaneous characters of punctuation, ligatures, and symbols, and 26 capitals, 26 lowercase, and 14 miscellaneous characters in italic, together with 24 small capitals. All of these characters are presently used in setting the Record.

Part of the difficulty lies in identifying a "distinctively different" typeface which would readily signify to the reader that the remarks were or were not delivered on the floor of the Senate. The present 6½ point Ionic used for extract material is about as small as we can go and still maintain readability. The 7½ point Ionic (or possibly an 8 point face) is about as large as we can go and still maintain compactness and reduced bulk. The average reader cannot readily identify these small changes in typeface size without a direct comparison one with the other so that a reasonable change in size fails the criteria of "distinctively different."

The Ionic typeface was designed for readability and legibility when set in small sizes in the range of 6 to 8 point. Its italic variant is meant to be used for emphasis and would be difficult to read if it were used to set entire remarks. The italic also presents a production problem as the operators must insert many characters by hand because they are not available automatically on the machines.

The 8 point Modern presently on the machines could be used in lieu of a new typeface but again, it is felt that it would not be readily identifiable as different by the average reader and would not satisfy your purpose.

Our concern with increased costs and delayed production comes from the use of four magazines or fonts of types to set the Record. The operators now can set Record copy and switch back to setting Reports, Hearings, or other urgent Congressional work without a loss of production. If they had to change magazines for each changeover it would require the services of a machinist and the loss of production would raise the costs of all Congressional printing and delay not only the Record but Conference Reports, Reports, and urgent Hearings.

We are assuming that two sizes of type would be required for a distinctively different typeface, one for remarks and one for extracts. A breakdown of the costs for acquiring the necessary matrices and equipment follows:

160 fonts of matrices @ $858 each	$137,280
3,000 sorts @ 65¢ each	1,950
160 magazines @ $320 each	51,200
Magazine racks	9,570
Total estimated cost	200,000

We have not attempted to estimate the cost of the loss production as we have no firm basis for determining the number of hours that would be lost.

A possible alternate method of identifying remarks not actually delivered on the floor which would not require a capital outlay and which would not significantly delay production is offered as a suggestion. The insertion of material not actually delivered on the floor could be preceded and followed by any one of a number of special symbols such as a bold star, a bold dot, a bold square, which would signify to the reader that the material was inserted. I believe this method would achieve your goal.

As you know, any changes in the style and format of the Congressional Record are made at the direction of the Joint Committee on Printing and the above suggestion is offered only as a possible solution for your consideration which would require their approval.

I hope that this reply has been responsive to your letter and has explained the reasons for our concern. If any further explanation is required or should you need additional information please do not hesitate to ask.

Sincerely yours,

JOHN J. BOYLE,
for T. F. MCCORMICK,
Public Printer.

AUGUST 29, 1975.

Mr. THOMAS F. MCCORMICK,
Public Printer, Government Printing Office,
North Capitol and H Streets, Washington, D.C.

DEAR MR. MCCORMICK: It has come to my attention that you have written both the Chairman of the House Rules Committee, Congressman Madden, and the Chairman of the Joint Committee on Printing, Senator Cannon, of the legislation introduced by Congressman William Steiger and myself to provide for a more accurate account of the daily proceedings in both legislative Houses in the CONGRESSIONAL RECORD.

Conscious of your vast knowledge of, and concern for the expeditious production of the daily Record, I read your comments with great interest. I agree that the opinion of the Joint Committee on Printing should be sought and I look forward to receiving it. Further, the additional funding which you indicate would be necessary to the full implementation of our proposal must be considered. I would greatly appreciate a breakdown of the estimate you provide in your letter, and the data used to arrive at that figure.

Neither Congressman Steiger, nor I, would like to see the RECORD delayed or excessive costs incurred by our proposal. Using the current estimate of $278 per page, the print-

ing costs alone came to $11,954,000 (43,000 pages) in 1974. An additional $200,000 is, indeed, a substantial sum. However, I am persuaded that it is a worthy investment if it will ensure the integrity of the CONGRESSIONAL RECORD. Under the present procedure, the RECORD is compromised and virtually useless; a waste of $11,954,000 in my judgment.

Mr. McCormick, I believe that we seek the same end: a document which accurately and honestly, records the daily legislative proceedings of the House and the Senate. I look forward to working with you towards achieving this goal and welcome your further comments on how you feel this might best be accomplished.

Cordially,

BOB PACKWOOD.

COMMITTEE ON FINANCE,
Washington, D.C., August 14, 1975.

Hon. HOWARD CANNON,
Chairman, Senate Rules Committee, Washington, D.C.

DEAR HOWARD: On July 21, I joined with 12 other Senators in the introduction of legislation to provide for a more accurate account of Senate proceedings in the CONGRESSIONAL RECORD. It was subsequently referred to the Senate Rules Committee for consideration. I have attached a copy of Senate Resolution 215 here for your convenience.

Specifically, the resolution stipulates:

That the CONGRESSIONAL RECORD be an accurate and verbatim account of remarks in the order they were delivered on the Senate floor;

That revisions be limited to corrections of grammar (not changes of substance); and

That insertions in the CONGRESSIONAL RECORD will have a distinctive type face from that used for verbatim remarks.

The importance of the CONGRESSIONAL RECORD as a primary source document for determining Congressional intent has been established. It is the most complete record we have of the Senate debates on critical issues or important pieces of legislation. However, the CONGRESSIONAL RECORD is not a reliable source because of its inaccuracies. On any given day, speeches never delivered on the Senate Floor are included in the body of the RECORD and are largely indistinguishable from those actually spoken. Further, all Senators enjoy the privilege of revising their remarks and the practice of "correcting the RECORD" is a widely employed one. Needless to say, these practices serve to undermine the integrity of the RECORD and its inherent value.

We pay a good deal of money each year in printing costs alone for the CONGRESSIONAL RECORD. The current estimate is $278 per page. Last year, the RECORD ran nearly 43,000 pages, costing about $11,954,000. Frankly, I think if we are going to be spending that kind of money, the result should be a document which is useful and accurate.

A resolution identical to S. Res. 215 has been introduced in the House by Congressman William Steiger. The 70 Congressmen who joined with Congressman Steiger and the 12 Senators who have joined with me on this resolution are convinced of the need for reform in this particular area. The provisions of S. Res. 215 are designed to meet that need and I respectfully request that the Rules Committee hold hearings on this proposal at the earliest date.

Cordially,

BOB PACKWOOD.

JULY 22, 1975.

CHAIRMAN,
House Committee on Rules, U.S. Capitol, Washington, D.C.

DEAR MR. CHAIRMAN: H. Res. 568, 569, 570, and H. Res. 581, which were introduced in the House of Representatives on June 25, 1975 and July 8, 1975, respectively, by Mr. Steiger of Wisconsin (for himself and others) are a cause of concern to the Government Printing Office because, if enacted in their present form, they would increase the cost and delay the production of the Congressional Record.

Section 3 of the proposed new rule XLV provides that insertions in the Congressional Record of remarks not actually delivered on the floor shall appear following the record of the entire debate to which they are germane and prior to the record of a vote and that such insertions shall be printed in a typeface distinctively different from that used for verbatim remarks.

The use of a "distinctively different" typeface for parts of the Record would cause production problems which would delay the delivery of the Record and increase the costs of typesetting. A capital outlay of approximately $200,000 would be necessary to purchase magazines and matrices in a different typeface.

Title 44, U.S. Code, section 901 provides that the Joint Committee on Printing shall control the arrangement and style of the Congressional Record. Inasmuch as these Resolutions would appear to impinge on the authority of the Joint Committee on Printing it is suggested that their comments be sought.

Sincerely yours,

T. F. MCCORMICK,
Public Printer.●

OIL IMPORTS—TWO VIEWS

● Mr. JAVITS. Mr. President, the question of oil imports and what to do about them has become increasingly important over the last several years, to the point where the question must now rank high on everyone's list of the major issues confronting the United States. The security of foreign supplies, as well as their high cost and attendant balance-of-payments problems has resulted in a heated debate on how to approach the oil import problem.

In the February 28, 1978, issue of the New Republic, which was devoted almost entirely to the subject of energy, two articles appeared which discussed the issue of oil imports in some detail. The articles represent two differing points of view, one focusing on how to bring down the cost of oil imports, and the other on how best to cope with current high prices. I found these articles to require necessary consideration together as well as being interesting and provocative, and therefore ask unanimous consent that they be reprinted in the RECORD so that they may serve as a basis for debate on this important question.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LIVING WITH IMPORTS

(By S. Fred Singer)

Most of the Congress would probably agree with the objectives in President Carter's energy plan—to conserve energy and reduce oil imports. But Carter's methods have raised vehement opposition. Since the methods are very complicated and delicately arranged, the plan may not be robust enough to withstand the inevitable tinkering that comes about when politicians see an opportunity of disposing of a tax, in this case estimated to be of the order of $15 billion a year. This tax amounts to the difference between the production cost of domestic oil and the price which the consumer would have to pay. Who gets this tax revenue and what is to be done with it is of course at the heart of the struggle.

In order to sell the plan to the nation and to the Congress, the administration has brought forward a number of arguments designed to impress people with the dire consequences of not adopting the plan. Unfortunately, these arguments do not always stand up under scrutiny. In that sense, they have reduced support for perfectly valid objectives. It is as if a lawyer had a client who was innocent, but then brought in witnesses who implicated the client so as to destroy his credibility. The client is still innocent, but the lawyer may lose the case.

For example, Carter and James Schlesinger have made the point often that the world will run out of oil. Is that really true? Well, not exactly. For every barrel of crude oil extracted today more than two barrels remain behind because they are too expensive to pull out. I estimate that by the year 2050, the world will have used at least two trillion barrels of crude oil, but something like three trillion barrels may still be in the ground. In addition, there are several trillion barrels of shale oil, a trillion barrels or so of oil from the Canadian tar sands, another trillion from the Venezuelan tar belt—which may or may not be extracted.

If the price is right, of course, they will be all turned into synthetic oil. Most people believe that within the next decade or two many of these resources will be added to the crude oil resources of the world. In addition, there is a huge amount of coal which can be liquefied and turned into a perfectly respectable oil—but again at a price. My view, therefore, is that the price of oil will rise slowly as crude oil becomes increasingly costly to extract, but there should be no great crisis in the mid-80s or at any other time. Studies which show a gap between demand and supply generally neglect the effects of rising prices on dampening demand and on encouraging new production. When the price reaches a certain higher level, then other resources, such as shale, tar sands, or coal, will gradually phase in. Conservation of oil will stretch out the life of the resource, or, more accurately, it will delay the rise in price. The cheap oil will then last longer, and its replacement by some synthetic oil will come later.

There are two valid reasons why the US consumer ought to use less oil. One is that the import of additional oil increases the security problem. The other reason has to do with the fact that the consumer is now paying a subsidized price for oil produced in the US—less than what it costs to replace the oil that is being consumed. Every additional barrel of oil must now be imported, and imported oil, at around $13.50 per barrel is much more expensive than domestic oil, whose cost of production averages about half that because it includes very cheap oil discovered as far back as the 1930s.

Just the same, importing about half the oil we use is not an economic calamity of the sort that has been pictured. After all, Germany and Switzerland import all of their oil. It is true that we are spending on the order of $45 billion annually for imported oil. But this sum is not "draining the United States" or causing us other economic hardships. Think of it this way: the money returns to the United States because the petrodollars are recycled. To simplify the discussion, assume that there is just one Arab oil producer and that the Arabs use all this money to buy goods from us—let's say, luxury cars. This means that they give us oil and we give them cars. If they do not spend all of the money on goods, then the balance has to be invested,

which is actually quite favorable for us. Because the money is invested it creates more capital for industrial expansion, which helps produce more jobs.

Now while $45 billion is a great deal of money to have floating around, consider the alternatives. Suppose we decided to produce the additional energy domestically instead of importing oil from Arabia. The cost of producing the energy would be at least $45 billion—otherwise we would be producing it now and wouldn't need to import. This means that at least $45 billion worth of resources would be required to make additional domestic energy. These resources would not be cars, but would be drilling rigs, oil pipe, mining equipment, etc. As far as the overall economy is concerned, however, it makes little difference whether we are manufacturing rigs or cars. In fact, with idle plant capacity in Detroit, it is better for our economy to make cars. Even the sale of arms, regrettable though it may be, provides jobs for aerospace workers, and it also makes the cost of arms lower for our own Pentagon because of mass production economies.

This illustration should put to rest the fear that if we transfer huge amounts of money to the Arabs, they in turn will use the money to upset our banking system, by refusing to recycle the dollars or by shifting the money from one country to another. By now the investments of OPEC in the United States are so great that irresponsible actions of this sort could hurt the Arabs directly or indirectly as much as they would hurt us. Arabs, like everyone else in the world, would rather not lose money, if given a choice.

Another fear is that OPEC may raise the price of oil with impunity any time it wishes. This fear does not stand up to detailed analysis. If OPEC's members can raise the price just like that, then why aren't they doing it? The answer is that to raise the price, the cartel must restrict its production; and then the question is, who is going to cut down his production, and therefore, his income? So far, Saudi Arabia has been willing to do this, together with some of the smaller oil producers on the Arabian peninsula. As far as they are concerned, the present price is just right and gives them their maximum return.

The main argument against oil imports now becomes a security argument. What if the imported oil were to be cut off? This question needs to be taken seriously, although it is not as serious as many people believe. For example, it is not possible for the Arabs to target an embargo just against the United States. They do not control the tankers, routing, trans-shipping terminals and refineries. As in the 1973 embargo, the major oil companies would switch supplies so as to bring non-Arab oil to the United States and Arab oil to the rest of the world. The Arabs can, however, declare an embargo against the whole world by simply reducing their production of oil. If Saudi Arabia were to close down its wells, this would raise the world price greatly and present a very serious problem to the world community. It would be much less of a problem to the United States since we have 50 percent of our oil coming from domestic sources, and since we have, in addition, other energy sources, such as gas and coal. (Arab oil supplies only 10 percent of our total energy needs.) Of course, the repercussions would be most serious also for Saudi Arabia. Their current income would be immediately cut off, affecting their ambitious development projects. This would lead to great internal difficulties and possibly even rebellion. It is therefore in their best interests not to interrupt or even curtail the supply of oil to the rest of the world, particularly since they have by now developed a great deal of interdependence. Furthermore their military security depends on maintaining the goodwill of the West, and especially of the American public.

This still leaves open the possibility of accidental interruption of the oil supply, or of sabotage by third parties—against the wishes of Saudi Arabia. But this danger can be met quite successfully by a strategic stockpile of oil; the one we are now constructing would give us nearly a year during which we could develop a response to whatever caused the interruption of oil supplies. Other oil-consuming nations are setting up strategic stockpiles in accord with agreements made under the auspices of the International Energy Agency.

Conservation, though useful for strategic reasons, is primarily a domestic issue. There is little we can do to influence the price decisions of OPEC members. They will not respond to pleading, cajoling, threats, or promises. And there is no point in making any agreements or special deals. OPEC members will do what is economically best for them, and the rest of the world will have to resign itself to this fact. For some decades to come, the world price of oil will be controlled in a monopolistic fashion so that oil will be more costly than it would be in a free market. It 's a matter of small consolation that this will result in more worldwide oil conservation than would occur at the lower price. The major victims of the OPEC pricing policy are the poor nations of the Third World, which do not have their own oil resources. The wealthy industrialized countries are much less affected, and those that have their own oil resources, such as Norway, England, and the United States, are even less affected.

Paradoxically, this domestic oil, which is such a blessing to the United States, is also a point of political difficulty. When Europeans criticize us for our wastefulness, they neglect the fact that energy has been cheap in the United States up until now, just because we have such great domestic resources. There was, therefore, no incentive to conserve. In Europe, where there was no cheap domestic oil, the increase in the world price in 1973 was simply passed along to the consumer. In the US this has not happened. We have instead a system of controls, with different prices for different "vintages" of oil. This is creating a large bureaucracy with a vested interest in maintaining the system. It has hurt some parts of the energy industry—those that would produce more oil if prices were free. But it has also given extraordinary benefits to other parts of the industry, for example, to small refiners. Overall, this has resulted in a distortion of the economic system, which always lowers its efficiency and, therefore, is ultimately costly to the consumer. The Carter plan rightly addresses this major problem of split prices and tries to present the consumer with a single price, the world price of oil. The question is, how best to achieve this objective?

On the one side are the advocates of a free market. They argue for deregulating the price of oil. Not only would the Government get out of enforcing price controls, but all domestic oil prices would automaticaly go up to the world price, and fluctuate up and down as the world price changes. The consumer would then pay that price, instead of the present lower average (of controlled domestic and uncontrolled imported). He would be inclined to waste less and conserve more, and the oil industry would have the incentive to produce more. The result: US imports would drop. What's wrong with this approach? Well, the oil companies with old wells that were drilled at a time when the price of oil was only $3 a barrel would be getting much more for their oil than they ever expected. This so-called "windfall" would add to their profits. The advocates of straight deregulation say that this is all right. The companies would use these profits to find more oil; and if any profits were left over, they would be taxed in the normal way by the Internal Revenue Service. The opponents point out, however, that one cannot force the companies to spend their profits on energy investments. They might, for example, use the case to buy up other industries.

The popular feeling that windfall profits to the oil industry are somehow immoral is so strong that there is little chance that oil and gas prices will be deregulated outright. In fact, the administration's plan does not allow for deregulation at all. Instead, the price of oil is fixed at several levels appropriate to the approximate cost of the oil at the time the well was drilled. There is a price for "old" oil for wells drilled before 1974, a price for "new" oil between 1974 and 1977, and "new new" oil after 1977. In addition there are higher prices for oil from very small wells, so-called "stripper" wells; from wells where special production methods have to be employed in order to extract more oil, so-called tertiary production; and there will inevitably be special prices set for Alaskan oil, for certain kinds of California oil, and so on. But since one drop of oil is pretty much like any other drop of oil, it will take a rather elaborate enforcement mechanism to make sure that the companies are indeed charging the right amount for the right kind of oil. The companies in turn will have to employ many more non-productive people just to keep records, fill out forms, and figure out ways of getting around the government regulations—all of which will ad to the general expense of the system. The consumer, of course, pays the bill for this loss in productivity twice over, first in taxes, and then in a higher price of oil.

But the system of fixed prices to the oil producers has further problems. First of all, it cannot really extract all of the windfall profits. That would mean setting a separate price for each oil well, depending on the cost of the oil from that particular well; and that is certainly not feasible. Also, the cost of the oil increases with the depletion of the well. And if the cost becomes larger than the price that can be obtained, then the well will be abandoned. This means that many of the pre-1974 wells will be abandoned prematurely, unless special regulations are put into effect.

Finally, after fixing the wellhead price on each vintage of oil, the Carter plan proposes to bring the price to the consumer up to the world price by adding an appropriate tax, the tax being largest on the lowest-priced, old oil, and decreasing appropriately with the price level of oil. But the world price fluctuates constantly, in response to variable demand and supply conditions, tanker rates, and other market factors. In fact, there is no such thing as a single "world price of oil." Each type of oil moving on the world market commands a different price, depending on its quality, its sulfur content, its specific gravity, its point of origin, and the needs of refineries, which in turn depend on the weather and on other extraneous conditions. It is not clear how a fixed wellhead price, plus a tax, can be constructed to follow a large number of moving targets, namely the "world price."

I would suggest a compromise that would probably satisfy no one 100 percent, but might be acceptable to those who want a deregulated price in order to diminish the bureaucratic interference with the industry, as well as to those who want to extract windfall profits from the industry.

The idea would be to deregulate prices, gradually if desired, but to put a fixed production tax (or severance tax) on old oil, that is, oil produced from pre-1974 wells. Its amount would decrease with time to match the depletion of the wells. This tax would go to the Treasury and would serve to extract the bulk of the windfall profit. With old oil currently regulated at $5 a barrel, an $8 tax

would lead to a total price of about $13, which is close to the world price. As the world price fluctuates, so would the price received by the oil producer. Any profits that he makes would still be subject to the usual corporate profit tax. In addition, any dividends paid out to stockholders would be taxed again. The Internal Revenue Service would make sure of that. The scheme can be looked at as a way of withholding most of the profit in advance. It will not please the industry which would like to use this money for further investments. And it will not please the anti-industry forces who would like to extract 100 percent of the windfall profit. But it is a rather simple way out, and it does result in immediate or gradual deregulation of prices, depending on how Congress views the matter.

A similar scheme could be used for natural gas by putting a production tax on old gas which now sells for a price far below what would be achieved in a free competitive market. Here again, the main idea is to keep the situation simple by deregulating the price, but adding a tax which extracts most of the windfall profit. If Congress later feels that more money is needed for oil and gas investments, then the size of the tax could be reduced, especially as the wells become depleted. In any case, in a few years' time, all of the old gas and old oil will be gone, and the perturbation in the world energy market introduced by the OPEC price rise will have disappeared. We will then be in sort of a normal position, with deregulated oil and gas prices and little, if any, federal production tax.

There would be no need for special prices (or subsidies) for stripper oil, tertiary oil, Alaskan oil, etc. They would all compete and become available provided their cost didn't exceed the price. A good many problems would therefore be solved automatically by the operation of a free domestic market. The fact that the price is controlled by OPEC would not really matter. To allay fears that OPEC might jump the price again and cause windfalls to domestic producers—a very unlikely possibility—one could set up a contingency production tax on domestic oil. In my view, the depletion allowance on oil and gas could be completely abolished. The removal of this tax break will result in a slight drop in production, but that would involve only marginal, high-cost oil and gas. A deregulated price should be an adequate production incentive.

This scheme would meet President Carter's objective, by raising the price to the consumer to the world price, and thereby insuring an increased amount of oil conservation. The rather large tax collected by the Treasury could be used to reduce the Social Security tax, or it could be offset by a general tax cut. In the case of natural gas, freeing the price would probably obviate the need for importing the much more expensive liquefied natural gas, which is now being contemplated. With gas prices deregulated, there may be enough incentive for the industry to find more domestic gas to meet our needs.

One major problem which is not being addressed squarely either by the administration or Congress is the conflict between energy development and environmental goals. It is not likely that nuclear energy will expand as rapidly as contemplated in the National Energy Plan, even though it is becoming evident that nuclear energy holds less of a threat to human health than does, for example, a comparable energy development in coal. In addition, the Interior Department's decision to restrict mining, and the Environmental Protection Agency's decision to restrict the burning of coal, will make it much more costly, and therefore more difficult, for industry to switch from oil and gas to coal. The nuclear and coal projections inherent in the National Energy Plan are very optimistic, and if they are not fulfilled, will invariably mean increased reliance on oil imports.

It might be well to adjust our thinking to the fact that increased oil imports since we will be faced with them anyway, are not all bad and certainly do not imply a national disaster. Japan has been running on 100 percent imports, and is doing well. In the long run, there are many alternatives to imported oil, all of which should be researched and developed as rapidly as possible. Among the candidates are nuclear energy; improved methods of burning of coal which are environmentally acceptable and highly efficient, such as fluidized-bed combustion; improved and cheaper methods of turning low-quality coal into gas for industrial use as well as for domestic use; innovations that would reduce the cost of already discovered natural resources which could be competitive with crude oil: oil shale, tar sands, heavy oil, and natural gas from deep geothermal zones along the Gulf coast.

For the longer pull, both nuclear fusion and solar energy hold out the realistic hope of an inexhaustible source of energy. Here is where government has an important and even unique role to encourage a program of research, which will bring the cost of new energy sources rapidly downward so they can compete with oil and gas. They will be competitive some day, since the price of crude oil and natural gas can only go upward.

War Against Cartels

(By Melville J. Ulmer)

Before a national TV audience President Carter elevated the energy problem to "the moral equivalent of war." Yet his National Energy Plan, announced with earnest intent last April, barely made contact with the enemy. The latter is a tripartite coalition: the avarice of the Organization of Petroleum Exporting Countries, the williness of the Seven Sisters, and the niggardliness of Mother Nature. Insofar as the President mustered anything resembling warlike fire, he directed it all at Mother Nature, which is to say the presumed physical scarcity of oil. Nor is Congress, after nine months of study and debate, prepared to do anything else. Experience shows that a war cannot be won by bombing defenseless bystanders like Mother Nature, while letting maruders, like OPEC and our own domestic oil cartel, run free

Ironically, it is not Mother Nature who constitutes a clear, present and immediate danger. Oil is not only not scarce at present, it is a glut on world markets and likely to remain so for at least the next three-to-five years. Newspaper reports as well as every authority known to this writer confirm that fact. The immediate menace is in the price OPEC forces the rest of the world to pay for its monopolized export. That price is five times what it was before the 1973 oil embargo, perhaps 15 to 20 times the actual cost of production. It accounts for the huge and growing deficit in the US balance of international trade, the slide in the value of the dollar, and the erratic plunges of the stock market. In effect, it levies a tax on American output and income which retards growth and encourages unemployment.

A tax is a transfer of wealth. In less than five years the OPEC countries have accumulated a considerable portion of the world's wealth, especially that of the United States. Their hoards include ownership of industries, hotels, beach resorts, other assorted real estate, and unexercised claims on our resources in the form of cash reserves. Their foreign assets, heavily concentrated in American firms and securities, are estimated by the U.S. Government as totaling more than $185 billion. That is enough to buy up a controlling interest in our 500 largest corporations. Those assets are still growing. A galaxy of retired stars from Washington officialdom—J. William Fulbright, John B. Connally, Spiro Agnew, Richard Helms, William P. Rogers, and others—have gathered like flies over a beefsteak to give financial guidance to the Arab and Iranian moguls. And all this aside from the captured wealth the OPEC countries have already invested at home in impressive manufacturing enterprises, nuclear power, luxury skyscrapers, palaces with solid gold fixtures, block-long made-to-order Cadillacs, and—for the general population—hospitals, schools and housing developments.

With some difference in degree, the impact has been much the same on all industrialized nations. In fact, the financial pressure—the damper on growth imposed by OPEC extortion—has stimulated a ridiculously self-defeating trade war among the democracies of the West and Japan. Each country has striven to transfer its unemployment to the others, a not-so-neat trick executed by subsidizing one's exports and restricting imports. Meanwhile, OPEC's power expands—an economic hegemony that can be used, when need be, for political as well as financial ends. In rising to the challenge of the energy crisis the first obligation is to confront or surmount that power.

We shall come back to that obligation a little later. There is a second familiar source of market power in petroleum that must be confronted if the United States is ever to gain a larger measure of energy independence. That is our largely home-grown cartel—the Seven Sisters who dominate the petroleum business in the US and also its marketing, if not actual production, everywhere else. They are Exxon, Texaco, Mobil, Gulf, Standard Oil of California—all American—and Royal Dutch Shell and British Petroleum. At the periphery of that combine are a few other lesser American giants like Continental Oil, Occidental Petroleum and Phillips. For decades they have regulated the world's supply of petroleum, dividing markets and fixing prices. More recently they have moved to control competing fuels like coal, uranium and of course natural gas. They sit complacently and inactively on a huge store of oil shale, leased from the federal government, calculated to contain 350 billion barrels of oil or enough to meet our needs for more than 40 years at the 1980 expected rate of consumption.

Nor it is at all clear that the Seven Sisters' control over world markets has been seriously weakened by the nationalization movement and other aggressions in the Middle East countries. The multinational companies still manage actual production throughout the OPEC empire and also own and run the worldwide facilities for transportation, refining and marketing. Reviewing recent history, a former chief economist of the Senate antimonopoly subcommittee wrote, "The relationship between the international oil companies and the exporting countries was clearly symbiotic, defined in Webster's New World Dictionary as 'the intimate living together of two kinds of organisms, especially where such association is of mutual advantage.' " Certainly there is no sign of suffering among the multinationals since OPEC startled the world with its temporary embargo, followed by record-breaking price hikes, in 1973. The effect was to increase profits (from 1972 to 1977) by 75 percent for Exxon, 98 percent for Gulf, 67 percent for Mobile, 86 percent for Standard Oil of California, 31 percent for Texaco, 142 percent for Continental Oil, and so on. These gains were attained despite the fact that petroleum production in the United States has been steadily reduced since 1973.

The conclusion seems clear that the present situation, which we officially call a crisis, is not an economic bed of nails for those who control it—OPEC and the Seven Sisters. A well known fact in the literature of economics is that *all* producers of petroleum, if they can work together, can benefit by limiting growth of world petroleum output. Within broad limits, it pays in terms of increased profits to *reduce* output. Notoriously, demand for the product is inelastic, meaning that demand is built into our cars, roads, the configuration of our cities and suburbs, and our heating plants under conditions that cannot be easily or quickly altered. What this implies is that neither the United States nor any other consuming nation can safeguard its energy supply without controlling the controllers.

The fundamental difficulty with the President's National Energy Plan is that it disregards these inescapable facts. It concentrates—as will Congress's revised version—primarily on stimulating conservation, aside from substitution of coal for oil and gas where it is possible. Excessively complicated, containing more than 100 different proposals, the plan uses such devices as a five-cent tax per gallon on gasoline—in what the average citizen could tell the President (or Energy Secretary James Schlesinger) is a fanciful hope that this would lead people to move closer to work or forego trips. Not all the provisions, to be sure, are that futile. Even so, though conservation is long overdue in the United States, it can at best go only a short way toward solving the energy problem. The Congressional Budget Office estimates that the President's plan would barely diminish the volume of petroleum imports, if at all, even by the end of his second term, if he wins it. And the CBO, in its study, gave the President all the benefits of the doubt.

Other measures, thus far eschewed by both Mr. Carter and the Congress, are needed. Fortunately the present is an especially propitious time to undertake them. This brings us back to OPEC, the Seven Sisters, and the already mentioned glut in world oil markets. Oversupply of petroleum is the beckoning finger of opportunity for American public policy. It resulted in part from the international stagflation induced by the original OPEC price hike and the present inability of Saudi Arabia, Iran, Iraq, Libya and the rest to curtail their own output. But contributing to the glut more powerfully are the new supplies beginning to gush from the Alaskan pipeline and the North Sea. These economic realities, not benevolence, led the OPEC nations to defer a new price boost last December. Accustomed to their easy-come-easy-go bonanza, the foreign oil chieftains are vulnerable and apparently know it, particularly since excess supplies are expected to persist for another five years. Algeria, Nigeria and Libya have already made significant cuts in their premium light crude oil prices. Even modest pressure by the United States (the world's greatest consumer), it would seem, may yield what is now most urgently needed: substantial reductions in the world price of oil.

One possibility, which is not without precedent, is for the United States to place a top limit on the total *dollar* value of its annual petroleum imports. In the first year, say the 12 months beginning in April 1978, the limit might be fixed just a bit below current usage, assuming no change in prices. That would be the first step. The second would be for the US Department of Energy to invite exporting countries to submit closed bids for securing a share in the quota. To be sure, all OPEC members *might* respond in unison with their current fixed price, $13.50 per barrel. But the quota could not accommodate all sellers, with their expanding supplies, including those outside OPEC like Mexico, Great Britain and Canada. In the mutual zeal for sales—and the current price is far above costs everywhere—some possibility of price-cutting cannot be disregarded. Obviously the lower bids, if any, would be accepted first in building up to the maximum volume of imports allowed. In any event, in the second and subsequent years the screw could and should be tightened, though not without careful calculation.

All will depend on effective management of our own resources. Quotas on imports could be gradually reduced from year to year, soon yielding a fall in the quantity as well as the price of oil crossing American borders. That would be the objective. Dependency on foreign sources would be diminished and with it the financial drain that has inhibited economic growth. But any drop in the *quantity* of imports would have to be matched by some combination of conservation and increased energy output at home. Which returns us once again to the Seven Sisters.

The emphasis will have to be placed on expanding our own energy production. Wasteful as we are, conservation will not save much energy in the United States in the foreseeable future without resort to gas rationing, and perhaps other unlikely jolts to the American way of life. That was the burden for the Congressional Budget Office's frank critique of the President's plan. Therefore, for the most part, a larger measure of energy independence will have to purchased, unit for unit, with increased output of energy at home. It is at this point that the obstacle of the Seven Sisters appears. The domestic oil cartel owns or leases not only almost all petroleum resources but also 47 percent of this country's uranium ore reserves, 41 percent of its uranium milling capacity, 12 percent of its known coal reserves, and a substantial share of its oil shale and geothermal resources. (The figures are those of the Senate subcommittee on energy research and development.) Secondly, as observed earlier, the eagerness of the oil companies to increase output cannot be taken for granted. On the contrary, the monopolist's path to maximum gain is through judicious restriction.

Energy experts most often concern themselves with the technical and physical barriers to increasing energy production. Those barriers are stark and formidable. But the point I stress here is that they cannot be overcome without surmounting two other obstacles first—the cartelization of energy resources and the monopolistic propensity to restrict.

Probably the only sure key to that achievement is to accord the nation's petroleum companies quasi-public utility status, on the grounds that they are at least as essential to the public interest as electric and gas utilities. In contrast with the present situation of trade secrecy, their books would be opened to public representatives who would check on them. It would be quite proper, at least after investigation and hearings, to set production quotas for each company embracing all the resources under its control. All would be enlisted in a truly national plan, or in a "moral war" if the President preferred it that way. Tax penalties would be imposed for failing to meet quotas, tax benefits awarded for exceeding them. Price controls would be necessary (as they are for all utilities) not so much to limit monopoly revenues as to direct profit-making activities into channels consistent with what Galbraith has called the public purpose. But of course that should be the objective of all utility regulation—to ensure that resources are used efficiently and as fully as the public requires.

If the energy crisis has really mounted to the stature of a war—as the President and most experts believe it has—another step may be warranted. This would involve resurrecting and broadening a bill introduced in 1974 by Senator Adlai Stevenson for a government energy corporation. Its primary objective would be to undertake petroleum production and extraction of oil from oil shale on public lands, in part to serve as a yardstick for regulation of the private companies. A second objective would be research, especially in exploitation of the longer term energy options—solar, geothermal, uranium and fusion. Nor should the technical problems in petroleum itself be neglected. For example, most oil fields that have been "drained" commercially still contain about two-thirds of the oil they held when broached. If present technology is improved to lift the dregs from the bottom of these fields, a huge new resource will be opened.

Unlike the official assumption in Washington, there are a few respected authorities who doubt that there is an energy crisis, in the *physical* sense, or that one is imminent in the foreseeable future. MIT's Morris Adelman declares, "The crunch that Schlesinger talks about so eloquently is like the horizon, it recedes as you approach it." The present writer recently read an impressive report, dated 1937, that predicted an end to the world's oil supplies in 25 years. But no one can doubt that there is an energy crisis in the financial and political sense—in the stranglehold on supplies retained by OPEC and its multinational oil company allies. Nor can we be certain enough to dismiss lightly the possibility of real shortages in the next decade or two, unless preventive action is taken now. The great problem in the plan outlined above, politically, would be to keep the new federal corporation (and the Department of Energy) out of the clutches of the Seven Sweet Sisters. All the watchdogs, within and outside the government, would have to be alerted as never before. Franklin D. Roosevelt once said, "The trouble with this country is that you can't win an election without the oil bloc and you can't govern with it." This may be the point in history in which politicians *have* to face up to the cartels, foreign and domestic.●

MESBICS AND THE "LEVERAGE PRINCIPLE" IN MINORITY BUSINESS DEVELOPMENT

● Mr. GLENN. Mr. President, I recently enjoyed the opportunity of discussing the features of S. 2156, the Minority Enterprise Venture Capital Act with Mr. L. A. Lucas of Dayton, Ohio, and Dr. Lewis Wright of Cleveland, Ohio. Both of these gentlemen are in the forefront of local and national efforts to make minority enterprise small business investment companies a major component part of minority business development.

I believe that the MESBIC concept is remarkably sound in that it is a perfect vehicle for a partnership of public and private involvement in this vital area. MESBICs are venture capital firms which lend financial, technical, and managerial assistance to businesses owned wholly or in part by minority or disadvantaged citizens. MESBIC financing is initially achieved by a minimum of $150,000 of private capital investment which enables the Federal Government to then match those funds on a 4-to-1 basis. From this point, MESBIC's go on to provide a full range of funding of services to a diverse range of businesses.

There are some remarkable success stories and partnerships that have grown from this approach such as the Equico Capital Corp. of New York, which in 1977 invested roughly 2.2 million in various businesses. The key private investor in Equico is, of course, the Equi-

table Life Assurance Society. The Dayton, Ohio, MESBIC has actively assisted Blacks who are seeking to enter the trucking and transportation industries, an area too long deficient in minority representation. Cleveland's GLENCO Enterprises has provided entry into the health services field by helping a group of black physicians form the Buckeye Independent Practice Association, and has helped establish the Tyree Corp. which specializes in selling industrial cutting tools and abrasives as well as being involved in other very substantial ventures in the Cuyahoga County area.

Today there are 91 MESBIC's licensed by the SBA, with $54 million in paid-in capital. There are 29 applications pending. It is apparent that this MESBIC concept is underutilized given the great national need for these efforts. I am hopeful that my colleagues will work both in Congress and with the American Association of MESBIC's to spread the idea that we have here an idea that works. The words "private sector involvement" have become fashionable rhetoric when speaking of national urban policy. MESBIC's offer a specific, substantial opportunity to translate rhetoric into reality in a way that is sound and practical. One step in this direction would be early passage of S. 2156, the Minority Venture Capital Act which provides significant strengthening of the basic MESBIC structure.●

WATERWAY USER CHARGES: WATERWAYS EXCLUDED FROM THE HOUSE BILL (H.R. 8309)

● Mr. DOMENICI. Mr. President, I have previously explained to my colleagues some of the considerable differences between the Senate and the House bills on waterway user charges.

The Senate bill, for example, covers the entire 25,000-mile network of inland waterways, treating all alike. The House bill, however, covers only 40 percent of that mileage, creating a situation where there would be charges in some locations, no charge in others.

I asked the Corps of Engineers to prepare a list of waterways that were excluded from the House bill, including the $1.4 billion Tennessee-Tombigbee waterway. In addition to this list, Mr. President, it must be pointed out that portions of certain waterways, otherwise covered in the House bill, are excluded from user charges. This includes the Mississippi River below Baton Rouge, New Orleans, and the Columbia River below the Dalles, Portland, Oreg.

Mr. President, I ask unanimous consent that the list of these excluded waterways be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WATERWAYS AND WATERWAY SEGMENTS OPERATED AND MAINTAINED BY THE CORPS OF ENGINEERS AND WATERWAYS UNDER CONSTRUCTION THAT ARE EXCLUDED FROM THE HOUSE BILL, H.R. 8309

WATERWAY

Amite River and Bayou Manchac, LA.
Atchafalaya Basin E–W access channels, LA.
Barataria Bay Waterway, LA.
Bayou Bonfouca, LA.
Bayou Dupre, LA.
Bayou Grosse Tete, LA.
Bayou Lafourche and Lafourche Jump WW, LA.
Bayou Plaquemine Brule, LA.
Bayou Segnette, LA.
Bayou Teche and Vermilion River, LA.
Bayou Terrebone, LA.
Black River, AR, MO.
Blackwater River, FL.
Bolles Harbor, MI.
Canaveral Harbor, FL.
Cape Fear River, NC.
Cedar Bayou, TX.
Channel from Back Sound to Lookout Bight, NC.
Chefuncte River and Bogue Falia, LA.
Clatskanie River, OR.
Clear Creek and Clear Channel, TX.
Clinton River, MI.
Coos and Millicoma Rivers, OR.
Cowlitz River, WA.
Cypress Bayou and Waterway, TX, LA.
Darien Harbor, GA.
Delaware Bay-Chesapeake Bay Waterway (VA portion), project recently classified "inactive" because Governors of the three States withdrew support. Project name reverted back to its old name, "Waterway on the Coast of VA, VA".
Double Bayou, TX.
Escambia & Conecuh Rivers, AL, FL.
Freshwater Bayou, LA.
Grand River Harbor and Grand River, MI.
Greenville Harbor, MS.
Houston Ship Channel (shallow draft segment), TX.
Intracoastal Waterway Caloosahatchee to Anclote River, FL.
Lake River, WA.
Little Caillou Bayou, LA.
Long Island Intracoastal Waterway, NY.
Manteo (Shallowbag) Bay, NC.
Matagorda Ship Channel (shallow draft portion), TX.
Memphis Harbor, TN.
Mermentau River, Bayous Nezpique and Des Cannes, LA.
Mermentau River, LA.
Minnesota River, MN.
Nanticoke River, DE, MD.
Narrows of Lake Champlain, NY, VT.
New Jersey Intracoastal Waterway, NJ.
Neuse River, NC.
Okeechobee Waterway, FL.
Old River, CA.
Pamlico-Tar Rivers, NC.
Petit Anse Tigre and Carlin Bayous, LA.
Roanoke River, NC.
Rollinson Channel, NC.
Sacramento River (Shallow-draft), CA.
Savannah River below Augusta, SC, GA.
Smith River, OR.
St. Croix River, MN, WI.
Siuslaw River, OR.
Tennessee-Tombigbee Waterway, AL, MS.
Trinity River and Tributaries, TX.
Vinton Waterway, LA.
Waterway connecting Pamlico Sound with Beaufort Harbor, NC.
Waterway from Empire, LA to Gulf of Mexico, LA.
Waterway from Intracoastal Waterway to Bayou Dulac, LA.
Waterway Norfolk, VA to Sounds of North Carolina, VA, NC.
Wicomico River, MO.
Yaquina River, OR.

WATERWAYS AND WATERWAY SEGMENTS OPERATED AND MAINTAINED BY THE CORPS OF ENGINEERS AND WATERWAYS UNDER CONSTRUCTION

Definitions used to compile the list of projects:

1. A project was listed in inclosure one if at least a portion of the project met these definitions with data based on direct field input, projects maps and the Chief of Engineers Annual reports. Although the definitions appear to be specific, the waterways, by reason of the water resource itself, are all unique. Therefore, the inclosed listing still required judgmental decisions.

2. Definitions:

a. Inland Waterway System. Includes those shallow-draft channels which are 14 feet or less in depth that serve interior areas of the country. Short shallow-draft channels that are tidal or tributary to the ocean, bays, sounds, and inlets are not included in this system.

b. Intracoastal Waterway System. Includes all projects that are identified as intracoastal waterways in the project authorizations.

c. Waterway. A project where the project or a segment of the project is authorized for navigation.

d. Draft of Fourteen Feet. Channels authorized at fourteen feet or less.

e. Additional Specific Exclusions.

(1) Channels without any known commercial freight traffic. The definition of commercial traffic in Public Law 16–72d Congress was not used.

(2) Short shallow-draft channels that are tributary to the Great Lakes and major waterways that are harbor access channels only.

(3) Channels with less than a four foot depth or less than four miles in length.

(4) Channels without substantial and recurring expenditures where substantial and recurring was generally defined as any operation and maintenance expense in the last ten years, excluding snagging operations.●

GAO—WASHINGTON'S OWN WATCHDOG

● Mr. RIBICOFF. Mr. President, the General Accounting Office is the watchdog for Congress—the inspector general of Congress for more than a half century. With its army of accountants, management and computer specialists, engineers, attorneys, and investigators, it conducts over 2,000 audits a year. It is responsible for hundreds of millions of dollars in savings each year to the American taxpayer.

It provides Congress with vital answers to questions such as:

Is it possible to eliminate waste and inefficient use of public moneys?

Are Federal programs achieving their objectives?

Are there other ways of accomplishing the objectives of these programs at lower costs?

Are funds being spent legally? Is the accounting system for them adequate?

The Washington Spectator's February issue has published an excellent summary treatment of the GAO's work. I ask unanimous consent that the article entitled. "GAO, Washington's Own Watchdog" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GAO, WASHINGTON'S OWN WATCHDOG

By ancient myth, Cerberus was a terrifying watchdog with three heads. At his bark Hell trembled, and when he was freed from his chains, not even the Furies could tame him. He watched over the regions of the dead.

Within a Washington slum of decaying buildings, there exists a watchdog whose bark causes bureaucrats and politicians to tremble, sometimes with rage. President Ford was outraged by a GAO report on the Maya-

guez rescue, and President Carter was irritated by its findings on his energy program.

It even dares strike at that untouchable, the Pentagon's weapons program. It took a look at a $1 billion Army contract, and called the combat vehicle "slow, noisy, smoky and somewhat easy to destroy."

GAO is the Government Accounting Office, an investigating body which reports directly to Congress. Many believe that were it not for this little-known Cerberus, the federal budget would be out of control, with government contractors looting the Treasury, and more bureaucrats than taxpayers. The publication Civil Service estimates that GAO has saved us about $1.1 billion in the past two years.

Recently, the GAO discovered that officials of the Federal Home Loan Bank Board used a special fund on "gala office Christmas parties, front-row theater tickets, and a business jaunt to a plush mountain resort" (UPI); that the Overseas Private Investment Corporation was giving loans to US companies which actually displaced workers in the US (a loan to Kaiser Steel to build a plant in Turkey cost 4,215 jobs here); and that a mandatory deposit on beer and soft drink containers would reduce litter and lower packaging costs. Currently, the GAO is investigating both the Justice Department and the Federal Trade Commission to see how well they are enforcing anti-trust laws.

Understandably, a GAO visit is not greeted with cheers. The Indianapolis Star says, "GAO snoopers can upset all sorts of bureaucratic practices and ruffle a lot of feathers. Nobody really welcomes a visit from these adding-machine detectives."

The creation of the watchdog—In 1921, when big government began to spread after WW I, Congres created the GAO to find out how the money it appropriated was being spent. The Comptroller-General is appointed by the President to a single 15-year term, and so is somewhat beyond the reach of political pressures. The GAO investigates and issues about 1,000 reports a year, on subjects ranging from organized crime to "The Fertilizer Situation—Past, Present and Future." About two-thirds of the investigations are requested by Congress.

In many cases, the GAO supplies evidence that comes crashing through the headlines at Congressional hearings. This is true of Watergate. The GAO traced the Watergate break-in to the White House. It traced the funds used to finance the burglars to Mexico and what is known as "laundering," and from there to a secret $350,000 slush fund at the Committee to Re-Elect the President. This "disclosure kept the Watergate investigations alive," says the *Chicago Daily News*.

Nixon's successor, Gerald Ford, had trouble from a GAO investigation, too. In May 1975, the Ford Administration sought to rescue the crew of the Mayaguez, a U.S. ship that had strayed into Cambodian waters. After the rescue raid, 41 U.S. servicemen were dead or missing. A House subcommittee asked the GAO to look into the incident.

On May 11, 1976, the GAO's exhaustive report went to Congress, but it was held up from publication by the White House. The National Security Council stamped the information "secret." However, a "sanitized" version was released from Capitol Hill in October that claims, "The Ford Administration did not exhaust all diplomatic possibilities before launching an attack against Cambodia." (*New York Times*) President Ford angrily called the GAO a "grandstand quarterback."

The energy report—President Carter has fared little better. On October 14, 1977, the GAO issued an update of its July study of Carter's National Energy Plan. It said, "The more specific program goals in the Plan . . . seem highly unrealistic in light of our continuing analysis. Further, the program which is emerging appears to us to be incapable of achieving them."

The GAO recommended that Congress should "focus on the questions of how much energy should be consumed in the future, in what form, and where it will come from. The related economic, environmental, and international and social implications should be analyzed. The appropriate time schedule should be addressed in relation to how long we can expect to be relying on insecure imports, the burning of coal and nuclear power before we will be moving to a renewable energy base. . . . Congress could then establish realistic energy goals."

Like so much good advice, this has not been wholly accepted. The GAO's patient investigations have been behind most of the headlines on military waste. Two of the sharpest critics of military boondoggles, Sen. William Proxmire (D-Wis.) and Rep. Les Aspin (D-Wis.), get their facts from the GAO. Proxmire used GAO evidence when he turned the spotlight on two Air Force cost overruns—the C-5A, which he called "the Flying Payroll," and the F-111, "the Flying Bankroll."

Honesty in government is another subject for GAO scrutiny. It accused 49 members of the Geological Survey of owning stocks in companies with which the agency was dealing. It has also investigated the effectiveness of the government's food labelling program (not very); the Interior Department decisions on offshore drilling for oil (they were politically motivated and without sufficient engineering information); and Air Force flight pay (it saved $70 million a year by discovering that grounded officers were getting flight pay).

How the GAO operates—The initiative for an investigation may come from Congress, from a GAO team watching a particular agency, a tip from a government worker, or even a letter from a taxpayer. If you have a legitimate gripe about a particular program and evidence to back up your complaint, you can write the Comptroller General, General Accounting Office, 441 G Street, NW., Washington, D.C. 20548.

Here is a case history: a team assigned to the Veterans Administration became concerned at the amount of drugs given mental patients in VA hospitals. (About 26,000 psychiatric patients are treated by the VA.)

The GAO team was looking over expenses and discovered an item of $16.5 million in 1975 for drugs listed as anti-psychotic, antidepressant and anti-anxiety. That seemed like a large expense after a study of the medical literature. These drugs are usually given to control the violently psychotic, rather than as a treatment. The side effects are often dangerous. Prolonged high dosage can bring on Parkinson's disease with general body rigidity and tremors.

So a GAO team inspected 13 VA facilities and three general hospitals with large psychiatric wards, to compare the treatment. They checked on 6,171 psychiatric patients; 4,832 were on these drugs. The investigators learned what drugs were used, how often they were given and the dosages.

This evidence, in turn, was reviewed by reputable psychiatrists and physicians, some from the National Institutes of Health. The report stated:

Drugs were used excessively, that is, over the maximum recommended by the AMA Drug Evaluations, American Formulary Service, and "Drug Treatment in Psychiatry," a VA manual. Of 631 cases, 10% were given too many drugs. In one hospital, the excessive rate was 23% and in some wards 40%.

Too many different drugs were used. The magazine Prism states, "Using more than one psychotherapeutic agent at the same time, and on the same patient . . . is frowned upon by many authorities. Aside from the increased risk of adverse reactions and toxicity, the use of more than one drug may also . . . reduce the effectiveness of the original drug."

One patient was being given eight separate drugs, three of them in maximum doses. One ward in every five had half its patients on a multidrug regimen.

The drugs were given too often: three or four times daily.

Patients were kept on drugs that were no longer needed. Most schizophrenics can be taken off anti-psychotic drugs once the case is "stabilized." This reduces the accumulation of the drug in the system and gives the physician a chance to evaluate the patient. In VA hospitals, only 565 of 4,832 patients taking anti-psychotic drugs had these "holidays."

VA hospitals had too few physicians with psychiatric training, one to every 53 patients. In one hospital, the ratio was one to 399.

The VA accepted the GAO findings and started a reform.

Foreign military sales—An investigation by the GAO into foreign military sales revealed that they are occasionally made at the expense of our own security, and that we have switched from building up our NATO allies to proliferating arms in the Middle East trouble zone. The GAO found that "when insufficient stocks are on hand to simultaneously supply both U.S. and foreign needs," the latter are sometimes favored. In October 1973, during the Arab-Israeli war, 17% of US military equipment was withdrawn for foreign sale. Iran, Saudi Arabia and Israel now account for more than half our arms sales.

Other recent investigations show:

The Civil Service Commission "cannot effectively protect the public against potential conflicts of interest" by federal officials. This is because the Commission had not insisted on close inspection of "blind trusts" set up by presidential appointees. "It is evident," the GAO complained, "that while the CSC informally established certain blind trust provisions, these provisions are not being adhered to."

The Overseas Private Investment Corporation, set up to insure American companies against expropriation and other political risks, chiefly aids a few multinational giants. Despite a 3-year order from Congress to broaden its $6.2 billion program, OPIC in 1976 wrote 29 percent of its insurance for three multinationals and 41 percent for 11.

The three with 29 percent of OPIC's coverage are Dow Chemical, W. R. Grace and J. P. Morgan. Two thirds of the dollar volume of its insurance is concentrated in seven nations—Brazil, the Philippines, South Korea, Indonesia, Taiwan, the Dominican Republic and Yugoslavia, all nations criticized for their cavalier attitude toward civil liberties. Some of the insured investments were game lodges built by Avis and TWA, and luxury hotels.

"Questionable pension plans"—Nine Pentagon contractors have more than $100 million in "questionable pension plan costs, excluding profits that . . . may be charged to government contracts because [of] unrealistic actuarial assumptions." One of these, Aerojet General, allegedly charged the government for $40.9 million in excessive pension costs.

The Food and Drug Administration's handling of the law on chemical food additives favored industry, rather than the consumer. The GAO reported on Oct. 20, 1975, that the banning of the toxic Red Dye Number 2 had been postponed 14 times. In July, the GAO found some 90 color additives, including Red Number 2, were "provisionally" listed for use in foods, drugs and cosmetics, in an apparent evasion of the law.

Sen. Gaylord Nelson (D-Wis.), speaking on the GAO study, stated, "The public for too

long has been a vast guinea pig for poorly tested or untested food additives. Scientists are concerned that long-term low doses of chemicals may cause not only cancer, but birth defects or genetic damage. . . . There needs to be a greater assessment of the chemicals' nutritional or safety value versus their potential health hazard."

The administration's decision to permit Concorde supersonic jet service fight to the US "is counter to the thrust of the national noise abatement effort." The Federal Aviation Administration's public opinion survey on the SST "will not provide reliable information" because of "problems" in the sampling plan, questionnaire design and processing of responses.

A House bill to require 9.5 percent of imported oil to be transported in US flag ships would raise the nation's fuel bill more than $240 million a year, or twice the estimate of the Maritime Commission.

The school-lunch-program managers have failed to take periodic, hard looks at its effect on the children's health, the agricultural economy and the social value. The type A lunch "appears relatively ineffective in achieving the program's nutritional objective, . . . does not appear to deal with diverse nutritional problems, . . . is often presented in a form which discourages student participation and contributes to food waste, . . . may increase the cost of program lunches, . . . is relatively ineffective in improving iron nutrition, the most prevalent deficiency reported for school children."

The bureaucrats fight back—The GAO's critiques are so pungent that agencies and special interests they serve are fighting to keep investigators out of their files.

The FBI refused to allow the GAO to check a random sample of their investigative files, to see how well FBI follows existing laws. The Justice Department supports the FBI.

The Internal Revenue Service and the Alcohol, Tobacco and Firearms Bureau will not permit the GAO to make an independent review of their operations.

The Federal Reserve system, handling over $86 billion worth of US securities, argues that a GAO investigation might damage its independence in making monetary policy.

But this is a war the bureaucracy cannot win. For the GAO is nudging its way into more and more files, backed by a public outrage against what Blazac called the "giant operated by pygmies." Government is so large and it touches us in so many places that its weaknesses are there for any good archer to hit. If there were no GAO, someone would have to invent one. ●

JAWORSKI SPEAKS ON OUR CONSTITUTIONAL SYSTEM

● Mr. MATHIAS. Mr. President, I think none would dispute that Leon Jaworski has had an opportunity to observe the functioning of our democratic process from a unique vantage point. As Special Watergate Prosecutor, Mr. Jaworski was confronted by executive authority run amok. But, just as he stood firm in the face of the threat to our institutions, so too did those institutions, notably the judiciary and the Congress.

In an address to the annual alumni luncheon of the University of Maryland Law School on January 14, 1978, Mr. Jaworski described in compelling terms the test of fire and the vindication of our institutions of government and our constitutional system that the Watergate crisis was. Mr. Jaworski's talk is affirmation of the almost preternatural wisdom of the framers of our Constitution which he describes as—

A monumental document that has stood the test of time and has enabled us daily to enjoy the freedom and the individual rights it guarantees.

Mr. Jaworski's talk combines a cogent summation of our national experience during Watergate with a summons to us to reflect on what has happened to the art of government since Thomas Jefferson said, "The whole art of government consists in the art of being honest."

Mr. President, Mr. Jaworski's talk to the University of Maryland Law School is a thoughtful and important document. I ask unanimous consent that its full text be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JAWORSKI STATEMENT

I have chosen to speak to you today about foundations—foundations that make a community strong and a nation great. I want to lay aside, if only for the minutes that follow, the concerns and the fears that you and I share about taxes, the energy problem, the rising inflation and other clouds of disquietude that stem from economic woes. I ask you to think with me about moral foundations.

Nicholas Murray Butler was a great American who not only served as President of Columbia University but also answered the call of our government in numerous post-World War I international peace conferences. About sixty years ago he delivered an address on "The Changing Foundations of Government." He referred to the startling changes that were taking place at the "very foundations of our political and economic life." He remarked that the "foundations of American government and of American life are being moved, and it is of high importance that we should understand what is moving them and whither they are moving." He added: "Only then shall we be able to determine whether the movement is for good or for ill."

He spoke of "the steadily growing incapacity of representative government and the steadily increasing lack of confidence in it; of the unwillingness to subordinate an immediate advantage to a future gain; of the dissatisfaction with any principle or rule of conduct, however noble or however hoary with age and honorable with service, that stands in the way of individual or group interest."

One of his conclusions was as follows:

"We need quickly to strengthen the foundations of representative government and thereby rebuild public confidence in it. This can only be done by attracting to the political service of the state (and nation) men and women of the highest type of intelligence and character, who have no personal or group ends to serve."

Well, this was sixty years ago. Has anything come to our attention in recent years that makes Dr. Butler's words prophetic? Was he an alarmist or was he a seer?

Let me direct your attention to the Report of the Watergate Special Prosecution Force. I did not write this Report, although most of what it contains is based on matters that came to light while I served as Special Prosecutor. But members of the staff, who saw what I saw and came to know what I had learned, wrapped up in these words what had occurred during what may be termed as the Watergate era—and some of which occurred even prior thereto. Here is what the Report says, and this part I fully approbate:

"In considering what recommendations to include in this report, WSPF concentrated on what it did observe: criminal abuse of power by Government officials in high places; historical growth of secrecy in the Federal executive branch unchecked by Americans and their elected Congress; unchallenged, subjective judgments by the executive branch in identifying persons and organizations that constitute an impermissible threat to the national interest and to executive policy; an undemocratic condition wherein money is power, and skillful, cynical public relations cements that power; and finally, a silent, sometimes grudging, sometimes willful conclusion by some Government representatives that ethical standards are irrelevant because quick implementation of policy goals is mandatory, but achievable only by social and personal injustices to others."

Well, as the Watergate report points out, some of the wrongs and excesses of which it speaks did not begin with the so-called Watergate era. They escalated to unprecedented heights during that era. If there be those whose attitude is one of indifference to these disclosures—who dismiss it with a shrug of the shoulders and with the comment "So what—it has been going on for a long time.", let me point out to them that more than one nation in history has experienced grave problems—some disastrous by just such an apathy of its people.

It is apropos, I believe, to bring to your attention two writings, about a century and a half apart.

In 1831 there was a young man from France, accomplished in scholarship, philosophy and statesmanship, who was sent by the French government to our country primarily to examine prisons and penitentiaries. He became intrigued by our system of government and its institutions, and therefore devoted considerable time to analyzing life in America. On his return he wrote his classic "Democracy in America," published in 1835 and again in 1840. This volume represented a wide-ranging study of the political and social institutions of the United States. Scholars have commented that the result of de Tocqueville's visit to America and the writings that followed brought forth not only "the greatest book ever written in America, but probably the greatest on any national polity and culture."

In summarizing what he found in our country, he said:

"I sought for the greatness and genius of America in her commodious harbors and her ample rivers, and it was not there.

"I sought for the greatness and genius of America in her fertile fields and boundless forests, and it was not there.

"I sought for the greatness and genius of America in her rich mines and her vast world commerce, and it was not there.

"I sought for the greatness and genius of America in her public school system and her institutions of learning, and it was not there.

"I sought for the greatness and genius of America in her democratic Congress and her matchless Constitution, and it was not there."

Then, after he paid tribute to the pulpits that were "aflame with righteousness," in ringing words he declared:

"America is great because America is good, and if America ever ceases to be good, America will cease to be great."

Almost a century and one-half later, there came to my desk a letter typical of countless similar communications I have received during the past few years. It was written by a student in government. The pertinent parts of this letter read as follows:

"I have majored in political science and history and have always thought of doing good for my nation.

"Each day new revelations come out on how corrupt men have made our government. I feel as if I have a complete void in my heart where the feeling of patriotism is to be.

"This is why I am writing to you. Please, would you tell me how I can regain trust in my elected officials?"

What is important, and what I want to reiterate, is that this does not constitute the isolated view of a disquieted student. To so believe is to stick one's head in the sand, because this identical concern, voiced in different ways, is deeply rooted among many young people across our land from shore to shore. I have concrete evidence of it and recent polls indicate a similar view exists among our older citizens as well.

It is basic that the older generation as well as the younger generation, as good citizens, must concern themselves—and deeply—with the problems of government, both international and domestic—with peace—with economic soundness—and with social gains. But this is not enough—more is needed. As these challenges are faced, we must ever hold before us the pronouncement of Thomas Jefferson at the time he was drafting the Declaration of Independence: "The whole art of government," he said, "consists in the art of being honest." And if you consider this comment to be an over-simplification of the art of government, then let me express to you my firm belief that Jefferson's premise at least must serve as the foundation of government, and if the honesty of which he speaks is absent, sooner or later the affairs of government are sure to fail.

Not many months ago, I stood in the hallowed room in Independence Hall in Philadelphia, where the Declaration of Independence was signed, and eleven years later, after four months of debate, deliberation, study and prayer, our Constitution was drafted. There were vast differences of opinions and a great contrariety of views permeating these extensive sessions of the Constitution, yet in the end dissents were largely resolved by an understanding approach to opposing views of the participants and the acceptance of sincereness and good faith on the part of all. The eventual result was a monumental document that has stood the test of time and has enabled us daily to enjoy the freedoms and the individual rights it guarantees.

As I contemplated the setting in Independence Hall, as it existed almost two hundred years ago, there crossed my mind more deeply than ever before the hardships, the sacrifice, and above all else, the selflessness of these great patriots who gave so much to earn for generations to come the freedoms that are ours today. And as I walked away from this historic place, there returned afresh the eloquent expressions of dedication and devotion that meant so much to them and which they hoped would be as fervently embraced by us. To remind me—almost to haunt me—came the recollections of immortal words they penned—"that all men are created equal"—"life, liberty and the pursuit of happiness"—and finally, the pledge to each other of "our lives, our fortunes and our sacred honor." Then I paused to wonder—are these just empty phrases to many of us today—or are they still as radiant, as inspirational, and as binding in our pursuits as they were to these great founders of freedom and seekers of justice? I could not stop with these musings. What tortured my thinking was the undivided and unquestioned integrity and probity of these patriots—their trustworthiness and guilelessness—as contrasted with the shams and deceits and corrputions perpetuated by some of their successors of modern times.

After the passage of two hundred years, the operation of our government under law would have brought forth expressions of pride and plaudits from the framers. After this long passage of time, we find that indeed the Constitution does work in times of the severest of stresses and strains. Contemplate with me for just a moment how superb this document has preserved freedoms and established justice. And during the Watergate years it was intepreted again to leave no doubt that no one—absolutely no one—is above the law.

Well, just what was it that our courts did in the Watergate days to counteract cynicism of the young and to keep the respect of the older generation? There was a trial judge who would not accept distortions of truth and the obstruction of justice. He sought the truth and he found it. There was an appellate court ready to meet the first challenge of the President to the release of the tape recordings. It acted with dispatch and decisiveness. The same trial court and the same appellate court, without delay and a direct approach, decided that a crucial grand jury report should be transmitted to the House Judiciary Committee. The final test of the Judicial Branch came when the trial court overruled the President's claim of executive privilege in response to a subpoena duces tecum in a situation involving criminal wrongdoing. The Supreme Court, in the interest of expediting justice, bypassed the Court of Appeals in granting certiorari and then boldly and unwaveringly and with a minimum of delay laid to rest the troublesome problems that beset the nation.

It was perhaps the American judiciary's finest hour. Suppose the trial judge had been indifferent to his full responsibilities. Suppose the Court of Appeals had not come to grips forthrightly with the unprecedented question posed in the transmission of the grand jury report to the House Judiciary Committee. And suppose the Supreme Court had not measured up courageously and judiciously to the traumatic issues that confronted all three branches of government and the nation as a whole. I dread the thought. The result would have been a chapter in our history books charging that our courts were ineffective and indolent. Respect for the administration of justice, at a time when suspicion lurked in the minds of the young, would have received a serious setback. Men in high places, whose sentences have become final, would have escaped the arm of the law. Had the grand jury report not been transmitted, the House Judiciary Committee hearings on Articles of Impeachment would have been so slow in proceeding and perhaps so long delayed that efforts to arrive at effective action could well have been temporized and eventually frustrated. Finally, had not the Supreme Court of the United States fearlessly and stalwartly met the issues on the subpoenaed tape recordings, there would have been no end to the ordeal burdening the nation and the scars of doubt and disillusion would have been deepened. The question naturally arises, how would this have affected the faith and the credence of the trustees of posterity in our institutions of government, especially the Judicial Branch.

Let us make no mistake about it—this salute to the Judiciary lies not in who won or lost—it rests on the record of the courts putting into operation the judicial process as it should work—with reasonable dispatch, meeting the issues squarely and disposing of them decisively. Such acts of forthrightness and steadfastness breed morality in government. This brings to mind Lord Erskine's declaration in 1820 at the time of the trial of Queen Caroline: "There is something so beautiful and exalted in the faithful administration of justice—and departure from it is so odious and disgusting."

Recently Eric Sevareid, who has had a truly illustrious career as one of America's television commentators, gave an interview to U.S. News & World Report during the course of which he said: "Our political institutions hold up pretty well. We've been through Watergate and survived. We used to listen to our British friends lecturing us about the superiority of the British-type constitution. Now they're saying: 'This ain't so good. Let's look at the way the Americans do it.'" He added, "It's an extraordinary change. They're talking about a written bill of rights and a written constitution!"

Still fresh on my mind is the sadness of seeing one of the great tragedies of modern history—men who once had fame in their hands sinking to infamy—all because eventually their goals were of the wrong dreams and aspirations. The teaching of right and wrong had been forgotten and little evils were permitted to grow into great evils—small sins to escalate into big sins. How did Alexander Pope put it? "Unblemished, let me live or die unknown. Give me an honest fame or give me none."

The founders of this nation would have been shocked at the Watergate revelations. Then they would have concluded that despite the failures, shortcomings and wrongdoings on the Washington scene, they still had faith and optimism in the determination and dedication of this and future generations to carry forth the spirit of America and to attain the American ideal.

When I pause to contemplate the evil of tampering with the administration of justice—of obstructing it and prostituting it—I think of Saint Thomas More who breathed life into one of the greatest of all obligations of man—that of unswerving loyalty to the ends of justice. Not justice for the affluent and the powerful alone—not justice for the admired and the favored alone—not justice alone for those whose views and beliefs are shared—but justice as well for the weak, for the poor and even for the despised and the scorned.

Saint Thomas More is best known in history for his courageous and sacrificial resistance of the evil demands of his King, whom he served as Lord Chancellor. He placed his conscience above life itself. It has been aptly said that he "reverenced the goodness of authority but reverenced even more the authority of goodness." Do you recall his last words on the scaffold? "I die the King's good servant, but God's first."

In eloquent terms and with lustrous integrity, this great man in history made his point in clear and unmistakable terms: you do not follow an obviously corrupt and evil leader.

Barely did the nation fully breathe a sigh of relief following the disposition of Watergate when there arose ugly rumblings that members of Congress had been improperly approached and subjugated to undue influence in the consideration of legislation favorable to the Republic of South Korea.

The House Ethics Committee is now in the midst of an investigation to determine the facts. The Senate has its own inquiry in progress. The search for the truth involving this sordid matter would be greatly simplified if the South Korean government were to respond favorably to the appeals of the Congress, the House Ethics Committee and its Special Counsel for cooperation. The House Ethics Committee held public hearings which convincingly established that the acts under investigation emanated from a plan sponsored by the South Korean government and implemented by the then Ambassador to the United States, Kim Dong Jo, and by the Korean Central Intelligence Agency station chief, Yang Du Hwon. Following these disclosures, the House Ethics Committee asked for a House of Representatives resolution calling on South Korea to cooperate, which was passed by a vote of 407 to 0.

As the matter now stands, in the eyes of many Americans, Congress as an institution undeservedly has lost considerable prestige. Some members of Congress totally innocent of any wrongdoing are now bearing the yoke

of suspicion and until the full facts have been revealed the innocent will remain under this unjust burden, and those who committed acts of indiscretion of wrongdoing will escape punitive action. The public hearings conducted by the House Ethics Committee revealed that this nefarious scheme was designed to reach those members of Congress thought by the South Korean officials to be able to offer help in aid programs legislatively sought by South Korea. With no more than honorable cooperation on the part of South Korean officials, the atmosphere can be cleared and the involved separated from the uninvloved. Is it asking too much of an ally, for whom our nation has done so much, to offer simple cooperation—truthful and upright cooperation—to make the facts known?

And if this matter is not clarified, cleaned up and fully determined, the result may well be that innocent members may be scarred by innuendo and suspicion and guilty members may escape their just deserts.

The bottom line is one of simple and unvarnished comity between nations. I speak of comity as it is defined in international law, namely, courtesy as between nations—that is, the respect that is shown by one country for the laws, judicial decisions and institutions of another. Speaking as your fellow-American, I find it offensive not to have the cooperation plain comity dictates—I find it even more offensive to receive a cold shoulder from a country we have so handsomely befriended.

Not too many weeks ago South Korea announced that Tongsun Park would not be returned to the United States for any purpose of giving testimony. Two pleas by President Carter to President Park of South Korea for the return of Tongsun Park were ignored. A trip to Seoul by Justice Department attorneys netted nothing. Then, following Congressional pressures, the South Korean officials rethought the matter—then entered into negotiations with the State Department acting on behalf of the Justice Department for the return of Tongsun Park to give testimony in a criminal trial.

The need for Congress to clear the air and complete its search for the truth by having the cooperation not only of Tongsun Park but as well of other key South Korean witnesses was completely ignored by the negotiators—despite our insistence that these interests of Congress and the American people be included in the agreement. It was pointed out to the Justice Department and to the State Department that this limited agreement had little overall value; that it restricted the cooperation of South Korea to making Tongsun Park and Park alone available only in the limited context of a criminal trial; that the delay of this criminal trial to months distant was a strong setback to the efforts of Congress to timely conclude its investigation and may well make South Korean cooperation more difficult to obtain. Nevertheless, this wholly inadequate agreement was made, which unilaterally is of South Korean flavor.

Congress will not be sitting idly by and I predict that before South Korea receives further Congressional aid, a close look will be taken at the refusal of that country to cooperate with Congress. All that is sought in the end is the emergence of the simple truth and the prevalence of plain justice. The failure by an ally-recipient of such bountiful largess to cooperate in this pursuit plainly is unpardonable.

There was an English statesman named Shaftesbury who spoke words that should be embraced by us all and never forsaken by those who serve in government. He put it thusly: "The most natural beauty in the world is honesty and moral truth."

I always admired Henry L. Stimson, a great public servant who inspired confidence in his devoted service. It was he who said that "The sinfulness and weakiness of man are evident to anyone who lives in the active world. But men are also great, kind and wise. Honor begets honor; trust begets trust; faith begets faith and hope is the mainspring of life."

Daniel Webster lived from 1782 to 1852. He labored in the vineyard of the law with great devotion and never failed to champion the supremacy of the law. On one occasion he eloquently affirmed that justice is man's great interest on earth. He would stoutly assert, were he speaking to us today, that the judicial process is a mighty fortress and that we must not let it be weakened. And then he would remind us, as he once did in the prime of his illustrious career: "The law: It has honored us, may we honor it." ●

SALT I AGREEMENT

● Mr. CLARK. Mr. President, I am gratified that the executive branch has responded in detail to the Foreign Relation Committee's request for a full report on Soviet compliance with the SALT I agreement. The report makes it clear that the Soviet Union cannot justifiably be charged with violating the terms of SALT I.

The report shows that the Soviet side engaged in practices which worried us. Yet, it is clear, from this report, that the Soviet Union has been willing to discuss with us, in detail, every matter of concern we have raised. In all cases, these matters have been resolved to our satisfaction.

Although the executive branch does not reach any general conclusions in this report, a senior executive branch official, Ambassador Robert W. Buchheim, who represents the United States on the Standing Consultative Commission, which deals with compliance issues, made this very important and generally unreported statement to the Committee on Foreign Relations:

The United States has raised questions about a considerable number of activities that we have observed on the Soviet side that bear on the objectives or provisions of the ABM Treaty, and the Interim Agreement on Offensive Arms. These have been clarified and dealt with.

Those discussions of such subjects in the SCC have never included any charge by the U.S. side of Soviet violation of those agreements.

Not one of the past three American Presidents, who represent both political parties, has seen fit to charge the Soviet Union with cheating. Men representing such a broad political spectrum would not unanimously accept that the Soviets had lived within the bounds of SALT I unless that were the case.

As a member of the Committee on Foreign Relations, I have had a number of opportunities to discuss with senior officials and numerous experts the charges of cheating which have been raised over the years. I long ago came to the conclusion that these charges were ill-founded. However, because of the extreme secrecy surrounding these issues, it was difficult to get these facts on the public record. Now these facts are on the public record, and the American public can see now how little substance there has been to these often repeated charges.

Without judging the merits of a new SALT treaty, I think we can agree that SALT II should stand or fall on its own merits, not on half-baked, erroneous charges. SALT is too important a business for us to be anything less than scrupulously careful in our discussion of how the other side has behaved. ●

LARNACA AIRPORT RAID—THE PLO DIMENSION

● Mr. STONE. Mr. President, there have been many news stories printed here that have described the tragic events in Larnaca, Cyprus when Egyptian commandos were shot up trying to free hostages on board a Cyprus airlines jetliner parked on the Larnaca tarmac.

Most of these news stories have dealt with the details of the event itself, but gave little by way of background on what happened at Larnaca. Two reports, one published in the London Economist Foreign Report and another in the Israeli newspaper, Ma'ariv, describe some serious political problems on Cyprus involving the Palestine Liberation Organization.

I commend these articles to my colleagues in the Senate. In the near future I hope to hold hearings to determine if these reports are correct, and if they are, what actions we may consider taking to try and right the situation. I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHY SADAT TRIED TO MATCH ENTEBBE

When is an Entebbe-style operation justified? It is tempting to say: when it works. But the more important question raised by the bloody shambles at Larnaca airport last Sunday night (19 February) is: When is a government entitled to use military force in another country to protect the lives of its citizens who have been placed at risk by terrorist action?

There are two clear-cut situations in which this response is justified. The *first* is when the country in which hostages have been taken is clearly abetting the terrorists, as in the case of Entebbe, when Idi Amin's government was openly in league with the hijackers. The *second* is when the local government (possibly lacking an effective anti-terrorist force of its own) has given permission for foreign troops to be used. This was the case at Mogadishu last year, when the Somali government gave permission for West German commandos to be used in a successful bid to free the hostages on a hijacked Lufthansa plane.

But the Egyptian operation at Larnaca took place under murkier circumstances. The Egyptians insist that they informed the Cyprus government of the arrival of their Hercules transport plane, and may well have assumed that President Kyprianou would approve of—at or any rate not resist—an action by Egyptian commandos to free the hostages in the Cyprus Airways plane. But the Cyprus government claims that it was not told exactly who was on board the plane, and interpreted the deployment of the commandos as an act of war. The Cypriot national guard opened fire, with withering effectiveness—although only (according to one account) because the Egyptians recalled a back-up force that was already airborne.

It is not clear whether the Egyptian task-force went ahead with its operation because of a specific order from Cairo *after* the Cyp-

riots had made their resistance known, or whether the commander simply stuck to his original instructions. (It has been suggested that poor communications between the airport and Egypt played a part in the 'misunderstanding'.) But the Egyptians appear to believe that they had the right to go ahead (*a*) because the Cyprus government had been dealing over-sympathetically with the Palestinians and was preparing to release the two gunmen who had murdered Yussuf al-Sibai, the editor of *al-Aharm*, on 18 February and (*b*) because they wanted to pump Sibai's killers for information about other planned terrorist attacks.

Cypriot passports had been prepared for the two men and were being offered to them even as the Egyptian commandos landed. This may have been a Cypriot device to trick the hijackers. But in Egyptian eyes it seemed evident that the Cyprus government had no intention of bringing the terrorists to justice. The fact that international terrorist groups have been allowed to use Cyprus as a major base for more than two years did not make the Egyptians confident that they could count on any tough response from Kyprianou.

Egyptian suspicions were heightened by the role of Dr. Vassos Lyssarides, the leader of the Cypriot socialist party, Edek, who acted as an intermediary in the Cyprus government's dealings with the hijackers. For 20 years, Lyssarides had been Makarios's quasi-official link man with the Arabs. He was a great admirer of Nasser in the wake of the Suez affair, but, more recently, Lyssarides's main Arab contacts have been with the "rejectionist" states and extremist Palestinian organisations. He is opposed to Sadat's diplomatic initiative to Israel, and his personal relations with Sibai (who, like Lyssarides, had long been a driving force in the Afro-Asian People's Solidarity Organisation) are said to have been strained.

The Egyptian intervention at Larnaca had its roots in the events of November last year, when Sadat announced his visit to Jerusalem. At that point, the Egyptian intelligence service believes it had identified Cyprus as the main launching-pad for Palestinian organisations which had threatened to attack Egyptian, Israeli and western targets in the Mediterranean and western Europe. The Egyptian security chiefs knew—and received confirmation from the Americans and the Israelis—that Cyprus had become a major assembly-point for international terrorist groups. Cypriot ports were regularly visited by ships travelling on four arms-smuggling routes. These ships carried (*a*) Soviet-made weapons en route for the Palestinian organisations; (*b*) Libyan arms being shipped to Palestinian and international terrorist groups; (*c*) black-market arms being moved from western Europe to the Middle East; and (*d*) Soviet-made weapons despatched in secret via Libya to the IRA in Ireland.

During 1976 and the early part of last year, the weapons reaching Cyprus along these routes arrived in modest quantities and the consignments mostly consisted of automatic rifles and sub-machine guns, together with ammunition, grenades and explosives. But from mid-1977, the traffic increased. Between last December and the beginning of this month, at least 30 freighters carrying arms were spotted entering or leaving Cypriot ports. Recent shipments included heavy machine guns, field guns, missiles, anti-aircraft weapons and advanced sabotage materials, including mines. At first, isolated coves along the coast were used by some of these ships for temporary anchorage. But over the past year, many of them unloaded arms in these coves. Secret caches have been built up in the island, particularly in mountainous areas—although the Cyprus authorities refuse even to admit their existence, let alone explain who has access to them.

Towards the end of 1975 (and throughout the whole of 1976) the Palestinian organisations, deprived of their former safe bases in Lebanon by the civil war, shifted much of their command structure—including their intelligence, logistics and finance sections—to Nicosia and Larnaca. The Cyprus banks are said to handle $20m-$30m a month, in money belonging to the Palestinian groups, international arms dealers, and the "rejectionist" Arab states.

The channelling of the money involved in the arms deals through Cyprus banks instead of west European institutions (as was the case in the past) is said to be one reason for the island's economic recovery from the ruin of the 1974 war. The Cypriot government may have thought this a useful and permissible device. Moreover, by giving sanctuary to Palestinian groups, it may have hoped to improve its diplomatic standing in the Arab world.

But this policy had effects that the Cypriot government did not anticipate. In the wake of the Palestinians, the Russians and Cubans moved in too, and set up new intelligence bases. There are said to be 50 Soviet army officers in Cyprus today, operating under diplomatic cover, together with 30 Cubans. The island has become a handy communications base for the KGB, the GRU (Soviet military intelligence) and the Cuban DGI, as well as the Palestinian organizations.

So it was not surprising that in the course of 1976, there were frequent visits to Cyprus by leaders of the Japanese Red Army, the Baader-Meinhof gang, members of the "Carlos" ring, Dutch left-wing radicals and members of the Wadi Hadad's Baghdad-based Revolutionary Popular Front for the Liberation of Palestine. Last year, at least three international terrorist summit meetings took place in Cyprus. They were attended by KGB, DGI and East German intelligence officers.

Foreign Report No. 1495 disclosed the use of Cyprus by international terrorists, and reported on a terrorist conference held in June last year. After this disclosure, the late President Makarios convened a special meeting of his cabinet and issued a strong denial. The presidency of Cyprus has since changed hands, but its permissive attitude towards the presence of Palestinian organizations has apparently not changed. Another conference of international terrorist groups which took place on the island last December discussed the orchestration of a campaign against Egypt, Israel and America, to counter Sadat's attempt to reach agreement with Israel.

Cyprus is the headquarters for a group that was supposed to play a key role in this campaign: Black September. The main Palestinian organizations have long officially denied any connection with this group. Indeed, they have frequently denied that it exists at all. The Israelis remain convinced that Black September is an intelligence section of the PLO, and are supported by some western analysts. It is claimed that the Palestinians who were introduced at last December's conference in Cyprus as members of Black September were, in fact, PLO intelligence officers who were (and are) closely associated with the Hadad network in Baghdad.

Against this backdrop, the Egyptians urged the Cyprus government to allow them to take charge of security arrangements at the Nicosia meeting of the Afro-Asian People's Solidarity Organization. They expected a stormy session, knowing that Libya and Russia intended to push for the transfer of the AAPSO headquarters from Cairo to Nicosia. Egyptian intelligence had also been forewarned of a plot against the Egyptian delegates. But the Cypriots, fearing a boycott by other delegations, resisted the Egyptian demand and promised to ensure the safety of the Egyptian delegates. As it turned out, the Cypriot security arrangements were not good enough, because the Cypriot government thought the terrorists would not want to muddy their own waters by mounting an operation at Nicosia.

As soon as the Egyptians heard of the terrorist action, they were determined to get hold of the two gunmen as their best chance of finding out what future terrorist actions were planned. It seemed likely, for a start, that the Larnaca gunmen were tied in with the campaign to assassinate or overthrow Sadat.

The value of interrogating Palestinian terrorists in the field was established on 17 November, two days before Sadat arrived in Jerusalem, when a five-man team of highly trained and well armed Palestinians crossed the Jordan river into Israel. They had been given the task of murdering Sadat and Israeli leaders during the Sadat visit. The team managed to get past the security fence on the Israeli side, before it was spotted, chased and forced to surrender after a gun battle outside Jericho. Egyptian and Israeli security men soon found out that the group had come from Baghdad—with the knowledge and assistance of Syria—and had been put together jointly by Black September and Hadad's organization.

The capture of this group in November led to the exposure of most of the operational plans of the terrorist groups working against Sadat. It came as such a major blow to Hadad and his backers that their campaign had to be interrupted for several months.

The Egyptians hoped that by seizing the Nicosia killers, they might be able, in a similar way, to gain several months of safety from further attacks. According to one account, the Egyptians formally requested permission for a commando landing in Larnaca and were turned down because the Cypriots believed that the Egyptians intended to go far beyond the release of the hostages. It is even suggested that, as an act of revenge against the Palestinians for killing Sibai, the Egyptians contemplated going on to raid PLO headquarters in Nicosia and Larnaca. The Cypriot authorities learned that other Egyptian transport planes might follow the single Hercules C–130 which had landed in Larnaca.

Yasser Arafat, guided by Egyptian reasoning in reverse, was determined to prevent the two terrorists from falling into Egyptian hands, and undertook to obtain their release to the PLO. One source maintains that Libya's Colonel Qaddafi was pressed into action to persuade the Cypriots to permit a PLO commando landing of 20 men at Larnaca airport to snatch the two gunmen and whisk them off the island and that, informed of this, the Egyptian troops rushed into action upon landing, mistakenly believing that they were shooting at PLO men, not Cypriots.

The Egyptian generals assumed that the Cypriots would not resort to force to impede the commando landing, and so had no auxiliaries or cover ready to aid their 72 commandos should they run into trouble. Something might still have been salvaged had the following commando parties, who were already airborne, been ordered into the breach. Instead, they were sent home, leaving the Egyptians on the ground no choice but to surrender to the superior Cypriot force while the two Palestinian terrorists gave themselves up to the Cypriot authorities.

Egypt's determination to deal with the terrorist threat is evidenced by some uncharacteristic conduct. For the first time, the Egyptians were prepared to name Black September as the perpetrator of a terrorist attack. Formerly, they joined in denying its existence.

The following report, carried in the Israeli newspaper *Ma'ariv* describes some of what is now known about the

PLO operation on Cyprus and the role of the PLO in the killing of As-Siba'i:

The PLO officially has denied reports either that it had anything to do with the killing of Siba'i or that it opened fire on the Egyptian commandos who were attempting to free the hostages on the Cyprus aircraft.

According to the *Ma'ariv* report, the killers had the protection of the PLO office in Nicosia—the only "office" which has full diplomatic status—and likewise may have been sheltered by Cypriot authorities.

"It was a PLO terrorist unit at Larnaca airport that opened fire on the charging Egyptian soldiers, according to eyewitnesses present at the airport during the fighting on Sunday night. The PLO members arrived in Larnaca armed but dressed in civilian clothing. According to testimony, there is no longer any doubt that the Cypriot authorities knew about their presence.

"After the Palestinians opened fire on the Egyptian commandos and the Egyptians returned fire, members of the Cypriot National Guard joined in the fighting. This created a crossfire on the field which caused the terrible mix-up that characterized the whole of the battle.

"The Greek authorities in Cyprus are maintaining total silence about the affair. It appears that the latest development, including Cairo's announcement that it was breaking diplomatic relations with Nicosia, has caused leaders a lot of embarrassment. While official spokesmen are refusing to comment on any issue and are even denying the most well-known reports, the deputy commander of the Cypriot police, Pavlos Stokos, has been fired. The government suspected him of having leaked reports about what happened at Larnaca and about the activities of Yusuf as-Siba'i's murderers—facts which the government was not interested in having revealed.

"The central role played by the PLO office in Nicosia in the murder has now come to light. When the two murderers arrived at the Hilton Hotel in Nicosia on Thusday of last week, unknown people had already booked a room for them on the same floor where As-Siba'i was staying. They got the rooms in the names written in their passports. After they put their suitcases in their rooms, one of them went to the PLO office in Nicosia, which had opened only 15 days earlier, at 15 Zaltos Street.

"A Cypriot policeman—a policeman is permanently placed outside the PLO office—told his friends that on that Thursday one of the terrorists (he confirmed the identification only after the pictures of the two murderers were made public) came and asked to see 'Mr. Williams.' Informed sources in Nicosia identified this man as a senior PLO intelligence officer using this name. 'Mr. Williams' received the man immediately.

"All signs indicate that the two murderers felt totally confident. There is no doubt that this confidence arose as a result of the manner in which the authorities allowed the representatives of the terrorist organization freedom of activity. These bold ties, together with Dr. Lissaridhis' mediation on behalf of the terrorists with President Kiprianou, were a direct factor in the Cypriot President's willingness to release the two murderers after returning the hostages that they had kidnaped.

"A reliable source reported yesterday [Wed., Feb. 22, 1978] that an hour after the two murderers had appeared before a magistrate in Nicosia—who decided to detain them until the trial next Monday [Feb. 27]—Dr. Lissaridhis visited the two in prison. He spent 20 minutes with them and observers believe that he tried to explain what had happened between the time he had made his promise and the time they were arrested—events that disrupted the original plan to grant them Cypriot passports and allow their armed friends to remove immediately them [sic] from the country.

"The break in relations between Cairo and Nicosia has also created economic problems. Thousands of Cypriots work in Saudi Arabia and there are fears now that they will be expelled."●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on February 28, 1978.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

I ask unanimous consent that the notification be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY, DEPUTY ASSISTANT SECRETARY (SECRETARY ASSISTANCE), OASD/ISA,
Washington, D.C., February 28, 1978.

In reply refer to:
I–13419/77 ct

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: My letter dated 18 February 1976 indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.●

JUNIOR PARTNER LETTER

● Mr. HART. Mr. President, I would like to take this opportunity to present to the Senate information concerning an organization in Colorado, designed to aid juvenile delinquents and reduce the juvenile crime rate.

The program, called Partners, is a nonprofit organization designed to aid juvenile delinquents by providing them with just one thing—friendship. Partners does this by pairing senior volunteers—individuals over the age of 18 who are willing to spend at least 3 hours a week for at least a year—with a juvenile offender. The senior Partners provide a positive model for the youth. As Partners counselor Bob Armenta said,

Senior volunteers share with them some of the lessons they learned in life, and hopefully spare them some of the pain they have experienced in making mistakes.

In light of the steadily increasing juvenile crime rate, it is heartening to note that Partners and similar programs nationally have reduced the rate of repeat offenses by juveniles by about 60 percent. Other studies, done by both the University of Colorado and the Denver Juvenile Court, also have shown that Partners does help young people stay out of trouble.

Partners is presently funded by a combination of private contributions and Federal grants. However, the program director, Dan Robinson, said that Partners would like to increase its funding from the private sector. He said:

We don't want it to become a Federal program. We want it to be the Mesa County community's response to solving a social problem.

In closing, I would like to present a letter from a young person who has experienced Partners' helping hand.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNIOR PARTNER LETTER

I've been in Partners now for almost two years. I got in trouble for stealing. I had a hard time keeping my hands off other people's things. I guess you could say my stealing was kind of a sickness or that I was looking for "kicks". It wasn't because I needed the things I stole. My family always gave me what I needed.

A guy from Partners came out to talk to me and my mom. He said that I didn't have to be in Partners if I didn't want to, and that there were a lot of kids who wanted to get in. He said that if I wanted to be a Partner I had to try to stay out of trouble and I had to be willing to meet with my Senior Partner once a week for a year. I decided to try it. About two weeks later, the guy from Partners came by to introduce me to my Senior Partner.

I can really be honest with my Partner. That's because we've worked to build our relationship. On some of the group activities I've seen Partners who have trouble talking to each other even though they've been together for a long time. They don't get off on each other and they don't have a tight relationship. It's not always the Junior Partner's fault either. Sometimes the Senior Partner is the one to blame. You need two people to make a relationship. You can't have just one working at it. The Junior Partner and the Senior Partner have to spend a lot of time one-to-one if it's going to be a strong relationship.

One of the reasons that kids get in trouble is because they're bored. Everybody needs to do something exciting once in a while. With Partners, you don't have to get in trouble because you're getting "kicks" in another way.

If you asked me what Partners means to me, I'd say it's a time to slow down and think, kind of to get your head together. For me, it made me see things in a different way.

When I want to do something that would get me in trouble, I think twice about it.●

TRIBUTE TO SOBUKWE

● Mr. CLARK. Mr. President, it is with profound regret that I learned of the death of Robert Sobukwe. Founder of the Pan-African Congress (PAC) in 1959, Sobukwe was a pioneer among the first generation of black leaders that emerged throughout the continent of Africa to champion the cause of liberation. While the nationalist movement led to independence in most countries in the continent, it was severely repressed in southern Africa. Sobukwe was one of the principal victims of this repression.

Sobukwe's name will go down in history for his epic role in the struggle for liberation in South Africa. Shortly after he formed the PAC, Sobukwe organized a peaceful protest against the hated pass laws on March 21, 1960, at Sharpeville. Police opened fire on the unarmed crowd, killing 72 Africans and wounding some 180 others, including women and children. This tragedy marked a turning point in South African history, drawing world attention to the potential for violence resulting from apartheid. In the crackdown that followed Sharpeville, hundreds of people were arrested, black and white organizations were outlawed, and Sobukwe was sent to Robben Island along with other nationalist leaders, including Nelson Mandela who remains in prison today.

Although he was subsequently released, Sobukwe remained under severe restrictions for the rest of his life. He was banned in his home town of Kimberly, silenced, isolated, and forbidden to have any public functions. Despite poor health and restricted activities, Sobukwe remained an inspiration to all people who stood for justice and racial equality. Like Steve Biko and a host of other courageous Africans who have died, Sobukwe's death represents a grave loss to all those inside and outside the country, black and white, who cling to the hope that racial reconciliation is still possible. I might add that I spent a day with him in December 1976, and found him to be a gentle man dedicated to the cause of nonviolent change.

Sharpeville exposed the intransigent attitude of the South African Government toward the goal of racial justice. Sixteen years later, Soweto verified that this attitude has intensified. As in the crackdown that silenced Sobukwe, the South African Government on October 19, 1977, outlawed several black organizations, banned black and white opponents of apartheid, and imprisoned scores of Africans without trial.

A new generation of Africans will remember him as one of their most outstanding leaders in whose name the struggle for liberation will continue.●

S. 2607—SOCIAL SECURITY TAX REDUCTION

● Mr. HASKELL. Mr. President, yesterday I introduced S. 2607, a bill to amend the Internal Revenue Code of 1954 to provide a refund or credit of 10 percent of the employer and self-employed social security taxes paid by a taxpayer.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter B of chapter 65 of the Internal Revenue Code of 1954 (relating to rules of special application for credits and refunds) is amended by adding at the end thereof the following new section:

"SEC. 6429. REFUND OF CERTAIN SOCIAL SECURITY TAXES.

"(a) REFUND.—Except as provided in subsection (e), the Secretary shall pay (without interest) to any taxpayer an amount equal to 10 percent of the amount of social security taxes paid by such taxpayer during the taxable year.

"(b) PERIOD COVERED; TIME FOR FILING CLAIM.—

"(1) PERIOD COVERED.—A taxpayer shall not file more than one claim under subsection (a) with respect to social security taxes paid during any taxable year.

"(2) TIME FOR FILING CLAIM.—No claim shall be allowed under subsection (a) with respect to social security taxes paid during any taxable year unless filed by the taxpayer not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year.

"(c) DEFINITIONS; SPECIAL RULE.—For purposes of this section—

"(1) SOCIAL SECURITY TAX.—The term 'social security tax' means any tax—

"(A) imposed under section 1401, 3111, 3211(a) (to the extent attributable to any tax imposed under section 3111), or 3221 (b); or

"(B) paid by a State to the Federal Government under an agreement under section 218 of the Social Security Act which, under such agreement, is equivalent to the tax imposed by section 3111.

"(2) TAXABLE YEAR.—The term 'taxable year' means a taxable year of any person for purposes of subtitle A.

"(3) PAYMENTS TO POLITICAL SUBDIVISIONS.—Any State receiving any payment under the provisions of this section shall agree to pay (and any such payment shall be made on the condition that such State pay) to any political subdivision thereof a percentage of the aggregate amount of such payment for a taxable year equal to the percentage of the amount paid by such State under section 218 (e)(1)(A) of the Social Security Act for which such State was reimbursed by such political subdivision.

"(d) APPLICABLE LAWS.—

"(1) IN GENERAL.—All provisions of law, including penalties, applicable in respect of any social security tax shall, insofar as applicable and not inconsistent with this section, apply in respect of payments provided for in this section to the same extent as if such payments constituted refunds of payments of the tax so imposed.

"(2) EXAMINATIONS OF BOOKS AND WITNESS.—For the purposes of any claim made under this section, or the correctness of any payment made in respect of such claim, the Secretary shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 as if the claimant were the person liable for tax.

"(e) INCOME TAX CREDIT IN LIEU OF PAYMENT.—

"(1) PERSONS NOT SUBJECT TO INCOME TAX.—Payment shall be made under subsection (a) only to—

"(A) a State, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) ALLOWANCE OF CREDIT AGAINST INCOME TAX.—For allowances of credit against the tax imposed by subtitle A, see section 44C.

"(f) REGULATIONS.—The Secretary may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.".

(b) The table of sections for subchaper B of chapter 65 of such Code is amended by adding at the end thereof the following new item:

"SEC. 6429. REFUND OF CERTAIN SOCIAL SECURITY TAXES".

SEC. 2. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by adding at the end thereof the following new section:

"SEC. 44C. CERTAIN SOCIAL SECURITY TAXES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to an amount payable to the taxpayer under section 6429 (determined without regard to subsection (e) thereof).

"(b) EXCEPTION.—Credit shall not be allowed under subsection (a) for any amount payable under section 6429, if a claim for such amount is timely filed and, under section 6429(e), is payable under such section.".

(c)(1) Section 6401(b) of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "oil and 43" and inserting in lieu thereof "oil), 43",

(B) by inserting ", and 44C (relating to social security tax credit)" after "credit)", and

(C) by striking out "and 43," and inserting in lieu thereof ", 43, and 44C,".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended—

(A) by striking out "or 43" in the caption thereof and inserting in lieu thereof ", 43, or 44C",

(B) by striking out "oil) or section 43" and inserting in lieu thereof "oil), section 43", and

(C) by inserting "or section 44C (relating to social security tax credit)," after "income)".

(d) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting at the end thereof the following new item:

"SEC. 44C. CERTAIN SOCIAL SECURITY TAXES.".

SEC. 3. The amendments made by this Act shall apply to taxable years beginning after December 31, 1977.●

MARCH IS NATIONAL PROFESSIONAL SOCIAL WORK MONTH

● Mr. MATSUNAGA. Mr. President, today marks the beginning of a full month set aside for the observance of National Professional Social Work Month. I rise, therefore, to pay tribute to those thousands of Americans who are engaged in the social work profession, and whose roles are finally being recognized as an indispensable part of a healthy, wholesome society.

Each year the National Association of Social Workers and its 77,000 members in 55 chapters scattered throughout the United States, set aside this time each year to honor its membership and to promote public awareness of the variety of

services that social workers provide to the people in their respective communities.

Indeed, the social work profession is no longer the "cottage industry" it once was; it is the 10th largest industry in the United States.

Traditionally, social workers have been associated with public welfare departments and children's agencies. Today, however, professionally trained social workers provide vital services to people from all socioeconomic strata in such varied settings as hospitals, clinics, schools, industry, police departments, community mental health centers—in every major societal institution where individuals, groups, and communities face psychosocial and socioeconomic problems.

Close to 50,000 agencies now provide social services in this country. There are approximately 350,000 social service jobs which form the bulk of this emergent industry; about half of these require professional education.

The role of social workers is an ever-broadening one. In the health care system, social workers are becoming particularly active. In fact, social work professionals provide a major part of psychotherapeutic services—approximately half of the professional personnel and 75 percent of the services.

Social workers are concerned with quality assurance in the profession, and through their National Association of Social Workers, headquartered here in Washington, D.C., promote levels of progression in educational and professional development to insure high quality human services programs as well as technical expertise.

The social work profession is expanding its influence not only because of the demands of an imperfect society, but because it is steadily improving its own capacity to handle the problems fostered in such an environment. The knowledge base of social work is growing daily, its practitioners are developing more sophisticated skills.

The profession is demanding more of its members, through its development of standards for continuing education, licensing, independent vendorship and competency certification. The professional association, NASW, has its own grievance process and code of ethics that serve as a measure of accountability for members and the agencies by which they are employed.

During this National Professional Social Work Month, all informed Americans should join the social workers in their effort to educate the American public about their profession in their attempt to gain the support of those Americans who have been misled or who are simply not aware of the comprehensive services which social workers render in communities throughout the Nation. It is unfortunate but true that many of our citizens, disadvantaged and privileged alike, go without needed services because they are totally unaware of their availability. In proper observance of this month, then, let us give due recognition to those in the social work profession and help to promote their variety of services for all our citizens.●

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Dwayne W. Gilbert, of Georgia, to be U.S. marshal for the middle district of Georgia for the term of 4 years, vice William L. Martin, Jr., deceased.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, March 8, 1978, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.●

DISPLACED HOMEMAKERS

● Mr. MATHIAS. Mr. President, on January 30, 1978, I cosponsored a revised version of S. 418, the Displaced Homemakers Act, introduced by Senator BAYH. This legislation is identical to H.R.10270, sponsored by Congresswoman BURKE in the House of Representatives. A displaced homemaker is a person who has spent an extended period keeping house and, for a variety of reasons, suddenly is forced to get a paying job outside the home. A housewife in her mid-forties, whose husband dies unexpectedly, is an example of a "displaced homemaker."

The revised bill attempts to integrate a job training and placement program for displaced homemakers into already existing Federal programs under the Comprehensive Employment and Training Act. At the same time the program would retain those features of the original legislation which were designed to address the specific needs of this category of disadvantaged workers. Specifically, the bill provides for the establishment of 50 multipurpose service centers offering job counseling, training, and placement services for displaced homemakers.

I am pleased that my home State of Maryland recognized the myriad of problems faced by displaced homemakers by creating the Maryland Center for Displaced Homemakers in 1976. It was only the second such center in the country. Located in Baltimore, it operates through a contract with Baltimore New Directions for Women, a private nonprofit job referral and assistance organization.

Ms. Cynthia Marano, director of the center, discussed some of the functions of the organization in testimony before the House Subcommittee on Employment Opportunities in July 1977:

> Maryland passed its bill to establish a pilot displaced homemaker center in May of 1976. For the 268,000 displaced homemakers in Maryland, this was an important step. Where, in the past, this disadvantaged category of older workers had been ineligible for assistance under nearly every traditional social assistance program, there now would be a stable funded program mandated to provide specific solutions to their needs. . . .
>
> The Maryland Center for Displaced Homemakers is primarily a job-readiness center. Since its opening in October [1976], the Center has provided service to more than 1,500 persons—both male and female. During that time, the needs of displaced homemakers have been continually re-assessed and new solutions have been developed to meet these needs.
>
> The difficult situations facing the displaced homemakers who utilize the Center make it necessary for the Center staff members to be creative problem solvers. Being displaced homemakers ourselves, and having been through the problems, have perhaps made it possible for us to be quick problem identifiers. Less than 10% of those who have sought services at the Center have had income of $6,000/year or more and most still have some dependent children to support. The educational range of those seeking services—though broad—still shows, from all income brackets, that while 53% have high school diplomas or some college experience, 47% have not finished high school. In the employment scene of today, this defines the displaced homemaker as a disadvantaged category of worker.
>
> To date, the successes of the Maryland Center for displaced Homemakers have been many: 1,500 persons have received service. More than 90 job-readiness workshops have been held serving nearly 1,000 persons. Approximately 600 personal counseling sessions have been attended; 85 persons have sought training at the Center.
>
> The Center was budgeted to train only 30 displaced homemakers in its first year. Nearly twice this number were trained. And while most displaced homemakers take three months to six or seven months to become job ready 70 persons have already become job-ready or have been placed in permanent employment. In the areas of training and therefore, placement, our successes are solely dependent upon funding. We could provide training for twice as many displaced homemakers—and significantly add to the number who are quickly employed with an extended training budget.
>
> But it is not the training alone that makes the Center work. At the Maryland Center, displaced homemakers are, in a sense, trained to be trained.

The center has brought great media attention to the problem of the homemaker who is seeking to function outside of the home. Recently, the New York Times reported on the center's fine work. If there is no objection, I ask that the article be reprinted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I am very proud of the work being done at the Maryland center. Perhaps the best testimony to the success of the center is from one who has been helped there. I ask that at the conclusion of my remarks, a statement by Mrs. Rose House be printed in the RECORD.

I hope that action will be taken by Congress to assure that displaced homemakers can get the help they need in all 50 States. This program needs stability to function properly.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 10, 1978]

WHERE THE DIVORCED AND WIDOWED LEARN TO COPE AGAIN

(By Anna Quindlen)

BALTIMORE.—With its sunny yellow rooms, its bright posters, and its air of happy disorder, the town house on Maryland Avenue is very like a small private girls' school. In a

way, that is what it is, although the girls are unmistakably women, and the lessons learned are not from texts or academics, but from one another. This is the Center for Displaced Homemakers, the house that death and divorce have built, and the women who take a chance and twist its ornate brass doorknob enter a place of learning where the end of the course of study is a new life.

Listen to them: "I would be downtown on welfare now," said Bonnie Fitzgerald, in the classroom where she is a teaching assistant. "I didn't think I could do anything," Mary Halcott said, before rushing back to the community center where she is a public advocate. "They gave me confidence," said Shirley Burger, who works in the records room of an area hospital.

What these three women have in common is what all of the 2,000 individuals who have visited the center in its short existence have shared: the loss, through death, divorce or separation of their husbands and their means of economic support, as well as limited or nonexistent job experience and a resulting difficulty in finding jobs. The legislation that in 1976 created the center, the second in the United States—the first is in Oakland, Calif., and one is planned for New York soon—mandated a place that would help those who have been "primarily a homemaker" and are not "gainfully employed."

AID AND SUPPORT

In that sense the Baltimore center exists as a "job readiness" institution, where women are trained to recognize their existing skills, market them successfully, attend school to develop new ones and explore alternative sources of an annual budget of $190,000; no fees are charged and there is a fund to lend money for emergencies and schooling. A third are separated, a third divorced, a third widowed. Only 12 have been men who fulfilled the homemaker role in their families, but many have been affluent women impoverished by divorce. All are desperate for work.

"The miracle job becomes the focus of all her dreams for a woman in this position," said Cynthia Marano, the director. "It will provide money, which in most cases there is a compelling and immediate need; she will have an identity through what she does to take the place of the identity she has just lost; and she will feel like she is useful and important, a feeling which divorce often destroys. That job can become all-important—too important."

So the homemaker comes to the center looking for that miracle job. Often she has a revelation of a somewhat different kind. She is greeted in the simple reception area by Rita K. Brown, a displaced homemaker, interviewed by another displaced homemaker and referred upstairs to a counselor who is also a displaced homemaker. From the weighty sensation that no one else has ever felt as terrible as she does, she comes to understand that everyone at the center is or has been, as Mrs. Fitzgerald put it, "in the exact same bad boat." The phrase "I know exactly what you mean," is heard often in the drop-in area where the coffee-maker provides a focus for conversation and commiseration.

Some of those who drop in come to stay. Diana McLaughlin, the one-time well-to-do wife of a merchant marine officer, came to Baltimore from Florida almost penniless and now coordinates a center program for women starting as independent cleaning contractors; Barbara Tucker plans the center's workshops on everything from health to home maintenance. Some of the other women, like Fran Urbon, are semipermanent fixtures, interns who experience gentle entry into the workaday world through jobs at the center itself.

"Most women think they should take any job they can get," said Mrs. Marano. "We help support them in a mood to wait, to explore options and to get the idea of career, rather than simply job, in their mind."

How is this done? Well, in showing someone like Mrs. Halcott, a widow who is the mother of 13 children, that three pages worth of volunteer work on her résumé mean that she is exceedingly competent. "I never knew that parish council or community things could mean anything," she said, talking proudly of her position as a kind of buffer between the elderly and social and governmental services.

Or by telling Mary Louise Henry about the free accounting course she had just completed in Washington, through which she got a bookkeeping job. "I'm going to Loyola University in the fall," she told her counselor shyly.

And by convincing employers that women with no job experience and often no self-confidence can be excellent employees. "Actually, they're sometimes better workers than other workers," said Mrs. Marano, who pointed out that best placement success has come through small business and social agencies. "A displaced homemaker wants that job so much and feels she has so much to prove that she usually works twice as hard as some of the people who are much younger and have more experience."

A WOMEN OF ENERGY

The whole center cycle could perhaps be contained in the experience of Mrs. Fitzgerald, a slim woman who is interested in gerontology and who rode her bicycle 30 to 50 miles a day when she was visiting senior citizen centers in her training position. Now she is at an elementary school, tutoring slower students, marking papers and recording grades, taking over classes when teachers must leave the room and showing off the intricate and imaginative bulletin boards she has decorated in classrooms. She seems to have unlimited energy—working, attending college on an academic scholarship, square dancing two nights a week and doing volunteer work. And she seems to have endless horizons.

"This job is really a stopgap measure for me," she said. "I want something with more responsibility, so I can start moving up the career ladder in gerontology and get into administration."

That's the end of the story. The beginning was this: Mrs. Fitgerald signed her home and her children's custody over to her husband when he decided to divorce her. She went to work as a chambermaid in a downtown hotel, to support the tiny apartment where she lived. When she saw a display for the Center at a women's fair, she decided to go because she thought the word "displaced" applied to her exactly. What did I have to lose?" she said. My whole life had gone pffft." Now she has two of her children living with her, one a 20-year-old daughter who groans at her mother's straight-A grades.

"I just know that I have a lot of potential," Mrs. Fitzgerald said matter-of-factly. Her words call to mind a banner in the center hallway at the center on Maryland Avenue. It reads, "The woman who strives to be equal with a man lacks ambition."

REMARKS BY ROSE HOUSE

Members of the Committee and Interested Guests:

I am Rose House, a displaced homemaker from Baltimore, Maryland, and I am very pleased to be able to tell you about the needs I have had as a displaced homemaker and the ways in which the Maryland Displaced Homemaker Center has helped me.

After nearly 42 years of happily married life, I was widowed in 1975. I had only worked outside my home for six years during my life, and I had stopped working several years earlier when my husband became ill. When I worked, I worked in a library referencing books, and this allowed me some money of my own to pay for extras. When my husband died, my only income became a little insurance he had carried. I wasn't yet eligible for Social Security, and at my age, I knew finding employment would be difficult.

I asked myself was I going to collapse or build a new life? I had raised five children of my own and two others, and I thought I was strong enough to begin anew.

But it was hard. For the first time in many years, I had to live on next to no income. I applied for widow's pension, but I was not yet eligible. I started looking around for work, and nothing was available.

Even with the widow's pension I would need to find another source of income. I was depressed and began to feel like nothing was going to help me. I went back several times to agencies that said they could find work for older women, but nothing happened for me. I wanted very much to stay in my own home, but I knew I had to find work to do so.

Then a friend told me of the Maryland Center for Displaced Homemakers. I got my nerve up and went there not knowing what I would find. What I found was what I needed.

I needed to talk out my problems with someone who was willing to listen. I needed to get over feeling badly about myself and to think about what I could do. I needed to find out a way I could work, earn enough money to live, and then find a way to help other people.

I talked to a counselor at the Center. I talked and talked and got all of my problems out on the table. Then I went through a Self Evaluation Program where I decided I wanted to work with the elderly. I had had a great deal of experience working as a volunteer with older people through my church, and I liked working with them. Then I talked to the Center's training staff and we talked about what I felt I could do with the elderly. The staff set up a meeting with Eating Together in Baltimore, a program providing meals and other assistance for older people, and they felt they could train me to become a manager of one of their meal sites and could hire me if I did well on the job.

The Center contracted with Eating Together and paid me a stipend of $62.50 per week during training. I trained on the job, directing volunteers, setting up the meal facilities, organizing recreational programs, and referring people in need to community resources. My training was for 6 months, and I found it very rewarding. After 2½ months, I was asked to substitute for a site manager who was ill. Now I direct a site of my own, and I have been hired by the organization to be a permanent employee.

I have always liked helping people. Being a mother and volunteer, I've done this all my life. Now I am able to work—and make enough income that with my widow's pension, I can take care of myself and be useful to others.

The Maryland Center for Displaced Homemakers helped me know this was possible—helped really to made it possible. Without it, I would not have known how to get help or where to get a new start. I know the Center has done the same for other displaced homemakers. I'm sure you will see how necessary centers like this are.

There are many displaced homemakers in our state and all over our nation. I hope you will see that for them—like for me—a new and productive life is once again possible. Like me, most displaced homemakers want to be useful. They only need the chance. Please make that chance possible.●

SENATOR LONG RECEIVES THE AMERICAN ACADEMY OF PEDIATRICS' 1977 EXCELLENCE IN PUBLIC SERVICE AWARD

● Mr. JOHNSTON. Mr. President. I would like to take this opportunity to recognize my distinguished colleague

from Louisiana, Senator RUSSELL B. LONG, who has been selected as the recipient of the American Academy of Pediatrics' 1977 Excellence in Public Service Award for his efforts in behalf of child health. Selection of recipients for this award is based on overall efforts on behalf of children including leadership regarding child-related legislation, administration of programs or activities affecting children, or noteworthy efforts in promoting the aims and objectives of the academy's legislative program.

As this body well knows, Senator LONG, as chairman of the Finance Committee, has consistently exercised his jurisdiction over legislation involving health and welfare to the benefit of our country's children. His efforts have resulted in increased funding for and the availability of quality health services to children. During the early 1970's, when maternal and child health project grants were to be phased out, Senator LONG was instrumental in assuring extensions of those grants. In early 1977, it was his initiative in the Senate which resulted in a 15-percent increase in authorizations for maternal and child health, a provision which was added to the Health Services Extension Act adopted by the Senate. Through the Finance Committee, Senator LONG has repeatedly lent his assistance to efforts assuring that day care is administered with high standards. And at the close of the 94th Congress, when it became clear that no action would be taken on the supplemental security income proposal, it was Senator LONG who carried to enactment provisions affecting crippled children.

I join the American Academy of Pediatrics in commending Senator LONG's abiding concern for our Nation's children.●

NOBODY EVER DIED OF ENGLISH

● Mr. MATHIAS. Mr. President, Steven Muller, the president of the Johns Hopkins University in Baltimore, is not only the skilled administrator of a vast educational complex, he is also a thoughtful and concerned educator, who has reflected deeply on the state of our Nation and its prospects.

On December 7, 1977, Steven Muller distilled his reflections on our civilization and the role of education in our society into a brilliant lecture delivered at the University of Houston. In it, he observes that "an American society exists—mighty, productive, bursting with achievement. An American civilization—not yet." And, taking off from that premise, Dr. Muller constructs an exciting challenge to this Nation to create a new civilization:

> What we need at this stage in our national life is a new American spirit to lift up our minds, a new American humanism to enhance our maturing values and to kindle our evolving civilization.

The trenchant analysis of our strengths and weaknesses, our failures and our accomplishments as a people, contained in this talk, is animated by an optimism too often lacking in such appraisals.

I commend this lecture to my colleagues as an illuminating examination of the human condition U.S.A. 1978. I extol it as a positive contribution to our political thinking and I ask unanimous consent that Steven Muller's lecture at the University of Houston, entitled "Nobody Ever Died of English" be printed in the RECORD.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

NOBODY EVER DIED OF ENGLISH

(By Steven Muller)

It is a cherished privilege to be among you to salute the Fiftieth Anniversary of the University of Houston. I gladly offer my congratulations on a half century of great achievement, for this university and for this city. Let us reflect together on how much has been accomplished here, and also on how much remains to be done.

In 1927 a community junior college opened its doors here. This was the foundation of the University of Houston. How astonishing after fifty years to find a university of 40,000 students on several campuses! And that university now awards 15 undergraduate degrees in 75 fields; 17 masters degrees in 30 fields; and 4 doctorates in 30 fields.

Such growth and progress is astonishing. It is not miraculous. Enormous effort and vast resources were the crucial ingredients. So was the context of a society determined to offer the fullest possible opportunity for higher education to every qualified citizen. The fifty year ascent of the University of Houston is an enormous achievement, but not an isolated, purely local one. It is a distinguished and impressive part of the success of higher education in America in the twentieth century.

Where else in the world, where else in human history, is there a society in which secondary schooling is nearly universal, and in which fully half of all those leaving secondary school now enter higher education? What other nation is so rich in a diverse array of college and university institutions as to offer appropriate educational programs to such a huge and varied mass of young talent? Here in America we can claim to have extended democracy into higher education beyond all dreams and visions of the past. Here in Houston you have a noble share in this magnificent national venture, and a great university now stands full-blown within the span of but a single generation.

Inevitably, as one salutes so much achieved so soon, one wonders also what shall follow. More shall follow; of necessity, much more. To say it all at once: We in America still have a civilization to create; to this end we shall need our universities anew; this university and every other must now strive for the depth to match its scope.

An American society exists—mighty, productive, bursting with achievement. An American civilization—not yet. We as a people have simply been too young. In the evolution of civilization, two centuries of nationhood shrink to the equivalent merely of two decades. Especially is this so in the case of the American nation, nurtured as we have been and still are by wave upon wave of immigrants, from every race and every part of the globe. Even more true is this of a people extended across more than a whole continent, and therefore aggregated first into regional centers significantly different each from each. Americans draw on no single other nation's past, and until recently our regional differences were often as strong as our common bonds.

Measured against the ages of other national civilizations, one may then think of America as just entering the twenties. And I ask you to indulge with me in this image for a moment. Think of an American society as having just ended the teen-age years. We are full-grown now, full of muscle and energy, not yet mature but very much aware of ourselves. We have already learned that there are limits to our power. We have stopped growing physically. The seeds of our mature personality have long been within us, but they have not yet unfolded to the full. The hard questions of who we really are, how well we will mature, of wisdom and grace to match our promise—those hard questions remain to be answered. In accord with this image, one can think of an American personality already formed but just beginning that maturing process that will evolve an American civilization. The signs that we are more and more a single nation are surely there. The covered wagon, our great rivers, and the railroad allowed us to fill the continent, and now the automobile, television, the computer and the airplane make us ever more a national community. For the first time in more than a century since the Civil War, a Southerner from the Old South occupies the White House. No single city now dominates our society, except perhaps Washington, and that not as a city but as the seat of the federal government. We may find excitement and challenge in the thought that for us as a national civilization the good old days still lie ahead, that we are barely out of our teens.

But there is a sober, almost somber, aspect to such thoughts as well. Teenagers tend to be impatient, superficial still, sometimes self-indulgent, and often undisciplined. Such characteristics also mark our American society. If they are the traits of national adolescence they must be overcome. As a people, we Americans may yet have much to learn about the intractability of human problems that defy quick solutions; about values beyond wealth and practical achievement; about restraint and the sensitivities of others; about the difference between freedom and license, and the fact that a free society is possible only when founded on self-discipline much more profound than the discipline harshly imposed on the many by the few. We have as a people lived on the surface of things much as children and teenagers tend to do. As we deepen and fortify our national life into greater maturity, an American civilization will emerge from American society.

This will not come easily. The virtues we shall need—reflection, compassion, reason, understanding—are not inbred but acquired. What we need at this stage of our national life is a new American spirit to lift up our minds, a new American humanism to enhance our maturing values and to kindle our evolving civilization. We need this badly, because we have become so acutely conscious of the shallowness of life on the mere surface. We need it badly because we know that we have less to fear from others than from ourselves, should we lose that discipline that keeps us together in freedom. More than ever, Americans have become aware that there is more to human life than getting the job done or solving the problem; and that the most abundant technological wealth of all time is not enough to preserve civil society if there is no respect for law or for human values. We need a new American humanism as badly as we perceive it to be needed.

The materialism of our American society betrays a teenage superficiality which is understandably naive and innocent, but nevertheless shallow. In our youthful exuberance as a nation we have scored brilliant success in engineering, or call it applied physics—but we are only beginning to learn that social engineering is only a seductive delusion. We have grown the muscle of the world's most productive economy, but in civilization terms it is surely teenage naivete to try to deal with human life as an econometric model. Civic virtue and social discipline cannot be bought. The meaning of human life cannot be calculated by cost-

benefit analysis. We acknowledge serious social problems: urban decay, unemployment, a decent life for the old, social welfare, health care—to name only a few. But we will learn in time that these are not purely economic problems. They are problems also of boredom, of alienation, of lack of deeper human purpose, of insufficient values—of the absence—if you will—of a more profound civilization.

And there is yet another teenage set of traits that still marks us a society—we tend typically to be both too boastful of our strength and too sentimental in our emotions. We have evolved as a competitive society, and much of our strength derives from that. Well and good. But competition within society is endurable only within a framework of rules of the game. And such rules are effective only when they are internalized, when they are voluntarily observed by the players. No rules work well for long if the players will freely break them at every unsupervised opportunity. To take advantage of whatever you can get away with exceeds the rules of the game. That kind of fierce selfishness is literally subversive of society. We have too much of it. On the other side of the American social nature we speak frequently, and with great emotion, of love. But for persons within a national society truly to love one another might be truly miraculous. Rational compassion might serve us better—rational because mature civilizations have known since Aristotle that those without a real stake in the society represent an inevitable threat. Teenagers are often embarrassed to show their feelings. But not emotional excess, rather a mature tenderness with others marks the mature decent adult. As we achieve a national civilization we may become more tender, and less macho; less naively emotional and more compassionate; still competitive, but less ruthless; still productive, but less inclined to think of productivity as the *only* virtue. And as our children or our children's children live in that emerging American civilization they may become less lonely than some of us. Just think what depth of aloneness the term "swinging single" reveals beneath the surface.

As Americans begin anew to seek the why beyond the how, as we search for a better, more meaningful life, as we strive for enduring civility among ourselves, the ingredients we need are to a large extent available in the legacy of the past. We have had access to them all along, but they have been substantially overlooked. Spontaneously we seem to have divided knowledge into that which is useful, or immediately applicable, and that which is useless, valid in itself but not immediately useful. Now it is part of our nascent maturity to recognize simultaneously that all knowledge is useful, and also that our sense of what is useful is becoming less immediate and more sophisticated.

To understand this better, let us look again directly at the American university as an institution. Its greatest pride has been not only to accommodate so many in so many ways, but also to prepare so many as well as possible for advanced employment. Now it is true, has been true, and always will and should be true that part of the mission of the university is prevocational training. But part, not the whole of the mission. It is a misperception not to see that the university has a role to play beyond training for employment. And it is a miscalculation—a grievous one—to reckon higher education purely as an economic good, measured exclusively against its impact on economic income after graduation. Such misperceptions and miscalculations obscure two vital truths. First, that the university deals with the whole person, and that its graduates should be not only skillful in their professions but learned in the rudiments of civilization. And second, that the university institution as a whole has a vital role to play in the transmission and development of civilization, beyond its role of generating and transmitting knowledge per se.

What do these round phrases really mean? They mean something quite precise but also enormously complicated. In the past—in other societies as well as in the earlier day of our own—the university institution served a privileged minortity of society. The most evidently talented and the most affluent—and we are now beginning to understand better that affluence encourages talent and that generations of deprivation can stifle it—attended the university. There they learned to be—in an old phrase—both scholars and gentlemen. To be a gentleman meant more than economic and social privilege. It meant a sense of intellectual command of one's civilization—to be literate, articulate, well-informed—able to use one's mind for fun, at leisure, for all the interesting purposes of that better life which economic and social privilege made possible. Those days are gone, and most of us will say good riddance. It is not the business of the university in America to restrict itself to the service of a privileged minority, nor to produce—leaving the male chauvinism of the term gentlemen aside—a well-educated social and economic elite. True, happily true. But the crucial point is that a university education which lacks that extra ingredient or civilization that was once reserved for gentlemen is a devalued university education.

Not only does the omission of the transmission of civilization rob the university institution of a crucial function, in a much more damaging way, such an omission betrays the very ideal of university education in a democratic society.

America needs to mature into a civilization not because I say so, or you say so, or because that would be nice—the need is objectively urgent because for the lack of a deepening civilization our democracy will fail. When all of us vote, and when we live ever more closely interdependent lives, we must either all be highly civilized, or our lives will indeed become so nasty, brutish and short as to call forth a new authoritarianism. A democracy of the ignorant becomes a tyranny of stupidity. A democracy of greed restrained only by competition is merely the tyranny of corruption. A democracy of unlimited self-indulgence is not even a tyranny because it cannot long survive its paralyzing inability to face and address real problems. No good society is possible without justice, discipline, self-restraint, and compassionate self-understanding. A less than good society can function with little justice, no compassion, and no self-restraint as long as it can be ruled by iron discipline. No society at all is possible without discipline. A good democracy is, therefore, possible only when the large majority of citizens have learned to practice civic virtue on a voluntary basis. That in turn is impossible without education, because civic virtue must be learned.

What I am saying, pure and simple, is that we as a nation will manage in the longer run as a good society, as a sound democracy, and without a ruling elite, only as well as the majority of our voting citizens acquire all the virtues of civilization that in the past have only been available to elites. In the past the university as an institution educated the elite. It follows then, not merely that the American university institution will no longer be restricted to an elite, but that it must educate all of its students as it once did only the elite, transmitting the values of civilization as well as knowledge. The failure of the university to do so betrays itself, its students, and the whole society, because it dooms democracy.

Are history, art, philosophy, literature, drama, social theory and analysis and allied non-technical disciplines useful knowledge? They will perhaps produce no product, grow no produce, sell no goods, cure no disease. But ignorance of them will deprive us of the possibilities of civilization and—I believe—of the possibility of maintaining our democracy. But, you may say if indeed you are still with me at all, our university and all others do offer all of these areas of instruction. True—thank heavens—but not enough. They are regarded too much as luxuries, as offerings to be sampled rather than digested, as dispensable when time and energy are scarce. They are, if you will, too little in demand. And the American university, within the American democracy that sustains it, is profoundly responsive to popular demand, inevitably. The American people must consciously and actively seek civilization if the American university is to be able to assist them to achieve it.

Which brings me to an occasion last year when I spoke with one of the grand old men of fund-raising for private higher education. We were discussing a major Johns Hopkins University and Hospital campaign that had succeeded beyond its dollar goal. He expressed praise and admiration. I thanked him, but ruefully pointed out that the successful campaign had left many needs unmet.

In most cases large donors had, as is customary, targeted their gifts to support specified programs. Predictably the technical fields had done well. I summed up by telling my wise old friend how much easier I had found it to raise money for Johns Hopkins medicine than for the humanities. He heard me out and grinned, and said: "Well, you know, Steve, nobody ever died of English."

That phrase has haunted me since. In one sense it is entirely true, literally and in its descriptive implications. But the more I have thought about it, the more I believe it to be a devastating falsehood, taken in the deepest sense. Our bodies will not die of English, either the presence or lack of it. But what of our minds and souls? If one extends English to stand for literacy and the values of civilization, our society may not evolve into a civilization for the lack of it, and may then perish, not physically, but by becoming an autocracy. No good society can exist without clarity of thought and expression, without knowledge of the past, without the benefit of the legacy of human ideas and creativity, without profundity. In this respect we in America have been living on borrowed time, and by exhausting our intellectual capital. We have been, and are, supremely busy. We continue to achieve materially almost beyond the bounds of imagination. But we lack depth, and our society is beginning to wear thin as a result. Nobody ever died of English? I fear that the American dream may die for the lack of it.

Let me now confess my enormous optimism. I sense in the American people an evermore urgent yearning for meaning, for understanding, for depth. These are the welcome hallmarks of increasing national maturity. In the wake of Watergate, of Vietnam, of recession, of urban decay, we seem as a people to be wakening to a more adult sense of limits, to a new resolve to reduce the violence in our lives, to a dawning realism about the consequences of expecting government to solve problems for us. I think we are ready to begin that new great task of creating an American civilization. This will demand a review of what we expect of our educational institutions, including the American university. We are blessed with universities that are prepared to serve as more than prevocational, intellectual assembly lines. Alma Mater can cradle civilization. I believe more and more of us will realize that she must do so, and will be prepared to support her in that task. My image of an American civilization just entering into its twenties at the Bicentennial persuades me that we are far from an exhausted society sliding into self-indulgent decay. I perceive instead a

youthful burgeoning civilization just approaching the threshold of potential greatness.

In my view this is a splendid time to be an American, and a marvelous moment to be in an American university. Change is always painful and risky, but if that is the price of growing maturity it is well worth paying. I was asked to speak to you on a question of public policy. The development of our civilization is a matter of public policy. The restoration to the university in America of its civilizing mission—with full and conscious public understanding—is a matter of public policy. I not only reject but resent the view that public policy is exclusively synonymous with government policy. May we preserve our democracy, and help higher education in our land to prepare our sons and daughters not only to earn their bread, but to experience lives of enriched civility.●

ESTONIAN INDEPENDENCE DAY

● Mr. WILLIAMS. Mr. President, February 24, 1978, marked the 60th anniversary of Estonia's Declaration of Independence. On that date in 1918 Estonia declared herself free, establishing the Republic of Estonia after years of foreign rule.

The Estonians have occupied the eastern coast of the Baltic Sea for many centuries. Neither Slavic nor Germanic in origin, the Estonians are linked to the Finns and have their own language. They have maintained a strong national consciousness which has carried them through all periods of foreign domination and which grew rapidly during the 19th century. This spirit of nationalism sparked the Estonians' Declaration of Independence in 1918 and led to a desperate 2-year fight for liberty against the new masters of Russia which lasted from 1918 to 1920. The War of Liberation ended with a peace treaty in which the Soviet Government renounced forever all claims on Estonian territory. Other treaties between Estonia and the Soviet Union in 1932 and 1933 reaffirmed Estonia's independent existence.

During the 1920's, Estonia took its place in the community of nations, and it experienced a renaissance in its cultural, political, economic, and social life. But this flowering of Estonian society lasted a tragically brief 20 years. With World War II, the Soviets broke their pledge and annexed Estonia, only to be followed by the Nazis who drove out the Soviets but forced their own form of oppression on the Estonian people. The end of the war saw not a return to freedom but a return of Soviet domination. Today, Estonia remains under Soviet rule, its people's rights and freedoms only a memory. Yet despite the harshness of their rulers, the Estonians' spirit of freedom is strong. The continued determination of the Estonians to bring freedom and liberty to their land should inspire all who cherish the right of men and women to choose their own destinies.●

SENATOR PERCY SUPPORTS MIDWAY AND AIR REGULATORY REFORM BEFORE THE CAB

● Mr. KENNEDY. Mr. President, Senator CHARLES PERCY has been an early and creative proponent of modernizing our regulatory agencies. Along with the distinguished majority leader (Mr. BYRD), he authorized legislation in the 94th Congress to subject regulatory agencies to periodic oversight, review and sunset on a definite timetable. In addition, he has been a vocal supporter of lessening the regulatory control over airlines so that travelers can receive better service at lower prices.

In late January, Senator PERCY made a forceful and convincing presentation to the Civil Aeronautics Board. He was testifying in favor of proposals by two companies to provide half-price air service to Chicago's Midway Airport from six other midwestern cities. It is strange indeed, Mr. President, that private companies have to wait many months and often several years before a Federal regulatory agency will grant them a license to do what consumers want them to do—namely, offer convenient, safe and low-priced air service.

At a time when jobs and economic growth are important national goals, it is ironic that an outmoded statute is preventing and delaying new air service that not only would benefit travelers, but would provide about 4,000 new jobs and a $29 million dollar payroll for the Midway Airport area. The city of Chicago estimates the service would mean $100 million in new business in the first 2 years of operations. But quick approval is impossible because of our regulatory process. CAB regulation is constrained by a 40-year-old statute. It is constrained by excessive "due process" that really becomes "undue process" in the hands of high-priced lawyers representing big airlines fighting new competition and lower air fares. And it is sometimes stalled and occasionally halted by the sheer volume of work: The CAB has hundreds of things to decide every week that no Government agency should concern itself with in the first place.

Mr. President, Senator PERCY is an active sponsor of the Air Transportation Regulatory Reform Act of 1978. His story about Midway Airport, as told to the CAB last month, is an eloquent plea for a new regulatory statute. I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CHARLES H. PERCY

I am pleased to appear before the Civil Aeronautics Board to support the expeditious approval of low-fare service from Midway Airport to six cities within 500 miles of Chicago. Since the first application in this case was filed in October 1976, I have endorsed the Midway low-fare concept at every appropriate opportunity. On July 30, 1977, I testified in favor of it before a House Aviation Subcommittee hearing held at Midway Airport.

Fulfilling the transportation needs of residents of Chicago's South Side, Southwest Side and surrounding suburbs is an important personal goal. I have a special interest in the South Side: my mother was born at 35th Street and Cottage Grove Avenue; I was a student at the University of Chicago; and I have conducted numerous meetings with constituents on the vital needs of this area in the eleven years that I have been a United States Senator.

Without question, this case may be the most significant ever heard by the Board in its 40-year history.

First, approval would open up low-fare air service to millions of Americans who are forced either to drive gas-guzzling automobiles between the cities in question or not travel at all. Until now, non-experimental low-fare services have only been offered by intrastate airlines, exempt from federal economic regulation, in California, Texas, and Florida. Unfortunately, past CAB actions choked off the spread of similar services over state boundaries. Under that policy, a new form of discrimination developed: entrepreneurs in sprawling, growing states could start their own low-fare airlines, as long as their planes didn't carry passengers to a sister state; but in states where service had to be over state lines, thus necessitating federal approval, entrepreneurs were not permitted to start such airlines.

Absent new competition, the certificated airlines have supported a system of federally mandated fares, sometimes twice the intrastate fares. With these high fares in effect, it is no wonder that United Airlines has estimated that on its flights of an hour of more, the average household income of the pleasure traveler is $25,400 and the average household income of the business traveler is $33,660. Contrast that with the average family income in this country of about $15,000. A 1974 Gallup poll showed that 76 percent of the population had not flown in the previous year and 45 percent had never flown at all. It is easy to understand then why 85 percent of all intercity travel is by private automobile.

By approving the low fares out of Midway, the Board could resoundingly proclaim that it wishes to end discrimination against those who wish to provide low-fare air service across state lines. I have been told that similar low-fare service can be expected to spring up elsewhere around the nation if the Board acts favorably in this case. The Board, by saying "yes," could also extend air service to the middle and lower-income groups in this country who are now grounded by the relatively high cost of air travel. These include my constituents who are lower-income South Side blacks who may wish to visit friends in Detroit or Cleveland; the elderly in North suburban Evanston who may wish to visit grandchildren in Kansas City or Pittsburgh; and Chicago Circle students who wish to explore the vast parts of the Midwest which, to date, they could not afford to do. The past experience of low-fare intrastate carriers demonstrate that these groups will fly at the fares proposed by the applicants. These proposed fares are about half the cost of the coach fares now offered by the CAB-certificated airlines flying out of O'Hare.

Second, the revitalization of Midway Airport could pump economic life into a depressed area of Chicago and provide for thousands of new jobs, many to the chronically-unemployed.

A 1974 study by the Federal Aviation Administration predicted that if only 2.4 million passengers used Midway annually (which is close to projected estimates by the major applicants), 1,800 airport jobs, with an annual payroll of $20.5 million, would be created. An additional 1,918 off-airport jobs would be spun-off, with an estimated payroll of $8.2 million. The total annual payroll for the combined 3,718 jobs would be $28.7 million. Residential property values in the Midway area would climb by $9.9 million, while commercial property would increase in value by $11.1 million. 360 motel rooms would be added employing 144 new workers. The City of Chicago has estimated that with approval of this service, $100 million in new business would be created on the South Side during the first two years of the proposed service.

These are conservative projections. The FAA study did not forsee the creation of a new airline or perhaps several new airlines headquartered at Midway. At least one of the applicants eventually plans to hire 1,200 Midway-based employees. Its estimated annual Chicago payroll would be $16 million, with a ripple effect in the community of at least another $20 million. At a time of distressingly high unemployment in the inner-city, many of these new workers would undoubtedly come from the ranks of the hard-core unemployed. And the creation of these added jobs would not cost the taxpayers a single dime.

Third, by approving this service, the Board could set the stage for turning Midway into Chicago's second major airport. If New York City, Washington, D.C., and the Greater Miami and San Francisco Bay areas can have more than one airport, why is virtually every flight into Chicago stuffed into O'Hare Field? In 1976, 41.4 million passengers moved through O'Hare makng it the busiest airport in the world. By comparison, only 21 million passengers moved through New York's Kennedy Airport. As a result of this overcrowding, carriers lost $44 million through additional fuel costs in 1976 because of air traffic and taxiing delays at O'Hare. The millions of hours lost to travelers cannot be calculated. How can one measure the frustration of sitting for hours in a holding pattern or missing a vital connection?

The Board has an obligation to break the O'Hare traffic jam. The revitalization of Midway is one obvious solution. Unlike previous attempts to revitalize Midway, lower fares and increased flight frequencies proposed could act as a favorable drawing card for those travelers terminating or starting their trips in Metropolitan Chicago.

The recent experience of Delta Air Lines with its "Thrifty-Fifty" fare from Midway to St. Louis aptly illustrates the point. With this fare travelers can fly roundtrip to St. Louis for $50 compared with the normal fare of $88. The response has been extraordinary. In its original filing with the Board, Delta predicted that it would earn a $38,000 profit during the first six months the "Thrifty-Fifty' fare was in effect. Instead it, has earned a $98,000 profit during less than four months (113 days) of this low-fare operation. Load factors on the Midway to St. Louis flights have climbed from 18–20 percent to 60 percent. About 60 to 65 percent of the passengers using the fare had not regularly flown that route before, including many salesmen who previously drove alone to St. Louis. They find the lower fare competitive with driving costs.

In summary, I strongly desire to see approval of the low-fare service because it will make air travel affordable for more of my constituents; because it will infuse new economic life into the South Side of Chicago and create thousands of new jobs; and because it may eventually lead to an easing of congestion at O'Hare.

I do not favor any one applicant. All I ask is that the carrier or carriers selected be committed to the rebirth of Midway. It has been almost 15 months since the first application in this case was filed. The Board has already announced that a decision will not be handed down until August 1, 1978. Chairman Alfred E. Kahn deserves our gratitude for adopting extraordinary procedures to expedite this case. But for his actions, we would undoubtedly be waiting around into the 1980's for a decision. If at all possible, I urge the Board to move up its timetable in this case because of its importance, and to hand down a decision at an even earlier date. It has been estimated that every month of delay means that Illinois residents and others are forced to pay an additional $1 million in air fares.

The drawn-out handling of the Midway case points up the need, once again, for the speedy passage of the Air Transportation Regulatory Reform Act (S. 689), which I am cosponsoring. The proposed legislation allows for more competition in the airline industry to provide for better and more economical service to the public. It firmly establishes low-fare, innovative service as a vital element of the national air transportation network.

Until this proposal becomes law, it is of critical importance that the Board approve low-fare Midway service. The Congress and the Board must work together to knock down the anti-competitive walls which have stopped new airlines from being created and which have forced the public to pay needlessly high fares—fares not set by the marketplace, but by a government-dictated formula. Why should residents of sprawling states like California, Texas, and Florida benefit from attractive air service at low fares, while citizens in Illinois and 46 other states are denied comparable service?

Upon reviewing the merits of this case, I am confident that the Board will resoundingly support a new direction in American aviation with a favorable decision on behalf of the petitioning airlines, and the citizens of Metropolitan Chicago, Illinois, and all of the Midwest.●

PUTTING PARKS WHERE THE PEOPLE ARE

● Mr. WILLIAMS. Mr. President, on February 17, Secretary of the Interior Cecil Andrus, sent to the Congress the long-awaited national urban recreation study.

As the author of the 1961 Open Space Act, I have long had an active role in initiating legislation to preserve open land and provide recreational opportunities in and near our cities. While the open space program channeled some $683 million into urban and suburban areas over a 12-year period, much more must be done if we are to fill the gap between the need for urban recreation and the available resources and facilities. Indeed, the gap is widening. Financially hard-pressed cities have been forced to cut back their recreation budgets, allowing existing parks to deteriorate. The primary Federal source of recreation funds, the land and water conservation fund, continues to favor less populous States over densely populated States, and small cities and suburbs over large center cities.

The Congress has taken steps to bring the national park system closer to the city by establishing national recreation areas on the fringes of urban areas, such as Gateway near Newark and New York. Unfortunately, the nearness of the new recreation areas has only increased the frustration of inner-city residents who do not have cars to get to them. In order to remove this remaining barrier between the cities and the urban-fringe parks, I have introduced a bill, S. 975, that would provide public transportation on a demonstration basis to units of the national park system. I am pleased that our distinguished colleague and chairman of the Parks and Recreation Subcommittee, Senator ABOUREZK, has held a hearing on the bill and is ready to mark it up.

In seeking to serve our urban Nation's recreational needs, we must look beyond our traditional approaches to park acquisition and management. Scenic landscapes and historic districts in and around cities can be preserved by using a wide variety of land management tools. Through public access agreements, purchase of development rights, permit systems, and regulation, the public values of these important landscapes can be protected at less cost than outright acquisition, while private activities such as farming and indigenous industries, and compatible growth can continue. I have introduced legislation, S. 2306, the National Reserves System Act, which would create a framework for protecting outstanding scenic and historic landscapes through a partnership between local, State, and the Federal governments, and the private sector. This bill has stimulated a good deal of interest and discussion about new directions in Federal park policy.

Both the park access bill and the national reserves bill are designed to provide more benefits from our Federal recreation resources for more people. However, what is still lacking is a comprehensive national recreation policy, which fully addresses urban recreation needs. I am hopeful that the national urban recreation study will help to focus the Congress, the administration and the public on a matter that is critical to the quality of life in our cities, and to the well-being of all our people.

Mr. President, a recent article in the Washington Post by Neal R. Pierce discusses some of the needs addressed in the urban study. I ask unanimous consent that this article, "Time to Put Parks Where the People Are," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 17, 1978]

TIME TO PUT PARKS WHERE THE PEOPLE ARE

(By Neal R. Peirce)

A controversy pitting environmentalists against city leaders, and rural areas against urban, is shaping up over how the federal government should focus the hundreds of millions of dollars it spends on parks and recreation.

Ever since the Yosemite Valley became protected territory in 1864, federal funds for parks and recreation have been channeled overwhelmingly toward the great open spaces, far away from the centers of population where most of the nation's people live.

City spokesmen are arguing that it's time to reverse the priorities, to use federal funds to undergird badly deteriorated urban parks and to place new parks and recreation areas where they're accessible to the 70 percent of Americans who live in urban areas.

The cities are finding surprising allies in the Interior Department, historically a bastion of rural and western interests. Interior Secretary Cecil Andrus recently presented in person a check for $307,476 to Massachusetts Gov. Michael S. Dukakis to cover half the cost of Boston's new Harbor Islands State Park.

Says Interior Under Secretary James A. Joseph: "A week in the mountains can be a wonderful and revitalizing escape from the numbing routines of urban life, but its brief exhilaration cannot carry one through 51 weeks of life trapped in the inner-city constrictions of brick and asphalt, mind-numbing routine and depressing lack of recreational opportunity."

Joseph notes that many of the people who need recreational opportunities the most can ill afford them—"especially if they involve long trips by private automobile to faraway places." And a new Interior Department study (the National Urban Recreation Study, to be sent to Congress today) notes that 45 million Americans live in households without cars.

The new study is sure to generate heated debate because it will name as one clear policy option deemphasizing acquisition of open space and recreation development in rural areas in favor of federal support for park facilities in densely populated urban centers. Specifically, the study will suggest the possibility of shifting part of the federal government's Land and Water Conservation Fund, 60 percent of which goes to the states for preservation of natural areas and outdoor recreation development, toward direct aid to cities to develop and operate their own park and recreation facilities.

The idea of siphoning off part of that fund, authorized by Congress at $900 million in the next fiscal year, already has environmental interests, led by the Sierra Club, up in arms. They say federal funding for open space is already inadequate and that the cities ought to look to other funding sources. The cities reply that inflation and declining tax bases have made it almost impossible to maintain their existing recreational facilities, let alone expand them.

In fact, Congress has reduced some of the federal government's traditional bias for open space projects by funding three urban recreation areas since 1970: Gateway in New York City and neighboring New Jersey, Golden Gateway in San Francisco, and Cuyahoga between Cleveland and Akron, Ohio. All have proven expensive to operate. Congress, worried about becoming enmeshed in a bottomless pit of similar requests, in 1976 asked the Interior Department to list "options" for future urban park development—the genesis of the study.

Meanwhile, the new urban facilities are proving extremely popular. The Gateway National Recreation Area, for instance, drew 9.6 million visitors in 1976, costing $6.6 million to operate. In the same year, Yellowstone National Park drew only 2.5 million visitors, with an operating cost of $7.6 million.

Urban parks, says Massachusetts state planner Frank Keefe, provide multiple benefits: They save energy "by bringing parks to where people live." They serve needy populations. And by making cities attractive places in which to live and work, they help attract private investment and provide a powerful incentive for citywide and neighborhood economic redevelopment.

Keefe says that in earlier years, when Massachusetts was using federal funds to buy up big chunks of open space on the urban fringe, "we found we were just making the contiguous parcels all the more attractive for development by high-income people and fostering suburban sprawl." Now the Bay State focuses 90 percent of its federal park funds on urban centers.

Keefe believes environmentalists defeat their own goals by insisting that federal support for parks be concentrated in distant rural areas. "That scare money opens up areas where there are fragile natural resources," he says. "You just attract more and more people there to trample around." Urban parks, by contrast, create amenities close to home so that people will be less tempted to try to get "a second home, a trailer, or a tent pack in the middle of the wildlands of America. It's an elitist notion that the only place you can recreate with any level of satisfaction is in the wildlands."

But Keefe takes issue with the Interior Department's suggestion that federal parks money might go directly to cities, bypassing the states. He acknowledges that states have made the mistake of putting most or all their parks money—from federal grants and their own treasuries—into distant open spaces. But Washington could require states to reorient their use of federal parks funds toward urban areas. The states' own moneys would probably be reoriented as well, so that "the grants would be mutually supportive of one another."

In several large cities where local recreation funds have been cut back, private nonprofit "friends of the parks" organizations have been formed. The New York City Parks Council, for instance, raises private money, trains federal manpower workers and lobbies the state parks agency for federal and state money for city parks. With regular parks maintenance personnel cut back 50 percent, the organization mobilizes adult and teenage volunteers to assist with park maintenance. Last year the council built a waterfront park at the foot of Grand Street in Brooklyn's Williamsburg section. Using oak barrels from an old fish market for seating, rock from a subway tunnel for construction and donations from industries in the area, the cost was kept under $10,000.

Chris T. Delaporte, newly appointed director of the Interior Department's Heritage Conservation and Recreation Service (formerly the Bureau of Outdoor Recreation, is clearly of a mind to support urban recreation. Delaporte says his agency will be part of "the campaign at all levels of government to make our towns and cities good places to live in. We are going to have a national set of goals and objectives to see that neighborhood parks become synonymous with the reputation and quality of our national parks."●

RETHINKING MILITARY STRATEGY FOR EUROPE

● Mr. KENNEDY. Mr. President, on January 25, Dr. Carroll Wilson of the Massachusetts Institute of Technology, wrote on important analysis of our military strategy in the European Theater for the Christian Science Monitor. He makes a telling case against our tactical nuclear doctrines and reminds us of the vital contribution of precision-guided munitions to effective NATO defense. I request unanimous consent that his article, "Military Myths," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILITARY MYTHS

Military doctrines become so deeply imbedded in hardware, people and their careers that it usually takes the next war to expose the myths on which they are based.

Take the case of tactical nuclear weapons. Twenty years ago a doctrine was articulated based on confining the use of "small" nuclear weapons to the zone of battle thereby allowing NATO forces to counter the much larger Soviet conventionally armed forces. This doctrine made the use of nuclear weapons "thinkable" while seeking to avoid an all-out strategic nuclear exchange between the Soviet Union on the one hand and Western Europe and the United States on the other.

But the doctrine is valid *only* if both adversaries practice it—and the Russians have never bought the doctrine. Their doctrine is based on destroying the rear, which means placing a few dozen megatonners on targets in Western Europe—principally cities which are the supply and communications centers and also the embodiment of European culture and history. The asymmetry of the two doctrines means that destruction of their rear must become our doctrine too.

We now have a neutron bomb which destroys life with a minimum of blast, so it destroys very little property. It sounds fine for use as a tactical weapon in a battle zone. But if our adversary relies on maximum physical destruction of the "rear," it's useless.

In response to a threat of attack one can freeze, flee, or fight. Given these choices our allies in Western Europe cannot flee and will not fight if fighting means the obliteration of their cities by megatonners leaving scores of millions dead or dying. They would much rather rely on harassing a Russian occupation force which must depend upon supply lines through a thousand miles of hostile territory. That would be my choice too.

Another myth is the invulnerability of the tank—and this is very relevant to the tactical nuclear weapons myths. Is all lost if we have to abandon our doctrine of tactical nuclear weapons? Not at all. Our nightmare of 60,000 Russian tanks sweeping across Europe is also rapidly becoming mythology. The enormous advances in precision-guided-munitions (PGM) and their launching against tanks by aircraft or by shoulder-arms carried by each infantry platoon has doomed the tank—indeed turned it into a mobile crematorium.

If tanks are to move swiftly they must move on roads. Most roads from Eastern to Western Europe must pass through many narrow defiles. A traffic jam of tanks arising when destroyed tanks block the way for others makes them sitting ducks for well-deployed paratroops armed with anti-tank missiles or for low-flying aircraft.

It is hard for me to believe that our military planners really believe today that a massive breakthrough of Russian tanks is credible, but this is the hobgoblin they continue to talk about publicly and use to prod our NATO allies into greater efforts or to justify our tactical nuclear weapons doctrine.

I think it is high time for the public to discuss such matters and their policy implications.●

TRIBUTE TO GENERAL JAMES

● Mr. EAGLETON. Mr. President, I have asked to be recognized so that I might pay a small tribute to a great American, the late Gen. Daniel "Chappie" James. It is with a sense of personal regret that I note his passing, for I had the honor of knowing Chappie. We met while he was serving as the vice commander of the Military Airlift Command at Scott Air Force Base, near St. Louis. He was an exemplary military officer and a fine human being. He left for us a legacy of personal patriotism and uncompromising integrity that should serve as an example to all. We are truly a better Nation today, because of his unselfish devotion to duty.

As a spokesman for the administration's Vietnam war policy during the early seventies, General James became widely known for his fiery brand of Americanism. His speeches were quoted as editorials in numerous national and international publications and excerpts from some of his speeches have been read into the CONGRESSIONAL RECORD. But he was perhaps best known for becoming the first black man in our Armed Forces to achieve the rank of four-star general—an achievement which has not yet been matched. He was proud of those four stars and proud of the way he fought to earn them.

Chappie James was a born fighting man. He not only served valiantly in three wars, but also led a career-long

struggle for racial equality in the Armed Forces. Only shortly before his retirement, and in part as a direct result of his tireless efforts, General James could proudly declare. "There is less racism in the Armed Forces of America than there is in any segment of society."

Struggle to achieve was a long and difficult one. A lesser man might have given up long before reaching the rank of general. But Chappie never lost sight of his goal. Referring to his promotion to the rank of brigadier general in 1970, General James noted to an interviewer:

If you're at the top you don't have to plead the way you do if you're at the bottom. You can exert a hell of a lot more pressure from the top with that authority than you can from the bottom with that torch, sign, or brick. My motto is build a nation, not tear it down.

Later, while serving as a Pentagon spokesman, Chappie shared with us the simple philosophy that guided his successful career. It was indicative of his attitude toward life itself. He said:

Too often the negative gets accentuated because the positive is drab and doesn't make as exciting news as the negative, so we have to seek out and make known the positive while at the same time not hiding the negative under a rock.

In retrospect, I think the finest compliment one could pay General James is one he paid himself. On an oil painting of himself that hangs in the Pentagon, Chappie wrote:

I love America and as she has weaknesses or ills, I'll hold her hand.

He will be sorely missed by black and white Americans alike.

I ask unanimous consent that a biography of General James and obituaries published in the Washington Post and the New York Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL DANIEL JAMES, JR.

General Daniel James, Jr., is Commander in Chief, North American Air Defense Command (NORAD), a bi-national military command consisting of United States and Canadian air defense forces. Headquarters for NORAD is Peterson Air Force Base (AFB), Colo. General James also serves as Commander in Chief, United States Air Force Aerospace Defense Command (ADCOM), the United States element of NORAD. In these dual capacities, General James has operational command of all United States and Canadian strategic aerospace defense forces. He is responsible for surveillance and air defense of North American airspace and for providing warning and assessment of hostile attack on the continent from bombers or missiles.

General James was born on Feb. 11, 1920, in Pensacola, Fla., where he was graduated from Washington High School in June 1937. From September 1937 to March 1942, he attended Tuskegee Institute, where he received a bachelor of science degree in physical education and completed civilian pilot training under the Government-sponsored Civilian Pilot Training Program.

He remained at Tuskegee as a civilian instructor pilot in the Army Air Corps Aviation Cadet Program until January 1943, when he entered the program as a cadet and received his commission as a second lieutenant in July 1943. He next completed fighter pilot combat training at Selfridge Field, Mich., and was assigned to various units in the United States for the next six years.

In September 1949, General James went to the Philippines as flight leader for the 12th Fighter-Bomber Squadron, 18th Fighter Wing, at Clark Field. In July 1950 he left for Korea, where he flew 101 combat missions in F-51 and F-80 aircraft.

General James returned to the United States and in July 1951 went to Otis AFB, Mass., as an all-weather jet fighter pilot with the 58th Fighter-Interceptor Squadron (FIS) and later became operations officer. In April 1953 he became Commander of the 437th FIS, and in August 1955 he assumed command of the 60th FIS. While stationed at Otis, he received the Massachusetts Junior Chamber of Commerce 1954 award of "Young Man of the Year" for his outstanding community relations efforts. He graduated from the Air Command and Staff College in June 1957.

General James next was assigned to Headquarters U.S. Air Force as a staff officer in the Air Defense Division of the Office of the Deputy Chief of Staff for Operations. In July 1960 he was transferred to the Royal Air Force Station at Bentwaters, England, where he served successively as Assistant Director of Operations and then Director of Operations, 81st Tactical Fighter Wing (TFW); Commander, 92d Tactical Fighter Squadron; and Deputy Commander for Operations for the 81st Wing. In September 1964 General James was transferred to Davis-Monthan AFB, Ariz., where he was Director of Operations Training and later Deputy Commander for Operations for the 4453d Combat Crew Training Wing.

General James went to Ubon Royal Thai AFB, Thailand, in December 1966, as Deputy Commander for Operations, 8th TFW, and in June 1967 was named Wing Vice Commander. He flew 78 combat missions into North Vietnam, many in the Hanoi/Haiphong area, and led a flight into the Bolo Mig sweep in which seven Communist Mig 21s were destroyed, the highest total kill of any mission during the Vietnam War.

He was named Vice Commander of the 33d TFW at Eglin AFB, Fla., in December 1967. While stationed at Eglin, the Florida State Jaycees named General James as Florida's Outstanding American of the Year for 1969, and he received the Jaycee Distinguished Service Award. He was transferred to Wheelus Air Base in the Libyan Arab Republic in August 1969 as Commander of the 7272d Fighter Training Wing.

General James became Deputy Assistant Secretary of Defense (Public Affairs) in March 1970 and was designated Principal Deputy Assistant Secretary of Defense (Public Affairs) in April 1973. He assumed duty as Vice Commander of the Military Airlift Command, with headquarters at Scott AFB, Ill., on Sept. 1, 1974. He was promoted to four-star grade and assigned to his present duties as Commander in Chief NORAD/ADCOM on Sept. 1, 1975.

General James is widely known for his speeches on Americanism and patriotism for which he has been editorialized in numerous national and international publications. Excerpts from some of the speeches have been read into the Congressional Record. He was awarded the George Washington Freedom Foundation Medal in 1967 and again in 1968. He received the Arnold Air Society Eugene M. Zuckert Award in 1970 for outstanding contributions to Air Force professionalism. His citation read ". . . fighter pilot with a magnificent record, public speaker, and eloquent spokesman for the American Dream we so rarely achieve."

Other civilian awards that General James has received include the following: 1969—Builders of a Greater Arizona Award; 1970—Phoenix Urban League Man of the Year Award, Distinguished Service Achievement Award from Kappa Alpha Psi Fraternity; 1971—American Legion National Commander's Public Relations Award, Veteran of Foreign Wars (VFW) Commander in Chief's Gold Medal Award and Citation; 1975—Capital Press Club, Washington, D.C., Salute to Black Pioneers Award; 1976—Air Force Association Jimmy Doolittle Chapter Man of the Year Award, Florida Association of Broadcasters' Gold Medal Award, American Veterans of World War II Silver Helmet Award, United Sevice Organization Liberty Bell Award, Blackbook Minority Business and Reference Guidance Par Excellence Award, American Academy of Achievement Golden Plate Award, United Negro College Fund's Distinguished Service Award, Horatio Alger Award, VFW Americanism Medal, Bishop Wright Air Industry Award, and the Kitty Hawk Award (Military). He was awarded honorary doctor of laws degrees from the University of West Florida in 1971, the University of Akron in 1973, Virginia State College in 1974, Delaware State College in 1975, and St. Louis University in 1976. He was also named Honorary National Commander, Arnold Air Society in 1971.

General James is a command pilot. He has received numerous military decorations and awards which are listed in the attached fact sheet.

General James is married to the former Dorothy Watkins of Tuskegee, Ala. They have a daughter, Danice (Mrs. Frank W. Berry); and two sons, Daniel III, a captain in the Air Force, and Claude.

PERSONAL FACT SHEET—GENERAL DANIEL JAMES, JR.

A. PERSONAL DATA

1. Born—Feb. 11, 1920, Pensacola, Fla.; son of Mr. and Mrs. Daniel James Sr. (deceased).

2. Married—Nov. 3, 1942; wife—Dorothy Watkins of Tuskegee, Ala. Children—Danice, married to Lt. Col. Frank W. Berry, USAF, and they have two children, Jamie and Frank III; Daniel III, Capt., USAF; and Claude.

B. EDUCATION

7. Graduate, Washington High School, Pensacola, Fla., 1937.

2. Graduate, Tuskegee Institute, Tuskegee, Ala., B.S. in physical education, 1942; Primary, Basic, and Advanced Flying Schools, Tuskegee, Ala., 1943; Air Command & Staff College, Maxwell AFB, Ala., 1957.

C. SERVICE

1. Jan. 1943—July 1943 Avn. cadet, Tuskegee, Ala.

2. July 1943—June 1947 Ftr. plt. tng., Selfridge Fld., Mich.; then flt. ldr., asst. ops. off., B-25 plt., 617th Bomb. Gp., Godman Fld., Ky., & Lockbourne AAB, Ohio.

3. July 1947–Sept. 1949 Ftr. plt., 301st Ftr. Sq., instr. tng. off., Lockbourne AFB, Ohio.

4. Sept. 1949–June 1950 Ftr. plt., 12th Ftr. Sq., the Philippines.

5. July 1950–Apr. 1951 Jet ftr. plt., 67th Ftr. Bomb. Sq., 12th Ftr. Bomb. Sq., & 44th Ftr. Bomb. Sq., 18th Ftr. Bomb. Wg., Korea.

6. May 1951–Mar. 1953 Jet ftr. plt., 27th Ftr. Intcp. Sq., Griffis AFB, N.Y.; later, 58th Ftr. Intcp. Sq., Otis AFB, Mass.

7. Apr. 1953–June 1956 Comdr., 437th Ftr. Intcp. Sq.; later Comdr., 60th Ftr. Intcp. Sq., Otis AFB, Mass.

8. July 1956–Aug. 1956 Sp. Proj. Off., 33d Ftr. Gp., Otis AFB, Mass.

9. Sept. 1956–June 1957 Stu., ACSC, Maxwell AFB, Ala.

10. July 1957–June 1960 Stf. off., Ops. Con. Div.; later Air Def. Div., DCS/Ops., HQ USAF, Washington, D.C.

11. July 1960–Jan. 1962 Asst. Dir. & later Dir. of Ops., 81st Tac. Ftr. Wg., RAF Sta., Bentwaters, England.
12. Feb. 1962–July 1962 Comdr., 92d Tac. Ftr. Sq., RAF Sta., Bentwaters.
13. July 1962–Aug. 1964 Dep. Comdr. for Ops., 81st Tac. Ftr. Wg., RAF Sta., Bentwaters.
14. Sept. 1964–Nov. 1966 Dir. of Ops. Tng.; later Dep. Comdr. for Ops., 4453d Combt. Crew Tng. Wg., Davis-Monthan AFB, Ariz.
15. Dec. 1966–Dec. 1967 Dep. Comdr. for Ops.; later Vice Comdr., 8th Tac. Ftr. Wg., Ubon RTAFB, Thailand.
16. Dec. 1967–Aug. 1969 Vice Comdr., 33d Tac. Ftr. Wg., Eglin AFB, Fla.
17. Aug 1969–Mar 1970 Comdr., 7272d Fly. Tng. Wg., Wheelus AB, Libyan Arab Republic.
18. Mar 1970–Apr 1973 Dep. Asst. Secy. of Def. (Public Affairs), OSD, Washington, D.C.
19. Apr 1973–Aug 1974 Principal Dep. Asst. Sec. of Def. (Public Affairs), OSD.
20. Sept 1974–Sept 1975 Vice Comdr., MAC, Scott AFB, Ill.
21. Sept 1975–Present CINC, NORAD & CINC, ADCOM, Peterson AFB, Colo.

D. DECORATIONS AND SERVICE AWARDS

Distinguished Service Medal (Dept. of Defense).
Distinguished Service Medal (Air Force) w/1 oak leaf cluster.
Legion of Merit w/1 oak leaf cluster.
Distinguished Flying Cross w/2 oak leaf clusters.
Meritorious Service Medal.
Air Medal w/13 oak leaf clusters.
Army Commendation Medal.
Distinguished Unit Citation Emblem w/1 oak leaf cluster (service before 1965).
Presidential Unit Citation Emblem w/3 oak leaf clusters (service 1965 and later).
Air Force Outstanding Unit Award Ribbon w/3 oak leaf clusters.
Combat Readiness Medal.
Good Conduct Medal.
American Defense Service Medal.
American Campaign Medal.
World War II Victory Medal.
National Defense Service Medal w/1 service star.
Korean Service Medal w/4 service stars.
Vietnam Service Medal w/2 bronze service stars.
Air Force Longevity Service Award Ribbon w/7 oak leaf clusters.
Armed Forces Reserve Medal.
Small Arms Expert Marksmanship Ribbon.
Republic of Korea Presidential Unit Citation Ribbon.
United Nations Service Medal.
Republic of Vietnam Campaign Medal.

E. EFFECTIVE DATES OF PROMOTIONS

Grade, temporary, and permanent:
2d Lt, July 28, 1943.
1st Lt, July 2, 1944.
Capt, Oct 31, 1950, Aug 20, 1947.
Maj, June 18, 1952, Sept 9, 1952.
Lt Col, Apr 25, 1956, Aug 1, 1963.
Col, Nov 15, 1964, Sept 15, 1966.
Brig Gen, July 1, 1970, Feb 26, 1971.
Maj Gen, Aug 1, 1972, Apr 2, 1973.
Lt Gen, June 1, 1973.
Gen, Sept 1, 1975.
(Date of Rank Aug. 29, 1975)

GENERAL JAMES

WEDNESDAY, 1 MARCH

McGuire Funeral Home, 7400 Georgia Avenue, N.W.

From 7 p.m. to 10 p.m. services will be held at the Shrine of the Immaculate Conception Catholic University. Chaplain Meade will perform a memorial service at 8 p.m. Viewing at Shrine.

THURSDAY, 2 MARCH

Assemble at the Old Post Chapel, Ft. Myer by 11 a.m. Proceed by procession to the gravesite at Arlington for interment.

No flowers—contributions to: Tuskeegee Institue, Tuskeegee, Alabama 36088.

Cards/condolences to: Mrs. Robert Sims, 7020 Gleneagle Drive, Miami Lakes, Florida 33014.

[From the Washington Post, Feb. 26, 1978]

GEN. DANIEL "CHAPPIE" JAMES, FORMER NORAD CHIEF, DIES

(By George C. Wilson)

Retired Air Force general Daniel (Chappie) James, 58, the only four-star black general in the American military, died yesterday at the Air Force Academy Hospital near Colorado Springs after suffering a heart attack.

Gen. James, who had retired Feb. 1 rather than on May as planned because of previous heart trouble, had traveled to Colorado Springs to address an American Trucking Association convention there.

His scheduled speech was to be part of what Defense Secretary Harold Brown, at Gen. James' retirement ceremony at the Pentagon on Jan. 26, called a "new phase" of the general's traditional "active behavior."

That active behavior included fighting for equal rights for blacks, serving in three wars, and making flag-waving speeches whenever he had a chance to do so.

"I fought in three wars and three more wouldn't be too many to defend my country," Gen. James wrote in his own hand on a painting of him standing in front of his F-4 Phantom fighter bomber in Ubon, Thailand. "I love America and as she has weaknesses or ills, I'll hold her hand." That inscribed portrait now hangs outside Air Force offices on the fourth floor of the Pentagon.

Gen. James' fight for equal rights started early in life, before it was popular. He grew up in Pensacola, Fla., in the 1920s when equal rights were still a distant dream. He went to segregated schools and sat in the back of the bus. But his mother—who found and ran the Lillie A. James School at 1606 N. Alcaniz St. because she felt the school set aside for "colored" was unacceptable—ordered young Chappie never to give up on his dreams.

"My mother used to say: 'Don't stand there banging on the door to opportunity, then, when someone opens it, you say, wait a minute, I got to get my bags. You be prepared with your bags of knowledge, your patriotism, your honor, and when somebody opens that door, you charge in.'"

Gen. James, in another recollection of his Pensacola boyhood, once told a reporter that "as Bill Cosby says, we were poor, but we didn't know it. We worked hard. We were never on welfare, I'll tell you that."

Encouraged by his schoolteacher mother and hardworking father—he pushed a coal dolly in the local gas plant—Chappie, the youngest of 17 children, decided to prepare his "bags of knowledge" by going off to study at Tuskegee Institute in Alabama.

He figured at the time that to leap over the racial barrier he would have to go into the undertaking business.

But Gen. James' boyhood in Pensacola, site of a Navy flight training base where seaplanes skimmed over the Gulf of Mexico and fighters thundered off runaways, had set off fires of desire in him for flying.

"I didn't want to go into the Navy," Gen. James once recalled, "and end up as another black cook." So at Tuskegee he joined the campus branch of what was then called the Army Air Corps and later the U.S. Air Force. Air Corps flight training was segregated, with blacks flying their Piper Cubs in one pattern and white cadets in another. "It was a helluva traffic pattern," Gen. James, who was commissioned an officer in the summer of 1943, recalled.

These "Tuskegee airmen" found themselves segregated in separate black facilities wherever they were sent, despite the regulations against this. Gen. James and fellow black officers at Selfridge Air Force Base, Mich., decided to change things—entering the officers' club that was then open only to whites. The club closed every time the blacks entered. The Air Command finally transferred the black officers to air bases in the South—where Jim Crow held sway.

But Gen. James and fellow blacks did the same thing at Godman Field next to Fort Knox, Ky., and next at Freeman Field in Seymour, Ind. On April 5, 1945, the Army arrested 101 black airmen at Freeman Field and charged them with mutiny, treason and other offenses.

Although some who were arrested and earned their place on what was to become the "101" honor roll of protesting blacks could not recall Gen. James' making the list, he did spread the word of the arrests to the black press and official Washington. He was flying a C-47 courier plane from Fort Knox to Eastern cities at the time, carrying dispatches about the arrests along with official mail.

The Army put three of the 101 blacks on trial in 1945, but the charges were dropped. Gen. James stayed in the Army after World War II, stuck in the rank of first lieutenant for six years. He became Air Force Capt. James in Korea where he flew 101 combat missions in the conflict there.

His mother had once told him: "For you, my son, there is an 11th commandment, Thou shalt not quit." And she added lots of other commandments for her son, including: "Prove to the world that you can compete on an equal basis."

Gen. James tried to follow both those commandments while flying fighters in Korea and later in Vietnam, advancing up to the rank of colonel in Vietnam where he led the 8th Tactical Fighter Wing.

This fighting black colonel who was four-square behind the Vietnam war did not escape the attention of Washington officialdom, then under political siege, partly on charges that blacks were bearing a disproportionate share of the pain and death of that war. He won his first star in July 1970, and got former Defense secretary Melvin R. Laird as his enthusiastic sponsor.

Laird brought Gen. James to the Pentagon, where in 1970 he became deputy assistant secretary of Defense for public affairs. In that job, Gen. James traveled around the country as a spokesman for the administration's Vietnam war policy. He also sometimes conducted Pentagon briefings for newsmen, although that was not his forte.

He kept getting stars and choice command assignments from 1970 until Sept. 1, 1975, when Gen. David C. Jones, Air Force chief of staff, pinned on Gen. James' fourth star. He was the first black to be so honored. He got his final command at that time: commander in chief, North American Air Defense Command/Aerospace Defense Command.

"This promotion is important to me," Gen. James said when he won his fourth star, "by the effect it will have on some kid on a hot sidewalk in some ghetto. If my making an advancement can serve as some kind of spark to some young black or other minority, it will be worth all the years, all the blood and sweat it took in getting here."

He acknowledged during one interview that some young blacks felt he had made it to the top by letting himself be used as a 6-foot-4 puppet of the white establishment—an "oreo." But it angered him that some young blacks did not realize how far their fight for equal rights had advanced.

"Most of their obstacles," he said of the young blacks trying to refight battles Gen. James felt were already won, "are illusory.

You can vote. You can go to any school you want to. Most of them are making a career out of being black. They don't know what suffering is."

Gen. James' strong feelings about the need for a strong national defense often impelled him to make strong statements. "I wear my patriotism like a badge," he once said. But both Gen. James and Air Force headquarters denied a Nov. 23, 1977, column by Rowland Evans and Robert Novak that Gen. James was relieved of command earlier because of a strong letter he had written to Air Force Chief of Staff Jones protesting a reorganization plan for the Aerospace Defense Command.

Gen. James and the Air Force both said the black four-star general would retire in February rather than May strictly for health reasons.

At his farewell press conference at the Pentagon on Jan. 25, Gen. James said "absolutely not" when asked if his letter accelerate his retirement.

"If I could write the script for my life all over again, of how I wanted it to go, I don't know of anybody else who has been able to do precisely what he set out to do and what he wanted to do, and what he had the most fun doing and that he felt the most sense of accomplishment at having done, than I have.

"The Air Force is the greatest place in the world for me," Gen. James continued. "And if I had it to do all over again, I would do it exactly the same way."

He said he planned to settle in the Washington area in his retirement years because "you are close enough to the arena to hear the screams of the Christians and the roar of the lions." But at the time of his death he and his family had not yet established a firm residence.

News of his death brought condolences and praise from highest ranking civilian and military officials yesterday. Defense Secretary Brown said he was speaking for President Carter as well as the Pentagon in expressing "deepest sympathy" to the James family. "Our nation has lost a fine officer and a fine man. Chappie fought for equal rights as he fought for his country, even when doing so was not popular. We are wiser, more tolerant and stronger because of Chappie."

Gen. James' military decorations include the Defense Department's Distinguished Service Medal; the Air Force Distinguished Service Medal with one Oak Leaf Cluster; the Legion of Merit with one Oak Leaf Cluster; the Distingushed Flying Cross with two Oak Leaf Clusters, and the Air Medal with 13 Oak Leaf Clusters.

He is survived by his wife, Dorothy Watkins James, two sons, Claude, of Rockville, and Daniel III, an Air Force captain; a daughter, Mrs. Frank W. Berry of Clark Air Force Base, in the Philippines, and three grandchildren.

Gen. James body is scheduled to arrive at Andrews Air Force Base at 4 p.m. today. Funeral services and the burial will take place at Arlington National Cemetery this week, but no time has been set.

[From the New York Times, Feb. 26, 1978]

GEN. DANIEL JAMES JR. DIES AT 58; BLACK LED AMERICAN AIR DEFENSE

(By Joseph B. Treaster)

Daniel (Chappie) James Jr., a former commander of the North American Air Defense Command who was the first black to rise to the rank of four-star general, died of a heart attack yesterday in Colorado Springs. He was 58 years old.

He retired from the Air Force earlier this month for medical reasons, after suffering a heart attack last fall.

General James, who was decorated for his exploits as a jet fighter pilot in Korea and Vietnam, began his military career in a segregated unit in Alabama, in which, a flying colleague recalled, a black pilot was barred from going to the capital city in uniform "because a white enlisted man would have to salute him."

ARRESTED FOR SIT-IN

As a young officer, General James was arrested along with several other black pilots for staging a "sit-in" in an all-white officers club at Freeman Field in Seymour, Ind. In his rise through the ranks he continued to struggle for racial equality and saw himself as a symbol for younger members of his race.

Toward the end of his years in service, he declared, 'There is less racism in the armed forces of America than there is in any segment of society."

Not long after he was promoted to brigadier general, he told an interviewer: "Some people have called me a 'Tom.' But I didn't just walk in here; I fought every step of the way."

"If you're at the top," he said, "you don't have to plead the way you do if you're at the bottom. You can exert a hell of a lot more pressure from the top with that authority than you can from the bottom with that torch, sign or brick. My motto is build a nation, not tear it down."

STATEMENT OF BROWN

In a statement released in Washington yesterday, Secretary of Defense Harold Brown said: "Chappie fought for equal rights as he fought for his country, even when doing so was not popular. We are wiser, more tolerant and stronger because of Chappie."

President Carter had saluted General James on his retirement as "a superb military officer in times of peace or war."

As commander of the North American Air Defense Command, General James had operational command of all United States and Canadian air space defense forces, a Pentagon spokesman said. And President Carter had noted in his farewell meeting with the General that he had shared "an equal authority," including responsibility for "initiating an atomic attack."

For five years, beginning in 1970, General James served in the Pentagon as a spokesman for the Secretary of Defense.

"Too often," he said as he began that job, "the negative gets accentuated because the positive is not pointed out. Often the positive is drab and doesn't make as exciting news as the negative, so we have to seek out and make known the positive while at the same time not hiding the negative under a rock."

General James became the first black man in the armed forces to receive a fourth star—an accomplishment that has not yet been matched—on Sept. 1, 1975. Simultaneously, he left the Pentagon to assume the air defense command.

Currently, the highest-ranking black officer on active duty is Samuel L. Gravely, Jr., a Vice Admiral in the Navy. He wears three stars on his shoulder boards.

ATTENDED TUSKEGEE INSTITUTE

General James rose from a working-class family of 17 children in Pensacola, Fla.—his father and some of his brothers had worked as lamplighters. After graduating from high school in Pensacola, he went to the Tuskegee Institute in Alabama where he received a bachelor's degree in science and met the woman who was to become his wife, Dorthy Watkins.

They had three children: Danice, who is married to Col. Frank W. Berry of the Air Force, Daniel 3d, a captain in the Air Force, and Claude.

When he was stricken with the fatal heart attack, General James had gone to Colorado Springs to address a convention of the American Trucking Association. He was taken to the nearby United States Air Force Academy Hospital and pronounced dead at 2 a.m.●

HUMAN RIGHTS IN NICARAGUA AND EL SALVADOR

● Mr. KENNEDY. Mr. President, I have long been deeply concerned with the human rights situation in Nicaragua and El Salvador, which continues to be blighted by serious abuses of individual and social liberties.

Daniel Southerland has written a series of thoughful articles on the tragic situation in the two countries, which appeared last month in the Christian Science Monitor. I comment Mr. Southerland for his careful and sensitive analysis, and request unanimous consent for it to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NICARAGUA, EL SALVADOR AND CARTER ON HUMAN RIGHTS

(By Daniel Southerland)

WASHINGTON.—Latin America is where some experts expect to see the greatest impact from the new emphasis the United States is placing on human rights.

This is because of Latin America's close ties with the United States and the tremendous influence the U.S. wields in the region. But it is also because in many Latin American countries the U.S. does not have strategic interests—such as it has in Iran or South Korea—which would militate against its exerting pressure on behalf of human rights.

This apparent focus on Latin America has led some critics to charge that the Carter administration is being selective in the application of its human rights policy. It should also be noted, however, that Latin America is a region where some of the most vicious repression of such rights can be found. Military officers rule most Latin American countries.

But two small countries that are more susceptible to U.S. influence than many other Latin American countries, El Salvador and Nicaragua, illustrate the difficulties involved in advancing the cause of human rights.

ARMY CLIQUE SINCE 1931

Both these Central American countries have authoritarian governments, a concentration of wealth in the hands of a few, and high levels of malnutrition and illiteracy. In Nicaragua, a family dynasty has been in control for more than four decades. El Salvador has been ruled by Army officers since 1931, longer than any other Latin American country. Both countries are viewed by human rights activists in the United States as test cases for the Carter administration's human rights policy.

In both countries, thanks partly to pressure from the United States, the ruling elites last year eliminated some of the more blatant forms of repression, lifted martial law, and permitted some press freedom.

Still, experts continue to rank both countries, along with Argentina, Uruguay, and Chile, among the worst human rights offenders in the hemisphere. Prisoners continue to be tortured. And both governments have failed to produce explanations for what has happened to people who were arrested and then simply "disappeared."

In both Nicaragua and El Salvador, the ruling elites continue to act, as a diplomat put it, as though the countries and their resources were their "private property." In El Salvador, the current government is

actually more conservative on the subject of land reform than was its predecessor.

LEFTIST THREAT INVOKED

The leaders of both countries justify a continuation of arrests and other repressive measures as a reaction to a threat from leftist guerrillas and terrorists, although the number of organized guerrillas in the two countries appears to be relatively small.

Yet in both countries, the Carter administration, through its statements on human rights, has raised expectations of change.

This reporter found squatters in Nicaragua and farmers in El Salvador who claimed to have heard something of the Carter human rights message. One man in a mountain village in El Salvador held up an old and battered radio and said that he had got the word on the Voice of America.

And relatives of persons who had "disappeared" in El Salvador showed me copies of letters they had written, pleading their case, to President Carter, UN Ambassador Andrew Young, and prominent U.S. senators and congressmen. Some seemed to feel that the only hope for their missing or imprisoned sons and daughters, brothers and sisters, lies in the United States.

It remains to be seen whether their expectations will be fulfilled.

COSMETIC CHANGES IN SAN SALVADOR?

SAN SALVADOR.—When El Salvador's new ambassador to Washington presented his credentials to President Carter recently, the President mentioned the subject of human rights no fewer than eight times.

In an extraordinary departure from the usual polite exchanges that mark such occasions, Mr. Carter came close to giving a lecture to the Salvadorean envoy on the importance the United States places on human rights.

United States concern with the protection of human rights in El Salvador reached a peak last summer when a right-wing terrorist group, which many people believe has links with El Salvador's military government, threatened to kill all 47 Jesuit priests in the country if they did not leave El Salvador by July 21. The U.S. Government expressed strong concern, and the deadline passed without the threat being carried out.

Relations between the U.S. and the El Salvador Government had already been severely strained by the February, 1977, presidential election victory of the official party candidate, Gen. Carlos Humberto Romero. It was widely believed that there had been massive election rigging, and the election resulted in numerous arrests, the deaths of as many as 100 persons protesting election fraud, the exile of opposition political leaders, and the imposition of a state of siege.

A RIFT WITH CHURCH OVER REFORM

Increased activism by clergymen advocating reforms, especially for the benefit of El Salvador's peasants, led to a growing rift between the Roman Catholic Church on the one hand and the government and wealthy elite on the other. More than a dozen priests were sent into exile. In violence carried out by extremists on both the right and left, three priests and three leading members of the wealthy class, including the Salvadorean foreign minister, were murdered.

A 1977 report issued by the State Department that was critical of the human rights situation in El Salvador so offended the Salvadorean Government that it canceled its request for military assistance to the United States. The U.S. withheld action in the Inter-American Development Bank on a proposed $90 million loan for the construction of a hydroelectric dam in El Salvador pending "demonstrable progress" in the human rights situation.

Toward the end of the year, however, U.S. officials professed to see an improvement in the situation. General Romero's security forces seemed to be showing some restraint in their operations against demonstrators, squatters, and suspected subversives. The general stated that he would allow political exiles to return and would see to it that the cases of those who were arrested and who had subsequently "disappeared" would be turned over to courts. In a Sept. 12 meeting with President Carter in Washington, General Romero promised to invite the Inter-American Commission on Human Rights of the Organization of American States to visit El Salvador and report on the situation firsthand. The U.S. decided to vote to approve the loan for the hydroelectric project.

CRITICS DISCOUNT "IMPROVEMENT"

Critics of the El Salvador Government contend, however, that the "improvement" the U.S. has detected in El Salvador is little more than cosmetic.

According to Sen. Edward M. Kennedy (D) of Massachusetts, there have been at least 16 disappearances of human rights advocates since President Romero took office last July. Amnesty International, a London-based organization that investigates the conditions of political prisoners around the world, reported that on Nov. 3, the very day the United States voted to approve the loan for the hydroelectric project, the National Guard tortured the parish priest, the sacristan, and two catechists, or religious instructors, in the town of Ocicala. After President Romero ordered them released, the Army detained another catechist in the same parish. His whereabouts now are unknown.

Of particular concern to human rights advocates is a new and ominous "Law for the Defense and Safeguarding of the Public Order," which was passed by Salvador's Legislative Assembly on Nov. 24. The law, which could make it illegal to publish information on human rights violations committed by the government, seriously threatens, in Senator Kennedy's view, to restrict further the right to dissent and freedom of the press in El Salvador. As a U.S. official put it, the law would appear to allow the government's enforcement agencies "greater latitude" than they had previously enjoyed.

LAND REFORM WATERED DOWN

In December, the government introduced a new tax on rural property designed to help the rural poor, but it was formulated only after the government had gained the approval of some of the country's leading conservative businessmen, men who live behind high stone or brick walls in what look more like fortresses than houses. The tax does not begin to approach the scope of the realtively mild land-reform measures that had been introduced by the previous government. Those measures were dropped because of opposition from wealthy landowners.

"The government has been quite effective in creating a state of fear in the countryside," said a lawyer who is interested in human rights cases. "It doesn't take much now—just a couple of taps here and there—for them to keep things under control."

"It must be hard for a North American to understand," said a man in a village near the city of Chalatenango. "You're allowed to express ideas that are different from those of your government. Here any idea that is different—any kind of organizing—is considered subversive."

"The main problem is fear," said a priest in a provincial town that has had its share of arrests and assassinations. "People here are afraid to meet even for religious ceremonies. . . . There are people who don't sleep at home at night for fear that they might be arrested."

SOMOZA STARES DOWN PROTESTS

MANAGUA, NICARAGUA.—Diplomats report that President Anastasio Somoza Debayle told the presidents of El Salvador and Guatemala last year that they were foolish to have broken military relations with the United States over the human rights issue. He would show them, he said, how to handle the North Americans.

The general, whose family has ruled Nicaragua since the 1930s, has certainly had plenty of experience in dealing with the United States. Sometimes called the "dean" of Latin America's dictators, he is a West Point graduate who speaks flawless American English. Many say that it's better than his Spanish.

President Somoza enjoys excellent personal relations with several U.S. congressmen and directs a well-financed lobbying effort in Washington which surpasses that of many much larger countries.

When a House of Representatives subcommittee cut military aid to Nicaragua last year, the lobby went to work. General Somoza restrained his National Guard just enough to convince some people that there had been an "improvement" in the human rights situation in Nicaragua. The House voted to restore military aid to the Central American country, although it has yet to be disbursed.

But time may finally be running out on the Somoza dynasty. The United States, whose friendship has often been crucial to the Somozas in the past, has shifted away from its unequivocal support to a more neutral position. And never has General Somoza's isolation from his own people seemed more complete.

The outburst of anti-Somoza feeling that followed the killing on Jan. 10 of Pedro Joaquín Chamorro Cardenal, the outspoken Nicaraguan Opposition leader and newspaper publisher, showed just how widespread the resentment against the Somozas has become. A government investigation of the murder of Mr. Chamorro led to a suspect who said that a Cuban-American doctor was behind the killing. Many Nicaraguans preferred to believe, however, that General Somoza was somehow involved. A protest strike shut down most of Nicaragua's commerce and industry, revealing the extent to which businessmen have joined the opposition to President Somoza. And, in an effort to maintain its neutrality, the United States postponed a long-planned visit to Nicaragua by Assistant Secretary of State Terrency A. Todman.

On Feb. 5, large numbers of voters boycotted municipal elections in cities outside the capital as a sign of support for demands that President Somoza resign.

But the National Guard, Nicaragua's only military and police force, appeared to remain loyal to General Somoza, and he rejected the demands that he resign. The President could rely, too, on a formidable economic and financial base. He and his family are believed to own from 80 to 100 companies. Some of them play a leading role in the Nicaraguan economy.

In the view of many of General Somoza's opponents, the attitude of the United States is crucial to breaking the Somoza grip on the country. U.S. officials say that they are interested in improving the Somoza government's human rights performance but that they are not in the business of overthrowing governments. Nevertheless, every move the U.S. makes is being carefully watched.

When General Somoza's health seemed to be failing last year, many prominent Nicaraguans turned, characteristically, for guidance to the U.S. embassy in Managua. After all, the North Americans had long been the country's kingmakers, participating directly in its political pacts. Some Nicaraguans were taken aback when they found embassy officials responding: "The question is not what we're going to do about the situation but what you're going to do."

It is not surprising that some Nicaraguans viewed the U.S. embassy's assertion of a

new "hands off" attitude with skepticism. Some, such as Chamorro, the slain publisher, seemed gradually to have accepted it.

"At first, the Carter human rights policy looked like some kind of joke," said a Nicaraguan lawyer. "We thought it was just something to get the attention of the American people."

"During the last six months, people began to pay more attention," he said, relaxing after a dinner at party at a Managua home filled with fine oil paintings. "They began to realize that something more serious was going on, and for the first time they saw the possibility of change."

Still, the feeling remains that the changes that have occurred in the human rights situation so far have been far from substantial.

Despite the lifting of marital law last Sept. 19, for instance, constitutional guarantees have not been truly restored. Among other things, the civil courts do not function properly. Writs of habeus corpus are ignored.

"Nobody doubts Carter's goodwill," said a member of the Nicaraguan Commission on Human Rights, a group that documents abuses. "But will the professionals in the State Department and the embassies implement the policy?"

"Jail conditions continue to be bad here," he said, "Legal rights are not being respected. . . . Nobody even knows what they are. . . . Torture continues." ●

NEW INITIATIVES IN OLDER AMERICANS ACT

● Mr. CHILES. Mr. President, as my distinguished colleagues know, the Older Americans Act has served our Nation's elderly well. The original act and subsequent strengthening amendments in 1973 and 1975 have served as a solid base for advances in achieving or preserving a measure of dignity and independence for all older Americans.

The act must be reauthorized this year. Senator EAGLETON, as chairman of the Subcommittee on Aging of the Human Resources Committee, has spent many hours searching for ways to further strengthen congressional commitment to older Americans. I commend him for the careful attention he has given to this task.

I recently chaired a number of hearings for the Special Committee on Aging on alternatives to institutional health care for older Americans, and I have a special interest in the development of community-based systems of long term care to provide support primarily for the oldest and most frail of our growing elderly population. Based on what we learned from these hearings, I have come to believe that this is one very important area which would be served well by an increased emphasis on long term care within the Older Americans Act.

I have presented testimony to the Subcommittee on Aging urging that the role of the Older Americans Act in the development of a wide range of community support services be strengthened, and I would like to share with my colleagues my reasons for calling for these new initiatives.

First, I have to say that our hearings showed us that we are not much closer to meeting our goals in this area now than we were in 1971 when the "alternatives" issue was so emphatically raised by the 1971 White House Conference on Aging. I have personally concluded that the future action will require the application of resources outside the Older Americans Act, but it will also require concerted attention during the coming months by all those who provide services under that act.

Our hearings helped us to identify essential elements of community-based, comprehensive support systems: at a minimum, medical, health, maintenance, and preventive services in an institutional or outpatient setting, as needed, and a broad-based system of social and health support services available, according to need, in a home setting or group living arrangement.

Under current Federal policies, the development of outpatient and in-home services has suffered greatly. Available services now primarily include skilled nursing and physical and rehabilitation therapy which are, under narrow restrictions, financed through medicare; and other in-home services which promote independent living such as personal care, homemaker and meal preparation services, transportation, and day facilities financed in bits and pieces by a conglomeration of Federal and State programs.

It is clear that the Older Americans Act has played a role, and should continue to play a role, in the development of these services. They are called for now in title 3, section 302(E) as "services designed to assist older persons in avoiding institutionalization, including preinstitutionalization evaluation and screening, and home health services."

Another important theme sounded in the Older Americans Act is the objective of "retirement in health, honor, dignity," section 101(6) and "freedom, independence, and the free exercise of individual initiative in planning and managing—lives," section 101(10).

But clearly the resources of the Older Americans Act fall far short of apparent need. Its programs can facilitate progress, but they cannot do it all.

One great need is to combine funding sources to fashion flexible programs, capable of responding to changing needs. As there is no Federal funding source directed specifically at long-term care programs, including both institutional and community-based care, pieces of at least four major funding sources—medicare, medicaid, the title 20 social services program under the Social Security Act, and the Older Americans Act, each with their own approaches and eligible populations—must be drawn upon. This has caused severe fragmentation and confusion which makes it particularly difficult for States and communities to fashion flexible programs.

Any community-based system of support must make available both health and social services, and these services must be integrated into a single, comprehensive system. Currently, the major sources of funding for all long-term care, medicare and medicaid, are structured in such a way to present a strong institutional bias toward long-term support.

Virtually all States are turning their attention to these problems, but it is not at all clear that State financial resources are now, nor ever will be, able to meet the needs. I believe that our hearings have made it clear that we must rely on the State to continue the work they have done in the development of methods of service delivery, but fundamental changes in policy can only come about through increased Federal financing and a basic restructuring of our current approaches to financing a broadly defined long-term care.

We are all well enough aware of the grave problems we will face as a society unless this fundamental restructuring does come about, and I believe it will.

I have received assurances from the Department of Health, Education, and Welfare that a concerted effort will be made by the Health Care Financing Administration in coming months to advance major structural reforms and promote and test the development of alternative systems of service delivery.

The work to be done includes major challenges, I think, for the Older Americans Act and the aging network associated with that act.

If authorized for another 3 years, as seems likely, the Older Americans Act could perform a vital role in what could become a transition period leading to lessened dependence upon institutional care and the development of genuine, community-based care and support systems with special emphasis on care in the home or in group settings during the day.

Many experiments along these lines are already taking place under the Older Americans Act, sometimes tapping other funding sources. Other experiments are contemplated. If all of these pilot efforts are to lead anywhere, we have to think more clearly in terms of national strategies for national purposes. At a minimum, a deeper involvement by all of the aging network in speeding up this process is called for.

The Older Americans Act has demonstrated the value of flexible, multipurpose funding, allowing design of programs to meet individual needs in a way that is not currently achievable in the funding sources. A short-term goal should be a full coordination of the services which already exist into a comprehensive system, and State and area agencies on aging are in a unique position to be able to further this task. In some States, for instance, greater flexibility has been achieved by promising mergers of State title 20 funds with Older Americans Act funds, under the direction and control of area agencies on aging.

I would encourage State units on aging to work more closely with other appropriate State agencies to seek to develop means for more efficient unified funding for long-term care from sources such as title 20 and medicaid.

I believe the aging network can play a larger role in both further refinement and sophistication of techniques for community coordination and development of services, health and social, and directed research.

We need to more fully identify our manpower needs. We need to identify new ways to use the resources which are already available to us—such as how to best involve older American employment and volunteer programs to provide services to other elderly. The role of the family in continuing support of functionally dependent older members has not been adequately documented or explored. Recent studies have indicated that as much as 80 percent of the care now being received is provided by family and friends. We need to search for ways to provide support for those who are already struggling to provide care to elderly family members.

The Administration on Aging can provide technical assistance to States and can provide the badly needed "seed money" to begin new, innovative programs.

An excellent example of the far-reaching effect of this "seed money" approach is a very innovative program in adult day health services in San Francisco, On Lok, which has been primarily supported by Administration on Aging model project funds during its short life—but during this time it has played a major role in convincing the State of California to enact legislation to make adult day care a medical benefit, and is now negotiating with the Health Care Financing Administration for further development of the program into a "geriatric HMO," or health maintenance organization for the elderly.

I am not sure if we are ready to decide whether this aging network should assume major responsibility for health planning for funding health services for the elderly, but we can increase the network's involvement in this process.

I would encourage area agencies on aging to work toward joint planning processes with health systems agencies in planning for the long-term health needs of the elderly within their jurisdictions, as well as to form stronger alliances with State and county health departments.

At the Federal level, the Administration on Aging should seek to involve itself fully in the policy decisions which will be made over the next 2 years by the Health Care Financing Administration and the Public Health Service.

The aging network also has a large role to play in seeking to establish appropriate preventive health programs and to determine the long-range effect of such programs as health screening, nutrition education, and early in-home support services on chronic disabling conditions and institutionalization and hospitalization rates.

I would also urge the aging network to seek to involve local private, nonprofit groups in financing and operating all modes of support services. The experience of the section 202 congregate housing program for the elderly and handicapped has provided a good example of the effectiveness of providing low-interest construction loans to nonprofit sponsors of housing for the elderly, and I would like to see more involvement by such nonprofit groups in the provision of home health, day health, and in-home services.

Major legislative changes in the Older Americans Act are probably not needed to pursue such objectives, but I make the following recommendations in order to more clearly delineate the role of the Older Americans Act in the development of a comprehensive long-term care system:

First. In order to express the sense of the Congress that a desirable goal in all long-term care for chronically disabled elderly is the provision of a choice in supported living arrangements, I recommend that the words "a choice in supported living arrangements and" be inserted immediately after the words "which provide" in section 101(8), the declaration of objectives.

Second. Require the Commissioner on Aging to develop planning linkages with local health planning systems to insure that the development of community alternatives are given priority attention in the health planning process.

Third. Require that the Commissioner on Aging, or his designee, participate in all interdepartmental activities which address issues of institutional and noninstitutional long-term care service development for the elderly and that the Commissioner, with the Health Care Financing Administration, be required to develop an interdepartmental plan for standards development and coordination of in-home support services such as home health, homemaker, and personal care services for the elderly.

Fourth. In order to involve fully the aging network in the development of long-term care policy issues, require the Commissioner on Aging to review and approve all regulations regarding community health and social service development for the elderly issued by the Department of Health, Education, and Welfare.

Fifth. Require the Commissioner on Aging, in coordination with the Public Health Service and other appropriate agencies, to provide technical assistance to States for the development of innovative community programs such as adult day health centers and programs with the goal of early detection and prevention of chronic disabling conditions among the elderly.

Sixth. Require the Commissioner on Aging, in coordination with appropriate agencies and departments, to make available to States technical assistance materials on coordinating mechanisms for the provision of appropriate services in a unified long-term care system.

Seventh. As part of the preparation for the proposed White House Conference on Aging in 1981, request the Federal Council on the Aging, with the Commissioner on Aging, to make a full assessment of the adequacy of current manpower supplies in noninstitutional long-term care, the adequacy of current programs, and recommend to Congress, within 2 years, goals to be met in manpower and program development.●

NHTSA AIR BRAKE STANDARD

● Mr. KENNEDY. Mr. President, I would like to take this opportunity to commend Secretary of Transportation Brock Adams for his recent decisions concerning the Federal motor vehicle safety standard 121. By instructing the Bureau of Motor Carrier Safety to enforce this air brake standard on the drive axles of all truck tractors, and in his request that the National Highway Traffic Safety Administration consider a moratorium of the air brake on truck trailers, Mr. Adams has demonstrated his continuing concern for the need of improving the safety of the Nation's truck drivers.

The concept behind the 121 air brake system is an admirable one. It is necessary that trucks be equipped with stronger brakes that enable them to stop more quickly, under all conditions, without wheel lockup. The need for surer brakes is particularly relevant as Congress considers new truck size and weight limits. So far, however, technical and manufacturing difficulties involving the antilock device and distribution of its components have caused the benefits accruing from this safety regulation to fall short of expectations.

In light of these reliability and maintenance problems which many drivers are experiencing, I am hopeful that the efforts of NHTSA Administrator Joan Claybrook and the Administration's brake task force will be able to correct any malfunctions or inconsistencies within the system during this period.

I disagree with those who argue that a possible moratorium may serve as an excuse to phase out this regulation, or signify a lack of concern for truck safety. Rather, I agree with Secretary Adams that such a moratorium will permit a more thorough and exhaustive testing of the state of the art, resulting in the eventual implementation of a more effective antilock air brake safety standard. I ask unanimous consent that the press release by Secretary Adams on February 15, 1978, be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

REMARKS BY SECRETARY BROCK ADAMS

I am instructing the Bureau of Motor Carrier Safety to enforce air brake standard 121 on the drive axles of all truck tractors.

In addition, because of questions that have been raised regarding reliability and maintenance problems with these brakes, I am also instructing the National Highway Traffic Safety Administration to issue a notice of proposed rulemaking that would put a moratorium on the air brake standard for truck trailers.

The moratorium does not mean we have any less concern for truck safety. And we are confident that anti-skid, anti-lock air brakes will eventually be a viable part of the tractor-trailer system.

But it has become clear to me in my first year that the government has to be responsible not only for setting regulations, but also for the way in which these safety standards are implemented.

In this case, we have heard complaints about the ability of drivers to adjust to the feel of the new anti-lock brakes. We want to help the driver make the transition to these brakes without total dependence on the anti-lock feature of the system.

We also need some time to train mechanics to repair the brake system and to allow the industry to set up a distribution system for spare parts.

To make sure this safety regulation does what it is supposed to do, we will be calling on the trucking industry to join the Department in a demonstration program that will give us final evidence of the effectiveness of the anti-lock standard.●

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. May we close morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I understand that nominations on the executive calendar following New Reports have all been cleared on both sides of the aisle, with one exception, that being calendar order No. 60, message No. 77. I, therefore, ask unanimous consent that the Senate proceed to the consideration of all cleared nominations, following New Reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF STATE, U.S. ARMS CONTROL AND DISARMAMENT AGENCY, AND THE BOARD FOR INTERNATIONAL BROADCASTING

The legislative clerk proceeded to read sundry nominations in the Department of State, the U.S. Arms Control and Disarmament Agency, and the Board for International Broadcasting.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations following New Reports, with that one exception, Calendar Order No. 60, Message No. 77, be considered and confirmed en bloc.

Mr. STEVENS. Reserving the right to object, and I will not object, it is my understanding that the majority leader's statement is correct.

The PRESIDING OFFICER. Does the Senator from Alaska reserve his right to object?

Mr. STEVENS. Yes. There is but one nomination, that is Calendar Order 60, that would not be cleared, and the Senator is starting from New Reports.

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. I do not object.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it may be in order to move to reconsider the vote en bloc by which the nominees were confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make that motion.

Mr. STEVENS. I move to lay that on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Nominations confirmed today are printed at the conclusion of Senate proceedings.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, in executive session, stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 6:16 p.m., the Senate, in executive session, took a recess until tomorrow, Thursday, March 2, 1978, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 1, 1978:

DEPARTMENT OF STATE

Alice Stone Ilchman, of Massachusetts, to be an Assistant Secretary of State, vice Joseph D. Duffey.

INTERNATIONAL COMMUNICATION AGENCY

Alice Stone Ilchman, of Massachusetts, to be an Associate Director of the International Communication Agency (new position).

DEPARTMENT OF JUSTICE

Joan F. Kessler, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin for the term of 4 years, vice William J. Mulligan.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of Chapter 837, Title 10, United States Code:

To be major general

Brig. Gen. Thomas A. Diab, [redacted], Air Force Reserve.

Brig. Gen. Edward Dillon, [redacted] Air Force Reserve.

Brig. Gen. Rex A. Hadley, [redacted], Air Force Reserve.

Brig. Gen. John E. Lacy, [redacted] Air Force Reserve.

Brig. Gen. Robert M. Martin, Jr., [redacted], Air Force Reserve.

Brig. Gen. David L. Stanford, [redacted], Air Force Reserve.

Brig. Gen. Thoralf T. Thielen, [redacted], Air Force Reserve.

To be brigadier general

Col. William A. Anders, [redacted], Air Force Reserve.

Col. S. T. Ayers, [redacted] Air Force Reserve.

Col. Robert V. Clements, [redacted], Air Force Reserve.

Col. James J. Feeney, [redacted], Air Force Reserve.

Col. Donald M. Jenkins, [redacted] Air Force Reserve.

Col. Charles E. Jones III, [redacted], Air Force Reserve.

Col. Paul W. Kadlec, [redacted], Air Force Reserve.

Col. Donald A. McGann, [redacted], Air Force Reserve.

Col. Donald T. Schweitzer, [redacted], Air Force Reserve.

Col. James W. Taylor, [redacted], Air Force Reserve.

Col. Richard A. Wegner, [redacted], Air Force Reserve.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 1, 1978:

DEPARTMENT OF STATE

Arthur T. Tienken, of Virginia, a Foreign Service officer of class 1, now Ambassador Extraordinary and Plenipotentiary of the United States, of America to the Gabonese Republic, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of Sao Tome and Principe.

Thomas J. Corcoran, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

David T. Schneider, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

W. Howard Wriggins, of New York, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sri Lanka, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

Herman J. Cohen, of New York, a Foreign Service officer of class 1, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to The Gambia.

Robert J. McCloskey, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

John P. Condon, of Oklahoma, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominion of Fiji.

Galen L. Stone, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

Alan Carter, of the District of Columbia, a Foreign Service information officer of class 1, for promotion to the class of Career Minister for Information.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The following-named persons to be members of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency:

Harold Melvin Agnew, of New Mexico.
McGeorge Bundy, of New York.
Bert Thomas Combs, of Kentucky.
Paul Mead Doty, of Massachusetts.

Douglas A. Fraser, of Michigan.
Harry Arthur Huge, of Virginia.
Joseph Lane Kirkland, of the District of Columbia.
Arthur B. Krim, of New York.
Wolfgang Kurt Hermann Panofsky, of California.
Brent Scowcroft, of the District of Columbia.
Margaret Bush Wilson, of Missouri.
Lawrence Owen Cooper, Sr., of Mississippi, to be a member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency.

BOARD FOR INTERNATIONAL BROADCASTING

The following-named persons to be members of the Board for International Broadcasting for the terms indicated:
Rita E. Hauser, of New York, for a term expiring April 28, 1980.
Frank Markoe, Jr., of New Jersey, for a term expiring May 20, 1980.
The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE FOREIGN SERVICE

Foreign Service nominations beginning Robert L. Chatten, to be a Foreign Service information officer of class 1, and ending Charles David Noziglia, to be a Foreign Service information officer of class 7, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 6, 1978.

EXTENSIONS OF REMARKS

U.S. AID TO LAOS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. YOUNG of Florida. Mr. Speaker, during the last session, this body took a strong stand in opposition to spending American tax dollars in countries like Vietnam and Laos. However, you may recall that while we did close the door to providing direct assistance to these repressive regimes, unfortunately the back door was left wide open. Through multilateral institutions, like the World Bank and the United Nations Development Program, American tax dollars are continuing to flow to these countries. As an example, from 1977 through 1981, the United Nations Development Program plans to spend $17.7 million for Laos. In addition, the International Development Association (IDA) on January 5 signed an $8.2 million soft loan with Laos. IDA is also considering a second soft loan for about $9 million for water projects in Laos.

Since American tax dollars are in fact reaching Communist Laos indirectly, it is extremely important that we take a good close look at where some of our money is going and why. A recent issue of Time magazine provides an interesting and thought provoking look at the current Laos regime and some of its internal policies. I hope my colleagues will take time to read the following February 20 Time magazine story on the present state of affairs in Laos:

THORNS APPEAR IN LOTUS LAND

THE PATHET LAO BUILDS A HARSH NEW WORLD

For centuries Laos was a sleepy country of rice fields, water buffaloes and a notably pacific people who seemed to find little to fault in their fertile lotus land. But two decades of civil war and three years of Communist rule have taken the bloom off. Under the Puritan discipline of the Pathet Lao, who seized control in 1975, the gentle life of the Laotians has undergone a harsh transformation.

Nowhere is this more evident than in Phong Saly province, a remote region that juts into southern China. There, the Pathet Lao have set up prison camps for "enemies of the state" that seem like something out of Solzhenitsyn: their heavy log walls are covered with barbed wire and bordered with sharp bamboo stakes; beyond, there is nothing but dense jungle and forbidding mountains. "You can try to escape," the guards taunt their charges, "but we'll have you back here within seven days."

This jungle Siberia is the maximum-security wing of a detention system that may give Laos the sad distinction of having more political prisoners per capita than any other country. By the regime's own reckoning 40,000 Laotians (out of a population of 3.4 million) have been herded off to "re-education camps." Most of them are former army officers and "rightist" officials linked with the old pro-U.S. government, and, at least in theory, they can look forward to release after they have learned their lessons.

But the regime's figures do not include 12,000 unfortunates who have been packed off to Phong Saly. There, no pretense at re-education is made. As one high Pathet Lao official told Australian journalist John Everingham, who himself spent eight days in a Lao prison last year, "No one ever returns."

Those who wind up in Phong Saly are accused of specific crimes, although the charges may be as vague as being a "spy" or a "reactionary." Since Pathet Lao soldiers have been given blanket permission to charge just about anyone and no trials are necessary, many Laotians have been banished to Phong Saly for little reason. Among others sent to the camps: Khong Khetsakhorn, a machinery operator whose crime was to have worked on USAID construction projects, and Ut Philaphandeth, a scion of an important Laotian business family, who was accused of harboring "a nest of spies."

The only prisoners known to have walked away from Phong Saly are five of a group of 15 Thai nationals released from Laotian jails last month as a gesture of reconciliation. They tell a grim tale of forced labor, undernourishment and disease. Said one: "We were so thin, so hungry that we even tried to roast toads. We pleaded for medicine, but the doctor wouldn't give us any. We thought we would die." Others told of three prisoners thrown into tiger cages for having killed and eaten a guard's dog; one Thai claimed that disease had killed at least 10% of the 600 or so inmates at his camp.

The Pathet Lao's plans for Phong Saly appear to be patterned on what the Vietnamese Communists euphemistically call a "new economic zone," a remote area where primitive agriculture can absorb a large population of political exiles who are there to stay. Inmates in other parts of the Lao gulag may also be sinking some unwanted permanent roots. Many who were shipped off to re-education centers two years ago are still there, and some prisoners' wives have been warned to pack up and join their husbands if they ever want to see them again. The Pathet Lao's reluctance to let its captives go is understandable: of 16 prisoners released from the Vieng Sai re-education camps in 1976, more than half eventually fled across the Mekong River into Thailand.●

ESTONIAN INDEPENDENCE DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

● Mr. FARY. Mr. Speaker, on February 24, Estonian Americans celebrated the 60th anniversary of the establishment of the independent State of Estonia. It is a shame that those in Estonia cannot also celebrate that joyous occasion. They cannot because the Republic of Estonia is now the Soviet Socialist Republic of Estonia, or in other words, it has ceased being an independent, sovereign nation.

In 1940, the small nation of Estonia was overrun by the Soviet Red Army on its sweep westward in the early stages of World War II. The Soviets, despite their arguments to the contrary, have since 1940, systematically engaged in outright repressive acts to destroy the spirit of Estonian nationalism. However, these brave people have never given up their desire for national independence and to be rid of those foreign powers who seek economic and political advantages at their expense.

Thousands of Estonians were forced to flee their homeland and scattered all over the world, many to the United States. They cry out for help on behalf of their brothers and sisters in Estonia who can do nothing for fear of Soviet reprisals against them or their loved ones.

Mr. Speaker, the Soviets have, for many years, thrown around catchy phrases like "self-determination," "independence," and "freedom." But that is all they are—only phrases, with little or no real meaning. How can the Soviets say they believe in national self-determination when they systematically repress any and all forms of Estonian nationalism? How can they speak of independence when it was the Soviet Red Army in 1940, who encroached upon the sovereignty of the independent Republic of Estonia and relegated it to the status of a union-republic of the Soviet Union? And how can the Soviets speak of freedom, the most precious of all political ideals, when their whole Communist system relies on the systematic elimination of all forms of opposition? Dissent is simply not tolerated.

I firmly believe that the United States must continue its full and uncompromising support for the principles of the sovereign rights of a people to a free choice of the type of government they wish to live under. The Final Act of the 35-nation European Conference on Cooperation and Security, signed in Helsinki in 1975, deals explicitly with those sovereign rights which the Soviet Union continues to violate in Estonia and elsewhere, even though they were signatories to the Helsinki agreement.

Should the Soviets and their Communist allies continue to disregard hu-

man rights, then it is the duty of all free and democratic nations to assert their opposition to these policies and to lend moral support to Estonians and others who suffer similar injustices.

On this special day, I would like to join my colleagues in praying for the people of Estonia still struggling against their Soviet oppressors and hope that one day soon, they will regain the independence they long for.●

WE CAN USE SOLAR ENERGY NOW

HON. STEPHAN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. NEAL. Mr. Speaker, solar energy has more than a future. It is viable in the present as well. Mr. Denis Hayes, a senior researcher at Worldwatch Institute, eloquently makes the case for solar energy in today's world in his on-the-mark article, "We Can Use Solar Energy Now," which appeared in the Outlook section of the Washington Post, Sunday, February 26, 1978.

As Mr. Hayes points out—

Every essential technological ingredient for a commercial solar energy system has existed for more than a decade.

The only other vital element in the solar brew is money. A modest financial assist could boost solar energy into direct competition with today's energy market. If we could offer the average homeowner or small businessman easily obtainable financing "on terms at least as attractive as those available to utilities to invest in centralized energy sources," we could be well on the way toward successfully commercializing solar energy.

Last year, I introduced a bill to do just that. As the article explains, the Solar Energy Development Bank Act (H.R. 7200) would provide long-term (30 years), low-interest (3 percent) loans for the purchase and installation of solar equipment. The Bank would be capitalized at $5 billion. Since it was introduced, the bill has attracted a broad spectrum of support, from consumer and environmental groups to business and labor organizations.

It is true that solar has offered us little thus far in the way of electricity.

But—

According to Mr. Hayes—

a recent U.N. report concluded that solar cells would become cheaper than nuclear power if they received a total investment of $1 billion—less than the cost of just one large nuclear power plant.

(This is a fraction of the amount the Federal Government has spent to increase the production of oil and natural gas. A recent GAO report places that figure at over $80 billion since 1950.)

I do not advocate the dismissal of nuclear energy or fossil fuels. The point Mr. Hayes makes is that solar energy should be given equivalent financial support. As fossil fuels become increasingly more expensive, solar energy will become even more attractive. It seems only right that we take notice of what we can do right now with solar energy. To that end, I direct my colleagues' attention to Mr. Hayes' article which was reprinted in yesterday's RECORD (p. 5082).●

LITHUANIAN INDEPENDENCE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

● Mr. HYDE Mr. Speaker, at a rcent meeting of Lithuanian-Americans in Cicero, Ill., the assemblage passed the following resolution, the text of which I would like to share with my colleagues at this time:

RESOLUTION

We, Lithuanian-Americans of the town of Cicero, Illinois, at a meeting held on February 19, 1978 commemorating the 60th anniversary of the reestablishment of the independent state of Lithuania on February 16, 1918, and the 727th anniversary of the formation of the Lithuanian Kingdom in 1251, send our warmest greetings to the people of the Soviet-occupied Lithuania and pledge our unwavering support for the restoration of Lithuania's sovereignty and unanimously adopt the following resolution.

Whereas in 1918 the independent state of Lithuania was reestablished by the free exercise of the right of self-determination by the Lithuanian people; and

Whereas in the Peace Treaty of July 12, 1920 Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all rights and claims by Russia over Lithuanian soil and her people; and

Whereas in 1940 Lithuania was sovereign nation, a member of the League of Nations and a signatore of numerous international treaties with the Soviet Union; and

Whereas the Soviet Union during June 15–17, 1940 invaded and occupied Lithuania, and subsequently, forcibly annexed the Lithuanian Nation into the Soviet Union; and

Whereas the Soviet Union continues to conduct a policy of colonization, Russification, ethnic dilution and religious and political persecution; and

Whereas the people of Lithuania to this day are risking and sacrificing their lives in defiance of the Soviet regime as most recently an untold number of Lithuanian and Russian dissidents have been arrested and imprisoned for the publication or dissemination of "The Chronicle of the Lithuanian Church";

Whereas the United States Government maintains diplomatic relations with the government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union; and

Whereas the 89th U.S. Congress unanimously passed House Concurring Resolution 416 urging the President to raise the question of the Baltic Nations status at the United Nations and other international forums; now therefore be it

Resolved, that we, Lithuanian-Americans will urge our represntatives in Congress to sponsor and adopt the sense of a number of resolutions which have been recently introduced calling for "Full Freedom and Independence for the Baltic States"; and further

Resolved, that copies of this resolution be forwarded to the President of the United States, the United States Secretary of State, the United States Senators, members of the House of Representatives, the Lithuanian Minister in Washington, D.C., the Lithuanian Consuls in New York City and Chicago, and the press.●

LOUISVILLE RISES IN TIME OF NEED

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. MAZZOLI. Mr. Speaker, this year's extreme winter weather has caused great hardships for many people across the country. The citizens of my district did not escape these hardships. Many were stranded on icy roads, or found themselves marooned without heat, food, and other necessities for long periods of time.

However, in the midst of the snow, ice, turmoil, and confusion, many groups of individuals rose to the occasion. They donated their time and efforts to helping those hit hardest by the severe winter crisis.

I regret that space does not allow me to name all the fine persons and worthy groups who contributed so much to assist those around them in need.

However, I would like to take this opportunity to name just a few who worked in cooperation with the Louisville-Jefferson County Department of Civil Preparedness: the Louisville Crisis Center, the Louisville Community Action Commission, the Civil Air Patrol, Dare to Care, the Old Kentucky Home Council of Boy Scouts, the Civil Preparedness Rescue Department, the Louisville Chapter of the American Red Cross, the Salvation Army, Metro React, the Volunteers of America, the Louisville Police Department, the Jefferson County Police Department, the Jefferson County Department of Emergency Medical Services, the Louisville Department of Emergency Medical Services, the Louisville Fire Department, the Louisville Sanitation Department, the Louisville Department of Public Works, the Jefferson County Works Department, the Louisville-Jefferson County Traffic Engineering Department, the Metropolitan Department of Parks and Recreation, the 431st Medical Detachment Helicopter Ambulance, and the Kentucky National Guard.

To these agencies and to the Department of Civil Preparedness which gave such fine service to our community, to the grocery stores which donated food to the needy, to the schools and churches which provided shelter, and to the individuals who shoveled sidewalks and ran errands for the elderly and handicapped, I extend my heartiest congratulations on a job well done and thanks in behalf of the entire city of Louisville.

I am honored and greatly proud to represent a community where love, compassion, and a sense of community togetherness still prevails.●

UNITED STATES TO VIETNAM THROUGH INDIA

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. YOUNG of Florida. Mr. Speaker, the new government of India has been reported to have agreed to provide aid to Vietnam. This is very interesting especially when we consider how much U.S. aid is going to India directly and indirectly. Through fiscal year 1978, it is estimated that India will have received a total of $5.8 billion in U.S. bilateral aid. In addition, during this same time period, the multilateral institutions (World Bank, United Nations, and so forth) to which we are the largest contributor, have given a total of $7 billion in assistance to India. Very shortly the United States Agency for International Development (AID) will be asking to reprogram $60 million of fiscal year 1978 funds to begin a new bilateral development assistance program in India. AID intends to follow this up with a fiscal year 1979 program of an additional $90 million for India. These are American tax dollars supposedly being provided to India for the purpose of helping the "poorest of the poor."

But wait. Now, India is turning right around and providing $33.3 million in credits to Vietnam for development of their railroads, agriculture, and livestock. Since India is able to use its resources to provide aid to Vietnam, why is it that India needs so much assistance from us? We are constantly being told that India must have our help and that our assistance is going directly to the really poor and disadvantaged. Yet India can afford to purchase military weapons from a number of nations including the Soviet Union, develop a nuclear capability, and now is going to provide aid to Communist Vietnam. India certainly has a strange way of taking care of its own "poorest of the poor."

The following news article appeared in the February 14 issue of the Christian Science Monitor outlining the aid India wants to provide Vietnam. Tomorrow, I will be submitting another set of remarks on this interesting relationship between India, Vietnam and the American taxpayers:

[From the Christian Science Monitor, Feb. 14, 1978]

INDIA PROVIDES VIETNAM WITH RECONSTRUCTION CREDITS

(By Mohan Ram)

India, eager to cultivate Vietnam as an ally, is going all out to help in its economic reconstruction.

The government of Prime Minister Morarji Desai has agreed to give Vietnam a long-term loan for the purchase of Indian rolling stock and equipment for the severely damaged Vietnamese railway system. The line of credit—300 million rupees ($33.3 million)—will be through the Indian banking system and also will finance other priorities indicated by Vietnam, like agriculture and livestock development.

Although Vietnam has proposed priorities entailing Indian credits totaling 1.8 billion rupees ($200 million), foreign exchange is a constraint for India. So the visit by Indian Junior Foreign Minister Samrendra Kundu to Hanoi ending Feb. 8 resulted in the more modest credit, but the gesture was still welcomed with warmth.

Mr. Kundu's visit was mainly to prepare for the projected visit to India of Vietnamese Prime Minister Pham Van Dong later this year when formal agreements on cooperation in trade, science and technology, and agricultural research are supposed to be signed.

While India may not be able to extend large-scale or long-term foreign-exchange credits, it can provide vital technical expertise to Vietnam in projects to be financed by the World Bank and the Asian Development Bank. And Vietnam might rather seek technical aid from nonaligned India than from the Soviet Union, analysts here think. Indeed, this trend was clear even when the pro-Soviet government of former Prime Minister Indira Gandhi ruled India.

Like its predecessor, the Desai government continues to regard Vietnam as potentially the most important power in Southeast Asia and a crucial factor in Chinese-Soviet relations.

As the dominant power in South Asia, India wants to find a new relationship with Southeast Asia. It also is trying to build strong economic links with Laos. So far, however, it has made little headway with the only other Communist country in the region—Cambodia.

A delegation of Indian private investors has visited Vietnam to find what it considered an excellent investment climate.●

AN EXTRA THANKS TO THE NAVAL RESEARCH LAB FROM THE CITIZENS OF JOHNSTOWN

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. MURTHA. Mr. Speaker, last month on a tour of the Naval Research Laboratory in Washington, I became aware of another example of tremendous service given by individual citizens during last summer's disastrous flooding in central Pennsylvania.

Immediately after the flooding, the lab's volunteer amateur radio club set up emergency communications centers to help the area outside the flooded communities keep in touch.

Twenty-five members of the station—W3NKF—devoted several hundred hours of their time and effort, beginning on July 20 and maintaining the station operation about 18 hours a day until July 30. Altogether the station handled more than 130 messages during the flood crisis.

Deserving of special mention are the club president, Dave Phillips, who along with John Pich and Bill Robey went to the Johnstown area and helped maintain communications at the command center in Ebensburg until the primary emergency was over.

I certainly want to add my praise to these efforts. The best praise, however, was summed up in a letter written to the lab from an area resident who had a mother and sister in the flooded area. The woman wrote, "There is no greater service or worthwhile endeavor than to aid people during hardships and pains of life. Your service did everything possible to aid me during such a trying separation between family members and the home I love."●

TAX TREATMENT ON HIGHER EDUCATION

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. AMBRO. Mr. Speaker, I would like to bring to the attention of my colleagues my testimony given before the Committee on Ways and Means last week during their hearings on the tax treatment of soaring expenses for higher education:

STATEMENT OF HON. JEROME A. AMBRO

Mr. Chairman, Members of this Committee: I appreciate the invitation to testify before this Committee on the tax treatment of education expenses, and I commend the Committe for considering all the possible alternatives to provide relief to parents educating their children, and taxpayers reeducating themselves for new careers. The rapidly escalating costs of a college education have made these individuals desperate for assistance.

Today I can speak for my constituents and from first-hand experience—I have three children attending colleges and universities. We all know that the tuition costs for all types of institutions of higher learning have skyrocketed in the last few years, especially for those in private schools. Public colleges and universities are already heavily supported by public funds as well they should be, but too often private colleges receive almost no help from federal and state governments. There are excellent programs to aid students whose families earn less than $15,000 per year, but the families hardest hit by educational costs are the middle-income families. These individuals and their children find it increasingly difficult to pay tuition, buy books, afford activity and laboratory fees, and still carry on a normal life, meeting normal expenses—federal, state and local taxes, utility bills, mortgage payments, transportation costs, and buying groceries. These families are considered too "wealthy" to qualify for the programs presently available to students, but they are rapidly reaching the point that they simply cannot send a child to college and continue to provide adequately for themselves and the remainder of their family. When an individual has two or three attending college at the same time, the cost is crippling. The breadwinner may work two or even three jobs with the spouse seeking employment as well. It seems to me that while we give lip service to the fact that these young people are the future of our country, we do little to draw out their full potential. A country needs computer programmers, plumbers, carpenters, and clerks, but it also needs teachers, lawyers, engineers and librarians. Without some sort of relief our middle and upper middle class citizens will have to relinquish their aspirations, and the nation will be denied their potential. Any position requiring a college or university education will be limited to children of the wealthy or the subsidized poor.

A direct form of aid for the average American in meeting these expenses and ensuring the continued strength of the country is to provide some sort of "tax break" for these families.

To stimulate discussion, I have introduced legislation, on September 29, 1976 and again on January 4, 1977, to permit a tax credit equal to one-half of a student's expenses up to a maximum of $1,500. Research by the Library of Congress indicates that over 35% of the benefit from this type of credit would go to families with incomes between $10,000 and $15,000 and another 32% to families whose incomes are between $15,000 and $25,000—exactly the people hardest hit by inflation, higher taxes, and escalating educational expenses.

Other bills have been introduced to provide relief to families whose members are attending college, but the most commonly mentioned figure of $250 is a mere pittance when expenses for *many* institutions have reached $5,000 per year. These families need substantial relief, not a meaningless gesture. It has reached the point where 95% of those applying for admission to one of the small colleges on Long Island also apply for financial aid. This is not surprising when one considers the fact that Department of Labor statistics cite $21,000 as the family income necessary to even qualify for the label of "middle class" on Long Island.

During consideration of the budget for fiscal year 1978, as we all know, the Congress supported the concept of tuition relief. We should surely take advantage of this tide and provide assistance to the middle-class family before college educations become a privilege limited to the rich.

Furthermore, we should not ignore the possibility of many fine, small institutions being forced to close their doors due to lack of enrollment. Hofstra University, on Long Island, for example, must now allocate a full 10% of its budget to financial aid for students to remain solvent. This represents *double* the amount expended for student aid in the '73–'74 school year.

In testimony before this Committee on July 30, 1975, Robert L. Payton, former President of Hofstra University, said then, that which remains true today and I quote:

"It is not surprising that students are transferring from independent colleges to public colleges to benefit from low tuition, nor is it surprising that State governments are going broke trying to make up the difference.

The primary burden of the costs of higher education has fallen on the middle income family. The shift of students from these families into the public colleges had led to pressure for still further expansion at the same time that the number of vacant seats and classrooms in the private colleges has increased.

It should also be noted that students from upper income families attending low tuition public colleges receive a subsidy of the cost of their education that has the effect of a tax credit. Middle income students attending independent colleges and paying high tuition suffer a tax penalty because they are not now eligible for subsidy, either in the form of a tax credit or a tax deduction."

There are not enough wealthy students to support our educational institutions and I, for one, could not venture to speculate cn what accomplishments in the fields of science or the arts might be lost when these schools are forced to close their doors. This might seem dramatic, but the situation is desperate for our colleges and universities, as well as for our middle-income taxpayers who seek to provide their children and themselves with a satisfying career and a good future.

Thank you for the opportunity to testify in favor of initiating a tax credit for expenses paid for a college education. I urge you to report out legislation to provide a meaningful tax credit for these hard-pressed families.

In addition to prepared testimony, with the Chairman's approval, I also pointed out to the Committee that benefits for veterans under the G.I. Bill were not determined on the basis of what type of school was chosen by the recipient, private, parochial, or public, nor was the income level of the veteran a basis for exclusion from the program. Permitting federal aid for those attending private colleges and universities, regardless of income, is, therefore, not a new concept.

One additional point which needs to be considered is the high rate of loan default, should the President's plan to expand the present system of grants and loans to middle-income students be adopted. The President would like to increase the sum in the loan program by $1.5 billion to $5.5 billion. While this Administration proposal cannot be accurately assessed in terms of real cost, one cannot ignore the high rate of default in the current program. When one considers this default rate along with the initial cost, it is obviously much more expensive than is at first apparent. It may very well be that my approach is, therefore, no more costly but indeed it will surely be more equitable and effective in reaching a far broader range of families.●

FEBRUARY 23 AND 24, 1978

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. EDGAR. Mr. Speaker, on Thursday afternoon, February 23, and on Friday, February 24, I had business that required my presence in Pennsylvania. Therefore, I was unable to vote during those times.

On Thursday afternoon I traveled to Delaware County, Pa., with Dr. Richard S. Page, the head of the Federal Urban Mass Transportation Administration. Dr. Page and I toured public transportation facilities in my congressional district and agreement was reached on an $810,000 construction grant to rehabilitate the public transit terminal at 69th Street, Upper Darby Township.

On Friday Dr. Page and I met with Philadelphia area community groups to discuss neighborhood transit needs. We also met with the Greater Philadelphia Chamber of Commerce.

Later on Friday I attended a conference on the Carter welfare reform proposals. This conference was cosponsored by my office and by Widener College of Chester, Pa.

Had I been in Washington, I would have voted as follows on those votes missed:

THURSDAY, FEBRUARY 23

Rollcall No. 77, H.R. 9214, IMF supplementary financing facility final passage, "yes."

Rollcall No. 78. H.R. 9179, Overseas Private Investment Corporation (OPIC) amendments. To prohibit OPIC loans or guaranties to the National Finance Corporation of Panama without the approval of the House, "no."

Rollcall No. 79. H.R. 9179, OPIC. Too prohibit OPIC involvement in any project to establish or expand production or processing of palm oil, sugar, or citrus crops, "no."

Rollcall No. 80. H.R. 9179, OPIC. Final passage, "yes."

FRIDAY, FEBRUARY 24

Rollcall No. 81. Rule for H.R. 9757, grazing fee moratorium, "yes."

Rollcall No. 82. Rule for H.R. 3377, Wichita Indian Tribe lands, "yes."

Rollcall No. 83. H.R. 9757, grazing fee moratorium. Final passage, "yes."

Rollcall No. 84. H.R. 3377, Wichita Indian Tribe lands. Substitute, "yes."

Rollcall No. 85. H.R. 3377, Wichita Indian Tribe lands. Final passage, "yes."●

NUCLEAR INDUSTRY STUDY REJECTS PURE PLUTONIUM FUEL CYCLE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. BINGHAM. Mr. Speaker, recent press reports have hailed "dramatic breakthroughs" in the development of a "new" nuclear fuel cycle which may provide significant resistance to diversions of weapons-usable nuclear materials. Known as the "Civex Fuel Cycle," the proposal recently put forward by the leading nuclear industry think-tank, the Electric Power Research Institute (EPRI), is a constructive addition to the nuclear fuel cycle reevaluation currently taking place in the United States and abroad. The proposal and the research documents supporting its conclusions represent a rejection of the Barnwell/Clinch River type fuel cycle which would have relied upon pure plutonium fuels. In this sense, the nuclear industry contribution is a major step forward in the nonproliferation debate: Industry planners are finally acknowledging that the use of pure plutonium fuels present unacceptable risks to national and international security.

But while there is merit in the Civex proposal's assumption that current industry plans are unacceptable, it is clear that Civex is not the answer to attaining a safe fuel cycle either. The Civex proposal has numerous technical deficiencies.

Most striking about the Civex proposal however, is its rejection, albeit qualified, of Purex reprocessing. For years nuclear industry representatives have argued that this process—employed by nuclear weapons states in the production of warheads—should be used in the commercial nuclear fuel cycle. This was the primary contention of the backers of the late Clinch River breeder. But the supporting documents which provided the foundation of the Civex proposal are now acknowledging that a Purex/Clinch River-type fuel cycle is a "process directly applicable to weapons production." While in the past, nuclear industry lobbyists have persistently argued that plutonium diversion would be a time-con-

suming process, the new industry study admits that "an inventory of such material could be diverted to produce several nuclear weapons in a short time." This statement, taken with others included in the documentation accommpanying the industry's proposal for a "Civex fuel cycle," seems to provide a wholehearted endorsement of the "timely warning" concept central to the recently-passed nuclear nonproliferation legislation. At the heart of the Civex proposal is the implication that breeder fuel cycles which diminish the warning time available for detection of diversions of sensitive nuclear materials present unacceptable security risks. It is indeed gratifying to see an industry-sponsored proposal finally endorsing this basic tenet of congressional legislation and Carter administration policy.

Another striking aspect of the Civex proposal is that there is very little about it that is "new"; it is simply a variant of "coprocessing" or "spiking" which have been the subject of considerable congressional discussion over the past 2 years including hearings in the House International Relations Committee. But it is noteworthy that one of the most respected nuclear industry research institutes is singing the praises of this process in their sudden rush away from a Barnwell/Clinch River breeder-type fuel cycle. This is an encouraging development for rational policymaking indeed; I welcome the industry's moderation.

Inherent in the Civex process are many problems, however, which must be addressed before such a concept can be considered for widespread use. First, and most important, consideration must be given to how much the "cleaning" of the fuel—even though it will still be spiked with highly radioactive materials—will make the plutonium more accessible to diversion thereby reducing warning times. Second, the deficiencies of a breeder fuel cycle which would still rely upon pure plutonium for reactor startup must be remedied. Little safety is added by using "spiked" fuels if there are to be large quantities of pure plutonium circulating about the globe in commercial transactions for reactor startups. Third, it will be important to examine the implications of such a process upon the disposition of spent fuel. Recent administration efforts to secure foreign spent fuel have been met with skepticism by many in the nuclear industry. Congressional efforts to provide for more adequate safeguards on U.S.-source spent fuel have also been frustrated by some individuals pressing industry position. Apparently, the new industry study has now endorsed our contention that unsafeguarded spent fuel is another proliferation danger which is in need of urgent address.

While the change of direction in industry thinking is encouraging, I for one still have problems with the premises of the recent proposal. Would not reprocessing be prohibitively expensive—especially if the fuel provided is to be so highly irradiated that it will require cumbersome handling procedures? What is the advantage of this new fuel cycle which still relies upon the presence of pure plutonium on the international market for reactor startups? Would not the export of such technology—which would permit nations to develop a cadre of plutonium fuel experts and to construct a massive reprocessing facility—bring nonweapons states unacceptably close to nuclear weapons capability?

The answers to all these questions would seem to argue against the utility of the new process. Furthermore, I remain convinced that this Nation has sufficient uranium reserves—especially with new developments which may permit further reduction in tails assays—to allow us to defer breeder deployment for the remainder of this century, at least. Documents released in support of the Civex study show that the leading nuclear industry think-tank finally endorses this conclusion:

"The U.S. is currently able to defer nonmilitary reprocessing . . . and the breeder. . . . The benefits of all these options in decreasing demands for resources and increased security of supply occur mostly after the year 2000." ●

ACHIEVEMENTS BY YOUTH

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. RODINO. Mr. Speaker, I would like to take this opportunity to call my colleagues' attention to a civic event taking place in my district this week. On Friday, March 3 at Barringer High School, 37 outstanding young athletes will be honored by the football coaches from the eight high schools in the Newark City League. The coaches have planned a banquet to pay tribute to those young men who have demonstrated outstanding athletic achievements in playing high school football and those who have had exceptional academic records while participating in the football program.

The commitment to athletic and academic excellence exhibited by these young men serves as an example to other youngsters coming up in school, and I am happy to join in this tribute.

The all-academic, all-city football team for Newark, 1977 includes: Russell Moses, Michael Ciccicola, Vincent Pace, Kevin West, Isiah Jackson, Francisco Gautreaux, Joseph DiCicco, Daniel Tortorello, Eric Mobley, Steve Waters, George Colman, Joseph Bennett, and Dan Hodges.

The all-city offensive football team for Newark, 1977 includes: Anthony Howard, end; Byron McMillian, end; Andre Tippett, tackle; Israel Richardsons, tackle; Angelo Matos, guard; Lance Byrd, guard; Daniel Tortorello, center; Keith Hunter, quarterback; Richard Alston, back; Reggie Davis, back; Ronnie Felton, back; and Elton Williams, back.

The all-city defensive football team for Newark, 1977 includes: Walter Dawkins, end; Jerome Stewart, end; James Bryson, tackle; Robert Quinn, tackle; Renard Mosley, linebacker; Elton Williams linebacker; Bryon McMillian, cornerback; Steve Waters, cornerback; Emmanuel Carter, safety; and Francisco Gautreaux, safety.●

COMMEMORATION OF THE 60TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF LITHUANIA (FEBRUARY 16, 1978)

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1978

● Mr. STEERS. Mr. Speaker, for many captive nations of the world dominated by the Soviet Union, 1978 is a bittersweet anniversary year. On February 16, 1978, Lithuanian Americans and Lithuanians throughout the world commemorated the 60th anniversary of the Declaration of Indepennence of Lithuania. I would like to join them in this commemoration.

Lithuania, whose history as a unified State can be traced back to the 11th century, enjoyed 22 years as a free nation in the world community until the Soviet takeover in 1940. Although this forcible annexation made Lithuania the 14th Soviet Republic, underground resistance efforts continued into 1953.

Strong in faith and spirit, the Lithuanian people are among the most actively resistant to Soviet efforts to alter the ethnic makeup of the population in their homeland. They continue to protect the integrity of schools, churches, and other social institutions which are in danger of being converted into tools of Soviet subjugation. Mass public demonstrations and subsequent arrests for political and religious reasons reflect the spirit of this once-free nation.

Support of the Lithuanian struggle for personal, political, and religious freedom must go beyond the championing of human rights and mere rhetoric. Lithuania deserves the right of self-determination and the right to retain its identity as a free community. Let us therefore reflect on this 60th anniversary of independence and continue our support for international pressure for the release of Lithuania and the Baltic States from Soviet repression.

On February 19, 1978, I was presented by the Lithuanian American community of Greater Washington the book, "Lithuania: The Outpost of Freedom," autographed by the author, Dr. Constatine R. Jurgela. The following resolutions were presented to be brought to the attention of the President, the Secretary of State, and Members of Congress of the United States:

The United States had never recognized the international crime against peace and humanity perpetrated by the Soviet Union in connivance with Nazi Germany, namely, the seizure and annexation of Estonia, Latvia, and Lithuania. Yet the Government of the United States in the past few years of

illusory detente ignored the Congressional resolutions urging that the Government direct attention at the United Nations and at other appropriate international forums to the denial of self-determination to the Peoples of Estonia, Latvia, and Lithuania. The continuing hostile occupation by the Soviet Union is attended by unspeakable oppression and violations of the human rights, in violation of the peace, nonaggression, definition of aggression treaties concluded by the Soviet Union with the said Baltic States, and the Atlantic Charter and other wartime commitments announced jointly with the Allied Powers, as well as the United Nations Charter, the Genocide Convention and the Helsinki Document. This constitutes the last obstacle to peace and security in Europe.

During the past year the Government of the United States while promoting the cause of human rights, in the President's reports to the Commission on Security and Cooperation in Europe regarding the implementation of the Helsinki Document in various countries, conspicuously omitted the tragic persecution and violations of all human rights perpetrated by the occupying Soviet regimes in captive Lithuania, Latvia and Estonia. The President's reports ignore the hearings by the Congressional Committee and the testimony by qualified Lihuanian and other eye-witnesses with precise information regarding the situation.

Therefore, we urge the Administration to move from a passive policy of nonrecognition and to initiate sustained diplomatic efforts to convince the Government of the Soviet Union that restitution of the sovereignty to Lithuania, Latvia and Estonia would enhance the true interests and security of the Soviet Union itself and the trust in, and respect for, the Soviet Government and its policies, and would constitute a giant stride in creating a structure of stable peace in Europe.

By unanimous vote of the citizens present:
JOHN B. GENYS,
Chairman, Lithuanian American Community of Greater Washington.

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INTERNATIONAL MONETARY FUND SUPPLEMENTARY FINANCING FACILITY

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. DERRICK. Mr. Speaker, during the House debate on H.R. 9214 on February 23, I explained an amendment to the bill that appeared as a committee amendment. I explained that the amendment, which I had introduced at the Banking Committee markup, subjected U.S. participation in the Witteveen Facility to the appropriations process. At that time, I opposed what I believed to to be an amendment which would have required an absolute appropriation in the total amount of whatever funds are provided by the United States under the Witteveen Facility. I stated then that such full appropriations are not necessary and would impose an unreasonable hardship.

I would like to make clear that my opposition to that amendment would have applied equally to the amendment subsequently offered by Mr. ROUSSELOT, if Mr. ROUSSELOT's amendment would necessarily have had the same result. However, the language of the Rousselot amendment leaves open the question of the amount required to be appropriated for U.S. participation in the Witteveen Facility, and I rose in support of his amendment when it was offered on the floor. To the extent Mr. ROUSSELOT shared my purpose of subjecting the Witteveen Facility to the appropriations process, I shared his views and supported his amendment. I do not, however, believe the full amount of U.S. participation in the facility needs to be appropriated nor that Mr. ROUSSELOT's amendment requires that result.●

REPEAL TRUCK FUEL ECONOMY PROGRAM

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. STOCKMAN. Mr. Speaker, it is time to draw the line. In the name of solving the Nation's energy problem, the National Highway Traffic Safety Administration has proposed fuel economy standards for trucks which could cost up to $40 per barrel of crude oil saved. That is right—$40 per barrel or more than three times the current OPEC price.

I am introducing legislation today that would repeal the authority of NHTSA to establish fuel economy standards for light trucks. I believe that this somewhat drastic step is necessary if we are to prevent excessive Government regulation from introducing inefficiencies into our economy as we adjust to an era of higher cost energy supplies.

In light of future supply uncertainties, this Nation needs to make steady improvement in fuel consumption efficiency in all sectors of the economy. And in recent years we have. Since 1970, Btu consumption per dollar of real GNP has declined from 62,400 to 56,100, a 10-percent improvement. Even more rapid improvement is in store for the future as we move from plumbing leaks (insulation in homes, heat recovery systems in industry) to replacement of our present fuel-consuming capital stock of homes, vehicles, and industrial processes with substantially more efficient designs.

But if economic growth and the enhancement of consumer living standards are to continue, we must also insure that conservation programs are cost effective. It does not make sense to charge the economy $40 per barrel to save oil when we can buy it for $13, produce it from shale for perhaps $18, derive it synthetically from coal or biomass sources for perhaps $20 to $25, or obtain all manner of additional energy supplies from solar and other renewable sources at cost equivalents in the same range or lower.

In short, as we move away from the conventional oil era we ought to be guided by the commonsense "rule of essential equivalency": in meeting future needs the choice between additional production or reduced consumption (conservation) should be made on the basis of the least-cost alternative after a full accounting of the costs of production, including environmental protection, and conservation, including reduced performance, have been made. Purely ideological preferences for production against conservation should play no part.

In general, the millions of American energy consumers operating in industrial, household, transportation, and commercial sectors can make this choice effectively because opting for the least cost alternative is in their financial interest as well as the best interest of the Nation. We see ample evidence of this already in the decisions of household consumers to buy more insulation and less heating fuel.

In some instances, of course, consumers will lack necessary information, take an inappropriately short-term view, or face other market imperfections and distortions. In those instances, mandatory Government fuel efficiency standards may be appropriate.

But I seriously doubt that this is the case among truck buyers. A high proportion of those vehicles which would be most affected by the standards (6,500 pounds and up) are used to perform work functions in the business, commercial, and industrial sectors. In these settings, fleet operators and other business users will be just as sensitive to fuel costs as they are to costs of insurance, repairs, and labor. There is therefore no reason to believe that they will not demand cost-effective fuel economy improvements in the years ahead, especially if oil supplies tighten and fuel prices continue to rise.

Unlike passenger autos, trucks are used for a wide variety of purposes, under an enormous range of load, traffic and highway conditions. There is simply no way in which NHTSA can write uniform fleetwide standards which take into account wide variations in the combination of fuel economy, performance, and purchase price which would meet use needs at the lowest total cost.

As a result, the real world consequences of the uniform standards are certain to be highly arbitrary. In the case of low mileage users, for example, there will be an enormous economic loss because fuel savings will not compensate for increased vehicle cost. For users who demand high performance—heavy loads, steep grades, and frequent acceleration—there will be a tendency to upgrade to heavier vehicles in order to offset performance penalties or to lighten loads and increase trip frequency. In either case, fuel economy per unit of work performed is likely to be degraded rather than improved.

It is also clear that whatever their intrafleet effects, the proposed 1981 standards do not even come close to meeting the rule of essential equivalency. NHTSA has made the preposterous argument that the mandated 30-percent improvement in fuel economy can be achieved for only $155 per vehicle, or a 2- to 3-percent increase from the current base price.

At a time when even some of the relatively simple components that may be modified to help meet the standards are

expensive—on one of the more popular 1978 pickup trucks a front bumper costs $50, a rear step bumper $73, an intake manifold $85, a windshield $189, and a hood $201—it strains credulity to imagine that major changes in vehicle weight, drive train, and engine design can be made for only $155 in additional cost.

Any significant alteration in vehicle specifications requires costly changeovers throughout the complex chain of component subassemblers and suppliers. A simple and practical way to reduce weight, for example, is to replace heavy grey iron castings with aluminum in applications such as brake cylinder housings and transmission housings. But obviously grey iron foundries cannot produce aluminum housings, nor can they machine and assemble them with equipment designed to work on grey iron. Both the foundries and the machine tools have to be completely replaced—and the expense recovered through higher charges for the new product.

Because of the inherently costly nature of changes in vehicle design, the President's Council on Wage and Price Stability has indicated that the price increases resulting from the truck fuel economy standards may be as much as eight times NHTSA's estimate—$1,240 per vehicle, not $155. The $40 per barrel cost for fuel savings given above assumes a price increase of only $535; if the average vehicle cost increase should in fact turn out to be $1,240, the cost per barrel would be $104.

In light of these wildly excessive costs and the certainty of severe dislocations among both manufacturers and users, the 60,000 barrel per day of estimated fuel savings seems paltry indeed. It would amount to less than 0.24 percent of projected U.S. oil consumption over the fleet life of the affected vehicles.

Unlike some, I believe that it serves little useful purpose to berate NHTSA for the unworkability of the pending standards. In fact, as a mission-oriented bureacracy it has performed exactly as might be expected: guided by an inherently meaningless statutory test (economic practability) it has sought maximum gasoline savings, letting someone else worry about performance penalties, cost increases, fleet mix changes, manufacturing dislocations and job losses.

This assymetry of consideration cannot be remedied by quibbling over timetables or the level of standards. Mandatory fleetwide standards are an inherently unworkable idea for the truck market. And they are also unnecessary. Strong market forces will push users and manufacturers alike toward steady, cost-effective fuel economy improvements.

So, Mr. Speaker, I say that it is time we recognized that the American consumer knows that it is necessary and useful for him to conserve fuel. He does not need the guiding hand of NHTSA or any other Government agency on his checkbook when purchasing a new truck for his farm or business. By repealing the truck fuel economy standards program we will establish firmly the principle that investments in conservation should be cost-effective in light of the anticipated cost of fuels. And we will also reaffirm our belief in the market system as the best mechanism for insuring that the movement toward conservation in our economy will be cost-effective for every consumer.●

DEREGULATE GAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. COLLINS of Texas. Mr. Speaker, sometimes good news travels in an indirect manner. An excellent editorial was written in the Caledonian Record of St. Johnsbury, Vt., which is 45 miles from the Canadian border. John McClaughry of Concord, Vt. appreciated it and sent it to the Midland Report-Telegram. Gene Wilson in Dallas clipped it out of the Midland paper and sent it to me.

Only one commodity in the United States is under price control and that is oil and gas. Price control has never worked in 5,000 years. Price control is a system where politicians try to gain popularity by artificially placing a price ceiling on a product below its fair market value. The price control on oil and gas has caused severe shortages and has taken America from a country that was self-sufficient a few years ago to where we are now importing half the oil this country is using. We placed price control on oil at $5.25 a barrel in 1972 and then let the Arab OPEC countries today sell us their oil at $14.50 a barrel.

They have got a lot of good sound commonsense up in Vermont. Read the editorial on "Stupid Control" which was taken from the Caledonian-Record of St. Johnsbury, Vt.:

Suppose the Federal government passed a law fixing the price of pulpwood at $20 a cord at the roadside. At the same time the Federal government guaranteed pulp haulers enough payment to pay off their investment in trucks, regardless of how much pulp they actually hauled. And suppose, too, that the remaining pulpwood stumpage in the state was located far from town roads, so that it had to be skidded long distances to the pickup point. What would happen?

Well, leaving aside the probable riot, and sacking of the U.S. Capitol, it is pretty clear what would happen. Very little pulpwood would be cut. There would be a serious pulpwood shortage. Pulpwood hauling charges would sharply increase, since the haulers would be allowed to earn a fixed income even if they made only half as many runs as before.

Suppose, to confront this shortage, the government then made a deal to import Canadian pulpwood at $40 a cord roadside. The mill price would shoot up. Consumers of paper would pay much more. American dollars would be exported to Canada in payment while American loggers and woodlot owners starved.

This ridiculous state of affairs is exactly what American natural gas producers now face. Their wellhead price has been controlled by the Federal government since 1954. It is now $1.45 per thousand cubic feet (MCF) for gas shipped in interstate commerce. The unregulated intrastate price is about $2 MCF. And the results are just what one would expect.

Gas producers will not drill ever-more expensive wells if they are allowed to earn only $1.45 MCF for it, 55 cents below the free market intrastate price. Thus there is a government-created shortage of natural gas.

Meanwhile, consumers are paying far higher unit pipeline charges because the pipelines are authorized to charge enough to amortize their investments, regardless of whether the pipeline is running full or half empty.

And to cope with the shortage of American natural gas at $1.45 MCF, the same government that caused the shortage has made contracts to import natural gas from Canada at $2.16, from Mexico at $2.50, from Algeria at $3.37 and from Indonesia at an incredible $3.59.●

FLOOR STATEMENT FOR INDEPENDENT STATUS BILL

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. AuCOIN. Mr. Speaker, today I have introduced a bill designed to revise the current criteria used for determining the independent and self-supporting status of students who apply for financial aid under title IV of the Higher Education Act of 1965. This bill is necessary because the Department of Health, Education, and Welfare apparently intends to tighten the requirements to gain independent status. Such a move would have a deleterious effect on many thousands of students who much overcome financial barriers in order to obtain a college education.

Since 1969, instruction fees in the Oregon State system of higher education have increased 80 percent—a full 30 percentage points above the consumer price index. Across the country "tuitionflation" has produced generally decreasing enrollments which, in turn, have threatened college and university stability. Between 1969 and 1973, the number of middle-income students in our Nation's colleges and universities declined 20 percent, according to the U.S. Census Bureau. In short, many lower and middle-income students are being priced out of an education.

There has been a dramatic increase in concern among Members of Congress and within the executive branch, about providing assistance to these lower and middle-income students. Several bills have been introduced to provide a tax credit for tuition expenditures. President Carter, in a similar vein, is calling for enlarged Federal grants and loans for students.

However, a more immediate method of removing financial barriers is to assure that the requirements to be met for a student to qualify for financial aid are not tightened unnecessarily. HEW has proposed regulation changes that do not expand the number of students who qualify for financial assistance, but rather, delay and make more difficult the meeting of that qualification.

It is ironic that HEW, whose Secretary recently testified before a special Joint Education Committee on the need for expansion of the Federal Government's grants and loans programs, would turn around and make the receipt of those funds more difficult.

Ironic or not, the proposed HEW regulations pose a serious deterrent to the educational aspirations of many students. My bill will stop those restrictive regulations from taking effect, and will stimulate the development of our greatest natural resource—an educated citizenry.

Federal financial aid is awarded based on student need. The basic assumption is that the student and his or her family should bear the expense of education to the full extent they are able. Student need is determined by subtracting the amount the student and the student's family are determined to be able to contribute toward meeting the expenses of the student from the total anticipated expenses of the student at school. This contribution amount is based on the income and assets of the student and his or her family, and on other demands placed on their resources.

While they do look at the superficial evidence of independence, HEW's criteria do not address what I consider to be the heart of the question: Who makes up the student's family? When does a student's family become an entity separate from that of his or her parents? At what point should we cease to recognize a responsibility on the part of the parents for the daily maintenance and educational expenses of the son or daughter? And when should we no longer use the denial of financial aid to a student as an incentive to the parent to fill the gap?

The basic purpose of student financial aid is to assist all those who face genuine financial barriers to education. In establishing criteria for the allocation of financial aid, it is important to remember that while the past often provides information as to a student's current situation, it is the student's present condition that must be given primary weight.

My bill creates new guidelines that give greater weight to the student's present condition. Specifically, it will:

Allow a student to receive financial assistance from his or her parent up to an amount equal to the Federal income tax dependent deduction;

Allow parents to financially assist their sons and daughters up until 1 academic year before the student receives financial aid. Under HEW's proposals, a student would have to forego parental assistance for an excess of 2 years in order to receive Federal financial assistance:

Prevent a proposed requirement that a student not be claimed as a deduction by his or her parents for 2 calendar years prior to the receipt of financial aid. Under the HEW proposal, a student who had been claimed as a deduction during his or her senior year of high school could become ineligible for financial aid until his or her senior year in college;

Change the residence criteria used to determine independent status. My bill keys residence requirements on the student's maintenance of a separate residence from his or her parents. This is easily verifiable by checking rent receipts. This increase will allow students to spend holidays such as Christmas or Easter at home without suffering the loss of their independent status.

In the eyes of many parents, there is a significant change in relationship with son or daughter when he or she takes a spouse. This event is viewed as marking the end of, or at least a revision of, the parents' responsibility for the maintenance of the son or daughter. My bill recognizes this change, and requires that when independent status reguations are applied to a married student, they apply only to the period since the marriage. This provision recognizes the creation of a new family unit at the time of the marriage, separate, for financial purposes, from the parents.

The final provision recognizes prior emancipated and independent existence on the part of the student. This provision is aimed at the student who, after a prior period of independence, either moves back in with his or her parents, or receives financial assistance in excess of the dependent deduction. This might occur in the case of a person returning from military service, or one who has been recently divorced. Since the parents cannot be considered to be under an obligation to support their grown and independent children, their act of generosity should not generate an expectation that it will automatically continue into the future.

A case in point recently occurred in my district. A woman in her mid-50's was widowed after 30 years of marriage. Following her husband's funeral, this individual returned to her father's home and made plans to complete her college education. After spending several weeks with her father, she contacted the Oregon college of education to inquire about financial aid for her education costs. The college had to inform her she would not qualify as an independent student because she had violated the residence requirement.

It is exactly this type of problem that my bill is designed to address. No one questions the important role that education plays in our society. My bill will help to insure that no one is unnecessarily barred from obtaining this valuable tool.

R.R. 11214

A bill to amend section 411 of the higher Education Act of 1965 with regard to determinations of independent student status, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That subparagraph (C) of section 411(a)(3) of the Higher Education Act of 1965 is amended—

(1) by inserting "(i)" after "(C)";

(2) by striking out the last sentence of such subparagraph and inserting in lieu thereof the following:

"(ii) Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B) and shall—

"(I) not bar a student for eligibility for independent status on the basis of the student's receipt of family assistance if such student has not and will not receive financial assistance from his or her parents or guardians during the calendar year prior to the period for which aid is requested or during such period in an amount greater than the dependent deduction then available for purposes of Federal income taxation;

"(II) consider as relevant to any such eligibility the claiming of an exemption for purposes of such taxation for such student for only the calendar year for which aid is requested and the immediately preceding calendar year;

"(III) determine residency, for the purpose of determining such eligibility, on the basis of the maintenance of a separate residence from any parent or guardian for a minimum of 46 weeks within the 12-month period immediately preceding the period for which aid is requested, and not on the duration of cohabitation with any parent or guardian;

"(IV) in the case of any married student, consider as relevant to such eligibility for any period after commencement of the marriage only the factors stated in clauses (II) and (III) of this subdivision;

"(V) in the case of any student who, on the basis of each of the factors stated in clauses (I), (II), and (III) of this subdivision, would have been eligible for such status in any prior academic year preceding the year for which aid is requested, consider as relevant to such eligibility for such year only the factors stated in clause (II); and

"(VI) not take into consideration the income or assets of parents or guardians in computing the expected family contribution or the effective family income of any student who is determined to be independent of parental support.".

SEC. 2. The Commissioner of Education shall, within 60 days after the date of enactment of this Act, promulgate regulations to implement the amendments made by the first section of this Act and shall concurrently promulgate amendments to make consistent with such amendments any regulations used to determine independent student status under any other program authorized by title IV of the Higher Education Act of 1965.●

RESOLUTION OFFERED FOR ENERGY RESEARCH

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. MOORHEAD of California, Mr. Speaker, the members and the attending board of directors of the Serve Yourself and Multiple Pump Association in Los Angeles, Calif., passed a resolution unanimously on February 7, 1978, which has been brought to my attention and which could be a helpful suggestion in solving the energy crisis. I am happy to share it with my colleagues:

Whereas: the independent gasoline marketer is no longer financially able to install "prototype" vapor recovery equipment which is effective, reliable and adequately tested, and

Whereas: the trade equipment suppliers, to date, have not invested adequate resources to fully develop cost effective vapor recovery hardware due to the limited market potential caused by changing goals and level of requirements by different states,

Now therefore, be it resolved that the EPA should provide adequate financial funding for an aerospace-type research and development laboratory such as Cal Tech, M.I.T., Rockwell, Stanford, or equal, to properly determine cost-effective technology for achieving desired recovery efficiency, to com-

pletely design an integrated system working without the use of energy, to allow vapor to condensate into gasoline, and to develop the requisite hardware and license equipment suppliers to produce the same.●

A SEPARATE TAX DEDUCTION FOR GIFTS TO PUBLIC CHARITY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. FISHER. Mr. Speaker, the propensity of Americans to group together to solve community problems has characterized our approach to providing basic social services from the beginning. In 1835 Alexis de Tocqueville wrote:

Americans of all ages, all stations in life and all type of dispositions are forever forming associations . . . Americans combine to give fetes, found seminaries, build churches, distribute books and send missionaries to the antipodes. Hospitals, prisons and schools take shape that way . . . In every case at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association.

Even today, philanthropy—the private giving of time, money, and labor—plays a far larger role in the United States than in any other country. Estimates are that Americans give $25 billion annually to various causes and organizations and an equal amount in philanthropic volunteer work.

But Government steadily has assumed a larger role in areas once dominated by the private sector. Both Government and the philanthropic association are expressions of the same disposition of people to join together to achieve a common end. In this country these have, for the most part, been complementary expressions. But, an increasingly complex and socially aware society has demanded more in basic social services for health, education, and welfare, and Government has moved to satisfy that demand. When de Tocqueville wrote, schools were generally founded and run by nongovernmental organizations. Now they are largely the province of government. "Charity" was dispensed largely by private nonprofit organizations well into this century; now this function is carried increasingly by Government welfare and social insurance programs.

New areas of activity have emerged for the nonprofit sector. Its concerns have come to include the consumer, the environment, the health of our citizenry, and the drive to insure racial, sexual, and ethnic equality. These changes illustrate an important role for the voluntary community. A report prepared by Wilbur J. Cohen, former Secretary of Health, Education, and Welfare, asserts:

There are critical reasons for maintaining a vital balance of public and private support for human services, not the least of which is the continuing task of innovating in areas where public agencies lack knowledge or are afraid to venture . . . The private sector is adept at innovation and at providing the models government needs.

But the level of contributions to charitable organizations to provide such services is declining at a time when the costs of those services, like all costs, are going up. In 1969, Americans gave 1.98 percent of the gross national product to nonprofit organizations. By 1974 that had fallen to 1.80 percent of GNP, according to estimates prepared by the American Association of Fund Raising Counsel. Historically the bulk of giving in this country has come from households with incomes below $20,000. Yet it is in the income range of $10,000 to $25,000 that giving has fallen off most sharply.

Not only has giving fallen off but it has increasingly become the practice solely of those with higher incomes. There are, of course, many reasons for this decline in giving, ranging from a let-Government-do-it attitude to a weakening of the once firm bond between a citizen and his local charity, be it church or service club. Also many feel Government has acted, perhaps unwittingly, to discourage private giving by those with modest incomes.

Almost since the inception of the Income Tax Code Government has declined to tax income given away to charitable causes. The worthiness of the cause, the absence of personal gain for the donor and the natural overlap of function between the charity and general government have led policymakers to continue to grant a privileged place for contributions to charity. In policy that principle remains, but other changes in the tax law have severely undermined it.

In 1944 taxpayers, for the first time, were permitted to simplify the process of filling out their tax returns by taking a standard deduction instead of listing all of their expenditures otherwise eligible for tax deduction. In 1970, 52 percent of those filing income tax returns took the standard deduction. Increases in the standard deduction brought that percentage to 65 in 1972. By 1977, the figure had risen to 77 percent and the tax proposals recently submitted by the Carter administration are designed to cause 84 out of every 100 individual taxpayers to take the standard deduction.

While this drive toward tax simplification has many virtues it may have unintended negative consequences as well. An obvious one is the decline in charitable contributions particularly from those whose incomes are less than $20,000.

I believe this trend ought to be reversed. Support for the vitality and pluralism of the voluntary sector should be encouraged from everyone. Earlier I introduced, along with my colleague BARBER B. CONABLE, H.R. 11183, designed to permit taxpayers who elect the standard deduction to deduct also contributions to charitable organizations.

This proposal was a primary recommendation of the Commission on Private Philanthropy and Public Needs. The Commission, established in November 1973, and headed by John H. Filer, chairman of Aetna Life & Casualty, undertook an exhaustive study of the role of private philanthropy in our society. It had been encouraged actively by then Treasury Secretary George P. Schultz and then chairman of the Committee on Ways and Means, Wilbur D. Mills. It generated several volumes of scholarly studies summarized in a report issued in 1975. That report recommended that the charitable deduction be granted to everyone whether or not that person elects to itemize his or her other deductions.

There are several reasons for supporting this change—philosophical and practical. The basic one is the continuing belief that the money a person gives away simply ought not be considered as income for purposes of determining the tax due. On a more practical level, the tax deduction for charitable gifts is a now familiar, proven mechanism for channeling money into socially desirable paths. It is relatively simple to administer and not subject to political or bureaucratic manipulation.

A central question is whether the charitable deduction is an efficient inducement to giving. To what extent does the Government encourage contributions by forgoing the revenue it would otherwise collect if the money given away was taxed as income?

A series of studies by Prof. Martin S. Feldstein and others have concluded that there is a significant relationship between giving and the tax treatment of those gifts. He concluded that tax incentives to encourage giving by low- and middle-income households would induce a substantial increase in the flow of funds to charitable organizations. In preparing his studies, Professor Feldstein relied on data compiled in a national survey by the Michigan Survey Research Center in 1973 and on material from the special Treasury tax files for 1962 and 1970.

The survey research center data showing average giving by income groups for those who itemize and those who take the standard deduction makes the point most dramatically:

Average giving by income of itemizers and nonitemizers—1973

Adjusted gross income	Itemized	Did not itemize
Less than $4,000	[1] $119	$69
$4,000–$7,999	215	89
$8,000–$9,999	314	117
$10,000–$14,999	407	201
$15,000–$19,999	600	329
$20,000–$29,999	800	354
$30,000–$49,999	1,564	[1] 171
$50,000–$99,999	5,679	[1] 3,190
$100,000–$199,999	17,106	[1] 816
$200,000–$499,999	39,763	[1] 8,892
$500,000 or more	71,316	[1] 5,000

[1] Based on fewer than 25 observations.

Source: Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

With this and a wealth of other information, Feldstein concluded that for each dollar of Government revenue lost by not taxing contributions of persons whose incomes are less than $30,000, the recipient organizations receive increased contributions of $2.40. Others would place this estimate lower, perhaps as low as $1. Under any estimate, the amount contributed to charity would increase by at least $3 billion—more than a 10-percent increase in the level of charitable giving.

Estimates of loss to the Treasury from my proposal vary but cluster around $3 billion a year. Roughly three-fourths of these moneys would be tax savings to persons now taking the standard deduction who would pay less tax if this proposal were adopted. The remainder would be directed toward families who would shift to using the standard deduction as a result of this proposal, as their amount of itemized deductions falls below the standard deduction of $3,200 for a couple and $2,200 for a single person. These are taxpayers whose itemized deductions are now only slightly higher than the standard deduction. Thus there is a side benefit of tax simplification with the shift of some 3.6 million more returns into the standard deduction category.

My proposal will target tax relief to those taxpayers who have elected the standard deduction in prior years, who have consistently contributed to the charity of their choice, and who have so often been left out when tax benefits have been doled out. Most of them have incomes of less than $30,000 per year.

This year Congress is likely to pass tax reduction legislation in order to stimulate the still lagging economy. My proposal to provide all taxpayers with a separate deduction for charitable contributions would certainly be as stimulative as the $35 billion package of cuts proposed by the President and could well constitute a $3 billion part of that package. The reasons:

First, because the tax reductions will go to persons who use the standard deduction, they focus on mostly low- and moderate-income persons and families who historically have had higher spending rates than wealthier groups.

Second, the additional charitable contributions generated by this proposal are likely to result in spending that will help needy persons and worthy causes.

Finally, to the extent that some portion of the additional charitable contributions resulting from this proposal would come from money that otherwise would be saved, this also will contribute to increased short-term economic activity.

On the negative side, my proposal will somewhat complicate tax return forms by adding another line for deductions to which all taxpayers are entitled, though this is a minor consideration compared to what will be gained.

The Treasury Department also raises the specter that rampant fraud will arise under my proposal by encouraging the deduction of fictitious contributions to charities by millions of new taxpayers. While I am not prepared at this time to evaluate the extent to which my proposal would impede the administration of the Federal tax laws, I think the problem can be adequately contained through auditing devices and monitoring techniques adopted by the Internal Revenue Service.

A proposal such as the one Congressman CONABLE and I have offered is necessary in my view to reverse the flow of funds away from the voluntary community, and to insure that community activities retain the broad support of persons in all income categories.●

COAL SHORTAGES IN WESTERN PENNSYLVANIA

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. WALGREN. Mr. Speaker, as you know, the western Pennsylvania area has been particularly hard-hit by the current coal shortages. The Duquesne Light Co., which services a large number of my constituents and, in fact, my own home, is harder pressed than almost any other utility in the Nation.

Duquesne Light announced that on February 14, 1978, they had available to them only a 25-day supply of coal. While they have been able to stretch the life of their stockpile to about 45 days by buying power from outside utilities, this has been done only by incurring a daily cost of at least $500,000. These costs will be passed directly through to my constituents, an enormous burden in these days of unparalled fuel cost adjustments.

This is not the only way that the present shortage is affecting my constituents and everyone throughout western Pennsylvania. Duquesne Light has asked the Governor of Pennsylvania to declare a state of emergency and implement procedures for emergency conservation. These procedures call for, among other things, reduction of operation by all industrial customers to the security level. This will mean widespread unemployment in an already hard hit area. It will also require all residential and commercial customers to reduce energy consumption to the "absolute minimum" for safe operation and basic life support requirements.

The immediate future facing persons in the areas hardest hit by the coal shortage is one of unemployment, increasing utility bills, and only minimum comfort in their homes. Even if the miners ratify the proposed contract, many more days of hardship are ahead.

This is a situation which is intolerable, Mr. Speaker. The areas of the country which are most dependent on coal should not be asked to bear it alone. It is simply wrong to ask the industrial heartland of our country to suffer the consequences of our national energy shortage. This crisis is one which should be shared as equally as possible by energy consumers across the Nation.

In the heat of this crisis, the Energy Department, I am sure, is working to do what it can to address the present crisis and minimize its effects. However, last fall when a calmer atmosphere prevailed, the Interagency Task Force for Energy Emergency Planning which produced the "Emergency Planning Guide: Winter 1977–78," did not even include in its plans the allocation of coal in an emergency, which is now considered to be one of the main options open to the Government. Planning last summer and fall might have alleviated much of the hardship now.

Nor did the emergency task force consider measures to increase coal imports and, more importantly, to stop the export of coal.

The Washington Post recently reported that the amount of coal sent abroad since the strike began in December was approximately 2.5 million tons, enough to run the Nation's largest coal-fired generating station for 107 days. Eighty percent of these coal exports went to Japan, no doubt to help produce foreign steel, further aggravating the unemployment in our steel industry.

In summary, Mr. Speaker, the Department of Energy was created to be able to come to grips with all aspects of our energy situation. I urge the Department of Energy to do all it can to insure that, while this shortage lasts, it is borne equally by all Americans, and that the costs and hardships to the individual are minimized.●

THE AMERICAN FAMILY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for March 1, 1978, into the CONGRESSIONAL RECORD:

THE AMERICAN FAMILY

The American family is being challenged as never before. Whether it will meet the challenge or be overcome by it is a matter of increasing concern.

The dimensions of the crisis in family life are formidable and most observers agree that the family unit is under attack from many sides. Divorce has reached epidemic proportions in the past few years. Its rate has doubled since 1967, and at the present time about 40 percent of all marriages—more than one million per year—end in dissolution. Marital disruption, illegitimate births and runaway fathers are swelling the ranks of families headed by women. There are nearly five million such families today, many of which are poor and dependent on welfare. A further challenge is the growing number of working mothers in two-parent families. As financial and social pressures to work become heavier, more married women are moving out of the home and into the labor force. If the demands of earning a living, the decline of the extended family and the influence of television are added to these factors, the future of the family seems dark. It takes a very strong institution to withstand so many adverse forces.

Whatever problems the family may have, no one doubts that its role is changing. For example, the family unit is no longer the principal provider of education, protection and employment, as it was in colonial times. Other institutions of society have taken over a large share of these responsibilities. However, there is continuity in the change. The family remains the primary custodian of the character of future generations. It is still the family that provides the young with the fundamental skills of living, the ability to socialize and the capacity to distinguish between right and wrong. It is still the family that carries the full duty to provide the young with the love and emotional security necessary to life. No school, government agency or community organization could ever replace the family in this function.

Because of the crisis in family life, many public officials are trying to measure the im-

pact of government action on the family. There are some areas where government policy has hit the family hard. The Social Security Act has not been an unqualified success from the point of view of the family. Its income guarantees have reduced interaction between elderly parents and their children, and the Medicare program has encouraged young people to place their aged relatives in nursing homes. The Internal Revenue Code is also riddled with anti-family provisions. High income taxes make life difficult for many families, the "marriage tax" requires married people to pay more taxes than they would were they merely living together, and the deduction for interest paid on a mortgage loan is regarded as one of the main causes of soaring home loan interest rates. In addition, the welfare program works openly against families, the foster care system has been linked to the break-up of homes, and urban renewal efforts have shattered old neighborhoods where families have lived together for generations.

In determining what the government should do to assist families, we should keep in mind a number of principles. To begin, we must realize that there is an element of caring in the family that is almost always missing in the government. This means that the family should be allowed to help itself wherever possible. Also, we must recognize that Washington is not at the root of all the family's problems and so cannot be expected to solve them alone. Finally, we in public life must be made to see that family life is the best way for men and women to be all they are capable of being, that it provides the best surroundings in which to raise children and that it is the only solid foundation on which to build a strong and free nation. We must understand the overriding importance of an institution no society can do without.

So much news about the family is bad that we tend to overlook the good news. According to recent surveys conducted in various parts of the country, things are looking up for the American family. For example, one survey showed a strong connection between higher education and positive views about family life, Thus, the family should benefit as our society becomes better educated. Another survey indicated that the aging of a population may contribute to family stability. Since our population is aging, our families may become more stable. A final survey was the most uplifting of all. It showed that our children hold out the best hope for the family's future because they are strikingly traditional. When asked questions about family life, they consistently gave strongly pro-family answers.

Although the experts are divided on the direction that the American family is taking, my own view is optimistic. The family is a tough, tenacious and adaptable institution. There are awesome forces arrayed against it, but it has flourished in a changing environment for hundreds of years. No one is waiting for miracles or "quick-fix" solutions to the family's problems. However, there is much evidence to suggest that the family is adapting to changing times and will be a vital, vibrant institution in the years ahead.●

VOICE OF DEMOCRACY COLORADO WINNER

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. JOHNSON of Colorado. Mr. Speaker, the Voice of Democracy scholarship program sponsored by the Veterans of Foreign Wars is once again showing its vitality and growing appeal among the young people of this Nation as it approaches the time for making the annual awards. This past year more than one-quarter million young citizens participated in the program and they are all to be congratulated. I am understandably proud of Colorado's winner, Janet K. Harris. Janet is a constituent of mine from Windsor, Colo., and I am glad to share her winning speech with my colleagues:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—COLORADO WINNER, JANET KENINE HARRIS

You: There in the back—you're going to run for governor. And um . . . there on the side—you're going to be a policeman. And you—no, no—the one in the blue sweater—unhm—you can be a volunteer fireman—and you there sir—you will clean up the city.

Now that ought to make America better! But it doesn't, does it? Why not? Because no one can tell us what we can do for our country. We have to decide that for ourselves.

We're all individuals. We all have our own special, unique responsibility to contribute to our country. I'm not saying that we're fulfilling our responsibility by merely being different—I'm saying that we know ourselves better than anyone else. WE know what we like and dislike. WE have the discernment to know what's right and wrong. And above all—WE HAVE THE POWER TO CHANGE THINGS!

Now, to figure out what our responsibility to America is, we're going to have to take time and search ourselves. We'll have to consider things that we want to start doing AND things that we definitely want to stop doing. Of course, these things should be considered with the BENEFIT OF AMERICA in mind.

Why, I know of some things right now that I'd like to stop doing. Like, sometimes I expect God and everybody else to change because of my stubborness—like the whole nation has to evolve around my needs.

And then there's procrastination—I am forever putting things off. If I could stop waiting until the last minute to do things, I'd become a much more responsible citizen. One that doesn't wait around—thinking my fellow man will do things for me and then, when and if he ever does, being critical of his work.

I'm afraid that that's another area of my life that needs work. I really need to stop being so critical. I'm always jumping to conclusions or complaining about something our politicians are doing when I don't even know the whole story. I might have a little more right if I'd start being more aware of National and international events. Often times I can't even get my mind focused on my own home townmore less my country.

I definitely need to be more attentive of the world around me—and not only responsible for my own actions—but other's as well. I'm sure we've all been in the position where the guy in front of us throws down a candy wrapper and we just kind of yawn as the wind scurries it past us.

Maybe it's times like these I'll be able to stop and remember that my forefathers—THEY did so much more than pick up an occassional candy wrapper, a can—but that they gave their lives to make ME free! Keeping this in mind, I'm going to be more reasonsible for the solutions—not the problems of our country.

I like to think of America as a quilt. A quilt that has been passed down through the family for generations. Each patch and stitch is essential to the beauty of the quilt because they have their own unique and colorful way of contributing. See, stitching each patch together makes a strong, durable quilt. Now, whether we want to be the patch or the stitch or the stuffing or the lining is entirely up to us. They all play an important role. But remember, we all DO have a responsibility to our country. And after we find it, we can't expect someone to always be there to slap us on the back or record our "brownie points". Besides, knowing that we have been a part of perpetuating our country, a strong country—a country that we can be proud to pass down through the generations—that is enough reward for anyone.

John F. Kennedy, said, "Ask not what your country can do for you, but what you can do for your country."

I've shared with you some of the ways I plan to fulfill my responsibility to America, now it's your turn. Please take a moment to complete the following statement for yourself:

"My responsibility to America is. . . ."●

ACHIEVEMENTS OF HEAD CENTER IN DEARBORN HEIGHTS, MICH.

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. FORD of Michigan. Mr. Speaker, as most Americans are aware, the problem of drug abuse has reached substantial proportions in this country and its effects have had major sociological and economic impact.

With Federal and State assistance, many communities are now dealing with the problems of drug abuse through the establishment of treatment centers which offer therapy and counseling.

Of the over 400 licensed substance abuse programs in the State of Michigan, one of the most outstanding in terms of achievement is the Health Education About Drugs (HEAD) Center in Dearborn Heights, Mich. The HEAD Center serves several communities in the western Wayne County area.

Over the years, I have watched the HEAD Center, located in Michigan's 15th Congressional District, which I represent, grow and expand under the supervision of its administrative director, Phyllis A. Merchant, so that it now plays an important role in western Wayne County and especially in the community of Dearborn Heights. It not only treats those suffering from drug abuse problems, but it also helps them to become productive and contributing members of society.

I am, therefore, very pleased to submit for inclusion in the CONGRESSIONAL RECORD a letter recently received by Mrs. Merchant from the Michigan Department of Public Health. The department has recognized the accomplishments of the HEAD Center in glowing terms, and I think this recognition deserves the attention of my colleagues in the Congress:

DEPARTMENT OF PUBLIC HEALTH,
Detroit, Mich., January 13, 1977.

PHYLLIS MERCHANT,
Administrative Director, Health Education About Drugs Center, Inc., Dearborn Heights, Mich.

DEAR MRS. MERCHANT: It is truly a pleasure to congratulate the staff of H.E.A.D. (Health Education About Drugs) Center.

Substance abuse treatment centers which have the capacity and authority to employ

methadone as part of their therapy have to undergo periodic, unannounced inspections for compliance to rules and protocol by both the Food and Drug Administration (FDA) and the Office of Substance Abuse Services (OSAS). To the best of my knowledge, the H.E.A.D. Center is the first and only treatment agency to pass both inspections in the same year with a perfect record.

The inspection for compliance with FDA rules was conducted over a four day period of July 12 through July 15, 1977 by Mrs. Judith Pasquarella, the FDA Contract Corordinator and Consultant for OSAS. The inspection for compliance with the State of Michigan Substance Abuse Licensing Rules was performed on September 12, 1977 by Mr. Daniel Reeves, State of Michigan Methadone Authority.

The H.E.A.D. Center by its performance during 1977 has added additional luster to an already brilliant record. The program which has operated at its present site since August 23, 1971 continues to be of significant benefit to the citizens of Dearborn Heights and Western Wayne County.

Although only a program of modest size (100 to 150 clients), the H.E.A.D. Center has attracted and contributed to the substance abuse knowledge of numerous outstanding professionals in the field including Jan Christensen—Deputy Health Services Administrator of Macomb County, Eugene Dembicki—Lafayette Clinic Pharmacist and member of the OSAS Advisory Commission, Bill McShane—Deputy Director St. Clair County Department of Mental Health, Gary Dymek—Program Consultation Coordinator at the Wayne County Department of Substance Abuse Services, Dee Ann Caudel—Chief Social Worker at the Hutzel Hospital Pregnant Addicts Clinic and Loren Hoffman—Substance Abuse Consultant and College Instructor.

Furthermore the present staff, while not yet possessing the reputations of the aforementioned group, is as competent and dedicated as any in H.E.A.D. Center history, as the 1977 inspections so convincingly confirm.

The City of Dearborn Heights and the County of Wayne could not be any more pleased than OSAS to have the H.E.A.D. Center as a part of the substance abuse treatment network. There are forty-four agencies licensed to dispense methadone and thirty-five are in Wayne County. Of the licensed agencies, the H.E.A.D. Center is undoubtedly the most outstanding in the State of Michigan.

For the sake of our brothers who are afflicted with substance abuse problems, please continue the good work.

Warmest regards,

JOHN ROBINSON, ACSW,
Regional Management Consultant,
Division of Operations.●

APPROVAL OF SODIUM VALPROATE BY FDA

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. KETCHUM. Mr. Speaker, it was with pleasure and approval that I learned of the Food and Drug Administration's decision to release to the market a most vital drug to be utilized in the treatment of epilepsy. Two million Americans have this affliction, and many of them have not experienced satisfactory control or relief from previously available medication. Sodium valproate, just approved by the FDA, offers new hope to those who have been forced to curtail their activities and alter their lifestyles to accommodate this disorder. As I understand it, sodium valproate should be readily available as of this coming April.

I know that all those Americans who have anticipated the availability of this new hope join with me in commending this responsible action. We are quick to criticize bureaucratic redtape; I am certainly very vocal when I feel such criticism is warranted. However, on this occasion, a Federal agency has responded to the very real needs of the people; a congressional oversight committee has executed its responsibility, and the lives of millions of our citizens will be enhanced by the mutual effort.●

AUTOMOBILE DEALER AWARD

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. HARSHA. Mr. Speaker, I was extremely pleased to learn that E. L. "Ebb" Glockner of Portsmouth, Ohio, has been selected as the 1978 national representative for the Time Magazine Quality Dealer Award program and would like to extend to him my most sincere congratulations for this well-deserved honor.

This program is sponsored by Time and in cooperation with the National Automobile Dealers Association to enhance the image of the franchised new car dealer, and selections are made by faculty members of the graduate school of business administration at the University of Michigan on the basis of exceptional performance in their dealerships combined with distinguished community service.

As one of the 10 regional representatives selected, Ebb will serve as an official national spokesman during the year for all 65 Time award winners.

I can think of no one more worthy of this honor than Ebb. As he is a native of my hometown. I have known him for many years and am in a unique position to evaluate his qualities and contributions to our community, as well as his business acumen.

His ability as an automobile dealer is clearly evidenced by the success of his franchise and the many honors and awards he has received, including the Chevrolet Service Supremacy Award and a nomination as the Truck Dealer of the Year.

In addition to his business activities, Ebb has been extremely active in community affairs. He has served as the Portsmouth Area Chamber of Commerce president and currently heads its Past Presidents' Council and the Industrial Development Committee. He was the fund drive chairman of the American Cancer Society and is a member of numerous civic organizations, such as the Rotary Club, the Elks, the American Legion, and is a past president of the Catholic School Board.

Ebb's active participation in these public service organizations clearly demonstrate his deep interest in his community and his desire to serve the people of Portsmouth. He has exemplified dynamic leadership and tireless devotion to the betterment of our area. His outstanding contributions to the civic and religious life of Portsmouth have earned him the respect and admiration of all its citizens and helped make our city a better place in which to live.

I would like to share with my colleagues an article that appeared in the Automotive News on February 20, 1978, concerning the Time Magazine Quality Dealer Award program.

EBB GLOCKNER DESIGNATED QUALITY DEALER FOR 1978

SAN FRANCISCO.—Ebb Glockner, president of Glockner Chevrolet, Portsmouth, O., has been selected as 1978 National Representative for the Time Magazine Quality Dealer Award (TMQDA) program.

He will serve as official national spokesman during the year for all 65 winners of 1978 TMQDA honors.

Glockner and the 64 other winners were chosen by a panel of judges—faculty members of the University of Michigan Graduate School of Business Administration—on the basis of "exceptional performance in their dealerships combined with distinguished community service."

Time sponsors the TMQDA program in cooperation with NADA. Announcement of Glockner's selection as the National Representative climaxed TMQDA award ceremonies at the opening session of the annual NADA convention here.

Winners were announced by Michael M. Carey, director of the TMQDA program for Time, and Richard Heinemann, managing director.

Carey and Heinemann said that "the prime purpose of the TMQDA program is to enhance the image of the franchised new-car dealer. The program does this by annually focusing the spotlight of local publicity and recognition on the business success and good citizenship of every award winner."

The judges who selected the 65 TMQDA winners chose Glockner as one of 10 Regional Representatives on the basis of "qualities considered to be most typical of the 65 winners."

During the award ceremonies, Carey and Heinemann also announced the names of the nine other Regional Representatives. They are, in alphabetical order:

John Kermit Addy, president of Addy Dodge, Inc., Lexington, S.C.

W. H. (Andy) Anderson, president of Anderson Chevrolet-Olds, Inc., Waynesville, N.C.

Pike Conway, president of Conway Motor Co., Inc. (Ford-Mercury), Bardstown, Ky.

George R. Evans Jr., president of Evans Chevrolet-Cadillac, Inc., Bluefield, W. Va.

Robert E. Graue, president and general manager of Graue-Sawicki Motor Co. (Chevrolet), Lincoln, Ill.

Louie Livingston, president of Livingston Olds-Cadillac, Inc., Dublin, Ga.

Julian E. Lucini, president and treasurer of Lucini Motor Sales, Inc. (Ford), West Bridgewater, Mass.

Roland T. Pundmann, president of Pundmann Motor Co. (Ford), St. Charles, Mo.

Hugh B. Warren, president of Service Chevrolet, Inc., Ada, Okla.

Glockner, 56, who was nominated for TMQDA honors by the Ohio Automobile Dealers Assn., was presented a special award and a gold lapel pin. Each of the 64 other winners also received awards and lapel pins during the San Francisco ceremonies.

A native of Portsmouth, O., Glockner served as a lieutenant in the U.S. Naval Air

Corps during World War II and was awarded the Distinguished Flying Cross and three air medals. He received a bachelor's degree in accounting from Xavier University in 1948, where he was president of the Student Council and Economics Club.

After the war and college Glockner returned to Portsmouth and his family's dealership, Glockner Chevrolet. He took over management of the dealership in 1950.

The dealership, which always has had the Chevrolet franchise, was founded by Glockner's grandfather in 1914. It was moved to its present location in 1969.

Glockner also is vice-president of Dallas Chevrolet, a Chevrolet-Jeep dealership in Jackson, O., and of Andy's VW-Porsche-Audi-Honda-Toyota in Portsmouth, O., and a director of Reeves Broadcasting Co.

Glockner has led his dealership to many honors, including a Chevrolet Service Supremacy Award, and a nomination as Truck Dealer of the Year.

In addition, he has served on Chevrolet's Zone Dealer Council for 10 years, its Regional Dealer Council for two years and, in 1973, was chairman of the Parts and Service Committee of the National Chevrolet Dealer Council.

He is a trustee of the Ohio Automobile Dealers Assn., a past president of the Scioto County New Car Dealers Assn., and a member of NADA.

Glockner is president of the Area Growth Corp., and a director of United Way and Mercy Hospital.

He served as president of the Portsmouth Area Chamber of Commerce in 1975–1976, and currently heads its Past Presidents council and the Chamber's Industrial Development Committee. He also is a board member of the Chamber's non-profit Greater Portsmouth Growth Corp.

Glockner has served as fund drive chairman for the American Cancer Society, and helped plan and finance the airport through his work on the Scioto County Airport Committee.

He is a member of the Rotary Club, Elks, and American Legion.

In educational and political affairs, he is a past president of the local Catholic School Board, a member of the Diocese of Columbus Catholic School Board, and has served on the Scioto Vocational School Advisory Board and the Advisory Board of the Ohio University Branch. He was a Democratic Party County Chairman for six years, and a precinct committeeman for 23 years.

A member of St. Mary Catholic Church, he serves on its lay advisory board. He also is a member of St. Joseph's Monastery and Friends of Emanuel Chapel.

Glockner has received many honors for his community activities, including a Junior Chamber-Life Member and Distinguished Service Award, a 1973 Portsmouth Kiwanis Layman of the Year Award, a Distinguished Citizen Award, a 1972 City of Portsmouth Award for Leadership and Community Service, and a Xavier University Distinguished Alumnus Award.

Glockner and his wife, Joanne, who live in Portsmouth, have three children and two grandchildren. Their son, Andy, is a VW dealer in Firebrick, Ky.●

"MY RESPONSIBILITY TO AMERICA"

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. McKAY. Mr. Speaker, I would like to share with my colleagues the winning Utah entry in the Veterans of Foreign Wars Voice of Democracy Competition this year, a speech by Laura Ann Taylor of Farmington, Utah. Miss Taylor, at 18 years of age, has distinguished herself often in her academic work and has several awards in public speaking and poetry writing to her credit. Her speech lends poignancy to the contest theme, "My Responsibility to America."

The speech follows:

"MY RESPONSIBILITY TO AMERICA"

(By Laura Ann Taylor)

Many years ago, a chicken and a pig were talking with each other about how kind their farmer had been to them. The chicken told the pig that every morning when she got up, there was always plenty of fresh straw for her nest, and the farmer also made sure that there was lots of cool water for her to drink. "Well, every morning when I get up," said the pig, "There's always lots of food for me to eat." Now the longer these two talked, the better they decided it would be to do something which would show the farmer how much they appreciated his kindness. They thought, and they thought, and finally the hen said, "I've got it! Tomorrow for breakfast we'll give him ham and eggs!" Now there was a silence as the pig thought about this for a moment, and finally he told the hen that while her idea was good, on her part it would require only a contribution, while on his part, ham and eggs would have to be a total commitment.

Unfortunately, there are too many people who are willing to be mere contributors to something when actually, a commitment is needed to insure success. I feel that my most important responsibility as an American is my personal commitment to freedom.

Now perhaps you're wondering what commitment to freedom is. Many people make the mistake of thinking that freedom carries no responsibilities—true freedom, however, does.

First of all, I must be committed enough to freedom to make sure I deserve it. Do I deserve the freedom to say what I think? Do I deserve the freedom to choose my own occupation? Only if I am responsible enough to make sure that I use this freedom wisely. The jails are full of those people who obviously couldn't handle their freedom—it is my responsibility to see that my freedom is not wasted.

I should also be committed enough to freedom to want to preserve it, not only for myself, but for those who will come after me. I must take enough pride in my country to be informed on the vital issues. Again, a commitment is needed. Perhaps by going to the voting polls every four years I am making some sort of contribution. But if I am committed to freedom then I will make sure that I know the pro's and con's of every issue—so when I do have to make a decision, I can know the decision I have made is right.

In a recent survey conducted in New York and Florida by a well known newspaper, the question was asked: "Do you believe that a constitutional amendment should be passed that would require each state, big or small, to have two senators, or should we keep things the way they are?" Ridiculous, isn't it? And yet, one man told reporters, "We should do away with the hundreds we have. An amendment should definitely be passed." One man called it "useless information," while another said, "What advantage would there be to having two? It would just make things more expensive."

It is up to me to see that I am actively involved in what's happening in my country—and part of that involvement must be the desire to be well-informed. For if I am not—how can I deny I am abusing my freedom?

Lastly, but closely connected to my commitment to freedom is the commitment to myself. In a country such as America where I am given the freedom to grow as an individual, I need to strive to reach my potential. I have no fetters or restraints except those that I place on myself, such as laziness, or contentment with mediocrity. It is not like some countries, where the young children are given an aptitude test, and then assigned their lifetime careers according to their scores. It doesn't matter if someone wants to be a teacher or a doctor—if his scores say he has the aptitude for being an engineer—he'll be an engineer. In America these limits are not placed on me, and to do anything but strive to reach my potential is really another way of saying I don't care if I have the freedom of choice or not.

Now, I don't know what the chicken and the pig decided. I don't even know if the pig decided it was too much of a commitment for him to make. But I have decided something for myself. If I want my country to work—if I take my freedom seriously—then I will be willing to make a sacrifice for it.

Yes, my biggest responsibility to America begins with my personal commitment to freedom.●

U.S. ACTION NEEDED TO SUPPORT THE DOLLAR

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. STEERS. Mr. Speaker, the alarming decline in the value of the dollar in international monetary markets has been an extremely dangerous development that, I am afraid, European financial and central bank officials have been quicker to perceive than our own officials here in Washington. Although the commitment of the U.S. Government to the regime of flexible exchange rates is commendable, there comes a time when supporting the strength of the U.S. dollar as an international currency must take precedence. That time, in my opinion, has come. It is now necessary for the Treasury Department to take strong measures to protect the dollar. There is no doubt, of course, that the lack of a strong American energy program—to reduce the staggering volume of oil imports and ease the strain on the dollar—is also an important consideration. I therefore believe that Congress and the executive branch should work together to help solve the problems on this side of the Atlantic which have contributed to the recent dangerous slide of the dollar, and threaten a further decline.

I would like to call to the attention of my colleagues the following excellent article which brings into sharp focus the strain on the dollar. It appeared on February 27, 1978, in the Wall Street Journal:

U.S. MOVES TO BOLSTER DOLLAR FALTER; A LACK OF CONFIDENCE IS CITED—MONEY EXPERTS DON'T THINK CARTER AIDES CARE ABOUT OR CAN HALT THE DECLINE

(This article was prepared by Wall Street Journal reporters Richard F. Janssen, Bill Paul and Philip Revzin.)

LONDON.—Less than two months ago, the U.S. government hoped that the dollar was

set for a comeback on the world's currency markets. Backed by fresh pledges of presidential and Federal Reserve support and by a comparatively prosperous American economy, the dollar was supposed to return to favor.

Now, however, the dollar is being booed off the world stage, and the monetary markets are clamoring instead for West German marks, Swiss francs and Japanese yen.

What went wrong? First, a couple of big things and then a lot of little things, say European economists, bankers and currency traders.

The big things: Traders and other observers weren't convinced that the Carter administration really cared about defending the dollar or that the officials knew how to halt the slide even if they did care. This initial lack of confidence was aggravated by worsening economic news, especially the $2.03 billion December trade deficit that the U.S. reported last month, the coal miners' strike and the continuing U.S. failure to set an effective energy policy.

Foreign observers began to wonder out loud whether the apparent lack of American will to save energy would result in continuing increases in oil imports, deeper trade deficits and possibly a return to double-digit inflation.

The dollar, however, may get a lift today from the proposed settlement of the coalmine strike that President Carter announced Friday night although the pact faces an uphill fight on ratification (for a story on the tentative agreement, see page 3). And foreign surprises no doubt will continue to have sporadic depressing effects even on the most buoyant currencies, analysts say. Today, for instance, Switzerland is acting to deter demand for its francs by cutting its basic interest rate to a record low of 1 percent, and it will soon start a new round of penalty charges on foreign deposits (for details, see story on page 7). Meanwhile, British press reports over the weekend that North Sea oil revenue is lagging could diminish demand for pounds.

THE DOLLAR'S DECLINE

Nonetheless, since the announcement in early January of more active U.S. intervention, the dollar's value has fallen an additional 8.7 percent against the Swiss franc and 4.3 percent against the West German mark. The dollar "has become the problem currency," the Sunday Times of London said yesterday, and the sense of the dollar's being embarked on a long downward trend is so pervasive that fairly small factors often make it move nervously lower.

Apparently casual remarks by U S. officials took on market-sharing significance. Foreign reaction to President Carter's State of the Union address and related economic messages was cool. The delay in confirmation of a successor to Arthur Burns as Federal Reserve chairman, like the earlier announcement that Mr. Burns would be dropped, rattled many foreign observers. The continuation of other problems—the decline on Wall Street, the higher rate of inflation in the U.S. than in Germany and Switzerland and the rumors that some oil-producing nations want to quit setting petroleum prices and taking payment in depreciating dollars—also has persuaded foreign investors to get out, or to stay out, of the U.S. currency.

When the Treasury and Federal Reserve issued their terse joint statement of Jan. 4 promising they would "actively" intervene to "check speculation" against the dollar, foreign officials initially had high hopes that this change in policy would lay the foundation for a stable and even climbing U.S. currency. "Thank God!" exclaimed Otmar Emminger, president of West Germany's central bank, in a German press interview. The decision was "very happy news," said Rene Larre, general manager of the Bank for International Settlements. The market agreed, and the dollar, rebounding widely, gained a sharp 3.6% against the mark in a single day.

Some foreign officials hoped the initial statement meant that the U.S. had finally decided to take much more responsibility for the value of the dollar rather than leaving it almost solely to free-market forces and other governments' intervention policies. But in the following weeks it became clear that the real U.S. policy—as American officials had indicated on Jan. 4—didn't go beyond an effort to ensure that whichever way the forces of supply and demand moved the dollar, it moved gently rather than in disruptive, "disorderly" thuds.

"COUNTERING DISORDER"

This realization led to suspicions. "People thought the intervention was Carter acting just to avoid another oil-price increase, to keep OPEC happy," says Paul Neild, research chief of Phillips & Drew, a London brokerage firm. "They (the American officials) never said they were going to peg the dollar's value anywhere, just that they would smooth disorderly markets. There would be orderly declines."

Later, the U.S. officials spelled out their policy more clearly. On Feb. 6, Anthony M. Solomon, Treasury Undersecretary for Monetary Affairs, told a congressional committee that the purpose of the intervention was "the limited one of countering disorder in the foreign-exchange markets. We will not use intervention to prevent the rate from responding to changes in underlying economic and financial conditions, in an orderly fashion."

It isn't clear, however, that intervention would succeed even if sustained for a long time and accompanied by other governmental measures. European central bankers say the battle to defend the dollar will take months, possibly years, and ultimately could require purchases of dollars by the Fed and European central banks of $30 billion to $40 billion. Intervention by the Fed and other central banks since Jan. 4 is estimated by European sources as somewhere between several hundred million dollars and a few billion dollars.

"The essential problem with government intervention is that between them the big governments don't have as much money to throw at the exchange rate as the private sector does," says Frank T. Blackaby, deputy director of the National Institute of Economic and Social Research in London Especially mobile, bankers say, is money in the $600 billion Eurocurrency market, consisting of dollars and other funds on deposit outside their home countries. "Once private money is going in one direction, it will keep moving in that direction for some time," Mr. Blackaby adds.

Day-to-day exchange movements can be influenced by fears and suspicions, and despite the Jan. 4 announcement, European traders suspect that the U.S. still isn't very worried about its currency—even though it has dropped, since the beginning of last year, by 24.5% against the Swiss franc and 13.4% against the mark. The lack of all-out intervention has persuaded some traders that the U.S really wants a weak dollar in order to aid its exports in world markets, and thus to "export unemployment." One London banker says, "Confidence is the name of the game," and when it comes to the dollar, "there isn't any."

This attitude now is leading foreigners to scrutinize the U.S. economy for weaknesses that they might have overlooked previously, Mr. Neild of Phillips & Drew says. "Once you lose confidence, and start to look for reasons the dollar is weak, you can always find six or seven," he says. "But one could just as easily look for strong points now, and find them."

The weak points center on energy. The protracted U.S. coal strike, although a domestic problem, reminded any foreign observer who might have forgotten that the U.S. still has a big energy problem and that Congress still hasn't approved Mr. Carter's energy bill. Taking both as evidence that Mr. Carter hasn't an adequate grasp on either economic issues or congressional politics, a West German executive disappointedly concludes, "Your President is not a success."

SENSE OF INEVITABILITY

The prospect of a continuation of massive American oil imports—and thus a massive outflow of dollars to pay for them—has traders edgy and the dollar under a cloud. The recently announced 1977 trade deficit—a record $26.72 billion—"is what's doing it" to the dollar, a Continental economist declares. Like many observers, he adds that a new energy bill probably wouldn't change America's way of life enough to markedly reduce U.S. oil imports for years to come.

This probably has led to a sense of inevitability about the dollar's fall, as expressed recently by British Chancellor of the Exchequer Denis Healey. "There is a general view that the dollar is bound to depreciate compared with currencies whose countries are running big surpluses when America has a substantial deficit" in its trade, Mr. Healey said. Financial markets do, he added, "tend greatly to exaggerate the underlying economic factors" because of the large amount of "footloose funds" moving in and out of various currencies.

In the past few years of generally "floating" currency rates, a major motive for moving such funds has been to escape from rapidly inflating currencies into those which show more promise of holding their domestic purchasing power. Compared with West Germany's 3.9 percent rise in consumer prices last year and Switzerland's mere 1.3 percent, America's 6.5 percent surge is a deterrent to dollar holders abroad, especially the pessimists who figure that the proposed Carter budget deficit of $60.6 billion in fiscal 1979 bodes a step-up in inflation.

And although money held in the U.S. earns higher interest rates than those paid in those countries, the difference isn't big enough to tempt foreigners skittish about the dollar's losing still more value in terms of the Continental currencies. U.S. interest rates may well rise further in coming months, bankers say, but perhaps not enough to turn the tide. Besides, they note, stiff borrowing costs depress the stock market, and foreign investors aren't apt to commit many dollars in Wall Street until they are convinced the stock-market slump is over.

RUMBLINGS ABOUT OPEC

The more the dollar slides, the more frequent are the rumblings that the Organization of Petroleum Exporting Countries might somehow switch from dollars as the means of setting oil prices. Moreover, such a switch conceivably could make OPEC nations reluctant to accept dollars for oil payments from European countries, nervous money traders say. Such reluctance would throw supply and demand for dollars further out of balance.

Given the dollar's current disrepute, other rumors inevitably have cropped up, and some have shaken the exchange markets. For example, a recent unconfirmed story that Swiss securities brokers were advising clients to sell American stocks and use the freed-up dollars to buy Swiss francs sent the dollar reeling in Zurich.

In any event, big foreign investors are leery of dollar securities. David Sambar, who controls a multibillion-dollar portfolio for the Sharjah Group, a London-based company with investors in Kuwait and Sharjah (one of the United Arab Emirates), says he has put most of the group's assets in marks, Swiss francs and yen. He says he will stay out of dollars until he thinks that the dollar has bottomed out.

MILLER'S PROBLEMS

Foreign-investor uncertainty is aggravated by the perception of a hiatus in the Federal Reserve Board's leadership. "Burns is out, and Miller isn't in," says a foreign central banker—although in fact Mr. Burns has agreed to remain the Fed's chairman through the end of March while Congress investigates alleged payoffs in Iran by Textron Inc., which Fed Chairman-designate G. William Miller formerly headed. Earlier, President Carter's refusal to reappoint Mr. Burns as chairman "was a sort of trigger" for the dollar's fall, says David Ashby, chief economist at Bankers Trust Co. in London. "There was a feeling in the market that he (Mr. Burns) could have instilled proper monetary restraint," he adds.

The belief overseas that Washington doesn't take the decline seriously, or can't get itself organized against it, was reinforced by the Fed's failure to arrange for extra intervention abroad last Monday, when U.S. banks were closed for Washington's Birthday; in the vacuum, the dollar plunged as much as 3% in Zurich. The Fed itself is seen as relatively sympathetic to pleas for dollar support, but a foreign official who recently met with Treasury Secretary Michael Blumenthal about the dollar grumbles that "he didn't even listen—he just looked out the window."

Although all these factors militate against a rapid recovery by the dollar, some action to arrest its decline could be taken fairly rapidly, foreign officials say. The U.S. Treasury could borrow large amounts of foreign currencies on foreign securities markets; for example, it could issue five-year bonds for Swiss francs in Zurich. Then the francs could be used to buy enough dollars to hold the exchange rate steady despite downward market pressures.

This maneuver, or the alternative of selling some Treasury gold for foreign currencies, would demonstrate the administration's political will to see that the "dollar rate will not deteriorate endlessly," a European official says.

POLITICAL TROUBLE SEEN

Confidence in the dollar, and in the administration's ability to manage it, is so low, however that foreign borrowing of this type might have to be much more massive than would be politically feasible. Washington-wise foreign officials worry that borrowing enough on foreign markets to mop up a trade deficit of some $30 billion a year is apt to draw withering fire from American politicians like Sen. William Proxmire and Rep. Henry Reuss, the Wisconsin Democrats who head the two congressional banking committees and strongly influence international monetary policy. Yet, if the plan were pursued, and the borrowing were small in relation to the deficits, even advocates concede that the Treasury could run out of borrowed foreign funds when it tried to defend the dollar. As a consequence, it perhaps could end up in an even worse situation.

The real solution, some Europeans think, is for the Carter administration to tackle basic economic problems and then let foreign-exchange market forces take over. "It's difficult to see any short-term policies that the U.S. could take that would quickly regain the confidence of the market," Mr. Ashby of Bankers Trust says. "It takes time to build up that confidence again."

Eventually the appeal of investing in the Free World's most powerful economy will revive demand for the dollar, most economic authorities say. But what worries them is whether this will happen soon enough to avoid worse economic repercussions. Exchange-rate movements "can feed on themselves in ways that can add to world inflation and can also inhibit growth by undermining confidence," cautions Emile van Lennep, secretary general of the Organization for Economic Cooperation and Development. And those conditions, he adds, threaten "the more insidious danger" of protectionism.●

"LOW POSTURE" APPROACH TO CHINA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. LAGOMARSINO. Mr. Speaker, the following article by Mr. Michael Lindsay presents some very interesting consequences of the current U.S. "low posture" approach to the People's Republic of China. I strongly agree with many of Mr. Lindsay's conclusions and feel that U.S. foreign policy vis-a-vis the PRC should be reevaluated.

The article follows:

OUR FAULTY "LOW POSTURE" APPROACH TO CHINA

(By Michael Lindsay)

Giving evidence to a subcommittee of the House Foreign Affairs Committee last September, Prof. Robert Scalapino said, "But one can only view with some apprehension the recent course of Sino-American negotiations. On the American side, it was decided to attempt a 'low posture' approach. . . . The effort seemed to be to avoid anything that might displease or give offense to Peking, and in the process to suggest that the United States was prepared to make very considerable concessions in order to attain normalization rapidly."

Woodcock's recent comments on relations between the United States and the People's Republic of China indicate that this "low posture" approach is still in effect. It seems clear that he never tried to argue in Peking for the position supported by a majority of the American people: that the United States should have full relations with both Peking and Taipei.

It is true that argument often displeases and gives offense to the Chinese leaders. One member of Congress who recently visited China replied to criticism of the United States for not normalizing relations on Peking's terms by saying that the American people did not want to abandon an old ally. The high Chinese official with whom he was talking reacted by a show of anger. But when people react to argument by anger, it is evidence that their position cannot be defended in reasoned argument, and there have been many points in the Chinese Communist position that they could not defend in reasoned argument.

In 1954 my wife and I heard the discussion between Clement Attlee's Labor Party delegation and Mao Tse-tung and other Chinese leaders. Mao started an argument by criticizing the Labor Party for refusing to cooperate with the Communist Party of Great Britain but, at several points in the discussion, he could only get out of an embarrassing situation by hastily changing the subject. It became clear that he had never considered possible objections to the Marxist-Leninist postulates from which he reasoned.

There are more recent examples. For instance, after seeing Mao Tse-tung's birthplace, an American visitor asked the argumentative question, "What was Mao Tse-tung's class status?" It was obvious from the size and style of the house that Mao's father had been at least a "rich peasant" which, in China, would have put Mao in a "black category," barred from Communist Party membership and with other social disadvantages. One Chinese official refused to answer the question. The other replied, "At that time, we had not yet invented classes."

Again, in 1973 local officials seemed to regard my wife and me as a challenge and would start arguments that began as reasoned discussions. However, one revolutionary committee chairman ended by asserting that truth was what had been decided by the Communist Party leaders, and others ended by saying, "Your standpoint is wrong"—meaning that our bourgeois class status made us incapable of seeing the truth.

If Woodcock had been willing to engage in reasoned argument in Peking, he could have pointed out that the Chinese leaders could secure normalization with the United States at any time by giving up their demand for the right to impose their rule on the people of Taiwan, who clearly do not want it.

He could have noted that the Chinese leaders wish the United States to keep up its defense commitments in Europe and Japan but that the credibility of all U.S. defense commitments would be damaged if the United States repudiated its defense treaty with Taiwan.

He could have asked what the United States would gain by changing his liaison office to an embassy, considering the restrictions on all diplomatic missions in Peking.

He could have suggested that Chinese leaders would be likely to secure voluntary unification with Taiwan if they gave their subjects at least as much freedom and respect for human rights as the Taiwan government gives to its subjects, and if they improved their economic performance to give their peasants and workers something near the standard of living in Taiwan (which should be possible because the mainland has a more favorable ratio of natural resources to population).

Such arguments would have given offense in Peking but they would also have produced some respect for the United States as a country with principles for which it would make a stand. The present "low posture" policy does more to produce a risk of Chinese-Soviet rapprochement than the failure to normalize on Peking's terms. The new Chinese Communist Party constitution and Hua Kuo-feng's speech to the 11th Party Congress make clear that the Chinese Communist Party is hostile to all capitalist regimes and regards the relationship with the United States as a tactical alliance against the immediately more dangerous enemy. What would provide the strongest motive for seeking detente with the Soviet Union would be a conclusion that the United States was too opportunist, unprincipaled and lacking in determination to be a useful ally against the spread of Soviet hegemony.

If the United States were to abandon an old and friendly ally to win the favor of one communist regime, Chinese leaders would have reason to suspect that the United States would have even less scruples about abandoning a tactical alliance with China if it seemed expedient to win Soviet favor. If Woodcock could reason as clearly as the Chinese Communists, he might suspect that Chinese leaders are so insistent on the Taiwan issue because they want to secure something they can only get from the United States before seeking detente with the Soviet Union.

In effect, Woodcock and those who share his views want to forgo the attainable objective of winning the respect of Chinese leaders in order to pursue the unattainable objective of winning friendship for a capitalist society from believing and practicing Marxist-Leninists.●

THE SALE OF F-15 AIRCRAFT TO SAUDI ARABIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. HAMILTON. Mr. Speaker, I attach for the interest of my colleagues a memorandum prepared by the American Israel Public Affairs Committee (AIPAC) which AIPAC asked to have put in the RECORD. This memorandum is a rejoinder to the reply of the Department of State to AIPAC's original memorandum on the proposed sale of 60 F-15 aircraft to Saudi Arabia.

The original memorandum and the State Department reply appeared on pages 3900-3905 of the CONGRESSIONAL RECORD of February 21, 1978.

The second AIPAC memorandum follows:

AIPAC RESPONSE TO DEPARTMENT OF STATE COMMENTS ON THE PROPOSED SALE OF F-15 AIRCRAFT TO SAUDI ARABIA

AIRCRAFT CAPABILITIES

Department of State Comments: "The Saudi Air Force is not scheduled to get the AIM-9L all-aspect Sidewinder air-to-air missiles . . ."

AIPAC Response: This assurance is not certain since Secretary of State Vance and Secretary of Defense Brown, briefing reporters at the State Department on February 14 stated that the Saudis were offered the same configuration that was offered to the U.S. Air Force—which has the AIM-9L. State does acknowledge that the F-15s for Saudi Arabia will carry the newest longer-range Sparrow (AIM-7F) which will give the Saudis an effective stand-off capability against Israel's F-15s.

Department of State Comments: The F-15, in "the U.S. Air Force version is currently certified to carry only a maximum of three 2,000-lb. bombs on three hard points."

AIPAC Response: This does not contradict AIPAC's original assertion that the F-15 is capable of carrying 12,000 pounds of external ordnance. As the State Department should be aware, the USAF presently plans to equip the F-15s hard points with multiple ejection racks, thereby significantly increasing the bomb load beyond 6,000 pounds. The Saudis could use part of their planes in a total bomber mode, freeing hard points usually reserved for air defense weapons. The short distances to Israeli targets, as well as American plans to increase the F-15's fuel capacity, would free hard points now used for external fuel tanks.

SAUDI MILITARY STRENGTH

Department of State Comments: "Foreign Military Sales to Saudi Arabia through September 30, 1977 totalled $15 billion. Of this amount only $1.2 billion has been spent on weapons and munitions.

AIPAC Response: According to the GAO, Saudi Arabia has purchased from the U.S. more than double the amount of weapons and munitions claimed by State. Moreover, State ignores Saudi military purchases from France and Britain.

Department of State Comments: "Saudi Arabia has no land borders with Israel . . . is not a fourth confrontation state; has not participated in any significant way in military operations in past Arab-Israeli wars; and its leaders have emphasized they have no aggressive intentions toward any state in the area."

AIPAC Response: Saudi Arabia is less than 15 miles from Eilat, Israel's southern port. The absence of a land border has not prohibited Arab states—such as Iraq—from warring against Israel in the past.

On page 6 of its critique, State acknowledges that in 1973, Saudi troops were involved in the Yom Kippur fighting. It should be noted now that during February, 1976, House International Relations Committee hearings on the sale of Maverick missiles to Saudi Arabia, Assistant Secretary of State Alfred Atherton stated: "No Saudi units took active part in the hostilities in 1973."

State claims in its critique that Saudi leaders have no aggressive intentions towards any state in the area. These claims ignore policy pronouncements by Saudi leadership which were quoted in our original memorandum. Kuwait's Al Qabas reported on March 15, 1977 that Saudi Arabia plans to blockade Eilat in any future war with Israel. Defense Minister Prince Sultan told graduating Saudi Air Force cadets: "All we own is at the disposal of the Arab nation and will be used in the battle against the common enemy" (Christian Science Monitor, December 5, 1974). King Khalid told the New York Times in May 1976, "When we build up our military strength we have no aims against anybody except those who took by force our land and our shrines in Jerusalem—and we know who that is. We also believe that the strength of Saudi Arabia is a strength for the whole Arab and Islamic world. We always intended to make use of all military equipment that might help build our military strength."

Department of State Comments: "The number of AMX-30 and M-60 tanks the Saudis have purchased is considerably less than the AIPAC figures."

AIPAC Response: According to the authoritative International Institute for Strategic Studies (IISS) Military Balance 1977-78, the figures AIPAC cited were conservative. IISS lists in the Saudi inventory: 400 AMX-30s, 75 M-47/M-60s, with 200 M-60 tanks on order.

Department of State Comments: "The Saudis have no Rapier and only limited quantities of Crotale" SAMs on order.

AIPAC Response: The IISS cites Rapier SAMs in Saudi inventory and Crotale SAMs mounted on AMX-30 tank chassis on order.

Department of State Comments: "The Saudi Navy, when modernized, will have patrol boats. It will not have hovercraft or frigates."

AIPAC Response: The AIPAC memo said that for "naval operations, the Saudis have ordered guided missile boats, patrol ships, attack craft, hovercraft and frigates." IISS, The Military Balance, confirms the first three items. It also notes that 8 SRN-6 hovercraft have been purchased for the Saudi Coast Guard. Other published sources confirm the purchase of frigates. The State answer was clearly misleading by ignoring Saudi Coast Guard inventories.

THE EFFECT OF AN F-15 SALE

Department of State Comments: "An F-15 sale will not lead to the sale of the E-2C or E-3A" airborne radars.

AIPAC Response: Dr. Jo L. Husbands, of the Center for Defense Information, prepared a study for Rep. Christopher J. Dodd, which was inserted into the Congressional Record on November 8, 1977 (P. 37509). Dr. Husbands wrote, "For maximum and most effective performance, the F-15 requires the support of spohisticated ground or airborne radars." Dr. Husbands noted that ground radars are more costly and require thousands of American technicians." She concluded that the E-3A (used in Iran), the E-2C (used in Israel) or the British Nimrod would be likely candidates for Saudi needs and warned that sales of the F-15s to Saudi Arabia should be seen "as the first in a series of potential sales of advanced weapons."

Department of State Comments: "The F-15 is easier to maintain than the Lightning interceptor currently in the Saudi Air Force because the F-15 has modular units which can be replaced without extensive technical capability."

AIPAC Response: State's claim of F-15 servicing ease may come as a surprise to some Administration officials who have been downplaying the F-15 sale by emphasizing the difficulties the Saudis will likely have in maintaining the aircraft.

INVOLVEMENT IN FUTURE CONFLICT

Department of State Comments: ". . . It is questionable that Israel would feel compelled to undertake a preemptive strike against Saudi Arabia because of Saudi possession of the F-15. Such strikes have not been undertaken by Israel against Iraq or Libya in past conflicts. . . ."

AIPAC Response: The Israel Air Force attacked a major airbase in western Iraq on June 5, 1967, in a pre-emptive strike.

Department of State Comments: "Israel does not depend heavily on the E-2C Hawkeyo . . ."

AIPAC Response: The E-2Cs, now being delivered, will serve crucial roles in Israel's defense plans, selecting long-range targets, performing Identity Friend or Foe missions and guiding strikes and sorties. Israel's E-2Cs would be endangered by Saudi F-15s more than by any other aircraft in Arab arsenals because of the F-15's superior capabilities and missiles.

THE SAUDI THREAT TO ISRAEL

Department of State Comments: "The Saudi air base at Tabuq . . . would not support the stationing of F-15 aircraft . . . fighter aircraft cannot effectively operate from" Gurayat or Turayf airstrips.

AIPAC Response: While Tabuq presently lacks the support and maintenance facilities for the F-15, it could still be utilized as a forward airbase requiring only limited facilities. NATO air forces rely on such forward airbases throughout Europe. As noted in the original AIPAC memorandum, a squadron of Saudi F-5Es participated in maneuvers at Tabuq last November without F-5 permanent support facilities. As forward bases, the fields at Turayf and Gurayat would similarly be able to service the F-15. Professor Steven Rosen of Brandeis University in a study prepared for Rep. Christopher Dodd wrote: "According to F-15 and F-16 program officers . . . as well as a number of private consultants" the F-15 could operate from the three bases noted for one week with a "minimal set of organizational level ground equipment (such as loading and oil service equipment), plus an appropriate amount of fuel, ordnance and spares." (Congressional Record December 5, 1977).

Department of State Comments: "Saudi Arabia is fully aware of its obligations not to transfer U.S. equipment supplied under foreign military sales without U.S. permission."

AIPAC Response: State chose to ignore Saudi statements contained in the AIPAC memorandum. Saudi Defense Minister Sultan was asked in the Arab weekly Events (December 3, 1976), "Is it true that there is a condition attached to the arms agreements that they must not be re-exported outside Saudi Arabia without prior agreement of the exporting country?" Sultan responded, "There were never such conditions and we do not accept any such conditions."

Department of State Comments: "In 1975, six Egyptian pilots received orientation training on Saudi F-5s while nine Egyptian maintenance officers attended an English language course in Saudi Arabia. This training was terminated after two months . . .

The Saudis are aware that since 1976, U.S. law prohibits training of third-country nationals on U.S.-origin equipment without our prior consent . . ."

AIPAC Response: Despite earlier denials, the State Department has now confirmed that Egyptian pilots have in fact received Saudi training on U.S.-supplied F–5E aircraft. But State implies that the training was done prior to the 1976 law banning training of third-country nationals on U.S.-origin equipment without prior consent. However, such training was in violation of U.S. law prior to 1976 under the Foreign Military Sales and Assistance Act: "No defense article may be furnished to any country under this Act unless that country shall have agreed that—(1) it will not, without the consent of the President—(A) permit any use of such article by anyone not an officer, employee, or agent of that country." According to State Department sources, the Saudis were warned repeatedly in 1975 that their training of Egyptian personnel was in violation of U.S. law. Moreover, other sources indicate that since 1975, 20 Egyptian pilots have trained and qualified on the F–5.

WHO THREATENS SAUDI ARABIA?

Department of State Comments: "Saudi F–5s and I-HAWK SAM air defenses could be overcome by a determined attack from Iraq. The F–5 does not have the endurance, range, all-weather capability or other air-superiority characteristics to counter the threat posed by the modern fighter-bombers in the Iraqi inventory."

AIPAC Response: The claims of State exist outside any context of weapons or battlefield reality. As the GAO report notes, these specific weapons systems were bought on the basis of DOD recommendations aimed at assuring Saudi defense. Moreover, Israel's experience with the Hawk (unimproved version) during the 1973 war indicates that it does indeed provide an effective defense against Soviet equipment. The F–5 was not purchased for an air defense role. The dense SAM networks bought by the Saudis were, as pointed out in the AIPAC memorandum, any serious Iraqi threat would have to be carried out by Iraqi armor units. But terrain and distance would inhibit Iraq here. And the thousands of antitank missiles and Mavericks (carried by the F–5Es) would endow the Saudis with the capacity to blunt any Iraqi assault.

Department of State Comments: "On the basis of recent history, Saudi defense planning must consider the People's Democratic Republic of Yemen as a serious, if limited threat."

AIPAC Response: With reportedly only 12 operational aircraft, the People's Democratic Republic of Yemen (PDRY) cannot pose a threat to Saudi Arabia. F–15s are totally unnecessary to defend the Saudi regime against this force. PDRY troops would have to cross 300 miles of the Empty Quarter's sands, just to find the nearest Saudi village.

Department of State Comments: "Saudi Arabia cannot rely wholly on Iran or other neighbors for its own defense."

AIPAC Response: The AIPAC memorandum never implied this total reliance. As noted in the original AIPAC memorandum, Saudi military purchases of $12 billion since 1973 have been intended to meet its legitimate defense needs.

ISRAEL'S F–15S

Department of State Comments: "The F–15 is primarily an air defense system with only limited capability for ground strikes. The aircraft would not pose 'an unprecedented threat to Israeli bases and cities.'"

AIPAC Response: The F–15's ground attack capability was described by the International Defense Review in 1976: ". . . the F–15's dual role design to carry eighteen 500 lb. bombs, or three guided bombs, or three dispensers (CBU's), or their equivalent, in addition to eight air-to-air missiles, plus the ability of its digital avionics system to deliver them with an accuracy claimed to equal that of the A7D/E, A–4N or F–111A/D will be of very considerable value. It is worth noting that the F–15 is said by McDonnell Douglas to carry 30 percent more payload to 400 nautical miles than the F–4, to have 60 percent longer . . . loiter time, and to have a load factor with ordnance 40 percent greater." Since no aircraft in Arab inventories is equivalent to the F–15, and since Saudi Arabia would have 60 of these, Israel's bases and cities would indeed be menaced as never before. As the AIPAC memorandum noted, since Saudi F–15s would force Israel to redeploy its own F–15s to protect vital targets (including the E–2Cs), and since Saudi F–15s will be fully equipped, a one-to-one comparison between Israeli and Saudi F–15 forces is indeed warranted.

U.S. POLICY FORMULATION

State does not refute any of the assertions made in the AIPAC memorandum. State does not disprove in any way reports quoted by AIPAC that the Saudi choice of the F–15 was influenced by the USAF. State does not deny reservations, objections or opposition to the sale voiced by ACDA and DOD's office of Program Analysis and Evaluation. State may choose to quibble whether the five major conclusions reached by the GAO about Saudi arms sales constitute "sharp reservations" (AIPAC's descriptive term); but State does not contradict those GAO concerns, which noted Saudi defense capability, maintenance and support problems, the growing role of U.S. advisors and technicians, assimilation problems with the F–5s, etc. As the original AIPAC memorandum asserted, the F–15 sale has been the source of considerable disagreement and criticism within the U.S. government and continues to be so.

EFFECT ON PEACE PROSPECTS

Of the nine major arguments advanced in the last section of the AIPAC memorandum (detailing why the sale would be contrary to U.S. interests), State chose only to respond, obliquely, to three.

Department of State Comments: "Denial of F–15 aircraft to Saudi Arabia would undermine Saudi confidence in our reliability as a major power fundamentally concerned with Saudi security. . . ."

AIPAC Response: America's genuine concern for Saudi security dictates a recognition that Saudi security will not be enhanced by the sale of the F–15. As noted in the original memorandum, such a sale would invite Saudi participation in another Arab attack on Israel, set off a series of regional "balancing" arms purchases and inevitably produce greater tension, less regional stability and a higher likelihood of violence—all factors undermining Saudi stability.

Department of State Comments: "We believe it unlikely that the confrontation states would adopt a policy of seeking 'military solutions' because Saudi Arabia acquired the F–15."

AIPAC Response: Sale of the F–15, along with other American sales of weapons to Arab states, can only endorse the current Arab belief that the U.S. intends to pursue a more "even-handed" policy towards the conflict. Arms sales carry with them political freight, which would encourage the Arab recipients to seek a harder line against Israel. "Military solutions" are currently endorsed by Iraq and Syria.

Department of State Comments: "Saudi moderation on oil prices in the past couple of years is a matter of record. . . . The Western world has relied on Saudi Arabia to produce at levels well beyond the needs of the Saudi domestic economy."

AIPAC Response: State has chosen to ignore the hard economic arguments advanced in the AIPAC memorandum which explain Saudi behavior with regard to OPEC oil pricing.●

LAST CARD TO PLAY ON THE CANAL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial by Messrs. Evans and Novak. The editorial presents one more reason why the Panama Canal treaties should not be ratified. Not only will the intelligence gathering abilities of our country suffer, but the American taxpayer will have to pay millions of dollars to have the tracking station at Galeta Island relocated if the treaties are approved.

The editorial follows:

LAST CARD TO PLAY ON THE CANAL

(By Rowland Evans and Robert Novak)

After all the thousands of words about the Panama Canal treaties, there remains one largely unmentioned issue of potential importance both substantively and politically: a top-secret U.S. communications intelligence facility in the Canal Zone.

This is Galeta Island, a station at the Atlantic end of the canal manned by 50 Navy personnel and officially called a "naval group security facility." It is actually a high-frequency direction-finding station that is part of the "secret code word" SOSUS network for tracking Soviet submarines.

There can be no argument that it is a high-priority, essentially irreplaceable U.S. security operation requiring renegotiation when the canal reverts to Panamanian ownership in the year 2000 under the treaties. What is not clear is the immediate fate of Galeta Island: Will there be sufficient security for the station's continued operation when Panama takes over the Canal Zone once the treaties are ratified?

Because of its sensitivity, this question has not been addressed in public debate. But senior military officers who have endorsed the treaties are privately worried about the fate of the installation.

Consequently, Galeta Island may well be the last card played by enemies of the treaties now that the Senate's secret session on the largely irrelevant drug issue has fizzled. They may try to amend the treaties to keep Galeta Island under effective U.S. sovereignty. Since Gen. Omar Torrijos would never accept that, the amendment becomes a final attempt to kill the treaties. For that reason, facts about the importance and post-treaty vulnerability of Galeta Island take on political significance.

Actually, only two or three senators today know about the station. Even White House aides handling the treaties are unaware of it. Galeta Island is definitely not on the Canal Zone tour given visiting senators. But Adm. James Holloway, chief of naval operations, revealed the existence of the station in his prepared testimony for the Senate Armed Services Committee. Holloway was pressed for details by Sen. Jesse Helms (R-N.C.), a foe of the treaties, in closed session. The admiral's replies have been kept secret.

However, senior Pentagon officials privately reveal Galeta Island is the southernmost sta-

tion in an Atlantic radio direction-finding network. Besides its hush-hush mission of tracking submarines, it takes positional bearings on surface ships and planes. It also has collected communications intelligence (most recently in the Peruvian-Ecuadorean border incident a year ago) and may expand such future activity.

Its mission is of the highest priority, with the station participating in about two-thirds of all Atlantic Ocean fixes. Its unique position also makes the station important for Pacific operations, particularly in case Soviet submarines are operating in U.S. West Coast waters.

Sanitized hearing transcripts reflect this reply by Holloway to a censored question from Helms: "My impression is we don't have any relocation plans; we would simply take a degradation in capability." When Helms asked whether relocation would be "enormously expensive," the admiral replied: "It certainly would, and it could be very politically expensive because . . . we have a political *quid pro quo* to pay in moving one of these stations [to] foreign soil."

Assuming they mean Galeta Island, this fits information supplied by senior Pentagon officials. While it would cost only $10 million to relocate the station, where would it go? Placing it in another Latin American country is doubtful politically and might not provide the correct angles for a geometric fix. Nor do warships or reconnaissance planes provide an adequate technological alternative.

Direction-finding stations have recently been kicked out of Karamursel, Turkey, and Udorn, Thailand, thinning out the network. U.S. intelligence recently talked Canada out of closing its station on Bermuda. Consequently, closure of the Galeta station might reflect decreased U.S. interest, which could trigger a Bermuda shutdown—a severe double blow to the network.

Nobody knows whether Galeta Island will still be needed 22 years from now when a new arrangement with Panama would have to be negotiated. The more pertinent question is whether it can safely function in post-treaty Panama, with the Canal Zone under Panamanian control (and Soviet "agricultural" technicians reported at Old France Field 10 miles aways). Top Pentagon officials say the station must have additional guards and be fenced off at the very least. Will this be enough? They do not say.

At this late hour, it seems improbable that ratification will be blocked by this exotic issue. Yet, Galeta Island does have far more relevance to the treaties than the peripheral drug question or human rights. It is also the last conceivable card available against the treaties. And for that reason it surely will be played.●

"CROWDING IN"

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. STOCKMAN. Mr. Speaker, recent reports that a number of key economic barometers—the index of leading indicators and real disposable earnings—dipped sharply in January, underscores the need for an abrupt shift in our present fiscal policy course. The fact that the recovery appears once again to be faltering and unstable, is still further evidence—if more is needed—that it is time for a fresh approach.

Clearly, a resort to yet another round of spending-pump-priming is not the answer. Between fiscal year 1975 and fiscal year 1978 we will have accumulated $258 billion in additional deficit (including off-budget). These huge injections of conventional fiscal stimulus have averaged 3.7 percent of GNP annually. Yet the economy still has failed to attain a self-sustaining forward momentum. Any further stimulus of this type cannot fail to crowd-out private borrowing for housing, fixed investment, and other credit needs.

By the same token, the alternative solution of strict adherence to fiscal orthodoxy holds no more promise. The built-in spending momentum and inflexibility of the budget practically insures that the deep outlay reductions which would be necessary to achieve balance are neither politically nor technically feasible within the next 2 years.

A tax increase to achieve budget balance would be even less appropriate. Such a move would "crowd-out" output just as surely as more pump-priming will "crowd-out" investment.

Mr. Speaker, these considerations make clear that the time is ripe for implementing the only new fiscal policy idea that has been proposed in decades: A deliberate across-the-board reduction in marginal tax rates for the purpose of reducing the burden of Government on the productive sectors of the economy.

In a recent editorial, the Wall Street Journal cogently explained why a marginal rate reduction of this type could be expected to have a "crowding-in" effect on credit markets: The resulting stimulus to output and supply would increase the flow of income and savings faster than the tax cut would increase the deficit.

Mr. Speaker, our colleague from New York (Mr. KEMP) has been persuasively advocating this approach for some time now. I would urge my colleagues to very carefully consider the logic of this editorial and join in support of the Kemp-Roth tax reduction proposal:

CROWDING IN

Last week we reviewed crowding out, which seems increasingly relevant to the economic outlook and the administration's economic policies. The argument is that federal borrowing to cover deficits adds to credit demand, pushes up interest rates and either crowds out private borrowing or induces the Federal Reserve to inflationary monetary creation.

Today we would like to elaborate on one caveat necessary to the argument. If policy does succeed in stimulating the economy, it will add to the GNP and thus to the savings pool, which is to say, the supply of credit. If it succeeds well enough, it can add to the supply of credit as rapidly as—or even more rapidly than—an increased deficit adds to the demand for credit. In this case there is no pressure on interest rates, no dilemma for the Fed, no crowding out, no reason for inflationary money creation. Let us call this "crowding in."

We would like to explore this possibility because we find some of our conservative economist friends steeling themselves against the dread possibility of lower taxes. Their argument is roughly as follows: To heal the economy we need to lick inflation. To lick inflation we need low money growth. To lower money growth we need to reduce credit demands. To reduce credit demands we need to cut the deficit. To cut the deficit, we would prefer to cut spending. Lacking that, we surely should not swell the deficit by cutting taxes. Indeed, the ancient Republican prescription goes we should raise taxes to balance the budget.

We would go quite some way with this argument. We and our conservative friends would surely agree on what economic policy to follow in the best of possible worlds: Keep money tight, cut spending and cut taxes. But we start to part company when politics rears its ugly head. What do you do if political reality precludes a spending cut? We see nothing to be gained by raising taxes to balance the budget; taxes take resources from the private sector even more surely than government borrowing. Lacking a cut in spending, we would prefer to risk a tax cut—given the right kind, one that actually reduces rates—and take our chances on crowding in.

The shape of the tax cut, the theory behind it, is absolutely crucial to this conclusion. For in raising the possibility of crowding in we find ourselves in the company of the Keynesians. They believe that, short of full employment, any old deficit will finance itself. The deficit will tap unutilized money balances, and putting this hidden money to work will swell GNP and savings. So it doesn't matter whether you boost the deficit by higher spending or lower taxes, they think, and any tax cut will do so long as it swells the deficit. This is why Keynesians often prescribe rebates and other gimmicks that profess to cut taxes while in fact leaving marginal tax rates unchanged. This theory does not work; a glance through history or around the world shows that a high deficit is a sign of a sick and declining economy, not a healthy and improving one.

The same glance will reveal many instances in which economic resurgence has been associated with the right kind of tax cut. The current boomlet in the Irish economy is an excellent example. Or you can take Japan during the peak of its postwar growth, or Erhard's German economic miracle. Or the U.S. during the 1920s, or the Kennedy tax cut of the 1960s. The latter, you may recall, was an across-the-board rate reduction, dropping the bottom rate to 14 percent from 20 percent and the top rate to 70 percent from 91 percent. The Keynesians, who didn't care about the shape of the cut, had made a political alliance with others who cared very much, who thought in terms of trimming marginal rates to provide greater incentives to work and invest.

The current Kemp-Roth tax cut proposal is explicitly based on the Kennedy reductions. Economist Norman B. Ture, who helped design the Kennedy tax cuts, has run the Kemp-Roth proposals through a neoclassical econometric model incorporating incentive effects, and finds it a powerful stimulus. He estimates the cuts would not in fact increase the deficit, since they would so stimulate the economy federal revenues would rise $1 billion even at the lower tax rates. And he estimates that the stimulus would generate enough savings to finance an additional $91 billion in capital outlays—or to finance a deficit if his projections are too optimistic. Crowding in.

It would of course be even better to think in terms of financing tax reduction with spending cuts, and you don't have a prayer of crowding in if you let Congress drive up the spending side to soak up any additional savings. We recognize the dangers of deficits and crowding out, and understand precisely what worries our conservative economist friends. Even so, given political experience with spending cuts, and economic experience with tax rate reduction, the right kind of tax cut looks to us a pretty good bet.●

GEORGIA TURNS DOWN FEDERAL AID

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. LEVITAS. Mr. Speaker, it is really too bad when a program with a good purpose, funded by Federal taxpayers' dollars, in part, is rejected because the redtape, regulations, and paperwork imposed by bureaucrats make it not worthwhile. The costs outweigh the benefits, and those who were intended to be helped and benefited are left holding the empty bag. Well, that is just what is happening more and more.

Our people out there in America know what they are doing, and they know how to do it a whole lot better than the bureaucrats in Washington who write the regulations. This is true in business, in people's private lives, and it is true on the State and local level in Government and education.

Last spring, I testified before the House Education and Labor's Subcommittee on Elementary, Secondary, and Vocational Education regarding the oppressive and excessive reporting requirements on State and local school systems.

I mentioned that while Federal aid to education in my own State of Georgia had increased over the years, it had not increased nearly so much as the State's own budget for education purposes. However, the duplicative and oppressive reporting requirements that accompany Federal moneys had far outstripped the increase in funds.

I said then that the Georgia Department of Education uses a rule of thumb of $5,000 on grants from Federal agencies. If the possible award is less than $5,000, the State estimates it would lose money in the paperwork process associated with the application accounting and evaluation procedures necessary for accepting the grant, and does not apply for it. Other States do the same, I am told.

On February 24, Gov. George Busbee of Georgia turned down a minimum of $50,000 from the U.S. Office of Education because of the strings attached, and he vowed to make every effort to see that there is less Federal control over State and local educational programs.

Mr. Speaker, it appears that the U.S. Government cannot even give its money away, despite the highsounding nature of the project involved—in this case, an education information center—I am inserting the Atlanta Journal article of February 28, 1978, detailing this new wave of independence on the part of the citizens of our Nation from their Federal Government.

Who loses? The people who were supposed to be benefited and the people who pay the taxes:

[From the Atlanta Journal, Feb. 28, 1978]

$50,000 FOR CENTERS—GOVERNOR TELLS UNCLE SAM TO KEEP HIS EDUCATION AID

(By Peter Scott)

Georgia Gov. George Busbee has thrown himself and the state into a national tug-of-war over federal financing of state education programs.

In a letter to Ernest Boyer, U.S. Commissioner of education, Busbee rejected a federal offer for $50,000 to initiate Education Information Centers in Georgia.

Busbee wrote that the program, like others begun at the federal level, probably would depend on promised future federal funding, but would end up with the state carrying most of the financial burden for sustaining the plan.

Busbee's action, minor when compared with the $210 million Georgia gets for public education, is the first such move in recent years, state officials said.

But the rejection follows an apparent trend, with some states taking much stronger action.

Arizona officials rejected federal funds for special education programs because of what the state saw as excessive federal involvement in the program.

Florida tried to do something similar, but state legal authorities declared the efforts invalid.

The program centers program, designed to provide post-secondary schooling data to underemployed and unemployed persons, originally was to cost $30 million, but ended up with only $2 million for all the states.

With that, states could do little more than develop plans, Busbee told Boyer. Thus, Busbee said, the states would have to pick up a much greater share of the costs than originally envisioned, go to a scaled-down program or abort the project.

"I cannot in good conscience allow Georgia to participate," Busbee said.

"I will make every effort to see that there is less and less federal leveraging in our state programs, both those which now exist and those that will be initiated in the future," Busbee said.

Regional U.S. Office of Education officials referred inquiries to the national office, but officials there were unavailable.

However, during a recent visit to Atlanta, Boyer acknowledged the storm of complaints from government and education officials about state-federal funding. He indicated some flexibility during an interview.

But such pledges have failed to soothe the complaints.

The federal government contributes seven percent of the revenue for elementary and secondary education, but lawmakers and educators are complaining that they determine 80 percent of the spending priority in state education programs.

"They get us accepting the money and then say, 'Now we've got you. You are going to do these additional things if you want to keep getting the money,' " one state finance official said.●

TILTING TOWARD THE NUCLEAR OPTION

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mrs. LLOYD of Tennessee. Mr. Speaker, I want to call to the attention of my colleagues an extremely timely editorial written by Joseph Kraft entitled, "Tilting Toward the Nuclear Option." Mr. Kraft highlighted many of the issues which are of concern to me. He clearly states that nuclear energy is not only important, it is a strategic necessity for this country. Just suppose for a moment if we had been subject to even a partial curtailment of oil supply on top of the coal strike.

The recent announcement by some of our most distinguished scientists concerned about energy supply, not how to slow growth, that they will be recommending a diversion proof breeder fuel cycle for analysis by INFCE is significant. This is proof positive that we can use our technical know-how to our best advantage. I hope that my colleagues will strongly support the Science and Technology Committee's initiatives to fully develop these responsible solutions. We must also understand that the no-growth proponents will be quick to criticize any effort that is made to take a positive step forward.

The full text of the Kraft editorial which appeared in the Washington Post on February 28, 1978, follows:

[From the Washington Post, Feb. 28, 1978]

TILTING TOWARD THE NUCLEAR OPTION

(By Joseph Kraft)

Coal is almost dead. Long live nuclear—and safety. That is the underlying meaning of the marathon coal strike for the country's energy problems. So it is good news that there is being announced this week a new technique that divorces all-out nuclear production from proliferation of nuclear weapons.

For several years now coal has been at the center of the country's energy strategy. Thurston Morton, the top energy man in the last administration, called it "America's ace in the hole." President Carter's National Energy Plan prescribes a substantial increase in coal production by 1985.

But the strike demonstrates that the extensive practice of underground coal mining is not truly consistent with the sensibilities of an advanced industrial—or, as Daniel Bell puts it, a "post-industrial"—society. The work is dangerous, dirty and hard. Those who undertake it demand privileges that go beyond the usual reward of high wages.

The coal miners seek old-fashioned, individual freedom. They don't want to be pushed around by management or labor or government. That is why there is an anarchic union forced by its members to demand the right to have wildcat strikes without any serious penalty against wages, employment or health and pension benefits.

The post-industrial society affords tolerance, if not universal support, for these demands. So the Taft-Hartley law couldn't be made to work, and a seizure of the mines would have encountered—and still might encounter—strong congressional opposition. The president in these circumstances has had as his chief weapon patience, and a prayer that after the operators gave way, the miners would accept their surrender.

Theoretically the problems of eastern coal could have been solved by western coal. For the seams in the Rocky Mountains lie close to the surface and do not require underground mining.

But a feature of the post-industrial society is sensitivity to environmental problems. Another feature is high concern about unemployment.

These two concerns have combined to shape the latest clean-air regulation. The new rules require that 90 percent of the sulfur content be removed from coal before the waste is emitted. That discriminates against western coal, which is so low in sulfur content that it would not ordinarily need any special treatment. As a result western coal will not be competitive east of the Mississippi. There will be no western coal rush.

Nuclear power, by contrast, is free from all these social constraints. It is cleaner,

cheaper, safer and more reliable than coal. The most progressive power producers in the country have long since gone over to nuclear reactors. A notable example is the TVA, which—having led in hydroelectric power during the 1930s and coal-fired plants in the 1950s—is now going nuclear in a big way.

Association with nuclear weapons, to be sure, has generated a good deal of public apprehension about nuclear power. Though polls and referendums show an overwhelming part of the population favorable to nuclear power, many citizens and political leaders of unquestionably high motivation oppose—and successfully oppose—locating nuclear power plans in major population centers.

But that problem can be met by placing the plants on government reservations or in nuclear parks. Thus the Hanford Nuclear Reservation in central Washington is being used for building three reactors that will provide power to the populous areas around Seattle and Portland. California could also have a piece of that action if Gov. Jerry Brown would be sensible about his state's overwhelming energy difficulties.

A second worry is disposal of nuclear wastes. There has been unquestionable sloppiness in disposing of the nuclear wastes from military programs. Though no damage has been done, some of the radioactive material has leaked from containers stored at Hanford. But that can easily be remedied—and indeed is being remedied—in a crash program for stashing the stuff in new containers.

The problem becomes much smaller if this country begins moving toward reprocessing plants and breeder reactors that use spent fuel to generate more nuclear fuel. President Carter had turned away from that path because reprocessing generates weapons-grade material and thus might promote proliferation of nuclear bombs. His hope was that if the United States went slow, France, Britain, Germany and Japan would follow suit.

They have not—but the delay has yielded a dividend. Scientists in Britain and this country have developed, and are announcing this week, means for going through the whole reprocessing cycle without producing weapons-grade material.

That development is a special boon for President Carter, whose past emphasis on nonproliferation was going nowhere. The president would be well advised now to seize the opportunity for proclaiming this country's full entry into the nuclear age.●

THE PRESS AND "THE ENDS OF POWER"

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. HYDE. Mr. Speaker, once in awhile a newspaper column comes along which lights up the whole page with its insight and truth.

Such a column appeared in February 28, 1978's Cincinnati Enquirer, written by Patrick J. Buchanan. Mr. Buchanan, along with a brave but small band of journalists, is highly skilled at hacking his way through the self-adulatory posturing that encumbers so many editorial and op-ed pages, and so I am pleased to share this article with my colleagues:

THE PRESS AND THE ENDS OF POWER

(By Patrick J. Buchanan)

WASHINGTON.—With the arrival of H.R. Haldeman's recollections, *The Ends of Power*, the nation's scribes have betaken themselves again to their typewriters to bemoan the lucrative wages of sin.

How, the cliche runs, can we ask poor black children to obey the law when they see that crime does pay, in handsome royalties? From observation, feigned revulsion and disgust—at the rewards reaped by Magruder, Dean, Colson, Ehrlichman, Haldeman and the Prince of Devils himself—seems part of an act, an annual media morality play.

For no group of Americans has gathered a greater share of thrills, publicity and profit out of the Watergate "crisis" than my brethren of the national press.

Consider, Haldeman's tome is being promoted and published by the New York Times Book Co., which will split the gate with Mr. Nixon's "head Nazi." The Book-of-the-Month Club has made it the choice of the month. The national press is replete with ads for *The Ends of Power*. To steal a march on the Washington Star, which paid a princely sum for serial rights, the Washington Post scooped off the cream of Haldeman's revelations and spread them across page one.

Around the country, newspapers have bid up and bought the rights for thousands of dollars, even as their editorial writers deplored Haldeman's profiteering from the Watergate scandal.

The most amusing episode of all was the *Post's* theft of the *Times'* exclusive. What a howl to hear the cry "We wuz robbed" from the hierarchy of a newspaper which won the Pulitzer Prize for colluding with Ellsberg and his confederates to publish the stolen Pentagon Papers.

Watching as the cream of Washington's journalistic corps chattered happily away on public television and the talk shows about Haldeman's book, one had to ask if Watergate was really a "crisis" at all.

Certainly, for the Watergate crew, it was. Scores of careers were ruined, and lives wrecked. And it was a crisis of sorts for the hundreds who worked for Nixon's election, a "Breach of Faith" for millions who believed in him.

But for the Nixon-haters, Watergate was a festival, a financial bonanza. If ever a series is done on the Washington press corps called "Happy Days," the setting will surely be in the months between March of 1973 and August of 1974.

Surveying his comrades, the Washington editor of *Harper's*, like Father Abraham in Sodom, could not find one who had not thoroughly enjoyed Watergate from beginning to end. Here was Nixon being destroyed daily, his mandate overturned, his mendacity exposed—while the Washington press was given 18 precious months to do a repair job on its own crippled credibility.

For Washington's press, in Wordsworth lines: "Bliss was it in that dawn to be alive. But to be young was very heaven!"

Another reason exists that Nixon's behavior is a subject to which Washington so greedily turns. It is because his breach of faith tends to eclipse the great betrayal of the decade past, the betrayal in which the big media played so central a role.

I refer to Vietnam.

When John Kennedy marched his advisers and troops into Southeast Asia, the Washington press corps was one united and clamorous peanut gallery. It supported the war until the Tet offensive broke Lyndon Johnson. And when Nixon took the oath, they went over the hill. What had been John F. Kennedy's great crusade for freedom suddenly became soiled by inheritance, Richard Nixon's dirty and immoral war.

By daily sapping America's morale, by nightly feeding the disease of defeatism, the press played a leading role in bringing about the Maoism that rules in Vietnam, and the madness running rampant in Cambodia.

Alongside tens of millions of people betrayed into Oriental despotism, where does a third-rate burglary and fourth-rate cover-up rank on the moral scale?

Yes, among the prime reasons the national press, at a moment's notice, will take to talking incessantly about who erased those 18 minutes of tape is because it would prefer not to discuss who is responsible for erasing the freedom of 30 million people who placed their trust in the United States.●

VOLUNTARY PRAYER

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1978

● Mr. STEERS. Mr. Speaker, I would like to call attention to the views of the many religious-oriented citizens who believe that our schools are cheating our young people when they fail to provide an opportunity for voluntary prayer.

One such citizen, a fine woman and an activist in this cause, has written me her thoughts and I should like to share them with you. These are the remarks of Mrs. George G. Bull, 4601 North Park Avenue, Apt. 711, Chevy Chase, Md. 20015:

We who believe in restoring voluntary prayer in the public schools are also champions of freedom of religion and freedom of speech. Under our system all persons, including children, have the right to pray, and right not to pray . . .

As ecumenical, non-religious a body as UNICEF declares, "The child shall enjoy special protection and be given opportunities by law and other means, to develop physically, mentally, morally, spiritually and socially in a healthy normal manner."

The First Amendment not only states that Congress shall make no law establishing a religion; but also that it shall not prohibit the free exercise thereof. That is exactly what is being done today.

The majority of your children are being deprived of a Constitutional right, the right to pray, in which the majority of parents in the U.S. wish them to participate.

We are tired of being told that our children and grandchildren may not pray in school, may not participate in religious festivals or mention God in school. We are being dominated by and intimidated by a small godless minority, and I am not going to keep still about it . . .

I ask you now, are the schools better now than they were in 1963 and before—or worse?

We are a nation that was founded under God and believes in God. A prayer that mentions God should most certainly be used in the schools. That is not establishing a religion, since at least three major religions acknowledge one God.

Under freedom of speech a person may read, distribute or sell pornographic literature, but we are told that we must keep God out of the schools. Why? And by whose authority?

Because of the right of free speech and freedom of religion, parents may put God back in the schools and certain mothers are

going to keep talking and writing until we are heeded . . .

Consider the violence, vandalism, vagrancy and disrespect for teachers and parents that has been tolerated in the schools and at home. And the lack of learning. I ask you again, were the schools better before 1963, or are they better now? We have spent mountains of money on education, buildings, colleges, teachers' salaries—and the schools are worse.

Restoring voluntary prayer in the schools wouldn't cost, or be costly, and it might help to break this frightening trend.

Isn't it worth a try, for our children?●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 2, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 3

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

*Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

9:30 a.m.
Armed Services
Tactical Aircraft Subcommittee
To receive a briefing in closed session on the status of Soviet tactical air and air defense system programs.
224 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To resume hearings jointly with the Energy and Natural Resource's Subcommittee on Public Lands and Resources on S. 1820, to preserve examples of America's diverse natural ecological resources for classification, identification, and protection.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2534, authorizing funds for the Health Maintenance Organization through 1983.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings to receive testimony from Secretary of the Interior Cecil Andrus, on budget estimates for FY 79 for the Department of Interior.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on spending practices of individuals departments (Mission Budgeting) at HEW, and on budget estimates for FY 79 for the Health Care Financing Administration, Department of HEW.
S-128, Capitol

Armed Services
Manpower and Personal Subcommittee
To receive testimony on military posture and troop levels in NATO.
212 Russell Building

Banking, Housing, and Urban Affairs
To continue hearings on S. 2441, proposed Federal Public Transportation Act.
5302 Dirksen Building

Energy and National Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on FY 79 authorizations for the Department of Energy.
6226 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on S. 2420, proposed International Development Cooperation Act, and on FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Consumer Product Safety Commission, Office of Consumer Affairs, and Consumer Information Center.
1318 Dirksen Building

1:00 p.m.
Appropriations
Legislative Subcommittee
To hold hearings on budget estimates for FY 79 for the Legislative Branch.
S-128, Capitol

MARCH 6

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on FY 79 authorizations for HUD.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2386, to permit ocean carriers to limit tonnage so as to ensure competitive and economic stability.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on status of U.S. coal supplies.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act.
4221 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 2300, to extend for 5 years the U.S. Commission on Civil Rights.
2228 Dirksen Building

Joint Economic
Fiscal and Intergovernmental Policy Subcommittee
To hold hearings on central city business problems.
6226 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To resume hearings on budget estimates for fiscal year 1979 for the Office of Education, Department of HEW.
S-128, Capitol

6:00 p.m.
Veterans' Affairs
To resume hearings on a National Academy of Science study of health care for American veterans.
Until 10:30 p.m. 6226 Dirksen Building

MARCH 7

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial conditions of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, fiscal year 1979 authorizations for NASA.
235 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 50, the Full Employment and Balanced Growth Act.
Until 12:30 p.m. 4232 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings in connection with the protection of human subjects used in experimental research.
Until 12:30 p.m. Room to be announced

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold oversight hearings on the Disaster Relief Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Surface Mining.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Human Development and special institutions, Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs, and funds for NATO.
S-146, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by bank holding companies and other banks.
5302 Dirksen Building

Energy and National Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
Room to be announced

Finance
Private Pension Plans and Employee Fringe Benefits Subcommittee
To hold oversight hearings on the investments of the New York City pension funds.
2221 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
Oversight hearings on the SBA minority business program.
1318 Dirksen Building

Joint Economic
Fiscal and Intergovernmental Policy Subcommittee
To continue hearings on central city business problems.
6226 Dirksen Building

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from officials of the VFW.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on budget estimates for FY 79 for the Office of Human Development and special institutions, Department of HEW.
S-126, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 8

8:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 1728, proposed Domestic Violence Prevention and Treatment Act, and related bills.
Until 11:30 a.m. 457 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 50, the Full Employment and Balanced Growth Act.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To consider pending legislation.
4200 Dirksen Building

Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Arts.
1114 Dirksen Building

Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S-146, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by bank holding companies and other banks.
5302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 2386, to permit ocean carriers to limit tonnage so as to ensure competitive and economic stability.
154 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
Private Pension Plans and Employee Fringe Benefits Subcommittee
To continue oversight hearings to the investments of the New York City pension funds.
2221 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act.
4221 Dirksen Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings on S. 1753, to extend and amend the Elementary and Secondary Education Act.
Room to be announced

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Coast Guard and St. Lawrence Seaway Development Corporation.
1318 Dirksen Building

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

9:30 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the FY 79 authorizations for the Office of Rail Public Counsel.
235 Russell Building

Environment and Public Works
To consider pending legislation.
4200 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Fish and Wildlife Service.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on FY 79 authorizations for rural housing programs.
5302 Dirksen Building

Budget
To receive testimony from HEW Secretary Califano and Labor Secretary Marshall in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on the Administration's request for the economic support fund.
4221 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the U.S. Tax Court and certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 10

8:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 437, to prohibit rate discrimination among customers of the Southwest Power Administration.
3110 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2478, FY 79 authorizations for the National Rail Passenger Corporation (Amtrak).
318 Russell Building

Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 990, the Federal Physicians Comparability Allowance Act.
357 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 2570, to extend the Comprehensive Employment Training Act (CETA).
424 Russell Building

9:30 a.m.
Human Resources
Handicapped Subcommittee
To hold hearings on vocational rehabilitation and development disabilities.
Until noon 4332 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Environmental Protection Agency and Council on Environmental Quality.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To continue hearings on FY 79 authorizations for rural housing programs.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2553, FY 79 authorizations for the Maritime Administration.
235 Russell Building

Energy and Natural Resources
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on contributions to U.S. international organizations.
4221 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2502, to authorize the States and the Indian tribes to enter into mutual agreements respecting jurisdiction and governmental operations in Indian country.
457 Russell Building

2:00 p.m.
Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S-18, Capitol

MARCH 13

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2354, to provide for equal access to courts.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of James B. King, to be Chairman, and Elwood T. Driver, to be a member, both of the National Transportation Safety Board.
235 Russell Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on FY 79 authorizations for HUD.
5110 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Foreign Relations
To hold hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 2478, FY 79 authorizations for the National Railroad Passenger Corporation (AMTRAK).
1202 Dirksen Building

MARCH 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
6226 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1794, authorizing funds for FY 79 for the U.S. Fire Administration.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on proposed funding for roads on Indian lands.
4200 Dirksen Building

Human Resources
Handicapped Subcommittee
To resume hearings on vocational rehabilitation and developmental disabilities.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
5110 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Forest Service, Department of Agriculture.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on FY 79 authorizations for HUD.
424 Russell Building

Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on the needs and uses of water for energy development in the western states.
3110 Dirksen Building

Foreign Relations
To continue hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building

Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
357 Russell Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To hold hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Postal Service, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Judiciary
Citizens Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2390, the Citizens' Access to the Courts Act.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 2065, 2470, and 2546, to protect consumer rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building
Budget
To receive testimony from Federal Reserve Board Chairman-designate Miller in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2552, FY 79 authorizations for the U.S. Travel Service.
235 Russell Building
Foreign Relations
To continue hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building
Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building
Rules and Administration
To hold hearings on FY 79 authorizations for the Federal Elections Commission, to be followed by a business meeting on legislative and administrative business.
301 Russell Building
2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 16

8:00 a.m.
Veterans' Affairs
To resume hearings on H.R. 5029, authorizing funds for hospital care and medical services for certain Filipino combat veterans of W.W. II, and S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government.
Until 11:00 a.m. 357 Russell Building
9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorizations for NASA.
235 Russell Building
*Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building
9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
6226 Dirksen Building
10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Smithsonian Institution.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold oversight hearings on FDIC report on preferential bank lending policies.
5302 Dirksen Building
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building
Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
Room to be announced
Select Small Business
To resume hearings to explore problems concerning capital formation of small and medium-sized independent enterprises.
424 Russell Building
10:30 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for National Highway Traffic Safety Administration.
1223 Dirksen Building
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building
2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for cetrain functions of the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 17

9:00 a.m.
Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 408, to extend certain benefits to ASCS county employees.
357 Russell Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5302 Dirksen Building
9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on numerous pending nominations to the Metric Board.
318 Russell Building
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, the Conprehensive Drug Amendments Act.
Until 12:30 p.m. 4332 Dirksen Building
10:00 a.m.
Budget
To receive testimony from Secretary of HUD Harris in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Environment and Public Works
Water Resources Subcommitee
To hold hearings on S. 2444 and S. 2437, relating to a national program of dam inspection.
4200 Dirksen Building

MARCH 20

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
2228 Dirksen Building
9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in FY 79 authorizations for the National Transportation Safety Board.
235 Russell Building
Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on the implementation fo the Solid Waste Disposal Act.
4200 Dirksen Building
10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Mines.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Budget
To receive testimony from Representative Boiling in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings in FY 79 authorizations for the Department of Energy.
3110 Dirksen Building
Select Small Business
To resume hearings to explore problems concerning capital formation of small- and medium-sized independent enterprises.
424 Dirksen Building
6:30 p.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 258, the Children and Youth Camp Safety Act.
Until 10:00 p.m. 4232 Dirksen Building

MARCH 21

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5110 Dirksen Building
9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Finance
Health Subcommittee
To hold hearings on proposed legislation concerning confidentiality of medical records relating to the Medicare and Medicaid programs.
2221 Dirksen Building

Veterans' Affairs
To mark up S. 364, to provide for judicial review of administrative decisions promulgated by the VA, and to allow veterans full access to legal counsel in proceedings before the VA, and S. 2384, the Veterans and Survivors Income Security Act.
412 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S–128 Capitol

Appropriations
HUD–Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Land Management.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act, and FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2552, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the Defense Civil Preparedness Agency, CSC, Federal Labor Relations Council, and the FEC, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 22

9:00 a.m.
Human Resources
To hold hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MARCH 23

9:00 a.m
Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed contribution of a Federal Interstate Highway near Memphis, Tennessee.
Room to be announced

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on FY 79 authorizations for EPA research and development.
4200 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for fiscal year 1979 for foreign aid programs.
S–126, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 1010 and H.R. 2777, to establish a National Consumer Cooperative Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on the price differential between leaded and unleaded gasoline.
3110 Dirksen Building

Foreign Relations
To hold hearings to receive testimony from Secretary of State Vance on the Administration's proposed arms transfer policy.
4221 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain Independent Agencies, and on supplemental appropriations for FY 78.
1224 Dirksen Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S–126, Capitol

Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S–126, Capitol

APRIL 5

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on proposed legislation to provide Federal insurance for state regulated money order companies.
5302 Dirksen Building

Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
318 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AM-VETS, Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6226 Dirksen Building

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget, estimates for FY 79 for the Geological Survey.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget, estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building

APRIL 7

10:00 a.m.
*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Judiciary
Juvenile Delinquency Subcommittee
To hold hearings on S. 797, to provide that the first court to issue a child custody decree shall be binding on other courts in other States.
2228 Dirksen Building

11:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

APRIL 10

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 50, the Full Employment and Balanced Growth Act.
1202 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on authorizations for FY 79 for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2253, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed Federal aid highway legislation.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building

Select Indian Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

APRIL 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume mark up of S. 50, the Full Employment and Balanced Growth Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 17

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2090 and S. 2081 proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume mark up of proposed Federal aid highway legislation.
4200 Dirksen Building

APRIL 18

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue mark up of S. 2090 and S. 2081, proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced

Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
318 Russell Building

APRIL 21

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

APRIL 24

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 25

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue mark up of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 26

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 National Transportation Safety Board and the ICC.
1224 Dirksen Building

MAY 1

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, March 2, 1978*

The House met at 12 o'clock noon.

Rabbi Herbert A. Opalek, Yeshiva Bais Isaac Zvi, Brooklyn, N.Y., offered the following prayer:

We humble ourselves before You, Adon Ha-Olam, Protector of Israel.

Know that we stand before You in prayer here in this hall of law. As this day's session commences, grant these legislators herein assembled the wisdom to act in accordance with Your wishes. Remind us of our frailties and infuse in us a spirit of morality. Even as we stand before You; we beseech You to protect the leaders of our glorious land. Nation of peace and prosperity that has been blessed by You; May it be Thy will that it continue to flourish.

Do as You have promised to Your people Israel and vouchsafe that nation shall not rise against nation. Instill upon these Congressmen the blessings that flow from Your countenance. At this crucial juncture of our history assure the destiny of our country. Never fail us as we strive to do justice and walk humbly in Thy way. Enrich our lives, O our Father.

Clothe us in wisdom and inner knowledge. Arouse in us the capacity to weigh our fate with great care. Relying on Your mercy, we ask Your help. O Lord hear the prayers of Your people Israel. Let life, wisdom, and goodness be our lot in life. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

RABBI HERBERT A. OPALEK

(Mr. ZEFERETTI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZEFERETTI. Mr. Speaker, I am pleased to welcome today on behalf of my colleagues, Rabbi Herbert A. Opalek, executive vice president of Yeshivos Zichron Pinchos for boys and Kesser Malka for girls. Although still young, Rabbi Opalek has served the Jewish and general community at large as spiritual leader and university professor. As a scholar of note the rabbi has contributed much to the understanding of the Talmudic period, as well as legal studies of rabbinic jurisprudence.

At present, Rabbi Opalek serves as executive vice president to one of the fastest growing Judaic and rabbinic schools in the Greater New York area. Under spiritual and active leadership of my good friend, Rabbi David S. Helberg, Zichron Pinchos and Kesser Malka which is located in my district has achieved a high level of educational excellence. This school of learning is comprised of nursery, elementary, and rabbinic divisions. Rabbis Opalek and Helberg are active in community affairs and the yeshiva serves as a center for the dissemination of social service and community information.

There can be no doubt that this yeshiva is indeed a credit to its community. I know that my colleagues join me in saluting this outstanding religious and civic leader on this milestone of his life. I am enormously proud to count Rabbi Opalek as both a constituent and a friend.

BIRTHDAY CELEBRATIONS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, I take this moment to observe that today is the 2d of March, a date triply and quadruply sanctified. It is, among other things, the birthday of the Republic of Texas. It was on March 2 of 1836 that Texas declared its independence from Mexico and began its short-lived career as one of the sovereign nations of the world.

It also is celebrated by Texans as the birthday of Sam Houston, who was born on March 2, 1793.

In commemoration of those two events, our colleague, the gentleman from Texas (Mr. PICKLE), offers Texas chili, free for all, in the House restaurant today.

In addition to that, this date is sanctified to us in this Chamber in that it is the birthday of our distinguished majority whip, the gentleman from Indiana, Mr. JOHN BRADEMAS.

It also is the birthday of our distinguished minority whip, the gentleman from Illinois, Mr. BOB MICHEL.

In addition to all of this, it is the birthday of the beautiful lady from Maryland, Mrs. GLADYS SPELLMAN.

So let us commemorate and celebrate this day for all of these reasons.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Given, Mr. Speaker, what the University of Notre Dame in the district I represent did to the University of Texas a few weeks ago on the football field, I am all the more touched by the beneficence, the generosity, and the graciousness of my valued friend, the distinguished majority leader, the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, for his having mentioned that unhappy occurrence, I am almost tempted to withdraw and retract and otherwise disavow every kind word that I said about the gentleman from Indiana; but in the benevolent spirit of the occasion, I shall simply turn the other jaw and wish for him a benediction in paraphrase of that famous hymn:

Th› ayes of Texas are upon you, all the livelong day.

TEXAS INDEPENDENCE DAY

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, as the majority has said, today is the day that we take pause to remember one of the great "nations" of the Western Hemisphere—the Republic of Texas.

On this day, 142 years ago, in a small, rough building located in my congressional district, brave men, following the great courage of the American Revolution, signed a document declaring the birth of the nation of Texas.

Also, in honor of this day, for 14 years I have served venison chili (Wick Fowler style) in the House restaurant. I ask all my colleagues to join with me in tipping a bowl of "Red" to remember this day.

I think you will like this chili. It is hot enough to get your attention, strong enough to help your sinuses, and good enough to stay with you all day—in fact, even to the next morning. Normally I serve two-alarm chili, but for the distinguished gentleman from South Bend, Ind. (Mr. BRADEMAS), I will prepare for him some four-alarm chili, with hot jalapeño peppers.

CONGRATULATIONS TO ORA BOONE

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, I am proud to call the attention of my colleagues to the honor being paid this week to Ora Boone, an able and highly respected leader of the UAW retirees in Michigan. The Flint area UAW retirees council will be holding a testimonial dinner for Mr. Boone on Saturday, March 3, 1978, in Flint, Mich. Mr. Boone has dedicated many years of service to the UAW members and retirees in the Flint area. I have always valued his counsel on issues of importance, particularly those concerning retirees, and have worked with him on many occasions. Mr. Boone worked for 41 years at the Chevrolet plant in Flint, and has played a prominent leadership role in the activities of his UAW local there—local 659, the largest UAW local in General Motors. He serves on the UAW's National Retirees Advisory Council, and is chairman of the region 1–C retirees. Mr. Boone has chaired the Local 659 retirees chapter since he founded it in 1967, and under his leadership that chapter's membership is expected to reach 7,000 next year. He is a past president and present board member of the Westside Auto Employees Federal Credit Union. Mr. Boone also has been active in retiree affairs outside the UAW, as he is a board member of both the National Council of Senior Citizens and the Michigan State Council of Senior Citizens, which he helped organize. I am honored to have him as a friend, and to have this opportunity to present to my colleagues this very brief outline of his many accomplishments.

CONGRESSIONAL IMMUNITY

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAGEDORN. Mr. Speaker, article I, section 6 of the Constitution of the United States provides Members of Congress with immunity "for any speech or debate in either House," providing that "they shall not be questioned in any other place."

While this language has traditionally been thought to include only direct legislative activities such as floor and committee debate, official reports, and voting, the Justice Department has now suggested, before the Supreme Court, that it might also encompass the actions of congressional staff investigators in burglarizing private homes and offices, provided, of course, that the burglary was committed to obtain "information for a legislative purpose."

In view of the distance that our Government has traveled from its original conception as one with strictly limited and enumerated powers, I would suggest that the Justice Department's construction of article I, section 6 represents a tremendous threat to the civil liberties of our citizens. There is virtually no information, no record, and no document held by private individuals which does not today have some conceivable legislative purpose.

Rather than searching for new ways to legally invade the personal privacy of the American people, I believe that the Justice Department can busy itself in more constructive ways. The fourth amendment to the Constitution should not be obliterated by the proponents of a "flexible" Constitution downtown.

THE ATTORNEY GENERAL'S ARROGANCE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, several months ago I wrote to Attorney General Griffin Bell raising serious concerns over his prosecution of former FBI Special Agent John Kearney. I have made additional inquiries.

The Attorney General has refused to personally answer my concerns although an assistant did send a much belated rebuff to my assistant last December 14.

In other words the Attorney General will be accountable to no one—particularly not to elected Representatives.

What is our Government coming to, Mr. Speaker, when an appointed servant of the public can be so arrogant and unresponsive?

CONGRESSIONAL RECORD REFORM

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, we have taken a tentative first step toward initiating an accurate CONGRESSIONAL RECORD. I say first step, because under the plan approved by the Joint Committee on Printing, Members will still be able to submit statements not actually spoken on the House floor if they read the first sentence of the statement on the floor. At this time I am going to attend hearings of the Appropriations Subcommittee on the Department of Housing and Urban Development and Independent Agencies.

The remainder of my statement will be submitted, but will appear in the RECORD as if I stood before you and continued to speak.

Mr. Speaker, I am sure we will all agree that this is not a wholehearted embrace of truth and accuracy, but more a flirtation.

The House Republican Task Force on Congressional Reform, of which I am honored to serve as chairman, has long endorsed the establishment of a true and accurate CONGRESSIONAL RECORD. Materials used to extend or supplement remarks actually delivered by Members should be distinguished from what is really spoken. Entire speeches or statements, no part of which are personally spoken during debate or in special orders, should appear as such.

I applaud the efforts of the Joint Committee on Printing and the House and Senate leadership for taking the first step in restoring the credibility of the CONGRESSIONAL RECORD. However, we should not stop here. The CONGRESSIONAL RECORD was created to serve as an accurate historical and legal document. Unfortunately, it seems to have deteriorated into an inaccurate and often misleading journal. Members no longer have to appear on the floor and take part in debate. Statements are submitted, printed, and then sent to constituents as if actually spoken on the House floor.

Public opinion of Congress is at an alltime low. Continuing accounts of improper and unnatural behavior question the very integrity of the legislative branch. It is time we end our compromise of ethical principles and lead the way in correcting past abuses. Restoring the CONGRESSIONAL RECORD to its original intent is a good place to start.

DISTRICT OF COLUMBIA REPRESENTATION IN CONGRESS

Mr. EDWARDS of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 554) to amend the Constitution to provide for representation of the District of Columbia in the Congress.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS).

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 394, nays 12, not voting 28, as follows:

[Roll No. 96]

YEAS—394

Abdnor	Cavanaugh	Florio
Addabbo	Cederberg	Flowers
Akaka	Clausen,	Flynt
Alexander	Don H.	Foley
Allen	Clawson, Del	Ford, Mich.
Ambro	Clay	Ford, Tenn.
Ammerman	Cleveland	Forsythe
Anderson,	Cochran	Fountain
Calif.	Cohen	Fowler
Andrews, N.C.	Coleman	Fraser
Andrews,	Collins, Tex.	Frenzel
N. Dak.	Conable	Fuqua
Annunzio	Conte	Gammage
Applegate	Conyers	Garcia
Archer	Corcoran	Gibbons
Armstrong	Corman	Gilman
Ashbrook	Cornell	Ginn
Ashley	Cornwell	Glickman
Aspin	Cotter	Goldwater
AuCoin	Coughlin	Gonzalez
Badham	Crane	Goodling
Bafalis	Cunningham	Gore
Baldus	D'Amours	Gradison
Barnard	Daniel, Dan	Grassley
Baucus	Daniel, R. W.	Green
Beard, R.I.	Danielson	Gudger
Beard, Tenn.	Davis	Guyer
Bedell	de la Garza	Hagedorn
Beilenson	Delaney	Hall
Benjamin	Dellums	Hamilton
Bennett	Derrick	Hanley
Bingham	Derwinski	Hannaford
Bevill	Devine	Harkin
Biaggi	Dickinson	Harrington
Blanchard	Dicks	Harris
Blouin	Dodd	Harsha
Boggs	Dornan	Hawkins
Boland	Downey	Heckler
Bolling	Drinan	Hefner
Bonior	Duncan, Oreg.	Heftel
Bonker	Duncan, Tenn.	Hightower
Bowen	Early	Hillis
Brademas	Eckhardt	Holland
Breaux	Edgar	Hollenbeck
Breckinridge	Edwards, Ala.	Holt
Brodhead	Edwards, Calif.	Holtzman
Brown, Calif.	Edwards, Okla.	Howard
Brown, Mich.	Eilberg	Hubbard
Broyhill	Emery	Huckaby
Buchanan	English	Hughes
Burgener	Erlenborn	Hyde
Burke, Calif.	Ertel	Ichord
Burke, Fla.	Evans, Colo.	Ireland
Burke, Mass.	Evans, Del.	Jacobs
Burleson, Tex.	Evans, Ind.	Jeffords
Burlison, Mo.	Fary	Jenkins
Burton, John	Fascell	Jenrette
Burton, Phillip	Fenwick	Johnson, Calif.
Butler	Findley	Johnson, Colo.
Byron	Fish	Jones, N.C.
Caputo	Fisher	Jones, Okla.
Carney	Fithian	Jones, Tenn.
Carr	Flippo	Jordan
Carter	Flood	Kasten
Kastenmeier	Murphy, Pa.	Skubitz
Kazen	Murtha	Slack
Kelly	Myers, Gary	Smith, Iowa
Kemp	Myers, John	Smith, Nebr.
Ketchum	Myers, Michael	Snyder
Keys	Natcher	Solarz
Kildee	Nedzi	Spellman
Kindness	Nichols	Spence
Kostmayer	Nolan	St Germain
Krebs	Nowak	Staggers
Krueger	O'Brien	Stangeland
LaFalce	Oakar	Stanton
Lagomarsino	Oberstar	Stark
Latta	Obey	Steed
Leach	Ottinger	Steers
Lederer	Panetta	Steiger
Leggett	Patten	Stockman
Lehman	Patterson	Stokes
Lent	Pattison	Stratton
Levitas	Pease	Studds
Livingston	Pepper	Stump
Lloyd, Calif.	Perkins	Taylor
Lloyd, Tenn.	Pettis	Thompson
Long, La.	Pickle	Thone
Long, Md.	Pike	Traxler
Lott	Pressler	Treen
Lujan	Preyer	Trible
Luken	Price	Tsongas
Lundine	Pritchard	Tucker
McClory	Pursell	Udall
McCloskey	Quayle	Ullman
McCormack	Quie	Van Deerlin
McEwen	Quillen	Vander Jagt
McFall	Rahall	Vanik
McHugh	Railsback	Vento
McKay	Rangel	Volkmer
McKinney	Regula	Waggonner
Madigan	Reuss	Walgren
Maguire	Rhodes	Walker
Markey	Richmond	Walsh
Marks	Rinaldo	Wampler
Marlenee	Robinson	Watkins
Marriott	Rodino	Waxman
Martin	Roe	Weaver
Mathis	Rogers	Weiss
Mattox	Roncalio	Whalen
Mazzoli	Rooney	White
Meeds	Rose	Whitehurst
Metcalfe	Rosenthal	Whitley
Meyner	Rostenkowski	Whitten
Michel	Roussel.ot	Wiggins
Mikulski	Roybal	Wilson, C. H.
Mikva	Runnels	Wilson, Tex.
Milford	Ryan	Winn
Miller, Calif.	Santini	Wirth
Miller, Ohio	Sarasin	Wolff
Mineta	Sawyer	Wright
Minish	Scheuer	Wydler
Mitchell, N.Y.	Schroeder	Wylie
Moakley	Schulze	Yates
Moffett	Sebelius	Yatron
Mollohan	Seiberling	Young, Alaska
Montgomery	Sharp	Young, Fla.
Moore	Shipley	Young, Mo.
Moorhead, Pa.	Shuster	Young, Tex.
Moss	Sikes	Zablocki
Mottl	Simon	Zeferetti
Murphy, Ill.	Sisk	
Murphy, N.Y.	Skelton	

NAYS—12

Bauman	Mitchell, Md.	Satterfield
Broomfield	Moorhead,	Symms
Evans, Ga.	Calif.	Wilson, Bob
Hansen	Poage	
McDonald	Rudd	

NOT VOTING—28

Anderson, Ill.	Frey	Mann
Brinkley	Gaydos	Neal
Brooks	Gephardt	Nix
Brown, Ohio	Giaimo	Risenhoover
Chappell	Hammer-	Roberts
Chisholm	schmidt	Ruppe
Collins, Ill.	Horton	Russo
Dent	Le Fante	Teague
Diggs	McDade	Thornton
Dingell	Mahon	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 554) with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, March 1, 1978, all of the time for general debate had expired.

The Clerk will read.

The Clerk read as follows:

H.J. Res. 554

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

"SEC. 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

"SEC. 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.".

Mr. EDWARDS of California (during the reading). Mr. Chairman, I ask unanimous consent that the joint resolution be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 12, strike out the close quotation mark and the period which follows, and immediately following line 12, add the following new section:

SEC. 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BUTLER

Mr. BUTLER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BUTLER: Strike out all after the resolving clause and insert in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. For purposes of representation in the House of Representatives, the District constituting the seat of government of the

United States shall be treated as though it were a State.

"SEC. 2. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.".

Mr. BUTLER. Mr. Chairman, I offer an amendment in the nature of a substitute. I believe it is a pretty simple amendment to understand; but it also goes to the heart of the resolution. I hope the Members will listen closely to what I have to say.

Mr. Chairman, this amendment in the nature of a substitute tracks the language of the committee resolution, as reported. It provides residents of the District of Columbia the number of Representatives in the House of Representatives to which they would be entitled if the District of Columbia were a State. It eliminates three provisions in the pending resolution (H.J. Res. 554).

First, it does not give the District of Columbia two Senators. Second, it does not permit the District of Columbia to ratify constitutional amendments as if it were a State, and, third, it retains in force the 23d amendment to the Constitution of the United States which deals with the electoral college.

Proponents of House Joint Resolution 554 have labeled this proposal as a weakening amendment. I believe it is just the opposite. Indeed, if this amendment in the nature of a substitute is adopted, it will strengthen the chances of the District of Columbia of having representation in the Congress.

The amendment is based on sound legal and political grounds. The resolution as reported by the Committee on the Judiciary would make the District of Columbia look just exactly like a State without asking the District to accept the responsibilities of statehood.

Representation in the House of Representatives as proposed by my amendment in the nature of a substitute would preserve the unique characteristics of the District of Columbia which was the clear intent of the framers of our Constitution when they drafted it.

My amendment in the nature of a substitute eliminates the controversial and ambiguous language found in section 2 of the resolution. This was a matter of extensive discussion during the floor debate yesterday.

Proponents tell us that the language would permit the Congress to pass a statute authorizing somebody, probably the City Council, to ratify constitutional amendments and draw congressional district lines.

Several of my colleagues on the Committee on the Judiciary have pointed out that this language in House Joint Resolution 554 is poorly drafted. It may well not mean what the proponents would have us believe. I remind my colleagues that we are amending the Constitution of the United States—the fundamental law of the land; and we should be very cautious when we propose to add language to that great document.

Most importantly, the amendment offers the District of Columbia its best chance for representation in the Congress. House Joint Resolution 554 goes too far. It will be unacceptable to the other body. It certainly will not be acceptable to two-thirds of the other body and three-quarters of the State legislatures. If we pass House Joint Resolution 554 in its present form, we will have struck a great blow for the District of Columbia. But, in the end, it will mean no additional representation, because this cannot become a part of the Constitution under the present political situation in this country.

My substitute strikes a compromise which will insure that the residents of the District of Columbia will have a vote in the Congress. I think it is important.

I subscribe to the principle that the time has come that the District of Columbia should have representation in Congress, but what I offer the Members is a kite that will fly. House Joint Resolution 554 is a kite that will not fly. I urge the Members' support of the Butler substitute.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. I thank the gentleman for yielding.

I heard the gentleman on another occasion, and others, state that District of Columbia residents under his amendment would have to assume responsibilities of citizens of States. I wonder if he would care to tell us what responsibilities of the citizens of States are there that District of Columbia residents do not now assume?

Mr. BUTLER. What responsibilities are there? Does the gentleman mean what are the burdens of statehood?

Mr. FAUNTROY. Yes, that we do not have or assume.

Mr. BUTLER. There are not a whole lot of them, are there?

Mr. FAUNTROY. I suspect that there are not.

Mr. BUTLER. I understand the gentleman's question, and I would yield to him for his answer.

Mr. FAUNTROY. I submit to the gentleman that the citizens of States pay Federal taxes. So do we. We pay $1 billion in Federal taxes a year. We pay $64 per capita in Federal taxes a year, which is $7 above the national average.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. FAUNTROY, and by unanimous consent, Mr. BUTLER was allowed to proceed for 2 additional minutes.)

Mr. FAUNTROY. If the gentleman will yield further, we pay more in Federal taxes than do the citizens of all of the States in the Union except seven. Certainly we fight and die in our Nation's wars. I can remember on my own lot coming up here as a disenfranchised American citizen and seeing those yellow stars going up in the windows of families.

Mr. BUTLER. By "disenfranchised" does the gentleman mean that he was ever enfranchised, or was he just unenfranchised?

Mr. FAUNTROY. The Constitution says that if one is born in the United States, he is a citizen.

Mr. BUTLER. Did the gentleman have a right to vote? Is that the gentleman's point?

Mr. FAUNTROY. I never had a right to vote.

Mr. BUTLER. So he was not disenfranchised; he was unenfranchised.

Mr. FAUNTROY. I had a grandparent who lived in Virginia who was able to vote.

Mr. BUTLER. We would welcome the gentleman's return to the Commonwealth. He could make substantial contributions to the Government.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Texas.

Mr. HALL. I thank the gentleman for yielding.

I have listened with great interest to the substitute amendment wherein the gentleman states that he feels that the District of Columbia should have voting representation in the House, but he does not believe that they are entitled to representation in the Senate. How does the gentleman draw that distinction of being eligible in one body but not in the other?

Mr. BUTLER. I appreciate the question, because basically it seems to me that what we have before us is a basic policy decision as to what indicia of State sovereignty the Congress of the United States and the American people are willing to bestow upon the District of Columbia. It is purely a policy judgment as to where we draw the line. The District of Columbia is not a State. It is not asking to become a State, but it is asking for some of the indicia of sovereignty.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(At the request of Mr. HALL, and by unanimous consent, Mr. BUTLER was allowed to proceed for 2 additional minutes.)

Mr. BUTLER. Mr. Chairman, if I may continue my answer to the gentleman, it is purely a question of where are we going to draw the line. It is a matter of judgment. There is a distinction in my mind between the House of Representatives, the people's House, which is the representative of the people, and the Senate of the United States where representation is apportioned on the basis of statehood.

So perhaps there are some reasonable places to draw the line. It is basically policy decision. One of the major and practical implications is why ask for more than you know the States will bring? I think three-fourths of the States will give the District of Columbia representation in the House of Representatives, but I am convinced they will not ratify House Joint Resolution 554.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Texas.

Mr. HALL. Mr. Chairman, would the gentleman take the same position by stating if the gentleman makes the observation that they would be entitled to

representation in the Senate, but not in the House, could the gentleman draw the same policy conclusion?

Mr. BUTLER. I could draw the same policy conclusion, but I do not think I will ever be burdened with making that decision. There is just no possibility that the Senate of the United States would put that proposal forward. I do not know of anybody that is going to advance that in this House; but there is just as much logic to that approach as there is to the approach that I take.

Mr. HALL. Mr. Chairman, if the gentleman will yield further is it not rather illogical to take an approach that the District is entitled to representation in one place, but not in the other?

Mr. BUTLER. There is a lot to what the gentleman says, but the problem is that it is a policy decision. We have a unique entity here. What are we going to do to alter its representation? It is a basic policy decision.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I am somewhat disturbed by the question asked by the gentleman from Texas and even more disturbed by the response of the gentleman from Virginia, because I support the concept of voting representation in the Congress for the citizens of the District.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. BUTLER was allowed to proceed for 2 additional minutes.)

Mr. LEVITAS. Mr. Chairman, will the gentleman yield further?

Mr. BUTLER. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I have not decided in my own mind yet this issue. That is why I am listening intently to the debate; but it seems to me there is a difference between the Senate and the House of Representatives in regard to representation. The Senate exists as a body in which the States are represented, regardless of their population. It is the Federal aspect of the Congress. It represents the States. The State of Vermont has one Representative, because of its population, but two Senators. The same is true of Nevada and I believe Wyoming as well. States are represented in the Senate without regard to population. That is where the States are represented under our Federal system.

The House of Representatives, on the other hand, represents the people, where the population through apportionment among the States are represented by Representatives in this body; so logically, there seems to me to be a difference; but if the gentleman from Virginia represents to the voters for that reason there is no logical difference, then I think the gentleman's amendment is inappropriate. If there is no difference, certainly there should be representation in both bodies. If there is a difference, then I think we need to address that difference.

Mr. BUTLER. The gentleman is quite correct in making a distinction between the Senate and the House of Representatives. As I understood the question of the gentleman from Texas, he asked why not start just with the Senate. That is all right if we are going to permit the District of Columbia to participate in the Senate as if it were a State. We could start from there, but the logical distinction that I was trying to make for the gentleman is that this House is the people's body, and this is the appropriate place in which to start. If we are going to take a different approach and begin with statehood as the criteria to determine representation in the Congress, we could work backward from either starting point. There are basic differences between the two but it is still basically a policy decision which the Congress has to make.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has expired.

(On request of Mr. VOLKMER and by unanimous consent, Mr. BUTLER was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would like to pursue the questioning that started with the gentleman from Texas (Mr. HALL).

From what I have heard here, I am led to believe that perhaps down the road, in the event the gentleman's proposal would be adopted and would be ratified by three-fourths of the States, if we see that this does work and there is some representation provided, there would be reason to believe at that time we would come along with a constitutional amendment for the Senate and for the addition of two Senators.

Mr. BUTLER. Mr. Chairman, to be perfectly candid with the gentleman, I think farther along down the road, as we have greater experience with this concept, it will become more universally acceptable to the States. Then the next question will be before us.

Mr. VOLKMER. Mr. Chairman, we would also have the question then of ratification of proposed constitutional amendments. Would that not also come as a separate issue somewhere down the line?

Mr. BUTLER. If I understand the gentleman's question, yes, further constitutional amendments dealing with representation of the District will come later.

If I may continue with my answer to the question, I think we also must recognize that in adopting any kind of resolution for District representation, we are going to have before us later the question of representation for the territories, and I refer to voting representation in the House. These issues may be farther down the road.

This substitute amendment I offer is a compromise. I also would remind the gentleman that the 23d amendment, which is the electoral college amendment, was adopted as a compromise. There were stronger proposals than that for District representation. I think at one time there were even questions of Senate representation, but the proposal was watered down into a form that would be acceptable.

Mr. VOLKMER. The gentleman's position then is really that he is not inherently against the District of Columbia having representation in the U.S. Senate, but that at this time it is basically a point that we should compromise and in this way give them a part of the Congress, representation in the House but not in the Senate?

Mr. BUTLER. The gentleman is correct. This is where we start.

If we really want to do something for the District and not just have an issue that we can run around and brag about, then this is the way to do it.

Mr. VOLKMER. Well, I reject that.

Mr. BUTLER. Mr. Chairman, I did not yield to the gentleman so he could reject it.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has again expired.

(On request of Mr. HEFNER and by unanimous consent, Mr. BUTLER was allowed to proceed for 1 additional minute.)

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I would just like to ask a question for my own clarification.

I read somewhere that many of the people of the United States do not know the difference between the House and the Senate, and that many people do not realize the Senate is a part of the Congress.

I believe what we are seeing with this amendment is this: We know what the Senate is going to say. They are never going to go along with two more Senators, and it seems to me what the gentleman is saying with this amendment is that we will pass it here and send it to the Senate and let them make the decision. Then, if they go along with this, we will let the States by a three-fourths vote make their decision as to whether or not they want full representation for the District.

It seems to me what the gentleman is saying is that if we take this, we are willing to go along with the membership in the House, and then if the Senate wants to take a crack at this, that is fine, but we do not want two more Senators. We surmise that is what the Senate is going to say, too. We are saying that first we should let them take a whack at it. Then if both parties pass it, it goes down the line, and then we let the people have a whack at it and see whether they want representation for the District.

Mr. Chairman, the people should speak, and it seems to me that is the way we should go.

Mr. BUTLER. Mr. Chairman, I thank the gentleman for his contribution. We do not fall out over this; we simply do not agree.

Mr. EDWARDS of California. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, this is a big amendment. It is really, of course, a substitute.

The substitute offered by the gentleman from Virginia (Mr. BUTLER) would only allow voting representation in the House and would not provide for Senate representation or for District of Columbia ratification of proposed amendments to the Constitution. In addition, it would not provide for a repeal of the 23d amendment, so District participation in the electoral college would continue to be limited.

Mr. Chairman, the rights conferred by House Joint Resolution 554 enable the District to make its voice heard on national matters affecting all citizens in this country. The time has come to do what is normally and constitutionally right, to bring this issue to our colleagues in the Senate and ultimately to the States for ratification.

Our national legislature is not composed of one House; it is composed of two Houses, and each has a series of unique powers. The House originates all bills for raising revenue and has the sole power to impeach. The Senate has the sole power to ratify treaties and to confirm Cabinet members, Ambassadorial appointees, and other officers of the United States, including Federal judges. Furthermore, the legislative process requires action by both bodies.

Therefore, as our colleague, the gentleman from California (Mr. WIGGINS), and other members of the Committee on the Judiciary noted in their views, once House representation is deemed acceptable, then there is no basis for denying representation in the Senate.

If we embrace the idea—and I should think that this concept would be unassailable—that each American citizen is entitled to express his views on matters of national concern, and that the fundamental tenet of participatory democracy is the right to vote, then we must permit the District to participate fully in the amendment process to our Constitution and to elect persons to the offices of President and Vice President.

The granting of such rights is not the indicia of statehood. It is a mechanism set forth in the Constitution to allow the people to express the national will. The proposal by the gentleman from Virginia (Mr. BUTLER) is a very serious substitute. It really should be rejected. I urge a vote against the amendment in the nature of a substitute offered by the gentleman from Virginia (Mr. BUTLER).

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding, and I am very much persuaded by some of the gentleman's remarks, because this is the point that has troubled me. As I said earlier in the colloquy with the gentleman from Virginia, basically the Senate represents States as part of our Federal system; the House represents the people as part of the popular voice in Government.

On the other hand, it seems to me that the gentleman from California has made the point that at this point, when we are deciding whether people who live in the District of Columbia are entitled to have their voice heard in the Congress of the United States, it would almost be an arbitrary and absurd distinction to say, "You can be heard on certain issues, but not on issues involving ratification of treaties, not on issues revolving around the confirmation of Presidential appointees and those other matters which are confined to the other body's sole jurisdiction."

So once we have said that the issue is whether these people should be represented in the Congress, having made that decision, the gentleman's point, I take it, is that it then becomes both arbitrary and discriminatory to say, "You can be represented on some issues, but not on others."

Is that the point of the gentleman?

Mr. EDWARDS of California. That is exactly the point I was making. I appreciate the observations of the gentleman from Georgia. I would also point out that historically the Senate has been moving to becoming a people's body. Under the provisions of our Constitution, originally the State legislators elected the Senators. But now, under the 17th amendment to the Constitution, the people at large do.

Yes, of course, the Senate has certain duties that are different from ours, and we have certain duties that are different from theirs. But full representation must include both Houses.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, we have, though, distinguished, it seems to me, in the past between the House and the Senate in matters of this type, and I wonder if the gentleman can explain to me why, when we made the decision along the way that there would be nonvoting delegates in this body, that we did not also assign a nonvoting delegate to the United States Senate so that their voice could be heard over a period of time. There was a distinction made here in the past, and it seems to me that, with regard to that, the distinction made in the amendment in the nature of a substitute offered by the gentleman from Virginia would fall into the same category. Why, if we did not do this in the past, would it not be acceptable now?

Mr. EDWARDS of California. There has been a growing realization that this second-class representation such as enjoyed or not enjoyed by the District of Columbia is not good enough. The people are getting short-changed. And now, I really believe that this afternoon, when the final vote is taken, that two-thirds of this great legislative body will indicate that we have moved along to the firm decision that it is not right for three-quarters of a million people not to be represented in both bodies and that no half way measure will be satisfactory.

The CHAIRMAN. The time of the gentleman from California (Mr. EDWARDS) has expired.

(On request of Mr. WALKER, and by unanimous consent, Mr. EDWARDS of California was allowed to proceed for 3 additional minutes.)

Mr. WALKER. My point to the gentleman was that there was some logical reason as to why when we decided that the nonvoting Delegate status should be granted to certain territories and certain entities, that was decided only by the House and not by the Senate. In other words, there must have been some logical reason for that.

Why would this situation not follow the same logic? Can the gentleman explain to me what that logic was and why it should not be followed here?

Mr. EDWARDS of California. I think the logic was that there were not enough votes at the time to do it.

Mr. WALKER. That goes directly, then, to the argument of the gentleman from Virginia (Mr. BUTLER) that there are not enough votes to pass what we are talking about here. If that logic follows and if that has been the evolutionary process, then it seems that the amendment of the gentleman from Virginia is entirely in order, and the gentleman has just made precisely the case which the gentleman from Virginia (Mr. BUTLER) was making at the podium a few minutes ago.

Mr. EDWARDS of California. No. We think we have the votes here; and when the Senate thinks about this debate and realizes how unfair the present situation is, we think that there is a very good chance that the Senate will move in the right direction.

Mr. WALKER. Mr. Chairman, I thank the gentleman.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, if I may followup on the logic of the gentleman from Pennsylvania (Mr. WALKER), the territories do not pay taxes in the same way in which the District of Columbia pay taxes.

We say today that taxation without representation is wrong. The gentleman from Virginia (Mr. BUTLER) would say that taxation with 50 percent representation is all right.

However, Mr. Chairman, I think there is a fundamental distinction between the territories; and furthermore, that they are by nature in a transition stage, and that the District of Columbia is unique.

Now is the time to say that the District of Columbia absolutely has to have 100 percent representation if we want a just result.

Mr. Chairman, I thank the gentleman for yielding.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, it seems to me, in considering the substitute amendment offered by my colleague, the gentleman from Virginia, Mr. CALDWELL BUTLER, that we should consider today what is the right thing for us to do. The right thing for us to do, it seems to me, as the distinguished delegate from the District of Columbia said earlier, is to provide full voting representation for the citizens of

the District of Columbia consistent with the voting representation that is accorded to other Americans within the continental United States.

Mr. Chairman, I have not taken any poll of whether the American people might want their State legislatures to ratify, nor have I taken any poll of how many of the Members of the Senate will support this joint resolution when it leaves here and goes over there; but I tend to agree with my colleague, the gentleman from California (Mr. EDWARDS), who says that the problem will be up to them after we adopt the joint resolution here. At that time I think the pressures and the influences and the voices of the American people will be brought to bear on the Members of the other body so that they, too, will recognize that in fairness and equity the people of the District are entitled to representation and a voice in the Congress of the United States on both sides of the rotunda equal to that of other Americans.

Mr. Chairman, we are not bestowing anything on the residents of the District of Columbia, it would seem to me, as suggested by my colleague, the gentleman from Virginia (Mr. BUTLER). Instead, it seems to me that until we adopt this joint resolution and until it is ratified, we are denying rights and prerogatives of American citizens to which they are lawfully and constitutionally, in my opinion, entitled or to which they should be entitled.

Mr. Chairman, both the Subcommittee on Civil and Constitutional Rights and the full Committee on the Judiciary considered a similar amendment. The merits of the amendment were deliberated in detail by the committees; and the substitute was resoundingly rejected.

Once it is agreed that the residents of the District of Columbia should share with their fellow citizens residing in the United States voting representation in the Congress, it escapes me how anyone can support anything less than full representation.

Mr. Chairman, may I say, too, that 2 years ago when we considered this same subject, a similar amendment was offered as is being offered now; and it was rejected by a vote of 67 to 388. Therefore, I see no reason for us to cover that same ground today.

Mr. Chairman, it is said that there is going to be difficulty in mustering the approval of two-thirds of the other body for this constitutional amendment. However, if the other body wants to deny the residents of the District of Columbia membership in the U.S. Senate, then I say it should be up to them; and we should not assist them, particularly when rights of U.S. citizens are concerned.

The question before us is not whether this proposed amendment will be acceptable to the other body and ratified by thc State legislatures. These are decisions which they are going to have to make, but, the question is rather, whether the House of Representatives will act responsibly today to accord, once and for all, to District residents their constitutional right and privilege to have voting representation in the Congress.

I urge my colleagues to express their votes with a resounding nay on this substitute, and thereafter to support overwhelmingly the constitutional amendment which the committee has recommended to this body.

Mr. HANNAFORD. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, I most reluctantly rise in support of this amendment, but I feel impelled to explain for the record and for the Members here the reason that I favor it. I would like to see two new Senators elected from this District. They would almost certainly be black Senators in a body that has only one black Member in a hundred, and I would like to see full representation in the House with two voting Members, but it just is not right in my interpretation of the Constitution. I would like to see the effect that this resolution would have for today, but doing for today is not the way we write constitutions, because the Constitution is for tomorrow and forever.

Equal representation is precluded by our Constitution. Today the District of Columbia has four times as much weight in electing the President of the United States as I have as a Californian. If we could turn that around and give California four times as much weight in electing the President as we in California now have, we could virtually select the President. I would not like the job we would have done in California for the past few elections, but we would have 180 electors out of the present number of electors. In that situation I would not say that California was not represented in this Government, even if we had no vote in the Congress.

The jackrabbits in Wyoming have more power in electing the President than I have as a Californian—or virtually so—and over in the Senate of the United States the people in the District of Columbia would have not four times as much strength but 30 times as much strength as I have as a Californian, for they would have two votes for two-thirds of a million people while we have the same weight for 22 million people.

So we are not talking about equal representation in the Congress. It does not exist. It never has existed. It is locked-in and unamendable that it does not exist in the Senate.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. HANNAFORD. Mr. Chairman, in just a moment I will be glad to yield, just as soon as I have finished my statement.

Now we have a situation in which 15 percent of the people of this country who reside in the 25 least populous States control the votes in the U.S. Senate that can veto the actions of this, the people's House. This legislation, if passed, is going to compound that injustice. Out of my respect and my affection for the gentlemen who are leading this legislation and respect for the fact that I know how long and diligently they have fought on this subject, whether this amendment passes or not, I am going to vote for the resolution. I am going to do that, but I wanted to explain why I support Mr. BUTLER's amendment and why I have these reservations about this resolution as it is presented on the floor. It compounds one injustice while attempting to treat another.

Now I will be glad to yield to the Delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman, since the gentleman is going to support the resolution, I do not wish to have him yield to me.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. HANNAFORD. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, can the gentleman explain to me why he comes up with this ratio on the Senators? As I understand it, the Senate is not established on a proportional representation. As I understand it, each State has two representatives in the Senate. If the gentleman wishes to change that, he can offer that amendment. He could do so.

Mr. HANNAFORD. If I could do that, I would be glad to do so. It was an arrangement arrived at out of a stark necessity to get a Union. If we would have to do that again to get a Union, I would be glad to do it for that noble purpose. But this is the one provision in the Constitution that specifically cannot be amended out, and I am not really ready to abolish the Senate today anyway. The point is that it is not representative of people and that is the subject to which this resolution speaks. Neither is the electoral college.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. HANNAFORD. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, speaking as a jackrabbit out of Wyoming, I would like the gentleman to know how much I respect his conclusions, so I will vote against the joint resolution.

We have had two U.S. Senators for some 74 years around here and it is time to do justice. But to state that we are trying to establish equality and have one-man, one-vote, that is a fiction.

Mr. HANNAFORD. I thank the gentleman from Wyoming, and I did not mean to disparage the jackrabbits of Wyoming.

Mr. HUBBARD. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in opposition to the amendment in the nature of a substitute offered by the gentleman from Virginia (Mr. BUTLER).

Mr. Chairman, I rise in strong support of House Joint Resolution 554, and urge my colleagues to join me in passing this measure, without amendments on this substitute, in the name of fundamental fairness and democratic equality.

It is unthinkable that the Congress, to whom the people of this Nation have entrusted the principles of democratic representation, would condone for 1 more day the disenfranchisement of three-quarters of a million District of Columbia residents. These people have borne the full burdens of American citizenship, yet they are without a voice in the Senate, and without a vote in the House of Representatives. They contribute more than a billion dollars annually to the Federal Treasury, and struggle with a

per capita tax burden exceeded only by seven States. District residents have given their lives in every war since the Revolution; only three States suffered more casualties in the Vietnam conflict than the District of Columbia.

The States of Alaska, Delaware, Idaho, Montana, Nevada, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming all have smaller populations than the District of Columbia. All have had full voting representation, while the District of Columbia has not.

These forceful arguments have fallen upon deaf ears so many times that I fear they may have lost their forcefulness. Let me leave my House colleagues with one final consideration, perhaps one which has not been raised before.

The current Senate debate on the new Panama Canal Treaties serves as an example in which these people have been denied the opportunity to be heard on an issue of pressing national and international importance.

This should not be. With the support of my colleagues for the passage of House Joint Resolution 554, without amendment, it will not be in the future.

House Joint Resolution 554 is the most important civil rights issue before this 95th Congress.

I urge my colleagues to oppose this substitute offered by my colleague and friend Mr. BUTLER.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from Virginia.

Mr. BUTLER. Is it the gentleman's intention to vote for the resolution if my amendment is defeated?

Mr. HUBBARD. Yes, it is.

Mr. BUTLER. The gentleman realizes I am sure that his State has not ratified the 23d amendment. What does the gentleman think the odds of his State passing the constitutional amendment proposed under House Joint Resolution 554 are?

Mr. HUBBARD. Mr. Chairman, I am sorry but I did not fully understand the inquiry of the gentleman from Virginia.

Mr. BUTLER. I am asking the gentleman to speculate on this constitutional amendment, in whatever form it will be, as to whether it will be rejected or adopted by your State, since the 23d amendment was not adopted by the gentleman's State.

Mr. HUBBARD. The gentleman is referring to the 23d amendment to the Constitution?

Mr. BUTLER. I am not talking now about the 23d amendment, I am talking about the proposed constitutional amendment in the resolution now before us.

Mr. HUBBARD. I believe my State of Kentucky would ratify that. I might say that we did ratify ERA in 1972 which has not been ratified by the gentleman's State of Virginia, and we just might ratify this one and I predict we will. I will be among those from the Congress to speak to my own home legislature in which I served for 8 years in the State senate and I will ask them to support this particular constitutional amendment.

Mr. BUTLER. Was the gentleman there in the Kentucky State Legislature when they were taking up the 23d amendment? The constitutional amendment that expanded the Electoral College to permit District of Columbia representation in the Electoral College.

Mr. HUBBARD. No; I was not there for that one.

Mr. BUTLER. I thank the gentleman for yielding.

Mr. HUBBARD. I might ask the gentleman in what year was that passed?

Mr. BUTLER. 1961.

Mr. HUBBARD. In 1961?

Mr. BUTLER. That is correct.

Mr. HUBBARD. Mr. Chairman, I have to state that I was a 23-year-old and a junior in law school in 1961.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. HUBBARD. I yield to the Delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman, let me thank the gentleman from Kentucky for his great leadership in supporting full representation for the District of Columbia.

Let me also say that the 23d amendment to the Constitution of the United States did correct the situation where nearly three-quarters of a million people who were governed by the laws of this country had no right to vote for its President. The Congress in its wisdom decided that the American people ought to have the opportunity to make a decision as to whether they should continue to deny the right of franchise to the residents of our Federal District.

The gentleman should know that within 9 months the people of this country through their State legislatures did the right thing, did the fair thing, did the responsible thing. They said, we cannot ourselves claim to be true to our Constitution and deny to the citizens of our Nation's Capital the right to vote for President. Within 9 months 38 States ratified that, so I think the gentleman is on good grounds for supporting this full voting representation resolution. I am confident that following the kind of leadership that he gives, the State of Kentucky will be as fair on this issue as 38 States were on the question of the right to vote for President.

Mr. HUBBARD. I would add to the remarks of my friend and colleague, the gentleman from the District of Columbia, that, indeed, it is my belief that Kentucky would ratify this and would be glad to see 750,000 people in the District of Columbia given the same voting rights that the people in my congressional district have—and we have only 480,000 people in my district.

I would add further that my esteem for and confidence in the gentleman from the District of Columbia (Mr. FAUNTROY) are two of the many reasons I support this House Joint Resolution 554.

I might say to the gentleman from Virginia (Mr. BUTLER) that to have this Baptist minister from the District of Columbia speak to our Kentucky Legislature would probably make this issue unanimous in our State's general assembly.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Virginia (Mr. BUTLER).

The question was taken; and on a division (demanded by Mr. BUTLER) there were—ayes 7, noes 11.

So the amendment in the nature of a substitute was rejected.

The CHAIRMAN. Are there further amendments?

Mr. WIGGINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not entirely satisfied that a colloquy between the Members of the House of Representatives for the purpose of establishing legislative history is of much value in the case of constitutional amendments. The reason, of course, is that we are only one small part of the total process by which an amendment becomes a part of the Constitution. Our views of the meaning of language may not represent the views embraced by State legislators as they ratify the words of the proposed amendment. However imperfect as it may be, I should like to engage in a colloquy with the gentleman from California (Mr. EDWARDS) with respect to certain language in the amendment.

Section 1 of the amendment provides that for purposes of representation in the Congress, election of the President and Vice President, and for purposes of article V—that is the amending article—the District of Columbia shall be treated as though it were a State.

In section 2 we read that the exercise of the rights and powers conferred—and I take that to mean those rights and powers specified in section 1—shall be by the people of the District of Columbia and as provided by the Congress.

My first question: Since one of the rights and powers conferred in section 1 is the election of a President, does the language in section 2 "by the people of the District" entitle the people to vote directly for the President of the United States?

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding.

I am pleased that we can have this dialog on this particular issue. This is the same issue that we discussed at some length in the markup in the full Committee on the Judiciary. I respect the gentleman's concern. The gentleman from California (Mr. WIGGINS) is known as one of the best constitutional lawyers certainly in the Congress and perhaps in the United States. However, I might disagree with his concern on this issue. This issue is not of such concern to me, as I pointed out as we marked up the bill.

A couple of years ago the bill was different. The resolution for full voting representation for the District of Columbia was written differently than House Joint Resolution 554. We changed it on purpose to the language that the gentleman is asking about for what we think, and what the Legislative Counsel thought, was a very good reason.

The last time the bill was before us in the last Congress, it was House Joint Resolution 280. That resolution contained this kind of language:

The Congress shall have power to enforce this article by appropriate legislation.

This boiler-plate language caused concern among some committee members as to whether the Congress, consistent with its power and exclusive legislation over the District, as set forth in article I, section 8, clause 17, would determine on behalf of the District such things as election of electors in the electoral college and ratification of constitutional amendments.

It is the intent of paragraph 2 of House Joint Resolution 554 that it is up to the Congress to provide the mechanism, after this becomes a part of the Constitution, under which these determinations would be made by the District.

So we want to make our intent very clear. That is why this dialog is important. The intent of the resolution in its present form would show that while Congress has this residual power, it will have to grant that power to the District of Columbia.

Mr. WIGGINS. I appreciate the distinguished Member's comments. I wish to restate them more succinctly, so there will be no ambiguity in the legislative history. I understand the gentleman to mean, if the resolution is adopted, the intent of Congress in using the words "exercise of the rights and powers by the people"—clear and unambiguous as it may seem—does not mean that the people shall directly elect the President of the United States in the District of Columbia.

Mr. EDWARDS of California. The gentleman is exactly correct.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. WIGGINS was allowed to proceed for an additional 5 minutes.)

Mr. WIGGINS. Mr. Chairman, is the same answer true with respect to the ratification of constitutional amendments under article V?

Mr. EDWARDS of California. That is correct.

Mr. WIGGINS. I wish to call my colleague's attention to the fact that this legislative history may contradict the literal words of the amendment; but it is clear that Congress does not mean that ambiguity. It means that the power to ratify constitutional amendments which is now granted to the legislatures of the States may by Congress be granted to some legislative forum within the District of Columbia.

Mr. EDWARDS of California. If there is any ambiguity, which I am not sure there is, the gentleman is 100 percent correct.

Mr. WIGGINS. Mr. Chairman, let us go on to section 2. I previously said that the language there indicates that the rights and powers conferred under article I shall be exercised by the people of the District "and as shall be provided by the Congress."

Does the use of the word "and" in section 2, that is on page 2, line 9 of the resolution, require the concurrence of the Congress in the exercise of the powers granted to the people of the District of Columbia?

Mr. EDWARDS of California. No. What the gentleman is asking is that when the District acts after authorization by Congress, after the machinery is set up by Congress, then would Congress have to confirm what the District, or whatever unit of Government was operating; no, the answer is "no."

Mr. WIGGINS. It clearly implies joint action, but the explanation is that joint action is not required.

Mr. Chairman, let me give a slight reverse twist to that. Does the use of the word, "and," in section 2 imply that the people of the District must concur in actions taken by the Congress in respect to the exercise of those powers granted in the first section of the amendment?

I am just looking at the other side of the coin. I have told the gentleman before in committee that I am troubled by the use of the word, "and," since it rather clearly suggests to me that it requires concurrent action by the Congress and by the people. The gentleman has said that the Congress can act absent concurrence by the people, and now I am taking the other side of the coin: Can the people act absent concurrence by the Congress?

Mr. EDWARDS of California. No, the people would have no such power under this provision.

Mr. WIGGINS. Mr. Chairman, article I, section 8, clause 17 of the Constitution, to which the gentleman has previously referred, grants to the Congress exclusive jurisdiction over the District.

To what extent if any does the proposed amendment modify the power granted to the Congress in article I, section 8?

Mr. EDWARDS of California. It does not amend it at all. Congress retains the constitutional power over the District of Columbia.

Mr. WIGGINS. Particularly with respect to the creation of congressional districts, which is part of the congressional representation process and which power is apparently granted to the people of the District, does Congress or the people of the District have the power to establish congressional districts within the District of Columbia?

Mr. EDWARDS of California. Congress would have that power today within the several States to establish congressional districts.

Mr. WIGGINS. I believe the gentleman is correct.

Mr. Chairman, I want to turn to the matter of the filling of vacancies in the Senate if the District is granted status as though it were a State and two Senators were elected to represent the District in the Senate.

If a vacancy occurs in the Senate, the present constitutional language indicates that vacancies may be filled by the executive authority of the State. For purposes of this constitutional amendment, who constitutes the executive authority of the District of Columbia?

Mr. EDWARDS of California. That would be taken care of in the provisions of House Joint Resolution 554, and Congress would make that decision as to what entity within the District of Columbia or what person would have that appointive power.

Mr. WIGGINS. May we exercise that power directly and appoint a Senator to fill a vacancy?

Mr. EDWARDS of California. Mr. Chairman, I think we ought to make a record on that matter right now and say that the answer would be no.

Mr. WIGGINS. One would hope that the answer would be no. But once again, if article I, section 8, clause 17, means what it says and it is unaffected, it may be possible that a subsequent Congress would disagree.

The CHAIRMAN. The time of the gentleman from California (Mr. WIGGINS) has expired.

(By unanimous consent, Mr. WIGGINS was allowed to proceed for 2 additional minutes.)

Mr. WIGGINS. Mr. Chairman, to repeat, it may be possible that a subsequent Congress would disagree and would in fact appoint a Senator of the United States.

Is that not a possibility?

Mr. EDWARDS of California. Mr. Chairman, I would hope that it is not. I believe that would not take place, and I do not think it could under House Joint Resolution 554, especially after this dialog on the floor of the House of Representatives between the author of the amendment and my distinguished friend, the gentleman from California (Mr. WIGGINS).

Certainly House Joint Resolution 554 does not contemplate such a procedure. It would be highly improper.

Mr. WIGGINS. I agree that it would be improper, but I am not altogether sanguine that it might not occur if certain political pressures were present. If the political balance in the Senate were to turn upon one man, I think the political pressures at that time might dictate that a contrary result would in fact occur, although I would hope not.

Mr. Chairman, I want to turn now to a final observation and simply request that the gentleman from California (Mr. EDWARDS) repeat on the floor what is stated in the committee report: that the language of section 4 would preclude a subsequent Congress from extending the period for ratification of this amendment.

Mr. EDWARDS of California. Yes; that is the amendment that was offered by the gentleman from Virginia (Mr. BUTLER) and accepted by the full committee.

Let me just proceed further on this subject relative to this section. It would by its terms preclude the Senate or the House or Congress acting jointly from appointing or filling a vacancy directly, without regard to the wishes of the people of the District, because it says that it shall be done by the people.

Mr. WIGGINS. Mr. Chairman, I was hoping the gentleman would say that because now he is in the position of admitting that the people of the District do have a veto over congressional actions

and that is directly contrary to what he said a moment ago.

I was, frankly, putting the hardest case to the gentleman, a case in which it would be most unseemly that the Congress act unilaterally.

If the gentleman means that the people of the District have a veto over the Congress, then we are implicitly eroding the power in article I, section 8.

The CHAIRMAN. The time of the gentleman from California (Mr. WIGGINS) has again expired.

(By unanimous consent, Mr. WIGGINS was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of California. Mr. Chairman, if the gentleman will yield further, and in further answer to the gentleman, I would certainly disagree with what the gentleman thinks I said. There would certainly be no veto over the power of Congress by the people of the District of Columbia, regarding the machinery to implement this article of amendment.

But section 2 makes it very clear that the people of the District would have a veto or in effect, the final say over their own actions relating to the exercise of the powers granted to the District in section 1.

Mr. WIGGINS. The issue will not be resolved by this debate. I want only to point out to my colleagues that there is trouble in this amendment in the use of the word "and" in section 2. I hope my colleagues will read it carefully because it is a source of trouble down the road, in my opinion.

I am going to leave the gentleman with one final puzzle, without suggesting an answer. The amendment repeals the 23d amendment to the Constitution dealing with electors of the District of Columbia. What is the consequence of the ratification by the last State between the period following the election of a President and the counting of the ballots in January? Reflect on that question, and we will talk about it privately.

Mr. EDWARDS of California. I will look forward to it.

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I previously drafted an amendment to this resolution, but I wish to explain to the Members that I do not plan to offer that amendment, after discussing the issue with the chairman of the subcommittee, with whom I serve, in regard to rescinding ratification by the States. I would like to briefly state that it is my position, after having reviewed the processes of ratification over the period of this country, that the States should not have a right to rescind any ratification; that once there is a ratification or a consent to a constitutional amendment, that that ratification should stand; that the Constitution, of course, is the inherent basic principle by which this country and this Government operates. And because of the esteem in which we held that consent, it cannot be given lightly but must be given with the full knowledge that, once given, it cannot be withdrawn.

Mr. Chairman, I do believe, however, that the matter of the ratification process and the fifth amendment should be pursued.

I would also like to say that I, of course, support the resolution before us. I believe that it is time that this great Nation give to the people of the District of Columbia the right to be represented, not only in this body, but also in the U.S. Senate.

I believe that the idea of retrocession to the State of Maryland is not workable at all. As one who came here just recently and saw this and looked at this proposal for the first time last year, I took the time to thoroughly study the problem of retrocession and the problem of what I call piecemeal representation. Neither one of them is workable. I believe that the only thing that is possible is the type of representation that is embodied in this resolution, and that any other approach inherently is not a valid approach; that it then comes down to the question as to whether we believe that the District of Columbia should be represented or not. I personally believe that they should; and, therefore, I support the constitutional amendment being offered here.

Mr. Chairman, I wish to commend the chairman of the subcommittee, the gentleman from California (Mr. EDWARDS) for the great deal of time and work he has put in on this matter.

● Mr. MOORE. Mr. Chairman, there is a definite need to change the present status of the District of Columbia as every U.S. citizen should be able to vote and be represented. The District, or part of a metropolitan area, should not become a State to achieve this, however, as this resolution, in effect, does. We have a very real problem, but a very wrong answer.

We should accomplish recognition of a universal franchise. Participation in the Federal process must not be selective. It must include all responsibilities that go along with rights conveyed. For this reason, I find that history and precedent does provide the only fair and equitable treatment for the District of Columbia as well as for the citizens of each State.

A portion of the original 10-square-mile District of Columbia, which had been a part of Virginia, is now again a part of Virginia as Arlington County. It was retroceded to Virginia in 1847 and today the citizens of this area are citizens of Virginia and have the same privileges and responsibilities of any citizen of that State. We should do the same today with all areas now outside the Federal enclave in the District and retrocede it to the State of Maryland from whence it originally came. This would provide the citizens of the District of Columbia with the same House and Senate representation as any other citizen and would provide them full participation in the Federal system. Since the rule on this resolution did not provide for such a proposition to be able to be offered, it was not possible to support such during consideration of House Joint Resolution 554. Therefore, I will vote against this resolution but gladly support a subsequent retrocession measure.●

● Mr FRENZEL. Mr. Chairman, even though I will vote for it, I don't like this resolution.

I believe each State should have two Senators. But when we start passing out Senators to non-State entities, I believe we are setting a bad precedent.

I have said facetiously that I would vote for two Senators for the District of Columbia as soon as Hennepin County, Minn., which is much larger, gets its two Senators. My home county has not, insofar as I am aware, asked for more representation. Some folks think we have too much now.

But the point is that there are a number of groups of Americans who have restricted voting rights. Washington is not the only exception to the rule that every person should have a Senator. American citizens in Puerto Rico, 3 million of them, have no Senators. Americans abroad, another 3 million, despite our best efforts to make voting easier, are restricted by fears of State income taxation. Most of them feel their franchise is limited, and few of them vote.

Other Americans, in the Virgin Islands, Guam, and the Pacific Trust Territories, or whatever they are now called, have no Senators, nor any voting representatives in Congress.

The situation of all these Americans should be considered. I think the overall American franchise would be well protected, and well extended if we allowed every jurisdiction, with a population equal to or exceeding that of the smallest State, to be a State if its people wished. Washington, or Puerto Rico, could then get their two Senators if the people wanted them.

The process of aquiring statehood, although it may be painful for some jurisdictions, does not seem more difficult that the process that House Joint Resolution 554 presents.

I have no objection to voting for a voting representative in the Congress for any jurisdiction, equal or larger in population to the smallest representative district. It is not a final solution to the Washington problem, but it helps other jurisdictions and represents an improvement for Washington.

Having explained why I think House Joint Resolution 554 is not the best approach, and why it sets a bad precedent, I ought to say why I will vote for it. Even though it is the wrong way to get senatorial representation, it is the only way that will be presented to this House this year.

For a person who believes in representative government, it is just too hard to vote against another American's right to representation. We should have had a better alternative. I hope this vote does not encourage corner cutting in the future. It is not a sign I will always vote for this proposition. It means only that I could not vote against this one today.●

● Mr. GLICKMAN. Mr. Chairman, I rise in support of House Joint Resolution 554, to extend full voting representation in the Congress to the District of Columbia. As I see it, this is clearly a matter of equity and it is high time that we rectify what is indeed a flaw in our system of representative government.

The population of the District of Columbia is about 700,000. That far exceeds the size of any of our congressional districts and surpasses 10 States in population. But since the District was ceded to the Federal Government in 1800, its residents have been deprived of what the rest of us accept as a right of citizenship: full voting representation in the Congress.

Over the last few years progress has been made in extending the rights of political participation to D.C. residents. In 1961, the 23d amendment to the Constitution provided for limited D.C. participation in the Presidential electoral college. In 1971, a nonvoting delegate was authorized to represent the District in Congress. And earlier this week, the House passed legislation to enhance political rights of D.C. residents by approving City Council actions, previously ratified by the residents, to extend the rights of initiative, referendum, and recall.

But the absence of voting representation in the House and Senate and the District's inability to participate in the process of amending the Constitution means only one thing to me: The citizens of the Nation's Capital are being deprived of their full rights.

I urge my colleagues to support the resolution before us as the only sure way to fully provide 700,000 Americans the opportunity to exercise what has been often called more than a right, but an obligation, to participate fully in our political process.●

● Mr. FINDLEY. Mr. Chairman, I am glad the party of Lincoln was prominent in the success of the constitutional amendment here today, and I particularly congratulate the distinguished gentleman from the land of Lincoln (Mr. McCLORY) for his eloquent and inspiring leadership.

I view this vote as a milestone in that great line of civil rights decisions which began in 1965, and which have all had strong support from Republican Members as well as those from the other side of the aisle.●

● Mr. STOKES. Mr. Chairman, I rise in support of House Joint Resolution 554, a resolution proposing a constitutional amendment providing full voting representation in Congress for the District of Columbia.

I believe there is no reason that the 700,000 residents of the District of Columbia should be disenfranchised in Congress. As U.S. citizens, District residents have been denied the fundamental right to hold accountable those who make decisions with national, international, and local impact on them.

I believe the most important argument in favor of District representation is the constitutional one. This resolution was reported by the Subcommittee on Constitutional and Civil Rights by a unanimous vote after a thorough study and approval by all of the constitutional experts who were heard. The Judiciary Committee's overwhelming bipartisan endorsement of this resolution should dispel any doubts that the resolution does not meet the requirements or the spirit of the Constitution.

After all, residents of the District of Columbia pay Federal taxes. Taxation without representation violates a fundamental principle of democracy. And yet we are still forcing upon District residents the distorted principle that District residents are equal to other citizens for the purposes of taxation, but not for the purposes of representation.

Residents of the District have also fought and died in war for our country. But we continue to deny full voting representation to them. Congress passes legislation affecting the District as well as the States. However, only the District lacks a respectable share of input into enactment of the very laws which affect its residents. This is an abridgement of rights of the residents of the District and is illogical since Congress has ultimate control over District decisions.

Mr. Chairman, we continue to talk about human rights and voting rights abroad. What about human rights and voting rights in this the continental borders of the United States. How can we continue to deny 700,000 American citizens the right to full representation because they live in the Nation's Capital? Let's face it, the District's residents are being denied a basic constitutional right.

Mr. Chairman, I urge my colleagues to join me in supporting this legislation. Full voting representation in Congress for the District of Columbia would further the principles of democracy which the framers of the Constitution intended for all citizens by giving District residents a deserved voice in the laws that govern our Nation.●

● Mr. BUCHANAN. Mr. Chairman, I rise in support of House Joint Resolution 554 and urge my colleagues to do the same. This resolution provides for a constitutional amendment which would entitle the citizens of the District of Columbia to full voting representation in Congress.

The resolution under consideration today would give substance to a doctrine long advocated by Members dating back to the formal establishment of the District of Columbia. Speaking of the District, in 1803, Representative Huger of South Carolina said the following:

> I look forward to the period when the inhabitants, from their numbers and riches, will be entitled to a representative on this floor.

It was not until the 1880's, however, that resolutions to give District citizens voting representation were introduced with any passion or frequency. On April 4, 1888, there was introduced in the U.S. Senate a resolution proposing an amendment to the Constitution providing for voting representation in Congress for the District of Columbia. The Senate Judiciary Committee allowed the resolution to die with the adjournment of Congress. Subsequent Congresses saw similar resolutions introduced.

In 1922, 1925, and 1949, the Senate Judiciary Committee approved such resolutions only to have them fail in either the full House or Senate. In 1940, the House Judiciary Committee reported out legislation providing for District of Columbia representation, but the measure was not voted on the floor of the House before the adjournment of Congress. So, at various times since 1888, the Houses of Congress have had before them resolutions similar to the ones being considered this morning.

Since the 1880's the population of the District of Columbia has increased from about 225,000 to 750,000 and the District of Columbia now has a population larger than that of 10 of the States. Nevertheless, the District remains without voting representation in Congress. District citizens are subject to taxation and the entire body of Federal law without the privilege, through elected representatives, of influencing the enactment or alteration of those laws.

The United States, the paramount leader of the Western democracies, finds it is the exception and not the rule regarding the representation status of the citizens living in its Capital City. Various countries of Latin America have federal districts similar to the District of Columbia, but all provide for some voting representation in the national legislature. The District of Columbia is indeed a "colony" within the Continental United States almost 200 years after our people dissolved its ties with Great Britain over the cry of "taxation without representation."

While the Congress moved in the right direction in 1970 in providing for a nonvoting District delegate to the House, this act was only a down payment toward correcting a grave inequity to the citizens of the Nation's Capital. We took a second step in 1974 by granting home rule to the District of Columbia. The home rule grant is a recognition of the right of the people of the District of Columbia to govern their own affairs and exercise the same rights as the people of the 50 States. The principle of universal franchise is so fundamental to our democratic government that it amazes and frustrates me that so many of my colleagues still do not recognize the injustice imposed upon the residents of the District of Columbia.

In my position as a member of the Committee on International Relations, I have actively pursued human rights for all people throughout the world. I would consider it a grave oversight on my part if I did not speak out about the denial of rights to the people of the District of Columbia.

While, in my own personal judgment, there cannot be equitable representation in a bicameral legislature unless there is representation in both bodies of that legislature, I offered a compromise amendment last year to at least provide some mechanism whereby Congress could enact or provide for full representation as it saw fit. That amendment provided that the people of the District of Columbia would elect at least one Representative in Congress, and, as may be provided by law, one or more additional Representatives or Senators or both, up to the number to which the District would be entitled, if it were a State, and that Congress would have the power to enforce the article by appropriate legislation.

This proposal was originally authored by a very distinguished former Member, a chairman of the Committee on

the Judiciary, the Honorable Emmanuel Celler. This proposal also bore the endorsement of former President Nixon while he was President, and a series of witnesses for the Justice Department, including the Honorable William Rehnquist, then Assistant Attorney General and now an Associate Justice of the Supreme Court.

Mr. Chairman, taxation without representation is as wrong in the 1970's as it was in the 1770's. The basic justice to the citizens of the District of Columbia is almost 200 years late in coming. It should surely come now.

There is nothing wrong with the great American dream—the challenge of our time is to fulfill that dream for all this Nation's people. There is nothing wrong with the American system of government. It is the responsibility, however, of the Congress to make certain that the system furnishes equity for the good of all the people of this Republic.

Two years ago, during the Bicentennial Year, many of our colleagues spoke eloquently of the virtues of the Founding Fathers and the principles they espoused. Yet many of these same Members voted to deny 750,000 citizens voting representation in the legislative branch of our Federal Government. This continued denial is nothing less than a scandal.

History and justice cry out together that this inequity must be corrected now. I urge the Members to right this wrong by their vote of approval of this resolution. Such action will mean basic justice for the American citizens who live in this city, and will be at least one step toward creation in Washington, D.C., of an alabaster city undimmed by human tears.●

The CHAIRMAN. Are there further amendments? If not, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 554) to amend the Constitution to provide for representation of the District of Columbia in the Congress, pursuant to House Resolution 1048, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WIGGINS

Mr. WIGGINS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. WIGGINS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WIGGINS of California moves to recommit the joint resolution (H.J. Res. 554) to the Committee on the Judiciary with instructions that it consider a resolution to retrocede the populated portions of the District of Columbia to the State of Maryland.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, do not motions to recommit have to be germane to the legislation before us?

The SPEAKER. The Chair will advise the gentleman that he is correct.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I make a point of order against the motion to recommit.

The SPEAKER. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Speaker, I make a point of order against the motion to recommit on the ground that it is not germane to the legislation before us because it suggests retrocession of the territory of the District of Columbia to the State of Maryland, which is not at any point encompassed in this legislation. The bill deals only with the creation of the offices of two Senators and of Members of Congress for the District of Columbia. Since this proposition would not have been germane to the bill as an amendment, it is not now germane.

The SPEAKER. Does the gentleman from California (Mr. WIGGINS) desire to be heard on the point of order?

Mr. WIGGINS. I do, Mr. Speaker.

Mr. Speaker, I am trodding on what is virgin ground for me. I am not sure what the rules of germaneness are with respect to a motion to recommit with instructions, the focus of which is to instruct the Committee on the Judiciary, from whence the joint resolution came, to reconsider an alternative means of achieving the objective of the legislation.

It would strike me, as a matter of first blush, that an alternative means of achieving a common result is, of course, quite germane; but I have no doubt that the precedents of the House have previously considered this measure, and I will yield to those precedents.

The SPEAKER. Does the gentleman from Maryland (Mr. BAUMAN) desire to be heard further?

Mr. BAUMAN. I do, Mr. Speaker.

Upon that subject, Mr. Speaker, I question the appropriateness of the instructions in view of the fact that the retrocession, as I understand it, would not require a constitutional amendment, but, in fact, a simple statutory act by the Congress.

Mr. WIGGINS. Mr. Speaker, if I may be heard just a few moments longer to clarify the situation, I am advised by my parliamentary experts on either side that the rules of the House require that amendments be germane. This motion to recommit is, of course, not an amendment.

Secondly, it is my view, contrary to the position taken by the gentleman from Maryland (Mr. BAUMAN), that a retrocession procedure, which I personally favor, would require a constitutional amendment and may not be achieved solely by reason of legislation.

The SPEAKER. The Chair is ready to rule.

With regard to germaneness, an amendment of a similar type would not have been germane to the joint resolution. Furthermore, the principle of germaneness is applicable to the extent that the House cannot direct a committee to consider another unrelated subject under the guise of a motion to recommit, whether or not the motion is in the form of a direct amendment to the bill (Cannon's VIII, 2704).

Therefore, the gentleman's point of order is sustained.

MOTION TO RECOMMIT OFFERED BY MR. HYDE

Mr. HYDE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. HYDE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HYDE moves to recommit House Joint Resolution 554 to the Committee on the Judiciary.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

Mr. HYDE. Mr. Speaker, may I have five minutes to debate the motion?

The SPEAKER. On a straight motion to recommit, the gentleman is not entitled to time.

The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken.

Mr. BUTLER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 289, nays 127, not voting 18, as follows:

[Roll No. 97]

YEAS—289

Addabbo	Burke, Calif.	Downey
Akaka	Burke, Mass.	Drinan
Allen	Burlison, Mo.	Duncan, Oreg.
Ammerman	Burton, John	Early
Andrews, N.C.	Burton, Phillip	Eckhardt
Annunzio	Byron	Edgar
Applegate	Caputo	Edwards, Ala.
Aspin	Carney	Edwards, Calif.
AuCoin	Carr	Eilberg
Baldus	Carter	Emery
Barnard	Cavanaugh	Erlenborn
Baucus	Chisholm	Ertel
Beard, R.I.	Clay	Evans, Colo.
Bedell	Cohen	Evans, Del.
Beilenson	Coleman	Evans, Ga.
Benjamin	Collins, Ill.	Evans, Ind.
Bennett	Conable	Fary
Bevill	Conte	Fascell
Biaggi	Conyers	Findley
Bingham	Corcoran	Fish
Blanchard	Corman	Fisher
Blouin	Cornell	Fithian
Boggs	Cornwell	Flood
Boland	Cotter	Florio
Bolling	Coughlin	Flowers
Bonior	D'Amours	Flynt
Bonker	Danielson	Foley
Brademas	Davis	Ford, Tenn.
Breckinridge	Delaney	Forsythe
Brinkley	Dellums	Fountain
Brodhead	Derrick	Fowler
Brown, Calif.	Dicks	Fraser
Broyhill	Diggs	Frenzel
Buchanan	Dodd	Fuqua

Gammage	McClory	Richmond
Garcia	McCloskey	Rinaldo
Gaydos	McEwen	Rodino
Gephardt	McHugh	Roe
Giaimo	McKinney	Rogers
Gilman	Madigan	Roncalio
Ginn	Maguire	Rooney
Glickman	Mann	Rose
Gonzalez	Markey	Rosenthal
Goodling	Marks	Rostenkowski
Gore	Marlenee	Roybal
Gradison	Mathis	Sarasin
Green	Mattox	Sawyer
Gudger	Mazzoli	Scheuer
Guyer	Meeds	Schroeder
Hall	Metcalfe	Seiberling
Hamilton	Meyner	Sharp
Hanley	Mikulski	Simon
Hannaford	Miller, Calif.	Skelton
Harkin	Mineta	Slack
Harrington	Minish	Smith, Iowa
Harris	Mitchell, Md.	Solarz
Hawkins	Mitchell, N.Y.	Spellman
Heckler	Moakley	St Germain
Hefner	Moffett	Staggers
Heftel	Moorhead, Pa.	Stanton
Hillis	Moss	Stark
Holland	Mottl	Steers
Hollenbeck	Murphy, Ill.	Steiger
Holtzman	Murphy, N.Y.	Stockman
Horton	Murphy, Pa.	Stokes
Howard	Murtha	Studds
Hubbard	Myers, John	Thompson
Huckaby	Myers, Michael	Thone
Hughes	Natcher	Traxler
Ireland	Neal	Trible
Jacobs	Nedzi	Tsongas
Jenrette	Nolan	Udall
Johnson, Calif.	Nowak	Ullman
Jones, N.C.	O'Brien	Van Deerlin
Jones, Okla.	Oakar	Vanik
Jones, Tenn.	Oberstar	Vento
Jordan	Obey	Volkmer
Kasten	Ottinger	Walgren
Kastenmeier	Panetta	Walsh
Kemp	Patten	Waxman
Keys	Patterson	Weaver
Kildee	Pattison	Weiss
Kostmayer	Pease	Whalen
Krebs	Pepper	Whitley
Krueger	Perkins	Wilson, Bob
LaFalce	Pickle	Wilson, C. H.
Leach	Preyer	Winn
Lederer	Price	Wirth
Leggett	Pritchard	Wolff
Lehman	Pursell	Wright
Lent	Quayle	Wylie
Levitas	Quie	Yates
Lloyd, Calif.	Rahall	Yatron
Lloyd, Tenn.	Railsback	Zablocki
Long, La.	Rangel	Zeferetti
Luken	Regula	
Lundine	Reuss	

NAYS—127

Abdnor	Duncan, Tenn.	Montgomery
Alexander	Edwards, Okla.	Moore
Ambro	English	Moorhead, Calif.
Anderson, Calif.	Fenwick	Myers, Gary
	Flippo	Nichols
Andrews, N. Dak.	Ford, Mich.	Pettis
	Gibbons	Pike
Archer	Goldwater	Poage
Armstrong	Grassley	Pressler
Ashbrook	Hagedorn	Quillen
Ashley	Hansen	Rhodes
Badham	Harsha	Robinson
Bafalis	Hightower	Rousselot
Bauman	Holt	Rudd
Beard, Tenn.	Hyde	Runnels
Bowen	Ichord	Ruppe
Breaux	Jeffords	Ryan
Brooks	Jenkins	Santini
Broomfield	Johnson, Colo.	Satterfield
Brown, Mich.	Kazen	Schulze
Burgener	Kelly	Sebelius
Burke, Fla.	Ketchum	Shipley
Burleson, Tex.	Kindness	Shuster
Butler	Lagomarsino	Sikes
Cederberg	Latta	Sisk
Clawson, Del	Livingston	Skubitz
Cleveland	Long, Md.	Smith, Nebr.
Cochran	Lott	Snyder
Collins, Tex.	Lujan	Spence
Crane	McDonald	Stangeland
Cunningham	McFall	Steed
Daniel, Dan	McKay	Stratton
Daniel, R. W.	Marriott	Stump
de la Garza	Martin	Symms
Derwinski	Michel	Taylor
Devine	Milford	Teague
Dickinson	Miller, Ohio	Treen
Dingell	Mollohan	Tucker
Vander Jagt	White	Young, Alaska
Waggonner	Whitehurst	Young, Fla.
Walker	Whitten	Young, Mo.
Wampler	Wiggins	Young, Tex.
Watkins	Wilson, Tex.	
	Wydler	

NOT VOTING—18

Anderson, Ill.	Frey	Mikva
Brown, Ohio	Hammer-schmidt	Nix
Chappell		Risenhoover
Clausen, Don H.	Le Fante	Roberts
	McCormack	Russo
Dent	McDade	Thornton
Dornan	Mahon	

The Clerk announced the following pairs:

On this vote:

Mr. McDade and Mr. Russo for, with Mr. Roberts against.

Mr. McCormack and Mr. Mikva for, with Mr. Frey against.

Mr. Anderson of Illinois and Mr. Le Fante for, with Mr. Dornan against.

Until further notice:

Mr. Dent with Mr. Mahon.

Mr. Chappell with Mr. Thornton.

Mr. Risenhoover with Mr. Nix.

Mr. Brown of Ohio with Mr. Hammerschmidt.

Messrs. MATTOX, HUCKABY, PICKLE, and MARLENEE changed their vote from "nay" to "yea."

So, two-thirds having voted in favor thereof, the joint resolution was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "Joint resolution proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress.".

A motion to reconsider was laid on the table.

A GREAT DAY FOR THE DISTRICT

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, this is a great day for the District of Columbia, regardless of what may occur in the other body with respect to the measure just passed.

I believe it also is a great day in the history of human freedom. This reasserts the belief of our Nation that there is no such thing as a second-class citizen in America.

Mr. Speaker, I should like to yield under this recognition to the gentleman from the District of Columbia (Mr. FAUNTROY), who has endeared himself to all of us and has proven himself a mighty warrior.

CONGRATULATIONS ON PASSAGE OF PROPOSAL FOR DISTRICT OF COLUMBIA REPRESENTATION

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I want to join in expressing congratulations to the distinguished Delegate from the District of Columbia (Mr. FAUNTROY) and to all who worked in support of this constitutional proposal. I am proud indeed to have been one of the sponsors of this measure and to have worked for its adoption here today. I think this is a great day for the District of Columbia and for the Nation.

May I say in behalf of those on my side of the aisle who supported this joint resolution—and there was a substantial number of them—I am hopeful that when we get representation in the House of Representatives and in the Senate as a result of the adoption and ratification of this constitutional amendment, we will have some Members from the District serving on this side of the aisle as well as the other side of the aisle.

FULL REPRESENTATION FOR THE DISTRICT OF COLUMBIA

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, without taking up too much time of this House, I merely want to express on behalf of the members of the Committee on the Judiciary and all of the people of America our thanks to those of you who participated in this great effort. I have been a Member of this House for a number of years. Through all those years and for years before that, attempts have been made to correct this major flaw and oversight in the constitutional exercise of the great franchise, attempts to complete the effort toward full participation in the democratic process.

Today we reaffirmed our faith and the people's faith in the great precepts of the Constitution of the United States and in the processes of our institutions.

I particularly want to point to the effort of the nonvoting Delegate from the District of Columbia, WALTER FAUNTROY. His was the driving force and abiding faith which showed the way. To DON EDWARDS, ROBERT MCCLORY, and all the members of the Subcommittee on Civil and Constitutional Rights, I offer my congratulations for your dedicated, thoughtful, and scholarly work.

Today, make no mistake about it, is an important day in the history of voting rights for all our citizens and a day for all of us to be proud.

LEGISLATIVE PROGRAM

(Mr. JOHN T. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN T. MYERS. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader what the program is for the remainder of today and for the week.

Mr. Speaker, I yield to the gentleman from Texas (Mr. WRIGHT), the distinguished majority leader, for that purpose.

Mr. WRIGHT. Mr. Speaker, it had been the hope of the leadership, when we discovered that the resolution recently under discussion would be concluded at this hour, to take up the committee funding resolutions which have been scheduled for tomorrow.

Unfortunately, the Committee on House Administration, lacking advance

notice of that intention, has not completed the paperwork necessary to bring those resolutions today. Therefore, those resolutions together with the other bill scheduled for tomorrow, will come tomorrow.

Mr. JOHN T. MYERS. Mr. Speaker, it seems to me that the resolutions funding the committees were on the schedule last week and they were dropped. The two bills that were scheduled for tomorrow, could they not be considered today?

On Monday we adjourned shortly after 1 o'clock. Today we came in at 11 o'clock, and we will be out by 1 o'clock. It seems to me that the time of the Members could be used more wisely by working today, finishing the scheduled legislation, and giving the committees an opportunity to meet tomorrow.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. JOHN T. MYERS. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I explained earlier that we had hoped to be able to bring at least some of those committee funding resolutions today. Unfortunately, the committee, not anticipating this contingency, is not ready; and therefore they cannot be brought. The appropriation bill cannot be brought today because under the rules it is not eligible for consideration today.

With respect to having a session tomorrow, there already have been several colloquies on the floor. It is the intention of the leadership that we will have Friday sessions from now until the time of the budget resolution. One purpose of that, quite frankly, is to assist in having quorums for the legislative committees on Fridays in order that their work may be completed as required by budget law and the rule of the House concerning the budget resolution. Last week, the minority whip, the gentleman from Illinois (Mr. MICHEL) expressed public agreement with this general plan.

The gentleman from Indiana asked about next week. Does the gentleman wish me to respond to that?

Mr. JOHN T. MYERS. No. Just for this week.

Mr. Speaker, it seems to me that we come in at 3 o'clock on Wednesdays to allow the committees more time to work. Here we could have a full Friday for the Members to work, and we have legislation on the floor for tomorrow when we could have it for today.

Mr. WRIGHT. I think the gentleman may be correct in that; and if there is blame, perhaps the blame lies with me in that I had not accurately anticipated how much time would be required on the resolution just adopted and had not taken the precaution of talking with the Committee on House Administration yesterday so that they could have been ready today.

Mr. JOHN T. MYERS. This is the first week this year that certain legislation for Thursday and Friday was scheduled. If we followed that schedule, we would be complying with the rules of the House.

Why cannot that be done in the future?

Mr. WRIGHT. The gentleman may have a good point.

The difficulty, of course, is twofold. First, the appropriations bill, under the rules, cannot be considered today. Second, the funding resolutions cannot be considered for the simple reason that the committee of their jurisdiction is not prepared to bring them up. Therefore, there is no alternative than to have them tomorrow, as scheduled now.

With respect to the gentleman's other commentary, we are neither clairvoyant nor infallible. We do make errors, and if there is an error in scheduling this week, I should like to assume the responsibility for that error.

Mr. JOHN T. MYERS. Obviously, I am getting no place with my argument. We are going to be in session tomorrow; but I think I speak not only for the minority but for the majority of the majority.

The majority of this House I hope in the future will give more attention to the conservation of Members' time so that if we do get a day off when it might not be necessary, at least we can devote our time to committee work without interruption.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. JOHN T. MYERS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, since it is the stated purpose of the leadership to make sure that the Members are here tomorrow and since the minority would like to have some input, let me just announce that the minority will help make tomorrow a meaningful day.

CONGRESSMEN AND CAMERAS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROOKS. Mr. Speaker, we are well aware of the orchestrated efforts on the part of a small group in Congress to cloud the issue of televising the proceedings in this body.

Through it all, our distinguished Speaker has displayed outstanding maturity and judgment in striving for the best interest of the American public and the Congress while risking temporary, but voluble disapproval by certain elements of the media. His willingness to withstand the ofttimes unreasonable criticism of our Members and a few members of the gallery have worked for the benefit of the House of Representatives.

This example of his outstanding leadership was recognized recently in an intelligent and perceptive editorial which appeared in the Washington Star on February 25, 1978.

This editorial, a copy of which follows, supports the judgment of this body when we passed House Resolution 866 assigning the authority and discretion to implement a television system to Speaker O'NEILL.

[From the Washington Star, Feb. 25, 1978]

CONGRESSMEN AND CAMERAS

The delay in televising regular sessions of the House of Representatives is disappointing. When the practice was approved by the House last year, the prospect was for the cameras to start recording House proceedings this month, with the live signal or tapes available for broadcast. Technical and legal problems now are blamed for postponing the operation, apparently for the rest of this year.

We do not share further disappointment that the House plans to do its own camera and viedeotape work instead of inviting in the commercial and public networks. The in-house policy championed by Speaker O'Neill was affirmed recently by a 9–5 vote of the Rules Committee, touching off further comment that congressmen fear to be televised in hard-headed news style.

The delay is due in part to the unsatisfactory quality of tests that have been run in the House chamber using unobtrusive cameras and the regular lighting. Members complain of unflattering, recognizable pictures, including a "raccoon effect" around the eyes. More experimentation is needed with different kinds of equipment and lighting to produce high-quality pictures without disrupting House procedures. The technical difficulty should be soluble.

The House also wants to devise rules for the distribution of tapes, perhaps prohibiting political and commercial use, and settling the question of the tapes' legal standing—whether they will constitute an official record paralleling the Congressional Record.

The congressmen have put themselves in for continued suspicion that, in keeping out the network cameras, they just want to avoid being caught napping. A semi-automatic system operated by friendly House employees and limited to shots of congressmen speaking is safer than a free-ranging network show emphasizing colorful (embarrassing?) sidelights. Citing the printed Congressional Record as a precedent for governing the video record as unfortunate—it reminds everyone of how much fakery goes into "editing" and "extending remarks" in that official journal. The viedotapes will be harder to tamper with.

But the desire of the House majority to keep control of the cameras also reflects a sensible desire to keep the system as unobtrusive as possible and reduce the temptations for showboating by the more flamboyant members. Anyone who has watched network television crews dominate a hearing or press conference, push aside the less presumptuous journalists and change the nature of the event being covered, can understand the reluctance of Tip O'Neill to countenance such mayhem in the House on a regular basis.

Give the House-run television system a reasonable trial before concluding that only the network boys, with their partiality for dramatic action and blonde spectators, can do the job.

INTRODUCTION OF NATIONAL INTELLIGENCE AND REFORM ACT OF 1978

(Mr. BOLAND asked and was given permission to address the House for 1 minute.)

Mr. BOLAND. Mr. Speaker, today I introduce legislation entitled the National Intelligence and Reform Act of 1978.

This bill is identical to S. 2525, introduced on February 9 by Senator HUDDLESTON and 20 other Members of the Senate. It represents the culmination of 3 years of hard work by the members and staffs of the Church committee and the now permanent Senate Select Committee on Intelligence. At the same time it is also, as Senator HUDDLESTON put it in his remarks upon filing this legislation, "the beginning of a new process."

Much administrative and public comment has gone into the bill that I introduce today, but much more must be done before it will represent a useful and coherent delineation of powers and limitations for the intelligence community.

I will not go into the details of this bill at this time. That, indeed, is one of the problems I see in the bill. It goes too far into the actual management of the intelligence function.

I do call to the attention of Members, a detailed description of S. 2525 given by Senator HUDDLESTON along with the remarks of all his cosponsors which was printed in the CONGRESSIONAL RECORD of February 9.

It is sufficient to say that this bill would authorize activities of the intelligence community as a whole and of the CIA, FBI, and the NSA in particular. It establishes across-the-board limitations and prohibitions for all intelligence agencies and creates criminal sanctions for cases of misuse or noncompliance with the act.

Mr. Speaker, I am truly pleased to introduce this legislation today because it represents an invaluable contribution and an important beginning to the charter drafting process.

The Senate committee has worked long and very hard. Its contribution is significant.

I and the committee I chair are pledged to use this legislation as a vehicle for our deliberations as we seek to reach our own recommendations on omnibus intelligence legislation. That process will be a long one.

It is, however, an extremely important one. It can end, I believe, in a workable statute that insures the successful functioning of our Nation's intelligence apparatus fettered only by provisions necessary to protect the individual rights of our citizens. I can promise the House that the permanent select committee on intelligence will work as hard and as long as is necessary to bring workable, useful legislation to the floor of this Chamber.

This is a task on which we are already embarked and one in which we recognize we must provide leadership. I firmly believe that it is a goal that can be reached in the 96th Congress if all the participants approach it in the same spirit in which this legislation was drafted.

MEDICARE SHOULD BE EXPANDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 10 minutes.

● Mr. WOLFF. Mr. Speaker, the time has come to relieve the intolerable burden medical expenses imposes on millions of older Americans. Our senior citizens, forced to eke out an existence from social security, their life-time earnings, or fixed incomes, are often left in dire straits when illness or ill-fate in the form of accidents, strike.

Horror stories abound, to which I am sure my colleagues will attest, when the elderly seek medical care, medical care which has rapidly outpaced their incomes. Few options for adequate health care, at prices the aging and disabled can afford, are available to this neglected segment of our society. Our senior citizens should have the right to live their autumn years with a sense of dignity and security, not deprivation and fear.

In the past, the stringent requirements imposed by medicare has contributed to the breakdown of the American family by forcing our elderly into institutional settings in order to satisfy eligibility criteria. These criteria have been partially responsible for creating an American caste system, segregating the old from the young. They have forced the elderly to be considered a "people apart" in a country they helped put together. They are the foundation of our society, and we would reap benefits from their company, learning from their experiences and wisdom.

Medicare must be expanded to improve essential health care assistance for the chronically ill, aged, and those striken with a catastrophic illness. This expansion should not be a rigid one, dictating the types of services available to older citizens. Rather, the expansion should be flexible, providing freedom of choice in the provision of medical services. Medicare should be expanded to provide low-cost alternatives to institutionalization.

It is this concern which led me to establish a Citizens Health Advisory Committee in my Sixth Congressional District, compromised of leading New York area health field specialists. This committee of dedicated men and women served as a valuable resource in helping me analyze the complex problems of health care delivery in terms of new legislative proposals.

It is with great pride, then, that I have presented to the House of Representatives, in bill form, the culmination of the efforts and work of the Citizens Health Advisory Committee. This bill, H.R. 11139, will provide for medicare subsidies of low-cost home health care. The bill amends title XVIII of the Social Security Act by removing all limits on the number of home health visits for which payment may be made, includes additional types of services as home health care, and provides coverage for services furnished in outpatient rehabilitation facilities and elderly day care centers.

One of the most important aspects of this legislation is to permit payment by medicare for services rendered by certified voluntary nonprofit home health agencies. Not only will this extension permit our senior citizens to stay in their homes with their loved ones, receiving proper medical attention, but it will also have of decreasing the costs of delivering medical services. However, for a discussion of the benefits of the bill, I wish to include the final position statement of the Citizens Health Advisory Committee in the CONGRESSIONAL RECORD. This committee has served ably and well, and I remain in great debt to them for their expertise and insightful advice. Their statement follows:

SIXTH CONGRESSIONAL DISTRICT'S CITIZEN'S HEALTH ADVISORY COMMITTEE STATEMENT

(Proposed changes in medicare regulations to broaden and expand home health care as a brake on increasing cost of the health delivery system and as an alternative to institutionalization)

1. *Home health care as a cost-containment factor*—

Up to the present time only about 1 percent of Medicare, Medicaid and health insurance funds have been expended for home care. Inappropriate utilization of long-term care facilities could be minimized by consideration of home care as the first alternative before hospitals and nursing homes in meeting the patient's needs. Education of the public and the medical profession, as well as Congress, concerning the availability and the benefits of quality home care is a necessity in any efforts to reduce the nation's expenditure for health care.

The Visiting Nurse Service of New York recently completed a federally funded 2 year study of total cost of health service to patients who are homebound and chronically ill. A summary of this study is attached. The patients were provided with all needed services, those routinely provided by the Visiting Nurse Service of New York and those provided by other types of health care providers, including physician visits, housekeeping assistance, health-related transportation, medication, medical supplies, etc.

The results show that the average daily cost of home care for the homebound is less than $16 per day. When housing and food costs are included the cost averaged about $29 per day. This contrasts with nursing home costs in New York City of $40 to $50 per day and hospital costs in excess of $200 per day. The services provided in this study were based on patients' needs without regard to available means of reimbursement. The above figures refer to 1975 costs.

2. *Proposals for expansion of Home Health Services*—Present Medicare regulations provide reimbursement for home care visits only for patients requiring "skilled nursing care", following at least 3 days of hospitalization. This severely limits home care for the chronically ill and disabled (i.e., stroke victims) and because of the complexity of the reimbursement system, encourages them to enter institutions unnecessarily.

A change in Medicare regulations to fund home care, including homemaker home health aid services, prescription drugs and medical supplies, to the non-acutely ill could eliminate such costly resort to institutionalization with its resulting human deterioration.

Expansion of home care funding under new Medicare and Medicaid regulations should be limited, as it is now, to certified, non-profit Home Health Agencies, under strict controls and regular cost and quality audits by HEW or State Health Departments. To open up Medicare and Medicaid reimbursement for profit making home health companies, which are really only employment agencies, could lead to obvious abuses and unnecessary auditing expenditures.

Home Health care as offered by non-profit community supported agencies such as the Visiting Home Health Services of Nassau and Visiting Nurse Service of New York (operating in Queens) is broad and inclusive. Services provided may include bedside nursing, physical, speech and occupational therapies, homemaker home health aide services, social service visits, psychiatric nursing, nutritional guidance, loans of hospital equipment, medically related transportation and meals-on-wheels.

All these services are provided under the orders of the patient's physician, and are regularly co-ordinated and assessed by qualified nursing supervisors. Through referrals from Hospital Home Care Departments, and

now from Nursing Homes, the Home Health Agency provides continuity of service from the institution to the home, giving the patient a much needed sense of security.

COMMITTEE RECOMMENDATIONS

1. We urge Congressional initiative to emphasize home health care as a first alternative by extending Medicare's Home Health Benefits to the chronically ill and disabled; by eliminating the requirement for 3 days prior hospitalization and the skilled nursing component under Medicare parts A and B.

2. We urge Congressional action to broaden definition of reimbursable Medicare home health services to include prescription drugs and medical supplies which are reimbursable upon institutionalization.

3. We urge scrutiny of National Health Insurance bills to be certain of inclusion of broad home health care for both acute and long term illness by the non-profit sector as a cost containment factor.

4. We urge you to ask Secretary Califano to maximize his administrative discretion to increase and promote comprehensive home care by the non-profit sector. This will result in cost containment and also the humanity of permitting the terminally and chronically ill to remain with their families while receiving necessary health care.●

THE DEATH OF MANGALISO SOBUKWE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 10 minutes.

● Mr. DIGGS. Mr. Speaker, with profound regret, I announce that Mangaliso Sobukwe, president of the Pan Africanist Congress of Azania, passed away at 6:30 p.m., South African time, on Sunday, February 26, 1978, while receiving treatment in a hospital in Kimberly, South Africa, the city where he has been living under house arrest and several restrictions ever since May 1969, when he was transferred from 6 years of detention without trial and solitary confinement in the notorious maximum security prison on Robben Island.

The South African Fascist-apartheid regime totally refused to remove the house arrest order and other restrictions on the Honorable Mr. Sobukwe so that he could receive treatment abroad for cancer and other illnesses which began to take a heavy toll on his life, because of unhealthy environmental circumstances. The Fascist regime did this in spite of appeals from Sobukwe's family and a host of heads of state and governments from Africa and abroad. The Pan Africanist Congress lays the blame for President Sobukwe's untimely death squarely on the South African apartheid regime and has vowed to avenge the great leader of the Azanian people.

The Pan African Congress has called on the world community to condemn the South African apartheid regime for murdering President Sobukwe by proxy, and has asked the governments of the world, freedom-loving organizations and people and supporters of the Azanian people just cause to solemnly mark President Sobukwe's passing away and to intensify their support for the national liberation struggle in Azania.

Mangaliso Sobukwe was born in Graaf Reinet, a small country town in the Eastern Cape Province of South Africa, on December 5, 1925. He grew up toiling along side his peasant family and attended a local primary school. His high school education was at the famed Cape Province's Healdtown High School, where his brilliant pass in matric (the final year) won him a scholarship to further his studies at Fort Hare University. Sobukwe graduated with a bachelor of arts (honors) degree and won a union education diploma. During his years at Fort Hare, he was elected president of the Students' Representative Council, and also served as secretary of the African National Congress Youth League, universally acclaimed as the league's most dynamic branch at the time. Sobukwe was instrumental in the drawing and adoption of the 1949 Programme of Action by the ANC in Bloemfontein. Among his colleagues at Fort Hare were such outstanding African leaders as Foreign Minister M. Waiyaki of Kenya; Herbet Chitepo, the late chairman of ZANU; and Central Committee Member of UNIP and former Prime Minister of Zambia, Elijah Mudenda.

Sobukwe started his working career as a school teacher in Standerton, Transvaal, and was dismissed from his post for leading the Defiance Campaign of 1952 in that area. Later he moved to the University of the Witwatersrand, in Johannesburg, where he won a post as a lecturer in African languages. This earned him the name of "Prof." among his friends, the name he was to become affectionately known by throughout Azania and abroad.

Sobukwe emerged as the foremost exponent of Pan Africanism in the 1950's and, when the Pan African Congress was formed in 1959, he was unanimously elected as its president.

In 1960, he became a household name not only in Azania but all over the world, when he brilliantly led the first "Positive Action Campaign" of the Pan Africanist Congress, on March 21. The cold-blooded massacre of 69 of Sobukwe's and the PAC's followers at Sharpeville and several others at Langa, Nyange, Vanderbijl Park, and other parts of South Africa raised the fury of the Azanian people who came out en masse to join the campaign against South Africa's hated "pass laws."

The international community was moved by the courage of the unarmed African demonstrators and appalled by the callous mass murders perpetrated by the police of the apartheid regime. The internal crisis led to the first nationwide state of emergency to be declared in South Africa, and overseas it raised the strongest and sharpest criticism against apartheid tyranny. The Positive Action Campaign launched by President Sobukwe and the PAC in 1960 focused world attention on South Africa as never before, and ushered in the militant struggle which is now growing into revolutionary armed struggle. The Daily Graphic in Accra, Ghana, said in a banner headline on March 22, 1960: "Sobukwe leads Africans into Chivalry," and Canon Burgess Carr of the All-African Council of Churches said at a Sharpeville Day rally several years later that "Sharpeville was the watershed" of intensified national liberation struggles all over southern Africa.

For his role in this historic campaign, Sobukwe was to remain a prisoner of the South African apartheid regime for the rest of his life.

The details of his torture are clear:

On May 24, 1960, he and his colleagues in the National Executive Committee, among them Potlako Leballo, the national secretary (now acting president), and Zeph Mothopeng, the secretary for judicial affairs, at present on trial for his life under the Terrorism Act in Bethal, South Africa, were sentenced to 3 years of prison.

On May 24, 1963, under a hurriedly passed special law, known as the "Sobukwe clause" of the Sabotage Act of South Africa, Sobukwe was taken from his 3-year hard labor term of imprisonment and locked up on Robben Island for 6 additional years without trial.

In April, 1969, he was transferred from Robben Island and placed under house arrest and a maze of restrictions in Kimberly (300 miles away from his home in Mofolo, Johannesburg) and remained a virtual prisoner of the apartheid regime, in this dusty mining town, until his death.

Mangaliso Sobukwe is survived by his courageous comrade-in-arms and wife, Zodwa Veronica, four children: Miliswa, Dinilesizwe, and twin brothers, Dedani and Dalinyebo. The Azanian nation and its allies joins them in mourning a worthy father and totally selfless champion of the people's cause.

This tragic death also reminds us of Steve Biko, who was killed by the South African fascist police on September 12, 1977. On that same day Sobukwe was operated on, and had one lung removed, at the Groote Schuur Hospital in Cape Town. When he recovered sufficient strength, the news of the assassination of his good friend was told to him. Mr. Sobukwe responded with these words:

> They aim to finish us off one after the other. . . . We must turn our grief into strength.

A freedom fighter to the end, Mangaliso Sobukwe dies as the No. 1 coconspirator in the largest Terrorism Act trial now underway in South Africa—the case of Mothopeng and the Bethal 18.

President Sobukwe's last wish was that he be buried at his place of birth in Graaf Reinet. It will be on the even of the launching of the International Year Against Apartheid on March 21, 1978, the anniversary of Sharpeville day, an epoch event the world community owes to the genius and courage of Azania's greatest son of the century—the first political prisoner of Robben Island in the 20th century—Mangaliso Robert Sobukwe. Hamba kahle Qhawe lama Qhawe—"Go well Hero of Heroes." ●

SUMMARY OF HOSPITAL COST CONTAINMENT LEGISLATION APPROVED BY WAYS AND MEANS SUBCOMMITTEE ON HEALTH

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, I have taken this opportunity to place in the RECORD a summary of the administration's hospital cost containment proposal as amended and approved by the Subcommittee on Health of the House Committee on Ways and Means. I hope that my colleagues will take the time to review this most important legislation as the congressional debate on hospital cost containment legislation continues:

SUMMARY OF H.R. 6575 AS APPROVED BY THE SUBCOMMITTEE ON HEALTH OF THE COMMITTEE ON WAYS AND MEANS ON FEBRUARY 28, 1978

VOLUNTARY HOSPITAL COST CONTAINMENT ACT OF 1978

The amended bill is divided into two parts. Part I specifies the cost containment objectives of the voluntary program, the criteria on the basis of which determinations would be made as to the success of the program in achieving specified reductions in the rate of increase in total hospital expenses, the data collection and monitoring system to be utilized in measuring the program's performance, and the steps to be taken in the event the voluntary program fails to achieve its objectives.

Part II establishes the transitional fallback Federal cost containment program that would be implemented should this program be needed. This four-year transitional Federal program would constrain the rate of increase in hospital costs by limiting the amount of inpatient revenues which individual hospitals could receive from each source of payment for patient care.

PART I—VOLUNTARY COST CONTAINMENT PROGRAM

1. Goals of voluntary program

The objective of the voluntary cost containment program is to reduce the rate of increase in total hospital expenses for community, short-term hospitals. The maximum allowable rate of increase in total hospital expenses for 1978 would be 2 percent less than the rate of increase in 1977; for 1979, and each succeeding calendar year, the allowable rate of increase would be 4 percent less than the rate of increase for 1977. However, the maximum allowable rate of increase in total hospital expenses for any calendar year could not be less than 1½ times the percentage increase in the GNP deflator—a measure of inflation in the general economy. In the event the targeted reduction is not achieved in any given calendar year, the Federal fallback program would become effective with the first day of the calendar year immediately succeeding the calendar year in which the voluntary program failed to achieve the requisite rate.

2. Base for calculating rate of increase in hospital expenses

The base for calculating the reductions in the rate of increase in expenses would be the rate of increase in total hospital expenses experienced in calendar year 1977. In order to establish this base, as well as to monitor the performance of the voluntary program, a hospital expense reporting mechanism would be established. Data on actual expenses for calendar years 1976 and 1977 and periodically thereafter would be obtained through the use of this reporting mechanism.

The Secretary would be required to report at least quarterly to the appropriate Committees of the Congress as to the progress of the voluntary program as reflected in the data submitted. In addition, the Secretary would be required to publish, within 60 days after the close of each calendar year, the actual rate of increase experienced for that calendar year.

A hospital which fails to submit timely reports would be limited, for purposes of medicare reimbursement, to a rate of increase not to exceed the applicable goal specified under the voluntary program; and a hospital which understates its expenses would be held to that understatement for purposes of medicare reimbursement. There would be no penalty, however, for submission of data which turn out to be incorrect, unless the hospital knew or should have known its actual expense data.

3. Report on permanent reform in delivery and financing of health care

The Secretary would be required to submit to the Congress, no later than March 1, 1979, his recommendations for permanent reforms in the delivery and financing of health care.

PART II—FEDERAL FALLBACK COST CONTAINMENT PROGRAM

1. Effective date for individual hospitals

If the mandatory program is triggered into effect, it would be applicable to an individual hospital for its first accounting year beginning after the calendar year in which the hospital industry failed to meet the specified cost containment goal.

2. Percentage limitation on hospital inpatient revenues

The mandatory program would impose a limit on the percentage increase that is allowed in each hospital's inpatient revenues, and the calculation would be on a per admission basis. The percentage limit would be equal to 1½ times the percentage increase in the GNP deflator. The Secretary would be required to develop an economic index which more accurately reflects the prices for items hospitals must purchase and to report to Congress no later than September 30, 1979, whether this index should replace the one described above.

3. Application of the limit

The percentage increase in inpatient revenues allowed a hospital under the mandatory program would be calculated with reference to the hospital's base accounting year. This base year would be the hospital's accounting year two years prior to the accounting year in which mandatory constraints are applicable. In bringing this base year figure up-to-date, the hospital's actual revenues for the accounting year immediately preceding the accounting year in which the mandatory limit applies would be used (but the minimum rate of increase used in the calculation for that year would be 6 percent, and the maximum rate used would be the rate that served as the total expense goal of the voluntary cost containment effort).

If a hospital has not been in operation for three full accounting years, or has had a substantial disruption in its operation during its base accounting year due to circumstances beyond its control, or has undergone a total replacement of its physical plant (completed within the two-year period ending July 1, 1977), the Secretary would provide appropriate adjustments in the hospital's average reimbursement per admission for its base accounting year.

The limits would not apply to psychiatric hospitals, hospitals substantially serving HMO's small hospitals that are sole community providers and Shriners hospitals.

4. Adjustments and modifications

Adjustments would be made for changes in a hospital's patient load only if admissions since the base accounting year had increased by more than 2 percent or decreased by more than 6 percent (10 percent in the case of small hospitals—those with fewer than 4,000 admissions per year). Increases or decreases in admissions outside these limits would result in allowable revenue increases or decreases, respectively, at the rate of one-half of average revenue per admission. For large hospitals, an additional allowance for admission increases or decreases in excess of 15 percent would require an exception.

The revenue limit could also be adjusted to offset changes resulting from a significant increase in coverage by a third-party payor, or from shifts among payors that result in a sizable revenue loss.

Adjustments in admissions during the base accounting year would be made to provide special recognition of unique situations facing small hospitals; for problems that might arise because a hospital enters into approved shared services arrangements or because of the closing of another hospital in the community; and for unique situations facing hospitals that contract with health maintenance organizations, such as changes in admissions because of increasing enrollments or reduced access to the hospital for health maintenance organization members.

Hospitals could elect to pass through: wage increases for nonsupervisory workers; payments for fuel; and payments for malpractice insurance that reflect a percentage increase higher than that allowed by the revenue limit. If a hospital elects to pass through any of these costs, the pass-through must also apply to future years. The Secretary is required to study each of these pass-throughs and to make separate reports to Congress no later than March 31, 1980, as to whether the pass-throughs should continue after September 30, 1980.

5. Exceptions to the limit

The Secretary could grant exceptions to the revenue limit where costs have increased because (a) a hospital's volume load has increased or decreased by more than 15 percent; or (b) where a substantial change in a hospital's capacity has occurred because of the closing of another hospital facility in the area; or (c) where a hospital has undertaken major approved changes in facilities or services which increase costs per admission more than 3 percent above the previous year. Except for exception (c), the hospital must demonstrate a current ratio of assets to liabilities of no more than 2 to 1 (excluding restricted and designated grants, gifts and income and depreciation funds required to be held in reserve as a condition of a loan). Exceptions would also be allowed for (I) increased coverage by cost payors; (II) differences in the source or basis of reimbursement from the base accounting year; and (III) hospitals which are sole community providers. The Secretary must either approve or deny a request for an exception within 90 days of the filing of the exception.

6. Enforcement

Reimbursement above the cost containment limits would be disallowed under medicare and medicaid. Excess revenues paid by any other cost payer or received by a hospital would be subject to a 100 percent tax. The tax on excess hospital revenues would be a nondeductible expense for tax purposes. The tax would not be imposed on a hospital that placed the excess revenue in escrow until it incurred a shortfall in allowable charge revenue equal to the amount of excess previously acquired.

7. Disclosure of fiscal and other information

Each hospital subject to the mandatory program would be required to provide certain cost and charge data to its health systems agency. Hospitals exempt under the mandatory program (those with fewer than 4,000 admissions, which are sole community providers and are located in rural areas) must

publicly report any annual increases in average inpatient reimbursement or charges per admission in excess of 120 percent of the annual increase limit. Hospitals failing to report the above data would be excluded from participation in the medicare, medicaid, and maternal and child health programs.

8. Review of certain determinations

Hospitals or payors dissatisfied with determinations made by the Secretary may obtain a hearing before the Provider Reimbursement Review Board if the amount is $10,000 or more and the hearing request is filed within 180 days after notice of the determination. Decisions of the Provider Reimbursement Review Board must be made within 60 days.

9. Consolidated treatment of hospitals with common ownership

Organizations that totally own, in an HEW region, more than one hospital subject to the Federal controls could have limits computed and applied in the aggregate for all such hospitals if the organization requests such treatment and provides, on a timely basis, the data necessary to determine the limits and consolidates only those hospitals employing the same accounting year.

10. Exemptions for hospitals in certain States

The Secretary would exempt hospitals in States that have an effective program of hospital cost containment. The mandatory State program would need to apply to at least the hospitals covered by the Federal program and would need to demonstrate a capacity to contain inpatient revenue increases at a rate not to exceed 120 percent of the basic inpatient hospital revenue increase limit.

The Secretary may not disapprove a State program solely on the ground that the State has had no previous experience in the operation of a cost containment program or on the ground that implementation of the State program was conditional on the triggering of the mandated Federal program.

The Secretary may waive certain restrictions on the methods of reimbursement under titles V, XVIII, and XIX of the Social Security Act when he exempts a State from the mandatory Federal controls.

Federal support would be available for approved State cost containment programs, not to exceed 80 percent of the reasonable amounts expended by the State in the development and administration of its program, for a period of not more than 3 years. The State must submit, and have approved, a State plan for its cost containment program.

11. Definition of covered hospital

A hospital covered under this program is one which (a) satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act; (b) is not a psychiatric hospital; (c) imposes charges or accepts payments for services provided to patients; and (d) had an average duration of stay of 30 days or less in the preceding accounting year. A hospital is not subject to the mandatory program if it (I) has met the conditions described above for less than 3 accounting years; (II) derived more than 75 percent of its inpatient care revenues from health maintenance organizations; or (III) has had, in the 2 preceding accounting years, average annual admissions of less than 4,000, is a sole community provider, and is located in a rural area, including an area that is not an urbanized area, as defined by the Bureau of the Census.

12. Cost constraint provisions relating to the medicare, medicaid, and other programs

(a) Percentage Arrangements of Hospital-Based Physicians

Costs incurred by a hospital to compensate a physician for professional services performed in the hospital where the payment is based on a percentage of the hospital's charges for the services would not be reimbursed under titles V, XVII, and XIX of the Social Security Act to the extent they exceed the sum of (1) the reasonable compensation which would have been paid the physician if he were in an employment relationship with the hospital, and (2) the cost of other reasonable expenses incurred by the physician. In addition, where a physician furnishes services to hospital patients under a lease arrangement and the amount paid to the hospital under the arrangement is based on a percentage of the physician's total charges, the hospital's allowable costs under titles V, XVIII, and XIX of the Social Security Act would be offset by the greater of: (A) the actual amount paid under the lease (the amount which is ordinarily offset against costs), or (B) the difference between the total charges of the physician and what it would have cost the hospital to furnish the services through individuals employed by the hospital.

(b) Hospital Providers of Long-Term Care Services ("Swing-Beds")

Subject to certain requirements, a hospital could enter into an agreement with the Secretary to use acute care hospital beds as long-term care beds. If the hospital does so, it must meet the applicable medicare requirements for skilled nursing facility care to the extent the Secretary determines appropriate.

(c) Coordinated Audits Under the Social Security Act

In order to receive payment for audits under titles V or XIX of the Social Security Act, a State must coordinate these audits with audits under title XVIII of the Social Security Act.

(d) Special Reports and Studies

The Secretary is required to review and report to Congress on (1) all Federal regulations affecting hospital facilities and operations and (2) the standards and guidelines used to determine reasonable costs under title XVIII of the Social Security Act, and the application of such standards by intermediaries.●

URBAN LENDING ACT OF 1978

● The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, today I am pleased to sponsor the Urban Lending Act of 1978. I am joined in cosponsorship by my colleague, the distinguished chairman of the House Committee on Banking, Finance and Urban Affairs, HENRY REUSS.

We wish to commend the leadership displayed by Federal Home Loan Bank Board Chairman, Robert H. McKinney in requesting our immediate consideration of this bill urgently needed to build a framework which will stimulate this Nation's savings and loan associations into full participation with all levels of government, neighborhood groups, and individual citizens in the enormous task of rebuilding or revitalizing urban America.

Most of the tools are now in place—our resolve to do the job that can and must be done grows in intensity at long last. The growing significance of community development plans with emphasis directed to neighborhood revitalization, have now reached the point where, by working together, we can anticipate that an increasingly favorable private investment lending climate will be the result.

Private capital diminishes almost into insignificance anything built by Federal dollars, no matter how well such Federal programs are structured and administered. We have made mistakes in the past—hopefully we have learned from those mistakes. Hopes of those Americans living in our deteriorating central cities have been cruelly raised in the past only to be dashed by the forces of indifference, at times incompetence, and most importantly by the lack of national commitment.

Publicly funded programs and financial institution delivery systems cannot exist in a vacuum. This bill represents a significant first step in the establishment of a cohesive coordinated framework, permitting independent governmental and private investment decisions, consistent with major community development goals and objectives.

PROPOSED AMENDMENTS TO SECTION 5(C) OF THE HOMEOWNERS' LOAN ACT

First. Authority for savings and loans associations to invest in urban areas participating in community development block grant or other Federal dollars city aid programs;

Second. Substantial increased authority for savings and loan associations to invest in rehabilitation and home improvement loans; and

Third. Limited authority for savings and loan associations to invest in State and local sponsored housing finance agencies.●

OHIO SUPPORT FOR ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, Tuesday the Committee on Interior and Insular Affairs commenced markup of H.R. 39, the Alaska National Interest Lands Conservation Act, as reported by the Subcommittee on General Oversight and Alaska Lands.

Throughout the 1st session of this 95th Congress, and extending through the subcommittee markup, this measure attracted a great deal of public support from people in every part of the country, and from many of our leading newspapers. I have already included many of these editorials and articles in the RECORD. I was particularly gratified by the strong support for this crucial conservation legislation which came from the Akron Beacon Journal, as expressed in its well-reasoned editorial of September 6, 1977.

The editorial points out that as Alaska becomes more accessible to "the Lower 48," more and more Americans will travel there to experience its wild, spectacular beauty. It goes on to say:

When that time comes, when a trip to Alaska is undertaken with no more difficulty or hesitation than a trip to Yellowstone or the Grand Canyon, Americans won't want to discover that many of the magnificent

sights have been despoiled by greedy people concerned only with quick personal or corporate profits.

In that regard, Alaska's greatest riches must be thought of as national possessions, which should be surrendered to the state's developers and businessmen only for the most compelling reasons.

Land set aside as a federal wilderness area now can always be tapped in the future for its mineral treasures if the need develops. But once exploited, it can never again be returned to the splendor and grandeur of its original state.

Mr. Speaker, the full text of the Beacon Journal editorial follows these remarks:

ALASKA'S RICHES ARE ITS "BURDENS"

"ALASKA," says its governor, Jay Hammond, "has always been a land burdened by her own riches." The burden is becoming much heavier these days.

The riches Hammond had in mind fall into two categories: mineral treasures and visual treasures. Each exists in abundance, because many parts of the state have yet to be traversed or corrupted by man.

Most Americans would like to make maximum use of both the state's chief assets. But, as Hammond obviously had in mind, that is not easily accomplished.

To mine the copper, to tap the molybdenum deposits, to generate hydroelectric power, to harvest the timber, it is necessary to alter the landscope.

Alaska is so large (365 million acres, nearly 14 times the size of Ohio) that it ought to be able to accommodate both those who want to develop the state and those who want to preserve its natural wonders. The problem is to achieve an agreement on what areas are suitable for exploitation and what should be off-limits.

Congress is now trying to decide where to draw the lines. Much of the state, whose land was purchased by the United States from Russia in 1867 for $7.2 million, still lies in federal hands. The House Interior subcommittee on oversight and Alaskan lands, chaired by Rep. John Seiberling (D-Akron), is considering legislation to designate what lands will remain in protective custody under federal management and off-limits to intensive mineral or commercial development.

Not surprisingly, private business interests, as well as many of the state's political and union leaders, prefer to keep the door open as wide as possible for future development of resources. They would rather see as little as 25 million acres placed under federal stewardship now, with another 57 million acres set aside for disposition later.

Arrayed against them are the conservationists, whose allies include Seiberling and Rep. Morris Udall (D-Ariz.), Interior Committee chairman. The two congressmen are sponsors of a bill that would withdraw 115 million acres—spread throughout the state—from development and keep the land in its wilderness state.

Under terms of a 1971 law, Congress set a deadline of December 1978 for determining those areas of the state to be preserved as parks and protected land. Congress asked the interior secretary to recommend up to 80 million acres—an area about the size of New York, New Jersey and all of New England—to be set aside. The specific recommendations are due later this month.

Without an intimate knowledge of Alaska, it is impossible from this vantage point to make an informed judgment about how much land should be withheld, and where. But we do believe that several key considerations should guide Congress in its work on the measure:

Alaska ought to have enough land flexibility to develop a strong local economy and become less dependent upon the federal government. However, to a large extent, that has already been assured for many years to come.

Under terms of the 1959 statehood act Alaska was given the right to select 104.5 million acres to do with as it wishes. Alaskan natives—Eskimos, Aleuts and Indians—were given the chance to choose an additional 44 million acres to manage as they please. Combined, that means that Alaskans will be able to exercise unlimited rights to develop an area more than five times Ohio's size without federal interference.

That becomes even more impressive when you consider that Alaska's current population is but about 400,000, compared with Summit County's 535,300.

Because many areas that the state and natives are choosing are those that have the most development potential, it is difficult to accept the arguments of some opponents of the Udall-Seiberling bill that the state is being short-changed. Many areas scheduled for protection reportedly would be the most difficult and least economical to extract timber and minerals from.

The huge federal holdings ought not to preclude any form of travel through those areas or access to neighboring state and native lands. Technically speaking, federal wilderness lands are supposed to be virtually off-limits to everyone, even natives hunting for game to feed their families. That interpretation should be relaxed as it applies to Alaska. Seiberling has said it will be.

Where national shortages exist of certain minerals that can be recovered economically from federally protected Alaskan lands, procedures ought to be available to unlock those lands for limited exploration. Seiberling says he favors such a provision.

As Alaska becomes more accessible to those of us in the "Lower 48," many Americans will travel to the nation's last frontier to experience for themselves what Seiberling describes as the "most beautiful place in the world . . . probably the only place in North America where you can see the land as it came to us from the hands of the Creator."

When that time comes, when a trip to Alaska is undertaken with no more difficulty or hesitation than a trip to Yellowstone or the Grand Canyon, Americans won't want to be disappointed. They won't want to discover that many of the magnificent sights have been despoiled by greedy people concerned only with quick personal or corporate profits.

In that regard, Alaska's greatest riches must be thought of as national possessions, which should be surrendered to the state's developers and businessmen only for the most compelling reasons.

Land set aside as a federal wilderness area now can always be tapped in the future for its mineral treasures if the need develops. But once exploited, it can never again be returned to the splendor and grandeur of its original state.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HAGEDORN) to revise and extend their remarks and include extraneous material:)

Mr. MITCHELL of New York, for 15 minutes, March 3, 1978.

Mr. BUCHANAN, for 5 minutes, today.

Mr. DERWINSKI, for 5 minutes, today.

(The following Members (at the request of Mr. CORNWELL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. WOLFF, for 10 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. DIGGS, for 10 minutes, today.

Mr. BOLAND, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HAGEDORN) and to include extraneous material:)

Mr. COUGHLIN.

Mr. FINDLEY.

Mr. DERWINSKI in two instances.

Mr. MOORE.

Mr. LAGOMARSINO in three instances.

Mr. SYMMS in two instances.

(The following Members (at the request of Mr. CORNWELL) and to include extraneous material:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. HUBBARD.

Mr. WOLFF in two instances.

Mr. HIGHTOWER.

Mr. WRIGHT.

Mr. HAMILTON.

Mr. MCDONALD in three instances.

Mr. ROE.

Mr. FARY.

Mr. EILBERG.

Mr. CONYERS.

Mr. HAWKINS.

Mr. BRODHEAD.

Mr. SIMON in four instances.

Mr. VAN DEERLIN.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 9851. An act to amend the Federal Aviation Act of 1958 to improve cargo air service

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on February 28, 1978, present to the President, for his approval, bills of the House of the following titles:

H.R. 8638. To provide for more efficient and effective control over the proliferation of nuclear explosive capability; and

H.R. 10368. To amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

ADJOURNMENT

Mr. CORNWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 20 minutes p.m.) the

House adjourned until tomorrow, Friday, March 3, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3430. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended December 31, 1977, pursuant to section 819 of Public Law 95–111; to the Committee on Appropriations.

3431. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of aluminum oxide crude from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3432. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3433. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of bismuth from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3434. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of castor oil-sebacic acid from the national stockpile; to the Committee on Armed Services.

3435. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of diamond dies from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3436. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3437. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of iodine from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3438. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of mica, muscovite film from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3439. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

3440. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3441. A letter from the Secretary of the Treasury and the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting the fourth annual report on fiscal and budgetary information and controls, pursuant to section 202(f) of the Legislative Reorganization Act of 1970, as amended (88 Stat. 328); to the Committee on Government Operations.

3442. A letter from the Deputy Secretary of Defense, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3443. A letter from the Director, Community Services Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3444. A letter from the Administrator, National Credit Union Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3445. A letter from the Acting Director, Selective Service System, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3446. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

3447. A letter from the Comptroller General of the United States, transmitting a report on the implementation of the Indian Self-Determination Act (HRD–78–59, March 1, 1978; jointly, to the Committees on Government Operations, Education and Labor, and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 11245. A bill to improve the intelligence system of the United States by the establishment of a statutory basis for the national intelligence activities of the United States, and for other purposes; to the Select Committee on Intelligence.

By Mr. BURKE of Massachusetts (for himself, Mr. ANDERSON of California, Mr. CORRADA, Mr. DICKS, Mr. FRASER, Mr. KREBS, Mrs. MEYNER, Mr. MILLER of California, Mr. MINISH, Mr. OBERSTAR, Mr. QUILLEN, Mr. STEED, Mr. VENTO, Mr. TRAXLER, Mr. MICHAEL O. MYERS, Mr. DOWNEY, Mr. RAHALL, Mr. RYAN, Mr. JENRETTE, and Mr. HARSHA):

H.R. 11246. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.R. 11247. A bill to provide for the establishment of a board which will establish and administer agricultural production and marketing programs, and for other purposes; jointly, to the Committees on Agriculture, International Relations, Interstate and Foreign Commerce, and Ways and Means.

By Mr. DE LA GARZA:

H.R. 11248. A bill to impose quotas on the importation of beef, including processed beef and beef quantities in the form of live cattle, when the domestic market price of cattle is less than 110 percent of parity and to impose custom duties on such articles when the domestic market price of cattle is less than 80 percent of parity; to the Committee on Ways and Means.

By Mr. HAGEDORN:

H.R. 11249. A bill to amend the Internal Revenue Act of 1954 to allow an individual to take a deduction for charitable contributions whether or not such individual itemizes his or her deductions; to the Committee on Ways and Means.

By Mr. HIGHTOWER:

H.R. 11250. A bill to amend the Farm Labor Contractor Registration Act of 1963, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. HUGHES (for himself and Mr DOWNEY):

H.R. 11251. A bill to amend the Tariff Schedules of the United States by repealing item 807 of schedule 8, part 1, subpart B; to the Committee on Ways and Means.

By Mr. KINDNESS (for himself, Mr. BUTLER, Mr. DEL CLAWSON, Mr. COCHRAN of Mississippi, Mr. COLLINS of Texas, Mr. DEVINE, Mr. DICKINSON, Mr. EDWARDS of Oklahoma, Mr. GOODLING, Mr. GRASSLEY, Mr. GUYER, Mrs. HOLT, Mr. HYDE, Mr. KELLY, Mr. KETCHUM, Mr. LATTA, Mr. MARRIOTT, Mr. MCDONALD, Mr. MICHEL, Mr. MOORHEAD of California, Mr. ROUSSELOT, Mr. RUDD, Mr. SEBELIUS, Mr. SYMMS, and Mr. YOUNG of Florida):

H.R. 11252. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

By Mr. LEHMAN:

H.R. 11253. A bill to amend title 13, United States Code, to provide for the review of Federal authority for the collection of statistical information, to require certain information to be included in committee reports accompanying legislation in which there is provided Federal authority for the collection of information, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY (for himself Ms. HOLTZMAN, Ms. MIKULSKI, Mr. HOLLAND, Mr. SOLARZ, Mr. AMMERMAN, Mrs. SMITH of Nebraska, Mr. GLICKMAN, and Mr. MOORE):

H.R. 11254. A bill to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. NICHOLS (for himself, Mr. ABDNOR, Mr. BALDUS, Mr. BEVILL, Mr. CAVANAUGH, Mr. CHAPPELL, Mr. CORRADA, Mr. DAN DANIEL, Mr. EILBERG, Mr. FITHIAN, Mr. GONZALEZ, Mr. LAGOMARSINO, Mr. LENT, Mr. LLOYD of Tennessee, Mr. LOTT, Mr. MANN, Ms. MIKULSKI, Mr. MITCHELL of New York, Mr. RANGEL, Mr. ROE, Mr. RONCALIO, Mr. SOLARZ, and Mr. WHITEHURST):

H.R. 11255. A bill to amend title 10, United States Code, to grant survivors of Reserves who retire for nonregular service and die before becoming entitled to retired pay eligibility for certain survivor benefits; to the Committee on Armed Services.

By Mr. ST GERMAIN (for himself and Mr. REUSS):

H.R. 11256. A bill to expand and facilitate urban lending investment by Federal savings and loan associations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEIBERLING:

H.R. 11257. A bill to amend title 39, United States Code to permit individuals to return congressional questionnaires, and to mail Federal income tax returns, free of postage; to the Committee on Post Office and Civil Service.

H.R. 11258. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer may, with respect to any pollution control facility used in connection with a plant or other property in operation before January 1, 1969, elect a 12-month amortization of such facility or a 20 percent investment tax credit; to the Committee on Ways and Means.

By Mr. SIMON (for himself and Mr. FRASER):

H.R. 11259. A bill to extend and modify the WIC program; jointly, to the Committees on Agriculture, and Education and Labor.

By Mr. SYMMS:

H.R. 11260. A bill to remove all acreage limitations and residency requirements from lands eligible to receive irrigation water under the Federal reclamation laws, to grant irrigation districts the right to impose such limitations and requirements, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SYMMS (for himself and Mr. YOUNG of Florida):

H.R. 11261. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. THORNTON:

H.R. 11262. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes; to the Committee on Agriculture.

By Mr. CHARLES H. WILSON of California (for himself, Mr. GUYER, Mr. HANSEN, Mrs. LLOYD of Tennessee, Mr. MATHIS, Mr. MCDONALD, and Mr. SPENCE):

H.R. 11263. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

By Mr. WYDLER (for himself and Mr. STOCKMAN):

H.R. 11264. A bill to amend section 112 of title 28 of the United States Code to divide the eastern judicial district of New York into two divisions; to the Committee on the Judiciary.

By Mr. MCCORMACK:

H.J. Res. 772. Joint resolution designating the square dance as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. ST GERMAIN (for himself, Mr. CLEVELAND, Mr. D'AMOURS, and Mr. MOAKLEY):

H. Res. 1054. Resolution expressing the sense of the House with respect to a reorganization of the Internal Revenue Service; to the Committee on Ways and Means.

SENATE—*Thursday, March 2, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 9 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. JOHN C. STENNIS, a Senator from the State of Mississippi.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Creator and our Father, who hast given unto us the gift of life and brought us to the beginning of a new day, bless us as we undertake the tasks of this day. Help us always to remember that we labor not for ourselves but for our country and Thy kingdom. At our work make us diligent workmen who need not be ashamed. In our dealing with one another keep us ever courteous, kindly, and magnanimous. In dealing with ourselves keep us honest and pure in thought and word and deed. In our homes keep us loving, considerate, and loyal. In our prayers help us to be sincere and trustful. At evening may we feel the embrace of Thy everlasting arms and be at peace with Thee; through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 2, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN C. STENNIS, a Senator from the State of Mississippi, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. STENNIS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. All right, let us have the Senate in order, please.

The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Journal of the proceedings of yesterday, Wednesday, March 1, 1978, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

What is the pleasure of the Senate? Under the previous order, the Senator from Arkansas (Mr. BUMPERS) was to be recognized for 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, we are trying to resolve the situation.

The ACTING PRESIDENT pro tempore. All right. The Chair suggests the absence of a quorum. Call the roll, please, Mr. Clerk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the first two special orders be reversed, and that the Senator from Arizona (Mr. GOLDWATER) be recognized.

The ACTING PRESIDENT pro tempore. Very well. I withdraw the request. Under the previous order, the Senator from Arizona (Mr. GOLDWATER) is recognized, as in legislative session, for not to exceed 15 minutes.

NECESSITY FOR IMPLEMENTING LEGISLATION BY BOTH HOUSES OF CONGRESS TO TRANSFER THE PANAMA CANAL

Mr. GOLDWATER. Mr. President, last Thursday I addressed myself to a very basic constitutional question: Whether we should even be here deliberating on the Panama Canal treaties without providing in those treaties that they shall be subject to enabling legislation by both Houses of Congress. As yet I have not heard or seen any challenge to the points made in my statement.

This is a subject which should be raised over and over in the Senate, however, because due consideration has certainly not been given to it up to now. Therefore, as a supplement to my original speech, I will add further specific reason today why I believe the Senate Foreign Relations Committee has not considered the subject thoroughly enough in its report.

As exhibit 1, I point to the sloppy list of so-called precedents which the State Department has prepared for the committee, and which the committee has seen fit to include in its report. This list is claimed to demonstrate that self-executing treaty agreements that have become effective without the further action of Congress have been ratified in the past to dispose of U.S. property.

Yet this list is so carelessly tossed together that three of the nine treaties with foreign countries included in the list contain specific language requiring implementing authority from Congress before any transfer of lands will occur. These are the three Mexican boundary treaties cited in the State Department list. In addition, a fourth treaty on the list, the 1955 treaty with Panama, was recognized by the State Department it-

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

self as requiring authorizing legislation by Congress before it became effective.

Far from being self-executing treaties as we are told in the committee report, at least four of the nine supposed precedents required enabling action by both Houses of Congress before being carried out.

Another important distinguishing feature that the committee has failed to point out is that four of the named treaties transferred land belonging to States or private persons, not to the United States. The difference with the Panama Canal is obvious.

Also, I would call the attention of my colleagues to the fact that six of the nine treaties listed by the State Department were boundary settlements, and a seventh resolved conflicting claims to sovereignty. These seven treaties stand themselves as concessions that our claims were unfounded. Only claims that we admitted were not good were involved in those treaties.

We recognized superior title held by the other country. Those seven treaties cannot be a precedent for the transfer of lands that we do still recognize as belonging to us, which we are willing to give away.

Another of the treaties cited the Ryukyus Islands Treaty, did not even involve U.S. territory. Three court cases have held that the Ryukyus (Okinawa) were not American territory.

In contrast, the State Department itself has admitted that we have good title to at least two-thirds of the lands in the Canal Zone, the part we purchased from private owners for $4 million and the part we purchased from the Panama Railroad Company for $40 million.

I will add that even if some of the treaties mentioned by the State Department were self-executing as claimed, they have no place being used as a precedent for the pending canal treaty.

The Panama Canal is a subject for which, and about which, both Houses of Congress have legislated time and again ever since the canal was first planned by our country. This means Congress has preempted the field and has taken away any concurrent power the President, with the Senate alone, may have had to dispose of the canal.

Mr. President, I ask unanimous consent that a factsheet I have prepared on the State Department list of treaties, which examines each of the treaties in detail, may be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE STATE DEPARTMENT LIST OF TREATIES PROVIDES NO PRECEDENT FOR TRANSFER OF THE PANAMA CANAL WITHOUT CONSENT OF BOTH HOUSES OF CONGRESS

A. SUMMARY

The Foreign Relations Committee report on the Panama Canal Treaties includes a list of claimed self-executing treaties supplied by the Department of State as purported precedents for the transfer of the Canal and Canal Zone to Panama without the consent of both Houses of Congress. None of these treaties offer a precedent for the present Panama Canal Treaties.

In fact, three of the nine treaties with foreign nations identified in the State Department list contain language specfically providing for implementing authority from Congress before the transfer of land will come about. In addition, Assistant Secretary of State Holland conceded in 1955 that the 1955 treaty with Panama required authorizing legislation by Congress. Thus, at least four of the treaties given as precedents for self-executing treaties were plainly not self-executing and required implementing legislation. These four treaties have no place in a purported list of self-executing agreements.

Moreover, of the same nine treaties, at least seven (the 1819 Treaty with Spain, the 1842 Webster-Ashburton Treaty, the 1846 Oregon Boundaries Treaty, the three Mexican Treaties, and the 1971 Swan Islands Treaty) resolved boundary or sovereignty disputes and did not involve the cession of lands which clearly belonged to the United States, but rather lands which we were willing to give away notwithstanding our ownership.

Another distinguishing feature is the fact that four of the nine treaties (the Webster-Ashburton Treaty and the three Mexican treaties) transferred lands belonging to States or private individuals, not to the United States Government.

Another treaty cited, the Ryukyus Treaty of 1971, involved an area which was not within American territory. As to the transfer of property in the Ryukyus, it could have been based upon the implied, prior authorization of Congress stemming from the Foreign Excess Property Disposal Act of 1947.

B. ANALYSIS OF SPECIFIC TREATIES

1. Treaty with Spain of February 22, 1819. The first treaty with a foreign nation listed by the State Department is the Treaty with Spain of 1819. Actually, this was a boundary treaty to settle disputed claims on the limits of territories in North America. As such, it in no way serves as a precedent for the Panama Canal Treaties.

As one of the foremost authorities of this century on the subject of treaties, the late Samuel Crandell, has written, "A treaty for the determination of a disputed line operates not as a treaty of cession, but of recognition." S. Crandall, *Treaties, Their Making and Enforcement* 226 (1916).

Boundary treaties have also been rejected as a precedent for the transfer of public lands actually belonging to the United States by Professor W. W. Willoughby, who wrote in 1929:

"In several treaties in settlement of boundary disputes areas previously claimed by the United States as its own have been surrendered to foreign powers. These, however, can scarcely be considered as instances of the alienation of portions of its own territory, for the fact that the treaties were assented to by the United States is in itself evidence that it was conceded that the claim that the areas in question belonged to the United States was unfounded." W. Willoughby, *The Constitutional Law of the United States* 572 (1929).

2. Treaty with Great Britain of August 9, 1842 (Webster-Ashburton Treaty). The 1842 treaty is not a precedent for the transfer of land belonging to the United States Government because the property ceded by the treaty did not belong to the Federal Government, but rather to Maine and Massachusetts. The States consented to the transfer and were compensated for their loss by Congress.

3. Treaty with Great Britain of June 15, 1846 (Oregon Boundaries). The 1846 treaty was designed to settle uncertainty respecting the line of boundary between the United States and Canadian lands of Great Britain. Thus, it must be dismissed as a precedent for the disposal of public lands under the reasoning set forth above regarding the treaty of 1819 with Spain.

4. Treaty with Mexico of February 1, 1933. The 1933 treaty provided for rectification works in the Rio Grande and for an exchange of parcels of land resulting from the rectified river channel. In one sense, the treaty may be considered as a boundary treaty and distinguished on that basis from the Panama Canal treaties. Also, the land involved did not belong to the United States Government.

Most importantly, the treaty itself called for implementing legislation by Congress. Article VII of the treaty states that lands that would pass from one nation to the other: "shall be acquired in full ownership by the Government in whose territory said lands are at the present time."

5. Convention with Mexico of August 29, 1963 (Chamizal). The 1963 treaty is not a precedent for the transfer of Canal Zone Property to Panama because it involved the cession of land belonging to private persons, not to the United States government, and the treaty itself recognized the necessity of Congressional action to complete the transfer. Article 6 of the Convention provided that lands shall not pass from one country to another, until after "the necessary legislation has been enacted for carrying it out." Public Law 88-300 did authorize the acquisition of the property by the United States "for transfer to Mexico as provided in said convention," which is a clear Congressional authorization for the transfer.

6. Treaty with Mexico of November 23, 1970. The third treaty with Mexico given as a precedent by the State Department related to maintenance of the Rio Grande and Colorado River as the international boundary. Thus, the 1970 treaty can be rejected as a true precedent for the transfer of the Panama Canal and Canal Zone because it is a boundary treaty, such as the treaty with Spain discussed above. The treaty openly declared that one of its major purposes was to resolve pending boundary differences.

Moreover, the treaty expressly called for implementing legislation by Congress. Article I, D of the treaty reads:

"Once this Treaty has come into force and the necessary legislation has been enacted for carrying it out. . ." both governments would determine the necessity for "acquisition, in conformity with its laws, of the lands to be transferred to the other. . ."

7. Treaty with Honduras of November 22, 1971 (Swan Islands). The 1971 treaty is plainly akin to the boundary cases. Both governments had heretofore claimed sovereignty over the Swan Isles, although the claim by Honduras far preceded our own. Since the treaty openly addressed the settlement of conflicting claims, it falls logically in the same category as treaties resolving disputed boundary lines. As the United States concedes in the treaty that the claim that the land in question belonged to the United States was unfounded, such a treaty cannot be a precedent for the transfer of property indisputably belonging to the United States, as is the case of land and property within the Panama Canal and Canal Zone. In fact, the United States retained title to property on land in the Swan Islands necessary for operating a weather station, which was the most valuable asset we had there, exactly the opposite of the Panama Canal situation.

8. Treaty with Japan of June 17, 1971 (Okinawa). The treaty of 1971 is no precedent for the non-application of Article IV of the Constitution since Okinawa was not considered a territory of the United States.

Both a U.S. Court of Appeals and the U.S. District Court of Hawaii found that Japan did not cede territory in the Ryukyu and Daito Islands to the United States. In fact, the Fourth Circuit Court of Appeals held that the 1951 Treaty of Peace with Japan did not make the Ryukyus "a part of the United States and it remains a foreign country for purposes of" a Federal statute. The Tort Claims Act *U.S. v. Ushi Shiroma*, 123 F Supp. 145, 149 (D. Hawaii 1954); *Burna* 1. U.S. 240 F. 2d 720, 721 (4th Cir. 1957).

Moreover, a House Armed Services Committee Report of 1967 recognized that the Ryukyus were not U.S. territory. H.R. Rep.

No. 723, 90th Cong., 1st Sess. (1967). Thus, the 1971 treaty is not a clear precedent for the transfer of an area which belongs to the United States since there are authoritative holding that the Ryukyus did not belong to the government.

As to the transfer of property, as distinguished from territory, by the 1971 treaty with Japan, Congress may have considered that the Foreign Excess Property Disposal Act of 1947 conferred implied authority on the President to convey the property. This statute could not possibly have any implied application to the Panama Canal situation, however, since Congress has uniformly asserted its role in the case of the Canal and Zone. Moreover, a majority of the House of Representatives is presently on record as insisting upon the necessity of implementing legislation to the Canal treaties. This fact alone would bar any suggestion that Congress may have given its implied consent to the transfer of the Canal and the Zone or properties therein and distinguishes the present situation from the Japanese treaty.

9. Treaty with Panama of January 25, 1955. Three provisions of the 1955 treaty involved the disposal of territory and property to Panama, Articles V, VI and VII. Although one of the three provisions expressly called for implementing legislation and the other two did not, Assistant Secretary of State Holland informed the Senate Foreign Relations Committee in writing that legislation would be needed to implement the transfer of *all* the territory and property covered by the treaty.

The exact words of Assistant Secretary Holland's written statement reads:

"Legislation will be required to implement the following provisions of the treaty and memorandum of understandings reached:"

Then, dropping down to paragraph (b), the State Department paper continues:

"Articles V, VI and VII of the treaty and item 2 of the memorandum. Transfer of certain lands and improvements to Panama. Authorizing legislation is required."

That is about as clear as anyone could say it. Articles V, VI, and VII of the 1955 treaty were the sole provisions providing for the transfer of lands and the State Department specifically identified each of those articles as requiring authorizing legislation passed by Congress before the treaty would be effective. Thus, the treaty is no precedent for a "self-executing" treaty.

Mr. President, it also should be mentioned that none of the cases given by the administration decided a contest between the full Congress and the treaty-making power. In fact, no cases are decisive of the issue. But there are cases where the power of Congress was essential to a decision, and these uphold the principle that Congress alone can dispose of land or property clearly belonging to the Federal Government.

The leading case is the Sioux Tribe against the United States where the court said that "the Constitution places the authority to dispose of public lands exclusively in Congress" 315 U.S. 326 (1942).

Also, there is the case of Wisconsin Central Railroad Co. against Price County, where the court said that article IV of the Constitution "implies an exclusion of all other authority over property" 133 U.S. 504 (1890).

As I said, there are no court cases squarely on point involving a challenge between the President and the Senate as to treatymaking power and both Houses of Congress.

Therefore, with all due respect to those of my colleagues who are lawyers, I believe they will not find the answer to their question in the court cases but in the Constitution itself and in the intent of the framers.

Looking to the Constitution, I am persuaded that under the normal rule of interpretation, which holds that the specific governs the general, the fact that the power to dispose of property is granted through a specific provision of article IV relating to the particular subject prevails over the general grant of the treaty power in article II. But I am most persuaded by the intent of the framers. They were very concerned that land or other property belonging to all the people could be transferred to a foreign power without adequate check.

To overcome this fear, they added article IV, section 3, putting the power to dispose of public land or property exclusively in the Congress as a joint body, acting together with the President. In this way, they were assured that the subject would be given the fullest deliberation, both by the body they considered close to the people, the House of Representatives, and by the body they recognized as representing the States, the Senate.

Even if the framers did not mean to give the Congress an exclusive power, but meant to leave a concurrent power in the treatymakers, I am convinced that the framers gave to Congress the superior power. By specifically conferring the power of disposing the public territory on Congress and by only giving the treatymakers a general, undefined power over treaties, I believe it is beyond doubt that the framers left Congress with power to preempt the disposal of public property whenever it chose to do so.

This is the legal conclusion that George Leonard, an experienced practitioner in constitutional law, reached in testimony before the Subcommittee on the Separation of Powers, and I agree with him.

It is beyond challenge that Congress has acted many times in the past concerning the disposal of property in the Canal Zone, and this legislation removes the disposal power from the treatymakers in the case of the Panama Canal, if they ever possessed it.

At the very least, I believe the burden of proof is upon the administration to show that the Constitution gives the power to dispose of property belonging to the people to a foreign country by treaty alone.

Now, I have reviewed case by case and treaty by treaty the so-called authorities which the administration spokesmen have given us on the subject, and not one—I repeat, not one—of them is on point. A great many of the cases and treaties cited by the administration involved the transfer to a foreign country of property belonging to private individuals or States, not to the U.S. Government.

Other examples used by the administration involve Indian treaties or Indian cases.

These cases are irrelevant to the Panama Canal, unless the administration is contending that like Indian tribes Panama is in a "ward" relationship to the United States.

In short, nothing has been put forward by the administration to prove that its views of expanded executive power is correct.

Mr. President, at this point in my remarks I ask unanimous consent to have printed in the RECORD a brief analysis of the cases most often erroneously cited by the administration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANALYSIS OF CASES ERRONEOUSLY CITED BY ADMINISTRATION AS AUTHORITIES FOR PROPOSED CANAL TREATIES

FOSTER V. NEILSON

This is a land grant case involving property rights of the United States Government. It is irrelevant.

GEOFROY V. RIGGS

The case has nothing to do with the disposal of public property. It involved the right of an individual Frenchman to inherit private property in the District of Columbia. Congress had passed a law specifically permitting a treaty with France to govern the situation and the court found that this statute settled the case. Thus, *Geofroy* is actually a precedent for implementing legislation by the full Congress.

HOLDEN V. JOY

When asked about this case, Attorney General Bell said that "the court conceded that the question was immaterial in the case because Congress had actually implemented and ratified that particular treaty."

JONES V. MEEHAN

The title in this case was made by the tribe to an individual. The case did not involve the conveyance of property belonging to the United States.

MISSOURI V. HOLLAND

The case had nothing to do with the dispostiion of United States property. It involved a treaty with Great Britain for the protection of migratory birds.

The Court held that "wild birds are not in the possession of anyone." Thus, the United States did not possess any property involved in the case.

U.S. V. PERCHMAN

The property rights in question were the property rights of individuals, not the property rights of the United States Government.

Mr. GOLDWATER. Mr. President, to illustrate the point that the President at no time may utilize his treaty power in opposition to legislation by Congress which has preempted the field, I can cite a recent court case.

In the case of Consumers Union against Rogers, 352 Federal supplement 1319, the district court here in the District of Columbia made the following statement in a case involving the field of foreign commerce, which is one example of a field where concurrent powers exist between the President and the Congress.

The court said:

All parties recognized that if, in fact, Congress has preempted the relevant field of foreign trade and commerce, then the President lacks authority to act in a manner inconsistent with the requirements of the preemption legislation.

This 1973 case brings out the point I am making. Even if it can be shown by the administration that the treatymaking power has concurrent authority with the full Congress to deal with the dis-

posal of property belonging to the United States, it loses this authority once Congress has acted on the identical subject.

This is exactly what has happened in the case of the Canal Zone, where every prior Presidential proposal to turn over portions of the Canal Zone to Panama have been made only pursuant to congressional authorization.

Congress has taken the matter of the disposal of property within the Panama Canal Zone away from the President and Senate alone, as the treatymaking authority, and has reserved the subject for action by both Houses of Congress.

ATTORNEYS GENERAL

Mr. President, another point that has not been brought out yet in this discussion is the fact that the opinion given by Attorney General Bell, to the effect that a treaty can dispose of U.S. property without enabling legislation, reverses the opinion given by at least three of his predecessors.

For example, in July of 1899, Attorney General John Griggs issued not one, but two opinions, telling the Secretary of War he could not dispose of property in Puerto Rico, which we had acquired by treaty with Spain.

In his opinion of July 26, Attorney General Griggs said:

> I do not know of any right or power the Secretary of War or the President has to alienate in perpetuity any of the public domain of the United States, except in accordance with acts of Congress duly passed with reference thereto.

On July 27, the Attorney General gave another opinion informing the Secretary of War he could not grant a concession to use the water power of a river in Puerto Rico, since it was public property of the United States. The Attorney General said:

> By the Constitution the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States is vested in Congress. Congress has conferred no authority of this nature upon the Executive, and in the absence of such power conferred by Congress the President can no more dispose of this particular portion of the public property of the United States than he can dispose of the public grounds, buildings, and other property ceded by Spain to the United States.

How different from this view of article IV is the opinion we are now given by Attorney General Bell, who acts as if he is unaware of the existence of any rulings by his predecessors.

Attorney General Gribbs is not the only Attorney General who differed from Mr. Bell. On October 28, 1924, Attorney General Harlan Stone, who later became Chief Justice Stone, made the following statement in an opinion he prepared for the Secretary of the Navy. Attorney General Stone said:

> Property once acquired by the government may not be sold, or title otherwise disposed of, except under the authority of Congress . . . The question here is not of the right or power of the United States as the owner, to dispose of the property, but the authority which must be invoked to dispose of or grant rights in connection with it. The United States has a right to dispose of realty acquired under the law as of personalty, including patent rights; but it has been fully established that *Congress* is the only authority to be invoked, where there is, in fact, an alienation or what amounts to a transfer or surrender of government property, by which the title, control or possession of the government is lost, reduced, or abridged. This authority may be generally expressed, or may be specifically granted to permit the disposition in whole or in part of particular property rights. But until that power is given by Congress, expressly or impliedly, the Executive is without power to act.

Third, there is the opinion which Attorney General, and later Supreme Court Justice, Robert Jackson prepared for President Roosevelt involving the transfer of 58 destroyers to Great Britain. Attorney General Jackson advised the President on August 27, 1940, that congressional authorization was required before he could give away the old destroyers and that there was ample statutory authority for doing so.

Thus, Mr. President, I cannot understand now Attorney General Bell can dismiss these earlier opinions of his predecessors, apparently without even referring to them. The present Attorney General is overruled at least 3 to 1 by the men who have previously filled the position he is now holding, and I believe their opinion is the correct one.

HOUSE LEGISLATION

Mr. President, in closing, I would like to alert the Senate to a major development which occurred yesterday that strongly reinforces the need for amending the canal treaties so as to make them "subject to enabling legislation."

Yesterday, Congressman HANSEN of Idaho introduced legislation cosponsored by 31 out of the 41 members of the House Armed Services Committee, including the chairman, MEL PRICE, which would prohibit the transfer of any military installation in the zone without specific authority from Congress.

At the same time, the resolution which Mr. HANSEN introduced on February 8 to uphold the basic constitutional authority of the House of Representatives in disposing of public property of any kind, has now picked up a total of 225 cosponsors, a solid majority of the House.

Mr. President, in these circumstances, I believe it would be an affront to our colleagues in the House, not to mention a violation of the Constitution, if we should proceed to give our advice and consent to these treaties without attaching to them specific language making them subject to enabling legislation by the full Congress.

The PRESIDING OFFICER (Mr. ALLEN). Under the previous order, the Senator from New York (Mr. JAVITS) is recognized.

THE PANAMA CANAL TREATIES

Mr. JAVITS. Mr. President, I am sure my colleague (Mr. GOLDWATER) would like to remain in the Chamber, but I understand that his duties require his presence elsewhere. I know he will read what I have to say.

I believe that it is useful and important to have rebuttal immediately following a charge. With Senator GOLDWATER's knowledge, I sought to be recognized immediately after he made his statement.

Mr. President, the Attorney General of the United States has given his opinion with respect to the treaty procedure and the procedure for doing what the Panama Canal Treaty proposes to do.

Mr. President, there is other opinion deserving our attention. I refer especially to the very penetrating analysis done by Dean Pollak of the University of Pennsylvania Law School for use in this debate. I believe that that has been made a part of the RECORD. If it is not, I shall ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CAN THE UNITED STATES CEDE TO PANAMA, BY TREATY, U.S. RIGHTS IN THE TERRITORY AND INSTALLATIONS OF THE CANAL ZONE?

On November 4, 1977, Senator Allen placed in the CONGRESSIONAL RECORD a statement by Raoul Berger, former Charles Warren Fellow at Harvard University, made in hearings on the Panama Canal Treaties held by the Senate Subcommittee on Separation of Powers. The thrust of Mr. Berger's statement was that cession to the Republic of Panama of such title as the United States possesses in (1) territory in the Canal Zone, and (2) United States installations in the Zone, cannot constitutionally be effectuated by treaty, but only by statute, for the reason that the disposition of territory and other property of the United States is vested by Article IV, § 3(2) of the Constitution exclusively in Congress. Mr. Berger is a constitutional lawyer and historian of great distinction, whose scholarly work has enriched our understanding of many aspects of the Constitution, and so it is appropriate to pay close attention to his views on major constitutional questions. Nonetheless, careful examination of the arguments advanced by Mr. Berger persuades me that in this instance he is in error. It is my submission that the proposed treaties with Panama, if consented to by the constitutionally required two-thirds of the Senate and duly ratified by the executive branch, will of their own force accomplish the cession to Panama of the territory and the installations in question:

A. THE DEVELOPMENT OF TREATY PRACTICE AND TREATY DOCTRINE

1. Broadly stated Mr. Berger's thesis is that the treaty power, which the Constitution vests in the President and the Senate, but does not define, cannot be read as giving to the President and the Senate powers concurrent with the powers specifically delegated to Congress by Article I, § 8, Article IV, § 3 (2), and other provisions of the Constitution.

2. The thesis is not a new one. It was strongly advanced in 1795, in opposition to the Jay Treaty; and it was strongly resisted by no less a constitutional authority than John Marshall—the Virginia legislator who was later to be a Congressman, then Secretary of State, and finally Chief Justice. Beveridge, in his authoritative biography of Marshall, sums up the argument:

"Among the many objections to the treaty, the principal one . . . was that it violated the Constitution. The treaty regulated commerce; the Constitution gave that power to Congress, which included the House of Representatives; yet the House had not been consulted. . . .

". . . Marshall's position was that a "treaty is as completely a valid and obligatory contract when negotiated by the President and ratified by him, with the assent and advice of the Senate, as if sanctioned by the House of Representatives also, under a constitution requiring such sanction": and he admitted only that the powers of the House in reference to a treaty were limited to granting or

refusing appropriations to carry it into effect" [1]

3. Marshall's position anticipated the pattern which has in fact characterized the utilization of the treaty power. As Secretary of State (former Congressman, former Senator and former Vice President) John C. Calhoun observed in 1844, "From the beginning and throughout the whole existence of the Federal Government it has been exercised constantly on commerce, navigation and other delegated powers." Q. Wright, "The Control of American Foreign Relations" (1922) 344. Moreover, such treaty provisions have routinely been treated as self-executing except where, as Professor Louis Henkin has put it in his definitive work, "the treaty-makers voluntarily left some subjects to regulation by Congress (e.g., international tariffs and trade). . . ." Henkin, "Foreign Affairs and the Constitution" (1972) 149. Although the treaty-makers have generally supposed the treaty power to be concurrent with that of Congress with respect to commercial regulations, the disposition of American territory and other government property, and most of the other powers expressly lodged in Congress by the Constitution (and have routinely been sustained in this supposition), they have customarily felt obliged to seek statutory implementation of treaties touching the area of Congressional authority with respect to which Marshall felt action by the House of Representatives was constitutionally indispensable:—namely, "granting . . . appropriations."

The reason for acknowledging an exclusivity in Congress with respect to the appropriations power, but not with respect to most of its other powers (the regulation of commerce, the disposition of the property of the United States, etc.) arises from the text of the Constitution. Most legislative powers are merely couched in the familiar phrase, "Congress shall have power . . ."—a phrase which, syntactically, does not preclude concurrent authority in the President and Senate as treaty-makers. But the spending power, although couched in the same general form, is also subject to an express constitutional limitation—"No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . ." [Article I, § 9(7)]—a limitation which arguably requires statutory implementation of a treaty commitment to make expenditures.[2]

4. The thesis which John Marshall steadfastly resisted in 1795 was adopted by Marshall's great rival, Thomas Jefferson, in his "Manual of Parliamentary Practice." Jefferson—who as Secretary of State, Vice President and President "was no friend of the Treaty Power," [Henkin, *supra* at 142]—set forth four propositions, the second and fourth of which were as follows: "2. By the general power to make treaties, the Constitution must have intended to comprehend only those subjects which are usually regulated by treaty, and can not be otherwise regulated . . . 4. And also to except those subjects of legislation in which it gave a participation to the House of Representatives." *Ibid.* Marshall was not the only one of Jefferson's great contemporaries who was unpersuaded by Jefferson's narrow view of the treaty power. Justice Story noted that "The power 'to make treaties' is by the Constitution general: and of course it embraces all sorts of treaties, for peace or war; for commerce or territory; for alliance or succours; for indemnity for injuries or payments of debts; for the recognition and enforcement of principles of public law; and for any other purposes, which the policy or interests of independent sovereigns may dictate in their intercourse with each other." III J. Story, "Commentaries on the Constitution of the United States" (1833) 355. Story acknowledged that the treaty power was not unlimited; "A treaty to change the organization of the government, or annihilate its sovereignty, to overturn its republican form, or to deprive it of its constitutional powers, would be void; because it would destroy, what it was designed merely to fulfill, the will of the people. Whether there are any other restrictions, necessarily growing out of the structure of the government, will remain to be considered, whenever the exigency shall arise." Id. at 356. And then, in a footnote, Story dispatched Jefferson's constitutional doubtings: "Mr. Jefferson seems at one time to have thought that the Constitution only meant to authorize the president and senate to carry into effect, by way of treaty, any power they might constitutionally exercise. At the same time, he admits, that he was sensible of the weak points of this position. 4 Jefferson's Corresp. 498. What are such powers given to the president and senate? Could they make appointments by treaty?" [3]

5. Marshall and Story were early expositors of what—Jefferson and a few others apart—has always been the orthodox view that the President and the Senate, in making treaties, can regulate almost every subject matter also entrusted to the legislative authority of Congress. But it fell to Calhoun—speaking as a Congressman, a quarter-century before he became Secretary of State—to explain, with more precision than either of the great Justices achieved, the scope of the treaty power and the constraints which other parts of the Constitution impose upon its exercise [29 Annals of Congress 530–31 (Jan. 9, 1816)]:

"The grant of the power to make treaties is couched in the most general terms. The words of the Constitution are that the President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senate concur. In a subsequent part of the Constitution, treaties are declared to be the supreme law of the land. Whatever limits are imposed in those general terms ought to be the results of the construction of the instrument. There appeared to him but two restrictions on its exercise; the one derived from the nature of our Government, and the other from that of the power itself. Most certainly all grants of power under the Constitution must be controlled by that instrument; for, having their existence from it, they must of necessity assume that form which the Constitution has imposed. This is acknowledged to be true of the legislative power, and it is doubtless equally so of the power to make treaties. The limits of the former are exactly marked; it was necessary to prevent collision with similar co-existing State powers. This country is divided into many distinct sovereignties. Exact enumeration here is necessary to prevent the most dangerous consequences. The enumeration of legislative powers in the Constitution has relation then, not to the treaty-power, but to the powers of the State. In our relation to the rest of the world the case is reversed. Here the States disappear. Divided within, we present the exterior of undivided sovereignty. The wisdom of the Constitution appears conspicuous. When enumeration was needed, there we find the powers enumerated and exactly defined; when not, we do not find what would be vain and pernicious. Whatever, then, concerns our foreign relations; whatever requires the consent of another nation, belongs to the treaty power; can only be regulated by it; and it is competent to regulate all such subjects; provided, and here are its true limits, such regulations are not inconsistent with the Constitution. If so they are void. No treaty can alter the fabric of our Government, nor can it do that which the Constitution has expressly forbad to be done; nor can it do that differently which is directed to be done in a given mode, and all other modes prohibited. For instance, the Constitution of the United States says, no money "shall be drawn out of the Treasury but by an appropriation made by law." Of course no subsidy can be granted without an act of law and a treaty of alliance could not involve the country in war without the consent of this House." . . .

6. As Professor Henkin recently observed, Jefferson's conception of the treaty power "would outlaw treaties on matters as to which Congress could legislate domestically" and thus "would virtually wipe out the Treaty Power." Henkin, supra at 149. But Jefferson's conception, as Professor Quincy Wright stated over half a century ago, was "both erroneous and incomplete." Wright, supra at 123.

It is a conception which, as Professor Henkin has noted, "[e]ven in Jefferson's day . . . was hardly accepted by all; it has now been long dead. Treaties have dealt with many matters that were also subject to legislaion. . . . The House of Representatives has frequently bristled, but its exclusion from the treaty process was the clear constitutional plan. . . ." Henkin, supa at 149. In short, Calhoun has won the day.

7. Among the many legislative powers which can also be exercised by treaty is the particular power which Mr. Berger would deny to the treaty-makers—the power to dispose of American territory and other property. The matter was clearly put over sixty years ago by Dr. Samuel Crandall in his illuminating comparative study of the treaty power:

"In respect of territory not within the boundaries of a State, the central government exercises, subject to the express prohibitions of the Constitution applicable thereto, all the powers of government enjoyed by both the central and State governments over territory within the limits of a State. Accodingly, the power to cede such territory, if it exists as a power of government, resides in the organs of the central government. That the consent of the inhabitants of the territory to be ceded is essential to give validity to the transfer cannot be maintained. The power to cede outlying territory is no less essential to the full exercise of the treaty-making power of the United States, which "extends to all the proper subjects of negotiation between our government and the governments of other nations," than is the power to acquire. Various treaties have been concluded by which the United States has relinquished extra-territorial rights theretofore enjoyed in other countries." [4]

B. JUDICIAL RECOGNITION THAT THERE IS A TREATY POWER TO DISPOSE OF AMERICAN TERRITORY WHICH IS INDEPENDENT OF THE CONCURRENT CONGRESSIONAL POWER

1. Dr. Crandall, as Mr. Berger has observed, is "a respected commenator." Text of Berger statement, at note 42. But the decisive question is whether Dr. Crandall's view of the treaty power—incompatible with Jefferson's, but consonant with that of Marshall, Story, and Calhoun (and Professors Wright and Henkin)—is in accord with the views expessed by the Supreme Court. The answer is in the affirmative.

2. "It is settled," said the unanimous Court in *Jones* v. *Meehan*, 175 U.S. 1, 16 (1899), "that a good title to parts of the lands of an Indian tribe may be granted to individuals by a treaty between the United States and the tribe, without any act of Congress, or any patent from the Executive authority of the United States." This proposition, validating the power to alienate American territory by treaty, was central to the disposition of *Jones* v. *Meehan*. The principal issue before the Court was whether the Treaty with the Chippewas of 1863 conveyed full title to Chief Moose Dung of "six

Footnotes at end of article.

hundred and forty acres near the mouth of Thief River." The Court's holding was that:

"The title to the strip of land in controversy having been granted by the United States to the elder chief Moose Dung by the treaty itself, and having descended, upon his death, by the laws, customs and usages of the tribe, to his eldest son and successor as chief, Moose Dung the younger, passed by the lease executed by the latter in 1891 to the plaintiffs for the term of that lease; and their rights under that lease could not be divested by any subsequent action of the lessor, or of Congress, or of the Executive Departments. The construction of treaties is the peculiar province of the judiciary; and except in cases purely political, Congress has no constitutional power to settle the rights under a treaty, or to affect titles already granted by the treaty itself." [5]

3. The Court's holding in *Jones* v. *Meehan* is consistent not only with its earlier pronouncement in *Holden* v. *Joy*, 84 U.S. 211, 247 (1872) ("On the contrary, there are many authorities where it is held that a treaty may convey to a grantee a good title to such lands [lands which belonged to the United States] without an act of Congress conferring it, and that Congress has no constitutional power to settle or interfere with rights under treaties, except in cases purely political"), but with its classic formulation of the scope of the treaty power in *Geofroy* v. *Riggs*:

"The treaty power, as expressed in the Constitution, is in terms unlimited except by those restraints which are found in that instrument against the action of the government or of its departments, and those arising from the nature of the government and that of the States. It would not be contended that it extends so far as to authorize what the Constitution forbids, or a change in the character of the government or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent. *Fort Leavenworth Railroad Co.* v. *Lowe*, 114 U.S. 525, 541. But with these exceptions, it is not perceived that there is any limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country." [6]

4. Whether, as the Court said, the Constitution precludes treaty cession of territory within a state without the state's consent, may be debatable, for the Constitution does not in terms so confine the treaty power (or the concurrent legislative power to dispose of federal territory).

Nonetheless the dictum is one which conforms at least in spirit to the Constitution's insistence that new states not be created out of the territory of existing states without the consent of the state or states affected. Article I, § 3(1). And considerations of prudence would seem to support such a constraint on the exercise of the treaty power. (See the Court's discussion, in *Fort Leavenworth Railroad Co.* v. *Lowe* [cited in *Geofroy* v. *Riggs*], of the procedures followed in fashioning the Webster-Ashburton Treaty [the Washington Treaty of 1842], the settling the long-vexed questions surrounding the United States-Canadian boundary: Justice Field noted that "it was deemed necessary on the part of our government to secure the cooperation and concurrence of Maine, so far as such settlement might involve a cession of her sovereignty and jurisdiction as well as title to territory claimed by her, and of Massachusetts, so far as it might involve a cession of title to lands held by her"). [7] In any event, it is plain that no consent, whether of the inhabitants or of Congress, is necessary where, as in the proposed Panama treaties, the land to be ceded by treaty is not located in a state. [8]

C. THE DISCUSSION IN THE CONSTITUTIONAL CONVENTION CONFIRMS THE SETTLED UNDERSTANDING OF OUR TREATY-MAKERS AND OF THE SUPREME COURT THAT AMERICAN TERRITORY MAY BE CEDED BY TREATY

1. The discussion of the treaty power in the Constitutional Convention plainly discloses the awareness of the framers that treaties might frequently be a mechanism for the cession of territory. Indeed, as Mr. Berger's Addendum shows, this awareness manifested itself more than once in proposals to surround the treaty-making process with special safeguards when it involved the cession of territory.

2. One such proposal would have stipulated "that no Treaty shall be made without the concurrence of the House of Representatives, by which the territorial boundaries of the United States may be contracted. . . ." IV Farrand, "The Records of the Federal Convention of 1787" (1937 ed.) 58. This proposal, advanced on September 7, 1787—very late in the Convention's deliberations—"was then debated, but the motion does not appear to have been made."

3. The lapsed motion of September 7 evidently reflected concern at the great power proposed to be lodged in two-thirds of the Senate. But there were counter-concerns—some members of the Convention were troubled at permitting one-third-plus-one of the Senate to block treaty ratification. Thus, on September 8, Rufus King "moved to strike out the 'exception of Treaties of peace' from the general clause requiring two-thirds of the Senate for making Treaties," and James Wilson then urged that "the requisition of two-thirds . . . be struck out altogether." And at this point, "A reconsideration of the whole clause was agreed to." II Farrand 547–48.

4. In the course of the ensuing debate, Roger Sherman stated that he "was against leaving the rights, established by the Treaty of Peace, to the Senate & moved to annex a 'proviso [sic] that no such rights should be ceded without the sanction of the Legislature.' According to Madison s notes, "Mr. Gov. Morris seconded the idea of Mr. Sherman." Nonetheless, the proposal of September 8, like the proposal of September 7 does not appear to have ever been put to a vote.

5. Mr. Berger, in his Addendum, mentions the September 7 proposal and speculates on the inference to be drawn from the failure of the Convention to pursue the matter:

"Why was the motion not made after debate? Presumably, the matter was postponed for consideration [when Article IV,] Section 3(2) would come up for discussion. During this subsequent discussion of 'The Legislature shall have power to dispose of . . . the territory . . .', it is singular that no mention was made of an exception for disposition under the treaty power. II Farrand 466. Nonmention is the more remarkable because such an exception would carve out an area of undefined magnitude from the power conferred, a matter which would affront the democratically minded who placed their faith in the House. It seems more reasonable to infer from the history that Article IV, Section 3(2) was designed to set at rest the fears that territory might be ceded without the concurrence of the House."

6. Mr. Berger's inference might be thought to have some modest plausibility if the discussion of Article IV, § 3(2), to which Mr. Berger refers (the discussion summarized at II Farrand 466), had in fact been "subsequent" to the discussion of the treaty power. But it was not. The discussion of Article IV § 3(2) referred to by Mr. Berger took place on August 30, a little over a week prior to the debate on the treaty power adverted to above.

Conclusion

As noted earlier in this memorandum, the thesis put forward by Mr. Berger is essentially the narrow Jeffersonian conception of the treaty power which would "outlaw treaties on matters as to which Congress could legislate domestically"—a conception which "has now been long dead." Henkin, supra, at 149. In a sense, then, it seems anomalous to be reexamining this ground in 1978. And the anomaly is only underscored by the fact that, in our own time, the major constitutional debate about the scope of the treaty power has been of a wholly different nature: Can the treaty-makers, through the exercise of their authority to act on all matters of international concern, empower Congress to enact legislation going beyond its specifically enumerated grants of power? Yes, the Supreme Court held, in *Missouri* v. *Holland*. [9] Is the treaty power then wholly unrestrained, provided it is exercised in an area of international concern? No, the Supreme Court announced, in *Reid* v. *Covert*: [10] the treaty-makers, like all other departments of government, are restrained by those prohibitions—most notably, those embodied in the Bill of Rights—to which all actions taken under the authority of the United States must conform. In sum, since 1920, when *Missouri* v. *Holland* was decided, the active questions as to the scope of the treaty power have grown out of the perception that the treaty power is, at least in theory, broader than the power of Congress to enact domestic legislation. Those questions are no longer as significant as they once were—in part because of the limitations on the treaty power announced in *Reid* v. *Covert*, and in part because the domestic legislative authority of Congress is now acknowledged to be far broader than was perceived half a century ago. In any event, the proposition that the treaty power is infinitely narrower than the Congressional power—the clear implication of the Jeffersonian conception which Mr. Berger has now revived—is a constitutional anachronism. [11]

If the proposed treaties with Panama are approved by a two-thirds vote of the Senate, and duly ratified, they will, in my judgment, of their own force effectuate the cession to Panama of American title to the land and installations of the Canal Zone.

FOOTNOTES

[1] II A. Beveridge, "The Life of John Marshall" (1916) 13336. For tactical purposes, Marshall seems also to have argued that the Jay Treaty was so drawn as to leave to the House of Representatives leeway to determine whether to implement the commercial aspects of the Treaty; but this tactical concession respecting the form of a particular treaty was not at odds with Marshall's constitutional definition of the potential scope of the treaty power. *Ibid.*

[2] I say "arguably" because no such restraint on the treaty power was intimated by the Supreme Court in its classic exposition of the scope of the power in *Geofroy* v. *Riggs*, 133 U.S. 258, 267 (1890), quoted in the text infra, at note 6. Textual analysis akin to that dealing with the appropriations power provides an arguable basis for concluding that treaties cannot, without statutory implementation, levy taxes, since the Constitution specifies that "all Bills for raising Revenue shall originate in the House of Representatives." Article I, § 7(1). Congress' power to declare war may also be another power not shared by the treaty-makers. See the quotation from Calhoun in the text, infra, at n. 3.

[3] *Ibid.* at n. 2 (emphasis in original). That Story and Marshall were well aware that the treaty power includes authority to cede American territory is evident from the exchange of letters between Governor Edward Everett and Story set forth in Appendix A, infra.

[4] S. Crandall, "Treaties, Their Making and Enforcement" (2nd ed., 1916) 226–227. For concrete examples, see *id.* at 227–28.

[5] Mr. Berger discusses *Jones* v. *Meehan* in in the light of an opinion rendered by Attorney General Taney before he became Chief Justice; the Taney opinion, dealing with an earlier transaction, was discussed by the Court and rejected as not controlling. See 174 U.S. at 12–18. See also *Percheman* v. *United States*, 32 U.S. (7 Pet.) 511 (1833), in which Marshall held that the Treaty with Spain of 1819 had of its own force confirmed the titles of pre-treaty owners of Florida land ceded to the United States by the Treaty; Percheman held that the interpretation of the 1819 Treaty approved in *Foster* v. *Neilson*, 27 U.S. (2 Pet.) 253 (1829) (a case relied on by Mr. Berger [Addendum to Statement, Part I]), was in error.

[6] 133 U.S. 258, 267 (1890). *Geofroy* v. *Riggs*, is a particularly strong illustration of the capacity of treaties to regulate matters delegated to Congress: That case applied a treaty to rights of inheritance in the District of Columbia, notwithstanding that Article I, § 8(17) confers on Congress the power of "exclusive legislation in all cases whatsoever" relating to the District.

[7] 114 U.S. 525, 541 (1885). See also the following in "The Writings and Speeches of Daniel Webster" (1903: vol. IX at 78 et seq. vol. XI at 270 set seq., and vol. XII at 21 et seq. Set forth below, in Appendix A of this memorandum, is an exchange of letters between Story and Massachusetts Governor Edward Everett which evidences Story's and Marshall's shared recognition of the capacity of a treaty to effectuate a cession of territory. (For having drawn my attention to the Everett-Story exchange, I am particularly indebted to Professor Stefan A. Risenfeld, currently Counsellor to the Legal Adviser of the Department of State.)

[8] With all respect, I submit that the two Supreme Court cases relied on by Mr. Berger to support the asserted exclusively of legislative (as opposed to treaty) power to dispose of American territory, in no way undercut the doctrine so plainly announced in *Holden* v. *Joy*, *Jones* v. *Meehan*, and *Geofroy* v. *Riggs*. (1) The Court's opinion in *Sioux Tribe* v. *United States*, 316 U.S. 317 (1942), does refer, at pp. 324 and 326, to the "exclusive" Congressional power to dispose of United States territory, but the question which the Court there answered in the negative was whether the President, acting solely on his own authority, could "convey to the Tribe the same kind of interest in the lands affected as it had acquired in the lands covered by the Fort Laramie Treaty. . . ." (Id. at 324) (emphasis added). Thus, *Sioux Tribe* v. *United States* properly held presidential power over federal lands to be subordinate to Congressional power, and did so against an historical background clearly illustrating that treaties are as effective as statutes to transfer title to federal lands. (2) *Wisconsin Central R.R. Co.* v. *Price County*, 133 U.S. 496 (1890), also relied on by Mr. Berger, holds state authority over federal lands to be subordinate to Congressional authority: when one bears in mind that the opinion was published in the same volume of the United States Reports as *Geofroy* v. *Riggs*, and indeed was written by the same Justice (Justice Field), it is quite clear that the Court's insistence on the paramountcy of Congressional power was directed solely at the rival power before the Court—state power—and not at the concurrent treaty power, which is, like Congressional power, part of "the Supreme Law of the Land". Article VI § 2.

[9] 252 U.S. 416 (1920).

[10] 354 U.S. 1 (1957).

[11] Mr. Berger's concerns about the aggrandizement of executive authority—concerns Watergate—do not advance analysis of the scope of the treaty power. Treaties are made by the President, but subject to the consent of two-thirds of the Senate—hardly a recipe for unrestrained Presidential power. Arguably, such concerns are pertinent when a national initiatives on his own account by executive agreement with a foreign power.

Cf. 39 Op. Atty. Gen. 484 (1941). They are not pertinent—indeed, they may properly be termed impertinent—when a President, acting in meticulous conformity with the procedures specified in the Constitution, has asked the Senate to fulfill the partnership role in the making of treaties which the Constitution expressly contemplates.

APPENDIX A

Exchange of Letters Between Governor Edward Everett and Mr. Justice Joseph Story, Taken From II, W. W. Story, "Life and Letters of Joseph Story" [1851], pp. 286–89:

To Hon. Joseph Story. Boston, 14th April, 1838.

MY DEAR SIR: The legislature has adopted some resolves relative to the Northeastern Boundary of the United States, which have been presented to me for my official signature. One of them is in the following terms:

"*Resolved*, That no power delegated by the Constitution to the government of the United States authorizes them to cede to a foreign nation any territory lying within the limits of either of the States in the Union."

I beg leave to ask your opinion (to be given confidentially or otherwise as you may deem proper), whether you consider the principle asserted in this resolve, as a well-settled doctrine of Constitutional Law. I have carefully read what is said of the treaty-making power in your Commentaries, Volume iii. p. 354, et seq. At the close of § 1502, you name certain restrictions on the treaty-making power, which must be assumed; but that of ceding a part of a State is not one of them. You add, however, the remark, "Whether there are any other restrictions necessarily growing out of the structure of the government will remain to be considered whenever the exigency shall arise."

The restriction in question (if it exist) must be one of this character, and I should prefer to follow your wise counsel, and let it remain to be considered, when the exigency arises. The present controversy does not appear to me to create such an exigency, for it is a question not of ceding an admitted portion of the territory of Maine, of ascertaining the boundary between the British territory and ours. The resolve of the legislature, however, raises the abstract question, and I wish your advice, whether I can safely affirm it.

I am, dear Sir, with the highest respect, And Sincere attachment,

Faithfully yours,

EDWARD EVERETT.

I would observe, that it is my present inclination, if I do not sign the Resolves, to let them pass sub silentio, as they are only expressions of the opinions of the legislature.

To His Excellency Edward Everett, Cambridge, April 17th, 1838.

My Dear Sir: In reply to your favor of the 14th inst. which I received by yesterday's mail, I beg to say, that I consider the Resolve referred to as very objectionable as a matter of Constitutional Law. I cannot admit it to be universally true, that the Constitution of the United States does not authorize the government of the United States "to cede to a foreign nation any territory within the limits of the States of the Union." If the proposition is true, then in case of a war, it would be incompetent for the government by a treaty to cede any territory conquered during the war, and which might be indispensable to purchase peace. So a cession could not be made, even with the assent of the State within which the territory was situated; for neither the State nor the United States could alone cede it, and then both could not. Yet the cession might be of a nature calculated for the safety of both nations, and might be an equivalent for a like cession on the other side.

I remember to have had some conversation with Mr. Chief Justice Marshall, some years ago, when the subject was under discussion, with reference to the contested boundary in Maine. He was unequivocally of opinion, that the treaty-making power did extend to cases of cession of territory, though he would not undertake to say that it could extend to all cases; yet he did not doubt it must be construed to extend to some.

It appears to me that our legislature have very unnecessarily, and (as I think also) against our true public policy with reference to the contested boundary of Maine, stated this proposition. It may embarrass the government in its negotiations; and it is wholly gratuitous,—since, in a case of contested boundary, there is no pretence to say that an ascertainment of the true boundary involves the question of cession.

I always look with alarm and regret upon all attempts of our legislatures to settle constitutional questions in the heat of controversy, and under the impulses of party. Nor do I think that Massachusetts ought to commit herself upon any doctrine of this sort, at this time. I doubt its soundness; but I do not at all doubt its inexpediency. The time may arrive when our very existence and salvation as a nation, may depend upon the exercise of this very power. If the national government does not possess it, it is to all intents and purposes an extinguished right of sovereignty, for the States do not possess or retain it.

I see no objection to your leaving the resolve to its constitutional operation, *sub silentio*, if you think it best not to return it to the legislature with objections. I think the doubt of a constitutional point furnishes of itself a sufficient ground for rejecting a resolve embodying a positive declaration of it, unless there be an absolute necessity for some declaration on the subject.

What I have written I must ask you to consider as confidential, though I do not mean by this to say that I should object to its being seen by any of our confidential friends, such as Mr. Webster, if you should wish to consult him.

Believe me, with the highest respect,

Truly yours,

JOSEPH STORY.

Mr. JAVITS. I believe the statement made by Senator GOLDWATER, while I would argue with it, nonetheless makes the case so clear that I prefer to treat it as if it were a demurrer. In short, he said—I think I noted correctly what he said, "No court cases are decisive of the issue—that is, the power by treaty to alienate property."

Mr. President, if that be true, if there are no court cases decisive of the issue, certainly the weight of practice and even the cases, the instances of the treaties that he challenged are far outweighed by the treaties that he did not challenge. So the practice, since Marshall's day—bear out this approach; not only as to property owned by the United States or some element thereof, as in the Indian treaty cases, but also in foreign properties. This is one.

That is a very critical distinction, Mr. President. This is not the property of any State. This is the property of the

United States, located in a foreign framework. It seems to me that if there were any challenge to this procedure—and that is what we are arguing about—it would lie if the property were a part of the United States and an element of the property of a particular State. I think the argument is very much reduced in consequence when it is property not belonging to any State but at most—and that is why I characterized Senator GOLDWATER'S argument as a "demurrer"—belonging to the United States. There I think the precedents are very clear, even clearer than they are respecting every State. It is a fact that in respect to the Northwestern boundary of the United States and Canada and the Northeastern boundary of the United States and Canada, the States were asked to consent.

If I had that issue to argue—and I do not—I would contend that this was a desire to consult the States and get their concurrence, which we could do, too, if we wished to, provided that we thought that was necessary. It probably was not necessary even in those cases, but in any case, it was done. That is a precedent, and, I believe, a sound precedent in policy, if not in law. But the fact is that that has not been done respecting the transfer of other properties outside the boundary of any State. So I think the precedents are very strong in favor of the procedure which is being followed in respect of Panama.

We have a very classic background for our debate in this matter. That has been rumbling around as a great issue since the days of Thomas Jefferson and John Marshall. They differed on it very sharply. Jefferson agreed with Senator GOLDWATER; Marshall agreed with the position which I contend for and which the proponents of these treaties contend for. I find very great support in the expressions of John Calhoun, who was far from a devotee of Federal power. Yet as set out by Dean Pollak, Calhoun, very clearly laid out his view that the treaty power certainly included the power to alienate property in the way in which it is being done in this treaty. Calhoun was speaking as a Member of Congress; his words on that subject are very eloquent.

The view of John Calhoun on the treaty power subsequently has been borne out by a number of leading cases. As a backdrop for the statement I am about to make, I will quote a sentence or two of John Calhoun's discourse:

> The enumeration of legislative powers in the Constitution has relation then, not to the treaty-power, but to the powers of the State. In our relation to the rest of the world the case is reversed. Here the States disappear. Divided within, we present the exterior of undivided sovereignty. The wisdom of the Constitution appears conspicuous. When enumeration was needed, there we find the powers enumerated and exactly defined; when not, we do not find what would be vain and pernicious. Whatever, then, concerns our foreign relations; whatever requires the consent of another nation, belongs to the treaty power; can only be regulated by it; and it is competent to regulate all such subjects; provided, and here are its true limits, such regulations are not inconsistent with the Constitution. If so they are void. No treaty can alter the fabric of our Government, nor can it do that which the Constitution has expressly forbad to be done; nor can it do that differently which is directed to be done in a given mode, and all other modes prohibited.

Then, of course, Calhoun goes on to the familiar example of appropriations and revenue measures, which cannot be enacted as the supreme law of the land through a treaty because the unique wording in the Constitution—different from the wording that the Congress shall have power to do this, that, or the other.

It seems to me that that is a very sound approach. It is based upon solid precedent, certainly, as to the alienation of properties, as they are called in the Constitution, outside of the property in and of the States.

I have read, Mr. President, with the greatest interest, the report which we have just received from the Subcommittee on the Separation of Powers issued by the Committee on the Judiciary, of which the distinguished occupant of the chair, Senator ALLEN, is the chairman. I notice something which may be a happenstance or oversight, but it was interesting to me.

It seems to me that if the issue were as presented by the subcommittee report, I would have no doubt that the report proceeded upon a proper assumption. But the issue is not that one, and I should like to read what it says. It may just have been an oversight, and if so, somebody ought to correct me so that the opponents' case may be presented in all its vigor.

Pages 4 to 5 at the bottom of the page, reads as follows:

> Thus, the primary separation of powers issue studied by the Subcommittee was whether the executive branch could, without prior statutory authority and acting independently of the Congress, alienate territory or other property of the United States by concluding a treaty to that effect with a foreign power—in this case, with the Republic of Panama.

Mr. President, the point I make here is that the executive is not proceeding "without prior statutory authority and acting independently of the Congress." On the contrary, it is following a constitutional mandate that a treaty may be negotiated by the Executive, but may not be ratified by the Executive without the approval of two-thirds of the Senators present and voting. This is so specific in the Constitution that I cannot agree that the Executive is acting "independently of the Congress." It is acting with that arm of the Congress which the Constitution has established expressly for this purpose, allowing the Executive to ratify the treaty through having its approval.

As I say, I can hardly believe the drafter of the report understood or accepted that implication. But, if that is the case, then I do not believe that the argument which follows from that case is relevant.

The main precedent upon which we rely in addition to the settled practice which has just been confirmed, are Jones against Meehan, an Indian Treaty case decided in 1899; another Indian case, Holden against Joy, decided in 1872; and the case of Geofroy against Riggs decided in 1890, which related to a question of inheritance in the District of Columbia.

It seems to me that those cases, as I say, have accepted and carried out through the years the John Marshall view of what the Constitution means respecting one treaty power. That is the precedent which is followed in the submission of this document as a treaty to the Senate, with the transfer of property which is therein contemplated, being a completed action upon the advice and consent of the Senate being given in the affirmative and upon the resolution of ratification being passed and the President actually ratifying.

One last point which I would like to make is the fact that this issue has been submitted by a treaty to the Senate. This is, I think, very important. It would assume the fact that when and if the Senate ratifies, or the Senate gives its approval to ratification and the treaty is ratified, that will settle the legal question.

I do not believe that anyone—I doubt even the opponents of the treaty—would wish to argue that somehow or other this could invalidate the solemn undertakings of the United States respecting this treaty.

I have found myself in a comparable position as a conferee for the Senate, which I have been very often, thoroughly disagreeing with a provision which the Senate has inserted in a bill and then, in conference, fighting like a tiger for it, because that is my duty as a Senate conferee.

Comparably, the opponents of the treaty may feel that the bounden obligation of the United States is our most precious possession, if the treaty is consented to by two-thirds of the Senate.

So I would hope, and I believe the courts would certainly rule this way, that the matter having been submitted in a treaty and the treaty having been approved as determined by the Constitution, the matter will be considered to have been settled.

As to the right to argue the issue, I thoroughly agree with that because it is our duty—and this is also Hornbook law—it is our duty to evaluate the constitutionality of our actions and to take that into account when we act, even though we may not be subject to correction in any court or in any other way.

I am sure this is not going to be the last time we will argue this matter. But I do hope very much that we can all agree, once the Senate has decided, as authorized by the Constitution, that that is the end of the matter and that it will not be collaterally challenged.

Mr. President, I have a note from Senator ALLEN indicating, as the author of the report to which I referred, that the meaning of the words which I quoted from the report of the Committee on Separation of Powers on pages 4 to 5, "acting independently of the Congress" meant acting independently of both Houses of the Congress.

I put that in the RECORD, because I want the record to be very clear. I am pleased that that correction has been made because, otherwise, it simply negates itself.

I thank the Chair.

S. 2626—CONSUMER AND AGRICULTURAL PROTECTION ACT OF 1978

Mr. BUMPERS. Mr. President, today I am introducing a bill on behalf of my distinguished colleague (Mr. HODGES) and myself.

It is mostly the work of Senator HODGES, over a period of several weeks. It is a monumental effort, a diligent effort, and I believe one of the most sensible and rational pieces of legislation ever to be introduced in this body dealing with the problems of agriculture in this country, particularly at this moment.

I believe that Members of this body and our colleagues on the far end of the hall were shocked back in the latter part of November and early December when we found out that the farmers in this country had suddenly decided that even though we loved them, we were not treating them as though we did.

I think people all across this country were shocked. They were shocked to know that the farmers, even though they owned a lot of sophisticated equipment and a lot of land, were actually going broke.

At first, everybody accepted this movement, tongue in cheek. It is my honest belief that the Congress, when these farmers converged on Washington in their tractors and pickups, and however else they could get here, I believe it was the common belief by the Members of the Congress that we could pat them on the head, say, "You've had a nice time, you've made a good point, we all understand, now go home."

The truth of the matter is that the farmers in this country wanted to go home. But they cannot. They cannot leave us alone because they cannot plant, they cannot harvest, and they cannot produce at today's prices. They have to have relief.

Now, most of them cannot afford to come to Washington. Sometimes I think that is unfortunate because I wish everybody could come here and see the workings of government, for better or for worse.

But I do not believe I have talked to a single Senator since the farmers came to Washington who did not say, "I would like to help those fellows, but how in the world do you do it, how do you do it without raiding the pocketbooks of the consumers, how do we do it without raiding the Federal Treasury, there is just no solution."

I have heard those statements and I think all of my colleagues have. Some of us have demonstrated not only concern but also hard commitments to do what we can to save that segment of men and women in this country who are the backbone not only of our existence but also the existence of countries who are dependent on our food for their survival.

Mr. President, what this all amounts to and what we are involved in right now is simply the culmination of an accumulation of indifference—indeed, a callousness—toward people engaged in agriculture in this country.

We have allowed the farmers of this country to become the whipping boys every time food prices go up. We have boasted openly to the world about how much we spend for food in this country and how much less it is than any other country of the world, and indeed, it is. We have cynically used farmers in our foreign policy by embargoing their crops, by rewarding or punishing other nations by either allowing them or not allowing them to have our crops. The farmers have been the recipients of all the devastating effects of all these official actions of the U.S. Government.

Then there are those traders, the paper shufflers, in their ivory towers, who, with sophisticated computers and telecommunications systems, manipulate the markets. I do not know how they do it. I am not sophisticated enough to understand it, and I certainly do not expect the dirt farmers of this country, who plow from sunup to sundown to try to produce, to understand it.

Mr. President, the truth of the matter is that the farmers of this country have been breaking their backs, literally; and, although by the sweat of their brow and the work of their muscle they have done so much for this country, they are being rewarded with bankruptcy.

In our Fourth of July picnic speeches, we like to say that the character of this Nation is such that we are sensitive and we are concerned not just for the poor, not just for the minorities, but for any segment of our people who, despite their best efforts, are thwarted by our system. Our system is not perfect, and it does break down. There are places where people actually are harassed into bankruptcy, literally, through no fault of their own, and regardless of the amount of labor and effort they put into their endeavors.

Right now, in this virtually empty Chamber and the empty Chamber at the other end of the hall, we are demonstrating some indifference to the fact that 25 percent of the farmers in this country are going to go broke this year if they do not get some relief. Colleagues I have talked to have been looking for a commonsense approach to the problem, a rational approach—one, as I say, that does not raid the Federal Treasury, one that does not rip off the consumer, but one which at least will allow the farmer some indication of how he is going to fare at the end of the year, after a yearlong effort by usually himself and his wife and all the children in his family old enough to work.

The features of this bill, simply stated—and I think I should call it the centerpiece of the bill—is the establishment of an agricultural board composed of 21 members. Fifteen will be agricultural producers and six will be representatives of organized labor, consumers, and business. But the feature that is best about it is that it will be independent from the Department of Agriculture.

This board will be charged with the responsibility of determining what the actual cost of each commodity is each year. It will cover wheat, corn, grain, sorghum, barley, oats, dry beans, rice, soybeans, cotton, sugar, cattle (except dairy cattle), calves, hogs, poultry, and milk and dairy products.

Anybody who wants in, but is not in, can get in by a petition and referendum.

Incidentally, some of the rice farmers in my State have indicated that they do not want to be part of this. If they do not, all they have to do is this: If 15 percent say they want out, there will be an election, and they can get out.

The loan levels of the Commodity Credit Corporation will be mandatorily established at whatever the board says the cost of production is. Then, if the farmer wants to go to the bank or any other commercial institution to borrow money, he may do so by paying the going rate; and the Federal Government will guarantee it. He can do it for 3 years. But if he prefers, he can put his commodity in the Commodity Credit Corporation for some indefinite period of time.

Obviously, this country does not have the storage capacity or the facilities to leave commodities in storage forever. So there will have to be a triggering mechanism to require that a certain percentage of the producer's crop be taken out, as the price of that particular commodity reaches certain levels.

Mr. President, I think this is going to be some encouragement to farmers to plant, so there must be what we normally call a mandatory set aside provision or a production adjustment. Every year, after each farmer files an intent of what he intends to plant that year of a particular commodity, the Secretary will determine how much land in each commodity needs to be set aside. These set-asides are not playthings. They will be mandatory, and they will have to be enforced rigidly.

This board will be charged—once the Secretary makes that determination—with the responsibility of allocating to each farmer how much he is going to have to cut back.

Mr. President, those are the essential ingredients of the bill. It is not draconian by any standard. It just makes a lot of sense.

The Lou Harris poll recently reported that a vast majority of the people in this country would be willing to absorb a 5-percent increase in food prices if they thought it would alleviate the present plight of the farmers. That is a magnanimous thing to say about the American people. That shows their concern for the farmer, and that is more concern than the U.S. Congress has shown so far.

The interesting thing about this bill is that it will not cost as much as that famous 1977 agricultural bill.

Incidentally, I intend to introduce this bill, and I ask unanimous consent that it be printed in the RECORD immediately following my remarks and the remarks

of Mr. HODGES, together with some tables, to prove what I just finished saying.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUMPERS. Mr. President, the alternative is to do nothing. Incidentally, that is just what we have been doing. I do not allege or say that this bill is perfect. There are one or two things about it that perhaps I would like to change. I know that Senator HODGES does not claim perfection for it. But I think it is the vehicle that the Senate should start using today, to mark up, to get a bill passed, so that within 30 or 40 days, the farmers of this country will know that not only is Congress concerned about them, but also how much Congress is concerned.

I have heard it said that the chairman of the Senate Agriculture Committee has told the farmers:

I'm with you any time you can get a bill with 51 votes for it.

I am going to work diligently, and I know Senator HODGES will, to get 51 cosponsors of this bill.

Everybody has thrown in legislation, from one end of this building to the other. But this is a comprehensive bill. It is the most sensible, rational approach I have seen to the problem, one that can meet the most stringent demands of consumers and can provide the relief we are talking about.

So, Mr. President, I congratulate my colleague for the monumental effort he has put into this bill, and I am honored to be associated with him and with this bill. I hope the bill will be referred to the Committee on Agriculture, Nutrition and Forestry and that they will treat it with the urgency it needs, deserves, and literally demands, if we are going to save the farmers in this country.

The farmers of this country are concerned about agribusiness. Wait until all the family farms we pay lipservice to are gone, and agribusiness has this country by the jugular vein. Everybody will say, "Why didn't we do something about it?" Wait until foreign interests own most of the agricultural interests in this country. Everybody will say, "How did this happen? Why didn't we do something about it?"

Mr. President, the time to do something is now. I hope my colleagues will treat this bill with the urgency and consideration it deserves. I yield to my distinguished colleague from Arkansas (Mr. HODGES).

The PRESIDING OFFICER. The Chair inquires whether the Senator is yielding the remainder of his 15 minutes.

Mr. BUMPERS. I am.

Mr. HODGES. Mr. President, how much time remains?

The PRESIDING OFFICER. Two minutes.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senator from Arkansas be granted a total of 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. HATCH. Mr. President, I ask unanimous consent that the Senator from Utah be given 1 minute after the Senator from Arkansas speaks.

Mr. BARTLETT. Mr. President, I do not object; but, rather than proceeding in this fashion, I have this suggestion: I have 15 minutes, and I will not require that much time. I will be glad to yield 5 minutes to the Senator from Arkansas and 2 minutes to the Senator from Utah.

The PRESIDING OFFICER. Is there objection to the Senator from Oklahoma transferring 5 minutes to the Senator from Arkansas and 2 minutes to the Senator from Utah? The Chair hears none and it is so ordered.

Mr. HODGES. I thank the distinguish Senator from Oklahoma.

Mr. President, I appreciate the remarks of the distinguished senior Senator from Arkansas. He is a great asset to the State of Arkansas, to the Senate, and to the farmers of this Nation. He has been a friend for many years, and I appreciate his remarks and his efforts in this endeavor.

I wish I could claim credit for this bill, because it is a great idea, but I cannot. It is the product of literally hundreds of farmers in dozens of States.

Mr. President, we do not have a farm problem. We have a farm crisis. It is distressing to me that we seem to have in this Congress, as symbolized here today by a virtually empty Chamber, some deaf ears.

There are those who say it is the young farmer who is in trouble, because he bought expensive equipment and paid high prices for land. But they should learn that that is not the case. I have been sitting in the Agriculture Committee hearings now for a number of days, and it is farmers of all ages, farmers of all economic levels, and people who have farmed for literally dozens and dozens of years who are also in trouble and surviving off their equity.

It is not just one small segment of the farm economy, and it is just not one commodity. Commodity after commodity is here saying, "We are in trouble and are losing money."

We import $40 billion worth of foreign oil into this country. At the same time, we send $24 billion worth of agricultural products abroad, and are proud of it; we are proud of our President and our executive branch. But this only represents two-thirds of our cost of producing these products, so that actually $12 billion of our money is gone; and when I say "our" money I am talking as a taxpayer.

Those of you who ate breakfast this morning were subsidized by these farmers. Those who eat a loaf of bread each day are subsidized by these farmers.

Three and a half years ago a man appears on television, representing the American bakers, and he said:

You should get worried, because you are going to pay $1 for a loaf of bread because of high farm product prices.

The American public threw up their hands and the President got worried.

Since that time bread has increased in price 20 percent, and wheat is half what it was sold for then. Has your loaf of bread dropped by half?

If I earned my livelihood from farming I would not be as courteous, kind, and thoughtful as these men and women are. If I saw my life's work and my family farm going down the drain, I would react as the coal strikers react.

What really are we teaching the American farmer? The Members of Congress are applauding the coal settlement, and it might be a good settlement. It is a 37-percent increase in wages in 3 years. Who is on the floor shouting it is inflationary? Everyone wants to settle the strike.

Violence has been had in the coalfields. Who is on this floor decrying the violence?

What we are telling the farmers, by the way we react to the coal strike is that "You are not mean enough; the only way we react as a Congress is not to rational intellectual arguments, but to threats and violence. We do not hear your cries in the night."

Now, there are desperate men in farming today, because the present income levels of farming are similar to those of the early 1930's, in the depression, and this desperation will continue to grow.

Some say, "Well, there is not much of a problem. It is a few isolated farmers." There are 1,600 strike offices open in this country now, however, and I daresay within the next month you will see tens of thousands of farmers returning to this Capitol.

We cannot continue farming on the basis on which it has been. We cannot patch up that same old tire once again. We cannot give them $4 billion, $5 billion, and expect them to go home, because we have done too great an injustice to the farm economy here in Washington, in these Halls and by these decisions.

I see an executive branch that does not seem to be listening. This bill says for the first time that farmers are going to try to run their own business. Not the processors, not those who look for cheap food, and not those who care more about keeping their mills running than the people who produce millable products.

This bill is a good answer for the short and for the long range. I do not suggest that it is perfect, but I have not seen a perfect bill here yet, and I think that at long last we must tell the farmer that he will have some control over his own destiny.

Mr. HATCH, the distinguished Senator from Utah, is going to have 2 minutes, and he tells me he is going to join in sponsoring the bill—in the spirit, I think, in which people should join it, not agreeing with everything that is in it but using it as an essential vehicle. I am proud to have him as a cosponsor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HODGES. I thank the Chair.

EXHIBIT 1

S. 2626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer and Agricultural Protection Act of 1978".

FINDINGS

SEC. 2. Congress finds that—

(1) agricultural production in the United

States is the foundation of many industries and generates extensive domestic and foreign commerce;

(2) a strong, vigorous agriculture is essential to the welfare of the United States;

(3) the agricultural producers of the United States are the most efficient and productive farmers in the world and that status must be continued;

(4) at the present time the agricultural producers of the United States are faced with major economic problems; they are deeply in debt, receive prices for their commodities which do not recover the cost of producing such commodities, and are without any means of escaping agricultural cycles of overproduction which drive the level of return on their agricultural investment below subsistence levels;

(5) direct and immediate economic relief is required to prevent irreversible changes in the character of the agricultural producers of this Nation because many farm operations are being forced into bankruptcy and the owners of many other such operations are abandoning agricultural production for other means of earning a livelihood;

(6) current agricultural policies will not provide the infusion of money and market stability necessary to reverse the disastrous economic plight of agricultural producers;

(7) producers of certain agricultural commodities have been seriously injured by extensive imports of such commodities;

(8) strong and consistent export policies which have benefited agricultural producers of the United States in the past by providing markets for the Nation's agricultural products and promoting the economic stability of the Nation should be instituted; and

(9) agricultural producers should and must have a voice in the policies of the United States which directly impact on their livelihood.

PURPOSES

SEC. 3. It is therefore the purpose of this Act—

(1) to provide to agricultural producers an equitable price for their agricultural commodities calculated on the basis of the comprehensive cost of producing such commodities, without regard to whether such commodities are sold for consumption in the United States or for export;

(2) to provide for a national reserve of certain agricultural commodities;

(3) to provide effective representation of agricultural producers in the formulation of the policies of the United States which affect agriculture;

(4) to regulate the import and export policies of the United States to ensure that domestic agricultural producers receive a price for their commodities based upon their comprehensive costs of producing such commodities;

(5) to curtail or eliminate from the domestic agricultural economy the transfer of unfavorable economic conditions from one agricultural commodity to another; and

(6) to provide price stability in domestic and foreign markets for agricultural commodities which will result in equitable prices to producers for such commodities and at the same time reflect the comprehensive cost of producing such commodities.

DEFINITIONS

SEC. 4. For the purposes of this Act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and the territories and possessions of the United States.

(3) The term "specified commodity" means wheat, corn, grain sorghum, barley, oats, dry beans, rice, soybeans, cotton, sugar, cattle (except dairy cattle), calves, hogs, poultry and milk and dairy products.

(4) The term "producer" means the original producer of any specified commodity, whether produced for himself or produced under contract or agreement for another, and includes any individual partnership, firm, joint-stock company, corporation, association, trust, or estate engaged in the production of one or more agricultural commodities.

(5) The term "Department" means the United States Department of Agriculture.

NATIONAL BOARD OF AGRICULTURAL GOVERNORS

SEC. 5. (a) There is hereby established a board to be known as the National Board of Agricultural Governors (hereinafter in this Act referred to as the "Board").

(b) The Board shall be composed of twenty-one members appointed by the President as provided in subsection (c). The terms of the members first taking office shall expire (as designated by the President at the time of appointment) seven at the end of one year, seven at the end of two years, and seven at the end of three years. Thereafter the term of office for all members shall be three years, except that the term of any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of his predecessor.

(c)(1) One member shall be appointed by the President from each of the twelve Farm Credit Districts of the United States to represent the interests of producers of agricultural commodities. The appointment in the case of each such district shall be made from among nominees submitted to the President from such district as provided in subsection (d).

(2) Three members shall be appointed by the President from among nominees submitted by the Secretary as provided in subsection (c).

(3) Two members shall be appointed from among persons nominated by consumer organizations.

(4) Two members shall be appointed from among persons nominated by organized labor.

(5) Two members shall be appointed from among persons nominated by business organizations.

(d) Nominees for appointment to the Board from the Farm Credit Districts of the United States shall be selected as follows:

(1) Each county committee (established under section 8(b) of the Soil Conservation and Domestic Allotment Act) of each State within each Farm Credit District shall select three nominees from among its members and designated alternate members. The members and designated alternate members shall have equal voting rights for such purpose.

(2) The producers of specified commodities in each county shall elect one of the nominees referred to in paragraph (1) to represent such county in a State convention called for the purpose of selecting a nominee from the State concerned for appointment to the Board.

(3) Each such State convention shall select a nominee for appointment to the Board from the Farm Credit District in which the State concerned is located. One of the nominees from each of the Farm Credit Districts shall be appointed to the Board by the President. Each such State convention shall establish its own procedures for selecting its nominee.

(e) The Secretary shall nominate for appointment to the Board six persons to represent the interest of specified commodities not adequately represented by persons appointed under subsection (c)(1). In selecting nominees for appointment to the Board, the Secretary shall not favor any particular geographic area or region of the United States.

(f) In designating the terms of office of the first members appointed to the Board, the President shall insure that the terms of not more than one third of the members appointed under subsection (c)(1) will expire in any one year and that the terms of the two members appointed under each of the paragraphs (3), (4), and (5) of subsection (c) shall expire in different years.

(g) Appointments made for nominations submitted under paragraphs (3), (4), and (5) shall be made on a bi-partisan basis.

(h) No person shall be eligible for appointment to the Board from any Farm Credit District unless such person is actively engaged in agricultural production and derives his primary source of income from such production.

(i) The President shall designate one of the members appointed under subsection (c)(1) as Chairman of the Board.

(j) A member of the Board may be removed by the President only for neglect of duty or malfeasance in office.

(k) A member of the Board may continue to serve on the Board after the expiration of his term of office until such time as his successor has been appointed.

(2) No person may be appointed to the Board for more than one three-year term.

(m) A quorum for the transaction of the business of the Board shall be fifteen members and all actions of the Board shall be determined by a majority vote of the members present.

(n) Any vacancy on the Board shall not affect its powers to function but shall be filled in the same manner as the original appointment was made.

(o) The Board shall have an official seal which shall be judicially noticed.

DUTIES OF THE BOARD

SEC. 6. (a) The duties of the Board shall be—

(1) to establish and from time to time, as necessary, revise a comprehensive cost of production price for each specified commodity;

(2) to establish cost of production price levels for specified commodity loans made or guaranteed under this Act;

(3) to advise the President, the Secretary, and the Special Representative for Trade Negotiations on international trade agreement negotiations which pertain to agricultural commodities and on matters and policies affecting the importation of agricultural commodities;

(4) to seek and develop export markets for agricultural commodities produced in the United States;

(b) The Board shall hold public hearings and equitable basis production or marketing adjustments established for any specified commodity; and

(6) to perform such other functions as may be necessary to carry out the policies and purposes of this Act.

(b) The Board shall hold public hearings prior to establishing a cost of production price for any specified commodity and prior to allocating production or marketing adjustments among producers whenever such adjustments are established for any specified commodity.

(c)(1) The Board shall consult with and advise the Secretary regarding the improvement and implementation of the agricultural policies and programs of the United States. The Board shall from time to time submit to the Secretary such recommendations as the Board deems appropriate regarding the long-range production and marketing of each specified commodity.

DUTIES OF THE CHAIRMAN; ACTING CHAIRMAN

SEC. 7. (a) The Chairman of the Board shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including the functions of the Board with respect to—

(1) the organization and supervision of personnel employed by the Board, except

that each member of the Board may select and supervise personnel for his personal staff;

(2) the distribution of work and responsibilities among personnel and among administrative units of the Board;

(3) the expenditure of and accounting for funds appropriated for Board functions; and

(4) the recruitment and hire of such employees, experts, advisors, clerical assistants, and other categories of personnel as the Board, in its sole discretion, deems necessary to carry out effectively and efficiently its duties and functions under this Act.

(b) The Chairman of the Board may from time to time designate any other member of the Board as Acting Chairman to act in the place and stead of the Chairman in the absence of the Chairman. The Chairman (or the Acting Chairman) shall preside at all sessions of the Board.

INDEPENDENCE OF BOARD MEMBERS AND PERSONNEL

SEC. 8. In the performance of their functions under this Act, the members and other personnel of the Board shall not be responsible or subject to the supervision or control of any officer, employee, or agent of the Department.

AUTHORITY OF THE BOARD TO ESTABLISH RULES

SEC. 9. The Board is authorized to establish such procedural and administrative rules as are necessary to carry out its duties and functions under this Act.

BUDGET FOR BOARD ACTIVITIES

SEC. 10. The Board shall prepare and submit an annual budget to the President for transmission to the Congress and such budget shall be separate from the annual budget of the Department. The Board shall not be dependent in any way upon funds of the Department to carry out its duties and functions under this Act.

SPECIAL POWERS OF THE BOARD

SEC. 11. In carrying out its duties and functions under this Act, the Board shall have power to hold hearings, administer oaths, examine witnesses, and receive evidence at any place in the United States.

COST OF PRODUCTION PRICES

SEC. 12. (a) The Board shall establish and announce a comprehensive cost of production price for each specified commodity prior to the beginning of each marketing year for such commodity. Such cost of production prices as established shall reflect cost principles and accounting procedures utilized by business management in industry and trade. In determining the cost of production for any such commodity the Board shall include as components of such price—

(1) variable costs; including a cost for hired labor at equivalent industry wage levels;

(2) machinery ownership costs, including current replacement costs of farm machinery and equipment;

(3) general farm overhead costs attributable to the production of such commodity;

(4) a value for the management services contributed by the producer of such commodity;

(5) a value for land utilized in the production of such commodity, such value to reflect the value of farm land as valued for estate tax valuation purposes under section 2054 (a) of the Internal Revenue Code of 1954 rather than reflecting values based on the current market value of real property used for agricultural purposes; and

(6) such other factors as, in the Board's discretion, should be included to accurately reflect the cost of producing such commodity.

(b) The Board shall conduct public hearings prior to the beginning of each marketing year for each specified commodity to give producers and other interested parties an opportunity to be heard on matters relating to the cost of production price to be established for such commodities for such marketing year.

(c) The cost of production price for any specified commodity shall be established at a level which will provide incentive toward maximum efficiency in the production of such commodity and not at a level which will encompass those producers who are inefficient in the production of such commodity.

(d) The Board shall promptly notify the Secretary in writing whenever it establishes or revises a cost of production price for any specified commodity for any marketing year and shall provide for the publication of such information in the Federal Register. The Board shall also provide for such public announcements of such information as it deems necessary to make such information generally known to the producers concerned.

(e) The Secretary shall designate by regulation a marketing year for each specified commodity.

COST OF PRODUCTION ESTABLISHED FOR 1978

SEC. 13. (a) The following are prices representative of projected costs of production for each specified commodity in calendar year 1978, and are hereby established as the cost of production price for each commodity as set forth below for the purposes of this Act:

Dry beans, $22.00 per hundredweight.
Wheat, $4.75 per bushel.
Sugar, 25¢ (raw) per pound.
Corn, $3.15 per bushel.
Soybeans, $6.60 per bushel.
Barley, $3.00 per bushel.
Grain sorghum, $5.39 per hundredweight.
Oats, $1.65 per bushel.
Cotton, 70¢ per pound.
Cattle, 55¢ per pound.
Calves, 65¢ per pound.
Milk, $12.00 per hundredweight.
Hogs, 50¢ per pound.
Rice, $10.00 per hundredweight.
Poultry, 40¢ per pound.

(b) Cost of product prices as established in subsection (a) shall remain in effect until supplanted or revised by the Board.

GUARANTEE OF LOANS; AMOUNT OF LOANS; TERMS

SEC. 14. (a) The Secretary shall guarantee in any year loans made by commercial lending institutions to producers of nonperishable specified commodities (as determined by the Board). The amount of any such loan (loan level) in the case of any producer shall be an amount not in excess of an amount determined by multiplying the quantity of such commodity on which such producer is eligible for a loan under this Act by the cost of production price established by the Board for such commodity for the year concerned.

(b) The term of such loan shall be for such period as may be agreed upon by the lender and the producer-borrower but in no case for a period longer than thirty-six months.

(c) No loan may be guaranteed under this Act unless the rate of interest thereon is no greater than the rate of interest on comparable loans made by commercial lending institutions in the same area for the same purpose without the benefit of Federal guarantees.

DIRECT LOAN AUTHORITY

SEC. 15. (a) The Secretary is also authorized to make loans to producers of nonperishable specified commodities (as determined by the Board) on their crops through the facilities of the Commodity Credit Corporation. Loans made under authority of this section shall be made at a level not less than that prescribed in section 14(a). Loans made by the Secretary under authority of this subsection on any specified commodity shall be made at the same rate of interest at which loans guaranteed under this Act are made on the same commodity. The Secretary shall use the guarantee loan program whenever practicable in providing an initial loan to any producer on any specified commodity.

(b) Producers shall be entitled, upon application to the Secretary, to obtain a loan from the Secretary as provided in subsection (a) on the commodities owned by such producers in an amount not less than that described in Section 14. Loans made under this subsection shall be for an unspecified period of notwithstanding the foregoing, no loan may be made by the Secretary on any specified commodity of such producer unless such producer has satisfied any prior loan made on such commodities which was guaranteed by the Secretary or unless the proceeds of the loan made by the Secretary are to be used to satisfy such prior loan.

NONRECOURSE NATURE OF LOANS; ADJUSTMENTS FOR GRADE AND OTHER FACTORS; COMPLIANCE REQUIREMENTS

SEC. 16. (a) Loans guaranteed by the Secretary under section 14 and loans made under section 15 shall be guaranteed and made without recourse against the producer-borrowers and no security other than the commodity on which such loans are made shall be required.

(b) The Board may adjust the loan level for any specified commodity on the basis of the grade, type, staple, or quality of such commodity.

(c) No producer shall be eligible for a loan or guarantee under this Act on any specified commodity unless such producer complies with any production or marketing adjustment allocated to such producer under this Act and complies with the other requirements of this Act.

MANDATORY RELEASE PRICE

SEC. 17. (a) The Board shall establish for each specified commodity mandatory release prices at which a percentage (specified by the Board) of the quantity of that commodity under loan (made or guaranteed under this Act) must be released for sale in domestic or export markets. Mandatory release prices shall be a condition of any loan made or guaranteed under this Act.

(b) Mandatory release prices shall be established for each specified commodity prior to the start of the marketing year for such commodity and shall remain in effect for that marketing year.

(c) Mandatory release prices in the case of any specified commodity shall be established by the Board as a percentage of the cost of production price for that commodity plus storage charges and interest charges applicable to prevailing loans for that commodity.

AUTHORITY TO CALL LOANS

SEC. 18. The Secretary is authorized to call any loan made under this Act and secured by commodities comprising part of the National Commodity Reserve, if the Secretary determines that the domestic or foreign market for the commodity for which such loan was made is unstable because insufficient quantities of that commodity are being offered for sale, except that the Secretary may only call loans on such commodity at any time that the market price for such commodity is at or above the mandatory release price established by the Board for such commodity. The Secretary shall call the oldest outstanding loans first and proceed chronologically to the newest loans outstanding; except that at no time shall the Secretary call any loans on any specified commodity if the calling of such loans will cause the price of such commodity to drop below the cost of production

price currently in effect under this Act for such commodity.

PROHIBITION AGAINST RENEWAL OR EXTENSION OF CERTAIN LOANS

SEC. 19. No new loan may be made or guaranteed under this Act with respect to any quantity of any specified commodity owned by any producer and no existing loan may be renewed or extended on any quantity of any such commodity owned by any producer if such quantity of such commodity has been ordered released from loan pursuant to section 17 or the loan on such quantity of such commodity has been called pursuant to section 18.

NATIONAL COMMODITY RESERVE

SEC. 20. (a) The Secretary, in consultation with the Board, shall establish and maintain each year a national reserve for each of the following commodities; wheat, corn, grain sorghum, barley, oats, rye, rice, soybeans, cotton, sugar, and any commodity which may be stored from marketing year to marketing year made subject to the provisions of this Act by producer referendum conducted under section 24(a). The total quantity of all such commodities placed in reserve under this section shall be known as the "National Commodity Reserve."

(b) The purpose of the National Commodity Reserve shall be—

(1) to provide quantities of certain commodities sufficient to maintain adequate supplies of such commodities in time of war and national emergency, during periods of shortages occurring as the result of natural disaster, and to meet foreign demand for such commodities; and

(2) to provide a mechanism by which the producers of such commodities may be protected from depressed prices caused by periodic overproduction and excessive marketing of such commodities.

(c) The Secretary, in consultation with the Board, shall designate the national reserve for each commodity set forth in subsection (b) prior to the marketing year for such commodity.

(d) Loans secured by any quantity of commodities designated as part of the National Commodity Reserve may only be made through the facilities and services of the Commodity Credit Corporation.

(e) The Secretary shall accept applications from producers to designate quantities of commodities as part of the National Commodity Reserve, and shall designate such quantities to enter the National Commodity Reserve based on the date of application, with quantities contained in applications arriving first entering the National Commodity Reserve until the quantity designated as the reserve for each commodity shall be met.

(f) Any quantity of commodities designated as part of the National Commodity Reserve may only be removed from reserve by action of the Secretary as provided in section 17 for a period of thirty-six months. After the expiration of such period, commodities may be removed from the National Commodity Reserve if the owner of such commodities makes application to the Secretary to remove such commodities. The Secretary is authorized to establish such conditions upon the release of commodities from reserve by such applications as may be necessary to maintain a National Commodity Reserve sufficient for the purposes of this Act.

STORAGE; PAYMENT OF STORAGE COSTS; INTEREST PAYMENTS

SEC. 21. Producers may, if they so elect, store on the farm any quantity of a specified commodity produced by them which has been designated as a part of the National Commodity Reserve.

(b) The Secretary shall pay the storage costs for commodities stored as a part of the National Commodity Reserve, whether stored on the farm or in commercial facilities, but only to the extent that such costs do not exceed prevailing commercial rates.

(c) Whenever a portion of the total quantity of any commodity of any producer is placed in the National Commodity Reserve, the interest on that amount of the loan (made or guaranteed) attributable to such portion shall be paid by the Secretary.

RESPONSIBILITY FOR LOSS OR DESTRUCTION RESERVE COMMODITY STOCKS; ROTATION

SEC. 22. (a) The owner of any specified commodity, a quantity of which has been designated by the Secretary for the National Commodity Reserve, shall be responsible for the proper storage and care of such quantity of such commodity. In the event that any such quantity of a specified commodity for which any producer is responsible is lost or destroyed by reason of the negligence or misconduct of such producer, such producer shall pay to the Secretary an amount equal to the amount of the loan (made or guaranteed under this Act) secured by the quantity of such commodity lost or destroyed, plus any storage and interest charges which may have been paid by the Secretary in connection with such quantity of such commodity lost or destroyed.

(b) Under such regulations as the Secretary shall prescribe, stocks of specified commodities designated as a part of the National Commodity Reserve may be rotated by producers to prevent spoilage and deterioration of such commodities and may be moved from one place of storage to another.

PRODUCTION MANAGEMENT

SEC. 23. (a) Each producer of a specified commodity shall report in writing to the Secretary, through the appropriate office of the Agricultural Stabilization and Conservation Service, the quantity of such commodity such producer plans to produce in the next production year. Such report shall be filed at such time in advance of the production year for such commodity as the Secretary determines will provide adequate time for allocating individual production adjustments for such commodity in the event production adjustments with respect to such commodity are determined necessary. Copies of production reports filed under this section shall be furnished to the Board by the Secretary in such manner as the Board may request.

(b) The Secretary shall evaluate the domestic stocks of specified commodities prior to the start of the marketing year for that commodity. If the Secretary, in consultation with the Board, determines on the basis of the information obtained under subsection (a) that the domestic stocks of any specified commodity, including quantities designated for the National Commodity Reserve, will exceed domestic and foreign demand for such commodity in the next marketing year and will exceed quantities needed for a reserve sufficient to accomplish the purposes of this Act, unless a production adjustment is established for such commodity, the Secretary shall determine and announce a production adjustment for the next production year for such commodity. The production adjustment for any such commodity shall be apportioned among the producers of such commodity by the Board and the reduction in production shall be equally applied to all producers.

(c) Each producer required to reduce production of any specified commodity as the result of a production adjustment shall remove from production of such commodity average production quality land (in the case of a soil produced commodity) and such land shall be contiguous or in field-sized pieces.

(d) No crop may be harvested from land removed from production under this section and such land may not be used for grazing purposes. In the event that any producer subject to a production adjustment produces a crop or grazes livestock on land removed from production by such adjustment, such producer shall be subject to a civil penalty as follows:

(1) If the crop produced on land removed from production under a production adjustment is a crop of a specified commodity, the producer shall be liable to the United States for an amount equal to the cost of production price for the commodity produced on such land multiplied by the normal yield for such land, and the entire crop of the specified commodity produced by such producer, including the crop of such commodity produced by such producer on land removed from production aside under a production adjustment, shall be subject to a lien in favor of the United States.

(2) If the crop produced on land removed from production under a production adjustment is a crop of an agricultural commodity not subject to this Act, the producer shall be liable to the United States for an amount equal to the cost of production price for the specified commodity which constitutes the producer's largest crop in the crop year concerned multiplied by the normal yield of such specified commodity for the land on which the commodity (not subject to this Act) was produced, and the entire crop of such specified commodity produced by such producer shall be subject to a lien in favor of the United States.

(3) If the land removed from production in any marketing year by a production adjustment is used by a producer for grazing purposes, then such producer shall be ineligible for the loans and loan guarantees established by this Act for that marketing year.

(e) The Secretary shall authorize by regulation the use of marketing cards and any other procedure which, in his discretion, may be necessary to enforce producer compliance with the production adjustments established by this section.

(f) Production adjustments established in any year for any specified commodity shall apply to all producers of such commodity whether or not such producers apply for and receive loans or guarantees under this Act.

(g) In establishing production adjustments in the case of milk and dairy products, perishable commodities (as defined by the Board), cattle, calves, hogs and poultry, the Board may utilize production bases, quotas, or allotments, or any combination thereof.

(h) No production adjustment may be established for milk or dairy products, perishable commodities (as defined by the Board), cattle, calves, hogs and poultry, unless a majority of the producers of such commodities vote in favor of such adjustments in a referendum of such producers conducted by the Board.

(i) Any quantity of a specified commodity produced for human consumption on the farm on which produced shall be exempt from the provisions of this Act. Acreage used for research purposes and seed stock shall also be exempt from the provisions of this title, subject to regulations issued by the Secretary.

(j) No payments shall be made by the Secretary for any land removed from the production of any specified commodity as the result of a production adjustment made under this section.

(k) The Secretary is hereby authorized to issue such regulations as may be necessary to require that acreage removed from production under this Act shall be devoted to soil conserving uses.

REFERENDUMS

SEC. 24. (a) If 15 percent or more of the producers of any agricultural commodity, other than a specified commodity, petition the Board in writing for a referendum of the producers of such commodity on the ques-

tion of whether or not such commodity should be a specified commodity for the purposes of this Act, the Board shall, within 60 days after validating the petition, conduct a referendum by secret ballot of such producers. If a majority of the producers of such commodity voting in such referendum vote in favor of making the provisions of this Act applicable to such commodity, then, on and after the date on which the results of such referendum are determined, such commodity shall, for the purposes of this Act, be considered a specified commodity.

(b) If 15 percent or more of the producers of any specified commodity petition the Board in writing for a referendum to determine whether the producers of such commodity wish to terminate the program provided for under this Act with respect to such commodity, the Board shall, within 60 days after validating the petition, conduct a referendum by secret ballot of the producers of such commodity. If a majority of the producers of such commodity voting in such referendum vote to terminate the program provided for in this Act with respect to such commodity, then, within a period of 90 days after the results of such referendum are determined, such commodity shall no longer be considered a specified commodity for purposes of this Act; but nothing in this paragraph shall be construed to prevent the subsequent application of the provisions of this Act to such commodity pursuant to the procedures provided for in paragraph (1).

NOTICE TO CONGRESS OF PROPOSED ACTION

SEC. 25. (a) The Board shall notify the Congress in writing of any cost of production price proposed to be established by the Board under this Act. No such proposed action shall become effective unless (1) 30 days of continuous session of the Congress have expired following the date on which notice of such proposed action is received by the Congress, and (2) neither House of Congress had adopted, within such 30-day period, a resolution disapproving such proposed action.

(b) For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such 30-day period.

PARTICIPATION BY SECRETARY IN PUBLIC HEARINGS CONDUCTED BY THE BOARD

SEC. 26. The Secretary may participate in any public hearing held by the Board but shall comply with the rules of procedure established by the Board for the conduct of such hearings. The participation of the Secretary in any hearing conducted by the Board shall not affect the obligation of the Board to assure procedural fairness to all interested parties.

IMPORT AND EXPORT OF AGRICULTURAL COMMODITIES

SEC. 27. No quantity of any specified commodity may be imported into the United States in any year at a price less than the domestic cost of production for such commodity as established by the cost of production price for such commodity for such year, adjusted by appropriate transportation and handling costs.

AUTHORITY TO IMPOSE CUSTOM DUTIES

SEC. 28. The Board is authorized to impose upon specified commodities imported into the United States such custom duties as may be necessary to maintain the price of such imported commodities at levels established under this Act for the same kinds of commodities produced in the United States. Monies collected on imported commodities as the result of action under this section shall be utilized by the Secretary in his discretion to make specified commodities produced in the United States competitive in foreign markets.

MINIMUM PURCHASE PRICE FOR COMMODITIES PURCHASED BY GOVERNMENT FOR EXPORT

SEC. 29. No specified commodity produced in the United States may be purchased in any year by the Secretary or any department or agency of the Government for use in carrying out any food assistance program in any foreign country at any price less than a price equal to the cost of production of such commodity as established by the cost of production price for such commodity for such year.

INSPECTION STANDARDS

SEC. 30. All quality inspection requirements applicable by law, executive order, or regulation to domestically produced agricultural commodities shall be applicable to imported agricultural commodities of the same type as a condition of the entry of such imported commodities into the United States.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 31. There are hereby authorized to be appropriated such funds as are necessary to carry out the provisions of this Act.

JURISDICTION OF DISTRICT COURTS OF THE UNITED STATES

SEC. 32. Notwithstanding the amount in controversy, the district courts of the United States shall have exclusive original jurisdiction of all cases or controversy arising under this Act, or under rules, regulations or orders issued exclusively thereunder.

APPLICABILITY OF OTHER LAWS

SEC. 33. Any provision of law in effect on the day before the date of enactment of this Act which is applicable to any agricultural commodity to which this Act is also applicable, to the extent inconsistent with the provisions of this Act, as determined by the Secretary in consultation with the Board, shall be null and void on and after the date of enactment of this Act.

AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 34. Section 5315 of title 5, United States Code, is amended by adding at the end thereof a new paragraph as follows:

"(122) Members, National Board of Agricultural Governors.".

RULES AND REGULATIONS

SEC. 35. The Secretary is authorized to promulgate such rules and regulations as may be necessary to carry out the requirements and policies of this Act.

SEPARABILITY CLAUSE

SEC. 36. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

ESTIMATED GOVERNMENT EXPENDITURES FOR PRICE AND INCOME SUPPORT OF SELECTED COMMODITIES, FISCAL YEAR 1978 THROUGH FISCAL YEAR 1983, UNDER CURRENT AND PROPOSED LEGISLATION

[Fiscal years; in millions of dollars]

Commodity	1978	1979	1980	1981	1982	1983
Corn:						
Current	1,255	827	500	49	17	135
Proposed	175	2,265	432	248	258	262
Feed grains:						
Current	2,033	1,572	1,109	477	487	718
Proposed	738	3,019	576	331	344	349
Wheat:						
Current	1,922	486	1,029	1,102	1,206	1,484
Proposed	2,753	780	374	553	606	663
Soybeans:						
Current	412	209	(76)	(190)	(171)	(190)
Proposed		1,369	476	152	112	112
Cotton:						
Current	476	455	177	247	223	410
Proposed	117	635	628	208	135	136
Rice:						
Current	(45)	50	115	77	(6)	(50)
Proposed	(176)	59	81	17	17	17
Total:						
Current	4,798	2,772	2,354	1,713	1,739	2,372
Proposed	3,432	5,862	2,135	1,261	1,214	1,277

ESTIMATED VALUE OF EXPORTS UNDER CURRENT AND PROPOSED LEGISLATION

[Crop years; in millions of dollars]

Item	1978	1979	1980	1981	1982
Corn:					
Current	3,937	4,225	4,657	4,950	5,344
Proposed	5,200	4,521	4,431	4,763	5,106
Feed grain:					
Current	4,650	5,003	5,504	5,851	6,318
Proposed	6,126	5,312	5,228	5,565	5,960
Wheat:					
Current	3,097	3,301	3,465	3,591	3,642
Proposed	4,675	4,520	4,350	4,462	4,888
Soybeans:					
Current	3,048	3,493	3,877	3,905	5,325
Proposed	4,800	5,020	5,287	5,568	5,811
Cotton:					
Current	1,127	1,215	1,184	1,377	1,289
Proposed	1,533	1,278	1,045	797	615
Rice:					
Current	682	636	713	831	910
Proposed	998	919	899	858	880
Total:					
Current	12,604	13,648	14,743	15,555	17,484
Proposed	18,132	17,049	16,799	17,250	18,154

ESTIMATED VALUE OF PRODUCTION UNDER CURRENT AND PROPOSED LEGISLATION

[Crop years; in millions of dollars]

Item	1978	1979	1980	1981	1982
Corn:					
Current	12,604	12,835	14,502	15,284	16,243
Proposed	17,038	16,245	16,926	17,618	18,715
Feed grains:					
Current	15,367	15,737	17,591	18,403	19,631
Proposed	20,392	19,976	20,877	21,672	23,026
Wheat:					
Current	4,655	4,368	4,611	4,918	4,987
Proposed	7,350	6,772	6,678	7,521	8,022
Soybeans:					
Current	7,116	7,590	8,325	8,325	11,760
Proposed	10,950	11,866	12,338	12,833	13,504
Cotton:					
Current	2,527	2,903	2,957	3,226	3,226
Proposed	3,312	2,966	2,941	2,360	2,228
Rice:					
Current	893	827	887	1,053	1,187
Proposed	1,269	1,321	1,345	1,376	1,465
Total:					
Current	30,558	31,321	34,371	35,925	40,791
Proposed	43,27?	42,901	44,179	45,762	48,245

RETAIL PRICE OF BEEF REQUIRED TO COVER CATTLE FEEDING COSTS AT VARIOUS FEED AND FEEDER CATTLE PRICES

	Feeder price at current level			Feeder price down 10 percent		
	3.50 corn/7.50 soybeans	3.00 corn/6.50 soybeans	2.50 corn/5.50 soybeans	3.50 corn/7.50 soybeans	3.00 corn/6.50 soybeans	2.50 corn/5.50 soybeans
Selling price per hundredweight to cover all costs	56.18	52.83	49.48	53.03	49.68	46.42
Equivalent retail price (cents per pound)	165.3	158.2	151.2	158.6	151.6	144.7
Percent income over 1977 average retail price [1]	19.5	14.4	9.3	14.7	9.6	4.6

[1] The average retail price of beef during 1977 was 138.3 cents per pound.

WHITE PAN BREAD: ESTIMATED PRICE CHANGES DUE TO INCREASED FARM PRICES FOR WHEAT

[In cents per 1-lb loaf]

Item	Farm price of wheat (dollars per bushel)			
	[1] $2.25	$3.50	$4.25	$5
Farm value of ingredients:				
Wheat	2.6	4.3	5.2	6.1
Other [2]	1.8	1.9	2.0	2.1
Total	4.4	6.2	7.2	8.2
Bread prices	35.5	37.3	38.3	39.3
Percent change from 1977 price		5.1	7.9	10.7

[1] This price and other items in this column approximate the average figures for 1977, but are based on only 9 mo data.
[2] Includes nonfat dry milk, sugar and shortening.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Utah (Mr. HATCH) for not to exceed 2 minutes.

Mr. HATCH. Mr. President, I rise on this occasion in support of my two esteemed colleagues from Arkansas. I particularly want to pay tribute to our new colleague, Senator HODGES from Arkansas. I believe for the short time he has been in the Senate he has worked very, very hard to try to do what is right in the Senate, and I am sure we are going to disagree on some things in the future, and I am sure we have disagreed on some things in the past; but I want to compliment him for the leadership that he is at least trying to utilize here and I think it is definitely being exhibited here in this effort to do something for the farmer.

I have been all over this country, and I have met with farmers all over this country, particularly in Utah, and I can tell you they are upset and concerned, because they are not getting fair prices for their produce.

I do not know of any nation in the world which has survived, which has allowed the farmers to go down. I see trouble on the horizon all over our society today, but I cannot stand by and let the farmers go down, and I agree with Senator HODGES, the distinguished Senator from Arkansas, and also my friend, the senior Senator from Arkansas, that now is the time to do the best we can to help them pull out of their difficulties.

I want to do exactly that if I can. So I want to be listed as one of the cosponsors of this legislation. Although I think there are areas where this legislation can be made better as it goes to committee and comes out on the floor, I still think it has some very good innovative ideas about helping the farmers receive fair prices.

The PRESIDING OFFICER (Mr. HODGES). The 2 minutes yielded to the Senator from Utah have expired.

Mr. HATCH. I thank the Chair for the time and I would like to be listed as a cosponsor on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, will the Senator yield for just 1 second? My colleague from South Dakota should be added as a cosponsor to the bill just introduced.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized as in legislative session for not to exceed the time period up to 10:06 a.m.

WHY NOT THE BEST? WHY NOT DAVID MARSTON?

Mr. BARTLETT. Mr. President, in his recent state of the Union address, President Carter invoked an uplifting "new spirit" designed to drive this Nation forward to ever better health and prosperity. However, just 19 hours after the President made his remarks, his Attorney General faithfully carried out a Presidential order to fire a Republican prosecutor at the urgent request of a Democratic Congressman whose conduct everyone now knows is the subject of a grand jury probe.

Mr. President, for a great many of the American people, the firing of David W. Marston, the Federal prosecutor from Philadelphia, is the last straw. By this act, the American people once again have been made to suffer a stinging blow to their belief in the integrity of our Nation's political processes. At a time when many Americans are still struggling to rebuild their confidence in this country's political system, the last thing they need is to endure another seamy "political affairs." But such is unfortunately the case.

The Marston affair has generated more letters and calls to the White House than any other administration issue outside of the Bert Lance scandal. A case in point is Al, a truck driver and a Democrat from Pennsylvania. In January, for the first time in his life, he sat down and scribbled a letter and sent it off to the White House. It was a letter about a matter of public concern—the matter of integrity in government—the matter of former U.S. Attorney David W. Marston. And he was mad—

I thought they was giving the guy a bum rap trying to fire him that way. Just when he was really getting going.

Sometimes it don't matter what party you are. This was one of them times. A guy is winning, a guy's really sticking it to the crooks, you don't haul his —— out. It ain't right!

But Al will not be writing the President any more. He is too frustrated. After all, what does it matter what he thinks?

You can bet I'm never gonna bother writing the President again, a lot of good it did. Politicians don't listen to people. They think we're just slobs. They do what they want.

Sadly enough, after all the columns, editorials, and letters that have been written across the country over the past few weeks, the White House still cannot understand what all the fuss is about. As far as the President's staff is concerned, there is no reason why national publicity would be generated by such a "routine" political appointment in Philadelphia.

An annoyed Attorney General mused that some people, Marston in particular, just could not seem to get it through their heads that the "in" party right now happens to be the Democrats, that the "in" party controls who gets what position, and that this is simply the code of the system. The Speaker of the House asserted in Washington the other day that Marston was "a Republican political animal who should not have had the job in the first place." Mr. President, this open display of bitter arrogance and raw politics by the White House and other high-ranking officials in Government following such an overwhelming outpouring of public support for the prosecutor from Philadelphia has only served to reinforce the popular notion that: "You can't fight city hall."

As evidenced by the preceding statements, the consternation of those in control stemmed not from the fact that a highly competent U.S. attorney of the wrong political persuasion could get fired. Neither did it stem from the fact that pressure from a Congressman who was under investigation by that same U.S. attorney could get a President to "expedite" favors. Rather, the root cause of their bewilderment lay simply in the perceived phenomenon that people, ordinary, common people, would care enough to protest our smug political system.

It should be remembered, however, that this is the very same system that candidate Carter promised to discard during last year's Presidential campaign. On June 6, 1976, Presidential Candidate Jimmy Carter told the Democratic platform committee that—

All federal judges and prosecutors should be appointed strictly on the basis of merit, without any consideration of political aspects or influence.

Later, in a Carter position paper that was widely circulated by his campaign organization, he went on to say that—

We can no longer afford to treat the administration of justice as political patronage.

If one attempts an application of the President's professed high standards, then there is no reason why Marston should have been removed. Indeed, there is every reason to believe that he should have been retained. He was an aggressive, outspoken, and capable administrator.

By all accounts, Marston, had an admirable record fighting political corruption. The public is fully justified in its perception that the President's performance has not measured up in this instance to the political purity which he professed when he aspired to the office of President. Candidate Carter went out of his way to emphasize the necessity of downgrading the role of politics in the crucial area of law enforcement. Many people voted for him with the expectation that he would be true to his word, that he would, indeed, restore integrity to the Presidency. He can hardly question the people's sense of betrayal now.

The President and his administration have consistently failed to recognize the

central issue throughout the entire course of this Marston episode. Namely, that Marston was a symbol to the American people, a symbol of honesty and integrity in government. He served only 18 months as the main prosecutor for eastern Pennsylvania. But in those 18 months he earned himself a mighty reputation for being tough on corruption by obtaining convictions of several of Philadelphia's most powerful politicians, including the speaker of the Pennsylvania House of Representatives and the chairman of the State senate appropriations committee.

By virtue of the public acclaim awarded him by his fellow Philadelphians, his ouster by the President could be labeled anything but "routine." Moreover, the recent revelations concerning blatant political armtwisting, and an ongoing grand jury probe of a sitting Congressman who was also the prime mover behind the whole affair, created, at the very least, the appearance of impropriety. And given the President's less-than-forthright handling of the matter, one would not be hard pressed to conjure up, in the alternative, a charge of obstruction of justice and political coverup.

Assuming, however, as the most charitable critics of the Marston affair have done, that the ouster was simply an example of the "politics of maladroitness" or incompetency, serious consequences still have developed. Once again, you have to begin with the appearance of things.

With Watergate in the background, the campaign promise made by Carter to "depoliticize" selection of U.S. attorneys became an especially sensitive one for the American public. The President did not necessarily have to choose Republicans to fill the prosecutor positions in order to abide by his promise. But, by the same token, he did not have to fire them because of party affiliation either.

The whole episode provides the public with yet another illustration of the gap that often exists between the rhetorie of candidate Carter and the reality of President Carter.

The Wall Street Journal captured the essence of the people's concern and anger over the Marston case when it recently wrote:

> After Watergate the American people want and deserve a period of peace, without having even to worry whether the administration of justice is being bent for political ends. And in the Marston case, even if you have to conclude the President is innocent, you do have to worry. . . . Especially so since venal influences clearly were at work.

It goes on to add:

> What people wanted was for the President to take the position that such influences will not succeed, even if blocking them means giving up other goals like carrying through with plans to put Democrats in office. The question is not so much the disposition of the case the people know about, as the indications of the administration's instincts in handling the cases the people never learn about. . . . For all the surface piety, it is not an administration high on observing proprieties.

Unfortunately, the Marston affair has already taken its toll. The office of the Presidency has lost some ground in its uphill battle to gain the respect of the American people. Efforts by the administration to restore the tainted Watergate image of the Justice Department have been seriously weakened.

But what may prove to be most fatal in the long run is the effect the Marston affair will have on people like Al, the truck driver, and the thousands of others across the country who wrote to protest his ouster, thinking, naively, that maybe they could make a difference. Surely, they have got to think now that the system is the only thing that matters. And that they are just, as Al says, slobs.

Mr. President, millions of Americans want and need and deserve satisfaction in this Marston matter. To quote the New York Times:

> After a decade of Vietnam and Watergate, they want to be liberated from suspicion and cynicism; they want the Presidency rescued from its recent corrosion. The American people need their President back on the pedestal of authority and dignity.

There are courses of action open to the President and to us in the Senate.

Any American would wholeheartedly applaud any genuine effort to remove politics from the selection of prosecutors whose important function is to fight crime. The President could restore integrity to the executive branch of our Government, he could greatly enhance his image with the people, and he could maximize his authority and ability to influence this Congress, if he would only do what he has always vowed to do—effectuate the merit selection of appointments.

We Members of the U.S. Senate also have a responsibility. The Justice Department's 2-day quickie investigation and subsequent exoneration of President Carter and Attorney General Griffin Bell in the Marston matter is not going to satisfy anyone. We have a responsibility to seek answers to many still unanswered questions that have been prompted by this affair. The Senate cannot relieve itself of this responsibility, the integrity of the legislative branch of our Government is at stake.

Mr. President, the failure to take appropriate and decisive action now can only lead to a further erosion of the people's confidence in their Government. For this reason, I stand in support of my two distinguished colleagues, Senators BAKER and SCHWEIKER, and call for the establishment of a select committee to investigate the entire Marston episode.

Mr. President, I am prepared to yield the floor. Does the Senator from Nebraska desire recognition?

Mr. CURTIS. I have a special order.

Mr. BARTLETT. I yield the floor.

The PRESIDING OFFICER (Mr. DECONCINI). Under the previous order, the Senator from Nebraska (Mr. CURTIS) is recognized, as in legislative session, for not to exceed 15 minutes.

THE ENERGY CONSERVING AUTOMATIC LIGHT OUTPUT SYSTEM

Mr. CURTIS. Mr. President, we know that conservation in conjunction with implementing improved technologies is an absolute necessity if the energy crisis is to be resolved. The administration claims to view the problem as analogous to war. Nevertheless, we do not seem to have the type of imagination and clear-headed direction that such a problem demands. In fact, in the absence of such direction, most agencies, companies, and individuals are still assessing the situation rather than taking coordinated positive action. There are new, exciting alternatives available to us, resulting from private initiatives, which demand immediate Government attention. As an example of what can be done, let me briefly comment on a recently developed lighting system technology which portends to save users up to 40 percent of the energy consumed in buildings throughout the United States.

The new system, named the energy conserving automatic light output (ECALO) system, accomplishes this without any reduction in the required lighting levels or undesired cosmetic effects. The significance of such a reduction offers a potential saving of 168 million barrels of oil per year which can be valued as high as $2 billion. The same saving expressed in nuclear energy terms would mean we would need over 100 less 1,000-megawatt nuclear powerplants.

The system was developed by Mr. Don F. Widmayer, who has been awarded a number of light control patents and is the president of Controlled Environment Systems, Inc., a research and development firm located in Rockville, Md. The system uses standard fluorescent lamps and ballasts making it suitable for utilization in existing lamp fixtures. In operation, the system automatically senses the room light level and adjusts the arc current downward to provide a constant predetermined light level for a given room or area. The so-called smart fixtures also take into consideration any increasing daylight in the room and proportionately adjust the manmade light down even further for a corresponding saving in energy. Further energy savings are made by virtue of having less heat due to lighting; the building, therefore, requires less air-conditioning during the critical summer months. Further details on this system and its economics are set forth in a report entitled "An Economic Analysis of the Energy Conserving Automatic Light Output (ECALO) System" authored by the staff and consultants of CESI.

It is conservatively estimated that the total energy savings would pay for these devices in 2 to 4 years, depending upon characteristics of the individual building. Each device can be installed in present fixtures in 5 to 15 minutes and are removable.

Now, I have no reason to promote this man, his company, or his ideas individually. What I am speaking of today is the slowness, the unconcern of the

Washington bureaus, and the contempt they have for ideas that come from some place other than their own agency.

I would like to make special note of the fact that this system was not developed by big business or on Government contract. It was developed by a small business concern using its limited resources. For my part in encouraging such efforts, I am writing Secretary Schlesinger and GSA Administrator Solomon to request that they investigate the system for its energy-saving potential in Government buildings. It seems feasible that this system could be installed on a trial basis in one of the many Government buildings in Washington, D.C., to determine its merit. I believe prompt Government action will also encourage the private sector to take a closer look at such innovative approaches.

With further regard to the "ECALO" report, I ask unanimous consent that the report be printed in the RECORD for the benefit of my colleagues and others interested in energy conservation.

There being no objection, the material was ordered to be printed in the RECORD. as follows:

AN ECONOMIC ANALYSIS OF THE ENERGY CONSERVING AUTOMATIC LIGHT OUTPUT (ECALO) SYSTEM

PROPRIETARY NOTICE

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1. BACKGROUND

Lighting accounts for one-fifth of all U.S. electric energy consumption and approximately 5% of fuel energy consumed. Since about two-thirds of lighting energy use is fluorescent and one-third incandescent, it becomes obvious that increased efficiency in fluorescent lighting energy use can significantly impact overall U.S. energy use.

For example, the adoption of a system which reduced the energy consumption of fluorescent lighting by 40% could result in annual savings to the U.S. of approximately 168 million barrels of oil,[1] savings which could translate into a reduction of U.S. oil imports amounting to $2 billion a year. Looked at another way, a 40% savings in fluorescent lighting energy could avoid the future construction of 100 to 150 1,000 MWe powerplants in the United States.[2]

2. OPPORTUNITY

The President and founder of CESI has developed an Energy Conserving Automatic Light Output (ECALO) System which promises the 40% overall savings in fluorescent lighting energy we mentioned above. This fluorescent lamp light feedback system automatically decreases lamp output (and electrical usage) with an increase in room light intensity from natural light. Likewise, the system will increase lamp output with a decrease in natural light in order to maintain a pre-set referenced or minimum level of illumination. By the automatic adjustment of the arc current, the system provides a control method for fluorescent light output.

Footnotes at end of article.

The economic benefits realizable from the installation of the ECALO System come from three sources: (1) Lighting systems are typically designed with 25–40%[3] "excess" input energy to allow for degradation in light output due to maintenance factors and fluorescent bulb decay; (2) lighting systems are designed to produce recommended illumination levels regardless of external light sources, hence do not fully utilize savings from direct or reflected sunlight; and (3) the vast majority of fluorescent lighting electrical usage is converted not into light, but heat. As a general rule, when air conditioning equipment is operating, each watt of lighting causes the expenditure of about one-half watt of air conditioning power. Thus, substantial cooling energy can be saved by reducing electrical light loads.[4]

Each of these three potential economic benefits will be dealt with in turn, but it is important to note that all three are "private" benefits accruing directly to the consumer (whether commercial or governmental) who installs the Energy Conserving Automatic Light Output System. There is also substantial "social" benefits or positive spillover effects from the widespread installation of this system. These are benefits which would accrue to others not directly utilizing the system, and fall into two categories: (1) Reduction of the negative externalities associated with electrical power generation, such as particulate and photo-chemical emissions from fossil fuel generation, heat and waste disposal from nuclear power plants, etc. and, (2) Alleviation of the peak load electrical power supply problem, which most often manifests itself as summer afternoon "brown outs".

As a rough example of a potential social benefit of this system, not captured by a direct user, consider the following situation: The Federal government owns or leases approximately 63 million square feet of office space in the Washington, D.C. metropolitan area.[5] If we assume the existing U.S. average electrical demand of approximately 2 We/sq. ft. for lighting[6] and postulate savings of 40% in lighting energy (.8 We/sq. ft.) with an associated savings of .4 We/sq. ft. in cooling energy on a summer afternoon, then the installation of this system in just U.S. Government offices would reduce peak electrical demand in the Washington area by 75,600 kW. This would free approximately 1½% of PEPCO's 1977 installed capacity for alternative uses[13].

3. SOURCES OF BENEFITS

A. Designed over-lighting

Architects, engineers and lighting systems designers are aware that fluorescent lamps—although four times as efficient as incandescent lamps[7]—suffer from decreased light output (lumens) per unit of electrical power consumption (watts) over time. The causes of this degradation are two-fold: (1) The collection of dust on lamps, fixtures, shields and/or lenses which tends to reduce illumination from a given lamp output, and (2) the decline of fluorescent lamps output caused by phosphor decay and the consumption of cathode material (lamp blackening). The absolute and relative amount of Lm/We degradation is very complex—depending upon factors such as ambient temperatures, drafts, frequency of cleaning and relamping, type of fixture, etc.—but can be seen in exhibit No. 1 shown on the next page. [EPRI Figure 12.2, page 672]

The economic significance of this is that since the lighting system must produce the desired level of illumination at the end of its life cycle, current technologies produce "too much" light during the life of the lamps with an accompanying excess use of electrical power. A comparison between current systems and the proposed ECALO system can be seen in exhibit No. 2.

Exhibit 2 is clearly meant to be illustrative in nature. The type of fixture, ambient temperature and dust levels, maintenance factors, etc. will yield different curves for different installations. Two items should be noted however: First, even after allowing for system degradation, much office space is over-lighted even at the end of the lamp life cycle. The ability of lighting systems, even after "quick and dirty" conservation measures, (such as removing alternate lamps) to produce adequate illumination levels speaks to this point. The Energy Conserving Automatic Light Output System allows for greater potential savings by setting predetermined reference level illumination standards below those now in effect. Secondly, the lumen-per-watt output relationship is not linear. Hence, a 50% reduction in wattage will reduce illumination by approximately 40%.

Controlled Environment Systems, Inc. estimates that for the standard four 40-watt lamp and ballast recessed fixtures found in many offices, the life cycle energy savings associated with the installation of the ECALO System would average 20%. Further economic benefits are realizable from: (a) Increased lamp life since lower wattage applied at the beginning of the lamp's life will retard phosphor decay and cathode material consumption, and (b) fewer fixtures and equipment will be required in new construction and renovations using the ECALO system since designed overlighting can be avoided. Further evidence and research is needed to estimate the magnitude of these savings.

B. Daylight usage

The primary uses of fluorescent lighting are offices, schools, commercial establishments and public buildings. In nearly every case there is available to at least part of the area, particularly during peak demand hours, a cheap and pollution free source of illumination—direct or reflected sunlight. Although buildings are occasionally designed to make use of natural light, one major drawback has been that since sunlight is an unreliable lighting source, electrical illumination must still be utilized. Given current lighting systems, in virtually all cases electrical/fluorescent lighting is supplied even when not needed to maintain desired illumination levels.

This situation arises because existing systems cannot easily or efficiently alter light output (or electrical power input) in response to changes in natural light. There are numerous reasons for this: Large general areas are frequently under the control of a single switch not permitting the turning off of lights in areas adjacent to windows; Frequent on-off use shortens lamp life; previous to the ECALO System the most reliable fluorescent lamp dimming systems used resistive elements and dissipated considerable energy as heat; certain lamps or fixtures have a warm-up period; and perhaps most importantly, it is awkward and (in real costs) expensive to interrupt work routines to adjust lighting levels to the time of day, cloud conditions, or other factors affecting natural light levels.

Despite these impediments, the Electric Power Research Institute cites increased use of natural light as the first "technological change" which could result in near-term improved energy efficiency in buildings.[8] The ECALO System promises the significant energy savings because, utilizing feedback mechanisms, the system will automatically and imperceptibly reduce fluorescent lamp output and energy usage with an increase in room light intensity.

Estimates of the energy savings from this source vary widely, depending upon a building's surface area, glass area and capacity, room cavity ratios, building orientation and

shading, etc. For example, one-story buildings with undivided general areas, large windows and skylights could reasonably reduce daylight hour lighting energy demands by 80%, yet still have desired lighting levels regardless of the time of day or cloud conditions. Multi-level "cubic" office buildings would show lesser, but still significant, energy savings probably averaging 20%.

What is significant, and a point to which we will later return, is that these savings in electric power usage will be greatest at precisely the times when energy (¢/kwh) and demand charges ($/kwh) are highest, thus effecting even larger dollar savings.

C. Reduced cooling energy

As mentioned earlier, the Electric Power Research Institute estimates that each watt of lighting causes the expenditure of about one-half watt of air conditioning power when the air conditioning system is operating. This phenomenon arises because, even though flourescent lamps are the most efficient (in terms of Lm/We) source of office and commercial lighting, only 17 percent of the electrical energy is converted into light. The remainder of the energy is either radiated heat or heat dissipated through convection and conduction. The conventional ballast used in existing fluorescent fixtures accounts for a significant portion of that heat. Exhibit No. 3, shown on the next page, gives an indication of the sources and magnitude of lighting heat. [Figure 12.6, p. 687 of EPRI].

It must be noted that just as electric lighting places a sizeable demand on air conditioning equipment, the heat gain from lights can (and should) be included in the design of heating systems. Schemes utilizing waste heat from lights have emerged and newer building designs utilize this heat source. In general, however, lighting is a very inefficient heat source primarily because the heat is generated at the ceiling level (where it is not used) and much of it is trapped by the lighting fixture.

The significance of reduced cooling energy demands resulting in the installation of the Energy Conserving Automatic Light Output System is seen in an analysis of the shape of electrical energy demands for commercial and office buildings. A typical energy demand profile, shown in Exhibit No. 4, on the next page, [EPRI Figure 12.1, p. 660] reflects the fact that energy load composition tends to be principally lighting and environmental conditioning, with only 3 percent of electrical use devoted to vertical transportation, cooking, etc. Most significantly, above the level of demand for lighting the demand level for office buildings and commercial structures varies almost directly with outside temperature conditions[9].

Virtually all electric utility companies in the U.S. have higher energy charges and demand charges during the summer months. During these months the daylight period is longer, and the sun is brightest, allowing the ECALO System to minimize the use of electrical energy for lighting and at the same time, by reducing the heat from the lighting system, to minimize the electrical usage for air conditioning [10].

D. Externalities

It is not within the scope of this analysis to explore in detail the positive economic benefits accruing to society from the installation of the Energy Conserving Automatic Light Output System in commercial or governmental office buildings. The magnitude and distribution of these benefits will largely depend upon how widely the ECALO System is installed.

Few would deny, however, that the billed rate (¢/lwh) of electricity reflects the full social cost of electricity. The literature on negative externalities (pollution, etc.) of electric power generation, transmission and distribution, as well as other negative effects such as added oil imports—is extensive.

Similarly, the peak load problem of electric power generation is well known. While no one consumer can, by the installation of an ECALO System, significantly affect this problem, widespread installation could alleviate it in many areas of the country.

4. AN ILLUSTRATIVE ANALYSIS

It is the purpose of this section to present the results of four commonly used investment analysis techniques applied to the installation of the Energy Conserving Automatic Light Output System in the James E. Forrestal Building, a Federally owned building located on Independence Avenue, S. W. and newly designated as the headquarters building for the U.S. Department of Energy.

These calculations are purely illustrative in nature, as the realized costs and benefits of the installed system needs to be empirically determined. It must be emphasized however, that where estimates have been made the figures used are on the conservative side—tending to underestimate the economic benefits. For example, no inflation or related increase in the real cost of electricity is included.

Furthermore, these calculations consider only the "private" or internal benefits accruing from the installation of the system. The analysis would yield the same results if done for a privately owned building of the same size and with the same lighting equipment.

The Forrestal Building comprises 1,230,000 square feet gross and 1,192,105 square feet of net office space. Lighting is supplied primarily, almost exclusively, by standard four lamp, 40 watt/lamp fluorescent fixtures with ballasts. There are approximately 20,000 such fixtures in the building.[11]

It is interesting to note that at 2.6 We/sq. ft. this building is significantly "over designed" when compared to U.S. average commercial lighting demand of 2.0 We/sq. ft.; particularly so for a building with large amounts of exterior glass.

Using a figure of 184 We per fixture, including ballast loss, yields 3.680 kw of lighting demand. Assuming 252 hrs./month of operation (=21 days/month x 12 hrs./day) we then estimate current energy usage at 927,360 kwh per month for fluorescent lighting of the Forrestal Building.

Costs of retrofitting the existing fixtures with the ECALO System are estimated at $40.00 per fixture including installation. This figure is subject to some revision depending upon the size of production runs, location of automatic feedback devices, etc. It should be noted that initial installation costs, with the System replacing conventional ballasts in new construction, would be less. For this analysis, however, the assumed costs are $800,000.

Dollar savings in billed electricity will take two forms: reductions in the number of kilowatt-hours billed (the Energy Charge) during all months of the year; and a reduction during the summer months of the Demand Charge—billed at the maximum demand recorded during each month.

Conservative estimates were made of the ECALO System's potential lighting energy savings during PEPCO's on-peak (June–October) period of 35% and off-peak (November–May) period of 30%. An air conditioning energy savings factor of 50% of lighting energy saved, and an added heating energy factor of 40% of lighting energy saved were also assumed. Detailed calculations and assumptions are appended to this analysis,[12] but in summary the estimated savings are as follows:

Peak lighting energy savings	$68,500
Air conditioning energy savings	27,400
Reduced demand charges	43,300
Off-peak lighting energy savings	71,300
Additional heating energy costs	(20,400)
Annual electricity cost reductions	190,400

Four measures are most often used to evaluate investment projects. In this example, the $800,000 cost of acquisition and installation of the ECALO System in the Forrestal Building would rate favorably under all four measures:

1. Pay-back period: the period of time necessary to recover an initial investment.
   =$800,000÷$190,000/year = 4.21 years
2. Benefit/Cost Ratio: the ratio of the discounted (here using 8%/year) benefits to the costs. (Assume a 20-year system life.)
   =$1,865,400÷$800,000 = 2.33
3. Net Present Value: the discounted stream of benefits (20 years at 8%) net of costs.
   =$1,865,400—$800,000 = $1,065,400
4. Internal Rate of Return: that rate of discount which sets the discounted stream of benefits net of costs equal to zero.

$$0 = \sum_{t=1}^{r=23.4} \frac{(\$190{,}000)\,t}{(1+r)^t} - \$800{,}000$$

Conclusion

This analysis has examined the potential sources of energy savings realizable from the installation of the Energy Conserving Automatic Light Output System developed by Controlled Environment Systems, Inc. Using the fluorescent lighting system of the Forrestal Building as an example, calculations show that this is a highly cost effective system, regardless of the investment criteria used.

Calculation and Assumptions: A. On Peak (June-October) —

1. Net lighting energy savings of 35%
   = .35 (927,360)
   = 324,576 kwh per month
   @ 4.227¢/kwh (=2.777+1,450 fuel adjustment)
   = $13,719/month×five months= $68,599
2. Net Air Conditioning Energy Savings
   = 50% of lighting energy savings
   = $6,860/month×four months (assumed) =$27,440
3. Demand Charge Reduction of 60% of Peak Lighting (40% for lights, 20% for AC)
   = (3,680 kw) (.6)
   = 2,208
   @ $4.91/kw
   = $10,841/month×four months= $43,365

Calculations and Assumptions: B. Off-Peak (November-May).—

1. Net lighting energy savings of 30%
   = .30 (927,360)
   = 278,208 kwh
   @ 3.663¢/kwh (=2.213+1.450 fuel adj.)
   = $10,190/month×seven months= $71,330
2. Additional Heating Energy of 40% off-peak lighting savings
   = (.4) ($10,190)
   = $4,076 × five months = $20,380

Annualized savings

Direct summer lights	$68,599
A/C	27,440
Demand charge	43,365
Winter lights	71,330
Added heat	—20,380
Total	190,354

Footnotes at end of article.

It must be emphasized that this example excluded any social benefits accruing from the system and assumed the retrofitting of existing lighting fixtures. An analysis of new construction utilizing the ECALO System and/or including all benefits would undoubtedly show higher returns to the investment. Similarly, allowing for increased real future increases in the billed price of electricity and/or time-of-day peak load pricing would increase the benefits of the system beyond those shown.

FOOTNOTES

[1] Estimated U.S. energy consumption = 74×10^{15} Btus. (74.10^{15}) (.05) (.66) (.4) ÷ (5.8×10^6) Btus/Bbl = (168.4) (10^6) Bbls.

[2] *Efficient Electricity Use*, Electric Power Research Institute, (EPRI EC–127) p. 531.

[3] Ibid. p. 664.

[4] Ibid. p. 505.

[5] *Washington Post;* October 19, 1977, p. B1.

[6] cf. *Efficient Electricity Use*, p. 484.

[7] See for example "Looking for More Lumens-Per-Watt", *Washington Post*, August 29, 1977, p. D9.

[8] *Efficient Electricity Use*, op. cit., p. 484.

[9] Ibid. p. 659.

[10] It must also be noted that many utilities are moving toward "time-of-day" peak load pricing. PEPCO filed such a proposed rate schedule on July 8, 1977 although, if approved, its implementation would await proper meter installations. Should such rates be adopted, the benefits of ECALO would increase.

[11] These data were supplied via a telephone conversation with Mr. James Austin, Building Manager (PBS, GSA) of the Forrestal Building.

[12] Rates and charges taken from PEPCO General Service Schedule "GS" for the District of Columbia—effective March 1, 1977.

[13] 1977 PEPCO installed capacity is 5013 MWE (reported 10/25/77) via telephone conversation with Mr. Templeton, 872–2201.

Mr. CURTIS. Mr. President, I also ask unanimous consent that the statement of the distinguished Senator from Wyoming (Mr. HANSEN) and the statement of the distinguished Senator from New York (Mr. JAVITS) on this subject be printed in the RECORD at this point as if delivered.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. HANSEN. Dr. Henry Kelley with the Office of Technology Assessment has performed his own calculations and feels Don Widmayer has been very reasonable in his energy-saving estimates. Dr. Kelley perceives the key breakthrough of the system is its ability to automatically adjust the light output for fluorescent bulbs in much the same way as we dim chandeliers or other incandescent lights in our homes.

I agree with Senators CURTIS and JAVITS that this system deserves serious attention. If every Government building in Washington, D.C., were to install the ECALO light system, the risk of brownouts during the summer months could be substantially reduced since it is calculated that the peak power demand would diminish by 1½ percent.●

● Mr. JAVITS. Senator CURTIS, the lighting system you describe was demonstrated by its developer, Don Widmayer, in a Senate office room Thursday, February 23 before legislative assistants to Senators serving on the Energy and Finance Committees.

A special watt measuring meter showed that nearly 50 percent less energy was consumed by the fluorescent unit as sunlight entered the room. When the blinds were then shut, the light automatically increased in intensity to maintain a constant level of light in the room.

Mr. Widmayer's device is small and simple to install, but the concept is very innovative. Presently, ERDA is experimenting with high-frequency ballasts which can conserve 10 percent of energy utilized by lighting. However, there is a problem with high-frequency ballasts because of the interference they cause in office telephone connections.

Certainly, the Controlled Environment Systems, Inc. device deserves prompt attention by ERDA due to the fact it conserves far more energy without disturbing telephone reception.

I concur with Senator CURTIS, and urge GSA and DOE to take a hard look at this new system by trying it on a temporary basis in a Government building.●

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The second assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. SARBANES. Mr. President, could I inquire how many amendments are at the desk? Is that information available?

The PRESIDING OFFICER. There are 52 amendments, 6 proposed understandings, and 4 proposed reservations.

Mr. SARBANES. There are 52 amendments, 6 proposed understandings, and 4 proposed reservations. Is the information available as to how many of these amendments, understandings, and reservations pertain to the treaty concerning the permanent neutrality and operation of the Panama Canal, the treaty which is now before us and which we are now considering?

The PRESIDING OFFICER. Thirty-three amendments, four understandings, and one proposed reservation pertain to the treaty before the Senate at this time.

Mr. SARBANES. There are 33 amendments, 4 understandings, and 1 proposed reservation pending at the desk concerning the treaty on the permanent neutrality and operation of the Panama Canal?

The PRESIDING OFFICER. The Senator from Maryland is correct.

Mr. SARBANES. Of the 33 amendments that relate to the Permanent Neutrality Treaty, would the Chair inform us how many of those are amendments to article I?

The PRESIDING OFFICER. There are 10.

Mr. SARBANES. There are 10 to article I?

The PRESIDING OFFICER. The Senator is correct.

Mr. SARBANES. Mr. President, I simply want to make this observation: We have disposed of only a handful of amendments. Some of those that were offered to article I clearly related to some other article in the treaty and should more appropriately have been offered to that article. We had an amendment offered by the Senator from Virginia the other day which, as his own remarks indicated, dealt with article VIII of the treaty. He said that the provisions of article VIII, in his view, were not sufficient. The Senate, of course, rejected that judgment. It is obvious that the provisions of article VIII were the provisions about which he had concern and to which his amendment was addressed and yet the amendment was laid down to article I.

While germaness is not the governing factor, is there any judgment or ruling the Chair can make as to how many of the amendments that have been put, as it were, to article I more appropriately apply to other articles of the Neutrality Treaty?

The PRESIDING OFFICER. All of the amendments that have not yet been acted upon, that propose to amend article I, deal with article I only.

Mr. SARBANES. I understand that that is the article they propose to amend. I would simply make the observation that many of those proposed amendments which were laid down to article I, in fact, when one looks at the substance of the amendment, really deal with substance elsewhere in the treaty, with some other article of the treaty.

The PRESIDING OFFICER. The Chair cannot interpret them.

Mr. SARBANES. I understand. In any event, Mr. President, I simply want to underscore that we have now entered into the third week of debate on and consideration of these treaties. We had 3 full days before the nonlegislative working recess began at the close of business on February 10 in order to enable the Members of the Senate to return to their States and meet with their constituency.

We have been working on the treaties all of last week and all of this week.

I do not for a moment suggest that this is a matter which does not require thorough and careful consideration, which is what the Senate is in the process of doing. But I do know that there are 33 amendments pending to this particular treaty, 10 of them to article I of the treaty. I would hope we could proceed in a prompt, orderly, thorough, and careful fashion to consider these amendments, to have them debated for a reasonable period of time, and to vote one way or another to dispose of them, and to proceed with our business with respect to the matter before us.

I do not know whether anyone who has offered an amendment is now prepared to call it up. Of course, I would hope that Senators who have amendments would be prepared to proceed expeditiously. I thank the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I waited this morning after the treaties were laid down for consideration to give notice to other Senators, if they so desired, that they have the opportunity to call up

amendments they had prepared or amendments at the desk. Any amendment at the desk belongs not only to the Senator who offered the amendment but to each and every Member. They can be called up by any Senator. The fact that some Senators have proposed amendments does not make those amendments the sole property of those who proposed the amendments.

I have waited to see if other Senators might wish to call up amendments. To prevent the Chair from moving on to article II, I intend to offer a constructive amendment when I call up amendment No. 51.

I might say, Mr. President, that amendments which have been offered thus far and which have been turned down by the proponents of the treaties have fallen into two classes, as described by the proponents of the treaties, not the proponents of the amendments. They fall into these two classes: They either strike at the heart of the treaty and, therefore, should be rejected, or they are frivolous and, therefore, should be rejected.

I do not know what other classification the proponents of the treaties might choose to apply to amendments. We shall see in a moment. I do not feel that inordinate delay has taken place with regard to action on these treaties. The distinguished Senator from Maryland (Mr. SARBANES) has said that some of the amendments offered to article I could possibly more properly have been offered to other articles; possibly, that is true. But we shall have to take these articles one at a time. Whereas they might fit in better elsewhere, they can fit in anywhere under the proceedings governed by the Senate rules.

Further, Mr. President, no time has been lost. We have been discussing all of the ramifications involving both of the treaties. Just this morning, there was the matter of whether or not it is required under the Constitution—and I am convinced that it is—that the House must join with the Senate in enacting a statute if we are to proceed in the manner stipulated in the Constitution as to the disposition of property belonging to the United States.

Article IV, section 3, paragraph 2 of the Constitution states that the Congress shall have power to dispose of and to pass on needful regulations respecting the territory or other property of the United States.

That was discussed by Mr. GOLDWATER and Mr. JAVITS. and Mr. JAVITS referred to the subcommittee report of the Subcommittee on Separation of Powers of the Judiciary Committee, of which I have the honor of serving as chairman. I hope Senators will read this report. It shows conclusively, in my judgment, that where power is given expressly to one branch of the Government——

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I have not finished my sentence yet.

Mr. ROBERT C. BYRD. I am sorry.

Mr. ALLEN [continuing]. Where power has been given to one branch of the Government, that that power is an exclusive power. So that power has been given to the Congress. The distinguished Senator from New York said something about the committee pointing out that the executive branch was acting in this matter to dispose of property of the United States without action by Congress.

He said that is not correct, because we are, the Senate is acting. Well, obviously, the Congress means both Houses.

At an appropriate time—we have not come to that at this time. In order not to go contrary to the schedule suggested by the distinguished Senator from Maryland (Mr. SARBANES), I shall wait until this particular issue is before the Senate before I shall discuss this issue further.

Now I am delighted to yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding.

Mr. President, I hold in my hand what I believe the Senator from Alabama has purported to be a subcommittee report. On my copy, the words are stamped, "Staff Draft of Subcommittee Report."

Mr. ALLEN. Yes, sir, that is correct.

Mr. ROBERT C. BYRD. So it is not, indeed, officially a subcommittee report.

Mr. ALLEN. No, it has not been voted out by the subcommittee, one reason being that some of the members—I believe the distinguished majority leader is a member of the subcommittee—have not been in attendance at the two called meetings of the subcommittee that we have had. The distinguished chairman of the Committee on the Judiciary is the other member and we have not been able to get a quorum. So the statement on the outside, which was put here at my direction, calls it a staff draft of a subcommittee report. As soon as we can have a quorum present—and I hope the distinguished majority leader will attend the next meeting that is called so we will have a quorum—we shall take official action.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes, I yield.

Mr. ROBERT C. BYRD. So it is not, then, an official subcommittee report?

Mr. ALLEN. It is a staff draft of the subcommittee report; that is correct.

Mr. ROBERT C. BYRD. So it is not an official subcommittee report.

Now, as to my attending the meetings, will the Senator allow me to address myself to that question? The Senator has said I was not in attendance.

Mr. ALLEN. I did not understand.

Mr. ROBERT C. BYRD. The distinguished Senator, I understood him to say, could not get a quorum of his subcommittee to vote on the report. He alluded to my not being present. May I address myself to that question?

Mr. ALLEN. Yes; I made that statement.

Mr. ROBERT C. BYRD. The Senator knows that I wrote a letter casting my proxy against this report; does he not?

Mr. ALLEN. Yes; I know that, but it takes the physical presence of a Senator to count for a quorum.

Mr. ROBERT C. BYRD. I shall be glad to attend.

Mr. ALLEN. I hope the Senator will.

Mr. ROBERT C. BYRD. Now that the Senator has opened this up, I hope the Senator will also allow my staff people, in due time, before a report like this is printed, to see copies of what is going to be printed. My staff people were unable to get from the Senator's subcommittee any information on this report, as to what was in this report. My staff people were unable to get information as to the contents of this report—so they reported to me. They were unable to get the information from the Senator's subcommittee. Consequently, I said, I shall just prepare a proxy, then, voting against the report.

I hope the Senator will take action in the future to see that members of the subcommittee—I am a member of the subcommittee—that our staffs are given the information that we members need to base a judgment on when it comes time to voting on a committee report. I hope the Senator will take action to correct that, because I think my staff is entitled to that information if I am going to be able to reach a judgment on this kind of report.

Mr. ALLEN. Well, in response to that statement of the distinguished majority leader, I say that this printed staff draft has been available at these meetings that the Senator did not attend. I state further that this is the first time that anyone has made any request to me for information. The printed report——

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. May I finish, please?

Mr. ROBERT C. BYRD. The Senator has the floor.

Mr. ALLEN. The finished report has been available and was in the hands of the committee at the time these last two subcommittee meetings were called, of which Senators had direct notice, because I instructed the staff director to place a notice of the meetings in the hands of each Senator. I trust that was done.

As a matter of fact, I saw a staff member deliver one notice here on the floor to the distinguished majority leader. So that has been available.

If anybody had bothered to ask me for a copy of it, I would have been glad to give it to him.

Mr. ROBERT C. BYRD. Does the Senator really expect a staff member, is he going to require my staff member to come to him, the distinguished Senator from Alabama, and ask him for information which I need on which to base a judgment as to this report? Is he saying that?

Why cannot my staff member request of the Senator's staff people the information that I need?

I do not know of any subcommittee that operates like that around here.

I was shocked when I was told by my staff people that repeatedly they had asked for this information and it had been denied them.

Now, if the Senator is saying they should come to him and make that request, then, of course, that, again, will shock me.

But the Senator has alluded to my not attending the meeting, so I just think that since the Senator said that on the

public record here, I think it ought to be said on the public record that the Senator's staff has not been cooperative with the staffs of the other members of that subcommittee and I hope that the Senator will take action to see that his staff members do cooperate with the staff members of the other members of the committee.

Mr. ALLEN. I will, certainly.

Mr. ROBERT C. BYRD. He may then get better attendance when he calls a meeting.

Mr. ALLEN. I assure the Senator that I will insist on full cooperation by members of my staff with members of the Senator's staff.

This is the first time this has come to my attention. I had no notice of this. I had no notice that this information was not being given to staff members.

The Senator alluded to the fact of whether it would be appropriate for a staff member to ask me for the information. I would certainly say that I am open and available to any person.

Mr. ROBERT C. BYRD. I did not ask if it would be appropriate. I said, Is the Senator going to require that?

Mr. ALLEN. No. The Senator is not going to require it.

But since the Senator says he has been unable to get the information, or his staff has been unable to get the information, when it was available there at the committee meeting that the Senator did not attend, but if the Senator's staff was having difficulty getting the information from my staff, I think it would have been entirely appropriate that some protest be made to me and not on the Senate floor.

Mr. ROBERT C. BYRD. Well, the Senator raised the point on the Senate floor that Senator EASTLAND and I were not present to help make a quorum. If the Senator is going to raise those points on the Senate floor, I think it is perfectly appropriate for me to state what my problems are in connection with getting information that will allow me to make a judgment to attend the Senator's meeting.

I do not know if Senator EASTLAND may have had the same problem, and the distinguished Senator from Alabama might, if he so desires to, inquire of Senator EASTLAND as to whether or not his staff has had the same problems.

If the Senator is going to lay that out here on the floor about lack of attendance at his meetings, just lay it all out. Just lay it all out and let the public know the kind of cooperation that my staff gets from the Senator's staff when it comes to the information that I need to make a judgment on this report.

The Senator says, "Oh, well, the Senator can attend the meeting and get the information."

Of course. But why can my staff not have that information? It is not classified. Why can my staff not have that information?

Mr. ALLEN. The Senator's staff is entitled to the information. I am not stating they were not entitled.

The Senator raised a point that I brought certain things out here. The distinguished Senator was the one that raised the point that this is merely a staff report, rather than the report of the subcommittee.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I was telling him the reason it was not the report of the subcommittee was the fact we could not get a quorum.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. The reason I made that statement was the Senator had, I think, alluded to this as a subcommittee report. I wanted to make sure the record was clear that this is, indeed, not a subcommittee report, as I thought it was being purported to be by the Senator.

So he is the one, if we may continue to point the finger at each other, figuratively speaking, he is the one who left the impression with me, at least, that this is a subcommittee report.

I simply wanted to see if I could correct that. That is why I referred to it as——

Mr. ALLEN. It is the staff report, which it is anticipated will be approved by the subcommittee as soon as we can get a quorum present. That is the status of the fact.

I would hope that the distinguished Senator would attend the next meeting of the committee so that we can act officially on the staff report and, possibly, the Senator from Alabama will have an opportunity, before the debate on this issue has been concluded, to refer properly to the document as the report of the subcommittee.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. The Senator knows that my duty as majority leader requires me to be in many places. I am not ubiquitous. I am not able to be in two places at the same time. I am not making any excuses. But if I can be present at his meeting when he calls it, I shall be. I have already submitted a proxy to be cast against the report. I shall try to be there to help make a quorum. But if I am not there, I hope the Senator will continue to call meetings until I can be there.

So I apologize for my inability to have been present, but I hope the other matter in the future will also be rectified, the one to which I have alluded, by the distinguished Senator who acts as chairman of that subcommittee, and who is a very able chairman.

Mr. ALLEN. I had no knowledge of the fact that the Senator's staff was unable to get this information from my staff. If that is the fact, and I am sure it is or the Senator would not have said that, I will take steps to rectify that.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. In the meantime, the information is available and it is on every Senator's desk.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Well, I believe the Senator. I do not in any way mean to imply——

Mr. ALLEN. I understand.

Mr. ROBERT C. BYRD. I would not want to, that the fact my staff was unable to get information from his staff was at his direction or even with his knowledge.

Mr. ALLEN. I was not thinking the Senator was suggesting that.

Mr. ROBERT C. BYRD. I want that clear. I do not mean to leave that impression at all.

Mr. ALLEN. I understand.

I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. ALLEN. I assure him that any information that his staff wants of my staff will in the future be made available immediately.

But the information is here. It is in printed form. It is available to every Senator.

I hope Senators will take the opportunity of studying this question because it is a great constitutional issue as to whether the House should be required to join with the Senate, not in the matter of the approval of the treaties, of course the Senate has got that power, but to join with the Senate in enacting a statute, by the will of the Congress, in accordance with its constitutional duty, allowing the transfer or the giving or the gift of the property that the United States owns that makes up the Canal Zone, that it will join with the Senate in enacting a statute and that the administration will allow the House to act.

A majority of the House Members of both parties have petitioned that they be allowed to be brought into this issue in accordance with the provisions of the Constitution, but there seems to be no inclination on the part of the leadership to do that.

I say again that I have amendments at the desk and do plan to bring up amendment No. 51, unless any Senator desires to offer an amendment of his own, in which event I will yield the floor for the purpose of having that Senator have the opportunity of offering his amendment.

I feel that article I still is suspectible of amendment.

Furthermore, Mr. President, when we go to article II, article I will still be subject to amendment, but article III will not.

Likewise, when we move to article III, articles III, II, and I will be susceptible to amendment at that time, but not articles IV, V, VI, VII, and VIII. Just because you pass over one article for another does not mean you are precluded from going back and offering an amendment to an article that has been passed over.

Mr. President, since no Senator has an amendment to offer, I will offer amendment No. 51 when I complete my remarks.

I have speculated upon the category that this amendment will be assigned by the proponents of the treaties. Heretofore, amendments have been characterized either as going to the heart of the treaty, and therefore should be rejected, or as being frivolous, and therefore should be rejected. No frivilous amend-

ments have been offered. The first amendment I offered received 34 votes and the other received 38 votes. To be accurate, that many votes were cast against the tabling motions.

The first amendment provided that the military presence of the United States could continue in the Canal Zone beyond December 31, 1999, but not beyond December 31, 2019, if the President of the United States deemed that it was necessary to continue that military presence in the Canal Zone to defend the canal and to maintain its neutrality. That amendment was rejected by the Senate.

The next amendment provided that if on December 31, 1999, by which time we are supposed to have all our troops out of the Canal Zone, we were in a state of war with any nation, we would be allowed to keep our military presence there during that state of war and a period of 60 days thereafter—to allow 60 days to get out after the war was over. That amendment, in effect, received 38 votes. Thirty-eight votes were cast against the motion to table the amendment.

We do not know what the situation is going to be in Panama in the year 2000. We do not know what the situation will be there next month. So would it not be appropriate, and would it not be wise, if we took some sort of precaution to protect ourselves against the eventualities that might occur between now and the year 2000? Should we not take note of the fact that the situation might not be the same in Panama 22 years from now as it is now?

Suppose the country of Panama is taken over by a foreign power. Suppose Fidel Castro gets tired of his African invasion and decides to invade a little closer to home, where the populace might receive him with greater support. We all know that Russia is casting covetous eyes at Panama and the Panama Canal Zone. Should we not, then, act to protect our best interests in defending the canal, by stipulating against those conditions and giving us certain added rights if those conditions exist?

My amendment is cosponsored by Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, and Mr. GARN. My amendment merely provides that the presence of the United States in what was the Canal Zone on September 7, 1977—why that date? That is the date on which the treaty was signed by Dictator Torrijos and President Carter. The amendment provides that the presence of the United States in what was the Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, but not beyond December 31, 2019, an additional 20 years, if the President of the United States shall deem that the Government of Panama is under the domination of any foreign power or is Communist.

If, by that time, the United States, through the President, deems that the Government of Panama is under the domination of a foreign power or is Communist, we can continue our military presence in the Canal Zone for an additional 20 years. It does not make it in perpetuity. Even if the government were under the control of a foreign power or if it were Communist, we still would have to pull our troops out in a 20-year period.

The amendment takes note of the changing conditions in the world. If the Government of Panama—which, as we read, is a left-leaning dictatorship—should move further in the direction of communism and the President should so deem it and should so certify, we could maintain our military presence for an additional 20 years. Or, if we find that Panama is a mere puppet or satellite of Russia or of Cuba and we would feel that such condition would not be for the best interests of the United States and we would not feel safe with the defense of the canal and the free use by American shipping of the canal, then we would have a right, under the amendment, to continue our military presence in the Canal Zone—not throughout Panama, but what was the Canal Zone on September 7, 1977.

Will this amendment be labeled frivolous, or will it be labeled as one going to the heart of the treaty? In either event, according to the proponents of the treaty, the amendment should be defeated.

Another thing that disturbs me is the manner in which the leadership and the proponents treat these amendments, all amendments; that is, they do not allow them to come to a rollcall vote, an up-and-down vote on the amendments. They do not show the courtesy of allowing the amendments to be acted upon here in the Senate, even though they have a substantial majority, I believe, against any and all amendments.

Mr. President, one reason why a series of amendments is being offered—and I might say that the Panama Canal Treaty is much more susceptible of amendment than is the Neutrality Treaty, because it has to do with a business arrangement; it has to do with whether the American taxpayer is going to be saddled with the deficits of the Panama Canal Commission.

It has to do with whether the members of the commission, which succeeds the Panama Canal Company, shall be appointed without confirmation by the Senate, even though four of those nine members right from the start will be Panamanians. There is no right by the United States to check into the background; no requirement as to age, background, political affiliation, ability. They submit a list to the United States, and if it follows the same procedure as now, the Secretary of the Army has to rubberstamp those four names, just as the Senate is being called on to rubberstamp these treaties.

So one of the big arguments made against amendments to the Neutrality Treaty is, "Oh, this would affect the honor of Panama. They could not yield at this point. You just cannot ask them to make this change."

But where we get to the business arrangement, Mr. President, I hope that a different view will be adopted.

But with a series of amendments—some possibly might be considered as frivolous later on—no frivolous amendment has been offered now and, I might say this, Mr. President, as to whether inordinate delay has taken place on these treaties, I believe that those who have spoken in behalf of the treaties—I have not checked it, but I have been on the floor most of the time—I believe the proponents of the treaties have used as much time as have the opponents of the treaties.

They would just take the minutes they have had the floor, and that can be pretty well substantiated by looking at the RECORD and, possibly, measuring the length of the columns that the proponents have occupied as compared to the opponents of the treaties.

But when the treaties were laid before the Senate this morning I was present, and I might say this, Mr. President: On yesterday the treaties were to be laid down at 9:30 or at such later time as the two orders that had been entered for speeches by Senators had been used up, that is, the time provided by those orders. But the Senators were through, and at 9:30 the treaties were laid before the Senate. I might say, Mr. President, at that time there were only two Senators present in this Chamber, the Senator from Alabama, who took the floor, and the distinguished Senator from New York (Mr. MOYNIHAN) who was presiding.

Well, of course, on matters which could be decided here in the Senate by voice vote, obviously advantage could have been taken of the other side. But, Mr. President, of course, there is a code here in the Senate that Senators do not take unfair advantage of other Senators, and certainly there was no danger that the Senator from Alabama would have tried to take any action that would be hostile to the approval of the treaties. He went ahead with his remarks.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I would be delighted to yield.

Mr. SARBANES. I appreciate what the Senator is saying, and I only want to make the point that the same courtesy and adherence to the code of the Senate, which he has pointed out he has reflected on occasion, have also been reflected by the proponents.

Mr. ALLEN. No doubt about it.

Mr. SARBANES. In fact, I remember just yesterday afternoon that an amendment the Senator had proposed was pending, the response to his argument had been made, and we were prepared to vote. The Senator had asked that the vote be at 5:30. The Senator was not on the floor of the Senate at the time. An effort was made to find the Senator and to ask the Senator whether the Senator from Alabama would be willing for the vote to take place, I think at that point it was about 5:10 in the afternoon, rather than waiting the additional 20 minutes in order to have the vote at 5:30 as it had been scheduled.

That is in accordance with the civility we extend toward one another, of course, because a unanimous-consent request for an earlier vote could have been made at that time and probably approved. Nobody even thought of doing such a thing, and we went and located the

Senator to inquire of him if it was satisfactory to him to have an earlier vote, and the Senator indicated it was not; that since the time had been set and he felt some Members may have relied on that time and might not be immediately available, he preferred that we stay with the 5:30 voting time. That, of course, was done, and the vote was held beginning at 5:30.

So I appreciate the point the Senator is making about the civility which governs our relationships to one another. I simply want to underscore the fact that it has been reciprocal and, hopefully, we will continue, and I assume we will continue, to function in that manner.

Mr. ALLEN. Yes, I am sure we will, certainly as far as the Senator from Alabama is concerned.

I would like to give a little more background, since the Senator has brought this matter up, of what took place on yesterday. We did agree that the vote on my amendment would take place at 5:30. That was about 3 hours subsequent to the time that the agreement was made, and the Senator from Alabama yielded to the distinguished majority leader (Mr. ROBERT C. BYRD), who was going to use a little bit of time.

Several Senators asked him questions, and I asked him some questions. He kept the floor until only 1 hour and 3 minutes remained before we were scheduled to vote. The amendment had not been discussed at all here on the floor.

I was recognized on the floor. Even though I could have consumed the entire hour and 3 minutes and given the opposition no opportunity to speak on the amendment, I announced when I took the floor that I was going to speak only half of that time, and then I would yield the floor in order that those who opposed the amendment could have half of the time.

I did speak my time, I did yield the floor in accordance with my promise. I believe the distinguished Senator from Idaho (Mr. CHURCH) obtained the floor, and he discussed the matter for some while. I did leave the Chamber for a few moments. I arranged with a Senator who was here on the floor to allow me a few moments off the floor to protect my interests with regard to the measure.

No vote could come until 5:30, so I thought it not amiss that for a moment or two I leave the Chamber to return as soon as possible.

I do not know whether the Senator is making an issue of the fact that for a moment or two the Senator from Alabama was off the floor.

Mr. SARBANES. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. SARBANES. I am certainly not making an issue of that point. The Senator is obviously entitled to leave the floor when it is necessary. The only point I was making is that the civility which the Senator indicated that he was trying to show toward the proponents of this treaty is similarly being reciprocated by the proponents of this treaty toward the opponents, and I think it is important——

Mr. ALLEN. I certainly agree.

Mr. SARBANES. That we recognize that fact.

Mr. ALLEN. I was not suggesting that the Senator from Alabama was the sole Senator who considered these matters and acted in comity with other Senators and respectful of their rights. I stated that was a code of conduct here in the Senate applicable to all Senators; but I am making the point further that if we would have a little better attendance here on the floor where Senators can hear these issues discussed I believe we could make a whole lot better time in considering the issues.

But I am disturbed, Mr. President, that no matter what amendments are offered, no matter how good they are—and there was an amendment yesterday having to do with saying that it would not be a violation of the neutrality provisions of the neutrality treaty for the United States to intercept enemy warships in time of war out at sea to prevent them from getting to the safe haven of the Canal Zone, where they are allowed just an unreasonable amount of latitude and freedom—and it was stated on the floor by the opponents of the amendment that whereas no one could object to that, that is fine, even then they will not adopt the amendment, because it might open up the door for another amendment.

Since I raised the point, let us see what courtesy is accorded enemy warships; that is, enemies in time of war of the United States, what courtesy is accorded them as they transit the canal.

Vessels of war—

This is reading from the treaty. Now, I assure the proponents of these treaties that an amendment will be offered at the proper time to this provision, because I think it is absolutely ridiculous for us to say that enemy warships and submarines can transit the canal and we are going to do nothing about it.

Well, they say they are going to intercept them at sea. Is not that rather cynical and hypocritical, to say, "Welcome to the canal. We will let you through. We won't inspect. We won't do anything. No matter what your cargo is, we will let you through," but then out of the other side of our mouths we are saying——.

Mr. SARBANES. Will the Senator yield on that point?

Mr. ALLEN. I will not. I am not yet ready to yield.

Mr. SARBANES. On the cargo point.

Mr. ALLEN. I am not ready to yield. I will at the proper time.

I will read the language if there is any misunderstanding about the language.

Mr. SARBANES. The Senator referred to cargo. I hope he will address that point.

Mr. ALLEN. I will read the language so there will be no doubt about what I said.

How hypocritical it is, how cynical it is to say in the Neutrality Treaty that we are going to open up the canal to enemy vessels; "that is fine; we will just be glad to have you," but then to say out of the other side of our mouths, "We are going to catch you out at sea and keep you from coming to the canal."

Let us see, so there will not be any argument about it what the treaty says:

Vessels of war and auxiliary vessels of all nations—

That is enemy nations as well as nations with whom we are at peace:

Vessels of war and auxiliary vessels of all nations shall at all times—

All times meaning in time of war and in time of peace—

be entitled to transit the canal irrespective of their internal operation, means of propulsion, origin, destination or armament without being subjected as a condition of transit to inspection, search or surveillance.

Well, if you cannot inspect it, how would you know what was in the cargo? That would certainly seem to indicate that anything goes. So I am sure that an amendment will be offered to that.

Now I will be delighted to yield to the distinguished Senator from Maryland.

Mr. SARBANES. Would the Senator, having read that section, address himself to article VI of the same treaty, that deals with the vessels of the United States of America and the Republic of Panama?

Mr. ALLEN. Well, if the Senator has a comment to make, let him make it.

Mr. SARBANES. Which states that "in recognition of the important contributions of the United States of America and of the Republic of Panama to the construction, operation, maintenance, and protection and defense of the canal, vessels of war and auxiliary vessels of those nations—meaning the United States and Panama—shall, notwithstanding any other provisions of this treaty, be entitled to transit the canal irrespective of their internal operation, means of propulsion, origin, destination, armament, or cargo carried. I stress the phrase "cargo carried."

And I repeat the question that I put to the Senator from Alabama when he read from the section applying to the vessels of other nations: As I understand it, he said that the exceptions for other nations covered cargo as well, but cargo is not mentiond for other nations while it is mentioned for us and for Panama, the two, as it were, guarantor powers of the neutrality of the canal.

Mr. ALLEN. Very well.

I call the Senator's attention to the fact that enemy war vessels—I read from the language of the treaty—

Without being subjected is a condition of transit to inspection, search cr surveillance.

Now if they are not subjected to those three things, could they not carry any cargo that they wanted to?

And that is beside the point as to cargo. Submarines do not carry cargo unless you call the submariners a cargo, and I do not believe that is what it means by cargo. Warships, battleships, they do not carry cargo, I do not guess, unless the ammunition for the guns would be called cargo. But under this provision, we would not be allowed to send an inspector aboard to see what they had. It could be jammed full of explosives, and they could get to the center of the canal, get

to one of the locks and detonate the explosives, and then we would be out of business there in the canal.

And it would not matter whether it was under Panamanian control or U.S. control. Nobody could go through it. So I am just wondering why we give this type of protection to enemy vessels and I am hoping that in the Senate's wisdom it will change this provision when we get down to it.

Mr. SARBANES. Will the Senator yield?

Mr. ALLEN. Yes, sir.

Mr. SARBANES. Well, I simply want to make two points: The first is that if the premise is that we are going to have a neutral canal, then the vessels of all nations move through it; that is what neutrality means, we protect the American interests in that regard, since, as the Senator from Idaho and others have so ably pointed out, we have the capacity to destroy vessels either on their way to or on their way from the canal. In fact, the last place you want to destroy them is in the canal, if you want to have a canal that you can go on using, which is important to us; and we are in a position, of course, to control the access and the egress.

The Senator yesterday put in an amendment which would have questioned the right of an Amercian vessel to operate on the high seas and——

Mr. ALLEN. No, far from it.

Mr. SARBANES. Wisely, it was rejected by an overwhelming majority.

Mr. ALLEN. I have the floor. The distinguished Senator from Maryland is incorrect when he says I questioned our right to do it.

The amendment stated, and I am sure the Senator read it, that——

Mr. SARBANES. I did, indeed.

Mr. ALLEN. It would not be a violation of neutrality, what we are doing. It is just the opposite of what the Senator said.

Mr. SARBANES. The implication of the Senator's amendment was that in order to exercise our rights on the high seas, we would have to incorporate them into a bilateral agreement with some other nation and, as I pointed out yesterday, that is a terrible precedent to set with respect to American interests and American power. We have the power and the legal right to act on the high seas, and it is not dependent upon any bilateral agreements with any other nation.

The second point I want to make to the Senator, and that is why I think a careful reading of these treaties is so important, is the Senator talked about cargo as though it was covered in this provision with respect to the vessels of other nations. That is not the case.

There is a very clear difference in the language that covers the vessels of other nations and the language that covers the vessels of the United States and the Republic of Panama. Their ships can be inspected as to cargo and ours cannot. That is a difference which is important to us. It is another example of how these treaties have been written to protect American interests.

It is a very important point, and I assume it was overlooked by the distinguished Senator from Alabama.

(Mr. ANDERSON assumed the chair.)

Mr. ALLEN. I hope the Senator has now made his point so I can answer.

Mr. SARBANES. The Senator made a reference to cargo as not being subject to inspection, but then he went on to read the section which made no reference to cargo.

Mr. ALLEN. Is the Senator through with his question or comment?

Mr. SARBANES. I am sure I will be back with further questions and comments of the Senator from Alabama.

Mr. ALLEN. I said cargo advisedly because if we do not have the power—and I read from the treaty—if we do not have the power of subjecting the enemy vessel "to inspection, search, or surveillance," could they not carry any cargo they desired to carry? We would not know what they carried.

There is another point I want to raise.

Mr. SARBANES. Will the Senator yield on that point so we can maintain this exchange, I think it is very important.

Mr. ALLEN. Very well

Mr. SARBANES. I only know that the Senator previously actually quoted the treaty and now in trying to make this point with respect to cargo he has departed from quoting the treaty and has, in effect, simply made a substantive point.

What the treaty says——

Mr. ALLEN. I have read the treaty two or three times. I hope the Senator is not delaying action on the Senator's amendment.

Mr. SARBANES. It says "the vessels of war and auxiliary vessels irrespective of their internal operations" and those other matters. It does not say cargo. So with respect to cargo that provision does not apply. With respect to cargo they can, in fact, be subjected to search.

Mr. ALLEN. No, they cannot, because it says here they cannot be subjected to search.

Mr. SARBANES. Only in the cases of those particular items mentioned.

Mr. ALLEN. How would we know that they had a cargo if they could not be subject to inspection, search, or surveillance?

Mr. SARBANES. They can inspect it for the purposes of cargo. That is why it is such a good provision.

Mr. ALLEN. They cannot inspect it for any reason under the language of the treaty.

Mr. SARBANES. That is why the Senator——

Mr. ALLEN. I have the floor. The Senator is critical of my discussing from memory what the treaty provides. It does provide that, in fact, by preventing any inspection, surveillance, or search of an enemy vessel. They could not find out whether they had any cargo or not. As I say, what cargo are they going to carry except munitions and explosives to use in connection with a warship. I guess a submarine would have torpedoes. Is that cargo? I do not know why the Senator is making a point about cargo. Leave cargo out of it. That does not have anything to do with it. But enemy vessels are allowed to transit the canal without inspection, search, or surveillance.

Mr. SARBANES. Not with respect to cargo.

Mr. ALLEN. Sir?

Mr. SARBANES. Not with respect to cargo. If it has no cargo it can then transit the cargo, but if it has cargo——

Mr. ALLEN. Are we going to expect an enemy captain to say, "By the way, port manager, I have some cargo on here and, therefore, I am not allowed to transit the canal?" He is going to rely on this provision that they are not going to search him, they are not going to inspect him, they are not going to exercise surveillance with regard to him.

Another strange circumstance which is a surprise here, which I want to point out, based on the Senator's argument with regard to this amendment and the other amendment, is that "We give you safe haven here in the canal provided you make it. If you make it, if you get through the blockade, you go through the canal."

Let us assume a set of facts under this provision in the treaty giving enemy vessels the right to come through the canal without any inspection, without any search, without any surveillance.

The Senator says the hypocritical answer—I do not mean the distinguished Senator is guilty of hypocrisy but the answer is given as to what the treaty provides, that "If you get here, you will go through the canal. But we are going to catch you out at sea and see that you do not get here." I contend that is a hypocritical approach. I am not saying that is because of the Senator's position. I am just saying as a matter of fact it is hypocritical.

Mr. GRAVEL. Will the Senator yield?

Mr. ALLEN. I am not quite ready to yield as I have not made my point yet.

The Senator says this does not mean anything because no enemy vessel is going to be able to present itself at the mouth of the canal because we are going to head them off out at sea.

Suppose this is not quite well enough manned and a submarine does slip through the blockade or an enemy warship slips by the blockade and gets to the canal, seeking admittance under the treaty. Unquestionably, under the treaty, if we are going to abide by it, we have to let them in.

Then they say, "Well, we will get them on the outside." Suppose they do not want to get on the outside. Suppose all they want to do is get inside, get in one of the locks, and blow up?

That is what would result from this situation in trying to catch them outside, but once they get to the canal we are going to let them in. The answer to that is that they will get them when they are outside the canal. But, as I say, they may not want to be just on the outside of the canal and might be satisfied just to blow it up.

I say we have to amend this section to prevent the enemy warships from going through the canal under these conditions.

Now I am glad to yield to the distinguished Senator from Alaska.

Mr. GRAVEL. I find it very difficult to see a situation where enemy ships would converge on the canal in time of war.

Mr. ALLEN. If the Senator would——

Mr. GRAVEL. Will the Senator let me finish? That is, with only one purpose. To do that, it would be to destroy the canal. That is why we have ample sections of the treaty to permit the defense of the canal so if an enemy ship was intent on coming into the canal, one, it could be destroyed in the waters.

Mr. ALLEN. That would not be a violation of the treaty?

Mr. GRAVEL. It would not be a violation of the treaty. It does not say that. Do not make that inference. Read to me out of this treaty where it says that on the high seas we cannot destroy our enemy.

Mr. ALLEN. I am not talking about that. I am talking about when they present themselves at the mouth of the canal. They are guaranteed free and uninterrupted transit.

Mr. GRAVEL. If there is an enemy in time of war stupid enough to present themselves to the mouth of the canal or a port or anything—if the Senator will look at the history——

Mr. ALLEN. But the maintenance is taken out.

Mr. GRAVEL. The whole history of the chase of the Bismarck and the Graf Spee in the Second World War in and out of South American was wrought with this exact situation. That is what one hopes they can do, to catch a belligerent at a key point or trying to get access to a key point so it can be destroyed.

The Senator thinks belligerents will make themselves available as sitting duck targets as they steam into the approaches of the Panama Canal. The point the Senator is trying to rest on is that they will come right up to the gate, right up to the magic line, and present themselves. We have to be pretty dumb to let them come up to that magic line.

Mr. ALLEN. Under the treaty we have to do it, we have to let them in. Read it.

Mr. GRAVEL. The Senator must have some magic formula that they appear at the gates by apparition.

Mr. ALLEN. I did not say that. I said if these escaped the blockade. It is not unusual that one ship can get through a blockade. Suppose they sent out 20 on this mission and 19 get destroyed and 1 gets through.

Mr. GRAVEL. Let me ask the Senator to cite something. We have had a few world wars. This is not a new situation. If the Senator can back up his contention with some case in history, I think it might be relevant.

Mr. ALLEN. Yes, I hope the Senator will continue on that line. That is one of the main bones of contention we have had on the construction of these treaties. I have stated and I have proved that, under the existing treaty, we do have a right to intercept, at the canal, enemy warships. That was decided in the Court of International Justice at The Hague back in the year 1923, that despite the provisions of the Hay-Pauncefote Treaty, the United States did have this power to prevent belligerent vessels from going through the canal.

Mr. GRAVEL. What about World War I? The Senator is talking about a ruling after World War I.

Mr. ALLEN. Well, wait a minute.

Also, Theodore Roosevelt got that recognized by the British. I read from the Government position at that time.

Then, Woodrow Wilson forbade enemy warships to go through the canal. All of that is being wiped out under these treaties.

These treaties will no longer exist and this situation will no longer exist, because everything is wiped out. Only what is found in the treaties, the annexes, the protocols, and the side agreements will have any effect.

I say this: That we would have the duty, under article III of the Neutrality Treaty—and the Senator was not in here, I believe, when I read it a moment ago. I shall read it for his information. In the unlikely event that an enemy warship should elude the United States forces that are going to intercept the ship out at sea—19 vessels are sent on this mission. Eighteen are destroyed. But one gets through the blockade and presents itself at the mouth of the canal and asks admission, having in mind destroying the canal when it gets in there, not having any desire to get outside the canal. This is what we promise——

Mr. GRAVEL. Well, the Senator is——

Mr. ALLEN. Wait a minute, let me get through. I have the floor.

The enemy warship presents itself at the mouth of the canal asking for treatment under this treaty. We say, well, they do not come under the treaty. Senators are familiar with the protocol. It is at the end of the treaty. It opens up the canal to all nations. All nations of the world became signatories of this Neutrality Treaty. So all countries are entitled to protection, with or without that protocol. Let me read this to the Senator——

Mr. GRAVEL. If the Senator will yield to me, I want to ask a question.

Mr. ALLEN. I am not ready to yield. I want the Senator to have the benefit of this language before he propounds the question. It might be inconsistent with what is in here.

Mr. GRAVEL. I assure my colleague it will not be inconsistent.

Mr. ALLEN [reading]:

(e) Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination or armament.

No matter what cannons it has, no matter what torpedoes it has, no matter what—

without being subjected, as a condition of transit, to inspection, search or surveillance.

So the captain pulls a copy of the treaty out of his pocket and shows it to the commander of the canal there and says, "Well, under this Neutrality Treaty, now, I am entitled to go through the canal."

Well, either the provision means something or it does not. If it means something and this is the way we want to operate, we should leave it in. But if we want to deny access to enemy vessels, let us leave this out.

I now yield to the distinguished Senator.

Mr. GRAVEL. I think one could reason, as the Senator does, that if an enemy vessel is going to misuse its neutrality—that is what the Senator is saying, that they are going to come in and say, "Okay, we have agreed to this protocol, but, down deep in our hearts, the captain has a secret order in his safe and he is supposed to rip open the envelope when he is halfway through the canal, and that order tells him to self-destruct and, in that way, stop the waterway."

If the Senator can conjure up that kind of situation, he can equally conjure up on my side that our forces are charged under the Neutrality Treaty with defending the canal. So we now have in the safe from the Joint Chiefs of Staff a letter that says: "If you ever see an enemy vessel in the Panama Canal, obviously, in their hearts, they really mean to destroy the canal, so destroy them first."

Mr. ALLEN. Who knows what is in a man's heart? I do not know what is in the Senator's heart.

Mr. GRAVEL. I do not know any more than the Senator does. But that is what he is saying. He is saying that somebody who is party to this whole neutrality agreement in the world has run the blockade, gotten by our people, through some device. He is now in the canal and in his heart, his plan is to destroy the canal.

Now, we have legally the right to defend the canal. So if the Senator is now going to impute a circumstance that will exist in the mind of the captain of that vessel, then I have the right to impute what should be in the mind of the head of the Joint Chiefs of Staff, and that would be to destroy the captain of that vessel, because that vessel is intent upon destroying the canal and we have the right to defend the canal.

My logic is just as sound as the Senator's. I think we both suffer from a great deal of imagination.

Mr. ALLEN. I want to answer the Senator.

The Senator, as he says, is conjuring up hypothetical situations here and he says we have a right to defend the canal by knowing what is in the mind of the captain of the enemy vessel. The Senator forgets that, by that time, we shall all be out of the canal. The U.S. forces will not have a single soldier there at the start of the year 2000. We shall have withdrawn all of our troops.

Mr. GRAVEL. My scenario would go to the year 5000.

Mr. ALLEN. Wait a minute, now. We have withdrawn all our troops, because the Senator, along with others, has defeated amendments offered here on the floor that would allow us to have a military presence in the Panama Canal Zone if we are at war.

Mr. HATCH. Will the Senator yield?

Mr. GRAVEL. We have been through that with the head of the Marine Corps.

Mr. ALLEN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. GRAVEL. We can strike them just like that.

Mr. ALLEN. I hope the Chair will reserve the floor for me. I did not yield for that comment.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. ALLEN. If we are going to have a mockery of this provision, let us not say that we are going to allow the canal to be used by enemies of our Nation during time of war. But the treaty says something else and it is quite obvious that we do not mean it, so let us not be hypocritical about it.

Let us be practical and reasonable and not put something in the treaty that is so hypocritical as this is. That is the view that the Senator from Alabama takes of this.

Now I shall be delighted to yield to the Senator from Utah for a question.

Mr. LEAHY. Will the Senator from Alabama yield?

Mr. ALLEN. Yes, for a question.

I yield to the Senator from Utah.

Mr. HATCH. I want to compliment the Senator from Alabama, my dear friend, for bringing up what I think is the proper question, and for pointing out what is very detrimental to the interests of the United States of America.

I admit that I have to laugh at these people who think the United States has the awesome power to intercept any ship which comes through the Panama Canal, which may or may not be the case. I was just reading in U.S. News & World Report this week that our Navy is in trouble.

As a matter of fact, when I was running in 1976, I had the temerity to say to my opponent in a debate that the United States was starting to fall behind Russia as a result of the SALT I treaties and that they had a better navy at that time than we had. I was called a liar. That is the same philosophy and the same argument that I am hearing here today, by the same philosophers, I might add.

Again, I called them "the old left" yesterday. I think it is very appropriate, because the old left has led us down the primrose path to the point where, instead of being the strongest nation in the world, we are now on a "parity" with Russia.

I do not like that. I do not think any red-blooded American citizen likes that. But unfortunately, the same old left has been dominating and running the Congress, and they seem to like it.

What really bothers me, and I have to admit I had not quite looked at this as thoroughly as I should have, I think the distinguished Senator from Alabama has done everybody in this country a service and a great favor, in pointing out that this provision is reprehensible, hypocritical, and worthless.

He had pointed out that these vessels have an indiscriminate right, even though we may be in war and even though our less than 500 ships, compared to the more than a thousand ships of the Russians, may be all over the world and unable to protect us, because we do have a lesser navy than the Russians have right now.

It is time the American people were told the truth, even by the old left, which has caused this decline in our naval strength—some of whom, in fact perhaps a great number of whom, still sit in the Congress of the United States. I do not understand or know why, when so many people in this country are concerned about our country and our future.

I compliment the Senator from Alabama for pointing out that the treaty says we have a right to intercept them outside of the canal, but not in the canal; that they have an inviolate right to do whatever they want, to come through without being subject to a condition of transit, search, or surveillance.

He is absolutely correct, as I have found he always is on the floor of the Senate, to have raised this point in this manner.

Later, it says, right in this very same provision as the distinguished Senator from Alabama has pointed out, such vessels shall be entitled to refuse to disclose their internal operation, origin, armament, cargo, or destination.

Mr. ALLEN. Now, wait a minute. The distinguished Senator from Maryland pointed out that cargo was not there, but it is there by implication in that we are not allowed to search, inspect, or conduct surveillance with respect to any cargo.

Mr. HATCH. The Senator has pointed that out infinitely better.

Mr. SARBANES. Will the Senator yield?

Mr. HATCH. If I might finish.

Mr. ALLEN. I yielded to the distinguished Senator from Utah.

Mr. SARBANES. So I can state——

Mr. HATCH. If I can finish my statement, then I will be happy to yield to the Senator from Alabama who can yield to the Senator from Maryland.

I am proud to be on the same floor as the Senator from Alabama. We belong to different parties, but I do not know of anybody on this floor who acts more responsibly, who is here any more, who understands the rules, abides by them, who honors the rules and who, in my opinion, honors every Senator on the floor by his actions and his conduct and who stands up for America more than my democratic colleague from Alabama.

I am sure there will be things we disagree on, but I have not seen them so far, except in very technical areas and other areas where, by necessity, occasionally we disagree.

Mr. ALLEN. I thank the distinguished Senator from Utah for his remarks.

Mr. HATCH. I thank the Senator for yielding.

Mr. LEAHY. Will the Senator yield?

Mr. ALLEN The distinguished Senator from Maryland served notice he wanted me to yield to him. I will yield in a moment, as soon as he has asked me such questions as he wishes to.

Mr. LEAHY. I wonder if the Senator from Maryland will yield, for another purpose.

Mr. ALLEN. I have the floor, not the Senator from Maryland, to yield to the Senator.

Mr. SARBANES. I withdraw my request of the Senator from Alabama that he yield so that he may proceed as he chooses with his time, either to speak further on this amendment—is there an amendment pending at the desk?

Mr. ALLEN. Not as yet.

Mr. SARBANES. There is no amendment pending?

Mr. ALLEN. An amendment is being discussed.

Mr. SARBANES. But it has not been called up?

Mr. ALLEN. I stated that there is going to be, amendment No. 51. I still say that, if any other Senator wishes to offer an amendment, I will not offer the amendment. I do not wish to take a disproportionate amount of time.

Mr. SARBANES. But it is the distinguished Senator's intention to offer that amendment, I take it, shortly?

Mr. ALLEN. Well, in time.

As the Senator knows, I do not know how technical the opponents of amendments are going to be in the future. I have offered amendments here on the floor and have sought recognition to discuss my amendments and the Chair, instead of recognizing me—not the present occupant of the chair—the Chair refused to recognize me and recognized somebody else to move to table.

So I do not want to get in that situation and would rather discuss the amendments in advance and at the appropriate time offer the amendment.

Mr. SARBANES. I want to apologize to the Senator. I did not realize that he had not called up his amendment and that the amendment was, therefore, not pending before us.

I thought the amendment was before us and, therefore, we were proceeding to debate the amendment and that, after a reasonable period of debate on the amendment, we, of course, then would go to a vote on the amendment, but as I now understand——

Mr. ALLEN. That is technically right, except it has not been offered yet. It is under discussion, just as all of article I is under discussion.

Mr. SARBANES. I see.

Mr. ALLEN. And just as the whole treaty setup is under discussion.

But I shall offer the amendment at an appropriate time, unless another Senator wishes to offer an amendment.

I would be delighted to yield to the distinguished Senator from Maryland if, indeed, after weeks of study of this matter he found just one area he does not agree with, just one provision of the treaties he would like to amend. I would be delighted to yield to him for that purpose.

But at this time, I yield to the distinguished Senator from Vermont (Mr. LEAHY).

Mr. LEAHY. I appreciate the courtesy of my distinguished colleague from Alabama.

Mr. ALLEN. For a question, I might add.

Mr. LEAHY. Yes.

I wonder if I might make a short comment first, to preface the question?

Mr. ALLEN. I ask unanimous consent I not lose my right to the floor by yielding for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LEAHY. I was about to make the same request.

First, on the statement of the distinguished Senator from Utah regarding naval strength, I think during the last 3 years I have spent as much time, if not more, than any other Senator in dealing with the questions of naval strength, primarily because I see it as more than simply numbers versus numbers.

I recall my own shock and chagrin, while serving on the Armed Services Committee, the Secretary of Defense put up a great big chart and said that the Soviets had x number of ships—his arm went up this high—and the United States had only this number of ships—it went up about this high.

But the figures were classified as to the types of ships involved at that time, which meant that what was involved was Soviet ships and American ships in numbers only, and to the American military and to everybody within the Soviet Union who wanted it, but not to the American taxpayer.

So I asked to have those declassified, and Gen. George Brown, the Chairman of the Joint Chiefs of Staff, arranged to have it declassified by that evening.

We found, concerning those numbers—and the Senator from Utah might be interested in this—in comparing those numbers, we found, for example, if we compared numbers to numbers, that the United States would have listed as vessel No. 1, the 92,000-ton nuclear aircraft carrier *Nimitz*, the most powerful floating armada in the world, and the Soviets would also have listed as one in the numerical listing a ship about the size, or a boat about the size, of a patrol boat used by the Vermont State Police on Lake Champlain. Numbers versus numbers do not really match up.

I am very concerned that we have not kept up with some of our ability, for example, to resupply NATO and to protect the sealanes, but we are working on that.

I asked the same question of every military person who came to testify before us at that time. I asked them, both publicly and privately. The same question was asked each time: "If you had the ability to do so, would you trade our Navy for the Soviet Navy?" The answer came back a resounding no, no, no, no.

When we talk about our Navy, certainly there are things we will have to do in order to improve it as the years go on; and nobody—Republican, Democrat, Liberal, Conservative, Moderate—will deny that. When we come right down to the question of which is better, the Soviet Navy or ours, we will not find anybody, in or out of the Pentagon, who would say, "Let's trade our Navy for the Soviet Navy."

The question I have for my colleague from Alabama is this: Is it not a fact that under the 1903, the present treaty, if today the United States were at war with another power, the other power could not send their warships through the canal? Is it not a fact that Panama—or Great Britain, for that matter—could veto such a regulation, under the present treaty?

Mr. ALLEN. Could veto what regulation?

Mr. LEAHY. If we established a regulation—I believe the Senator referred to actions taken by President Wilson and others—if we set up regulations saying that we are in a state of belligerency with country A and therefore none of country A's ships will be allowed to transit the canal during that time of belligerency, would not Panama have a right to veto that regulation?

Mr. ALLEN. I am glad the Senator asked that. I discussed that earlier this morning, and I put it into the RECORD or read from it on yesterday.

The International Court of Justice at the Hague, in 1923, had a case before it—the S.S. *Wembleton*.

Mr. LEAHY. I am aware of that case.

Mr. ALLEN. I know. But the decision of the Court of International Justice was that even under the Hay-Pauncefote Treaty, there was nothing to prevent the United States from preventing enemy belligerent warships from going through the canal. President Theodore Roosevelt asserted the same principle, in which the British Government acquiesced in both 1901 and 1912.

Mr. LEAHY. As did the Panama Government.

Mr. ALLEN. Yes.

Also, Woodrow Wilson decreed that no enemy warships could come into the canal.

However, the point I am making—and I am delighted that the distinguished Senator has brought out this point, because it is most helpful to the position of the Senator from Alabama—is that all these decisions, all these proclamations, all these treaties are done away with, except the Hay-Pauncefote Treaty. There has been a ruling on what is allowed there. Everything is done away with, and we start over, start with a new book.

Mr. LEAHY. I hope the Senator does not misunderstand.

Mr. ALLEN. Let me finish. We start with a new book, and everything is to be found in this treaty, except that I believe it is going to be conceded—Mr. CHURCH yesterday was talking about how we carry forward with the Hay-Pauncefote Treaty—I believe it is conceded that that is still in effect. At a later time, I intend to offer an amendment spelling that out, that it still will be in effect. But the general purpose of the present treaty is to start over and have everything contained within the four corners of these documents.

Mr. LEAHY. I am talking about assuming that we are staying with the present treaties and if we fail to ratify these new treaties, the effect of that is that we stay with the present treaties. Under the present treaties, is it not a fact that, absent the concurrence of Panama, we could not set up such regulations at a time of belligerency to block transit of belligerent ships?

Mr. ALLEN. The treaty says that we have to let them in, without any inspection.

Mr. LEAHY. I mean under today's treaty, the situation under today's treaty, the treaty we are operating under presently, absent Panamanian acquiescence, is it not true that we would not be able to stop belligerent ships from going through?

Mr. ALLEN. No.

Mr. LEAHY. At least, not by regulation.

Mr. ALLEN. On the contrary, under the present status of affairs, we can prevent it, not only by catching them out at sea but also by actually preventing their transit of the canal, under Woodrow Wilson's proclamation——

Mr. LEAHY. But that was with the acquiescence of Panama and Great Britain.

Mr. ALLEN. That does not have anything to do with it, as I read the decision of the Court of International Justice. I do not believe we are going to find Panama wanting to let a ship through and our not wanting to let it through. I do not believe we have that division of control. I believe that, for the time being, the United States is in control of the defense of the canal.

Mr. LEAHY. I realize that we can go back and forth on the interpretation of the court cases and precedents all day. I am sorry that my friend from Utah has left the floor, and I will make it a point to reiterate this comment to him when he returns.

I have a far higher estimation of the ability of our Navy than he apparently has, and I have a far higher estimate of our Navy than some who have taken a sort of doomsday attitude. I do not know if it is part of this overwhelming attitude that the United States can do no right. I think we have a very good Navy. I spent a great deal of time with the Navy on these questions.

There is no question in my mind that we have the ability, especially considering the narrow area involved, with the sophistication of our naval power today, to stop any ship we wanted to stop, well before it got within the channel of the Panama Canal. The awesome power we are able to put in force in that part of the world is such that we could prevent any ship. I could not imagine any belligerent relying to any significant extent on their navy, with their commanders, to be foolish enough to put their ships in such a vulnerable position.

Mr. ALLEN. Maybe they would believe the words of the treaty, I say to the Senator. What is the use of putting them in there if nobody is going to believe them?

Mr. LEAHY. I am glad my friend from Utah is back on the floor.

I hold a much higher opinion of our American Navy than he apparently does in this regard. I believe them. I believe our naval commanders when they tell me they could stop anything that would approach there. I also believe them, as I mentioned earlier, when the Senator was not on the floor, when they tell me they would not trade our Navy for the Soviet Navy. They still feel we are superior and still feel, as I do, that the steps that need to be taken in our Navy are not simply a matter of numbers but, rather, the effect of what mission can be carried out.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Mr. President,

the distinguished Senator from Alabama has an amendment which has been under discussion now for about an hour and a half, I would say. I wonder if the distinguished Senator would now call up his amendment, and perhaps we could agree to a vote on it—a vote with relation to it, at least—within an hour thereafter.

Mr. ALLEN. Suppose we set it at about 1:15.

Mr. ROBERT C. BYRD. That would be about an hour and a half.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Will the Senator call up his amendment, under that agreement?

Mr. ALLEN. Yes. I am delighted to do so.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that a vote occur in relation to the amendment which is being called up by Mr. ALLEN—would the Senator suggest that it be 1:15 specifically or no later than 1:15 p.m.?

Mr. ALLEN. I believe I would rather have it at 1:15, if the distinguished majority leader does not mind. That might give us some little freedom of movement prior to that time.

Mr. ROBERT C. BYRD. Very well.

I ask unanimous consent that the vote in relation to that amendment occur at 1:15 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may offer an amendment without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 51 (EXEC.)

Mr. ALLEN. Mr. President, I call up amendment No. 51 and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself, Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, and Mr. GARN, proposes amendment numbered 51:

Strike Article I, and insert in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama: *Provided*, That the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, but not beyond December 31, 2019, if the President of the United States shall deem that the Government of Panama is under the domination of any foreign power, or is Communist, and shall prior to December 31, 1999, so certify to the Government of Panama.

Mr. ALLEN. Mr. President, I did not desire to offer another amendment, even though I have a number of amendments. Several times during my previous remarks this morning I have stated that if any Senator wishes to call up an amendment I would yield the floor to allow that Senator to do so.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. It is my understanding that no Senators have amendments at the desk other than the distinguished Senator from Alabama, with one exception, that being Senator SCOTT of Virginia, and I have heard that he may not even call that amendment up.

I am glad the Senator from Alabama is proceeding to call up his amendment.

Mr. ALLEN. I thank the Senator for that information. But I wonder if the Senator is not assuming then, possibly without full justification, that no Senator possibly has an amendment that has not been presented at the desk.

Mr. HATCH. Mr. President, will the Senator yield at that point?

Mr. ALLEN. That could be the case.

Mr. HATCH. I would like to mention I might have a number of amendments which I may call up. We are considering them right now. We think they are relevant and substantive amendments.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alabama for yielding.

Mr. ALLEN. I thank the distinguished majority leader for his courtesy.

Mr. President, there has been no effort to delay consideration of these amendments or these treaties. I call attention of Senators to the fact that during a normal legislative day—we are in executive session now, and the Senate divides its work between an executive session and a legislative session—it is the normal practice to have possibly as many as 15, 20, or 25 quorum calls. Some are called off in a short while, some are allowed to go live, as the expression is. In other words, it takes unanimous consent to call off a quorum call, and sometimes that consent is not given, and that makes the quorum call go live.

So it is the custom for a Senator to come in and answer present and then leave in order to establish a quorum, and there are not more than two or three Senators on the floor.

But frequently quorum calls, live quorum calls, are used as dilatory tactics. But if there has been any use of quorum calls as dilatory tactics during the consideration of these treaties I am not aware of them. During the entire course of this debate on the treaties I myself have not suggested the absence of a quorum a single time, and I think possibly the whole number of quorum calls while the treaties are under discussion have not exceeded some four or five.

Also when the treaties were laid before the Senate today I did not care to speak at that time because I have spoken a number of times on these issues. I waited until the Chair was about to move to the next article before I got recognition. Ordinarily under such circumstances it would have been my policy to suggest the absence of a quorum. But leaning over backwards, Mr. President, to show that there is no effort to be dilatory as to the consideration of these treaties, I did not suggest the absence of a quorum.

It might have taken an hour to actually establish the presence of a quorum. But instead of that I did take the floor and suggest that I was going to offer an amendment No. 51 a little later on in my discussion.

Then surprisingly, Mr. President, even though no other Senator had asked for the floor, immediately upon my getting started to discuss these issues, I was bombarded, as is customary, I guess, with questions from other Senators who had a perfect right to have obtained the floor ahead of the Senator from Alabama.

The Senator from Alabama was not seeking the floor, did not want the floor. But as soon as he got up to speak on the issue questions came in from the distinguished Senator from Maryland, the distinguished Senator from Alaska, the distinguished majority leader, the distinguished Senator from Utah, the distinguished Senator from Vermont, and I accorded them the full courtesy and sought to respond to their questions, gave them opportunities to discuss the issue, invited all of the Senators to offer amendments if they cared to.

So it is not through choice, Mr. President, that the Senator from Alabama is discussing this issue again or offering an amendment.

Mr. President, I think it is passing strange that the proponents of these measures, having studied them for weeks and for months, are completely satisfied with the treaties. These men of great wisdom and resourcefulness, these men of great literary skills have not found any areas that need to be clarified.

Why just yesterday, talking about this possible hassle over $220 million on the $10 million a year that is supposed to be paid out of surplus funds, if they do not have the surplus in 1 year the obligation is transferred over to another, and the Panamanians have been claiming that guarantee is for that extra $10 million, talking of the $10 million, and that is just a drop in the bucket, because they are going to get, according to Minister Barletta, $100 million a year for receipts.

But the Senator from Maine (Mr. MUSKIE) says, "I have not seen clearer language," and the Committee on Foreign Relations' report was trotted out, and it said thus and so, even though Mr. Staats, the Comptroller General, said the Panamanians had a different attitude.

I would suggest would it not have been the better course of wisdom to spell that out again and let the parties agree to it that it had to come out of surplus funds? You know, we are committed under the treaties to turn the canal over to Panama free of all liens in the year 2000.

So they are going to be contending, in all likelihood, for this $220 million at the end of the Panama Canal Treaty's life, less whatever amounts we have been able to pay them out of surplus funds.

So it seems that it is the strategy of the administration and of the leadership to stonewall as against all amendments. The Foreign Relations Committee considered this matter for weeks and heard reports

from many witnesses. I believe most of the members went down to Panama and checked on the matter, and asked Mr. Torrijos for his—whatever they asked him for, information or recommendations. I was not present when the questions were asked of Mr. Torrijos. But with all of this study, all of these trips down to Panama, you know, Mr. President, it would be interesting to find out—and I wish the proponents of the treaties would volunteer this information—how many hundreds of thousands of dollars were spent transporting U.S. Senators down to Panama to check with Mr. Torrijos about the treaties. That would be an interesting figure, and I hope and I ask that the proponents of the treaties come up with that figure, as to how much it cost the American taxpayers to send delegations of Senators to Panama to question Mr. Torrijos and, I assume, to drive by helicopter along the route of the Panama Canal.

(Mr. HUDDLESTON assumed the chair.)

Mr. LEAHY. Mr. President, will the Senator yield briefly?

Mr. ALLEN. I yield for a question, yes.

Mr. LEAHY. I have heard the Senator raise the same point——

Mr. ALLEN. No, this is the first time I have raised this point on the cost figure.

Mr. LEAHY. Raise the point about Senators going to Panama and it being costly to the taxpayers. As I recall, the Senator, one evening before the debate started, raised the point when there was a question, during the time of the discussion of the Criminal Code, that some Senators might be absent for some votes because there was going to be a delegation led by the Deputy Majority Leader to Panama during that time. As I recall, the distinguished Senator from Alabama made some comment then.

Mr. ALLEN. I do not recall. I may well have.

Mr. LEAHY. And the Senator, in a discussion, I believe, with Senator HOLLINGS on the floor here a few days ago during the debate, also raised comments regarding it.

Mr. ALLEN. I have never raised the question of the cost before. and I would like to have that information.

Mr. LEAHY. I think it is more a question of the Senator expressing displeasure, and I certainly would not know how to characterize it otherwise, displeasure at the Senators traveling to Panama in connection with the Panama Canal Treaty. Would that be a fair characterization?

Mr. ALLEN. I do not believe that I expressed displeasure.

Mr. LEAHY. Concern?

Mr. ALLEN. Concern for the taxpayers, yes.

Mr. LEAHY. Disagreement? Disagreement with them going down there?

Mr. ALLEN. Concern, I think, would be a better word. Concern for the taxpayer.

Mr. LEAHY. I ask the Senator this: I think continuously, from statements made not only in my own State of Vermont, but statements made throughout the country, that people in this country are getting most upset that those of us in Washington seem to feel that all knowledge, all information, and everything else emanates from Washington, D.C.; whether it is at the executive level, whether it is at the congressional level, or whether it is within the national news media, that all answers are here, and I have had an awful lot of my constituents say that they find, actually, arrogance, a feeling on the part of some within the Government and they will make all their determinations based on what they hear, discuss, learn, delve into, and whatsoever, in Washington, D.C. I——

Mr. ALLEN. Will the Senator yield just a moment there?

Mr. LEAHY. Certainly.

Mr. ALLEN. I am not too interested in all decisions being made in Washington. I would like the decisions to be made by the people throughout the country. Not by referendum; I do not mean that I would support that, because we have a representative form of government, but I would be interested in decisions being made throughout the country.

But I would also say this: much as I hate to see all decisions made in Washington, I would somewhat prefer to see decisions made in Washington than down in Panama.

I fear that the thrust of the effort here at this time with respect to these treaties is to see that the Panamanian wishes will prevail as to the shape of the treaties. I thank the distingiuished Senator for pausing in his portion of the time, but I still remind the Senator that I have the floor.

Mr. LEAHY. Certainly, and I appreciate the courtesy in extending the time to me.

As I think the Senator from Alabama knows, in my short time here, there has never been a time that I have failed to yield to the distinguished Senator from Alabama anytime he has requested it, and I appreciate——

Mr. ALLEN. Why, certainly.

Mr. LEAHY. His courtesy in doing that for me. But my concern, as the distinguished Senator from Alabama knows, is that the final decision will be made and voted on right here on this floor, and I think without going into the names of those Senators who have stated their total absolute opposition to the Panama treaties, it includes a number of our colleagues who have traveled to Panama and they have made their recommendations after being in Panama, just as some of us traveled to Panama and made the determination to support the treaties after being there.

Now, certainly from my background as a trial lawyer, before trying a case, I did everything possible to try to see exact locations involved in the case, to talk to as many people involved in the case and to walk myself through the case, as it were.

I have the distinction of serving on the Senate Agriculture Committee with the distinguished Senator from Alabama.

Mr. ALLEN. Yes. I enjoy my association with the very distinguished Senator from Vermont in that committee.

Mr. LEAHY. I appreciate that.

I have even so much as held hearings in the evenings in town halls so that people who could not come to Washington could testify in Vermont on matters that are going to affect them.

I have held hearings for farmers at 6:30 and 7 o'clock in the morning because that was the one time that they could be available to testify, because they again could not come to Washington.

I really would hope, and I am not intending to offend the distinguished Senator from Alabama, but I would hope that we would not get ourselves into a position on the Senate floor where we would feel that there is something wrong with being able to go to the site of a matter of major importance, not only to the Senate but to the Nation as a whole, whether it is on forestry legislation or whether it is on the Panama Canal or on anything else, because if we do get ourselves into that attitude, we are going to find that matters that affect the whole Nation many times affect the whole world. We are going to sit here and talk amongst ourselves, talk amongst the people whose perspective is primarily Washington, be treated only to the national news media based in Washington, and whether we define it as good or bad it will still be just this one area. And I can tell you, as I have told the people in my own State, as I told them when I ran for the Senate, I intend to spend a considerable amount of time each year out of Washington, in connection with the matters I vote on in the Senate.

I make it a point to publish every day my schedule about where I am going to be and who is paying for it.

Mr. ALLEN. I think that is a fair and admirable policy.

Mr. LEAHY. I have carried this out throughout the time that I have been here, but I really would hope that we do not get ourselves into a situation where we would be reluctant to leave Washington, to leave the Senate and to do some independent analysis of the matters that we are going to face on the floor.

I am sorry. I had intended to make that as a question, but it turned out to be a more lengthy statement than I normally would make. I thank the Senator from Alabama for his courtesy.

Mr. ALLEN. I thank the Senator for his very fine remarks. Certainly, in no case have I suggested that there was any impropriety for Senators making these trips. It was merely rhetorical, I suppose, to inquire as to what this figure might be.

I commend the distinguished Senator from Vermont for listening to the opinions of his constituents, to find out the opinion of his constituents. I do not know whether he found out that the citizens of Vermont were for the treaties or whether he found out they were against the treaties. Possibly, he found out they were for the treaties because the distinguished Senator from Vermont, according to his actions on votes, I think, has declared a position to be for the treaties. So I hope his trips to Vermont have been productive and that he is giving full review and consideration to the opinions of his constituents.

I, too, go throughout my home State. I had a first position on the Panama Canal issue during the Nixon adminis-

tration when they were carrying on negotiations in October 1971. In a newsletter I send to several thousand of my constituents each month I was critical of the Panama Canal negotiations. I took a stand on this long before Governor Reagan discovered it as an issue.

During the pendency of these treaties, I have made frequent trips to my home State, and I find people there are very much opposed to giving the canal away. If we do give it away, they certainly want it to be without added expense to the taxpayer, and they want the full right of the United States to defend the canal in perpetuity.

So I am leaning very heavily not only on my own personal conviction in this matter after studying the issue, but also depending upon the opinion and support of the people of Alabama.

Just the other day I put into the record a resolution from my State legislature urging both Senators to vote against the Panama Canal Treaty. Whether I had received that resolution or not, it was going to be my intention to vote against the treaties.

Mr. LEAHY. Will the Senator yield for a question?

Mr. ALLEN. Yes.

Mr. LEAHY. I know the Senator is one of the best read Members of the Senate, and I am sure like all of us he has read Edmund Burke's admonition to his constituents. I would ask the Senator if faced with a poll or anything else that might express the will of the people toward one position but the Senator felt in his own conscience, in his own moral sense, that he should vote the other way, would he vote his conscience?

Mr. ALLEN. I would have no difficulty in taking a stand, even though it might be unpopular in my State, if I thought the facts justified it. Fortunately for me in this particular case, my considered judgment, which was reached long before I had any massive input from the people of Alabama, was that these treaties are not in the best interests of the people of the United States. I am pleased that my conviction, my judgment, has been confirmed by what I sense to be the feeling of the people of Alabama and of the Nation on this issue.

Mr. LEAHY. The Senator would agree, would he not, that a Senator's ultimate choice on any issue must be determined by what in his or her conscience is the best way to vote, is, again in his or her conscience or judgment, in the best interests of the United States, in the best interests of the people they represent, and, in the final analysis, it is his or her judgment and moral decision that must be the final deciding factor.

Mr. ALLEN. Yes. I think we must vote in a manner which we feel is in the best interests of our country. I am not charging that Senators who are unwilling to amend these treaties, who evidence a desire of rubber stamping the treaties—I am not saying for 1 minute that they do not feel that their position is for the best interests of the people of the United States. But I do sort of resent the fact that one of the main considerations we apparently face is, is this change, no matter if constructive, going to result in a new plebiscite in Panama.

Who in the world would know what would require a new plebiscite in Panama? They have a one-man government. Mr. Torrijos first said the leadership amendments would not be satisfactory because they would require a new plebiscite. Later, when he saw that the Senate was going to insist on that, he said, "Well, yes, we can take that."

I say if we amend these treaties in 100 substantial ways, provided Panama would get this $100 million a year they will get out of the treaties we will find Mr. Torrijos will say, "Well, maybe on second thought these treaties are not too bad. I am going to write this note to the President accepting them."

Who would say that that action by Mr. Torrijos was not proper? Would we tell him, "Look, you cannot accept these treaties. You have to submit them to a plebiscite."

I daresay we would not do that. We would not tell Mr. Torrijos that:

We construe your law to require you to submit to another plebiscite.

I would say it is my judgment in all likelihood we would accept whatever Mr. Torrijos did.

Mr. LEAHY. Will the Senator yield?

Mr. ALLEN. No, not just now.

I take a rather contrary view when we say here on the floor, as has been said quite often, "This amendment would require a new plebiscite."

I do not know what they base that upon because I do not think any U.S. Senator can say categorically and with certainty that any action we take here in the Senate is going to require a new plebiscite.

Now I will yield to the distinguished Senator.

Mr. LEAHY. I did not mean to interrupt, but I would like the Senator to know that the Senator from Vermont has told General Torrijos that whatever way he votes will be totally absent any consideration of whether it requires another plebiscite or not. I really do not think that is or should be a relevant consideration.

I have also told my constituents in Vermont that however I vote on that particular question would be done based upon whether I thought, one, the treaties were good, and, two whether any amendments involved adds to them significantly enough in my judgment to warrant a vote against them.

Those would be the only considerations.

I would agree with the Senator from Alabama that the decision to vote for or against the amendment should be made solely on whether they are good or bad for the treaties and not whether they would cause another plebiscite or not. I would agree with the Senator from Alabama.

Mr. ALLEN. The Senator will be reminded that some will be offered which I believe the Senator from Vermont will view as constructive.

Mr. LEAHY. I am a cosponsor of at least a couple of amendments that I think are constructive——

Mr. ALLEN. Are they amendments or reservations?

Mr. LEAHY. On the treaty, on the leadership——

Mr. ALLEN. Oh, on the leadership. That is hardly a case in point.

Mr. LEAHY. Maybe the Senator from Alabama thinks not.

Mr. ALLEN. I might say I am a cosponsor, also.

Mr. LEAHY. But the point remains that I am also well aware of the delicate negotiating process that went on here. I am well aware of the fact that there are elements within that treaty which are extremely favorable to the United States.

Mr. ALLEN. We do not want to take advantage of the Panamanians, now. We should not have any provisions that are favorable to us.

Mr. LEAHY. I think we have historically shown that we are a little bit less than reluctant to take advantage of the Panamanians. I think that—I am sure it was not just an overriding sense of duty or a desire to get overtime pay that caused former Secretary Hay to be willing to meet with Bunau-Varilla in the evening and sign off on the treaty. With all due respect to past Presidents and past Secretaries of State, I do not think that, for example, President Theodore Roosevelt would have expressed the same view that the Senator did just now—and I realize facetiously—that we do not want to take advantage of the Panamanians. He was willing to take advantage of the Panamanians, even though they had been Panamanians in name for only perhaps a matter of hours.

Mr. ALLEN. In fact, it was really Colombia along about that time.

Mr. LEAHY. Yes, in fact, there was good question raised as to whether they were Panamanians or Colombians. But there was no question of what the United States intended to do: to get in there and draft that, regardless of who might be involved. So our sensitivity in that area of what we should or should not do to Panamanians has, certainly, historic precedents which, if one were a Panamanian, would probably not give them the greatest sense of comfort down there.

The reason I mention that is that I am aware of the delicate negotiations that are involved here. One of Vermont's most distinguished citizens, Ambassador Bunker, was primarily involved in this. When I think of amendments that I would vote on, I am more concerned with how those amendments fit into the overall picture of the treaty itself and how they affect past negotiations, realizing that it is, in many ways, like a jigsaw, that about the plebiscite.

For example, to put the mind of the Senator from Alabama at ease, at a time when I was saying that whichever way we went, whichever way it might go on the final treaties, prior to making up my mind finally on it, I was saying that, however, I would support the Byrd-Baker additions, however we want to define them. At that time, I was under the very clear understanding that that woud require another plebiscite.

So the question of a plebiscite.

Mr. ALLEN. The distinguished Senator has changed his mind on that.

Mr. LEAHY. Be that as it may; I am just telling this so the Senator will understand, as I think a lot of other Senators do, that the question of a subsequent plebiscite on that issue did not bother me.

On the other hand, I am not eager to have plebiscites simply for the sake of having plebiscites.

Mr. ALLEN. But even if an amendment were constructive and desirable from the standpoint of the United States, I gather the Senator would not vote for it, if, to use his words, "it upsets the delicate balance of the treaty parts"?

Mr. LEAHY. Yes, I am not eager to negotiate the treaty here on the the floor of the Senate. I suspect that if we did, we could end up with 100 separate treaties. I wish that, over the years, the Nixon administration, the Ford administration, and the Carter administration had involved the Senate more than they did in the "advise" part of the advise and consent to the treaty. I am hoping that the present administration will learn a valuable lesson from this as far as any future SALT treaties might be concerned or might be involved. I should hope that Members of the Senate, of varying political persuasions and ideologies, would be actively involved in negotiations that go on in that area.

Again, I should hope that there would be a realization on the part of the Senate that that is as important in our duties as the amount of time that we might spend on the floor and the number of committee meetings we might have.

But, having said that, I am aware of the fact that when a treaty is finally signed, it is signed by the Executive. I am aware of the fact that we cannot have 100 treaties.

I am aware of the fact, then, that we must decide whether the treaty, as presented to us, one, if it is abhorrent to us, can be amended so we can accept it. If it cannot be, then we vote against it. If we are generally in agreement with it, is the treaty satisfactory or does it require further amendments to get us to where we can vote for it?

Knowing that, like most pieces of legislation, with the exception of a couple of extremely minor pieces of legislation, I have seen very, very few pieces of legislation go through here where I could say I am perfectly happy with every single line of it. I am sure the distinguished Senator from Alabama has voted for legislation here where he could not say that he was perfectly happy with every single line of it. The only time I have ever seen a piece of legislation sitting in front of me when I was happy with every single line of it was at the time I introduced it. Even some of those have gone to some of my subcommittees and by the time it got out of subcommittee, I could not say that.

So, as to anybody voting for ratification of this treaty, I do not think we could find any Senator voting for ratification of this treaty who would say, "I like, I love, I approve, I embrace every line of this treaty." That is not going to happen with any piece of legislation.

The question is, Is it significantly close enough to what a particular Senator feels is in the best interest of the country? If so, vote to ratify.

If it is not, in that Senator's judgment—in his judgment, based on however he arrives at that decision—if it is not in the best interest of the country to that Senator, that Senator should vote against ratification irrespective of any amendments that should be introduced.

Mr. ALLEN. What about intervening amendments?

Mr. LEAHY. I do not understand.

Mr. ALLEN. The Senator says on the final windup, a Senator understands the treaty is in the best interest of the people. What about separate consideration of various amendments prior to the final vote?

Mr. LEAHY. That is a perfectly valid question. There, I think when we vote on any amendment—and this I do when I vote on an amendment. If I am voting for it, I vote for the amendment as though it were going to pass. Then I think to myself, if this had passed——

Mr. ALLEN. In other words, if it passes, the Senator might be for it, or, if it does not pass, he might be against it? I do not quite understand.

Mr. LEAHY. Let me finish what I am saying. I do not think the Senator understands.

When I vote for an amendment, I am going to say now, when I am going to vote for an amendment, I have to assume, in voting for it, that it will pass; at least, I want it to pass.

Then I say to myself, if this passed, if it is in the final piece of legislation—and I can only refer to an example of legislation, because I have not been in the Senate at a time when we have had a major treaty of this nature up. If it were in the final piece of legislation, would I vote for the final piece of legislation with that particular amendment?

Mr. ALLEN. Yes.

Mr. LEAHY. That is the determination I have to make. That is why I talked about the delicate balance involved in the negotiations on the whole thing, what I know of the treaty, would I vote for those amendments as they are going to be in voting for the final package, have we moved away enough from the negotiations and not have in the treaty what we want to have?

Mr. ALLEN. I thank the Senator.

I am anxious to yield the floor, but I would like to ask the Senator one question. I believe he can answer it in a rather brief fashion.

As he has gone through Vermont and attended these town meetings, and at the crossroads, general stores, and the like, what conclusion has he reached about the attitude of the people of Vermont with respect to these treaties? Are they for or against the treaties, in the judgment of the distinguished Senator?

Mr. LEAHY. We have a real split. There is a real split in the State of Vermont.

As the Sentor knows, or may know, I maintain a home both in Vermont and here. I maintain listed home phone numbers both here and in Vermont and encourage people to call me.

I have town meetings several times a month. We just go into a town hall, invite anybody to come in and speak on any subject he wants.

I am blessed in coming from a State small enough so I can read every piece of mail that comes from Vermonters. Based on that, based on what I have heard from Vermonters and based on access to a recent political poll taken for another purpose that I just saw, they had this question, and the split in Vermont is nearly a 50–50 split on the treaties.

Mr. ALLEN. I see.

Mr. LEAHY. Which is a change from the way it began.

Mr. ALLEN. Yes.

Mr. LEAHY. It was overwhelmingly against them when it began.

I am, however, encouraged and really buoyed up by the one trend that comes through loud and clear in the vast majority of my mail. That is, the statement that the people elected me to use my best judgment, and sometimes they agree with me and sometimes they disagree with me, but they feel I have got to work to use it.

Mr. ALLEN. I thank the Senator.

I wish to give a short explanation of the amendment. then I am going to yield the floor generally.

Mr. President, this amendment provides that if at the 31st day of December 1999, the President deems—the President deems—that the Government of Panama is under the domination of any foreign power, if it is a Communist Government, he may continue our military presence in the Panama Canal Zone for an additional 20 years, if, prior to December 31, 1999, he so certifies to the Government of Panama.

Because we do not know what the situation is going to be in Panama in the year 2000. We should prepare for the contingency that it will be dominated by a foreign power. We do not know whether it will be Russia, or Cuba, or some other government, or if it is itself a Communist power.

This would allow the United States to continue its military presence for 20 years, because we would certainly be very foolish under those circumstances to withdraw our troops prior to the year 2000.

Mr. DOLE. Will the Senator yield briefly?

Mr. ALLEN. Yes; I am glad to yield to the Senator, or I will be glad to yield the floor.

Mr. DOLE. Certainly there is no objection to that amendment, so I assume that amendment would be accepted.

Mr. ALLEN. Well, there has been no indication it is going to be rejected, I say, nor has there been any it is going to be accepted, I say with equal candor.

Mr. DOLE. It seems to the Senator from Kansas a very meritorious amendment. I cannot see how anybody would want to oppose the amendment.

I have studied it very carefully. It seems to me to be one of the more constructive amendments that will be considered. So I guess we can expect the vote to be affirmative.

Mr. ALLEN. Yes. I think it will be accepted.

But I am beginning to believe an amendment expressing approval of the Sermon on the Mount might be objected to if it possibly required a plebiscite.

Mr. DOLE. I think there is a preoccupation with the plebiscite. That seems to transcend everything else that might have merit.

I am still waiting to hear from General Torrijos on my amendment. If he OK's my amendment, I guess my colleagues would.

Mr. ALLEN. I expect the Panamanian mail is a little slower even than the U.S. mail. So maybe the Senator's amendments have not reached dictator Torrijos.

Mr. DOLE. I thought I would wait another few days and then perhaps make a phone call.

Mr. ALLEN. I hope the Senator will be able to get through to him.

Mr. DOLE. I appreciate the Senator yielding.

Mr. ALLEN. But I make this point, I say to the distinguished Senator from Kansas, as regards the plebiscite, no one knows what, if anything, would cause another plebiscite. Senators state categorically here on the floor that this amendment would require a new plebiscite? Who knows whether it will or not?

Torrijos could, just as easily, say, "I will accept all these amendments and right now note our ratification to the President."

Would the President say he had not followed the Panamanian Constitution and, therefore, the treaty was void? Of course not. They would accept whatever he rubberstamped.

Does the Senator agree with that?

Mr. DOLE. I agree with that.

I might add, when the distinguished Senator from Nevada and the Senator from Kansas visited with General Torrijos, he indicated he did not want a year-round plebiscite.

I concluded that maybe that meant another plebiscite was all right, but just do not have it the year around.

I do not understand this fear of another plebiscite. In effect, saying to those of us who have amendments that we cannot adopt the amendment, because there might be another plebiscite.

Apparently, General Torrijos does not have that fear.

Mr. ALLEN. Would the Senator feel we are morally abdicating our constitutional duty when we refuse to shape these treaties?

Mr. DOLE. No doubt about that. We have given, in effect, Mr. Torrijos a veto over all our amendments.

I do not really believe that the people I represent in Kansas, whether they are for or against the treaties, expect us just to stand by and not raise questions about the treaties. Even those who support the treaties want the best treaties, the best for the Panamanians and the best for the Americans.

It seems to me that what the Senator from Alabama is trying to do is to provide if we have obvious improvements we ought to press that improvement.

Mr. ALLEN. I certainly agree with the distinguished Senator.

Has the Senator further questions?

Mr. DOLE. I have no further questions.

Mr. ALLEN. I yield the floor.

Mr. CHURCH. Mr. President, it is my understanding that under the terms of the unanimous-consent agreement, the vote on the pending amendment will take place at 1:15.

The PRESIDING OFFICER (Mr. HUDDLESTON). That is correct.

Mr. CHURCH. I would hope that just prior to that time I will have an opportunity to take the floor and express the reasons why I oppose the amendment offered by the able Senator from Alabama.

(The following proceedings occurred during Mr. DOLE's remarks and are printed at this point by unanimous consent.)

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina (Mr. THURMOND).

Mr. THURMOND. Mr. President, I rise to support amendment No. 51, offered by the distinguished junior Senator from Alabama, myself, and others.

Here is an amendment that is easily understood and makes good commonsense when viewed against our national security requirements.

I ask unanimous consent that the amendment be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike Article I, and insert in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama: *Provided*, That the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, but not beyond December 31, 2019, if the President of the United States shall deem that the Government of Panama is under the domination of any foreign power, or is Communist, and shall prior to December 31, 1999, so certify to the Government of Panama.

Mr. THURMOND. Mr. President, the amendment simply means that on December 31, 1999, if Panama is under foreign domination or is Communist, we would not turn the canal over to Panama, but continue to maintain, operate, and defend it.

Now how can anyone object to that? It is merely a safeguard in the event Panama's character changes. Who knows what the situation may be on that date? No one in this body would attempt to predict what the situation might be. Would we not look ridiculous if the Communists seize power there and because of a treaty approved 23 years previous the United States had to move out of a valuable waterway like the Panama Canal?

Mr. President, we must remember we are dealing with a waterway critical to our own economic and defensive strength. If something happens to it, the United States will suffer the most. It is in our sphere of influence. We are not talking about the Dardanelles or the Bosporus Straits connecting the Black and Mediterranean Seas or the Gibraltar Straits, or the straits that connect the Baltic and North Seas between Denmark and Sweden.

Certainly the Panama Canal is an international waterway, but its closure would bring the greatest damage to the United States, especially in a time of war.

Mr. President, also I would imagine the opponents of this amendment would argue once again that passage of any change to the treaties may require a plebiscite in Panama. This approach is totally unrealistic in that its assumes the treaties are perfect, which they most certainly are not, and disavows responsibility of the Senate to advise the President, as provided for in the Constitution.

In the past history of the Senate this body has altered treaties and rejected important treaties, so to say that we should not even amend the pending treaties is an abrogation of our responsibiliities.

Mr. President, the American people are watching the Senate to see if it is going to rubber stamp these treaties. So far, it appears many of the Senators are passing up worthy amendments in the belief that any change will be fatal to the treaties. If the treaties are so weak that such is the case, then that is even more reason that they should be rejected outright.

In closing, Mr. President, I urge each Member of this body to carefully consider this amendment on its merits and imagine how important this day could be in history if on December 31, 1999, the canal goes over to Panama, because on this day of 1978 we did not have the courage to fully protect the interest of our national security against the unknown future.

Mr. President, I just want to say again, how can anyone object to this amendment because if Panama is under domination of a foreign country, or the government has become Communist, certainly we would want to protect the interests of this country. Under the present treaties, we cannot do it. If this amendment is adopted, we could do it.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The disguished Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. This amendment is another frivolous amendment. It is based upon the hope that it will have a false emotional appeal. Its real purpose is to change the text of the treaties to force a renegotiation based on emotional issues not relevant to the real interests of the United States.

Furthermore, this amendment is defective on its face. While its states that we must not leave the Panama Canal Zone if the Government of Panama, at the turn of the century, is deemed by the President of the United States to be under the domination of any foreign power or is Communist, the amendment itself

contains a provision that American troops may not be retained in that same Canal Zone beyond December 21, 2019.

Well, what if at that time——

The PRESIDING OFFICER. The hour of 1:15 p.m. has arrived.

Mr. CHURCH. Mr. President, the hour of 1:15 p.m. having arrived, I now move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. HATCH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The yeas and nays were ordered.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Colorado (Mr. HART), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

The result was announced—yeas 59, nays 36, as follows:

[Rollcall Vote No. 39 Ex.]

YEAS—59

Abourezk	Hatfield,	Moynihan
Anderson	Mark O.	Muskie
Baker	Hatfield,	Nelson
Bayh	Paul G.	Packwood
Bellmon	Hathaway	Pearson
Biden	Hayakawa	Pell
Bumpers	Heinz	Percy
Byrd, Robert C.	Hollings	Proxmire
Case	Huddleston	Ribicoff
Chafee	Humphrey	Riegle
Chiles	Jackson	Sarbanes
Church	Javits	Sasser
Clark	Kennedy	Sparkman
Cranston	Leahy	Stafford
Culver	Magnuson	Stevenson
Danforth	Mathias	Stone
Durkin	Matsunaga	Wallop
Eagleton	McGovern	Weicker
Glenn	McIntyre	Williams
Gravel	Metzenbaum	
Haskell	Morgan	

NAYS—36

Allen	Garn	Roth
Bartlett	Hansen	Schmitt
Brooke	Hatch	Schweiker
Burdick	Helms	Scott
Byrd,	Hodges	Stennis
Harry F., Jr.	Johnston	Stevens
Cannon	Laxalt	Talmadge
Curtis	Long	Thurmond
DeConcini	Lugar	Tower
Dole	McClure	Young
Domenici	Melcher	Zorinsky
Eastland	Nunn	
Ford	Randolph	

NOT VOTING—5

Bentsen	Griffin	Inouye
Goldwater	Hart	

So the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(This concludes proceedings which occurred later in the day.)

Mr. DOLE. Mr. President, I do not know how many days we have been engaged in debating the Panama Canal treaties. It seems to the Senator from Kansas that the die is fairly well cast. All amendments will be opposed, and all amendments probably will be rejected, except for the so-called leadership amendments. I hope that somehow we can resolve the treaty issue within the next several weeks.

It seems to the Senator from Kansas that if, in fact, that is the strategy and if, in fact, there are enough votes to defeat every amendment, regardless of its merit, it does little good to extend the debate beyond a reasonable time. What may be a reasonable time might be interpreted differently by different Members of this body, but I hope there can be some resolution. Perhaps that resolution will hinge on whether or not meritorious amendments can be accepted or adopted.

I say to those who automatically vote for every motion to table an amendment that it might be well to look at the amendment, to see what they, in effect, are voting against.

The amendment before us now is a case in point. I do not believe anybody in America would want to turn over the canal in the year 2000 if, in fact, Panama is under the domination of any foreign power or is Communist. That is essentially what the amendment of the distinguished Senator from Alabama deals with. I do not believe that even people who support the treaty would want the property turned over under those conditions.

There is not a great deal of interest on the floor. During the highlights, perhaps five or six Senators may be present, but there has not been any great rush to the floor to hear the debate. I think we did a bit better in the closed session.

However, it seems to this Senator that, if that is the strategy—and that obviously is the strategy of the proponents of the treaties—I urge my colleagues who already have pledged themselves to support the treaties that they may want to take a look at the amendments, as I am certain they will, before casting a vote on a motion to table an amendment or not to table an amendment or a vote up or down.

Having said that, the Senator from Kansas would like to discuss briefly details of the negotiations preceding the final agreement.

Mr. President, I ask unanimous consent that I may yield 5 minutes to the distinguished Senator from Massachusetts, without losing my right to the floor, and that his remarks follow the remarks of the Senator from Kansas.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Remarks made at this point by Mr. BROOKE and Mr. CHURCH are printed later in today's RECORD.)

THE PANAMA CANAL TREATIES: A TRAIL OF AMERICAN CONCESSIONS AND RETREATS

Mr. DOLE. Mr. President, as I was indicating, thus far in the Panama Canal Treaty debate, there has been very little discussion of details of the negotiations preceding the final agreement.

Yet, this is an important aspect of the consideration of these treaties. If we understand the bargaining process—particularly in the first 6 or 7 months of 1977—we can better understand the final provisions in the treaties before us. And we can also better understand just how so many ambiguities, uncertainties, weaknesses, and other flaws ended up in the final product.

It is that final stage of the treaty negotiations which I want to discuss today, focusing upon issues of dispute, U.S. bargaining positions, and U.S. concessions during the first half of 1977.

A CARTER TREATY

President Carter suggests that the pending treaties have the weight of four presidential administrations behind them. I suggest that such a statement is inaccurate and misleading.

In fact, there is ample reason to believe that significant concessions were made by the Carter administration during treaty negotiations, which went far beyond the limits acceptable to earlier administrations. Throughout the 13 years of United States-Panamanian negotiations, certain major points remained at issue—particularly those regarding American defense and operation rights for the canal during the coming decades. It was, in part, precisely because the United States refused to make major concessions to Panama that the talks lasted as long as they did.

A preliminary review of existing evidence suggests that the Carter Administration, in contrast, backed off relatively quickly from certain key negotiating positions. As a result, new canal treaties were concluded, but with a string of ambiguities and concessions that I believe imperil American interests.

EVIDENCE OF RETREAT

Of course, neither the Senate nor the American people can be absolutely sure just what the exact extent of concession was, because the negotiations were conducted in secrecy and details have never been made public. It is possible, however, to get a fair idea of the nature of those negotiations from bits and pieces of available information, especially with regard to the first 7 months of the Carter administration. It is a bit like examining all of the clues in order to solve a riddle, and the pending treaties—with their ambiguities and weaknesses—certainly constitute a riddle of momentous proportion.

Mr. President, during the past several months, I have examined numerous pub-

lic statements by both Panamanian and American officials, as well as documents relating to the 1977 treaty negotiations. By doing so, it has been relatively easy to determine two particular aspects never fully disclosed to the public: That is, the unresolved question which confronted treaty negotiators when President Carter took office in January of 1977; and the U.S. bargaining positions on defense and operation rights which appear to have rapidly deteriorated within a short 6-month period.

So it is possible to determine just what issues were the focus of bargaining during the last 6 months of negotiations, and it is possible to infer the general nature of concessions made by the United States.

I am discussing this matter for several reasons. First, I believe it is essentially unfair for the current administration to imply that a number of U.S. Presidents during the past two decades were architects of the accords produced in September of 1977. While those treaties were necessarily the product of years of negotiation, the end result was clearly a child of the Carter administration, regardless of whether or not it attracts the endorsement of our living former presidents.

I might also add as an aside that during the last fireside chat President Carter invoked the memory of Theodore Roosevelt, and said that if he were alive today, he would probably be supporting the treaties.

On Monday of this week, Teddy Roosevelt's son, Archibald Roosevelt, called our office and said that just to the contrary, he did not know what his father would do, and neither did President Carter, but regardless of what his father would say, he, Archibald Roosevelt, President Roosevelt's son, who is now 87 years of age, felt that we should not give the canal away. So I think it is pretty hard to determine what Theodore Roosevelt would have done today.

Second, I believe that a clearer understanding of "retreats" in the U.S. negotiating position will provide a better idea of the weaknesses in these treaties, and how they came about. It suggests certain specific areas in the treaties which might well be subject to public scrutiny at this time.

And, finally, careful review of these points suggests certain modifications and treaty amendments which could strengthen vital national interests. It suggests certain areas in which Congress, as the final source of "advice and consent" to the negotiated treaty, might well insist upon a reassertion of rights and interests.

I will briefly cite the major points of concern.

BACKDOWN IN NEGOTIATING POSITIONS

It can be determined that American negotiators receded on the following treaty issues during the Carter administration.

DURATION OF BASIC TREATY

The new Secretary of State, Cyrus Vance, made it very clear at a news conference on January 31, 1977, that remaining "matters to be discussed in the negotiations" included the termination date of the new Panama Canal Treaty. Press reports of the time suggest that the U.S. Government had, up to that time, insisted upon a basic treaty period significantly longer than the 22 years finally agreed upon.

A previously "confidential," now unclassified, document provided to me by sources close to the treaty negotiations demonstrates that a more favorable termination procedure was advocated by the United States, at least up until the summer of 1977. That provision allowed for treaty termination on December 31, 1999, or anytime thereafter, with 1 year's prior notice required of the party wishing to terminate the agreement. The specific language is cited below:

This Treaty shall terminate at noon Panama time on December 31, 1999, provided that on or prior to December 31, 1998 either Party has given notice to the other of its intention to terminate this Treaty. If such notice has not been given on or prior to December 31, 1998, this Treaty shall terminate one year from the date notice is given. At such time as notice of either Party's intention to terminate this Treaty is given, the Parties shall promptly enter into consultations to discuss the continuation of such arrangements between them concerning the Panama Canal as they may deem appropriate.

According to my sources, the reason for American efforts to include this clause in the treaty was to maintain a certain amount of leverage over Panama with regard to defense arrangements after the year 2000. It was also to establish the right of the United States to consult with the Panamanians upon those defense arrangements with a clear implication that continued U.S. military presence under mutually satisfactory arrangements was contemplated after the year 2000. This position was brought to the negotiating table in June of 1977, and was said to represent "a consensus that had pertained in the executive branch from the beginning of the negotiations." I am advised that it was "dropped under pressure" shortly afterward.

The identical language of this provision was actually contained in a preliminary draft of the Panama Canal Treaty, dated July 10, 1977, recently provided to the Senate steering committee by the State Department. That draft reiterates and reconfirms the existence of this bargaining position.

TRANSFER OF PROPERTY AND CONTROL

At the same press conference in January of 1977, the new Secretary of State suggested that the rate of transfer of both the canal and Canal Zone property remained in question. Apparently, both the rate of transfer and the specific portions of real estate to be transferred during the basic treaty period still had to be hammered out. This issue, of course, would have involved transfer of existing U.S. military bases and Canal Zone installations relating to operation and defense of the canal.

We know what we ended up with in the final treaty: Immediate dissolution of the Canal Zone and transfer of all property to the Panamanian Government. This, along with transfer of most American military bases to Panamanian authority within 22 years.

The significance of the final terms becomes apparent when one examines the text of a private letter which President Carter sent to Panamanian Gen. Omar Torrijos dated July 29, 1977. In the letter, the President advised the Panamanian general that—

The United States has made a number of major concessions in the lands and waters area during the past several months. For my country to make any significant further adjustments would handicap us unacceptably in operating and defending the canal.

The significance of those "major concessions" which the President admits bordered on the point of handicapping the United States "unacceptably" does, I believe, speak for itself. The full text of the President's letter, incidentally was published in the New York Times of August 2, 1977.

Mr. President, I will ask unanimous consent that the Senator from Kansas be recognized following the vote in order to complete the statement that I am now in the process of giving and that it all be continuous.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. And I yield the floor.

(The vote on amendment No. 51 occurred at this point.)

Mr. DOLE. Mr. President, the Senator from Kansas, before the vote, was discussing some of the major concessions made by the Carter administration with reference to the treaties.

The Senator from Kansas was pointing up that while President Carter says the treaties were endorsed by four Presidents, which probably is a fair statement, it also should be called to the attention of the American people that there have been major concessions made.

The Senator from Kansas was just about to discuss the sea-level canal commitments.

With respect to the basic treaty, we are confronted with a provision in article XII which effectively prevents the United States from even discussing the construction of a new sea-level canal with any country other than Panama, until the year 2000. At the same time, while article XII gives the United States first chance to build such an inter-oceanic canal through Panama, it does not require that Panama consent to construction of such a canal. In my view, and in the view of many of my colleagues, this provision is detrimental to American interests.

The administration has publicly admitted that the sea-level canal commitments were added to the treaty at the insistence of the Carter administration. This, I believe, was a serious mistake by our negotiators. It ties our hands, while leaving the ultimate decision to Panama as to whether a new inter-oceanic canal will be built by the United States in the Western Hemisphere during the remainder of this century. The fact that this provision was added at a late date is confirmed by the July 10, 1977, preliminary treaty draft provided to the Senate steering committee by the State Department. That document, I under-

stand, flatly gives the United States the right to build such a canal, and does not contain language giving Panama a "veto" power over construction of an American canal in a third country.

Another matter that was in controversy was the duration of the U.S. base rights. There were a number of reports in late 1976 and early 1977 that U.S. negotiators were insisting upon the right to maintain some military bases in the Canal Zone for 40 to 50 years. Both Panamanian and American officials confirmed that position in several off the record remarks to media representatives.

The concept, at least, of an extended American military presence in the Canal Zone, even beyond the termination of the Panama Canal Treaty, is confirmed by documents provided to me by a source close to the treaty negotiators—I might add, an unclassified document. According to that source, the following language represented the U.S. negotiating position with regard to article V of the Neutrality Treaty until May of 1977:

After the termination of the Panama Canal Zone Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory, except as the United States and Panama may otherwise agree.

The phrase "except as the United States and Panama may otherwise agree" was dropped in May of 1977.

Mr. CURTIS. Mr. President, will the Senator yield on that point?

Mr. DOLE. Mr. President, I wonder if we first might have order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. Is there anything in the pending treaty that prohibits military bases by countries other than Panama or the United States in what is now the Canal Zone?

Mr. DOLE. No, there is nothing in the treaties. The Senator from Kansas will offer an amendment at the appropriate time—and perhaps other Senators will offer similar amendments—to clarify that point and to indicate that there will not be foreign troops stationed in the area.

Mr. CURTIS. In other words, we agree to take our troops out by the deadline, but there is no comparable commitment that they will not let others in?

Mr. DOLE. That is true. There is not even any commitment between now and the year 2000 that they cannot let others in.

Mr. CURTIS. Can they permit Cuban troops in?

Mr. DOLE. They can permit Cuban troops in, if the treaties were ratified.

Mr. CURTIS. I thank the Senator.

Mr. DOLE. I say to the Senator from Nebraska, as I said earlier, that if in fact we have adopted a strategy of rejecting all amendments, regardless of merit——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question at this point?

Mr. DOLE. I yield.

Mr. ROBERT C. BYRD. I call to the attention of the Senator article V of the Neutrality Treaty, which reads as follows:

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

So the Neutrality Treaty itself, in article V, does indeed prohibit the stationing or garrisoning of military forces, defense sites, and military installations within the national territory of Panama after the year 2000. That provision is not in the 1903 treaty, as amended by the 1936 and 1955 treaty.

Mr. DOLE. I do not quarrel with the point of the Senator from West Virginia. Maybe I misunderstood the Senator from Nebraska.

My amendment would refer to that period of time between now and the year 2000.

Mr. ROBERT C. BYRD. Yes. It was not the Senator from Kansas to whom I really was referring. I was making the statement in response to the question asked by the distinguished Senator from Nebraska, as I understood the question.

I thank the Senator for yielding.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. CURTIS. What is the situation? Is there any prohibition against Panama inviting the Cubans, for instance, to establish a base there?

Mr. ROBERT C. BYRD. As of today?

Mr. CURTIS. Yes.

Mr. ROBERT C. BYRD. If the Panamanians invited the Cubans or the Soviets today to station a base or to garrison forces in Panama, outside the Canal Zone, we would have no legal basis whatsoever upon which to object.

Mr. CURTIS. How about in the Canal Zone?

Mr. ROBERT C. BYRD. In the Canal Zone, it is different. I am saying that under the present treaty——

Mr. CURTIS. Under the present treaty, we are there to protect our interests.

Mr. ROBERT C. BYRD. In the zone.

Mr. CURTIS. Yes.

Mr. ROBERT C. BYRD. In the zone, and we will be there until the year 2000.

Mr. CURTIS. But after we are out?

Mr. ROBERT C. BYRD. While we are in the zone, we can legally take whatever action is necessary to keep the Soviets from garrisoning troops in the zone. If they want to put troops in Panama at any time between now and the year 2000, under the present treaty, we would have no legal basis on which to complain. But under the Neutrality Treaty, article V, once we are out in the year 2000, they cannot station troops, they cannot locate military installations in Panama, because the treaty prohibits this from being done.

Mr. CURTIS. What is the situation now as to the infiltration of Cubans in Panama?

Mr. ROBERT C. BYRD. I do not know what the Senator means when he talks about infiltration. There are a few Cubans in the Cuban Embassy in Panama.

Mr. CURTIS. I am wondering whether you, as a spokesman for the administration's point of view, are willing to tell the Senate that there are no camps or cantonments or concentrations of Cubans of military type in Panama. I am not talking about the Canal Zone.

Mr. ROBERT C. BYRD. Absolutely—there is no knowledge of such.

Mr. CURTIS. You have no knowledge of it? You are not in a position to say that it has been investigated and there are none there?

Mr. ROBERT C. BYRD. I am in a position to say that there is no knowledge of such. Is the Senator in possession of any knowledge whatsoever that would even imply the presence of such?

Mr. CURTIS. Yes.

Mr. ROBERT C. BYRD. What is that information?

Mr. CURTIS. That information is from Panamanians who say they are there.

Mr. ROBERT C. BYRD. Would the Senator put it in the RECORD?

Mr. CURTIS. I have, just now.

Mr. ROBERT C. BYRD. What was the information?

Mr. CURTIS. Just as I recited in the RECORD right now, that I have been told by Panamanians that there are Cubans already who already infiltrated Panama.

Mr. ROBERT C. BYRD. Where are they? How many? Where are they? We have heard these accusations, but where are they?

Mr. CURTIS. I have never said I knew. You asked me if I would be willing to put it in the RECORD, and I have already stated.

Mr. ROBERT C. BYRD. There are a good many Cubans in the United States.

Mr. CURTIS. These are Cuban nationals who are there for a different purpose than the Cubans in the United States.

Mr. ROBERT C. BYRD. Is the Senator sure of that?

Mr. CURTIS. I am sure that I spoke the truth, that Panamanians have told me that that was true.

Mr. ROBERT C. BYRD. Of course, we have heard just the opposite, and one can hear all these accusations, but where is the proof?

Mr. CURTIS. Have you investigated all the files of our military intelligence down there?

Mr. ROBERT C. BYRD. We have before us the same information that the Senator has. We have access to the same information the Senator has access to. We find nothing that would substantiate that accusation.

Mr. CURTIS. That is what I want to know, if it is your contention that it was not true.

I thank the distinguished Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Kansas allow me another moment?

Mr. DOLE. Yes.

Mr. ROBERT C. BYRD. This is what the Defense Department has to say about Cubans in Panama: There are a maximum of 150 Cubans in Panama, about 25 to 30 in the embassy. The rest are tourists, sports and cultural groups, and individuals probably bent on purchasing goods in the canal free zone.

I thank the Senator for yielding.

Mr. DOLE. Mr. President, while we are discussing article V, which is the article to which the Senator from Kansas made reference, I point out that article V in the treaty is the same as article V in the negotiating position, except that the words "except as the U.S. and Panama may otherwise agree" were stricken.

The point that the Senator from Kansas wishes to make is that there were changes made, there were concessions made, in 1977, by this administration; and the final language of article V is the same, except for that one phrase. Even this phrase represents a substantial retreat from the earlier insistence upon a definite 40-year to 50-year base-right period.

Yet, I am advised that this phrase was dropped because the Panamanians refused to accept the possibility that continued U.S. participation in the defense of the canal after the year 2000 would be contemplated. Until this phrase was dropped, I understand, it had been the consensus of the U.S. Government and its clear intention that adequate arrangements for defense of the canal after the year 2000 might well include retaining American troops or bases in Panama. Furthermore, I am advised that there was no Panamanian concession made in return for the dropping of this provision in May of 1977.

Mr. President, on another matter that was under negotiation and later conceded by the negotiators for this administration:

During an appearance before the Senate Armed Services Committee on January 31 of this year, former Deputy Secretary of Defense William P. Clements, Jr., testified that a significant concession was made by the Carter administration with respect to the unilateral American right to intervene to protect the canal. Former Secretary Clements revealed that in 1975, at the request of President Ford, he went to Panama with Chairman of the Joint Chiefs of Staff, George Brown, and negotiated with General Torrijos a security clause which was later agreed to by all U.S. parties to the negotiations. General Torrijos also approved this guarantee of U.S. intervention rights, and the security clause was then included in the existing draft of the Canal Treaty. According to Secretary Clements, that clause remained intact "until sometime after January 20, 1977."

The agreement, as reported by Secretary Clements, was as follows:

> In the event of any threat to the neutrality or security of the canal, the Parties shall consult concerning joint and individual efforts to secure respect for the canal's neutrality and security through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means. If such efforts would be inadequate or have proved to be inadequate each party shall take such other diplomatic, economic or military measures as it deems necessary in accordance with its constitutional processes.

Secretary Clements testified that lawyers in the Defense and State Departments had assured him that the words in this clause, "as it deems necessary," gave the United States the "unilateral right" to intervene to assure the security of the canal.

Secretary Clements, like myself and many of my colleagues, found the present security language in article IV of the Neutrality Treaty ambigous. Like Mr. Clements, I feel that the original language was much more advantageous to the United States and would be far preferable to the current language of article IV. Thus, this demonstrates yet another significant concession made by the Carter administration during the course of the negotiations.

Another matter that has been discussed widely is the so-called right to priority passage.

The documents provided to me by a source familiar with the treaty negotiations demonstrate that, until May of 1977, American negotiators insisted upon the following clause as part of article VI of the neutrality treaty, with respect to the United States and Panamanian vessels:

> And in time of war or situations of urgency, to transit on a preferential basis upon the request of either the captain of the vessel or the authorities of the government concerned.

This language would have insured that American vessels would be given preferential consideration in passing through the canal during time of emergency. The final text of article VI contains the following clause:

> Such vessels of war and auxiliary vessels will be entitled to transit the canal expeditiously.

This was a significant concession. The difference between "expeditious passage" and "preferential passage" has already been debated at some length, and will be further debated in days ahead. The difference was already tacitly admitted by the administration when it issued the "Carter-Torrijos statement of understanding" last October. At the insistence of the Senator from Kansas and others, the administration recognized last fall that "head of the line" passage rights would have to be granted to the United States in order for this treaty to be ratified. Previous to the statement of understanding, the treaty provided only that American ships would take their turn, like the ships of all other Nations, in transiting the canal.

I am advised by knowledgeable sources that the original phrase was dropped at the insistence of Panama, on the basis that it infringed upon Panamanian sovereignty, and was in itself a violation of strict neutrality. It was clear on the record, I am told, that the Panamanians insisted on the deletion of this provision explicitly because they refuse to be bound to preferential passage for U.S. warships regardless of what language was used. It was, then, dropped in May of 1977.

Panamanian chief negotiator, Dr. Romulo Escobar Bethancourt, confirmed this substantial concession on the part of the United States during an interesting news conference in Panama City on August 24, 1977. At that time, Dr. Escobar made the following observation:

> The United States wanted privileged passage through the Canal as a means to seek support from the Pentagon in the negotiations with Panama. . . . and when they saw there was no way we would allow privileged passage, then they told us: we have to seek a formula so that the Pentagon will see that we are somehow taking them into consideration. This is how the expeditious passage came about. . . . They will explain that this means privileged passage and that they are entitled to go through first. They have to sell their merchandise. . . . They have to sell this Treaty to their country, and for this reason you see that both of us give different information on the same provision. . . . We do not believe that expeditious passage and privileged passage are the same.

This statement by Panama's chief negotiator makes it very clear that the United States receded on this point, and that there is a very significant difference between "expeditious passage" and "privileged passage" and it seems to this Senator we clearly got the short end of the stick.

COMMUNICATION WITH STATE DEPARTMENT

Mr. President, although the Canal Treaty negotiations were conducted in secrecy, it has, as I have demonstrated, been possible to discern just what points were negotiated since January 20, 1977. Furthermore it has been possible to get a general idea of the types of concessions that were made by our own negotiators during the last 6 months of the talks.

In fact, I asked the Secretary of State on January 31 of this year to comment on the stage the Canal Treaty negotiations were at when President Carter took office in January of 1977. The response I received from Douglas J. Bennet, Jr., Assistant Secretary for Congressional Relations, clearly spells out the points of contention which were the subject of negotiation between January and August of 1977. According to Mr. Bennet's letter, these areas included the points I have just cited, such as "duration of the basic treaty, mutually acceptable neutrality arrangements, definition of continuing U.S. defense rights, the quantity of and basis for payments that Panama would receive under the treaty, and the nature of the organization that would operate the canal under the terms of the treaty."

While Mr. Bennet's letter does not detail the specific means by which these "disagreements" were resolved, the information I have cited above suggests that it was largely the United States which "gave ground" during the final weeks of negotiation.

Mr. President, I ask unanimous consent that the text of my January 31, 1978, letter to the Secretary of State be printed in the RECORD at the conclusion of my remarks, along with the February 16, 1978, response received from Mr. Douglas J. Bennet, Jr.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JANUARY 31, 1978.

Hon. CYRUS VANCE,
Secretary of State, U.S. Department of State, Washington, D.C.

DEAR SECRETARY VANCE: It is my understanding that many aspects of the Panama Canal Treaties had been resolved through negotiations between Panama and the United States prior to the Inauguration of President Carter last year. Inasmuch as

those negotiations were conducted outside the scope of public scrutiny, there is little information available about the precise subjects at issue at any given point in the talks.

Public statements by Administration officials in January 1977 indicated that at least three major issues remained unresolved: duration of the new Treaty, U.S. rights to maintain military installations in Panama after the Treaty expires, and financial arrangements.

At this time, I wonder if it would be possible for you to elaborate somewhat on the stage at which the Treaty negotiations were at when President Carter took office. That is, just what points had been resolved between the United States and Panama through the end of 1976?

I appreciate very much your helpfulness in this regard.

Sincerely yours,

BOB DOLE,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, D.C., February 16, 1978.

Hon. BOB DOLE,
U.S. Senate.

DEAR SENATOR DOLE: The Secretary has asked me to reply to your letter of January 31 requesting information on the status of negotiations on the Panama Canal issue when President Carter took office.

The Joint Statement of February 1974, by the Secretary of State and the Foreign Minister of Panama, set forth the principles which guided the negotiations of the proposed treaties. On the basis of those principles the two countries began in June 1974 to seek a conceptual agreement on all major issues, before attempting to draft actual treaty language. The negotiations were still in that stage when President Carter took office. On January 31, 1977, Secretary Vance met with Panama's Foreign Minister and publicly espoused the Principles of 1974 as the basis for continuing the negotiations. Thus, this Administration continued with respect to Panama the same broad policies of earlier Administrations.

When President Carter took office, conceptual agreement had been reached between the two countries with regard to:

Returning jurisdiction of the Canal Zone to Panama.

Reserving to the United States the rights of use for the operation of the Canal for the term of the treaty.

Providing unilateral United States rights for the defense of the Canal.

Increasing Panamanian participation in Canal administration and defense.

A Status of Forces Agreement granting United States military forces stationed in Panama standard military privileges and immunities.

While we perceived what we thought would be the general outline of a mutually acceptable arrangement, major areas of disagreement concerned duration of the basic treaty, mutually acceptable neutrality arrangements, definition of continuing United States defense rights, the quantity of and basis for payments that Panama would receive under the Treaty, and the nature of the organization that would operate the Canal under the terms of the Treaty.

In addition, there were a number of less important issues to be resolved. After President Carter took office, a review of policy alternatives concluded that further delay would not result in a better agreement for the United States, but, on the contrary, could lead to deterioration in our relations with Panama, weakening our negotiating position and jeopardizing Panamanian flexibility. On this basis and with the view that the Panamanian government appeared ready to make the hard decisions necessary for agreement, we moved ahead with the negotiations.

I hope this information proves helpful.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

WOULD WELCOME DETAILS

Mr. DOLE. Mr. President, the Senator from Kansas does not claim to know the full story behind the final weeks of treaty negotiation. For that matter, the general public is not aware of the details either. Only those directly involved in the negotiations know the complete story about concessions and quid pro quos which led to the final announcement of a treaty agreement on August 10, 1977.

I think all of us would welcome elaboration by the State Department or the President on this matter, in order to clarify the picture. Perhaps it can be demonstrated to the satisfaction of this Senator and others that equivalent concessions were made by the Panamanian Government to those afforded by the United States.

But I cannot believe that any Panamanian concessions—even on the final financial arrangements—could justify some of the previously cited concessions made by American negotiators, particularly on American defense and passage rights. Perhaps the context of events at the time led our negotiators to believe that such concessions were necessary. However, it is now the right and the responsibility of the U.S. Senate to insure that vital interests are fully preserved in these treaties.

And with all due respect to our U.S. treaty negotiators, their judgment in this regard must now be subjected to the will of the people of the United States, by means of Senate review and ratification. This is part of our constitutional process, and I urge all of my colleagues to exercise wisdom and good judgment in exercising this responsibility.

Mr. President, it just seems to this Senator, after careful review of the RECORD and a careful review of the facts in an effort to find out from all possible sources what concessions were made, that we can say without any quarrel the administration did make major concessions; that we believe, that some of us believe, and not in any partisan sense, that we should have the best possible treaties for America, the best possible treaties for Panama and the Panamanian people.

It seems to me that we were on the threshold of such treaty agreement when this administration for some reason, some reason which has not yet been explained to the American people, made one concession after another.

I just suggest that because of these concessions made and because of the concern that many Senators have we will be offering amendments. We think they are construc ive amendments. The Senator from Kansas is not offering amendments to kill the treaties. The Senator from Kansas will offer amendments to make the treaties better.

We have heard the saying "Why not the best?" Well, why not the best treaties for the United States; why not the best treaties for the Panamanian people? That will be the course pursued by this Senator and, I suggest, nearly every other Senator in the debate that follows.

Mr. President, I yield to the distinguished Senator from Utah for some comments.

The PRESIDING OFFICER. The Senator from Utah (Mr. HATCH).

Mr. HATCH. I thank the distinguished Senator from Kansas. I compliment him for the good remarks he has made today, as usual.

(The following proceedings occurred during the remarks by Mr. DOLE and are printed at this point in the RECORD by unanimous consent.)

Mr. BROOKE. Mr. President, in previous remarks on the Panama Canal Treaty I called attention to the ambiguous nature of the $10 million payment that is to be made to Panama for services rendered in the territory that would be administered by the Panama Canal Commission. It is my intent now to explore this matter in some depth in order to indicate the gaps in understanding on this matter.

Article III, paragraph 5 of the Panama Canal Treaty states that the Panama Canal Commission "shall reimburse the Republic of Panama for the costs incured * * * in providing the following public services in the Canal operating areas and in housing areas * * *: Police, fire protection, street maintenance, street lighting, street cleaning, traffic management and garbage collection."

For the first 3 years Panama is to receive $10 million annually for these services. Every 3 years "the costs involved in furnishing said services shall be reexamined to determine whether adjustment of the annual payment should be made because of inflation and other relevant factors affecting the cost of such services."

Controversy on this matter has arisen because knowledgeable sources, including the present head of the Panama Canal Company, Governor Parfitt, indicate that the $10 million annual payment for the first 3 years is excessive in terms of the actual cost of the services to be provided by Panama. A brief review of the hearings record on this matter is illuminating.

On September 30, 1977, Under Secretary Richard Cooper appeared before the Foreign Relations Committee. In regard to a question concerning the annual $10 million services payment, he stated that the cost to the Panama Canal Company for the services presently performed in the zone was roughly $18 million. He then compared that figure to the $10 million to be paid to Panama for similar services. It is clear from the record that he was assuming a 1: 1 relationship between the performance of the services under the two situations. From that has been extrapolated the idea that the $10 million estimate represented a net savings. Apparently the administration also assumed that the $10 million was an estimate of Panamanian costs to perform the services.

From administration testimony and documents it also appears that it was assumed that the $18 million figure and the $10 million estimate were related to the exact same geographical area. As far

as I have been able to determine, such is not the case. The $18 million figure appears applicable to the services presently provided in the Canal Zone. It appears that the $10 million estimate applies only to the much smaller area to be administered by the Canal Commission.

Secretary Cooper's testimony was contradicted in part by Governor Parfitt in his testimony before the Senate Armed Services Committee. In a reply to a question on the subject, Governor Parfitt stated:

We tried to estimate what it would cost us in fiscal year 1979 to perform the services and we estimated about $10 million. We tried to estimate what the cost to Panama would be for similar services and it is slightly less than half of that.

From the Governor's testimony it appears that the administration made a fundamental error of equating U.S. costs to those of Panama for services of this nature whereas the actual cost to Panama would be approximately $4.4 million, according to Comptroller General Staats, There thus appears to be an error in equating the two figures in terms of the services to be provided in two different areas. It is perhaps understandable that the State Department did not recognize its error in September of 1977. The discussion of the treaties had just begun. What is less understandable is the apparent perpetuation of this error in the documents released by the State Department on February 9, 1978. In a position paper entitled "Some Economic Implications of the New Panama Canal Treaties," the following statement was made:

In addition, Article III of the Treaty provides for an annual payment of $10 million for specified public services to be furnished by Panama in the operating and housing areas of the Commission. These services currently performed by the Canal enterprise, cost approximately $15–$17 million annually.

In failing to indicate that the two figures used do not necessary correspond to services provided in identical areas and that the $10 million figure apparently is not an accurate estimate of the actual cost to Panama for providing such services, the administration failed to clear up the ambiguity on this matter.

Mr. President, it does not make good sense to me to ignore the problem that this ambiguity causes. It appears to me that in each of the first 3 years the treaties would be in effect, approximately $5 million provided to Panama yearly would not be directly associated with the actual cost of services to be provided. In our country, in Panama, or in any country, this would be recognized as a situation tailor-made for graft. I can find no compelling reason to just ignore the problem because the amounts are relatively small in comparison to the amounts the Senate normally considers.

The Comptroller General has recognized that this is a problem that should be addressed. In his prepared testimony before the Armed Services Committee he stated the following:

We believe that payments to Panama for public services should be based on the costs incurred and that procedures should be developed to verify these costs, both during the treaty's first 3 years and thereafter.

He also went on to say that,

We believe that to avoid misunderstanding it is essential to establish standards for these services before they are assumed by Panama.

Several alternative courses of action are possible on this issue. We can just ignore the problem as I think is the tendency in the administration. But is this proper? I think not.

We can amend the relevant paragraph of the Panama Canal Treaty to provide for a way of handling the excess over cost issue as well as the quality of services matter. For instance, we could insert a provision that any excess of the $10 million in each of the first 3 years that is left over after actual costs are covered shall be returned to the Commission. Or, the provision could provide that any excess will be applied to future years and will correspondingly reduce the rate of payment to Panama for the services.

Given the nature of the Panama Canal Treaty it appears that this is the most appropriate way to handle the problem. But, I am realistic enough to assume that the leadership, regardless of the merits of an amendment, will seek to avoid any change in the treaties other than the so-called leadership amendments, which I have, by the way, sponsored. I think this tactical approach of the leadership is myopic but I do not have the means to bring about a change. It sets in concrete, ambiguities in the treaties that may very well come back to haunt us.

We should be willing to consider other ways to solve the problem. Perhaps it can be done in the implementing legislation although I seriously doubt the money issue could be handled this way because its resolution will require positive action by both the United States and Panama. But I would certainly be willing to entertain a suggestion as to how it could be handled in the implementing legislation, assuming that the leadership will insist that such legislation be forwarded to the Senate several weeks before the votes on ratification take place.

The problem might also be solved in the form of a formal understanding to accompany the articles of ratification along with an exchange of formal notes between the two governments. I am willing to enterain suggestions on this alternative, as well.

Mr. President, it is evident that we cannot clear up all the ambiguities inherent in these treaties. But there are some we can clean up, and this is one of them. I hope the floor managers of the bill and the leadership will undertake an effort with me to find the proper mechanism to do so.

I thank my colleague again for yielding to me to make this point.

Mr. CHURCH. Mr. President, will the distinguished Senator from Massachusetts yield to me for an observation?

The PRESIDING OFFICER (Mr. HODGES). The Senator from Kansas has the floor.

Mr. DOLE. I yield for that purpose.

Mr. CHURCH. I thank the Senator from Kansas.

I think the approach the distinguished Senator has taken on this particular issue is a highly constructive one, and I simply want him to know that I am available, and I am certain that others associated with me in support of these treaties also be available, to discuss this matter further with the Senator.

I think he appreciates that none of us is closeminded concerning possible problems that may be posed, one of which he has identified. We stand ready to confer with him to find an acceptable solution, if one can be worked out.

Mr. BROOKE. Mr. President, I thank the distinguished floor manager for his offer to clarify this matter. It is, as I said, not one that involves a great amount of money, but I think it is important again that we know all the facts, that we know exactly what is entailed in these treaties and just what the financial implications are for the American people. We should spare no effort to see that all of these matters are resolved prior to a vote on ratification.

I, for one, certainly would be willing to avail myself of the opportunity for further discussion of this matter.

But I think as I stated, that the leadership, in ruling out all amendments to these treaties, other than the two amendments to which I referred, and which I have cosponsored, has been myopic. This matter should be corrected by amending the Panama Canal Treaty but some other way may have to be found. I think there are other matters, many likely to be contained in the implementation legislation which I intend to speak on as the debate progresses. Some involve financial arrangements resulting from these treaties. And we ought to have all the facts on them.

I thank the distinguished floor leader for taking the time, and again I thank my colleague from Kansas.

(This concludes proceedings which occurred earlier in the day.)

Mr. HATCH. I am delighted to have the distinguished Senator from Maryland here with us today. He has taken a very active role in defense of these treaties on the floor of the Senate.

I have been considering, frankly, a number of the military difficulties with regard to the canal. I have come up with a few questions that I would like to ask, and I would hope the distinguished Senator from Maryland or any other treaty proponent would be willing to help me with some of the answers to some of these questions because I think they are questions that have to be answered to the satisfaction of the American people, and not just the satisfaction of a few of us here.

Right now I do not see satisfactory answers to them, but maybe I have not had the benefit of some of the knowledge that some of us who are proponents of these treaties have had. I doubt that, but, nevertheless, in the interest of trying to get these resolved and getting them out in public and having people realize the seriousness with which I regard some of the military problems we have, and also prefatory to calling up an

amendment which, I think, is a valid amendment, let me ask the following questions and hope those who are proponents of these treaties will make every effort to answer them either today or later.

No. 1, I would like to ask the distinguished Senator from Maryland or anybody else, for that matter, why is it the most substantive provisions dealing with the canal's protection and defense are not found in the text of the treaties themselves but are contained in an executive agreement and other extrinsic documents that will not rise to the dignity of the treaties by which this country and Panama may be bound should ratification take place?

Mr. SARBANES. I would say very briefly—I was not clear; did the Senator from Utah have an amendment pending?

Mr. HATCH. I have an amendment, which I do not intend to call up just now, to article I. I would like to have answers to these questions, because I think they are pertinent to the amendment which I will call up in due time.

Mr. SARBANES. It is the Senator's intention, as I understand it, to call up an amendment to article I of the Neutrality Treaty?

Mr. HATCH. Yes, it is my intention that in due time I will call up an amendmen to article I of the Neutrality Treaty, which pertains to some of the questions I am propounding now to the Senator from Maryland and the other proponents of the treaties.

Mr. SARBANES. Fine. I take it these questions pertain to that amendment, to some extent at least?

Mr. HATCH. To some extent, though not totally.

Mr. SARBANES. I would just like to make the suggestion to the Senator that maybe he could call up his amendment, and then we would have it before us, at least, and then hopefully we would be able to respond to the questions.

Mr. HATCH. I will call up my amendment when I desire to call it up. Right now I think we could have some good discussion that would be beneficial, perhaps, to both of us, and perhaps to the people of this country, if I could have answers to some questions I intend to propound.

Mr. SARBANES. Well, obviously, the Senator has the right to call up his amendment when he wants.

Mr. HATCH. Yes; I intend to do that.

Mr. SARBANES. Mr. President, is there an amendment now pending before the Senate?

The PRESIDING OFFICER. There is no amendment pending.

Mr. SARBANES. I was merely suggesting, in view of the fact that there is no other amendment pending, that perhaps if the Senator would call up his amendment, it would be before us and we could proceed with debate on the amendment, and perhaps dispose of it.

Mr. HATCH. I intend to do that hereafter, but not right now. I am not going to call my amendment up right now; I will call it up later. But I believe the questions are simple questions which any proponent of the treaties should be able to reply to, and I would prefer to do it my way. The distinguished Senator from Maryland can call up his amendments any way he wishes. Right now I have the floor, and I would like any of the proponents to answer——

Mr. SARBANES. If the Senator will just yield on that point——

Mr. HATCH. I do not yield the floor.

Mr. SARBANES. Inasmuch as it is his intention to call up his amendment when he chooses, it seems to me there is no amendment pending, and for some orderly procedure, if the Senator would put his amendment before us, that would be the proper way to proceed.

Mr. HATCH. I thought I had answered that. I will do that in due time, but right now I prefer to go ahead with my questions. If the Senator from Maryland does not want to take a crack at answering my questions, it is up to him.

Mr. SARBANES. I have no problem about taking a crack at answering the Senator's questions, although if the questions are pertinent to the amendment, I would think the orderly way to move would be to have the amendment before us.

Mr. HATCH. I take serious recognition of the distinguished Senator's preference for his own procedural approach to mine, but I would like to do it my way, if I may.

Mr. SARBANES. The answer, then, to the question which the Senator propounded, is that I believe the substantive positions on American military rights are contained in the treaties.

Mr. HATCH. That is the position of the proponents of the treaties?

Mr. SARBANES. That is the response to the Senator's question.

Mr. HATCH. All right, No. 2: Should the Senate be at all concerned that important concessions relative to the reduction of military bases and Panamanian jurisdiction over U.S. personnel are contained in an executive agreement stipulated to by the executive branch, without the consent of either House of Congress?

Mr. SARBANES. I think not. As I indicated earlier, the major positions on defense rights are contained in the treaties themselves.

Mr. HATCH. I question that seriously, because most of the particular provisions dealing with both the question of the reduction of military bases—in fact, all of them—and Panamanian jurisdiction over U.S. military personnel, are all contained in an executive agreement, which can be manipulated by the executive, whoever he is, without the consent of either House of Congress.

I would think that this would alarm every Senator on the floor of the Senate, including the distinguished Senator from Maryland. But let me go on to No. 3.

Mr. SARBANES. Could I just respond to the Senator on that point?

Mr. HATCH. Surely.

Mr. SARBANES. As long as Congress has the power with respect to legislation to affect, really, any matter consistent with the terms of the treaty, and as long as the treaty terms are protected, we can proceed from there with legislation. That is a power that the Congress would continue to have.

Mr. HATCH. Let me state that these are just executive agreements, which, of course, do not rise to the dignity of treaties.

Mr. SARBANES. Nor to the dignity of legislation.

Mr. HATCH. We are going to be bound by the treaties themselves. Excuse me, I want to make that point. As you know, when we write a treaty, that rises to the supreme law of the land, and we are bound by that. The only way to change that is the way it is ratified. If we have an executive agreement, we may not have any control whatsoever, even though we are ratifying these treaties. If that is not by our consent, we may not have any say whatsoever in these various critical matters which are not covered by the treaties, and are actually made without Senate and congressional approval.

Mr. SARBANES. Will the Senator yield on the point he has just made?

Mr. HATCH. Without losing my right to the floor.

Mr. SARBANES. We have the right to pass legislation. Legislation would take precedence over any executive agreement. As long as the legislation is consistent with the terms of the treaties, we have no problem under international law.

What is really important, of course, are the terms of the treaties, which is what we have consistently argued throughout this debate.

Mr. HATCH. I am sure the distinguished Senator from Maryland is aware that these matters are covered by a separate executive agreement, which I assume may be covered by legislation, which again does not rise to the dignity of a treaty.

Mr. SARBANES. That is right. This Senator is very much aware that there are agreements in implementation. All I am pointing out to the Senator is that if Congress chooses to do so, it can enact legislation in this area, and that takes precedence, so therefore it is a part of our ability to shape and control things, and there is no problem as long as we are consistent with the terms of the treaty.

Mr. HATCH. Sorry to interrupt, but let me ask the Senator another question which I think is important. I call your attention to the agreement in implementation of article IV of the Panama Canal Treaty; am I correct that that is an executive agreement which has been entered into with the Republic of Panama?

Mr. SARBANES. It is an agreement implementing the treaties, but it is not an agreement in the treaties.

Mr. HATCH. But it is an executive agreement only; there is no question about that, is there? I do not know of anybody who would dispute that or argue against that position, and I would assume that the Senator from Maryland is not going to argue against that position.

Mr. SARBANES. It is not before the Senate as part of the treaties.

Mr. HATCH. I agree. That is one of the points I am making. It is an executive agreement that covers all these very crucial items, which can be changed at the whim of the President.

Let us go on to the next question. It is not misleading to suggest that these treaties provide for a 20-year interim period, when 6 months after ratification, the United States will surrender 10 out of 14 military bases?

Mr. SARBANES. Will the Senator yield on that point?

Mr. HATCH. Without losing my right to the floor.

Mr. SARBANES. I am sorry, I thought the Senator's last word had a question mark after it.

Mr. HATCH. Yes; it did.

Mr. SARBANES. If it did not, I will withhold until we reach a question mark.

Mr. HATCH. Do you want me to read the question again?

Mr. SARBANES. Oh, it did have a question mark?

Mr. HATCH. Surely.

Mr. SARBANES. This numbers game on the number of military facilities which we have experienced in the course of this debate, is very misleading.

Mr. HATCH. Well, let us avoid that.

Mr. SARBANES. In some cases it is true, and I want to make this point right at the outset, that there are some military facilities that we now have in the zone that will cease to be military facilities.

Mr. HATCH. Several of them have already; is that not true?

Mr. SARBANES. No; I do not think that is true.

But it is also true that there are some facilities which are now counted as separate facilities which will, in effect, be encompassed within what will become one facility, whether it is Fort Howard, Fort Clayton, Fort Davis, Fort Sherman, or Galeta Island. In some instances what you have are different facilities now which will be encompassed within what will then be considered one military site. Therefore, it is necessary before one starts putting forth these numbers to figure out how much of it is encompassed in that.

Mr. HATCH. Let us disregard the numbers for the time being. I would have to admit that annex A provides for defense sites, military areas and other installations involved here, and the defense sites which will be given up can be described generally as follows:

(a) Howard Air Force Base—Fort Kobbe—Farfan (including the Farfan Radio Receiver Facility, Farfan Annex), and United States Naval Station, Rodman, and Marine Barracks (including 193rd Brigade Ammunition Storage Area, Cocoli Housing Area and Arraijan Tank Farm (Attachment 1);

(b) Fort Clayton—Corozal Army Reservation and Albrook Air Force Station (west) (Attachments 1, 2 and 3);

(c) Fort William D. Davis Military Reservation, to include Dock 45 and the adjacent water area and Atlantic general depot area, (Attachments 1 and 4);

(d) Fort Sherman Military Reservation, (Attachment 1); and

(e) Galeta Island; United States Navy Transisthmian Pipeline; and Semaphore Hill Long-Range Radar and Communications Link, (Attachment 1).

Then they list in a number of pages the military areas of coordination which are described generally.

Mr. SARBANES. Did the Senator say that those were the areas we would give up? That is not what the annex says.

Mr. HATCH. The areas we will be giving up are the military areas of coordination which takes three pages to describe. The others are the ones we will keep.

Mr. SARBANES. The Senator, just prior to reading those areas, said those were the military areas we were going to give up.

Mr. HATCH. I stand corrected.

Mr. SARBANES. Those are the military areas we will keep.

Mr. HATCH. That is correct.

Mr. SARBANES. Every one of the areas the Senator just read he said we were going to give up we are going to keep.

Mr. HATCH. If the Senator would be fair about it, I said that this was a mistake.

Mr. SARBANES. All right.

Mr. HATCH. But on military areas of coordination, we only keep them for the next 20 years——

Mr. SARBANES. We understand that. But as I understood the Senator he said we were going to give them up.

Mr. HATCH. The areas that we give up——

Mr. SARBANES. I appreciate the correction.

Mr. HATCH. I think to correct the error, I better announce the areas that we give up.

Mr. SARBANES. Well, we do not just give them up.

Mr. HATCH. Let me do that since you have raised the point.

Mr. SARBANES. But this is misleading.

Mr. HATCH. Who has the floor, Mr. President?

The PRESIDING OFFICER (Mr. LEAHY). The Senator from Utah.

Mr. HATCH. Let me finish and then I will be happy to yield.

(3) (a) The Military Areas of Coordination are described generally as follows:

(i) General Military Areas of Coordination:

(aa) Quarry Heights, except for housing made available to Panama pursuant to paragraph (5) (b) of Annex B to this Agreement (Attachments 1 and 5);

(bb) United States Naval Station, Panama Canal, Fort Amador (Attachments 1 and 6); and

(cc) Fort Gulick (Attachments 1 and 7).

(ii) Military Areas of Coordination for Training (Attachment 1):

(aa) Empire Range;

(bb) Pina Range;

(cc) Fort Sherman West; and

(dd) Fort Clayton Training Area.

(iii) Military Areas of Coordination for Housing:

(aa) Curundu Heights, except for housing made available to the Republic of Panama pursuant to paragraph (5) (b) of Annex B to this Agreement (Attachments 1 and 8);

(bb) Herrick Heights (Attachments 1 and 9);

(cc) Coco Solo South (Attachments 1 and 10);

(dd) Fort Amador, except for Buildings 1 through 9, 45 through 48, 51, 57, 64 and 93, and for housing made available to the Republic of Panama pursuant to paragraph (5) (b) of Annex B to this Agreement (Attachments 1 and 11);

(ee) France Field (Attachments 1 and 12); and

(ff) Curundu Flats (Attachments 1 and 8).

(iv) Special Facilities:

(aa) Curundu Antenna Farm (Attachments 1 and 3);

(bb) United States Navy Communications Station, Balboa (Attachments 1 and 6);

(cc) Summit Naval Radio Station (Attachment 1);

(dd) Quarry Heights Communications Facility (tunnel) (Attachments 1 and 5);

(ee) Ancon Hill Communications Facilities (Attachments 1 and 5);

(ff) Battery Pratt Communications Facility (Coordinate 119326) (Attachment 1);

(gg) Ammunition Supply Point, Fort Gulick (Attachments 1 and 13);

(hh) Navy Communitions-Electric Repair Facility (Building 43-F) (Attachments 1 and 14);

(ii) United States Army Transport-Shipping Facility (Building 39-C) (Attachments 1 and 14);

(jj) Gorgas Hospital Complex (Buildings 223, 233, 237, 238, 240, 240-A, 241, 241-A, 242, 253, 254, 255, 257, 257-G, 261, hospital grounds, and building 424) (Attachments 1 and 9);

(kk) Coco Solo Hospital (Buildings 8900, 8901, 8902, 8904, 8905, 8906, 8907, 8908, 8910, 8912, 8914, 8916, 8920, 8922, 8926, tennis court, grounds and miscellaneous buildings and structures) (Attachment 1);

(ll) Balboa High School (Buildings 74, 701, 702, 704, 705, 706, 707, 713-X, Stadium, 723, 723-A, 723-B, 723-C, 723-D, 723-E, 723-F, 723-G, parking area, and play slab) (Attachments 1, 14, 15 and 16);

(mm) Curundu Junior High School (Buildings 0615-A, 0615-B, 0615-C, 0615-D, 0615-F, cooling tower structure, playgrounds, tennis courts, and equipment, storage and music buildings, swimming pool and bathhouse and parking areas) (Attachments 1 and 8);

(nn) Cristobal Junior High School (Buildings 1141, 1143, 1149, 1150, 1151, 1153, 1154, 1156, 1239, 1158, 1186, 1288, 2000, playfield, and parking areas) (Attachments 1 and 10);

(oo) Diablo Elementary School (Buildings 709, 710, playground, and parking area) (Attachments 1, 15 and 16);

(pp) Diablo Elementary School (Buildings 5534, 5536, 5634, 5636, 5638, playground, air conditioning building, and parking area) (Attachments 1 and 17);

(qq) Los Rios Elementary School (Buildings 6225, 6226, playground, parking area and chilled water building) (Attachments 1 and 18);

(rr) Gamboa Elementary School (Buildings 56, 56-A, playground, and parking area) (Attachments 1 and 19);

(ss) Coco Solo Elementary School (Buildings 98, 98-A, parking area, playground and chilled water building) (Attachments 1 and 20);

(tt) Margarita Elementary School (Buildings 8350, 8352, playground, parking area, chilled water building and storage building) (Attachments 1 and 21);

(uu) Fort Gulick Elementary School (Buildings 350, 351, 352, playground and parking area) (Attachments 1 and 7);

(vv) Canal Zone College (Buildings 1030, 1031, 1032, 1033, 1034, 1035, 980, 982, 838, athletic field and parking lots) (Attachments 1, 15 and 22);

(ww) Ancon School Administration Office (Partial use of Panama Canal Commission Building 0610) (Attachments 1 and 9);

(xx) Margarita Community Health Center (Partial use of Panama Canal Commission Building 7998) (Attachments 1 and 21);

We can go all the way through these various things, two or three pages of them. The point is that we will be confined to basically four bases which I reiterated earlier.

The next question is this——

Mr. SARBANES. May I respond to that question?

Mr. HATCH. Surely.

Mr. SARBANES. Does the Senator want to put forth all his questions?

Mr. HATCH. No. The question was it was misleading to suggest that these treaties provide for a 20-year transition period when 6 months after ratification the United States will surrender 10 out of 14 military bases. Let us rephrase the question. We will reduce our military bases down to four.

Mr. SARBANES. This, hopefully, may be very helpful, because I think the Senator from Utah has underscored the necessity of carefully reading these treaties. Annex B to the agreement with respect to military areas of coordination defines them as those areas and the facilities within them, outside of defense sites—which we have talked about before—which the Republic of Panama, by the agreement, authorizes the United States to use for purposes of communications and military training and for housing and support of members of their forces, civilian components, and for other purposes to which the two parties may agree. Now the fact of the matter is that even in the military areas of coordination we have very extensive authority and powers in those areas, a little less than in the defense sites, but not much, not much.

And I suggest to the distinguished Senator from Utah that a very careful reading of the definitions and conditions surrounding the military areas of the coordination I think would lead a reasonable person to the conclusion that we really are maintaining a pretty good position in those areas.

Mr. HATCH. I thank the Senator for that response.

No. 4, how can military forces effectively protect the Canal Zone during the sensitive 20-year transition period when the movement shall be confined to the four bases mentioned?

Mr. SARBANES. Would the distinguished Senator repeat that question?

Mr. HATCH. Yes.

How can U.S. military forces effectively protect the Canal Zone during the sensitive 20-year transition period, approximate 20-year transition period when their movements shall be confined to only four bases?

Mr. SARBANES. Well, the movement will not be confined to those military zones only.

As I just indicated to the distinguished Senator from Utah, in response to his previous question, we maintain significant authority over the military areas of coordination.

Mr. HATCH. Will the Senator list those other areas where we maintain significant military authority, because I do not quite agree with the distinguished Senator from Maryland.

I would like to know those areas that you seem to think that we maintain some interest in, even though the annex says we do not.

Mr. SARBANES. No, the annex does not say that. In fact, I very clearly pointed out that——

Mr. HATCH. List the areas then. List the areas.

Mr. SARBANES. The areas of coordination——

Mr. HATCH. I will be more than happy if you can list the areas.

Mr. SARBANES. Well, all the areas, when the Senator read the military areas of coordination, fall under the definition which I read to the distinguished Senator.

Mr. HATCH. Well, the distinguished Senator——

Mr. SARBANES. In which the United States has been given authority and power in those areas, so we are really giving up hardly anything, if anything.

Mr. HATCH. I would suggest that the distinguished Senator read all of these documents because I respectfully disagree.

Mr. SARBANES. Well, I have read them all.

Mr. HATCH. I presumed you had, but I will repeat them if you are——

Mr. SARBANES. I quoted them to the distinguished Senator. If the distinguished Senator finds something in them that contradicts the quotations which I gave him, I think he ought——

Mr. HATCH. I find nothing in them that gives us continual authority in those areas, which the distinguished Senator from Maryland seems to think they do.

Mr. SARBANES. I read the distinguished Senator the quotation from annex B.

Mr. HATCH. Let us move on to the next question. We are in disagreement on that.

Mr. SARBANES. If the distinguished Senator from Utah has something to contradict that, I think he ought to present it to us.

Mr. HATCH. I will move on to the next question.

How can protection of the zone during the transition period be——

Mr. SARBANES. Furthermore, I wanted to make one further response to the distinguished Senator from Utah because he asked the question: How do we move our forces from one facility to the other; and we pointed out that we really have extensive facilities that we maintain and, of course, in conversations with the American military people in Panama it was very clear that they keep everything that is of any value to them.

Furthermore, under the treaty, the United States gets the right to move its military forces within the Republic of Panama for the purposes of protecting and defending the canal. We do not now have that right. So the Senator should appreciate that, in effect, under this treaty, we assure——

Mr. HATCH. We do not have that right now.

Mr. SARBANES. We acquire a right, an important right, which we do not now have, which enables us to move our forces through the entire Republic of Panama for the purpose of protecting and defending the canal. We do not now have that right. We cannot now, under any color of law, send our forces into the Republic of Panama.

Mr. HATCH. I agree, because we do not need that right. We have control of a 10-mile wide zone, 50 miles long, which we maintain.

Mr. SARBANES. I suggest to the Senator that we may well need that right. What are we going to do if there is a guerrilla attack launched on ships moving through the canal by stand-off rockets, 10 or 15 miles into Panama? Or what are we going to do if there is action to deny the watershed?

The watershed is in the Republic of Panama. We cannot run that canal without the water and the water comes from the watershed of the Republic of Panama. If we are denied that watershed, we cannot make the canal function.

Right now, even maximizing the watershed with the cooperation of the authorities of the Republic of Panama, there are dry seasons, because of short rainfall, when the draft cannot be used to its full extent because there is not sufficient water—in other words, to carry ships at the approximately 40-foot draft which is the maximum—they have to reduce it. So ships have to come through less heavily laden because of that. That, at the moment, is the consequence of weather conditions, because there has been extremely good cooperation between the United States and the Republic of Panama with respect to maintaining the watershed.

So these treaties provide us with an authority that we do not now have and, therefore, as I think they do in so many other respects, they strengthen the American ability to protect American interests.

Mr. HATCH. Of course, the distinguished Senator and I disagree and if the answer is on the record, I have never found it.

How can protection of the zone during the transition period be assured when actions outside the four bases must be approved—incidentally, the distinguished Senator failed to mention that in implying that we have an indiscriminate right to go wherever we want to in Panama. How can protection of the zone during the transition period be assured when actions outside the four bases must be approved by a joint military board consisting of equal numbers of Panamanians and U.S. officials, a military board in which there is no clear authority? Again, by executive agreement?

That does not sound like an indiscriminate right to go anywhere to me.

Mr. SARBANES. What provision is the Senator pointing to that limits the American right to move within the Republic of Panama for the purpose of protecting the neutrality of the canal?

Mr. HATCH. The joint military board provision in article III of the agreement in implementation.

Mr. SARBANES. Yes.

I just read—is the Senator talking about the agreement in implementation of article IV of the Panama Canal Treaty?

Mr. HATCH. That is right.

Mr. SARBANES. I have just read article III that refers to the joint committee and I see no provision in it which provides any basis for the argument which the Senator from Utah has just made.

Mr. HATCH. The Senator will admit, will he not, that the joint military board consists of equal numbers of Panamanians and U.S. citizens?

Mr. SARBANES. Yes.

Mr. HATCH. It is a military board which has no clear authority.

Mr. SARBANES. Where is the provision which says the military board has to approve the movements the Senator just referred to?

Mr. HATCH. Basically, they are going to determine, as I understand it, the actions and the movements.

Mr. SARBANES. Where does the Senator see that?

Mr. HATCH. I think it is implied in the implementation.

Mr. SARBANES. It is not in there.

Mr. HATCH. Then what is the purpose of the board?

Mr. SARBANES. To develop cooperative arrangements between the United States and Panama.

Mr. HATCH. That is right.

Mr. SARBANES. There is no limitation with respect to our ability under this new right, if acquired, to move American forces into Panama for protection of the canal.

Mr. HATCH. Is the Senator arguing, and do I understand him correctly, that we have an absolute right against our little Panamanian neighbors, under these treaties, to just go anywhere we want to in Panama and just do whatever we want to do from the military standpoint, during the next approximately 20 years? Is that what the Senator is arguing, after all we have heard?

Mr. SARBANES. If it is in defense of the maintenance of the neutrality of the canal, to protect and defend the canal, which is the authority that is given to the United States, the primary responsibility to protect and defend the canal. We can station, train, and move troops for the purpose of accomplishment of that.

Mr. HATCH. If we have the approval of that joint military board.

Mr. SARBANES. No, that is not correct.

Mr. HATCH. Let me call to the attention——

Mr. SARBANES. Let me simply say this to the Senator: In the course of this colloquy, for every response I have given to his question, I have tried to key him to a provision in the agreement or an annex or the text of the treaty.

Mr. HATCH. We have given——

Mr. SARBANES. The Senator can make a bald assertion. With respect to the one he has just made, I have asked him for language that he thinks provides the basis for that assertion and he has not produced the language. He has not produced it because it is not there and that is not what these arrangements call for.

Mr. HATCH. I have given direct reference.

Mr. BUMPERS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. Let me correct something the distinguished Senator from Maryland said.

Mr. BUMPERS. Will the Senator from Utah yield?

Mr. HATCH. If I can make this correction first, then I shall recognize my distinguished colleague from Arkansas.

The distinguished Senator from Maryland said that we have not had the right to protect the canal except within the zone in these treaties. I call this attention respctfully to the 1936 treaty, article X, which says:

> In case of an international conflagration or the existence of any threat of aggression which would endanger the security of the Republic of Panama or the neutrality or security of the Panama Canal, the Governments of the United States of America and the Republic of Panama will take such measures of prevention and defense as they may consider necessary for the protection of their common interests. Any measures, in safeguarding such interests, which shall appear essential to one Government to take, and which may affect the territory under the jurisdiction of the other Government, will be the subject of consultation between the two Governments.

This is the 1936 treaty, one that is presently part of the 1903 treaty and presently pending.

Mr. SARBANES. Well——

Mr. HATCH. If I may just finish.

Mr. SARBANES. The hooker in what the Senator said is the last phrase he read.

Mr. HATCH. Mr. President, who has the floor?

Mr. SARBANES. That says it will be the subject of consultation——

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. Let me finish. The Senator said earlier:

> This does not give us the unilateral right to do it. All this provision provides is that we have to consult with one another. We do not even have to do that, as I read this particular provision. We may take whatever action we think is necessary for the protection of our interests, if there is any endangerment to the Panama Canal.

I shall be happy, of course, to listen to the Senator now.

Mr. SARBANES. If the Senator will let me make just one observation. That is that the point the Senator made was, in effect, vitiated or contradicted right at the end of the quote where he said "will be the subject of consultation between the two governments."

Mr. HATCH. That hardly vitiates it.

The PRESIDING OFFICER. The Chair will make an observation, which may facilitate matters. Under the rules and precedents of the Senate,

> A Senator who has the floor has no right to interrogate or propound an inquiry of another Senator, except by unanimous consent, in which case the latter Senator may be allowed to answer such questions, with the right of the Senator having the floor being reserved in the meantime.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. Until the questions are propounded, and until the Senator who has the floor finishes his statement, is he permitted to be interrupted at any time just because the other Senator desires to do so?

Mr. ROBERT C. BYRD. Mr. President, I think the Chair makes a good point.

The PRESIDING OFFICER. Under the precedents, a Senator has no right to propound questions of another Senator except by unanimous consent.

Mr. HATCH. He has agreed to answer them.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. But once a question has been asked, the latter Senator may be allowed to answer such questions, with the right of the Senator having the floor being reserved in the meantime.

Mr. HATCH. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. When the Senator answers the question and then the Senator who has the floor desires to respond to the answer, may the Senator who has the floor be interrupted until he is finished with his response?

The PRESIDING OFFICER. Any Senator having the floor making a statement of any sort may not be interrupted by another Senator unless he is willing to be interrupted.

Mr. HATCH. I thank the Chair. That is all I am talking about.

But I also want to make it clear, I do not expect these questions to be answered unless the distinguished Senator from Maryland, or anybody else for that matter who cares to participate, desires to. So let us make that clear. But I recognize——

Mr. SARBANES. Will the Senator yield on that point?

Mr. HATCH. Yes.

Mr. SARBANES. As I indicated at the outset, I am quite happy to respond to the questions of the Senator from Uath.

Mr. HATCH. That is what I said.

Mr. SARBANES. And have been trying to do that in the course of this colloquy.

I did make the observation that since his questions related to an amendment which he said he had to article I, that it might have been helpful to have called up his amendment to article I so we could have seen the amendment as it related to the questions. But the Senator chose not to do that and wanted to go ahead propounding the questions and having the colloquy without the amendment having been put before us.

I acknowledged to the Senator that if that is how he chose to proceed, that, of course, was certainly within his prerogatives.

But I have been quite happy, not only happy, I have rather enjoyed, I must say, responding to the Senator's questions and welcome, or look forward, to a continuing opportunity to do so, either now or later.

Mr. HATCH. I want to thank my distinguished colleague from Maryland. I appreciate that. I have rather enjoyed his answers to the questions.

Mr. BUMPERS. Will the Senator yield?

Mr. HATCH. I am happy to yield at this time without losing my right to the floor.

Mr. BUMPERS. Perhaps the Senator

will answer, is there an amendment pending?

Mr. HATCH. No.

Mr. BUMPERS. There is not?

Mr. HATCH. But I am going to call up an amendment in due time.

Mr. BUMPERS. Why not call it up?

Mr. HATCH. I do not think the amendment is tricky. It is just an amendment that I do not want to call up until I have finished asking these questions.

Mr. BUMPERS. I was just curious, in order to expedite this, which has been going on for 12 days, why does the Senator not call up his amendment, let us debate it and vote on it?

Mr. HATCH. Because I have chosen not to. Let me do that when I choose to do so.

Mr. BUMPERS. How much longer does the Senator anticipate taking before he calls up his amendment?

Mr. HATCH. If the Senator has some comments to make——

Mr. BUMPERS. No. I am just concerned about the work of the Senate. We have a lot of things to do.

Mr. HATCH. I cannot imagine any more important work than what we are doing right now.

As a matter of fact, a good 75 percent of my constituents are very concerned about what is going on on the floor of the Senate.

Mr. BUMPERS. So are mine, so why do we not get on with it?

Mr. HATCH. I am asking what I consider very pertinent and important questions, and whoever wants to answer them, I do not care who, I would be delighted to hear the answers of the distinguished Senator from Maryland, who has been answering the questions.

Mr. BUMPERS. My point is simply that if the Senator has an amendment and the questions relate to it, why not bring the amendment up and let it be the pending business?

Mr. HATCH. I will certainly do that. I will certainly do that in due time.

Let me move on to another question.

In fact, allow me to yield the floor to the distinguished Senator from South Carolina who has a statement to make and then, if I can have the floor back again, I would appreciate it.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I am very interested in these treaties from the standpoint of defense and I would like to discuss that for a few moments.

Mr. President, too little has been said in the debate on the Panama Canal treaties relative to the importance of this waterway from a standpoint of defense or national security and our right to defend the canal.

Further, while the weaknesses of the treaties relative to U.S. defense rights after 1999 are obvious, the Senate must also weigh the powers granted the United States prior to the year 2000.

Since the Panama Canal Treaty makes Panama sovereign and gives plenary jurisdiction immediately, any grants of authority to the United States must be explicit or sovereign rights will prevail.

Today I wish to discuss for a little while some of these issues with the Senate. First, the general defense shortcomings of the treaties; second, the military importance of the canal; and third, the need for base rights after the year 1999.

TREATY DEFENSE SHORTCOMINGS

Mr. President, it is apparent that once the treaties are ratified and Panama becomes sovereign over the Canal Zone with plenary jurisdiction, the position of the United States on defense matters is greatly weakened. Since the treaties provide no compulsory adjudication of disputes arising under the treaties, the rights of Panama as sovereign become paramount. The treaties also explicitly require peaceful settlement of disputes. Once sovereign, U.S. military actions must be at the invitation of Panama.

Mr. President, for the United States to use force in carrying out its belief of rights provided in the treaties is clearly in violation of the charters of both the United Nations and the Organization of American States. The failure of the treaties to explicitly spell out U.S. defense rights in clear terms will undoubtedly lead to Panama-United States disputes. Panama may well claim certain U.S. actions violate the narrow authority granted to the United States to "manage, operate and maintain" the canal and by so doing, justify a termination of the treaties by Panama prior to 1999.

Mr. President, the complex financial arrangements, many of which are also ambiguous, will certainly lead to such disputes. One can imagine a strike by Panamanian workers and the use of the U.S. military to restore operation of the canal. It would be my expectation that the combined Board would oppose such military action by the United States. If the United States went ahead without approval of the Board, then Panama could certainly claim its sovereign rights had been violated. This could be used as grounds for termination of the treaties by Panama.

The defense of the canal prior to 2000 is also complicated by the fact that the treaties do not prohibit the introduction into Panama of foreign military forces. Any sovereign nation can bring to its soil the soldiers of any ally it wishes. Panama does not surrender this right under the treaties. If a dispute with the United States develops, Panama may invite in Cuban troops as a lever to get its way. In such an event, the United States would be in a very delicate situation.

U.S. RIGHTS TO INTERVENE LACKING

In looking at U.S. rights to intervene under the regime of neutrality, one must recognize the rights of Panama once it becomes sovereign over the canal. This happens immediately, not in the year 2000.

The surrender of any rights by a sovereign must be explicit. Such is not the case with these treaties.

The Senate should note that article I of the main treaty grants to the United States the right to defend the canal "in accordance with the terms of the treaty and related agreements." The chief related agreement would be article IV, which in its ambiguous form fails to give the United States the right to act "as it deems necessary."

U.S. INTERVENTION NOT ALLOWED

The officials of Panama have steadfastly contended article IV does not justify U.S. intervention in Panama. They properly contend this article gives the United States the right to maintain the canal's neutrality, but not the right to invade Panama over Panama's objections.

The U.S. right to maintain the canal's neutrality is limited on two counts. First, the treaties explicitly protect the territorial integrity of Panama and, second, they prohibit any interference in Panama's internal affairs. To invade Panama against their will would clearly place the United States in violation of explicit language in the treaties in an effort to carry out the ambiguous portions.

CARTER-TORRIJOS UNDERSTANDING

Further, even with the Carter-Torrijos understanding added to the treaties, the U.S. right to intervene against the will of Panama simply does not exist. The plain language of the treaty clearly fails to give the United States the right in unambiguous terms to take such action as it deems necessary to protect the canal.

Any military action by the United States under article IV without the consent of Panama would most certainly qualify as an act "against the territorial integrity or political independence of Panama." Once again, we return to the central point: When Panama becomes sovereign in the Canal Zone any act or invasion of its territory goes against all international law. The unilateral right for the United States to take such actions in a sovereign nation must be explicitly spelled out. They are most definitely not spelled out in these treaties.

Mr. President, these arguments will be central to the current debate at a later date. But it seemed appropriate to touch upon them in my discussion today of the unfavorable defense aspects of these treaties.

One final example of the failures of these treaties prior to turning to the military importance of the canal and base rights is illustrated by article V.

ARTICLE V RAISES QUESTIONS

Under article V of the Neutrality Treaty, U.S. defense rights in Panama are terminated after the year 1999. Nowhere in the entire Neutrality Treaty is it stated that if the neutrality of the canal is threatened, the United States can unilaterally send in forces.

Former Deputy Secretary of Defense William Clements testified that General Torrijos approved—now, understand this—approved an agreement giving the United States the unilateral right to intervene "as it deems necessary." This feature of the negotiations was approved in 1975 and remained in place until sometime after January 20, 1977, when President Jimmy Carter named Mr. Sol Linowitz an Ambassador for the purpose of treaty negotiations.

The American public and the Senate have a right to know why it was necessary to abandon this strong provision for

the weaker so-called regime of neutrality. To date, there has been no answer.

VIEWS OF MILITARY LEADERS

The importance of the canal from a defense standpoint today, and after 1999, is testified to by all military witnesses, whether they support the treaties or not.

Here is what Chief of Naval Operations James Holloway III stated:

The Canal "is absolutely essential to the war plans of the U.S. Navy and the U.S. defense establishment. . . ."

Without the Canal, sea lanes of communications are longer and more vulnerable.

The Canal reduces ocean-to-ocean transit time by three weeks. Our Navy must transit the Canal in many contingency scenarios.

Here is what Lt. Gen. W. C. Dolvin, representing Secretary of Defense Harold Brown, in testimony before the House Merchant Marine and Fisheries Subcommittee November 30, 1977, stated:

It is the position of the Office of the Secretary of Defense and the Joint Chiefs of Staff, that the Panama Canal is a major defense asset of strategic military importance and will remain so for the foreseeable future.

Here is what former Chairman of the Joint Chiefs Adm. Thomas Moorer stated. I do not know of any abler military man, in my 24 years in Washington, than Admiral Moorer:

There is no feasible war plan for the United States, taking into account our reduced forces and extended commitments, that does not assume that the Panama Canal will be available for fulltime priority use.

If the "Canal operations are slowed down or stopped . . . the timing of any war plan we have immediately collapses."

I see no change whatever in the critical contribution of the Canal to our military strength in the near future or in the out years far beyond the meaningless year of 2000.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. CURTIS. I find that during the 1962 Cuban missile crisis, 115 naval vessels and 1 Marine division were moved rapidly via the canal from the Pacific to the West Indies. That alone may have been a factor in changing the history.

Also, rapid naval buildup and support for the Korean and Vietnam wars would not have been possible without the canal.

I thank the distinguished Senator for yielding.

Mr. THURMOND. I believe the record shows that during the Vietnam war 70 percent of the equipment and material went through the Panama Canal, showing its vital importance during wartime.

Now hear what Marine Corps Commandant Gen. Louis Wilson stated:

The Canal is of "particular importance to me as a Marine because of the very real requirement to move the Navy's amphibious ships from ocean to ocean in the shortest possible time."

Thus, Mr. President, despite the fact some of our military leaders support these treaties and some do not, they all are in agreement on the importance of the canal now and in the future.

Now I wish to speak briefly on why the canal is of such great military importance to our position as leader of the free world and guarantor of our own security.

MILITARY IMPORTANCE

The military importance of the canal rests on three pillars: First, strategic mobility; second, logistic support; and third, U.S. base presence.

STRATEGIC MOBILITY

Mr. President, simply stated, the canal's strategic mobility value comes from the fact that the waterway economizes the effort needed to apply the required military power on both sides of the North and South American continents.

Without the canal, a Pacific-Atlantic transit is 3 weeks and 8,000 miles longer. Further, such a course greatly increases the ocean area in which we would have to maintain control for safe passage.

The United States does not have a two-ocean Navy in the true sense. In 1964 we had over 900 ships, now we have less than 500. While we have Navy forces in the Atlantic and Pacific Oceans, either would have to be supplemented by Panama Canal transits in times of emergency.

(Mr. HARRY F. BYRD, JR, assumed the chair.)

Mr. THURMOND. This is very important. If we had a war it would be necessary, and any military man, certainly the Navy people know if we do have a war, it is going to be necessary to shuttle these ships from one ocean to the other and do it quickly. The mere fact they would have to go thousands of miles farther, take 3 weeks longer to accomplish what they could accomplish in going right through the Panama Canal, in itself could be the difference between victory and defeat in time of war.

Responding to crises in NATO or the Far East involves movement of a marine amphibious force (MAF). The shifting of such forces from one ocean to another is greatly expedited by certain availability of the canal. The only other alternative is a major buildup of Navy forces, plus extensive logistic facilities. Further, the Senate should bear in mind that the trend toward smaller aircraft carriers of a size able to transit the canal makes the waterway more important in the future than at present. In the year 2000, when we vacate the canal entirely, it is possible our entire Navy will be able to transit the canal. Thus, the utility of the canal in permitting strategic mobility would be greater after the year 2000 than at present. At present 98 percent of the ships, our naval ships, can now go through the canal.

Mr. President, a fairly recent example of the strategic importance of the canal was demonstrated during the 1962 Cuban crisis. At that time the United States moved ships rapidly from the Pacific into the Caribbean area.

LOGISTIC SUPPORT

A major factor in U.S. foreign policy since World War II has been our ability to support our allies. This is particularly true for our friends in the Far East. Especially critical to this effort is the movement of munitions which are manufactured mainly along the east coast.

Millions of tons of munitions were moved to Korea and Vietnam during our military involvement there in the 1950's, 1960's and 1970's. From the east coast Port of Norfolk it is 28 steaming days at 15 knots to Pusan, Korea via the Panama Canal. The Suez Canal route requires 38 days, the Cape of Good Hope route 41 days, and the Cape Horn route 46 days.

Thus, as was demonstrated during Korea and Vietnam, the record clearly shows the importance of passage through the canal of military logistics, always a time crucial item.

Two other points on the canal's importance from the standpoint of logistics can be made. First, it is vital to our military and economy for the movement of oil. In the event of another Arab embargo, the eastern seaboard would have great need of the oil from Alaska. Second, Panama serves as an important logistics base for our ships protecting sealanes to the South. In the Pacific, the Canal Zone is the only U.S. refueling center south of California.

U.S. BASE PRESENCE

As the major power on the North and South American Continent, it is my opinion the U.S. presence in Panama has helped stabilize —I repeat, stabilize, our friends to the south.

While the Communists have gained footholds in Cuba, and at one time Chile, the U.S. bases and presence in Panama most certainly has served as a deterrent to trouble.

The Canal Zone installations of the United States, to include air and Navy bases, facilitate our military operations in Latin America. Howard Air Force Base and the Cristobal Harbor in the Atlantic and the Balboa Harbor in the Pacific provide valuable docking facilities for many Navy ships. These facilities enhance our capability to conduct air patrol and Navy surveillance operations. This is particularly important due to the increased Soviet activity stemming from Cuba. In fact, if we surrender the Galeta Island station off Panama, our ability to keep track of Soviet submarines will be greatly impaired.

Mr. President, if the United States withdraws from Panama entirely, as these treaties require, we will create a vacuum which the Soviet will surely fill.

I now wish to draw the Senate's attention to one of the most disturbing aspacts of these treaties—the complete withdrawal of a U.S. presence in the year 2000.

Of all the defense aspects of the treaties, I find this provision the most unwise and most unnecessary. The total removal of the U.S. presence from Panama will inevitably expose this waterway to a wide range of risks.

BASE RIGHTS NEEDED AFTER 1999

Once again I would like to quote the views of our military leaders on this point, both those who favor and oppose the treaties:

Admiral Holloway, DOD did support a defense responsibility for 50 years at one point.

That is what the Navy said they wanted. They wanted a defense responsibility for 50 years. What do we get? Twenty years.

Now, this is by Navy people who, because of their position, go along with the treaties. Secretary Brown, I might say, sometime ago made the statement that he expected the members of the Joint Chiefs to go along with these treaties or to retire. That came out in the paper.

So when there is talk about they do not have to do so and so, sure, they do not. They do not have to go along with these treaties, the Joint Chiefs do not. But if they do not they know full well their positions are jeopardized, and they might as well retire.

Once again I would like to quote the views of our military leaders on this point. Admiral Holloway said further:

Because of the importance of the canal, as a military man, I would very much like to have seen the complete responsibility and control of the operation and the defense of the canal in U.S. hands.

That is the Chief of Naval Operations now who say DOD did support defense responsibility at one time for up to 50 years; and, further, that he would like to see the complete responsibility and control of the operation and defense of the canal in U.S. hands. Yet this Senate has not seen fit to act favorably on any of these amendments.

He said further:

We are better off with a base in that part of the world than without a base.

Who is that talking? The Chief of Naval Operations, Admiral Holloway. He says we are better off with a base in that part of the world than without a base. Does that not make sense? Yet we are giving up all of our bases there.

Admiral Moorer says:

I believe a permanent U.S. presence in the Panama Canal Zone to be the only feasible and safe posture for all of the nations of this hemisphere.

I think it is mandatory that we maintain a presence through one kind of agreement or another.

Now, General Wilson:

Now I must be frank with you. I agree that it would be easier and less costly to meet threats after 1999 if the U.S. were to maintain forces in Panama.

Gov. Harold Parfitt, the Governor of the Canal Zone:

My own personal opinion is it would have been preferable if we could have negotiated to have our forces there.

Maj. Gen. George Mabry, Jr. I might say that he was the commanding general down in Panama; Admiral Mabry spent about 10 years down there. What does he say about it?

The U.S. "should retain the right to operate some bases and remain in the Canal under a status of forces type agreement" beyond the year 2000.

He further stated:

The "only way I can see we could ever get back to operate or defend the Canal would be upon the invitaton of Panama" or by force.

He further stated:

As a minimum the U.S. "should retain the right to go back in and occupy specified operating and defense bases."

Now, there is a man who lived there for 10 years at various times. He was brigade commander during the 1964 riots and later Army commander.

Thus, Mr. President, we see the value and importance of a military presence after the year 2000. Such a presence is highly desirable because:

First. It would deter outside influences from coming into Panama to fill a power "vacuum."

Second. It provides an overt U.S. presence that is stabilizing.

The bottom line, Mr. President, is that although some of the military leaders favor the treaties, they all would prefer to have a longtime military presence in Panama.

But these treaties do not allow that. They prohibit it. They force us out by the year 2000—force us out lock, stock, and barrel, giving up hundreds of millions of dollars of installations and other improvements that we have there.

Such a preference was for many years the U.S. negotiating position. For many years we preferred that. Our own negotiating people preferred it. But then, for some unknown reason, they caved in and backed down to Dictator Torrijos. In fact, such was the case until Mr. Linowitz arrived on the scene and within 6 months after that we surrendered many of the positions maintained by both Democrat and Republican administrations for 13 years.

Mr. President, a little noticed testimony by Admiral Holloway in answer to my questions proves the Defense Department and past administrations placed great importance on U.S. base rights in Panama. Page 40 of the Armed Services Committee hearings on January 24, 1978, I think, is very interesting. It reads as follows:

MAXIMUM YEARS FOR U.S. MILITARY PRESENCE IN PANAMA

Senator THURMOND. Of course, those are just two points I mention.

Now, Admiral Holloway, in the negotiations with Panama, what was the maximum of years sought by the Defense Department for continued U.S. defense presence in Panama?

Admiral HOLLOWAY. To the best of my recollection, in the period I was involved in discussing the negotiations, I think 50 years was the maximum that we considered.

Senator THURMOND. The Defense Department preferred 50 years? Fifty years is what the Defense Department preferred?

Admiral HOLLOWAY. No, sir; I can't say that, Senator. That is a figure that sticks in my mind as the longest fixed period of time. I can't say what the Defense Department preferred. As I have indicated here, I personally preferred the presence indefinitely.

Senator THURMOND. You preferred, of course, to have a continuing United States presence in Panama indefinitely? In other words, as long as we felt we needed it; is that what you mean by indefinitely?

Admiral HOLLOWAY. Yes, sir.

Senator THURMOND. You don't recall what the Defense Department——

Admiral HOLLOWAY. No, sir.

Senator THURMOND. Would you supply that for the record for us? Could you obtain that in the Defense Department and supply it?

Admiral HOLLOWAY. I will, Senator Thurmond.

[The information follows:]

Admiral HOLLOWAY. Several positions were supported by the Department over the long period (13 years) of negotiations. The position on defense presence was related to other issues such as neutrality guarantee, length of responsibility for U.S. operation and U.S. rights to defend security interests in the Canal. Therefore, it is difficult to say that the Department of Defense preferred a particular duration. The 1967 treaties, for example, contained U.S. defense rights until 2004 with an agreement to agree on post treaty defense arrangements. DOD did support a U.S. defense responsibility for 50 years at one point. However, DOD subsequently proposed language providing for U.S. maintenance of the regime of neutrality. This proposal was later incorporated into the Neutrality Treaty. Thus, the U.S. has the right to protect its security interests in the Canal in perpetuity.

JCS VIEW FOR U.S. MILITARY PRESENCE IN PANAMA AFTER YEAR 2000

Senator THURMOND. Admiral, why did the Joint Chiefs feel we needed a defense presence in Panama well past the year 2000? Why did you feel that we needed that for 50 years?

This is Admiral Holloway's answer:

Admiral HOLLOWAY. Because, in my view the Panama Canal is and will continue to be an essential element in our national defense plans. It will be essential as long as the United States remains a leader of the free world and has alliances overseas with NATO, and Japan, and as long as we still depend, as we do today to such a large degree, on the foreign import of energy. Therefore, because of the importance of the canal, as a military man, I would very much like to have seen the complete responsibility and control of the operation and the defense of the canal in U.S. hands.

Mr. CURTIS. Who said that?

Mr. THURMOND. That was Admiral Holloway, Chief of Naval Operations.

As I said, this would have been also with a population in Panama that approved of our presence and supported us there, and were sharing in the operations and defense of the canal.

Senator THURMOND. As a matter of fact, under these treaties we would have to lock, stock, and barrel, all Army out, Navy out, Air Force out, turn the facilities over to Panama, in other words, completely out in every way?

Admiral HOLLOWAY. Yes, sir.

Now, as to the 1967 treaties.

1967 TREATIES STRONGER

Mr. President, that series of questions clearly shows the desirability of base rights after the year 1999. The Defense Department wanted such rights, but they were negotiated away.

It is noteworthy that under President Lyndon Johnson the 1967 treaties, which were never submitted because they were then considered too weak, provided an option for base rights. Admiral Holloway testified as follows:

The 1967 treaties, for example, contained U.S. defense rights until 2004 with an agreement to agree on post treaty defense arrangements.

In other words, the 1967 treaties provided for a U.S. defense force for 37 years after ratification, not 23 years as in these treaties. Further, it was to be negotiable at the end of those 37 years relative to a continued U.S. defense presence.

REENTRY WOULD BE COSTLY

Under these treaties the United States is to get out entirely in 1999. Then, if we need to return, it could be by force

at great loss of life and material. If Panama resisted such an attempt it would be even more difficult, as by then the canal would be totally Panamanian in personnel and administration.

Without a presence there we may have to retake airfields or land on the beaches. As our military leaders admit, under such conditions our efforts would be "costly" and "difficult" to say the least.

All too often the decisionmakers of today put the tough issues off to some future date. I have seen it happen time and again. No one knows what the situation will be in 1999, but we do know at that time the canal will be as important to the United States or more important than it is today.

Mr. President, I totally reject the often-heard argument we should not alter these treaties, as such action would require a new plebiscite. We have an obligation to the American people, especially when treaties so poorly written are placed before us.

As a minimum the United States should retain defense forces in Panama after the year 1999, preferably at Howard Air Base. These entire treaties are supposedly designed to bring about friendly relations with Panama. If such relations are really intended, why are U.S. forces designed to protect Panama's greatest resource so objectionable?

Mr. President, I have carefully demonstrated the importance of the canal to our national security. Further, I have offered ample evidence our military leaders see great benefits from base rights. It is up to the Senate to do what the administration should have done. To do otherwise, we would be compounding an already serious flaw in these treaties.

Mr. President, I am not sure whether the letter the four admirals wrote to the President have been placed in the RECORD. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks before I yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, I want to read just one paragraph in this letter. This letter was written by Admiral Carney, of World War II fame; Admiral Anderson, Chief of Naval Operations under President Kennedy; Admiral Burke, Chief of Naval Operations under President Eisenhower, and Admiral Thomas Moorer, who was Chief of Naval Operations and also Chairman of the Joint Chiefs of Staff under President Ford.

I will not take the time to read this entire letter as it will appear in the RECORD, but I do want to read one sentence. I think it is most important. I wish the American people could know what these four admirals are saying.

They are retired now. They are not under the gun. They have nothing to gain and nothing to lose by taking a position, except they do stand to lose from the standpoint of being American citizens if these treaties are ratified.

This is the sentence, Mr. President, their words, when writing the President protesting giving away this canal, feeling it is a great mistake, against the best interests of America. Therefore, they wrote the President this letter, and this one sentence says:

> Loss of the Panama Canal, which would be a serious setback in war, would contribute to the encirclement of the U.S. by hostile naval forces, and threaten our ability to survive.

That is what those four admirals wrote the President. If we lost control of this canal, that would contribute to the encirclement of the United States by hostile naval forces and would threaten our ability to survive.

Think about that, Mr. President, for our Nation to survive.

Mr. President, the proponents of these treatries say, "We have had riots down there, and if we do not ratify these treaties we will have more riots."

Mr. President, I think they are right. We have had riots there, and we are going to have more riots. As long as you have the Cuban Communists down there, and as long as you have the Panamanian Communists down there, there are going to be riots.

But we have controlled the riots. We have handled the riots. The military people say we can continue to handle the riots. If we get out from down there, lock, stock, and barrel, and create a vacuum, and Castro and the Communists move in, then what do we have? Even if this treaty is amended to give the right to go back in, which it does not do right now, then there will be a confrontation with the Communists. What could that lead to? That could mean a war.

So, Mr. President, I say is it better to have a few riots down there which we have controlled and can control in the future, or is it better to have a confrontation with the Communists and put the American people to the wall?

Mr. President, this is a serious matter. This very action that we are going to consider here, the action on these treaties, may determine the very future of America.

I mentioned about how we would be handicapped in shuttling ships from one ocean to another which we have to do in case of war. There is another way we would be handicapped, too. We do not have the wherewithal with which to fight a war. If we have a war, we have to have copper, zinc, tin, and other minerals and resources from Indonesia and other foreign countries. If we cannot bring those through the canal, if we do not have control of the canal, if it gets into the hands of unfavorable parties, and we have to go around the tip of South America, 8,000 more miles and 3 weeks longer, that, in itself, can mean the difference between victory or not in time of war.

Mr. President, I hope some of the Senators will think well over these treaties and not take some chance. We are down there; we have a presence there. As long as we are there, we are not going to be disturbed. Nobody is going to run us out. I do not think anybody will attempt to run us out. But when we get out, when we voluntarily get out and create a vacuum, what better invitation would Castro want? What better invitation would the Soviets want?

One might ask, "The Soviets? Why the Soviets?"

Because, Mr. President, Castro is a figurehead of the Soviets.

When they told Castro to send Cuban troops to Angola, he sent those troops, 15,000 of them. And they went to Angola. And with Soviet modern weapons and planes and tanks and equipment, they overpowered the people over there. Now there is a Communist government in Angola, although two-thirds or more of the people would have preferred to remain free.

And when the Soviet Union ordered Castro to send guerrillas to Mozambique, what did he do? He had no choice. He sent those guerrillas to Mozambique.

And when the Soviets ordered Castro to send troops to Ethiopia in the past few weeks, even over the objections of the President of the United States, Castro sent those troops to Ethiopia.

Castro is a figurehead of the Soviet Union. The goal of the Soviet Union is to spread aggression throughout the world. They especially want to take important waterways. The Panama Canal is one of the most important waterways in the world.

Just as certainly as we move out, I predict we are going to have trouble down there. The people down in Central and South America know that, as long as we are there, we can help them and help protect their freedom. And when we move out, they are literally going to be scared to death.

Mr. President, about 2 weeks ago, I had a Panamanian woman who married an American citizen and lives here—I will not say the State; I do not want to give any identification. They came to my office and said:

> We came to talk to you about the Panama Canal.

I said,

> Why are you interested?

She said,

> My father is in Panama now and he sent me word to go to see any Senator that would see me and to urge him and, if necessary, to get on my knees and beg him not to vote to ratify these treaties.
>
> He said the Cubans are right down there now, training guerrillas in an isolated area in Panama. He says that this government there is a dictatorship and my father is scared to open his mouth. He would be put in prison and allowed to rot.

This came direct out of Panama, by the daughter of a Panamanian citizen, about a prominent person who lives down there and is scared to open his mouth.

Mr. President, why do we deal with people like that? Why do we fool around with a man like Torrijos, a man who took over Panama at the point of a gun, took it by force and violence, and put out the man elected by the people. And now he is the head of the government; a man who has run up the debt in Panama from $167 million to between $1.5 and

$2 billion. Now he wants money. He wants the canal to help pay these debts.

Mr. President, we have not treated Panama badly. We have done a lot for Panama. In addition to the $2.3 million we pay them a year as annuity, our Government agencies spend $29 million down there a year; our U.S. Government employees spend $39 milion there a year. Our Government pays salaries to non-U.S. citizens, chiefly Panamanians, of $108 million a year. That is about $168 million a year we are putting into their economy.

What would they do without us? How could they ever modernize the canal without us? The only nation that can ever modernize that canal is either the United States or the Soviet Union. Certainly, we do not want to see them do it. It would be much better if we turned back any territory we do not need for security in the zone to Panama if we increased their annuity some, and eventually, modernized the canal, which would put hundreds of millions of dollars into the economy of Panama and help the people there.

Mr. President, again I say, why do we want to take a chance? Why do we want to take a chance in turning over this canal or running the risk of forcing this country into a war to defend it later? We will not be disturbed as long as we are there. Once we get out we can look for trouble.

Mr. President, I hope the Senate will think about this matter very carefully because, as these four admirals said, the future of our Nation, its very existence, might depend upon this particular act in which the Senate will be engaged.

EXHIBIT 1

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As former Chiefs of Naval Operations, fleet commanders and Naval Advisers to previous Presidents, we believe we have an obligation to you and the nation to offer our combined judgment on the strategic value of the Panama Canal to the United States.

Contrary to what we read about the declining strategic and economic value of the Canal, the truth is that this inter-oceanic waterway is as important, if not more so, to the United States than ever. The Panama Canal enables the United States to transfer its naval forces and commercial units from ocean to ocean as the need arises. This capability is increasingly important now in view of the reduced size of the U.S. Atlantic and Pacific fleets.

We recognize that the Navy's largest aircraft carriers and some of the world's supertankers are too wide to transit the Canal as it exists today. The supertankers represent but a small percentage of the world's commercial fleets. From a strategic viewpoint, the Navy's largest carriers can be wisely positioned as pressures and tensions build in any kind of a short-range, limited situation. Meanwhile, the hundreds of combatants, from submarines to cruisers, can be funneled through the transit as can the vital fleet train needed to sustain the combatants. In the years ahead as carriers become smaller or as the Canal is modernized, this problem will no longer exist.

Our experience has been that as each crisis developed during our active service—World War II, Korea, Vietnam and the Cuban missile crisis—the value of the Canal was forcefully emphasized by emergency transits of our naval units and massive logistic support for the Armed Forces. The Canal provided operational flexibility and rapid mobility. In addition, there are the psychological advantages of this power potential. As Commander-in-Chief, you will find the ownership and sovereign control of the Canal indispensable during periods of tension and conflict.

As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the United States, giving us maximum strength at minimum cost. Moreover, sovereignty and jurisdiction over the Canal Zone and Canal offer the opportunity to use the waterway or to deny its use to others in wartime. This authority was especially helpful during World War II and also Vietnam. Under the control of a potential adversary, the Panama Canal would become an immediate crucial problem and prove a serious weakness in the overall U.S. defense capability, with enormous potential consequences for evil.

Mr. President, you have become our leader at a time when the adequacy of our naval capabilities is being seriously challenged. The existing maritime threat to us is compounded by the possibility that the Canal under Panamanian sovereignty could be neutralized or lost, depending on that government's relationship with other nations. We note that the present Panamanian government has close ties with the present Cuban government which in turn is closely tied to the Soviet Union. Loss of the Panama Canal, which would be a serious set-back in war, would contribute to the encirclement of the U.S. by hostile naval forces, and threaten our ability to survive.

For meeting the current situation, you have the well-known precedent of former distinguished Secretary of State (later Chief Justice) Charles Evans Hughes, who, when faced with a comparable situation in 1923, declared to the Panamanian government that it was an "absolute futility" for it "to expect an American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of (the) rights which the United States had acquired under the Treaty of 1903," (Ho. Doc. No. 474, 89th Congress, p. 154).

We recognize that a certain amount of social unrest is generated by the contrast in living standards between Zonians and Panamanians living nearby. Bilateral programs are recommended to upgrade Panamanian boundary areas. Canal modernization, once U.S. sovereignty is guaranteed, might benefit the entire Panamanian economy, and especially those areas near the U.S. Zone.

The Panama Canal represents a vital portion of our U.S. naval and maritime assets, all of which are absolutely essential for free world security. It is our considered individual and combined judgment that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty.

Very respectfully,

ROBERT B. CARNEY,
GEORGE ANDERSON,
ARLEIGH A. BURKE,
THOMAS H. MOORER.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. THURMOND. Mr. President, I yield to the able Senator from Nebraska.

Mr. ROBERT C. BYRD. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. SARBANES). The Senator from South Carolina.

Has the Senator from South Carolina yielded the floor?

Mr. THURMOND. No, Mr. President, I have not yielded the floor. I was about to yield to the distinguished Senator from Nebraska.

Mr. ROBERT C. BYRD. I thought the Senator from Utah had the floor and yielded to the Senator from South Carolina.

Mr. HATCH. I shall be happy to recognize the able Senator from Nebraska.

Mr. CURTIS. To avoid the confusion, I shall wait and seek recognition in my own right.

Mr. HATCH. Mr. President, did the distinguished majority leader have anything he wanted to say?

Mr. ROBERT C. BYRD. No, Mr. President, I was hoping that the distinguished Senator from Utah would call up his amendment. I believe he intends to do that.

Mr. HATCH. I appreciate that.

I thank the Chair. I just want to make a few comments about my distinguished colleague (Mr. THURMOND), the great Senator from South Carolina.

Mr. President, I sat and listened to almost all of what he had to say and I think he has done the Senate and the American people a great service today in pointing out as, in some ways, only he can, some of the important aspects of the military problems in the Panama Canal. I want to express my gratitude to be able to sit by him on the floor of the Senate, because I believe him to be one of greatest men who has ever sat on the floor of the Senate.

There is not anybody sitting in the Senate who cares more for this country, who tries to do more for this country, who is more energetic or spends more time working for his constituents and the people in this country than my friend, the distinguished Senator from South Carolina.

Mr. CURTIS. Will the distinguished Senator yield at this point?

Mr. HATCH. I am happy to yield.

Mr. CURTIS. The Senator might add that there is no one in the Senate with better military credentials than the distinguished Senator from South Carolina.

Mr. HATCH. I am glad to have that added. I certainly agree with that. I am glad to have that pointed out by my friend from Nebraska.

Let me say that I have known a lot of great men in my time and they have been men of differing philosophies, and I believe we have a lot of great men on the floor of the Senate of differing philosophies. That is what makes this country great. What diminishes it is that there are so many of one philosophy and so few of another, so we do not have quite the debate or quite the butting of heads that we really need to have effective debate in Congress today. I suggest to the American people that it might be a good idea to see that we even it up a little bit.

I will say that men like the distinguished Senator from South Carolina more than carry the weight for millions of people every year. I might add that this applies to the distinguished Senator

from Nebraska, as well, who has been in Congress for more than 40 years. They are both great men, both patriots.

Mr. THURMOND. Mr. President, I thank the Senator from Utah and the able Senator from Nebraska for their most generous remarks. Coming from such able and patriotic Senators as these two men make me feel very humble.

Mr. HATCH. Just to add one final note to what Senator THURMOND has had to say: It was not long ago that I was speaking at one of the major colleges, or universities, in this country and was walking down the hall to go to another class to speak. One of the professors ran after me and shouted:

Senator Hatch, I want to talk to you about the Panama Canal.

I was in real hurry, because I had to get to that class, and I was afraid that he might be a man who would want to get into a major discussion and I did not have the time to do it. In any event, I stopped.

He said:

Senator Hatch, I would like to thank you for your stand on the Panama Canal.

I was pleasantly surprised. I said:

He said:

Well, I thank you. Why do you feel that way?

Well, I was in Russia last year in 1976, before all of this came up on the floor of the Senate.

And he said:

I spent a number of weeks there and toward the end of that term one of the top military people came up to me, Russian military people, and started to talk about how great and powerful Russia was and they would ultimately fulfill their aims and goals, and their ultimate destiny.

And then he turned to the professor and he said:

And I understand that your people in America are about to give us the Panama Canal.

I was interested in those comments and that man said:

Hang in there because you're fighting for the American people and you're fighting for our rights.

Or what may be, as Senator THURMOND so aptly put it, our very existence in this country.

I thought I would add that to what my friend from South Carolina said. I hope it adds a little bit because that does not happen every day.

In any event, Mr. President, what I would like to do is oblige my colleagues on the other side, who would like me to present my amendment to the Senate at this time. They would prefer it that way. I try always to be accommodating to the extent I can and, certainly, with our distinguished majority leader, whom I greatly respect.

I will call up that amendment and then I think what I will do is resume my questions, putting them in the RECORD.

I have thought about this. Nobody suggested it to me. But maybe it is a little unfair to expect spontaneous answers on the floor to some of these searching questions.

So what I think I will do is read the questions because I do not want to take advantage of anybody, although I think the able Senator from Maryland is doing a fine job from his standpoint in trying to answer these questions.

What I would like to do is put them in the RECORD. I will read them into the RECORD for all the people to listen to and to think about and to see if the proponents can answer them.

Hopefully, they will give us the courtesy of allowing me to be on the floor when they do so. If I have any followup questions I can at least raise them, or receive the benefit of their wisdom.

In any event, that may be a little more fair. As far as I am concerned, I think it would be better to have good responses to these questions based on thoughtful reflection. Not to disparage my friend from Maryland, but I think that responses based on reflection and study can give us fuller and fairer answers.

I think that would be fairer to the proponents.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HATCH. I am delighted to

Mr. ROBERT C. BYRD. With reference to the Senator from Maryland and his spontaneous answers, they were like apples of gold in pictures of silver. Nothing has been more fitting, even a written answer, considered after considerable time, could have been no more apropos, apt to the point, incisive, persuasive and cogent than were the answers given by the Senator from Marvland.

But I am so grateful to the Senator from Utah that he has indicated he will now call up his amendment, and I do not want to take his time, for one.

I thank him for yielding.

Mr. HATCH. I thank the leader.

Let me say with regard to that, I have seen a lot of golden apples in my day and I prefer those I can eat, though I will say that I believe, under the circumstances, the answers of the distinguished Senator from Maryland were excellent.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. HATCH. I do not think the answer to some of the questions on reflection will allow him, or anybody else on the proponents' side, to answer them better than he was able to with the help of his aides beside him.

I would say this. I think the distinguished Senator from Maryland has done an excellent job on the floor of the Senate, from his perspective.

Above all, I have to admit that I respect my distinguished majority leader. He has always been fair to me, very courteous to me, and I intend to always be fair and courteous to him.

Mr. STEVENS. Will the Senator yield?

Mr. HATCH. I am delighted to yield to my friend from Alaska.

Mr. STEVENS. Will the Senator permit me, before calling up the amendment, to make a short statement?

Mr. HATCH. Certainly.

Mr. ROBERT C. BYRD. Mr. President, would the Senator allow the Senator to offer his amendment and then proceed with his statement?

It would give some of us who want to study the amendment an opportunity to study it, so that we would be in a better position to address our remarks to it.

Mr. STEVENS. I thought there might be some stopwatch around here.

Mr. HATCH. I presume everybody else knows what the amendment is. It is not that complex.

Mr. ROBERT C. BYRD. But seeing it in the fine print is what we need.

Mr. HATCH. I see.

I would just as soon yield to the distinguished Senator from Alaska if he needs the time, and with no reflection on anybody, but I understand he is the minority whip, a busy man, and if he needs to say something, I would like him to say it.

Mr. ROBERT C. BYRD. Well, he is a very distinguished minority whip.

Mr. HATCH. I would agree with that.

Mr. ROBERT C. BYRD. One whom I like to call my friend, and who is my friend.

But I believe he is my friend to the extent he would not object to my urging the Senator from Utah to proceed to call up his amendment at this time.

Mr. STEVENS. Would the Senator from Utah offer his amendment and then yield to me so I might make my comment?

Mr. ROBERT C. BYRD. That is how fine a minority whip he is.

UP AMENDMENT NO. 3

Mr. HATCH. Mr. President, I have never seen so much fuss about an amendment as simple as this one. But I will offer my unprinted amendment at this time and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 3:

Strike Article I and insert in lieu thereof the following:

"Article 1

"The Republic of Panama declares that the canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama, provided, however, that the Republic of Panama commits itself to respect and abide by the Monroe Doctrine and shall not aid or assist any European power, or satellite of any European power, in promoting the expansion of its sphere of influence to Latin America.".

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Alaska and the Senator from Utah.

Mr. HATCH. At this point, I would like to yield without losing my right to the floor to the distinguished Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am indebted to the Senator from Utah for permitting me to make a brief statement before he goes into the explanation of his amendment.

We have proceeded for some time now on the Panama Canal treaties, and I

sense that there still are not enough votes to approve them. This is just my opinion. Two-thirds of the Members of the Senate must vote to ratify these treaties if they are to become effective.

I speak as one initially opposed to these treaties as they are presented to the Senate. Having gone to Panama with two other Members of the Senate, and having visited with members of the Panama Canal Company, the Canal Zone Government, and representatives of the Republic of Panama, I feel that, as originally presented, the treaties are too ambiguous and could cause further complications between our governments.

It seems to me that one of our tasks has to be that these treaties shall be so well understood in both countries that they are not the cause of future conflict between Panama and the United States. I speak as one who has three sons who are of age now to be involved in hostilities, as one who is very concerned about the prospect of failure to ratify the treaties as well as the prospect of future conflict if we ratify them as they stand now.

It seems to me that the canal treaties are too ambiguous in many respects. My very talented staff attorney, who handles matters of this type, in one evening found a very serious flaw in the treaties; and I think that upon study, most of us will find additional flaws. The flaw, incidentally, would be corrected by my amendment No. 30 to the amendment offered by the distinguished majority and minority leaders, to assure that the definition of the term "auxiliary vessel" includes those vessels which carry military cargoes as part of Government service. The original text does not treat the definition of that term so as to cover the existing commercial vessels that are chartered or leased by the United States, but carry exclusively military cargoes. That alarmed me.

When I was certain that my staff attorney was correct, and having checked with the Department of Defense and being assured—informally, at least—that they concurred, I began looking at these treaties with a closer eye. As I did, I discovered some other things which bother me and lead me to the conclusion that unless these treaties are substantially changed, I shall vote against them. I shall vote against them, because I would rather have my generation face the problems of Panama than have future generations face problems that we cannot now contemplate, because of the ambiguities and the misinterpretations that are possible in these documents as they are presented to the Senate.

Originally, we were presented with documents that were ambiguous in terms of national security and priority of passage. The President and General Torrijos issued a statement to try to clarify that. When we were in Panama, there was resistance to an amendment to clarify those two ambiguities; and with Senator EAGLETON, I spent a considerable amount of time with General Torrijos, discussing the necessity for amendments at least to clarify those points.

I am satisfied now that the amendments offered by the majority and minority leaders will clarify those two points by incorporating in the treaties the statement that was issued by President Carter and General Torrijos.

However, the difficulty is that there seems to be an inclination to stop there. I understand full well the implications of what I am saying and the reservations that many have to becoming involved in negotiating treaties on the floor of the Senate. But as I understand the procedure, that is why we act as a Committee of the Whole now. We have the prerogative and the duty to amend these treaties if they are so ambiguous that they could cause future misunderstanding.

I do not like the implications that are contained repeatedly in the report of the Foreign Relations Committee, which indicates that we have a concern about anything that might require a new Panamanian plebiscite. I am not being critical of the committee, because I understand that is a problem so far as Panama is concerned; and I understand the concern of the committee, that they would like to avoid that if possible.

But is it not strange, Mr. President, that when we were with General Torrijos, he went out of his way to tell us how he had kept the people of Panama informed of the status of the negotiations with the United States during the years concerning these treaties, yet our treaties were negotiated in secret? As a Member of the U.S. Senate, I found a copy of them on my desk at the same time they were being signed downtown.

There was no attempt on the part of our Government—and this is not a political comment, because it applies to Republican and Democratic administrations alike—there was no attempt to educate the people of the United States as to the necessity for a new relationship with Panama, as the dictator of Panama saw fit to do so far as the Panamanian people were concerned.

Furthermore, the Panamanian Constitution which was placed into effect by this dictator required a plebiscite, and we seem to be afraid of a future plebiscite.

In order to call the attention of the Senate and, I hope, the attention of some people around the country to this dichotomy, I have offered an amendment—and intend to offer a series of amendments—to deal with the question of whether the people of the United States should vote on these treaties, whether they should be involved in the ratification. It may not be necessary if we can get the treaties to the point where the American public can understand them and at least the majority can support them.

Today, we are asked to ratify treaties which an overwhelming majority of the people of the United States oppose, and we are asked to do this on the basis that the leaders of the United States know best.

I have been contacted by the former President of the United States, by the present President of the United States, by the former Vice President of the United States, by the former Secretary of State of the United States—by so many people that I cannot even recite all of them, who hold positions of leadership or have held positions of leadership in this Government; and they say it is necessary to ratify these treaties. Now they are trying to go throughout the length and breadth of this land and do what the dictator of Panama did during the last few years, trying to explain why ratification is necessary.

I hope this procedure we are in now stretches out long enough that the people of the United States do become aware of the issues and express their views as to what are the minimum amendments that are necessary in order to obtain at least majority support for the treaties by the U.S. people. I have my own opinion as to what is necessary to do that.

Above all, the point I am trying to make is that I hope we are not getting glued into the position where no amendments will be made to these treaties other than the amendment offered by our two distinguished leaders. If that is the case, I predict that the treaties will not be ratified, and I, for one, will not support them.

At the very least, we owe it to the American people to respond to some of the criticism they have leveled against these treaties, critically against what was known in Teddy Roosevelt's day as "canalimony"—payments to Panama for the privilege of giving them the canal.

At the very least, we need to look into the question of what the relationship is between the United States and Panama after the year 2000 and whether we are still at least a partner in what has been hailed as one of the great achievements of engineering in the history of mankind, the construction of this canal.

I believe that, at the very least, we should be a partner in the continued enterprise and that so long as it is necessary for the national security—and I include in that the economic security—of the United States, we should have a relationship which does not depend upon the use of force.

There are some people in this body, and outside it, who have said that those of us who oppose this treaty are a part of the extreme right wing. I hope that will stop, also, because I am not part of the extreme right wing. I do not intend to become part of the extreme right wing. I intend to try to view each subject that comes before the Senate on the basis of what is the best thing we can do for the people of the United States.

It seems immaterial to me that a plebiscite might be required in Panama. They can hold a plebiscite down there like you hold a precinct caucus in Brooklyn. It would take about the same length of time. I see no reason for the Senate of the United States to worry about whether action it might take will cause a plebiscite in Panama.

Again I say that those people who talk about the plebiscites should think twice about the requirements of approval of the people. We have a system whereby we, as a body, vote in place of the people of the United States. They are not allowed to vote on treaties. Under our constitu-

tional process, they are not permitted to vote in a plebiscite. I think we could find a way, if we really wanted to do so. If the Senate really wanted to do so, I think we could condition the acceptance of these documents on the approval of the people of the United States, and I may seek to get the approval of the Senate for that procedure. But that depends, really, upon the approach of the Senate to these documents.

It is a sort of lonely road for the few of us who still are willing to consider amendments, and we have had some rather heavy stuff thrown at us for being unwilling to state categorically that we are against these treaties no matter what happens.

I think that that is our duty, particularly in view of the fact that four administrations, at least, and six Presidents of the United States have seen fit to state they believe that a new relationship with Panama is required. At the very least we have the duty to explore to see if there is enough of a consensus here in the Senate to bring about that relationship with Panama on a basis that is acceptable to the people of the United States, without ambiguity and without any necessity of provoking future discord that could well lead to future war.

Again I state as far as I am concerned, if we are to have some problem with Panama we should have it in our generation. We caused this problem. It started, really came to a head, during the Eisenhower administration, I believe, and continued on through Kennedy, Johnson, Nixon, and Ford, and now under President Carter's administration.

There is nothing political in this issue so far as I am concerned, but there is an obligation of those of us who are involved in leadership in this generation to set it to rest now, if it is possible.

If we cannot get a consensus, the people of the United States must face squarely up to the problem of what we are going to do with the Panama Canal in that event.

I thank the Senator from Utah.

Mr. ALLEN. Mr. President, will the Senator yield? Will he yield in order that I might comment to the distinguished Senator from Alaska for his remarks?

Mr. HATCH. I yield.

Mr. ALLEN. I want to commend the distinguished Senator from Alaska for his very fine statement. I, too, feel that the Senate should be allowed to work its will on the constructive amendments that have been presented and proposed, and that will be proposed here in the Senate.

I feel that to do otherwise would be merely to rubberstamp the treaties, to allow no changes, and I, too, feel, as the Senator from Alaska does, that if the leadership—and I am going to qualify that word in just a minute, because the leadership would also include the distinguished Senator from Alaska, and possibly we are going to have to revise this expression "the leadership amendments" by calling it the "leadership amendments, save the leadership of the distinguished assistant minority leader," and I think that would be a more appropriate expression.

I am delighted that there is apparently some little break in leadership thinking on this issue. If we are to seek to avoid a plebiscite down there I agree with the distinguished Senator from Alaska on that point, and I have been saying here to Senators on the floor who say categorically that acceptance of certain amendments, amendments that go right to the heart of the treaty, as has been alleged, and properly so, if these amendments are adopted or if any single one of them is adopted it is going to cause a new plebiscite, well, I believe we could amend this treaty in 100 particulars and Torrijos would accept it. Even if he does call another plebiscite that is a matter for them to decide. But if he does not call a plebiscite and accepts the treaties and sends a note of ratification to the President, who would there be to say that a plebiscite was necessary? Certainly in my judgment the State Department would not say to Mr. Torrijos, "You have not handled this properly. You go back and get a plebiscite on this." If Torrijos OK'd it I think that would be satisfactory with the administration.

Originally Torrijos said he would not accept the so-called leadership amendment. Possibly we should say, I will say to the distinguished Senator from Utah, three-fourths of leadership amendment might be a better expression or three-fourths of leadership position, because I am pleased that the distinguished assistant minority leader takes a different view from the leadership generally on the question of——

Mr. STEVENS. So that there will be no misunderstanding, I am a cosponsor of this amendment.

Mr. ALLEN. So am I. I am a cosponsor of the amendments. That does not mean I think it is perfect and I cannot point out its shortcomings.

Mr. STEVENS. I have offered an amendment to those amendments.

Mr. ALLEN. I am glad the Senator has, and I assure the Senator that other amendments will be offered.

But I am pleased that the assistant minority leader, the distinguished Senator from Alaska, the distinguished assistant minority leader, does foresee that on the leadership and administration stonewalling on this issue of whether amendments should be allowed, the American public, I believe, with the distinguished Senator from Alaska, will not look with favor on that.

The Senate is abandoning its constitutional right and duty of giving advice to the President on this issue. The members of the Committee on Foreign Relations and Senators who support the treaties are wise men, men of great wisdom and expertise and learning, men familiar with foreign affairs, and for them to have studied this issue for 6 months or more and to then take the position, "Well, it is just fine, no amendment should be offered to it," and the leadership amendments, of course, are based on the memorandum between the President and Dictator Torrijos, so I really do not feel that any amendments have been forthcoming from the Senate. Certainly it indicates to me that these treaties are being regarded as the laws of the Medes and the Persians that we read about in the Book of Daniel, in the Bible, which says "altereth not the laws of the Medes and Persians," they could not be changed.

So here we have some treaties that are presented to us with the same characteristic as the laws of the Medes and Persians, that they cannot be changed.

We had amendments that have been called amendments that strike right at the heart of the treaty and, therefore, should be rejected. Other amendments have been classified as being frivolous and, therefore, they should be rejected. I wonder if we can find a category that the leadership will allow us to have considered on its merits.

Now, one Senator just a few moments ago, who had been voting consistently with the leadership, voting with the leadership and against these amendments, told me:

I voted against the last amendment, and I am going to start using my independent judgment on these amendments.

If Senators will start doing that, woe to the influence of the leadership. You are going to find them scattered all over the place. You are going to find many Senators in the exercise of their own independent judgment who are going to be accepting some of these amendments.

I might point out that these amendments that are being rejected, they will have an opportunity later on to be considered under the rules of the Senate after we go to the full Senate and after the actions of the Committee of the Whole are acted upon, and any amendments in the Committee of the Whole—and we are just going to have the leadership amendments, it looks like, but in addition to those, in the Senate session, not the Committee of the Whole, we will have an opportunity to offer these very same amendments again.

I am hoping by that time we are going to see a little bit of independent thinking here in the U.S. Senate and that Senators are not going to regard their commitment to support the treaties as binding them to vote against constructive amendments to the treaties.

I believe we are going to find the independent judgment of Senators saying that we ought to get the best treaties possible before we have a final vote on the treaties.

So, I do appreciate the distinguished Senator from Utah yielding to me. I am very much encouraged with this very fine statement and philosophy by the distinguished assistant minority leader (Mr. STEVENS), and I do think we are going to have to change this expression when we talk about the leadership position in these matters. It is not quite the full leadership, because one member of the leadership, to his everlasting credit, does not adopt the position of the rest of the leadership that there should be a stonewalling against constructive amendments to these treaties.

I thank the distinguished Senator from Utah.

Mr. HATCH. I thank the distinguished Senator from Alabama for his cogent remarks and I also would like to compliment the distinguished Senator from Alaska, who is my friend, for his courage in standing up for his convictions and showing that these treaties are abominable, that they are filled with misrepresentations and many other difficulties that have to be cleared up by the Senate. That is what we are here for, and I think he showed great courage in doing this.

I agree with the distinguished Senator from Alabama that it is a misnomer to refer to the leadership without referring to three-quarters of the leadership.

Also, I would be shocked if at any time during the debates on the Panama Canal treaties anybody would try to stop amendments to either of these treaties. I would be profoundly shocked because I think the American people have the right to hear what is on the minds of the parties from both sides. I hope that there will be some amendments from those who are proponents because, my goodness, it would be wonderful if they would come up with some good amendments also.

Mr. LAXALT. Will the Senator yield for an observation?

Mr. HATCH. I would be delighted to yield to the distinguished Senator from Nevada.

Mr. LAXALT. I must agree with the Senator from Utah and the Senator from Alabama. I think what we have observed on the floor here by way of the statement of the minority whip is probably one of the most revealing considerations in respect of the political posture of this treaty we have seen in days, because, in essence, from what Senator STEVENS said here on the floor today is that he cannot support the treaties even with the leadership amendment. He finds difficulty, as do many of us, in the many ambiguities that are raised by the terms of the treaties. So what he is saying, however plaintively, to the leadership is "Let us open the gates. Let us have some full and fair consideration of these amendments as they are brought to the attention of the Senators on this floor, because otherwise we are not going to be fulfilling our constitutional responsibilities."

I do not care how you want to posture these treaties and agreements; no one can ever convince me that they are beyond amendment, that they are beyond improvement, if that is actually the posture that we have here. Most of us have now cosponsored the so-called leadership amendment, the Byrd-Baker amendment, but if you want to follow the vote, at least initially it would appear that we take the original treaties with the leadership amendment, and there is no possibility of an amendment beyond that.

I think if you followed the votes during the course of this week, those of us who are opponents to the treaties and those of us who seek to improve the existing treaties, if they indeed must pass—and we do not subscribe to that at all—have to be heartened because yesterday we had 38 votes on this floor in favor of an amendment. That is very, very important, because from our standpoint, the magic figure is 34. Thirty-four votes on the part of the opponents effectively kills these treaties.

I think that the posture of the opponents of these treaties has improved materially during the course of this week. I think it has pretty much been climaxed by the statements made by Senator STEVENS, as one of the opponents to the treaties.

I could not be more pleased by the statement that the Senator from Alaska has made, and I hope that it portends some other important breaks in the leadership armor during the days to come.

I thank the Senator from Utah.

Mr. HATCH. I appreciate the remarks that my friend from Nevada (Mr. LAXALT) has made. I think he summed up very well just what happened here, and I am very much also encouraged by one Member of the leadership's statement that really tells it the way it is, that these treaties are poorly written, full of misunderstandings that are going to happen in the future and that we can foretell. That is why the amendment process is so important.

I do not see any amendments coming from my brethren who supported these treaties, and I really think they ought to be as interested in getting them right as we are, if we have got to have them, and I am not convinced that we do—I am even less convinced right now—but if we do, then we at least ought to have them right for the American people as well as the Panamanian people, because both nations will benefit.

That is why, again, I agree with the distinguished Senator from Alabama. I would be absolutely shocked if any Member of the leadership or any other Senator, on the floor of the Senate, would try to stop or foreclose debate, or just hurry things up to be hurrying them up.

I would like to see some amendment showing the interest of the proponents in correcting the defects in these treaties. I would like to see some amendment from them as well, even though I am sure I would disagree with them, or at least I feel reasonably sure I would disagree with them; but if they would correct the ambiguities I would vote for them. If they would make these treaties more acceptable to the American and Panamanian people I would vote for them.

That does not mean I will vote for the treaties, because it will take an awful lot of amendments to make these treaties worthwhile or legally sound; but in any event, I think the amendment that I have just called up is one that is worthy of consideration, because basically that amendment says that "the Republic of Panama commits itself to respect and abide by the Monroe Doctrine and shall not aid or assist any European power, or satellite of any European power, in promoting the expansion of its sphere of influence to Latin America."

I do not know of any American who should not want that provision in these treaties.

I will be coming back to a discussion of that amendment after I read my questions into the RECORD and ask my colleagues on the other side, upon reflection, to take time and answer them during the course of these debates, and hopefully all at once, so that the press, the media, can disseminate the answers and the questions, and the people can read the treaties, the implementing legislation, when and if we ever get it, can read some of these executive agreements, annexes, and protocols, and arrive at their own decisions as to whether or not these questions have been justly and adequately answered.

(Mr. MOYNIHAN assumed the chair.)

Mr. SARBANES. Will the Senator yield?

Mr. HATCH. Yes.

Mr. SARBANES. I want to make it very clear to the Senator from Utah that the choice as to how he proceeds with his questions is, of course, his own, but this Senator is quite prepared to respond to the questions as they are put, if the Senator from Utah, who, of course, controls the floor, wants to yield for that purpose as we move along. If he prefers to put them in the RECORD, that is his choice, but I did respond to his previous questions and I am quite prepared and stand ready to respond to his questions as he proceeds to propound them.

Mr. HATCH. Well, I appreciate that comment from the distinguished Senator from Maryland.

As a matter of fact, I do not know how the Senator can stand prepared to answer these questions, since I have at least 37 questions and he does not know what they are; but in any event I would choose to let him prepare the answers because I think it is more fair.

Mr. SARBANES. No, I do not want——

Mr. HATCH. Let me say——

Mr. SARBANES. I do not want the Senator to have any sense that he is being unfair in propounding the questions he is now seeking a response on. I am prepared to——

Mr. HATCH. I understand.

Mr. SARBANES. I am prepared to answer his questions. If one is propounded to which I do not have a ready answer, we will search it out, but I do not want him to have any sense of unfairness. I stand here ready, willing, and able to respond to the Senator's questions as they are propounded. Now, if he chooses, for his own reasons, not to present his questions and place them in the RECORD and to leave them to somehow then be responded to in some other way, that is his choice but I do not want him in any way—in any way whatever—to feel that he has to adopt that procedure out of some sense of concern that there is any feeling of unfairness in the questions being propounded and responded to.

Mr. HATCH. I really appreciate the comments from the distinguished Senator from Maryland, because I am glad he did not feel asking the questions was unfair.

But I have concluded that that is not a correct and proper way, at least from a fairness standpoint, to propound the

questions, and I have made that conclusion on my own.

I will say that I presume from the Senator's comments that he stands ready, willing, and able to answer these questions.

Mr. SARBANES. Will the Senator——

Mr. HATCH. Wait, let me finish. I will be glad to yield to the distinguished Senator from Maryland when I am through and have concluded the short remarks that I intend to make, and I will always be courteous to the distinguished Senator from Maryland if I can.

Mr. SARBANES. Will the Senator yield on the last point?

Mr. HATCH. If I could finish my statement, I would yield.

I understand that you are prepared, ready, and willing and able to try to answer these questions, and I understand that you are not concerned about the questions, and that is fine with me.

I presume since the Senator is ready, willing, and able to answer the questions at this time, he is certainly ready, willing, and able to read them from the CONGRESSIONAL RECORD. I would suggest that the more appropriate way would be to do that, and I will allow every bit of time for reflection. I would prefer to do that so that is the way I will proceed. As a matter of fact, I am very appreciative that the distinguished Senator from Maryland is willing to answer these questions at this time.

It has been suggested to me that it might be better for me to read them into the RECORD and to get my amendment up and have it voted upon. In my desire to shorten time, at least in regard to that, and to, in my opinion, be more fair—I think it would be more fair if time for reflection is given. I choose now to ask the questions, comment on my amendment, get it up for a vote, and go from there.

Mr. SARBANES. If I could be clear, I take it, then, that the Senator from Utah, who now has the floor—and I appreciate his yielding for this colloquy—does not intend to yield for replies to his questions, but wishes now to go ahead and simply read his questions and engage in whatever further comment he wishes to make with respect to his amendment.

Mr. HATCH. I would prefer to do that.

Mr. SARBANES. Of course, the procedure he chooses to follow is his to determine. I just want it clearly understood that I am ready, willing, and able to answer his questions. I am quite prepared to engage in that exchange. But I understand the Senator does not choose to do it that way and, therefore, I will not seek to interrupt him.

Mr. HATCH. I am very appreciative of the Senator from Maryland. I will look forward to his answers in the CONGRESSIONAL RECORD. I hope I will be in the Chamber when he gives them orally before the Senate. I will be very interested in the answers because I do not believe some of these questions can be answered very effectively. I do not even think there are answers to some of these questions. That is one reason why I am choosing to read them into the RECORD and allow time to reflect upon them, in addition to trying to do my share to move this matter ahead, since some people seem to be very concerned about time, and very concerned about how this matter should proceed.

Let me start from the beginning on these so they can be in numerical order. Whoever decides to answer them, and I would suppose that everybody on the proponents' side would want to take a crack at them or at least participate in formulating a series of answers which would be definitive, may answer them.

No. 1. Why is it that the most substantive provisions dealing with the canal's protection and defense are not to be found in the text of the treaties themselves but are contained in an executive agreement and other extrinsic documents which do not rise to the dignity of a treaty, or should I say a ratified treaty?

No. 2. Should the Senate be at all concerned that the critical defense provisions dealing with the joint committee, reductions of military bases, Panamanian jurisdiction over U.S. personnel, et cetera, are contained in an executive agreement which could be changed by the executive branch without consent of either House of Congress?

No. 3. Is it not misleading to suggest that these treaties provide for a 20-year transition period when, 6 months after ratification, the United States will surrender 10 out of 14 military bases, or, to put it another way, reduce our military bases down to four from a presently higher number?

No. 4. How can U.S. military forces effectively protect the Canal Zone during the sensitive 20-year transition period when their movements shall be confined to only four bases?

No. 5. How can protection of the zone during the transition period be assured when actions outside the four bases must be approved, or at least I believe will have to be approved, by a joint military board consisting of equal numbers of Panamanians and equal numbers of U.S. officials?

In that regard, it should be noted that the joint military board in these documents has no clear authority.

No. 6. Who will resolve questions the joint committee is unable to resolve, inasmuch as there is no clear authority for the joint committee?

No. 7. If the United States is to have primary responsibility for protection and defense of the canal during the 20-year transition period, why are U.S. decisions subject to the review of a joint committee for which there is no provision for resolution of difficulties?

No. 8. Is it not likely, given the frequently voiced contempt of U.S. forces by Panamanian officials, that pressure will be brought to bear to withdraw all U.S. forces before the year 2000?

In that regard I would refer my colleagues to the statement of Carl Bendetsen, the former Secretary of the Army, and the training slogan at Fort Cimmaron for the Panamanian National Guard, "Death to the gringo, down with the gringo, gringo to the wall."

No. 9. Does not the fact that the list of defense sites made available to the United States by Panama is going to be renegotiated every 2 years, pursuant to article IV, paragraph 2 of the agreement and implementation, further suggest pressure to remove all U.S. forces before the year 2000?

No. 10. Is the Senate at all concerned that the availability of defense sites is entirely up to Panama and the U.S. Executive, without any requirement for review by either House of Congress? And if the Senate is not concerned, I would like to know why it is not concerned, and I would like to have good reasons therefor, because I personally am very much concerned.

No. 11. Is it not naive to expect successful joint military operations with Panamanian forces when they are trained to view the United States with contempt?

No. 12. What provisions in the Neutrality Treaty and the unsigned Carter-Torrijos memorandum of understanding give the United States the right to intervene to maintain the canal's neutrality if the threat should come from Panama?

No. 13. Who decides what constitutes a "need" or "emergency" when determining what vessels shall "go to the head of the line"?

No. 14. Is not Panamanian intent with respect to the phrase "expeditious transit," or any similar phrase used in this context, illustrated by the fact that the Spanish translation of the word "expeditious" is "simplified procedure" with a connotation of paperwork?

No. 15. Why was the language negotiated by the then Deputy Secretary of Defense, William P. Clements, clearly granting the United States the unilateral right to intervene to maintain the canal's neutrality, and, I might add, agreed to by all parties, including General Torrijos, so weakened, almost to the point of meaninglessness, or at least to the point of these amendments which I happen to cosponsor because they are a step in the right direction but are very inartfully drafted and poorly worded?

No. 16. How can the Neutrality Treaty and the leadership amendment incorporating the statement of understanding be considered to mean anything when the chief Panamanian negotiator has clearly indicated that "The Neutrality Pact does not provide that the United States will say when the neutrality is violated"?

And his name was Mr. Romulo Escobar Bethancourt, the chief negotiator of the treaties for Panama. In some ways, I wonder if he was not the chief negotiator for us.

No. 17. How can the expeditious transit phrase be considered to mean anything when Panama's chief negotiator has maintained that U.S. vessels do not have any preferential rights—"if the gringos with their warships say, I want to go through first, then that is their problem with the other ships there."

This again is Romulo Escobar Bethancourt, in an August press conference. No one denies that he made this statement, to my knowledge.

No. 18. Ambassador Linowitz admitted being disturbed by the statements of Escobar, but asserted that "some people very high in the Panamanian Government have assured us that we will not hear similar statements in the future." How does that assurance remove in any way the fact that Panamanian officials clearly interpret vital provisions of the treaties differently from the way we interpret them? I include the proponents of the treaties in that word "we."

No. 19. Chief Panamanian negotiator Escobar is not the only one who has offered directly contradictory interpretations of treaty provisions. In October, another Panamanian negotiator, Carlos Lopez Guevara, said, "It is sad to see highly responsible officials in the United States say that this neutrality treaty grants the right of intervention," and "expeditious does not mean priority or preferential treatment."

How can we be expected to endorse the State Department interpretation of these provisions when that interpretation is consistently contradicted by Panamanian negotiators?

Before we get to 20, I might add that that was stated in an October television interview in Panama.

No. 20. Members of the Foreign Relations Committee expressed deep concern over these conflicting interpretations. How is this concern allayed by inclusion in the treaties and the statement of understanding which remains ambiguously worded, unsigned, and is of uncertain legal value?

I call the attention of my colleagues on the other side of this issue to the Congressional Research Service's Analysis of the Memo of Understanding.

I might also add that a number of the proponents of the treaties have expressed great reservations about some of the language in the treaties and I have not seen any amendments from them. That is a wonderment to me, that they are not interested in amending and correcting these treaties so that they benefit both countries, not just Panama.

No. 21. How can these treaties be considered binding when the contracting parties obviously do not agree on the meaning of the contracts or on the meaning of the agreements or on the meaning of the treaties?

No. 22. How can the United States act to protect the neutrality of the canal from a Panamanian threat when it is prohibited from using Panamanian territory or the land adjacent to the canal? I refer my colleagues to article V of the Neutrality Treaty.

No. 23. Members of our Joint Chiefs of Staff have admitted that ideally, the canal can best be protected by maintaining a U.S. presence in the zone. Their rationale for relinquishing control, admittedly based on State Department briefings, is that a friendly relationship with Panama best guarantees the safety of the canal. Does not this line of reasoning ignore the fact that Panama is likely to be the most immediate threat to the canal's neutrality?

No. 24. How can Panamanian threats directed toward a U.S. presence in the Canal Zone provide a healthy basis for a cooperative relationship intended to guarantee the canal's neutrality?

No. 25. Under article III, the Neutrality Treaty provides that "vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the canal." How does this requirement in any way protect the United States from enemy vessels transiting the canal during time of war?

No. 26. General Brown has acknowledged that "We would depend on our military power on the approaches to the canal to prevent a nation belligerent to us from passing" through the canal.

How can a cooperative relationship with Panama possibly be entered when, under the terms of the Neutrality Treaty, implicit assistance to U.S. enemies is provided for and the only opposition is for the United States to protect its interests from vantage points outside the canal and Panamanian territory?

No. 27. Will not the capacity of the United States to protect the sea lanes be severely diminished without its having access to any base of support or surveillance in Panama after the year 2000?

No. 28. Panama has consistently maintained that any privileged treatment given the United States would violate the neutral spirit of the agreement. Yet part 2 of article VI of the Neutrality Treaty allows the "Republic of Colombia toll-free transit through the canal for its troops, vessels and materials of war."

Moreover, Panama may grant "the Republic of Costa Rica with the right of toll-free transit."

Why are these two countries granted special privileges when privileges have been denied to the country that is responsible for the canal's very existence?

No. 29. How would the United States be able to guarantee continued operation of the canal in the event of a Panamanian strike?

Of course, on that last question, I refer to the years before and after the year 2000.

No. 30. Under the terms of the treaties and the leadership amendments, how can action be taken to assure the continued operation of the canal be expected to be interpreted in any other way but interference in Panamanian internal affairs?

No. 31. Our Joint Chiefs of Staff have admitted that strategically, the Panama Canal is the key element in the geopolitical zone comprised of the Caribbean Sea and the Gulf of Mexico.

In the event that the United States surrenders its control over the Canal Zone, would not such an action produce demands for the surrender of our naval bases in Guantanamo, Cuba, and in Puerto Rico, and perhaps elsewhere?

No. 32. The Panama Canal Act of 1912 provides for placing supreme authority over the Panama Canal and Canal Zone Government in time of war under the Commanding General of the U.S. Armed Forces on the Isthmus. This was done for both World War I and World War II, and effective procedures were adopted for the protection of the canal, with the result that there was not a single incident of sabotage in either war.

The protective actions involved required prompt decisions by the highest authorities. How can such effective action be successfully taken under the consultative procedures contemplated in the proposed treaties?

And what happens after the year 2000? How are we protected in a similar manner as we were in World Wars I and II? Are we protected by these treaties as we were in World War I and II?

No. 33. During World War I and World War II, procedures were adopted which successfully prevented any acts of sabotage directed toward the canal. Does not the success of such efforts contradict treaty proponents' claims that the canal is basically impossible to defend? And if not, why not?

I might add with regard to all these questions, if they are answered with a simple yes or no answer, I would hope the proponents go far beyond that and give us the reasons why. In fact, I would ask that they do that.

No. 34. Initially, in their efforts to sell the proposed treaties to the American public, the administration and the State Department denied the vital strategic importance of the canal. And yet the Secretary of Defense and the Joint Chiefs of Staff, testifying in favor of the treaties, used the canal's strategic importance as a reason for relinquishing control to Panama, suggesting that Panamanian control would better assure continued use of the canal.

Aside from the basic illogic of such an assumption, does not the fact that proponents are willing to represent the canal's military importance in two completely different lights suggest that successful campaigning for the treaties takes precedence over the facts? And, might I also add, does it not suggest successful campaigning has become the order of the day for the treaties, that is, regardless of facts?

No. 35. Soon after ratification, 65 percent of the Canal Zone passes to Panamanian sovereignty. Panama will also assume general jurisdiction over the entire Canal Zone. Under these constraints and under an obligation to phase out its military presence, how can the United States control the area against terrorists or guerrilla disturbances—disturbances which can come only from inside Panama where only the Panamanian authorities will have sovereign jurisdiction, if these treaties are ratified?

No. 36. What specific rights does the United States have in maintaining the regime of neutrality? Where they are contained in the Neutrality Treaty?

No. 37. How can Panama effectively be the sole guarantor of the canal's neutrality with an 8,000-man national guard, most of whom are engaged in policing Panama and maintaining the Torrijos regime?

Now, I have other questions, but I would like to list these for the RECORD so that the proponents of the treaties can answer them in their own due time and at their convenience, and I hope, if either of these treaties is advised and

consented to, for the benefit of all of us in this country.

I think it might even be helpful to the Panamanians in many ways, because we ought to be trying to help them.

I might add that the proponents of the treaties have suggested no amendments, except the two leadership amendments. Are they telling us these treaties are perfect? Are they telling us that these treaties have no flaws in them? Or should we say substantive flaws? Are they telling us that there are no translation difficulties in these treaties?

I suppose that is what they are telling us. But I do not think any American who reads these treaties and undertsands all of the issues will agree with them.

If they are telling us these treaties cannot be improved and that we should not improve them, as Members of the Senate, the body which has the responsibility of improving them, then I would suggest that this is no way to run a country. As a matter of fact, it is no way to run treaty negotiations. It is no way to protect anybody.

It is the way to cause further difficulties, further disagreements, further discord, and to encourage guerrilla warfare, riots, and other troubles down there, perhaps long after these treaties are ratified—if they are ratified.

Surely, that would be astonishing, and should be astonishing to everybody.

I would hope the proponents of these treaties would be as interested in having them correct and right and beneficial for all Americans, as well as all Panamanians, as the opponents are.

I would be shocked if anybody would try to shorten the time for debate in any way or to stop any amendments, on either side. I would like to see the proponents as concerned about amending these treaties and getting them right as the opponents are.

I think it would be good for America; it would be good for Panama; it would be good for everybody. I think the American people would feel good about it. They would like to feel that maybe they are being represented in the Senate, instead of being stonewalled, as could be the case here if these awful things would occur, if dissent is quashed or stifled in any way on something that has affected the lives thus far of every American citizen.

I have never seen, except for "labor reform," any issue that has caused more discontent in this country than the Panama Canal Treaties. These treaties and all the aspects thereof, all these executive agreements, are deserving of intense consideration. Thus far, I think we are having that, and I hope that continues. I would be shocked if it did not. As a matter of fact, I think we would not be doing our duty if it does not continue.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. PERCY. Mr. President, I should like to comment briefly on the pending amendment.

The intention of the distinguished Senator is to do what is in our national interest.

However, obviously, a long process of negotiation has been undertaken and we must consider what would be required if we continue to amend the treaties beyond the amendments that have been offered by the leadership, which the distinguished Senator from Utah is familiar with.

Furthermore the Monroe Doctrine is a tenet of U.S. foreign policy. It is a doctrine which has been designed to protect our interests in this hemisphere. It is a difficult situation when we ask another country to adopt a doctrine which we intend to adhere to and which is a part of our foreign policy.

Also, I think the implication is that a country may go Communist. In this regard, in dealing with a partner, we have to assume that though Panama has had visitations back and forth with certain Communist countries, just as Members of this distinguished body have visited Communist countries—the People's Republic of China, the Soviet Union—and Members of this body have visited Cuba, still, Panama does not have an embassy from the Soviet Union, as the United States has.

I would not want to intimate that Panama's government is, in our judgment, Communist or going Communist, when they have given no such indication, nor would I want to intimate in these treaties that Panama has not been a good ally, because they have been a good ally.

As I pointed out on this floor many times, Panama has been extraordinarily patient in observing a treaty meticulously for 75 years, the terms of which from the outset were looked upon by them to be grossly unfair.

As I pointed out to my distinguished colleague from Nevada the other day, we cannot question their friendship and loyalty, when so many times they have stood by our side. The greatest crisis we faced up to at one time was the attack on us at Pearl Harbor by Japan. They did not wait until Monday to declare war, as we did. They called their legislative body into session on Sunday afternoon, December 7, 1941, and unilaterally declared war on Japan at that time.

My concern is that we (a) not adopt amendments that would disturb the working relationship we have now developed and (b) not imply things that are not in any way proven by the record as it exists in our relationship with Panama.

For the most part, they have been good allies. They have been law-abiding partners in connection with the treaty, even though they have considered it grossly unfair. Officially, I have not seen that they have done anything other than many other countries have done in connection with relationships with Communist countries. In fact, they have not done what we have done—long since established an embassy from the Soviet Union and had a mission from the People's Republic of China.

The proposed amendment would seek to commit Panama to respect the Monroe Doctrine so as to resist the expansion of the sphere of influence of European powers in Latin America.

The amendment would seek to create a legal commitment on the part of Panama to implement a statement of U.S. policy. Even the United States is not committed to the Monroe Doctrine as a matter of law.

There are legal mechanisms already in existence which better achieve the purported objectives of the proposed amendment. Panama and the United States are military allies under the Inter-American Treaty of Reciprocal Assistance which has been used to resist the expansion of Communist influence in the hemisphere. At the Eighth Meeting of Consultation of Ministers of Foreign Affairs, a conference convened pursuant to that treaty, the parties to the treaty declared "the principles of communism are incompatible with the principles of the Inter-American System." They further "urged member states to strengthen their capacity to counteract threats or acts of aggression, subversion or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance."

It is clear that fully adequate legal mechanisms exist to counter Communist expansionism. Most importantly, the Neutrality Treaty gives the United States the right to act against any aggression or threat directed against the canal.

The proposed amendment would add nothing to the far greater protections already existing in the Inter-American system and is objectionable as an attempt to obligate Panama to a statement of U.S. policy.

For those reasons, I oppose the amendment, but I respect my distinguished colleague for bringing this matter before us. He has contributed immensely to the dialog and to a better understanding by the American people of the issues involved.

Mr. HATCH. I thank the distinguished Senator from Illinois. Although we disagree, I respect his points of view in many areas. However, in this one, we very much disagree. I should like to point out a few facts to my colleague.

Frankly, the record that has been established with Panama, which has been so peaceful and good, was basically under another regime, which was much less oppressive than the present regime, which has been rated by Freedom House as one of the lowest with respect to human rights in Latin America.

I might also add that the beauty of the amendment I have offered is that no one in Central America or Latin America, including Panama, fails to appreciate the Monroe Doctrine and what it has meant to them; because many of those countries have been very weak at one time or another and would have had difficulties had it not been for the Monroe Doctrine.

Contrary to the viewpoint that has been expressed—and I doubt that the distinguished Senator from Illinois is of the other viewpoint, that we are colonial-

ists—contrary to the viewpoint that has been expressed on this floor that we are colonialists, I do not think too many people would argue that.

I think many people, if not the vast majority, would admit that we have been pretty fair in our relationships with Panama, although initially the 1903 treaty was weighted in our favor. It has been amended by the 1936 treaty and the 1955 treaty, which took away some of the unfair aspects about which people complain. Basically, the treaties today are fair. It is just that the Panamanians do not like the annuity. Under this new leadership they have, which has been anti-American in a very real sense, they have disliked having our Canal Zone in their country, even though the vast majority of Panamanians live to the west of the zone, the east being dense tropical foliage.

I thought that on that point Mr. Scripps of the Scripps newspaper chain made a pretty good point, and that is that, perhaps, we should build some bridges for these people over the zone for the few people who live on the other side, even though it would be costly for the few, if these treaties are not ratified. That might be a solution.

I think that might be one way of alleviating some of the discontent because very few people live on the other side of the canal.

The distinguished Senator from Illinois has indicated it is all right for sovereignty to invoke the Monroe Doctrine, and I suggest we have invoked it, and it has been abided by nations all over the world, and I think it has been appreciated by our Central and Latin American neighbors, because it has protected countries from intimidation, force, and unfair treatment by other nations and, perhaps, even colonialization by other nations that might have not been deterred at all if it had not been for the Monroe Doctrine.

Now, I really believe we should add the provisions of the Monroe Doctrine to these treaties to assure that the interests of this hemisphere are protected, as has been the reasoning behind the Monroe Doctrine. The United States in particular is protected, and I do not really believe that will cause another plebiscite. But if it does, so be it. At least they know where we stand.

I believe my amendment is an amendment that should be voted for by every Senator on this floor. I am sure they will not all vote for it. I do not know how many will, but I think it is worthy of consideration because of the importance of the Monroe Doctrine.

I think we should stand up for the Monroe Doctrine because it has served this hemisphere very well for many, many years. It has benefited this hemisphere, and it has protected not only the United States but our Latin American and Central American allies, neighbors, and friends, nearly all of whom are, in my opinion, very happy for the strength and the stability brought to this hemisphere by the United States of America.

It is a simple amendment. I do not see how anybody could be offended by it. In Panama, certainly the leaders cannot be offended by it. I do not think the Panamanians would disagree with it a bit. I do not see why Mr. Torrijos would disagree with it. As a matter of fact, we ought to have an amendment that ought to prevent the Soviets or any Communist influence from utilizing the ports or the facilities or anything else for subversive conduct, military conduct. We ought to prevent military advisers from Communist nations down there.

This amendment, simply says they should not do that. They should not do things that are contrary to what the Monroe Doctrine stands for, and it lets them know how we feel, how the American people feel. I would venture to say that if we had a plebiscite in America, 95 percent of the American people, or more, would be totally in favor of this amendment.

Here is what my amendment says:

> That the Republic of Panama commits itself to respect and abide by the Monroe Doctrine—

Which it has always done, to my knowledge, or at least I think it has always done; and then the amendment goes on further to say:

> and shall not aid or assist any European power, or satellite of any European power, in promoting the expansion of its sphere of influence to Latin America.

Perhaps some treaty proponents will say that this amendment is frivolous. Is this frivolous? Is the Monroe Doctrine frivolous? Is it frivolous to ask Panama to agree that they will accept in principle that no foreign intervention will be welcomed in Panama? I think they understand that, and I think they know why we do not want that. I think they know why the Monroe Doctrine was invoked to begin with, and it has been invoked since, and if my recollection serves me correctly, the President has reiterated the Monroe Doctrine in response to the desires of the distinguished Senator from Florida (Mr. STONE), although I have not seen it in writing, as a matter of fact, and I have not seen any statement from the President saying he has; but I have been told that the President has come out and invoked the Monroe Doctrine.

Well, why do we not just make sure it is invoked by an amendment that puts it in writing and lets everybody know where we stand? Why should we not stand up for it in America right now?

My feeling is that we should.

Mr. President, before I go any further I would like to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. I thank the Chair.

I would like to call to the attention of my distinguished friend from Illinois that Maxwell D. Taylor, U.S. Army, retired, former chairman of the Joint Chiefs of Staff, who himself is for the treaties, and with whom I am in disagreement on that particular issue, stated before the Committee on Armed Services of the Senate:

> Because of internal instability and anti-American tendencies many Latin American countries, and particularly Panama, offer inviting targets for Soviet-inspired subversion and trouble-making.

Here is a man who is for the treaties, and here is a man, a former Chairman of the Joint Chiefs of Staff, who says:

> Because of internal instability and anti-American tendencies many Latin American countries and, particularly, Panama, offer inviting targets for Soviet-inspired subversion and trouble-making.

I think we ought to pay attention to that kind of language coming from a treaty proponent, and I would think the other treaty proponents ought to be just as interested as I am in clarifying this ambiguity and this problem.

Mr. President, I believe my amendment is a valid amendment, a substantive amendment, and one that is worthy of the consideration of the Senate, and I urge my colleagues to stand up before America on this and support the amendment with respect to the Monroe Doctrine.

I doubt seriously if a plebiscite will have to be held down in Panama as a result of this because all we are asking is that Panama commit itself to respect and abide by the Monroe Doctrine.

So let us make sure of it and let us have our Senators vote for it at this time. I would hope nobody would vote against it.

Of course, someone might say "Well, if they would readily accept it then why have it?" I am a great believer that when you have difficulties, as we have had in these treaties, maybe we ought to put this little simple amendment in since it does protect the American people, and really, really protects Panama as well. I think it will serve a very good purpose as we continue on down the pathway of these debates.

Mr. President, at this point I will be happy to yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I have heard the quote of Burke mentioned several times during the past several days. This famous sentence is this. Edmond Burke in speaking to the electors of Bristol said:

> Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serves you, if he sacrifices it to your opinion.

I might add that the same remarks of Burke in using our judgment also applies to "sacrifices" our judgment to the "opinion" of the President and the State Department.

So in these days of economic national emergency here in the United States here are some of my judgments on the timeliness, relevancy and the appropriateness of the Senate canal debates.

The negotiations of the treaties have taken years between negotiators from Panama and the United States. The results in the final language signed by President Carter and General Torrijos left many unanswered questions. There is required implementing legislation that would result if the treaties are accepted. So far the proposed enabling legislation as developed by the State Department negotiators is not available.

Just as the treaties that were signed last September were not available to the public or the Senate for a time the proposed enabling legislation cannot yet be reviewed by the American public nor the Senate. This is the legislation to provide the means and money to carry out the treaties if ratified.

The timing of consideration of the treaties at this time is wrong. They do require careful review. They do require adequate debate. But they are not as important as other urgent problems. The debate on the Panama Canal Treaty and the Treaty on the Permanent Neutrality of the Panama Canal is entering its third week. It is impossible to tell, at this time, just how long it will take to reach a final decision on these treaties. So far we have voted on only 6 or 7 amendments out of the 61 amendments, 6 understandings, and 4 reservations that are still waiting at the desk—not counting those still waiting in the wings—those not introduced yet but which will be introduced, and all of them it is assumed will be brought on center stage to be debated by the Senate. At the present rate of disposing of about one amendment per day, we could still be here rehashing the same old material in June.

Meanwhile, we face very important domestic problems. These problems are crying for attention from Congress and the administration.

We still do not have a national energy policy. Every day of delay on reaching agreement on pending energy legislation is not only creating chaos out of any intelligent efforts at planning in our energy industry but is also further weakening the dollar abroad. On most of the world money markets, the dollar has dropped to about half of what it was before the energy crisis, when our massive and expensive drain on the dollar was aggravated by oil imports at OPEC prices. How much longer can we put off finalizing a national energy development program to meet this crisis?

We are also delaying important economic legislation dealing with jobs and productivity. While the economy drifts along without any noticeable guidance—and if you doubt that this is the case just look at the latest stock market prices, inflation rate, productivity figures, and measurements of consumer and business confidence—we trudge along in the well-worn furrows of the great Panama debate.

While our farmers and ranchers, who are suffering the cynical effects of a cost/price squeeze that is out of control, we debate the canal treaties.

While we have a growing negative balance of payments that further deepens the recession, we debate the Panama Canal treaties.

While U.S. steel mills fight for survival to retain productive jobs within the United States, we debate the Panama Canal treaties.

While we have recognized the need to build oil pipelines to transport Alaskan crude from the west coast to Northern and Midwest refiners, it is all stalled with the oil going a costly route through the Panama Canal meanwhile which treaties we debate.

While agricultural producers urge us to take action to give agriculture the boost it needs to have a chance to survive as part of our free market economy, we debate the canal treaties.

These are but a few of the host of critical domestic issues that we could—and should—be attending to if we were not debating the treaties. I believe it would have been better to bring these treaties up at a later time after the elections this fall, or next year. By counting the committed votes for and against these treaties we know that all but a very few of the amendments to be proposed have absolutely no chance of ever being approved. Therefore, I believe the Senate should limit the remaining debate on these treaties with a final vote on the treaty before us to come not later than March 6, 1978, and a final vote on the Panama Canal Treaty itself to come not later than March 17, 1978.

I am not satisfied with the treaties. I think the people of Montana and the United States are right to be doubtful and question the proposed treaties. They know that Panama and its present dictator, Torrijos, are well taken care of in the treaties. Panama wants use of the land in the Canal Zone, more jobs and more return from the canal operations. Rightfully so in my judgment. I agree to that and Panama can have these sore spots corrected by us without a new treaty.

But our people ask: "What is in the treaties for the United States? Are our best interests being served?"

That is a good question. There is not much in the treaties for the United States except the opportunity to straighten some bad policies that may help alleviate some of those sore spots with the Panamanian people.

And what is in the treaties for the rest of our friends around the world? Again—not much. The fact is that we have operated the canal as a safe, quick and efficient means of transit for all ocean vessels who wish to use it. The treaties assume that Panama will continue to operate the canal in this fashion. That may be just wishful thinking. Panama has had 50 different heads of state in the last 70 years. It has not had a stable economy or government since its inception. At present General Torrijos rules Panama as "maximum leader" with the backing of his 10,000-member national guard. How long can we expect such a dictatorship to provide political stability? And what happens in the future?

Efficient operation of the canal also takes economic stability. The economy of Panama is one of the most stagnant in the world today. In 1976 it grew at a rate of less than 1 percent. Not the least of the reasons for this is that 28 percent of Panama taxes go to pay the interest on a billion dollars in notes owed to banks in world financial centers. The new Panama Canal Treaty has us putting up money to help Panama run the canal over the next 22 years, and we still do not know how much that will ultimately cost.

But what happens after the year 2000? The treaties assume that by that time Panama will be able to handle things by herself, without our help in money or management. I am not at all sure that is realistic. And what if this means the canal's operation deteriorates or its functions jeopardized by lack of care, repair, or hostile acts? Without any army, naval, or air bases or any management how will we be able to protect the stable effective operation of the canal?

There are just too many unanswered questions. These treaties are not good enough.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF G. WILLIAM MILLER TO THE FEDERAL RESERVE BOARD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the prayer tomorrow morning the Senate consider the nomination of Mr. G. William Miller of California to be a member of the Board of Governors to the Federal Reserve Board; that there be a 2-hour time limitation on that nomination to be equally divided between Mr. PROXMIRE and Mr. BROOKE; and that upon the expiration of that time, the opponents having yielded back, a vote then occur, after which the Senate resume consideration of the treaties.

Mr. ALLEN. Mr. President, reserving the right to object, and I shall not object, as I understand the request, it is that tomorrow we will take up the nomination of Mr. Miller to be head of the Federal Reserve Board.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. And the present Chairman of the Federal Reserve Board, it seems to me, has been a very fine and patriotic citizen, member of the Federal Reserve Board, and Chairman of the Federal Reserve Board in urging the approval of Mr. Miller's nomination.

At the time Mr. Miller was chosen to succeed him, Dr. Burns stated that he was an excellent choice. I believe Dr. Burns is to be commended for his attitude throughout.

In addition to that, Mr. President, I would like to point that out as further evidence, that, contrary to the opinions held by some, there is no effort to delay consideration of the treaties. Obviously, I have no objection to bringing up this nomination and have a time limit on it even though, if Senators were inclined to extend this debate, this would be a very fine opportunity they could seize to discuss it. I believe it is perfectly all right to have a time limit on this, and I would certainly urge the majority leader, from time to time, as important business needs to be tended to in legislative session, that we would certainly not hold any such legislation or other

legislation in executive session, or other matters in executive session, hostage to these treaties.

I want to see an early resolution of the treaties finally, but I do believe the longer the American people are allowed to consider these treaties, the more likely they would be to oppose the treaties. I state that to indicate that those who oppose the treaties are certainly not seizing on pretext to avoid final action on the treaties. I withdraw my reservation.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Is there objection to the request? Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alabama. Of course, this will delay action on the treaties by 2 hours. The proponents of the treaties understand that and are willing to delay further action on the treaties by a matter of 2 hours on tomorrow. I know this probably does not come as news to the distinguished Senator from Alabama, but it shows an equal sense of interest in getting along with the overall business of the Senate on both sides.

Mr. ALLEN. That is right.

Mr. ROBERT C. BYRD. That is, by the proponents and opponents. Recognizing that the distinguished Senator from Alabama has just indicated his desire to press ahead and get the treaties behind us one way or the other, I wonder, as soon as we can dispose of the amendment by Mr. HATCH, which will not take too long, I am sure, if the Senator from Alabama would then be prepared to call up another one of his amendments and let us dispose of it tonight.

Mr. ALLEN. Responding to the inquiry of the distinguished majority leader, in regard to the nomination, really the point the Senator from Alabama was making, was that he was not only willing that it be brought up, but that there be a time limit on it, because it would be subject to debate.

Mr. ROBERT C. BYRD. The majority leader would not have brought it up without a time limit on it. The majority leader is like the Senator from Alabama. He wants to see action expedited on the treaties.

Mr. ALLEN. Now about the amendments, I do have very constructive amendments to offer, but I do not feel that only my amendments should be considered. I would like to confer with other Senators of like mind, as the Senator from Alabama, to see whether they have amendments to bring up.

Mr. ROBERT C. BYRD. I know there are other amendments, and if the Senator from Alabama would like me to call the Senators I would be glad to call and ask them to cooperate. I know of no amendments other than the amendments of the Senator from Alabama, and I believe Senator SCOTT has one.

Mr. ALLEN. As I pointed out this morning, Senators could call up my amendments. They belong to me and other cosponsors.

Mr. ROBERT C. BYRD. Of course, I want the Senator to call them up. I would hope he would call up one of his amendments as soon as the Senate disposes of the amendment by Mr. HATCH. I hope the Senator will consider that.

Mr. ALLEN. Does the distinguished majority leader contemplate final action on an amendment of the Senator from Alabama this evening?

Mr. ROBERT C. BYRD. Yes. I would think we could dispose of the amendment offered by Mr. HATCH in the next half-hour, including 15 minutes on the rollcall, and we could stay until 7 or 7:30, or longer, if the Senator would like, until 8:30, and finish action on the amendment of the Senator from Alabama.

Mr. ALLEN. The Senator from Alabama is not urging rapid action on his amendment. He feels that ample opportunity should be given to discuss it.

Mr. ROBERT C. BYRD. I am sure 2 hours or an hour and a half would be ample opportunity to discuss the amendment.

Mr. ALLEN. I will comply with the request. I always want to cooperate with the distinguished majority leader and I will call up the amendment if no other Senator has an amendment he is ready to call up.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that the vote occur on the amendment by Mr. HATCH at 5:30 today, with the understanding that Mr. HATCH have at least 5 minutes of the intervening time.

Mr. President, I modify that request to ask unanimous consent that the vote on the amendment by Mr. HATCH occur no later than 5:45 p.m. today, with Mr. CHURCH having 15 minutes and Mr. HATCH having control of the remainder.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. CHURCH. Mr. President, the pending amendment would attach to article I of the Neutrality Treaty a proviso that "the Republic of Panama commits itself to respect and abide by the Monroe Doctrine and shall not aid or assist any European power or satellite of any European power in promoting the expansion of its sphere of influence to Latin America."

Perhaps nothing in the past history of American foreign relations is so misunderstood as the Monroe Doctrine.

I think it would be well for us to recall that when George Canning became Prime Minister of England in September 1822, he regarded the so-called holy alliance that had formed in Europe with much contempt. Shortly after he became prime minister, those powers composing the holy alliance met at the Congress of Verona to consider the feasibility of the restoration of European control over newly independent countries in South America. Great Britain withdrew from the Congress, and, in March 1823, Canning instructed the English minister to Paris that England could not permit France to acquire any of the former Spanish colonies in America.

The Prime Minister of England thought that his government and the United States might establish a joint policy to prevent the European governments from regaining control of the Latin American countries that had won their independence in their war against Spain.

So he suggested to the American Government such a policy of joint action. But our Secretary of State decided against it, saying that, in his words, "it would be better not to come in as a cockboat in the wake of a British man-of-war."

Mr. President, in 1823, we were still a fledgling. We were only beginning to develop in size and power. The United States was still relatively weak compared to the governments of Europe. But we had our pride and, instead of accepting the British invitation, President Monroe, instead, decided to make a unilateral declaration of what the policy of our fledgling Republic would be. Although it has long since been forgotten, the original Monroe Doctrine consisted of two parts. Perhaps I should read directly from the words of President Monroe to make that clear.

The first part had to do with our determination to keep the continental powers of Europe from returning to the Western Hemisphere, from any attempt to come back again to reclaim their lost empires. These were the words President Monroe used:

> We owe it, therefore, to candor and to amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power, we have not interfered and shall not interfere. But with the governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition toward the United States.

That was the first part of the Monroe Doctrine.

The second part, which has long since been outdated by events, was a reciprocal pledge by President Monroe not to become involved in European affairs. How outmoded that part of the Monroe Doctrine is today. In his words, President Monroe said:

> Our policy in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is not to interfere in the internal concerns of any of its powers, to consider the governments de facto as the legitimate government for us, to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy, meeting in all instances the just claims of every power, submitting to injuries from none.

I should be surprised if the proponent of this amendment would wish to impose both parts of the Monroe Doctrine on Panama. But even if one took only the first part and ignored the second, since we now keep 300,000 American troops in Europe, what is it that this amendment would do? It would impose on tiny Panama a legal obligation to uphold the Monroe Doctrine.

Mr. President, we, ourselves, have not even assumed a legal obligation to uphold the Monroe Doctrine. It forms no part of any treaty. It is not contractually binding upon us. It was, and remains to this day, a unilateral declaration by an American President, which we were not even able to enforce through most of the 19th century, since we lacked the military power to do so.

Many a historian has recognized that the Monroe Doctrine's enforcement actually depended upon the British fleet, which, in the 19th century, dominated the seas.

Now, are we, at this stage, at the summit of our power, to stoop to adopting an amendment imposing on tiny Panama a legal obligation to help us enforce a Monroe Doctrine that is not even legally binding upon the United States? Are we going to declare to the world that we need Panama's help to prevent an expansion of European influence and power in our own hemisphere?

Mr. President, this is an amendment that can only bring humiliation upon the Senate.

Mr. MOYNIHAN. Will the Senator yield?

Mr. CHURCH. Yes, I am happy to yield.

Mr. MOYNIHAN. I rise in great seriousness to ask what might seem an almost irreverent question, because we are dealing here with large matters and concerns of a truly national order and global consequence. We are dealing with a treaty which is a legally binding doctrine, and it has seriously been proposed to us that something called the Monroe Doctrine be incorporated as an amendment in that treaty. I should like to ask the ranking Democratic member of the Senate Foreign Relations Committee what—or perhaps the correct term is which—Monroe Doctrine? The Monroe Doctrine is not a statement of principle, it is a subject of American foreign policy and diplomatic history.

Would the Senator from Idaho have the kindness to tell me: Are we talking about the Monroe Doctrine as propounded by President Monroe, as implemented by President Polk, as voided by President Lincoln, as compromised in some important details by President Hayes, the corollary invoked by President Roosevelt the first, Cleveland's insistence with respect to Venezuela, the amendment to the League of Nations Covenant incorporated by Woodrow Wilson, the withdrawal of that proposition by President Harding, the somewhat muddled view of the matter by President Hoover, or the turning of it upside down by President Franklin Roosevelt? Please inform this Senator.

We have 150 years and no fewer than 15 major Presidential assertions of what this doctrine means. Would the Senator tell me which doctrine?

Perhaps he has a preference. Perhaps there is one President whose view of the Monroe Doctrine he particularly likes and, as a ranking Member of this body and one whose views will always be looked to by his colleagues, perhaps he will specify which Monroe Doctrine he finds most appealing.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. If I may respond——

Mr. MOYNIHAN. I thank the Senator from Idaho.

Mr. CHURCH. If I may respond to the Senator's inquiry——

Mr. HATCH. Will the Senator yield at this point?

Mr. CHURCH. No. I wish first to reply to the question that has been addressed to me by the able junior Senator from New York.

Mr. HATCH. Might I ask how much time remains, how much of it is mine?

Mr. CHURCH. If I may briefly speak to reply——

The PRESIDING OFFICER. The Senator from Idaho has 2 minutes. The Senator from Utah has 12.

Mr. HATCH. I thought I had——

The PRESIDING OFFICER. We will give the Senator 15.

Mr. HATCH. I accept 15. But I am delighted to give 2 to the Senator from Idaho.

Mr. CHURCH. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes. The Senator from Utah has 15.

Mr. CHURCH. Mr. President, in reply to the question posed by the distinguished Senator from New York, I have not the foggiest idea which version of the Monroe Doctrine this amendment relates to, nor does the amendment give us any enlightenment on that score.

The important thing to remember is that the Republic of Panama, in several inter-American treaties, has legally bound itself to the principle that President Monroe stressed originally, that of nonintervention of foreign powers in hemispheric affairs, although Panama has done so in modern treaties which relate to present times and which specify Sino-Soviet intervention, the present threat, and not the threat of the Holy Alliance of 1823.

So not only does this amendment have no place in a treaty of this kind but, as the Senator has so well pointed out, it is meaningless on its face.

We should, therefore, reject the amendment. I hope that the Senate will do so by a decisive vote.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I thank the Chair.

I commend my two distinguished colleagues from New York and Idaho with regard to their comments on the Monroe Doctrine. I found it very interesting and provocative. However, I think it is only fair to point out a few additional matters that may be very important in this issue that I believe they have overlooked.

When the Monroe Doctrine was established, there was no worldwide Communist movement. Yet the problem of foreign interference in the affairs of Latin America is even greater today.

Cuba is already a colony of the European power known as the Soviet Union. As a matter of fact, I think nobody would deny that.

That is in spite of the fact that we allegedly have been endorsing the Monroe Doctrine for many years.

What is obviously needed, in my opinion, is a reaffirmation of the Monroe Doctrine to make it more timely.

If I understood the distinguished Senator from Idaho correctly, he indicated that Panama has already, in essence, agreed to the Monroe Doctrine through other inter-American treaties.

If I am incorrect in interpreting it that way, I would like to be corrected.

If that is so, that may or may not affect us. I would suggest there is absolutely nothing wrong with having it out in the open, having it made part of these treaties, because they have already agreed. It just reaffirms my statement made heretofore that I doubt seriously if anybody in Panama would disagree with this amendment and I doubt seriously if they will need a plebiscite as a result of it.

What I do doubt is how any U.S. Senator could vote against it. It is a very simple, very innocuous amendment.

I might call to the attention of the distinguished Senator from Idaho and the distinguished Senator from New York, and others here, of course, we only have a few on the floor, but all of my brethren in the Senate as they study the record and, hopefully, some of them will try to learn from it, that this amendment is not without precedent. All too often we are willing to ignore the precedents of the past.

I might add that during the discussion of the League of Nations, under the Versailles Treaty, the following reservation was adopted by the Senate in a vote of 55 to 34:

> The United States will not submit to arbitration, or to inquiry by the Assembly, or by the Council of the League of Nations provided for in said Treaty of Peace, any questions which in the judgment of the United States depend upon or relate to its long-established policy, commonly known as the Monroe Doctrine; said doctrine is to be interpreted by the United States alone and is hereby declared to be wholly outside the jurisdiction of said League of Nations and entirely unaffected by any provision contained in the said Treaty of Peace with Germany.

I have to admit that many of our colleagues back in 1919 thought the Monroe Doctrine was pretty important and should be included in a treaty. I think it is more important today when I see a Russian colony right in our own hemisphere because we did not have the ability, the intestinal fortitude, we might call it guts, to let them know that is the way we want things done in this hemisphere.

I think it would be a very wise thing for the Senators in this body to let everybody know just exactly what we do want done. I would be shocked if they did not.

As a matter of fact, I do not know that I would want these treaties at all if they rejected The Monroe Doctrine, which I think, has protected them as well as others in this hemisphere. It has been beneficial and appreciated, I believe, by others in this hemisphere, including Panama, at least when their leaders were friendly to us.

Of course, we all know these treaties, if ratified in their present form with only these two amendments of the three-quarters leadership, are going to create a wonderful new area of peace, tranquillity, love and brotherhood that has not existed since 1969, when Torrijos took over.

I find that to be ludicrous. That is why I talk about it. It is ludicrous to think of these awful treaties, without amendment, without perfection. We are duly sworn to assess them critically and that is what I am trying to do and I think some other Senators are trying to do, and I think honestly and in good faith, for and on behalf of my constituents and my great State, and I think all constituents all oever the country which all of us represent.

All I am trying to do is to protect our country, protect this hemisphere, even Panama, and to get rid of the problems now so that they do not all rear their ugly heads later.

I would like to see us concerned about that—everybody in this Chamber and all my distinguished friends who are proponents of these awful treaties. I would like to see some amendments from the proponents of the treaties to correct the mess that is contained in these treaties.

I have raised enough problems and issues, I think, to cause anybody to be concerned about the unanswered problems that we are going to be confronted with sometime well into the future, maybe from the first day these treaties are ratified, if they are ratified—and I do not think they will be. I, for one, hope and pray they will not be ratified.

Keep in mind that I always have been of the opinion that we need to upgrade the 1903 treaty and make it better, including the treaties of 1936 and 1955, which did make it better, and to create a better relationship with Panama, but on terms that are fair and reasonable and just to both countries, not just Panama.

Senator Torrijos—I do not mean Senator Torrijos; it must have been a Freudian slip. I wonder who controls this body. Does Mr. Torrijos control it or do we? Do the American people?

I am happy to yield to the distinguished Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Utah for supporting my position on these treaties and the demand that the treaties be opened up for amendments.

The Senator recalled the history of the Versailles Treaty and the fact that one reservation having to do with the Monroe Doctrine was approved by the Senate. That reservation would have prevented the League of Nations from having any control over the phraseology covered by the Monroe Doctrine, that the League would not have any control over the Monroe Doctrine.

I am somewhat intrigued by the historical fact and the historical similarity to the fight for the League of Nations and the fight for these treaties. The Senator knows that history discloses that what defeated the Versailles Treaty, which embraced the League of Nations, was the fact that President Wilson—whom I admire very much, and I might say that I was born on his birthday—objected to any amendments.

President Wilson wrote Democratic Senators that he hoped they would vote against the Lodge-introduced Resolution of Ratification. There was always in the Senate a two-thirds majority in favor of the Versailles Treaty, with reservations. There were 14 reservations, and Senator Lodge stated that they would have the effect of amendments. I do not know whether Senator Lodge and his followers in the Senate hit upon 14 reservations because they wanted that to parallel President Wilson's 14 points on the Peace Treaty, which was his requirement in the Peace Treaty. He had 14 points, one of which, we recall, was open covenants, openly arrived at.

The fact that defeated the Versailles Treaty, using today's language, was stonewalling against amendments. I see a very definite parallel, I say to the distinguished Senator from Utah, between the attitude here in the Senate today by three-fourths of the four leaders, who, as I see it, are stonewalling against any amendments, just as President Wilson stonewalled against the 14 reservations.

The PRESIDING OFFICER. The hour of 5:45 p.m. having arrived, the question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. ZORINSKY assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

The result was announced—yeas 22, nays 67, as follows:

[Rollcall Vote No. 40 Ex.]

YEAS—22

Allen	Hansen	McClure
Bartlett	Hatch	Roth
Bellmon	Hatfield, Paul G.	Scott
Byrd, Harry F., Jr.	Hayakawa	Stennis
Curtis	Helms	Stevens
Eastland	Lavalt	Thurmond
Goldwater	Lugar	Tower
		Young

NAYS—67

Abourezk	Burdick	Church
Anderson	Byrd, Robert C.	Clark
Bayh	Cannon	Cranston
Biden	Case	Culver
Bumpers	Chiles	Danforth
DeConcini	Javits	Percy
Dole	Johnston	Proxmire
Domenici	Kennedy	Randolph
Durkin	Leahy	Ribicoff
Eagleton	Long	Sarbanes
Ford	Magnuson	Sasser
Glenn	Mathias	Schmitt
Hart	Matsunaga	Schweiker
Haskell	McGovern	Sparkman
Hatfield, Mark O.	McIntyre	Stafford
Hathaway	Melcher	Stevenson
Heinz	Metzenbaum	Stone
Hodges	Morgan	Talmadge
Hollings	Moynihan	Wallop
Huddleston	Muskie	Weicker
Humphrey	Nelson	Williams
Jackson	Nunn	Zorinsky
	Pell	

NOT VOTING—11

Baker	Garn	Packwood
Bentsen	Gravel	Pearson
Brooke	Griffin	Riegle
Chafee	Inouye	

So Mr. HATCH's amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment which the Senator from Alabama (Mr. ALLEN) will call up shortly, there be a time limitation not to extend beyond the hour of 10 minutes after 7 p.m., and that the time be equally divided between Mr. ALLEN and Mr. CHURCH.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, I have been asked to inquire of the distinguished majority leader what is the plan for the balance of the evening, and at what time he plans to commence our operations tomorrow.

Mr. ROBERT C. BYRD. The vote in relation to the amendment by Mr. ALLEN will be the last vote today. The Senate will come in tomorrow at 10 o'clock, and there will be up to 2 hours for debate on the nomination of Mr. G. William Miller. At the expiration of that 2 hours, there will be a vote on that nomination, after which the Senate will return to the treaties.

Mr. STEVENS. I thank the Senator. I do not object.

Mr. WEICKER. Mr. President, reserving the right to object, and I shall not object, does the distinguished majority leader indicate that there will be a vote, then, at 10 minutes past 7 this evening?

Mr. ROBERT C. BYRD. Yes, or sooner, if Mr. CHURCH or Mr. ALLEN yield back a part of their time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. The Senator from Florida (Mr. STONE).

Mr. STONE. Mr. President, I yield to the Senator from Ohio for a unanimous-consent request.

Mr. GLENN. Mr. President, I ask unanimous consent that a member of my staff, Pat Chastka, be granted floor privileges

during the consideration of this treaty and the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order.

The Senator from Florida.

Mr. STONE. Mr. President, the leadership has requested that I yield to the Senator from Alabama to call up his amendment, at which point I ask the Senator from Alabama to yield back to me for 2 minutes, or 3.

The PRESIDING OFFICER. The Senator from Alabama (Mr. ALLEN).

AMENDMENT NO. 47

Mr. ALLEN. Mr. President, I sent to the desk an amendment, which is amendment No. 47, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself, Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, and Mr. GARN, proposes an amendment numbered 47:

Strike out Article I and substitute in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty and in accordance with the Rules embodied in the Hay-Pauncefote Treaty of November 18, 1901, between the United States and Great Britain. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama.

Mr. ALLEN. Mr. President, I yield 3 minutes to the Senator from Florida (Mr. STONE), after which I yield 5 minutes, or so much thereof as may be needed, to the Senator from Wyoming (Mr. WALLOP).

Mr. STONE. I thank the Senator from Alabama for his courtesy.

The PRESIDING OFFICER. Will the Senator suspend for just one moment?

Mr. STONE. Yes.

The PRESIDING OFFICER. The Senate will be in order. Senators will please clear the aisles and cease their conversations, so we can give our undivided attention to our colleague, the Senator from Florida.

The Senator from Florida (Mr. STONE).

Mr. STONE. I thank the Chair.

Mr. President, in part V of the hearings, on the markup, page 100, there appear the proceedings during the markup in which I brought to the attention of the Senate Foreign Relations Committee some negotiations that I had with the President of the United States with regard to some of the same material that was covered by the previous amendment; and since my name was referred to in connection with the Monroe Doctrine and material in the previous amendment, I think it is appropriate for me to read just half a page from that markup so as to make the position of the Senator from Florida quite clear, because the Senator from Florida favors the Monroe Doctrine, but I do not rely on the country of Panama to enforce it.

The Monroe Doctrine or any updating of the Monroe Doctrine must be enforced by the United States of America or it would not be enforced at all.

At that time, on page 100, I stated:

In connection with what I said this morning, I explained that there has been a deep concern on my part about the threat of direct and indirect Soviet intervention in our hemisphere, leading to the establishment of military bases.

U.S. POLICY TO OPPOSE SOVIET INTERVENTION IN WESTERN HEMISPHERE

I think that many Americans want to know how the United States will respond to such penetration of our hemisphere by the Soviets, and many have likewise viewed this treaty as a retreat by the United States and a surrender of our responsibilities in the region.

For 3 months I have tried to ask the administration to state clearly and explicitly American policy for the Western Hemisphere, to oppose direct and indirect Soviet intervention in this region or hemisphere and to insure that our Caribbean bases are maintained for our defense and the defense of our allies in the hemisphere.

Today, I have received a response to my concerns from the President who, I think, has taken an important step, after much bureaucratic haggling and flatout opposition to the idea that American policy ought to be on record on these important steps.

The President has now written me and has posted at the State Department and the White House, the following statement:

"At 1:30 yesterday, the President met for thirty minutes with Senator Richard Stone of Florida at the President's invitation to discuss the Panama Canal treaties and related topics. Senator Stone expressed his concerns, and that of his constituents, about the impact of the treaties upon American foreign policy in the Western Hemisphere.

"After consultation with the State and Defense Departments and his National Security Advisor, Dr. Brezhinski, the President reasserted to Senator Stone the determination of the United States to maintain a visible, dynamic presence throughout the Western Hemisphere after ratification of the treaties.

"Senator Stone was deeply concerned about the policy of the United States towards the establishment of Soviet military bases in the Western Hemisphere. The President asserted that it has been, and will be, the policy of the United States to oppose any efforts, direct and indirect, by the Soviet Union to establish military bases in the Western Hemisphere."

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. STONE. I ask for 1 more minute.

Mr. ALLEN. One additional minute.

Mr. STONE. I thank the Senator from Alabama:

The President also asserted that the United States will maintain all military bases and forces in the Caribbean that are necessary for the defense of the Panama Canal and of our allies in the hemisphere.

Because the letter did say that.

Mr. President, I think the efforts by the distinguished Senator from Utah to have the Monroe Doctrine updated and reaffirmed are appropriate but not in this treaty and not in the form in which the amendment was propounded.

I think the President of the United States has taken an important step in the direction the Senator from Utah wished, and I believe he has done the country and this hemisphere a service in doing that. I thank the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Wyoming (Mr. WALLOP) is recognized for not to exceed 5 minutes.

Mr. WALLOP. Mr. President, I thank the Chair, and I thank the distinguished Senator from Alabama. I will not use 5 minutes. I realize the Senator has another amendment of significance to bring up. He has led what I consider to be a most responsible inquiry into this whole matter of the treaty.

Mr. President, earlier this week it was reported that I had planned to request a closed executive session of the Senate to discuss certain intelligence operations at Galeta Island. While it is true that I had considered the possibility of joining a call for such a session, I had made no decision, and no announcement was made from my office.

I was concerned about the effect of losing certain intelligence capabilities after visiting the canal facilities last November. I left Panama with the understanding that certain installations were vital to our national security, and I wanted my colleagues to be fully aware that such a unique situation existed and of the contribution it made to our overall intelligence program.

Because of this concern, I requested an official evaluation of the necessity of these activities to the intelligence capabilities of the United States. I made that request to both Admiral Holloway, the Chief of Naval Operations, and Admiral Inman, the Director of the National Security Agency. Their response has reassured me to the extent that while we are losing a valuable capability, no executive session discussion is necessary. Therefore, I will not request a closed session of the Senate to discuss this matter.

I yield back the remainder of my time to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama (Mr. ALLEN) is recognized.

Mr. ALLEN. Mr. President, first I wish to comment on an expression which has been used here on the floor many times about the leadership decision, the leadership activities, the leadership control here in the Senate with respect to the amendments, and final action, for that matter, on the treaties.

I had assumed when we talked about action of the leadership, we talked about all four leaders, the majority leader, the assistant majority leader, the minority leader, and the assistant minority leader. But I have found for sure this afternoon, from remarks of the distinguished assistant minority leader (Mr. STEVENS) that he does not share the apparent view of the remainder of the leadership members that the Senate should stonewall against amendments, other than so-called leadership amendments, and should, with that exception, rubber stamp these treaties.

To the credit of the distinguished assistant minority leader (Mr. STEVENS) he states he is not in favor of closing the door to other amendments, if they be

constructive and if they would improve the treaties. He states that in his judgment the people of the country are not going to look with favor on an attitude here in the Senate of the leadership stonewalling against amendments; that the Senate ought to be allowed to work its will based upon its independent judgment of the issues before the Senate in regard to amendments.

Then, as the distinguished Senator from Utah (Mr. HATCH) was seeking to obtain passage of an amendment, which I supported, which called for reaffirmation of the Monroe Doctrine as between the contracting parties to this treaty, the two thoughts merged in my mind when he was talking about the fact that this very same point about the Monroe Doctrine had been brought up in the U.S. Senate in the debate on the Versailles Treaty.

There was a reservation. One of the Lodges—I do not know whether he sponsored the reservation or not, but there was a group which together were called the Lodge reservations and one of those reservations referred to the Monroe Doctrine.

It caused me to reflect back upon the history of the Versailles Treaty here in the U.S. Senate. I started on this discussion when I was cut off by the agreed time for voting on the amendment of the distinguished Senator from Utah.

The same situation, it would seem to me, exists in the Senate today that existed back over 50 years ago when the Versailles Treaty was before the Senate. There were always two-thirds of the Senators who were willing to accept the Versailles Treaty with reservations. Senator Lodge in his Resolution of Ratification—we will eventually come to the Resolution of Ratification—had 14 reservations which he said had the effect of amendments. I question whether that is correct or not but he said they did. He wrapped those into the Resolution of Ratification.

President Wilson had written to his supporters here in the Senate a letter which he ended with, "I trust that all true friends of the treaty will refuse to support the Lodge resolution."

So on the final vote on the resolution, which was the resolution of approval of the Versailles Treaty, 23 Democrats, apparently acting at President Wilson's bidding, voted against the treaty. They lacked only seven votes of passing the Resolution of Ratification. There were 49 votes cast for the Resolution of Ratification and 35 against. Twenty-three of the 35 were Democrats. If only 7 of those 23 had voted for the Resolution of Ratification the Versailles Treaty would have been approved in the U.S. Senate.

That attitude on President Wilson's part—I shall have to say, I am a great admirer of President Wilson. But his attitude of stonewalling against amendments is what killed the Versailles Treaty.

The distinguished Senator from Alaska (Mr. STEVENS) predicted that if the leadership continues with this policy of rejecting all amendments and refusing to shape this treaty for the best interests of the people of this country, it is going to result in the defeat of these treaties in the U.S. Senate today.

So, history has a way of repeating itself. It is said that those who do not profit by the mistakes of history are destined to make those same mistakes again. I hope that is not going to be true. I hope that the leadership will ease up in this matter and quit causing Senators to vote against amendments which, I believe, are in the best interests of the people of this country.

I recognize the right of Senators to disagree and cast just as patriotic a vote as I am casting. Still, I believe that Senators ought to be allowed to exercise their own independent judgment in this area.

Now, the current amendment. I had not desired to call up another amendment tonight. In fact, I was very reluctant to do so. At the behest and the urging of the distinguished majority leader, I did agree to offer another amendment. He necessarily is concerned with the time frame on the consideration of the amendments and getting final action on the treaties. His concern is somewhat deeper than my own in this area, much as I would like to see a final resolution of this important question, which I believe is the most important question that has come before the Senate since I have been in the United States Senate.

One of the few provisions of the 1903 treaty of the United States with Panama was the fact that this treaty carried over, I believe—as article XVIII, if I am not mistaken, of the 1903 treaty—the provisions of the Hay-Pauncefote Treaty, which was a treaty entered into in November—November 18, I believe—1901, between the United States and the United Kingdom. It succeeded the Clayton-Bulwer Treaty of 1850.

Way back in 1850, Mr. President, it was such a well-known fact that the United States was going to build a canal in the isthmus, that, already, England and the United States were entering into a treaty about the use of that canal. The 1901 treaty, the Hay-Pauncefote Treaty, was entered into, of course, 2 years before the Panama Canal Treaty of 1903. The Panama Canal Treaty of 1903 recognized the validity and the applicability of the Hay-Pauncefote Treaty, and it is still in effect today.

The distinguished Senator from Idaho (Mr. CHURCH) read from the neutrality provision approvingly. Later on, he spoke of the Hay-Pauncefote Treaty provisions being carried forward in principle—I believe he used the words "in time of peace and in time of war," on the neutrality—being carried forward in principle. I do not believe he limited it to any principle. I gathered from what he said that it was still carried forward, but it must just have been in principle, because it was not carried forward by express terms in the treaties before us.

So the distinguished Senator from Idaho (Mr. CHURCH), floor manager for the treaties, spoke approvingly of the Hay-Pauncefote Treaty and that the principle of the Hay-Pauncefote Treaty is carried forward in the treaties before us. But I think it is important, Mr. President, to do more than just carry forward a word or two from that treaty. If we look with favor upon it, if we are quoting from it here, in the U.S. Senate, as the applicable rule on neutrality, I see no objection, Mr. President—as a matter of fact, I see a dire need—to reaffirm the wording and the principles of the Hay-Pauncefote Treaty. As a matter of fact, the Hay-Pauncefote Treaty, with its tradition and its aim and the fact that decisions have been made by courts, and particularly the permanent Court of International Justice at The Hague, with regard to just what this treaty means, should cause it to have wide support in the Senate.

Mr. President, most of the argument against the amendments that we have had thus far is, "Well, this might not please the Panamanians; it might call for a new plebiscite."

Well, that is hardly a valid argument, because there is not going to be a new plebiscite, I imagine, because whatever is sent down there, Mr. Torrijos is going to accept.

The Panamanians cannot object to this. We have this long period of over 60 years during which the Hay-Pauncefote Treaty has been in effect, with the usage and customs arising from the transiting of the canal under the terms of the Hay-Pauncefote Treaty.

Besides, how, Mr. President, are we going to nullify, in a treaty with Panama, the provisions of a treaty that we reached with the United Kingdom? So, Mr. President, it would seem to me that there could be no conceivable objection to putting in, by reference to this Neutrality Treaty, the provisions of the Hay-Pauncefote Treaty, especially since the distinguished floor manager of the treaties has spoken approvingly of the Hay-Pauncefote Treaty. He is making no effort to have it renegotiated. He says that it is being carried forward in principle in the treaties before us.

All this would do is to incorporate all of the provisions, all of the rules of the Hay-Pauncefote Treaty, by direct and specific reference into the Panama Canal treaties that we have under consideration.

So, Mr. President, amendments that we have offered before have been labeled by various floor managers of the treaties either as going to the heart of the treaty and, therefore, should be defeated, or being frivolous and ought to be defeated.

I wonder what slot, what designation, they will apply to this amendment. I am sure they will recommend it be defeated, but will it be because it is frivolous or because it is directed to the heart of the amendment, or will it be because it is, shall we say, unnecessary?

But we have found, Mr. President, that no amendments are necessary, that no amendments are necessary except the so-called leadership amendment.

So it is going to be interesting to find just what objection the leadership is going to have to this amendment, in

view of the high recommendations they have been giving the Hay-Pauncefote Treaty all along.

I spoke to the floor manager. We have to be careful to look and see who the floor manager might be. On occasion, the distinguished Senator from Alabama (Mr. SPARKMAN) is the floor manager. Possibly, more often, the distinguished Senator from Idaho (Mr. CHURCH) is the floor manager. Next to him comes the distinguished Senator from Maryland (Mr. SARBANES). Then I have seen the distinguished Senator from Iowa (Mr. CULVER) there, and two or three others. So we never know who is the floor manager. They move out the reinforcements from time to time to floor manage the treaty.

But they are consistent on one thing, I will say to the two distinguished floor managers who are here at this time (Mr. CHURCH and Mr. SARBANES), they are consistent in saying that this amendment is not necessary and it might call for a new plebiscite. They are all consistent in that.

They have a monolithic approach to all amendments. It is a monolithic opinion. All amendments are unnecessary. I guess we could work out a syllogism from that, the major premise being that all amendments are unnecessary.

This is a major premise. The minor premise would be, Senator ALLEN has an amendment at the desk. Conclusion, the third line then, Senator ALLEN's amendment is unnecessary.

So that would be the Socratic reasoning in this matter by syllogism.

So all amendments, they say, and they are consistent in this opinion, all amendments are unnecessary. We have an amendment at the desk, therefore, this amendment, no matter what it is, is unnecessary.

If we wish to divide the time equally, I believe we would probably end up around 10 minutes to 7, possibly. I will be glad to reserve the balance of my time, if any. But, on the other hand, if we can conclude at around 10 minutes of 7, I would not ask for the floor again.

Mr. SARBANES addressed the Chair.

The PRESIDING OFICER. The Senator from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. President, I share the hope of the Senator from Alabama that we may be able to conclude consideration of his amendment even ahead of the appointed hour which has been set for a vote on it.

I listened with great interest to his discourse on how amendments are characterized. He said they are characterized as frivolous or as going to the heart of the matter.

Of course, one is led to wonder whether we should strike the word "or" and insert the word "and," which, of course, would give us yet another category.

There is one category he did not mention which I raised yesterday with respect to an amendment he offered, and I intend to make the same point with respect to this amendment that is before us, and that is that the amendment is, in fact, harmful to American interests—harmful.

Yesterday, I pointed out I thought his amendment was harmful because it suggested or set out the possibility of a precedent that U.S. action on the high seas, action that we might consider necessary in times of belligerence, could in some way be conditioned or tied to a bilateral agreement with another nation.

In other words, that we would limit or curtail our authority or power through a bilateral agreement, and I submitted that that was an extremely bad precedent to establish.

I submit that the amendment which the distinguished Senator from Alabama has placed before us now is also a harmful amendment. The amendment provides for the embodiment of the rules of the Hay-Pauncefote Treaty in this treaty, in article I.

Now, the Hay-Pauncefote, amongst other things, provides that the canal shall be free and open to the vessels of commerce and of war of all nations on terms of entire equality—entire equality. That provision would directly conflict—in what, in the total picture, may be considered to be a minor way, but as to our interests is an extremely important way—with the provision of article VI of the Neutrality Treaty. That article provides such vessels of war and auxiliary vessels—referring to our vessels of war and auxiliary vessels and those of the Republic of Panama—will be entitled to transit the canal expeditiously.

There is, of course, an amendment pending which has been offered under the sponsorship of the majority leader (Mr. ROBERT C. BYRD) and the minority leader (Mr. BAKER) of which I am a cosponsor and, indeed, of which the distinguished Senator from Alabama is a cosponsor. That amendment, elaborating upon the provision in article VI——

Mr. ALLEN. Mr. President, will the Senator yield at that point?

Mr. SARBANES. I yield.

Mr. ALLEN. It is true that I am a cosponsor of the so-called leadership amendment. I feel that if that is the best we can do—and I think we can do much better—I will vote for it, because there is a feeling that it will give us some defense rights in the canal after the year 2000. But we can do much better. It has at least four major shortcomings which I will discuss later. Being a cosponsor of the amendment gives me full leeway and license, as I see it, to seek to improve this amendment.

I assure the Senator that even though I am a cosponsor of the amendment, I will offer constructive amendments seeking to make it a better amendment. So I will take greater pride in being a cosponsor of it.

I thank the Senator.

Mr. SARBANES. Knowing the skill of the distinguished Senator from Alabama, I think it is safe to say that even if he were not a cosponsor of the amendment, that would not circumscribe his freedom or license to seek to alter the amendment as he saw fit.

The Neutrality Treaty contains a provision that "such vessels of war and auxiliary vessels will be entitled to transit the canal expeditiously."

The amendment to be offered will clarify the meaning of that provision, and it provides as follows:

> The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the canal expeditiously.
>
> This is intended, and it shall be so interpreted, to assure the transit of such vessels through the canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the canal rapidly.

So the Neutrality Treaty gives us the head of the line legal right—the legal right to go to the head of the line.

The Hay-Pauncefote Treaty, which the distinguished Senator seeks to bring forward in its entirety, as I understand his amendment——

Mr. ALLEN. That is correct.

Mr. SARBANES (continuing). Requires that the canal be free and open to vessels of commerce and of war of all nations, on terms of entire equality. Its inclusion would create a conflict between our legal right, which is clear under the proposed Neutrality Treaty before us, to go to the head of the line for expeditious transit, and the provision of the 1901 treaty which calls for entire equality.

In that sense, it creates a conflict of interpretation which I consider to be undesirable and which raises the specter, if that conflict of interpretation were resolved pursuant to the 1901 provision, that it would be less accommodating and less protective of American interests than the Neutrality Treaty that is before us.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. SARBANES. I yield.

Mr. ALLEN. If it be true, as the distinguished Senator from Idaho (Mr. CHURCH) said, and as I feel, that the Hay-Pauncefote Treaty is in full force and effect at this time, does the distinguished Senator think that an agreement or another treaty between the United States and Panama would in any wise change the provisions of the treaty between the United States and the United Kingdom? Is it not a fact that we will have two treaties having inconsistent terms, if we believe the distinguished Senator from Maryland (Mr. SARBANES)? How does the Senator account for that?

Mr. SARBANES. As the distinguished Senator from Idaho observed—and, in fact, I think the point was underscored by the distinguished Senator from Alabama in the course of his presentation—the Senator from Idaho said that it was the principles of the Hay-Pauncefote Treaty which had been brought forward, as I recall.

Mr. ALLEN. Brought forward, but he stated that it is in full force and effect now. He read it into the RECORD a week ago. I can refer the Senator to the RECORD, if he wishes.

Mr. SARBANES. That is right. And the British Government has indicated that they regard the treaty before us as con-

sistent with the terms of that treaty. That does not mean it is identical in that regard. As the distinguished Senator from Alabama will appreciate, as an able lawyer, a document may well be consistent with a prior document and yet contain some additional provisions or rights which are of some consequence to the parties entering into it—in this case, the United States, with respect to this proposed treaty with Panama—and yet be perceived by the earlier parties, Great Britain and the United States, as being consistent with the earlier treaty.

Mr. ALLEN. Yet, the Senator has been arguing in the last few minutes that there is a great inconsistency between the two treaties and, therefore, we should not embody the Hay-Pauncefote Treaty in this treaty. Which view of the Senator is correct?

Mr. SARBANES. I raised the possibility.

Mr. ALLEN. Then, it has been done away with by this so-called agreement between the United States and Great Britain. I have not seen that, by the way. It is not in the record, that I know.

Mr. SARBANES. Let me try to respond to the Senator.

I do not think I used the word "great" to describe the possibility of inconsistency. I only raised the point that the proposed amendment of the Senator from Alabama created the possibility of an inconsistency thus raising an issue. To raise such an issue can only be harmful to American interests since the greater reach for American interests is contained in the Neutrality Treaty now before us, with our specified rights of expeditious transit, and of course with the leadership amendment clarifying the meaning of the term "expeditious transit," about which some questions had been raised early on in the consideration of these treaties, it will be very clear that this is intended to assure the transit of our vessels through the canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the canal rapidly.

That provision, I submit, is more accommodating to American concerns than a provision that talks about the canal being free and open on terms of entire equality among all nations.

It is for this reason that I indicated that this amendment contained the seeds or the potential of being harmful to American interests, and the reason why I oppose the amendment which the distinguished Senator from Alabama has called up and which is now pending.

A final point I wish to make is that the proposed amendment which the leadership will offer, as to the meaning of the expeditious transit provision contained in article VI of the Neutrality Treaty, which states "such vessels of war and auxiliary vessels will be entitled to transit the canal expeditiously," was, of course, a meaning that was put to the Panamanian people in the course of the plebiscite. Therefore, it was very much a part of their knowledge and understanding when they voted to approve these treaties.

So that interpretation, in effect, has received the approval not merely of the regime in Panama but also the approval of the people in the plebiscite, which I regard as very important.

There has been much talk of changes in the treaties and that Torrijos can simply accept those changes. But I submit to the Members of the Senate that, from our point of view, we are in a far stronger position, as we move into the future, for holding tight and firm and fast on treaty provisions, in terms of rejecting any revisionist doctrine, if the treaties have been approved in a plebiscite directly by the Panamanian people.

So, for all of these reasons, Mr. President, I oppose the amendment which the Senator from Alabama has offered, and the Senator suggested he might be ready at 6:50 p.m. to go to a vote, and if he is prepared to yield back his time I would be prepared to yield back my time and go to a vote on the amendment.

The time to which the Senator made reference having arrived, I would be prepared, if he is prepared to yield back his time, to yield back ours.

Mr. ALLEN. I do have some added arguments I would like to make and some answers to some of the statements the Senator made. I doubt if it will change any votes because there are very few Senators here to be convinced and, for that reason, I will yield back the remainder of our time and I am ready for a vote.

Mr. SARBANES. I yield back the remainder of our time, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama.

Mr. HATCH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The second assistant legislative clerk called the roll.

(Mr. MELCHER assumed the chair.)

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. RIEGLE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) and the Senator from Minnesota (Mrs. HUMPHREY), would each vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from North Carolina (Mr. HELMS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 15, nays 63, as follows:

[Rollcall Vote No. 41 Ex.]

YEAS—15

Allen	Hansen	Scott
Bartlett	Hatch	Stennis
Byrd, Harry F., Jr.	Laxalt	Thurmond
Curtis	Lugar	Tower
Ford	McClure	
	Nunn	

NAYS—63

Anderson	Hatfield, Mark O.	Moynihan
Bayh	Hatfield, Paul G.	Muskie
Bellmon	Hathaway	Nelson
Bumpers	Hayakawa	Percy
Burdick	Heinz	Proxmire
Byrd, Robert C.	Hodges	Randolph
Cannon	Hollings	Ribicoff
Case	Huddleston	Roth
Chiles	Jackson	Sarbanes
Church	Javits	Sasser
Clark	Johnston	Schmitt
Cranston	Kennedy	Schweiker
Culver	Leahy	Sparkman
Danforth	Long	Stafford
DeConcini	Magnuson	Stevens
Dole	Mathias	Stevenson
Domenici	Matsunaga	Stone
Durkin	Melcher	Wallop
Eagleton	Metzenbaum	Weicker
Glenn	Morgan	Williams
Hart		Zorinsky
Haskell		

NOT VOTING—22

Abourezk	Goldwater	Packwood
Baker	Gravel	Pearson
Bentsen	Griffin	Pell
Biden	Helms	Riegle
Brooke	Humphrey	Talmadge
Chafee	Inouye	Young
Eastland	McGovern	
Garn	McIntyre	

So Mr. ALLEN's amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred during the debate on the treaty, and are printed at this point in the RECORD by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President. I noted in my discussion yesterday of the economic sense of the Panama Canal treaties that "the treaties do not call for payments to be made to Panama using U.S. taxpayers' money. While the treaties do call for some specific payments to Panama, the money for these payments is to come from tolls which will be generated by the canal operation."

I said that among these payments is a contingent $10 million annuity. It is to be paid "to Panama if—and only if—operating revenues produce a surplus over costs in addition to the 30 cents per Panama Canal ton and the

unconditional annuity. If there is no surplus to cover the entire payment, the shortfall would be carried over to succeeding years. However, it is understood by both Panamanians and Americans that any balance remaining due in the year 1999 would not be paid since the United States has only a contingent obligation to make this payment—an obligation based upon the availability of surpluses."

I want to emphasize now that the contingent nature of this payment is not disputed by the Panamanians. The recent statement of Panama's Minister of Planning and Economic Development, Dr. Nicolas A. Barletta, is instructive on this matter. He was specifically asked on February 28, 1978—Tuesday of this week—"If there is an accumulated unpaid balance under article XIII(4)(C) of the contingency payment stipulated in the Panama Canal treaties—would the United States be liable for payment of the accumulated unpaid balance?" Dr. Barletta noted in his response:

Actually this question refers to the fact that in the treaties Panama should be getting $10 million a year from the revenues of the Canal operation and an additional $10 million if the revenues permit. If revenues do not permit, the deficit will be accumulated to be paid by revenues from later years. If there is an accumulated deficit by the time the treaty ends, in 1999, that's it, the U.S. is not committed to make it up if such amount has not been able to be collected from the revenues of the Canal operation.

Mr. President, I ask unanimous consent that the full text of the statement of Panama's Minister of Planning and Economic Development be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. DE LA OSSA. I received a question which asks: If there is an accumulated unpaid balance under Article XIII(4)(C) of the contingency payment stipulated in the Panama Canal Treaties? Would the U.S. be liable for payment of the accumulated unpaid balance?

Dr. ARDITO BARLETTA. Actually this question refers to the fact that in the treaties Panama should be getting $10 million a year from the revenues of the Canal operation and an additional $10 million if the revenues permit. If revenues do not permit, the deficit will be accumulated to be paid by revenues from later years. If there is an accumulated deficit by the time the treaty ends, in 1999, that's it, the U.S. is not committed to make it up if such amount has not been able to be collected from the revenues of the canal operation. We do not hope in our interpretation of this clause of the treaty, that the U.S. is committed to pay any such deficit that might have accumulated. However, I would like to say, that in our estimation, the revenues of the canal and all the projections and studies that have been made should be able to cover this second $10 million that should come to Panama if revenues permit, so I don't foresee much of a problem in respect to deficit. But if such a deficit is accumulated and is pending when the treaty ends, then the U.S. is not committed to make it back from the U.S. Treasury.

IDAHOANS AND THE PANAMA TREATIES

Mr. CHURCH. Mr. President, my mail on Panama—like that of other Senators—has been running overwhelmingly against these treaties.

Beyond the generated mail in the form of post cards and petitions, which is the product of direct appeals from antitreaty organizations, one of the striking characteristics of the mail I receive is the argument that "a majority" of Idahoans oppose the treaties, and that I am therefore required to vote against them, regardless of my own judgment and belief.

To provide a flavor of this mail, let me quote from just a few of the letters I have received.

A man in Pocatello writes that "your election to your office was for the purpose of representing your constituents' wishes, not to do as you see fit."

A woman in Boise writes, "How do you justify your stand when a very large majority are opposed to this treaty?"

Another woman, from Pocatello, tells me that Idahoans oppose the treaties, and I must "vote their convictions, not [my] own."

A man in Irwin urges me to "vote our wishes," and then adds: "If you do not, heaven help us."

And a student in Coeur d'Alene complains that "you don't listen to us."

In answer to these letters—and the above is only a small sample—I can only reply that I have always believed it to be my duty, as a Senator, to uphold the public interest as I honestly perceive it. My oath of office obliges me to use my best judgment, even when it compels me to take an unpopular stand.

I have never believed that a Senator worthy of his constitutional responsibility should behave as a caricature of that contemptible cartoon figure, Senator Snort—with a licked finger constantly held up to test the political winds.

To those who warn me that my support of these treaties will cost me my job—even if the treaties are amended, as I have proposed, to spell out U.S. rights to defend the canal and to assure first passage for our ships in time of emergency—I have responded that my vote is a matter of conscience, and I must live with my conscience much longer than with my job.

This said, however, it is not so clear how the people of Idaho, or the Nation, really do feel about these treaties. When first announced last August, the overwhelming majority of Americans doubtlessly opposed them. That was true throughout the United States. If anything, opposition in Idaho was even greater than in the country at large.

But the situation has changed since then, if the polls are accurate. For example, national surveys by Pat Cadell's Cambridge Research Organization show that when the treaties were first announced in August, they were opposed by a margin of 61 percent against to 25 percent for. In December, however, as the public came to understand the treaties better, the results had shifted. By then, 49 percent—less than a majority—opposed the treaties, while those declaring their support had increased to 35 percent, up from one-fourth to better than one-third. By February, Cadell's surveys showed a drop to 46 percent in the numbers of those opposed, and a continuing rise in the number of those in support, to 37 percent.

Most significantly, when the public was asked its opinion if the treaties were amended to spell out U.S. rights to intervene to protect the canal and to assure priority passage of our ships in time of need, the same Cadell survey in February showed a plurality of the American people in support, by a margin of 47 percent in favor to 37 percent opposed.

Other national surveys have reflected a similar trend. The Gallup poll for September 4, 1977, for example, showed that 46 percent opposed the treaties, and 39 percent were in favor. But the Gallup poll for February 2 showed a plurality in support: 45 percent for the treaties with 42 percent opposed.

With public opinion moving in the direction of the treaties, I have little doubt that, by the time this debate is completed and the final votes are taken, a majority of the American people will favor the treaties.

What about Idaho? Here, too, the trend is toward the treaties.

Idaho has two polls regularly published that report local opinion on various issues. The first is the Idaho poll, published by the Professional Resource Group in Boise. The second is the Rocky Mountain poll, published by the Behavior Research Center in Phoenix, which does its polling in Idaho and seven other Western States, but breaks down its results on a State-by-State basis.

What do these polls show?

The Idaho poll for January, based on a sampling done in late 1977, showed that, when asked directly, "Do you favor ratification of the Panama Canal Treaty," an overwhelming 78.9 percent opposed ratification, only 12.7 percent favored ratification, while 8.4 percent were undecided. However, there was then a second question: "If the Panama Canal Treaty reserved the right for U.S. troops to intervene at any time in the future to maintain an open and neutral canal and allowed U.S. ships, in time of need, first priority of passage through the canal, would you favor adoption of the Panama Canal Treaty?" When that question, which reflects the treaties as they will undoubtedly be amended by the Senate, was asked, the results changed substantially: The opposition dropped to 53.3 percent; the support increased to 28 percent, with 18.7 percent remaining undecided.

However, the most recent poll in Idaho on the canal issue is the Rocky Mountain poll, based on a sampling done in January 1978.

The results for Idaho show that when asked: "Would you favor or oppose the Panama Canal Treaty if the treaty guaranteed the United States the right to defend the canal," 56 percent of Idahoans were in favor, 24 percent opposed, and 20 percent remained undecided.

Such findings, Mr. President, are the best evidence available that most of my constituents share my view that if the Senate amends the treaties as I have proposed, to spell out our right to intervene in the future to protect the canal,

and to guarantee American ships first passage in time of need, they should be supported.

There are also other, less scientific indications that the mood in Idaho toward the treaties is changing.

Recently, for example, the Idaho Statesman published a "man-on-the-street" interview on the question of the treaties. The author of the article, Karen Bossick, wrote that the treaties "received a favorable rating" and extensive quotations were given from the random selection of people interviewed.

Another indication from Idaho is the friendly treatment these treaties have received in the editorials of our newspapers. Idaho is a conservative State, and its press reflects that political fact of life. But in the case of these treaties, the editorial comment has been largely supportive.

In the final analysis, Mr. President, these trends—the polls, man-on-the-street interviews, and editorial comment—lead me to the conclusion that sentiment in Idaho is turning from negative to positive.

I ask unanimous consent that the following be printed in the CONGRESSIONAL RECORD at this point: First, the Idaho poll for January 1978; second, the Rocky Mountain poll for February; third, the man-on-the-street interview from the Idaho Statesman for February; and finally, a series of newspaper editorials from the Statesman in Boise, the Sandpoint Daily Bee, the South Idaho Press in Burley, the Times-News in Twin Falls, the Idaho State Journal in Pocatello, the Lewiston Tribune, the Post-Register in Idaho Falls, the Idaho Free Press in Nampa, the News-Tribune in Caldwell, the Daily Idahonian in Moscow, and the Messenger-Index in Emmett.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PANAMA CANAL TREATIES

The United States Senate will soon have the difficult task of deciding whether to ratify or reject the new Panama Canal treaties. A nationwide telephone survey conducted by NBC in October of 1977 indicated 29 percent of Americans approved ratification of the treaties while 49 percent disapproved and 22 percent were undecided.

When informed of the provisions of a joint statement signed by General Torrijos and President Carter (reserving the rights of U.S. troops to intervene to maintain an open and neutral canal and allow U.S. ships, in time of need, first priority in passage through the canal) opinion shifted dramatically with 63 percent favoring approval of the treaties.

How do Idahoans stand on the issue? When asked directly "Do you favor ratification and adoption of the Panama Canal Treaty?" 78.9 percent indicated they did not favor ratification, 12.7 percent did favor ratification and 8.4 percent remained undecided. When asked the question "If the Panama Canal Treaty reserved the right for U.S. troops to intervene at any time in the future to maintain an open and neutral canal and allowed U.S. ships, in time of need, first priority in passage through the canal, would you favor adoption of the Panama Canal Treaty?" 53.3 percent indicated they would not favor ratification with 28 percent favoring ratification and 18.7 percent remaining undecided.

Idahoans are evidently much more opposed to ratification of the treaties than the nation as a whole. Additional information on possible treaty provisions increased approval of ratification much less dramatically than the national survey.

U.S. RIGHT TO DEFEND PANAMA CANAL CENTRAL TO WESTENERS' SUPPORT OF TREATY

The latest Rocky Mountain Poll released by the Behavior Research Center of Arizona reveals strong support for ratification of the Panama Canal treaty *if* the treaty guarantees the United States the right to defend the Canal. Without such a guarantee, opposition remains high—nearly 60 percent. These are some of the results of the latest Rocky Mountain Poll conducted in early January among 1000 heads of household in the eight Rocky Mountain states of Arizona, Colorado, Utah, Montana, Nevada, New Mexico, Idaho and Wyoming.

According to pollster Earl de Berge, "Although outright opposition to the Canal treaty has declined from 62 percent in October of 1977, to 57 percent in the January survey, the most significant finding is that opposition to ratification plummets to only 28 percent if the treaty guarantees the right of the United States to defend the Canal. Even the threat of possible guerrilla warfare in the Canal Zone yielded a less significant drop in opposition to the treaty than the guarantee that the U.S. could defend the Canal if needed," de Berge said.

"As you know, the President recently signed a treaty with the Republic of Panama which would eventually result in the government of Panama having control of the Canal, rather than the U.S. having control. Do you favor or oppose Congress approving the Panama Canal Treaty?"

[In percent]

Ratification	October 1977	January 1978
Favor	19	24
Oppose	62	57
Unsure	19	19

"Would you favor or oppose the Panama Canal treaty if the treaty guaranteed the United States the right to defend the Canal?"

January 1978

[In percent]

	Favor	*Oppose*	*Unsure*
Total	56	28	16
Men	59	31	10
Women	53	24	23
Age:			
Under 35	63	21	16
35 to 59	55	31	14
60+	46	34	20
Party:			
Democrats	67	20	13
Republicans	46	38	16
Independents	53	32	15
Not registered	49	23	28
Arizona	52	32	16
Colorado	65	20	15
Idaho	56	24	20
Montana	48	38	14
Nevada	37	33	30
New Mexico	63	26	11
Utah	49	35	16
Wyoming	59	24	17

[From the Idaho Statesman, Feb. 21, 1978]

PANAMA CANAL TREATIES WIN FAVOR IN BOISE POLL

(By Karen Bossick)

The proposed Panama Canal treaties, which have dominated the news for many months, received a favorable rating from several persons interviewed Monday by The Statesman.

Although several agreed with the provisions of the treaties, now before Congress, about half of those interviewed in downtown Boise did not know what the treaties were about.

Only a few were concerned about the treaties that President Carter and Panama chief of state Gen. Omar Torrijos signed late in 1977.

In interview conducted on the birthday of George Washington, who helped free the United States from its bonds of colonialism, several persons said they felt Panamanians have a right to be free of any colonial ties to the United States.

"I think it's only fair to Panama," said R. I. Ericson, 2405 Sunrise Rim Rd. "It's about time the United States gave up the canal. The rest of the world should have some interest in its execution.

"In my opinion, the United States would be giving up its right to rule exclusively over the canal, but it won't be giving up its right to use the canal," Ericson said.

Betty Murdoch, 2123 Division St., said: "I don't think we should give the canal away, but then, I might not know all I should know to express an opinion. The administration and newspapers have tried to simplify what's going on for our benefit, but I think the issue is still to complicated for the layman to understand."

The treaties which were approved by 25 Western Hemisphere nations, guarantees permanent neutrality of the canal and proposes a plan to phase out United States employees and control, introducing Panamanian workers and control by Dec. 31, 1999.

The United States would still have the right to act against any threat to the canal, and its naval ships would be given priority to use the canal in an emergency.

"I think it's okay for the United States to let Panama have the rights to run the canal. Why? Just because I've got the opposite viewpoint from not agreeing," said Mary Cole, Portland.

"I really don't think the canal is that useful to us anymore," said Tom Watson, a Meridian High School student. "The treaty seems to let us keep any military vantage points it might give us, but I don't think many of our ships can use it anymore. And, with nuclear warfare, it wouldn't make that much difference."

Some people found fault with the treaties.

"I approve of the human rights aspect of it, but I kind of feel it's just like buying a piece of land. We bought it and it belongs to us," said Robert Rudeen 521 N. 13th St.

"I feel we should maintain the status quo," said Don Dritchler, 10486 Shady Brook Lane. "There are problems inherent in giving something like the canal away, but probably our right to it isn't all that strong anyway. I don't think it really matters too much."

The canal issue also raises the hackles of some folks.

One man muttered, "I'm afraid I don't have a considered opinion of it".

[From the Idaho Statesman, Feb. 6, 1978]

THE CANAL ISSUE

Almost six months ago, we prophesied that the United States shortly would be embarking on an "inevitable political ordeal . . . a bare-fisted political brawl complete with generous helpings of demagoguery" over the proposed treaties giving Panama control of the Panama Canal.

Even before the treaties were published and understood, it was easy to predict correctly who would be against them—the Ronald Reagans, the George Hansens, the Phyllis Schlaflys. That says something about their credibility on the issue. Their opposition came first, from the emotions. Their enumer-

ated reasons came later. It did not matter one whit what the treaties say. They made up their minds to oppose the treaties and then developed supporting arguments.

Most points used by opponents to the treaties have easily been dealt with. A simple citation of treaty language, an understanding of hemispheric relations and an explanation of the history of the canal suffices in most cases.

Still the opponents come on, which makes one wonder what the true issue is. It is not the language of the treaty and the fear that the United States will lose militarily by the treaties. It is rather a matter of pride and a jingoistic notion of the United States' role in the world. By letting go of the canal, treaty opponents are afraid, the United States somehow will lessen its standing in the world community by bowing before a nation of lesser power and goodness.

They are wrong. They have got it backwards. America's chauvinism and arrogance already is being fairly well drummed out of foreign policy. The canal treaties are an outgrowth of, not the vehicle for this change. Thoughtful Americans, and this includes the last four presidents, many military leaders and many leaders of the Republican Party, have already abandoned the simplistic notion of the United States as embued with some larger-than-life goodness and messianic role in the world. The canal treaties merely reflect this changing attitude.

We believe the treaties adequately protest U.S. interests. The American people's understanding of their country's new, more sensible role in world affairs has lagged because those such as Reagan, Hansen and Schlafly have played on the issue for their own ends—election to office. For them, the canal is less important than what the issue can do for them politically.

The U.S. Senate shortly will be voting on the canal treaty question. It is imperative the good senators understand that most opposition flows not from serious doubts about the treaty, but from a reluctance to admit that the United States has relinquished its smug, self-satisfying role of messiah to the world. The senators from their vantage point should be able to understand this, and why it makes ratification of the treaties imperative.

[From the Sandpoint Daily Bee, Feb. 2, 1978]

THE BEE'S OPINION: PANAMA CANAL TREATIES

During the 1976 election campaign, President Ford was sometimes half-seriously referred to as "the president who kept our troops out of Northern Ireland." Now, President Carter seems determined to be the president who keeps our troops out of Panama.

It's a noble goal, but Carter has an uphill battle if he's to meet it by securing approval for the Panama Canal treaties He probably won some supporters with his televised fireside chat Wednesday night.

Perhaps the most compelling reason Carter gave during his 25-minute talk was that there is no doubt that the United States could defend the canal if it needed to, so approval of the treaties shouldn't be considered a sign of surrender. It's a better approach, however, to eliminate the possibility to having to defend the canal by eliminating any reason for the canal to be attacked, he said. Ratification of the treaties will take away a lot of the reasons why the canal is now so vulnerable.

Further stressing the point, Carter argued that returning control of the canal and canal zone to the Panamanians is something that should be done because it's right—not because we're forced to do it. Ratification of the treaties will win the U.S. more world respect than opponents of the pacts say would be lost if we "gave up" the canal.

That's another misconception; that the U.S. is giving away something that rightfully belongs to us. While Americans have held the canal in a special place in our hearts for the U.S. role in its being there, the canal and the surrounding territory have never been "ours" in the sense of sovereign territory. A review of the history of how the canal was built and the original treaty with Panama make that fact clear.

It takes 67 votes in the U.S Senate to ratify a treaty, but only 34 votes to defeat it. And because of Idaho's relatively sparse population, an individual citizen's opinion will have more impact here with our two senators than a state where the senators represent many more people. So the spotlight will be on people like Frank Church and Jim McClure.

One of the central items in the Senate debate on the treaties will be whether amendments to guarantee the right of the U.S. to intervene militarily after the year 2000 to keep the canal in neutral hands and for the right of American ships to "go to the head of the line" in case of emergency. We're not familiar enough with the amendments to pass judgment on whether they are necessary and if so, whether they should be formally attached to the treaty or handled less formally.

Regardless of the final form, the basic concept of the treaties is in the national interest and their approval shouldn't be delayed.

[From the South Idaho Press, Jan. 29, 1978]

SENATORS BYRD, BAKER ENDORSE CANAL PACT

The qualified endorsements of Sen. Robert Byrd and Sen. Howard Baker, majority and minority leaders of the Senate respectively, make it much more likely that the Panama Canal treaties will be ratified.

The modifications envisioned by both focus on a joint communique issued last October by President Carter and Panamanian leader Omar Torrijos Herrera declaring that the United States will have the right for its warships to go to the head of the line of ships awaiting passage in time of war and the right to use force to defend the canal.

Any conditions—an effort to make the communique a part of the treaty or to have it signed as a separate protocol—should be hammered out in the current hearings before the Senate Foreign Relations Committee.

Subjecting the pacts to amendment on the Senate floor without the prior refinements would jeopardize the ratification that is essential to improved canal security and to the integrity of our foreign policy.

[From the Times-News, Aug. 30, 1978]

MORALITY CRUCIAL TO CANAL ISSUE

America first, last and always.

Sounds great, but vision can become somewhat obscured if the flag is held too close to the eyes.

The debate over the Panama Canal issue grows more strident and bitter as the time for Senate confirmation grows closer.

While it's not hard to empathize with Americans who fear losing control of the canal may let it slip into unfriendly hands, we have been operating the Canal Zone in another nation now for 75 years.

The proposed new treaties would transfer control of the Canal Zone to Panama gradually until the final turnover takes place in the year 2000. At that time the Canal Zone would be dissolved to form a Panama Canal Company with a new U.S. government agency.

But the United States would maintain primary defense responsibility until the end of the century, and we would not turn our backs on the strategic waterway then. We must retain with no doubt whatsoever the right to intervene in defense of the canal's neutrality. The treaties mandate this responsibility.

Our possession of the Canal Zone for so many years only proves that colonialism runs strong in our foreign policy strategy in the eyes of all Latin American countries who are watching every minute detail of the unfolding drama. Latin American countries are by no means alone when they consider the present canal status as the last vestige of colonialism.

The entire Third World places the outcome of the issue high on its list of priorities, and its relationship with the United States cannot help but be influenced by the final resolution.

Senator Frank Church believes that despite the current public opinion, which he acknowledges in an interview with the Times-News is running strongly against the treaties, that peoples' attitudes will change when their knowledge of the issues is broadened by Senate hearings.

"Church also emphasizes the fact that the treaties are not spur-of-the-moment impulsive products of the Carter administration, but the result of 16 years of negotiations with Panama under four presidents.

Idaho's senior senator and a ranking member of the Senate Foreign Relations Committee believes the treaties are far more important to the future role of U.S. foreign policy than mere image. He ranks the negotiations today in importance with the Treaty of Versailles—and the ramifications of that failure which fed the growing flames of World War II.

Church suggests his colleagues should look at the future, not the past in judging the treaty.

Possession of the Canal Zone is a colonial boil on the nose of Panama festering in the past and extending into the present.

Panamanian ownership of a toll bridge across the Snake River Canyon would be one insignificant analogy of the situation viewed emotionally by the residents of either Panama or the United States.

We recently elected a President who called out for renewed moral leadership by the United States, not a continuing display of blatant abuses of power.

In the post-Vietnam and post-Watergate era, a moral mantle is the only one we can wear with any pride in our relationships with other nations—and the Panama Canal is the first test of our ability to place that mantle about our shoulders.

[From the Idaho State Journal, Sept. 9, 1977]

THE CANAL TREATY

The signing of the Panama Canal treaties by President Carter and Panamanian head of government Omar Torrijos the other night signaled less of an end and more of a beginning of a domestic squabble that promises to get hotter as the treaty works its way through the Senate.

Senate ratification could have been an anti-climactic event bringing an end to 13 years of negotiations to give control of the canal to the Panamanians. Those talks began under Lyndon Johnson in 1964 and carried through the Nixon and Ford administrations.

But Ronald Reagan stumbled upon the Panama Canal as an issue in the 1976 GOP Presidential primaries, and he and his supporters have managed to escalate the issue to national—indeed, international—prominence.

But the arguments of the canal treaty's opponents, when viewed objectively, don't hold much water. The most meaningful one, based on naticnal pride, is that the canal symbolizes a spirit of American work and perseverance. Nostalgia seems to be the rationale of this argument—a sense that something of American greatness is slipping away.

There is a danger that comes with living

in the past—that we'll overlook the present and the future. Despite what the canal means to the U.S. historically, the process of turning it over to Panama can be equally symbolic. It is our gesture to the world that U.S. international policy is not one of imperialism, that we recognize the existence of other "Americas" besides our own, that we want to recognize Third World nations as equals, not as subservients.

Reagan—who is continuing his steadfast opposition to the treaty—has picked up support for the cause from South Carolina Republican Senator Strom Thurmond and Congressman Philip Crane (R-Ill.), who argue that "giving away" the canal will open the South American floodgates to Communism. They cite Torrijos budding friendship with Cuban President Fidel Castro, and go on to claim that Communist and guerrilla forces will become more able to shut the canal to the U.S. during a war or to affect the U.S. economy.

In the first place, we're not "giving away" the canal. We're paying huge sums of money to the Panamanians to take the canal off our hands; and this is the issue the opponents seem to be ignoring. They could quite justifiably ask why Panama is not at least required to pay the U.S. for the equipment and manpower we put into the waterway.

As for Torrijos and Castro, the anti-treaty forces are overlooking the historical fact of Central and South American government survival: most of them are totalitarian dictatorships already, and they tend to lean toward dollars and arms commitments rather than political philosophies. Panamanian ownership of the canal will not alter South American politics; in fact, U.S. retention of the canal would be more apt to drive Panama into the sympathetic arms of Castro.

Added to this is the fact that the canal has become less useful to U.S. economic and military needs as our commercial vessels and warships have grown larger. And even though U.S. control over the canal will be phased out by the year 2000, the treaty gives the U.S. the permanent right to intervene militarily against any threat to the canal.

To retain the canal would invite guerrilla warfare against U.S. forces in the canal zone, according to some Panamanian analysts, and would increase South American disdain of the American Yankee. While the U.S. should not be bullied into treaty ratification by such rationale, we should take it upon ourselves to realize that, even though we built it and paid for it, the canal slices through the middle of another country.

It would be extremely difficult and embarrassing for the U.S. to maintain troops in a country that doesn't want us there while we babble rhetoric about human rights and sovereignty elsewhere in the world.

[From the Times-News, Sept. 30, 1977]

FACING THE INEVITABLE ON THE PANAMA CANAL

Protesting the Panama Canal treaty may do for 1977 what streaking did for 1974. It looks like it is going to be an extremely popular thing to do.

Twin Falls businessman Wayne Kinney and John Birch Society member Adrian Arp of Kimberly are examples of the nationwide protesters. They have voiced their concerns by collecting signatures of Magic Valley residents opposed to the canal treaty and are sending them to Sen. Frank Church.

The protesters have valid reasons for concern. It very well may not be in the best interest of the United States to turn over the canal to Panama.

The problem is, however, the eventual relinquishment of the canal is inevitable.

Because so many Americans are filing their protests, President Carter's treaty may not be the vehicle through which the final release of the canal is accomplished. Americans should, though, start taking a realistic look at the world climate and recognize how much better a planned transition of canal control would be for this country than an abrupt one.

The world today is simply not the same world in which Teddy Roosevelt charged up San Juan Hill. It is not even the same world in which John Kennedy sent troops to Vietnam.

World opinion is a growing force. The third world nations are making their impacts felt more and more each day. In his recent description of the history of the Panama Canal's struggles, College of Southern Idaho history Professor Jim Gentry pointed out that the canal is a sore point in Latin America.

The Latin American view seems to be that the U.S. is holding the canal by force. He said one of the main foreign policy questions surrounding the canal is "how long can you maintain anything by force?"

Then Gentry made an interesting comparison pointing out the difficulty the Soviet Union has in maintaining its forceful hold on Eastern Europe. Have we put ourselves in a situation similar to the Soviet practice of holding a gun to the head of a satellite nation? How does the rest of the world interpret the U.S.-Panama relationship?

The foreign policy demands that Americans have made on their government as a result of the Vietnam debacle have done much to change the world climate. Gen. George Brown, chairman of the Joint Chiefs of Staff, has said that the U.S. cannot prevent an act of sabotage on the canal, and added that 100,000 U.S. troops would be needed to counter a major attack on the waterway.

In the events that led to the close of the U.S. involvement in Vietnam, Americans expressed their distaste for marching U.S. troops off to the far corners of the world if other alternatives can be found.

Given these factors, the release of the canal is an eventual inevitability unless a majority of Americans are willing to go back to the old six-gun foreign policy.

The point here is not to impose good or bad value judgments on this shifting world tide. Neither is it to argue whether it is right or wrong to give up the canal. Arguments of whether the U.S. rightfully owns the canal or not, or whether Communist forces will grab the waterway should we let go, are no longer issues that will have a bearing on the final outcome.

Although it may not be the best way to accomplish a transition, the Carter treaty is at least a recognition of the fact that it is in the best interest of the United States to have a planned transition.

In fact, an orderly release of the canal may realistically accomplish what many protestors are saying could better be accomplished by maintaining U.S. control.

Lt. Gen. D. P. McAuliffe, leader of the U.S. Southern Command, told the Congress Tuesday that he believed the proposed treaties considerably enhanced the U.S. ability to defend the canal because of military cooperation between the U.S. and Panama.

If we do not release the canal in an orderly fashion, we will do so in a crisis situation. Planning is better than crisis.

If a turnover is inevitable, then the U.S. certainly needs to have time to plan how to get along without the canal if it has to. We should try and deal with the world situation in a realistic fashion. We should not be content with solutions that can be only temporary.

[From the Lewiston Tribune, Sept. 10, 1977]

THE PANAMA ERROR

I know that President Carter now has a difficult mission, but I am also confident that the moral force of what is right will prevail. When your people are informed of the truth, they will come to know the injustice that was done here some 70 years ago . . . The American people are a moral people, and when they learn the size of the injustice, I believe they will support the new treaty.—Omar Torrijos Herrera

The size of the injustice of the original Panama Canal treaty is more enormous than the Big Ditch itself.

The canal is not, as we are told by those who argue that we might as well give up the Louisiana Purchase, even remotely in the same league. The Louisiana Purchase was a fair-and-square deal, reached by mutual agreement on both sides with all participants aware of what they were doing.

Do those who equate U.S. control over the Canal Zone with the Louisiana Purchase actually know that the original canal treaty was written, signed and rushed through the Senate before the Panamanian delegation arrived in Washington? Do they know that the Panamanians had nothing to do with the drafting of the treaty and did not sign it?

What happened to Panama was akin to renting someone's house without getting his final agreement and without consulting him on the price.

Panama was flim-flammed, and one of the most incredible engineering feats in history cannot wipe away one of the most incredible cheats in our history. The new treaty would set that straight.

The Louisiana Purchase is not analogous. But those who ask if we must now give America back to the Indians do have a point. America was stolen from the Indians by force and through unjust treaties imposed on the Indians.

But one error does not excuse another. And the difference between what our government did to the Indians and to the Panamanians is that the Panamanian error is reversible. It is a wrong that can be righted.

Should America, of all nations, decline to right a wrong?

[From the Lewiston Tribune, Aug. 13, 1977]

PANAMA AND THE SOVIETS

Countries like the United States and Great Britain now speak from relative strength in lecturing the Soviets on the indecency of Russia's imperialistic domination of nations that belong to other people.

That is because both the United States and Great Britain have divested themselves of control over virtually all peoples who would prefer to manage their own affairs. The United States was never half as imperialistic as the Russians or one-fourth as imperialistic as Great Britain in its prime (perhaps partly because the U.S. is a former victimized colony). But the U.S. still holds control over other lands in ways that some have called imperialistic—Puerto Rico and the Panama Canal Zone. But Puerto Rico doesn't count, because the U.S. will surrender control there the minute a majority of the people indicate they want independence. Only a fraction of the people have so indicated, so the U.S. position today is one of respecting the wishes of that massive majority of Puerto Ricans who support association with the U.S. under the present commonwealth status or perhaps eventually as a 51st state.

The Canal Zone is another matter. The Panamanians want it back. (The Colombians may also want it back, since the United States supported the revolutionaries in what was formerly northern Colombia in their successful attempt to create the new country of Panama.)

The Canal Zone is really the last piece of another country that the United States controls against the will of the people who live in that country.

Why then, with the fierce American belief in self-determination, would anyone in this

country now be suggesting that the United States should violate the local wishes?

The canal still has some importance to the United States militarily, but so do the Suez Canal and the Strait of Magellan. One presumes we would not seize control of either.

However, the prime argument is usually that it was the United States that went in there and built the canal. The United States improved the property and should control it forever, we are told.

But Great Britain improved the property in India and still surrendered control.

The United States greatly improved the property in the Philippines but still believed deeply that the Filipinos have a right to their own checkered destiny and surrendered control.

And, of course, the Soviets have improved the property throughout eastern Europe at least as much as the British improved India. But they have shredded the principle that people who want to run their own country have such a right, no matter how much help they had along the way.

The parallel with the United States and Panama is not exact, but it is close enough to be embarrassing.

[From the Post-Register, Aug. 26, 1977]

FAIR PLAY NEEDED IN PANAMA

After bloody riots in the Canal Zone that left 25 dead in 1964 and after tortuous negotiations since then, the United States and Panama at last have agreed "in principle" on the future of the Panama Canal.

In a historic and sensible step toward decolonialism, the Carter administration wishes to yield control over the waterway and the 533-square-mile Canal Zone to Panama in the year 2000.

The negotiators no doubt feel they have accomplished a difficult feat, but the hardest part lies ahead: to convince the required 67 U.S. senators that it is in the national interest to ratify a new canal treaty.

While a word-by-word treaty hasn't yet been written, the outlined agreement seems fair to both sides.

The Panamanians made major concessions: letting the Americans run the canal for 23 more years; accepting a U.S. military presence until 2000; agreeing that U.S. forces could return after that date to defend the canal, and scaling down their annual rental demands to $50 million, which can be covered by canal tolls.

Unfortunately the canal issue is an emotional one in this country and a violent debate can be expected. Ronald Reagan and other conservatives are fond of declaiming, "We bought it, we paid for it, we built it and we ought to keep it."

In fact, "we built it" is about the only accurate part of the statement. We didn't buy it; Teddy Roosevelt used to admit proudly that he "took" the Canal Zone and all but blackmailed Panama into ratifying the one-sided 1903 treaty giving the United States rights there "in perpetuity."

However, it's pointless to argue about ancient history. What this country got away with in an era of imperialism is not what it should practice today. It makes more sense to argue about the canal's value, which is much exaggerated by its admirers.

Diplomatically it is a handicap. It is seen throughout Latin America as proof of "Yankee imperialism" and thus harms the nation's interests in the hemisphere

Strategically it is obsolete. Big aircraft carriers, large naval vessels and modern tankers cannot fit through it. That is why this country built a two-ocean Navy. Also, the canal is indefensible; in wartime one Soviet submarine could close it with one nuclear missile.

Economically the canal is overrated. It now carries only two per cent of this country's coast-to-coast trade. And by the year 2000 its military and economic value will be less than today's.

Americans ought to try to look at the canal through Panamanian eyes. It was stolen from them. It is an open wound dividing their country, diminishing their nationhood. It is their main natural resource—held by foreigners.

There are only 1.7 million Panamanians but they are united in their determination to regain the Canal Zone. If the Senate succumbs to demogoguery and jingoism and defeats the treaty, one can expect guerrilla warfare and sabotage of the canal.

In their struggle the Panamanians will have the backing of all Latin America. Should this country risk a nasty little tropical Vietnam over a waterway that isn't worth much anymore?

[From the Idaho Free Press and the News-Tribune, Jan. 20, 1978]

NAVY REALITIES

There's an old saying among sailors that advises upon retirement to walk inland with an oar over the shoulder until someone asks what it is. That's the spot to settle down.

Idaho, despite its Lewiston slack water access might qualify as such a place, at least in terms of real interest in the sea.

The exception is the Panama Canal. Everyone in the Gem State has a strong opinion and much of it takes the conservative position of opposing "the giveaway."

Sen. James A. McClure, R-Idaho, made the latest headlines over the canal when he, among others, made an unsuccessful Supreme Court challenge to the proposed "disposal of U.S. property."

McClure is regarded as a thoughtful senator who does his homework. He says he is against ratification of the canal treaties as they are now written, but stresses his opposition is not the mindless, emotional opposition we're hearing so much of.

His concern is the security of the United States and the strategic value of the canal.

We don't argue with his concern, but we would like to hear more about the military realities of the canal and its role in U.S. defense.

The Navy has changed since World War II when the United States Navy was the strongest Navy on earth. It played a critical role in our victories.

Those same ships played another important role during Korea, but not to the extent of World War II when fleets battled in the far reaches of the oceans.

Many of those same, tired ships returned again when Vietnam flared up. Absolutely unopposed by enemy naval forces, except for the controversial Tonkin Gulf PT boat scare, the ships played a major role in air strikes against North Vietnam.

Those naval air strikes continued long after the less expensive ground-based Air Force capability was established in Thailand and South Vietnam.

There were many ships deployed in Vietnam waters that played minor support roles and ended up spending a fair amount of time engaged in exercises.

The Navy played virtually no role in moving troops to the embattled country. Most everyone arrived by chartered commercial aircraft.

Surface ships, mostly battered representatives of America's merchant fleet, did carry considerable war material to Vietnam. There was never any attempt to stop them in a short section of the Saigon River where there were incidents of small arms attacks.

Looking back, there is an appearance that Navy admirals, like bureaucrats everywhere, may have been protecting their influence by doing all they could to participate and therefore get bigger budgets.

Although successful in keeping the Navy in the war, the admirals failed to convince Congress to keep pace with Soviets in naval weapons systems.

Just as the battleship was doomed as obsolete in World War II, the surface Navy concept is facing changing times. Vietnam illustrated the worth of super carrier air strike capability in a conventional, but unopposed war setting.

During the Vietnam era, an incident occurred during the Arab-Israeli Six-Day War in 1967 that received little notice back home, but did receive considerable attention by Navy observers. That was the sinking of an Israeli destroyer by a Russian-made missile fired from an Egyptian PT boat.

The threat to the surface Navy from relatively inexpensive missile PT boats set aircraft and highly sophisticated submarines carrying atomic multiple-warhead missiles is considerable. That's the Navy a lot of people mean when they talk about ships being able to use the Panama Canal. And that excludes the super carriers which are too big for the canal.

If we're going to be realistic about the canal, let's get down to the real world of 1978 and examine our military options in between gasps of "giveaway!"

Furthermore, it hasn't been demonstrated what the strategic value of the canal really is. What ships would have to use it and under what circumstances?

The real bottom line will be our will to defend the canal if we insist on keeping it, or the desire and ability to take it back by force if we don't.

A piece of paper won't mean a thing.

INFLAMING THE ISSUE

There obviously are two sides (or more) to the Panama Canal treaty issue, but it really isn't fair for one of Idaho's favorite U.S. Congressmen to distort the facts this week by opposing Senate ratification on grounds that the "Canal Zone is sovereign American territory" and that the canal doubles the strength and effectiveness of the U.S. Navy.

This, of course, echoes the recent testimony of Ronald Reagan before the obscure Senate judiciary subcommittee, where he and others were invited in attempts to torpedo the new treaties before the full Senate hearings can take place.

The odd thing in the subcommittee hearing was the testimony of the first witness. California Senator S. I. Hayakawa, who opposed the treaty during his campaign for the Senate but now, to the consternation of many of his friends, seems ready to side with the Administration.

The heart of Reagan's case was quite simple:

"To this day," he said, "it is those rights of sovereignty (granted in the original treaty of 1903) which undergird our ability to operate and defend the canal . . . Once those rights are removed—and they will be removed immediately if the new treaties become effective—there is nothing to prevent a Panamanian regime from deciding one day to nationalize the Canal and to demand that we leave immediately. We cannot be certain that as the American presence withdraws from the Canal Zone, new demands for accelerated withdrawal will not be made under threat of violence. We cannot be certain that outside influence hostile to hemispheric security will not make their presence much greater than before in Panama."

That's Reagan's script, vague and suggestive phrased in a way to scare the stuffin out of responsible citizens like Reagan, George Hansen and Steve Symms: President Carter wants to give away U.S. sovereignty over the canal and turn it over to hothead latins, dictators, Marxists, Russians and God-knows-who.

This week's testimony of the Joint Chiefs of Staff that the treaties would enhance hemispheric security and give the United

States a better guarantee of preferential use of the canal is a more difficult concept to sell because it is based on use rather than sovereignty, on world realities rather than Cold War emotionalism.

The Reaganites glide over the fact that the U.S. never has held legal sovereignty over the Canal Zone, but only the image of sovereignty. The precise words of the 1903 treaty are "All the rights, power and authority . . . which the United States would possess if it were sovereign."

In 1903 the Panamanians did not wish to give us the right to behave as a sovereign. They have protested it ever since. Since 1964 the U.S. has promised to revise the wording to abandon the sovereignty image, which was extracted from Panama under duress.

Reagan should at least acknowledge the canal issue in the context of its acquisition, when Colombia actually was the sovereign. The United States was unable to negotiate successfully on its own terms with Colombia, so it gave military support to the Panama revolutionaries and in effect took Panama from Colombia.

The actual negotiation for the Canal Zone in reality was not with Panama at all, but was with a French journalist in New York named Bunau-Varilla, who negotiated the 1903 treaty in Panama's name and put his name to the document. He did this despite the strong objections of his fellow negotiators, who were Panamanians and who refused to sign.

When Panama's foreign minister read a cabled version of the treaty and rejected it, Bunau-Varilla fired off an angry demand that Panama immediately ratify the agreement. If not, he said, the U.S. would withdraw its navy and other military support, and leave the tiny country that had just declared its independence from Colombia to the almost certain invasion of Colombia, which would dissolve the Panamanian government and hang the revolutionaries.

It was widely believed that U.S. Secretary of State John Hay was inspiration for the successful threat. Whatever the case, it worked and Panama signed where they were told to sign.

Regardless of its pretensions, the U.S. has never been anything more than a powerful tenant on Panamanian soil, and since 1964 it has been negotiating a new treaty that would recognize that fact openly. In any real moral sense, this country has no choice but to recognize Panama's sovereign claim to the canal, and there is nothing that could enhance this country's prestige and influence throughout Latin America and the world at large as conclusion of the new treaties with good grace and in good time.

Nothing could be a greater threat to the safety of the canal than Senate refusal to ratify the treaties already signed, even though President Carter's first attempts to win support have been clumsy, and the heavy-handed pressure being applied for a quick first attempt to win support have been clumsy, and the heavy-handed pressure being applied for a quick vote has been resented. Reagan and Idaho's representatives, among others, are inflaming the problem caused in part by Carter's parade of lobbyists and lack of subtlety.

Congressman Hansen's contention this week that the canal doubles the effectiveness and strength of the U.S. Navy is the most unreasoned, ridiculous contention yet injected into the issue.

The navy's capital ships could not get through the canal if we wanted them to, and that is one reason we keep full fleets in both oceans—but only one of many reasons. Hansen forgets how easy it is to close Great Britain's Suez Canal a few years ago in a similar confrontation with Egypt, and he glosses over the fact that the new treaty formally gives the U.S. authority to protect and defend the canal, even against Panama if necessary.

Certainly the canal would be more secure in a friendly environment than it can be in the hostile legacy of our gunboat diplomacy.

John Hay, the Secretary of State who negotiated the treaty of 1903, confided in a letter to Sen. John Spooner that the treaty was "vastly advantageous to the United States and, we must confess with what face we can muster, not so advantageous to Panama. You and I know too well how many points there are in this treaty to which a Panamanian patriot could object."

They have been objecting for 74 years.

[From the News-Tribune, Nov. 4, 1977]

CANAL PROPAGANDA

A dramatic example of how the Panama Canal issue has divided Americans across party lines came the other day when "kick-em-in-the-teeth" movie actor John Wayne endorsed the treaties in a special article for the Washington Post.

Wayne, not noted for being liberal and backing down with the American flag, wrote: "I have carefully studied the treaties, and I support them on the basis of my belief that America always looks to the future and that our people have demonstrated qualities of justice and reason for 200 years. That attitude has made our country a great nation."

We like his tempered remarks and note his interest in Panama goes back to the 40s. He said he was appalled when President Eisenhower appeared to have given the sovereignty of the canal away by allowing the Panamanian flag to fly there. He checked and discovered the United States, in the Arias-Roosevelt Treaty of 1936, recognized the sovereignty of Panama in the Canal Zone as it was originally stated in the 1903 agreement.

Secretary of State Cyrus Vance, in remarks before the House Committee on International Relations, recently reminded treaty critics the United States does not have sovereignty in the Canal Zone. The zone has never been like Alaska or Louisiana which the United States purchased. The Canal Zone was never purchased.

Yet treaty critics insist on shouting about the "proposed giveaway of the Panama Canal."

Congressman Philip M. Crane, chairman of the American Conservation Union write: "The building of the canal was a great accomplishment of this century. The surrendering of the canal would be a severe blow to American pride."

That sounds very much like Ronald Reagan, the near Republican candidate for president who largely is responsible for igniting the emotionalism surrounding the treaties.

The campaign being waged to sway grassroots opinion is very impressive. This newspaper has received many, many newsletters, news releases, columns and undisguised propaganda on the canal. The volume of letters to editors on the topic has been heavy.

Much of the pro and con material flatly contradicts each other with "facts."

One side claims the canal would be easily defended because of its clearly defined geographical boundaries and jungle surroundings. The other claims its capture or sabotage would be easy.

One side claims the Panamanian government is Communistic, others vigorously deny it.

The contradictions are hard to evaluate. It's easier to listen to slogan-shouting. In fact it's beginning to remind us of history's "Remember the Maine!" from an era in which the United States acted in a manner that might embarrass even today's "Save the Flag" crowd.

We tend to listen more carefully to those who speak in softer voices.

It appears to us the pro-treaty group is speaking softer. We're listening.

[From the Idahonian, Sept. 6, 1977]

ON BALANCE, A PLUS

Watch out! We're going to brainwash you.

At least that's what Idaho Congressman George Hansen says the press is doing to the American public on the Panama Canal issue. Indications are you don't brainwash easily, but we'll give it a try.

Hansen, Congressman Steve Symms and others contend the treaty President Carter wants Congress to approve amounts to giving away a canal that we built and paid for and that is a part of the United States. A letter that came in to the Idahonian the other day from another treaty foe even suggested that the Canal Zone become the 51st state.

Opponents claim there is nothing to be gained from the treaty and much to be lost. They object to "giving in" to a dictator such as Panama's President Torrijos, whose record on human rights indeed is not very appealing. They assail the payments the U.S. must make as part of the treaty as being an unnecessary burden on the taxpayer.

And this week a Steve Symms press release alleges that one of the U.S. negotiators, Sol Linowitz, has ties to banks that are owed large amounts by Panama, ties that amount to a serious conflict of interest.

We describe the opposition first so that arguments of treaty supporters will come at the end of the editorial and will be uppermost in your mind when you finish. We do that because, on balance, the supporters appear to have slightly the better of the argument. Not overwhelmingly, however.

Their arguments focus more on the psychological impact of the treaty on Panama, the rest of Latin and South America, and the world. That impact is important to us. The treaty does represent a drawing back from what is widely viewed as a colonial position in Panama. It would be seen, too, as a mark of this nation's interest in cooperating with other nations on world-wide problems, such as arms control and the pursuit of peace in the Mideast.

To back away from a treaty after 13 years of negotiations under four Presidents would shout a sharply different message to the world.

Supporters fear guerrilla uprisings if the treaty isn't signed, while opponents say Panamanians opposing the treaty will become a threat if it is signed. There is danger in both cases, and deciding one is more dangerous than the other is probably a futile exercise. Sabotage must and will be guarded against regardless of who controls the canal.

It may be that the treaty, arrived at through negotiation rather than imposed arbitrarily as was done in 1903, would strengthen our position around the canal militarily. Two former secretaries of state, Dean Rusk and Henry Kissinger, insisted in testimony Wednesday that the U.S. would have more authority over the waterway than has been the case.

The treaty provides for U.S. military intervention if necessary to keep the canal open and neutral. Rusk and Kissinger both argued that we would have much more international support for such action if we accept the treaty than if we throw it out. The assemblage of South and Central Latin American heads of state for the treaty signing last week supports the Rusk-Kissinger claim.

The President has been pushing the treaty hard, and newspapers have displayed prominently the statements of political leaders of varying persuasions who are supporting the agreement. Public opinion polls nevertheless indicate almost half the American public is against the treaty, and only a third favor it, and Congressional opposition is vocal. That doesn't sound like the brainwashing that George Hansen is worried about is working very well.

The media will probably keep slugging away, however, because the proposed treaty

doesn't really seem to be the threat its detractors claim.

THE PANAMA CANAL TREATIES

● Mr. PELL. Mr. President, this past Tuesday, February 28. I addressed the Senate on the Panama Canal treaties and responded to several frequently voiced criticisms of those treaties. Among the criticisms to which I responded was one that arose during the course of the hearings held by the Armed Services Committee.

That criticism dealt with the contingency payment of $10 million which would be made to Panama annually under article XIII of the Panama Canal Treaty if revenues of the canal permit it. Since any unpaid amounts under this item carry over to succeeding years—again to be paid if revenues permit—the question arose as to whether the total of such unpaid balances that have accrued when the canal is turned over to Panama in 1999 will have to be paid by the United States. Such an unpaid balance could be as high as $220 million, and it was alleged that Panama maintained, contrary to what administration spokesmen had told the Senate, that the United States would be liable for the payment of the unpaid balance of this contingency statement.

When I responded to this criticism on Tuesday, I referred to administration statements to the effect that Panama understood that the United States was under no obligation to pay off any accumulated unpaid balance on this item in 1999. Aithough I was satisfied with that statement, it would obviously be preferable if the Panamanians themselves acknowledged officially that the United States is under no obligation to pay any accumulated unpaid contingency payments. In this connection, I am pleased to inform my colleagues that on Tuesday, the very day that I addressed the Senate on this point, Dr. Nicolas A. Barletta, the Minister of Planning and Economic Development of Panama, was making a speech in San Francisco and responded to a question on this point. Since his response removed any doubt that Panama does not expect the United States to pay any unpaid contingency payments in 1999, I would like to share with my colleagues the question posed to Dr. Barletta and his response to it:

Question: If there is an accumulated unpaid balance under Article XIII (4) (C) of the contingency payment stipulated in the Panama Canal Treaties, would the U.S. be liable for payment of the accumlated unpaid balance?

Dr. BARLETTA. Actually this question refers to the fact that in the treaties Panama should be getting $10 million a year from the revenues of the Canal operation and an additional $10 million if the revenues permit. If revenues do not permit, the deficit will be accumulated to be paid by revenues from later years. If there is an accumulated deficit by the time the treaty ends, in 1999, that's it, the U.S. is not committed to make it up if such amount has not been able to be collected from the revenues of the canal operation. We do not hope in our interpretation of this clause of the treaty, that the U.S. is committed to pay any such deficit that might have accumulated. However, I would like to say, that in our estimation, the revenues of the canal and all the projections and studies that have been made should be able to cover this second $10 million that should come to Panama if revenues permit, so I don't foresee much of a problem in respect to deficit. But if such a deficit is accumulated and is pending when the treaty ends, then the U.S. is not committed to make it back from the U.S. Treasury.●

DENISON KITCHELL ON THE PANAMA CANAL

● Mr. GOLDWATER. Mr. President, yesterday, the senior Senator from Maine, Mr. MUSKIE, used a quotation from a new book about the Panama Canal written by the distinguished attorney and my close friend, Denison Kitchell, which the Senator argued supports the claim that the 1903 treaty was not acceptable in Panama at that time.

It appears from the Senator's remarks that he may have inferred that I share this erroneous interpretation of Mr. Kitchell's book because the Senator mentioned that I wrote a foreword to that book.

Mr. President, nothing could be further from the point, which Mr. Kitchell made in his book at the place cited by the Senator from Maine, than the interpretation which the Senator gave to it. The quotation from Mr. Kitchell's book was clearly taken out of context, as anyone who has read the book would know at a glance.

The passage quoted from reads as follows:

> There never was such a one-sided treaty. If it had been written at the conclusion of a war between the United States and Panama and the money payments had run the other way, it would have served as a document of unconditional surrender.

So it is true the treaty was one-sided. But that does not mean that the treaty did not serve Panama well or was not acceptable to Panama. If the Senator from Maine had continued his quotation from Mr. Kitchell's book, he would have read, on the immediately following page, these clarifying statements:

> If one looks at the Hay Bunau-Varilla Treaty in the context of the time at which it was signed, it served Panama well. Not only served, but saved her. Perhaps no one but Bunau-Varilla would have had both the wisdom and the temerity to contrive it. Panama was a nation two weeks old. Her government was scarcely established. Her ability to preserve law and order, much less her independence from Colombia, was negligible. She could only continue to exist and develop as a nation if the United States were willing to build a canal across her territory and protect her. Within the United States there were powerful forces bent on having the canal built across Nicaragua. Those forces had to be thwarted at any price if Panama was to become the canal site. It is doubtful that a treaty less favorable to the United States would have sufficed.
>
> Looked at from the United States viewpoint at that time, it is highly questionable whether a less favorable treaty, a treaty that went no further in making concessions to the United States than the Colombian treaty did, would have been realistic. With Colombia, the United States had been dealing with a nation three-quarters of a century old, a nation with an established, albeit shaky, government, a nation with a military force at least capable of keeping the peace. Building and operating a canal under treaty arrangements with such a nation obviously did not require the broad assumption of governmental responsibilities and corresponding rights, the assurances of stability, even the assurance of mere continued existence, that were needed in dealing with the Panamanian embryo.
>
> On balance, regardless of Bunau-Varilla's selfish and French-devoted motives, the Hay-Bunau-Varilla Treaty, at the time it was entered into, was the treaty needed by both Panama and the United States. . . .

And, it should be remembered that despite what Panamanians may say about the treaty today, the voice of the Panamanian people in 1903 was supportive of the treaty. It is an often overlooked historical fact that the revolutionary government directed in 1903 that all the cabildos, that is the equivalent of town councils, be canvassed for their opinion. Within a few weeks, every cabildo in Panama had passed, by unanimous vote, a resolution approving the treaty.

As Paul B. Ryan observes in his book, "The Panama Canal Controversy," since at the time there existed no assembly or congress, this early expression of public opinion was evidence that most of Panama was satisfied that the treaty served their needs.

Now, this is not to contend that Mr. Kitchell or I believe that the 1903 Treaty, with its amendments, should be cemented for all time. Mr. Kitchell recognizes that there are grounds for making changes and he has proposed specific guidelines as to the shape a new treaty might take.

There is no question, however, that Mr. Kitchell strongly opposes, as do I, the present treaties because, among other things, they would jeopardize three basic U.S. interests, foreign relations, foreign trade, and national security.

Mr. President, I regret very much that a distortion of Mr. Kitchell"s book was made on the Senate floor, and I commend his book to my colleagues to be read in full because it is an objective and all-inclusive source of information about the Panama Canal.●

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes, with statements therein limited to 5 minutes each, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 110, 95th Congress, appoints the Senator from Kansas (Mr. PEARSON) to serve as a member of the Select Committee on Ethics solely for the purpose of such initial review or investigations as to which the Senator from Texas (Mr. TOWER) has disqualified himself.

The Chair, on behalf of the Vice President, appoints the Senator from South Dakota (Mr. MCGOVERN), chairman, to the British-American Parliamentary Conference, to be held in Washington, D.C., April 2–5, 1978.

The Chair, on behalf of the Vice President, pursuant to title XX, United States Code, sections 42 and 43, appoints the Senator from North Carolina (Mr. MORGAN) to the Board of Regents of the Smithsonian Institution, in lieu of the Senator from Rhode Island (Mr. PELL), resigned.

ORDER VITIATING APPOINTMENT BY THE VICE PRESIDENT

Mr. STEVENS. Mr. President, as in legislative session, I ask unanimous consent that the Republican appointment made on behalf of the Vice President to the Senate Ethics Committee on February 28 of this year be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

MIDEAST ARMS SALES

Mr. CHURCH. Mr. President, Congress and the executive branch will soon be facing a very difficult issue which could have a profound impact upon efforts to achieve peace in the Middle East. The proposed $4.8 billion sale of 15 F–15's and 75 F–16's to Israel, 60 F–15's to Saudi Arabia, and 50 F–5E's to Egypt will be formally before Congress within a matter of weeks. The proposals will require extensive hearings and the most careful analysis before our decision is made.

Clearly, much more is involved than simple military equations. We must weigh the effect of a sale of such magnitude upon our future relations with the three nations in the Middle East which now look to us for military equipment.

Certainly none of us will ignore the close ties with Israel which have endured since the creation of that state after World War II. There have been moments of concern in that relationship, and there have been differences, but the United States and Israel have stood strongly together and must continue to do so.

In recent years, the United States has come to depend upon Saudi Arabia as a source of vitally important oil, and that reliance can only grow in the years ahead. However, our close ties with Saudi Arabia involve much more than oil.

Saudi Arabia and the United States have been allied for decades—to our mutual benefit. Saudi Arabia has proved time and again to be a moderating and stabilizing influence—often at great political risk.

For years, the United States and Egypt were at odds. Now, under the dynamic leadership of President Anwar Sadat, Egypt is in the forefront of those Arab nations seeking a solution to continuing hostility in the Middle East.

Certainly, a good relationship with these three nations is in the national interest of the United States.

The Prime Minister of Israel, Menachem Begin, is to visit Washington in the middle of March for further talks on the Middle Eastern situation. We should take advantage of that visit to discuss directly issues related to the search for settlement and the possible impact of such a packaged sale.

We must find a way to meet the legitimate needs of these three countries without increasing the risk of further hostilities, and without endangering the security of our friends and allies. We should avoid a rush to judgment now. A confrontation between Congress and the executive branch is in no one's interest.

It is to everyone's advantage that all possible options be explored, and that there be full public discussion of these issues. If our final decision is taken carefully and judiciously, it should make a strong contribution to the search for a workable settlement and for stable relationships in that region of the world.

Mr. DOLE. Mr. President, I concur in the statement just made. It is an excellent statement. As the Senator from Idaho has pointed out, it is a situation which deserves the most careful consideration by the appropriate committees and by this body. The statement is timely, balanced, objective, and should be well received.

(This concludes proceedings which occurred earlier in the day.)

U.S. FOREIGN AID PROGRAMS

Mr. CASE. Mr. President, this morning, Secretary of State Vance testified before the Senate Committee on Foreign Relations on fiscal year 1979 development and security assistance legislation. One of the issues before the committee is the proposed revision of U.S. foreign aid programs contained in S. 2420, the International Development Cooperation Act of 1978.

As a cosponsor of that legislation with Senator SPARKMAN, I was pleased that Secretary Vance offered to return to the committee to testify after the President makes his decision on the bill. I look forward to that testimony when the committee resumes hearings after resolution of the Panama Canal debate.

S. 2420 was the last major legislative initiative by Senator Humphrey and stemmed from discussions we had last year on the need to revise the foreign aid legislation now on the books. The Foreign Assistance Act dates back to 1961 and has been amended since then by 28 separate acts of Congress.

As I said at the time of its introduction, the bill should be considered as live legislation and not just a gesture to our dear friend Hubert.

This legislation is a long overdue effort to provide the statutory and organizational framework required to make foreign aid programs effective, efficient components of foreign policy.

Since I came to the Senate, I have supported most of our foreign aid efforts because I believe that they serve both the short- and long-term interests of our Nation. But I have come to know their weaknesses as a friend knows the frailties of a friend.

Our aid policies and programs are not well coordinated. They complement each other too rarely and conflict too often.

Our aid programs seek to achieve too many objectives—and as a result, sometimes achieve too few.

They serve too many masters among the agencies of the executive branch—and may serve none well.

In particular, we must have more effective coordination between our bilateral and multilateral aid. I have become convinced that effective coordination cannot be achieved if bilateral aid is administered by one agency and multilateral by another. The bill would resolve that problem.

Mr. President, I understand that some in the executive branch doubt our commitment to this bill. I would like to say that this is a wrong reading of our feelings about this bill, which has 25 cosponsors.

Of course, there are likely to be some changes in the bill. We are open to suggestions for improvement and refinement and we are not wedded to every line. In the end, I believe the Senate will pass this legislation and I believe our colleagues in the House will give it their most serious and favorable consideration.

We have talked for years about a fundamental reform of foreign aid. This is an opportunity which should not be passed up. I hope that the administration will overcome the tendency of bureaucrats to fight over turf and recognize that the bill fits in with the goals enunciated by President Carter more than a year ago to reorganize and to improve the Federal Government's machinery.

I urge the executive branch to seize this opportunity—to work with us to shape and improve this bill—to develop a statute that will improve the policies and implementation of our foreign aid program.

ALASKAN OIL REACHES EAST COAST

Mr. STEVENS. Mr. President, I call the attention of the Senate to the fact that today the New York Times in its business and finance section announced the first arrival of Alaskan oil in the New York area after a voyage of nearly 10,000 miles involving three tankers, the first shipment of Alaskan crude arrived in New York on the *Erna Elizabeth*, a 35,000-ton tanker. It docked at the Chevron, Perth Amboy, N.J. terminal to unload the cargo it picked up off the Panama Canal.

This article points out that this oil entered the Alaska pipeline on January 25, 1978. It reached Valdez on February 2. On February 15 it was "lighted," since the *Prince William Sound*, the 120,000-ton tanker that made the 13-day trip to the Panama Canal, was too large for the canal. It was placed upon the 35,000-ton *Erna Elizabeth*, a tanker that took a 48-hour trip through the canal and then a 13-day voyage to New Jersey.

I am pleased to see this because it indicates an awareness in the New York financial community of the importance of Alaska's resources. I would hope that it signals an increased awareness of the whole Nation as to the value of Alaska's oil and gas.

However, I want to point out that the difficulty with Alaskan oil going through

the canal in this fashion is that with a first sale control price, the State of Alaska loses every time the lightering process takes place and our oil goes through in a smaller tanker. The net result of a projected 100 percent increase in canal tolls, which I believe will take place if the canal treaty is approved, is an annual loss of wellhead revenues of about $24.4 million. The net effect of that is that the State of Alaska, which owns this oil, loses from its one-eighth share approximately $3.1 million annually, and the Alaskan Natives, who receive 2 percent of this amount, being approximately one-sixth of the State's share, lose $488,000 a year. If there was a 30 percent increase in price, as it was provided in the Senate Foreign Relations Committee, the increase would be $4.8 million, the State's loss would be $600,000 a year, and the Native's loss would be $148,000 a year.

I merely point this out because we are awaiting the approval by the national administration and the State of California of the so-called SOHIO project, which would take Alaska's oil from Long Beach across in the gas pipeline that El Paso Natural Gas built to bring gas from the Midland, Tex., area in California. This line would be reversed and used to take oil from Long Beach, Calif., over to the Midland, Tex., area where it would enter the existing oil pipeline system.

This is just the first of a series of pipelines which need to be built. The distinguished occupant of the chair (Mr. MELCHER) and I have sought construction of another pipeline to take oil across from the Pacific Northwest into the Northern Tier.

This concept of using the canal after having our oil lightered from the large tankers into the smaller tankers is so expensive that I hope the financial community of New York will wake up. The people of New York in the end are going to pay more. At the present time, with the control price, the increased cost of lightering in going through the canal comes out of the producers' income and the State of Alaska's income, but in time that price has to go up, and as it goes up it will be an increased cost to the consumer as well.

I hope, as I said, the financial community not only of New York, but of the whole Nation starts becoming aware of the economics of the development of Alaska's oil and gas resources.

S. 2637—HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1978

Mr. PROXMIRE. Mr. President, I am introducing, at the request of the administration, a bill entitled "The Housing and Community Development Amendments of 1978." The proposed legislation would amend and extend a number of HUD housing, community and neighborhood development, and related programs.

The bill would provide funding authorizations for fiscal years 1979 and 1980 for the housing, community development and related programs, and extend HUD–FHA mortgage insurance and related authorities contained in the National Housing Act, the national flood insurance program under the National Flood Insurance Act of 1968, the rehabilitation loan program under section 312 of the Housing Act of 1964, and the crime insurance and riot reinsurance programs under section 1201 of the National Housing Act. The proposal also includes several significant new initiatives.

For fiscal year 1979, the legislative proposal would provide, subject to approval in an appropriation act, $1,195,043,000 of additional annual contributions contract authority for the public housing and section 8 housing assistance payments programs, and would authorize $729 million to be appropriated on or after October 1, 1978, for operating subsidies for conventional public housing projects.

The proposal also would provide authorizations for fiscal year 1979 of $95 million for rehabilitation loans under section 312 of the Housing Act of 1974, $20 million for the urban homestead program under section 810 of the Housing and Community Development Act of 1974, and $57 million for comprehensive planning under section 701 of the Housing Act of 1954. Additionally, the total amount of Government National Mortgage Association purchase authority pursuant to section 305 (special assistance) of the National Housing Act would be increased by $1.5 billion, subject to approval in an appropriation act, on October 1, 1978. These proposed funding authorizations will assure that these programs may continue to be used effectively to aid in urban revitalization, and to encourage the development of coordinated local, areawide and State comprehensive planning and community development strategies. In addition, the proposal would provide an authorization for fiscal year 1979 of $62 million for research under title V of the Housing and Urban Development Act of 1970 in order to support research begun in prior years in major fields, as well as to begin focused research efforts in areas of major concern.

The proposal would provide an authorization of $114 million for fiscal year 1979 for flood insurance studies under the National Flood Insurance Act of 1968.

For fiscal year 1980, the legislative proposal would provide additional annual contributions contract authority on October 1, 1979, in such amount as may be approved in an appropriation act for the public housing and section 8 housing assistance payments programs, and would authorize $800 million to be appropriated on or after October 1, 1979, for operating subsidies for public housing projects. It would provide authorizations of appropriations for fiscal year 1980 of $95 million for section 312 rehabilitation loans and $57 million for the section 701 comprehensive planning program, and of such sums as may be necessary for the urban homestead program, for research under title V of the Housing and Urban Development Act of 1970, and for flood insurance studies.

The proposed 2-year extension of the HUD–FHA mortgage insurance and related authorities would assure the availability without interruption of mortgage insurance under important programs under the National Housing Act. The extensions of the crime insurance, riot reinsurance, and flood insurance programs are necessary to assure the continued availability of vital insurance coverages under those programs at a reasonable cost.

The bill also proposes a new program of operating subsidies for troubled multifamily projects. The subsidies originally provided under the section 236, section 221(d)(3)—below market interest rate, and rent supplement programs have not been adequate to bridge the gap between rapidly rising operating costs and relatively static rental incomes. The new program would make available, on an annual basis, assistance payments to owners of projects insured under the National Housing Act and assisted under these programs. This proposal is judged by HUD to be essential in preventing additional foreclosures and avoiding substantial rent increases which could jeopardize the low-to moderate-income character of these projects. The proposal would encourage sound project management by restructuring payments to projects which are being operated and managed in accordance with sound management improvement and operating plans approved by the Secretary. A funding authorization of $74 million for fiscal year 1979 and of $96 million for fiscal year 1980 is proposed for making payments under this program.

The proposal also includes a new focus, within the section 202 (housing for the elderly and handicapped) program, on innovative ways of providing housing and related facilities specifically designed for handicapped (primarily nonelderly) persons. Not less than $50 million of the funds available in appropriation acts for the section 202 program for fiscal year 1979 would be set aside statutorily for this purpose.

The proposal also would amend the section 8 housing assistance payments program to create a new moderate rehabilitation category designed to encourage upgrading and improved maintenance through less than substantial rehabilitation.

The bill would initiate an urban extension service to assist State and local governmental entities and certain nongovernmental entities in implementing the Department's programs. An appropriation authorization of $10 million for each of fiscal years 1979 and 1980 is requested for carrying out the program.

In addition to the proposals discussed above, the proposed legislation contains a number of other provisions designed to facilitate or improve the administration of the Department's existing authorities. Among these are proposed authority for the Secretary to insure individual condominium units in conventionally financed existing condominium projects and amendments to the Interstate Land Sales Full Disclosure Act and the Real

Estate Settlement Procedures Act of 1974 which would, among other changes, provide more effective mechanisms for enforcing those acts.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Community Development Amendments of 1978".

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

REHABILITATION LOANS

SEC. 101. (a) Section 312(c)(4) of the Housing Act of 1964 is amended by striking out "$50,000" in subparagraph (B) and inserting in lieu thereof "$100,000".

(b) Section 312(d) of such Act is amended by striking out "and not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977" and inserting in lieu thereof "not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977, not to exceed $95,000,000 for the fiscal year beginning on October 1, 1978, and not to exceed $95,000,000 for the fiscal year beginning on October 1, 1979".

(c) Section 312(h) of such Act is amended by striking out "1979" each place it appears and inserting in lieu thereof "1980".

URBAN HOMESTEADING

SEC. 102. The first sentence of section 810 (g) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" immediately following "fiscal year 1977,"; and

(2) by inserting immediately before the period at the end thereof a comma and the following: "not to exceed $20,000,000 for the fiscal year 1979, and such sums as may be necessary for the fiscal year 1980".

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AMENDMENTS

SEC. 103. (a) Section 104(a)(4)(B)(i) of the Housing and Community Development Act of 1974 is amended by adding "including existing dwelling units to be upgraded and thereby preserved," immediately following "existing dwelling units,".

(b) Section 105(a)(11) of such Act is amended to read as follows:

"(11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate to the community development program;".

TITLE II—HOUSING ASSISTANCE PROGRAMS

OPERATING SUBSIDIES FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

SEC. 201. (a) The purpose of this section is to provide assistance to restore or maintain the financial soundness, and to maintain the low- to moderate-income character, of certain projects covered or formerly covered by mortgages insured under the National Housing Act.

(b) The Secretary of Housing and Urban Development (hereinafter "Secretary") is authorized to make and to contract to make, in accordance with the provisions of this section, assistance payments to owners of rental or cooperative housing projects meeting the requirements of this section.

(c) A rental or cooperative housing project shall be initially eligible for assistance under this section only if such project (1) is covered by a mortgage (including a mortgage assigned to the Secretary) insured under the National Housing Act and assisted or approved for assistance under section 236 or the proviso of section 221(d)(5) of such Act, or under section 101 of the Housing and Urban Development Act of 1965, or (2) met the criteria specified in clause (1) of this sentence and has been acquired and sold by the Secretary, subject to a mortgage insured or held by the Secretary, to a purchaser with whom, at the time of sale, there is an agreement to maintain the low- to moderate-income character of the project, and (3) meets such other requirements as the Secretary, in the Secretary's discretion, may prescribe. Assistance payments may be made available under this section with respect to projects meeting the criteria specified in clause (2) of the first sentence of this subsection, which we sold on or after the effective date of this section, only if the Secretary provides at the time of sale that such assistance payments will or may be made available for the project.

No assistance payments shall be made under this section unless the Secretary has determined that (1) such payments are necessary to restore or maintain the economic soundness of the project and to maintain its low- to moderate-income character and (2) the project is being operated and managed in accordance with a management improvement and operating plan approved by the Secretary.

(d) Any assistance payments made pursuant to this section with respect to any project shall be made on an annual basis, payable at such intervals as the Secretary may determine, and may be in any amount which the Secretary, in the Secretary's discretion, determines to be consistent with the purposes of this section, but shall not exceed the differential, as determined by the Secretary, between the projected income to be received for the project, and the estimated expense and costs of operating the project, during the period for which such payments are made. For purposes of this section, such projected income shall include all anticipated rental and other income, and all housing subsidies, as defined by the Secretary, to or on behalf of the project or residents thereof, taking into account the income level of such residents, and shall include interest differentials or any other payments to a mortgagee. Such estimated expense shall reflect such necessary operating costs as, but not limited to, taxes, utilities, maintenance, management, insurance, debt service and repairs, and such other allowances related to the costs of operating the project as the Secretary may approve, and shall be based on an annual operating budget for the project submitted by the owner and approved by the Secretary, taking into account such standards for operating costs in the area as may be determined by the Secretary.

In order to carry out the purposes of this section, the Secretary is authorized, notwithstanding the provisions of section 236(f)(1) of the National Housing Act, to provide, in the Secretary's discretion, that, for purposes of establishing a rental charge under section 236(f)(1) of such Act, there may be excluded from the computation of the cost of operating a project an amount equivalent to the amount of assistance payments available for the project pursuant to this section.

The Secretary may, at any time, approve adjustments in such annual operating budget and in the amount of such assistance payments to the extent that the Secretary determines that such adjustments are necessary and appropriate to reflect increases or decreases in the amount of income to the project or in the actual and necessary expenses of operating the project. Any continuation of such payments beyond the first annual period for which the payments are made shall be in the Secretary's discretion, and shall be subject to the provisions of the second sentence of subsection (c) and such other criteria as the Secretary may prescribe.

(e) The Secretary is authorized to issue such rules and regulations as may be necessary to carry out the provisions and purposes of this section, including regulations requiring the establishment of a project reserve or such other safeguards as the Secretary determines to be necessary for the financial soundness of any project for which assistance payments are provided.

(f) There are authorized to be appropriated for the purpose of making payments under this section not to exceed $74,000,000 for the fiscal year 1979, and not to exceed $96,000,000 for the fiscal year 1980. Any amounts appropriated under this section shall remain available until expended. Notwithstanding any provision fo section 236(g) of the National Housing Act, all rental charges in excess of the basic rental charges which are credited to the reserve fund established pursuant to section 236(g) after September 30, 1977, shall be merged with and be in addition to any appropriation under this subsection, and all such excess rental charges collected and paid to the Secretary after September 30, 1978, shall be credited to and be in addition to any appropriation under this subsection.

HOUSING FOR THE HANDICAPPED

SEC. 202. Section 202 of the Housing Act of 1959 is amended by adding at the end thereof the following new subsection:

"(g) Of the amounts made available in appropriation Acts for loans pursuant to subsection (a)(4)(C) for the fiscal year commencing on October 1, 1978, not less than $50,000,000 shall be available for loans for the development of rental housing and related facilities specifically designed to meet the needs of handicapped (primarily nonelderly) persons. The Secretary shall take such steps as may be necessary to assure that—

"(1) funds made available pursuant to this subsection will be used to support innovative methods of meeting the needs of handicapped persons by providing a variety of housing options, ranging from small group homes to independent living complexes; and

"(2) housing and related facilities assisted under this subsection will provide handicapped persons occupying units within such housing with an assured range of services specified under subsection (f) and the opportunity for optimal independent living and participation in normal daily activities, and will facilitate access by such persons to the community at large and to suitable employment opportunities within such community.".

LOW-INCOME HOUSING

SEC. 203. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" immediately following "October 1, 1976,"; and

(2) by inserting immediately after "on October 1, 1977," the following: "by $1,195,043,000 on October 1, 1978, and, on October 1, 1979, by such amount as may be approved in an appropriation Act".

(b) Effective on October 1, 1978, section 5(c) of such Act is further amended by striking out the second and fourth sentences thereof.

(c) Section 8(d)(1)(B) of such Act is amended to read as follows:

"(B) the owner shall have the right to give notice to vacate, in accordance with regulations prescribed by the Secretary;"

(d) Section 8(e) of such Act is amended by adding at the end thereof a new paragraph (5) reading as follows:

"(5) For the purpose of upgrading and thereby preserving the nation's housing stock, the Secretary is authorized, notwithstanding any other provision of this section, to make assistance payments under this section directly or through public housing agencies pursuant to contracts with owners

or prospective owners who agree to upgrade housing so as to make and keep such housing decent, safe and sanitary through upgrading which involves less than substantial rehabilitation, as such upgrading and rehabilitation are defined by the Secretary. The Secretary is authorized to prescribe such terms and conditions for contracts entered into under this section pursuant to this paragraph as the Secretary determines to be necessary and appropriate, except that such terms and conditions, to the maximum extent feasible, shall be consistent with terms and conditions otherwise applicable with respect to other dwelling units assisted under this section. The Secretary is also authorized to make assistance available under this section pursuant to this paragraph to any unit in a housing project which, on an overall basis, reflects the need for such upgrading."

(e) Section 9(c) of such Act is amended—

(1) by striking out "and" immediately following "on or after October 1, 1976,"; and

(2) by inserting immediately before the period at the end thereof a comma and the following: "not to exceed $729,000,000 on or after October 1, 1978, and not to exceed $800,000,000 on or after October 1, 1979".

TITLE III—URBAN EXTENSION SERVICE

FINDINGS AND PURPOSE

SEC. 301. (a) The Congress finds that the formulation and conduct of local housing and community development initiatives frequently requires experience and expert knowledge not readily available at the local level.

(b) The Congress further finds that there exist, within State and local government, non-governmental organizations, the academic community and the Federal government, individuals and groups possessing experience and expert knowledge which could assist governmental entities and non-governmental organizations in undertaking such local initiatives or in utilizing financial and other assistance available through the Department of Housing and Urban Development.

(c) It is, therefore, the purpose of this title to establish within the Department of Housing and Urban Development (hereinafter "Department") an Urban Extension Service to enable the Secretary of Housing and Urban Development (hereinafter "Secretary") to provide urban extension agents and urban extension services to clients, as defined herein.

DEFINITIONS

SEC. 302. As used in this title—

(a) the term "client" shall include States, regional organizations of local governments, units of local government including special authorities, Indian tribes as defined in section 102(a)(16) of the Housing and Community Development Act of 1974, neighborhood groups, and local or areawide nonprofit organizations.

(b) the term "urban extension services" shall include the provision of urban extension service agents, technical assistance, and other information services designed to facilitate the implementation of community development, housing and related programs of the Department.

(c) the term "Urban Extension Service Agent" means any individual or any public, private or governmental body (including, with the consent of such body, a member or employee thereof) recruited by the Secretary, or an entity designated by the Secretary, for the purpose of providing expert assistance requested by HUD clients. Such Agents shall possess expert knowledge or experience related to one or more programs or activities of the Department or to other relevant local housing and community development objectives of Departmental clients. Such term shall not include any officer or employee of the Department and any individual or entity serving as an Agent shall not be deemed solely because of such service to be an officer or employee, or otherwise in the service of, the United States for any purpose.

ESTABLISHMENT OF THE SERVICE

SEC. 303. (a) There is established within the Department an Urban Extension Service for the purpose of providing urban extension services to Departmental clients in furtherance of national community development, housing and related goals.

(b) The Secretary is authorized to make grants to, contract with or enter into other arrangements with individuals, organizations, or governmental entities capable of providing urban extension services to Departmental clients. The Secretary may approve such urban extension services as the Secretary determines are necessary or desirable to make more effective the implementation of community development, housing and related programs in meeting the objectives of the Department. Such grants, contracts, or other arrangements may require the grantee or contractor to provide for any of its employees serving as Urban Extension Service Agents, return rights to positions of like status and pay, as well as retention of pay and benefits coverage, including but not limited to service credit, retirement, leave, workers' compensation, and life and health insurance. Such grants, contacts, or other arrangements, may also specify payment of such travel, transportation and moving expenses as may be agreed by the parties, but not to exceed in any case, the maximum amounts available to Federal employees in comparable situations.

(c) The Secretary shall, by regulation, establish procedures for the application by and selection of clients eligible for receipt of the assistance authorized by this section. Such regulations may include the establishment of priorities to enable the Secretary to concentrate available funds and other resources on particular urban extension service goals which are in the Secretary's judgment, most in need of the assistance to be provided.

(d) No client of the Department shall be required to accept urban extension services offered by the Secretary in order to participate in any program or activity of the Department. Urban Extension Service Agents recruited by the Secretary or the Secretary's designee shall be assigned to clients only with the consent of the chief executive officer of the client requesting such assistance and, in the case of a client other than a governmental entity, the consent of the chief executive officer of the unit of general local government having primary jurisdiction for the locality where the services are to be performed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. There are authorized to be appropriated not to exceed $10,000,000 for the fiscal year 1979 and not to exceed $10,000,000 for the fiscal year 1980 to carry out the program authorized by this title, except that funds expended for salaries and expenses of officers or employees of the Department engaged in the administration of the program shall be from general appropriations for Departmental salaries and expenses. Any amounts appropriated shall remain available until expended.

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SEC. 401. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1978" in the first sentence and inserting in lieu thereof "October 1, 1980".

(b) Section 217 of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1980".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1978" in the fifth sentence and inserting in lieu thereof "September 30, 1980".

(d) Section 235(m) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1980".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1980".

(f) Section 244(d) of such Act is amended—

(1) by striking out "September 30, 1978" in the first sentence and inserting in lieu thereof "September 30, 1980"; and

(2) by striking out "October 1, 1978" in the second sentence and inserting in lieu thereof "October 1, 1980".

(g) Section 245 of such Act is amended by striking out "September 30, 1978" where it appears and inserting in lieu thereof "September 30, 1980".

(h) Section 809(f) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1980".

(i) Section 810(k) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1980".

(j) Section 1002(a) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1980".

(k) Section 1101(a) of such Act is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1980".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 402. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended (12 U.S.C. 1709–1), is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 403. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

COMPREHENSIVE PLANNING

SEC. 404. (a) The second sentence of section 701(e) of the Housing Act of 1954 is amended by striking out "and not to exceed $75,000,000 for the fiscal year 1978" and inserting in lieu thereof "not to exceed $75,000,000 for the fiscal year 1978, not to exceed $57,000,000 for the fiscal year 1979, and not to exceed $57,000,000 for the fiscal year 1980".

(b) The second sentence of section 701(c) of such Act is amended by striking out "biennially" and inserting in lieu thereof "triennially".

(c) Section 701(d)(2) of such Act is amended by striking out "biennially" and inserting in lieu thereof "at least triennially" by striking out "two" and inserting in lieu thereof "three".

(d) Section 701(m) of such Act is amended by adding immediately after clause (4) a new clause to read as follows:

"(5) The term 'Indian tribal group or body' means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act

(Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512)."

RESEARCH AUTHORIZATIONS

SEC. 405. (a) Title V of the Housing and Urban Development Act of 1970 is amended by striking out in the second sentence of section 501 "and not to exceed $60,000,000 for the fiscal year 1978" and inserting in lieu thereof "not to exceed $60,000,000 for the fiscal year 1978, not to exceed $62,000,000 for the fiscal year 1979, and such sums as may be necessary for the fiscal year 1980".

(b) Such title is further amended by adding at the end thereof the following new section:

"SEC. 509. In carrying out activities under section 501, the Secretary is authorized to conduct demonstrations to determine the feasibility of expanding homeownership opportunities in urban areas and encouraging the creation and maintenance of decent, safe and sanitary housing in such areas through the conversion of multifamily housing properties to condominium or cooperative ownership by individuals and families.".

NEW COMMUNITIES

SEC. 406. Section 720(a) of the Housing and Urban Development Act of 1970 is amended by striking out "October 1, 1978" and by inserting in lieu thereof "October 1, 1980".

EXTENSION OF CRIME INSURANCE AND RIOT REINSURANCE PROGRAMS

SEC. 407. Section 1201 of the National Housing Act is amended—

(1) by striking out, in subsection (b)(1), "September 30, 1978" and inserting in lieu thereof "September 30, 1981";

(2) by striking out, in subsection (b)(1)(A), "September 30, 1981" and inserting in lieu thereof "September 30, 1984"; and

(3) by striking out, in subsection (b)(2), "September 30, 1978" and inserting in lieu thereof "September 30, 1982".

EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM

SEC. 408. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1980".

(b) Section 1336(a) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1980".

FLOOD INSURANCE STUDIES

SEC. 409. Section 1376(c) of the National Flood Insurance Act of 1968 is amended by striking out "and not to exceed $108,000,000 for the fiscal year 1978" and inserting in lieu thereof a comma and the following:

"not to exceed $108,000,000 for the fiscal year 1978, not to exceed $114,000,000 for the fiscal year 1979, and such sums as may be necessary for the fiscal year 1980".

REPORT ON MOBILE HOME CONSTRUCTION AND SAFETY STANDARDS

SEC. 410. (a) The first sentence of section 626(a) of the National Mobile Home Construction and Safety Standards Act of 1974 is amended—

(1) by striking out "March 1 of each year" and inserting in lieu thereof "July 1 of every other year beginning with calendar year 1978"; and

(2) by striking out "preceding calendar year" and inserting in lieu thereof "two preceding calendar years".

(b) The second sentence of section 626(a) of such Act is amended by striking out "such year" in clauses (1), (2), and (5) and "the year" in clause (6) and inserting in lieu thereof "such years" in each such clause.

MULTIFAMILY MORTGAGE INSURANCE

SEC. 411. (a) The last sentence of section 207(c) of the National Housing Act is amended by striking out "eight" and inserting in lieu thereof "five".

(b) Section 241(d) of such Act is amended by adding at the end thereof the following:

"At any sale under foreclosure of a mortgage on a project or facility which is not insured under this Act but which is senior to a loan assigned to the Secretary pursuant to subsection (c), the Secretary is authorized to bid, in addition to amounts authorized under section 207(k), any sum up to but not in excess of the total unpaid indebtedness secured by such senior mortgage, plus taxes, insurance, foreclosure costs, fees and other expenses. In the event that, pursuant to subsection (c), the Secretary acquires title to, or is assigned, a loan covering, a project or facility which is subject to a mortgage which is not insured under this Act, the Secretary is authorized to make payments from the General Insurance Fund on the debt secured by such mortgage, and to take such other steps as the Secretary may deem appropriate to preserve or protect the Secretary's interest in the project or facility.".

MORTGAGE INSURANCE FOR NONRESIDENT CARE FACILITIES

SEC. 412. (a) Section 232(a) of the National Housing Act is amended—

(1) by inserting immediately before the period at the end of paragraph (1) a comma and the following: "including additional facilities for the nonresident care of senior citizens and others who are able to live independently but who require care during the day"; and

(2) by inserting immediately before the period at the end of paragraph (2) a comma and the following: "including additional facilities for the nonresident care of senior citizens and others who are able to live independently but who require care during the day".

(b) Section 232(b)(2) of such Act is amended by inserting immediately after "nursing services;" in the first sentence the following:

"(3) a 'nursing home' or 'intermediate care facility' may include such additional facilities as may be authorized by the Secretary for the nonresident care of senior citizens and others who are able to live independently but who require care during the day;".

CONDOMINIUM MORTGAGE INSURANCE

SEC. 413. (a) The first sentence of section 234(c) of the National Housing Act is amended by inserting immediately after "less units" in the proviso of clause (2) a comma and the following: "or 12 or more units in the case of multifamily project the construction of which was completed more than a year prior to the application for mortgage insurance,".

(b) The third sentence of section 234(c) of such Act is amended by inserting "(100 per centum if the mortgagor is a veteran as defined under section 203(b)(3) of this Act)" after "centum" in clause (A)(i).

FHA INSURANCE FUNDS

SEC. 414. (a) Section 238 of the National Housing Act is amended by striking out the fifth sentence in subsection (b) and inserting in lieu thereof the following:

"There are authorized to be appropriated such sums as may be necessary from time to time to cover losses sustained by the fund."

(b) Section 519 of that Act is amended by striking out subsection (f) and inserting a new subsection (f) reading as follows:

"(f) There are authorized to be appropriated such sums as may be necessary from time to time to cover losses sustained by the General Insurance Fund."

PURCHASE OF FEE SIMPLE TITLE

SEC. 415. Section 240 of the National Housing Act is amended by adding "($30,000, if the property is located in "Hawaii)" immediately after "$10,000" in subsection (c)(2).

HUD DAY CARE CENTER FACILITIES

SEC. 416. Section 7(n) of the Department of Housing and Urban Development Act is amended—

(1) by inserting "or facilities" immediately following "day care center facility" in the first sentence; and

(2) by striking out "such a day care center" in the second sentence and inserting in lieu thereof "any such day care center facility".

SALE OF SURPLUS FEDERAL LAND FOR HOUSING

SEC. 417. (a) The first and second sentences of section 414(a) of the Housing and Urban Development Act of 1969 are amended to read as follows:

"(a) Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any Federal surplus real property within the meaning of such Act may, in the discretion of the Administrator of General Services, be transferred to the Secretary of Housing and Urban Development at the Secretary's request for sale or lease by the Secretary at its fair value for use in the provision of housing to be occupied predominantly by families or individuals of low and moderate income, assisted under a Federal housing assistance program administered by the Secretary or under a State or local program found by the Secretary to have the same general purpose, and for related public commercial or industrial facilities approved by the Secretary. Prior to any disposition of Federal surplus real property to an entity other than a public body, the Secretary shall notify the governing body of the locality where such property is located of the proposed disposition and no such disposition shall be made if the local governing body, within ninety days of such notification, formally advises the Secretary that it objects to the proposed disposition, unless the Secretary determines (1) that the proposed disposition would be consistent with any approved housing assistance and community development plans developed by such body pursuant to the Housing and Community Development Act of 1974 or (2) in cases where such plans are not available, that there is a need for low and moderate income housing, taking into consideration any applicable State housing plans, and that there is or will be available in the area public facilities and services adequate to serve any housing proposed in conjunction with the proposed disposition."

(b) Subsection (b) of section 414 of such Act is amended to read as follows:

"(b) As a condition of any disposition by the Secretary of Federal surplus real property under this section to an entity other than a public body, the Secretary shall obtain such undertakings as the Secretary may consider appropriate to assure that the property will be used, to the maximum practicable extent, in the provision of housing and related facilities to be occupied by families or individuals of low and moderate income for a period of not less than thirty years. If during such period the property is used for any purpose other than the purpose for which it was disposed of, it shall revert to the United States (or, in the case of leased property, the lease shall terminate) unless the Secretary and the Administrator after the expiration of the first twenty years of such period, have approved the use of the property for such other purposes."

COLLEGE HOUSING

SEC. 418. Section 401 of title IV of the Housing Act of 1950, as amended, is amended by adding at the end thereof a new subsection (h) reading as follows:

"(h) The Secretary is authorized to transfer the assets and liabilities of the fund established for the program authorized by this title to the revolving fund for liquidating programs established pursuant to title II of the Independent Offices Appropriation Act of 1955 (Public Law 81-428, 68 Stat. 272 295).".

AMENDMENT OF THE HOME OWNERS' LOAN ACT OF 1933

SEC. 419. The eighth undesignated paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking "real property located within urban renewal areas as defined in subsection (a) of section 1460 of Title 42", and inserting in lieu thereof "real property located in areas in which physical development activities assisted under title I of the Housing and Community Development Act of 1974 are being carried out in a concentrated manner".

INCREASE IN GNMA MORTGAGE PURCHASE AUTHORITY AND LIMITS

SEC. 420. (a) The third clause of the proviso in section 302(b)(1) of the National Housing Act is amended by striking "if the original principal obligation thereof exceeds or exceeded $33,000 (or such higher amount not in excess of $38,000 as the Secretary may by regulation specify in any geographical area where he finds that cost levels so require), for each family residence or dwelling unit covered by the mortgage (plus an additional $2,500 for each such family residence or dwelling unit which has four or more bedrooms).", and inserting in lieu thereof "if the original principal obligation thereof exceeds or exceeded $60,000 in the case of property upon which is located a dwelling designed principally for a one-family residence; or $65,000 in the case of a two- or three-family residence; or $75,000 in the case of a four-family residence; or, in the case of a property containing more than four dwelling units, $38,000 per dwelling unit (or such higher amount not in excess of $45,000 per dwelling unit as the Secretary may by regulation specify in any geographical area where the Secretary finds that cost levels so require) for that part of the property attributable to dwelling use.".

(b) Section 305(c) of such Act is amended by striking out "and by $2,000,000,000 on July 1, 1969" and inserting in lieu thereof "by $2,000,000,000 on July 1, 1969, and, subject to approval in an appropriation Act, by $1,500,000,000 on October 1, 1978".

AMENDMENTS TO INTERSTATE LAND SALES FULL DISCLOSURE ACT

SEC. 421. (a) Section 1402(3) of the Interstate Land Sales Full Disclosure Act is amended by striking "fifty" and inserting in lieu thereof "one hundred".

(b) Section 1403(a)(1) of such Act is amended by striking "fifty" and inserting in lieu thereof "one hundred".

(c) Section 1403(a)(2) of such Act is amended by striking "five acres or more" and inserting in lieu thereof "more than forty acres".

(d) Section 1403(a)(4) of such Act is amended by inserting immediately before the semicolon "when the Secretary determines it to be in the public interest".

(e) Section 1403(a) of such Act is further amended by striking paragraph (10), by inserting the word "or" after the semicolon at the end of paragraph (9) and by redesignating paragraph (11) as paragraph (10).

(f) Section 1404 of such Act is amended to read as follows:

"SEC. 1404. (a) It shall be unlawful for any developer or agent, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce, or of the mails, to sell or lease any lot in any subdivision unless a statement of record with respect to such lot is in effect in accordance with section 1407 and a printed property report, meeting the requirements of section 1408, is furnished to the purchaser in advance of the signing of any contract or agreement for sale or lease by the purchaser; and

"(b) It shall be unlawful for any developer or agent thereof subject to this title who directly or indirectly makes use of any means of transportation or communication in interstate commerce, or of the mails, in selling or leasing, or offering to sell or lease, any lot in a subdivision—

"(1) to employ any device, scheme or artifice to defraud; or

"(2) to obtain money or property by means of any untrue statement of a material fact, or any omission to state a material fact necessary in order to make the statements made not misleading, with respect to any information included in the statement of record or the property report or with respect to any other information pertinent to the lot or subdivision; or

"(3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser.

"(c) Any contract or agreement for the purchase or lease of a lot in a subdivision covered by this title, where the property report has not been given to the purchaser in advance or at the time of the purchaser's signing, shall be voidable at the option of the purchaser.

"(d) A purchaser may revoke any contract or agreement for the purchase or lease of a lot in a subdivision covered by this title until midnight of the fourteenth day after signing the contract or agreement and the contract or agreement shall so provide.".

(g) Section 1405(b) of such Act is amended by inserting, immediately after "amendment thereto", "or a request for an exemption," and by striking "not in excess of $1000".

(h)(1) Section 1409(a) of such Act is amended to read as follows:

"(a) In administering this title the Secretary shall cooperate with State authorities charged with the responsibility of regulating the sale of lots in subdivisions which are also subject to this title. The Secretary may accept for filing under sections 1405 and 1408 and declare effective as a statement of record and property report, material found acceptable by such authorities if the Secretary finds such action to be appropriate in the public interest or for the protection of purchasers. Unless the Secretary has accepted State materials, the property report described in section 1408 shall be used in lieu of any State disclosure document delivered to purchasers.

(2) Section 1409(b) of such Act is amended by striking "Nothing" and inserting in lieu thereof "Except as provided in subsection (a), nothing".

(i) Section 1410 of such Act is amended to read as follows:

"SEC. 1410. (a) A purchaser may bring an action at law or in equity against a developer or agent subject to this title if the sale or lease was made in violation of (1) section 1404(a) or (2) section 1404(b). In a suit authorized by this section for violation of section 1404 (a) or (b), the court may order damages, specific performance, or such other relief as the court deems fair, just, and equitable. In determining such relief the court shall take into account but not be limited to the following factors: the contract price of the lot; the amount the purchaser actually paid; the cost of any improvements to the lot; the fair market value of the lot at the time of sale; and the fair market value of the lot at the time such suit was brought.

"(b) A purchaser may bring an action at law or in equity to enforce any right under section 1404 (c) and (d). In any suit to enforce a right created under section 1404 (c) or (d) the purchaser, upon tender of an instrument divesting the purchaser of his or her interest in a lot, shall be entitled to all moneys paid pursuant to such purchaser's contract or agreement.

"(c) A purchaser may bring an action at law or in equity against a developer or agent subject to this title if such developer or agent fails to carry out any obligation set forth in the statement of record and property report.

"(d) The amount recoverable in a suit authorized by this section may include interest, reasonable attorney's fees, independent appraisers' fees and court costs.

"(e) Every person who becomes liable to make any payment under this section may recover contribution, as in cases of contract, from any person who, if sued separately, would have been liable to make the same payment."

(j) Section 1412 of such Act is amended to read as follows:

"SEC. 1412. (a) No action shall be maintained to enforce any right created under clause (1) of section 1410(a) or under section 1410(b) unless brought within one year after discovery of the violation upon which such liability is based. In no case shall any such action be brought more than four years after the sale or lease notwithstanding delivery of a deed to the purchaser or the sale or assignment of the purchaser's contract or agreement to a third party;

"(b) No action shall be maintained to enforce any right created under clause (2) of section 1410(a) unless brought within three years after discovery of the violation upon which such liability is based or after discovery should have been made by the exercise of reasonable diligence.

"(c) No action shall be maintained to enforce a right created under section 1410(c) unless brought within three years after the discovery of the violation upon which such liability is based or after discovery should have been made by the exercise of reasonable diligence, notwithstanding the delivery of a deed to the purchaser."

(k) Section 1415 of such Act is amended by adding at the end thereof the following new subsections:

"(e) Whenever the Secretary believes that any developer or agent is or has been engaged in (1) an act violative of this title or a rule or regulation prescribed pursuant thereto in a case which the Secretary certifies is of substantial importance or (2) recurring conduct violative of any such provision, rule or regulation, or that a developer or agent has failed to comply with the terms of any order issued by the Secretary, the Secretary may issue and serve upon such developer or agent a complaint stating the charges in that respect and containing a notice of a hearing at a time and a place therein fixed. Such hearing shall be on a date at least twenty days and not more than forty-five days after service of said complaint. The developer or agent shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the Secretary requiring the developer or agent to cease and desist from the violation or failure to comply as so charged in said complaint. Notwithstanding the preceding sentence, if the developer or agent fails to file an answer and intention to appear within 15 days after service of the complaint and notice, such developer or agent shall be deemed to have waived the right to

a hearing and the Secretary may issue an order to cease and desist. The Secretary shall issue a decision within ten days after any hearing, and any order issued to cease and desist shall be effective upon service on the developer or agent.

"(f)(1) Whenever the Secretary shall determine that the violation or failure to comply specified in the complaint served upon an agent or developer pursuant to subsection (e) of this section is likely seriously to prejudice the public interest, the Secretary may issue a temporary order requiring the developer or agent to cease and desist from any such violation or failure to comply. Such order shall become effective upon service upon the developer or agent, and, unless suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to the complaint and notice, or if an order to cease and desist is issued against the developer or agent pursuant to subsection (e), until the effective date of any such order."

"(2) Within ten days after any agent or developer has been served with a temporary order to cease and desist, such developer or agent may apply to the United States district court for the judicial district where the developer or agent is located, or to the United States District Court for the District of Columbia, to determine whether such order was arbitrary, capricious or an abuse of discretion, or whether the order was issued in accordance with the procedures established by law. The sole effect of any order of the court will be only to suspend the effectiveness of the temporary order to cease and desist, pending completion of the administrative proceedings pursuant to the complaint and notice served upon the developer and agent under subsection (e) of this section."

(l) Such Act is further amended by renumbering sections 1417 through 1422 as sections 1418 through 1423, and by inserting after section 1416 the following new section 1417:

"CIVIL PENALTIES

"SEC. 1417. (a) Any person who violates any provisions of this title or any rule, regulation or order issued by the Secretary thereunder, may be subject to a civil penalty, in a determination by the Secretary after opportunity for a hearing, of not to exceed $5,000 for each such violation. Each separate offense shall constitute a violation and, in the case of a continuing offense, each day shall constitute a separate violation. Any determination of the Secretary shall be subject to review only as provided in section 1411.

"(b) Penalties assessed pursuant to this section may be collected in an action brought by the Secretary in any district court of the United States. In any such action the validity and appropriateness of the final determination imposing the penalty shall not be subject to review.

"(c) The amount of such penalty, when finally determined, shall be payable to the U.S. Treasury."

AMENDMENTS TO REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

SEC. 422. The Real Estate Settlement Procedures Act of 1974 is amended by adding at the appropriate place new sections 6 and 7, reading as follows:

"CIVIL LIABILITIES

"SEC. 6. If any lender obligated to provide a borrower with the special information booklet or good faith estimates as required under section 5, or any person obligated to complete and make available for inspection the uniform settlement statement as required under section 4, shall fail to carry out such obligations, such lender or person shall be liable to the borrower in an amount equal to the sum of—

"(1)(A) in the case of an individual action, the actual damages involved or $500, whichever is greater; or

"(B) in the case of a class action, such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery in such action shall not be more than the lesser of $500,000 or 1 per centum of the net worth of such lender or person; and

"(2) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with reasonable attorneys' fees as determined by the court; except that there shall be no liability in excess of actual damages for a violation of the above obligations in any action brought under this section if, by a preponderance of the evidence, it is shown that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures adopted to avoid any such error. For purposes of this section, the terms "lender" and "person" shall not include an agency, instrumentality, officer or employee of any State or the Federal government.

"INVESTIGATIONS, INJUNCTIONS AND PROSECUTION OF OFFENSES

"SEC. 7. (a) Whenever it shall appear to the Secretary that any person is or has engaged in any acts or practices which constitute a violation of the provisions of this Act, or of any rule or regulation prescribed pursuant thereto, the Secretary may request the Attorney General to bring an action in any district court of the United States, or the United States District Court for the District of Columbia, to enjoin such acts or practices, and, upon a proper showing, a permanent or temporary injunction or restraining order shall be granted pursuant to this section, without bond. The Secretary also may transmit such evidence as may be available concerning such acts or practices to the Attorney General who may, in the Attorney General's discretion, institute appropriate criminal proceedings under this Act.

"(b) The Secretary may make such investigations as the Secretary deems necessary to determine whether any person has violated or is violating any provision of this Act or any rule or regulation prescribed pursuant thereto, and may require or permit any person to file a statement in writing, under oath or otherwise, as the Secretary shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Secretary is authorized to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters as the Secretary may deem necessary or proper to aid in enforcing the provisions of this Act, in prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this Act relates.

"(c) For the purpose of any investigation, or any other proceeding under this Act, the Secretary, or any officer designated by the Secretary, is empowered to administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Secretary deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records shall be required from any place in the United States or any State at any designated place of hearing.

"(d) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the Attorney General to bring an action to invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records and documents.

Any such court may issue an order requiring such person to appear before the Secretary or any officer designated by the Secretary, there to produce such records and documents if so ordered, or to give testimony touching the matter under investigation or in question, and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he or she may be found."

EQUAL OPPORTUNITY IN MORTGAGE LENDING

Mr. PROXMIRE. Mr. President, over the past decade Congress has enacted laws to prohibit unfair discrimination in housing and lending. The translation of these laws into actual practice, however, has proved to be a slow and often frustrating process. Too often in the past, even the Federal agencies charged with implementing antidiscrimination laws in the lending field have lacked a strong commitment to their goals. In the face of industry pressure and complaints, the agencies have sometimes taken years to implement new laws through regulations, and, even then, have issued weak rules which can easily be circumvented.

While I believe we have made very significant progress in recent years, I must say that this progress has been far too slow.

Considering this background, I am extremely pleased and heartened by the recent leadership which the Federal Home Loan Bank Board has displayed in trying to make equal opportunity a concrete reality of everyday mortgage lending. The Bank Board is considering new antidiscrimination rules for the federally chartered savings and loan associations which it regulates. These rules would require, for the first time, that savings and loans keep track of loan inquiries which they receive which do not result in an actual loan application. This change would close one of the biggest loopholes in the current fair lending regulations—the opportunity for lenders to discriminate against borrowers by discouraging them from ever filing an application. In the absence of a written application, the current systems for monitoring discriminatory patterns are virtually powerless.

The adoption of this preapplication monitoring would present considerable practical problems, and I cannot say whether the Board will be able to develop a workable approach to implement it. I do believe, however, that the agency deserves great credit for trying to strengthen the present system.

Mr. President, the Wall Street Journal, on February 24, published an article on both the Bank Board's regulations and an alternative approach which is being used by the State of Wisconsin. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 24, 1978]

U.S. AGENCY PLANS RULES FOR S&L's: TO PREVENT DISCRIMINATORY PRESCREENING OF CUSTOMERS

(By James C. Hyatt)

WASHINGTON.—The telephone rings in a neighborhood savings-and-loan office and a caller inquires, "I want to buy a house in the Sleepy Hollow subdivision. Can you make me a loan?"

Or a prospective home-buyer ventures, "I make $200 a week. Is that enough to buy a $50,000 house on the north side of town?"

Answering such questions might seem routine; S&Ls field thousands of them every day. But civil-rights groups worry that the answers often lead to unlawful discrimination in housing. They argue that a lender reluctant to deal with minorities or women, or one who doesn't want to invest in older neighborhoods where minorities live, will use the opportunity to discourage loan-seekers.

Partly at the urging of the civil-rights bodies, the Federal Home Loan Bank Board is proposing far-reaching regulations that seek to monitor any "prescreening" of loan customers and to weed out any discriminatory practices.

The board proposes to require tallies of in-person inquiries and phone calls in which details about an applicant or a property are mentioned. S&Ls would be asked to record customers' race, sex, marital status and age; some even would be instructed to guess at those details if necessary. And the lending firms would be asked to set up a register of loan applicants listing up to 45 pieces of information for each planned transaction.

THE PAPERWORK BURDEN

The proposed regulation is one of a number of rules being considered or adopted by federal agencies that portend new paperwork burdens for business, despite President Carter's effort to reduce the total load. The savings-and-loan industry is opposing the Bank Board's proposal as costly and onerous. The United States League of Savings Associations protests that much of the regulation is "impractical and unworkable and perhaps also unnecessary and inappropriate." About 300 S&L executives have written the Bank Board opposing the plan.

The pending regulation, which is subject to revision by members of the Bank Board, may be adopted within the next few weeks. It's considered an essential part of the board's current effort to boost mortgage lending in inner-city neighborhoods. Robert H. McKinney, the board's chairman, sees a clear need for action.

"I basically think that there is subtle discrimination going on in the country," he declares. "The only way to find out about it is to have some record-keeeping. An awful lot of people get turned away without any records being kept."

The proposal has been endorsed by the Justice Department's civil-rights division, and civil-rights groups are defending it in much the same terms that Mr. McKinney uses.

"In order to detect discriminatory practices, you really have to get information on the race and sex of people who make these kinds of preliminary inquiries," says Roger S. Kuhn, codirector of the Center for National Policy Review. "Much of the discrimination occurs at that preapplication stage. When someone makes an inquiry about a loan, the loan officer has all kinds of opportunities to say, 'We probably wouldn't be interested in making that loan,' so no application is filed."

A LEGAL PLEDGE

The Washington-based center has been seeking to force the Bank Board and other federal agencies to enforce fair-housing laws more vigorously. Last March, in a legal settlement with the center, the National Urban League, the National Association for the Advancement of Colored People and other groups, the Bank Board agreed to strengthen its antidiscrimination efforts.

One sample of the discrimination charged by civil-rights groups turned up not long ago when Mrs. Glinnes Goodwin of Oakland, Calif., went shopping for a $7,000 home-improvement loan. Mrs. Goodwin, who is black, called a savings and loan association and a bank, figuring her $10,000-a-year salary as a legal secretary would qualify her for the loan. But both lenders turned her down when she disclosed that she was divorced and supporting two children. "I got so discouraged, I decided I couldn't afford it," she says.

But the Legal Aid Society of Alameda County, which includes Oakland, insists Mrs. Goodwin has "sufficient income to make payments" on a $7,000 loan. Eventually she arranged a 15-year, $5,000 loan from the Oakland Community Development Department and is repaying $47.10 each month.

Stephen E. Ronfeldt of the Alameda Legal Aid Society contends "a tremendous number of violations are taking place" in informal loan inquiries before formal applications are made. (Recent surveys in California found three times as many blacks as whites being formally denied home loans, even when both groups had the same incomes.) Records of preapplication inquiries, Mr. Ronfeldt maintains, "would make a great deal of difference."

But savings executives argue that the monitoring plan would irritate customers and seriously hamper S&L operations. The rules "would automatically prohibit me from discussing any loan terms on the telephone with proposed customers," fumes Vernie A. Larson, manager of a South Sioux City, Neb., S&L.

Moreover, the record-keeping could lead to litigation, an Ohio S&L officer warns. Applications made orally "are very difficult to document and to prove if our association is accused of some type of discrimination," says Howard W. Bartels, vice president of Toledo Home Federal Savings, so that it becomes "simply our word against the consumer's as to what was said."

Keeping records of phone conversations, adds the League of Savings Associations, "inevitably will lead to a dispute between the loan officer and customer over what was said." Fearing such disputes, most S&Ls want the monitoring to apply only to written loan applications.

Louis P. Bell, a Norristown, Pa., S&L executive, foresees other trouble. In the past, he has told the Bank Board, neighborhood and civic groups have subjected his firm to mass picketing, harassment of employes "and the casual opening and closing of savings accounts in an amount of $1.00 or so" in in order to tie up windows. "At least in taking these actions they have had to get out of bed, brave the fresh air and transport themselves to the association," Mr. Bell adds. He complains that the pending regulation "allows them to harass us from the comfort of their home" with a phone call.

One part of the proposal raises particular complaints from lending institutions. The Bank Board intends to conduct a survey in which, if customers refuse to furnish personal information, lenders would designate an applicant's race and sex "on the basis of sight and/or surname." The League of Savings Associations call this plan "an invasion of the consumer's privacy," and sees a danger of errors as well. If lenders must collect such data, it adds, would-be borrowers should be told that a government agency has required the information.

THE WISCONSIN WAY

Some state regulators have doubts about the Bank Board's general approach. R. J. McMahon, Wisconsin's savings and loan commissioner, has written the board that his state adopted antidiscrimination rules a few years ago "and had to grapple with much the same questions presented by your proposal."

Wisconsin rejected the idea of logging loan requests because distinguishing between requests and mere inquiries "would be very, very difficult, he said. Instead, his state gives any prospective borrower the right to submit an application and requires lenders to give customers prominent notice of its antidiscrimination requirements.

Eventually, some lenders worry, the government's antidiscrimination pressure could lead to unwise loan practices. A Beaverton, Ore., S&L executive tells of "considerable concern among our depositors that their savings are going to be used for a number of questionable loans." And a Baltimore S&L president fears that, faced with possible lawsuits, lenders will "make imprudent loans that otherwise they would not and should not make."

But Chairman McKinney of the Bank Board, while seeking to expand mortgage lending in inner-city neighborhoods, insists "we're not asking the industry to make unsafe or unsound loans."

GENOCIDE AND RAFAEL LEMKIN

Mr. PROXMIRE. Mr. President, I would like to take this time to say a few words about a man whose concern for humanity dominated his life. That man is Raphael Lemkin, and his cause was the elimination of the crime of genocide.

A Jewish refugee from Poland, Lemkin lived through the Nazi atrocities of the Second World War. However, his family did not survive. He subsequently decided to commit his life to the establishment of an international treaty outlawing the mass murder of certain groups of people. He in fact coined the word "genocide" to apply to such crimes.

In 1946, his efforts were instrumental in the adoption of United Nations Resolution 96 (I) which declared genocide a crime under international law. Two years later it seemed as if his task had been accomplished. The General Assembly unanimously passed the Convention on the Prevention and Punishment of the Crime of Genocide. The convention outlawed "acts committed with intent to destroy, in whole or in part, a national ethnical, racial, or religious group as such." Nothing could be done to alter genocidal acts of the past, but a significant step had been taken to prevent them in the future.

I am sorry to report, however, that Lemkin did not live to see the complete fulfillment of his dream. The country of his adoption, the United States, failed to ratify the treaty by the time of his death in 1959.

Shockingly, it is now 19 years later and the situation remains unchanged. This delay is inexcusable. It is time to construct a tribute to this great man and his efforts, and at the same time, affirm our natural abhorrence to premeditated acts of mass murder. I therefore urge the immediate ratification of the Genocide Treaty.

DOLLARS AND DEUTSCHE MARKS

Mr. PROXMIRE. Mr. President, one other matter. We have had a great deal of talk and alarm expressed about what has happened to the dollar. The dollar

has declined particularly in relationship to the mark. This morning's Washington Post has an excellent editorial I commend to all Senators because it calls for a little perspective and sanity in this matter.

Let me read the first short paragraph:

The dollar is falling, again, against the German mark—or, depending on the way you look at it, the Deutsche mark is rising. Six months ago the mark was worth 43 cents; now it brings just over 50 cents. That's a substantial appreciation. Question: How much should you worry about it?

Answer: Not much. For the country as a whole, this shift on the currency markets is neither good nor bad.

Mr. President, I commend the reading of this editorial. There is one point, however, the editorial does not cover that I think is of great significance. That is the fact that as the dollar drops in value it means that it is easier for us to sell our exports abroad.

Our exports are cheaper for foreign countries to purchase, so it benefits our balance of trade.

Furthermore, it is more expensive for us to buy imports from abroad so it retards the amount of imports we purchase and it benefits our trade in that way. This is the whole purpose of voting exchange rates. There is no way we can have the enormous unfavorable balance of trade we have without the value of the dollar diminishing, and it should. This if we will relax a little bit, will correct the situation. It is true it can get out of hand, but for us to follow the policy some have argued, that the Treasury and the Federal Reserve Board should follow policies of trying to prop up the dollar, will be enormously expensive and accomplish nothing except to retard our ability to adjust to a situation where our balance of trade has been adverse.

It is economically sound. It makes sense for us to accept the facts of life of floating exchange rates and permit our economy to benefit from that fact.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DOLLARS AND DEUTSCHEMARKS

The dollar is falling, again, against the German mark—or, depending on the way you look at it, the Deutschemark is rising. Six months ago the mark was worth 43 cents; now it brings just over 50 cents. That's a substantial appreciation. Question: How much should you worry about it?

Answer: Not much. For the country as a whole, this shift on the currency markets is neither good nor bad. The only way to avoid it would be to bring the American and West German economic policies into much closer coordination. But as a matter of basic political judgment, neither government is willing to change course. The Americans are willing to accept a higher inflation rate than the Germans, in order to pursue a better rate of economic growth—which means more jobs. The Germans are willing to accept a lower growth rate in order to keep inflation down. After quarreling continuously over the difference for the past year, the two governments have agreed to disagree—and to let the exchange rates reconcile the divergence. That is what is happening now.

Unfortunately, there is a tendency for currency values to get muddled in people's minds with national prestige, the flag and the Star Spangled Banner. It's useful to remember that not all currencies are rising against the dollar—and that there have been several cycles of rising and falling in the seven years since the world abandoned fixed exchange rates. The currencies that are rising now are the Deutschemark bloc—the mark itself, the Swiss franc and several smaller countries' currencies that are linked to them. In Western Europe alone, the currencies of the other major countries—Britain, France and Italy—were higher against the dollar in 1975 than they are today.

There are several ways to measure the general worldwide value of the dollar. The U.S. Treasury computes an average rate against the currencies of the other 22 industrial countries, with each of them weighted according to the amount of trade that the United States does with it. The dollar is now about 15.8 per cent lower, against all those currencies together, than it was in 1970 under the old fixed rates. But it is slightly higher now than at a previous low toward the end of 1974. The movement on the money markets is by no means all one way. The Treasury also uses a broader computation against 44 countries, which brings in our major customers in Latin America and the rest of the nonindustrial world. On this measure, the dollar is only 1.2 percent below the 1970 average exchange value. In late 1974 it was almost 10 percent below. Worldwide, there has been a strong rise of the dollar over the past three years as the American economy recovered from the oil crisis and the recession that followed it.

You would be correct if you attributed the present attention to the Deutschemark to considerations that go beyond the strictly financial. It wakens philosophical reflections on World War II, and it symbolizes Germany's strong resurgence since then. It suggests the economic dominance of Germany in Western Europe today, a fact of enormous significance. If you go to Germany this spring, you will find travel there exceedingly expensive. But, measured against the wider world in which Americans buy, sell and invest, the dollar is floating along pretty steadily.

There are two real dangers in the mark's dramatic rise. One is that the OPEC countries may seize it as an excuse to shift their oil sales, now conducted in dollars, to some other unit of count. It would be a way to raise prices indirectly but effectively. The other danger is psychological. Spectacular movements on exchange markets tend to unsettle people who deal on them, and lead them into a degree of extreme caution that chills the normal processes of the economy. Chicken Little, since you last heard from her, has gone into high finance and seems to have roosted in Western Europe. Her latest newsletter to her clients warns that a computer analysis of the dollar-Deutschemark relation indicates a rising stress in the firmament, with cracking possible, raising the possibility that the sky will fall. She is now calling, loudly and anxiously, on the United States to keep up the sky by supporting the dollar—that is, by buying dollars on the market to keep the price artificially high. Our view is that the sky isn't going to fall, that currency support is a gross waste of money—and that the markets are working exactly as they are supposed to.

Mr. PROXMIRE. Mr. President, I yield the floor.

VIABILITY OF ALCOHOL FUELS ENDORSED

Mr. PERCY. Mr. President, since I submitted several amendments last session to encourage the use and commercialization of alcohol fuels, there has been a burst of activity around the country to evaluate the viability of this petroleum substitute. Industry is analyzing its potential applications; motorists in Illinois are using "gasohol" with complete satisfaction; private enterprises are building and redesigning systems to accommodate this domestic renewable fuel that can replace the world's dwindling oil reserves.

There are three amendments concerning alcohol fuel in the Senate energy tax bill. One amendment, which I introduced, would exempt alcohol fuel from the 4-cent-per-gallon Federal fuel tax. This would help make alcohol blends price-competitive with straight gasoline. A second amendment, which I introduced, would establish a Federal alcohol fuel test fleet to research and develop alcohol in controlled conditions. The third amendment, introduced by Senator BAYH, would allow farmers to produce "fuel crops" on land currently under the national set-aside program. These amendments can go nowhere as long as the energy tax bill is stalled in conference.

I will consider, along with the 26 cosponsors to my alcohol fuel legislation, reintroducing this legislation as a separate bill to facilitate passage of these provisions if the conferees cannot reach agreement on the tax bill.

There is growing support around the country for the use of alcohol to end our dependence on imported fuels. Automobiles used by my offices in Illinois will soon be operating on gasohol bought from Illinois service stations, and distilled from Illinois farm produce. Those of us who support the concept of alcohol fuels must set the example. I hope that my use of gasohol in Illinois will induce others to try this domestic alternative.

Mr. President, on January 31, 1978, the Senate Appropriations Committee held hearings on alcohol fuel. Many issues were discussed at that hearing—whether the alcohol fuel works, how to use it, how to make it. The overriding conclusion indicated that, while economics may still present a problem, the fuel does work as well, if not better, than gasoline, and it provides a viable domestic alternative to the continued necessity to import petroleum automotive fuel.

Mr. President, I ask that the testimony submitted at that hearing by two energy experts, Leslie J. Goldman, Deputy Assistant Secretary for Policy Development and Competition at the Department of Energy, and Dwight L. Miller, Assistant Center Director of the Northern Regional Research Center of the USDA in Peoria, Ill., be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF LESLIE J. GOLDMAN

Mr. Chairman and Members of the Committee: This hearing of alcohol fuels is timely indeed; we have just last week received the report of a special Department-wide Alcohol Fuels Task Force set up in early December by Under Secretary Dale

Myers in response to rising Congressional interest in the subject. Our response to the Congressional concern was a commitment to begin with a clean slate and to thoroughly re-examine the alcohol fuels question. The Task Force examined both the technical and the policy issues surrounding alcohol fuels, and completely redesigned the Alcohol Fuels Program Plan.

We are encouraged by the potential of alcohol fuels to become an important element of our national energy supply strategy. This strategy, currently being developed within the Department of Energy, is the key evaluation mechanism for all fuels options. The Alcohol Fuels Task Force findings and subsequent analyses will play a key role in the supply strategy development, which will lead to policy decisions on the commercialization potential of alcohol fuels relative to other non-petroleum based alternatives. We are developing a Departmental position paper on alcohol fuels, as well as a revised program plan. These will be completed and released within a few weeks.

The Task Force's findings can be summarized as follows:

(1) Cost is still the major obstacle to commercialization of either methanol or ethanol. Methanol from coal or biomass (wood or agricultural wastes) appears the most promising, but costs about $5–$9 per million Btu, depending on the cost of raw material inputs. Gasoline, by comparison, costs about $3.50/MMBtu at current oil prices, but these costs could rise significantly by the mid 1980's. Ethanol is more expensive, in the range of $13–$17/MMBtu using current technology. Several more promising technologies are the subject of intensive R&D.

(2) On a technical basis, ethanol can be considered to be somewhat better than methanol because of its higher energy content, and its better phase stability and volatility in gasoline blends. But methanol is potentially more abundant because it can be made from coal; if practically all available farmland were used for crop plantings in excess of those required for food production, the ethanol produced from the crops and crop residues would satisfy about 8 percent of today's liquid fuel demands. Ethanol could play a major role in regional markets.

(3) Preliminary tests have indicated alcohols are suitable fuels not only for internal combustion engines, but also for gas turbine peaking units, utility boilers, industrial heating, and fuel cells. For all the presently foreseen alcohol fuel applications, it appears that fuel supply costs rather than end-use technology will be the pacing factor in achieving widespread commercial implementation. This does not mean that no technological problems remain, but rather that those problems, such as engine starting in cold weather, can be overcome in a reasonable timeframe, certainly within the next five years.

(4) Although the costs of existing alcohol production technologies are relatively well known, less is known about the potential economic benefits to be realized by reducing farm subsidies by utilizing surpluses, and by reducing municipal waste disposal costs.

(5) Alcohol fuels technology has progressed to the point where a broader assessment of the commercialization potential is warranted.

The Task Force recommended that we initiate an accelerated alcohol fuels commercialization assessment program. The purpose of this immediate action program will be to analyze policy alternatives that would allow alcohol fuels to displace a significant percentage of petroleum based fuels.

The needed analysis must include the following tasks:

Identify economic, employment, social and environmental impacts, including the effect of stabilizing farm commodity prices by utilizing surpluses, and reducing municipal waste disposal costs.

Determine the most suitable form (pure, blended, or converted to gasoline) for alcohol fuels used in the transportation, utility, industrial, and agricultural markets. This includes an assessment of various marketing and distribution strategies for both ethanol and methanol.

Assess the fiscal impacts on the U.S. Treasury of alcohol fuels use (e.g., motor fuel and excise taxes, farm subsidies).

Identify and assess policy instruments for inducing greater use of alcohol fuels:

Affecting prices; e.g., tax or subsidy programs,

Assuring a market; e.g., government purchase; mandatory blending of alcohol with various petroleum distillates, and mandatory accommodation of blends in new manufactured products,

Restricting methanol imports once domestic demand is established.

The Task Force also recommended that the technical R&D program on alcohol fuels be accelerated. The program will address improvements in biomass and coal conversion processes as well as in vehicular use of alcohol fuels.

At this time it appears that methanol made from coal or biomass is the most economical of the alcohol substitutes for petroleum based fuels. I would also like to underscore the fact that the facilities required for the production of methanol can be used for a number of other purposes in the event we should later elect not to go the methanol fuel route. For example, the methanol-from-coal plant could be modified to include the additional step of making high octane gasoline, or the gaseous products produced at an intermediate step could be used directly, or to make ammonia for fertilizer. Thus, commitments to produce methanol-based fuels do leave us with some flexibility, since other fuel options could be phased in at a later date.

These accelerated commercialization studies will be coordinated with the development of the DOE's comprehensive energy supply strategy during the coming year. This major Departmental effort will be quite different from earlier ERDA studies which focused primarily on RD&D strategies for advanced technologies. In this broader framework we will assess the role of alcohol fuels and other options for increasing production of non-petroleum liquids. This effort will ensure that decisions to commercialize new technologies are not made in a piecemeal fashion. Upon completion of these studies we will be able to bring you a commercialization action program, and based on the work of the Task Force, I am hopeful that alcohol fuels can play a key role in our energy future.

The DOE is also addressing the regulatory problems that may inhibit current utilization of alcohol fuels for automotive fuels. The Economic Regulatory Administration has just issued a temporary stay of its mandatory petroleum allocation and price regulations to allow gasoline retailers in Illinois to market gasoline-alcohol blends at a cost that reflects the alcohol component of the fuel. We are now working to develop a more comprehensive approach to alcohol fuel pricing that would be applicable to all states.

We expect our studies to answer a number of questions that are certain to arise during the current session of Congress. Therefore, we will make every effort to share our results with your committee staff as soon as they become available.

With me today are three technical experts from our alcohol fuels program office. They are Mr. Eugene Ecklund, who is intimately familiar with the detailed work of the Alcohol Fuels Task Force, Mr. Roscoe Ward from our biomass alcohols program and Mr. Brian Harney, who will answer questions relating to the production of methanol from coal.

STATEMENT OF DWIGHT L. MILLER

Mr. Chairman, I am Dwight L. Miller, Assistant Center Director, Northern Regional Research Center of the U.S. Department of Agriculture in Peoria, Illinois. I am a chemical engineering graduate of the University of Illinois and had over 20 years' experience in the fermentation and chemical industries before joining the Department of Agriculture about 19 years ago. The program at our Center includes research on corn, wheat, grain sorghum, and other cereal grains. About 30 years ago the Center had an extensive research program on agricultural residues and ethyl alcohol fermentation. Research expertise and some of the facilities from this program still exist and the program could be renewed with minimal delay.

In the past few years, we have had increasing interest and inquiries concerning the production of ethyl alcohol and its use in motor fuels. In response, I prepared a series of technical reports and studies about ethyl alcohol and residues and have participated in many conferences on these subjects. Some highlights of these studies will be presented. I will then be pleased to answer questions relating to the technical processes and use of alcohol.

Ethyl alcohol is produced in the U.S. by two major procedures—fermentation and chemical synthesis. For many years, practically all U.S. industrial ethyl alcohol has been manufactured synthetically from petroleum and natural gas because of economic favorability. However, all beverage alcohol continues to be produced by the fermentation of cereal grains, molasses, and other materials with high starch and sugar content. It is technically possible to produce fermentation alcohol from practically any raw material high in carbohydrate and from high cellulose materials such as wood, crop residues, and cultivated biomass crops.

Corn and sugar byproducts (molasses) have been the major fermentation raw materials for ethyl alcohol because of their high carbohydrate content and relatively lower costs. Wheat and other agricultural materials have, at times, been used. For example, during World War II (1942–45) when ethyl alcohol need was critical for synthetic rubber production and cost was less important about 250 million bushels of wheat were used for alcohol production. The alcohol yield from all these materials is theoretically in direct ratio to the contained starch and sugar per unit weight. In actual practice, the chemical and physical properties of each natural raw material has some effect. Chemically, fermentation and synthetic alcohols are practically the same.

Distillers grains are an important byproduct when cereal grains are used as the raw material. These byproduct grains contain practically all of the original ingredients, except the starch or sugar, which was converted to ethyl alcohol. These distillers grains (dry basis) have a protein content of 20–30 percent, depending on the type of original whole grain, its composition, and the recovery processes used. The byproduct is a protein concentrate for animal and poultry feed mixes.

Recovery and marketing of approximately 6.5 pounds of byproduct distillers grains that are produced per gallon of fermentation alcohol is important to the overall economics of grain alcohol production. A credit of over $0.30 per gallon of alcohol can be obtained from the byproduct grains alone (at $100 per ton). Effects of such a new large quantity of protein byproduct on the current animal feed markets have not yet been

resolved. If a lower credit is received, alcohol cost would be higher.

Ethyl alcohol as a component in world motor fuels is not new. Limited amounts have been used in the U.S. The best blend, according to present knowledge, should contain at least 10 percent alcohol (by volume) to prevent handling and separation problems, and anhydrous alcohol is usually required. Lower proportions and less pure alcohol might be possible, but would probably necessitate more expensive carburetor systems and some engine modifications.

A basic deterrent to use of alcohol motor fuels has been unfavorable economics. Approximately 2.5+ gallons of anhydrous alcohol can be produced from a bushel of most cereal grains. Annual U.S. consumption of motor fuel is over 100 billion gallons. Thus, a 10% fermentation alcohol blend would indeed have major impact on U.S. agriculture. This is probably the largest new potential industrial market for such agricultural materials as cereal grains that is known at this time.

Alcohol fuel blend costs depend on many factors, including grain prices, conversion costs, byproduct feed values, profits, and other expenses. Typical grain prices versus alcohol cost are shown in the included table. (In all cases, the costs do not include allowances for profit, packaging, and sales expenses.) It is evident that basic fermentation alcohol cost is currently more expensive than the refinery price of gasoline.

Thus, we can report with confidence that the fermentation production of ethyl alcohol is possible from a technical standpoint; and the alcohol is suitable for industrial purposes, for use as a motor fuel additive, or for use in beverages. However, for several decades, without financial support it has not been economically feasible in the U.S. to produce fermentation ethyl alcohol for industrial or motor fuel purposes in competition with synthetic alcohol. This situation may change soon for industrial alcohol because of escalating synthetic raw material costs. Factories to produce large volumes of alcohol from cereal grains for nonbeverage uses do not now exist. New installed factories must operate essentially continuously even during periods of grain shortages; it would not be economically feasible to operate them only when there is a surplus of cereal grains.

From an energy balance consideration, more energy is required at the distillery to prepare the grain, ferment it, recover the alcohol, and recover the byproducts than there is in the alcohol produced. The energy used for this conversion in existing plants is supplied by such fossil fuels as coal, gas, and oil.

The foregoing discussion has been primarily concerned with the production of ethyl alcohol from grains and sugar crops by fermentation. Many types of renewable plant materials can be converted to useful forms of stored energy such as alcohol and gases or burned directly for energy. We are confident that through Department of Agriculture research these resources can be developed to significantly contribute to our Nation's future energy requirements. For example, broad programs include plant materials selection; production of biomass; conversion of biomass to energy products; efficient use of energy products and processing byproducts; and production of products that release other materials for more efficient uses. Specific research approaches might include the following examples:

FOR ALCOHOL

Improved energy efficiency for alcohol production through improved substrate processing.

Development of new yeasts and fermentation conditions that produce more alcohol in a shorter time.

Improve energy efficiency for alcohol production through new alcohol distillation techniques and valuable byproduct grains recovery systems.

Processing of lower quality and distressed grains into alcohol and quality grain residues.

Production of alcohol and other chemicals from such alternative substrate byproducts as straw, corn stalks, and other residues high in cellulose.

Utilization of agricultural byproducts and residues for energy, food and feeds, and manufacture of such materials as paper, fiberboard, and plastic fillers.

FOR BIOMASS

Systematic screening of present-day crops and other plant species to identify those with potential for high biomass productivity.

Development of agricultural practices and techniques to maximize biomass production.

Development of required transportation, storage, and processing systems for the use of plant biomass in energy production.

Investigate on-farm or small community production of energy from biomass.

Development of on-farm uses of energy from biomass sources.

The nucleus of facilities and scientific expertise around which a broad program involving these approaches might be built is already in existence at the Northern Regional Research Center, and certain other public research agencies. A multifaceted research effort could be initiated soon after the necessary funds and authorizations were received.

REFORMING THE CIVIL SERVICE SYSTEM

Mr. PERCY. Mr. President, it was with great pleasure that I was present at the National Press Club today when President Carter unveiled a comprehensive series of proposals to reform the Federal civil service system. This is a long-awaited reform, one which the American people have demanded, and one to which I trust the Senate will give the highest priority and closest attention.

The civil service system was created 95 years ago after President James Garfield was shot to death by a disgruntled office seeker. The purpose of the original landmark Pendleton Act was to eliminate the abuses of the then-prevalent "spoils system" and replace it with a modern Federal personnel system based primarily and essentially on merit. This philosophy of merit still holds true today in 1978.

However, in the decades since 1883, the Federal civil service system has grown overly complex and procedurally entangled and the principle of merit has become largely camouflaged. As the size of Government has increased dramatically in recent decades, so has the complexity and over-regulation of the civil service system. Today we have reached a point where in many cases, managers are unable to effectively manage their own offices as each personnel action, be it hiring, firing, transferring, promoting, or demoting employees has evolved into a traumatic and lengthy bureaucratic nightmare.

I believe that the foremost and supreme goal in any reform of the civil service system is the restoration of merit as the single overriding principle upon which we staff the Federal Government. Every American has a stake in this goal as every American suffers when the ability of the Government to carry out even the most beneficial program stagnates when confronted by personnel management problems.

There is no doubt that the President's civil service reform proposals raise many highly controversial points. Two issues attracting particular interest, the modification of veterans preference provisions and the providing of a fair and workable system of Federal labor-management relations, will require extensive listening on the part of committee members to those directly affected by these provisions. On both of those particular issues, I will withhold my judgment until we have conducted extensive hearings on these points.

However, as a whole, I applaud what President Carter has proposed. For the first time in decades, we have been presented a specific and concrete set of proposals to unravel a series of problems in our Government which had been allowed to smolder for almost a century. As ranking minority member on the Senate Committee on Governmental Affairs, which will have legislative jurisdiction over this package, I intend to press for the most thorough and expeditious handling of this legislative package.

JOHN WAYNE ON THE PANAMA CANAL TREATIES

Mr. PERCY. Mr. President, John Wayne, veteran actor and dedicated patriot, was an early and outspoken supporter of the Panama Canal treaties. He has had criticism heaped upon him for his position, but he has not been swayed in his belief that the treaties are in the national interest.

In a recent letter from Mr. Wayne, he responds to one of his critics. True to form, Wayne pulls no punches, and his presentation serves to correct some common misunderstandings about the treaties. John Wayne has made an in-depth study of the treaties. His observations are worthwhile reading for all of us.

Mr. President, I ask unanimous consent that John Wayne's letter of January 16, 1978, plus an earlier one on the same subject, be inserted into the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BEVERLY HILLS, CALIF.,
January 16, 1978.

Hon. CHARLES H. PERCY,
U.S. Senate, Washington, D.C.

DEAR SENATOR: Since there has been so much hearsay instead of fact put into news print, people have been without factual guidance in forming their opinions regarding the Panama Canal.

Because of this, I have been censored moderately by some and vociferously by others for my point of view. As a consequence, I have spent now over three months of intensive research on this subject without depending on the bias of either side in my guidance.

Some of those results are included in this letter to Mr. Lofton of "Battleline." These are facts that can be proven.

Also included is another page of pertinent information regarding the Canal.

I hope that you will find this information of value in your judgment concerning the Treaties in debate.

Sincerely,

JOHN WAYNE.

JOHN WAYNE'S ANSWER TO "BATTLELINE" OPEN LETTER

I received a copy of your Open Letter, Mr. Lofton, and read it. Mr. Lofton, I wonder if you will print this Open Letter back to you.

I am fed up with people writing me from hearsay. You are now assuming that the good Democratic Senator from Alabama and his views reflect the top authority on the United States/Panama negotiations. I prefer to look at the proposed Treaty itself, or the Treaties as there are two of them.

Since neither you nor the good Senator were a part of the negotiations, I think it is quite obvious that we should accept the written words of the Treaty as facts rather than rhetoric of either you or the good Senator.

We are not asked to surrender 10 out of 14 bases in the area. We have agreed to return those areas which we used during the war that are now inactive and have been inactive for a long time.

The four relatively small enclaves, as you call them, are not hemmed in and do not affect either our oil lines, electrical, gas, or communication positions through the Canal.

We are keeping those areas which our military think are practical and necessary for us to maintain our interests and effort and responsibilities in the Canal.

Your statement says our military would be severely limited by a Treaty requirement for the approval of operation by a joint military Board in which the two countries have equal authority. Untrue.

The Board mentioned is not a joint military command. It has only consulting and planning functions for the cooperation of both countries and "shall not inhibit the identity or lines of authority—of the Armed Forces of the United States of America." These are facts that I am reading directly from the copy of the original Treaty which I have before me. Also in Article IV, Paragraph 2, Panama grants the United States "The primary responsibility to defend and protect the Canal." These facts should refute the reasoning or veracity of your Open Letter; but let's continue and answer it in full.

My pragmatic view in my Statement was evidently not understood by you. It was intended to remind you that Andrew Young our United Nations Ambassador hailed Castro as a hero and Cuba as "angels of order" for their guerrilla warfare and atrocities in Angola, Africa. He suggested that we should disregard the white governments in Southern Africa who are now putting forth best efforts to turn over the governing of blacks to responsible blacks. He suggests that instead of that we should back Robert Mugabe, who two weeks before the Ambassador made this statement had murdered a dozen people of the Cloth—hardly enemies of humanity.

I suggested that Roosevelt had his Wallace and Hiss; that Carter has his Andrew Young; and therefore, the fact that Torrijos has his Bethancourt should not necessarily present the Panamanian government as a part of "Castro's Beard."

You speak of the cost of the Panama Canal. Its original price for construction was 378 Million Dollars. We have spent more than that in several places around the world for just the right to spend billions to establish "Protective air bases for a very limited period of time." We have spent these billions in unfriendly as well as friendly areas. In those countries, we had no toll arrangements to keep it from costing the American taxpayer as we have had for 70 years in Panama.

The above figure and the following figures I am taking from the Annual Accounting Reports of the Panama Canal Company which is responsible for all costs, collected revenues and reimbursements for the Canal for over the last 50 years.

All the annuities paid to the government of Panama over the last 70 years amounted to 54 Million Dollars. They have returned that to the Canal Commission in loading, unloading, and warehousing services to their ships in the last five years. (Fees for these services to Panama in the Canal Zone are significantly higher than in any U.S. Port.)

The United Nations Economic Commission made a survey of the value of the Canal. Over the past 50 years, it has been a saving to the American consumer and producer—a direct savings of 12 Billion Dollars—a pretty fair return for 378 Million Dollars original investment, which included defense fortification at that time.

The Panama Canal Company is paying and has paid the United States taxpayer 16.6 Million Dollars every year for 50 years, which means the Company has paid the American taxpayers close to One Billion Dollars interest against a 378 Million Dollar loan which is still carried on the books at 319 Million Dollars.

The Secretary of the Navy in 1928 as recorded in the Annual Report states that the Canal represented a savings of 40 percent of his department's budget. His budget for that year was 500 Million Dollars. So just in the year of 1928, there was a savings of 200 Million Dollars to the American taxpayer just in Naval operations.

I guess those figures take care of the hearsay that the American taxpayer has 7 Billion Dollars invested in the Canal.

We are asking the Commission that is under and will be under American control for the next quarter of a century to pay out of its collected revenues 10 Million Dollars to the Panamanian government for taking over the responsibility for public utilities, their maintenance and the civilian government courts, policing, fire protection, etc., in the Panama Canal Zone.

We have not been able to, and we know that Panama cannot take care of these obligations for that amount of money. It cost us over twice that amount last year. Our new Commission would have the authority to raise the toll charges to pay Panama an annuity for the National Resources that Panama dedicates to the operation and defense of the Canal—the authorized addition to be 30 cents a ton paid out of toll charges. This is the equivalent of 1/100 of a cent and one half—per pound which cannot add a great deal to the cost of the cargo intended for United States consumption.

I am not asking you for an apology for your irresponsible remarks saying that my statements and position are based on "bum dope." I just remind you that they are based on facts taken from the pages of the two Treaties, plus a modicum of reasoning to dispel hysterical outcries of the uninformed and a pragmatic viewing of the Canal's cost against the billions spent on so-called protective air bases that we have and have had around the world.

I would certainly appreciate having this Open Letter printed in full text with the same type face as your Open Letter to me.

Sincerely,

JOHN WAYNE.

ATTACHMENT

Concerning the argument that the New York banks are pressing for these Treaties because Panama owes them billions of dollars is simply not true. The entire debt of the Panamanian government to United States banks is 355 Million Dollars.

To charge that the Government of the United States negotiated these Treaties because our banks had a 355 Million Dollar interest in Panama's debt is to ascribe to our Federal policy makers a tight fisted sense of economy for which Washington has never been known.

The charge that the United States has been barred from negotiating with any other country for a sea-level canal is of our own creation.

Senator Hollings explained it pretty well. The truth is that—Section 2 of Article XII of the Panama Treaty was added at the insistence of the United States and with good reason. During the 1960's, Doctor Milton Eisenhower and the Secretary of the Navy Robert Anderson and others were appointed to a "Blue Ribbon" Committee to study the possibility of a sea-level canal in Central America—Nicaragua, Colombia, Panama or anywhere else that might be feasible. That voluminous report filed in the 1970's concludes that the choice of such a feasible sea-level canal is limited to Routes 10 and 14. Both are in the Republic of Panama. In short, Panama is the only realistic place in which to build a sea-level canal. Therefore, naturally we wanted included in the Treaty the exclusive right to build same and tne assurance that Panama would not either negotiate or allow another country to consider such a project. In return for this, we agreed not to negotiate for what we did not want in the first place.

Back in 1914, we were thinking about building a Canal through Nicaragua. We entered into a Treaty then giving us an option "in perpetuity" to build a canal through Nicaragua. However, this became something of an irritant in United States diplomatic relations with that country. Nicaragua requested that the agreement be abrogated. Since the Inter-Oceanic Study Commission reported in 1970 that a canal there would displace some 370,000 people at a cost at that time of over 11 Billion Dollars and the country was subject to earthquakes, we accommodated them.

The Senate by a vote of 66 to 5 approved terminating the 1914 accord. Some of those now crying that we are giving up the Nicaraguan route are the same Senators who voted to give up that route seven years ago.

It was said a couple of weeks ago in national debate that a resort area in Panama, "Contadora," was a complete failure. Untrue.

I had occasion to visit Contadora last week. It was booked to capacity and there are no rooms available until after April at the end of the season. I can't understand why one of our politicians made this false remark.

I checked out the next statement that was made in that debate—that their hydroelectric system was a complete failure. Untrue.

They have completed one of three units that is saving them 11 Million Dollars a year and are putting in two more units that will cut their costs a total of over 40 Million Dollars annually which is 40 percent of their electric energy bill. In addition to these savings, the projects will provide 5,500 jobs directly and indirectly.

In the same debate, it was stated that Panama's new airport is a complete failure. Untrue.

I visited it a week ago. It appears to be a beautiful, well thought out facility. It is expected to handle 70,000 tons of freight annually by 1980. Its estimated cost is 65 Million Dollars. The Minister of Economics Nicolas Ardito Barletta reports that the current investment is 49.7 Million Dollars. Its date of completion is projected for April 1978. How can men in a prominent position politically in our country be so misguided that they can make the judgment that it is a failure, particularly with the millions that we spend on investigative committee reports.

It took me eight hours by plane, an hour by car, and a 15-minute interview with the Minister of Economics Nicolas Ardito Barletta to get these facts.

The fourth failure that was mentioned in the debate had to do with their sugar mills. It is true that when the price of sugar was up Panama overestimated their factory and milling needs—a sad mistake that I suppose was never made any place else in the world.

I am embarrassed by the political rhetoric and abuse to our neighboring country, which regardless of internal political turmoil, at all times has been our most friendly ally. It is certainly not deserving of the inconsiderate and fallacious comments made by our prominent politicians.

I have never checked the exact debt of New York City, but I have a feeling it is worthy of more attention than Panama's minor administrative mistakes.

BEVERLY HILLS, CALIF.,
October 11, 1977.

DEAR SENATOR: Enclosed is a statement regarding the Panama Canal Treaty.

As usual, our dear provocative press misquoted me. This has increased my mail by letters from people who are concerned about my reaction to the Treaty. The enclosed is the answer that I am sending to them.

I would appreciate it if you would read the enclosed review which I have made. Through friends and a few years of experience, I have had the opportunity to know a little about the situation down there. I might add that I have friends on both sides of the political spectrum. They are all still living the same life in the same manner as they were before the Torrijos change of government eight or so years ago. Their personal liberties do not seem too badly interfered with. None of them are in jail, and they have perhaps a little more respect for the law.

At any rate, the statement enclosed is a point of view that I think is worthy of your attention.

Sincerely,

JOHN WAYNE.

STATEMENT OF JOHN WAYNE REGARDING PANAMA CANAL TREATY

My interest in Panama goes back to the 40's. I have friends on both sides of their political spectrum. As a matter of fact, my first introduction to the Panamanian situation was in the 30's when Harmodio Arias was president. He was probably the best liked figure in all of South America and one of the very few presidents who has ever completed a term up to and since that time. His wife and his son, Tito, then about 12 years old, visited me in California. Another son Tony was Godfather to one of my daughters. I am only going into these personal things to show you that I have had reasons to give attention to our relationships down there.

I have followed the Panamanian situation since the time the State Department insured us losing good relationships with Panama by changing their policy and charging extremely high prices for tuition for the children of several Panamanian families to go to Canal Zone schools. These families were continually involved in the leadership and administration in Panama. I think it would have been quite obvious with their children attending our schools that they would have our point of view. I wrote a letter to our Administration at that time to apprise them of this situation. Nothing was done.

You say that it is a blow to you to learn from the press that I favor the surrender of the Panama Canal. I certainly did not. I was appalled when General Eisenhower did just that and gave the sovereignty of the Canal away by allowing the Panamanian flag to fly there: but at that time, neither Congress, nor the press, nor the conservatives uttered any kind of cry. I did, but it was a voice in the wilderness.

In checking to find the reason for President Eisenhower's actions, I found out that although we had the rights to the ownership and jurisdiction of the Canal that Panama had not surrendered sovereignty of same. I also found out that the United States in the Arias-Roosevelt Treaty of 1936, ratified by our Congress in 1939, recognized the sovereignty of Panama in the Canal Zone as it was originally stated in the 1903 agreement.

Under negotiations during the Kennedy Administration, it was further agreed that any place within the civil area that the American flag flew, there must be a Panamanian flag raised.

Our people in the Zone tried to avoid this by removing flag poles. This started irrational actions by both sides. During those student riots which took place in 1964, our then president, Lyndon B. Johnson told the world that there would be a gradual return of the Canal to Panamanian possession. There were still no outcries from the people who are now complaining, but the above acts plus common decency to the dignity of Panama demanded a re-evaluation of our Treaty.

Now, let's take the Treaty for what it is. We do not give up one active military installation for the next quarter of a century. We do transfer to Panama in the civil Canal area such governmental activities as police and fire protection, civil administration, post offices, courts, customs, garbage collection, and maintenance of certain areas which are not necessary to manage the Canal. The Canal will continue to be run by an American agency. The Board of Directors of that entity will be comprised of nine members—five members of the Board, American—and four Panamanians who will be selected by the United States from a list proposed by Panama. This Board of Directors will not have any authority on our military bases which we will have there for a quarter of a century to insure this Treaty.

The Treaty insures all American citizens working in the Canal their continuing jobs to retirement and the continued uses of their rented homes at the present rate which averages around $150 per month including all their utilities, garbage collection, sewerage, upkeep of the grounds and maintenance including gardening lawns and painting of buildings. This is guaranteed to each until retirement or completion of their contracts.

When the Canal Company transfers these responsibilities to Panama, they will also transfer $10,000,000 a year of the toll charges to take care of them. I doubt if this will cover the costs. So does our government. Therefore, this United States Canal Company Agency which will still be running the Canal for the next 20 years will be instructed to raise the toll charges 30 cents per ton or about 1/100 of a cent and a half per pound to be given to Panama to cover such contingencies as inflation and to insure the above responsibilities plus rental for the 120,000 acres which these United States will continue to hold for its military installations and also the use of a 4,000 square kilometer water shed as a water reservoir to take care of our civil and military needs in the area. This added toll charge could amount to $40,000,000 in the years to come; but not one cent of it will come out of our pockets.

None of this will cost the American taxpayer one cent. We will not be required to pay $1 to Panama when this Treaty is put into effect. I explained to the press when I was interrogated that I am only one of 200,000,000 private citizens of the United States and that I am not presuming to establish our foreign policy. I suggested that perhaps the facts as I have presented them to you might be put in a more enlightening manner to our citizens.

Regarding Communism, quite obviously, there are some Communists in General Torijos' administration as there have been and probably still are in ours. Back in the days of McCarthy, it was proven that a great number of people in our government were Communists. For his high-handed manner with the use of the Committee, he was censored; but the truth of his findings were never questioned.

There will always be accusations and counter-accusations in this area. General Torrijos has never followed the Marxist line. Even in his speech when he visited Cuba, he stated that Castro had insured schooling and developed a system of feeding his people but at a high social cost. Because of this he stated that what was aspirin for Cuba was not necessarily the right medicine for Panama which is putting it about as plainly as possible when you are visiting in a foreign country that you are not agreeing with their methods.

Such rumors and accusations mushroom to a degree that it is hard for anyone to defend themselves. General Torrijos' government has not followed the Marxist line. He does have his Escobar Bethancourt as we have our Andrew Young, neither of whom were elected by either populus. A quarter of a century from now—when and if this agreement is carried out to the letter of the law—and we decide that it is proper to remove military installations, Escobar Bethancourt will be an old and forgotten character; and Young will probably be relegated to some posh job in our civil service from which he cannot be fired or taken care of by some liberal foundation as was Hiss.

I hope that the pragmatic view that I have of this situation is understandable. I have carefully studied the Treaty, and I support it based on my belief that America looks always to the future and that our people have demonstrated qualities of justice and reason for 200 years. That attitude has made our country a great Nation. The new Treaty modernizes an outmoded relation with a friendly and hospitable country. It also solves an international question with our other Latin American neighbors, and finally the Treaty protects and legitimates fundamental interests and desires of our Country.

JOHN WAYNE.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Milton David Stewart, of New York, to be Chief Counsel for Advocacy, Small Business Administration, which was referred to the Select Committee on Small Business.

PROPOSED CIVIL SERVICE REFORM ACT—MESSAGE FROM THE PRESIDENT—PM 154

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which, without being read, was referred to the Committee on Governmental Affairs, and ordered to be printed:

To the Congress of the United States:

I am transmitting to the Congress today a comprehensive program to reform the Federal Civil Service system. My proposals are intended to increase the government's efficiency by placing

new emphasis on the quality of performance of Federal workers. At the same time, my recommendations will ensure that employees and the public are protected against political abuse of the system.

Nearly a century has passed since enactment of the first Civil Service Act—the Pendleton Act of 1883. That Act established the United States Civil Service Commission and the merit system it administers. These institutions have served our Nation well in fostering development of a Federal workforce which is basically honest, competent, and dedicated to constitutional ideals and the public interest.

But the system has serious defects. It has become a bureaucratic maze which neglects merit, tolerates poor performance, permits abuse of legitimate employee rights, and mires every personnel action in red tape, delay and confusion.

Civil Service reform will be the centerpiece of Government reorganization during my term in office.

I have seen at first hand the frustration among those who work within the bureaucracy. No one is more concerned at the inability of government to deliver on its promises than the worker who is trying to do a good job.

Most Civil Service employees perform with spirit and integrity. Nevertheless, there is still widespread criticism of Federal Government performance. The public suspects that there are too many government workers, that they are underworked, overpaid, and insulated from the consequences of incompetence.

Such sweeping criticisms are unfair to dedicated Federal workers who are conscientiously trying to do their best, but we have to recognize that the only way to restore public confidence in the vast majority who work well is to deal effectively and firmly with the few who do not.

For the past 7 months, a task force of more than 100 career civil servants has analyzed the Civil Service, explored its weaknesses and strengths and suggested how it can be improved.

The objectives of the civil service reform proposals I am transmitting today are:

—To strengthen the protection of legitimate employee rights;
—To provide incentives and opportunities for managers to improve the efficiency and responsiveness of the Federal Government;
—To reduce the red tape and costly delay in the present personnel system;
—To promote equal employment opportunity;
—To improve labor-management relations.

My specific proposals are these:

1. REPLACING THE CIVIL SERVICE COMMISSION WITH AN OFFICE OF PERSONNEL MANAGEMENT AND A MERIT PROTECTION BOARD

Originally established to conduct civil service examinations, the Civil Service Commission has, over the years, assumed additional and inherently conflicting responsibilities. It serves simultaneously both as the protector of employee rights and as the promoter of efficient personnel management policy. It is a manager, rulemaker, prosecutor and judge. Consequently, none of these jobs are being done as effectively as they should be.

Acting under my existing reorganization authority, I propose to correct the inherent conflict of interest within the Civil Service Commission by abolishing the Commission and replacing it with a Merit Protection Board and Office of Personnel Management.

The Office of Personnel Management will be the center for personnel administration (including examination, training, and administration of pay and benefits); it will not have any prosecutorial or adjudicative powers against individuals. Its Director will be appointed by the President and confirmed by the Senate. The Director will be the government's management spokesman on Federal employee labor relations and will coordinate Federal personnel matters, except for Presidential appointments.

The Merit Protection Board will be the adjudicatory arm of the new personnel system. It will be headed by a bipartisan board of three members, appointed for 7 years, serving non-renewable overlapping terms, and removable only for cause. This structure will guarantee independent and impartial protection to employees. I also propose to create a Special Counsel to the Board, appointed by the President and confirmed by the Senate, who will investigate and prosecute political abuses and merit system violations. This will help safeguard the rights of Federal employees who "blow the whistle" on violations of laws or regulations by other employees, including their supervisors.

In addition, these proposals will write into law for the first time the fundamental principles of the merit system and enumerate prohibited personnel practices.

2. A SENIOR EXECUTIVE SERVICE

A critical factor in determining whether Federal programs succeed or fail is the ability of the senior managers who run them. Throughout the Executive Branch, these 9200 top administrators carry responsibilities that are often more challenging than comparable work in private industry. But under the Civil Service system, they lack the incentives for first-rate performance that managers in private industry have. The Civil Service system treats top managers just like the 2.1 million employees whose activities they direct. They are equally insulated from the risks of poor performance, and equally deprived of tangible rewards for excellence.

To help solve these problems I am proposing legislation to create a Senior Executive Service affecting managers in grades GS–16 through non-Presidentially appointed Executive Level IV or its equivalent. It would allow:

—Transfer of executives among senior positions on the basis of government need;
—Authority for agency heads to adjust salaries within a range set by law with the result that top managers would no longer receive automatic pay increases based on longevity;
—Annual performance reviews, with inadequate performance resulting in removal from the Senior Executive Service (back to GS–15) without any right of appeal to the Merit Protection Board.

Agency heads would be authorized to distribute bonuses for superior performance to not more than 50 per cent of the senior executives each year. These would be allocated according to criteria prescribed by the Office of Personnel Management, and should average less than five per cent of base salary per year. They would not constitute an increase in salary but rather a one-time payment. The Office of Personnel Management also would be empowered to award an additional stipend directly to a select group of senior executives, approximately five per cent of the total of the Senior Executive Service, who have especially distinguished themselves in their work. The total of base salary, bonus, and honorary stipend should in no case exceed 95 per cent of the salary level for an Executive Level II position.

No one now serving in the "supergrade" managerial positions would be required to join the Senior Executive Service. But all would have the opportunity to join. And the current percentage of non-career supergrade managers—approximately 10 per cent—would be written into law for the first time, so that the Office of Personnel Management would not retain the existing authority of the Civil Service Commission to expand the proportion of political appointees.

This new Senior Executive Service will provide a highly qualified corps of top managers with strong incentives and opportunities to improve the management of the Federal Government.

3. INCENTIVE PAY FOR LOWER LEVEL FEDERAL MANAGERS AND SUPERVISORS

The current Federal pay system provides virtually automatic "step" pay increases as well as further increases to keep Federal salaries comparable to those in private business. This may be appropriate for most Federal employees, but performance—not merely endurance—should determine the compensation of Federal managers and supervisors. I am proposing legislation to let the Office of Personnel Management establish an incentive pay system for government managers, starting with those in grades GS–13 through GS–15. Approximately 72,000 managers and supervisors would be affected by such a system which could later be extended by Congress to other managers and supervisors.

These managers and supervisors would no longer receive automatic "step" increases in pay and would receive only 50 per cent of their annual comparability pay increase. They would, however, be eligible for "performance" pay increases of up to 12 percent of their existing salary. Such a change would not increase payroll costs, and it should be insulated against improprieties through the use of strong audit and performance reviews by the Office of Personnel Management.

4. A FAIRER AND SPEEDIER DISCIPLINARY SYSTEM

The simple concept of a "merit system" has grown into a tangled web of complicated rules and regulations.

Managers are weakened in their ability to reward the best and most talented people—and to fire those few who are unwilling to work.

The sad fact is that it is easier to promote and transfer incompetent employees than to get rid of them.

It may take as long as three years merely to fire someone for just cause, and at the same time the protection of legitimate rights is a costly and time-consuming process for the employee.

A speedier and fairer disciplinary system will create a climate in which managers may discharge nonperforming employees—using due process—with reasonable assurance that their judgment, if valid, will prevail.

At the same time, employees will receive a more rapid hearing for their grievances.

The procedures that exist to protect employee rights are absolutely essential.

But employee appeals must now go through the Civil Service Commission, which has a built-in conflict of interest by serving simultaneously as rule-maker, prosecutor, judge, and employee advocate.

The legislation I am proposing today would give all competitive employees a statutory right of appeal. It would spell out fair and sensible standards for the Merit Protection Board to apply in hearing appeals. Employees would be provided with attorneys' fees if they prevail and the agency's action were found to have been wholly without basis. Both employees and managers would have, for the first time, subpoena power to ensure witness participation and document submission. The subpoena power would expedite the appeals process, as would new provisions for prehearing discovery. One of the three existing appeal levels would be eliminated.

These changes would provide both employees and managers with speedier and fairer judgments on the appeal of disciplinary actions.

5. IMPROVED LABOR-MANAGEMENT RELATIONS

In 1962, President John F. Kennedy issued Executive Order 10988, establishing a labor-management relations program in the Executive Branch. The Executive Order has demonstrated its value through five Administrations. However, I believe that the time has come to increase its effectiveness by abolishing the Federal Labor Relations Council created by Executive Order 10988 and transferring its functions, along with related functions of the Assistant Secretary of Labor for Labor Relations, to a newly established Federal Labor Relations Authority. The Authority will be composed of three full-time members appointed by the President with the advice and consent of the Senate.

I have also directed members of my Administration to develop, as part of Civil Service reform, a Labor-Management Relations legislative proposal by working with the appropriate Congressional Committees, Federal employees and their representatives. The goal of this legislation will be to make Executive Branch labor relations more comparable to those of private business, while recognizing the special requirements of the Federal government and the paramount public interest in the effective conduct of the public's business. This will facilitate Civil Service reform of the managerial and supervisory elements of the Executive Branch, free of union involvement, and, at the same time, improve the collective bargaining process as an integral part of the personnel system for Federal workers.

It will permit the establishment through collective bargaining of grievance and arbitration systems, the cost of which will be borne largely by the parties to the dispute. Such procedures will largely displace the multiple appeals systems which now exist and which are unanimously perceived as too costly, too cumbersome and ineffective.

6. DECENTRALIZED PERSONNEL DECISIONMAKING

Examining candidates for jobs in the career service is now done almost exclusively by the Civil Service Commission, which now may take as long as six or eight months to fill important agency positions.

In addition, many routine personnel management actions must be submitted to the Civil Service Commission for prior approval. Much red tape and delay are generated by these requirements; the public benefits little, if at all. My legislative proposals would authorize the Office of Personnel Management to delegate personnel authority to departments and agencies.

The risk of abuse would be minimized by performance agreements between agencies and the Office of Personnel Management, by requirements for reporting, and by followup evaluations.

7. CHANGES IN THE VETERANS PREFERENCE LAW

Granting preference in Federal employment to veterans of military service has long been an important and worthwhile national policy. It will remain our policy because of the debt we owe those who have served our nation. It is especially essential for disabled veterans, and there should be no change in current law which would adversely affect them. But the Veterans Preference Act of 1944 also conferred a *lifetime benefit* upon the non-disabled veteran, far beyond anything provided by other veterans readjustment laws like the GI Bill, the benefits of which are limited to 10 years following discharge from the service. Current law also severely limits agency ability to consider qualified applicants by forbidding consideration of all except the three highest-scoring applicants—the so-called "rule of three." As a result of the 5-point lifetime preference and the "rule of three", women, minorities and other qualified non-veteran candidates often face insuperable obstacles in their quest for Federal jobs.

Similarly, where a manager believes a program would benefit from fewer employees, the veterans preference provides an absolute lifetime benefit to veterans. In any Reduction in Force, all veterans may "bump" all non-veterans, even those with far greater seniority. Thus women and minorities who have recently acquired middle management positions are more likely to lose their jobs in any cutback.

Therefore I propose:

—Limiting the 5-point veterans preference to the 10 year period following their discharge from the service, beginning 2 years after legislation is enacted;

—Expanding the number of applicants who may be considered by a hiring agency from three to seven, unless the Office of Personnel Management should determine that another number or category ranking is more appropriate;

—Eliminating the veterans preference for retired military officers of field grade rank or above and limiting its availability for other military personnel who have retired after at least 20 years in service to 3 years following their retirement;

—Restricting the absolute preference now accorded veterans in Reductions in Force to their first 3 years of Federal employment, after which time they would be granted 5 extra years of seniority for purposes of determining their rights when Reduction in Force occurs.

These changes would focus the veterans preference more sharply to help disabled veterans and veterans of the Viet Nam conflict. I have already proposed a 2-year extension of the Veterans Readjustment Appointment Authority to give these veterans easier entry into the Federal workforce; I support amendments to waive the educational limitation for disabled veterans and to expand Federal job openings for certain veterans in grades GS–5 to GS–7 under this authority. I propose that veterans with 50% or higher disability be eligible for non-competitive appointments.

These changes are intended to let the Federal Government meet the needs of the American people more effectively. At the same time, they would make the Federal work place a better environment for Federal employees. I ask the Congress to act promptly on Civil Service Reform and the Reorganization Plan which I will shortly submit.

JIMMY CARTER.

THE WHITE HOUSE, *March 2, 1978.*

MESSAGES FROM THE HOUSE

At 11:51 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 9851) to amend the Federal Aviation Act of 1958 to improve cargo air service.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 9851. An act to amend the Federal Aviation Act of 1958 to improve cargo air service.

The enrolled bill was subsequently signed by the President pro tempore.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 2, 1978, he presented to the President of the United States the following enrolled act:

S. 2076. An act to authorize the Secretary of the Interior to make payments to appropriate school districts to assist in providing educational facilities and services for persons living within or near the Grand Canyon National Park on nontaxable Federal lands, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENSON, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 2093. A bill to provide that the exchange stabilization fund shall not be available for payment of administrative expenses; and for other purposes (Rept. No. 95-661).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Frank H. Neel, of Georgia, to be a member of the Board of Directors of the National Railroad Passenger Corporation.

James Patrick Walsh, of the District of Columbia, to be Deputy Administrator of the National Oceanic and Atmospheric Administration.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

G. William Miller, of California, to be a member of the Board of Governors of the Federal Reserve System.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUMPERS (for himself, Mr. HODGES, Mr. HATCH, Mr. ABOUREZK, and Mr. CHURCH):

S. 2626. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAVEL (for himself, Mr. DECONCINI, Mr. GRIFFIN, Mr. HASKELL, Mr. ANDERSON, Mr. HAYAKAWA, Mr. MORGAN, Mr. BUMPERS, and Mr. PAUL G. HATFIELD):

S. 2627. A bill to amend the Internal Revenue Code of 1954 to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Finance.

By Mr. BUMPERS:

S. 2628. A bill to remove a tax incentive for the splitting up of families, and for other purposes; to the Committee on Finance.

By Mr. DOMENICI:

S. 2629. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; to the Committee on Finance.

By Mrs. HUMPHREY (for herself, Mr. MCGOVERN, Mr. DOLE, Mr. MORGAN, Mr. KENNEDY, Mr. JAVITS, Mr. JOHNSTON, Mr. CLARK, Mr. SASSER, Mr. BROOKE, Mr. CASE, Mr. LEAHY, and Mr. ANDERSON):

S. 2630. A bill to extend and modify the WIC program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CURTIS:

S. 2631. A bill to amend the Public Health Service Act to provide for revision of the National Institute on Aging; to the Committee on Human Resources.

By Mr. LAXALT:

S. 2632. A bill for the relief of Joe L. Frazier, of Elko, Nevada; to the Committee on the Judiciary.

By Mr. MCCLURE (for himself and Mr. CHURCH):

S. 2633. A bill to amend the Clean Air Act to further encourage and strengthen the Nation's commitment for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products; to the Committee on Environment and Public Works.

By Mr. GRAVEL:

S. 2634. A bill to amend section 1004 of the Demonstration Cities and Metropolitan Development Act of 1966; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HART (for himself and Mr. THURMOND) (by request):

S. 2635. A bill to authorize the disposal of 11 materials from the national and supplemental stockpiles; to the Committee on Armed Services.

S. 2636. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. PROXMIRE (by request):

S. 2637. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MELCHER (for himself and Mr. PAUL G. HATFIELD):

S.J. Res. 115. A joint resolution designating May 1978 as "Family Camping Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Mr. HODGES, Mr. HATCH, Mr. ABOUREZK, and Mr. CHURCH):

S. 2626. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. BUMPERS when he introduced the bill appear earlier in today's proceedings.)

By Mr. GRAVEL (for himself, Mr. DECONCINI, Mr. GRIFFIN, Mr. HASKELL, Mr. ANDERSON, Mr. HAYAKAWA, Mr. MORGAN, Mr. BUMPERS, and Mr. PAUL G. HATFIELD):

S. 2627. A bill to amend the Internal Revenue Code of 1954 to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Finance.

DEFERRED COMPENSATION

● Mr. GRAVEL. Mr. President, I am introducing today, on behalf of myself and my colleagues, Senators DECONCINI, GRIFFIN, HASKELL, ANDERSON, and HAYAHAWA, a bill to reverse proposed Treasury action that would seriously impact the public employees of my State and the public employees of at least 30 other States. My bill requires the Treasury to issue regulations consistent with longstanding Internal Revenue Service actions upon which my State and the States of many of my colleagues have relied.

Pursuant to Alaska statute, the State was authorized to establish and administer a deferred compensation plan for all public employees. I understand that at least 30 other States have similar plans or have enacted legislation providing for such plans.

On July 25, 1974, the Internal Revenue Service issued a favorable ruling with respect to Alaska's plan. In specific reliance upon this ruling and other Treasury and Internal Revenue Service pronouncements, Alaska undertook full scale implementation of this plan. In the short period of time that enrollment procedures have been ongoing, more than 10 percent of the employees of my State government have enrolled and are realizing the benefits of this plan. Further, my bill insures that all State employees at least have the opportunity to participate in Alaska's deferred compensation plan.

Mr. President, these plans, of which Alaska's is typical, allow the State's employees to defer part of their salary to provide for their retirement. The amounts deferred are not taxed to them in the year deferred. When paid upon retirement, these amounts are then taxed as income to the participant. In these days of increasing concern over the availability of adequate income during retirement, these plans should be encouraged, not discouraged. After all, this is a way the employees can provide for part of their own retirement, thereby not having to rely on public assistance and other Government action to aid them in their later years.

From my State's viewpoint, its plan offers ease of administration, and encouragement of voluntary savings for retirement—all at no additional cost to the State. Alaska's employees are offered a practical method of aiding in providing for their eventual retirement. Everyone benefits by these type plans.

Let me emphasize that the Alaska plan is nondiscriminatory and experience with the Alaska plan indicates that it is not utilized as a tax shelter for the highly compensated. To the contrary, experi-

ence under State plans of this type shows that they are utilized by employees at the low- and medium-income levels. According to figures obtained with reference to State plans as well as Alaska's approximately 75 to 80 percent of the participants earn less than $20,000 annually.

The legislation I have introduced today simply reiterates what until now has been the continuous and consistent Treasury and IRS policy toward these plans. For a number of years, State governments, as well as municipalities and other governmental units, have had their plans approved for implementation by the IRS. However, a strange thing happened on the way to the Capitol. The administration submitted its tax reform proposals to the Congress on January 21, 1978, but no proposal was made to overturn this longstanding interpretation of the tax law. Instead, on February 3, 1978, about 2 weeks after the tax reform proposals were sent to us, the Treasury Department issued proposed regulations attempting to overturn these rulings.

This is nothing more than the most outrageous of attempts by the Treasury Department to legislate by executive fiat. We have all seen this occur over the past few years in many areas of the administration of our laws. However, this is the most blatant action I have come across so far. If the administration did not like the tax rules under which these rulings were approved, it should have come forward with legislation to overturn them. It appears that the decision was made to pursue the legislation-by-regulation route for fear that Congress would not agree with the Treasury's decision in this area. This legislation which I am introducing today assures the Treasury that its analysis was correct. Congress will not stand for this type of action. My bill continues the policies which have been followed for many years in the tax law. With this legislation, the public employees of Alaska and the employees of other States which have adopted such plans will be able to more fully plan for their retirement.

The following States have public employee deferred compensation plans currently in operation or have adopted legislation providing for such plans. Additionally, there are any number of municipalities which have deferred compensation plans in operation or contemplate implementing them.

Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Kansas;

Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, North Carolina.

North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Wyoming.

Mr. President, I would like to ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 451 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULE FOR AMOUNTS DEFERRED UNDER PUBLIC EMPLOYEE DEFERRED COMPENSATION PLANS.—Notwithstanding any other provision of law, regulations shall be prescribed by the Secretary under this section corresponding to the principles relating to the exclusion from gross income of amounts deferred by participants in public employee deferred compensation plans set forth in the private letter ruling issued by the Internal Revenue Service on January 17, 1977, to the State of Louisiana Deferred Compensation Commission with respect to the State of Louisiana Deferred Compensation Plan for State Employees.".

(b) EFFECTIVE DATE.—This section, and the regulations issued thereunder, shall be effective on and after January 1, 1977. Such regulations shall not revoke any private letter rulings isued by the Internal Revenue Service with respect to any public employee deferred compensation plan or agreement authorized by State law or other applicable local, county, municipal, or political subdivision law or ordinance. The Secretary of the Treasury or his delegate shall prescribe temporary regulations pursuant to this section not later than 30 days from the date of enactment of this section.●

By Mr. BUMPERS:

S. 2628. A bill to remove a tax incentive for the splitting up of families, and for other purposes; to the Committee on Finance.

1976 TAX ACT UNFAIR TO MARRIED TAXPAYERS

○ Mr. BUMPERS. Mr. President, all of us from time to time receive letters from constituents calling our attention to various inequities and omissions in the Internal Revenue Code—precisely the kind of complaint that led President Carter, during his campaign for election, to refer to the code as "a disgrace to the human race." I can associate myself with this characterization without reservation, and I would like to offer for the edification of my colleagues a particularly glaring example that has been called to my attention by one of my constituents, Mr. Joe Redding of north Little Rock, Ark. There are many ironies in this case, not the least of which is that Mr. Redding, before he was compelled to retire on account of permanent and total disability, served the Internal Revenue Service as an agent for 25 years.

In 1954, when the Internal Revenue Code was enacted, Congress wisely saw fit, in section 105, to recognize the special situation in which ill, injured, or disabled citizens find themselves. Under this provision, which was substantially unchanged for 22 years, an employee could exclude from income up to $100 a week received under wage-continuation plans when he was absent from work on account of injury, sickness, or disability. Persons in this category obviously have special problems and special demands on their resources. The sick-pay exclusion, as section 105 came to be called, is a recognition of these problems much like the deduction for medical and hospital expenses.

The Congress and President Ford then enacted the so-called Tax Reform Act of 1976. I say "so-called" because the title of this act is a complete misnomer. As a matter of fact, I joined 21 other Senators in voting to strike the word "Reform" from the title of the bill, but unhappily the motion failed. In any case, section 505 of this act, which is now Public Law 94–455, repealed the sick-pay exclusion and provided in its place an exclusion of up to $5,200 a year for retirees under age 65 who are permanently and totally disabled. This exclusion is to be phased out dollar for dollar for adjusted gross income in excess of $15,000, the theory being, I suppose, that people with income in that range do not need the exclusion so much. In view of the tremendous costs that illness and disability can bring, I question the validity of this premise, but the portion of the act that has attracted my attention is even more unfair. New section 105(d)(4), as added by the 1976 act, requires married taxpayers to file a joint return if they are to get any benefit from the exclusion. The purpose of this requirement is unhappily clear. It is simply to attribute to a taxpayer whatever income his or her spouse may have for purposes of computing the $15,000 phaseout level. A taxpayer will lose the benefit of the exclusion, in other words, just as surely if his spouse has income as if he has income himself. No showing is required that the taxpayer actually benefits from his spouse's income, nor is account taken of the fact that the spouse also may be disabled or ill, with high medical expenses. Furthermore, Mr. President, the law goes on to say that a married taxpayer can get the benefit of the exclusion, even if he does not file a joint return, if he and his spouse live apart at all times during the taxable year.

I cannot imagine a clearer financial incentive for the separation of families. The provision is especially cruel because the incentive, by definition, applies only to taxpayers who are permanently and totally disabled.

In other words, Mr. President, a permanently and totally disabled citizen can exclude his disability payments from gross income regardless of what his spouse earns if he gets a divorce or separates himself from her completely. But if he continues to live with his family, and if his spouse works and earns a living, he loses the benefit of this important exclusion. No doubt there are many quirks in the Internal Revenue Code and many inequities, but I defy my colleagues to come up with one so striking as this. Those who wrote the 1976 act probably thought that by adding section 105(d)(4) they were protecting the public revenues, and there is no doubt that revenue probably will be increased to some extent, because this provision is in the statute. I cannot believe, however, that the minuscule increase to the Treasury is worth the hardship and suffering, mental and economic, that this kind of law can provoke. I am therefore, Mr. President, today introducing a bill for appropriate reference to repeal section 105(d)(4) of the Internal Revenue Code. The general rule that sick-pay exclusion phases out at $15,000 of adjusted gross income will remain untouched. The only effect of my bill will be to restore to taxpayers their customary election whether

to file a joint or separate return, and the bill will also, of course, remove one of those incentives, with which the Internal Revenue Code is strangely full, for the splitting up of families.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that paragraphs (4) and (6) of Subsection (d) of Section 105 of the Internal Revenue Code of 1954, as amended by Subsection (a) of Section 505 of the Tax Reform Act of 1976, Public Law 94–455, approved October 4, 1976, are hereby repealed.

SEC. 2. Paragraph (5) and (7) of Subsection (d) of Section 105 of the Internal Revenue Code of 1954, as amended by Subsection (a) of Section 505 of the Tax Reform Act of 1976, Public Law 94–455, approved October 4, 1976, are hereby renumbered (4) and (5).●

By Mr. DOMENICI:

S. 2629. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; to the Committee on Finance.

● Mr. DOMENICI. Mr. President, I am sending to the desk a bill that would extend medicare coverage to include orthopedic shoes and supportive devices for the feet which are prescribed by a physician to correct or treat serious abnormalities. As the ranking member of the Special Committee on Aging, I have become increasingly concerned about the gaps in medicare coverage that often cause older persons to go without much-needed medical treatment.

This particular matter was brought to my attention by Seymour G. Lefton of Albuquerque, N. Mex. Mr. Lefton explained to me the intricacies of this problem and the adverse impact the failure to treat certain disorders has on elderly individuals.

Mr. President, I would note for the record that S. 2629 is identical to H.R. 5760 which was introduced in the House of Representatives last year.●

By Mrs. HUMPHREY (for herself, Mr. MCGOVERN, Mr. DOLE, Mr. MORGAN, Mr. KENNEDY, Mr. JAVITS, Mr. JOHNSTON, Mr. CLARK, Mr. SASSER, Mr. BROOKE, Mr. CASE, Mr. LEAHY, and Mr. ANDERSON):

S. 2630. A bill to extend and modify the WIC program; to the Committee on Agriculture, Nutrition, and Forestry.

WIC PROGRAM REAUTHORIZATION AND EXPANSION

● Mrs. HUMPHREY. Mr. President, I am introducing legislation that holds out the promise of better health for several million Americans who today are afflicted with illness and disease associated with malnutrition.

The bill that I am offering is designed to extend and improve the special supplemental food program for women, infants, and children. This program, popularly called WIC, is one of the strongest weapons in our arsenal against maternal and infant malnutrition.

There is special significance in the introduction of this legislation today. This morning, individuals from every corner of this Nation, including Secretary of Agriculture Bob Bergland and Nutritionist Jean Mayer, are gathering at the Department of State for a national maternal and infant malnutrition conference.

The purpose of this important conference and this legislation are the same: To focus public attention on malnutrition in mothers and infants, a problem of immeasurable proportion that each day robs those whom it afflicts of the promise of a healthy future.

The WIC program is closely associated with my husband who offered the original WIC bill some 6 years ago. Hubert was a strong believer in WIC and saw it as an essential and integral part of our preventive health care program.

I share Hubert's vision. This Nation's greatest resource is its people. And, we know that people function best when they are in good health. This is even more true with children, and it is with children that the future of this Nation rests.

There is an extensive problem of maternal and infant malnutrition in the United States, despite the fact that many people refuse to believe that such a problem excess exists today.

Every child in our country deserves and is entitled to a healthy start in life. With this basic goal in mind, Congress enacted the WIC program in 1972. However, limited funds have prevented this important program being made available to every potentially eligible mother and child.

It is this objective, the desire of making this program universally available, that is the central thrust and focus of this bill.

Children must have proper nutrition prior to birth and in the early stages of life if they are to avoid many serious health problems later in life. This is the minimum we must do if we are to guarantee the growth and future of our Nation.

The WIC program is designed to provide the foods that are most critical to the health of women and infants. WIC provides low income, nutritionally at risk pregnant women, new mothers, infants, and children under the age of 5, supplemental foods high in iron, protein, calcium and vitamins.

WIC has achieved tremendous success, operating in a health care setting. One of the most significant outcomes of WIC has been the introduction of preventive health to many of our Nation's families. Local and State WIC administrators have reported that new families are attending clinics regularly, a development that is extremely promising in that these nutritionally at risk individuals are avoiding or minimizing costly health problems by establishing a positive nutritional approach to life.

The WIC program has been especially crucial for women attending prenatal clinics. These women are attending clinics much earlier than usual, with an accompanying beneficial health impact.

In essence, WIC has developed into what its sponsors had hoped for—a device to get proper nutrition to the most vulnerable group in society, the poor.

Today there are WIC programs in every State. Unfortunately, limited funds have restricted participation to a small percentage of the women and children who need WIC benefits.

The latest WIC participation figures from the Department of Agriculture indicate that in November, 1,065,567 women, infants, and children participated in WIC. As indicated in the 1977 annual report of the National Advisory Council on Maternal, Infant, and Fetal Nutrition, which was submitted to Congress last December, USDA estimates that there may be as many as eight persons eligible who cannot participate for every person who does now participate. Clearly, the program must be expanded to meet the needs of America.

The section of law that currently authorizes WIC, section 17 of Public Law 94–105, expires at the end of this fiscal year. The bill I am introducing today extends WIC for 4 years through fiscal year 1982, authorizes an increase in funding, and mandates changes which strengthen the program and remedy some administrative defects caused by current law.

One of the revisions in WIC that would be made under this bill is particularly important. Low-income women, infants, and children are at nutritional risk by virtue of their economic station in life. This bill recognizes that fact and defines eligibility based on income for those from households with incomes below the USDA guidelines for determining eligibility for the school lunch program.

Currently, WIC eligibility is based not solely on income, but on income and nutritional risk. While the bill defines eligibility on the basis of income, it continues to require that all women and children participate in health and nutritional assessments. These assessments are a critically important feature of the program and must be continued for all WIC participants.

While I have given this matter careful deliberation in developing my proposal, I will welcome a thorough examination of it in hearings that the Senate Committee on Agriculture, Nutrition, and Forestry will hold on this bill later this spring.

Further, this bill recognizes that migrants have unique needs, and it mandates the Secretary of Agriculture to provide funds to States to assure continuous availability of WIC benefits to migrants. The USDA is currently conducting a pilot migrant project in Minnesota and 12 other Midwestern States, and provisions of this bill give the Department the flexibility and responsibility to build on the experience of the pilot program.

This bill opens up the policymaking process by requiring the USDA to work with the States in the development of staffing standards pertaining to administrative funds, and it requires the States

to work with local agencies and the general public in the development of State plans of operation.

This bill also expands the membership of the National Advisory Council on Maternal, Fetal, and Infant Nutrition to include representatives of various groups that should be involved in the formulation of WIC policy.

The need for expansion of the WIC program remains quite critical. While in Minnesota there are 22 programs serving 12,200 participants, 64 of the 87 counties in the State do not have a WIC program. Only a small number of States have WIC programs in every county; however, even in these States not everyone eligible can participate. The reason is simple: There is not enough money.

The current spending level at the end of fiscal year 1978 will be approximately $400 million. This is a result of a court ordered reallocation of unspent funds which has been carried out since February 1977. In order to guarantee that in fiscal 1979 the program will be able to continue growing as it has in recent months, the sum of $650 million is needed.

This bill, like the current law, provides program participation for children under the age of 5. It is important that children continue to be eligible for WIC until they begin to attend school.

In my comments, I have not provided all the facts and figures concerning malnutrition that have been so accurately and eloquently portrayed by groups such as the Senate Select Committee on Nutrition and Human Needs, which went out of operation last December. I believe that there is a new spirit and recognition of the positive impacts of good nutrition that is sweeping across this country. We must take advantage of this new momentum, and not let it wane. Most importantly, we must work vigorously to guarantee that the right to an adequate diet is established as a basic and fundamental right, particularly to the women and children of this Nation.

This bill represents a small, yet important step along the path to wiping out infant and maternal malnutrition. I hope that my colleagues will join me in expediting consideration of this legislation as a small investment in a more promising tomorrow.

I am pleased that my good friend Congressman PAUL SIMON, who has distinguished himself in the field of nutrition, is simultaneously offering this bill in the House of Representatives.

Also, it is gratifying that several of my colleagues are joining me in sponsoring this bill. The support of Senators DOLE, MCGOVERN, JAVITS, MORGAN, CLARK, CASE, BROOKE, JOHNSTON, LEAHY, SASSER, KENNEDY, and ANDERSON will be most crucial as this bill progresses through the legislative process.

Finally, I would like to point out that this bill is the product of extensive citizen input. The Children's Foundation has hosted several meetings across this Nation which have produced much valuable information in the shaping of this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2630

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the WIC Amendments of 1978.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN

SEC. 2. The Secretary of Agriculture shall promulgate regulations to implement the Special Supplemental Food Program for Women, Infants and Children within ninety days after the effective date of this Act. The provisions of section 17 of the Child Nutrition Act of 1966, which are relevant to current regulations of the Secretary governing the special supplemental food program, shall remain in effect until such regulations are revoked, superseded, amended, or modified by regulations issued pursuant to this Act.

SEC. 3. Section 17 of the National Child Nutrition Act is amended to read as follows:

"SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN

"SEC. 17. (a) The Congress finds that substantial numbers of pregnant women, infants, and young children are at special risk in respect to their physical and mental health by reason of poor or inadequate nutrition or health care, or both. It is, therefore, the purpose of the Special Supplemental Food Program for Women, Infants and Children (hereinafter called the "WIC Program"), by providing supplemental nutritious food at no cost and nutrition education through any eligible local agency that applies to offer food assistance consistent with the authorization provisions of this section, to serve as an adjunct to good health care during such critical times of growth and development in order to prevent the occurrence of health problems.

"(b) As used in this section—

"(1) 'Pregnant and breastfeeding women' when used in connection with the term 'at nutritional risk' includes women who reside in families whose incomes are (A) at or below the income guidelines established by the Secretary for receipt of free meals pursuant to subsection 9(b)(1) of the National School Lunch Act or (B) at or below the income guidelines established by the Secretary for receipt of reduced price meals pursuant to subsection 9(b)(1) of the National School Lunch Act and demonstrate one or more characteristics of potential nutritional deficiency, including but not limited to: known inadequate nutritional patterns, anemia, inadequate patterns of growth (underweight or stunting), obesity, or history of high-risk pregnancy as evidenced by abortion, premature birth, low birth weight, severe anemia, and teenage pregnancy. For purposes of this Section, the term 'women' includes those women who are breastfeeding an infant from birth up to one year of age, and all women for a period of six months post partum.

"(2) 'Children' when used in connection with the term 'at nutritional risk' means children under 5 years of age who reside in families whose incomes are (A) at or below the income guidelines established by the Secretary for receipt of free meals pursuant to subsection 9(b)(1) of the National School Lunch Act or (B) at or below the income guidelines established by the Secretary for receipt of reduced price meals pursuant to subsection 9(b)(1) of the National School Lunch Act and demonstrate one or more characteristics of potential nutritional deficiency, including but not limited to: a deficient pattern of growth as reflected by a low or high percentile of height and weight, nutritional anemia, inadequate diet, or those born to women at nutritional risk.

"(3) 'Supplemental foods' means those foods containing the nutrients identified as lacking in the diets of populations at nutritional risk. Such term may also include commercially formulated infant formula. The contents of the food package shall be made available by state and local agencies in accordance with standards developed by the Secretary, in such a manner as to provide flexibility, taking into account medical and nutritional objectives and cultural eating patterns.

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dietitians, or State or local health officials, or persons designated by physicians or State or local health officials as being competent professionally to evaluate nutritional risk.

"(5) 'Operational costs' include costs for necessary expansion activities, referral, operation, monitoring, outreach, general administration, clinic, nutrition education, and administration of the State agency office.

"(6) 'State agency' means the health department or comparable agency of each State, Indian tribe, band or group recognized by the Department of Interior, the Indian Health Service of the Department of Health, Education and Welfare, or an inter-tribal council or group which is an authorized representative of Indian tribes, bands or groups recognized by the Department of Interior.

"(7) 'Local agency' means a public health or welfare agency or a private, nonprofit health or welfare agency, which directly, or through an agency or a physician with which it has contracted provides health services to recipients, Indian tribe, band, or group recognized by the Department of Interior, the Indian Health Service of Health, Education and Welfare, or an inter-tribal council or group which is an authorized representative of Indian tribes, bands or groups recognized by the Department of Interior

"(8) 'Migrant' means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes for the purpose of such employment a temporary place of abode.

"(c)(1) The Secretary shall make cash grants to the State agency for the purpose of providing funds to local agencies serving local health or welfare needs to enable such agencies to carry out health and nutrition programs under which supplemental foods and nutrition education will be made available to pregnant and breastfeeding women and to children determined by competent professional authority to be at nutritional risk because of inadequate nutrition or inadequate income, in order to improve their health status. Any eligible local agency that applies to operate or expand a WIC program shall immediately be provided with the necessary funds to serve the eligible population. The requirements set forth herein shall not be construed to permit the Secretary to reduce ratably the amount of foods that an eligible local agency shall distribute under the program to participants. The Secretary shall take affirmative action to insure that programs begin in areas most in need of special supplemental food. The program authorized by this section shall be carried out supplementary to the food stamp and food distribution program and the existence of a commodity supplemental food program may not preclude the approval of an application from an eligible local agency nor the operation of a WIC program within the same geographic area as that of a commodity supplemental food program: *Provided,* That the Secretary shall issue such regulations as are necessary to prevent dual receipt of benefits under the WIC program and the commodity supplemental food program

"(2) The Secretary shall use funds as may be necessary, from funds appropriated under subsection (c) (4) of this section, for the purpose of requiring all states to establish, maintain, operate and expand the WIC program to ensure continuous availability of program benefits to eligible migrants as they move from state to state. The Secretary shall issue regulations to effectuate the purpose of this subsection, and shall monitor states' compliance.

"(3) (A) The State agency, or the Secretary, shall, upon receipt of a completed application for participation, notify the applicant local agency in writing within 30 days of approval or disapproval. Within 10 days after receipt of an incomplete application, the State agency shall notify the applicant for the purpose of completing the application process.

"(B) The State agency shall, in cooperation with local agencies participating in the WIC program, publicize the availability of WIC program benefits, including eligibility criteria for participation, and locations of agencies providing such benefits. To maximize the effort to expand the program to persons at nutritional risk, such information shall be distributed to governmental offices, public and private health and medical organizations, and religious, civic and community groups.

"(4) In order to carry out the WIC program, there are hereby authorized to be appropriated $650 million for the fiscal year ending September 30, 1979, $850 million for the fiscal year ending September 30, 1980, and such sums as may be necessary for each succeeding year through the fiscal year ending September 30, 1982. *Provided*, that 20% of the funds appropriated shall be made available for state and local agency operational costs.

"(d) (1) The Secretary shall provide each state agency with operational funds in accordance with standards developed by the Secretary for the efficient and effective implementation and operation of the WIC program. The funds allotted to the State agency shall take into account the Secretary's staffing patterns, the agency's staffing plan formula for the WIC program, current and potential program participation, need for program expansion, technical assistance, monitoring and such other factors as the Secretary determines appropriate to further the goals of the WIC program.

"(2) The Secretary, in cooperation with the several State agencies, shall develop State agency staffing standards for the administration of the WIC program that will ensure sufficient staff for the planning and administration, including training and technical assistance, and shall develop appropriate standards for the Secretary's regional offices to ensure sufficient monitoring, training, and technical assistance. Funds paid to the State agency under this subsection may be used to pay salaries, including employee benefits and travel expenses, for administrative and supervisory personnel; for support services; for office equipment; and for staff development.

"(3) Each State agency shall submit to the Secretary for approval by a date to be established by the Secertary an annual plan for the use of State agency operational expense funds, including a staff formula for State agency personnel.

"(4) If the Secretary finds that the State agency has failed without good cause to carry out the approved State agency plan required by subsection (d) (3) of this section the Secretary shall withhold from the State agency such funds authorized under this section as the Secretary determines to be appropriate.

"(5) From the sums appropriated for operational costs pursuant to (c) (4) any local agency participating in the WIC program shall receive operational funds in accordance with standards to be developed by the State agency in cooperation with the several local agencies and subject to the approval of the Secretary. The funds allocated to local agencies shall take into account staffing needs, size and density of population, number of persons served, and such other factors as the State agency determines appropriate to further the goals of efficient and effective administration of the program. These standards shall be included in the State plan of operation required by subsection (e) (1).

"(6) The State agency shall forward in advance to local agencies those additional operational funds necessary to commence the program successfully during the three months following approval or until a program reaches its projected caseload level, whichever comes first. Such sums shall be subject to maximum amounts set by the Secretary.

"(e) (1) Each State agency, as a prerequisite to receipt of funds under this section, shall provide each year by not later than a date specified by the Secretary, among such other provisions as may be required by regulation: (A) the State agency's plans and timetable for informing low-income households and local agencies about the availability, eligibility requirements, and benefits of the WIC program, and the availability of technical assistance in developing and implementing the WIC program, using appropriate bilingual material in areas where substantial numbers of low-income households speak a language other than English, (B) a description of the State agency's actions to provide reasonable access to low-income persons for certification of eligibility and receipt of supplemental foods under the WIC program, in accordance with standards developed by the Secretary, (C) a description of how WIC program operational funds will be utilized, including, but not limited to, a description of the manner in which nutrition education services will be provided, the extent and manner in which nutrition education services will be provided, the extent and manner in which technical assistance to local agencies will be offered, and the standards for the distribution of operational funds to local agencies, (D) for the granting of a fair hearing and a prompt determination, in accordance with regulations issued by the Secretary, to any applicant, participant or local agency aggrieved by the action of a State or local agency under any provision of the plan of operation or administration of the WIC program as it affects participation, (E) for the submission of such reports and other information as from time to time may be required by the Secretary, (F) for indicators of expected performance in the administration of the program, including but not limited to: (i) an estimate of the number of persons within the State eligible to participate including members of special populations most in need of the program such as migrants, native Americans or other special risk groups, and the specific methods to be used to provide program benefits to such special groups, (ii) the areas within the State that are unserved or partially served by the WIC program most in need of the supplemental food program, including a description of how the State agency will take all reasonable actions to implement within six months the program in the top third of the areas so designated. The State agency plan shall contain a copy of the procedure manual developed by each State agency for distribution to local agencies to assist in the development and operation of the WIC program.

"(2) Not less than one month prior to the submission of the State plan required by subsection (e) (1) the State agency shall conduct public hearings to enable the general public to participate in the development of the State plan.

"(3) By October 1 of each year, the Secretary shall prepare a plan describing the manner in which he will utilize funds under subsection (b) (2) of this section to provide continuous WIC program benefits to migrants, and shall make the plan available to the National Advisory Council on Maternal, Infant and Fetal Nutrition.

"(f) (1) Persons eligible to participate shall be limited to those who meet the nutritional risk factors established by the Secretary and whose households have incomes at or below the Secretary's poverty guidelines for reduced price meals as established pursuant to section 9(b) (1) of the National School Lunch Act. *Provided*, that persons who comply with the requirements for assessment of nutritional and health status according to standards established by the Secretary whose households have incomes at or below the Secretary's poverty guidelines for free meals as established pursuant to section 9(b) (1) of the National School Lunch Act shall be eligible to participate on the basis of income.

"(2) Local agencies participating in the WIC program shall publicly announce income guidelines as frequently as possible, but no less than twice a year, and shall make determinations in accordance with procedures prescribed by the Secretary pursuant to section 9(b) (1) of the National School Lunch Act.

"(3) Local agencies participating in the WIC program shall notify persons of their eligibility to receive benefits pursuant to this section within 20 days of a request to participate. *Provided*, that the Secretary shall establish by regulation shorter notification times for special risk groups.

"(g) State or local agencies or groups carrying out any programs under this section shall maintain adequate medical records on all participants assisted to enable the Secretary to determine and evaluate the benefits of the nutritional assistance provided under this section.

"(h) (1) There is hereby established a council to be known as the National Advisory Council on Maternal, Infant, and Fetal Nutrition (hereinafter in this section referred to as the 'Council') which shall be composed of 20 members appointed by the Secretary. One member shall be a State director of the WIC program, one member shall be a State fiscal director for a WIC program (or the equivalent thereof), one member shall be a State health officer (or the equavalent thereof), one member shall be a representative of a WIC program in a rural area, one member shall be a representative of an Indian WIC program, one member shall be a representative of a migrant WIC program, one member shall be a representative of a commodity supplemental food program, one member shall be a public health nutrition director, three members shall be parent recipients of a WIC program, one member shall be a pediatrician, one member shall be an obstetrician, one member shall be a person involved at the retail sales level of food in the WIC program, one member shall be a representative of an advocacy organization specially qualified because of their experience and knowledge of the WIC program, two members shall be officers or employees of the Department of Health, Education and Welfare, specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition, and two members shall be officers or employees of the Department of Agriculture, specially qualified because of their education. training, experience, and knowledge in matters relating to maternal, infant, and fetal nurtition.

"(2) The sixteen members of the Council

appointed from outside the Department of Agriculture and the Department of Health, Education and Welfare shall be appointed for terms of three years. A person appointed to fill an unexpired term shall serve only for the remainder of such term. Members appointed from the Department of Agriculture and the Department of Health, Education and Welfare shall serve at the pleasure of the Secretary.

"(3) The Secretary shall designate one of the members to serve as Chair and one to serve as Vice Chair of the Council.

"(4) The Council shall meet at the call of the Chair but shall meet at least once a year.

"(5) Eleven members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

"(6) It shall be the function of the Council to make a continuing study of the operation of the WIC Program and any related Act under which diet supplementation is provided to women, infants, and children, with a view to determine how such programs may be improved. The Council shall submit to the President and the Congress annually a written report of the results of its study together with such recommendations for administrative and legislative changes as it deems appropriate.

"(7) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions under this Act.

"(8) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and sussistence expenses incurred by them in the performance of the duties of the Council: *Provided*, that parent recipient members of the Council, in addition to reimbursement for necessary travel and subsistence, shall be compensated for other personal expenses related to participation on the Council, such as child care expenses and lost wages during scheduled Council meetings. Expenses of parent members of the Council shall be payable in advance of Council meetings.●

By Mr. CURTIS:

S. 2631. A bill to amend the Public Health Service Act to provide for revision of the National Institute on Aging; to the Committee on Human Resources.

RESEARCH ON AGING ACT OF 1978

● Mr. CURTIS. Mr. President, the aging process comes under the broad mandate of the National Institute on Aging: "for the conduct and support of biomedical, social and behavioral research and training related to the aging process and the diseases and other special problems and needs of the aged."

Aging is a degradative biologic process that goes on continuously in all parts of our bodies until death. Aging steadily robs us of our vigor, progressively with age increases our susceptability to disease processes such as infection, cancer, and cardiovascular problems, limits average life expectancy at birth to a maximum value of about 85 years, and insures that no individual lives longer than approximately 100 years.

In 1954–55 the aging process became for the first time the major factor limiting our life span. This historical milestone passed unnoticed. Average life expectancy at birth, a rough measure of the period of healthy productive life—the functional lifespan, rose rapidly in the United States from 47.3 years in 1900 to 69.6 years in 1954–55 and then more slowly as the adverse influence of the aging process increased along with the advances in lifespan, to the present value of 72.5 years. Average life expectancy will increase progressively even more slowly in the future to a maximum value of around 74–75 years.

The aging process is now, and will remain so in the future, the major determinate of our healthy lifespan. Control of aging offers more promise of additional productive years than control of disease. Thus the conquest of cancer would increase life expectancy by no more than about 2 years. The corresponding figure for cardiovascular disease—heart attack, stroke and so forth, is around 7 years. In contrast, scientists today believe it will be possible to find practical means of slowing the aging process so that in the future a 75-year-old man, for example, will be like the average 60- or 65-year-old today. We will still die of the same spectrum of causes, but at a later age and after a longer span of healthy, productive years.

The proposed bill would limit the National Institute on Aging to biomedical aging research with the goal of increasing the healthy lifespan through slower aging. This is not to deny the importance of the other problems included in the original mandate of the NIA, it is simply that the biomedical aging problem is relatively far more important—too important to the future of everyone to permit the NIA to be hampered by other activities in the search for practical solutions.●

By Mr. McCLURE (for himself and Mr. CHURCH):

S. 2633. A bill to amend the Clean Air Act to further encourage and strengthen the Nation's commitment for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products; to the Committee on Environment and Public Works.

● Mr. McCLURE. Mr. President, I am introducing today a bill to encourage the use of alcohol in motor vehicle fuels, by providing that environmental protection for alcohol-blended fuels will be insured by section 211(c) of the Clean Air Act. Section 211(f)(1) of the Clean Air Act prohibits any manufacturer of any fuel or fuel additive to first introduce into commerce, or to increase the concentration in use of, any fuel or fuel additive for general use in light-duty motor vehicles manufactured after model year 1974 which is not substantially similar to any fuel or fuel additive utilized in the certification of any model year 1975. I am introducing this bill, Mr. President, in order to remove this prohibition, as it affects gasohol and other alcohol blends, while simultaneously maintaining the protection against health hazards provided by section 211(c).

Mr. President, as many of my colleagues are well aware, the technology involved with the production of hydrocarbons (more commonly referred to as ethyl and methyl alcohol) for use as a motor fuel blend has been with us since the late 1930's. Although alcohol was produced and blended with gasoline in great quantities during World War II, we have not given serious consideration to using alcohols as an automotive fuel because of the availability of low-cost oil.

However, those days of cheap foreign and domestic petroleum products are a thing of the past. We must now do everything in our power to both conserve our energy resources and find reasonable, effective energy alternatives whenever and wherever possible. Alcohol produced from agricultural commodities is just such an alternative.

Mr. President, while we all acknowledge the importance of conserving and finding new energy sources, there is another consideration involved with the production of alcohol from agricultural commodities which I feel is of equal, if not greater, importance. Stated simply, every gallon of alcohol produced means roughly 2½ bushels of grain (or other commodity equivalent) that American farmers can market. In years such as this when the national average price of wheat is slightly over $2 per bushel, the national average cost of producing the wheat is $3 or more, and our national surplus of wheat stocks amounts to well over 1 billion bushels, any market farmers can find is nothing less than a godsend.

In addition, independent researchers agree that miles per unit of energy shows better efficiency with both ethanol and methanol blends. The octane rating of the gasoline is actually increased by the addition of alcohol, which generally results in a higher quality fuel and, in specific instances, exhaust emissions can be reduced, resulting in cleaner air.

Mr. President, the legislation I offer today is one of the very important steps that must be taken if the United States is to fulfill these two important goals of assisting farmers and finding energy alternatives. It is clearly the responsibility of this Congress to insure that the now-popular gasohol concept be supported and nurtured properly for the benefit of all of us in the coming years. It is also clearly our responsibility to get moving now. I am confident that my colleagues will find this legislation an important and necessary link in their "gasohol plans," and hope that they will join me in sponsoring this legislation today.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (f) of section 211 of the Clean Air Act is amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) The prohibitions in paragraphs (1) and (3) of this subsection shall not apply to the introduction of industrial hydrocarbons and alcohols into any fuels or to the increase in the concentration of industrial hydrocarbons and alcohols used in any fuel. Nothing in this subsection shall be construed to affect the authority of the Ad-

ministrator under subsection (c) to regulate any fuel which contains industrial hydrocarbons and alcohols." ●

By Mr. GRAVEL:

S. 2634. A bill to amend section 1004 of the Demonstration Cities and Metropolitan Development Act of 1966; to the Committee on Banking, Housing, and Urban Affairs.

ALASKA REMOTE HOUSING PROGRAM

● Mr. GRAVEL. Mr. President, today I am introducing legislation that would amend the Alaska remote housing program created as part of the Demonstration Cities and Metropolitan Development Act of 1966 to create a program of grants and loans to the regional housing authorities of the State of Alaska for the purposes of planning, rehabilitation and management subsidy.

While I realize that my colleagues will probably shudder at the thought of a special program for Alaska, I would like to draw attention to the fact that all housing programs in Alaska have been special programs attempting to accommodate the unique cultural, economic and geographical circumstances. In 1966, the late Senator Bob Bartlett secured passage of the special Alaska remote housing program which authorized $10 million to be used in a 10-year comprehensive housing program for rural Alaskans. Congress appropriated $1 million in both 1968 and 1969 to implement this program. In 1971, HUD administratively created the special remote 200 program. In 1972, Presika's initial "special" share was to be 1,200 homes. In 1974, HUD authorized the implementation of a "Special 500" unit allocation to Alaska. In 1976, an additional special allocation of 400 units was made to Alaska. Also in 1976, HUD contracted with a Seattle-based consulting firm to perform a special study of the problems involved in providing housing in Alaska entitled, "A Study of Housing Requirements for Alaskan Native People."

What has been the result of this special activity? The Bartlett program, intended to be a 10-year comprehensive effort, was terminated after 2 years. In January 1977, Alaska Legal Services filed a class action suit on behalf of all owners of Bartlett program homes claiming that construction defects and poor design constituted a dereliction of HUD's responsibility to provide decent, safe, and sanitary housing. The special remote 200 program placed homes in 10 Alaskan villages. In late 1976, a class action suit similar to the one mentioned above was filed and HUD agreed to a settlement of $1.4 million to be used to rehabilitate homes. After President Nixon's special program was announced, the State of Alaska went to considerable effort to respond to this initiative through the creation of 12 Regional Native Housing Authorities, which were intended to serve as the principal community development entities in rural Alaska. A General Accounting Office report on Indian housing completed in 1974 indicated that during fiscal years 1972 and 1973, HUD subsidized programs produced only 25 housing units in rural Alaska. The special 500 program of 1974 was designed to facilitate a triagency approach to Indian housing, utilizing the resources of HUD, the Bureau of Indian Affairs and the Indian Health Service. This program was so complex in its administrative structure that a former HUD employee has indicated to me that both HUD and BIA employees needed technical assistance to understand the conceptual framework for the program. As of the summer of 1977, construction was progressing toward completion of the 3-year-old program.

The crucial question must be what has been the result of these efforts? The special study conducted by the Seattle firm indicates that 90 percent of Alaska Natives are living in substandard housing and that, at present delivery rates, 30 years would be required to provide the housing units needed by Alaska Natives through 1980.

Mr. President, I would like to share with other Senators the specific problems we face in Alaska with respect to housing programs. In general, housing construction costs in Alaska are the highest in the Nation, with Indian housing requiring a commitment for $81,600 per unit in rural Alaska. Unlike other areas of the United States, Alaskan rural areas are faced with certain construction conditions such as a 3-month long construction season in certain northern areas, a lack of skilled construction workers and developers, and a production system used in other parts of the United States that is inappropriate in isolated Alaskan villages. The geographic and climatic settings are on flood plains, permafrost, muskeg, steep terrains, or rocky hillsides. All of the northern and western villages face extremely severe winters and chill factors as low as minus 95 degrees. Construction materials for most remote villages must be transported by air or barge during limited seasonal periods.

The problem of planning resources is most basic. The situation in rural Alaska is analogous to that of a developing nation in which the residents are undergoing the difficult transition from a subsistence lifestyle to a cash economy. With this transition comes the development of basic community infrastructure, such as water and sewer facilities, electrical generation, roads and development of modern housing. In commenting on these developments, the HUD funded study noted two levels of planning problems; "the first involves the need for tailoring the overall design process to meet the special needs of the users, the environmental context of the problem and the administrative requirements of the delivery system * * * the second level of design problem entails the more specific elements of construction technology, materials, equipment, systems and labor in conjunction with physical and climatic conditions within the State." The resources are simply not available to do this type of planning. HUD programs allocate funds for construction, but very little, if any, for planning. The 1976 HUD 701 planning grant to Alaska was $532,500 of which $62,000 was earmarked for nonmetropolitan areas and $156,000 for Natives. These amounts funded few well-rounded plans in Alaska due to the high costs of travel and the time necessary to discuss planning needs with people who have little concept of what is required. In fiscal 1976, Alaska received a paltry $1,015,000 for discretionary community development block grants, all of which was quickly consumed by infrastructural necessities. The Association of Alaska Housing Authorities has informed me that $3.9 million in HUD 701 planning grants is required to insure adequate planning prior to future housing development.

The second major problem is the absence of funding for preparation of applications and the inadequacy and uncertainty of unit allocations to Alaska. A basic assumption of the Indian Housing program is that housing authorities will use tribal funds available from other sources for predevelopment purposes. Only one housing authority out of 12 in Alaska has access to tribal funds. The executive director of an Alaskan Regional Housing Authority is faced with the cruel choice between management or development. On the one hand, he can cut back his management staff to almost nothing, technically violating his responsibility to HUD, and use his funds for predevelopment applications. On the other hand. he can fulfill his management responsibility and forego the opportunity to secure additional units of housing. This entire situation is complicated by the uncertainty of allocations for Alaska. The pace has been as follows: 500 units in 1973 and 1974, 0 units for 1975, 465 units in 1976, 23 units in 1977 and 316 units for 1978.

The third major problem unique to housing production efforts in Alaska is financial feasibility requirements. HUD requires that, to be approved for development, project applications must demonstrate that the selected home buyer families can make payments which will average at least 10 percent over the sum of monthly operating expenses and amounts credited to home buyers equity accounts. The project application provides income data for those families living within the community that currently qualify for public housing. Generally, the extremely high costs of operating homes in remote Alaskan communities have resulted in most proposed projects being unable to meet the financial feasibility requirements. In 1975, monthly operating costs for some projects in Alaska were averaging about $120 compared to $60 nationwide.

Before May 1974, monthly payments—including utilities—paid by families in HUD-supported housing could not exceed 25 percent of the families' adjusted income. In May 1974, HUD's Office of General Counsel issued an opinion providing that utilities and certain other expenses could be excluded in determining whether a program participant's income exceeded the 25-percent limitation. An amendment to the 1974 Housing and Community Development Act made it clear that the 25-percent limitation was not applicable to mutual-help Indian housing. At present, the

term "operating expenses" refers to the administrative payments made to the regional housing authority.

Another factor which bears on the financial feasibility question is the establishment of maximum income limits. The Housing Act requires that each local housing authority establish, subject to HUD approval, maximum income limits for families seeking admission to public housing. Families whose incomes exceed these limits must seek adequate housing through other means, such as conventional bank financing or through other programs using bank financing. In most rural Alaska villages, bank sources of financing are virtually nonexistent. As a result, those families with incomes too high to qualify for the limited public housing remain in substandard housing.

On the other hand, those families with incomes low enough to qualify for public housing cannot afford to meet the minimum payments required to provide financial feasibility to a project.

The problem of financial feasibility haunts all regional housing authorities in Alaska interested in additional units. For existing units, the problem has been solved by requiring a minimum payment to cover a part of the cost of administration. In general, the minimum payment is quite a bit less than the actual administrative cost. I have been informed that several housing authorities ceased operations for extended periods during the special 500 program because of the absence of operating funds.

Various estimations have been made of the number of units necessary to insure viability for a local housing agency. The Housing Assistance Council estimated that 75 to 100 units were the minimum necessary for an efficient operation. Relative to the Alaskan experience, this number seems low. The HUD-funded study estimated that 400 units is an accurate minimum for Alaska given the required travel and special conditions. Below is a résumé of the number of units under the management of each housing authority:

	Actual	Program reservation
Association of Village Council President Regional Housing Authority	80	92
Bering Straits Regional Housing Authority	208	20
Bristol Bay Regional Housing Authority	30	30
Cook Inlet Native Housing Authority	0	0
Copper River Basin Regional Housing Authority	0	0
Kodiak Area Native Association Regional Housing Authority	0	0
NANA Regional Housing Authority	127	43
North Pacific Rim Native Corp.	0	0
Tanana Chiefs Regional Housing Authority	55	55
Tlingit-Haida Regional Housing Authority	375	40
Aleutian/Pribilof Islands Regional Housing Authority	0	25
Arctic Slope Regional Housing Authority	71	0

Mr. President, the Federal housing effort in Alaska has been characterized by fitful starts, hopeful rhetoric, and little accomplishment. Today, I am introducing a piece of legislation that will provide a basis of special support for the regional housing authorities in Alaska. The special HUD study to which I have alluded previously made the following observation with respect to these entities:

Since all the authorities have been created since 1973, many are still lacking in housing production and management experience. Their strengths, however, are their familiarity with conditions in their area since a state as large as Alaska has a wide variety of climatic, economic and social conditions. In fact, villages no more than 3 miles apart exhibit such different conditions that a design or program which will work in one will fail in another. The local familiarity of the regional housing authorities is thus of great value. As they gain operating experience, they will make a successively greater contribution.

However, the regional housing authorities lack the resources to develop that experience. This legislation will assure that these entities can function as ongoing organizations serving the most needy Alaskans. A former HUD employee from Anchorage indicated to me that "direct funding of indirect costs would enable the housing authorities to become the sustained planning and development organizations they were originally intended to be." This legislation will build upon the special programs of years past.

I would point out that this bill will not create new authorizations. I am proposing to change the purpose of the 1966 Bartlett Act while at the same time using the unexpended authorization from that program, namely $8 million. I am hopeful that the Appropriations Committee will look favorably upon a small appropriation this year to get this revised program off the ground.

Mr. President, the regional housing authorities of Alaska are caught in a terrible contradiction. They cannot become economically self-sufficient without additional units to increase their management base and they cannot secure additional units without an increased management base. The one positive result of all the special programs, namely the creation of regional housing authorities, now deserves special assistance to insure its future existence. I urge the Senate Banking, Housing, and Urban Affairs Committee to look favorably upon this final plea for special assistance.

I ask unanimous consent that the Bartlett Act and the bill be printed in the RECORD.

There being no objection, the act and bill were ordered to be printed in the RECORD, as follows:

EXCERPTS, DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966

[Public Law 89–754, 80 Stat. 1255, 1284; 42 U.S.C. 3371]

ASSISTANCE FOR HOUSING IN ALASKA

Sec. 1004. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make loans and grants to the State of Alaska, or any duly authorized agency or instrumentality thereof, in accordance with a statewide program prepared by such State, agency, or instrumentality, and approved by the Secretary, to assist in the provision of housing and related facilities for Alaska natives and other Alaska residents who are otherwise unable to finance such housing and related facilities upon terms and conditions which they can afford. The program shall (1) specify the minimum and maximum standards for such housing and related facilities (not to exceed an average of $10,875 [1] per dwelling unit); (2) to the extent feasible, encourage the proposed users of such housing and related facilities to utilize mutual and self-help in the construction thereof; and (3) provide experience, and encourage continued participation, in self-government and individual home ownership.

(b) Grants under this section shall not exceed 75 per centum of the aggregate cost of the housing and related facilities to be constructed under an approved program.

(c) There is authorized to be appropriated not to exceed $10,000,000 [2] to carry out the purposes of this section.

Approved November 3, 1966.

S. 2634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 1004 of the Demonstration Cities and Metropolitan Development Act of 1966 is amended to read as follows:

"(a) The Secretary of Housing and Urban Development (hereinafter referred to as the 'Secretary') shall make loans and grants on the basis of need to the regional native housing authorities duly constituted under the laws of the State of Alaska for the purpose of providing planning assistance, housing rehabilitation, and maintaining an adequate administrative structure in conjunction with the provision of housing and related facilities for Alaska residents.".

(b) Section 1004 (b) of such Act is repealed.●

By Mr. HART (for himself and Mr. THURMOND) (by request):

S. 2635. A bill to authorize the disposal of 11 materials from the national and supplemental stockpiles; to the Committee on Armed Services.

● Mr. HART. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. THURMOND), I introduce, for appropriate reference, a bill to authorize the disposal of 11 materials from the national and supplemental stockpiles, with the understanding that we are in no way bound by the proposals appearing in this bill.

I ask unanimous consent that the letter transmitting this legislation to Congress, requesting its consideration and explaining its purpose, be printed in the RECORD following the listing of the bill.

In addition, I would like to remind my colleagues that hearings are scheduled for March 8 and 9, 1978, on all pending stockpile legislation which will include the bill I am introducing today.

[1] Sec. 220, Housing and Urban Development Act of 1969, Public Law 91–152, approved December 24, 1969, 83 Stat. 379, 390, substituted "$10,875" for "$7,500".

[2] An appropriation of $1 million was requested by the President in 1967, but denied by the Congress.

The Independent Offices and Department of HUD Appropriation Act, 1969, Public Law 90–550, approved October 4, 1968, 82 Stat. 937, 950, appropriated $1 million for the purposes of sec. 1004.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to the provisions of subsection (b) and notwithstanding the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, the Administrator of General Services Administration is authorized to dispose of the following materials, in the quantities specified, from the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) and the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704):

(1) asbestos, chrysotile, four thousand short tons;

(2) antimony, two thousand five hundred short tons;

(3) mica, muscovite film, forty-five thousand pounds;

(4) silver, sixty-two million five hundred thousand troy ounces;

(5) tin, twenty-five thousand long tons;

(6) aluminum oxide, crude, three thousand five hundred short tons;

(7) diamond dies, ten thousand pieces;

(8) industrial diamond stones, four million five hundred thousand carats.

(9) castor oil, sebacic acid, one million two hundred fifty thousand pounds;

(10) bismuth, five hundred pounds; and

(11) iodine, seven hundred and fifty pounds.

(b) In disposing of the materials referred to in subsection (a), the Administrator of General Services shall fix the time and method of disposition with due regard to protecting the United States against avoidable loss and protecting producers, processors, and consumers against avoidable disruption of their usual markets in the materials concerned.

MARCH 1, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for referral to the appropriate committee is a draft bill that would authorize disposal of silver from the national stockpile.

The quantity of material for the draft bill has been determined to be excess to stockpile needs.

On October 7, 1977, the President reaffirmed major elements of the strategic and critical materials stockpile policy developed in 1976. The moratorium imposed last February on requests for new acquisitions and new disposals was concurrently lifted. The key elements of the previous policy that remain in force are that (1) stockpile planning will be based on United States requirements during the first three years of a major war; (2) significant austerity measures will be taken as necessary within the national economy during wartime to sustain defense production; (3) the stockpile will provide a basis for timely mobilization and economic strength during wartime; and (4) an interagency stockpile planning process is approved, which includes development of an annual materials plan for acquisitions and disposals of stockpile materials.

Disposal of the material may not be made without the express approval of Congress. This proposed legislation is part of a balanced program of acquisitions and disposals for the national stockpile designed to implement the President's stockpile program. Other elements of this program include additional draft disposal bills and a supplemental appropriation request for stockpile acquisitions in FY 1978.

The Office of Management and Budget (OMB) has advised that there are no objections to the submission of this legislative proposal to the Congress and that enactment of the bill would be consistent with the President's program.

We urge prompt introduction and enactment of this draft bill.

Sincerely,

JAY SOLOMON,
Administrator.●

By Mr. HART (for himself and Mr. THURMOND) (by request):

S. 2636. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1979

● Mr. HART. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. THURMOND), I introduce, for appropriate reference, a bill to authorize certain construction at military installations and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of this legislative measure and explaining its purpose be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., February 27, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded a draft of legislation "To authorize certain construction at military installations and for other purposes."

This proposal is a part of the Department of Defense legislative program for FY 1979. The Office of Management and Budget on February 17, 1978, advised that its enactment would be in accord with the program of the President.

Appropriations in support of Titles I through VII of this legislation are discussed in the Budget of the United States Government for the FY 1979.

Titles I, II, III, and IV of this proposal would authorize $2,417,909,000 in new construction for requirements of the Active Forces, of which $874,343,000 are for the Department of the Army; $769,110,000 for the Department of the Navy; $609,556 000 for the Department of the Air Force; and $164,900,000 for the Defense Agencies.

Title V contains legislative recommendations considered necessary to implement the Department of Defense family housing and homeowners assistance programs and authorized $1,695,100,000 for costs of those programs for FY 1979.

Title VI contains General Provisions generally applicable to the Military Construction Program.

Title VII totaling $134,800,000 would authorize construction for the Guard and Reserve Forces, of which $44,800,000 is for the Army National Guard; $25,100,000 for the Army Reserve; $17,900,000 for the Naval and Marine Corps Reserves; $36,100,000 for the Air National Guard; and $10,900,000 for the Air Force Reserve. These authorizations are in lump sum amounts and will be utilized in accordance with the requirements of chapter 133, title 10, United States Code.

Title VIII provides authorization as may be necessary beginning for FY 1980 and meets the basic requirements of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344).

Additionally, included in Title I, pursuant to section 138 of title 10, United States Code, as amended, is authorization for construction of production base support at Army Ammunition Facilities, for which appropriations are being requested.

The projects which would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91–190. Required environmental statements will be submitted to the Congress by the Military Departments.

Sincerely,

HAROLD BROWN.●

By Mr. PROXMIRE (by request):

S. 2637. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. PROXMIRE when he introduced the bill appear later in today's proceedings.)

ADDITIONAL COSPONSORS

S. 1178

At the request of Mr. THURMOND, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of S. 1178, a bill to amend the Communications Act of 1934 in order to prohibit the television broadacsting of programs portraying nudity, obscenity, explicit sexual activity, gross physical violence or morbid torture, any of which is offensive to the public taste and morals.

S. 1556

At the request of Mr. HANSEN, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1556, a bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries.

S. 2151

At the request of Mr. WILLIAMS, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2151, a bill to authorize loans for the establishment of local public, low-cost, nonprofit clinics for the spaving and neutering of dogs and cats, and for other purposes.

S. 2167

At the request of Mr. DOMENICI, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 2167, a bill to assist in increasing the depressed price of copper in the United States by authorizing the purchase of a quantity of such metal for inclusion in the national stockpile, and for other purposes.

S. 2405

At the request of Mr. LUGAR, the Senator from California (Mr. HAYAKAWA), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Alabama (Mr. ALLEN), the Senator from North Dakota (Mr. YOUNG), the Senator from Nebraska (Mr. CURTIS), the Senator from Kansas (Mr. DOLE), the Senator from North Carolina (Mr. HELMS), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of

S. 2405, a bill to authorize an intermediate term Commodity Credit Corporation credit program for the purpose of financing the sale and export of agricultural commodities produced in the United States.

S. 2416

At the request of Mr. JAVITS, the Senator from Maryland (Mr. SARBANES) and the Senator from Florida (Mr. STONE) were added as cosponsors of S. 2416, the Nurse Training Amendments of 1978.

S. 2500

At the request of Mr. BUMPERS, the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Florida (Mr. CHILES), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 2500, a bill to amend the Federal Water Pollution Control Act in order to limit the information which may be obtained pursuant to such act.

S. 2501

At the request of Mr. HATHAWAY, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 2501, the Social Security Financing Amendments of 1978.

S. 2542

At the request of Mr. HEINZ, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of S. 2542, a bill to amend the Internal Revenue Code of 1954 to permit the full investment credit amount to be claimed for pollution control facilities for which rapid amortization has been elected.

S. 2557

At the request of Mr. HUDDLESTON, the Senator from Indiana (Mr. LUGAR) and the Senator from New Hampshire (Mr. DURKIN) were added as cosponsors of S. 2557, the Emergency Transportation Act of 1977.

SENATE JOINT RESOLUTION 101

At the request of Mr. DOMENICI, the Senator from South Carolina (Mr. THURMOND) and the Senator from Alabama (Mr. SPARKMAN) were added as cosponsors of Senate Joint Resolution 101, to authorize the President to issue a proclamation designating a memorial Sunday for firefighters who have been disabled or killed in the line of duty during the preceding year.

SENATE CONCURRENT RESOLUTION 68—SUBMISSION OF A CONCURRENT RESOLUTION EXPRESSING THE SENSE OF THE SENATE ON THE BALTIC STATES QUESTION

Mr. CURTIS submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 68

Whereas the United States, since its inception, has been committed to the principle of self-determination;

Whereas this essential moral principle is also affirmed in the Charter of the United Nations;

Whereas the Union of Soviet Socialist Republics is, according to its constitution, a voluntary federation of autonomous republics;

Whereas the three Baltic Republics (the Republic of Lithuania, the Republic of Latvia, and the Republic of Estonia) did not become member republics of the Union of Soviet Socialist Republics voluntarily, but rather were occupied militarily by the Russian Armed Forces in the early days of World War II and subsequently incorporated by force into the Union of Soviet Socialist Republics and have since been governed by governments approved by, and subservient to, the government of the Union of Soviet Socialist Republics;

Whereas the ethnic makeup of the Baltic peoples (the Lithuanians, Latvians, and Estonians) is distinctly foreign in language, culture, common traditions, and religion from that of the Russian people;

Whereas, by deportation and dispersion of the native populations of the Baltic States to Siberia and by a massive colonization effort in which Russian colonists replace the displaced native peoples, the Soviet Union threatens complete elimination of the Baltic peoples as a culturally, geographically, and politically distinct and ethnically homogeneous population;

Whereas, despite such treatment, the spirit of the citizens of the Baltic States is not broken and the desire of the citizens of the Baltic States for national independence remains unabated;

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of the Baltic States and has continued to maintain diplomatic relations with representatives of the independent Republics of Lithuania, Latvia, and Estonia; and

Whereas the United Nations and the United States delegation to the United Nations have consistently upheld the right of self-determination of the people of those countries in Asia and Africa that are, or have been, under foreign imperialist rule: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations and to urge that the United Nations request the Soviet Union—

(A) to withdraw all Russian and other nonnative troops, agents, colonists, and controls from the Republics of Lithuania, Latvia, and Estonia, and

(B) to return all Baltic exiles from Siberia and from prisons and labor camps in the Soviet Union;

(2) until the Baltic States become independent, the Secretary of State should, through such channels as the United States Information Agency and other information agencies of the United States Government, do his utmost to bring the matter of the Baltic States to the attention of all nations by means of special radio programs and publications;

(3) the United States should not agree to the recognition, by any international conference, of the Soviet Union's unlawful annexation of Lithuania, Latvia, and Estonia, and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic States by the Soviet Union;

(4) the President should require that all government map publishers, and should request that all private map publishers, show, on all maps of Europe, the Republics of Lithuania, Latvia, and Estonia as independent states, with a footnote explaining that the military occupation and forced incorporation into the Soviet Union of Lithuania, Latvia, and Estonia has never been recognized by the United States;

(5) the right of self-determination should be returned to the peoples of Lithuania, Latvia, and Estonia through free elections conducted under the auspices of the United Nations after Soviet withdrawal from the Baltic States; and

(6) the right of self-determination should be made a prime political objective of the United Nations and should be accorded through free elections under the auspices of the United Nations to all peoples now involuntarily subjugated to Soviet communism.

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 1714 AND 1715

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

PANAMA CANAL TREATIES—EX. N, 95-1

AMENDMENT NO. 58

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95-1.

AMENDMENT NO. 59

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to amendment No. 20 intended to be proposed to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

AMENDMENT NO. 60

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to amendment No. 21 intended to be proposed to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

● Mr. DOLE. Mr. President, as in executive session, I submit and send to the desk three amendments, and I ask unanimous consent that they be printed in the RECORD.

One amendment applies directly to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. The other two are amendments of the second-degree to amendments No. 20 and No. 21 to the same treaty.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 58

Before the period at the end of article V, insert a comma and the following: "except as the United States and Panama may otherwise agree".

AMENDMENT No. 59

On page 2, line 16, immediately after "defend the Canal against any threat" insert ", as determined by either Party,".

On page 2, line 17, immediately after "the right to act" insert ", unilaterally or jointly,".

AMENDMENT No. 60

On page 2, line 9, after "emergency," insert "as determined by each head of State for the vessels of his nation,".●

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. CHURCH. Mr. President, for the information of the Senate and the general public, the Senate Energy and Natural Resources Subcommittee on Energy Research and Development has scheduled two hearings to examine the fiscal year 1979 Department of Energy authorization request for nuclear programs. The first hearing is scheduled for March 3, 1978, in room 3110 of the Dirksen Senate Office Building to begin at 9 a.m., and the Department of Energy witnesses will direct their statements to those nuclear programs including breeder reactors, support of nuclear fuel cycle, nuclear research and applications, and light water reactor technology.

The second hearing is scheduled for March 16, 1978, in room 3110 of the Dirksen Senate Office Building at 9 a.m. At this hearing, the Department of Energy witnesses will address the nuclear energy programs including enrichment, naval reactors, waste management, and nuclear safeguards and security.

Anyone wishing additional information with regard to the hearings should contract the subcommittee staff director, Willis Smith, at (202) 224–4431.●

ADDITIONAL STATEMENTS

THE ABORTION DEBATE

● Mr. BARTLETT. Mr. President, I commend the action of my distinguished colleague and friend from Pennsylvania, Senator SCHWEIKER.

The prolife movement recently came under attack in a column written for the New York Times by Lawrence Lader. Lader's vitriolic statement attempted to link the ever-growing antiabortion sentiment in this country to the "Catholic Church" and the "right wing." He failed miserably.

The Senator from Pennsylvania took Lader's article to task. In contrast to the low-level demagoguery displayed by Lader, Senator SCHWEIKER endeavored to correct the distortions created by the writer in a factual manner. The right-to-life issue is controversial. It also spans the whole political spectrum. Lader's smoke screen contributes nothing to the serious nature of the politics of persuasion involved in this issue.

I applaud Senator SCHWEIKER's professionalism and ask unanimous consent that the Lader statement and Senator SCHWEIKER's response to the article be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

ABORTION OPPONENTS' TACTICS

(By Lawrence Lader)

When the United States Supreme Court legalized abortion five years ago, on Jan. 22, 1973, none of us who had struggled so long for abortion rights could have predicted that this issue would soon polarize the nation.

The debate for years had been reasonably calm. One often enjoyed the dedication of the opposition. Even when I announced after publication of my book "Abortion" in 1956 that I was referring to women seeking abortion to qualified doctors, this open testing of laws produced amazingly little anger of harassment in some 2,500 cases.

But in the last year or so, the anti-abortionists have injected a level of rage, and often street-gang tactics, that seem close to madness. They recently raided a Planned Parenthood, clinic in Norwich, Conn., forcing their way past the staff in an attempt to seize records of abortion patients. They chained themselves to the furniture at a Washington, D.C. clinic, obstructing further treatment until the police could dismantle the furniture and remove the chains.

Opposition to arbortion has now become the spearhead of political fanaticism. It has been used to unify a new political coalition—a right-wing group drawing on the constituency of George Wallace's American Independent Party, which polled almost 10 million votes in 1968. Situated largely in the South, the Midwest, and strongholds of Roman Catholic conservatism like Suffolk County, L.I., this coalition revolves around all issues presumably posing a "threat to the American family."

Phyllis Schlafly, for example, a primary opponent of the Equal Rights Amendment also campaigns against abortion. Anti-abortion groups were conspicuous at her recent anti-E.R.A.'s rally in Houston. Many of the opponents of gay rights in Florida also coordinate the attack on abortion rights. At an anti-E.R.A. rally in Tallahassee, the Florida Stop E.R.A. president lashed out at school busing as well.

The emergence of this coalition, centered on opposition to abortion, has enabled the Roman Catholic hierarchy to assert an authority in politics that frequently eluded it in the past decade. It lost its campaign against birth control, even among its own parishioners, years ago. It has had minimal success with stopping divorce reform, and gaining public funding for parochial schools. But opposition to abortion gave Catholic officials sorely needed links to powerful allies like former Congressman John G. Schmitz, the American Independent Party Presidential candidate in 1972. There were new religious allies: the Mormons, Orthodox Jews, and above all Protestant Fundamentalists.

The strength of this religious/right-wing alliance has opened a route to the White House. A delegation from the National Conference of Catholic Bishops had no trouble obtaining an appointment with President Carter to present its case against abortion. By contrast, the Religious Coalition on Abortion Rights (representing a majority of Protestant and Jewish organizations) has sought in vain to see the President for months.

The traditional barrier between church and state under the First Amendment has been further threatened by the Catholic bishops' financial contributions to the anti-abortion campaign. Over $900,000 was contributed from January 1976 to March 1977 to the National Committee for a Human Life Amendment, the front group seeking to combat the Supreme Court decision on abortion. Half this amount came from scores of Roman Catholic dioceses—$20,000 from the archdiocese of New York, the same from the diocese of Wheeling, W. Va., $16,000 from the diocese of Hartford, Conn. All these dioceses are tax-exempt. While tax-exempt religious organizations now have some latitude in political contributions, never before has one church, under orders from its leadership, financed a political campaign to the extent of half its funds.

Nothing has jolted the hierarchy more than the split in Catholic attitudes on abortion. A Lou Harris poll in November 1976 showed that 52 percent of Catholics approved the Supreme Court's legislation of abortion, with 39 percent opposed. While about half of all Catholics disagree with official dogma, the hierarchy puts increasing pressure on its hard-core faithful.

On the fifth anniversary of legalized abortion, the immediate loser from the rise of fanaticism is the poor. The long-run victim may be the First Amendment. The Catholic hierarchy has misjudged the commitment of most Americans to abortion rights. The free choice to bear, or not to bear, a child, has become as fundamental to American rights as free speech and free press. Any further threat to abortion rights, and to separation of church and state, could bring the free choice majority to adopt tactics as extremist as those of the anti-abortion minority.

ABORTION DEBATE: "A MEAN SMEAR"

(By Senator SCHWEIKER)

To the Editor:

Lawrence Lader's recent Op-Ed article on "Abortion Opponents' Tactics" is a mean smear against millions of Americans deeply opposed to "abortion on demand," including this U.S. Senator.

This obvious effort to link the growing anti-abortion movement in America to the "Catholic Church" and "the right wing" is a gross distortion of the political realities of the abortion situation in this country today. To label the abortion issue as solely a "Catholic concern" first of all overlooks simple basic facts; for example, many of the outspoken opponents of abortion in Congress, such as myself and such fellow Senators as Orrin Hatch, Mark Hatfield and Jessie Helms, are non-Catholics.

President Carter himself, and his wife Rosalynn, have taken strong and unequivocal stands on the morality of abortion, and this can hardly be attributed, as Mr. Lader implies, to one or two meetings of the leadership of the Catholic bishops of America in the White House with a Baptist President.

The second charge, of the right-wing influence, is even more distorted. Many Representatives and Senators with varying positions on the political spectrum oppose abortion, as I do. Senators Biden, Durkin and Eagleton are just some who come to mind who have consistently joined me in opposing Federal funding of abortion yet could hardly be categorized as right-wingers. The Catholic Church in America, on the basis of most social issues, could also hardly be called right-wing; witness its recent testimony before the Senate Foreign Relations Committee favoring the Panama Canal Treaty.

The simplistic and sweeping conclusions in Mr. Lader's article lend little to the great abortion debate going on in America today as a consequence of the so-called Hyde Amendment restriction on Medicaid abortions and the original January 1973 U.S. Supreme Court opinions. The abortion issue, which goes to the very basic human right, the right to life, deserves more and better discourse than provided by Mr. Lader's pen. We here in the Congress, faced with this great and moving political issue, are ill-served by such rhetoric and debate.●

CYSTIC FIBROSIS

● Mr. HATHAWAY. Mr. President, we all recognize the plight of children who are chronically ill, and as a nation we

support efforts to alleviate the serious health problems of the Nation's most valuable resource, our younger generation.

WHAT IS CYSTIC FIBROSIS?

In recent years, I have become aware that a major genetic killer of children in this country is cystic fibrosis. It is disease that victimizes the young and robs them of their future for it is incurable. Every day, five babies are born with cystic fibrosis and every day three lives are lost because of this disease.

Cystic fibrosis is transmitted when a child inherits a gene for the disease from each of his parents. The parents, who are healthy, are unknowing carriers of this gene until their child is diagnosed for cystic fibrosis, and currently there is no test to identify the carriers. The laws of genetics are unyielding and it is known that 1 of every 20 Americans carries the gene for cystic fibrosis.

A cystic fibrosis infant's first breath of life signals the beginning of a lifelong battle. The parents' natural joy of birth is overshadowed by the knowledge that there is no cure or control for this disease which attacks the lungs as well as the digestive system.

CYSTIC FIBROSIS: DIMENSIONS AND IMPACT

What does CF really mean to the 1 of every 1,600 babies born with this disease and to their families?

It means the parents must undertake a daily rigorous regime designed to keep CF from causing irreversible damage to the lungs of their child. It means the parents are involved in providing constant medication to fight off malnutrition.

Because a cystic fibrosis victim's pancreas is clogged with the same sticky mucus which blocks the lungs and airways, pancreatic enzymes which aid in the proper digestion of food cannot follow their natural course. It is unbelievably sad to watch a child eat heartily, even voraciously, and fail to thrive and grow, remaining thin and frail.

The afflicted child takes as many as 60 pills per day: vitamins, enzymes and antibiotics to fight infection. This child will constantly require time-consuming bronchial hygiene in the home—including postural drainage, which involves vigorous clapping of the chest, designed to help the patient cough up the life-threatening mucus. The hands of many parents are malformed from the years of providing this physical therapy—twice or three times daily. Cystic fibrosis children will spend hours daily with a mask attached to their faces, breathing in medicated vapors, which help loosen and clear the mucus. And once or twice a year, they will require hospitalization due to bouts of acute illness.

PROBLEMS OF LIVING

When a family has more than one CF-affected child, the time involved in complying with regimens threatens the normal family life style. While a chronic disease may sometimes draw family members closer, cystic fibrosis can wreak havoc on relationships within the family. The disease requires continuous attention and parents must devote incredible amounts of time to therapy. Social activities and time together for husbands and wives are frequently restricted. Financial strains can become overwhelming and yet needed extra income is lost because the burden of care does not permit both parents to work fulltime outside the home. Emotional problems can also beset the siblings of cystic fibrosis patients to a significant degree. Thus parents suffer, patients suffer, siblings suffer—our society and Nation suffer.

Although many cystic fibrosis children attend school and become involved in relatively normal activities, others require home tutoring as they are unable to maintain school schedules.

Emotionally, the ramifications are tragic. A child's peers may avoid him, fearing in ignorance that cystic fibrosis is contagious. The racking cough associated with the disease is unattractive and causes aversion among those around the patient. The medication, special diets and treatments interfere with social life, especially as the patient grows to young adulthood.

Adolescence, a time for striving toward independence, represents yet another phase of the ongoing struggle for the cystic fibrosis patient, who has literally been dependent upon his family for life-sustaining therapy and support. The patient must assume not only normal personal responsibilities associated with his age, but also the often anxiety-provoking tasks of self care. Rebellion against the mechanical trappings necessary to stay alive can become an emotional problem for the patient. Depression and despair threaten the instinct for survival.

For the minority who live past adolescence, the fight for life continues because a young adult does not "outgrow" cystic fibrosis, and the severity of the disease does not lessen with age. The demands and burden of care never cease. They remain a constant part of the patient's life, a life in which his hidden handicap will mean job discrimination and difficulties in social development. Although a cystic fibrosis patient may not manifest visible signs of his handicap, they are there—as real as any crutch or brace—although, tragically, less well understood than other more visible conditions. The clinical problems of the young adult are compounded by the insecurities of planning for a future, including education, marriage, and a career.

EMPLOYMENT

Coming of age for the cystic fibrosis patient is drastically different from that of healthy adults. The latter are able to achieve self-esteem through work and gainful employment. The cystic fibrosis job applicant faces discrimination. Should he tell the prospective employer of his chronic condition, he risks the possibility of not being considered for employment. Group insurance policies in many companies may not cover cystic fibrosis, thus erecting more obstacles to employment. As with many handicapped Americans, the cystic fibrosis patient may appear to prospective employers as a liability while the talents, drive, determination, and courage, typical of cystic fibrosis patients, may be overlooked as real assets.

COSTS

And so the struggle continues. Without gainful employment and without sufficient aid from State and Federal funds, the adult cystic fibrosis patient faces financial chaos—or further family dependence. Direct costs of care range between $10 and $20 thousand dollars per patient per year. It is time that we begin questioning and exploring what we can and should do to help these afflicted Americans and their families who are struggling every day against cystic fibrosis.●

THE HOLY LAND CHRISTIAN MISSION AND MOUNT OF DAVID CRIPPLED CHILDREN'S AND ORTHOPEDIC HOSPITAL

● Mr. HEINZ. Mr. President, when an organization has long been engaged in improving the quality of life for the poor, the homeless, and the afflicted, it is fitting that we pay tribute to this organization, its unselffish and humanitarian efforts, and its thousands of generous supporters. Such is the case for the Holy Land Christian Mission and its Mount of David Crippled Children's and Orthopedic Hospital, which has American headquarters in Kansas City, Mo. The mission, established in 1936, is located in Bethlehem on the west bank of the Jordan, now under military control of Israel, and is in the midest of camps containing over 300,000 Arab refugees.

Since so many Pennsylvania residents contribute to the mission, I am particularly honored to bring to the attention of my Senate colleagues the outstanding work and achievements of this non-profit, nondenominational organization.

Like a minature city, the mission maintains its hospital, orphanage, school, and support facilities to meet the total needs of its large family of orphans and crippled children—and reaches out "beyond its walls" to provide care and monthly assistance to hundreds of widows and refugees and other people of the Holy Land. One outreach service provided to these destitute people is a program of child care centers which the mission operates in refugee camps for pre-school-age children.

The 18-building complex includes trade workshops for teaching manual skills to the orphans. The mission is self-sufficient, making its own clothing, shoes, linens, and other materials. Its trade shops manufacture all of the special shoes and braces for the crippled children. The mission school, staffed with a highly qualified faculty, offers grades one through nine.

More than just a clinic or welfare station, the mission offers a good education and counseling—and lots of "tender loving care." The large staff employed by the mission includes a number of former orphans who are now dedicated to providing the children with the same important care they once received.

Following a serious outbreak of polio in 1952, the mission opened a new rehabilitation center to care for the crippled children in Bethlehem and surrounding areas. In 1971, the current

hospital, the only free children's orthopedic facility in the Middle East, was opened in newly remodeled facilities under the direction of Dr. A. F. Zuaiter, who brought together an expanded staff of fine physicians, physiotherapists, nurses, and medical technicians.

Today, the hospital ranks as one of the largest and certainly the most progressive orthopedic hospital in the entire Middle East. Equipped with two modern operating theaters, a topnotch physiotherapy department, and an outpatient department, its expert staff ministers to thousands of patients a month—including those with cases of congenital hip dislocation and club foot problems, birth defects, polio, and other crippling diseases.

At the present time, over 2,300 severely crippled children are waiting to be admitted to the hospital. The demand for its services is so great that an expansion is now underway, with completion of the new facilities scheduled to the availability of funds.

Furthermore, the hospital continues to conduct specialized orthopedic research and plans are now underway, with the support of the Agency for International Development, to make its highly successful and advanced surgical techniques available to American medical personnel.

I am indeed proud to commend the Holy Land Christian Mission to the attention of my colleagues and I know that they join me in conveying our appreciation and commendation for the outstanding efforts of this unique organization.●

RHODE ISLAND: BASKETBALL KINGDOM OF THE EAST

● Mr. CHAFEE. Mr. President, I have always been a firm believer that it's the quality of a State that counts, not its size. This holds true in any endeavor, whether it's politics, education, athletics, or the arts.

Rhode Island, one of the smallest States in the union, has reason to be especially proud of the athletic achievements of two of its schools. Both the University of Rhode Island and Providence College achieved the benchmark of success in college basketball—a 20-victory season—and both teams have been invited to a postseason tournament. Providence College finished the regular season with a record of 23–6, and the University of Rhode Island was just one victory behind with a record of 22–6.

The two teams took different roads to the same destination. For Dave Gavitt, coach of the Providence Friars, it is his eighth consecutive 20-victory season. Also, it marks the 17th time in the last 20 years that Providence College has won 20 games or more—a record unequalled by any other major college team.

For Jack Kraft, coach of the URI Rams, this season was a giant step in his effort to regain the national reputation URI basketball had two decades ago. For the students of URI, the season meant more than winning every game on their home court at Keaney Gym—a feat never before accomplished. It also meant getting mentioned, if not in the same breath, at least in the same sentence, as "P.C."

A lot of talk is generated in Washington about the competition between the sunbelt and the frostbelt over Federal dollars. As cochairman of the Northeast-Midwest Coalition, I am proud that in their skirmishes with some of the best known basketball teams in the sunbelt—those in the Atlantic Coast Conference—Rhode Island teams held their own.

Providence College defeated the nationally ranked North Carolina Tar Heels—and in doing so became one of the few teams ever to beat them at their own game. I am talking about basketball's version of the filibuster—the four-corners offense. Only 2 days later, the University of Rhode Island took on another fine representative of the ACC—Wake Forest—and sent them home with a defeat. I have no doubt that the Providence Civic Center now occupies a place alongside that of Gettysburg and Fort Sumter in the hearts of many North Carolinians.

In recognition of their achievements, both teams will be participating in the ECAC playoffs starting tonight in Providence, Rhode Island. PC and URI have met twice already this season, and each team boasts a victory. The stage is set for the possibility of a rubber game between these two intrastate rivals. What is at stake is more than a berth in the NCAA playoffs and a possible national championship. What is on the line is the bragging rights within one of the best kept basketball secrets in this country—the State of Rhode Island.●

TAX REDUCTION AND LIMITED GOVERNMENT

● Mr. PAUL G. HATFIELD. Mr. President, last year Congress enacted legislation that was supposed to restore financial health to the social security trust fund. Unfortunately, Congress took no action to provide real tax relief for low- and middle-income wage earners and their employers. The result has been a massive overdose of payroll taxation that threatens the financial health of the average American family and the economy as a whole.

Congress approved the extraordinary social security payroll tax increases late last session while preparing to recess for the holidays. The news hit the streets at a time when taxpayers were bracing for another big tax increase mandated in 1972, one which will take an estimated $3.3 billion in payroll taxes from those 108 million workers and their employers who already contribute to the social security system. More tax increases slated for next January 1 will take nearly 227 billion additional dollars from these overtaxed Americans during the next 10 years. This is the biggest peacetime tax hike in the memory of most of us, one which will affect profoundly the livelihood of virtually all workers, all businesses, all families.

We are the world's richest Nation: we can and must maintain a sound retirement insurance system. We must assure those 33 million Americans who are now receiving social security benefits that the trust fund will not go broke: we must assure those now contributing to the system that they will not be left out in the cold. Boosting the payroll tax, however, is not the way to do these things. Inflicting an unfair tax that treats the rich and the poor alike is no assurance to anyone. Unfortunately, this is exactly what Congress did.

Hardest hit are low- and middle-income wage earners and small businesses; loggers and miners, farmers and ranchers. Unless we act now to provide real relief, families already heavily burdened by inflation will suffer even heavier financial hardship, a prospect that could suddenly alter our Nation's improving economic picture. The billions taken from worker's paychecks by new social security taxes means less consumer purchasing power, economic stagnation and, ultimately, more people out of work; employers will pass on to consumers their share of the payroll tax, pushing prices even higher. We don't want this, Mr. President, and we cannot afford it.

We need precisely the opposite—economic stimulus, new jobs, and controls on inflation.

How can we best achieve tax relief for those needing it most, together with sustained improvement of our economy?

President Carter gave us his answer in his recent package of proposed tax changes. His proposals, however, leave much to be desired.

I agree with the President that we need an overall net tax reduction of approximately $25 billion, but I disagree with the notion of inflicting offsetting increases in the regressive social security payroll tax. This roundabout approach to tax relief is unnecessarily complicated. Because of the fundamental mismatch of the social security tax and the progressive income tax, the President's package provides no relief for many families—particularly those of middle income wage earners. Though these families may receive somewhat lower income tax bills, they will probably pay the same amounts in taxes or perhaps even more after the new social security payroll taxes are added on.

I am convinced that we should cut back the unfair payroll tax now; then we should consider ways to finance a portion of social security benefit payments through general revenues, utilizing a thoroughly overhauled Federal income tax system.

Let me be specific:

First, we should roll back the social security payroll tax immediately to 5.85 percent, the rate prior to the increase of last January 1. This means that we must provide for temporary use of general revenues—perhaps 2 years—to keep the trust fund in the black. The cost to the Treasury—about $2.2 billion for the remainder of this year, plus $5.5 billion for next year—should be included as part of the overall tax reduction for 1979.

Second, we should consider permanent general revenue financing for some social security benefits, particularly disability payments and the hospitalization portion of medicare.

Let us remember that social security's original mission was basic retirement in-

surance. Congress supplemented the program later with additions of disability payments and medical care. Both are necessary and desirable programs which we must fund fully. They cost a great deal more today, however, than Congress foresaw in 1956 and 1965 respectively. These unanticipated costs are the major reason for the sharp drop in trust balances in recent years. Payments for disability benefits, for example, have increased by more than one-fifth each year since 1972, and the number of disabled workers and dependents—about 5 million today—will probably double by the turn of the century. General revenue financing of these benefits, utilizing the progressive income tax, is clearly long overdue.

When it began in 1935, the social security payroll tax was only 1 percent of earned income up to $3,000. The tax remained at that level until 1950. Because of regular increases since then, a majority of Americans now pay more in social security payroll taxes than they pay in Federal income taxes. We could reduce substantially every worker's social security tax liability by removing the financial load of disability and hospitalization benefits from the payroll tax. Using the progressive income tax and general revenues to finance these programs would result in a much more fair tax system because it would be based on ability to pay.

I strongly favor tax reduction at this time because the wage earner and the economy need a boost. I am equally convinced that we must end this headlong rush toward expansion of the Federal presence in our lives. For too long, those who insist that "Washington knows best" have marched in lock-step, as if to a set of propositions:

If it is working, tax it;

If it is moving, regulate it;

And if it is otherwise occupied, throw dollars at it.

This Nation hungers for a less wasteful, less intrusive Federal Government. From my perspective on the bench in the State of Montana, I watched in dismay as tangled Federal regulations, inflexible guidelines and grant conditions reduced perfectly valid Government objectives to quivering masses of frustration, counterproductive paperwork, and costly confusion. Though I certainly do not advocate wholesale dismantling of the New Deal, the Fair Deal, and the Great Society, I do submit that Congress should combine consideration of tax reduction with careful reconsideration of the Federal role in people's lives. Our attention should focus on the proper and effective operation of the Federal Government, its limitations and weaknesses. If we legislate tax reduction of the magnitude proposed by the President—as I believe we should—then we must also cut unnecessary spending, not with a meat axe but with a scalpel. We must reduce or terminate Federal programs that are wasteful or outmoded. We must withdraw Federal presence from those problem areas best left to State or local initiative. We need better ways to monitor programs, to determine whether programs accomplish their intended missions, and to find out why programs fail.

A fundamental issue, in my opinion, is the need to end a long-standing ascendancy of Federal power in Washigton at the expense of the States. We must reassess from the bottom up all necessary governmental services. Let us not forget the State and local governments, the schools and hospitals, the people in neighborhoods who must live with the programs we design.

Let us turn to the States and the localities, to those who have the legal power and the sense of what their citizens want and need.●

TAX FORMS AND TAX EQUITY FOR OLDER AMERICANS

● Mr. CHURCH. Mr. President, millions of Americans are in the midst of preparing their Federal income tax returns.

The Internal Revenue Service expects 88.2 million individual returns to be filed this fiscal year.

Some progress, to be sure, has been made in simplifying tax preparation. But, millions of Americans still feel as if they are trapped in a maze of complex computations and schedule transfers.

This is especially true for older Americans who frequently discover that the tax rules change substantially upon reaching age 65. They are typically exposed to intricate computations, such as determining the excludable amount of the gain from a sale of a personal residence or the taxable portion of an annuity.

Last Friday the Special Committee on Aging held a hearing on "Tax Forms and Tax Equity for Older Americans." The committee explored several issues, including:

The impact of the administration's tax package upon the elderly.

A major reduction in social security taxes coupled with income tax cuts as an alternative to the administration's tax package.

Apparent anomalies in the tax credit for the elderly and other provisions for older Americans.

The need for expanded tax counseling assistance.

Ways to improve and simplify the tax forms.

Emil Sunley, Deputy Assistant Secretary for Tax Policy for the Treasury, pointed out that the administration's tax package—which includes a 2-percent rate reduction and a flat $240 personal credit—would provide $925 million in tax relief for aged taxpayers. On an individual basis, the net tax cut would average almost $250.

The administration's proposal would also substantially increase the tax-free levels of income for the elderly, allowing nearly 1.1 million tax returns now filed by persons 65 years or older to be dropped from the income tax rolls. The tax-free levels of income would increase from $6,400 to $7,250 for single aged persons and from $10,450 to $11,650 for elderly couples.

Mr. President, I ask unanimous consent that a table showing the impact of the administration's tax package upon older Americans be printed in the RECORD at the conclusion of these remarks.

There being no objection, the table was ordered printed in the RECORD.

Mr. President, the National Retired Teachers Association-American Association of Retired Persons supported the administration's proposed tax rate reductions, but opposed the recommendations to eliminate the sales tax and personal property tax deductions, as well as substituting a single hardship loss for the existing medical expense and casualty loss deductions.

Under the administration's plan, medical expenses and casualty losses would be deductible only to the extent they exceeded 10 percent of adjusted gross income. Medical expenses are deductible now to the extent they exceed 3 percent of adjusted gross income.

For taxable year 1974, elderly taxpayers received relief totaling $480 million from the sales tax deduction, $91 million from the personal property tax deduction, and $2.8 billion from the medical and dental expense deduction.

SOCIAL SECURITY TAX REDUCTIONS

NRTA-AARP made a convincing case to reduce the enormous social security tax increase recently enacted into law. James Hacking, the assistant legislative counsel for NRTA-AARP, gave this frank assessment:

> We are seriously concerned about the consequences of a policy of increasing social insurance payroll taxes on the one hand and cutting income taxes on the other. First, such policy will increase the share of federal government revenue derived from regressive payroll taxes relative to that derived from progressive income taxes. Second, at a time when continued reduction in unemployment is a primary economic goal, it makes no sense to discriminate against labor by enacting legislation that schedules enormous increases in payroll taxes. Higher payroll taxes increase the cost of labor (relative to the cost of capital) and make reducing employment that much more difficult. Third, many households will lose more from payroll tax increases than they will gain from income tax cuts; households not subject to the payroll tax increases will gain a windfall via the income tax cuts.

I voted against last year's social security financing package because I believe that there is a more equitable and effective alternative to insure the stability of the trust funds than to saddle workers and their employers with huge payroll tax increases.

Of course, social security must be financially sound. It must maintain the confidence of older and younger workers alike. And, it can without excessive reliance upon the regressive payroll tax which hits those hardest who can least afford it. I plan to sponsor legislation soon to implement this goal.

TAX CREDIT FOR THE ELDERLY

Another purpose of the hearing was to examine possible alternatives to improve the tax credit for the elderly. Some elderly taxpayers are discovering that they are being penalized upon reaching age 65.

Qualifying persons under 65 years of age may now claim a 15-percent credit on up to $2,500 of Government pensions,

producing a $375 tax savings for persons with no social security benefits and little earnings.

But upon becoming 65, these same individuals may lose the credit entirely, even though their needs may be greater. This is because the $2,500 starting point is reduced by $1 for each $2 of adjusted gross income above $7,500. The effect is that the credit is phased out completely for persons 65 or older with income of $12,500 or more.

I have received many letters from elderly persons who object to one set of rules applied to persons under 65 and another for those 65 or older.

Several bills have been introduced in the House and Senate to eliminate the adjusted gross income phase-out provision for the tax credit for the elderly. In addition, these measures would increase the maximum amounts for computing the credit from $2,500 to $3,000 for aged individuals and $3,750 to $4,500 for elderly couples and provide cost-of-living adjustments for the credit.

The administration opposed this legislation on the following grounds:

The first-year cost would be $963 million.

Substantial relief would accrue to the relatively affluent elderly. Approximately one-fourth of the benefits would go to aged taxpayers with incomes exceeding $30,000, and taxpayers with $50,000 or more of income would have their taxes reduced by $100 million.

However, the National Association of Retired Federal Employees stressed that the proposed changes are needed because:

The tax credit for the elderly is inadequate and fails to even come close to accomplishing its purpose.

All persons 65 or older will be eligible for either the tax exemption under social security or a tax credit.

The elimination of the phaseout rule would remove what is, in essence, a penalty against savings and investment income, and active employment earnings by persons 65 or older.

TAX COUNSELING ASSISTANCE

NRTA–AARP provided compelling reasons for increased funding for the VITA (Volunteer Income Tax Assistance) program and the Older Americans Tax Counseling Assistance Act. Mr. Hacking said:

> This bill would build upon the VITA program by authorizing IRS to enter into training and technical assistance agreements with nonprofit agencies to prepare volunteer counselors. The measure would also permit these counselors to be reimbursed for their out-of-pocket expenses incurred in providing assistance.
>
> Our Associations strongly endorse this bill because we believe it will permit IRS to place the emphasis on elderly taxpayer problems which is necessary and long overdue.

Internal Revenue Service Commissioner Jerome Kurtz, however, asserted that the reimbursement provision would create administrative problems for IRS.

IMPROVEMENTS IN TAX FORMS AND INFORMATION SERVICE

David Marlin, the director for the Legal Research and Services for the Elderly program, offered several concrete suggestions to make tax information more understandable and available for older Americans, including:

IRS should distribute to State and local offices on aging and senior citizen organization brochures summarizing tax benefit provisions for the aged.

IRS should "circuit ride" during the tax season through towns and counties not having permanent IRS offices.

The IRS Watts-line number should be publicized in local newspapers and television and radio stations.

The type face for the form 1040 instructions should be enlarged.

FOLLOW-UP ACTIVITIES

The recent committee hearing provides a solid base for actions on several fronts. I have asked the staff to begin follow-up work to improve the tax credit for the elderly and the Federal income tax form, such as additional line references for itemized deductions.

In addition, I plan to seek increased funding to make tax preparation assistance more readily available for older Americans.

President Carter has made tax equity and tax simplification two of his top priority goals. The Committee on Aging is ready, willing, and able to work with the administration to achieve these goals. Our recent hearing has shed light on several possible options to implement these objectives.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—COMPARISON OF TAX LIABILITIES FOR PERSONS AGE 65 OR OVER UNDER CURRENT LAW AND UNDER THE ADMINISTRATION PROPOSALS (1976 INCOME LEVELS)

[Number of taxable returns in thousands; dollar amounts in millions]

Expanded income class [1]	Current law		Administration proposal		Difference	
	Number of taxable returns	Amount of tax	Number of taxable returns	Amount of tax	Number of taxable returns	Amount of tax
Under $5,000	378	$10	(2)	−$13	−378	−$23
$5,000 to $10,000	1,651	589	985	291	−666	−298
$10,000 to $15,000	1,083	1,113	1,035	888	−48	−226
$15,000 to $20,000	541	1,039	538	910	−3	−129
$20,000 to $30,000	501	1,739	501	1,561	----------	−179
$30,000 to $50,000	305	2,109	305	1,980	----------	−129
$50,000 to $100,000	158	2,709	158	2,654	----------	−56
$100,000 to $200,000	51	2,016	51	2,044	----------	28
$200 and over	15	2,192	15	2,279	----------	87
Total	4,682	13,518	3,588	12,593	−1,095	−925

Source: Office of the Secretary of the Treasury Office of Tax Analysis, Feb. 24, 1978.

[1] Expanded income does not include social security and railroad retirement benefits.
[2] Less than 500.

Note: All tax amounts include the full amount of the earned-income credit. Details may not add to totals because of rounding. ●

NOMINATION OF G. WILLIAM MILLER

● Mr. HEINZ. Mr. President, earlier today, by a vote of 14–1, the Senate Committee on Banking, Housing. and Urban Affairs favorably reported the nomination of Mr. G. William Miller to become Chairman of the Federal Reserve Board, replacing Dr. Arthur Burns.

The vote had been delayed several weeks due to a staff investigation of reports that Textron, Inc., of which Mr. Miller has long been chief operating officer, has engaged in questionable payments to foreign officials. Although the Securities and Exchange Commission and the Justice Department—which are just beginning to undertake their own investigations of this matter—may have the last word, the Banking Committee has determined that, given the evidence to date, Mr. Miller's name should be cleared and his nomination should go forward.

I joined in the near-unanimous vote of the committee sending the nomination forward.

Nevertheless, I did express to the committee certain concerns about information which surfaced during the investigation, and I did want to bring them to the attention of my colleagues since the nomination will soon come to the floor of this Chamber. I submit to the RECORD my statement today to the Banking Committee.

NOMINATION OF G. WILLIAM MILLER

I am voting for Bill Miller in the hope he will be an excellent new Chairman of the Fed. I have some doubts as to his economic views—in fact, I'm not quite sure what all his views are—but there is no question that he has been an eminently talented and successful businessman, and that he was impressive in his testimony before this committee. Everyone who has known him sings only the highest praise. Not least, he should be credited for his willingness to undertake a new, immensely demanding, position in public service.

The Committee has done its best to scrutinize Mr. Miller, and correctly so.

He should now be given the chance to do his best.

At the same time, I do feel compelled to express some reservations regarding the Air Taxi matter.

It is absolutely true, as many Senators have pointed out, that the staff investigation has turned up no hard evidence whatsoever linking Mr. Miller to any knowledge or approval of a payoff to General Khatemi for Bell Helicopter's huge sale to Iran several years ago.

Nevertheless, it seems to me, real questions have been raised as to Gen. Khatemi's relationship with Air Taxi, and how it was possible that Bell officials did not know this, or suspect it, or at least look into it better. The Committee has been supplied with affadavits from a number of former American embassy officials in Tehran indicating that Gen. Khatemi's "silent partnership" in Air Taxi was widely assumed among Americans doing business in Iran. CIA and DIA documents indicate that this was also the belief of our intelligence community. Attorney Robert Bell, in un-rebutted testimony, has indicated that he expressed this quite emphatically a number of years ago to the highest Bell officials. A former International Marketing Manager of Bell has admitted that he was aware of rumors to this effect when, in 1967, he recommended hiring Air Taxi as Bell's sales agent in Iran. Finally, a cancelled check retrieved by the Committee from an Oklahoma bank seems to document that the Managing Director of Air Taxi paid Gen. Khatemi $290,000 around the time of the helicopter sale in 1973.

Furthermore, I am troubled by what the $2.9 million payment represented (as well as Amendment #1, which had called originally for Air Taxi to be paid several times this amount), and why there does not seem to have been more discussion or written memoranda at Bell and Textron on this subject.

I am concerned as to why the 1975 in-house investigation, conducted by Textron's General Counsel, did not dig deeper.

I am concerned as to why our committee did not immediately receive from Textron (1) the correspondence of attorney Bell and his client William French, describing Gen. Khatemi's role in STP and Air Taxi; and (2) information about the in-house investigation.

Finally, I am concerned about the expanding nature of the investigations of this and other financial matters being pursued by both the SEC and the Justice Department, and whether this will distract Mr. Miller from his new job.

But there should be no mistake about the bottom-line of the committee's record on this nominee. The fact is that there is no hard evidence whatever impugning the integrity of Mr. Miller himself. With respect to his own testimony, it is only proper to take the word of someone who has never been described as anything but honorable.

It is appropriate that we bring the nomination to a vote today. To do any less at this point than act expeditiously would cause the public to wonder what impossible new standards the Congress is now applying to its nominees. We could no longer expect to attract businessmen to government service . . . and we need some good ones desperately.

Unfortunately, the SEC investigation will not be completed for some time to come. It may be that something new develops. We hope not. But I am convinced that even should this occur, the committee will still be able to say that, given the available evidence, given the need to balance the inclinations to move ahead and to move cautiously, and given the presumption, which our society properly values, of "innocent until proven guilty," that we did our very best.

I requested the staff investigation, and I would do it again in, similar circumstances. The recent history of the confirmation process especially the Lance affair (whose problems were the last we faced, but not the first), has taught us nothing if not to be thorough. This does not mean, however, that we have to nitpick.

In fact, given the importance of the post to which Mr. Miller has been nominated, given flagging business confidence and our still fragile economic recovery, there is every reason not to prolong our decision even more. The nation needs to be steered on a steadier course.

As I have said earlier, I intend to vote for Mr. Miller's confirmation. I expect the Senate will do likewise.

I want to wish Mr. Miller the very best of luck at his new endeavors. He has an important job to do, and it is important to get on with it.●

CONCURRENT RESOLUTION ADOPTED BY THE SOUTH CAROLINA GENERAL ASSEMBLY—S. 1883

● Mr. THURMOND. Mr. President, on February 3, 1978, the South Carolina General Assembly passed a Concurrent Resolution memorializing the Congress of the United States to reject S. 1883 a bill to amend the National Labor Relations Act.

On behalf of the junior Senator from South Carolina (Mr. HOLLINGS) and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

RESOLUTION

Whereas, legislation currently pending in the United States Senate (S–1883) would impede the flow of capital expansion into the Sunbelt States, including South Carolina; and

Whereas, the South Carolina General Assembly is vitally concerned about industrial expansion which brings additional payrolls for our citizens and additional tax revenues for state and local governments; and

Whereas, the members of the General Assembly believe that S–1883 should not be enacted into law as its provisions could have the effect of hindering the economic growth of South Carolina and other neighboring states.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the members of the General Assembly hereby express their opposition to S–1883.

Be it further resolved that copies of this resolution be sent to each United States Senator from South Carolina and to each member of the House of Representatives of Congress from South Carolina.●

FEDERALLY FUNDED EDUCATION PROGRAM RECEIVES AWARD

● Mr. BARTLETT. Mr. President, at a time when federally funded programs are being criticized for failing to accomplish program objectives and misuse of funds, I would like to bring to the attention of the Congress one federally supported project which has received the highest award given in our Nation for outstanding accomplishments in teacher education.

On February 21, 1978 the American Association of Colleges presented Northeastern Oklahoma State University the 1978 Distinguished Achievement Award for Excellence in Teacher Education. The university received this honor for recognition of a federally funded Indian intern teaching program. The Office of Indian Education provided funding through the Indian Education Act, title IV, part B.

The project entitled, "Education Professionals for Indian Children" (EPIC) was first funded at Northeastern Oklahoma State University under the Education Professions Development Act (EPDA), Indian Set-Aside program. The project was originally called, "Indian Teacher-Indian Child," but was renamed "Indian Intern Teaching Training Program" in 1974. Funding changed in 1976 from EPDA to the Indian Education Act, title IV, part B. As a result of title IV funding, the pre-intern teaching program was added; and in 1977 title IV provided an expanded budget for addition of the counselor-administrator graduate program. The project was then named "Education Professionals for Indian Children" because more training responsibilities were being assumed by the project staff.

Since its inception in 1973, EPIC has graduated 137 Indian people with teaching credentials. Eighty-one percent of these graduates have been gainfully employed with 71 percent as educators of Indian children. Eleven percent have continued on into graduate studies in education.

It is with great pride and enthusiasm that I congratulate Mr. R. Fount Holland, director of Education Professionals for Indian Children and the project staff for their efforts in making the EPIC program a success. Their contribution has done much to promote interest in this important area. The State of Oklahoma and the Indian community will look upon the success of Education Professionals for Indian Children as incentive toward establishing future programs in Indian education.

Mr. President, I ask unanimous consent that this statement and attached article from the Muskogee Phoenix be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NORTHEASTERN CITED FOR TEACHER EDUCATION

TAHLEQUAH.—Northeastern Oklahoma State University has received the highest honor awarded in the nation for excellence in teacher education by the American Association of Colleges for Teachers Education.

Acting President Elwin Fite said the university was selected for the Distinguished Achievement Award for its Indian intern teaching program, "The Education Professionals for Indian Children," co-directed by Dr. Fount Holland and William Thorne. Dr. Al Williams acts as special consultant.

"Receiving the Distinguished Achievement Award from the AACTE is a great honor for the university and the state," Fite said. "We are particularly proud that it will be given for a program involving Indian education since the heritage of the university is so closely linked with the Cherokee Nation."

The program is comprised of three separate areas—pre-intern teaching, Indian Intern teaching training and a graduate program with training in school guidance and administration.

The pre-intern teaching program is available for Indian students planning or exploring Indian education as a career choice, spending one day each week for 16 weeks in a predominantly Indian school.

"We believe the award will prove to be an incentive to even greater efforts and insight for our faculty to see potentials of the university for providing educational services."

The award will be presented to university officials during a February 21 ceremony at the Conrad Hilton in Washington, D.C.

Northeastern also received a Merit Award for excellence in teacher education in 1960. It was the only award ever presented an Oklahoma institution.●

CONCURRENT RESOLUTION ADOPTED BY THE SOUTH CAROLINA GENERAL ASSEMBLY—AMERICAN AGRICULTURE

● Mr. THURMOND. Mr. President, on February 2, 1978, the South Carolina General Asembly passed a concurrent resolution memorializing the Congress of the United States to work to solve the problems of American agriculture.

On behalf of the junior Senator from South Carolina (Mr. HOLLINGS) and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection. the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the voice of the American farmer is being raised loud and clear throughout the land to direct attention to the serious economic plight that has befallen a most vital element of our economy, the production of food and fibre; and

Whereas, in statements, tractorcades, demonstrations and whatever means are available our farmers have amply demonstrated that they are united in a nationwide effort to bring about changes in our system of production and marketing of agriculture products before a catastrophe occurs that would seriously affect all of us and result in a substantial decline in our national standard of living; and

Whereas, by their actions and the information made available in conection therewith, the farmers and their organizations have pointed out the real and substantial disparity between their costs of production and the prices they receive in the marketplace; and

Whereas, the results of these inequitable conditions have raised the specter of bankruptcy for many farmers especially the owners and operators of family farms and many if not most farmers have been required to go deeply in debt by mortgaging their land and in effect are selling their inheritance merely to survive from year to year; and

Whereas, in the State of South Carolina, farm debt has increased by ninety-four percent in the past four years with outstanding mortgages on farm real estate rising from two hundred sixty-nine million, eight hundred sixty-one thousand dollars in 1973 to five hundred twenty-three million, seven hundred twelve thousand dollars as of January 1, 1977, with the cost of production for farm commodities increasing from five hundred fifty-four million, two hundred thousand dollars to seven hundred thirty-seven million, nine hundred thousand dollars during the same period; and

Whereas, American agriculture is one of a diminishing few elements of our national economy where the efforts, know-how and dedication of those persons engaged in the production of food and fibre have been able to outproduce as to quality, quantity and cost of production, the competitors of other nations, an established fact which is the single optimistic factor in our otherwise disappointing balance of world trade; and

Whereas, the necessity to avoid a national disaster in agriculture by prompt and imaginative action by all concerned is an emergency situation that cannot be postponed; and

Whereas, the necessity of a national program to solve a national problem puts the primary responsibility for solutions upon the Congress and the President aided however to the extent possible by the states and all of our citizens.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That by this resolution the General Assembly memorializes the Congress of the United States and the President to:

(1) Carefully listen to and consider the voices of the American farmers being raised throughout the land to call attention to the serious economic plight of the farmer and American agriculture in general.

(2) After consideration of the problems raised and the dangers inherent therein, devise and enact appropriate legislation to enable the farmer to survive and continue to make the vital and necessary contributions to our nation they have historically made in the past.

(3) In the construction of a new and imaginative program to return to the farmer his much deserved right to earn a fair return for his diligent efforts, careful consideration is respectfully requested to the suggestions of the American agriculture organization and other groups proposed to enable the farmer to the extent feasible to achieve parity in the marketplace for the fruits of his labor.

(4) Incorporate into any programs devised procedures which more equitably divide the consumer's dollar between the producer of products sold and those who process, package and sell them after they leave the farm.

Be it further resolved that the General Assembly pledges its full cooperation and that of the people of South Carolina in the implementation of all federal efforts to solve the economic problems of the farmer for which efforts we establish the highest priority.

Be it further resolved that copies of this resolution be forwarded to the President, the Vice-President, the Speaker of the House of Representatives and all members of the South Carolina Congressional Delegation in Washington, D.C.●

ALASKA COST OF LIVING AND FEDERAL TAXATION POLICIES

○ Mr. GRAVEL. Mr. President, last Friday I testified before the House Ways and Means Committee on a proposal to tax the Federal cost-of-living allowance paid to Federal employees in the noncontiguous States. The testimony contains some important data with respect to the cost-of-living situation in my State and the current inequities in the Federal Tax Code, which I know will be of interest to other Senators.

I ask unanimous consent that the testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MIKE GRAVEL

I thank you for the opportunity to come before you today and testify on an issue of great importance to the people of my State. You are considering the question of tax treatment for Americans living overseas. We in Alaska share many of the problems associated with a foreign residence. Our high cost of living is comparable to the cost of living in many foreign countries. For many years the Federal Government has recognized that fact and provided a cost of living allowance for Federal employees in Alaska of 25%. In fact, all the data gathered by the Federal Government indicates our cost of living is significantly higher than this figure. As you know, this COLA allowance is excluded from income subject to Federal tax under internal code section 912.

In the March 8, 1977 report of the Ways and Means Committee Task Force on Foreign Source Income it was recommended that section 912 be repealed leaving the affected taxpayers to their remedies under the general foreign income tax provisions of the code. While the foreign tax provisions in section 911, when they are finalized, may be of help to Federal employees in foreign countries, we find that Federal employees in Alaska, Hawaii and the territories of the United States fall through a gap in the proposed legislation. These employees, who have historically received an exclusion for the amount of their COLA would be required to pay tax on their full income. They would not be eligible for the special treatment provided by section 911. This in spite of the fact that their cost of living may, in fact, be higher than the cost of living problem suffered by Federal employees overseas.

Mr. Chairman, we cannot do tax justice by blindly eliminating section 912. The result will be a net reduction in the salaries of Federal employees in the non-contiguous States. We cannot say merely that equity could be done by increasing the salaries of the Federal employees in Alaska and Hawaii to compensate for the loss of a tax exclusion. To try to make up the tax loss in additional salaries would involve many committees of Congress and virtually a case by case determination of the tax effect on the cost of living allowance.

I will oppose any change in code section 912 which would reduce the tax exclusion for Federal employees in Alaska. It is my opinion that the Federal employees are presently the only citizens of my State which are receiving any kind of equitable treatment under the Federal tax laws. In order to do justice to the people of Alaska, and to a lesser extent, Hawaii, we should be talking about extending the provisions of code section 912 to cover all the people of Alaska, so that 25% of each taxpayer's income would be exempt from Federal income tax. This is the direction in which legislation I have introduced would move our tax law. I have introduced S. 1978 and S. 2554 in the Senate which would allow increased standard deductions and personal exemptions for States where the cost of living exceeds 15% of the national average. While my legislation would not solve the inequity perpetrated on Alaskans by the Federal tax law, it would be at least a small step in the right direction.

Now, I know that the changes recommended by the task force are raised in the name of simplification and uniformity of our tax code. However, we, as members of the tax-writing committees in Congress, are constantly balancing the competing interests of uniformity and equity. In this instance, it seems quite clear that this proposal goes too far toward the uniformity end of the scale.

What are the facts? First, a 25 per cent adjustment woefully understates the cost of living problem in Alaska. This adjustment is based on a 1949 law limiting any adjustments for Federal employees under the COLA program to 25 per cent. The Bureau of Labor Statistics data for 1977 shows the cost of living in Anchorage to be 64 percent above the average urban U.S. level. If one were to examine the areas of the U.S. generally thought to be high cost areas, it would be quite clear that the problem in Alaska is of a totally different magnitude. For instance, the index for New York is 8 percent above the average, Boston 11 percent, Washington, D.C. 6 percent and San Francisco 9 percent. This compares with Alaska's 64 percent and Honolulu's 27 percent.

The Bureau of Labor Statistics has provided me with additional data that highlights the extent to which the tax burden accentuates these disparities. With an urban U.S. base average of 100, personal income taxes for Anchorage have an index of 268. Again, the indexes for other supposedly high cost areas are New York 129, Boston 144, Washington, D.C. 133 and San Francisco 106. Again, compare these figures with Alaska's 268 and Honolulu's 193.

Even if one were to accept the 25 percent disparity, it is still clear that Alaskans pay more than their fair share of Federal income tax. Using the 25 percent differential, a family of four in the lower 48 States earning $20,000 per year would be comparable in terms of their standard of living with an Alaskan family earning $25,000. However, if each of these families files a joint return, using the short form and takes the standard deduction, the Alaska family will pay $3,871 in Federal income tax in 1977 while the lower 48 family will pay only $2,536 in Federal income tax. The Alaska family with the same standard of living will pay 53 percent more in Federal income tax than a lower 48 family. Where is the justice in this? How can I answer to my people for a tax system which imposes such a disproportionate burden on them?

Mr. Chairman—we would be undoing the existing inequities in our tax code. Instead we are forcing the citizens of the noncontiguous States to fight for the preservation of the meager benefits offered to their Federal employes. Mr. Chairman, I urge this committee in its considerations of the tax treatment of overseas Americans not to eliminate the exclusion for the Federal employees cost of living allowance in Alaska, Hawaii, and the territories. I assure you that I will oppose vigorously any such attempt to increase the already disproportionate burden of the Federal income tax on the people of my State.●

RUSSELL LONG'S IDEA—A WORKING TAX PROGRAM

● Mr. HATHAWAY. Mr. President, the mark of an outstanding Senator is his innovative ideas which are adopted by the Congress and embraced by the country.

Senator LONG has championed the idea that every working man and woman in this country should share in the profits of their employer. To this end, he has championed the employee stock ownership plan ESOP. It is an outgrowth of the stock purchase plan which had existed in the tax laws for years.

However, Senator LONG has popularized the ESOP, in various forms, through major legislative action.

Fortune magazine of February 27, 1978, discusses the stock purchase plans and ESOP's.

I ask unanimous consent that this excellent article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW WRINKLES IN STOCK-PURCHASE PLANS

(By Linda Snyder)

Last November, 30,000 employees of Citicorp—all those who had been with the company two years or more—were offered a chance to participate in a new kind of stock-purchase plan. The plan has several extraordinary features. First, Citicorp employees are allowed to have as much as 40 percent of their salaries (up to $25,000 a year) deducted from their paychecks and set aside for purchase of the company's stock. Second, they can then buy the stock, at any time within the next two years, at the 1977 year-end price (which was $23.125 a share).

Nor is that all. In the unhappy event that the stock is being traded below that price at the time the employee wants to buy, he has another way to make money: he can use his accumulated funds to buy a new type of security called "book-value stock"—the price of which is determined solely by the per share book value (or net worth) of the company. This stock, too, is available at the 1977 year-end price (the book value then was $23.309 a share). Book-value stock pays the same dividends as the regular Citicorp stock.

Finally, in the most unlikely event that both book and market values are lower after two years, the employee still need not take a loss. He retains the option of simply taking his money out of the plan—where it will have been earning interest all along. This "no-lose" proposition looks so appealing to some Citicorp employees that they've gone into debt in order to participate as fully as possible.

THE SENATOR'S CREATION

So far, Citicorp is the only company that has introduced any such plan on so broad a scale. (Corning Glass Works is one of several companies that offer similar deals to executives.) However, the dismal performance of the stock market in recent years has led many companies to restructure their employee-benefit packages. In consequence, many corporate employees are finding themselves with intriguing new investment opportunities.

For example, a fair number of major companies have begun to offer their employees something called a Tax Reduction Act Stock Ownership Plan (TRASOP). These plans represent something of a bonanza for the employees. The basic idea is that employees receive—as an outright gift—shares of stock from the company. In return for this generosity, the companies receive a significant tax benefit.

The TRASOP's were really the creation of the Senate Finance Committee's influential chairman, Russell Long. He got them included in 1975 tax legislation that increased the investment tax credit to 10 percent and stipulated that any company claiming the full amount could get an extra 1 percent if it contributed that much to an employee stock-ownership plan.

Why haven't all companies offered such p'ans, then? Part of the answer is that there was a question about the permanence of the investment tax credit. The initial legislation said it would last less than two years. It has now been extended to 1980; still, many employers don't want to be in the position of having to come up with another, possibly more expensive benefit if the tax credit is canceled later.

Furthermore, the plan really makes sense only for capital-intensive companies. With a company that has relatively little capital investment and a large work force, it might well turn out that the savings from the extra tax credit would be trivial—and that employees receiving the benefits could end up with less than one share of stock apiece. In such a case, the costs of administering the plan could easily outweigh the benefits.

THE ACTION IN THRIFT

Fortunately for their employees, these companies have other kinds of plans that they can offer. One that has been getting a lot of attention recently is the "employee thrift or savings plan." Says Donald Sullivan, vice president of the Towers, Perrin, Forster & Crosby management-consulting firm: "This is the area where the most interesting developments have been taking place recently."

Essentially, a thrift or savings plan is designed to give employees an opportunity to invest a certain proportion of their salary—typically up to 6 percent—in either the company's own stock or some other types of securities. In return, the company agrees to match a part—usually 50 percent—of the employee's contributions.

These plans first became popular in the mid-Fifties, with the large oil and natural-gas companies doing much of the pioneering. One reason, explains Davis J. McLaughlin, compensation expert at McKinsey & Co., was that the companies were then beginning to eliminate employee contributions to pension plans. Foreseeing the possibility of much heavier pension contributions in the future, the companies were attracted to thrift plans as a possible means of minimizing the burden.

Today, thrift plans are widespread at large corporations. Perhaps half of the 200 largest U.S. industrials now have them. Employees like them, not only because of that extra "kicker" from management, but because the company contributions are not deemed taxable income at the time they're made. Only when the securities are actually distributed to employees—typically, at retirement—do the company contributions become taxable income.

THEY'RE MORE FLEXIBLE

Moreover, the plans have been offering more and more flexibility in recent years. Nowadays, savings can typically be invested in the company's own stock, in diversified stock portfolios, in U.S. government securities, or in various other kinds of fixed-income portfolios. One reason for the increased flexibility is the generally dismal behavior of the stock market in recent years, which increased the demand for various fixed-income alternatives to stocks. In addition, some provisions of the Employee Retirement Income Security Act (ERISA), which was passed in 1974, encouraged companies to provide alternatives to their own stock.

Studies done by Bankers Trust reveal that in 1976 nearly 60 percent of these plans gave employees three or more choices about how the money they were saving would be invested; the comparable figure in 1966 was only 37 percent. The studies also show that many companies are making it easier for employees to shift their accumulated savings from one kind of investment to another. In 1966, for example, only 32 percent of the plans permitted such transfers. By 1976, that figure had risen to 57 percent.

Despite the expanded interest in new kinds of thrift and savings plans, there are still a fair number of companies that offer regular stock-purchase plans, which were popular during the late 1950's and 1960's. These plans provide only for the purchase of the company's own stock: they were typically instituted by companies that were in need of capital and saw in the plans one more way to raise money. They offered employees only small discounts on the market price of the stock—or no discounts at all—and were obviously popular only in periods of rising stock prices.

Some of the companies involved, which include I.B.M. (its stock is available to employees at a modest 15 percent discount from the market price), do not generally regard the plans as among their major employee benefits. And with the market again in the doldrums, employee response to such plans is far from enthusiastic. The participation rate is very low, sometimes less than 10 percent.

Perhaps the largest question about stock-purchase plans these days is whether the widespread interest in the Citicorp plan will result in its being imitated by other companies. In a period when many stocks are selling below book value, such plans would appear to have a lot of appeal for corporate treasurers, most of whom strongly dislike selling stock below book value—even to their employees.●

CONCURRENT RESOLUTION ADOPTED BY THE SOUTH CAROLINA GENERAL ASSEMBLY—VETERANS DAY STAMPS

● Mr. THURMOND. Mr. President, on February 1, 1978, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States to have the U.S. Postal Service issue a Veterans Day stamp for the November 11, 1978, Veterans Day.

On behalf of the junior Senator from South Carolina, Mr. HOLLINGS, and myself, I submit this resolution for the RECORD.

RESOLUTION

Whereas, since 1918 Americans have paid tribute one day each year to those who have fought to preserve our peace and our nation, and the eleventh of November has been reestablished as the observance date for Veterans Day throughout our country; and

Whereas, by collectively honoring the men and women who have fought to preserve our freedom we reinforce America's strength as a free nation; and

Whereas, in honor of the reinstating of November eleventh as Veterans Day, it would be fitting and proper for the United States Postal Service to issue a Veterans Day stamp for the 1976 observance. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States is hereby respectfully requested to have the United States Postal Service issue a Veterans Day stamp for the November 11, 1978, Veterans Day.

Be it further resolved that a copy of this resolution be forwarded to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the South Carolina Delegation to the Congress of the United States.●

THE CANAL ZONE AND THE ISSUE OF SOVEREIGNTY

● Mr. LAXALT. Mr. President, the issue of sovereignty over the Canal Zone has been extensively debated on this floor in recent weeks. But, however my colleagues come down on the issue of present sovereignty, there is no question but that the proposed treaties transfer full plenary jurisdiction over the Canal Zone to the Republic of Panama.

All of our rights as sovereign are, thus, assumed by the Panamanians. Prof. Hans Smit of the Columbia University Law School has serious problems with this. He argues cogently that, once full sovereignty is transferred to Panama, with it will go full authority to interpret disputed provisions in these two highly ambiguous treaties. Thus, his implication is that the intensive debates which have gone on on this floor are somewhat beside the point. Panama, as sovereign, immediately after the treaties take effect, will have full authority to interpret them in any way it wishes.

Mr. President, although I do not fully agree with everything the distinguished professor says, I certainly feel that the full implications of the transfer of sovereignty should be thoroughly discussed. Therefore, I submit for the RECORD the article by Professor Smit entitled "The Proposed Panama Canal Treaties: A Triple Failure."

THE PROPOSED PANAMA CANAL TREATIES: A TRIPLE FAILURE*

The author wishes to stress that he is not in any way associated with any group supporting or opposing the proposed Panama Canal treaties. His only purpose is to provide a more detached commentary on the legal deficiencies of these treaties than has thus far been available

I. THE TREATIES' BASIC DEFICIENCIES

Marjorie Nicholson, the famed professor of literature,[1] taught that all critical analysis should address three basic questions: first, what did the author seek to do; second, how well did he do it; and third, was it worth doing? Since these questions go to the heart of all works of creation, they are also most properly directed at products of legal creativity.

Measured against these three standards, the proposed Panama Canal treaties[2] fail in every respect: first, in crucial respects the treaties fail to disclose what they seek to do;[3] second, in most essential respects the treaties fail to do what they are alleged to do;[4] and third, since a far better solution to the problem can be provided, what the treaties seek to do is not worth doing and should not be done.[5]

Unfortunately, these deficiencies have thus far not been disclosed adequately to the Senate and the public at large. This has been due in large measure to misinterpretations of crucial provisions in the proposed treaties[6] by spokesmen of the administration.[7] These spokesmen have attributed to these provisions meanings that not only are hotly disputed by Panama, but also cannot find any reasonable basis in the texts on which they purport to be based.[8]

The proposed treaties' basic deficiencies, which are only highlighted by the administration's efforts to attribute to them meanings that their provisions cannot support, do, of course, suffice for their rejection. However, there is still another, by itself sufficient, ground for rejecting them. Surprisingly, this ground has received no attention in the public debates thus far.

Much attention has been devoted to conflicting interpretations given by Panamanian and United States negotiators to crucial provisions in the treaties,[9] but no attention has been given to the fact that other provisions in the treaties deprive such disputes of much of their practical significance.[10]

No one contests, or can contest, that the Canal Treaty, in several provisions, recognizes Panama as the territorial sovereign with plenary jurisdiction of the Canal Zone as of the moment that treaty becomes effective.[11] The inescapable conclusion resulting from this recognition is that, within its territory, Panama, as the sovereign, can require obedience to any interpretation of the treaties it finds to be the proper one.[12] In the absence of compulsory adjudication of disputes arising under the treaties,[13] these provisions thus make Panama in effect the ultimate judge of what the treaties mean in Panama. The United States may protest and complain, but it may not use force in Panama in order to impose its constructions upon Panama. The use of such force would be a violation not only of the obligations of the United States under the United Nations Charter[14] and the Charter of the Organization of American States,[15] but also of the provisions of the proposed treaties that preclude resort to other than peaceful means of dispute settlement.[16] And, of course, even apart from its being a violation of international law, the use of force against Panama would have such grave political consequences for the United States that those alone would render it unacceptable and unrealistic.[17]

Footnotes at end of article

These consequences of the proposed treaties have thus far been completely overlooked.[18] They do, however, create what would appear to be intolerable dangers. The history of Panamanian-United States relations in regard to the Panama Canal has been riddled with tensions and disputes. An essential task of a new regime is to eliminate as much as possible the sources for such tensions. Proposed treaties that put Panama, an underdeveloped and politically unstable country,[19] in the position of in effect imposing on the United States its decisions on vital matters, will inevitably breed frustrations that create serious dangers of response by force and violence.[20] They can therefore not provide the basis for the balanced relationship that is indispensable to the settlement of the Panama Canal dispute.

It may appear surprising that treaties that are the product of lengthy preparations and negotiations turn out, on closer analysis, to be so intrinsically deficient. But any such surprise is quickly dissipated by the history of the treaties' gestation. As may readily be recalled, the text of the treaties was not disclosed to the public at large before, with considerable fanfare, they had been signed.[21] And their signing was quickly followed by an approval by plebiscite in Panama.[22] This hurried pushing to ratification has left little opportunity for more reflective analysis by detached commentators. Indeed, thus far, no reasoned analysis of the treaties has been published in any of this nation's legal journals.[23] This Article will attempt to provide such a treatment based on precise analysis of the treaties' provisions.

To avoid misunderstanding, it should be stressed that these conclusions are not in any way inspired by the notion that the United States should not part with any of its present authority over the Canal Zone. On the contrary, they are fully compatible with the view that it is no longer politically expedient for the United States to cling to its present powers.[24] This Article starts from the premise that a new regime for the Canal Zone is highly desirable, if not inevitable.[25] Its basic thrust is that, assuming that the present regime should be changed, the proposed new treaties fail to provide a reasonable alternative, but instead render inevitable more serious disputes and tensions in the future than have characterized the relations between the United States and Panama in the past.[26]

Indeed, the legal deficiencies of the proposed treaties are such that the Senate should fully exercise its constitutional prerogative of rendering "advice and consent"[27] by rejecting them in their present form, and by advising the President that the new regime for the Panama Canal should be defined with reasonable precision and particularity and should incorporate the features the Senate deems essential for the new regime to be imposed. If this were done, the Senate could at the same time recommend that the regime to be created for the Canal be made truly transnational. Such a regime would meet many of the objections of opponents of the proposed treaties, would achieve virtually all the objectives of its proponents, would undoubtedly earn the United States respect and esteem around the world, and, importantly, might well provide a solution that would ultimately prove acceptable to Panama.[28]

II. THE RETURN OF SOVEREIGNTY TO PANAMA AND ITS CONSEQUENCES: EFFECTIVE CONTROL WILL BE VESTED IN PANAMA IMMEDIATELY

A. Under the present regime, the United States has sovereign rights

Under the presently effective treaties with Panama, the United States has always successfully maintained that its rights over the

Canal Zone are those of a sovereign and exclude sovereign rights by Panama.[29] This position has been based on Article II of the Hay-Varilla Convention of 1903, which provides that the United States shall possess and exercise its rights over the Canal Zone ". . . if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." [30]

Although Panama has from the very beginning questioned the United States' reading of the 1903 Convention,[31] it has always been impotent to add force to its arguments: As the asserted sovereign in effective control of the Canal Zone, the United States has simply rejected Panamanian constructions at odds with its own.

B. The proposed regime: Sovereignty and plenary jurisdiction are returned to Panama

The proposed Canal Treaty [32] completely reverses this position. It acknowledges "the Republic of Panama's sovereignty over its territory," [33] stresses that Panama is the "territorial sovereign" [34] over the Canal Zone, declares the entire territory of Panama to be "under the flag of the Republic of Panama," [35] and, to eliminate any possible doubt as to the scope of Panama's sovereign powers, provides that Panama "shall reassume plenary jurisdiction over the former Canal Zone upon entry into force of this Treaty." [36]

C. The consequences of the proposed regime: Panama can unilaterally decide any disputes as it sees fit

These explicit and unqualified provisions in effect put the United States in the position in which Panama is under the 1903 Convention. As the declared sovereign of the Canal Zone, Panama can act upon, and give consequence to, its constructions of the new treaties whenever disputes with the United States as to their meaning arise. The United States can in such cases complain and protest, but it may not do anything on the territory of Panama against Panama's wishes. For Panama, as the "territorial sovereign" with "plenary jurisdiction" will have the sole authority to decide what happens on Panamanian territory.

Clearly, therefore, these provisions are of crucial importance. They render devoid of much practical significance the disputes that already have arisen, as well as those that may arise in the future, concerning the accurate interpretations of provisions of the proposed treaties. For they enabled Panama simply to disregard any construction it is unwilling to accept and of prohibiting any act of Panamanian territory that it finds incompatible with its own construction.

In a real sense, therefore, the provisions recognizing Panama as the territorial sovereign with plenary jurisdiction are the very essence of the new treaties. And it is truly amazing that their significance has thus far not been stressed in the public discussions and debates.

Of course, at this stage, the Panamanian spokesmen have understandably failed to draw attention to the significance of these provisions. Having so long been in the position in which, they hope, the United States will soon find itself, the time for stressing these provisions will come once the treaties are in effect. But in the debates about the provisions in the new treaties on such matters as the scope of the United States' right to defend the Canal,[37] and that of its right to expeditious passage for war vessels,[38] one would have expected at least some discussion by American commentators of the provisions that in effect give Panama in large measures unilateral power to resolve disputes about such matters in the manner it sees fit. The absence of such discussion thus far only highlights the necessity of giving adequate consideration to these provisions now.

That the provisions recognizing Panama as the territorial sovereign with plenary jurisdiction put Panama in effect in the position of being the ultimate arbiter of any of its disputes with the United States about United States' rights under the treaties is beyond reasonable doubt. The proposed treaties fail to provide for compulsory adjudication of disputes arising under them.[39] Consequently, when a dispute arises, the parties can have recourse only to other means of settlement that are permissible international law agreements to which the United States and Panama are parties and under international law. And there can be no doubt that these agreements and international law prohibit the use of force for this purpose.

Indeed, the proposed Canal Treaty itself excludes the use of such force. Article XIV provides that if "any question should arise between the Parties concerning the interpretation of this Treaty or related agreements," every effort shall be made to resolve it through consultation and that, if they are unable to resolve it through such means, they "agree to submit the matter to conciliation, mediation, arbitration, or such other *procedure for the peaceful settlement of the dispute* as they may mutually deem appropriate" (emphasis supplied). Clearly, therefore, the very treaties the administration contends to give the United States the right to use force by implication,[40] in explicit and unambiguous terms provide the exact opposite and require the United States to take recourse only to procedures for peaceful settlement. One may well wonder why the spokesmen for the administration, in their testimony before the Senate Foreign Relations Committee, did not even mention, let alone consider, the clear and straightforward obligation imposed by Article XIV on the United States to refrain from using nonpeaceful means of settlement.[41] Whatever their reason, they failed to take account of the only provisions squarely directed to the issue.

In addition, while Article XIV of the Canal Treaty, by itself, is dispositive of the question, if it had not been part of the proposed treaties, the same conclusion would nonetheless have been compelled. For both the United Nations and the OAS Charter also preclude the use of force by the United States on Panamanian territory over Panama's objection in the circumstances considered. Article 2(4) of the United Nations Charter provides that "[A]ll members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any manner inconsistent with the Purposes of the United Nations." [42] Instead of using or threatening force, Article 2(3) of the United Nations Charter provides, "[A]ll members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered." [43]

It is beyond reasonable doubt that the use of military force by the United States, in order to impose on Panama the United States' construction of Article IV, would be a violation of Article 2(3) of the United Nations Charter. Surely, such use of force could not be characterized as "peaceful means." Although this conclusion appears inescapable, the impact of Article 2(3) of the United Nations Charter has not even been mentioned, let alone considered, by the spokesmen for the administration who have contended that the United States may use force.[44] This omission is most significant, for Article 2(3) straightforwardly condemns the violent means the United States argues to be permissible.[45]

Rather than consider Article 2(3), the spokesmen for the administration have directed their attention to Article 2(4). However, in construing this provision, they have addressed the wrong issue.

There can be no doubt that the use of force by the United States in Panama in order to impose upon Panama the United States' construction of a provision that is disputed by Panama to authorize such use of force would be "use of force against the territorial integrity or political independence" of Panama and, in addition, would be "inconsistent with purposes of the United Nations." It would be the use of force on Panamanian territory in order to impose a construction on Panama that Panama, in the exercise of its political powers, has judged not to be the proper one.[46] This conclusion is so inescapable that the administration has not even attempted to address it.

Instead, the spokesmen for the administration have addressed a totally false issue. Their testimony has concerned the question of whether the United States may use force in Panama when the provisions of the proposed treaties authorize such use.[47] Of course, especially in view of the positions already taken by Panama, that situation will never arise. Instead, the only contingency that is likely to arise is that Panama will dispute that the provision relied on by the United States grants the United States the right to intervene militarily on Panamanian soil.[48] In that case, the use of force would not be, as presupposed by the administration's spokesmen, pursuant to the "legitimate exercise" [49] of the right to use such force. On the contrary, the use of force in such a situation would necessarily become the use of force in the exercise of a contested right. And that is exactly the use of force that Article 2(4) of the United Nations Charter forbids.

Have the spokesmen for the administration, in their testimony before the Senate Foreign Relations Committee, therefore addressed the wrong issue, their construction of Article (2)4 is also erroneous when judged on its own merits. Because this construction has been advanced in the administration's explanation of the Carter-Torrijos statement of October 14, 1977, which purports to interpret the pertinent treaty provisions,[50] its deficiencies will be shown in the analysis of this statement.[51]

Not only does the United Nations Charter forbid the use of force that the administration argues to be permissible, the OAS Charter does the same. Article 18 of the Charter of the Organization of American States prevents states from intervening "in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force, but also any other form of interference or attempted threat against the personality of the State or against its political, economic and cultural elements." [52] The reach of its prohibition is considerably broader than that defined in Article 2(4) of the United Nations Charter. This being so, the conclusions reached under the latter provision [53] obtain, a fortiori, under Article 18 of the OAS Charter.[54]

There is one other provision in the United Nations Charter that must be considered in this context. Article 51 provides that the Charter shall not "impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations." [55] By its clear terms it cannot sustain an asserted right to use military force unless an armed attack occurs against a member state. Of course, an attack against the Canal Zone could not possibly be regarded as an attack against the United States, and thus give rise to a right of self-defense. By explicit terms of the proposed Canal Treaty, only Panama has territorial sovereignty over the Zone.[56] The United States could therefore rely on this Article

Footnotes at end of article.

only if it were invited by Panama to join in the Zone's defense. In that case, but only in that case, the United States could claim that it was acting in collective self-defense.[57]

Foregoing this analysis, which Article 51's text demands, the spokesman for the administration has merely asserted that "action by the United States in defense of its rights is not subject to preconditions." [58] This statement is as unfounded as it is disconcerting. Not only can it not be based on Article 51, but it reflects an attitude that cannot be reconciled with the most elementary principles of internal law. Of course, the United States, when acting in defense of its rights, must stay within the boundaries of international law. Any other position would be a direct attack upon the very foundations of our present world order and must be rejected with the utmost vigor.[59]

The importance of these conclusions is easily illustrated by reference to one of the problems that have already arisen under the proposed treaties.[60] It has been questioned whether, under these treaties, the United States may use its military forces in Panama for the protection and defense of the Canal, even if Panama were to object.[61] Whatever the correct interpretation of the pertinent provisions in the proposed treaty it is clear that, if in a particular situation Panama were to object, the United States would have to refrain from using its military forces in Panama. For if it were so to use its forces, it would use force against the sovereignty of Panama in a manner prohibited by the proposed Canal Treaty, the United Nations Charter, the OAS Charter, and international law.[62]

The absence of an effective sanction thus deprives the disputes over the correct meaning of these provisions in large measure of their practical significance. It may therefore cause no wonder that, apart from the fact that the proposed adjustments give even greater support to the Panamanian construction than the present language,[63] Panama has appeared not overly concerned about proposed adjustments to the language of these provisions.[64] It can rest secure in the knowledge that, when the matter is put to the test, Panama can make its views prevail within Panama.

The foregoing amply demonstrates that the definition of the precise rights and obligations of Panama and the United States in the Canal Zone cannot be effectuated by broad and abstract declarations. Especially in view of the past tensions and disputes between these countries, it is imperative that the rights and obligations of the parties be spelled out with particularity so that the possibility of future disputes be reduced as far as possible. The provisions recognizing Panama's "territorial sovereignty" and "plenary jurisdiction" not only utterly fail to meet this proper standard, they add greatly to the possibility of tensions and dispute in the future when it becomes necessary to somehow provide more particular definitions. By permitting Panama to be the judge in its own case, they will no doubt greatly reduce Panama's readiness to come to reasonable settlements of disputes that will undoubtedly arise. And they thus substantially aggravate the new treaties' failure to define with sufficient particularity the precise rights and obligations of the parties in other respects.[65]

These consequences of the provisions purporting to restore plenary jurisdiction and territorial sovereignty to Panama are, of course, amply sufficient to make imperative their rejection. But even if this were not so, these provisions should be rejected. There can be no doubt that, under the new treaties, the United States envisages retaining sovereign rights in the Canal Zone. For example, the United States expects to have the right to protect and defend the Canal and, if need be, to use its military forces on Panamanian territory for this purpose, even over the objections of Panama.[66] Such use would normally be regarded as the exercise of a sovereign right. Also, during the transition period, the United States will have the authority to apply its criminal and civil law in certain areas and, to a prescribed extent, to exercise police powers and criminal jurisdiction.[67] The exercise of such powers is also normally regarded as the exercise of sovereign powers. Consequently, the provisions to the effect that plenary jurisdiction and sovereignty are returned to Panama contradict other provisions providing for the exercise of sovereign rights by the United States.

This contradiction is the more objectionable, since, in case of future disputes about the precise meaning of the provisions granting the United States limited sovereign rights, Panama will no doubt rely on the provisions recognizing its plenary jurisdiction and sovereignty in order to argue and, in fact, decide [68] that the United States' rights do not involve the grant of sovereign rights and, in any event, can effectively be curtailed or terminated by the territorial sovereign with plenary jurisdiction.[69]

For all of these reasons, the provisions recognizing Panama's territorial sovereignty and plenary jurisdiction cannot stand.

III. THE UNCERTAIN NATURE AND SCOPE OF THE RIGHT TO OPERATE AND MANAGE THE CANAL

A. Sovereign or governmental rights are not included

Under the present treaties, the United States manages and operates the Canal "if it were the sovereign." In this capacity, it exercises full legislative, executive, and judicial jurisdiction.[70]

The proposed Canal Treaty changes this completely. By declaring that territorial sovereignty and plenary jurisdiction over the Canal are vested in Panama, it renders virtually inescapable the conclusion that the right to manage and operate the Canal does not include any sovereign or governmental rights. This conclusion is further supported by the language of the operative provisions in the proposed Canal Treaty, which narrowly limits the grant made to "the United States to "the rights to manage, operate, and maintain the Canal." [71] Confirming that this right does not include any sovereign or governmental rights, the proposed Treaty provides explicitly that when it is necessary to enforce any rules the United States may wish to adopt in order effectively to exercise its rights "Panama wil lend its co-operation, when necessary, in the enforcement of such rules." [72] The conclusion seems, therefore, warranted that the right to manage and operate the Canal granted by the proposed Canal Treaty is merely a right in the nature of a management contract.

This conclusion has most important consequences. Since the right of the United States does not include any sovereign and enforcement rights, the effective exercise of its rights in Panama will ultimately be dependent on the co-operation of the Panamanian government. The United States may make all rules for the management and operation of the Canal it wishes,[73] but when it comes to effective enforcement of these rules, by the exercise of the police power and other elements of plenary jurisdiction the United States will have to look to, and be dependent on, Panama. And, of course, when Panama decides not to provide for effective enforcement, the United States can complain and protest, but will be hard put to do little else.[74]

This analysis makes clear that, if the United States were to be granted an effective right to manage and operate, it should be granted such sovereign and governmental rights as are needed to exercise this right effectively. The United States has such rights under the present regime,[75] and their total surrender by the proposed treaties will in effect leave the United States at the mercy of Panama.

B. The scope of the right is uncertain

Panama has frequently argued that, under the present regime, the United States is a mere lessee.[76] Under the proposed Canal Treaty the United States' rights appear considerably more limited than those of a lessee. Within the terms of his lease, a lessee retains a considerable measure of freedom to use the premises leased in accordance with his inclinations. The United States however, is granted only the right "to manage, operate, and maintain," and "to provide for the orderly transit of vessels through," the Canal. This narrow definition of the rights and obligations of the United States appears to give them the nature of those created by a management contract. Since their thrust is to charge the United States with the task of operating and maintaining the Canal and to ensure orderly transit, Panama will be able to assert rather readily that the United States is not properly discharging this task. This will be especially easy, since there is no established model or institution in international law for the type of grant made, so that the United States will be unable to argue that Panama's position deviates from the established pattern.

The enlarged opportunity for Panama to charge that the United States is not properly discharging its obligations under the new treaty has important consequences. For an alleged breach by the United States of its obligations under the proposed treaty could form the premise for Panama's terminating the treaty before its prescribed expiration date.[77] And in the absence of compulsory adjudication there would in that case again be little the United States could do but to complain and protest.[78]

The conclusion is therefore warranted that the provisions in the proposed Canal Treaty granting operating rights are deficient in at least two respects: They fail to define precisely what rights are included in the grant to operate and maintain the Canal, and they fail to include in those rights the governmental or sovereign rights that are essential for the effective operation and management of the Canal.

IV. THE PROPOSED TREATIES FAIL TO GRANT THE UNITED STATES THE RIGHT TO TAKE MILITARY ACTION IN PANAMA OVER PANAMA'S OBJECTION

A. The proposed canal treaty fails to grant this right

Under the present regime, the United States may take such military measures in the Canal Zone as it deems necessary for that Zone's protection.[79] In the public discussions of the new treaties, it has apparently been assumed that the United States retains this freedom under the proposed Canal Treaty. Consequently, these discussions have been addressed principally to whether this right continues after the year 2000, when the proposed Canal Treaty is destined to expire.[80]

However, although the issue seems largely to have escaped public attention,[81] the proposed Canal Treaty gives most respectable support to the view that the United States loses its existing freedom to use military force in the Zone when it deems this necessary the moment this treaty becomes effective.[82] The pertinent provisions of the proposed Canal Treaty provide substantial sustenance for the view that the United States may take military action in Panama only in accordance with the directions of the Combined Board comprised of an equal number of military representatives of the United States and Panama. This construction would, of course, enable Panama to veto any proposed military action not to its liking:

Footnotes at end of article.

Furthermore, even if this construction were found not to be correct, Panama would have substantial reason for advancing it. And once it advanced it, it could insist that the United States not practice self-help and use force over Panama's objection in acting upon a possible different United States' construction. Panama would have to point only to the provisions acknowledging its territorial sovereignty and plenary jurisdiction and requiring peaceful settlement of disputes to provide the necessary premise for the conclusion that any United States' use of force over Panama's objection would violate international agreements and international law.[83]

The view that the United States may act militarily in Panama only with Panamanian consent can be based squarely on the proposed Canal Treaty. While Article I(2) of this Treaty provides that Panama grants the United States "the rights necessary to . . . protect and defend the Canal," it also provides that this right is granted "[I]n accordance with the terms of this Treaty and related agreements." The precise scope of the right to protect and defend must therefore be determined by reference to the provisions of Article IV of the Treaty regulating it in greater detail. These provisions altogether fail to give the United States, in unambiguous terms, a right to take such military action in Panama as it deems necessary to protect the Canal. Article IV(1) provides that the United States commits itself to protect and defend the Canal. But this means no more than that the United States undertakes to defend the Canal, not that it may encroach upon Panama's territorial sovereignty. Article IV(1) also provides that each Party shall act, in accordance with its constitutional processes, to meet an armed attack or other action threatening the security of the Canal. But this confirms merely that the parties may not disregard their constitutions when undertaking military action.[84]

Article IV(2) provides that the United States "shall have primary responsibility to protect and defend the Canal." It imposes an obligation to defend on the United States, but does not authorize the United States to take military action against Panama's will.

Article IV(2) also provides that the rights of the United States "to station, train, and move military forces within the Republic of Panama" are defined in the implementing agreement annexed to the treaty. Its very existence belies a right of the United States to take such military action in Panama as it deems proper. The implementing agreement to which it refers is cast in the form of a typical status of forces agreement. Such agreements regulate the use and operation of designated military bases and access to them, but do not permit military action on the territory of the receiving state other than the assigned bases over that state's objection. The agreement accompanying the proposed Canal Treaty does not do so either.

Article IV(3) provides for the creation of a Combined Board with an equal number of senior military representatives of each Party. These representatives are charged with consulting and cooperating on "*all* matters pertaining to the protection and defense of the Canal, and with planning for actions to be taken in concert for that purpose" (emphasis supplied). The provisions of Article IV lend themselves quite readily to the view that all military action in Panama shall be taken only pursuant to directions of the Combined Board. Paragraph 3 also states that combined protection and defense arrangements "shall not inhibit the identity or lines of authority of the armed forces of the United States of America." But this provision merely makes clear that the Combined Board does not function as a supreme command, but must issue its directions through normal national command channels.

Footnotes at end of article.

B. The proposed neutrality treaty does not grant this right either

1. The treaty denies such right. While the fact that the proposed Canal Treaty fails to give the United States the right to engage in military operations on Panamanian territory over Panama's objection does not appear to have engendered much public discussion,[85] the circumstance that the Neutrality Treaty also fails to grant this right has enjoyed considerable attention. The Neutrality Treaty, which will define the rights of the United States in this regard after the proposed Canal Treaty expires on December 31, 1999,[86] has been contended by the administration to give the United States the right to intervene militarily on Panamanian territory in defense of the Canal over Panama's objections.[87] If this were indeed the legislative intent, it has been most skillfully hidden. For the plain language of the Neutrality Treaty completely fails to disclose it. On the contrary, Article V of the Neutrality Treaty provides without any qualification that "[A]fter the termination of the Panama Canal Treaty, only the Republic of Panama shall . . . maintain military forces, defense sites, and military operations within its national territory." This provision is, of course, totally incompatible with any right of the United States to maintain military forces and engage in military operations on Panamanian territory against Panama's wishes.

Nor do any of the other provisions of the Neutrality Treaty provide the premises for the assertion of such a right. Surely, Article IV of that Treaty, relied on by the administration, does nothing of the kind. It provides merely that "[T]he United States of America and the Republic of Panama agree to maintain the regime of neutrality." It contains not even the slightest reference to a United States' right to intervene militarily in Panama. All it means is that each state, subject to the limits imposed by other international agreements and international law, agrees to take such action as may be necessary to ensure the Canal's neutrality. Such action does not, under the applicable agreements and international law, include military action on Panamanian territory over Panama's objection.[88] Surely, Panama cannot reasonably be regarded as having waived its right to be free from United States invasions without a clear and unambiguous statement to that effect.[89]

That this is the correct construction is confirmed by the Article V of the Neutrality Treaty. By providing that, after the expiration of the Canal Treaty, only Panama shall maintain military forces within its national territory, it puts beyond any reasonable doubt that the United States may have such forces there only with Panama's consent.

Spokesmen for the administration have contended that, since Article IV of the Neutrality Treaty does not limit the means by which the United States may wish to maintain the regime of neutrality, the United States may use any means it sees fit, including military force on Panamian territory. Any objection by Panama against such use of force would, they contend, be irrelevant.[90]

These contentions are without foundation. Carried forward consistently, they would lead to the conclusion that the United States could occupy all of Panama and install a puppet government if it were to find that this would be the best means of ensuring the Canal's neutrality.[91] And since Article IV applies equally to Panama and the United States, it would, by the same token, authorize Panama to invade the United States when Panama deemed this necessary for the maintenance of the Canal's neutrality. Furthermore, since Article IV is cast in mandatory rather than permissive form, the United States and Panama would be under an obligation to invade each other's territory when they deemed this necessary to ensure the Canal's neutrality.[92] Clearly, the construction advanced by the administration is so utterly devoid of merit that it is startling to see it advanced by high legal officers of the nation.[93]

It need cause no wonder that the administration's construction is categorically rejected by Panamanian spokesmen.[94] Their unqualified statements that Article IV does not justify United States intervention on Panamanian territory[95] have understandably caused concern in the Senate and elsewhere.[96]

2. The Carter-Torrijos statement explicitly denies the right to intervene. In a purported effort to allay this concern, Presidents Carter and Torrijos, on October 14, 1977, have issued a joint statement.[97] Although persistently proclaimed by the United States as confirming the correctness of its construction of Article IV of the Neutrality Treaty,[98] it does, in fact, do exactly the contrary. The wholly unwarranted assertion by the highest members of the administration that the joint statement confirms the correctness of their construction raises most serious questions. But whatever the reasons for their assertion, it is plainly unfounded.

The Panamanian spokesmen, in explaining the purport of Article IV, have given it the proper construction. According to them, Article IV obligates the United States to take all appropriate steps to maintain the Canal's neutrality, but it neither obligates nor authorizes the United States to invade Panama's objection.[99] The use of military force on Panama's soil against Panama's wishes would, they argue, violate treaty obligations and international law. As demonstrated above,[100] this construction can be based on unassailable grounds.

The joint Carter-Torrijos statement links up with this analysis by stressing that the right of the United States "to act against any aggression or threat directed against the Canal" is limited in two important respects. First, tracing the very language of Article 2(4) of the United Nations Charter, it states that "[A]ny United States action . . . shall never be directed against the territorial integrity or political independence of Panama." And second, the right of the United States to take action "does not mean, nor shall it be interpreted [sic!] as a right of intervention of the United States in the internal affairs of Panama."

It is, of course, undeniable that this statement flatly contradicts the testimony of Ambassador Linowitz and the Legal Adviser of the Department of State that, since Article IV does not impose any limitations, there are none.[101] The statement leaves no doubt that there are important limitations and that they are the exact ones the Panamanian spokesmen had all along contended to apply. It is therefore incomprehensible how Ambassador Linowitz, in commenting on the statement, could testify that "there never was disagreement between the responsible chiefs of state of both countries as to what the treaties meant."[102] And the mystery becomes even greater upon reading Ambassador Linowitz's testimony that it was he, who testified that the right of the United States was subject to no limitation, who "actually worked out the precise wording" of the Carter-Torrijos statement,[103] which included these important limitations.

In any event, the plain language of the statement makes clear that it reflects exactly the Panamanian construction. This also renders readily understandable why Panama would not object to its being made part of the treaty. Not only can it effectively claim that it merely restates the present treaty text, so that renewed consideration by plebiscite is unnecessary, but it will at the same time reap the windfall of obtaining a more explicit confirmation of what it claims the proposed treaty has meant all along.

Having accepted as correct an interpretation that it had flatly rejected earlier, the administration has sought to put a construction upon the joint statement that is wholly incompatible with its text. When the Attorney General was confronted before the Senate Foreign Relations Committee with the undeniable fact that the statement imposes explicit limitations on United States' freedom to take military action, he asked for time to study the question.[104] Subsequently, a purported written answer was provided by an Assistant Attorney General.[105] In pertinent part, it reads as follows:

"[A] legitimate exercise of rights under the Neutrality Treaty by the United States would not, either in intent or in fact, be directed against the territorial integrity or political independence of Panama. No question of detaching territory from the sovereignty or jurisdiction of Panama would arise. Nor would the political independence of Panama be violated by measures calculated to uphold a commitment to the maintenance of the Canal's neutrality which Panama has freely assumed. A use of force in these circumstances would not be directed against the form or composition of the Government of Panama or any other aspect of its political independence. . . ." [106]

The answer has been reproduced literally in order fully to expose its fallacies. In the first place, it fails to address the proper question, for it presupposes that the United States will be in the "legitimate exercise of rights under the Neutrality Treaty." It is perhaps possible to argue that, if Panama were to agree that the United States would act in the "legitimate exercise of rights under the Neutrality" by using force on Panamanian territory, Panama could not at the same time contend that its sovereignty or political independence would be violated by the use of such force.[107]

But that, of course, is not the question that would arise. Panama has already contended, and no doubt will continue to contend, that the United States may not legitimately use force on Panamanian soil over Panama's objection.[108] And the question that would arise if the United States wished to resort to such force would be whether the United States could then in effect decide the dispute unilaterally and use force in Panama to impose its decision on Panama. As amply demonstrated above, this question admits only of a negative answer.[109]

In the second place, the United States, by using force to impose its views on Panama, would indubitably act "against the territorial integrity or political independence of Panama." It is the very essence of a nation's territorial integrity and political independence not to have to suffer military action on its territory by another nation that aims at forcing it to accept a decision it has rejected. There is no support either in reason or in authoritative sources of international law that foreign military intervention in alleged pursuit of treaty rights is unobjectionable, as long as detachment of territory or change in the character or composition of the government is not its proclaimed goal. Most significantly, the Assistant Attorney General does not even attempt to rely on any authorities in support of his untenable opinion. The authorities that exist roundly reject it.[110]

Equally unsupported and untenable is the Assistant Attorney General's view that an invasion of Panama would not constitute intervention in its internal or external affairs forbidden by the UN and OAS Charters.[111] The argument in support of the conclusion that it would not constitute intervention in Panama's internal affairs is as novel as it is groundless. That argument is that such action would not affect the internal affairs of Panama because "being the subject of a treaty obligation, the matters embraced by the Neutrality Treaty are not the internal affairs of either State party to that treaty." [112] It advances nothing short of the startling view that the United States can, in pursuit of alleged treaty rights, invade any nation without intervening in its internal affairs.

The view that such an invasion would not concern Panama's internal affairs renders, of course, unavoidable the conclusion that it would concern its external affairs. And, significantly, Article 18 of the OAS Charter also outlaws intervention in another state's external affairs.[113] To circumvent the obvious objection that a United States invasion would constitute intervention in Panama's external affairs, the administration has taken another sidestep. While it is conceded that such use of force would relate to Panama's external affairs, it would, it is stated, not constitute "intervention." [114] No reasoning or authority in support of this conclusion is provided and, of course, none can be. An invasion of Panama for the purpose stated would be "intervention," however narrow a definition that term is given. As to that, there appears to be no room for disagreement.[115]

Ambassador Linowitz has testified "that there never was disagreement between the responsible chiefs of state of both countries as to what the treaties meant." [116] To test the accuracy of that statement, the Senate has to do but a simple thing. That is to provide the Panamanian chief of state with the Assistant Attorney General's construction of the joint statement and ask him whether he is in agreement. If it were thought that there can be the slightest doubt that he would reject the construction out of hand, that would certainly be a most appropriate step.

The role the legal spokesmen for the administration who testified before the Senate Foreign Relations Committee is, on the whole, disturbing. Instead of acknowledging that the provisions of the treaties are at least subject to divergent interpretations, they have functioned as partisan advocates of one-sided views, all too ready to descend to arguments lacking reasonable support. It is regrettable that the Senate Foreign Relations Committee has failed to invoke the aid of more detached legal scholars to evaluate the provisions that caused it such justifiable concern. Such an evaluation would no doubt have led to omission of the suggestion that the Carter-Torrijos statement be somehow incorporated in the treaties.[117] As demonstrated, this would not secure for the United States the right of unilateral intervention over Panama's objection.[118] Furthermore, since this statement relates only to the Neutrality Treaty, it would have no effect on United States' rights under the Canal Treaty. As shown, even under that treaty the right of the United States to use force on Panamanian territory is most uncertain.[119] If further clarification is needed, it should therefore also cover that right.

Of course, if the Senate were to wish insertion in the treaties of provisions purporting to give the United States the right to use force in Panama in defense of the Canal, they could easily be drafted. It would suffice simply to add a sentence in both treaties to the effect that, in the exercise of its specified rights and obligations under the treaties, the United States would be authorized, in deviation from the provisions recognizing Panama's territorial sovereignty and plenary jurisdiction, to use all force it deemed necessary on Panamanian territory. The simplicity of the task only stresses that it was not undertaken because the unacceptability of such a provision to Panama was so abundantly clear.

C. The relative insignificance of the pertinent provisions in the proposed treaties

Even if the United States could properly contend that, under the proposed Canal Treaty as well as the Neutrality Treaty, it has independent authority to take military action in Panama over Panama's objection.[120] It could not take military action in Panama to impose its construction on Panama. The proposed treaties fail to provide for compulsory adjudication.[121] Accordingly, if a dispute as to the scope of the United States rights were to arise, Panama could effectively impose its construction upon the United States. For, if the United States were to insist upon its construction and use military force in Panamanian territory over Panama's objection, it would use force in the settlement of an international dispute in violation of the Canal Treaty, the United Nations and OAS Charters, and international law.[122]

V. THE PROPOSED TREATIES DO NOT PRECLUDE PANAMA FROM INVITING FOREIGN MILITARY FORCES

A. The proposed treaties do not so preclude Panama

Article V of the Panama Canal Treaty provides:

"After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory."

As demonstrated above, when read in conjunction with Article IV, its clear thrust is to preclude the United States from maintaining and operating military forces in Panama without Panama's consent. When such consent is given, in a real sense, it is Panama that is operating and maintaining such forces.

Giving a rather surprising twist to this Article, the administration has contended, however, that, while not precluding the United States from operating military forces in Panama even over Panama's objection, this Article precludes Panama from inviting the military forces of any other foreign nation.[123] If this had been the intention of the draftsmen, it could and should have been expressed unambiguously. Especially since it limits Panama's freedom as the territorial sovereign, an explicit provision that Panama could not invite the forces of a third nation would have been indispensable.

In the absence of such an explicit provision, Article V should be read as compatible with the provisions of the Canal Treaty recognizing Panama's territorial sovereignty and plenary jurisdiction.[124] Since Panama's powers as the territorial sovereign surely include the power to invite the military forces of a foreign nation, Article V should not be read to exclude such power.[124]

Of course, if Article V would have to be read as precluding Panama from inviting foreign military forces, Panama would also be precluded from inviting United States' forces. For the literal language of Article V, on which the administration relies, makes no distinction. Clearly, however, the administration is not prepared to accept this consequence of its own construction.

Another incongruity of the administration's construction of Article V is that it precludes Panama from inviting foreign military forces after the year 2000, but leaves Panama free to invite such forces while the Canal Treaty is in effect. The Canal Treaty contains no similar provision and, in the absence of a provision precluding Panama, it remains free as the sovereign to request such aid from foreign nations as it may deem proper. Accordingly, if the administration's construction of Article V of the Neutrality Treaty were accepted, Panama could invite foreign troops into Panama while the United

Footnotes at end of article.

States maintains its military bases there—which would truly create an explosive situation—but would be precluded from doing so after United States forces had left. The absurdity of the result condemns the construction on which it is based.[125]

Another reason for rejecting the administration's construction is that it would preclude Panama from inviting military forces acting as United Nations' peace-keeping forces. Such forces would, at least under the Uniting for Peace Resolution,[126] consist of contingents from military forces constituted by member nations. Under the United States construction of Article V of the Neutrality Treaty, Panama, whose consent would be required,[127] could not invite such forces even though they might well be the best means of maintaining the Canal's neutrality.

All in all, the United States' construction is so anomalous, so at odds with the thrust and purpose of the Neutrality Treaty, that it is surprising to see it advanced.

B. Panama can in any event adhere to its construction in Panama

Whatever the correct construction of Article V of the Neutrality, for the reasons amply detailed above,[128] Panama could, as a practical matter, give consequence to its own construction on the territory of Panama. Consequently, if it were to invite foreign troops other than those of the United States, the United States could not use force on the territory of Panama to prevent it. Its obligations under the international agreements to which it is a party, including the proposed Canal Treaty, and international law would be to resort only to peaceful means of settlement of the dispute, and not to military force.

VI. UNDER THE NEUTRALITY TREATY, UNITED STATES WAR VESSELS ARE NOT ENTITLED TO GO TO THE HEAD OF THE LINE

A. The text of the treaty does not give this right

In the public discussions of the proposed treaties, the question has been raised whether United States war vessels will be guaranteed priority passage through the Canal. The administration has contended that its war vessels are entitled to go to the head of the line,[129] but Panamanian spokesmen have denied this.[130]

The text of Article VI(1) supports the Panamanian interpretation. Its last sentence provides that the war vessels of both nations "will be entitled to transit the Canal *expeditiously*" (emphasis supplied). Since a vessel's passage may be expeditious even though it is not placed at the head of the line, the administration's interpretation is not supported by the text.[131] Furthermore, since war vessels of both Panama and the United States are given the same right of expeditious passage, giving the United States a preferential right would be incompatible with this provision. Finally, during the negotiations, the United States demanded a right of preference, but Panama refused to grant it. Thus, the legislative history also belies the administration's construction.[132]

B. The Carter-Torrijos statement does not effectively grant this right

Since Article VI(1) of the Neutrality Treaty cannot support the administration's claim, the administration has sought support for it elsewhere. Again, the Carter-Torrijos joint statement of October 14, 1977, has been claimed by the administration to give it a right that the treaty itself withholds.[133] Of course, a statement of this kind cannot effectively amend the treaty.[134] But even if it could, it would not help the administration's cause. For the statement merely repeats that United States war vessels shall transit "expeditiously." The explanation of that term simultaneously provided makes clear that it does not mean "at the head of the line." It means, says the statement, "as quickly as possible, without any impediment, with expedited treatment." And to make sure that this does not mean "at the head of the line," the statement itself makes a distinction between the two definitions. For it provides that United States war vessels may "go to the head of the line of vessels in order to transit the Canal" only "in case of need or emergency." [135]

Not only does the statement therefore deny United States war vessels the right to go to the head of the line in all situations, it is clearly Panama that will decide whether there is the kind of "need or emergency" that would warrant their going to the head of the line in exceptional situations. Panama will at that time be in full control of the operation of the Canal, and the United States will be unable to impose its judgment on it.[136]

It is again most surprising that the administration claims in support of its construction of Article VI a joint statement that so manifestly rejects it.

C. The Carter-Torrijos statement is in part an ineffective attempt at amendment

To the extent that it recognizes a right to go to the head of the line in case of need or emergency, the Carter-Torrijos statement goes beyond the text of the Treaty and would in fact amend it. But since it does not purport, and is not intended, to be an amendment, it cannot amend. A joint statement of heads of state as to the meaning of a treaty is most authoritative, but not dispositive, in determining that meaning.[137] Accordingly, ultimately the transit right of United States war vessels must be grounded on the Neutrality Treaty itself. And that Treaty grants a right to expeditious passage, but not a right to go to the head of the line.

D. The relative insignificance of the dispute: Panama can impose its construction upon the United States

Of course, the dispute about the exact nature of the transit rights of United States war vessels is, as a practical matter, a tempest in a teacup. For, since Panama will be the territorial sovereign with plenary jurisdiction, Panama can adhere to its construction in Panama and, in fact, impose it on the United States.[138] Not even the spokesmen for the administration have claimed that in that case the United States can resort to other than peaceful means of settlement.[139] In the final analysis, therefore, the United States will have to accept such expeditious transit as Panama may wish to accord.

VII. THE UNDESIRABILITY OF PRECLUDING THE CONSTRUCTION OF A SEA-LEVEL CANAL IN THIRD STATES

Article XII(2)(6) of the proposed Canal Treaty prohibits the United States from negotiating "with third States for the right to construct an interoceanic canal on any other route in the Western Hemisphere." It represents a concession Panama obtained in consideration for its agreeing not to construct a new interoceanic canal in Panama except pursuant to agreement with the United States.[140]

The administration has argued that the concession made is of no great significance, since Panama offers by far the best location for constructing a sea-level canal.[141] While this may be true, there is a most important reason for nevertheless not making the concession.

As repeatedly demonstrated above, when disputes arise under the proposed treaties, Panama would, as a practical matter, be able to give consequences to, and impose, its constructions of the provisions involved on the United States. Since resort to military force, both legally and practically, would be no viable alternative, the United States would find it most difficult to exert pressure on Panama. However, the freedom to construct a sea-level canal elsewhere would give the United States a significant device for exerting pressure on Panama not to take unreasonable actions. The Canal is of overwhelming economic importance to Panama, and the freedom for the United States to create a competitive and superior waterway elsewhere would form a most powerful incentive for Panama to come to reasonable accommodations in whatever disputes that might arise.

This reason for rejecting Article XII(2)(6) has thus far not been stressed adequately in the public debates.[142] However, the paucity of effective means for inducing Panama to adhere to a reasonable course under the proposed Treaties forms a most persuasive argument for not surrendering one of the few that can be retained.

VIII. CONCLUSION

All of the foregoing inescapably leads to the conclusion that the proposed treaties fail to provide an acceptable substitute for the present regime. To that extent, the popular opposition to the proposed treaties is amply warranted. Furthermore, the deficiencies of the proposed treaties require a basic restructuring that cannot reasonably be expected from, and may even be regarded as not the proper province of, the Senate.[143] The Senate should therefore reject the proposed treaties.

Much has been said about the likely consequences of such rejection. The specter of riots and violence in Panama has been insistently raised.[144] Of course, if the Senate rejected the proposed treaties out of hand, the disappointed expectations of the Panamanians might well lead to irrational acts.

It is therefore essential that the Senate, in a most constructive exercise of its right not only to consent, but also to "advise," make clear to both the Panamanian people and the administration that it stands ready to surrender United States' sovereign rights over the Canal Zone and that its rejection is directed only at the deficiencies of the new regime rather than at relinquishment of the old one. Such action might, and should, find a receptive ear in Panama. After all, Panama's interest in efficient and peaceful operations of the Canal is at least as great as that of the United States. And such operation is impossible unless a regime be created that avoids as much as possible the tensions and dispute that inevitably attend the accommodation of conflicting interests.

Most surprisingly, although the Panama Canal offers an ideal opportunity for creating a transnational regime, the possibility of creating such a regime has not been adequately considered.[145] No doubt, the Senate would make a most significant contribution, claiming for the United States a leadership that the world urgently needs, if it were to recommend that the new regime for the Canal be made truly transnational.

FOOTNOTES

* This is a preliminary version of an Article that is to appear in the forthcoming issue of the Columbia Journal of Transnational Law.

[1] William Peter Field Trent Professor of English, Columbia University, 1941–1972.

[2] For the text of these treaties, see Senate, 95th Cong., 1st Sess., Executive N, Message from the President of the United States Transmitting the Panama Canal Treaty [hereinafter "Canal Treaty"] and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal [hereinafter "Neutrality Treaty"], Signed on Behalf of the United States at the Headquarters of the Organization of American States on September 7, 1977.

[3] See text at notes 76–78 infra.

[4] See text at notes 79–139 infra.

[5] See text at notes 28, 145 infra. For a detailed proposal of an international regime for the Canal, see Smit, The Panama Canal: A National or International Waterway?, 76 Colum. L. Rev. 965 (1976).

[6] See text at notes 47–62, 84, 87–117, 123–127, and 129–137 infra.

[7] Including Secretary of State Vance, Secretary of Defense Brown, Ambassador Sol Linowitz, Herbert J. Hansell, the Legal Adviser of the State Department, and John M. Harmon, Assistant Attorney General. See text at notes 49, 81, 87, 90, 101, 123, 129, infra.

[8] See text at notes 79–139 infra.

[9] See text at notes 85–119, 123–127, 129–137 infra.

[10] See text at notes 32–65 infra.

[11] See text at notes 32–36 infra.

[12] See text at notes 37–46 infra.

[13] Article XIV of the Canal Treaty requires peaceful settlement of disputes, but regrettably, does not provide for compulsory adjudication by the International Court of Justice or other international adjudicatory body.

[14] 59 Stat. 1031, T.S. No. 993, 3 Bevans 1153.

[15] 2 U.S.T. 2394, T.I.A.S. 2361, 119 U.N.T.S. 3.

[16] See text at notes 40–41 infra.

[17] One of the disturbing features of the testimony of spokesmen of the administration before the Senate Foreign Relations Committee, to the effect that the United States may intervene militarily in Panama when it deems this necessary for the defense of the Canal, is that they do not pay any attention to this aspect.

[18] The reports of the hearings before the Senate Foreign Relations Committee reveal no discussion or consideration of these consequences.

[19] On Panama's serious economic and political problems, see, e.g., LeFeber, W., The Panama Canal 195–202 (1978) ("Panamanian governments traditionally pushed for a new treaty when their domestic economic programs hit dead ends"). See also Smit, note 5 supra, at 980 no. 52.

[20] Significantly, the spokesmen for the administration who have testified before the Senate Foreign Relations Committee that the United States may use force on Panamanian territory over Panama's objection apparently assume that the United States will readily resort to such force when it deems this necessary. See text at note 90 infra.

[21] According to Ambassador Linowitz, "we had not released the text of the treaties until a day or two before the actual signing." Hearings, Sen. For. Rel. Com., 95th Cong., 1st Session, Executive N [hereinafter Senate Hearings], Part 1, p. 45.

[22] The plebiscite in Panama took place on October 23, 1977.

[23] Neither the Index of Legal Periodicals nor the Index of Foreign Legal Periodicals refers to any scholarly article on the proposed treaties.

[24] Proponent of the proposed treaties often argue that a change is due. One may agree with that proposition without accepting that the totally deficient proposed treaties provide the proper change.

[25] It may be argued on most persuasive grounds that the regime introduced by the proposed treaties is considerably more dangerous to peace and stability than the 1903 Convention. For the latter Convention gives complete control to a developed, stable country, while the proposed treaties would give in effect control to an underdeveloped, politically volatile country.

[26] This is true particularly of inevitable disputes on such crucial issues as intervention to protect the Canal and expeditious passage for war vessels, on both of which disputes have already arisen now. See text at notes 79–127, 129–139 infra.

[27] U.S. Const. Art. 2, Sec. 2.

[28] For further details on such a regime, see Smit, note 5 supra.

[29] See Smit, note 5 supra, at 967–969.

[30] 33 Stat. 2234, T.S. No. 431; 2 W. Malloy, Treaties 1349 (1910).

[31] See Smit, note 5 supra, at 968–969.

[32] For a full citation, see note 2 supra.

[33] Canal Treaty, Preamble, para. 3.

[34] Canal Treaty, Art I(2) and Art. III(1).

[35] Canal Treaty, Art. VII(1).

[36] Canal Treaty, Art. XI, first sentence.

[37] See text at notes 79–127 infra.

[38] See text at notes 129–139 infra.

[39] Canal Treaty, Art XIV, provides for settlement of all disputes through consultation and other procedures for peaceful settlement, but does not provide for compulsory adjudication. This is most regrettable. Compulsory adjudication would be far preferable to the unilateral adjudication by Panama that will be the practical consequence of the proposed treaties. See also Senate Hearings, Part 1, p. 266–267, where Senator Griffin properly draws attention to this defect in the proposed treaties.

[40] See text at notes 85–118 infra.

[41] While their arguments in support of the view that the proposed treaties do give the United States the right to use force on Panamanian territory cannot survive close scrutiny either (see text at notes 97–118 infra), their failure even to consider the impact of Article XIV is inexplicable.

[42] 59 Stat. 1031, T.S. No. 993, 3 Bevans 1153.

[43] 50 Stat. 1031, T.S. No. 993, 3 Bevans 1153.

[44] This is the second instance of their overlooking on the same issue a controlling authority. See text at note 41 supra.

[45] On this provision, see Goodrich, L.M. & Hambro, E., Charter of the United Nations 102 (2d ed. 1949): "Interpreted in the light of paragraph 4, this principle would seem to prohibit any method of settlement involving the use of force short of war."

[46] On the meaning of Article 2(4), see also Goodrich & Hambro, note 45 supra, at 104: "Measures of self-help involving the use of armed force have often been adopted by states in their international relations without any state of war existing. These measures of self-help . . . are prohibited by this paragraph."

[47] See text at notes 106–109 infra.

[48] Panama has already taken the position that no provision in the proposed treaties gives the United States the right to use force in Panama over Panama's objection. And it has held to this position even after the Carter-Torrijos joint statement of October 14, 1977 (for text, see note 50 infra). On Oct. 18, 1977, Mr. Escobar held a press conference at which he stated "that the scope of this right of defense at no time could be extended to mean the right to intervene within the Republic of Panama." Senate Hearings, Part 1, p. 457.

[49] See letter of John M. Harmon, Assistant Attorney General, of Nov. 1, 1977, to the Honorable John J. Sparkman, Senate Hearings, Part 1, p. 332.

[50] This joint statement, reproduced in Senate Hearings, Part 1, p. 454, reads as follows:

STATEMENT OF UNDERSTANDING

Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

This does not mean, nor shall it be interpreted as a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.

[51] See text at notes 97–118 infra.

[52] 2 U.S.T. 2394, T.I.A.S. 2361, 119 U.N.T.S. 3.

[53] See text at notes 97–118 infra.

[54] Article I of the Treaty of Rio de Janeiro, 62 Stat. 1681, T.I.A.S. 1838, 21 U.N.T.S. 77, 4 Bevans 559, forbids "resort to the threat or use of force in any manner inconsistent with the provisions of the Charter of the United Nations." It therefore confirms the obligations of the United States not to use force in seeking to settle its disputes with Panama.

[55] 59 Stat. 1031, T.S. No. 993, 3 Bevans 1153. Much has been written on the meaning of this provision, which has been invoked by the United States to justify its intervention in Vietnam. See, e.g., Bowett, Collective Self-Defence Under the Charter of the United Nations, 32 Brit. Yr. B. Int. L. 130 (1955–56). On Article 51 generally, see Goodrich & Hambro, note 45 supra, at 297–308.

[56] See text at notes 32–36 supra.

[57] Accordingly, to justify its intervention in Vietnam, the United States put principal reliance on the request for assistance it had received from Vietnam. See, e.g., U.S. Dep't of State, Office of the Legal Adviser, The Legality of the United States Participation in the Defense of Viet Nam, 54 State Dep't Bull. 474 (1936).

[58] Letter of John Harmon, note 49 supra, Senate Hearings, Part 1, p. 333.

[59] Not even nations such as the U.S.S.R. that put undue stress on their soveign rights contend that action in defense of their rights is not subject to preconditions.

[60] It is significant evidence of the proposed treaties' basic deficiencies that so many disputes as to their meanings have already arisen before they have entered into effect.

[61] Panamanian spokesmen have answered this question in the negative, while United States spokesmen have argued for an affirmative answer. For a more extensive discussion, see text at notes 79–122 infra.

[62] See text at notes 40–59 supra.

[63] This is true in particular of the proposals to incorporate the Carter-Torrijos joint statement in the proposed treaties. See text at notes 97–127 infra.

[64] It has been reported that General Torrijos, who first declared any amendments unacceptable, indicated that he could live with the proposed amendments. No wonder since they render even more explicit support to the Panamanian constructions than the proposed treaties.

[65] In this failure of the treaties, see text at notes 70–137 infra.

[66] See text at notes 79–122 infra.

[67] Canal Treaty, Art. XI.

[68] See text at notes 39–69 supra.

[69] In the hearings before the Senate Foreign Relations Commitee, virtually no attention has been paid to the consequences of a unilateral termination of the proposed

treaties by either party. Under Article 56 of the Vienna Convention on the Law of Treaties, 63 Am. J. Int. L. 875 (1969), it would seem that unilateral termination is not permitted. If nevertheless Panama were to denounce the treaties, under Article 60 to the Vienna Convention, the United States could regard this as a material breach giving it the right to consider the treaties as terminated. But if it invoked this right, Panama would remain the territorial sovereign with plenary jurisdiction over the Canal Zone, while the rights of the United States to operate and to defend the Canal would terminate. Consequently, the testimony of the Secretary of Defense and of General Brown that in that event the United States could intervene militarily in Panama is without foundation. For this testimony, see Senate Hearings, Part 1, p. 131. Indeed, if Panama were to attempt unilaterally to terminate, the United States would have little choice but to insist that the termination was unwarranted and to treat the treaties as continuing in effect. Of course, if Panama were then to insist that the United States leave Panama, the United States would not be entitled to use force to oppose Panama's demands. See text at notes 39–69 supra.

[70] See Smit, note 5 supra, at 967–966.

[71] Canal Treaty, Art. III(1).

[72] Canal Treaty, Art. III(2(c) and (g).

[73] For an enumeration of the various functions of the United States, see Annex to the Canal Treaty, para. 3.

[74] See text at notes 39–69 supra.

[75] See Smit, note 5 supra, at 967–969.

[76] See Smit, note 5 supra, at 969, and authorities cited.

[77] See Vienna Convention on the Law of Treaties, note 69 supra, Art. 60.

[78] See text at notes 39–69 supra.

[79] See Smit, note 5 supra, at 967–969.

[80] Neutrality Treaty, Art. V; Canal Treaty, Art. II(2).

[81] The Legal Adviser of the Department of State. Herbert J. Hansell, has testified that Article IV(1) and (2) of the Canal Treaty gives the United States the right to intervene militarily in Panama while that Treaty is in effect. Senate Hearings, Part 1, p. 238–239. Of course, Article IV (1) and (2) does not grant this right in explicit terms. Mr. Hansell failed to explain how this right can be interpolated into these provisions.

[82] Senator Allen has correctly noted that "our freedom of action outside of the four bases would be severely limited by the treaty requirement for approval of operations by a joint military board in which the United States and Panama will have equal authority." Senate Hearings, Part 2, p. 210. His reading of the pertinent provisions of the Canal Treaty is most likely to be endorsed rather readily by Panama.

[83] See text at notes 32–69 supra.

[84] A provision to this effect may have been regarded as necessary, since a state cannot plead its constitutional inability as an excuse for noncompliance with obligations assumed by treaty. See Vienna Convention on the Law of Treaties, note 69 supra, Arts. 27 and 46. An additional reason may have been to ensure that military operations not be undertaken without requisite congressional concurrence.

[85] See text at note 81–82 supra.

[86] Neutrality, Art. V.

[87] All spokesmen for the administration who have addressed the question have testified to this effect. They include Secretary of State Vance (Senate Hearings, Part 1, p. 12) Ambassador Linowitz (id., at 23, 33, 465, 481–483), Secretary of Defense Brown (id., at 162, 170), and the Legal Adviser to the State Department, Herbert J. Hansell (id., at 221).

[88] See text at notes 39–69 supra.

[89] If the treaties unambiguously provided that the United States could use military force in Panama—which, of course, they do not—the question would arise whether Panama could nevertheless subsequently prevent the United States from using such force by denying the right to use it in violation of the treaties. Under the treaties as presently drafted, the answer would be in the affirmative. Since the treaties recognize Panama's territorial sovereignty and plenary jurisdiction over the Canal Zone, they recognize Panama's plenary authority to do within Panama as it sees fit. That being so, the United States would be relegated to the normal remedies for breach of an international agreement, which includes the use of force only in the exceptional situation of Article 51 of the United Nations Charter. Consequently, the spokesmen for the administration who have testified that the United States could in that case stand on its treaty right and use force in pursuit thereof were again in error. See, e.g., Senate Hearings, Part 1, p. 131 (General Brown), p. 38 (Ambassador Linowitz).

A different situation would be presented only if the proposed treaties specifically carved the rights granted the United States out of the sovereign rights returned to Panama. Only in that case could the United States successfully argue that the use of force would not encroach upon Panama's sovereignty and independence on the ground that Panama had parted with its sovereign rights pro tanto. See also text following note 119 infra.

[90] See, e.g., Senate Hearings, Part 1, p. 12 (Secretary Vance), p. 23, 33 (Ambassador Linowitz), p. 131, 162 (Secretary Brown), p. 221 (Legal Adviser Hansell). It may be noted that Attorney General Bell did not endorse this view, but instead preferred to defer to the Department of State. Senate Hearings. Part 1, p. 221.

[91] Until the Carter-Torrijos joint statement of October 14, 1977, note 50 supra, was issued, the administration had steadfastly, although erroneously, contended that the right to intervene under the proposed treaties was subject to no limitations. See note 90 supra. After the issuance of the joint statement, which spells out the limitations reasonably implied in the pertinent treaty texts, the administration has conceded that it could not endeavor to change Panama's political institutions. See letter of John M. Harmon, Assistant Attorney General of November 1, 1977, addressed to Senator Sparkman, Senate Hearings. Part 1, p. 332.

[92] Article IV provides that the regime of neutrality "shall" be maintained.

[93] It should be stressed that the Attorney General was apparently not prepared to advance it. See note 90 supra. Although he did state that "we could intervene unilaterally," when asked whether such action would contravene our obligations under the United Nations Charter, he testified "I have not considered that question." Senate Hearings, Part 1, p. 241. While one may wonder how he could come to any firm conclusion on the right to intervene without considering the United Nations Charter, the Attorney General did not, as requested, subsequently file an opinion on the question. Instead, Assistant Attorney General Harmon provided an opinion. See Senate Hearings, Part 1, p. 329–333. On that erroneous opinion, see text at notes 105–115 infra.

[94] See, e.g., the statements of Mr. Escobar, the chief Panamanian negotiator, as reported in Senate Hearings, Part 1, p. 55, 456–465. It should be stressed that Mr. Escobar made these statements after the Carter-Torrijos joint statement, which he had helped draft, had been issued.

[95] In addition to the references in note 94 supra, see Ryan, P. B., the Canal Terms Argued From Different Premises, N.Y. Times, Sept. 11, 1977. Supp. E, p. 17, col. 2–5, reporting Mr. Escobar as having publicity stated: "The treaty does not establish that the United States has the right to intervene in Panama."

[96] See, e.g., Senate Hearings, Part 1, p. 56–57 (Senator Baker); Ryan, note 95 supra.

[97] For the text of this statement, see note 50 supra.

[98] It is truly astonishing that, although the joint statement, on its face, contradicts the testimony previously given by spokesmen for the administration that the right to intervention is subject to no limitations (see text at notes 87, 90 supra), these spokesmen blandly continue to insist that the joint statement confirms their earlier constructions. See, e.g., Senate Hearings, Part 1, p. 465 (Ambassador Linowitz). See also text at notes 98, 101–103 infra. Spokesmen for the administration have insistently pointed to a statement by General Torrijos that Panama is "under the protective umbrella of the Pentagon," as confirming their construction. See, e.g., Senate Hearings, Part 1, p. 221. However, the words quoted do not in any way imply recognition of a United States' right to intervene in Panama over Panama's objection. They describe merely an existing fact of life—namely, that no Latin American country can effectively defend itself in a major confrontation without United States' protective aid.

[99] See text at notes 94–95 supra.

[100] See text at notes 32–69 supra.

[101] Senate Hearings, Part 1, p. 23, 30, 33 (Ambassador Linowitz), p. 221 (Mr. Hansell)

[102] Senate Hearings, Part 1, p. 465.

[103] Senate Hearings, Part 1, p. 467.

[104] Senate Hearings, Part 1, p. 241.

[105] Letter of Nov. 1, 1977, from John M. Harmon to Senator John J. Sparkman, Senate Hearings, Part 1, p. 329–333. One may wonder why this letter was not sent over the Attorney General's signature. See also note 93 supra.

[106] Senate Hearings, Part 1, p. 332.

[107] But, if the provisions returning territorial sovereignty and plenary jurisdiction are retained, Panama could properly take the position that subsequent denial by it of the treaty right would not justify reprisals by the use of force. See note 89 supra.

[108] See text at notes 48, 94–95 supra.

[109] See text at notes 32–69 supra.

[110] Goodrich & Hambro, note 45 supra, at 105, state: "Clearly the 'political independence' of a state is in fact violated if a state is coerced through the threat or use of force by a more powerful state into taking action which it would not otherwise take."

[111] Article 18 of the OAS Charter prohibits a state from intervening "in the internal or external affairs of any other State." 2 U.S.T. 2394, T.I.A.S. 2361, 119 U.N.T.S. 3. See also text at note 52 supra.

[112] Senate Hearings, Part 1, p. 332.

[113] See note 111 supra and text at note 52 supra.

[114] Senate Hearings, Part 1, p. 332.

[115] See note 110 supra. On intervention generally, see Friedmann, W., Lissitzyn, O. & Pugh, R. C., International Law 971, 1001. See also Declaration on the Inadmissibility of Intervention Into the Domestic Affairs of States, G. A. Res. 2131, 20 U.N. GAOR, Supp. 14 (A/6014), at 11 (1965).

[116] Senate Hearings, Part 1, p. 465.

[117] On this proposal, see Foreign Relations Committee Approves Canal Treaties by 14–1 Margin, N.Y. Times, Jan. 31, 1978, p. 4, col. 3–6.

[118] See text at notes 97–115 supra.

[119] See text at notes 79–84 supra.

[120] It has, of course, been shown that it cannot. See text at notes 79–122 supra.

[121] See notes 13 and 39 supra.

[122] See text at notes 37–78 supra.

[123] Senate Hearings, Part 1, p. 225, 226 (Mr. Hansell), p. 324 (Secretary Alexander).

[124] See text at notes 32–36 supra. It may be that, in special circumstances, the Panamanian government could not, compatibly with emerging international law, invite foreign troops—for example, to quell an insurrection by people seeking to realize a right to self-determination. See, e.g., Rohlick, Some Remarks on Self-Defense and Intervention: A Reaction to Reading *Law and Civil War in the Modern World,* 6 Ga. J. Int. & Comp. L. 368, 409 (1976). However, this would only exceptionally limit a state's general freedom to admit foreign troops on its territory.

[125] It must be noted that, although Assistant Attorney General Harmon has written the Chairman of the Senate Foreign Relations Committee that "action by the United States in defense of its rights is not subject to preconditions" (Senate Hearings, Part 1, p. 333), the Legal Adviser to the Department of State, Mr. Hansell, has shrunk from testifying that the United States could use force in Panama to enforce its construction of Article V. Senate Hearings, Part 1, p. 226. Apparently, for some unexplained reason, the use of force is proper to enforce Article IV, but not to enforce Article V.

[126] General Assembly of the United Nations, Nov. 3, 1950, G.A. Res. 377A, 5 U.N. GAOR, Supp. 20 (A/1775), at 10.

[127] See, e.g., Bowett, D. W., United Nations Forces 416 (1964).

[128] See text at notes 37–69 supra.

[129] Senate Hearings Pt. 1, p. 31 (Secretary Vance), p. 31 (Ambassador Linowitz). Ambassador Linowitz even made the statement that "[T]he language is unmistakably clear." Senate Hearings, Pt. 1, p. 85. However, Attorney General Bell, whose testimony generally reflects the relatively more objective stance one may expect from someone in his position in testifying on the same provision, said: "The language does not say that." Senate Hearings, Pt. 1, p. 232.

[130] At a press conference held on August 22, 1977, Mr. Escobar, Panama's chief negotiator, said: "As a matter of fact, the concept of privileged passage was rejected, and it was pointed out quite specifically that expeditious passage means passage as quickly as possible. Even after examining the provision that the gringos with their warships say, 'I want to go through first,' then that is their problem with the other ships waiting. We cannot go that far."

Senate Hearings, Part 1, p. 56. Although the administration has insisted that the views expressed have been relinquished by Panama, the contrary is true. See, e.g., Mr. Escobar's statements made at a press conference on October 18, 1977, after the issuance of the Carter-Torrijos statement of October 14, 1977, as reported in Senate Hearings, Pt. 1, p. 459.

[131] As noted this has been conceded by the Attorney General. See note 129 supra.

[132] See note 130 supra.

[133] For the text of this statement, see note 50 supra.

[134] See text at note 137 infra.

[135] It is amazing how the administration can contend that a statement that recognizes a right to go to the head of the line only in exceptional circumstances endorses the administration's view that that right exists in all cases.

[136] See text at notes 37–69 supra.

[137] The joint statement does not purport to be an international agreement itself. It "was issued purely as an explanatory statement." Senate Hearings, pt 1, p 454.

The Vienna Convention on the Law of Treaties, Art. 31(2), cited by the administration in support of the proposition that the joint statement has "resolved" whatever uncertainty may have existed, provides merely that an instrument accepted by both parties is part of the "context" in which a treaty provision is to be construed. It by no means makes such a statement dispositive.

[138] See text at notes 37–69 supra.

[139] Although, of course, the use of force be "action by the United States in defense of its rights," which Assistant Attorney General Harmon has claimed not to be "subject to preconditions." Senate Hearings, Pt. 1, p. 333.

[140] Senate Hearings, Pt. 1, pp. 46–47.

[141] Senate Hearings, Pt. 1, p. 47.

[142] These have concentrated on whether any other country could offer a better location. See, e.g., Senate Hearings, Pt. 2, pp. 130–132.

[143] Such complete restructuring might be regarded as going beyond constitutionally permissible "'advice." U.S. Const. Art II(1).

[144] Both General Torrijos and the administration have stressed this aspect, thus suggesting that the choice is between ratifying the treaties or creating riots and violent disorders in Panama. There is, of course, a more constructive alternative: a treaty that creates a viable new regime. See text at note 145 infra.

[145] Although the advantages of such a regime have been extolled, there is no indication the administration has ever considered it. Such a regime would undoubtedly also be more acceptable to other Latin American states, many of whom regard with a measure of trepidation the surrender to Panama of effective control over the canal. See further Smit, note 5 supra.●

GUY M. BRANDBORG

● Mr. CHURCH. Mr. President, last year the Nation lost one of its finest conservationists—Guy M. Brandborg of Montana.

It remained for Michael Frome, an outstanding writer, to memorialize this great man in the Sierra Club Bulletin of February/March of this year.

I submit this superb tribute for the RECORD.

A TRIBUTE TO BRANDY

(By Michael Frome)

You may find it hard to believe, based on present performance, but sound forestry began in America as part of the muckraking, trust-busting social crusade of the early years of this century Gifford Pinchot, pioneer forester and close ally of Theodore Roosevelt, foresaw conservation as the foundation of a national destiny of freedom and brotherhood. Sound forestry was to be not a technical end in itself, but a wedge in the fight "against the control of government by Big Money."

This kind of life was made for Guy M. Bandborg, a two-fisted populist if ever there was one. In 1914, at age of 21, he joined the Forest Service. At that time the fledging outfit was loaded with Pinchot's disciples, a breed of idealists determined to halt destruction of the forests by free-wheeling timber barons and to rescue the grasslands from cattlemen's anarchy. Imbued with the idea that all wealth comes from the earth, Brandborg committed himself through 40 years in the Forest Service and retirement thereafter to leaving the land and its resources in better condition than he found them.

"Brandy" departed this world in March 1977 with little baggage. His body he willed to medical research; his ideals which he had drawn from Pinchot, to disciples of his own. He was an absolute original among foresters and grass-roots activists, and his kind of inspiration never dies.

For twenty years Brandy was supervisor of the Bitterroot National Forest, and when he retired in Hamilton, in the heart of the valley, he could view the results of his work with pride—that is, until the Forest Service shifted gears from resource protection with conservative use to intensive exploitation without protection. Nowadays a supervisor spends only two or three years in charge of a forest, so he doesn't have the sense of belonging or of lasting responsibility for his actions.

Brandy exercised amazingly wide influence from his own country corner. He raised a son, Stewart, who became executive director of The Wilderness Society and is now an official of the Interior Department in Washington. Sierra Club staffers such as Gordon Robinson, Brock Evans and Doug Scott came to western Montana to counsel with the old sage as well as to see the Bitterroot through his eyes. Folks in his own state—in the Montana Wilderness Association, the Wilderness Federation, faculty and students at the University (50 miles north at Missoula), public officials and thoughtful people all over Montana—looked up to Brandy with admiration and warmth.

Brandy also had an uncanny touch with writers. Among these were Bernard DeVoto, who first visited in the late 1940s for his "Easy Chair" column in Harper's, correspondents for The New York Times, Washington Post and CBS, who came twenty years later for Brandy's views on clearcutting in the Bitterroot.

In my own case, his ideas ran like a thread through columns I wrote in American Forests and Field & Stream. From one end of the country to the other, everywhere I looked in the 1960s and early 1970s, the Forest Service was on the wrong side of environmental issues—from Admiralty Island in Alaska, down through the redwoods and Mineral King in California, Big Thicket in Texas, Bitterroot in Montana, to the Monongahela in West Virginia. Brandy helped me to evoke forceful protest against squandering the heritage of our forests for greed and gain. Though I lost my columns one after another, it was well worth the fight.

Brandy had a way of linking little issues to big ones and particular controversies to principles of social and economic consequence. He was a mover who got things done. The fight he sparked over the Bitterroot led to an investigation by a committee of the University of Montana Forestry School (at the request of Senator Lee Metcalf) and subsequently to the 1971 Washington Senate hearings on clearcutting. Even near the end he was brewing a new plan to bring President Carter face to face with the continued mismanagement of our public forests.

He was never vindictive, never personal, never (to my knowledge) pessimistic. Despite harsh treatment by the Forest Service leadership—which tried to dismiss him as "a disgruntled ex-employee"—workers in the ranks cheered him, hoping he could get the old outfit back on course.

Like Pinchot, he believed that exhaustion of resources leads nations to poverty and war—and that protection of the land and its resources makes for peace and begins with the forests. Both saw foresty as the leading activist edge of social reform.

Brandy was a born-again evangelist of our time, preaching that society too must be born again, out of an economy based on exploitation into an economy of conservation.

Pinchot said: "There is no reason why the American people should not take into their hands again the full political power which is theirs by right and which they exercised before the special interests began to nullify the will of the majority." G. M. Brandborg believed in power to the people. He had lofty visions and left us challenges that give purpose and meaning to life.●

LESSON FROM THE NORTH SLOPE

● Mr. STEVENS. Mr. President, recently the Washington Post carried an editorial by Joseph Kraft entitled "Lesson from the North Slope."

The North Slope is in Alaska. It is the broad tundra plain north of the Arctic Circle which runs from the foothills of the Brooks Range to the Arctic Ocean. Prudhoe Bay, the largest oilfield in North America, is on the North Slope and its treasure is now connected to the U.S. economy through the Trans-Alaska Pipeline System.

The lesson which Mr. Kraft calls to our attention is in the design and construction of this pipeline. The environment of the North Slope and along the pipeline corridor is diverse and, in many places, delicate. In other places it is brutal. Construction of this pipeline in a manner compatible with environmental constraints was seen by many to be impossible. But our experience with TAPS shows us that indeed it is possible. Technology can be compatible with the environment.

The important lesson, Mr. Kraft finds, is that:

The answer to the problem of modern life does not lie in turning technology off or arresting growth as prescribed by the cultural pessimists. The lesson of the Arctic is that a far better way to cure the problems caused by technology is to address those difficulties directly with more technology.

Mr. President, I submit this editorial for the RECORD:

LESSON FROM THE NORTH SLOPE

PRUDHOE BAY, ALASKA.—The saboteurs who punched a hole in the Alaska pipeline the other day hit the country where it lives. The development of Alaskan oil and the connecting pipeline represents a supreme achievement in modern America. The pipeline and the fields are engineering wonders that point a way out of the central social and environmental dilemma of modern technology.

Hardly anybody needs to be introduced to the difficulties generated by scientific progress. Smog, congestion, cancer, overpopulation, urban decay, radical nationalism and—on the individual level—rampant neuroticism all find their roots in the unthinking and often uncontrolled adoption of technological innovation.

Disillusion with technical advance has fostered among Western intellectuals—now and indeed over the past century—an essentially retrogressive, anti-scientific spirit. In our own day, the most visible expression of that view lies in the No Growth movement and the Small Is Better philosophy.

Those views have been taken up by leading politicos, and by almost all other right-thinking persons, including President Carter and California Gov. Jerry Brown, not to mention the environmentalists, Naderites, feminists and the Club of Rome. All of them now rail against the mindlessness and brutality of modern technological life.

The development of oilfields here, and the engineering wonder of a pipeline to bring the products south to the 48 states, provided a vital test for this central issue. For development in Alaska threatened everything associated with the wholesome, unspoiled order of things.

First of all, the environment itself. The permafrost that covers the ground, holding water and soil in icy suspension, was obviously vulnerable to pipelines bearing hot, pressurized oil, and even to the large heated installations that had to be built for humans to work effectively around the oil wells. Laying the installation for the pipeline flat on the ground would have turned an extraordinarily beautiful tract of nature into a mud wasteland.

Under pressure from environmentalists, however, the oil companies bestirred themselves. They came up with technology to beat back the threat from technology. The heated buildings are mostly built above the ground, on stilts, which do not melt the permafrost.

The pipeline is also carried overground so that the high temperature of the oil does not affect the permafrost. The few heated buildings that do rest on the ground lie upon foundations that are refrigerated to preserve the permafrost.

Wildlife, notably the great flocks of wild geese and the caribou herds, also seemed vulnerable. A particular fear was that the caribou, unwilling to cross any barrier they cannot see beyond, would let pipelines pen them into grounds insufficient for feeding purposes.

But the companies have built special caribou crossings—either by dipping pipelines so the caribou can step over, or by raising them so the caribou can wriggle under. While not conclusive yet, the evidence is that the herds are intact.

Pollution of air and water seemed a certain menace to the marine and bird life. But the companies burn all their exhaust gases in flues that do not allow any chemical emission to escape to the open skies. The wild geese have been as numerous as ever. As to wastes, the companies collect them, then process them chemically to a degree that yields water fit for drinking. The water is poured into the sea, and marine life seems not to have suffered in any way.

Most important of all are the indigenous people, the Eskimos, so apt to be wiped out by the white man's high science. The companies have, in fact, not been able to find jobs for many of the Eskimos. But large sums from land sales and leases have accrued to an Eskimo corporation. Through that corporate body, the Eskimos now own and manage various services. It seems indicative to me that the other day, when an oil executive was complaining about red tape, an Eskimo shot back that the problem was white tape.

I have not seen enough of the North Slope to render conclusive judgments—the more so as I am ignorant of native conditions here. But from what I have seen, an important principle arises. The answer to the problem of modern life does not lie in turning technology off or arresting growth, as prescribed by the cultural pessimists. The lesson of the Arctic is that a far better way to cure the problems caused by technology is to address those difficulties directly with more technology.●

THE HUMPHREY-HAWKINS BILL

● Mr. LUGAR. Mr. President, I would like to bring to the attention of my Senate colleagues an editorial which appeared in the Evansville Press, a newspaper in southern Indiana. In the midst of renewed discussion to pass the Humphrey-Hawkins bill, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

EDITORIAL

The Carter administration is strongly urging Congress to pass the Humphrey-Hawkins "full employment" bill as a tribute to the late Senator Hubert Humphrey, who deserves something better.

Although the Minnesota liberal's name remains on the measure, it has been amended into a phony, toothless and yet potentially dangerous bit of legislation that does Sen. Humphrey no honor.

When drafted in 1974, it was a radical command to the administration to drive down the unemployment rate to 3 percent and to provide a job on public payroll to anyone who said he wanted work but could not find it.

Since the bill would have turned us rapidly into a nation of bankrupt leaf-rakers, it was killed in 1975. Then it was riddled with loopholes but still failed in 1977. Finally it was weakened enough for President Carter to endorse it. And now his economic adviser, Charles Schultze, who blanched at the inflationary threat in the original bill, is pressing the present version on Congress.

Today's Humphrey-Hawkins sets a goal of 4 percent unemployment within five years. But at the same time it insists on "restraint of inflation," "adequate productivity growth," "high rates of capital formation" and "the well-being of the people."

To be honest it also should have called for the legalization of marijuana, because any law that promises all the conflicting benefits of Humphrey-Hawkins is a pipe dream.

The bill sets up no machinery to lead us to its full-employment, low-inflation utopia. It is deceitful in holding out to disadvantaged groups flim-flam legislation instead of real help in getting jobs.

In a subtle way the bill moves the country closer to central economic planning, by people who have not proved they can do it. And it consecrates the figure of 4 percent joblessness as "full employment."

Now a couple of decades ago 4 percent may have been the optimum rate. But women and teenagers have flocked into the labor market and they change jobs more often than adult males. In addition, there is generous unemployment pay, more job mobility and much unreported work—all of which change the meaning of full employment.

The correct goal today could be 5 percent and any concerted effort to lower the rate to Humphrey-Hawkins' target could overheat the economy and create inflation.

In sum, the measure is less a tribute to a beloved American than a recipe for recession. Sen. Humphrey's admires in Congress must find some less mischievous way of honoring his memory.●

THE 60TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF LITHUANIA

● Mr. BURDICK. Mr. President, recently Lithuanians throughout the world celebrated the 60th anniversary of the declaration of independence of Lithuania. Unfortunately, freedom for the Lithuanian people was short lived. For only 2 years were they able to enjoy the rights and liberties of a sovereign nation and elect a freely chosen President and Parliament. Some 30,000 Lithuanians gave their lives in a valiant effort to retain their sovereignty.

Lithuanians around the world have not forgotten their lost freedom or the sacrifices so many of their forefathers made trying to save it. They are a proud and freedom-loving people, proud of their heritage and determined not to lose it to the pages of history.

I commend Lithuanians everywhere for their courage and join with them in

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commemorating this proud anniversary in Lithuanian history. Its celebration is a telling reminder of the continuing battle for human rights and self-determination still being waged by so many people around the world.●

TAX INDEXING: AN IDEA WHOSE TIME HAS COME

● Mr. DOLE. Mr. President, the latest inflation figures released by the Department of Labor are cause for concern. Prices consumers paid spurted a seasonally adjusted 8.4 percent in January while purchasing power declined at a record rate. Despite the administration's statement concerning the "underlying rate of inflation," the fact remains prices are rising at an unacceptable level.

CRUEL PARADOX

Inflation creates a cruel paradox for the American taxpayer. As prices and income rise, a person is pushed into a higher tax bracket. The result is a larger Federal tax bite out of the taxpayers' pocketbook. When the increases become too large, the Congress "rescues" the taxpayer by modestly reducing taxes and usually enacting a host of unwanted reforms. Congress receives credit for such enlightened action; however, the taxpayer is in no better condition if you eliminate the tax inflation.

Last week I introduced S. 2561, a bill to index the tax system and stop the endless rollercoaster tax increase-tax cut process. My proposal provides much needed steps to return honesty and stability to the process of Federal tax collection.

Mr. President, a recent article appearing in the National Journal describes indexing as "an idea whose time has come."

I ask unanimous consent that the contents of that article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INDEXATION: AN IDEA WHOSE TIME HAS COME

(By Robert J. Samuelson)

Tax indexation is an idea whose time has come—and this year is going to prove it.

Through indexation sounds complicated, it actually is simple. It means that the government automatically corrects the income tax system to prevent inflation from kicking taxpayers into higher and higher brackets. Assume, for example, that inflation raises a family's income 10 percent. It goes into a higher tax bracket, and its tax rate increases even though its "real" income hasn't. Without indexation, Congress must pass a major tax "cut" every few years to prevent this invisible tax increase.

That's precisely what has been happening. Assuming a tax package passes in 1978, Congress will have approved major tax reduction bills in three of the past four years. So long as inflation persists at a 5 percent to 6 percent annual rate, the cycle will continue.

The defects of this system are now becoming increasingly clear.

Most important, it's fundamentally dishonest. It confuses the average citizen and indeed, possibly the average congressman. It puts the nation's highest officials, starting with the president, in the foolish and ultimately self-defeating position of pushing half-truths on the public. They promise tax reductions, but in the main, all they are doing in repealing automatic tax increases.

Average taxes, as a percentage of personal income, are declining largely against what they would have been, not what they were. Even if President Carter's program passes as proposed the average tax level is estimated to be higher in 1979 than in seven out of the past 10 years, as the following table indicates. It shows federal income taxes as a percentage of personnel income since 1969:

	Percent
1969	11.6
1970	10.5
1971	9.9
1972	9.9
1973	10.3
1974	10.7
1975	9.9
1976	10.2
1977	10.1
1978 (est.)	10.3
1979 (est.)	10.5

Bombarded from Washington with propaganda about the beneficience of tax cuts and confronted with a largely static tax bill, the average taxpayer sooner or later is bound to react in anger and disillusionment.

A second flaw of the current system is that it hampers economic policy and increases the likelihood of an economic downturn or recession. In the days when inflation crept along at an annual rate of 1 percent to 3 percent, the dynamics of the income tax system were thought to represent a helpful "automatic stabilizer." If inflation increased, incomes would rise and, consequently, so would the tax bite. That would reduce consumer spending, the economy would slow, and inflationary pressures would abate. This was a comforting notion.

Unfortunately, it does not sit well with reality. As the past few years have demonstrated vividly, inflation has an independent momentum. Through powerful unions, oligopolistic companies, government fiat and social custom—the idea that everybody should stay "even"—inflation gets perpetuated, checked only feebly by weak constraints.

In this climate, the "automatic stabilizer" simply puts the economy on its backside—or threatens to do so—with a mild impact on inflation. There is then a rush to pass a tax cut to revive the economy.

The outlook for 1978 illustrates the risks. Many economists worry that the economy may slow down in the second half of the year, in part because the rising tax bite will curb consumer spending. But the administration doesn't think it can possibly get its tax cut passed before Oct. 1. So Carter's economists are forced to bite their nails and hope that the timing turns out right.

A final defect of the existing anarchic approach is that it constitutes a cruel and unusual punishment of congressmen. This, of course, contradicts the conventional wisdom that politicians like nothing better than approving tax cuts and then basking in the ensuing public approval. Many congressmen may have once embraced this simple logic, but, by now, a more complicated reality is forcefully asserting itself.

That reality is that Congress stirs up as much grief as gratitude when it acts on a major tax bill. Every interest group that feels entitled to some new tax break, or simply wants to protect an existing benefit, makes a pilgrimage to Capitol Hill. Any congressman is bound to disappoint some of these petitioners. And the more big tax bills there are, the greater the opportunity for offense.

Moreover, on the other side of the political ledger, public gratitude for tax reductions is increasingly tempered by the realization that they largely represent a holding action against inflation. The political arithmetic of this process is not especially favorable. The more the cycle of phantom tax cuts occurs, the worse the arithmetic will become. Ultimately, Congress is bound to search for an exit.

Indexation would minimize its problems. Although adjusting corporate and business taxes for inflation is difficult, the necessary alterations for the personal tax present no insuperable technical problems. Tax rates, deductions, exemptions and credits can automatically be changed to reflect inflation.

Indexation wouldn't—and shouldn't—exempt Congress from the necessity of changing the tax laws. There are fundamental political and social problems that will not conveniently vanish. As Social Security taxes rise (reflecting the program's higher costs), should Congress let the total federal tax bite increase, or should it cut some existing spending? Should the tax system be used more aggressively to promote income redistribution or, on the other hand, investment?

Regardless of what it does, Congress will have a difficult time permanently evading these issues. But, already overburdened by complicated problems that it only dimly understands, it does not need to create added uncertainties by having to fiddle with tax rates every 18 months.●

CITIZEN'S COMMISSION REPORT ON INDOCHINESE REFUGEES

● Mr. KENNEDY. Mr. President, under the auspices of the International Rescue Committee, a Citizen's Commission on Indochinese Refugees has been formed to support the humanitarian efforts of our country in behalf of the refugees from Indochina.

Recently, members of the commission traveled extensively in Southeast Asia assessing firsthand the many problems still confronting the refugees in Thailand and other countries throughout the area. Their report serves once again to underscore the continuing resettlement needs that exist among Indochinese refugees, and the humanitarian obligations our country has in helping to meet those needs.

I strongly support the commission's recommendation that:

The United States must adopt a coherent and generous policy for the admission of Indochinese refugees over the long range.

I emphasized this point last December, in releasing the findings and recommendations of a special study mission I sent to Indochina on behalf of the Judiciary Committee. The report, "Humanitarian Problems of Southeast Asia, 1977," contained these two recommendations among others:

3. Admission of Indochinese refugees:

The United States has a continuing responsibility to offer resettlement opportunities to a reasonable number of Indochinese refugees. Given the demonstrated need over the past couple of years to maintain some flexibility in this regard the Attorney General should exercise his parole authority on

a continuing basis and without a specified number of entries into the United States.

The number of entries for Indochinese refugees should respond to the ebb and flow of their movements and demonstrated resettlement needs, and not to some arbitrary quota which inevitably and sometimes needlessly, is always immediately filled. Especially for refugees in Thailand, the principal, but not exclusive, criteria for parole eligibility should be the traditional American concern for family reunion. Given the special nature of the "boat people" problem, however, a more general humanitarian criteria should apply to these refugees. The current criteria, left-over from the evacuation in 1975, are no longer appropriate or useful if, indeed, they ever were.

A formula for this purpose should be worked out in consultation with Congress, and in the context of the number of refugee entries from other areas of the world, where people also have legitimate claims upon the attention and concern of the United States.

4. A more balanced American policy towards Indochinese refugee problem in Southeast Asia:

Since 1975, public debate in the United States and our ad hoc national response to the refugee problems in Thailand and Southeast Asia have stressed parole programs and the resettlement of refugees in the United States. As a nation, we do have a continuing responsibility in this regard. But we must not focus on resettlement in the United States to the exclusion of other important alternatives for the refugees. We must finally be more balanced in our policy and approach.

The time is past due for the United States to encourage and promote more actively the local settlement of refugees in the host countries, especially Thailand. Thailand is prepared to move in this direction, in the context of general rural development which would also benefit its own citizens. The United States must be prepared, diplomatically and financially, to join others in the international community in lending strong support to such local resettlement efforts.

American policy must also acknowledge the possibility of voluntary repatriation among certain refugees, especially among Lao nationals in Thailand. Voluntary repatriation will only become a viable and humane option for certain numbers of refugees if there is a general agreement among all parties concerned and if real assurances are given for their care and protection when they return. Should voluntary repatriation occur at some future time, it should be carried out under international auspices.

Mr. President, I commend to the attention of Senators the report of the Citizen's Commission on Indochinese Refugees, as contained in the partial report of the two cochairmen of the Commission, the Honorable Leo Cherne and the Honorable William J. Casey. I ask unanimous consent that their report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE LEO CHERNE

A Citizens' Commission of prominent American national leaders, organized by the International Rescue Committee, has just recently completed an extensive mission to Southeast Asia. The purpose of this undertaking was to examine the situation of Indochinese refugees fleeing their homelands in Vietnam, Cambodia, and Laos in difficult, hazardous, and too often fatal efforts to seek freedom. The Commission organized itself into two groups to make possible the examination of the problems confronting all these people in flight, both on the mainland of Southeast Asia and the various island nations bordering the South China Sea and the Gulf of Siam.

Under the Co-Chairmanship of William J. Casey, former Undersecretary of State and member of the Executive Committee of the International Rescue Committee, one group of the Commission concentrated on those island locations in which boat refugees from Vietnam have found safe haven or have encountered problems.

The remaining members of the Commission under my direction as Co-Chairman devoted themselves entirely to studying the circumstances confronting the various groups of Indochinese Refugees throughout the length of Thailand. Members of our group visited 9 of 15 refugee camps which had been established in that country by the Government of Thailand and are under the mandate of the UNHCR and supported with assistance from major voluntary agencies who provide essential medical services and other vital needs. We in particular were concerned to study in detail the two locations set aside for those "Boat People" from Vietnam who have been at least temporarily permitted to land in Thailand. We visited as well three camps set aside for the 15,000 Cambodians who have succeeded in reaching the safety of Thailand. We also visited a number of camps in the northeast and in the north of Thailand where the ethnic Lao as well as the Hill Tribes from Laos are congregated. Predominent among these Hill Tribes are the Hmong, more familiarly known in this country by a term they consider derogatory, the Meo Tribesmen. With some difficulty we arranged to visit a major detention center in the northeast where 1,200 refugees from Laos who arrived in Thailand after November 15th were herded into a facility that might be adequate at best for 200 people. In each of the refugee camp areas we met with local Thai officials, several of whom were quite candid about two facts: that in placing refugees arriving after November 15th in detention camps outside the UNHCR mandate they were acting on orders from Bangkok and the orders which they had received were designed to bring about as large a number of repatriations as possible by increasingly draconian measures, including forced repatriation.

Prior to these inland visits we met extensively with high Thai Government officials, and United States Embassy staff. In addition our discussions with representatives of the UNHCR were frank and consistently helpful. All of these steps were preceded by a lengthly telegram I sent from Hong Kong as Chairman of the Commission to Chairman Eilberg detailing both our plans and purposes of our mission. This was preceded by helpful conversations before our trip between members of the IRC staff and the staff of this Committee. At the conclusion of the study missions by both groups we met in Bangkok to share our observations and develop a set of conclusions and recommendations.

I think it important as a Commission of private citizens, to add not only were our backgrounds different but our views about the United States role in Indochina ran the gamut from long-standing opposition to U.S. involvement to substantial support of U.S. policy. Despite these backgrounds of difference, we emerged from our shared observations with a set of conclusions and recommendations that in every respect are unanimous. These were expressed at a press conference held in Bangkok on February 18th.

In the week that followed the following striking sequence of events has occurred. I received a request from George Meany, then meeting with the Executive Council of the AFL–CIO in Miami, to meet with him. At the same time Bayard Rustin had rushed back from Bangkok to summarize the work of the Commission to the Council. The Executive Council unanimously approved a resolution of generous support for Indochina refugees, including a more liberal policy for re-settlement in the United States. George Meany added to that his own personal motion calling for the Executive Council unanimously to endorse the recommendations of our Citizens' Commission. I subsequently received a call from Mr. Cline inviting the Commission to this hearing for the purpose of testifying in detail. Yesterday the Commission hosted a luncheon for the new United Nations High Commissioner for Refugees in order that he might learn of the experiences of the Commission and its recommendations. The Commission subsequently received an invitation to meet briefly with Dr. Brzezenski and most recently an inquiry was made whether the Commission might meet with Senator Kennedy and several of his colleagues. We also have been invited to meet with Secretary of State Vance in the near future, at a date to be determined.

The Commission was formed less than three months ago when the future prospects for re-settlement of Indochinese refugees in this country seemed deeply troubled. In addition, decisions had been made by the Government of Thailand which were implemented on November 15th to discourage the arrival of any more refugees from Indochina, particularly from Laos. At that point, detention centers were established, which operate outside the UNHCR mandate. Newly-arriving refugees are arrested on arrival, tried on the charge of illegal entry, jailed, and then sent to detention centers of indescribable morbidity. Most persuasive to our growing belief that the situation was critical, was the increasing number of horror stories concerning the "Boat People." These refugees aboard invariably overcrowded boats of often limited sea-worthiness, boats carrying a heavy cargo of children, were increasingly being denied haven in port after port. It had also become clear that commercial vessels plying those seas were encountering heavy penalties if they recognized the ancient law of the sea by rescuing refugees lost or foundering at sea. In consequence, commercial ships were increasingly passing up refugees in distress.

We were also moved by one other very deep concern—The plight of the refugees, roughly 15,000 in number, who had managed to escape the outrage which has been occurring in Cambodia. And finally, we did not know nor learn until our visit to Thailand of two additional problems which have not yet received the attention of the press but which strongly affected our conclusions: We learned that roughly 9 out of 10 refugees from Laos who have arrived in the past 3 months have been classified as "economic" refugees. And we learned of the existence of secret orders encouraging their enforced repatriation. During the period of our visit, there was not only confirmation that forced repatriation is taking place but also confirmation of the fact that in some instances these forcibly repatriated Lao were summarily executed after they re-crossed the narrow Mekong River.

If the bleakness of the prospect which led us to undertake this mission seems overstated to some, it must, I think, nevertheless be acknowledged that our object was to rekindle public attention by means of

what we might succeed in learning, toward those recommendations which would emerge from our very different backgrounds and viewpoints. The events of the week since our return make us feel that our efforts were worthwhile. Regardless of what weight may be given to the recommendations which we will make to this Committee, the invitation to appear before you is in itself an achievement of which we are entitled to be pleased, and for which we are deeply grateful. I believe that I can best demonstrate that gratitude by going directly into the fundamental recommendations on which we have unanimously agreed. After I have done so—and the steps we suggest are quite crisp—I believe it would be useful for me to amplify the special circumstances and the particular reasoning which led us to certain of these recommendations. I will not attempt to cover each of them.

RECOMMENDATIONS

1. The United States must adopt a coherent and generous policy for the admission of Indochinese refugees over the long range, replacing the practice of reacting belatedly to successive refugee crises since the spring of 1975.

2. Such a program will, in the Commission's opinion, moderate anxieties among Southeast Asian countries which, by granting temporary asylum, fear they would be left unwanted refugees on their hands; will support the substantial efforts of countries elsewhere in the world already participating in the re-settlement effort; and will encourage new countries to join the common endeavor of granting sanctuary. The Commission recommends that the United States should be ready to provide generous financial, technical and other assistance to Southeast Asian nations which resettle the refugees permanently.

3. The special circumstances of boat people, the Vietnamese who have come to Thailand overland and of Cambodian refugees make it imperative that all existing criteria and categories for their admission to the United States be waived, and that the movement of those refugees who are accepted for admission be accelerated. Our Government should make clear its firm intention that permanent re-settlement for these refugees will in all instances be assured.

4. The criteria for admitting refugees from Laos to the United States should be eased and applied more generously and sensitively. By applying the usual criteria for admission of refugees, the United States continues to deny the hidden and pervasive character of its role in "the secret war" in Laos. Having worked with virtually all of the peaceful and military instruments of Laos in an ambiguous war, the normal criteria for the admission of Laotian refugees are of very doubtful validity; and adequate proof such as is required by our authorities simply does not exist.

5. The suggested distinction between "economic" and "political" refugees from Indochina is spurious, invidious, and often used consciously to relieve any who would normally assist political refugees from feeling any obligation toward the refugees. The ability to make such a classification has even, in violation of the Universal Declaration on Human Rights, been used as justification of forcible repatriation of refugees in some instances.

6. The Commission appeals to all shipowners, masters, maritime unions, countries of registry and countries in East Asia: let no ships pass by persons of whatever nationality who are in danger of drowning at sea; let no port be closed to their debarkation and temporary succor; let no merchant ship which has received these refugees be penalized in carrying out its normal function. Whatever this takes to achieve—in the way of transit camps, bonding arrangements, experienced representatives stationed in every country to which these boats come, or *ad hoc* arrangements to unexpected situations—action should be initiated with the help and under the direction of the UNHCR.

The Commission commends the United States Government for its policy of requiring such humanitarian action from all U.S. flag vessels, and urges the Government to explore the possibility of extending this practice to all U.S. owned vessels.

A full report of the Commission's findings and conclusions will be submitted to the President, the Secretary of State, the Attorney General, and the appropriate committees of Congress.

We well understand that there are limits to the numbers of refugees who will be accepted by the United States. We are torn between our desire to make recommendations which would easily be accepted, and a conflicting desire to describe the situation and problems we have seen without reference to the extent of possible US participation in their amelioration. We believe we have followed a course somewhere between the acceptable and the unavoidable necessity. We do so in the hope and belief that this will be helpful. By seeing the dimensions of the problem, and by enlarging its understanding in the United States we may facilitate a useful long range plan for dealing with these refugees while extending the limits of what is currently considered feasible.

THE VIETNAMESE REALITY

Increasing repression is presently being extended throughout Vietnam. The draconian measures which have been taken to enforce denials of basic human rights are somewhat better known than the events which have taken place in Cambodia and Laos. The list of the "enemies" of the Vietnamese State is large. The suffering they endure is great and growing. For a host of political offenses and a variety of former occupations and associations, privation, confiscation, imprisonment, confinement for political re-education, and death are the disciplinary instruments. The evidence of this is so clear as to have aroused public expressions of dismay among many Americans who totally opposed the US involvement in Vietnam. Similar expressions of anxiety and public protest have come from the citizens of other countries who were equally critical of the US role.

THE BOAT CASES IN THAILAND

My colleague and co-chairman, Bill Casey, has amply and graphically described the plight and courage of the Boat People. The U.S. response to this monument to human desperation and the will for freedom must be clear, unequivocal, and prompt. It is our view that former U.S. involvement in Vietnam while an important source of the special obligation we have is dwarfed by the remorseless requirements of our own humanity, our commitment to life itself and our recently official enlargement of our concern for human rights.

It is our summary conclusion that the only proper U.S. policy consists of several parts. We must urge upon the Government of Thailand which has borne the brunt of this entire refugee flow whether by land or by sea, that equity, safety, and humans treatment be accorded to all Vietnamese boat cases who succeed in reaching any point along the long coastline of Thailand or are within sight of shore.

It is not, however, sufficient for us to implore governments which offer first asylum to the boat cases to be more consistent and considerate. Some governments in Southeast Asia do indeed provide unchallenged and generous initial refuge. Our encouragement must be accompanied by our willingness to participate in the funding of the work of the UNHCR to whatever degree may be required to improve the amenities and life support systems available to the boat people.

Above all, we must by a clearly stated and longer range program make evident to the governments of first asylum that we do indeed mean to take the lead in providing resettlement of these people in the U.S.

LONG-TERM

Wherever we have turned, it was either expressly stated or implicit that our present arrangements appear intermittent, insufficient, and above all, unreliable. No clear view of what the U.S. will do even in the near term emerges from our present or previous policies. We believe in fact that such a forward looking, dependable and clearly articulated U.S. program will have immediately beneficial results. There will almost certainly be fewer occasions where boats will be wantonly returned to the dangers of the sea. We believe there will be a greater readiness to improve the facilities, the boat camps, in which those who do land are gathered for the long months in which their cases are examined and resettlement opportunities to the U.S. and other countries explored.

And we believe strongly that the U.S. policies and procedures toward resettlement must, as far as is humanly possible, be speeded up.

The prospective policy which we urge upon the U.S. is premised on the concept that the boat cases must in all instances be accorded reliable and humane refuge, that third countries must be encouraged to take as great a number of these people as they are able to, and that the refugees who have come by boat must in as brief a period of time be restored to an environment more conductive to normal life and decency than is possible in the present boat camps. One U.S. policy decision more than any other will have the effect of accomplishing all of these desired ends. The U.S. must for reasons of humanity and special obligation be the country of final resort for all those who cannot be resettled reasonably, effectively and promptly elsewhere. Application of restrictive criteria toward the boat cases is obstructive to this end.

CAMBODIA

The events which have taken place in Cambodia and which continue make of that country a land so inhuman that it tempts one to wonder whether here, finally, is a place where the living envy the dead.

The judgment of our commission is that a major objective of US policy must be directed towards early and effective resettlement for those Cambodian refugees who have survived the hell which is now their country and the untold hazards of their flight. There are presently some 15,000 such refugees in Thailand who now await such assistance.

The incursion into Cambodia by US Forces during the closing stages of US military involvement in Indochina is perhaps the most controversial of the actions taken by the US Government in that war, although US military and other direct involvement in Cambodia throughout the entire period of the war in Indochina was less than it was in Vietnam or Laos. This fact handicaps the Cambodian refugees in an ironically prejudicial manner. Since the criteria for refugee resettlement in the US emphasizes family reunification or former association with the

US government or any of its entities, the Cambodian refugees in Thailand previously associated with the US in any form are a small percentage among the refugees. Application of these criteria should therefore be waived altogether or at a minimum subordinated when Cambodian refugees apply for resettlement in the US.

No circumstances since the death camps of Germany more nearly describe the circumstances which presently exist in Cambodia. It is inconceivable that criteria expressive of degrees of compassion based on priority relationships could, in conscience, have been applied to the survivors of the Nazi concentration camps any more than they can now in logic or honor be applied to the refugees from Cambodia.

It is our strong opinion that while all efforts should be continued to encourage permanent resettlement for Cambodian refugees in other countries, the only proper course for the US would require that it be the country of final resort if all other efforts fail.

THE REFUGEES FROM LAOS

The picture of Laos which emerges is a stark and often a brutal one. Control is total. Reorganization of the economic and agricultural life in Laos has been massive and is in the words of one observer, "a total mess". The hareshest methods of all have been applied to the agricutural sector of Laotian life. Since Laos has almost no other source of economic vitality, this simply means that the consequences are nearly universal. Starvation exists in significant measure. Rations of food even for the more fortunate are inadequate.

These are not isolated or experimental efforts by the authorities in Laos. These governmental measures can only be understood as an integrated effort to politically reorient the entire life, culture, politics, and dependence of the Laotian people. Expressions of political, ethnic, religious or other differences are treated harshly and, as in Vietnam, the penal mechanism of the re-education center is the omnipresent threat for whoever may appear to threaten the interests of the State.

The importance of this recital of the reality in Laos is that it has led this Commission to conclude that a distinction between so-called economic and political refugees from Laos has no validity and no proper place in any decisions which effect the future of refugees from that country.

We have learned that there is in fact a more shocking aspect to the situation. The ability to classify these individuals as economic refugees and to try to persuade other countries that there is merit to this contention has enabled, in violation of international law and of the United Nations Covenant on Human Rights, the forceful repatriation of significant numbers of those who seek to escape from Laos into Thailand. We have ourselves heard frank admission from officials of provincial authorities in Thailand that the practice of forcibly returning those that local authorities designate as economic refugees is a policy decision and that there is no intention to discontinue these steps.

In addition to this circumstance the entire concept of forced repatriation, abhorrent in itself, clearly subjects those being returned to a hazardous environment.

Further substantiation of the reality in Laos was conveyed by an American stationed in Laos. His observations were simple and direct. The possibility of safe return to Laos is non-existent. The willingness of Laotian authorities to "forgive and forget" runs counter to their entire effort to restructure their society. He asserted that he had personally observed the most drastic punitive consequences inflicted on returning Laotians.

We cannot conclude our report and recommendations on the Lao refugees without reference to the American involvement in Laos during the long years of the Indochina struggle. That phase of the U.S. effort is thus far the least well known or documented. There is reason to believe that the U.S. involvement in a variety of administrative, governmental aid, social welfare, political and military functions was extensive. One can even guess with some degree of responsibility that the U.S. role, if not simply measured in numbers of Americans involved, may well have been more pervasive in assisting, supporting, and on occasion directing a wide range of activities in that country than in Vietnam. Our Commission believes that this background must be considered in applying certain criteria for eligibility for resettlement into the U.S. Those existing categories for resettlement which in any way reflect relationship with governmental or any other institutional entities of the former Government of Laos must carry special weight.

It is important that categories be interpreted in a liberal, flexible and generous manner. We include in this section the largest group of people who have fled from Laos and who indeed originate from that country but are a distinct ethnic and geographical group who lived primarily in the hills of Laos. In the U.S. they have been commonly identified as Meo. The word does have a pejorative connotation, but they are best known in the U.S. as that term. Their actutal tribal identification is Hmong. They and other ethnic tribal groups common to the hills of Laos played the single largest military, guerrilla and para-military role in the long effort to establish a free and independent Laos and to frustrate the plans of the Pathet Lao and the North Vietnamese. Again because of the ambiguity of the American efforts in Laos, the application of the criteria as they relate to resettlement of these hill-tribe people in the U.S. must be generously applied. Provable specificity is often hard to come by; documents are rare or nonexistent. There is a fact however that is undeniable. These hill tribesmen suffered the heaviest casualties of any of the peoples in Laos. These casualties unfortunately continue. The Government of Laos supported by Vietnam troops is at present involved in a concerted effort to drive the remaining hill people from their highland strongholds inside Laos towards the lowlands where they can be dealt with more readily. The efforts to accomplish this have involved the use of toxic agents, napalm and explosives dropped, we are told, by North Vietnamese aircraft. If the Thai Government is prepared to offer durable resettlement inside Thailand for any significant number of the various ethnic groups from Laos in Thailand in a manner which assures their safety, ethnic, and cultural identity, then it is this Commission's recommendation that the U.S. be prepared to participate generously in the form of financial and technical assistance, together with other countries and international agencies to speed that process. However that possibility must not be permitted to stall or postpone the American resettlement efforts which this Commission is recommending in the U.S.

THE THAI DETENTION CENTERS

It is the stated purpose that refugees who arrived in Thailand since November 15th will be retained in detention centers until such time as it is possible for the Thais to return them to their country of origin. Since it is not the function of the Commission to make recommendations directed to foreign governments and since unfortunately we are unable to suggest an appropriate role the U.S. Government can play in this sovereign matter involving the Government of Thailand, we regrettably limit our observation to this tragic fact. It is nonetheless apparent that this harsh measure is inexorably linked to the prospects of resettlement of refugees in third countries and that part of the purpose is to apply pressure on third countries to increase their settlement efforts. The objective is clearly to move as many of the 100,000 refugees now in Thailand out of the country at the earliest moment. This adds to the importance and urgency of all the previous recommendations regarding a long range American plan adequate to the needs of all these refugees.

STATEMENT OF WILLIAM J. CASEY

Members of the Citizens Commission sponsored by the International Rescue Committee visited Hong Kong, Manila, Singapore, Jakarta, Bangkok, Taipei, Macau and Seoul to gather information about the people fleeing from Vietnam in small boats and learn about the policies of the governments and conditions in the camps which receive them.

We were able to visit refugee centers in Hong Kong, where hotel rooms are provided, and in the Philippines, Singapore, Jakarta, and Macau where substantial buildings previously used as institutions for children and old people have been made available to refugees from Indochina. In all these places, the accommodations are quite adequate, although I should point out that the numbers to be accommodated were in the hundreds rather than in the thousands as in Thailand. They are staffed by competent and dedicated people provided by some combination of the host government, the United Nations High Commissioner for Refugees and private voluntary agencies. We were assured by representatives of the local governments and our embassies in Taiwan and Korea that satisfactory accommodations are provided outside of Taipei for all those reaching Taiwan and at Pusan for the 100 odd people picked up at sea by Korean vessels.

We held discussions with officials concerned with refugees in The Philippines, Singapore, Indonesia, Taiwan, Macau and Hong Kong and were briefed by officials of our embassies and representatives of the United Nations High Commissioner stationed in Malaysia, Thailand, and Korea.

We were able to hold discussions with a great many families and groups which arrived together in the same boat. Invariably, they tell stories of great courage and determination in leaving their homeland. Many of them had worked with United States forces in Vietnam. All of them said that they had left because they found conditions of life intolerable in Vietnam. This was expressed sometimes as a desire and need for freedom, sometimes as an inability to stand communism or the rigid control and indoctrination being imposed in the "new Vietnam". The great majority expressed a desire to go to the United States.

These discussions brought out the great difficulty and intense planning of an escape from Vietnam by boat. Groups of individuals would be brought together in houses near the shore, some of them traveling long distances by car, bus, train or bicycle. On a given night they would rendezvous at some point where they would board the boat which had been provisioned with food and gas gathered over a period of time. Some of the parties had been detected by shore patrols and been forced to depart precipitously leaving some of their group behind. Then they still had to run the danger of encountering government boats patroling the coastal waters.

The boats which got away from the area around Danang and Hue seemed to turn up in Hong Kong or Taiwan after 5 or 6 days and nights provided their fuel held out and they did not encounter heavy storms. Those escaping from more southerly coastal areas tended to go due east to the Philippines, while those leaving from the delta tended to go south to Thailand, Malaysia, Singapore, Indonesia or in a few cases, all the way to Australia. Many of the boats had foundered. Some arrived after as long as 60 days at sea. Others, in distress, were picked up by tankers and merchant ships cruising the China Sea and the Gulf of Siam. No one knows how many others have disapeared at sea.

We were told that fishing boats and other craft are coming under increasing surveillance by Vietnamese shore police and the homes of boat owners are being watched.

It was clear to all of us that only the most oppressive conditions could have led these people to commit their lives to at least five days and nights on uncertain seas in small battered boats. When we asked, as we always did, why they had left their homes they would usually fail to comprehend how the question could be asked—so vivid and overwhelming in their minds were the motives and pressures behind their flight.

We were able to hold discussions with officials charged with developing and implementing policy toward boat refugees in all the places we visited. Although there were differences in shading and emphasis, we found a clear and strong common thread in the policies being followed by governments:

1. All of them express and manifest compassion in preventing loss of life, relieving pressing needs and providing temporary shelter.

2. None of them is prepared to provide permanent resettlement, except in special cases and in very small numbers.

3. All of them want to keep very quiet about any assistance they extend, because they do not want word of favorable treatment to make their countries a magnet for a continuing flow of refugees. Also they do not want to excite the hostility of the new Vietnamese authorities.

Thus, we found that the governments we visited will do what they can to meet the immediate human needs of the boat people, but do not want to encourage others to escape, generally will not offer permanent resettlement and are intent on protecting themselves from being stuck with large numbers of refugees. They will continue to provide temporary refuge only as long as they feel assured that other countries will take most of them off their hands in due course.

There are differences in the degree of assurance that is required. This seems to vary inversely with the size of the country and directly with the number of refugees already there. A receiving country may require a high degree of assurance in the form of an explicit or "bankable" guarantee that a third country will take off their hands refugees who are permitted ashore. Others will be satisfied to permit refugees to land as long as representatives of a third country have a policy of permitting permanent resettlement and undertake "best efforts" to take arriving refugees off the hands of the receiving country.

What needs most urgently to be done now to save the lives of those leaving by sea is to overcome the fear of sea captains that if they follow the law of the sea and rescue foundering boats, they may be penalized by being denied entry to ports where they are scheduled to drop or pick up cargo, or be required to carry the refugees from port to port without being permitted to debark them. We were told that this fear, even if not always well founded, has led merchant ships to turn their backs on foundering boats or to pursue a course where they would not be likely to encounter them.

We believe strongly that this perception of commercial damage cannot be allowed to cost lives and that it is one which must and can be overcome.

To accomplish that, it is necessary to show the countries which by virtue of their proximity offer first asylum, that will not have to absorb all those who manage to reach their shores. When their reception centers have been filled with very few moving on for long periods of time, political realities push them into a restrictive posture towards new arrivals. If the United States and other countries establish more open and long range policies providing permanent resettlement, these countries of first asylum will, we are convinced, not only drop restrictions to landing, which cost lives, but will accept some portion of an international responsibility to provide permanent resettlement. But, pending the establishment of these long range policies, there is an urgent need for quick relief to assure merchant ships that observing the law of the sea by rescuing people in foundering boats will not expose them to a heavy economic price in the loss of costly time in dropping or picking up their cargos. This immediate relief can come from transit camps to relieve the pressure anywhere arriving boat people press too heavily on local ability or will to receive them.

Singapore is the most active port we visited and is also the most heavily populated country (over 10,000 persons per square mile). It has offered to provide a transit camp on one of its islands which will assure that any ship can deposit refugees there as long as Singapore has the assurance that they will be resettled elsewhere. This assurance has been informally provided by ambassadors there, but their authority to do this should be clearly established. There are also Indonesia islands near Singapore which might be used as a transit camp. There is also the possibility of establishing a transit camp in Macau. Let me say again, these transit camps will require the back up of a generous policy of permanent resettlement on the part of the United States and other countries.

We were impressed by the positive attitude toward joining in providing resettlement assurances to these countries of first asylum which was displayed by French, Canadian and Australian officials with whom we had the opportunity to talk. We believe that a generous stance by these countries and the United States can be a powerful influence in inducing other countries to share the responsibility.

We were also impressed with the willingness of officials of Singapore, Indonesia, Philippines and Hong Kong to improvise arrangements to reconcile their desire to meet immediate human needs and to avoid the economic, political and ethnic difficulties which shape their resistance to long term resettlement. For example, we found that Singapore, while unwilling to take refugees ashore without an explicit undertaking to provide permanent asylum in some other company, is willing to permit a merchant ship which has picked up refugees to come into port and handle its cargo responsibilities on the posting of a bond.

What is needed is a more clear cut, more coherent and more widely understood method of making the commitments necessary to comply with the needs and policies of the countries of first asylum. To that end the Commission makes these recommendations:

1. The fulcrum of a policy is the clearly enunciated willingness of the United States, France, Australia, Canada, and other countries, to permanently resettle all boat refugees, as well as U.S. willingness to waive all existing criteria and categories for overland Vietnamese and Cambodians in Thailand.

2. To meet immediate requirements, United States Ambassadors in the countries of first asylum should be provided with an appropriate allocation of the new 7,000 parole authorization to use in assuring those countries that refugees taken ashore will be resettled in consulation and co-ordination with their colleagues from other countries willing to provide permanent resettlement.

3. An experienced UNHCR person should be permanently stationed in each country of first asylum to assist in working out *ad hoc* arrangements with government authorities to facilitate the landing of boat refugees in unexpected situations which will continue to arise.

4. Under the leadership of the UNHCR, the possibility of establishing transit camps for people picked up by merchant ships in the Singapore and in the Hong Kong area should be explored.

CITIZENS' COMMISSION ON INDOCHINESE REFUGEES

The Commission was organized by the International Rescue Committee, which was founded in 1933 at the time Hitler seized control of Germany. IRC is the leading American voluntary agency providing relief and resettlement services for refugees escaping from persecution and violence in totalitarian countries. During the past year, IRC assisted refugees from 30 countries on four continents.

MEMBERS

Leo Cherne, Co-Chairman, Chairman, International Rescue Committee.

Monsignor John Ahern, Director of Social Development Catholic Archdiocese of New York.

Professor Kenneth Cauthen, Colgate Rochester Divinity School.

Cecil B. Lyon, Former Ambassador to Chile and Ceylon.

James A. Michener, Author.

John Richardson Jr., President, Freedom House Executive Director, Georgetown University Center for Strategic and International Studies (Former Assistant Secretary of State for Educational and Cultural Affairs).

Louis A. Wiesner, International Rescue Committee.

William J. Casey, Co-Chairman, Law firm of Rogers & Wells (Former Under Secretary of State for Economic Affairs).

Mrs. Thelma Richardson, Civil Rights Leader.

Bayard Rustin, President, The Philip Randolph Institute, Chairman, Social Democrats, U.S.A.

Rabbi Marc H. Tanenbaum Director of Interreligious Affairs American Jewish Committee.

Stephen Young, Law Firm of Simpson Thacher & Bartlett, Member of Commission on International Human Rights of the Bar Association of New York.

Robert DeVecchi, International Rescue Committee.●

ERNIE GATES

● Mr. BURDICK. Mr. President, I recently received saddening news of the death of Ernie Gates. Ernie, who coached at Jamestown High School for over 31 years, was a legend in North Dakota. He achieved an amazing record of winning the State championships in track and field football and basketball. His football teams were dominant during the years he coached, and in addition, he

turned out unbeaten grid teams in 1933, 1937, 1939, 1945, 1953, and 1956.

He received many honors during his career. Among these was North Dakota Coach of the Year, Moorhead State Hall of Fame, North Dakota Who's Who, and his name was given to the Ernie Gates Athletic Field in Jamestown.

I knew Ernie, as did everyone who lived in Jamestown. It is the measure of the man that, to us who knew him, his coaching record, as outstanding as it is, is not the most significant measure of his success. This was best said in an article written in his hometown newspaper, the Jamestown Sun. In that article a former player is quoted as saying:

It was late in life that I began to appreciate Ernie and maybe understand him, too. It took a few years to realize that he was strict with us because he wanted us to be successful in life. He wanted to be proud of his boys. . . . I think he wanted us to accomplish some things, maybe to make us understand what it costs sometimes to accomplish something positive.

I do not believe that any finer tribute can be paid to a teacher and coach.

I want to take this opporunity to share with my colleagues the entire insightful article written by the paper's sports editor, Jim Nelson.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Jamestown (N. Dak.) Sun, Feb. 24, 1978]

ERNIE GATES—A COLORFUL INDIVIDUAL, LAST OF THE OLD GUARD

(By Jim Nelson)

He was without much doubt a legend as a coach. But I think he will be recalled also as quite an individual.

The death of Ernie Gates here Thursday morning removes from the scene just about the last of the famous old guard of coaches that labored so long and so well in North Dakota during the 1930s, 1940s, 1950s and 1960s.

And Jamestown has also been deprived of a colorful, outspoken man who lent his time and his talents to so many projects outside the immediate scope of sports.

He was a Lion, to be sure—a proud, longtime member of the Jamestown Lion's Club for which he toiled long and hard on numerous projects.

He belonged to many other civic and fraternal clubs and organizations and he worked for them, too. Just as Ernie is remembered for the success of his Jamestown High School athletic teams over 31 seasons, he should also be remembered as the guy who won the Jamestown Chamber of Commerce's Outstanding Citizen award in 1976.

We will miss him at The Sun office, too. Rare was the morning in those last years of coaching at JHS that Ernie didn't stop here on his way to work. He would read the papers, chat with the staff, pass on a joke or two.

And he would predict the weather. Ernie was pretty good at that. He was beholden to the 90-theory of weather-predicting. "Ninety days from now we're gonna have . . ." this or that kind of weather, he often would say. And, according to Sun staff writer Marj Smith who kept track, Ernie was right more often than wrong. He used to say he could tell the weather according to incidences of fog 90 days in advance.

Ernie also didn't mind sharing news tidbits that came his way with The Sun's sports staff which in those days consisted only of this writer. He continued supplying news hints and suggestions and thoughts until he was hospitalized a few weeks ago.

I remember my first exposure to Ernie Gates. It was in late summer of 1963 a couple weeks after I joined The Sun's staff.

We were sitting in the big frame structure that still serves as dressing room and coaches' office at Washington Field, now known as Ernie Gates Field.

I had written down all the names and asked what I considered to be all the pertinent questions and gotten what I thought were all the pertinent quotes about Ernie's 1963 Blue Jay football team.

I was aware of Ernie's reputation as a disciplinarian long before I came to Jamestown and so it was with some trepidation but as much firmness as I could muster that I told him "I would appreciate your cooperation and hope you understand that I won't tell you how to coach if you won't tell me how to write my stories."

He flashed this precocious pup a hard stare, let a few seconds pass and rejoined "just make damn sure what you write is correct."

That, I guess, pretty much sums up one side of Ernie Gates. Just make damn sure it's correct. He wanted things done right. I used to marvel at the immaculate, manicured condition of the snug Gates home and lawn a couple blocks off First Avenue. He spent a lot of time on that and he took pride in it.

I later got to know Ernie rather well as an individual but I think it would be fair to say that I never really knew the man as a coach or teacher because we were active sports contemporaries in Jamestown only through two football seasons.

There are many Jamestown residents who DO remember Ernie Gates as coach and teacher.

"I didn't like Ernie very much in those years," said a former Blue Jay football player of 1940s vintage who asked not to be identified.

"But you can be certain I respected him," continued the man who still lives in Jamestown. "He was tough, well, no, not tough really—strict, I guess, is what you could call Ernie Gates. He had his soft side but it didn't come out very often, not with us kids.

"It was later in life that I began to appreciate Ernie and maybe understand him, too. It took a few years to realize that he was strict with us because he wanted us to be successful in life. He wanted to be proud of his boys, particularly his football players. I think he wanted us to accomplish some things, maybe to make us understand what it costs sometimes to accomplish something positive.

"I thought of him as a blankety-blank perfectionist on the football field. But when you caught him in off-moments, or after a win, he was pretty easy-going. I never knew him to really laugh, outright har-har-har when any of we kids were around. If something tickled him, he would look down and grin and sort of chuckle.

"He was a terror sometimes in (physical education) class. He had this paddle and he used it. You know where he used it.

But he wanted things done right in phys ed class just as much as during a football game.

"I got to know Ernie much better after my high school days. He would talk about the years when I was playing and he'd have a whole bunch of stories about those years. He got a kick out of telling me and anybody else those stories. That kinda surprised me because you could tell by the way he told the stories that he really WAS interested and involved with each and every one of us.

"It wasn't what you'd call now an 'ego trip' for him. I guess that's what a lot of us thought at that period of our lives when Ernie was a bigger (authority-figure) than our own fathers.

"I often wished Ernie would have shown that human side of his nature more often. I guess I should have known there was more to him than just the tough coach and phy-ed teacher.

"We had to provide a lot of our own equipment in those days and some of his players came from poor families that couldn't afford such luxuries as football equipment. Somehow, Ernie always made sure that equipment was available. I asked him how he did it many years later and he wouldn't tell me.

"Ernie was an (individualist), you know. That's another thing I didn't understand until I was older. He had his own ideas about things and he wasn't reluctant to state them. They didn't always conform with current theories or practices. That's another thing that always puzzled me—how he could have been so strict and still have been a nonconformist in a lot of things.

"Maybe it all goes back to doing things right. He had his own ideas about that, no doubt about it. He wanted it done right, according to his dictates. Something I didn't realize until much later was that his approach to sports and life was pretty good." ●

AGRICULTURAL POLICY ISSUES

● Mr. HUDDLESTON. Mr. President, the Senate Committee on Agriculture, Nutrition, and Forestry is entering its second week of hearings on the current crises in agriculture. We are hearing from farmers, bankers, equipment dealers, and other smalltown residents on the extent of the problem, and their ideas about what should be done about it. In that connection, I would like to commend to the attention of my colleagues in the Senate a very interesting speech made by Senator DICK CLARK at the National Farm Institute forum in Des Moines, Iowa, last February 15. Senator CLARK points out that the Secretary of Agriculture has very broad authorities in the 1977 farm bill, but that they have not been adequately employed to solve our very serious farm income problem. Mr. President, I ask unanimous consent that Senator CLARK's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

DES MOINES CHAMBER OF COMMERCE: NATIONAL FARM INSTITUTE FORUM

I want to make a few comments on several agricultural policy issues this morning, and then take this opportunity to get some comments from you on your farm policy concerns.

At the beginning of this year's farm policy debate, at least 2 key principles were held by virtually all participants. The first was that the export orientation of U.S. Agriculture should be maintained and strengthened. Price supports should not be so high as to price us out of world markets. Exports were expected to provide a substantial and increasing share of farm income.

The second proposition was that price and income supports should be realistic in current economic settings. Prices should cover costs.

One or the other of those propositions was the basis for resolving most of the arguments on the 1977 Farm bill. Wheat feedgrains, cot-

ton, and even to an important extent, peanuts, ended up with programs molded by these two principals. Rice was something of an exception, and so were wool and sugar.

While there was broad agreement on those two principals, there was substantial disagreement on the details. The administration initially proposed very low loan and target prices for corn, for example. And while the present corn loan of $2.00 and target price of $2.10 is a major improvement over the initial proposal, it is still too low, in my opinion. I understand that the average cost of production of a bushel of corn is about $2.28 and that government price guarantees—that is the target price and loan rates do not cover that cost.

My point here is that the 1977 farm bill has a strong export orientation. Price support levels were designed to be competitive. Furthermore, if the Secretary finds that loans are too high and U.S. prices do not compete in world markets, he can reduce those levels by as much as 10 percent each year, but not below $1.75 for corn. Such reductions would not change target prices, by the way, and by widening the spread between loan levels and target prices, the government price deficiency payment would be increased to exactly offset any income loss farmers might face from lower loan rates.

Unfortunately, the 1977 farm bill has not solved our very serious farm income problem and the debate on the 1977 farm bill is not over. By any measure I can think of, farmers are in an economic bind today—and rural communities that depend on farm trade are sharing that problem. There are very strong pressures on the Congress to reopen the debate—in fact, to scrap the first of the 2 key principles that guided last year's debate.

There are many proposals in Congress now to increase price supports sharply without attempting to ensure that U.S. prices will continue to be competitive in world markets.

What concessions Secretary Bergland will make to this situation remains to be seen. I believe the administration badly misjudged the gravity of the economic and psychological adjustment involved when corn prices fall from $3 to below $2, and when other commodity prices were either already low (like cattle) or falling sharply. Many farmers thought they would not have to sell corn for less than $3 again, and they made long term plans on that basis. It is painful to realize that these plans were overly optimistic. Many feel that current prices are unfair, and that they are being taken advantage of.

My own view on this issue has not changed. Current support levels are not adequate. And, the incentives contained in the feed grain set-aside program announced last Wednesday are not adequate to encourage a high level of participation.

Rather than taking a significant share of our acres out of feed grain production, that program may very well have the net effect of denying the main provisions of the farm commodity programs to a large share of our farmers.

The answer is not to withdraw the set-aside program. The President is right in not doing that. The answer is to strengthen it so that farmers have strong incentives to participate, and so that it achieves its objective of reducing acreage.

The Senate passed a resolution last Thursday calling on Secretary Bergland to use the authority he already has under the 1977 act to improve farm income—including paying farmers to divert acres into conserving uses and temporarily increasing loan rates.

If the Administration does not use existing authorities more vigorously this year to increase exports, hold land out of production and support prices at somewhat higher levels, I will support legislative initiatives to do so.

I believe we should concentrate on moving our current surplus. First, into export trade and second, into a long term farmer held storage. But we must pull acres out of production if we are to avoid even worse surpluses next fall. And I would like to see an increase in target prices to cover cost of production—up to about $2.28 for corn for 1978. However, it would take legislation to increase target prices and I am convinced that the President would oppose such a bill.

Clearly, the debate on the 1977 farm bill is not over. There will be a number of bills presented to improve support prices. Some of these will call for 100% parity for all farm products. I expect that the administration will actively oppose these efforts on the grounds that they will be very expensive and that they would destroy our export markets and worsen our balance of trade.

In a broad sense, the objective of those who propose 100 percent of parity is a system of prices that will give farmers a decent profit.

Attainment of that objective is essential for a prosperous and stable agriculture, and it is thoroughly consistent with national goals. The question is the way such prices should be obtained. I, too, would like to see farm prices reach 100 percent of parity and I certainly support that goal. However, I believe these prices must come from the market—from changes in supply and demand. I do not believe that long term agricultural prosperity can come from efforts to have the government guarantee farmers a profit.

The government can and should support farm prices. The farmer should be guaranteed that he will have a break-even price when forces he cannot control like the weather cause unusually good crops and force prices lower. I am convinced that current price support levels are too low, as I mentioned.

However, price supports or other government actions that guarantee farmers a substantial profit can only result in very serious, long term economic and political problems for the agricultural industry, and for farm programs.

In view of today's problems, and my concerns about where government price supports can and should be set, does that mean that agriculture will stagger along for the foreseeable future at price levels that barely allow farmers to break even?

I don't think so. I think our current depressed prices are caused by abnormally good weather, both in the U.S. and around the world. Weather patterns already have shown signs of returning to normal. The Chinese and the Russians now say that they initially understated their needs for imports this year. There is substantial evidence that the Russians at least plan to maintain and increase their levels of animal protein consumption by importing our feed grains as well as our wheat. I expect stronger export markets over the next several years—much stronger than we have had for the last 2 years.

And, I believe that in the future, we will look back on the decade of the 1970's as the time when U.S. agriculture became an export oriented industry.

We were committed to an export orientation by events beyond our control. Long term world population trends and long term increases in the economic purchasing power of foreign countries were the basic causes, but the change was precipitated by shifts in weather.

The shift of U.S. agriculture to an export-oriented industry is a basic change. Because it arises mainly from long-standing and powerful world-wide trends, I believe it will persist. But, this perspective is not entirely understood in this country or believed around the world. It deserves re-emphasizing. It means that I believe that U.S. agricultural commodities now face levels of world demand that will keep world prices high enough to allow efficient U.S. producers to sell at a profit both overseas and at home most of the time.

This concept sounds straightforward and very positive, but it is not as easy and simple as it seems. We cannot expect to maintain our extremely important competitive advantage unless we design our policies with extreme care to support and maintain it. And that, many times, raises extremely difficult questions.

The new farm act represents a major commitment to an export oriented agricultural economy. Commitment alone, however, is not enough. We simply must be willing to work harder at moving our commodities into export markets. In part because we did not consciously design our current export orientation, our system of efforts to maintain and increase export markets has not kept pace. We can't change the weather. We can't immediately bring back the favorable export markets we enjoyed in 1974, but there are still a number of things we can and should do to improve our export demand.

We have to be willing to expand considerably those government programs designed to help foreigners find out about our products, and try them out. We have to conduct thorough country by country analyses of the potential demand for our products. Where there is market potential, we must find out why sales are low and do whatever is appropriate to remove the barriers that are holding sales down.

We have to strengthen our attache program—the program that places people with agricultural expertise in our embassies overseas—and use it to give us much better information about existing and potential markets around the world. We must look closely once again at the possibilities that exist for bartering some of the products we have lots of for those products other countries have lots of, especially where there are foreign exchange problems that are holding up sales, and, we may need to help a number of countries build the facilities they need to unload and store and process our exports into food for their people. This may take the development of a new authority in USDA or elsewhere to make credit available for construction of these facilities, and, if so, we should quickly organize such an authority.

In short, we must keep our prices competitive, but that is not enough. We have to pursue customers aggressively. And, we must find and remove barriers to trade.

For example, I suggest that we should very carefully review the list of nations who enjoy most favored nation status, and seriously consider whether a number of those which have great potential as customers for our agricultural products should be added to that list. I know that any such shift in foreign policy would be controversial. However, I think that trade on solid economic terms even with nations which are not entirely friendly to us is well accepted as long as the trade is truly mutually beneficial. Perhaps it is time to take a thorough look at how we may be restricting our heritage as canny Yankee traders by some of our own rules of trade.

One major challenge the administration faces today is to manage the current excess stock situation in such a way that both foreign customers and our own farmers are reassured and supportive.

Most farmers have little capacity for holding much grain from one year to the next. They need their facilities, to say nothing of their capital for each year's crop. This pressure to move each year's crop quickly onto the market means that large stocks, either in private or government hands, tends to exert a tremendous negative influence on commodity prices.

Many farmers do not want the Government to own or control large stocks of grain because they remember how low prices were in previous times when government stocks were large. Many foreign customers, on the other hand, remember U.S. grain embargos in the 1973–75 period, and are skeptical about depending on the U.S. for their grain supply as long as there is a real chance that the U.S. may feel over-committed and unwilling to supply them when they need it.

Congress has given the Secretary the authority he needs, I believe, to remove a major share of the current excess stock of grain from the private market by paying farmers to hold it. He has the means to support farm prices in this country, and simultaneously reassure foreign customers that future supplies will be available when needed.

Today, many of us are skeptical about how our stocks will be managed. I am concerned because the administration was so slow to establish a management program, and because we do not know even yet what the rules will be exactly, even though the dimensions of the problem have been clear for some time.

And, a reserve, no matter how well managed, must be a limited reserve. That means that the administration must be willing to take steps to control production when it appears that supply will exceed demand. I am very disappointed with Secretary Bergland's set-aside program, and I do not think it provides the production control that we need if we are not to have even greater surpluses next year than we do now.

I want to close with a few observations on what I see as some lessons to be learned from our experience with the good and the bad agricultural situations of the past five years.

The most obvious, and perhaps the most important, is the importance of weather. All of our technological advances come to very little when nature does not cooperate. Weather has been changeable, and always will be. We cannot plan only for the good—or only for the bad years. We need policies and plans for both.

This means that we must resist the temptation to dismantle and discard our farm programs during short periods or prosperity. And, the other side of that coin is that we must resist the temptation to build walls and isolate ourselves and our industry just because we run into foreign competition, or because foreign competitors have a bumper crop. We need to insist that our foreign competitors bargain fairly, but always recognize our dependence on foreign as well as domestic markets.

Second, we must recognize that agriculture must be a permanent industry, and that we must protect adequately our people, our markets, and our soil. I haven't talked about soil conservation here today. But that has been one of our serious oversights of the past decade of agricultural policy, and one which we cannot continue to ignore. We cannot replete our soil resources any more than we can deplete any other agricultural resource. Our soil is not infinite. It is being depleted more rapidly than it is being replaced. If we continue to ignore soil losses, the time will inevitably come when our productivity will decline and by then it may be too late to ever restore it to its original level—or even to essential levels, we cannot permit that to happen.

Finally, I take what is basically an optimistic long term view. I believe that the nations of the world are successfully adjusting to the economic shocks they felt from increased oil prices and that we will face strong and increasing economic demands for both our agricultural and our industrial products. Furthermore, I feel that we have a strong chance to give the humanitarian aspects of our international concern an improved position in our national priorities.

Thank you very much.●

EMERGENCY FOOD ASSISTANCE TO LAOS

● Mr. KENNEDY. Mr. President, a hallmark of our country is the humanitarian tradition of the American people. Especially among the victims of disaster and war, we have always recognized a responsibility to help. We have sent food to the hungry. We have sent medicine to the wounded and sick. We have helped homeless families to rebuild their homes and renew their lives. In all parts of the world, we have tried to help needy people to help themselves.

The record suggests that the United States has never failed to respond to the appeals of another country for help. And political differences or changes in political geography have never really diminished the humanitarian concern of the American people for those in dire need.

But today, the longstanding American tradition of responding to the legitimate humanitarian appeals of another country is in jeopardy. A "direct diplomatic appeal" from the Government of Laos to the United States for emergency food assistance is being shunted aside, as it has been since the appeal was made very early this year. Our failure to respond expeditiously to what is undeniably a deteriorating situation among the Lao people is fully confirmed in a letter I received this week from the Department of State regarding the administration's policy toward emergency food assistance to Laos and Vietnam. The Department's letter is in response to an appeal that I and 17 other Senators addressed to the President in January, urging an immediate American contribution to the international efforts underway to help meet serious food shortages in both countries.

The Department's letter fully recognizes "that the food and nutrition situation in Laos during 1978 will be serious." But it goes on to state that—

> Although we are sympathetic to the Lao request, no firm decision has yet been reached.

I fully recognize the various considerations which must go into a decision on an emergency humanitarian appeal from another country. But I also feel we should attach some urgency in making that decision. In the case of Laos, this apparently has not happened.

But the situation there is nothing new. We have known for many months about the critical food shortages, resulting from drought and the dislocations of the recent war. And we have also known about the creeping malnutrition and threat of famine in many areas.

The situation was first reported many months ago by journalists, voluntary agencies, Lao refugees in Thailand, and the Lao Government itself. And it was fully outlined last August and December in reports prepared by UNDF officials in the field. The reports noted the serious food shortages developing in Laos as a result of devastating drought, and they suggested some remedial measures to bolster both food supplies and crop production, including emergency food assistance from other countries. The UN also appealed for humanitarian assistance in behalf of the Lao people.

Under Secretary of State Philip C. Habib fully confirmed the basic thrust of the UNDP findings in hearings I conducted last September, and the testimony of a special study mission I dispatched to Laos and Southeast Asia also spoke of hunger in Laos. In response to questions, Secretary Habib discussed the background to the deteriorating situation, and he went on to say that American food and related humanitarian assistance to the people of Laos was "under active consideration" by our Government.

Following the hearing, in a letter of November 11, the Department of State informed me that "the food situation in Laos is becoming increasingly severe," and suggested again that American assistance was under active consideration. The letter indicated that "the Lao Government has not asked us for food aid, but the United Nations' development program (UNDP) has formally requested international food assistance on behalf of Laos."

To reinforce the U.N. appeal, just a few weeks later the Government of Laos made their "direct diplomatic appeal" to the United States.

It was in support of these appeals that I joined other Senators in addressing a letter to President Carter in January, and I am hopeful that the administration will now find its way clear in responding generously to the cries for help among the people of Laos. Few Americans would deny food to a starving people. And given the critical situation among thousands of families in the Lao countryside and our heavy involvement in Laos for so many years, I feel we have a special responsibility to help meet the urgent human needs in that country. U.N. agencies, including the United Nations High Commissioner for Refugees, stand ready to channel our assistance to Laos, as do a number of American voluntary agencies in the field.

Mr. President, I ask unanimous consent that the text of the Department of State's letter of February 21, its earlier letter of November 11, 1977, the letter from 18 Senators to the President, as well as excerpts from the findings and recommendations of the Judiciary Committee's study mission report of December 1977, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE'S LETTER TO SENATORS

Hon. EDWARD M. KENNEDY,
U.S. Senate.

DEAR SENATOR KENNEDY: I am replying to your letter to the President dated January 9, 1978 concerning food aid for Vietnam and Laos, which was signed by eighteen Senators. I understand Frank Moore has already acknowledged the joint letter.

It now seems clear that the food and nutrition situation in Laos during 1978 will be serious. The Government of Laos has made requests to many countries, including a direct diplomatic appeal to the United States, for assistance to make up an estimated shortage of approximately 113,000 tons of rice and similar foods (this represents about ⅛ of total consumption in 1977). The Department has this request under active consideration and will, of course, take into account Congressional and public views. Although we are sympathetic to the Lao request, no firm decision has yet been reached. In the event of an affirmative decision, the United Nations systems might be the best vehicle through which food could be provided.

We have carefully considered the possibility of providing disaster assistance to Vietnam, examined all relevant information on the overall food situation there, and reviewed carefully the applicability of legislation covering such assistance. We have decided not to provide disaster assistance to Vietnam or to fund the transport of private donations at this time.

As you know, Section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, governs our contributions to the World Food Program (WFP) and prohibits aid to Vietnam unless specifically authorized by Congress. We do not believe that an increase in our contributions to the WFP, as you suggest, would be feasible in this case without Congressional approval.

We shall, however, continue to license the export of private donations of food and other humanitarian goods to Vietnam. The value of private American donations licensed since 1975 is now more than $6 million dollars.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

WASHINGTON, D.C.,
November 11, 1977.

Hon. EDWARD M. KENNEDY,
U.S. Senate.

DEAR SENATOR KENNEDY: During your September 23 hearings on refugees, you asked about possible American food assistance to Vietnam and Laos, both of which are reportedly suffering rice shortages.

The Department agrees with a number of international estimates that Vietnam will suffer a rice deficit of as much as one million tons this year. The situation is apparently quite serious.

Vietnam is receiving considerable grain aid and is also drawing upon its foreign exchange to make up the food deficit. While this deficit is in part due to bad weather throughout the country, in the south the Vietnamese Government's dismantling of the traditional marketing systems, its efforts to collectivize agriculture and general mismanagement are also important factors. Low official paddy prices are an insufficient inducement for farmers to produce more than a subsistence crop. A recently announced policy to push collectivization acts as a further disincentive to South Vietnam's traditional owner-cultivator.

The Administration has no plans to provide food aid to Vietnam. As you know, U.S. assistance to Vietnam is prohibited under PL–480 and other applicable legislation. Moreover, we do not believe there is any wide Congressional sentiment which would be favorable to providing food aid to Vietnam.

The food situation in Laos is becoming increasingly severe, and is several times more serious than in Vietnam. Generally, the same causes that affect rice production in Vietnam are responsible for the shortage in Laos as well. The Lao Government has not asked us for food aid, but the United Nations' Development Program (UNDP) has formally requested international food assistance on behalf of Laos. The UNDP estimates a rice shortage of 367,000 tons over the coming 12 months. This figure may be too high, but clearly a major shortage exists which Lao purchases and foreign donations have not so far made up.

Under Secretary Habib told you on September 23 that the Department was actively considering food aid to Laos. We are now engaged in the necessary groundwork to decide whether such aid is desirable and feasible. The decision requires a careful analysis of a number of considerations, including the state of our relations with Laos. Finally, our decision will require close consultation with the Congress. Your office will, of course, be a key element in those consultations.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

WASHINGTON, D.C.,
January 9, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to urge that the United States government share some of its substantial surpluses of wheat and rice with Vietnam and Laos, both of which are known to be facing very serious food shortages.

Providing such urgently needed assistance can, and should, be seen as an expression of the traditional humanitarianism of the American people, and as a matter separate from ongoing bilateral negotiations on unresolved political problems.

It is useful to recall several relevant precedents in considering to move forward with our request.

Some $60 million worth of U.S. food assistance was sent to Russia in 1921–23, fully a decade before the establishment of diplomatic relations with the Soviet government.

Post-World War II food assistance to our former enemies in Germany, Italy, and Japan, as well as to Yugoslavia, Poland, Czechoslovakia, Ukraine, Byelorussia and other countries through UNRWA, of which 72 percent was funded by the United States.

The publicly expressed willingness of President Kennedy to send food to China in 1962, at a time of great tension between our two countries.

U.S. food aid sent to Nigeria and Bangladesh, despite political differences, to meet human needs during periods of national recovery from civil war.

United Nations sources have documented the impact of unusual cold, drought, and a typhoon on agricultural economies in Indochina, which were already devastated by war. The FAO estimates Vietnam's 1977 grain deficit at 1.2 million tons, 800,000 tons of which are being met by donations and imports, including 120,000 tons from Canada. Relatively speaking, Laos faces even more extreme problems with food shortages officially estimated at 367,500 tons. The FAO indicates that Laotian rice supplies are sufficient only to last until March of 1978.

We are cognizant of the impediment to direct Food for Peace assistance to Vietnam created by Section 411 of P.L. 83–480. However, we believe it would be appropriate to consider the following:

(a) Use of the Disaster Relief Authority provided under Sections 491 and 492, Chapter 9, of the Foreign Assistance Law. This authority was used in purchasing milk for Romanian earthquake victims last year.

(b) Provision of ocean freight reimbursement to U.S. voluntary organizations which purchase food commodities themselves and/or receive donations in kind from U.S. farmers.

(c) Increased contributions to the World Food Program. Such a step could free-up additional resources which could then be used to meet urgent human needs in Vietnam.

There are no legislative prohibitions on direct U.S. Food for Peace aid to Laos. Several U.S. voluntary agencies have expressed interest in administering Title II food aid programs in that country.

A recent New York Times-CBS poll showed that 66 percent of the American people would support provision of food and medicine to Vietnam. Regardless of their attitude toward the government or system which now controls all of Vietnam and Laos, we believe that many Americans are strongly in favor of sharing our nation's abundance with those who suffer from hunger and disease.

Thank you very much for your thoughtful consideration in this matter.

Respectfully,

Hubert H. Humphrey, Edward M. Kennedy, Spark M. Matsunaga, Mike Gravel, Thomas F. Eagleton, John Melcher, Mark O. Hatfield, Adlai E. Stevenson, III, George McGovern, Daniel Inouye, James Abourezk, Lee Metcalf, Harrison Williams, Jr., Howard Metezenbaum, Edward Brooke. Warren G. Magnuson, Dick Clark, Gary Hart.

EXCERPTS FROM: HUMANITARIAN PROBLEMS OF SOUTHEAST ASIA, 1977

I. *Relief and rehabilitation in the Indochina peninsula:*

As emphasized in previous reports of the Subcommittee on Refugees, one of the most tragic and, perhaps most enduring legacies of the Indochina war has been its cumulative impact upon the lives and society of the people throughout the region. The cruel statistics of the war's human toll, and of its impact upon the land and social fabric of the countries involved, are matters of record—and cannot easily be forgotten.

Nearly three years after the end of the war, many of the humanitarian problems produced by the conflict continue to fester in various degrees. Recovery is still in process. Families dislocated by the war are still returning to their villages or moving to "new economic zones", in order to normalize their lives. The crippled and the maimed, orphans and widows, and thousands of other war victims still need help. The land is still being renewed. And, housing, schools, medical facilities, and whole villages are still being rebuilt in the war-ravaged countryside. Although needs and conditions have varied within each country of the area, as well as the policies and programs of each government—especially in Democratic Kampuchea, which has largely been closed off to the world—all of the governments of the area have broadly shared similar challenges and tasks in meeting the problems of their societies brought on by the war.

In recent months, especially, the difficulties of postwar rehabilitation and reconstruction have been seriously compounded by growing food shortages, brought on by drought, a series of other natural disasters, and the dislocations of war. Far reaching Governmental efforts to reorganize the social and economic structure of the countries involved have been a contributing factor. And basic economic factors have also hampered recovery efforts. The false economies of war with massive foreign assistance and extensive food and commodity imports have collapsed, and, as a result, serious economic

strains have developed in both the Socialist Republic of Vietnam and Lao People's Democratic Republic.

The paragraphs below summarize some current problems in Vietnam and Laos, and update some earlier observations in a May 17, 1976 report of the Subcommittee on Refugees—*Aftermath of War: Humanitarian Problems of Southeast Asia.*

A. Laos:

Based upon the Study Mission's brief visit to Laos, and official reports from the United Nations and other sources, it is clear that a critical food and economic crisis is confronting the government and people of Laos.

Due to a combination of factors—serious drought, dwindling foreign assistance, and adverse developments in the management of the economy—Laos has verged close to bankruptcy. The situation has seriously hampered the efforts of this already impoverished country to recover from the ravages of war. It is also threatening to produce famine conditions in many areas of the countryside. In turn, these growing food and economic problems are contributing factors to the increased flow of refugees into Thailand.

Food shortages are one of the most pressing problems confronting the Laotian government, which last summer turned to the United Nations for assistance. As a result of rainfall deficiency during the 1977 agricultural season (May to October) the entire country has experienced a serious drought. Especially in the southern region, around Savannakhet and Champassak, rainfall was down from a normal 307 mm. to less than 72 mm. in June. Given the consequent agricultural damage, the government designated a Coordinator of Emergency Assistance within the Ministry of Agriculture and requested that the United Nations Development Program (UNDP) coordinate outside assistance.

During the summer of 1977 a UNDP mission toured various provinces of Laos, and a second team is currently in the field. The precise scope of food needs in Laos remains unclear. Some estimates on food import needs run as high as 367,000 tons over the coming year. But whatever is the accurate estimate, there is no doubt that serious food shortages exist, and that "pockets" of severe malnutrition and famine conditions will surely develop, unless something is done fairly soon.

The deteriorating food situation was fully confirmed in a November 11 letter to Senator Kennedy from the Department of State. The Department's letter states that "the food situation in Laos is becoming increasingly severe, and is several times more serious than in Vietnam."

Pockets with food shortages have always been part of the pattern in Laos. In part because of logistical problems in moving any surplus food from one area to another. However, the current situation far exceeds any "normal" pattern.

Aside from appealing for emergency food assistance in behalf of Laos, the UNDP is supporting other efforts of the Lao Government to deal with the agricultural crisis affecting most of the Country. These efforts include the provision of seeds for replacement crops in drought-affected areas, and of fertilizers, pesticides, and irrigation equipment.

In terms of emergency food needs, a UNDP report of August concluded that "to prevent famine conditions arising as a result of the drought, it is obvious that advance measures will need to be taken to provide foodstuffs, particularly rice, as well as vegetable oil and condensed milk." The report found that existing rice stocks, coupled with whatever amounts were harvested this year, would probably be sufficient to meet most food needs until March 1978, although the report noted that serious shortages already existed in certain areas.

Laos is plagued, as it has been for years, by endemic health problems, including malnutrition, and the growing food shortages threaten to exacerbate these problems. Various international agencies are working in Laos, most importantly the World Health Organization and UNICEF. But massive health needs will remain for many years to come. And the medical infrastructure that exists has yet to recover from the damages of war, the lack of personnel, and the disruption in the flow of outside medical supplies and equipment.

B. Vietnam:

Because of limited time and other factors, the Study Mission regrettably was not able to visit Vietnam in order to review humanitarian problems and needs, and the efforts and progress of the Vietnamese people in rebuilding their country and normalizing their lives. However, there is little doubt today, that, over the past thirty-two months, the Vietnamese have some meaningful progress in meeting some of the most pressing rehabilitation and reconstruction needs that existed in the aftermath of the war. Steps are also underway to deal with long-term reconstruction needs. Vietnam has accomplished much of this by relying heavily on its own resources but it has also welcomed the foreign assistance from many countries and various international organizations.

The most urgent priorities of the Vietnamese Government have remained more or less the same since the end of the war: the provision of sufficient food; the creation of jobs; the resettlement of displaced persons; the clearing and rehabilitation of war-ravaged agricultural lands; and the rehabilitation of war victims.

The notable exception to meaningful progress in meeting these human needs, lies in the agricultural sector, even though food production has always been the first priority of the government. However, food production has fallen short of government goals. The causes are many, including some associated with the dislocations of the recent war. But they also include the government's apparent mismanagement of the agricultural sector, which has resulted in much internal debate and the creation of a special interministerial council to give new direction and priority to food production and general agricultural development.

And adding very heavily to the growing food crisis in Vietnam, has been a series of natural disasters. During the 1976–1977 winter, Vietnam was struck with severe disasters. Almost simultaneously, devasting floods, severe drought in the southern provinces, and unusually cold temperatures in the north, destroyed rice seedlings and crop potential. Persistent drought over much of Vietnam during last summer followed these earlier disaster seriously damaging the summer-autumn rice crop. On top of all of this, typhoon Sarah struck four northern delta provinces in July, leaving behind it crop and other damages officially estimated at some $100,000,000. And several weeks later, in September, typhoon Dinah struck the south central provinces, leaving damages officially estimated at some $35,000,000.

Other factors contributing to food shortages have been insufficient food assistance from other countries, and a continuing foreign exchange shortage which has sharply curtailed the purchase of needed fertilizer, pesticides and various agricultural equipment.

A resolution recently adopted by the United Nations General Assembly took note of Vietnam's urgent need for food and related humanitarian assistance, and, like Laos, Vietnam is listed among the "most seriously affected countries." Depending on what measure is used for a daily rice/grain ration, over the next several months Vietnam's food grain import needs run as high as 2,000,000 tons.

Humanitarian needs resulting from the recent war persist in Laos and Vietnam. But so does a new disaster resulting from the growing food shortages in both countries. The United States should be mindful of these people problems and fully support the efforts of the international community to render assistance.

RECOMMENDATIONS

The humanitarian needs of war victims continue in Vietnam and Laos. Severe and growing food shortages in these countries threaten famine conditions in some areas and the health and well-being of millions of people—especially in Laos. Some 100,000 displaced persons from the Indochina Peninsula are present in Thailand, and the number grows dramatically every day. Thousands of "boat people" from Vietnam are present in many countries of Asia, and, again, the number is growing every day. In short, critical humanitarian problems are facing the countries of Southeast Asia. A new regional crisis of people is building—in the aftermath of the Indochina War.

In the recent past, it has been easy for the United States to pick and chose whom we should help and how we should help. But we should abandon this piecemeal approach and develop more comphensive policies and programs, that realistically respond to the interrelated humanitarian problem of the entire area.

The recommendations below suggest some elements of such a policy.

1. Normalization of relations with Vietnam.

The President should be commended for his early efforts to pursue a policy of reconciliation and normalization of relations with the Socialist Republic of Vietnam, and he deserves the full support of Congress and the American people for his continuing efforts to accomplish this important goal. Such a policy is clearly in the interests of both the United States and Vietnam, and of all parties concerned with the future of Southeast Asia.

In this connection, a number of humanitarian questions are important to many Americans, including some progress in the reunification of certain families separated by the event of 1975. Among the special humanitarian cases involved, are some immediate family members of Vietnamese nationals now living in the United States, and a number of persons living in Vietnam—including some children—who possess American nationality and whose immediate family is living in the United States.

2. Food and related humanitarian assistance to Vietnam and Laos.

Serious humanitarian problems persist in both Vietnam and Laos. Families dislocated by the recent war are still returning to their villages or resettling in other areas of their country in an effort to normalize their lives. Some crippled and maimed, some orphans and widows, and many thousands of other war victims still need help and concern. Farm land and battered villages are still being renewed. And housing, schools, medical facilities, markets and whole villages are still being rebuilt in the war-ravaged countrysides of both countries. In short, recovery is still underway.

Adding heavily to the humanitarian problems resulting from the recent war, are growing food shortages in both Vietnam and Laos. These documented shortages—brought on by the dislocations of the war and by devastating drought and other natural disasters—threaten the health and nutrition of millions of people and famine conditions in many areas.

The United States can no longer stand aside and ignore the humanitarian problems of the Indochina Peninsula and the international appeals in behalf of suffering and needy people in Vietnam and Laos. This is contrary to the humanitarian traditions of our country and to the active support the American people have always given to the provisions of humanitarian assistance to people in need throughout the world. Moreover, given our long and heavy involvement in both Vietnam and Laos over many years, the United States has a special obligation to join with other countries in responding to international humanitarian appeals in behalf of the people in both countries.

At an early date, the United States should respond to the serious food and related humanitarian assistance needs of both the Vietnamese and Laotian people. This matter should be pursued apart from any ongoing bilateral discussions with either country over future diplomatic, consular, and economic relations.

A number of steps should be taken.

(a) In response to international appeals by the United Nations, the International Red Cross, and others, the United States should immediately make available, to the Vietnamese and Laotian people food and related assistance under international auspices.

(b) The United States should also provide such assistance under the international disaster relief provisions of present law, as we previously have done in the case of many other disasters including those in the Sahel, Romania, Italy, and elsewhere.

(c) The United States should immediately provide ocean freight reimbursement to American voluntary agencies, which purchase food and other supplies or receive donations in kind from the American people for shipment to Vietnam or Laos.

(d) The President shoud lift the trade embargo against Vietnam to permit the flow of food and other supplies from the United States.●

SUN DAY RESOLUTION

● Mr. PERCY. Mr. President, our colleagues in the House of Representatives have moved quickly to accept House Joint Resolution 715 proclaiming May 3 as Sun Day, a day of nationwide celebration and exposition of solar energy. Representatives RYAN, JEFFORDS, and OTTINGER, joined by about 260 other Members, introduced House Joint Resolution 715 on February 6. That same day, Senate Joint Resolution 110, the identical resolution, was introduced in the Senate. It now has 57 cosponsors.

I was pleased to note that House Joint Resolution 715 was reported out of the House Post Office Committee by unanimous vote last week. It may go to the floor next week.

Senate Joint Resolution 110 is now before the Senate Judiciary Committee. I look forward to rapid action on the resolution by my esteemed colleagues on that committee. Indeed, a majority of the members of that committee—Senators KENNEDY, MATHIAS, BAYH, HATCH, ABOUREZK, WALLOP, ALLEN, METZENBAUM, and DECONCINI—are cosponsors of the resolution.

Mr. President, congressional action in support of Sun Day proceeds apace.●

JAPANESE DOLPHIN MASSACRE

● Mr. PELL. Mr. President, last Friday brought news reports of the slaughter of some 1,000 dolphins—indeed, the greatest dolphin massacre in history, according to news accounts—by Japanese fishermen in Nagasaki Province on the coast of southern Japan.

Complaining that the dolphins were eating their fish catch and profits, the fishermen lured the dolphins to the surf on the beach, and proceeded to stab and bludgeon them to death, in a 2-day massacre which was approved by the provincial government.

The carcasses of the dolphins, after having their heads removed and stomachs slit, were then secured to concrete blocks and dumped back into the sea.

According to an article appearing in Saturday's Washington Star, the scene was gruesome, as the cries of the dolphins sounded over the islet.

As further reports were received, it was learned that a $12 per head bounty was paid by local Japanese officials for each dolphin killed. An article, appearing in the Sunday edition of the Washington Star, reported, in addition, that the fishermen stated that they would seek an even higher bounty in "future massacres."

Mr. President, many of us in the Senate, along with millions of Americans throughout the Nation, have for years been deeply concerned over the random and reckless killing of these magnificent creatures. There has been, for several years now, growing public outrage over the taking of dolphins by tuna fishermen, and this problem has been addressed and somewhat alleviated by enforcement of the Marine Mammal Protection Act and its amendments, as well as the use of progressive technology by the fishing industry.

This legislation, however, cannot, unfortunately, address the problem of wanton slaughter of dolphins by other nations.

I am sure that many of my colleagues in the Senate share my deep concern over this senseless killing.

Nothing can be done now, Mr. President, to save those dolphins which were killed just a few days ago, or to soothe the horror felt by millions over this atrocity. It is unfortunate, indeed, that actions have not been taken through international channels, such as the International Whaling Commission to investigate, in a cooperative effort, possible alternatives which might save the lives of these intelligent and vulnerable creatures.

I believe most everyone is familiar with research which has shown dolphins to have a remarkable capability for communication. The astounding intelligence of the dolphin, as well as its gracefulness and friendly nature, have long been recognized.

This massacre, with disregard for their intelligence, beauty, and potential capabilities, is unconscionable.

As I stated before, those 1,000 dolphins cannot be brought back to swim the seas, but let us hope that research and subsequent action will be undertaken before the early months of 1979 so as to avoid a repetition of the atrocity that occurred several days ago.

Let us hope, further, that our own Government will offer its fullest assistance in this cooperative effort.

Mr. President, in the event that some of my colleagues did not have an opportunity to review the news accounts over the past several days, I ask unanimous consent that several news articles on the event be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 25, 1978]

FISHERMEN IN JAPAN KILL 1,000 DOLPHINS

TOKYO.—Japanese fishermen, complaining that dolphins are eating their fish catch and profits, clubbed and stabbed to death some 1,000 of the seagoing mammals in a two-day slaughter ending yesterday. The killing was approved by the provincial government.

The dolphins, known for their ability to communicate with each other, range from 12 to 15 feet in length and some weighed more than 1,000 pounds.

Japanese journalists who witnessed the killing said the dolphins were lured to the surf on the beach by the fishmen and then bludgeoned and stabbed to death, in what has become an annual ritual.

The fishermen carried the carcasses back to sea and dumped them because the islanders eat dolphin meat and leaving the dead mammals on shore would also ruin the fishermen's sales.

"It's a pity to do this, but our livelihood depends on it," one fisherman told Japanese reporters on the scene on Iki Island, a Nagasaki Province fishing center of the coast of southern Japan where the fishermen call dolphins "gangsters of the sea."

The fishermen earn their living catching and selling cuttlefish and a fish known as hamachi.

A fishing company in another part of Japan announced yesterday that it had caught 40 dolphins off central Japan, some 300 miles from Iki, and was shipping them to the Netherlands for $667 each to be trained as performers for aquariums and playgrounds in Europe.

[From the Washington Star, Feb. 25, 1978]

JAPANESE KILL 1,000 DOLPHINS—FISHERMEN USE CLUBS, KNIVES IN SLAUGHTER

TOKYO.—Fishermen on a remote island in the Sea of Japan, complaining that dolphins were eating their fish catch and profits, slaughtered an estimated 1,000 of them with clubs and knives Thursday and yesterday.

They launched a four-hour sea operation that brought a large school of dolphins ashore. The playful animals then were clubed to death.

Carcasses of the dolphins later were dumped into the ocean.

"It's a pity to do this, but our livelihood depends on it," one fisherman told Japanese reporters on the scene on Iki island, a fishing center off the coast of southern Japan where the dolphins are known as "gangsters of the sea."

Earlier reports indicated the fishermen used machine guns lent by the Japan Self-Defense Force, but officials there denied the reports.

The fishermen say the dolphins eat cuttlefish and a Japanese fish known as hamachi, two species of fish the islanders sell for their living.

Concerned that a large school of dolphins had moved into their area, the Iki fishermen recently were authorized by officials of Nagasaki Province to slaughter the creatures.

The dolphins ranged from 12 to 15 feet in length, and some weighed more than 1,000 pounds.

Reporters described the scene on Tateshima beach today as gruesome. The thud of

clubs and the cries of the dolphins sounded over the islet.

Before long the sands of Tateshima were blotched with blood.

After death, the dolphins' stomachs were slit. Finally, they were loaded on fishing boats and taken out to sea to be dumped.

Dolphins have become familiar to Americans as adaptable and intelligent performers in television shows and in aquariums. They are believed to be able to communicate with each other through distinctive sounds.

Dolphins in large numbers began appearing off Iki about the end of last year. This January the island's fish catch fell to one third of normal. The islanders were given permission to carry out what they called "the greatest dolphin operation in history."

By coincidence, a fishing company in another part of Japan announced today it soon will ship 40 dolphins to the Netherlands to be trained as performers at playgrounds and aquariums in Europe.

In New York, a spokesman for Greenpeace said his environmental preservation society would make every effort to assure a worldwide protest to Japan.

[From the Washington Star, Feb. 26, 1978]

JAPANESE OFFICIALS PAYING FISHERMEN $12 BOUNTY FOR EACH DOLPHIN KILLED

TOKYO.—Japanese fishermen are collecting a $12 government bounty for each of the 1,000 dolphins they clubbed and stabbed to death, informed sources said today. An American environmentalist branded the slaughter a criminal act.

Newsmen who witnessed the two-day massacre ending Friday said the bottle-nosed dolphins were lured to the surf of a remote island off Japan's southern coast and bludgeoned to death.

The fishermen then cut off the dolphins' heads, slit their stomachs, tied their bodies to concrete blocks and dumped them into the sea.

Informed sources said today the fishermen who live on Iki Island off Japan's southern main island of Kyushu in the Japan Sea, were getting a bounty of $12 from their local government for each dolphin slain.

The fishermen said they would ask for more money in future massacres.

They said they took the action, which was approved by the Nagasaki provincial government, because the dolphins were eating cuttlefish and yellowtail, cutting their January catch by one-third.

"Even if we catch them, we cannot dispose of them in a useful way. We have to do something with dolphins. Otherwise we will lose our livelihood," one fisherman said.

In New York a spokesman for the Greenpeace environmental preservation society said Nagasaki provincial authorities "should be brought before an international court of law for the seas" for authorizing the kill.●

ENERGY SAVINGS BY INDUSTRY

● Mr. KENNEDY. Mr. President, last August I conducted hearings in the Joint Economic Committee on what I termed "the last frontier of conservation," industrial use of energy. I pointed out that 40 percent of total energy use can be traded to industry and that just 15,000 boilers and furnaces accounted for 16 percent of our entire energy use.

We asked ourselves at that time if it would be appropriate to move toward standards of efficiency for industrial processes, steam rising and the operation of electric motors. Aided by testimony from Senator HART, we decided the question in the negative but left open the possibility that at some future time it might be necessary to require, rather than simply encourage, substantial savings from so large a potential bonanza.

It remains, therefore, up to industry to demonstrate its willingness to conserve.

It takes little altruism or public mindedness for industry to provide this country with enormous savings because the economics are, in thousands of cases, self-evident. It is simply a matter of industry realizing that savings from conservation are frequently better than new capital investments in additional energy supplies.

The February 9 issue of Wall Street Journal reports that the business community is moving in this direction, and rapidly. The director of planning for Dow Chemical, for example, reports that this one company has opportunities for over $200 million worth of investments in Texas and Louisiana alone, nearly all at rates of return in excess of 50 percent per annum.

I suggest we recognize the importance of achieving energy efficiency in industry. More rapidly than in residential heating or transportation, this sector can provide substantial savings in a national resource without even reaching the hardest questions of capital allocation.

I ask unanimous consent that the Wall Street Journal article of February 9 be printed in the RECORD.

There being no objection, the article was orderd to be printed in the RECORD, as follows:

FIRMS SPEND MILLIONS TO CUT USE OF ENERGY; PAYOFF IS OFTEN RAPID

(By Ralph E. Winter)

Much of the capital equipment that companies are buying today isn't producing a thing—except money.

These capital investments conserve energy. And energy conservation, say corporate money men who keep an eye on high fuel and electricity costs, is about the most profitable use for capital these days.

Companies have therefore begun to pour hundreds of millions of dollars into it.

A Commerce Department survey indicates that overall corporate capital spending in 1978 will rise only 4.5 percent after adjustment for inflation. There is no separate tally of spending for energy conservation, but corporate interviews leave no doubt that rapidly rising spending in this area is shoring up total capital outlays, and will be increasingly important in the next few years.

"We have a tremendous opportunity to invest capital for energy-saving projects," says J. Ernest Mitchell, director of corporate planning for Dow Chemical Co. "There are over $200 million of good, high-return investment opportunities in our Texas and Louisiana facilities alone. Nearly all of these projects offer over 50 percent pre-tax return on investment, and there's almost no business risk because output of the plants is already being sold."

EFFECT ON OIL IMPORTS

Such investments will help cut the rise in oil imports, which has played havoc with the U.S. balance of payments and helped drive down the value of the dollar. Industry consumes about a quarter of the nation's energy. Therefore, capital programs that cut plant or office energy consumption by 15 percent, 20 percent or more can make a real difference.

Also, investments that cut energy consumption tend to hold down the cost of goods to the consumer. When a rubber company, say, invests $50,000 in equipment that quickly saves $80,000 worth of fuel oil, it helps to restrain tire prices.

Some of the energy-saving investments involve exotic things such as using solar energy to heat buildings or pasteurize beer. But most are far more mundane. A few common approaches: insulating factory ceilings, overhauling furnaces to improve efficiency, capturing and recycling heat that formerly went up the smokestack, adding furnaces that burn wastes instead of fuel oil. As dull as such investments sound, many pay for themselves in less than a year.

Corporate officials concede that so many energy-saving opportunities show how badly U.S. industry has lagged in energy conservation. In many cases, U.S. concerns are investing to bring their energy efficiency up to where European companies were a decade or more ago.

FUEL WAS CHEAP

"Back in the 1940s, there was some interest in conserving energy," says S. G. Dukelow, manager of marketing programs for Bailey Meter Co. of Wickliffe, Ohio, a unit of Babcock & Wilcox Co. "But during the 1950s, the climate changed. With natural-gas prices controlled, No. 6 fuel oil remaining at around $1.50 a barrel for over 20 years, and the price of capital goods going up, it became poorer and poorer economics to invest in equipment to save energy."

But at current prices, "the cost of fuel burned each year may be 10 times the cost of the boiler burning it," Mr. Dukelow says. "It now makes good economic sense to spend whatever you have to spend to improve the efficiency of the boiler."

Furthermore, companies expect energy costs will continue to rise faster than prices generally, making conservation investments increasingly attractive in coming years. Goodyear Tire & Rubber Co., for instance, assumes that fuel-oil prices will rise by 50% over the next five years, gas will nearly double, and electricity rates will jump by about one-third. Goodyear plans to complete $50 million to $100 million in energy-saving projects over the next nine years.

Industry's first reaction to zooming energy costs was to exhort employes to turn off lights and turn down thermostats. Then came a drive to substitute oil for increasingly scarce natural gas, or at least provide stand-by fuels for plants previously dependent on gas. Many companies only now are getting around to longer-range improvements to conserve energy.

OUTDATED ASSUMPTIONS

"Most of our energy-conserving programs are just getting underway," says Dow Chemical's Mr. Mitchell. "We're still operating plants originally designed for energy costs of 1½ cents per million BTUs, and even those built in the early 1960s assumed gas costs of 20 cents per million BTUs," he says. "But $15-a-barrel crude oil costs $2.55 a million BTUs, so we're pushing energy-conservation capital projects as fast as we can."

"You may see quite a few big energy-conservation programs after companies see what direction the government is going to take," adds a Ford Motor Co. official. "Frankly, we have some projects hanging," he says, waiting to see how the energy bill will affect the return on the investments.

Because most energy-related capital programs are just starting, equipment makers say that sales, while they have begun to improve, aren't yet booming. However, they figure that energy economics will bring about an equipment peddler's dream.

For instance, Bailey Meter sold $30,000 worth of new boiler controls to a Kansas plant. The controls automatically maintain an ideal mixture of air and fuel to three

big steam boilers, cutting fuel use by 3 percent. Because the boilers burn $2 million in oil a year, that amounts to a $60,000 annual saving. "There's a lot of leverage when you can offer an investment like that," Mr. Dukelow says.

Already, charlatans are reaping a bonanza. "Quacks (are) selling worthless pieces of equipment that they promise will lower energy consumption by 10 percent," Mr. Dukelow says. "Just like consumers who get sucked in on such things, companies are also being taken." Some concerns, other executives say, are also being bilked by incompetent or tricky operators of infrared scanners, a valuable method of spotting heat loss when properly used.

Many energy-saving projects involve insulating things that it didn't pay to insulate in the past. Wayne Bebb, Goodyear's manager of corporate energy conservation, says the company is spending $64,000 to apply two-inch thick mineral-wool insulation to 22 steam-heated process tanks at its Houston chemical plant. Fuel savings will total $143,000 in the first year after completion, Mr. Bebb says. The insulation of steam valves in a Topeka tire plant will cost $40,000, and save $80,000 a year.

Heat exchanges to capture heat previously wasted are a major part of Marathon Oil Co.'s $2.4 million energy-saving investments at its refineries. Marathon says the program will save about 170,000 barrels of petroleum a year, worth about $1.5 million.

Most heat-recovery efforts are far smaller. General Motors spent $2,600 to install duct work to capture exhaust heat from a casting operation at its Anderson, Ind., plant. Using the heat to warm the building saves $6,687 in fuel a year, GM says.

CONTROLS AND COMPUTERS

New equipment controls are saving energy in many plants. General Electric Co. spent $13,000 for shutdown timers on presses at its refrigerator plant in Louisville. The timers, which shut off the machines any time they've been idle for 15 minutes, save about $51,000 in electricity a year, GE says.

Other companies are putting in computers to control all energy consumption in a plant, store or office building. International Business Machines Corp. says that more than 600 facilities are controlling energy use with IBM systems alone. The computers save energy by shutting off lights or machines when they aren't needed. They also cut energy bills by leveling out the load; utilities charge large commercial and industrial customers for their peak energy demand, as well as for total consumption over a month.

General Motors says it probably will install computers to monitor energy use at 100 to 110 of its 128 plants in the U.S. and Canada. These computer systems, which will perform other functions as well, cost $500,000 to $1 million apiece, GM says, but they are expected to pay for themselves in about three years. So far, the company says, 19 have been put in.

Some manufacturers are investing big chunks of money for equipment to enable them to burn waste products. Weyerhaeuser recently completed a $32 million boiler and generator at its Longview, Wash., lumber, pulp and paper mill. It burns bark and other wood wastes to produce steam and generate electricity. Going one step further, the company added a $3.6 million debris burner that will burn wastes scraped up around the Longview yard that are too dirty for the regular wood-waste boiler.

TWO MILLION BARRELS A YEAR

By 1980, Weyerhaeuser will have increased use of wood fuels by 50 percent from the 1975 level, replacing two million barrels of oil a year, says James Young, manager of energy planning. "When oil goes to $12 a barrel from $2, a lot of things that wern't even considered before become attractive," he says. Among other possibilities, he says, the company may haul out and burn waste materials now left in the forest.

Reflecting the same economics, International Paper Co. directors over the last two years approved $80 million in energy-saving capital outlays, with much of the money going for waste-burning equipment.

Companies also are investing in equipment to generate their own electricity. Refineries, chemical plants, paper mills and other big energy users get maximum value from their fuel by co-generation, producing steam and running it through a turbine generator before using the steam for processing operations. That isn't brand new, but more companies will be doing it during the next decade. Others are improving their present co-generation facilities to increase efficiency.

While only a small part of spending so far, replacement of entire plants or offices with more energy-efficient ones will be a significant factor in capital outlays a few years from now, corporate officials predict.

IBM says it is designing its new buildings to use 30 to 40 percent less energy, and adding computer control whacks energy consumption another 10 to 20 percent. Its new general systems division headquarters in Atlanta is warmed by waste heat given off by computers; furnaces kick in, IBM says, only when outside temperatures drop below 11 degrees Fahrenheit.●

NOTICE OF A DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics received a request for a determination under rule 43 from Senator ROBERT MORGAN on behalf of his legislative director, Dr. Hans Indorf, which would permit Dr. Indorf to participate in a program sponsored by a foreign organization, the Institute of Developing Economies, a research organization primarily financed by the Japanese Ministry for Industry and Trade.

Based on the facts stated in Senator MORGAN's letter of January 30, 1978, it has been determined that Dr. Indorf's participation in the institute's educational program in Tokyo, Japan, from March 9 through March 28, 1978, to study United States-Japanese relations in Southeast Asia is in the interests of the Senate and the United States.

The proposed itinerary includes: Departure from Washington, D.C., March 7, 1978, for Tokyo, Japan; and return to Washington, D.C., on or before March 28.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business, as in legislative session, be closed.

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 o'clock tomorrow morning. After the prayer, there will be up to 2 hours of debate on the nomination of Mr. G. William Miller. That debate will be under the control of Mr. PROXMIRE and Mr. BROOKE. A vote will then occur. It will undoubtedly be a rollcall vote.

Upon the disposition of that nomination, the Senate will resume its consideration of the Neutrality Treaty. I hope that Senators who have amendments to article I of the Neutrality Treaty will be prepared to call them up on tomorrow afternoon and that they may be disposed of one way or the other.

I trust that we could do even better than we did today. Today, we have disposed of three amendments, which is the best day we have had yet, although I understand that, as we have disposed of three amendments, a number of new amendments have been introduced today. May I ask the Chair if the clerk can tell the Senate how many new amendments were introduced today?

The PRESIDING OFFICER. Three.

Mr. ROBERT C. BYRD. Three new amendments to article I?

The PRESIDING OFFICER. Three new amendments to the treaty that is before us.

Mr. ROBERT C. BYRD. But not to article I?

The PRESIDING OFFICER. Not necessarily to article I, but to the neutrality treaty.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate in executive session stand in recess until tomorrow morning.

The motion was agreed to; and at 7:25 p.m., the Senate recessed, in executive session, until tomorrow, Friday, March 3, 1978, at 10 a.m.

NOMINATION

Executive nomination received by the Senate March 2, 1978:

SMALL BUSINESS ADMINISTRATION

Milton David Stewart, of New York, to be Chief Counsel for Advocacy, Small Business Administration (new position).

EXTENSIONS OF REMARKS

NUCLEAR INDUSTRY STUDY CITES DANGERS OF BREEDER FUEL CYCLES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. BINGHAM. Mr. Speaker, a recent study conducted by the Nation's most respected nuclear industry research group, the Electric Power Research Institute (EPRI), has made a significant contribution to this Nation's antiproliferation efforts by acknowledging the dangers of making a headlong rush into a breeder reactor fuel cycle. As I noted in remarks which appear at page 5238 of yesterday's RECORD, the new industry study endorses the conclusions of the Carter administration that the United States can afford to defer deployment of breeder reactors and reprocessing plants until after the year 2000.

In this morning's New York Times, there appeared an extremely cogent and timely lead editorial congratulating the nuclear industry for this "long overdue acknowledgment that Mr. Carter is on the right track. It—the ERPI study—lends support to his efforts to kill off the Clinch River breeder reactor project, as well as facilities in this country and elsewhere.

It is also noteworthy that the industry study has endorsed the central logic of the comprehensive nuclear antiproliferation legislation (H.R. 8638) which is currently awaiting the President's signature. In the report accompanying this bill (House Report 95–587), the International Relations Committee set as a goal for the U.S. nuclear export program the promotion of "nuclear technologies and activities for which (IAEA) safeguards would provide timely warning of diversion comparable to that which such safeguards have provided in the case of low enriched fuel/light water reactor fuel cycle without reprocessing."

The documentation accompanying the EPRI study endorses this basic premise: One of the three "general criteria" established for proliferation resistance of alternative fuel cycles is the requirement that "the overall risk of diversion by national, sub-national, or terrorist groups must not be higher than that for spent fuel from conventional light water reactors."

In its discussion of the EPRI study, the Times editorial says of the industry group's conclusions:

> No more eloquent plea could be made for bringing spent fuel rods under international control.

Again, at the risk of being repetitious, I wish to commend industry planners for endorsing another basic premise of our antiproliferation legislation; we have worked for years to guarantee that all spent commercial reactor fuel be placed under international safeguards. Hopefully, this will be one of the main achievements of H.R. 8638. Time and time again nuclear industry lobbyists have rejected our concerns regarding unsafeguarded spent fuel as unrealistic or unnecesary. Finally, it would seem, they have come around and now share our concerns.

Mr. Speaker, the text of the Times editorial follows:

[From the New York Times, March 2, 1978]

HARD SELL ON NUCLEAR SAFETY

American and British researchers this week unveiled a "dramatically new system" that will supposedly prevent nuclear fuel from being used to make bombs. The system was described as completely secure against efforts by terrorists or governments to extract weapons-grade plutonium from nuclear facilities. It would thus permit, its advocates claim, "worldwide expansions of nuclear power" without spreading the means to make weapons. If the claims hold up, the development would be a breakthrough in efforts to curb the proliferation of nuclear weapons. But the claims appear exaggerated—a hard sell on behalf of rapid development of the next generation of nuclear reactors.

There is irony in the new announcement, made jointly by scientists from the Electric Power Research Institute, an arm of the American utility industry, and Britain's Atomic Energy Authority, for it underscores the dangers in the world's current nuclear course. In describing the need for the new system, the researchers give a frank appraisal of defects in the old systems. They argue that current nuclear reactors are producing vast quantities of material that could be fabricated into bombs.

This is a surprising admission. Even the Carter Administration, which is pushing hard to curb proliferation, has not considered current reactors a weapons hazard. These reactors run on uranium fuel that is not of weapons grade. But their used fuel rods contain plutonium that could be fashioned into bombs. This plutonium has generally been considered inaccessible because of lethal radioactivity. Now the British and American researchers point out that the radioactivity dies down over a period of years, making every spent fuel-storage facility in the world a "plutonium mine" that becomes steadily more accessible. No more eloquent plea could be made for bringing spent fuel rods under better international control.

This week's announcement also casts doubt on current efforts to develop the next generation of nuclear reactors—the "breeder reactors" that would operate on plutonium—and the "reprocessing plants" that would create it. President Carter has tried to slow the rush toward breeders and reprocessing because plutonium can be readily made into weapons. The nuclear industry initially poohpoohed his fears. But now the Electric Power Research Institute has acknowledged that these technologies are "directly applicable to weapons production" and would permit diversion of enough material "to produce several nuclear weapons in a short time . . . as short as a few weeks." That is long overdue acknowledgement that Mr. Carter is on the right track. It lends support to his efforts, this far unsuccessful, to kill off the Clinch River breeder reactor project, as well as to delay development of reprocessing facilities in this country and elsewhere.

How far would the utility industry's "dramatically new system" go toward eliminating the acknowledged risks? The system unquestionably represents an advance over conventional technologies. Plutonium concentrations would be kept below 25 percent, too low to make a weapon, and the fuel would contain radioactive fission products "hot" enough to kill anyone trying to steal it unshielded. Moreover, the design of the plants involved would make it "physically impossible" to siphon off plutonium without undertaking a major construction project. Still, Government experts in energy and arms control consider the plan a less-than-dramatic advance that embodies ideas long under consideration. They say it would still be possible to extract plutonium from the new system. And they fear that if plants embodying the new system were spread around the world, they would increase the dangers of weapons proliferation by spreading nuclear expertise.

The utility industry deserves credit for identifying the risks and proposing a solution. That solution should now be measured against other proposed nuclear systems—and non-nuclear energy sources as well—to determine which are best in terms of economics, conservation of resources, and nonproliferation. The proposal is not a panacea that justifies a headlong rush toward a supposedly safer nuclear future.●

TAX TREATMENT OF PRIVATE FOUNDATIONS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. PICKLE. Mr. Speaker, I rise in strong support of H.R. 112, the tax treatment of private foundations. This was discussed and passed by voice vote in the Ways and Means Committee in order to change the 4-percent excise tax on the net investment income of all private foundations imposed by the Tax Reform Act of 1969. Experience has proved that because of the operation of the private foundations' charitable distributions provisions, the excise tax reduces the minimum amount that private foundations are required to spend or grant, and that, in fact, it has reduced charitable expenditures. Since part of the purpose of the tax was to produce the amount of revenue needed to finance IRS operations with respect to tax-exempt organizations and this tax has in fact produced more than twice the amount of revenue needed to finance this, it should be reduced.

I have in my district the University of Texas, St. Edward's University, Southwest Texas State University, Southwestern University, Huston-Tillotson, and many other educational institutions many of whom benefit from private foundations. The Hogg Foundation for Mental Health at the University of Texas is one example. It has been a leader throughout the Nation in support of innovative measures to promote mental health. The reduction in the excise tax

will mean that all of these foundations will have more money to devote to the purpose for which they were created.

This bill was reported along with a number of other technical and minor bills by the Ways and Means Committee on October 13, 1977. There are other bills that were reported that same day that I hope will soon come forward to the floor.●

WIC PROGRAM EXPANSION URGED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. SIMON. Mr. Speaker, I have the honor of joining our esteemed colleague in the Senate, MURIEL HUMPHREY, in introducing legislation designed to help us end the disgrace of malnutrition in the United States.

The special supplemental food program for women, infants and children was enacted 6 years ago after being proposed and shepherded by the Senator's husband, our friend Hubert Humphrey. With characteristic concern for the disadvantaged, Mrs. HUMPHREY has taken the lead today in refining and improving the program that holds so much hope for future generations.

The WIC program provides supplemental foods, vitamins and minerals in combination with a preventive health program to low income and nutritionally high-risk pregnant women, new mothers, infants and pre-school-age children.

In a society that is just awakening to the importance of sound nutrition practices, these people represent the group least able to take advantage of the diet information that can make a significant impact on their lives. Without proper nutrition it has been shown that many children enter this life with severely limited mental and physical capacities. In a nation that often points to itself as the wealthiest on this earth, malnutrition and the human suffering stemming from it are inexcusable.

The WIC program, where it is operating, has achieved dramatic results. The director of the program in Illinois, Patricia A. Fitzgerald, describes it as "the best thing that has happened to public health in many years" and says that she has "never been as personally or professionally enthusiastic about any service delivery program."

But WIC, according to the Department of Agriculture, is currently only reaching 1 person in 8 of those eligible for participation.

Not only does the program need to be reauthored, as we propose in this legislation, but funding needs to be increased substantially, and amendments such as we are offering need to be adopted to strengthen it.

Mr. Speaker, I am pleased to join Representative DON FRASER to offer this bill to the House. It is the product of considerable effort by Senator HUMPHREY and her staff working in conjunction with a coalition of groups concerned about maternal and child nutrition.●

COMMEMORATION OF POLISH-AMERICAN PATRIOTS

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. FARY. Mr. Speaker, on this day of national thanksgiving to those Polish-Americans who helped make this great country what it is today, I would like to bring to the attention of my distinguished colleagues two outstanding Polish patriots, who were among the most respected heroes of our American Revolution—Gen. Casimir Pulaski and Gen. Thaddeus Kosciusko.

General Pulaski will long be remembered as a proud and courageous soldier, the founder of the American cavalry and a man who died for this young, struggling nation.

Born in 1748 in Podolia, Poland, to a distinguished, aristocratic family, Count Pulaski turned his attention to military affairs early in life. At the age of 20, he joined his father and brother in forming the Confederation of Bar, a society dedicated to the overthrow of foreign domination and the establishment of an independent Poland. To this end, he pledged his life and fortune. Pulaski quickly established himself as a great cavalry leader, who against overwhelming odds, led the insurrection against Russian, Austrian, and Prussian domination. Tales of his heroics soon spread throughout all Europe.

General Pulaski first heard of the American rebellion while in Paris and in the summer of 1777, volunteered his services to Gen. George Washington. Impressed with Pulaski's credentials and reputation as a soldier and leader, Washington recommended to the Congress that he be given the rank of brigadier general so that he could command the cavalry.

Rather than wait for the Congress to approve his commission, Pulaski meanwhile enlisted in the Continental Army as a volunteer and was given the rank of captain.

Pulaski fought gallantly alongside Washington at Brandywine and then later at Germantown. When his commission as brigadier general came through, he took command of the cavalry at Trenton, where he joined forces with Gen. Anthony Wayne in the winter of 1777–78 to help defeat a British division at Haddonfield, N.J.

A year later, during the winter of 1779, Pulaski was ordered to proceed south to Charleston, S.C., where he would join forces with Gen. Benjamin Lincoln to halt the British siege on Charleston. While waiting for Lincoln's forces to arrive and seeing the city on the verge of collapse, Pulaski led repeated charges on the British forces and succeeded in lifting the morale of the city's defenders until General Lincoln's men arrived.

Later, at the Battle of Savannah, General Pulaski again joined forces with General Lincoln and also with French Admiral D'Estaing against the British, who were occupying Savannah. Pulaski was severely wounded during a charge and later died aboard the Brigantine *Wasp*. He was buried at sea but funeral services were held in Charleston and the people of Savannah eternalized his memory by erecting a monument in his honor.

Another great Polish hero who came to the aid of this country in her time of need, was Gen. Thaddeus Kosciusko.

On February 21, 1798, Thomas Jefferson wrote of him to General Gates:

> He is as pure a son of Liberty as I have ever known, and of that Liberty which is to go to all and not to the few or rich alone.

Thaddeus Kosciusko came to America from his native Poland in the summer of 1776, on his own initiative and at his own expense. He enlisted in the Continental Army and was given the rank of colonel in the Army Engineers. He then distinguished himself in the Carolinas as well as in the battles of New York and Yorktown.

One of his greatest contributions was the engineering of the fortifications at West Point, which became a lasting memorial as our Nation's military academy.

At the close of the Revolutionary War, this Polish patriot was recognized and hailed by the U.S. Congress for his long, faithful, and meritorious service and was granted the rights and priviledges of American citizenship and commissioned a brigadier general.

Like Pulaski, General Kosciusko was also dedicated to achieving a unified and independent Poland and in 1792, joined in the struggle against that country's partitioning, once again showing his commitment to the cause of liberty.

The people of the fifth congressional district are proud to have on display in the Members private dining room, U.S. House of Representatives, a large seascape painting by John Wisniski, the world renowned Polish artist.

The Honorable Carl Albert, former Speaker of the House of Representatives, in accepting this gift from my predecessor, the beloved John C. Kluczynski and the Polish people of America, stated that "this painting which depicts strength and eternal power will serve as a reminder to present and future Members of Congress of the great contribution made by Gen. Thaddeus Kosciusko and Gen. Gasimir Pulaski and other Polish patriots to this young Nation in its fight for freedom."

On the occasion of this day, I join with my colleagues in praying for the people of Poland who are still struggling against foreign domination, and I salute Poland's sons and daughters in America who live under the banner of liberty that men such as Casimir Pulaski and Thaddeus Kosciusko helped unfurl.●

CRIME SUBCOMMITTEE TO CONTINUE HEARINGS ON CIGARETTE BOOTLEGGING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime of the House Com-

mittee on the Judiciary will hold its second hearing on cigarette bootlegging on March 8, 1978, at 1 p.m. in room 2237, Rayburn House Office Building. Witnesses will include spokespersons for the Justice Department, LEAA, Treasury Department, and the International Association of Chiefs of Police.

At a third hearing to be held subsequent to March 8, the subcommittee will take testimony from Members of Congress who have sponsored the major legislative proposals in this area.

Those wishing to submit a statement for the record should address their requests to the House Committee on the Judiciary, Subcommittee on Crime, 207–E Cannon House Office Building, Washington, D.C. 20515 (Telephone: (202) 225–1695).●

STAR EDITORIAL MAKES SENSE ON TUITION TAX CREDITS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. COUGHLIN. Mr. Speaker, I am pleased to insert into the RECORD the February 27, 1978, lead editorial from the Washington Star which puts into sharp focus the political battle which is beginning to seethe around tuition tax credit legislation.

I urge my colleagues to read this commonsense editorial with open minds and to continue to judge the issue of education tax credits on its merits and obvious need—not through the distorting lens of political pressure:

[From the Washington Star, Feb. 27, 1978]

TAX CREDIT FOR EDUCATION

By a 14 to 1 vote whose lopsidedness shocked even the bill's sponsors, the Senate Finance Committee has endorsed what is now known as the Roth-Moynihan-Packwood educational tax credit proposal.

The plan, in essence, allows families to subtract from their income tax bills half of what they actually pay in tuition and fees for college and vocational training, up to an eventual ceiling of $500 per student. College costs would be offset from the start; the costs of private elementary and secondary schooling could be offset too, if the courts allow it, by 1980.

We have previously discussed and endorsed this approach to easing the burden of higher educational costs. What last week's committee vote suggests—as did the broad sponsorship of the original Packwood-Moynihan bill—is the idea's growing popularity.

No wonder it's popular. Paying for higher education has become, like medical expenses, a major worry for middle-income households. And as Senator Moynihan said in his eloquent testimony to the House Ways and Means Committee, "all (taxpayers) ask is to be allowed to keep a bit more of their own earnings during a specific and relatively short period of their lives, the period in which they are struggling to send their children to college."

So what is all the fuss about? It is about several things. It is, in regard to tax credits for private schooling, about church-state relations—the constitutionality of such aid being presumptively clouded by recent Supreme Court doctrine. It is about budgetary priorities and spending levels, too.

But chiefly it is a fight over two different, but not necessarily conflicting, concepts of federal aid. A recent memorandum on the subject of college tuition aid from HEW Secretary Joe Califano to President Carter, urging him to get behind an expanded government grant/loan program and thus "seize the initiative on this very hot issue," is revealing. We learn from the memo, which is enjoying wide if unauthorized circulation on Capitol Hill, that the two education committees of Congress are practically frantic about the tax credit proposals.

Should tax credits supplement, or supplant, the present program of direct grants and loans, the grip of the education committees on educational policy might be drastically weakened. Tax matters are the turf of the Senate Finance and House Ways and Means committees.

It will probably strike most taxpayers, as it does us, as a minor worry whose petty legislative fiefdom is swollen, whose diminished, by the Roth-Moynihan-Packwood bill. But emotions run high on this because the tax-credit approach would give taxpayers maximum discretion, free of bureaucratic supervision, to purchase educational services as suited them—this in contrast to the grant/loan approach, which attaches long bureaucratic apron strings to the money, those strings reaching back to the Washington educational bureaucracy and its pals in the education committees and their staffs.

"There are elements in the (HEW) bureaucracy," said Senator Moynihan the other day, "which, quite simply, are opposed to private education, to anything which is not the creature of the state, and are also opposed to legislation that helps student and families without the need of means tests, application forms and the rest of the paraphernalia by which the bureaucracy extends itself."

Sharp words. Pertinent words. And, alas, probably true words too. Indeed, the popularity and ingenuity of the tax credit approach stole upon the administration unawares as it was huffing and puffing about a middle-class raid on the Treasury. (A raid, you see, is when taxpayers want to keep more of their money, or at least decide how it is to be spent.) As the Califano memorandum shows, HEW is fighting a frantic rear-guard action to block tax credits, and hold its bureaucratic turf.

Indeed, it is the administration that seems to be spoiling for a fight over this issue—notwithstanding that President Carter committed himself in the 1976 campaign to doing something for parochial education. It seems to be another of those strayed, or forgotten, promises.

The fight is unnecessary. For as Senator Moynihan clearly demonstrates—his recent statement to the Ways and Means Committee is choice and persuasive reading—the tax credit and grant/loan approaches are perfectly compatible, even complementary.

If nevertheless the administration wants a fight, it looks now as if it will have one. Secretary Califano prompted the president to hint that he would veto a tax-credit bill. The latest response to that threat is the Senate Finance Committee's 14 to 1 bipartisan vote in favor of such a bill.

No one in the Roth-Moynihan-Packwood camp has run for cover yet. And we hope no one does.●

FFA—50TH YEAR

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. LAGOMARSINO. Mr. Speaker, the editorial appearing in the February 21 edition of the Lompoc Record appropriately reminds us of a significant celebration. It is my pleasure to bring to the attention of my colleagues the celebration of the 50th Anniversary of the FFA.

FFA—50TH YEAR

The Future Farmers of America (FFA) this week are commemorating the 50th anniversary of this vocational agriculture youth organization.

We are pleased to join in saluting the FFA.

This nation is rooted in agriculture. Farming remains the nation's biggest business, with family labor and hired help totaling more workers than transportation, steel and automobile combined.

Agriculture is the state's largest single industry, providing nearly one-third of the state's jobs and constituting a major portion of the state's economic roots. Thus it is reassuring to know that more than 20,000 FFA members in more than 300 California high schools are pursuing careers in this essential industry, many of them in our large urban centers.

Increasing demand for food and fiber points up the necessity of assuring its vigor and growth by encouraging our youth to pursue careers in this vital area. This is the goal of the FFA and the supportive nonprofit California FFA Foundation.

During its 50-year history, the FFA has rightfully earned an excellent reputation for developing leadership, productivity, good citizenship, teamwork as well as individual achievement, and at the same time educating its members in all aspects of agriculture including growing, processing and marketing.

America's greatest return on investment will come in the form of its youth and the FFA, in the business of managing that investment on the premise of learning by doing, is a major contributor in maintaining California's position as the top agricultural state in the nation.

We commend the FFA organization and its members on 50 years of outstanding achievement and offer all good wishes for continued success.●

ARMS CONTROL AGENCY INVENTS A NEW CONCEPT OF VERIFICATION FOR SALT THAT COMPROMISES U.S. STRATEGIC FORCES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. KEMP. Mr. Speaker, last week, the Arms Control and Disarmament Agency presented a document to the Congress with further information concerning U.S. SALT proposals. Although there are many disturbing elements of the ACDA document, perhaps the most alarming is ACDA's casual attitude toward verification of Soviet compliance with the terms of a SALT agreement. The American people believe that we should live up to the terms of any international agreement to which we are a party, and certainly expect no less from any other nation with whom we have joined in an executive agreement or treaty. The average American will, therefore, be surprised to learn how the Arms Control and Disarmament Agency looks at verification.

The ACDA view holds that we need

only be concerned with Soviet breaches of a solemn international agreement when such cheating would alter the strategic balance in view of U.S. programs. Stated simply, this appalling posture by ACDA would not invoke U.S. concern about Soviet cheating so long as existing U.S. strategic programs were sufficient to offset the military effectiveness of the Soviet cheating. It is not surprising that the current administration is unconcerned about Soviet cheating on SALT when these charges are raised by a former Secretary of Defense Melvin Laird. This newly expressed posture of ACDA indicates that the SALT accords, when they do emerge will require far greater congressional scrutiny from the perspective of verification now that we are informed that ACDA will not insist on absolute compliance on the part of the Soviet Union (although such compliance will be required of the United States) in a future SALT agreement.●

THE URBAN STRATEGY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Ms. HOLTZMAN. Mr. Speaker, I have become increasingly dismayed by the so-called urban policy that is emerging from the Carter administration. A recent article in the National Journal by Rochelle Stanfield suggests that the survival of our cities is not a high priority of the administration. The article deserves careful attention.

Excerpts from it follow:

[From the National Journal, Feb. 25, 1978]

THE CARTER URBAN STRATEGY—PRINCIPLES IN SEARCH OF A POLICY

(By Rochelle L. Stanfield)

Just a few weeks before it is scheduled to be announced, President Carter's comprehensive urban strategy consists of little more than a set of principles in search of a policy.

In 1976, during the heat of the presidential campaign, Carter had promised the U.S. Conference of Mayors that one of his first priorities as President would be to develop a comprehensive strategy to meet the problems of the cities.

But a year's worth of work by Administration officials has still not produced the specific proposals to flesh out the principles or "policy objectives" adopted by Carter a month ago.

What went wrong between 1976 and this winter?

The short answer is that development of an urban strategy has turned out to be far more difficult than Carter had anticipated. A web of interrelated issues has contributed to the difficulty—some urban experts say the impossibility—of the task.

The diversity of urban America and the complexities of the federal system make development of a cohesive policy a thorny assignment at best, even if it could be accomplished in a fiscal and administrative vacuum.

But Carter's urban planners have been forced to work within the confines of the President's fiscal mandate to them to produce new programs without spending new money. Yet how does the federal government manage to focus more programs and more money on distressed urban areas without reducing the money that goes to more comfortable areas or without spending more money over all?

An added complication is the committee process used by Carter to develop the policy. The result has been an agonizing ordeal for the six Cabinet departments charged with putting the policy together, for the White House Domestic Policy Staff that stepped into the situation at mid-stream and for the interest groups invited in for consultation.

Carter last March gave the assignment of developing an urban policy to a new Urban and Regional Policy Group (URPG), a six-member Cabinet subcommittee, with instructions to submit an interim report by early summer.

In early September, however, after listening to complaints by black groups of a lack of policy direction, the President directed Stuart E. Eizenstat, his assistant for domestic affairs and policy, to play a more commanding role in the preparation of the urban policy plan.

Eizenstat, in turn, handed the Cabinet panel a timetable calling for completion of the policy in time for a major presidential announcement in March, with highlights of the plan to be ready for inclusion in Carter's State of the Union message to Congress in January.

The schedule went at least partly awry when Eizenstat rejected the URPG's initial drafts in December. His staff then drafted a general policy memo, also signed by Housing and Urban Development (HUD) Secretary Patricia Roberts Harris, URPG chairman. From this, the President, in mid-January, approved 14 principles as a guide to the agencies. The various agencies then submitted to Eizenstat, on Feb. 15, an evaluation of their existing programs and new proposals consistent with these principles.

Very little of this intra-Administration discussion and squabbling has escaped public attention, and, in fact, the very openness of the process has been responsible for some of the Administration's problems.

Through widespread consultation and through some calculated leaks to the press, the Administration has opened the process to public scrutiny and revealed the behind-the-scenes scrambling that is normal in any bureaucratic endeavor of this sort. To some outsiders, however, the infighting has been viewed as unusually intense.

"They condemned [former President] Nixon for his closed-door policy," said an Administration official. "Now we're trying to have decision-making in the open, and we're accused of conflict."

By opening up the process, the Administration has allowed the public a glimpse, at least, of the knottiest problem of them all—the political one. Cities are not very high on the nation's list of priorities, but their plight is important to the vocal urban and black constituencies that helped to make Carter's election possible.

A feasible urban strategy must take into account the prospect that Congress may be unwilling to help the cities without helping other constituencies at the same time.

The evolution of the Administration's urban strategy reflects this political reality. When the Urban and Regional Policy Group began its work last spring, its focus was on the older, declining cities, most of them in the northern tier of Frostbelt states.

Gradually, however, the scope of the work has been enlarged, first to distressed "urban areas" and eventually to distressed areas of all kinds. Thus, principle No. 14 calls on the agencies to "recognize the complex interdependencies of urban, suburban, exurban and rural areas."

DIVERSITY

Even under the best of circumstances, designing an urban strategy would be enormously difficult because of the tremendous variety of urban conditions * * *.

Administration planners are now considering a proposal that would channel increased revenue sharing funds to states that actively help their distressed cities and reduce the revenue sharing money for states that fail to do so.

Early drafts of the urban statement point out that while the nation has no urban policy, it does, in fact, have many urban policies, some contradictory, some pro-urban and others anti-urban, existing side by side on the federal books. The idea of the Carter exercise is to develop one cohesive strategy. And this, according to many urban observers, is what the early drafts of the policy statement failed to do. Instead, they constituted merely a "laundry list" of recycled urban programs.

"They didn't have a strategy. That was the major problem," said one observer.

AWKWARD PROCESS

Carter's insistence on delegating responsibility for development of the urban strategy to his Cabinet instead of to his own White House staff has further complicated an already difficult process.

In keeping with his notion of a Cabinet approach to policy, as well as in recognition of the pressing need to relate one federal aid program to another, Carter last March assigned the job to the Cabinet-level Urban and Regional Policy Group. Its chairman, HUD Secretary Harris, was expected to coordinate the work of the six departments despite all the evidence from previous experiments, such as Model Cities, that documents the need for a strong White House presence.

"So HUD ended up with egg on its face," observed a former consultant to the urban policy group. "Its biggest mistake was accepting a mandate to proceed in such a fashion."

The President's directive to the Cabinet panel was vague. It did not mention any plans to send a message on urban policy to Congress, and called only for an interim report by early summer. Therefore, except for a start on some research, little progress was made during the first six months.

It was only after Vernon E. Jordan, Jr., executive director of the National Urban League, denounced the lack of action last August that the White House stepped in. Eizenstat, head of the Domestic Policy Staff, was assigned to ride herd on the Cabinet group and set a timetable for an urban message to Congress.

Even then, White Houes participation remained minimal. Because of his other responsibilities, Eizenstat was unable to spend much time on the urban strategy (which may be an indication of the President's assessment of its priority, according to some critics). Eizenstat's staff spent only part of its time on the project. It was not until early January that a White House staff member—Ralph Schlosstein, on loan from the Treasury Department's Office of State and Local Finance—was assigned to work full time on the urban strategy.

Except for Eizenstat, no senior White House staff member played a major role in the urban strategy until about the first of the year, when Jack H. Watson Jr., Carter's Cabinet secretary and assistant for intergovernmental affairs, was brought in to draft the state element.

The lack of a strong White House presence had a major impact on the progress of the Cabinet departments. The other Urban and Regional Policy Group agencies—Commerce, Health, Education and Welfare, Labor, Trans-

portation and Treasury—were reluctant to commit their resources to a HUD-led initiative.

"We had difficulty getting other departments to respond, to detail good people. Urban was not their middle name, so they had little incenive to do anything," said a HUD official. "We had no leverage on them, as the White House does." If the policy group is to continue to function, he said, it will have to have a strong White House presence.

Many people close to the project contend, however, that the problem has been not only with the committee approach but with the mediocre work by HUD.

The committee approach to urban policy drafting was designed to ensure the comprehensiveness of the resulting strategy; the result, however, was a hodge-podge of each department's favorite programs.

"If this were 10 years ago in the Johnson days, Joe Califano [Joseph A. Califano Jr., then President Johnson's top domestic policy aide and now Carter's HEW Secretary] would have gone into a closet and emerged a few days later and handed the President an urban policy," said a close observer of the urban policy group. "But when you have a President who involves everybody in the process, everyone has to have a little piece of the results."

The first two drafts of the urban strategy consisted of the much-criticized laundry lists of existing programs. Lengthy documents, they catalogued proposals for expanding or redirecting many current job, health, community and economic development programs. About the only new proposal was for an urban development bank, an idea that had circulated in Congress for a number of years. Although the drafts did include several policy directives, these were pushed to the background while the programs were displayed at center stage.

The second draft was sent to the White House in December and rejected. Nine months of work by the Cabinet panel appeared to have gone down the drain.

Eizenstat's staff then set to work writing a policy statement that would please the President. That statement, in the form of a 10-page memo signed by Harris and Eizenstat, presented five very general principles that were not much different from the "policy clusters" around which the earlier drafts were focused. Carter added his own ideas plus a few OMB recommendations and arrived at the 14 principles.

Again, the six Cabinet departments were asked to come up with program revisions and new ideas consistent with the 14 principles. This time they were to be submitted to Eizenstat by Feb. 15.

During this entire period, Carter remained largely aloof from the process. He saw none of the drafts until the Eizenstat-Harris memo. Even his rejection of the earlier work was based on a summary of the spending proposals (but not the underlying policies) prepared by OMB for budget purposes.

POLITICAL REALITIES

All of these problems are enough to make life infinitely complicated for Carter's urban planners; the need to develop proposals that both Congress and the President's constituents will buy makes the task a nearly impossible one.

The Administration is well aware that what would appease the urban and black constitutencies is unlikely to please a majority of the public and—more important—a majority of Congress.

The mayors and the minority groups, for example, want more money directed to the most distressed cities, primarily in the Frostbelt. The U.S. Conference of Mayors called for $11.3 billion in new programs in its assessment of the fiscal 1979 budget. And Vernon Jordan of the Urban League said that anything less than an urban Marshall plan is "unlikely to reverse the deterioration of our cities." ●

TAX INCENTIVES FOR POLLUTION CONTROL

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. SEIBERLING. Mr. Speaker, the promise of an environment free of pollutants which endanger our health, hamper our recreation, and destroy the natural beauty of our surroundings has instilled in the American people a strong desire to restore the integrity of our natural heritage. This concern for a cleaner, purer environment has led us to design laws to improve the quality of our air and water. But frankly, the emphasis in those laws has been on performance standards, schedules, and goals without sufficient consideration of the economic feasibility of these requirements. The absence of flexibility in our antipollution policy now appears to be resulting all too often in the inability of older industrial plants to finance the high costs of compliance with the standards set in our pollution laws and still stay in business.

Air and water pollution must be recognized as an economic problem as well as a health and ecological problem. Uniform pollution regulations ignore the marginal costs of pollution control, and, therefore, the total cost of such control may be excessive. Industries frequently complain that the expenditures they are now expected to make in pollution control facilities are so high, and the availability of capital so low, that the continued existence of these companies may be threatened. The Nation, and particularly the highly industrialized areas of the Midwest, simply cannot afford more massive job layoffs or plant closures. The economic health of the industrial belt is already in jeopardy. It cannot withstand the further economic destabilization which our current policies now seem headed to create.

The situation demands a balanced approach to achieve both continued economic growth and a clean, healthy environment. What are needed are programs which encourage compliance with regulatory schedules for pollution control and, at the same time, reduce the adverse economic impact of abatement and lessen the potential for dislocation and destabilization.

This can be most readily and equitably achieved, I believe, by establishing pollution incentives in the tax system.

I am introducing today legislation which would permit older industries which are required to install pollution control facilities to elect among several tax incentives to aid them in making these investments.

The bill would permit a plant which was in operation prior to January 1, 1969, to elect either the current 60-month amortization of pollution control facilities, a 12-month amortization of pollution control facilities, or an additional 10-percent investment tax credit for installation of a new pollution control facility.

I would like to stress that only plants in operation prior to January 1, 1971, may take advantage of this election. This limitation prevents the allowance of an undeserved tax break to new industries which have come into existence since the passage of major pollution control laws and which certainly should have incorporated into the design of a new plant the type of facilities required to meet the pollution control standards.

The situation is different with older plants which were already in existence at the time clean environment legislation was passed. It is more costly, and often more physically difficult, for existing industries to add pollution control facilities. Yet we insist that these plants meet the same basic clean air and water standards by certain dates.

Until the major pollution control bills were passed by Congress in the early part of this decade, there were no clearly defined national environmental policies or standards and therefore no reason for industry to do any long-range planning by gradually building into their product prices the costs of pollution control. If these older firms were now to reflect their pollution control costs by suddenly externalizing them into their product prices, the impact would not only be tremendously inflationary, but damaging to industry's ability to successfully compete in world markets.

Because the entire public benefits from both a clean environment and continued economic growth, I think it is entirely appropriate to call for relief in the way of suitable tax incentives. If we fail to take timely action on this, we may pave the way for either economic collapse or dangerous reduction of public health standards.●

TRIBUTE TO GEN. DANIEL "CHAPPIE" JAMES, JR.

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1978

● Mr. METCALFE. Mr. Speaker, I am proud and honored to rise in salute to Gen. Daniel "Chappie" James, Jr. America has lost a remarkable leader, and I have lost a friend.

Not only was General James the first and only black to reach four-star rank in the U.S. military; but also he holds one of the most courageous records in fighting the enemies of America in three wars while overcoming racial segregation at home.

Back in 1945 as a first lieutenant, General James and several black comrades were placed under house arrest for dis-

obeying an order to leave an all-white officers club at Freeman Field in Seymour, Ind. With the help of some other youngsters like Thurgood Marshall—now a Supreme Court Justice—and William T. Coleman—Secretary of Transportation in the Ford administration—Lieutenant James was not court-martialed, charges were dropped, and the arrest is not on the record.

A large measure of the credit for ending Jim Crow in the armed services goes to the black soldiers, sailors, and airmen like General James who helped force the military to march down the right road toward making equality a matter of fact.

While commander in chief of the North American Air Defense Command, General James was the only American with the authority to order the use of nuclear weapons without the specific approval of the President. He was authorized to order the use of nuclear-tipped air-to-air rockets by jet interceptors in the event of a surprise nuclear attack by intercontinental bombers.

The delegation of such responsibility is extraordinarily rare. It showed the superb confidence the military establishment had in General James. And he earned this trust by serving his country with distinction for 35 years.

His life and achievements should serve as a beacon to us all.●

ENERGY ON YOUR ROOFTOP?

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. VAN DEERLIN. Mr. Speaker, I had the opportunity last weekend to attend a hearing held in San Diego by our colleague, Mr. BALDUS, chairman of the Energy Subcommittee of the Small Business Committee.

A great deal of light was shed on the issue—if I may allow myself a small pun—by talking with local solar businessmen.

While most of us think the solar industry is poised for a great leap forward, witness after witness emphasized the major obstacles still facing the industry. And this in San Diego, probably the national leader among solar centers.

Solar technology has yet to be fully accepted as an efficient, cost-effective, and immediately available energy alternative. Not only the homeowner and the commercial energy user remain unconvinced, but the financial community is reluctant to make funds available for the solar industry.

This slow development is nothing less than a national tragedy, given our dependence on expensive foreign oil and the proven capability of current solar technologies.

In San Diego alone are nearly 100 solar energy firms. Some of the products they offer are truly fascinating. One of these is the "solar shingle."

As the name implies, this deceptively sophisticated device—which to the untrained eye looks like a simple piece of plastic—functions both as a solar energy collector and as a roof covering.

I am especially pleased that this promising invention is the brainchild of an old friend, George Straza, president of Straza Industries in El Cajon. Mr. Straza's companies are concerned mainly with manufacturing aircraft engine components, so the solar shingle represents something of a departure—a bold attempt at diversification.

Mr. Straza is so confident about the effectiveness of his shingles that he has offered to install them in the White House to heat the swimming pool. That is their best application—warming places like swimming pools and spas that need large quantities of low-temperature heat.

The shingles also can work inside the house, for space and water heating, but at reduced efficiency due to the higher temperatures required. A promising option for space heating and cooling with the solar shingle would be the use of a solar-assisted heat pump with a storage tank or swimming pool as the heat source. The same source could likewise be used as a receptacle, or "sink," during the cooling season when heat would be drained by the pump from inside the home.

Understandably, George Straza waxes enthusiastic about his invention, which has been in production only for the past 6 months. Thus far there have been 30 installations of the shingles in the San Diego area, and orders are coming in from other parts of the country.

Soon they will be available in decorator colors, to dress up almost any roof. They are relatively inexpensive to buy and install, they are durable and versatile, covering as well as warming the home. George Straza has known great success in business, but he could be on the verge of his most dramatic accomplishment, one with positive ramifications for our country in its quest for new energy sources that are "clean" and economical.●

CHINESE EDUCATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial from the Oxnard Press Courier concerning Chinese efforts in the field of education.

The editorial follows:

CHINESE LESSON

In his State of the Union address, President Carter announced his intention to create yet another Cabinet-level agency—a separate Department of Education. Carter has not said who would head the new department, but one of those in the running is expected to be Mary Berry, the administration's ranking education official.

She is the person who, upon returning last fall from a field trip through the People's Republic of China, delivered a speech in Chicago about the wonders of education in that populous country. She was especially impressed with the way the Chinese have handled ethnicity in education.

The Chinese "are moving rationally and realistically" in establishing regional and ethnic quotas "in a field that has led to confusion and near-hysteria here," she said. She did not stop there.

"The Chinese talk about this in a much more straightforward way than we do," she added. "They don't talk about 'affirmative action' and 'reverse discrimination' . . . I tried to explain to them the difference between quotas and goals, but they couldn't follow all that." The Chinese have a healthy attitude to what Ms. Berry called disadvantagement. "It's 'Let's have quotas to make sure we have a percentage of different groups (in universities).' They're not concerned about the subtleties like we have to be," she said.

She also said the Chinese have provided the world with a pattern to follow by requiring the students to labor on farms and in factories. The students thus have to do "actual, useful productive, work," which, she said, is superior to what American students do in "career education" programs.

Ms. Berry was unhappy that the Chinese have apparently decided to ignore the late Chairman Mao's distaste for examinations by now believing in tests for students.

"I tried to warn them of the pitfalls, but to no avail," she said.

She does think that the Chinese experience might not be directly applicable in the United States in every instance. But she does believe that "the direction of the overall policy—in terms of access to education as well as redefinition of education as something inextricably linked to other aspects of human life—should represent our basic direction also."

We hope President Carter is aware of his aide's speech. We also hope he is aware about subtleties—subtleties like whether the Chinese educational direction should also be the American educational direction.●

WORLD FREEDOM DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. DERWINSKI. Mr. Speaker, one of the most dramatic observances of freedom is the annual rally in Taiwan, in commemoration of the courageous choice made by the Chinese prisoners who elected to flee to the Republic of China rather than return to Communist China at the close of the war.

Dr. Ku Cheng-kang, the rally chairman and president of the World Anti-Communist League, delivered a very stirring address on January 23, in Taipei, in observing World Freedom Day.

Dr. Ku's address follows:

PROMOTE HUMAN RIGHTS CAMPAIGNS BEHIND THE IRON CURTAIN AND WIN A TOTAL VICTORY OF FREEDOM!

(By Dr. Ku Cheng-kang, Rally Chairman, World Freedom Day Rally of the Republic of China)

Distinguished guests, ladies and gentlemen: Pursuit of freedom and human rights is motivated by man's fundamental will power and belief. As a manifestation of mankind's powerful drive for freedom and human rights, the "World Freedom Day" movement has now developed into a torrent

of the age consisting of people throughout the world who are determined to fight for freedom.

Human rights are inalienable and untransferable and must have freedom as prerequisite. However, Communist perpetrators of tyranny resort to suppression of freedom as their basic means of control. They have consistently trampled on human rights and deprived the people of their freedom. This is why we emphasize that freedom must be won and enhanced if human rights are to be gained and safeguarded. An end therefore must be put to Communist threats and steps against freedom. To bring about that end is the ultimate goal of the "World Freedom Day" Movement.

THREE IMPACTS OF FREEDOM FORCES AGAINST COMMUNIST TYRANNY

Developments of the world have shown that forces of freedom have grown and gained strength year after year. Communist tyranny is presently under three sharp impacts from those who stand for freedom.

The first impact is in the form of blows against Communist forces. Such blows have included steps of resistance, deterrence and elimination taken by Asians, Latin Americans, Africans and Middle East people. The West Europeans' hatred and rejection of Communism also are serious blows. Particularly alarming to the Communists is the vigorous awakening and growth of freedom forces throughout the world.

The second impact is the crisis provoked behind the Iron Curtain. This crisis involves the clash between the revisionists and those who oppose revisionism. The contradiction of the two lines is irreconcilable. The struggle and confusion caused by it will continue interminably.

The third impact is the growth of freedom forces behind the Iron Curtain and their increasingly stronger opposition to Communist tyranny. Examples include the rise of Russian intellectuals for campaigns to win freedom and human rights, the liberalization movements that have been growing in East European countries, and the revolutionary anti-Communist steps of the masses of workers, peasants and youths on the Chinese mainland.

"WORLD FREEDOM DAY" MOVEMENT'S TWO MAJOR DIRECTIONS OF ENDEAVOR

In view of the world developments involving the struggle of freedom forces against the Communists, the "World Freedom Day" Movement at the present stage must observe the following two major directions of endeavor:

One is to safeguard the security of the free world so as to preserve the freedom of those who are now free. Where is no security, there is no foundation for the protection of freedom. But the unchanged goal of the Communists is communization of the world through subversion of free countries. This being the case, the free world must eliminate threats of Communist aggression in order to safeguard freedom. If the free countries are to remain free, their national and social security must be assured.

The other approach is support to the struggles for freedom waged behind the Iron Curtain so that all of mankind can be free. Freedom is indivisible. As long as the world remains only half free, the sufferings of the captive masses of people will continue and the freedom of those who are free will be continually threatened. If we are to protect our freedom and bring about freedom for all of mankind, we must support the captive peoples' fight for freedom.

THREE PRESENT-STAGE WAYS TO PROMOTE THE "WORLD FREEDOM DAY" MOVEMENT

To win freedom and safeguard human rights, the free world must fully realize the following three points and act accordingly:

First, efforts to safeguard freedom and human rights cannot be separated from anti-Communist endeavors.

Free nations must understand unequivocally that there is no way to remove the fundamental contradiction between those who stand for freedom and those who want to push Communism, and that efforts to safeguard freedom and human rights should be tied closely with anti-Communist endeavors. When promoting human rights campaigns, priority must be given the winning of freedom for those behind the Iron Curtain. Furthermore, forceful anti-Communist endeavors must be exerted so that freedom and human rights can be fully protected from infringement by the Communists.

Second, free nations should never act in any way to harm the forces of freedom.

Free nations must refrain from steps of appeasement and compromise in dealing with the Communists because no peace thus gained can last. Furthermore, in the face of the international situation that the Communists are attempting to control, free nations should never hope that detente or concession will settle matters involving Communists. Instead, free nations must bring forth strength for the safeguarding of freedom and security.

The United States of America, that has great power of influence over the free world, must abandon her attempt to ally with the Chinese Communists for the checking of Russians. Instead, she should continue to abide by her treaty obligations and defense commitments for the Republic of China. No farther move towards so-called "normalization of relations" with the Chinese Communists should be made, or the efforts of the Republic of China to uphold freedom and democracy and build a free and democratic new China will be hurt.

Third, forces for freedom should be united together ever more strongly.

Free nations must further heighten political vigilance, see through the international Communist plot of world communization through a race for hegemony while voicing opposition to hegemony, abandon hopes that peaceful coexistence with the Communist will somehow work, strengthen international cooperation against the Communists, and foil any and all Red plans to divide and conquer free nations one after another.

Acting in line with the principle of reciprocal economic benefit, free nations must jointly seek greater development and prosperity, shorten the north-south gap of wealth, and strengthen mutual assistance and cooperation with regard to trade, energy resources, financial matters, science and technology. Hard blows should be dealt the Communists who are attempting to cheat and destroy free nations in the field of economy.

Moreover, free nations must seriously learn the lesson that freedom will be lost in the absence of security. Preparedness for anti-Communist wars should be enhanced and efforts should be stepped up for self-help through mutual help. Measures of common defense and security must be strengthened in Asia, Africa, Europe, the Middle East and Latin America. Direct and indirect Communist aggression and expansion will thus be countered effectively.

Ladies and Gentlemen: As we greet the 1978 World Freedom Day today, we are happy to note that President Carter of the United States has expressed concern over the absence of human rights on the Chinese mainland and reiterated his human rights campaign as the moral basis of U.S. diplomacy. More than a billion people are now kept captive and subjected to oppression by the Communists. The plight of the 800 million people on the Chinese mainland is particularly grievous. All these people urgently need assistance and deliverance. We therefore earnestly hope that President Carter will squarely face all the cruel facts and push human rights campaigns in Communist-controlled areas of the East and West so that the enslaved masses of people behind the Iron Curtain will be able to join forces with those outside who similarly stand for freedom and strive together for a total victory of freedom for all mankind.●

CONSUMER AND AGRICULTURAL PRODUCTION ACT OF 1978

HON. RAY THORNTON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. THORNTON. Mr. Speaker, I am privileged to introduce in the House today the Consumer and Agricultural Production Act of 1978. This is the companion in the House to S. 2626 introduced earlier today by the distinguished Senators from Arkansas, Senator KANEASTER HODGES and Senator DALE BUMPERS. It was drafted by Senator HODGES and his staff, in consultation with farmers from Arkansas and all over this great land of ours who have devoted many weeks to the effort in an attempt to offer realistic alternatives to our present inadequate farm policies.

I believe that this bill offers a constructive alternative to the Nation's present agricultural policies. Its cornerstone is the principle that every hardworking, efficient American farmer should be able to sell his crops at not less than the cost of producing them. The sad fact is that in our national goal of assuring each working individual a decent standard of living we have completely overlooked the farm families upon whose production we depend for our very survival. This bill would end this long-standing neglect.

Mr. Speaker, there is an urgent need for immediate administrative action to increase loan and target prices under the 1977 farm bill, and to mandate fair and reasonable reductions in acres planted in cotton, cereal grains, soybeans, and other crops while providing more favorable credit to producers. Exports to China and other nations should be expanded, and health inspection restrictions should be imposed on imported beef.

Wide ranging programs to develop foreign and domestic markets can be initiated by administrative action, and such action is urgently needed now.

But the Congress also has the responsibility of rethinking this Nation's agricultural policies. The development of a comprehensive program to restore economic health and prosperity to American farmers is vital not only to the farmers, but to all those who consume the crops which they produce.

This bill has been carefully and thoughtfully drafted by Senators HODGES and BUMPERS to focus attention upon the importance of a national goal of allowing farmers to receive a fair share of this Nation's economic prosperity. I am confident that the primary authors of this proposed legislation share my hope that it can be improved and refined as it goes through the legislative process. Particular attention should be given to a careful

review of the cost of production prices established by the bill, and to the commodities included in the scope of the legislation.

I believe this legislation offers an innovative approach to solving our problems. I am introducing it so that the House Agriculture Committee may carefully analyze the bill as a means of achieving a balanced program to bring stability and prosperity to American agriculture and to the individual family farmer.

Mr. Speaker, the bill is comprehensive and I shall not attempt to describe it in minute detail. However, I believe that it merits thoughtful consideration by each and every Member. I will say that, in broad outline, the bill provides:

Commodity Credit Corporation (CCC) loans of unfixed duration or Government-guaranteed commercial commodity loans for up to 3 years at cost-of-production levels.

Interest-free CCC loans to establish a national commodity reserve of each commodity subject to the bill with storage charges paid by the Secretary of Agriculture.

A referendum procedure under which producers could decide for themselves whether or not to avail themselves of the benefits of the act.

A national board composed predominantly of farmers whose responsibility it would be to establish cost-of-production indices for each commodity and to allocate uniformly to producers any production adjustment deemed necessary by the Secretary of Agriculture.

Fairly distributed mandatory production adjustments to keep supply in line with demand.

Commodities not to be imported at a price less than the established cost of production.

Government-purchases of agricultural commodities for foreign assistance at established cost of production levels.

Mr. Speaker, I ask for careful consideration of this legislation; 4.3 million people are in distress. They are caught in a crushing squeeze of high production costs and depressed income. They have turned to Congress for help. When we consider that farmers are by nature independent and self-sufficient, it is clear that their concerted action of recent weeks shows just how serious the agricultural crisis has become.●

JUSTICE DEPARTMENT CRITICIZED

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Ms. HOLTZMAN. Mr. Speaker, the Department of Justice recently sued Frank Snepp, a former CIA employee for publishing a book on the fiasco of America's withdrawal from Vietnam. In a February 20 article in the New York Times, Anthony Lewis charged that this suit is just one example of how the Justice Department is "insensitive to constitutional values."

The text of the article follows:

DEPARTMENT OF JUSTICE?

(By Anthony Lewis)

BOSTON, February 19.—Robert Sherrill, Washington correspondent of The Nation and a widely published freelance writer, has been trying for years to get a White House press pass. The Secret Service turned him down "for reasons of security," but it would not tell him the reasons.

In 1972 Mr. Sherrill sued. He won in the trial court, and again last December in the United States Court of Appeals in Washington. It held unanimously that he was entitled at least, under the Constitution, to a statement of the charges against him and a chance to answer.

The decision was no surprise: The courts have long since said that some process is due before government deprives someone of liberty or property as a security risk. The surprise is that Jimmy Carter's Department of Justice argued against that outcome. The Court of Appeals judges, evidently wondering, asked Department lawyers at the argument whether that really was the Administration position. It was, and now the lawyers are considering whether to take the case on to the Supreme Court.

The Sherrill case is not the only one in which the Carter Justice Department has been insensitive to Constitutional values—and, I think, to common sense. Consider a few other examples.

THE KISSINGER TRANSCRIPTS

While in the White House, Henry Kissinger had aides secretly listen to his telephone calls and make notes. He took the transcripts when he left, claiming that they were private property. A suit brought under the Freedom of Information Act sought to see them as public records.

The Carter Justice Department resisted the suit. A brief signed by Barbara Babcock, Assistant Attorney General, made the astounding argument that papers removed from a government agency—even unlawfully removed—were no longer "agency records" subject to the F.O.I.A. Even if Mr. Kissinger had no right to take the transcripts, she said, the suit faced an "insurmountable obstacle." A judge rejected that view and found the transcripts public records subject to the Act.

THE GAG ORDER CASES

The Supreme Court two years ago rejected the use of what the press calls gag orders: Injunctions prohibiting pre-trial stories that might prejudice juries in criminal cases. But the Court left open the possibilities of orders forbidding comment by others, such as witnesses and lawyers.

The Carter Justice Department has pushed for such restrictive orders in civil cases—even though the cases have little notoriety and are unlikely to go before a jury for years, if ever. In one case the Department persuaded a judge to forbid disclosure of unclassified documents about C.I.A. domestic spying: material of far greater public interest than the Supreme Court said the press could not be kept from publishing in criminal cases.

THE SNEPP LAWSUIT

Last Tuesday Attorney General Griffin Bell disclosed his intention to sue Frank Snepp, a former C.I.A. employee, for failure to clear with the agency before publishing a book about Vietnam. Mr. Bell did so in casual—and, some lawyers thought highly unprofessional—answers at a press conference.

Major newspapers reported the press conference remarks. But they did not notice when the actual suit was filed the next day, in Federal Court in Alexandria, Va., and hence they did not report its novel and sweeping legal theories. The Department claims all of Mr. Snepp's royalties as damages for failing to submit the manuscript—even if his book contains no classified information.

The failure of the press and other observers to notice the repressive legal doctrines advanced by the Carter Justice Department in significant cases is curious. If John Mitchell or Richard Kleindienst had done precisely the same things, there would have been cries of alarm.

The press has been highly excited about the decision by President Carter and Mr. Bell to fire David Marston as United States Attorney in Philadelphia. But that affair seems to be just a case of crude and, as it happens, stupid politics: something far less serious than attempts to develop repressive new law. If the Carter Administration wins its suit against Frank Snepp, Snepp, the First Amendment will bear the wound long after Mr. Marston is forgotten.

The puzzling question is why Griffin Bell and his assistants, many of them able and sympathetic lawyers, are making a record so disastrous in civil liberation terms. I think their intentions are good. But intentions are useless of officials do not have the ability or the will to redirect the momentum of the bureaucracy.

Justice Department lawyers tend to act like other advocates, pushing every argument as far as it will go and doing whatever is necessary to win for the client. But it is the Attorney General's job to remind them who the client is. Over the door of his office are these words: "The United States wins its point whenever justice is done its citizens in the courts." ●

ANOTHER STEP TOWARD CONTROLLED THERMONUCLEAR FUSION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. SYMMS. Mr. Speaker, during the last weekend in February of this year General Atomic Co.'s Doublet III fusion research device achieved its first plasma containment. Doublet III is the world's largest magnetic confinement fusion research machine, and it is the only magnetic fusion experiment designed, built, and operated by U.S. industry. Controlled fusion research at General Atomic Co., which could lead to a dramatic new energy source that would be desirable from environmental and resource standpoints, is financed by the company itself, the electric utility industry (through the Edison Electric Institute and Electric Power Research Institute), and the Department of Energy.

I am especially pleased, Mr. Speaker, that private industry is conducting research efforts in controlled fusion technology; I would hope that contributions from the private sector toward the development of exotic future new energy sources can be substantially increased.

I would like to commend to my colleages in Congress the following statement from General Atomic Co.:

SAN DIEGO, CALIF.—Doublet III, the world's largest fusion research machine, achieved its first plasma conditions over the weekend, General Atomic Company reported today.

The $31 million machine, built by General Atomic for the Department of Energy, was operated for the first time Saturday evening, beating a February 28 deadline that was established 3½ years ago.

Experiments with Doublet III will last several years and are expected to demonstrate actual fusion power reactor conditions for the first time.

Dr. Tihiro Ohkawa, vice president of General Atomic and director of its Fusion Division, said that by the end of this year Doublet III is scheduled to reach a plasma current greater than one million amperes, more than twice that attained in any other fusion research device. Shortly later, he said, the machine is expected to demonstrate reactor confinement conditions

The fusion reaction, unlike the nuclear splitting that occurs in fission, involves the coming together of atomic nuclei. This demands temperatures approaching 100 million degrees and intense magnetic fields capable of confining the very hot hydrogen gas that is fusion fuel. The attraction of nuclear fusion is that the fuel can be obtained from water.

The only major magnetic fusion experiment designed, built and operated by U.S. industry, Doublet III represents a combined research effort by General Atomic, the Department of Energy, and the U.S. electric utility industry, which has sponsored design work through the Edison Electric Institute and the Electric Power Research Institute.

Dr. Ohkawa conceived the unique Doublet approach to magnetic confinement for fusion in 1967. Smaller machines built by General Atomic have indicated the Doublet concept will provide the stable magnetic fields needed at a fraction of the input energy requirements of other magnetic fusion concepts.●

REORGANIZATION OF THE CIVIL SERVICE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. DERWINSKI. Mr. Speaker, President Carter is to be commended for his recommendations to reorganize the Federal civil service system and to restructure its operations. However, I sincerely hope this is not an opening shot in a campaign to promote politics at the expense of managerial and employee efficiency and responsibility.

Many of the administrative and structural changes recommended today by the President are necessary. Our Federal managers need the authority and flexibility to manage their respective operations. Our career Federal employees must continue to be insulated from political pressure, but at the same time they must expect to give the taxpayers an honest day's work. Under the existing system, it is virtually impossible to discipline, let alone dismiss, employees who are not performing their jobs properly.

Time Magazine, in its current issue, made the same point this way:

In an effort to fire a single employee, a manager can spend anywhere from 25 percent to 50 percent of his working hours for a period ranging from six to eighteen months at an estimated cost to the taxpayer of $100,000.

If an administration is to be effective and efficient in managing the Federal bureaucracy, it must be able to depend upon the loyalty and responsiveness of its top managers and persons in policymaking positions. That is why I have been a longtime advocate of an approach which would permit the President to designate an increased number of policymaking positions as "noncareer" jobs. Exercised with reasonableness and restraint, such an approach certainly would not result in drastic dismantling of the career civil service system.

I think President Carter is moving in the right direction, and many of his recommendations should be helpful in correcting obvious problems. I hope Members will react positively rather than negatively to the President's recommendations. Any major overhaul of the civil service system raises questions on the appointment and promotional processes.

For that reason, the administration should abandon its support for legislation which would emasculate the Hatch Act. It would be an act of diplomacy for the administration to serve public notice that it will have nothing to do with the politicization of our 2.8 million Federal workers.●

LEGISLATION INTRODUCED TO CORRECT DEFECTS OF AGE DISCRIMINATION BILL

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. FINDLEY. Mr. Speaker, today a House/Senate conference committee is meeting to clear the bill to raise the mandatory retirement age from 65 to 70. I am especially happy since I have been working for this objective since 1974, when I introduced the first bill to end mandatory retirement. The bill coming out of conference, which I hope will be put on President Carter's desk for signature is soon as possible, is the emancipation proclamation for older Americans.

As Lincoln freed blacks from slavery, this bill frees older persons from mandatory retirement at age 65—from being forced into meaningless inactivity at reduced incomes. Now older persons will have the right to keep working, keep active. keep healthy, and keep their self-respect.

The bill is not perfect. It exempts college professors, highly paid business executives, and certain categories of Federal employees.

Nor does the bill go far enough. I would have preferred to eliminate mandatory retirement entirely, rather than simply increase the age from 65 to 70.

And I am introducing legislation today to correct these imperfections, fully confident that the correction will occur within 5 years—by the time those now turning 65 reach 70.

But even with its shortcomings, the conference committee bill stands as the most important civil rights legislation to come out of Congress since the early 1960's.

It will have a broader, deeper and longer-lasting impact on American life than anything else enacted by the 95th Congress. Everyone who works—presently 100 million Americans—will receive a new measure of freedom under this bill.

An estimated 750,000 workers are forced out of their jobs each year by mandatory retirement policies. Many need to work a little longer to pay off a mortgage or put through college children who arrived late in life. Others need the assurance their job gives them that they still have a place in society.

This bill gives older persons the freedom to be judged by their ability to work, not on mere chronological age.●

PADUCAH NEWSPAPER SUPPORTS HUMAN RIGHTS ALTERNATIVE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. SIMON. Mr. Speaker, recently, I wrote a column which I am attaching, in which I point out my concern that sometimes we are not handling the human rights issue as deftly as we might.

Usually when you write your weekly column, you wonder if anyone reads it, but I am pleased to say that an editorial writer for the Paducah Sun-Democrat did. And I am pleased to note their approval of the idea of some type of outside look at where the nations of the world stand. In some way, we must continue to push for human rights but with a little less of an appearance of self-righteousness.

I am inserting into the RECORD the editorial from the Paducah Sun-Democrat and the column I wrote:

[From the Paducah Sun-Democrat, Feb. 20, 1978]

A WAY TO GET MORE FOR OUR AID FUNDS

U.S. Rep. Paul Simon has come up with a novel way to get more for our foreign aid money that merits serious consideration.

Simon has been a strong, consistent supporter of President Carter's human rights approach to foreign policy. Yet such an approach, however well-meaning, has at times made the United States appear holier-than-thou. Nobody, the congressman quite correctly observes, likes to be "preached down to."

But he has come up with a program that would reward emerging nations which are making serious efforts toward establishing human rights within their borders. At the same time, it would show these countries where we stand without offending them.

Simon is suggesting that the U.S. might ask three distinguished citizens from developing nations that have a "tradition of freedom" to rank all countries, similar to the way Freedom House rates nations now. In addition to the ranking, they would indicate whether freedom is gaining or losing ground. Based upon the trio's findings, the federal government, then, would increase Agency for International Development (AID) funds by five percent to all recipient countries where free expression and political rights are shown to be on the increase.

"And in the statements we issue on human rights we ought to find some points for genuine praise for people or governments in those countries," adds Simon. "That softens the criticism and encourages those nations to move in the right direction without having appeared to be slapped in the face by the United States."

Simon's trial balloon seems to be airworthy. If the U.S. is to continue as the

leader of the free world, it must develop a foreign policy that reflects its democratic tradition. Massive military and economic aid to every dictator who professes to be a foe of communism while holding democracy in contempt, needs to be checked. Under Simon's plan, freedom would be rewarded and totalitarianism, either from the right or left, wouldn't be. That's not a bad idea.

PROMOTING HUMAN RIGHTS

One of the most difficult questions United States policy-makers face is: How can we promote freedom and human rights among other nations without appearing sanctimonious and arrogant?

Within the last few days I have twice had the opportunity to visit with Mrs. Anatoly Shcharansky, wife of the 30-year-old Soviet citizen who is being held in prison there for the "crime" of asking for rights which the Soviet constitution would appear to grant him, and which the Helsinki accord, which the U.S.S.R. signed with much trumpeting, also "guarantees" him.

I mention this only to say that freedom cannot be an abstract term to someone who has looked into the eyes of those who have suffered for it. And I have talked to many of them.

Some say that we should pay attention to freedom without our borders and ignore the internal operations of other governments. Whether they have dictatorships or democracies should be of no concern to us, they argue.

On the other extreme are those who impatiently look to other nations to be miniature models of the United States, who expect emerging countries to achieve overnight the degree of sophistication in handling freedom that took us 200 years to achieve.

Between those extremes lies the course we must follow. We dare not be unconcerned with the fate of freedom, and we must show that concern effectively, but without a heavy hand, understanding that other nations will chart differing courses on the path to freedom.

The issue has emerged in no small part because President Jimmy Carter has let the world know of our concerns. And make no mistake about it—freedom has been nourished and strengthened in many countries because of the President's statements.

Recently a group of about 10 top Soviet officials visited in the United States, spending two days in discussions with a few Members of Congress, among other activities. I had the privilege of participating in that confrontation.

And "confrontation" is the right word, for we made speeches about human rights and they made speeches about our unemployment problems and the Wilmington 10. There were valuable informal visits, but the formal meetings had no bright spot—with the exception of some off-the-cuff remarks by Congressman Kika de la Garza of Texas.

He praised the progress the Soviet Union has made in the last 60 years, told the head of their delegation that he looked like the banker in de la Garza's hometown (which brought a hearty laugh from the Communist delegation) and then said in plain, simple words what people in his town want and what he guesses that people in the Soviet Union want. His remarks were pointed about civil liberties, yet softened by words of praise, and obviously were taken with much better grace by our Soviet guests. Above all, he let them know where he stood without sounding as though he were preaching at them.

People in all nations—particularly the fiercely proud and struggling younger nations—don't like to hear a "You-ought-to-be-like-us" sermon.

Somehow we have to figure out how to use the de la Garza formula for human rights: Let people know where we stand without offending them.

There are no easy obvious answers.

When we see blatant abuses like the Shcharansky case, we have no choice but to speak out in some way. We cannot duck.

But since democracy is a form of government held by only a fraction of the world's people—and since we must work with all governments, whether we agree with their structure or not—we must find a way of encouraging the growth of freedom, but in less absolute terms.

Perhaps we should ask three distinguished citizens from developing nations which have a tradition of freedom to make rankings of all countries, similar to those which Freedom House now makes. In addition to the ranking, the three could indicate whether freedom is gaining ground or losing ground.

Our government could then increase Agency for International Development (AID) funds by five per cent to all recipient countries where free expression and political rights are on the increase.

And in the statements we issue on human rights we ought to find some points for genuine praise for the people or governments in those countries.

That softens the criticism, and encourages these nations to move in the right direction without having appeared to be slapped in the face by the United States.

Maybe that's not the right answer. But we ought to find one.

President Carter properly has given new emphasis to human rights. Now we need to analyze how we can make that leadership effort he has launched more effective.●

HIRE PROGRAM: IS IT REALLY FOR VETERANS?

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. WOLFF. Mr. Speaker, in January 1977, President Carter announced the establishment of the "HIRE" program as this administration's commitment to the unemployment plight of our Nation's veterans. Many of us in the Congress who had been pointing to the unique problems of the Vietnam veteran applauded the President and Labor Secretary Marshall for their quick action.

Unfortunately for the veteran, Mr. Speaker, the HIRE program proved to be far less than a success. The initial program regulations all but precluded firms and businesses from participating in the program. Several months ago, in recognition of the program's failure, OMB announced that it was looking into reprograming unexpected HIRE funds for fiscal year 1979. The utter failure of the HIRE program to come to the assistance of our veterans raises serious questions of the implementation of the program.

I find it astonishing that a program conceived to place unemployed veterans in meaningful careers has placed but 61 unemployed Vietnam-era veterans, 15 unemployed disabled veterans, and 96 other veterans with private industry. The total number of veterans (all categories) successfully serviced by the HIRE program is a dismal 172. In the nonveteran categories HIRE has placed 186 long-term unemployed persons and 88 economically disadvantaged young persons. I also find it most curious that a program specifically created to assist veterans placed 132 women in private industry (only 3 of whom were apparently veterans) out of a total of 446 placements.

These statistics make one thing abundantly clear: The HIRE program is anything but a veterans program. That veteran placement accounts for only 38 percent (Vietnam-era veterans only 14 percent) of HIRE placements indicates a singular lack of commitment on the part of this administration to the unemployment plight of the Vietnam veteran. Not only has the Congress been deceived, but so has the veteran and the American people.

And what does the Department of Labor plan to do about this? It plans to move the entire program within the framework of CETA with no additional emphasis on securing veteran employment. The continued inclusion of economically disadvantaged youth and the long-term employed within the parameters of the HIRE program can accomplish nothing more than undercut the program's potential success for the veteran. While I certainly recognize the need for unemployment programs to target the needs of economically disadvantaged youth and the long-term unemployed, their inclusion in the HIRE program is a tragic mistake and disservice to those men and women who served this country with honor and distinction during the most unpopular war in our history. They deserve more than this; we have a moral obligation to see that they get it.

Mr. Speaker, for far too long have we ignored the plight of the unemployed veteran, and the situation of the Vietnam-era veteran in particular. If the administration continues to fail the needs of our veterans it will be up to us, once and for all, to see that it does live up to its obligations.●

VOICE OF DEMOCRACY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HUBBARD. Mr. Speaker, there is a special program that I would like to commend that seeks to instill pride and awareness of American democracy in the hearts and minds of young citizens. This is the "Voice of Democracy" contest sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary. This year more than 250,000 secondary school students participated in the VFW speech contest, with the theme being "My Responsibility to America." It is indeed my pleasure to recognize the winner of this contest from the Commonwealth of Kentucky, who is a sophomore at Henderson County High School, Alison Anne Hendrick. She has written an eloquent speech on the meaning of the word "patriotism" today. I

would like to share Miss Hendrick's speech with the House:

SPEECH BY ALISON ANNE HENDRICK

Why not put some P, Q, R, S, T and U into your life. Does this arouse your curiosity? Well, in these modern times if seems everything needs a gimmick to make it sell. The things you remember longest are the catchy tunes, unusual commercials and spectacular events. The subject I am speaking on today never seems to get top billing, it is seldom advertised and for some strange reason it appears to be out of style. You see I'm talking about my responsibility to America and that means citizenship, and P, Q, R, S, T, and U is my gimmick.

P for patriotic, Q for quality, R for respect, S for strength, T for togetherness and U means us, you and me. Being a patriot may sound old fashioned. It's something for the other guy. We all have a tendency to think of George Washington and Thomas Jefferson when we hear the word patriot. Indeed, George Washington and Thomas Jefferson were patriots. Their deeds and words will live on forever in our history books, our minds and our hearts. But Washington and Jefferson are dead and we cannot expect the dead to make our country safe and to secure our freedoms. US, YOU and ME, we are the patriots now.

If the word patriot sounds too old fashioned to suit your taste, try another word a little more up to date. Use the word citizen. I think we all realize there are many types of citizens. We have the lazy citizen. He's the one who wants to live here but won't do anything to help. There is the complacent citizen, lives here, helps out when pressured but mostly goes along with the majority whether he agrees or not simply because it's easier that way. And then we have the critical citizen, complains about everything, seldom votes and thinks he knows all the answers to our problems. He's also the one who hollers loudest when things go wrong.

Citizenship begins at home. It begins with you and me. It begins when we're very young with small things, such as respect for other people and their property. It begins with an interest in what is going on in our community. It begins with respect for law and law enforcers. It begins with pride in ourselves, our community and our country. Citizenship must start small and grow as we grow. It isn't something that we can develop overnight.

Citizenship and freedom are two words that are internally linked together. For without our four freedoms to defend there would be no need for patriots or good citizens. I am back to using the word patriot again because if you are a good citizen, you are a patriot whether you realize it or not.

Respect for freedom, respect for law and respect for country, that is patriotism. The willingness of a human being to defend in thought, word and deed the ideals of our country. In other words to live up to and be willing to die for our country and its four basic freedoms. Economic freedom, political freedom, religious freedom and intellectual freedom, these are the ideals for which we can become a patriot.

Freedom is hard to acquire but easy to lose. Freedom is certainly not free and that is where patriotism comes in. God grants freedom only to those who love it and are always ready to defend it. If we are to become patriots we must renew our love for our country and what it stands for, not just with words but with deeds. We must practice good citizenship and work for our country and community.

Today I've made my pitch for Citizenship, another word meaning "Rresponsibility to America". Try putting some P, Q, R, S, T and U into your life, perhaps you too can become a more productive individual.●

WE ARE A SINGLE HUMAN FAMILY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. EILBERG. Mr. Speaker, a few days ago in Philadelphia, one of our city's outstanding leaders, Mr. Clarence Farmer, was honored as the recipient of the 1978 Brotherhood Award of the National Conference of Christians and Jews.

Mr. Farmer is chairman of the Philadelphia Commission on Human Relations. He is a long-time defender of human rights and human dignity in our city, and in accepting the well-earned Brotherhood Award he had a message important to all of us.

Mr. Farmer said that we must teach our children that we are all members of a single human family. He said that in our efforts to overcome prejudice, we must work for laws that battle discrimination. But at the same time, we must not forget that education in brotherhood is essential, because all humanity is part of a single family.

Mr. Speaker, I offer for the RECORD this account from the Philadelphia Commission on Human Relations on Mr. Farmer's acceptance of the 1978 Brotherhood Award of the National Conference of Christians and Jews:

The message of brotherhood and the truth that we are all members of a single human family must be constantly repeated as part of the education of each generation.

Clarence Farmer, chairman, Philadelphia Commission on Human Relations, made the statement during remarks today (Feb. 23) at the annual luncheon of the National Conference of Christians and Jews at the Ben Franklin Hotel.

Farmer, who received the 1978 Brotherhood Award, stressed that education in brotherhood is essential for the single culture which is emerging in all parts of the world.

"The world that we see emerging is united by a single technology. And the great music that is being composed or the great paintings which are being painted now speak from the same human spirit whether they come from Brazil or from Iceland.

"People in Singapore or Korea wear the same sort of clothing, eat similar food, drink the same Coca-Cola, and dance to same sort of music as people in Duluth or in Plains, Georgia," he pointed out.

Farmer stressed that all humanity is part of a single race.

"We are not like antelopes and deer who are distantly related cousins in different biological groupings. The truth is that there is but one human race whose members are capable of interbreeding whether they come from Japan or Tanzania, Malay or Brooklyn Heights," he said. "We are also one race in that we share the subtlest thoughts and feelings, fears and hopes."

He added:

"It has been the fashion in recent years to think that laws and action programs are all-important. 'You can't change the human heart,' the supporters of this viewpoint say. 'Forget about trying to overcome prejudice: all that is necessary is to see that every citizen is guaranteed equal treatment by law when he hunts for a job, or buys a house or visits a restaurant.'

"I disagree. I am convinced that the brotherhood message—call it education if you wish—also is important, because words sometimes can have an impact that cannot be achieved by an army of investigators and lawyers. . . ."

The NCCJ Brotherhood Award is the latest of some 14 awards which Farmer has received for both volunteer and professional service in promoting ethnic, racial and religious harmony. Among others, he holds the Mother Bethel AME award, Richard Allen Award, Cardinal's Commission on Human Relations Award, and the 100,000 Pennsylvanians Community Service Award.

He was named to head the municipal government's human rights agency in 1967 following earlier service as executive secretary of the former Police Advisory Board. He is also chairman and founder of the Greater Philadelphia Enterprises Development Corp., chairman of the board of the nonprofit Job Loan and Urban Venture Corp., and a board member of the Philadelphia Urban Coalition.●

SALUTE TO MISS MARY THERESA ROGUS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. ROE. Mr. Speaker, it is a privilege and honor to call to the attention of you and our colleagues here in the Congress a most distinguished achievement of a young lady from my congressional district, Miss Mary Theresa Rogus, of Pompton Lakes, N.J., who has excelled among over one-quarter of a million of her high school classmates throughout the country in winning the highly coveted "Voice of Democracy" scholarship award of the Veterans of Foreign Wars of the United States. I know you will want to share with me the great pride of her mother Arelyn, father Edward, sister Kathy, brother James; her senior year classmates; the students and faculty of Pompton Lakes High School; and her many, many friends in this national scholastic achievement that she has attained in expressing the responsibility of each and every citizen to the United States of America.

Mr Speaker, with your permission I would like to insert at this point in our historic Journal of Congress the "championship" speech which Mary Theresa delivered in competition among 250,000 students embracing 8,000 schools under the sponsorship of over 4,400 VFW posts, 3,600 VFW ladies auxiliaries, and 2,400 radio and TV stations throughout our Nation. This most inspiring and comprehensive statement of Mary Theresa, who, in voicing her sentiments of "My Responsibility to America," has truly incorporated the highest standards of excellence that all of us, young and adults alike, may be guided by in achieving a lasting and just peace for all peoples throughout the world, is as follows:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM WINNER

I have no responsibility to America! We have a responsibility to America. Throughout history we have examples of times when Americans have recognized their responsibilities to their country and together with fellow citizens they carried them out.

When George Washington was my age he

was surveying in Virginia. He probably wasn't worried about his colonial responsibility. It wasn't until he joined with others who shared his opinions that he realized the full extent of his responsibility to unite the colonies with the bonds of freedom, and keep them united while maintaining that freedom. By himself he probably could have done little. It took the help and support of thousands of other colonists who also recognized their responsibilities to the colonies. This is one responsibility that still exists for all of us today. Our elected officials need our respect and our opinions. We can't just sit back and complain because the person we voted for wasn't elected. We must trust the majority and if we disagree with our government officials, let them know. Action gets things accomplished!

At seventeen, when Franklin D. Roosevelt was finishing his last years at a Massachusetts prep school, responsibility to country was most likely not foremost in his mind. But when Pearl Harbor was bombed he knew he had a responsibility to wage war on foreign lands and to protect the freedom of America. However, he was not the only person to recognize this responsibility on that fatal day. During World War II millions of Americans gave service to their country. Many who actually traveled to foreign shores never saw their own country again. Today we are fortunate to have peace so Americans don't have to die in service to their country. But we all are responsible for giving America our best in whatever field we specialize. I know that I want to serve America to the best of my ability in the career I choose, but I can't do it without the help of others.

As a young senior graduating from his Georgia high school, Jimmy Carter may not have been thinking about his responsibility to America. But when he realized his responsibility was to be in government in charge of maintaining and enforcing the law, he went all the way; from Governor of Georgia to President of the United States. This responsibility is a very great one, and one he certainly cannot accomplish alone. Every American has a duty to respect and obey the law. We have a very fair system of government drawn up by people who understood the ideals of liberty and justice. If we disagree with a law we are fortunate to have the opportunity to try to change it. But until it is changed we all must obey it.

In order to keep America "One nation, under God, indivisible with liberty and justice for all" we must all remember our responsibilities to God and our country. If I stand alone in the dark with one candle, I can only light a path for myself. But if every American carries his own candle, together we can light a path for the world.

Mr. Speaker, to understand the awe and admiration we must all feel for the mind and heart of this young lady of 17 years, may I also insert at this point the following background information on the Voice of Democracy program conducted each year by the Veterans of Foreign Wars of the United States and the VFW Ladies Auxiliary:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

The program was started 31 years ago with the endorsement of the United States Office of Education and the National Association of Secondary School Principals. Sponsorship was provided by the National Association of Broadcasters, Electronic Industries Association and State Associations of Broadcasters.

Starting in 1958-59 the program was conducted in cooperation with the Veterans of Foreign Wars with the broadcasters still serving as sponsors.

In 1961-62, the Veterans of Foreign Wars assumed sole sponsorship responsibility. At that time, the National Scholarship Award consisted of a single $1,500 scholarship for the first place national winner.

During the past 16 years under V.F.W. sponsorship, the annual national scholarships have been increased to five, totaling $22,500 with the first place winner currently receiving a $10,000 scholarship to the school of his/her choice. Student participation has tripled and school participation has doubled.

The total monetary value of scholarships and awards provided by V.F.W. Posts, Auxiliaries, county councils, districts and departments amounted to over $575,000 last year. This is in addition to the $22,500 in national scholarships and an annual budget at the national level in excess of $150,000 to conduct the Voice of Democracy program.

During the sixteen years of sponsorship by the V.F.W. over four and one-half million students have participated and awards totaling more than two and one-half million have been given to winners at all levels in scholarships, savings bonds, etc.

Mr. Speaker. I appreciate the opportunity to present this testimonial to Mary Theresa and join with you in extending our heartiest congratulations to her. She is truly a credit to her family and brings great honor to our community, State, and Nation. The personal commitment she has manifested through her expression of responsibility to God and to our country assures all of us that the future of America in the hands of our young people is truly destined to providing a quality of life and a way of life in the true tradition of our Nation's founding—a United States of America. We do indeed salute the 1977 recipient of the VFW Voice of Democracy Award, Miss Mary Theresa Rogus.●

NEW YORK STATE LEGISLATION AND NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. BIAGGI. Mr. Speaker, the State assembly and senate of my home State of New York have passed a most significant resolution calling on the Congress of the United States to conduct "formal legislative and investigative hearings on the subject of alleged human rights violations in British-occupied northeastern Ireland."

I fully commend the legislature on this important statement and initiative. It lends important support to the cause of the 93-member Ad Hoc Congressional Committee on Irish Affairs which I chair. One of our foremost objectives is to work for the early convening of full congressional hearings on all facets of the complex Irish question.

Human rights violations in all of Ireland are ongoing in nature. The Government of Great Britain has been cited and convicted on three separate occasions of human rights violations by both the European Commission and Court of Human Rights, as recently as this year. In February of 1977, Britain admitted its guilt to the commission's charges. The well known organization, Amnesty International, has also presented documented proof of human rights violations by Britain and the Irish Government in southern Ireland.

Peace in Ireland remains an impossibility without the immediate cessation of human rights deprivations. Further, with this administration being the new champion of human rights around the world, it is appropriate for it to address the human rights problem in Ireland. To be effective this policy and commitment must be applied universally.

I wish to pay special praise to the respective sponsors of this resolution, Senator John Flynn and Assemblyman Sean Patrick Walsh, as well as the cosponsors on both sides. Continued advocacy by the States may induce faster action in the Congress. At this point in the RECORD I wish to insert the full text of the resolution as well as the entire list of sponsors:

In Senate—By: Senators Flynn, Bernstein, Dunne, Farber, McFarland, Nolan, Padavan, Paterson, Warder, and Winikow.

In Assembly—By: Messrs. S. P. Walsh, Finneran, E. F. X. Ryan, Barbaro, Bianchi, Burrows, Butler, Cincotta, Conners, Daly, Dearie, DelToro, DeSalvio, Mrs. Diggs, Dokuchitz, Engel, Farrell, Ferris, Fink, Friedman, Gorski, Gottfried, Graber, Greco, Greenberg, Griffith, Hannon, Healey, Hinchey, Keane, Kelleher, Koppell, Kremer, Lafayette, Lehner, Lentol, Levy, Mrs. Lipschutz, Marchiselli, Martin, McCabe, Mrs. McGee, McGrath, McInerney, G. W. Miller, M. H. Miller, Mirto, G. A. Murphy, M. J. Murphy, Nagle, Nicolosi, Nine, Orazio, Pesce, Posner, Reilly, Schimminger, Schumer, Siegel, Solomon, E. C. Sullivan, P. M. Sullivan, Tallon, Velella, D. B. Walsh, and Wilson.

LEGISLATIVE RESOLUTION DEPLORING THE HUMAN RIGHTS VIOLATIONS IN BRITISH-OCCUPIED NORTHERN IRELAND, AND MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO HOLD FORMAL HEARINGS RELATING THERETO

Whereas, It is the avowed foreign policy of the United States of America to encourage worldwide respect for the human rights of all citizens of the world; and

Whereas, The Government of the United Kingdom has been found guilty of repeated violations of the human rights of Irish political prisoners in its occupation of northeastern Ireland by the European Commission on Human Rights at Strasbourg; and

Whereas, The continuing tragic conflict in those six of divided Ulster's nine counties known as "Northern Ireland" poses an undeniable threat to the peace, stability, and security of the North Atlantic community of nations as well as being a continuous source of complaints regarding the violation of basic human rights; and

Whereas, The Congress and Government of the United States of America, in keeping with the expressed goals of American foreign policy, have a lawful need to be apprised of all facts attendant upon alleged instances of human rights violations; now, therefore, be it

Resolved, That this Legislative Body does hereby memorialize the Congress of the United States to hold forthwith formal legislative and investigative hearings on the subject of alleged human rights violations in British-occupied northeastern Ireland; and be it further

Resolved, That copies of this resolution, suitably engrossed, be transmitted to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, the Chairman of the House Committee on International Rela-

tions, and to the Members of the United States Senate and the House of Representatives from the State of New York.

By order of the Senate,
ROGER C. THOMPSON,
Secretary.

By order of the Assembly,
CATHERINE A. CAREY,
Clerk.●

VERNON JORDAN POINTS TO NATIONAL NEED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. SIMON. Mr. Speaker, the Sun-Democrat of Paducah, Ky., recently ran an article by the head of the National Urban League, Vernon E. Jordan, Jr. (an article distributed by Copley News Service) which pointed out the tremendous loss the Nation suffered with the death of Hubert Humphrey.

More important than that, however, the article points to the need for those of us who are still on the national scene to take up the causes for which he fought.

It is an excellent article about a great man. And, more important than that, it gives us a sense of direction. What this Nation needs today, perhaps more than anything else, is a sense of direction and purpose. The Vernon Jordan article has that.

I hope my colleagues will take 3 minutes to read his fine tribute:

HUMPHREY IS IRREPLACEABLE

(By Vernon E. Jordan, Jr.)

The national outpouring of grief at Hubert Humphrey's death was entirely appropriate; he was a giant in an era of lesser men with smaller vision.

His last honors were typical of those of men who had served as president, and that too was appropriate, for he should have been president.

President Carter sent him a photograph of the two of them behind the desk in the Oval Office and inscribed it: "Hubert Humphrey, this desk should have been yours."

He lost the presidency by an eyelash in 1968—only half a million votes out of a total of 73 million. If he had won then the nation would have been spared the disastrous economic dislocations of the following years. Most likely we would have avoided the intolerable unemployment rates of today.

And the reason is that Hubert Humphrey was a man who translated his compassion to the public arena. He was concerned throughout his career with the underdogs, with the sufferings of people left out of our affluent society.

That's why it is so fitting that the new headquarters for HEW is named after him.

At the dedication ceremonies of that building, Humphrey, weak from his illness, summed up the compassionate philosophy that animated his life.

"The moral test of government," he said, "is how it treats those who are in the dawn of life, the children; those who are in the twilight of life, the aged, and those who are in the shadows of life, the sick, the needy and the handicapped."

Humphrey met the moral test by championing the interests of those who desperately needed a champion in the seats of power. His last great case was the battle for full employment. He co-sponsored the Humphrey-Hawkins bill, designated to set the nation on the road to a full employment economy and convinced the administration to accept a compromise version of the bill. Then, even from his sickbed, weak from chemotherapy treatment, he worked long and arduously for its passage.

There could be no better tribute to this great man than for his colleagues in the Congress to make passage of the Humphrey-Hawkins bill their priority items of business in the current session.

And if anyone rates the title "civil rights leader," it was Hubert Humphrey. From the start of his career he worked to advance the interests of blacks and other minorities. As the young mayor of Minneapolis, a city that then had few blacks, he pushed through the first municipal Fair Employment Practices Commission in the nation.

He didn't do it for personal gain—there weren't enough black voters in Minneapolis then to make it a political move. If anything, he probably lost votes from prejudiced whites.

Nor did he have to fight for a strong civil rights plank at the 1948 Democratic Convention, a move that split the party and led to the revolt of the Dixiecrats. No, he did it because it was right. He was told then that it was too early to raise the issue of civil rights. "Too early?" Humphrey replied. "It's 172 years too late."

And that was only the beginning. From 1948 on, there was never a single civil rights bill or piece of important social legislation that did not find Humphrey in the front lines, battling for its adoption.

His death leads a gaping hole in the nation's leadership.

Indeed, when one looks at the concern for balancing budgets instead of lives, and the relentless shift away from bringing equality and opportunity to those denied them, it becomes apparent that Humphrey is irreplaceable.

There seems no one on the national scene today who consistently demonstrates the passion, the fire, and the unswerving commitment to the poor that characterized Humphrey's public career.

Yet those are the very qualities most needed in Washington today. Humphrey was lucky enough to have seen his positions, once labelled radical, come to be accepted national policy.

But so much is left to be done, so many of those positions never went beyond lip service, that his loss is all the greater.

What this country needs is another Hubert Humphrey to take up the cudgels and fight the good fight.●

THE IMPORTANCE OF THE PANAMA CANAL ON U.S. FOREIGN MARKETS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HANSEN. Mr. Speaker, the mainstay of America's well-being lies in its agricultural industry. Recently the administration admitted that the proposed Panama Canal treaties would cost the American taxpayers an additional $600 million. However, other estimates outside of the administration have estimated the cost at over $4 billion.

There is, however, another cost which the administration has failed to acknowledge. That cost is what the American consumers are going to have to bear as a result of increased prices for foreign imports and our exports. The United States and the Far East depend heavily upon the Panama Canal for their economic well-being as is evidenced by the fact that almost half of the cargo moving through the canal is between U.S. Atlantic and Gulf ports and the Far East. Japan and the United States are the canal's two best customers.

Mr. Speaker, Mr. Jeff Gayner, director of foreign policy studies at the Heritage Foundation has investigated this matter in an article for the February 1978 edition of the Asia Mail. For the benefit of my colleagues I include this article for the RECORD and commend it highly to their attention. The article follows:

ANOTHER VIEW OF CANAL AND ASIA

(By J. B. Gayner)

The United States and the nations of Asia must have nearly equal concerns over the nature and implications of the newly proposed Panama Canal treaties. The two principal uses of the canal have been the United States and Japan; the trade and development of all other nations of the Orient depend to a considerable extent upon the access to markets in Eastern United States and Europe through the Panama Canal. A total of forty percent of all the cargo moving through the canal in 1975 was between U.S. Atlantic and Gulf ports and the Far East.

Morever, cargo moving between Europe and Asia passing through the canal doubled between 1970 and 1975, rising to over 10 million long tons.

Of the various products shipped by the United States to the Orient, agricultural commodities form the most important element of trade through the Panamanian isthmus. According to figures from the Department of Agriculture, $8.5 billion of total agricultural exports of $23 billion go to Asian markets with $4 billion going to Japan alone. Of these exports fully 70 percent of them pass through the Panama Canal. The price of these products in markets in the Orient depend upon both reliable service through the Panama Canal and low tolls, so that shippers down the Mississippi can compete with Canadian wheat shipped out of Vancouver, Brazilian soybeans, possibly going through the Strait of Magellan or Australian wheat sent North on open seas. In 1976 26 percent of all U.S soybean exports went through the canal as did 45% of grain sorghum exports.

To the extent that American agricultural products are both cheap and available, customers in Asia have much greater capacity to purchase more of the products and concentrate development in more productive areas. Access to U.S. market keeps other market prices at lower levels.

In a study by economists at Iowa State University it is estimated that current costs of shipping corn, wheat or soybeans through the canal is about 2 cents a bushel. Under the economic terms of the proposed treaty this amount would rise by about the amount of any new toll increases, or about 30 to 40 percent immediately following ratification of the treaty. In another study, by the Economic Research Service of the U.S. Department of Agriculture, Floyd D. Gaibler in "Ocean Freight Rates for Major Agricultural Trade Routes," (Foreign Agricultural Trade of the United States, November 1977) states quite bluntly that "Provisions in the new proposed Panama Canal treaty have caused concern over probable impacts they will have on agricultural commodities transported from U.S. Atlantic and gulfports through the Canal to Asian markets." He figures that the special new 30 cents net ton fee promised to the Panamanian government would increase the cost of each bushel of grain by a little over

½ of a cent ($0.0037). Other new economic benefits promised Panama, amounting to another $20 million per year, would further raise the total per bushel cost to over half a cent ($0.0055). He notes that overall this would immediately "add approximately 2 percent to the freight rate for transporting heavy grains from the U.S. Atlantic and gulf-ports to Japan." Finally, Gaibler notes that under the provisions of the treaty, this initial increase will quite likely be followed by eight additional increases in the tolls by the year 2000. At that point Panama will then have complete discretion over what they desire to charge any customer.

Although not well-known, nearly all of the nations of Latin America have gone on public record against this central economic provision of treaties. This is understandably because nations on the West Coast of the hemisphere have important trade with the U.S. East Coast and Europe while East Coast nations especially Brazil, have very important trade with Asia. At the meeting of the Organization of American States in June, 1977, a resolution was passed by a vote of 17–0 with three abstentions (conspicuously including Panama) which reaffirmed "the principle that Panama Canal tolls should exclusively reflect the actual operating costs."

Arbitrarily raising tolls in an OPEC style fashion to simply benefit the Torrijos military regime in Panama has caused some authorities to predict serious troubles in the future. Former Ambassador Robert W. Woodward, who served in nine Latin American countries and as an advisor to the Panama negotiations in 1965–67, anticipates that any substantial rise in tolls, as in this new treaty. Will cause strains in relations between Panama and Japan as well as other Latin nations using the canal.

Besides possibly rupturing relations between nations using the canal and Panama, another result of approval of the new economic terms of the treaty could be an alteration of the nature of trade patterns with the Orient. Even with the only increase that has ever taken place in tolls under United States administration (in 1975 and 1976) some trade patterns were altered as superships used longer routes in transporting goods to Asia, replacing smaller 50,000 ton ships that pass through the canal. Paul B. Ryan, in his recent extensive study of The Panama Canal Controversy points out that "It is a hard fact of waterway economics that when ships transits (and hence revenue) decline because of toll increases, an irreversible trend sets in."

He points out that Japanese cargo ships going around the Cape of Good Hope, thus they can trade-off between relatively high canal tolls, and day lost in transit. This will, of course, cost Japanese exporters and their customers more than the present arrangement.

Under American administration the Panama Canal has been run fairly and efficiently for the past 73 years. It forms the most vital trade route between the United States and Asia and has become increasingly important in trade between the Orient and Europe, Under the newly proposed treaties the fundamental concept of the canal as an international waterway becomes transformed into an inter-ocean monopoly on travel that one small, unstable nation desires to exploit for narrow economic gains.

Finally, the removal of American military power from the region, as also envisioned in this treaty, will undoubtedly create a power vacuum that invariably will be filled by other nations. Once the United States transfers her grants of sovereignty over the canal zone to Panama and remove her forces then no simple statements of understanding or vague neutrality treaty will prevent this vital waterway from becoming a source of friction in the future. Only by remaining in Panama can the United States and her principal trading partners and allies be assured of continued operation of the canal as an international public utility and not a political prize on the international chess board.●

HUMAN RIGHTS IN NORTHERN IRELAND

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues a recent resolution passed by the legislature of the State of New York. This resolution deplores the violations of human rights in Northern Ireland, and calls upon the U.S. Congress to hold formal hearings on the matter.

I have long and vigorously demanded that hearings be conducted to gather all the facts concerning the gross violations of human rights in Northern Ireland. The Human Rights Commission in Stratsbourg has documented the torture techniques that the British have employed against political prisoners. This situation must be brought to the attention of the Nation and the world. I join with my colleagues in the New York State Assembly and Senate in calling, once again, for hearings on the human rights violations in Northern Ireland. I, therefore, submit for the review of my colleagues the following resolution from the New York State Legislature:

RESOLUTION

Legislative Resolution deploring the human rights violations in British-occupied Northern Ireland, and memorializing the Congress of the United States to hold formal hearings relating thereto

Whereas, It is the avowed foreign policy of the United States of America to encourage worldwide respect for the human rights of all citizens of the world; and

Whereas, the Government of the United Kingdom has been found guilty of repeated violations of the human rights of Irish political prisoners in its occupation of northeastern Ireland by the European Commission on Human Rights at Strasbourg; and

Whereas, The continuing tragic conflict in those six of divided Ulster's nine counties known as "Northern Ireland" poses an undeniable threat to the peace, stability, and security of the North Atlantic community of nations as well as being a continuous source of complaints regarding the violation of basic human rights; and

Whereas, The Congress and Government of the United States of America, in keeping with the expressed goals of American foreign policy, have a lawful need to be apprised of all facts attendant upon alleged instances of human rights violations; now, therefore, be it

Resolved, That this Legislative Body does hereby memorialize the Congress of the United States to hold forthwith formal legislative and investigative hearings on the subject of alleged human rights violations in British-occupied northeastern Ireland; and be it further

Resolved, That copies of this resolution, suitably engrossed, be transmitted to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, the Chairman of the Senate Foreign Relations Committee, the Chairman of the House Committee on International Relations, and to the Members of the United States Senate and the House of Representatives from the State of New York.●

THE LOUISIANA VOICE OF DEMOCRACY ESSAY WINNER

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. BREAUX. Mr. Speaker, I would like to take this opportunity to recognize an outstanding young man from the Seventh Congressional District of Louisiana, Benjamin Mouton of Lafayette, La. Benjamin has been chosen as the Louisiana winner of the VFW Voice of Democracy Scholarship Program, and I feel that his achievement is a good example of the character of the youth in my congressional district.

His essay is a good assessment of the rights and responsibilities of all Americans and, at this time, I submit it for inclusion in the RECORD:

LOUISIANA WINNER BENJAMIN VICTOR MOUTON

I have never stood in the rotunda of my country's capitol . . . . I have never seen the White House nor stood in front of Lincoln's statute as he sits brooding on the trials of a young nation divided against itself. I have not stood in the archives and read Thomas Jefferson's immortal words in the Declaration of Independence. I have never seen these things, but I know them. I know them well. They mean America to me.

Adams . . . . Jefferson . . . . Lincoln . . . . They are the people who built America and I know them . . . . I know them because I know the carpenter next door who gave his time free of charge to help build a church across town.

I know the men and women who built America because I know the doctor who spent the night beside the bed fighting to save the life of a sick child in one of our local hospitals last week or the week before, for he is the doctor who wept beside the bed of Abraham Lincoln when there was no hope but only agony and pain . . . .

I know my country's founders because I see them in the people around me and I hear them every day of my life, just as I hear Thomas Jefferson's voice when my history teacher proclaims his words that all men are created equal.

And I know any obligations and responsibilities to America.

Today, we live in an exciting age . . . an age in which people are moving . . . testing old beliefs and finding different points of view. In this age people find it harder to recognize and hold on to obligations and responsibilities, yet these responsibilities and obligations are as great as the responsibilities and obligations of the men and women who built America and made her great.

New questions are put to us which we must answer.

The question arises . . . "What is there about America that will impel today's youth to fulfill their responsibilities to their country?" Being a part of that youth, I ask myself this same question. "What beliefs impel me to execute my responsibilities to America?" . . . Let me answer that . . . One belief . . . and one that I'm sure of . . . is loyalty . . . old fashioned, perhaps, but I believe in it . . . I believe in a loyalty based not solely on facts and on the reassurance of the past performance of this country, but loyalty based on a willingness to live up to the old principles of faith of the men and

women who founded America . . . a loyalty that will carry us through the uncertainties of the future. I know the things that made my country great and my responsibilities are to keep it great. The men and women who made America gave us a blue print for government to be run by people . . . people like the carpenter next door or the doctor across town.

My responsibilities must by coupled with the desire to make this country work as it was meant to work. I have a desire to take an active part in all of my country's affairs. I know I speak for all youth when I say, "Our desire is to become involved . . . involved in every phase of government and society . . . We want to be involved . . . we want to vote and be heard in the selection of our country's leaders . . . We have a desire to be aware of America and be aware in all of its involvements . . . for human rights all over the world . . . In other words . . . youth has a responsibility not only of the heart, but also a responsibility to act. A responsibility taken further than just the desire to perform it, but the will to actually perform.

Finally, but most important, is the belief I have in the responsibilities I hold for other Americans. My responsibilities to America are for these people because these people are Americans to me . . . the carpenter . . . the doctor . . . the lawyer . . . the laborer the man and woman in the street . . . Martin Luther King . . . Thomas Jefferson . . . Abraham Lincoln . . . These people are the backbone of America . . . These people . . . these Americans . . . are what make America great and my responsibilities are to them . . . to every single American . . . I owe it all . . . my work . . . my freedom . . . my life . . .●

COMMENTS ON MINORITY VIEWS IN H.R. 50 HUMPHREY-HAWKINS COMMITTEE REPORT

HON. AUGUSTUS F. HAWKINS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HAWKINS. Mr. Speaker, the February 22, 1978, report of the House Committee on Education and Labor on H.R. 50 (the Humphrey-Hawkins bill) includes the views of the minority on pages 36–58. I cannot at this time attempt to deal fully with these objections to the bill; they are dealt with very comprehensively in the majority report. But some of these objections, in my judgment, require answer now.

First. On page 36 of the report, the minority report states that the bill "delays addressing the serious structural problems, such as youth." This is incorrect. The bill introduces specifically a wider range of structural programs and policies, including youth, than any other legislation. These programs and policies, except for the last-resort or reservoir jobs, could go into effect as soon as operations under the act get underway.

Second. On pages 36–38, the minority report cites various experts to the effect that 4-percent unemployment rate by 1983 would be highly inflationary. These citations do not correctly state the positions of these experts, or cite them in a context which does not relate to the bill. Dr. Schultze is cited, but he testified at the most recent hearings in February 1978 in full support of the proposition that, under the provisions of the bill, the unemployment reduction goals and timetable are reasonable and are consistent with the reduction of inflation as rapidly as practical. Dr. Schultze's statement that the task is difficult, and that there is no absolute assurance of success, is misinterpreted by the minority report to import disagreement with the bill, which Dr. Schultze vigorously supports.

The citations of Dr. Alice Rivlin, Director of the CBO, are in part drawn from 1976 testimony before the subsequent and extensive revisions of the bill, and in part are drawn from testimony projecting the 1983 rate of inflation on the basis of existing policies and not on the basis of the provisions of the bill calling for revised and improved policies. In the majority report, quotation of Dr. Rivlin indicates that, with the new structural provisions in the bill, a rate of overall unemployment even below 3 percent (compared with 4 percent in the bill) might well be attained, with the use of structural programs and policies such as are contained in the bill, without adding to inflationary pressures. The minority report cites President Carter's 1978 Economic Report, to the effect that 4-percent unemployment cannot be attained by 1983 without "a significant increase in the rate of inflation." But the Economic Report adds to these words "through aggregate demand policies alone." But with the structural provisions of the bill added to the aggregate demand policies, Dr. Schultze, speaking for the President, has expressed a position to the contrary.

Third. On page 39, the minority states that Dr. Schultze "advocates" a zero goal for inflation, such as the minority report would have written into the bill. This is categorically incorrect. Dr. Schultze, in his February 1978 testimony, vigorously opposed writing into the bill the goal for zero inflation, 3 percent inflation, or any other rate of inflation. Dr. Schultze merely said that a zero rate of inflation, or absolute price stability, was desirable if and when it might be attained in the distant future. The citation of Dr. Galbraith represents his continuous assertion that we should have actual or standby direct controls now and at all times. The bill does not accept this position, nor does the administration or the Congress.

Fourth. On pages 39–41, the minority report sets forth the reasons why the majority report is against a quantitative goal for inflation. But instead of attempting to answer the reasoning, the minority report merely makes the meaningless statement that "these arguments are questionable, and speak for themselves." The minority also states—page 41—that my chief argument against a 3-percent goal for prices is that whoever advocates it "is advocating wage-price controls." This is incorrect. I attach equal weight to all six of the reasons against the 3-percent goal set forth on pages 39–41 of the minority report, and set forth in substance in the majority report. As to wage-price controls, all that I have said is that a legislated guideline or mandate for 3-percent inflation would lead, as in the past to wage-price controls, which neither the Congress, the President, business, labor, nor the American public want now or under foreseeable circumstances.

The scope and content of the minority report indicates that its signatories would be to remain unalterably against the bill even if the 3-percent inflation goal were written into it. Thus, it appears that the objective is to kill the bill, not strengthen it, because the inclusion of that provision would alienate labor, management, and also the administration. Indeed, the argument of the minority for this goal is entirely inconsistent with its insistence that the 4-percent goal for the reduction of employment is unworkable and should be abandoned. As Dr. Schultze and many others have testified, the unemployment-reduction goal is practical and desirable, while a quantified goal related to inflation is not.

Fifth. On pages 42–43, the minority claims that there is an inconsistency between the position of the proponents of the bill that it is specific and meaningful, and the proponents position that the bill would not extend "planning", enforced by the Government, into the private economy. There is no such inconsistency. As fully set forth in the majority report, and in the bill itself, the bill only requires better planning, that is, better consistency and coordination, with respect to programs and policies which, by common consent, have been and must remain within the scope of the Federal Government. The bill strongly prohibits any intrusion by the Government into the decisions of the private economy, regarding, production, allocations, prices, wages, profits, and so forth.

Sixth. On page 43, the minority refers to the reference of Dr. Leon Keyserling to planning during World War II, and imports that the bill would require similar action in future during relative peacetime. Dr. Keyserling, and far more importantly the bill itself, have made it clear that there is no analogy between the nationwide planning during World War II and what would take place under the proposed legislation. The World War II experience was referred to only to indicate the value of consistency and coordination in the programs and policies of the Government itself, not to imply that the Government should intervene in the private economy in the manner essential where we were burning up half of our national production fighting World War II. The bill prohibits such intrusion into the private economy.

Seventh. On page 45, the minority report states that the requirements in the bill that the President take certain actions, and set certain goals, is unconstitutional. This is patently wrong. Countless pieces of legislation do just this. The Employment Act of 1946 so required as to maximum employment, production, and purchasing power, and so forth. Citation of Congressman PAUL SIMON in support of the minority position is erroneous because he is supporting the bill.

Eighth. On pages 48 and 49, the minority states that the administration now

asserts that structural approaches will solve the unemployment problem, but that the 1978 Economic Report of the President asserts strong reservations about structural approaches. There is no inconsistency here, but instead a misinterpretation of what has been asserted. What has really been asserted is that structural approaches are an essential assist to the reduction of unemployment, but as a coordinated supplement to general or aggregate fiscal and monetary policies. This, we have not adequately had, but is just what the bill provides. The statement by Labor Secretary Marshall, cited in the minority report on page 49, is more a statement of what has been the situation without the Humphrey-Hawkins proposal than a statement of what will follow from its enactment. The majority report, and the bill itself, make it abundantly clear that the "centerpiece" of the effort to reduce unemployment will not be the structural or public programs, but predominantly will be programs and policies to expand private employment.

Ninth. On page 52, the minority states that—

> Equal pay for equal work with respect to reservoir jobs means nothing less than prevailing [wages] in the public sector.

This is a whale of a misstatement about the bill. It provides for "equal pay for employees of the same employer." And this is coupled with the requirement in the bill that reservoir jobs be in the lower ranges of pay and skill, with no jobs of the Davis-Bacon type. An employee on a reservoir project will not and cannot be paid the same wage as prevails in the public sector generally. On page 53, the minority report quote from Dr. Schultze's 1976 testimony regarding last-resort wages has no applicability to the revised current bill, which alters the relevant wage provisions with the participation of Dr. Schultze and with his explicit approval.

Tenth. On page 54, in criticism of the 4-percent unemployment-reduction goal, the minority report cites my recognition of weaknesses in the unemployment measurements of the Bureau of Labor Statistics. But improvements in these measurements, which are being worked on, would not change the reasonableness and desirability of the 4-percent goal. They would only change—down or up—the numerical amount of unemployment consistent with the 4-percent goal. The minority's additional objection to the 4-percent goal on the ground that it is not practical, is answered fully in the majority report on grounds of highly relevant empirical evidence. The minority report wants no goal for the reduction of unemployment, although experience has demonstrated that the best records were made when there were such goals, including interim goals of 4 percent.

Eleventh. On page 55, the minority report states that total employment and labor market participation is a more "accurate barometer" of the condition of the economy than unemployment. Not so, from the viewpoint of public policy, which should be designed to remedy what is wrong. It is the massive unemployment that is wrong. Yet, on page 56, the only programs suggested by the minority report to deal with youth unemployment—the most serious aspect—is to pay substandard wages to young people and to set up another task force in the Office of the President.

Twelfth. On pages 56 and 57, the minority report challenges the views of a large majority of competent experts that there is need for nearly 8 million new jobs by 1980, and cites the 1976 view of Dr. Peter Drucker that the basic trend for the next 5 to 10 years will not be toward a labor surplus, but toward some critical labor shortages. But Dr. Drucker, in Harpers magazine, made the same forecast about a decade to a decade and a half ago. He was egregiously wrong.●

IDAHO LEGISLATURE OPPOSES PANAMA CANAL TREATIES

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HANSEN. Mr. Speaker, I call your attention to a joint memorial from the legislature of the State of Idaho which was recently sent to you, the President of the United States, the President of the U.S. Senate, and the Members of Idaho's congressional delegation. Senate Joint Memorial No. 107 expresses the majority opinion of the citizens of Idaho in their opposition to the proposed Panama Canal treaties and urges the U.S. Senate to reject the treaties which they are now debating.

It is increasingly obvious that the more the American people learn of the proposed treaties, the less they like about them. Furthermore, this expression of opinion on a grass roots level is clearly an indication that America will hold its elected representatives responsible for their actions at the polls this fall.

The Nation is looking to Congress for a clear expression of their will in this matter. A majority of the Members of the House of Representatives have already cosponsored a resolution that I introduced last session which expresses the sense of the Congress that U.S. property can only be disposed of by an act of Congress, as is stated in article IV, section 3, clause 2 of the U.S. Constitution.

Mr. Speaker, for the benefit of my colleagues I insert for the RECORD a copy of the joint memorial passed by the Idaho Legislature:

SENATE JOINT MEMORIAL NO. 107

A joint memorial to the honorable President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, and the Senators and Representatives representing the State of Idaho in the Congress of the United States

We, your Memorialists, the Senate and the House of Representatives of the State of Idaho assembled in the Second Regular Session of the Forty-fourth Idaho Legislature, do hereby respectfully represent that:

Whereas, the President of the United States has submitted to the Senate of the United States, treaties relating to the Panama Canal Zone; and

Whereas, the treaties propose that the United States relinquish their rights to operate and protect the Panama Canal; and

Whereas, since 1902, the Panama Canal Zone has been held and defended as sovereign American territory; and

Whereas, the treaties propose abandonment of American rights which will inevitably result in higher product costs to American consumers and may well jeopardize the security of all American citizens; and

Whereas, it is contrary to the principles of a free society to abandon sovereign territory into the hands of a dictatorial minority; and

Whereas, the President has taken this precipitous action without regard for overwhelming public opinion in opposition to the give away of the Canal, and without apparent consideration for the consequences to every citizen of every state including Idaho.

Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the Senate and the House of Representatives concurring, speaking on behalf of the citizens of the State of Idaho, that we oppose ratification of the treaties abandoning American rights in the Panama Canal Zone. We urge the Senate of the United States to reject the treaties now pending before the Senate and that the Senate take such action as may be necessary to reaffirm our commitment to the rights, obligations and prerogatives of the American people in the Panama Canal Zone.

Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable Jimmy Carter, President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives representing the State of Idaho in the Congress of the United States.

On February 8, the U.S. Senate began debate on the proposed Panama Canal treaties. Floor action is expected to last 4 to 5 weeks. Thus, only a short time remains for substantive contribution by Members of the House of Representatives to the Senate's deliberation on the treaties.

I have spoken out on many occasions to urge the House to assert its legitimate role with respect to the disposition of U.S. property and territory in the Canal Zone. I believe it is unconstitutional and inappropriate for the multibillion dollar investment of the United States in the Canal Zone to be transferred to the Republic of Panama by treaty alone. Article IV, section 3, clause 2 of the Constitution gives to the Congress the exclusive power to dispose of U.S. property and territory. Failure to exercise that power in this crucial question of the Canal Zone will be a disastrous precedent for the separation of powers in our Government.

My resolution has been introduced 14 times and has a total of 229 cosponsors from 47 States, a clear majority of the Members of the House of Representatives.

In view of the ongoing Senate deliberations on the canal treaties, it is imperative that the will of the House, which has been expressed on a score of previous occasions with respect to the disposition of U.S. property, be expressed once again. Therefore, to those who have

not already joined us, I urge you to cosponsor this resolution asserting that only an act of Congress, involving both the House and the Senate, may dispose of the Canal Zone and related property.

My resolution calls for one thing—a chance for the House as well as the Senate to vote "yes" or "no" on transfer of canal property. This is a constitutional issue and not one of partisan politics. It is our duty as the elected representatives of the people to assure that their voice is heard. The Constitution calls for it—now we must assert ourselves and demand it. Our stand must be perfectly clear to the President and all of America—we cannot accept a transfer of a major U.S. asset without House as well as Senate consent. Neither can we permit the payment of major sums of money to Panama without explicit appropriations authority from the Congress.

The Committee on Merchant Marine and Fisheries recently held hearings on the meaning of article IV, section 3, clause 2 of the Constitution, the property clause, as it relates to the treaty power. Distinguished scholars such as Raoul Berger, one of the Nation's leading constitutional law experts, and Charles Rice, of Notre Dame University, testified that the entire Congress should vote on canal property disposal.

My resolution is a symbol to the American public that their interests as well as the constitutional prerogatives of the House are being looked after.

I have informed President Carter, Secretary Vance, and Attorney General Bell of my resolution and the fact that a majority of the Members of the House of Representatives have cosponsored this measure.

Mr. Speaker, for the benefit of my colleagues, I include for the RECORD a copy of House Concurrent Resolution No. 347 and a list of cosponsors as well as my letters to the President, Secretary of State, and Attorney General:

COSPONSORS OF HOUSE CONCURRENT RESOLUTION NO. 347

ALABAMA

Edwards, Dickinson, Nichols, Bevill, Flippo, Buchanan, Flowers.

ALASKA

Young.

ARIZONA

Rhodes, Stump, Rudd.

ARKANSAS

Alexander, Tucker, Hammerschmidt, Thornton.

CALIFORNIA

Clausen, Leggett, Ketchum, Lagomarsino, Goldwater, Moorhead, Rousselot, Dornan, Anderson, Clawson, Hannaford, Lloyd, Pettis, Wiggins, Badham, Bob Wilson, Burgener, McCloskey, Charles H. Wilson.

COLORADO

Armstrong.

DELAWARE

Evans.

FLORIDA

Sikes, Fuqua, Bennett, Chappell, Kelly, Young, Ireland, Frey, Bafalis, Burke.

GEORGIA

Ginn, Mathis, Flynt, McDonald, Evans, Jenkins, Barnard.

HAWAII

Akaka.

IDAHO

Symms, Hansen.

ILLINOIS

Murphy, Derwinski, Fary, Hyde, Collins, Crane, McClory, Corcoran, Michel, Madigan, Shipley, Price, Railsback.

INDIANA

Benjamin, Quayle, Hillis, Evans, Myers.

IOWA

Leach, Grassley.

KANSAS

Sebelius, Winn, Skubitz.

KENTUCKY

Hubbard, Snyder, Carter, Breckinridge.

LOUISIANA

Livingston, Treen, Waggonner, Huckaby, Moore, Breaux.

MAINE

Emery, Cohen.

MARYLAND

Bauman, Long, Holt, Byron.

MASSACHUSETTS

Heckler.

MICHIGAN

Brown, Stockman, Sawyer, Vander Jagt, Cederberg, Broomfield.

MINNESOTA

Quie, Hagedorn, Frenzel, Stangeland.

MISSISSIPPI

Whitten, Bowen, Montgomery, Cochran, Lott.

MISSOURI

Young, Skelton, Taylor, Ichord, Volkmer.

MONTANA

Marlenee.

NEBRASKA

Thone, Smith.

NEW HAMPSHIRE

Cleveland.

NEW JERSEY

Hughes, Forsythe, Roe, Hollenbeck, Minish, Rinaldo, Le Fante, Patten.

NEW MEXICO

Lujan, Runnels.

NEW YORK

Lent, Wydler, Biaggi, Zeferetti, Murphy, Caputo, Fish, Gilman, Stratton, McEwen, Mitchell, Walsh, Horton, Conable, Kemp.

NORTH CAROLINA

Jones, Fountain, Whitley, Neal, Hefner, Martin, Broyhill, Gudger.

NORTH DAKOTA

Andrews.

OHIO

Gradison, Luken, Guyer, Latta, Harsha, Brown, Kindness, Miller, Devine, Wylie, Regula, Ashbrook, Applegate, Oakar, Mottl.

OKLAHOMA

Risenhoover, Watkins, Edwards, English.

OREGON

Duncan.

PENNSYLVANIA

Eilberg, Schulze, Yatron, Shuster, McDade, Flood, Walker, Ertel, Gaydos, Murphy.

RHODE ISLAND

Beard, St Germain.

SOUTH CAROLINA

Davis, Spence, Holland, Jenrette.

SOUTH DAKOTA

Pressler, Abdnor.

TENNESSEE

Quillen Duncan, Lloyd, Beard, Jones.

TEXAS

Hall, Wilson, Collins, Roberts, Teague, Archer, Young, White, Burleson, Gammage, Milford, Hightower.

UTAH

Marriott.

VERMONT

Jeffords.

VIRGINIA

Trible, Whitehurst, Satterfield, Daniel, Dan, Daniel, Robert W. Jr., Butler, Robinson, Wampler.

WASHINGTON

Pritchard, Cunningham.

WEST VIRGINIA

Mollohan, Staggers, Slack, Rahall.

WISCONSIN

Zablocki, Kasten.

PUERTO RICO

DISTRICT OF COLUMBIA

GUAM

Won Pat.

VIRGIN ISLANDS

Hon. CYRUS VANCE,
The Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed please find copies of letters to the President of the United States and to leaders of both Houses of Congress expressing the will of the majority of the Members of the House of Representatives concerning the consideration of matters involved in the proposed Panama Canal Treaties.

I ask that you study our position and assist within your jurisdiction the achievement of applied balance of Articles II and IV of the Constitution of the United States. This is not only the express will of the House, the elected representatives of the people, but a matter of precedent in previous treaties and agreements with Panama.

To bypass the House prior to any treaty execution is to recklessly chance later approval of implementing legislation which could prove embarrassing and defeat any benefits the treaty may otherwise produce.

Your cooperation in this vital issue of Constitutional balance and common sense will be greatly appreciated.

Sincerely,

GEORGE HANSEN,
Member of Congress.

Hon. GRIFFIN B. BELL,
The Attorney General,
Department of Justice,
Washington, D.C.

DEAR ATTORNEY GENERAL: Enclosed please find copies of letters to the President of the United States and to leaders of both Houses of Congress expressing the will of the majority of the Members of the House of Representatives concerning the consideration of matters involved in the proposed Panama Canal Treaties.

I ask that you study our position and assist within your jurisdiction the achievement of applied balance of Articles II and IV of the Constitution of the United States. This is not only the express will of the House, the elected representatives of the people, but a matter of precedent in previous treaties and agreements with Panama.

To bypass the House prior to any treaty execution is to recklessly chance later approval of implementing legislation which could prove embarrassing and defeat any benefits the treaty may otherwise produce.

Your cooperation in this vital issue of Constitutional balance and common sense will be greatly appreciated.

Sincerely,

GEORGE HANSEN,
Member of Congress.

FEBRUARY 8, 1978.

THE PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We as Members of Congress are asserting our constitutional right and responsibility under Article 4, Section 3, Clause 2 of the U.S. Constitution to timely review the transfer of U.S. property as provided in the proposed Panama Canal Treaties.

I am writing to officially advise you of a concurrent resolution concerning the Panama Canal issue which I introduced in the House of Representatives in September of 1977. This resolution, H. Con. Res. 347, has a huge number of co-sponsors, a majority of the House Members, which indicates overwhelming support for upholding the constitutional prerogatives of both Houses of Congress under Article 4 of the Constitution.

The Resolution in no way interferes with the Article 2 powers of Treaty approval held by the Senate but insists that such authority be properly teamed with Article 4 as it has been consistently in the past to prevent the House being held hostage to Senate action.

This is entirely consistent in terms of good legislative relations between two co-equal bodies representing the same constituency with somewhat differing responsibilities, neither of which should be considered of lesser importance, particularly on an issue so critical to the nation's interest.

The teaming of Articles 2 and 4 is also consistent with all precedent involving Panama and the many past Treaty revisions concerning the Canal Zone. I would like to call your attention to a recent study conducted by the Congressional Research Service of the Library of Congress concerning this matter. In his paper for the recent CRS bulletin, Mr Kenneth Merin, a legislative attorney for the American Law Division states that:

"It is clear that Congress has asserted an exclusive right to dispose of federal territory and property. It is also apparent that both the Executive and the Senate have recognized that claim in past dispositions of property in the Canal Zone to Panama. Therefore, while it is impossible to make a categorical ascertation that Article 4, Section 3, Clause 2 is either exclusive or concurrent, *it appears that those powers have been recognized as exclusive for purposes of disposal of property in and around the Canal Zone in Panama."* (emphasis added)

The U.S. has transferred territory and property in and around the Canal Zone to the Republic of Panama on four previous occasions.

The 1932 and 1937 transfers were effected by act of Congress. In 1943, a joint resolution approved an executive agreement calling for the transfer of property to Panama. Three provisions in a 1955 Treaty with Panama provide for the disposition of territory and property. One of those provisions required implementing legislation. Although the other two provisions did not call for implementing legislation, a State Department official acknowledged that implementing legislation would be required for all three provisions.

My Resolution states, ". . . That it is the sense of the Congress of the United States that any right to, title to, or interest in the property of the United States Government agencies in the Panama Canal Zone or any real property and improvements thereon located in the Zone should not be conveyed, relinquished, or otherwise disposed of to any foreign government without specific authorization of such conveyance, relinquishment, or other disposition by an Act of Congress."

You will note that the concept of the Resolution is to protect the integrity of the legislative process against default or Executive usurpation, a matter of serious concern for many years. It properly *conditions* Treaty approval where property transfer or appropriations are involved to appropriate and timely acts of Congress rather than hit and miss implementation by the Executive occasionally augmented by post-mortem patchwork authorization and appropriation measures.

Just as the Senate is jealous of its authority and prerogatives, so is the House, and rightly so, to preserve the balance intended by the Constitution. Therefore, we are saying to you, as President of the United States, that we in the United States House of Representatives in the name of the citizens of this nation insist on fair play and responsible procedure in this matter. We cannot permit the payment of major sums of money to Panama without explicit appropriations authority from the Congress, nor can we accept a transfer of a major U.S. asset without House as well as Senate consent as provided for in the United States Constitution.

I can assure you that my Resolution indicates little support for forfeiture of House responsibilities. In fact, you will note among the hundreds of co-sponsors that there is strong representation from Chairmen and ranking minority Members of all major committees and sub-committees of the House of Representatives which are concerned with the Panama issue. This includes the Chairman (or Chairman-designate for the next Congress) of Appropriations, Armed Services, International Relations, Interstate and Foreign Commerce, Merchant Marine and Fisheries, Science and Technology, and Veterans Affairs.

Also, it is probably well to inform you that my Resolution is co-sponsored by all House Members from West Virginia, Alabama, and Idaho which are states representing the Senate Majority Leadership in the Panama issue (Majority Leader and Foreign Relations Chairman and Chairman Apparent).

I am sure you are aware of the seriousness of the Panama matter to the people of this nation. As such, it is extremely important that legislation is properly framed to prevent constitutional and legislative confrontation which could impair relations and even preclude the will of Congress as agents for the people by unnecessarily causing the decision to be made in the Courts. I look forward to your prompt support of the majority of the Members of the House of Representatives in protecting their constitutional prerogatives.

Sincerely,

GEORGE HANSEN,
Member of Congress.●

HEALTH CARE COSTS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. BRODHEAD. Mr. Speaker, recently a speech which Under Secretary of Health, Education, and Welfare Hale Champion was scheduled to deliver at the Leadership Conference of the American Medical Association came to my attention. Bad weather prevented the Under Secretary from delivering the address in person.

In my opinion Mr. Champion makes a number of important points regarding health care costs. I commend the address to the attention of my colleagues:

ADDRESS BY HALE CHAMPION, UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE TO THE LEADERSHIP CONFERENCE OF THE AMERICAN MEDICAL ASSOCIATION

Thank you, Jim.

As you know, I welcome this opportunity to talk directly and frankly to this group.

You are an important part of the leadership in health care in this country. So are we at the Department of Health, Education, and Welfare. You and I have our differences, as we should. Less noticed perhaps, we have our agreements too. It wouldn't be healthy, in fact, if we didn't have both.

It wouldn't be healthy either if there weren't always a certain creative tension in our relationship. Neither of us ought to have all our own way in the health care area—and neither of us is likely to get it.

So when I got this invitation, I didn't bother to seek a second opinion. And if there are too many surgeons in the room for my comfort, so be it.

Our mutual concern today is cost. We aren't forgetting about quality, but the emphasis is where you put it when you set up the National Commission on the Cost of Medical Care, selected a distinguished and independent membership and asked for their views.

Let me say first that I think the resulting report is a milestone in this country's journey toward a rational, effective and systematic approach to appropriate medical care for all its citizens.

I don't agree with everything in it, and I doubt that you do either. I suspect that its members occasionally sacrificed their own differences in order to achieve a reasonable consensus. Ultimately, I hope you and we can do the same.

What I find most cheering about the substance of the report is its judgment not only that health care costs are going up too fast, but that something urgently needs to be done about it. That makes it unanimous.

President Carter said it in the 1976 campaign and has repeatedly returned to the theme in his budget messages both last year and this.

Secretary Califano carried the message to your convention in San Francisco and to the appropriate committees of Congress. They too seemed to agree on the need, while still debating the method.

Then late last year, the American Hospital Association joined you and others in the health care business in an urgent call for a health cost containment system, albeit a voluntary one.

My first reaction, I must confess, was that the call would have very little real follow-through and would serve only as an excuse to argue against Congressional action. I have been pleasantly surprised to see some genuine activity in support of the call. I don't hold any hope for a voluntary effort to do enough or to do it in any reasonable period of time, but it is clear that some people are really trying.

So, as I said, it is now unanimous both as to the need and the urgency.

I'll turn in a few minutes to where I think we have to go next, but first I want to pay tribute to a few other aspects of the report.

I am obviously pleased with the implicit endorsement of the health maintenance organization concept as an alternative method of health care delivery: I hope it signals an end to historic objections and obstacles to their development and growth. That would be viewed at HEW, and at the Federal Trade Commission, as a signal that you share our belief in a truly competitive health care market. We will, of course, continue to go beyond the Commission's recommendation by offering financial and technical assistance to developing HMO's. We believe this is appropriate, given the complexity and long lead time involved in starting such organizations. Together with you, we can now make it easier to create substantial competition among systems of delivering health care in this country, and may the best systems win.

Another positive point in the Commission's Report is the acknowledgment of the key "Gatekeeper" role of physicians in determining the use of all medical services. The Commission points out the need for mechanisms to have physicians share in the cost of inappropriate and excessive utilization.

We recognize that besides HMOs, other innovations such as health care alliances (HCAs) and health maintenance plans (HMPs) contain features that attempt in a similar fashion to place providers at risk for part of the excess cost they generate. We welcome these experiments and will encourage their careful evaluation. Certainly, changes in the underlying incentive system can be expected to have important long-term effects on medical costs—and we want to build such reforms of the incentive system and present organization of care into any National Health Programs which we propose.

I was delighted to read just last week of a six-county Independent Practice Association in the Minneapolis area which dramatically illustrated the possibilities. Faced with a half million dollar annual deficit, the 1,150 physicians involved moved from internal voluntary controls on utilization to internal mandatory controls such as preadmission certification, length of stay reviews and limitations on fees and charges per visit. The plan is not only a "profitable operation" now, but has been able to reduce some premium costs to improve its competitive position.

Several of the report's recommendations emphasize preventive care and address the problem of inappropriate treatment of the patient, and I was glad to see this emphasis. Perhaps this is the area where I learned the most as Chairman of Secretary Califano's Advisory Committee on National Health Insurance Issues. Doctor after doctor told us that many of their patients had more emotional problems than physical ones. We heard estimates that emotional problems were the underlying cause in from 35 to 70 percent of all physician visits. This has helped to convince me that we must reform the intake system and benefit coverage arrangements in this country. Presently, there are few organized settings which deal adequately and economically with this situation. Tranquillizers are not a very good long term answer.

Now for the disagreements:

The most striking disagreement is the disparity between the voluntary hospital cost containment proposal called for by the commission versus the cap on revenue proposed in the Administration's Hospital Cost Containment Bill.

I do want to emphasize here today that this administration is going to fight even harder for that proposal in 1978 than it did in 1977. I want to explain at the same time why we view voluntary controls as inadequate, and why our legislation or something like it is the only satisfactory short term solution.

History certainly gives us little ground on which to put faith in a voluntary effort. In 1932, the Committee on the Cost of Medical Care recommended a major shift to prepaid group practice, which we now know would have done much to control the cost of care. That kind of change did not occur. Many years later, in 1974, as the debate raged over whether to continue the economic stabilization program in the health industry, many of those arguing for de-control offered assurances that price increases would be moderate. In fact, hospital costs skyrocketed. And now, in 1978, we have a group of major organizations developing a voluntary program to constrain hospital costs. Thus far, I have been impressed with the sincerity of the group's effort. We find expecially noteworthy the group's explicit recognition that economies are possible without undercutting the quality of care. But in my opinion, any early momentum stems from the pressure which our cost containment proposal has generated in the last year, and in the absence of government action, in my view, such momentum will disappear almost as quickly as former President Ford's voluntary WIN plan. Remember that?

My pessimistic assessment of the long-term possibilities of the strictly private, voluntary effort are meant as no reflection on the goodwill of those involved. Rather their efforts will fall short because they are fighting against the basic economic incentives at work in the health system. The current open ended reimbursement system simply generates too much opportunity and too much pressure to spend more. This Administration certainly intends to propose changes in these perverse incentives as part of our national health proposal, but this major shift will not occur overnight.

The President wisely made the decision last year that he could not afford to wait for such long-term changes. The cost increases in the short-term were too massive to ignore. Let me give you the picture from our perspective. In the 1979 Federal Budget, health costs are up by $5.2 billion, an increase that is larger than our entire social services budget in the current year and equal to half of our entire education budget. Ninety-five percent of this increase will go to pay for hospital and medical costs under the entitlement programs. The rising cost of health care gobbles up tax dollars at such a rate that little additional money is available for other public priorities. Without any significant increase in program benefits, these increases in health care costs severely limit the flexibility we have to address other health and social needs, including health research. We are forced to choose between funds to teach a child, heal him, or sustain him in a family, or to learn how to do all of this better than we now do.

I find it totally unacceptable to continue to pay 15 percent more every year for essentially the same level of health services while cutting back on such other programs, which are equally critical to the well-being of the nation and its citizens.

And, it is not just in the public sector that health costs are out of control. Private health insurance premiums are increasing just as rapidly. In 1977, health care cost the average person in the country over $600. That amount will rise to $1,200 by 1982 if we don't take dramatic action. And the average hospital stay soon will cost over $2,000.

We just cannot stand by and let this happen. And we will not. The President and Secretary Califano are determined to persuade Congress to approve hospital cost containment this year.

Now, I am well aware that this aspect of my remarks won't win any popularity contest here. But I believe in being candid, perhaps to a fault, and I hope that won't deter you from understanding that this Administration sees the possibility of sharing a lot of common ground with physicians as well as arguing with them. A key test of whether we can build on this emerging basis of common interest will be whether we can speak frankly to one another about our differences. Discussion of a difference right now may lead to an agreement later on. As a matter of fact, I think that if we get our cost containment measure on an interim basis, it may well permit us much more flexibility to agree with you about what comes next.

In addition to saving $34 billion in the first four years of its life, the approach of putting an interim cap on revenues instead of regulation through detailed budgeting procedures has several other virtues. As a regulatory scheme, it keeps government from being all intrusive. Choices about the allocation and organization of resources are left to the individual hospitals. So our proposal leaves maximum freedom to an institution's leadership.

I believe strongly in the revenue limitation approach for another reason. I spent several years as a university official. One of the most remarkable off-shoots of higher education's period of successful belt-tightening in the late 60's and early 70's was the enhancement of the ability to manage, to force everybody involved to make choices. In the days of rapid growth, wish lists ran the institutions. The shrinking of revenues from the 12 to 15 percent annual growth range to 5 or 6 percent suddenly forced choices about trade-offs and gave university managers the ability to manage. I firmly believe that our revenue cap would have a similar effect on hospital management.

I understand fully that for many of you, even this type of government intervention is difficult to accept. What I need to underscore for you, however, is that our long-term cost containment proposals need not have all the same characteristics as our present proposals. While we will not waver in support of our short-term strategy, what we will do in the longer term is still under discussion. All of you can have a significant effect on the development of that policy. To have maximum influence, however, more movement is worth considering.

First, I hope you will accept the fact that Government will continue to pay a major role in health or any other industry which composes over 8½ percent of GNP and increases its share every year. The Federal Government was helping the public finance health costs long before Medicare and Medicaid started. The issue is not whether the Federal Government will be deeply involved in health care and costs, but what kind of involvment it will be. Acceptance of this fact is an important step towards a solid working relationship.

The second essential ingredient is that organized medicine continue to show the kind of concern about key health issues and the need for change in the system that is evidenced by the Commission's report.

The combination of these factors would encourage the President, the Secretary and the rest of us at HEW to pull back from regulation in ever greater detail, from prescription of ever more complicated solutions from Washington. We could do so because we could be confident of the possibilities of positive results from cooperation and negotiation.

Let me assure you that this Administration has an acute sense of the limitations of government intervention and a deep respect for the importance of freedom of choice and diversity in the health industry. We would like to see a system that handles cost containment through healthy competition and real bargaining processes, a system marked by voluntary efforts within bounds acceptable to the public and the government.

This optimistic view of a possible future is obviously not shared by all, and there is some history on their side. Many informed individuals are already deeply disillusioned and feel that detailed Federal intervention is the only answer. The alternative view seems to me still to be a possibility, a promising one. But its chances of emerging correlate directly with the willingness of organized medicine to move in the directions that your commission has so carefully studied and so soberly suggested.

Thank you very much.●

SOVIET PERCEPTIONS OF WESTERN STRENGTH AND WILL—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. McDONALD. Mr. Speaker, each year we in the Congress deal with a large defense budget, not large enough in some categories in my view, but still a vast amount of money. However, as we

all should know, none of this is worthwhile if the weapons and men secured with these funds do not deter war and convince our enemies that war with the United States is a losing proposition. Increasingly, in recent years, our credibility is being called into question not only due to Vietnam, but more recently, in Angola. The strategists of the Soviet Union appear to be coming to the conclusion that we no longer back our allies so strongly. This is a more ominous turn of events than any missile the Soviets are developing, because it involves their perception of our will to fight. Mr. Graham H. Turbiville, Jr., recently wrote an article that appeared in History, Numbers and War for Fall 1977 on this topic which is very timely. In the first part, he sketches the historical background and how we found ourselves in this situation. The first part follows:

SOVIET PERCEPTIONS OF WESTERN STRENGTH AND WILL

(Graham H. Turbiville, Jr.)

(NOTE.—Graham H. Turbiville, Jr., who has served as a senior research analyst with the Defense Intelligence Agency (1969–1975), is currently working toward a doctorate at the University of Montana. His articles on Soviet military affairs have appeared in U.S. and foreign military journals.)

INTRODUCTION

In reviewing Soviet "cooperation with the liberated countries" of the Middle East, Asia, and Africa for the assembled delegates at the XXVth Congress of the Communist Party of the Soviet Union (CPSU) in February 1976, General Secretary of the CPSU Central Committee Leonid I. Brezhnev expressed considerable pleasure over developments in these areas. Brezhnev observed that "as everywhere else, we are on the side of the forces of progress, democracy and national independence, and regard . . . [the developing counties] as friends and comrades in struggle.[1] The General Secretary singled out the developments in Angola as being particularly notable, a view that was being echoed a year later by such Soviet political commentators as Vasily Dmitriyev, who put forth the following thoughts in a 1977 article:

Cooperation between the Soviet Union and the countries which freed themselves from colonial dependence and are building a new life is developing fruitfully. In the foreground among the events of great political significance is the victory of the Angola patriots. The Treaty of Friendship and Co-operation concluded between the Soviet Union and the People's Republic of Angola was an important contribution to strengthening the now traditional friendship between the socialist world and the liberated states.[2]

The Soviet interest in Angola reflected in the above statement—as well as the deepening and sometimes conflicting ties with other African nations—are indicative of continued Soviet interest in the affairs of developing nations generally. Of more importance, however, as regards the subject of this article, Soviet commitments to nations like Angola (and more recently Ethiopia) mark but the latest episodes of Moscow's deep, direct involvement in "wars of national liberation" and other local conflicts in the Third World. While the Soviet Government expressed some interest in undeveloped countries from the earliest days of Soviet power, this interest increased greatly with the breakup of the colonial empires following World War II. By the mid-1950s, the Soviet Union under Nikita Khrushchev was providing ever-growing quantities of military aid to Third World nations in addition to the usual ideological and spiritual support. Khrushchev's hints that the USSR might directly intervene in the 1956 Suez Crisis strikingly illustrated a new Soviet perception that the USSR had vital interests at stake in an area far from Eastern Europe. The existence of strong supplier-client relationships between the USSR and a number of nations in the Middle East, Asia, Africa, and even Latin America was by the 1970s a recognized element of international relations, with trouble spots of long standing like the Middle East having an ever-present potential for sparking "superpower" confrontations. The Soviet's massive supply of military equipment to Angola and the USSR's support and sponsoring of the 12,000-man Cuban "surrogate army" is, then, but one of the latest and most innovative of Moscow's efforts in support of a Third World client and Soviet regional interests.[3]

The USSR's expanding global commitments have been paralleled by an interest on the part of Soviet historians, political observers, and military analysts in assessing the motivations, strategies, and capabilities underlying Western military involvement in local conflicts. Such assessments are, of course, almost always put in the context of Marxist-Leninist political ideology, though recent years have seen far more frank and sophisticated discussions of the political, military, and economic realities underlying the employment of military force as a foreign policy tool in what is now called the Third World. These writings over the last several years point to a disturbing, if not surprising, Soviet perception—that is, that *the capability and resolve of the United States and its Western Allies to act in behalf of commitments and interests abroad with military force have eroded sharply in the last decade.* A closer look at the evolution of this Soviet perception and the conclusions Moscow appears to have drawn from it, may be useful in suggesting some trends in Soviet thinking on the growing utility of their own globally mobile military power in the age of detente.

MARXISM-LENINISM AND LOCAL WARS

As noted above, Soviet historians and military political analysts—in virtually all public declaratory statements—interpret the West's employment of military force abroad in terms of Marxist-Leninist ideology. While it is not within the scope of this paper to address the Marxist-Leninist view of war and its causes in any detail, it is nevertheless worthwhile briefly discussing what Moscow professes to see as the primary Western motivation for engaging in local military conflicts, and to define what, in the Soviet view, comprises a local conflict or war of national liberation.

At the heart of the Marxist-Leninist view of war is the assertion that "Any war, including a local one, is a social phenomenon caused by the emergence of private ownership and the division of society into antagonistic classes."[4] Thus, capitalism, even in its earliest stages, was seen as a cause of military conflict, with capitalist nations using war as ". . . a means of seizing someone else's lands, enslaving other people and extracting economic and political advantages from this in proportion to the enrichment of the exploiting classes and expansion of their economic and financial interests beyond the national boundaries of the states"[5] Soviet historians see, then, a series of military conflicts initiated by capitalist nations to seize and divide various areas of the world for their own enrichment, a process that became most acute with the advent of that "highest state of capitalism," imperialism. Imperialism is viewed as being fully developed by the beginning of the 20th Century, with the subsequent competition for markets and resources resulting in an evergrowing number of military conflicts. These conflicts are seen as leading to the two world wars of this century. A typical assessment, for example, is provided by *Marxism—Leninism on War and Army*, which notes in regard to the First World War:

Big monopoly associations superseded free competition. The struggle between the monopolies outgrew the national boundaries and became a struggle between the chief imperialist powers for a forceful redivision of the already divided world. *As distinct from the past, the struggle of monopolies for world domination became the political content of aggressive wars in the imperialist period* [emphasis in original].

The world war of 1914–1918 was a typical imperialist war for the redivision of the colonies, for the domination of the monopolists over the world. It emerged as a result of a sharp disturbance of the already unstable balance of forces between the imperialist powers.[6]

The two world wars are seen as being preceded by a number of lesser, local conflicts as the greater wars were developing. One source has noted, for example, that ". . . about 40 local wars and other military conflicts of a local nature (from 1898 through 1914) preceded the First World War. Imperialism unleashed or provoked about 80 small wars and military conflicts (from 1918 through August 1939) prior to the Second World War."[7]

By 1945, Soviet historians and military/political analysts suggest, a new development in international affairs had come about, for while the old imperialist antagonisms were still present, the principal area of struggle was now between the forces of imperialism and the increasingly powerful forces of socialism—the latter as exemplified by a Soviet Union that had gained heightened prestige and status by emerging from World War II as a major power. A Soviet source notes in this regard:

Formerly, the aggravation of the contradictions between these (imperialist) states or their coalitions was the main reason responsible for the striving of imperialist states to unleash wars. These contradictions continue to aggravate. However, the main contradiction now is that between the two opposing social systems—capitalism and socialism.

. . . The socialist system greatly diminishes the sphere of imperialist exploitation and domination, creating conditions in which capitalism will lose the privileges it still enjoys. Socialism has a revolutionizing influence on the working people in capitalist countries, the colonies and dependent countries.[8]

In the Soviet view, the Western nations, faced with the breakup of the old colonial system and seeing socialist nations growing in strength, were compelled to resort more and more often to armed force in order to meet the threat from the forces of socialism around the world. As a consequence—the Soviets say—there have been some 470 local conflicts from 1945 to 1975, covering virtually every area of the world, with these including a growing number of "wars of national liberation."[9]

At this point, a closer look should be taken at just what Soviet analysts mean when they speak of local conflicts and wars of national liberation. Appendix A gives a detailed presentation of how Soviet historians classify local wars. A type of local conflict that deserves additional discussion—in view of the important position it has occupied in Soviet commentaries on Western military-political actions in recent years—is the war of national liberation. While local wars have in the Soviet view included such conflicts as "the antifascist rebellion in Bulgaria in 1923, the 1936–1939 war in Spain, the civil wars in Greece in 1946–1949."[10] and other conflicts, the collective authors of The

Footnotes at end of article.

Philosophical Heritage of V. I. Lenin and Problems of Contemporary War have noted:

Today the most common type of war is the war between an oppressed and an oppressing nation.

The essence of relations between imperialist (oppressor) and nonimperialist (oppressed) nations of the capitalist world consists in a clash between predatory and liberation aims. This also determines the essence of wars between them.

. . . In describing such a type of just war as a war of national liberation, one should emphasize that its political content is expressed in a struggle for national independence, for the emancipation of colonies and semi-colonies, or in a struggle against attempts by the imperialists to stall the economic development of an already liberated nation, to infringe upon its political rights and even to deprive it of its sovereignty.[11]

Wars of national liberation are further divided by the Soviets into two basic forms based on the goals of the conflict:

. . . The first form is the popular uprising, that is a war which breaks out at the initative of the oppressed masses, most frequently spontaneously, but subsequently assuming the form of a guerrilla and sometimes regular-army war. A second form is a war between an imperialist nation and a former colony which has become an independent state, which is endeavoring to pursue an independent policy, to free itself of vestiges of colonial oppression, inequality of rights, etc.[12]

It should be noted that wars of national liberation are seen by Moscow as having gained in importance as "socialist" strength has grown. Thus:

. . . the political leaders of the imperialist countries cannot help but take into consideration the solidarity and united military might of the countries of the socialist community and the fact that attempts to resort to direct military attacks against individual socialist countries will receive a proper rebuff. Therefore, the forces of reaction are directing local aggression mainly against the revolutionary and national liberation movement in various countries and regions of the world.[13]

This development is of course viewed as taking place concurrently with the breakup of the colonial system and the desire of Third World peoples for independence. The result, the Soviets insist, has been Western military involvement in scores of wars of national liberation in an effort to retain as much control over global markets, resources, and strategically vital military areas as possible. This process is seen as being fully in accord with Lenin's earliest works on the nature of imperialism and its "historic struggle" with socialism—a point that Soviet historians and political analysts take great pains to make.

Of particular importance, however, is the decisive nature that Moscow sees these Third World conflicts as having for the West. For in speaking of the view believed to be held by Western planners (and no doubt reflecting Soviet views as well), Army General I. Shavrov notes of "imperialist ideologists" that "They understand . . . the outcome of the historical battle between socialism and capitalism *depends on how the revolutionary movement will be developed in the nonsocialist world and what path the nations liberated from colonial oppression will follow* [emphasis added]."[14]

To summarize, then, the Soviet analysis of Western military involvement in local conflicts sees this involvement falling into three principal stages:

The earliest efforts on the part of capitalist nations to divide the world's markets and resources among themselves, a period seen ending by about the start of the 20th Century and the beginning of the era of imperialism.

The effort of now-imperialist nations "to redivide an already divided world," a nearly fifty-year process that resulted in numerous local conflicts and two world wars.

The period following World War II and continuing to the present, during which conflicts and tensions among imperialist states are still present, but when the principal struggle is between the forces of reaction (imperialism) and progress (the increasingly powerful socialist nations of the world). The Third World is seen as being an arena in which decisive ideological, economic, and military battles of this struggle will be fought.

Approaching local wars solely in terms of Marxist-Leninist ideology is, of course, not in itself adequate for anything like a full understanding of Soviet perceptions of Western actions and motivations. For paralleling the ideological-economic reasons the Soviets so often cite as producing Western military actions around the world is what the Soviets perceive as the evolving Western military strategies and capabilities for guiding and implementing the West's employment of military force abroad. These military considerations are further placed in the context of the changing global balance of power, or—to use the favored Soviet term—the changing "correlation of forces." It is necessary, therefore, to examine Soviet perceptions of these important areas in some detail.

FOOTNOTES

[1] L. I. Brezhnev, *Report of the CPSU Central Committee and the Immediate Tasks of the Party in Home and Foreign Policy* (Moscow: Novosti Press Agency Publishing House, 1976), p. 16.

[2] Vasily Dmitriyev, "Twenty-Fifth Congress of the CPSU: A Year Later," *Soviet Military Review*, February 1977, p. 12.

[3] The USSR's supply and logistics role has been well documented and Soviet advisors have reportedly been directly (and fatally) involved in actual combat. For example, an Associated Press report, "Russians Killed in Angola," *Helena Independent Record*, 8 February 1976, indicated that three Russians were killed in "fierce fighting around the coastal city of Novo Redondo." Russian advisors in Angola at the end of 1975 were estimated to number about 400 by *U.S. News and World Report*, 29 December 1975, p. 19.

[4] Army General I. Shavrov, "Problems of the Theory of the Postwar Period: Local Wars and Their Place in the Global Strategy of Imperialism," *Voyenno-istoricheskiy zhurnal* (March 1975), as translated by the U.S. Joint Publications Research Service (hereafter cited as JPRS), *Translations on USSR Military Affairs*, No. 64649, p. 24.

[5] *Ibid.*

[6] *Marxism-Leninism On War and Army*, trans. Donald Danemanis (Moscow: Progress Publishers, 1972), p. 123.

[7] Shavrov, "Problems of the Theory of the Postwar Period," p. 25.

[8] *Marxism-Leninism on War and Army*, p. 51.

[9] Shavrov, "Problems of the Theory of the Postwar Period," p. 25.

[10] Maj. Gen. A. S. Milovidov and Col. V. G. Kozlov, eds., *The Philosophical Heritage of V. I. Lenin and Problems of Contemporary War* (Moscow: Military Publishing House of the Ministry of Defense of the USSR, 1972), p. 32 in the edition translated and published under the auspices of the U.S. Air Force.

[11] *Ibid.*, pp. 32–33.

[12] *Ibid.*, p. 33.

[13] Shavrov, "Problems of the Theory of the Postwar Period," pp. 30–31.

[14] *Ibid.*, p. 31. ●

THE DEBATE INTENSIFIES

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HANSEN. Mr. Speaker, the majority of the American people remain opposed to the proposed Panama Canal treaties despite the massive attempts on the part of the Carter administration to influence public opinion in favor of the treaties. Even a personal appeal on the part of President Carter has failed to change the public attitude toward the treaties.

The executive council of the American Federation of Government Employees (AFL–CIO) has declared their open opposition to ratification of the pending Panama Canal treaties until they receive specific written provisions for the implementation of those treaties which would stipulate that the lives, families, jobs, and welfare of the 4,000 employees of the Canal company and the Federal Government will be protected.

Recently, Capt. G. Russell Evans, USCG (Ret.), wrote an article entitled "The Truth About the Great Hoax: The Panama Canal Rip-Off" for the January 1978, issue of the Officer Review, the national magazine of the Military Order of the World Wars. Captain Evans provides an insight to the Panama Canal issue which I found very enlightening. I include this article for the RECORD and commend it highly to my colleagues in the House and in the Senate:

(Editor's Note: A recent United Press International poll of the Senate shows that only 39 Senators are committed or leaning toward ratification of the Panama Canal treaties. Twenty-nine Senators are either firmly opposed or leaning against the treaties, according to UPI, and the remaining 32 lawmakers refused to commit themselves. Thirty-four Senators voting against the treaties would prevent their ratification.)

THE TRUTH ABOUT THE GREAT HOAX: THE PANAMA CANAL RIP-OFF

(By Capt. G. Russell Evans, USCG, retired)

"What I tell you three times is true."—Lewis Carroll.

The mystery is no more. The truth is out. If the Panama Canal is ripped off, it will go down in history as one of the greatest hoaxes ever perpetrated against America. At least, we are entitled to know why!

But first: We are told by the National Council of Churches, the United Methodist Church and other mainliners that we should "heartily support" the new Canal treaty to "redress injustices" and "improve relations" with Latin America. Famous Methodists like Dr. Curtis A. Chambers, Dr. Herman Will and Bishop James K. Mathews (plus Catholic, Episcopalian,, and Presbyterian leaders among others) all want the treaty.

The U.S. Joint Chiefs of Staff want it. Why? They have to want it to be JCS. Otherwise, disagreement with the Commander-in-Chief gets them the General Singlaub treatment (reassignment). Most retired senior military officers don't want it. Why? For the same reason that 80% of Americans don't want it: It makes no sense!

The Carter administration wants it bad. Just as it wants lots of other things bad:

the energy program, tax reforms, welfare reforms and shelving the B–1 bomber. There are others. Conclusion is that our new President is trying too much too fast with too little appreciation for reality. Many writers report his programs "in shambles." He apparently wants heroics—and too fast.

Let us note that the dictator of Panama allowed his people to vote on the proposed Canal treaties in a plebiscite. But there is to be no plebiscite in democratic America because our political leaders will decide.

We want to tell the truth about this great hoax in plain words, and name names, places, dates and details. We need more answers to the What, Who, Why and How! Our sources are the Encyclopedia Britannica 1976, other reference books, the regular press and TV, the conservative press and PBS, and letters and records from members of Congress and the U.S. State Department. Plus a two-inch thick file of clippings.

What is the history behind the 1903 treaty? Spanish explorer Rodrigo de Bastidas discovered Panama in 1501. The great value of a ship canal was soon recognized and within 50 years, many possible routes were identified and surveyed. The first plan was drafted in 1529; and in 1534, Charles V of Spain directed a survey.

The Panama area became part of New Granada (later Colombia) in Spain's western empire. Almost two centuries passed with Spain busy hauling Peruvian and Mexican gold across the Isthmus for ocean shipment to Spain. In 1814, Spain tried to construct a canal but was interrupted by revolts in her colonies.

In 1831, New Granada became an independent republic with Panama as a state. The 1846 Treaty between the U.S. and New Granada guaranteed free and neutral passage across the Isthmus of Panama and obligated the U.S. to protect the sovereignty of New Granada. (This was in line with the Monroe Doctrine.) One year later the Panama Railroad began operating.

In 1869, Colombia (which had changed its name from New Granada in 1861) rejected a diplomatic agreement with the U.S. for the construction of a canal. Consequently, the U.S. Congress began casting about for other routes and decided upon Nicaragua.

In 1880, a French company started digging a canal in Panama but had to give up in 1888 when plagued by yellow fever, earthquakes and revolution. Meanwhile, the U.S. was digging in Nicaragua. A second French company took over in Panama and this too failed, hindered by Panama's 5-year revolt against Colombia which began in 1898. In 1902, the French company offered its canal assets to the U.S. for $40 million. All things considered, this beat the Nicaraguan deal. On August 12, 1903 Colombia rejected the U.S. offer of $10 million and an annuity of $250,000. But on November 3, Panama declared its independence, followed shortly thereafter by U.S. recognition and the 1903 Hay-Bunau-Varilla Treaty.

Panama had much to gain. In the very first article of the 1903 treaty, the U.S. guaranteed the independence of Panama. The terms included "sovereignty" and "perpetuity" plus a $10 million purchase price and an annuity. The Canal Zone was ceded. It was a grant. Nowhere in the treaty do the words "lease" or "rent" appear.

The point with all this history is: For almost 400 years civilization had wanted a canal across Panama. Many tried and failed. The USA stepped in and succeeded in ten years of brilliant engineering to construct one of the wonders of the world!

Our government holds clear title to the Zone and its acquisition was legal. The U.S. Supreme Court said so, unanimously. If there are objections to the U.S. role in acquiring the Canal Zone, then how about the 1846 War with Mexico which gave us extensive territories in the Southwest? Or the Alaskan and Louisiana Purchases? The Indian treaties? How far back shall we go to assure "liberation" and justice for all?

Next, who are the negotiators of the new treaties? The "front" man is the aging Ellsworth Bunker. The real power is Sol M. Linowitz whose conflicts of interest are breathtaking. President Carter never allowed the U.S. Senate to examine Linowitz's background, having appointed Linowitz as a six-months negotiator, a post not requiring Senate confirmation.

It would take a volume to detail Linowitz's connections with communist and pro-communist groups and with international banks and money powers. This is at a time when Panama is near bankruptcy with huge outstanding bank loans—and in dire need of a friend who can provide cash money, economic aid and a money-maker like the Panama Canal. Linowitz's proposed treaties would provide all of this!

Under pressure from Congressman George Hansen, Linowitz recently resigned from the board of the Midland Bank of New York, which had loaned millions to Panama. Linowitz is still an active agent for Colombia, is a former director of the Panama Midland Bank, and has links with the Marxist Institute of Policy Studies. He has been chairman of the leftist world-government-promoting Foreign Policy Association and has long been a member of the Council on Foreign Relations, also promoting world government.

Linowitz is on the board of the Rockefeller-supported Center for Inter-American Relations, one of whose objectives is to get the U.S. to give up the Panama Canal. He has been chairman of the Ford-Rockefeller funded Commission on U.S.-Latin American Relations, one of whose objectives is U.S. abandonment of its leadership in the Western Hemisphere.

Linowitz's banking connections have been with banks which made huge loans to Panama. In late 1976, Linowitz represented Panama on the Canal issue to President-elect Carter. Two months later, Carter was President and he shifted Linowitz to represent the United States. While Linowitz negotiated away the Canal, his law firm of which he is still a member continued to represent several South American countries.

There is more. But this should be enough to document one of the greatest conflicts of interest on record.

Next question, why are "they" so anxious to surrender our Canal? The answer by now must be perfectly obvious. It is a money deal from start to finish! Big money runs the world and everything in it!

The big banks can't get their money from near-bankrupt Panama without the help of the U.S. taxpayers. Panama owes over $2.7 billion to international banks, and interest on these loans is almost 40% of its annual government budget. There are 51 international banks holding Panama notes, with David Rockefeller's Chase Manhattan leading the list. The banks want Panama to get the revenue from the Canal plus 50–60 million U.S. dollars per year "compensation" plus U.S. economic aid plus U.S. military defense—all designed to be sure the banks get their $2.7 billion by the year 2000. A very neat arrangement.

And how do presidents and national politicians fit into all this? The answer is simple when we think about it: Big politicians have to have big money to get elected and re-elected and besides, many of them have personal interests in big bank groups.

The "selling" of the Canal give-away to Carter started in 1976 after Candidate Carter had told voters he'd never surrender control of the Canal and that he'd never tell a lie. A series of reports and recommendations beginning in October 1976 were mastermined by Sol Linowitz, his right-hand man Robert Pastor, David Rockefeller, Winston Lord and others through the Commission on U.S.-Latin American Relations and the Council on Foreign Relations. They all urged a new treaty and "justice for Panama" and went straight to Carter's aide for national security, Zbigniew Brzezinski, a Rockefeller-Kissinger protege, who had them converted into a National Security Council paper. Mr. Carter approved the NSC paper, thereby forgetting his "no lies" promise.

But back to the bankers. They now have Panama as a bankers' haven with tight secrecy laws and little or no regulation for their international money manipulations plus the 100% cooperation of Dictator Omar Torrijos. The bankers want to keep Torrijos in power. He's the man who signed their notes. His succesor might repudiate the loans. To make sure that Torrijos stays put, the new treaties call for the availability of the U.S. armed forces when Torrijos needs them for any reason remotely connected with the Canal. Another very neat arrangement. Torrijos and his family, by the way, are accused of trafficking in drugs and of graft: stealing at least $100 million from bank loans made to Panama and stashing it in secret accounts in Switzerland and New York. Therefore, the real reason for the Canal fraud is money. The communists and the pro-communists support it for the obvious reason that the Canal is probably the most valuable strategic and economic waterway in the world.

The final question, *HOW* should we cope with all this? Let's start by not being "snowed" with double talk. For example, on October 14 President Carter and General Torrijos issued a joint statement to clarify the "neutrality treaty" which is supposed to guarantee the neutrality of the Canal after the year 2000. But one doesn't have to be a Philadelphia lawyer or striped-pants diplomat to see that this statement changes nothing. Panama still has to agree with us on any proposed U.S. action. Another example: What if it does take 100,000 American troops to protect the Canal if we don't ratify the black-mail treaty? What better training for soldiers already in uniform and needing realistic training. Besides, Panama is not likely to sabotage its main means of support.

Public opinion can still decide this case. It's not enough that the great majority strongly oppose the proposed treaties. The pressure has to be kept on, particularly on the 65 U.S. Senators still undecided or "on the fence." In reality there's a good chance that these "undecideds" are on Carter's side and are unwilling to take a public stand because they are afraid of "six months of hate mail," as one Senator said.

Here are some things we should definitely be doing:

Keep writing and calling your two Senators and Representative. Keep asking how he will vote. Every Congressman by now knows how he plans to vote. Keep asking. Let him know that his vote can also influence your 1978 voting.

Ask ten friends to do the same and to ask ten of their friends. And so on.

Write letters to papers, magazines and religious publications.

Call radio talk shows. Ask your friends to do the same.

Repeat the above letter writing and telephoning every few weeks. Keep pressure on!

Write a separate letter to each member of the Senate Foreign Relations Committee which holds hearings on the treaties. Senators are: Clifford Case, James Pearson, Charles Percy, Robert Griffin, Howard Baker, John Sparkman, John Glenn, Frank Church, Claiborne Pell, George McGovern, Hubert Humphrey, Dick Clark, Joseph Biden, Richard Stone, Paul Sarbanes. Sample address: The Honorable John Glenn, U.S. Senate, Washington, D.C. 20510.●

PANAMA CANAL TREATY COSTS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. LAGOMARSINO. Mr. Speaker, the Carter administration has, from the beginning, maintained that the proposed treaties with Panama would not cost the American taxpayer 1 cent. It now appears that $633 million, or more, will have to be appropriated if the treaties are ratified.

I strongly urge that my colleagues examine the Foundation of Law and Society's analysis of the cost of the treaties to the American taxpayer in the February 9 issue of the foundation's publication—Legal Review. I have included, for the benefit of my colleagues, the last page of the analysis. Based on its analysis, the foundation concludes that the total cost of the arrangements with Panama during the next 19 years will exceed $8 billion.

PROJECTED COSTS TO AMERICAN TAXPAYERS IN GIVING CANAL TO PANAMA

30¢ per ton/$40 million—1st thru 5th years equal $200,000,000.

(11%/yr or 55% increase)—6th thru 7th years equal $124,000,000.

(11%/yr or 22% increase)—8th thru 9th years equal $151,280,000.

(11%/yr or 22% increase)—10th thru 11th years equal $184,570,000.

(11%/yr or 22% increase)—12th and 13th years equal $225,175,400.

(11%/yr or 22% increase)—14th and 15th years equal $274,713,988.

(11%/yr or 22% increase)—16th and 17th years equal $335,151,083.

(11%/yr or 22% increase)—18th and 19th years equal $408,884,318.

Tonnage, total "payments" during 19 years $1,903,774,789.

NOTE.—11% represents the 1973–76 average "Wholesale Price Index for Industrial Goods" which is considered the most volatile of all indices.

Services "payment"—1st thru 5th years equal $30,000,000.

(3%/yr or 9% increase) 4th thru 6th years equal $32,700,000.

(3%/yr or 9% increase) 7th thru 9th years equal $33,681,000.

(3%/yr or 9% increase) 10th thru 12th years equal $36,821,290.

(3%/yr or 9% increase) 13th thru 15th years equal $40,225,198.

(3%/yr or 9% increase) 16th thru 18th years equal $43,845,457.

(3%/yr or 9% increase) 19th year equal $15,053,605.

Services, total "payment" during 19 years, $232,326,550.

Note: 3% represents a conservative annual inflation rate.

Annuity/$10 million for each of 19 years equal $19,000,000.

Toll override/$10 million for each of 19 years equal $190,000,000.

Total direct "payments" during 19 years, $2,516,101,339.

NOTE.—Were the upper limit toll base of $50 million used to calculate the "tonnage" payments, $1,020,498,149 would be added, or the Total Direct Payments would become $3,536,599,488.

OTHER COSTS KNOWN WITH SOME PRECISION

Replacement cost of the Canal itself: equals $3,000,000,000.

Loss of interest paid by Panama Canal Co. to U.S.A., $18 million times 19 years: equals $342,000,000.

Transfer of CZ improvements without compensation: equals $200,000,000.

Waiver of principal cost of investment: equals $368,000,000.

Current cost of pending capital improvements: equals $128,000,000.

Total additional treaty costs (losses) to U.S.A. $4,038,000,000.

AS YET UNKNOWN COSTS

Termination of employment of U.S. nationals displaced by Treaties. Overhead of new Commission, committee, et cetera, to December 31, 1999.

COSTS RELATED BUT OUTSIDE TREATY

Side agreements for loans and other economic assistance, $500,000,000.

Total cost of arrangements with Panama during 19 years, $8,074,599,488.

One item has been omitted intentionally because it is both contingent and uncertain. Should the Canal be closed to the United States, for any reason, it would require the U.S. to construct a two ocean navy. The cost might be estimated by calculating the gross expense of a second ocean navy (e.g. $50 billion) and dividing by the probability of a hostile, or other, closing (perhaps 15 percent). The resulting cost estimate would be $750,000,000. This must be seen as an additional cost of transferring control of the Panama Canal. While such an item does not squarely fit into the outline of this paper, the mere existence of such a possibility is not comforting.●

ESTONIAN INDEPENDENCE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1978

● Ms. MIKULSKI. Mr. Speaker, I wish to supplement my statement of last week honoring Estonia's Independence Day. I would like to share the following comments with my colleagues. I believe that it is important for all Americans to be aware of the struggles of such tragically oppressed people as the Estonians.

The material follows:

ESTONIAN INDEPENDENCE

(The Estonian people have not lost their desire for independence through the ages. From generation to generation they have had a secret hope that, despite the darkest nights of slavery and violent rule by foreign powers, the day will come in Estonia when her citizens will enjoy freedom and independence.)

Sixty years have passed since those words were spoken by Konstantin Päts (the last President of the Republic of Estonia) on February 24, 1918 in Tallinn when he proclaimed Estonia an independent nation. Those words are still valid today.

Estonians enjoyed their hard won freedom for much too short a time. For over thirty-five years we here have been separated from our homeland. But the years of foreign occupation have not stilled the determination of the Estonian people for basic human rights and for freedom. This has been vividly shown in recent underground appeals and memoranda which have reached the West. In 1974, an appeal to the United Nations from the Estonian National Front and the Estonian Democratic Movement states, "If a referendum were arranged in Estonia on the question of self-determination under the control of the UNO, the overwhelming majority of Estonians would demand the restoration of their independence." These groups ask the world community to recognize the rights of the Estonian nation to self-determination, to declare illegal and invalid the present regime of occupation in Estonia, and to carry out and supervise free elections. For these appeals, some of the people involved were arrested and sentenced to long prison terms. Many of these individuals are from the younger generation who have grown up under foreign occupation, but who have nevertheless retained their spirit of independence. It is our moral duty, here in the West, to support these new freedom fighters in every way. We have the opportunities to do this and we must use all our resources to help this new generation of fighters for Estonia's independence. They are the ones taking the risks in appealing to the West—for as stated in their appeal, "The fear of being discharged from one's work or of losing one's living space guarantee the apparent loyalty of the general mass of population." And yet, they have apparently found the situation so intolerable as to take these risks. We in the West, who have nothing to fear, have to let them know that their brave actions are not in vain. Here, in exile, we have worked to keep Estonian culture alive. But we must never forget our brothers and sisters in Estonia who are trying to hold on to their (and our) national heritage, their (and our) language and culture against a strong program of russification and oppression.

We have declared 1978 to be Estonian Youth Year, thereby giving recognition to a generation of Estonians born and raised outside of Estonia. Many of them are already active in our organizations and will soon take over leadership of Estonian political and cultural life. This younger generation's understanding of and approach to Estonia's problems is necessarily different from that of their parents. They did not live through the turmoil of a world war; of keeping their families together in displaced persons camps; or of starting their lives anew in a strange country. These young Estonians have received their schooling in America and their primary language is English. This is a reality which we cannot escape. It is important to not only give these young people an opportunity to learn the Estonian language, but to also give them an opportunity to freely express their viewpoints and desires in terms of Estonia's future. When we now stress human rights, anticolonialism and imperialism (as opposed to anti-communism) it does not mean that we have forsaken our ideals or goals, but rather that we have shifted our terminology to be current with today's political situation.

We should also hope that the younger generation of Estonians here and in occupied Estonia find more opportunities to help each other to utilize new and effective ways of bringing the plight of the Estonian nation to the world's attention, so that one day we can all together, in one free country, repeat the words from the declaration of independence.

All Estonian sons and daughters—join as one in the building of your homeland! Our forefathers sweat and blood, which has been shed for this land, demands this of us; our successive generations morally bind us to this task.

APPEAL FOR RESTORATION OF INDEPENDENCE TO ESTONIA

On February 24, 1918, Estonia proclaimed her independence, establishing thereby the the basis for the free and independent Republic of Estonia. On the 60th anniversary of that historic event, it is appropriate to recall certain facts about the Estonian people and their land.

Since time immemorial the Estonians have lived in their present geographic location on the east coast of the Baltic Sea. They belong to the Finno-Ugric race and speak their own language—Estonian—which is related to

Finnish. The Estonians have no relationship to either the Slavic or Germanic peoples or their languages. Their strong sense of national unity and cultural distinction have carried them through all previous periods of foreign oppression and exploitation. In the latter part of the 19th century their national consciousness became a particularly forceful element which eventually led to the creation of the independent state of Estonia.

The establishment of the independent Republic of Estonia was possible only after the Soviet Red Army was driven from Estonia in the War of Liberation, which lasted from November 28, 1918, to February 2, 1920, when a peace treaty was signed at Tartu, Estonia, in which Soviet Russia renounced forever any claims to the territory of Estonia. There followed several other basic treaties between Estonia and the Soviet Union:

1. The Pact of Non-Aggression and Peaceful Settlement of Conflicts, dated May 4, 1932.
2. The Convention of Conciliation, dated June 16, 1932.
3. The Convention for Definition of Aggression, dated July 3, 1933.

The Soviet Union and Estonia were also parties to the Kellogg-Briand Pact on renunciation of war as an instrument of national policy signed at Paris August 27, 1928, which is still on the list of treaties in force.

In spite of these solemn treaty obligations, the Soviet Union, without any scruples, decided to liquidate the independence of Estonia as well as of Latvia and Lithuania. On August 23, 1939, Stalin and Hitler agreed to divide Eastern Europe. In the first stage, the Baltic States were forced to agree to the establishment of Soviet military and naval bases on their territories and about nine months later, Estonia, Latvia, and Lithuania were unilaterally declared Soviet republics and annexed to the Soviet Union.

To camouflage this takeover of an independent country, the Soviets staged so-called "elections," completely disregarding the Estonian constitution and election laws, and presented to this illegally elected body prepared resolutions about sovietization of the entire country. Finally a delegation of this body was ordered by the Soviets to be sent to Moscow to "request" the Kremlin to incorporate Estonia as a part of the USSR.

In the history of the world there has never been a country that would voluntarily renounce its own freedom and independence and submit itself to the overlordship of a foreign ruler. But that is exactly what the Kremlin is trying to tell the world, claiming that the Baltic States joined the Soviet Union voluntarily. How ridiculous such a claim sounds when we observe scores of nations emerging from colonial rule and insisting on their right to self-determination and independence.

As far as the people of Estonia are concerned, they have suffered incalculable human and material losses since the start of the Soviet occupation. Tens of thousands of Estonians from all walks of life have been deported to remote areas of the Soviet Union or liquidated by secret execution squads. All of the freedoms enjoyed by the citizens of Estonia under their own constitution have been abolished, and the authority of the Soviet government and the secret police has become the rule of the land.

More than 75,000 Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and they feel morally obligated to speak out on behalf of the people of Estonia.

Confirmed reports from Estonia show that that Russianization of the country is proceeding with full force. Thousands of alien people are being brought in as "necessary workers" to mix with the local population. The Estonian language is being relentlessly pushed into secondary place. Communist literature and propaganda are trying to raise young Estonians as obedient servants of the Kremlin. However, the Estonian nationalist spirit is fighting back everywhere. In the last few years there have been many occasions where the youth of Estonia has shown a strong national will of resistance through demonstrations and appeals to the free world. Many of them have been arrested and sentenced to hard labor as dissidents of the Soviet Union.

The Final Act signed in Helsinki declares that the inherent dignity and equal and inalienable rights of members of the human family lie at the foundation of freedom, justice, and peace in the world, and the right of self-determination for every nation is the goal of mankind.

Keeping these principles in mind, all freedom-loving Estonians are united in their determination for the restoration of the independence and national rights of Estonia. On the 60th anniversary of the proclamation of Estonian independence, all Estonians appeal to world public opinion to support them in this struggle for freedom and justice.●

TEXAS INDEPENDENCE DAY

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HIGHTOWER. Mr. Speaker, today, March 2d, is the 142d anniversary of the Texas declaration of independence,, and is celebrated by Texans everywhere as Texas Independence Day.

This morning, at a meeting of the Texas Breakfast Club, our distinguished majority leader, the Honorable JIM WRIGHT, began the day with a tribute to Sam Houston, the unorthodox hero of Texas. For Texans this is a double holiday because it is also the 185th anniversary of the birth of Sam Houston. Mr. WRIGHT has capsuled into this brief tribute the fantastic story of this great American which I would like to share with the Members of the House:

SAM HOUSTON, UNORTHODOX HERO

(By Jim Wright)

Sam Houston, hero of Texas Independence, was as unorthodox as a beer party in the church.

He also could be as unexpectedly devout as a prayer in a saloon.

His bold and strangely mottled life is worth reviewing on March 2, a date doubly sanctified for Texans.

It was on March 2, 1836, that Texas declared its independence from Mexico and began its short-lived career as one of the sovereign nations of the earth.

And it was on March 2, 1793 that Sam Houston was born.

The conventional moralist can find a lot wrong in the life of Sam Houston. Like everything else about this remarkable giant, his behavioral shortcomings were king-sized.

He swore profanely, so much so that the Mexicans referred to him as "Senor God Damn."

He drank copiously, seemed at one point on the verge of drowning his future in alcohol, and earned among the Cherokees the sobriquet of "Big Drunk."

Mentioned prominently in his mid-30's as a possible candidate for the Presidency, Houston threw away a promising political career and resigned the Governorship of Tennessee under a cloud of suspicion which to this day has never been cleared up.

He married three times, once without the benefit of clergy unless you count the Cherokee tribal customs.

He fought duels in violation of the law, and on one occasion was officially censured by the U.S. House of Representatives for thrashing a member on a public street.

But Sam Houston had one redeeming virtue: if his faults were bigger than lifesize, so was his faith.

If his crudeness was colossal, so was his basic integrity.

The structure of his life could withstand numerous flaws in exterior design because it was upheld by two steel girders; an unswerving faith in God and a deep sense of personal honor.

Sam Houston strode into the pages of enduring history on April 21, 1836. He was 43 years of age, and at that point in life a celebrated failure.

On that day, under Houston's command a hastily assembled and only partially trained civilian contingent of fewer than 800 volunteers routed and put to flight the flower and elite of a military empire led by a self-confessed military genius who called himself the Napoleon of the West.

Rarely has a military engagement been so fatefully significant. Because of that triumph at San Jacinto and the events which followed it, the United States was to stretch across the broad expanse of the continent to the Pacific Ocean.

It is worthy of our observance today, not alone because of its historic consequence, but because its lesson is as timely as tomorrow's headline.

The early Texans, lured by the promise of a new frontier and the pledged faith of a written constitution, had come to establish peaceful colonies. Yet the pledge of civil liberties and representative government was cynically betrayed by the Mexican dictator, Santa Anna.

So certain was their determination for liberty that the Texans, though they were only a handful, met in a crude, unfinished building and formally declared their independence. So uncompromising was their hostility to enslavement that the entire complement of 182 men defending the Alamo under Travis against a siege of perhaps 3,000 troops openly rejected surrender and knowingly elected to die on their feet rather than live on their knees—a dramatic choice without parallel in the history of heroism.

So complete was the duplicity of their oppressor that under a flag of truce he lured another group of the Texans into an open meadow at Goliad and callously slaughtered them in a withering crossfire.

It was against this backdrop that Sam Houston's little band, the last ragged remnant of the army of the infant Republic of Texas, crossed Buffalo Bayou into the San Jacinto prairie over which was to hang the acrid smell of gunpower and the stench of death.

General Houston paused before entering the battleground and spoke briefly and simply to his followers. He offered them a choice:

"If there are any here who shrink from the issue, they need not cross the bayou. Some must perish, but victory is as certain as God reigns. Trust in the God of the just and fear not."

They crossed. Houston ordered the bridge behind them burned to seal off escape, and the unequal contest began. The odds seemed insuperable.

But the God of the just was worthy of their trust. The signal results of that direct onslaught reveal the presence of something more than human will. Against the Texan casualties of 8 dead and 27 wounded, the elite corps of the Mexican army lost 630 killed and 730 prisoners. Santa Anna was among the captured.

The legacy of San Jacinto is the story of the invincible spirit of free men when finally

aroused to righteous rage by the inevitable excesses of despotism.

San Jacinto does not belong to Texans alone. Present on that day were men from 14 States and the Territory of Arkansas.

Nor could it be said that Sam Houston belongs to Texas alone.

He was born in Virginia.

He left home at 15 and lived for 3 years with the Indians.

He achieved his first military recognition against the Creeks under Andrew Jackson in what now is Alabama.

He began and for a time ended his political career in Tennessee.

Thereafter he wandered aimlessly for many months and was reported drunk on a Mississippi River boat.

Finally he turned up in the Oklahoma Indian Territory living again with the Cherokees.

He was sent to Texas on a special mission by President Jackson, one of the few people who never lost faith in him and the one man whom Sam Houston idolized.

When Jackson lay dying at the Hermitage, Houston took his wife and small son in a red horse-drawn coach over the primitive roads and trackless prairies from Austin to Nashville, Tennessee, in a sleepless, headlong race against death. He wanted to be at the bedside of his mentor.

He arrived, only hours too late, to learn that some of the last words his idol had spoken were of him and of his efforts in bringing Texas into the Union.

And Houston whispered to his child:

"Always try to remember, my son, that you have looked upon the face of Andrew Jackson."

Such was his devotion.

Houston was, in fact, during his life a citizen of four nations:

The United States;

The Cherokee Nation which he served for a time as its Ambassador in Washington;

The Republic of Mexico, of which he became a citizen upon going to Texas;

and the Republic of Texas which he served as President.

Through it all, strangely enough, his undivided loyalty was to the United States, and statehood the dynamic dream he shared all along with Andrew Jackson.

Sam Houston was never a citizen of the Confederacy. With all his heart, he believed secession to be treason. He vacated the Governorship of Texas rather than swear allegiance to an entity which made war upon his country.

Of one legislator who pressed both for secession and for impeachment proceedings against him, Houston said: "He has every attribute of a dog, except loyalty."

Ironically in light of his posthumous popularity, Sam Houston died reviled and rejected by the State which claims him as its patron saint.

So unpopular were his views against secession that City Councils passed ordinances denying him the right to speak. On at least one occasion when he attempted to do so, a rock thrown by a faceless member of an unreasoning mob struck the old man in the face.

Twice Governor—of different states—he twice relinquished the position rather than compromise a conviction.

He was no more daunted by public disfavor than he was by physical danger. Right or wrong, Houston held personal honor more valuable than public office.

The decision which caused him to leave the Tennessee Governor's chair, and the state itself, involved his young first wife, Eliza Allen, his bride of only a few weeks and her inability—for whatever reason—to live with him.

Therein lies a mystery which has never been unriddled. Nor will it be. The nearest thing to an explanation appears in a personal note which Houston wrote, not for publication, but to the young lady's father. It reads in part as follows:

". . . I have been satisfied and believe her virtuous, as I have assured her. If mortal man had dared to charge my wife, or say ought against her virtue, I would have slain him. That I have and do love Eliza, none can doubt, and that I have ever treated her with affection, she will admit. That she is the only earthly object dear to me God will bear me witness . . ."

and then, only this:

". . . she was cold to me and I thought she did not love me . . ."

To the public, not even that much. While his political well-wishers pleaded with him to make a statement—some kind of statement—Houston steadfastly refused. He would say only these three words:

"She is blameless."

Importuned to consider his own reputation and his future, Houston replied with steely firmness: "Whatever the price of silence, I will pay it."

Rather than discuss the matter, he tendered his resignation as Governor.

As Houston prepared to leave Tennessee and the Governor's office—still without any explanation—a noisy rabble gathered outside his hotel. Someone posted a ribald placard, unsigned, challenging his honor.

Upon learning of this, Houston put on his coat and hat, walked out onto the porch and faced the mob.

Speaking slowly and very deliberately, he said:

"I am given to understand that someone has taken it upon himself to placard me . . . I invite him—or them—who are responsible for this denunciation to come forward to me now and make it good."

Dead silence. Long minutes ticked by as he stood there, his eyes going over the crowd face by face. He spoke once more:

"I give notice, to each and every one of you, that though I am leaving this city, if any wretch utters so much as a whisper against Mrs. Houston, I will return and write the libel in his heart's blood!"

He let that sink it . . . descended the stairs, and walked unhurriedly toward the steamboat landing, as men hastened to get out of his way.

This story has a sequel, for which I am indebted to a former Congressional colleague, the late Percy Priest of Nashville.

Upon leaving Tennessee, Sam Houston left a letter with a close and trusted friend. His clear instruction was that the seal on the letter was never to be broken unless it should be necessary to defend the honor of his young wife.

Apparently it was never necessary. Nobody spoke blame against Eliza.

The letter was passed down through at least three generations, the seal still unbroken.

Finally, in the 1930's—more than a full Century having passed—it was formally agreed by the then possessor that, in the interest of history, the seal at last should be broken and the letter read.

A date was set for a public opening of the document. Historical societies and the state of Tennessee were to be represented. It was to be an official ceremony. Percy Priest, then a newspaper reporter, was to cover it for the Nashville Banner.

But the ceremony never took place. Three days before the date agreed upon, lightning struck the house in which the still-sealed letter was encased. The house, and everything in it, burned to the ground.

One other little-remembered episode in the life of Sam Houston seems worthy of a fleeting comment.

After he left Tennessee and before he went to Texas—during the period when he represented the Cherokee Nation in Washington as its Ambassador—a Representative from Ohio named William Stanberry, in the course of an attack upon the Jackson Administration on the floor of the House, implied that Houston and Jackson were involved in some underhanded conflict of interest over contracts to supply Indian rations.

Jackson took it in stride, but Houston was outraged. He called at the door of the House Chamber for Stanberry, who declined to accept his note and refused to see him.

Some days later, Houston encountered the Congressman on Pennsylvania Avenue and demanded satisfaction. Stanberry pulled a pistol, but it misfired. Houston manhandled him rather brutally.

Stanberry, invoking the law of Congressional immunity, demanded that Houston be tried and punished by the House. Houston appeared in his own defense. He was both humble and contrite. Here is part of what he said:

"If, when deeply wronged, I have on impulse violated one of the laws of my country or trespassed the prerogatives of the House, I am willing to be held to my responsibility . . .

"I stand before this House, branded as a man of broken fortune and blasted reputation. Never can I forget that reputation, however limited, is the high boon of heaven. Though the plowshare of ruin has been driven over me and laid waste my brighest hopes, I have only to say, with the poet Byron:

" 'I seek no sympathies, nor need;
The thorns which I have reaped are of the tree
I planted; they have torn me and I bleed.' "

And so, Sam Houston—former Congressman and former Governor, once mentioned as a bright prospect for the Presidency, on May 9, 1832 was officially censured by the U.S. House of Representatives.

But you can go back in the Congressional Record and read the official reprimand spoken by Speaker Andrew Stevenson. It reads more like a commendation.

The "reprimand" contains 123 words of undiluted praise for Houston, followed by a single sentence, 28 words of censure, in which the Speaker simply said: "I forebear to any more, General Houston, than to pronounce the judgment of this House, which is that you be reprimanded by the Speaker—and I do reprimand you accordingly."

All of this happened before Texas, before San Jacinto, before his Presidency of the Republic, before his brilliant battle for Statehood, his later service in the Senate and his politically courageous though unavailing fight to help save the Union. These things come later, catapulting this strange, hot-blooded giant into a sort of immortality.

A motto for his life might well be the words he spoke on the eve of the battle at San Jacinto.

"Trust in the God of the just, and fear not."

His faults were big, but his faith was bigger.

And perhaps in that there's hope for lesser men.●

INLAND WATERWAY TRANSPORTATION

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. WRIGHT. Mr. Speaker, over the past several months, the Army Corps of Engineers has utilized citizens assistance groups, made up of rank-and-file

citizens living in the Trinity River Basin of Texas, to explore pending water project development plans and potential programs for better management of our area's vital water resources.

One of the presentations during these hearings, by Prof. Marvin J. Barloon, was particularly enlightening. He illustrated the importance of inland navigation to the Nation's entire transportation needs.

Professor Barloon, who is Carlton professor economics-emeritus at Case Western Reserve University in Cleveland, Ohio, is widely recognized as an expert in the economics of inland waterway transportation. Many of his papers have been published and are frequently cited. He has testified before numerous congressional committees.

Perhaps the most illuminating aspect of his testimony is that this Nation has certain transportation requirements which are met by the various modes particularly suited to those needs. In other words, each mode has its own inherent advantages, and each commodity movement requires certain transportation capabilities. No single means of transportation can meet all demands. Professor Barloon demonstrates the need for continued viability on the part of all types of freight carriers.

The Congress has yet to resolve the issue of inland waterway user charges, but there is a prevailing opinion that the users should "pay something" in return for the Federal investment in the inland waterway transportation system. As Professor Barloon states, this investment is relatively the same today as it was a decade ago, although inland waterways are carrying appreciably more freight.

Professor Barloon's presentation analyzes the public value of the inland navigation system, which he describes as America's fifth seacoast. Unfortunately, it is largely unknown and unnoticed. Nevertheless, it is a significant segment of the Nation's transportation network.

A condensed version of Professor Barloon's testimony appeared in the Fort Worth Star-Telegram on August 19, 1977. Because this overview of the inland waterways has a significant bearing on discussions of future national transportation policy, I include this article on Professor Barloon's comments to be printed in the RECORD:

EXPANSION OF WATERWAYS EXPECTED

(By Marvin J. Barloon)

The American economy is built on a pattern of waterborne commerce.

Most of our big cities have developed as ocean and lake ports—New York, Houston, San Francisco, Chicago, and numerous others Including the Great Lakes, this nation has four seacoasts.

The nation also has a fifth seacoast—the sheltered inland waterways.

The Hudson River, the Atlantic Intracoastal, the Sacramento, the Columbia, and others carry freight far inland from the oceans and lakes.

But the big Main Street of the fifth seacoast is the integral system of the Mississippi River and Gulf Intercoastal Waterway.

The fifth seacoast moves more domestic waterborne freight than all the other four seacoasts put together.

The fifth seacoast carries a growing volume of foreign commerce, too, in shallow-draft barges lifted aboard ship at the coasts. St. Louis, Tulsa, Memphis, Greenville, and other river ports now take their places as growing centers of foreign trade.

Since the signing of the Constitution, the lake and seacoast harbors and the inland waterways of the country have been improved and maintained by the federal government, with local and state participation.

Nearly half of the federal outlays are devoted to the deep-draft ocean and lake harbors and channels—roughly in proportion to the domestic freight they carry. The remainder is expended on the fifth seacoast.

The inland waterways bring the advantage of coastal location into the nation's heartland.

The river barge brings seaport advantage to smaller towns and cities. Ocean and lake ships serve mainly big city ports. River barges serve small and large ports equally.

Result: River barging generates economic development and jobs in rural areas, restraining excessive urbanization. Muscatine, Mt. Vernon, and Pine Bluff take their places as substantial ports, along with Chicago, Pittsburgh, and St. Louis.

Water transportation saves money for the shipper and consumer.

A common observation: "For every dollar you pay a railroad for hauling your freight, you can send it just as far by water for only 25 cents." This statement is true—as an overall average.

In 1976 the railroads charged an average of 2.2 cents per mile for each ton hauled; the water carriers only one-fourth as much. Trucking charges average some 10 cents a ton per mile; 20 times as high as barging.

Railroads and trucks serve countless inland communities off the waterways. By interchanging traffic with water carriers, railroads and trucks transmit the savings of water transportation to inland communities many miles from the waterways.

The waterways' specialty is low cost carriage of bulk materials and fuels. Anything which can move in large volume and no hurry goes by water and saves money.

The waterways are a critical linkage to the nation's energy and other natural resources. Over half of all the tonnage carried on the inland waterways consists of bituminous coal, crude oil, gasoline, fuel oil, and other petroleum products. Nearly 10 per cent consists of farm products and other foodstuffs.

Lumber, logs, sand, gravel, cement, and other building materials are about one-sixth of the total waterborne tonnage. The waterways, with their rail and highway connections, are the mainstay of the basic raw materials, processing, and energy industries which underlie the industrial and farm economy of the nation.

Railroad and waterway freight volumes grow concurrently. The common belief that waterborne freight is business taken away from the railroads is not supported by the record.

Shallow-draft waterborne freight increased by 101 billion ton-miles from 1961 to 1976. Meanwhile, railroad freight grew by 228 billion ton-miles—over twice as much.

The freight volume of river valley railroads has risen more rapidly than the average of other railroads, and the river valley railroads show better financial returns than the average for other railroads.

Even in 1975, a bad year for railroads as for many other businesses, the four major river valley railroads earned a net railway operating income of 3.4 per cent on their net investment in property that year. All other non-bankrupt railroads in the country earned only 11.1 per cent. Whatever harm water transportation supposedly does to the railroads is certainly not evident in the record.

A massive expansion in both rail and waterborne freight is now projected. The U.S. energy program, the achievement of environmental standards, the objective of increased employment opportunity, coupled with a growing population, rising standards of living, and holding action against inflation will place unprecedented demands on the nation's transportation system during the remainder of the century.

The Department of Transportation projects an increase of 82 per cent in the volume of waterborne freight from 1975 to 1990. And, for rail transportation, the department projects for the same period an increase of 143 per cent.

The Railroad Revitalization and Regulatory Reform Act of 1976, placing over $6 billion in grants and credit assistance at the disposal of the railroads, represents a major and highly commendable program to aid the railroads towards meeting the mounting national demand. But, the outlook for the waterways is less optimistic.

A new and vitally important waterway connection is now under construction between the Ohio River Basin and the Gulf Coast. But elsewhere, major bottlenecks have been allowed to develop as the federal government cuts back on maintenance and modernization of the inland navigation system.

Will the American people, through governmental action, bring the fifth seacoast up to modern standards? Only by positive and expedited action can the inland waterways continue their service to the country's well-being.●

THE MINORITY BUSINESSMAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HAMILTON. Mr. Speaker, on February 18 I spoke to participants in the Economic Development Workshop for Minority Businesses in Jeffersonville, Ind. The workshop was cosponsored by the National Association for the Advancement of Colored People, the Clark County Chamber of Commerce and the Clark County Community Action Agency, Inc. The text of my remarks is inserted into the CONGRESSIONAL RECORD for the benefit and use of my colleagues:

THE MINORITY BUSINESSMAN

I am very pleased to be here today. It gives me great pleasure to address your Economic Development Workshop on a matter of importance to us all: minority business enterprise. Since the purpose of this workshop is to provide technical assistance, economic information and "moral support" to the 35 minority businesses in Clark and Floyd Counties, I hope that I can make a contribution by giving you some of my thoughts and ideas on the problems. The progress and the future of minority business enterprise in America.

AN OVERVIEW OF MINORITY BUSINESS

Before discussing the details of any important issue, it may be helpful to take a look at the "big picture" from both the historical perspective and our present vantage point. What happened years ago—or what is happening now in another region of the country—may not always seem directly relevant, but it does help us to put our emphasis where we should.

The history should come first, for in many instances—minority business is no exception—we get a better grip on the current

situation if we understand what has gone before.

THE HISTORY OF MINORITY BUSINESS

The roots of minority business go very deep into American history—much deeper in fact than most of us realize. At the university our future managers learn of the dynamic economic expansion brought about by legendary industrialists and business figures, but they do not hear much of

The black freemen of the North who established "specialty firms" to cater to wealthy families in colonial times;

The black businessmen who branched out into areas previously reserved for whites after the civil war;

The Spanish-speaking entrepreneurs who continued their activities in the West and Southwest after those regions became part of the United States; and

The Asian-Americans who founded businesses to serve their own communities and the white settlers as California was opened and grew.

We see that minority business has always been part of the American scene, from the founding of the nation through its expansion westward. Its tenacity is a business virtue and a quality to be envied by all.

Experts tend to agree that in recent times the fortunes of the minority business community have paralleled those of the business community at large.

The period of 1913 to 1929 was one of growth and prosperity for minority business, but the Great Depression struck it a heavy blow. Minority entrepreneurs, never as strong as their majority counterparts, were slower to recover. During the last two decades, however, there has been a small renaissance of minority business prompted in large measure by the actions of the federal government, especially by the war on poverty. Business agencies such as the Small Business Administration and the Office of Minority Business Enterprise, together with their minority-oriented programs, have carried us to a "take-off" point today.

Full participation in the business life of America is now a distinct possibility for the ambitious, forward-looking minority entreprenuer.

THE NATIONAL PICTURE

How has minority enterprise been doing lately? Is it expanding in step with the rest of the economy? Is it capturing an increasing share of total business volume? Has it acquired what some commentators call "business muscle"?

Unfortunately, the comprehensive data which we must use to answer these questions are a bit dated. The Bureau of the Census conducted wide-ranging surveys of minority business in 1969 and again in 1972. Another survey is in the works, but its results may not be available until mid-1979.

Nonetheless, those who should know tell me that the latest figures—for 1972—convey an accurate impression, so let us see what those figures have to say.

MINORITY BUSINESS OVERALL

In 1972 there were: 382,000 minority-owned firms with total receipts in excess of $16.5 billion; 19 percent more such firms than in 1969; and 56 percent more total receipts than in 1969.

Of these businesses: 20 percent were employers with average annual receipts of $160,000; and 80 percent were nonemployers with average annual receipts of $15,000.

In addition, minority-owned firms (63 percent) and their receipts (58 percent) were concentrated in the retail trade and selected service sectors. However, the largest gains in receipts during the 1969–1972 period occurred in manufacturing (95 percent) and wholesale trade (91 percent).

The "profile" of the average minority business is interesting in itself, but in the final analysis we want to know what the figures show about the position of minority enterprise in the business community at large. Because there were 8.7 million businesses with total receipts in excess of $2.4 trillion in 1972, the comparison can be disheartening: minority firms constituted only 4.4 percent of the total number of businesses and minority receipts were only 0.7 percent of total business volume. We have reason to be disturbed by these small percentages, but we should recognize that they conceal a significant fact to which most interested observers attest: minority enterprise is gaining, slowly but surely.

These percentages allow us to draw two important conclusions about minority business activity, whether it is carried on by blacks, Hispanics or Asian-Americans: minority business is largely undiversified, being confined to retail trade and the provision of selected services, but diversification is taking place, with the greatest proportionate growth in sectors where minority businessmen have been very underrepresented in the past.

The fact that minority enterpreneurs are casting themselves in new roles is a cause for optimism. Like the developing nations, the minority business community will find strength in diversity.

THE PROBLEMS OF MINORITY BUSINESS

Although the independent entrepreneur is a central figure in American folklore—an integral part of the "American Dream"—it sometimes seems that there is a conspiracy afoot to put him out of business. Economists and consultants concede that survival and success are very difficult in today's business environment. Of course, the situation is more serious still for the minority entrepreneur. Let us examine very briefly just a few of the problems faced by the black, Hispanic or Asian-American businessman.

THE PLIGHT OF THE SMALL BUSINESSMAN

The typical minority entrepreneur runs a small operation, and because he does he suffers all the disadvantages of the small businessman. Besides the day-to-day worries of buying and selling goods and services, he is heavily and unfairly taxed, overregulated and sometimes hard-pressed just to keep his doors open to customers. Soaring costs of operation, the product liability crisis, a lack of capital for expansion or improvement and a host of other problems keep him guessing. We should not be surprised when even the most successful small businessman complains of his "hand-to-mouth" existence.

The situation of the new entrepreneur is especially critical: about 30 percent of all new businesses fail within a year and about 50 percent collapse after two years. Were this rate of failure not bad enough, there would still be the element of unfairness in it all. Big business and big labor seem to get what they want from Washington, but—look as hard as you like—nowhere is a powerful small business advocate to be found.

THE UNCERTAIN ECONOMY

We hear a lot about "business confidence" these days. When we do, it is usually in connection with the fears and doubts of the corporate giants or the investment bankers. But who stops to think of the business confidence of the minority entrepreneur? If Wall Street executives are worried about the economy, how much more worried should the minority entrepreneur be? It is not uncommon for a minority firm to topple like a house of cards even in the best of times.

As we survey the contemporary business scene, we see both opportunities and dangers for the minority entrepreneur. The economy is hesitant but on track. Almost all the experts expect the economy to keep moving throughout 1978, with growth in the 4.5 percent to 5.0 percent range. More conservative observers are predicting a slowdown sometime in 1979. Inflation continues to be an irritant (the 1977 rise in the Consumer Price Index was two full percentage points higher than the 1976 rise of 4.8 percent), but unemployment is abating slightly (monthly rates of 6 percent plus are the lowest in three years) and federal spending will be levelling off (at least if President Carter gets his way).

From the point of view of the minority entrepreneur, then, the economic picture is mixed. Things seem secure in the short run, but the real question is what the coming year will bring. No one will claim that we are in a heyday of minority business.

FINANCING AND CREDIT

You are well aware that one of the most difficult problems facing minority businessmen is the unavailability of financing to start, sustain or expand a firm. Insufficient financing necessarily requires a curtailment of business activity. It can hamstring well-conceived business plans. It can also spell disaster for even the most hard-working entrepreneur.

It seems that the minority businessman who seeks additional capital meets adversity at every turn. In his own community there may be very few wealthy people who could make him a personal loan and few minority-owned banks that would be sympathetic. In the majority community he may encounter stiff resistance. Many lending institutions are simply reluctant—often for the wrong reasons—to extend a line of credit to a minority businessman. Others have restrictive lending policies that demand a credit rating before credit can be made available. Thousands of minority firms have had such bad experiences with banks that they do not bother to "make the rounds" when they have need of capital. They know that they cannot afford to waste time in pursuit of a will-o'-the-wisp.

A final feature of the financing and credit problem has to do with government monetary policy. A policy of "tight money" that tilts too far toward containment of inflation may dry up funds for minority business more quickly than any other single factor.

INADEQUATE BUSINESS TRAINING

Another problem confronting the minority firm is the shortage of managerial expertise due largely to inadequate business training.

Many minority entrepreneurs have not had a chance to acquire even the most basic administrative skills. Others have learned what little they know of management techniques in the "school of hard knocks," often at the price of a failed enterprise. Graduate schools of management and government agencies have not responded to the technical needs of these entrepreneurs and, as business has become more a science than the art it use to be, the minority firm has suffered.

Consider just one area in which technical skill is required: Record-keeping. Clear and accurate records are essential to the operation of any business since it is through them that the owner determines the pace and course of his business activity. However, few minority firms can afford to hire outside accountants or controllers. These firms are left to their own devices and some of them are rapidly consumed by balance sheets, budgets and accounts they do not understand.

RESTRICTED MARKETS

Another chronic problem for the minority businessman is the restricted market which he serves.

You are undoubtedly aware that the surrounding community is often much more than "home base" for the typical minority enterprise. It may very well be the only territory in which the enterprise operates. Of course, there is nothing wrong with a business that confines itself to a certain community. The real problem is that many minority communities are poor and have

little extra money to spend in support of local business.

It is usually necessary for the minority businessman to look beyond the bounds of his own neighborhood if he is to widen his market, but this is more easily said than done. Market resistance in the majority community can be substantial since products or services made or sold by minority-owned firms are sometimes regarded as overpriced or poor in quality. The minority businessman may fail to meet market resistance head-on through time-honored methods of advertising, such as direct mailing, sample distribution, radio spots, etc. The result may be a business that could not grow even if it were given sufficient capital.

PERSONNEL MANAGEMENT

The hiring, training and supervision of employees are critical functions in any business, whether large or small. Without talented workers who are well-taught and well-directed, the best of business plans go for naught.

The minority firm is especially troubled in this regard. Because it lacks potential for growth, it must stand helplessly by as other more successful businesses draw away its capable employees with promises of higher pay and quicker advancement. The costs of replacing such employees can be prohibitive.

A recent study confirms that the minority businessman has severe personnel problems. According to the study: Personnel costs were 10 percent to 25 percent over industry norms; there were few internal benchmarks for the measurement of worker productivity; proper supervision was lacking in many areas; employees were inexperienced and inadequately trained on the whole; and employers were unable to provide training even when they recognized the need. As businessmen, you know that such problems would darken the future of any firm.

SOURCE OF ASSISTANCE TO MINORITY BUSINESS

The forces arrayed against minority business are legion and their potentially devastating effects should never be underestimated. In opening a shop, in acquiring a franchise or in expanding a concern that is already going, the minority businessman ignores them at his own peril. However, we should not overlook the fact that the minority businessman has a number of sources of assistance available to him. Let us review these sources so that we can better assess what needs to be done to secure a sure place for minority business in America.

MINORITY BANKS

One of the most important sources of private funds for minority businessmen are the minority-owned banks. Since 1960, the growth of this sector of the commercial banking industry has been laudable. The entry of minorities into banking is really a double blessing: The minority banker makes possible the creation and expansion of minority business and is himself a successful entrepreneur.

Just how significant are minority banks? Although pessimists and detractors will say that they are not significant enough, the statistics would seem to indicate that they are a phenomenon to be reckoned with. As of November, 1976 there were 85 minority-owned banks in the United States: 49 of which were black, 28 of which were Hispanic, 4 of which were Asian-American and 4 of which were native American or multi-racial. We can deplore the fact that there are too few such banks—or we can marvel at the fact that there were only 13 such banks prior to 1960. If the current situation is not ideal, at least the trend is promising.

Another essential statistic is bank size. According to the Office of Minority Business Enterprise, minority banks held deposits of $1.2 billion and had assets of $1.3 billion as of March, 1976. The federal government has played a helpful, if modest, role in boosting these figures. Under the Minority Bank Deposit Program, government deposits in minority banks swelled from $3.7 million in 1970 to $89 million in mid-1976. Clearly the federal government can assume a much more aggressive posture here.

I should put in a good word here for the majority banks. Although they have not always catered to the minority businessman, their record is improving. The American Bankers Association has reported that loans made by its members to minority concerns have increased from $160 million in 1971 to $450 million in 1975.

FRANCHISING

Franchising is an attractive business option for the minority entrepreneur. The reason is obvious enough: the franchisor, usually a large, nationally based company with financial and managerial depth, is able to provide the franchise with resources and technical expertise that the franchise could not provide for itself. The parent firm gets the businessman started with property, equipment, insurance and many other business necessities. The parent firm then helps to sustain the businessman through advertising, administrative and purchasing assistance.

According to the latest complete survey of franchisors by the Department of Commerce (1975), nearly 350 firms (about 30 percent of the respondents) reported over 3,400 minority-owned franchises, an increase of 11 percent over the 1974 total. It is apparent that minority franchising is growing. Giving added impetus to the trend were the 40-odd firms that had established formal programs to recruit minority franchise.

Approximately two-thirds of all minority-owned franchises in 1975 were in three principal sectors—automobile products and services, fast food restaurants and retail food stores. It is encouraging that the greatest increase in numbers of minority-owned franchises took place in the so-called "non-traditional" areas—fast foods, lodging, rentals and business services. That franchising will continue to be an attractive business option for the minority entrepreneur seems clear from the Department of Commerce survey. The federal government should cultivate franchising by enacting statutes to clarify and protect the rights of both the franchisors and the franchise.

DEVELOPMENT ORGANIZATIONS

Private development organizations assist minority business in a wide variety of ways, though they most often help with venture capital and technical problems. There are hundreds of these organizations—foundations, private investment companies, church-sponsored agencies, community development corporations, universities and labor unions—and they are found in every state of the nation.

The details of the various development organizations are too voluminous to set out here, but I might cite the track record of one of them: the National Minority Purchasing Council. The nearly 1,000 companies which participate in the council (300 of them are Fortune 500 firms) purchased $514 million in minority products and services in 1975, $797 million in 1976 and an estimated $1 billion in 1977. These figures represent a staunch commitment of American industrial leaders to minority business. They also represent a move away from minority business dependence on government markets.

SMALL BUSINESS ADMINISTRATION

Because most minority entrepreneurs are small businessmen, a federal agency of interest to them is the Small Business Administration. Although it was established in 1953, the SBA did not become a vigorous participant in the effort to develop minority business until 1964. In that year the agency announced that it was supplementing its basic business loans—Section 7(a) loans—with a Revised Small Loan program and a "6x6" loan program. These latter programs were authorized by the Economic Opportunity Act of 1964 and were directed toward aiding the poor, but because of the high incidence of poverty among minority businessmen they were essentially minority business programs. From time to time Congress has put additional programs under SBA auspices. Let us review the programs that are now in place.

SECTION 7(A) BUSINESS LOANS

Business loans are made to small firms, including minority enterprises, under Section 7(a) of the Small Business Act. The SBA makes these loans available to eligible small firms to finance plant construction and expansion, to purchase equipment and inventory and to build up working capital. The three main kinds of support are loans made directly by the SBA, loans made by the SBA with the participation of commercial banks and guarantees of loans made by commercial banks, up to 90 percent of the loan or $500,000, whichever is smaller. Rates of maturity vary from six years (for working capital loans) to 15 years (for construction loans).

ECONOMIC OPPORTUNITY LOANS

The Economic Opportunity Loan Program is the outgrowth of the two earlier SBA loan programs—Revised Small Loan and "6x6"—begun in 1964. Under the Economic Opportunity Loan program, prospective and established small businessmen—chiefly minority entrepreneurs—who have the capability and desire to become independent are made loans up to $100,000. Emphasis is placed on the funding of enterprises that will give work to the hard-core unemployed. Management assistance is provided.

SURETY BOND GUARANTEES

In response to the needs of small contractors, especially including minority contractors, a Surety Bond Guarantee program was established by the Housing and Rural Development Act of 1970. This legislation authorizes the SBA to guarantee for a fee any certified surety company up to 90 percent of its losses incurred on a small business contract up to $1 million The growth of the program has been steady. As of September, 1977 the SBA guaranteed small business contracts valued at approximately $2.7 billion.

As you know, the SBA licenses, regulates and helps to finance privately organized and privately owned small businesses investment companies. These companies in turn provide financial backing to small business concerns. In 1969 the Department of Commerce launched the Minority Enterprise Small Business Investment Company (MESBIC) program. The program is in fact aimed at all socially or economically disadvantaged persons, so it is sometimes called the "Section 301 (D) program." In 1976 there were 78 such companies in operation with total capital of $85.3 billion. To date, they have invested over $43.4 million in some 1,000 minority firms.

SECTION 8 (A) PROCUREMENT

Under Section 8 (a) of the Small Business Act, the SBA is authorized to act as the prime contractor to provide other departments and agencies of the government with goods and services which it may subcontract to qualified small business. The SBA has used this authority since 1968 to assist minority enterprises in acquiring a bigger share of the business of the federal government.

MANAGEMENT ASSISTANCE

The SBA provides a wide array of management assistance programs for the minority small business community. These

include workshops, seminars and individual counseling. However, when more in-depth assistance is required, members of SCORE (the Service Corps of Retired Executives) and ACE (Active Corps of Executives) may give intensive and extended management assistance. In addition, student bodies and faculties of business schools have recently been brought in to consult with small business firms.

Minorities are participating to an increasing degree in these SBA management assistance programs. About 65,000 minority enterprises attended counseling sessions in 1976. This was a 36 percent jump in attendance over the previous year.

OFFICE OF MINORITY BUSINESS ENTERPRISE

Most minority businessmen are quite familiar with the Office of Minority Business Enterprise. This agency, created by executive order in 1969, has been charged to: Implement federal policy in support of the minority business enterprise program; provide additional management assistance to disadvantaged businesses; and co-ordinate the participation of all federal departments and agencies in an increased minority enterprise effort. Although the OMBE has had its critics, it has scored some notable successes on behalf of the minority entrepreneur. I am reminded of its role in the enactment of legislation to strengthen MESBICs and to authorize SBA surety bond guarantees. I also remember its active advocacy of a census of the American minority business community. The OMBE is working hard to correct its deficiencies, but given its role as minority business advocate it is bound to generate some friction.

RECENT GOVERNMENT ACTION TO ASSIST MINORITY BUSINESS

In the recent past the federal government has taken scores of small steps to help the minority entrepreneur. These actions, however, consist mainly in minor agency and program adjustments whose effects are bound to be very limited. Of far greater interest to the minority business community is the basic thrust of our public policy.

To put it bluntly, minority business wants answers to some fundamental questions: Do we value the minority entrepreneur and will we do what we can to help him succeed? Or do we care little about him and will we be indifferent to his needs? Are there any indications that the President and the Congress are tilting toward one of these policy positions rather than the other? Recent events convince me that the minority entrepreneur has not been forgotten in our preoccupation with other items on the national agenda.

FEDERAL PROCUREMENT POLICY

There can be no doubt that federal procurement policy is extremely important to minority business. There can also be no doubt that the government has been taking some strong action in this area: A $4 billion public works program approved last summer reserves 10 percent of its monies for minority enterprises; a $1.8 billion program to rehabilitate the Washington-to-Boston rail corridor channels 15 percent of its monies to minority business; the EPA has proposed a new program to direct a large share of its procurement to minorities; and the Department of Transportation is directing its five operating agencies to purchase from minorities and, in some cases, to reserve contracts for minorities. Critics, however, believe that these efforts are not enough.

In a statement issued at the White House on September 12, President Carter announced that he had instructed federal departments and agencies to double their purchases of goods and services from minority firms during the next two years. The President noted that the resulting increase in purchases should raise the level of minority business sales to the federal government to the $1 billion mark by 1979.

In the same statement, Mr. Carter called on his Cabinet to work with the SBA and the OMBE on an effective program of minority business support; endorsed efforts now underway to improve the SBA procurement program; said that he had asked the Office of Federal Procurement Policy to review and revise procurement regulations to require contract recipients to show how they would involve minority business before the awarding of a contract; and announced that the Department of the Treasury would be preparing a report on sources of capital for minority business.

If we consider that the federal government is the largest purchaser of goods and services in the world (some $64 billion worth annually), the President's statement begins to take on some significance.

I can understand that a minority entrepreneur might nonetheless look on the President's statement with some skepticism. After all, we have heard "major policy pronouncements" that have led nowhere in the final analysis. However, agencies seem to be reinforcing their commitments to minority business by establishing clear goals and objectives for minority business involvement. Senior agency personnel are being asked to serve on Minority Business Opportunity Committees. Field officials are being encouraged to make their managerial, legal, safety, tax, financial and training expertise available to minority businessmen. A comprehensive reporting system may be set up to ensure that field officials are taking this new duty seriously.

Time will tell us how much to expect from this unusual presidential initiative. In the meantime, I believe that there is cause for optimism.

FURTHER CONGRESSIONAL ACTION ON PROCUREMENT POLICY

Federal contract policy is a very important part of the overall federal procurement effort. Concerned critics claim that federal contracts are not generally awarded in such a way as to stimulate minority businesses. These critics must have been delighted by a recent event in Congress.

On February 2, a House Small Business Subcommittee approved a sweeping set of amendments designed to bolster the federal effort to aid minority enterprise. The bill attacks two of the most important problems in the area of minority business: the reluctance of large corporations to draw upon minority subcontractors and the weaknesses of the SBA procurement program.

In very brief terms, the bill would: Require large firms to negotiate minority involvement in contracts over $500,000 as a condition of contract award; allow the SBA to waive the bonding requirement of the Section 8(a) program (this requirement is an impediment to the participation of many minority businesses); and permit the SBA to choose contracts for the Section 8(a) program rather than waiting for a purchasing agency to offer contracts to the SBA.

I am following the progress of this important bill very closely. It was reported from full committee on February 9 and it may reach the floor of the House by the end of March. I hope that the House will act favorably on it.

CRITICAL ISSUES FACING MINORITY BUSINESS

Before I close I would like to comment on some of the critical issues facing minority business today. As I see it, the most critical issues are: persistent racism in America; changes in the civil rights movement; and recent court challenges to federal procurement quotas.

How these issues are eventually resolved may mean more to the minority businessman than any action the President or the Congress could take.

PERSISTENT RACISM IN AMERICA

Although many Americans seem to think otherwise, the disease of racism has not been stamped out in our country. Just how live it remains was brought home to me the other day as I read over some remarks of HEW Secretary Joe Califano. The Secretary noted that, despite our spectacular progress in civil rights over the past 15 years, a black man still has a 50 percent greater chance of dying before age 65 than a white man, a black child still has a 69 percent greater chance of dying at birth than a white child and vestiges of racism and ethnic chauvinism, some petty and some serious, still exist in education, employment, health care and housing. The Secretary might very well have added business to the list. Racism is a problem that we will continue to confront for a good many years to come.

Why have Americans seemingly become insensitive to the problem of racism? The reasons are many and are difficult to identify with any certainty, but I think that I can identify at least one. It seems to me that too many people in this country regard the problems of minorities as problems of institutional and legal discrimination alone. As institutional and legal barriers to the minorities have fallen (and they have, in great numbers), these people tend to conclude that racism has disappeared. This line of thinking explains the violent reaction that some people have to the idea of institutional or legal compensation for minorities.

We need not probe too deeply to uncover what is wrong with this point of view. Equal opportunity—truly equal opportunity—is a function of many things, not the least of which are education, income level, family experience, peer group influences, neighborhood surroundings and role models. To suggest that a man is free to start a business because this is not illegal is like suggesting that a man is free to fly under his own power because this is not illegal. The hard fact of persistent racism in America will not be wished away.

CHANGES IN THE CIVIL RIGHTS MOVEMENT

No sensitive observer will deny that far-reaching changes are taking place in the civil rights movement today. To all intents and purposes, the changes have the appearance of a "revolution in the revolution." Consider these recent events: The NAACP has just adopted the oil industry's position in favor of natural gas deregulation, arguing that more energy means more jobs for all Americans, including blacks. The National Urban League denounced President Carter's $25 billion tax cut proposal, arguing that less revenues mean less money for America's distressed cities. The National Urban Coalition raised doubts about proposed federal standards for fuel economy in light trucks, arguing that the standards might mean fewer production-line jobs in America's factories.

As one commentator put it, the civil rights movement has come of age. Moral idealism is no longer the main motive force behind the search for a better and more just life. Economic necessity now weighs heavily in the scales.

The recognition by civil rights leaders of the importance of economic issues is welcome, at least so long as our economic concern occupies a place alongside our moral concern. This recognition may even signal a new day for the minority businessman. He, more than anyone else, is at the forefront of the quest for a better and more just life in America.

RECENT COURT CHALLENGES TO FEDERAL PROCUREMENT POLICY

You are undoubtedly aware that the federal procurement initiatives I discussed before have provoked considerable legal action. Efforts to block the initiatives are currently pending in more than 20 courts across the country.

For the most part, the lawsuits have been filed by established contractors who are simply accustomed to the traditional bidding system (the lowest bidder able to do the work gets the contract). However, civil libertarians are also involved, and the arguments they make are the more serious. They believe that, like racial quotas on the job or at the university, the initiatives are a form of "reverse discrimination" and, as such, are unconstitutional. A difficult dilemma is put before us: is it just to give business opportunity to a person solely on the basis of race, thereby depriving another person of business opportunity solely on the basis of race?

On the other side of the issue we see the federal government and the civil rights activists. They contend that the initiatives are just because minority business will never overcome its unfair handicap without them. Past discrimination, they say, calls for the initiatives by any standard of fair play. They also emphasize the fact that majority business is not really being hurt in any case: it always has received, and it always will receive, a lion's share of the federal largesse.

Because lower courts have handed down contradictory rulings, most legal experts believe that the issue of the federal procurement initiatives is headed for the Supreme Court. I myself believe that it is too soon to tell how the issue will be sorted out. However, I do not think it unrealistic to hope for a compromise solution—one which agrees to some form of aggressive affirmative action on the part of the federal government. As minority businessmen, it is incumbent upon you to watch this matter very closely.

CLOSING

I am glad to have had the opportunity to speak to you today. I want to thank you for the invitation. I look forward to any questions or comments you may have. I will try to be as helpful as I can.●

CHAIRMAN REPLIES TO ARTICLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. SIMON. Mr. Speaker, on January 30, I inserted into the RECORD a column from the Washington Post which included some disturbing remarks reportedly made by Joseph Hendrie, the Chairman of the Nuclear Regulatory Commission.

I had overlooked Chairman Hendrie's response to that column and, in fairness, should insert his assurance that he is, indeed, concerned rather than indifferent to the problems of nuclear proliferation:

WATCHING OVER NUCLEAR EXPORTS

(By Joseph M. Hendrie)

Stephen S. Rosenfeld's Jan. 13 op-ed piece ["A Nuclear Guardian's Unalarmed View"] does not fairly represent my views on nuclear export and proliferation matters. The essence of our difference is that Mr. Rosenfeld objects to my attempts to approach these urgent and difficult problems in a rational and quantitative ("cold-blooded," he says) way. He seems to want a more emotional approach and is upset I did not talk that way. I am upset that he would think such a state of mind a fit one for dealing with my responsibilities.

The problem of nuclear proliferation continues to be one of the most pressing and important matters before the nation and the world community. I am deeply concerned about this problem and to characterize my view as rating the risks of proliferation "as somewhat less alarming than the chance of being hit by a car" is absurd.

The President has taken a series of strong and positive steps to control proliferation and I support these fully. The Nuclear Regulatory Commission has the important duty to license commercial nuclear exports, including reactors and fuel. I base my vote on these export applications on a full and careful consideration of the record laid before the commission. I try to make a rational determination on them, in the best interests of the United States. Mr. Rosenfeld seems to find this a "mechanical and seemingly indifferent attitude" on proliferation. I disagree.

In our discussion, I pointed out that the NRC asks the executive branch for its views on nuclear-export applications. Where the executive branch favors the export, we receive a statement culminating in a finding that the export is "not inimical to the common defense and security of the United States." That is a considered finding on behalf of the President and the executive departments—State, Defense, Energy and other agencies. It also is the finding the commission is required to make under the law in granting an export license.

In my view, the "common defense and security" finding is much more a foreign-policy matter than a technical one, and the President and his executive departments are in a much better position to conduct the foreign policy of the United States than an independent regulatory agency. I suggested, then, that it might be worth considering whether the NRC should continue to have the final say on nuclear exports. Pending legislation would give the President authority to override an NRC export-licensing determination. Whether the commission's responsibilities remain as they are, or a new role is assigned us in this area. I will continue to bring to my part in the process a total commitment to the welfare of this country, and the most rational and careful judgment I can muster. And it is not now and never will be "mechanical" or "indifferent."

In discussing proliferation risks, I said the overwhelming one, because of the catastrophic consequences, is a full-scale U.S.-Soviet nuclear war. I do not see much argument about that. There are also the risks of a smaller nuclear exchange not involving the United States and of terrorist use of stolen nuclear-weapon material. The first has an important connection to the full-scale war risk because there is some chance the United States and the Soviet Union might be drawn in. Barring a subsequent full-scale war, the latter two events would leave the United States functional as a nation, although at terrible human cost. Mr. Rosenfeld's column makes it sound as though my attitude in trying to sort out these grim matters amounts to "Aw, hell, earthquakes and automobiles are risky, too, so why worry." That is a bum rap, and I reject it. His attitude, to treat it as simplistically as he has mine, seems to be that if you have to think about two bad things, it is wrong to attempt to quantify the difference between them because bad is just bad, period.

On proliferation matters, I am as concerned, and occasionally terrified, as he may be. I bring all that depth of feeling to my decisions, but I try not to make those decisions in a purely emotional manner.

I thoroughly regret one aspect of our discussion. In talking about the effects of a nuclear exchange between two other nations, I started to talk about "Country A" and "Country B." One of my hosts challenged me to stop being mythical and make it concrete by naming some countries. Unfortunately, I did so, thinking my off-hand choices were preposterous enough to be seen equivalent to the mythical countries. I offer my profound apologies to those nations, which I will not further offend by naming here. It was unthinking and totally unjustified on my part.●

IS U.S. READY TO EXPLORE SOLAR SYSTEM?

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. TEAGUE. Mr. Speaker, the American Association for the Advancement of Science sponsored a panel discussion on February 14, 1978, during the annual meeting in Washington, D.C., which I would like to bring to the attention of my colleagues.

The distinguished panel representing Government, industry, and universities wrestled with the problems facing our scientists who are yearning to probe the solar system yet find themselves reined in by down-to-earth budget considerations:

[From the Christian Science Monitor]

IS U.S. READY TO EXPLORE SOLAR SYSTEM?

SPACE SCIENTISTS SEE IMMENSE GAINS FROM A FULL COMMITMENT

(By Robert C. Cowes)

While twin Voyager spacecraft continue on course for Jupiter, American space planners wonder where their planetary research program itself should be headed.

Should there be an explicit national commitment to systematically and thoroughly explore the solar system—a goal as challenging as the commitment to land a man on the moon?

"Yes," say space scientists who raised the question at the annual meeting of the American Association for the Advancement of Science. They consider the present U.S. space program a haphazard and fragmentary quest for knowledge needed to better understand our own planet. They would like a stronger, definitive, long-term program.

Fiscal watchdog Eliot Cutler, associate director for natural resources, energy, and science at the Office of Management and Budget (OMB), also thinks the U.S. should explore the solar system. However, he told the scientists, they already have a commitment for exploration in President Carter's recognition of this field as essential basic research. What scientists might consider a piecemeal program, he said, is carefully fitted into a tight federal budget.

FISCAL LIMITS CITED

Rep. Edward P. Boland (D) of Massachusetts, chairman of the House subcommittee

on independent agencies, agrees that the U.S. should explore the planets. But he warns that scientists can't expect to do all the interesting and valuable research they would like to because Congress has many competing demands for money. Priorities must be set, he said, and even the scientists must pick and choose among the many possible projects.

Thus, in the dialogue between the champions of exploration and the guardians of the budget, there is happy agreement that solar system exploration is worthwhile. The controversy lies in deciding how much and what kind of exploration to tackle.

Currently, two spacecraft are on their way to fly by Jupiter and Saturn and perhaps even Uranus. They are to be followed by missions that will orbit Jupiter and Venus and study the sun. Further down the line, the National Aeronautics and Space Administration (NASA) is studying other missions to planets, comets, and asteroids. President Carter has requested $187 million in his fiscal 1979 budget for this research.

While space scientists welcome such activity, those who spoke here consider this an adequate substitute for a long-term, definitive program. They look upon the solar system as a laboratory where a variety of planets offer different examples of the workings of the basic planetary process.

A "BACKGROUND" FOR STUDY

"If we stay on earth and try to understand such things, we are very limited," explained Michael B. McElroy of Harvard University. "Earth," he said, "presents a confusing mass of details. With other planets we can learn the essential aspects of planetary science and see earth's details in better perspective. We must develop the capacity to understand what we are going to do to earth [as we continue to develop it] before we do it."

He and other scientists insist that such a capacity is best developed by systematic, ongoing exploration.

Albert D. Wheelon, group executive and vice-president of Hughes Aircraft, supported this view. In his opinion, industry is cautious about getting involved in planetary research, although its managers would like to share in this historic work. Also, they sense the beginnings of new markets in space applications—orbiting factories, communications satellites, and the like.

Already several nations, such as Japan and West Germany, are preparing to compete for this business, Mr. Wheelon said. He believes a strong planetary program would both advertise and help maintain general American competence in space technology.

IMMENSE SUMS INVOLVED

Therefore, he too would like to see President Carter set a goal of thoroughly exploring the solar system by the year 2000 and sharing the knowledge with all mankind.

Such a program could mean spending $300 to $400 million a year for a decade, Mr. Boland noted. "We haven't even given New York City that kind of commitment," he added.

Former congressman Charles A. Mosher (R) of Ohio explained that no Congress or President could make such a commitment. As he put it: "Exploration of the solar system takes a never-ending effort to persuade and keep persuading the ever-changing congress, the often-changing White House, and ever-fickle public opinion."

As a reflection of a larger debate now going on within government and the American scientific community, the discussion here suggested that the U.S. is groping toward a new consensus on what it wants to do in space exploration. While scientists are unlikely to get any long-term guarantees, there probably will be a continuing effort. And it will be made partly out of recognition that such exploration is an epochal development for humanity generally.

Carl Sagan, of Cornell University, mirrored this feeling when he commented: "I suspect this generation will be known as the one that first explored the solar system."●

WHY THE UNITED STATES SHOULD REJECT THE PROPOSED PANAMA CANAL TREATIES

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. HANSEN. Mr. Speaker, I call your attention to the following remarks of President Carter during the 1976 Presidential campaign:

CARTER POLITICS AND THE PANAMA CANAL

"I would never give up complete control or practical control of the Panama Canal Zone."

"I would not relinquish the practical control of the Panama Canal Zone any time in the foreseeable future."

Jimmy Carter, October 6, 1976, Second Presidential Television Debate, San Francisco, California:

Less than a year after he promised the American people that he would never relinquish U.S. control of the Panama Canal, President Carter signed the proposed Panama Canal Treaties at the headquarters of the OAS in Washington, D.C.

This was only the beginning of a massive deception of the American people. Just recently the Administration revealed for the first time, in spite of repeated claims by the President that the Treaties would not cost the U.S. taxpayers a dollar, that the proposed Treaties would cost the Nation's taxpayers over $600 million.

With each passing day it is becoming increasingly evident that the proposed Treaties are not in the best interests—militarily, economically, or politically—of the United States. The Treaties remain a rip-off of the taxpayer and consumer.

The history surrounding the creation of the Panama Canal has been debated endlessly for years. However, the facts unchanged. The United States bought and paid for the Panama Canal Zone many times over. No other country at that time had the resolve and technology to construct what has been described the world over as the eighth Wonder of the World. For 68 years this country has operated the canal with no thought of profit for the benefit of the world's maritime nations. It is extremely obvious that the Republic of Panama would not and could not operate the Canal under the same conditions. The Canal would be operated solely for the benefit of Panama. Even the State Department has estimated that the Panamanians would increase the tolls from 40 to 60 percent.

I remain categorically opposed to the proposed treaties as does the majority of the American public. I have polled Second District voters and found that 96 percent do not favor transferring ownership of the Canal to Panama.

I question almost every aspect of the proposed Treaties. We are placing our trust in the government of a country which came to power by force and which could just as easily be put out of power by force. The character of General Torrijos is at best questionable. Torrijo's dictatorial government has the worst human rights record in all of Latin America. Torrijos himself has been linked to prostitution and international drugs trafficking. I cannot buy the Administration's argument that Torrijos merely knew of his brothers' activities and failed to do anything to stop them. Even if this is the case then under our law he is an accessory to the crime and just as guilty. Additionally during Torrijos' ten years as Panama's "maximum leader" his wealth has increased tremendously. He is reported to be a millionaire many times over from his continued skimming of Panama's economy and his international drug connections.

The treaty talks began in earnest over a year ago under scandalous conditions with negotiator Sol Linowitz being given a special appointment allowing him to bypass the scrutiny of the U.S. Senate and avoid disclosure of any conflicts of interest, some of which I have since exposed in the courts to the embarrassment of all parties concerned. As a result of my legal actions Linowitz was forced to resign as a member of the Board of Directors of the Marine Midland Bank of New York which has loaned millions to the Republic of Panama and is on the Federal Reserve's trouble list. However, the scandal continued right to the time of the treaty agreement which came only 4 hours and 40 minutes before Linowitz's appointment was terminated. Linowitz now arrogantly says he plans to rejoin Marine Midland's Board.

One must ask, why the panic, why the rush, and what was the price for quick agreement that Americans will have to pay? With Panama owing commercial international banking interests some $200 million and the Nation reeling under a $1.2 billion total debt with loans coming due, was it Mr. Linowitz's job to get quick agreement to quickly shore up the revenue and asset picture of the Torrijos government? Furthermore, why did President Carter refuse to let the Senate scrutinize Linowitz's Ambassadorial appointment?

The background of Ambassador Linowitz is a tingling web of intrigue when it is combined with the recently concluded negotiations.

Conflict of interest charges against Linowitz were pressed with the White House and in the Senate by Senator Jesse Helms, of North Carolina, one of the leaders of the Senate group opposing the turning of the strategic waterway over to Panama. Senator Helms called attention to Linowitz's role as a director of the Marine Midland Bank and Pan American Airways, both of which have a direct financial interest in the support of the Torrijos regime. It was revealed that the bank had made substantial risky loans directly to the Republic of Panama. Senator Helms reported: "The proposed treaty, which Linowitz has long advocated and is now negotiating for the United States, would give away billions of dollars of U.S. investments in the Canal Zone, vastly increase payments to the Republic of Panama, and strengthen the Torrijos regime, which is tottering both financially and politically."

It was revealed that Linowitz served not only on the Board of Directors of the Marine Midland Bank but also on its Executive Board which handles major loans. Senator Helms noted that the Panamanian Government is in deep financial crisis as a result of its own mismanagement and the international banking community has grave doubts whether the outstanding indebted-

ness incurred by Torrijos can be paid. Senator Helms revealed that if the Panamanian Government fails because of its financial crisis, it could well mean the end of the bankers' paradise created by Torrijos which provides United States and other banks with a tax haven for international financial transactions outside the United States.

The conflicts of interest which infect the representation of the United States in negotiating a treaty over the Panama Canal fall into three separate classes, any one of which would and should have made Linowitz inappropriate to be a negotiator for the United States.

When this issue was first raised it arose in the context of Linowitz' appointment with the personal rank of Ambassador. The law, 22 U.S.C. 901a, clearly requires an appointed ambassador to reveal his campaign contributions. Linowitz' to this day has refused to do so. The intent and purpose of the law was to preclude purchase of a position of eminence and power.

The devise of personal appointment served to prevent exposure of the matters which the law required revealed in 901a. It also prevented a confirmation hearing before the U.S. Senate in which any real and potential conflicts of interest would be revealed. That is, a confirmation hearing would have revealed those interests of the nominee which would have made the post worth purchasing in the first place. Instead, a State Department formality was substituted for a confirmation hearing.

To this day no one has seen the alleged State Department clearance on Linowitz. No one outside the administration knows how many "Marine Midlands" it contains. But the public record tells us a few more conflict of interest connections which do not lend confidence in the treaty negotiated under the aegis of Mr. Linowitz.

The ultimate issue remains that Linowitz was a registered foreign agent for some of the very Latin American countries pressuring for U.S. divestiture of the canal. He is on boards which have a vested interest in retaining favorable connections and even money recovery from Panama, a country with a deficit far worse than even the United States on a per-capita basis. Finally, he even represented Panama in these negotiations just prior to his appointment. Both the reality and the appearance of conflict of interest makes the treaties produced with his contrivance more than suspect.

Much more suspect is a State Department which gave him a clean bill of health until the pressure was on. Then came the stuttering explanations that if matters touching Linowitz' business interests should arise, State was sure he would rescue himself from those parts of the treaty negotiations touching those interests. Did Linowitz withdraw from the money negotiations? There is no public record of his doing so. Nor did the other negotiator, Ellsworth Bunker, a former Director of Banker's Trust whose brother serves on the Board of Lehman Brothers. And what of Secretary of State Cyrus Vance, a former Director of Pan American airways?

What is to be said of an administration which trades on morality as its daily staple? Was it unaware of Linowitz' interests and the conflicts? Did not Vance tell the White House? Or did it not matter? Will the Senate now be asked to save the face of the President at the expense of the Nation? When should they have known the facts? Will the House be asked to pass enabling legislation and appropriations on a treaty with suspect antecedents? Why should the United States give up the Canal for a set of Linowitz' to profiteer at the expense of its citizens?

Just how important is the Panama Canal? The Joint Chiefs of Staff have stated that it is essential to our national defense. Yet, the Department of State in their Environmental Impact Statement (EIS) have stated that Panama is expected to raise the canal tolls 40 to 60 percent and that includes warships and supply vessels.

The EIS also states that the Canal Zone Watershed is expected to be destroyed. Without a carefully controlled watershed to provide water for the locks the Canal will cease to operate. The entire operation of the Canal is dependent upon a fresh water supply from two man-made lakes in the Canal Zone.

The EIS has as much as said that Panama will not be able to operate the Canal. It has been estimated that over 50 percent of the U.S. nationals working in the Canal Zone will quit within three years after the Treaties are approved. thus placing in serious jeopardy Administration hopes for a training program for Panamanian nationals. There physically won't be enough people left to operate a training program or the Canal.

We must also consider whether a country which is in such severe economic straits will not be inclined to use funds from the Canal which are earmarked for maintenance and dredging for things such as low-income housing and health care. The United States will then be forced to give Panama additional funds to keep the Canal operating or face the prospect of that nation inviting Russia or some other country to do so.

Despite all arguments the fact remains that for 64 years the United States has never operated the Canal on a profit-making basis. We have always operated it as an international public utility. Now President Carter. after promising the nation that he would never relinquish U.S. control of the Canal Zone is proposing to turn this facility over to a country whose only aim is to make a profit at the expense of world consumers, and as the biggest user, U.S. citizens will be paying the lion's share

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What Is Happening in Congress Concerning the Panama Treaties

The open battle over the Panama Canal treaties began in Congress several weeks ago and was preceded by a nationwide address of Preident Carter. The most startling fact which was absent from the President's remarks was the fact that the American taxpayer was going to have to pay approximately $4 billion to implement the treaties. The Administration has to date only admitted to a $600,000,000 cost.

On August 4, 1977 I introduced a concurrent resolution stating that U.S. property in the Canal Zone should not be conveyed to Panama without an Act of Congress. To date this resolution has gained 222 co-sponsors from 47 states. Other resolutions similar to mine have also been introduced.

One of the fundamental and most important issue arising out of the proposed Panama Canal treaties is the role of the House of Representatives in the disposal of territory or property of the United States.

I have spoken out on many occasions to urge the House to assert its legitimate role with respect to the disposition of U.S. property and territory in the Canal Zone. I believe it is unconstitutional and inappropriate for the multi-billion dollar investment of the United States in the Canal Zone to be transferred to the Republic of Panama by treaty alone. Article IV, Section 3, Clause 2 of the Constitution gives to the Congress the exclusive power to dispose of U.S. property and territory. Failure to exercise that power in this crucial question of the Canal Zone will be a disastrous precedent for the separation of powers in our government.

The question is this: Does Article IV require the consent of both Houses of Congress before American property in the Canal Zone can be transferred to Panama? Or can such holdings be given away by a "self-executing" treaty?

I am amazed that this issue has been treated so cavalierly by proponents of the treaty. The framers deliberately wrote Article IV into the Constitution as one of the checks and balances provided to prevent rash and precipitous treaty action by requiring that an implementing Act be passed by both the Senate and the House of Representatives before Federal land or property can be conveyed to another power.

This is a matter that closely touches all the people. The transfer of the Canal and Canal Zone assets whose replacement value is nearly $10 billion and whose operation is closely linked to the economy and security of our nation, is a subject of gravest importance. It is undoubtedly the kind of public action which the framers did not want taken until it had received the most extensive and thorough deliberation.

It would be well to refer back to the original purpose of our founding fathers, who wanted a place to check on major actions of the Government which may harm the country.

The matter came up early in the State conventions convened to ratify the Constitution. Where much concern was expressed about the possibility of yielding, by a treaty, territory that might be valuable to the economy of a particular State or region. This fear was specifically rebutted at the Virginia Convention.

Governor Randolph, who was a delegate both to the Federal and Virginia Conventions, took note of the objection when he remarked:

"But it has been said that there is no restriction with respect to making treaties."

His answer was that the Constitution provided "the most express restriction" on sacrificing the property rights of the Nation in article IV, which empowers Congress to dispose of territory or property of the United States.

Randolph was not the only one who took this view. Francis Corbin added at the Virginia Convention that the people were protected against rash treaties by another provision of the Constitution. Corbin said that if property is sought to be transferred by an agreement in the nature of a commercial treaty—a description which clearly is applicable to a treaty relating to commerce through the Panama Canal—"the consent of the House of Representatives would be requisite, because of the correspondent alterations that must be made in the laws."

So I believe the framers definitely intended for any proposed transfer of property or territory, which may have an important bearing on the economy or security of any State or region in the country, to receive the consent of both Houses of Congress, acting together with the President, before it would be valid.

But it is not necessary to prove that Congress has the exclusive power to dispose of public property. George Leonard, a well-known Washington attorney with considerable experience in constitutional matters, testified before the Subcommittee on Separation of Powers last year, that in the case of the Panama Canal treaties, the true question is: "Once Congress has legislated on the subject, can the canal and the zone be conveyed without the approval of Congress?"

Here there is a special situation. Congress, as a joint body, has acted on the canal since at least 1902. In the Spooner Act of that

year, Congress authorized the President to acquire property and "perpetual control of a strip of land" in the then territory of Colombia and to "perpetually maintain, operate, and protect thereon a canal" from the Caribbean Sea to the Pacific Ocean. It was pursuant to the will of Congress in the Spooner Act that the Panama Canal Treaty of 1903 was negotiated and concluded.

Since that time, Congress has established courts, enacted civil and criminal codes, provided for defense, and maintained, administered, and operated both the canal and the Canal Zone.

In the fact of this considerable activity by Congress concerning the Panama Canal, Mr. Leonard believes Congress has preempted any concurrent power which the President, together with the Senate, may have had to dispose of the canal and land in the zone by treaty.

In fact, we have always before used legislation passed by both Houses of Congress in order to cede property in the Canal Zone to Panama. In 1932, it took legislation to authorize the Secretary of State to modify the boundary line between Panama and the zone so that a new legation building could be built on foreign soil, that is Panamanian territory, instead of American territory.

In 1936, a treaty was signed relating to the disposal of certain property to Panama. This treaty was specifically qualified by the following words: "When the authority of the Congress of the United States shall have been obtained therefore, the Government of the United States will transfer to the Republic of Panama: the property in question. Thus the treaty itself openly required subsequent action by both Houses of Congress.

Then in 1943, a joint resolution was approved authorizing an executive agreement for the transfer of certain land in the Canal Zone to Panama. During Senate deliberation over this resolution, the chairman of the Senate Foreign Relations Committee, Senator Tom Connally, unequivocally took the position that under the Constitution "Congress alone can vest title to property which belongs to the United States." He added:

"So, if we had a formal treaty before us and if it should be ratified, it would still be necessary for the Congress to pass an act vesting in the Republic of Panama the title to the particular tract of land . . ."

Finally, in 1955, another treaty provided for the transfer of land to Panama. Three provisions of that treaty related to the disposal of territory and property. Although two of those three provisions did not expressly call for implementing legislation, Assistant Secretary of State Holland, informed the Senate Foreign Relations Committee in writing that legislation would be needed to implement the transfer of all the territory and property covered by the treaty.

In summary, under Article IV of the Constitution, the Panama Canal Treaty cannot become effective, even if it is given the advice and consent of two-thirds of the Senate, until the House of Representatives also acts favorably on the issue.

Even if the Senate should approve these treaties—and that is still a big "if"—they should not do so unless an amendment or reservation is attached requiring implementing legislation for the appropriate transfer of territory and property.

I might observe that back as far as October of last year this implementing legislation was recognized as being necessary by the Department of State and we were told that such recommendations would be forwarded to the Congress within a few days. This implementing legislation has yet to be submitted by an Administration seemingly reluctant to face both Houses of Congress during an election year with an unpopular proposal to give up the Panama Canal.

Instead, Treaty proponents are thrashing around with unsound arguments that only the Senate need act. This effort to make an end run on accepted and traditional Constitutional processes has precipitated a strong sense of indignation in the House of Representatives and elsewhere which has produced a rash of court cases and the unprecedented action of having a majority of the House as co-sponsors of my legislation insisting that the Senate reject the temptation to act as a House of Lords and abide by proper procedures.

THE TREATIES WRITTEN BY WALL STREET

If anyone thinks the new Panama Canal Treaties mean an end to the big stick and dollar diplomacy, they had better take another look.

The total debt of the Panamanian government to U.S. banks is reported by the Library of Congress at $1.7 billion. The Department of Planning of the Republic of Panama has stated that no less than 39 percent of Panama's annual budget is being used to service its foreign debt, which amounts to $42 million per year and includes $25 million in interest and $17 million in amortizing principal.

Leading the parade of American banks involved in Panama are the First National City Bank and the Chase Manhattan Bank, the flagship bank for the far-flung Rockefeller financial interests. Both of these banks serve as fiscal agents for the government of Panama. In one advertisement for a $115 million loan to Panama, for example, the First National City Bank is listed as the agent for the loan. Other participating banks include the Bank of America, Banker's Trust, Chase Manhattan, the First National Bank of Boston, the First National Bank of Chicago, the Republic National Bank of Dallas, and of course Sol Linowitz' Marine-Midland Bank.

One might well ask, Why did these New York banks pour all that money into Torrijos' hands? It seems very clear that the loans were a trade-off for Torrijos' decision—on the advice of leading New York banks—to reorganize Panama's banking laws in July 1970. This reorganization provided a favorable haven, free of taxes and onerous regulations, for foreign banks in Panama, much as Panama has long provided a flag of convenience for world shipping. Since the 1970 legal change, total banking assets in Panama, a nation of only 1.7 million people, have expanded enormously from a few banks with a few million dollars to 73 international banks with total assets of $8.6 billion, conducting transactions throughout the world. Prominent among the U.S. banks expanding rapidly in Panama since the 1970 legislation are the First National City Bank, the Bank of America, Chase Manhattan, and the Marine-Midland Bank.

The deal was beneficial to both parties, then, inasmuch as the U.S. banks received a haven for their operations and the Torrijos regime was able to acquire great sources of funds as well as solidify its political power in Panama. But now the U.S. taxpayer is being subtly asked to bail out the banks by paying Panama's debt, a reverse of the days of Jesse James.

If a handful of large international banks will be the major beneficiaries of the Panama Canal Treaty, have they also had any role in lobbying for or negotiating the treaty itself? Or, will their gains be merely a lucky windfall from decisions made by the U.S. government for very different reasons? Let us see from material now a part of the Congressional Record.

While the treaties were being negotiated, then-Senator Gale McGee (D–WY), one of the leading pro-treaty people in Congress, held a meeting at the State Department at the end of October 1975 to organize a pro-treaty lobby. In attendance were lobbyists for the Chase Manhattan Bank, the Bank of America, such large corporations as Gulf Oil and Rockwell International, as well as representatives of the Council of the Americas. A campaign kitty was raised at that meeting, estimates of the size ranging from $100,000 to $500,000. Subsequent meetings brought in lobbyists for other large banks and corporations, including Pan American World Airways. Plans were made at these meetings to pressure the U.S. Chamber of Commerce into supporting the future treaty. (See The Power Peddlers, Doubleday, p. 123.)

The influence of the bankers and the corporations, however, has been even more direct. When Carter took office he appointed Sol Linowitz, former ambassador to the Organization of American States and long an advocate of a new treaty, to join Ellsworth Bunker on the Panama Canal negotiating team. Bunker himself is a former director of Bankers Trust, and his brother, Arthur Hugh Bunker, is a longtime director of Lehman Brothers

Linowitz's financial and political connections are more numerous. He is a member of the powerful Council on Foreign Relations, which is dominated as well as chaired by David Rockefeller, who is also chairman of the Chase Manhattan Bank. Moreover, Linowitz is a member of the exclusive and much publicized Trilateral Commission, which was founded and is dominated by David Rockefeller and which includes so many foreign-policy and economic-affairs leaders of the Carter Administration—from Carter himself to Vice President Mondale, Secretary of State Cyrus Vance, and National Security Advisor Brzezinski. In addition, Linowitz is a trustee and former chairman of the policy committee of the Center for Inter-American Relations, an organization founded and chaired by David Rockefeller, whose directors interlock heavily with the Council for Foreign Relations. Linowitz was also a member of Nelson Rockefeller's personal vehicle for his abortive presidential run, the National Committee on Critical Choices for Americans. As a member of the board of directors of Time, Inc. Linowitz also wields a degree of influence on the national media.

Even more pertinently, upon his appointment as negotiator of the canal treaties, Sol Linowitz was a member of the board and the executive committee of Marine Midland Bank and of Pan Am. The Marine Midland connection is clear and direct, the government of Panama owes Marine Midland Bank millions in loans. Furthermore, it was only after I filed suit on April 20 against Linowitz as canal negotiator, that he finally resigned his position with Marine Midland. The suit sought a restraining order on Linowitz to act as negotiator on the grounds of apparent conflicts of interest at least until his presidential appointment should be confirmed by the Senate.

Linowitz, however, insisted on keeping his high positions at Pan Am while negotiating and arguing on behalf of the canal treaty. Pan Am has for decades been within the Rockefeller financial ambit, as is indicated by James S. Rockefeller's presence on the airline's board of directors. Other directors are Frank Stanton of CBS and Donald Kendall of Pepsico, both of whom are directors at Atlantic Richfield Company, whose president, Robert O. Anderson, is a

member of the board of Rockefeller's Chase Manhattan Bank. Until he became Secretary of State, Cyrus Vance was also a director of Pan Am. While too much should not be made of a list of corporate interconnections, the above establishes a clear pattern of Linowitz-Rockefeller commonality of interest and action. The sphere of which is international and often in conflict with the interests and well-being of the small farmer, businessman and consumer of America.

What does Pan Am have to gain from Torrijos? One obvious benefit is the protection of the company's rights and holdings in Panama which serves as Pam Am's headquarters for Latin America. And the Linowitz connection is much broader when it is noted that his law firm, from which he had not resigned, remained a registered agent for South American governments and sugar interests, again in some conflict with United States farm, business, and consumer interests.

One of the most important influences in the drive toward a treaty was the new Washington-based Commission on U.S.-Latin American Relations. The commission was organized in 1974 by the Center for Inter-American Relations and was largely financed by Ford Foundations and Rockefeller funds. Its chairman until recently was Sol Linowitz, with Dr. Robert A. Pastor serving as the staff director. Other members of the Linowitz Commission included such influential Trilateral Commission members as W. Michael Blumenthal, who is now secretary of the treasury; Samuel P. Huntington, now an aide to the National Security Council; Peter Peterson, chairman of Lehman Brothers; and Elliott Richardson.

In December 1976, Pastor wrote a report for the Linowitz Commission, urging a new treaty and substantial funds for Panama. The Council on Foreign Relations promptly held a special colloquium on the subject and endorsed the Linowitz Report. The next month, Brzezinski, national security advisor to Carter, appointed a special assistant on Panama question, who turned out to be none other than Dr. Robert Pastor.

Without delay, Pastor drew up a National Security Council memorandum recommending a new Panama Canal treaty. The paper was approved by Brzezinski, and then, after checking with longtime Nelson Rockefeller foreign policy aide Henry Kissinger, endorsed by Carter. In the meantime Linowitz, representing the Republic of Panama along with Ambassador Boyd met with President-elect Carter in late 1976 requesting transfer of the Canal to Panama. Two months later as the culmination of the Linowitz-Rockefeller drive, Linowitz then got himself appointed to negotiate the new Panama treaties.

On November 1, the New York Times carried a large advertisement paid for by a group called the Committee of Americans for the Canal Treaty, Inc. who are working closely with President Carter in an attempt to subvert the will of the majority of he American people by using their corporate power and prestige to obtain ratification of the proposed treaties in the U.S. Senate and unconstitutionally bypass consideration by the House of Representatives. The following is a partial list of the 200 prominent Americans whose names appeared as members of the Committee, along with pertinent associations which I have entered into the CONGRESSIONAL RECORD.

Stephen Ailes, lawyer, director of Riggs National Bank; Hoyt Ammidon, U.S. Trust Co.; Robert O. Anderson, Atlantic Richfield Co.; George W. Ball, investment banker, Lehman Bros.; Robert S. Benjamin, lawyer, director of Transamerica Corp.; Eugene Black, former president of the World Bank; Shirley Temple Black, former Ambassador to Ghana; director of Del Monte Corp.; William McC. Blair, Jr., investment banker, William Blair Co.; William Boeschenstein, Owens-Corning Fiberglass Corp.

Edgar Bronfman, Distillers Corp.—Seagrams Ltd.; John W. Brooks, Celanese Corp.; Phillip Buchen, counsel to President Ford; Henry Catto, Jr., former U.S. Chief of Protocol; Gardner Cowles, Cowles Communications, Inc.; J. Dewey Daane, Commerce Union Bank, Richard Debs, Federal Reserve Bank of New York; C. Douglas Dillon, Rockefeller Foundation director, Dillon, Read & Co.; Secretary of the Treasury for Kennedy and Johnson (1961–1965); Thomas K. Finletter, former Secretary of the Air Force; Max Fisher, Manufacturer's National Bank of Detroit; Peter Flanagan, investment banker, Dillon Read & Company.

Michael V. Forrestal, Wall Street lawyer, formerly on White House National Security Staff; Henry H. Fowler, investment banker, Goldman, Sachs & Co.; former Secretary of the Treasury; J. Wayne Fredericks, Ford Motor Co.; Orville Freeman, Business International Corp.; former secretary of Agriculture; Richard M. Furland, Squibb Corp.; American Express Co.; Chase Manhattan Bank; W. L. Hadley Griffin, Brown Shoe Co.; Armand Hammer, Occidental Petroleum Corp. W. Averell Harriman, Brown Bros., Harriman & Co.; former presidential advisor, Ambassador, Secretary of Commerce, and Governor of New York; Ben Heineman, First National Bank of Chicago; Andrew Heiskell, chairman of the board, Time, Inc.

Robert H. Knight, Wall Street lawyer; former Deputy Assistant Secretary of Defense; Arthur Krim, United Artists Corp.; R. Heath Larry, U.S. Steel; Harding W. Lawrence, Braniff Airways; Henry Cabot Lodge, former U.S. Ambassador to UN; John Loeb, investment banker, Loeb, Rhodes & Co.; John H. McCloy, Wall Street lawyer, former chairman of the board, Chase Manhattan Bank; C. Peter McColough, Xerox.

George Meany, president, AFL–CIO; G. William Miller, Textron; J. Irwin Miller, Cummins Engine Co.; Paul Nitze, former Deputy Secretary of Defense; General Lauris Norstad, former Commander of SHAPE; Jane Cahill Pfeiffer, IBM; Peter G. Peterson, investment banker, Lehman Bros.; former Secretary of the Treasury; David Reynold, Reynolds Metals Co.; General Matthew Ridgway, former Chief of Staff, U.S. Army; David Rockefeller, Chase Manhattan Bank; Nelson Rockefeller; Robert Roosa, Brown Bros., Harriman & Co.; Franklin D. Roosevelt, Jr. Theodore Roosevelt IV, investment banker, Lehman Bros.; Walt Whitman Rostow, former national security assistant to President Johnson; Arthur Schlesinger, Jr., former special assistant to President Kennedy; Benno Schmidt, J. H. Whitney & Co.; Irving Shapiro, du Pont; director, First National City Bank; George P. Shultz, Bechtel Corp.; director, Inter-American Development Bank; former Secretary of Treasury; Arhtur Taylor, CBS; General Maxwell Taylor, former Chairman, Joint Chiefs of Staff; Walter Thayer, Whitney Communications Corp.; Alexander Trowbridge, Allied Chemicals Corp.; former Secretary of Commerce; Lew Waserman, MCA, Inc.; James Wilcock, Mellon Bank.

The conflicts of interest surrounding the proposed treaties are staggering. The picture shows a group of pro-treaty people battling to pour money into the coffers of a handful of Wall Street banks in the name of a treaty they mistakenly believe represents a withdrawal of U.S. power abroad. These treaties definitely not in the best interests of the United States as President Carter would have us believe. They are in the best interests of Wall Street.

AGRICULTURAL MARKETS AND CONSUMER INTERESTS

The mainstay of America's economic well-being lies in its farms. Agricultural exports are the key to off-setting our serious balance of payments deficits. To date attention has been given primarily to military aspects of the proposed transfer of the Panama Canal and little said about the potential harm which would befall the American farmer. However, considerable information is available. One official source is from a recent U.S. Department of Agriculture publication entitled, "The Panama Canal and U.S. Farm Trade."

Documented research and charts clearly point out the numerous far-reaching effects of the proposed treaties on this nation's agricultural industry.

Even with super highways, new rail freight handling procedures and increased use of aircargo service, the 51-mile-long Panama Canal continues to be a key east-west link for U.S. farm trade. Sugar from western state farmers to markets in the East and Europe, and grain, soybeans, and cotton headed to the Far East from U.S. Great Lakes, east coast, and gulf ports are especially dependent on the Canal, whose opening in 1914 gave U.S. shippers a welcome alternative to the hazardous Cape Horn route and helped foster worldwide trade.

During 1976 about one in every 5 tons of U.S. farm product exports moved through the Canal. This amounted to some 20 million metric tons, or two-thirds of all farm product traffic through the Canal last year and about 17 percent of total Canal shipping.

Far the most important farm commodities shipped via the Canal are grains, soybeans, and other bulk products, whose lifelines to foreign markets are still the ocean-going tankers and freighters.

By penetrating the land barrier to transportation posed by Central and South America, construction of the Canal through the Isthmus of Panama represented one of the early breakthroughs for U.S. trade, paving the way for export gains in Europe, the Far East and other distant markets. For many U.S. farm products, this advantage continues, despite hikes in Canal tolls since 1974 and the advent of air transportation and innovative land-sea connections.

Last year, for instance, the Canal handled 70 percent of all U.S. farm commodity exports to 15 markets in East, Southeast and South Asia and Oceania. The Asian market as a whole now means $8.5 billion to U.S. farmers and ranks alongside Western Europe as the leading outlet for U.S. agricultural products.

Japan—the largest single country market, with imports of U.S. farm products approaching $4 billion—took over 12 million tons of U.S. agricultural shipments through the Canal last year. That adds up to around 60 percent of all U.S. farm product exports through the Canal and an even larger percentage of U.S. farm trade with Japan.

Rerouting grain shipments around South America could almost double transportation costs, according to USDA analyses. And transit time would be increased considerably; for example, shipping time from New Orleans to Yokohama would rise from an average of 25 to 45 days in vessels that normally carry shipments of bulk grain.

Such factors would lessen the U.S. farmer's ability to compete for Asian markets, thus benefiting Australian and other exporting nations with access to the Pacific or those with closer locations to major markets. Cross-country land-sea transportation—including the minibridge system with surface carriers

now used extensively for container shipping ing—would be prohibitively expensive for grains and soybeans. Moreover, existing transportation and port facilities could not handle the volume increases that would be required to circumvent the Canal.

U.S. farmers and rural communities thus have greatly benefited from continued dependable operation of the Panama Canal and stand to lose drastically if access is curtailed and tolls and tariffs increased significantly.

These benefits radiate throughout the economy. Farmers depend on the export market to take one in every three harvested cropland acres—amounting to a fifth of net farm income. And gross farm income in the first half of 1977 was running at an annual rate of $108 billion—more than that generated by any other U.S. industry—with some $85 billion of the production expense paid to people outside agriculture.

U.S. agriculture's interest in the proposed treaties hinges on continuation of dependable trading lanes throughout the world—free of exorbitant new increases in transportation costs. Higher energy costs have not been avoidable, but farmers need to know that the commodities they produce will not stack up in port or on the way to sea—owing to a closing of a major transportation route or a prohibitive rise in tolls, tariffs, or shipping costs.

Closure of the Canal would add 20 days to the delievery time for U.S. grains and soybeans in Asian markets, and the route around Cape Horn could double transportation costs. Australia and Canada would probably take Asian wheat markets away from the United States, and Brazil could undersell U.S. soybeans. In the Far East the United States currently has a price advantage over Brazil in soybeans, but the Cape Horn route would put the U.S. commodity at a price disadvantage.

Restricted access to the Canal could also have an adverse impact in terms of domestic marketing. The shipping distance between San Francisco and New York, for example, would increase by 150 percent. The relative costs of ocean and overland transportation and the importance of time in transit would have to be considered by West Coast shippers supplying the eastern United States.

The most significant commodities shipped from the Pacific to the Atlantic are canned and refrigerated foods and sugar. An increase in transportation costs for these commodities would be reflected in higher retail prices for these products in grocery stores in the eastern United States and possibly fatally handicap them in competing with products from more accessible sources such as Latin America.

Development of an overland transportation network to move grains and processed foods between East and West in the United States would require substantial financial investment. Railroad, truck, storage and handling facilities are currently insufficient to absorb the bulk of farm commodities that now travel by ship through the Canal.

The Administration has already reluctantly admitted that American taxpayers will have to pick up a $633 million bill as the cost of transferring the Panama Canal Zone to the Republic of Panama. There is, however, another cost which the Administration has failed to acknowledge. That is the cost American consumers are going to have to bear as a result of increased prices of food, oil, automobiles and other products caused by tolls and tariffs necessary to give Panama the profits that U.S. operation has never required.

The two principal users of the canal have been the United States and Japan. The trade and development of all other nations of the Orient depend to a considerable extent upon the access to markets in Eastern United States and Europe through the Panama Canal. A total of forty percent of all the cargo moving through the Canal in 1975 was between U.S. Atlantic and Gulf ports and the Far East.

Although not well-known, nearly all of the nations of Latin America have gone on public record against the central economic provision of the treaties. This is understandable because nations on the West coast of the hemisphere have important trade with the U.S. East Coast and Europe while East Coast nations, especially Brazil, have very important trade with Asia. At the meeting of the Organization of American States in June, 1977, a resolution was passed by a vote of 17–0 with three abstentions (conspicuously including Panama) which reaffirmed "the principle that Panama Canal tolls should exclusively reflect the actual operating costs."

Arbitrarily raising tolls in an OPEC style fashion to simply benefit the Torrijos military regime in Panama has caused some authorities to predict serious troubles in the future. Former Ambassador Robert W. Woodward, who served in nine Latin American countries and as an advisor to the Panama negotiations in 1965–67, anticipates that any substantial rise in tolls, as provided in the new treaties, will cause strains in relations between Panama and Japan as well as Latin nations using the canal.

Under American administration the Panama Canal has been run fairly and efficiently for the past 73 years. It forms the most vital trade route between the United States and Asia and has become increasingly important in trade between the Orient and Europe. Under the newly proposed treaties the fundamental concept of the canal as a non-profit international waterway becomes transformed into an inter-ocean monopoly on trade that one small, unstable nation can exploit for narrow-interest economic gains.

Finally the removal of American military presence from the region, as also envisioned in the treaties, will undoubtedly create a power vacuum which invariably will invite disruption and competitive positioning by aggressive nations like Cuba and the Soviet Union. Once the United States transfers her grants of sovereignty over the Canal Zone to Panama and commits to removal of forces, then no simple statements of understanding or vague neutrality treaty will prevent this vital waterway from becoming a source of friction and strife. Only by remaining in Panama can the United States and her principal trading partners and allies be assured of continued peaceful and efficient operation of the canal as an international public utility rather than a political prize on the international chess board.

I strongly feel that the Administration's efforts to give up ownership and operation of the Panama Canal constitutes a gross failure to represent the basic economic and defense interests of this nation's farmers, consumers, and taxpayers.

THE PROPOSED TREATIES AND THE AMERICAN TAXPAYERS

The majority of the American people remain opposed to the proposed Panama Canal transfer despite the massive attempts on the part of the Carter Administration to influence public opinion in favor of the treaties. Even a personal appeal on the part of President Carter has failed to substantially change the public attitude towards the treaties.

The endorsement of the treaties by George Meany provides another example where citizens remain unconvinced that the position of their leader is credible. For instance, the Executive Council of the American Federation of Government Employees (AFL–CIO) has declared its open opposition to ratification of the pending Panama Canal treaties unless specific written provisions are received for the implementation of those agreements which would stipulate that the lives, families, jobs and welfare of the 4000 employees of the Canal company and the Federal government will be protected.

But the impact is not limited to the employees and the real costs of the treaties to the American taxpayer are just becoming known. Two weeks ago, in spite of President Carter's repeated statements that the proposed treaties would not cost the American taxpayers a single dollar, the Administration reluctantly acknowledged in a letter to Members of the Senate that the treaties will require $623 million in appropriated funds and lost revenues to the U.S. Treasury. The letter was signed by Secretary of State Cyrus Vance, Secretary of Defense Harold Brown, and Secretary of the Army Clifford Alexander. This was only acknowledged after earlier administration contentions were effectively destroyed by testimony of U.S. Comptroller General Elmer Staats and Canal Zone Governor H. R. Parfitt before the Senate Armed Services Committee.

The Administration was not levelling with the American people about the costs of the proposed Panama Canal treaties. President Carter promised in his campaign for the Presidency that "I will never tell you a lie." However, Administration statements regarding the proposed Panama Canal treaties are either intentionally distorted or the result of terrible fact-finding procedure, either one a major blow to the Carter credibility question

Meanwhile, in total disregard of these astounding revelations the pro-treaty forces have stepped up their campaign to sell these documents to the American people. Treaty negotiators Sol Linowitz and Ellsworth Bunker in addition to dozens of State Department officials are continuously speaking throughout the country generally at taxpayer expense—in support of the Panama treaties.

In a recent interview in KMOX-TV in St. Louis, Linowitz still brought up the disproven point being touted by supporters of the treaties, that no appropriations of taxpayer dollars will be necessary if the treaties are ratified. This is beyond the realm of distortion of truth, it is an absolute lie which the Administration still seems bent on peddling to the American people.

It is a fact that if the treaties are ratified, several sizable expenditures will have to be borne by the U.S. taxpayer. Some $135 millions of taxpayer dollars will have to be spent almost immediately to meet a deficiency in the civil service retirement fund caused by the early retirement of Panamanians now employed in the Zone. In addition to this, treaty ratification would necessitate a transfer to the Department of Defense of all those services now provided by the Panama Canal Company. These services include such things as schools for American personnel in the Zone, postal services and police and fire protection. Thus all of these services will be buried in the Department of Defense buget between now and the year 2000. A cost estimate for these expenses is approximately $1.3 billion dollars that the American taxpayer will be forced to shoulder.

Another expense which the taxpayer will have to bear is the treaties are approved is

that of construction of new facilities for our military personnel made necessary by the agreement to relinquish most of our existing facilities to the Panamanians.

Other costs will be the expense of training the Panamanian officials to assume the responsibilities of running the Canal, the estimated $350 million "pot sweetener" that the Administration has promised Panama in the way of military and economic assistance, and, of course, the loss of some $17 million dollars a year in interest that the Panama Canal Company has been paying to the U.S. Treasury from the tolls which will eventually have to be made up by the U.S. taxpayer.

Of great concern to many people on both sides of the issue is that Panama—according to the interpretation of Panamanian negotiator Dr. Rumolo Escobar Bethancourt—reserves the right not to keep the Canal in operation if it ceases to be profitable. The escalation of tolls predicted to be in the neighborhood of 40–60 percent could result in decreasing use of the waterway because of prohibitive rates. There would be temptation then to raise tolls even higher, causing further decline of use and Panama could find itself in the position of New York City when they would then turn to the U.S. government to bail them out of debt in order to keep the Canal open.

The following chart represents a very conservative rough estimate of the true costs associated with the proposed treaties, a part of a study by a Washington-based legal foundation:

Projected costs to American taxpayers in giving canal to Panama

Tonnage, total "payments" during 19 years	$1,903,774,789
Note: 11% represents the 1973–76 average "Wholesale Price Index for Industrial Goods" which is considered the most volatile of all indices.	
Services, total "payments" during 19 years	232,326,550
Note: 3% represents a conservative annual inflation rate.	
Annuity/$10 million for each of 19 years	190,000,000
Toll override/$10 million for each of 19 years	190,000,000
Total direct "payments" during 19 years	2,516,101,339
Note: Were the upper limit toll base of $50 million used to calculate the "tonnage" payments, $1,020,498,149 would be added, or the Total Direct Payments would become	3,536,599,488
Other costs known with some precision	
Replacement cost of the Canal itself	3,000,000,000
Loss of interest paid by Panama Canal Co. to U.S.A., $18 million x 19 year	342,000,000
Transfer of CZ improvements without compensation	200,000,000
Waiver of principal cost of investment	368,000,000
Current cost of pending capital improvements	128,000,000
Total additional treaty costs (losses) to U.S.A.	4,038,000,000

As yet unknown costs

Termination of employment of U.S. nationals displaced by Treaties Overhead of new Commission, committees, et cetera, to December 31, 1999.

Costs related but outside treaty

Side agreements for loans and other economic assistance	500,000,000
Total cost of arrangements with Panama during 19 years	8,074,599,488

In short, Sol Linowitz and the other Administration spokesmen are deceiving the American people when they say that the treaties won't cost us anything. The fact of the matter is that the treaties, if ratified will cost the American taxpayer a pretty penny between now and the year 2000.

This is indeed a far cry from not costing "a single dollar," as the President has persistently maintained. The truth is that the proposed Panama Canal Treaties, aside from threatening our nation's strategic well-being, jeopardizing our agricultural markets, and raising the price of consumer goods, will give the taxpayer a blow to the pocketbook.

It is a shame that the administration has not been more forthright about this economic impact of the proposed treaties from the very beginning. The deception and misstatements in its propaganda campaign to win approval of these questionable treaties is a black mark against our government's credibility and the public's desire to believe in the integrity of its leaders.

The truth should be known by the American people. The economic realities of the proposed Treaties should not be swept under the rug as many treaty proponents have tried to do.

Many other treaty factors enter in which are unfavorable to the United States such as being restricted in any building of a new canal. Defense of the Canal is made infinitely more difficult when having to accomplish it from without rather than within and without benefit of the five-mile buffer zone on each side of the waterway.

Also the argument that the treaties will end so-called colonialism and imperialism is 180° wrong in that at present we have little need to interfere with Panama's internal problems in operating and defending the Canal. On the other hand the widely accepted proposed amendments to the treaties with Panama owning the canal would authorize arbitrary U.S. interference opening us to even greater complaints of imperialism.

In this series of articles I have tried to present why the President's proposed Panama Canal treaties are simply not in the best interests of the United States in general or the state of Idaho in particular. This is a fact which the Idaho legislature has already recognized in passing a memorial to Congress which I have introduced into the Congressional Record. Copies of this memorial were sent to the President and leadership of both Houses of Congress as well as to all Members of the Idaho Delegation.

Many good reasons have been given to reject these treaties. Practical consideration of this issue dictates that we not abandon this vital waterway. Our interests must not be in our own protection, but in the protection of the other countries of the world who depend upon the canal to transport their goods to and from world markets. In short, the best interests of the United States and the world in general would be served by our continued possession and operation of the Panama Canal.●

THE HISS–PANAMA CONNECTION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1978

● Mr. McDONALD. Mr. Speaker, the Panama Canal Treaty the U.S. Senate is grappling with today did not come about by accident. Wheels were set in motion years and years ago. In fact, the case can be made that none other than Alger Hiss initiated the chain of events leading to the present deliberations. The VFW magazine for January 1978 presents some interesting light on the matter, and I commend these two items to the attention of my colleagues:

THE HISS-PANAMA CONNECTION

(By James K. Anderson)

The name of Alger Hiss has surfaced in the debate over the ratification of the proposed treaties that would turn the U.S. Canal on the Isthmus of Panama over to that Central American republic.

Hiss was the former State Department official who was convicted on two counts of perjury in 1950 arising from his denial that he turned over secret documents to a Communist agent who then passed them on to a Soviet spy ring.

The story of the Hiss-Panama connection goes back to August, 1946, when the Panamanian government was heatedly demanding the return of land for bases in Panama leased to the U.S. for World War II canal defense. This campaign was launched as the Russians were attacking the U.S. for holding on to military installations around the world. These were the opening salvos in the Cold War.

Admittedly, 32 years is a long way to go in search of culprits for the present canal plight, but the feverish activity of Communists the world over in that first post-war year set the pattern for their subsequent attempts to weaken the U.S. position on the isthmus.

According to contemporary accounts, the Communists were in the forefront of the bases campaign, a popular issue in Panama because it played on the patriotic pride of the Panamanians who saw the U.S. in the role of villain. The Partido del Pueblo, the Panamanian Communist Party, issued demagogic statements and held inflammatory rallies in the republic's principal cities to charge up the emotions of the people.

Nub of the dispute was the termination date of the war. The 1942 bases agreement called for them to be turned back to Panama a year after the cessation of hostilities. The U.S. contended that meant the signing of a "definitive treaty" of peace; Panama's interpretation was the signing of the Japanese surrender on the USS Missouri, Sept. 1, 1945.

The Hiss involvement provided Panamanian nationalist extremists and Communists with more anti-U.S. fuel. In addition, according to Hanson W. Baldwin, retired New York Times military writer, in a published American Enterprise Institute debate on the canal, it signalled a shift in State Department policy toward recognizing Panamanian sovereignty over the Canal Zone.

To make matters worse, the United Nations General Assembly was meeting in New York. In that center of world communications anything that happened was bound to get far greater attention than anywhere else.

Hiss, then head of the State Department's Office of Political Affairs, included the Canal Zone in a list of U.S. "occupied" territories which he sent to the United Nations as required by the UN Charter. Apparently, he did this on his own initiative and violated standing rules by doing so.

This infuriated Spruille Braden, then assistant secretary of state for Latin America, who knew nothing of Hiss' action until he read in the Washington Post that the Canal Zone was in the list.

Here is Braden's account of the affair as he recalled it in a recent letter to the V.F.W. Magazine:

"In essence, Murray Wise and another two of my staff aides in the department, responsible for the conduct of the Panamanian Desk, appealed to me because they were having so much trouble with Alger Hiss, who at the time was in charge of the Office of Special Political Affairs having to do particularly with United Nations' affairs in which I also was involved.

"I insisted that Hiss always consult with my aides or myself on all matters having to do with Latin America. Hiss promised that he would do so.

"Therefore, I was surprised one morning to read in the Washington Post that the State Department had presented a full report made by the governor of the Panama Canal Zone (Maj. Gen. Joseph C. Mehaffey), characterizing it as a report on 'occupied territory . . .'

"Needless to say, I was enraged and immediately went to my office in the department and called in the three principal aides. They could not account for it. We then called in the other two officials who had been directly concerned with Hiss. They had tried to get him that morning, as I did after hearing their story. He was not to be found anywhere. He had left his home, but his secretary did not know where he was going and could not imagine what meeting he might be attending."

Since Secretary of State James F. Byrnes was at a meeting of the UN General Assembly in New York, Braden told Dean Acheson, acting secretary of state in Byrnes' absence, that Hiss must be found.

"We could not tolerate such a report going to the UN; it would cause great trouble," Braden related. "Acheson was unable to find Hiss during that entire day. Around about 5 or 6 p.m. I was in a conference with the Brazilian ambassador when I received word from Dean Acheson that Hiss at last had been found and was in his office.

"Since I could not cut off my discussion with the ambassador, I delegated the job of going to Acheson's office for a meeting with Hiss to Ambassador Briggs (Ellis O. Briggs, Spraden's deputy).

"Hiss was very apologetic, but said the document could not be withdrawn. Briggs, on my instructions, had emphatically demanded that it be withdrawn. However, Acheson supported Hiss (I should add that Hiss in such conversations appeared to be the sweetest and kindliest of people in whose mouth sugar would not melt).

"Forthwith, I sent Murray Wise (accompanied by Gen. Charles H. Bonesteel, as I recall, representing the Pentagon) to New York to repeat my view to Secretary Byrnes. Simultaneously, I sent a message to the secretary telling him what I was doing.

"When Wise and the general arrived at Byrnes' office, he said he knew the story and refused to discuss it with Wise. Therefore the report stood and did cause an uproar, inciting the Panamanians to raise Merry Ned because of the words 'occupied territory.'"

In his book "Danger Over Panama," Jules Dubois, for years the Chicago Tribune's Latin American correspondent, described Hiss' inclusion of the Canal Zone as a "sinister maneuver in the United Nations which was designed further to inflame Panamanian passions against the United States . . ." and a "subtle one to try to expedite the internationalization of the Panama Canal."

Irate that Panama was called "occupied" territory and that the U.S. refused to admit its sovereignty over the zone, Ricardo J. Alfaro, Panamanian foreign minister, chairman of Panama's UN delegation and a former president, on Nov. 14, 1946, raised "Merry Ned" in the UN's trusteeship committee in the form of a prolonged denunciation of the U.S. position that it is sovereign in the Canal Zone. He asserted that listing the Canal Zone with Alaska, Hawaii, Guam and other outright possessions was a "manifest error which the delegation of Panama expects will be corrected by such means as may be appropriate." He called the zone "sacred soil of the republic (of Panama)."

The New York Times' account of Alfaro's speech concluded with a curious paragraph that said the American position was that Alfaro's "contentions on Panama's status were held to be entirely correct as far as sovereignty was concerned."

Braden related that Byrnes "washed his hands of the entire matter" and referred Alfaro to him. "To this day I don't know who so influenced Jimmy Byrnes," Braden wrote.

"Alfaro came to me with a series of requests for changes in our agreement with his country," Braden said. "In rebuttal, I pointed out to him that when agreeing on the minor 1936 changes made to the original 1903 agreement, Sumner Welles, then assistant secretary of state, had attached a memorandum quoting the president and foreign minister of Panama, who declared that they had obtained all they could possibly ask for from the United States and had no further requests to make.

"I concluded my conversation by telling Alfaro that insofar as I was concerned, while I would agree to giving up some of the temporary bases acquired by us during the Second World War, I otherwise would not accept any further changes from our original 1903 agreement.

"Alfaro thoroughly understood all of this and thanked me for my frank statement. Both as ambassador and assistant secretary of state, I have always insisted on my aforedescribed stand and statement to Alfaro as he being the one and only official statement of the facts."

In Britain, a far left Laborite member of Parliament, Konni Zilliacus, took Alfaro's speech with its Hiss-supplied ammunition as his cue to press the campaign for an internationalized Gibraltar and Suez and Panama canals, the Communist line.

At the same time as the UN flap, Braden recalls in his memoirs, "Diplomats and Demagogues," that Hiss had come up with a State Department reorganization plan, which if not defeated would have put him "in control of American relations with all foreign governments except those not in the UN."

In that first post-war year, U.S. Communists were also active in attempting to undermine this country's control of the canal by trying to organize some 17,000 non-U.S. workers in the zone through a union subsequently expelled from the CIO as Communist-dominated.

On Dec. 27, 1946, Ernie Adamson, counsel of the House Un-American Activities Committee, issued a report claiming that "Communist-controlled unions are making inroads in the Panama Canal Zone and by tying up the canal can paralyze our entire shipping and commerce."

The union's organizing activities, which got no support from the CIO, fizzled out in 1949 shortly before its explusion.

Although Alfaro's Nov. 14 speech was to become the keystone of Panama's arguments against U.S. control of the zone, the bases were the Communists' principal immediate target.

Writing in the New York Times of Dec. 21, 1946, C. H. Calhoun, a Latin-American correspondent, said:

"The question of the bases is used by Latin-American Communists to charge the U.S. with imperialism and oppression as part of the party line for stirring up anti-Americanism."

Actually, of the 134 defense sites in Panama for the WWII defense of the canal, only 36 were still occupied by the U.S. at the end of 1946, small areas and formerly uninhabited islands. The U.S. had paid nearly $1 million in rent for these sites and $618,540 worth of buildings had been erected and were given to Panama, along with the real estate, when they were returned. Negotiations over the bases—scaled down to 12 radar sites and the Rio Hato air base—ended in U.S. and Panamanian agreements on Dec. 20, 1947.

But the riotous reaction of Communist-dominated student organizations—10,000 stormed the National Assembly while the bases treaty was being debated—and a planned Communist-called general strike forced the assembly to reject it unanimously.

The next day, Dec. 23, the Army evacuated all the bases on Panamanian soil and the United States suffered its first post-war defeat in Latin America.

It was a dress rehearsal for the Communist-inspired riots of 1964 that led to the negotiations for the present treaties, for, as Braden charges, "A prime Communist objective was and still is to ease the U.S. out of control of the Canal Zone."

Briggs Recalls Hiss Incident

In his unpublished memoirs, the late Ambassador Ellis O. Briggs relates that Alger Hiss insisted that listing of the Canal Zone was a routine communication and had already no doubt been marked "file" by the UN secretariat and its recall would attract attention to it.

Briggs warned Dean Acheson and Hiss that letting it stand would create "the damndest explosion beside Lake Success since Sperry invented the gyroscope."

Hiss' arguments for the report were so well rehearsed that Briggs was convinced that the incident was not inadvertent, as Hiss claimed.

After giving Briggs and Hiss two minutes to recapitulate their arguments, Acheson "decided to do nothing—that is, he decided in favor of Hiss and he cheerfully dismissed us."

After Secretary of State Byrnes heard Ricardo Alfaro's UN speech, he complained to Briggs, but Acheson, who was not especially interested in Latin America, assumed responsibility, Briggs wrote.

Commenting on the Hiss involvement, Briggs points out that Hiss' political views are beyond the scope of this writing, but:

"What is not questionable, however, is that no man, seeking to impair the relations between the builder and operator of the Pan-

ama Canal on the one hand and the people of Panama on the other could have devised a move more calculated to implant the virus of 'colonialism' into the tissue of relations.

"The immediate excitement died down, but the professional nationalists of Panama City and Colon did not forget the incident. They are regularly reminded of it by a Moscow which has been attempting for 50 years to damage Panama-United States relations in the conviction that the Panama Canal is the most vulnerable artery we possess.

"More, the virus has been spread by left-leaning demagogues elsewhere in Latin America . . ." ●